



# **Monthly Macroeconomic Review**

Prepared by  
Polish Chamber of Commerce

Updated on 30/11/2022

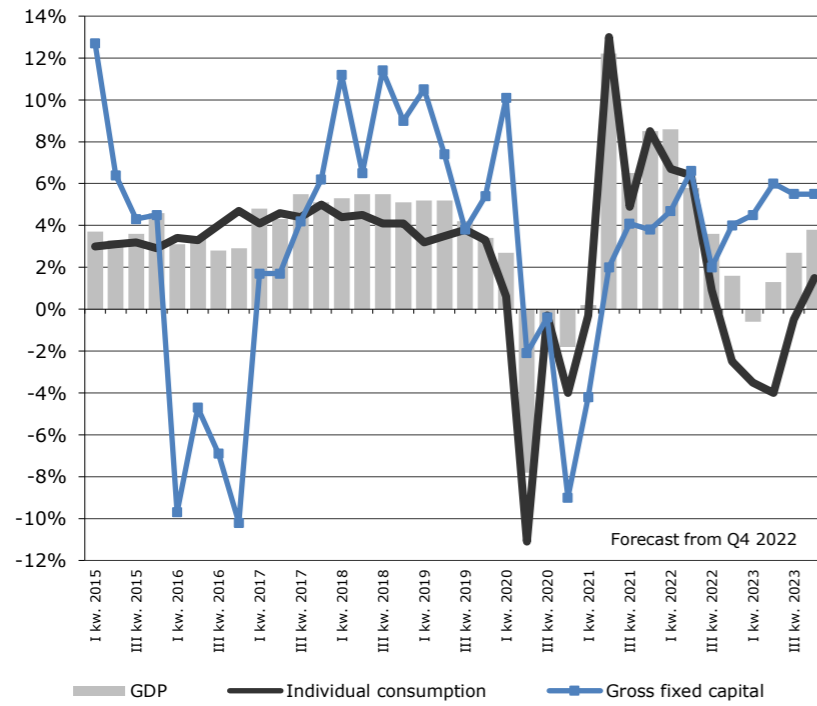
Macroeconomic forecast

Monthly macroeconomic indicators	04.2022	05.2022	06.2022	07.2022	08.2022	09.2022	10.2022	11.2022	12.2022	01.2023	02.2023	03.2023	04.2023
Industrial sales, % real change, y/y	12,4%	14,9%	10,4%	7,1%	10,9%	9,8%	6,8%	2,6%	4,8%	3,3%	1,1%	-1,0%	-0,1%
Construction, % real change, y/y	9,3%	13,0%	5,9%	4,2%	6,1%	0,3%	3,9%	-1,9%	9,3%	4,4%	1,1%	-4,0%	7,7%
Retail sales, % nominal change, y/y	33,4%	23,6%	19,9%	18,4%	21,5%	21,9%	18,3%	18,3%	18,0%	18,1%	18,5%	13,4%	10,8%
Consumer prices, % change, y/y	12,4%	13,9%	15,5%	15,6%	16,1%	17,2%	17,9%	17,4%	17,4%	18,8%	20,2%	18,1%	16,4%
Producer prices, % change, y/y	24,1%	24,7%	25,6%	25,5%	25,5%	24,6%	22,9%	21,1%	19,8%	17,9%	17,0%	10,0%	7,5%
Wages - enterprise sector, % nominal change, y/y	14,1%	13,5%	13,0%	15,8%	12,7%	14,5%	13,0%	13,3%	12,4%	14,6%	13,0%	10,2%	10,0%
Wages - enterprise sector, PLN	6 627	6 400	6 555	6 779	6 583	6 688	6 688	6 822	7 470	6 947	7 030	7 347	7 288
Registered unemployment rate	5,6%	5,4%	5,2%	5,2%	5,2%	5,1%	5,1%	5,2%	5,3%	5,5%	5,6%	5,5%	5,3%
Number of registered unemployed persons, thousand	878	850	818	810	807	802	796	814	831	870	884	869	839
Current account balance, EUR million	-2 844	-1 340	-541	-1 887	-3 332	-1 561	-392	-600	-1 897	-735	-1 582	-1 538	-1 699
Current account balance, EUR million, rolling annualised basis	-19 665	-20 726	-21 539	-21 863	-23 351	-23 259	-24 592	-23 708	-21 722	-21 366	-20 915	-18 248	-17 103

