



MAIN MACROECONOMIC INDICATORS

POLAND

NOVEMBER 2018

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

POLAND'S MACROECONOMIC PERFORMANCE IN 2017 – 2018

Indicator	Unit	2017	XI 2017	XI 2018	I-XI 2018	2018
National Accounts¹						
GDP	dynamics	104.8			105.2 ^{3,4}	103.8 ⁵
Consumption	dynamics	104.5			104.3 ^{3,4}	103.6 ⁵
Individual consumption	dynamics	104.9			104.6 ^{3,4}	103.8 ⁵
Gross capital formation	dynamics	106.2			112.4 ^{3,4}	107.9 ⁵
Gross fixed capital formation	dynamics	103.9			107.6 ^{3,4}	109.1 ⁵
Prices						
Price index of consumer goods and services (CPI)	dynamics	102.0	102.5	101.3	101.7	101.6
Price index of sold production of industry (PPI)	dynamics	102.9	101.8	102.7	102.1	
Production²						
Sold production of industry	dynamics	106.6 ^A	109.2	104.7	106.1	106.0 ⁶
Construction and assembly production	dynamics	110.9 ^A	119.9	117.1	119.7	118.0 ⁶
Wages and salaries						
Average wages and salaries in the national economy, of which:	PLN	4,272				
- enterprise sector	PLN	4,530	4,611	4,967	4,817	
Labour market						
Average employment in enterprise sector	thous.pers.	6,017	6,053	6,232	6,220	
Unemployment rate (as of the end of the period)	%	6.6	6.5	5.7	5.7	5.9 ⁶

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 - data for January-September; 5 - forecast based on the project of the Budgetary Law for the year 2019; 6 - EAD MoET forecast.

Indicator	Unit	2017	XI 2017	XI 2018	I-XI 2018	2018 ²
Foreign trade acc. to CSO						
Trade balance	mn EUR	563			-3,073 ¹	-4,500
- exports of goods	mn EUR	206,647			204,314 ¹	219,500
- imports of goods	mn EUR	206,084			207,387 ¹	224,000

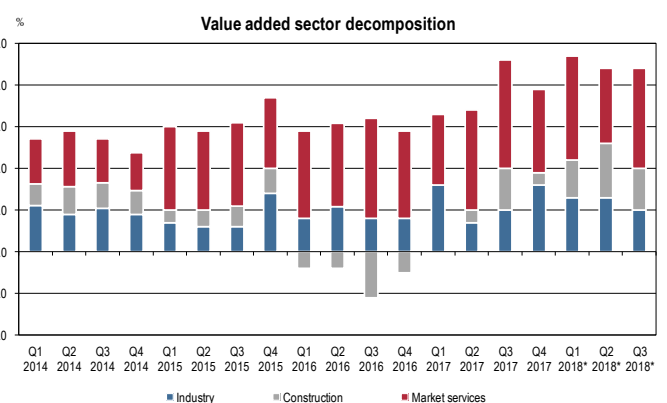
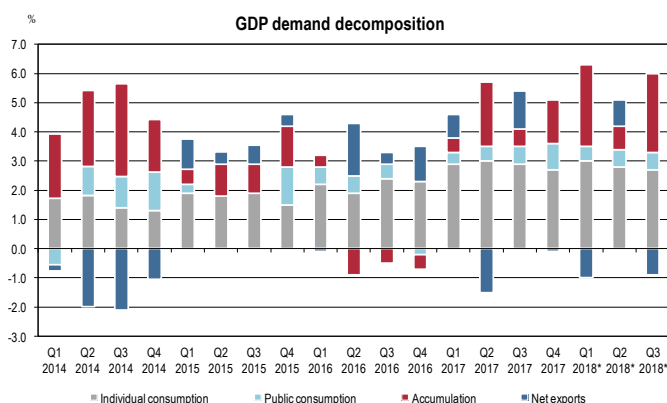
1 - CSO provisional data; 2 - EAD MoET forecast.

According to CSO estimates, in the period of first three quarters of 2018 GDP increased by 5.2%, with domestic demand as a main growth driver.

