



MAIN MACROECONOMIC INDICATORS

POLAND

AUGUST 2020

Area: 312.679 km²
Population: 38.4 mn
Capital city: Warsaw
Currency: zloty

POLAND'S MACROECONOMIC PERFORMANCE IN 2019 – 2020

Indicator	Unit	2019	VIII 2019	VIII 2020	I-VIII 2020	2020 ⁴
National Accounts						
GDP	dynamics	104.5 ²			96.8 ³	95.4
Consumption	dynamics	104.4 ²			97.3 ³	97.4
Individual consumption	dynamics	104.0 ²			95.2 ³	95.8
Gross capital formation	dynamics	100.1 ²			89.6 ³	86.7
Gross fixed capital formation	dynamics	107.2 ²			94.2 ³	89.4
Prices						
Price index of consumer goods and services (CPI)	dynamics	102.3	102.9	102.9	103.6	103.3
Price index of sold production of industry (PPI)	dynamics	101.2	100.9	99.8	99.4	99.5
Production¹						
Sold production of industry	dynamics	104.0	98.5	101.5	95.5	
Construction and assembly production	dynamics	102.6	102.6	87.9	98.3	
Wages and salaries						
Average wages and salaries in the national economy, of which:	PLN	4,918				5,088
- enterprise sector	PLN	5,169	5,125	5,338	5,325	5,323
Labour market						
Average employment in enterprise sector	thous.pers.	6,395	6,390	6,295	6,331	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); 1 – data concerns entities employing more than 9 persons; 2 – SP provisional data; 3 – data for January-July; 4 – forecast based on the amended project of the Budgetary Law for the year 2020.

Indicator	Unit	2019	VIII 2019	VIII 2020 ¹	I-VIII 2020 ¹	2020
Foreign trade acc. to SP						
Trade balance	mn EUR	1,171	-257	852	6,256	
- exports of goods	mn EUR	238,147	18,436	17,624	147,667	
- imports of goods	mn EUR	236,976	19,933	16,772	141,411	

1 – SP provisional data.

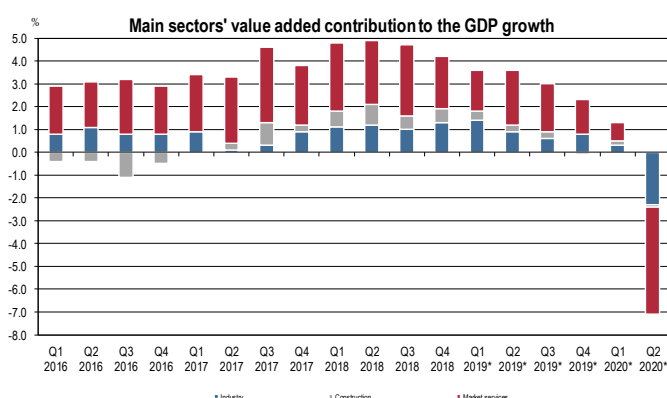
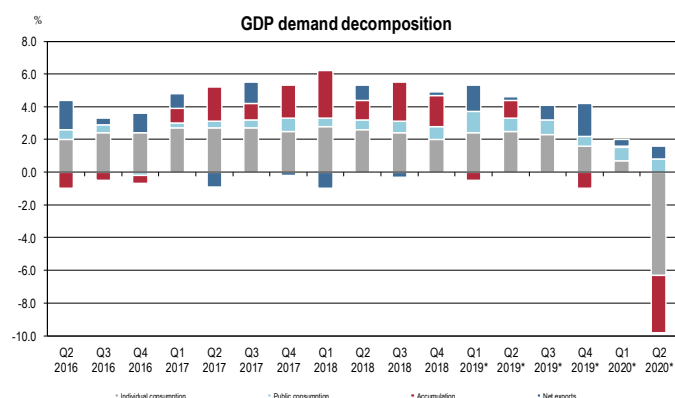
According to SP estimates, in the 1st half of 2020 GDP decreased by 3.2%. This was due to a sharp decline in domestic demand.

