



MEDIA STATEMENT

Australian National Retailers Association

Tuesday, 9 September 2008

A Tipping point for retailers?

“Retail figures for July 2008 may be the first signs of a slow recovery in the sector, with good results in some segments,” CEO of the Australian National Retailers Association Margy Osmond said today.

“While we’re hopeful a new trend is emerging, we shouldn’t count our chickens before they hatch. We really need to wait a few more months before we can be confident of a turnaround.

“The ABS figures show that growth is returning to the sector. The great unknown is how strong and sustainable this growth will be.

“ABS seasonally adjusted figures suggest growth of 1.4 per cent for July but trend estimates are much lower at 0.1 per cent.

“Optimism, of course, needs to be tempered by the fact that the ABS has cut its sample size by two thirds. The real test will come over the next two months, when we have further trend data to analyse.

“The bright spot for July is household retailing – up 0.6 per cent on the trend data.

“This slightly stronger result will include the impact of the launch of the iphone and the increase in plasma screen sales for the Olympic Games.”

As we expected, department store sales were up on last month. The seasonally adjusted figures show 7.3 per cent jump; the trend data indicates a 0.1 per cent increase.

“We were hoping for a pick up in July. The tax cuts, a drop in petrol prices, combined with the department store mid-year sales, have boosted figures,” Mrs Osmond said.

“However, as we’ve maintained all year, 2008 is going to be a rough one for retailers.”

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ANRA was founded in 2006 to become the voice of large scale retailers in Australia.