# UK Retail Sales Drop and Energy Price Cap Decrease Impact Consumer Spending



### Retail Sales Decline in the UK

Retail sales in Great Britain fell sharply in April 2024, declining by 2.3% compared to March's revised decrease of 0.2%, according to the Office for National Statistics (ONS). This represents a significant downturn from April 2023, with sales volumes down by 2.7% year-on-year and 3.8% below pre-pandemic levels. The decline was attributed to poor weather, which affected footfall, particularly for sectors like clothing, sports equipment, toys, and furniture. April marked the UK's sixth wettest since 1836, contributing to reduced consumer spending despite an increase in consumer confidence.

### UK Energy Price Cap to Fall

In a related update, UK energy regulator Ofgem announced a 7% reduction in the energy price cap for the period from July to September 2024. This will bring the average annual energy bill for a typical household to £1,568, down from the current £1,690. However, despite the reduction, energy prices remain significantly higher than pre-crisis levels, leading to ongoing concerns about fuel poverty affecting millions of households. The energy cap reduction is influenced by falling wholesale gas prices, though the forecast suggests a possible increase in October 2024. The issue of energy costs is expected to be a significant point of contention in the upcoming general election on July 4, 2024.