

The Cost of Living Crisis Continues to Take a Toll on the British Retail Sector

The cost of living crisis in Great Britain is no joke as prices of essential items continue to increase. The rate in Britain is again higher than the eurozone's 10.7 percent as it has surged 11.1 percent. Hence, this crisis is the biggest one witnessed by the British people in 40 years.

Inflation in Britain has continued to torment the purchasing powers of the British as costs continue to rise faster. As a result, many families have made the needed decisions to cut the budget on several items so they can have more funds to accommodate more essential needs. Given the current economic situation, in the UK there is an increase in demand for discounts and coupons offered by discount websites like promocodius.co.uk.

Britain's Retail Sales Fall Below Pre-Pandemic Levels

City Economics predicted that retail sales would drop by 0.5% due to the rising costs. However, information from the National Statistics Office revealed that City Economics had underestimated the impacts of inflation as the sales fell by 1.4 percent in September. With these new statistics, the sales volume is now 1.3 percent lower than before the pandemic in February 2020.

Though inflation has lasted a while, and the British government has actively tried to combat the situation, things are not improving at the moment. The retail sales volume recorded in September was lower than the pre-pandemic levels;

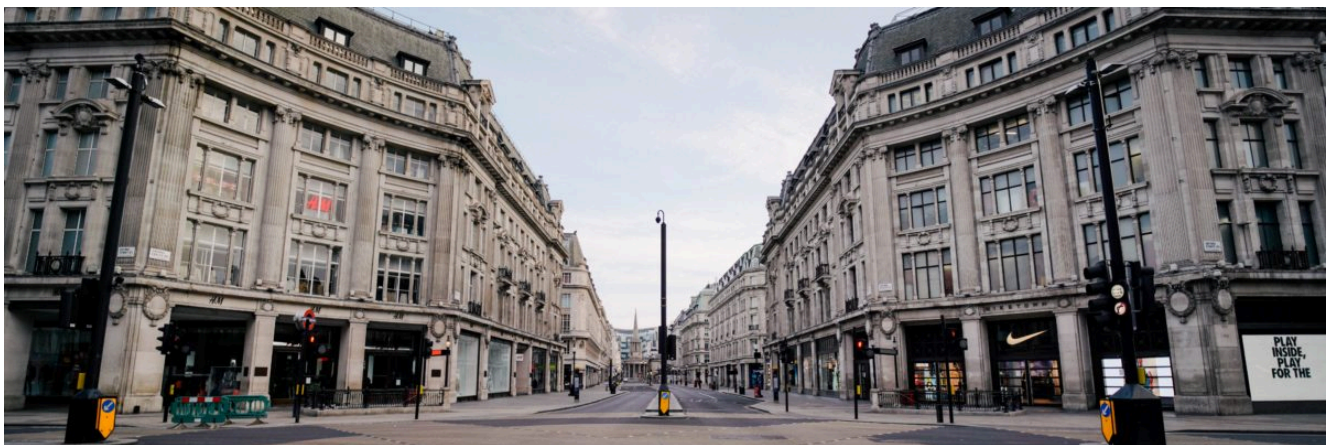
that was the first month the volume dropped that low. These statistics have also increased the fear of an economic recession as the new year approaches.

How Fall in Retail Sales Affected the Sector

The director of economic statistics at the Office of National Statistics (ONS), Darren Morgan, noted that all aspects of retailing suffered a loss as UK shoppers' purchasing powers continued to suffer.

As food prices continue to rocket, the ONS revealed that food store sales fell by 1.8 percent, the highest fall recorded. Many UK shoppers are now going for other alternatives and cutting down on the money being spent on groceries in retail stores.

Non-food stores were also not left out of this sales fall. Thanks to the increasing popularity of footwear retail stores, clothing stores raised their sales by 1 percent. However, non-food stores still recorded a decline of 0.6 percent.



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