



National Retail Association

MEDIA STATEMENT

February 7, 2012

RBA denies retailers the chance to bounce back

Retailers will be looking to the Reserve Bank for an interest rate cut next month after it denied them a much needed opportunity for recovery with its decision not to cut interest rates today, Australia's largest and most diverse retail peak body said.

National Retail Association Executive Director Gary Black said the announcement to hold rates at 4.25 per cent was disappointing to retailers, particularly after this week's ABS statistics showed depressed trading conditions over the Christmas period.

"The Christmas data confirmed the continuation of the very difficult trading environment that retailers have experienced over the last two years," Mr Black said.

"This announcement by the RBA will disappoint retailers relying on a boost to consumer spending, and a better 2012. A rate cut would have been just what they needed."

Recent retail trade figures show the key discretionary categories – household goods, clothing and footwear and department stores – are struggling to get out of negative growth and trading conditions remain extremely difficult.

"To ensure Australian retailers can keep their doors open and continue to employ staff, the RBA Board must do more than just pause rates when it meets in March.

"Consumers are short of cash from rising costs of living. We need the RBA to cut rates next month to see some valuable momentum brought back for this vital Australian industry.

The National Retail Association is Australia's largest and most diverse retail association, representing large and small businesses across all areas of retail and hospitality.

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Gary Black is available for interviews.

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