

CE's Office response to media enquiries

In response to media enquiries on the wearing of surgical masks by officials, a spokesman from the Chief Executive's Office today (February 4) said the following:

Surgical masks are in short supply globally. Taking into account experts' advice in relation to the novel coronavirus infection, the Steering Committee cum Command Centre considers it necessary to prioritise the use of surgical masks, with priority accorded to healthcare workers and front-line staff. To this end, the Financial Services and the Treasury Bureau issued internal guidelines to the heads of departments yesterday morning, stating that the top priority is to ensure the supply of surgical masks for workers in healthcare settings or when contact with patients is involved, and that departments should economise on the use of Government surgical masks as much as possible. In particular, heads of departments should ensure that those masks are only provided to staff members for use if (i) he/she will have frequent contact with members of the public as part of his/her duties (e.g. counter staff) or work in crowded places; or (ii) it is for meeting essential operational needs; or (iii) it is for meeting special needs of the staff members concerned (e.g. medical conditions).

The above-mentioned internal guidelines do not apply to civil servant colleagues who wear their own surgical masks. The Government has not requested colleagues not to wear surgical masks.

The Chief Executive has earlier reminded Principal Officials to lead by example, minimising the need to wear surgical masks unnecessarily in order to reduce their consumption. In practice, officials will take a risk-based approach and take into account relevant factors such as their personal condition, whether they have left Hong Kong or visited any hospitals recently in deciding whether to wear surgical masks at public functions. At the press conference yesterday, officials present decided whether to wear surgical masks according to their personal conditions. The Chief Executive wore a surgical mask while meeting petitioners this morning, taking into account the need to interact with members of the public in close proximity.

Warmest January on record

With the northeast monsoon over southern China being generally weaker than normal for most of the time during the month, January 2020 was the warmest January on record in Hong Kong. The mean maximum temperature of 21.2

degrees and the mean temperature of 18.6 degrees were 2.6 degrees and 2.3 degrees above their corresponding normal figures respectively and both were the highest on record for January. The mean minimum temperature of 16.8 degrees was 2.3 degrees above the normal figure and the joint second highest on record for January. The month was also drier than usual with only 14.8 millimetres of rainfall recorded, about 60 per cent of the normal figure of 24.7 mm.

Under the influence of a fresh to strong northeast monsoon, the weather of Hong Kong was windy and cool with a few rain patches on the morning of the first day of the month. With the northeast monsoon moderating, the covering clouds thinned out gradually and the weather became generally fine on the afternoon of January 2. An anticyclone aloft southern China maintained generally fine weather in Hong Kong for the next two days. With the establishment of a ridge of high pressure over southeastern China, local winds strengthened from the east and the weather became mainly cloudy on January 5 and 6. The weather turned generally fine during the day as the winds weakened on January 7.

A surge of the northeast monsoon reached the south China coastal areas on the morning of January 8. The weather of Hong Kong remained fine with winds picking up from the east in the afternoon. With plenty of sunshine, the maximum temperature at the Hong Kong Observatory rose to 26.0 degrees, the highest of the month. Under the influence of the fresh to strong northeast monsoon, local weather was slightly cooler with sunny periods on January 9 and 10. With winds subsiding, visibility over many areas was relatively low during the day on January 11. A cold front over southern China moved across the coastal areas of Guangdong that evening, bringing cooler mornings to Hong Kong for the next two days.

Under the influence of an easterly airstream, the weather of Hong Kong became fine during the day on January 14. With the strengthening of the easterly airstream, local weather turned mainly cloudy with a few rain patches during the next two days. Meanwhile, a cold front moved across the coastal areas of Guangdong on the night of January 16. The associated northeast monsoon brought mainly cloudy weather and cool mornings to Hong Kong from January 17 to 21. With the northeast monsoon being replaced by a maritime airstream, local weather became milder with a few light rain patches and coastal mist or fog from January 22 to 24. The visibility on the morning of January 24 dropped to around 100 metres at Waglan Island. Affected by rainbands over the south China coast, it was mainly cloudy with a few rain patches in Hong Kong on January 25.

