November retail sales down slightly

By CHERYL ONG

A DIP in the sale of cars, telecommunications devices and computers, and optical goods and books dragged down November’s retail sales compared with a year earlier.

The retail sales index, which tracks spending, was 1.1 per cent lower than a year ago, the Department of Statistics said yesterday.

Excluding motor vehicle transactions, retail sales were actually 2 per cent higher.

The sharp fall came from motor vehicles where sales declined 11.1 per cent compared with a year ago. This was offset by increased sales seen for medical goods and toiletries of 10.4 per cent and 8.7 per cent for supermarkets.

In month-on-month terms, retail sales slid 0.8 per cent in November but rose a marginal 0.1 per cent if motor vehicles are excluded.

Sales of recreational goods, telecommunications apparatus and computers, motor vehicles and sales at petrol service stations registered declines of between 3 per cent and 4.3 per cent month-on-month.

However, sales of food and beverages rose 5.5 per cent, while medical goods and toiletries enjoyed a gain of 4.7 per cent.

Senior lecturer at SIM Global Education Tan Khay Boon noted that restrictions in certificates of entitlement will continue to weaken motor vehicle sales.

He also said that the slower economic growth may have adjusted the consumption habits of consumers on retail products.

“While the sales of necessities such as goods and beverages and medical goods and toiletries are still strong, the sales of luxury goods and telecommunications apparatus and computers had decreased significantly month-on-month,” he added.

However, Citi economist Kit Wei Zheng noted that November’s headline retail sales were 0.8 per cent above average third-quarter levels, indicating that private consumption is “far from falling off the cliff”.

He added that a tight labour market and lagged sentiments from the third-quarter stock market rally could lead to full-year sales growth of about 3 per cent for both last year and this year.

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