

S&P rating agency affirmed Poland's credit rating

- **On 1 April 2022 rating agency S&P announced a decision about keeping Poland's credit rating unchanged at the level of A-/A-2 for long and short term liabilities, respectively, in foreign currency, and A/A-1 for long and short term liabilities, respectively, in local currency.**
- **Rating's outlook is stable.**

S&P rating agency in its press release justifying the Russia-Ukraine military conflict will have sizable effects on Poland's economy so agency lowered their projection of real Polish GDP growth for 2022 by about 1.4 percentage points to 3.6%. Poland is the main destination of refugees from Ukraine. The government is increasingly contributing, with related housing and social services spending estimated to reach as much as 2% of GDP in 2022 alone.

According to S&P Poland should be able to withstand the shock without compromising its sovereign credit quality due to Poland's diversified resilient economy, educated workforce, manageable public and private debt, prudent monetary policy and large expected EU transfers, including targeted support to member states hosting the refugees.

Rating prospects

According to the agency, Poland's rating could be raised if, once the effects of the conflict subside, Poland continued its strong economic performance and boosted its income levels without creating external imbalances.

On the other hand, Poland's rating could come under pressure if the negative impact of the conflict in Ukraine were larger and more protracted than currently expect, resulting in a much weaker medium-term growth outlook. Ratings downside could also materialize in the event of weaker EU transfers to Poland as a result of continuous political tensions between Poland and EU authorities.