



# **Monthly Macroeconomic Review**

Prepared by  
Polish Chamber of Commerce

Updated on 30/06/2022

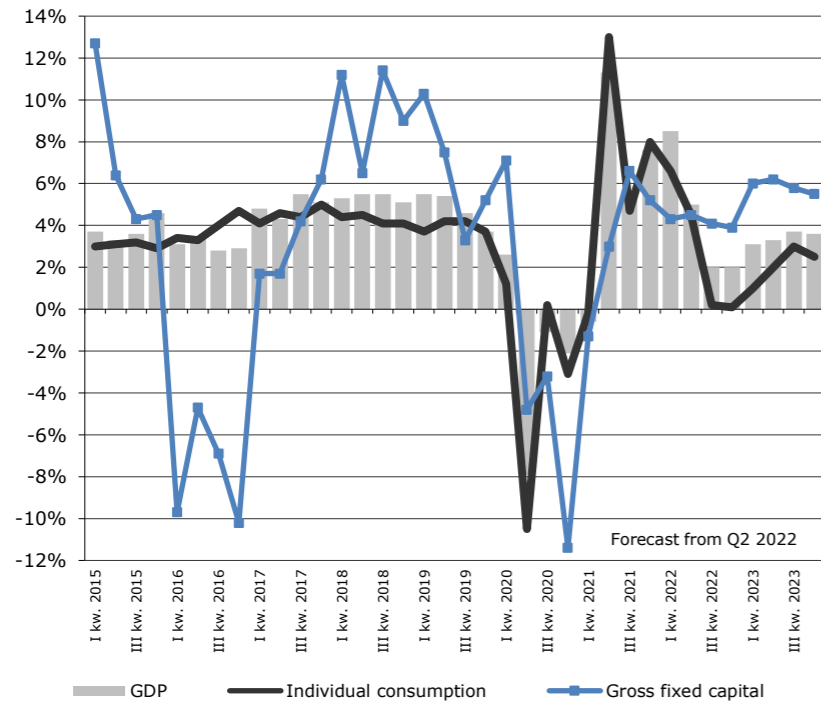
Macroeconomic forecast

Monthly macroeconomic indicators	11.2021	12.2021	01.2022	02.2022	03.2022	04.2022	05.2022	06.2022	07.2022	08.2022	09.2022	10.2022	11.2022
Industrial sales, % real change, y/y	14,8%	14,2%	19,2%	17,6%	15,4%	12,4%	15,0%	10,8%	8,0%	7,0%	8,0%	6,0%	2,1%
Construction, % real change, y/y	12,7%	3,1%	20,9%	21,2%	27,6%	9,3%	13,0%	9,8%	8,0%	8,0%	10,5%	7,0%	1,1%
Retail sales, % nominal change, y/y	21,2%	16,9%	20,0%	16,5%	22,0%	33,4%	23,6%	21,3%	20,1%	19,6%	18,9%	17,6%	15,3%
Consumer prices, % change, y/y	7,8%	8,6%	9,4%	8,5%	11,0%	12,4%	13,9%	15,6%	15,8%	16,1%	15,7%	15,1%	14,2%
Producer prices, % change, y/y	13,6%	14,4%	16,1%	16,1%	21,9%	24,1%	24,7%	24,2%	23,2%	22,6%	22,2%	19,9%	18,0%
Wages - enterprise sector, % nominal change, y/y	9,8%	11,2%	9,5%	11,7%	12,4%	14,1%	13,5%	13,8%	13,5%	13,2%	12,7%	12,4%	11,7%
Wages - enterprise sector, PLN	6 022	6 644	6 064	6 220	6 666	6 627	6 400	6 604	6 644	6 617	6 584	6 650	6 730
Registered unemployment rate	5,4%	5,4%	5,5%	5,5%	5,4%	5,2%	5,1%	5,0%	4,9%	4,8%	4,8%	4,8%	4,9%
Number of registered unemployed persons, thousand	899	895	927	922	902	878	850	838	817	801	804	802	819
Current account balance, EUR million	-1 077	-2 491	-638	-2 663	-2 972	-3 924	-3 299	-3 941	-2 906	-1 125	-2 743	-1 333	-892
Current account balance, EUR million, rolling annualised basis	-304	-3 546	-7 024	-9 963	-13 059	-18 265	-22 055	-25 532	-27 421	-28 019	-28 945	-29 113	-28 928

