

Retail sales up 1.7% y/y in May

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SA's retail sector not only confounded economists who had expected a contraction in May, but growth accelerated from April, despite the economy being in recession.



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According to Statistics SA, retail trade sales increased by 1.7% from a year earlier, to R63.7bn in May, after growing 1.5% to R60.6bn in April 2017.

The retail sector is an important indicator of consumer spending which drives growth in the economy. FNB and Investec economists had predicted a contraction in the sector.

The highest annual growth rates were recorded for retailers in food, beverages and tobacco in specialised stores - rising 14.5%; and pharmaceuticals and medical goods, cosmetics and toiletries - up 5.7%.

Retail trade sales also increased month on month, rising 0.9% in May from April. In the three months ended May compared with the same period the year before, retail trade sales increased by 1.3% - offering hope that the recession may not extend into the second quarter.

Source: *BDpro*

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