



Monthly Macroeconomic Review

Prepared by
Polish Chamber of Commerce

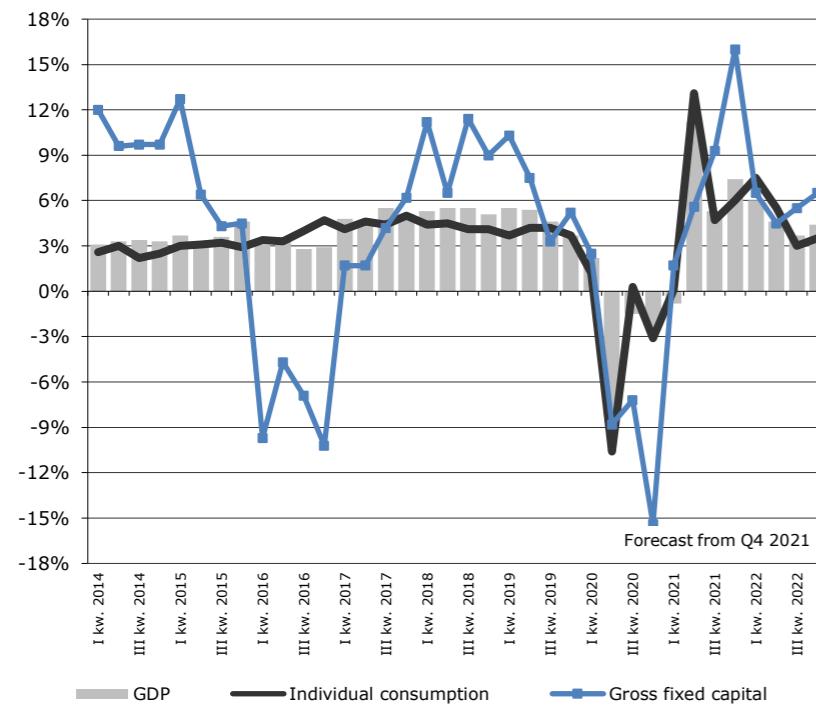
Updated on 31/12/2021

Monthly macroeconomic indicators	Macroeconomic forecast												
	05.2021	06.2021	07.2021	08.2021	09.2021	10.2021	11.2021	12.2021	01.2022	02.2022	03.2022	04.2022	05.2022
Industrial sales, % real change, y/y	29,8%	18,4%	9,8%	13,2%	8,8%	7,8%	15,2%	8,0%	6,0%	6,5%	1,5%	1,7%	6,4%
Construction, % real change, y/y	4,7%	4,4%	3,3%	10,2%	4,3%	4,2%	12,7%	8,0%	6,0%	9,0%	9,9%	4,2%	4,3%
Retail sales, % nominal change, y/y	19,1%	13,0%	8,9%	10,7%	11,1%	14,4%	21,2%	16,1%	20,1%	16,1%	13,6%	18,1%	10,0%
Consumer prices, % change, y/y	4,7%	4,4%	5,0%	5,5%	5,9%	6,8%	7,8%	8,6%	9,2%	9,8%	9,5%	9,4%	9,4%
Producer prices, % change, y/y	6,6%	7,2%	8,4%	9,6%	10,3%	12,0%	13,2%	12,6%	13,6%	13,7%	12,5%	11,9%	11,0%
Wages - enterprise sector, % nominal change, y/y	10,1%	9,8%	8,7%	9,5%	8,7%	8,4%	9,8%	9,1%	9,3%	9,6%	7,3%	7,1%	8,2%
Wages - enterprise sector, PLN	5 637	5 802	5 852	5 844	5 841	5 917	6 022	6 516	6 054	6 102	6 364	6 218	6 100
Registered unemployment rate	6,1%	6,0%	5,9%	5,8%	5,6%	5,5%	5,4%	5,4%	5,6%	5,7%	5,5%	5,5%	5,3%
Number of registered unemployed persons, thousand	1 027	993	975	961	935	911	899	897	938	951	920	922	891
Current account balance, EUR million	-38	-494	-1 362	-1 530	-651	-1 791	-816	-1 389	1 918	-588	-220	-227	-445
Current account balance, EUR million, rolling annualised basis	14 053	9 865	8 456	5 931	3 863	522	-1 592	-3 733	-3 848	-5 089	-5 380	-7 188	-7 596