Macroeconomic forecast

Quarterly macroeconomic indicators	Q3 20	Q4 20	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23	Q3 23
Gross domestic product, % real change y/y	-1,1%	-2,1%	-0,6%	11,3%	5,5%	7,6%	8,5%	5,0%	2,0%	2,0%	3,1%	3,3%	3,7%
Individual consumption, % real change y/y	0,2%	-3,1%	-0,2%	13,0%	4,7%	8,0%	6,6%	4,5%	0,2%	0,1%	1,0%	2,0%	3,0%
Gross fixed capital, % real change y/y	-3,2%	-11,4%	-1,3%	3,0%	6,6%	5,2%	4,3%	4,5%	4,1%	3,9%	6,0%	6,2%	5,8%

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



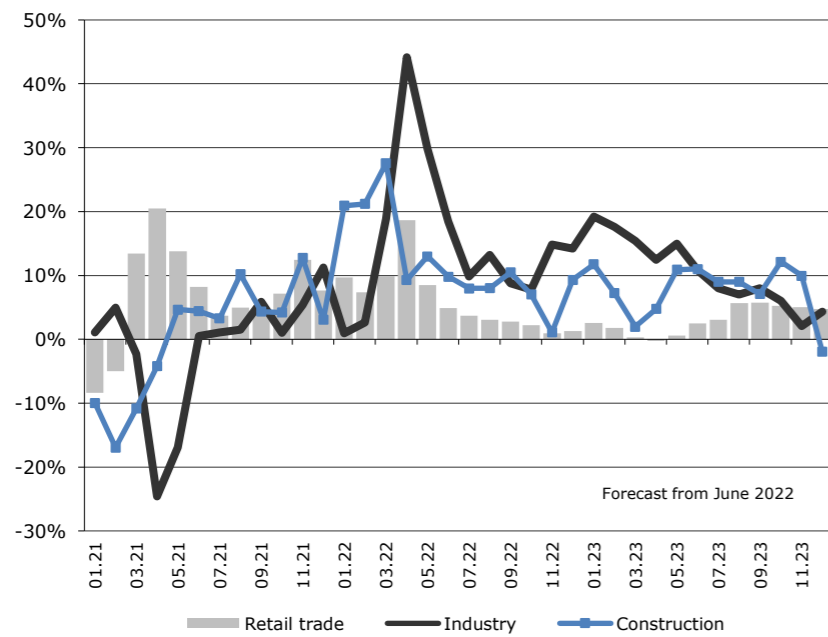
The Central Statistical Office presented data on the GDP dynamics in the first quarter of 2022. The increase in real terms was 8.5% y / y after an increase of 7.6% y / y in the fourth quarter of 2021. The growth turned out to be better than expected by the market.

In the second quarter of 2022, real GDP growth is forecasted at 5.0% y / y, and in the third and fourth quarters of 2022 at 2.0% y / y and 2.0% y / y. The slower growth dynamics will be a consequence of inflation reducing consumption and lower demand for goods needed to manufacture goods.

Throughout 2021, GDP grew in real terms by 5.9%, and in nominal terms it amounted to PLN 2,622 billion (EUR 574 billion).

For 2022, the GDP dynamics is forecast at 4.4%. In nominal terms, GDP will amount to PLN 2,995 billion (EUR 644 billion).

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



In May, industrial production increased by 1.4% in real terms. The increase was seasonal. The annual dynamics of production increased to 15.0% from 12.4% in April. The industry results in May were close to expectations. In the period from January to May 2022, industrial production was 14.6% higher than in the corresponding period of 2021.

