



MAIN MACROECONOMIC INDICATORS

POLAND

MAY 2020

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

POLAND'S MACROECONOMIC PERFORMANCE IN 2019 – 2020

Indicator	Unit	2019	V 2019	V 2020	I-V 2020
National Accounts					
GDP	dynamics	104.1 ²			102.0 ³
Consumption	dynamics	104.1 ²			101.8 ³
Individual consumption	dynamics	103.9 ²			101.2 ³
Gross capital formation	dynamics	99.3 ²			100.7 ³
Gross fixed capital formation	dynamics	107.2 ²			100.9 ³
Prices					
Price index of consumer goods and services (CPI)	dynamics	102.3	102.4	102.9	104.0
Price index of sold production of industry (PPI)	dynamics	101.2	101.4	98.5	99.6
Production¹					
Sold production of industry	dynamics	104.0	107.7	83.0	92.1
Construction and assembly production	dynamics	102.6	109.5	94.9	103.9
Wages and salaries					
Average wages and salaries in the national economy, of which:	PLN	4,918			
- enterprise sector	PLN	5,169	5,058	5,120	5,311
Labour market					
Average employment in enterprise sector	thous. pers.	6,395	6,380	6,174	6,371
Unemployment rate (as of the end of the period)	%	5.2	5.4	6.0	6.0

Dynamics (100 = corresponding period of the previous year); YoY (comparing to the corresponding period of the previous year); 1 – data concerns entities employing more than 9 persons; 2 – SP provisional data; 3 – SP provisional data, data for January-March.

Indicator	Unit	2019	V 2019	V 2020 ¹	I-V 2020 ¹
Foreign trade acc. to SP					
Trade balance	mn EUR	1,807	-399	1,134	2,043
- exports of goods	mn EUR	235,835	20,172	15,682	90,612
- imports of goods	mn EUR	234,028	20,570	14,548	88,569

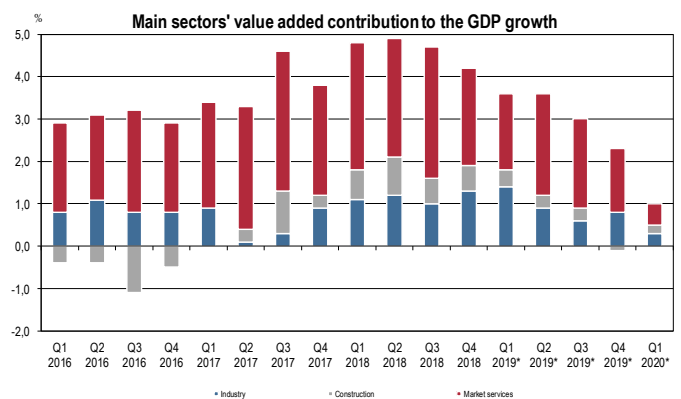
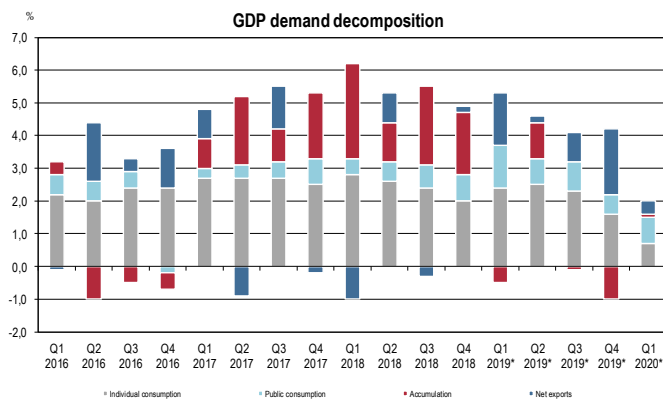
1 – SP provisional data

According to SP estimates, in the 1st quarter of 2020 GDP increased by 2.0%, with domestic demand as a main growth driver.

