

# ECONOMIC SURVEYS SERIES

Reference Year 2009

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## Introduction

The Singapore Department of Statistics conducts an annual survey on the services industries to collect a wide range of data for studies and analyses. The first survey on the services industries was conducted in 1968 for the reference year 1967 and subsequently at regular intervals. Since 1984, the inquiry has been carried out on an annual basis.

The latest survey was carried out in 2010 for reference year 2009. This year, the reports will focus on several services industries of importance to Singapore economy. This report on *Retail Trade* is the Department's fifth issue in the series. A final consolidated report on *The Services Sector* will provide a performance overview of the overall services sector.

To date, the five reports which have been released are as follows:

*Health Services*

*Food and Beverage Services*

*Transport and Storage Services*

*Information and Communications Services*

*Retail Trade*

# RETAIL TRADE

| <i>Key Indicators</i>        |        | <u>2008</u> | <u>2009</u> |
|------------------------------|--------|-------------|-------------|
| <i>Establishments</i>        | ↓ 5.2% | 20,153      | 19,105      |
| <i>Employment</i>            | ↑ 0.1% | 114,744     | 114,871     |
| <i>Operating Receipts</i>    | ↓ 5.9% | \$40.6 bil  | \$38.2 bil  |
| <i>Operating Expenditure</i> | ↓ 6.3% | \$38.7 bil  | \$36.3 bil  |
| <i>Operating Surplus</i>     | ↑ 0.4% | \$2.2 bil   | \$2.2 bil   |
| <i>Value Added</i>           | ↓ 1.9% | \$5.0 bil   | \$4.9 bil   |

In 2009, there were about 19,100 establishments in the retail trade industry. They employed about 114,900 workers in 2009, or an average of 6 workers per establishment.

## I. ECONOMIC PERFORMANCE

**Total operating receipts** of the retail trade industry amounted to \$38.2 billion in 2009, a decline of 5.9 per cent over 2008. Operating receipts per establishment also decreased slightly by 0.8 per cent to \$2.0 million in 2009.

**Total operating expenditure** incurred by the retail trade industry stood at \$36.3 billion in 2009. This was 6.3 per cent lower than the \$38.7 billion recorded in 2008. Correspondingly, operating expenditure per establishment also declined by 1.2 per cent to \$1.9 million in 2009.

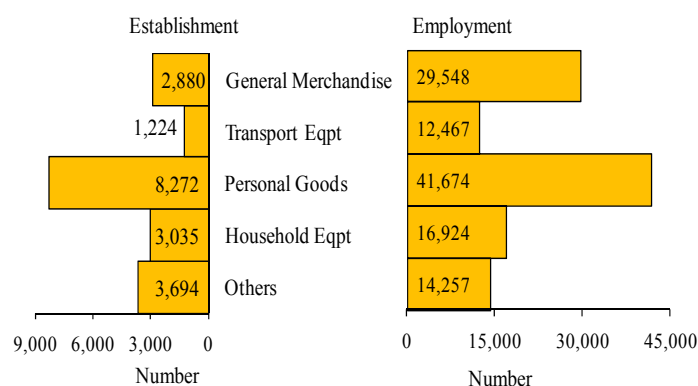
**Total operating surplus** generated by the retail trade industry was \$2.2 billion in 2009. Operating surplus per establishment was \$115,800 in 2009, 5.9 per cent higher than in 2008.

**Total value added** of the retail trade industry fell by 1.9 per cent to \$4.9 billion in 2009. On a per establishment basis, value added stood at \$258,900 in 2009.

## II. MAIN RETAIL ACTIVITIES

Firms engaged in the retailing of personal goods formed the largest segment in the retail trade industry, with about 8,300 establishments, or 43.3 per cent of total retail establishments (Chart 1). This segment was also the largest employer, hiring about 41,700 workers and accounting for 36.3 per cent of the industry's total employment. On a per establishment basis, retail trade of general merchandise and transport equipment registered the highest average employment size of 10 workers in 2009.

