

Non-food retail sales fall by up to 75% in July-August (RORETAIL)

The situation of non-food retail stores continues to be extremely difficult almost 3 months after the reopening of the mall-type shopping centers, with sales having plunged by up to 75% between July and August, the Romanian Retailers' Organization (RORETAIL) announces in a press release sent to AGERPRES on Thursday.

Representatives of the organization warn that if they do not find openness and availability at mall owners and administrators to implement a fair partnership, adapted to the special market conditions we are still going through, they are determined to resume protests.

"After a slight recovery in sales in the last two weeks of June, non-food retail sales fell sharply between July and August. In July and August, non-food retail sales plummeted by as much as 75% compared to the same period last year, with an average decrease ranging between 35% and 45%. The traffic decrease in July and August was also up to 60%, with peaks of even 75%, with the average drops ranging from 35% to 50%, compared to the same interval in 2019," informs the release.

The non-food retail stores in malls reopened in mid-June after a three-month shutdown ordered by the authorities. During the period when they were closed, the stores had zero receipts and therefore zero revenues. Moreover, the expenses incurred before the crisis situation to ensure seasonal stocks of goods have limited the financial resources of the non-food retailers available to overcome the current difficulties, RORETAIL points out.

The last months' crisis has strongly affected the national networks in particular, as the stores that are part of international networks benefit from the higher stability offered by the presence in other markets as well. However, national networks depend exclusively on developments in the domestic market.

According to the quoted source, negotiations are currently underway to adapt the contract terms, but not in correlation with the evolution of sales, and very few additional documents have been signed for the commercial relationship between retailers and owners/administrators of mall-type shopping centers. Also, the latter have chosen to enforce many letters of guarantee, which risks leading to the long-term closure of some important brands or even their bankruptcy.

RORETAIL - the Romanian Retailers' Organization - is an association founded in 2014, which gathers over 1,000 stores in Romania, non-food retailers and HoReCA units in shopping centers, belonging both to national and international brands and employing over 12,000 people.