



# **Monthly Macroeconomic Review**

Prepared by  
Polish Chamber of Commerce

Updated on 30/09/2021

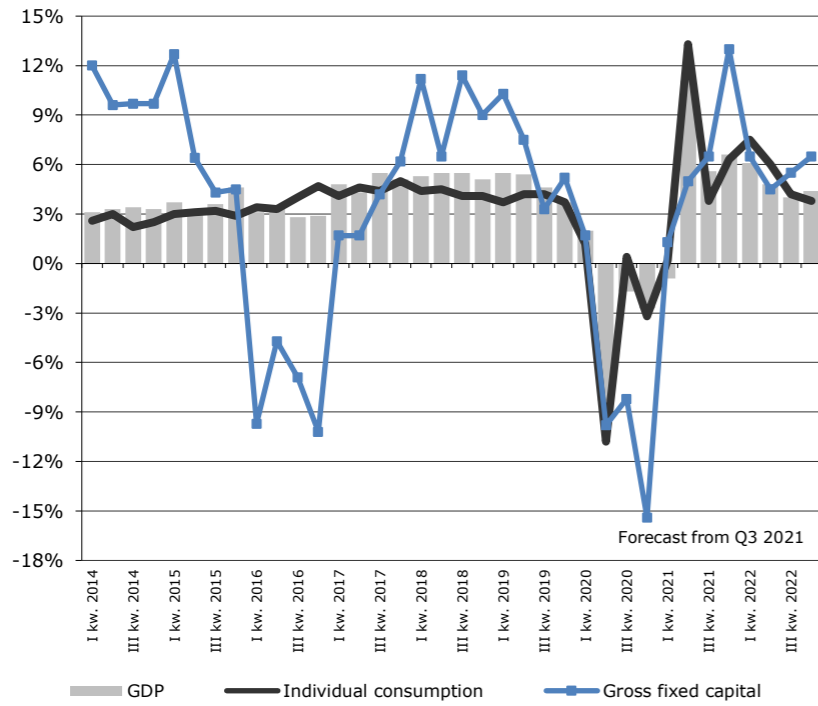
Macroeconomic forecast

Monthly macroeconomic indicators	02.2021	03.2021	04.2021	05.2021	06.2021	07.2021	08.2021	09.2021	10.2021	11.2021	12.2021	01.2022	02.2022
Industrial sales, % real change, y/y	2,7%	18,9%	44,2%	29,8%	18,4%	9,8%	13,2%	9,7%	7,5%	8,5%	4,4%	5,0%	6,0%
Construction, % real change, y/y	-16,9%	-10,8%	-4,2%	4,7%	4,4%	3,3%	10,2%	6,3%	-0,3%	5,0%	1,8%	7,0%	10,0%
Retail sales, % nominal change, y/y	-2,7%	17,1%	25,7%	19,1%	13,0%	8,9%	10,7%	10,5%	12,3%	15,5%	11,7%	18,5%	15,1%
Consumer prices, % change, y/y	2,4%	3,2%	4,3%	4,7%	4,4%	5,0%	5,5%	5,8%	6,0%	6,0%	6,0%	5,7%	5,6%
Producer prices, % change, y/y	2,2%	4,2%	5,5%	6,6%	7,2%	8,4%	9,5%	10,0%	9,7%	9,8%	9,3%	9,7%	9,7%
Wages - enterprise sector, % nominal change, y/y	4,5%	8,0%	9,9%	10,1%	9,8%	8,7%	9,5%	8,1%	7,8%	8,8%	7,8%	8,3%	8,7%
Wages - enterprise sector, PLN	5 569	5 929	5 806	5 637	5 802	5 852	5 844	5 809	5 884	5 967	6 438	5 994	6 054
Registered unemployment rate	6,5%	6,4%	6,3%	6,1%	5,9%	5,8%	5,8%	5,7%	5,7%	5,7%	5,8%	6,1%	6,1%
Number of registered unemployed persons, thousand	1 100	1 078	1 054	1 027	993	975	961	947	949	953	972	1 034	1 031
Current account balance, EUR million	652	71	1 269	-531	-378	-1 827	-944	90	578	611	-650	2 833	421
Current account balance, EUR million, rolling annualised basis	14 384	14 040	14 932	13 247	9 175	7 301	5 362	4 034	3 062	2 375	975	1 774	1 543

Macroeconomic forecast

Quarterly macroeconomic indicators	Q4 19	Q1 20	Q2 20	Q3 20	Q4 20	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22	Q4 22
Gross domestic product, % real change y/y	3,7%	2,0%	-8,3%	-1,7%	-2,7%	-0,9%	11,1%	5,6%	6,6%	6,1%	4,8%	4,0%	4,4%
Individual consumption, % real change y/y	3,7%	1,2%	-10,8%	0,4%	-3,2%	0,2%	13,3%	3,8%	6,3%	7,5%	6,0%	4,2%	3,8%
Gross fixed capital, % real change y/y	5,2%	1,7%	-9,8%	-8,2%	-15,4%	1,3%	5,0%	6,5%	13,0%	6,5%	4,5%	5,5%	6,5%

