



MAIN MACROECONOMIC INDICATORS

POLAND

JULY 2020

Area: 312.679 km<sup>2</sup>  
Population: 38.4 mn  
Capital city: Warsaw  
Currency: zloty

POLAND'S MACROECONOMIC PERFORMANCE IN 2019 – 2020

Indicator	Unit	2019	VII 2019	VII 2020	I-VII 2020	2020 <sup>4</sup>
<b>National Accounts</b>						
GDP	dynamics	104.1 <sup>2</sup>			96.8 <sup>3</sup>	95.4
Consumption	dynamics	104.1 <sup>2</sup>			97.3 <sup>3</sup>	97.4
Individual consumption	dynamics	103.9 <sup>2</sup>			95.2 <sup>3</sup>	95.8
Gross capital formation	dynamics	99.3 <sup>2</sup>			89.6 <sup>3</sup>	86.7
Gross fixed capital formation	dynamics	107.2 <sup>2</sup>			94.2 <sup>3</sup>	89.4
<b>Prices</b>						
Price index of consumer goods and services (CPI)	dynamics	102.3	102.9	103.0	103.7	103.3
Price index of sold production of industry (PPI)	dynamics	101.2	100.5	99.4	99.5	99.5
<b>Production<sup>1</sup></b>						
Sold production of industry	dynamics	104.0	105.8	101.1	94.8	
Construction and assembly production	dynamics	102.6	106.6	89.1	99.6	
<b>Wages and salaries</b>						
Average wages and salaries in the national economy, of which:	PLN	4,918				5,088
- enterprise sector	PLN	5,169	5,182	5,382	5,319	5,323
<b>Labour market</b>						
Average employment in enterprise sector	thous. pers.	6,395	6,397	6,252	6,337	6,265
Unemployment rate (as of the end of the period)	%	5.2	5.2	6.1	6.1	8.0

Dynamics (100 = corresponding period of the previous year); YoY (comparing to the corresponding period of the previous year); 1 – data concerns entities employing more than 9 persons; 2 – SP provisional data; 3 – SP provisional data, data for January-July; 4 – forecast based on the amended project of the Budgetary Law for the year 2020 and project of the Budgetary Law for the year 2021.

Indicator	Unit	2019	VII 2019	VII 2020 <sup>1</sup>	I-VII 2020 <sup>1</sup>	2020
<b>Foreign trade acc. to SP</b>						
Trade balance	mn EUR	1,171	-124	920	5,631	
- exports of goods	mn EUR	238,147	19,866	19,551	129,624	
- imports of goods	mn EUR	236,976	19,990	18,631	123,994	

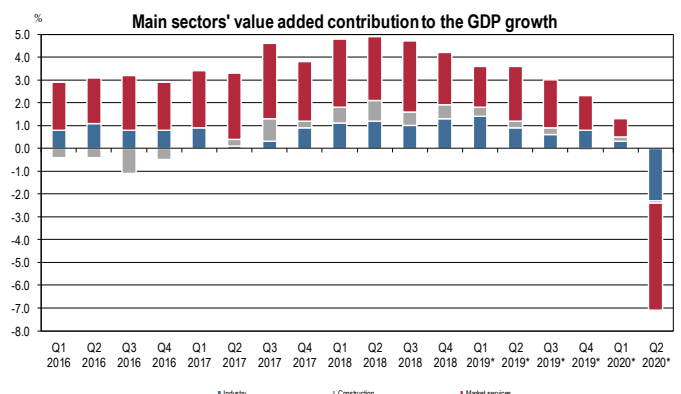
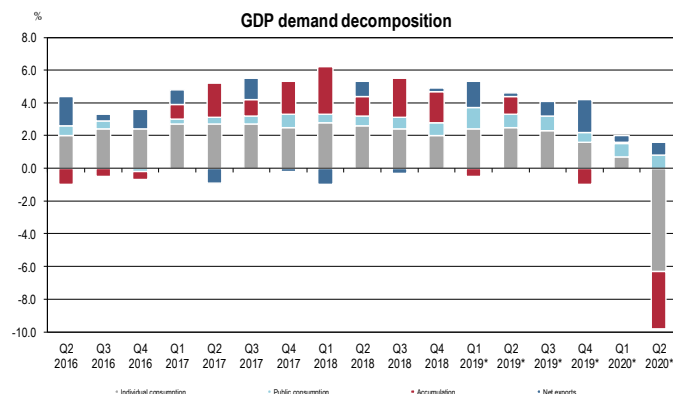
1 – SP provisional data.

