

Snap | 22 August 2018

POLAND

## Poland: Retail sales and consumption should moderate in 4Q18

Despite the end of the World Cup, the retail trade slowdown was modest due to support from car sales, and a fiscal impulse is likely to prop up the August reading. But, from September onwards the deceleration should continue



Source: Shutterstock

Retail sales slowed down in July from 8.2% to 7.1%YoY, in real terms, which was close to the market consensus of 7.4%YoY.

Turnover in other durable and semi-durable goods slowed after a strong month in June, which chiefly reflects lower trade of electronics and household appliances as well as food and drinks, suppressed by the end of World Cup-related spending. Sales slowed from 14.4% to 4.4%YoY and from 3.1% to -0.6%YoY respectively. The drop in the overall dynamics was only moderate thanks to the simultaneous increase of motor vehicles sales accelerating from 9.8% to 16.7%YoY, which pushed the headline figure up by 0.7pp.

The August reading should also remain sound due to another fiscal impulse.

The government announced a monthly benefit of 300PLN for each child of school age but from September onwards we expect retail trade to slow further, as wages dynamics are unlikely to

offset the fading impact of the generous 500+ monthly child benefits.

This picture suggests GDP moderation – we expect deceleration from 5.1% in 2Q18 to 4.6%YoY in 3Q18.

### 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 [www.ing.com](http://www.ing.com).