### GDP components in terms of demand - y / y



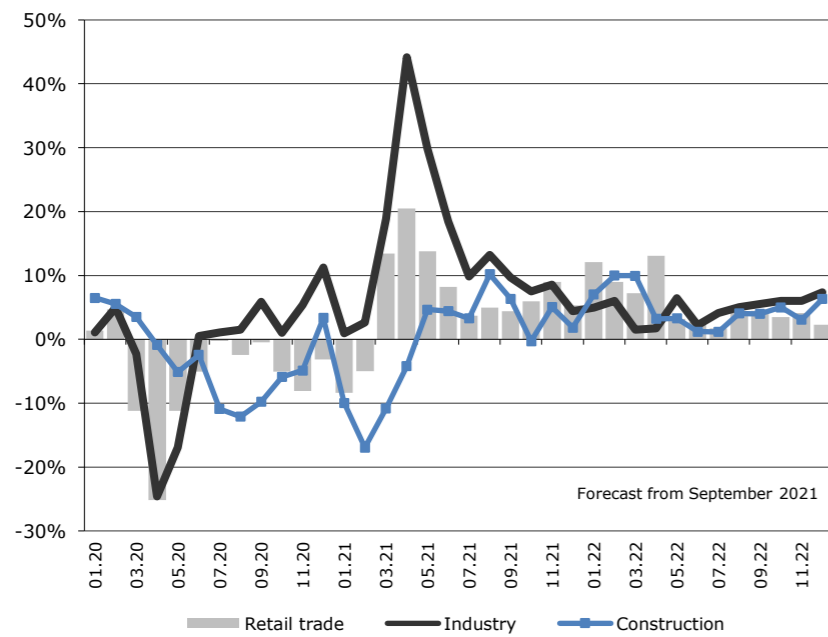
The Central Statistical Office informed that in the second quarter of 2021, GDP increased by 11.1% y / y as compared to a decline of 0.9% y / y in the first quarter of 2021. The growth turned out to be close to the market expected.

In the third quarter of 2021, GDP dynamics of 5.6% y / y is expected, and 6,6% in the fourth quarter. High volatility of GDP dynamics in the current year is the effect of a rebound of a very volatile base from the previous year.

In the whole of 2020, GDP in real terms shrank by 2.5%. In nominal terms, GDP amounted to PLN 2,327 billion (EUR 524 billion).

Throughout 2021, economic growth may turn out to be high, amounting to approximately 5.6%, and the nominal GDP will reach PLN 2,577 billion (EUR 566 billion).

### Industry, construction and retail trade y / y (real)



In August, industrial production decreased by 2.5% in real terms. The decline was seasonal. The annual production dynamics increased to 13.2% from 9.8% in July. The industrial results in August were weaker than expected. In the first eight months of the year, industrial production was 16.4% higher than in the corresponding period of the previous year.

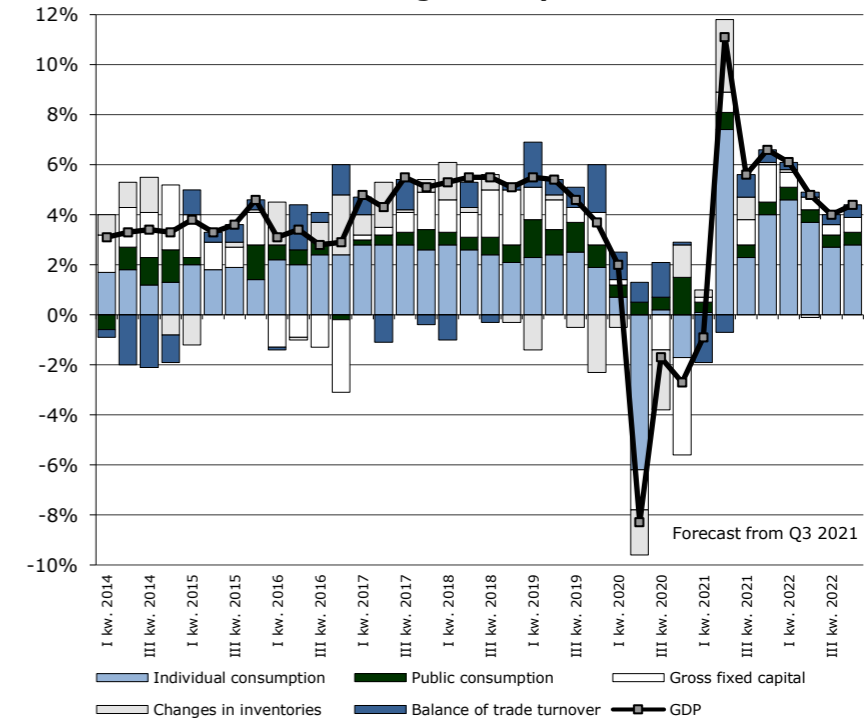
In August, construction and assembly production turned out to be 3.2% higher than in July. The increase in sales in August is not a typical phenomenon. The annual dynamics of construction and assembly production increased from 3.3% in July to 10.2% in August. Construction results in August were better than expected. In the first eight months of the year, construction and assembly production was 0.2% higher than in the corresponding period of the previous year.

Retail sales in August in nominal terms turned out to be 0.9% lower than in July. The decline was seasonal. The annual sales dynamics increased from 8.9% in July to 10.7% in August. August results were close to expected. In the first eight months of the year, sales in nominal terms were 10.5% higher than in the corresponding period of the previous year.

