



MAIN MACROECONOMIC INDICATORS

POLAND
OCTOBER 2019

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

POLAND'S MACROECONOMIC PERFORMANCE IN 2018-2019

Indicator	Unit	2018	X 2018	X 2019	I-X 2019	2019 ⁵
National Accounts¹						
GDP	dynamics	105.1 ³			104.4 ⁴	104.0
Consumption	dynamics	104.1 ³			104.1 ⁴	104.3
Individual consumption	dynamics	104.3 ³			104.1 ⁴	104.0
Gross capital formation	dynamics	110.1 ³			103.0 ⁴	103.9
Gross fixed capital formation	dynamics	108.9 ³			108.2 ⁴	105.7
Prices						
Price index of consumer goods and services (CPI)	dynamics	101.6	101.8	102.5	102.2	101.8
Price index of sold production of industry (PPI)	dynamics	102.1	103.2	99.9	101.4	
Production²						
Sold production of industry	dynamics	105.8	107.4	103.5	104.3	105.0 ⁶
Construction and assembly production	dynamics	113.7	122.5	96.0	103.6	106.5 ⁶
Wages and salaries						
Average wages and salaries in the national economy, of which:	PLN	4,585				
- enterprise sector	PLN	4,852	4,921	5,213	5,117	
Labour market						
Average employment in enterprise sector	thous.pers.	6,230	6,227	6,383	6,389	
Unemployment rate (as of the end of the period)	%	5.8	5.7	5.0	5.0	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	X 2018	X 2019	I-X 2019	2019
Foreign trade acc. to SP						
Trade balance	mn EUR	-4,576			691 ^{1,2}	-800 ³
- exports of goods	mn EUR	223,596			175,218 ^{1,2}	237,000 ³
- imports of goods	mn EUR	228,172			174,527 ^{1,2}	236,200 ³

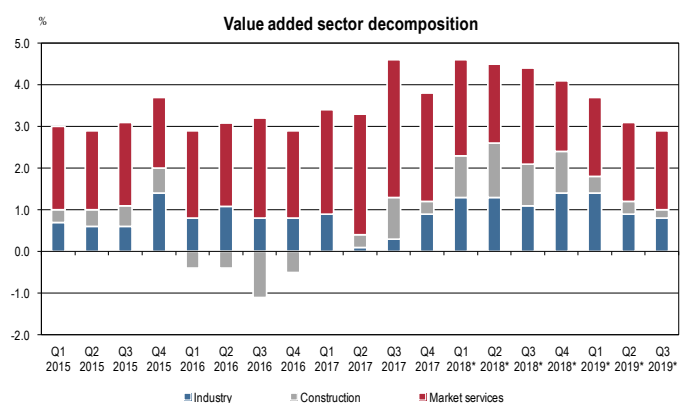
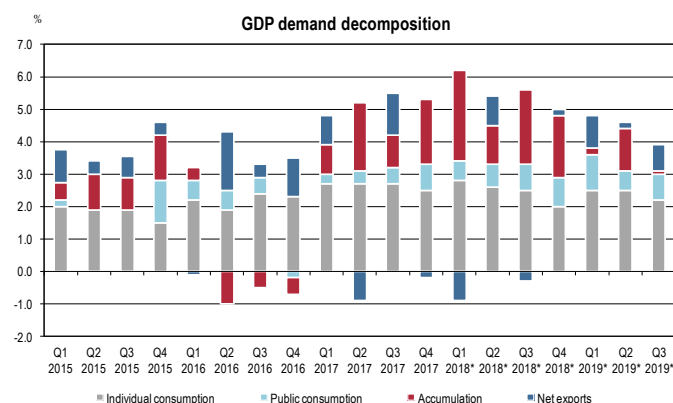
1 – SP provisional data; 2 – data for January-September; 3 – EAD MoD forecast.

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
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*	

