

Media Release – 16 December 2019

ARA/ROY MORGAN POST-CHRISTMAS PREDICTIONS: QUIETER TIMES AHEAD OF 2020 REBOUND

The Executive Director of the Australian Retailers Association, Russell Zimmerman, said ARA/Roy Morgan Research forecasts for post-Christmas retail trade suggested quieter trade to round out the holiday period, but said all indicators suggested the struggling retail sector was poised to rebound sharply during 2020.

Speaking at the release of joint ARA/Roy Morgan post-Christmas predictions for the period 26 December to 15 January, Mr Zimmerman said Australians will spend almost \$19bn from Boxing Day to 15 January, and that whilst this represented mild growth on the previous year there were signs retail may be poised for a rebound.

“These figures suggest quieter post-Christmas retail trade than we would have hoped,” Mr Zimmerman said.

“That said, there are some positives here, and reason to think the sector is poised to rebound in 2020,” he added.

Mr Zimmerman said the ARA/Roy Morgan forecast of 2.3% retail sales growth from the equivalent period in 2018-19 capped off a difficult year for the retail sector, but came as external factors contrived to create better conditions in 2020.

“Sales of household goods, clothing, footwear and accessories, and department store trade, are all forecast to be stronger this year than the corresponding period last year, which suggests people may be waiting for sales,” Mr Zimmerman said.

“We’ve also just come through a period that has included Singles’ Day, Click Frenzy, Black Friday and Cyber Monday in quick succession, so the heavy traffic these events generated are likely to dampen post-Christmas demand,” he said.

Across the states and territories, Tasmania (4.5%) and Queensland (3.8%) led predicted post-Christmas retail sales growth, and Mr Zimmerman noted retail trade was set to grow in all states and territories across the forecast period.

“While it may be quieter than last year, we still expect to see all states do better than 2018-19, which is pleasing,” he said.

Mr Zimmerman said OECD forecasting suggested Australia’s economy was poised to grow more strongly in 2020 than almost all comparable Western countries, including the USA, Britain, Canada, France, Italy, Germany and Japan.

“With expected improvement in Australia’s GDP growth next year – combined with stimuli including tax cuts, interest rate cuts and minimum wage rises, which are yet to really be felt – we expect a better year for retailers in 2020,” he said.

Mr Zimmerman said the traditional Boxing Day “stampede” was a great time for consumers to find retail bargains, and said he hoped Australians would support local retailers as they enjoyed some shopping time over the rest of the summer break.

“We wish all retailers – and all Australians – a safe and prosperous 2020, and wish everyone the best for the New Year.”

Mr Zimmerman said annual ARA/Roy Morgan post-Christmas forecasts were the only professionally researched industry predictions in Australia, and said today’s forecasts offered a comprehensive preview of retail trade after Boxing Day.

ARA/Roy Morgan Post-Christmas Sales Predictions – 26 December 2019-15 January 2020

Forecast 2019-2020 Post-Christmas Sales Growth, by Category

Category	2018 Post-Xmas sales (\$m)	2019 Post-Xmas sales forecast (\$m)	Forecast growth
Food	7,515	7,727	2.8%
Household Goods	3,073	3,094	0.7%
Clothing, Footwear and Accessories	1,422	1,470	3.4%
Department Stores	1,038	1,048	1.0%
Other Retailing	2,636	2,712	2.9%
Hospitality	2,612	2,670	2.2%
National	18,296	18,721	2.3%

[ARA/ROY MORGAN]

Forecast 2019-2020 Post-Christmas Sales Growth, by State

State/Territory	2018 Post-Xmas sales (\$m)	2019 Post-Xmas sales forecast (\$m)	Forecast growth
New South Wales	5,865	5,947	1.4%
Victoria	4,779	4,882	2.2%
Queensland	3,644	3,782	3.8%
South Australia	1,194	1,224	2.5%
Western Australia	1,934	1,974	2.1%
Tasmania	369	386	4.5%
Northern Territory	173	175	1.3%
Australian Capital Territory	338	351	3.7%
National	18,296	18,721	2.3%

[ARA/ROY MORGAN]

For more Christmas predictions, visit www.australian-retailers-association.com/christmas-predictions

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About us: founded in 1903, the Australian Retailers Association is Australia's largest retail association, representing a \$325bn sector employing more than 1.3m people. As Australia's premier retail body, the ARA works to ensure retail success by informing, protecting, educating, advocating and saving money for its 9,500 independent and national retail members. To learn more, visit www.retail.org.au or call 1300 368 041.