

MAIN MACROECONOMIC INDICATORS

POLAND

MARCH 2018

MINISTRY OF ENTREPRENEURSHIP AND TECHNOLOGY



INNOVATION DEPARTMENT

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



Poland's macroeconomic performance in 2017 – 2018

Indicator	Unit	2017	III 2017	III 2018	I-III 2018	2018 ⁴
National Accounts¹						
GDP	dynamics	104.6 ³				103.8
Consumption	dynamics	104.4 ³				103.0
Individual consumption	dynamics	104.8 ³				103.5
Gross capital formation	dynamics	106.2 ³				107.3
Gross fixed capital formation	dynamics	103.4 ³				107.6
Prices						
Price index of consumer goods and services (CPI)	dynamics	102.0	102.0	101.3	101.5	102.3
Price index of sold production of industry (PPI)	dynamics	102.9	104.8	100.3	100.1	
Production²						
Sold production of industry	dynamics	106.6 ^A	111.0	101.8	105.6	106.5 ⁵
Construction and assembly production	dynamics	112.1 ^A	117.1	116.2	126.1	110.0 ⁵
Wages and salaries						
Average wages and salaries in the national economy, of which:	PLN	4,272 ^A				
- enterprise sector	PLN	4,530 ^A	4,578	4,887	4,700	
Labour market						
Average employment in enterprise sector	thous.pers.	6,017	5,982	6,205	6,191	
Unemployment rate (as of the end of the period)	%	6.6	8.0	6.6	6.6	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 - ID MoET forecast.

Indicator	Unit	2017 ¹	III 2017	III 2018	I-III 2018 ¹	2018 ²
Foreign trade acc. to CSO						
Trade balance	mn EUR	438			-941	-2,500
- exports of goods	mn EUR	203,689			52,452	218,000
- imports of goods	mn EUR	203,251			53,393	220,500

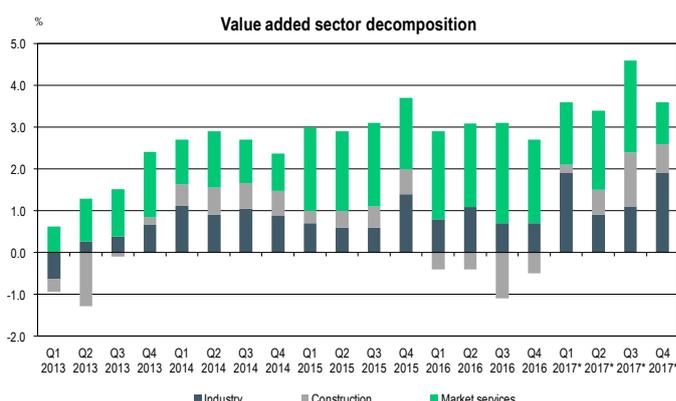
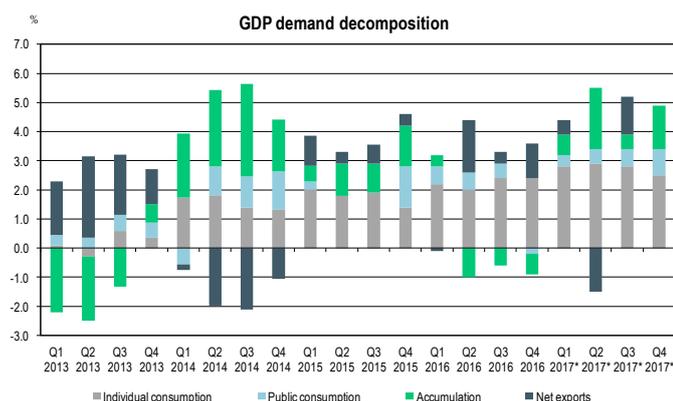
1 - CSO provisional data; 2 - ID MoET forecast.

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				3.0				4.6*			
	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	3.1	3.4	2.7	2.7	4.4*	4.0*	5.2*	4.9*

