



# **Monthly Macroeconomic Review**

Prepared by  
Polish Chamber of Commerce

Updated on 30/12/2022

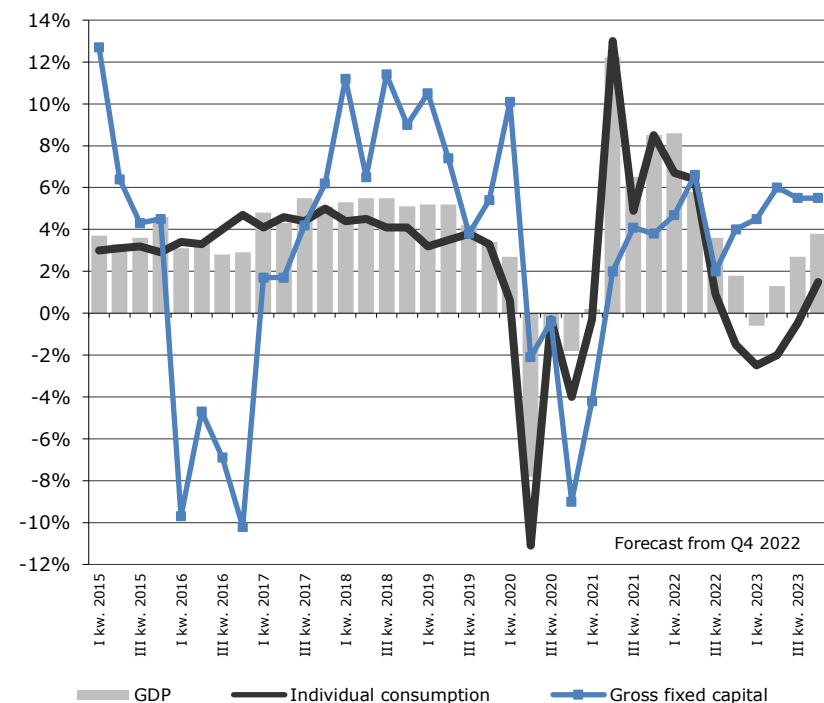
Macroeconomic forecast

Monthly macroeconomic indicators	05.2022	06.2022	07.2022	08.2022	09.2022	10.2022	11.2022	12.2022	01.2023	02.2023	03.2023	04.2023	05.2023
Industrial sales, % real change, y/y	14,9%	10,4%	7,1%	10,9%	9,8%	6,6%	4,6%	5,3%	4,4%	1,6%	-0,5%	0,4%	5,9%
Construction, % real change, y/y	13,0%	5,9%	4,2%	6,1%	0,3%	3,9%	4,0%	7,3%	4,4%	1,1%	-4,0%	7,7%	11,9%
Retail sales, % nominal change, y/y	23,6%	19,9%	18,4%	21,5%	21,9%	18,3%	18,4%	18,1%	18,2%	18,6%	13,5%	10,9%	10,8%
Consumer prices, % change, y/y	13,9%	15,5%	15,6%	16,1%	17,2%	17,9%	17,5%	17,5%	18,9%	20,3%	18,2%	16,5%	15,0%
Producer prices, % change, y/y	24,7%	25,6%	25,5%	25,5%	24,6%	23,1%	20,8%	19,9%	18,0%	17,1%	10,1%	7,6%	6,4%
Wages - enterprise sector, % nominal change, y/y	13,5%	13,0%	15,8%	12,7%	14,5%	13,0%	13,9%	12,5%	14,0%	13,2%	10,8%	10,6%	11,8%
Wages - enterprise sector, PLN	6 400	6 555	6 779	6 583	6 688	6 688	6 858	7 475	6 915	7 039	7 384	7 332	7 156
Registered unemployment rate	5,4%	5,2%	5,2%	5,2%	5,1%	5,1%	5,1%	5,3%	5,5%	5,7%	5,7%	5,6%	5,5%
Number of registered unemployed persons, thousand	850	818	810	807	802	796	800	831	869	897	898	883	869
Current account balance, EUR million	-1 078	-499	-1 206	-2 743	-1 839	-549	-1 303	-2 797	-545	-1 157	-839	-953	-763
Current account balance, EUR million, rolling annualised basis	-20 454	-21 225	-20 868	-21 767	-21 953	-23 443	-23 263	-22 177	-21 631	-20 756	-17 390	-15 509	-15 194