GDP growth in 2016-2020

	2016				2017				2018				2019				2020																							
YoY	3,1								4,9								5,3								4,1*								-							
	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	I-III	IV-VI	VII-IX	X-XII																
YoY	3,1	3,4	2,8	2,9	4,8	4,3	5,5	5,1	5,4	5,5	5,4	5,1	4,8	4,6	4,0	3,2	2,0*																							

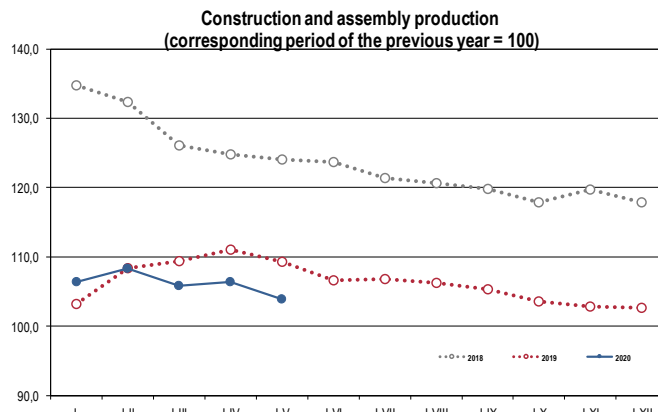
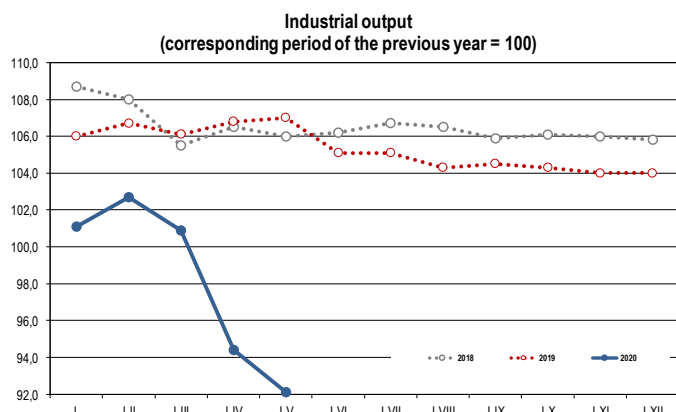
* – SP preliminary data



In January-May 2020 (yoy):

- A decrease in **sold industrial production** amounted to 7.9%. In the manufacturing section, production declined by 8.7%.
- **Construction and assembly production** grew by 3.9%.
- **Consumer Price Index** was higher by 4.0%.
- **The number of registered unemployed** in May amounted to 1,011.7 thousand (rise by 11.7%).
- **Registered unemployment rate** in May amounted to 6.0%.
- **Average monthly wages and salaries in enterprises sector** amounted to PLN 5,311 (was higher by 4.7% in nominal terms).
- **Average monthly retirement pay and pension from non-agricultural social security system** increased by 5.1%, and individual farmers by 6.5% (in nominal terms).
- **The execution of revenues** accounted for 36.1% and **expenditures** 42.0% of the amount planned in the Budgetary Law, **deficit** amounted to PLN 25.9bn.
- **The Monetary Policy Council changed the interest rates in March, April and May.**
- **The Polish currency** weakened against the US dollar and against euro.
- At the end of May 2020, the surplus on the **current account balance** amounted to EUR 8,115mn comparing to the surplus of EUR 1,037mn at the end of May 2019.

January-May 2020: sold production of industry declined by 7.9% and construction and assembly production grew by 3.9% (yoy).



