

Eurozone retail trade ticks up slightly in October

The 0.1% increase in retail trade means that volumes have been broadly unchanged since August. After two years of declining retail volumes, we are reluctant to call a change in trend just yet though. That said, we do expect improvements in 2024



October saw a strong increase in retail sales in Germany and Netherlands

Retail volumes have fallen for about two years in a row now. In recent months, volumes have stabilised, but not to a degree that we expect an imminent revival of sales either. The 0.1% increase in October was boosted by a strong increase in Germany and the Netherlands, while France and Italy saw significant declines.

The correction in retail volumes has been -4.1% since the peak in November 2021. The purchasing power decline thanks to high inflation, but also the overspending on goods during the pandemic and reopening spending on services have put retail volumes under significant pressure in recent years.

A turnaround is realistic to expect, but the degree to which that is the case remains uncertain. The

changing labour market could dampen the real wage recovery we're currently experiencing. And with economic uncertainty increasing, the savings rate could trend up again. While some rebalancing of the consumption mix towards goods seems realistic, which is a boon for retail, overall household consumption is likely to remain under pressure, at least at the start of 2024.

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