



MAIN MACROECONOMIC INDICATORS

POLAND

APRIL 2019

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

POLAND'S MACROECONOMIC PERFORMANCE IN 2018 – 2019

Indicator	Unit	2018	IV 2018	IV 2019	I-IV 2019	2019 ⁵
National Accounts¹						
GDP	dynamics	105.1 ³			104.7 ^{3,4}	104.0
Consumption	dynamics	104.5 ³			104.4 ^{3,4}	104.3
Individual consumption	dynamics	104.5 ³			103.9 ^{3,4}	104.0
Gross capital formation	dynamics	109.6 ³			103.2 ^{3,4}	104.1
Gross fixed capital formation	dynamics	108.7 ³			112.6 ^{3,4}	105.7
Prices						
Price index of consumer goods and services (CPI)	dynamics	101.6	101.6	102.2	101.5	101.8
Price index of sold production of industry (PPI)	dynamics	102.1	101.0	102.6	102.5	
Production²						
Sold production of industry	dynamics	105.8	109.3	109.2	106.8	105.0 ⁶
Construction and assembly production	dynamics	117.9	119.7	117.4	111.0	106.5 ⁶
Wages and salaries						
Average wages and salaries in the national economy, of which:	PLN	4,585				
- enterprise sector	PLN	4,852	4,840	5,186	5,062	
Labour market						
Average employment in enterprise sector	thous.pers.	6,230	6,212	6,392	6,383	
Unemployment rate (as of the end of the period)	%	5.8	6.3	5.6	5.6	5.6 ⁶

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-March; 5 – forecast based on the Multiannual Financial Plan for 2019-2022; 6 – EAD MoET forecast.

Indicator	Unit	2018 ¹	IV 2018	IV 2019	I-IV 2019 ¹	2019 ²
Foreign trade acc. to SP						
Trade balance	mn EUR	-5,026			-166	-7,500
- exports of goods	mn EUR	221,041			75,600	230,000
- imports of goods	mn EUR	226,067			75,766	237,500

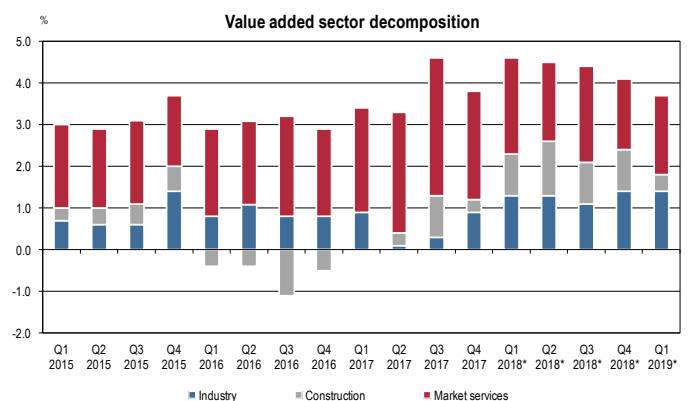
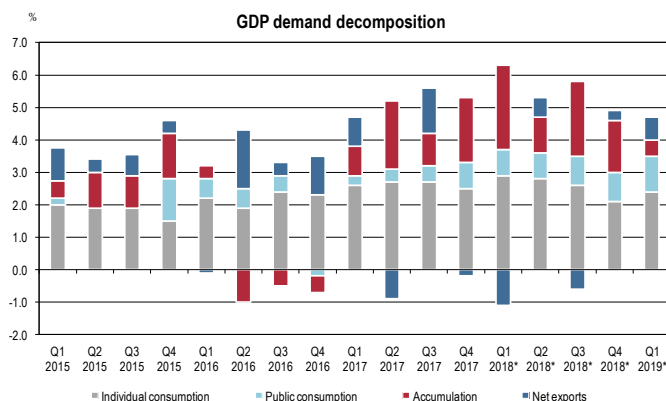
1 – SP provisional data; 2 – EAD MoET forecast.

