



MAIN MACROECONOMIC INDICATORS

POLAND

DECEMBER 2020

Area: 312.679 km²
 Population: 38.4 mn
 Capital city: Warsaw
 Currency: zloty

POLAND'S MACROECONOMIC PERFORMANCE IN 2019 – 2020

| Indicator | Unit | 2019 | XII 2019 | XII 2020 | 2020 | 2021 ³ |
|---|-------------|--------------------|----------|----------|-------------------|-------------------|
| National Accounts | | | | | | |
| GDP | dynamics | 104.5 ² | | | 97.2 ² | 104.0 |
| Consumption | dynamics | 104.4 ² | | | 98.5 ² | 103.7 |
| Individual consumption | dynamics | 104.0 ² | | | 97.0 ² | 104.4 |
| Gross capital formation | dynamics | 100.1 ² | | | 87.8 ² | 105.7 |
| Gross fixed capital formation | dynamics | 107.2 ² | | | 91.6 ² | 104.0 |
| Prices | | | | | | |
| Price index of consumer goods and services (CPI) | dynamics | 102.3 | 103.4 | 102.4 | 103.4 | 101.8 |
| Price index of sold production of industry (PPI) | dynamics | 101.2 | 101.0 | 100.0 | 99.4 | |
| Production¹ | | | | | | |
| Sold production of industry | dynamics | 104.0 | 103.8 | 111.2 | 99.0 | |
| Construction and assembly production | dynamics | 102.6 | 96.7 | 103.4 | 97.8 | |
| Wages and salaries | | | | | | |
| Average wages and salaries in the national economy, of which: | PLN | 4,920 | | | | 5,259 |
| - enterprise sector | PLN | 5,169 | 5,604 | 5,974 | 5,411 | |
| Labour market | | | | | | |
| Average employment in enterprise sector | thous.pers. | 6,395 | 6,396 | 6,329 | 6,326 | |
| Unemployment rate (as of the end of the period) | % | 5.2 | 5.2 | 6.2 | 6.2 | 7.5 |

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 – forecast based on the Budgetary Law for the year 2021.

| Indicator | Unit | 2019 | XII 2019 | XII 2020 ¹ | 2020 ¹ | 2021 |
|---------------------------------|--------|---------|----------|-----------------------|-------------------|------|
| Foreign trade acc. to SP | | | | | | |
| Trade balance | mn EUR | 1,171 | 539 | 1,858 | 11,380 | |
| - exports of goods | mn EUR | 238,147 | 21,091 | 22,496 | 217,138 | |
| - imports of goods | mn EUR | 236,976 | 20,552 | 20,638 | 205,758 | |

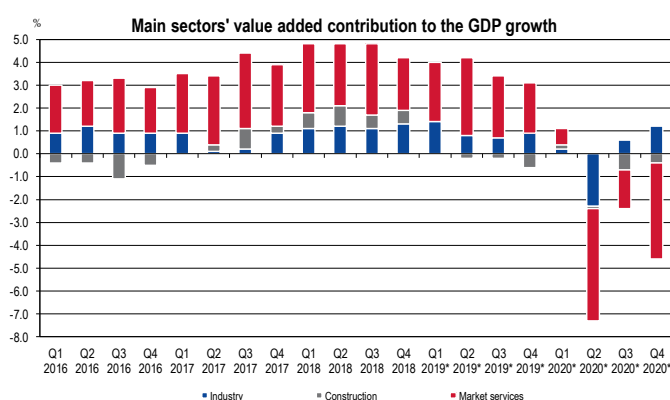
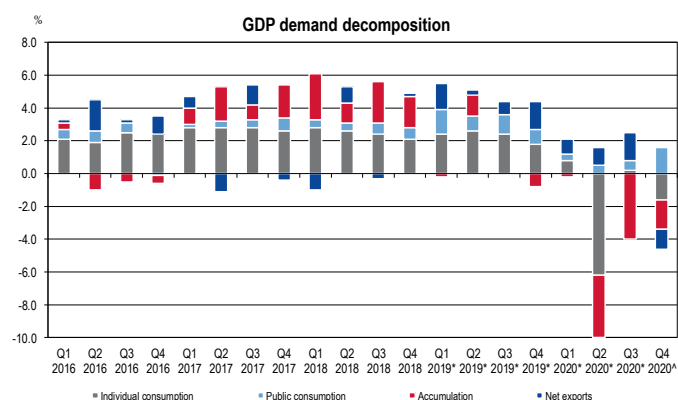
1 – SP provisional data.

