



MAIN MACROECONOMIC INDICATORS

POLAND
JANUARY 2019

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

POLAND'S MACROECONOMIC PERFORMANCE IN 2017 – 2018

Indicator	Unit	2017	2018	I 2018	I 2019	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	101.6	101.9	100.7	102.3
Price index of sold production of industry (PPI)	dynamics	102.9	102.1	100.2	102.2	
Production²						
Sold production of industry	dynamics	106.2 ^A	105.8	108.7	106.1	105.0 ⁵
Construction and assembly production	dynamics	110.9 ^A	117.9	134.7	103.2	106.5 ⁵
Wages and salaries						
Average wages and salaries in the national economy, of which:	PLN	4,272	4,585			
- enterprise sector	PLN	4,530	4,852	4,589	4,932	
Labour market						
Average employment in enterprise sector	thous.pers.	6,017	6,230	6,187	6,368	
Unemployment rate (as of the end of the period)	%	6.6	5.8	6.8	6.1	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; 6 - EAD MoET forecast.

Indicator	Unit	2017	2018 ¹	I 2018	I 2019 ¹	2019 ²
Foreign trade acc. to SP						
Trade balance	mn EUR	563	-5,026	-497	-51	-7,500
- exports of goods	mn EUR	206,647	221,041	17,679	18,112	230,000
- imports of goods	mn EUR	206,084	226,067	18,176	18,163	237,500

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

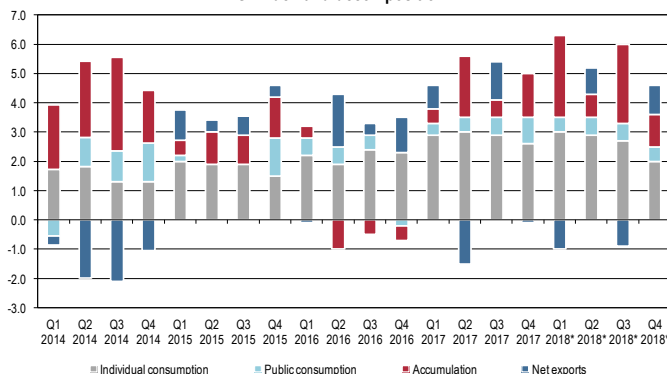
According to SP estimates, in 2018 GDP increased by 5.1%, with domestic demand as a main growth driver.

GDP growth in 2014-2018

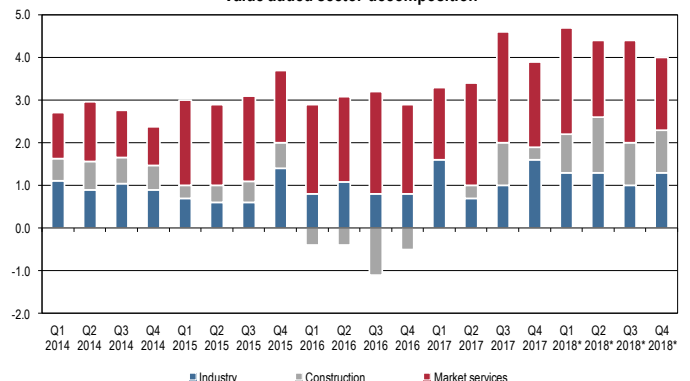
	2014				2015				2016				2017				2018			
YoY	3.3				3.8				3.1				4.8				5.1*			
	I-III	IV-VI	VII-IX	X-XII	I-III	IV-VI	VII-IX	X-XII	I-III	IV-VI	VII-IX	X-XII	I-III	IV-VI	VII-IX	X-XII	I-III	IV-VI	VII-IX	X-XII
YoY	3.1	3.3	3.4	3.3	3.7	3.3	3.6	4.6	3.1	3.4	2.8	2.8	4.6	4.2	5.4	5.0	5.3*	5.1*	5.1*	4.9*

*- SP preliminary data.

