

## Poland: Retail sales recover

Retail sales rebounded in October mainly due to a better performance of automotive dealers. Sentiment surveys suggest consumption will moderate in coming quarters



Source: Shutterstock

Headline retail sales accelerated to 7.8% year-on-year in constant prices after a soft September (3.6%). Car sales rebounded from -4.3% to 9.7% YoY. The September slump was related to the introduction of a new emission test procedure (WLTP) and should not be repeated in coming months.

Demand for durable goods remained at a solid level but moderated compared to strong 2Q figures. For example, sales of consumer electronics and households appliances increased from 2.8% to 7.5%YoY in October, however this category saw double-digit growth in previous quarters. A recent household sentiment survey provided by the statistics office GUS confirmed this moderation – optimism related to planned purchases and savings diminished while anxiety over job losses increased slightly.

As a result, we expect private consumption to decelerate from 4.9% YoY in 2Q to 4.3% in 4Q and 3.6% in 2019. Still, household expenditures should provide the greatest contribution to GDP growth next year.