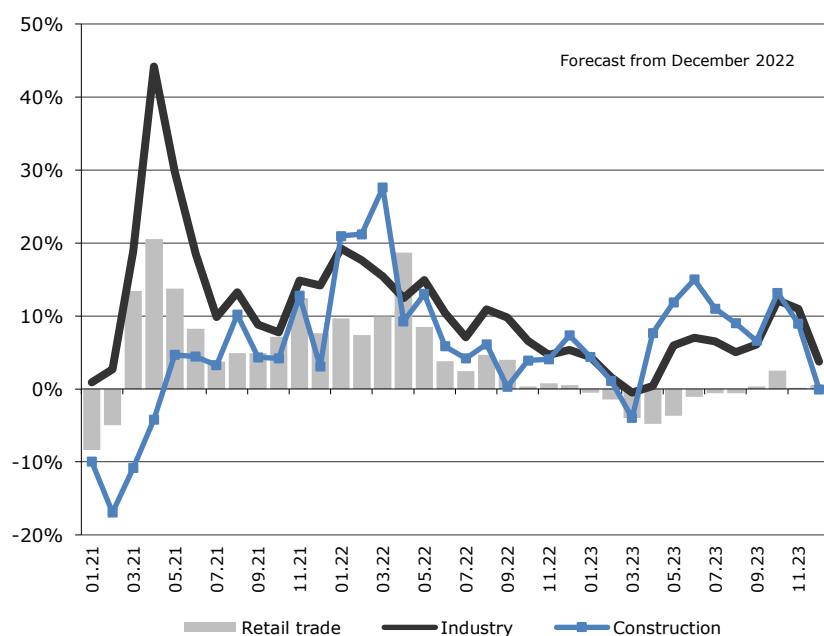
Macroeconomic forecast

Quarterly macroeconomic indicators	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24
Gross domestic product , % real change y/y	0,2%	12,2%	6,5%	8,5%	8,6%	5,8%	3,6%	1,8%	-0,6%	1,3%	2,7%	3,8%	3,8%
Individual consumption , % real change y/y	-0,3%	13,0%	4,9%	8,5%	6,7%	6,4%	0,9%	-1,5%	-2,5%	-2,0%	-0,5%	1,5%	3,0%
Gross fixed capital , % real change y/y	-4,2%	2,0%	4,1%	3,8%	4,7%	6,6%	2,0%	4,0%	4,5%	6,0%	5,5%	5,5%	4,8%

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



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



The Central Statistical Office presented data on GDP dynamics in the third quarter of 2022. The real growth amounted to 3.6% y/y after an increase of 5.8% y/y in the second quarter of 2022. Growth was better than expected by the market and higher than our estimates.

In the fourth quarter of 2022, real GDP growth is forecast at 1.8% y/y. In the first quarter of 2023, a recession is likely - at -0.6%. In the following quarters, GDP growth in real terms will return. In the next three quarters, consumption will decline due to the very high level of inflation.

Throughout 2021, GDP increased in real terms by 6.8%, and in nominal terms it amounted to PLN 2,624 billion (EUR 575 billion).

For 2022, the GDP dynamics is forecast at 4.9%. In nominal terms, the GDP will amount to PLN 3,063 billion (EUR 654 billion).

In November, industrial production increased by 2.9% in real terms. The growth was seasonal. The annual output growth slowed down to 4.6% from 6.6% in October. The industry's results in November were better than expected by the market and better than expected by us. In the period from January to November 2022, industrial production was 10.9% higher than in the corresponding period of 2021.

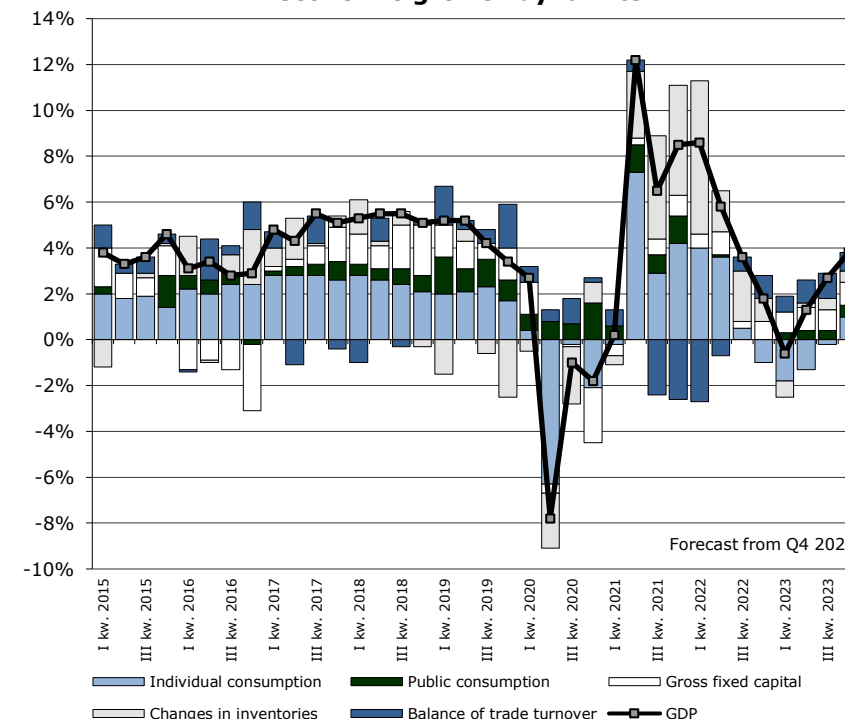
In November, construction and assembly production turned out to be 9.1% higher than in October. The increase in sales in November is not a typical phenomenon (stagnation is typical). The annual growth rate of construction and assembly output increased to 4.0% from 3.9% in October. Construction results in November were clearly better than expected by the market and clearly better than our forecasts. In the period from January to November 2022, construction and assembly production was 6.5% higher than in the corresponding period of 2021.

Retail sales in November in nominal terms turned out to be 0.3% higher than in October. The increase in sales recorded in November is seasonal. The annual sales dynamics increased from 18.3% in October to 18.4% in November. November's results were better than expected by the market and us. In the period of January - November 2022, retail sales were nominally 20.3% higher than in the corresponding period of 2021. A significant part of the observed increase is the result of inflation.

