



MAIN MACROECONOMIC INDICATORS

POLAND

FEBRUARY 2020

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

POLAND'S MACROECONOMIC PERFORMANCE IN 2019-2020

Indicator	Unit	2019	II 2019	II 2020	I-II 2020	2020 ³
National Accounts						
GDP	dynamics	104.1 ²				103.7
Consumption	dynamics	104.1 ²				103.5
Individual consumption	dynamics	103.9 ²				103.8
Gross capital formation	dynamics	99.3 ²				105.0
Gross fixed capital formation	dynamics	107.2 ²				105.6
Prices						
Price index of consumer goods and services (CPI)	dynamics	102.3	101.2	104.7	104.5	102.5
Price index of sold production of industry (PPI)	dynamics	101.2	102.9	100.1	100.5	
Production¹						
Sold production of industry	dynamics	104.0	106.9	104.9	102.7	
Construction and assembly production	dynamics	102.6	115.1	105.5	108.3	
Wages and salaries						
Average wages and salaries in the national economy, of which:	PLN	4,918				
- enterprise sector	PLN	5,169	4,949	5,330	5,305	
Labour market						
Average employment in enterprise sector	thous. pers.	6,395	6,378	6,446	6,444	
Unemployment rate (as of the end of the period)	%	5.2	6.1	5.5	5.5	5.1

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 project of the Budgetary Law for the year 2020

Indicator	Unit	2019	II 2019	II 2020 ¹	I-II 2020 ¹	2020
Foreign trade acc. to SP						
Trade balance	mn EUR	1,807	-488	952	1,251	
- exports of goods	mn EUR	235,835	19,097	20,089	39,874	
- imports of goods	mn EUR	234,028	19,585	19,137	38,623	

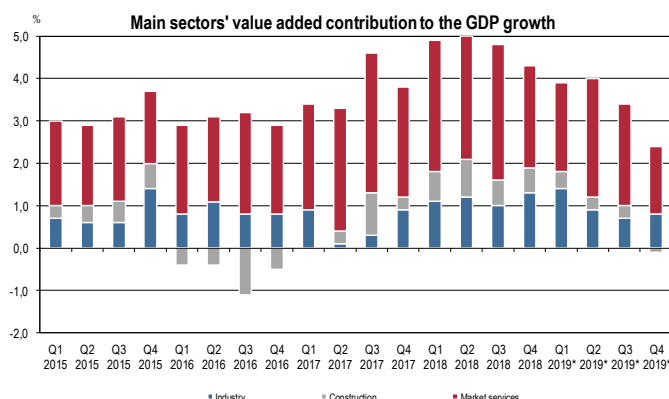
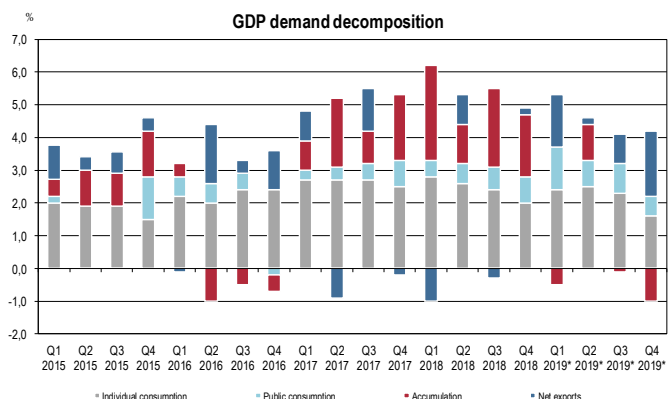
1 – SP provisional data

According to SP estimates, in 2019 GDP increased by 4.1%, 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				5.3				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
YoY	3.7	3.3	3.6	4.6	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*

