



MAIN MACROECONOMIC INDICATORS

**POLAND**  
AUGUST 2019

Area: 312,679 km<sup>2</sup>  
Population: 38.4 mn  
Capital city: Warsaw  
Currency: zloty

POLAND'S MACROECONOMIC PERFORMANCE IN 2018-2019

Indicator	Unit	2018	VIII 2018	VIII 2019	I-VIII 2019	2019 <sup>5</sup>
<b>National Accounts<sup>1</sup></b>						
GDP	dynamics	105.1 <sup>3</sup>			104.6 <sup>3,4</sup>	104.0
Consumption	dynamics	104.1 <sup>3</sup>			104.2 <sup>3,4</sup>	104.3
Individual consumption	dynamics	104.3 <sup>3</sup>			104.1 <sup>3,4</sup>	104.0
Gross capital formation	dynamics	110.1 <sup>3</sup>			105.6 <sup>3,4</sup>	103.9
Gross fixed capital formation	dynamics	108.9 <sup>3</sup>			110.5 <sup>3,4</sup>	105.7
<b>Prices</b>						
Price index of consumer goods and services (CPI)	dynamics	101.6	102.0	102.9	102.1	101.8
Price index of sold production of industry (PPI)	dynamics	102.1	103.0	100.7	101.7	
<b>Production<sup>2</sup></b>						
Sold production of industry	dynamics	105.8	105.0	98.7	104.3	105.0 <sup>6</sup>
Construction and assembly production	dynamics	113.7	120.1	102.7	106.2	106.5 <sup>6</sup>
<b>Wages and salaries</b>						
Average wages and salaries in the national economy, of which:	PLN	4,585				
- enterprise sector	PLN	4,852	4,798	5,125	5,104	
<b>Labour market</b>						
Average employment in enterprise sector	thous.pers.	6,230	6,229	6,390	6,391	
Unemployment rate (as of the end of the period)	%	5.8	5.8	5.2	5.2	5.5

Dynamics (100 = corresponding period of the previous year); YoY (comparing to the corresponding period of the previous year); 1 – data is presented in accordance with the ESA2010 methodology; 2 – data concerns entities employing more than 9 persons; 3 – SP provisional data; 4 – data for January-June; 5 – forecast based on the project of the Budgetary Law for the year 2020; 6 – EAD MoET forecast.

Indicator	Unit	2018	VIII 2018	VIII 2019	I-VIII 2019	2019
<b>Foreign trade acc. to SP</b>						
Trade balance	mn EUR	-4,576			-179 <sup>1,2</sup>	-2,600 <sup>3</sup>
- exports of goods	mn EUR	223,596			134,770 <sup>1,2</sup>	237,000 <sup>3</sup>
- imports of goods	mn EUR	228,172			134,949 <sup>1,2</sup>	239,600 <sup>3</sup>

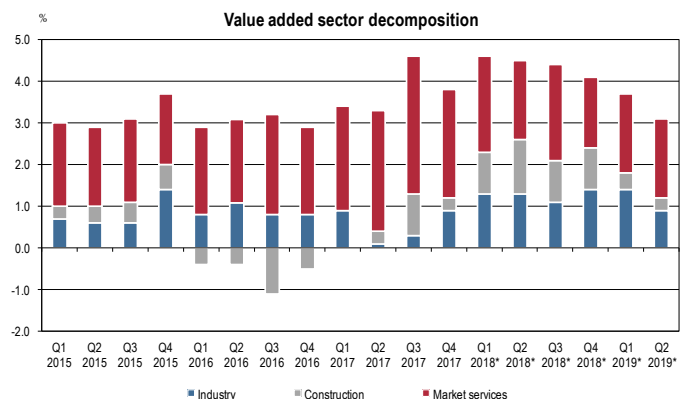
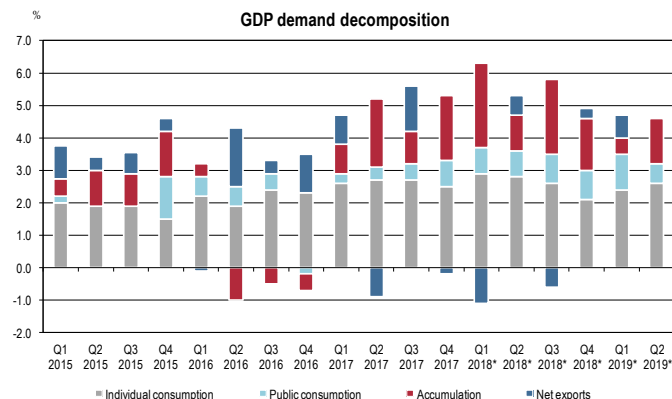
1 – SP provisional data; 2 – data for January-July; 3 – EAD MoET forecast.

