



Monthly Macroeconomic Review

Prepared by
Polish Chamber of Commerce

Updated on 31/03/2025

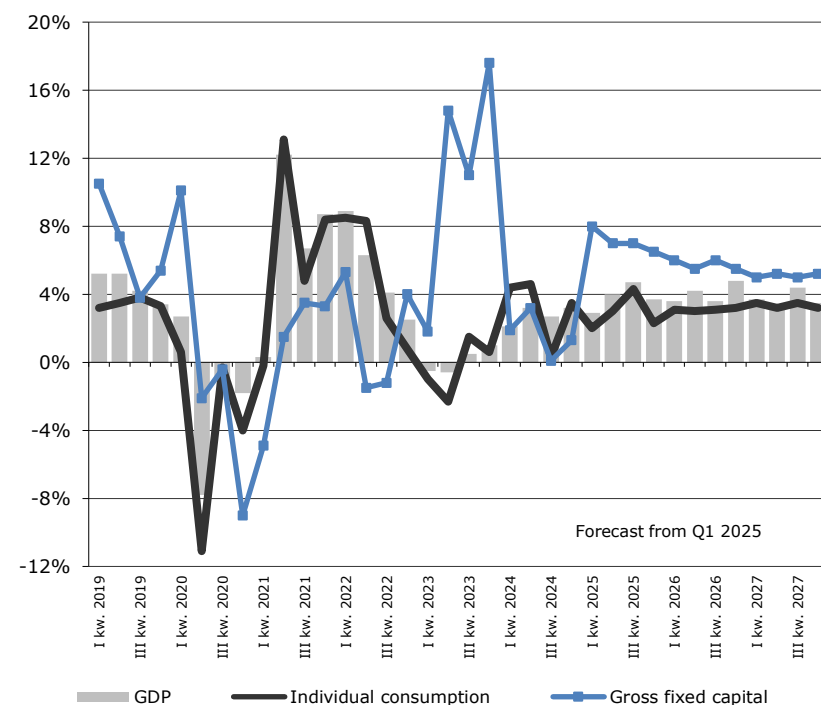
Macroeconomic forecast

Monthly macroeconomic indicators	08.2024	09.2024	10.2024	11.2024	12.2024	01.2025	02.2025	03.2025	04.2025	05.2025	06.2025	07.2025	08.2025
Industrial sales, % real change, y/y	-1,2%	-0,4%	4,6%	-1,3%	0,2%	-0,9%	-2,0%	5,0%	2,0%	6,0%	5,0%	4,5%	5,5%
Construction, % real change, y/y	-9,6%	-9,0%	-9,6%	-9,3%	-8,0%	4,3%	0,0%	7,0%	5,0%	6,0%	9,0%	6,0%	6,9%
Retail sales, % nominal change, y/y	3,2%	-2,2%	2,3%	3,4%	2,7%	6,2%	0,6%	2,3%	4,2%	4,1%	5,2%	4,8%	5,3%
Consumer prices, % change, y/y	4,3%	4,9%	5,0%	4,7%	4,7%	4,9%	4,9%	4,9%	4,2%	4,4%	4,4%	3,4%	3,0%
Producer prices, % change, y/y	-5,5%	-6,2%	-5,1%	-3,8%	-2,7%	-1,0%	-1,3%	-0,9%	-1,1%	-0,7%	-1,1%	-0,6%	0,0%
Wages - enterprise sector, % nominal change, y/y	11,1%	10,3%	10,2%	10,5%	9,8%	9,2%	7,9%	7,6%	8,2%	8,8%	9,1%	7,9%	8,6%
Wages - enterprise sector, PLN	8 190	8 141	8 317	8 478	8 821	8 482	8 613	9 044	8 953	8 703	8 885	8 930	8 894
Registered unemployment rate	5,0%	5,0%	4,9%	5,0%	5,1%	5,4%	5,4%	5,4%	5,2%	5,0%	4,9%	4,9%	4,9%
Number of registered unemployed persons, thousand	772	770	766	775	786	838	847	843	814	781	764	764	763
Current account balance, EUR million	-2 276	-1 160	1 510	313	-1 119	-168	411	-74	275	-351	469	244	-368
Current account balance, EUR million, rolling annualised basis	7 049	4 189	3 578	2 709	1 692	-151	-1 375	-2 743	-3 390	-3 273	-2 662	-1 927	-19

