

# MAIN MACROECONOMIC INDICATORS

# POLAND

## JANUARY 2018

## MINISTRY OF ENTREPRENEURSHIP AND TECHNOLOGY



### INNOVATION DEPARTMENT

Area: 312,679 km<sup>2</sup>  
Population: 38.4 mn  
Capital city: Warsaw  
Currency: zloty



### Poland's macroeconomic performance in 2016 – 2018

Indicator	Unit	2016	2017	I 2017	I 2018	2018 <sup>4</sup>
<b>National Accounts<sup>1</sup></b>						
GDP	dynamics	102.9	104.6 <sup>3</sup>			103.8
Consumption	dynamics	103.4	104.3 <sup>3</sup>			103.0
Individual consumption	dynamics	103.9	104.8 <sup>3</sup>			103.5
Gross capital formation	dynamics	98.1	107.5 <sup>3</sup>			107.3
Gross fixed capital formation	dynamics	92.1	105.2 <sup>3</sup>			107.6
<b>Prices</b>						
Price index of consumer goods and services (CPI)	dynamics	99.4	102.0	101.7	101.9	102.3
Price index of sold production of industry (PPI)	dynamics	99.9	102.9	104.0	100.2	
<b>Production<sup>2</sup></b>						
Sold production of industry	dynamics	103.6 <sup>A</sup>	106.6	109.3	108.6	106.5 <sup>5</sup>
Construction and assembly production	dynamics	97.4 <sup>A</sup>	112.1	102.0	134.7	110.0 <sup>5</sup>
<b>Wages and salaries</b>						
Average wages and salaries in the national economy, of which:	PLN	4,047 <sup>A</sup>	4,272			
- enterprise sector	PLN	4,277 <sup>A</sup>	4,530	4,277	4,589	
<b>Labour market</b>						
Average employment in enterprise sector	thous.pers.	5,760	6,017	5,960	6,187	
Unemployment rate (as of the end of the period)	%	8.2	6.6	8.5	6.9	6.4

Dynamics (100 = corresponding period of the previous year); YoY (comparing to the corresponding period of the previous year); A - concerns complete statistical population; 1 - data is presented in accordance with the ESA2010 methodology; 2 - data concerns entities employing more than 9 persons; 3 - CSO provisional data; 4 - forecast based on the Budgetary Law for the year 2018; 5 - DDS MoET forecast.

Indicator	Unit	2016	2017	I 2017	I 2018	2018 <sup>2</sup>
<b>Foreign trade acc. to CSO</b>						
Trade balance	mn EUR	3,918	438 <sup>1</sup>			-2,500
- exports of goods	mn EUR	184,843	203,689 <sup>1</sup>			218,000
- imports of goods	mn EUR	180,925	203,251 <sup>1</sup>			220,500

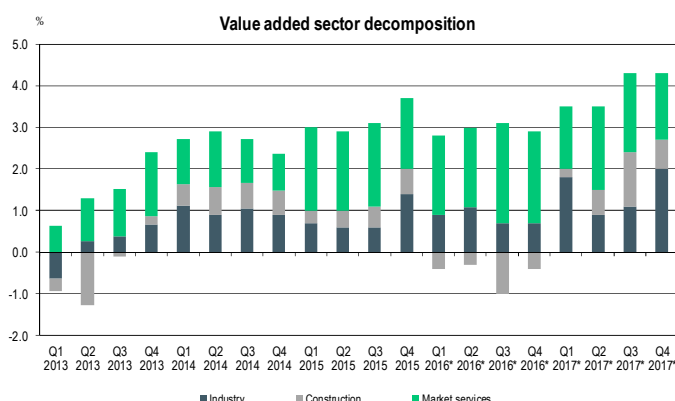
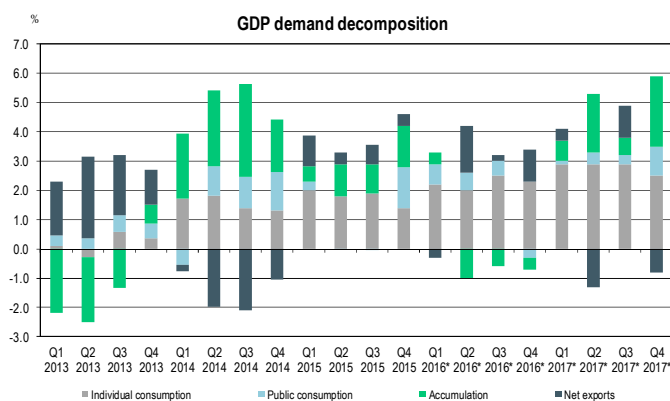
1 - CSO provisional data; 2 - DDS MoET forecast.

