

# Jersey Retail Sales

## First Release – 2005 to 2008

Statistics Unit: [www.gov.je/statistics](http://www.gov.je/statistics)



### Introduction

The Jersey Retail Sales Survey was launched in April 2007 to collect information on the performance of the Island's retail sector. The introduction of this survey represented an important step in constructing a key economic indicator which will constitute an **early short-term measure of economic activity** in Jersey and be published quarterly in future.

The Retail Sales Survey samples businesses operating in retail trades in Jersey, excluding motor trades (see Notes for definitions). The survey asks each sampled business to report total **retail turnover** for a given quarter.

The main measures are **total value** and **total volume** estimates in **seasonally adjusted** form:

- value estimates reflect the total turnover that businesses have recorded in a given quarter.
- volume estimates adjust the value estimates to remove the effect of price changes.

Since a time series of sufficient length is required in order to carry out the necessary seasonal adjustment calculations, businesses have been asked to report on a quarterly basis since the survey's introduction in 2007 and also to provide turnover information going back to the first quarter of 2005 where possible.

The final quarter of 2008 represents the first occasion that a sufficiently long time series has been accumulated. This report focuses on the three-year period 2005 to 2008. The results of the Retail Sales Survey will henceforth be published on a quarterly basis; the next release will encompass the period up to and including the second quarter of 2009.

### Headlines

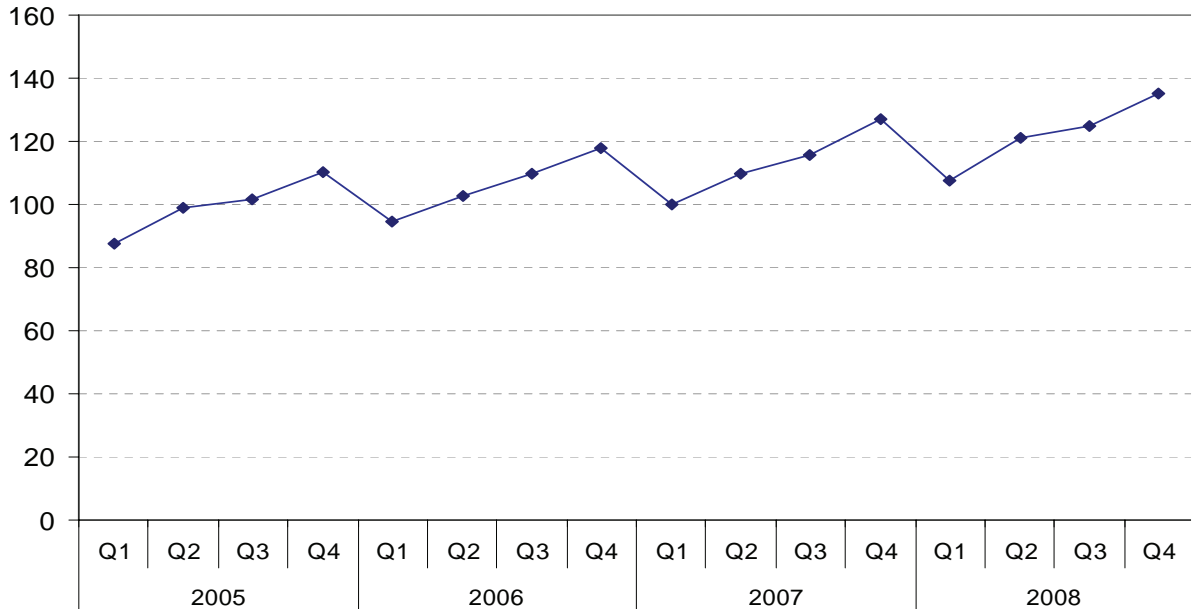
- The seasonally adjusted **volume of retail sales** in Jersey increased at an average annual rate of almost 6% over the period 2006 to the second quarter of 2008;
- The seasonally adjusted **volume of retail sales** increased at a lower annual rate, of less than 2%, in the last six months of 2008;
- The seasonally adjusted **volume** of retail sales for **predominantly food** stores was essentially flat in 2007 but decreased at an annual rate of about 1% throughout 2008;
- The seasonally adjusted **volume** of retail sales for **predominantly non-food** stores increased at annual rate of almost 11% from 2006 to mid-2008. The third quarter of 2008 then saw a decline in volume on a quarterly basis for such stores and the fourth quarter of 2008 saw the lowest annual rate of growth for at least three years.