According to SP estimates, in 2020 GDP decreased by 2.8%. This was due to a sharp decline in domestic demand.

GDP growth in 2016-2020

| YoY | 2016 | | | | 2017 | | | | 2018 | | | | 2019 | | | | 2020 | | | |
|-----|-------|-------|--------|-------|-------|-------|--------|-------|-------|-------|--------|-------|------------------|------------------|------------------|------------------|------------------|-------------------|-------------------|-------------------|
| | 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 | 3.3 | 3.5 | 2.8 | 2.9 | 4.7 | 4.2 | 5.4 | 5.0 | 5.3 | 5.5 | 5.5 | 5.1 | 5.3 [*] | 5.1 [*] | 4.4 [*] | 3.6 [*] | 1.9 [*] | -8.4 [*] | -1.5 [*] | -3.1 [^] |

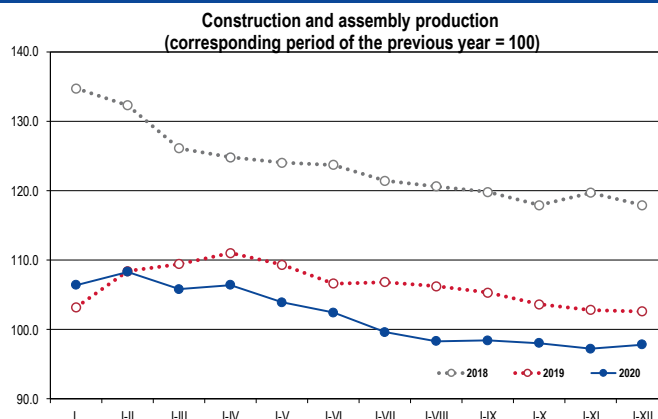
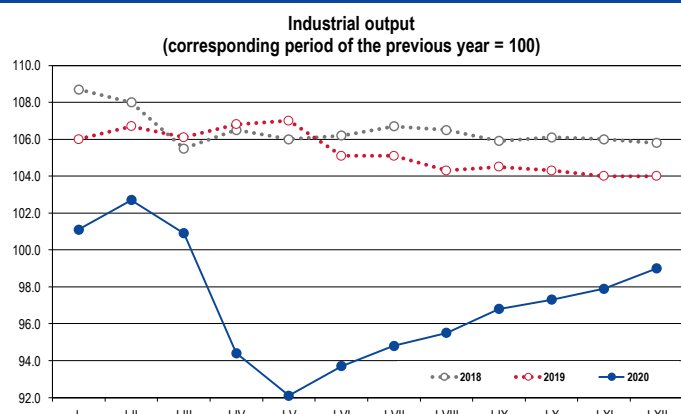
* – SP preliminary data, ^ - EAD estimates.



In January-December 2020 (yoy):

- A decrease in **sold industrial production** amounted to 1.0%, similar like in the manufacturing section.
- **Construction and assembly production** drop by 2.2%.
- **Consumer Price Index** was higher by 3.4%.
- **The number of registered unemployed** in December amounted to 1,046.4 thousand (rise by 20,8).
- **Registered unemployment rate** in December amounted to 6.2%.
- **Average monthly wages and salaries in enterprises sector** amounted to PLN 5,411 (was higher by 4.7% in nominal terms).
- **Average monthly retirement pay and pension from non-agricultural social security system** increased by 5.5%, and individual farmers by 6.5% (in nominal terms).
- At the end of November 2020 the **execution of revenues** accounted for 95.9% and **expenditures** 77.9% of the amount planned in the Budgetary Law, **deficit** amounted to PLN 13.2 bn.
- **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 November 2020, the surplus on the **current account balance** amounted to EUR 17,535 mn comparing to the surplus of EUR 2,523 mn at the end of November 2019.

January-December 2020: sold production of industry declined by 1.0% and construction and assembly production grew by 2.2% (yoy).



