



# **Monthly Macroeconomic Review**

Prepared by  
Polish Chamber of Commerce

Updated on 28/06/2024

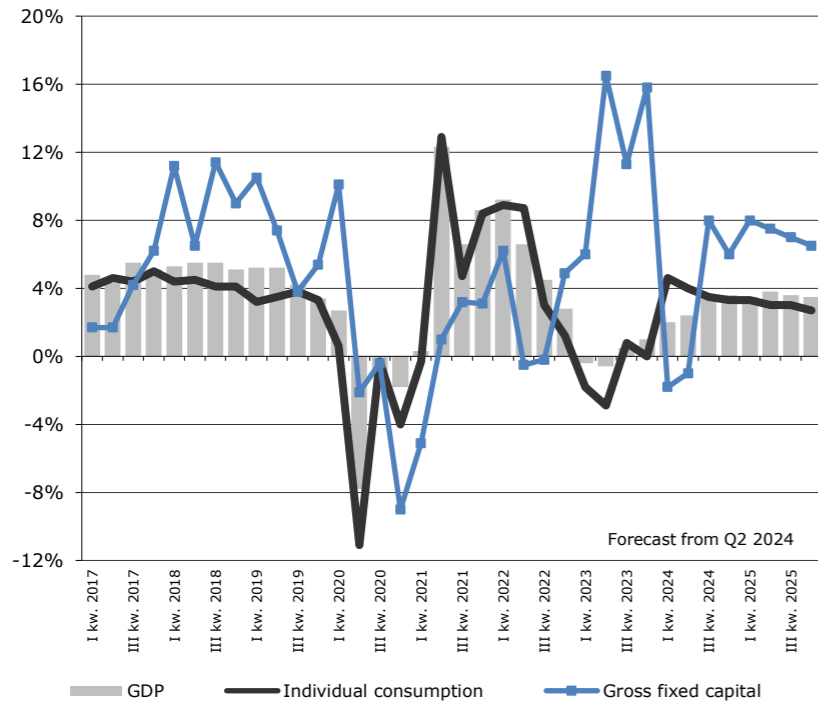
Macroeconomic forecast

Monthly macroeconomic indicators	11.2023	12.2023	01.2024	02.2024	03.2024	04.2024	05.2024	06.2024	07.2024	08.2024	09.2024	10.2024	11.2024
Industrial sales, % real change, y/y	-0,3%	-3,5%	2,9%	3,3%	-5,6%	7,8%	-1,7%	0,1%	7,5%	3,6%	6,0%	6,3%	2,9%
Construction, % real change, y/y	3,9%	14,0%	-6,1%	-4,9%	-13,3%	-2,0%	-6,5%	-4,8%	1,8%	0,2%	-1,0%	5,8%	5,9%
Retail sales, % nominal change, y/y	2,6%	0,5%	4,6%	6,7%	6,0%	4,3%	5,4%	6,0%	6,1%	5,1%	5,0%	4,6%	4,4%
Consumer prices, % change, y/y	6,6%	6,2%	3,7%	2,8%	2,0%	2,4%	2,5%	2,6%	3,9%	4,5%	5,4%	5,3%	4,7%
Producer prices, % change, y/y	-5,1%	-6,9%	-10,6%	-10,0%	-9,9%	-8,5%	-7,0%	-5,9%	-4,7%	-4,5%	-4,3%	-3,5%	-2,4%
Wages - enterprise sector, % nominal change, y/y	11,8%	9,6%	12,8%	12,9%	12,0%	11,3%	11,4%	11,1%	11,1%	11,0%	10,2%	9,2%	8,4%
Wages - enterprise sector, PLN	7 670	8 033	7 768	7 979	8 409	8 272	8 000	8 152	8 315	8 182	8 133	8 238	8 312
Registered unemployment rate	5,0%	5,1%	5,4%	5,4%	5,3%	5,1%	5,0%	4,9%	4,8%	4,7%	4,7%	4,8%	4,8%
Number of registered unemployed persons, thousand	773	788	837	845	822	797	777	760	746	731	732	743	746
Current account balance, EUR million	1 352	199	1 742	511	325	-241	-770	1 139	-466	-936	-1 243	421	1 324
Current account balance, EUR million, rolling annualised basis	9 909	11 830	11 704	10 970	9 688	11 695	11 182	8 234	7 713	6 190	3 763	2 033	2 005