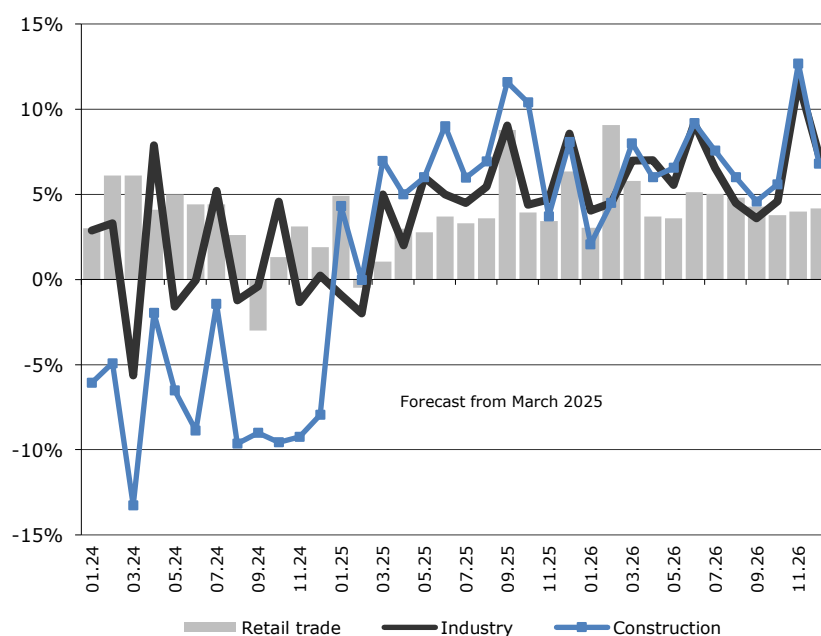
Macroeconomic forecast

Quarterly macroeconomic indicators	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
Gross domestic product , % real change y/y	-0,6%	0,5%	1,0%	2,1%	3,2%	2,7%	3,2%	2,9%	4,0%	4,7%	3,7%	3,6%	4,2%
Individual consumption , % real change y/y	-2,3%	1,5%	0,6%	4,4%	4,6%	0,3%	3,5%	2,0%	3,0%	4,3%	2,3%	3,1%	3,0%
Gross fixed capital , % real change y/y	14,8%	11,0%	17,6%	1,9%	3,2%	0,1%	1,3%	8,0%	7,0%	7,0%	6,5%	6,0%	5,5%

GDP components in terms of demand - y / y



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



The Central Statistical Office presented 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 amounted to PLN 3,617 billion (EUR 840 billion).

GDP in the fourth quarter of 2024 increased in real terms year-on-year by 3.2%. In the following quarters of 2025, the growth rate will remain in the range of 2.9% - 4.7%, 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 3,890 billion (EUR 925 billion). For the whole of 2026, GDP dynamics is forecast at 4.1%. In nominal terms, GDP will amount to PLN 4,170 billion (EUR 997 billion).

In February, industrial production decreased by 0.4% in real terms. The decrease was seasonal. The annual dynamics of production deteriorated from negative -0.9% in January to negative -2.0% in February. Industrial results in February were in line with our expectations and weaker than those expected by the market. In the period I-II 2025, industrial production was 0.9% lower than in the same period of 2024.

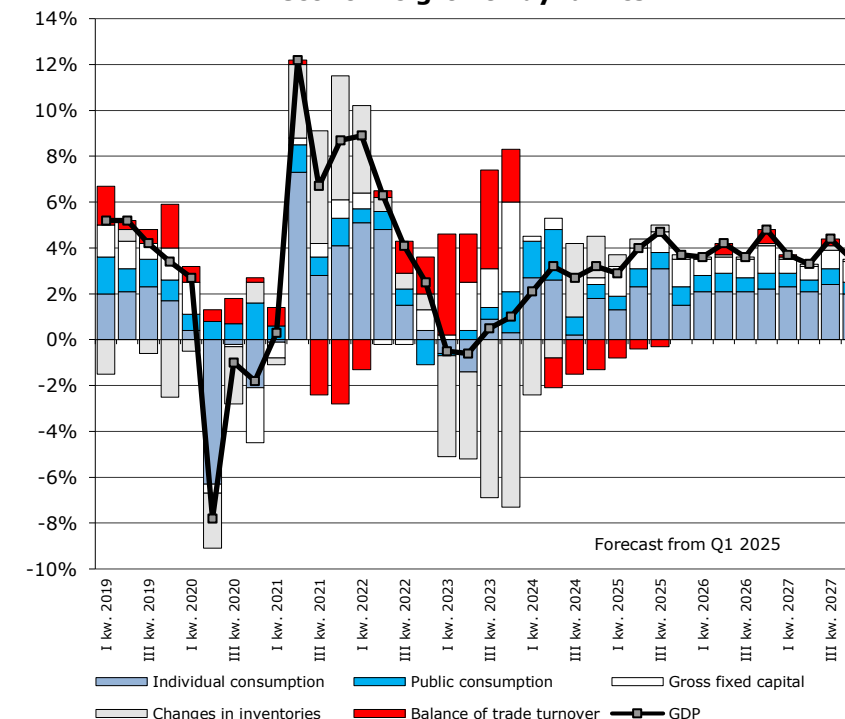
In February, construction and assembly production turned out to be 7.5% higher than in January. The increase in sales in February is a typical phenomenon. The annual dynamics of construction and assembly production deteriorated from positive +4.3% in January to 0.0% in February. Construction results in February were weaker than expected by the market and by us. In the period January - February 2025, construction and assembly production was 0.4% higher than in the same period of 2024.