Quarterly macroeconomic indicators	Macroeconomic forecast												
	Q1 20	Q2 20	Q3 20	Q4 20	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23
Gross domestic product , % real change y/y	2,2%	-8,2%	-1,5%	-2,5%	-0,8%	11,2%	5,3%	7,4%	6,0%	4,6%	3,7%	4,4%	5,0%
Individual consumption , % real change y/y	1,2%	-10,6%	0,3%	-3,1%	0,1%	13,1%	4,7%	6,0%	7,5%	5,5%	3,0%	3,5%	3,5%
Gross fixed capital , % real change y/y	2,5%	-8,8%	-7,2%	-15,4%	1,7%	5,6%	9,3%	16,0%	6,5%	4,5%	5,5%	6,5%	7,0%



GDP components in terms of demand - y / y



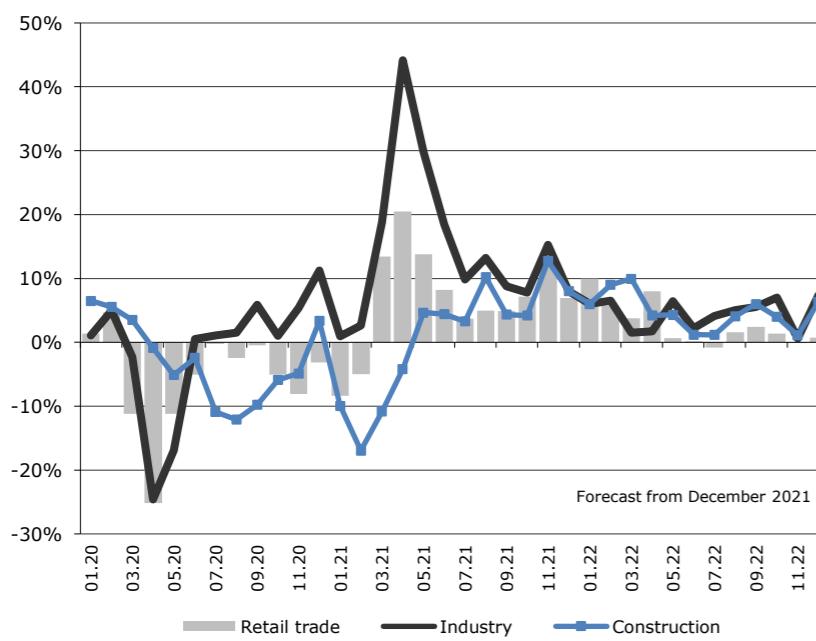
The Central Statistical Office informed that in the third quarter of 2021, GDP increased by 5.3% y / y as compared to an increase of 11.2% y / y in the second quarter of 2021. The growth turned out to be close to the market expected.

In the fourth quarter of 2021, GDP dynamics of 7.4% y / y is expected, and 6.0% in the first quarter of 2022. The high volatility of GDP dynamics in the current year is the effect of a rebound in a very volatile base from the previous year.

Throughout 2020, GDP in real terms shrank by 2.5%. In nominal terms, GDP amounted to PLN 2,327 billion (EUR 524 billion).

Throughout 2021, economic growth may turn out to be high, amounting to approximately 5.7%, and GDP will reach PLN 2,599 billion (EUR 569 billion) in nominal terms.

