



*National Retail Association*

# MEDIA STATEMENT

**November 3, 2011**

## **Retail trade figures show RBA was right to cut rates**

Today's national retail trade figures show the Reserve Bank was right to cut official interest rates this week with spending still weak in discretionary areas, the National Retail Association said.

NRA executive director Gary Black said the year-on-year comparison of the September trade data showed a welcome increase of 2.81 per cent in retail spending (excluding restaurants, cafes and takeaway food).

However, while spending increased for food (5.38 per cent) and household goods (3.04 per cent) in seasonally adjusted terms, spending on clothing, footwear and personal accessories was down by 8.0 per cent, and department store spending fell 3.86 per cent. Other retail turnover was up by 5.2 per cent.

"The data continues to show that once we move away from essential spending retail trade continues to be weak," Mr Black said.

"However the data is very patchy and there is significant variation across the different retail categories.

"Food continues to dominate and there is a welcome improvement in household goods, but clothing, footwear, personal accessories and department stores are really struggling.

"These results show that the Reserve was right to cut rates on Melbourne Cup Day, and they also show that a further rate cut in December should be seriously considered.

"For many retailers between 20 and 30 per cent of total annual sales are recorded during the Christmas trading season.

"It's widely regarded as the make-or-break trading period which underpins business performance and job creation for the following year.

"Today's figures show the retail sector still has a long way to go, even after last Tuesday's welcome news."

**Gary Black is available for media interviews on 0413 046 614**