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Retail Trade Survey: May 2008

Highlights

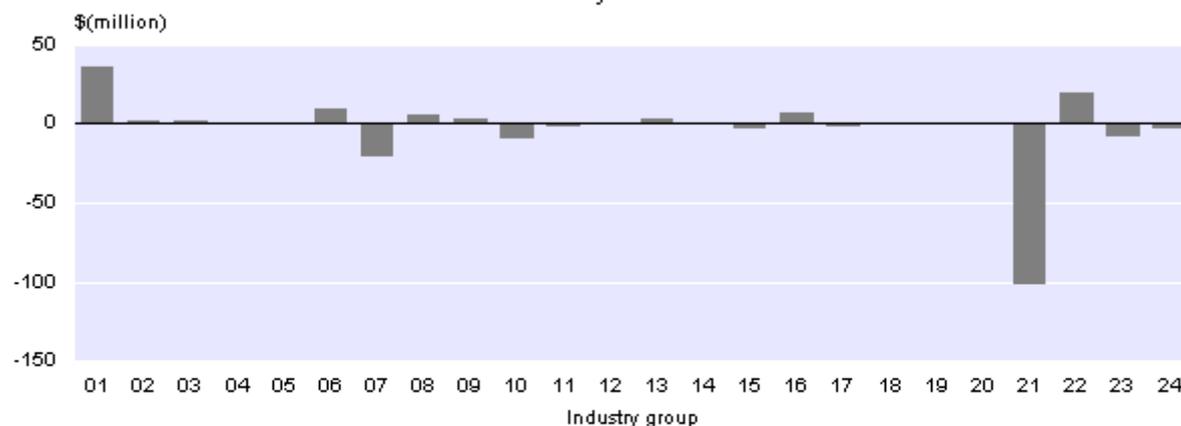
For May 2008 compared with April 2008 (on a seasonally adjusted basis):

- Total retail sales fell 1.2 percent (\$69 million).
- Core retail sales rose 0.7 percent (\$27 million).
- Motor vehicle retailing fell 14.8 percent (\$102 million).
- Fourteen of the 24 industries had modest sales movements, not increasing or decreasing more than \$3 million.

The total retail sales trend has flattened since December 2007.

Retail Industry Contributions to the Change in Seasonally Adjusted Sales

Change from previous month
May 2008



01 Supermarket and grocery stores	09 Appliance retailing	17 Bars and clubs
02 Fresh produce retailing	10 Recreational goods retailing	18 Cafes and restaurants
03 Liquor retailing	11 Clothing and softgoods retailing	19 Personal and household goods hiring
04 Other food retailing	12 Footwear retailing	20 Other personal services
05 Takeaway food retailing	13 Chemist retailing	21 Motor vehicle retailing
06 Department stores	14 Household equipment repair services	22 Automotive fuel retailing
07 Furniture and floor coverings	15 Other retailing	23 Auto electrical, smash repair, tyres
08 Hardware retailing	16 Accommodation	24 Automotive repair and services nec

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Commentary

All references to sales movements are to seasonally adjusted series unless otherwise stated.