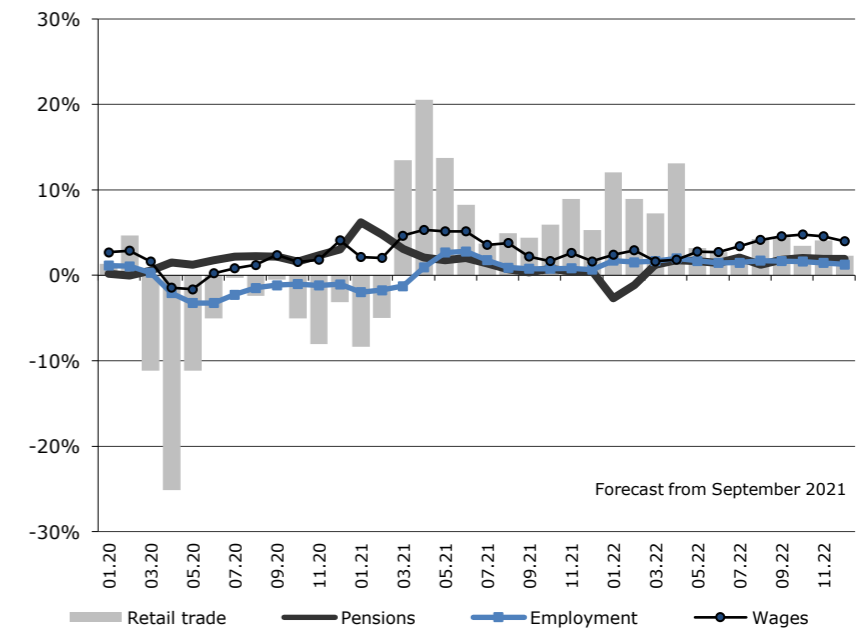
## GROSS DOMESTIC PRODUCT AND ITS COMPONENTS

Updated on 30/09/2021

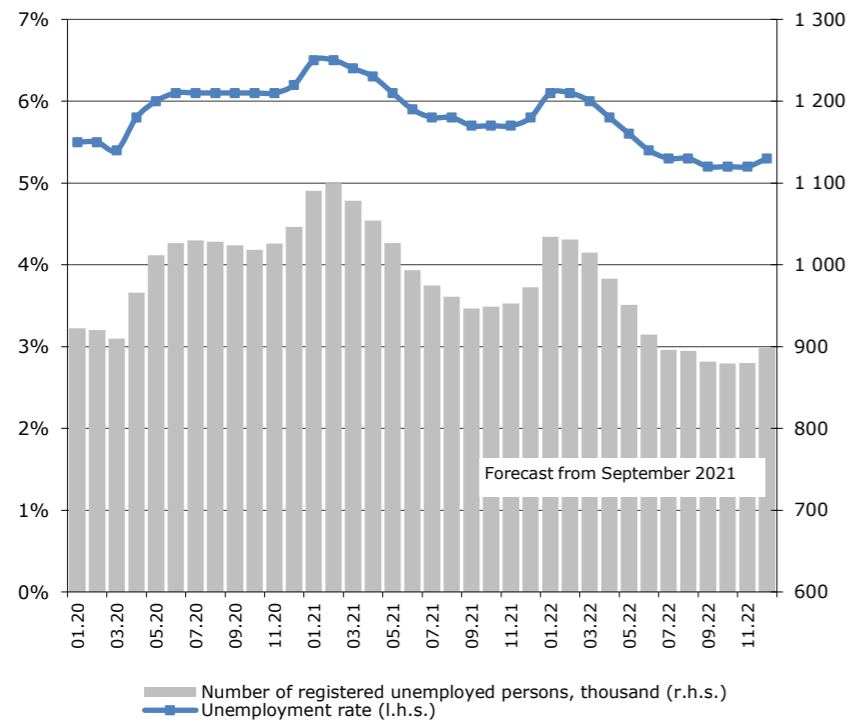
### Scale of impact of GDP demand components on economic growth dynamics



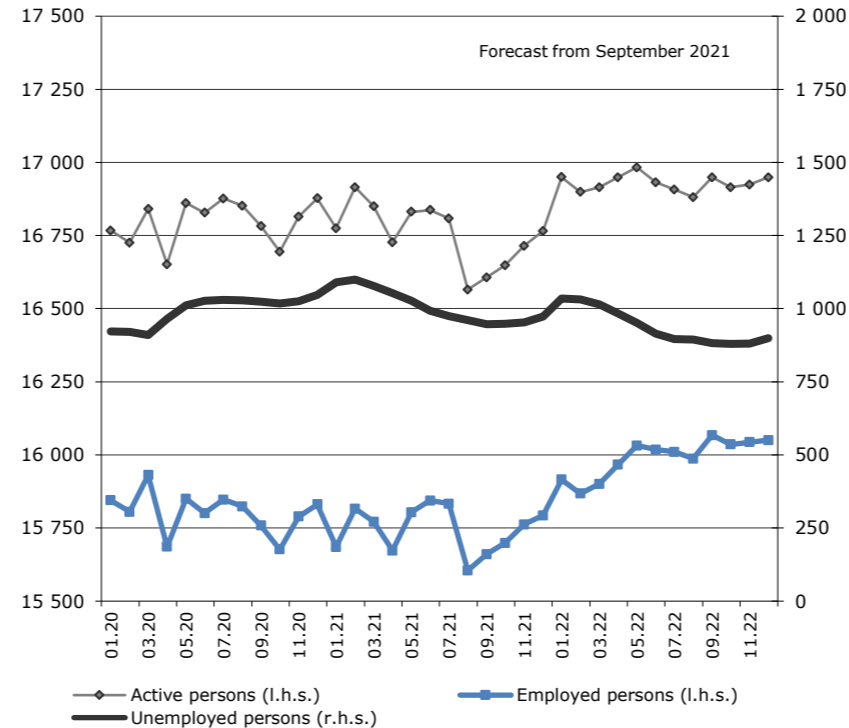
### Comparison of annual real dynamics: retail sales and gross wages in the enterprise sector as well as pensions and employment



