

## Executive summary

Trends in the trade sector (retail, wholesale and motor vehicles) signal information about the demand side of the economy.

The BER's trade survey for the first quarter of 2023<sup>1</sup> suggests a sector under pressure and facing weak consumer demand. Retail confidence slipped from 42% to 34%. This is the weakest level since 2020Q2. Load-shedding is a significant contributory factor to this trend. At the same time, consumers continue to be pinched by high inflation (especially food prices) and an elevated interest rate, which constrains their disposable income. The weak reading of the Consumer Confidence Index (CCI) for quarter one corroborates this trend.

Wholesalers face a similarly challenging trading environment. Following a steep drop in 2022Q4, wholesale confidence increased marginally in quarter one. However, the index that tracks wholesalers' perceptions of business conditions is at its lowest reading since 2020Q3.

Confidence among motor traders also remains relatively muted. Naamsa predicts growth in sales for 2023, but at a much slower pace than last year. The CCI subindex that tracks consumers' views on the suitability of the present time to buy durable goods (including vehicles) confirms that many consider the current time highly inappropriate to make such purchases.

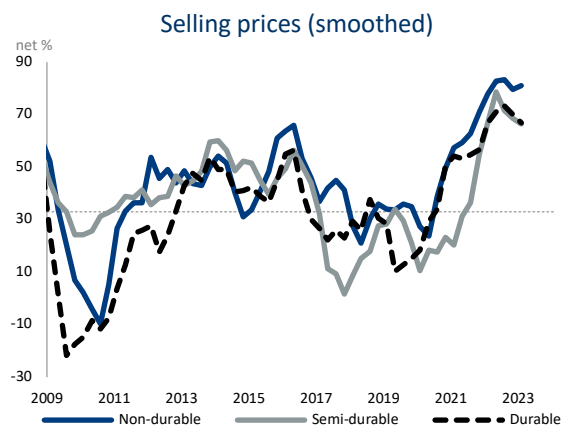
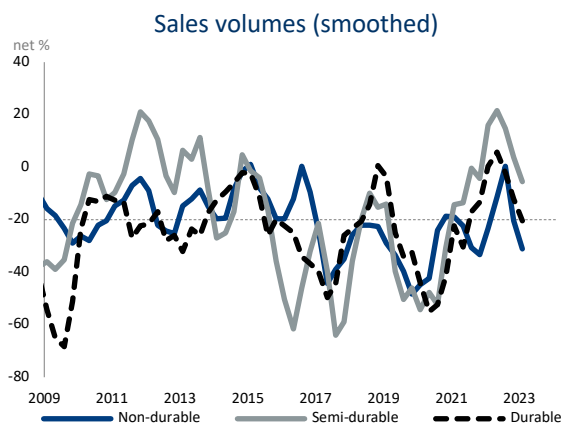
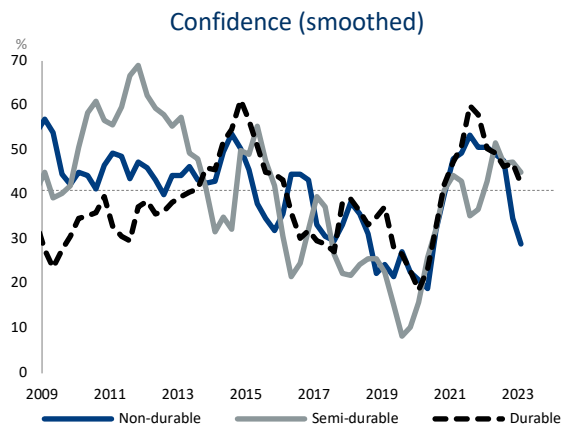
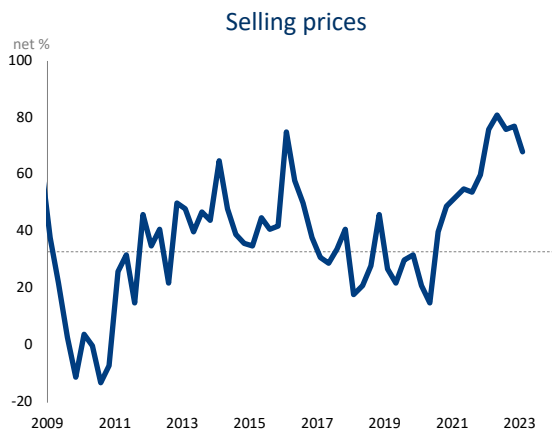
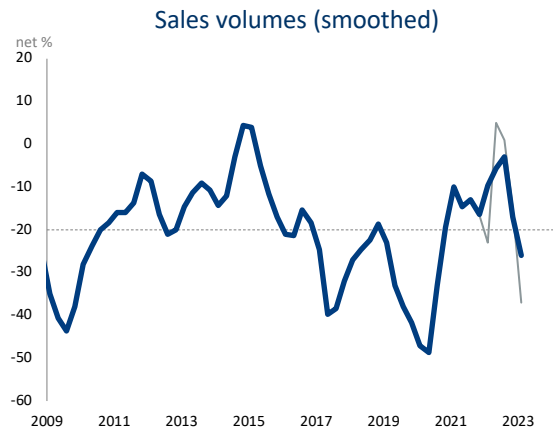
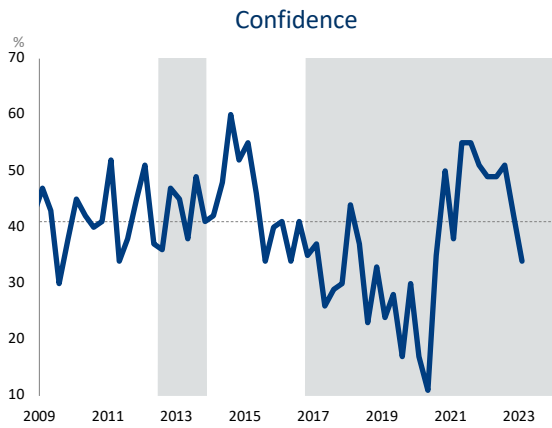
### Retail trade: total<sup>2</sup>