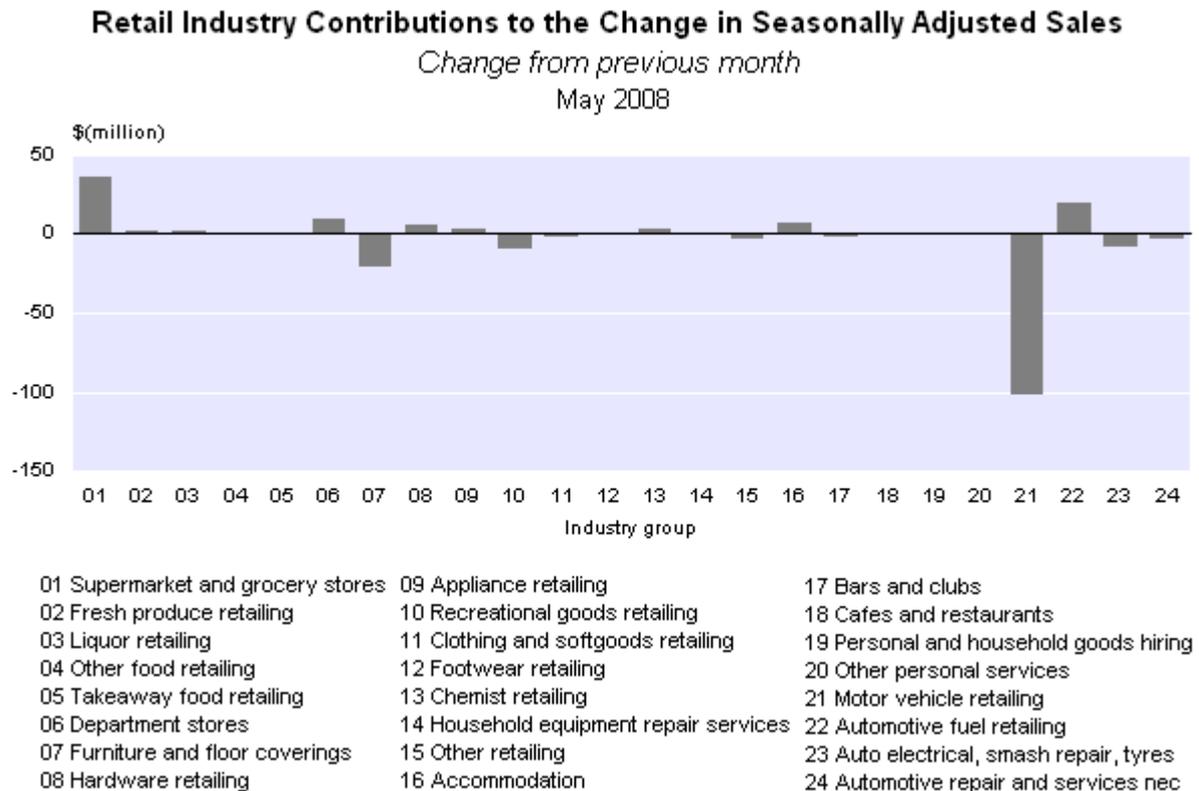
May 2008

Total retail sales fell 1.2 percent (\$69 million) in May 2008, following a 1.2 percent rise (\$64 million) in April 2008. This was the largest percentage decrease recorded since February 2004, when sales fell 1.9 percent. However, core retail sales (which excludes the vehicle-related industries) rose 0.7 percent (\$27 million) in May 2008.

The decrease in total sales was led by motor vehicle retailing (which due to its large size and volatility can strongly influence the total sales movement), down 14.8 percent (\$102 million) in May 2008. Furniture and floor coverings followed with a fall of 15.6 percent (\$21 million).

Supermarket and grocery stores increased 3.0 percent (\$35 million) in May 2008 after having decreased 3.5 percent (\$42 million) in April 2008. This was the largest increase among the industries this month, followed by automotive fuel retailing, up 3.2 percent (\$19 million).

Fourteen of the 24 industries had modest sales movements, not increasing or decreasing more than \$3 million.



Sales trend

The total retail sales trend, which had been rising since May 1998 at an average rate of 0.5 percent per month, has flattened since December 2007.

The core retail sales trend, which had increased 0.4 percent on average per month since the beginning of the series in May 1995, has eased in the past year.