Retail sales in February in nominal terms decreased compared to January by 6.0%. The strong decline in sales in February is not seasonal. The annual sales dynamics decreased from positive +6.1% in January to positive +0.6% in February. February results were clearly weaker than expected by the market and by us. In the period January - February 2025, retail sales were nominally 3.1% higher than in the same period of 2024. In real terms, retail sales in the period January-February 2025 were 2.0% higher than in the same period of 2024.

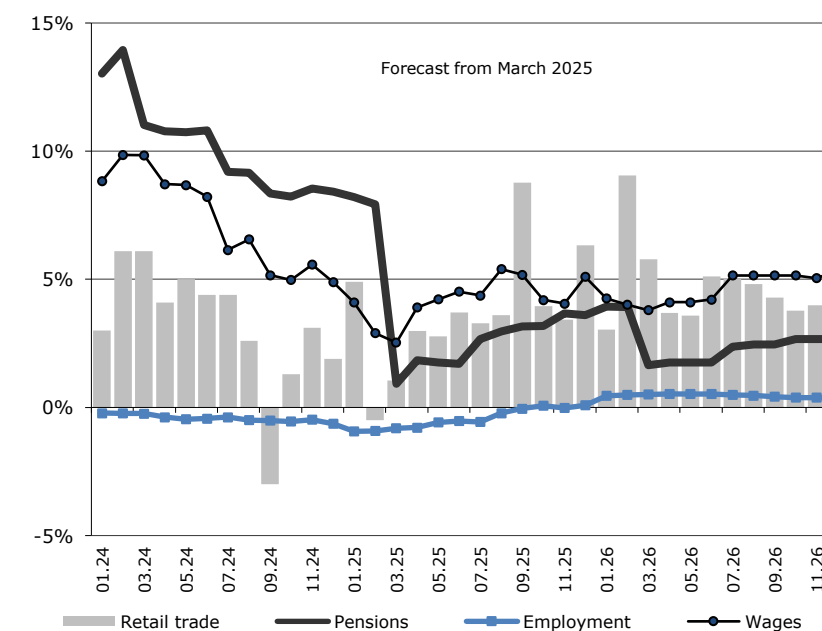
GROSS DOMESTIC PRODUCT AND ITS COMPONENTS

Updated on 31/03/2025

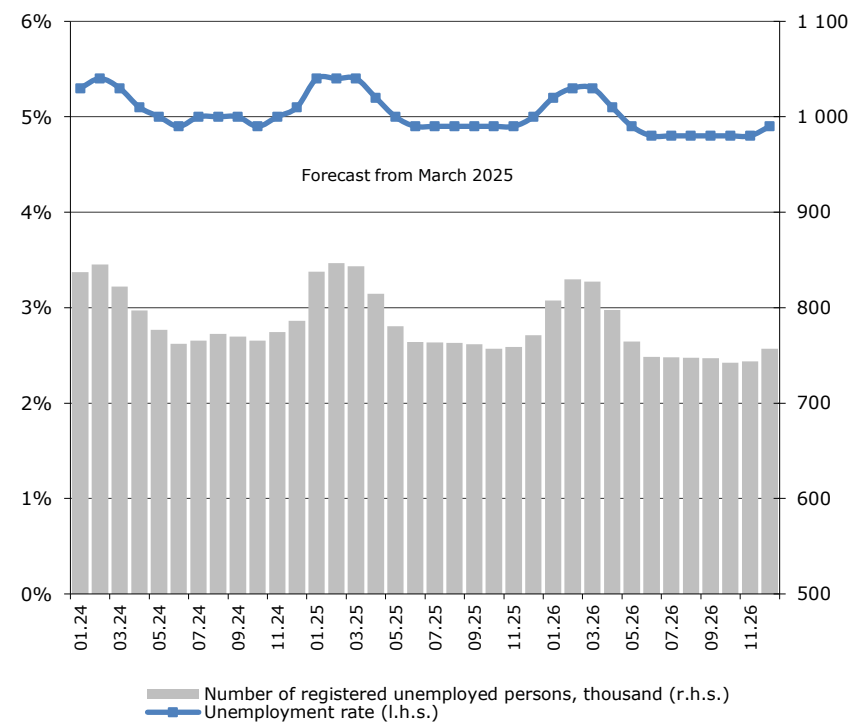
Scale of impact of GDP demand components on economic growth dynamics



