

# Retail sales in June fall for the fifth straight month

RETAIL takings plunged by 8.9 per cent in June compared to a year ago on the back of poor motor vehicle sales, marking its fifth straight month of decline.

This was steeper than the 3.7 per cent drop forecast by economists, and down from the 2 per cent fall registered in May, according to the latest data by the Department of Statistics.

Even with motor vehicle sales stripped out, retail sales still declined by 2.7 per cent.

Among the various industries, motor vehicles performed the worst with a dive of 32.4 per cent, mainly attributed to higher motor vehicle sales volume recorded in June 2018, as well as the lower certificate of entitlement (COE) quota for May to July 2019.

This was followed by furniture and household equipment sales which fell by 15.1 per cent, compared to the higher sales experienced by this industry during last year's Hari Raya Puasa festive season.

The estimated total retail sales value in June was about S\$3.5 billion. Online retail sales made up an estimated 5.5 per cent.

On the other hand, the food and beverage services index saw sales up by 5.3 per cent year-on-year in June, extending its 1.9 per cent growth in May.

This was bolstered by sales of fast food outlets, which grew by 10.6 per cent compared to a year ago, due partly to the opening of new outlets by some major fast food chains.

The total sales value of food and beverage services in June was estimated at S\$864 million, compared to S\$820 million previously. **BY VIVIEN SHIAO**

## JUNE

**Total retail sales** ↓ **8.9%** (y-o-y) **Total (excluding motor vehicles)** ↓ **2.7%** (y-o-y)

% CHANGE IN RETAIL SALES	YEAR-ON-YEAR	MONTH-ON-MONTH
<b>Department stores</b>	↑ <b>0.7</b>	↑ <b>1.5</b>
<b>Supermarkets and hypermarkets</b>	↓ <b>0.4</b>	<b>0.0</b>
<b>Mini-marts &amp; convenience stores</b>	↓ <b>2.5</b>	<b>0.0</b>
<b>Food retailers</b>	↑ <b>0.1</b>	↑ <b>2.1</b>
<b>Motor vehicles</b>	↓ <b>32.4</b>	↓ <b>16.1</b>
<b>Petrol service stations</b>	↓ <b>3.0</b>	↓ <b>2.4</b>
<b>Medical goods &amp; toiletries</b>	↑ <b>1.4</b>	↑ <b>2.2</b>
<b>Apparel &amp; footwear</b>	↑ <b>1.4</b>	↑ <b>7.2</b>
<b>Furniture &amp; household equipment</b>	↓ <b>15.1</b>	↓ <b>4.5</b>
<b>Recreational goods</b>	↓ <b>3.8</b>	↑ <b>2.3</b>
<b>Watches &amp; jewellery</b>	↓ <b>4.8</b>	↓ <b>3.6</b>
<b>Computer &amp; telecommunications equipment</b>	↓ <b>7.7</b>	↓ <b>4.0</b>
<b>Optical goods &amp; books</b>	↓ <b>0.3</b>	↑ <b>3.7</b>

Source: Department of Statistics



*"Given the disappointing June's retail sales print as well as the overall contraction seen in the first half of 2019, we are downgrading our retail sales growth to an average of -2.0 per cent y-o-y in 2019. This is against our initial expectation for overall retail sales growth to grow between 3-5 per cent in 2019. The downgrade in our expectation is due to the domestic growth slowdown, which could lead consumers to further tighten their purse-strings especially for big ticket items into the year ahead, coupled with the relatively lacklustre tourism expenditure already seen in the first quarter of 2019."* – **Barnabas Gan, economist, UOB**