**Registered unemployment**



**Labor activity**

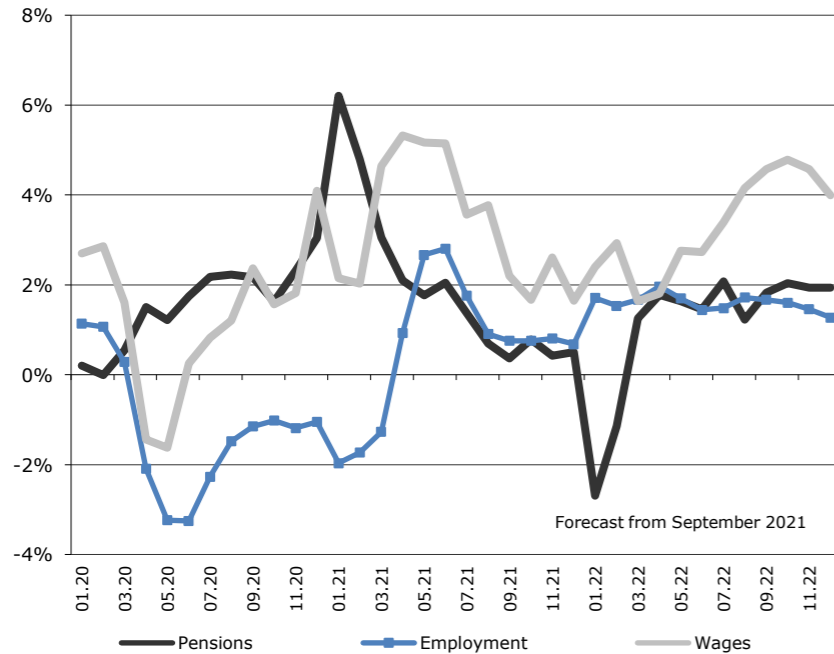


In August, the number of registered unemployed fell by 14.1 thousand, up to 960.8 thousand people. The unemployment rate was 5.8%. The unemployment rate was the same as in July. A year ago, in August, the unemployment rate was 6.1%. August usually brings an improvement in unemployment statistics. Summer brings a drop in unemployment related to the increased demand for seasonal work in construction, agriculture and tourist services.

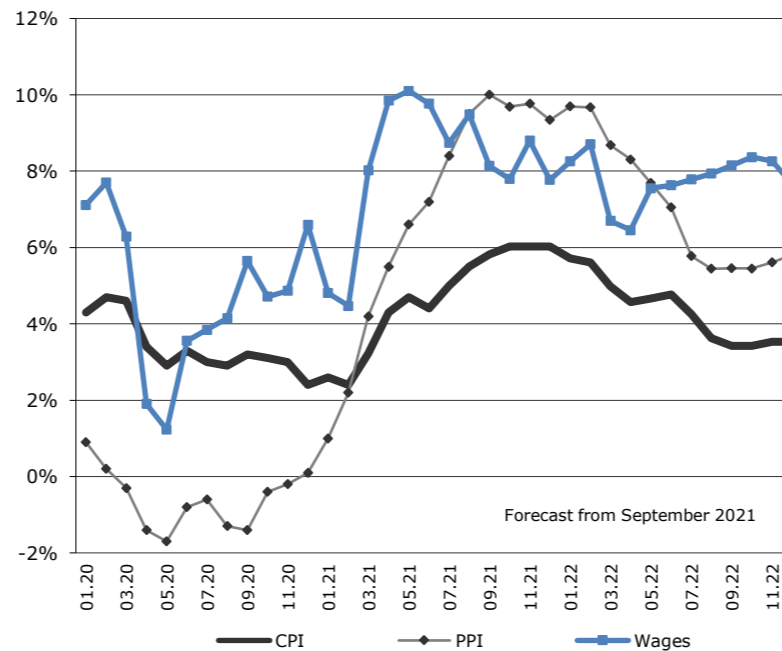
The number of employed persons in August amounted to approximately 15,605,000 people. It was about 220 thousand, i.e. 1.4% lower than last year.

In autumn, the unemployment rate will be 5.7%, and the number of unemployed will amount to 950,000. At the end of the year, the unemployment rate will increase to 5.8%, and the number of the unemployed will increase to 980,000.

**Real dynamics of gross wages in the enterprise sector and pensions against the background of employment growth in the enterprise sector**