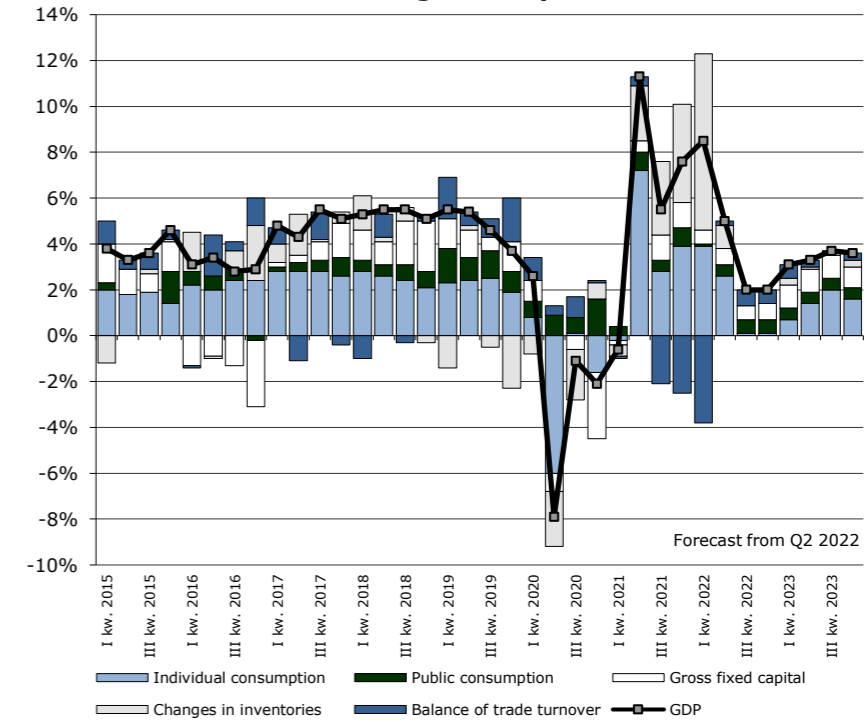
In May, construction and assembly production turned out to be 14.2% higher than in April. The increase in sales in May is a typical phenomenon. The annual dynamics of construction and assembly production increased to 13.0% from 9.3% in April. Construction results in May were higher than expected. In the period from January to May 2022, construction and assembly production was 15.9% higher than in the corresponding period of 2021.

Retail sales in May in nominal terms turned out to be 0.4% higher than in April. The increase in sales recorded in May is seasonal. The annual sales dynamics decreased from 33.4% in April to 23.6% in May. May's results were weaker than expected. In the period from January to May 2022, retail sales were nominally higher by 22.6% than in the corresponding period of 2021. A significant part of the observed increase is the result of inflation.

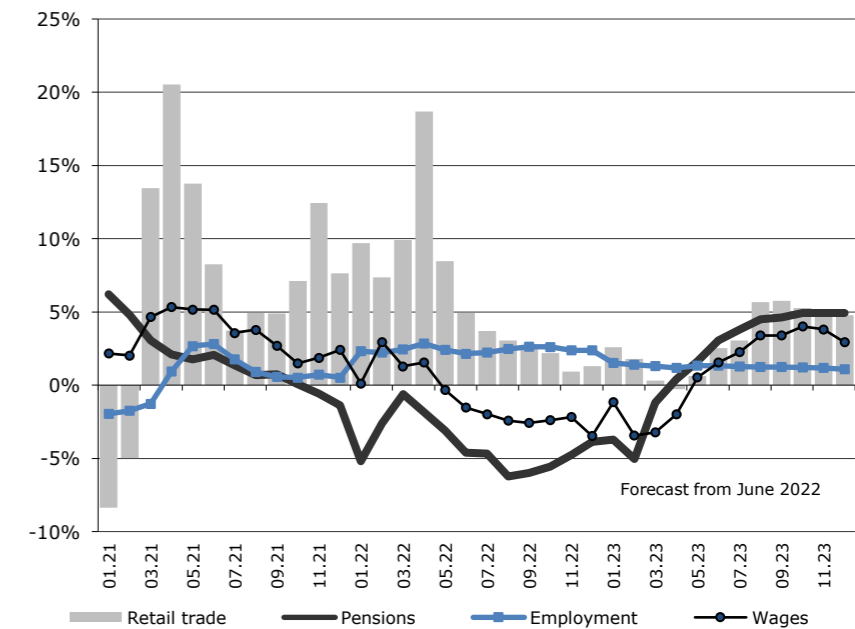
### GROSS DOMESTIC PRODUCT AND ITS COMPONENTS

