



Monthly Macroeconomic Review

Prepared by
Polish Chamber of Commerce

Updated on 31/01/2025

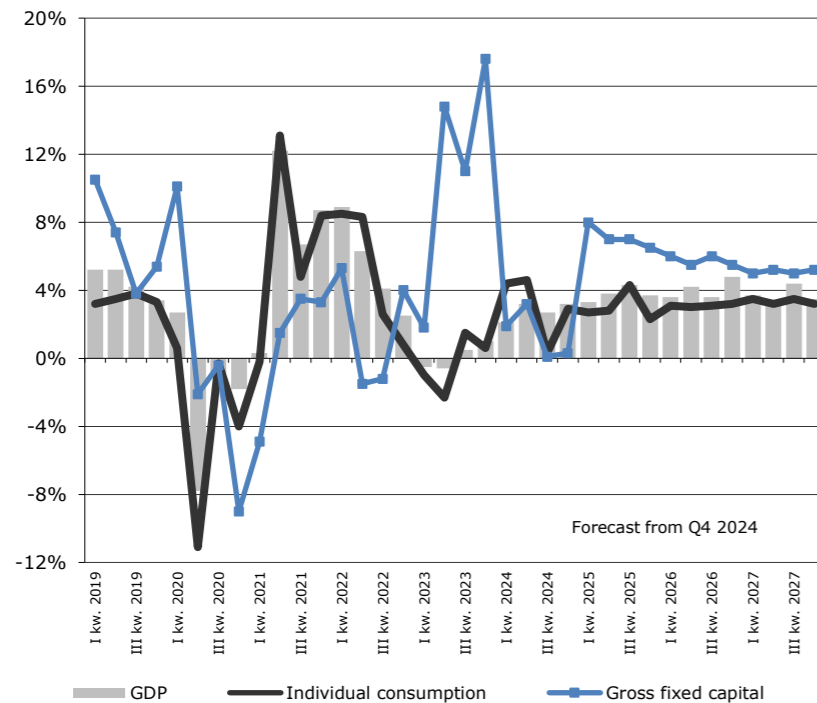
Macroeconomic forecast

Monthly macroeconomic indicators	06.2024	07.2024	08.2024	09.2024	10.2024	11.2024	12.2024	01.2025	02.2025	03.2025	04.2025	05.2025	06.2025
Industrial sales, % real change, y/y	0,0%	5,2%	-1,2%	-0,4%	4,6%	-1,3%	0,2%	0,6%	0,1%	8,0%	3,0%	7,0%	5,5%
Construction, % real change, y/y	-8,9%	-1,4%	-9,6%	-9,0%	-9,6%	-9,3%	-8,0%	10,1%	5,9%	9,9%	8,0%	7,0%	9,0%
Retail sales, % nominal change, y/y	4,7%	5,0%	3,2%	-2,2%	2,3%	3,4%	2,7%	3,0%	4,3%	4,2%	4,1%	4,5%	6,1%
Consumer prices, % change, y/y	2,6%	4,2%	4,3%	4,9%	5,0%	4,7%	4,7%	4,9%	5,1%	5,4%	4,7%	4,9%	4,9%
Producer prices, % change, y/y	-5,8%	-5,1%	-5,5%	-6,2%	-5,1%	-3,8%	-2,6%	-1,0%	-1,2%	-0,6%	-0,7%	-0,3%	-0,6%
Wages - enterprise sector, % nominal change, y/y	11,0%	10,6%	11,1%	10,3%	10,2%	10,5%	9,8%	9,6%	9,1%	8,7%	9,0%	9,3%	9,7%
Wages - enterprise sector, PLN	8 145	8 279	8 190	8 141	8 317	8 478	8 821	8 513	8 708	9 144	9 016	8 745	8 938
Registered unemployment rate	4,9%	5,0%	5,0%	5,0%	4,9%	5,0%	5,1%	5,3%	5,4%	5,2%	5,0%	4,9%	4,8%
Number of registered unemployed persons, thousand	762	765	772	770	766	775	786	823	838	807	776	761	744
Current account balance, EUR million	441	-649	-2 494	-1 133	1 220	-521	-1 390	425	732	220	59	-564	261
Current account balance, EUR million, rolling annualised basis	10 133	10 090	6 818	3 985	3 084	1 381	93	-1 057	-2 077	-3 096	-3 695	-3 654	-3 835