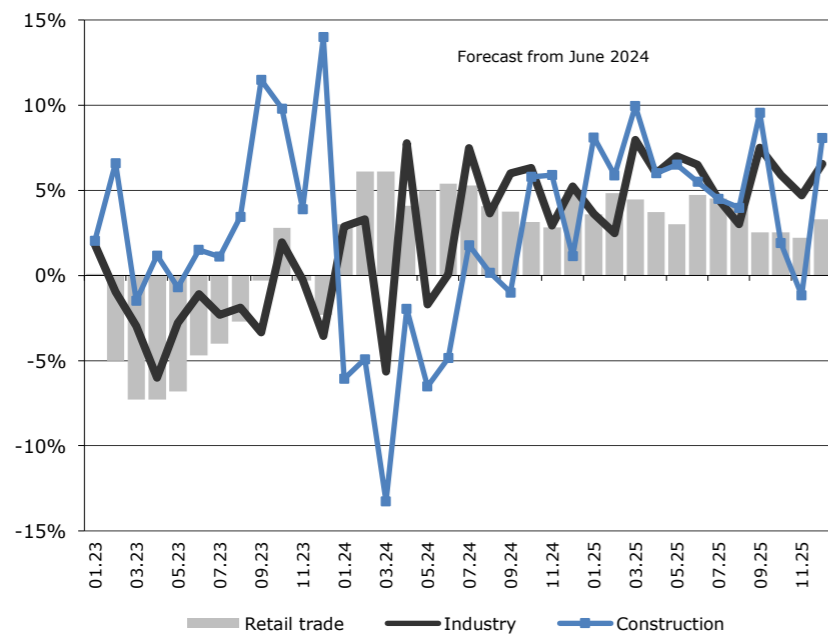
Macroeconomic forecast

Quarterly macroeconomic indicators	Q3 22	Q4 22	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24	Q2 24	Q3 24	Q4 24	Q1 25	Q2 25	Q3 25
Gross domestic product , % real change y/y	4,5%	2,8%	-0,4%	-0,6%	0,5%	1,0%	2,0%	2,4%	3,4%	3,6%	3,5%	3,8%	3,6%
Individual consumption , % real change y/y	3,0%	1,2%	-1,8%	-2,9%	0,8%	0,0%	4,6%	4,0%	3,5%	3,3%	3,3%	3,0%	3,0%
Gross fixed capital , % real change y/y	-0,2%	4,9%	6,0%	16,5%	11,3%	15,8%	-1,8%	-1,0%	8,0%	6,0%	8,0%	7,5%	7,0%

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



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



The Central Statistical Office presented GDP results for the first quarter of 2024. Gross domestic product increased by 2.0% y/y, after an increase of 1.0% y/y in the fourth quarter of 2023. The result was better than expected by the market.

In the following quarters, the growth rate should remain in the range of 2.4% - 3.6%. Consumption will strengthen. Supplies will be renewed.

Throughout 2023, GDP growth reached 0.2%. In nominal terms, GDP amounted to PLN 3,410 billion (EUR 751 billion).

For the entire year 2024, GDP growth is forecast at 2.9%. In nominal terms, GDP will amount to PLN 3,611 billion (EUR 840 billion). For the entire year 2025, GDP growth is forecast at 3.6%. In nominal terms, GDP will amount to PLN 3,868 billion (EUR 914 billion).

In May, industrial production decreased by 4.6% in real terms. The decline was not seasonal. The annual production dynamics deteriorated from positive +7.8% in April to negative -1.7% in May. Industry results in May were clearly worse than expected by the market and us. In the period January - May 2024, industrial production was 0.3% higher than in the corresponding period of 2023.