## All retailers

### Value of retail sales, all retailers

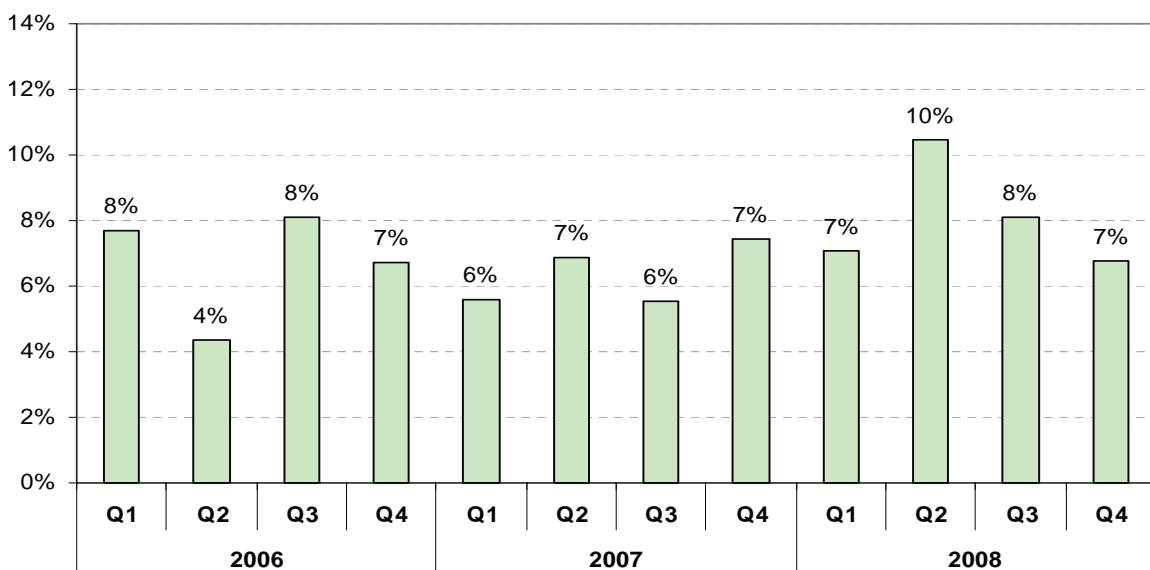
The marked seasonality in the estimated total value of retail sales is apparent in Figure 1, with retail turnover being largest in the fourth quarter of each calendar year.

**Figure 1 – Total value** (Q1 2007 = 100); *non-seasonally adjusted*



Comparing the same quarter with that of a year earlier (Figure 2), the period from 2006 to early 2008 saw growth in the total value of retail sales of generally around 6% to 8%. The introduction of a Goods and Services Tax (GST)<sup>1</sup> was a significant factor in the greater rate of increase (10%) seen in the second quarter of 2008 and also somewhat masked the underlying lower rates of increase in the last six months of 2008, which are apparent in the volume measures covered in the next section.

