



Monthly Macroeconomic Review

Prepared by
Polish Chamber of Commerce

Updated on 31/12/2024

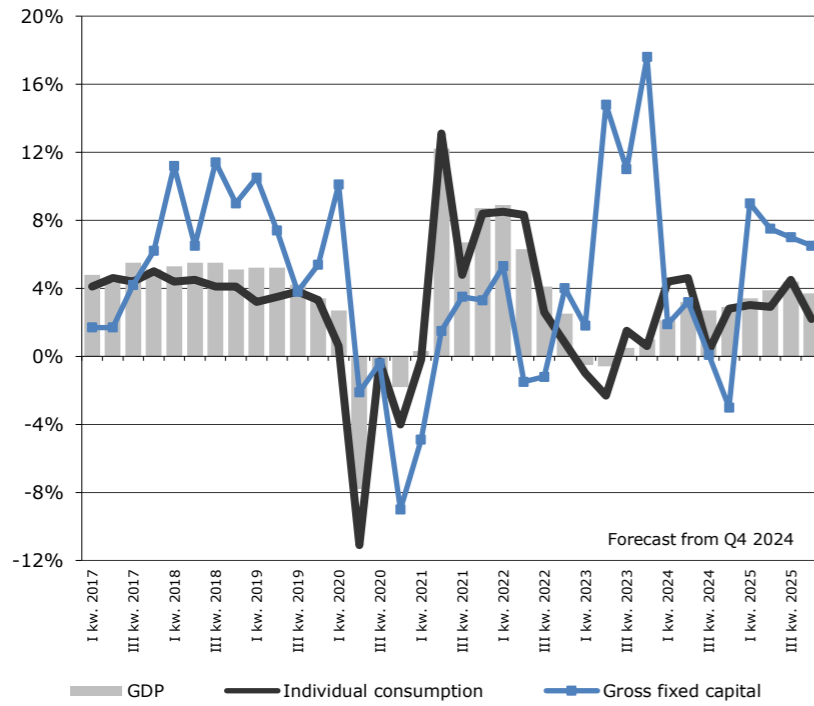
Macroeconomic forecast

Monthly macroeconomic indicators	05.2024	06.2024	07.2024	08.2024	09.2024	10.2024	11.2024	12.2024	01.2025	02.2025	03.2025	04.2025	05.2025
Industrial sales, % real change, y/y	-1,6%	0,0%	5,2%	-1,2%	-0,4%	4,6%	-1,5%	0,6%	1,1%	0,1%	8,0%	3,0%	7,0%
Construction, % real change, y/y	-6,5%	-8,9%	-1,4%	-9,6%	-9,0%	-9,6%	-9,3%	-16,2%	10,1%	5,9%	9,9%	8,0%	7,0%
Retail sales, % nominal change, y/y	5,4%	4,7%	5,0%	3,2%	-2,2%	2,3%	3,4%	5,7%	4,1%	5,3%	5,0%	4,4%	4,1%
Consumer prices, % change, y/y	2,5%	2,6%	4,2%	4,3%	4,9%	5,0%	4,7%	4,8%	5,1%	5,4%	5,7%	5,0%	5,2%
Producer prices, % change, y/y	-7,0%	-5,8%	-5,1%	-5,5%	-6,2%	-5,1%	-3,7%	-2,1%	0,3%	0,4%	1,0%	0,8%	1,2%
Wages - enterprise sector, % nominal change, y/y	11,4%	11,0%	10,6%	11,1%	10,3%	10,2%	10,5%	10,8%	10,0%	8,9%	8,5%	8,7%	8,9%
Wages - enterprise sector, PLN	8 000	8 145	8 279	8 190	8 141	8 317	8 478	8 902	8 546	8 691	9 126	8 989	8 710
Registered unemployment rate	5,0%	4,9%	5,0%	5,0%	5,0%	4,9%	5,0%	5,1%	5,3%	5,4%	5,2%	5,0%	4,9%
Number of registered unemployed persons, thousand	777	762	765	772	770	766	775	789	825	840	809	778	762
Current account balance, EUR million	-605	441	-649	-2 494	-1 133	1 064	-362	-1 492	438	688	164	9	-618
Current account balance, EUR million, rolling annualised basis	12 025	10 133	10 090	6 818	3 985	2 928	1 384	-6	-1 143	-2 207	-3 283	-3 932	-3 945