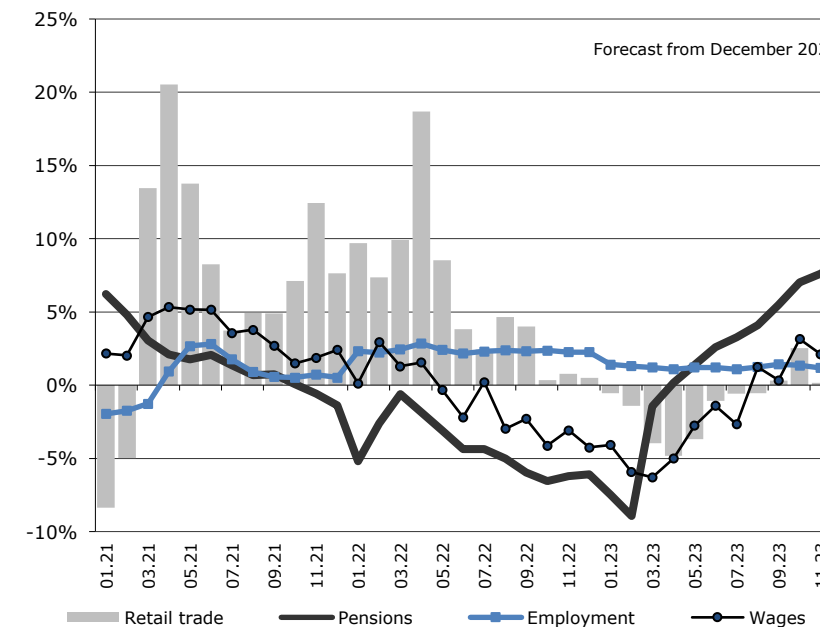
## GROSS DOMESTIC PRODUCT AND ITS COMPONENTS

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

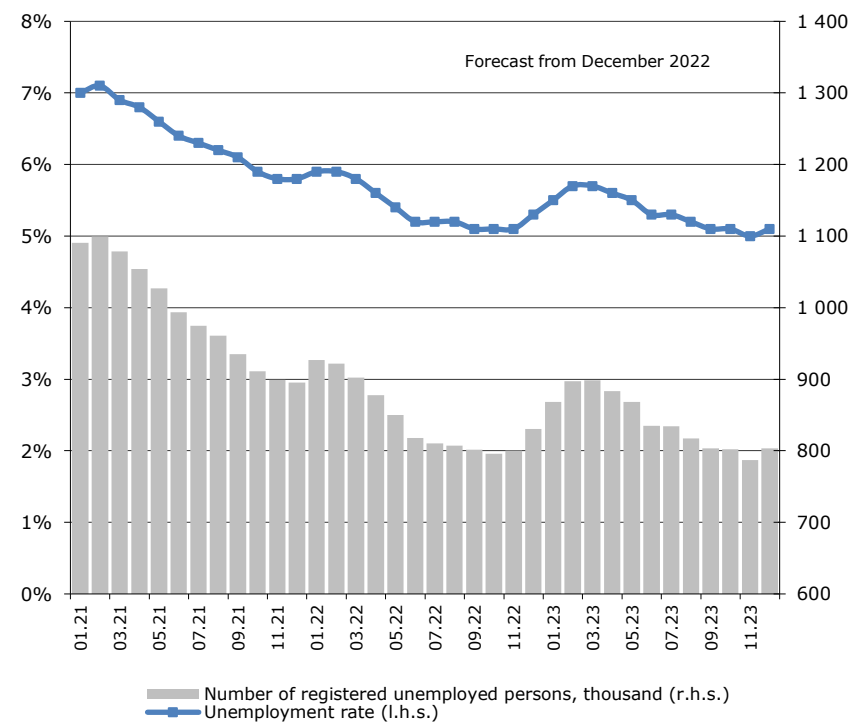


### Comparison of annual real dynamics: retail sales and gross wages in the enterprise sector as well as pensions and employment

