



National Retail Association

MEDIA STATEMENT

November 4, 2010

Retail data shows fragile recovery to be hit by interest rate rise

Today’s ABS data on retail trade has confirmed fears the latest interest rate rise will hammer the fragile recovery in the retail sector.

NRA Executive Director Gary Black said the data showed very flat conditions in the sector.

“The unjustified interest rate rise will hammer the retail sector at the worst possible time and risks killing off any recovery.

“Retail sales growth has been very soft and the Christmas sales season was always going to be make or break time for many retailers.

“This data confirms the RBA has pulled the handbrake on at precisely the wrong time,” he said. Mr Black said the

\$ millions – seasonally adjusted

RETAIL SALES ANNUAL GROWTH – (seasonally adjusted excluding cafe and restaurants)

Category	Food	Household Goods	Clothing, Footwear & personal accessories	Department Stores	Other Retailing	Australia Total
Year to April 2010	2.60%	1.07%	-4.51%	-4.79%	1.30%	0.71%
Year to May 2010	2.12%	0.04%	-3.49%	-5.82%	0.88%	0.22%
Year to June 2010	1.83%	-1.03%	-0.77%	1.65%	1.49%	0.92%
Year to July 2010	3.62%	0.54%	2.37%	0.45%	2.84%	2.47%
Year to Aug 2010	2.35%	0.87%	-0.01%	-0.41%	6.52%	2.22%
Year to Sept 2010	1.81%	1.85%	3.86%	1.16%	6.16%	2.63%

Mr Black said that Victoria had been the most resilient economy, while Queensland and Tasmania were still in serious economic trouble.

“Queensland’s performance is very concerning heading into the Christmas season because any hope of improvement is closely linked to the tourism sector.

“The interest rate rise will strip more money from family budgets and hitting the tourism sector, which is bad news for retailers hoping for a holiday season sales bounce,” he said.

RETAIL SALES BY STATE \$ millions – (seasonally adjusted)

State	NSW	VIC	QLD	SA	WA	TAS	NT	ACT
Year to April 2010	2.00%	2.62%	-1.07%	2.95%	3.73%	-0.65%	4.96%	2.65%
Year to May 2010	2.40%	2.87%	-2.47%	1.63%	0.74%	-1.03%	3.93%	1.32%
Year to June 2010	3.05%	3.69%	-0.55%	1.62%	1.19%	-1.67%	5.18%	2.15%
Year to July 2010	4.87%	6.53%	2.09%	3.61%	1.17%	-1.07%	4.39%	1.90%
Year to Aug 2010	5.01%	5.80%	1.15%	3.17%	2.77%	-1.54%	3.80%	1.75%
Year to Sept 2010	4.26%	5.95%	1.24%	3.43%	4.61%	-2.26%	5.38%	1.86%

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.