

## Czech retail sales surge amid Easter shopping

Retail sales (excluding cars) picked up by 6.9% year-on-year in April. However, the figure was affected by Easter purchases made last year at the end of March. Adjusting for this effect, retail sales grew by 5.4% YoY, which is in line with this year's average growth rate



Source: Shutterstock

### Easter shopping affected food sales

This year's monthly statistics have not been affected by a different number of working days. But in the case of March and April, sales were affected by Easter, especially in the food segment, as more Easter shopping took place at the end of March last year. Food sales accelerated by 10% YoY in April while in the previous month they fell by 3%. Adjusting for the Easter effect, the April figures would be weaker, at around 5%, though even that is significantly above the 2% annual average of food sales.

6.9% YoY

## Retail sales in April

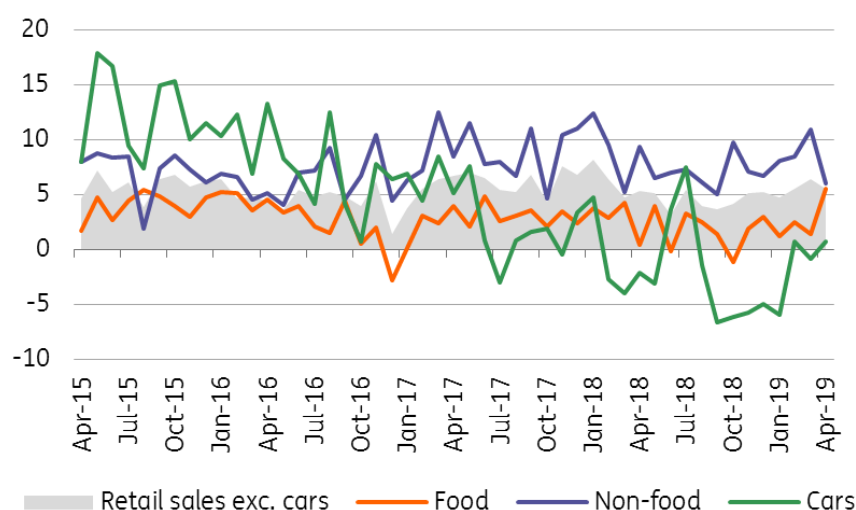
5.4% YoY adjusted for Easter effect

**Non-food sales weaker, likely due to one-offs**

On the other hand, growth in non-food sales was weaker in April and the year-on-year rate slowed to 6%, lagging behind the 2019 average growth of more than 8%. The slowdown in sales is due mainly to weaker sales in specialised clothing and footwear stores. However, these sales have been fluctuating according to the weather, and we don't consider this one-off deceleration to be particularly negative, especially as sales in these stores grew at a double-digit rate in the previous two months.

**Cars sales slightly better**

Car sales & maintenance rose slightly by 0.7% in April. This is not a staggering number, but in the context of the previous months when sales generally fell, there is some indication of possible improvement. New car sales are starting to stabilise at the European level as new car registrations in the eurozone stagnated in April after a half-year decline, although sales continue to be negative in a number of countries.

**Retail sales (calendar bias adjusted, % YoY)**

Source: CZSO, ING

**Retail sales remain strong so far this year**

Retail sales surged in April, although they were affected by some one-off effects related to Easter. This year's sales (excluding cars) are similar to those in the previous two years, so households are not losing their appetite for consumption just yet. However, due to the expected slowdown in economic activity and wages, we expect retail sales to slow slightly this year compared to the

previous year. That said, household consumption will still be one of the main factors behind the growth of the domestic economy this year, as confirmed by previous figures.