

HKRMA Monthly Retail Sales Statistics Press Information

Month of May 2011

1) May 2011 Total Retail Sales

a. Total value growth vs last year	27.8%
b. Total volume growth vs last year	21.6%

2) (Jan-May 2011) Total retail sales growth vs last year 23.60% (Value) 18.40% (Volume)

3) Trend of Retail Sales Growth in HK\$

2010	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
(Value)	6.50%	35.8%	19.0%	15.5%	19.7%	15.3%	19.2%	17.1%	17.2%	21.8%	18.1%	18.6%
(Volume)	3.20%	31.5%	17.3%	12.4%	16.3%	11.9%	16.2%	14.9%	15.8%	19.7%	15.4%	16.0%

2011	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
(Value)	28.10%	8.50%	26.20%	27.80%	27.80%							
(Volume)	23.60%	5.00%	20.20%	22.10%	21.60%							

*** provisional figure**

Source: Census & Statistics Department, HKSAR

4) Total Retail Sales (in value)

2010 (324,869 m) vs 2009 (274,742)

18.3%
23.6%

Jan-May 2011 (163,123 m) vs Jan-May 2010 (131,987 m)

5) Commentary on May Retail Sales (in value)

- a. The majority of the sectors continued to record encouraging double-digit growth. "Other consumer durable goods, not elsewhere classified" maintained significant increase (+128.6%) and so was "Jewellery, watches and clocks, and valuable gifts" (+61.3%). "Electrical goods and photographic equipment" also recorded strong growth (+54.1%). The May Golden Week might have accounted for this. Seasons change could be the reasons for the strong growth in "Clothing, footwear and allied products" (+30.1%). The increases were a reflection of strong local consumption demand as well as vibrant tourist spending.
- b. Inflation continues to hurt the majority of retailers. Sectors that are hardly hit include "Fish, livestock and poultry, fresh or frozen" (-0.7% in value and -14.1% in volume), "Fruits and vegetables, fresh" (+4.8% in value and -5.6% in volume), "Bread, pastry, confectionery and biscuits" (+8.3% in value and -0.5 in volume), "Other foodstuffs" (-0.3% in value and -11.1% in volume) and "Supermarkets and supermarket sections of departments" (+10.9% in value and +1.9% in volume). The sharp rise in tobacco duty has affected the "Alcoholic drinks and tobacco" sector to an extent (+14.8% in value and -7.7% in volume).

6) Indication of June 2011 Sales

- a. The forecasts are single to double-digit growth for the majority of the sectors.

7) Plastic Shopping Bag Levy Phase 2

- a. The industry generally supports the proposed extension but clarifications on possible exemptions are needed.
- b. Retailers worry that disputes may arise since the levy collected would be retained by them.

8) Other Comments

- a. The underlying inflation rate went further up to 4.4% in April and it is likely to rise in the coming months. Soaring rental continues to exert high pressure on retailers as landlords have been very demanding.
- b. Price increase is inevitable in view of rising material costs.
- c. The weak Hong Kong dollars further added pressure to the cost of running businesses especially for sectors which rely on imported goods and raw materials.
- d. The unemployment rate remained at 3.5% for the period March to May 2011.
- e. Improving job and income prospects, coupled with further growth in Mainland Chinese tourist arrivals, should continue to provide support for retail sales this year.