



**MEDIA RELEASE  
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**RETAILERS CONFIDENT ABOUT CHRISTMAS  
- BUT RAISE REASON FOR CAUTION**

Peak retail industry body the Australian Retailers Association (ARA) is very confident the Christmas period will be a bumper season as consumers cash in on good cheer and prepare themselves for increased spending.

According to ARA Executive Director Richard Evans the October ABS figures clearly indicate consumers are in a high-spend period and confidence is growing as they buy up big for their homes.

"Although there has been an extremely slight reduction in month-on-month spend (0.2%) the overwhelming evidence is that consumers are creating growth for the economy," Evans said.

"Retailing is the economy's barometer and year-on-year spend so far has increased a staggering 7.6%. This means our projections for Christmas 2007 are for an even greater growth of 7.6% from 2006.

"The stand-out categories are home-based including domestic appliances at 13.8% and furniture at 13.4%. This indicates disposable income is providing lifestyle benefits for many Australian families. Other stand out categories include fresh food and liquor (13.3% increase) and footwear (9.9%).

"On a state basis, WA showed an increase for the twelve months of 11.8%, ACT 10.1%, Queensland 9.4%, NT 8.6%, Victoria 7.5%, NSW 5.2%, Tasmania 4.7% and SA 4.4% which perhaps reflects the growth economies around Australia.

"But we also issue a cautious view that not all categories are doing well such as newspapers, books and stationery (6.5% decrease), and other retailing which includes antiques, watch and jewellery and garden and florists (1.9% increase)," Evans said.

"What we don't see in these figures is the likely impact of the recent interest rate increase and the spiralling cost of petrol. Traditionally if petrol remains at \$1.40 or above for a prolonged period then consumer Christmas expenditure could be affected.

"Although many home owners are ahead of their mortgage payments thus reducing potential impact of the Christmas spend, banks are beginning to offer credit card holders the opportunity of transferring accounts to a lower interest rate," Evans said.

"Retailers love their cash registers ringing loud and often. However, we do caution consumers to be realistic when it comes to Christmas and not to extend too far on credit."

The Australian Retailers Association (ARA) is the peak industry body in Australia's \$292 billion retail sector which employs over 1.2 million people. As an incorporated employer body under the Workplace Relations Act and with a range of member services including business consulting, policy development, advocacy and education, the ARA supports and represents over 5000 members throughout Australia. Visit [www.ara.com.au](http://www.ara.com.au) or call 03 9321 5000 for more information.

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