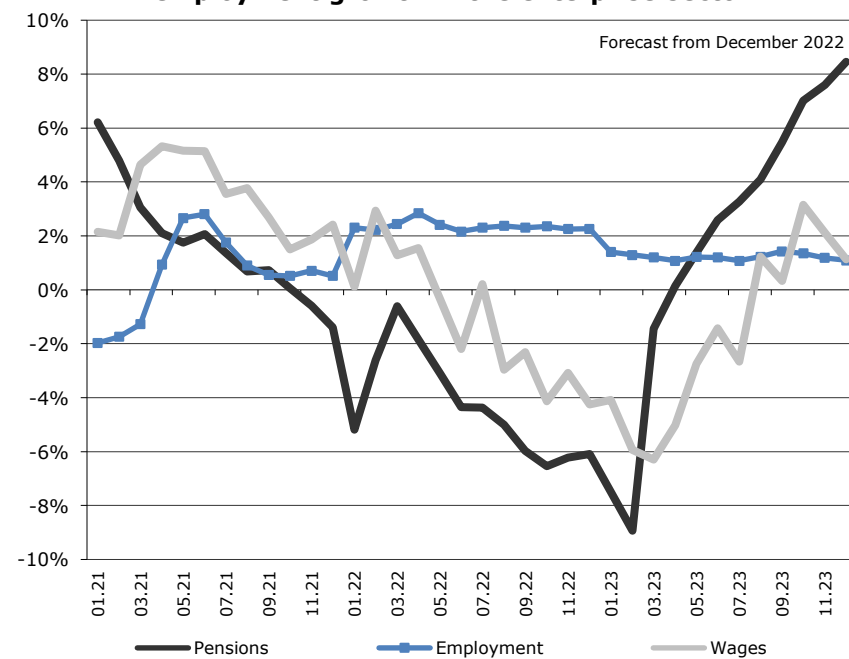


Source: Statistics Poland  
Forecast: Polish Chamber of Commerce

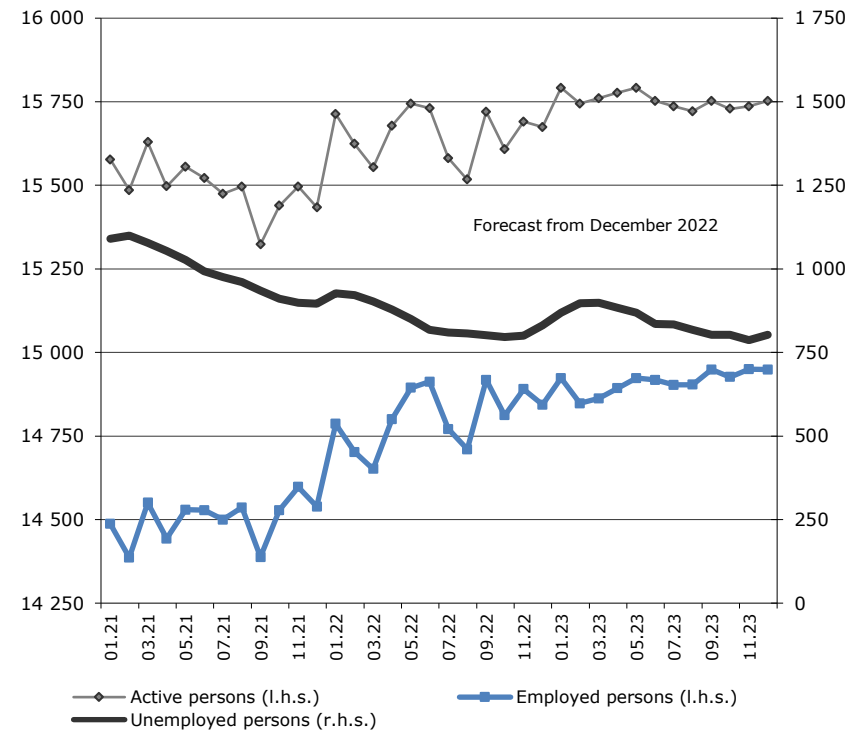
### Registered unemployment



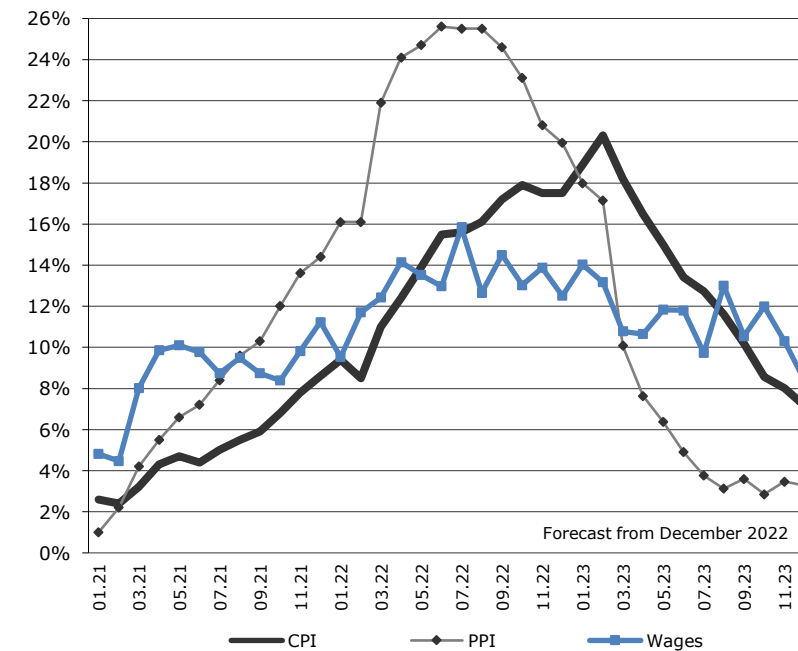
### Real dynamics of gross wages in the enterprise sector and pensions against the background of employment growth in the enterprise sector



### Labor activity



### CPI, PPI, Wages - y / y



In November, the number of registered unemployed increased by 4.2 thousand. up to 800.2 thous. people. The unemployment rate was 5.1%. The unemployment rate was the same as in October. A year ago in November the unemployment rate was 5.8%. November usually brings a deterioration in the unemployment statistics. Demand for seasonal work in construction, agriculture and tourist services is falling. Data from November were close to expectations.

The number of working people in November amounted to approximately 14,890,000. people. It was 292 thousand. ie 2.0% higher than last year.

Autumn brings an increase in unemployment. At the end of 2022, the unemployment rate will be 5.3%, and the number of unemployed will reach 830,000. The local (seasonal) unemployment peak is expected in February, when the unemployment rate will reach 5.7% and the number of unemployed will reach 900,000. people.

In November, the prices of consumer goods and services turned out to be 0.7% higher than in October. In November, prices usually increase for seasonal reasons. November's result was significantly lower than expected by the market and significantly lower than in our forecast. Prices increased significantly in the following groups: food, communications, other, restaurants and hotels, home furnishings and household management. Unexpectedly, prices in home use and energy carriers as well as in transport dropped.

