
HELPING YOU PLAN FOR A CHANGING GLOBAL ECONOMY.

We aim to deliver state-of-the-art macroeconomic research to improve the performance of companies.

COUNTRY MONITORING.

POLAND

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THIS PAGE HAS BEEN LEFT BLANK FOR YOUR CONVENIENCE TO TAKE NOTES.

OUR HIGHLIGHTS.

GDP.

- 5. Key forecasts
- 6. GDP growth
- 8. Inflation

BUSINESS CYCLE.

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- 13. Construction and sentiment

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- 16. Retail sales and consumer sentiment
- 17. Balance of payments

LONG-TERM STRUCTURAL CONSIDERATIONS.

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- 20. Housing market

- 21. Borrowing costs and lending
- 23. Currency and yields

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POLITICS.

DISCLAIMER.

OUR HIGHLIGHTS.

- We are optimistic on economic growth in Poland, forecasting an expansion of 5.0% in 2018E, before slowing to 3.5% in 2019E.
- We expect household consumption to continue to rise and the recovery in investment to remain strong.
- Inflation was surprisingly low in the early months of 2018 – we have downgraded our forecast for this year to 1.7%.
- We have also downgraded our rate forecast to no change this year. NBP Governor Adam Glapinski: ‘In the perspective of the next two years, I do not see anything that could prompt us to increase rates, barring a major crisis like armed conflict or a trade war on a huge scale.
- Production expectations have been positive across sectors (order-book levels have shot upwards and both production and selling price expectations are on upwards trends). Industrial survey indicators highlight labour shortages as a limiting factor for production; lack of demand, not so much.
- Wage growth is above 4% and rising while the unemployment rate is at a historical low.
- Consumer confidence has been surging lately but retail sales have been improving slowly (the Sunday retail ban is being eased in so the impact this has should be closely monitored).

OUR HIGHLIGHTS.

- **Government revenue growth was strong in 2017 due to improved VAT collection and the fast economic growth. This trend has continued in the early months of 2018, with the budget posting a surplus of EUR1.1bn in January-February.**
- **The dispute with the EU over reforms to the judiciary is unlikely to have any short-term ramifications. The Hungarian government has repeatedly given its Polish counterpart its reassurance that it will veto any potential sanctions.**

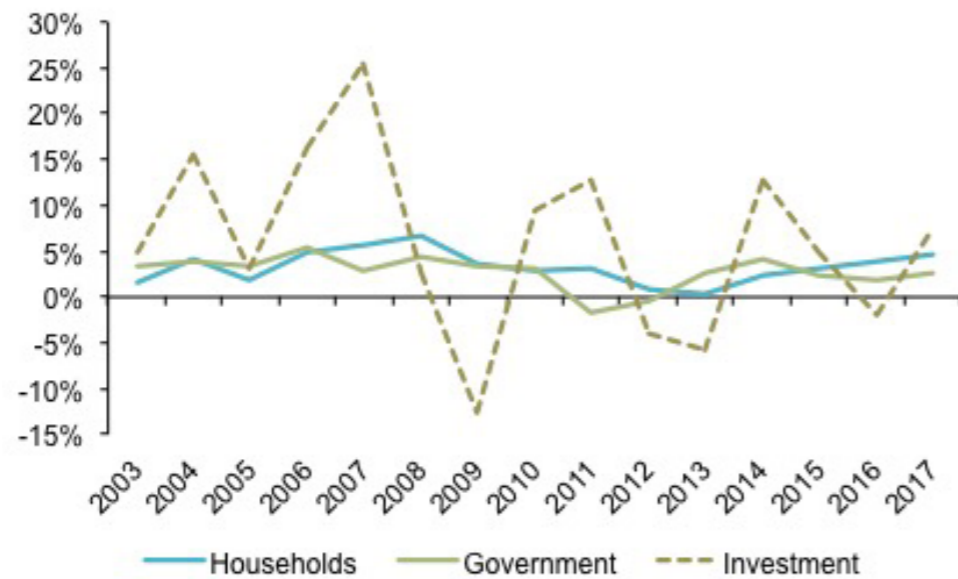
KEY FORECASTS.

	2013	2014	2015	2016	2017E	2018E	2019E
Real GDP growth	1.4%	3.3%	3.8%	2.9%	4.5%	5.0%	3.5%
Households	0.3%	2.4%	3.0%	3.9%	4.8%	5.5%	6.0%
Government	2.5%	4.1%	2.4%	1.7%	2.5%	1.6%	1.3%
Investment	-1.1%	10.0%	6.1%	-7.9%	3.8%	8.3%	-1.4%
Exports	6.1%	6.7%	7.7%	8.8%	6.8%	7.0%	5.4%
Imports	1.7%	10.0%	6.6%	7.9%	7.6%	14.6%	11.1%
Population, m	38.5	38.5	38.4	38.4	38.4	38.4	38.4
Unemployment rate	10.3	9	7.5	6.2	5	4	3
Inflation, avg	0.9%	0.0%	-0.9%	-0.6%	2.0%	1.7%	2.8%
Policy rate, NBP eop	2.50	2.0	1.50	1.50	1.50	1.50	2.0
Current account in % of GDP	-1.3%	-2.1%	-0.6%	-0.3%	0.3%	-0.5%	-1.0%
EUR/PLN, eop	4.2	4.3	4.3	4.4	4.2	4.2	4.2
Fiscal balance in % of GDP	-2.5%	-1.7%	-2.4%	-2.5%	-1.5%	-2.6%	-2.6%
Public debt in % of GDP	53.2%	48.1%	48.8%	51.9%	50.6%	49.9%	49.8%

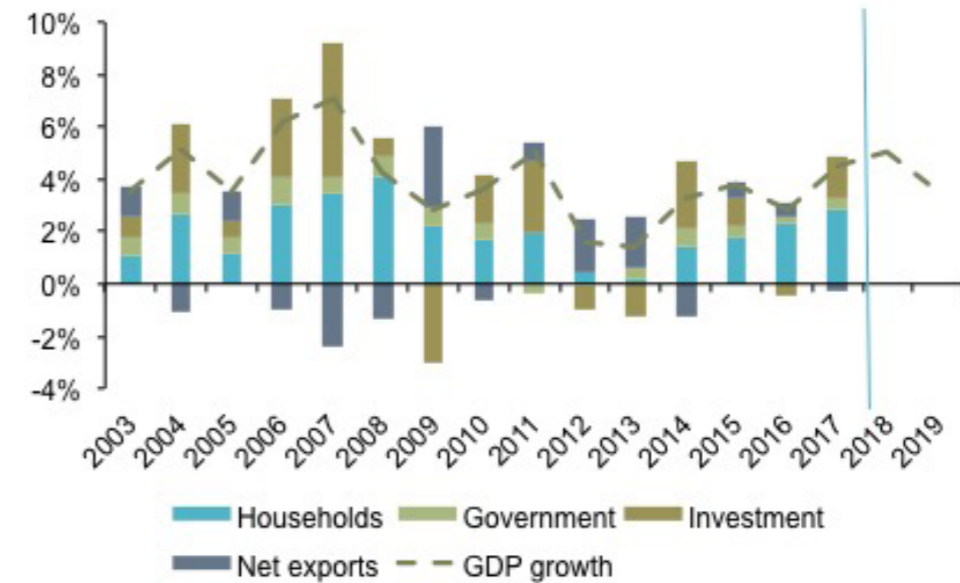
Sources: MACROBOND, ADA ECONOMICS

GDP GROWTH.

