



MAIN MACROECONOMIC INDICATORS

POLAND

JULY 2019

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

POLAND'S MACROECONOMIC PERFORMANCE IN 2018 – 2019

Indicator	Unit	2018	VII 2018	VII 2019	I-VII 2019	2019 ⁵
National Accounts¹						
GDP	dynamics	105.1 ³			104.6 ^{3,4}	104.0
Consumption	dynamics	104.5 ³			104.2 ^{3,4}	104.3
Individual consumption	dynamics	104.5 ³			104.1 ^{3,4}	104.0
Gross capital formation	dynamics	109.6 ³			105.6 ^{3,4}	104.1
Gross fixed capital formation	dynamics	108.7 ³			110.5 ^{3,4}	105.7
Prices						
Price index of consumer goods and services (CPI)	dynamics	101.6	102.0	102.9	102.0	101.8
Price index of sold production of industry (PPI)	dynamics	102.1	103.4	100.6	101.8	
Production²						
Sold production of industry	dynamics	105.8	110.3	105.8	105.1	105.0 ⁶
Construction and assembly production	dynamics	113.7	118.7	106.6	106.8	106.5 ⁶
Wages and salaries						
Average wages and salaries in the national economy, of which:	PLN	4,585				
- enterprise sector	PLN	4,852	4,825	5,182	5,094	
Labour market						
Average employment in enterprise sector	thous.pers.	6,230	6,231	6,397	6,389	
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	VII 2018	VII 2019	I-VII 2019	2019
Foreign trade acc. to SP						
Trade balance	mn EUR	-4,576			-192 ^{1,2}	-2,600 ³
- exports of goods	mn EUR	223,596			115,210 ^{1,2}	237,000 ³
- imports of goods	mn EUR	228,172			115,402 ^{1,2}	239,600 ³

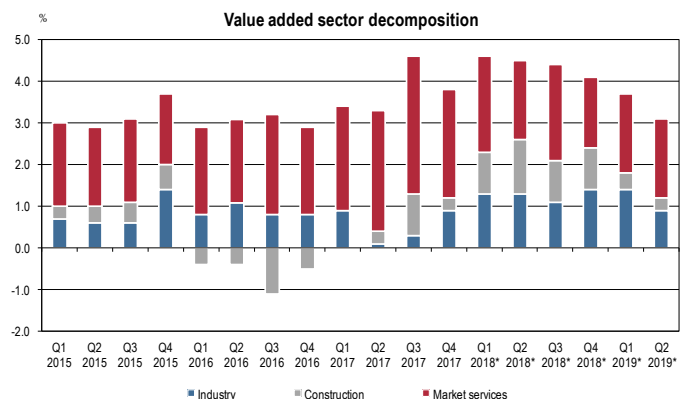
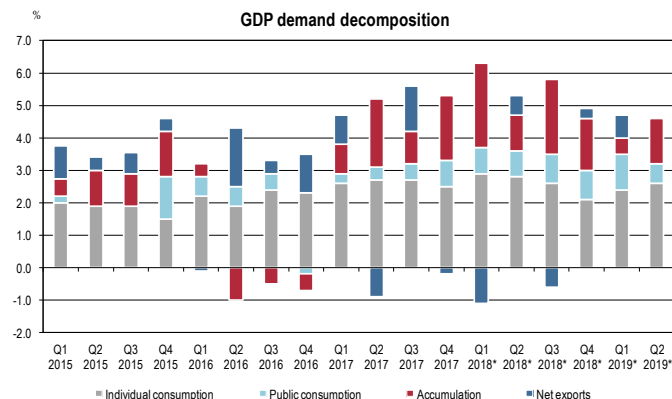
1 – SP provisional data; 2 – data for January-June; 3 – EAD MoET forecast.

According to SP estimates, in the 1st 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*		

