



National Retail Association

MEDIA STATEMENT

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Reserve bank risks putting retail economy in reverse

The Reserve Bank risks putting the retail economy into reverse with its repeated interest rate increases, the National Retail Association warned today.

NRA Executive Director Gary Black said five interest rate rises in seven months before today had clearly diminished discretionary spending and eroded consumer confidence, contributing to a string of poor performances being reported by retailers.

“The sixth interest rate rise announced today will mean job shedding in the sector is now inevitable,” Mr Black said. “This trend is already evident in reduced casual and part time hours and decisions banning the replacement of departing employees.”

The NRA has renewed its call for a moratorium on new interest rate rises saying that ongoing speculation about rates was affecting consumer confidence and businesses’ ability to provide employment.

“The only way to end that speculation is for the RBA to state publicly an intention not to increase rates again for a period of time.”

Mr Black said while sectors of the economy such as mining were enjoying an upswing, other areas were still lagging in the economic doldrums.

“Retail is one of those sectors that are yet to see the benefits of the economic recovery that the Reserve Bank and the politicians assure us is taking place.

“At the same time, retail is one of the areas most sensitive to interest rates increases, which are designed to limit consumer spending.

“These increases won’t slow the areas of the economy that are beginning to boom again. They will impact mainly on those areas that are still struggling.

“That in turn will impact severely on the job prospects of thousands of young and often unskilled workers. These are the people who will pay the highest price for these rate rises.

“We urge the RBA to stay its hand for at least three months and wait until it has a clear picture of the impact of the last three increases before moving again on rates.”

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 Malcolm Cole on 0408 612 603

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