Rainfall washes out retail sales in March

By Dearbail Jordan
Business reporter, BBC News

UK retail sales volumes fell by 0.9% between February and March with shops blaming wet weather for fewer shoppers.

Department and clothing stores said they suffered particularly, in the sixth wettest March since 1836.
Sales at food shops also fell, down 0.7%, following shortages of some products, official figures showed.

Many stores imposed limits on fresh produce such as tomatoes and cucumbers because of poor weather affecting supplies from Spain and North Africa.

The Office for National Statistics (ONS) said "26% of adults experienced shortages of essential food items that were needed on a regular basis" for much of March - an increase of the 18% who reported similar problems in February.

The amount of food that people bought last month is 3% below pre-pandemic levels in February 2020, which retailers blamed on the increased cost of living and higher prices.

Despite the fall in sales during March, for the first three months of the year sales grew by 0.6% compared with the previous three months, the ONS said, which was the first rise in quarterly sales since August 2021.

- Why are prices rising so much?

- Food prices to fall soon, say UK supermarkets

Inflation - the rate at which prices are rising - hit 10.1% in March, mainly due to the increasing cost of food. The rate had been expected to fall below 10%.

However, a drop in food production costs - which peaked in October last year according to the British Retail Consortium (BRC) - has not yet filtered into supermarkets.

The BRC said that it takes between three and nine months for falling prices to reach shops, but it said on Wednesday it expected food prices to start falling "over the next few months".

Stretched budgets

The impact of rising food prices can be seen across society. Separate figures from the ONS show that 96% of people it surveyed blamed the price of food shopping for the rising cost of living which they had experienced in the last month.

That was greater than the 77% who pointed to gas and electricity bills.

As a result, many said they were cutting back on non-essential spending, which could include fashion, while nearly half of those asked said they were shopping around more. Among the respondents, 42% said they were spending less on food shopping and other essentials.
Analysts at Capital Economics said the rise in quarterly sales suggested “the 18-month retail 'recession' may have come to an end. Indeed, the more seasonable weather in April may support a rebound in sales this month”.

However, it said sales could still be tempered by a further rise in the interest rate when the Bank of England next meets in May, putting further pressure on consumer spending.

The Bank has been raising borrowing costs - which currently stand at 4.25% - to try to calm stubbornly high inflation.

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**COST OF LIVING**

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**How can I save money on my food shop?**

- Look at your cupboards so you know what you have already
- Head to the reduced section first to see if it has anything you need
- Buy things close to their sell-by-date which will be cheaper and use your freezer

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