

ECONOMIC SURVEYS SERIES

Reference Year 2007

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 was carried out on an annual basis.

The latest survey was carried out in 2008 for reference year 2007. This year, the reports will focus on several services industries of importance to Singapore's economy. This report on *Retail Trade* is the Department's fourth issue in the series. A final consolidated report on *The Services Sector* will provide a comprehensive performance review of the entire services sector.

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

Health Services

Food and Beverage Services

Transport and Storage Services

Retail Trade

The remaining reports on the various industries and the consolidated report scheduled for release are as follows:

Information and Communications Services

Wholesale Trade

The Services Sector

RETAIL TRADE

<i>Key Indicators</i>		<u>2007</u>	<u>2006</u>
<i>Establishments</i>	↓ 2.0%	19,493	19,895
<i>Employment</i>	↑ 1.3%	108,359	106,995
<i>Operating Receipts</i>	↑ 5.9%	\$39.6 bil	\$37.3 bil
<i>Operating Expenditure</i>	↑ 5.6%	\$37.6 bil	\$35.6 bil
<i>Operating Surplus</i>	↑ 11.3%	\$2.3 bil	\$2.0 bil
<i>Value Added</i>	↑ 8.2%	\$4.9 bil	\$4.5 bil

In 2007, there were some 19,500 establishments in the retail trade industry, employing a total of 108,400 workers, or an average of 6 workers per establishment. The industry registered increases for most major indicators in 2007 over 2006.

I. ECONOMIC PERFORMANCE

Total operating receipts generated by the retail trade industry grew by 5.9 per cent from \$37.3 billion in 2006 to \$39.6 billion in 2007. On a per establishment basis, operating receipts expanded by 8.1 per cent to \$2.0 million in 2007, from \$1.9 million a year ago.

Total operating expenditure incurred by the retail trade industry stood at \$37.6 billion, representing an increase of 5.6 per cent over the previous year (\$35.6 billion). Operating expenditure per establishment

registered a growth of 7.8 per cent to \$1.9 million in 2007, compared to \$1.8 million in 2006.

Total operating surplus for the retail trade industry posted double-digit expansion of 11.3 per cent to reach \$2.3 billion in 2007, compared to \$2.0 billion in 2006. On a per establishment basis, operating surplus increased by 13.6 per cent to \$116,000 in 2007.

Total value added for the industry amounted to \$4.9 billion in 2007, an increase of 8.2 per cent over the previous year. Similarly, value added per establishment rose by 10.4 per cent over the same period to \$249,500.

II. MAIN RETAIL ACTIVITIES

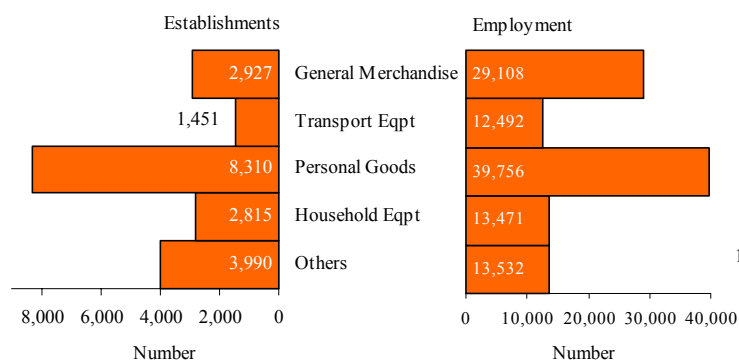
Retailers of personal goods constituted the largest sector in the industry in terms of establishment number. There were about 8,300 establishments in the sector, attributed to 42.6 per cent of the industry's total (Chart 1). Within the retail sector, 3,400 establishments were engaged in the retail trade of wearing apparel and footwear and 2,200 establishments in the retailing of recreational goods. There were about 2,900 general merchandise retailers (such as department stores, supermarkets and provision shops) and 2,800 establishments in the retail trade of household equipment.

