



*National Retail Association*

# MEDIA STATEMENT

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## Retailers Fear Interest Rate Rise Could Kill Off More QLD Businesses

Queensland retailers fear a Melbourne Cup day interest rate hike could kill off a much needed Christmas sales bounce, following further confirmation of depressed conditions in the sector.

Figures released by the Australian Bureau of Statistics today reported businesses are failing in Queensland at a greater rate than any other state.

The Counts of Australian Business, Including Entries and Exits report reveals that 116,358 Queensland businesses that existed in June 2007 had disappeared by June 2009.

NRA executive director Gary Black said an interest rate rise next week would pile more pressure on struggling small retailers.

“An interest rate rise next week could be the straw that breaks the camel’s back for even more small retail businesses in Queensland.

“With cost of living pressures rising, increased interest rates would strip more money out of the family budget at the most important trading period of the year for retailers.

“Retail trading figures in 2010 have shown the discretionary spending by mums and dads in Queensland has been very depressed,” he said.

Mr Black said higher interest rates would further hurt the tourism sector in Queensland, which has yet to bounce back from the Global Financial Crisis.

“National retail chains report that sales particularly in southeast Queensland are struggling because tourist activity is very depressed.

“Tourists usually provide a major boost to the southeast Queensland retail sector – that simply is not happening.” he said.

Retail trade figures released by the Australian Bureau of Statistics showed annual growth in the Queensland retail sector at just 1.15%, which compares with 5.01% in New South Wales and 5.80% in Victoria.

“Last month the Reserve Bank recognised that strong results for the mining sector are not reflected in other areas – we hope they will do the same when they meet next week.”

The NRA is Australia’s largest and most representative retail organisation with more than 3000 members and affiliates located across all states and territories. Its membership includes the majority of Australia’s national retail chains and extends across the retail take-away food and fast food sectors.

**Gary Black is available for interviews. Contact Brad Burke on 0458 291 234**