

ECONOMIC SURVEYS SERIES

Reference Year 2008

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 2009 for reference year 2008. 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 comprehensive performance review of the 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

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

Wholesale Trade

The Services Sector

RETAIL TRADE

<i>Key Indicators</i>		<u>2007</u>	<u>2008</u>
<i>Establishments</i>	↑ 4.4%	19,490	20,340
<i>Employment</i>	↑ 6.4%	108,580	115,503
<i>Operating Receipts</i>	↑ 4.0%	\$39.2 bil	\$40.7 bil
<i>Operating Expenditure</i>	↑ 4.4%	\$37.2 bil	\$38.8 bil
<i>Operating Surplus</i>	↓ 0.2%	\$2.2 bil	\$2.2 bil
<i>Value Added</i>	↑ 3.9%	\$4.8 bil	\$5.0 bil

The retail trade industry comprised some 20,300 establishments in 2008, representing an increase of 4.4 per cent from the previous year. The industry employed 115,500 workers or an average of 6 workers per establishment.

I. ECONOMIC PERFORMANCE

Total operating receipts generated by the retail industry rose by 4.0 per cent to \$40.7 billion in 2008. On a per establishment basis, operating receipts stood at \$2.0 million.

Total operating expenditure incurred by the retail trade industry was \$38.8 billion in 2008, 4.4 per cent higher than that of the previous year. Operating expenditure per establishment stood at \$1.9 million.

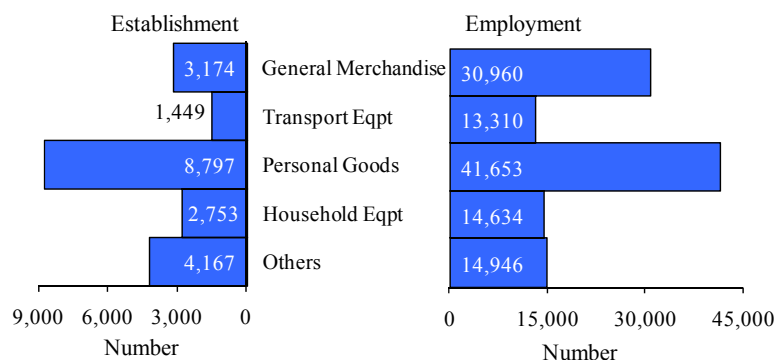
Total operating surplus generated by the retail trade industry was \$2.2 billion. On a per establishment basis, operating surplus registered a decline of 4.4 per cent to \$109,100 in 2008.

Total value added generated by the retail trade industry increased by 3.9 per cent to \$5.0 billion in 2008. Value added per establishment stood at \$246,800 in 2008.

II. MAIN RETAIL ACTIVITIES

The retail trade of personal goods comprised about 8,800 establishments, or 43.2 per cent of total retail establishments (Chart 1). The group employed about 41,700 workers, or 36.1 per cent of industry total. The retail trade of general merchandise was the largest employer in terms of employment per establishment, engaging an average of 10 workers. This was followed by the transport equipment retailers, which employed about 9 workers per establishment.

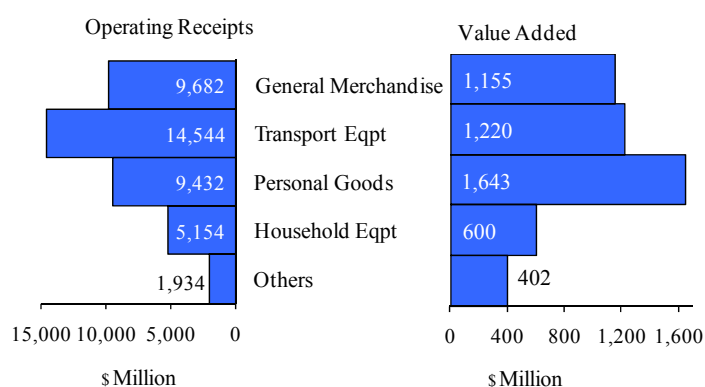
Chart 1 – Establishments & Employment, 2008



RETAIL TRADE

Retailers of transport equipment were the largest contributor in terms of operating receipts, accounting for 35.7 per cent of the industry total in 2008 (Chart 2). This was followed by the retailers of general merchandise and personal goods, which generated \$9.7 billion and \$9.4 billion of operating receipts respectively.