GDP demand decomposition



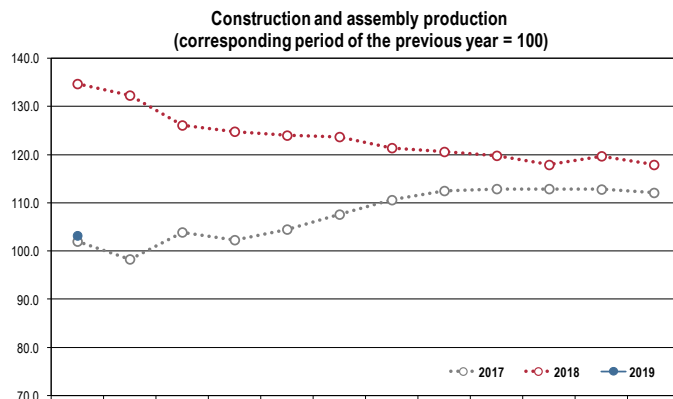
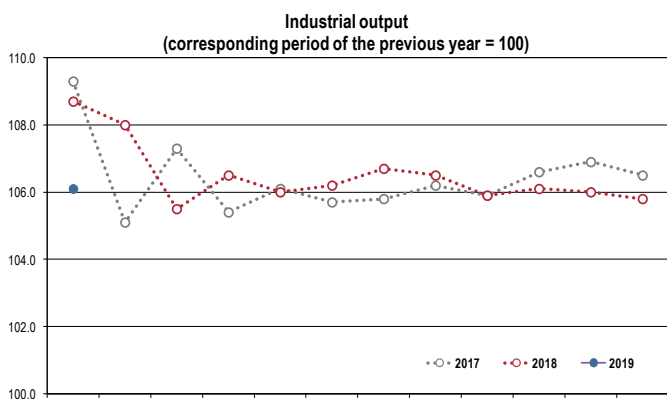
Value added sector decomposition



In January 2019 (yoy):

- A growth in **sold industrial production** amounted to 6.1%. In the manufacturing section, production grew by 5.3%.
- **Construction and assembly production** grew by 3.2%.
- **Consumer Price Index** was higher by 0.7%.
- **The number of registered unemployed** amounted to 1,023.1 thousand (down by 9.8%).
- **Registered unemployment rate** amounted to 6.1%.
- **Average monthly wages and salaries in enterprises sector** amounted to PLN 4,932 and was higher by 7.5% (in nominal terms).
- **Average monthly retirement pay and pension from non-agricultural social security system** increased by 3.9%, and individual farmers by 2.1% (in nominal terms).
- **The execution of revenues** accounted for 10% and **expenditures** 7.7% of the amount planned in the Budgetary Law, **surplus** amounted to PLN 6.6bn.
- **The Monetary Policy Council did not change the interest rates.**
- **The Polish currency weakened against the US dollar and euro.**
- At the end of January 2019 the surplus on the **current account balance** amounted to EUR 2,316mn comparing to the surplus of EUR 2,289mn at the end of January 2018.

January 2019: sold production of industry grew by 6.1% and construction and assembly production by 3.2% (yoy).



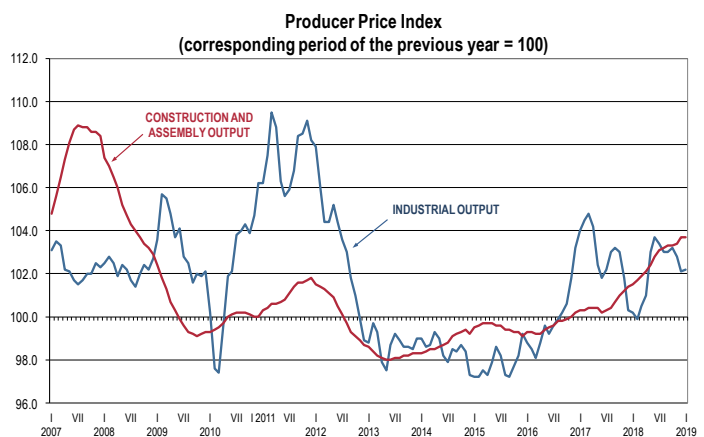
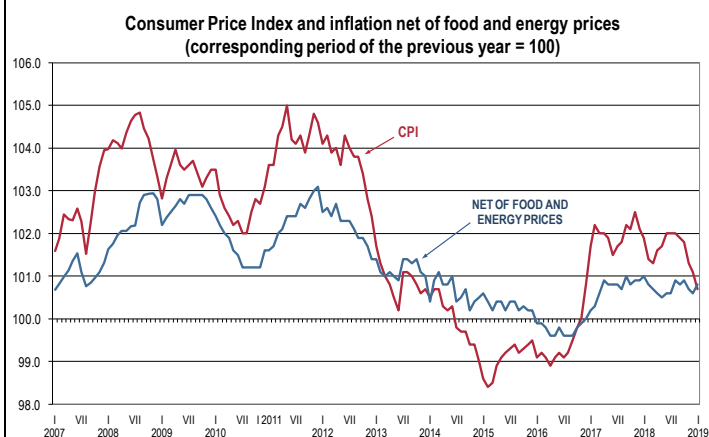
Indices of sold production of industry and construction and assembly production

		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	106.1											
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											

