



# **Monthly Macroeconomic Review**

Prepared by  
Polish Chamber of Commerce

Updated on 29/12/2023

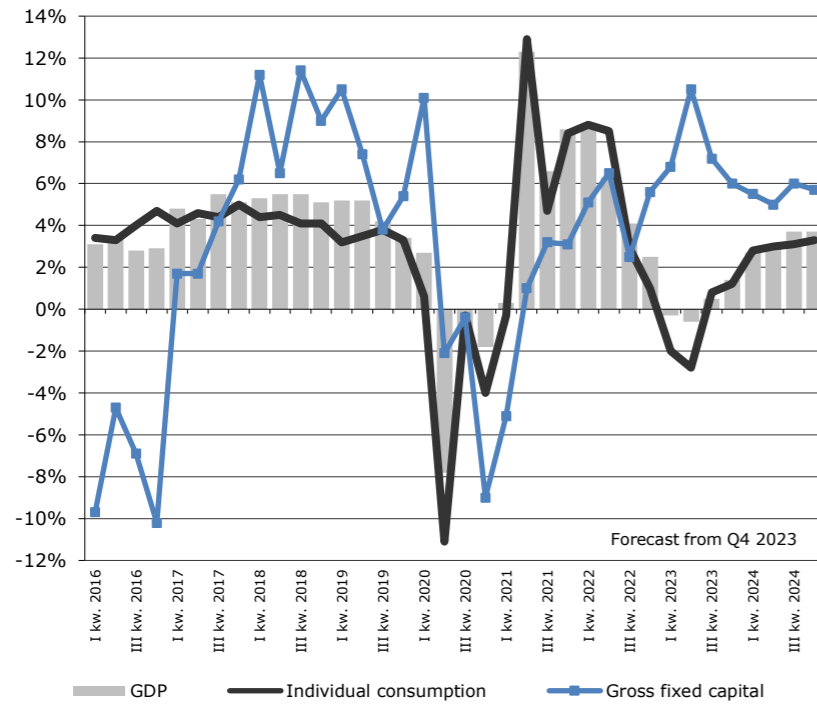
Macroeconomic forecast

Monthly macroeconomic indicators	05.2023	06.2023	07.2023	08.2023	09.2023	10.2023	11.2023	12.2023	01.2024	02.2024	03.2024	04.2024	05.2024
Industrial sales, % real change, y/y	-2,8%	-1,1%	-2,3%	-1,9%	-3,3%	1,9%	-0,7%	-1,5%	7,0%	7,8%	3,8%	10,9%	3,2%
Construction, % real change, y/y	-0,7%	1,5%	1,1%	3,5%	11,5%	9,8%	3,9%	4,2%	10,0%	5,3%	6,7%	8,8%	4,2%
Retail sales, % nominal change, y/y	1,8%	2,1%	2,1%	3,1%	3,6%	4,8%	2,6%	4,5%	6,3%	10,3%	9,5%	7,9%	8,6%
Consumer prices, % change, y/y	13,0%	11,5%	10,8%	10,1%	8,2%	6,6%	6,6%	6,7%	5,6%	5,1%	4,6%	4,7%	5,1%
Producer prices, % change, y/y	2,8%	0,3%	-2,1%	-2,9%	-2,7%	-4,2%	-4,7%	-5,4%	-5,9%	-5,0%	-4,2%	-2,8%	-0,8%
Wages - enterprise sector, % nominal change, y/y	12,2%	11,9%	10,4%	11,9%	10,3%	12,8%	11,8%	11,4%	11,3%	9,9%	8,9%	9,1%	9,5%
Wages - enterprise sector, PLN	7 182	7 335	7 485	7 369	7 380	7 545	7 670	8 169	7 662	7 762	8 173	8 108	7 865
Registered unemployment rate	5,1%	5,1%	5,0%	5,0%	5,0%	5,0%	5,0%	5,1%	5,3%	5,4%	5,3%	5,1%	5,0%
Number of registered unemployed persons, thousand	802	784	782	783	776	770	773	786	824	838	823	792	777
Current account balance, EUR million	491	1 049	-62	-299	394	2 036	1 097	-136	887	1 099	-200	-396	-601
Current account balance, EUR million, rolling annualised basis	-1 577	-520	276	1 834	4 605	5 894	7 739	9 326	7 967	7 599	6 027	5 961	4 869