Chart 2 – Operating Receipts & Value Added, 2008



Retailers of personal goods generated \$1.6 billion value added in 2008, accounting for about one-third of total retail industry's value added. Value added generated by the transport equipment and general merchandise retailers accounted for 24.3 per cent and 23.0 per cent of the industry total respectively.

For the business cost structure of retail firms, purchases of goods for sale accounted for 62.1 per cent to 79.7 per cent of the total operating expenditure (Table 1). Rental and remuneration were the second and third major expenditure items for most retailers except transport equipment group.

Table 1 : Main Business Costs, 2008

Retail Activity	Cost Type and % Share				
	1 st	2 nd	3 rd	4 th	5 th
General Merchandise	Purchase 79.7	Rental 8.1	Rem 6.6	Utilities 1.4	Dep 1.0
Transport Eqpt	Purchase 72.5	Taxes 19.6	Rem 3.6	Rental 0.7	Advert 0.6
Personal Goods	Purchase 69.7	Rental 11.3	Rem 10.7	Advert 1.6	Dep 1.1
Household Eqpt	Purchase 77.2	Rem 8.1	Rental 5.7	Advert 1.4	Dep 0.9
Others	Purchase 62.1	Rem 13.8	Rental 11.4	Com 2.1	Dep 1.4

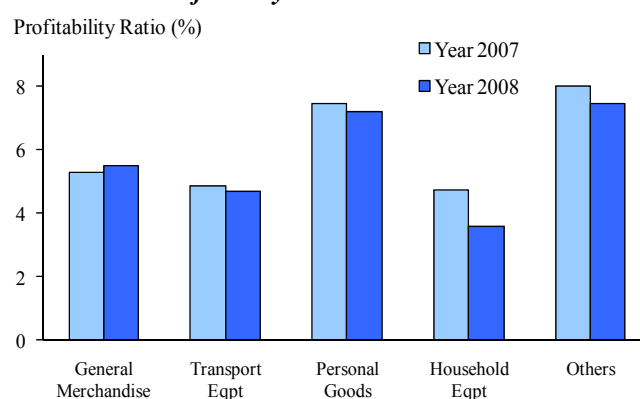
Notations

- 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 retail trade fell slightly from 5.7 per cent in 2007 to 5.4 per cent in 2008 (Chart 3). Within the industry, retailers of personal goods attained the highest profitability ratio of 7.2 per cent followed by retailers of general merchandise (5.5 per cent), transport equipment (4.7 per cent) and household equipment (3.6 per cent).

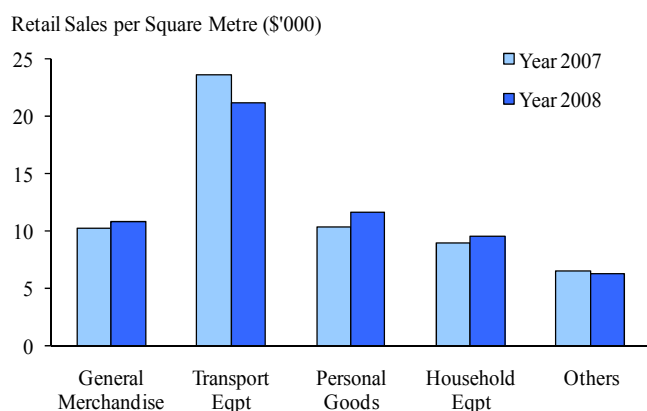
Chart 3 – Profitability Ratio 2007 & 2008



RETAIL TRADE

Retail Sales per Square Metre of Floor Area rose by 3.4 per cent to \$12,200 in 2008 (Chart 4). Within the industry, retailers of transport equipment reported the highest retail sales per square metre of floor area, amounting to \$21,100. The retail sales per square meter generated by retailers of general merchandise, personal goods and household equipment groups ranged between \$9,600 and \$11,600.

