



MAIN MACROECONOMIC INDICATORS

POLAND
DECEMBER 2018

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

POLAND'S MACROECONOMIC PERFORMANCE IN 2017 – 2019

Indicator	Unit	2017	XII 2017	XII 2018	2018	2019 ⁴
National Accounts¹						
GDP	dynamics	104.8			105.1 ³	103.8
Consumption	dynamics	104.5			104.3 ³	103.2
Individual consumption	dynamics	104.9			104.5 ³	103.5
Gross capital formation	dynamics	106.2			109.2 ³	107.7
Gross fixed capital formation	dynamics	103.9			107.3 ³	108.4
Prices						
Price index of consumer goods and services (CPI)	dynamics	102.0	102.1	101.1	101.6	102.3
Price index of sold production of industry (PPI)	dynamics	102.9	100.3	102.2	102.1	
Production²						
Sold production of industry	dynamics	106.2 ^A	102.8	102.8	105.8	105.0 ⁵
Construction and assembly production	dynamics	110.9 ^A	112.8	112.2	117.9	106.5 ⁵
Wages and salaries						
Average wages and salaries in the national economy, of which:	PLN	4,272				
- enterprise sector	PLN	4,530	4,974	5,275	4,852	
Labour market						
Average employment in enterprise sector	thous.pers.	6,017	6,065	6,233	6,230	
Unemployment rate (as of the end of the period)	%	6.6	6.6	5.8	5.8	5.6

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 - SP provisional data; 4 - forecast based on the project of the Budgetary Law for the year 2019; 5 - EAD MoET forecast.

Indicator	Unit	2017	XII 2017	XII 2018	2018 ¹	2019 ²
Foreign trade acc. to SP						
Trade balance	mn EUR	563			-5,026	-7,500
- exports of goods	mn EUR	206,647			221,041	230,000
- imports of goods	mn EUR	206,084			226,067	237,500

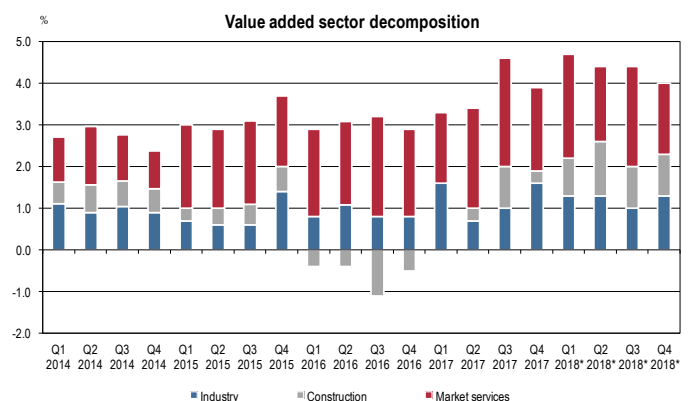
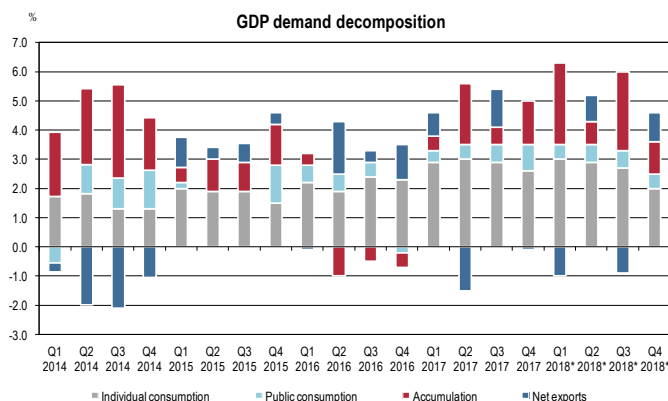
1 - SP provisional data; 2 - EAD MoET forecast.