GDP component growth.



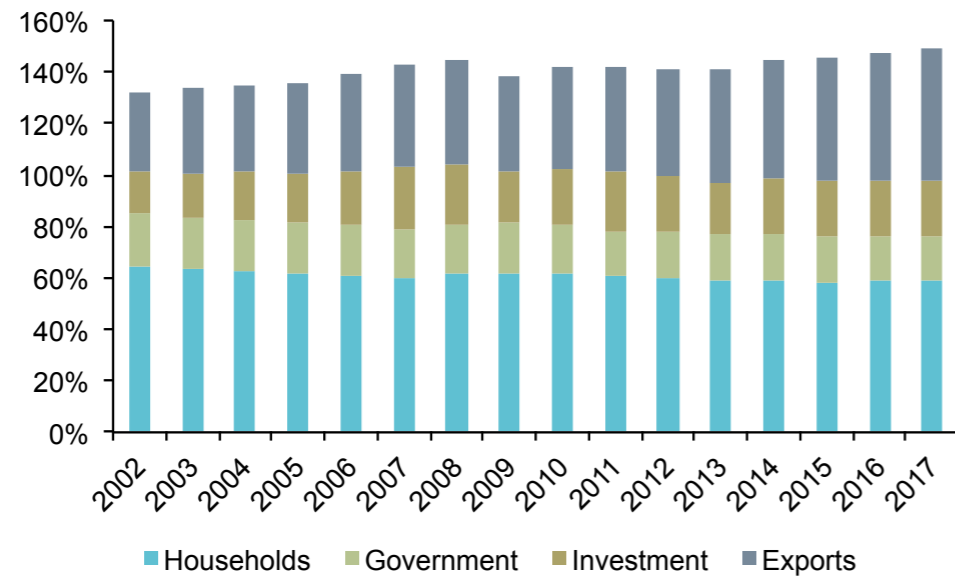
Contributions to GDP growth.



Sources: CEIC, ADA ECONOMICS

GDP GROWTH.

Share of GDP.



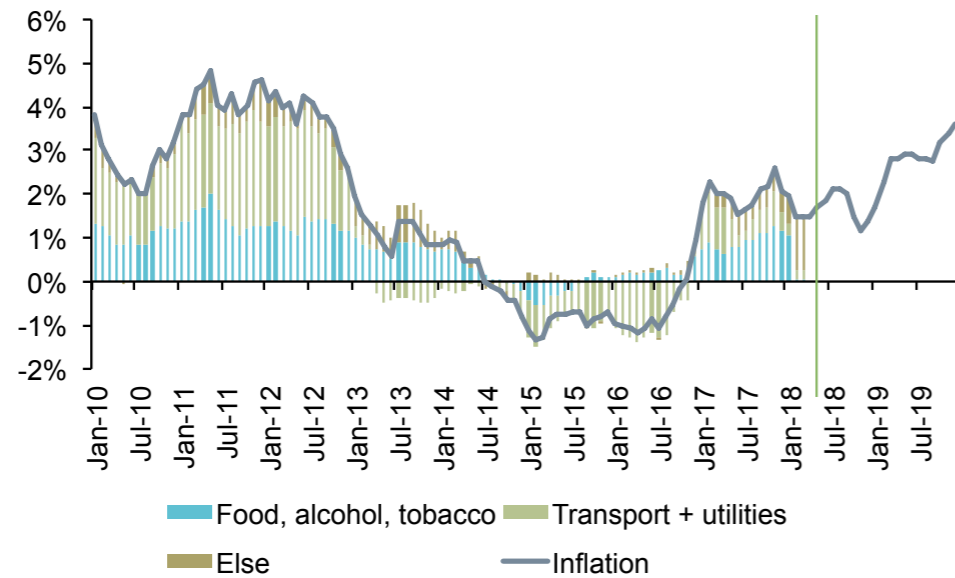
CE4 comparison.



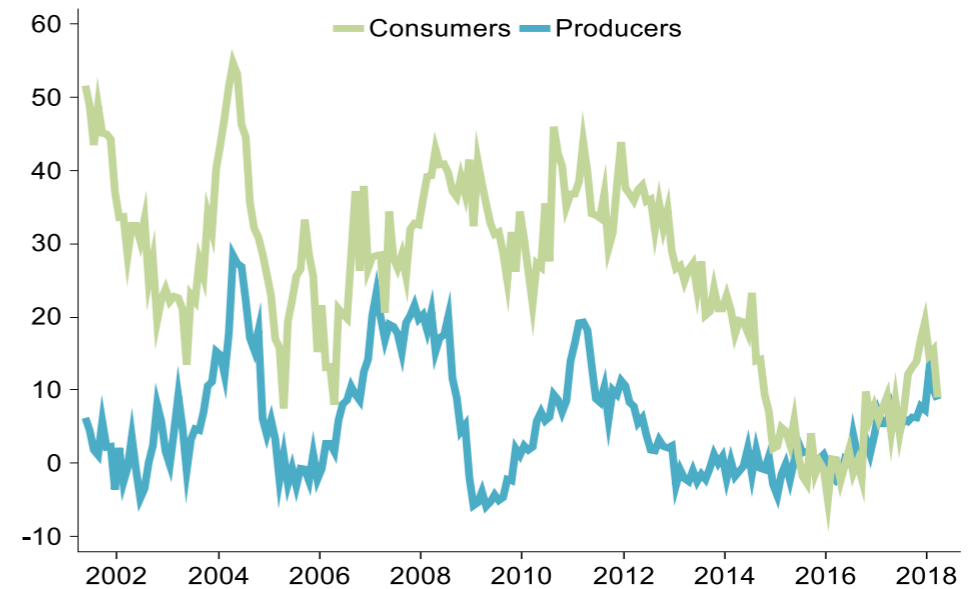
Sources: CEIC, ADA ECONOMICS

INFLATION.

Contributions to inflation.



