

SA retail sales dip 0.9% in February

Stats SA reports that South African retail trade sales decreased by 0.9% year-on-year in February 2022.



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The largest negative annual growth rates were recorded for retailers in hardware, paint and glass (-4.9%); and food, beverages and tobacco in specialised stores (-4.4%). The largest negative contributor to this decrease was general dealers (contributing -0.9 of a percentage point).

Support came from pharmaceuticals (8.0%), household furniture and appliances (3.7%) and clothing retailers (1.7%).

FNB senior economist Siphamandla Mkhwanazi says the overall decline in sales was unexpected. He adds, "Thematically, we expect the uptrend in clothing and footwear sales to keep up, albeit at a slower pace, as mobility continues to improve, and workers make their way back to workplaces. On the opposite end, the waning home-improvement drive should keep growth in hardware material volume sales subdued."

Seasonally adjusted retail trade sales decreased by 0.5% in February 2022 compared with January 2022. This followed month-on-month changes of 2.3% in January 2022 and 0.9% in December 2021. In the three months ended February 2022, seasonally adjusted retail trade sales increased by 3.6% compared with the previous three months.



SA retail trade sales rise 7.7% in January

16 Mar 2022



Outlook

"Despite the partial support on households spending afforded by the extension of government income grant to lower income households, and the slightly improved consumption credit uptake (credit cards and general loans) by higher income segments, we are concerned about the intensifying consumer headwinds.

"These include higher inflation (especially food, transportation, and utility costs); depressed consumer sentiment; stagnant labour market; and the less supportive interest rate environment. These are accentuated by the escalated geo-political tensions and exert downward pressure on consumer spending," says Mkhwanazi.

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