



MAIN MACROECONOMIC INDICATORS

POLAND

NOVEMBER 2019

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

POLAND'S MACROECONOMIC PERFORMANCE IN 2018 – 2019

Indicator	Unit	2018	XI 2018	XI 2019	I-XI 2019	2019 ⁵
National Accounts¹						
GDP	dynamics	105.1 ³			104.4 ^{3,4}	104.0
Consumption	dynamics	104.1 ³			104.1 ^{3,4}	104.3
Individual consumption	dynamics	104.3 ³			104.1 ^{3,4}	104.0
Gross capital formation	dynamics	110.1 ³			103.0 ^{3,4}	103.9
Gross fixed capital formation	dynamics	108.9 ³			108.2 ^{3,4}	105.7
Prices						
Price index of consumer goods and services (CPI)	dynamics	101.6	101.3	102.6	102.2	101.8
Price index of sold production of industry (PPI)	dynamics	102.1	102.8	99.9	101.3	
Production¹						
Sold production of industry	dynamics	105.4	104.6	101.4	104.0	105.0 ⁶
Construction and assembly production	dynamics	113.7	117.0	95.3	102.8	106.5 ⁶
Wages and salaries						
Average wages and salaries in the national economy, of which:	PLN	4,585				
- enterprise sector	PLN	4,852	4,967	5,229	5,142	
Labour market						
Average employment in enterprise sector	thous.pers.	6,230	6,232	6,395	6,387	
Unemployment rate (as of the end of the period)	%	5.8	5.7	5.1	5.1	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 – EAD MoD estimates based on SP provisional data for January-September; 5 – forecast based on the project of the Budgetary Law for the year 2020; 6 – EAD MoD forecast.

Indicator	Unit	2018	XI 2018	XI 2019	I-XI 2019	2019
Foreign trade acc. to SP						
Trade balance	mn EUR	-4,576			1,058 ^{1,2}	800 ³
- exports of goods	mn EUR	223,596			196,574 ^{1,2}	237,000 ³
- imports of goods	mn EUR	228,172			195,516 ^{1,2}	236,200 ³

1 – SP provisional data; 2 – data for January-October; 3 – EAD MoE forecast.

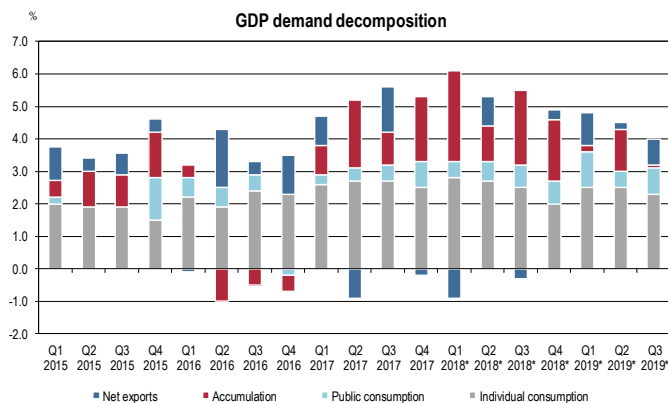
According to SP estimates, in the period of first three quarters of 2019 GDP increased by ca. 4.4%, with domestic demand as a main growth driver.

