



SINGAPORE DEPARTMENT OF STATISTICS

PRESS RELEASE

Wholesale Trade Index Third Quarter 2009

Highlights

Domestic Wholesale Trade

- Domestic wholesale trade (seasonally adjusted) increased by 6.1% in 3Q2009 compared to 2Q2009. The increase was mainly contributed by wholesale trade in chemicals & chemical products, petroleum & petroleum products and ship chandlers & bunkering. Excluding petroleum, overall domestic sales grew by 4.4%.
- Compared to a year ago, domestic wholesale trade in 3Q2009 declined by 23.3%. This was attributable to lower sales in the ship chandlers & bunkering, petroleum & petroleum products, general wholesale trade and electronic components sectors. The decline was mainly due to price effect. After removing price effect, domestic wholesale trade volume showed a year-on-year increase of 5.0%.

Foreign Wholesale Trade

- Foreign wholesale trade (seasonally adjusted) increased marginally by 0.7% in 3Q2009 over 2Q2009. Excluding petroleum, foreign wholesale trade fell by 3.8% over the previous quarter.
- Compared to a year ago, foreign wholesale trade dropped by 28.8%. All sectors other than food, beverages & tobacco and telecommunications & computers experienced double-digit negative growths over the previous year. Excluding petroleum, foreign wholesale trade fell by 22.0%.
- After adjusting for price changes, foreign wholesale trade volume registered a decline of 5.4% over a year ago. Excluding petroleum, the foreign wholesale trade declined by 13.7%.

Domestic Wholesale Trade by Sector

Quarter-on-Quarter Change (Seasonally Adjusted)

Most sectors in 3Q2009 registered positive growths in domestic wholesale trade over the previous quarter after seasonal adjustment.

Sales of petroleum & petroleum products and chemicals & chemical products registered increases of 13.2% and 16.5% respectively. After removing price effect, domestic sales volume of the sectors increased by 1.4% and 13.3% respectively.

Likewise, domestic sales of ship chandlers & bunkering, timber, paints & construction materials and general wholesale trade rose by between 9.6% and 11.1% in 3Q2009 compared to the previous quarter.

On the other hand, industrial & construction machinery sector registered a decline of 7.8% in domestic sales over 2Q2009.

Year-on-Year Change

Most wholesale sectors reported year-on-year declines in domestic wholesale trade for 3Q2009.

Domestic wholesale trade of petroleum & petroleum products, ship chandlers & bunkering and chemicals & chemical products dropped by 11.3% to 38.9% compared to a year ago, largely due to lower prices. After removing price effect, the sales volume of petroleum & petroleum products and chemicals & chemicals products increased by 14.9% and 28.2% respectively, while that of ship chandlers & bunkering maintained at similar level.

Similarly, the general wholesale trade, electronic components, timber, paints & construction materials and transport equipment sectors also experienced year-on-year declines of between 12.3% and 23.9%.

Conversely, household equipment & furniture sector registered a marginal increase of 1.7% in sales over 3Q2008.

Foreign Wholesale Trade by Sector

Quarter-on-Quarter Change (Seasonally Adjusted)

After seasonal adjustment, the wholesale trade sectors registered mixed performance in foreign sales in 3Q2009 compared to 2Q2009.

The ship chandlers & bunkering, petroleum & petroleum products, timber, paints & construction materials, telecommunications & computers, household equipment & furniture and chemicals & chemical products registered increases of 6.2% to 19.4% in sales compared to the previous quarter.

Conversely, food, beverages & tobacco, electronic components, industrial & construction machinery and general wholesale trade sectors experienced lower sales of between 2.3% and 10.0%.

Year-on-Year Change

All sectors registered lower foreign sales in 3Q2009 compared to 3Q2008.

Sales for petroleum & petroleum products and ship chandlers & bunkering sectors fell by 35.7% due to lower oil prices. After adjusting for price changes, foreign wholesale trade volume of these two sectors showed year-on-year increases of 6.9% and 7.2% respectively.