RETAIL TRADE

Correspondingly, retailers of personal goods employed a total of 39,800 workers, accounting for the largest share of 36.7 per cent of total retail labor force. On a per establishment basis, the sector employed an average of 5 workers, lower than the average employment size per establishment in the general merchandise sector (10 workers) and transport equipment sector (9 workers).

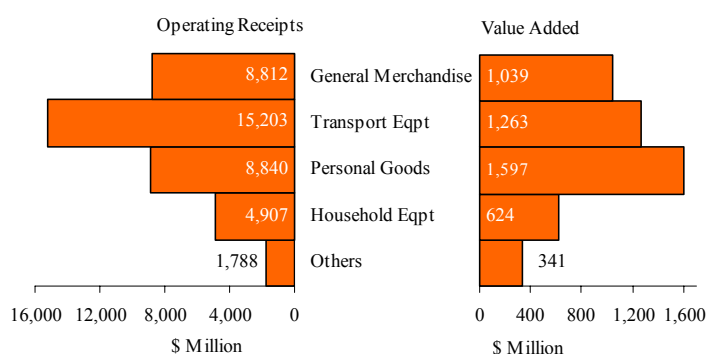
In terms of value added, personal goods sector was the largest contributor. It generated \$1.6 billion value added in 2007, accounting for 32.8 per cent of industry total. It was followed by the retailers of transport equipment (\$1.3 billion) and general merchandise (\$1.0 billion).

Chart 1 – Establishments & Employment, 2007



Retail sector of transport equipment was the largest contributor in terms of operating receipts for the overall industry, accounting for 38.4 per cent of the industry's total in 2007. The sector generated a total of \$15.2 billion operating receipts in 2007. It was followed by retailers of personal goods and general merchandise, each generating over \$8.8 billion operation receipts in 2007. On a per establishment basis, transport equipment and general merchandise were the top two sectors. They generated average operating receipts of \$10.5 million and \$3.0 million respectively on a per establishment basis.

Chart 2 – Operating Receipts & Value Added, 2007



Purchases of goods for sale was the largest expenditure item for retail firms, ranging between 65 to 79 per cent in the share of total business costs for the major retail trade activities (Table 1). Rental and remuneration constituted the second and third largest expenditure items for most retail activities except transport equipment. Rental accounted for about 5 to 12 per cent of total operating expenditure for personal goods, general merchandise and household equipment sectors. Remuneration accounted for about 3 to 12 per cent of total business costs for various retail sectors.

RETAIL TRADE

Table 1 : Main Business Costs, 2007

Retail Activity	Cost Type and % Share				
	1 st	2 nd	3 rd	4 th	5 th
General Merchandise	Purchase 78.9	Rental 8.2	Rem 6.7	Utilities 1.2	Dep 1.0
Transport Eqpt	Purchase 69.4	Taxes 21.7	Rem 3.4	Rental 0.7	Advert 0.7
Personal Goods	Purchase 68.5	Rental 12.1	Rem 11.0	Advert 1.6	Dep 1.1
Household Eqpt	Purchase 77.6	Rem 8.2	Rental 4.6	Advert 1.6	Subcon 0.8
Others	Purchase 65.0	Rem 11.5	Rental 10.4	Com 2.3	Subcon 1.6

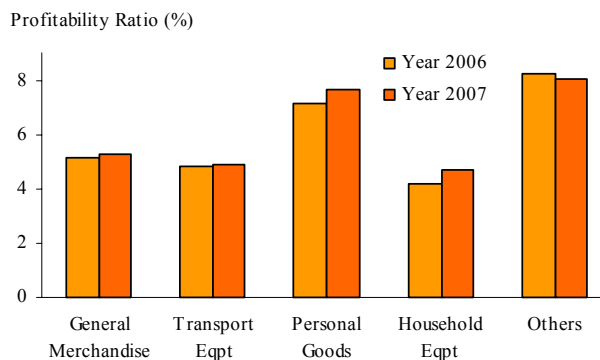
Notations

- Advert : Advertisement
- Com : Commission & agency fees
- Dep : Depreciation
- Purchase : Purchases of goods for sale
- Rem : Remuneration
- Rental : Renting of offices, shops & other premises
- Subcon : Subcontract charges / work given out
- Taxes : Government taxes & fees
- Utilities : Utilities charges

