

Poland's retail sales disappoint but growth outlook remains robust

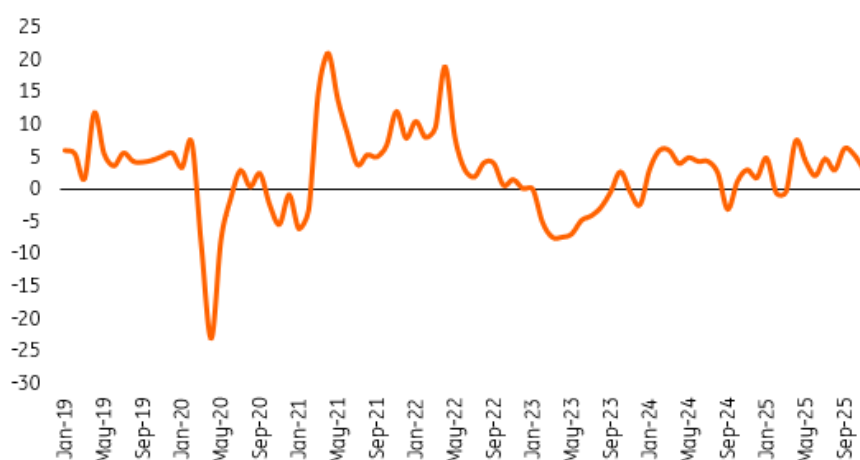
November's lacklustre data from the real economy does not undermine the solid momentum of Poland's economy. In 2026, we expect some improvement in industry and construction along with solid growth in fixed investment. This should translate into more broad-based and balanced economic growth



In November, retail sales increased by 3.1% year-on-year i.e. close to our expectations (3.2%) but below market consensus at 3.9% YoY. Annual growth moderated compared to the 5.4% YoY rise in October. Seasonally adjusted data points to a 1.1% month-on-month increase in real sales. The implied deflator suggests a 0.3% YoY decline in the overall price of goods, with lower prices of cars, furniture, consumer electronics, house appliances, clothing and footwear, as well as gasoline.

Sales growth slowed in November but continues to expand

Retail sales (real), %YoY



Source: GUS.

Similarly to previous months, solid double-digit growth in sales was reported in durable goods like furniture, consumer electronics, and household appliances (16.6%YoY), motor vehicles, motorcycles and parts (12.9%), and textiles, clothing and footwear (12.2% YoY). Declines in sales were observed in food (down by 2.9% YoY) and newspapers, books, other sales in specialised stores (down by 5.2% YoY).

An increase in November retail sales of goods was in line with our expectations but failed to live up to market expectations, similarly to earlier released readings from industry and construction. Still, the trade sector maintains its upward trend and consumption will again be the main driver of GDP growth in Poland in 4Q25. In 2026, we foresee stronger support to growth from fixed investment. Sizeable inflows of EU funds are scheduled for next year, and the National Recovery and Resilience programme execution is facing a final deadline. Even though gross fixed capital formation may not reach double-digit growth in 2026, it should be strong. We forecast GDP growth of 3.7% in 2026, with private consumption rising by 3.4% and fixed investment expanding by 8.2%. Poland is expected to remain the leader in economic growth within the CEE region and across the EU.

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