



MAIN MACROECONOMIC INDICATORS

POLAND
MARCH 2019

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

POLAND'S MACROECONOMIC PERFORMANCE IN 2018 – 2019

Indicator	Unit	2018	III 2018	III 2019	I-III 2019	2019 ⁴
National Accounts¹						
GDP	dynamics	105.1 ³				104.0
Consumption	dynamics	104.5 ³				104.3
Individual consumption	dynamics	104.5 ³				104.0
Gross capital formation	dynamics	109.6 ³				104.1
Gross fixed capital formation	dynamics	108.7 ³				105.7
Prices						
Price index of consumer goods and services (CPI)	dynamics	101.6	101.3	101.7	101.2	101.8
Price index of sold production of industry (PPI)	dynamics	102.1	100.5	102.5	102.5	
Production²						
Sold production of industry	dynamics	105.8	101.6	105.6	106.1	105.0 ⁵
Construction and assembly production	dynamics	117.9	116.1	110.8	109.4	106.5 ⁵
Wages and salaries						
Average wages and salaries in the national economy, of which:	PLN	4,585				
- enterprise sector	PLN	4,852	4,887	5,165	5,015	
Labour market						
Average employment in enterprise sector	thous.pers.	6,230	6,205	6,394	6,382	
Unemployment rate (as of the end of the period)	%	5.8	6.6	5.9	5.9	5.6 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 – forecast based on the Multiannual Financial Plan for 2019-2022; 5 – EAD MoET forecast.

Indicator	Unit	2018 ¹	III 2018	III 2019	I-III 2019 ¹	2019 ²
Foreign trade acc. to SP						
Trade balance	mn EUR	-5,026			-257	-7,500
- exports of goods	mn EUR	221,041			56,643	230,000
- imports of goods	mn EUR	226,067			56,899	237,500

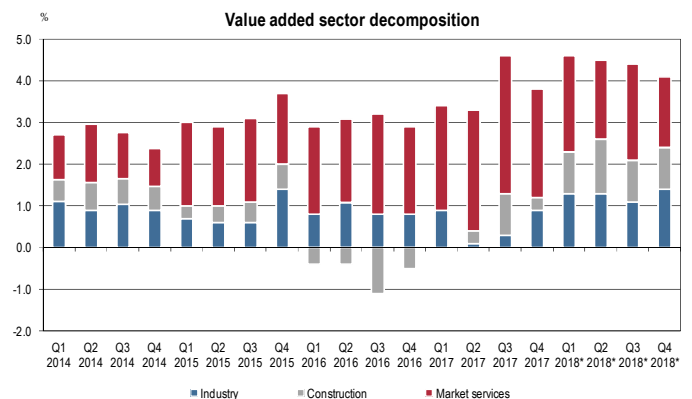
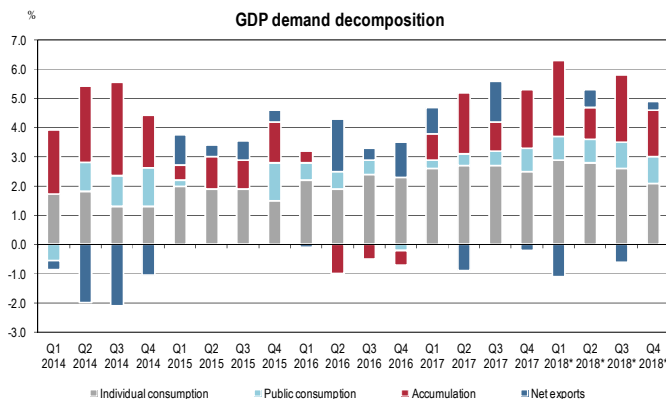
1 – SP provisional data; 2 – EAD MoET forecast.

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								4.9								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	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	4.8	4.3	5.5	5.1	5.2*	5.3*	5.2*	5.2*	4.9*																			

