



14 December, 2017

To: HKRMA Members

### **Survey Findings on 2018 Retail Sales Forecast and Manpower Trends**

Along with an improving global outlook, the Hong Kong economy continued to expand notably in the third quarter of 2017 by 3.6% in real terms over a year earlier. The Government's latest GDP forecast for 2017 has been adjusted to 3.7%, higher than the mid-point of the range forecast of 3-4% announced in the August.

With continued revival in consumer sentiment and inbound tourism, the Hong Kong's retail market has finally bottomed out from a three-year downward trend. The retail sales value in October 2017 increased by 3.9% over the same month in 2016. For the first 10 months of 2017, the total retail sales value increased by 1.2% year-on-year. The Association expects the retail sales will achieve 2-3% growth in 2017 as a whole. Riding on this growth momentum, the Association forecasts the retail performance will register an increase of 3-4% in 2018.

#### **Survey Findings**

In November 2017, the Association surveyed members on 2018 retail sales forecast and manpower trends. A total of 80 member companies responded (3,547 outlets; 70,327 staff) with key findings as follows:

- **Retail sales forecast:** 51% of companies expect a growth at 2% to 5%.
- **Salary adjustment:** 94% of companies would give salary increase in 2018. Among them, 84% will link the salary increase to individual staff performance, while 10% will give an across-the-board increase.
- **Pay rise:** Most of the companies indicated they will give a pay rise in the range of 2% to 5%.
- **2017 year-end bonus:** 75% of companies will give year-end bonus; while 35% will give double-pay.
- **Manpower planning:** About 69% of companies will increase recruitment to fill up vacancies or to support its expansion; while 25% will freeze hiring and 2.5% will cut headcount.

The above findings are for members' information only. The Hong Kong Retail Management Association accepts no liability for the above survey findings and it should not be taken as constituting specific advice from the Association.