

## Beyond the Counter: What Drives Hong Kong's Retail Sector?<sup>1</sup>

October 1, 2025

### I. Introduction

**1. Hong Kong's retail sector, once renowned for its vibrancy, has expanded much more moderately in recent times than during the boom years a decade or two ago.** Hong Kong's retail sector thrived for many years, supported by the city's role as a business, finance, and tourism hub. The large number of tourist arrivals—especially from Mainland China—served as a major driver of retail activity. In recent years, however, Hong Kong's retail landscape has faced unprecedented challenges, including social unrest, the COVID-19 pandemic, and evolving global economic conditions. Since the economy's reopening and the full relaxation of travel restrictions, retail growth has been slower than anticipated, with both short-term and long-term factors seemingly at play. In response, Hong Kong authorities, retailers, and business associations have collaborated to introduce various measures to revitalize the sector. The early results—along with the nature of both cyclical and structural factors, and Hong Kong's continued attractiveness as a hub for working, living, and leisure—suggest that the sector's outlook remains cautiously optimistic.

**2. This Analytical Note presents an empirical analysis which examines the key drivers of Hong Kong's retail sector.** We identified some key domestic and external factors which have affected the retail sector's growth in Hong Kong. These include inflation, wages, exchange rate, inbound tourism, and outbound tourism. Our empirical results using the Autoregressive Distributed Lag (ARDL) model suggest that inbound tourism and wages have a positive and statistically significant impact on retail sales, reflecting the critical roles of external demand and household purchasing power in driving consumption. In contrast, an appreciation of the Hong Kong Dollar (HKD), rising inflation, and increasing outbound tourism

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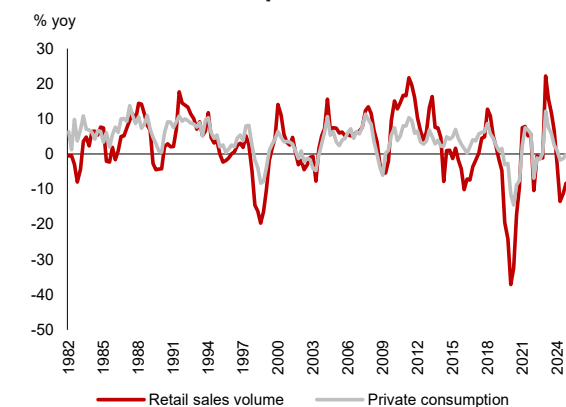
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are found to dampen retail sales, indicating the sector’s sensitivity to currency competitiveness, costs of living, and cross-border spending leakage.

## II. Recent Dynamics of the Retail Sector in Hong Kong

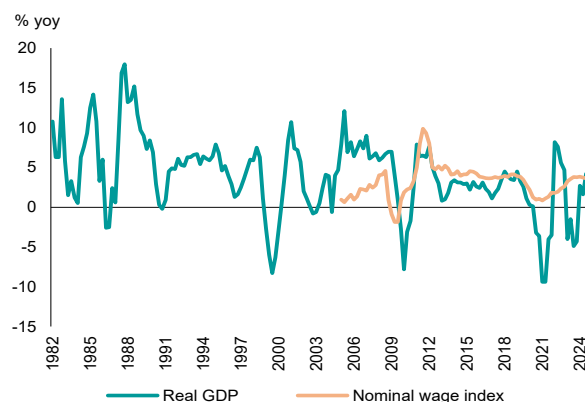
**3. The vibrancy of Hong Kong’s retail sector over the years is closely linked to the city’s robust economic growth and its status as a business, finance, and tourism hub.** Between 1982 and 1990, retail sales in Hong Kong increased at a double-digit pace in many years, supported by strong growth and rising wages (Figures 1, 2). From 1991 to 2000, economic growth remained robust despite being disrupted by the Asian Financial Crisis (AFC), with retail growth becoming more uneven as labor market and consumer confidence took time to recover (Figures 3). Between 2001 and 2010, a series of shocks—including the dotcom bubble, the SARS outbreak, and the Global Financial Crisis (GFC)—hit the region. Still, Hong Kong’s retail sales<sup>2</sup> grew by 4.6 percent annually on average, outpacing private consumption growth of 3.1 percent, underscoring the city’s enduring attractiveness as a shopping destination (Figures 1, 2). Technological breakthroughs, such as the launch of the first iPhone and mobile apps, also supported retail resilience. From 2011 to 2020, Hong Kong’s retail sector faced greater challenges, though a surge in the number of Mainland Chinese tourists provided support (Figure 4). As the economy matured and GDP growth slowed, economic downturns (including those brought on by the eurozone debt crisis) and the COVID-19 pandemic further strained the sector. Nevertheless, retail sales remained strong for much of the decade, sustained by Hong Kong’s continued role as a business, finance, and tourism hub.