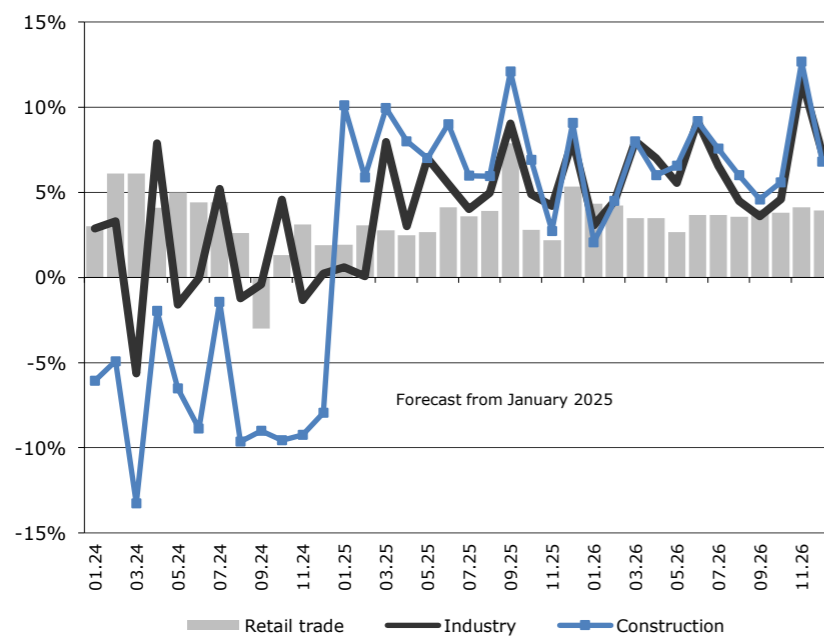
Macroeconomic forecast

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%	3,2%	3,3%	3,8%	4,3%	3,7%	3,6%
Individual consumption , % real change y/y	-1,0%	-2,3%	1,5%	0,6%	4,4%	4,6%	0,3%	2,9%	2,7%	2,8%	4,3%	2,3%	3,1%
Gross fixed capital , % real change y/y	1,8%	14,8%	11,0%	17,6%	1,9%	3,2%	0,1%	0,3%	8,0%	7,0%	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 a preliminary estimate of the domestic product for 2024. Real GDP growth for the whole year amounted to 2.9% compared to 0.1% in 2023. The data turned out to be slightly better than expected. In nominal terms, GDP for 2024 can be estimated at PLN 3,614 billion (EUR 839 billion).

Data for the fourth quarter of 2024 have not yet been presented. We estimate that GDP in the fourth quarter increased in real terms in annual terms by 3.2% - 3.3%. In the following quarters of 2025, the growth rate will remain in the range of 3.3% - 4.3%, and in 2026 in the range of 3.6% - 4.8%. Investments and consumption will strengthen. Inventories will be renewed.

For the whole of 2025, the GDP dynamics are forecast at 3.8%. In nominal terms, GDP will amount to PLN 3,893 billion (EUR 917 billion). For the whole of 2026, GDP dynamics is forecast at 4.1%. In nominal terms, GDP will amount to PLN 4,183 billion (EUR 992 billion).

In December, industrial production decreased by 8.0% in real terms. The decrease was seasonal. The annual dynamics of production improved from negative -1.3% in November to positive +0.2% in December. The industry's results in December were weaker than expected by the market and by us. In the period January - December 2024, industrial production was 0.3% higher than in the same period of 2023.