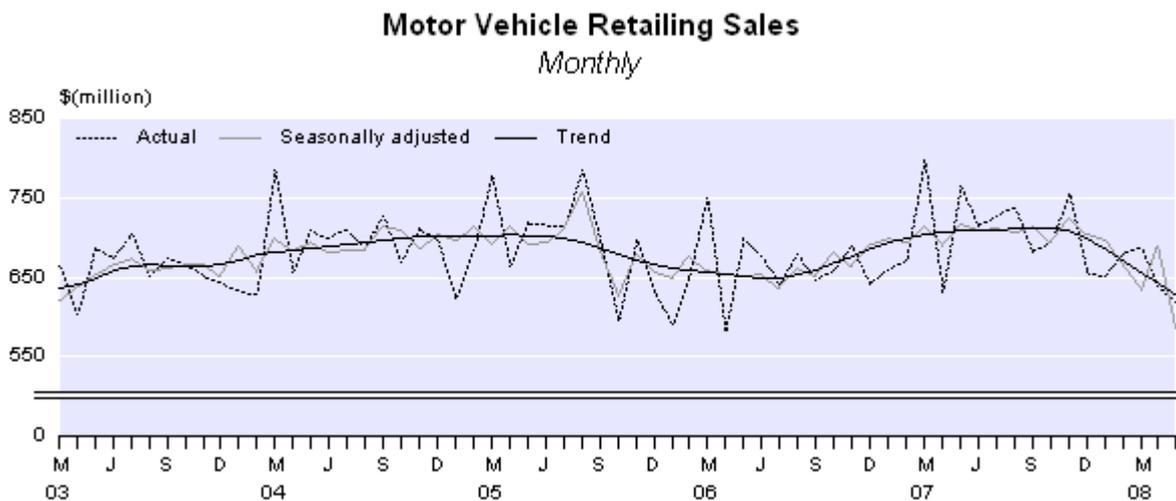


Motor vehicle retailing

Motor vehicle retailing fell 14.8 percent (\$102 million) in May 2008. This followed a rise of 8.5 percent in April 2008 and a fall of 4.6 percent in both February and March 2008.

The motor vehicle industry has a strong influence on the total sales movement due to its large size and volatility.

The sales trend for motor vehicle retailing has fallen 11.6 percent since September 2007, following an increase of 9.7 percent between July 2006 and September 2007.



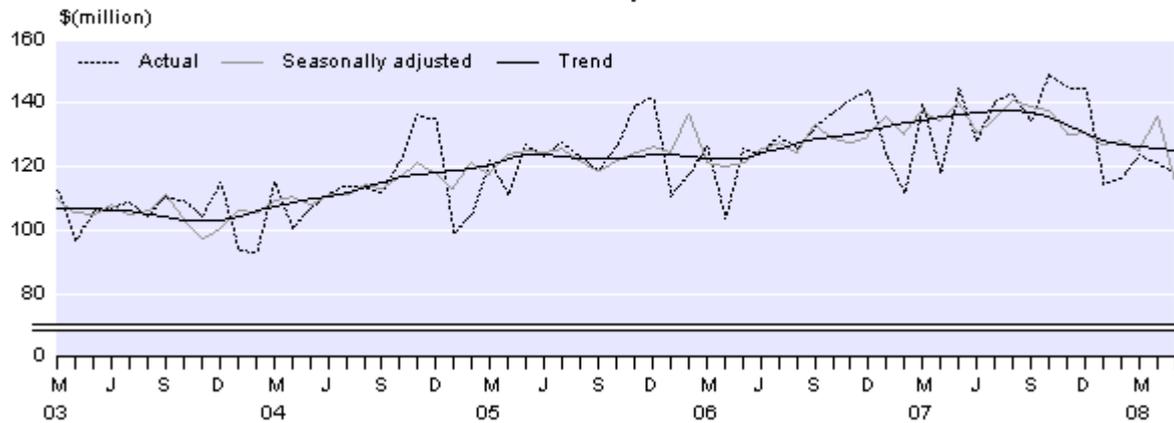
Furniture and floor coverings

Furniture and floor coverings fell 15.6 percent (\$21 million) in May 2008 after rising 8.4 percent (\$11 million) in April 2008.

Since August 2007, the sales trend has fallen 8.9 percent, following an increase of 12.6 percent between April 2006 and August 2007.