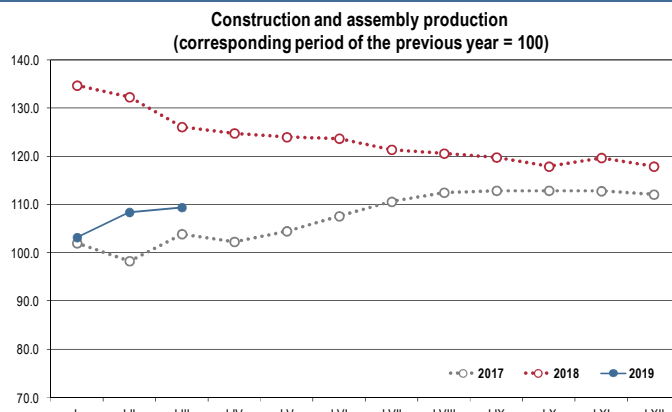
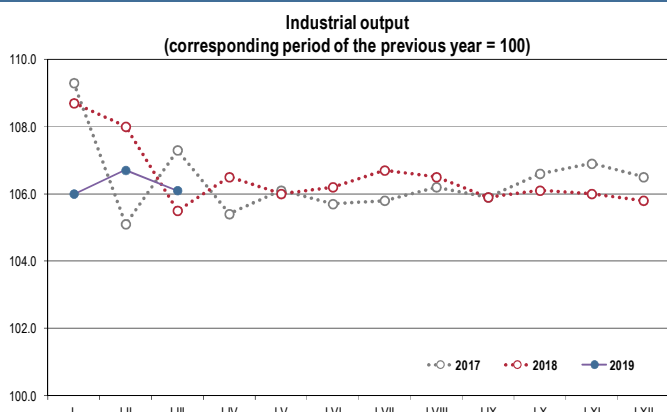
*- SP preliminary data.



In January-March 2019 (yoy):

- A growth in **sold industrial production** amounted to 6.1%. In the manufacturing section, production grew by 6.4%.
- **Construction and assembly production** grew by 9.4%.
- **Consumer Price Index** was higher by 1.2%.
- **The number of registered unemployed** amounted to 984.7 thousand (down by 9.8%).
- **Registered unemployment rate** amounted to 5.9%.
- **Average monthly wages and salaries in enterprises sector** amounted to PLN 5,015 and was higher by 6.7% (in nominal terms).
- **Average monthly retirement pay and pension from non-agricultural social security system** increased by 4.1%, and individual farmers by 3.4% (in nominal terms).
- **The execution of revenues** accounted for 23.3% and **expenditures** 22.8% of the amount planned in the Budgetary Law, **deficit** amounted to PLN 4.5bn.
- **The Monetary Policy Council did not change the interest rates.**
- **The Polish currency weakened against the US dollar and euro.**
- At the end of March 2019 the surplus on the **current account balance** amounted to EUR 2,016mn comparing to the surplus of EUR 546mn at the end of March 2018.

January-March 2019: sold production of industry grew by 6.1% and construction and assembly production by 9.4% (yoy).



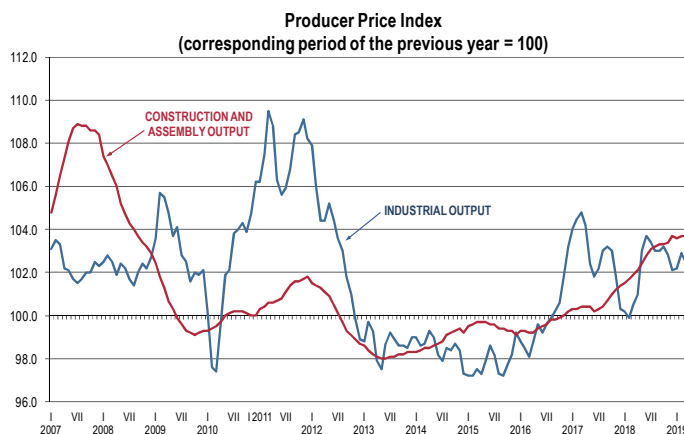
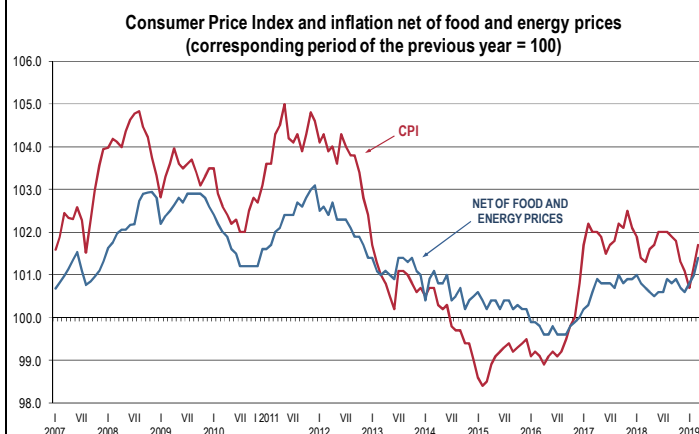
Indices of sold production of industry and construction and assembly production

