



MAIN MACROECONOMIC INDICATORS
POLAND
SEPTEMBER 2018

Area: 312,679 km²
Population: 38.4 mn
Capital city: Warsaw
Currency: zloty

POLAND'S MACROECONOMIC PERFORMANCE IN 2017 – 2018

Indicator	Unit	2017	IX 2017	IX 2018	I-IX 2018	2018 ⁵
National Accounts¹						
GDP	dynamics	104.8			105.2 ^{3,4}	103.8
Consumption	dynamics	104.5			104.6 ^{3,4}	103.6
Individual consumption	dynamics	104.9			104.8 ^{3,4}	103.8
Gross capital formation	dynamics	106.2			111.5 ^{3,4}	107.9
Gross fixed capital formation	dynamics	103.9			106.0 ^{3,4}	109.1
Prices						
Price index of consumer goods and services (CPI)	dynamics	102.0	102.2	101.9	101.7	102.3
Price index of sold production of industry (PPI)	dynamics	102.9	103.2	102.9	101.9	
Production²						
Sold production of industry	dynamics	106.6 ^A	104.4	102.8	106.0	106.5 ⁶
Construction and assembly production	dynamics	106.6 ^A	115.3	116.4	119.8	116.5 ⁶
Wages and salaries						
Average wages and salaries in the national economy, of which:	PLN	4,272				
- enterprise sector	PLN	4,530	4,473	4,772	4,779	
Labour market						
Average employment in enterprise sector	thous.pers.	6,017	6,031	6,225	6,219	
Unemployment rate (as of the end of the period)	%	6.6	6.8	5.7	5.7	6.2

Dynamics (100 = corresponding period of the previous year); YoY (comparing to the corresponding period of the previous year); A - concerns complete statistical population; 1 - data is presented in accordance with the ESA2010 methodology; 2 - data concerns entities employing more than 9 persons; 3 - CSO provisional data; 4 - data for January-June; 5 - forecast based on the project of the Budgetary Law for the year 2019; 6 - EAD MoET forecast.

Indicator	Unit	2017	IX 2017	IX 2018	I-IX 2018	2018 ³
Foreign trade acc. to CSO						
Trade balance	mn EUR	563			-1,922 ^{1,2}	-2,500
- exports of goods	mn EUR	206,647			143,634 ^{1,2}	219,000
- imports of goods	mn EUR	206,084			145,556 ^{1,2}	221,500

1 - CSO provisional data; 2 - data for January-August; 3 - EAD MoET forecast.

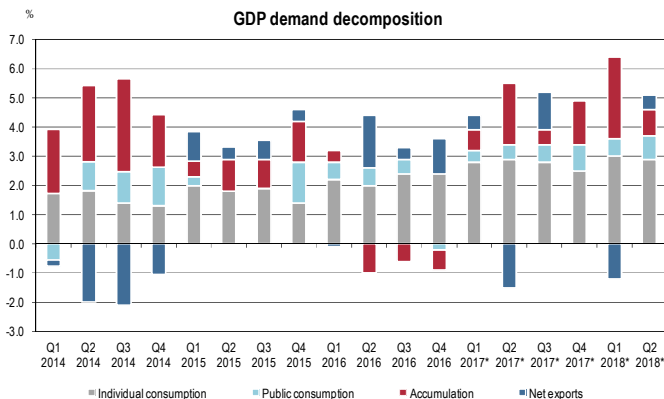
According to CSO estimates, in the 1st half of 2018 GDP increased by 5.2%, with domestic demand as a main growth driver.

GDP growth in 2014-2018

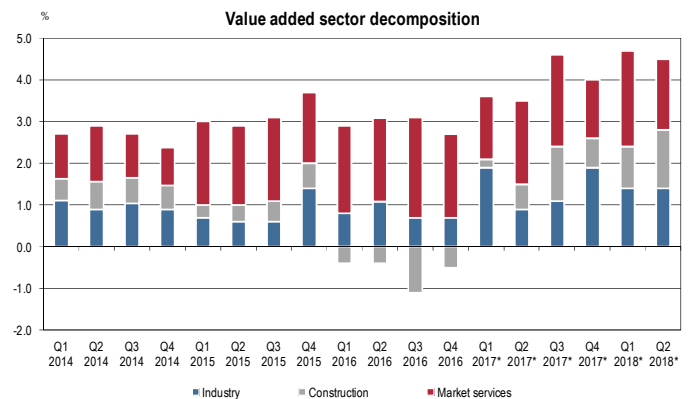
	2014				2015				2016				2017				2018			
YoY	3.3				3.8				3.1				4.8				-			
	I-III	IV-VI	VII-IX	X-XII	I-III	IV-VI	VII-IX	X-XII	I-III	IV-VI	VII-IX	X-XII	I-III	IV-VI	VII-IX	X-XII	I-III	IV-VI	VII-IX	X-XII
YoY	3.1	3.3	3.4	3.3	3.8	3.3	3.6	4.6	3.1	3.4	2.7	2.7	4.4	4.0	5.2	4.9	5.2*	5.1*		