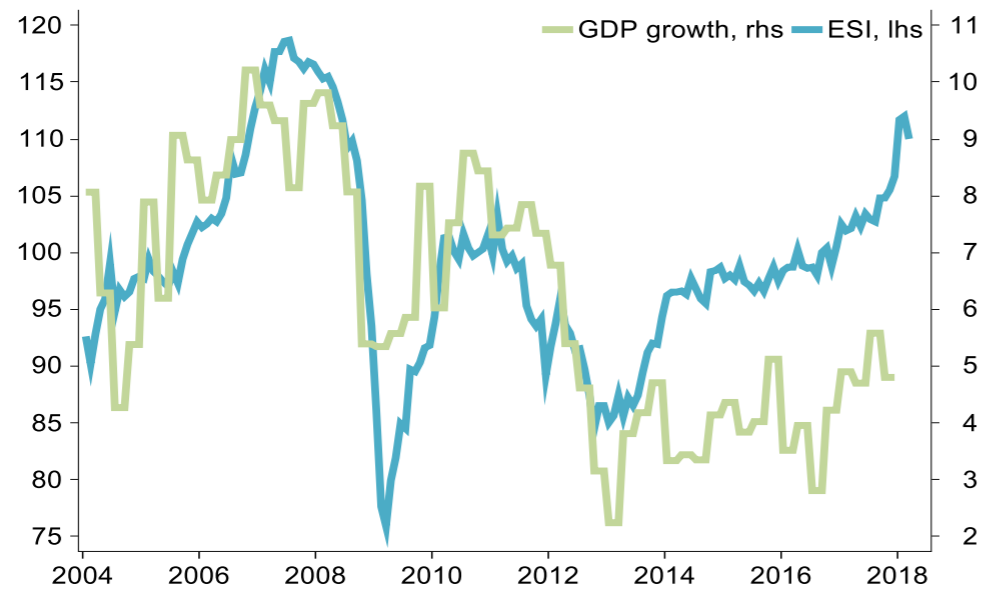
Inflation expectations.



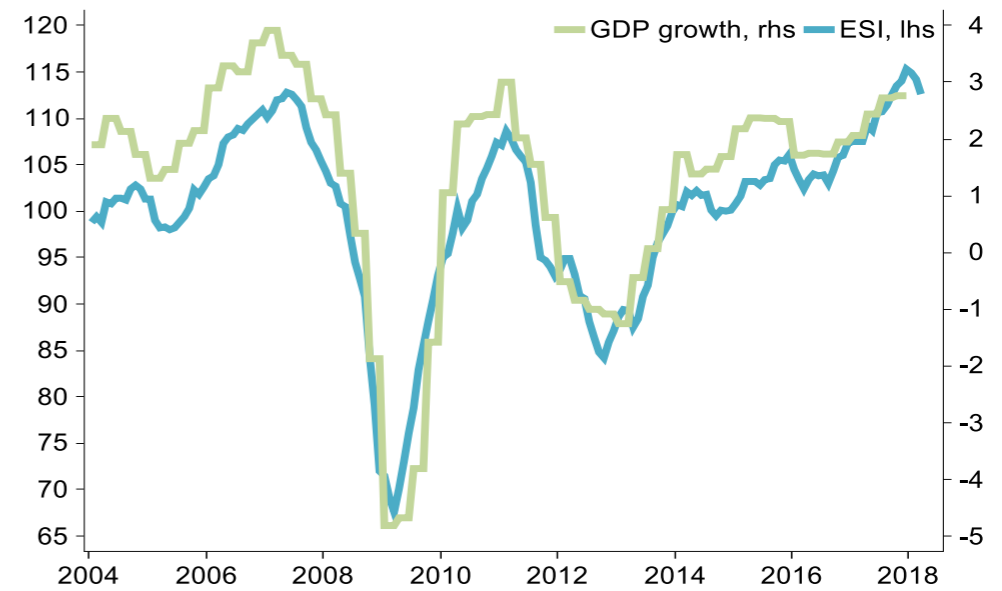
Sources: MACROBOND, ADA ECONOMICS

ECONOMIC SENTIMENT INDICATOR.

Poland



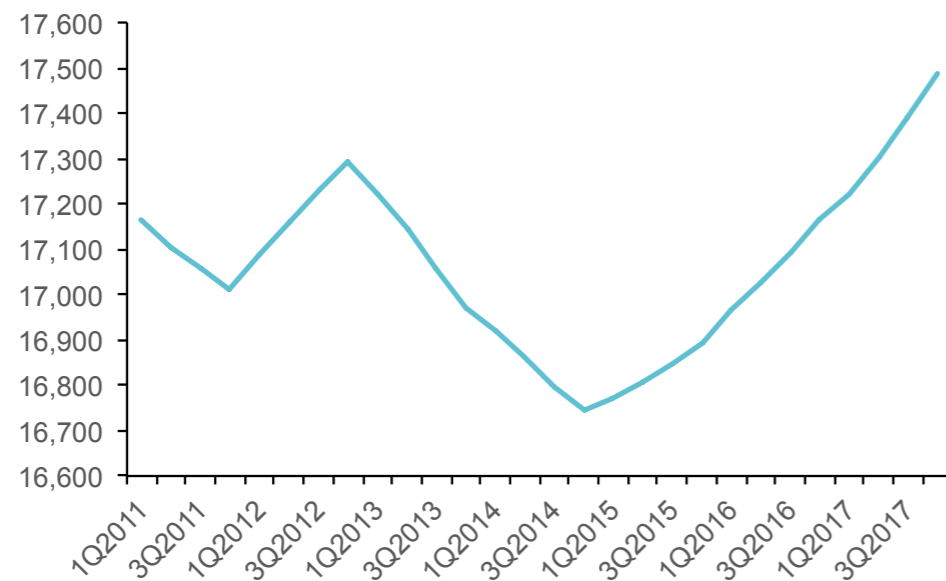
Eurozone



Sources: MACROBOND, ADA ECONOMICS

COMPANIES DATA.

No. of companies with over 50 employees (4Q moving average).



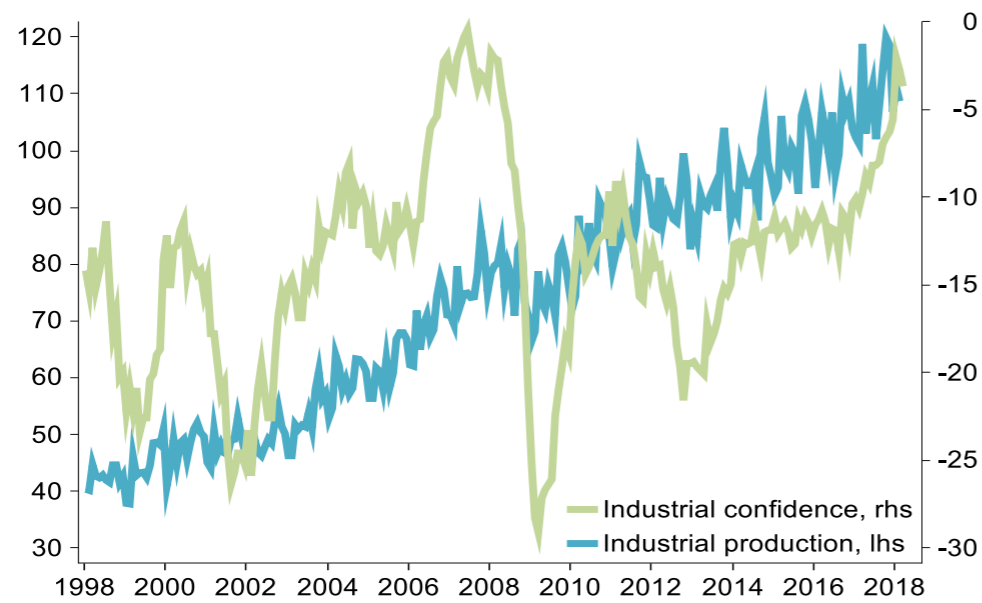
Nominal net profit growth (yoy).