As a cold front moved across the coastal areas of Guangdong on the night of January 25, the weather of Hong Kong became mainly cloudy with occasional rain and thunderstorms on January 26 with about 10 mm of rainfall recorded over many places that morning. The associated intense winter monsoon also brought appreciably cooler weather to the territory on that day. With the northerlies prevailing, it was mainly cloudy and cold with a few rain patches on January 27 and on the morning of January 28. The weather then turned fine and dry on January 28 as the clouds dissipated gradually during the day. The

temperatures at the Hong Kong Observatory fell to a minimum of 10.8 degrees on the morning of January 28, the lowest of the month. Affected by the winter monsoon, local weather remained generally fine and dry with cold mornings till the end of the month.

There was no tropical cyclone over the South China Sea and the western North Pacific in January 2020.

Details of issuances and cancellations of various warnings/signals in January are summarised in Table 1. Monthly meteorological figures and departures from normal for January are tabulated in Table 2.

Provisional statistics of retail sales for December 2019 and for the whole year of 2019

The Census and Statistics Department (C&SD) released the latest figures on retail sales today (February 4).

The value of total retail sales in December 2019, provisionally estimated at \$36.2 billion, decreased by 19.4% compared with the same month in 2018. The revised estimate of the value of total retail sales in November 2019 decreased by 23.7% compared with a year earlier.

After netting out the effect of price changes over the same period, the provisional estimate of the volume of total retail sales in December 2019 decreased by 21.0% compared with a year earlier. The revised estimate of the volume of total retail sales in November 2019 decreased by 25.5% compared with a year earlier.

Analysed by broad type of retail outlet in descending order of the provisional estimate of the value of sales and comparing December 2019 with December 2018, the value of sales of jewellery, watches and clocks, and valuable gifts decreased by 36.7%. This was followed by sales of commodities in supermarkets (-3.1% in value); wearing apparel (-22.1%); commodities in department stores (-25.3%); food, alcoholic drinks and tobacco (-1.9%); electrical goods and other consumer durable goods, not elsewhere classified (-17.4%); other consumer goods, not elsewhere classified (-14.5%); medicines and cosmetics (-29.9%); motor vehicles and parts (-2.5%); footwear, allied products and other clothing accessories (-20.4%); furniture and fixtures (-1.4%); books, newspapers, stationery and gifts (-14.8%); Chinese drugs and herbs (-9.8%); and optical shops (-19.3%).

On the other hand, the value of sales of fuels increased by 13.5% in December 2019 compared with a year earlier.

Based on the seasonally adjusted series, the provisional estimate of the value of total retail sales decreased by 7.1% in the fourth quarter of 2019 compared with the preceding quarter, while the provisional estimate of the volume of total retail sales decreased by 6.7%.

For 2019 as a whole, the value of total retail sales was provisionally estimated at \$431.2 billion, decreased by 11.1% in value and 12.3% in volume compared with 2018.

Analysed by broad type of retail outlet in descending order of the provisional estimate of the value of sales and comparing the whole year of 2019 with the whole year of 2018, the value of sales of jewellery, watches and clocks, and valuable gifts decreased by 22.4%. This was followed by sales of commodities in department stores (-13.0% in value); wearing apparel (-14.6%); medicines and cosmetics (-13.2%); food, alcoholic drinks and tobacco (-3.4%); electrical goods and other consumer durable goods, not elsewhere classified (-15.6%); other consumer goods, not elsewhere classified (-4.3%); motor vehicles and parts (-5.9%); footwear, allied products and other clothing accessories (-11.3%); furniture and fixtures (-3.0%); books, newspapers, stationery and gifts (-6.3%); Chinese drugs and herbs (-8.9%); and optical shops (-13.8%).

