

**Retail Sales Values (Dec)**

Seasonally adjusted retail sales fell a sharper than expected 4.4% in December (exp -2.0%) following a 7.3% rise in November. Sales were up 4.8% from a year earlier.

Seasonally Adjusted, %	MoM	YoY
Food	2.2	3.2
Household Goods	-9.2	5.1
Clothing, Footwear and Personal Accessories	-17.3	5.8
Cafes, Restaurants and Takeaway Food	-0.7	6.8
Department Stores	-21.3	-9.0
Other Retailing	-4.0	12.0
Total	-4.4	4.8

There were broad-based declines across all categories with the exception of food retailing.

The biggest falls were seen in the discretionary categories clothing, footwear and personal accessories, as well as department stores as consumers became wary of the rapid rise in Omicron cases toward the end of the month.

Online sales fell 4.9% in the month, the second monthly fall in a row after sales hit a record high in October, and were up 20.5% YoY.

**States**

Sales were down across all the states, with Victoria seeing the largest decline. However, sales were higher than a year ago in all the states.

Seasonally Adjusted, %	MoM	YoY
Western Australia	-3.5	5.3
New South Wales	-4.2	5.2
Victoria	-8.4	6.5
Queensland	-0.7	3.7
South Australia	-4.1	1.7
Tasmania	-3.5	3.5

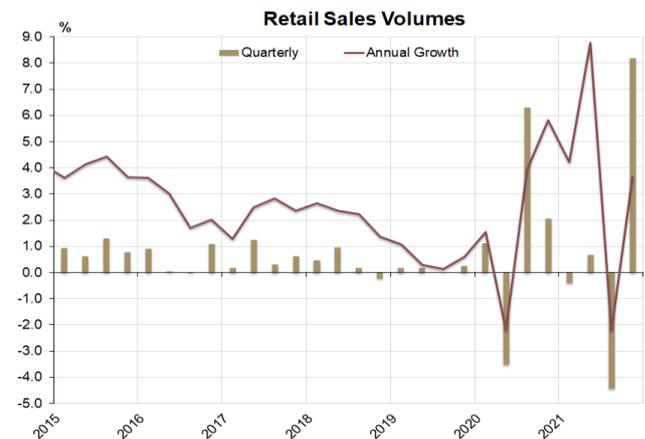
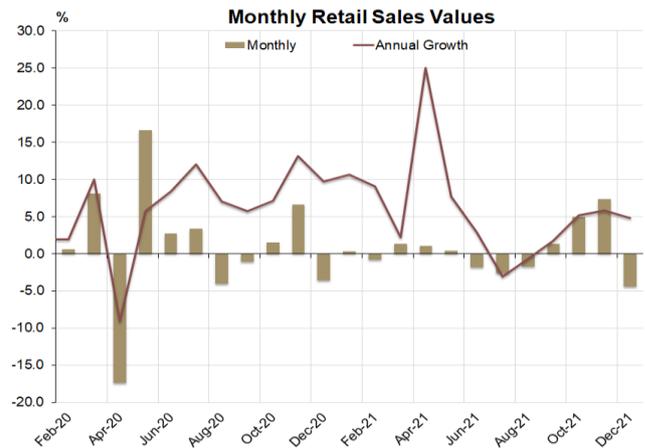
**Retail Sales Volumes (Q4)**

Trade volume rose a record 8.2% in Q4 in seasonally adjusted terms, following a 4.4% fall in Q3 due to the lockdowns in New South Wales and Victoria.

Sales rose in all states with the exception of Tasmania, including a 1.6% increase in Western Australia.

The retail price deflator increased 0.5% in the quarter following a 0.1% rise in Q3.

The biggest price rises in the quarter were in clothing, footwear and personal accessories (2.7%), household goods (2.1%) and department store sales (2.0%). The price deflator for food retailing fell 0.1%.



**Comment**

Retail sales fell 4.4% in December, giving back some of the 7.3% gain in November. The decline is a pullback following big post-lockdown increases in October and November.

The decline was driven by a fall in discretionary spending as conditions deteriorated late in the month as consumers became more concerned about the spread of the Omicron variant of SARS-CoV-2.

The big rebound in the quarterly sales numbers was unsurprisingly led by New South Wales and Victoria as consumers hit the shops as those states eased COVID-related restrictions.

The sharp rise suggests a big rebound in Q4 real GDP when the national accounts are released in early March, after a big fall in Q3.

**8 FEBRUARY 2022**

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