Retail Monitor

Key retail, economic and consumer trends

5 May 2021

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Introduction

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We have welcome clarity on reopening, but big challenges remain. Some businesses will not reopen, many more are relying on a strong, sustained recovery. Government supports have been a lifeline for many, but debt levels have increased and many rent disputes remain unresolved. We’ll be working to ensure key supports stay in place over the coming months. At the same time, the full, safe reopening of the experience economy is needed to breathe live back into our towns, cities and retail districts.

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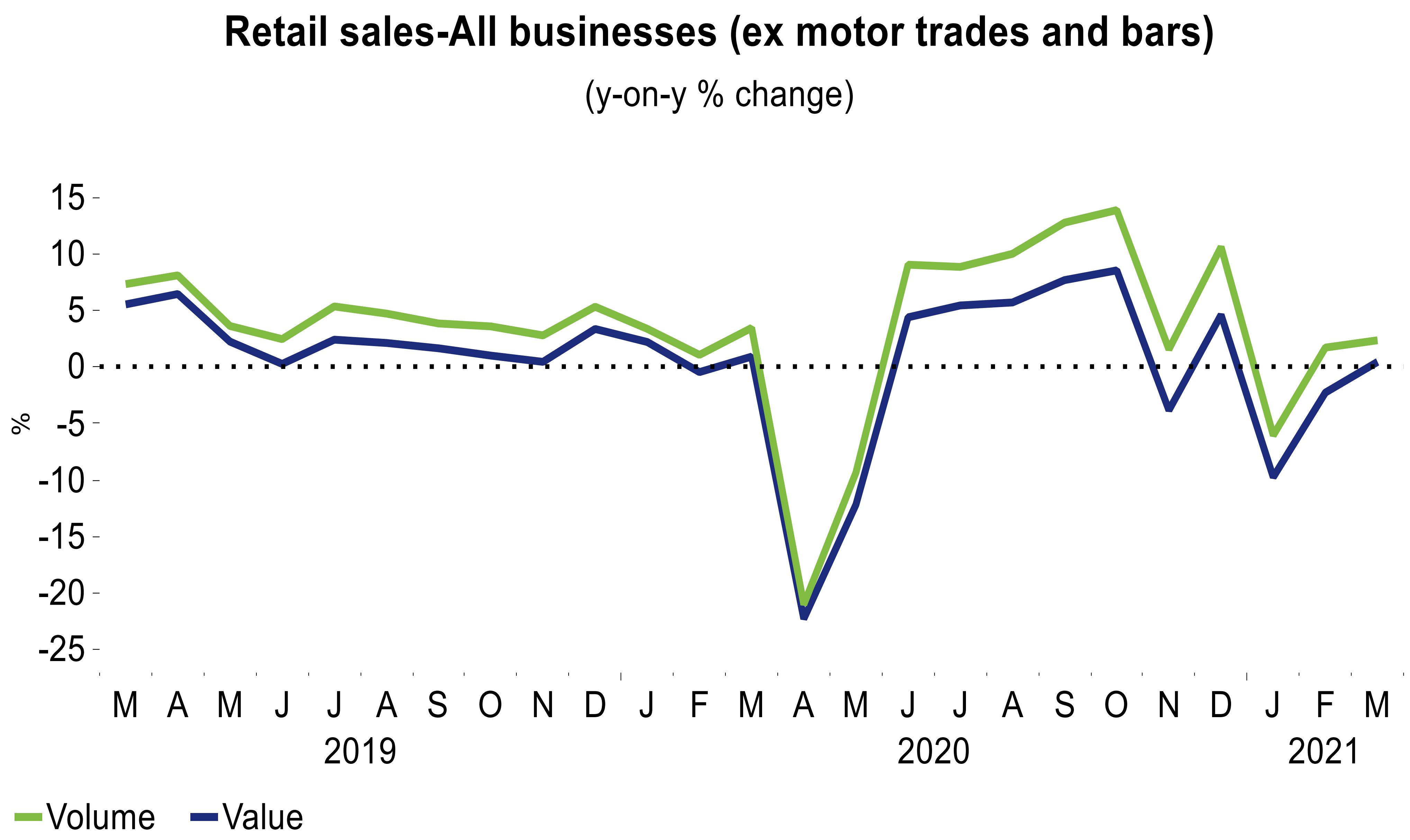
Over retail sales tick up in March

The volume of retail sales (ex bars & motor) was up 1% in the month of March from February and was 2.4% higher than February 2020. Those parts of the sector that have been forced to close are still experiencing the largest annual falls by value, including Fashion and Footwear (-31.7%), Books (-13.3%) and Department Stores (-24.1%).