*Chart 1 – Establishments & Employment, 2009*

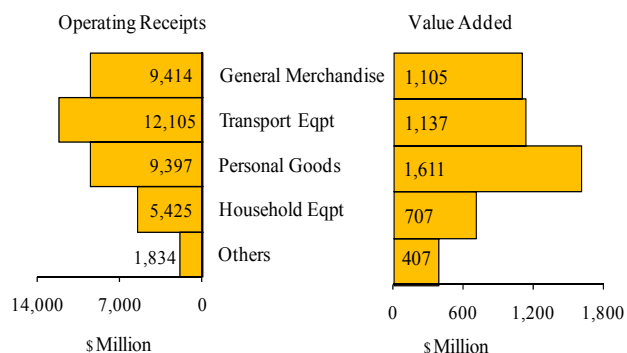


# RETAIL TRADE

Retailers of transport equipment were the largest contributor in terms of turnover, generating some \$12.1 billion of operating receipts and accounting for 31.7 per cent of the industry's total in 2009 (Chart 2). This was followed by retailers of general merchandise and personal goods, with each segment generating \$9.4 billion of operating receipts in 2009.

In terms of value added, retailers of personal goods contributed 32.6 per cent of the industry's total in 2009. Retailers of transport equipment and general merchandise also contributed a significant share of 23.0 per cent and 22.3 per cent to the industry's value added respectively.

**Chart 2 – Operating Receipts & Value Added, 2009**



With respect to the business cost structure of retail firms in 2009, purchases of goods for sale was consistently the largest expenditure item for all major retail segments, accounting for between 64.1 per cent and 79.9 per cent of total operating expenditure within the respective segments (Table 1). Rental and remuneration constituted the second and third largest expenditure items for most retailers except the retailers of transport equipment.

**Table 1: Main Business Costs, 2009**

| Retail Activity     | Cost Type and % Share |                 |                 |                  |                 |
|---------------------|-----------------------|-----------------|-----------------|------------------|-----------------|
|                     | 1 <sup>st</sup>       | 2 <sup>nd</sup> | 3 <sup>rd</sup> | 4 <sup>th</sup>  | 5 <sup>th</sup> |
| General Merchandise | Purchase<br>79.9      | Rental<br>8.4   | Rem<br>6.4      | Utilities<br>1.1 | Admin<br>0.9    |
| Transport Eqpt      | Purchase<br>71.4      | Taxes<br>17.5   | Rem<br>4.6      | Rental<br>1.0    | Advert<br>0.8   |
| Personal Goods      | Purchase<br>67.8      | Rental<br>12.9  | Rem<br>10.8     | Advert<br>1.3    | Dep<br>1.3      |
| Household Eqpt      | Purchase<br>75.1      | Rem<br>8.7      | Rental<br>5.6   | Advert<br>1.5    | Com<br>1.0      |
| Others              | Purchase<br>64.1      | Rem<br>13.0     | Rental<br>11.2  | Com<br>2.1       | Dep<br>1.5      |

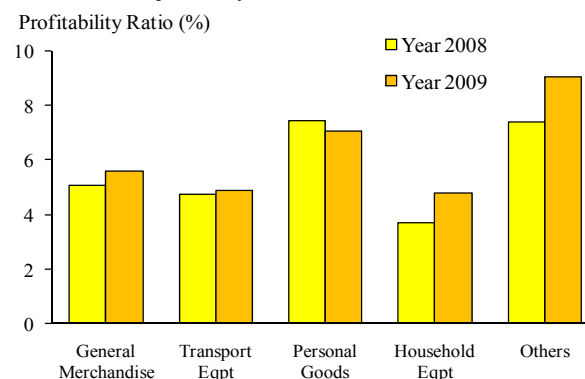
Notations

- Admin: Administrative & management fees
- Advert: Advertisement
- Com: Commission & agency fees
- Dep: Depreciation
- Purchase: Purchases of goods for sale
- Rem: Remuneration
- Rental: Renting of offices, shops & other premises
- Taxes: Government taxes & fees
- Utilities: Utilities charges

### III. KEY PERFORMANCE RATIOS

**Profitability Ratio** of the overall retail trade was 5.8 per cent in 2009, compared to 5.4 per cent in the previous year. Personal goods retailers attained 7.1 per cent of profitability ratio in 2009, followed by retailers of general merchandise (5.6 per cent), transport equipment (4.9 per cent) and household equipment (4.8 per cent) (Chart 3).

