

## ECONOMIC PULSE

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## MOBILITY: THE YEAR 2021 STARTS UNDER PRESSURE

The year 2021 starts under pressure from the rising number of Covid-19 cases in numerous countries. In Europe in particular, countries have had to tighten their health restrictions to contain the spread of the virus. In the weeks ahead, these new restrictions are bound to have a further negative impact on consumer traffic flows in the retail and leisure sectors. In mid-December, momentum had already begun to slow in most of the European countries, as illustrated by the latest Google Mobility Report released on 3 January.

In Germany, where the number of new cases has skyrocketed, the state and federal governments decided to tighten the lockdown rules. As a result, consumer traffic flows have reported the sharpest decline since the beginning of the pandemic, with the 7-day moving average down nearly 64% relative to the base line\* (chart 1). Recently, the authorities have agreed to prolong and extend the lockdown at least till the end of January. Italy also reported a sharp decline in retail and leisure traffic flows after the second wave of the pandemic peaked in the first two weeks of November, with the 7-day moving average down 49% relative to the base line. In Belgium and France, consumer traffic flows also declined with the 7-day moving average down 39% and 34%, respectively, relative to the baseline. In both countries, the lockdown was loosened and a curfew replaced the earlier travel restrictions. In France, the 8 pm to 6 am curfew has been in effect nationwide since December 15, extended by a 6 pm to 6 am curfew in 15 departments since January 2.

6pm curfew could extend to 10 more departments starting 8 January, Prime Minister Jean Castex says. In Belgium, the 10 pm to 6 am curfew is in effect except in the Flanders region, where the curfew is from midnight to 5 am. In Spain, where a curfew has been in effect since the end of October 2020, consumer traffic flows have declined slightly, with the 7-day moving average down 25% relative to the baseline. The country is nearing the milestone of 2 million Covid-19 cases.

In the UK, consumer traffic flows have fallen sharply, with the 7-day moving average down 55% relative to the baseline (see chart 2). This is the sharpest decline since the country went again into lockdown in early November. The UK has witnessed a spectacular rebound in the pandemic in recent weeks, with 62,322 new cases on 6 January, a record high since the outbreak of the pandemic. Faced with the surge in new contaminations, on Monday, 4 January, Prime Minister Boris Johnson announced a total lockdown for England starting 6 January. Also Wales, Scotland and Northern Ireland have announced tighter rules. This will surely have an impact on retail and leisure traffic flows in the weeks ahead.

Finally, in the United States, the rebound in consumer traffic was short-lived and was followed by a relapse. In Japan, we have been approaching a return to normal since the last week in December.

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## RETAIL AND RECREATION MOBILITY

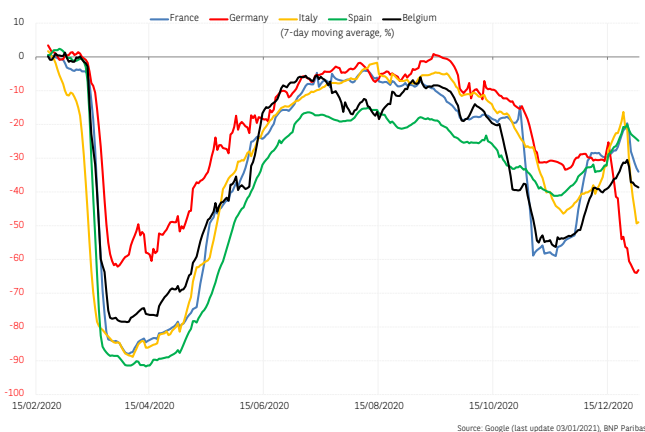


CHART 1

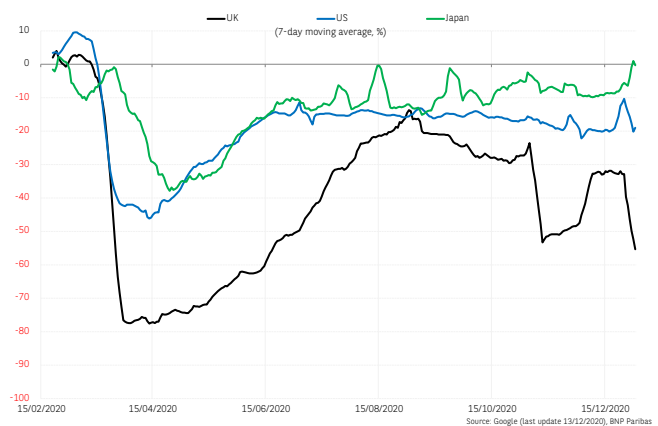


CHART 2

SOURCE: GOOGLE (LAST UPDATE 03 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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