January 2019: price index of consumer goods and services reached 0.7%, price index of construction and assembly production 2.2%, and sold industrial production 3.7% (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											
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											
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	103.7											



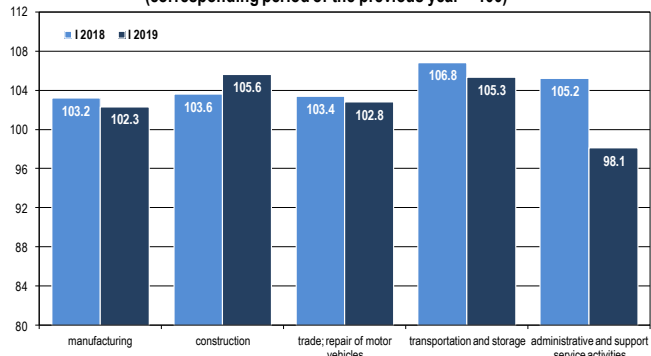
January 2019: registered unemployment rate shaped at the level of 6.1%, in enterprise sector employment amounted to 6,368 thousand persons and was higher by 2.9% yoy.

Unemployment rate

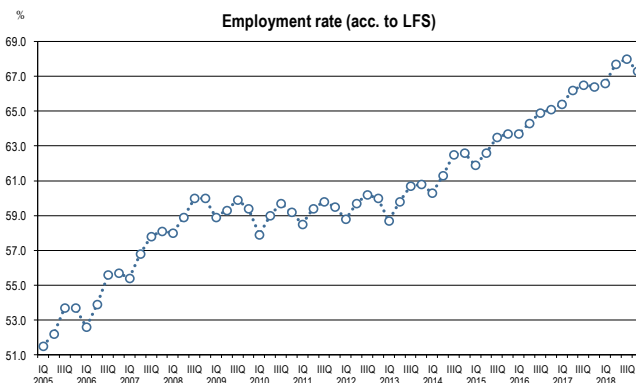
	2013	2014	2015	2016	2017	I 18	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	I 19	II	III
Registered unemployment	13.4	11.4	9.7	8.2	6.6	6.8	6.8	6.6	6.3	6.1	5.8	5.8	5.8	5.7	5.7	5.7	5.8	6.1	n.a.	n.a.
LFS*	9.9	8.2	7.0	5.6	4.5	4.5			4.2			3.7			3.9			n.a.		

* LFS – Labour Force Survey

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

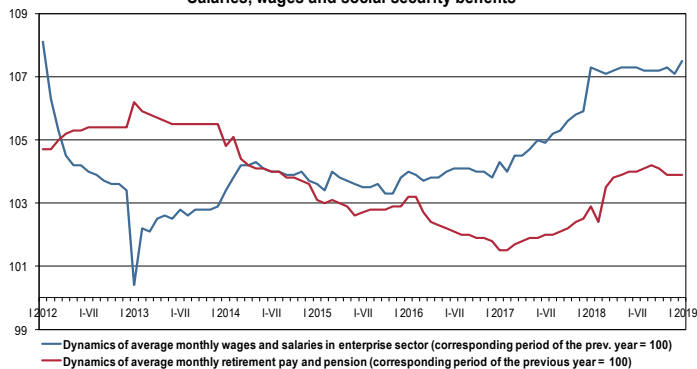


Employment rate (acc. to LFS)

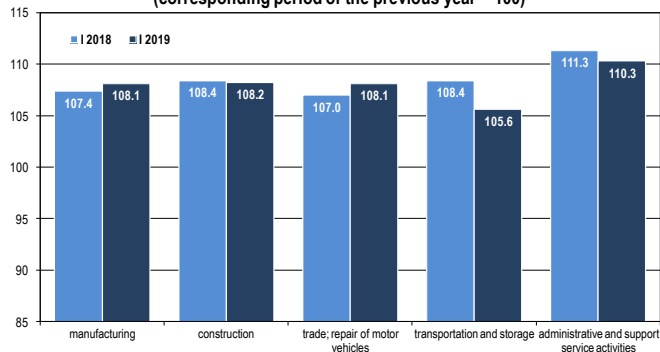


January 2019: average wages and salaries in enterprise sector amounted PLN 4,932 and grew by 7.5% in nominal terms yoy (by 6.5% in real terms yoy).