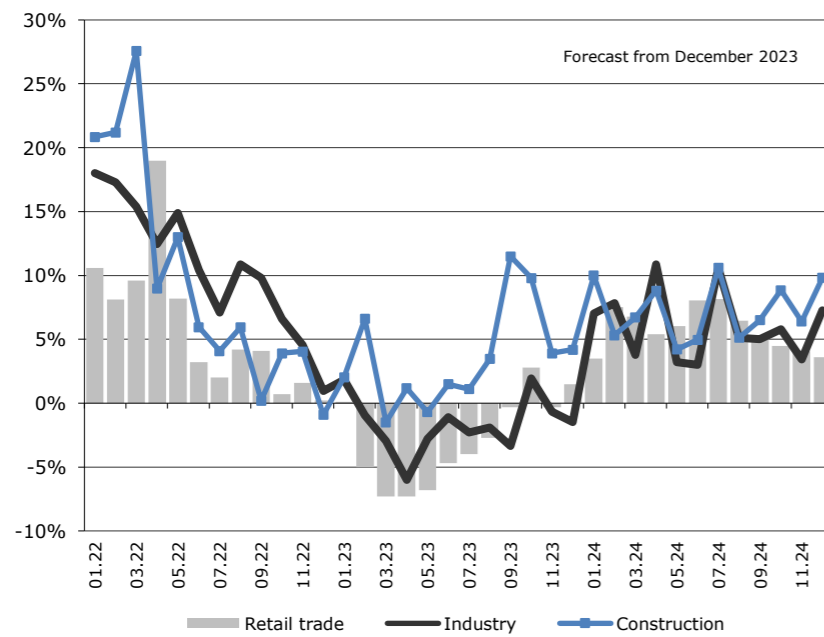
Macroeconomic forecast

Quarterly macroeconomic indicators	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24	Q2 24	Q3 24	Q4 24	Q1 25
Gross domestic product , % real change y/y	8,8%	6,3%	4,1%	2,5%	-0,3%	-0,6%	0,5%	1,4%	2,7%	3,0%	3,7%	3,7%	3,1%
Individual consumption , % real change y/y	8,8%	8,5%	2,9%	1,0%	-2,0%	-2,8%	0,8%	1,2%	2,8%	3,0%	3,1%	3,3%	2,6%
Gross fixed capital , % real change y/y	5,1%	6,5%	2,5%	5,6%	6,8%	10,5%	7,2%	6,0%	5,5%	5,0%	6,0%	5,7%	5,0%

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



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



The Central Statistical Office presented GDP results in the third quarter of 2023. Gross domestic product increased by 0.5% y/y, after a decline in the second quarter by 0.6% y/y. The result was better than expected by the market. The exit from the recession was possible thanks to overcoming negative trends in consumption.

Economic growth is likely in the fourth quarter of 2023 - at the level of 1.4% y/y. In the following quarters, the growth rate should remain in the range of 2.5% - 3.5%. Consumption will strengthen. Supplies will be renewed.

Throughout 2022, GDP increased in real terms by 5.3%, and in nominal terms it amounted to PLN 3,067 billion (EUR 655 billion). For 2023, GDP growth is estimated at 0.3%. In nominal terms, GDP will amount to PLN 3,401 billion (EUR 749 billion).

For 2024, GDP growth is estimated at 3.3%. In nominal terms, GDP will amount to PLN 3,669 billion (EUR 848 billion).

In November, industrial production increased by 0.2% in real terms. The increase was seasonal. Annual production growth deteriorated to negative -0.7% from positive +1.9% in October. Industry results in November were weaker than expected by the market and weaker than we expected. In the period January - November 2023, industrial production was 1.4% lower than in the corresponding period of 2022.