According to SP estimates, in the 1<sup>st</sup> half of 2019 GDP increased by 4.6%, with domestic demand as a main growth driver.

GDP growth in 2015-2019

	2015				2016				2017				2018				2019			
YoY	3.8				3.1				4.9				5.1*				-			
	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
YoY	3.7	3.3	3.6	4.6	3.1	3.4	2.8	2.8	4.8	4.3	5.5	5.1	5.2*	5.3*	5.2*	4.9*	4.7*	4.5*		

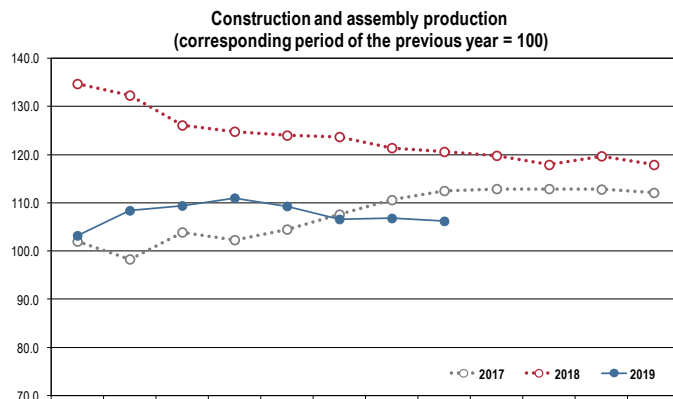
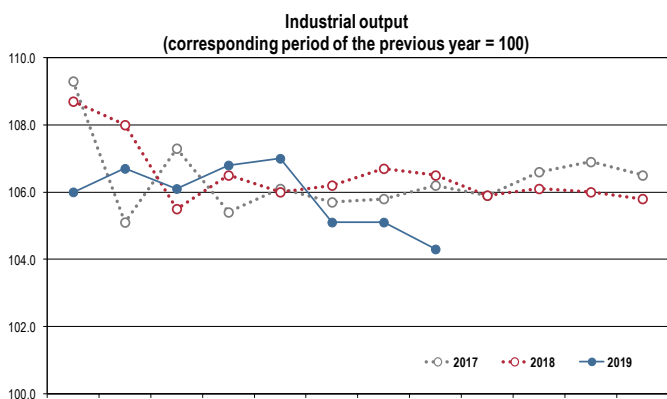
\*- SP preliminary data.



## In January-August 2019 (yoy):

- A growth in **sold industrial production** amounted to 4.3 %. In the manufacturing section, production grew by 4.6%.
- **Construction and assembly production** grew by 6.2%.
- **Consumer Price Index** was higher by 2.1%.
- **The number of registered unemployed** amounted to 865.5 thousand (down by 9.7%).
- **Registered unemployment rate** amounted to 5.2%.
- **Average monthly wages and salaries in enterprises sector** amounted to PLN 5,104 and was higher by 6.8% (in nominal terms).
- **Average monthly retirement pay and pension from non-agricultural social security system** increased by 4.7%, and individual farmers by 5.0% (in nominal terms).
- **The execution of revenues** accounted for 67.8% and **expenditures** 63.6% of the amount planned in the Budgetary Law, **deficit** amounted to PLN 2.0bn.
- **The Monetary Policy Council did not change the interest rates.**
- **The Polish currency weakened against the US dollar and euro.**
- At the end of July 2019 the surplus on the **current account balance** amounted to EUR 1,728mn comparing to the deficit of EUR 1,321mn at the end of July 2018.