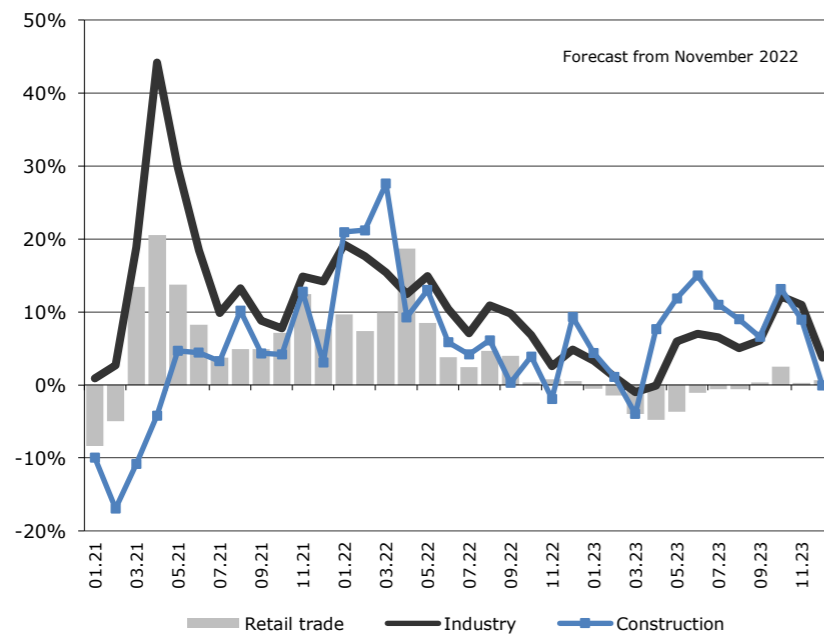
Macroeconomic forecast

Quarterly macroeconomic indicators	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24
Gross domestic product , % real change y/y	0,2%	12,2%	6,5%	8,5%	8,6%	5,8%	3,6%	1,6%	-0,6%	1,3%	2,7%	3,8%	3,8%
Individual consumption , % real change y/y	-0,3%	13,0%	4,9%	8,5%	6,7%	6,4%	0,9%	-2,5%	-3,5%	-4,0%	-0,5%	1,5%	3,0%
Gross fixed capital , % real change y/y	-4,2%	2,0%	4,1%	3,8%	4,7%	6,6%	2,0%	4,0%	4,5%	6,0%	5,5%	5,5%	4,8%

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



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



The Central Statistical Office presented data on GDP dynamics in the third quarter of 2022. The real growth amounted to 3.6% y/y after an increase of 5.8% y/y in the second quarter of 2022. Growth was better than expected by the market and higher than our estimates.

In the fourth quarter of 2022, real GDP growth is forecast at 1.6% y/y. In the first quarter of 2023, a recession is likely - at -0.6%. In the following quarters, GDP growth in real terms will return. In the next three quarters, consumption will decline due to the very high level of inflation.

Throughout 2021, GDP increased in real terms by 6.8%, and in nominal terms it amounted to PLN 2,624 billion (EUR 575 billion).

For 2022, the GDP dynamics is forecast at 4.8%. In nominal terms, the GDP will amount to PLN 3,061 billion (EUR 654 billion).

In October, industrial production fell by 0.7% in real terms. The decline was not seasonal. The annual output growth slowed down to 6.8% from 9.8% in September. The industry's results in October were worse than expected by the market and slightly better than expected by us. In the period from January to October 2022, industrial production was 11.6% higher than in the corresponding period of 2021.

