

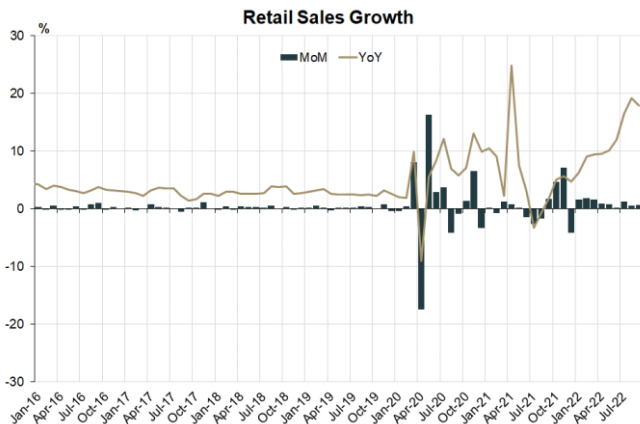
Economic Analysis

Retail Trade September 2022

Australia

Seasonally adjusted retail sales rose by another 0.6% in September in nominal terms, in line with market expectations. This followed a similar 0.6% increase in August.

Nominal retail sales were up 17.9% through the year.



Industry Groups

Retail trade turnover again increased for most categories with exception of household goods and department stores, which are however significantly up through the year.

The strongest increase was recorded for clothing, footwear and personal accessories (+2.0%). This category also saw the strongest annual gain of 70.4%, partly reflecting the low base from the previous year due to COVID-related restrictions.

Food retailing, by far the largest category, saw another solid 1.0% gain during the month and was 4.0% higher than a year ago.

Cafes, restaurants and takeaway services recorded a 1.3% gain and are 52.6% higher than in September 2021.

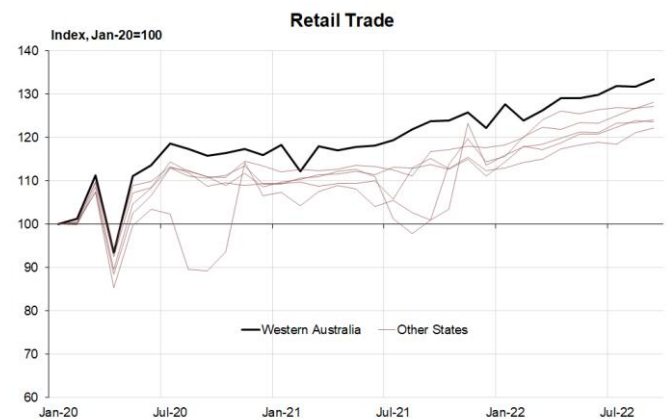
Seasonally Adjusted, %	MoM	YoY
Food	1.0	4.0
Household Goods	-0.8	10.6
Clothing, Footwear and Personal Accessories	2.0	70.4
Cafes, Restaurants and Takeaway Food	1.3	52.6
Department Stores	-0.4	53.6
Other Retailing	0.2	11.5
Total	0.6	17.9

States

Retail sales were higher in all states but South Australia.

Seasonally Adjusted, %	MoM	YoY
Western Australia	1.4	7.8
New South Wales	0.3	25.9
Victoria	0.4	22.9
Queensland	1.1	9.7
South Australia	-0.2	8.7
Tasmania	0.9	6.1

Western Australia saw the strongest increase (+1.4%) and continues to lead other states in terms of retail trade performance during the pandemic, with a 33.6% gain since January 2020.



A strong increase was also recorded for Queensland, while the most populous states (New South Wales and Victoria) saw more moderate gains.

Comment

Retail trade remains resilient, despite the impact of higher cost-of-living pressures.

It is important to bear in mind that the monthly retail sales numbers are in nominal terms, and so it is hard to disentangle the impacts of higher prices from real spending. The quarterly numbers, including those adjusted for price increases, will be released on Friday.

Based on nominal monthly figures, we can tell that the pace of retail trade growth has slowed down in the entirety of the quarter, to 2.3% from 3.2% in Q2. The coming months will test the resilience of households to the dual shock of high prices and rising mortgage rates.

31 OCTOBER 2022

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