Furniture and Floor Covering Sales

Monthly



Automotive fuel retailing

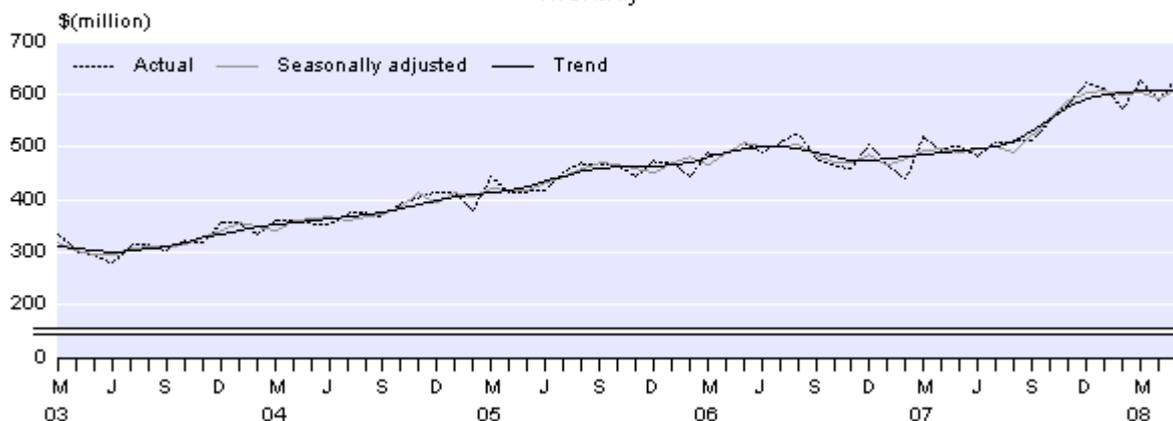
Automotive fuel retailing increased 3.2 percent (\$19 million) in May 2008 after falling 1.9 percent in April 2008.

Fuel prices had increased in the month of May 2008.

While the sales trend rose at an average of 2.6 percent per month between October 2007 and February 2008, it has flattened since then.

Automotive Fuel Retailing Sales

Monthly



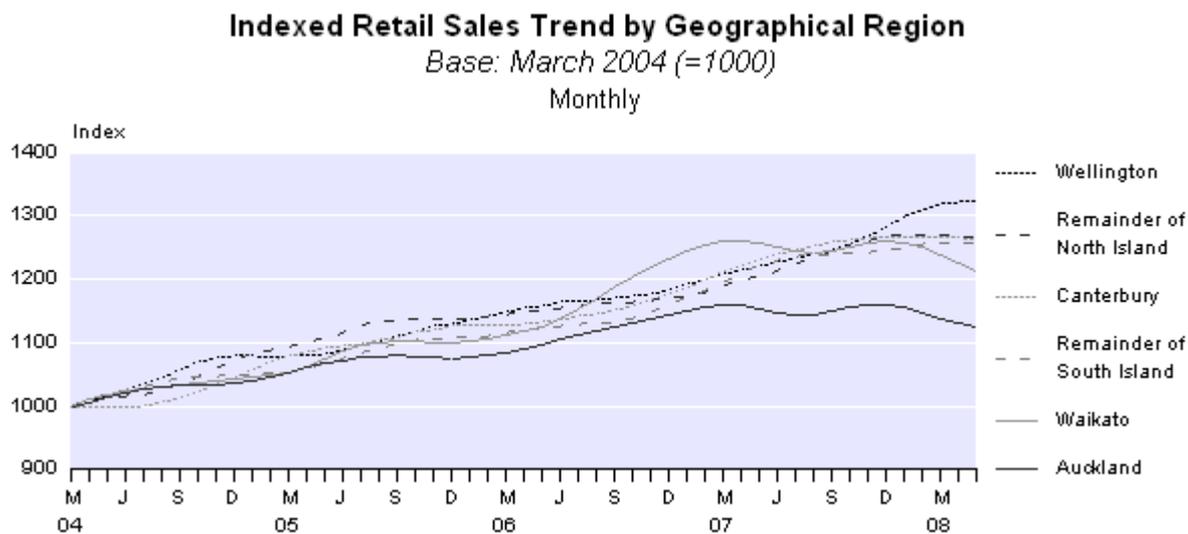
Regional estimates

Of the six regions, four recorded sales decreases in May 2008.

