

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 was 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 the Singapore economy. This report on *Transport and Storage Services* is the Department's third 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 three reports which have been released are as follows:

Health Services

Food and Beverage Services

Transport and Storage Services

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

Information and Communications Services

Retail Trade

Wholesale Trade

The Services Sector

TRANSPORT & STORAGE SERVICES

<i>Key Indicators</i>			
		<u>2007</u>	<u>2008</u>
<i>Establishments</i>	↑ 6.9 %	9,029	9,653
<i>Employment</i>	↑ 5.7 %	130,303	137,675
<i>Operating Receipts</i>	↑ 14.7 %	\$72.5 bil	\$83.1 bil
<i>Operating Expenditure</i>	↑ 18.2 %	\$61.7 bil	\$73.0 bil
<i>Operating Surplus</i>	↑ 0.4 %	\$15.5 bil	\$15.6 bil
<i>Value Added</i>	↑ 0.6 %	\$23.1 bil	\$23.2 bil

The transport & storage services industry comprised some 9,700 establishments in 2008. The industry employed about 137,700 workers, or an average of 14 workers per establishment.

I. ECONOMIC PERFORMANCE

Total operating receipts generated by the transport & storage services industry was \$83.1 billion in 2008, a growth of 14.7 per cent over 2007. On a per establishment basis, operating receipts increased by 7.3 per cent in 2008 over 2007.

Total operating expenditure incurred increased by 18.2 per cent from \$61.7 billion in 2007 to \$73.0 billion in 2008. Correspondingly, operating expenditure per establishment increased by 10.6 per cent to \$7.6 million in 2008.

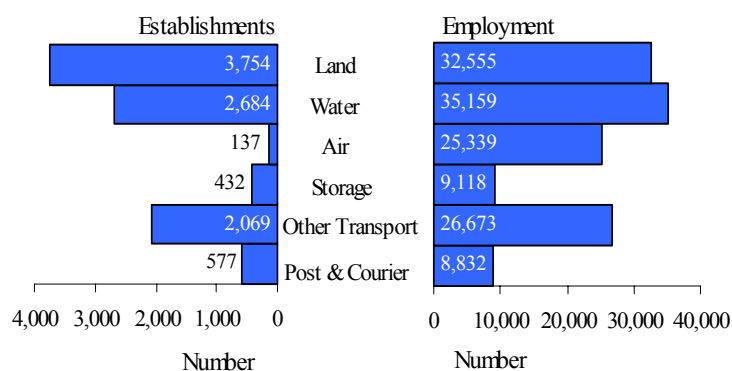
Total operating surplus increased by 0.4 per cent to \$15.6 billion in 2008. On a per establishment basis, operating surplus decreased from \$1.7 million in 2007 to \$1.6 million in 2008.

Total value added recorded by overall transport & storage services was \$23.2 billion in 2008, 0.6 per cent higher compared to the previous year. On a per establishment basis, value added decreased by 5.9 per cent to \$2.4 million in 2008.

II. MAIN ACTIVITIES IN TRANSPORT & STORAGE SERVICES

Water¹ transport firms which made up 27.8 per cent of total establishments in transport & storage services, accounted for the largest share of 25.5 per cent of the industry's workforce in 2008 (Chart 1).

Chart 1 – Establishments and Employment, 2008



On a per establishment basis, however, air² transport firms were the largest employer, hiring an average of 185 workers.

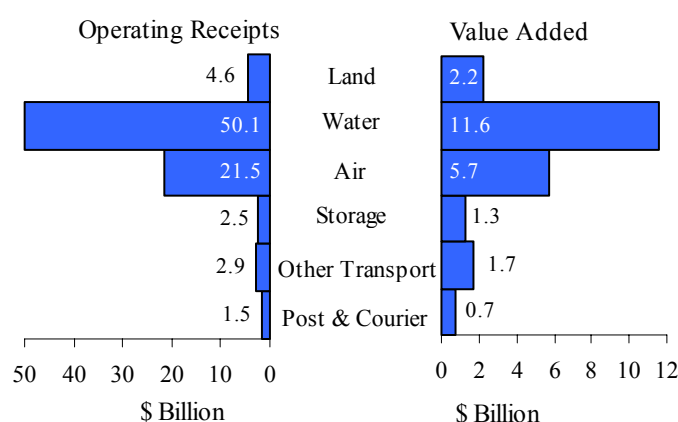
¹ Includes supporting services to water transport