**According to CSO estimates, in 2017 GDP increased by 4.6%, with domestic demand as a main growth driver.**

### GDP growth in 2013-2017

	2013				2014				2015				2016				2017			
YoY	1.4				3.3				3.8				2.9*				4.6*			
	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	0.1	0.6	1.9	2.7	3.1	3.3	3.4	3.3	3.8	3.3	3.6	4.6	3.0*	3.2*	2.6*	2.7*	4.1*	4.0*	4.9*	5.1*

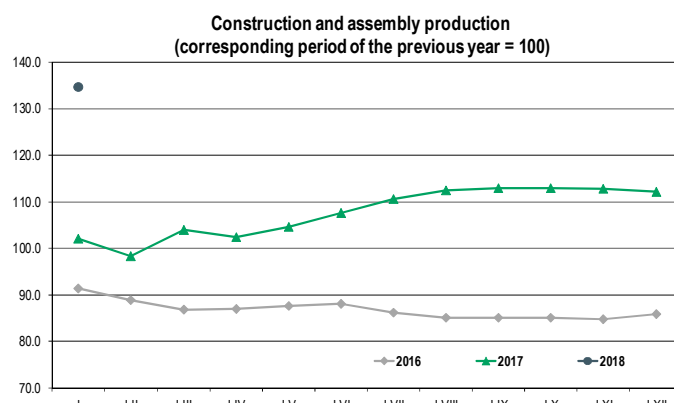
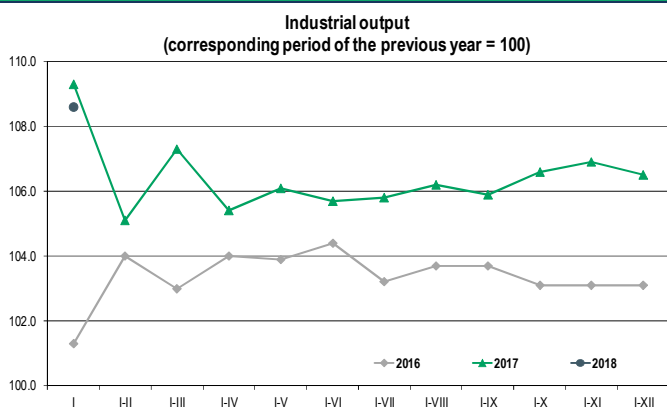
\*- CSO preliminary data.



## In January 2018 (yoy):

- A growth in **sold industrial production** amounted to 8.6%. In the manufacturing section, production grew by 9.7%.
- **Construction and assembly production** grew by 34.7%.
- **Consumer Price Index** was higher by 1.9%.
- **The number of registered unemployed** amounted to 1,133.7 thousand (down by 18.9%).
- **Registered unemployment rate** amounted to 6.9%.
- **Average monthly wages and salaries in enterprises sector** amounted to PLN 4,589 and was higher by 7.3% (in nominal terms).
- **Average monthly retirement pay and pension from non-agricultural social security system** increased by 2.9%, and individual farmers by 2.4% (in nominal terms).
- **The execution of revenues** accounted for 9.9% and **expenditures** 6.7% of the amount planned in the Budgetary Law, **surplus** amounted to PLN 8.6bn.
- **The Monetary Policy Council did not change the interest rates.**
- **The Polish currency strengthened against both the US dollar and euro.**
- At the end of December 2017 the surplus on the **current account balance** amounted to EUR 346mn comparing to the deficit of EUR 1,253mn at the end of December 2016.