According to SP estimates, in the 1st quarter of 2019 GDP increased by 4.7%, 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*			

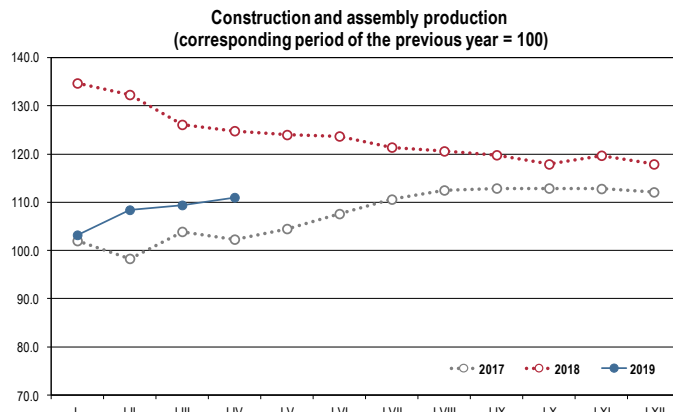
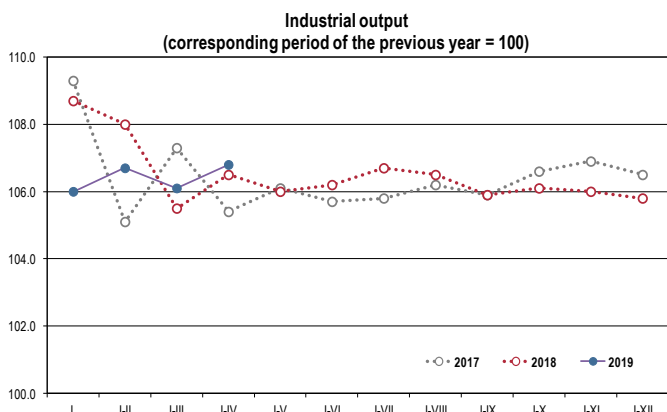
*- SP preliminary data.



In January-April 2019 (yoy):

- A growth in **sold industrial production** amounted to 6.8%. In the manufacturing section, production grew by 7.2%.
- **Construction and assembly production** grew by 11.0%.
- **Consumer Price Index** was higher by 1.5%.
- **The number of registered unemployed** amounted to 938.3 thousand (down by 10.0%).
- **Registered unemployment rate** amounted to 5.6%.
- **Average monthly wages and salaries in enterprises sector** amounted to PLN 5,062 and was higher by 6.9% (in nominal terms).
- **Average monthly retirement pay and pension from non-agricultural social security system** increased by 4.3%, and individual farmers by 4.1% (in nominal terms).
- **The execution of revenues** accounted for 33.5% and **expenditures** 31.2% of the amount planned in the Budgetary Law, **deficit** amounted to PLN 75.1mn.
- **The Monetary Policy Council did not change the interest rates.**
- **The Polish currency weakened against the US dollar and euro.**
- **The surplus on the current account balance** amounted to EUR 2,734mn comparing to the surplus of EUR 512mn at the end of April 2018.

January-April 2019: sold production of industry grew by 6.8% and construction and assembly production by 11.0% (yoy).