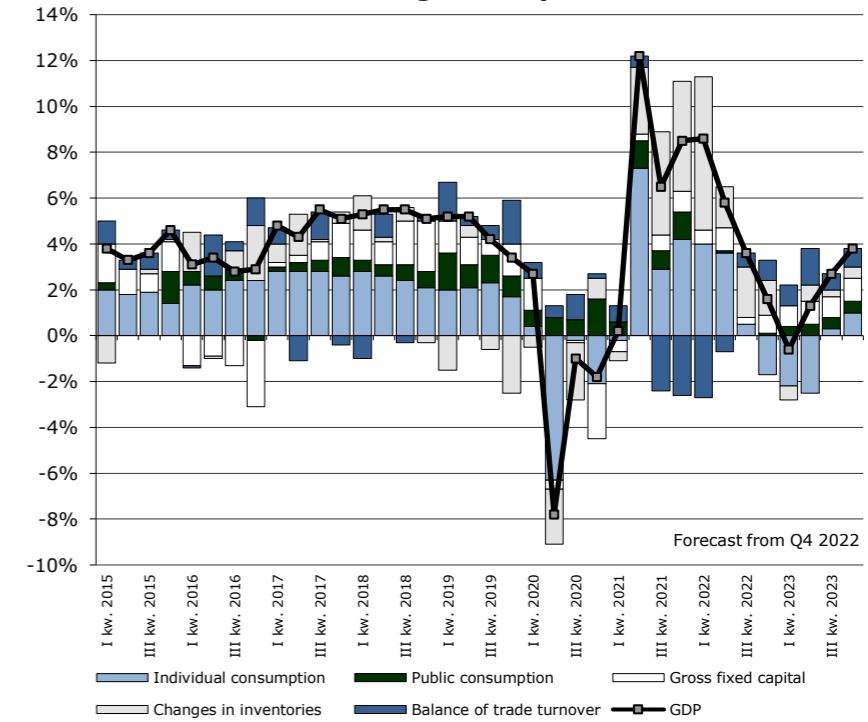
In October, construction and assembly production turned out to be 4.0% higher than in September. The increase in sales in October is not a typical phenomenon. The annual growth rate of construction and assembly output increased to 3.9% from 0.3% in September. Construction results in October were better than expected by the market and slightly worse than our forecasts. In the period from January to October 2022, construction and assembly production was 8.1% higher than in the corresponding period of 2021.

Retail sales in October in nominal terms turned out to be 2.3% higher than in September. The increase in sales recorded in October is seasonal. The annual sales dynamics decreased from 21.9% in September to 18.3% in October. October's results were lower than expected by the market and us. In the period of January - October 2022, retail sales were nominally 20.7% higher than in the corresponding period of 2021. A significant part of the observed increase is the result of inflation.

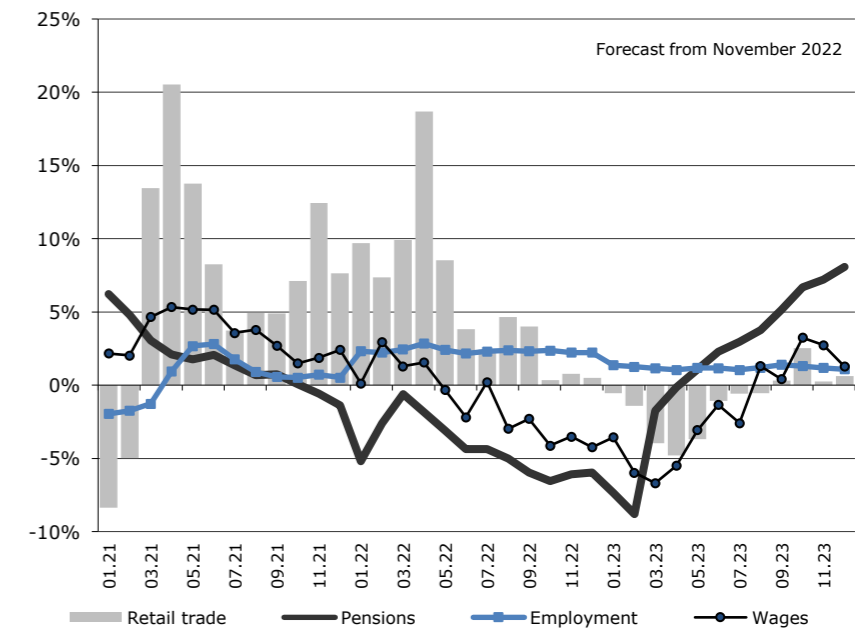
## GROSS DOMESTIC PRODUCT AND ITS COMPONENTS