## January 2018: sold production of industry grew by 8.6% and construction and assembly production by 34.7% (yoy).



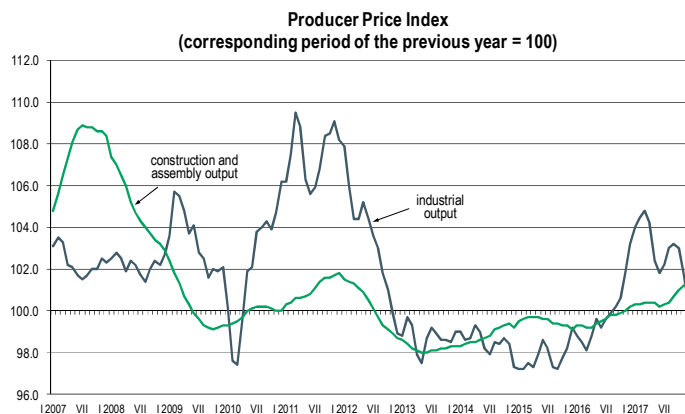
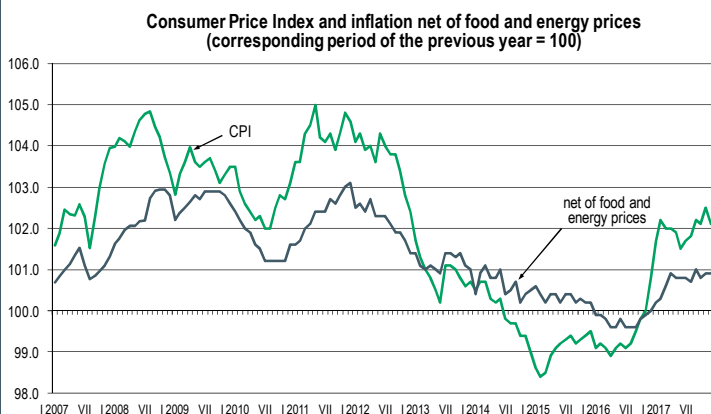
Indices of sold production of industry and construction and assembly production

		I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Sold production of industry	2017	109.3	101.2	111.0	99.5	109.2	104.4	106.2	108.8	104.4	112.3	109.2	102.8
	2018	108.6											
Construction and assembly production	2017	102.0	94.7	117.1	104.4	108.3	111.6	119.8	123.6	115.3	120.2	119.9	112.8
	2018	134.7											

## January 2018: price index of consumer goods and services reached 1.9%, of sold industrial production 0.2%, and price index of construction and assembly production 1.5% (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	2017	104.0	104.2	104.4	104.4	104.0	103.6	103.4	103.4	103.3	103.3	103.2	102.9
	2018	100.2											
Price indices of consumer goods and services	2017	101.7	102.0	102.0	102.0	102.0	101.9	101.9	101.9	101.9	101.9	102.0	102.0
	2018	101.9											
Price indices of construction and assembly production	2017	100.3	100.3	100.3	100.3	100.3	100.3	100.3	100.3	100.4	100.4	100.5	100.6
	2018	101.5											



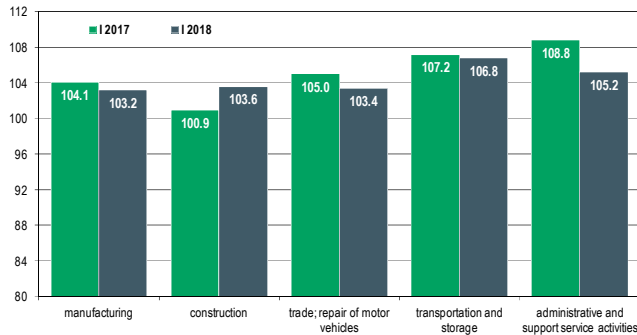
**January 2018: registered unemployment rate shaped at the level of 6.9%, in enterprise sector employment amounted to 6,187 thousand persons and was higher by 3.8% yoy.**