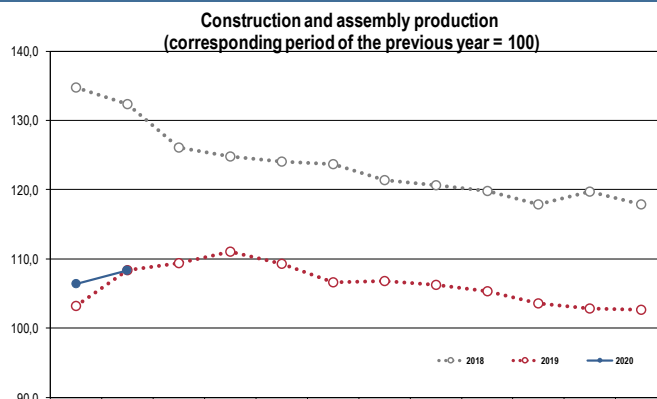
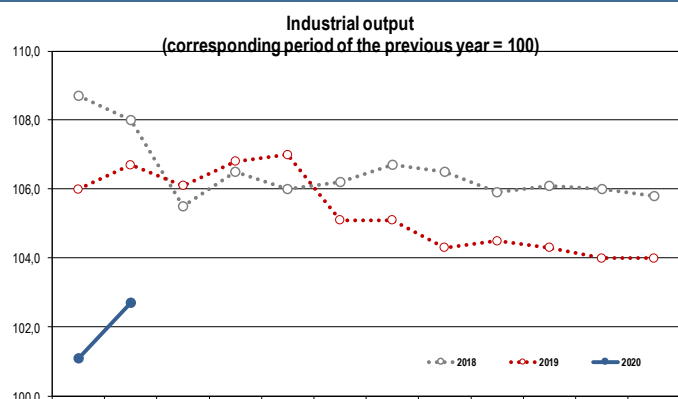
* – SP preliminary data



In January-February 2020 (yoy):

- A growth in **sold industrial production** amounted to 2.7%. In the manufacturing section, production grew by 3.5%.
- **Construction and assembly production** grew by 8.3%.
- **Consumer Price Index** was higher by 4.5%.
- **The number of registered unemployed** amounted to 919,9 thousand (down by 9.5%).
- **Registered unemployment rate** amounted to 5.5%.
- **Average monthly wages and salaries in enterprises sector** amounted to PLN 5,305 (was higher by 7.3% in nominal terms).
- **Average monthly retirement pay and pension from non-agricultural social security system** increased by 5.1%, and individual farmers by 6.2% (in nominal terms).
- **The execution of revenues** accounted for 9.3% and **expenditures** 8.5% of the amount planned in the Budgetary Law, **surplus** amounted to PLN 3.3 bn.
- **The Monetary Policy Council changed the interest rates in March and April.**
- **The Polish currency** weakened against the US dollar but strengthened against euro.
- At the end of January 2020 the surplus on the **current account balance** amounted to EUR 3,007 mn comparing to the surplus of EUR 1,225 mn at the end of January 2019.

January-February 2020: sold production of industry grew by 2.7% and construction and assembly production by 8.3% (yoy).



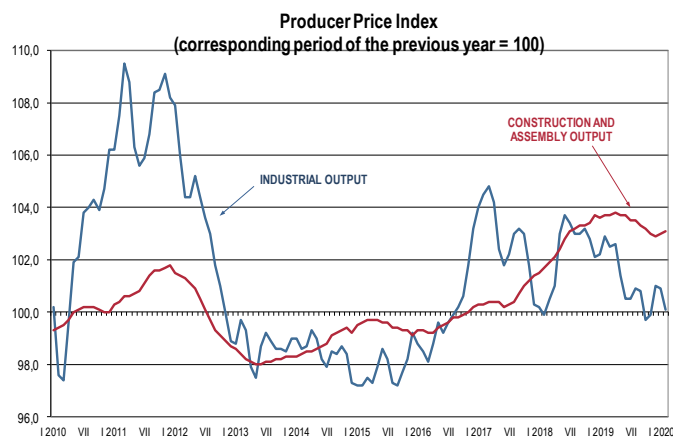
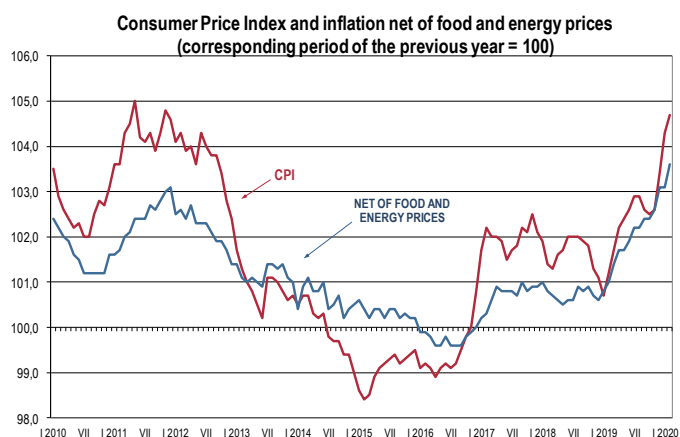
Indices of sold production of industry and construction and assembly production

		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	104.9										
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										

January-February 2020: price index of consumer goods and services reached 4.5%, price index of sold industrial production 0.5%, and construction and assembly production 3,0% (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										
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										
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										



