



# **Monthly Macroeconomic Review**

Prepared by  
Polish Chamber of Commerce

Updated on 31/08/2022

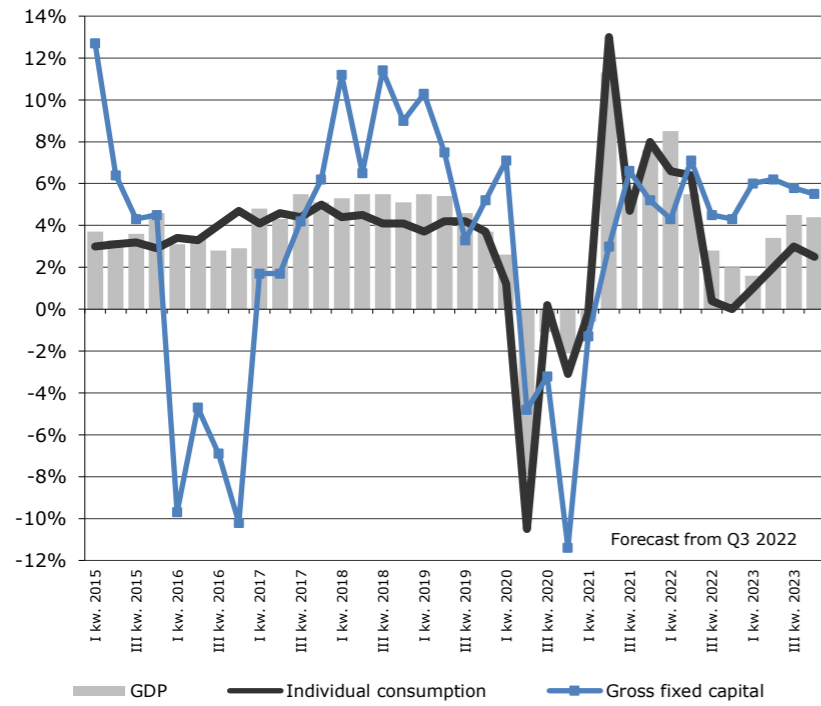
Macroeconomic forecast

Monthly macroeconomic indicators	01.2022	02.2022	03.2022	04.2022	05.2022	06.2022	07.2022	08.2022	09.2022	10.2022	11.2022	12.2022	01.2023
Industrial sales, % real change, y/y	19,2%	17,6%	15,4%	12,4%	14,9%	10,4%	7,6%	9,0%	9,5%	6,5%	2,6%	4,8%	4,4%
Construction, % real change, y/y	20,9%	21,2%	27,6%	9,3%	13,0%	5,9%	4,2%	5,0%	7,5%	4,5%	-0,9%	10,3%	10,7%
Retail sales, % nominal change, y/y	20,0%	16,5%	22,0%	33,4%	23,6%	19,9%	18,4%	18,9%	18,8%	17,5%	15,2%	14,7%	15,6%
Consumer prices, % change, y/y	9,4%	8,5%	11,0%	12,4%	13,9%	15,5%	15,6%	16,1%	16,4%	16,0%	15,4%	14,8%	14,8%
Producer prices, % change, y/y	16,1%	16,1%	21,9%	24,1%	24,7%	25,6%	24,9%	25,0%	25,3%	23,4%	22,0%	20,8%	19,2%
Wages - enterprise sector, % nominal change, y/y	9,5%	11,7%	12,4%	14,1%	13,5%	13,0%	15,8%	14,3%	13,6%	13,8%	13,3%	11,9%	14,1%
Wages - enterprise sector, PLN	6 064	6 220	6 666	6 627	6 400	6 555	6 779	6 677	6 637	6 736	6 824	7 438	6 918
Registered unemployment rate	5,5%	5,5%	5,4%	5,2%	5,1%	4,9%	4,9%	4,8%	4,8%	4,8%	4,9%	5,0%	5,1%
Number of registered unemployed persons, thousand	927	922	902	878	850	818	810	798	802	799	817	834	858
Current account balance, EUR million	-1 046	-3 787	-4 010	-3 476	-1 485	-1 468	-2 108	-1 916	-2 485	-1 318	-938	-69	1 354
Current account balance, EUR million, rolling annualised basis	-8 020	-12 083	-16 217	-20 975	-22 951	-23 955	-25 046	-26 435	-27 103	-27 053	-26 722	-24 106	-21 706