*- CSO preliminary data; annual GDP data has been revised on October 3, 2018; quarterly data has not been revised.

GDP demand decomposition



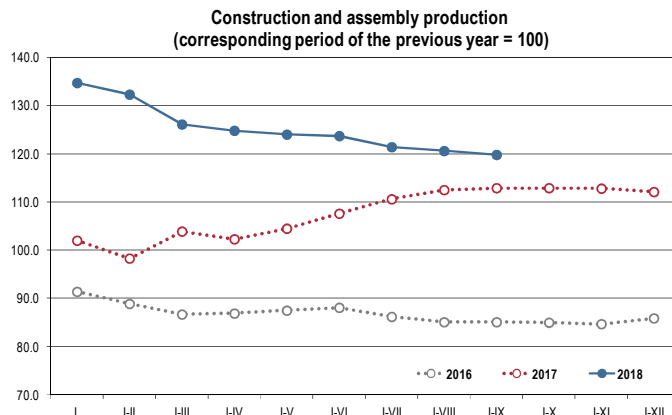
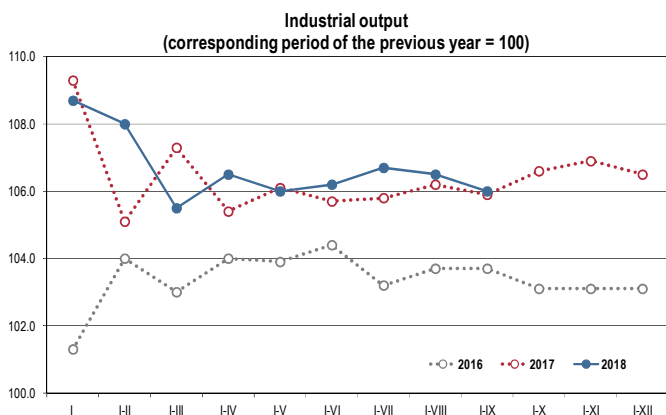
Value added sector decomposition



In January-September 2018 (yoy):

- A growth in **sold industrial production** amounted to 6.0%. In the manufacturing section, production grew by 6.0%.
- **Construction and assembly production** grew by 19.8%.
- **Consumer Price Index** was higher by 1.7%.
- **The number of registered unemployed** amounted to 947.4 thousand (down by 15.2%).
- **Registered unemployment rate** amounted to 5.7%.
- **Average monthly wages and salaries in enterprises sector** amounted to PLN 4,779 and was higher by 7.2% (in nominal terms).
- **Average monthly retirement pay and pension from non-agricultural social security system** increased by 4.2%, and individual farmers by 2.3% (in nominal terms).
- **The execution of revenues** accounted for 76.7% and **expenditures** 67.9% of the amount planned in the Budgetary Law, **surplus** amounted to PLN 3.2bn.
- **The Monetary Policy Council did not change the interest rates.**
- **The Polish currency strengthened against both the US dollar and euro.**
- At the end of August 2018 the deficit on the **current account balance** amounted to EUR 130mn comparing to the surplus of EUR 1,905mn at the end of August 2017.

January-September 2018: sold production of industry grew by 6.0% and construction and assembly production by 19.8% (yoy).



