

Media release: 14 August 2015

RETAILERS UNSURPRISED BY SLOWDOWN

Retail NZ says that, while the slower growth reported in the latest retail trade statistics is disappointing, it is not surprising. “Retailers are reporting that business has been steady, but not stellar through until the end of June,” Retail NZ Chief Executive Mark Johnston said today.

The latest Statistics NZ Retail Trade survey, released today, showed that growth in retail sales to 30 June had slowed to 0.1 per cent on a seasonally-adjusted basis. “We’ve seen good growth in sales in the previous two quarters, but there’s no doubt growth has slowed between April and June. Retailers are telling us that, while they’ve been mostly hitting sales targets for the past quarter, they haven’t seen the growth of earlier in the year. There’s a range of reasons for this, including greater economic uncertainty and the particularly bad weather which has impacted sales up and down the country.

“Retail is a highly competitive business - Kiwi firms are competing not only with each other but also with global e-commerce giants. New Zealand-based online-only stores recorded 7.9 per cent growth over the past quarter - well ahead of total sales growth at 0.1 per cent - which shows that New Zealanders are increasingly turning to the Internet and mobile devices to complete their shopping. Spend by New Zealanders on foreign websites is not reported in the Statistics New Zealand data - but is known to be increasing rapidly in terms of value and the number of transactions.

“Despite the challenges, retailers are expecting sales over the next quarter to be steady, and for job numbers in the sector to remain stable. It’s not long until the Christmas shopping season begins, and retailers will be hoping that New Zealanders get out shopping well ahead of the big day in December.”

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