

6.4

ACCOMMODATION & FOOD SERVICES

OVERVIEW

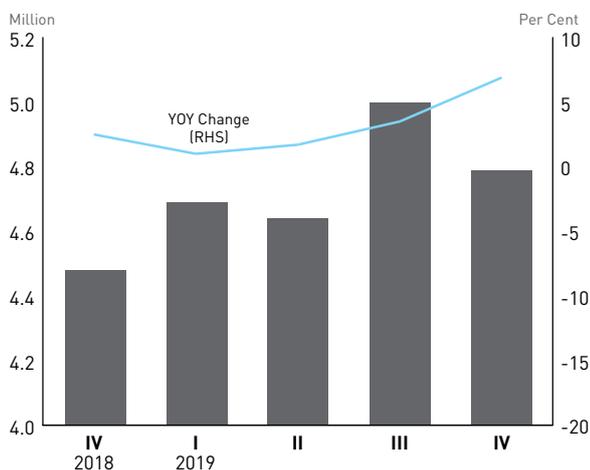
The accommodation & food services sector expanded by 2.5 per cent year-on-year in the fourth quarter of 2019, faster than the 1.9 per cent growth in the previous quarter.

For the whole of 2019, the sector grew by 1.9 per cent, easing from the 3.1 per cent growth in 2018. Growth was supported by both the accommodation and food services segments.

VISITOR ARRIVALS

Singapore received a total of 4.8 million visitors in the fourth quarter, 6.9 per cent higher compared to the same period a year ago (Exhibit 6.13). The increase came on the back of a rise in visitor arrivals from key markets such as Indonesia (11 per cent), China (10 per cent) and Australia (11 per cent).

Exhibit 6.13: Visitor Arrivals

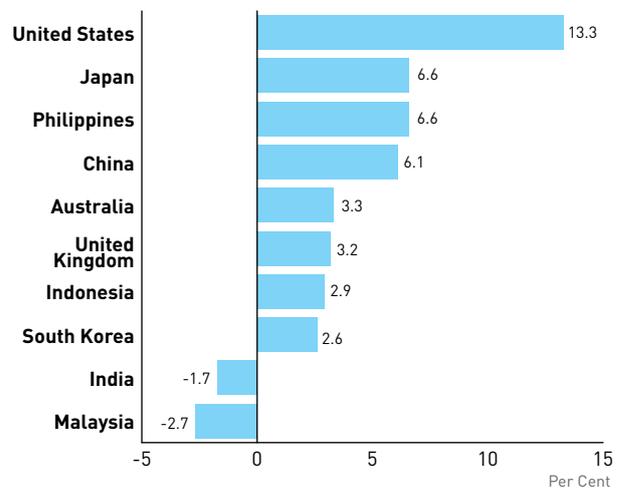


For the full year, visitor arrivals rose by 3.3 per cent, slower than the 6.2 per cent growth in 2018. In total, visitor arrivals reached 19.1 million in 2019.

In terms of source markets, Singapore's top five visitor-generating markets in 2019 were China (3.6 million visitors), Indonesia (3.1 million), India (1.4 million), Malaysia (1.2 million) and Australia (1.1 million). Together, they accounted for 55 per cent of total visitor arrivals in 2019.

Among the top 10 visitor-generating markets, the United States (13 per cent), Japan (6.6 per cent) and the Philippines (6.6 per cent) posted the highest growth rates in visitor arrivals in 2019 (Exhibit 6.14).

Exhibit 6.14: Growth Rates of Top Ten Visitor Generating Markets in 2019

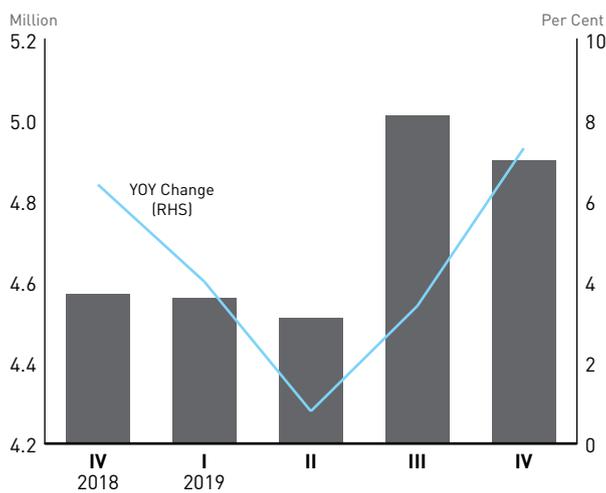


ACCOMMODATION

In line with the increase in visitor arrivals, the gross lettings of gazetted hotels rose by 7.3 per cent year-on-year in the fourth quarter, picking up from the 3.4 per cent growth seen in the preceding quarter (Exhibit 6.15). Similarly, room revenue grew by 12 per cent, accelerating from the 6.4 per cent increase in the third quarter. The increase in room revenue was due to an improvement in the average occupancy rate of gazetted hotels, as well as higher average daily room rate. Specifically, the average occupancy rate rose by 2.7 percentage-points on-year to reach 87 per cent in the fourth quarter, while the average daily room rate increased by 4.0 per cent on-year to \$229.

For the full year, the performance of the accommodation segment was robust. The overall room revenue of gazetted hotels rose by 5.5 per cent to reach \$4.2 billion in 2019 on the back of a 3.9 per cent increase in gross lettings.

Exhibit 6.15: Gross Lettings

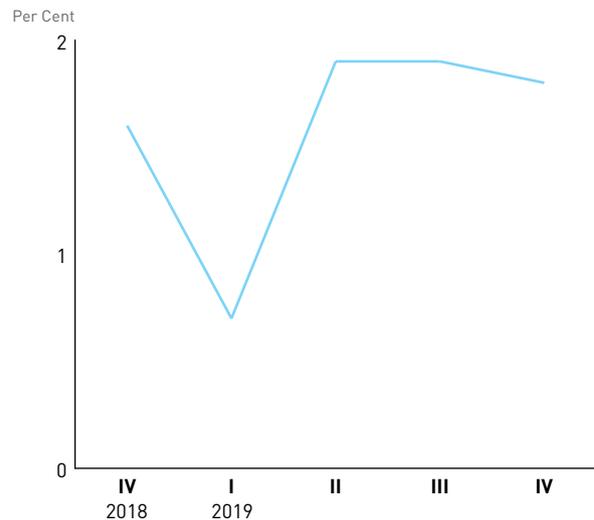


FOOD SERVICES

Overall food & beverage sales volume expanded by 1.8 per cent year-on-year in the fourth quarter, extending the 1.9 per cent increase in the preceding quarter (Exhibit 6.16). Growth came on the back of a pickup in sales volumes at restaurants (2.7 per cent), fast food outlets (7.1 per cent) and other eating places⁷ (1.4 per cent). By contrast, sales volume at food caterers fell by 7.0 per cent.

For the whole of 2019, the food & beverage services index rose by 1.6 per cent. This marked a turnaround from the 0.2 per cent decline recorded in 2018. The increase in the index in 2019 was due to higher sales volumes at fast food outlets (6.2 per cent), restaurants (1.5 per cent) and other eating places (1.4 per cent). These increases were partially offset by a 3.2 per cent contraction in the sales volume of food caterers.

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



⁷ Other eating places include cafes, coffee houses, food courts, food kiosks, pubs and canteens. Other eating places include cafes, coffee houses, food courts, food kiosks, pubs and canteens.