

Food retail in Romania could exceed 140 billion RON in 2021 (analysis)

The turnover in food retail is estimated at around 130 billion RON in 2020, after, in 2019, this sector recorded incomes worth 118 billion RON, according to the most recent KeysFin analysis.

"The increase is due to the stockpiles made by the population at the beginning of the pandemic, as well as the ascending trend of online sales in food retail, over the average of the e-commerce market increase, situated at around 30 pct in 2020," the release shows.

Nonetheless, in 2021, the KeysFin analysts are expecting a return to the annual average growth rate of the past ten years, of 7 pct, to approximately 140 billion RON, against the backdrop of consumption returning to normal values.

According to the quoted source, the increase in turnover also increased profitability, thus, in 2019, the net profit of companies in the sector recorded a 13 pct increase in comparison to the previous year and was 247 pct higher than in 2010, reaching nearly 4.3 billion RON.

Thus, the top five companies recorded a cumulated net profit of 1.9 billion RON, which was 44 pct of the total, in 2019. The net result (net profit minus net loss) improved significantly from a loss of over 1 billion RON in 2011, to a net positive result of 3.6 billion RON recorded at the level of 2019.

"In 2020, the net result was strongly influenced by the ample investment projects: from stock management, ample information, prevention and accountability campaigns towards the population and in regards to efforts to sanitize spaces, extend the network of stores, the opening of warehouses for online sales and investments in the home delivery (direct or indirect) area," the release also mentions.

The KeysFin analysis has as a base the annual, unadjusted, aggregate data reported by companies to the Finance Ministry, at the end of the reporting period. All the figures are expressed in RON, and the data was extracted at the start of 2021. The estimates have as a base the annual median rate, calculated on a period of at least five years.

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