

Provisional statistics of retail sales for February 2025

The Census and Statistics Department (C&SD) released the latest figures on retail sales today (March 31).

The value of total retail sales in February 2025, provisionally estimated at \$29.4 billion, decreased by 13.0% compared with the same month in 2024. The revised estimate of the value of total retail sales in January 2025 decreased by 3.1% compared with a year earlier. For the first two months of 2025 taken together, it was provisionally estimated that the value of total retail sales decreased by 7.8% compared with the same period in 2024.

Of the total retail sales value in February 2025, online sales accounted for 7.8%. The value of online retail sales in that month, provisionally estimated at \$2.3 billion, decreased by 7.3% compared with the same month in 2024. The revised estimate of online retail sales in January 2025 increased by 2.8% compared with a year earlier. For the first two months of 2025 taken together, it was provisionally estimated that the value of online retail sales decreased by 2.4% compared with the same period in 2024.

After netting out the effect of price changes over the same period, the provisional estimate of the volume of total retail sales in February 2025 decreased by 15.0% compared with a year earlier. The revised estimate of the volume of total retail sales in January 2025 decreased by 5.1% compared with a year earlier. For the first two months of 2025 taken together, the provisional estimate of the total retail sales decreased by 9.9% in volume compared with the same period in 2024.

In interpreting these figures, it should be noted that retail sales tend to show greater volatility in the first two months of a year due to the timing of the Chinese New Year. Consumer spending in the local market normally attains a seasonal high before the Festival. As the Chinese New Year fell on January 29 this year but on February 10 last year, it is more appropriate to analyse the retail sales figures for January and February taken together in making year-on-year comparison.

Analysed by broad type of retail outlet in descending order of the provisional estimate of the value of sales and comparing the combined total sales for January and February 2025 with the same period a year earlier, the value of sales of other consumer goods not elsewhere classified decreased by 2.0%. This was followed by sales of jewellery, watches and clocks, and valuable gifts (-15.8% in value); commodities in supermarkets (-4.4%); wearing apparel (-5.4%); electrical goods and other consumer durable goods not elsewhere classified (-5.3%); commodities in department stores (-9.9%); fuels (-8.5%); motor vehicles and parts (-49.9%); footwear, allied products and other clothing accessories (-12.3%); books, newspapers, stationery and gifts (-10.9%); furniture and fixtures (-25.6%); Chinese drugs and herbs (-9.1%); and optical shops (-7.6%).

On the other hand, the value of sales of food, alcoholic drinks and tobacco increased by 0.7% in the first two months of 2025 over the same period a year earlier. This was followed by sales of medicines and cosmetics (+0.6% in value).

Based on the seasonally adjusted series, the provisional estimate of the value of total retail sales decreased by 2.0% in the three months ending February 2025 compared with the preceding three-month period, while the provisional estimate of the volume of total retail sales decreased by 4.0%.

Commentary

A government spokesman said that the value of total retail sales increased further in February 2025 over the preceding month on a seasonally adjusted comparison. The year-on-year decline in the value of total retail sales in February 2025 widened, partly due to the earlier arrival of Chinese New Year in late January this year as compared to mid-February last year. Taking the first two months of 2025 together to remove this effect, the value of total retail sales saw a narrower decline on a year-on-year basis than December 2024.

Looking ahead, the spokesman said that the various measures by the Central Government to boost the Mainland economy and benefit Hong Kong, the SAR Government's proactive efforts to promote tourism and mega events, and the sustained increases in employment earnings in local labour market, would benefit the retail sector, though it would continue to face challenge from the change in consumption patterns of visitors and residents.

Further information

Table 1 presents the revised figures on value index and value of retail sales for all retail outlets and by broad type of retail outlet for January 2025 as well as the provisional figures for February 2025. The provisional figures on the value of retail sales for all retail outlets and by broad type of retail outlet as well as the corresponding year-on-year changes for the first two months of 2025 taken together are also shown.

Table 2 presents the revised figures on value of online retail sales for January 2025 as well as the provisional figures for February 2025. The provisional figures on year-on-year changes for the first two months of 2025 taken together are also shown.

Table 3 presents the revised figures on volume index of retail sales for all retail outlets and by broad type of retail outlet for January 2025 as well as the provisional figures for February 2025. The provisional figures on year-on-year changes for the first two months of 2025 taken together are also shown.

Table 4 shows the movements of the value and volume of total retail sales in terms of the year-on-year rate of change for a month compared with the same month in the preceding year based on the original series, and in terms of the rate of change for a three-month period compared with the

preceding three-month period based on the seasonally adjusted series.

The classification of retail establishments follows the Hong Kong Standard Industrial Classification (HSIC) Version 2.0, which is used in various economic surveys for classifying economic units into different industry classes.

These retail sales statistics measure the sales receipts in respect of goods sold by local retail establishments and are primarily intended for gauging the short-term business performance of the local retail sector. Data on retail sales are collected from local retail establishments through the Monthly Survey of Retail Sales (MRS). Local retail establishments with and without physical shops are covered in MRS and their sales, both through conventional shops and online channels, are included in the retail sales statistics.

The retail sales statistics cover consumer spending on goods but not on services (such as those on housing, catering, medical care and health services, transport and communication, financial services, education and entertainment) which account for over 50% of the overall consumer spending. Moreover, they include spending on goods in Hong Kong by visitors but exclude spending outside Hong Kong by Hong Kong residents. Hence they should not be regarded as indicators for measuring overall consumer spending.

Users interested in the trend of overall consumer spending should refer to the data series of private consumption expenditure (PCE), which is a major component of the Gross Domestic Product published at quarterly intervals. Compiled from a wide range of data sources, PCE covers consumer spending on both goods (including goods purchased from all channels) and services by Hong Kong residents whether locally or abroad. Please refer to the C&SD publication "Gross Domestic Product by Expenditure Component" for more details.

More detailed statistics are given in the "Report on Monthly Survey of Retail Sales". Users can browse and download this publication at the website of the C&SD (www.censtatd.gov.hk/en/EIndexbySubject.html?pcode=B1080003&scode=530).

Users who have enquiries about the survey results may contact the Distribution Services Statistics Section of C&SD (Tel: 3903 7400; E-mail : mrs@censtatd.gov.hk).