**Figure 1. Retail Sales Volume vs Private Consumption Growth**



Source: Census and Statistics Department (C&SD); AMRO staff calculations

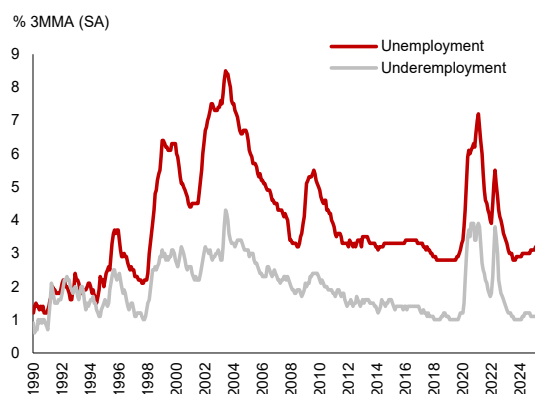
**Figure 2. Real GDP and Wage Growth**



Source: C&SD; AMRO staff calculations

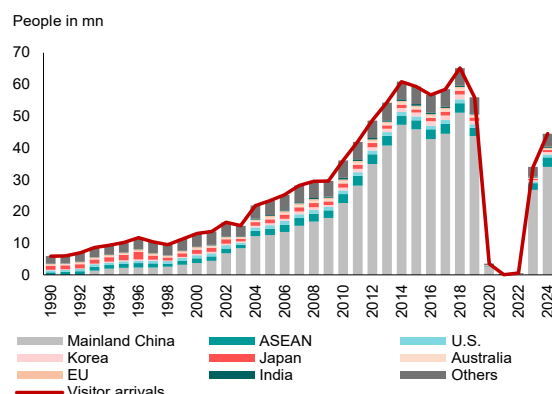
<sup>2</sup> This is referred to retail sales “volume” index.

**Figure 3. Unemployment Rate**



Source: C&SD; AMRO staff calculations

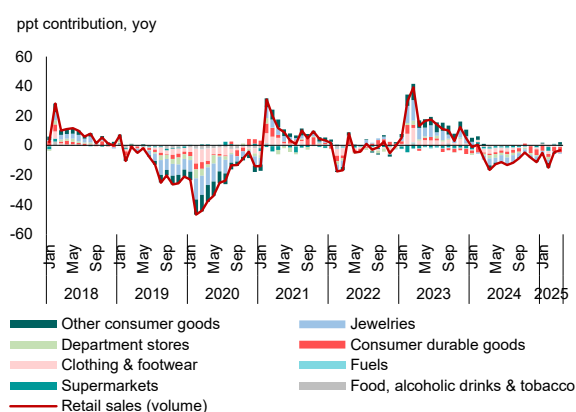
**Figure 4. Tourist Arrivals**



Source: Tourism Development Board; AMRO staff calculations

4. In recent years, the expansion and development of Hong Kong's retail sector have come under increasing pressure amid evolving and more challenging consumption patterns, the strength of the Hong Kong dollar, and an increase in outbound spending. As of April 2025, the retail sales volume index had declined for 14 consecutive months, with broad-based weakness particularly evident in supermarket sales, jewellery, clothing and footwear, and consumer durables (Figure 5). This subdued performance reflects a combination of factors. The gradual recovery in tourist arrivals, while ongoing,<sup>3</sup> has not fully translated into a strong rebound in retail spending, as visitor preferences have shifted towards experiences and more selective purchases of goods. At the same time, the strength of the Hong Kong dollar has reduced the price competitiveness of local goods, prompting both tourists and Hong Kong residents to seek more affordable alternatives elsewhere, notably in Shenzhen. Outbound travel by Hong Kong residents has also picked up alongside the normalization of global travel, diverting some retail spending overseas (Figure 6). Despite government efforts to stimulate consumer spending and tourism, these challenges are likely to persist in the near term—and possibly into the medium term.