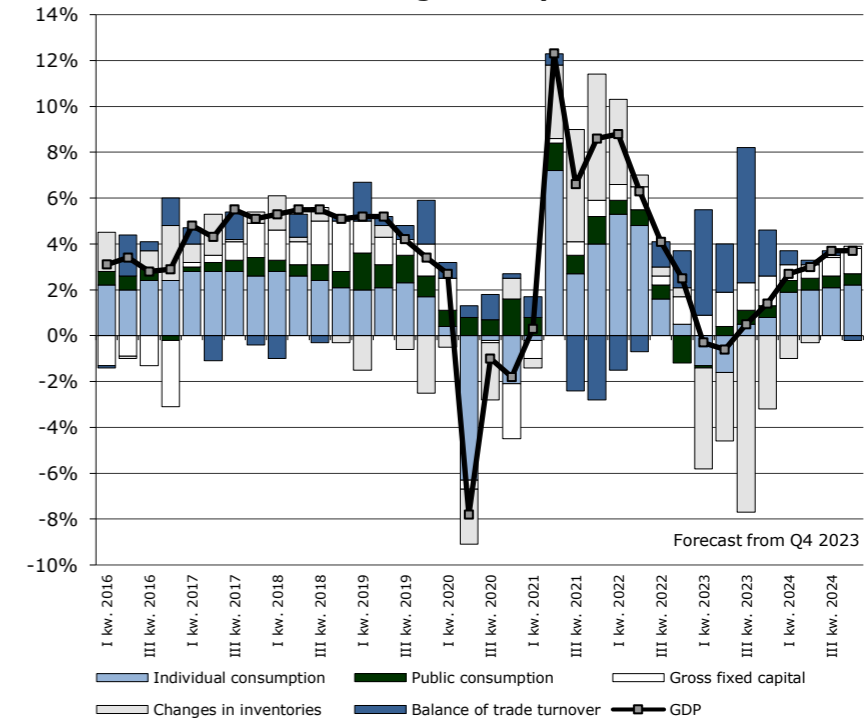
In November, construction and assembly production was 3.1% higher than in October. An increase in sales in November is a typical phenomenon. The annual dynamics of construction and assembly production decreased from 9.8% in October to 3.9% in November. Construction results in November were clearly weaker than expected by the market and slightly weaker than expected by us. In the period January - November 2023, construction and assembly production was 4.0% higher than in the corresponding period of 2022.

Retail sales in November in nominal terms were 1.8% lower than in October. The decline in sales recorded in November is seasonal. Annual sales growth decreased from 4.8% in October to 2.6% in November. November's results were clearly worse than expected by the market and us. In the period January-November 2023, retail sales were nominally 5.7% higher than in the corresponding period of 2022. In real terms, retail sales in the period January-November 2023 were 2.4% lower than in the corresponding period of 2022.

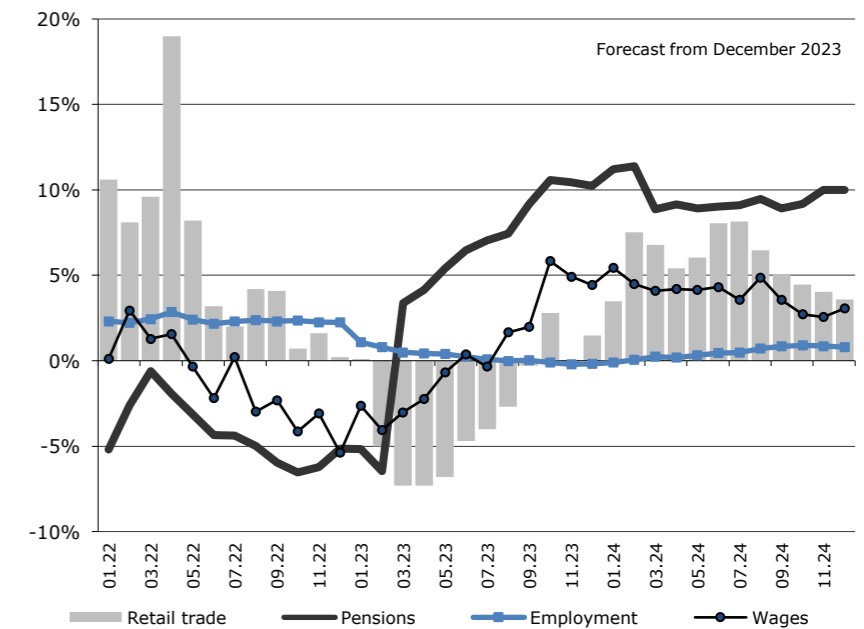
**GROSS DOMESTIC PRODUCT AND ITS COMPONENTS**