Macroeconomic forecast

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

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



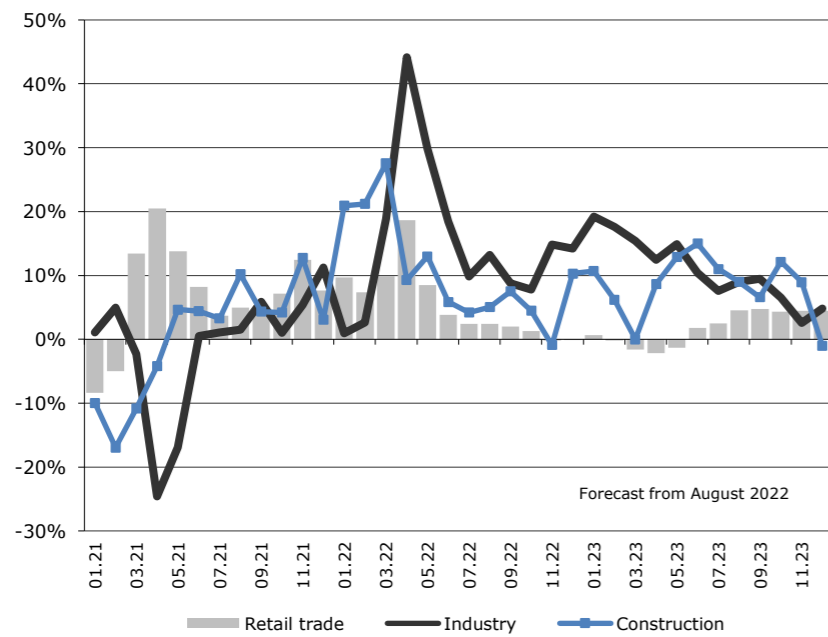
The Central Statistical Office presented data on the GDP dynamics in the second quarter of 2022. The increase in real terms was 5.5% y / y after an increase of 8.5% y / y in the first quarter of 2022. The growth turned out to be weaker than expected by the market, although slightly higher than in our estimates.

In the third quarter of 2022, real GDP growth is forecasted at 2.8% y / y, and in the fourth quarter of 2022 and the first 2023 at 2.0% y / y and 1.6% 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 4.7%. In nominal terms, GDP will amount to PLN 3,020 billion (EUR 648 billion).

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



In July, industrial production decreased in real terms by 6.5%. The decline was seasonal. The annual dynamics of production decreased to 7.6% from 10.4% in June. The industrial results in July were worse than expected. In the period January - July 2022, industrial production was 12.9% higher than in the corresponding period of 2021.

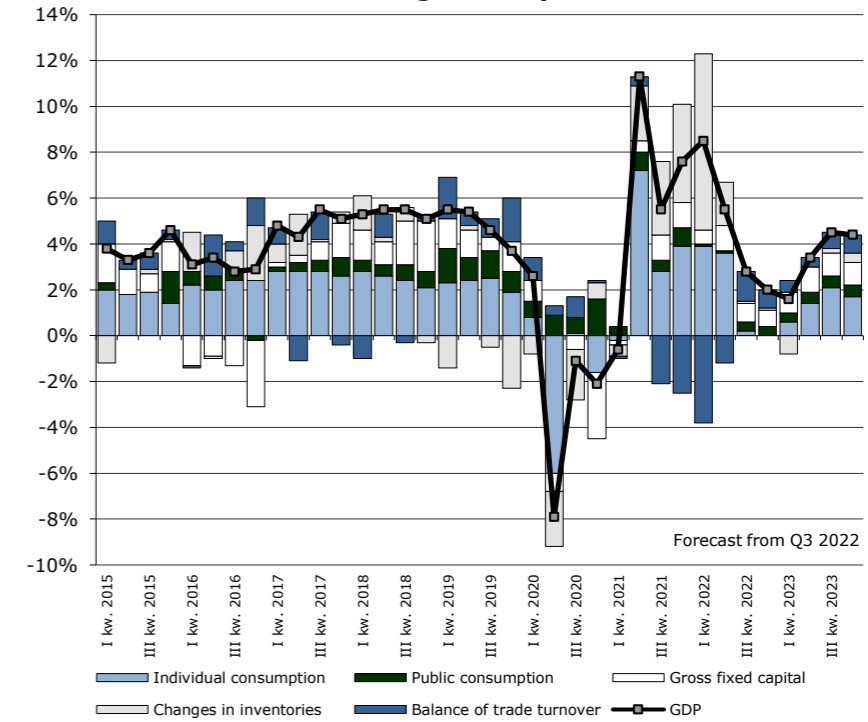
In July, construction and assembly production turned out to be 6.3% lower than in June. The fall in sales in July is a typical phenomenon. The annual dynamics of construction and assembly production decreased to 4.2% from 5.9% in June. Construction results in July were worse than expected. In the period January - July 2022, construction and assembly production was 10.7% higher than in the corresponding period of 2021.

