

Snap | 6 May 2021

## They're back! Eurozone retail sales jump as shoppers return

Eurozone retail sales jumped in March as easings caused eager consumers to increase retail spending. This bodes well for the months ahead when further restrictions can be expected to be lifted. While 1Q GDP was still negative, the recovery actually started earlier



And they're back!  
Shoppers in Cologne,  
Germany

Eurozone retail sales jumped by 2.7% in March as easings of restrictions on shopping have obviously had a strong effect on consumption growth. This marks the second monthly increase in a row, indicating that January marked the second wave bottom in terms of retail sales. The recovery therefore already started over the course of the first quarter and we expect it to continue from here.

Among the larger countries, Germany and Netherlands showed the strongest improvements at 7.7 and 8.4% respectively, while France lagged with a -1% decline. This shows how important restrictions continue to be for the retail sector, dominating the growth profile.

For the months ahead, retail is still expected to show some catch-up as restrictions are expected to ease further. Consumer confidence is almost back at pre-pandemic levels, savings have increased and unemployment has been coming down over the course of the second wave. This makes a

quick rebound in domestic demand a likely prospect for the summer months, helping GDP to be quick out the gates once restrictions are eased more structurally.

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