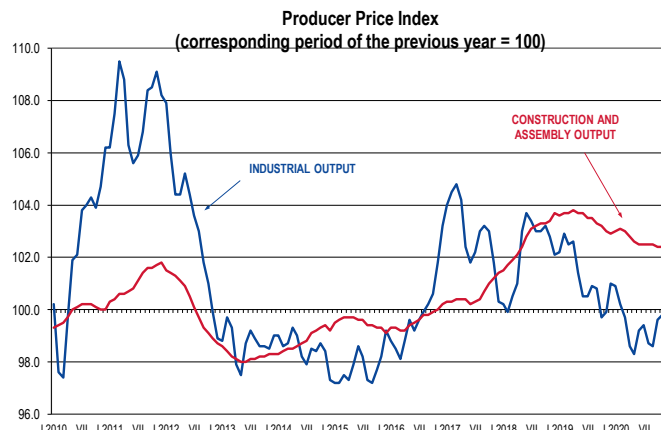
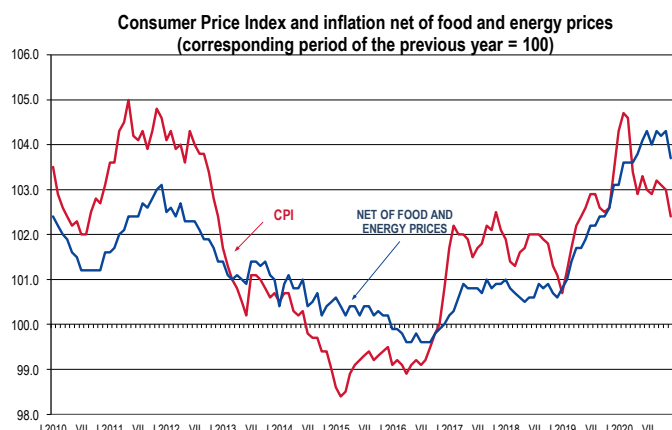
Indices of sold production of industry and construction and assembly production

| | | I | II | III | IV | V | VI | VII | VIII | IX | X | XI | XII |
|--------------------------------------|------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Sold production of industry | 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 | 83.1 | 100.5 | 101.1 | 101.5 | 105.7 | 101.0 | 105.4 | 111.2 |
| 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 | 97.7 | 89.0 | 88.0 | 90.2 | 94.2 | 95.1 | 103.4 |

January-December 2020: price index of consumer goods and services reached 3.4%, price index of sold industrial production decreased by 0.6%, and construction and assembly production grew by 2.6% (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 | 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 | 99.5 | 99.5 | 99.5 | 99.4 | 99.3 | 99.3 | 99.4 | 99.4 |
| 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 | 103.9 | 103.7 | 103.6 | 103.6 | 103.5 | 103.5 | 103.4 |
| 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 | 102.8 | 102.8 | 102.7 | 102.7 | 102.7 | 102.7 | 102.6 |



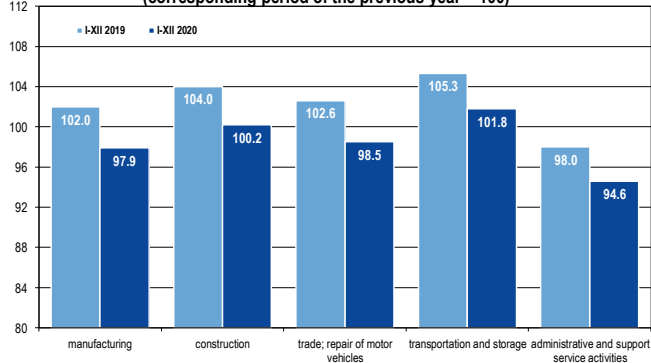
January-December 2020: registered unemployment rate shaped at the level of 6.2%, in enterprise sector employment amounted to 6,326 thousand persons and was lower by 1.1% yoy.

Unemployment rate

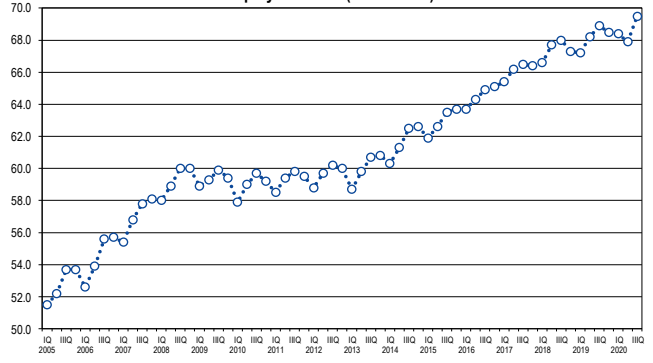
| | 2015 | 2016 | 2017 | 2018 | 2019 | X | XI | XII | I 20 | II | III | IV | V | VI | VII | VIII | IX | X | XI | XII |
|-------------------------|------|------|------|------|------|-----|-----|-----|------|-----|-----|-----|-----|-----|-----|------|-----|------|-----|-----|
| Registered unemployment | 9.7 | 8.2 | 6.6 | 5.8 | 5.2 | 5.0 | 5.1 | 5.2 | 5.5 | 5.5 | 5.4 | 5.8 | 6.0 | 6.1 | 6.1 | 6.1 | 6.1 | 6.1 | 6.1 | 6.2 |
| LFS* | 7.0 | 5.6 | 4.5 | 3.9 | 3.3 | 2.9 | | | 3.2 | | | 3.2 | | | 3.4 | | | n.a. | | |