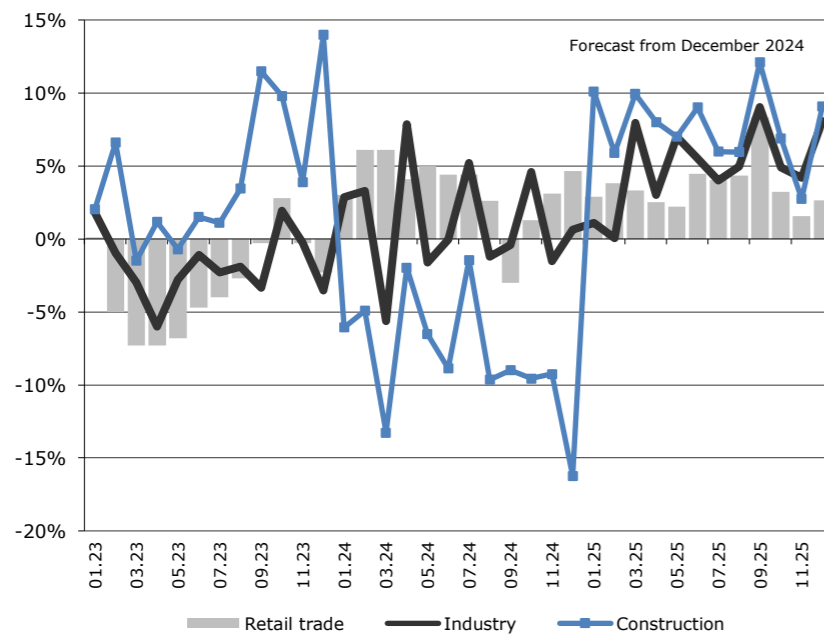
Macroeconomic forecast

Quarterly macroeconomic indicators	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24	Q2 24	Q3 24	Q4 24	Q1 25	Q2 25	Q3 25	Q4 25	Q1 26
Gross domestic product , % real change y/y	-0,5%	-0,6%	0,5%	1,0%	2,1%	3,2%	2,7%	2,9%	3,4%	3,9%	4,4%	3,7%	3,6%
Individual consumption , % real change y/y	-1,0%	-2,3%	1,5%	0,6%	4,4%	4,6%	0,3%	2,8%	3,0%	2,9%	4,5%	2,2%	3,2%
Gross fixed capital , % real change y/y	1,8%	14,8%	11,0%	17,6%	1,9%	3,2%	0,1%	-3,0%	9,0%	7,5%	7,0%	6,5%	6,0%

GDP components in terms of demand - y / y



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



The Central Statistical Office has presented national accounts for the third quarter of 2024. Gross domestic product increased by 2.7% y/y in the third quarter of 2024, after increasing by 3.2% y/y in the second quarter. The results were weaker than expected by the market.

In the next five quarters, the growth rate should remain in the range of 2.9% - 4.4%. Investment and consumption will strengthen. Inventories will be renewed.

In the whole of 2023, GDP dynamics reached 0.1%. In nominal terms, GDP amounted to PLN 3,402 billion (EUR 749 billion).

For the whole of 2024, GDP dynamics are forecasted at 2.7%. In nominal terms, GDP will amount to PLN 3,610 billion (EUR 838 billion). For the whole of 2025, GDP dynamics are forecast at 3.9%. In nominal terms, GDP will amount to PLN 3,883 billion (EUR 913 billion).

In November, industrial production decreased by 5.4% in real terms. The decline was not seasonal. The annual dynamics of production deteriorated from a positive +4.6% in October to a negative -1.5% in November. The results of the industry in November were weaker than expected by the market and by us. In the period January - November 2024, industrial production was 0.5% higher than in the same period of 2023.