GDP growth in 2015-2019

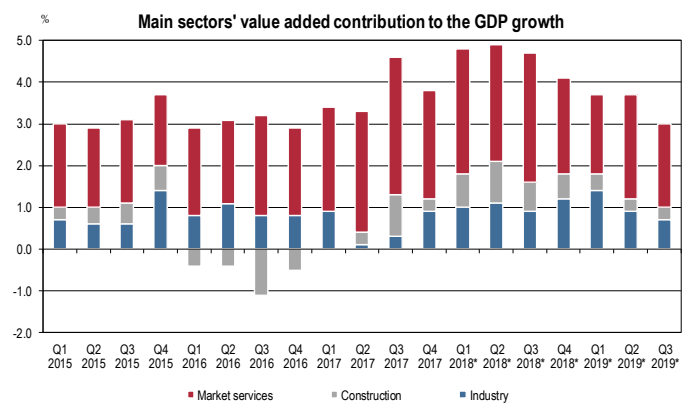
YoY	2015				2016				2017				2018				2019			
	I-III	IV-VI	VII-IX	X-XII	I-III	IV-VI	VII-IX	X-XII	I-III	IV-VI	VII-IX	X-XII	I-III	IV-VI	VII-IX	X-XII	I-III	IV-VI	VII-IX	X-XII
	3.8				3.1				4.9				5.1*				-			
YoY	3.7	3.3	3.6	4.6	3.1	3.4	2.8	2.9	4.8	4.3	5.5	5.1	5.2*	5.3*	5.2*	4.9*	4.8*	4.6*	3.9*	

*- SP preliminary data.

GDP demand decomposition



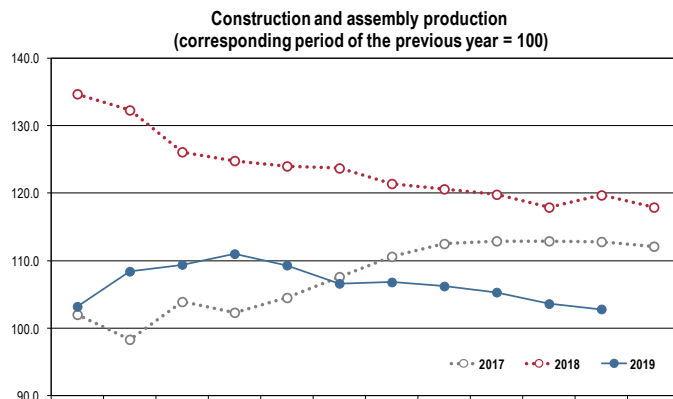
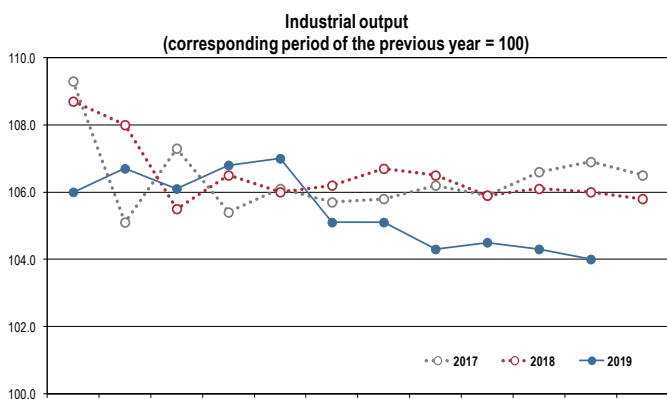
Main sectors' value added contribution to the GDP growth



In January-November 2019 (yoy):

- A growth in **sold industrial production** amounted to 4.0 %. In the manufacturing section, production grew by 4.3%.
- **Construction and assembly production** grew by 2.8%.
- **Consumer Price Index** was higher by 2.2%.
- **The number of registered unemployed** amounted to 849.6 thousand (down by 10.6%).
- **Registered unemployment rate** amounted to 5.1%.
- **Average monthly wages and salaries in enterprises sector** amounted to PLN 5,142 and was higher by 6.7% (in nominal terms).
- **Average monthly retirement pay and pension from non-agricultural social security system** increased by 4.8%, and individual farmers by 5.2% (in nominal terms).
- **The execution of revenues** accounted for 94.7% and **expenditures** 88.6% of the amount planned in the Budgetary Law, **deficit** amounted to PLN 1.9bn.
- **The Monetary Policy Council did not change the interest rates.**
- **The Polish currency weakened against the US dollar and euro.**
- At the end of October 2019 the surplus on the **current account balance** amounted to EUR 3,304mn comparing to the deficit of EUR 3,621mn at the end of October 2018.

January-November 2019: sold production of industry grew by 4.0% and construction and assembly production by 2.8% (yoy).