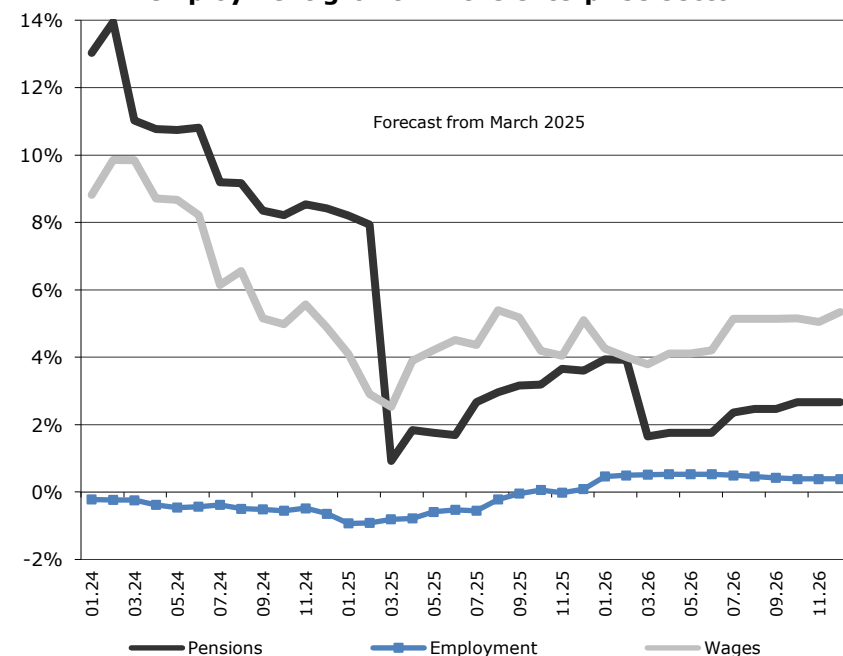
Comparison of annual real dynamics: retail sales and gross wages in the enterprise sector as well as pensions and employment