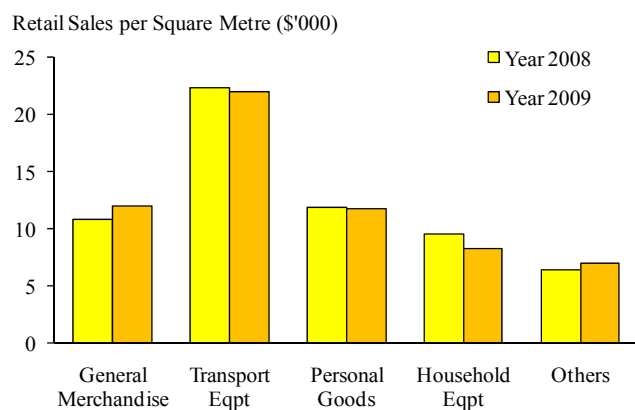
**Chart 3 – Profitability Ratio 2008 & 2009**



## RETAIL TRADE

**Retail Sales per Square Metre of Floor Area** of the retail trade industry fell by 1.6 per cent to \$12,200 in 2009. Retailers of transport equipment generated some \$22,000 of retail sales per square metre of floor area, which was the highest within the retail industry (Chart 4). This was followed by retailers of general merchandise and personal goods, which generated about \$12,000 and \$11,800 of retail sales per square metre of floor area respectively over the same period.

*Chart 4 – Retail Sales per Square Metre, 2008 & 2009*



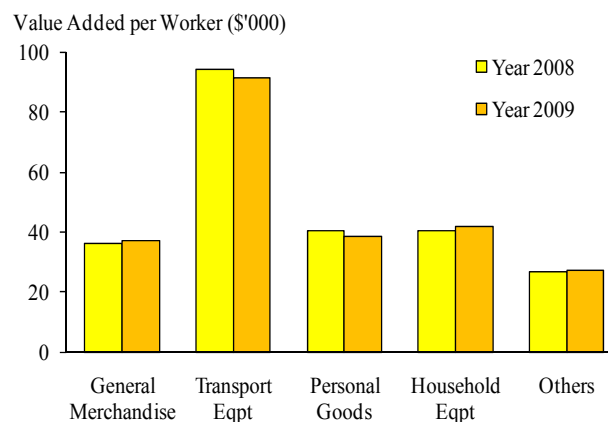
**Average Annual Remuneration per Employee** of the retail trade industry amounted to \$26,200 in 2009, 1.1 per cent lower than the \$26,500 a year ago. Workers engaged in the retailing of transport equipment enjoyed the highest average annual remuneration of \$44,000 (Table 2). Employees working in the household equipment and personal goods segments received annual remuneration of \$30,500 and \$25,200 on average.

*Table 2: Average Annual Remuneration per Employee, 2008 & 2009*

| Retail Activity     | 2008 (\$'000) | 2009 (\$'000) | Change (%) |
|---------------------|---------------|---------------|------------|
| General Merchandise | 20.8          | 20.7          | -0.5       |
| Transport Eqpt      | 41.8          | 44.0          | 5.3        |
| Personal Goods      | 26.0          | 25.2          | -3.1       |
| Household Eqpt      | 30.8          | 30.5          | -1.0       |
| Others              | 20.5          | 18.9          | -7.8       |

**Value Added per Worker** for the retail trade industry was \$43,100 in 2009, a decline of 1.8 per cent over 2008. Within the industry, value added per worker for retailers of transport equipment was the highest, amounting to \$91,200 in 2009 (Chart 5). Retail firms of household equipment, personal goods and general merchandise generated value added per worker of between \$37,400 and \$41,800 in 2009.