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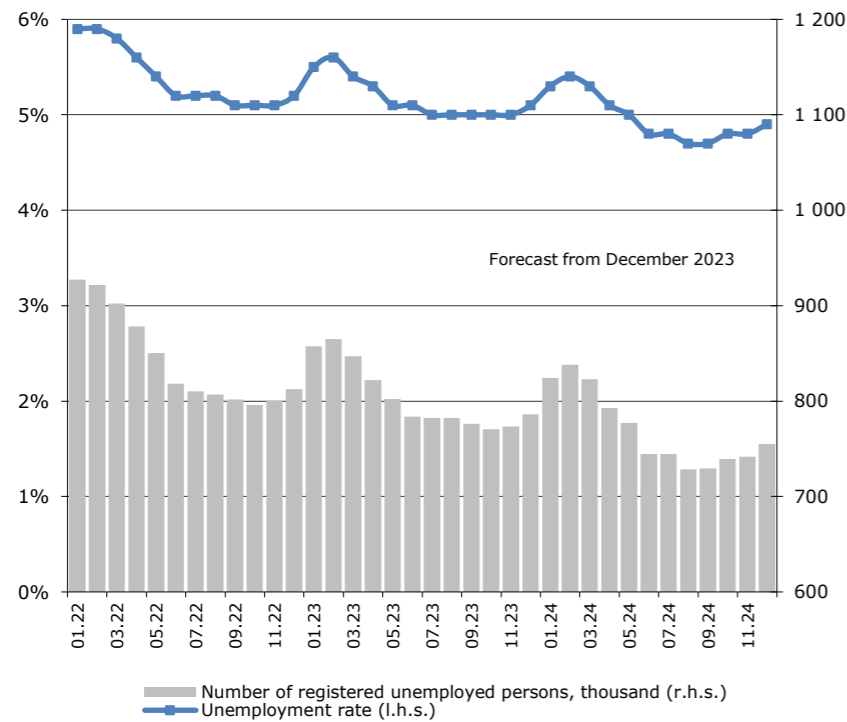
**Scale of impact of GDP demand components on economic growth dynamics**



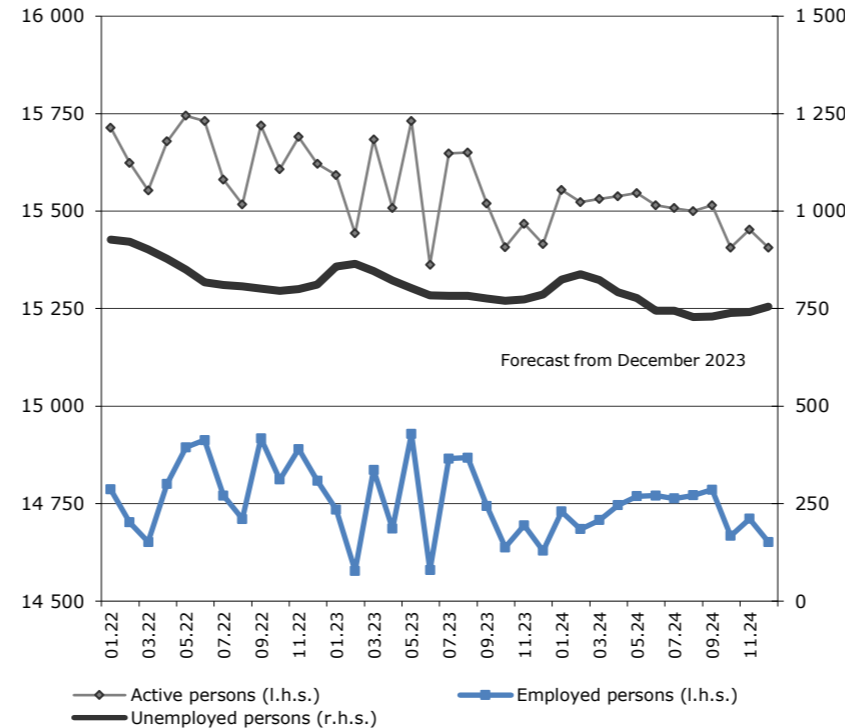
**Comparison of annual real dynamics: retail sales and gross wages in the enterprise sector as well as pensions and employment**