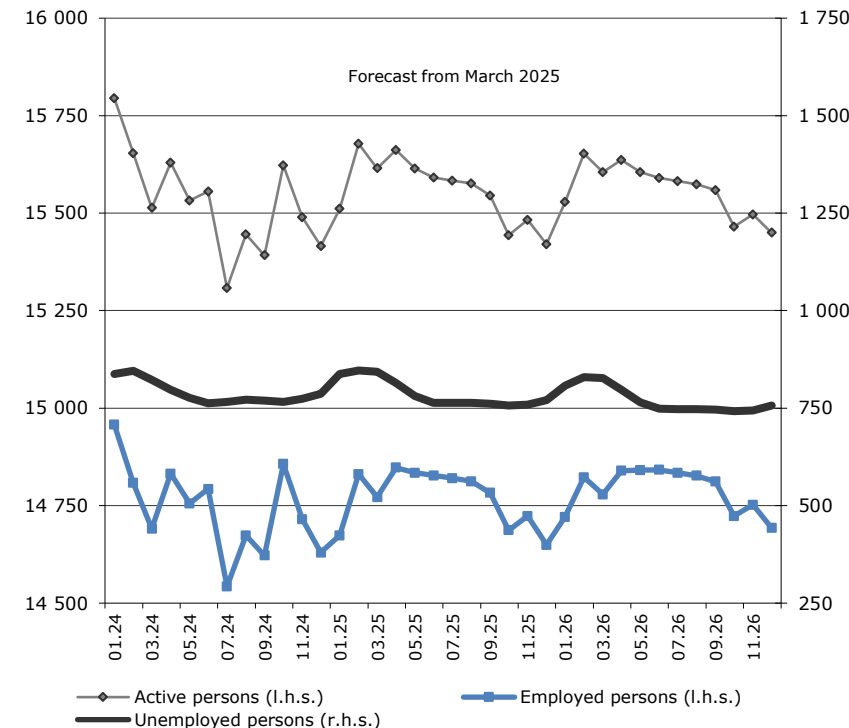
Registered unemployment



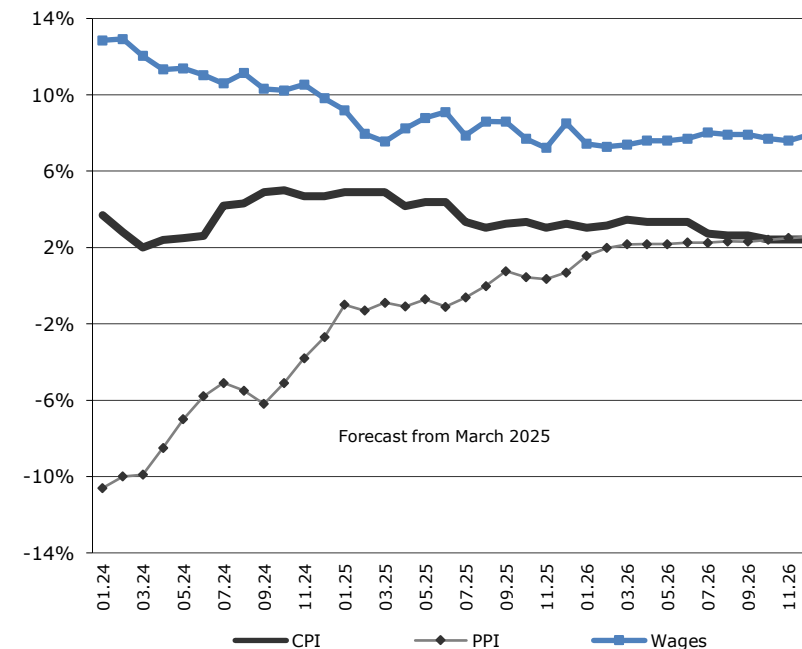
Real dynamics of gross wages in the enterprise sector and pensions against the background of employment growth in the enterprise sector



Labor activity



CPI, PPI, Wages - y / y



In February, the number of registered unemployed increased by 9.0 thousand to 846.6 thousand people. The unemployment rate was 5.4%. In January, the unemployment rate was 5.4%. A year ago, in February, the unemployment rate was 5.4%. February usually brings a deterioration in unemployment statistics. Demand for seasonal work in construction, agriculture, and tourist services is weakening. February data was better than we expected and in line with market expectations.

The number of employed people in February was approximately 14,831 thousand. It was 23 thousand, i.e. 0.15% higher than a year ago.

Unemployment is growing in autumn and winter. The local peak of unemployment occurs in February. In the spring and summer months, unemployment usually falls. In the local minimum, the unemployment rate will be 4.9% and the number of unemployed people will be 760 thousand. At the end of the year, the unemployment rate will be 5.0% and the number of unemployed people will be 775 thousand.

In February, prices of consumer goods and services increased by an average of 0.3%. In February, prices usually increase due to seasonal increases in food prices and in the housing group. February's result was significantly lower than expected by us and the market. Prices increased in the following groups: recreation and culture, alcohol and tobacco, health, restaurants and hotels, education, housing use, food. Price drops occurred in the following groups: clothing and footwear, transport, other. Prices did not change in the housing equipment group.