**Figure 2 – Total Value: annual percentage change; seasonally adjusted**

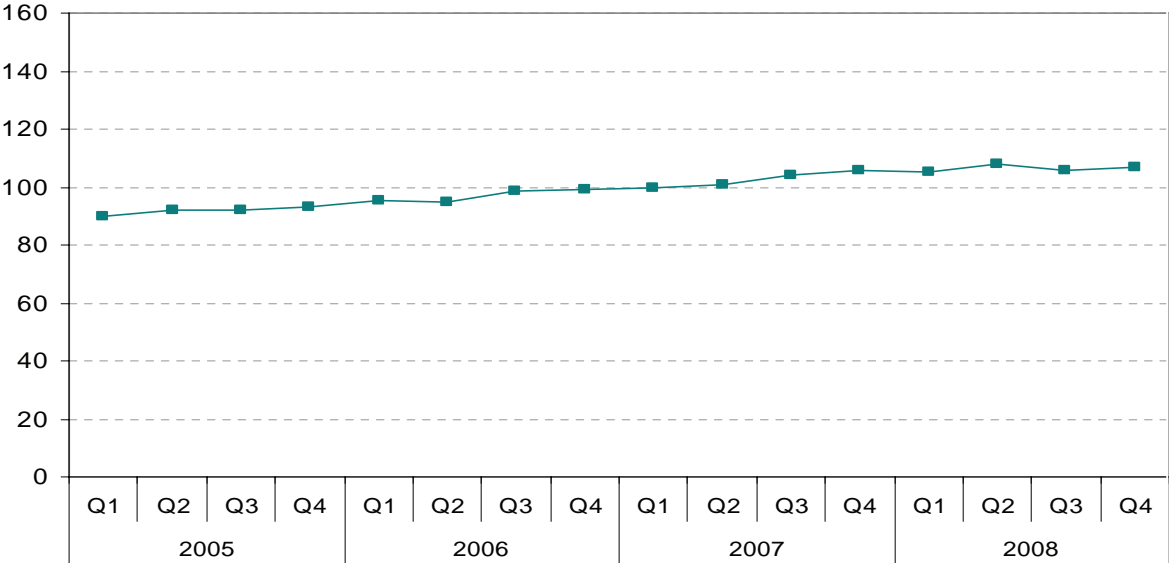


<sup>1</sup> GST was introduced in Jersey in May 2008 at the rate of 3%.

**Volume of retail sales, all retailers**

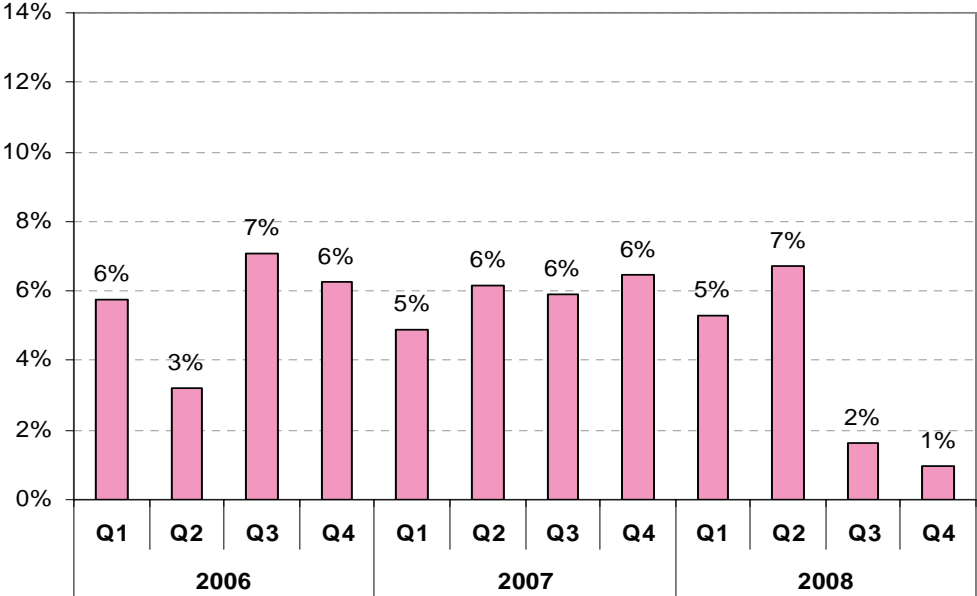
The volume series (Figure 3) is derived from the value series by use of deflators which removes the effect of price changes<sup>2</sup>. The deflators used are a weighted combination<sup>3</sup> of the relevant section level indices of the Retail Prices Index (RPI).