Other sectors that registered relatively significant declines in 3Q2009 over 3Q2008 included general wholesale trade (-35.7%), industrial & construction machinery (-33.0%), chemicals & chemical products (-26.6%), timber, paints & construction materials (-23.7%), electronic components (-19.8%), transport equipment (-19.2%) and household equipment & furniture (-15.1%).

**Table 1 Quarter-on-Quarter Change of Domestic Wholesale Trade Index (2007=100)¹
(Seasonally Adjusted)**

Activity	Weights	% Change at Current Prices		% Change at Constant Prices	
		2Q09 / 1Q09	3Q09 / 2Q09	2Q09 / 1Q09	3Q09 / 2Q09
Total	10,000	7.7	6.1	8.3	2.0
Total (Excluding petroleum)	5,604	1.7	4.4	1.6	1.3
Food, Beverages & Tobacco	407	-1.3	4.2	-0.5	3.4
Household Equipment & Furniture	298	5.5	4.0	5.8	4.7
Petroleum & Petroleum Products	4,396	26.9	13.2	17.7	1.4
Chemicals & Chemical Products	406	14.6	16.5	6.3	13.3
Electronic Components	839	4.9	5.1	6.8	7.4
Industrial & Construction Machinery	285	9.0	-7.8	13.9	-3.4
Telecommunications & Computers	567	1.3	1.7	4.1	5.3
Timber, Paints & Construction Materials	357	-6.8	10.8	-0.4	14.7
General Wholesale Trade	572	17.8	9.6	20.8	-2.6
Ship Chandlers & Bunkering	883	-0.4	11.1	-16.0	-4.8
Other Wholesale Trade	800	-3.7	6.7	-1.2	6.1

**Table 2 Quarter-on-Quarter Change of Foreign Wholesale Trade Index (2007=100)¹
(Seasonally Adjusted)**

Activity	Weights	% Change at Current Prices		% Change at Constant Prices	
		2Q09 / 1Q09	3Q09 / 2Q09	2Q09 / 1Q09	3Q09 / 2Q09
Total	10,000	6.9	0.7	2.4	-2.1
Total (Excluding petroleum)	5,456	6.4	-3.8	6.0	-4.5
Food, Beverages & Tobacco	374	10.0	-10.0	11.3	-9.5
Household Equipment & Furniture	287	27.3	6.3	25.5	10.8
Petroleum & Petroleum Products	4,544	27.1	13.0	0.0	-0.8
Chemicals & Chemical Products	513	15.6	6.2	5.8	-1.5
Electronic Components	1,084	5.2	-7.2	9.2	-4.7
Industrial & Construction Machinery	257	-12.9	-5.9	-11.2	-5.4
Telecommunications & Computers	799	2.8	8.4	4.4	9.9
Timber, Paints & Construction Materials	186	16.8	9.4	18.4	8.0
General Wholesale Trade	574	21.8	-2.3	20.9	-4.0
Ship Chandlers & Bunkering	229	10.7	19.4	-5.8	6.0
Other Wholesale Trade	865	2.3	-6.2	1.6	-6.2

¹ The industry "Transport Equipment" is not presented in showing seasonally adjusted figures. The series was first introduced in 1Q2007 and is too short for seasonal adjustment.

Table 3 Year-on-Year Change of Domestic Wholesale Trade Index (2007=100)

Activity	Weights	% Change at Current Prices		% Change at Constant Prices	
		2Q09 / 2Q08	3Q09 / 3Q08	2Q09 / 2Q08	3Q09 / 3Q08
Total	10,000	-28.3	-23.3	3.5	5.0
Total (Excluding petroleum)	5,604	-18.3	-15.7	-5.5	-3.0
Food, Beverages & Tobacco	407	0.4	-1.2	-0.8	-0.1
Household Equipment & Furniture	298	2.6	1.7	-2.4	-1.1
Petroleum & Petroleum Products	4,396	-37.8	-30.1	15.5	14.9
Chemicals & Chemical Products	406	-30.3	-11.3	5.7	28.2
Electronic Components	839	-29.3	-19.9	-31.3	-20.0
Industrial & Construction Machinery	285	-3.8	-3.2	-6.5	0.5
Telecommunications & Computers	567	-10.2	-5.0	-11.5	-6.5
Timber, Paints & Construction Materials	357	-24.8	-13.9	-17.3	-0.3
General Wholesale Trade	572	-9.0	-23.9	21.7	-7.5
Ship Chandlers & Bunkering	883	-34.5	-38.9	19.7	-0.1
Transport Equipment	190	-7.7	-12.3	-11.5	-15.2
Other Wholesale Trade	800	-11.4	0.6	-10.7	2.4

