

Platinum Jubilee failed to prevent fall in retail sales

Retail sales dipped by 0.1% in June 2022, less than experts had expected but continuing a downward trajectory that reflects an economy grappling with record food and fuel prices.

Non-food stores, such as clothing and household goods, which slumped by 4.7% and 3.7% respectively, were hit particularly hard, according to data from the Office of National Statistics.

Some had hoped that the Queen's Platinum Jubilee would give shops a major boost.

Where the Jubilee did have a positive impact was in food, which saw sales volumes spike by 3.1%, with retailers confirming that higher sales were because of the celebrations.

But this was the only sector to report an increase.

Advertisement

Retailers have said that in recent months they have seen a decline in volumes sold because of increased food prices and the cost of living crisis, the ONS said.

And in June, the bump in food sales was clearly offset by a drop in fuel sales due to sky-high prices.

In fact, the cost of petrol and diesel has become such a drag on household spending that if automotive fuel is excluded from June's ONS sales figures, then sales volumes actually rose by 0.4% compared with the month before.

But as it was, fuel sales dropped by 4.3% as more consumers

avoided the petrol station.

“After taking account of rising prices, retail sales fell slightly in June and although they remain above their pre-pandemic level, the broader trend is one of decline,” said Heather Bovill, ONS deputy director for surveys and economic indicators.

After a fall in May, food sales picked up due to the Jubilee celebrations, said Ms Bovill.

“Clothing purchases dipped along with household goods, with retailers suggesting consumers cutting back on spending due to higher prices and concerns around affordability,” she added.

While sales volumes were up 2.2% above their pre-coronavirus levels from February 2020, they were down when compared with the volumes from June 2021, when shoppers unleashed pent-up demand after lockdowns ended.

“The cost-of-living crunch caused by record inflation continue to damage consumer confidence and stifle household spending,” said Helen Dickinson, chief executive of the British Retail Consortium (BRC).

“Discretionary spending and particularly bigger purchases were put off as consumers become increasingly concerned about the future.”

Recent industry data from the BRC shows that retail sales volumes have fallen to a rate “not seen since the depths of the pandemic”, reflecting the third consecutive monthly decline as inflation eats away at household spending power.

The British Retail Consortium (BRC) said the value of total sales was 1% lower in June than a year ago.

That followed a 1.1% decline in May.

Like-for-like sales, which adjusts for changes in floor space,

fell 1.3%.

However, the figures are not adjusted for inflation, which the BRC said was running at 3.1% among its members – the highest since 2008 as the [cost of living](#) crisis gathers pace.

The official consumer prices index measure of inflation facing consumers is at a [40-year high of 9.1%](#) – led mostly by energy and fuel costs.