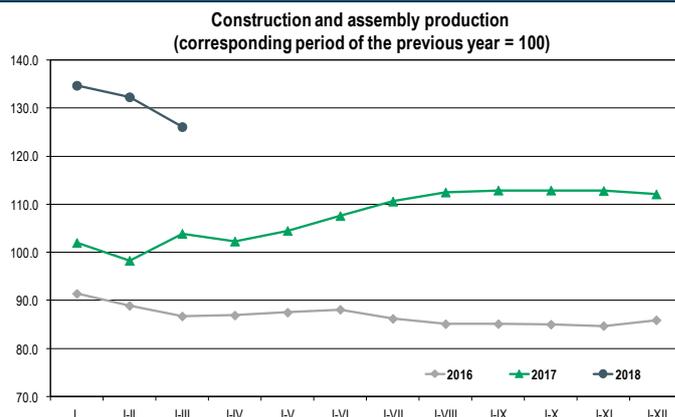
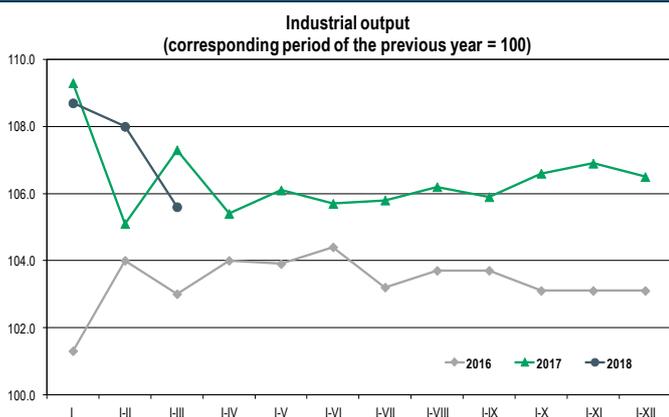
*- CSO preliminary data.



In January-March 2018 (yoy):

- A growth in **sold industrial production** amounted to 5.6%. In the manufacturing section, production grew by 5.5%.
- **Construction and assembly production** grew by 26.1%.
- **Consumer Price Index** was higher by 1.5%.
- **The number of registered unemployed** amounted to 1,092.2 thousand (down by 17.5%).
- **Registered unemployment rate** amounted to 6.6%.
- **Average monthly wages and salaries in enterprises sector** amounted to PLN 4,700 and was higher by 7.1% (in nominal terms).
- **Average monthly retirement pay and pension from non-agricultural social security system** increased by 3.5%, and individual farmers by 2.2% (in nominal terms).
- **The execution of revenues** accounted for 24.9% and **expenditures** 21.5% of the amount planned in the Budgetary Law, **surplus** amounted to PLN 3.1bn.
- **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 March 2018 the surplus on the **current account balance** amounted to EUR 118mn comparing to the surplus of EUR 2,015mn at the end of March 2017.

January-March 2018: sold production of industry grew by 5.6% and construction and assembly production by 26.1% (yoy).



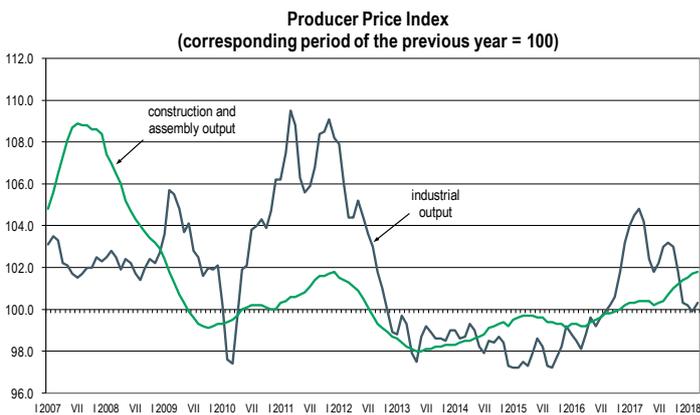
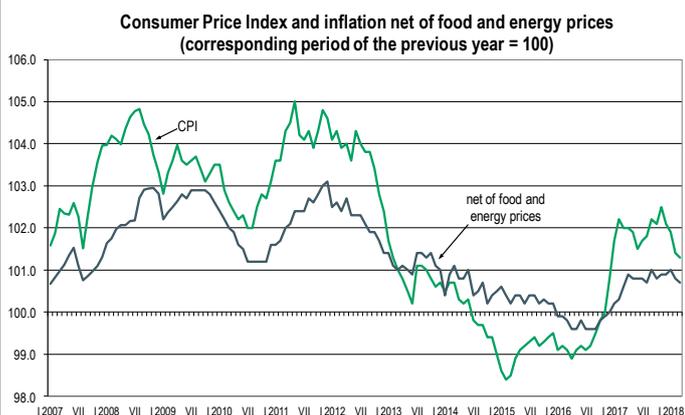
Indices of sold production of industry and construction and assembly production

		I	I-II	I-III	I-IV	I-V	I-VI	I-VII	I-VIII	I-IX	I-X	I-XI	I-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	101.8									
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	116.2									

January-March 2018: price index of consumer goods and services reached 1.5%, price index of construction and assembly production 1.7%, and sold industrial production 0.1% (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	100.1									
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									
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									



