

6.3 WHOLESALE & RETAIL TRADE

OVERVIEW

The wholesale & retail trade sector expanded by 3.0 per cent in the fourth quarter of 2017, moderating from the 3.3 per cent growth in the previous quarter.

For the whole of 2017, the sector expanded by 2.3 per cent, faster than the 1.0 per cent growth in 2016. The improvement in growth can be attributed to the wholesale segment.

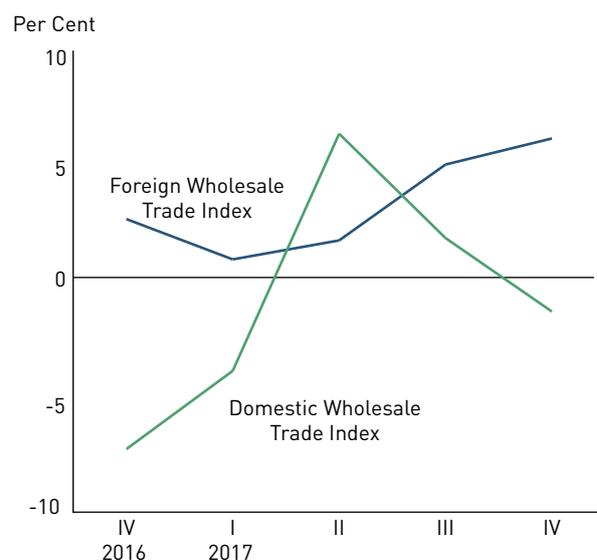
WHOLESALE TRADE

In the fourth quarter, the wholesale trade segment was boosted by an improvement in foreign wholesale sales volume, which more than offset the weakness in domestic wholesale sales volume.

The domestic wholesale sales volume fell by 1.1 per cent in the fourth quarter, reversing the 2.0 per cent growth in the preceding quarter (Exhibit 6.10). The poorer outturn was led by declines in the sales volume of household equipment & furniture (-27 per cent) and general wholesale merchandise (-19 per cent), which outweighed the increase in the sales volume of telecommunications & computers (20 per cent). For the whole of 2017, the domestic wholesale trade index expanded by 1.0 per cent, a turnaround from the 2.7 per cent decline in 2016.

On the other hand, foreign wholesale sales volume rose by 6.2 per cent in the fourth quarter, a step-up from the 5.1 per cent growth in the preceding quarter. Growth was driven by expansions in the sales of petroleum & petroleum-related products (11 per cent), telecommunications & computers (19 per cent) and electronic components (16 per cent). However, growth was partly offset by a 20 per cent decline in the sales volume of metals, timber & construction materials. For the full year, the foreign wholesale trade index rose by 3.6 per cent, faster than the increase of 1.5 per cent in the previous year.

Exhibit 6.10: Changes in Wholesale Trade Index at Constant Prices



RETAIL SALES

Retail sales volume rose by 2.1 per cent in the fourth quarter, improving from the 0.9 per cent growth recorded in the third quarter (Exhibit 6.11). Growth was supported by improvements in both motor vehicle and non-motor vehicle sales volumes. While motor vehicle sales benefitted from an on-year increase in COE supply, growth in non-motor vehicle sales came on the back of an improvement in consumer sentiments. Notably, the sales volume of discretionary goods such as recreational goods, computer & telecommunication equipment and wearing apparel & footwear grew by 4.6 per cent, 4.3 per cent and 3.1 per cent respectively.

Exhibit 6.11: Changes in Retail Sales Index at Constant Prices

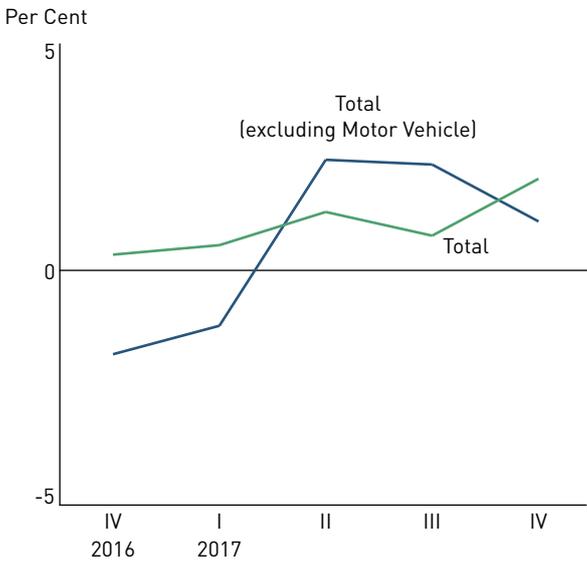
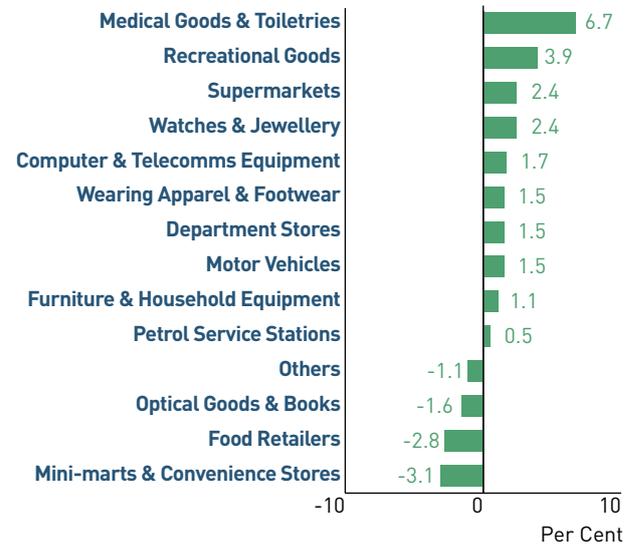


Exhibit 6.12: Changes in Retail Sales Index at Constant Prices for Major Segments in 2017



For the full year, retail sales volume expanded by 1.3 per cent, similar to the 1.5 per cent growth recorded in 2016. Growth was driven by both motor vehicle sales and non-motor vehicle sales, which the former rising by 1.5 per cent and the latter increasing by 1.3 per cent.

The rise in non-motor vehicle sales was underpinned by higher sales of discretionary goods. For instance, the sales volume of recreational goods (3.9 per cent), watches & jewellery (2.4 per cent), computer & telecommunications equipment (1.7 per cent) and wearing apparel & footwear (1.5 per cent) improved in 2017 (Exhibit 6.12).