

## On Retail Turnover in August 2022

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

In August 2022, compared to August 2021, the total turnover of retail enterprises in actual prices increased by 21.2%; however, considering the rapid rise in prices, it increased by 1.4% at constant prices (unadjusted data). On an annual basis, retail sales turnover increased in the groups of food and fuel goods. However, a negative effect was observed due to the fall in retail sales turnover of non-food products.

In August 2022, the annual turnover of **non-food** retail sales decreased slightly - by 0.2%, as residents began to purchase less non-food products, which is affected by high prices. The sharpest decline was in the trade of flowers, plants, seeds, fertilizers, pet animals and their feed (by 15.5%) and in the retail trade of textiles, carpets, rugs, wallpapers, furniture, lighting devices and other types of household accessories (by 13.1%).

A slower decline than in the previous month was observed in the retail trade of watches, jewellery and new goods not elsewhere classified (by 9%). Sales of clothes, shoes, and leather also decreased (by 5.2%); sales of cosmetics and toiletries (by 3.8%); and retail sales of household electrical appliances in specialized stores (by 1.2%). At the end of the season, a decrease in turnover was observed in the trade of sports goods and games (by 2.7%).

Sales of books, newspapers, stationery, audio and video recordings continued to increase steadily (by 10.1%). Also, sales of metal products, paints and glass (by 9.4%) and sales of pharmaceutical, medical supplies (by 5.7%) increased. Nevertheless, sales of information and communication technology equipment grew more slowly than in the previous month (by 5.5%).

The decline in retail sales was observed in all non-store outlets. Other retail sales outside shops, stalls and markets decreased more rapidly (by 23.2%). Shopping by mail or on the Internet continued to decline for the seventh consecutive month (by 5.2%). Retail sales in stalls and markets also decreased.

In August 2022, the retail turnover of **food products** continues to grow, and it was 3% higher compared to August 2021, providing the largest contribution to the total retail sales growth.

In August 2022, compared to August 2021, the retail turnover of **fuel** at gas stations increased by 2.7%, after the decline in the previous months. This was largely due to a decrease in fuel prices after a sharp rise in prices in the first half of this year.

Overall, in January-August 2022, retail turnover was 5.3% higher than a year ago. Retail sales of non-food products increased by 10.4%, which was determined by the low base at the beginning of 2021, when the state of emergency was in force until April 6, 2022 and stores were closed. Consequently, retail turnover fell significantly. Food sales increased by 2.5%, while fuel retail sales declined by 1.1%.

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 will be reduced by state support for residents to cover heat energy costs in the heating season from October 1 this year to April 30, 2023, the indexation of pensions carried out in September, as well as other planned benefits to increase the purchasing power of residents.

