

## On Retail Trade Turnover in July 2022

## Retail trade continues to be affected by the rapid rise in prices

In July 2022, compared to July 2021, the total turnover of retail enterprises in actual prices, increased by 19.3%. However, considering the rapid rise in prices, it remained essentially unchanged at constant prices - it declined by 0.7% (unadjusted data). On an annual basis, retail sales turnover increased in non-food and food product groups. Nevertheless, in July 2022, the largest negative effect yielded a sharp decline in fuel retail sales turnover.

In July 2022, the turnover of **non-food** retail sales increased by 2% year-on-year, providing the largest contribution to the overall retail sales growth. In accordance with the season, for the second consecutive month the most rapid increase in turnover

was observed in the trade of sports goods and games (by 74.4%). Sales of information and communication technology equipment grew more rapidly than in previous months (by 12%). Trade of metal products, paints, and glass continued to grow steadily (by 5.3%), and the trade of pharmaceutical, medical accessories (by 3%). Sales of books, newspapers, stationery, audio, and video recordings grew more slowly than in previous months (by 5.5%). On the other hand, the turnover in the retail trade of clothes and shoes essentially did not change.

The sharpest decline was observed in retail sales of watches, jewellery, and new goods not elsewhere classified (by 17.8%) and retail sales of textiles, carpets, rugs, wallpaper, furniture, lighting and other types of household goods (by 12.8%). After the increase in the previous months, sales of flowers, plants, seeds, fertilizers, pet animals, and their feed decreased (by 9.2%). Also, sales of cosmetics and toiletries (by 2.9%) declined. Retail sales of household electrical appliances in specialized stores shrank by 5.7%.

The decline in retail sales was observed in all non-store outlets. Other retail sales outside shops, stalls, and markets decreased most rapidly (by 32.8%). Shopping by mail or on the Internet continued to decrease for the sixth consecutive month (by 12.6%). Retail sales in stalls and markets also decreased.

The retail turnover of **food** products continues to grow. In July 2022, it was 1.9% higher than a year ago.

In July 2022, compared to the corresponding month last year, the retail turnover of **fuel** at gas stations decreased by 11.4%. This was largely due to high fuel prices affecting people's shopping habits, making them less likely to use road transport.

Overall, in January-July 2022, retail turnover was 5.9% higher than a year ago. Retail sales of non-food products increased by 12.2%, which was determined by the low base at the beginning of 2021, when the state of emergency was in effect until April 6 and stores were closed and retail turnover fell significantly. Grocery sales increased by 2.4 percent, while fuel retail sales decreased by 1.8 percent.

Retail trade will continue to be affected by the high price level in the coming months. Residents will spend more on essential goods (food and housing payments), thus postponing the purchase of non-food items, including larger purchases. The negative impact on retail turnover could be mitigated by the planned state support for residents to cover heat energy costs during the heating season, indexation of pensions, as well as other types of benefits to increase residents' purchasing power.