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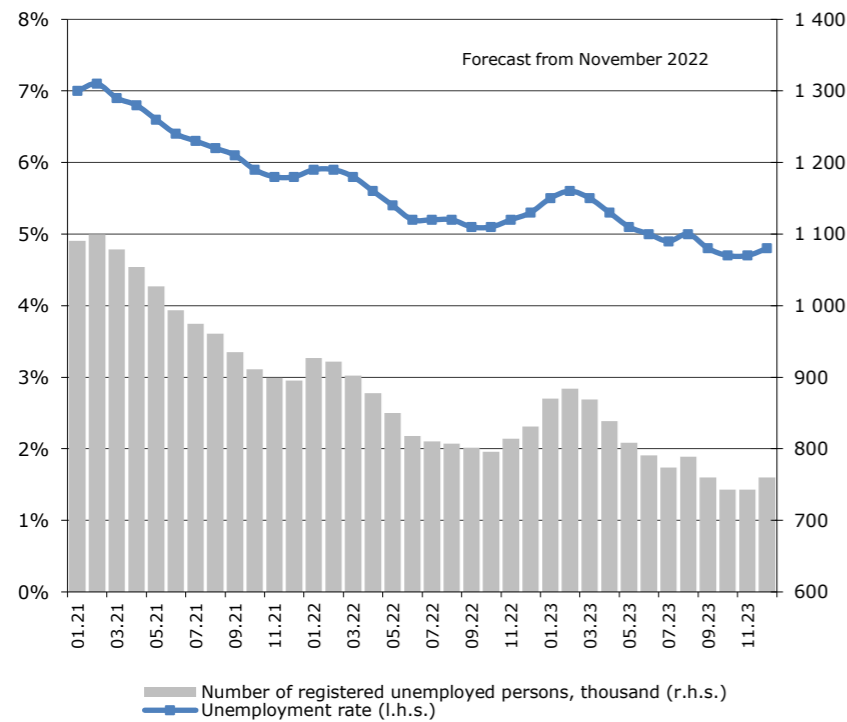
### Scale of impact of GDP demand components on economic growth dynamics



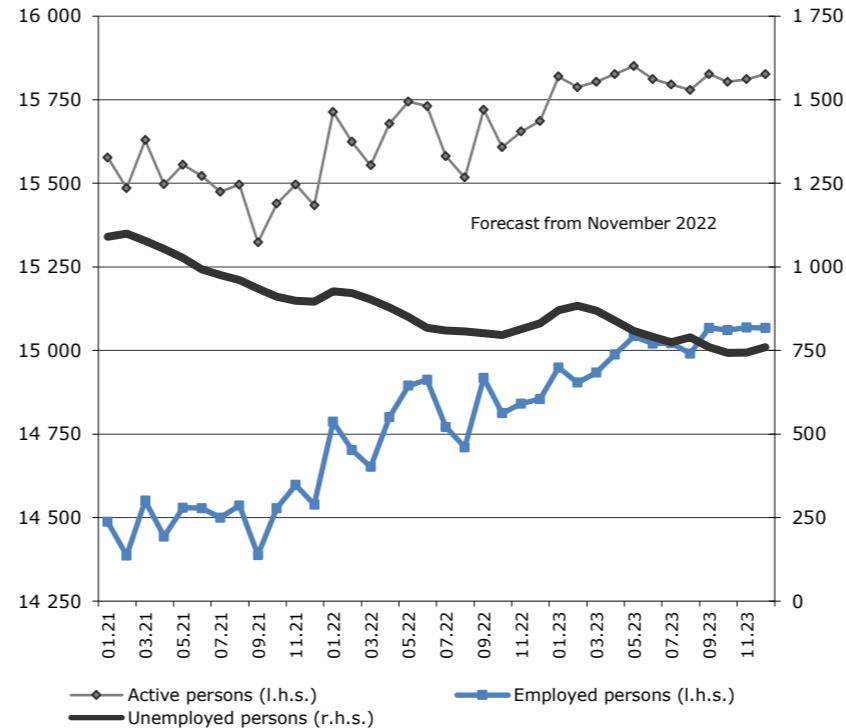
### Comparison of annual real dynamics: retail sales and gross wages in the enterprise sector as well as pensions and employment



