

## Romania retail sales: attempting a comeback

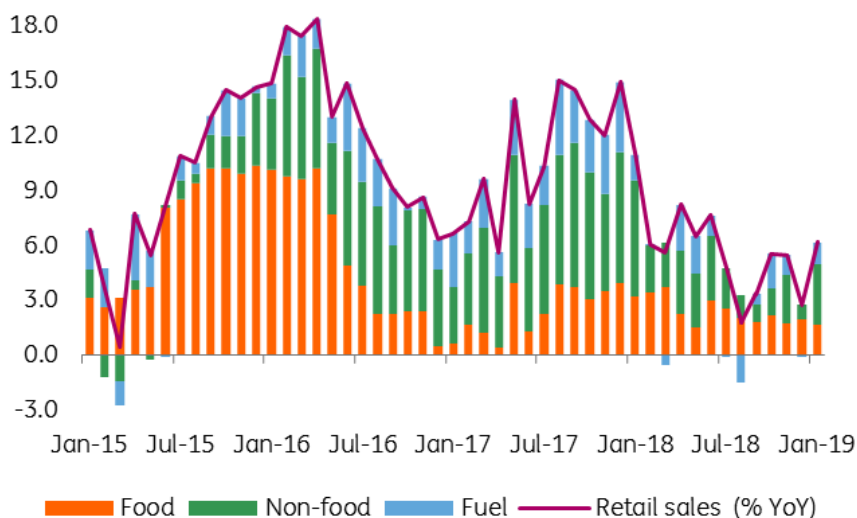
Retail sales accelerated in January 2019, to reach mid-2018 levels, well supported by non-food item turnover



Source: shutterstock

2019 started well for retailers. Sales accelerated in January by 6.1% YoY. While it is too early to cheer a comeback, it is probably the best result one could have hoped for the beginning of the year.

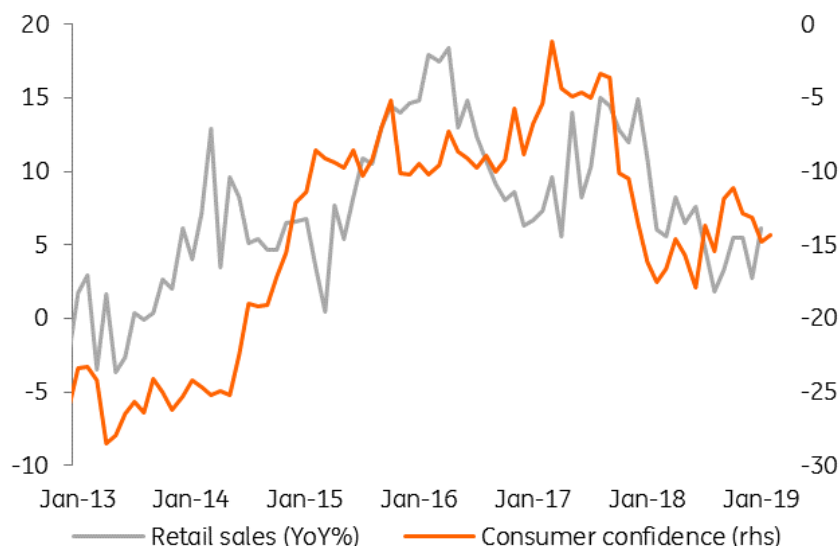
## Retail sales - main components



Source: NIS, ING

Non-food items provided most of the growth, contributing 3.3ppt to the 6.1% growth. These advanced by 8.3% year-on-year, likely boosted by post-Christmas discounts. The more volatile fuel sales are still well supported by the relatively low oil prices and increased 5.7% year-on-year. Food items advanced by 4.6% and contributed 1.7ppt to January growth.

## Consumer confidence still above the waterline



Source: NIS, ING

Today's data confirms that - while decelerating - the Romanian economy is still facing headwinds, facing the Eurozone slowdown and recent fiscal uncertainty. Seen together with the latest lending data and economic sentiment indicators, it seems the consumer sector

will be one of the last to succumb - with still strong wage growth - should a more pronounced downturn occur. This supports our view that any continued economic slowdown will not turn into a hard landing this year.

## Author

### Valentin Tataru

Chief Economist, Romania

[valentin.tataru@ing.com](mailto:valentin.tataru@ing.com)

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