GDP growth in 2016-2020¹

	2016				2017				2018				2019				2020			
YoY	3.1				4.8				5.4				4.5				-			
	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*		

1 – annual data for 2017-2019 revised, quarterly data will be revised.

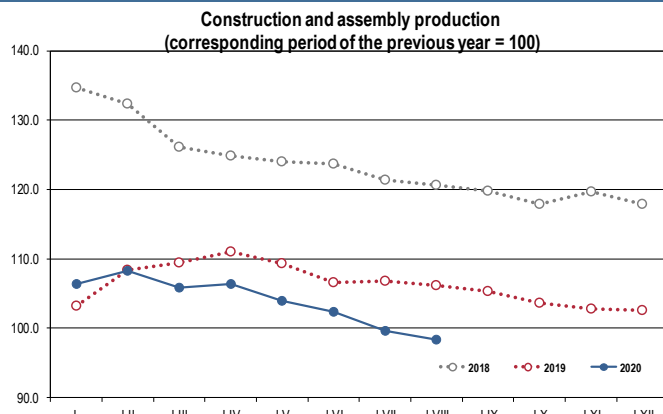
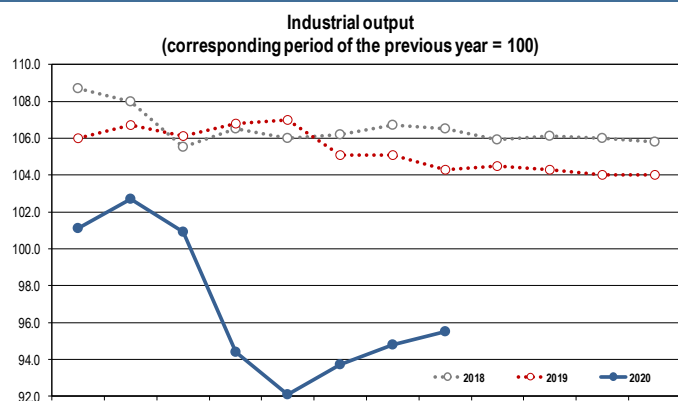
* – SP preliminary data.



In January-August 2020 (yoy):

- A decrease in **sold industrial production** amounted to 4.5%. In the manufacturing section, production declined by 4.8%.
- **Construction and assembly production** drop by 1.7%.
- **Consumer Price Index** was higher by 3.6%.
- **The number of registered unemployed** in August amounted to 1,028.0 thousand (drop by 0.2%).
- **Registered unemployment rate** in August amounted to 6.1%.
- **Average monthly wages and salaries in enterprises sector** amounted to PLN 5,325 (was higher by 4.3% in nominal terms).
- **Average monthly retirement pay and pension from non-agricultural social security system** increased by 5.4%, and individual farmers by 6.5% (in nominal terms).
- **The execution of revenues** accounted for 61.8% and **expenditures** 64.8% of the amount planned in the Budgetary Law, **deficit** amounted to PLN 13.3 bn.
- **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 August 2020, the surplus on the **current account balance** amounted to EUR 13,231 mn comparing to the surplus of EUR 386 mn at the end of August 2019.

January-August 2020: sold production of industry declined by 4.5% and construction and assembly production drop by 1.7% (yoy).