## January-August 2019: sold production of industry grew by 4.3% and construction and assembly production by 6.2% (yoy).



Indices of sold production of industry and construction and assembly production

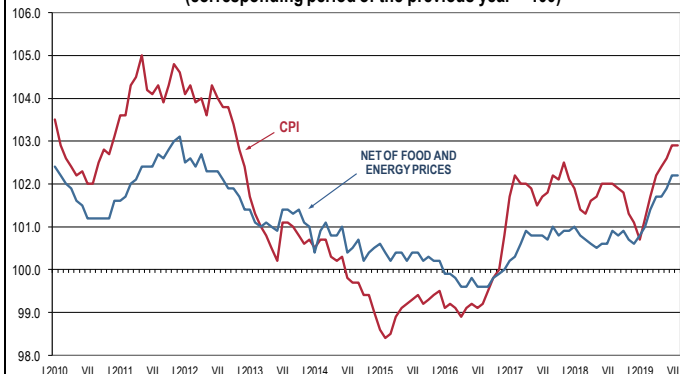
		I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Sold production of industry	2018	108.7	107.3	101.6	109.3	105.2	106.7	110.3	105.0	102.7	107.4	104.6	102.9
	2019	106.0	106.9	105.6	109.2	107.7	97.4	105.8	98.7				
Construction and assembly production	2018	134.7	131.3	116.1	119.7	120.7	124.7	118.7	120.1	116.5	122.5	117.0	112.3
	2019	103.2	115.1	110.8	117.4	109.5	99.3	106.6	102.7				

## January-August 2019: price index of consumer goods and services reached 2.1%, price index of sold industrial production 1.7%, and construction and assembly production 3.6% (yoy).

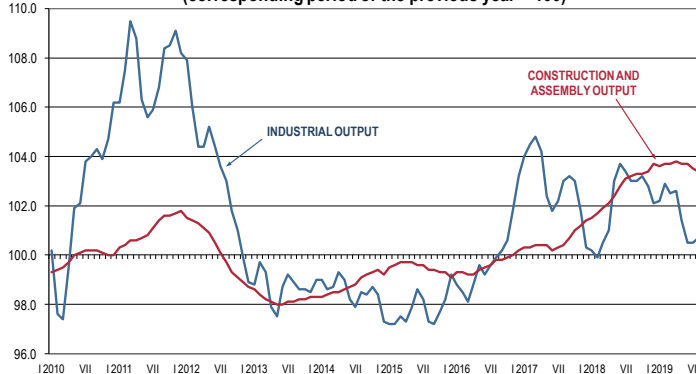
Prices indices

		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	2018	100.2	100.0	100.2	100.4	100.9	101.4	101.6	101.8	102.0	102.1	102.1	102.1
	2019	102.2	102.6	102.5	102.5	102.3	102.0	101.8	101.7				
Price indices of consumer goods and services	2018	101.9	101.6	101.5	101.5	101.6	101.6	101.7	101.7	101.7	101.7	101.7	101.6
	2019	100.7	101.0	101.2	101.5	101.7	101.8	102.0	102.1				
Price indices of construction and assembly production	2018	101.5	101.6	101.7	101.8	101.9	102.1	102.2	102.3	102.4	102.5	102.6	102.7
	2019	103.6	103.7	103.7	103.7	103.7	103.7	103.7	103.6				

Consumer Price Index and inflation net of food and energy prices  
(corresponding period of the previous year = 100)



Producer Price Index  
(corresponding period of the previous year = 100)



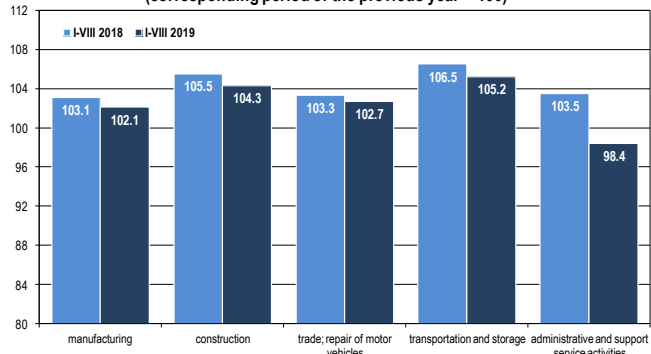
January-August 2019: registered unemployment rate shaped at the level of 5.2%, in enterprise sector employment amounted to 6,391 thousand persons and was higher by 2.8% yoy.