March retail sales by value

Category	YTD % change	Monthly % change	Annual % change
Supermarkets and convenience stores	5.8%	2.0%	0.4%
Department stores	-41.6%	17.2%	-24.1%
Specialised food and drink stores	10.7%	-1.0%	0.3%
Fuel (including petrol and diesel)	-18.8%	9.1%	1.3%
Pharmacies	-4.6%	1.7%	-4.8%
Fashion, footwear and textiles	-60.0%	8.1%	-31.7%
Furniture, lighting and homeware	-19.7%	1.4%	4.1%
DIY and hardware	18.9%	18.8%	30.8%
Computers, electrical and electronics	11.8%	-18.2%	1.2%
Books, newspapers and stationary	0.2%	20.2%	-13.3%
Non food specialised stores	3.5%	2.9%	19.2%
All sales (excluding motor and bars)	-4.0%	1.9%	0.5%

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March retail sales by volume

Category	YTD % change	Monthly % change	Annual % change
Supermarkets and convenience stores	7.3%	1.6%	0.8%
Department stores	-38.5%	17.1%	-20.1%
Specialised food and drink stores	13.3%	-1.3%	2.0%
Fuel (including petrol and diesel)	-15.0%	4.9%	0.7%
Pharmacies	-0.7%	2.9%	-1.2%
Fashion, footwear and textiles	-57.6%	7.7%	-27.4%
Furniture, lighting and homeware	-17.8%	1.7%	5.6%
DIY and hardware	20.0%	9.4%	32.1%
Computers, electrical and electronics	15.7%	-17.8%	4.0%
Books, newspapers and stationary	10.1%	19.6%	-12.8%
Non food specialised stores	14.8%	3.0%	21.3%
All sales (excluding motor and bars)	0.7%	1.0%	2.4%

