

# SA's retail sales edge slightly higher in December

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December's total retail sales were 0.9% higher than the same month in 2015, beating the economists' consensus of 0.2% growth.



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At current prices SA's total Christmas sales came to R108.7bn, Statistics SA data released on Wednesday showed.

As economists warned, heavy promotion of Black Friday sales in November saw a shift in shopping patterns last year. At current prices, November retail sales amounted to R85bn, a 10% jump from November 2015. Adjusted for inflation, November retail sales were 3.1% higher than the previous year, Stats SA's data showed.

The main contributors to the increase in 2016 compared with 2015 were retailers in textiles, clothing, footwear and leather goods, which accounted for 0.6 of a percentage point; general dealers, which made up 0.5 of a percentage point; and retailers in pharmaceuticals and medical goods, cosmetics and toiletries, which contributed 0.4 of a percentage point.

"During 2015, South African consumers were helped by relatively low inflation of 4.6% compared with an average wage increase of 7.7%; but this systematically changed during 2016 as inflation moved noticeably higher, the Reserve Bank continued to hike rates in early 2016, banks have become much more circumspect in the granting of credit," Stanlib chief economist Kevin Lings said.

"The net result is that the consumer has less discretionary income available for general retail activity. At the same time, consumer confidence has fallen well below the long-term average on a sustained basis."

**Source:** BDpro

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