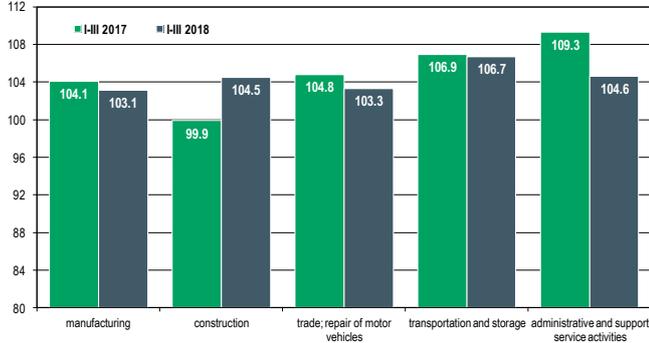
January-March 2018: registered unemployment rate shaped at the level of 6.6%, in enterprise sector employment amounted to 6,191 thousand persons and was higher by 3.7% yoy.

Unemployment rate

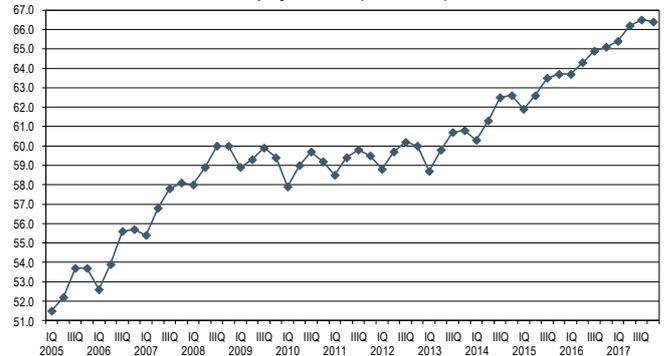
	2013	2014	2015	2016	2017	I 17	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	I 18	II	III
Registered unemployment	13.4	11.4	9.7	8.2	6.6	8.5	8.4	8.0	7.6	7.3	7.0	7.0	7.0	6.8	6.6	6.5	6.6	6.9	6.8	6.6
LFS*	9.8	8.1	6.9	5.5	4.5	5.4			5.0			4.7			4.5			n.a.		

* LFS – Labour Force Survey

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

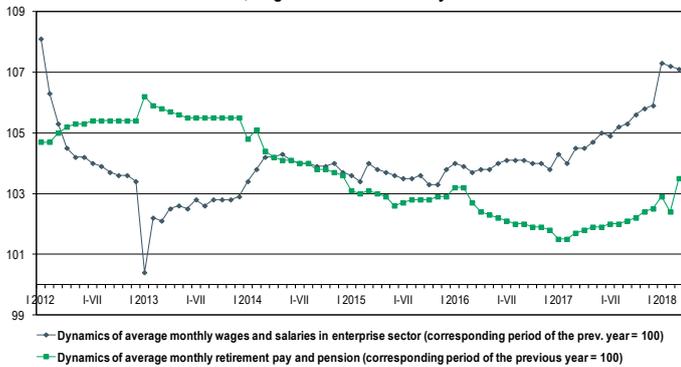


Employment rate (acc. to LFS)

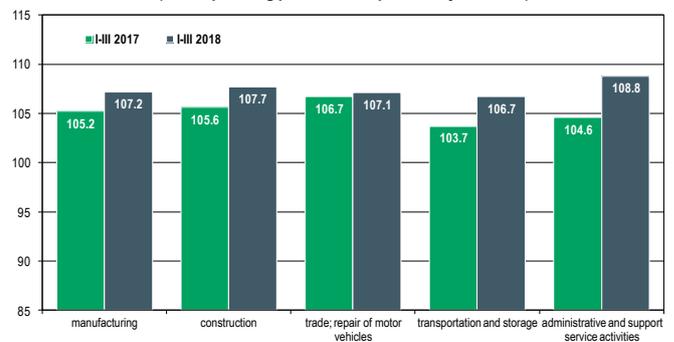


January-March 2018: average wages and salaries in enterprise sector amounted at PLN 4,700 and grew by 7.1% in nominal terms yoy (by 5.6% in real terms yoy).