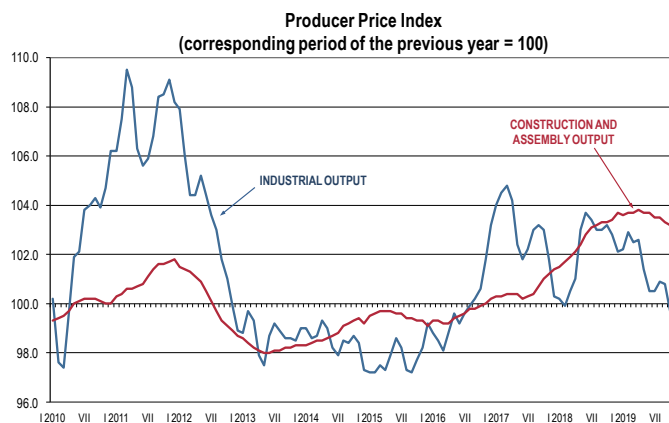
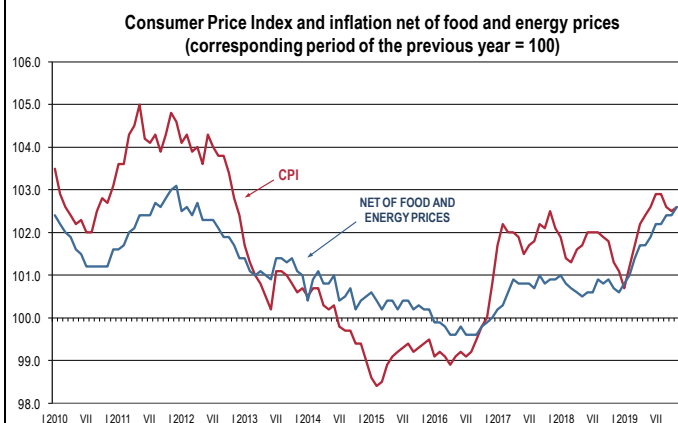
Indices of sold production of industry and construction and assembly production

		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	98.5	105.6	103.7	101.4	
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	102.7	107.6	95.9	95.3	

January-November 2019: price index of consumer goods and services reached 2.2%, price index of sold industrial production 1.3%, and construction and assembly production 3.5% (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	101.7	101.6	101.4	101.3	
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	102.1	102.1	102.2	102.2	
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	103.7	103.7	103.7	103.7	103.7	103.6	103.6	103.5	



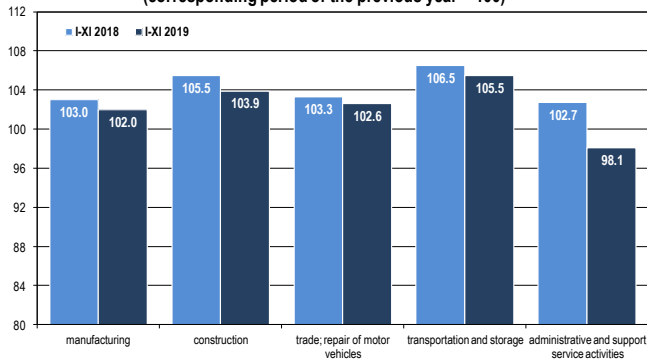
January-November 2019: registered unemployment rate shaped at the level of 5.1%, in enterprise sector employment amounted to 6,387 thousand persons and was higher by 2.7% yoy.

Unemployment rate

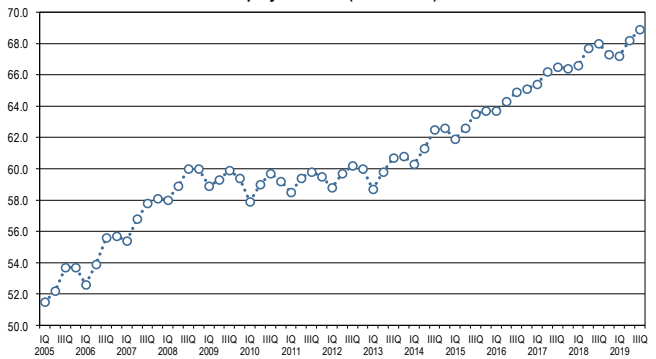
	2014	2015	2016	2017	2018	X	XI	XII	I 19	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Registered unemployment	11.5	9.7	8.2	6.6	5.8	5.7	5.7	5.8	6.1	6.1	5.9	5.6	5.4	5.3	5.2	5.2	5.1	5.0	5.1	n.a.
LFS*	8.2	7.0	5.6	4.5	3.9	3.9			4.0			3.3			3.2			n.a.		