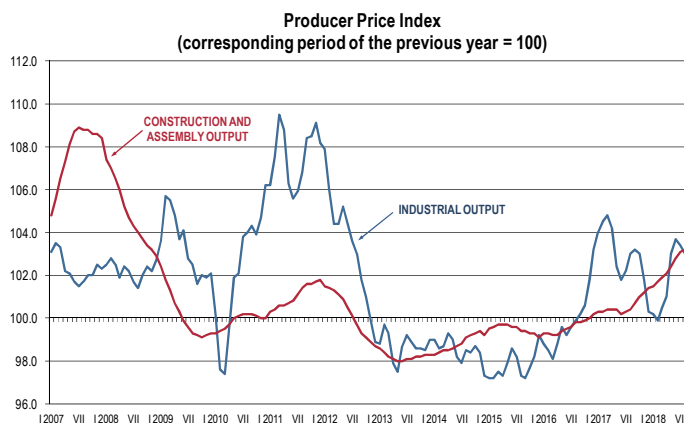
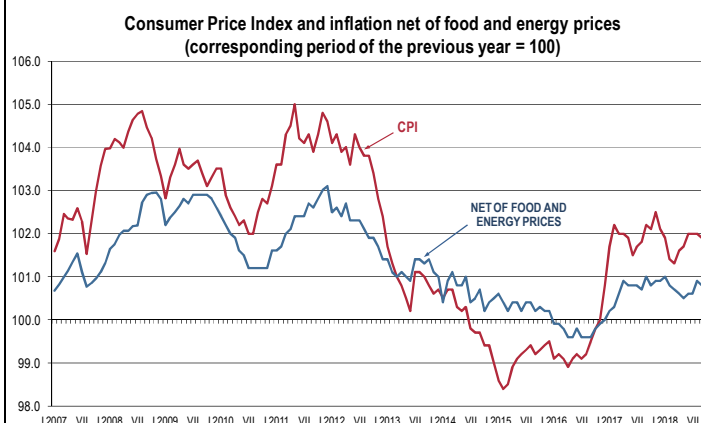
Indices of sold production of industry and construction and assembly production

		I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Sold production of industry	2017	109.3	101.2	111.0	99.5	109.2	104.4	106.2	108.8	104.4	112.3	109.2	102.8
	2018	108.7	107.3	101.6	109.3	105.2	106.7	110.3	105.0	102.8			
Construction and assembly production	2017	102.0	94.7	117.1	104.4	108.3	111.6	119.8	123.6	115.3	120.2	119.9	112.8
	2018	134.7	131.3	116.1	119.7	120.7	124.7	118.7	120.1	116.4			

January-September 2018: price index of consumer goods and services reached 1.7%, price index of construction and assembly production 2.4%, and sold industrial production 1.9% (yoy).

Prices indices

		I	I-II	I-III	I-IV	I-V	I-VI	I-VII	I-VIII	I-IX	I-X	I-XI	I-XII
Price indices of sold production of industry	2017	104.0	104.2	104.4	104.4	104.0	103.6	103.4	103.4	103.3	103.3	103.2	102.9
	2018	100.2	100.0	100.2	100.4	100.9	101.4	101.6	101.8	101.9			
Price indices of consumer goods and services	2017	101.7	102.0	102.0	102.0	102.0	101.9	101.9	101.9	101.9	101.9	102.0	102.0
	2018	101.9	101.6	101.5	101.5	101.6	101.6	101.7	101.7	101.7			
Price indices of construction and assembly production	2017	100.3	100.3	100.3	100.3	100.3	100.3	100.3	100.3	100.4	100.4	100.5	100.6
	2018	101.5	101.6	101.7	101.8	101.9	102.1	102.2	102.3	102.4			



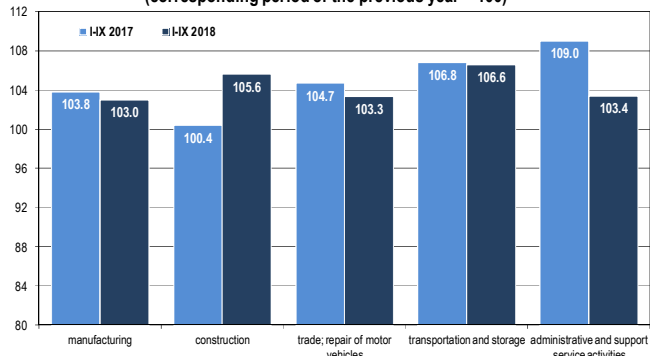
January-September 2018: registered unemployment rate shaped at the level of 5.7%, in enterprise sector employment amounted to 6,219 thousand persons and was higher by 3.7% yoy.