III. KEY PERFORMANCE RATIOS

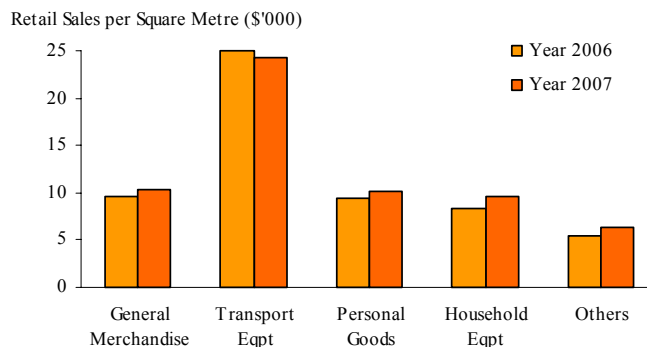
Profitability Ratio of the overall retail trade improved in 2007. The ratio stood at 5.7 per cent in 2007, compared to 5.4 per cent in 2006. Within the industry, retailers of personal goods recorded the highest profitability ratio of 7.6 per cent in 2007 (Chart 3), followed by retailers of general merchandise (5.3 per cent) and transport equipment (4.9 per cent).

Chart 3 – Profitability Ratio, 2006 & 2007



Retail Sales per Square Metre of Floor Area in the retail trade industry amounted to \$12,000 in 2007, an increase of 5.3 per cent over a year ago (\$11,400). Retailers of transport equipment generated retail sales of \$24,300 per square meter of floor area, the highest among all the sectors. Retailers of general merchandise and personal goods generated sales of \$10,200 and \$10,100 respectively, while firms selling household equipment generated sales of \$9,500 per square meter (Chart 4).

Chart 4 – Retail Sales per Square Metre, 2006 & 2007



RETAIL TRADE

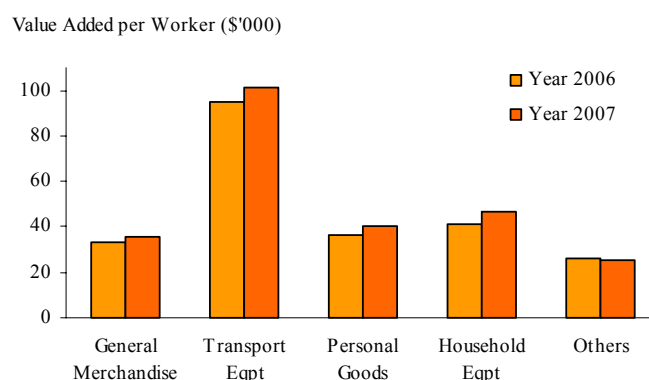
Average Annual Remuneration per Employee stood at \$26,200 for the retail trade industry in 2007, representing an increase of 2.7 per cent from \$25,500 in 2006. The largest increase was recorded in the retail sector of household equipment, with average remuneration per employee increased by 9.2 per cent to \$33,200 in 2007, compared to \$30,400 in 2006 (Table 2). Among all the sectors, retailers of transport equipment recorded the highest average annual remuneration at \$41,400 per employee in 2007.

Table 2 : Average Annual Remuneration per Employee, 2006 & 2007

Retail Activity	2006 (\$'000)	2007 (\$'000)	Change (%)
General Merchandise	19.8	20.6	4.0
Transport Eqpt	39.2	41.4	5.6
Personal Goods	24.8	25.5	2.8
Household Eqpt	30.4	33.2	9.2
Others	20.6	18.0	-12.6

Value Added per Worker generated by the retail trade industry stood at \$44,900 in 2007, representing an increase of 6.9 per cent compared to a year ago. Value added per worker for the transport equipment sector recorded \$101,100 in 2007, followed by the household equipment sector at \$46,300. Retail firms of personal goods and general merchandise generated value added per worker of \$40,200 and \$35,700 respectively in 2007.