GDP growth in 2014-2018

	2014				2015				2016				2017				2018																							
YoY	3.3								3.8								3.1								4.8								-							
	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	I-III	IV-VI	VII-IX	X-XII																
YoY	3.1	3.3	3.4	3.3	3.7	3.3	3.6	4.6	3.1	3.4	2.8	2.8	4.6	4.2	5.4	5.0	5.3*	5.1*	5.1*																					

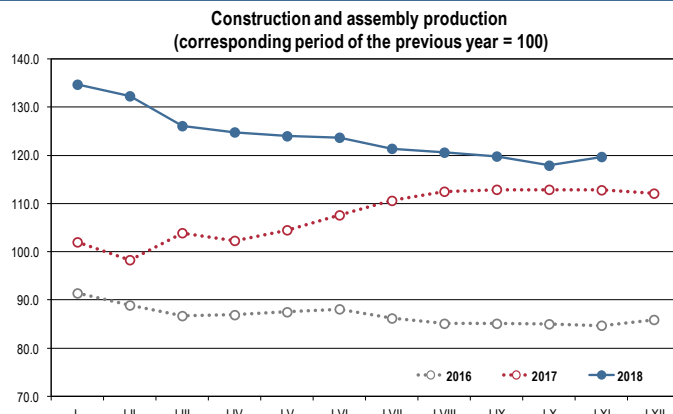
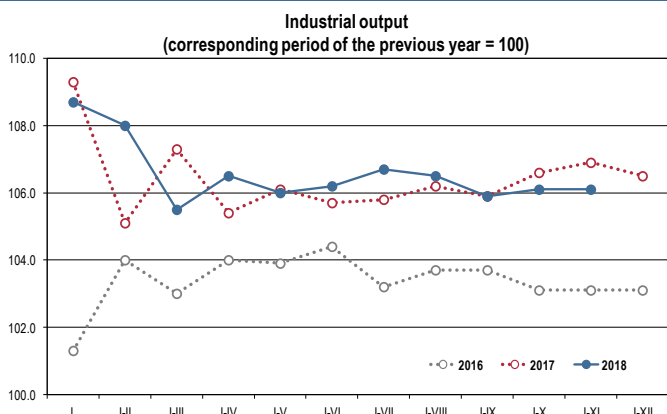
*- CSO preliminary data.



In January-November 2018 (yoy):

- A growth in **sold industrial production** amounted to 6.1%. In the manufacturing section, production grew by 6.0%.
- **Construction and assembly production** grew by 19.7%.
- **Consumer Price Index** was higher by 1.7%.
- **The number of registered unemployed** amounted to 950.5 thousand (down by 11.0%).
- **Registered unemployment rate** amounted to 5.7%.
- **Average monthly wages and salaries in enterprises sector** amounted to PLN 4,817 and was higher by 7.3% (in nominal terms).
- **Average monthly retirement pay and pension from non-agricultural social security system** increased by 3.9%, and individual farmers by 2.3% (in nominal terms).
- **The execution of revenues** accounted for 96.5% and **expenditures** 83.7% of the amount planned in the Budgetary Law, **surplus** amounted to PLN 11.1bn.
- **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 November 2018 the deficit on the **current account balance** amounted to EUR 1,970mn comparing to the surplus of EUR 2,008mn at the end of November 2017.

January-November 2018: sold production of industry grew by 6.1% and construction and assembly production by 19.7% (yoy).



