

ECONOMIC PULSE

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RETAIL AND LEISURE: MOBILITY MOMENTUM CONTINUES TO PICK UP IN EUROPE

The latest Google Mobility Report - published on 6 December - shows that customer traffic flows to retail and leisure businesses in Europe early this month continued to build on the momentum reported end November. This momentum is the result of the easing of containment measures in Europe.

France reported a strong increase in traffic, with the 7-day moving average up 30% relative to the baseline*, after declining sharply to 59% at the start of the second lockdown in early November. This increase in customer traffic occurs as lockdown restrictions were gradually lifted starting on 28 November. In Belgium, where the government also opted for the gradual lifting of lockdown restrictions but that were much tighter than in France, the mobility trend has increased to a 7-day moving average of 44% relative to the baseline. In Spain, where the curve of new cases continues to fall, customer traffic also picked up with a 7-day moving average of 33% relative to the baseline. In Italy, the number of cases continues to decline but is twice as high as in Spain (7-day moving average of new cases: 20,142). The UK, the world's first country to authorise a Covid-19 vaccination last Tuesday, reported an upturn in customer traffic, which has accelerated since the end of the national lockdown (effective since 2 December). In Germany, the trend has remained stable since the end of November, with

29% relative to the baseline. Nevertheless, customer traffic remains higher than the rest of Europe. As infections have remained at a very high level, some German states have announced the tightening of restrictions for the coming weeks, which could reduce the footfall.

Lastly, the United States has reported a spectacular spike in the pandemic in recent weeks. One week after the Thanksgiving holiday, the number of new cases hit a new record on 4 December of more than 238,065 new cases in 24 hours. The country reported a slight increase in customer traffic after the end of the Thanksgiving holiday, with the 7-day moving average at +21% relative to the baseline. The increase in traffic occurs after a downward trend reported since 25 November, the day before Thanksgiving (see chart 2).

In Japan, in contrast, the trend has remained stable since early June with a 10% decline in the 7-day moving average (chart 2). Even so, the country is on maximum alert to counter a surge in new cases, notably in Tokyo, where the city exceeded the threshold of 500 new cases per day.

Tarik Rharrab

RETAIL AND RECREATION MOBILITY

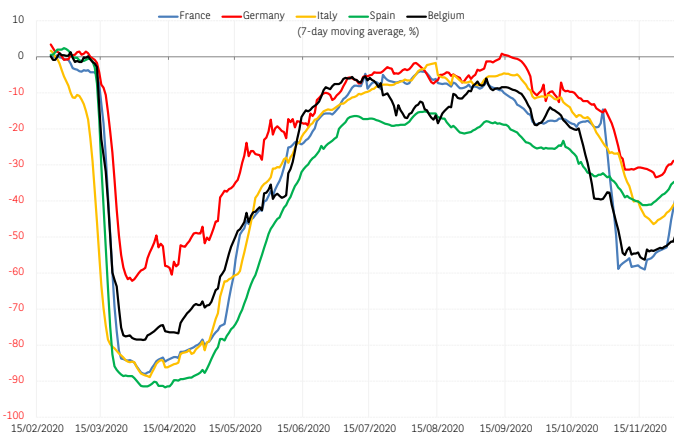


CHART 1

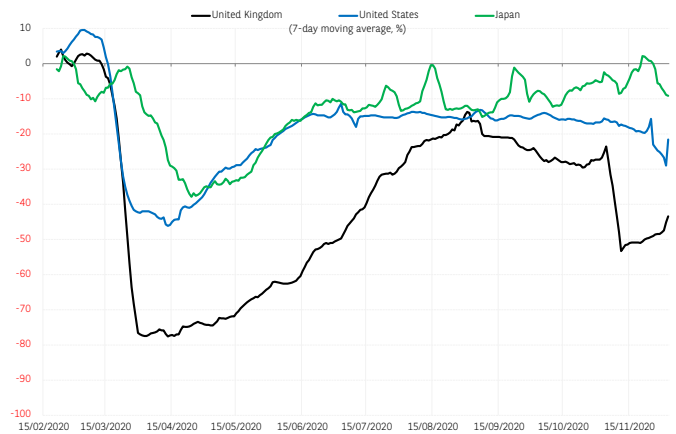


CHART 2

SOURCE: GOOGLE (LAST UPDATE 6 DECEMBER 2020), 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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RELATIONSHIP BETWEEN MARKIT PMI SURVEYS IN THE SERVICES SECTOR AND RETAIL AND RECREATION MOBILITY