### Unemployment rate

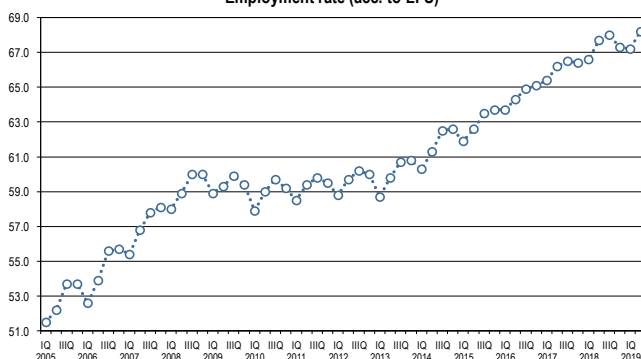
	2014	2015	2016	2017	2018	VII	VIII	IX	X	XI	XII	I 19	II	III	IV	V	VI	VII	VIII	IX
Registered unemployment	11.5	9.7	8.2	6.6	5.8	5.8	5.8	5.7	5.7	5.7	5.8	6.1	6.1	5.9	5.6	5.4	5.3	5.2	5.2	n.a.
LFS*	8.2	7.0	5.6	4.5	3.9	3.9			3.9			4.0			3.3			n.a.		

\* LFS – Labour Force Survey

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

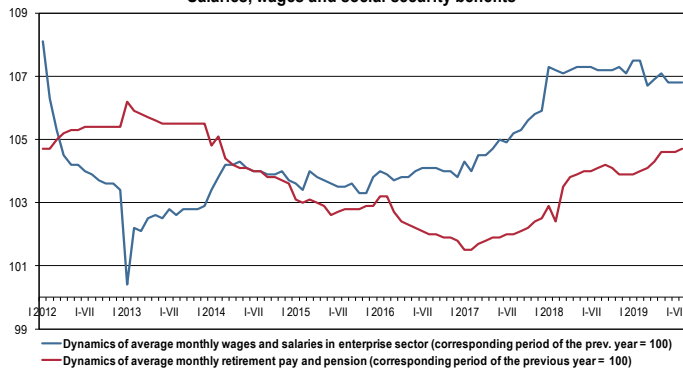


Employment rate (acc. to LFS)

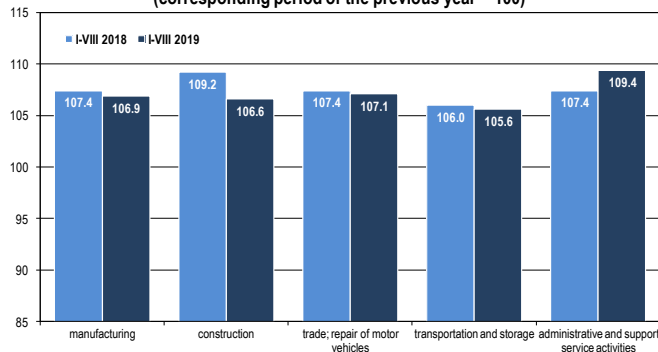


January-August 2019: average wages and salaries in enterprise sector amounted PLN 5,104 and grew by 6.8% in nominal terms yoy (by 4.6% in real terms yoy).

Salaries, wages and social security benefits

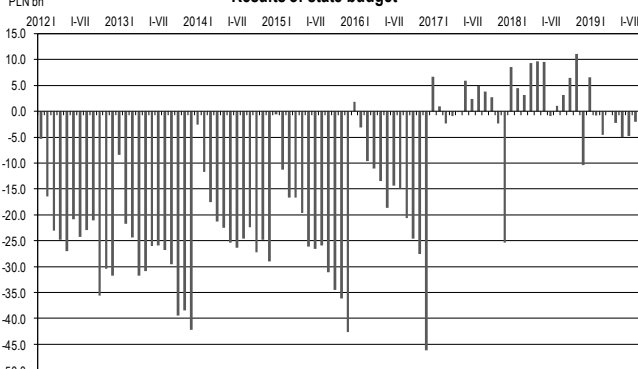


Dynamics of average monthly wages and salaries in enterprise sector (corresponding period of the previous year = 100)

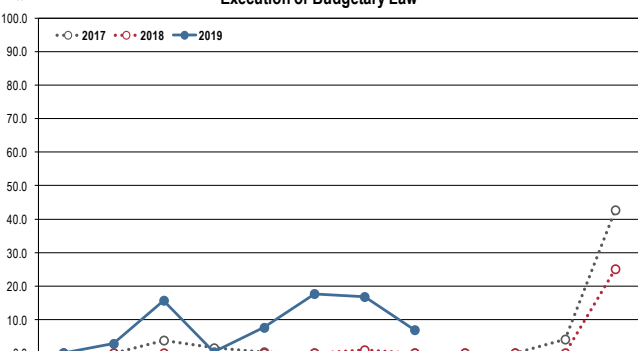


January-August 2019: state budget revenues ensured execution of the Budgetary Law in 67.8%, expenditures in 63.6%, when the deficit amounted to PLN 2.0bn.