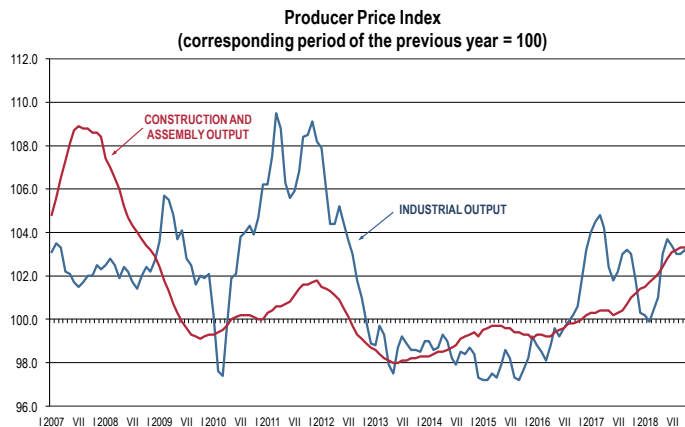
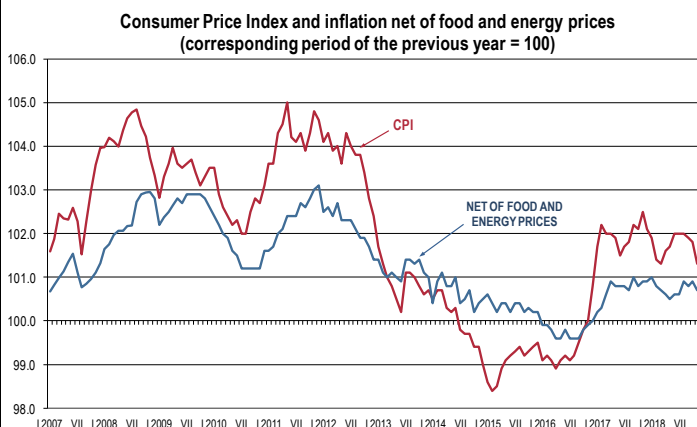
Indices of sold production of industry and construction and assembly production

		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	108.7	107.3	101.6	109.3	105.2	106.7	110.3	105.0	102.7	107.4	104.7	
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	131.3	116.1	119.7	120.7	124.7	118.7	120.1	116.5	122.5	117.1	

January-November 2018: price index of consumer goods and services reached 1.7%, price index of construction and assembly production 2.5%, and sold industrial production 2.1% (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	100.0	100.2	100.4	100.9	101.4	101.6	101.8	102.0	102.1	102.1	
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	101.6	101.5	101.5	101.6	101.6	101.7	101.7	101.7	101.7	101.7	
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	101.6	101.7	101.8	101.9	102.1	102.2	102.3	102.4	102.5	102.6	



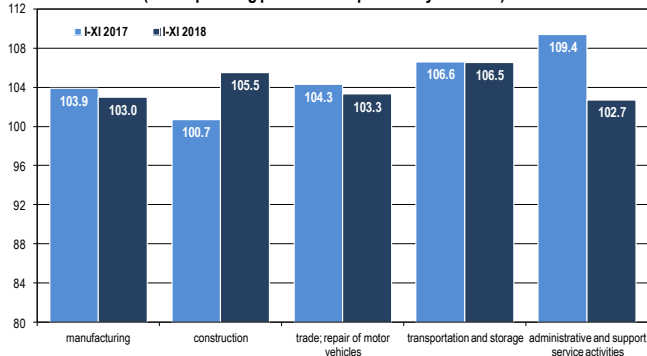
January-November 2018: registered unemployment rate shaped at the level of 5.7%, in enterprise sector employment amounted to 6,220 thousand persons and was higher by 3.6% yoy.

Unemployment rate

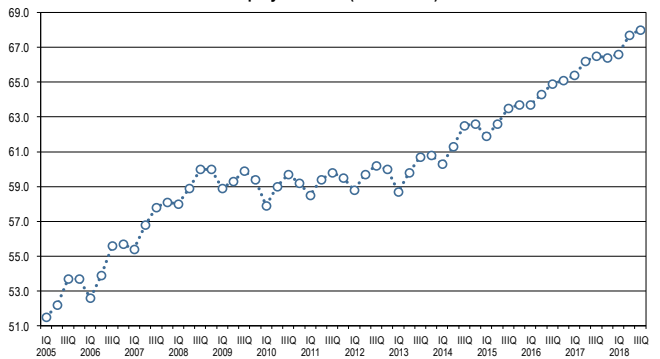
	2013	2014	2015	2016	2017	X 17	XI	XII	I 18	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Registered unemployment	13.4	11.4	9.7	8.2	6.6	6.6	6.5	6.6	6.8	6.8	6.6	6.3	6.1	5.8	5.8	5.8	5.7	5.7	5.7	n.a.
LFS*	9.9	8.2	7.0	5.6	4.5	4.5			4.2			3.7			3.9			n.a.		