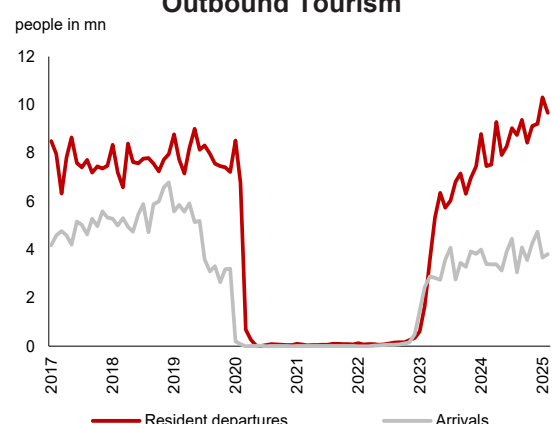
**Figure 5. Hong Kong's Retail Sales Volume**



Source: C&SD; AMRO staff calculations

Note: Given the absence of volume-based weights, the share of retail sales value is adopted as a proxy to estimate each component's contribution to retail sales volume growth.

**Figure 6. Hong Kong's Inbound and Outbound Tourism**



Source: Hong Kong Tourism Board; AMRO staff calculations

<sup>3</sup> In the first quarter of 2025, tourist arrivals recovered to just 72.7 percent of the average of their 2018–2019 levels, but arrivals from Mainland China reached only 69.6 percent of pre-pandemic levels.

### III. Some Recent Efforts and Initiatives to Boost Retail Sales

**5. Hong Kong authorities renewed efforts and initiatives to revitalize the city’s retail sector.** In addition to the Central Government’s supportive measures such as expansion of Individual Visit Scheme (IVS) to 10 more cities and the reinstatement of multiple-entry IVS for Shenzhen residents, the authorities have implemented some important initiatives over the past two years, including the hosting of mega-events and the revitalization of some tourist attractions of a historical or cultural nature, among others. Other support measures include the development of the “silver economy” and “green economy” as well as incentives for retailers across the entire spectrum—from luxury brands to start-ups offering niche products (Figure 13). To further reduce outbound spending leakage, policies aim to retain local consumption by providing seasonal shopping incentives—such as time-limited retail vouchers or rebates during peak outbound travel periods—and introducing retail-linked loyalty points.

**6. Preliminary outcomes from the retail revitalization initiatives, alongside Hong Kong’s strong global standing, point to tentative but encouraging recovery.** In the 2024 Global Cities Index (GCI), Hong Kong rose to ninth place globally, ahead of most Asian peers except Tokyo and Singapore, which ranked fourth and fifth globally, respectively. Authorities and event organizers have coordinated a strong pipeline of mega events—over 90 scheduled for the first half of 2025, with approximately 840,000 tourists expected to participate and spend HKD3.3 billion in Hong Kong. The “silver” and “green” economies are also gaining momentum, with firms expanding offerings in elderly-friendly tech, health, home safety, and leisure. Luxury retail is showing signs of a comeback, attracting a new wave of Mainland Chinese middle-class shoppers. In a sign of returning confidence after years of contraction, prominent brands like Hermes, Dior, and Prada have secured high profile retail spaces, including an 8,000-square-foot Prada store.

Figure 13. Boosting Hong Kong’s Retail Sector: Some Key Efforts



Source: Hong Kong authorities; AMRO staff compilation

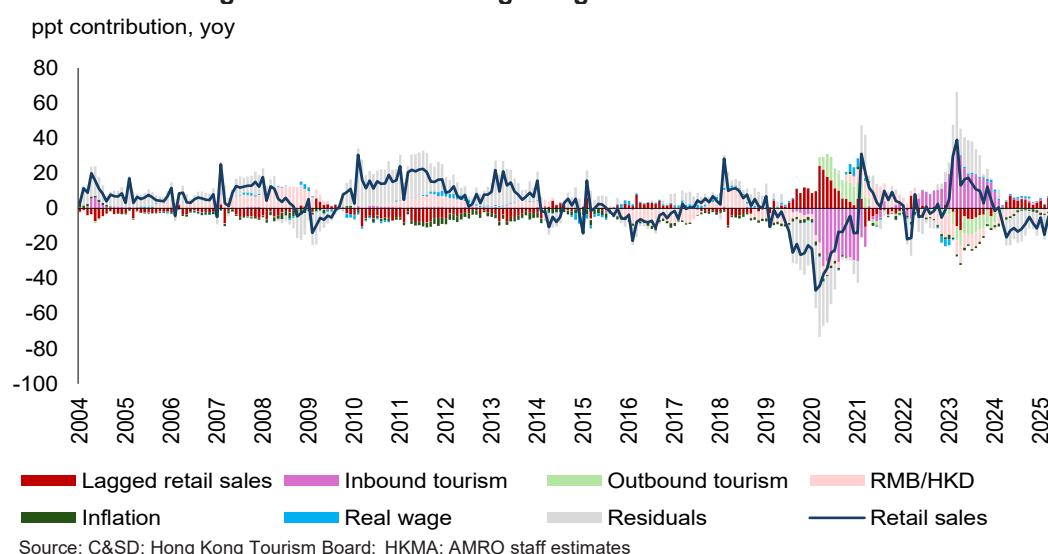
### IV. Key Determinants of Hong Kong’s Retail Sector Development

