

# RETAIL SALES REBOUND AS PANDEMIC SUBSIDES

**Sales for June total HK\$28b, up 5.8pc year on year, as experts say voucher scheme will further improve consumer sentiment and boost spending**

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The city's retail sales rose 8.4 per cent year on year in the first half of 2021 as the local Covid-19 situation stabilised, with the government's consumption voucher scheme expected to boost spending in the coming months.

Provisional figures released by the Census and Statistics Department yesterday also showed sales for June totalled HK\$28.1 billion, up 5.8 per cent compared to the same month last year.

Online retail sales in June rose 63.8 per cent year on year, reaching HK\$2.3 billion to account for 8.1 per cent of the total retail value. Online retail growth in the first half of 2021 was 54.9 per cent.

A government spokesman said retail sales had risen in June on the back of strong consumer demand amid improvements in the local pandemic situation and the labour market.

For the second quarter as a whole, the volume of retail sales grew by 3.6 per cent over the preceding three-month period.

"Yet with incoming visitors remaining scant, retail sales stayed far below the pre-recession level," the spokesman said.

"To create conditions for further improvement in retail business and a broader economic recovery, it is essential for the community to keep the epidemic under control and strive towards more widespread vaccination."

The spokesman added that the government's HK\$36 billion

e-voucher programme would help to stimulate consumer spending.

Annie Tse Yau On-ye, chairwoman of the Hong Kong Retail Management Association, said consumer sentiment remained weak in July, but she expected the voucher scheme to greatly boost retail sales in August.

Eligible city residents are entitled to HK\$5,000 worth of e-vouchers in phases.

The first batch of coupons amounting to HK\$2,000 went live on Sunday.

Tse said some association

members had reported a sales surge of more than 50 per cent on Sunday.

"The overall spending sentiment is really good," she said.

Some families were pooling together their HK\$2,000 vouchers to pay for higher-value items. Octopus was the most popular way of payment, Tse added.

The industry leader predicted the scheme would benefit a range of sectors, not just retail.

"Overall, we estimate that the retail sector will register a rise in sales of over 10 per cent. But we need to see if this momentum can last," she said.

By category, sales for motor vehicles and parts jumped the most in June, rising 36 per cent year on year, followed by jewellery, watches and valuable gifts with 31.8 per cent growth.

However, sales at the city's supermarkets fell 7 per cent year on year in June, while those at department stores declined 20.3 per cent.

The city has since February 2019 been reeling from a retail slump, which worsened over months of anti-government protests, and later, through the coronavirus pandemic.

63.8%

Online retail sales rose this much in the city in June year on year, reaching HK\$2.3 billion and accounting for 8.1 pc of the total retail value

