



Chapter 11

WHOLESALE & RETAIL TRADE AND HOTELS & RESTAURANTS

WHOLESALE AND RETAIL TRADE

[Table 11.1]

Slower growth in the wholesale and retail trade sector...

The wholesale and retail trade sector moderated in the last quarter of 2007, with a growth of 6.0 per cent compared to 6.8 per cent in the preceding quarter. Full year growth in 2007 came up to 7.3 per cent, lower than the 10 per cent gain in 2006.

Wholesale trade, which accounts for 88 per cent of the sector rose by 7.9 per cent in 2007. Retail trade increased on the back of higher sales of telecommunications and computers, as well as furniture and household equipment.

RETAIL SALES

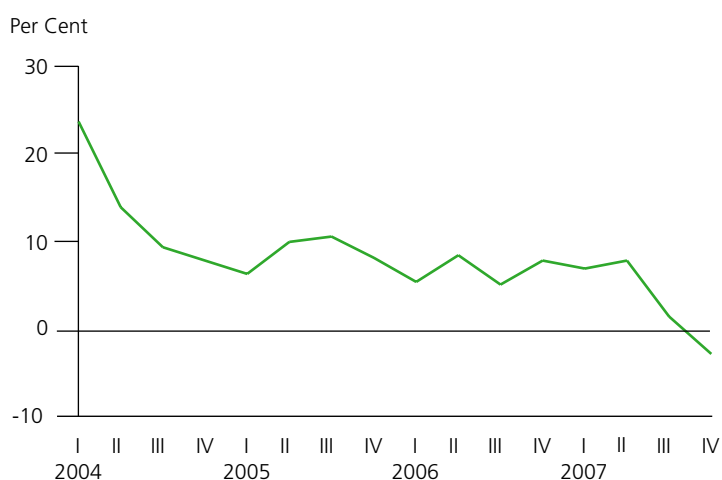
[Table A11.1 and Chart 11.1]

Retail sales slowed down...

The volume of retail sales declined by 2.5 per cent in the fourth quarter, down from the 1.5 per cent gain in the previous quarter. This brought full year growth for 2007 to 3.4 per cent, down from 6.9 per cent in 2006 due to a decline in motor vehicle sales. Excluding motor vehicles, retail sales rose 7.4 per cent, improving from the 4.1 per cent gain in the previous year.

CHANGES IN RETAIL SALES INDEX AT CONSTANT PRICES

[Chart 11.1]



WHOLESALE & RETAIL TRADE, AND HOTELS & RESTAURANTS SECTORS

[TABLE 11.1]

	2006		2007				2007
	4th Qtr	Annual	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Annual
	Percentage Change Over Same Period Of Previous Year						
Value Added at 2000 Prices							
Wholesale & Retail Trade	7.1	10.4	8.0	8.5	6.8	6.0	7.3
Hotels & Restaurants	5.9	4.8	4.8	5.6	4.9	2.5	4.4
Retail Sales Index at Constant Prices	7.9	6.9	7.0	7.9	1.5	-2.5	3.4
Number of Visitor Arrivals	8.5	9.0	5.5	5.0	5.4	5.5	5.4

Source: International Enterprise Singapore
Singapore Tourism Board

The segments that enjoyed improved sales include telecommunications and computers (16 per cent higher), furniture and household equipment (12 per cent), wearing apparel and footwear (10 per cent), supermarkets (8.1 per cent), and department stores (7.9 per cent). On the other hand, the motor vehicles segment declined 3.7 per cent.

HOTELS AND RESTAURANTS

[Tables 11.1, A12.2 and Charts 11.2–11.3]

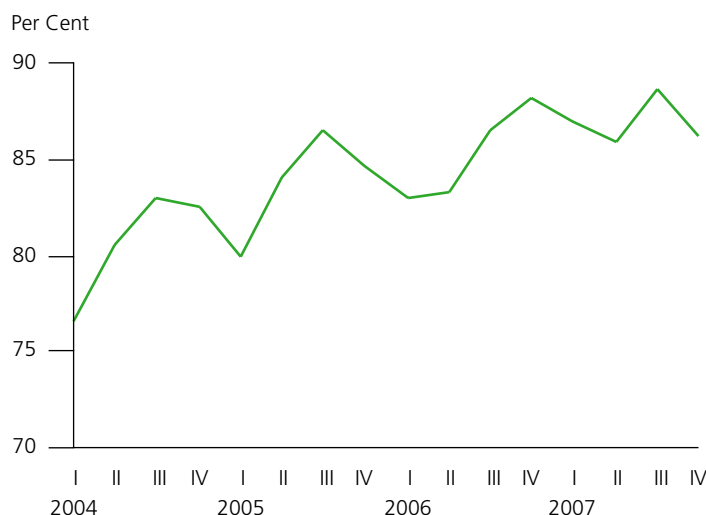
Continued growth in the hotels and restaurants sector on the back of strong visitor arrivals...

The hotels and restaurants sector expanded by 2.5 per cent in the fourth quarter, moderating from the 4.9 per cent growth registered in the previous quarter. For the full year, the sector grew by 4.4 per cent, slower than 4.8 per cent in the previous year, due to hotel capacity constraints in the second half of 2007, as well as weak restaurants sales in the fourth quarter. Both the hotels and restaurants segments registered weaker gains as compared to 2006.

While the sector continued to grow, 2007 gains were weaker than 2006...

