

ECONOMIC PULSE

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MOBILITY: WHAT IMPACT FROM ANOTHER LOCKDOWN AND NEW RESTRICTIONS ON MOBILITY?

Faced with the resurgence of the pandemic and the discovery of a new, highly contagious variant of the coronavirus, many countries have imposed strict or partial lockdowns to curb the progression of the virus. As a result, there has been a sharp drop in the momentum of retail and leisure traffic flows during the first week of January, as shown by the latest Google Mobility Report dated 10 January. Momentum had already begun to ebb during the last two weeks of December in many countries, especially in Europe. This time, the decline in consumer traffic was much lower than the one observed last spring for most countries.

In Germany, after the federal and the 16 state (Länder) governments announced the tightening of restrictions on 5 January, retail and leisure traffic flows dropped off by a record amount, with the 7-day moving average down by nearly 62% relative to the baseline* (chart 1). This is equivalent to the sharp decline observed at the end of March. On 12 January, Chancellor Angela Merkel warned that the country could remain in lockdown until April to ward off the new variant of the coronavirus. A meeting between the federal and state governments will be brought forward probably to early next week to review the pandemic restrictions. In the UK, after the discovery of a highly contagious variant of the virus, Wales and Northern Ireland both imposed a third lockdown after the Christmas holidays. For its part, Scotland ordered a strict lockdown on 4 January, followed by England

on 5 January. As a result, consumer traffic dropped off sharply, with the 7-day moving average down about 62% relative to the baseline scenario (chart 2). After Italy implemented a partial regional lockdown based on local conditions, consumer traffic declined sharply, with the 7-day moving average down nearly 49% relative to the baseline. In Belgium, France and Spain, which opted for curfews, consumer traffic trends also declined, with the 7-day moving average down 44%, 41% and 31%, respectively, relative to the baseline. In Spain, however, where the curfew has been in place since the end of October, consumer traffic was higher than for the other European countries. In France, the entire country has been under a curfew from 8 pm to 6 am since 15 December, and 25 departments have imposed longer curfews running from 6 pm to 6 am since 8 January. The latter will be extended nationwide from 16 January onwards for a minimum duration of a fortnight. In Belgium, the curfew runs from 10 pm to 6 am except in Flanders, where it runs for midnight to 5 am.

Lastly, consumer traffic continues to decline in the United States after a brief rebound in early January. In Japan, consumer traffic returned to normal in the last week of December, but this was only a brief respite as consumer traffic declined thereafter.

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RETAIL AND RECREATION MOBILITY

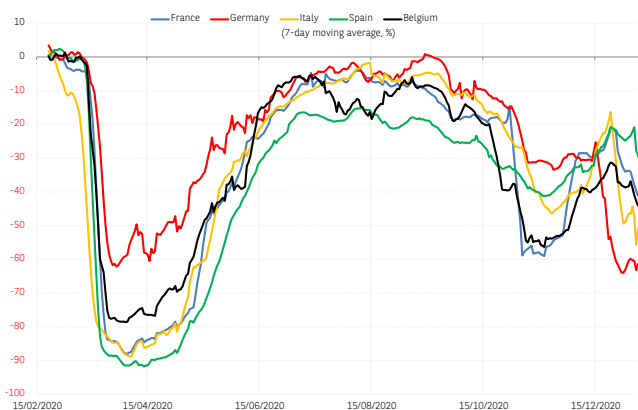


CHART 1

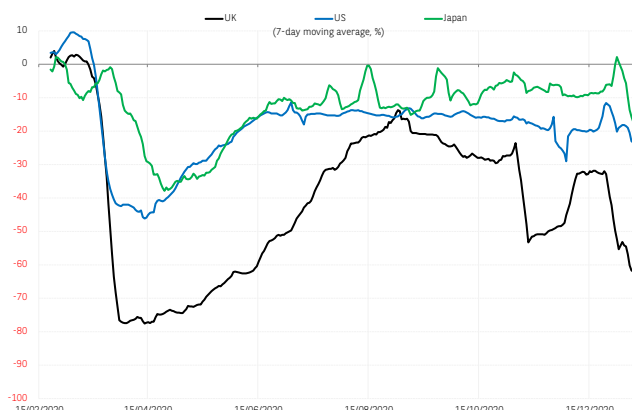


CHART 2

SOURCE: GOOGLE (LAST UPDATE 10 JANUARY 2021), BNP PARIBAS

* Google Mobility Reports show how visits and length of stay at different places change compared to a baseline. The baseline is the median value, for the corresponding day of the week, during the 5-week period Jan 3–Feb 6, 2020. A figure of negative 30% indicates that traffic was down 30% compared to a baseline. The reports show trends over several weeks with the most recent data representing approximately 2-3 days ago—this is how long it takes to produce the reports. In order to smooth the series, we use a seven-day moving average of the raw data in the Google Mobility Reports. Source: Google.



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