**Registered unemployment**



**Labor activity**

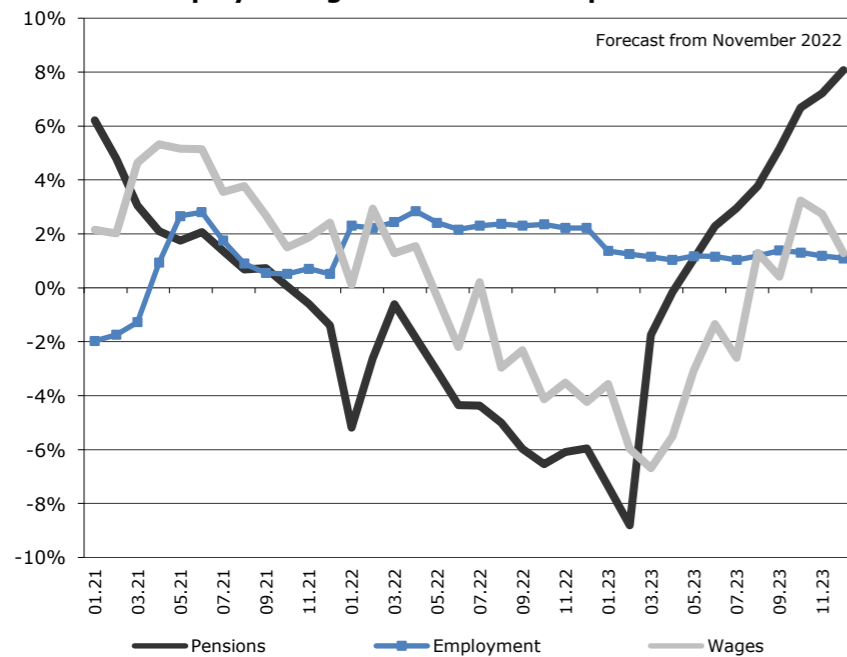


In October, the number of registered unemployed fell by 5.7 thousand, up to 796.0 thousand people. The unemployment rate was 5.1%. The unemployment rate was the same as in September. A year ago in October the unemployment rate was 5.9%. October usually brings stabilization in unemployment statistics. The demand for seasonal work in construction, agriculture and tourist services is no longer increasing. Data from October were close to expectations.

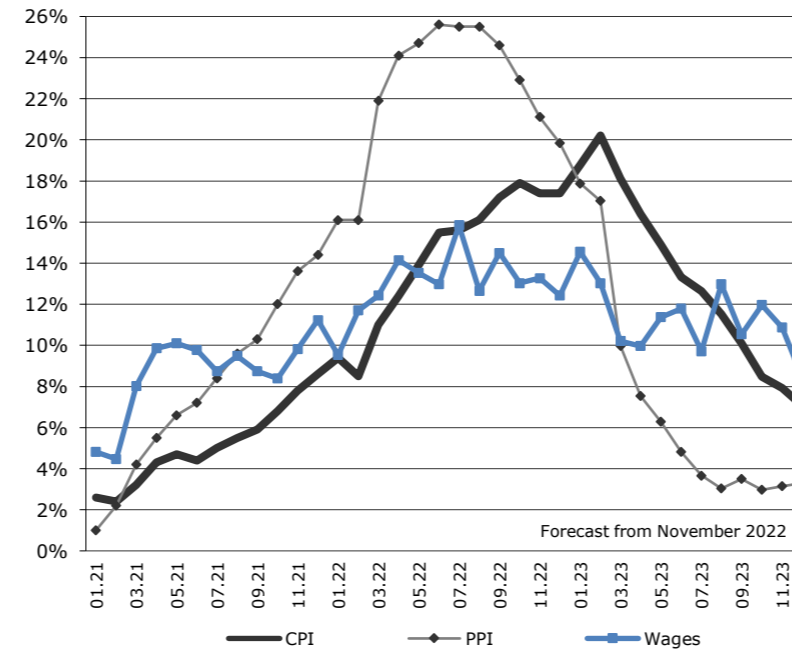
The number of working people in October amounted to approximately 14,812,000 people. It was 284 thousand, i.e. 2.0% higher than last year.

Summer brings a decrease in unemployment. In October, there is still a local unemployment minimum. At the end of 2022, the unemployment rate will be 5.3%, and the number of unemployed will amount to 835,000. The local (seasonal) unemployment peak is expected in February, when the unemployment rate will reach 5.6% and the number of unemployed will reach 885,000 people.

