

8.3

WHOLESALE & RETAIL TRADE

OVERVIEW

The wholesale and retail trade sector declined by 5.3 per cent in the last quarter of 2008, compared to 4.5 per cent growth in the preceding quarter. Full year growth in 2008 reached 2.6 per cent, lower than the 7.4 per cent gain in 2007.

Wholesale trade, which accounts for 89 per cent of the sector, rose by 3.2 per cent in 2008. Retail trade declined by 1.9 per cent on the back of weak household consumption and declining visitor arrivals.

RETAIL SALES

Overall retail sales volume declined by 5.9 per cent in the fourth quarter, down from the 2.8 per cent growth in the previous quarter ([Exhibit 8.10](#)). Excluding motor vehicles, retail sales volume declined by 3.0 per cent, down from the 4.6 per cent gain in the previous quarter.

Major retail segments which posted double-digit declines included watches and jewellery (-16 per cent), motor vehicles (-13 per cent), wearing apparel and footwear (-12 per cent), and furniture and household equipment (-11 per cent). In contrast, sales volumes of telecommunications and computers (7.3 per cent), department stores (2.0 per cent), and supermarkets (0.8 per cent) increased in the fourth quarter of 2008, although at lower rates of growth compared to the previous quarter.

For the whole year, overall retail sales volume declined by 1.8 per cent, down from 3.8 per cent increase in 2007. Excluding motor vehicle sales, growth moderated to 1.1 per cent compared to a 8.0 per cent gain in 2007.

Positive growth rates were posted by telecommunications and computers (15 per cent), department stores (5.0 per cent) and medical goods and toiletries (5.0 per cent). In contrast, sales volumes fell in the big-ticket retail segments such as watches and jewellery (-10 per cent), and motor vehicles (-7.8 per cent) ([Exhibit 8.11](#)).

Exhibit 8.10: Changes in Retail Sales Index at Constant Prices

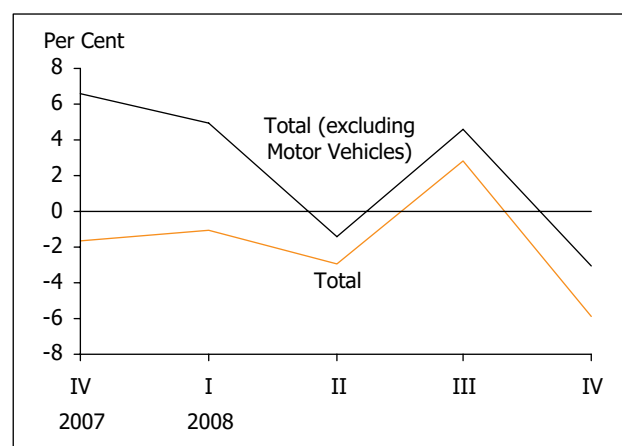


Exhibit 8.11: Changes in Retail Sales Index at Constant Prices for Major Sectors in 2008

