

Key events in EMEA next week

The economic recovery is well underway across Eastern Europe, with year-on-year figures bouncing back after steep declines last year. In Hungary, record-high GDP growth is expected, while the increased base from last year is expected to drag down manufacturing and sales figures in Poland



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✓ Hungary: Bounce back expected to be shown in GDP growth figures

Based on high-frequency data, we expect the economy to grow by 2% quarterly, translating into a record high of 17.6% year-on-year GDP growth.

However, the yearly performance will tell us more about how deep the crisis was than how strong the pick-up is. If the economy actually registers the GDP growth we forecast, it would also mean that the volume of GDP will be back at the pre-crisis level.

The main driver will be the services sector as the Hungarian economy started its gradual reopening in April. Besides services, we see positive performances from both industry and construction despite the input and labour shortages. Given the supportive fiscal measures, we see a positive

impact on the budget too.

✓ Poland: Manufacturing and retail sales figures expected to decline

Manufacturing in Poland was the fastest to recover from the pandemic shock compared to other sectors.

Consequently, the increased base from last year will now strongly drag down YoY figures. Additionally, July results are expected to be under pressure due to the continued disruptions in supply chains and a gradual shift in demand from goods towards previously unavailable services.

Retail sales for June showed that the opening effect had already materialised in May. Now goods retailers have to compete with services that consumers missed out on during the lockdown. Thus, we expect some further decline in the YoY figure for retail sales. Although, Google mobility data shows sales levels in July should be similar to those in June. Hence, our forecast is a bit more optimistic than the market consensus.

EMEA Economic Calendar

Country	Time	Data/event	ING	Survey	Prev.
Monday 16 August					
Russia	-	Jul Budget Fulfilment	-		0.7
Turkey	0900	Jul Budget Balance	-		-25.03
Poland	1300	Jul Net Inflation (YoY%)	-		3.5
Croatia	1000	Jul CPI (MoM%/YoY%)	0.0/2.5		0.0/2.0
Tuesday 17 August					
Hungary	0800	Q2 GDP Flash (QoQ%/YoY%)	2.0/17.6		2.0/-2.1
Romania	0700	Q2 GDP Flash (YoY%)	15.1		-0.2
Wednesday 18 August					
Poland	0900	Jul Employment Change (YoY%)	1.8	2.0	2.8
	0900	Jul Wage Change (YoY%)	8.2	8.6	9.8
Russia	1700	Jul PPI (MoM%/YoY%)	-/-		2.9/31.1
South Africa	0900	Jul CPI (MoM%/YoY%)	-/-		0.2/4.9
	0900	Jul Core inflation (MoM%/YoY%)	-/-		0.3/3.2
	1200	Jun Retail Sales (YoY%)	-		15.8
Thursday 19 August					
Poland	0900	Jul Industrial Output (YoY%)	10.8	11	18.4
Friday 20 August					
Poland	0900	Jul Retail Sales (YoY%)	6.2	4.9	13.0

Source: Refinitiv, ING, *GMT

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