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



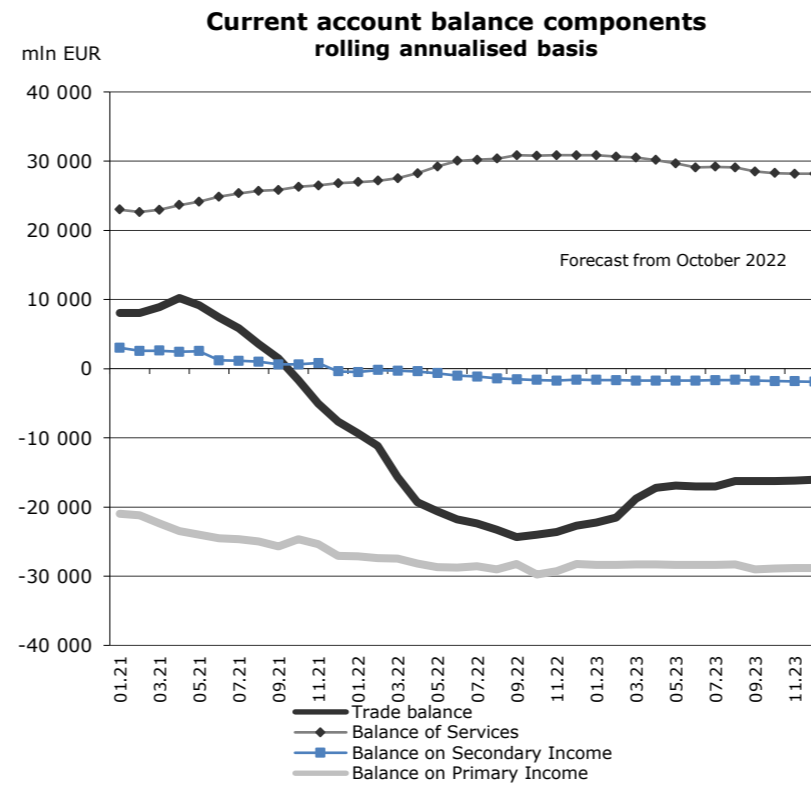
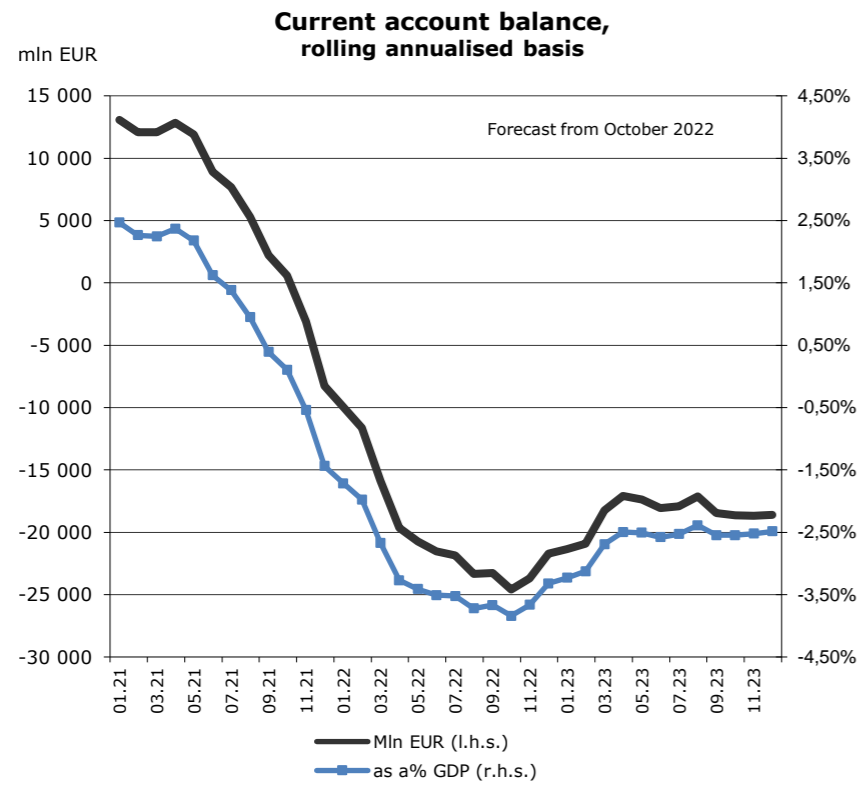
**CPI, PPI, Wages - y / y**



In October, the prices of consumer goods and services turned out to be 1.8% higher than in September. In October, prices tend to increase for seasonal reasons. October's result was in line with market expectations and worse than our forecast. Prices have increased markedly in the following groups: clothing and footwear, transport, food, education, home use and energy carriers, home furnishings and running a household. In October, the prices of goods and services turned out to be 17.9% higher than a year ago. In September, prices were higher than a year ago by 17.2%. In the period from January to October 2022, prices were on average 13.8% higher than in the corresponding period of 2021. In November, a decrease in the annual inflation rate is expected.

Industrial prices rose by 0.7% in October. Industrial prices in October were on average 22.9% higher than a year ago (24.6% in September). In the period from January to October 2022, industrial prices were on average 22.8% higher than in the corresponding period of the previous year. In the coming months, the annual growth of industrial prices may gradually decrease due to slower increases in commodity prices.

In October, the average salary in the enterprise sector amounted to PLN 6,687.92. So it was PLN 0.11 higher than in September. It was also PLN 770.77 and 13.0% higher than in October of the previous year. The stabilization of wages recorded in October is not seasonal (increases are seasonal). The level of wages in October was lower than expected by the market and lower than expected by us. The level of wages in the coming months will be affected by changes in the level of economic activity. Changes in the structure of employment between individual industries, but also in individual enterprises, will be important.