Chart 4 – Retail Sales per Square Metre, 2007 & 2008



Average Annual Remuneration per Employee stood at \$26,000 in 2008, similar to the level registered in 2007 (Table 2). Within the industry, workers in the retail trade of transport equipment enjoyed the highest average annual remuneration of \$40,300. This was followed by the retailers of household equipment and personal goods sectors, which paid workers an average annual remuneration of \$31,000 and \$25,500 respectively. Employees working in the general merchandise sector received

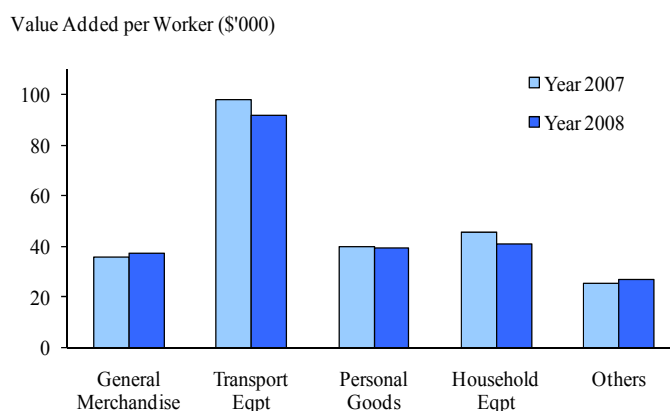
an annual remuneration of \$20,700 on average.

Table 2 : Average Annual Remuneration per Employee, 2007 & 2008

Retail Activity	2007 (\$'000)	2008 (\$'000)	Change (%)
General Merchandise	20.7	20.7	0.0
Transport Eqpt	41.3	40.3	-2.4
Personal Goods	25.7	25.5	-0.8
Household Eqpt	32.6	31.0	-4.9
Others	18.0	20.6	14.4

Value Added per Worker generated by the retail trade industry stood at \$43,500 in 2008, a slight decrease of 2.2 per cent over the previous year. Within the industry, retail firms of transport equipment registered the highest value added per worker of \$91,700 (Chart 5). The value added per worker for retail firms of household equipment, personal goods and general merchandise ranged between \$37,300 and \$41,000.

Chart 5 – Value Added per Worker, 2007 & 2008



RETAIL TRADE

IV. PERFORMANCE BY FIRM SIZE

About 90.0 per cent of firms in retail trade were firms with fewer than 10 workers. Firms with 10-99 workers were the largest contributor, generating 41.4 per cent of operating receipts and 41.6 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 28.6 per cent of total operating receipts and 26.3 per cent of total value added of the industry.

Table 3 : Establishments, Operating Receipts & Value Added by Firm Size, 2008

Employment Size	Establishments (Number)	Operating Receipts (\$ Million)	Value Added (\$ Million)
Less than 10	18,300	12,233	1,613
10 – 99	1,940	16,868	2,088
100 & above	100	11,645	1,320

The publication on “Retail Trade” containing more detailed statistical tables will be released in 1st Quarter 2010.