**Figure 3 – Total Volume** (Q1 2007 = 100); *seasonally adjusted*



Comparing the same quarter with that of a year earlier (Figure 4), the period from early 2006 to mid-2008 saw average annual growth in the total volume of retail sales of almost 6%. However, the last two quarters of 2008 recorded annual increases, of 2% and 1% respectively.

**Figure 4 – Total Volume: annual percentage change**; *seasonally adjusted*



<sup>2</sup> A volume index is an average of the proportionate changes in the quantities of a specified set of goods between two periods of time.

<sup>3</sup> Following the recent methodological changes incorporated in the Retail Sales publication produced by the UK Office for National Statistics, the price deflators applied are harmonic means of the RPI section indices.

## Sector summaries

The “Predominantly food” sector is comprised of three sub-categories: supermarkets; convenience stores; and other small food stores. The “Predominantly non-food” sector also comprises three sub-categories: Household goods; Textiles, Clothing and Footwear; and Non-food Specialised stores (see Notes for more information). The survey returns within each sub-category were analysed separately and then aggregated to produce value and volume estimates for each sector overall.

### Value of retail sales (seasonally adjusted)

The value of retail sales for predominantly food stores grew throughout 2007 and 2008. Total value in the third and fourth quarters of 2008 was 10% and 12% greater than the corresponding quarters of 2007, respectively, but was driven by price inflation.

Predominantly non-food stores saw growth in the total value of retail sales over the period from 2005 to Q2 2008 (Figure 5b). However, Q3 2008 saw a decline in total value compared with the previous quarter (Q2 2008), though still an increase of 7% on an annual basis (Figure 6b), whilst Q4 2008 recorded the lowest annual increase (3%) for at least three years.

Figure 5a - Predominantly food: Value (s.a.; Q1 2007 = 100)

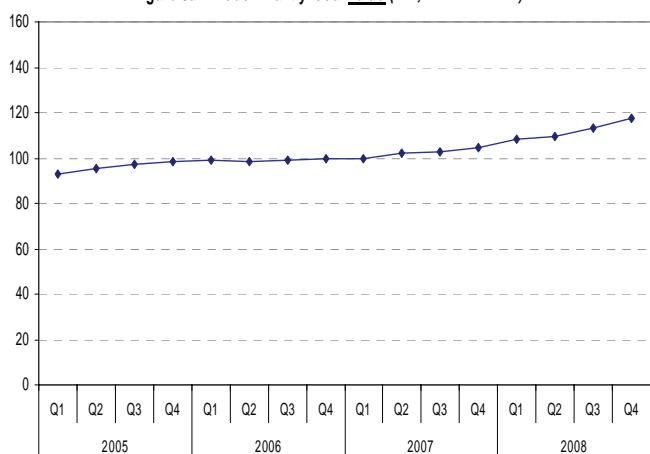


Figure 5b - Predominantly non-food: Value (s.a.; Q1 2007 = 100)

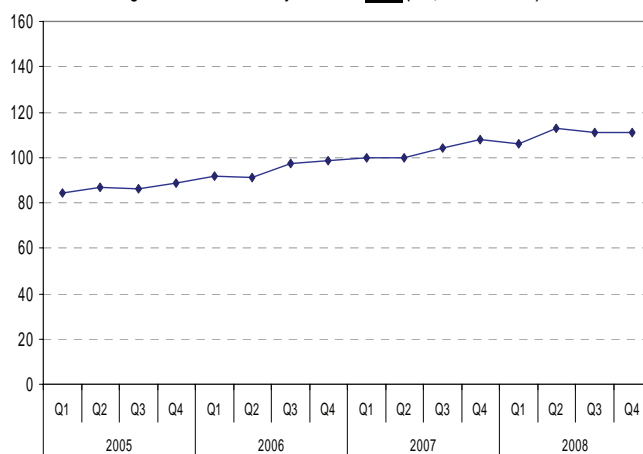


Figure 6a - Predominantly food: Annual % change in Value (s.a.)