* LFS – Labour Force Survey

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

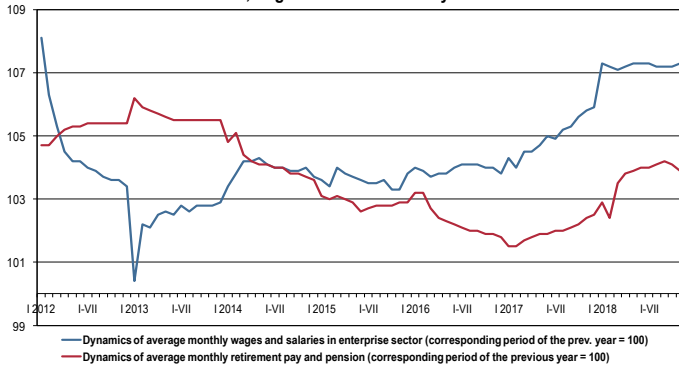


Employment rate (acc. to LFS)

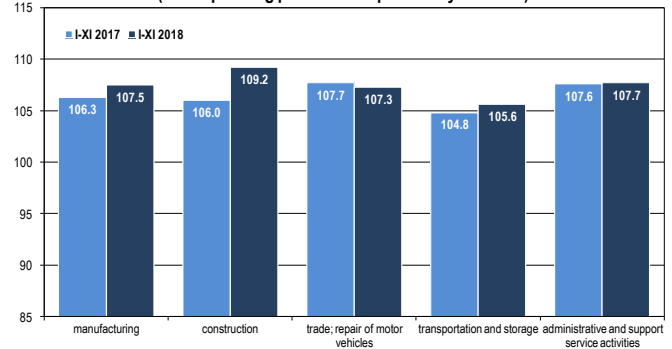


January-November 2018: average wages and salaries in enterprise sector amounted PLN 4,817 and grew by 7.3% in nominal terms yoy (by 5.5% in real terms yoy).

Salaries, wages and social security benefits

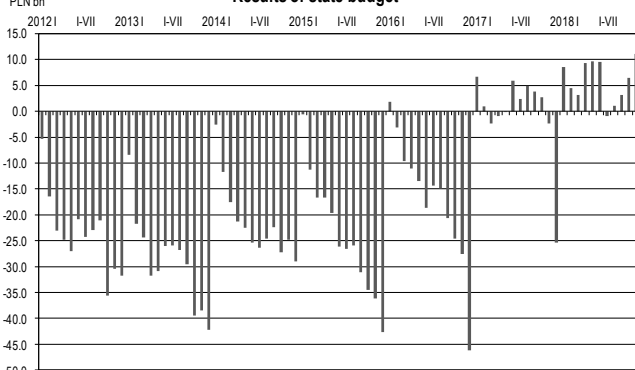


Dynamics of average monthly wages and salaries in enterprise sector (corresponding period of the previous year = 100)

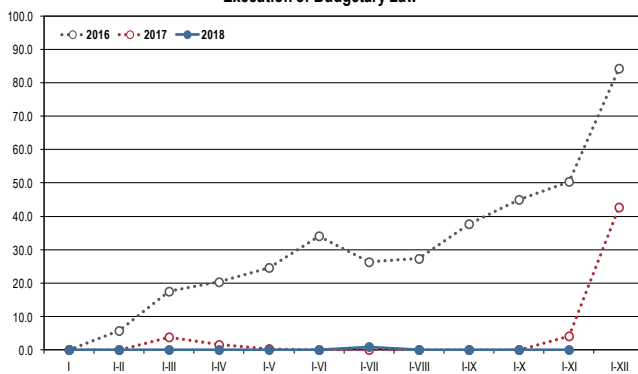


January-November 2018: state budget revenues ensured execution of the Budgetary Law in 96.5%, expenditures in 83.7%, when the surplus amounted to PLN 11.1bn.