According to SP estimates, in the 1<sup>st</sup> half of 2020 GDP decreased by 3.2%. This was due to a sharp decline in domestic demand.

GDP growth in 2016-2020

	2016				2017				2018				2019				2020			
YoY	3.1				4.9				5.3				4.1*				-			
	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	3.1	3.4	2.8	2.9	4.8	4.3	5.5	5.1	5.4	5.5	5.4	5.1	4.8*	4.6*	4.0*	3.2*	2.0*	-8.2*		

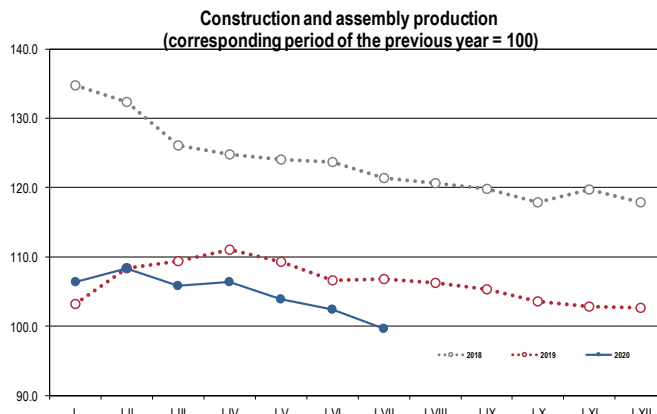
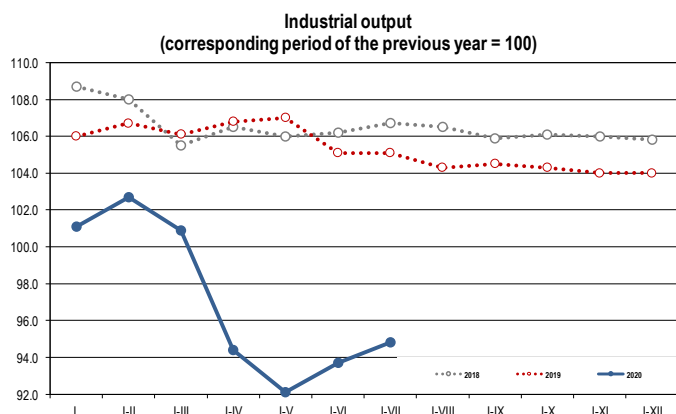
\* – SP preliminary data.



## In January-July 2020 (yoy):

- A decrease in **sold industrial production** amounted to 5.2%. In the manufacturing section, production declined by 5.6%.
- **Construction and assembly production** drop by 0.4%.
- **Consumer Price Index** was higher by 3.7%.
- **The number of registered unemployed** in July amounted to 1,029.5 thousand (rise by 18.6%).
- **Registered unemployment rate** in July amounted to 6.1%.
- **Average monthly wages and salaries in enterprises sector** amounted to PLN 5,319 (was higher by 4.4% in nominal terms).
- **Average monthly retirement pay and pension from non-agricultural social security system** increased by 5.3%, and individual farmers by 6.0% (in nominal terms).
- **The execution of revenues** accounted for 54.2% and **expenditures** 57.9% of the amount planned in the Budgetary Law, **deficit** amounted to PLN 16.3bn.
- **The Monetary Policy Council changed the interest rates in March, April and May.**
- **The Polish currency** weakened against the US dollar and against euro.
- At the end of July 2020, the surplus on the **current account balance** amounted to EUR 12,443mn comparing to the surplus of EUR 223mn at the end of July 2019.

## January-July 2020: sold production of industry declined by 5.2% and construction and assembly production drop by 0.4% (yoy).