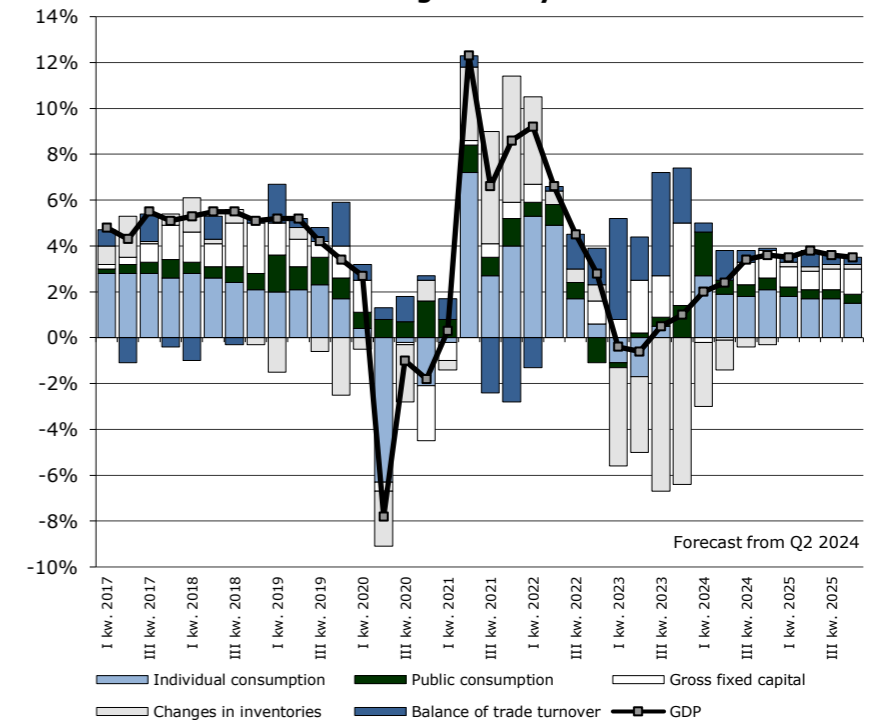
In May, construction and assembly production was 7.0% higher than in April. An increase in sales in May is a typical phenomenon. The annual dynamics of construction and assembly production deteriorated from negative -2.0% in April to negative -6.5% in May. Construction results in May were worse than expected by the market and us. In the period January - May 2024, construction and assembly production was 8.8% lower than in the corresponding period of 2023.

Retail sales in May in nominal terms were 0.1% lower than in April. The decline in sales recorded in May is seasonal. Annual sales growth increased from 4.3% in April to 5.4% in May. May's results were slightly better than expected by the market and us. In the period January - May 2024, retail sales were nominally 6.0% higher than in the corresponding period of 2023. In real terms, retail sales in the period January - May 2024 were 5.5% higher than in the corresponding period of 2023.

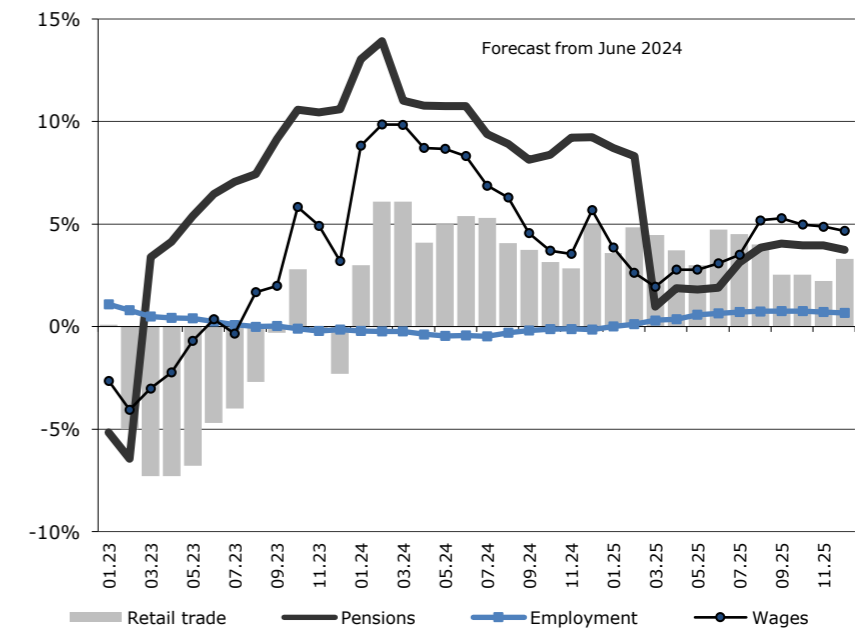
## GROSS DOMESTIC PRODUCT AND ITS COMPONENTS