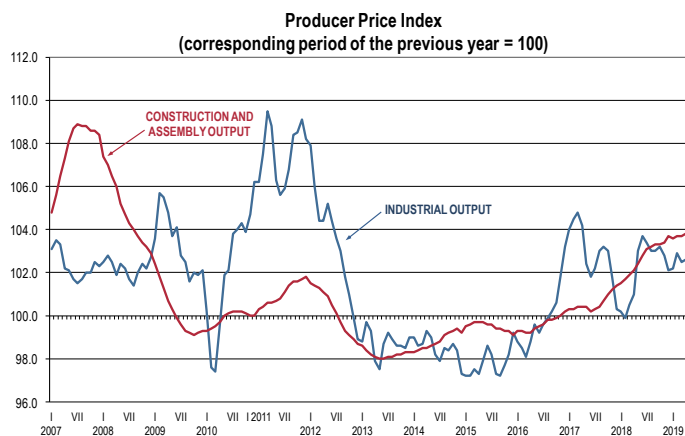
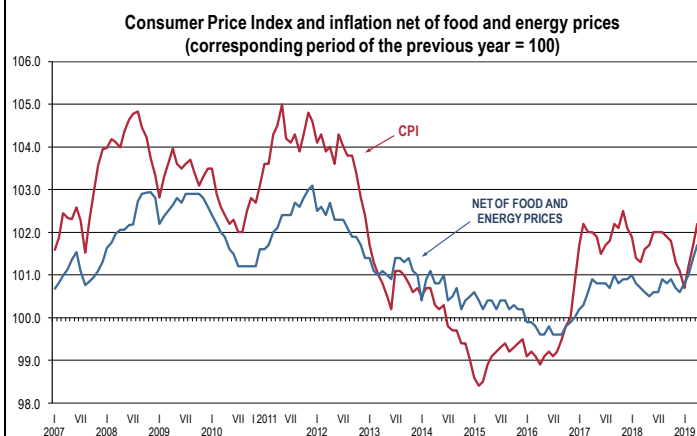
Indices of sold production of industry and construction and assembly production

		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								
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								

January-April 2019: price index of consumer goods and services reached 1.5%, 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	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	101.5								
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								



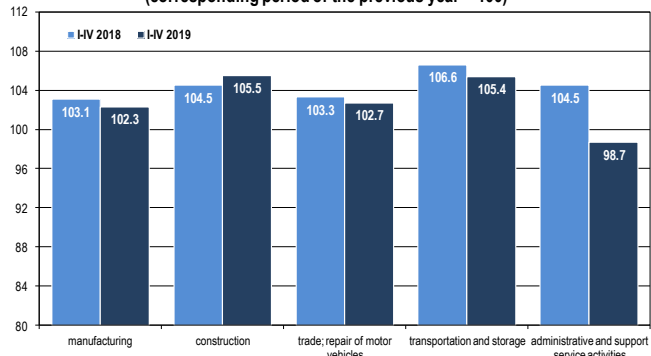
January-April 2019: registered unemployment rate shaped at the level of 5.6%, in enterprise sector employment amounted to 6,383 thousand persons and was higher by 3.0% yoy.

Unemployment rate

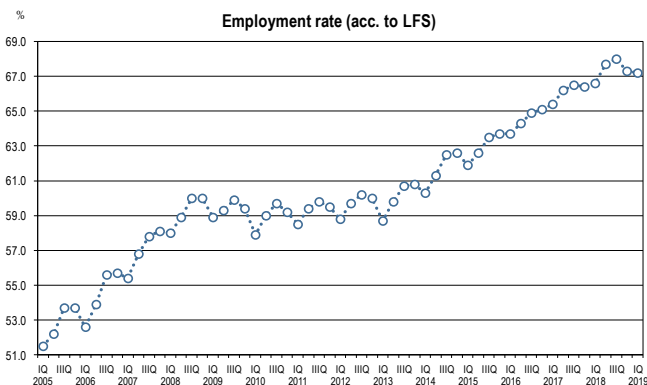
	2014	2015	2016	2017	2018	IV 18	V	VI	VII	VIII	IX	X	XI	XII	I 19	II	III	IV	V	VI
Registered unemployment	11.5	9.7	8.2	6.6	5.8	6.3	6.1	5.8	5.8	5.8	5.7	5.7	5.7	5.8	6.1	6.1	5.9	5.6	n.a.	n.a.
LFS*	8.2	7.0	5.6	4.5	3.9	3.7			3.9			3.9			4.0			n.a.		