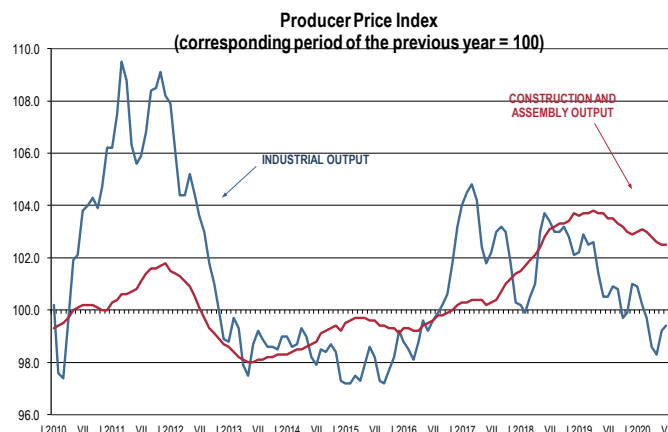
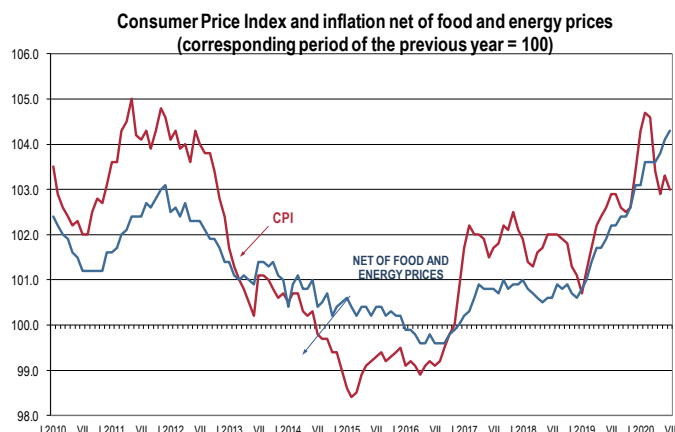
Indices of sold production of industry and construction and assembly production

		I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Sold production of industry	2019	106.0	106.9	105.6	109.2	107.7	97.4	105.8	98.5	105.6	103.7	101.4	103.8
	2020	101.1	104.8	97.5	75.4	83.1	100.5	101.1					
Construction and assembly production	2019	103.2	115.1	110.8	117.4	109.5	99.3	106.6	102.6	107.6	95.9	95.3	96.7
	2020	106.4	105.5	103.7	99.1	94.9	97.7	89.1					

## January-July 2020: price index of consumer goods and services reached 3.7%, price index of sold industrial production decreased by 0.5%, and construction and assembly production grew by 2.8% (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	2019	102.2	102.6	102.5	102.5	102.3	102.0	101.8	101.7	101.6	101.4	101.3	101.2
	2020	100.9	100.5	100.2	99.8	99.5	99.5	99.5					
Price indices of consumer goods and services	2019	100.7	101.0	101.2	101.5	101.7	101.8	102.0	102.1	102.1	102.2	102.2	102.3
	2020	104.3	104.5	104.5	104.2	104.0	103.9	103.7					
Price indices of construction and assembly production	2019	103.6	103.7	103.7	103.7	103.7	103.7	103.7	103.7	103.6	103.6	103.5	103.5
	2020	103.0	103.0	103.0	102.9	102.9	102.8	102.8					



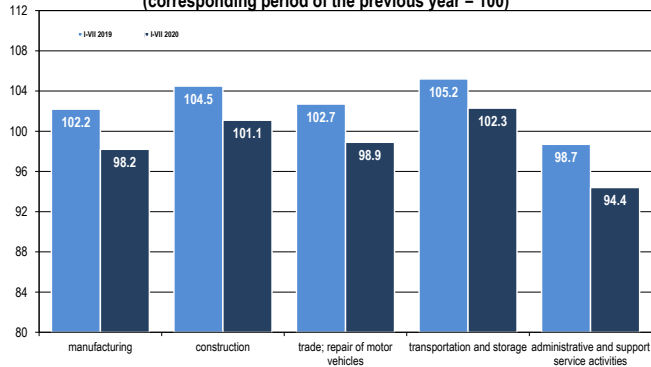
**January-July 2020: registered unemployment rate shaped at the level of 6.1%, in enterprise sector employment amounted to 6,337 thousand persons and was higher by 0.8% yoy.**

### Unemployment rate

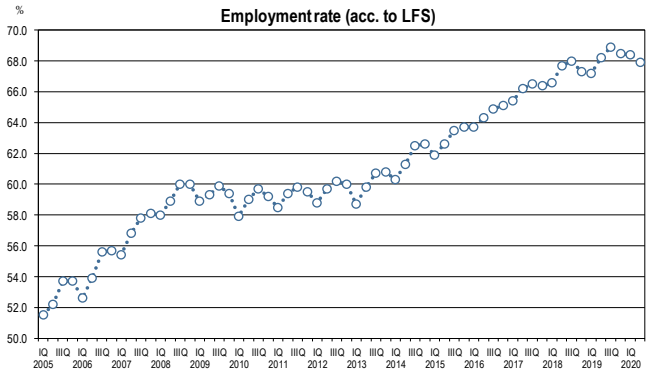
	2015	2016	2017	2018	2019	VII	VIII	IX	X	XI	XII	I 20	II	III	IV	V	VI	VII	VIII	IX
Registered unemployment	9.7	8.2	6.6	5.8	5.2	5.2	5.2	5.1	5.0	5.1	5.2	5.5	5.5	5.4	5.8	6.0	6.1	6.1	n.a.	n.a.
LFS*	7.0	5.6	4.5	3.9	3.3	3.2			2.9		3.2		3.2				n.a.			

