

### **Moody's rating agency affirmed Poland's credit rating**

- **On 29 April 2022 rating agency Moody's announced a decision about keeping Poland's credit rating unchanged at the level of A2/P1 for long and short term liabilities, respectively.**
- **Rating's outlook remained at a stable level.**

Moody's rating agency in its press release justifying the decision Poland's economic resilience and still strong institutional and governance framework although the latter faces challenges from a gradually eroding rule of law situation. The geopolitical risks stemming from the Russian invasion of Ukraine affecting Poland, is mitigated by progress toward enhancing Poland's energy security as well as NATO security guarantees. Poland has managed the economic shock from the coronavirus pandemic without economic scarring. This was mainly because of the favourable structure of the competitive Polish economy with a comparatively low dependence on exports and tourism, and helped by large fiscal and monetary policy support. Moody's forecasts GDP to rebound by 3% in 2022 and 2023.

### **Rating prospects**

According to the agency faster than currently expected return to pre-crisis debt burden metrics combined with robust medium-term economic growth prospects would exert upward pressure on Poland's rating. While Moody's baseline scenario does not assume a military confrontation involving NATO, any military attack on Poland, as well as a cyber attack with significant impact would be followed by an immediate negative rating action. A substantial further deterioration with respect to the rule of law which would have a negative impact on the business location Poland and further intensification of the conflict with EU institutions would also be credit negative, as would be a significant deterioration in economic or fiscal strength.