*Chart 5 – Value Added per Worker, 2008 & 2009*



# RETAIL TRADE

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## IV. PERFORMANCE BY FIRM SIZE

Firms hiring fewer than 10 workers formed the majority (88.5 per cent) of the firms in the retail trade industry (Table 3). On the other hand, firms with 10 – 99 workers were the largest contributor in terms of operating receipts and value added, accounting for 40.8 per cent and 42.6 per cent of the industry's total operating receipts and value added respectively. Despite the small number of establishments, firms with 100 & above workers contributed a significant 29.1 per cent of total operating receipts and 24.3 per cent of total value added in 2009.

*Table 3: Establishments, Operating Receipts & Value Added by Firm Size, 2009*

| Employment Size | Establishments (Number) | Operating Receipts (\$ Million) | Value Added (\$ Million) |
|-----------------|-------------------------|---------------------------------|--------------------------|
| Less than 10    | 16,909                  | 11,524                          | 1,637                    |
| 10 – 99         | 2,095                   | 15,559                          | 2,108                    |
| 100 & above     | 101                     | 11,092                          | 1,203                    |

*The publication on “Retail Trade” containing more detailed statistical tables will be released in 1<sup>st</sup> Quarter 2011*

# RETAIL TRADE

## Summary Tables

### Key Indicators of Retail Trade, 2007-2009

| Retail Activity     | Establishments<br>(Number) |        |        | Employment<br>(Number) |         |         | Operating Receipts<br>(\$ Million) |        |        |
|---------------------|----------------------------|--------|--------|------------------------|---------|---------|------------------------------------|--------|--------|
|                     | 2007                       | 2008   | 2009   | 2007                   | 2008    | 2009    | 2007                               | 2008   | 2009   |
| Total Retail Trade  | 19,492                     | 20,153 | 19,105 | 108,572                | 114,744 | 114,871 | 39,108                             | 40,589 | 38,175 |
| General Merchandise | 2,926                      | 2,959  | 2,880  | 28,825                 | 30,496  | 29,548  | 8,767                              | 9,457  | 9,414  |
| Transport Equipment | 1,376                      | 1,397  | 1,224  | 12,363                 | 13,536  | 12,467  | 14,694                             | 14,711 | 12,105 |
| Personal Goods      | 8,135                      | 8,643  | 8,272  | 39,091                 | 40,509  | 41,674  | 8,779                              | 9,192  | 9,397  |
| Household Equipment | 3,090                      | 3,036  | 3,035  | 14,736                 | 15,555  | 16,924  | 5,070                              | 5,319  | 5,425  |
| Others              | 3,965                      | 4,118  | 3,694  | 13,557                 | 14,648  | 14,257  | 1,798                              | 1,910  | 1,834  |

| Retail Activity     | Operating Expenditure<br>(\$ Million) |        |        | Operating Surplus<br>(\$ Million) |       |       | Value Added<br>(\$ Million) |       |       |
|---------------------|---------------------------------------|--------|--------|-----------------------------------|-------|-------|-----------------------------|-------|-------|
|                     | 2007                                  | 2008   | 2009   | 2007                              | 2008  | 2009  | 2007                        | 2008  | 2009  |
| Total Retail Trade  | 37,172                                | 38,713 | 36,272 | 2,219                             | 2,204 | 2,213 | 4,828                       | 5,042 | 4,947 |
| General Merchandise | 8,387                                 | 9,062  | 8,953  | 464                               | 482   | 528   | 1,035                       | 1,099 | 1,105 |
| Transport Equipment | 14,031                                | 14,079 | 11,570 | 711                               | 700   | 594   | 1,224                       | 1,277 | 1,137 |
| Personal Goods      | 8,218                                 | 8,610  | 8,844  | 660                               | 684   | 665   | 1,578                       | 1,646 | 1,611 |
| Household Equipment | 4,870                                 | 5,168  | 5,213  | 240                               | 197   | 259   | 649                         | 628   | 707   |
| Others              | 1,672                                 | 1,794  | 1,693  | 144                               | 141   | 166   | 342                         | 392   | 386   |