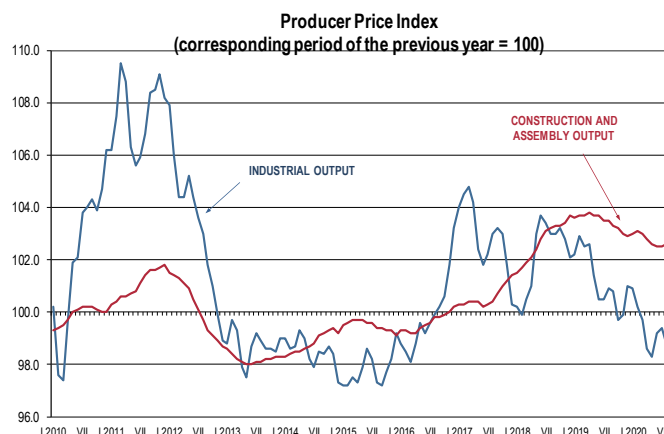
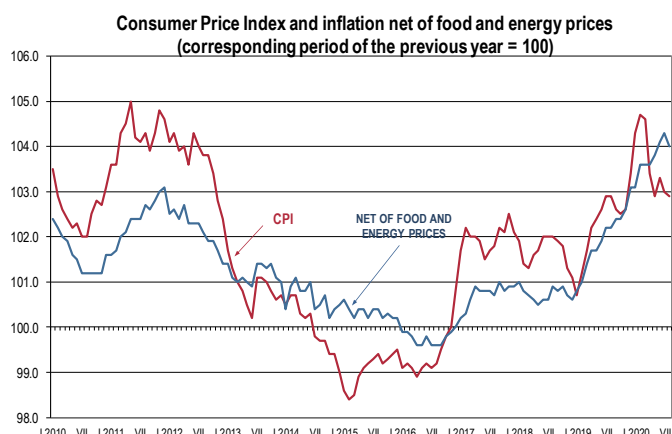
Indices of sold production of industry and construction and assembly production

		I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Sold production of industry	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	101.5				
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	89.0	87.9				

January-August 2020: price index of consumer goods and services reached 3.6%, price index of sold industrial production decreased by 0.6%, 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	99.4				
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	103.6				
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	102.8				



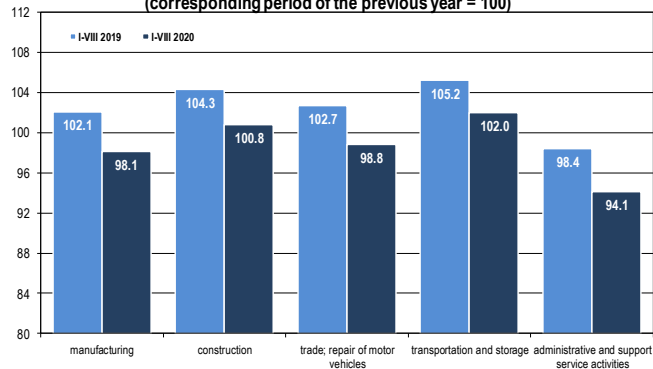
January-August 2020: registered unemployment rate shaped at the level of 6.1%, in enterprise sector employment amounted to 6,331 thousand persons and was higher by 0.9% yoy.

Unemployment rate

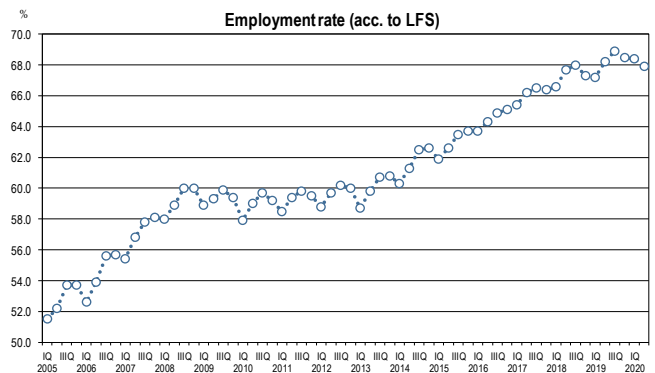
	2015	2016	2017	2018	2019	VII	VIII	IX	X	XI	XII	I 20	II	III	IV	V	VI	VII	VIII	IX
Registered unemployment	9.7	8.2	6.6	5.8	5.2	5.2	5.2	5.1	5.0	5.1	5.2	5.5	5.5	5.4	5.8	6.0	6.1	6.1	6.1	n.a.
LFS*	7.0	5.6	4.5	3.9	3.3	3.2			2.9			3.2			3.2			n.a.		