Chart 5 – Value Added per Worker, 2006 & 2007



IV. PERFORMANCE BY FIRM SIZE

Majority of firms (89.8 per cent) in retail trade were firms with fewer than 10 workers. Firms with 10-99 workers were the largest contributor, generating 38.4 per cent of total operating receipts and 39.7 per cent of total value added for the overall retail industry (Table 3). Despite the small number of establishments, firms with employment size of 100 and above contributed 31.6 per cent of total operating receipts and 26.7 per cent of total value added of the industry.

Table 3 : Establishments, Operating Receipts & Value Added by Firm Size, 2007

Employment Size	Establishments (Number)	Operating Receipts (\$ Million)	Value Added (\$Million)
Less than 10	17,510	11,890	1,634
10 – 99	1,888	15,174	1,929
100 & above	95	12,487	1,301

The publication on “Retail Trade” containing more detailed statistical tables will be released in 2nd Quarter 2009

RETAIL TRADE

Summary Tables

Key Indicators of Retail Trade, 2005-2007

Retail Activity	Establishments (Number)			Employment (Number)			Operating Receipts (\$ Million)		
	2005	2006	2007	2005	2006	2007	2005	2006	2007
Total Retail Trade	19,758	19,895	19,493	104,274	106,995	108,359	35,990	37,337	39,550
General Merchandise	3,153	3,074	2,927	27,982	29,408	29,108	7,628	8,192	8,812
Transport Equipment	1,443	1,458	1,451	12,557	12,914	12,492	15,068	15,211	15,203
Personal Goods	8,007	8,277	8,310	36,612	38,280	39,756	7,400	7,888	8,840
Household Equipment	2,930	2,928	2,815	13,557	13,709	13,471	4,381	4,446	4,907
Others	4,224	4,157	3,990	13,564	12,684	13,532	1,513	1,599	1,788

Retail Activity	Operating Expenditure (\$ Million)			Operating Surplus (\$ Million)			Value Added (\$ Million)		
	2005	2006	2007	2005	2006	2007	2005	2006	2007
Total Retail Trade	34,282	35,576	37,572	1,981	2,031	2,260	4,240	4,494	4,864
General Merchandise	7,246	7,851	8,434	461	422	464	964	970	1,039
Transport Equipment	14,411	14,535	14,504	710	729	747	1,194	1,224	1,263
Personal Goods	6,967	7,413	8,256	515	562	675	1,259	1,407	1,597
Household Equipment	4,243	4,291	4,716	178	186	230	523	560	624
Others	1,415	1,486	1,662	117	132	144	300	333	341

Key Indicators of Retail Trade by Employment Size of Firm, 2007

Employment Size	Establishments (Number)	Employment (Number)	Operating Receipts (\$ Million)
All Categories	19,493	108,359	39,550
Less than 10 persons	17,510	48,921	11,890
10 to 99 persons	1,888	40,264	15,174
100 persons & above	95	19,174	12,487

Employment Size	Operating Expenditure (\$ Million)	Operating Surplus (\$ Million)	Value Added (\$ Million)
All Categories	37,572	2,260	4,864
Less than 10 persons	11,176	763	1,634
10 to 99 persons	14,437	853	1,929
100 persons & above	11,958	644	1,301

RETAIL TRADE

Key Indicators of Retail Trade by Size of Operating Receipts of Firm, 2007

Size of Operating Receipts	Establishments (Number)	Employment (Number)	Operating Receipts (\$ Million)
All Categories	19,493	108,359	39,550
Less than \$200,000	6,672	9,829	597
\$200,000 to \$999,999	8,601	28,581	4,181
\$1,000,000 to \$4,999,999	3,144	28,138	7,001
\$5,000,000 & above	1,076	41,811	27,771

