Snap | 22 January 2021 Poland

# Poland: Retail trade beats expectations in December

Retail trade declined by 0.8% year-on-year, after a 5.3% drop in November. After seasonal adjustments, sales rose by 2.5% month-on-month, reflecting the loosening of restrictions in late November. Construction output has returned to growth in YoY terms



Shoppers at the Poznan City mall in Poland

-0.8%

Change in retail sales in December (YoY)

Compared to consensus at -2.3%

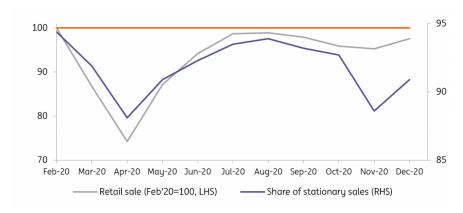
Better than expected

The reading came in above the consensus estimate (-2.3% YoY) and close to our call (-1.2% YoY). Retail trade is now only some 2.5% lower than in February 2020, after being 5% lower in November. The reopening of trade resulted in higher sales in brick and mortar stores vs the internet (90.9% vs 88.6% in November). This coincided with higher overall sales, as traditional stores remain key in Poland.

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The YoY dynamics improved in all product groups, particularly for clothing (-10.9% vs -21.9% YoY in November). Sales of durable goods (furniture, radio, TV and household appliances) remained strong, rising 3.5% YoY, after a temporary drop (-0.6%) in November.

## Retail sales, the volume against the share of stationary sales



3.4%

# Construction output in December (YoY)

Compared to consensus at -2.2% YoY

Higher than expected

Construction output in December rose by 3.4% YoY, after a decline of 4.9% YoY a month prior. This is substantially better than the consensus (-2.2% YoY). Output has been improving for several months now and this trend only accelerated in December. After seasonal adjustments, construction grew by 1.9% MoM.

The details of the data point to an acceleration of infrastructure projects in the coming quarters. In 3Q20, growth in public investment slowed to 0.4%, from 14.2% in 2Q20 and 11.5% YoY in 1Q20. We hope to see an improvement in the coming months.

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