

Snap | 21 December 2023

November retail sales disappoint in Poland but we still hope for a revival in spending

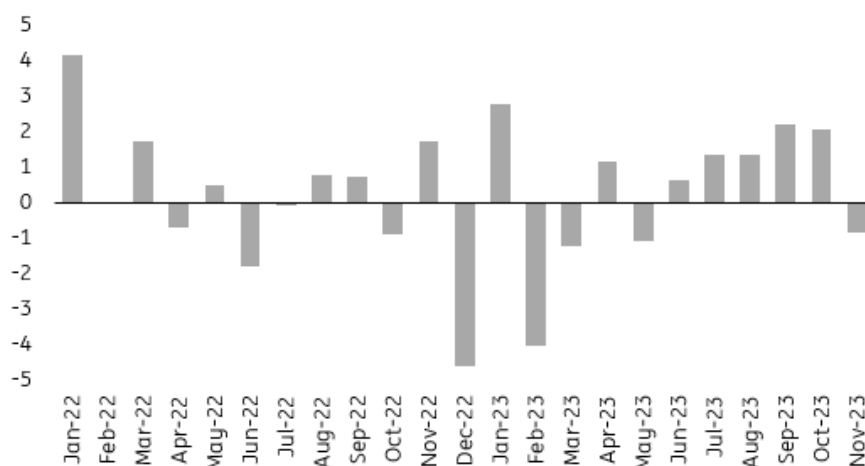
November retail sales surprised to the downside, but the overall picture of economic recovery remains the same, as we still expect improving real disposable incomes to fuel consumption growth in the quarters ahead. However, the improvement has been rather sluggish so far



A shopping mall in Warsaw, Poland

Real retail sales of goods shrank 0.3% year-on-year in November (ING: 2.0%; consensus: 1.8%) after rising by 2.8% YoY in October. Seasonally adjusted data showed a 0.8% month-on-month decline after five consecutive months of increase.

Retail sales, MoM (SA)



Source: GUS.

Fuel sales fell by 0.9% YoY following an increase of 16.7% YoY in October. We link this to the artificially low gasoline prices at the pumps in October, which most likely prompted motorists to increase purchases, including inventories. As a result, demand for gasoline eased in November, which negatively impacted total sales, as this category has a sizeable share in total sales. The decline in food sales also deepened (-2.6% YoY vs. -0.8% YoY in the previous month). The sharp increase in the price of cars and car parts continued (11.8% YoY). Sales of other durable goods continued to decline, but the pace of decline moderated. Sales of consumer electronics and household appliances fell by 10.1% YoY in November vs. -10.9% YoY in October.

Despite the weaker November data, we still believe in an economic recovery on the back of an improvement in real household disposable income (the real rate is now already higher than before the pandemic), although so far the improvement has been quite sluggish.

Authors

Rafal Benecki

Chief Economist, Poland

rafal.benecki@ing.pl

Adam Antoniak

Senior Economist, Poland

adam.antoniak@ing.pl

Disclaimer

This publication has been prepared by the Economic and Financial Analysis Division of ING Bank N.V. (“ING”) solely for information purposes without regard to any particular user’s investment objectives, financial situation, or means. *ING forms part of ING Group (being for this purpose ING Group N.V. and its subsidiary and affiliated companies).* The information in the publication is not an investment recommendation and it is not investment, legal or tax advice or an offer or solicitation to purchase or sell any financial instrument. Reasonable care has been taken to ensure that this publication is not untrue or misleading when published, but ING does not represent that it is accurate or complete. ING does not accept any liability for any direct, indirect or consequential loss

arising from any use of this publication. Unless otherwise stated, any views, forecasts, or estimates are solely those of the author(s), as of the date of the publication and are subject to change without notice.

The distribution of this publication may be restricted by law or regulation in different jurisdictions and persons into whose possession this publication comes should inform themselves about, and observe, such restrictions.

Copyright and database rights protection exists in this report and it may not be reproduced, distributed or published by any person for any purpose without the prior express consent of ING. All rights are reserved. ING Bank N.V. is authorised by the Dutch Central Bank and supervised by the European Central Bank (ECB), the Dutch Central Bank (DNB) and the Dutch Authority for the Financial Markets (AFM). ING Bank N.V. is incorporated in the Netherlands (Trade Register no. 33031431 Amsterdam). In the United Kingdom this information is approved and/or communicated by ING Bank N.V., London Branch. ING Bank N.V., London Branch is authorised by the Prudential Regulation Authority and is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. ING Bank N.V., London branch is registered in England (Registration number BR000341) at 8-10 Moorgate, London EC2 6DA. For US Investors: Any person wishing to discuss this report or effect transactions in any security discussed herein should contact ING Financial Markets LLC, which is a member of the NYSE, FINRA and SIPC and part of ING, and which has accepted responsibility for the distribution of this report in the United States under applicable requirements.

Additional information is available on request. For more information about ING Group, please visit <http://www.ing.com>.