

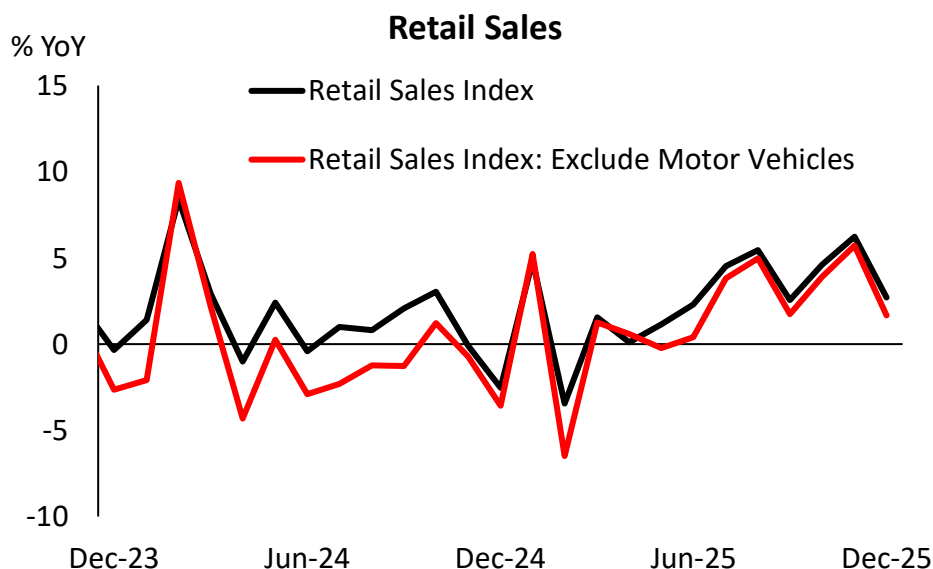
Singapore

Singapore's retail sales slowed in December 2025, but capped a strong year in 2025

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- December retail sales moderated from a revised 6.2% YoY pace in November to 2.7% YoY, undershooting both market consensus forecast of 7.8% YoY and our forecast of 8.2% YoY.
- With the December data included, retail sales expanded by 2.8% YoY in 2025, which was double the 1.4% pace seen in 2024 and the highest since 2022 (10.7% YoY). This reflects the better-than-expected GDP growth registered in 2025 and underpinned by the healthy domestic labour market which supports private consumption.
- Looking ahead, we forecast retail sales to continue expanding by 2-3% YoY in 2026, driven by a strong pipeline of new products and experiences.

- December retail sales moderated from a revised 6.2% YoY pace in November to 2.7% YoY**, undershooting both market consensus forecast of 7.8% YoY and our forecast of 8.2% YoY notwithstanding a low base in December 2024 (-2.5% YoY). This still marked the 10th straight month of retail sales YoY growth and is also stronger than the December 2023 reading (-2.8% YoY). Compared to November, December retail sales shrank 5.4% MoM sa (our forecast: -0.4% MoM sa), which is again a deterioration from the revised 0.2% MoM sa contraction the previous month. This also marked the third MoM sa contraction in the last four months, which suggests some slowing sequential momentum.
- Notably, December retail sales excluding autos eased to 1.7% YoY (-6.7% MoM sa), down from a revised 5.7% YoY in November.** Motor vehicles sales rose 10.4% YoY, while sales of recreational goods (13.4% YoY, the 5th consecutive month of double-digit growth), computer & telecom equipment (12.8% YoY), watches & jewellery (7.1% YoY), mini-marts & convenience stores (4.9% YoY), supermarkets & hypermarkets (4.0% YoY), and cosmetics, toiletries & medical goods (0.2% YoY). The main drag was from petrol services stations (-9.1% YoY), food & alcohol (-7.1% YoY), wearing apparel & footwear (-1.8% YoY) and department stores (-1.7% YoY). December usually tends to be when many Singaporeans households go on year-end holidays, but the mitigating factor is the international visitor arrivals due to the seasonal festive celebrations such as Christmas. This brought 4Q25 retail sales growth to 4.4% YoY, the highest since 1Q23 (4.6% YoY).
- Retail sales expanded by 2.8% YoY in 2025, which was double the 1.4% pace seen in 2024 and the highest since 2022 (10.7% YoY).** This reflects the better-than-expected GDP growth registered in 2025 and underpinned by the healthy domestic labour market which supports private consumption. Looking ahead, we forecast retail sales to continue expanding 2-3% YoY given the strong pipeline of new products and experiences including AndSoForth's flagship multi-concept immersive destination and the return of Cirque du Soleil's KOOZA (the only Southeast Asia stop), BTS World Tour concerts, Disney Cruise Line's first Asia homeport, etc. The macroeconomic backdrop remains supportive, but the key to watch is the domestic labour market conditions, particularly any firming of wage growth, which in turn underpin domestic confidence and private consumption. We anticipate the domestic labour market is likely to remain resilient with anticipated positive real wage growth this year, but there may be industry divergences. The Ministry of Manpower also noted that the labour market will continue to expand but firms are becoming more cautious in their hiring plans, even as labour market conditions remain relatively tight.
- Singapore remains a premier travel destination, with steady tourism growth in 2025.** Based on 1Q25 to 3Q25, tourism receipts hit \$23.9 billion (6.5% YoY) and exceed STB's FY2025 forecast of \$29-30.5 billion, with growth led by Sightseeing, Entertainment & Gaming and F&B. Meanwhile 2025 international visitor arrivals also reached 16.9 million (+2.3% from 2024), led by Mainland China (3.1 million), Indonesia (2.4 million), Malaysia (1.3 million), Australia (1.3 million) and India (1.2 million). Note hotel average occupancy rate (AOR) also rose from 81.4% in 2024 to 81.9% in 2025, with average room rate (ARR) and revenue per available room (RevPAR) at \$273.56 (-1%) and \$224.04 (-0.4%) respectively. However, the latter could have been partly due to the strong expansion in hotel capacity with 644 new hotel keys being added. STB tips 2026 international visitor arrivals will grow to 17-18 million and bring in \$31-32.5 billion in tourism receipts.



Source: Singstat, CEIC, OCBC Group Research.

Change in Retail Sales By Industry					
Department Stores		Supermarkets & Hypermarkets		Mini-marts & Convenience Stores	
Year-on-Year -1.7%		Month-on-Month -2.9%	Year-on-Year +4.0%	Month-on-Month -1.6%	Year-on-Year +4.9%
Food & Alcohol		Motor Vehicles		Petrol Service Stations	
Year-on-Year -7.1%		Month-on-Month -2.0%	Year-on-Year +10.4%	Month-on-Month +3.3%	Year-on-Year -9.1%
Cosmetics, Toiletries & Medical Goods		Wearing Apparel & Footwear		Furniture & Household Equipment	
Year-on-Year +0.2%		Month-on-Month -11.6%	Year-on-Year -1.8%	Month-on-Month -15.5%	Year-on-Year 0.0%
Recreational Goods		Watches & Jewellery		Computer & Telecommunications Equipment	
Year-on-Year +13.4%		Month-on-Month -5.0%	Year-on-Year +7.1%	Month-on-Month -10.1%	Year-on-Year +12.8%
Optical Goods & Books		Others			
Year-on-Year +1.0%		Month-on-Month -3.9%	Year-on-Year -7.4%	Month-on-Month -4.4%	

Month-on-Month values are seasonally adjusted.

Source: Singstat, OCBC Group Research.

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