

S'pore's retail sales saw a record 40.5% yoy (-31.7% mom sa) slump in April with the start of the Circuit Breaker.

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Highlights

Headline retail sales plunged 40.5% yoy (-31.7% mom sa) in April with the start of the Circuit Breaker, while motor vehicle sales declined 32.8% yoy with the suspension of COE bidding and the closure of physical car showrooms. Retail sales excluding autos also slumped 32.8% yoy (-26.0% mom sa). This is worse than our retail sales forecast of -34.9% yoy (-53.6% mom sa), with retail sales excluding autos at -26.4% yoy in April. The worst hit segments were in discretionary spending items like watches & jewellery (-87.8% yoy), department stores (-84.6% yoy), wearing apparel & footwear (-85.3% yoy), optical goods & books (-64.5% yoy) and recreational goods (-63.4% yoy) due to the sharp drop-off in tourists and domestic consumption.

The shift towards online sales continued to accelerate to 17.8% in April, of which necessities such as supermarkets & hypermarkets, as well as computer & telecommunications equipment and furniture and household equipment to support work-from-home arrangements and home based learning arrangements for students, continued to be the key drivers. This trend is likely to sustain in May due to the extended Circuit Breaker period, but hopefully will see some tentative signs of stabilization from 3Q20.

For the F&B sales, the economic pain exerted by the Circuit Breaker was even more severe, with a 53% yoy drop (-38.8% mom sa), albeit there was a 39.2% online sales component as all F&B establishments had to shift to a takeaway or delivery model only. With the suspension of dine-in, restaurants saw a sudden 66.9% yoy decline in sales, whereas fast food outlets were less impacted at -28.6% yoy as the economic downturn struck and consumers tightened their belts in anticipation of a labour market deterioration.

Since retail shops and restaurant dining in options are still off the table for now in the Phase 1 after the lifting of the Circuit Breaker from 2 June, retail sales may not fully normalise yet but may only gradually start to recover from Phase 2. For the whole of 2020, we expect total retail sales could contract 9.5%, which is more than three times the -2.8% seen in 2019.

Change In Retail Sales By Industry					
Department Stores		Supermarkets & Hypermarkets		Mini-marts & Convenience Stores	
Year-on-Year	Month-on-Month ²	Year-on-Year	Month-on-Month ²	Year-on-Year	Month-on-Month ²
-84.6%	-75.0%	+74.6%	+30.0%	+10.7%	+5.3%
Food & Alcohol		Motor Vehicles		Petrol Service Stations	
Year-on-Year	Month-on-Month ²	Year-on-Year	Month-on-Month ²	Year-on-Year	Month-on-Month ²
-53.4%	-24.2%	-77.0%	-67.9%	-47.7%	-41.8%
Cosmetics, Toiletries & Medical Goods		Wearing Apparel & Footwear		Furniture & Household Equipment	
Year-on-Year	Month-on-Month ²	Year-on-Year	Month-on-Month ²	Year-on-Year	Month-on-Month ²
-46.2%	-32.6%	-85.3%	-74.8%	-37.9%	-39.5%
Recreational Goods		Watches & Jewellery		Computer & Telecommunications Equipment	
Year-on-Year	Month-on-Month ²	Year-on-Year	Month-on-Month ²	Year-on-Year	Month-on-Month ²
-63.4%	-55.3%	-87.8%	-81.3%	-1.4%	-4.7%
Optical Goods & Books		Others			
Year-on-Year	Month-on-Month ²	Year-on-Year	Month-on-Month ²		
-64.5%	-53.9%	-58.5%	-55.8%		

¹ The Circuit Breaker measures included closure of non-essential services, prohibition of social gatherings and allowing only delivery/take-away for food & beverage establishments.

² Seasonally adjusted

Source: Singstat

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