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Retailers set for bumper trading period post-Christmas

Australians are set to spend around \$19.5 billion at retail stores during the post-Christmas period – an increase of 3.9% on a year ago.

The Australian Retailers Association (ARA) today released its post-Christmas retail sales forecasts in conjunction with Roy Morgan, which show a bumper trading period from Boxing Day through to mid-January.

ARA CEO Paul Zahra said the forecasts are encouraging for retailers who've endured a disruptive year due to COVID-19.

"For many retailers, 2020 has been a year to forget, but things have certainly picked up with strong pre-Christmas sales and that's now set to flow through to Boxing Day and into 2021," Mr Zahra said.

"We know Australians love to snap up a bargain during the Boxing Day sales, and despite all the challenges that have been thrown at us, this year will be no different. The Australian economy is bouncing back – consumer confidence is on the rise, people are heading back to their favourite shops, and that's reflected in these figures."

The strongest growth in post-Christmas sales is expected in NSW (up 4.4% to over \$6.1 billion) and Queensland (up 7.9% to over \$4.1 billion). Post-Christmas sales in Victoria are forecast to be virtually unchanged from a year ago.

Retail expenditure growth is expected to be strongest in the categories of Food (up 10.5% to over \$8.5 billion) and Household Goods (up 12% to over \$3.5 billion). However, other categories are still feeling the impact of COVID-19 with declines for Hospitality (down 16.7% to \$2.2 billion) and Clothing, Footwear and Accessories (down 5.2% to \$1.4 billion).

"These figures paint a picture of what Australians have been through this year. People are spending more time at home, so Household Goods and Food sales are up, while Hospitality is down as venues operate with reduced capacity," Mr Zahra said.

"Overall, the post-Christmas retail sales forecasts are incredibly strong and are a positive sign that we're in for a much brighter 2021."

Roy Morgan CEO Michelle Levine said: "Australian retailers have generally enjoyed a much better last six months than many expected when the COVID-19 pandemic hit in March/April and Retail Sales for the month of April plunged a record 9.2% on a year ago while most of Australia was confined to their homes in a national lockdown.

"The unprecedented Government support including JobKeeper wage subsidies, a doubling of JobSeeker from April – September and providing access to two tranches of up to \$10,000 for Australians in financial hardship to withdraw from their superannuation as well as mortgage and other loan deferrals by Australia's banks have provided a significant windfall to millions of Australians.

“This stimulus has amounted to hundreds of billions of dollars injected into the economy and retail sales growth over the six months from May to October has been well above historical averages despite Victoria spending nearly four months in a second lockdown,” Ms Levine said.

Predicted Retail Spending Growth by Category (2019 cf. 2020)

Category	2019 Post-Xmas sales (\$m)	2020 Post-Xmas sales forecast (\$m)	Forecast growth
Food	7,722	8,533	10.5%
Household Goods	3,138	3,513	12.0%
Clothing, Footwear and Accessories	1,474	1,397	-5.2%
Department Stores	1,050	1,037	-1.2%
Other Retailing	2,690	2,768	2.9%
Hospitality	2,657	2,214	-16.7%
National	18,731	19,455	3.9%

Source: Australian Retailers Association/ Roy Morgan. These forecasts are for the seasonally adjusted spending during the post-Christmas period of December 26, 2020 – January 15, 2021.

Predicted Retail Spending Growth by State & Territory (2019 cf. 2020)

State/Territory	2019 Post-Xmas sales (\$m)	2020 Post-Xmas sales forecast (\$m)	Forecast growth
New South Wales	5,884	6,140	4.4%
Victoria	4,923	4,925	0.0%
Queensland	3,821	4,122	7.9%
Western Australia	1,978	2,049	3.6%
South Australia	1,209	1,252	3.5%
Tasmania	392	419	7.0%
Australian Capital Territory	347	367	5.6%
Northern Territory	177	183	3.1%
National	18,731	19,455	3.9%

Source: Australian Retailers Association/ Roy Morgan. These forecasts are for the seasonally adjusted spending during the post-Christmas period of December 26, 2020 – January 15, 2021.

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About us: founded in 1903, the Australian Retailers Association is Australia’s largest retail association, representing a \$340bn sector employing more than 1.2m people. As Australia’s premier retail body, the ARA works to ensure retail success by informing, protecting, advocating, educating and saving money for its 7,500 independent and national retail members. To learn more, visit www.retail.org.au or call 1300 368 041