Salaries, wages and social security benefits

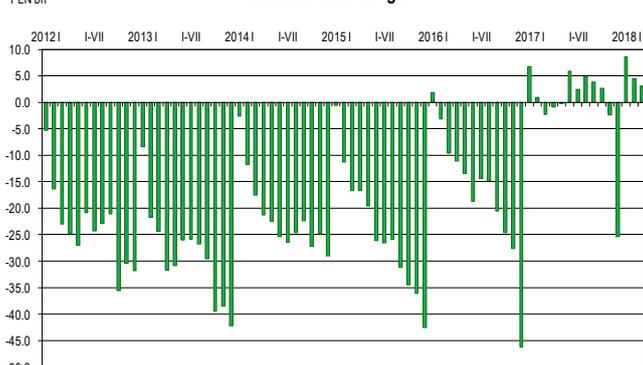


Dynamics of average monthly wages and salaries in enterprise sector (corresponding period of the previous year = 100)

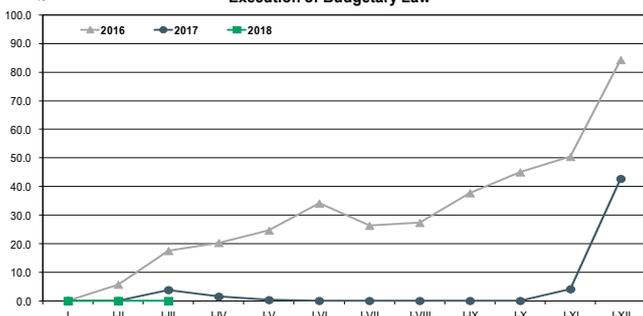


January-March 2018: state budget revenues ensured execution of the Budgetary Law in 24.9%, expenditures in 21.5%, the surplus amounted to PLN 3.1bn.

Results of state budget



Execution of Budgetary Law



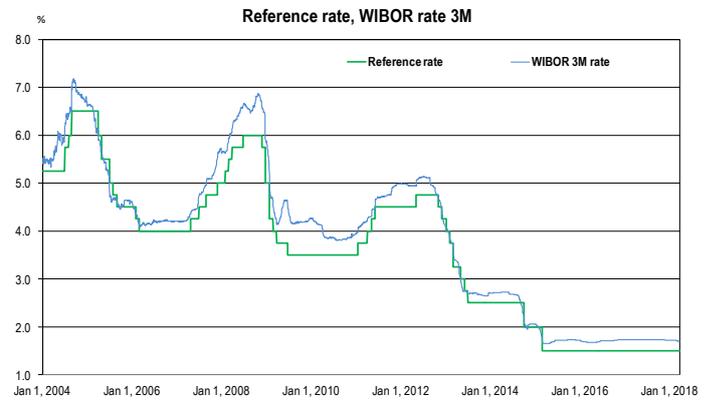
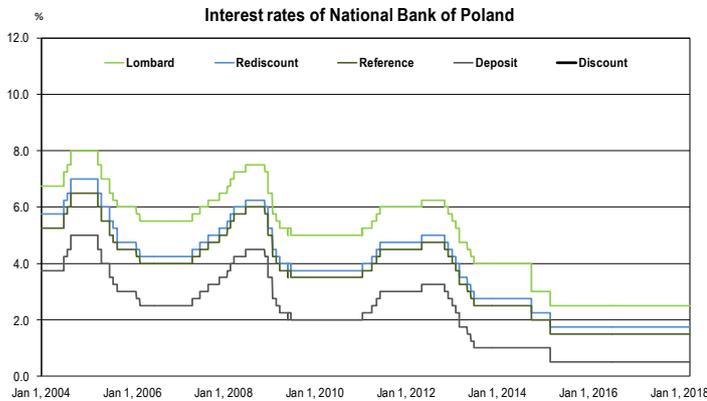
	2018 Budgetary Law in PLN bn	Execution	
		I-III 2018 in %	I-III 2017 in %
REVENUES	355.7	88.5	24.9
Indirect taxes	237.9	59.1	24.9
CIT	32.4	9.4	28.9
PIT	55.5	12.8	23.1
EXPENDITURES	397.2	85.3	21.5
Debt servicing	30.7	5.1	16.7
Subventions to the Pension Fund	17.6	4.0	22.9
Subventions to the Social Insurance Fund	46.6	5.2	11.2
General subventions to local self-government entities	56.4	19.7	34.9
DEFICIT	-41.5	3.1	-
Financing for budget of EU funds	-15.5	0.0	-
DEFICIT FINANCING SOURCES	57.0	-3.1	-
DOMESTIC	52.8	-12.7	-
Treasury bonds	57.9	17.9	30.9
Refund for the Social Insurance Fund for the payment of contributions pension funds to Open Pension Funds	-3.3	-0.9	26.1
Pre-financing actions with EU sources	0.0 ^{a)}	0.0 ^{b)}	-
FOREIGN	4.1	9.5	232.3

a) PLN -72.5mn; b) PLN 57.1mn.