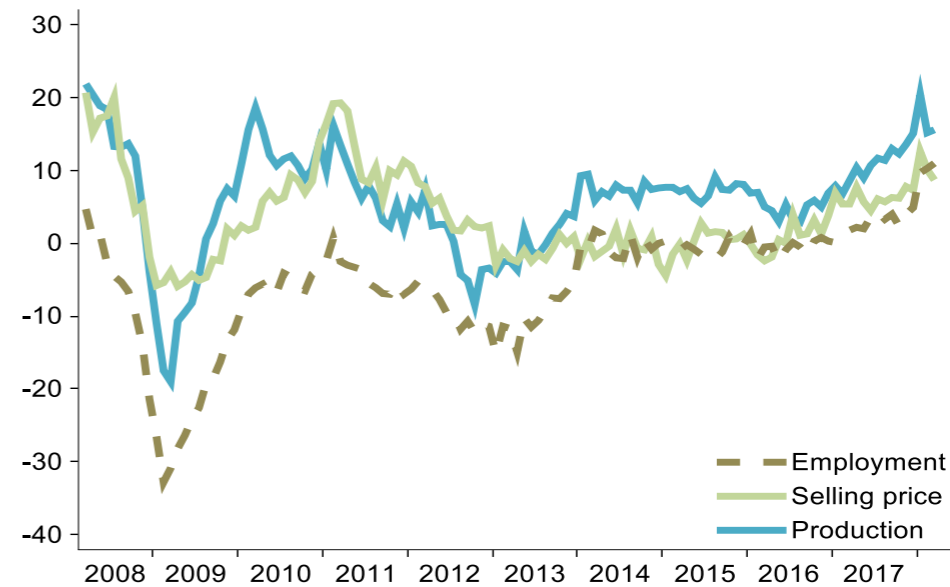
Sources: CENTRAL STATISTICAL OFFICE OF POLAND, ADA ECONOMICS

INDUSTRIAL PRODUCTION AND SENTIMENT.

Industrial production and sentiment (indices).



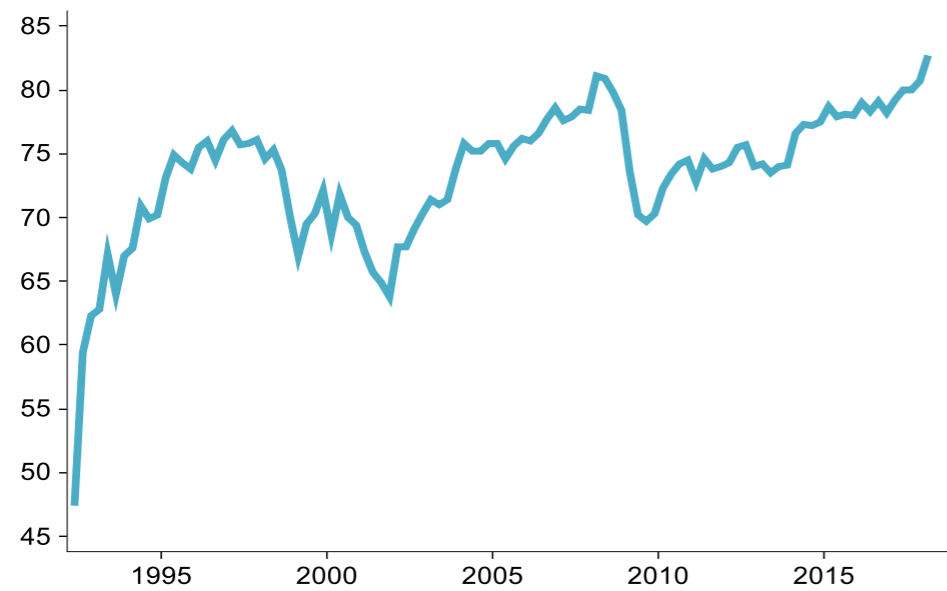
Expectations.



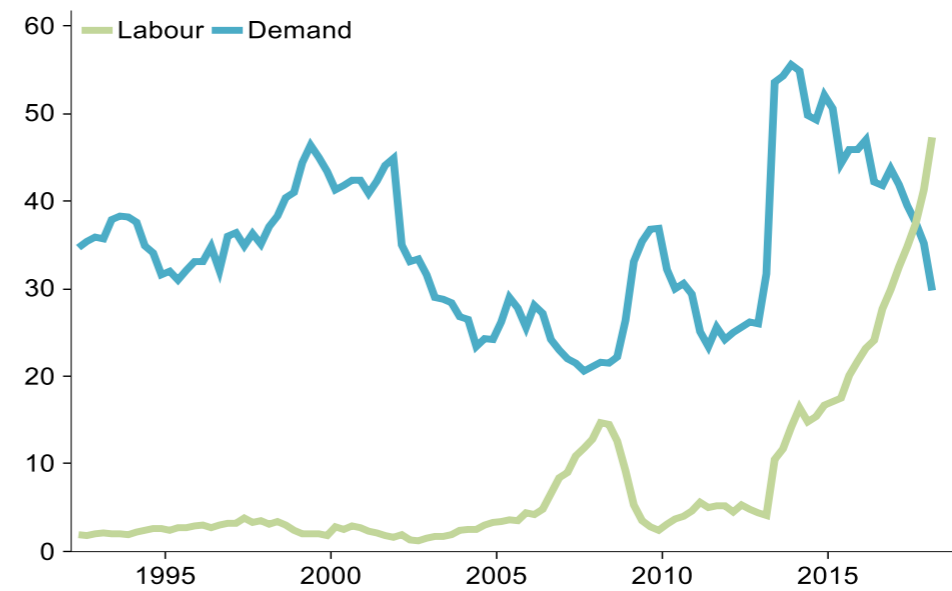
Sources: MACROBOND, ADA ECONOMICS

INDUSTRIAL PRODUCTION AND SENTIMENT.

Capacity utilisation.



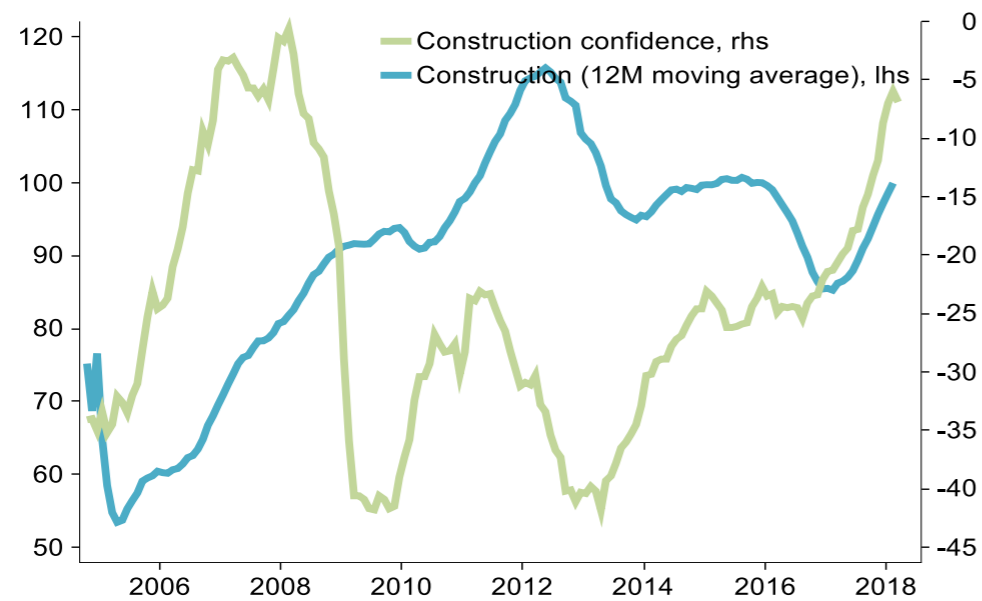
Factors limiting the production.