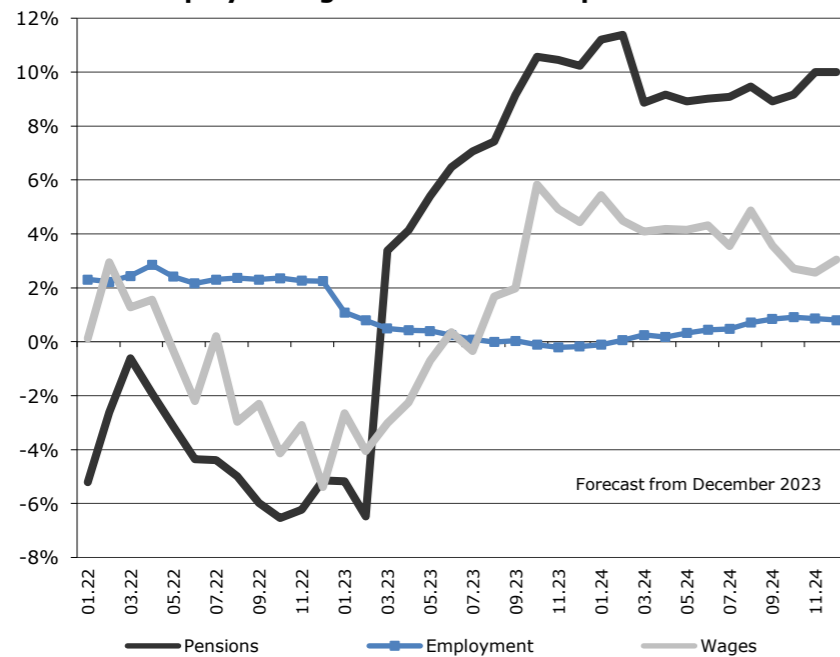
**Registered unemployment**



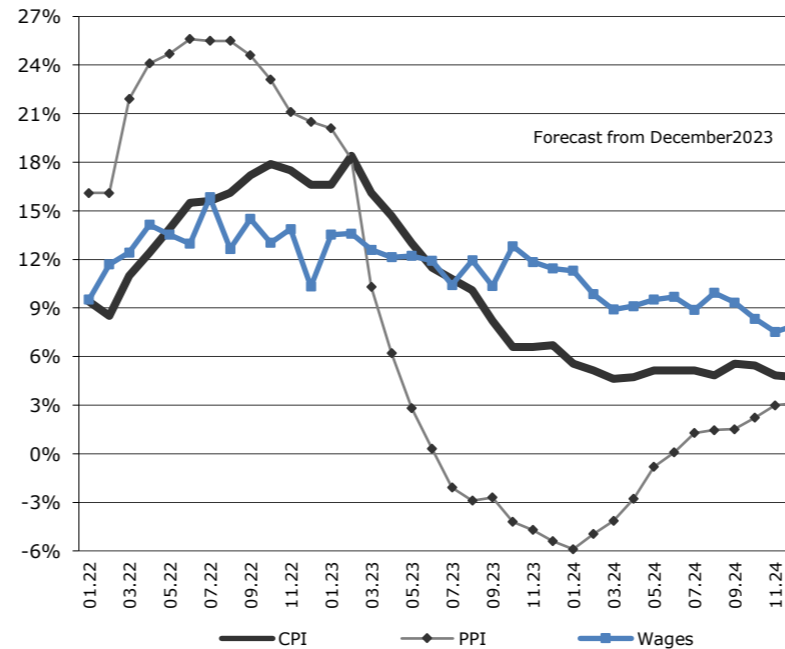
**Labor activity**



**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 November, the number of registered unemployed increased by 3.0 thousand, up to 773.4 thousand people. The unemployment rate was 5.0%. In October, the unemployment rate was also 5.0%. A year ago in November the unemployment rate was 5.1%. November usually brings a slight deterioration in unemployment statistics. The demand for seasonal work in construction, agriculture and tourist services is running out. November's data were close to expected.

The number of people working in November was approximately 14,694 thousand people. It was about 195 thousand i.e. 1.31% lower than last year.