Salaries, wages and social security benefits

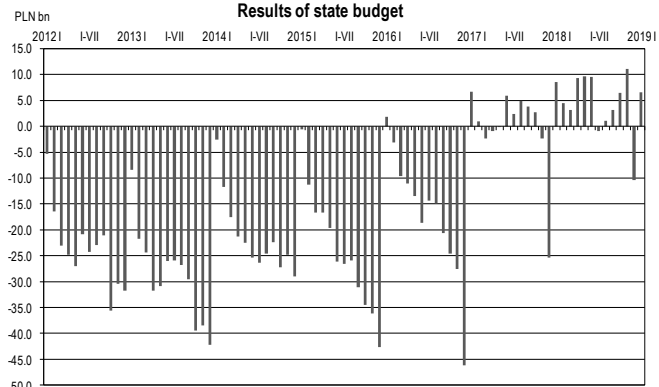


Dynamics of average monthly wages and salaries in enterprise sector (corresponding period of the previous year = 100)

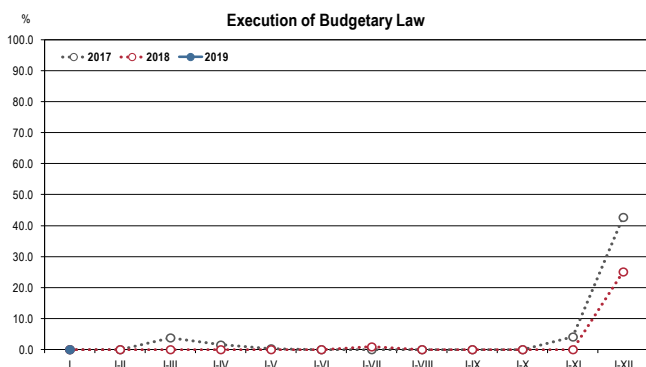


January 2019: state budget revenues ensured execution of the Budgetary Law in 10%, expenditures in 7.7%, when the surplus amounted to PLN 6.6bn.

Results of state budget



Execution of Budgetary Law



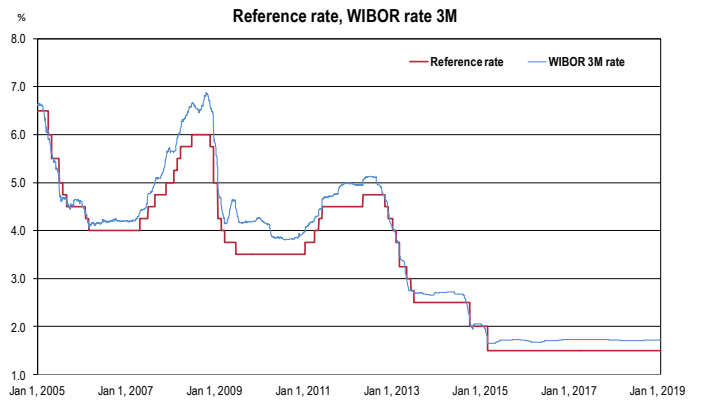
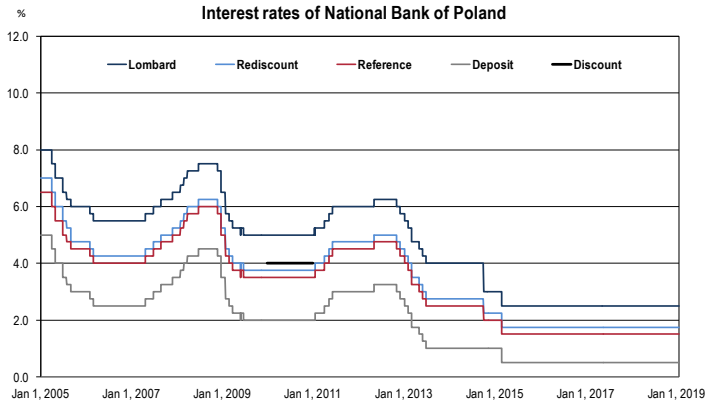
	2019 Budgetary Law	Execution	
		I 2019	I 2018
	in PLN bn	in %	
REVENUES	387.7	38.7	10.0
Indirect taxes	254.7	26.0	10.2
CIT	34.8	3.2	9.2
PIT	64.3	6.5	10.1
EXPENDITURES	416.2	32.1	7.7
Debt servicing	29.2	4.2	14.4
Subventions to the Pension Fund	17.4	1.3	7.2
Subventions to the Social Insurance Fund	49.4	2.1	4.2
General subventions to local self-government entities	60.8	8.2	13.5
DEFICIT	-28.5	6.6	-
Financing for budget of EU funds	-15.6	0.0	-
DEFICIT FINANCING SOURCES	44.1	-6.6	-
DOMESTIC	56.3	-6.0	-
Treasury bonds	57.1	8.9	15.6
Pre-financing actions with EU sources	0.1	0.0 ^{a)}	20.6
FOREIGN	-12.2	-0.6	4.7
			136.6

^{a)} PLN 27.8mn.