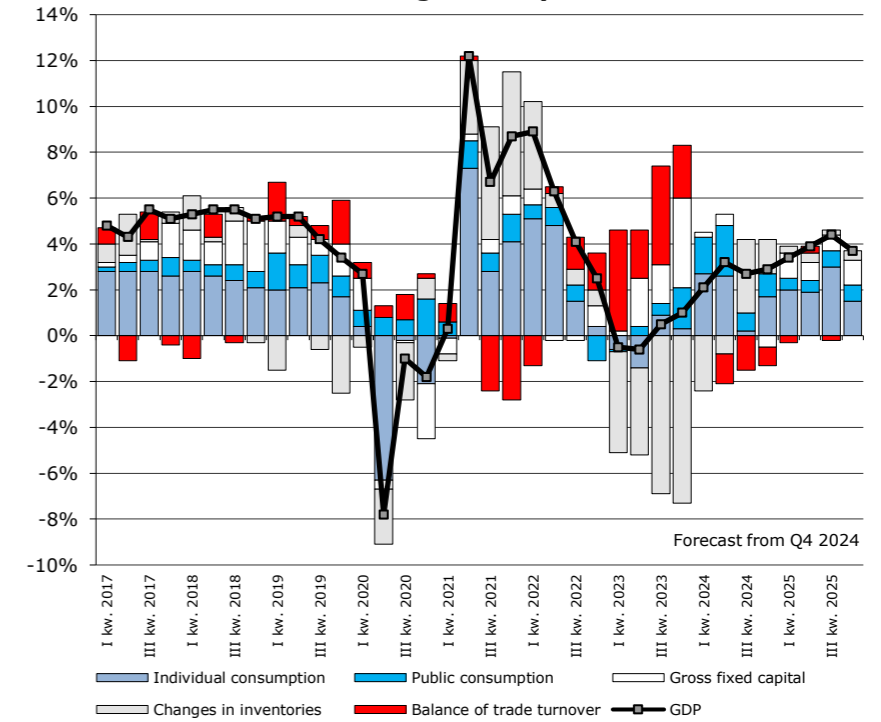
In November, construction and assembly production turned out to be 3.3% higher than in October. The increase in sales in November is a typical phenomenon. The annual dynamics of construction and assembly production improved slightly from a negative -9.6% in October to a negative -9.3% in November. Construction results in November were better than expected by the market and worse than expected by us. In the period January - November 2024, construction and assembly production was 7.4% lower than in the same period of 2023.

Retail sales in November in nominal terms decreased compared to the October figure by 0.7%. The decline in sales in November is seasonal. The annual sales dynamics increased from a positive +2.3% in October to a positive +3.4% in November. The November results were better than expected by the market and by us. In the period January - November 2024, retail sales were nominally 3.2% higher than in the same period of 2023. In real terms, retail sales in the period January - November 2024 were 2.7% higher than in the same period of 2023.

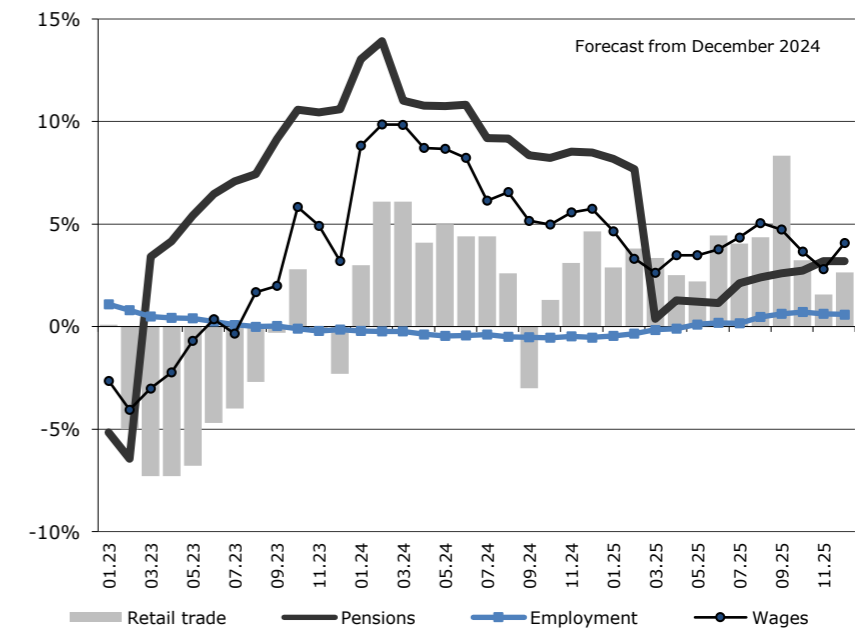
GROSS DOMESTIC PRODUCT AND ITS COMPONENTS

