

Weakness Persists in Hong Kong Retail Sales: Mastercard SpendingPulse

A 7.8 percent dip in retail sales year-on-year was recorded in July

Hong Kong, August 26, 2016 – Local retail sales contracted by 7.8 percent year-on-year in July according to the latest [Mastercard SpendingPulse™ Hong Kong Report](#). While retail sales growth remained negative, some improvements were seen amongst individual sectors.

Most individual sectors recovered during July, except for the jewellery sector, which showed stubbornly low sales as it continued to face downward pressure from rising gold prices, failing to benefit from the rise in mainland Chinese visitors.

Sales in the grocery and health & beauty sectors have remained positive for two consecutive months since June. The former benefitted from deflating food prices and low supermarket prices, while the latter gained from a strong rise in local demand, which helped offset the slowdown brought by mainland China. Clothing and furniture sales exhibited positive growth, while clothing sales also showed some signs of vitality, thanks to a mild recovery in local demand as consumers stepped up their spending on the mid-value segment. Growth in the local property market also brought about positive impacts on furniture sales.

“Hong Kong retail sales have been contracting since last year, despite local demand, which offset some of the slowdown initially. However, the overall figures this month hide some of the improvements seen among individual sectors, such as in the apparel and health & beauty sectors” said [Sarah Quinlan, senior vice president, Market Insights for Mastercard Advisors](#).

“Retail sales have been persistently gloomy since the middle of 2014, reflecting the incessant slowdown in spending from mainland China. However, thanks to the return of Chinese visitors due to an appreciation of the Japanese Yen, concerns regarding safety in Europe and an improvement of the Hong Kong Dollar versus other currencies, retail may see some recovery in the second half of the year,” she continued.

Analyzing local retail performance and spending, the macroeconomic report uses aggregated and anonymous transaction data, along with all other payment forms including cash, to offer insight into consumer spending trends, providing an early overview of market indices to help retailers, investors, card issuers, banks and government agencies in their decision-making processes.

Launched by [Mastercard Advisors](#), a unit of [Mastercard](#), the SpendingPulse report is available to subscribers the third week of every month and shares quality insights on consumer spending. The monthly report also includes an overall retail sales and price index, so that subscribers can understand whether spending growth is truly being driven by increased shopping or by inflation or increased promotions.

SpendingPulse is currently available to subscribers in Australia, Brazil, Canada, Hong Kong, Japan, the United Kingdom, and the United States, and is delivered ahead of retail spending figures provided by other sources. It is one of the [most quoted](#) reports on macroeconomic trends in the US and is often used as a source of reference by major international news outlets.

SpendingPulse™ Hong Kong Methodology

Mastercard analyzes the transactions processed by the Mastercard Hong Kong payments network and uses statistical models which take into account the trends of other payment methods (cash) to produce accurate and efficient reports. SpendingPulse Hong Kong is based on a robust data sample drawn from all businesses accredited by Mastercard in Hong Kong plus other additional data sources.

About Mastercard SpendingPulse™

Launched in 2006 by Mastercard Advisors, [Mastercard SpendingPulse](#) is a macroeconomic indicator that reports on national retail spending and performance. The report is based on aggregate sales activity on Mastercard cards, coupled with estimates for all other payment forms, including cash. Mastercard SpendingPulse reports and content, including estimated forecasts of spending trends, do not in any way contain, reflect or relate to actual Mastercard operational or financial performance, or specific payment-card-issuer data.

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[Mastercard Advisors](#), a division of Mastercard, provides clients around the world with insights and solutions that drive business impact and ROI. The company uses advanced analytics and deep payments expertise to translate data into actionable behavioral insights and customized services. With more than 43 billion anonymized transactions processed annually in 210 countries worldwide, the company leverages aggregated information and a consultative approach to help financial institutions, merchants, media companies, governments and other organizations of all sizes grow their businesses. For more information, go to <http://www.Mastercardadvisors.com/>.

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