January 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 2019: according to the provisional SP data trade balance shaped at the level of EUR -51mn towards EUR -497mn in the same period of the previous year, exports increased by 2.5%, while imports decreased by 0,1% (yoy).

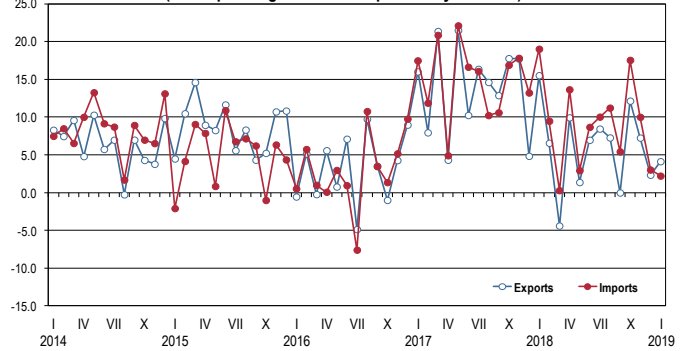
Foreign trade in EUR mn (SP data)

	2017	2018	I 2018	I 2019
Balance	563	-5,026	-497	-51
Exports	206,647	221,041	17,679	18,112
Imports	206,084	226,067	18,176	18,163

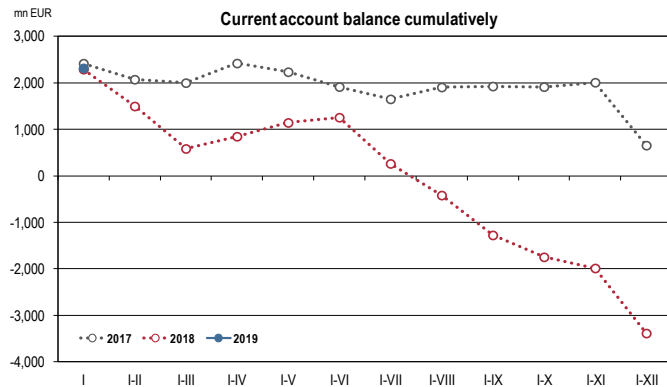
Foreign trade in EUR mn (NBP data)

	2017	2018	I 2018	I 2019
Balance	1,403	-4,832	-59	279
Exports	201,898	213,912	17,761	18,493
Imports	200,495	218,744	17,820	18,214

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



January 2019: current account surplus amounted to EUR 2,316mn, towards the surplus of EUR 2,289mn at the end of January 2018.

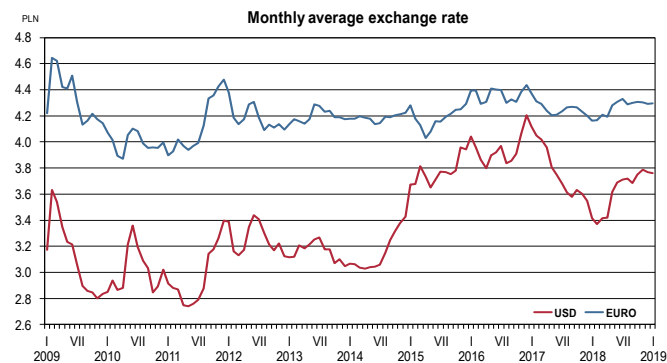


Current account balance (in EUR mn)

2017	I 2018	2018	I 2019
654	2,289	-3,389	2,316

	2018	I 2018	I 2019
in EUR mn			
Direct investment - assets	139	-1,059	-49
Direct investment - liabilities	7,843	255	2,910
Portfolio investment - assets	353	498	850
Portfolio investment - liabilities	-3,088	-1,123	-3,557
Other investment - assets	5,074	321	336
Other investment - liabilities	-852	-94	-4,397
Official reserve assets	6,176	1,585	-3,990

January 2019: zloty weakened against the US dollar and euro. The USD/PLN exchange rate increased by 10.2%, and the EUR/PLN was higher by 3.2% (yoy).



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

		I 2018	VIII	IX	X	XI	XII	I 2019
1 USD	end of month	3.3318	3.6808	3.6754	3.8203	3.7731	3.7597	3.7271
	monthly average	3.4141	3.7175	3.6837	3.7495	3.7866	3.7691	3.7617
1 EUR	end of month	4.1488	4.2953	4.2714	4.3313	4.2904	4.3000	4.2802
	monthly average	4.1636	4.2873	4.2992	4.3060	4.3029	4.2905	4.2954