

6.3

WHOLESALE & RETAIL TRADE

OVERVIEW

The wholesale & retail trade sector contracted by 1.9 per cent year-on-year in the fourth quarter of 2019, moderating from the 3.5 per cent contraction in the previous quarter.

For the whole of 2019, the sector shrank by 2.9 per cent, a reversal from the 2.8 per cent growth in 2018, with both the wholesale trade and retail trade segments registering contractions.

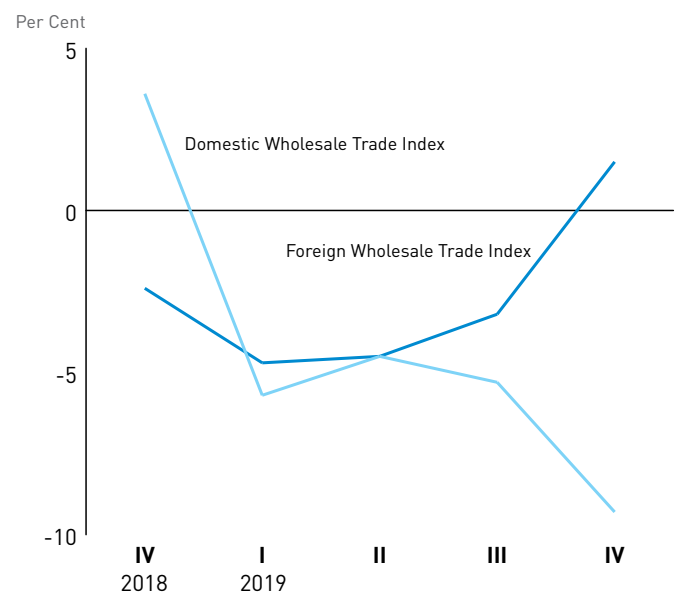
WHOLESALE TRADE

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

The domestic wholesale sales volume declined by 9.3 per cent year-on-year in the fourth quarter, worsening from the 5.3 per cent contraction in the preceding quarter (Exhibit 6.10). The decline was led by weaker sales volumes of petroleum & petroleum-related products (-13 per cent), electronic components (-24 per cent) and chemicals & chemical-related products (-26 per cent), which outweighed an increase in the sales volume of telecommunications & computers (9.9 per cent). For the whole of 2019, the domestic wholesale trade index declined by 6.2 per cent, a reversal from the 0.8 per cent increase in 2018.

On the other hand, foreign wholesale sales volume grew by 1.5 per cent year-on-year in the fourth quarter, an improvement from the 3.2 per cent decline in the preceding quarter. The expansion was largely due to a pickup in the sales volumes of metals, timber & construction materials (13 per cent) and petroleum & petroleum-related products (1.3 per cent). Nevertheless, these increases were partly offset by a 3.9 per cent decline in the sales volume of other wholesale trade.⁶ For the full year, the foreign wholesale trade index fell by 2.7 per cent, reversing from the increase of 0.9 per cent in 2018.

Exhibit 6.10: Changes in Wholesale Trade Index at Constant Prices

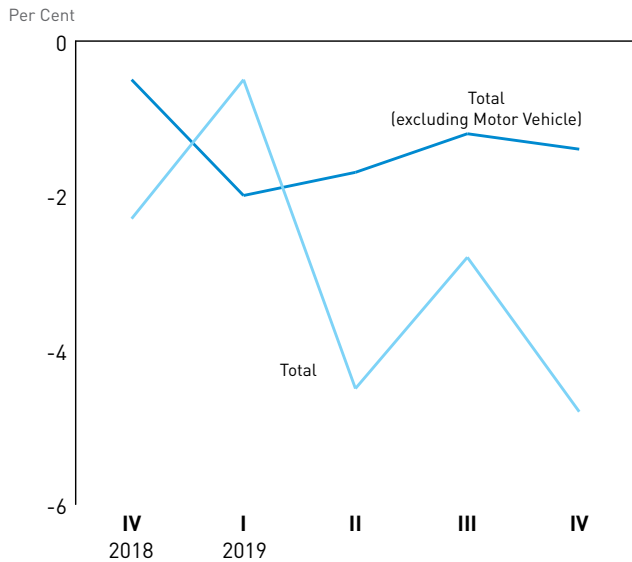


⁶ The "other wholesale trade" segment consists of a diverse range of products that includes agricultural raw materials and live animals, tropical produce, personal effects and medicinal and pharmaceutical products, among others.

RETAIL SALES

Retail sales volume shrank by 4.8 per cent year-on-year in the fourth quarter, worse than the 2.8 per cent decline recorded in the third quarter (Exhibit 6.11). Retail sales were weighed down by both motor vehicle and non-motor vehicle sales. Motor vehicle sales volume fell by 23 per cent on the back of an on-year decline in COE supply, while non-motor vehicle sales volume contracted by 1.4 per cent, led by a fall in the sales volume of discretionary goods. Specifically, the sales volumes of discretionary goods such as furniture & household equipment (-7.3 per cent), watches & jewellery (-3.9 per cent) and department stores (-4.9 per cent) declined. By contrast, the sales volumes of non-discretionary goods such as medical goods & toiletries (1.8 per cent) and mini-marts & convenience stores (2.1 per cent) rose.

Exhibit 6.11: Changes in Retail Sales Index at Constant Prices



For the full year, retail sales volume fell by 3.2 per cent, a larger drop compared to the 1.2 per cent decline registered in 2018. Retail sales volume was weighed down by both motor vehicle sales (-11 per cent) and non-motor vehicle sales (-1.6 per cent).

The decline in motor vehicle sales in 2019 was in line with a fall in COE supply. Meanwhile, the drop in non-motor vehicle sales was underpinned by a contraction in the sales volumes of both discretionary and non-discretionary goods. For discretionary goods, the decline was driven by lower sales volumes of furniture & household equipment (-6.9 per cent) and watches & jewellery (-5.9 per cent). Meanwhile, the retail sales volumes of supermarkets & hypermarkets (-0.7 per cent), petrol service stations (-1.7 per cent) and food retailers (-3.1 per cent) fell, thereby contributing to the decline in the overall sales volume of non-discretionary goods (Exhibit 6.12).

Exhibit 6.12: Changes in Retail Sales Index at Constant Prices for Major Segments in 2019

