

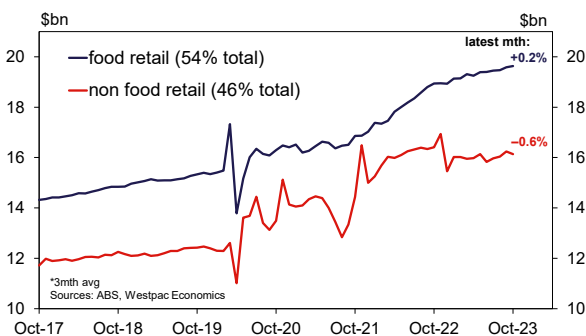
28 November 2023

## Australian retail sales dip Oct sales: -0.2%*mth*, 1.2%*yr* Poor performance continues

- Retail sales came in softer than expected in Oct, recording a 0.2% decline vs Westpac and market expectations of a 0.2% gain. This follows gains of 0.9%, 0.2% and 0.6% in Sep, Aug and Jul respectively. Annual sales growth slowed to just 1.2%*yr*. With population growth running at around 2.4%*yr* and retail price inflation running at 3.6%*yr* in the Sep quarter, the result implies a large real, per capita decline in the 4.5-5% range.
- The result and detail were both broadly in line with the picture from our [Westpac Card Tracker](#). This showed a brief firming in nominal spending in the September quarter – relating to temporary product releases and events including the FIFA Women’s World Cup – that fell away again in Oct and early Nov (albeit with the variation mainly in non-retail rather than retail segments and with a Nov rate hike also in the mix).
- The store-type split showed weakness centred on non-food segments, clothing down 1%*mth*, department stores and household goods both down 0.6%*mth*. Together, non-food retail sales were down 0.6%*mth* and 1.7%*yr*. For food categories, a 0.5%*mth* rise in basic food (40% of total retail) was partially offset by a 0.4%*mth* decline in cafes & restaurants – the pattern often a sign of consumer belt-tightening.
- By state, NSW and Vic recorded larger declines (-0.5%*mth* and -0.8%*mth* respectively) with WA (+0.7%*mth*) and Qld (0.6%*mth*) managing to post reasonable gains, sales about flat in SA. Additional detail to be released with the final report on December 4 will shed more light on the extent to which one-offs may be behind recent swings. The Oct monthly CPI indicator due on November 29 will also show the extent to which the retail dip may have been price-related.
- Looking ahead, card data due later this week will give the first read on how the Black Friday/Cyber week sales have fared. But given the weak lead-in and many consumers likely to be seeking out bargains the scale of the post-sales let down may be just as important as any boost.

**Matthew Hassan, Senior Economist**  
**Tian Wei, Graduate**

### Monthly retail sales: food vs non-food

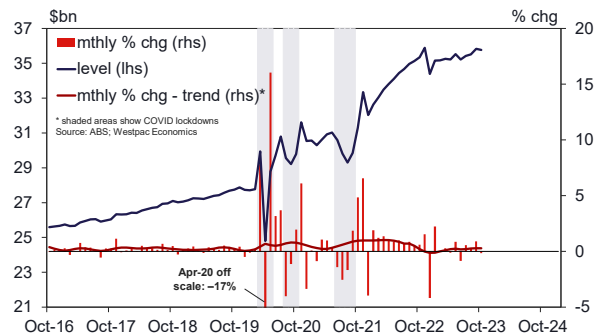


### Retail sales – October 2023

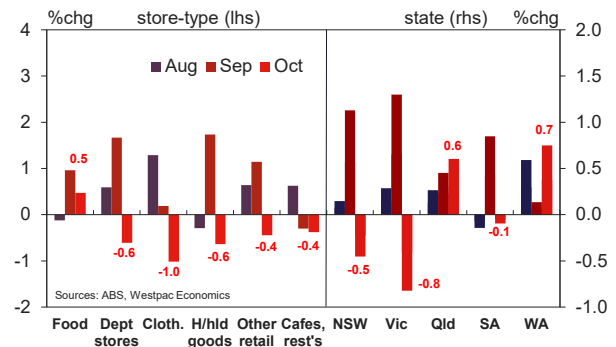
	\$bn		% chg mth		% chg yr
	Oct-23	Sep-23	Oct-23	Sep-23	Oct-23
sa	35.77	0.9	-0.2	2.0	1.2
trend	35.76	0.3	0.3	1.4	1.5

Source: ABS, Westpac Economics.

### Monthly retail sales



### Monthly retail sales by store type and state



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