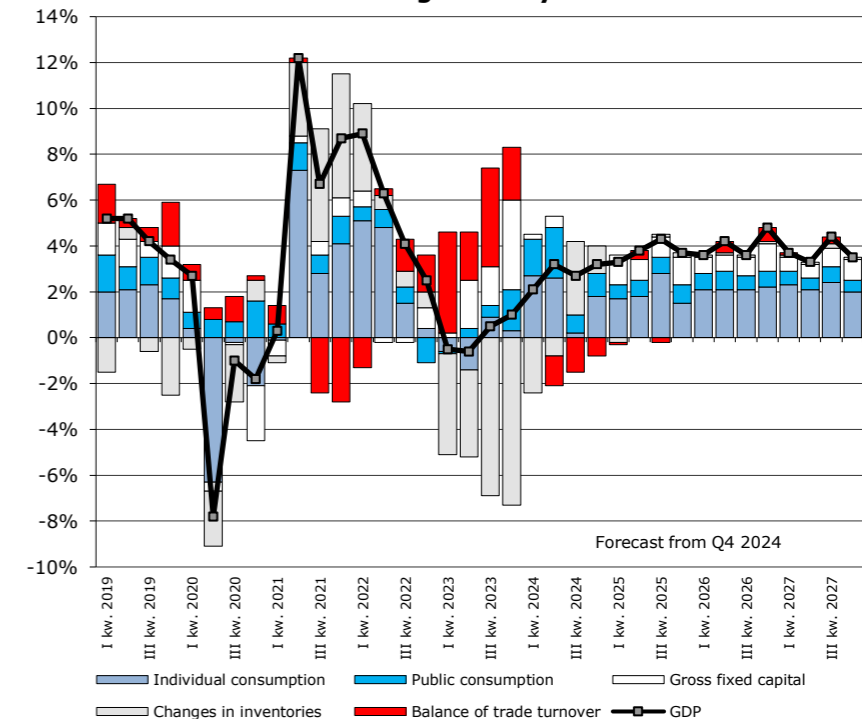
In December, construction and assembly production turned out to be 30.6% higher than in November. Strong sales growth in December is a typical phenomenon. The annual dynamics of construction and assembly production improved slightly from negative -9.3% in November to negative -8.0% in December. Construction results in December were better than expected by the market and by us. In the period January - December 2024, construction and assembly production was 7.7% lower than in the same period of 2023.

Retail sales in December in nominal terms increased compared to November by 9.8%. The strong sales growth in December is seasonal. The annual sales dynamics decreased from positive +3.4% in November to positive +2.7% in December. December results were worse than expected by the market and by us. In the period January - December 2024, retail sales were nominally 3.3% higher than in the same period of 2023. In real terms, retail sales in the period January-December 2024 were 2.7% higher than in the same period of 2023.

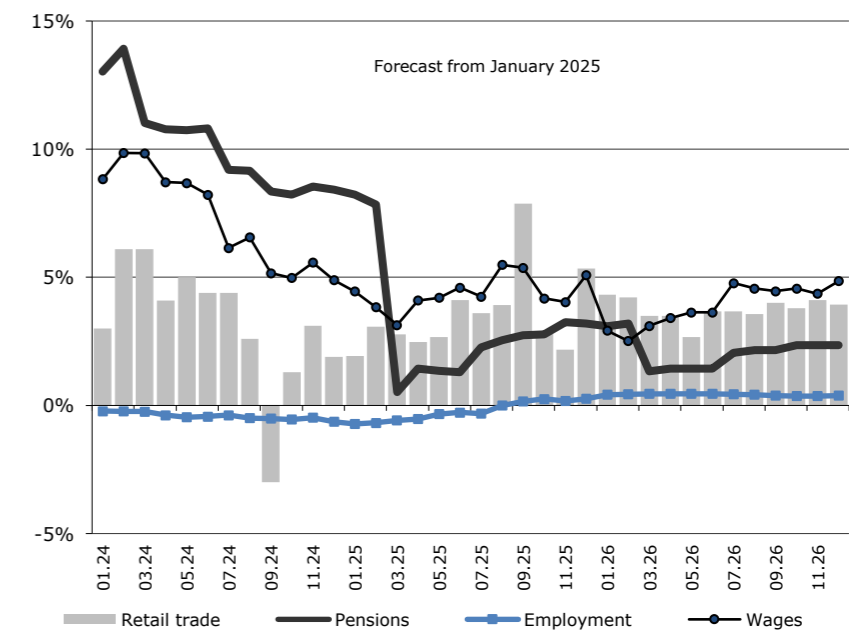
GROSS DOMESTIC PRODUCT AND ITS COMPONENTS