* LFS – Labour Force Survey

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

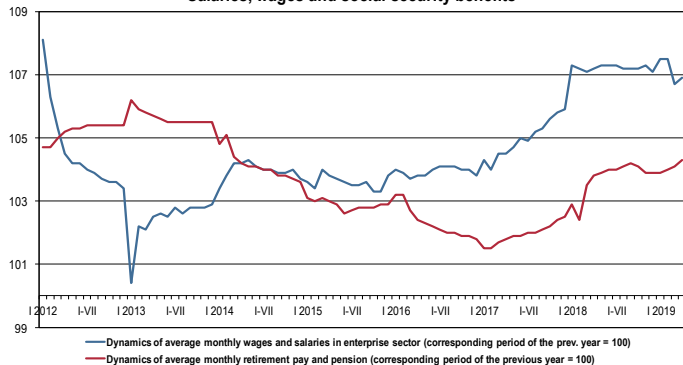


Employment rate (acc. to LFS)

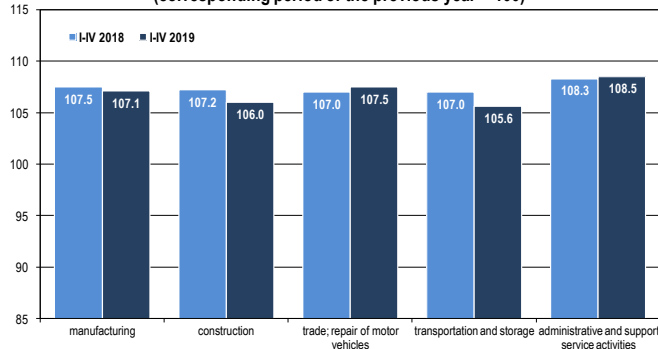


January-April 2019: average wages and salaries in enterprise sector amounted PLN 5,062 and grew by 6.9% in nominal terms yoy (by 5.3% in real terms yoy).

Salaries, wages and social security benefits

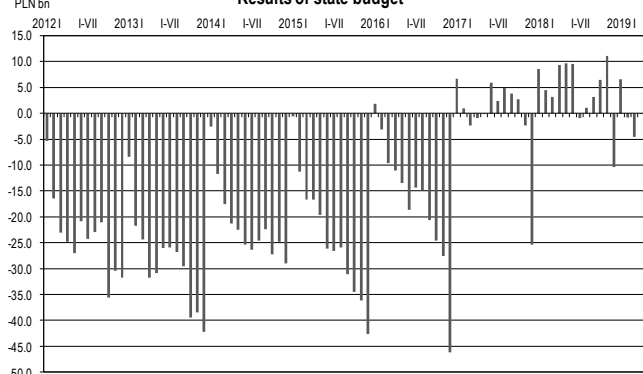


Dynamics of average monthly wages and salaries in enterprise sector (corresponding period of the previous year = 100)

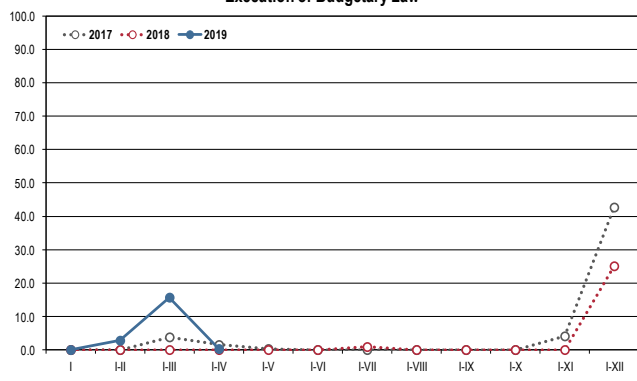


January-April 2019: state budget revenues ensured execution of the Budgetary Law in 33.5%, expenditures in 31.2%, when the deficit amounted to PLN 75.1mn.

