

## Romania: Retail sales growth remains flat in October

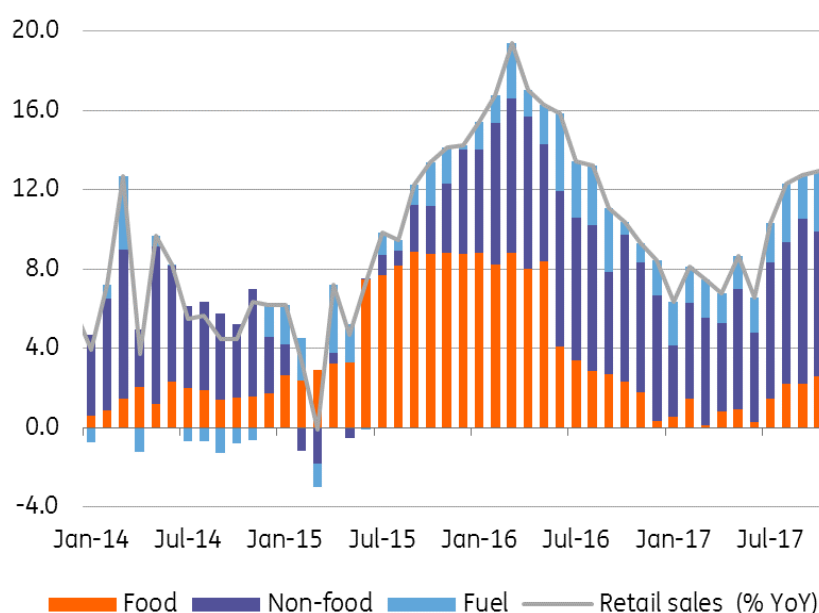
This is the first batch of hard data reading since the significant monetary tightening started and sales of non-food items are holding up quite well



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Retail sales growth remained almost flat at 12.9% year-on-year with sales for non-food items slowing down from 19.2% to 15.6% YoY maybe due to September back to school effects or higher RON interest rates. While sales for food items and fuel posted declines versus the previous month adjusting to the significant move higher in prices for both categories.

## Retail sales breakdown



This is the first batch of hard data since the rise in the 3M ROBOR interest rate index, relevant for loans, which spiked c.100bp in September and October, inching another c50bp higher in November.

The solid reading does not back the sharp fall in consumer confidence in October, but it might be related to a pass-through lag, especially as the central bank labelled the rise in rates as temporary at the beginning of the October meeting, just to consider it permanent a month later.

Despite strong inertia, there are some shocks affecting consumer behaviour which are expected to lead to a slowdown in the next couple of quarters.

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