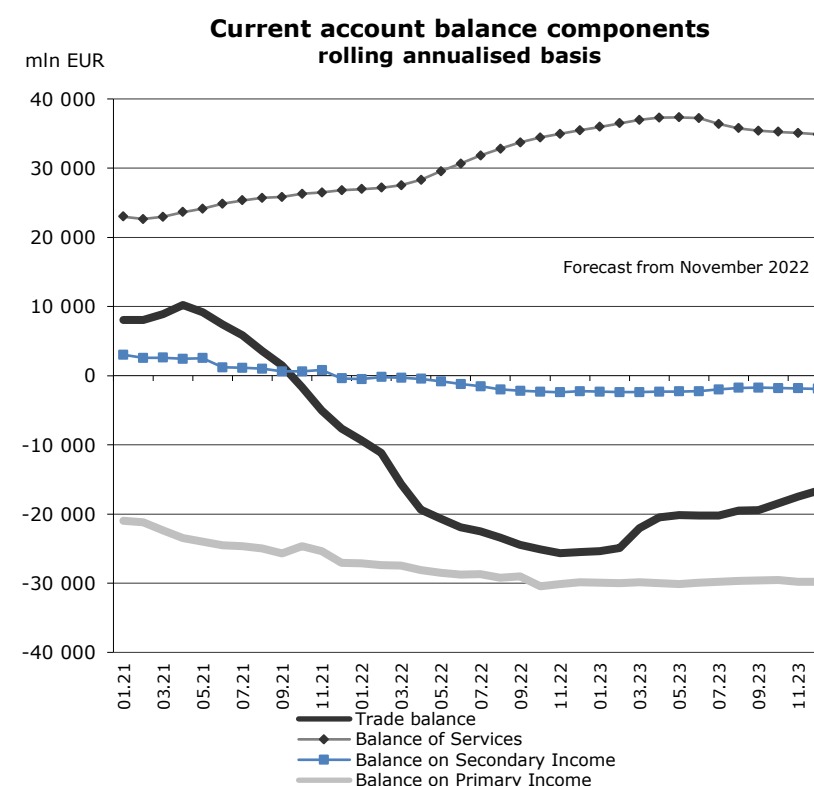
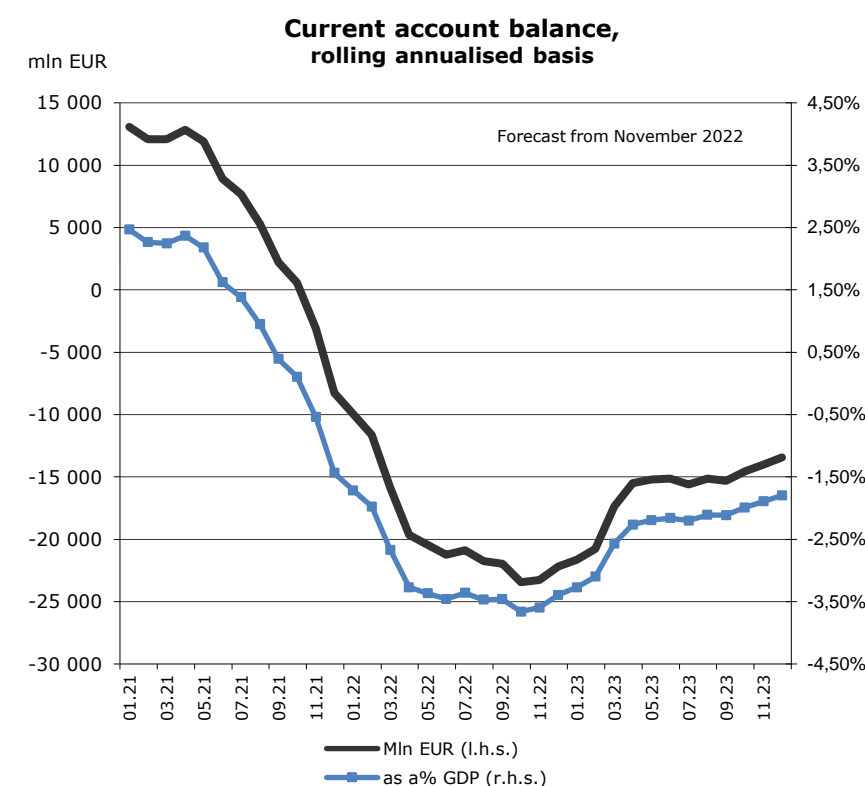
In November, the prices of goods and services turned out to be 17.5% higher than a year ago. In October, prices were higher than a year ago by 17.9%. In the period from January to November 2022, prices were on average 14.1% higher than in the corresponding period of 2021. In December, stabilization of the annual inflation rate is expected.

Industrial prices fell by 0.5% in November. Industrial prices in November were on average 20.8% higher than a year ago (23.1% in October). In the period from January to November 2022, industrial prices were on average 22.6% higher than in the corresponding period of the previous year. In the coming months, the annual growth of industrial prices may gradually decrease due to slower increases in commodity prices.

In November, the average salary in the enterprise sector amounted to PLN 6,857.96. It was PLN 170.04 higher than in October. It was also PLN 835.47 and 13.9% higher than in November 2021. The increase in wages recorded in November is seasonal. The level of wages in November was higher than expected by the market and higher than expected by us. In December wages will increase significantly and in January they will be corrected. The level of wages in the coming months will be affected by changes in the level of economic activity.

