

26 May 2023

Australian retail sales hold flat April sales: 0.0%^{mth}, 4.2%^{yr} Slowdown since late last year continues

- Retail sales was unchanged in April, following a 0.4% rise in March and 0.2% rise in Feb. The key message continues to be of a material slowing in momentum since late last year April, centred on discretionary goods and reflecting the combination of cost of living and rising interest rate pressures.
- Retail sales have posted softer gains in April, March and February, following a sharp 3.9% drop in the December month. In annual terms, sales growth slowed to 4.2%^{yr} in April, a 20-month low but still above the pace immediately prior to the COVID outbreak. Notably, sales have now been flat over the last six months.
- Clothing, footwear and personal retailing (+1.9%) and department stores (+1.5%) were the only retail categories to post rises, both coming off falls in March. The gains partly reflected an earlier start to winter sales due to cooler weather at the start of April. The remaining store-type detail shows slight declines for basic food (-0.1%) and cafes & restaurants (-0.2%), both of which are coming off a period high food-related inflation. Despite the dip, food-related spend remains high.
- Spending across states recorded mixed results. Across the major states, sales dipped in NSW (-0.4%) and Vic (-0.1%), but were steady in Qld (+0.1%) and posted a solid rise in WA (+1.0%). SA also posted a decent 0.6% gain, sporting events including the AFL Gather Round and LIV Gold tournament providing some support.
- Note that the Easter and ANZAC day holidays may also have provided some support in April - while the ABS seasonally adjusts estimates, the shifting timing of Easter can still see it have some impact. Our [Westpac Card Tracker](#) has seen a notable weakening in activity post-Easter, suggesting retail sales are likely to remain soft in coming months.

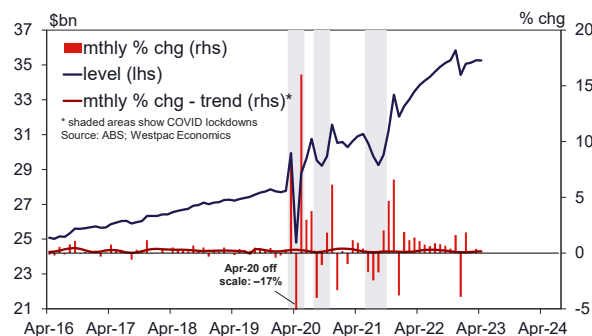
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Retail sales – April 2023

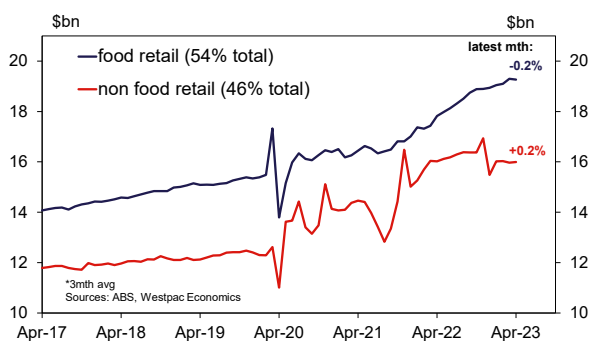
| | \$bn | % chg mth | | % chg yr | |
|--------|--------|-----------|--------|----------|--------|
| | Apr-23 | Mar-23 | Apr-23 | Mar-23 | Apr-23 |
| sa | 35.26 | 0.4 | 0.0 | 5.4 | 4.2 |
| trend* | 34.62 | 0.1 | 0.2 | 2.3 | 2.2 |

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

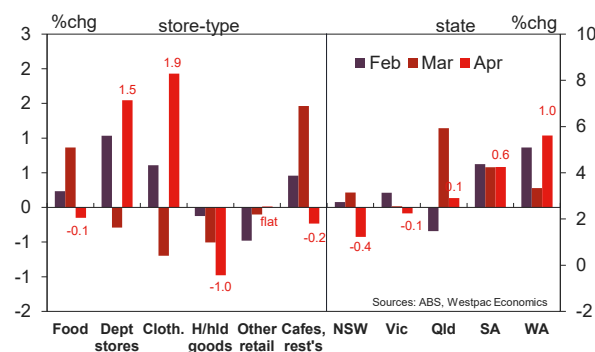
Monthly retail sales



Monthly retail sales: food vs non-food



Monthly retail sales by store type and state



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