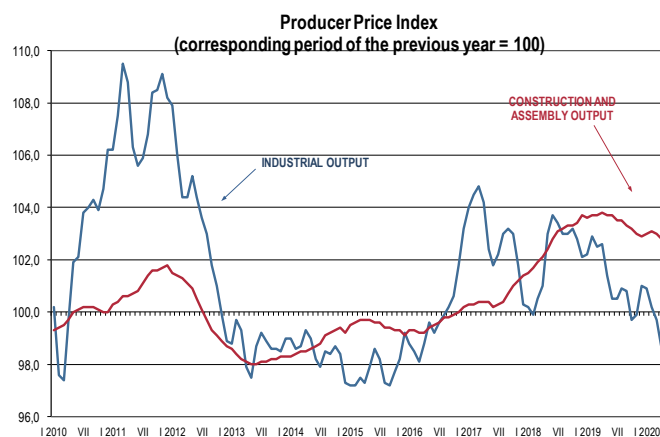
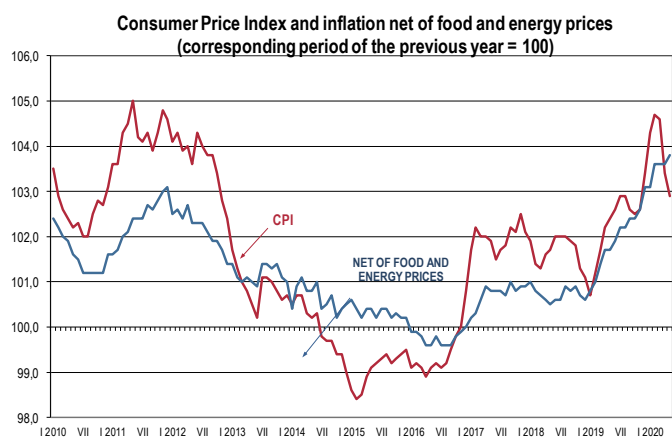
Indices of sold production of industry and construction and assembly production

		I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Sold production of industry	2019	106.0	106.9	105.6	109.2	107.7	97.4	105.8	98.5	105.6	103.7	101.4	103.8
	2020	101.1	104.8	97.5	75.4	83.0							
Construction and assembly production	2019	103.2	115.1	110.8	117.4	109.5	99.3	106.6	102.6	107.6	95.9	95.3	96.7
	2020	106.4	105.5	103.7	99.1	94.9							

January-May 2020: price index of consumer goods and services reached 4.0%, price index of sold industrial production decreased by 0.4%, and construction and assembly production grew by 2.9% (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	2019	102.2	102.6	102.5	102.5	102.3	102.0	101.8	101.7	101.6	101.4	101.3	101.2
	2020	100.9	100.5	100.2	99.8	99.6							
Price indices of consumer goods and services	2019	100.7	101.0	101.2	101.5	101.7	101.8	102.0	102.1	102.1	102.2	102.2	102.3
	2020	104.3	104.5	104.5	104.2	104.0							
Price indices of construction and assembly production	2019	103.6	103.7	103.7	103.7	103.7	103.7	103.7	103.7	103.6	103.6	103.5	103.5
	2020	103.0	103.0	103.0	102.9	102.9							



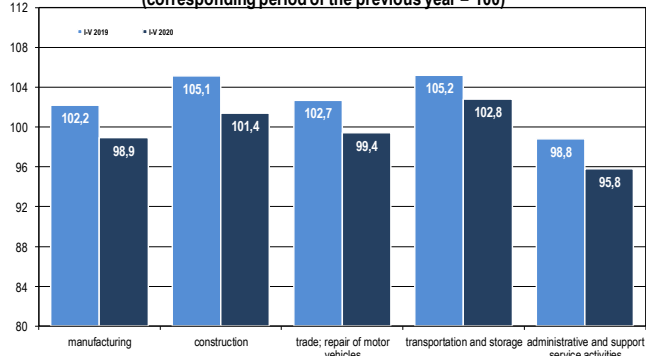
January-May 2020: registered unemployment rate shaped at the level of 6.0%, in enterprise sector employment amounted to 6,371 thousand persons and was higher by 0.1% yoy.

Unemployment rate

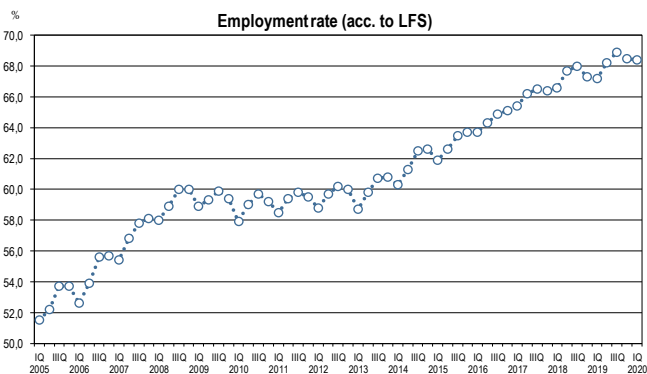
	2015	2016	2017	2018	2019	IV 19	V	VI	VII	VIII	IX	X	XI	XII	I 20	II	III	IV	V	VI
Registered unemployment	9.7	8.2	6.6	5.8	5.2	5.6	5.4	5.3	5.2	5.2	5.1	5.0	5.1	5.2	5.5	5.5	5.4	5.8	6.0	n.a.
LFS*	7.0	5.6	4.5	3.9	3.3	3.3			3.2			2.9			3.2			n.a.		

