



National Retail Association

MEDIA STATEMENT

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Rate stability good news for retailers

The Reserve Bank has shown it is standing firm behind Australian retailers with the announcement today that rates will remain steady, bringing the industry some much-needed stability.

This is consistent with predictions that the RBA would keep rates relatively unchanged until the second half of 2011, and it also comes on the back of mixed news for retailers in January and February.

National Retail Association Executive Director Gary Black said the RBA had recognised that despite some good news in the trade figures for February, released last week, many retail categories continued to suffer and the ABS had recorded a decline in non-essential purchases across all states.

Jobs figures also released last week showed a fall of nearly more than eight per cent in full-time employment in retail between February 2008 and February 2011, further demonstrating the volatility of the industry and the need for stability.

Mr Black said in the light of the jobs and retail trade figures, today's Reserve Bank decision would give retailers the stability they need to rebuild their businesses and aim for future growth.

"Considering the situation we're still in, this is very welcome news," Mr Black said.

"What we need right now is some consistency, and thankfully that's what's we've received.

"The surge in the food category that we saw in January and February is not a long-term phenomenon and we need the time to look at the industry overall.

"This will give retailers the space to grow, and it also gives them the chance to pick themselves up and get on their feet again.

"It appears the RBA has seen what retailers need and we're very grateful they've decided to give us a fair go.

"We're hopeful this stability continues, because strength begets strength."

"We also hope that media and financial commentators will see the reasons behind this decision, and end the constant speculation about future rates rises.

"The RBA has indicated publicly it won't move on rates in the first half of this year. Speculation to the contrary is not helpful for consumer and business confidence."

Gary Black is available for interviews. Contact Malcolm Cole – 0408 612 603