



NATIONAL INDEPENDENT RETAILERS ASSOCIATION INC.

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News Release

Retail Trade Results MAY 2009

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No “May Day” for Retailing

The Retail Figures for May point to the public gaining in confidence and spending, which, if the trend continues, will propel the recovery of retailing and the economy.

The 1% increase in May (Seasonally Adjusted) marks 3 months of positive figures. Noticeable in this is the lift in small business (retail) performance, which is up 2.3% and that is also good news on the job front.

We may expect some erratic results along the way if the overall trend continues, but those variations will be brought about by conditions in the broader economy

Category Performances:

Food: The spend on food has been erratic and it isn't the top performer at the moment – but clearly there is a limit to growth in turnover in this area particularly if prices are stable. In Orig \$'s, growth was low at 0.5%, while 1% was achieved (Seasonally Adjusted), which was an average result. Despite a quiet month, food remains the best long term performer.

Department stores: It is mid-season and the winter spend has slowed, while summer goods haven't arrived ~ the 0.7% growth of (Orig\$), is the lowest for over a year, but in Seasonally Adjusted terms, the 5.5% growth recorded is one of the better figures.

Clothing & Softgoods: Good above average figures in May are very welcome, particularly the 2.4% (Seas. Adj), which is over double the National growth. Last month we said the public were now buying and this is the proof.

Household Goods: In Original \$'s spent, the increase of 5% is very welcome, but the Seasonally Adjusted figure is unfortunately -2.9%. This sector is still being influenced by a cautious building spend, but renovation work is now increasing which will improve results.

Other Retailing: This sector looked fragile in April, but has turned back with a lift of 4.3% (Orig \$) or 0.6% up Seasonally Adjusted. These results are poorer than a year ago however, indicating that May's good results haven't lifted all sectors equally.

Café's, Restaurants & Take-Away Food: A negative outcome in April, but May looks good with turnover up 2.2% (Orig \$'s) or 1.4% Seasonally Adjusted. These are better results than a year ago in a sector that does reflect consumer confidence.

State Performances:

NSW: This State's retail spend has been "fragile" and continues to be of concern because of the size of the market it represents. Up 2% in May (Orig\$), but static Seasonally Adjusted.

Victoria: A positive trend collapsed last month, but in May there is a rally with Original \$ turnover up 1.3% or 0.7% Seasonally Adjusted. Not as strong as a year ago, but still positive.

Queensland: The 'Sunshine State' really bounced back in May, being up 3.5% (Orig \$) or 1.5% (Seas Adj). Both of these results are above the Australian Averages and on a par with outcomes of a year ago.

South Australia: Another 'Turnaround State' with above average increases in spending up 2.7% (Orig \$) or 1.8% (Seas Adj), both underlining the State's strong economy

Western Australia: Back on the pace, WA achieved 4.1% growth in Orig \$ spending and 3.5% Seasonally Adjusted ~ slightly better results than a year ago and showing a return of confidence.

Tasmania: Last month's downward trend continues, with spending down -0.2% (Orig \$'s) or -0.1% (Seas Adj). These are poor outcomes compared to the trends of a year ago.

Northern Territory: Still some spending conservatism amongst the big spenders, with Original \$ growth acceptable at 5.6%, but Seasonally Adjusted that converts to zero.

ACT: The ACT still looks strong compared to a year ago and achieved Australia's best growth of 6.1% (Orig S) in May which, Seasonally Adjusted became a very acceptable 1.8%

General Comment:

If we assume that all of the "Stimulus Money" is now spent, then the economy has picked itself up in May indicating returning, if cautious confidence in the market.

Of concern however, is the very slow lift in annual turnover for small business, just 0.7% year to year and until we see stronger figures, there will still be the pressure on growth and jobs ~ but for now it could be argued that retailing is coming out of the tough times. Results in NSW and Tasmania will provide the evidence in due course.

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