

Summary

Monthly % Change (Trend):

Queensland	↑	0.6
Rest of Australia	↑	0.5

- Growth in Queensland's nominal retail turnover continued to ease for the sixth consecutive month in January 2004. However, Queensland's growth continues to remain stronger than in the rest of Australia.

Analysis

Queensland

- Queensland recorded nominal retail trade growth of 0.6% in January 2004, moderating from growth of 0.8% in December 2003. Monthly retail growth in Queensland has moderated over the past six months, although retail turnover recorded strong growth, at or above 1.0%, from April to November 2003.
- In annual terms, retail turnover increased 14.1% in January, the highest annual growth recorded in Queensland since March 1989. The rest of Australia recorded annual growth of 7.5% in January.
- Growth continued to weaken in all industry groups in January 2004, with the exception of department stores, for which retail turnover growth remained stable at 0.4%.
- Food retailing and hospitality and services continue to be the major industries driving retail growth, each contributing 0.3% point to growth.
- Queensland recorded the second strongest monthly growth of all the states behind South Australia, which recorded monthly growth of 1.0%. However, in annual terms Queensland recorded the highest annual growth of any state for the third consecutive month.

National

- Nationally, monthly retail turnover growth in January 2004 was 0.5%, continuing to ease for the fifth consecutive month. Annually, Australia recorded retail trade growth of 8.8% in January.

Implications

- The impact of increases in interest rates, and the prospect of further rate rises, coupled with the recent easing of employment growth from the unsustainably high levels recorded in late 2003, may see retail trade growth continue to ease in coming months.
- However, Queensland's strong population growth, particularly the high levels of net interstate and overseas migration, should help continue to support stronger retail trade growth in Queensland than in the rest of Australia.

Table 1. Retail Turnover, January 2004

States/Australia	% change	
	Monthly trend	Annual trend
Queensland	0.6	14.1
New South Wales	0.3	7.1
Victoria	0.5	8.6
South Australia	1.0	6.1
Western Australia	0.4	7.3
Tasmania	0.3	13.0
Rest of Australia	0.5	7.5

Chart 1. Nominal Retail Turnover (monthly % change, trend)

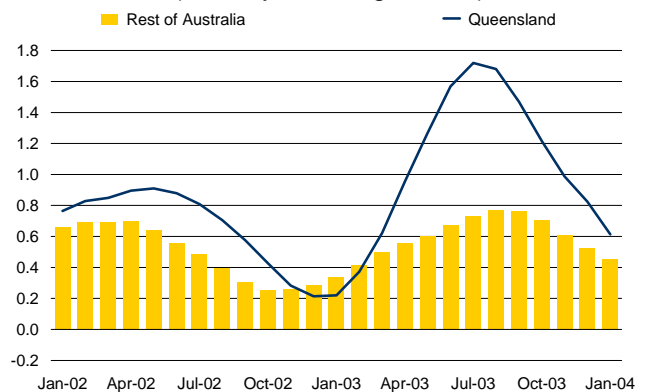


Chart 2. Retail Turnover by Industry Group (% point contribution to growth, trend, January 2004)

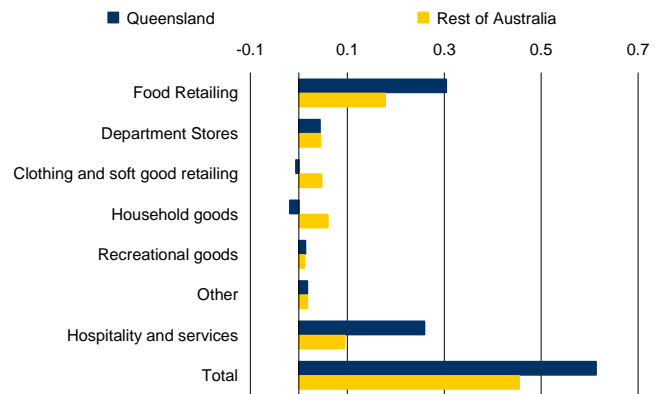


Table 2. Retail Turnover – Interstate Comparison (annual % change, trend, January 2004)