Updated on 30/06/2022

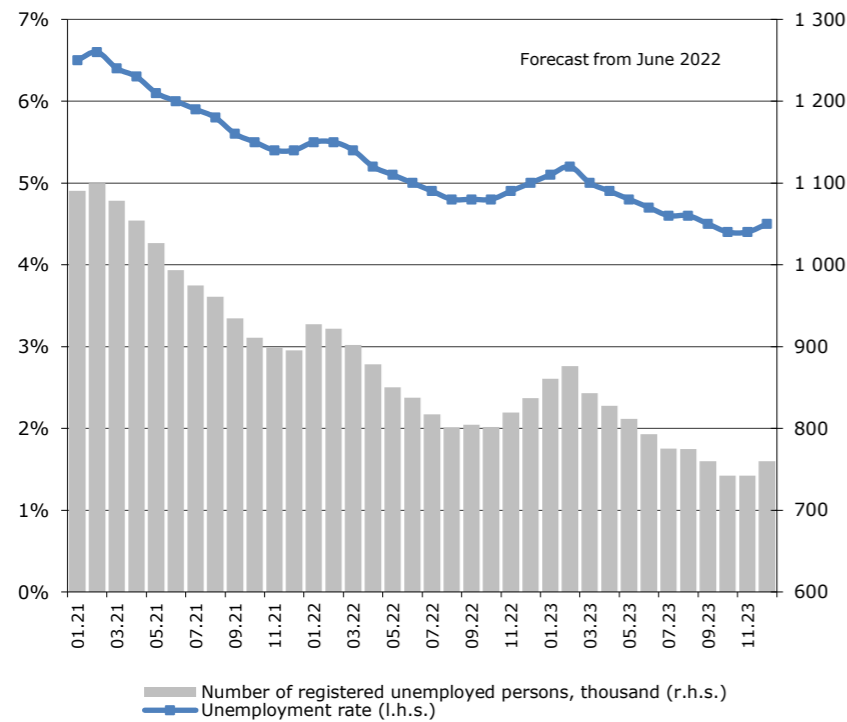
### Scale of impact of GDP demand components on economic growth dynamics



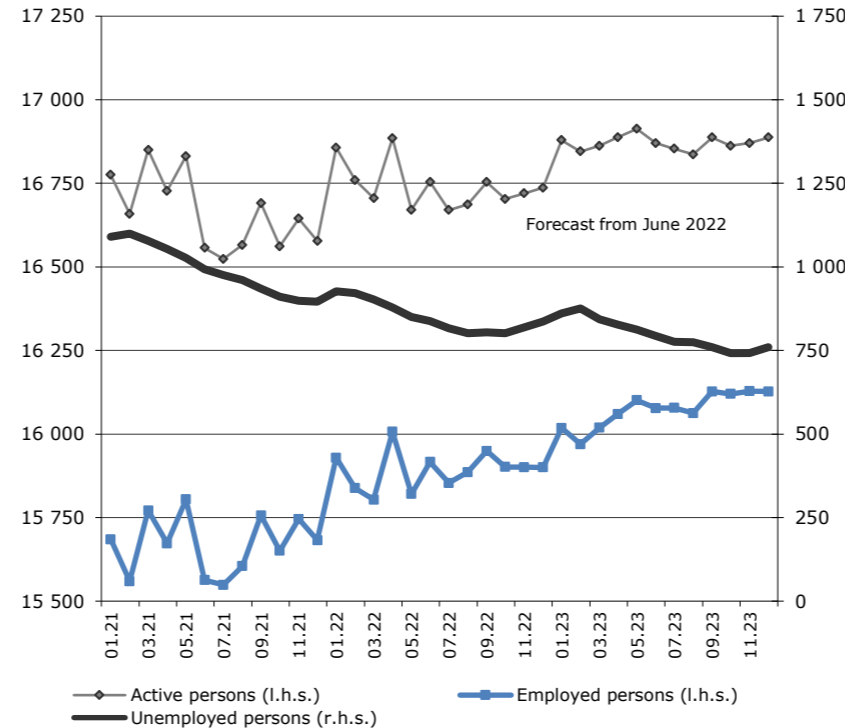
### Comparison of annual real dynamics: retail sales and gross wages in the enterprise sector as well as pensions and employment



