

MEDIA RELEASE

INDEX PREDICTS STEADY RETAIL SALES GROWTH Q4 2018

CHEP Retail Index: A lead indicator of Australian Bureau of Statistics retail trade data, based on transactional data from CHEP pallet movements.

29 October 2018 - Sydney Australia - Figures published in the latest edition of the quarterly **CHEP Retail Index**, which uses transactional data from CHEP pallet movements to provide a lead indicator of Australian Bureau of Statistics retail trade data, predicts year-on-year retail sales growth to continue in the December quarter.

Retail turnover continues to expand at a steady rate heading into the final quarter of 2018, despite difficult financial conditions for households, as consumers draw down on savings to support spending activity. Households can only continue to draw on savings to support spending activity for so long, with the outlook for spending contingent on stronger wage growth. The labour market is tightening, as business continues to feel confident enough about conditions to add to their permanent staffing levels and this is supporting consumer confidence. A higher trend in pallet movements suggests retailers' are confident about conditions heading into the Christmas period and expect spending to strengthen heading into the last quarter of 2018.

Index: Key figures

- 3.6% year-on-year retail growth for November 2018
- Turnover of \$27.1billion in November 2018, with year-on-year growth for the month of November increasing to 3.6%
- On a quarterly basis, 3.4% year-on-year growth for the September quarter and increasing to 3.9% for the December quarter.

Providing commentary on the Index, David Rumbens, partner at Deloitte Access Economics, comments that, "buoyant retail conditions in 2018 have been supported by a rundown of household savings, along with solid employment growth. Retailers are showing some confidence that this rate of spending will be maintained through the crucial Christmas period.

Country General Manager of CHEP Australia, Todd Montgomerie, said: "We continue to collaborate with our retail customers to support their physical and online markets, and to continue to identify and drive sustainable efficiencies in the supply chain.

The CHEP Retail Index analysis and commentary is provided by Deloitte. It is recognised as a reliable lead indicator of Australian Bureau of Statistics retail trade data. To access the October 2018 Index and previous editions of the Index, please [click here](#).

MORE INFORMATION:

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