

# Glimmer of hope for second quarter as retail sales up 1.5% y/y

By [Sunita Menon](#)

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Retail sales grew faster than economists expected in April, the first month of the second quarter, Statistics SA reported on Wednesday.



April's retail sales grew 1.5% from the same month in 2016, coming in three times better than a consensus of 0.5% from a poll of economists done by Trading Economics.

This continued a rebound of 0.9% in March, which was revised up from the previously reported 0.8%. Retail sales declined 2.3% in January and 1.6% in February, contributing to SA's gross domestic product declining 0.7% in the first quarter of 2017.

Stats SA reported April's retail sales totalled R76.75bn in current prices. Stats SA adjusts for inflation by using constant 2012 prices which came to R60.66bn.

The retail sector is an important indicator of consumer spending, which drives growth in the economy.

After the lower than expected mining and manufacturing production numbers last week, which suggested economic activity

remained weak at the start of the second quarter, the retail sales figures for April indicate that the consumer side of the economy fared better.

The highest annual growth rates were recorded for retailers in food, beverages and tobacco in specialised stores, up 13.6%; general dealers, which increased by 5.1%; and pharmaceuticals and medical goods, cosmetics and toiletries, which climbed 2.7%.

Seasonally adjusted retail trade sales also increased by 0.3% month on month in April 2017. In the three months ended April 2017, compared with the same period the year before, retail trade sales increased by 0.3%.

*Source: BDpro*

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