\* LFS – Labour Force Survey.

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

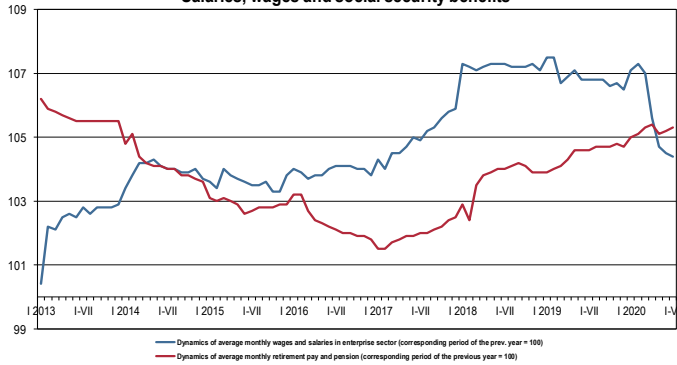


**Employment rate (acc. to LFS)**

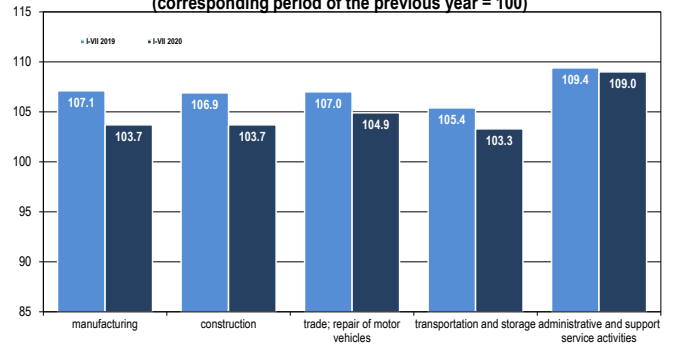


**January-July 2020: average wages and salaries in enterprise sector amounted PLN 5,319 and grew by 4.4% in nominal terms yoy (by 0.8% in real terms yoy).**

**Salaries, wages and social security benefits**

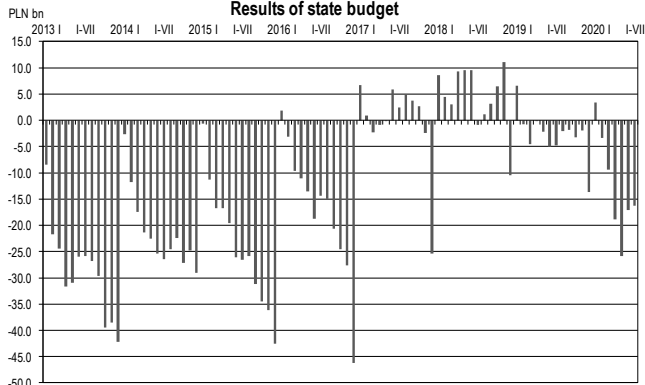


**Dynamics of average monthly wages and salaries in enterprise sector (corresponding period of the previous year = 100)**

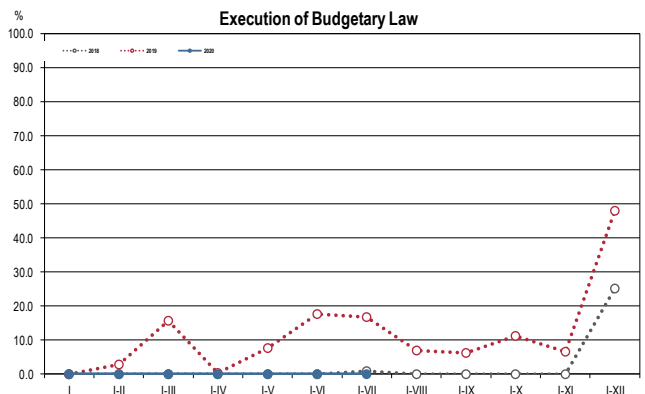


**January-July 2020: state budget revenues ensured execution of the Budgetary Law in 54.2%, expenditures in 57.9%, when the deficit amounted to PLN 16.3bn.**