* LFS – Labour Force Survey

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

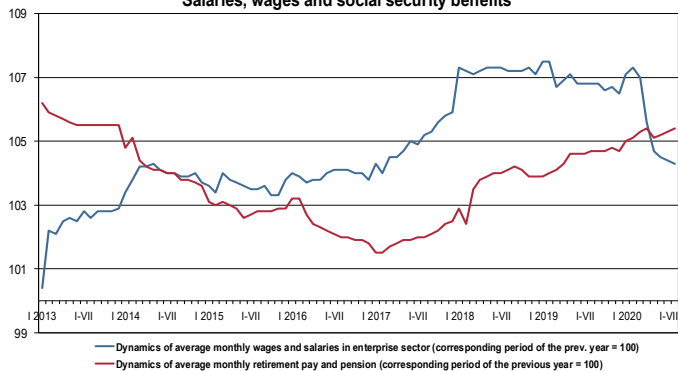


Employment rate (acc. to LFS)

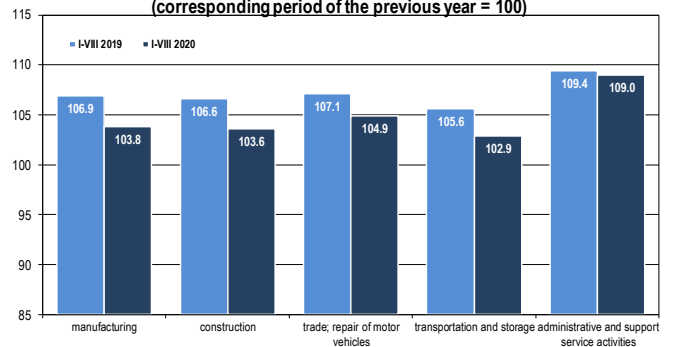


January-August 2020: average wages and salaries in enterprise sector amounted PLN 5,325 and grew by 4.3% in nominal terms yoy (by 0.8% in real terms yoy).

Salaries, wages and social security benefits

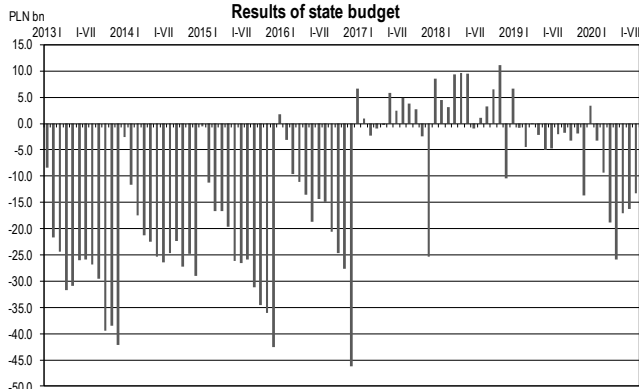


Dynamics of average monthly wages and salaries in enterprise sector (corresponding period of the previous year = 100)

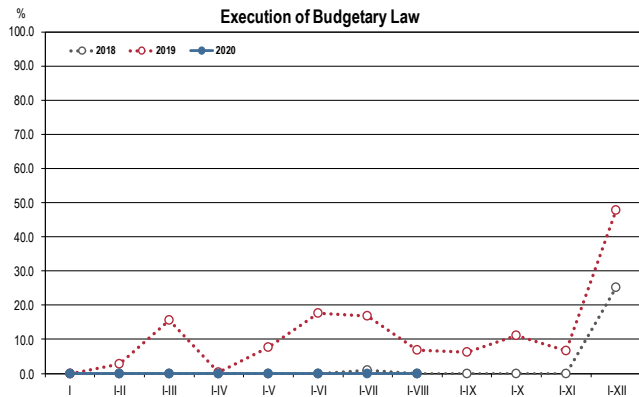


January-August 2020: state budget revenues ensured execution of the Budgetary Law in 61.8%, expenditures in 64.8%, when the deficit amounted to PLN 13.3 bn.