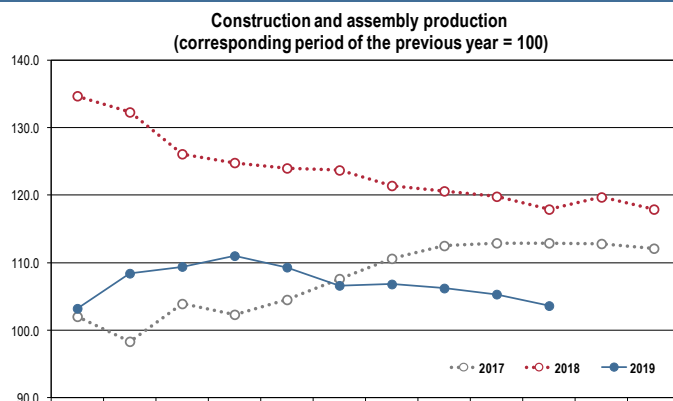
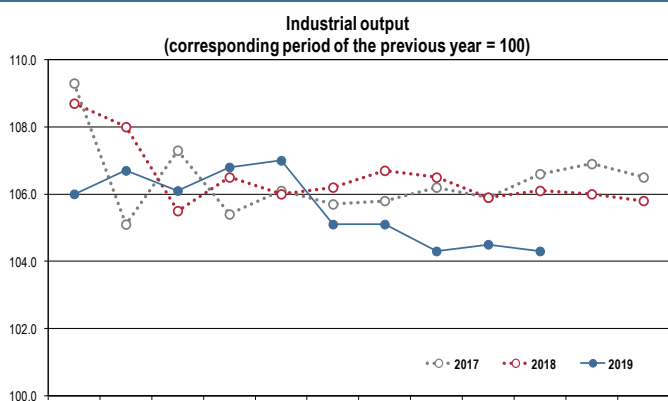
*- SP preliminary data.



In January-October 2019 (yoy):

- A growth in **sold industrial production** amounted to 4.3 %. In the manufacturing section, production grew by 4.7%.
- **Construction and assembly production** grew by 3.6%.
- **Consumer Price Index** was higher by 2.2%.
- **The number of registered unemployed** amounted to 840.5 thousand (down by 10.3%).
- **Registered unemployment rate** amounted to 5.0%.
- **Average monthly wages and salaries in enterprises sector** amounted to PLN 5,117 and was higher by 6.6% (in nominal terms).
- **Average monthly retirement pay and pension from non-agricultural social security system** increased by 4.7%, and individual farmers by 5.2% (in nominal terms).
- **The execution of revenues** accounted for 85.9% and **expenditures** 80.7% of the amount planned in the Budgetary Law, **deficit** amounted to PLN 3.2bn.
- **The Monetary Policy Council did not change the interest rates.**
- **The Polish currency weakened against the US dollar and euro.**
- At the end of September 2019 the surplus on the **current account balance** amounted to EUR 1,259mn comparing to the deficit of EUR 3,174mn at the end of September 2018.

January-October 2019: sold production of industry grew by 4.3% and construction and assembly production by 3.6% (yoy).



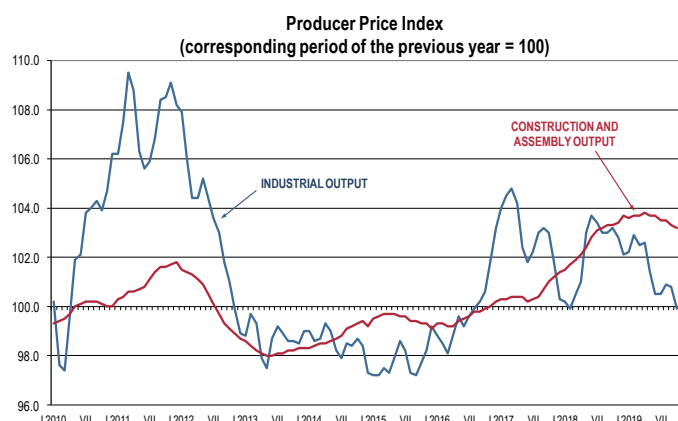
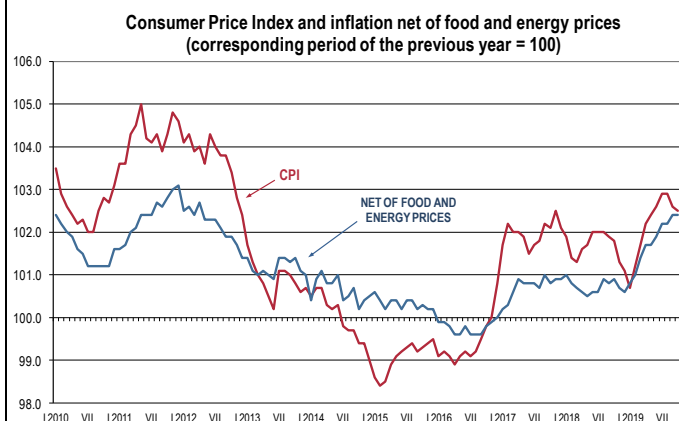
Indices of sold production of industry and construction and assembly production

		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	103.5		
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	102.6	107.6	96.0		

