

## On Retail Trade Turnover in April 2023

## In April 2023, the decline in retail trade continues

With the high price level still existing, the retail turnover continued to decrease in April this year. The total turnover of retail enterprises in actual prices increased by 4.2% during the year. However, considering the rapid increase in prices, it decreased by 4% at constant prices (unadjusted data). However, an increase in the retail sales volume can be observed on a monthly basis. In April 2023, compared to March, retail turnover increased by 1.3% (seasonally adjusted data).

On an annual basis, due to high prices, the retail turnover of food and non-food goods decreased, while the retail turnover of fuel increased rapidly.

In April 2023, the turnover of **non-food** retail sales decreased by 5.8% year-on-year. It decreased in all major non-food product groups, except for trade in clothing, footwear, and leather goods (by 4.8%); and in trade in metal products, tools, building materials and plumbing (by 1.4%). As in March, the sharpest drop in turnover was observed in the retail trade of sporting goods and games (by 20.7%). The retail turnover decreased sharply in the trade of flowers, plants, seeds, fertilizers, domestic animals and their feed (by 18.7%); in the trade of books, newspapers, stationery, audio and video recordings, and in the trade of information and communication technology equipment (by 16%); in the retail sale of household electrical appliances in specialized stores (by 15.2 %); in the retail sale of watches, jewelry and new goods not elsewhere classified (by 14.9 %); in the sale of textiles, carpets, floor coverings, wallpapers, furniture, lighting devices, and other types of household accessories (by 11.6%); in the trade of information and communication technology equipment (by 8.5%); and in the trade of cosmetics and toiletries (by 8%). A more moderate decline was observed in the trade of pharmaceutical, medical accessories (by 1.5%).

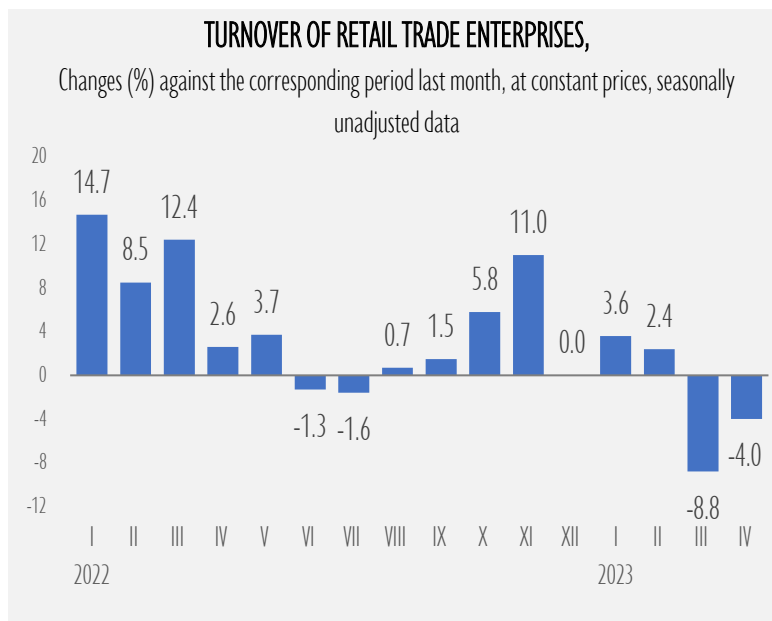
In the distribution by trading places, a sharp drop in turnover was observed both in retail trade in stalls and markets (by 12.6 %), retail trade by mail or on the Internet (by 5.9 %), and other retail trade outside shops, stalls, and markets (by 11.5 %).

Year-on-year turnover of **food** retail sales decreased for the seventh consecutive month in April, and it continued to decrease sharply in April - by 6.8%, which was continued to be determined by the high price level of food products.

The retail turnover of **fuel** at gas stations in April 2023 increased by 7.8%, compared to April 2022. This was largely determined by a sharp drop in the volume of retail sales of fuel in April of the previous year.

In general, in January-April 2023, retail sales turnover was 2.1% lower than in January-April 2022, which was largely determined by a 5.8% drop in food retail sales turnover due to high food prices. Non-food retail sales fell by 1%, while fuel sales rose moderately by 2.8%, driven by a high base at the start of 2022, when all trade restrictions were gradually lifted, and retail sales increased significantly.

In the coming months, retail sales volumes will continue to be affected by high prices - residents will still be cautious in making larger purchases, preferring to shop in low-priced stores. However, in recent months, the prices of energy resources in Latvia have been decreasing, which is influenced by both the drop in world oil prices and the drop in natural gas and electricity prices on the stock exchanges, which have returned to the level they were before the Russian invasion of Ukraine, as well as all the objective factors that could contribute to future food prices have ceased that was also



observed in April, when the increase in food prices had practically stopped. Therefore, as the prices of food and energy resources stabilize, their negative impact on retail turnover will decrease.