

Economic Analysis

Seasonally adjusted retail trade rose by another 7.3% in November, exceeding expectations of a 4.0% increase. Retail trade turnover was 5.8% up through the year and reached a new record high of A\$33.4b.



The November surge in retail sales again reflected the recovery from the Delta outbreak, coupled with consumers bringing forward their Christmas spending amid concerns over delivery supplies.

The increase was broad-based across industries, with food again being the only category to see a decline. Similar to the previous month, the largest increases were reported for clothing, footwear and personal accessories as well as for department stores.

Seasonally Adjusted, %	MoM	YoY
Food	-2.5	0.0
Household Goods	11.6	6.8
Clothing, Footwear and Personal Accessories	38.2	16.5
Cafes, Restaurants and Takeaway Food	9.3	11.0
Department Stores	26.0	2.0
Other Retailing	7.3	11.9
Total	7.3	5.8

Victoria saw the biggest increase of 20%, with November being the first full month with no lockdown in place. New South Wales recorded a solid 5.1% gain.

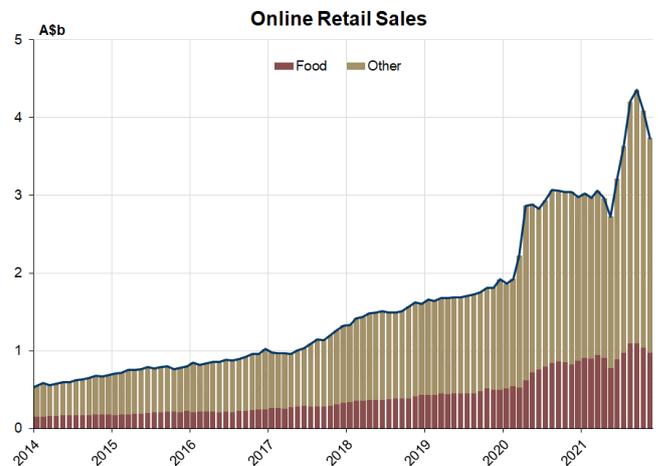
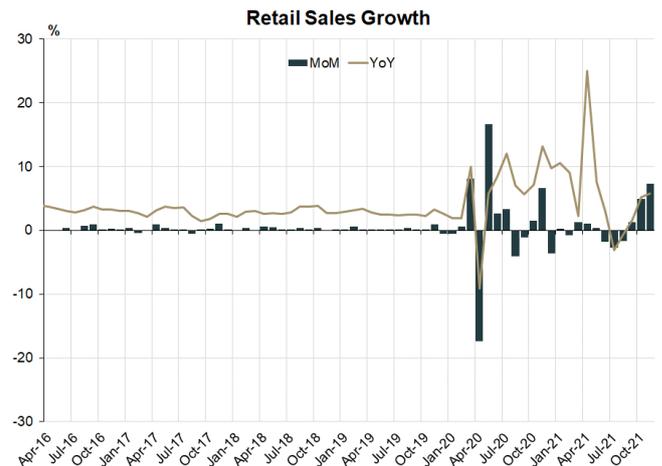
Retail sales also grew in all the other states and territories, with Western Australia seeing a 1.7% increase. Western Australia continues to lead other states in terms of retail turnover during the pandemic, with a 27.0% increase since January 2020.

Seasonally Adjusted, %	MoM	YoY
Western Australia	1.7	7.7
New South Wales	5.1	5.3
Victoria	20.0	8.4
Queensland	0.9	3.1
South Australia	2.4	6.0
Tasmania	3.0	3.6

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Retail Trade November 2021



Online retail sales continued to fall amid the easing of restrictions on in-store trading, and possibly due to concerns over extended delivery times due to global disruptions to supply chains. However, online retail trade was almost double pre-pandemic levels.

Comment

The strong November retail trade report reflected the easing of restrictions after the Delta outbreaks over east and as consumers brought forward Christmas purchases, to minimise the risk of delivery delays and limited stock availability amid global supply chain disruptions. The relatively new phenomenon of Black Friday sales may also have had an impact.

However, this is all old news now that the Omicron variant of SARS-CoV-2 is spreading rapidly outside of Western Australia. While isolations due to Omicron are causing supply shortages in stores over east, consumers have also been reportedly abstaining from shopping for fear of getting infected. Credit card data from commercial banks points to a drop in spending at the turn of 2021 and 2022.

11 JANUARY 2022