Results of state budget



Execution of Budgetary Law



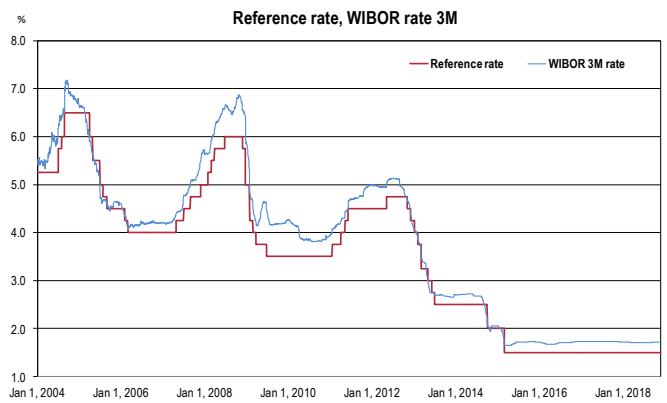
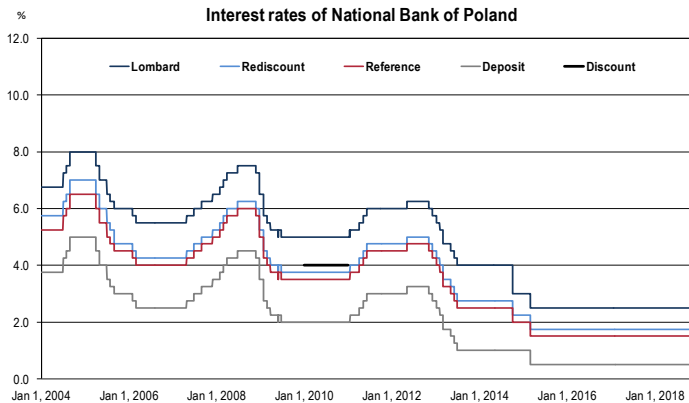
	Plan for 2018 after changes	Execution		
		I-XI 2018	I-XI 2017	
	in PLN bn	in %		
REVENUES	355.7	343.4	96.5	99.3
Indirect taxes	237.9	224.7	94.4	98.1
CIT	32.4	31.8	98.2	91.6
PIT	55.5	53.6	96.6	92.3
EXPENDITURES	397.2	332.3	83.7	84.6
Debt servicing	30.7	28.7	93.6	96.1
Subventions to the Pension Fund	17.6	15.3	87.3	87.5
Subventions to the Social Insurance Fund	43.5	30.9	70.9	80.6
General subventions to local self-government entities	56.4	55.2	97.7	97.9
DEFICIT	-41.5	11.1	-	4.1
Financing for budget of EU funds	-15.5	-7.5	48.6	1.6
DEFICIT FINANCING SOURCES	57.0	-3.5	-	3.7
DOMESTIC	52.8	5.4	10.2	27.5
Treasury bonds	57.9	24.9	43.0	43.0
Refund for the Social Insurance Fund for the payment of contributions pension funds to Open Pension Funds	-3.3	-3.1	93.5	n.a.
Pre-financing actions with EU sources	0.0 ^{a)}	0.0 ^{b)}	12.1	28.9
FOREIGN	4.1	-8.9	-	-

^{a)} PLN -72.5mn; ^{b)} PLN -8.8mn.

January-November 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.

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-November 2018: according to the provisional CSO data trade balance shaped at the level of EUR -3,073mn towards EUR 1,874mn in the same period of the previous year, exports increased by 7.1% and imports by 9.7% (yoy).

