![SHOPPING CENTRE COUNCIL OF AUSTRALIA]

RESEARCH NOTE

RETAIL TRADE TREND ESTIMATE INCREASED BY 0.2 PER CENT IN OCTOBER 2018 AND BY 3.5 PER CENT YEAR-ON-YEAR

Thursday, December 6 2018 - The latest release (October 2018) of the monthly ABS Retail Trade data indicates that the overall month-on-month (m-o-m) **trend** estimate increased by 0.2 per cent, for the fourth consecutive month. In **trend** terms, Retail Turnover increased by 3.5 per cent year-on-year (y-o-y), equal to the growth recorded in the prior corresponding period (pcp).

STATE OF PLAY

The adjacent table summarises the key data in **seasonally adjusted** terms across the six ABS retail categories. The strongest growth was recorded for 'Clothing, footwear and personal accessory' retailing on a m-o-m basis (2.6 per cent), whilst 'Other' retailing recorded the strongest growth on a y-o-y basis (5.5 per cent). In **seasonally adjusted** terms, Retail Turnover increased by 0.3 per cent in the month of October 2018, up from (a revised) 0.1 per cent in September 2018. On a y-o-y basis, Retail Turnover increased by 3.6 per cent, equal to (a revised) 3.6 per cent in the pcp.

TREND ANALYSIS: ONLINE RETAIL TURNOVER

According to the 'experimental estimates of online retail turnover' (explained here), online retail turnover increased by 10.5 per cent on a m-o-m basis in October 2018, whereas 'traditional' retail (total retail turnover less online retail) increased by 4.8 per cent over the same timeframe, noting that this data is in original (non-seasonally adjusted) terms. Online retail growth is expected at this time of year given the lead time required for ordering and receiving goods in time for Christmas. However, it is interesting to note that m-o-m growth for October has been slowing for online retail over the last three years, whilst the opposite is true for 'traditional' retail.

STATE BY STATE: BEST AND WORST

Retail turnover varies within the ABS defined six categories and across different jurisdictions. The adjacent map outlines and compares the total and growth of retail trade (y-o-y), and the best and worst retail growth categories. The strongest jurisdictions in **seasonally adjusted** terms were Victoria (up 5.2 per cent to $82.8 billion) followed by Tasmania (up 5.0 per cent to $5.1 billion) and South Australia (up 3.4 per cent to $21.0 billion). Western Australia was the worst performing jurisdiction (down 0.3 per cent to $33.9 billion), recording the fifth consecutive month of negative growth. 'Clothing, footwear and personal accessory' retailing recorded the highest growth in the ACT (10.7 per cent), Queensland (3.4 per cent) and Western Australia (2.0 per cent). Following recent growth, 'Department stores' retailing recorded the lowest growth in three jurisdictions.
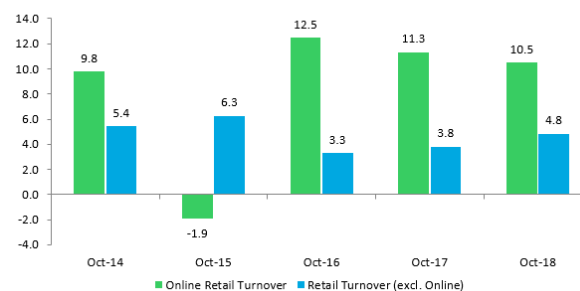
Victoria was the only jurisdictions to record positive growth across all six ABS categories..

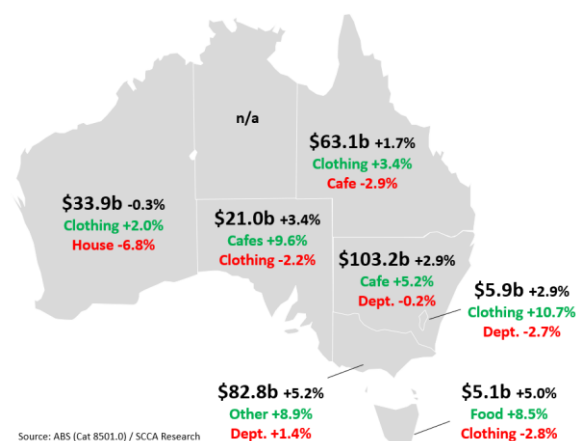| CATEGORIES	$ billion	m-o-m	last 3 months	y-o-y
Food retailing	$10.98	↑ 0.2%	↑ 0.5%	↑ 3.9%
Household goods retailing	$4.60	↑ 0.6%	↑ 0.9%	↑ 3.2%
Clothing, footwear and personal accessory retailing	$2.12	↑ 2.6%	↑ 2.2%	↑ 4.8%
Department stores	$1.57	↑ 0.4%	↑ 1.2%	↓ -0.3%
Other retailing	$3.90	↑ 0.5%	↑ 1.1%	↑ 5.5%
Cafes, restaurants and takeaway food services	$3.81	↓ -0.9%	↑ 0.1%	↑ 2.1%
Retail Turnover	**$26.99**	↑ 0.3%	↑ 0.8%	↑ 3.6%

Source: ABS (Cat 8501.0) / SCCA Research   *Seasonally Adjusted

ABS Retail Trade - Online vs. Traditional Retail
Percentage Change Month-on-Month (Original) by Type

Oct-14: Online 9.8, Retail (excl. Online) 5.4
Oct-15: Online -1.9, Retail (excl. Online) 6.3
Oct-16: Online 12.5, Retail (excl. Online) 3.3
Oct-17: Online 11.3, Retail (excl. Online) 3.8
Oct-18: Online 10.5, Retail (excl. Online) 4.8

■ Online Retail Turnover   ■ Retail Turnover (excl. Online)

Source: ABS / SCCA Research

n/a

$63.1b +1.7%
Clothing +3.4%
Cafe -2.9%

$33.9b -0.3%
Clothing +2.0%
House -6.8%

$21.0b +3.4%
Cafes +9.6%
Clothing -2.2%

$103.2b +2.9%
Cafe +5.2%
Dept. -0.2%

$5.9b +2.9%
Clothing +10.7%
Dept. -2.7%

$82.8b +5.2%
Other +8.9%
Dept. +1.4%

$5.1b +5.0%
Food +8.5%
Clothing -2.8%

Source: ABS (Cat 8501.0) / SCCA Research