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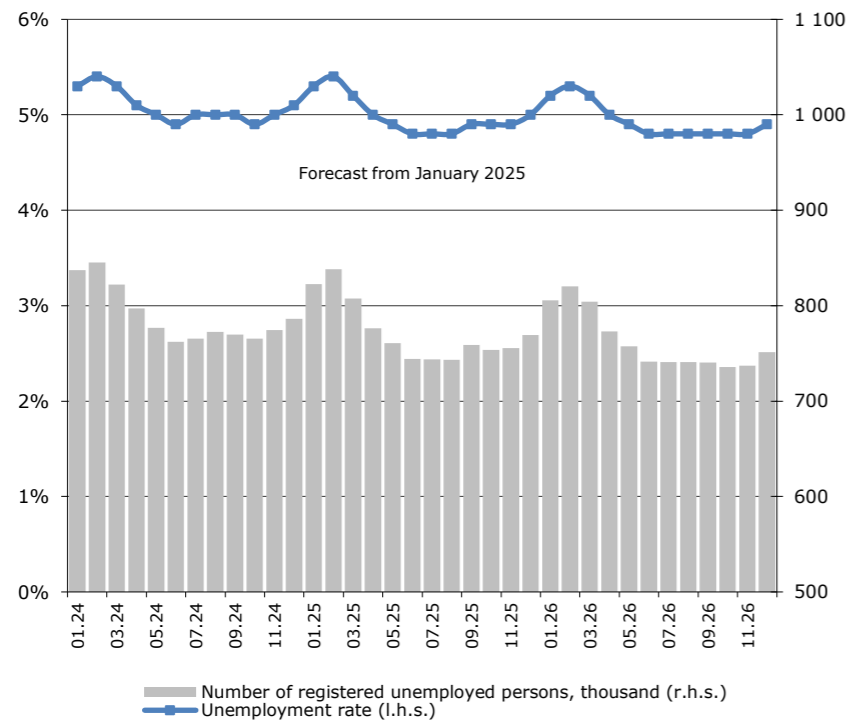
Scale of impact of GDP demand components on economic growth dynamics



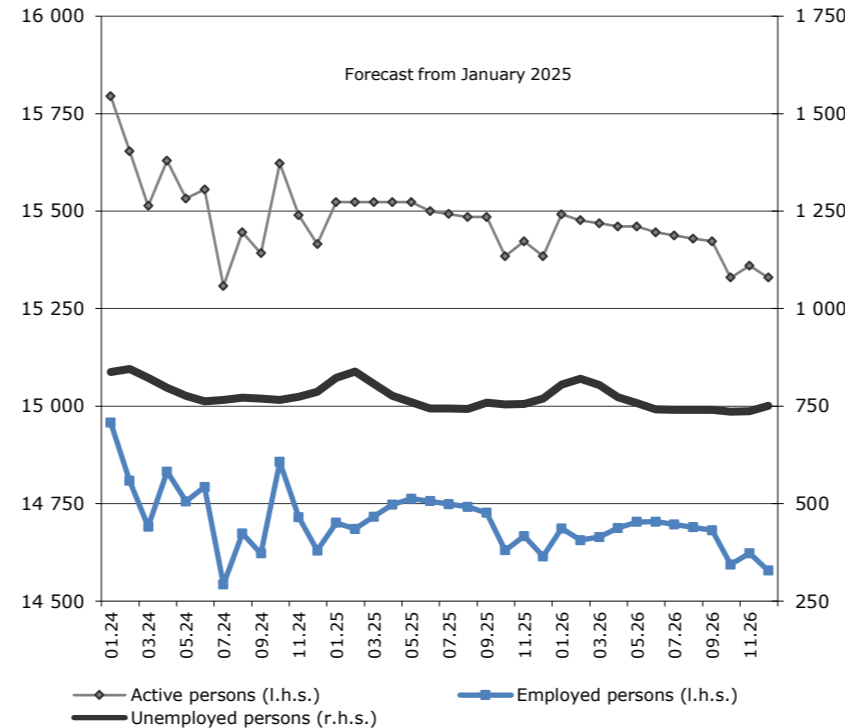
Comparison of annual real dynamics: retail sales and gross wages in the enterprise sector as well as pensions and employment



