

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

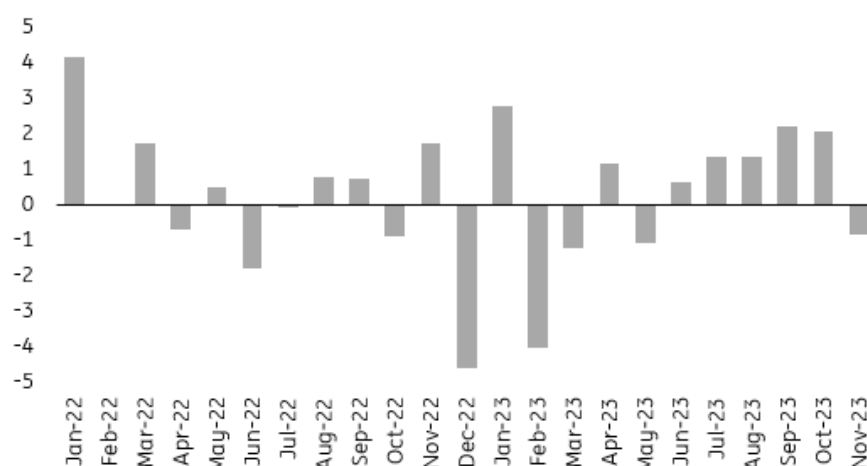
November retail sales surprised to the downside, but the overall picture of economic recovery remains the same, as we still expect improving real disposable incomes to fuel consumption growth in the quarters ahead. However, the improvement has been rather sluggish so far



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.

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