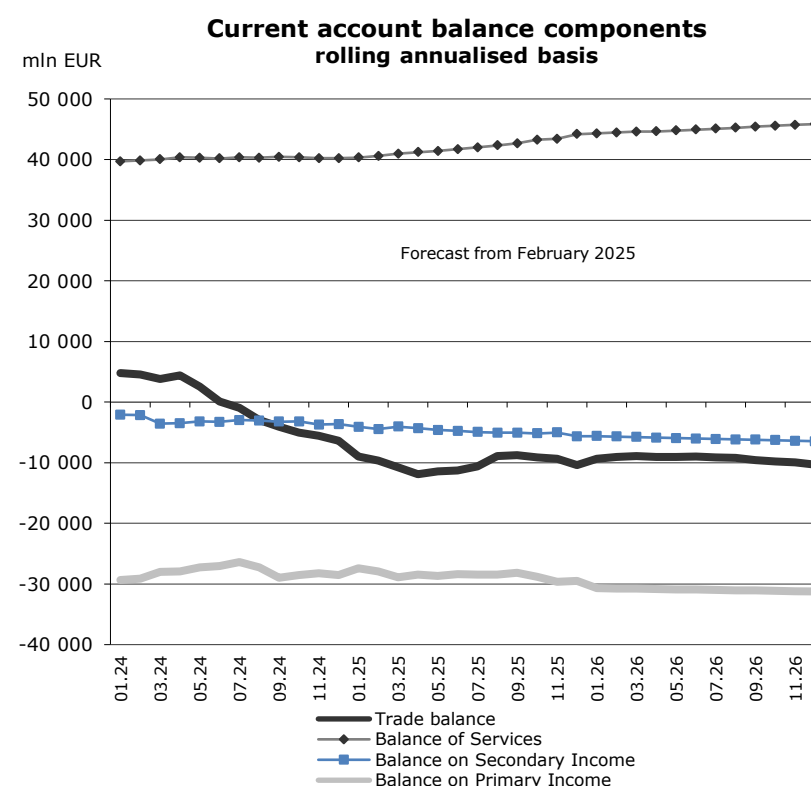
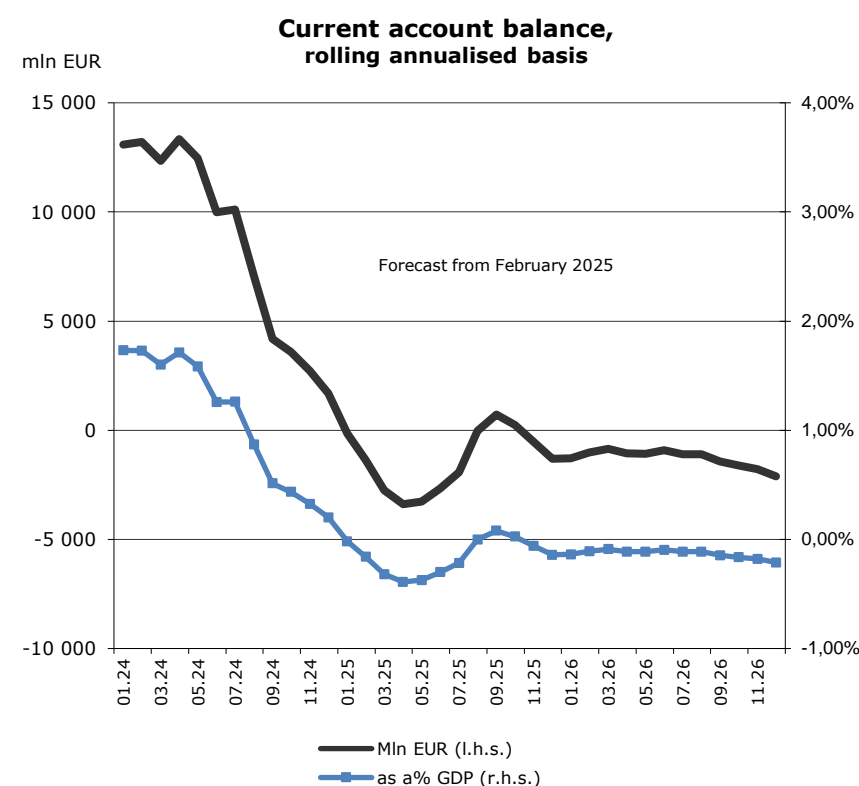
In February, prices of goods and services turned out to be 4.9% higher than a year ago. In January, prices were also 4.9% higher than a year ago. In the period January - February 2025, prices were on average 4.9% higher than in the same period of 2024. In March, the annual inflation rate is expected to remain at the February level.

Industrial prices in February fell by 0.2%. Industrial prices in February were on average 1.3% lower than a year ago (0.9% in January). In the period January-February 2025, industrial prices were on average 1.1% 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 February, the average salary in the corporate sector amounted to PLN 8,613.14. It was therefore PLN 130.67, i.e. 1.5% higher than in January. It was also PLN 634.15 and 7.9% higher than in February 2024. The increase in salaries recorded in February is seasonal. The level of salaries in February was lower than expected by us and the market. In March, salaries will increase for seasonal reasons. The formation of the level of salaries in the coming months will be influenced by changes in the level of economic activity.