		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									
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									

January-March 2019: price index of consumer goods and services reached 1.2%, price index of sold industrial production 2.5%, 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									
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									
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									



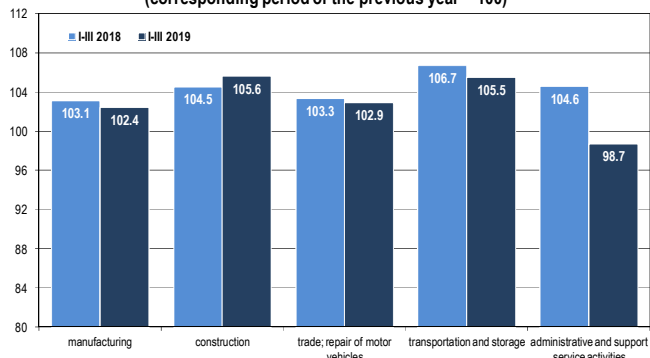
January-March 2019: registered unemployment rate shaped at the level of 5.9%, in enterprise sector employment amounted to 6,382 thousand persons and was higher by 3.1% yoy.

Unemployment rate

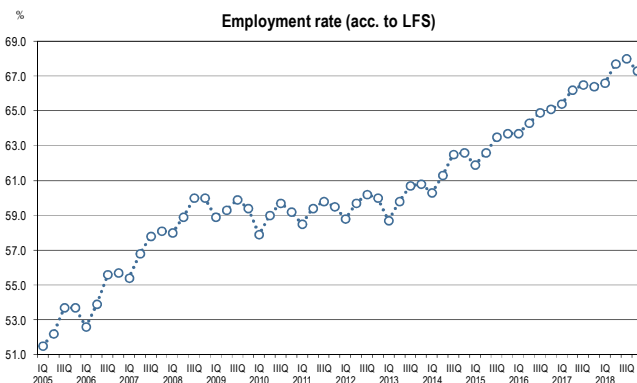
	2014	2015	2016	2017	2018	I 18	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	I 19	II	III
Registered unemployment	11.5	9.7	8.2	6.6	5.8	6.8	6.8	6.6	6.3	6.1	5.8	5.8	5.8	5.7	5.7	5.7	5.8	6.1	6.1	5.9
LFS*	8.2	7.0	5.6	4.5	3.9	4.2			3.7			3.9			n.a.					

* LFS – Labour Force Survey

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



Employment rate (acc. to LFS)

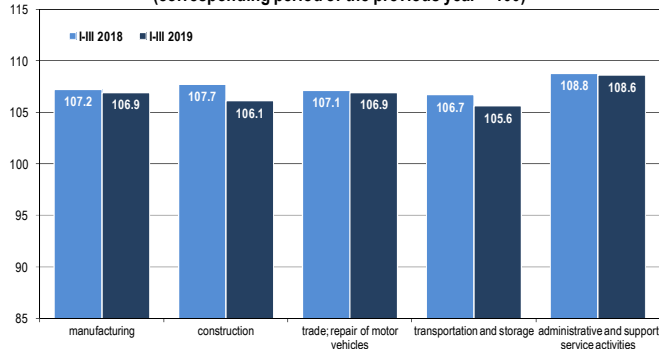


January-March 2019: average wages and salaries in enterprise sector amounted PLN 5,015 and grew by 6.7% in nominal terms yoy (by 5.3% in real terms yoy).

Salaries, wages and social security benefits

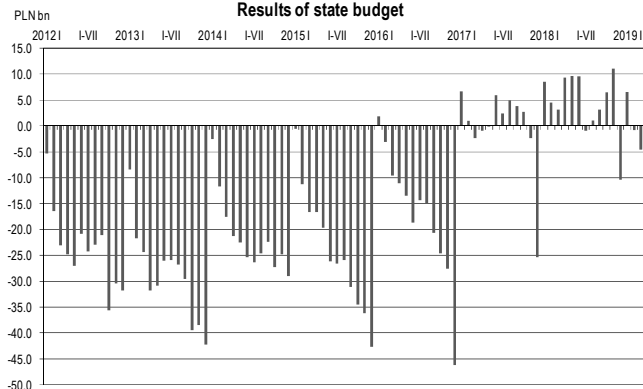


Dynamics of average monthly wages and salaries in enterprise sector (corresponding period of the previous year = 100)

