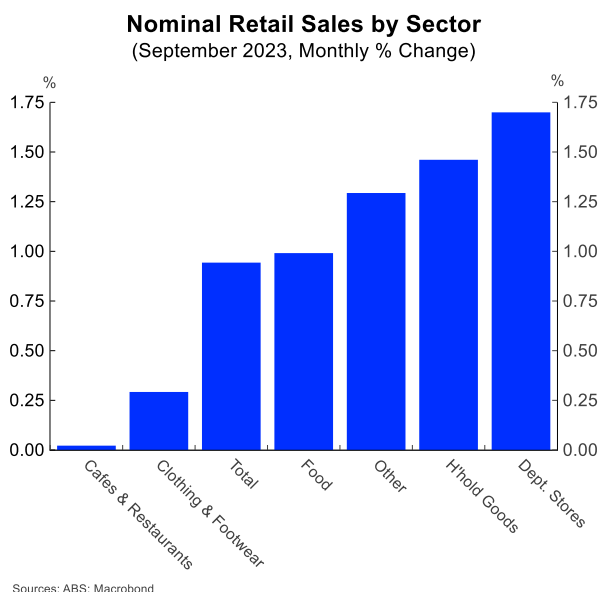
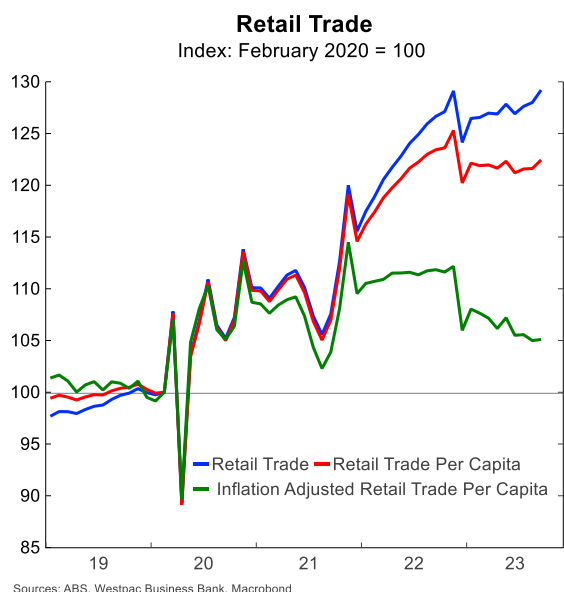


Monday, 30 October 2023

Retail Sales

Overseas Arrivals Supporting Resilience

- Retail sales rose 0.9% in September, following upwardly revised increases of 0.3% in August and 0.5% in July. The bounce is likely to reflect some seasonality with the warmer start to spring lifting spending on hardware, gardening, and clothing items. The release of the new iPhone model also contributed to the strength.
- Despite the bounce, the underlying trend remains subdued. Retail trade is 2.0% higher than a year ago, which is well below the pre-pandemic average annual growth rate of 4.8%. Further, at \$35.9 billion retail trade returned to the level it was last November, showing that trade has been flat over the past 10 months despite the strong population growth.
- In per capita terms, we estimate that retail trade is 0.8% lower than a year ago, which is well down on the pre-pandemic average annual growth rate of 3.0%. In real terms (adjusted for inflation), retail trade per capita could be as much as 5.0% lower than a year ago.
- Looking at the September quarter, retail trade grew by 0.8% in nominal terms on average over the quarter and is likely to be slightly positive in real terms (adjusted for prices) - this comes after three consecutive negative quarters.
- The monthly outcome was driven by a bounce across most categories including department stores (+1.7%), household goods (+1.5%) and other retailing (+1.3%).
- Today's outcome points to a significant pullback in spending at the household level. However, strong population growth is offsetting this pullback, and we are seeing spending outperform in those states with strong population growth (such as NSW and Victoria).



Contact Listing

Chief Economist

Besa Deda
dedab@banksa.com.au
(02) 8254 3251

Senior Economist

Jarek Kowcza
Jarek.kowcza@banksa.com.au
0481 476 436

Senior Economist

Pat Bustamante
pat.bustamante@banksa.com.au
0468 571 786

Economist

Jameson Coombs
jameson.coombs@banksa.com.au
0401 102 789

The information contained in this report (.the Information.) is provided for, and is only to be used by, persons in Australia. The information may not comply with the laws of another jurisdiction. The Information is general in nature and does not take into account the particular investment objectives or financial situation of any potential reader. It does not constitute, and should not be relied on as, financial or investment advice or recommendations (expressed or implied) and is not an invitation to take up securities or other financial products or services. No decision should be made on the basis of the Information without first seeking expert financial advice. For persons with whom BankSA has a contract to supply Information, the supply of the Information is made under that contract and BankSA's agreed terms of supply apply. BankSA does not represent or guarantee that the Information is accurate or free from errors or omissions and BankSA disclaims any duty of care in relation to the Information and liability for any reliance on investment decisions made using the Information. The Information is subject to change. Terms, conditions and any fees apply to BankSA products and details are available. BankSA or its officers, agents or employees (including persons involved in preparation of the Information) may have financial interests in the markets discussed in the Information. BankSA owns copyright in the information unless otherwise indicated. The Information should not be reproduced, distributed, linked or transmitted without the written consent of BankSA.

Any unauthorized use or dissemination is prohibited. Neither BankSA- A Division of Westpac Banking Corporation ABN 33 007 457 141 AFSL 233714 ACL 233714, nor any of Westpac's subsidiaries or affiliates shall be liable for the message if altered, changed or falsified.