Results of state budget



Execution of Budgetary Law



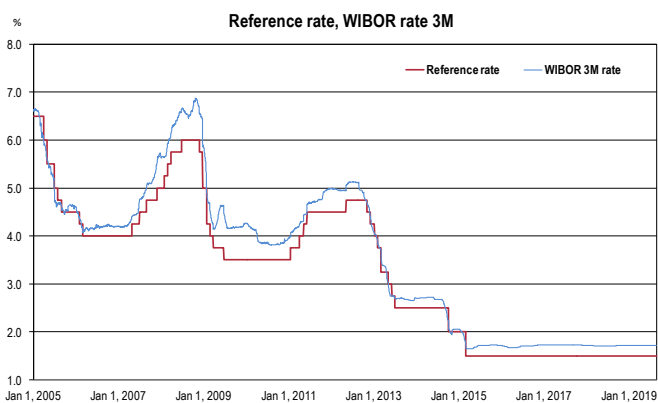
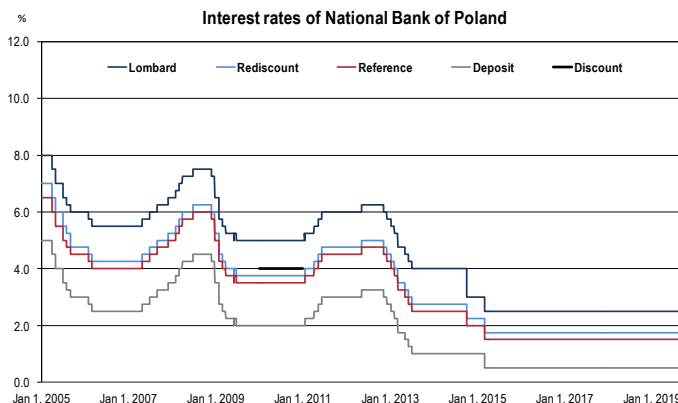
	2019 Budgetary Law	Execution		
		I-VIII 2019	I-VIII 2018	
	in PLN bn	in %		
<b>REVENUES</b>	<b>387.7</b>	<b>262.8</b>	<b>67.8</b>	<b>68.4</b>
Indirect taxes	254.7	167.0	65.6	67.1
CIT	34.8	27.6	79.4	72.2
PIT	64.3	42.2	65.6	67.4
<b>EXPENDITURES</b>	<b>416.2</b>	<b>264.8</b>	<b>63.6</b>	<b>61.0</b>
Debt servicing	29.2	20.1	68.9	83.7
Subventions to the Pension Fund	17.4	12.5	72.0	63.0
Subventions to the Social Insurance Fund	49.4	31.5	63.7	42.4
General subventions to local self-government entities	60.8	44.8	73.7	74.2
<b>DEFICIT</b>	<b>-28.5</b>	<b>-2.0</b>	<b>6.9</b>	<b>-</b>
<b>Financing for budget of EU funds</b>	<b>-15.6</b>	<b>1.5</b>	<b>-</b>	<b>15.4</b>
<b>DEFICIT FINANCING SOURCES</b>	<b>44.1</b>	<b>1.2</b>	<b>2.8</b>	<b>2.3</b>
<b>DOMESTIC</b>	<b>56.3</b>	<b>-5.5</b>	<b>-</b>	<b>0.0</b>
Treasury bonds	57.1	24.4	42.7	23.9
Pre-financing actions with EU sources	0.1	0.0 <sup>a)</sup>	22.7	1.8
<b>FOREIGN</b>	<b>-12.2</b>	<b>6.7</b>	<b>-</b>	<b>32.4</b>

<sup>a)</sup> PLN 30.6mn.

January-August 2019: 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-July 2019: according to the provisional SP data trade balance shaped at the level of EUR -179mn towards EUR -2,139mn in the same period of the previous year, exports increased by 4.8%, while imports grew by 3.2% (yoy).