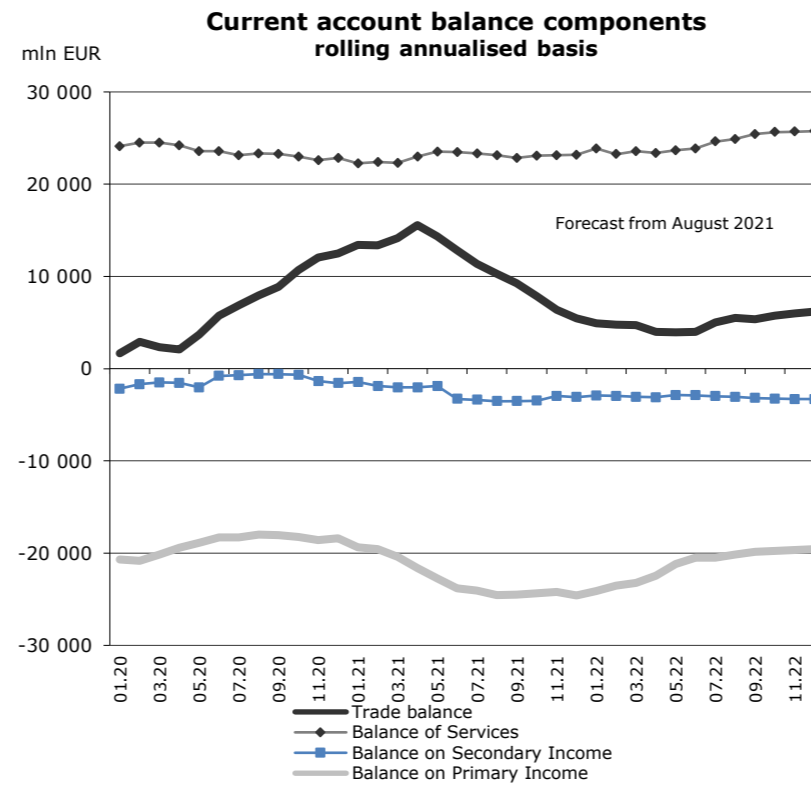
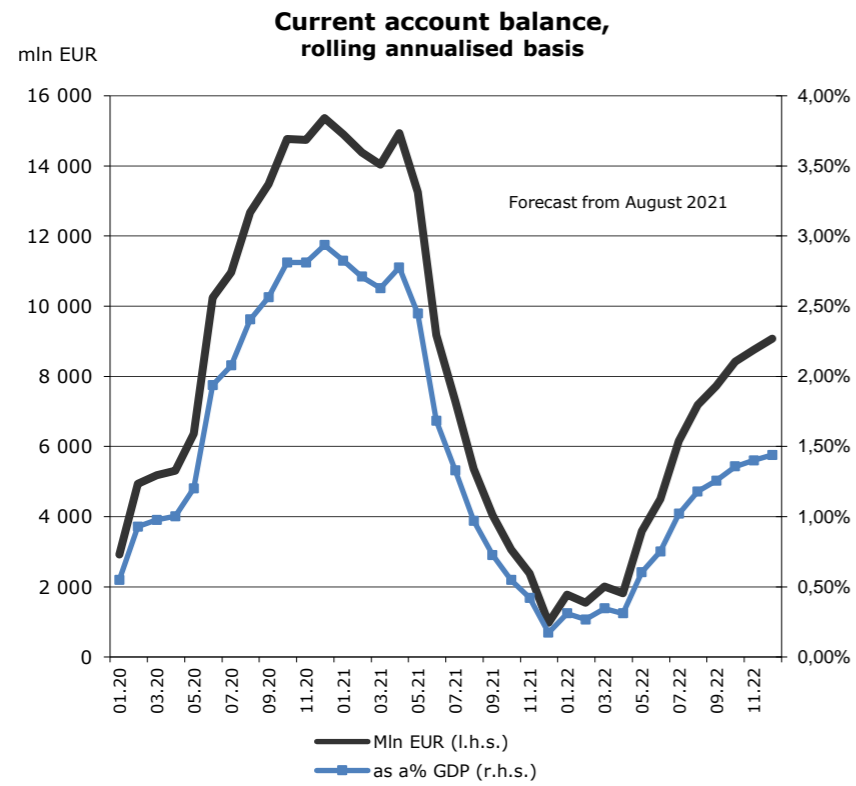
**CPI, PPI, Wages - y / y**



In August, the prices of consumer goods and services turned out to be 0.3% higher than in July. This result was much higher than expected. Prices have increased significantly in, among others, groups: transport, housing and energy, communication, restaurants and hotels. In August, the prices of goods and services turned out to be 5.5% higher than in the previous year. The annual inflation rate is expected to increase in September.

Industrial prices rose by 0.6% in August. Industrial prices in August were on average 9.5% higher than a year ago. In the period of January-August 2021, industrial prices were on average 5.6% higher than in the corresponding period of the previous year. In the coming months, industrial prices will increase due to rising production costs.

In August, the average salary in the enterprise sector amounted to PLN 5,843.75. So it was PLN 8.12, i.e. 0.1% lower than in July. It was also PLN 506.10 and 9.5% higher than in August of the previous year. The fall in wages in August is seasonal. The wage level in August was higher than expected. Changes in the level of economic activity will affect the level of wages in the coming months. Changes in the employment structure between individual industries and in individual enterprises will be significant.