Registered unemployment



Labor activity

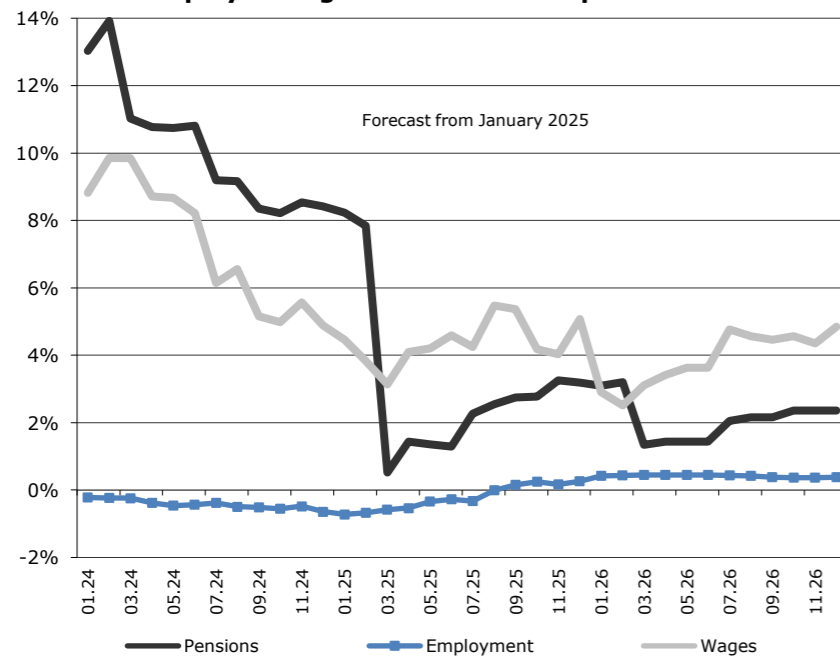


In December, the number of registered unemployed increased by 11.7 thousand to 786.2 thousand people. The unemployment rate was 5.1%. In November, the unemployment rate was 5.0%. A year ago, in December, the unemployment rate was 5.1%. December usually brings a deterioration in unemployment statistics. Demand for seasonal work in construction, agriculture, and tourist services is weakening. December data was in line with expectations by the market and us.

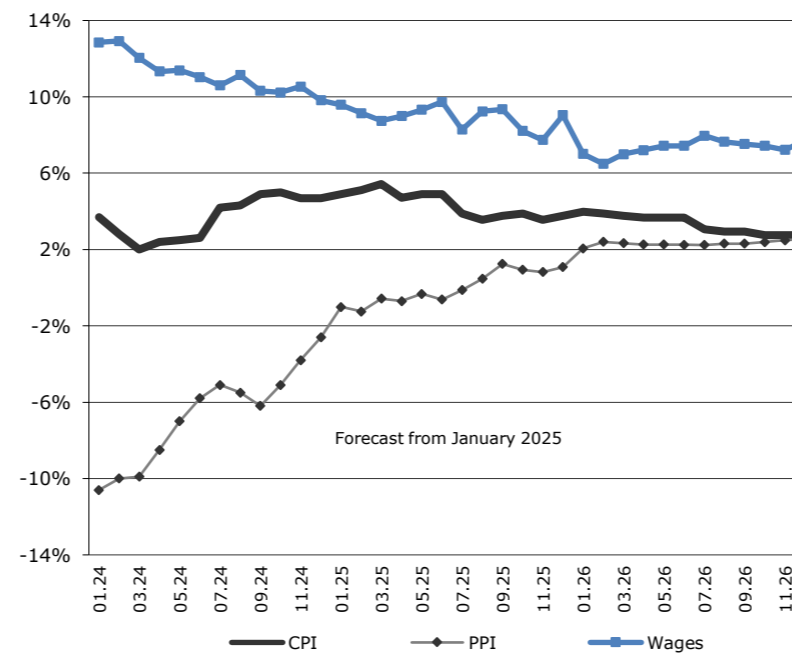
The number of employed people in December was approximately 14,630 thousand. It was 37 thousand, i.e. 0.25% lower than a year ago.

Unemployment is growing in autumn and winter. The local peak of unemployment will fall in February. The unemployment rate will then be 5.4% and the number of unemployed will increase to 840 thousand people. Unemployment usually falls in the spring and summer months. In the local minimum, the unemployment rate will be 4.8% and the number of unemployed people 745 thousand 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

