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## **NZ RETAIL OUTPERFORMING AUSTRALIA OVER TIME**

A new report by Retail NZ shows that, despite the challenges facing the New Zealand retail sector, it has been outperforming Australia over the past few years.

"Retail in New Zealand is a tough business, and it can often seem pretty gloomy out there for Kiwi businesses which have flat or declining sales," Greg Harford, Retail NZ's General Manager Public Affairs said today. "However on average since 2013, New Zealand's retail sales have grown at a faster rate than Australia's, and on a state by state basis, we have outperformed every Australian state and territory except New South Wales. This reflects the relative strength of the New Zealand economy, and the challenges that have faced Australia over that time.

"The Dynamic Retail 2018 report shows that retail spending has grown steadily since the Global Financial Crisis in 2009 and is currently \$92.3 billion - that's \$18,953 (plus GST) for every person in New Zealand. On a per capita and inflation-adjusted basis, this is well above spending back in 2000. Incomes have grown over the last two decades, but even taking that into account, we are spending more in retail than we were 20 years ago. That's great news for the retail sector, and shows that retailers are delivering real value to customers.

"On average, every New Zealander spends just under \$22,000 a year in retail, including just over \$2,800 in GST which is paid to the Government. Average net margins across the sector are relatively low, at 3.7 per cent, but there is variance across the sector, with the clothing, footwear and personal accessories categories performing best at 7.5 per cent.

"Overall the New Zealand retail sector is well positioned for the future but it is important that the sector continues to evolve to meet changing customer demand. Over the next 10 years, we will see a move to larger stores, but also a strong niche small retail environment; a continued move to digital channels; and a move towards vertical integration. Competitive pressure will mean that retailers need to innovate and be highly responsive to customer demand."

[Click here](#) to see the Dynamic Retail 2018 report

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