## CURRENT ACCOUNT BALANCE AND ITS MAIN COMPONENTS

Updated on 30/12/2022



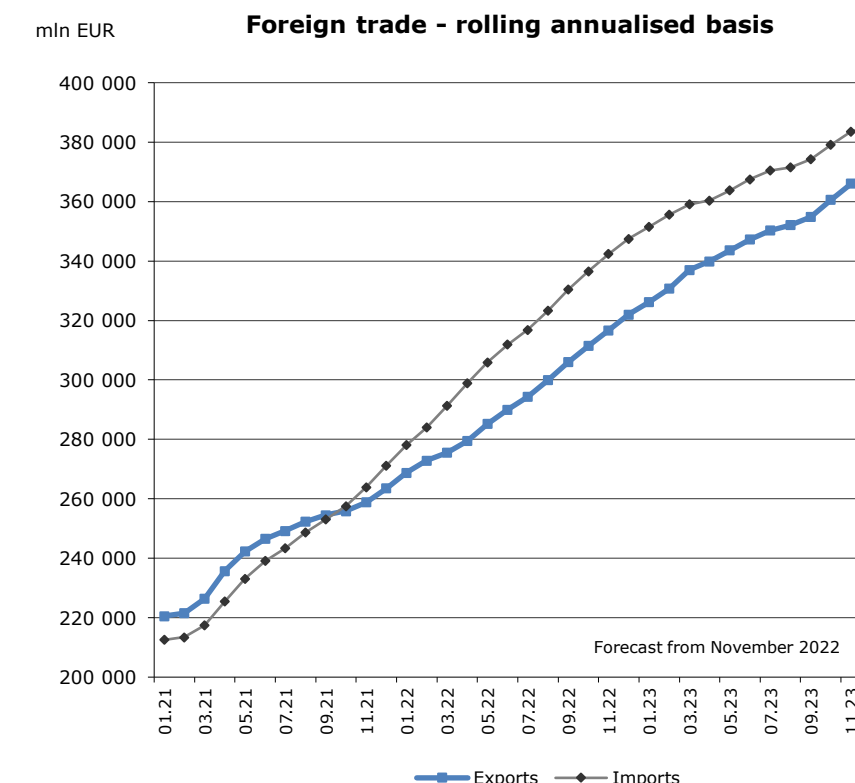
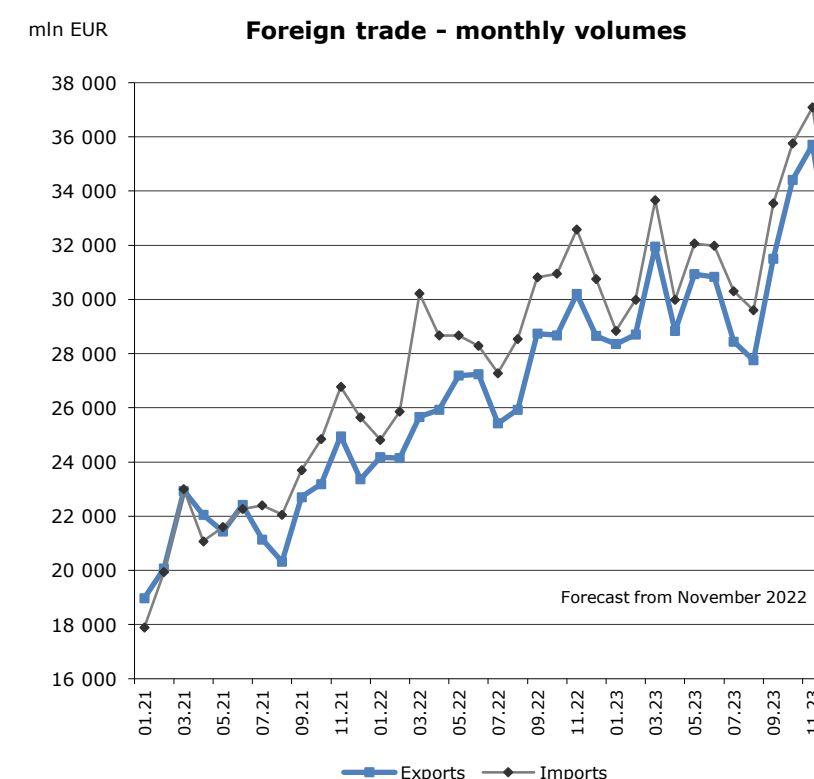
(mIn EUR)	X 2021	IX 2022*	X 2022
Current account balance	941	-1 839	-549
Exports	23 190	28 733	28 677
Imports	24 845	30 817	30 954
Trade balance	-1 655	-2 084	-2 277
Balance on Services	2 381	3 182	3 086
Balance on Primary Income	172	-2 796	-1 287
Balance on Secondary Income	43	-141	-71

\*Corrected data

At the beginning of December, the National Bank of Poland presented estimates of the balance of payments in October. The current account balance in October 2022 was negative and amounted to EUR -549 million. In the previous month, a deficit of EUR -1,839 million was recorded. A year ago, a surplus of EUR 941 million was recorded.

After October, the current account balance on an annualized rolling basis was negative and amounted to EUR -23,443 million. Its level in relation to GDP was -3.66%. In the last 12 months, exports of goods amounted to EUR 311 billion, and exports of services to EUR 86 billion.

The export of goods is currently comparable to 48.6% of GDP. This is a high value for a country with the population and area of Poland. The export of services is comparable to 13.4% of GDP, which should also be considered a very good result. These indicators are much better than those recorded before the onset of the crisis.