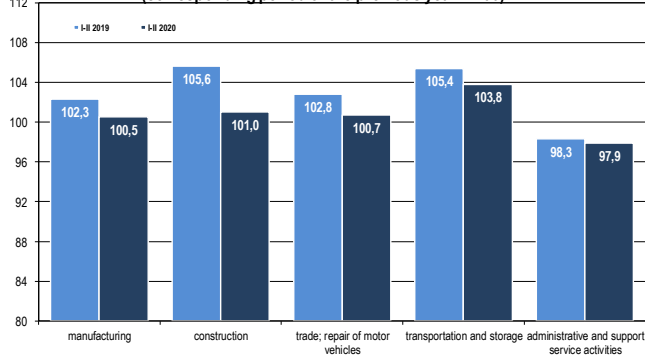
January-February 2020: registered unemployment rate shaped at the level of 5.5%, in enterprise sector employment amounted to 6,411 thousand persons and was higher by 1.1% yoy.

Unemployment rate

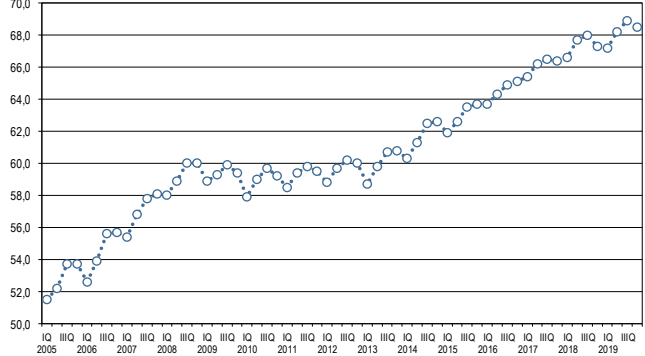
	2014	2015	2016	2017	2018	I 19	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	I 20	II	III
Registered unemployment	11,5	9,7	8,2	6,6	5,8	6,1	6,1	5,9	5,6	5,4	5,3	5,2	5,2	5,1	5,0	5,1	5,2	5,5	5,5	n.a.
LFS*	8,2	7,0	5,6	4,5	3,9	4,0			3,3			3,2			2,9			n.a.		

* LFS – Labour Force Survey

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

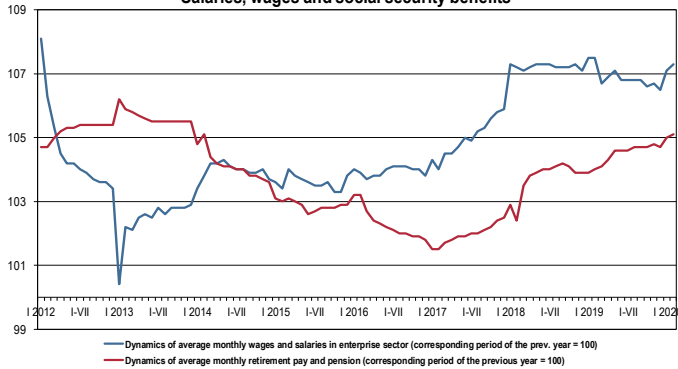


Employment rate (acc. to LFS)

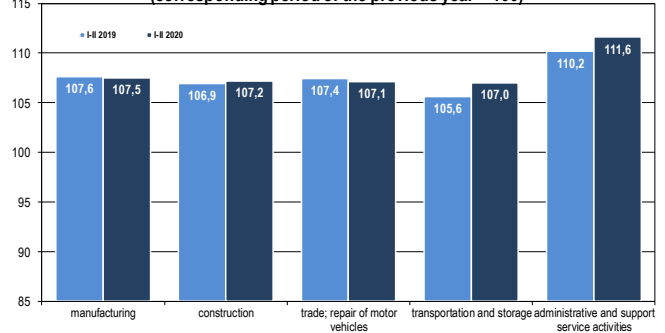


January-February 2020: average wages and salaries in enterprise sector amounted PLN 5,305 and grew by 7.3% in nominal terms yoy (by 2.8% in real terms yoy).

Salaries, wages and social security benefits

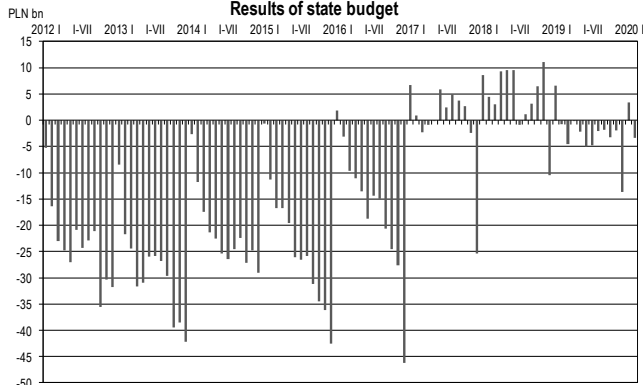


Dynamics of average monthly wages and salaries in enterprise sector (corresponding period of the previous year = 100)

