



MEDIA RELEASE
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RETAILER CONFIDENCE IMPROVES

Retailer confidence has shown a significant improvement according to the latest Retail NZ Retail Radar report. This is built on the back of strong retail performance in June, although spending overall across the four months of the COVID-19 crisis is down 16 per cent.

“73 per cent of retailers are now saying they are confident their businesses will survive the next 12 months, up from 39 per cent”, Retail NZ Chief Executive Greg Harford said today. “The last few months have been extraordinarily challenging for the retail sector, and although sales over the last few months have not recovered completely, it is good news that we have seen a significant uplift in spending during June. Partly that is attributable to pent-up demand from the lockdown period, but it also reflects the fact that Kiwis are not travelling overseas, and are instead undertaking projects at home.”

“However, there are significant economic clouds on the horizon. Many jobs across the economy are at risk once the Government Wage Subsidy ends, and a number of households have taken mortgage holidays or accessed other support which will also end in the near future. These factors will likely squeeze consumer spending further, as households tighten their belts in the coming months.”

“Improved confidence has also seen a significant improvement in employment prospects in the retail sector, with the expected number of layoffs substantially down. Retail NZ is now forecasting a net loss of around 6,000 jobs from the retail sector in the coming months.”

“There are substantial supply chain challenges facing the sector at the present time. 41 per cent of retailers report that they are facing difficulties sourcing stock, because of reduced production abroad and freight challenges. There are delays getting stock into New Zealand, and in some cases, retailers are looking for alternative sources of product.”

“It is absolutely critical that the Government remains focused on border security to prevent a further recurrence of COVID-19 in New Zealand, but it also needs to look at ways to stimulate the economy. There is strong support in the retail community for income tax cuts, a reduction in GST, and helicopter payments to households to support spending. Struggling retailers are also keen to a further extension to the Wage Subsidy, and cash grants to businesses to cover backdated rent relief and other operational costs.”

Check out the latest COVID-19 Special Edition of Retail Radar [here](#).

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