Source: NBP  
Forecast: Polish Chamber of Commerce

Macroeconomic forecast

<b>WARNING INDICATORS AGAINST FOREIGN CURRENCY CRISIS - monthly</b>	<b>05.2022</b>	<b>06.2022</b>	<b>07.2022</b>	<b>08.2022</b>	<b>09.2022</b>	<b>10.2022</b>	<b>11.2022</b>	<b>12.2022</b>	<b>01.2023</b>	<b>02.2023</b>	<b>03.2023</b>	<b>04.2023</b>	<b>05.2023</b>
International reserves, EUR million	145 704	147 712	154 138	155 103	154 195	152 480	156 689	158 256	159 838	161 437	163 858	161 400	165 435
International reserves in the months of import of goods and services	4,96	4,93	5,06	4,99	4,86	4,72	4,77	4,75	4,74	4,73	4,76	4,66	4,74
International reserves as a% of money supply	33,1%	34,6%	36,3%	35,9%	36,4%	34,7%	35,1%	35,3%	35,2%	35,1%	35,7%	34,9%	35,5%
Current account balance, EUR million, rolling annualised basis	-20 454	-21 225	-20 868	-21 767	-21 953	-23 443	-23 263	-22 177	-21 631	-20 756	-17 390	-15 509	-15 194
Current account balance, as a% of GDP, rolling annualised basis	-3,37%	-3,46%	-3,36%	-3,47%	-3,46%	-3,66%	-3,60%	-3,39%	-3,27%	-3,10%	-2,57%	-2,26%	-2,19%
Inflow of foreign direct investment - rolling annualised basis, EUR million	34 459	35 912	34 046	35 149	33 853	33 779	32 601	30 603	28 030	26 386	22 197	20 520	21 072
Inflow of foreign portfolio investment - rolling annualised basis, EUR million	2 294	1 765	400	740	1 221	1 607	1 790	2 006	3 904	4 918	4 742	2 790	-988

Macroeconomic forecast

<b>WARNING INDICATORS AGAINST FOREIGN CURRENCY CRISIS - quarterly</b>	<b>Q2 21</b>	<b>Q3 21</b>	<b>Q4 21</b>	<b>Q1 22</b>	<b>Q2 22</b>	<b>Q3 22</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>
Total external debt, EUR million	311 567	318 582	322 710	326 733	335 000	338 892	340 250	340 750	341 150	340 950	341 150	341 350	341 500
Long-term external debt, EUR million	169 993	174 660	170 422	165 888	168 424	168 112	168 250	168 000	167 750	167 500	167 250	167 000	166 750
Short-term external debt, EUR million	48 951	49 083	54 447	58 973	62 971	65 132	66 000	66 500	66 900	67 200	67 400	67 600	67 750
External debt - Direct investment debt instruments, EUR million	92 623	94 839	97 841	101 872	103 605	105 648	106 000	106 250	106 500	106 250	106 500	106 750	107 000
External debt as a% of GDP	57%	57%	56%	55%	55%	53%	52%	50%	49%	47%	46%	45%	44%
External debt as a% of export	126%	125%	122%	119%	116%	111%	106%	101%	98%	96%	93%	90%	88%
International reserves as a% of total external debt	43%	45%	45%	43%	44%	45%	47%	48%	48%	49%	51%	52%	51%
International reserves as a% of short-term external debt	274%	293%	269%	241%	235%	237%	240%	246%	242%	248%	256%	260%	256%



The current account has been negative in recent months. In the last 12 months, it was comparable to -3,66% of GDP.

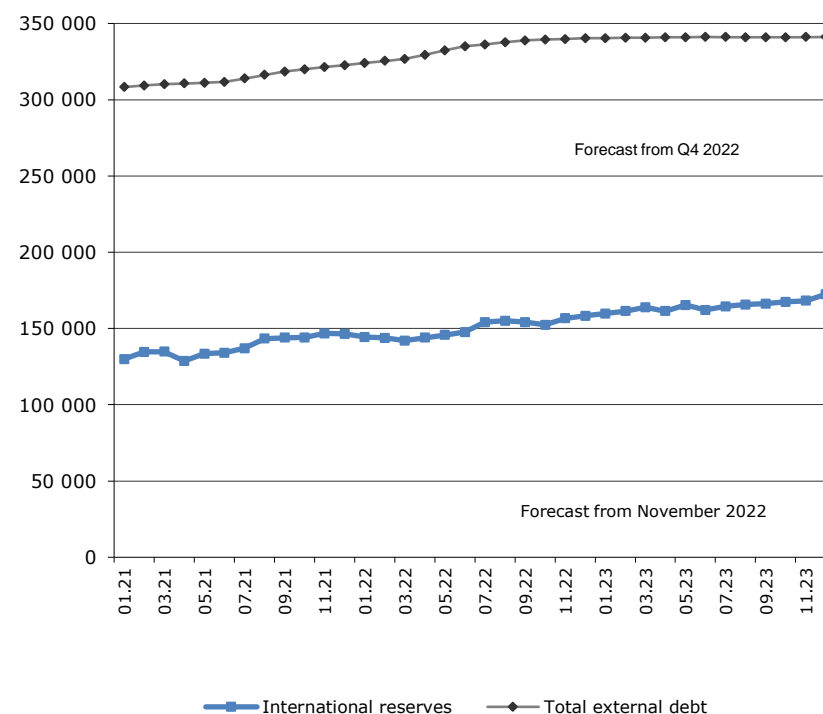
The recent quarters have seen a simultaneous inflow of direct capital to our market and stabilization of portfolio capital. The stabilization of the portfolio capital is a consequence of the change in the State debt management policy. Debt is issued mainly to domestic entities and less to foreign investors.

Foreign exchange reserves are high. Their level is adequate to the volume of imports of goods and services (4,77 months of imports of goods and services), money supply (35,1%) and external debt (45,4%).