* LFS – Labour Force Survey

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

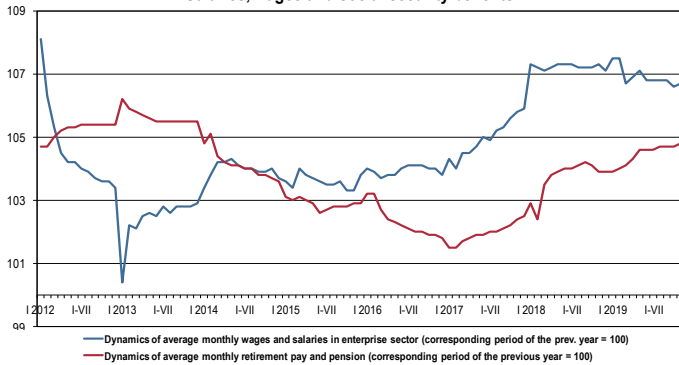


Employment rate (acc. to LFS)

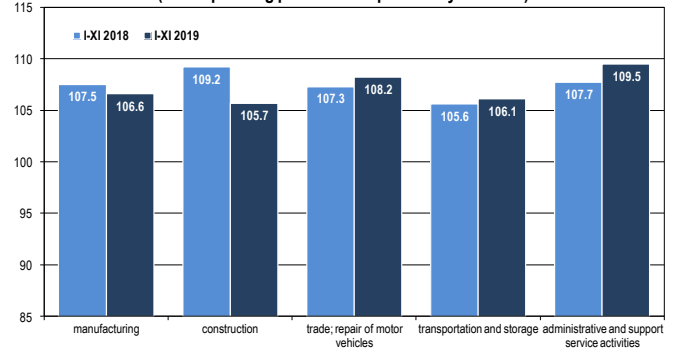


January-November 2019: average wages and salaries in enterprise sector amounted PLN 5,142 and grew by 6.7% in nominal terms yoy (by 4.4% in real terms yoy).

Salaries, wages and social security benefits

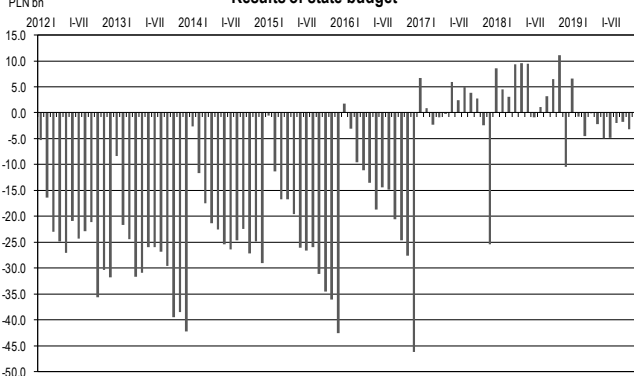


Dynamics of average monthly wages and salaries in enterprise sector (corresponding period of the previous year = 100)

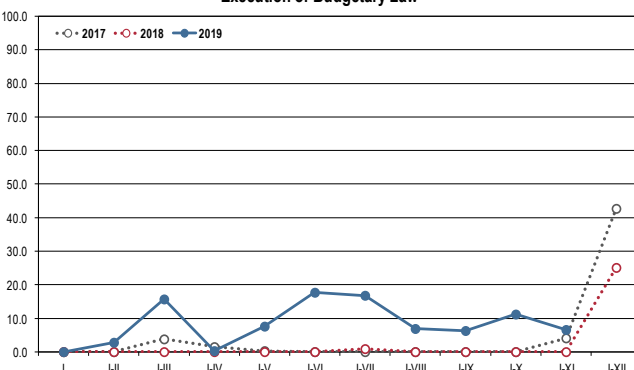


January-November : state budget revenues ensured execution of the Budgetary Law in 94.7%, expenditures in 88.6%, when the deficit amounted to PLN 1.9bn.