### Unemployment rate

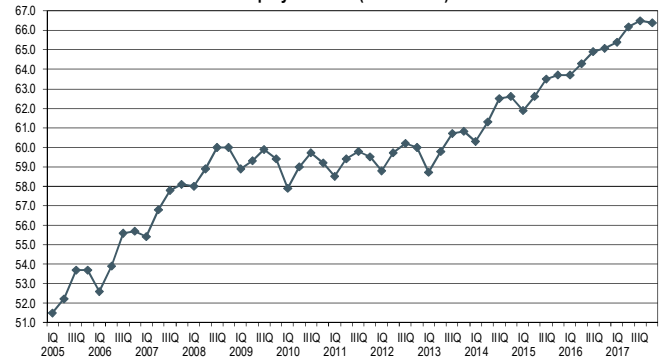
	2013	2014	2015	2016	2017	I 17	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	I 18	II	III
Registered unemployment	13.4	11.4	9.7	8.2	6.6	8.5	8.4	8.0	7.6	7.3	7.0	7.0	7.0	6.8	6.6	6.5	6.6	6.9	n.a.	n.a.
LFS*	9.8	8.1	6.9	5.5	4.5	5.4			5.0			4.7			4.5			n.a.		

\* LFS – Labour Force Survey

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

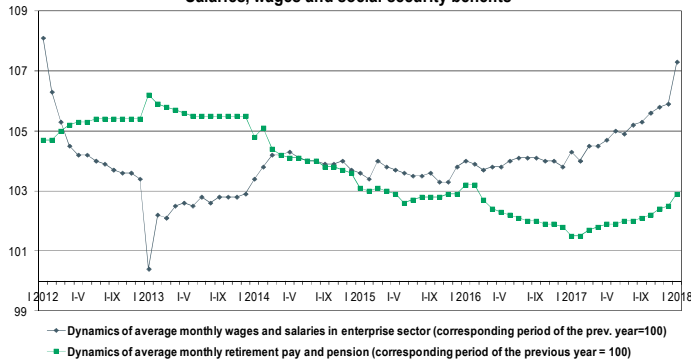


**Employment rate (acc. to LFS)**

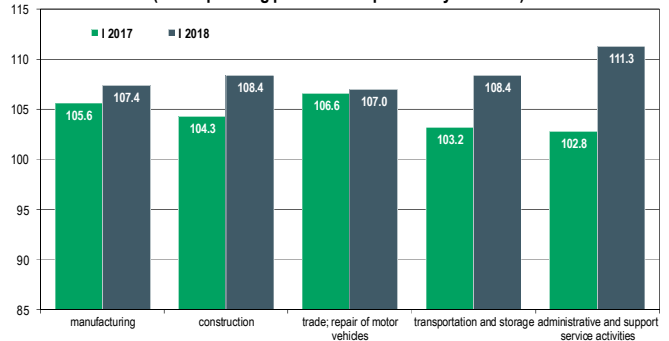


**January 2018: average wages and salaries in enterprise sector stood at PLN 4,589 and grew by 7.3% in nominal terms yoy (by 5.3% in real terms yoy).**

**Salaries, wages and social security benefits**

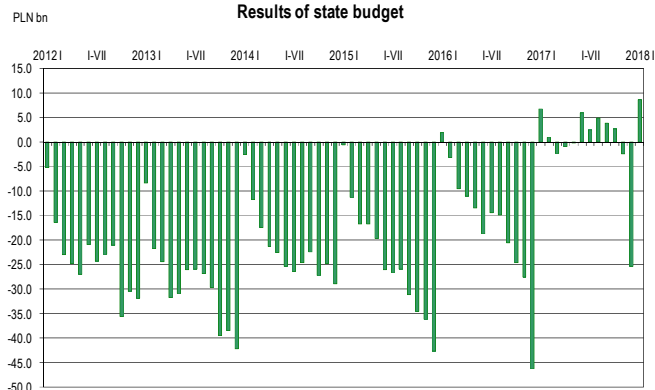


**Dynamics of average monthly wages and salaries in enterprise sector (corresponding period of the previous year = 100)**

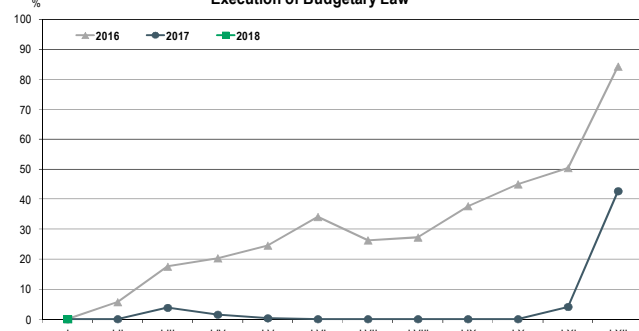


**January 2018: state budget revenues ensured execution of the Budgetary Law in 9.9%, expenditures in 6.7%, the surplus amounted to PLN 8.6bn.**

