

Retail sales enjoy booming January after bleak Christmas

Retail sales rebounded in January after falling in December, posting their biggest monthly rise since the shops reopened last spring.

Despite [rising prices due to inflation](#), volumes jumped by 1.9% last month [following a drop of 4% in December](#), according to the Office for National Statistics (ONS), triggered by surging rates of Covid-19.

The figures for January were 3.6% above their pre-pandemic February 2020 levels.

“It was a good month for garden centres, department and household goods stores, with particularly strong trading for furniture and lighting,” said Darren Morgan, director of economic statistics at the ONS.

Food sales fell below their pre-pandemic level for the first time, though, as more people returned to eating out, Mr Morgan said, adding that there was also anecdotal evidence suggesting higher demand for takeaways and meal-subscription kits.

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Following a rise in high street footfall towards the end of the month, the proportion of online sales dropped to its lowest level since March 2020, when e-commerce activity exploded as consumers were forced to stay at home.

The proportion of retail sales online fell to 25.3% in January 2022, its lowest proportion since March 2020, when it was 22.7%, continuing a broad downward trend since its peak in February 2021 at 36.5%.

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Despite its downward trend, the percentage of retail sales made online was still higher than before the coronavirus pandemic, which stood at 19.8% in February 2020.

Meanwhile, an increase in road traffic helped push fuel sales up from December.

“Many retailers saw something of a spending boom during the course of the pandemic, but now it looks like the dust from this explosion is finally beginning to settle,” said Karen Johnson, head of retail, wholesale, and healthcare at Barclays.

“Consumer spending appears to be dropping back down to normal, whatever normal means in 2022,” she added.

“Looking ahead, the outlook is uncertain. Interest rate rises and [increasing costs](#) are front of mind across the industry. What impact these pressures will have on consumer spending is the question for the months ahead.”