

ECONOMIC PULSE

RETAIL AND RECREATION: THE IMPACT OF SOCIAL DISTANCING AND LOCKDOWN MEASURES ON MOBILITY TRENDS

Since mid-September, the resurgence of the Covid-19 pandemic and the reintroduction of health restrictions in numerous countries have led to another decline in retail and recreation traffic. Customer traffic flows fell sharpest in the countries that were hit hardest by the second wave of the pandemic and that implemented full lockdowns, according to Google mobility reports*.

France, Belgium and the UK, which experienced a rapid increase in the number of new cases, reported a sharp decline in customer traffic following the announcement of new lockdown measures, with traffic flows down 59%, 55% and 48% respectively (charts 1 and 2). In Italy and Germany, customer traffic was still low, down by about 35% and 31%, respectively (chart 1). Although Spain opted for local lockdown

measures, it has reported a slightly bigger decline in customer traffic, down nearly 40%. In addition, in the United States and Japan, the trend has remained stable since the start of June, with respectively 15% and 10% on average (chart 2).

Chart 3 shows the relationship between Markit PMI surveys in the services sector and visits to 'retail and recreation'. Naturally, a decline (or increase) in customer traffic results in a decline (or increase) in PMI. The downturn in the services PMI reported during the first lockdown was preceded by a sharp drop in retail traffic, which suggests a smaller decline in the services PMI in November.

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RETAIL AND RECREATION MOBILITY

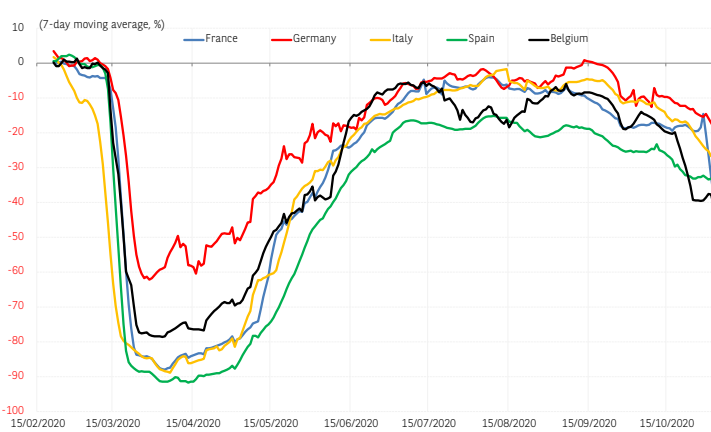


CHART 1

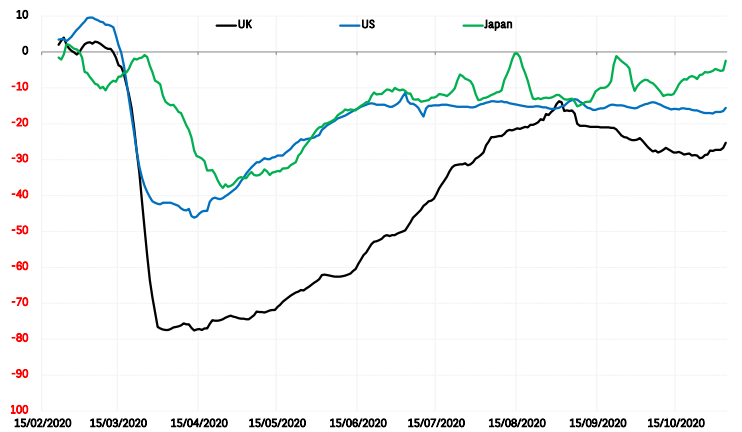


CHART 2

SOURCE: GOOGLE (LAST UPDATE 10 NOVEMBER 2020), BNP PARIBAS

*Google Mobility Reports show how visits and length of stay at different places change compared to a baseline. Daily traffic is compared to a baseline value for that day of the week. 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. Source: Google



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RELATIONSHIP BETWEEN MARKIT PMI SURVEYS IN THE SERVICES SECTOR AND RETAIL AND RECREATION MOBILITY