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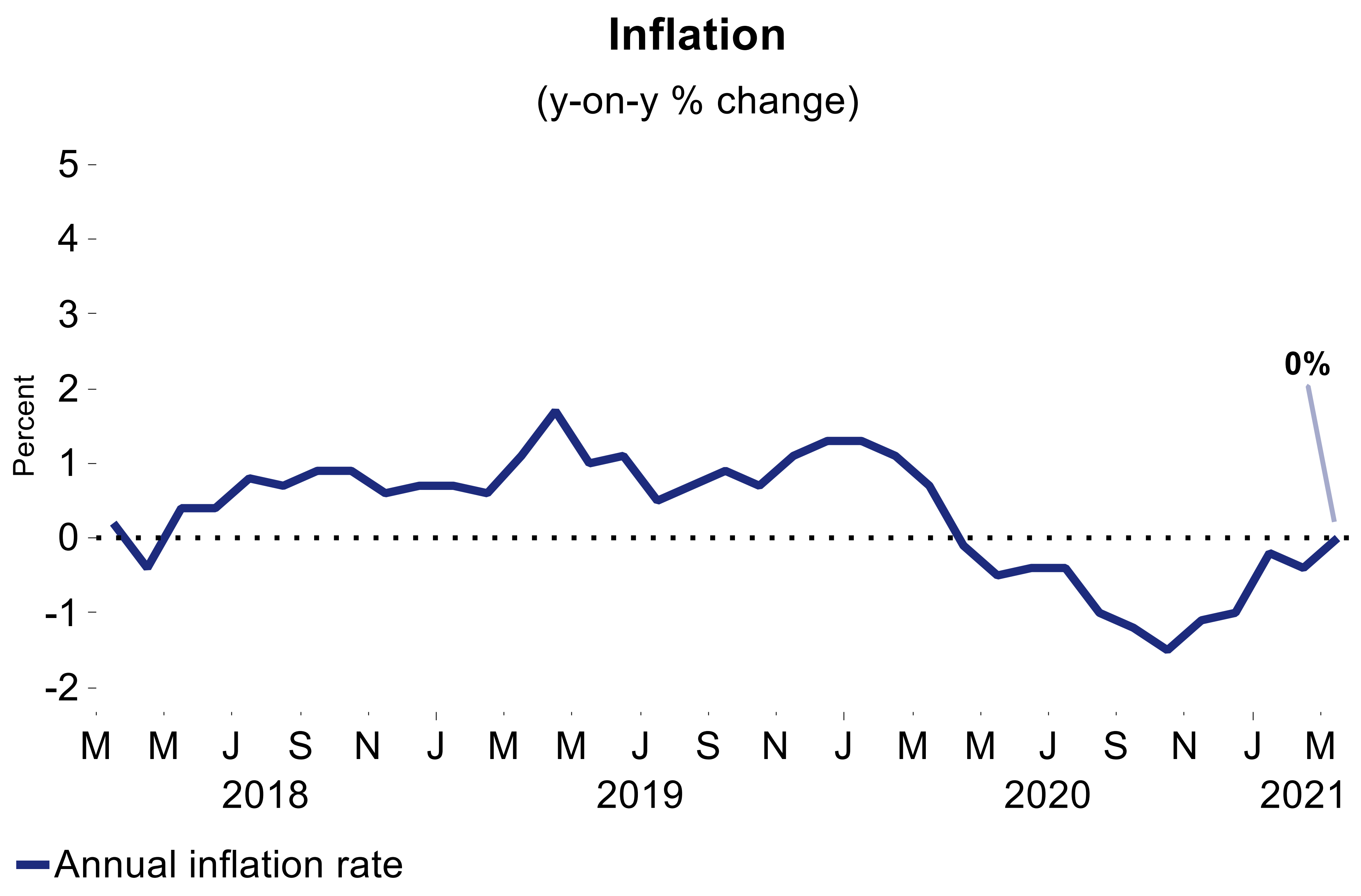
Prices remain sluggish in March

Prices on average, as measured by the Consumer Price Index, were unchanged in March compared with March 2020. Notable changes in the year were decreases in Clothing & Footwear (-6.5%), Furnishings, Household Equipment & Routine Household Maintenance (-1.5%) and Jewellery, Clocks and Watches (-10.3%).



March consumer price index: Factors contributing to annual change

- Clothing and Footwear fell due to sales
- Food and Non-Alcoholic Beverages decreased due to lower prices across a range of products such as meat, chocolate and jams, marmalades and honey
- Furnishings, Household Equipment and Routine Household Maintenance fell primarily due to the reduced cost of non-durable household goods, household textiles and furniture & furnishings. This reduction was partially offset by an increase in the cost of major household appliances.
- The percentage change for this month was 0% in comparison to March 2020 with an annual increase of 1.3%. Goods were down 0.23% in the year

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March CPI category breakdown

Category	Monthly % change	Annual % change	Category	Monthly % change	Annual change
Food and non-alcoholic beverages	0.8%	-0.8%	Books	-0.7%	-0.7%
Restaurants and hotels	0.5%	3.1%	Stationary	3.2%	-3.3%
Clothing and footwear	2.0%	-6.5%	Hairdressing	0.0%	7.3%
Petrol	6.2%	0.6%	Jewellery, clocks and watches	-0.1%	-10.3%
Diesel	6.4%	0.6%	Home entertainment systems	0.5%	-4.3%
Furniture and furnishings	0.5%	-1.9%	Tools and equipment for house/garden	1.6%	-2.5%
Major household appliances	1.0%	4.7%	Cigarettes	1.5%	3.5%
Pharmaceutical products	0.6%	-2.7%	Prescribed drugs	0.0%	-4.3%
Cosmetic and skincare products	2.4%	-5.2%	Hygiene products	4.0%	-2.5%