According to SP estimates, in 2018 GDP increased by 5.1%, 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				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	3.1	3.3	3.4	3.3	3.7	3.3	3.6	4.6	3.1	3.4	2.8	2.8	4.6	4.2	5.4	5.0	5.3*	5.1*	5.1*	4.9*

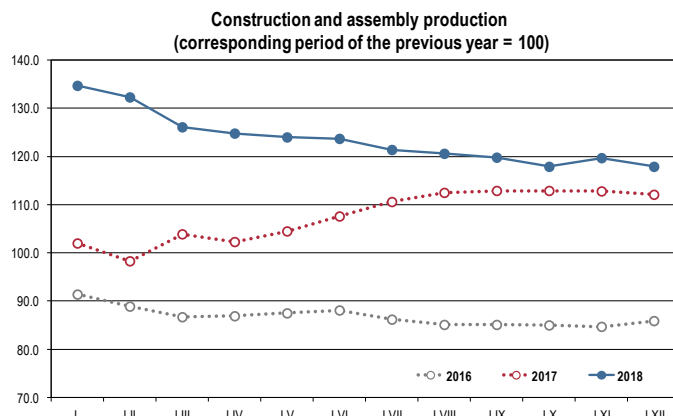
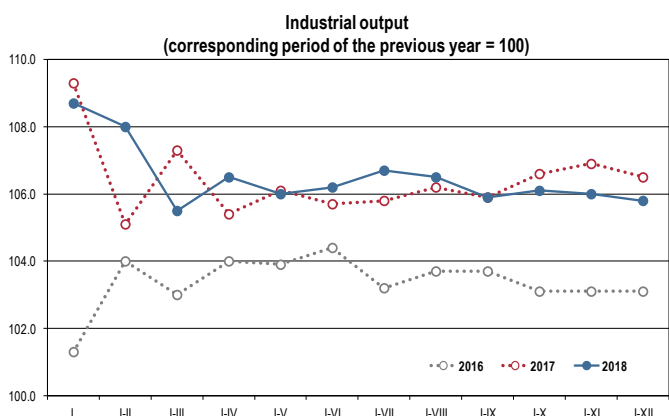
*- SP preliminary data.



In January-December 2018 (yoy):

- A growth in **sold industrial production** amounted to 5.8%. In the manufacturing section, production grew by 5.7%.
- **Construction and assembly production** grew by 17.9%.
- **Consumer Price Index** was higher by 1.6%.
- **The number of registered unemployed** amounted to 968.9 thousand (down by 10.4%).
- **Registered unemployment rate** amounted to 5.8%.
- **Average monthly wages and salaries in enterprises sector** amounted to PLN 4,852 and was higher by 7.1% (in nominal terms).
- **Average monthly retirement pay and pension from non-agricultural social security system** increased by 3.9%, and individual farmers by 2.2% (in nominal terms).
- **The execution of revenues** accounted for 106.9% and **expenditures** 98.3% of the amount planned in the Budgetary Law, **deficit** amounted to PLN 10.4bn.
- **The Monetary Policy Council did not change the interest rates.**
- **The Polish currency strengthened against the US dollar and weakened against euro.**
- At the end of 2018 the deficit on the **current account balance** amounted to EUR 3,389mn comparing to the surplus of EUR 654mn at the end of 2017.

January-December 2018: sold production of industry grew by 5.8% and construction and assembly production by 17.9% (yoy).