² Includes supporting services to air transport

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In terms of operating receipts and value added, the water transport services group was the largest contributor, followed by air transport services. Together, they accounted for 86.1 per cent and 74.6 per cent of the overall industry's operating receipts and value added respectively in 2008 (Chart 2).

Chart 2 – Operating Receipts and Value Added, 2008



In 2008, remuneration was the top business cost item for the “land transport”, “storage & warehousing”, “other transport” and “post & courier” groups, accounting for 20-45 per cent of the respective group’s operating expenditure (Table 1).

For water transport services, charter fees on vessels and other transport equipment was the most significant business cost item in 2008, constituting 32.7 per cent of the group’s operating expenditure. For air transport services, the top business cost item, fuel, accounted for more than one-third of the group’s operating expenses.

Table 1 : Main Business Costs, 2008

Transport & Storage	Cost Type and % Share				
	1 st	2 nd	3 rd	4 th	5 th
Land Transport	Rem 25.0	Fuel 12.4	Dep 12.1	Contract 8.7	Repairs 8.6
Water Transport	Charter 32.7	Cargo 17.9	Fuel 16.1	Dep 6.0	Rem 4.9
Air Transport	Fuel 35.2	Cargo 22.5	Rem 11.0	Dep 9.9	Repairs 4.6
Storage & Warehousing	Rem 19.6	Cargo 16.9	Dep 12.4	Rental 9.8	Pur 7.0
Other Transport	Rem 44.5	Pur 9.8	Rental 6.3	Contract 4.8	Dep 4.2
Post & Courier	Rem 29.3	Cargo 12.5	Contract 10.3	Dep 3.5	Admin 3.3

Notations

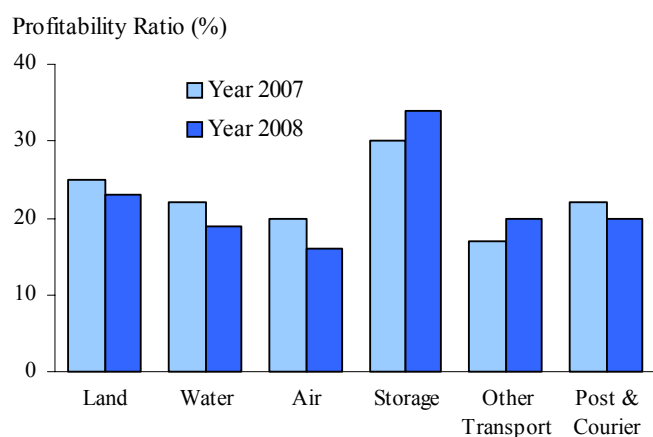
- Admin : Administrative & management fees
- Cargo : Cargo handling, airport & port charges
- Charter : Charter Fees
- Contract : Subcontract charges / work given out
- Dep : Depreciation
- Fuel : Fuel, diesel & lubricating oil
- Pur : Purchases of goods & materials
- Rem : Remuneration
- Rental : Renting of offices, shops & other premises
- Repairs : Maintenance & repairs of machinery, vehicles, ships & aircraft

III. KEY PERFORMANCE RATIOS

Profitability Ratio of the transport & storage services industry decreased from 21.5 per cent in 2007 to 18.8 per cent in 2008. Within the industry, air transport services registered the largest drop in profitability ratio, from 19.7 per cent in 2007 to 15.8 per cent in 2008 (Chart 3). Land transport, water transport and post & courier services also registered lower profitability ratios in 2008.