Unemployment rate

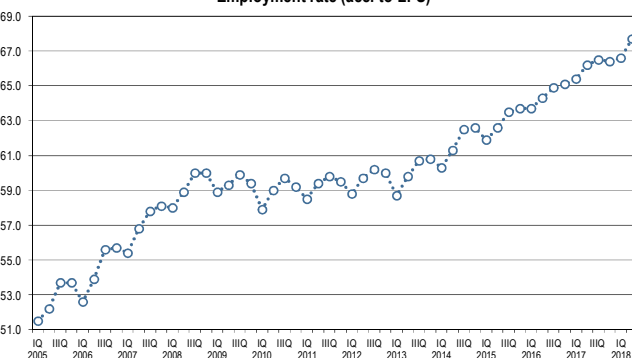
	2013	2014	2015	2016	2017	VII 17	VIII	IX	X	XI	XII	I 18	II	III	IV	V	VI	VII	VIII	IX
Registered unemployment	13.4	11.4	9.7	8.2	6.6	7.0	7.0	6.8	6.6	6.5	6.6	6.8	6.8	6.6	6.3	6.1	5.8	5.8	5.8	5.7
LFS*	9.9	8.2	7.0	5.6	4.5	4.8		4.5			4.2			3.7			n.a.			

* LFS – Labour Force Survey

Dynamics of average monthly employment in enterprise sector (corresponding period of the previous year = 100)

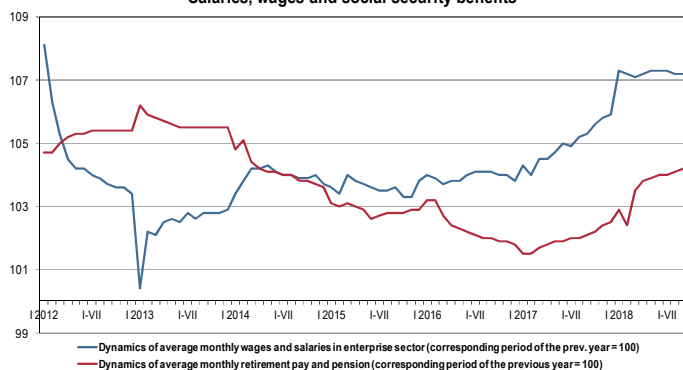


Employment rate (acc. to LFS)

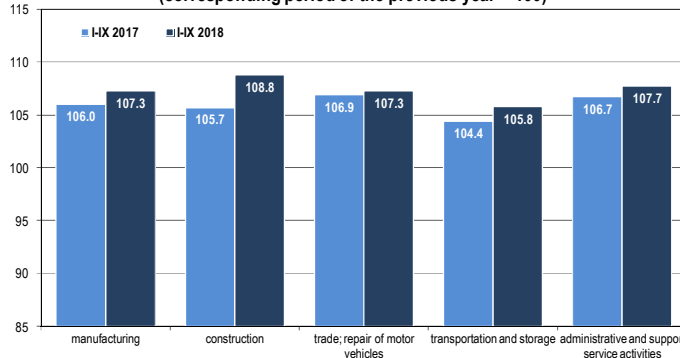


January-September 2018: average wages and salaries in enterprise sector amounted PLN 4,779 and grew by 7.2% in nominal terms yoy (by 5.4% in real terms yoy).

Salaries, wages and social security benefits

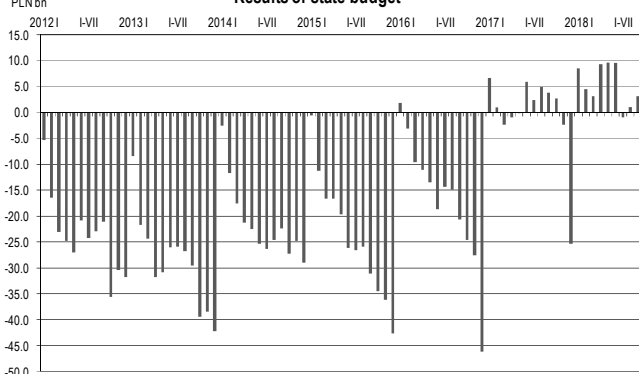


Dynamics of average monthly wages and salaries in enterprise sector (corresponding period of the previous year = 100)

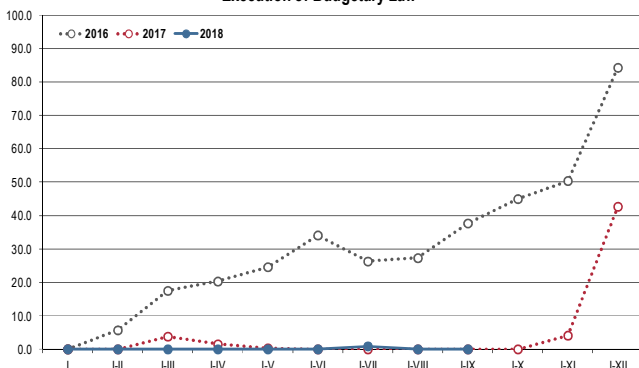


January-September 2018: state budget revenues ensured execution of the Budgetary Law in 76.7%, expenditures in 67.9%, when the surplus amounted to PLN 3.2bn.