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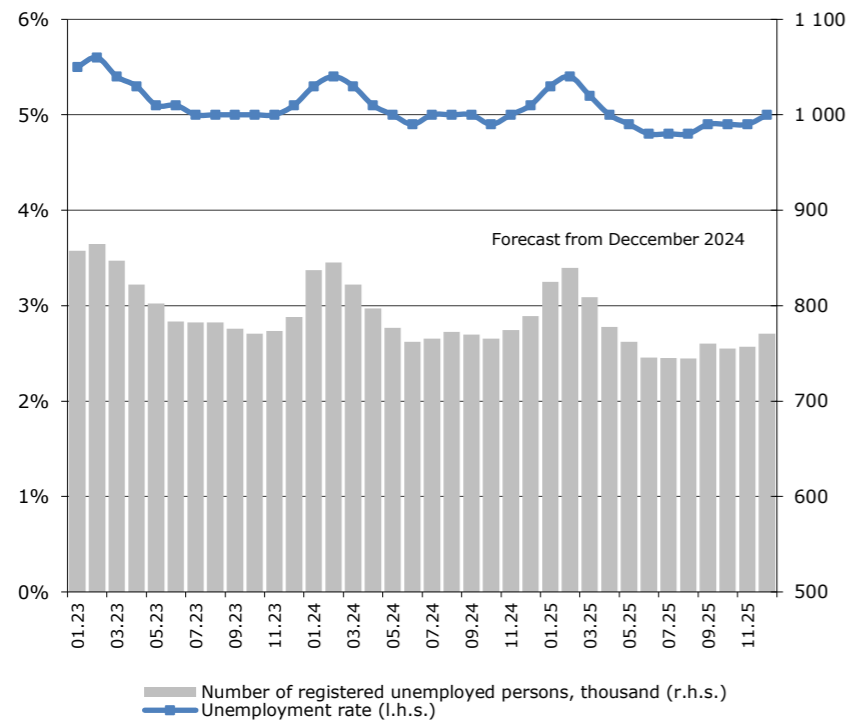
Scale of impact of GDP demand components on economic growth dynamics



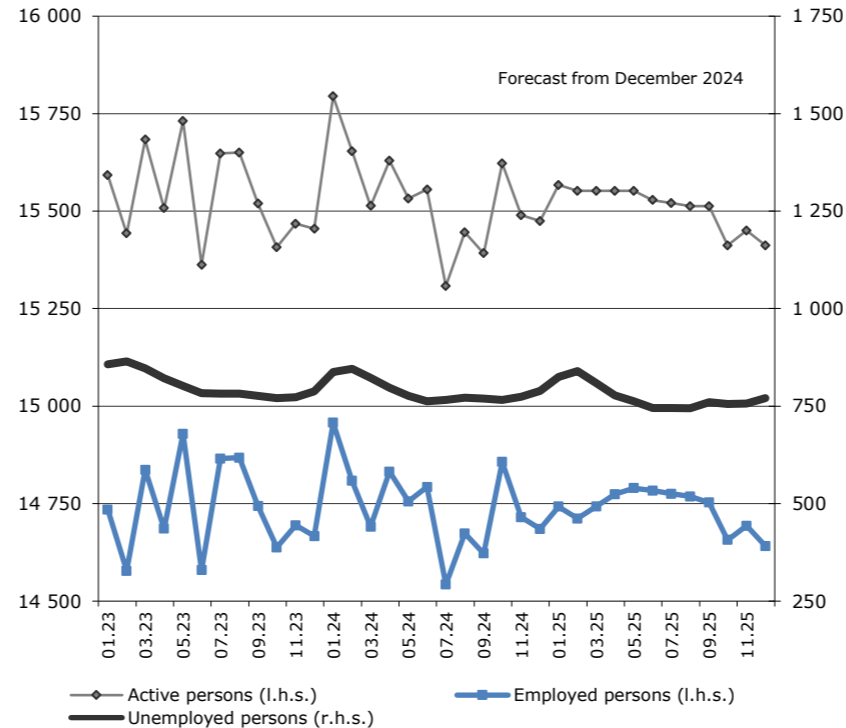
Comparison of annual real dynamics: retail sales and gross wages in the enterprise sector as well as pensions and employment