Indicator	Unit	$\mu-\sigma$	$\mu$	$\mu+\sigma$	21Q2	21Q3	21Q4	22Q1	22Q2	22Q3	22Q4	23Q1	$\Delta$	$\sigma_{\Delta}$
Confidence	%	29	40	50	55	55	51	49	49	51	42	<b>34</b>	-8	9
Business conditions	Net %	-47	-30	-14	-2	-14	-10	-20	-9	-15	-23	<b>-41</b>	-18	14
Sales volumes	Net %	-36	-21	-5	-13	-15	-11	-23	5	1	-15	<b>-37</b>	-22	13
Seasonally adjusted	Net %	-35	-21	-6	-9	-13	-19	-21	9	3	-23	<b>-35</b>	-12	11
Smoothed	Net %	-33	-21	-8	-15	-13	-16	-10	-6	-3	-17	<b>-26</b>	-9	6
Selling prices	Net %	16	37	59	55	54	60	76	81	76	77	<b>68</b>	-9	14

<sup>1</sup> The third-quarter BER Retail Trade survey was conducted between 8-27 February.

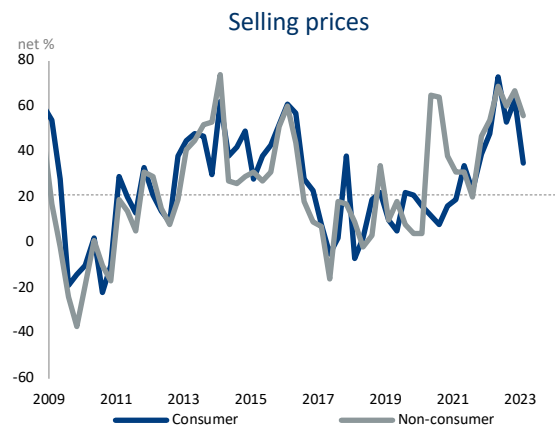
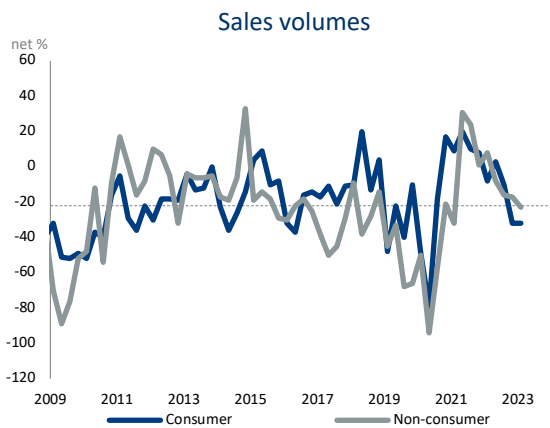
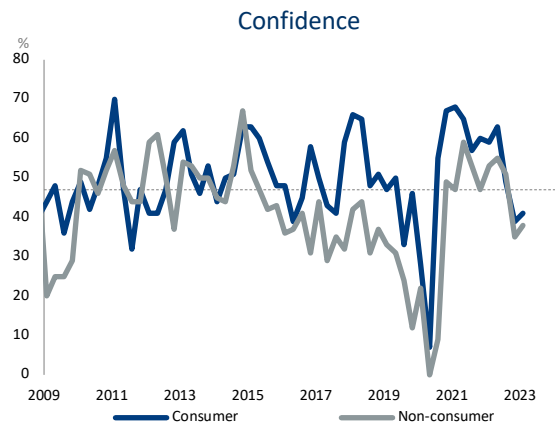
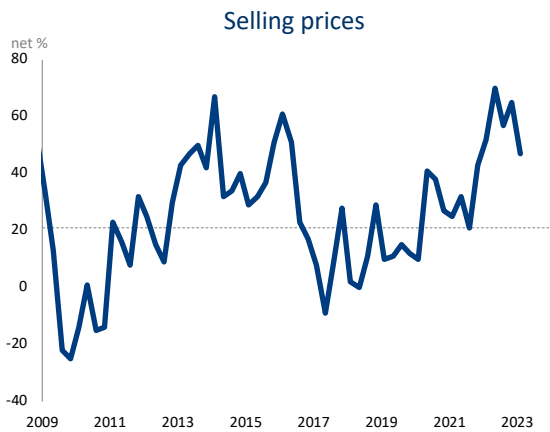
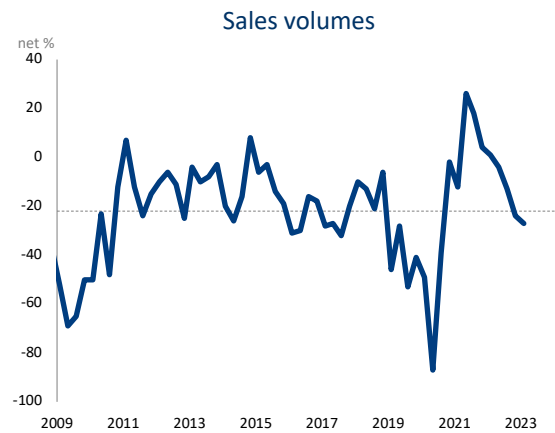
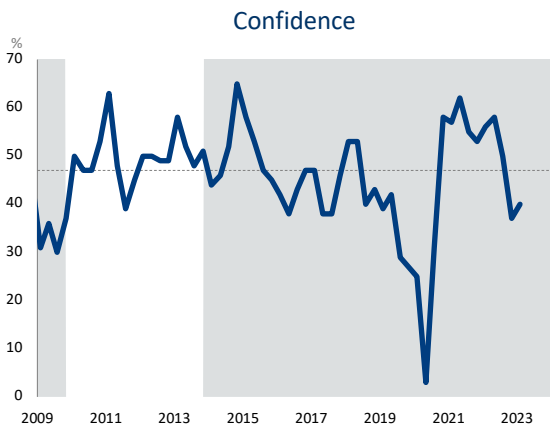
<sup>2</sup> The "retail trade total" consists of the "retail trade durables", the "retail trade semi-durables" and the "retail trade non-durables" goods sectors. The BER does not cover the retail trade in second hand goods in stores (SIC code 624), the retail trade not in stores (625) and the repair of personal and household goods (626).