**7. Several key domestic and external factors play a central role in shaping the expansion and development of Hong Kong’s retail market.** AMRO’s staff estimates using the Autoregressive Distributed Lag (ARDL) model (Appendix I) provide some insights into several likely key drivers of Hong Kong’s retail sales growth (Figure 7). The retail sales volume

index is used as the dependent variable, while the independent variables comprise several domestic and external factors. The domestic variables include lagged retail sales, inflation, and wages, while exchange rate (RMB per HKD) as well as inbound and outbound tourism represent external factors. The empirical results suggest that inbound tourism and wages have a positive and statistically significant impact on retail sales, reflecting the critical roles of external demand and household purchasing power in driving consumption. In contrast, an appreciation of the HKD, rising inflation, and increasing outbound tourism are found to dampen retail sales, indicating sensitivity to currency competitiveness, cost of living, and cross-border spending leakage. The negative coefficient on lagged retail sales growth indicates a mean-reverting dynamic, where strong sales in the previous period are followed by slower growth, and vice versa.

**8. Both inbound and outbound tourism have long been key drivers of Hong Kong's retail sector.** In terms of inbound tourism, foreign visitors, especially those from Mainland China, have traditionally been key contributors to sales in categories such as luxury goods (Cheng, 2024). When tourist arrivals increase, retail sales often receive a significant boost, as evident in the decomposition of retail sales growth (Figure 7). During periods of strong tourist inflows, such as the years leading up to 2019 and the post-pandemic reopening phase in 2023, tourist arrivals made notable positive contributions to retail sales growth. Conversely, during periods of crisis—most notably the COVID-19 pandemic from 2020 to 2022—tourist arrivals collapsed due to travel restrictions, with an immediate and severe drag on retail sales, as negative contributions from this factor dominated overall sales performance. This underscores the retail sector's sensitivity to external demand shocks, particularly those related to cross-border travel. As Hong Kong gradually reopened in 2023 and 2024, tourist arrivals rebounded, and their contribution to retail sales turned positive again. In contrast, outbound tourism has had a negative impact on the retail sector. Outbound travel surged as borders reopened, and the HKD strengthened. Residents increasingly shopped across the border, significantly dragging down local retail sales (Figure 7). It is important to note that shifts in tourist preferences, including a greater focus on experiences over shopping and cross-border shopping for more affordable prices, have likely moderated the retail sales recovery compared to the pace seen during pre-pandemic years.

**Figure 7. Drivers of Hong Kong's Retail Sales Growth**



**9. Exchange rate movements have had a major yet uneven impact on Hong Kong's retail sales, driven by competitiveness shifts and Mainland tourist demand.** Between 2007 and 2009, the exchange rate (RMB/HKD) made a large and sustained positive contribution to retail sales growth, reflecting a period of Hong Kong dollar depreciation against the RMB (Figure 8), which boosted the purchasing power of Mainland Chinese tourists and made Hong Kong goods more affordable and highly attractive. From 2016 to 2018, the RMB/HKD contribution turned negative, as the Hong Kong dollar appreciated relative to the RMB (Figure 8). In 2019, the negative contribution from the exchange rate intensified, coinciding with HKD appreciation and broader retail disruptions due to social unrest. In 2023–2024, as borders reopened and the HKD appreciated, exchange rate effects once again placed downward pressure on retail sales. Overall, a stronger HKD reduces the city's price competitiveness, particularly for Mainland tourists.