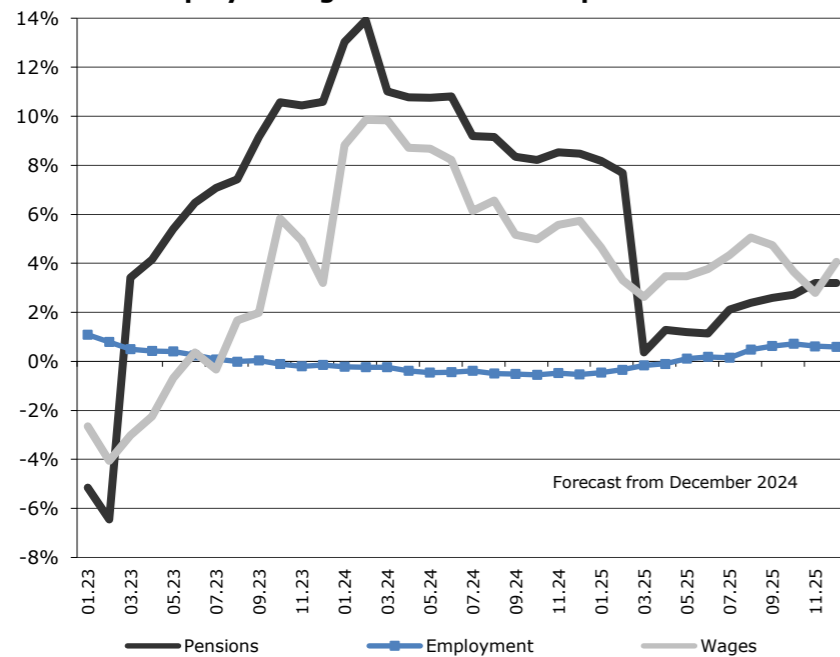
Registered unemployment



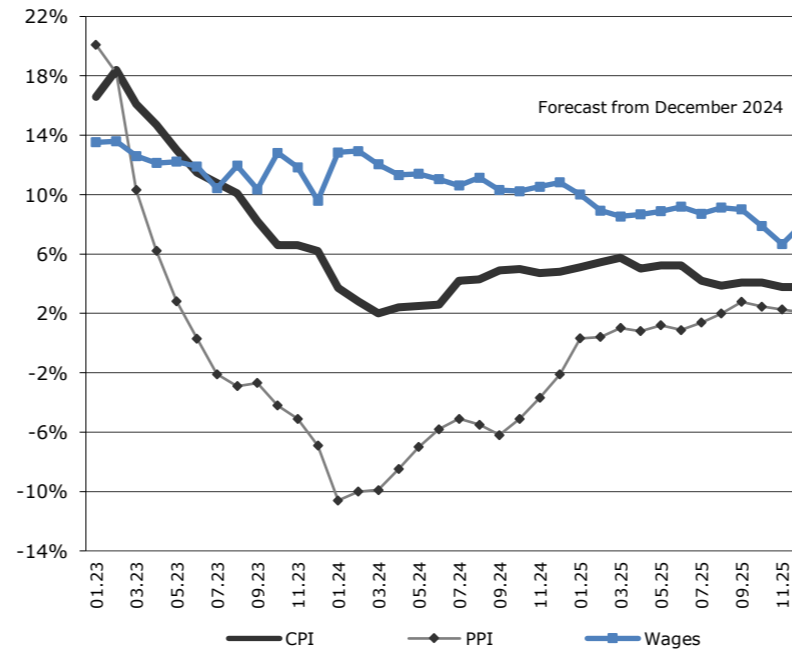
Labor activity



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 9.0 thousand to 774.5 thousand people. The unemployment rate was 5.0%. In October, the unemployment rate was 4.9%. A year ago, in November, the unemployment rate was 5.0%. November usually brings a deterioration in unemployment statistics. Demand for seasonal work in construction, agriculture, and tourist services is weakening. November's data was worse than expected by the market and in line with our forecast.

The number of employed people in November was approximately 14,715 thousand. It was 21 thousand, i.e. 0.14% higher than a year ago.