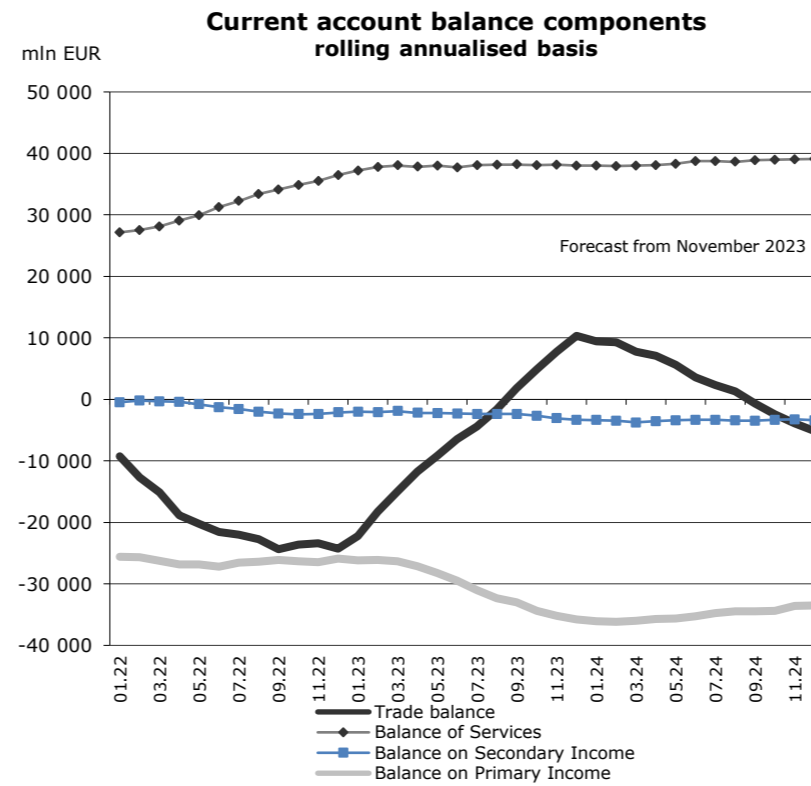
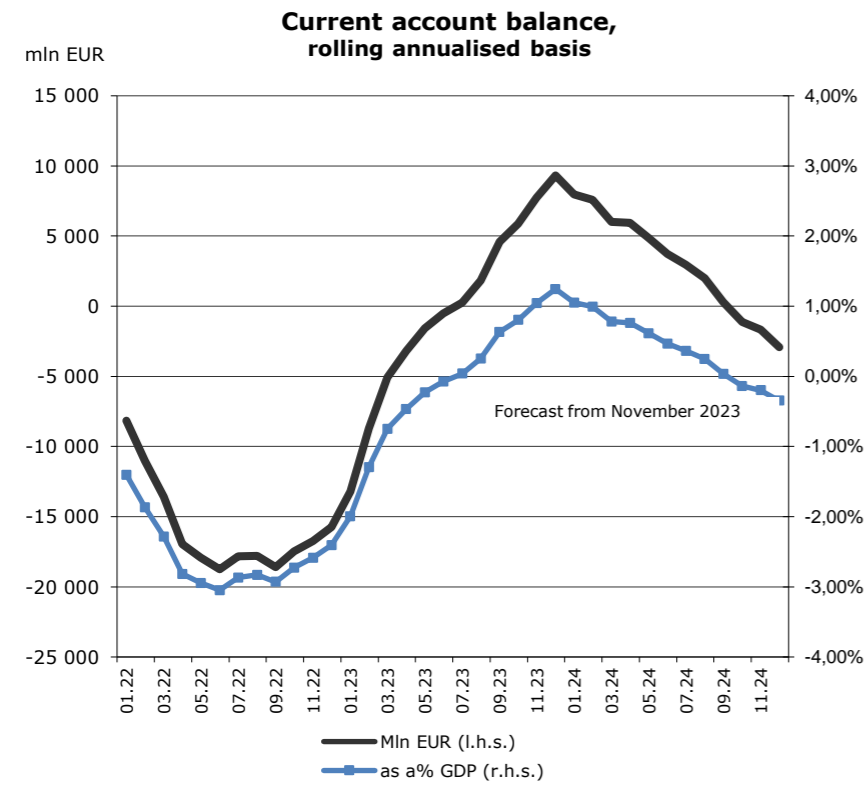
We currently have a seasonal minimum in unemployment. At the end of the year, the unemployment rate will be approximately 5.1% and the number of unemployed will reach 790,000 people. The seasonal peak in unemployment will occur in February. The unemployment rate will increase to 5.4% and the number of unemployed to 840,000 people.

In November, prices of consumer goods and services increased on average by 0.7%. In November, prices usually increase for seasonal reasons. November's result was close to what the market and we expected. Prices increased in the following groups: transport, food, health, restaurants and hotels, other, alcohol and tobacco, home use, clothing and footwear, education. Prices dropped in the following groups: communications, recreation and culture, and home furnishings.

In November, prices of goods and services were 6.6% higher than a year ago. In October, prices were also 6.6% higher than a year ago. In the period January - November 2023, prices were on average 11.9% higher than in the corresponding period of 2022. A slight increase in the annual inflation rate is expected in December.

Industrial prices dropped by an average of 0.8% in November. Industrial prices in November were on average 4.7% lower than a year ago (in October by 4.2%). In the period January-November 2023, industrial prices were on average 3.3% higher than in the same period last year. In the coming months, the annual dynamics of industrial prices may remain negative.

In November, the average salary in the enterprise sector was PLN 7,670.19. It was therefore PLN 125.21, i.e. 1.7% higher than in October. It was also PLN 812.23 and 11.8% higher than in November 2022. The wage increase recorded in November is seasonal. The wage level in November was higher than expected by the market and us. In December, wages will increase for seasonal reasons. The level of wages in the coming months will be influenced by changes in the level of economic activity.



