

Objective

The data presented in this report were compiled from the results of the Survey of Services, 2008. The objective of the survey was to gather information on the commerce and services industries for studying the structure and performance of various activities in the services sector. The data were also used for the compilation of national accounts, input-output tables and other related studies which help in the better understanding of the services sector as well as inter-sectoral relationship within the economy. In addition, the results were used by policy makers, economic planners and academicians, business community and other interested users in their work.

Legal Authority

The survey was conducted under the Statistics Act (Chapter 317), which made the submission of returns mandatory. Individual returns received would be kept in confidence in accordance with the Statistics Act.

Scope and Coverage

The coverage included all establishments and statutory boards engaged in wholesale trade; retail trade; transport and storage; accommodation services; food and beverage services; information and communications services; real estate and business services and community, social and personal services. It also covered establishments engaged in financial and insurance services that did not come under the purview of the Monetary Authority of Singapore (MAS) which was responsible for surveying establishments providing main financial and insurance services such as banking, financing, insurance and securities trading since reference year 1986. Their data were not included in this report. Please refer to the Appendix for the full list of activities covered. Government ministries and departments, foreign missions, taxi drivers, independent artistes and other individual self-employed persons not normally regarded as establishments were outside the scope of the survey. Hawkers and stall-holders which were not registered with the Accounting & Corporate Regulatory Authority (ACRA) were also excluded for practical reasons.

Sample Selection

The sampling frame was based on the list of 'live' establishments obtained from the Department's Commercial Establishment Information System (CEIS). Information in the CEIS is regularly updated through simple postal surveys of newly registered companies, businesses and societies, and through extracting relevant information from administrative and other sources such as ACRA, newspaper advertisements, Registry of Societies, various business and trade associations and business and telephone directories.

The sampling method for the survey was based on stratified random sampling. All establishments in the sampling frame were first stratified by activity and within each activity, establishments were stratified by operating receipts into three size strata (large, medium and small). All establishments in the large size stratum were selected with certainty whereas the firms in the medium and small size strata were selected using simple random sampling without replacement. The Lavallée and Hidioglou method was used to determine the size stratum boundaries and sample sizes that minimize the total sample size required to achieve the target level of precision of estimation.

Data Collection

The survey was primarily conducted by mail inquiry. Respondents were given a month to complete and submit their returns together with a copy of relevant financial statements. A reminder was sent to establishments which failed to respond without reasonable explanations. A second reminder was sent to establishments which did not respond to the first reminder.

A generalised survey system, Survey Answering Guide Expert (SAGE) was used in the survey. The system supports multiple modes of data collection via mail and internet. Secured transmission of statistical information via the internet was enabled through a service known as E-Survey. Queries or clarifications with respondents on omissions and inconsistencies were conducted through telephone, field visits or correspondence.

Response

The mailing list for the survey comprised 26,005 establishments. At the close of the survey, 5,913 establishments were excluded from the survey for one reason or another. Such cases included those that were dormant, untraceable or had not started business operations yet. Some had ceased operations or were engaged in activities that were outside the coverage of the survey. For final tabulation and analysis, returns from 20,092 establishments were used.

Data Processing

The Department processed completed returns received via mail using the conventional data entry method. Data submitted via internet were captured directly into the database. All data of completed returns were manually scrutinised and edited before they were coded and processed by computer. The manually edited data were entered via net-worked personal computers to a data server for processing. The data were then computer-edited for code validity, completeness and consistency in order to detect the less obvious errors and inconsistencies that had escaped manual detection or had occurred during the data entry phase. The erroneous data were amended and re-processed. Tabulation was carried out only after all records had passed the computer editing.

Estimation Method

Stratified (Horvitz-Thompson) estimator was used to estimate population totals. Within the take-some and take-all strata, imputation was performed using either historical or donor method, whichever that is most appropriate for the non-response cases.

Enumeration Unit

The enumeration or reporting unit used in the survey was the 'establishment'. An establishment is defined as a business or organisation unit engaged in one activity and operating in a single location. Thus, conceptually, for a multi-activity firm or organisation, units engaged in separate activities in the same location constituted distinct establishments. Similarly, each branch of a multi-branch organisation at a different location was conceptually a different establishment. However, if in practice, the accounts were centrally kept such that it was not possible to obtain separate data for each individual unit or branch, the organisation or enterprise was treated as a single reporting unit and allowed to submit a consolidated return covering all the units or branches.

Year of Reference

The period of reference was the calendar year 2008. However, for establishments whose accounting year differed from the calendar year, they were asked to report according to the accounting or financial year covering the major part of 2008.

Type of Business Activity

Type of business activity referred to both principal and secondary activities. The principal activity was defined as the one in which the establishment devoted most of its resources or from which it derived most of its income. Secondary activities were those incidental or ancillary to the principal activity. The classification of the type of activity of the establishment was based on its principal activity and was in accordance with the "Singapore Standard Industrial Classification, 2005".

Type of Legal Organisation

The type of legal organisation referred to that of the enterprise rather than the establishment that was a statistical unit and not a legal entity. In a multi-establishment or multi-branch organisation, the legal status of each establishment or branch followed that of the enterprise or its head office. The types of legal organisation distinguished were sole-proprietorship, partnership, private limited company, public limited company, co-operative and others.

