

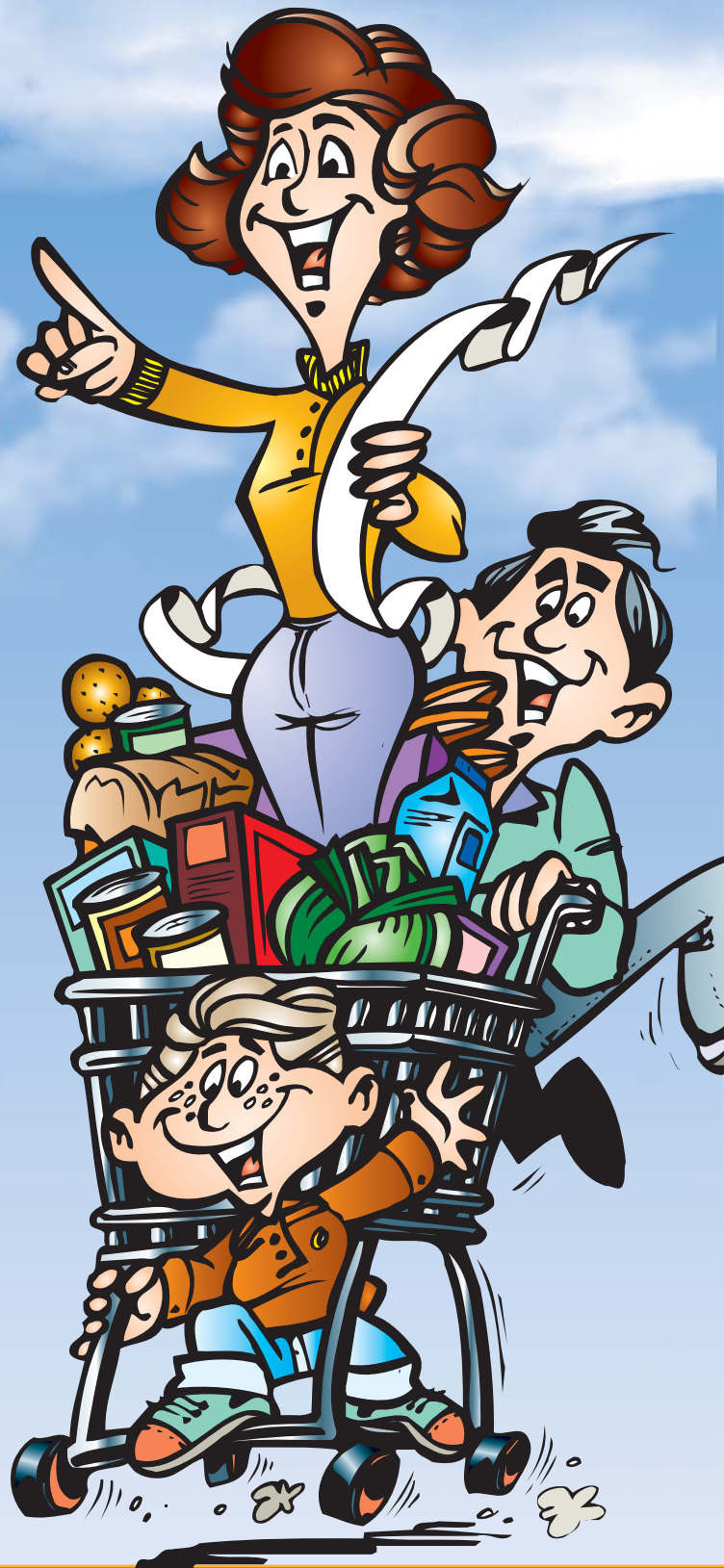
Retail Sales UP

High Street retail sales for February bounced back at their strongest in years according to a study by the Office for National Statistics (ONS). February, although stronger than January, has traditionally been a relatively slow month following the Christmas rush. This year retail sales rose at their fastest for more than 2 years.

Office for National Statistics (ONS) figures indicated that sales volumes for February 2007 grew 1.4% compared with January and 4.9% when compared with February 2006. The usual drop-off in sales for January also showed improvement over last year.

That said, many retailers were clearly having to offer discount in order to make sales: prices on average were 0.3% lower than the same time last year. Unfortunately these positive figures have prompted many analysts to predict yet another interest rate hike. Since August 2006, the Bank of England have raised interest rates 3 times in a bid to counter inflation and keep spending under control.

Some optimism remains however: some believe the discounted lower-than-average prices indicate store owners were under pressure to make sales and therefore don't reflect the true current state of general consumer spending.



www.businessinberkshire.co.uk