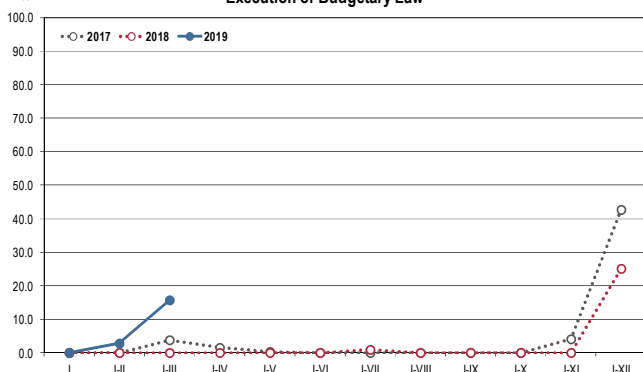


January-March 2019: state budget revenues ensured execution of the Budgetary Law in 23.3%, expenditures in 22.8%, when the deficit amounted to PLN 4.5bn.

Results of state budget



Execution of Budgetary Law



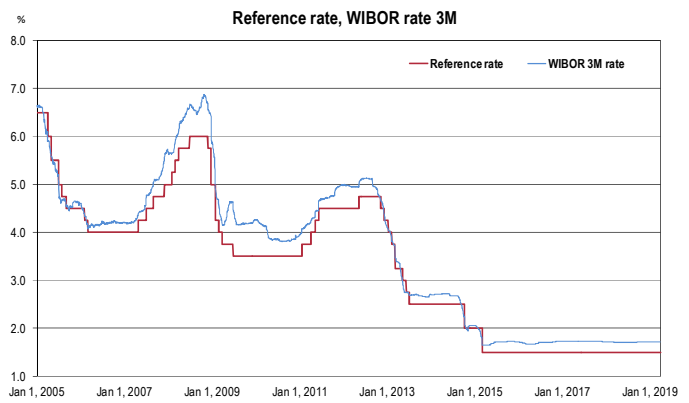
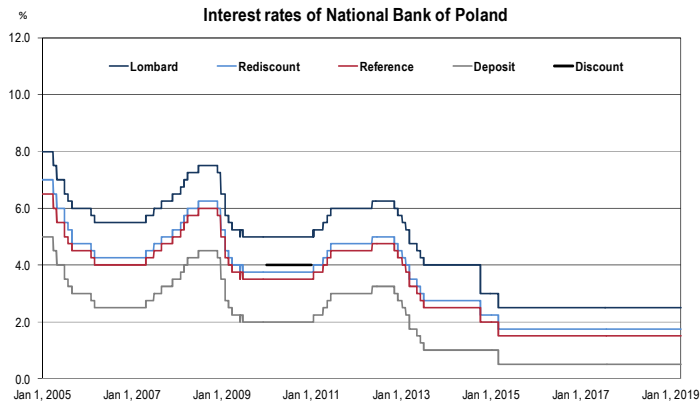
	2019 Budgetary Law	Execution		
		I-III 2019	I-III 2018	
	in PLN bn	in %		
REVENUES	387.7	90.3	23.3	24.9
Indirect taxes	254.7	58.4	22.9	24.9
CIT	34.8	10.3	29.6	28.9
PIT	64.3	13.6	21.1	23.1
EXPENDITURES	416.2	94.8	22.8	21.5
Debt servicing	29.2	6.1	21.0	16.7
Subventions to the Pension Fund	17.4	4.1	23.5	22.9
Subventions to the Social Insurance Fund	49.4	7.2	14.5	11.2
General subventions to local self-government entities	60.8	21.1	34.8	34.9
DEFICIT	-28.5	-4.5	15.7	-
Financing for budget of EU funds	-15.6	0.0	-	-
DEFICIT FINANCING SOURCES	44.1	4.5	10.2	-
DOMESTIC	56.3	6.7	11.8	-
Treasury bonds	57.1	20.8	36.4	30.9
Pre-financing actions with EU sources	0.1	0.0 ^{a)}	32.2	-
FOREIGN	-12.2	-2.2	17.7	232.3

^{a)} PLN 43.4mn.

January-March 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-March 2019: according to the provisional SP data trade balance shaped at the level of EUR -257mn towards EUR -1,388mn in the same period of the previous year, exports increased by 4.4%, while imports grew by 2.2% (yoy).

