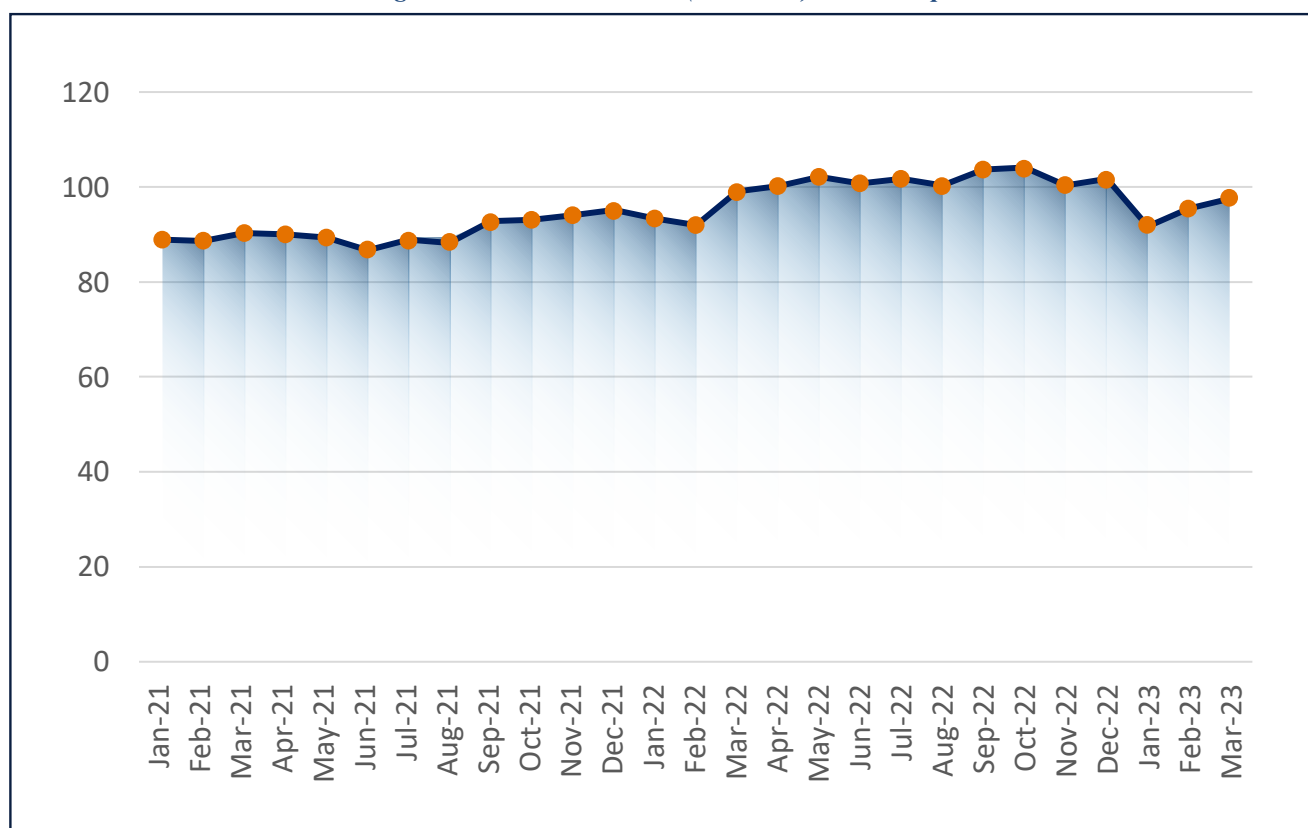


Retail sales has improved over the past 2 months, increasing by 4.1% month-on-month (MoM) in February 2023 and 2.1% MoM in March 2023. The improvement is boosted by the reopening of borders. Singapore welcomed more than 2.9 million visitors in the first quarter of 2023, which is about two-thirds of pre-covid numbers. There was a significant increase in spending on items like food, alcohol, wearing apparel and footwear as well as computer and department stores.

Figure 1: Retail Sales Index (2017=100) at current prices



Source: Singstat, Huttons Research

On a year-on-year (YoY) growth, the food and alcohol segment recorded a sizeable jump of 38.7% in March 2023 due to loosening of restrictions on travel. This is followed by sales from wearing apparel and footwear at 30.1% and from department stores at 11.5%. On the other hand, sales from petrol service stations substantially declined by 22.6% YoY, followed by furniture and household equipment at -14.5% and cosmetics, toiletries & medical goods at -11.0%.

Tourist arrivals in 1Q 2023 was estimated at 2.91 million, up 1,082.1% on a YoY basis. The average length of stay (ALOS) for tourists in 1Q 2023 was 3.97 days, down from 4.2 days in 4Q 2022.



Figure 2: Tourist Arrivals in 2022 and 2023



Source: Singapore Tourism Board, Huttons Research

MARKET OUTLOOK

Singapore welcomed more than 2.9 million visitors in the 1Q 2023, about two-thirds of pre-Covid numbers, as the recovery of the tourism sector continues. The retail sector is set for better days in 2023 as tourists return. The relaxation of border controls by China on 8 Jan 2023 is likely to boost tourist numbers in 2023.

The Singapore Tourism Board (STB) forecasts international travellers to Singapore to hit 12 to 14 million in 2023, more than double 2022's arrivals. STB expects meetings, incentives, conventions and exhibitions (Mice) and leisure events to drive growth as well. A full recovery to pre-pandemic level by 2024 is predicted.

With the increasing influx of international visitors, retail sales are likely to increase. Rents for retail space should see a small uptick in 2023.

CONTACT ME FOR A DETAILED DISCUSSION OF THE LATEST TRENDS



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