BUSINESS CLIMATE SURVEY
RESTAURANTS & SIMILAR ESTABLISHMENTS AND RETAIL TRADE

OCTOBER 2017

- Among the interviewed restaurants & similar establishments, 68% registered a year-on-year rise in receipts or a stable business performance in October, up by 6 percentage points from September; meanwhile, 32% recorded a year-on-year decline in receipts, down by 6 percentage points.

- As regards retail trade, 59% of the interviewed retailers reported a year-on-year sales increase in October, up by 8 percentage points from September. On the other hand, 21% recorded a sales decrease, down by 3 percentage points.

- The interviewed restaurants & similar establishments were cautious about their business prospects, with 68% anticipating their receipts to increase or to remain steady year-on-year in November, up by 4 percentage points from October. Meanwhile, 32% predicted a year-on-year decline in receipts, down by 4 percentage points.

- Retailers expected their sales to be steady in November, with 77% predicting their sales to rise or to remain stable year-on-year. On the other hand, 23% anticipated a sales decline, the same as in October.

Restaurants & Similar Establishments

Table 1: Restaurants' perceptions of year-on-year changes in receipts for September and October 2017

%

| | Increase | | | | | | Stable | | Decrease | | | | | |
| | Subtotal | | < 20% | | ≧ 20% | | | | Subtotal | | < 20% | | ≧ 20% | |
	Sept.	Oct.	Sept.	Oct.	Sept.	Oct.	Sept.	Oct.	Sept.	Oct.	Sept.	Oct.	Sept.	Oct.
Restaurants & Similar Establishments	**44.5**	**42.7**	**28.4**	**27.4**	**16.1**	**15.3**	**18.1**	**25.5**	**37.4**	**31.8**	**20.0**	**19.7**	**17.4**	**12.1**
Chinese Restaurant	53.5	54.5	34.9	36.4	18.6	18.2	16.3	22.7	30.2	22.7	14.0	11.4	16.3	11.4
Western Restaurant	15.8	25.0	10.5	25.0	5.3	-	15.8	35.0	68.4	40.0	36.8	25.0	31.6	15.0
Japanese & Korean Restaurant	56.3	43.8	43.8	31.3	12.5	12.5	18.8	25.0	25.0	31.3	12.5	18.8	12.5	12.5
Local Style Cafe, Congee & Noodle Shop	38.8	32.7	26.5	18.4	12.2	14.3	22.4	28.6	38.8	38.8	24.5	26.5	14.3	12.2
Others	53.6	53.6	25.0	28.6	28.6	25.0	14.3	17.9	32.1	28.6	14.3	17.9	17.9	10.7

- The proportion of Western Restaurants (25%) recording a year-on-year rise in receipts in October went up by 9 percentage points from September, while that of Japanese & Korean Restaurants (44%) went down by 13 percentage points. On the other hand, the proportions of Western Restaurants (40%) and Chinese Restaurants (23%) showing a year-on-year decline in receipts dropped by 28 and 8 percentage points respectively, while the share of Japanese & Korean Restaurants (31%) grew by 6 percentage points (Table 1).

Forecast and Actual Business Performance

- In September, 27% of the interviewed restaurants & similar establishments anticipated a year-on-year rise in receipts in October, and it turned out that 43% of them registered growth, higher than expected by 16 percentage points. The actual business performance of all the interviewed restaurants & similar establishments was better than expected. In October, the proportions of Local Style Cafes, Congee & Noodle Shops (33%), Western Restaurants (25%) and Chinese Restaurants (55%) reporting an increase in receipts exceeded the forecast by 16, 15 and 10 percentage points respectively. On the other hand, 32% of the interviewed establishments registered a decline in receipts in October, lower than predicted by 4 percentage points; among them, the proportions of Western Restaurants (40%) and Japanese & Korean Restaurants (31%) were lower than the forecast by 20 and 13 percentage points respectively (Table 2).