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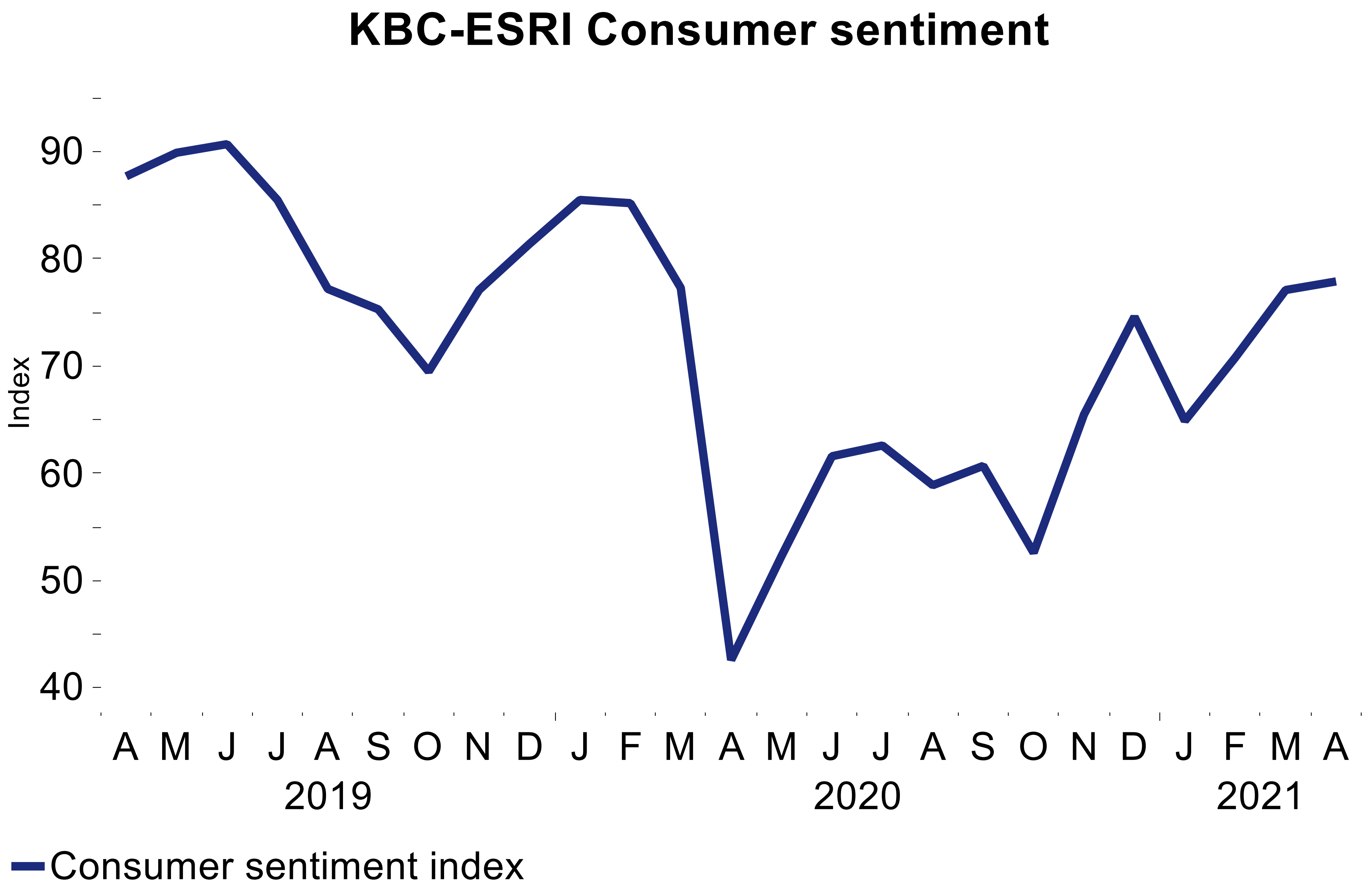