Results of state budget



Execution of Budgetary Law



	2020 Budgetary Law	Execution		
		I-VIII 2020	I-VIII 2019	
	in PLN bn	in %		
REVENUES	435.3	268.9	61.8	67.8
Indirect taxes	274.2	161.6	58.9	65.6
CIT	42.0	27.8	66.3	79.4
PIT	66.6	39.6	59.4	65.6
EXPENDITURES	435.3	282.2	64.8	63.6
Debt servicing	27.6	18.8	68.1	68.9
Subventions to the Pension Fund	17.6	12.0	68.3	72.0
Subventions to the Social Insurance Fund	33.5	24.7	73.8	63.7
General subventions to local self-government entities	66.7	49.3	73.9	73.3
DEFICIT	0.0	-13.3	-	6.9
Financing for budget of EU funds	-17.0	0.0 ²	-	-
DEFICIT FINANCING SOURCES ¹	17.0	13.3	78.4	2.8
DOMESTIC	41.5	22.6	54.4	-
Treasury bonds	46.2	82.2	177.8	42.7
Pre-financing actions with EU sources	0.1	0.1	69.5	22.7
FOREIGN	-24.6	-9.3	37.7	-

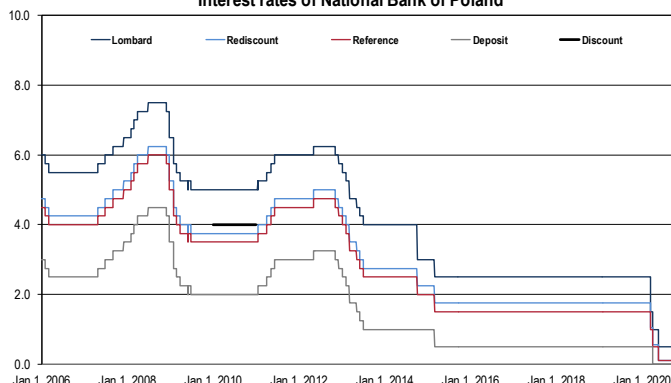
¹ including financing of both budget of Poland and budget of EU funds; ² PLN 13.9 mn.

January-August 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.

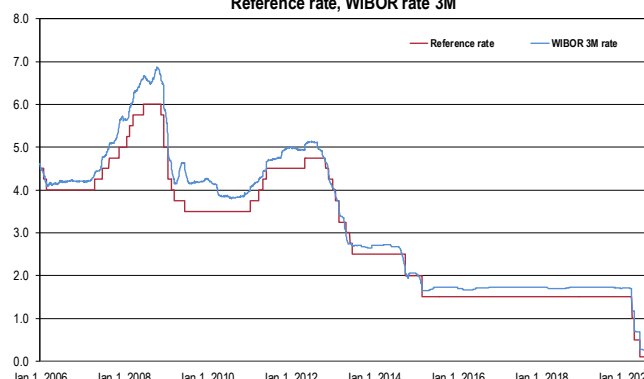
Interest rates of the National Bank of Poland

	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

Interest rates of National Bank of Poland



Reference rate, WIBOR rate 3M



January-August 2020: according to the provisional SP data trade balance shaped at the level of EUR 6,256 mn towards EUR -106 mn in the same period of the previous year, exports decreased by 5.6%, while imports by 9.6% (yoy).