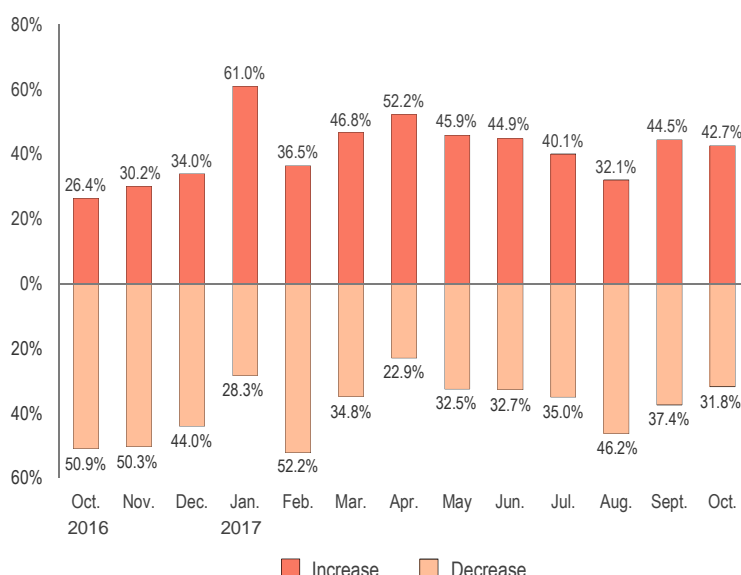**Restaurants' perceptions of year-on-year changes in receipts**

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Table 2: Comparison of forecast and actual business performance for October

%

	Year-on-year Increase			Stable			Year-on-year Decrease		
	Forecast	Actual	Difference (p.p.)	Forecast	Actual	Difference (p.p.)	Forecast	Actual	Difference (p.p.)
Restaurants & Similar Establishments	**26.9**	**42.7**	**15.8**	**37.2**	**25.5**	**-11.7**	**35.9**	**31.8**	**-4.1**
Chinese Restaurant	44.2	54.5	10.3	25.6	22.7	-2.9	30.2	22.7	-7.5
Western Restaurant	10.0	25.0	15.0	30.0	35.0	5.0	60.0	40.0	-20.0
Japanese & Korean Restaurant	37.5	43.8	6.3	18.8	25.0	6.2	43.8	31.3	-12.5
Local Style Cafe, Congee & Noodle Shop	16.3	32.7	16.4	53.1	28.6	-24.5	30.6	38.8	8.2
Others	25.0	53.6	28.6	42.9	17.9	-25.0	32.1	28.6	-3.5

Business Prospects for Next Month

- The interviewed restaurants & similar establishments were cautious about their business prospects, with 68% anticipating a year-on-year rise in receipts or a stable business performance in November, up by 4 percentage points over October. Meanwhile, 32% predicted a year-on-year decline in receipts, down by 4 percentage points (Table 3).

- Among the various types of establishments, 50% of the Western Restaurants and 73% of the Chinese Restaurants predicted their receipts to rise or to remain steady in November, up by 10 and 3 percentage points respectively from October, while the corresponding proportion of Japanese & Korean Restaurants (50%) went down by 6 percentage points.
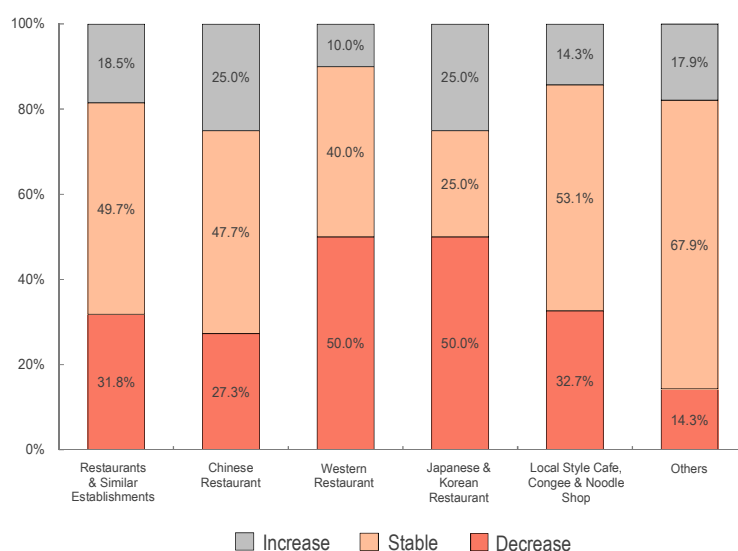
Restaurants' expectations for receipts for November 2017

