

## Romania: Retail sales close 2019 triumphantly

The 8.3% year-on-year acceleration in December was the strongest in nine months, marking a very good fourth quarter for Romanian retailers. For the year, sales accelerated 7.2% versus 2018

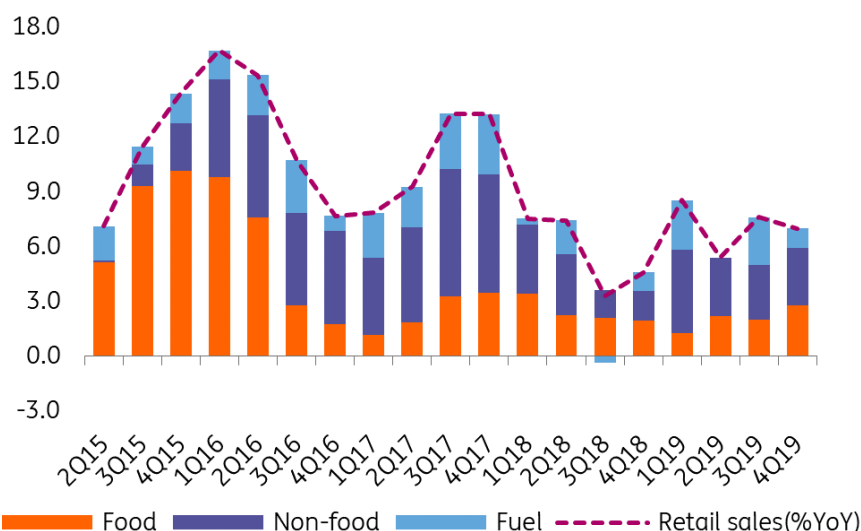


People shopping in a supermarket in Bucharest

Confirming the very good confidence indicators, retail sales closed 2019 on quite a strong note. The fourth quarter marked a 2.6% acceleration versus the previous one, with both food and non-food items performing strongly. In fact, these items haven't had a single quarterly contraction since the first quarter of 2018.

In December alone, food items had the best month in 2019, accelerating by 8.1% YoY. Following the strong November Black Friday sales, one might have expected a weaker month for non-food items. However, these accelerated by 9.6% versus 7.7% in November due to very good sales of electric appliances and furniture (+19%).

## Retail sales by main categories



Source: NIS, ING

Looking forward, we expect some stabilisation in both confidence indicators and actual high frequency data. The positive influences come from another minimum wage hike enacted on 1 January, the general tight labour market still pointing to double-digit wage hikes in 2020 and a more benign inflation outlook. These might be offset by uncertainty surrounding the fiscal outlook and the general wages and pensions policies, especially following the recent political turmoil and the cloudy outlook for a new government taking over in the near future. For the fourth quarter, this latest retail sales data consolidates our view for a robust quarterly GDP advance of 0.5%.

### Author

**Valentin Tataru**

Chief Economist, Romania

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

### 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 <http://www.ing.com>.