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

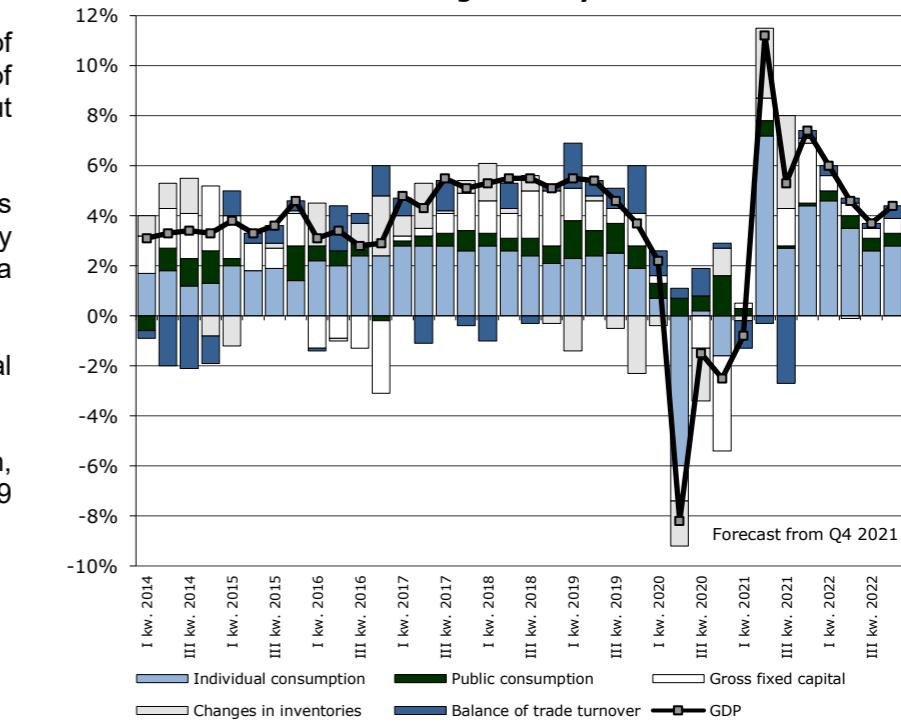


In November, industrial production increased by 5.3% in real terms. The growth was surprising. November usually brings a decline in industrial production. The annual production dynamics increased to 15.2% from 7.8% in October. The industry's results in November were better than expected. After eleven months of the year, industrial production was by 15.0% higher than in the corresponding period of the previous year.

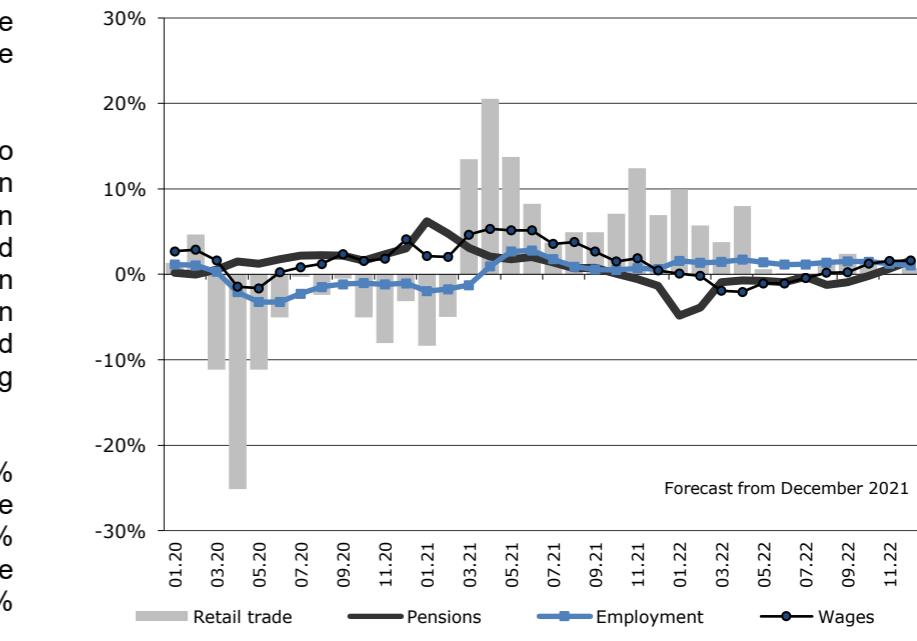
In November, construction and assembly production turned out to be 8.9% higher than in October. The increase in sales in November is not a typical phenomenon. In November, stabilization is usually recorded. The annual dynamics of construction and assembly production increased from 4.2% in October to 12.7% in November. Construction results in November were higher than expected. In the first eleven months of the year, construction and assembly production was 3.7% higher than in the corresponding period of the previous year.