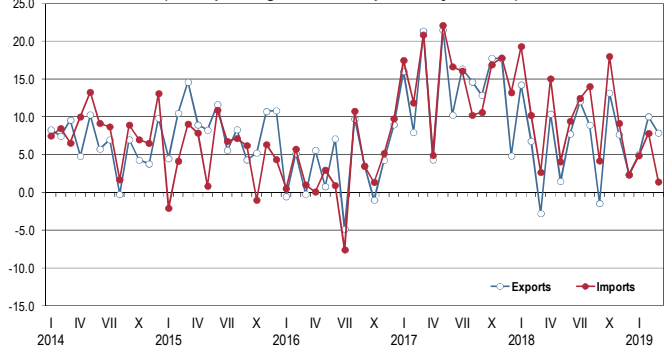
Foreign trade in EUR mn (SP data)

	2017	2018	I-III 2018	I-III 2019
Balance	563	-5,026	-1,388	-257
Exports	206,647	221,041	54,279	56,643
Imports	206,084	226,067	55,667	56,899

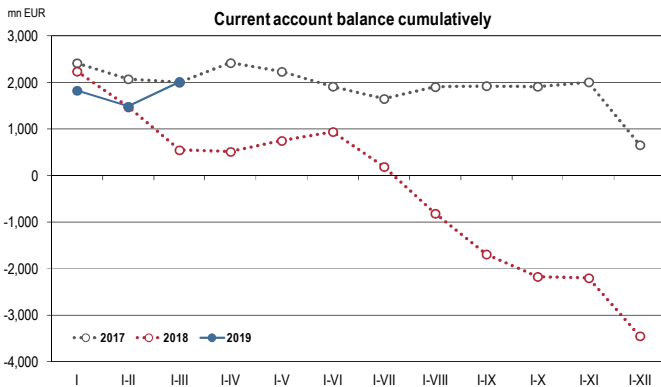
Foreign trade in EUR mn (NBP data)

	2017	2018	I-III 2018	I-III 2019
Balance	1,403	-5,181	-1,566	-68
Exports	201,898	215,118	52,439	56,423
Imports	200,495	220,299	54,005	56,491

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



January-March 2019: current account surplus amounted to EUR 2,016mn, towards the surplus of EUR 546mn at the end of March 2018.

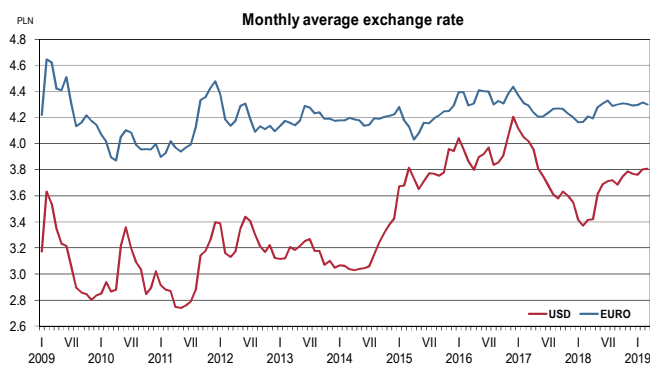


Current account balance (in EUR mn)

	2017	I-III 2018	2018	I-III 2019
	654	546	-3,454	2,016

	2018	I-III 2018	I-III 2019
in EUR mn			
Direct investment - assets	485	1,157	828
Direct investment - liabilities	9,400	4,603	5,574
Portfolio investment - assets	382	1,019	889
Portfolio investment - liabilities	-3,314	945	-2,465
Other investment - assets	5,247	1,500	1,213
Other investment - liabilities	-409	1,544	-6,098
Official reserve assets	6,176	3,879	-3,615

January-March 2019: zloty weakened against the US dollar and euro. The USD/PLN exchange rate increased by 11.4%, and the EUR/PLN was higher by 2.9% (yoy).



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

		III 2018	X	XI	XII	I 2019	II	III
1 USD	end of month	3.4139	3.8203	3.7731	3.7597	3.7271	3.7853	3.8365
	monthly average	3.4158	3.7495	3.7866	3.7691	3.7617	3.8023	3.8052
1 EUR	end of month	4.2085	4.3313	4.2904	4.3000	4.2802	4.3120	4.3013
	monthly average	4.2101	4.3060	4.3029	4.2905	4.2954	4.3157	4.2996