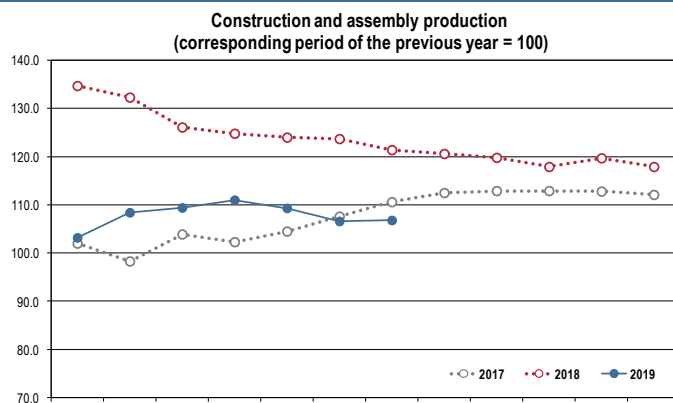
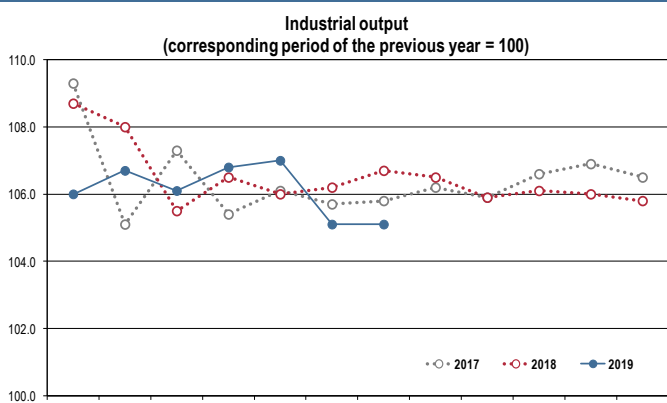
*- SP preliminary data.



In January-July 2019 (yoy):

- A growth in **sold industrial production** amounted to 5.1%. In the manufacturing section, production grew by 5.4%.
- **Construction and assembly production** grew by 6.8%.
- **Consumer Price Index** was higher by 2.0%.
- **The number of registered unemployed** amounted to 868.4 thousand (down by 9.7%).
- **Registered unemployment rate** amounted to 5.2%.
- **Average monthly wages and salaries in enterprises sector** amounted to PLN 5,094 and was higher by 6.8% (in nominal terms).
- **Average monthly retirement pay and pension from non-agricultural social security system** increased by 4.6%, and individual farmers by 5.0% (in nominal terms).
- **The execution of revenues** accounted for 59.0% and **expenditures** 56.1% of the amount planned in the Budgetary Law, **deficit** amounted to PLN 4.8bn.
- **The Monetary Policy Council did not change the interest rates.**
- **The Polish currency weakened against the US dollar and euro.**
- At the end of June 2019 the surplus on the **current account balance** amounted to EUR 3,451mn comparing to the surplus of EUR 940mn at the end of June 2018.

January-July 2019: sold production of industry grew by 5.1% and construction and assembly production by 6.8% (yoy).



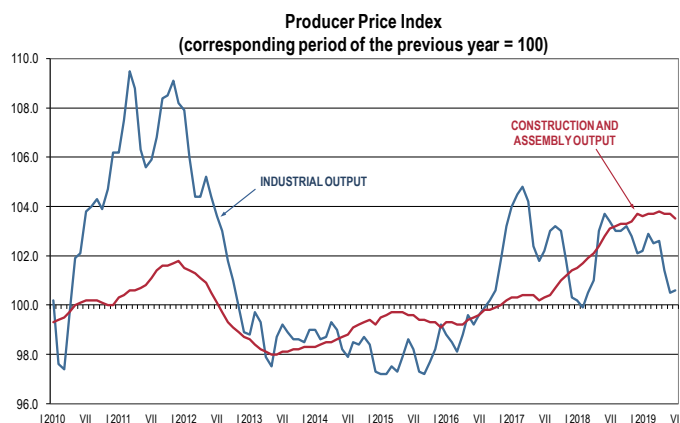
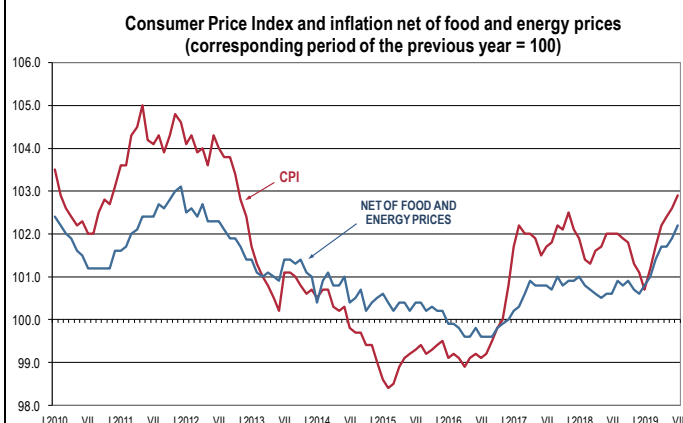
Indices of sold production of industry and construction and assembly production

		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					
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					

January-July 2019: price index of consumer goods and services reached 2.0%, price index of sold industrial production 1.8%, and construction and assembly 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	102.6	102.5	102.5	102.3	102.0	101.8					
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					
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					



