

28 February 2023

Australian retail sales: partial rebound Jan sales: 1.9% mth, 7.5% yr Better than expected start to 2023 but still a slowing trend

- Jan retail sales figures showed a 1.9% increase this month, higher than both market and Westpac forecasts (1.5% and 1.0% respectively). The rebound was better than expected coming off the choppy end of 2022 with Nov sales up 1.7% and Dec down 4% (revised from -3.9%). All industries experienced a rise in retail sales although the underlying trend still shows a slowdown, sales up just 0.1% over the 3mths to Jan compared to the 3mths to Oct. The rising cost of living and RBA tightening cycle are both playing a role in dampening spending.
- The rise in Jan retail sales was spread across all industries but mainly driven by the rebounds non-food storetypes with department stores recording the highest rise of 8.8%, and clothing, footwear and personal accessory following close behind (6.5%). Cafes, restaurants and food services experienced a solid 1.2% gain after slow growth in the back end of 2022, the ABS attributing this increase largely to increased catering services due to "continued return of large-scale sporting and cultural events" in Jan. On the flip side, food retailing experienced the smallest increase (0.3%).
- All states recorded partial reversals of their Dec falls with the ACT and Vic leading the pack, at 3.4% and 3% respectively. Tas increased by 2.7%, WA up 2.4%, SA up 1.7% and NSW up 1.6%. NT experienced the lowest monthly turnover gain of 0.2%.
- The trend broadly aligns with the detail from our [Westpac Card Tracker](#) which showed a stalling in retail segments through year end, although momentum in non-retail sectors such as hospitality and travel-related spending is boosting wider consumer expenditure. Note that tomorrow's Q4 GDP will give a better picture of wider consumer spending activity into year-end (retail only accounts for about a third of total consumer spend).

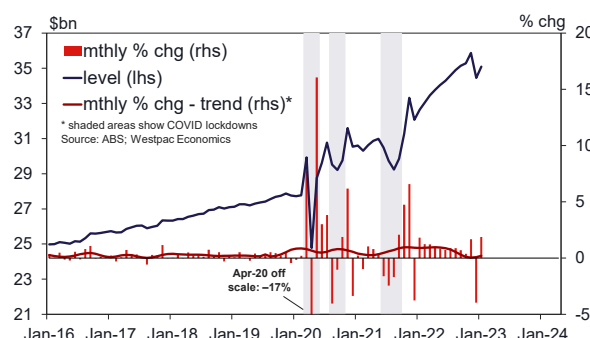
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Retail sales – January 2023

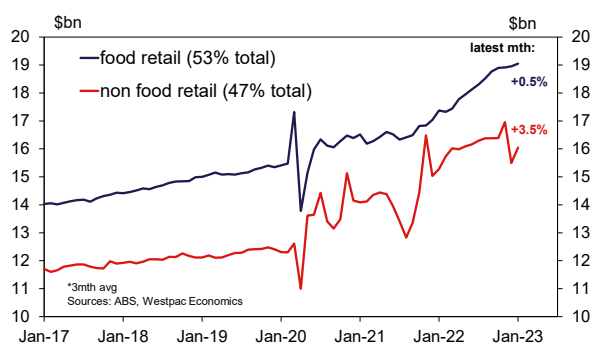
	\$bn		% chg mth		% chg yr
	Jan-23	Dec-22	Jan-23	Dec-22	Jan-23
sa	35.09	-4.0	1.9	7.4	7.5
trend*	35.20	0.1	0.2	7.6	6.9

*Westpac estimates; official series suspended.
Source: ABS, Westpac Economics.

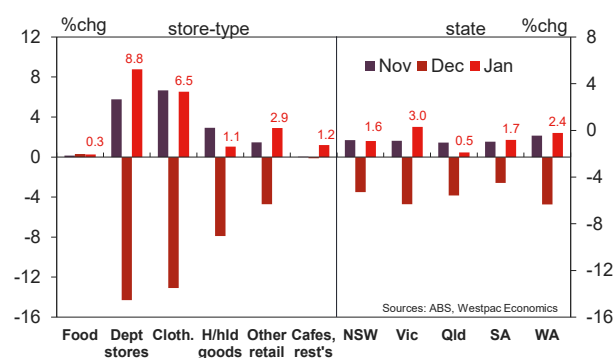
Monthly retail sales



Monthly retail sales: food vs non-food



Monthly retail sales by store type and state



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