



*National Retail Association*

# MEDIA STATEMENT

**November 1, 2011**

## **Retailers welcome rates relief ahead of Christmas trading period**

Retailers across Australia will be delighted by the Reserve Bank Board's decision to cut official interest rates today, the National Retail Association said.

NRA executive director Gary Black said retailers had struggled for the last two years, largely as a result of successive Melbourne Cup Day rate hikes which trashed consumer confidence ahead of the all-important Christmas period.

"Traders were desperate for a rate cut today in order to kick start consumer spending once again," Mr Black said.

"While recent months have shown a slight improvement in trading conditions, this has mostly been associated with food and groceries.

"Those traders reliant on discretionary spending have continued to struggle, and a rate cut is just what they needed to help them stay afloat.

"Traditionally around 25 per cent of their annual earnings are made in the lead up to Christmas, and store owners rely on a strong trading period to allow them to continue providing job opportunities throughout the year.

"This announcement by the RBA today will give them hope for a brighter December/January trading period, and a better 2012."

Mr Black said the conditions had been right for a rate cut, with the retail sector now experiencing widespread price deflation, and the underlying CPI for the September Quarter coming in at a record low.

"All the evidence was pointing to a strong slow-down in retail sales. We're heartened that the RBA took notice of that evidence today."

**Gary Black is available for interviews.**

**Contact CBC Group, Media and Public Affairs – (07) 3112 5250**