Sources: MACROBOND, ADA ECONOMICS

CONSTRUCTION AND SENTIMENT.

Construction and confidence (indices).



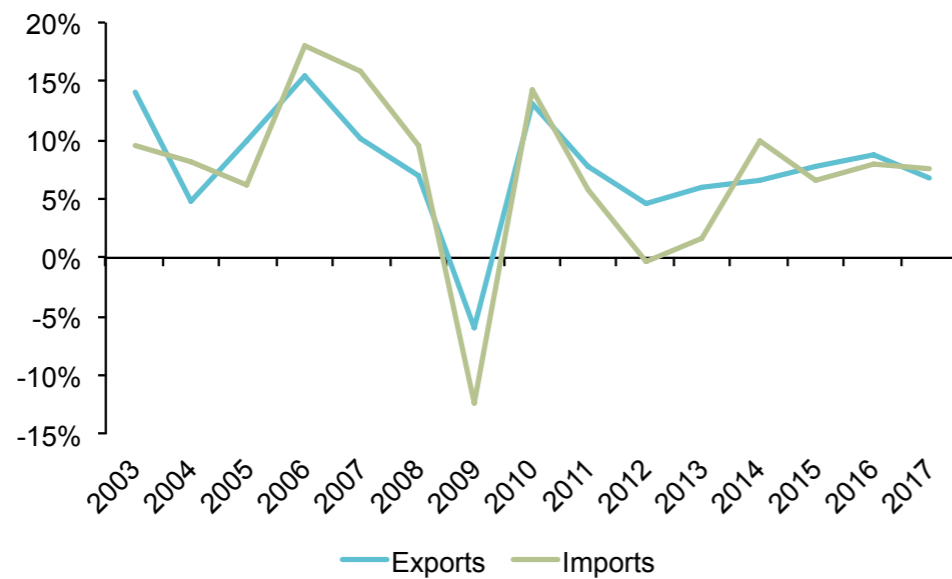
Key indicators.



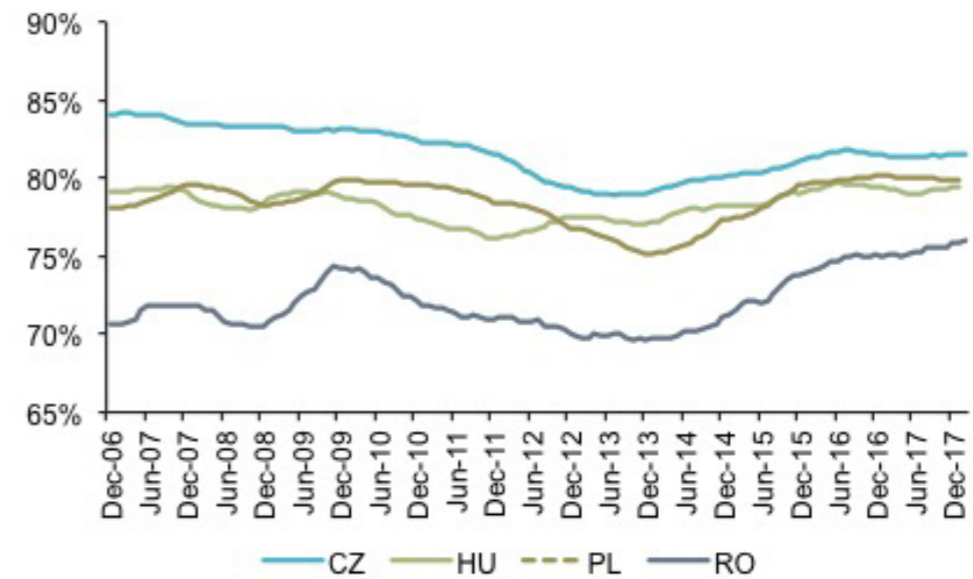
Sources: MACROBOND, ADA ECONOMICS

FOREIGN TRADE.

Export and import growth.



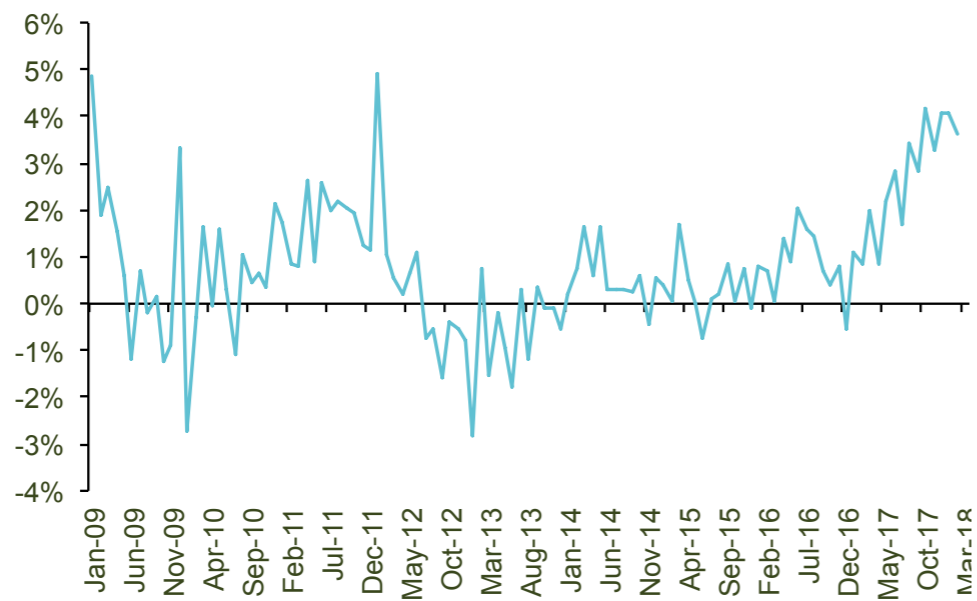
Share of exports to the EU.