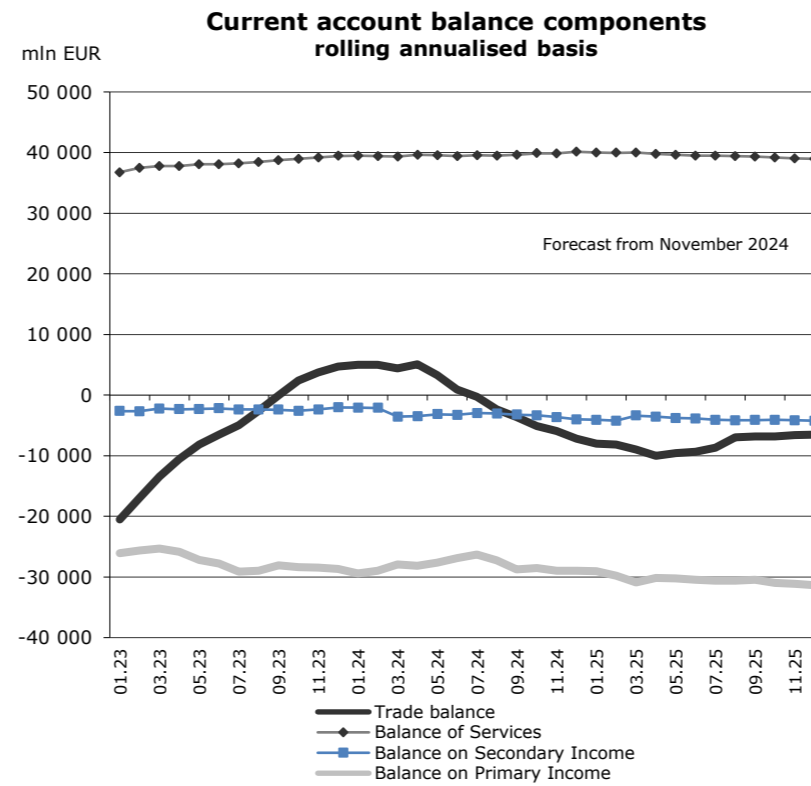
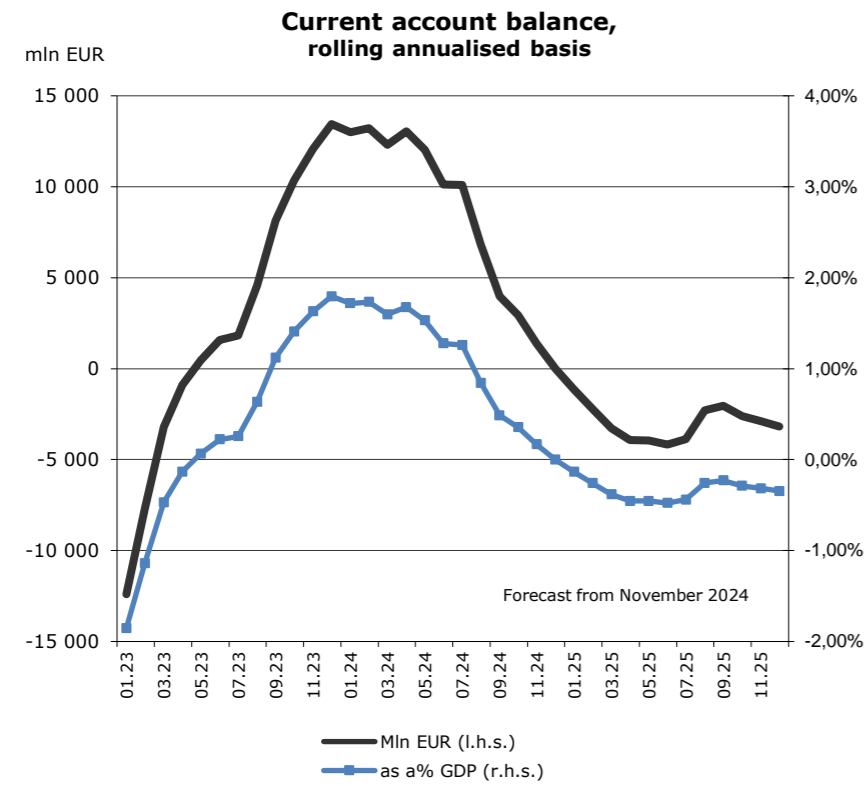
Unemployment usually falls in the spring and summer months. Unemployment increases in autumn and winter. At the end of the year, the unemployment rate will be 5.1%, and the number of unemployed will reach 790 thousand people. The local peak of unemployment will be in February 2025. The unemployment rate will then be 5.4% and the number of unemployed will increase to 840 thousand. people.

In November, prices of consumer goods and services increased by an average of 0.5%. In November, prices usually increase due to seasonal increases in food prices and clothing and footwear. The November result was higher than expected by us and in line with the market expectations. Prices increased in the following groups: communications, transport, food, clothing and footwear, education, housing, restaurants and hotels, home furnishings, health. Prices fell in the following groups: recreation and culture, other, alcohol and tobacco.

In November, prices of goods and services were 4.7% higher than a year ago. In October, prices were 5.0% higher than a year ago. In the period January - November 2024, prices were on average 3.5% higher than in the same period of 2023. An increase in the annual inflation rate is expected in December.

Industrial prices in November increased by 0.3%. Industrial prices in November were on average 3.7% lower than a year ago (5.1% lower in October). In the period January-November 2024, industrial prices were on average 7.1% lower than in the same period of the previous year. In the coming months, the annual dynamics of industrial prices may maintain negative values, but the scale of deflation will decrease.

In November, the average salary in the corporate sector amounted to PLN 8,478.26. It was therefore PLN 161.69, i.e. 1.9% higher than in October. It was also PLN 808.07 and 10.5% higher than in November 2023. The increase in salaries recorded in November is seasonal. The level of salaries in November was higher than expected by the market and by us. In December, salaries will increase due to seasonal reasons. The formation of the level of salaries in the coming months will be influenced by changes in the level of economic activity.