Updated on 28/06/2024

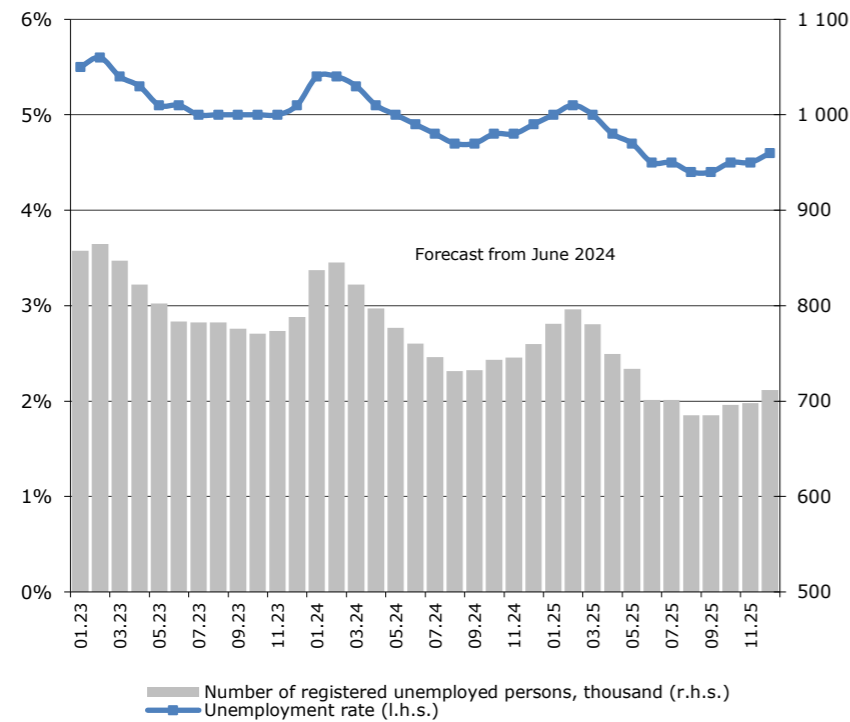
### Scale of impact of GDP demand components on economic growth dynamics



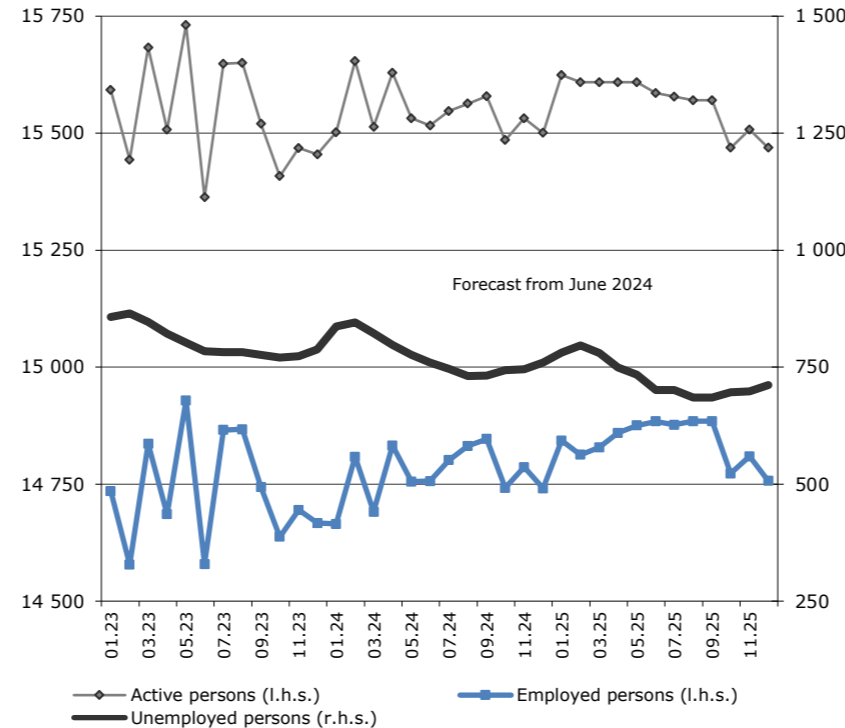
### Comparison of annual real dynamics: retail sales and gross wages in the enterprise sector as well as pensions and employment



