

Retail Trade March 2025

Overview

Nominal retail trade rose a seasonally adjusted 0.3% in March, slightly missing market expectations for a 0.4% gain. Annual growth in retail sales accelerated to 4.3%, the fastest pace in 2025 so far.

Retail sales volumes were flat in Q1, following solid gains in the second half of 2024.

Industry Groups

Growth in nominal retail trade in March was driven by food and 'other retailing'. Queensland saw a particularly strong gain in food retailing due to stockpiling connected to stockpiling driven by severe weather events.

Clothing, footwear, and personal accessories saw only a slight gain, while household goods retailing was flat.

Cafes, restaurants and takeaway food as well as department stores saw declines in the month. Dining out/takeaway foods saw a particularly strong decline in Cyclone-hit Queensland.

Seasonally Adjusted, %	MoM	YoY
Food	0.7	4.0
Household Goods	0.0	4.0
Clothing, Footwear and Personal Accessories	0.3	5.4
Cafes, Restaurants and Takeaway Food	-0.5	2.8
Department Stores	-0.5	3.8
Other Retailing	0.7	6.6
Total	0.3	4.3

The flat result in Q1 retail sales volumes came as a retreat in household goods sales, after solid gains in the previous quarters, was offset by increases in the other categories. Retail price growth re-accelerated in Q1, driven by a stronger rise in food and apparel prices.

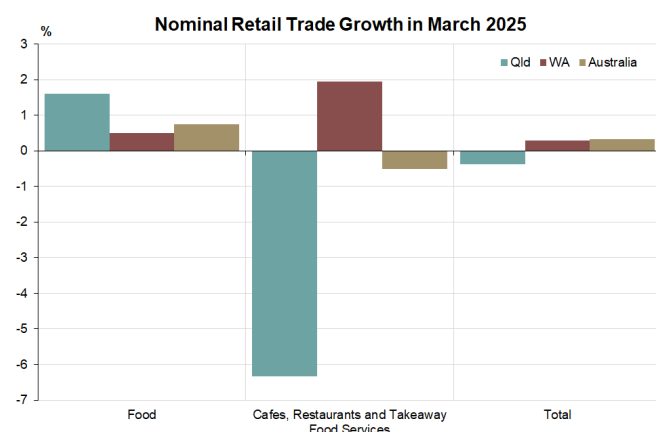
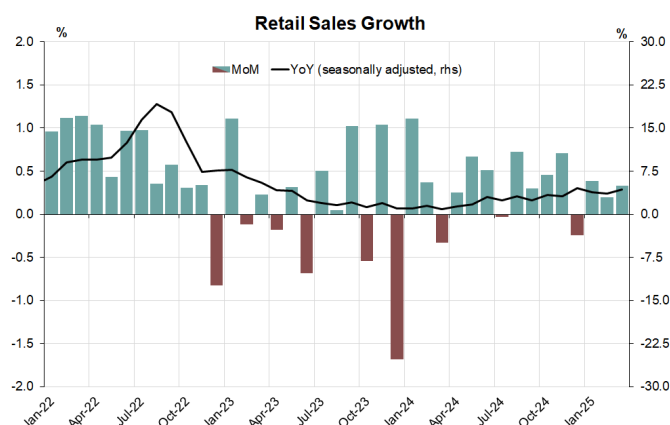
QoQ, Seasonally Adjusted, %	Nominal	Volumes	Prices
Food	1.4	0.4	1.0
Household Goods	-2.4	-1.9	-0.5
Clothing, Footwear and Personal Accessories	2.2	1.5	0.7
Cafes, Restaurants and Takeaway Food	0.8	-0.1	0.8
Department Stores	1.7	2.3	-0.6
Other Retailing	0.9	0.7	0.3
Total	0.7	0.0	0.7

States

Retail sales values rose in all states in March, with the notable exception of Cyclone-hit Queensland. Western Australian retail sales picked up by 0.3%, to be up by 5.7% through the year, the most of all the states.

Seasonally Adjusted, %	MoM	YoY
Western Australia	0.3	5.7
New South Wales	0.5	4.3
Victoria	0.6	5.5
Queensland	-0.4	2.6
South Australia	0.2	4.1
Tasmania	0.5	3.4

For the entirety of Q1, retail sales volumes fell not just in Queensland, but also in New South Wales, while other states saw gains. Western Australia saw the strongest rise in retail sales of all states, both in nominal (1.4%) and real terms (+0.6%).



Comment

Despite the disappointing headline figures, March retail trade report confirmed that consumer spending recovery is underway, even if the pace is somewhat underwhelming.

Retail sales volumes were flat in Q1, however looking through the temporary volatility, trend retail sales volumes rose 0.5% in the quarter, an improvement on mid-2024 growth rates but still relatively subdued.

Trend retail sales rose by 0.2% in March, to be up by a solid 4.1% through the year. Around 1/3 of the annual gains in retail sales still stems from food, and another quarter from 'other retailing'.

Reports by commercial banks also suggest recovery in household spending, but they stress that its pace is slower than expected, with households saving most of the boost from 'Stage 3' tax cuts, cost-of-living measures and lower mortgage rates due to the February cash rate cut by the RBA.

Recovery in household spending is likely to continue, but will remain sluggish, additionally dented by a retreat in consumer confidence due to tariff concerns and disappointing pace of RBA easing. Given the uncertain global environment, the risks are tilted to the downside.

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