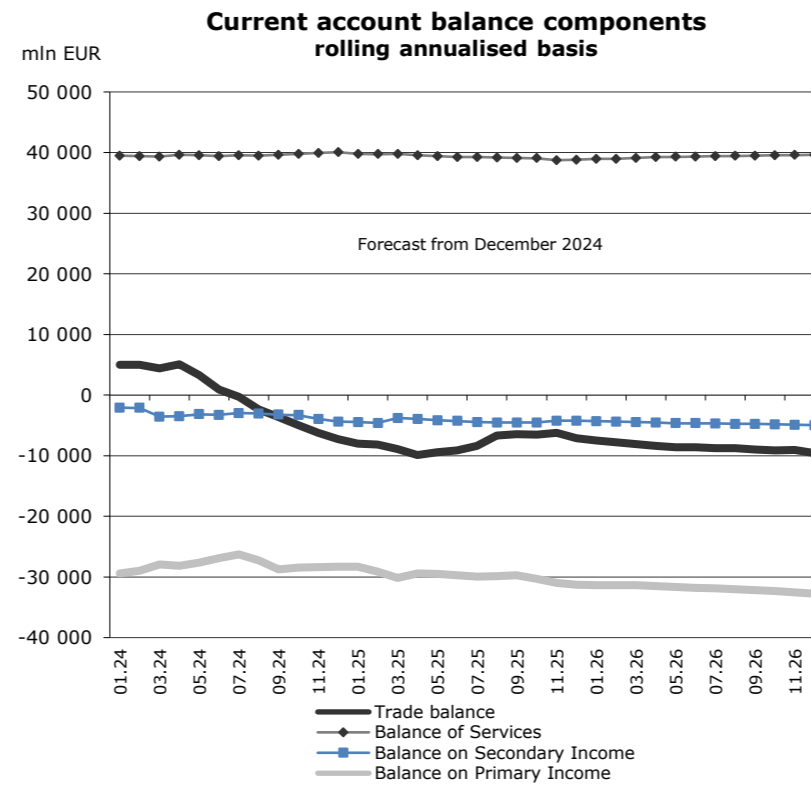
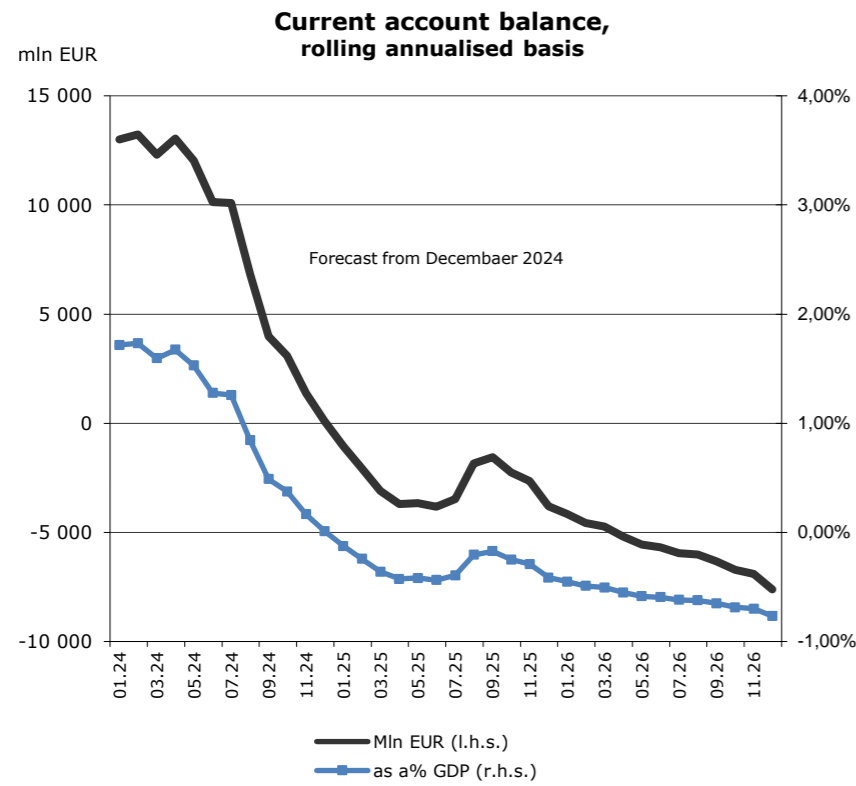


In December, prices of consumer goods and services did not change on average. In December, prices usually increase due to seasonal increases in food prices. The December result was lower than expected by us and the market. Prices increased in the following groups: transport, health, restaurants and hotels, food, housing. Prices fell in the following groups: clothing and footwear, alcohol and tobacco, recreation and culture, other, home furnishings, communications. Prices did not change in the education group.