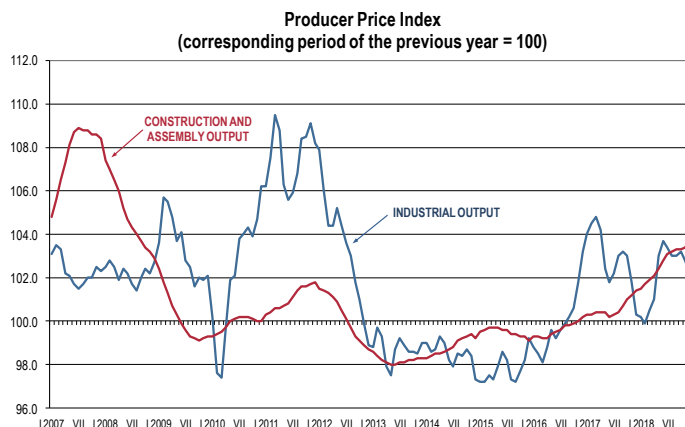
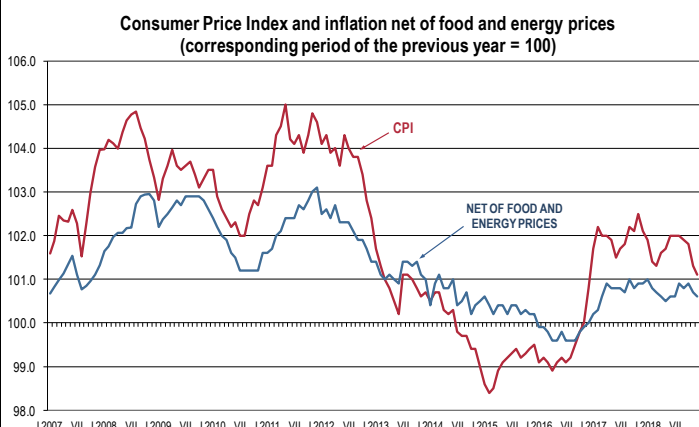
Indices of sold production of industry and construction and assembly production

		I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Sold production of industry	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	102.7	107.4	104.6	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	116.5	122.5	117.0	112.2

January-December 2018: price index of consumer goods and services reached 1.6%, price index of construction and assembly production 2.7%, and sold industrial production 2.1% (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	102.0	102.1	102.1	102.1
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	101.7	101.7	101.6
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	102.5	102.6	102.7



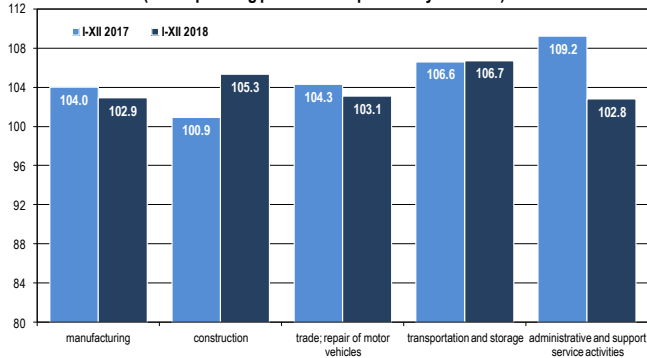
January-December 2018: registered unemployment rate shaped at the level of 5.8%, in enterprise sector employment amounted to 6,230 thousand persons and was higher by 3.5% yoy.

Unemployment rate

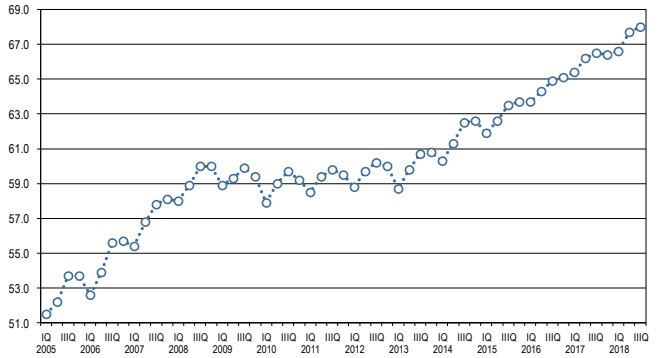
	2013	2014	2015	2016	2017	X 17	XI	XII	I 18	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Registered unemployment	13.4	11.5	9.7	8.2	6.6	6.6	6.5	6.6	6.8	6.8	6.6	6.3	6.1	5.8	5.8	5.8	5.7	5.7	5.7	5.8
LFS*	9.9	8.2	7.0	5.6	4.5	4.5			4.2			3.7			3.9			n.a.		