* LFS – Labour Force Survey, aged 15-64

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

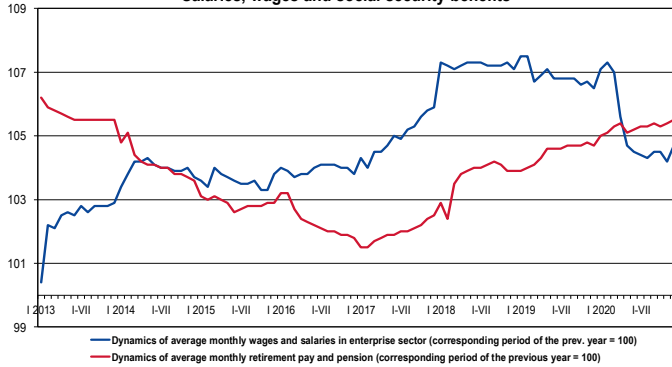


Employment rate (acc. to LFS)

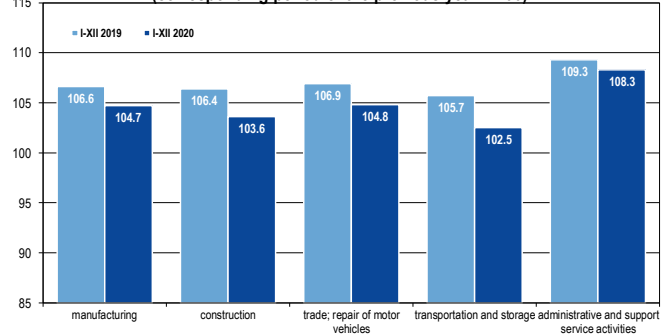


January-December 2020: average wages and salaries in enterprise sector amounted PLN 5,411 and grew by 4.7% in nominal terms yoy (by 1.5% in real terms yoy).

Salaries, wages and social security benefits

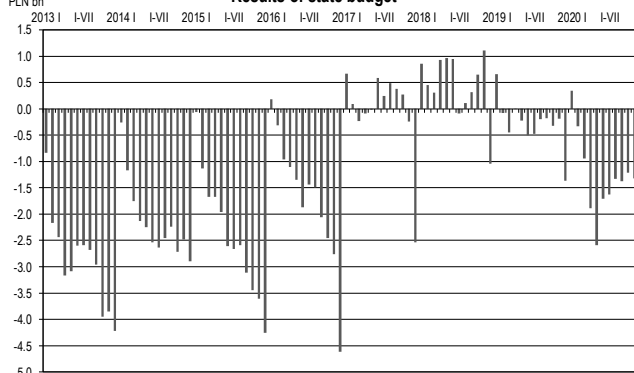


Dynamics of average monthly wages and salaries in enterprise sector (corresponding period of the previous year = 100)

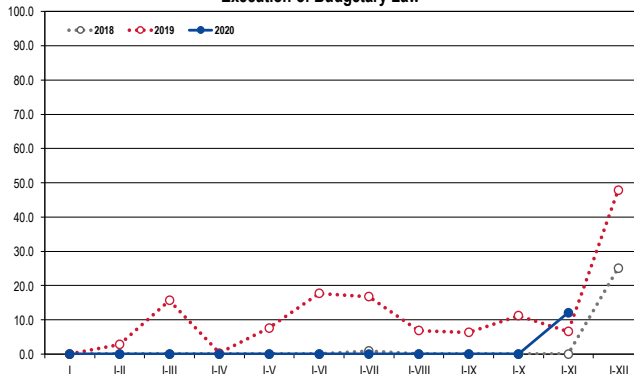


January-November 2020*: state budget revenues ensured execution of the Budgetary Law in 95.9%, expenditures in 77.9%, when the deficit amounted to PLN 13.2 bn.