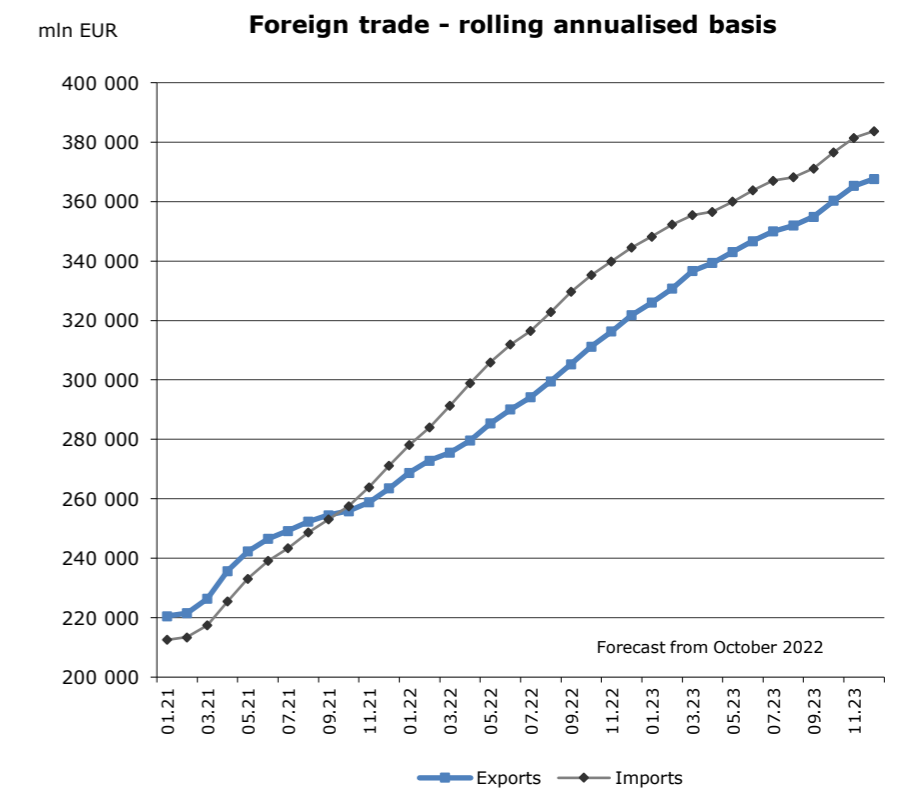
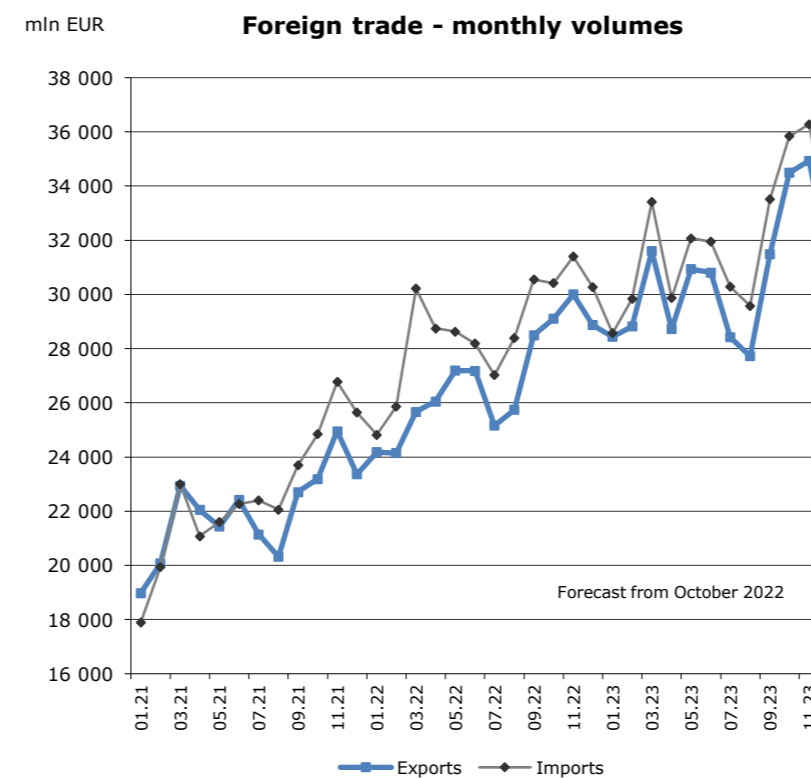
(mln EUR)	IX 2021	VIII 2022*	IX 2022
<b>Current account balance</b>	-1 653	-3 332	-1 561
Exports	22 705	25 746	28 498
Imports	23 696	28 388	30 552
Trade balance	-991	-2 642	-2 054
Balance on Services	2 262	2 367	2 742
Balance on Primary Income	-3 003	-2 929	-2 240
Balance on Secondary Income	79	-128	-9

\*Corrected data

At the beginning of November, the National Bank of Poland presented estimates of the balance of payments in September. The current account balance in September 2022 was negative and amounted to EUR -1,561 million. In the previous month, a deficit of EUR -3,332 million was recorded. A year ago, a deficit of EUR -1,653 million was recorded.