Results of state budget



Execution of Budgetary Law



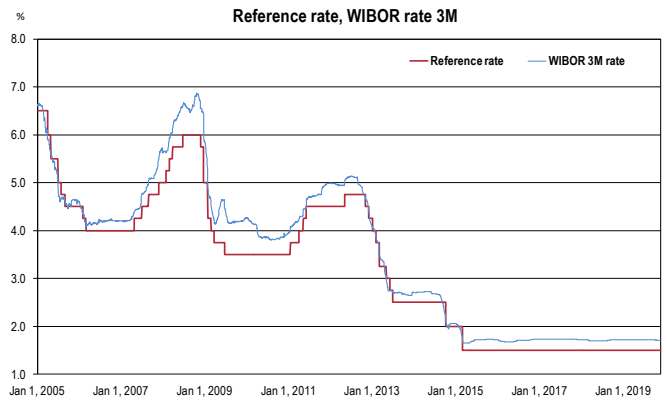
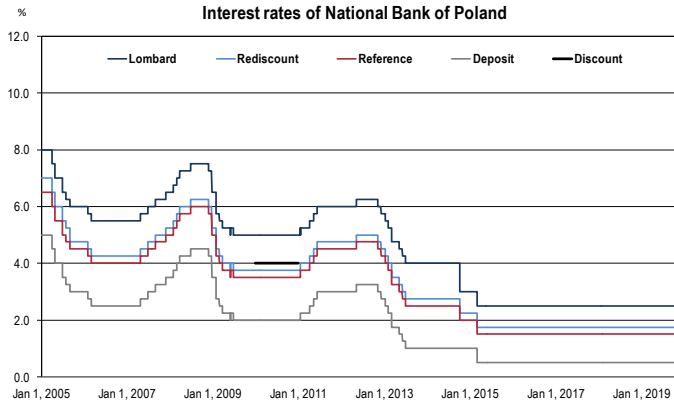
	Plan for 2019 after changes	Execution		
		I-XI 2019	I-XI 2018	
	in PLN bn	in %		
REVENUES	387.7	367.1	94.7	96.5
Indirect taxes	254.7	233.9	91.8	94.4
CIT	34.8	37.0	106.3	98.2
PIT	64.3	59.7	92.8	96.6
EXPENDITURES	416.2	369.0	88.6	83.7
Debt servicing	28.1	26.4	94.1	93.6
Subventions to the Pension Fund	18.2	16.9	93.0	87.3
Subventions to the Social Insurance Fund	48.4	43.4	89.7	70.9
General subventions to local self-government entities	61.8	60.3	97.6	97.7
DEFICIT	-28.5	-1.9	6.6	-
Financing for budget of EU funds	-15.6	-0.5	3.1	48.6
DEFICIT FINANCING SOURCES	44.1	2.3	5.3	-
DOMESTIC	56.3	13.6	24.1	10.2
Treasury bonds	57.1	20.8	36.4	43.0
Pre-financing actions with EU sources	0.1	0.0 ^{a)}	36.6	12.1
FOREIGN	-12.2	-11.3	92.2	-

^{a)} PLN 49.3mn.

January-November 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-October 2019: according to the provisional SP data trade balance shaped at the level of EUR 1,058mn towards EUR -3,261mn in the same period of the previous year, exports increased by 5.3%, while imports grew by 3.0% (yoy).