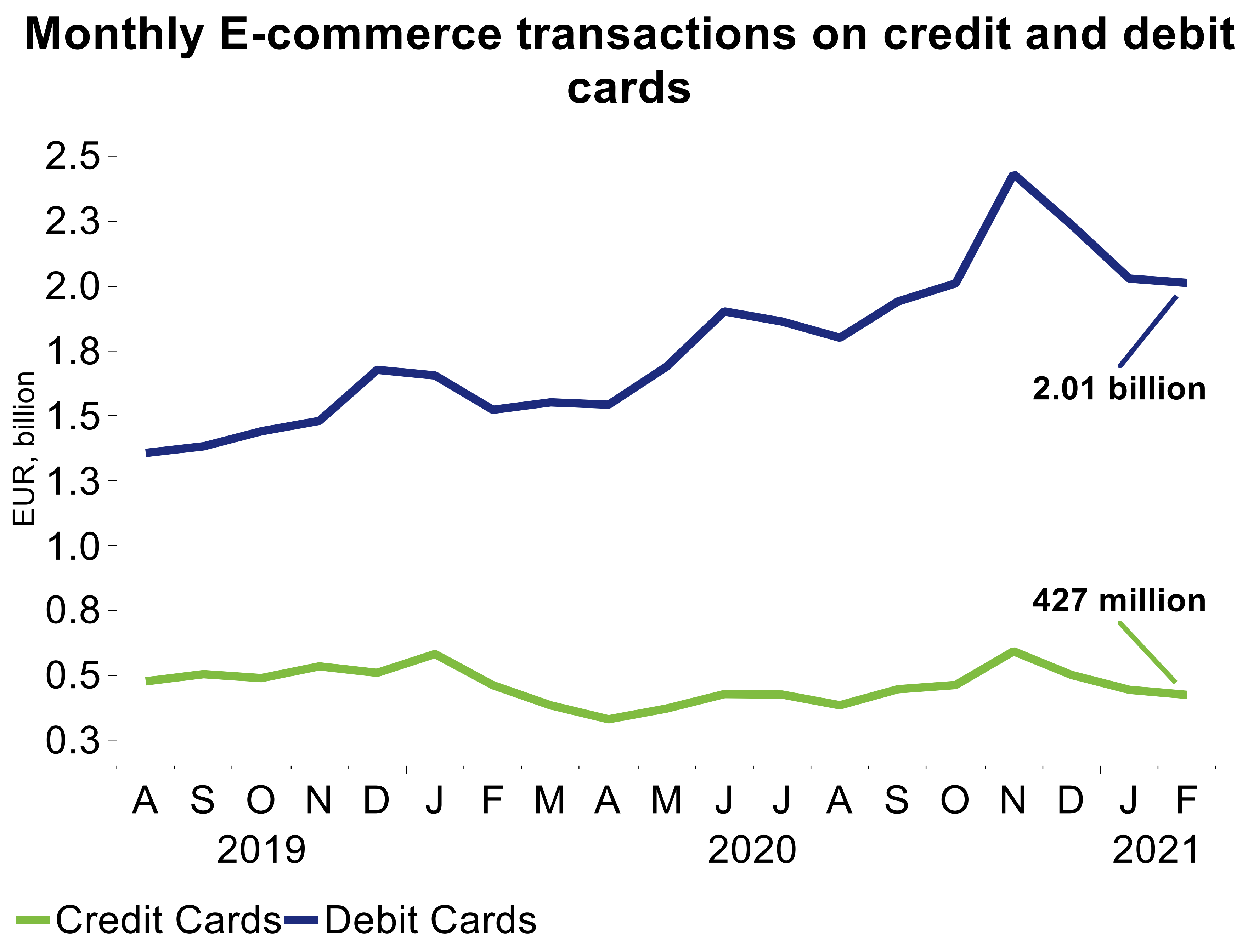
Sentiment remains stable in February