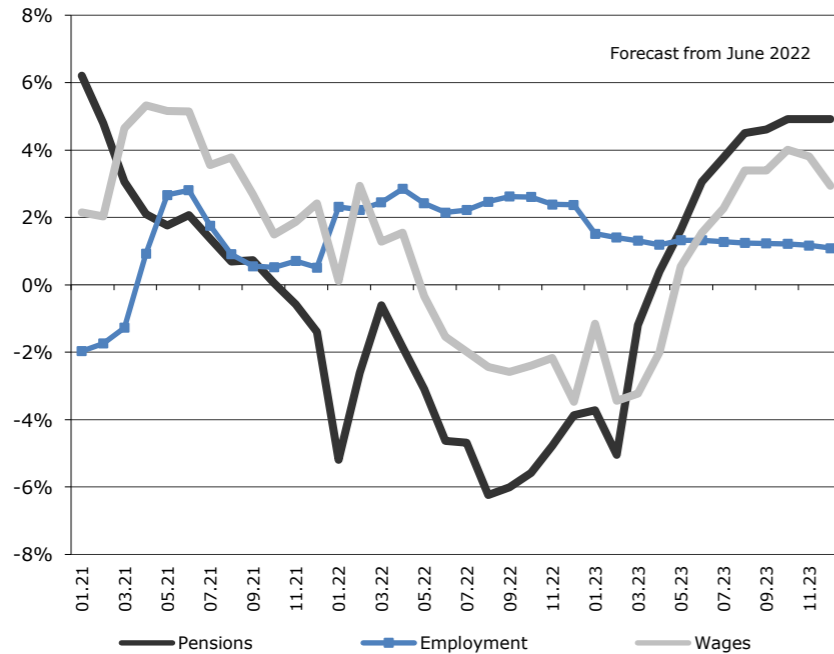
**Registered unemployment**



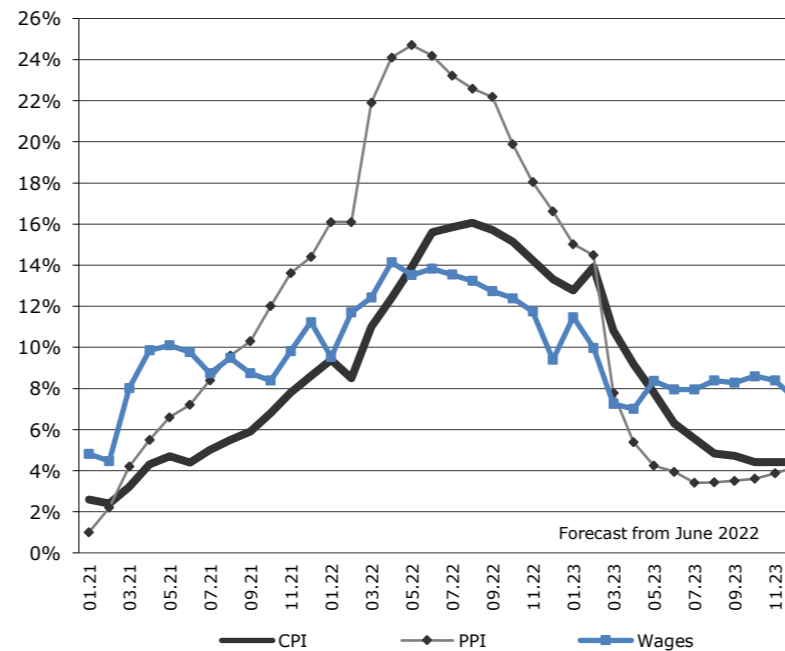
**Labor activity**



**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 May, the number of registered unemployed fell by 27.8 thousand, up to 850.2 thousand people. The unemployment rate was 5.1%. The unemployment rate was lower than in April by 0.1 percentage point. A year ago, in May, the unemployment rate was 6.1%. May usually brings an improvement in unemployment statistics. This is because the demand for seasonal works in construction, agriculture and tourist services is increasing. May data were close to expected.

