

RESEARCH NOTE

RETAIL TRADE TREND ESTIMATE INCREASED BY 0.1 PER CENT IN DECEMBER 2023 AND BY 1.3 PER CENT YEAR-ON-YEAR

Tuesday, February 6 2024 - The latest release (December 2023) of the monthly ABS Retail Trade data indicates that the overall month-on-month (m-o-m) **trend** estimate increased by 0.1 per cent, equal to 0.1 per cent in November 2023. In **trend** terms, Retail Turnover increased by 1.3 per cent year-on-year (y-o-y), equal to 1.3 per cent in the pcp.

STATE OF PLAY

The adjacent table summarises the key data in **seasonally adjusted** terms across the six ABS retail categories. The strongest growth was recorded for 'Food' retailing on a m-o-m basis (up 0.1 per cent), whilst 'Department stores' retailing recorded the strongest growth on a y-o-y basis (3.7 per cent). In seasonally adjusted terms, Retail Turnover decreased by 2.7 per cent in the month of December 2023, down from 1.6 per cent in the prior month. On a y-o-y basis, Retail Turnover increased by 0.8 per cent, down from 2.2 per cent in the pcp. The ABS noted that "The addition of the new data point for December and a review of seasonal adjustment for recent years has led to larger than usual revisions to seasonally adjusted data." It is also worth noting that the proximity of Black Friday to December 2023 also has a material impact on spending in that month.

CATEGORIES	\$ billion	m-o-m	last 3 months	y-o-y
Food retailing	\$14.18	↑ 0.1%	↑ 0.8%	↑ 1.5%
Household goods retailing	\$5.63	↓ -8.5%	↓ -3.2%	↓ -3.3%
Clothing, footwear and personal accessory retailing	\$2.86	↓ -5.7%	↓ -5.3%	↑ 0.5%
Department stores	\$1.83	↓ -8.1%	↓ -4.9%	↑ 3.7%
Other retailing	\$5.40	↓ -1.1%	↓ -1.0%	↑ 1.8%
Cafes, restaurants and takeaway food services	\$5.29	↓ -1.1%	↓ -1.8%	↑ 1.6%
Retail Turnover	\$35.19	↓ -2.7%	↓ -1.4%	↑ 0.8%

Source: ABS / SCCA Research

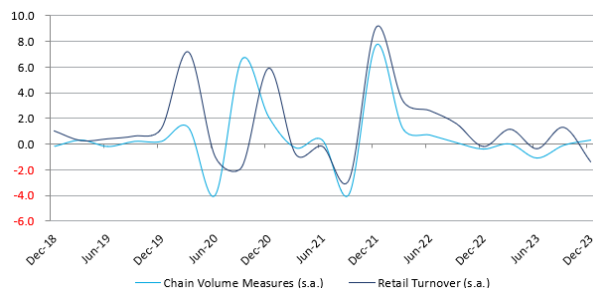
*Seasonally Adjusted

TREND ANALYSIS: CHAIN VOLUME MEASURES

The quarterly chain volume measure estimates the change in value after the direct effects of price changes have been eliminated, reflecting changes in volume. In the December 2023 quarter, Chain Volume Measures increased by 0.3 per cent, up from (a revised) -0.1 per cent decrease in the pcp. Retail Turnover decreased by 1.4 per cent in the December 2023 quarter, down from a (revised) 1.3 per cent in the pcp. Chain Volume Measures is above Retail Turnover, indicating that volume is a significant contributor to turnover. It is worth noting that recent inflation figures surprised on the downside according to the ABS.

ABS Retail Turnover - Seasonally Adjusted

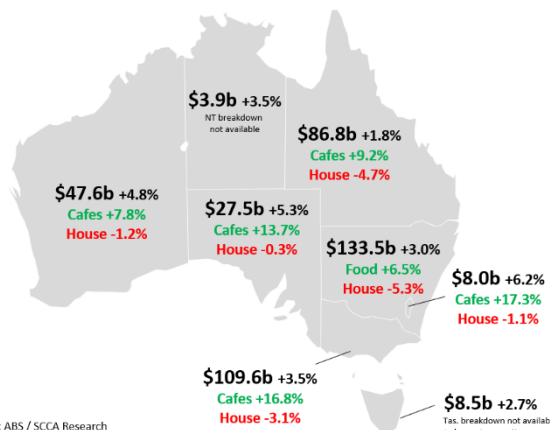
Quarterly Growth in Chain Volume Measures vs. Retail Turnover (%)



Source: ABS / SCCA Research

STATE BY STATE: BEST AND WORST

Retail turnover varies within the ABS defined six categories and across different jurisdictions. The adjacent map outlines and compares the total and growth of retail trade (y-o-y), and the best and worst retail growth categories. The strongest jurisdictions in **seasonally adjusted** terms were the ACT (up 6.2 per cent to \$8.0b), SA (up 5.3 per cent to \$27.5b) and WA (up 4.8 per cent to \$47.6b). QLD (up 1.8 per cent to \$86.8b) was the worst performing jurisdiction in percentage terms. The highest growth across most jurisdictions was recorded for 'Cafes, restaurants and takeaway food' retailing, whilst the weakest category across all jurisdictions was 'Household goods' retailing.



Source: ABS / SCCA Research

Tas. breakdown not available + change in reporting.