### Key Indicators of Retail Trade by Employment Size of Firm, 2009

| Employment Size      | Establishments<br>(Number) | Employment<br>(Number) | Operating Receipts<br>(\$ Million) |
|----------------------|----------------------------|------------------------|------------------------------------|
| All Categories       | 19,105                     | 114,871                | 38,175                             |
| Less than 10 persons | 16,909                     | 50,395                 | 11,524                             |
| 10 to 99 persons     | 2,095                      | 43,902                 | 15,559                             |
| 100 persons & above  | 101                        | 20,573                 | 11,092                             |

| Employment Size      | Operating Expenditure<br>(\$ Million) | Operating Surplus<br>(\$ Million) | Value Added<br>(\$ Million) |
|----------------------|---------------------------------------|-----------------------------------|-----------------------------|
| All Categories       | 36,272                                | 2,213                             | 4,947                       |
| Less than 10 persons | 10,868                                | 705                               | 1,637                       |
| 10 to 99 persons     | 14,735                                | 965                               | 2,108                       |
| 100 persons & above  | 10,668                                | 543                               | 1,203                       |

# RETAIL TRADE

## Key Indicators of Retail Trade by Size of Operating Receipts of Firm, 2009

| Size of Operating Receipts | Establishments<br>(Number) | Employment<br>(Number) | Operating Receipts<br>(\$ Million) |
|----------------------------|----------------------------|------------------------|------------------------------------|
| All Categories             | 19,105                     | 114,871                | 38,175                             |
| Less than \$200,000        | 5,621                      | 9,483                  | 464                                |
| \$200,000 to \$999,999     | 9,068                      | 32,444                 | 4,516                              |
| \$1,000,000 to \$4,999,999 | 3,359                      | 28,142                 | 7,177                              |
| \$5,000,000 & above        | 1,057                      | 44,802                 | 26,017                             |

| Size of Operating Receipts | Operating Expenditure<br>(\$ Million) | Operating Surplus<br>(\$ Million) | Value Added<br>(\$ Million) |
|----------------------------|---------------------------------------|-----------------------------------|-----------------------------|
| All Categories             | 36,272                                | 2,213                             | 4,947                       |
| Less than \$200,000        | 459                                   | 15                                | 70                          |
| \$200,000 to \$999,999     | 4,255                                 | 290                               | 821                         |
| \$1,000,000 to \$4,999,999 | 6,857                                 | 383                               | 1,115                       |
| \$5,000,000 & above        | 24,701                                | 1,526                             | 2,941                       |

Note:

- 1 Data for 2009 are preliminary.
- 2 Industries are classified according to the Singapore Standard Industrial Classification (SSIC) 2010.
- 3 Figures may not add up to the total due to rounding.

# RETAIL TRADE

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## *Explanatory Note*

### Objective

The data presented in this report are compiled from the results of the Annual Survey of Services 2009. The objective of the survey is to gather information on the services sector for studying the structure and performance of the various activities in the sector. The data are also used for the compilation of national accounts, input-output tables and other related studies. In addition, the results are used by policy makers, economic planners and academicians, the business community and other interested users in their work.

### Scope & Coverage

The retail trade industry comprises establishments engaged in the sale of consumer goods to the general public for personal or household consumption and utilization. Retailers are generally classified according to the type of products they sell. The major product groups are general merchandise, transport equipment, personal goods, household equipment and other retail trade.

#### **General Merchandise**

Supermarkets  
Mini-marts, convenience stores and provision shops  
Department stores  
Department stores cum supermarkets (including hypermarkets)  
Retail sale in other non-specialised stores nec

#### **Transport Equipment**

Motor vehicles except motorcycles and scooters  
Motorcycles and scooters  
Tyres and batteries  
Spare parts and accessories for motor vehicles  
Automotive fuel (eg petrol kiosks, CNG refilling stations)

#### **Personal Goods**

Books, newspapers and stationery (including newsvendors)  
Music and video recordings (eg record albums, compact discs, VCDs, DVDs)

