

# HKRMA Monthly Retail Sales Statistics Press Information

Month of    December    2009

## 1) December 2009 Total Retail Sales

a. Total value growth vs last year

**+16%\***

b. Total volume growth vs last year

**+11.3%\***

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

**+0.6%\*** (sales value)

**-0.8%\*** (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%	11.9%	16%*
(Volume)	5.4%	-13.9%	-9.2%	-5.4%	-6.4%	-4.1%	-5.2%	-0.9%	1.2%	8.3%	10.0%	11.3%*

\* provisional figure

Source: Census & Statistic Department, HKSAR

## 4) Commentary on December retail sales (in value)

a. Tourist arrivals - we have seen a group bounce back of 10% total growth in December 2009 when compared to December 2008, particularly from the following countries which are relatively heavier shopper e.g. China +14.1%; India +31.5%; Indonesia +33.4%; South Korea +13.9%.

b. With strong Chinese tourist arrivals those with more sales from this sector of customers benefit the highest being Jewellery/watches +47.4%; followed by cosmetics and medicines +16.7%; electrical goods and photographic equipment +16.2%; wearing apparel +16%.

c. Motor cars and parts also continued strong after Nov's bounce back +30.9% vs cumulatively for the whole year is down 18.8%

d. The retail value increase is higher than the volume increase which indicated that more expensive products are being purchased by consumers or reflecting inflationary impact here. E.g. jewellery and watches -- value +47.4% and volume is +30.4%

## 5) January sales early indication & forecast on CNY sales

- a. Generally retailers are more positive in Jan and CNY sales outlook

## 6) Other comments

- a. HKRMA conducted a survey on 2010 salary increase. 71 companies with 3,824 outlets employing 65,000 employees responded.

Key highlights are:- (1) 93% of the companies indicated that they will have salary increase this year vs only 43% last year. (2) 69% of companies said their salary increase would link to performance and 24% indicated they would give an across-the-board increase (3) The range of salary adjustment ranges from 1% to 10% averaging 2.9% with the higher indicators from watch/jewellery and dept stores. (4) 93% of companies also indicated that they will give year-end bonus/double pay

- b. Rental - overall the rental increase in 2009 has been high ranging from 10% to some 30% particularly in the tourist area but also seen in some other areas --- this is an overall worry in retail as the costs are climbing up faster than sales. Retailers are even more worried in 2010 with the experience of some unreasonable increase in 2009. With the new year there are other costs going up so retailers are seeing the come back of inflation.
- c. Discriminative plastic shopping levy continued to hurt some retailers as shopping basket size is still below pre-levy time. This is partly caused by consumers switching to other non-affected retailers selling similar products that can continue to give free plastic shopping bags.