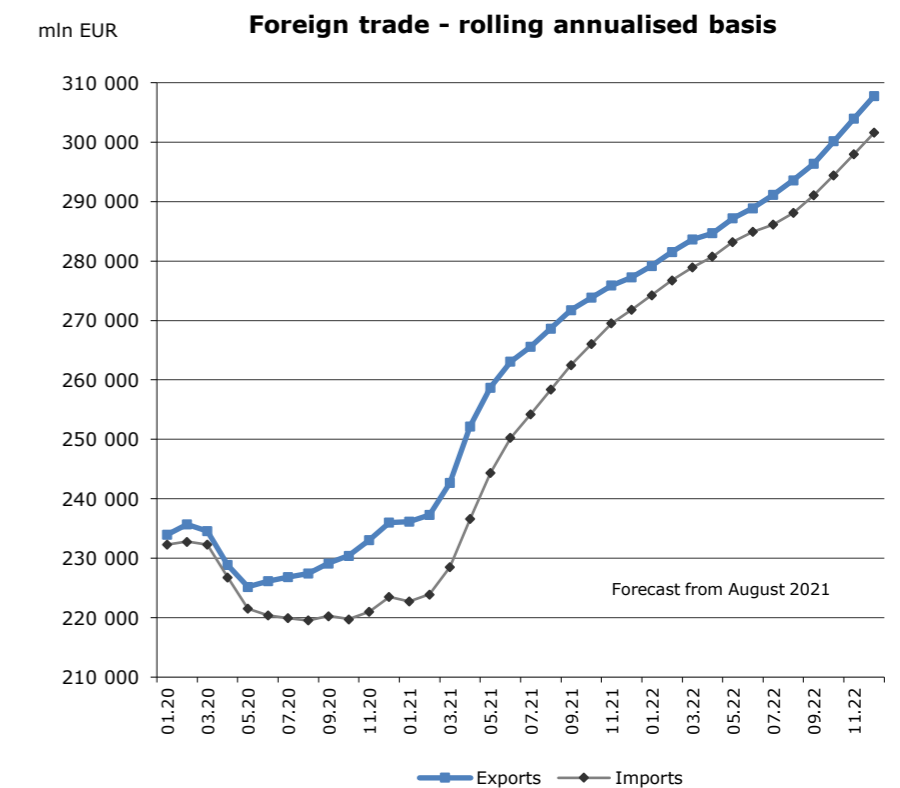
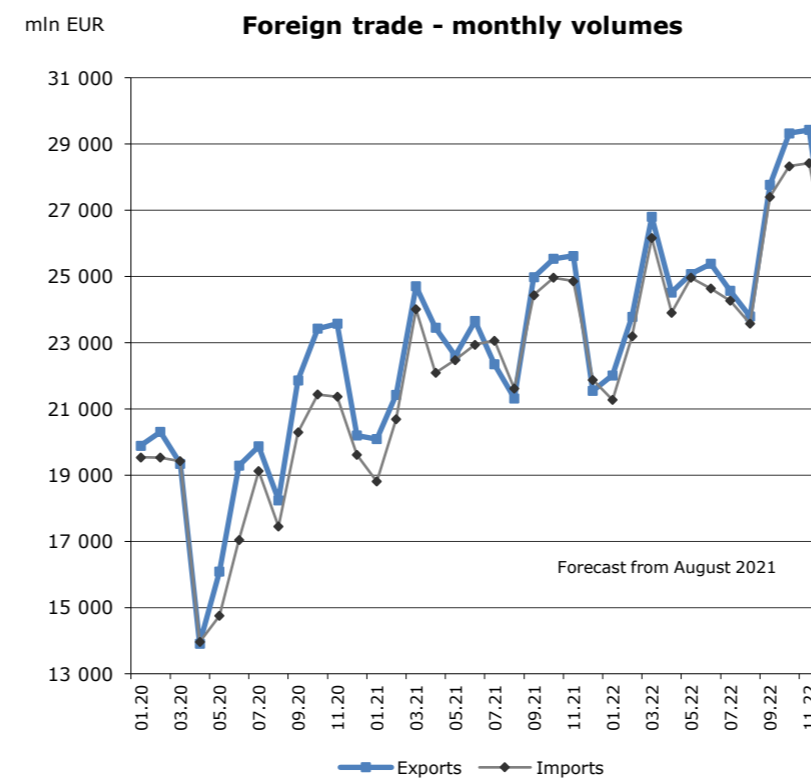
(mIn EUR)	VII 2020	VI 2021*	VII 2021
<b>Current account balance</b>	47	-378	-1 827
Exports	19 867	23 654	22 346
Imports	19 121	22 940	23 060
Trade balance	746	714	-714
Balance on Services	1 589	2 092	1 464
Balance on Primary Income	-2 268	-2 848	-2 472
Balance on Secondary Income	-20	-336	-105

\*Corrected data

At the beginning of September, the National Bank of Poland presented estimated data on the balance of payments in July. The current account balance in July 2021 was negative and amounted to EUR -1,827 million. In the previous month, there was a deficit of -EUR 378 million. A year ago, a surplus of EUR 47 million was recorded.

After July, the current account balance on a rolling year basis was positive and amounted to EUR 7,301 million. Its level in relation to GDP was 1.33%. In the last 12 months, the export of goods amounted to EUR 266 billion, and the export of services - EUR 60 billion.

The export of goods is now comparable to 48.4% of GDP. It is a high value for a country with a population and area of Poland. The export of services is comparable to 10.9% of GDP, which should also be considered a very good result. These indicators are better than those recorded before the beginning of the crisis.



Macroeconomic forecast

<b>WARNING INDICATORS AGAINST FOREIGN CURRENCY CRISIS - monthly</b>	<b>02.2021</b>	<b>03.2021</b>	<b>04.2021</b>	<b>05.2021</b>	<b>06.2021</b>	<b>07.2021</b>	<b>08.2021</b>	<b>09.2021</b>	<b>10.2021</b>	<b>11.2021</b>	<b>12.2021</b>	<b>01.2022</b>	<b>02.2022</b>
International reserves, EUR million	134 764	134 814	128 703	133 383	134 114	136 927	143 355	144 072	144 792	144 068	147 526	146 050	147 511
International reserves in the months of import of goods and services	6,25	6,15	5,68	5,72	5,62	5,65	5,82	5,77	5,73	5,63	5,73	5,62	5,63
International reserves as a% of money supply	33,1%	33,7%	31,6%	31,9%	32,3%	33,1%	34,2%	34,6%	34,2%	33,6%	33,8%	33,2%	33,1%
Current account balance, EUR million, rolling annualised basis	14 384	14 040	14 932	13 247	9 175	7 301	5 362	4 034	3 062	2 375	975	1 774	1 543
Current account balance, as a% of GDP, rolling annualised basis	2,71%	2,63%	2,78%	2,45%	1,68%	1,33%	0,97%	0,73%	0,55%	0,42%	0,17%	0,31%	0,27%
Inflow of foreign direct investment - rolling annualised basis, EUR million	16 034	17 369	19 888	20 523	20 511	20 225	18 927	18 511	16 173	15 765	17 137	15 831	14 102
Inflow of foreign portfolio investment - rolling annualised basis, EUR million	-11 518	-11 207	-5 914	-8 348	-6 013	-5 619	-5 608	-5 254	3 364	-3 332	-2 849	-3 004	-2 706