**Registered unemployment**



**Labor activity**

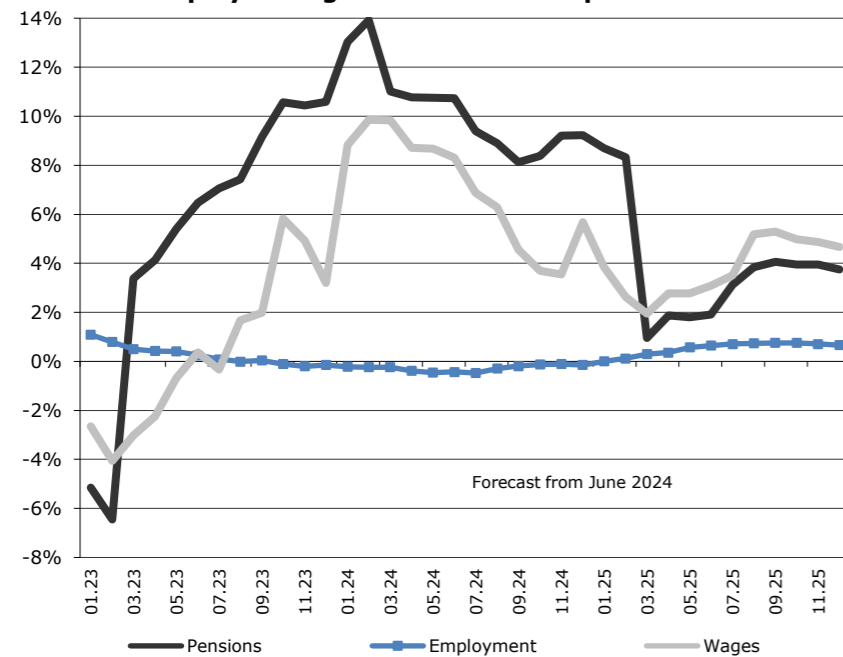


In May, the number of registered unemployed decreased by 20.5 thousand, up to 776.6 thousand people. The unemployment rate was 5.0%. In April, the unemployment rate was 5.1%. A year ago in May, the unemployment rate was 5.1%. May usually brings an improvement in unemployment statistics. There is a growing demand for seasonal work in construction, agriculture and tourist services. The May data were close to expected.

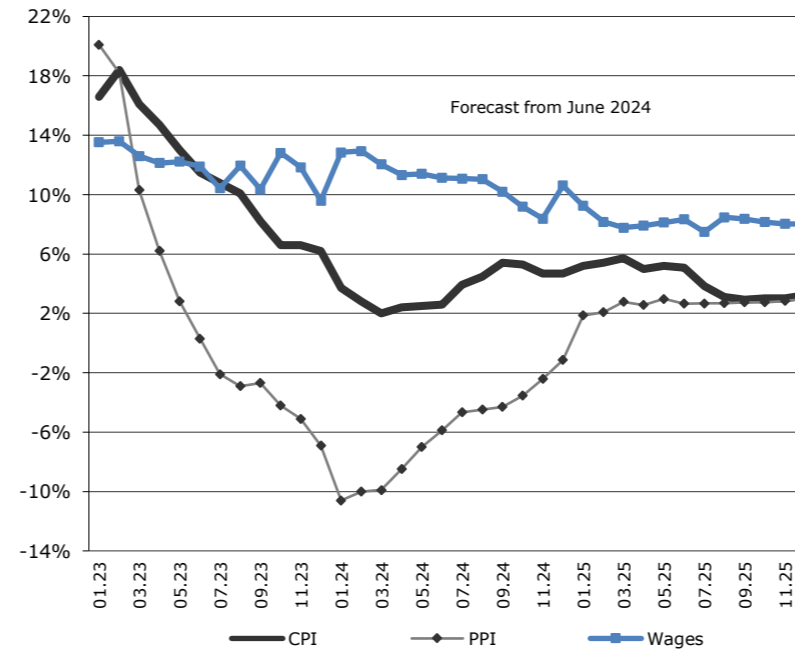
The number of people working in May was approximately 14,755 thousand people. It was about 174 thousand i.e. 1.16% lower than last year.

We are experiencing a period of seasonal decline in unemployment. In the spring and summer months, unemployment falls. The local minimum will occur in September. The unemployment rate will drop to 4.7% and the number of unemployed to 730,000 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**