Results of state budget



Execution of Budgetary Law



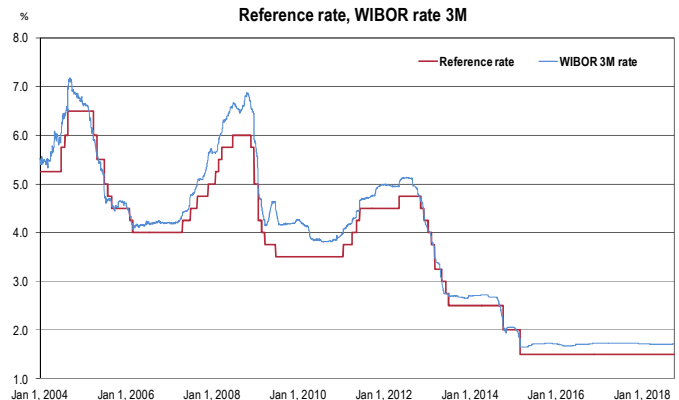
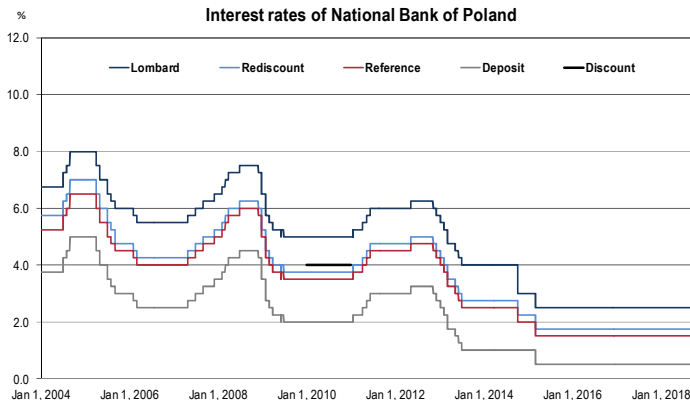
	2018 Budgetary Law	Execution		
		I-IX 2018	I-IX 2017	
	in PLN bn	in %		
REVENUES	355.7	272.9	76.7	80.6
Indirect taxes	237.9	178.2	74.9	79.4
CIT	32.4	25.9	79.8	74.4
PIT	55.5	42.5	76.5	73.1
EXPENDITURES	397.2	269.7	67.9	67.2
Debt servicing	30.7	26.4	86.1	67.7
Subventions to the Pension Fund	17.6	12.6	71.6	69.5
Subventions to the Social Insurance Fund	46.6	23.3	50.0	61.5
General subventions to local self-government entities	56.4	46.3	82.0	82.2
DEFICIT	-41.5	3.2	-	-
Financing for budget of EU funds	-15.5	-4.1	26.8	0.0
DEFICIT FINANCING SOURCES	57.0	1.0	1.7	-
DOMESTIC	52.8	2.9	5.5	3.8
Treasury bonds	57.9	17.9	30.8	42.7
Refund for the Social Insurance Fund for the payment of contributions pension funds to Open Pension Funds	-3.3	-2.6	78.0	n.a.
Pre-financing actions with EU sources	0.0 ^{a)}	0.0 ^{b)}	14.8	17.1
FOREIGN	4.1	-2.0	-	-

a) PLN -72.5mn; b) PLN -10.7mn.

January-September 2018: Monetary Policy Council decided to remain the interest rates unchanged. The National Bank of Poland's reference rate is at the level of 1.5%. The last change of interest rates took place in March 2015.

Interest rates of the National Bank of Poland

	Reference	Lombard	Deposit	Rediscount
June 6, 2013	2.75	4.25	1.25	3.00
July 4, 2013	2.50	4.00	1.00	2.75
October 9, 2014	2.00	3.00	1.00	2.25
March 5, 2015	1.50	2.50	0.50	1.75



January-August 2018: according to the provisional CSO data trade balance shaped at the level of EUR -1,922mn, towards EUR 1,018mn in the same period of the previous year, exports increased by 6.7% and imports by 9.0% (yoy).