* LFS – Labour Force Survey

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

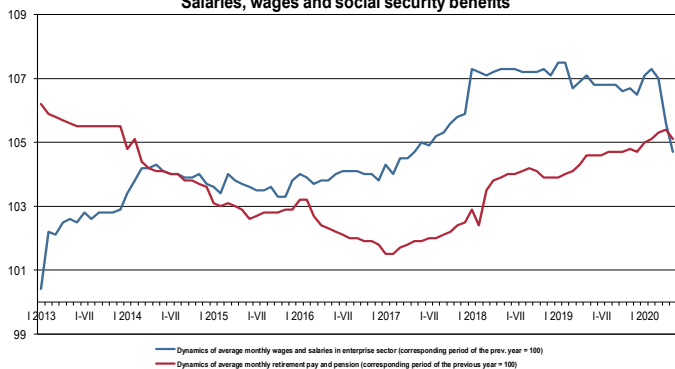


Employment rate (acc. to LFS)

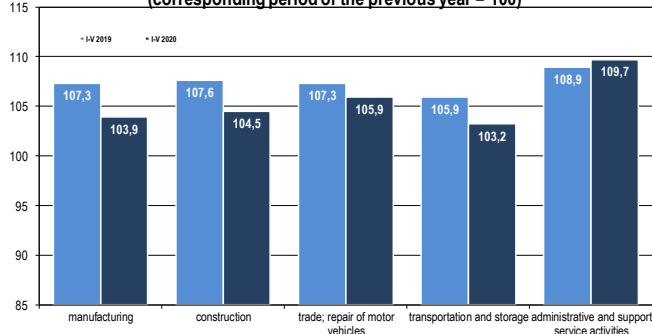


January-May 2020: average wages and salaries in enterprise sector amounted PLN 5,311 and grew by 4.7% in nominal terms yoy (by 0.9% in real terms yoy).

Salaries, wages and social security benefits

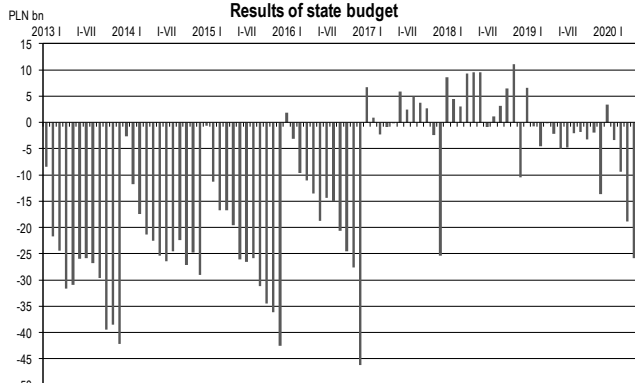


Dynamics of average monthly wages and salaries in enterprise sector (corresponding period of the previous year = 100)

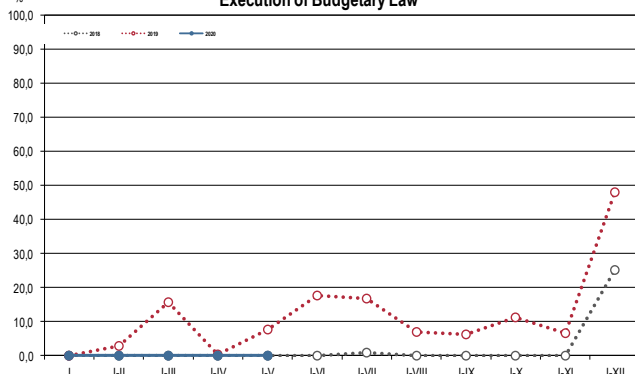


January-May 2020: state budget revenues ensured execution of the Budgetary Law in 36.1%, expenditures in 42.0%, when the deficit amounted to PLN 25.9bn.