Retail sales in July in nominal terms turned out to be 1.2% higher than in June. The increase in sales recorded in July is seasonal. The annual sales dynamics decreased from 19.9% in June to 18.4% in July. July's results were worse than expected. In the period from January to July 2022, retail sales in nominal terms were 21.4% higher than in the corresponding period of 2021. A significant part of the observed increase is the result of inflation.

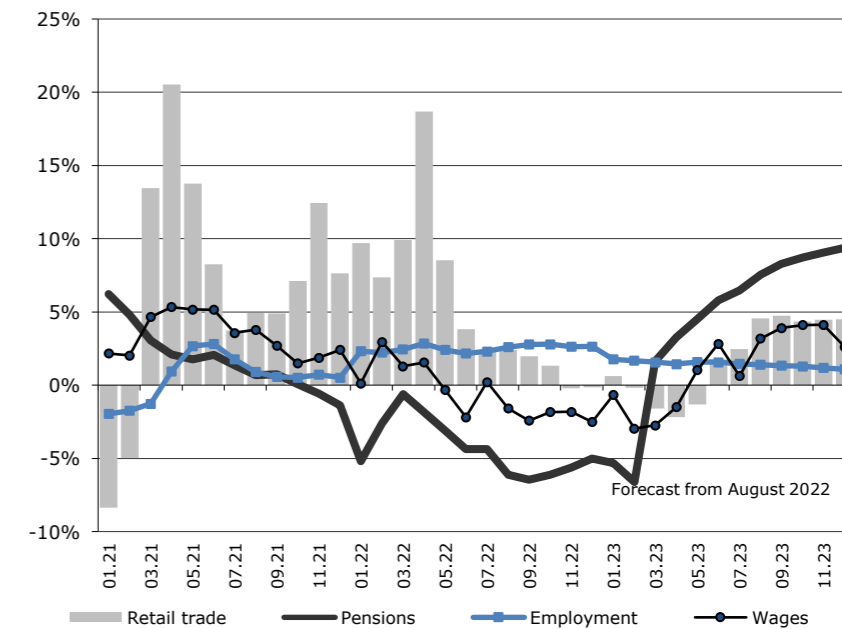
## GROSS DOMESTIC PRODUCT AND ITS COMPONENTS

