



MEDIA RELEASE
27 August 2018

MIXED PERFORMANCE IN RETAIL

While the retail trade statistics for the June quarter showed better than expected sales in the retail sector, the latest Retail NZ Retail Radar survey indicates half of retailers didn't hit their sales targets - with 36 per cent not expecting to do so in the next quarter.

"While some retailers are performing well, the reality is that many smaller businesses are finding it tough to compete," Greg Harford, Retail NZ's General Manager for Public Affairs said today. "The outlook for the present quarter has taken a negative turn with just 64 per cent expecting to meet or exceed targets in the next quarter. This is a significant drop from 75 per cent previous and is the lowest level we have ever recorded in our Retail Radar survey.

"Retailers face substantial pressures in rents, wages, and insurances, and the decline in the value of the dollar will mean imported goods cost more over the coming months. These cost pressures are compounded by the highly competitive retail environment, meaning that even small cost increases can be strongly felt by retailers operating on very tight margins.

"Retailers will be optimistic that the Reserve Bank's announcement that interest rates will remain low over the next 12 months, and that expected increases in state sector wages will mean increased consumer spending over the remainder of the year."

[Click here](#) to see the latest Retail Radar Report.

For further information, please contact:

Greg Harford
General Manager, Public Affairs | Retail NZ
greg.harford@retail.kiwi
027 243 2842