**Results of state budget**



**Execution of Budgetary Law**



	2017 Budgetary Law	Execution		
		I 2018	I 2017	
	in PLN bn	in %		
<b>REVENUES</b>	<b>355.7</b>	<b>35.2</b>	<b>9.9</b>	<b>11.4</b>
Indirect taxes	237.9	24.3	10.2	12.7
CIT	32.4	3.1	9.6	9.4
PIT	55.5	5.6	10.2	9.7
<b>EXPENDITURES</b>	<b>397.2</b>	<b>26.6</b>	<b>6.7</b>	<b>7.9</b>
Debt servicing	30.7	3.6	11.8	12.1
Subventions to the Pension Fund	17.6	1.2	7.0	6.2
Subventions to the Social Insurance Fund	46.6	0.5	1.1	11.0
General subventions to local self-government entities	56.4	7.7	13.6	13.6
<b>DEFICIT</b>	<b>-41.5</b>	<b>8.6</b>	-	-
<b>Financing for budget of EU funds</b>	<b>-15.5</b>	<b>0.0</b>	-	-
<b>DEFICIT FINANCING SOURCES</b>	<b>57.0</b>	<b>-8.6</b>	-	-
<b>DOMESTIC</b>	<b>52.8</b>	<b>-14.2</b>	-	-
Treasury bonds	57.9	4.4	7.6	5.8
Refund for the Social Insurance Fund for the payment of contributions pension funds to Open Pension Funds	-3.3	-0.2	6.9	n.a.
Pre-financing actions with EU sources	0.0 <sup>a)</sup>	0.0 <sup>b)</sup>	-	0.2
<b>FOREIGN</b>	<b>4.1</b>	<b>5.6</b>	<b>136.6</b>	<b>22.1</b>

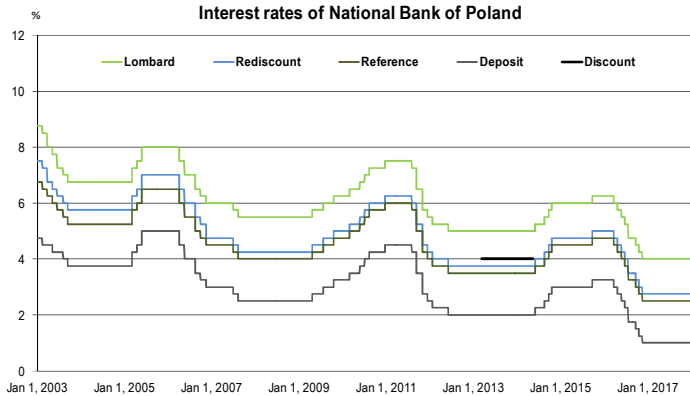
a) PLN -72.5mn; b) PLN 15.2mn.

January 2018: 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, when the Monetary Policy Council cut interest rates by 50 basis points.

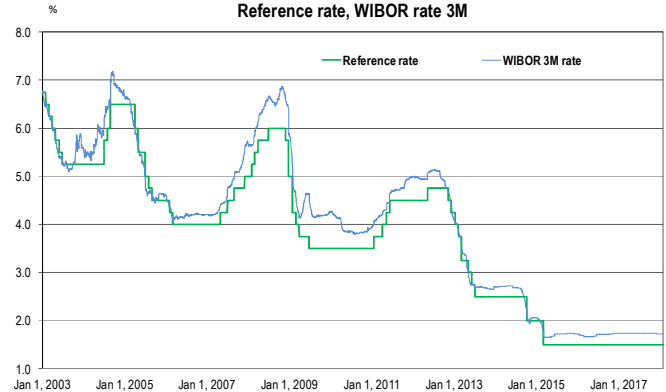
Interest rates of the National Bank of Poland

	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

Interest rates of National Bank of Poland



Reference rate, WIBOR rate 3M



January-December 2017: according to the provisional CSO data trade balance shaped at the level of EUR 438mn, towards EUR 3,918mn in the same period of the previous year, exports increased by 10.2% and imports by 12.3% (yoy).