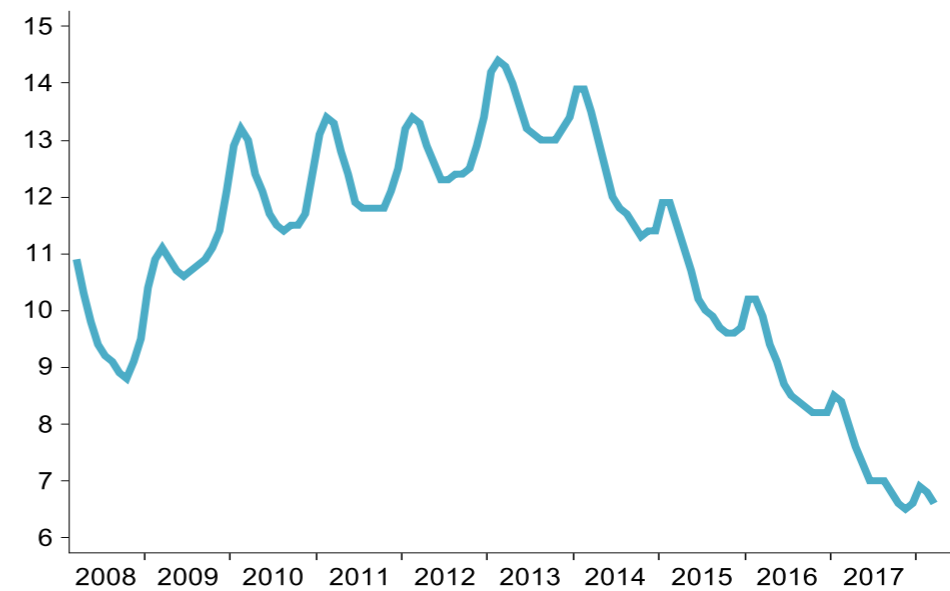
Sources: MACROBOND, CEIC, ADA ECONOMICS

LABOUR MARKET.

Wage growth (yoy).



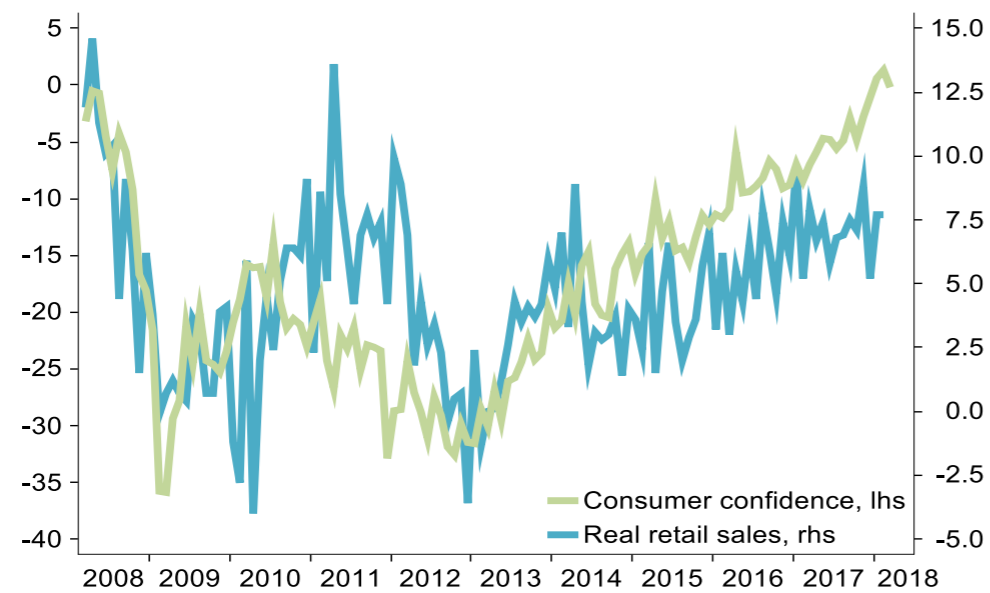
Unemployment rate.



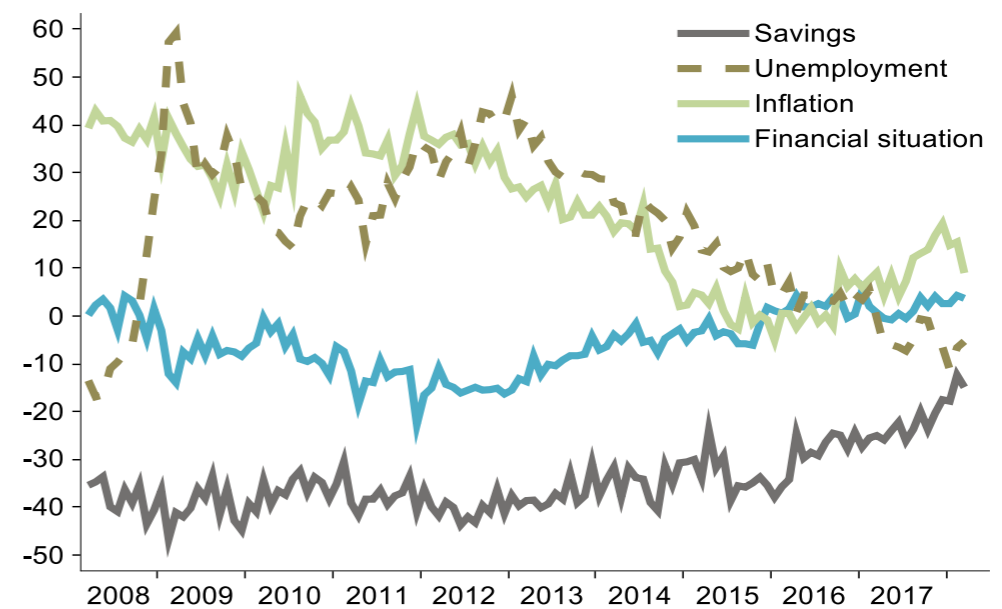
Sources: MACROBOND, ADA ECONOMICS

RETAIL SALES AND CONSUMER SENTIMENT.

Retail sales and consumer confidence.



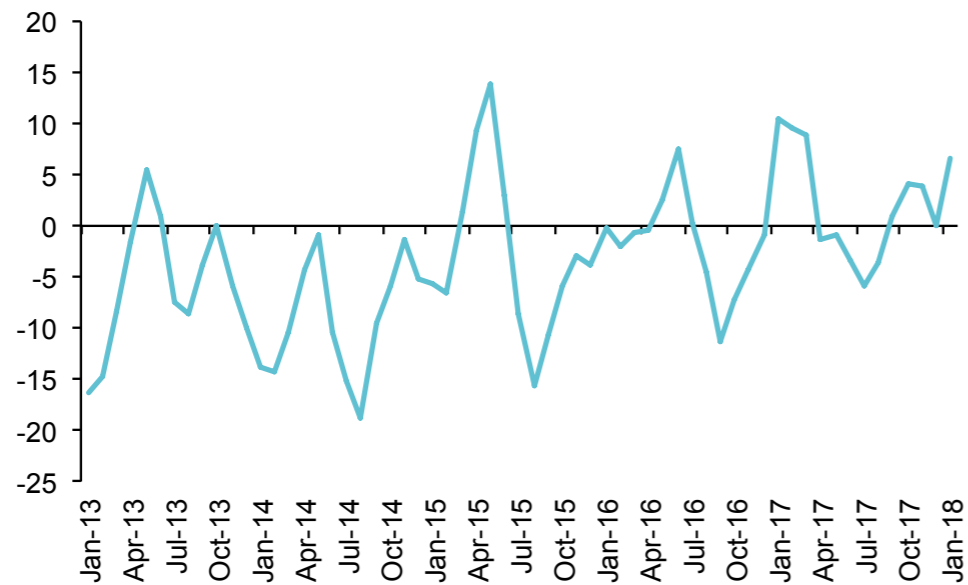
Expectations.