Canterbury had the largest fall, down 3.5 percent (\$26 million). In April 2008, this region had had the largest increase among the regions, up 6.8 percent (\$46 million). The sales trend for Canterbury has been flat since November 2007.

Sales also fell in Auckland, down 1.4 percent (\$24 million); the Waikato, down 2.8 percent (\$14 million); and Wellington, down 0.9 percent (\$6 million).

The North Island has fallen an average of 0.3 percent per month since December 2007. This was preceded by an average rise of 0.4 percent per month between July and December 2007. The trend for the South Island has flattened to an average rise of 0.1 percent per month in recent months.



Note: The trend series in the graph above have been indexed to a base: March 2004 (=1000) for the purpose of comparing regional trends over four years.

Revisions

There were no revisions to the Retail Trade Survey in the May 2008 month.

Comparison statistics

For May 2008 compared with April 2008:

- The Food Price Index rose 1.0 percent.
- New registrations of cars and station wagons (including cars previously registered overseas) fell 1.9 percent.
- Seasonally adjusted short-term overseas visitor arrivals rose 9.4 percent.
- The seasonally adjusted value of the retail Electronic Card Transaction (ECT) series rose 1.2 percent, and the seasonally adjusted value of the core retail ECT series rose 1.5 percent.

Long-term comparison:

- Credit card billings in New Zealand (including spending using New Zealand and overseas-issued cards) were up 0.8 percent compared with May 2007.

Other:

- The Reserve Bank of New Zealand's Official Cash Rate remained at 8.25 percent throughout May 2008.

Measurement errors

All statistical estimates are subject to measurement errors. These include both sample errors and non-sample errors. In addition, the survey applies imputation methodologies to cope with small firms and non-response. These measurement errors should be considered when analysing the results from the survey. For more information on measurement errors, please refer to the technical notes of this release.

Sample errors

The postal survey was designed to give statistics at the following levels of accuracy (at the 95 percent confidence interval limit):

- 2 percent for sales at the total national retail trade level
- 10 percent for sales at the published national retail industry level.

This means, for example, that there is a 95 percent chance that the true value of total retail trade sales lies within 2 percent of the published estimate.

At the industry level, the following sample errors occurred in the May 2008 month (at the 95 percent confidence interval limit):

Retail Trade Survey: May 2008 Month Sample Errors by Industry <i>At the 95 percent confidence interval limit</i>		
Retail industry	Level (relative percent)	Movement (absolute percent)
Supermarket and grocery stores	5.1	0.1
Fresh meat, fish, poultry, fruit and vegetables	7.3	3.1
Liquor retailing	8.8	2.1
Other food retailing	10.5	6.9
Takeaway food retailing	5.7	2.9
Department stores	0.0	0.0
Furniture and floor coverings	8.4	5.4
Hardware	6.6	1.9
Appliance retailing	7.9	2.5
Recreational goods	7.1	4.6
Clothing and softgoods	4.6	5.2
Footwear	9.6	1.6
Chemist	5.8	2.1
Household equipment repair services	14.4	3.8
Other retailing	8.3	6.9
Motor vehicle retailing	7.3	4.4

Automotive fuel retailing	4.4	0.6
Automotive electrical services, smash repairing, tyre retailing	6.4	4.5
Automotive repair and services nec	8.2	5.9
Accommodation	4.8	2.4
Bars and clubs	9.4	5.2
4.3 Cafes and restaurants	6.1	3.2
Personal and household goods hiring	11.6	2.7
Other personal services	5.8	2.3
Total retail trade	1.7	1.6
Note: nec = not elsewhere classified		

Industries with zero sample error are full-coverage industries. In these industries, all large firms are surveyed and all small to medium-sized firms are modelled using administrative data sourced from Inland Revenue.

Retail Trade Survey: May 2008 Month Sample Errors by Region <i>At the 95 percent confidence interval limit</i>		
Region	Level (relative percent)	Movement (absolute percent)
Auckland	3.4	1.5
Waikato	8.5	2.7
Wellington	9.5	1.8
Remainder of the North Island	6.4	2.1
Canterbury	6.5	3.6
Remainder of the South Island	7.1	2.4

Imputation

Small firms

Small to medium-sized firms are generally not surveyed. Their variables are instead modelled from administrative data (GST) sourced from Inland Revenue. Ratios calculated from the postal sample units are applied to the administrative data to provide an estimate of their variables.

