



# WeldingWorld

## Summer sunshine spurs retail sales growth

Retail sales growth picked up in the year to July, exceeding expectations for minimal growth, according to the latest monthly CBI Distributive Trades Survey.

The survey of 111 firms, of which 57 were retailers, showed that the volume of sales grew at a healthy pace – driven by grocery and clothing sales in particular - while orders placed on suppliers rose at a solid pace for a second consecutive month. Overall, sales for the time of year were considered to be slightly above seasonal norms.

Looking ahead, retailers expect steady expansions in both sales and orders in the year to August, at paces similar to those seen this month.

Growth in internet sales was little changed from last month in the year to July, and marginally below the long-run average.

Elsewhere in the distribution sector, wholesalers continued to report above-average growth in sales volumes, but motor traders reported the fastest drop in sales since November 2013.

### **Anna Leach, CBI Head of Economic Intelligence, said:**

“The warm summer has added a sizzle to our high streets as shoppers defied expectations, with sales growth in clothing shops and grocers driving overall performance.

“But while retailers expect a similar pace of growth next month, the factors underpinning their sales growth are more shaky. Although employment is strong, real incomes are falling in the wake of higher inflation, and that’s expected to feed slower consumer spending growth ahead.”

### **Key findings**

#### **Retailers:**

48% of retailers said that sales volumes were up in July on a year ago, whilst 26% said they were down, giving a balance of +22%. This out-performed expectations last month (+3%)

40% of respondents expect sales volumes to increase next month, with 20% expecting a decrease, giving a balance of +20%

32% of retailers placed more orders with suppliers than they did a year ago, whilst 22% placed fewer orders, giving a balance of +10%.

23% of retailers reported that their volume of sales for the time of year were good, whilst 17% said they were poor, giving a balance of +6%

Internet sales volumes expanded at a steady pace in the year to July (+43%) and are expected to grow at near similar pace in the year to August (+41%)



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Year-on-year sales volumes increased strongly in clothing (+34%) and grocers (+53%) in July. Meanwhile sales volumes fell in specialist food & drink (-48%).

## **Wholesalers:**

41% of wholesalers reported sales volumes to be up on last year, and 7% said they were down, giving a balance of +34%, beating expectations (+14%). Volumes are expected to grow at a slightly slower pace next month (+23%).

## **Motor traders:**

31% of motor traders reported sales volumes were up on a year ago, whilst 45% said they were down, giving a balance of -14%, the lowest since November 2013 (-26%). Volumes growth is expected to rebound next month (+26%).