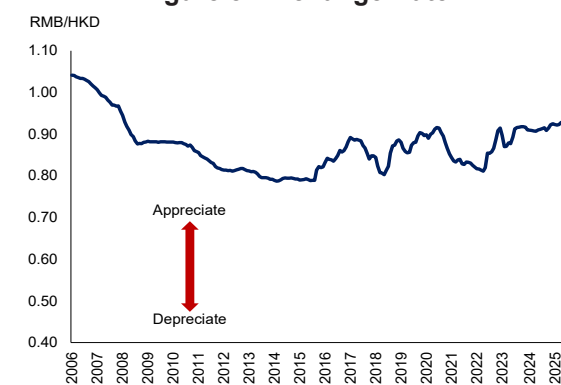
**10. The effect of inflation on retail sales has generally been negative but uneven over time** (Figure 7). The literature indicates that inflation negatively affects retail businesses and dampens consumer spending by raising operational costs, eroding purchasing power and weakening demand ([Alldredge, Coggins, Drassinower & Nading, 2022](#)). From 2007 to 2010, inflation had a negative but relatively moderate impact on retail sales, with the effect partly cushioned by a collapse in demand and broader economic downturn during the GFC (Figure 9). The negative contribution of inflation to retail sales growth became more pronounced during 2011–2016, when price pressures were more persistent and domestically driven as Hong Kong residents faced rising housing rents and utility costs, which pushed up the cost of living over this period, weighing more heavily on discretionary spending (Figure 10). In 2017–2019, the drag from inflation on retail sales eased somewhat, as price pressures moderated, and income growth remained steady (Figure 9). Moreover, while economic conditions were broadly stable from 2017 to early 2019, the second half of 2019 saw a significant deterioration due to social unrest. Therefore, the drag from inflation on retail sales remained limited during this period, as the retail downturn was primarily driven by non-inflationary factors, such as disruptions to social life and socioeconomic activities as well as a collapse in consumer and tourist demand (Figure 4). Throughout 2020–2024, inflation exerted a consistently negative but generally moderate drag on retail sales. While subdued inflation during the pandemic limited its impact in 2020–2021, the drag stabilized at modest levels during the recovery years. Even with higher global inflation in 2023–2024, its contribution remained contained as improving domestic conditions<sup>4</sup> partially offset the negative effects of inflation on consumer spending.

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<sup>4</sup> Improving domestic conditions include a labor market recovery, inbound tourism revival, normalization of retail operations, and targeted government support (i.e., consumption vouchers, mega events and tourism campaigns, tax reductions, financial relief, etc.). The unemployment rate has declined to below 4 percent since October 2022, down from an average of 5.5 percent in 2020–2021.

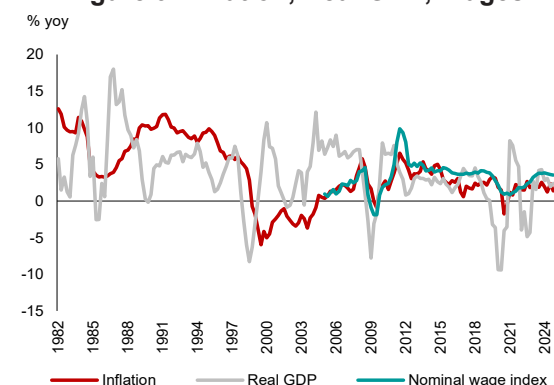


**Figure 8. Exchange Rate**



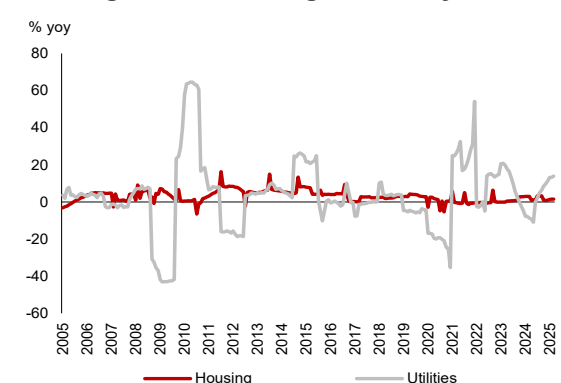
Source: State Administration of Foreign Exchange