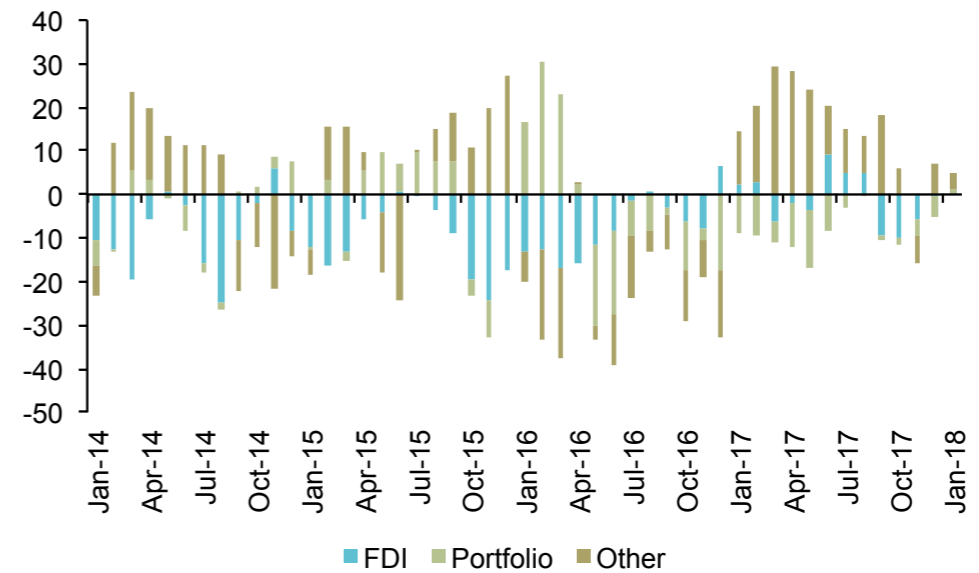
Sources: MACROBOND, ADA ECONOMICS

BALANCE OF PAYMENTS.

Current account (3M rolling, PLN bn).



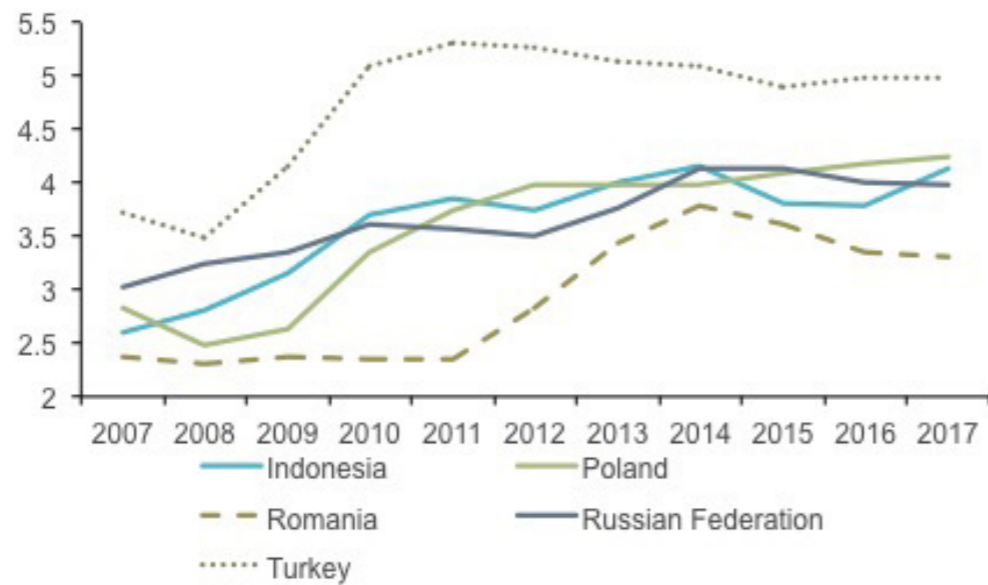
Financial account (3M rolling, PLN bn).



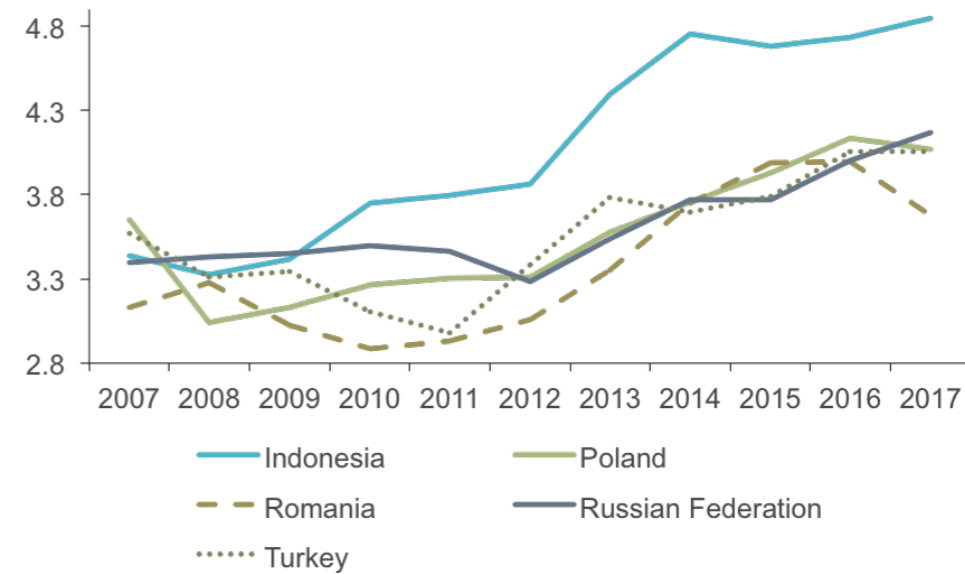
Sources: MACROBOND, ADA ECONOMICS

COMPETITIVENESS.

Quality of overall infrastructure.