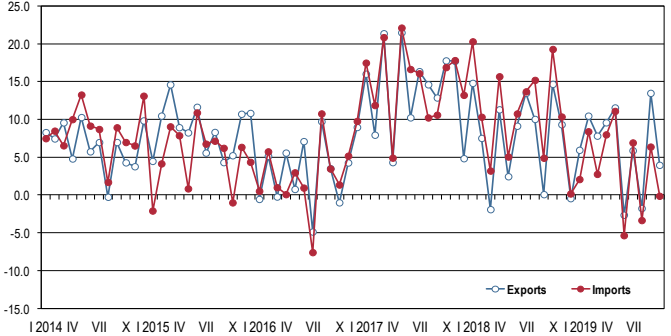
Foreign trade in EUR mn (SP data)

	2017	2018	I-X 2018	I-X 2019
Balance	563	-4,576	-3,261	1,058
Exports	206,647	223,596	186,599	196,574
Imports	206,084	228,172	189,860	195,516

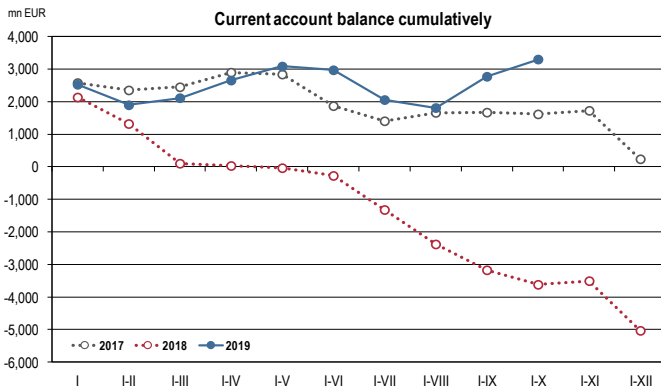
Foreign trade in EUR mn (NBP data)

	2017	2018	I-X 2018	I-X 2019
Balance	1,403	-4,780	-3,587	1,351
Exports	201,898	216,862	180,846	192,270
Imports	200,495	221,642	184,433	190,919

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



January-October 2019: current account surplus amounted to EUR 3,304mn, towards the deficit of EUR 3,621mn at the end of October 2018.

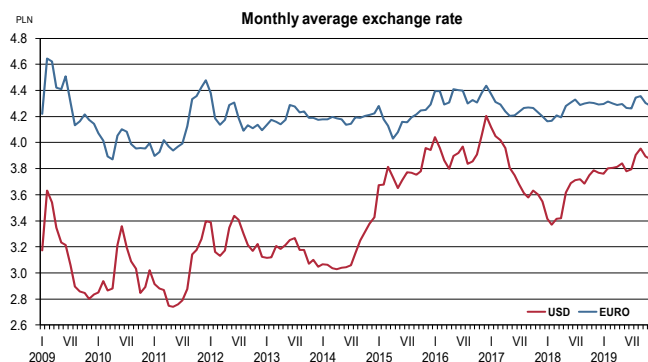


Current account balance (in EUR mn)

2017	I-X 2018	2018	I-X 2019
238	-3,621	-5,036	3,304

	2018	I-X 2018	I-X 2019
	in EUR mn		
Direct investment - assets	1,544	1,024	1,668
Direct investment - liabilities	13,969	13,745	10,989
Portfolio investment - assets	399	452	-172
Portfolio investment - liabilities	-3,296	-2,316	-10,165
Other investment - assets	5,191	8,115	3,945
Other investment - liabilities	-210	-354	-1,601
Official reserve assets	6,176	2,029	3,963

January-November 2019: zloty weakened against the US dollar and euro. The USD/PLN exchange rate increased by 6.7%, and the EUR/PLN was higher by 1.0% (yoy).



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

		XI 2018	VI 2019	VII	VIII	IX	X	XI
1 USD	end of month	3.7731	3.7336	3.8504	3.9717	4.0000	3.8388	3.9288
	monthly average	3.7866	3.7811	3.7959	3.9067	3.9535	3.8935	3.8745
1 EUR	end of month	4.2904	4.2520	4.2911	4.3844	4.3736	4.2655	4.3236
	monthly average	4.3029	4.2660	4.2598	4.3437	4.3547	4.3025	4.2843