**Figure 9. Inflation, Real GDP, Wages**



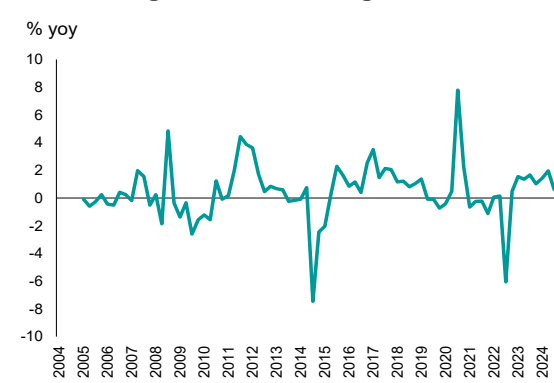
Source: C&SD; AMRO staff calculations

**Figure 10. Housing and Utility CPI**



Source: C&SD; AMRO staff calculations

**Figure 11. Real Wage Index**



Source: C&SD; AMRO staff calculations

**11. Wages have played a consistently supportive role in driving retail sales, shaped by labor market conditions and households' purchasing power.** The contribution of wages to Hong Kong's retail sales has been consistently positive, though relatively modest (Figure 7). After the GFC, particularly from 2011 to 2013, wages rose by an average of 1.5 percent, up from -0.4 percent during 2008-2010. This boosted households' purchasing power, alongside a decrease in the unemployment rate (Figure 3). In contrast, wage contribution weakened during 2014–2016,<sup>5</sup> reflecting slower wage growth amid economic uncertainty. Nevertheless, real wages remained a steady underlying support for consumption, preventing deeper retail declines. During the COVID-19 period (2020–2022), wage support persisted even as overall retail sales contracted, suggesting that government income support measures, job retention and creation measures, and wage stability helped to cushion the drop in private consumption. In 2023–2024, as the economy reopened and labor demand strengthened, rising real wages—together with improved consumer confidence—again contributed positively to retail sales, partially offsetting external headwinds from HKD appreciation and a slow tourism recovery (Figures 7, 11, 12).

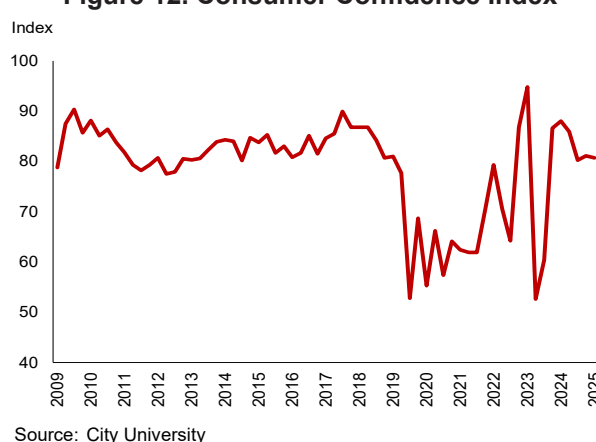
**12. While the factors discussed above explain a significant portion of retail sales movement, residuals—representing unexplained variations—are also important.** These capture factors not explicitly included in the model, such as policy changes, some aspects of social unrest, and unexpected global events. For example, in times of crisis, such as the GFC and COVID-19 pandemic, residual contributions were large and negative, reflecting the severe

<sup>5</sup> Real wage growth averaged -0.2 percent during 2014-2016.

and sudden drop in retail activity not fully explained by inflation, tourist arrivals, or credit growth alone. In contrast, during the post-pandemic reopening, residuals turned strongly positive, driven by pent-up demand, policy support (such as consumption vouchers), and improved sentiment. The importance of residuals highlights the need to consider qualitative and structural factors alongside quantitative drivers when analyzing Hong Kong's retail sector.

**13. Finally, the relationship between lagged retail sales and retail sales growth appears to be mildly counter-cyclical.** Periods of strong retail sales tend to be followed by weaker growth, as indicated by negative contributions from lagged sales, while periods of weak sales tend to be followed by rebounds, reflected in positive lagged contributions. This suggests a self-correcting dynamic, where growth tends to moderate after strong expansions and rebounds following downturns.

**Figure 12. Consumer Confidence Index**



## **V. Conclusion and Policy Implications**

**14. The analysis finds that Hong Kong's retail sector remains sensitive to a mix of domestic and external factors.** Inbound tourism and real wage growth have supported retail activity, while a strong Hong Kong dollar, rising outbound tourism, and inflation have weighed on performance. Tourist preferences are shifting toward experiences rather than goods, and local consumers are increasingly spending money across the border in Mainland China. These dynamics, along with broader structural changes, suggest that a return to pre-pandemic retail patterns is unlikely, underscoring the need for a more forward-looking and adaptive policy approach.

**15. First, Hong Kong should continue to boost tourist appeal—especially for Mainland visitors—by easing access and aligning offerings with evolving preferences.** Hong Kong authorities, industry bodies, and retailers deserve credit for their continued efforts to revitalize the retail sector and explore new avenues for long-term growth. Given inbound tourism's significant role in supporting retail performance, efforts to enhance the city's appeal as a shopping and leisure destination—especially for Mainland Chinese tourists—should continue. This should be done by improving visitor experience, facilitating cross-border mobility, and diversifying retail offerings to align with shifting tourist preferences. Coordinated promotion campaigns and the expanded use of digital platforms could also help attract a broader mix of travelers beyond traditional shopping-oriented segments.