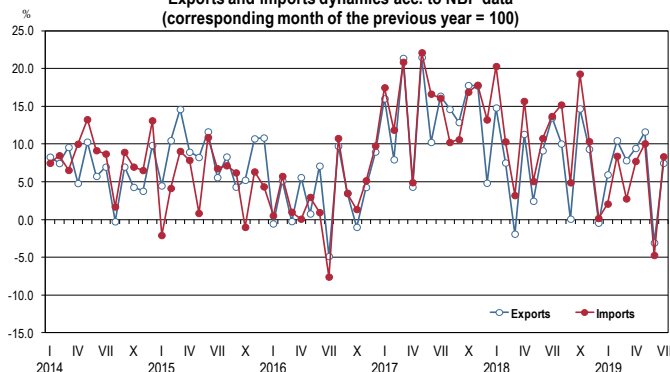
#### Foreign trade in EUR mn (SP data)

	2017	2018	I-VII 2018	I-VII 2019
Balance	563	-4,576	-2,139	-179
Exports	206,647	223,596	128,603	134,770
Imports	206,084	228,172	130,742	134,949

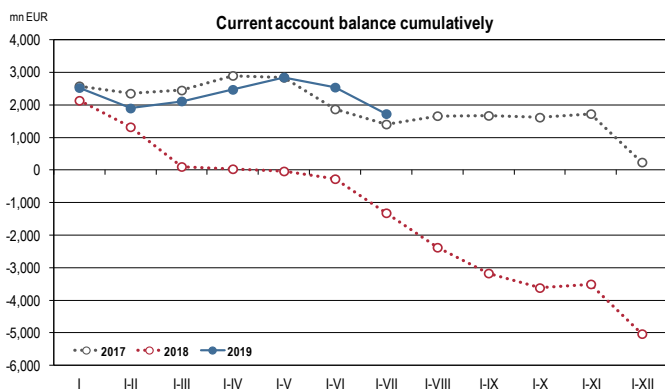
#### Foreign trade in EUR mn (NBP data)

	2017	2018	I-VII 2018	I-VII 2019
Balance	1,403	-4,780	-2,222	378
Exports	201,898	216,862	124,631	133,352
Imports	200,495	221,642	126,853	132,974

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



January-July 2019: current account surplus amounted to EUR 1,728mn, towards the deficit of EUR 1,321mn at the end of July 2018.

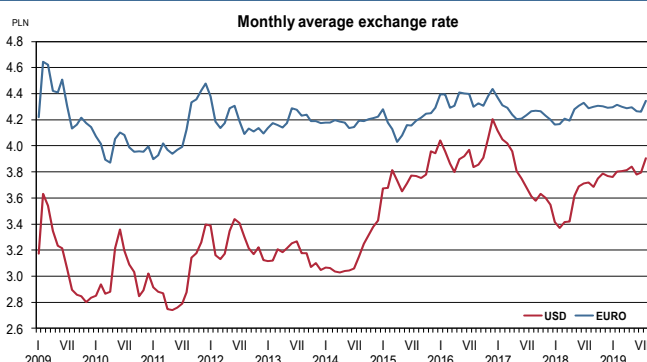


#### Current account balance (in EUR mn)

	2017	I-VII 2018	2018	I-VII 2019
	238	-1,321	-5,036	1,728

	2018	I-VII 2018	I-VII 2019
	in EUR mn		
Direct investment - assets	1,544	639	-306
Direct investment - liabilities	13,969	9,774	6,010
Portfolio investment - assets	399	376	72
Portfolio investment - liabilities	-3,296	-2,960	-6,013
Other investment - assets	5,191	3,394	1,219
Other investment - liabilities	-210	-1,632	-5,762
Official reserve assets	6,176	818	5

January-August 2019: zloty weakened against the US dollar and euro. The USD/PLN exchange rate increased by 7.6%, and the EUR/PLN was higher by 1.2% (yoy).



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

		VIII 2018	III 2019	IV	V	VI	VII	VIII
1 USD	end of month	3.6808	3.8365	3.8291	3.8498	3.7336	3.8504	3.9717
	monthly average	3.7175	3.8052	3.8145	3.8393	3.7811	3.7959	3.9067
1 EUR	end of month	4.2953	4.3013	4.2911	4.2916	4.2520	4.2911	4.3844
	monthly average	4.2873	4.2996	4.2874	4.2965	4.2660	4.2598	4.3437