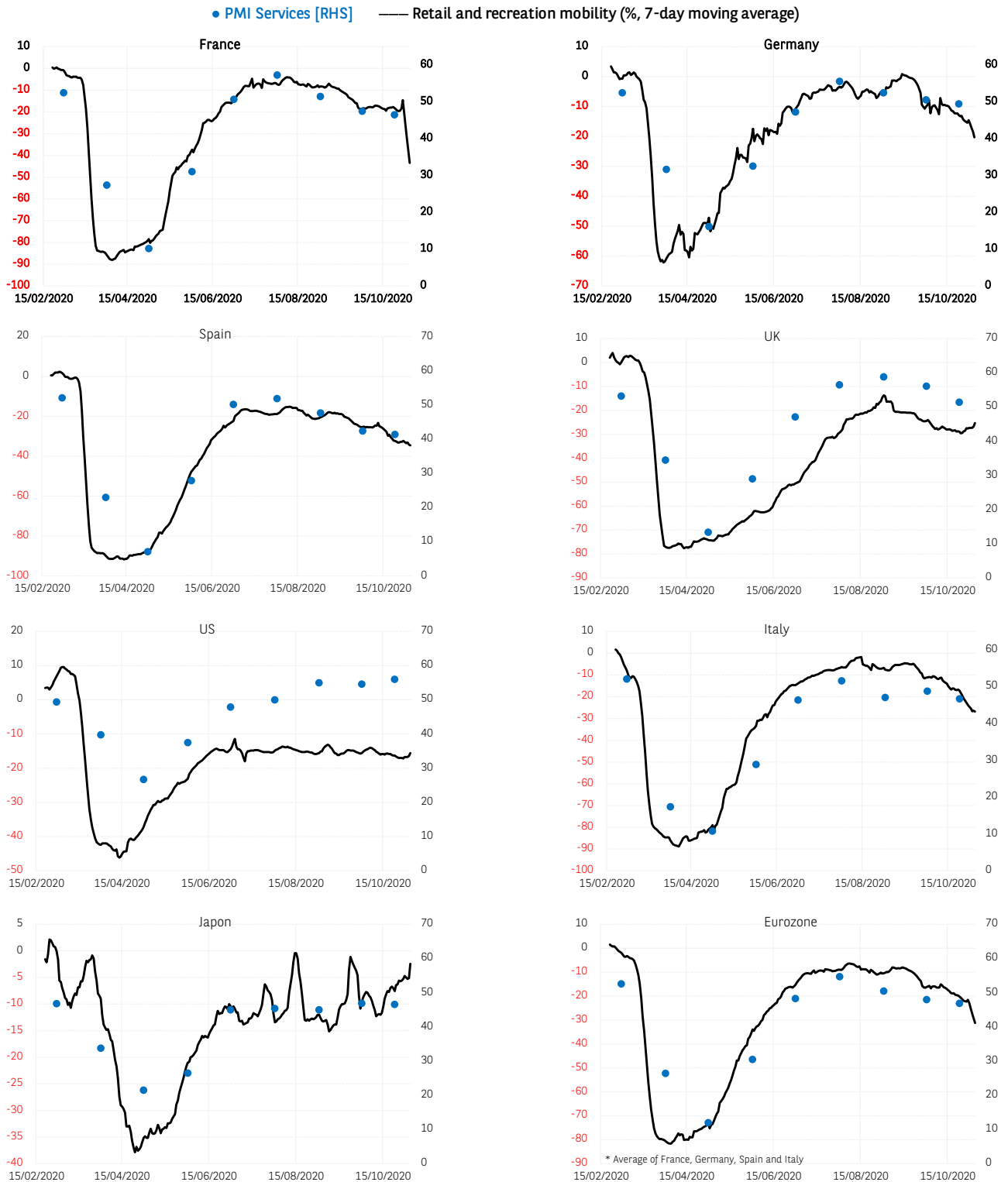


CHART 3

SOURCE: GOOGLE (LAST UPDATE 10 NOVEMBER 2020), MARKIT, BNP PARIBAS