**16. Second, the persistent drag from outbound tourism and the strong Hong Kong dollar highlight the need for policies that strengthen domestic consumption and local competitiveness.** Authorities may consider measures to retain local spending, such as neighborhood revitalization programs, “shop local” initiatives, and digital retail innovations that improve convenience and shopping experience. The authorities could also consider positioning Hong Kong as a niche retail shopping destination by developing interactive flagship stores, themed markets, and art-tech retail corridors that offer unique, experiential retail environments. Incentivizing experiential retail and services—such as dining, wellness, and entertainment—can also help shift domestic consumption toward value-added activities that are less sensitive to price competition. While the Hong Kong dollar exchange rate is market-driven the government can help support Hong Kong’s competitiveness by providing rental or marketing support to tourism-facing retail districts. During periods of Hong Kong dollar strength, the authorities and retail sector could reinforce “value-for-money” messaging by highlighting Hong Kong’s VAT-free advantage and enhancing the quality of retail services to maintain competitiveness.

**17. Third, the impact of inflation and wage growth on retail dynamics underscores the importance of maintaining real income support for households.** While inflation appears to have had a moderate but negative effect, rising real wages have helped sustain retail activity. Policymakers should continue to promote inclusive wage growth, invest in upskilling to raise productivity and earnings potential, and ensure adequate social safety nets to stabilize consumer demand during economic downturns. More targeted support could be directed to lower-income groups who are more vulnerable to cost-of-living pressures, and Hong Kong authorities should be commended for their continued policy efforts to support these households through targeted relief and social programs.

**18. Finally, the analysis suggests that short-term volatility may obscure underlying structural shifts.** Policymakers could focus more sharply on building long-term sector resilience through digital transformation, cross-border e-commerce facilitation, and the better integration of retail with tourism, cultural, and logistics ecosystems. Continued monitoring of emerging risks—such as policy shocks, global events, or social sentiment—will also be essential in fine-tuning support measures in a timely and targeted manner.

## References

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## Appendix I. ARDL Model and Empirical Results for the Determinants of Hong Kong's Retail Sector

This empirical study employs an Autoregressive Distributed Lag (ARDL) model to examine the key drivers of retail sales in Hong Kong. The analysis is based on monthly data spanning from January 2000 to March 2025. The independent variables ultimately included in the regression model are lagged retail sales volume, tourist arrivals, credit, inflation, exchange rate, outbound tourism, and real wage. Retail sales are more immediately responsive to these factors, which exhibit clearer and more direct links to consumer spending. Some variables, which were also considered but eventually removed from the model, include property rental given statistical insignificance, as well as unemployment due to endogeneity issue confirmed by two tests: Durbin-Wu-Hausman (DWH) test and 2SLS with instrument validity checks. Eventually, after empirical testing, only variables with statistically significant and economically meaningful relationships were retained in the final specification to ensure model parsimony and robustness.

### 1. Data and Source

This study employs monthly time series data from January 2000 to March 2025, sourced from Hong Kong authorities.

### 2. Methodology

Indicated below is the basic structure of the econometric model adopted in the study.

**Table A1. ARDL Model and Empirical Results**

$$\Delta \log(\text{Retail Sales})_t = \beta_0 + \beta_1 \Delta \log(\text{Retail Sales})_{t-1} + \beta_2 \Delta \log(\text{Inbound tourism})_t + \beta_5 \Delta \log(\text{RMB/HKD})_{t-1} + \beta_4 \Delta \log(\text{Inflation})_{t-4} + \beta_6 \Delta \log(\text{Outbound tourism})_{t-1} + \beta_7 \Delta \log(\text{Wage})_{t-4} + \text{Dummy} + \varepsilon_t$$

where:

#### Dependent variable

$\Delta \log(\text{Retail Sales})_t$  : Log difference of retail sales volume index

#### Explanatory variable

$\Delta \log(\text{Retail Sales})_{t-1}$  : Lagged log difference of retail sales volume index

$\Delta \log(\text{Inbound tourism})_t$  : Log difference of Hong Kong's tourist arrivals

$\Delta \log(\text{RMB/HKD})_{t-1}$  : Lagged log difference of foreign exchange rate (RMB per HKD)

$\Delta \log(\text{Inflation})_{t-4}$  : Lagged log difference of inflation

$\Delta \log(\text{Outbound tourism})_{t-1}$  : Lagged log difference of outbound tourism

$\Delta \log(\text{Wages})_{t-4}$  : Lagged log difference of real wages

*Dummy* : Dummy variable applied to specific months to capture the effect of Chinese New Year and government support measures, particularly the consumption vouchers rolled out in phases during 2021, 2022, and 2023

$\varepsilon_t$  : Error term

Retail sales volume index is used as a dependent variable—especially when inflation is included as a regressor—to avoid double-counting price effects and enable a clearer estimation of inflation’s impact on consumer demand.

