

## On Retail Turnover in July 2023

## In July 2023, the decline in retail trade continued

With prices still high, retail sales continued to decline in July this year, and the decline was sharper than in the previous two months. The total turnover of retail enterprises in actual prices decreased by 1.6% during the year, but, considering the effect of prices, it decreased by 3.4% at constant prices (according to unadjusted data). The fall in the volume of retail sales can also be observed on a monthly basis. It decreased by 0.5% in July compared to June (seasonally adjusted).

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

In July 2023, the turnover of **non-food** retail sales decreased by 5.1% year-on-year. It decreased in all major non-food product groups, except metal products, tools, building materials and plumbing, where turnover increased by 2.2%. The sharpest drop in turnover was observed in the retail trade of sporting goods and games (by 26.3%). Retail turnover also decreased rapidly in stores specializing in the retail sale of household electrical appliances (by 11.8%), in the sale of information and communication technology equipment (by 9.3%), in the sale of books, newspapers, stationery, audio and video recordings (by 8.8%), in the retail trade of watches, jewelry and new goods not elsewhere classified (by 8.5%), in the trade of flowers, plants, seeds, fertilizers, indoor animals and their feed (by 7.1%) and textiles, carpets, floor coverings, wallpaper, in the trade of furniture, lighting devices and other types of household accessories (by 6.8%). A more moderate decline was observed in the trade of pharmaceutical medical supplies (by 3.1%), in the trade of cosmetics and toiletries (by 2.2%) and in the trade of clothing, footwear and leather goods (by 0.3%).

In the division by trading places, a slight drop in turnover was observed both in retail trade in stalls and markets (by 1.3%), and in other retail trade outside shops, stalls and markets (by 3.7%). On the other hand, retail sales by mail or on the Internet increased by 3.9%.

Year-on-year turnover of **food** retail sales fell for the tenth consecutive month in July, and it continued to decline sharply in July - by 5%, which was determined by the high price level of food products.

The retail turnover of **fuel** at gas stations in July increased by 4.2% compared to July 2022. This was largely due to a sharp decline in the volume of retail sales of fuel in April-July of the previous year, when fuel prices reached their highest level.

Overall, in January-July 2023, retail sales turnover was 2.4% lower than in January-July 2022, which was largely determined by a 5.4% drop in food retail sales turnover due to high food prices. Non-food retail sales fell by 2.5%, driven by a high base in early 2022, when all trade restrictions were gradually lifted, and retail turnover increased significantly. On the other hand, the turnover of fuel sales increased by 4.1% in January-July 2023, which was affected by lower retail sales volumes in the corresponding period of the previous year due to rising fuel prices.

Retail sales volumes are expected to continue being influenced by high prices as consumers have adapted by making more budget-conscious and smaller purchases. However, as the prices of essential commodities such as food and energy resources stabilize, the adverse impact on retail turnover is anticipated to gradually diminish.