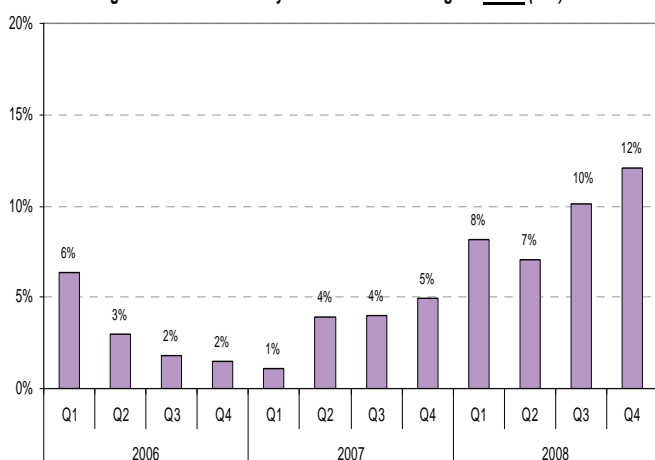
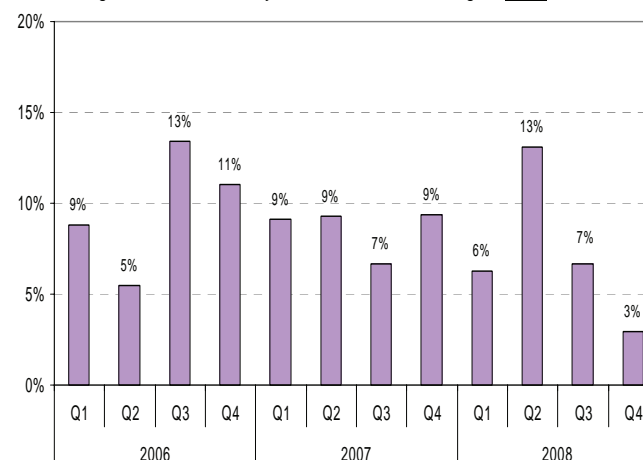


Figure 6b - Predominantly non-food: Annual % change in Value (s.a.)



s.a. = seasonally adjusted

## Volume of retail sales (seasonally adjusted)

Retail prices in predominantly food stores rose at an increasing rate during the period 2006 to 2008, from almost 4% on an annual basis in 2006 to more than 10% in 2008. In contrast, predominantly non-food saw prices fall, on average, for almost two years prior to the introduction of GST. The volume measure of retail sales removes the effect of such price changes and is shown for predominantly food and predominantly non-food stores, respectively, in Figures 7a and 7b.

For predominantly food stores, the total volume of retail sales was essentially flat throughout 2007 (Figure 8a). However there was a small decline in total volume (of about 1% on an annual basis) in 2008.

Predominantly non-food stores saw the total volume of retail sales grow at an average annual rate of almost 11% from 2006 to Q2 2008 (Figure 8b). However, the last two quarters of 2008 saw annual rates of increase of only 4% and 2%, respectively, with Q3 2008 recording a decrease in volume of 3% compared with the previous quarter (Q2 2008) and Q4 2008 recording the lowest annual rate of increase in volume of sales for at least three years.

Figure 7a - Predominantly food: Volume (s.a.; Q1 2007 = 100)

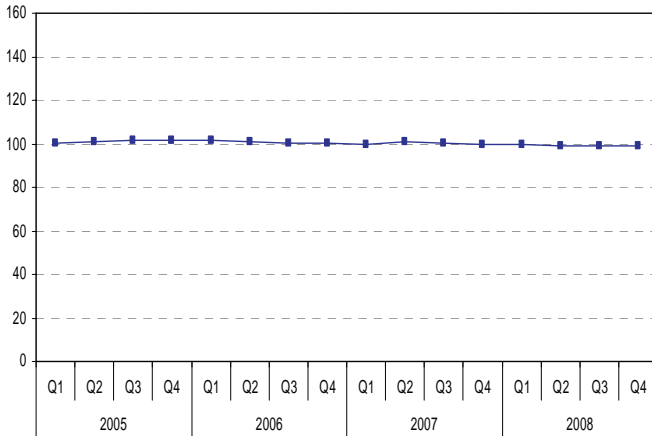


Figure 7b - Predominantly non-food: Volume (s.a.; Q1 2007 = 100)