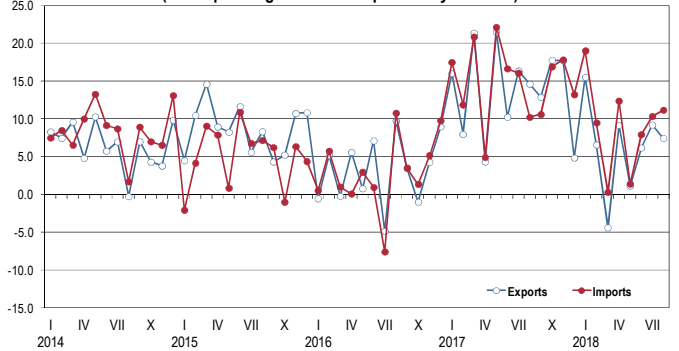
Foreign trade in EUR mn (CSO data)

	2016	2017	I-VIII 2017	I-VIII 2018
Balance	3,918	563	1,018	-1,922
Exports	184,843	206,647	134,590	143,634
Imports	180,925	206,084	133,572	145,556

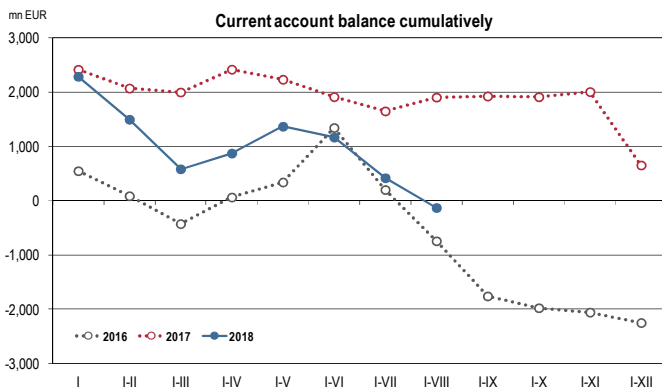
Foreign trade in EUR mn (NBP data)

	2016	2017	I-VIII 2017	I-VIII 2018
Balance	2,936	1,403	1,547	-1,806
Exports	177,498	201,898	131,645	139,572
Imports	174,562	200,495	130,098	141,378

Exports and imports dynamics acc. to NBP data (corresponding month of the previous year = 100)



January-August 2018: current account deficit amounted to EUR 130mn, towards the surplus of EUR 1,905mn at the end of August 2017.

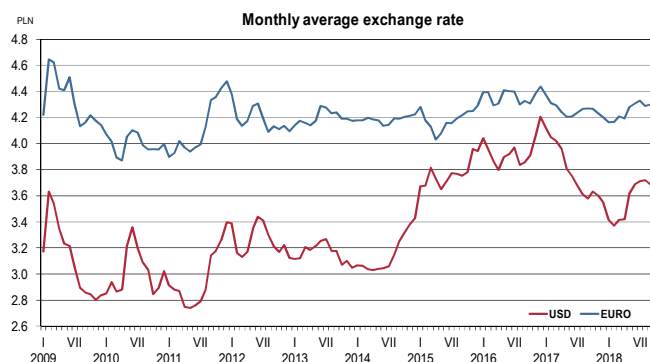


Current account balance (in EUR mn)

	2016	I-VIII 2017	2017	I-VIII 2018
	-2,251	1,905	654	-130

	2017	I-VIII 2017	I-VIII 2018
in EUR mn			
Direct investment - assets	3,701	747	-733
Direct investment - liabilities	9,258	3,757	8,086
Portfolio investment - assets	1,134	1,236	620
Portfolio investment - liabilities	5,471	3,873	-3,245
Other investment - assets	5,648	2,600	3,657
Other investment - liabilities	-11,231	-13,189	-1,371
Official reserve assets	-7,134	-10,118	2,246

January-September 2018: zloty strengthened against both the US dollar and euro. The USD/PLN exchange rate decreased by 7.3%, and the EUR/PLN was lower by 0.4% (yoy).



Exchange rates of the dollar and the euro (NBP data)

		IX 2017	IV 2018	V	VI	VII	VIII	IX
1 USD	end of month	3.6519	3.4868	3.7200	3.7440	3.6481	3.6808	3.6754
	monthly average	3.5799	3.4188	3.6183	3.6876	3.7095	3.7175	3.6837
1 EUR	end of month	4.3091	4.2204	4.3195	4.3616	4.2779	4.2953	4.2714
	monthly average	4.2702	4.1948	4.2820	4.3054	4.3301	4.2873	4.2992