

UK retail sales volumes slide

Britain's economy is losing steam as households face a tightening cost-of-living squeeze, according to data published on Friday which showed sliding retail sales and consumer confidence approaching all-time lows.



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Official data showed retail sales volumes slid by 1.4% in March from February, a worse reading than any economist forecast in a Reuters poll.

Earlier on Friday, market research firm GfK said consumer confidence slumped this month to close to its lowest level since records began nearly 50 years ago.

Retail sales fall

The S&P Global Composite Purchasing Managers' Index fell in April 57.6 from 60.9. While still comfortably above the 50 threshold for growth, economists polled by Reuters had mostly expected a smaller fall to 59.0.

Consumer-facing businesses will likely face a tough time in the months ahead, with GfK's gauge of households' confidence about their finances in the future slumping to a record low.

The Office for National Statistics said food and petrol sales fell sharply last month and it cited rising prices as possible

explanations for the falls. Online retail sales also declined.

Retail sales volumes are 2.2% above their level in February 2020 but they are a long way behind where they would have been if growth had continued along its pre-pandemic trend, Keith Church, an economist from risk consultancy 4most, said.

Earlier this month, Tesco, Britain's biggest retailer, warned of a drop in profits as high inflation squeezes the supermarket group and its customers.

Reuters: Reporting by Andy Bruce; Editing by William Schomberg and Toby Chopra

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