

## Eurozone retail sales thrive in fourth quarter

It's not all doom and gloom from the eurozone. Lower oil prices and higher wages boosted consumption towards the end of the year



Source: Shutterstock

Retail sales grew by 0.6% month-on-month in November, the same pace as in October. On a quarterly basis, retail sales are set for a modest gain after stagnating in the third quarter. Even though consumer confidence continues to decline, circumstances for eurozone consumers have improved. Oil prices have dropped significantly and wage growth is on the rise, making real disposable income growth look pretty good for Europeans.

Continued uncertainty will curb the upside potential of household consumption, but at times when most indicators paint a bleak picture of where eurozone growth is headed, retail sales show that consumption could be an important driver of continued growth. With inflation set to fall in the coming quarters on the back of energy price effects, it could well be that Goldilocks makes a return to the eurozone economy. Could she even be the savior of robust growth?

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