Table 4 Year-on-Year Change of Foreign Wholesale Trade Index (2007=100)

Activity	Weights	% Change at Current Prices		% Change at Constant Prices	
		2Q09 / 2Q08	3Q09 / 3Q08	2Q09 / 2Q08	3Q09 / 3Q08
Total	10,000	-31.4	-28.8	-3.6	-5.4
Total (Excluding petroleum)	5,456	-19.1	-22.0	-11.1	-13.7
Food, Beverages & Tobacco	374	-0.9	-1.2	-4.8	-1.8
Household Equipment & Furniture	287	-24.4	-15.1	-23.7	-12.0
Petroleum & Petroleum Products	4,544	-43.3	-35.7	7.1	6.9
Chemicals & Chemical Products	513	-31.5	-26.6	2.4	4.1
Electronic Components	1,084	-18.2	-19.8	-20.7	-22.1
Industrial & Construction Machinery	257	-30.2	-33.0	-32.2	-31.5
Telecommunications & Computers	799	-8.5	-7.1	-7.6	-6.1
Timber, Paints & Construction Materials	186	-31.4	-23.7	-18.5	-8.8
General Wholesale Trade	574	-24.4	-35.7	-14.6	-27.7
Ship Chandlers & Bunkering	229	-34.5	-35.7	21.1	7.2
Transport Equipment	288	-19.5	-19.2	-28.1	-25.8
Other Wholesale Trade	865	-17.5	-26.8	-0.5	-10.6

Explanatory Notes

Introduction

The Wholesale Trade Index (WTI) measures the performance of wholesale trade activities. Two series of the WTI are compiled - the Domestic WTI and Foreign WTI. The Domestic WTI records wholesale sales in Singapore. The Foreign WTI pertains to wholesale sales outside Singapore, which comprises domestic exports, re-exports, transshipment cargo and offshore merchandise.

The WTI indices are presented at both current prices and constant prices. The indices at current prices measure the changes of sales value which can result from changes in both price and quantity. By removing the price effect, the indices at constant prices measure the changes in the sales volume.

To reflect the changes in the structure of the wholesale trade sector over the years, the weighting patterns of the index series are revised regularly. The WTI series have been re-based from base year 2000 to 2007, the second re-basing exercise since the index was first introduced in 1995. The new WTI series (2007=100) have been released with effect from 1Q2008 report.

Data Collection

Data for the compilation of the WTI are obtained from the results of the quarterly survey of over 1,000 wholesale establishments. Wholesalers supply the merchandise to manufacturers, commercial and institutional clients for use in production, or to other wholesalers and retailers for resale. Wholesalers may also perform related functions such as sorting, breaking bulk, packing and logistics services. Data are collected from a sample of the wholesale establishments for quarterly domestic wholesale sales and foreign wholesale sales.

Index Compilation

To derive the Domestic / Foreign WTI index at detailed industry level, the quarterly domestic / foreign wholesale sales for that industry is divided by the average quarterly domestic / foreign sales for the same industry in base year. The overall WTI index is then computed by combining the sales indices of the detailed industries, using the weights to measure each industry's relative importance in the overall wholesale trade sector.

To derive the constant prices indices, the sales indices at current prices at the detailed industry level are first deflated by appropriate price indices. These component indices at constant prices are then weighted and aggregated to derive the overall indices at constant prices.

Seasonal Adjustment

Seasonal effects are observed in some of the Domestic WTI and Foreign WTI series, due to intra-year periodic variations that repeat in the same quarter every year. Seasonal adjustment is the process of estimating and removing the seasonal effects from a time series to show more clearly its underlying trend and short-term movements.

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More data are available at SingStat website at <http://www.singstat.gov.sg/pubn/business.html#wti>
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