



Friday, 15 November 2018

2019 Christmas retail sales to grow 2.6% to \$52.7 billion

Roy Morgan's annual Christmas retail sales forecasts conducted in conjunction with the Australian Retailers Association (ARA) indicate Australians will spend over \$52.7 billion across retail stores during the Christmas trading period.

Forecast retail spending this Christmas of over \$52.7 billion is an increase of 2.6% from the \$51.4 billion of retail expenditure during the 2018 Christmas trading period.

Growth in retail expenditure is predicted across all six categories measured with spending on Food expected to grow by 3.2% from a year ago to nearly \$21.7 billion. Also set to grow strongly will be Apparel including clothing, footwear and accessories up 3% to almost \$4.2 billion.

Hospitality businesses are forecast to grow by 2.3% to an expenditure of well over \$7.4 billion and an impressive \$8.8 billion is expected to be spent on Household Goods this Christmas, an increase of 0.6% from a year ago. Department stores are set to experience slower growth than other categories, up by 0.5%, to overall spending of almost \$3 billion.

The category combining 'Other retailing' which includes online retailing is predicted to experience the fastest growth of all, up by 3.7% to spending of over \$7.6 billion.

Predicted Retail Spending Growth by Category (2018 cf. 2019)

Category	2018 pre-Xmas Actual Results (\$mil)	Roy Morgan 2019 forecast pre-Xmas sales (\$mil)	Roy Morgan predicted sales growth
Food	20,996	21,678	3.2%
Household goods	8,750	8,801	0.6%
Hospitality	7,284	7,451	2.3%
Apparel: clothing, footwear etc.	4,051	4,174	3.0%
Department stores	2,960	2,975	0.5%
Other retailing	7,373	7,649	3.7%
National	51,414	52,728	2.6%

Retail sales forecast to grow most strongly in Queensland, Victoria and Tasmania

Analysis of Roy Morgan's pre-Christmas retail forecasts by State and Territory shows growth is expected across the nation led by Queensland, up by 3.6% to over \$10.6 billion.

Christmas retail spending is also forecast to grow strongly in Victoria, up by 3% to over \$13.8 billion and Tasmania up by 2.3% to \$1.06 billion. Australia's largest State of New South Wales is forecast to have Christmas retail spending of nearly \$16.8 billion, an increase of 2% with a similar level of growth expected in South Australia, up 2.1% to \$3.4 billion.

Forecast Christmas retail spending in Western Australia is predicted to increase by 1.7% to over \$5.5 billion while there are also increases predicted for both the ACT and NT.

Predicted Retail Spending Growth by State & Territory (2018 cf. 2019)

State or Territory	2018 pre-Xmas Actual Results (\$mil)	Roy Morgan 2019 forecast pre-Xmas sales (\$mil)	Roy Morgan predicted sales growth
NSW	16,449	16,782	2.0%
Victoria	13,443	13,844	3.0%
Queensland	10,257	10,624	3.6%
WA	5,432	5,524	1.7%
SA	3,350	3,420	2.1%
Tasmania	1,036	1,060	2.3%
ACT	959	984	2.6%
NT	488	490	0.4%

National	51,414	52,728	2.6%
----------	--------	--------	------

Michele Levine, Chief Executive Officer, Roy Morgan, says:

"The annual ARA/Roy Morgan Christmas retail spending forecasts predict a spending increase of 2.6% in 2019 to over \$52.7 billion in the important pre-Christmas retail period. This is slightly below the 2.8% growth of a year ago although remains well above the current [ABS Inflation rate of 1.7%](#)."

"Growth is predicted across all retail spending categories led by Food which is expected to increase 3.2% to \$21.7 billion. The Food category comprises over 40% of all pre-Christmas retail spending. Other spending categories expected to grow above the inflation rate include Apparel – clothing, footwear and accessories (+3%), Hospitality (+2.3%) and Other retailing – which includes online spending (+3.7%)."

"The small drop in growth from a year ago is in line with other indicators such as the [ANZ-Roy Morgan Consumer Confidence Index which is now at 111.1](#) and has averaged 112.0 since early September. This is about 5 points down on a year ago when the [index averaged 117.4 in the pre-Christmas period of 2018](#)."

"On a State-by-State basis growth is expected to be strongest in Queensland (+3.6%) and Victoria (+3%), but there is also above inflation level growth forecast for Tasmania (+2.3%), SA (+2.1%), NSW (+2%) and the ACT (+2.6%)."

"The pre-Christmas retail period has begun this year with many parts of Australia, particularly in New South Wales and Queensland, facing devastating bushfires and uncertainty about how long these conditions will persist. We recognise that the ongoing threat of bushfires introduces a significant degree of unpredictability to these forecasts and we want to send our goodwill and prayers to everyone impacted by this natural disaster for a safe and happy Christmas and New Year period."

Roy Morgan Enquiries

Office: +61 (3) 9224 5309

askroymorgan@roymorgan.com

The Executive Director of the Australian Retailers Association, Russell Zimmerman, said ARA/Roy Morgan forecasts for pre-Christmas retail trade offered some cheer for a sector that has struggled in 2019 but acknowledged this came as much of Australia faced risks of natural disaster and a bleak Christmas indeed.

Speaking at the release of annual joint ARA/Roy Morgan pre-Christmas predictions for 2019 – covering 12 November to 24 December – Mr Zimmerman said Australians will spend almost \$53bn before Christmas, but emphasised this was predicated on the regions "getting lucky" by avoiding bushfires or other natural disasters.

"We live in the best country on Earth, but that comes with some terrible drawbacks; one of those is summer disasters – fires, cyclones, floods – that sadly afflict some parts of the country," Mr Zimmerman said.

"The ARA is expecting a solid if unspectacular retail trade as Christmas approaches," he added.

Mr Zimmerman said the ARA/Roy Morgan forecast of 2.6% retail sales growth from the equivalent period in 2018 reflected the difficult year the sector has faced in 2019 but offered retailers some cheer and the prospect of better times in 2020.

"While the headline figure is down on 2018, it's better than we've seen in recent months," Mr Zimmerman said.

"Sales of food are tipped to be very strong, at over \$21bn; whether it's a cold seafood buffet or a roast turkey with the trimmings, Australians love their Christmas lunch or dinner, and these figures show 2019 will be no different," he said.

For a PDF of the full press release of the Australian Retailers Association and ARA Executive Director Russell Zimmerman – [click here](#).

For interview opportunities with ARA Executive Director Russell Zimmerman call the ARA Media Team on 0439 612 556 or email media@retail.org.au.

About Roy Morgan

Roy Morgan is Australia's largest independent Australian research company, with offices in each state, as well as in the U.S. and U.K. A full-service research organisation, Roy Morgan has over 75 years' experience collecting objective, independent information on consumers.

About the Australian Retailers Association

Founded in 1903, the Australian Retailers Association (ARA) is Australia's largest retail association, representing the country's \$325 billion sector, which employs more than 1.3 million people. As Australia's leading retail peak industry 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 throughout Australia. For more information, visit www.retail.org.au or call 1300 368 041.