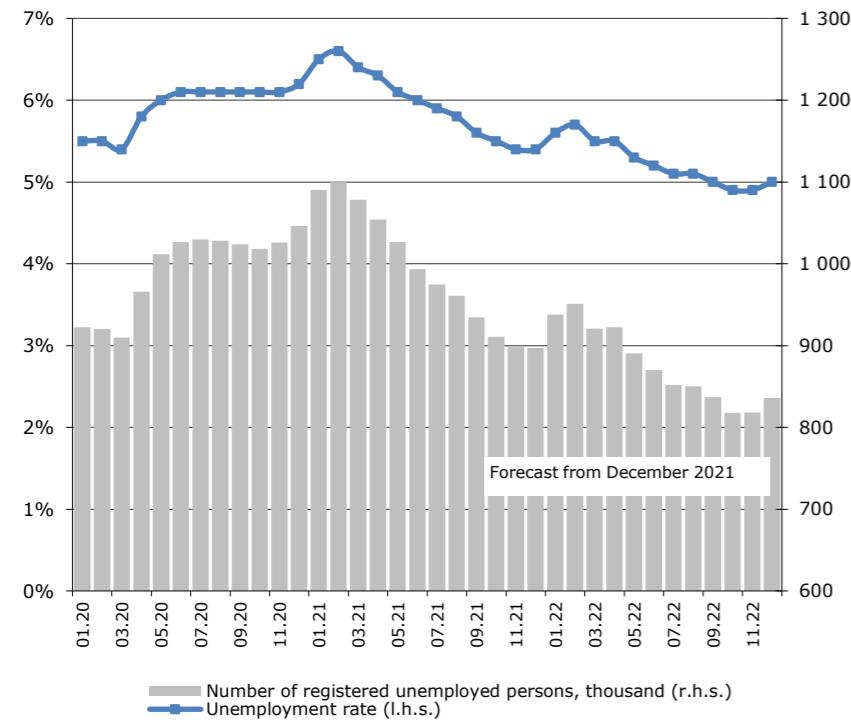
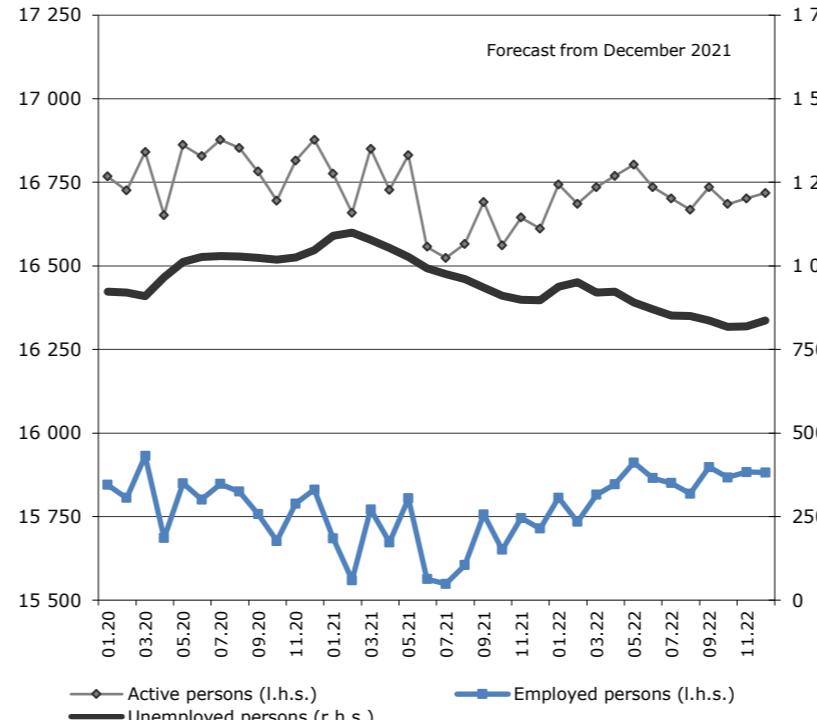
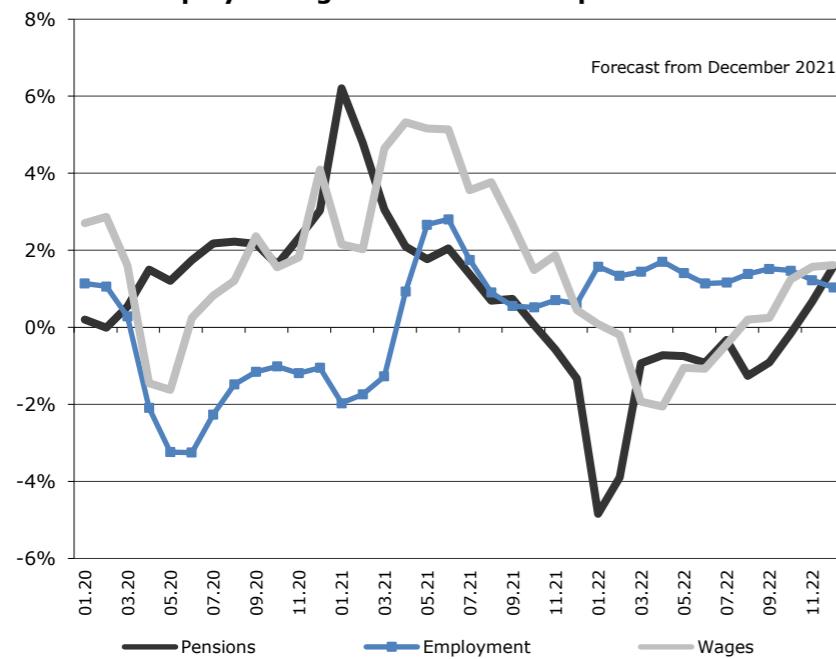
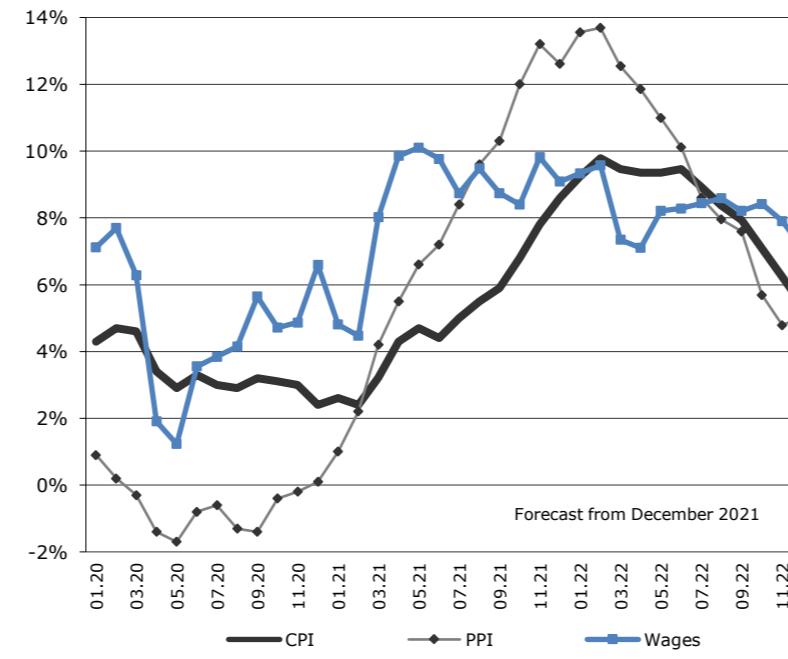
Retail sales in November in nominal terms turned out to be 0.2% higher than in October. November sales decline is typical. The annual sales dynamics increased from 14.4% in October to 21.2% in November. November results were better than expected. In the first eleven months of the year, sales in nominal terms were 12.1% higher than in the corresponding period of the previous year.

