

Overview

Retail sales rose a seasonally adjusted 2.0% in November (exp. 1.2%), following a revised 0.4% fall in October (originally -0.2%).

The annual rate of growth in retail sales picked up to 2.2% from 1.2% in October.

Trend growth, which looks through the short-term volatility, was steady at 0.5% for the month and 2.8% YoY.

Industry Groups

All the major industry groups recorded increases in November, helped by Black Friday and Cyber Monday sales.

This was especially evident in spending on discretionary goods, with strong lifts in household goods, department stores and clothing, footwear, and personal accessory retailing.

Within household goods retailing, sales of electrical and electronic goods jumped 14% in the month.

These were also the only categories that were lower than in November 2022, when sales activity also gave the retail sector a strong lift.

Online sales rose 3.0% in November, driven by a 4.4% increase in non-food retailing. However, online sales were only 0.3% higher than a year ago.

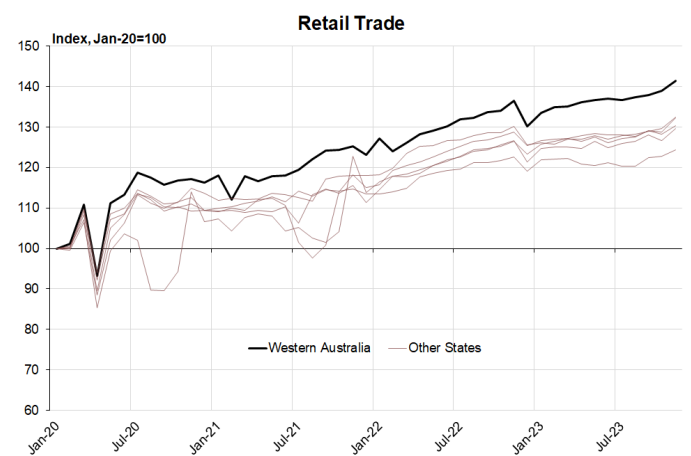
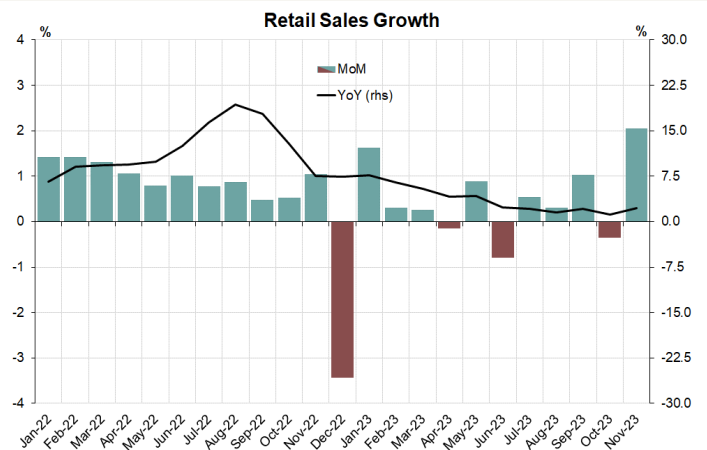
Seasonally Adjusted, %	MoM	YoY
Food	0.4	2.9
Household Goods	7.5	0.5
Clothing, Footwear and Personal Accessories	2.7	-0.1
Cafes, Restaurants and Takeaway Food	0.4	4.4
Department Stores	4.2	3.3
Other Retailing	1.1	1.3
Total	2.0	2.2

States

Retail sales were up strongly in seasonally adjusted terms in all states in November.

Sales were also up in all states in year-on-year terms, with annual sales growth strongest in Western Australia and South Australia.

Seasonally Adjusted, %	MoM	YoY
Western Australia	1.8	3.6
New South Wales	1.6	1.2
Victoria	2.4	2.4
Queensland	2.2	1.7
South Australia	2.8	4.5
Tasmania	1.3	1.5



Comment

Retail sales surged in November as expected, with the relatively recent phenomena of Black Friday and Cyber Monday sales playing havoc with seasonal adjustment.

Although it makes the sales figures at this time of year harder to judge, it does suggest that consumers are comfortable enough to increase spending on discretionary items when there are bargains to be had.

However, there is likely an element of pulling forward Christmas purchases to take advantage of lower sales prices due to promotional activity. We won't know the full extent of this until the December retail report is released toward the end of this month. Going by what happened last year, when sales fell 3.9% in December after a 1.4% increase in November, we can assume it will have a substantial impact.

Despite the strong growth in retail spending in November, consumers remain under pressure from higher interest rates, rents and prices and per-capita household spending growth will remain soft in 2024. Just how soft will depend on the outlook for employment.

9 JANUARY 2024

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