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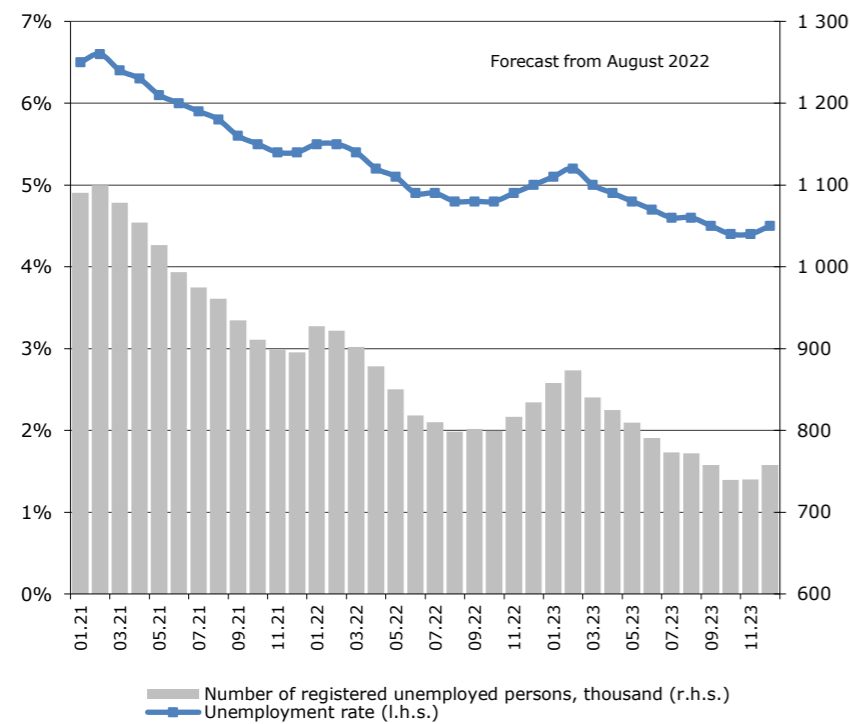
### Scale of impact of GDP demand components on economic growth dynamics



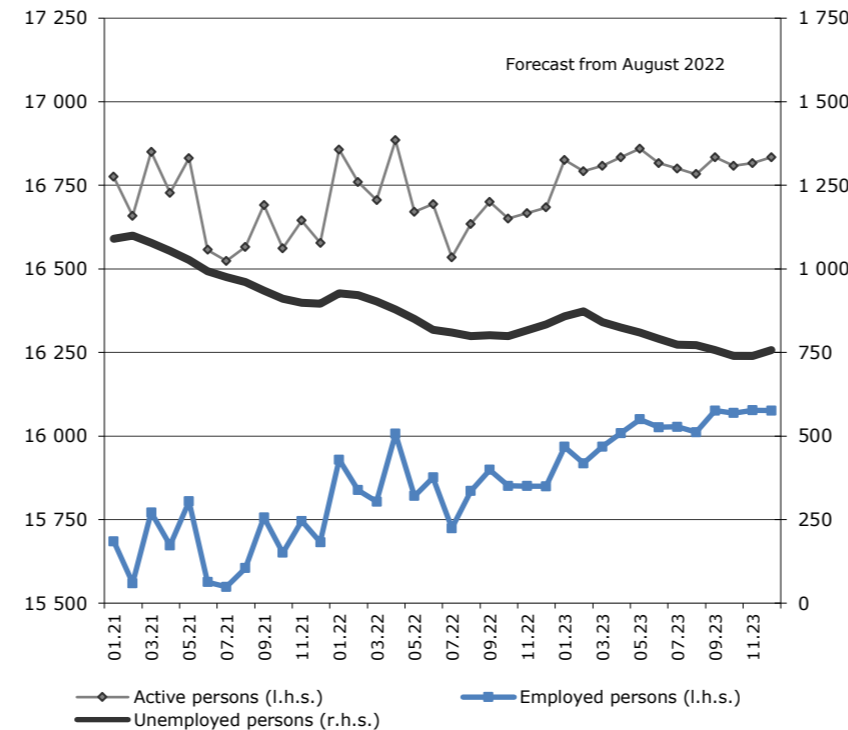
### Comparison of annual real dynamics: retail sales and gross wages in the enterprise sector as well as pensions and employment



