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## Bumps' for Retailers and Suppliers of Apparel Merchandise

Mar. 20, 2013

Importers and manufacturers who sell to America's major retailers are split as to whether they believe they will see growth and / or reductions in sales for the spring season, according to [Capital Business Credit](#) (CBC), a non-bank lender that services the retail sector.

According to the quarterly Global Retail Manufacturers and Importers Survey, 50 percent of importers of retail goods are experiencing an increase in orders this spring as compared to last year, while 50 percent are experiencing a decrease or no change from the previous year. Of those surveyed who are having a stronger spring, the majority are experiencing growth between three and 10 percent.

Respondents indicated that concessions and the new payroll tax are matters of concern for them in 2013. When asked if retailers are asking for more concessions this spring season, 58 percent of those surveyed indicated that retailers are asking for more concessions than they did in 2012.

When it comes to the payroll tax, 48 percent of importers worry that their business is facing a negative impact due to the increased tax in 2013. This will force retailers to continue to use sales and promotions to move merchandise which will likely cut into margins all around the sector.

"Consumers are spending less money on non-necessities due to the new payroll tax," said Andrew Tananbaum, executive chairman at CBC. "In order for retailers to get ahead in 2013, they will have to depend more heavily on discounting than they had to in the past."

While the results may seem daunting, there is a glimmer of hope. Of those surveyed,

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