



National Retail Association

MEDIA STATEMENT

6 May, 2010

ABS data shows retail sector still in the doldrums

The National Retail Association today renewed its call for a moratorium on interest rate increases, after the latest ABS data showed retail trade continued to languish in the doldrums.

The ABS found retail spending shifted by just 0.3 per cent in March, following a collapse of 1.2 per cent in February and a very disappointing Christmas trading period.

NRA Executive Director Gary Black said the ABS figures showed spending on household goods, clothing and footwear and on department store products was now lower than it was 12 months ago – in the midst of the global financial crisis.

“Consumer confidence has been shattered by six interest rates rises in the last eight months, and by ongoing speculation about further increases to come,” Mr Black said.

“This makes it very difficult for retailers who are reliant on discretionary spending. They simply can’t get any traction while consumers are nervous about their future mortgage expenses.

“The only way to restore that confidence is to give consumers a concrete assurance that rates will not go up again for a set period of time.

“The NRA is calling on the Reserve Bank to announce a moratorium on rate rises for at least three months, to restore consumer confidence and give retailers an opportunity to get ahead – or at least to catch up to where they were this time last year.”

\$ millions – seasonally adjusted

Category	Food	Household Goods	Clothing, Footwear and personal accessories	Department Stores	Other Retailing
March 2009	7843.9	3518.6	1664.6	1627.0	2700.3
March 2010	7900.9	3486.2	1598.7	1581.5	2764.0
Change	0.73%	-0.92%	-3.96%	-2.80%	2.36%

Mr Black also said retail activity was patchy across Australia. He said the ABS data showed the sector was performing better in New South Wales and the Australian Capital Territory than anywhere else in the country.

“Very weak trading conditions continue to prevail in Queensland, South Australia, Tasmania, the Northern Territory and Victoria. Performance in Western Australia is modest.”

\$ millions – seasonally adjusted

State	NSW	Vic	Qld	SA	WA	Tas	NT	ACT
March 2009	5997.4	4923.3	4131.4	1430.8	2153.0	444.4	226.3	365.6
March 2010	6194.6	4982.8	4052.5	1436.7	2204.0	439.6	226.1	381.1
Change	3.29%	1.21%	-1.91%	0.41%	2.37%	-1.08%	-0.09%	4.24%

Mr Black said the disappointing performance would inevitably impact on employment levels, and if the negative growth is sustained it would contribute to business failures and job losses.

“Retail is the biggest employer in Australia, particularly of younger and unskilled workers.

“Already we know that casual and part-time hours are being cut and departing employees are not being replaced.

“Thousands more jobs are at risk as a result of the ongoing bleak outlook for the retail sector, and the impact of these job losses would be felt across the entire economy.”

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