

## Transcript of remarks by STH

Following is the transcript of remarks by the Secretary for Transport and Housing, Mr Frank Chan Fan, at a media session after attending the meeting of the Legislative Council Panel on Housing today (December 2):

Reporter: Secretary, if the airline's licence is really suspended, would it be immediate from Saturday or will they have a few more months before they would be grounded? I am concerned about the possible impacts on passengers who have bought the tickets, and would the Government offer any help if they really can't get the refund back or reschedule the flights?

Secretary for Transport and Housing: I would suggest that it would be rather speculative because what ATLA (Air Transport Licensing Authority) is trying to do is requiring the Hong Kong Airlines to provide cash injection into their account and to increase, enhance and maintain the cash level for daily operation. So as long as the Hong Kong Airlines could satisfy these requirements, then they would be able to continue to operate.

Reporter: How would the Government actually urge the airline to handle staff and passengers' problems in case the suspension really happens?

Secretary for Transport and Housing: As part and parcel of the requirements of ATLA, the Hong Kong Airlines has to satisfy the two additional conditions imposed by ATLA, and therefore they have to arrange cash injection or capital injection into their account, and to increase and maintain their daily cash balance to ensure a healthy daily operation. That is the basic requirement they have to satisfy. Once they manage to satisfy these requirements, then they would be able to run as any other company in the airline industry.

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

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## S for IT to leave for Shenzhen for Mainland/Hong Kong Science and Technology Co-operation Committee meeting

The Secretary for Innovation and Technology, Mr Nicholas W Yang, will leave for Shenzhen tomorrow morning (December 3) for the 14th meeting of the Mainland/Hong Kong Science and Technology Co-operation Committee.

The Mainland/Hong Kong Science and Technology Co-operation Committee is tasked to organise and co-ordinate technological exchanges and co-operation between the two places. The upcoming meeting will be co-chaired by Mr Yang and the Vice Minister of Science and Technology, Professor Huang Wei.

Mr Yang will return to Hong Kong in the afternoon on the same day.

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## **Fraudulent website related to The Bank of East Asia, Limited**

The following is issued on behalf of the Hong Kong Monetary Authority:

The Hong Kong Monetary Authority (HKMA) wishes to alert members of the public to a press release issued by The Bank of East Asia, Limited on fraudulent website, which has been reported to the HKMA. Hyperlink to the press release is available on [the HKMA website](#) for ease of reference by members of the public.

Anyone who has provided his or her personal information to the website concerned or has conducted any financial transactions through the website should contact the bank concerned using the contact information provided in the press release, and report to the Police or contact the Cyber Security and Technology Crime Bureau of the Hong Kong Police Force at 2860 5012.

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## **Fraudulent website related to Bank of Communications (Hong Kong) Limited**

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The Hong Kong Monetary Authority (HKMA) wishes to alert members of the public to a press release issued by Bank of Communications (Hong Kong) Limited on fraudulent website, which has been reported to the HKMA. Hyperlink to the press release is available on [the HKMA website](#) for ease of reference by members of the public.

Anyone who has provided his or her personal information to the website concerned or has conducted any financial transactions through the website should contact the bank concerned using the contact information provided in the press release, and report to the Police or contact the Cyber Security and

## Provisional statistics of retail sales for October 2019

The Census and Statistics Department (C&SD) released the latest figures on retail sales today (December 2).

The value of total retail sales in October 2019, provisionally estimated at \$30.1 billion, decreased by 24.3% compared with the same month in 2018. The revised estimate of the value of total retail sales in September 2019 decreased by 18.2% compared with a year earlier. For the first ten months of 2019 taken together, it was provisionally estimated that the value of total retail sales decreased by 9.0% compared with the same period in 2018.

After netting out the effect of price changes over the same period, the provisional estimate of the volume of total retail sales in October 2019 decreased by 26.2% compared with a year earlier. The revised estimate of the volume of total retail sales in September 2019 decreased by 20.3% compared with a year earlier. For the first ten months of 2019 taken together, the provisional estimate of the total retail sales decreased by 10.0% in volume compared with the same period in 2018.

Analysed by broad type of retail outlet in descending order of the provisional estimate of the value of sales and comparing October 2019 with October 2018, the value of sales of electrical goods and other consumer durable goods, not elsewhere classified decreased by 16.0%. This was followed by sales of jewellery, watches and clocks, and valuable gifts (-42.9% in value); food, alcoholic drinks and tobacco (-11.6%); commodities in department stores (-31.1%); medicines and cosmetics (-33.5%); wearing apparel (-36.9%); other consumer goods, not elsewhere classified (-23.3%); motor vehicles and parts (-19.9%); books, newspapers, stationery and gifts (-10.7%); footwear, allied products and other clothing accessories (-37.0%); furniture and fixtures (-8.2%); Chinese drugs and herbs (-18.9%); and optical shops (-26.5%).

On the other hand, the value of sales of commodities in supermarkets increased by 0.5% in October 2019 over a year earlier. This was followed by sales of fuels (+4.5% in value).

Based on the seasonally adjusted series, the provisional estimate of the value of total retail sales decreased by 17.3% in the three months ending October 2019 compared with the preceding three-month period, while the provisional estimate of the volume of total retail sales decreased by 18.5%.

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.

#### Commentary

A government spokesman said that retail sales continued to plunge in October and showed the largest year-on-year decline for a single month on record, as the local social incidents with increasing violence depressed consumption sentiment and severely disrupted tourism- and consumption-related activities.

The spokesman further pointed out that ending the violence in the local social incidents and restoring social order are crucial to the creation of an environment for the retail business to recover. The Government will closely monitor the situation and its repercussions on the labour market and the overall economy.

#### 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 September 2019 as well as the provisional figures for October 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 first ten months of 2019 taken together 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 September 2019 as well as the provisional figures for October 2019. The provisional figures on year-on-year changes for the first ten months of 2019 taken together 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 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](http://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](http://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 the C&SD (Tel: 3903 7400; email: [mrs@censtatd.gov.hk](mailto:mrs@censtatd.gov.hk)).