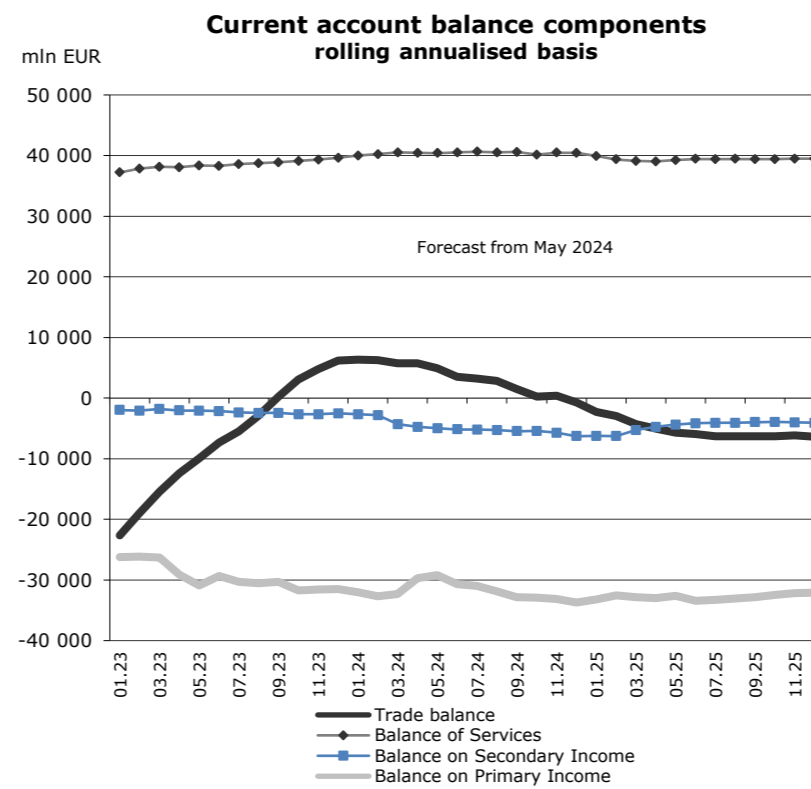
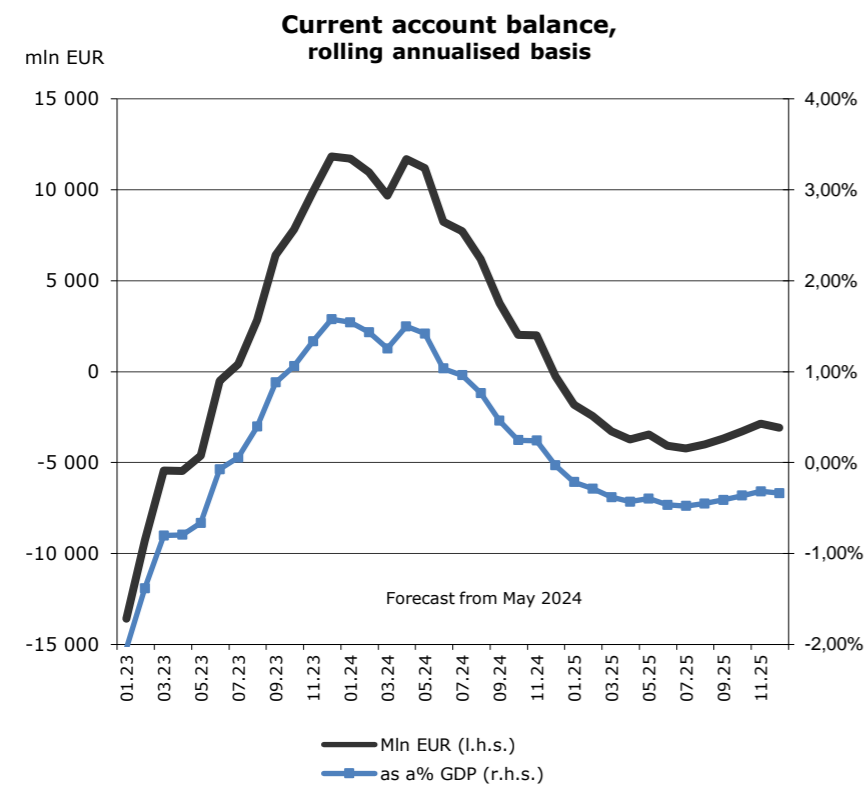


In May, prices of consumer goods and services increased on average by 0.1%. In May, prices usually increase for seasonal reasons, even more than this time. The May result was lower than expected by the market and us. Prices increased in the following groups: health, restaurants and hotels, alcohol and tobacco, communications, food, home furnishings, home use, and education. Prices dropped in the following groups: recreation and culture, clothing and footwear, transport.

In May, prices of goods and services were 2.5% higher than a year ago. In April, prices were 2.4% higher than a year ago. In the period January - May 2024, prices were on average 2.7% higher than in the corresponding period of 2023. An increase in the annual inflation rate is expected in June.

Industrial prices in May fell on average by 0.3%. Industrial prices in May were on average 7.0% lower than a year ago (in April by 8.5%). In the period January-May 2024, industrial prices were on average 9.2% lower than in the same period last year. In the coming months, the annual dynamics of industrial prices may remain negative, but the scale of deflation will decrease.

In May, the average salary in the enterprise sector was PLN 7,999.69. It was therefore PLN 272.30, i.e. 3.3% lower than in April. It was also PLN 818.02 and 11.4% higher than in May 2023. The decline in wages recorded in May is seasonal. Wage levels in May were higher than we expected and lower than expected by the market. In June, 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.



