

Provisional statistics of retail sales for October 2021

The Census and Statistics Department (C&SD) released the latest figures on retail sales today (November 30).

The value of total retail sales in October 2021, provisionally estimated at \$30.7 billion, increased by 12.0% compared with the same month in 2020. The revised estimate of the value of total retail sales in September 2021 increased by 7.4% compared with a year earlier. For the first 10 months of 2021 taken together, it was provisionally estimated that the value of total retail sales increased by 8.5% compared with the same period in 2020.

Of the total retail sales value in October 2021, online sales accounted for 8.0%. The value of online retail sales in that month, provisionally estimated at \$2.5 billion, increased by 29.4% compared with the same month in 2020. The revised estimate of online retail sales in September 2021 increased by 30.7% compared with a year earlier. For the first 10 months of 2021 taken together, it was provisionally estimated that the value of online retail sales increased by 41.7% compared with the same period in 2020.

After netting out the effect of price changes over the same period, the provisional estimate of the volume of total retail sales in October 2021 increased by 9.4% compared with a year earlier. The revised estimate of the volume of total retail sales in September 2021 increased by 4.9% compared with a year earlier. For the first 10 months of 2021 taken together, the provisional estimate of the total retail sales increased by 7.1% in volume compared with the same period in 2020.

Analysed by broad type of retail outlet in descending order of the provisional estimate of the value of sales and comparing October 2021 with October 2020, the value of sales of electrical goods and other consumer durable goods, not elsewhere classified increased by 52.1%. This was followed by sales of commodities in supermarkets (+1.3% in value); jewellery, watches and clocks, and valuable gifts (+23.1%); commodities in department stores (+5.5%); other consumer goods, not elsewhere classified (+15.0%); wearing apparel (+10.1%); medicines and cosmetics (+13.2%); fuels (+7.5%); furniture and fixtures (+4.1%); footwear, allied products and other clothing accessories (+15.5%); Chinese drugs and herbs (+3.9%); and optical shops (+23.9%).

On the other hand, the value of sales of food, alcoholic drinks and tobacco decreased by 1.7% in October 2021 over a year earlier. This was followed by sales of motor vehicles and parts (-18.6% in value); and books, newspapers, stationery and gifts (-3.0%).

Based on the seasonally adjusted series, the provisional estimate of the value of total retail sales increased by 7.9% in the three months ending October 2021 compared with the preceding three-month period, while the

provisional estimate of the volume of total retail sales increased by 3.8%.

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. Starting from January 2020, data on online retail sales have been collected in MRS. The relevant results were first published in the January 2021 issue of the "Report on Monthly Survey of Retail Sales".

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 the value of total retail sales rose notably by 12.0% in October over a year earlier, as the entrenched economic recovery and disbursement of the second batch of electronic consumption vouchers enhanced consumption sentiment. Sales of electrical goods and some consumer durable goods witnessed particularly remarkable increases.

Looking ahead, the spokesman pointed out that as long as the local epidemic situation remains under control, the improving employment and income conditions alongside the Consumption Voucher Scheme should continue to support the retail sector in the near term. In order to strengthen the foundation for a broad-based economic recovery, it is essential for the community to strive towards more widespread vaccination and abide by the anti-epidemic measures.

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 2021 as well as the provisional figures for October 2021. 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 10 months of 2021 taken together are also shown.

Table 2 presents the revised figures on value of online retail sales for September 2021 as well as the provisional figures for October 2021. The provisional figures on year-on-year changes for the first 10 months of 2021 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 September 2021 as well as the provisional figures for October 2021. The provisional figures on year-on-year changes for the first 10 months of 2021 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.

More detailed statistics are given in the "Report on Monthly Survey of Retail Sales". Users can download this publication at the website of the C&SD (www.censtatd.gov.hk/en/EIndexbySubject.html?pcode=B1080003&scode=530). 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/en/EIndexbySubject.html?pcode=D5600089&scode=530).

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).

Key statistics on business performance and operating characteristics of the building, construction and real estate sectors in 2020

According to the results of the 2020 Annual Survey of Economic Activities – Building, Construction and Real Estate Sectors released today (November 30) by the Census and Statistics Department (C&SD), the construction sector's total receipts (comprising gross value of construction

works performed and other business receipts) amounted to \$391.3 billion in 2020, representing a decrease of 1.4% compared with 2019; on a per establishment basis, total receipts was \$15.1 million in 2020, decreased by 5.7% compared with 2019.

Operating expenses and compensation of employees of the construction sector altogether amounted to \$353.7 billion in 2020, representing a decrease of 3.3% compared with 2019; on a per establishment basis, they were \$13.6 million in 2020, decreased by 7.5% compared with 2019.

Gross surplus of the construction sector, which is equal to total receipts less operating expenses and compensation of employees, increased by 20.9% over 2019 to \$37.6 billion in 2020; on a per establishment basis, gross surplus increased by 15.7% over 2019, to \$1.5 million in 2020. Gross surplus accounted for 9.6% of total receipts in 2020, up by 1.8 percentage points over 2019.