January-October 2019: price index of consumer goods and services reached 2.2%, price index of sold industrial production 1.4%, and construction and assembly production 3.6% (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		
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		
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		



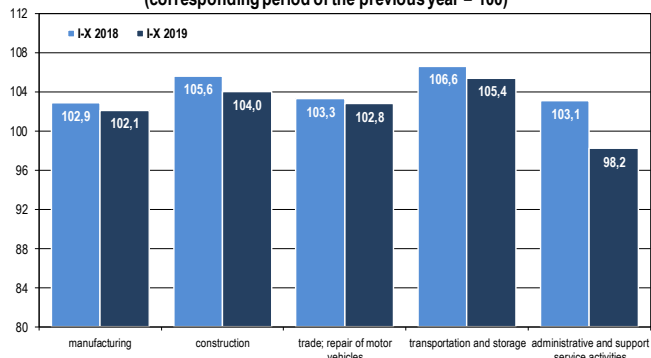
January-October 2019: registered unemployment rate shaped at the level of 5.0%, in enterprise sector employment amounted to 6,389 thousand persons and was higher by 2.8% yoy.

Unemployment rate

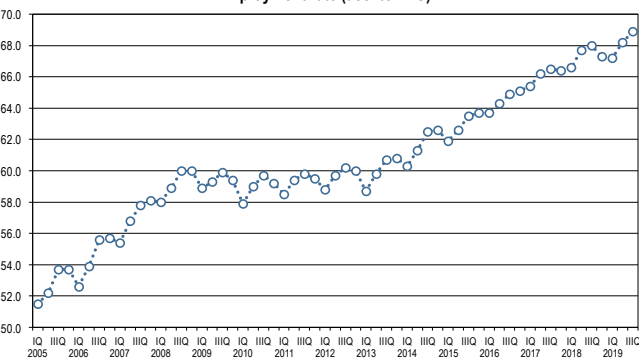
	2014	2015	2016	2017	2018	X	XI	XII	I 19	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Registered unemployment	11.5	9.7	8.2	6.6	5.8	5.7	5.7	5.8	6.1	6.1	5.9	5.6	5.4	5.3	5.2	5.2	5.1	5.0	n.a.	n.a.
LFS*	8.2	7.0	5.6	4.5	3.9	3.9			4.0			3.3			3.2			n.a.		

* LFS – Labour Force Survey

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

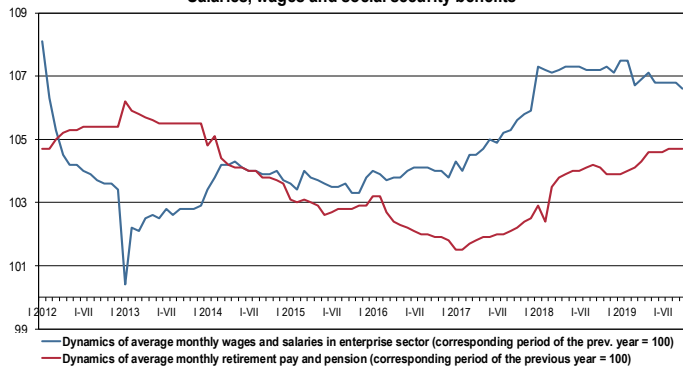


Employment rate (acc. to LFS)

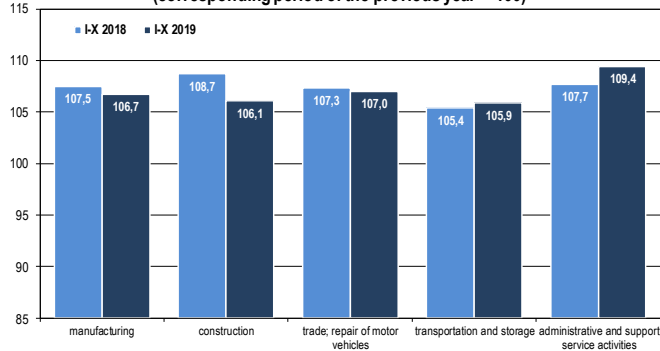


January-October 2019: average wages and salaries in enterprise sector amounted PLN 5,117 and grew by 6.6% in nominal terms yoy (by 4.4% in real terms yoy).