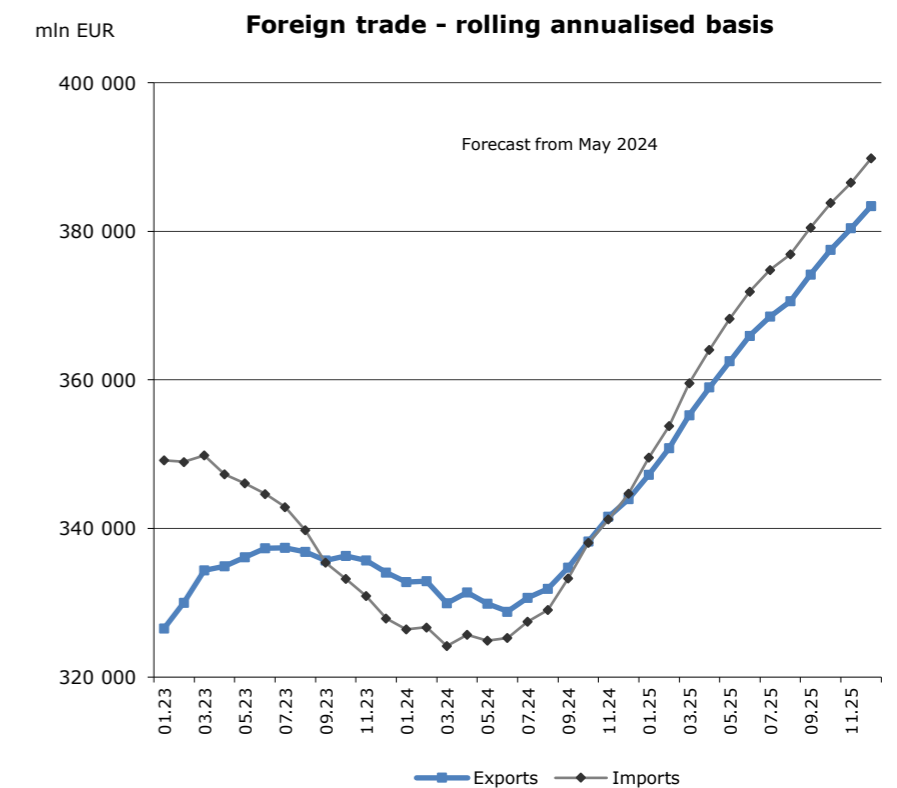
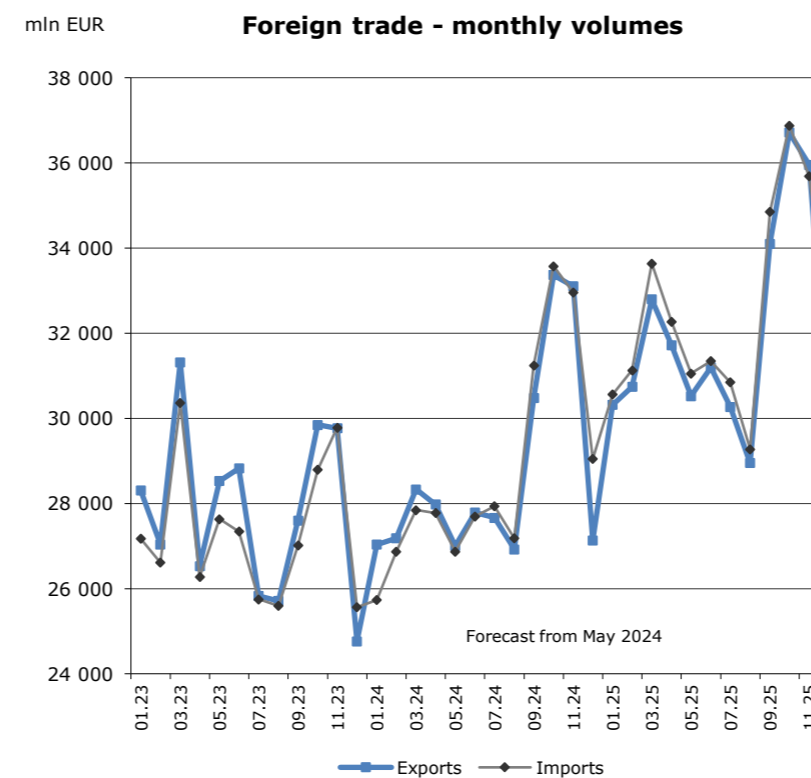
(mIn EUR)	IV 2023	III 2024*	IV 2024
Current account balance	-2 248	325	-241
Exports	26 532	28 331	27 979
Imports	26 274	27 845	27 777
Trade balance	258	486	202
Balance on Services	3 220	3 266	3 110
Balance on Primary Income	-5 425	-2 385	-2 797
Balance on Secondary Income	-301	-1 042	-756

\*Corrected data

At the beginning of June, the National Bank of Poland presented estimated data on the balance of payments in April. The current account balance in April 2024 was negative and amounted to EUR -241 million. Last month, there was a surplus of EUR 325 million. A year ago, there was a deficit of EUR -2,248 million.