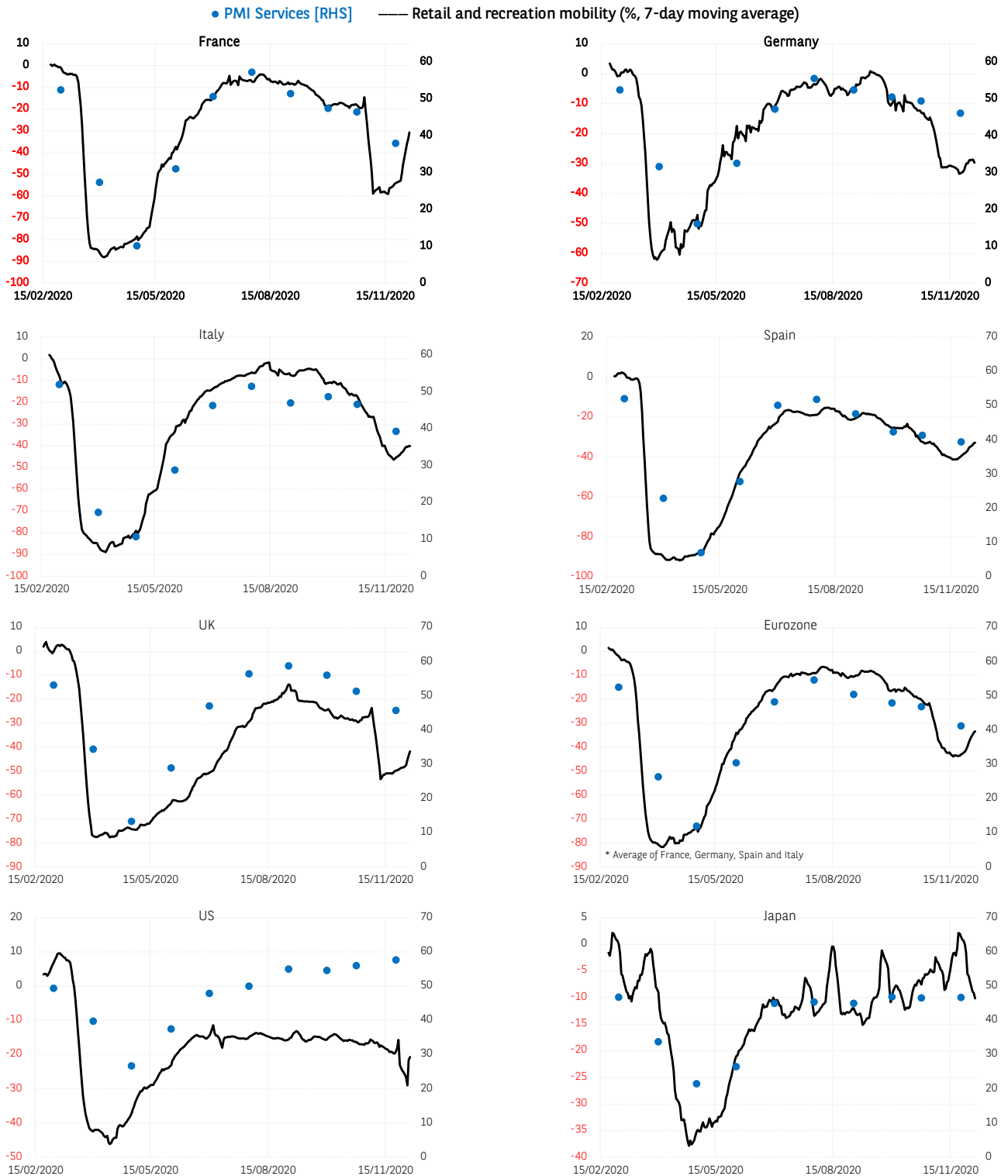


CHART 3

SOURCE: GOOGLE (LAST UPDATE 6 DECEMBER 2020), MARKIT, BNP PARIBAS