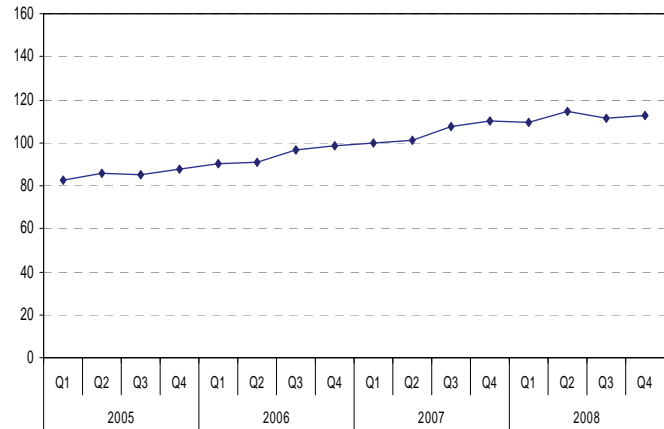


Figure 8a - Predominantly food: Annual % change in Volume (s.a.)

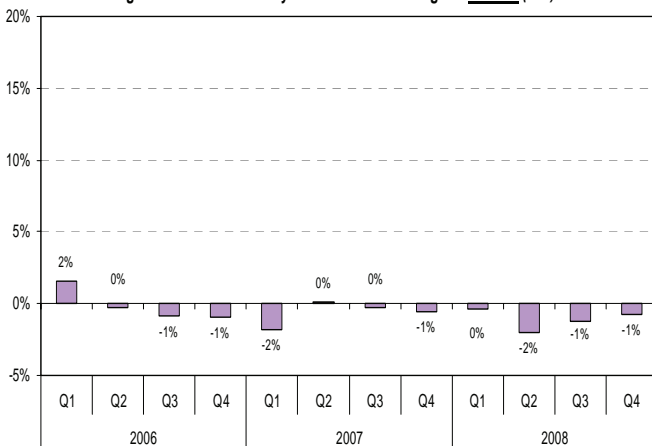


Figure 8b - Predominantly non-food: Annual % change in Volume (s.a.)



s.a. = seasonally adjusted

## Appendix

**Table A1: Volume, Seasonally Adjusted (Q1 2007 = 100)**

	All Retail	Predominantly Food	Predominantly Non-Food
Q1 2005	90.1	100.2	82.6
Q2 2005	92.1	101.0	85.5
Q3 2005	91.9	101.3	84.8
Q4 2007	93.3	101.3	87.4
Q1 2006	95.3	101.8	90.5
Q2 2006	95.1	100.7	90.9
Q3 2006	98.4	100.4	96.9
Q4 2006	99.2	100.3	98.3
<b>Q1 2007</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Q2 2007	100.9	100.8	101.0
Q3 2007	104.2	100.2	107.2
Q4 2007	105.6	99.7	109.9
Q1 2008	105.3	99.7	109.5
Q2 2008	107.7	98.8	114.4
Q3 2008	105.9	98.9	111.1
Q4 2008	106.6	99.0	112.3