DEFINITION OF TERMS

Area of Premises	Area of premises refers to that occupied by the establishment for business purposes only. It did not include the area of open spaces, car parks, staff accommodation and unoccupied premises.
Capital Expenditure	This refers to purchases of fixed assets and cost of alteration and major repairs to fixed assets during the year.
Cost of Purchases Sold	This refers to total purchases of goods for resale adjusted for changes in stocks. This is primarily applicable to industries engaged in wholesale and retail trade and hotels and catering activities.
Depreciation	This refers to the value, at current replacement cost, of reproducible fixed assets such as buildings, plants and machinery used during a period of time as a result of normal wear and tear, foreseen obsolescence and the normal rate of accidental damage.
Earnings-Expenditure Ratio	Defined as the ratio of operating surplus to operating expenditure.
Employment	<p>Employment covers all persons engaged by the establishment as at 30 June 2008 or date nearest to it if the establishment is not in operation on that day. It includes those temporarily away on leave. Persons engaged are classified under the following categories –</p> <p><i>(i) Paid Employees</i></p> <p>Paid employees refer to workers on the payroll of the establishment and they included those on fixed remuneration, piece rate, and commission, as well as those engaged on contract and paid directly by the establishment. Paid employees are further categorised into full-time and part-time on the basis of whether or not they work more than 30 hours in a normal week.</p> <p><i>(ii) Working Directors</i></p> <p>Working directors refer to those who are actively engaged in running the business of the establishment.</p>

(iii) Working Proprietors/Partners

Working proprietors or partners refer only to those who are actively engaged in running the business of the establishment.

(iv) Unpaid Family Workers

Unpaid family workers refer to relatives of proprietors or partners working in the establishment without receiving a fixed amount of remuneration.

Expenditure

This item refers to the amount paid and payable for the purchase of goods and services during the reference year except capital expenditure. It comprises two broad components - operating and other expenditure.

(i) Operating Expenditure

This refers to all current expenditure (except capital expenditure) incurred by the establishment in its business with adjustment for changes in stocks. It includes remuneration, purchases, indirect taxes, work given out, rental and maintenance of machinery and equipment, legal, accounting and other professional services, rental and maintenance of premises, depreciation, transport and travelling, utilities, advertisement, entertainment, stationery and printing, postage and telecommunications, fuel and lubricants, cargo handling expenses, port charges, charter fees and other general expenses that were connected with the establishment's operation. For local branches of foreign airlines and foreign shipping lines, operating expenditure refers only to expenses incurred by the branch offices in providing support services to their head offices (ie foreign airlines and foreign shipping lines) and expenses paid by them on behalf of their head offices.

(ii) Other expenditure

This comprised all the remaining expenditure that was not classified as operating expenditure as defined in (i).

Fixed Assets

Fixed assets refers to all physical assets owned by the establishment. They include land, building and structure; transport equipment; computer and peripheral equipment; other machinery, equipment and furniture and fittings. Value of fixed assets as at beginning and end of 2008 was based on net book value. Purchases, alterations and major repairs or "capital expenditure" during the year are valued at actual costs incurred. Value of assets sold during the year refers to their book value and not the amount realised.

Goods & Services Tax (GST) This item refers to the indirect tax imposed on each sale of goods and services. It comprises two major components - input tax and output tax.

(i) Input Tax

This refers to the amount of GST paid by the registered suppliers on purchases from other registered suppliers but a credit may be claimed for this tax.

(ii) Output Tax

This refers to the amount of GST included in the price of goods and services sold by the supplier.

Gross Receipts Gross receipts covers both the amount received and receivable for services rendered and other transactions made during the reference year. It comprises two broad components - operating and other receipts.

(i) Operating Receipts

This refers to income earned from business operations, i.e. income from services rendered, sale of goods, commission fees and rental of premises, machinery & equipment. For local branches of foreign airlines and foreign shipping lines, operating receipts refers to the reimbursement from their head offices for the operating expenditure they incurred.

(ii) Other Receipts

This comprises all the remaining income that is not classified as operating receipts as defined in (i).

Net Profit/(Loss) Net profit/loss refers to the amount derived during the year, excluding extraordinary items or amount due to prior year adjustments.

Operating Surplus This refers to the amount of operating receipts less operating expenditure (current and development) plus depreciation of fixed assets. For non-profit organizations (i.e. entities which cannot distribute any surplus made to their shareholders) which mainly rely on funds (such as grants and donations) other than receipts from sales of goods and services rendered to cover their operating expenditure, operating surplus refers only to depreciation of fixed assets.

Profitability Ratio Defined as the ratio of operating surplus to operating receipts. It shows the proportion of operating receipts that was converted to profits.

Remuneration Total remuneration comprises three components, namely, wages and salaries, employers' contribution to Central Provident Fund (CPF)/pension funds and other benefits. These are reported separately for each category of persons engaged.

(i) Wages and Salaries

This refers to gross emoluments paid to employees during 2008, inclusive of commissions, bonuses, overtime pay and allowances before deduction of employees' contribution to CPF or any other deduction. For proprietors or partners, the item refers to amount paid to or withdrawn by them during the year. However, this amount is not included in the analysis and tables of the report.

(ii) Employers' Contribution to CPF/Pension Funds

This refers to the net amount contributed by employers towards their employees' CPF/pension funds. It does not include the amount paid to retired employees under company pension scheme.

(iii) Other Benefits

This comprises medical benefits, cost of food, accommodation and other benefits in kind provided by employers. Allowances given to unpaid family workers are also included here.

(iv) Directors' Fee

This item refers only to the amount paid to directors for attending board of directors' meetings. It does not include the fees paid to directors who are actively engaged in running the establishment.

Stocks This item refers to the book value of stocks owned by the establishment and comprises merchandise, raw materials, parts and accessories for rendering services to others.

Value Added (At Basic Price) Comprises the value of operating surplus, remuneration and indirect taxes. The impact of taxes including GST (and subsidies) on products were removed.