Size of Operating Receipts	Operating Expenditure (\$ Million)	Operating Surplus (\$ Million)	Value Added (\$ Million)
All Categories	37,572	2,260	4,864
Less than \$200,000	576	26	86
\$200,000 to \$999,999	3,915	289	747
\$1,000,000 to \$4,999,999	6,721	337	1,053
\$5,000,000 & above	26,360	1,607	2,979

Note:

- 1 Data for 2007 are preliminary.
- 2 Industries are classified according to the Singapore Standard Industrial Classification (SSIC) 2005.
- 3 Figures may not add up to the total due to rounding.

RETAIL TRADE

Explanatory Note

Objective

The data presented in this report were compiled from the results of the *Retail Trade Survey 2007*. The objective of the survey is to gather information on Singapore's retail trade to enable in-depth analyses and understanding of the performance, structure and profile of this industry. The data and analytical findings are used extensively 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, business community and researchers in their work.

Scope & Coverage

The retail trade industry comprises establishments engaged in the resale 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. The detailed retailing activities for each group are presented below:

General Merchandise

Department stores
Department stores cum supermarkets (including hypermarkets)
Supermarkets
Mini-marts, convenience stores and provision shops
Non-specialised retail trade in stores nec¹

Transport Equipment

Motor vehicles except motorcycles and scooters
Motorcycles and scooters
Tyres and batteries
Spare parts and accessories for motor vehicles
Petrol service stations (petrol kiosks)
Bicycles, tricycles and baby carriages (including spare parts)
Other transport equipment nec (eg motor boats, sail boats)

Personal Goods

Cosmetics and toiletries
Pharmacies and drug stores (Western)
Chinese medicine shops
Pharmaceutical and medical goods nec (eg Jamu shops)

Personal Goods (cont'd)

Textiles
Wearing apparel for adults
Children and infants' wear (including products and accessories for infants)
Footwear
Bags, luggages and travel accessories
Sewing and clothing accessories (eg button, thread, lace, zip)
Textiles, clothing, footwear and leather goods nec
Sporting goods and equipment (including healthcare equipment)
Musical instruments and scores
Record albums, cassette tapes, laser discs and compact discs (including VCDs, DVDs)
Toys and games
Computer games (including electronic games and video game consoles)
Jewellery
Costume jewellery
Watches and clocks
Sporting, recreational goods and personal effects nec
Spectacles and other optical goods
Cameras and other photographic goods
Books, magazines and stationery (including newsvendors)
Optical and photographic goods, books, magazines and paper products nec

¹ Not elsewhere classified

RETAIL TRADE

Household Equipment

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)
Radio, television sets and sound reproducing and recording equipment
Household appliances, articles and equipment nec
Pagers, handphones and other telecommunications apparatus
Calculators, typewriters and other office equipment
Computer hardware and accessories and computer software (except games)
Computer and office equipment consumables (eg diskettes, computer cards, printer ribbons)

Other Retail Trade

Fruits and vegetables
Meat, poultry, eggs and seafood
Confectionery and bakery products
Health food

Other Retail Trade (cont'd)

Liquor and soft drinks
Cigarettes and other tobacco products
Food, beverages and tobacco in specialised stores nec
Paints
Hardware (eg chains, changkols, axes)
Construction materials, hardware, paint and glass nec (eg wood, glass, sanitary ware, Do-It-Yourself materials)
Antiques, 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
LP Gas
Security and fire-fighting equipment
Other specific commodities nec (eg jute bags)
Retail sale of second-hand goods in stores
Mail order agencies (including sales via telephone and internet)
Other non-store retail sale (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 and head office remittance for current expenses.
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 (At Basic Prices)	Comprises the value of operating surplus, remuneration and indirect taxes. 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), i.e. retail sales/floor area. 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.