Table 3: Restaurants' expectations for receipts for October and November 2017

%

	Year-on-year Increase						Stable		Year-on-year Decrease					
	Subtotal		< 20%		≧ 20%				Subtotal		< 20%		≧ 20%	
	Oct.	Nov.	Oct.	Nov.	Oct.	Nov.	Oct.	Nov.	Oct.	Nov.	Oct.	Nov.	Oct.	Nov.
Restaurants & Similar Establishments	**26.9**	**18.5**	**21.2**	**14.6**	**5.8**	**3.8**	**37.2**	**49.7**	**35.9**	**31.8**	**24.4**	**23.6**	**11.5**	**8.3**
Chinese Restaurant	44.2	25.0	32.6	18.2	11.6	6.8	25.6	47.7	30.2	27.3	23.3	22.7	7.0	4.5
Western Restaurant	10.0	10.0	10.0	10.0	-	-	30.0	40.0	60.0	50.0	20.0	40.0	40.0	10.0
Japanese & Korean Restaurant	37.5	25.0	31.3	18.8	6.3	6.3	18.8	25.0	43.8	50.0	25.0	25.0	18.8	25.0
Local Style Cafe, Congee & Noodle Shop	16.3	14.3	14.3	14.3	2.0	-	53.1	53.1	30.6	32.7	24.5	26.5	6.1	6.1
Others	25.0	17.9	17.9	10.7	7.1	7.1	42.9	67.9	32.1	14.3	28.6	7.1	3.6	7.1

Retail Trade

- There were 59% of the interviewed retailers reporting a year-on-year sales growth in October 2017, up by 8 percentage points from September. The corresponding shares of Cosmetics & Sanitary Articles Retailers (78%) and Motor Vehicle Retailers (89%) each rose by 33 percentage points, and the proportion of Adults' Clothing Retailers (60%) also increased by 20 percentage points. However, the proportion of Leather Goods Retailers (80%) decreased by 20 percentage points (Table 4).

Table 4: Retailers' perceptions of year-on-year changes in sales for September and October 2017

%

| | Increase | | | | | | Stable | | Decrease | | | | | |
| | Subtotal | | < 20% | | ≧ 20% | | | | Subtotal | | < 20% | | ≧ 20% | |
	Sept.	Oct.	Sept.	Oct.	Sept.	Oct.	Sept.	Oct.	Sept.	Oct.	Sept.	Oct.	Sept.	Oct.
Retail Trade	**50.8**	**59.2**	**20.8**	**27.7**	**30.0**	**31.5**	**25.4**	**20.0**	**23.8**	**20.8**	**17.7**	**12.3**	**6.2**	**8.5**
Motor Vehicle	55.6	88.9	11.1	-	44.4	88.9	11.1	-	33.3	11.1	22.2	11.1	11.1	-
Supermarket	44.4	44.4	22.2	11.1	22.2	33.3	33.3	22.2	22.2	33.3	11.1	33.3	11.1	-
Department Store	55.6	66.7	11.1	44.4	44.4	22.2	11.1	22.2	33.3	11.1	33.3	11.1	-	-
Cosmetics & Sanitary Articles	44.4	77.8	22.2	66.7	22.2	11.1	33.3	11.1	22.2	11.1	-	-	22.2	11.1
Adults' Clothing	40.0	60.0	10.0	35.0	30.0	25.0	30.0	25.0	30.0	15.0	25.0	10.0	5.0	5.0
Leather Goods	100.0	80.0	40.0	-	60.0	80.0	-	20.0	-	-	-	-	-	-
Watches, Clocks & Jewellery	72.2	66.7	27.8	33.3	44.4	33.3	22.2	27.8	5.6	5.6	5.6	-	-	5.6
Others	43.1	47.1	23.5	23.5	19.6	23.5	29.4	19.6	27.5	33.3	21.6	17.6	5.9	15.7

- Among the interviewed retailers, 21% registered a year-on-year sales decrease in October, down by 3 percentage points over September. The corresponding shares of Motor Vehicle Retailers (11%) and Department Stores (11%) each fell by 22 percentage points, and the proportion of Adults' Clothing Retailers (15%) dropped by 15 percentage points; meanwhile, the proportion of the Supermarkets (33%) grew by 11 percentage points.

Forecast and Actual Business Performance

- In September, 33% of the interviewed retailers anticipated a year-on-year sales increase in October; yet, it turned out that 59% of them registered growth, higher than expected by 26 percentage points. The corresponding proportions of Adults' Clothing Retailers (60%), Leather Goods Retailers (80%) and Cosmetics & Sanitary Articles Retailers (78%) exceeded the forecast by 45, 40 and 33 percentage points respectively (Table 5).