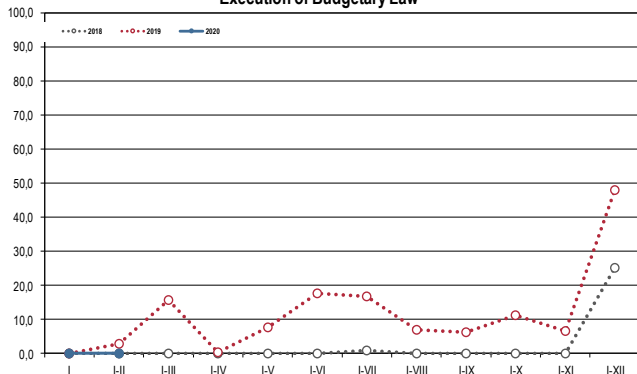


January-February 2020: state budget revenues ensured execution of the Budgetary Law in 16.1%, expenditures in 16.8%, when the deficit amounted to PLN 3.3bn.

Results of state budget



Execution of Budgetary Law



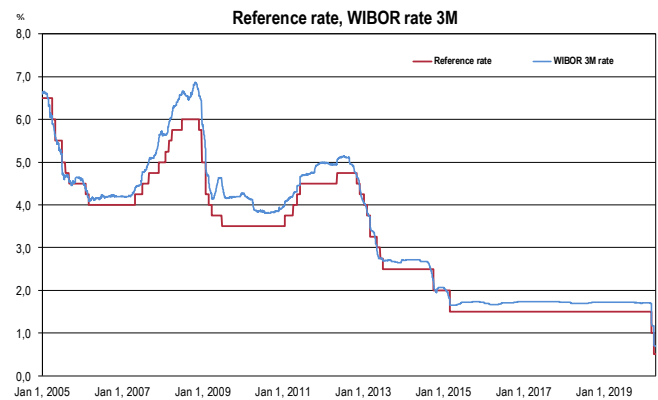
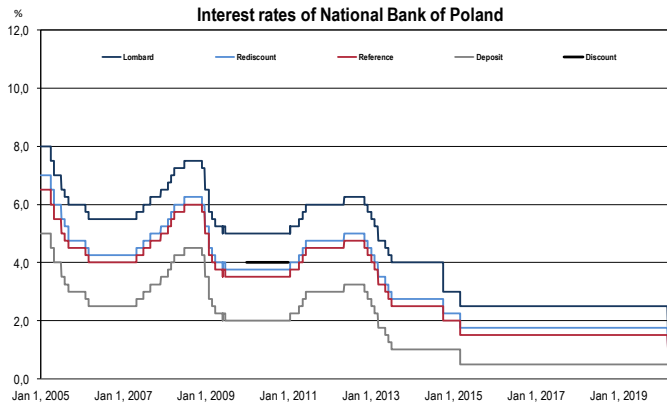
	Project of 2020 Budgetary Law	Execution		
		I-II 2020	I-II 2019	
		in PLN bn	in %	
REVENUES	435.3	69.9	16.1	16.7
Indirect taxes	274.2	46.2	16.8	16.7
CIT	42.0	6.3	15.0	17.3
PIT	66.6	10.9	16.4	16.7
EXPENDITURES	435.3	73.2	16.8	15.8
Debt servicing	27.6	4.5	16.5	16.9
Subventions to the Pension Fund	17.6	2.8	15.9	14.4
Subventions to the Social Insurance Fund	33.5	5.7	16.9	10.0
General subventions to local self-government entities	66.7	17.9	26.8	27.0
DEFICIT	0.0	-3.3	-	2.8
Financing for budget of EU funds	-17.0	0.1	-	-
DEFICIT FINANCING SOURCES¹	17.0	3.3	-	1.8
DOMESTIC	41.5	-0.5	-	0.6
Treasury bonds	46.2	10.0	21.7	26.2
Pre-financing actions with EU sources	0.1	0.0 ²	23.7	26.5
FOREIGN	-24.6	3.9	-	-

1 – including financing of both budget of Poland and budget of EU funds, 2 - PLN 17,9mn

January-February 2020: Monetary Policy Council decided to remain the interest rates unchanged. The interest rates were change in March and April. The National Bank of Poland's reference rate is at the level of 0.5%.