* LFS – Labour Force Survey

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

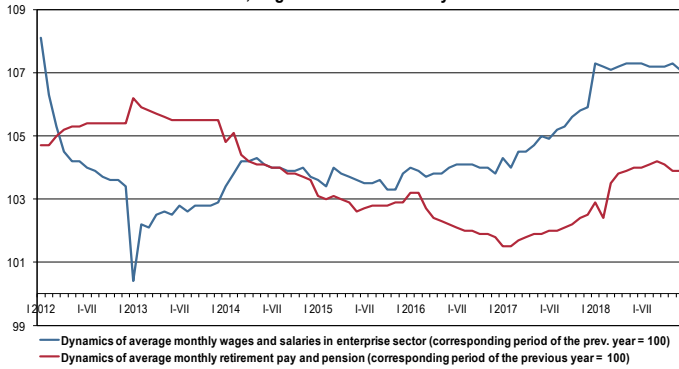


Employment rate (acc. to LFS)

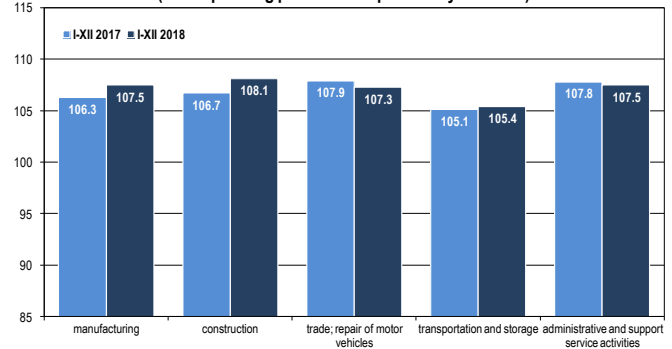


January-December 2018: average wages and salaries in enterprise sector amounted PLN 4,852 and grew by 7.1% in nominal terms yoy (by 5.4% in real terms yoy).

Salaries, wages and social security benefits

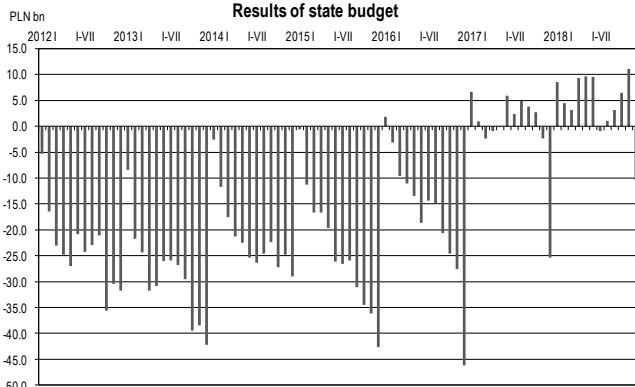


Dynamics of average monthly wages and salaries in enterprise sector (corresponding period of the previous year = 100)

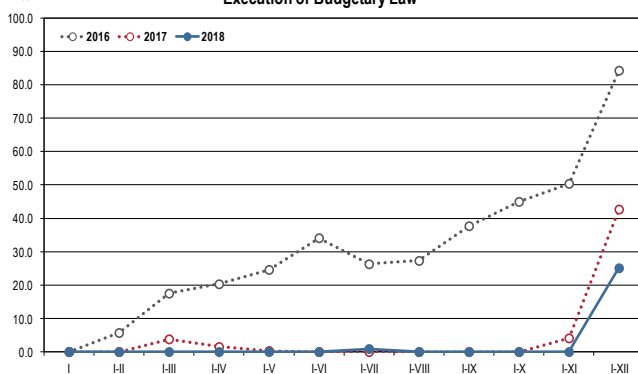


January-December 2018: state budget revenues ensured execution of the Budgetary Law in 106.9%, expenditures in 98.3%, when the deficit amounted to PLN 10.4bn.