**Registered unemployment**



**Labor activity**

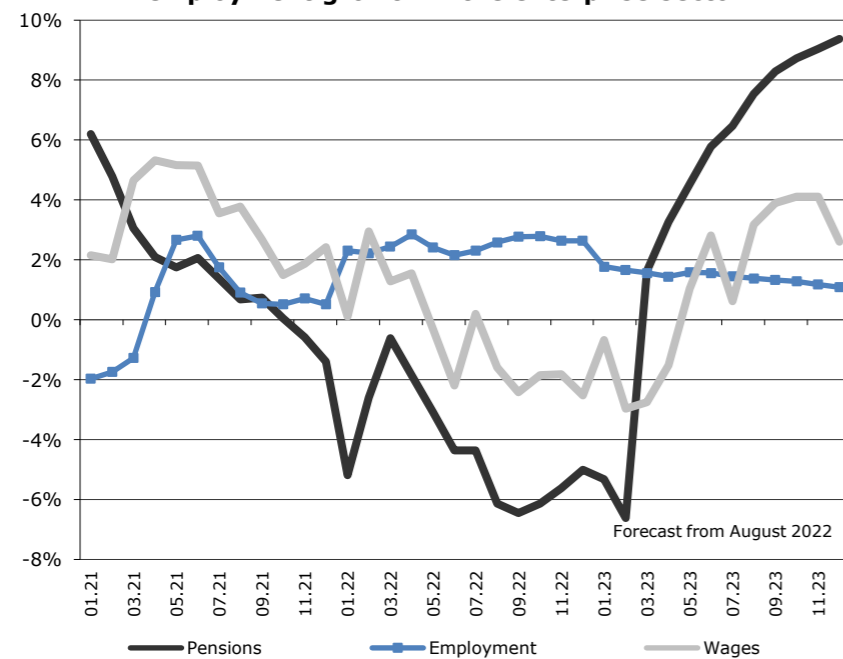


In July, the number of registered unemployed fell by 7.8 thousand. up to 810.2 thous. people. The unemployment rate was 4.9%. The unemployment rate was the same as in June A year ago, in July the unemployment rate was 5.9%. July usually brings an improvement in unemployment statistics. This is because the demand for seasonal works in construction, agriculture and tourist services is increasing. July data were close to expected.

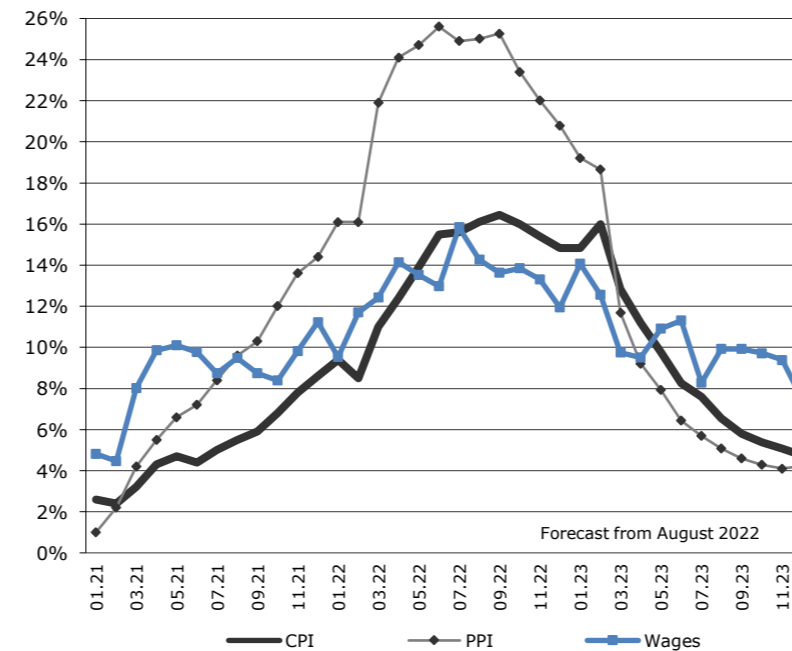
The number of employed in July amounted to approximately 15,725 thousand. people. It was about 176 thousand. ie 1.1% higher than last year.

Summer brings a drop in unemployment. The local minimum is expected in the period from August to October, when 800,000 will be unemployed. people and the unemployment rate will be 4.8%. At the end of 2022, the unemployment rate will be 5.0%, and the number of unemployed will amount to 835,000.