**Results of state budget**



**Execution of Budgetary Law**



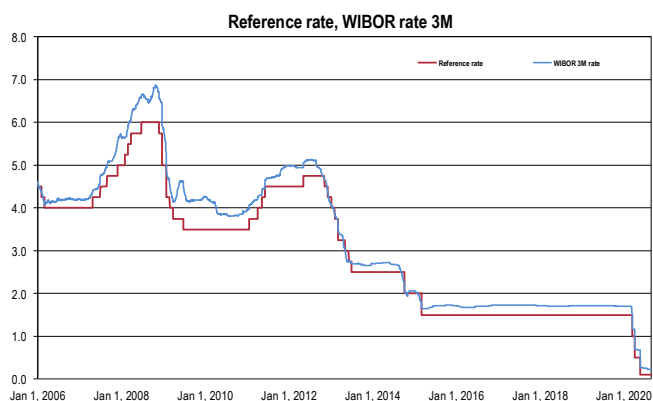
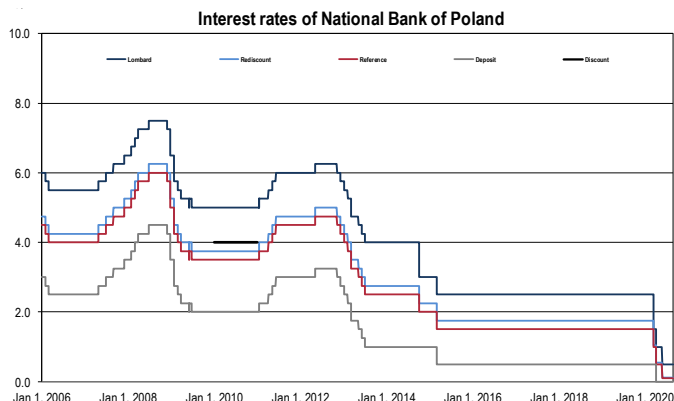
	2020 Budgetary Law	Execution		
		I-VII 2020	I-VII 2019	
	in PLN bn	in %		
<b>REVENUES</b>	<b>435.3</b>	<b>235.8</b>	<b>54.2</b>	<b>59.0</b>
Indirect taxes	274.2	137.1	50.0	57.2
CIT	42.0	25.6	61.1	71.7
PIT	66.6	33.9	51.0	56.6
<b>EXPENDITURES</b>	<b>435.3</b>	<b>252.1</b>	<b>57.9</b>	<b>56.1</b>
Debt servicing	27.6	18.3	66.4	67.1
Subventions to the Pension Fund	17.6	10.9	62.1	64.5
Subventions to the Social Insurance Fund	33.5	22.2	66.1	56.6
General subventions to local self-government entities	66.7	44.1	66.2	65.8
<b>DEFICIT</b>	<b>0.0</b>	<b>-16.3</b>	-	<b>16.8</b>
<b>Financing for budget of EU funds</b>	<b>-17.0</b>	<b>0.0<sup>2</sup></b>	-	-
<b>DEFICIT FINANCING SOURCES<sup>1</sup></b>	<b>17.0</b>	<b>16.3</b>	<b>96.1</b>	<b>9.1</b>
<b>DOMESTIC</b>	<b>41.5</b>	<b>21.6</b>	<b>52.0</b>	<b>13.3</b>
Treasury bonds	46.2	81.0	175.3	41.0
Pre-financing actions with EU sources	0.1	0.0 <sup>3</sup>	68.3	26.2
<b>FOREIGN</b>	<b>-24.6</b>	<b>-5.3</b>	<b>21.6</b>	<b>28.6</b>

<sup>1</sup> including financing of both budget of Poland and budget of EU funds; <sup>2</sup> PLN 23.1mn; <sup>3</sup> PLN 51.6mn.

January-July 2020: Monetary Policy Council decided to change the interest rates in March, April and May. The National Bank of Poland's reference rate was at the level of 1.0% after changing March 18, 0.5% after changing April 9, 0.1% after changing May 29.

### Interest rates of the National Bank of Poland

	Reference	Lombard	Deposit	Rediscount
March 5, 2015	1.50	2.50	0.50	1.75
March 18, 2020	1.00	1.50	0.50	1.05
April 9, 2020	0.50	1.00	0.00	0.55
May 29, 2020	0.10	0.50	0.00	0.11



January-July 2020: according to the provisional SP data trade balance shaped at the level of EUR 5,631mn towards EUR 151mn in the same period of the previous year, exports decreased by 6.0%, while imports by 10.0% (yoy).