In December, prices of goods and services were 4.7% higher than a year ago. In November, prices were also 4.7% higher than a year ago. In the period January - December 2024, prices were on average 3.6% higher than in the same period of 2023. An increase in the annual inflation rate is expected in January.

Industrial prices in December fell by 0.2%. Industrial prices in December were on average 2.6% lower than a year ago (3.8% lower in November). In the period January-December 2024, industrial prices were on average 6.8% 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 December, the average salary in the corporate sector amounted to PLN 8,821.25. It was therefore PLN 342.99, i.e. 4.0% higher than in November. It was also PLN 788.29 and 9.8% higher than in December 2023. The increase in salaries recorded in December is seasonal. The level of salaries in December was lower than expected by the market and by us. In January, salaries will decrease 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.



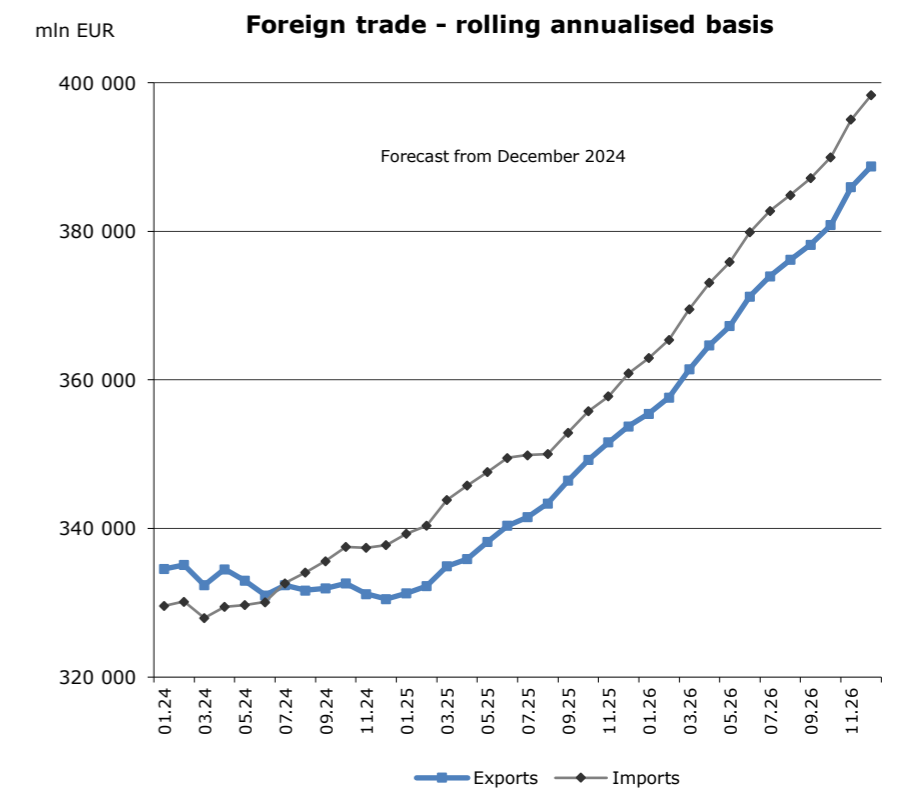
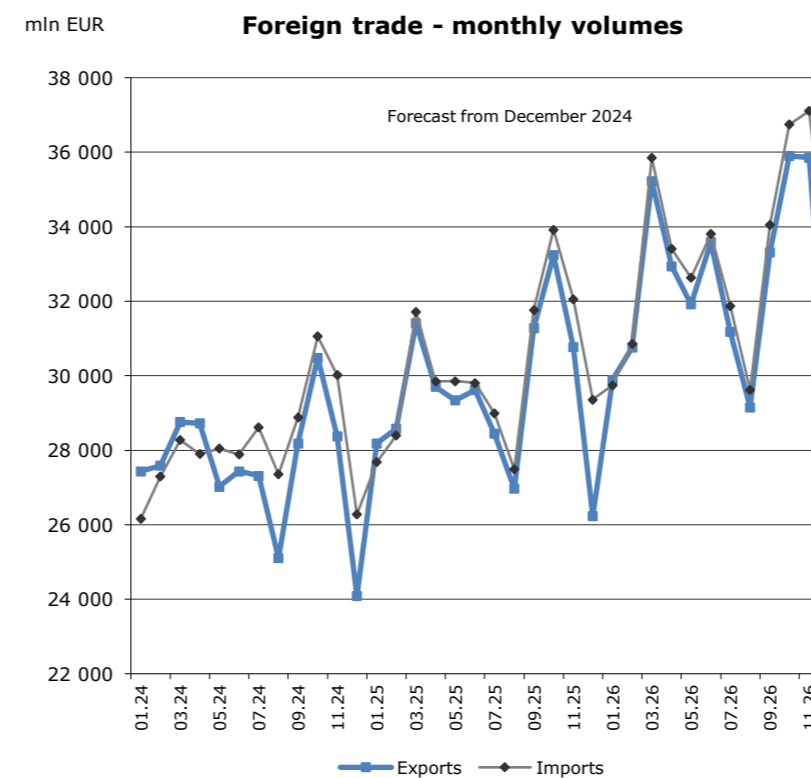
(mIn EUR)	XI 2023	X 2024*	XI 2024
Current account balance	1 182	1 220	-521
Exports	29 773	30 483	28 371
Imports	30 142	31 054	30 017
Trade balance	-369	-571	-1 646
Balance on Services	3 036	3 448	3 177
Balance on Primary Income	-1 598	-1 253	-1 523
Balance on Secondary Income	113	-404	-529