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



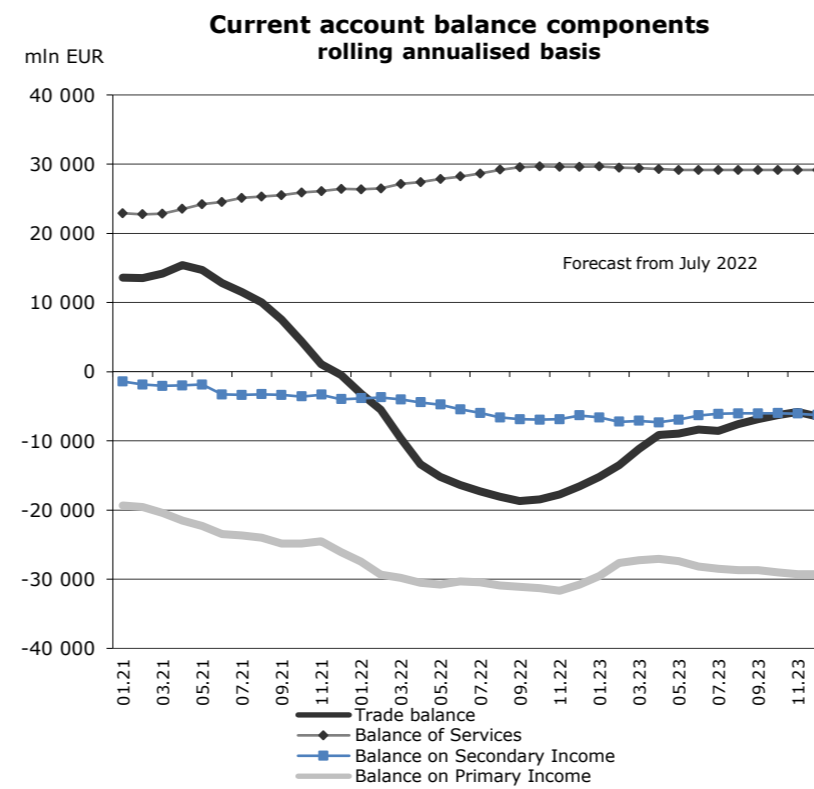
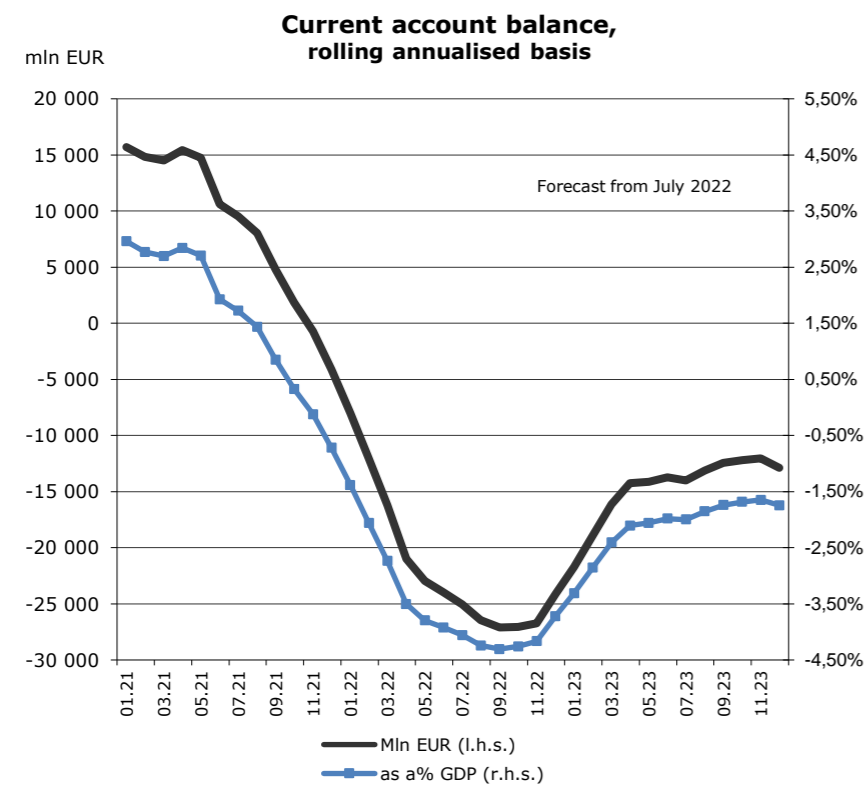
**CPI, PPI, Wages - y / y**



In July, the prices of consumer goods and services turned out to be 0.5% higher than in June. In July, prices usually drop due to seasonal reasons. July's result was higher than expected. Prices have increased significantly in, inter alia, groups: recreation and culture, restaurants and hotels, home use and energy, alcohol and tobacco. Prices dropped in groups: transport, clothing and footwear. In July, the prices of goods and services turned out to be 15.6% higher than in the previous year. In June, prices were by 15.5% higher than in the previous year. In the period from January to July 2022, prices were on average 12.4% higher than in the corresponding period of 2021. In August, an increase in the annual inflation rate is expected.

