



Australian National
Retailers Association

MEDIA RELEASE

ANRA is the voice of Australia's leading retailers

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Interest rate rise - retailers out in the cold in the run up to Winter

Australian retailers already operating in a roller coaster sales environment will be left out in the cold by the RBA's decision on a sixth interest rate increase in eight months, Australian National Retailers Association (ANRA) Chief Executive Margy Osmond said today.

With ABS retail figures for March due out this Thursday Mrs Osmond said that retailers would have welcomed a 'wait and see attitude' from the RBA. This would have allowed time to properly gauge the impact of last month's rise on spending before approving another interest rate hike.

"This increase has the potential to curb current soft growth in the retail sector and potentially damage consumer confidence in an already soft Winter shopping period impacted by warmer than expected weather.

"The last lot of ABS sales figures for February released in March revealed retail turnover dropped by 1.4 per cent in the month of February (seasonally adjusted).

"The poor sales result followed on from a 1.1 per cent increase in January, a 0.8 per cent drop in the December peak shopping period and an increase of 1.5 per cent in November – an unpredictable environment that is creating a deal of uncertainty for the retail sector.

"In the current economic climate it is very disappointing that the Reserve Bank has seen it fit to increase interest rates yet again.

"A recent survey of 1000 Australians conducted by ANRA and American Express found that while 56 per cent of respondents believe the GFC is over only 39 per cent felt confident enough to spend on discretionary items like clothing, footwear, homewares and whitegoods."

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