Non-response imputation

Although every attempt is made to achieve a 100 percent response rate, in practice this does not occur. Values for non-responding businesses are estimated by a number of methods, including:

- regression imputation
- historic imputation
- mean imputation.

Regression imputation involves estimating sales from the unit's administrative data (GST sales) based on the relationship shown by similar businesses. Historic imputation involves multiplying their response in the previous period by a non-response factor. The non-response factor is the average movement of similar businesses over the month. Mean imputation involves estimating a value for a unit by using the average value for a set of similar businesses.

Postal response rate

The response rate describes the proportion of geographic units that provided survey responses. Note that the calculation of this response rate relates only to data for the postal sample. The Retail Trade Survey has a target response rate of 85 percent. The response rate achieved for the May 2008 survey was 93 percent.

The table below indicates the percentage of sales imputed in the May 2008 month:

Sales Imputed in the May 2008 Month		
Retail industry	Tax modelled	Non-response
	Percentage of sales	
Supermarket and grocery stores	6.4	2.4
Fresh meat, fish, poultry, fruit and vegetables	9.2	14.2
Liquor retailing	11.8	13.8
Other food retailing	12.1	10.6
Takeaway food retailing	8.5	13.9
Department stores	0.0	0.0
Furniture and floor coverings	10.4	9.2
Hardware	6.2	3.6
Appliance retailing	8.1	2.1
Recreational goods	10.3	12.7
Clothing and softgoods	10.1	5.2
Footwear	8.3	6.1
Chemist	5.5	9.0
Household equipment repair services	10.9	7.7
Other retailing	12.2	10.6
Motor vehicle retailing	9.6	4.8
Automotive fuel retailing	3.6	2.3
Automotive electrical services, smash repairing, tyre retailing	10.6	10.1

Automotive repair and services, nec	12.8	14.2
Accommodation	10.3	15.2
Bars and clubs	11.3	11.3
Cafes and restaurants	10.8	13.3
Personal and household goods hiring	11.4	12.8
Other personal services	15.6	13.9
Total retail trade	8.0	6.5

Note: nec = not elsewhere classified

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Next release ...

Retail Trade Survey: June 2008 quarter will be released on 15 August 2008.

Technical notes

Background to the survey

The Retail Trade Survey (RTS) is designed to provide short-term economic indicators of the retail trade sector. In addition, the data is used for the compilation of the retail trade sector component of quarterly national accounts (on the production side) and in the compilation of household consumption expenditure (on the expenditure side). The survey was last redesigned for the September 2003 quarter. For more details about the redesign refer to *Retail Trade Survey – Redesign: September 2003* and the *Retail Trade Survey – Survey design information paper*.

Population

The target population for this survey is all geographic units (GEOs) operating in New Zealand that are classified on Statistics New Zealand's Business Frame to the Australian and New Zealand Standard Industrial Classifications (ANZSIC) below:

- Retail Trade (ANZSIC division G)
- Accommodation, Cafes and Restaurants (ANZSIC division H)
- Personal Services (ANZSIC subdivision 95 of division Q).

Only enterprises with a turnover of \$30,000 or more are eligible for selection.

Industry descriptions

A geographic unit is included in an industry based on its predominant activity in terms of sales. For example, a footwear store will sell shoes and boots, but it may also sell bags and other accessories. The store will be classified to the footwear industry if most of its sales income comes from the sale of shoes and boots. The 24 industries are defined as follows:

Retail Trade Survey Industry Descriptions	
Industry	ANZSIC code
G0111 Supermarket and grocery stores	G511010 Supermarkets
	G511020 Groceries and dairies
G0121 Fresh meat, fish, poultry, fruit and vegetable retailing	G512100 Fresh meat, fish and poultry retailing
	G512200 Fruit and vegetable retailing
G0122 Liquor retailing	G512300 Liquor retailing
G0123 Other food retailing	G512400 Bread and cake retailing
	G512600 Milk vending
	G512900 Specialised food retailing nec