Retailers' perceptions of year-on-year changes in sales

- On the other hand, 21% of the interviewed retailers reported a year-on-year sales decrease in October, lower than the forecast by 2 percentage points. In September, 20% of the interviewed Leather Goods Retailers expected a year-on-year sales decline in October, and it turned out that all of them registered actual sales rise or a stable performance. Meanwhile, the corresponding proportion of Department Stores (11%) was lower than predicted by 22 percentage points, while that of Supermarkets (33%) was higher than the forecast by 22 percentage points.

Table 5: Comparison of forecast and actual sales performance for October

%

| | Year-on-year Increase | | | Stable | | | Year-on-year Decrease | | |
	Forecast	Actual	Difference (p.p.)	Forecast	Actual	Difference (p.p.)	Forecast	Actual	Difference (p.p.)
Retail Trade	**32.8**	**59.2**	**26.4**	**44.3**	**20.0**	**-24.3**	**22.9**	**20.8**	**-2.1**
Motor Vehicle	66.7	88.9	22.2	33.3	-	-33.3	-	11.1	11.1
Supermarket	22.2	44.4	22.2	66.7	22.2	-44.5	11.1	33.3	22.2
Department Store	44.4	66.7	22.3	22.2	22.2	-	33.3	11.1	-22.2
Cosmetics & Sanitary Articles	44.4	77.8	33.4	33.3	11.1	-22.2	22.2	11.1	-11.1
Adults' Clothing	15.0	60.0	45.0	70.0	25.0	-45.0	15.0	15.0	-
Leather Goods	40.0	80.0	40.0	40.0	20.0	-20.0	20.0	-	-20.0
Watches, Clocks & Jewellery	55.6	66.7	11.1	33.3	27.8	-5.5	11.1	5.6	-5.5
Others	23.1	47.1	24.0	42.3	19.6	-22.7	34.6	33.3	-1.3
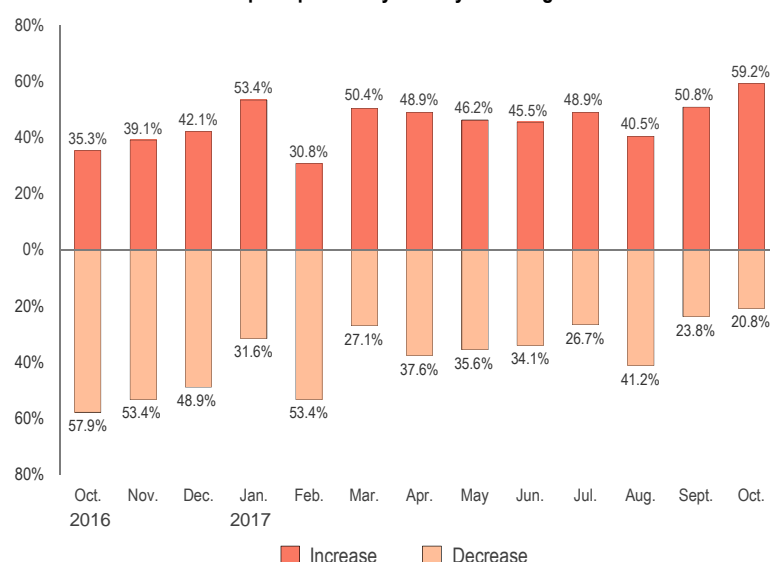
Business Prospects for Next Month

- Retailers expected their sales to be stable in November, with 77% predicting a year-on-year sales increase or a steady business performance, the same proportion as in October; meanwhile, 23% anticipated a sales decline, remaining unchanged from October (Table 6).

