

Snap | 5 November 2020

# Romania: Robust retail sales in September bode well for strong thirdquarter growth

Romanian retail sales recovered in September advancing by 1.7% versus the previous month. While this growth was not particularly spectacular, it is enough to cement our expectations for strong third-quarter GDP



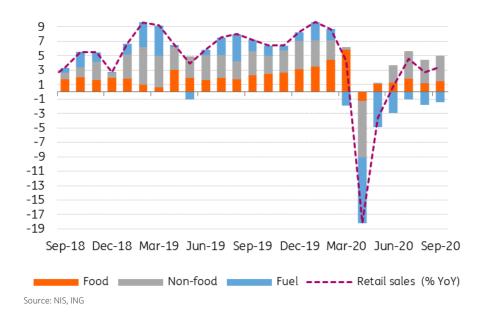
People shopping in a supermarket in Bucharest

The phase of this rapid recovery driven by pent-up demand is now behind us by a couple of months. With September data out, we can now look at what was a pretty strong third quarter for retail sales which have advanced by 13.5% compared to the second quarter.

Breaking it down, it was fuel sales which recovered the most but only because they also declined the most in the second quarter. We remain impressed by the solid performance of nonfood items which are up by 14.9% in the third quarter.

Snap | 5 November 2020 1

## Retail sales and main components



On the year (January-September), sales are up by 1.4% versus the same period of 2019.

Today's numbers paint a slightly more optimistic picture of what we can expect from next week's 3Q20 flash GDP due to be announced on 13 November. After a steep fall in the second quarter when it contracted by almost 12%, we believe that a quarterly growth figure in the 7-8% area is possible. And given that so far Covid-19 related restrictions have not gone even close to what we saw in the spring, it is still reasonable to anticipate that Romania will avoid a contraction in the last quarter of 2020 and the much dreaded W-shaped recovery.

### **Author**

#### Valentin Tataru

Chief Economist, Romania 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

Snap | 5 November 2020 2

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.

Snap | 5 November 2020 3