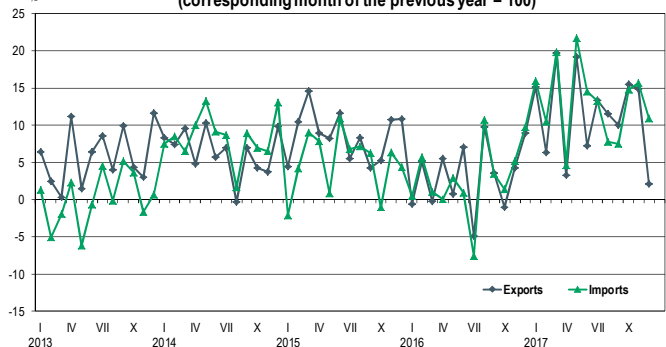
Foreign trade in EUR mn (CSO data)

	2015	2016	2017
Balance	2,345	3,918	438
Exports	179,578	184,843	203,689
Imports	177,233	180,925	203,251

Foreign trade in EUR mn (NBP data)

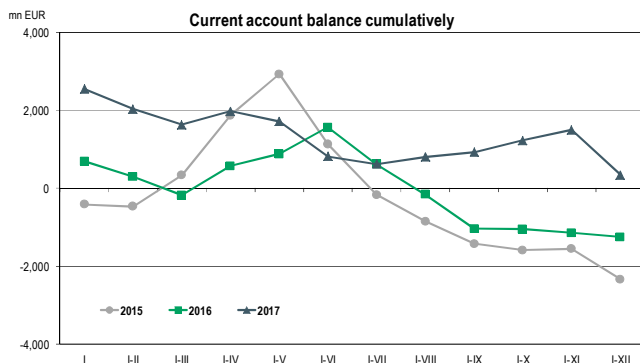
	2015	2016	2017
Balance	2,209	2,936	498
Exports	172,171	177,498	197,836
Imports	169,962	174,562	197,338

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



January-December 2017: current account surplus amounted to EUR 346mn, towards the deficit of EUR 1,253mn at the end of December 2016.

Current account balance cumulatively



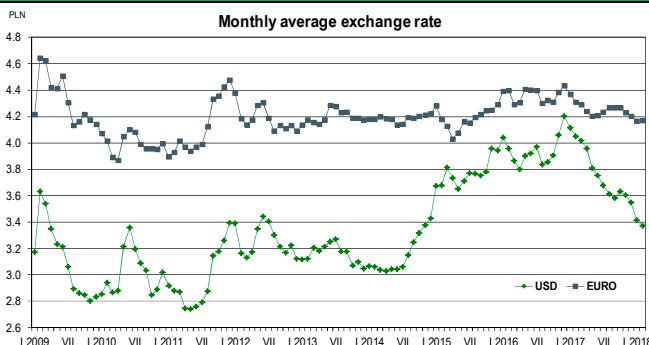
Current account balance (in EUR mn)

	2015	2016	2017
	-2,338	-1,253	346

	2016	2017
	in EUR mn	
Direct investment - assets	10,191	3,118
Direct investment - liabilities	15,217	4,826
Portfolio investment - assets	-5,623	1,103
Portfolio investment - liabilities	-2,028	5,375
Other investment - assets	2,214	4,045
Other investment - liabilities	14,667	-10,648
Official reserve assets	20,419	-7,134

January 2018: zloty strengthened against both the US dollar and euro. The USD/PLN exchange rate decreased by 17.1%, and the EUR/PLN was lower by 4.7% (yoy).

Monthly average exchange rate



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

		I 2017	VIII	IX	X	XI	XII	I 2018
1 USD	end of month	4.0446	3.5822	3.6519	3.6529	3.5543	3.4813	3.3318
	monthly average	4.1166	3.6127	3.5799	3.6303	3.6031	3.5482	3.4141
1 EUR	end of month	4.3308	4.2618	4.3091	4.2498	4.2055	4.1709	4.1488
	monthly average	4.3706	4.2665	4.2702	4.2668	4.2293	4.2016	4.1636