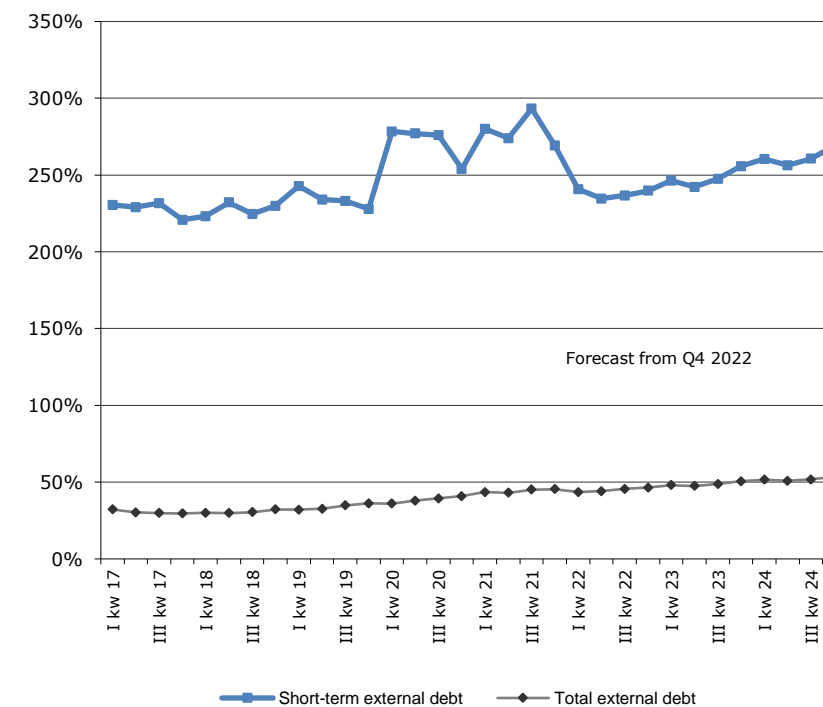
Foreign debt is growing slowly. The ratio of external debt to GDP (currently 53%) and goods exports (currently 111%) is declining. The ratio of external debt to GDP and exports is low.

mIn EUR

## External debt and international reserves

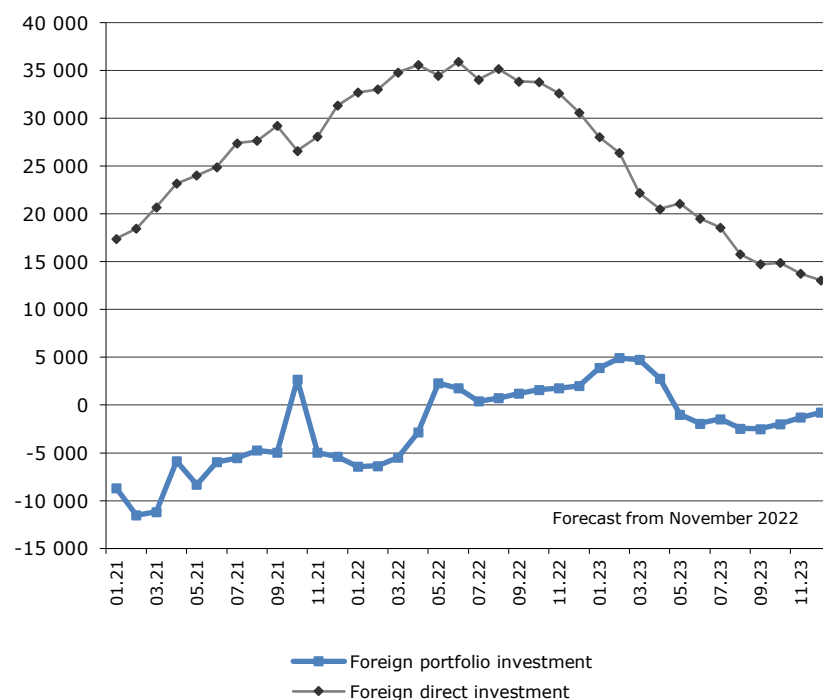


## Foreign debt coverage by international reserves

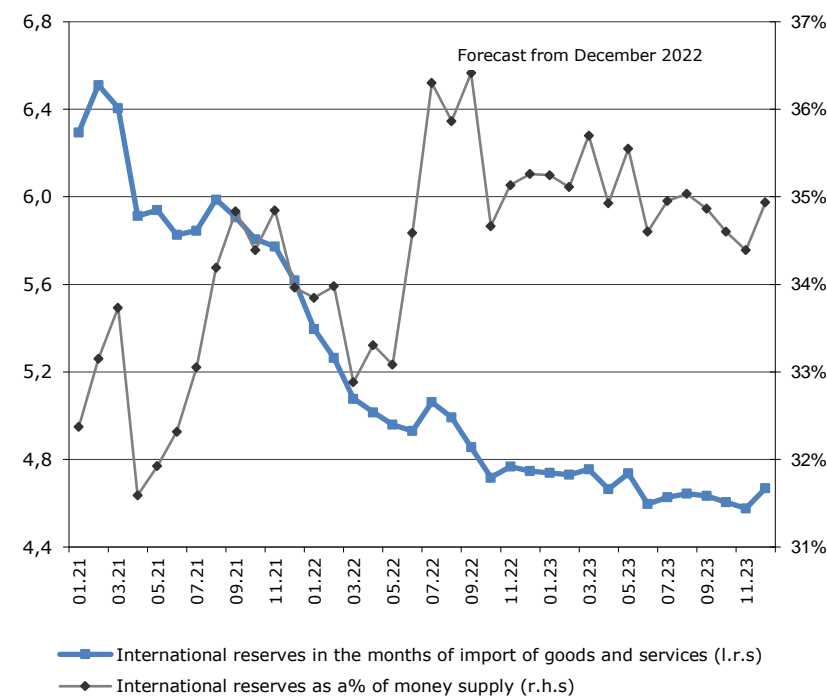


mIn EUR

## Inflow of foreign capital rolling annualised basis



## International reserves in relation to imports and money supply



## External debt to GDP and exports