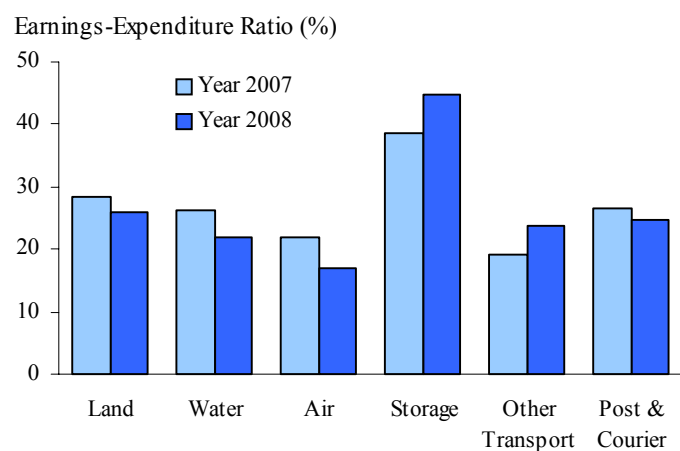
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Chart 3 – Profitability Ratio, 2007 & 2008



Earnings-Expenditure Ratio remained the highest for firms in storage & warehousing services, at 44.6 per cent in 2008 (Chart 4). On the other hand, air transport services registered the lowest earnings-expenditure ratio, at 16.9 per cent. The ratio was lower than the 22.1 per cent recorded in 2007, due to the air transport services group's lower operating surplus and higher operating expenditure in 2008.

Chart 4 – Earnings-Expenditure Ratio, 2007 & 2008



Average Annual Remuneration per Employee was the highest for employees in air transport services. However, their average annual remuneration of \$87,300 in 2008 was 10.8 per cent lower compared to the average annual remuneration of \$97,900 received in 2007 (Table 2).

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

Transport & Storage	2007 (\$'000)	2008 (\$'000)	Change (%)
Land	34.8	33.9	-2.5
Water	61.1	60.4	-1.1
Air	97.9	87.3	-10.8
Storage	45.9	41.2	-10.2
Other Transport	40.2	41.7	3.8
Post & Courier	41.2	43.4	5.3

IV. PERFORMANCE BY FIRM SIZE

Firms with less than 100 workers formed the majority (98.0 per cent) in the transport & storage services industry (Table 3). However, firms with 200 workers & above, which constituted only 1.0 per cent, contributed the most to total operating receipts (54.8 per cent).

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

Employment Size	Establishments (Number)	Operating Receipts (\$ Million)
Less than 100	9,464	32,832
100 –199	97	4,740
200 & above	92	45,545

The publication on "Transport & Storage Services" containing more detailed statistical tables will be released in 1st Quarter 2010.

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Summary Tables

Key Indicators of Transport & Storage Services, 2006-2008

Transport & Storage Services	Establishments (Number)			Employment (Number)			Operating Receipts (\$ Million)		
	2006	2007	2008	2006	2007	2008	2006	2007	2008
Transport & Storage	9,193	9,029	9,653	121,754	130,303	137,675	63,313	72,483	83,117
Land Transport	4,031	3,600	3,754	29,919	30,696	32,555	3,918	4,232	4,583
Water Transport	2,137	2,400	2,684	28,228	32,803	35,159	35,420	41,818	50,060
Air Transport	115	128	137	23,308	24,358	25,339	18,200	20,058	21,514
Storage & Warehousing	338	383	432	6,714	8,186	9,118	1,696	2,124	2,527
Other Transport	2,025	1,940	2,069	25,498	25,982	26,673	2,735	2,820	2,933
Post & Courier	548	579	577	8,088	8,278	8,832	1,343	1,431	1,500