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 fell by 12.1 thousand, up to 898.8 thousand people. The unemployment rate was 5.4%. The unemployment rate was lower than in October by 0.1 percentage point. A year ago, in November, the unemployment rate was 6.1%. November usually brings a stabilization or increase in unemployment statistics. The demand for seasonal works in construction, agriculture and tourist services is falling.

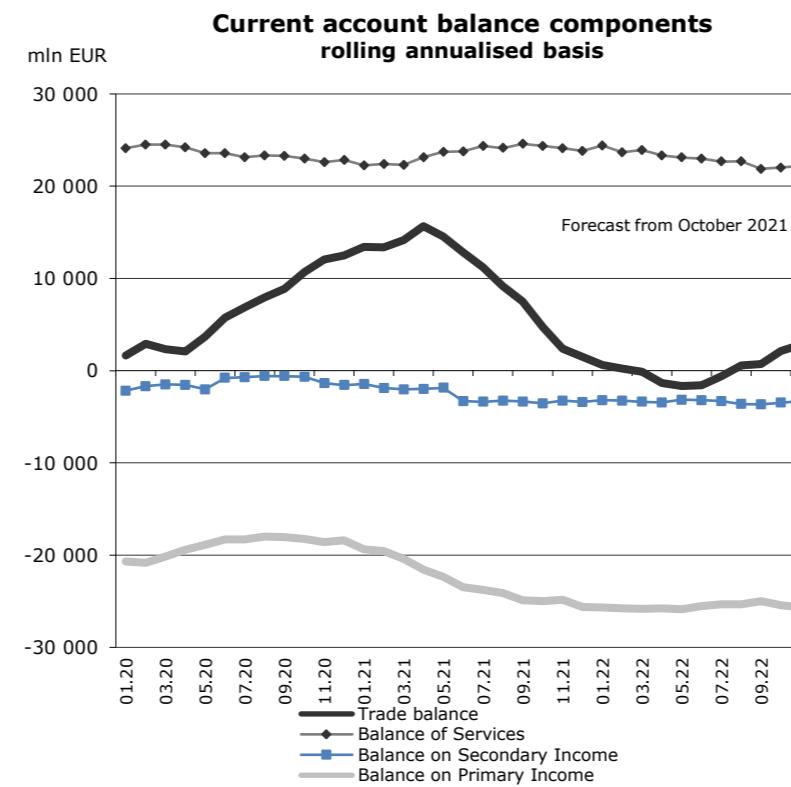
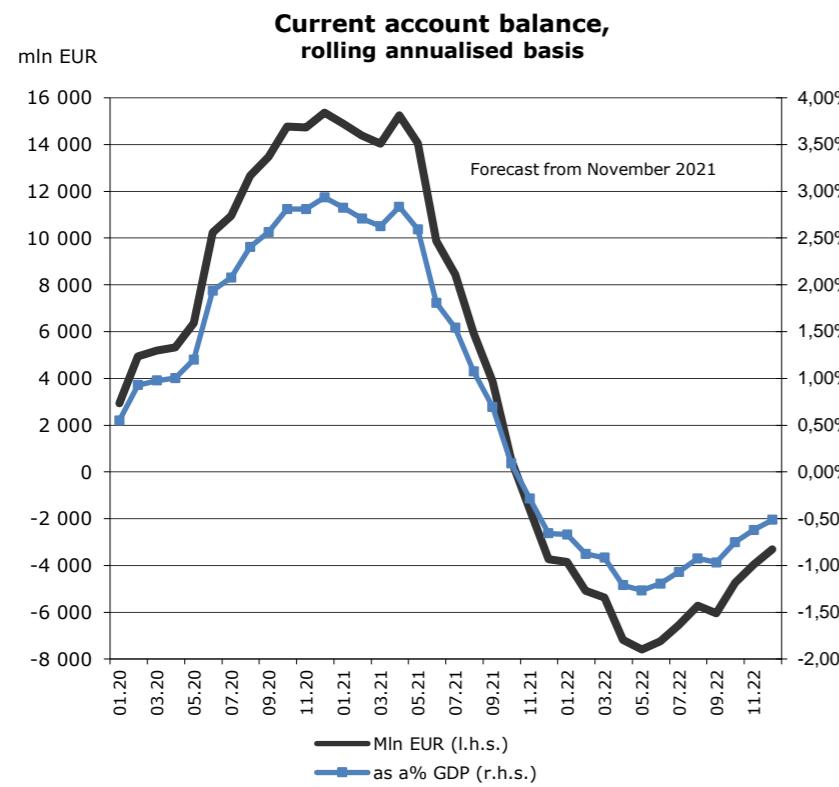
The number of employed in November amounted to approximately 15 745 thousand people. It was about 43 thousand, ie 0.27% lower than last year.

At the end of 2021, the unemployment rate will be 5.4%, and the number of unemployed will be 900,000. For the end of 2022, the unemployment rate is expected to be 5.0%, with 835,000 unemployed.

In November, the prices of consumer goods and services turned out to be 1.0% higher than in October. This result was much higher than expected. Prices have increased significantly in, among others, groups: food, housing and energy, transport. In November, the prices of goods and services turned out to be 7.8% higher than in the previous year. In December, the annual inflation rate is expected to increase.

Industrial prices in November rose by as much as 1.0%. Industrial prices in November were on average by 13.2% higher than a year ago. In the period of January-November 2021, industrial prices were on average 7.3% higher than in the corresponding period of the previous year. In the coming months, industrial prices will increase due to rising production costs.

In November, the average wage in the enterprise sector amounted to PLN 6,022.49. It was thus PLN 105.34, ie 1.8% higher than in October. It was also PLN 538.42 and 9.8% higher than in November of the previous year. The wage growth recorded in November is seasonal. Wages in November were higher than expected. Changes in the level of economic activity will affect the level of wages in the coming months. Changes in the employment structure between individual industries and in individual enterprises will be significant.