Macroeconomic forecast

<b>WARNING INDICATORS AGAINST FOREIGN CURRENCY CRISIS - quarterly</b>	<b>Q1 20</b>	<b>Q2 20</b>	<b>Q3 20</b>	<b>Q4 20</b>	<b>Q1 21</b>	<b>Q2 21</b>	<b>Q3 21</b>	<b>Q4 21</b>	<b>Q1 22</b>	<b>Q2 22</b>	<b>Q3 22</b>	<b>Q4 22</b>	<b>Q1 23</b>
Total external debt, EUR million	303 457	300 108	301 734	305 694	307 602	308 360	309 500	310 000	310 500	311 000	311 500	312 000	312 500
Long-term external debt, EUR million	175 847	170 636	171 166	170 023	171 351	169 406	170 250	170 000	169 750	169 500	169 250	169 000	168 750
Short-term external debt, EUR million	39 491	41 445	43 066	49 378	48 032	48 887	49 750	50 000	50 250	50 500	50 750	51 000	51 250
External debt - Direct investment debt instruments, EUR million	88 119	88 027	87 502	86 293	88 219	90 067	89 500	90 000	90 500	91 000	91 500	92 000	92 500
External debt as a% of GDP	57%	57%	57%	58%	58%	57%	56%	55%	53%	52%	51%	49%	49%
External debt as a% of export	129%	133%	132%	130%	127%	117%	114%	112%	109%	108%	105%	101%	98%
International reserves as a% of total external debt	36%	38%	39%	41%	44%	43%	47%	48%	49%	48%	48%	50%	51%
International reserves as a% of short-term external debt	279%	278%	277%	254%	281%	274%	290%	295%	300%	293%	296%	305%	309%

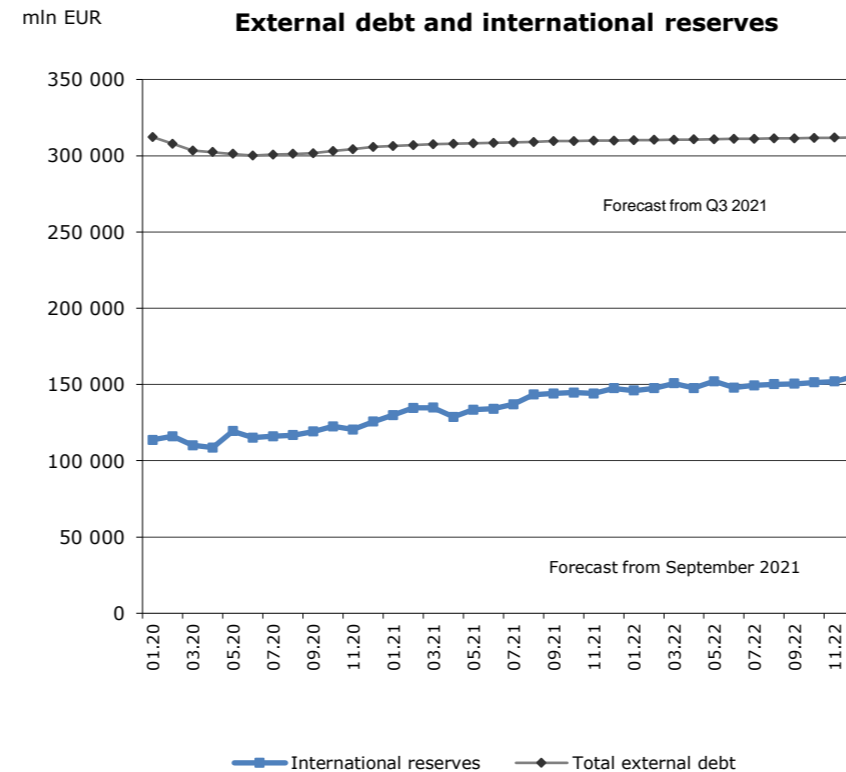
The current account has been positive in recent months. In the last 12 months, it was comparable to 1,33% of GDP.

Recent quarters have seen a simultaneous inflow of direct investment to our market and an outflow of portfolio investment. The outflow of portfolio investments is a consequence of the change in the State debt management policy. Debt is issued mainly to domestic entities, and less to foreign investors.