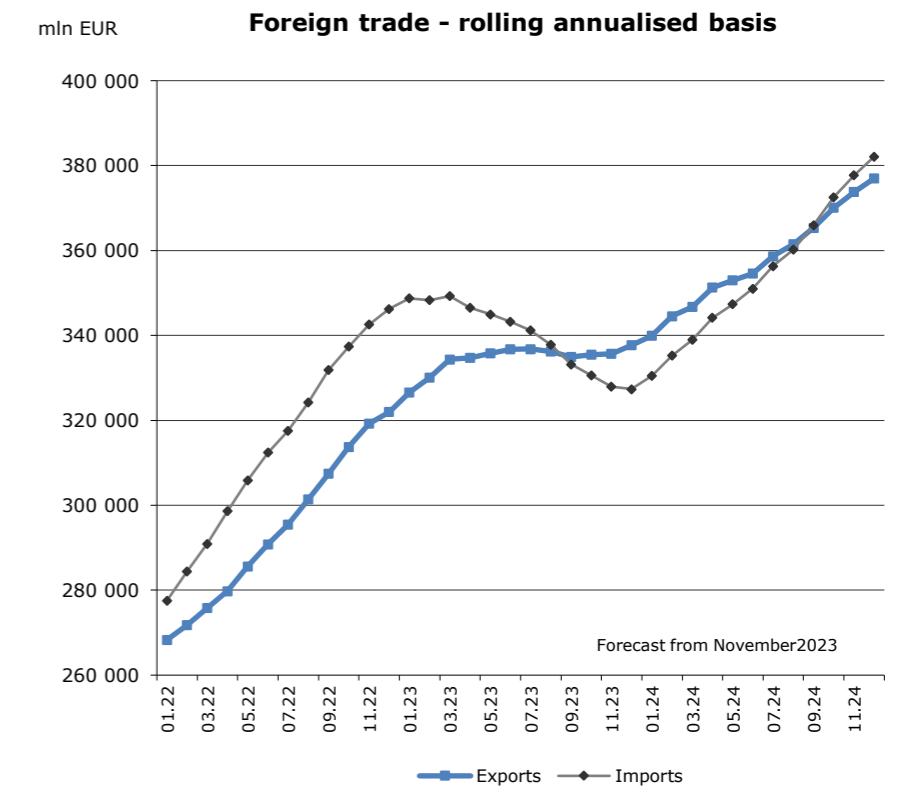
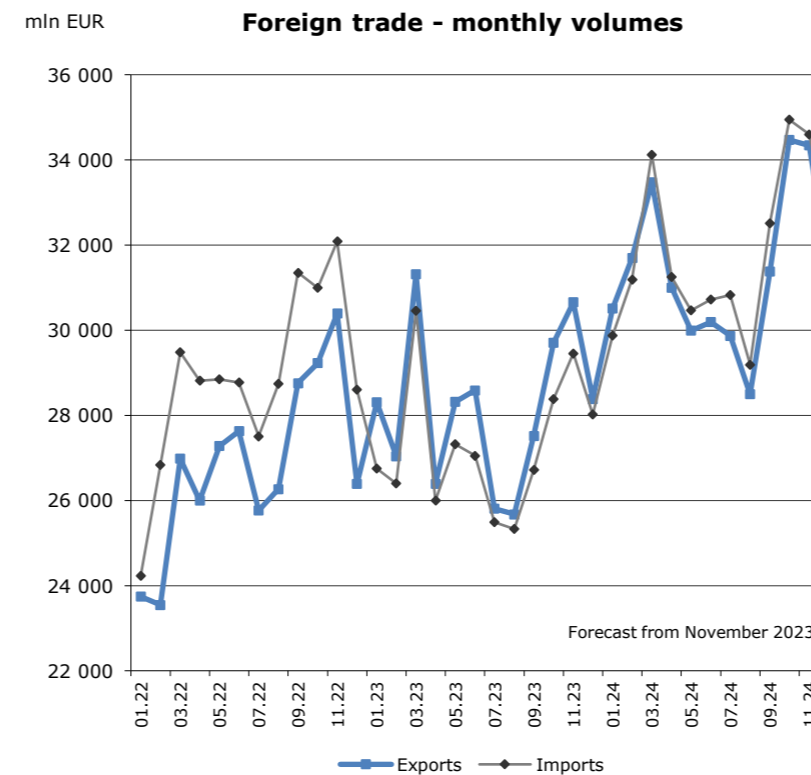
(mIn EUR)	X 2022	IX 2023*	X 2023
Current account balance	747	394	2 036
Exports	29 227	27 517	29 705
Imports	30 994	26 716	28 381
Trade balance	-1 767	801	1 324
Balance on Services	3 113	3 034	3 008
Balance on Primary Income	-505	-3 265	-1 921
Balance on Secondary Income	-94	-176	-375

\*Corrected data

At the beginning of December, the National Bank of Poland presented estimated data on the balance of payments in October. The current account balance in October 2023 was positive and amounted to EUR 2,036 million. Last month, there was a surplus of EUR 394 million. A year ago there was a surplus of EUR 747 million.