Industrial prices rose by 0.9% in July. Industrial prices in July were on average by 24.9% higher than a year ago (by 25.6% in June). In the period of January-July 2022, industrial prices were on average 22.0% 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 July, the average salary in the enterprise sector amounted to PLN 6,778.63. So it was PLN 223.76, ie 3.4% higher than in June. It was also PLN 926.76 and 15.8% higher than in July of the previous year. The wage growth recorded in July is seasonal. The wage level in July 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.



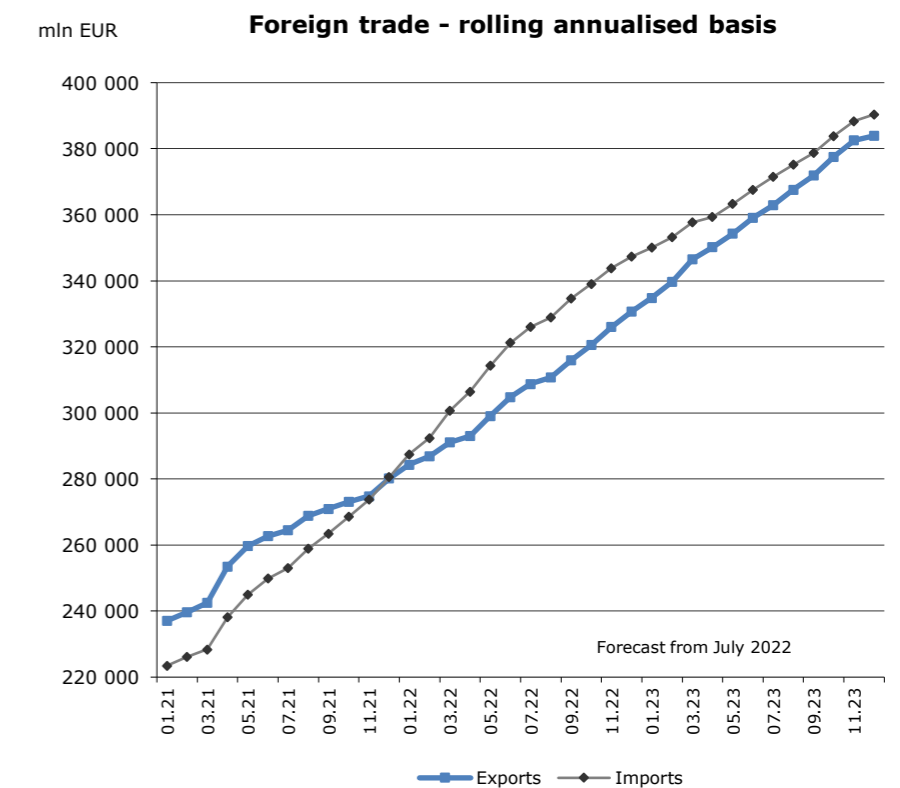
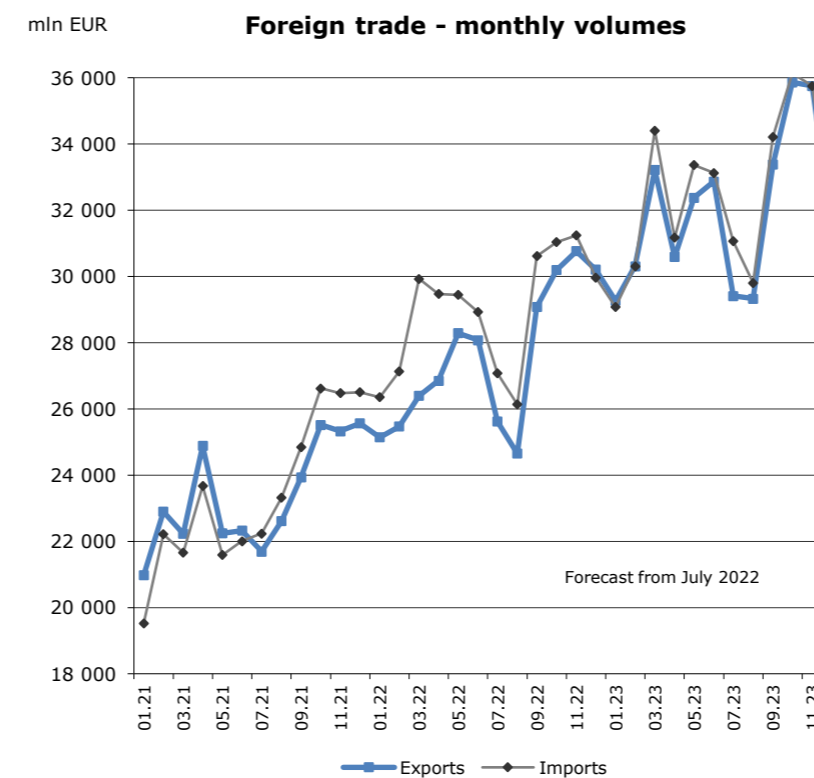
(mln EUR)	VI 2021	V 2022*	VI 2022
<b>Current account balance</b>	-464	-1 485	-1 468
Exports	22 324	28 289	28 076
Imports	22 003	29 446	28 925
Trade balance	321	-1 157	-849
Balance on Services	2 512	2 467	2 880
Balance on Primary Income	-2 946	-2 176	-2 460
Balance on Secondary Income	-351	-619	-1 039

