

6.3 WHOLESALE & RETAIL TRADE

OVERVIEW

The wholesale & retail trade sector contracted by 0.6 per cent year-on-year in the fourth quarter, a reversal from the 1.8 per cent growth in the previous quarter.

For the whole of 2018, the sector expanded by 1.5 per cent, easing from the 1.9 per cent growth in 2017. The moderation in growth can be attributed to the wholesale segment.

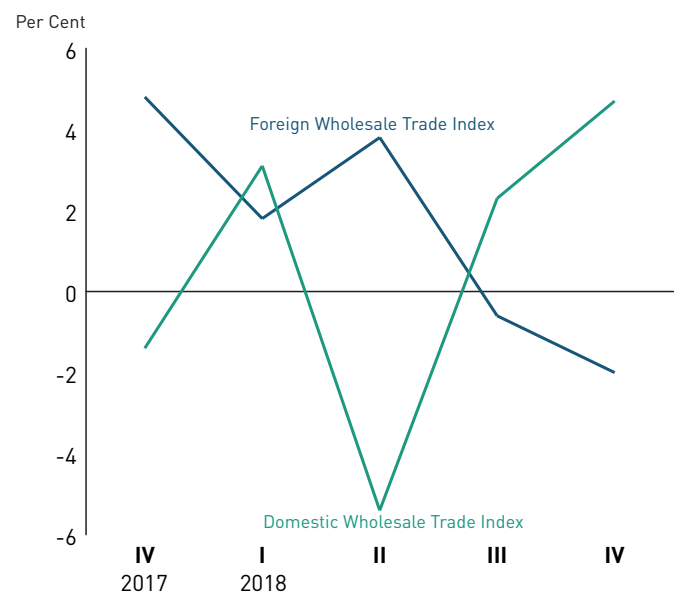
WHOLESALE TRADE

In the fourth quarter, the wholesale trade segment was weighed down by a decline in foreign wholesale sales volume, which was partially offset by an increase in domestic wholesale sales volume.

The domestic wholesale sales volume grew by 4.7 per cent year-on-year in the fourth quarter, higher than the 2.3 per cent growth in the preceding quarter (Exhibit 6.10). The expansion was led by an increase in the sales volume of petroleum & petroleum-related products (20 per cent) and food, beverages & tobacco (13 per cent), which outweighed the decline in the sales volume of electronic components (-26 per cent). For the whole of 2018, the domestic wholesale trade index increased by 1.1 per cent, comparable to the 1.0 per cent growth in 2017.

On the other hand, foreign wholesale sales volume fell by 2.0 per cent year-on-year in the fourth quarter, extending the 0.6 per cent decline in the preceding quarter. The decline was largely due to contractions in the sales of metals, timber & construction materials (-7.8 per cent) and others¹ (-12 per cent). Nevertheless, these declines were partly offset by the 5.2 per cent increase in the sales volume of petroleum & petroleum-related products. For the full year, the foreign wholesale trade index rose by 0.7 per cent, moderating from the increase of 3.6 per cent in the previous year.

Exhibit 6.10: Changes in Wholesale Trade Index at Constant Prices

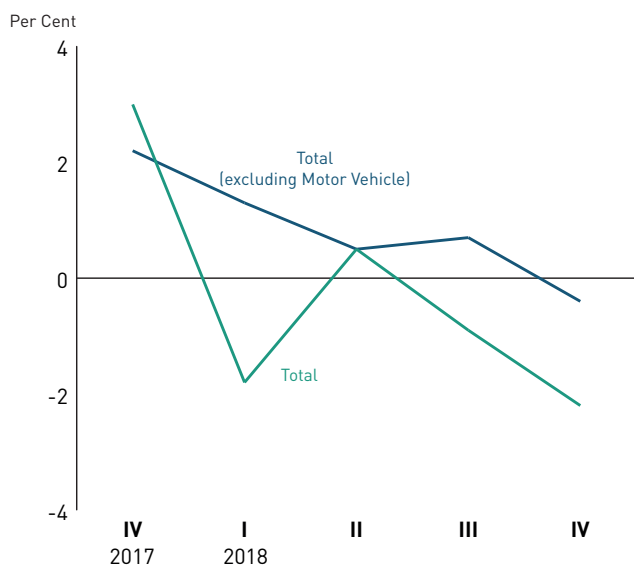


¹ The "other wholesale trade" segment consists of a diverse range of products that includes agricultural raw materials and live animals, tropical produce, personal effects and medicinal and pharmaceutical products, among others.

RETAIL SALES

Retail sales volume shrank by 2.2 per cent year-on-year in the fourth quarter, worsening from the 0.9 per cent decline recorded in the third quarter (Exhibit 6.11). Retail sales was weighed down by both motor vehicle and non-motor vehicle sales. Motor vehicle sales fell by 11 per cent on the back of an on-year decline in COE supply, while non-motor vehicle sales dipped by 0.4 per cent, driven by a fall in the sales volume of both non-discretionary and discretionary goods. In particular, the sales volume of non-discretionary goods such as sales at supermarkets & hypermarkets and mini-marts & convenience stores shrank by 3.2 per cent and 3.1 per cent respectively. On the other hand, the sales volume of discretionary goods such as wearing apparel & footwear, optical goods & books and computer & telecommunications equipment fell by 1.5 per cent, 2.9 per cent, and 1.3 per cent respectively.

Exhibit 6.11: Changes in Retail Sales Index at Constant Prices



For the full year, retail sales volume declined by 1.1 per cent, reversing the 1.3 per cent growth recorded in 2017. Growth was weighed down by motor vehicle sales, which fell by 8.7 per cent. Excluding motor vehicles, retail sales volume grew by 0.5 per cent.

The increase in non-motor vehicle sales was underpinned by higher sales of discretionary goods. For instance, the sales volume of furniture & household equipment (3.4 per cent), wearing apparel & footwear (2.0 per cent) and watches & jewellery (2.0 per cent) improved in 2018 (Exhibit 6.12).

Exhibit 6.12: Changes in Retail Sales Index at Constant Prices for Major Segments in 2018