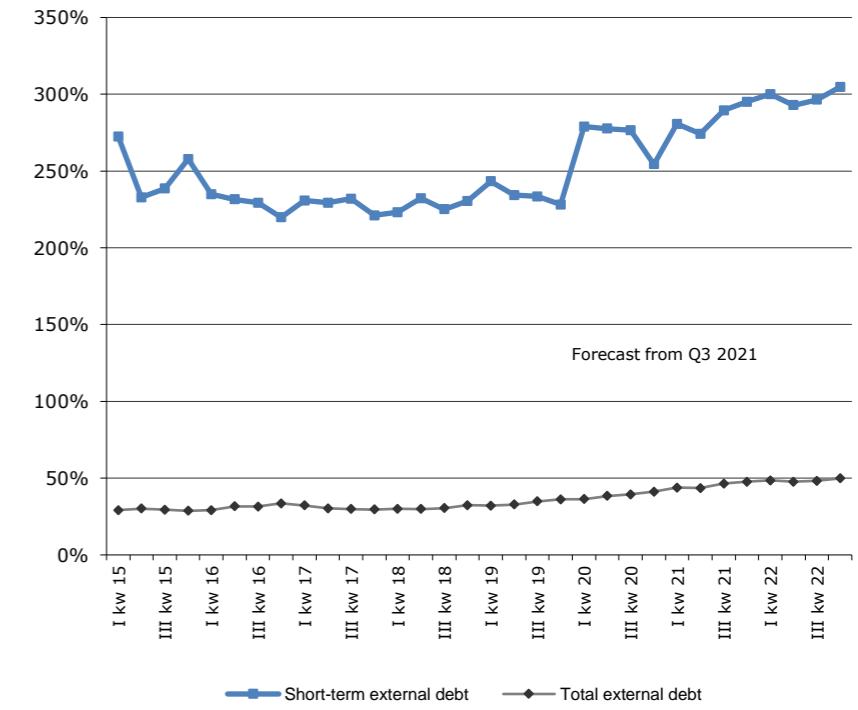
Foreign exchange reserves are high. Their level is adequate to the volume of imports of goods and services (5.82 months of imports of goods and services), money supply (34,2%) and external debt (43,0%).

Foreign debt is growing slowly. The ratio of external debt to GDP (currently 57%) and goods exports (currently 117%) is declining. The ratio of external debt to GDP and exports is low.

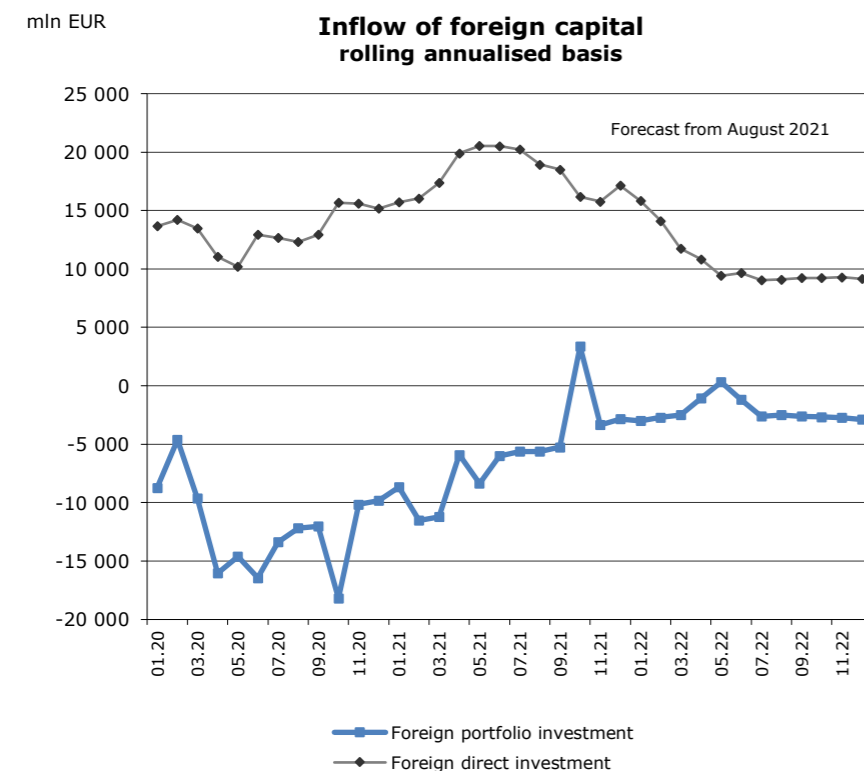
External debt and international reserves



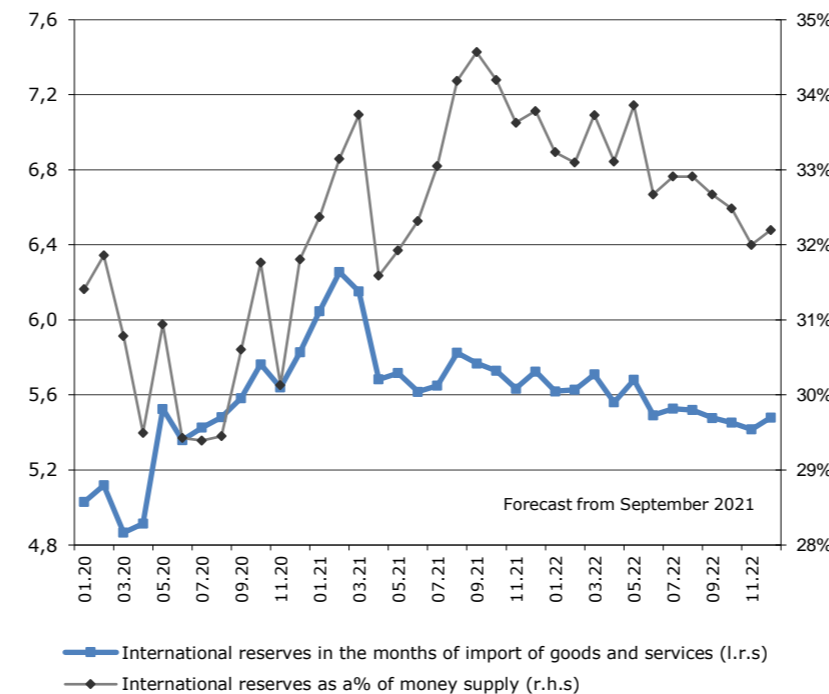
Foreign debt coverage by international reserves



Inflow of foreign capital rolling annualised basis



International reserves in relation to imports and money supply



External debt to GDP and exports