*Corrected data

At the beginning of January, the National Bank of Poland presented estimated data on the balance of payments in November. The current account balance in November 2024 was negative and amounted to -521 million EUR. In the previous month, there was a surplus of 1,220 million EUR. A year ago, there was a surplus of 1,182 million EUR.

After November, the current account balance in annual rolling terms was positive and amounted to 1,381 million EUR. Its level in relation to GDP was 0.17%. In the last 12 months, exports of goods amounted to 331 billion EUR, and exports of services to 107 billion EUR.

Exports of goods are currently comparable to 39.8% 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.



Macroeconomic forecast

WARNING INDICATORS AGAINST FOREIGN CURRENCY CRISIS - monthly	06.2024	07.2024	08.2024	09.2024	10.2024	11.2024	12.2024	01.2025	02.2025	03.2025	04.2025	05.2025	06.2025
International reserves, EUR million	195 915	190 535	192 595	195 301	198 275	206 847	214 191	218 475	221 752	222 639	224 643	226 889	229 158
International reserves in the months of import of goods and services	5,96	5,75	5,78	5,83	5,89	6,13	6,34	6,44	6,51	6,48	6,51	6,54	6,58
International reserves as a% of money supply	36,1%	34,8%	34,9%	35,1%	35,7%	36,6%	36,9%	37,3%	37,8%	38,2%	38,3%	38,4%	38,6%
Current account balance, EUR million, rolling annualised basis	10 133	10 090	6 818	3 985	3 084	1 381	93	-1 057	-2 077	-3 096	-3 695	-3 654	-3 835
Current account balance, as a% of GDP, rolling annualised basis	1,28%	1,26%	0,84%	0,49%	0,37%	0,17%	0,01%	-0,12%	-0,24%	-0,36%	-0,43%	-0,42%	-0,44%
Inflow of foreign direct investment - rolling annualised basis, EUR million	22 198	20 134	18 612	17 986	19 254	19 451	20 995	19 401	19 186	21 690	21 359	22 842	23 457
Inflow of foreign portfolio investment - rolling annualised basis, EUR million	14 504	18 105	17 551	22 658	24 599	25 336	24 475	25 185	25 295	15 155	16 061	15 986	13 934

Macroeconomic forecast

WARNING INDICATORS AGAINST FOREIGN CURRENCY CRISIS - quarterly	Q2 23	Q3 23	Q4 23	Q1 24	Q2 24	Q3 24	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%	51%	51%	50%	50%	50%	49%	49%	49%	48%
External debt as a% of export	111%	111%	116%	120%	123%	126%	128%	128%	128%	128%	127%	126%	125%
International reserves as a% of total external debt	44%	45%	45%	47%	48%	47%	51%	52%	52%	52%	54%	54%	53%
International reserves as a% of short-term external debt	249%	245%	260%	273%	275%	289%	315%	325%	332%	333%	346%	350%	347%

The current account has been positive in recent months. Its rolling sum over the last 12 months is positive. After November it was comparable to 0.17% 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 (6.34 months of imports of goods and services), money supply (36.9%) and foreign debt (50.6%).

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.

