

HKRMA Monthly Retail Sales Statistics Press Information

Month of **November** **2008**

1) November Total Retail Sales

- a. Total value growth vs last year
- b. Total volume growth vs last year

+1.1%
-2.8%

2) YTD (Jan-Nov) Total Retail Sales growth vs LY

+11.6%	(sales value)	+5.6%	(volume)
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3) Trend of Retail Sales Growth in HK\$

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
23.2%	9.5%	20.0%	18.6%	13.0%	11.7%	13.7%	10.2%	7.0%	0.3%	1.1%*	

* provisional figure

4) Commentary - overall for November

- a. Sales value increase is a surprise.
- b. Food + supermarket sales continued in growth mainly driven by inflation.
- c. Clothing/ footwear continued declining after Oct (-6.3%) despite crazy discount offered in the market.
- d. Motor cars dropped 36% after 23% drop in Oct.
- e. Department store & cosmetics seem to hold up well.
- f. Generally retailers feed back on margin hurting due to deep discount.

Early feedback for Christmas sales (survey from 1,400 stores)

- 1) Dept store - half showed either flat or single digit drop while 4 dept stores showed a mild increase vs LY
- 2) Cosmetics - seems to performed best helped by Chinese tourists - high single digit to double digit
- 3) Fashion & Accessories - 7 out of 11 chains confirmed drop some of them are very high digit like 30-40% drop vs LY
- 4) Jewellery & watches - very disappointing sales: either flat or down vs LY. Some reported 30%+ decline vs LY
- 5) Fast food - basket size might be down as more budgetted food menu was offered in Christmas

Other comments for Christmas sales

- 1) 2008 has one weekend less than in 2007 (5 weekends)
- 2) More HK people stayed in HK over Christmas (early indication is 5-10% less people left HK for holiday)
- 3) Christmas sales seem to be more focussed on tourist areas e.g. Tsimshatsui; Causeway Bay and Mongkok. Some shopping malls are quiet
- 4) Very heavy and deep discounts offered by retailer to stimulate very fragile consumer sentiment
- 5) Clearly retailers want to clear stock (in volume) hence there are volume discount e.g. 50% discount and buy 5 you get another 10% off

Forecast for Chinese New Year

- 1) **maximum low single digit increase but most retailers are forecasting drop in sales**
 - * food / fast food - 5% increase
 - * jewellery & watches- 5%- 50% drop
 - * dept store - 3-5% increase

Other comments for Chinese New Year

- 1)
 - * Very cold weather LY which is beneficial to warm clothes. Might not repeat this year
 - * Consumers might have bought a lot of clothes and shoes and accessories over Christmas due to deep discounts