January-March 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



January-March 2018: according to the provisional CSO data trade balance shaped at the level of EUR -941mn, towards EUR 661mn in the same period of the previous year, exports increased by 3.7% and imports by 6.9% (yoy).

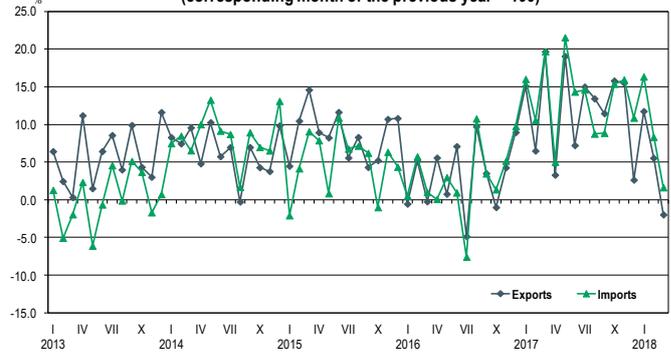
Foreign trade in EUR mn (CSO data)

	2016	2017	I-III 2017	I-III 2018
Balance	3,918	438	661	-941
Exports	184,843	203,689	50,592	52,452
Imports	180,925	203,251	49,931	53,393

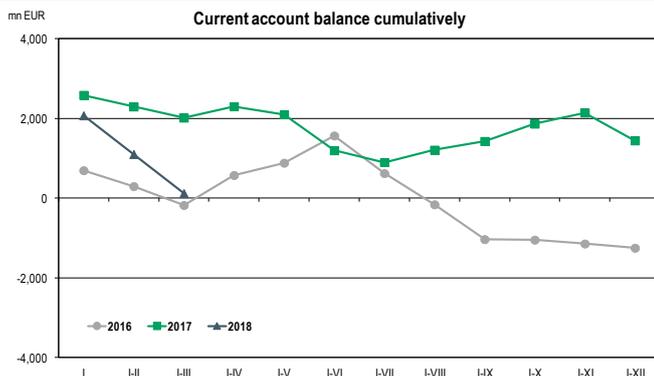
Foreign trade in EUR mn (NBP data)

	2016	2017	I-III 2017	I-III 2018
Balance	2,936	799	651	-1,074
Exports	177,498	198,793	49,124	51,402
Imports	174,562	197,994	48,473	52,476

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



January-March 2018: current account surplus amounted to EUR 118mn, towards the surplus of EUR 2,015mn at the end of March 2017.

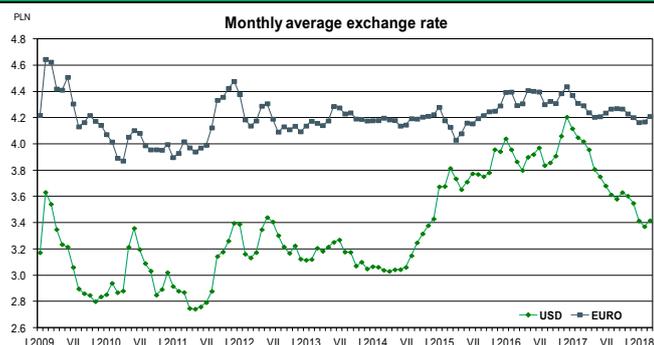


Current account balance (in EUR mn)

	2016	I-III 2017	2017	I-III 2018
	-1,253	2,015	1,443	118

	2017	I-III 2017	I-III 2018
	in EUR mn		
Direct investment - assets	3,842	685	1,220
Direct investment - liabilities	5,387	2,076	3,320
Portfolio investment - assets	1,089	1,479	1,095
Portfolio investment - liabilities	5,550	2,659	1,084
Other investment - assets	4,471	2,222	969
Other investment - liabilities	-10,965	-4,581	1,277
Official reserve assets	-7,134	-3,384	3,879

January-March 2018: zloty strengthened against both the US dollar and euro. The USD/PLN exchange rate decreased by 16.3%, and the EUR/PLN was lower by 3.3% (yoy).



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

		III 2017	X	XI	XII	I 2018	II	III
1 USD	end of month	3.9455	3.6529	3.5543	3.4813	3.3318	3.4188	3.4139
	monthly average	4.0184	3.6303	3.6031	3.5482	3.4141	3.3701	3.4158
1 EUR	end of month	4.2198	4.2498	4.2055	4.1709	4.1488	4.1779	4.2085
	monthly average	4.2921	4.2668	4.2293	4.2016	4.1636	4.1683	4.2101