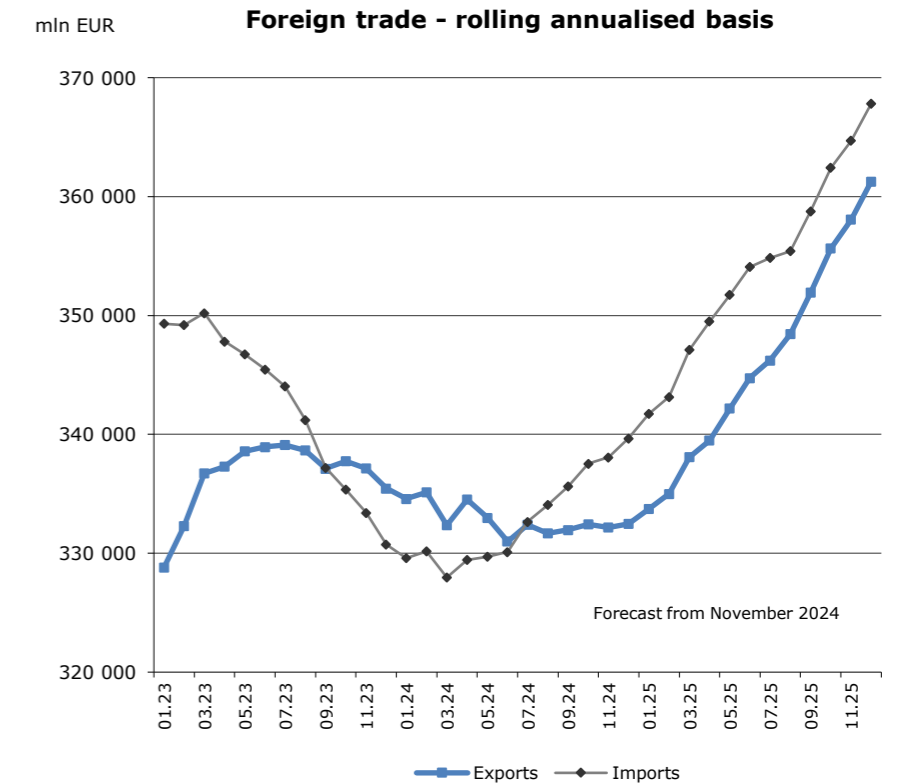
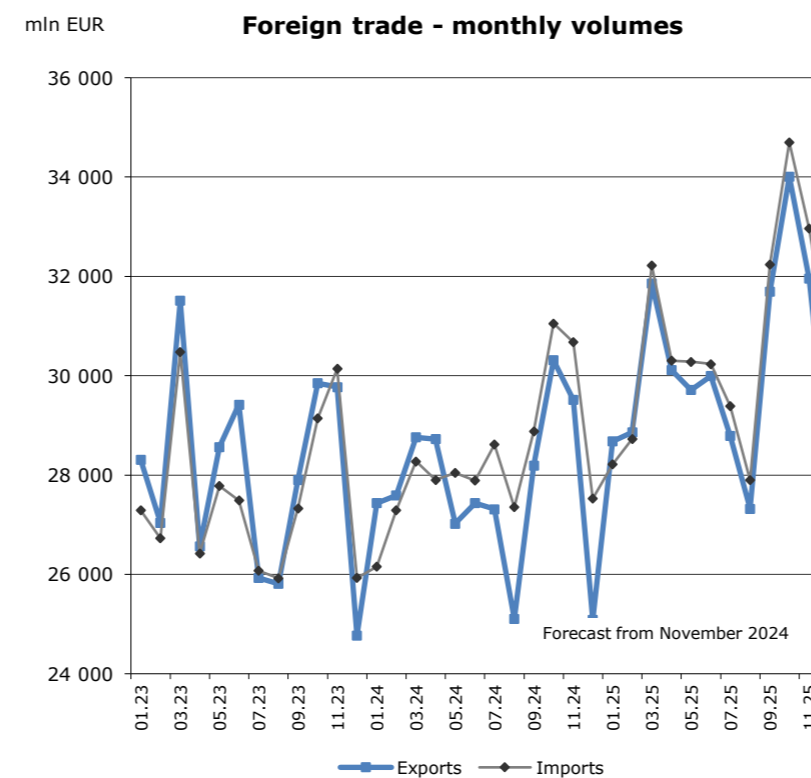
(mIn EUR)	X 2023	IX 2024*	X 2024
Current account balance	2 121	-1 133	1 064
Exports	29 850	28 186	30 311
Imports	29 141	28 879	31 051
Trade balance	709	-693	-740
Balance on Services	3 295	3 414	3 548
Balance on Primary Income	-1 546	-3 363	-1 304
Balance on Secondary Income	-337	-491	-440

*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 2024 was positive and amounted to EUR 1,064 million. In the previous month, there was a deficit of -EUR 1,133 million. A year ago, there was a surplus of EUR 2,121 million.