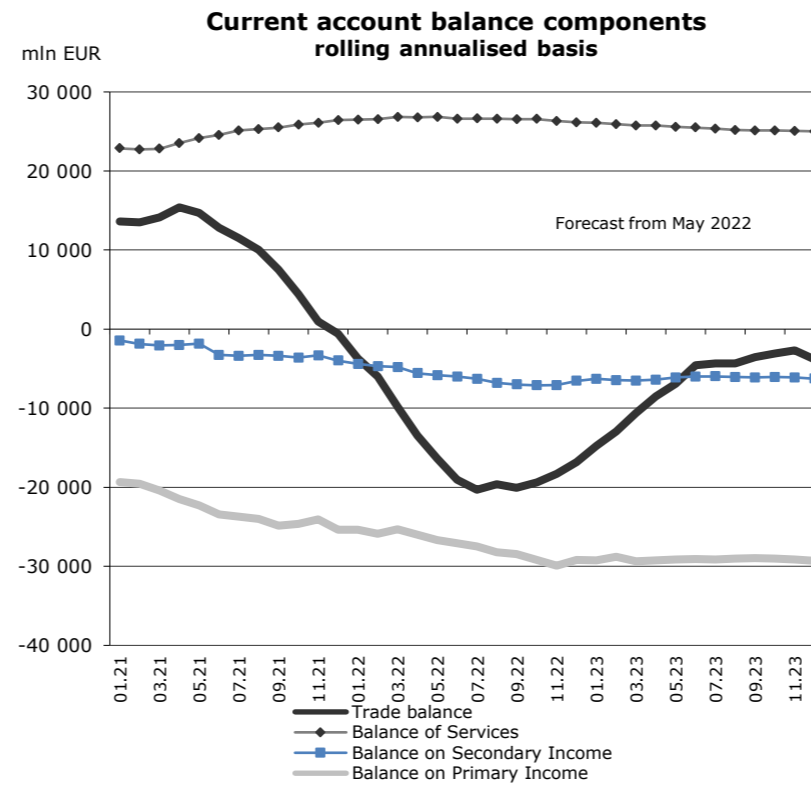
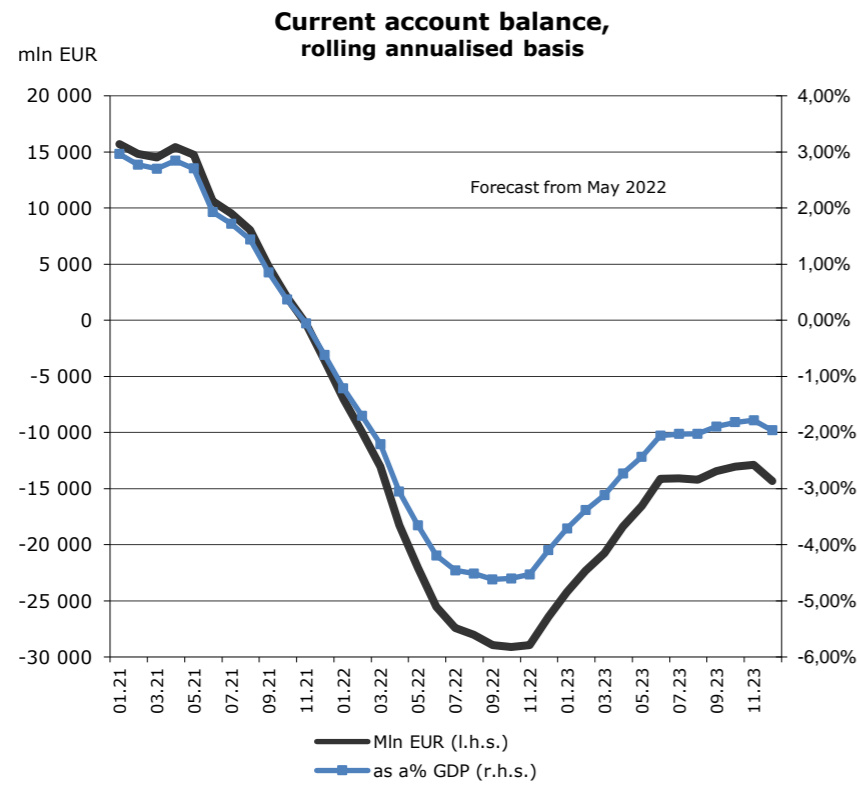
The number of employed in May amounted to approximately 15,820,000. people. It was about 16 thousand, ie 0.1% higher than last year.

Spring and summer will bring a drop in unemployment. The local minimum is expected in the period from August to October, when there will be 805,000 unemployed. people and the unemployment rate will be 4.8%. At the end of 2022, the unemployment rate will amount to 5.0%, and the number of unemployed will amount to 840,000.

In May, the prices of consumer goods and services turned out to be 1.7% higher than in April. Prices tend to rise in May, but not that much. May's result was worse than expected. Prices have increased significantly in, among others, groups: transport, home use and energy, restaurants and hotels, household equipment, food. In May, the prices of goods and services turned out to be 13.9% higher than in the previous year. In April, the prices were higher by 12.4% than in the previous year. In the period from January to May 2022, prices were on average 11.1% higher than in the corresponding period of 2021. In June, a strong increase in the annual inflation rate is expected again.

Industrial prices rose by 1.3% in May. Industrial prices in May were on average 24.7% higher than in the previous year (by 24.1% in April). In the period from January to May 2022, industrial prices were on average 20.6% higher than in the corresponding period of the previous year. In the coming months, the annual growth in industrial prices may gradually decline due to slower increases in commodity prices.

In May, the average salary in the enterprise sector amounted to PLN 6,399.59. So it was PLN 227.36, ie 3.4% lower than in April. It was also PLN 762.25 and 13.5% higher than in May of the previous year. The drop in wages recorded in May is seasonal. The level of wages in May was lower 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.