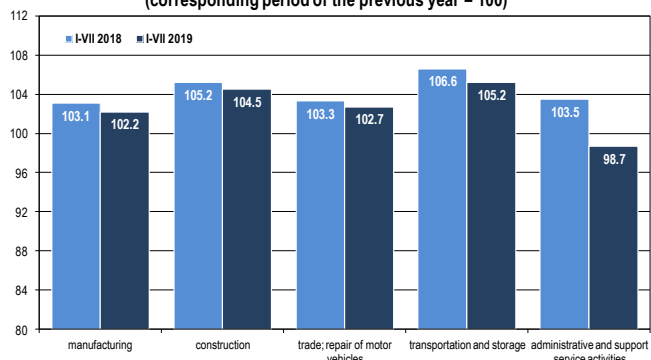
January-July 2019: registered unemployment rate shaped at the level of 5.2%, in enterprise sector employment amounted to 6,389 thousand persons and was higher by 2.8% yoy.

Unemployment rate

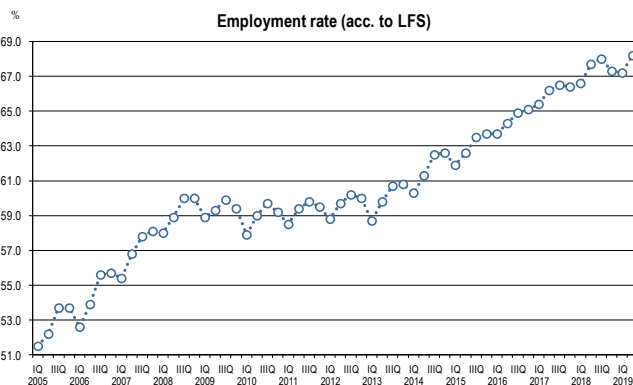
	2014	2015	2016	2017	2018	VII	VIII	IX	X	XI	XII	I 19	II	III	IV	V	VI	VII	VIII	IX
Registered unemployment	11.5	9.7	8.2	6.6	5.8	5.8	5.8	5.7	5.7	5.7	5.8	6.1	6.1	5.9	5.6	5.4	5.3	5.2	n.a.	n.a.
LFS*	8.2	7.0	5.6	4.5	3.9	3.9			3.9			4.0			3.3			n.a.		

* LFS – Labour Force Survey

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

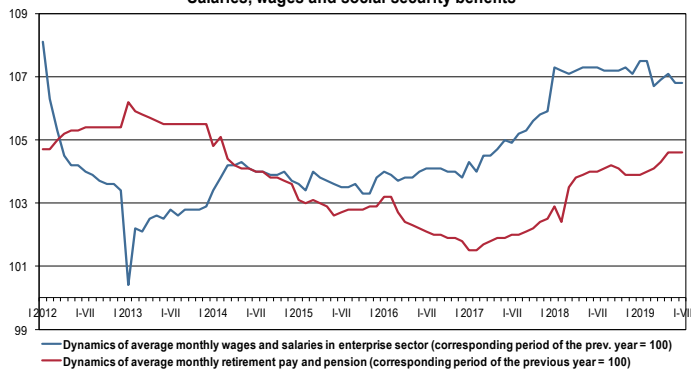


Employment rate (acc. to LFS)

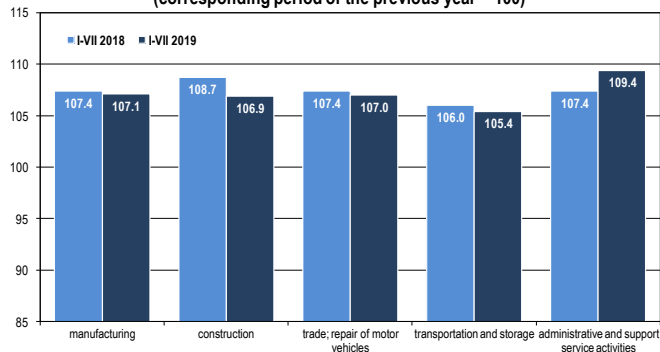


January-July 2019: average wages and salaries in enterprise sector amounted PLN 5,094 and grew by 6.8% in nominal terms yoy (by 4.7% in real terms yoy).

