

Retailer sales drop for third month in a row, says CBI



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Retail sales fell for the third consecutive month in August although the rate of the downturn eased back, according to the latest data.

The Confederation of [British](#) Industry's (CBI) latest Distributive Trades Survey pointed to continued weakness in the retail sector.

The survey question deducts the number of firms saying they reported a decline in sales from the number reporting growth for the period.

On Tuesday, the latest report's headline retail sales balance hit -27% for the month, as significantly more retailers witnessed a dip in sales.

However, it represented an improvement, following a balance of -43% in July.

[Retailers](#) told the industry body they still expect overall decline in September, but indicated the rate of decline will slow down further.

Firms surveyed said that sales for the time of year were “poor” in August, with sales volumes likely to remain depressed next month.

As a result, retailers expect to reduce investment in the next 12 months.

[Employment](#) in the retail sector also declined for the eighth consecutive quarterly survey, with a balance of -25% showing that more firms are cutting staff numbers rather than taking on extra employees.

Martin Sartorius, principal economist at the [CBI](#), said: “Retail sales volumes continued to disappoint in the year to August, with contractions also being seen in the wholesale and motor trade sectors.

“Retailers reported increased caution regarding their investment and hiring plans, which seemed to reflect concerns about persistently weak demand conditions.

“Although households seem to still be feeling the pinch from the cost-of-living crisis, firms should gradually begin to see some tailwinds from consumers’ rising real incomes.”