CURRENT ACCOUNT BALANCE AND ITS MAIN COMPONENTS

Updated on 31/03/2025



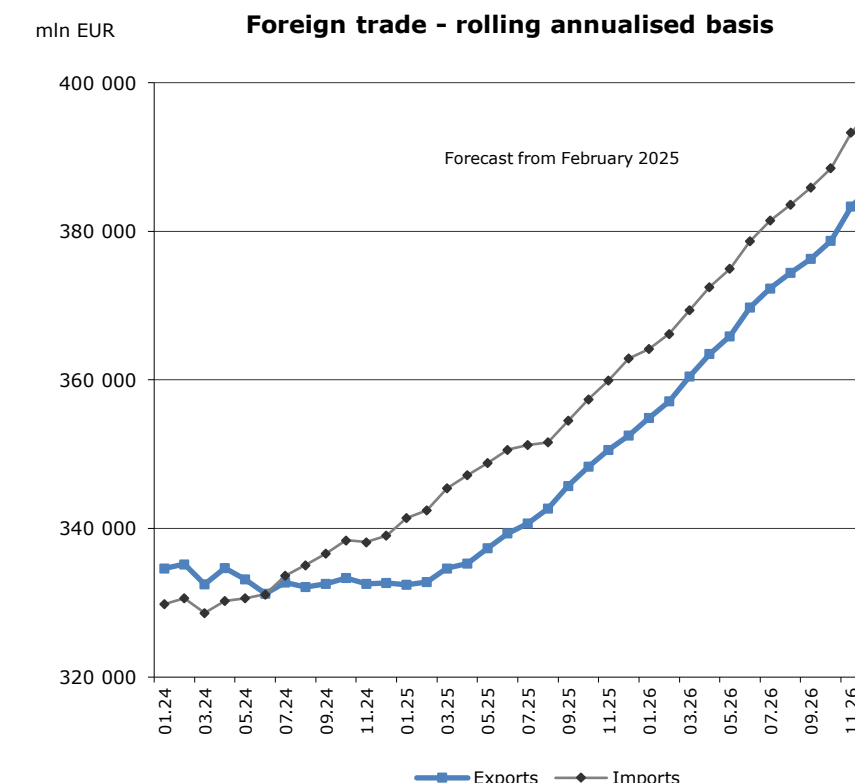
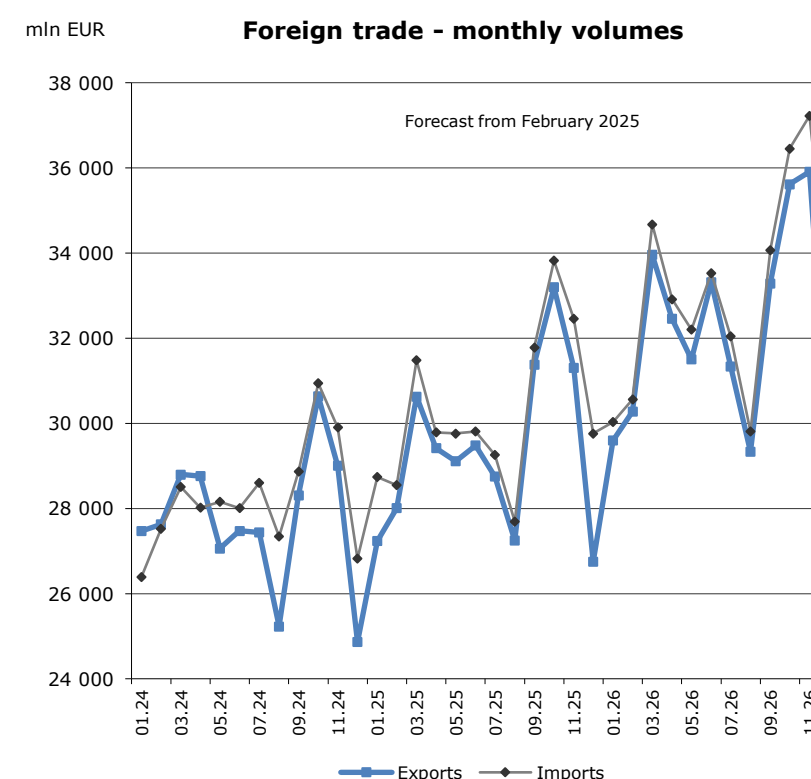
(mln EUR)	I 2024	XII 2024*	I 2025
Current account balance	1 675	-1 119	-168
Exports	27 470	24 860	27 236
Imports	26 385	26 822	28 742
Trade balance	1 085	-1 962	-1 506
Balance on Services	3 496	3 375	3 601
Balance on Primary Income	-2 652	-2 752	-1 554
Balance on Secondary Income	-254	220	-709

*Corrected data

The National Bank of Poland presented estimated data on the balance of payments in January. The current account balance in January 2025 was negative and amounted to -168 million EUR. In the previous month, a deficit of -1,119 million EUR was recorded. A year ago, there was a surplus of 1,675 million EUR.