After April, the current account balance on a rolling annual basis was positive and amounted to EUR 11,695 million. Its level in relation to GDP was 1.50%. In the last 12 months, exports of goods amounted to EUR 331 billion and exports of services to EUR 102 billion.

Exports of goods are currently comparable to 42.5% of GDP. This is a high value for a country with the population and area of Poland. The export of services is comparable to 13.1% of GDP, which should also be considered a very good result. These indicators are better than those recorded before the beginning of the pandemic crisis.



Macroeconomic forecast

<b>WARNING INDICATORS AGAINST FOREIGN CURRENCY CRISIS - monthly</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>	<b>06.2024</b>	<b>07.2024</b>	<b>08.2024</b>	<b>09.2024</b>	<b>10.2024</b>	<b>11.2024</b>
International reserves, EUR million	170 905	175 403	175 161	173 253	187 796	192 400	191 804	193 146	194 498	196 638	198 407	197 019	198 792
International reserves in the months of import of goods and services	5,25	5,42	5,43	5,36	5,84	5,96	5,94	5,98	5,98	6,02	6,00	5,88	5,89
International reserves as a% of money supply	33,2%	33,6%	33,7%	32,7%	35,4%	36,0%	35,1%	35,6%	35,6%	35,8%	35,6%	35,0%	35,0%
Current account balance, EUR million, rolling annualised basis	9 909	11 830	11 704	10 970	9 688	11 695	11 182	8 234	7 713	6 190	3 763	2 033	2 005
Current account balance, as a% of GDP, rolling annualised basis	1,33%	1,58%	1,54%	1,43%	1,25%	1,50%	1,42%	1,03%	0,96%	0,76%	0,46%	0,25%	0,24%
Inflow of foreign direct investment - rolling annualised basis, EUR million	30 096	27 779	28 728	29 179	27 243	25 746	24 967	25 809	23 877	23 015	22 642	22 969	21 852
Inflow of foreign portfolio investment - rolling annualised basis, EUR million	8 407	9 345	11 651	8 160	19 779	16 373	14 929	14 240	15 427	14 833	14 928	14 774	13 942

Macroeconomic forecast

<b>WARNING INDICATORS AGAINST FOREIGN CURRENCY CRISIS - quarterly</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>	<b>Q3 25</b>	<b>Q4 25</b>
Total external debt, EUR million	347 584	355 984	373 276	372 049	388 310	400 216	408 000	413 750	419 500	425 250	431 000	435 750	440 500
Long-term external debt, EUR million	177 896	180 242	190 837	186 858	204 000	212 882	220 000	225 000	230 000	235 000	240 000	244 000	248 000
Short-term external debt, EUR million	61 139	61 286	65 888	68 393	68 172	69 592	69 750	70 000	70 250	70 500	70 750	71 000	71 250
External debt - Direct investment debt instruments, EUR million	108 549	114 456	116 551	116 798	116 138	117 742	118 250	118 750	119 250	119 750	120 250	120 750	121 250
External debt as a% of GDP	53%	52%	53%	51%	52%	52%	51%	51%	50%	50%	49%	49%	48%
External debt as a% of export	108%	106%	111%	111%	116%	121%	124%	124%	122%	120%	118%	116%	115%
International reserves as a% of total external debt	45%	44%	45%	46%	45%	47%	47%	48%	48%	49%	48%	48%	49%
International reserves as a% of short-term external debt	256%	255%	253%	248%	257%	270%	277%	283%	288%	293%	291%	296%	304%

The current account has been positive in recent months. Its rolling total for the last 12 months is positive. After March, it was comparable to 1.50% of GDP.

In recent quarters, a simultaneous inflow of direct capital to our market and portfolio capital has been visible. The moderate 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 (5.94 months of imports of goods and services), money supply (35.1%) and foreign debt (47.0%).

The growth of foreign debt accelerated. The ratio of external debt to GDP is currently 52%. The ratio of foreign debt to goods exports is currently 121%. The current ratio of foreign debt to GDP and exports is low.