**Table A2: Value: Non-seasonally adjusted and seasonally adjusted (Q1 2007 = 100)**

	Non-Seasonally Adjusted			Seasonally Adjusted		
	All Retail	Predominantly Food	Predominantly Non-Food	All Retail	Predominantly Food	Predominantly Non-Food
Q1 2005	87.6	92.1	84.2	88.0	93.0	84.2
Q2 2005	98.6	102.7	95.6	90.5	95.7	86.7
Q3 2005	101.6	105.1	99.0	90.8	97.3	86.0
Q4 2007	110.0	104.2	114.4	92.8	98.3	88.8
Q1 2006	94.5	98.3	91.6	94.7	98.9	91.6
Q2 2006	102.8	105.4	100.9	94.4	98.5	91.4
Q3 2006	109.8	106.5	112.2	98.2	99.1	97.5
Q4 2006	117.9	105.8	127.0	99.1	99.8	98.5
<b>Q1 2007</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Q2 2007	109.8	109.3	110.2	100.9	102.4	99.9
Q3 2007	115.8	110.4	119.8	103.6	103.0	104.1
Q4 2007	127.0	111.1	138.8	106.4	104.7	107.8
Q1 2008	107.3	108.7	106.2	107.1	108.1	106.3
Q2 2008	121.1	116.4	124.6	111.5	109.6	112.9
Q3 2008	124.9	121.2	127.7	112.0	113.5	111.0
Q4 2008	135.2	124.9	142.9	113.7	117.3	111.0

## Notes

1. Retail: "Retail" is defined as the sales of goods to the general public for personal or household consumption, excluding motor trades.

2. Sample: A representative sample of retail businesses are sampled each quarter, stratified by size, type and location. The sample is reviewed twice yearly so that new or expanding businesses can be introduced; in this way, the sample remains representative of the retail trade sector in Jersey.

3. Response rate: the response of businesses to the survey since its introduction in early 2007 has been approximately 50%, representing coverage of the sector in terms of employment of about 45%.

4. Timing: Quarter 1 is 1<sup>st</sup> January to 31<sup>st</sup> March; Quarter 2 is 1<sup>st</sup> April to 30<sup>th</sup> June; Quarter 3 is 1<sup>st</sup> July to 30<sup>th</sup> September; Quarter 4 is 1<sup>st</sup> October to 31<sup>st</sup> December.

5. Turnover: is defined as the net value of sales for all outlets under the business name within Jersey. Turnover includes all discounted, credit and deferred payments allowed to customers but not allowances for goods taken in part-exchange.

Total turnover includes:

- Turnover from services (e.g. repairs) as well as those from sales
- All charges for credit given as well as cash prices of credit sales
- Retail sales from outlets to all customers off-Island
- Retail sales via the internet
- Sales of mobile phones but excluding rental and mobile phone cards
- Sales against gift tokens, when token is redeemed not the face value of tokens sold
- Sales against money-off promotion coupons.

Total turnover excludes:

- Sales or commission on lottery tickets
- Receipts from credit card sales not made in the specified quarter
- Any health exemption receipts
- Sales of motor vehicles, parts, accessories and petrol
- Sales from catering facilities to customers
- Sales from other businesses trading on premises (e.g. a shop-within-shop) and any commission received on such sales – unless the reporting structure had been agreed with the Statistics Unit
- Any non retail activity (e.g. manufacturing).

6. Classification:

**a) Predominantly Food** – Supermarkets, convenience stores and other stores which sell mainly food, beverages or tobacco;

**b) Household goods** – furniture, electrical appliances, DIY, gardening tools, floor covering, lighting equipment, haberdashery, crockery

**c) Textile, Clothing and Footwear** – clothes, shoes, accessories

**d) Non-Food Specialised goods** – e.g. sports goods, jewellery, craft goods, photographic, music, books, newspapers, office supplies, children's toys, second-hand goods, chemists, health goods, flowers, seeds, fertilizer, pets, medical goods, audio visual/home computing equipment, mobile phones, optical and precision equipment

7. Methodology:

- Retail turnover for each sub-sector is calculated from the respondent businesses. A ratio estimator approach is applied to estimate the total retail turnover separately for each sub-sector, using the appropriate full-time equivalent (FTE) employment data from the Jersey Manpower Survey;
- Volume data for each sub-sector are derived from value data using price deflators which are base-weighted harmonic means of the corresponding section level indices of the Retail Prices Index;
- Seasonal adjustment is conducted using the Demetra software package.

*Statistics Unit - August 2009*