



MEDIA RELEASE

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NEW STATISTICS SHOW ECONOMIC CARNAGE IN RETAIL SECTOR AT LEVEL 3

The latest Retail NZ Sales Index shows that sales during April were down 79.8 per cent on the previous year, and a survey of retailers suggests that things are no better under the Alert Level 3 restrictions.

“Online sales are up 350 per cent under Alert Level 3 - but, overall sales are down by around 80 per cent on average, according to a survey of Retail NZ members” Greg Harford, Retail NZ’s Chief Executive said today. “Sales across the sector have collapsed and, even online trading, which has been permitted since last Monday is not delivering sales that will allow retailers to recover from the economic carnage of the last few weeks.

“While sales are down, on average, by 80 per cent, the fixed costs incurred by retailers continue to build up, and the COVID-19 restrictions will mean that the survival of many retail businesses is on a knife-edge. The Wages Subsidy has effectively kept many people employed in retail, but it is likely that we will see a wave of redundancies across the sector when that Subsidy runs out.

“There are 27,000 retail businesses in New Zealand which employ around 219,000 New Zealanders. Retail creates life in town centres and helps keep communities alive, but it is a low-margin business, with an average net margin of just 3.6 per cent. The financial impacts of the collapse in sales will last well beyond the lifting of Level 3 restrictions, and the reality is that the retail sector will need substantially greater Government support to retain staff and keep operating over the next period.”

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