Results of state budget



Execution of Budgetary Law



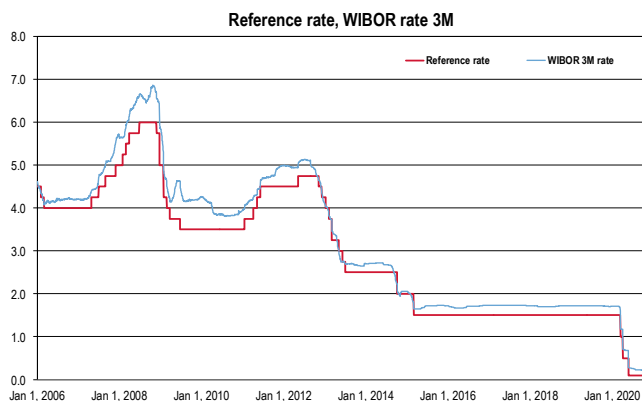
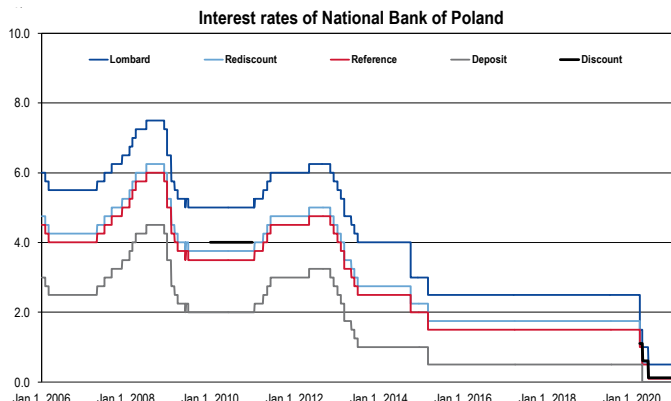
| | 2020 Budgetary Law after changes | Execution | | |
|---|----------------------------------|--------------|--------------|-------------|
| | | I-XI 2020 | I-XI 2019 | |
| | | in PLN bn | in % | |
| REVENUES | 398.7 | 382.5 | 95.9 | 94.7 |
| Indirect taxes | 240.7 | 235.1 | 97.7 | 91.8 |
| CIT | 38.5 | 37.7 | 98.0 | 106.3 |
| PIT | 64.1 | 57.2 | 89.2 | 92.8 |
| EXPENDITURES | 508.0 | 395.7 | 77.9 | 88.6 |
| Debt servicing | 29.1 | 27.8 | 95.6 | 94.1 |
| Subventions to the Pension Fund | 18.5 | 16.6 | 89.8 | 93.0 |
| Subventions to the Social Insurance Fund | 45.5 | 32.8 | 72.1 | 89.7 |
| General subventions to local self-government entities | 66.7 | 65.4 | 98.1 | 97.6 |
| DEFICIT | -109.3 | -13.2 | 12.1 | 6.6 |
| Financing for budget of EU funds | -17.0 | -1.7 | 10.2 | 3.1 |
| DEFICIT FINANCING SOURCES¹ | 126.3 | 15.0 | 11.8 | 5.3 |
| DOMESTIC | 139.6 | 34.6 | 24.8 | 24.1 |
| Treasury bonds | 93.9 | 78.1 | 83.2 | 36.4 |
| Pre-financing actions with EU sources | 0.1 | 0.1 | 74.6 | 36.6 |
| FOREIGN | -13.3 | -19.6 | 147.3 | 92.2 |

* - until February 08, 2021 the Ministry of Finance has not published the data for I-XII 2020; ¹ including financing of both budget of Poland and budget of EU funds.

January-December 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-November 2020: according to the provisional SP data trade balance shaped at the level of EUR 11,380 mn towards EUR 1,280 mn in the same period of the previous year, exports decreased by 1.4%, while imports by 6.0% (yoy).

