



Summary

Monthly % Change (Trend):

Queensland	↑	0.4
Rest of Australia	↑	0.3

- Monthly growth in nominal retail turnover in Queensland remained steady in May, to be slightly higher than growth in the rest of Australia for the second month in a row.

Analysis

Queensland

- Nominal retail trade grew by 0.4% in Queensland in May 2004, similar to the growth in April, but slightly higher than the 0.3% growth recorded in each of the first three months of 2004. Despite this slight strengthening, monthly growth remains below that achieved at a similar time last year, where growth peaked at 1.7% in July 2003.
- However, monthly retail trade growth in the State remains above that in the rest of Australia, where growth remained unchanged at 0.3% for the fourth consecutive month in May 2004. Western Australia (0.6%) was the only state to record higher nominal retail trade growth than Queensland in May.
- As a result of very strong monthly growth over most of 2003, annual retail trade growth in Queensland (11.0%) remained well above that in the rest of Australia (6.5%) in May, with Queensland continuing to record the highest annual growth of all states for the seventh month in a row.
- Household goods (0.2% point) contributed most to monthly growth in nominal retail trade in Queensland in May, followed by food retailing, recreational and other goods (each 0.1% point). In contrast, hospitality and services retailing fell for the fourth consecutive month, detracting 0.1% point from monthly growth.

National

- Nationally, monthly growth was unchanged at 0.3% in May 2004, while annual growth eased further, down 0.5% point to 7.3% in May 2004.

Implications

- The slower growth in retail trade in Queensland in 2004, relative to 2003, partly reflects the fact that a stronger housing market, stronger jobs growth and a higher \$A all helped to boost spending last year.
- The lump-sum payment of additional family benefits as part of the 2004-05 Commonwealth Budget should begin to positively impact on retail turnover in June, while other components of the fiscal stimulus, to be introduced at the start of next financial year, should also benefit retail turnover from July 2004 onwards.

Table 1. Retail Turnover, May 2004

States/Australia	% Change	
	Monthly Trend	Annual Trend
Queensland	0.4	11.0
New South Wales	0.3	5.8
Victoria	0.1	7.9
South Australia	0.4	5.0
Western Australia	0.6	7.3
Tasmania	0.1	9.1
Rest of Australia	0.3	6.5

Chart 1. Nominal Retail Turnover (Monthly % Change, Trend)

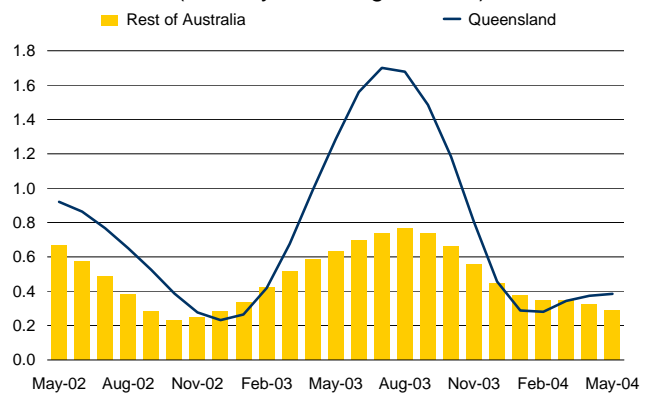


Chart 2. Retail Turnover by Industry Group (% Point Contribution to Growth, Trend, May 2004)

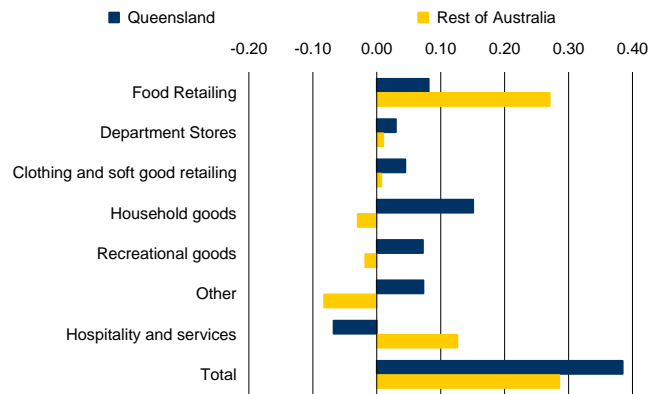


Chart 3. Retail Turnover – Interstate Comparison (Annual % Change, Trend, May 2004)