Transport & Storage Services	Operating Expenditure (\$ Million)			Operating Surplus (\$ Million)			Value Added (\$ Million)		
	2006	2007	2008	2006	2007	2008	2006	2007	2008
Transport & Storage	55,251	61,731	72,978	12,195	15,549	15,606	19,113	23,063	23,196
Land Transport	3,456	3,662	4,022	910	1,039	1,048	2,038	2,197	2,244
Water Transport	30,113	34,903	43,239	7,134	9,143	9,430	8,885	11,227	11,622
Air Transport	16,800	17,880	20,112	2,932	3,944	3,388	5,235	6,404	5,684
Storage & Warehousing	1,334	1,675	1,912	546	646	853	879	1,070	1,271
Other Transport	2,446	2,447	2,454	394	468	583	1,460	1,516	1,698
Post & Courier	1,104	1,163	1,239	278	308	304	616	650	677

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Key Indicators of Transport & Storage Services by Size of Operating Receipts of Firm, 2008

Size of Operating Receipts	Establishments (Number)	Employment (Number)	Operating Receipts (\$ Million)
All Categories	9,653	137,675	83,117
Less than \$200,000	4,579	5,769	305
\$200,000 to \$999,999	3,044	15,197	1,463
\$1,000,000 to \$4,999,999	1,182	13,311	2,524
\$5,000,000 & above	848	103,398	78,825

Size of Operating Receipts	Operating Expenditure (\$ Million)	Operating Surplus (\$ Million)	Value Added (\$ Million)
All Categories	72,978	15,606	23,196
Less than \$200,000	214	100	150
\$200,000 to \$999,999	1,283	248	735
\$1,000,000 to \$4,999,999	2,201	470	1,023
\$5,000,000 & above	69,280	14,787	21,288

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.

TRANSPORT & STORAGE SERVICES

Explanatory Note

Objective

The data presented in this report are compiled from the results of the *Transport & Storage Survey 2008*. The objective of the survey is to gather information on Singapore's transport & storage services 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 transport & storage services industry comprises 6 broad groups, namely, transportation services by land, water and air, storage & warehousing, other supporting activities related to transport as well as post & courier services. The detailed activities for each group are presented below:

Land Transport*

- Mass rapid transit systems (including light rail)
- Public bus services
- Chartered bus services
- School bus services
- Taxi services
- Passenger transport by road nec
- Aerial cableways (including cable car services)
- Freight transport by road
- Moving services
- Freight transport by road nec¹
- Carpark management and operation services
- Supporting services to land transport nec

Water Transport*

- Shipping lines
- Branches of foreign shipping lines
- Sight-seeing cruise services
- Sea and coastal water transport nec
- Barge, tugboat and sampan services
- Ferry services
- Harbour cruise services
- Ship brokering services
- Classification societies
- Marine surveying services other than classification societies
- Representative offices of foreign shipping lines
- Shipping agencies (freight)
- Port operation services
- Stevedoring and lighterage services
- Salvaging of distressed vessels and cargo
- Ship and boat leasing with operator (including chartering)
- Ship management services
- Other supporting services to water transport nec

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Air Transport*

Airlines
Branches of foreign airlines (passengers)
Branches of foreign airlines (freight)
Representative offices of foreign airlines
Airline agencies (freight)
Airport operation services
Airport terminal services
Aircraft chartering with operator
Supporting services to air transport nec

Other Services Allied to Transport

Taxi booking services
Services allied to transport of passengers nec
Freight forwarding, packing and crating services
Cargo surveying services
Container services (excluding rental of containers)
Crane services
Services allied to transport of goods nec
Towing services
Other services allied to transport nec

Storage And Warehousing

General warehousing
Cold storage
Storage for class cargo
Value added transport providers
Other specialized storage

Post And Courier Activities

National post activities (eg postal services)
Courier activities other than national post activities

* Including supporting services

¹ Not elsewhere classified

The data include all establishments and statutory boards engaged in transport & storage services but exclude government ministries and departments. Own account workers such as taxi drivers are also excluded.

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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 and rental of premises, machinery and 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.
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. However, 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 (i.e. foreign airlines and foreign shipping lines) and expenses paid by them on behalf of their head offices.
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 was 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 was converted to profits.
Earnings-Expenditure Ratio	Defined as the ratio of operating surplus to operating expenditure.