Results of state budget



Execution of Budgetary Law



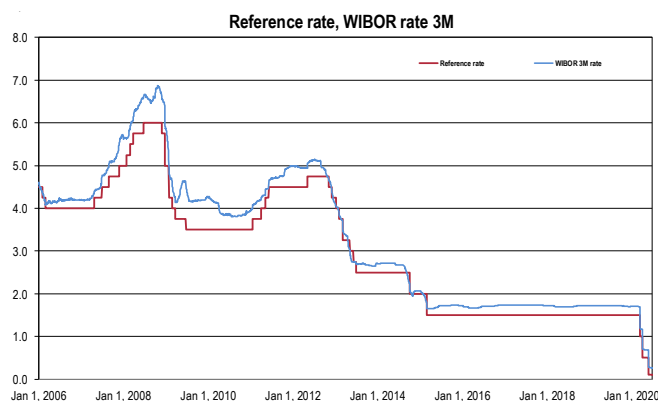
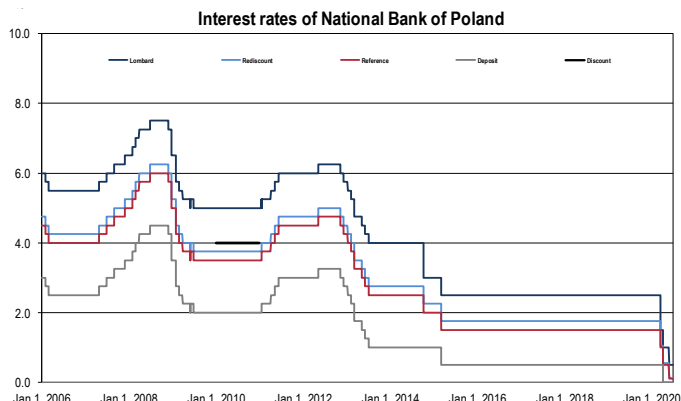
	2020 Budgetary Law	Execution		
		I-V 2020	I-V 2019	
	in PLN bn	in %		
REVENUES	435.3	157.1	36.1	41.9
Indirect taxes	274.2	93.9	34.2	40.0
CIT	42.0	16.6	39.6	59.1
PIT	66.6	23.2	34.9	39.5
EXPENDITURES	435.3	183.0	42.0	39.6
Debt servicing	27.6	12.6	45.5	43.9
Subventions to the Pension Fund	17.6	7.7	43.8	47.0
Subventions to the Social Insurance Fund	33.5	18.2	54.2	38.3
General subventions to local self-government entities	66.7	33.7	50.5	50.2
DEFICIT	0.0	-25.9	-	7.6
Financing for budget of EU funds	-17.0	-0,0²	0.5	-
DEFICIT FINANCING SOURCES¹	17.0	25.9	152.7	4.9
DOMESTIC	41.5	22.6	54.4	5.8
Treasury bonds	46.2	76.8	166.1	34.7
Pre-financing actions with EU sources	0.1	0,0 ³	49.4	35.7
FOREIGN	-24.6	3.3	-	8.9

¹ including financing of both budget of Poland and budget of EU funds; ² PLN -82.9mm; ³ PLN 37.3mm.

January-May 2020: Monetary Policy Council decided to change the interest rates in March, April and May. The National Bank of Poland's reference rate was at the level of 1.0% after changing March 18, 0.5% after changing April 9, 0.1% after changing May 29.

Interest rates of the National Bank of Poland

	Reference	Lombard	Deposit	Rediscount
March 5, 2015	1.50	2.50	0.50	1.75
March 18, 2020	1.00	1.50	0.50	1.05
April 9, 2020	0.50	1.00	0.00	0.55
May 29, 2020	0.10	0.50	0.00	0.11



January-May 2020: according to the provisional SP data trade balance shaped at the level of EUR 2,043mn towards EUR -50mn in the same period of the previous year, exports decreased by 8.4%, while imports by 10.5% (yoy).