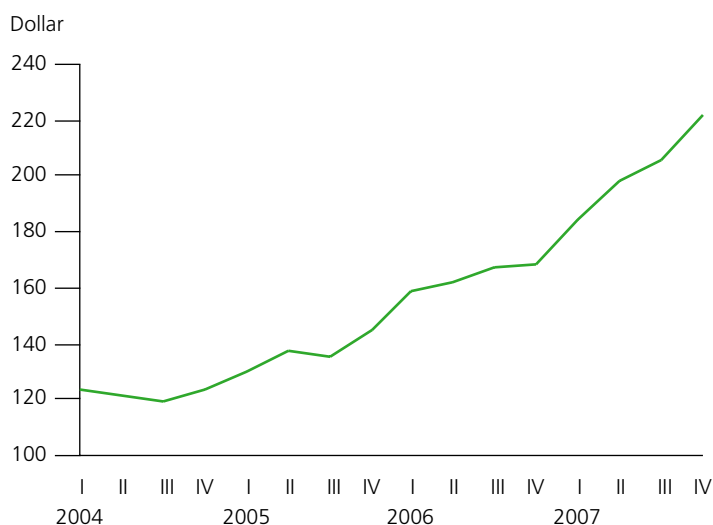
AVERAGE OCCUPANCY RATE

[Chart 11.2]



AVERAGE HOTEL ROOM RATE

[Chart 11.3]



Despite higher visitor arrivals, the average occupancy rate of gazetted hotels fell to 86 per cent in the fourth quarter, a 1.8 percentage point decline over the same period in 2006. The average room rate saw an increase of 31 per cent to \$221, and total hotel room revenue rose by 23 per cent to an estimated \$492 million.

For the whole of 2007, the average occupancy rate of gazetted hotels increased 1.7 percentage points over the previous year to 87 per cent. The average room rate was \$202, a rise of 23 per cent from 2006 levels. This translated to a surge of 23 per cent in total hotel room revenue, to an estimated \$1.8 billion.

In line with the continued growth in the economy, the catering trade rose by 2.6 per cent, similar to the 2.7 per cent growth in 2006. Food caterers, fast food outlets and other eating places saw increases of 2.6 per cent, 3.1 per cent and 6.7 per cent respectively, higher than the respective -1.0 per cent, 2.4 per cent and 0.8 per cent in 2006. On the other hand, restaurants sales declined by 1.5 per cent, weaker than the 6.1 growth in 2006, partly due to a larger increase in restaurant prices.

Visitor Arrivals

[Tables 11.2, A12.1 and Chart 11.4]

Visitor arrivals hit an all time high...

Singapore welcomed 2.7 million visitors in the fourth quarter, an increase of 5.5 per cent over the same period in 2006.

The top five markets were Indonesia (556,000), China (285,000), Australia (214,000), India (192,000) and Malaysia (183,000), accounting for 53 per cent of total visitor arrivals. Australia (22 per cent), China (19 per cent), Vietnam (18 per cent), India (12 per cent) and Japan (7.4 per cent) experienced the highest growth in the quarter.

For the full year, Singapore achieved a record 10.3 million visitor arrivals, posting a growth of 5.4 per cent over 2006. As a result, the tourism sector generated an estimated \$13.8 billion in tourism receipts, 11 per cent higher than in 2006.

Asia continues to be an important source market for Singapore, contributing 73 per cent of total visitor arrivals. The number of visitors from Asia rose by 5.1 per cent to 7.5 million. Singapore's top 5 visitor-generating markets in 2007 were Indonesia (2.0 million visitors), China (1.1 million visitors), Australia (768,000), India (749,000) and Malaysia (646,000). They accounted for 51 per cent of total visitor arrivals in 2007.

A record 10.3 million visitor arrivals was registered...

TOP TEN VISITOR GENERATING MARKETS, 2007

[TABLE 11.2]

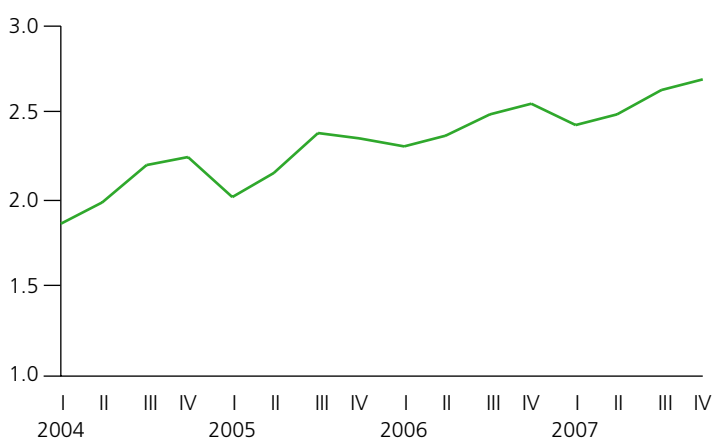
Country of Residence	Number of Arrivals	Percentage Distribution	Percentage Change
TOTAL	10,275,094	100.0	5.4
Indonesia	1,956,293	19.0	1.8
China	1,113,821	10.8	7.4
Australia	768,391	7.5	11.1
India	748,575	7.3	13.6
Malaysia	645,740	6.3	1.8
Japan	594,393	5.8	0.0
United Kingdom	495,588	4.8	1.5
South Korea	464,218	4.5	2.1
Philippines	418,656	4.1	8.4
United States	408,819	4.0	2.3
Others	2,660,600	25.9	7.1

Source: Singapore Tourism Board

VISITOR ARRIVALS

[Chart 11.4]

Million



The strong growth markets in 2007 were India (14 per cent), Australia (11 per cent), the Philippines (8.4 per cent) and China (7.4 per cent).

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