After September, the current account balance on an annualized rolling basis was negative and amounted to EUR -23,259 million. Its level in relation to GDP was -3.67%. In the last 12 months, exports of goods amounted to EUR 305 billion, and exports of services to EUR 80 billion.

The export of goods is currently comparable to 48.2% of GDP. This is a high value for a country with the population and area of Poland. The export of services is comparable to 12.6% of GDP, which should also be considered a very good result. These indicators are much better than those recorded before the onset of the crisis.



Macroeconomic forecast

<b>WARNING INDICATORS AGAINST FOREIGN CURRENCY CRISIS - monthly</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>	<b>02.2023</b>	<b>03.2023</b>	<b>04.2023</b>
International reserves, EUR million	143 952	145 704	147 712	154 138	155 103	154 195	152 491	154 016	157 866	159 445	161 039	163 455	161 003
International reserves in the months of import of goods and services	5,02	4,96	4,94	5,08	5,01	4,89	4,76	4,75	4,81	4,81	4,81	4,84	4,76
International reserves as a% of money supply	33,3%	33,1%	34,6%	36,3%	35,9%	36,4%	34,7%	34,4%	34,6%	34,9%	34,9%	35,5%	34,8%
Current account balance, EUR million, rolling annualised basis	-19 665	-20 726	-21 539	-21 863	-23 351	-23 259	-24 592	-23 708	-21 722	-21 366	-20 915	-18 248	-17 103
Current account balance, as a% of GDP, rolling annualised basis	-3,27%	-3,41%	-3,51%	-3,52%	-3,72%	-3,67%	-3,84%	-3,66%	-3,32%	-3,23%	-3,12%	-2,69%	-2,50%
Inflow of foreign direct investment - rolling annualised basis, EUR million	35 938	34 880	36 160	34 295	34 652	33 341	33 508	31 230	28 582	26 009	24 365	20 176	18 140
Inflow of foreign portfolio investment - rolling annualised basis, EUR million	-2 854	2 271	1 731	313	652	1 133	2 059	2 942	3 658	5 556	6 570	6 394	4 454

Macroeconomic forecast

<b>WARNING INDICATORS AGAINST FOREIGN CURRENCY CRISIS - quarterly</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>	<b>Q1 24</b>
Total external debt, EUR million	310 165	311 567	318 582	322 710	326 733	334 636	335 700	336 650	336 350	336 550	336 750	336 950	337 150
Long-term external debt, EUR million	172 005	169 993	174 660	170 422	165 888	167 843	168 500	168 750	168 500	168 250	168 000	167 750	167 500
Short-term external debt, EUR million	48 130	48 951	49 083	54 447	58 973	63 028	63 200	63 400	63 600	63 800	64 000	64 200	64 400
External debt - Direct investment debt instruments, EUR million	90 030	92 623	94 839	97 841	101 872	103 765	104 000	104 500	104 250	104 500	104 750	105 000	105 250
External debt as a% of GDP	58%	57%	57%	56%	55%	54%	53%	52%	50%	48%	46%	45%	44%
External debt as a% of export	137%	126%	125%	122%	119%	115%	110%	105%	100%	97%	95%	92%	89%
International reserves as a% of total external debt	43%	43%	45%	45%	43%	44%	46%	47%	49%	48%	49%	51%	52%
International reserves as a% of short-term external debt	280%	274%	293%	269%	241%	234%	244%	249%	257%	253%	259%	268%	273%



The current account has been negative in recent months. In the last 12 months, it was comparable to -3,67% of GDP.

The recent quarters have seen a simultaneous inflow of direct capital to our market and stabilization of portfolio capital. The stabilization of the portfolio capital 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 (4,76 months of imports of goods and services), money supply (34,7%) and external debt (44,1%).

Foreign debt is growing slowly. The ratio of external debt to GDP (currently 54%) and goods exports (currently 115%) is declining. The ratio of external debt to GDP and exports is low.