\*Corrected data

At the beginning of August, the National Bank of Poland presented estimated data on the balance of payments in June. The current account balance in June 2022 was negative and amounted to EUR -1,468 million. In the previous month, there was a deficit of -1,485 million EUR. A year ago, a deficit of EUR -464 million was recorded.

After June, the current account balance on a rolling annual basis was negative and amounted to EUR -23,955 million. Its level in relation to GDP was -3.92%. In the last 12 months, exports of goods amounted to EUR 305 billion, and exports of services amounted to EUR 74 billion.

The export of goods is now comparable to 49.9% of GDP. It is a high value for a country with a population and area of Poland. The export of services is comparable to 12.1% 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>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>	<b>12.2022</b>	<b>01.2023</b>
International reserves, EUR million	144 152	143 730	142 056	143 952	145 619	147 712	154 138	154 908	155 683	156 928	157 870	161 817	160 684
International reserves in the months of import of goods and services	5,24	5,14	4,95	4,92	4,86	4,83	4,97	4,95	4,90	4,88	4,85	4,93	4,86
International reserves as a% of money supply	33,8%	34,0%	32,9%	33,3%	33,1%	34,6%	36,3%	36,1%	35,6%	35,4%	35,1%	35,3%	35,0%
Current account balance, EUR million, rolling annualised basis	-8 020	-12 083	-16 217	-20 975	-22 951	-23 955	-25 046	-26 435	-27 103	-27 053	-26 722	-24 106	-21 706
Current account balance, as a% of GDP, rolling annualised basis	-1,38%	-2,06%	-2,74%	-3,50%	-3,79%	-3,92%	-4,06%	-4,24%	-4,31%	-4,26%	-4,17%	-3,72%	-3,31%
Inflow of foreign direct investment - rolling annualised basis, EUR million	30 975	32 459	34 732	35 951	34 724	35 806	32 885	31 725	29 185	28 436	27 483	26 348	22 735
Inflow of foreign portfolio investment - rolling annualised basis, EUR million	-6 530	-6 445	-5 568	-2 948	2 176	1 636	767	794	1 302	2 228	3 172	3 888	5 788

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%	50%	49%	47%	46%	44%
External debt as a% of export	130%	127%	118%	117%	115%	112%	107%	103%	99%	94%	91%	88%	85%
International reserves as a% of total external debt	41%	44%	43%	45%	45%	44%	45%	48%	50%	51%	50%	51%	53%
International reserves as a% of short-term external debt	254%	280%	274%	294%	269%	242%	250%	263%	272%	278%	273%	278%	286%

The current account has been negative in recent months. In the last 12 months, it was comparable to -3,92% 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 (4,97 months of imports of goods and services), money supply (36,3%) 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.