After October, the current account balance on a rolling annual basis was positive and amounted to EUR 5,894 million. Its level in relation to GDP was 0.80%. In the last 12 months, exports of goods amounted to EUR 335 billion and exports of services to EUR 97 billion.

Exports of goods are currently comparable to 45.8% of GDP. This is a high value for a country with the population and area of Poland. Exports of services are comparable to 13.2% of GDP, which should also be considered a very good result. These indicators are much better than those recorded before the beginning of the pandemic crisis.



Macroeconomic forecast

<b>WARNING INDICATORS AGAINST FOREIGN CURRENCY CRISIS - monthly</b>	<b>05.2023</b>	<b>06.2023</b>	<b>07.2023</b>	<b>08.2023</b>	<b>09.2023</b>	<b>10.2023</b>	<b>11.2023</b>	<b>12.2023</b>	<b>01.2024</b>	<b>02.2024</b>	<b>03.2024</b>	<b>04.2024</b>	<b>05.2024</b>
International reserves, EUR million	165 176	166 803	164 831	167 518	169 696	165 897	170 905	173 468	172 081	174 146	177 280	174 798	178 993
International reserves in the months of import of goods and services	4,93	5,00	4,96	5,08	5,20	5,11	5,30	5,38	5,29	5,29	5,33	5,19	5,27
International reserves as a% of money supply	34,7%	34,4%	33,5%	34,1%	35,2%	32,9%	33,2%	33,4%	32,9%	33,0%	33,7%	33,1%	33,6%
Current account balance, EUR million, rolling annualised basis	-1 577	-520	276	1 834	4 605	5 894	7 739	9 326	7 967	7 599	6 027	5 961	4 869
Current account balance, as a% of GDP, rolling annualised basis	-0,23%	-0,07%	0,04%	0,26%	0,64%	0,80%	1,04%	1,25%	1,05%	0,99%	0,78%	0,76%	0,62%
Inflow of foreign direct investment - rolling annualised basis, EUR million	30 301	27 454	28 894	29 952	29 995	30 181	28 588	28 160	27 915	26 874	25 430	25 122	24 756
Inflow of foreign portfolio investment - rolling annualised basis, EUR million	10 124	10 982	10 387	10 033	9 902	10 519	8 676	8 699	11 677	8 277	8 790	4 775	3 072

Macroeconomic forecast

<b>WARNING INDICATORS AGAINST FOREIGN CURRENCY CRISIS - quarterly</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>	<b>Q2 24</b>	<b>Q3 24</b>	<b>Q4 24</b>	<b>Q1 25</b>	<b>Q2 25</b>
Total external debt, EUR million	337 280	341 400	347 584	354 181	372 366	370 613	375 500	381 500	387 500	392 250	397 000	400 750	404 500
Long-term external debt, EUR million	168 888	168 810	177 896	180 283	191 170	187 033	190 000	195 000	200 000	204 000	208 000	211 000	214 000
Short-term external debt, EUR million	63 042	64 925	61 139	61 232	66 069	68 458	69 500	70 000	70 500	70 750	71 000	71 250	71 500
External debt - Direct investment debt instruments, EUR million	105 350	107 665	108 549	112 666	115 127	115 122	116 000	116 500	117 000	117 500	118 000	118 500	119 000
External debt as a% of GDP	55%	54%	53%	52%	53%	51%	50%	49%	49%	48%	47%	46%	46%
External debt as a% of export	116%	111%	108%	106%	111%	111%	111%	110%	109%	107%	105%	104%	103%
International reserves as a% of total external debt	44%	45%	45%	44%	45%	46%	46%	46%	45%	46%	47%	47%	47%
International reserves as a% of short-term external debt	234%	237%	256%	255%	252%	248%	250%	253%	250%	254%	262%	266%	264%



The current account has been positive in recent months. Its rolling total over the last 12 months is positive and improving rapidly. After October it was comparable to 0.80% of GDP.

In recent quarters, a simultaneous inflow of direct capital to our market and portfolio capital has been visible. The low inflow of portfolio capital is a consequence of the change in the government's 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 (5.30 months of imports of goods and services), money supply (33,2%) and foreign debt (46.0%).

The growth of foreign debt accelerated. The ratio of external debt to GDP is currently 51%. The ratio of foreign debt to goods exports is currently 111%. The current ratio of foreign debt to GDP and exports is low.