On the other hand, the value of sales of commodities in supermarkets increased by 0.7% in 2019 compared with 2018. This was followed by sales of fuels (+3.0% in value).

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 (Quarterly)" for more details.

A government spokesman said that retail sales continued to decline sharply in December 2019, as the impact of the local social incidents on consumption- and tourism-related activities remained severe. For the fourth quarter of 2019 as a whole, the volume of retail sales fell by 24.1% year-on-year, representing the largest quarterly decline on record.

The spokesman further pointed out that the business environment for retail trade has become even more difficult recently, with the threat of the novel coronavirus infection heavily weighing on inbound tourism and local consumption sentiment. The near-term outlook for retail sales depends critically on how the situation of the novel coronavirus infection will evolve. The Government will monitor the situation closely.

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 November 2019 as well as the provisional figures for December 2019. 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 whole year of 2019 are also shown.

Table 2 presents the revised figures on volume index of retail sales for all retail outlets and by broad type of retail outlet for November 2019 as well as the provisional figures for December 2019. The provisional figures on year-on-year changes for the whole year of 2019 are also shown.

Table 3 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.

More detailed statistics are given in the "Report on Monthly Survey of Retail Sales". Users can download this publication free of charge at the website of the C&SD

(www.censtatd.gov.hk/hkstat/sub/sp320.jsp?productCode=B1080003).

Alternatively, the historical series of retail sales statistics can be downloaded in the form of a statistical table at the website of the C&SD (www.censtatd.gov.hk/hkstat/sub/sp320.jsp?productCode=D5600089).

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

Transcript of remarks by CE at media session before ExCo meeting

Following is the transcript of remarks by the Chief Executive, Mrs Carrie Lam, at a media session before the Executive Council meeting this morning (February 4):

Reporter: Hello, Mrs Lam. You have announced the further closure of borders yesterday but it was criticised as coming too late. What took you so long? Were you worried about upsetting Beijing or hurting the feelings of Chinese people? Or you did not want to appear as bowing to pressure amidst the threats of a strike? Are you putting politics ahead of public health? And second question, in your opening remarks you seem to be blaming the medical sector for doing the strike. So, but even the calls of the medical sector and pro-Beijing parties are calling you to minimise the flow of people across the border. Can't the Government do more to close – the complete closure of the borders? Thank you.

Chief Executive: First of all, the situation of the coronavirus infection is evolving, so our public health strategy is to ensure that we could speedily respond to the changing situation and implement as quickly as possible the necessary response measures. Since January 25, four announcements of various measures have been made in line with that strategy. I certainly would not agree with the allegation that we are not addressing this public health concern adequately and certainly I don't agree with the allegation that we are putting politics above public health. This is a public health situation and we are assisted by our experts in both external and in-house to tackle this very important situation. But let me make a further appeal: any public health emergency situation could only be tackled effectively by the whole community. Everybody has to do his or her part in order to fight this infection. But of course the Government has primary responsibility.

As far as the strike that has taken place in the public hospitals under the Hospital Authority, I was just laying out the implications and the consequences according to a report by the Hospital Authority. The consequences yesterday were quite serious. Important services, critical operations have been affected, whether it is in the Neonatal ICUs, in the isolation wards or patients awaiting certain cancer treatments, all these have been affected. So I'm appealing to those who are taking part in this action that let's put the interests of the patients and the entire public health system above all other things.

Having said that, there is actually a high degree of consistency between what they are asking and what the Government is doing. It's all pointing to, as you have rightly described, minimising the people flow. All the measures that we have adopted in the last 10 days or so are focusing on this one

single objective. We want to minimise, reduce very significantly, the cross-border passenger traffic so as to reduce the chances of infection, and we will continue to do that.

(Please also refer to the Chinese portion of the transcript.)

Effective Exchange Rate Index

The effective exchange rate index for the Hong Kong dollar on Tuesday, February 4, 2020 is 106.8 (down 0.1 against yesterday's index).