

HKRMA Monthly Retail Sales Statistics Press Information

Month of October 2009

1) October 2009 Total Retail Sales

a. Total value growth vs last year

9.8%*

b. Total volume growth vs last year

8.2%*

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

-2.20% (sales value)

-3.10% (volume)

3) Trend of Retail Sales Growth in HK\$

2008	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
(Value)	23.2%	9.5%	20.0%	18.6%	13.0%	11.7%	13.7%	10.2%	7.0%	0.3%	1.2%	1.1%
(Volume)	17.6%	4.4%	11.0%	13.0%	11.5%	5.6%	4.1%	6.6%	1.9%	-4.3%	-2.7%	-0.5%

2009	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
(Value)	7.4%	-12.7%	-7.7%	-4.3%	-6.2%	-4.7%	-5.3%	-0.1%	2.6%	9.8%*		
(Volume)	5.4%	-13.9%	-9.2%	-5.4%	-6.4%	-4.1%	-5.2%	-0.9%	1.2%	8.2%*		

* provisional figure in October 2009

Source: Census & Statistic Department, HKSAR

4) Commentary on October retail sales

a. Oct sales bounced back strong at 9.8% growth but vs a low base last year of +0.3% vs 2007

b. Golden Week started rather weak but it was probably due to National 60th Anniversary + Mid Autumn Festival. From the 4th day there were lots of Chinese tourists visiting HK. Overall Golden Week has a good positive result but we have to remember that this Golden Week is longer than last year.

c. Due to Golden Week, Medicines & cosmetics (+18.4%) ; Department store (+15.9%); Jewellery & watches (+17.9%), Chinese drugs & herb (+10.9%) benefit. Clothing & footwear also bounced back after some difficult months (+13.6%).

d. Fast food has some minor recovery in sales but generally the trading condition is difficult.

- e. Motor car bounced back after nearly a year's poor sales (+8.8%) vs YTD -27.1%.
- f. Supermarket including dept stores' supermarket is behind total retail sales growth only showing +3.4% vs las year.

5) November sales early indication & forecast on Christmas sales

- a. Unexpected cold weather helped Department store sales and they expect some good growth over last year ranging from 5% to 15%.
- d. Speciality store is more positive seeing some recovery in consumer discretionary spending.
- c. Overall RMA forecasts 3% sales increase in Christmas but if Shenzhen non-resident visa is available then we might see more upside.

6) Salary Increase for 2010

- a. A survey with our members indicate that 1-2% for next year and is performance based. Conservative in salary increase also due to other high operating costs e.g. rental

7) Sales Increase for 2010

- a. Better than 2009 ranging from mid single digit to double digit.