Results of state budget



Execution of Budgetary Law



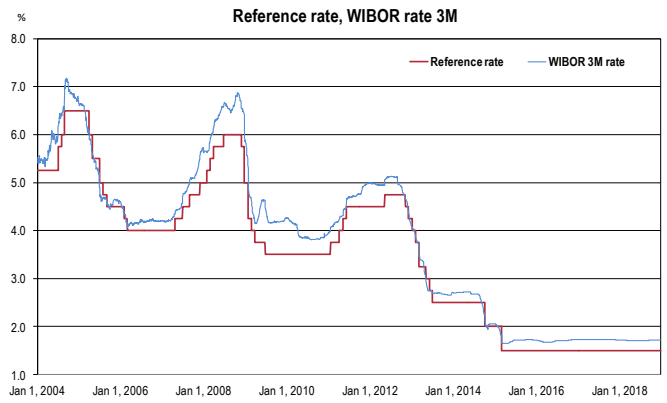
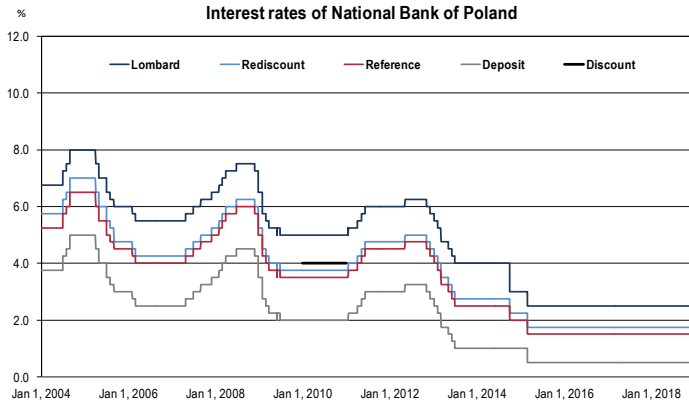
	Plan for 2018 after changes	Execution		
		I-XII 2018	I-XII 2017	
	in PLN bn	in %		
REVENUES	355.7	380.1	106.9	107.7
Indirect taxes	237.9	249.0	104.6	105.8
CIT	32.4	34.8	107.3	100.0
PIT	55.5	60.0	108.0	103.3
EXPENDITURES	397.2	390.5	98.3	97.7
Debt servicing	29.7	29.5	99.3	99.5
Subventions to the Pension Fund	17.1	17.1	100.0	98.1
Subventions to the Social Insurance Fund	35.8	35.8	100.0	95.3
General subventions to local self-government entities	56.4	56.4	100.0	100.0
DEFICIT	-41.5	-10.4	25.1	42.7
Financing for budget of EU funds	-15.5	-9.6	62.3	4.3
DEFICIT FINANCING SOURCES	57.0	20.1	35.2	37.4
DOMESTIC	52.8	39.5	74.8	43.1
Treasury bonds	57.9	25.6	44.1	40.2
Refund for the Social Insurance Fund for the payment of contributions pension funds to Open Pension Funds	-3.3	-3.3	101.1	n.a.
Pre-financing actions with EU sources	0.0 ^{a)}	0.0 ^{b)}	-	33.0
FOREIGN	4.1	-19.5	-	5.9

^{a)} PLN -72.5mn; ^{b)} PLN -9.8mn.

January-December 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-December 2018: according to the provisional SP data trade balance shaped at the level of EUR -5,026mn towards EUR 563mn in the same period of the previous year, exports increased by 7.0% and imports by 9.7% (yoy).