Salaries, wages and social security benefits

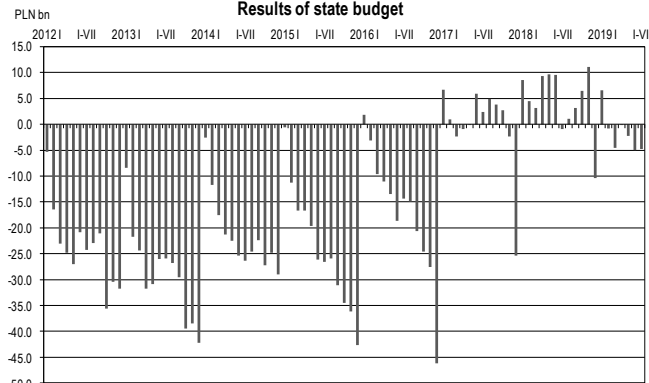


Dynamics of average monthly wages and salaries in enterprise sector (corresponding period of the previous year = 100)

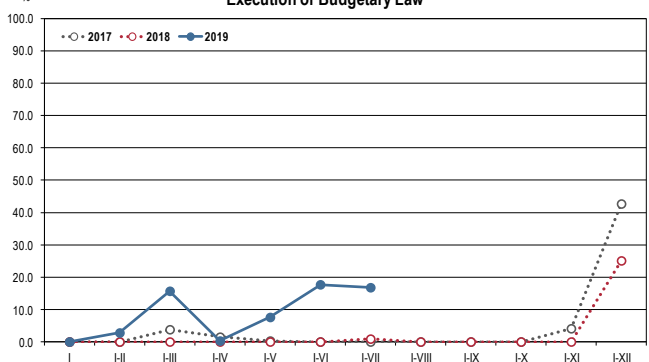


January-July 2019: state budget revenues ensured execution of the Budgetary Law in 59.0%, expenditures in 56.1%, when the deficit amounted to PLN 4.8bn.

Results of state budget



Execution of Budgetary Law



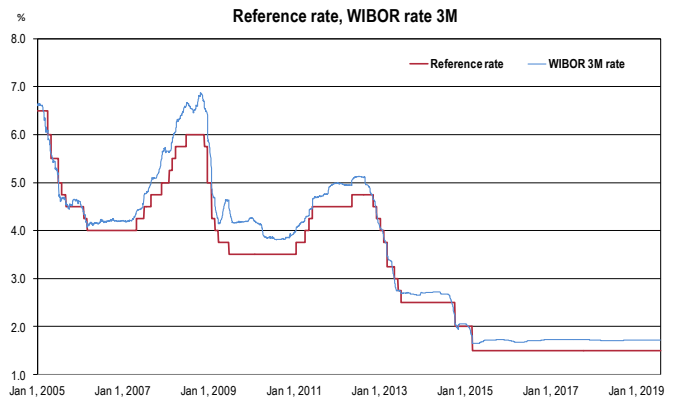
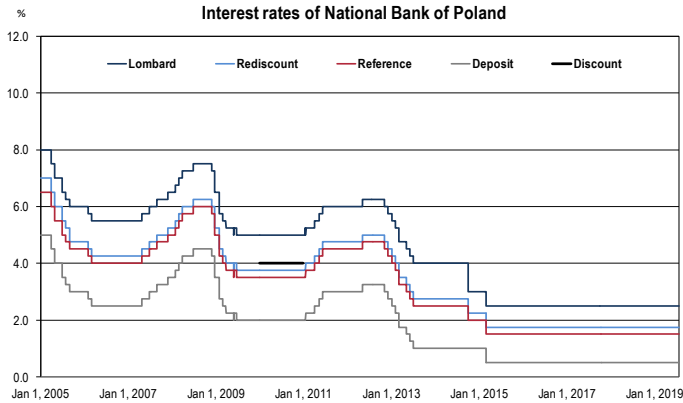
	2019 Budgetary Law	Execution		
		I-VII 2019	I-VII 2018	
		in PLN bn	in %	
REVENUES	387.7	228.8	59.0	59.6
Indirect taxes	254.7	145.7	57.2	58.4
CIT	34.8	25.0	71.7	64.2
PIT	64.3	36.4	56.6	58.0
EXPENDITURES	416.2	233.5	56.1	53.6
Debt servicing	29.2	19.6	67.1	82.5
Subventions to the Pension Fund	17.4	11.2	64.5	55.8
Subventions to the Social Insurance Fund	49.4	27.9	56.6	36.6
General subventions to local self-government entities	60.8	40.0	65.8	66.3
DEFICIT	-28.5	-4.8	16.8	2.1
Financing for budget of EU funds	-15.6	0.8	-	15.4
DEFICIT FINANCING SOURCES	44.1	4.0	9.1	5.7
DOMESTIC	56.3	7.5	13.3	-
Treasury bonds	57.1	23.4	41.0	23.1
Pre-financing actions with EU sources	0.1	0.0 ^{a)}	26.2	-
FOREIGN	-12.2	-3.5	28.6	134.6

a) PLN 35,3mn.