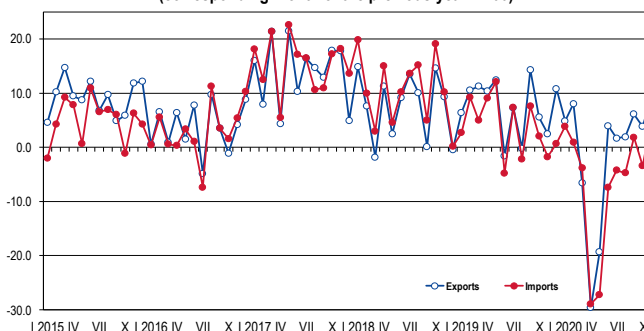
Foreign trade in EUR mn (SP data)

| | 2018 | 2019 | I-XI 2019 | I-XI 2020 |
|---------|---------|---------|-----------|-----------|
| Balance | -4,576 | 1,171 | 1,280 | 11,380 |
| Exports | 223,596 | 238,147 | 220,172 | 217,138 |
| Imports | 228,172 | 236,976 | 218,892 | 205,758 |

Foreign trade in EUR mn (NBP data)

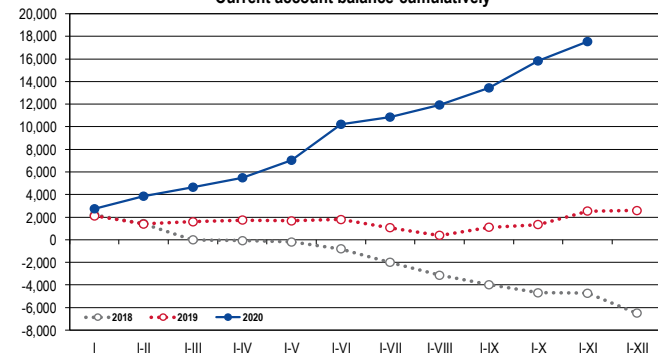
| | 2018 | 2019 | I-XI 2019 | I-XI 2020 |
|---------|---------|---------|-----------|-----------|
| Balance | -6,218 | 1,197 | 1,079 | 11,288 |
| Exports | 217,047 | 232,908 | 215,644 | 212,503 |
| Imports | 223,265 | 231,711 | 214,565 | 201,215 |

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



January-November 2020: current account surplus amounted to EUR 17,535 mn, towards the surplus of EUR 2,523 mn at the end of November 2019.

Current account balance cumulatively



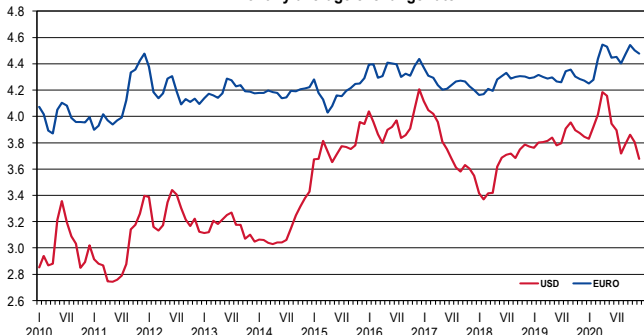
Current account balance (in EUR mn)

| | 2018 | I-XI 2019 | 2019 | I-XI 2020 |
|--|--------|-----------|-------|-----------|
| | -6,494 | 2,523 | 2,596 | 17,535 |

| | 2019 | I-XI 2019 | I-XI 2020 |
|------------------------------------|---------|-----------|-----------|
| in EUR mn | | | |
| Direct investment - assets | 4,255 | 3,441 | 2,788 |
| Direct investment - liabilities | 12,789 | 13,662 | 9,993 |
| Portfolio investment - assets | -278 | -155 | -3,532 |
| Portfolio investment - liabilities | -11,256 | -10,843 | -10,845 |
| Other investment - assets | 799 | 4,005 | 14,637 |
| Other investment - liabilities | 3,584 | -49 | 552 |
| Official reserve assets | 9,179 | 3,083 | 9,949 |

January-December 2020: zloty weakened against the US dollar and euro. The USD/PLN exchange rate increased by 1.6%, and the EUR/PLN was higher by 3.4% (yoy).

Monthly average exchange rate



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

| | | XII 2019 | VII 2020 | VIII | IX | X | XI | XII |
|-------|-----------------|----------|----------|--------|--------|--------|--------|--------|
| 1 USD | end of month | 3.7977 | 3.7166 | 3.6924 | 3.8658 | 3.9563 | 3.7364 | 3.7584 |
| | monthly average | 3.8443 | 3.8943 | 3.7190 | 3.7926 | 3.8605 | 3.8035 | 3.6778 |
| 1 EUR | end of month | 4.2585 | 4.4072 | 4.3969 | 4.5268 | 4.6188 | 4.4779 | 4.6148 |
| | monthly average | 4.2721 | 4.4528 | 4.4021 | 4.4740 | 4.5411 | 4.5023 | 4.4766 |