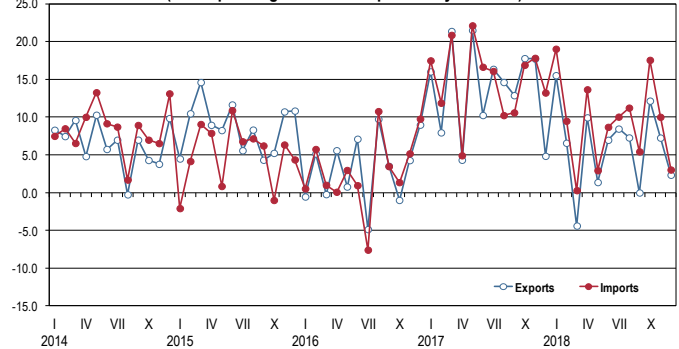
Foreign trade in EUR mn (SP data)

	2016	2017	2018
Balance	3,918	563	-5,026
Exports	184,843	206,647	221,041
Imports	180,925	206,084	226,067

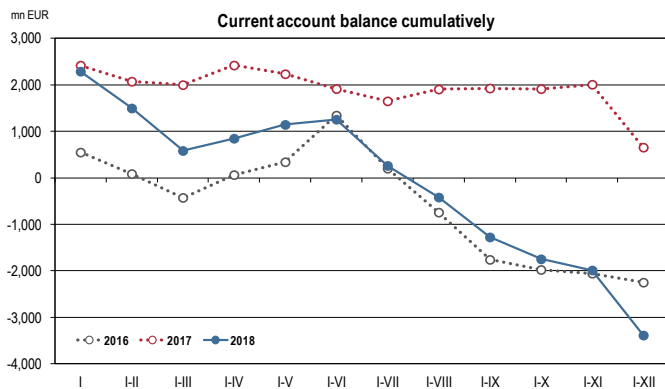
Foreign trade in EUR mn (NBP data)

	2016	2017	2018
Balance	2,936	1,403	-4,832
Exports	177,498	201,898	213,912
Imports	174,562	200,495	218,744

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



January-December 2018: current account deficit amounted to EUR 3,389mn, towards the surplus of EUR 654mn at the end of 2017.

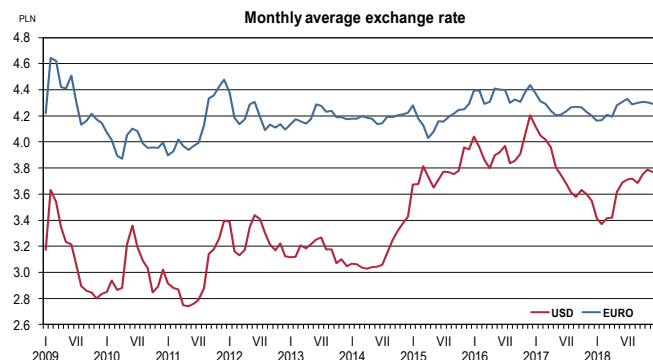


Current account balance (in EUR mn)

	2016	2017	2018
	-2,251	654	-3,389

	2016	2017	2018
in EUR mn			
Direct investment - assets	12,720	3,701	139
Direct investment - liabilities	16,646	9,258	7,843
Portfolio investment - assets	-5,475	1,134	353
Portfolio investment - liabilities	-2,092	5,471	-3,088
Other investment - assets	2,523	5,648	5,074
Other investment - liabilities	14,507	-11,231	-852
Official reserve assets	20,419	-7,134	6,176

January-December 2018: zloty strenghtened against the US dollar and weakened against euro. The USD/PLN exchange rate decreased by 4.4%, and the EUR/PLN was higher by 0.1% (yoy).



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

		XII 2017	VII 2018	VIII	IX	X	XI	XII
1 USD	end of month	3.4813	3.6481	3.6808	3.6754	3.8203	3.7731	3.7597
	monthly average	3.5482	3.7095	3.7175	3.6837	3.7495	3.7866	3.7691
1 EUR	end of month	4.1709	4.2779	4.2953	4.2714	4.3313	4.2904	4.3000
	monthly average	4.2016	4.3301	4.2873	4.2992	4.3060	4.3029	4.2905