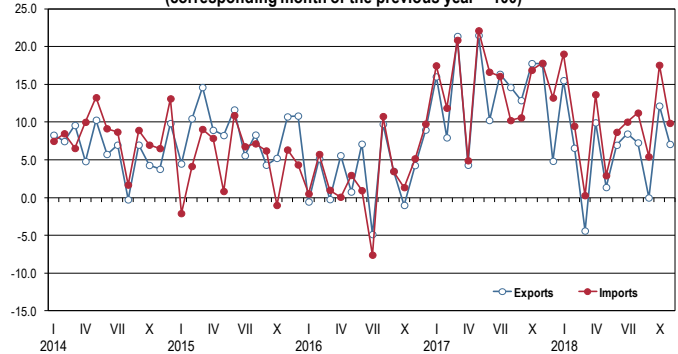
Foreign trade in EUR mn (CSO data)

	2016	2017	I-XI 2017	I-XI 2018
Balance	3,918	563	1,874	-3,073
Exports	184,843	206,647	190,844	204,314
Imports	180,925	206,084	188,970	207,387

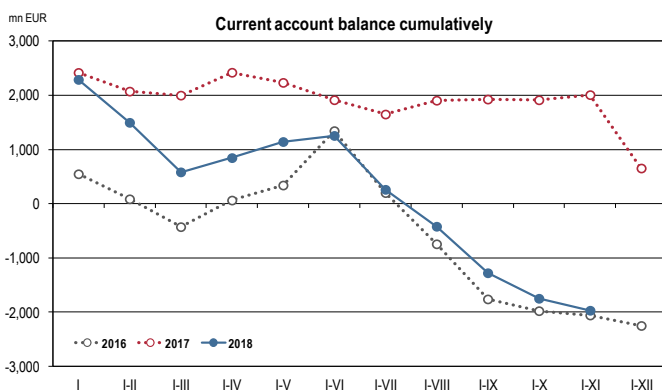
Foreign trade in EUR mn (NBP data)

	2016	2017	I-XI 2017	I-XI 2018
Balance	2,936	1,403	2,599	-3,499
Exports	177,498	201,898	186,257	197,874
Imports	174,562	200,495	183,658	201,373

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



January-November 2018: current account deficit amounted to EUR 1,970mn, towards the surplus of EUR 2,008mn at the end of November 2017.

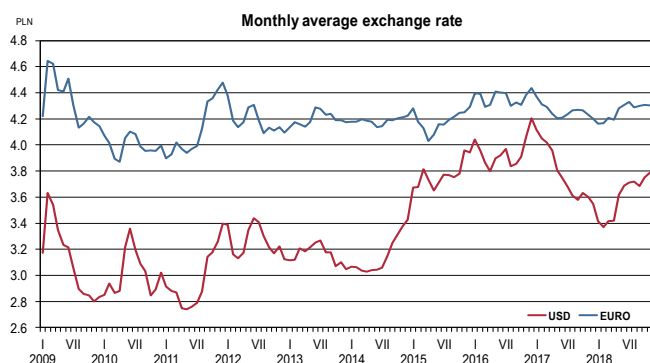


Current account balance (in EUR mn)

	2016	I-XI 2017	2017	I-XI 2018
	-2,251	2,008	654	-1,970

	2017	I-XI 2017	I-XI 2018
in EUR mn			
Direct investment - assets	3,701	2,888	599
Direct investment - liabilities	9,258	8,691	11,019
Portfolio investment - assets	1,134	1,263	374
Portfolio investment - liabilities	5,471	5,070	-3,019
Other investment - assets	5,648	4,986	7,639
Other investment - liabilities	-11,231	-10,307	-126
Official reserve assets	-7,134	-6,231	3,647

January-November 2018: zloty strengthened against both the US dollar and euro. The USD/PLN exchange rate decreased by 5.3%, and the EUR/PLN was lower by 0.1% (yoy).



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

		XI 2017	VI 2018	VII	VIII	IX	X	XI
1 USD	end of month	3.5543	3.7440	3.6481	3.6808	3.6754	3.8203	3.7731
	monthly average	3.6031	3.6876	3.7095	3.7175	3.6837	3.7495	3.7866
1 EUR	end of month	4.2055	4.3616	4.2779	4.2953	4.2714	4.3313	4.2904
	monthly average	4.2293	4.3054	4.3301	4.2873	4.2992	4.3060	4.3029