



MEDIA RELEASE  
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## **RECORD XMAS SPENDING PROJECTED BUT RETAIL UNDER PRESSURE**

With just two months to go until Christmas, Retail NZ reckons that consumers will spend a record \$17.4 billion in the lead up to the big day, but says retailers are still facing intense competition.

“We know that some customers have already started their Christmas shopping, and that Kiwis are getting ready for the busy summer barbecue period,” Retail NZ’s General Manager for Public Affairs, said today. “November and December are very busy months for retail in New Zealand. Online spending will likely peak in November, and we estimate Kiwis will spend a total of \$17.4 billion over the next two months across all retail categories, up around five per cent from last year.

“However, despite the likely increase in spending, it’s not all rosy for retailers. Across the sector, retailers face strong competition from each other domestically, as well as from global websites that have massive scale. While spending will likely be up over the next couple of months, margins are under real pressure, economic uncertainty is likely to put pressure on consumer spending, and many retailers are struggling to hit their sales targets.

“That said, retailers are hoping for a positive Christmas period. Smaller retail businesses especially often rely on a strong Christmas to sustain their businesses through the year, so it’s really important for the sector that the season goes well. We’re expecting uplifts in consumer spending, especially on clothing, sports and leisure, homeware, accessories and food and drink.”

**For further information, please contact:**

Greg Harford  
General Manager, Public Affairs  
Retail NZ  
027 243 2842  
[greg.harford@retail.kiwi](mailto:greg.harford@retail.kiwi)