Industry	ANZSIC code
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G0124 Takeaway food retailing	G512510 Fish and chips, hamburger and ethnic food, takeaway stores
	G512520 Chicken takeaway stores
	G512530 Ice-cream parlours and mobile ice-cream vendors
	G512540 Pizza takeaway stores
	G512590 Other takeaway food stores (including sandwiches and savouries) nec
G0131 Department stores	G521000 Department stores
G0141 Furniture and floor coverings retailing	G523100 Furniture retailing
	G523200 Floor covering retailing
G0142 Hardware retailing	G523300 Domestic hardware and houseware retailing
G0143 Appliance retailing	G523400 Domestic appliance retailing
	G523500 Recorded music retailing
G0144 Recreational goods retailing	G524100 Sport and camping equipment retailing
	G524200 Toy and game retailing
	G524300 Newspaper, book and stationery retailing
	G524400 Photographic equipment retailing
	G524500 Marine equipment retailing
G0151 Clothing and softgoods retailing	G522100 Clothing retailing
	G522300 Fabrics and other soft good retailing
G0152 Footwear retailing	G522200 Footwear retailing
G0153 Chemist retailing	G525100 Pharmaceutical, cosmetic and toiletry retailing
G0154 Household equipment repair services	G526100 Household equipment repair services (electrical)
	G526900 Household equipment repair services nec
G0159 Other retailing	G525200 Antique and used good retailing
	G525300 Garden supplies retailing
	G525400 Flower retailing
	G525500 Watch and jewellery retailing
	G525900 Retailing nec
Industry	ANZSIC code

G0161 Motor vehicle retailing	G531100 Car retailing
	G531200 Motor cycle dealing
	G531300 Trailer and caravan dealing
G0162 Automotive fuel retailing	G532100 Automotive fuel retailing
G0163 Automotive electrical services, smash repairing and tyre retailing	G532200 Automotive electrical services
	G532300 Smash repairing
	G532400 Tyre retailing
G0164 Automotive repair and services nec	G532900 Automotive repair and services nec
H0111 Accommodation	H571010 Hotels (accommodation)
	H571020 Motels and motor inns
	H571030 Hosted accommodation
	H571040 Backpacker and youth hostels
	H571050 Caravan parks and camping grounds
	H571090 Accommodation nec
H0121 Bars and clubs	H572000 Pubs, taverns and bars
	H574000 Clubs (hospitality)
H0122 Cafes and restaurants	H573000 Cafes and restaurants
Q0111 Personal and household goods hiring	Q951100 Video hire outlets
	Q951900 Personal and household goods hiring nec
Q0112 Other personal services	Q952100 Laundries and dry-cleaners
	Q952200 Photographic film processing
	Q952300 Photographic studios
	Q952400 Funeral directors, crematoria and cemeteries
	Q952500 Gardening services
	Q952600 Hairdressing and beauty salons
	Q952900 Personal services nec
Note: nec = not elsewhere classified	

Sample design

The survey population is stratified according to:

- industries defined by the ANZSIC-based ANZIND classification at the inter-industry level
- size (in terms of rolling-mean employment)
- turnover (annualised GST sales).

Each ANZIND inter-industry contains between two and four substrata. Because of the contribution that large units make to the economic activity within each industry, they are all included in the sample. A portion of the remaining medium to large units is also included in the sample. In addition, small to medium-sized businesses have their data modelled from administrative data (GST) sourced from Inland Revenue. The Inland Revenue data have been forecast two to three months ahead. All retailing GEOs belonging to a selected 'enterprise' are included.

There are approximately 70,000 retail outlets in New Zealand. Around 3,500 enterprises (between 9,000 and 10,000 GEOs) have been selected in the RTS postal sample. The postal sample is supplemented by GST data representing smaller retailers, approximately 36,200 enterprises (36,600 GEOs).