Interest rates of the National Bank of Poland

	Reference	Lombard	Deposit	Rediscount
October 9, 2014	2.00	3.00	1.00	2.25
March 5, 2015	1.50	2.50	0.50	1.75
March 8, 2020	1.00	1.50	0.50	1.05
April 9, 2020	0.50	1.00	0.00	0.55



January-February 2020: according to the provisional SP data trade balance shaped at the level of EUR 1 251 mn towards EUR -327 mn in the same period of the previous year, exports increased by 4.1%, while imports decreased slightly by 0.02% (yoy).

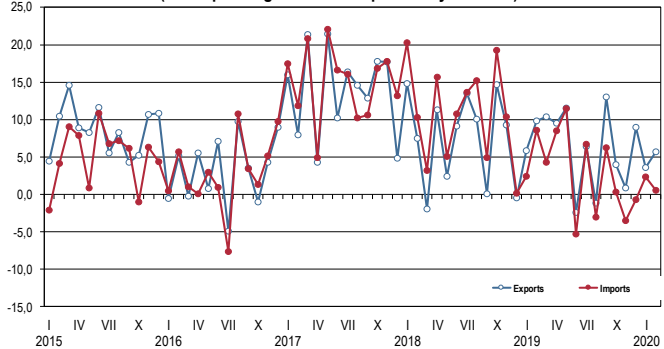
Foreign trade in EUR mn (SP data)

	2018	2019	I-II 2019	I-II 2020
Balance	-4,576	1,807	-327	1,251
Exports	223,596	235,835	38,303	39,874
Imports	228,172	234,028	38,630	38,623

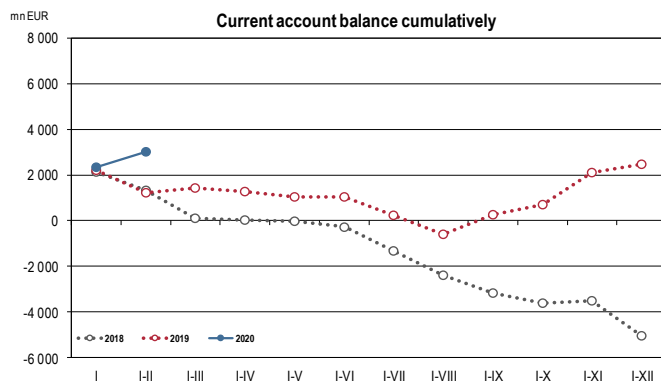
Foreign trade in EUR mn (NBP data)

	2018	2019	I-II 2019	I-II 2020
Balance	-4,780	2,405	-177	1,005
Exports	216,862	230,340	37,104	38,825
Imports	221,642	227,935	37,281	37,820

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



January-February 2020: current account surplus amounted to EUR 3,007 mn, towards the surplus of EUR 1,225 mn at the end of February 2019.

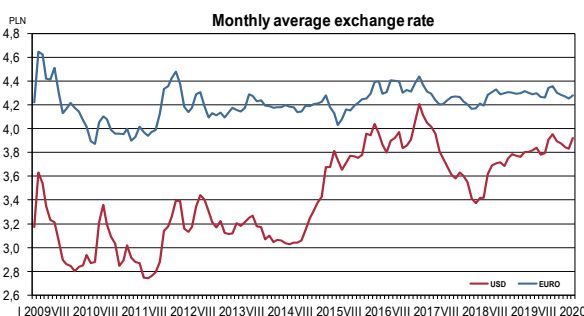


Current account balance (in EUR mn)

	2018	I-II 2019	2019	I-II 2020
	-5,036	1,225	2,469	3,007

	2019	I-II 2019	I-II 2020
	in EUR mn		
Direct investment - assets	3,374	-151	-235
Direct investment - liabilities	13,330	5,376	3,541
Portfolio investment - assets	-282	810	264
Portfolio investment - liabilities	-11,335	-5,200	1,069
Other investment - assets	1,502	582	4,281
Other investment - liabilities	1,863	-4,155	-3,905
Official reserve assets	9,179	-4,686	241

January-February 2020: zloty weakened against the US dollar but strengthened against euro. The USD/PLN exchange rate increased by 2.4%, and the EUR/PLN was lower by 0.9% (yoy).



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

		II 2019	IX	X	XI	XII	I 2020	II
1 USD	end of month	3.7853	4.0000	3.8174	3.9288	3.7977	3.8999	3.9255
	monthly average	3.8023	3.9535	3.8935	3.8745	3.8443	3.8287	3.9201
1 EUR	end of month	4.3120	4.3736	4.2617	4.3236	4.2585	4.3010	4.3355
	monthly average	4.3157	4.3547	4.3025	4.2843	4.2721	4.2504	4.2789