

Retail sales

Zofia Bolkowska, Marek Misiak

2009-06-29

In April 2009 retail sales were down by 0.7% y/y, compared to a drop by 1.8% in March.

In April 2009 retail sales were down by 0.7% y/y, compared to a drop by 1.8% in March. The decrease in sales of motor vehicles, fuels, furniture and household appliances was larger than in previous months. Retail sales were slowing for three months but the pace of decrease was increasingly slow.

Growth in retail sales was weakening in 2008 from quarter to quarter. In the first four months of 2009 retail sales recorded by retailers employing more than nine people were below the high level of a year before (down by 0.9%). Sales of motor vehicles, motorcycles and parts were down by 14.2%, sales of solid, liquid and gaseous fuels were down by 9.8% and sales of food, beverages and tobacco products were down by 1.8%. Sales of clothes and footwear were higher by 24.3% y/y, sales of pharmaceuticals, cosmetics and orthopaedic equipment were up by 13.5%, sales of press and books were up by 8.9%, sales of furniture, radio and television equipment and household appliances were up by 1.4%. In April wholesale sales (in current prices) by companies employing more than nine people decreased by 11.8% y/y. In March wholesale sales dropped by 3.2% compared to 9.4% in February.

In the four months to April 2009 transport companies employing more than nine people recorded a decrease in sales in constant prices of 5.1% year on year compared to a rise of 10.8% a year before. The sharpest drops were recorded in rail transport and commercial road transport. The volume of goods transported in April 2009 was down by 17.6% y/y.

In May 2009 the general climate in the retail sector was slightly better than in April but worse than in May 2008. Although the outlook for sales was still negative and expectations for retailers' financial situation were still pessimistic, they were better than in previous months.

In May retailers signalled a smaller drop in sales than in April. As a result, they were able to meet their financial obligations with shorter delays. The excessive stocks of goods stayed at the previous month's level. Sales were expected to drop slightly in the next three months. 19% of the surveyed retailers signalled an improvement in business conditions and 18% signalled a deterioration. Negative assessments came from small retailers while medium and large retailers assessed their situation optimistically. All these groups recorded an improvement compared to April.

Assessments of business conditions differed depending on the sector. The outlook index was positive in the household appliances, textiles, clothes and footwear sectors. Retailers selling food recorded a slight increase in sales but their inventories were too high so the amount of goods ordered from suppliers may be reduced. No changes were noted to constraints on business activity signalled by retailers. Competition on the market, employment costs and fiscal burdens were still the most important barriers.