

## On Retail Trade Turnover in September 2022

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

In September 2022, compared to September 2021, the total turnover of retail enterprises in actual prices increased by 21.5%. However, considering the rapid rise in prices, it increased by 2% at constant prices (unadjusted data). On an annual basis, retail sales turnover grew equally rapidly in the food and non-food product groups, albeit the retail sales turnover of fuel products showed a slower growth.

In September 2022, the turnover of **non-food products** increased by 2.2% year-on-year, providing the largest contribution to the overall retail sales growth. The most rapid increase was observed in the trade of information and communication technology equipment (by 20.7%). Trade of metal products, paint and glass continued to grow steadily (by 9.9%).

At the beginning of the new autumn season, sales of clothes, shoes, and leather also increased rapidly (by 9%). However, after the decline in the previous month, sales of sports goods and games increased (by 5.9%). The lowest increase in turnover since November 2021 was observed in the trade of books, newspapers, stationery, audio, and video recordings (by 2.8%). Also, after the decline in previous months, there was a slight increase in stores specialized in the retail sale of household electrical appliances (by 1.3%).

The sharpest decline in retail turnover was observed in the retail trade of watches, jewellery and new goods not elsewhere classified (by 27.5%). A sharp decline was also observed in the sale of flowers, plants, seeds, fertilizers, pets and their feed (by 13%) and in the retail sale of textiles, carpets, floor coverings, wallpapers, furniture, lighting devices, and other types of household accessories (by 10.3%). For the third consecutive month, sales of cosmetics and toiletries also continued to decrease (by 3.8%). While for the first month since March 2021, sales of pharmaceutical and medical supplies decreased (by 2.1%).

The decline in retail sales was observed in all non-store outlets. Other retail sales outside shops, stalls, and markets decreased most rapidly (by 37%). Shopping by mail or on the Internet continued to decline for the eighth consecutive month (by 1.6%). However, the decline has become more moderate. Sales at stalls and markets also decreased.

The retail turnover of **food products** continues to increase. In September 2022, it was 2.1% higher than a year ago.

The retail turnover of **fuel** at gas stations has been increasing in recent months. In September 2022, compared to the corresponding period last year, it rose by 1.2%. 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-September 2022, retail turnover was 4.9% higher than a year ago. Retail sales of non-food products increased by 9.3%, which was determined by the low base at the beginning of 2021, when the state of emergency was in effect until April 6, 2021 and stores were closed and consequently retail turnover fell significantly. Grocery sales increased by 2.4%, while fuel retail sales declined by 0.9%.

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 during the heating season from October 1, 2022 to April 30, 2023, the indexation of pensions carried out in September, wage increases, as well as other planned benefits to increase residents' purchasing power.

