

## RETAIL NZ WELCOMES SPENDING NEWS - BUT REAL CHALLENGES AHEAD FOR RETAILERS

14 May 2015

Retail NZ welcomes today's Retail Trade Survey results that showing a significant 5.1 per cent increase in retail spending in the first three months of 2015, compared to the previous year.

"There was growth in all core retail categories, with significant growth in electrical and electronic goods up a seasonally adjusted 6.5% in value", Retail NZ General Manager Public Affairs Greg Harford said today. "The start of the year is traditionally a busy time for retailers as students return to school and university. We're pleased to see Kiwi customers choosing to shop locally for electronic items such as laptops and tablets which are now required items in many school and universities. This means that customers not only get the tools they need to study, but also benefit from New Zealand warranties and the Consumer Guarantee Act.

"However, the Internet means that Kiwi retailers operate in a global, competitive marketplace - and our domestic retailers and online stores continue to be disadvantaged by unfair rules that mean that they have to pay GST and duty on their sales, while these taxes aren't usually charged on goods bought from foreign websites. This is particularly affecting the market for clothing, footwear and accessories which saw significantly lower levels of growth, just a seasonally adjusted 1 per cent in value. This is partly because it is hard for New Zealand retailers to compete when they have to pay taxes from which foreign competitors are exempt.

"The Government must take action and close the GST and duty loophole to even the playing field for all domestic retailers. Our #eFairnessNZ campaign is asking the Government to require foreign websites to register for New Zealand GST, and make sure that GST and duty is collected on all goods crossing the border that are worth less than \$25. We're hoping that the Government will be moving to act on this in the Budget next week."

For further information, please contact:

Greg Harford  
GM Public Affairs, Retail NZ  
027 243 2842  
[greg.harford@retail.kiwi](mailto:greg.harford@retail.kiwi)