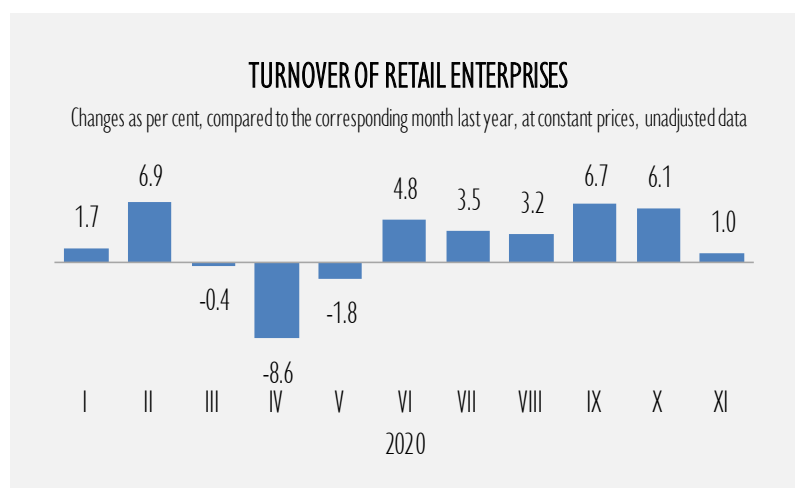


On Retail Trade Turnover In November 2020

In November 2020, the growth rate of retail trade turnover remained positive

In November 2020, the retail trade turnover was largely affected by the state of emergency situation declared in the country (effective since November 9th 2020), which also imposed additional restrictions on retail trade. After stable growth in previous months, the sector's turnover has moderated. In November 2020, the total retail trade turnover was 1% higher than in November 2019 (unadjusted data at constant prices).



In November 2020, **the retail trade turnover of non-food products** decreased by 3.4% annually. This was primarily due to trade restrictions restricting the marketing of most non-food items. Retail trade of clothing, footwear, and leather goods decreased by almost 1/3. Also, retail sales of books, newspapers, stationery, audio and video recordings, and retail sale of watches and jewellery declined. The decline was similarly preserved in the category of cultural and leisure goods, which can be explained by the abolition and prohibition of all public events and the closure of cultural and exhibition venues. At the same time, retail sales of household electrical goods grew rapidly in November 2020. Given that the sale of hygiene products and the operation of pharmacies were not restricted, the retail sale of household goods and the retail sale of pharmaceutical and medical supplies increased.

By point of sale, the decline in retail trade turnover was observed in all categories, of which retail trade in stalls and markets and second-hand stores declined the most.

In November 2020, growth in **retail trade in food products** remained positive and was 1.7%, compared to the corresponding month last year.

Fuel retail trade turnover is still increasing; in November 2020, it was 12% higher, compared to the corresponding period last year, providing the largest contribution to the total retail trade turnover. This can be partly attributed to the fact that the majority of the population spent their holidays in Latvia and did not travel abroad, respectively using the opportunities to travel around Latvia.

In January-November 2020, the retail trade turnover exceeded the indicator of the corresponding period last year by 2.1%.

Given that the restrictive measures have been strengthened since November 2020, the situation in the sector is expected to have deteriorated in December 2020. At the same time, the dynamics of retail turnover will be affected by the ability of entrepreneurs to adapt to the new conditions by introducing e-commerce or remote customer service solutions. The future situation in the industry will depend on how well the spread of the Covid-19 virus is controlled and on further restrictions that will affect both the purchasing power of the population and the operation of retail stores, respectively.