After October, the current account balance in a rolling annual perspective was positive and amounted to EUR 2,928 million. Its level in relation to GDP was 0.36%. In the last 12 months, exports of goods amounted to EUR 332 billion, and exports of services to EUR 106 billion.

Exports of goods are currently comparable to 40.4% of GDP. This is a high value for a country with the population and area of Poland. Exports of services are comparable to 12.9% of GDP, which should also be considered a very good result.



WARNING INDICATORS AGAINST FOREIGN CURRENCY CRISIS - monthly	05.2024	06.2024	07.2024	08.2024	09.2024	10.2024	11.2024	Macroeconomic forecast					
								12.2024	01.2025	02.2025	03.2025	04.2025	05.2025
International reserves, EUR million	191 805	195 915	190 535	192 595	195 301	198 275	206 702	210 836	208 939	211 028	213 982	210 773	214 988
International reserves in the months of import of goods and services	5,85	5,96	5,75	5,78	5,83	5,89	6,12	6,22	6,13	6,16	6,19	6,06	6,15
International reserves as a% of money supply	35,1%	36,1%	34,8%	34,9%	35,1%	35,7%	36,6%	36,7%	36,4%	36,4%	36,9%	36,1%	36,6%
Current account balance, EUR million, rolling annualised basis	12 025	10 133	10 090	6 818	3 985	2 928	1 384	-6	-1 143	-2 207	-3 283	-3 932	-3 945
Current account balance, as a% of GDP, rolling annualised basis	1,53%	1,28%	1,26%	0,84%	0,49%	0,36%	0,17%	0,00%	-0,14%	-0,26%	-0,38%	-0,46%	-0,45%
Inflow of foreign direct investment - rolling annualised basis, EUR million	24 223	22 198	20 134	18 612	17 986	19 295	18 308	20 152	18 558	18 343	20 847	20 516	21 999
Inflow of foreign portfolio investment - rolling annualised basis, EUR million	13 183	14 504	18 105	17 551	22 658	24 481	22 948	21 887	22 597	22 707	12 567	13 473	13 398

WARNING INDICATORS AGAINST FOREIGN CURRENCY CRISIS - quarterly	Q2 23	Q3 23	Q4 23	Q1 24	Q2 24	Q3 24	Macroeconomic forecast						
							Q4 24	Q1 25	Q2 25	Q3 25	Q4 25	Q1 26	Q2 26
Total external debt, EUR million	375 423	373 967	387 949	400 327	408 765	417 073	423 000	430 000	437 000	444 000	451 000	457 000	463 000
Long-term external debt, EUR million	190 865	186 965	204 236	212 676	218 057	228 621	234 000	240 000	246 000	252 000	258 000	263 000	268 000
Short-term external debt, EUR million	67 095	69 286	67 468	68 848	71 160	67 655	68 000	68 500	69 000	69 500	70 000	70 500	71 000
External debt - Direct investment debt instruments, EUR million	117 463	117 716	116 245	118 803	119 548	120 797	121 000	121 500	122 000	122 500	123 000	123 500	124 000
External debt as a% of GDP	53%	51%	52%	52%	52%	51%	50%	50%	50%	50%	49%	49%	49%
External debt as a% of export	111%	111%	116%	120%	123%	126%	127%	127%	127%	126%	125%	124%	122%
International reserves as a% of total external debt	44%	45%	45%	47%	48%	47%	50%	50%	49%	49%	50%	50%	49%
International reserves as a% of short-term external debt	249%	245%	260%	273%	275%	289%	310%	312%	308%	313%	321%	325%	322%

The current account has been positive in recent months. Its rolling sum over the last 12 months is positive. After October it was comparable to 0.36% of GDP.

In recent quarters, there has been a simultaneous inflow of direct capital to our market and an inflow of portfolio capital. A clear inflow of portfolio capital is a consequence of the change in the State debt management policy. Debt is also issued to foreign entities.

Currency reserves are high. Their level is adequate to the size of imports of goods and services (6.12 months of imports of goods and services), money supply (36.6%) and foreign debt (49.2%).

The growth of foreign debt has accelerated. The ratio of foreign debt to GDP is currently 51%. The ratio of foreign debt to exports of goods is currently 126%. The current ratio of foreign debt to GDP and exports is low.

