

6.4 ACCOMMODATION & FOOD SERVICES

OVERVIEW

The accommodation & food services sector expanded by 2.9 per cent in the fourth quarter of 2017, accelerating from the 1.3 per cent growth in the previous quarter.

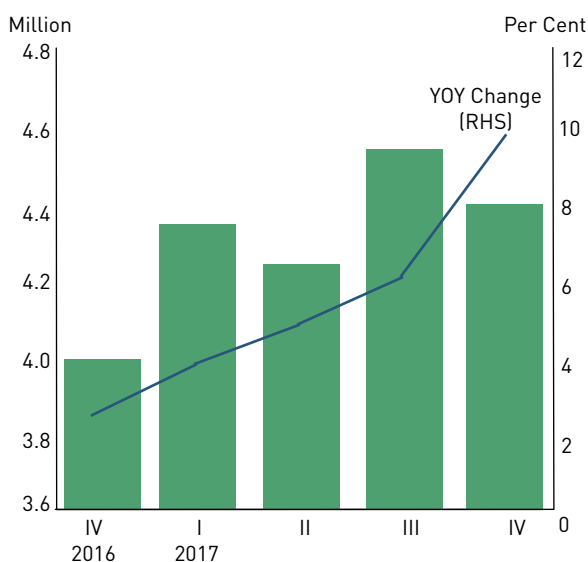
For the whole of 2017, the sector grew by 1.2 per cent, a moderation from the 3.8 per cent growth in 2016.

VISITOR ARRIVALS

Singapore received a total of 4.4 million visitors in the fourth quarter, 9.8 per cent higher compared to the same period a year ago (Exhibit 6.13). This was led by a 25 per cent surge in Chinese visitor arrivals.

For the full year, visitor arrivals increased by 6.2 per cent, moderating from the robust 7.7 per cent growth posted in 2016. In total, visitor arrivals reached 17.4 million in 2017.

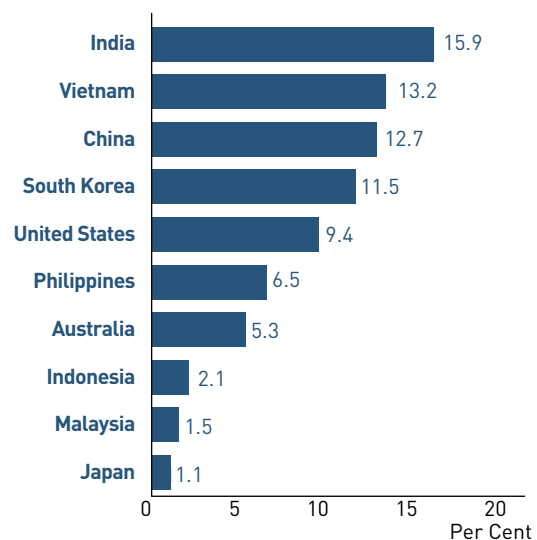
Exhibit 6.13: Visitor Arrivals



In terms of source markets, Singapore's top five visitor-generating markets in 2017 were China (3.2 million visitors), Indonesia (3.0 million), India (1.3 million), Malaysia (1.2 million) and Australia (1.1 million). Together, they accounted for 56 per cent of total visitor arrivals in 2017.

Among the top ten visitor-generating markets, India (16 per cent), Vietnam (13 per cent) and China (13 per cent) posted the highest growth rates in visitor arrivals in 2017 (Exhibit 6.14).

Exhibit 6.14: Growth Rates of Top Ten Visitor Generating Markets in 2017

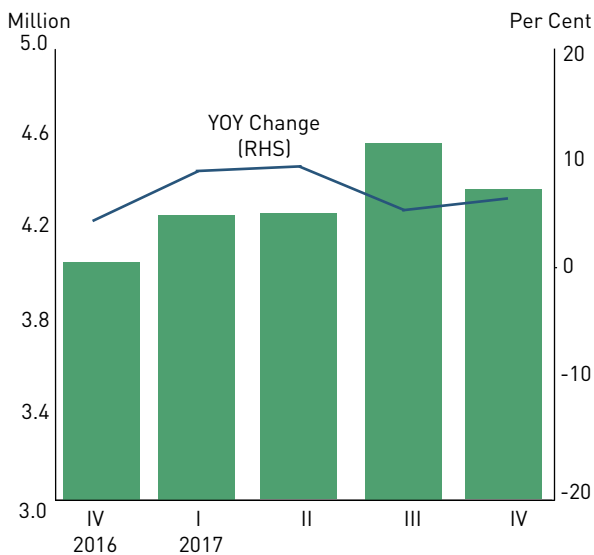


ACCOMMODATION

In tandem with the growth in visitor arrivals, gross lettings of gazetted hotel rooms rose by 6.5 per cent in the fourth quarter, higher than the 5.5 per cent growth in the previous quarter (Exhibit 6.15). Similarly, room revenue grew by 5.6 per cent, faster than the 2.1 per cent growth in the preceding quarter, on the back of an improvement in the average occupancy rate of gazetted hotel rooms. Specifically, the average occupancy rate rose by 1.8 percentage-points to reach 82 per cent in the fourth quarter.

For the full year, the performance of the accommodation segment remained resilient. The overall room revenue of gazetted hotels rose by 3.9 per cent to reach \$3.7 billion on the back a 7.4 per cent increase in gross lettings.

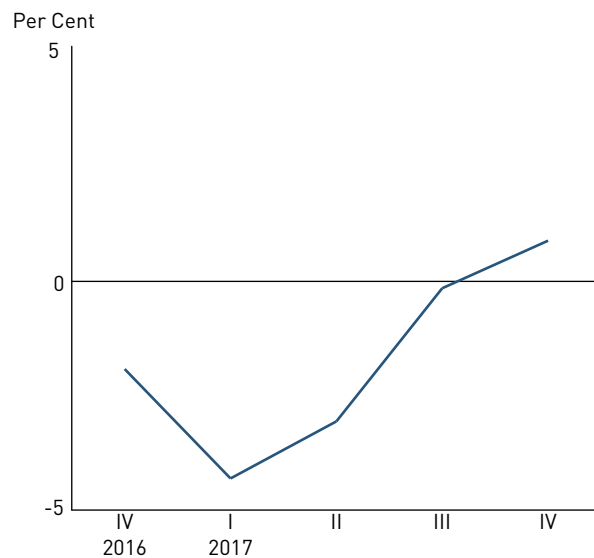
Exhibit 6.15: Gross Lettings



FOOD & BEVERAGE SERVICES

Overall food & beverage sales volume expanded by 0.8 per cent in the fourth quarter, a turnaround from the 0.2 per cent decline in the preceding quarter (Exhibit 6.16). The improved performance in the fourth quarter was due to higher sales volume at restaurants (1.1 per cent), fast food outlets (2.7 per cent) and other eating places (1.4 per cent), which more than offset the 4.1 per cent contraction in sales volume for food caterers.

Exhibit 6.16: Changes in Food and Beverage Services Index at Constant Prices



For the whole of 2017, the food & beverage services index fell by 1.7 per cent, extending the 1.9 per cent decline in 2016. The contraction was due to a 5.5 per cent decline in the sales volume of restaurants, following the 7.5 per cent fall recorded in the preceding year. On the other hand, the sales volume of fast food outlets and food caterers recorded improvements of 3.1 per cent and 0.1 per cent respectively in 2017.