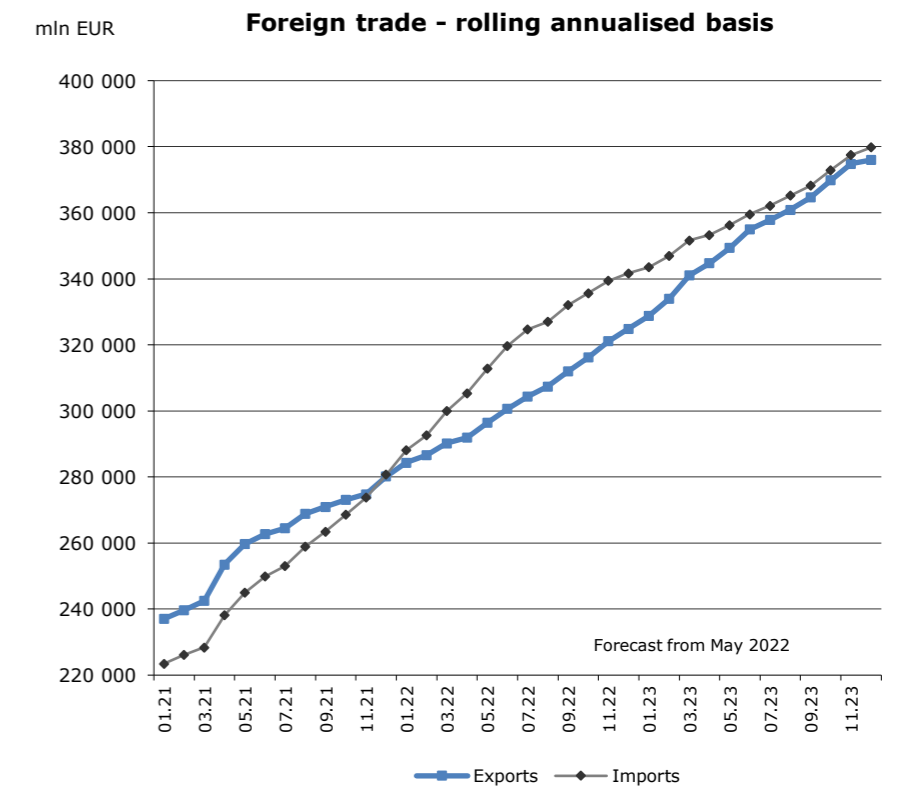
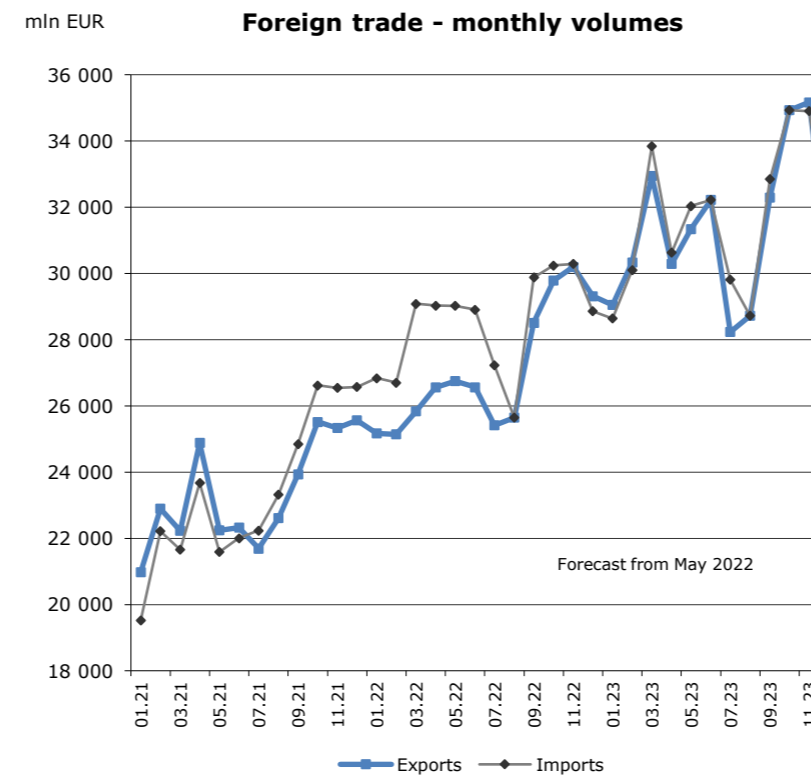
(mIn EUR)	IV 2021	III 2022*	IV 2022
<b>Current account balance</b>	1 282	-2 972	-3 924
Exports	24 882	25 831	26 559
Imports	23 671	29 084	29 025
Trade balance	1 211	-3 253	-2 466
Balance on Services	2 302	2 102	2 236
Balance on Primary Income	-2 150	-1 527	-2 844
Balance on Secondary Income	-81	-294	-850

\*Corrected data

In early June, the National Bank of Poland presented its estimated April balance of payments data. The current account balance in April 2022 was negative and amounted to EUR -3,924 million. In the previous month, there was a deficit of EUR -2,972 million. A year ago, a surplus of EUR 1,282 million was recorded.

