

News Release

Hong Kong Retail Sales Drop around Chinese New Year: Mastercard SpendingPulse™

Local retail sales end a 21-month positive growth streak

Hong Kong, March 28, 2019 – Following 21 consecutive months of retail sales growth, Hong Kong retail sales declined in February, according to the latest [Mastercard SpendingPulse™](#) Hong Kong Report. Mastercard SpendingPulse, which measures consumer spending across all payment types, including cash, found that retail sales contracted by 3.2 percent in February compared to last year.

The drop, compared to last year's extraordinary growth, is attributed to various factors, such as diminishing consumer confidence and warmer-than-usual winter. In addition, the Chinese New Year celebrations landed in early February this year, causing the majority of New Year purchases to be made in January. The drop in February retail sales was seen across the board, with clothing, grocery, health & beauty, jewelry, and furniture all experiencing a year-on-year decrease.

However, the low unemployment rate (2.8 percent), the lowest level since February 1998, may help to improve the retail sales performance. Some growth was seen towards the month's latter half, due to lower comparative statistics from last year's New Year period.

"After an impressive 21-month growth trend, we have seen a decline in retail sales in Hong Kong, particularly around Chinese New Year, due to various reasons ranging from the unusually warm winter to consumer confidence," said Sasha Krstic, executive vice president, Services – Asia Pacific, Mastercard.

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 insights 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.

The Mastercard 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.

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About Mastercard SpendingPulse™

[Mastercard SpendingPulse](#) is a macroeconomic indicator of retail sales across all payment types in select global markets. The reports are based on aggregate sales activity in the Mastercard payments network, coupled with survey-based estimates for certain other payment forms, such as cash and check.

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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