The KBC Bank Irish consumer sentiment index edged up to 77.9 in April from 77.1 in March. The sentiment index is now at its strongest level in 13 months. The stable confidence reading likely reflects an Irish consumer increasingly hopeful of improving news about Covid-19, but with residual concerns about the longer term economic outlook.



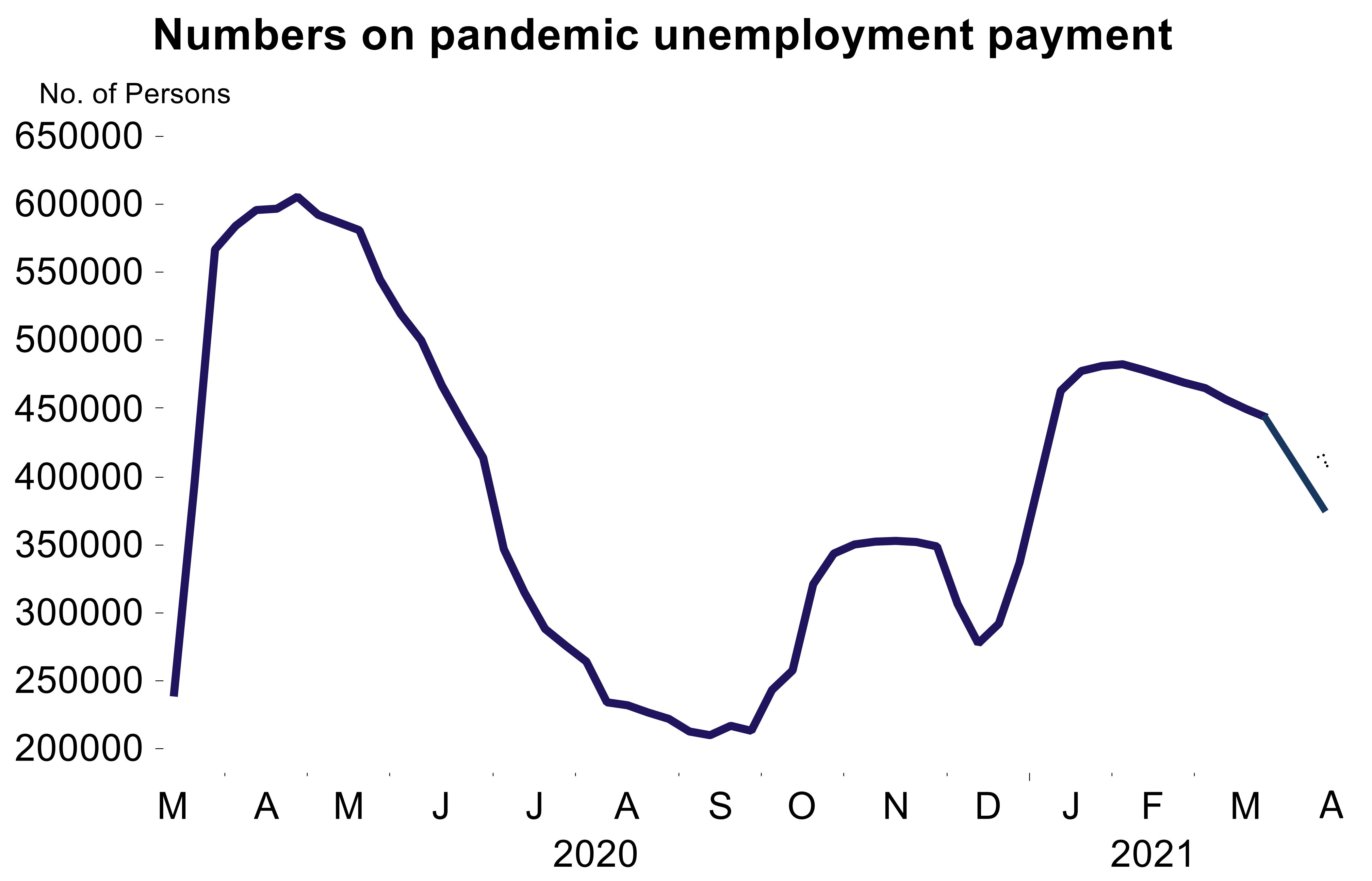
Lockdown flattens online spending

Total online expenditure amounted to €2.4 billion in February 2021, a decline of 1% on the previous month. However, this represents an increase of 23% in year-on-year terms. Online spending accounted for 54% of all spending in February, as the Covid-19 health restrictions reduced the opportunity for in-store purchases. This represents a slight decrease from January's high of 57%.



Numbers on PUP drop back

The numbers in receipt of the Pandemic Unemployment Payment (PUP) stood at 385,211 by the end of April. There was a decrease of 12,692 claiming PUP in the past month. 63,361 retail workers are currently in receipt of the payment, down from 71,099 in March.