After January, the current account balance in annual rolling terms was negative and amounted to -151 million EUR. Its level in relation to GDP was 0.02%. In the last 12 months, exports of goods amounted to 332 billion EUR, and exports of services to 110 billion EUR.

Exports of goods are currently comparable to 39.3% of GDP. This is a high value for a country with the population and area of Poland. Exports of services are comparable to 13.0% of GDP, which should also be considered a very good result.



Source: NBP
Forecast: Polish Chamber of Commerce

Macroeconomic forecast

WARNING INDICATORS AGAINST FOREIGN CURRENCY CRISIS - monthly	08.2024	09.2024	10.2024	11.2024	12.2024	01.2025	02.2025	03.2025	04.2025	05.2025	06.2025	07.2025	08.2025
International reserves, EUR million	192 595	195 301	198 275	206 847	214 194	217 105	220 461	221 343	223 335	225 568	227 824	226 685	228 272
International reserves in the months of import of goods and services	5,76	5,81	5,86	6,10	6,29	6,33	6,41	6,39	6,42	6,46	6,50	6,46	6,50
International reserves as a% of money supply	34,9%	35,1%	35,7%	36,6%	36,9%	37,0%	36,7%	37,1%	37,4%	37,5%	37,8%	37,4%	37,6%
Current account balance, EUR million, rolling annualised basis	7 049	4 189	3 578	2 709	1 692	-151	-1 375	-2 743	-3 390	-3 273	-2 662	-1 927	-19
Current account balance, as a% of GDP, rolling annualised basis	0,87%	0,51%	0,43%	0,33%	0,20%	-0,02%	-0,16%	-0,32%	-0,39%	-0,37%	-0,30%	-0,22%	0,00%
Inflow of foreign direct investment - rolling annualised basis, EUR million	18 509	18 092	18 750	18 380	16 910	18 373	18 137	20 678	21 111	22 641	22 427	23 144	22 988
Inflow of foreign portfolio investment - rolling annualised basis, EUR million	17 620	22 729	24 673	25 417	23 756	25 887	26 478	16 629	17 835	17 860	15 921	13 738	14 296

Macroeconomic forecast

WARNING INDICATORS AGAINST FOREIGN CURRENCY CRISIS - quarterly	Q3 23	Q4 23	Q1 24	Q2 24	Q3 24	Q4 24	Q1 25	Q2 25	Q3 25	Q4 25	Q1 26	Q2 26	Q3 26
Total external debt, EUR million	373 968	387 949	402 345	409 669	418 079	440 906	445 000	456 000	462 000	468 000	474 000	480 000	486 000
Long-term external debt, EUR million	186 966	204 236	213 186	218 288	228 928	244 264	255 000	265 000	270 000	275 000	280 000	285 000	290 000
Short-term external debt, EUR million	69 286	67 468	69 191	71 443	67 886	78 625	69 500	70 000	70 500	71 000	71 500	72 000	72 500
External debt - Direct investment debt instruments, EUR million	117 716	116 245	119 968	119 938	121 265	118 017	120 500	121 000	121 500	122 000	122 500	123 000	123 500
External debt as a% of GDP	51%	52%	52%	52%	51%	53%	52%	52%	51%	51%	50%	50%	50%
External debt as a% of export	111%	116%	121%	124%	126%	133%	133%	134%	134%	133%	132%	130%	129%
International reserves as a% of total external debt	45%	45%	47%	48%	47%	49%	50%	50%	50%	52%	52%	51%	51%
International reserves as a% of short-term external debt	245%	260%	271%	274%	288%	272%	318%	325%	327%	340%	344%	340%	344%

The current account has been negative in recent months. Its rolling sum over the last 12 months is negative. After January, it was comparable to -0.02% of GDP.

In recent quarters, there has been a simultaneous inflow of direct capital to our market and an inflow of portfolio capital. The clear inflow of portfolio capital is a consequence of the change in the State's 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 (6.41 months of imports of goods and services), money supply (36.7%) and foreign debt (48.6%).

The growth of foreign debt has accelerated. The ratio of foreign debt to GDP is currently 53%. The ratio of foreign debt to exports of goods is currently 133%. The current ratio of foreign debt to GDP and exports is low.