Sample maintenance

Sample maintenance is the process that maintains the sample over time, to reflect births, deaths and other structural changes identified on the Business Frame. The information for Business Frame changes can be from a variety of sources, including GST registrations and respondent contact.

New enterprises are identified when they register for GST. Once a month, the new enterprises are selected into the sample using the same criteria as for the original sample. These are referred to as births. When an enterprise ceases trading, its retailing GEOs are removed from the survey. These are referred to as deaths.

Enterprises can also enter or leave the survey sample if they are reclassified to a different industry. Reclassifications occur when an enterprise changes its main form of activity (eg from wholesale trade to retailing). These are usually identified in the Annual Frame Update Survey (AFUS) conducted in February of each year.

Sample reselection

The sample for the RTS is reselected each month to ensure the sample reflects changes occurring in the retailing population.

Measurement errors

Errors in the survey are divided into two classes:

Non-sampling error

Non-sampling error includes errors arising from biases in the patterns of response and non-response, inaccuracies in reporting by respondents, and errors in the recording and coding of data. The size of these errors is difficult to quantify. Statistics may be revised if significant errors are detected in subsequent quarters.

Sampling error

Sampling error is a measure of the variability that occurs by chance because a sample, rather than an entire population, is surveyed.

Definitions

ANZSIC

Australian and New Zealand Standard Industrial Classification system.

ANZIND

An ANZSIC-based classification used to group industries for publication.

Business Frame

A register of all economically significant businesses operating in New Zealand. The population of the RTS is drawn from the Business Frame.

Enterprise

A business entity operating in New Zealand, either as a legally constituted body such as a company, partnership, trust, local or central government trading organisation, or a self-employed individual.

Geographic unit

A geographic unit is a subdivision of an enterprise. It is a separate operating unit engaged in New Zealand in one, or predominantly one, kind of economic activity from a single physical location or base.

Seasonally adjusted series

The X-12-ARIMA package has been used to produce the seasonally adjusted estimates and trend estimates for sales in all subdivisions. Seasonal adjustment aims to eliminate the impact of regular seasonal events (such as annual cycles in agricultural production, winter, or annual holidays) on time series. This makes the data for adjacent months more comparable.

All seasonally adjusted figures are subject to revision each month. This enables the seasonal component to be better estimated and removed from the series.

Estimated trend

For any series, the survey estimates can be broken down into three components: trend, seasonal and irregular. While seasonally adjusted series have had the seasonal component removed, trend series have had both the seasonal and the irregular components removed. Trend estimates reveal

the underlying direction of movement in a series, and are likely to indicate turning points more accurately than are seasonally adjusted estimates.

The trend series are calculated using the X-12-ARIMA seasonal adjustment package. They are based on a five-term or a seven-term moving average of the seasonally adjusted series, with an adjustment for outlying values.

Trend estimates towards the end of the series incorporate new data as they become available and can therefore change as more observations are added to the series. Revisions can be particularly large if an observation is treated as an outlier in one month, but is found to be part of the underlying trend as further observations are added to the series. Typically, only the estimates for the most recent month will be subject to substantial revisions.

Regional estimates

In the October 2003 month, the RTS sample of geographic units changed. Data prior to the October 2003 month is an analytical back series, which has been derived to preserve industry movements at the national level. However, previously published regional movements may not have been preserved. Care should be taken when interpreting movements of regional series around the period of the redesign.

More information

For more information, follow the [link](#) from the technical notes of this release on the Statistics NZ website.

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Tables

The following tables are printed with this Hot Off The Press and can also be downloaded from the Statistics New Zealand website in Excel format. If you do not have access to Excel, you may use the [Excel file viewer](#) to view, print and export the contents of the file.

1. Actual retail sales by month, by industry
2. Seasonally adjusted retail sales by month, by industry
3. Retail sales trend by month, by industry
4. Actual retail sales by geographical region
5. Actual retail sales by geographical region, excluding motor vehicle retailing
6. Seasonally adjusted retail sales by geographical region
7. Retail sales trend by geographical region