### Retail trade: total<sup>3</sup>



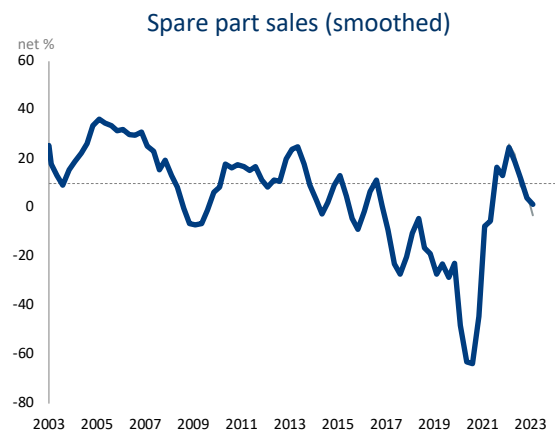
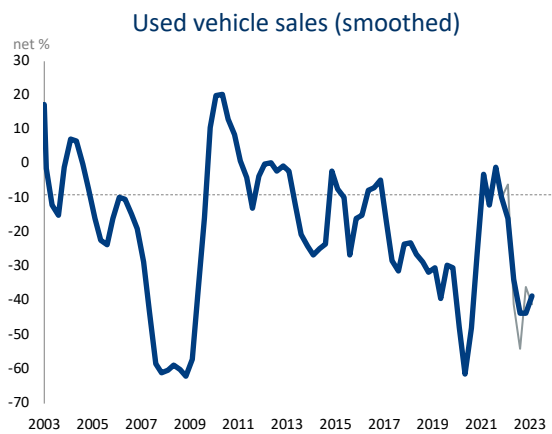
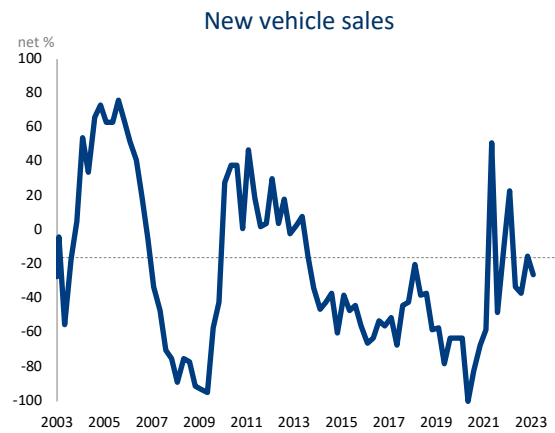
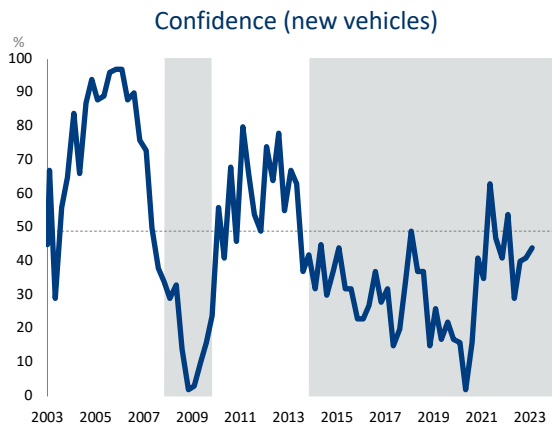
<sup>3</sup> The "retail trade total" consists of the "retail trade durables", the "retail trade semi-durables" and the "retail trade non-durables" goods sectors. The BER does not cover the retail trade in second hand goods in stores (SIC code 624), the retail trade not in stores (625) and the repair of personal and household goods (626).

### Wholesale trade: total<sup>4</sup>



<sup>4</sup> The "wholesale trade total" consists of the "wholesale trade consumer goods" and the "wholesale trade non-consumer goods" sectors. The BER does not cover the wholesale trade on a fee or contract basis (SIC code 611), the wholesale trade in precious stones, jewellery and silverware (61393) and the wholesale trade in solid, liquid and gaseous fuels and related products (6141)

### Motor trade<sup>5</sup>



<sup>5</sup> The “motor trade” consists of the retail sales of new and used vehicles (SIC code 6312), as well as new spare parts and accessories (6331). The BER does not cover the wholesale sale of motor vehicles (6311), the maintenance and repair of motor vehicles (632), the sale of used parts and accessories (6332), the sale, maintenance and repair of motor cycles (634) and the retail sale of automotive fuel (635).