

Retail Trade January 2025

Overview

Retail trade rose a seasonally adjusted 0.3% in January in line with the market consensus, which followed an unrevised 0.1% decline in December and 0.7% rise in November.

The annual rate of growth decelerated by 0.7ppts to 3.8%, down from a 21-month high in December.

Trend growth, which looks through the monthly volatility, remained at 0.3% MoM and accelerated 0.3ppts to 4.1% YoY.

Industry Groups

Retail trade rose in all industry groups except for household goods, which saw a 4.4% drop in turnover following solid gains in the previous months due to increased promotional activity.

The strongest increase in January was recorded in 'other retailing' (+2.4%), supported by gains in all industry subgroups except newspaper and book retailing. 'Other retailing' was also the industry with the strongest annual rate of growth (+7.0%).

Food retailing rose by 0.7% in January, following a 0.3% decline in the previous month.

Online retailing picked up by 0.2%, significantly less than the 4.3% gain in the previous month, to be up 12.0% YoY.

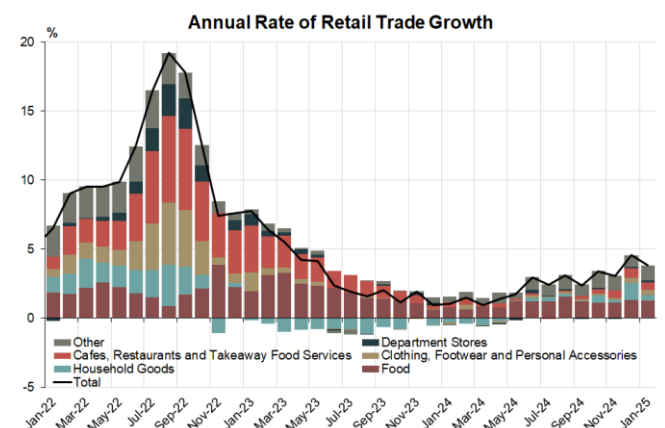
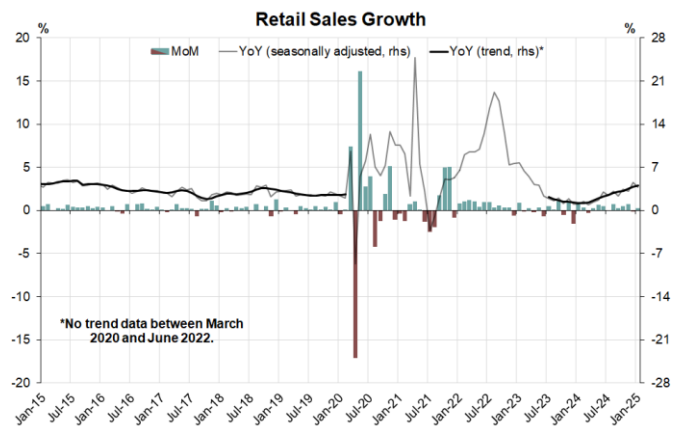
Seasonally Adjusted, %	MoM	YoY
Food	0.7	3.1
Household Goods	-4.4	2.5
Clothing, Footwear and Personal Accessories	2.0	4.5
Cafes, Restaurants and Takeaway Food	1.1	3.8
Department Stores	0.6	2.9
Other Retailing	2.4	7.0
Total	0.3	3.8

States

Retail trade picked up in all states in January, with the notable exception of New South Wales which saw a 0.3% decline. The strongest gain was reported for Tasmania (+1.1%).

Western Australian retail trade rose by 0.4% in January, to be up by 5.5% through the year, the most of all the states. The biggest monthly gain was recorded for the 'other retailing' category (+2.4%), while household goods retailing saw the strongest decline (-3.8%). 'Other retailing' also saw the strongest annual increase (+10.2%), while cafes, restaurants and takeaway foods registered the weakest annual growth (+1.8%).

Seasonally Adjusted, %	MoM	YoY
Western Australia	0.4	5.5
New South Wales	-0.3	2.3
Victoria	0.6	5.0
Queensland	0.4	4.0
South Australia	0.9	3.8
Tasmania	1.1	2.9



Comment

The January retail trade report provided further evidence of improvement in Aussie consumer spending in recent months, even ahead of the recent RBA cash rate cut.

Australian households received a solid boost in mid-2024, primarily from 'Stage 3' tax cuts and cost-of-living measures by Commonwealth and state governments, most notably energy bill relief.

This boost allowed customers to increase their spending on discretionary goods and services, which was particularly evident during the 'Black Friday/Cyber Monday' sales events last year, even if the scale was exaggerated by the challenges with seasonal adjustment and the bank data suggesting that most of the extra money was saved by the households.

Despite this recent improvement, the RBA revised its consumer spending projection downward in the February Statement on Monetary Policy. The Central Bank cited changes in seasonal patterns in the final months of the year, as well as long adjustment times to the boost in disposable income. That said, recovery in consumer spending is expected to continue in the coming quarters.

04 March 2025