Salaries, wages and social security benefits

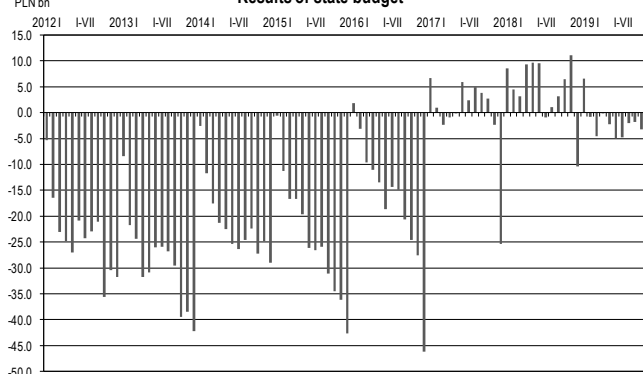


Dynamics of average monthly wages and salaries in enterprise sector (corresponding period of the previous year = 100)

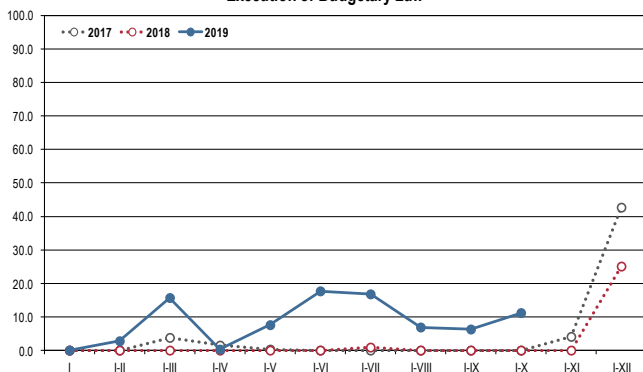


January-October : state budget revenues ensured execution of the Budgetary Law in 85.9%, expenditures in 80.7%, when the deficit amounted to PLN 3.2bn.

Results of state budget



Execution of Budgetary Law



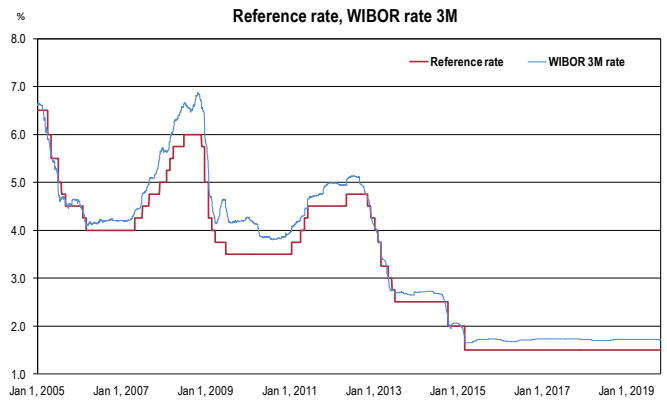
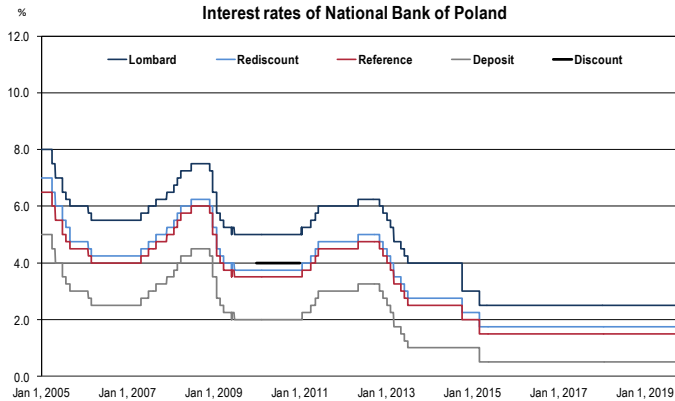
	Plan for 2019 after changes	Execution	
		I-X 2019	I-X 2018
	in PLN bn	in %	
REVENUES	387.7	332.9	85.9
Indirect taxes	254.7	211.4	83.0
CIT	34.8	34.0	97.8
PIT	64.3	54.0	83.9
EXPENDITURES	416.2	336.1	80.7
Debt servicing	28.1	25.0	88.9
Subventions to the Pension Fund	17.4	15.6	89.7
Subventions to the Social Insurance Fund	48.4	39.9	82.4
General subventions to local self-government entities	61.8	55.2	89.4
DEFICIT	-28.5	-3.2	11.2
Financing for budget of EU funds	-15.6	2.2	-
DEFICIT FINANCING SOURCES	44.1	2.4	5.5
DOMESTIC	56.3	6.3	-
Treasury bonds	57.1	19.8	34.7
Pre-financing actions with EU sources	0.1	0.0 ^{a)}	30.6
FOREIGN	-12.2	-3.9	31.6

^{a)} PLN 41.2mn.