After April, the current account balance on a rolling year basis was negative and amounted to EUR -18,265 million. Its level in relation to GDP was -3.06%. In the last 12 months, exports of goods amounted to EUR 292 billion, and exports of services amounted to EUR 72 billion.

The export of goods is now comparable to 48.8% of GDP. It is a high value for a country with a population and area of Poland. The export of services is comparable to 12.0% of GDP, which should also be considered a very good result. These indicators are much better than those recorded before the beginning of the crisis.



Macroeconomic forecast

<b>WARNING INDICATORS AGAINST FOREIGN CURRENCY CRISIS - monthly</b>	<b>11.2021</b>	<b>12.2021</b>	<b>01.2022</b>	<b>02.2022</b>	<b>03.2022</b>	<b>04.2022</b>	<b>05.2022</b>	<b>06.2022</b>	<b>07.2022</b>	<b>08.2022</b>	<b>09.2022</b>	<b>10.2022</b>	<b>11.2022</b>
International reserves, EUR million	146 719	146 576	144 152	143 730	142 056	143 952	145 619	146 930	149 721	153 464	154 232	155 774	157 020
International reserves in the months of import of goods and services	5,60	5,45	5,23	5,13	4,95	4,93	4,88	4,82	4,84	4,93	4,89	4,89	4,88
International reserves as a% of money supply	34,8%	34,0%	33,8%	34,0%	32,9%	33,3%	33,1%	33,8%	34,2%	34,9%	34,9%	35,0%	34,9%
Current account balance, EUR million, rolling annualised basis	-304	-3 546	-7 024	-9 963	-13 059	-18 265	-22 055	-25 532	-27 421	-28 019	-28 945	-29 113	-28 928
Current account balance, as a% of GDP, rolling annualised basis	-0,05%	-0,62%	-1,21%	-1,70%	-2,21%	-3,06%	-3,65%	-4,19%	-4,46%	-4,51%	-4,62%	-4,60%	-4,53%
Inflow of foreign direct investment - rolling annualised basis, EUR million	25 366	27 903	27 847	27 245	27 957	29 250	30 081	30 222	27 801	26 841	24 601	24 151	23 423
Inflow of foreign portfolio investment - rolling annualised basis, EUR million	-5 031	-5 403	-6 450	-6 365	-5 488	-2 867	-309	-499	-1 218	-1 191	-683	243	1 126

Macroeconomic forecast

<b>WARNING INDICATORS AGAINST FOREIGN CURRENCY CRISIS - quarterly</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>	<b>Q2 23</b>	<b>Q3 23</b>	<b>Q4 23</b>
Total external debt, EUR million	305 694	308 829	309 937	317 105	322 218	325 539	325 750	325 900	326 050	326 200	326 350	326 500	326 650
Long-term external debt, EUR million	170 023	171 673	169 594	174 063	170 224	165 548	165 250	165 000	164 750	164 500	164 250	164 000	163 750
Short-term external debt, EUR million	49 378	48 077	48 935	48 909	54 470	58 754	59 000	59 200	59 400	59 600	59 800	60 000	60 200
External debt - Direct investment debt instruments, EUR million	86 293	89 079	91 408	94 133	97 524	101 237	101 500	101 700	101 900	102 100	102 300	102 500	102 700
External debt as a% of GDP	58%	57%	56%	56%	56%	55%	53%	52%	51%	49%	47%	46%	45%
External debt as a% of export	130%	127%	118%	117%	115%	112%	108%	104%	100%	96%	92%	90%	87%
International reserves as a% of total external debt	41%	44%	43%	45%	45%	44%	45%	47%	50%	51%	50%	51%	53%
International reserves as a% of short-term external debt	254%	280%	274%	294%	269%	242%	249%	261%	272%	278%	273%	278%	286%

The current account has been negative in recent months. In the last 12 months, it was comparable to -3,06% 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 (4,88 months of imports of goods and services), money supply (33,1%) and external debt (44,0%).

Foreign debt is growing slowly. The ratio of external debt to GDP (currently 55%) and goods exports (currently 112%) is declining. The ratio of external debt to GDP and exports is low.