- Among the various types of retailers, all of the interviewed Motor Vehicle Retailers expected their sales to increase or to remain stable year-on-year in November. Besides, 44% of the Supermarkets and 60% of the Leather Goods Retailers anticipated a year-on-year sales rise in November, up by 22 and 20 percentage points respectively from October. On the other hand, the proportions of Cosmetics & Sanitary Articles Retailers (33%) and Watches, Clocks & Jewellery Retailers (22%) predicting a year-on-year sales decline each rose by 11 percentage points.
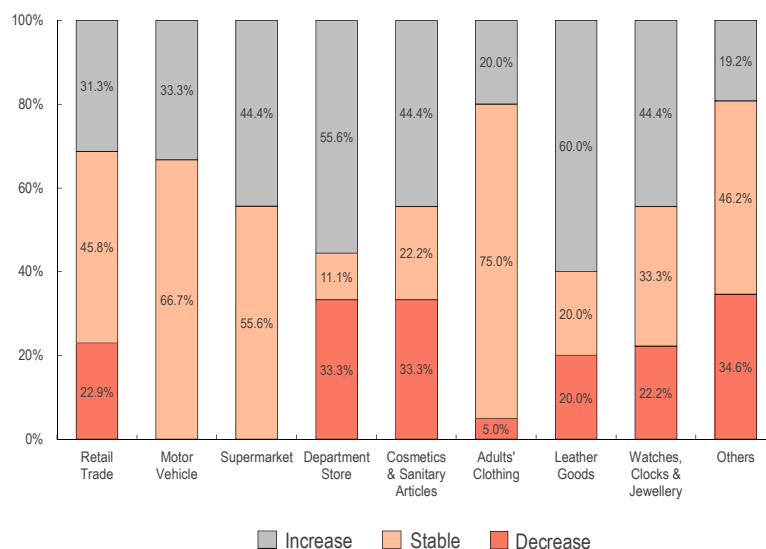
Retailers' expectations for sales for November 2017

Increase   Stable   Decrease

Table 6: Retailers' expectations for sales for October and November 2017

%

	Year-on-year Increase						Stable		Year-on-year Decrease					
	Subtotal		< 20%		≧ 20%				Subtotal		< 20%		≧ 20%	
	Oct.	Nov.	Oct.	Nov.	Oct.	Nov.	Oct.	Nov.	Oct.	Nov.	Oct.	Nov.	Oct.	Nov.
Retail Trade	**32.8**	**31.3**	**22.1**	**22.9**	**10.7**	**8.4**	**44.3**	**45.8**	**22.9**	**22.9**	**15.3**	**15.3**	**7.6**	**7.6**
Motor Vehicle	66.7	33.3	44.4	11.1	22.2	22.2	33.3	66.7	-	-	-	-	-	-
Supermarket	22.2	44.4	22.2	44.4	-	-	66.7	55.6	11.1	-	11.1	-	-	-
Department Store	44.4	55.6	33.3	44.4	11.1	11.1	22.2	11.1	33.3	33.3	22.2	22.2	11.1	11.1
Cosmetics & Sanitary Articles	44.4	44.4	33.3	44.4	11.1	-	33.3	22.2	22.2	33.3	-	22.2	22.2	11.1
Adults' Clothing	15.0	20.0	10.0	15.0	5.0	5.0	70.0	75.0	15.0	5.0	10.0	-	5.0	5.0
Leather Goods	40.0	60.0	-	-	40.0	60.0	40.0	20.0	20.0	20.0	20.0	20.0	-	-
Watches, Clocks & Jewellery	55.6	44.4	27.8	33.3	27.8	11.1	33.3	33.3	11.1	22.2	5.6	11.1	5.6	11.1
Others	23.1	19.2	19.2	15.4	3.8	3.8	42.3	46.2	34.6	34.6	25.0	25.0	9.6	9.6

Symbols & Note

- Absolute value equals zero

Percentages may not add up to 100% due to rounding.

Explanatory notes

The Statistics and Census Service (DSEC) has conducted the monthly Business Climate Survey on Restaurants & Similar Establishments and Retail Trade since January 2016, which aims to provide a timely overview of the business performance of the surveyed industries in Macao.

The sample of the Business Climate Survey was selected by purposive sampling based on data collected from the annual Restaurants & Similar Establishments Survey and Retail Trade Survey. A total of 302 sampling units with relatively large contribution to the surveyed industries were selected, comprising 167 restaurants & similar establishments (accounting for 53% of the industry's receipts) and 135 retailers (accounting for 70% of the industry's receipts).

Data of the Business Climate Survey are collected from the sampling units through telephone interview, electronic questionnaire or other means on a monthly basis.

Remarks

Results presented in this report were not extrapolated and only reflect the business performance and expectations of the sampling units. In order to achieve timeliness of the results, restaurants and retailers may not get hold of the actual sales figures at the time of data collection.

Owing to the above stated limitations, the Survey results only serve as a reference on the business trends of the surveyed industries. Hence, it is recommended to take into account other relevant data when evaluating the overall business performance of these industries.

For addition information:
http://www.dsec.gov.mo/e/icrc.aspx