

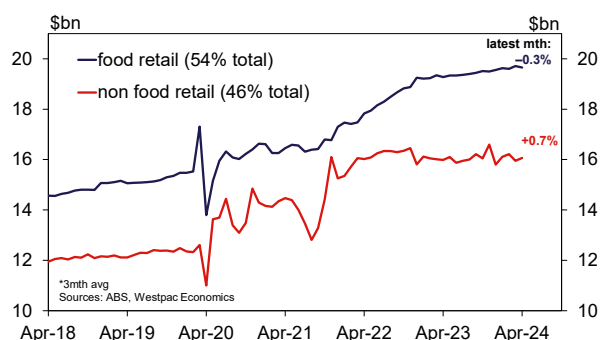
28 May 2024

## Australian retail sales: stalled Apr sales: 0.1%<sup>mt</sup>, +1.3%<sup>yr</sup> Flat-lining nominal sales imply weak volumes & per capita spend.

- Retail sales came in weaker than expected for the April month, rising just 0.1% vs consensus forecast of a 0.2% gain and Westpac's firmer 0.6% forecast. Note that Westpac's call was on the basis of an improvement in card activity that unwound in May rather than an expectation of a sustained lift. The actual result instead suggests this was noise and concurs with the broader picture of continued weakness. Nominal sales have barely risen 0.2% over the last six months and have stalled flat on a quarterly basis over the last three months.
- The store-type detail shows weakness centred on the large, and usually quite stable, 'basic food' segment. Sales in this segment, which accounts for 40% of all retailing, declined -0.5%<sup>mt</sup>. This is the biggest monthly fall for basic food retail over the slowdown to date, although it follows a solid 0.8%<sup>mt</sup> rise in March. Note that some of these shifts may be price-related rather than volume-driven.
- Monthly performances were more mixed across other store-types, clothing retail down another 0.7%<sup>mt</sup> after big swings in Feb and March (+5%<sup>mt</sup> and -4.6%<sup>mt</sup> respectively). Other segments posted gains ranging from +0.1%<sup>mt</sup> for department stores and +0.3%<sup>mt</sup> for cafes & restaurants, to +0.7%<sup>mt</sup> for household goods (following two sizeable monthly declines) and +1.6%<sup>mt</sup> for 'other retail'.
- By state, sales rose in NSW (+0.7%<sup>mt</sup>) and SA (+0.5%<sup>mt</sup>) but posted a second monthly decline in Victoria (-0.4%<sup>mt</sup>) and dipped slightly in Queensland (-0.2%<sup>mt</sup>) with sales flat in WA.
- Retail sales are flat-lining in nominal terms, implying continued declines in real, inflation adjusted sales and material falls in per capita terms. With our [Westpac Card Tracker](#) pointing to renewed weakness in May and [consumer sentiment](#) remaining near historical lows, a near-term reprieve looks unlikely. The July tax cuts look set to be the most promising timing for any eventual lift although even here [prospects look fairly muted](#).

**Matthew Hassan, Senior Economist**

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

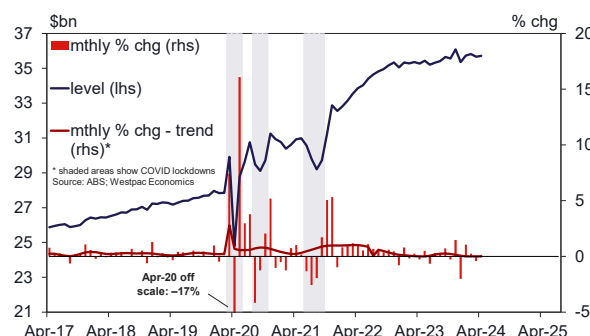


### Retail sales – April 2024

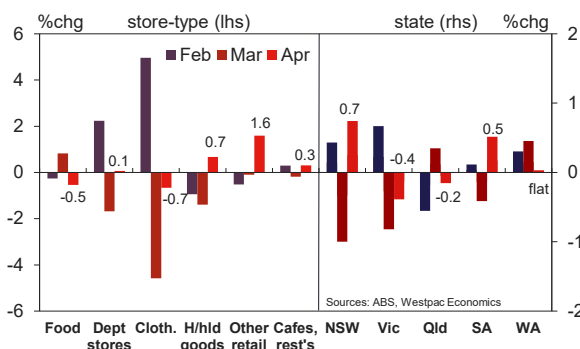
	\$bn	% chg mth		% chg yr	
	Apr-24	Mar-24	Apr-24	Mar-24	Apr-24
sa	35.71	-0.4	0.1	0.9	1.3
trend	35.71	0.0	0.0	1.1	1.2

Source: ABS, Westpac Economics.

### Monthly retail sales



### Monthly retail sales by store type and state



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