Industry value added of the construction sector, which is a measure of its contribution to Hong Kong's Gross Domestic Product, decreased by 8.2% compared with 2019 to \$108.6 billion in 2020; on a per establishment basis, the industry value added was \$4.2 million in 2020, representing a decrease of 12.1% compared with 2019.

In 2020, there were some 25 900 establishments in the construction sector, which directly engaged about 170 800 persons, or an average of 6.6 persons per establishment.

The survey did not cover labour-only sub-contractors that mainly supplied labour to work on a job-to-job basis, owing to practical consideration in data collection. The employment figures above mainly covered direct employees of the construction establishments and did not reflect the labour input through the sub-contracting activities of labour-only sub-contractors.

Apart from the construction sector, the survey also enumerated establishments engaged in real estate activities; and architectural, surveying and engineering services.

Total receipts (comprising gross margin of real estate development projects, service and rental income and other business receipts) of establishments engaged in the real estate activities (including real estate development, real estate leasing, real estate brokerage and agency, and real estate maintenance management) amounted to \$174.9 billion in 2020, representing a decrease of 7.8% compared with 2019. Operating expenses and compensation of employees altogether amounted to \$79.3 billion in 2020, representing a decrease of 0.6% compared with 2019. Gross surplus decreased by 13.5% compared with 2019 to \$89.5 billion in 2020. Gross surplus accounted for 51.2% of total receipts in 2020, down by 3.4 percentage points compared with 2019. Industry value added decreased by 12.2% compared with 2019 to \$112.4 billion in 2020.

In 2020, the real estate activities comprised some 10 900 establishments

and engaged about 119 800 persons, or an average of 11.0 persons per establishment.

The total number of private real estate projects ever operated in 2020 was 259. As at end-2020, 203 projects, which were expected to provide a total 7.0 million square metres of gross floor area of buildings when completed, were still under construction. Among them, 11% were on Hong Kong Island, 42% in Kowloon and 47% in the New Territories and outlying islands.

The survey excluded establishments which developed real estate projects for their own use as well as those which owned land but had not developed it during the reference year. Real estate leasing and other related activities undertaken by individuals or firms which engaged less than two persons (except for subsidiaries of real estate enterprises) were also not covered in the survey.

Total receipts (comprising service income and other business receipts) of establishments engaged in the architectural, surveying and engineering services amounted to \$24.7 billion in 2020, representing an increase of 6.6% over 2019. Operating expenses and compensation of employees altogether amounted to \$21.9 billion in 2020, representing an increase of 7.7% over 2019. Gross surplus decreased by 1.7% compared with 2019 to \$2.8 billion in 2020. Gross surplus accounted for 11.3% of total receipts in 2020, down by 1.0 percentage point compared with 2019. Industry value added increased by 4.2% over 2019 to \$16.5 billion in 2020.

In 2020, the architectural, surveying and engineering services comprised some 2 300 establishments and engaged about 25 900 persons, or an average of 11.2 persons per establishment.

Selected statistics for the building, construction and real estate sectors, with breakdowns by industry grouping, are shown in the attached table.

More detailed survey results on the building, construction and real estate sectors will be given in the report "Key Statistics on Business Performance and Operating Characteristics of the Building, Construction and Real Estate Sectors in 2020". Users can download this report at the website of C&SD (www.censtatd.gov.hk/en/EIndexbySubject.html?pcode=B1080011&scode=330) as from end-December 2021.

For enquiries about the key statistics on business performance and operating characteristics of the building, construction and real estate sectors, please contact the Construction and Miscellaneous Services Statistics Section of the C&SD at telephone 3903 6964 or email building@censtatd.gov.hk.

Financial results for the seven months ended October 31, 2021

The Government announced today (November 30) its financial results for the seven months ended October 31, 2021.

Expenditure for the period April to October 2021 amounted to HK\$367.9 billion and revenue HK\$256.1 billion, resulting in a cumulative year-to-date deficit of HK\$111.8 billion.

A Government spokesperson said that the cumulative year-to-date deficit for the period was mainly due to the fact that some major types of revenue including salaries and profits taxes are mostly received towards the end of a financial year.

The fiscal reserves stood at HK\$816 billion as at October 31, 2021.

Detailed figures are shown in Tables 1 and 2.

TABLE 1. CONSOLIDATED ACCOUNT (Note 1)

	Month ended October 31, 2021 HK\$ million	Seven months ended October 31, 2021 HK\$ million
Revenue	55,830.4	256,091.6
Expenditure	(51,938.2)	(367,908.1)
Surplus/(Deficit)	3,892.2	(111,816.5)
Financing		
Domestic		
Banking Sector (Note 2)	(3,563.9)	110,849.0
Non-Banking Sector	(328.3)	967.5
External	—	—
Total	(3,892.2)	111,816.5

Government Debts as at October 31, 2021 (Note 3)
HK\$27,230 million

Debts Guaranteed by Government as at October 31, 2021 (Note 4)
HK\$111,288 million

TABLE 2. FISCAL RESERVES

	Month ended October 31, 2021 HK\$ million	Seven months ended October 31, 2021 HK\$ million
Fiscal Reserves at start of period	812,058.3	927,767.0
Consolidated Surplus/(Deficit)	3,892.2	(111,816.5)
Fiscal Reserves at end of period (Note 5)	815,950.5	815,950.5

Notes:

1. This Account consolidates the General Revenue Account and the following eight Funds: Capital Works Reserve Fund, Capital Investment Fund, Civil Service Pension Reserve Fund, Disaster Relief Fund, Innovation and Technology Fund, Land Fund, Loan Fund and Lotteries Fund. It excludes the Bond Fund, the balance of which is not part of the fiscal reserves. The Bond Fund balance as at October 31, 2021, was HK\$200,073 million.

