

6.3 Wholesale & Retail Trade

OVERVIEW

The wholesale & retail trade sector grew by 0.4 per cent in the fourth quarter of 2016, slightly better than the 0.1 per cent expansion in the previous quarter.

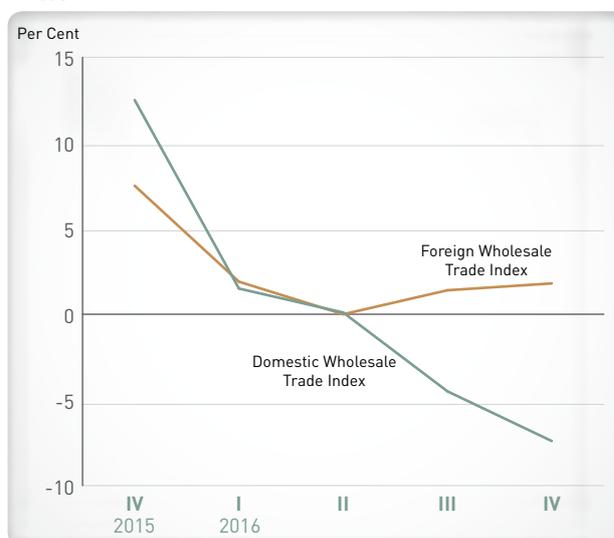
For the whole of 2016, the sector expanded by 0.6 per cent, moderating from the 3.7 per cent growth in 2015. The slowdown in growth could be attributed to both the wholesale trade and retail trade segments.

WHOLESALE TRADE

While foreign wholesale sales volume registered modest growth, domestic wholesale sales volume continued to decline in the fourth quarter. Specifically, domestic wholesale trade fell by 7.4 per cent, worsening from the 4.5 per cent contraction in the preceding quarter (Exhibit 6.10). Domestic wholesale trade in the quarter was mainly weighed down by a decline in the sales volume of petroleum & petroleum products (-9.8 per cent). For the whole of 2016, the domestic wholesale trade index declined by 2.8 per cent, reversing the 8.8 per cent growth in 2015.

On the other hand, foreign wholesale trade grew modestly by 1.8 per cent in the fourth quarter, following the 1.4 per cent rise in the preceding quarter. Growth was supported by the healthy sales of telecommunications & computers (37 per cent), as well as metals, timber & construction materials (17 per cent). However, growth was weighed down by a 5.9 per cent decline in the sales volume of petroleum & petroleum products. For the full year, the growth of the foreign wholesale trade index moderated to 1.3 per cent, from 9.0 per cent in 2015.

Exhibit 6.10: Changes in Wholesale Trade Index at Constant Prices



RETAIL SALES

In the fourth quarter, retail sales volume rose marginally by 0.4 per cent, moderating from the 1.0 per cent growth recorded in the third quarter (Exhibit 6.11). Growth was weighed down by non-motor vehicle sales. Notably, the sales of discretionary goods such as telecommunication equipment & computers and watches & jewellery declined by 8.2 per cent and 5.9 per cent respectively. On the other hand, the sales of motor vehicles expanded by 11 per cent in the fourth quarter, and provided support to the retail trade segment.

Exhibit 6.11: Changes in Retail Sales Index at Constant Prices

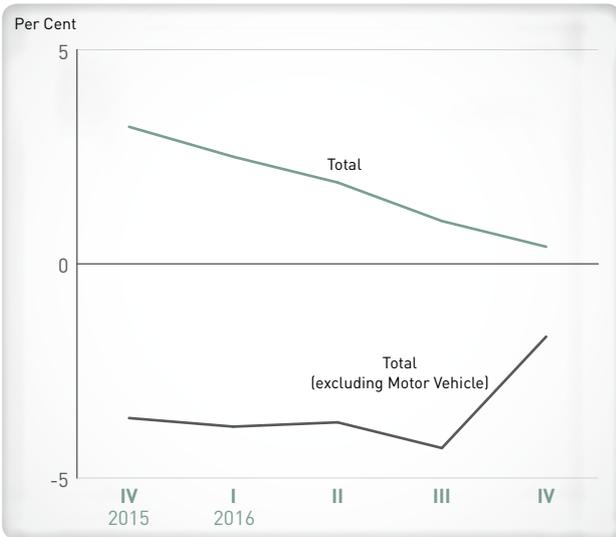
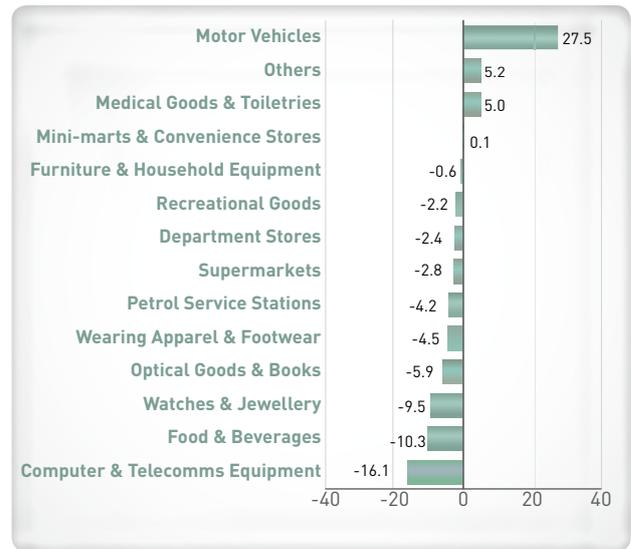


Exhibit 6.12: Changes in Retail Sales Index at Constant Prices for Major Segments in 2016



For the full year, retail sales volume grew by 1.5 per cent, following the 4.6 per cent growth recorded in 2015. Growth was driven by motor vehicle sales, which surged by 28 per cent. Excluding motor vehicle sales, retail sales volume contracted by 3.4 per cent, extending the 1.0 per cent decline in the previous year.

The weakness in non-motor vehicle sales was underpinned by a decline in discretionary goods sales. The contraction was broad-based, with declines recorded in the sales volume of telecommunication equipment & computers (-16 per cent), watches & jewellery (-9.5 per cent), optical goods & books (-5.9 per cent), and wearing apparel & footwear (-4.5 per cent) (Exhibit 6.12).