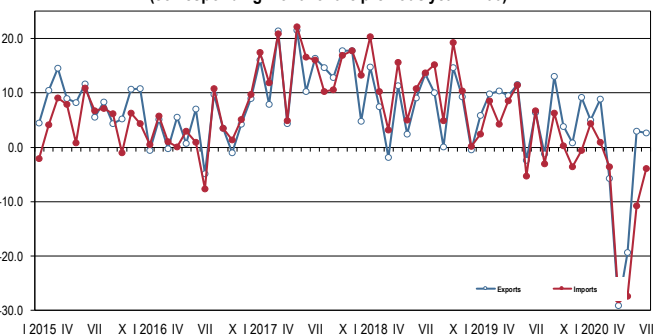
### Foreign trade in EUR mn (SP data)

	2018	2019	I-VII 2019	I-VII 2020
Balance	-4,576	1,171	151	5,631
Exports	223,596	238,147	137,923	129,624
Imports	228,172	236,976	137,772	123,994

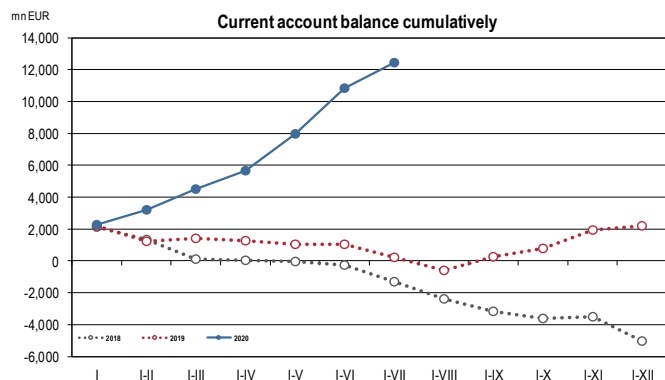
### Foreign trade in EUR mn (NBP data)

	2018	2019	I-VII 2019	I-VII 2020
Balance	-4,780	2,408	301	6,537
Exports	216,862	230,342	133,629	126,642
Imports	221,642	227,934	133,328	120,105

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



January-July 2020: current account surplus amounted to EUR 12,443mn, towards the surplus of EUR 223mn at the end of July 2019.

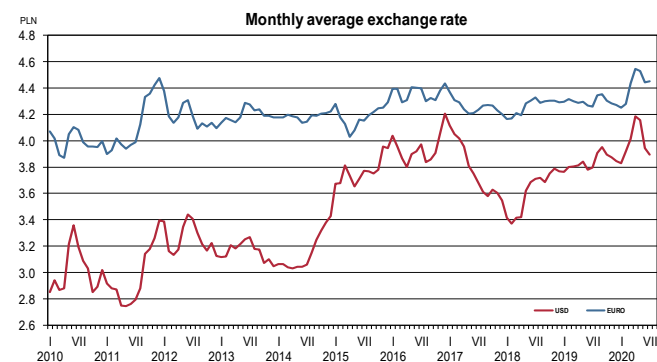


### Current account balance (in EUR mn)

	2018	I-VII 2019	2019	I-VII 2020
	-5,036	223	2,176	12,443

	2019	I-VII 2019	I-VII 2020
	in EUR mn		
Direct investment - assets	2,493	84	-1,602
Direct investment - liabilities	14,183	9,423	4,180
Portfolio investment - assets	-277	204	2,394
Portfolio investment - liabilities	-11,335	-5,936	-8,435
Other investment - assets	1,298	1,707	5,464
Other investment - liabilities	2,052	-5,217	-6,051
Official reserve assets	9,179	5	3,700

January-July 2020: zloty weakened against the US dollar and euro. The USD/PLN exchange rate increased by 5.1%, and the EUR/PLN was higher by 3.1% (yoy).



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

		VII 2019	II 2020	III	IV	V	VI	VII
1 USD	end of month	3.8504	3.9255	4.1466	4.1729	4.0031	3.9806	3.7166
	monthly average	3.7959	3.9201	4.0126	4.1856	4.1569	3.9453	3.8943
1 EUR	end of month	4.2911	4.3355	4.5523	4.5424	4.4503	4.4660	4.4072
	monthly average	4.2598	4.2789	4.4356	4.5450	4.5291	4.4450	4.4528