January-July 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-June 2019: according to the provisional SP data trade balance shaped at the level of EUR -192mn towards EUR -1,870mn in the same period of the previous year, exports increased by 4.3%, while imports grew by 2.8% (yoy).

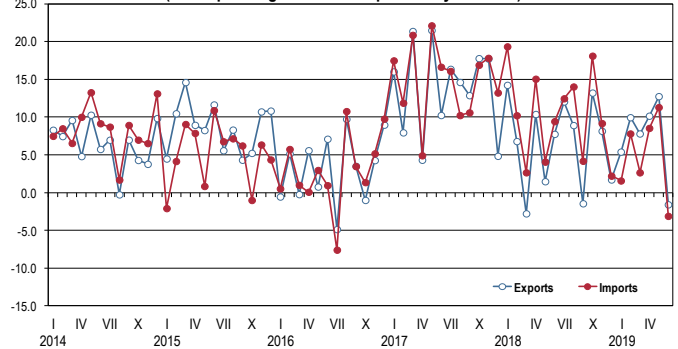
Foreign trade in EUR mn (SP data)

	2017	2018	I-VI 2018	I-VI 2019
Balance	563	-4,576	-1,870	-192
Exports	206,647	223,596	110,410	115,210
Imports	206,084	228,172	112,280	115,402

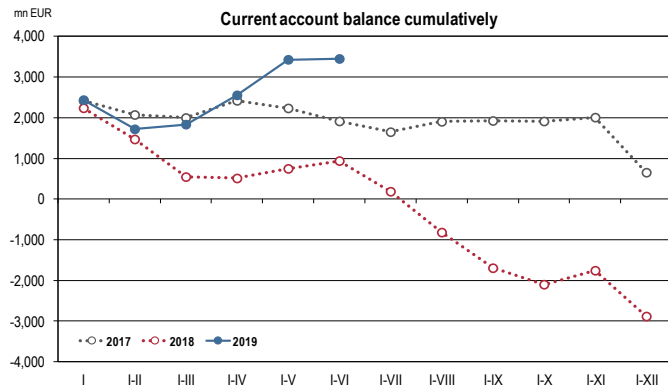
Foreign trade in EUR mn (NBP data)

	2017	2018	I-VI 2018	I-VI 2019
Balance	1,403	-5,179	-2,182	514
Exports	201,898	215,120	105,813	113,547
Imports	200,495	220,299	107,995	113,033

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



January-June 2019: current account surplus amounted to EUR 3,451mn, towards the surplus of EUR 940mn at the end of June 2018.

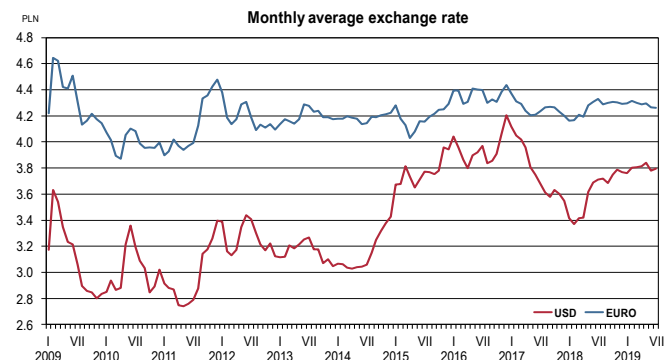


Current account balance (in EUR mn)

	2017	I-VI 2018	2018	I-VI 2019
	654	940	-2,883	3,451

	2018	I-VI 2018	I-VI 2019
in EUR mn			
Direct investment - assets	533	80	65
Direct investment - liabilities	10,028	5,456	4,897
Portfolio investment - assets	388	435	787
Portfolio investment - liabilities	-3,317	-1,867	-3,741
Other investment - assets	5,213	4,768	496
Other investment - liabilities	-289	-2,168	-5,437
Official reserve assets	6,176	-1,916	-209

January-July 2019: zloty weakened against the US dollar and euro. The USD/PLN exchange rate increased by 7.9%, and the EUR/PLN was higher by 1.2% (yoy).



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

		VII 2018	II 2019	III	IV	V	VI	VII
1 USD	end of month	3.6481	3.7853	3.8365	3.8291	3.8498	3.7336	3.8504
	monthly average	3.7095	3.8023	3.8052	3.8145	3.8393	3.7811	3.7959
1 EUR	end of month	4.2779	4.3120	4.3013	4.2911	4.2916	4.2520	4.2911
	monthly average	4.3301	4.3157	4.2996	4.2874	4.2965	4.2660	4.2598