#### **Personal Goods (cont'd)**

Sporting equipment (including bicycles, boats and healthcare equipment)  
Games and toys  
Wearing apparel for adults  
Children and infants' wear (including products and accessories for infants)  
Footwear  
Bags, luggage and travel accessories  
Sewing and clothing accessories (eg button, thread, lace, zip)  
Clothing, footwear and leather articles nec  
Cosmetics and toiletries  
Pharmacies and drug stores (Western)  
Chinese medicine shops  
Pharmaceutical and medical goods nec (eg Jamu shops)  
Jewellery  
Costume jewellery  
Watches and clocks  
Personal effects nec  
Spectacles and other optical goods  
Cameras and other photographic goods  
Optical and photographic goods nec

# RETAIL TRADE

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## Household Equipment

Pagers, handphones and other telecommunications apparatus  
Computer hardware and accessories and computer software (except games)  
Computer games (including electronic games and video game consoles)  
Computer and office equipment consumables (eg printer cartridges)  
Audio and video equipment (eg radio and television sets, sound reproducing and recording equipment)  
Textiles  
Furniture (including mattresses, cushions)  
Furnishings (eg curtains, carpets, pillow cases)  
Lighting and lighting accessories  
Crockery, cutlery and kitchen utensils  
Household electrical appliances and equipment (eg vacuum cleaners, washing machines, refrigerators)  
Musical instruments and scores  
Security and fire-fighting equipment  
Electrical household appliances, furniture, lighting equipment and other household articles nec

## Other Retail Trade

Fruits and vegetables

## Other Retail Trade (cont'd)

Meat, poultry, eggs and seafood  
Confectionery and bakery products (not manufactured on site)  
Health supplements  
Food nec  
Beverages  
Tobacco products  
Paints  
Hardware (eg chains, changkols, axes)  
Hardware, paint and glass nec (eg wood, glass, sanitary ware, Do-It-Yourself materials)  
Antiques and works of art  
Handicrafts, collectibles and gifts  
Cut flowers (including wreaths)  
Artificial flowers and plants  
Aquarium fishes (including food and accessories)  
Pet birds and animals (including food and accessories)  
Handicrafts and fancy goods, flowers, plants and pet animals nec  
Joss paper and other ceremonial products  
Liquefied Petroleum Gas (LPG)  
Specific commodities nec (eg jute bags)  
Retail sale of second-hand goods in stores  
Retail sale via mail order houses or via internet  
Other retail sale not in stores, stalls or markets (eg sale via door-to-door canvassing and vending machines)

Hawkers and stall-holders which are not registered with the Accounting & Corporate Regulatory Authority (ACRA) are excluded.

# RETAIL TRADE

## *Definition of Terms*

|                                  |   |
|----------------------------------|---|
| Establishment                    | Defined as a business or organisation unit engaged in one activity and operating in a single location.  |
| Employment                       | Refers to paid employees, working directors, working proprietors/partners and unpaid family workers. It includes those temporarily away on medical or casual leave.   |
| Employees                        | Employment excluding working proprietors and partners.  |
| Operating Receipts               | Includes those arising from services rendered, commission charges, sale of goods, rental of premises, machinery and equipment.  |
| Operating Expenditure            | Refers to all current expenses (except capital expenditure) connected to the business operations such as purchases of goods and services and remuneration. It includes depreciation and adjustment for changes in stocks.   |
| Operating Surplus                | Refers to the amount of operating receipts less operating expenditure plus depreciation of fixed assets.  |
| Value Added<br>(At Basic Prices) | Comprises the value of operating surplus, remuneration and taxes (and subsidies) on production. The impact of taxes including Goods & Services Tax (and subsidies) on products is removed.  |
| Remuneration                     | Comprises wages and salaries, employers' contribution to Central Provident Fund/pension funds and other benefits of all employees as well as fees paid to non-working directors.  |
| Depreciation                     | 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.  |
| Profitability Ratio              | Defined as the ratio of operating surplus to operating receipts. It shows the proportion of operating receipts that is converted to profits.  |
| Retail Sales per Square Metre    | Retail sales divided by total floor area (expressed as square metres). Floor area includes selling space, office space and storage space at the premise but excludes those rented out, open spaces, open car parks, staff accommodation and unoccupied premises. Space occupied by concessionaires is also included for department stores and supermarkets. |