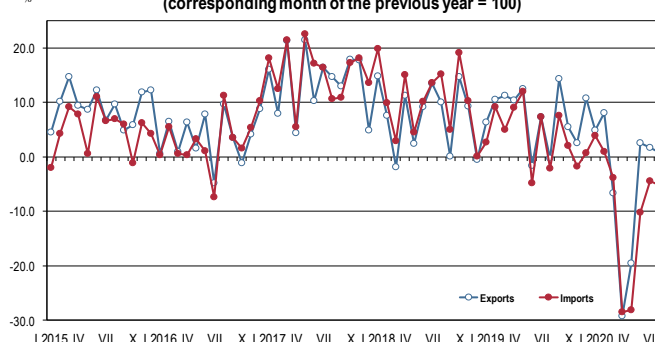
Foreign trade in EUR mn (SP data)

	2018	2019	I-VIII 2019	I-VIII 2020
Balance	-4,576	1,171	-106	6,256
Exports	223,596	238,147	156,359	147,667
Imports	228,172	236,976	156,465	141,411

Foreign trade in EUR mn (NBP data)

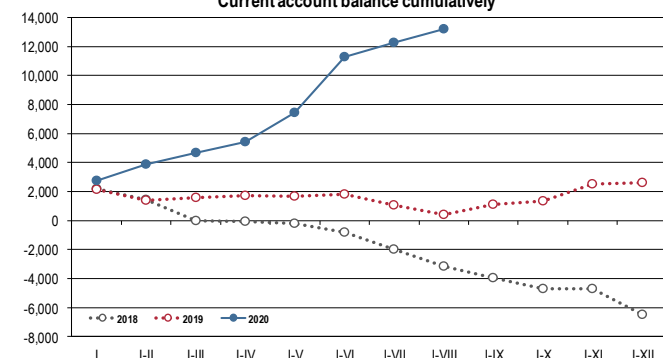
	2018	2019	I-VIII 2019	I-VIII 2020
Balance	-6,218	1,197	-499	6,583
Exports	217,047	232,908	152,350	144,713
Imports	223,265	231,711	152,849	138,130

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



January-August 2020: current account surplus amounted to EUR 13,231 mn, towards the surplus of EUR 386 mn at the end of August 2019.

Current account balance cumulatively



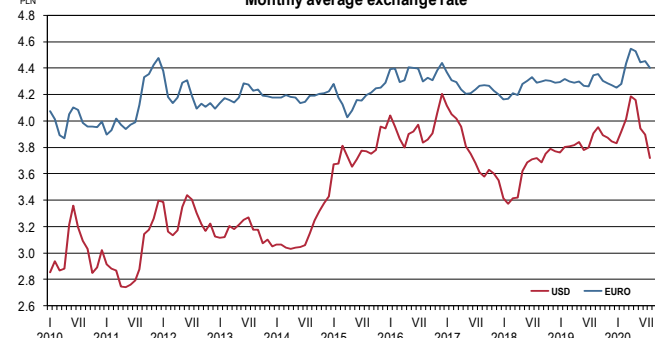
Current account balance (in EUR mn)

	2018	I-VIII 2019	2019	I-VIII 2020
	-6,494	386	2,596	13,231

	2019	I-VIII 2019	I-VIII 2020
in EUR mn			
Direct investment - assets	4,255	2,007	-135
Direct investment - liabilities	12,789	10,724	5,857
Portfolio investment - assets	-278	132	2,411
Portfolio investment - liabilities	-11,256	-7,547	-8,893
Other investment - assets	799	1,870	3,209
Other investment - liabilities	3,584	-3,880	-4,796
Official reserve assets	9,179	-124	4,568

January-August 2020: zloty weakened against the US dollar and euro. The USD/PLN exchange rate increased by 3.8%, and the EUR/PLN was higher by 2.9% (yoy).

Monthly average exchange rate



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

		VIII 2019	III 2020	IV	V	VI	VII	VIII
1 USD	end of month	3.9717	4.1466	4.1729	4.0031	3.9806	3.7166	3.6924
	monthly average	3.9067	4.0126	4.1856	4.1569	3.9453	3.8943	3.7190
1 EUR	end of month	4.3844	4.5523	4.5424	4.4503	4.4660	4.4072	4.3969
	monthly average	4.3437	4.4356	4.5450	4.5291	4.4450	4.4528	4.4021