All variables, except inflation, are seasonally adjusted using Census X-12 to smooth periodic swings in the data. To capture the true effect of price pressures on consumer spending, non-seasonally adjusted inflation is employed in the model. Seasonal adjustment tends to smooth out fluctuations that may, in fact, have real economic consequences on purchasing behavior, especially over lagged periods. Empirical results confirm this, as the seasonally adjusted series yields statistically insignificant coefficients, suggesting that unadjusted inflation better reflects the persistent erosion of purchasing power and its subsequent dampening effect on retail sales growth.

A different number of lags is applied to different variables.

- RMB/HKD (RMB per HKD) and outbound tourism are imposed with a one-month lag to reflect the short delay in the impact of exchange rate movements and travel activity on domestic retail spending. This reflects that the effect of outbound tourism on monthly domestic retail sales is not always immediate. For instance, travel bookings may occur earlier, but actual spending abroad displaces local spending in the month after travel. A stronger HKD (i.e., higher RMB/HKD) makes overseas travel and shopping more affordable for Hong Kong residents, incentivizing outbound tourism and reducing domestic retail sales with a lagged effect.
- A four-month lag was imposed on inflation and real wages. This approach reflects the realistic delay in how these factors influence consumer spending behavior. A four-month lag was imposed on both inflation and real wage variables to capture the delayed effects these factors have on household spending behavior. Consumers typically adjust their consumption patterns with a lag in response to changes in purchasing power and price levels. Empirically, the model shows that retail sales respond most significantly to real wage and inflation changes four months earlier, as evidenced by their strong statistical significance at the fourth lag.
- Nevertheless, no lag was applied to inbound tourism in the model. For tourist arrivals, this reflects the assumption that changes in visitor numbers have an immediate effect on retail sales. This is theoretically sound, as tourist spending tends to occur during the visit period and directly supports current retail activity. The positive and statistically significant coefficient on tourist arrivals (without lag) confirms this contemporaneous relationship, suggesting that changes in inbound tourism translate quickly into retail sales growth.

### **3. Empirical Results**

The regression results indicate that all independent variables are statistically significant and contribute meaningfully to explaining Hong Kong’s retail sales (Table 1). Tourist arrivals and wages have positive effects and are statistically significant at the 1-percent level and 10-percent level, respectively, highlighting the important roles of tourism demand and wages in supporting retail spending. Conversely, inflation and outbound tourism (statistically significant at the 5-percent level) and Hong Kong dollar appreciation (significant at the 1-percent level) exert a negative influence, suggesting that price increases, local currency appreciation and outbound travels weigh on consumers’ purchasing power and demand and consequently dampen retail sales. Additionally, lagged retail sales exhibit a mean-reverting tendency, where strong growth in the previous period tends to be followed by slower growth.

**Table 1. Empirical Results**

Variable	Coefficient	Std. Error	t-Statistic	Prob.
$\Delta \log(\text{Retail Sales})_{t-1}$	-0.384***	0.067	-5.749	0.0000
$\Delta \log(\text{Inbound tourism})_t$	0.046***	0.016	2.855	0.0046
$\Delta \log(\text{Outbound tourism})_{t-1}$	-0.021**	0.008	-2.590	0.0101
$\Delta \log(\text{RMB/HKD})_{t-1}$	-1.233***	0.350	-3.526	0.0005
$\Delta \log(\text{Inflation})_{t-4}$	-0.591**	0.281	-2.104	0.0363
$\Delta \log(\text{Wage})_{t-4}$	0.640*	0.386	1.658	0.0985
Dummy	0.039	0.013	3.115	0.0020
Constant	-0.002	0.002	-0.908	0.3645
R-squared	0.325			
Adjusted R-squared	0.308			

Note: \*\*\*, \*\* and \* denote significance at 1 percent, 5 percent and 10 percent level, respectively.