RETAIL TRADE

Summary Tables

Key Indicators of Retail Trade, 2006-2008

Retail Activity	Establishments (Number)			Employment (Number)			Operating Receipts (\$ Million)		
	2006	2007	2008	2006	2007	2008	2006	2007	2008
Total Retail Trade	19,893	19,490	20,340	106,985	108,580	115,503	37,298	39,162	40,746
General Merchandise	3,074	2,926	3,174	29,408	28,825	30,960	8,192	8,767	9,682
Transport Equipment	1,458	1,456	1,449	12,914	12,522	13,310	15,211	14,726	14,544
Personal Goods	8,277	8,328	8,797	38,280	40,066	41,653	7,888	8,967	9,432
Household Equipment	2,926	2,790	2,753	13,699	13,558	14,634	4,408	4,896	5,154
Others	4,157	3,991	4,167	12,684	13,608	14,946	1,599	1,806	1,934

Retail Activity	Operating Expenditure (\$ Million)			Operating Surplus (\$ Million)			Value Added (\$ Million)		
	2006	2007	2008	2006	2007	2008	2006	2007	2008
Total Retail Trade	35,547	37,221	38,848	2,021	2,223	2,219	4,483	4,832	5,021
General Merchandise	7,849	8,387	9,240	424	464	531	972	1,035	1,155
Transport Equipment	14,535	14,060	13,927	729	715	679	1,224	1,231	1,220
Personal Goods	7,413	8,391	8,854	562	669	679	1,407	1,604	1,643
Household Equipment	4,265	4,704	5,013	173	231	186	548	620	600
Others	1,486	1,679	1,814	132	144	145	333	343	402

Key Indicators of Retail Trade by Employment Size of Firm, 2008

Employment Size	Establishments (Number)	Employment (Number)	Operating Receipts (\$ Million)
All Categories	20,340	115,503	40,746
Less than 10 persons	18,300	51,841	12,233
10 to 99 persons	1,940	42,824	16,868
100 persons & above	100	20,838	11,645

Employment Size	Operating Expenditure (\$ Million)	Operating Surplus (\$ Million)	Value Added (\$ Million)
All Categories	38,848	2,219	5,021
Less than 10 persons	11,579	706	1,613
10 to 99 persons	16,104	913	2,088
100 persons & above	11,164	601	1,320

RETAIL TRADE

Key Indicators of Retail Trade by Size of Operating Receipts of Firm, 2008

Size of Operating Receipts	Establishments (Number)	Employment (Number)	Operating Receipts (\$ Million)
All Categories	20,340	115,503	40,746
Less than \$200,000	6,681	10,120	590
\$200,000 to \$999,999	9,708	33,502	4,866
\$1,000,000 to \$4,999,999	2,771	25,840	5,998
\$5,000,000 & above	1,181	46,041	29,292

Size of Operating Receipts	Operating Expenditure (\$ Million)	Operating Surplus (\$ Million)	Value Added (\$ Million)
All Categories	38,848	2,219	5,021
Less than \$200,000	597	2	69
\$200,000 to \$999,999	4,604	291	811
\$1,000,000 to \$4,999,999	5,805	251	941
\$5,000,000 & above	27,842	1,675	3,200

Note:

- 1 Data for 2008 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 *Annual Survey of Services 2008*. The objective of the survey is to gather information on Singapore's retail trade performance, structure and profile. The data are 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, business community and researchers 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

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 (e.g. motor boats, sail boats)

Personal Goods

Cosmetics and toiletries
Pharmacies and drug stores (Western)
Chinese medicine shops
Pharmaceutical and medical goods nec (e.g. 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 (e.g. 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

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Household Equipment

Furniture (including mattresses, cushions)
Furnishings (e.g. curtains, carpets, pillow cases)
Lighting and lighting accessories
Crockery, cutlery and kitchen utensils
Household electrical appliances and equipment (e.g. 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 (e.g. 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 (e.g. chains, changkols, axes)
Construction materials, hardware, paint and glass nec (e.g. 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 (e.g. jute bags)
Retail sale of second-hand goods in stores
Mail order agencies (including sales via telephone and internet)
Other non-store retail sale (e.g. 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 as at 30 June 2008. It includes those temporarily away on leave.
Employees	Employment excluding working proprietors and partners.
Operating Receipts	Refers to the amount received or receivable for 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). 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.