January-October 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-September 2019: according to the provisional SP data trade balance shaped at the level of EUR 691mn towards EUR -2,898mn in the same period of the previous year, exports increased by 6.0%, while imports grew by 3.8% (yoy).

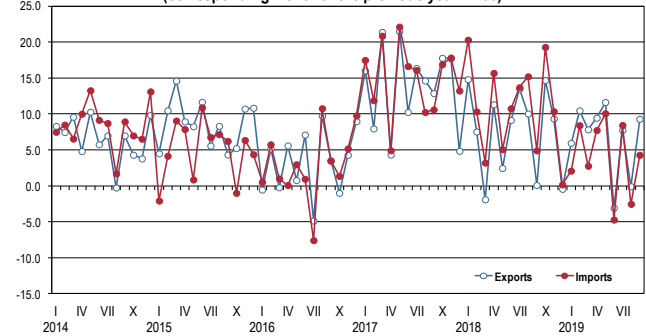
Foreign trade in EUR mn (SP data)

	2017	2018	I-IX 2018	I-IX 2019
Balance	563	-4,576	-2,898	691
Exports	206,647	223,596	165,307	175,218
Imports	206,084	228,172	168,205	174,527

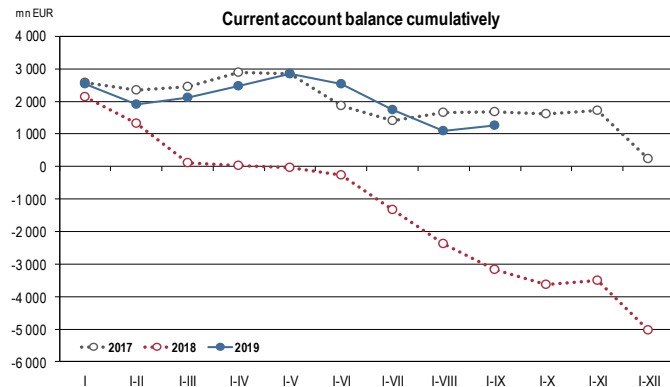
Foreign trade in EUR mn (NBP data)

	2017	2018	I-IX 2018	I-IX 2019
Balance	1,403	-4,780	-3,168	773
Exports	201,898	216,862	159,884	170,272
Imports	200,495	221,642	163,052	169,499

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



January-September 2019: current account surplus amounted to EUR 1,259mn, towards the deficit of EUR 3,174mn at the end of September 2018.

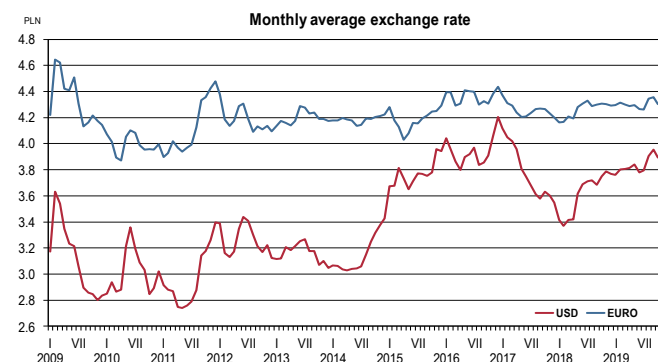


Current account balance (in EUR mn)

	2017	I-IX 2018	2018	I-IX 2019
	238	-3,174	-5,036	1,259

	2018	I-IX 2018	I-IX 2019
in EUR mn			
Direct investment - assets	1,544	887	1,363
Direct investment - liabilities	13,969	13,304	9,322
Portfolio investment - assets	399	951	-230
Portfolio investment - liabilities	-3,296	-2,898	-7,833
Other investment - assets	5,191	4,840	2,635
Other investment - liabilities	-210	-407	-627
Official reserve assets	6,176	2,197	4,232

January-October 2019: zloty weakened against the US dollar and euro. The USD/PLN exchange rate increased by 7.1%, and the EUR/PLN was higher by 1.1% (yoy).



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

		X 2018	V 2019	VI	VII	VIII	IX	X
1 USD	end of month	3.8203	3.8498	3.7336	3.8504	3.9717	4.0000	3.8388
	monthly average	3.7495	3.8393	3.7811	3.7959	3.9067	3.9535	3.8935
1 EUR	end of month	4.3313	4.2916	4.2520	4.2911	4.3844	4.3736	4.2655
	monthly average	4.3060	4.2965	4.2660	4.2598	4.3437	4.3547	4.3025