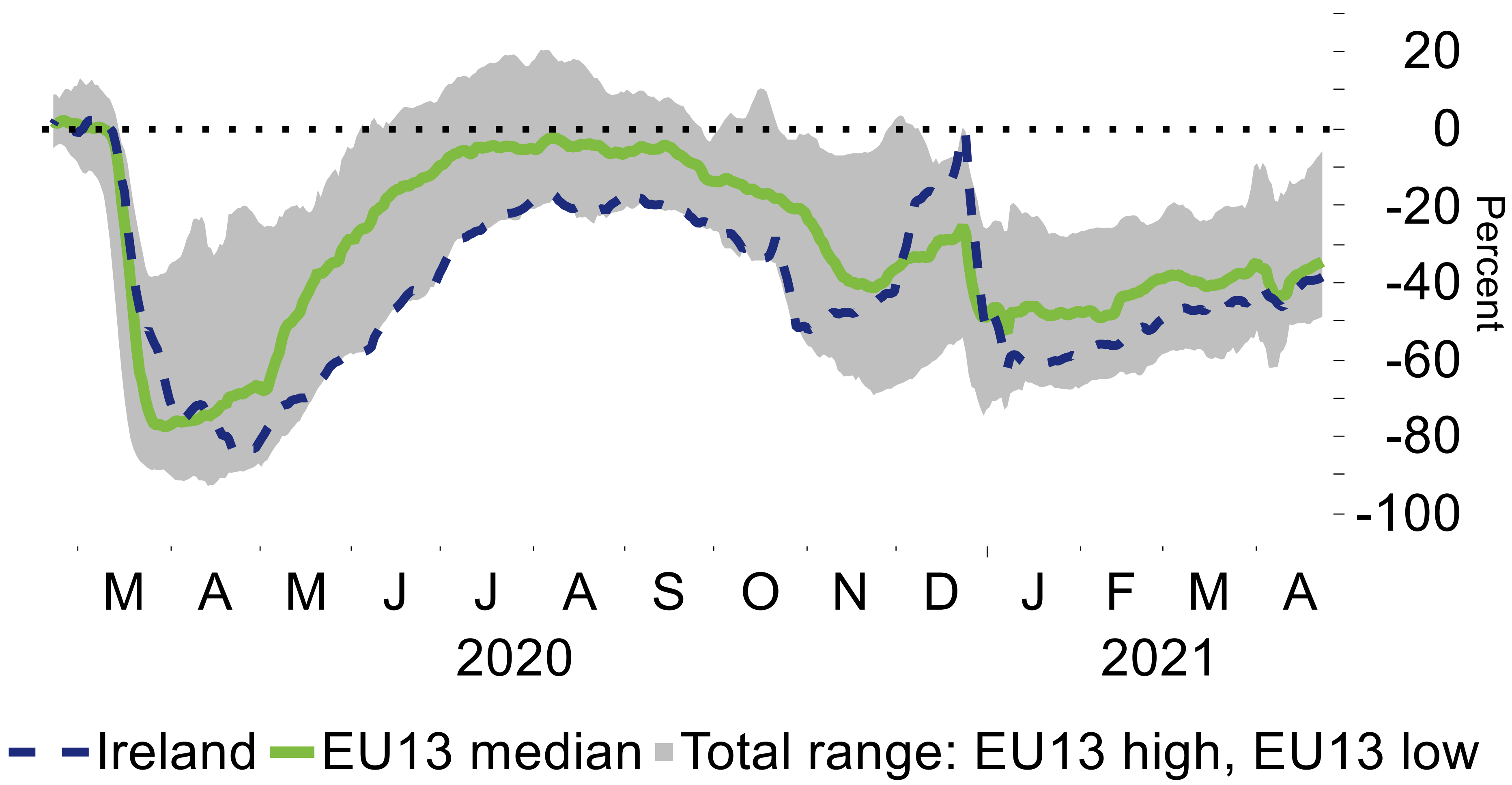


Footfall lifts as weather improves

The latest data from Google shows that footfall in Irish retail (excluding grocery and pharmacy) started to come back in line with the EU average as some aspects of Level 5 lockdown are beginning to ease and weather improves. Covid spikes in other parts of Europe have meant strict restrictions have been reintroduced in other countries, making Ireland less of an outlier.

Google mobility, Retail and recreation (ex grocery and pharmacy), % difference to baseline

(EU15 excluding Sweden & UK)



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