

# HONG KONG RETAIL SALES RISE DUE TO INBOUND TOURISM RECOVERY



May.

Hong Kong's retail sales continued to grow for the eighth consecutive month in July, rising by 16.5% compared to last year. The total sales amounted to HK\$33 billion (\$4.2 billion). Positive performance can be attributed to higher visitor arrivals and favorable consumer sentiment. However, the growth rate in July was lower than the revised figures of 19.5% in June and 18.5% in

Inbound tourism recovery will benefit the retail sector in the coming months. Improving labor market conditions and the various measures taken by the government to support consumption should also contribute to this.

However, the city's economic growth slowed to 1.5% in the second quarter from a year earlier and from 2.9% growth in the first quarter. The government has revised its growth forecast for this year to 4.0% - 5.0%, from a range of 3.5-5.5% previously.

According to the Hong Kong Tourism Board's data, the number of visitors in July was 3.59 million. This brings the total number of visitors to 16.47 million for the first seven months of 2023. This is a significant increase compared to 124,052 visitors in January-July 2022 and 48,048 visitors in July last year.

According to the data, mainland China visitors increased from 2.16 million in June to 2.98 million in July—a significant increase of over 40,091 Chinese tourists in July last year.

In July, sales of jewelry, watches, clocks, and valuable gifts, mainly aimed at mainland Chinese tourists before the pandemic, rose 19.8% from a year earlier, compared with a jump of 64.4% in June, according to the data.

In July, clothing, footwear, and accessories sales increased by 35.6% YoY, following a 33% rise in June. Online retail sales increased 1.4% YoY in July, rebounding from a 2.6% decline in June.

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