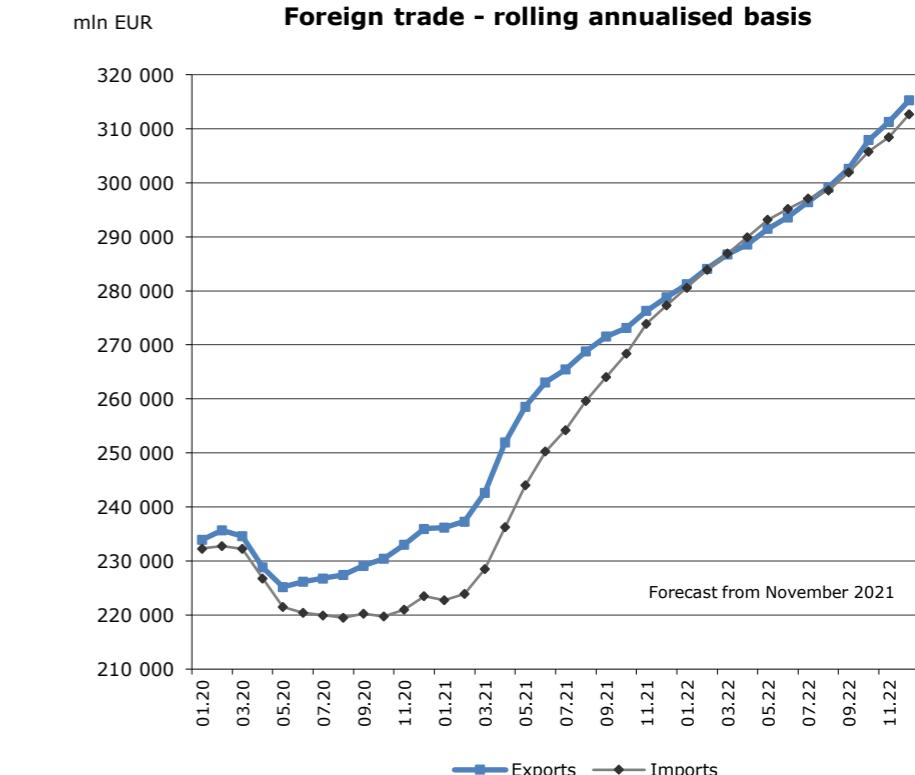
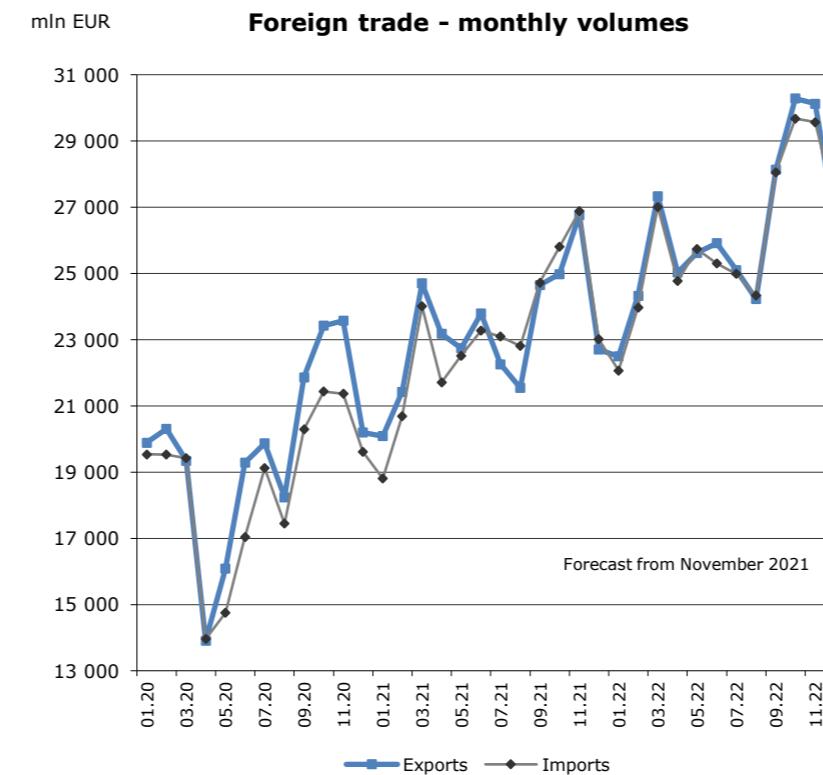
	X 2020	IX 2021*	X 2021
Current account balance	1 550	-651	-1 791
Exports	23 425	24 645	24 982
Imports	21 432	24 722	25 804
Trade balance	1 993	-77	-822
Balance on Services	1 898	2 552	1 658
Balance on Primary Income	-2 191	-2 846	-2 292
Balance on Secondary Income	-150	-280	-335

*Corrected data

In early December, the National Bank of Poland presented its estimated October balance of payments data. The current account balance in October 2021 was negative and amounted to EUR -1,791 million. In the previous month, there was a deficit of -EUR 651 million. A year ago, a surplus of EUR 1,550 million was recorded.

