



MEDIA RELEASE
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RETAIL SALES CATCHING UP BUT PRE-XMAS CHALLENGES REMAIN

The latest Retail NZ Sales Index reports strong spending through October, and that total spending since March is now running slightly ahead of last year.

“Retail sector performance was significantly impacted by the national lockdown from March to May, and the second Auckland Level 3 lockdown in August,” Retail NZ Chief Executive Greg Harford said today. “However overall spending since March is actually running 0.3 per cent ahead of total spending for the same March to October period last year, as measured by the Retail NZ Sales Index, one measure of sector performance.

“Overall retail sales in October were 20.7 per cent higher than last year. This reflects the fact that consumers have money in their pockets, supported by low interest rates and increase in house prices, and that New Zealanders are still unable to travel overseas because of COVID-19.

“The results are not shared equally across the retail sector, however. Previous Retail NZ research suggests that, while some retailers are performing extremely well, a minority is selling substantially less than last year. These are likely to be businesses particularly exposed to the inbound tourist market, or those which do not have a strong online presence.

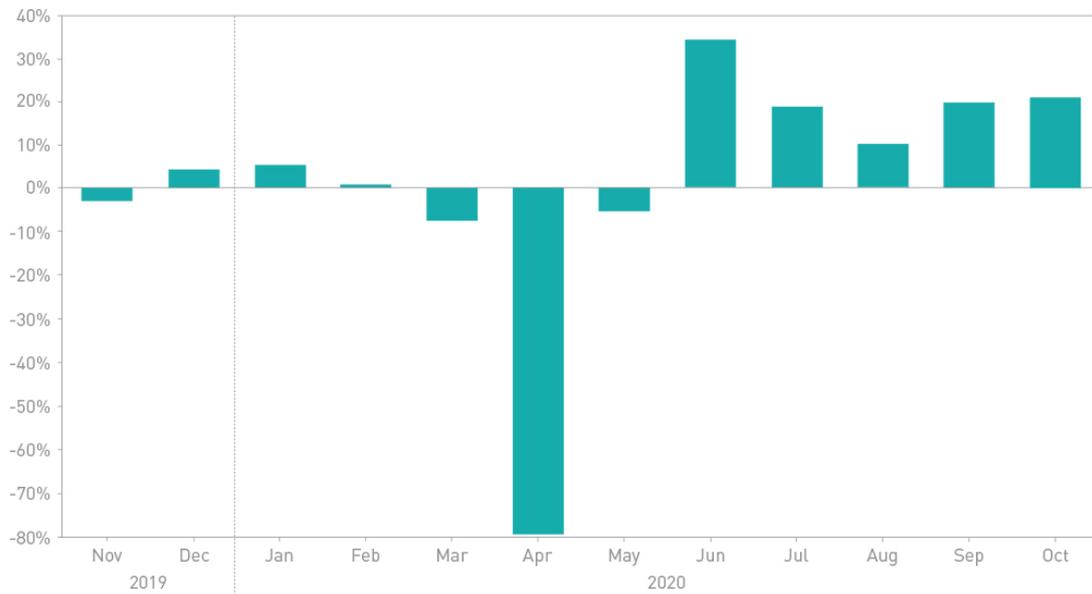
“Notwithstanding the good October results, there are real challenges in the run-up to Christmas. Many retailers are reporting stock shortages stemming from supply chain delays. The big issues are reduced freight capacity down to New Zealand, as well as congestion at the Ports of Auckland and Tauranga. Stock is taking substantially longer to arrive from suppliers overseas, and retailers are needing to order much earlier.

“There is also concern in the retail community that a re-emergence of COVID-19 might lead to further lockdowns. These have the potential to be catastrophic in the short-term, particularly in the absence of strong Government support.

“Retail NZ recommends that customers shop early for Christmas, and to shop local from businesses and ecommerce sites that are helping keep Kiwis employed and local communities vibrant.

Note: The Retail NZ Sales Index records the change in average sales per site at Retail NZ members who process credit and scheme debit cards with Westpac. Below is a graph showing movements in the Retail NZ Sales Index over 2020.

Spending compared to the previous year



OCTOBER 2020 SALES	
October 2020 sales compared to October 2019	UP +20.7%
Year on year comparison for the last eight months	UP +0.34%

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