

RESEARCH NOTE

RETAIL TRADE ESTIMATE* DECREASED BY 4.0 PER CENT IN AUGUST 2020 AND INCREASED BY 7.1 PER CENT YEAR-ON-YEAR

Friday, October 2 2020 - The latest release (August 2020) of the monthly ABS Retail Trade data indicates that the overall month-on-month (m-o-m) estimate* decreased by 4.0 per cent, down from 3.2 per cent in July 2020. Retail Turnover increased by 7.1 per cent year-on-year (y-o-y), down from 12.0 per cent in the prior corresponding period (pcp). This result highlights that trading restrictions, particularly in Victoria, weighed heavily on retail spending throughout August.

* The ABS has temporarily suspended the publication trend data due to volatility.

STATE OF PLAY

The adjacent table summarises the key data in **seasonally adjusted** terms across the six ABS retail categories. The strongest growth (albeit negative) was recorded for 'Food' retailing on a m-o-m basis (-0.2 per cent), whilst 'Household goods' retailing recorded the strongest growth on a y-o-y basis (21.0 per cent). In **seasonally adjusted** terms, Retail Turnover decreased by 4.0 per cent in the month of August, down from 3.2 per cent in July 2020. On a y-o-y basis, Retail Turnover increased by 7.1 per cent, down from 12.0 per cent in the pcp.

CATEGORIES	\$ billion	m-o-m	last 3 months	y-o-y
Food retailing	\$12.93	↓ -0.2%	↑ 1.9%	↑ 14.3%
Household goods retailing	\$5.58	↓ -6.0%	↓ -5.5%	↑ 21.0%
Clothing, footwear and personal accessory retailing	\$1.99	↓ -10.5%	↑ 15.6%	↓ -9.2%
Department stores	\$1.48	↓ -8.9%	↓ -16.7%	↓ -6.2%
Other retailing	\$4.31	↓ -5.1%	↓ -0.7%	↑ 8.4%
Cafes, restaurants and takeaway food services	\$3.19	↓ -6.6%	↑ 25.3%	↓ -17.5%
Retail Turnover	\$29.48	↓ -4.0%	↑ 1.8%	↑ 7.1%

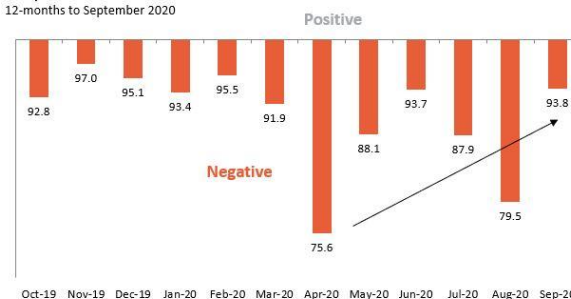
Source: ABS (Cat 8501.0) / SCCA Research

*Seasonally Adjusted

TREND ANALYSIS: CONSUMER SENTIMENT

According to the latest figures from the Westpac-Melbourne Institute Index of Consumer Confidence report, consumer sentiment was recorded at 93.8 in September 2020, up from 79.5 the prior month. Despite the Index remaining below 100 stretching back to September 2019, sentiment has been growing since April 2020 when the Index was at 75.6, with concerns in Victoria weighing heavily on the Index. The rebound means the Index is now just 1.6 per cent below the average over the six-months prior to the emergence of COVID-19 in March.

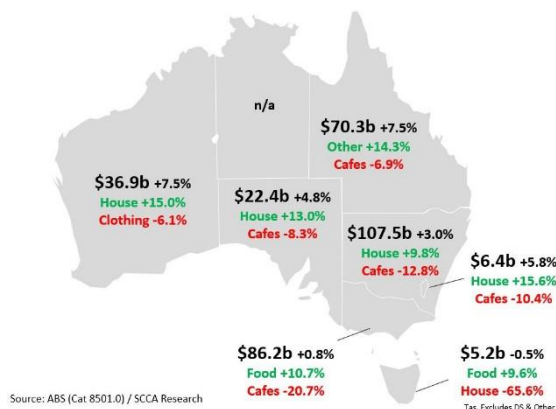
Westpac-MI Consumer Sentiment
12-months to September 2020



Source: Westpac-Melbourne Institute / SCCA Research

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 Queensland (up 7.5 per cent to \$70.3 billion) followed by Western Australia (up 7.5 per cent to \$36.9 billion) and the ACT (up 5.8 per cent to \$6.4 billion). Tasmania (down 0.5 per cent to \$5.2 billion) was the worst performing jurisdiction and for the sixth month running recorded negative growth, followed by Victoria (up 0.8 per cent to \$86.2 billion). 'Household goods' retailing was the strongest performing category across four jurisdictions, whilst discretionary spending categories remain the worst performing across most of the country, notably 'Cafes, Restaurants & Takeaway Food' retailing.



Source: ABS (Cat 8501.0) / SCCA Research

Tss. Excludes DS & Other