Results of state budget



Execution of Budgetary Law



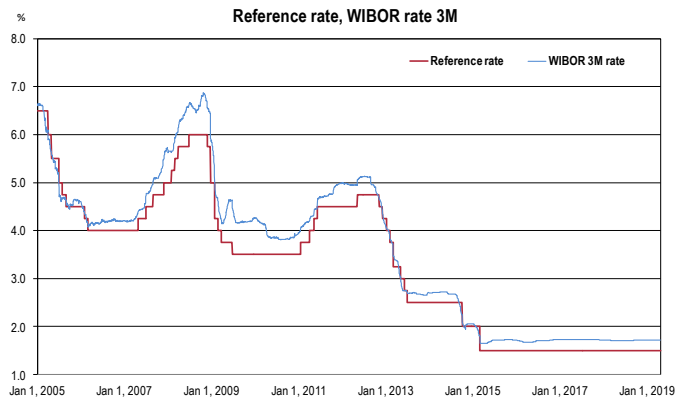
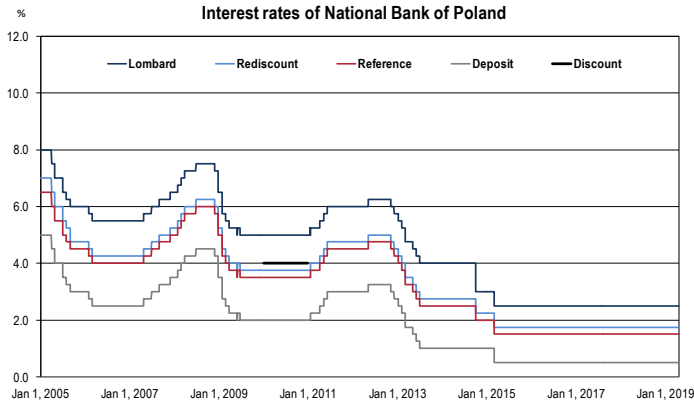
	2019 Budgetary Law	Execution		
		I-IV 2019	I-IV 2018	
	in PLN bn	in %		
REVENUES	387.7	130.0	33.5	35.2
Indirect taxes	254.7	79.8	31.3	33.6
CIT	34.8	18.1	52.0	46.8
PIT	64.3	20.0	31.0	34.1
EXPENDITURES	416.2	130.0	31.2	29.2
Debt servicing	29.2	11.3	38.7	27.8
Subventions to the Pension Fund	17.4	5.6	32.5	31.4
Subventions to the Social Insurance Fund	49.4	11.5	23.2	16.8
General subventions to local self-government entities	60.8	25.8	42.5	42.6
DEFICIT	-28.5	0.0^{a)}	0.3	-
Financing for budget of EU funds	-15.6	0.0	-	-
DEFICIT FINANCING SOURCES	44.1	0.0^{b)}	0.2	-
DOMESTIC	56.3	2.7	4.7	-
Treasury bonds	57.1	19.1	33.4	11.7
Pre-financing actions with EU sources	0.1	0.0 ^{c)}	37.1	-
FOREIGN	-12.2	-2.6	21.1	226.5

a) PLN -75,1mn; b) PLN 75,1mn; c) PLN 50mn.

January-April 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-April 2019: according to the provisional SP data trade balance shaped at the level of EUR -166mn towards EUR -1,418mn in the same period of the previous year, exports increased by 4.7%, while imports grew by 2.9% (yoy).