2. Includes transactions with the Exchange Fund and resident banks.

3. These were the Green Bonds of US\$3,500 million (equivalent to HK\$27,230 million as at October 31, 2021) including US\$1,000 million and US\$2,500 million issued under the Government Green Bond Programme in May 2019 and February 2021 respectively, which were denominated in US dollars with maturity from May 2024 to February 2051. They do not include the outstanding bonds with nominal value of HK\$167,656 million and alternative bonds with nominal value of US\$1,000 million (equivalent to HK\$7,780 million as at October 31, 2021) issued under the Government Bond Programme (with proceeds credited to the Bond Fund). Of these bonds under the Government Bond Programme (including Silver Bonds with nominal value of HK\$50,656 million, which may be redeemed before maturity upon request from bond holders), bonds with nominal value of HK\$14,823 million will mature within the period from November 2021 to October 2022 and the rest within the period from November 2022 to March 2036.

4. Includes guarantees provided under the SME Loan Guarantee Scheme launched in 2001, the Special Loan Guarantee Scheme launched in 2008, the SME Financing Guarantee Scheme launched in 2012 and a commercial loan of the Hong Kong Science and Technology Parks Corporation.

5. Includes HK\$219,691 million being the balance of the Land Fund held in the

name of "Future Fund", for long-term investments initially up to December 31, 2025. The Future Fund also includes HK\$4,800 million, being one-third of the actual surplus in 2015-16 as top-up.

Exchange Fund Abridged Balance Sheet and Currency Board Account

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

The Hong Kong Monetary Authority (HKMA) announced today (November 30) that the total assets of the Exchange Fund amounted to HK\$4,627.3 billion as at October 31, 2021, HK\$94.7 billion higher than that at the end of September 2021. Foreign currency assets increased by HK\$91.2 billion and Hong Kong dollar assets increased by HK\$3.5 billion.

The rise in foreign currency assets was mainly due to the mark-to-market revaluation and an increase in the month-end balances of unsettled purchase of securities. The rise in Hong Kong dollar assets was mainly due to the mark-to-market revaluation on Hong Kong equities.

The Currency Board Account shows that the Monetary Base at the end of October 2021 was HK\$2,120.6 billion, increased by HK\$2.8 billion, or 0.1 per cent, from the end of September 2021. The rise was mainly due to an increase in the outstanding amount of Certificates of Indebtedness.

The amount of Backing Assets decreased by HK\$1.2 billion, or 0.1 per cent, to HK\$2,333.9 billion. The decrease was mainly attributable to the mark-to-market revaluation on investments, which was partly offset by the issuance of Certificates of Indebtedness. The backing ratio decreased from 110.26 per cent at the end of September 2021 to 110.06 per cent at the end of October 2021.

At present, four press releases relating to the Exchange Fund's data are issued by the HKMA each month. Three of these releases are issued to disseminate monetary data in accordance with the International Monetary Fund's Special Data Dissemination Standard (SDDS). The fourth press release, on the Exchange Fund's Abridged Balance Sheet and Currency Board Account, is made in accordance with the HKMA's policy of maintaining a high level of transparency. For the month of November 2021, the scheduled dates for issuing the press releases are as follows:

November 5 (Issued)	SDDS International Reserves (Hong Kong's Latest Foreign Currency Reserve Assets Figures)
November 12 (Issued)	SDDS Analytical Accounts of the Central Bank (Analytical Accounts of the Exchange Fund)
November 30	SDDS Template on International Reserves and Foreign Currency Liquidity
November 30	Exchange Fund Abridged Balance Sheet and Currency Board Account

International Reserves and Foreign Currency Liquidity

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

The Hong Kong Monetary Authority (HKMA) released today (November 30) the analytical data on the Hong Kong Special Administrative Region's foreign currency reserves and foreign currency liquidity as at the end of October 2021 (see Annex). These data are published monthly in the Template on International Reserves and Foreign Currency Liquidity in accordance with the International Monetary Fund's Special Data Dissemination Standard (SDSS).

At present, four press releases relating to the Exchange Fund's data are issued by the HKMA each month. Three of these releases are issued to disseminate monetary data in accordance with the SDDS. The fourth press release, on the Exchange Fund's Abridged Balance Sheet and Currency Board Account, is made in accordance with the HKMA's policy of maintaining a high level of transparency. For the month of November 2021, the scheduled dates for issuing the press releases are as follows:

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