After October, the current account balance on a rolling year basis was positive and amounted to EUR 522 million. Its level in relation to GDP was 0.09%. In the last 12 months, exports of goods amounted to EUR 273 billion, and exports of services amounted to EUR 64 billion.

The export of goods is now comparable to 48.8% of GDP. It is a high value for a country with a population and area of Poland. The export of services is comparable to 11.3% of GDP, which should also be considered a very good result. These indicators are much better than those recorded before the beginning of the crisis.



WARNING INDICATORS AGAINST FOREIGN CURRENCY CRISIS - monthly	05.2021	06.2021	07.2021	08.2021	09.2021	10.2021	11.2021	Macroeconomic forecast						
								12.2021	01.2022	02.2022	03.2022	04.2022	05.2022	
International reserves, EUR million	133 383	134 114	136 927	143 355	143 940	144 069	146 719	149 653	147 409	148 883	152 158	149 115	153 588	
International reserves in the months of import of goods and services	5,72	5,61	5,64	5,78	5,71	5,62	5,61	5,65	5,51	5,51	5,57	5,41	5,52	
International reserves as a% of money supply	32,3%	32,2%	33,0%	34,4%	34,3%	34,2%	34,6%	34,5%	33,9%	33,6%	34,0%	33,2%	34,1%	
Current account balance, EUR million, rolling annualised basis	14 053	9 865	8 456	5 931	3 863	522	-1 592	-3 733	-3 848	-5 089	-5 380	-7 188	-7 596	
Current account balance, as a% of GDP, rolling annualised basis	2,59%	1,81%	1,54%	1,07%	0,69%	0,09%	-0,28%	-0,66%	-0,67%	-0,88%	-0,92%	-1,21%	-1,27%	
Inflow of foreign direct investment - rolling annualised basis, EUR million	20 604	20 858	21 948	22 247	23 377	21 644	21 236	22 858	21 952	21 573	19 969	19 033	18 797	
Inflow of foreign portfolio investment - rolling annualised basis, EUR million	-8 348	-6 013	-5 579	-4 795	-4 999	2 633	-4 863	-5 180	-4 235	-3 037	-2 587	-2 152	-894	
WARNING INDICATORS AGAINST FOREIGN CURRENCY CRISIS - quarterly	Q2 20	Q3 20	Q4 20	Q1 21	Q2 21	Q3 21		Macroeconomic forecast						
								Q4 21	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23
Total external debt, EUR million	300 108	301 734	305 694	307 602	309 441	315 747		317 000	317 250	317 500	317 750	318 000	318 250	318 500
Long-term external debt, EUR million	170 636	171 166	170 023	171 351	169 631	173 987		173 750	173 500	173 250	173 000	172 750	172 500	172 250
Short-term external debt, EUR million	41 445	43 066	49 378	48 032	48 874	48 995		50 250	50 500	50 750	51 000	51 250	51 500	51 750
External debt - Direct investment debt instruments, EUR million	88 027	87 502	86 293	88 219	90 936	92 765		93 000	93 250	93 500	93 750	94 000	94 250	94 500
External debt as a% of GDP	57%	57%	58%	58%	57%	57%		56%	54%	52%	51%	49%	48%	47%
External debt as a% of export	133%	132%	130%	127%	118%	116%		114%	111%	108%	105%	101%	97%	95%
International reserves as a% of total external debt	38%	39%	41%	44%	43%	46%		47%	48%	47%	49%	50%	51%	51%
International reserves as a% of short-term external debt	278%	277%	254%	281%	274%	294%		298%	301%	294%	302%	312%	318%	312%



The current account has been positive in recent months. In the last 12 months, it was comparable to 0,09% of GDP.

Recent quarters have seen a simultaneous inflow of direct investment to our market and an outflow of portfolio investment. The outflow of portfolio investments is a consequence of the change in the State 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 (5.61 months of imports of goods and services), money supply (34,6%) and external debt (46,0%).

Foreign debt is growing slowly. The ratio of external debt to GDP (currently 57%) and goods exports (currently 116%) is declining. The ratio of external debt to GDP and exports is low.