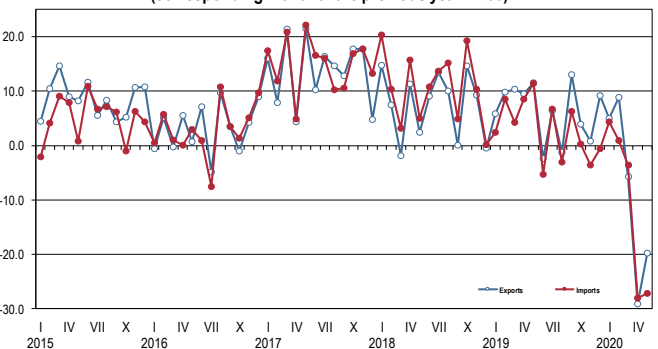
Foreign trade in EUR mn (SP data)

	2018	2019	I-V 2019	I-V 2020
Balance	-4,576	1,807	-50	2,043
Exports	223,596	235,835	98,922	90,612
Imports	228,172	234,028	98,972	88,569

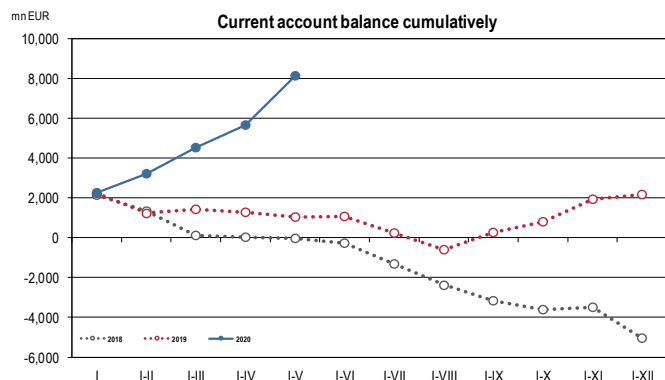
Foreign trade in EUR mn (NBP data)

	2018	2019	I-V 2019	I-V 2020
Balance	-4,780	2,408	370	2,734
Exports	216,862	230,342	96,433	88,297
Imports	221,642	227,934	96,063	85,563

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



January-May 2020: current account surplus amounted to EUR 8,115mn, towards the surplus of EUR 1,037mn at the end of May 2019.

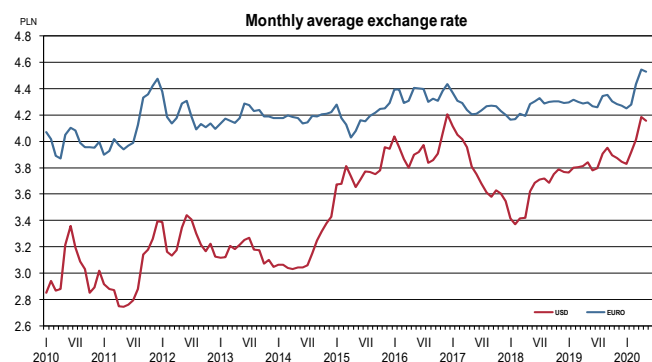


Current account balance (in EUR mn)

	2018	I-V 2019	2019	I-V 2020
	-5,036	1,037	2,176	8,115

	2019	I-V 2019	I-V 2020
in EUR mn			
Direct investment - assets	2,493	670	-2,308
Direct investment - liabilities	14,183	10,584	3,907
Portfolio investment - assets	-277	1,078	796
Portfolio investment - liabilities	-11,335	-3,845	-7,518
Other investment - assets	1,298	3,353	5,917
Other investment - liabilities	2,052	-1,840	-1,124
Official reserve assets	9,179	2,195	4,201

January-May 2020: zloty weakened against the US dollar and euro. The USD/PLN exchange rate increased by 5.7%, and the EUR/PLN was higher by 2.6% (yoy).



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

		V 2019	XII	I 2020	II	III	IV	V
1 USD	end of month	3.8498	3.7977	3.8999	3.9255	4.1466	4.1729	4.0031
	monthly average	3.8393	3.8443	3.8287	3.9201	4.0126	4.1856	4.1569
1 EUR	end of month	4.2916	4.2585	4.3010	4.3355	4.5523	4.5424	4.4503
	monthly average	4.2965	4.2721	4.2504	4.2789	4.4356	4.5450	4.5291