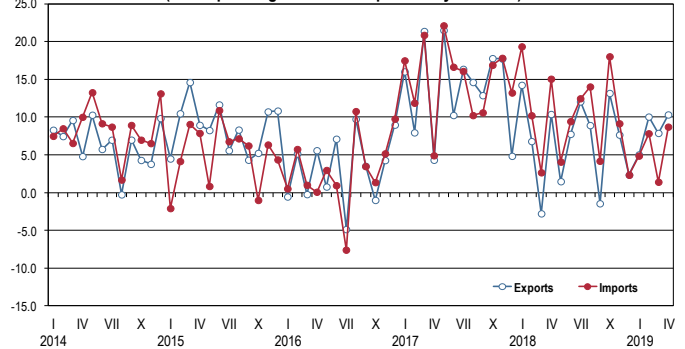
Foreign trade in EUR mn (SP data)

	2017	2018	I-IV 2018	I-IV 2019
Balance	563	-5,026	-1,418	-166
Exports	206,647	221,041	72,230	75,600
Imports	206,084	226,067	73,648	75,766

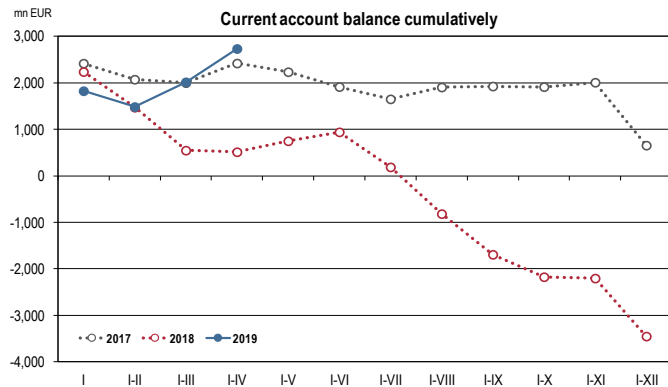
Foreign trade in EUR mn (NBP data)

	2017	2018	I-IV 2018	I-IV 2019
Balance	1,403	-5,181	-1,571	211
Exports	201,898	215,118	70,062	75,863
Imports	200,495	220,299	71,633	75,652

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



January-April 2019: current account surplus amounted to EUR 2,734mn, towards the surplus of EUR 512mn at the end of April 2018.

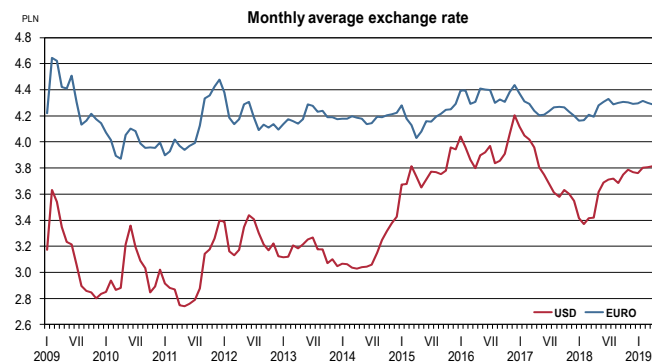


Current account balance (in EUR mn)

	2017	I-IV 2018	2018	I-IV 2019
	654	512	-3,454	2,734

	2018	I-IV 2018	I-IV 2019
in EUR mn			
Direct investment - assets	485	-780	658
Direct investment - liabilities	9,400	3,847	5,927
Portfolio investment - assets	382	1,028	989
Portfolio investment - liabilities	-3,314	176	-3,075
Other investment - assets	5,247	2,516	1,685
Other investment - liabilities	-409	-2,859	-4,549
Official reserve assets	6,176	-56	303

January-April 2019: zloty weakened against the US dollar and euro. The USD/PLN exchange rate increased by 11.5%, and the EUR/PLN was higher by 2.7% (yoy).



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

		IV 2018	XI	XII	I 2019	II	III	IV
1 USD	end of month	3.4868	3.7731	3.7597	3.7271	3.7853	3.8365	3.8291
	monthly average	3.4188	3.7866	3.7691	3.7617	3.8023	3.8052	3.8145
1 EUR	end of month	4.2204	4.2904	4.3000	4.2802	4.3120	4.3013	4.2911
	monthly average	4.1948	4.3029	4.2905	4.2954	4.3157	4.2996	4.2874