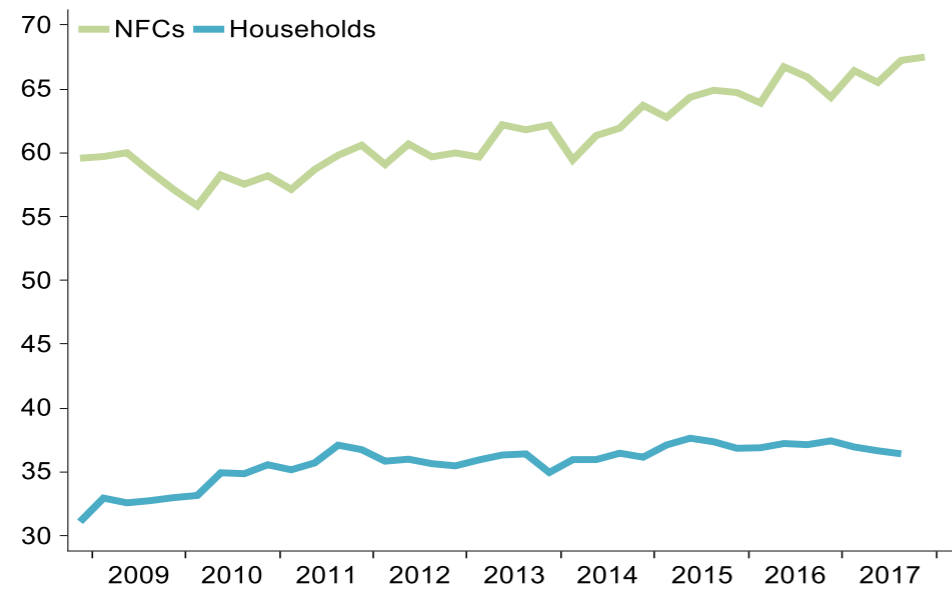
Capacity for innovation.



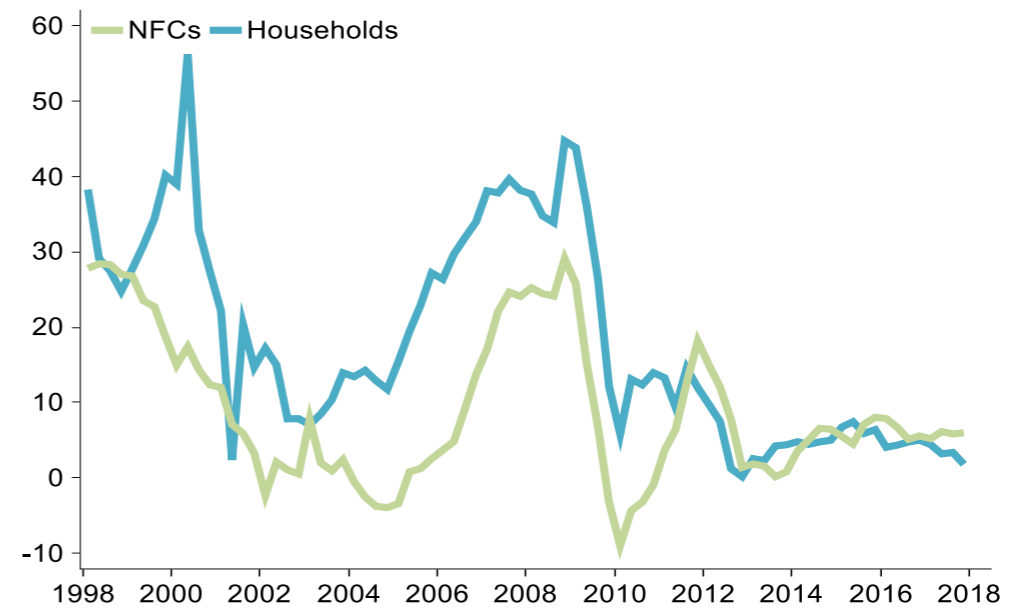
Sources: WORLD ECONOMIC FORUM, ADA ECONOMICS

INDEBTEDNESS.

Debt-to-GDP %.



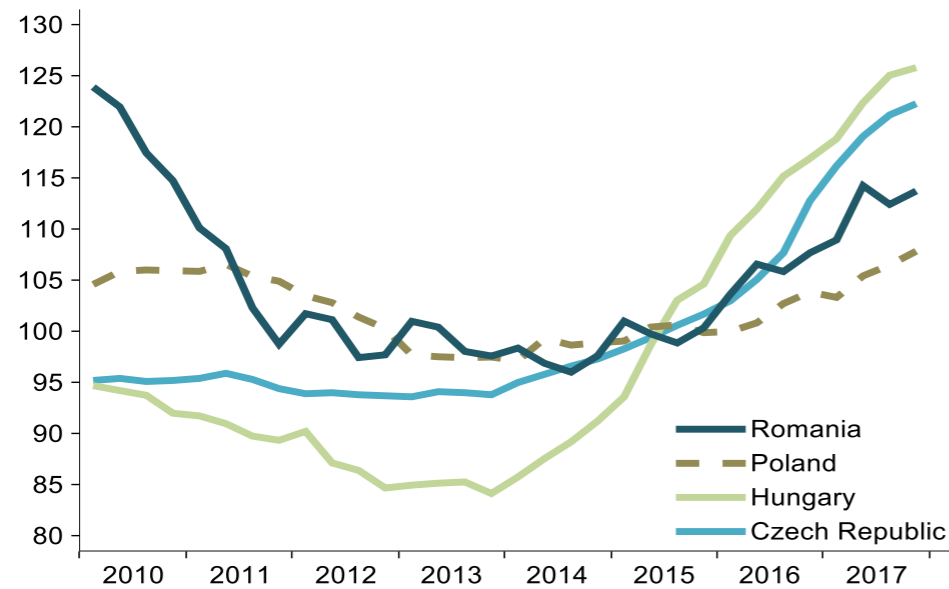
Lending growth (yoy).



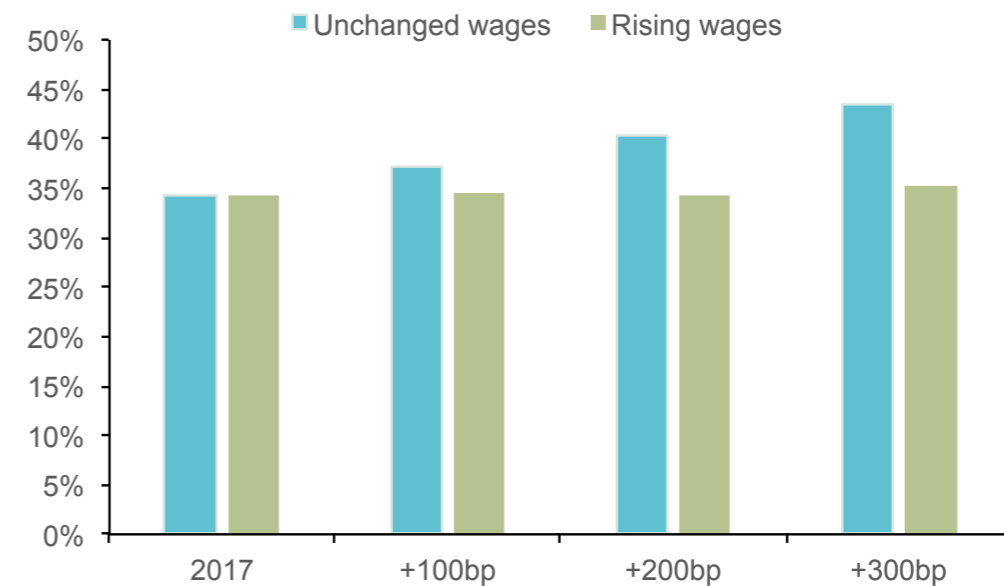
Sources: MACROBOND, ADA ECONOMICS

HOUSING MARKET.

Eurostat house price index.



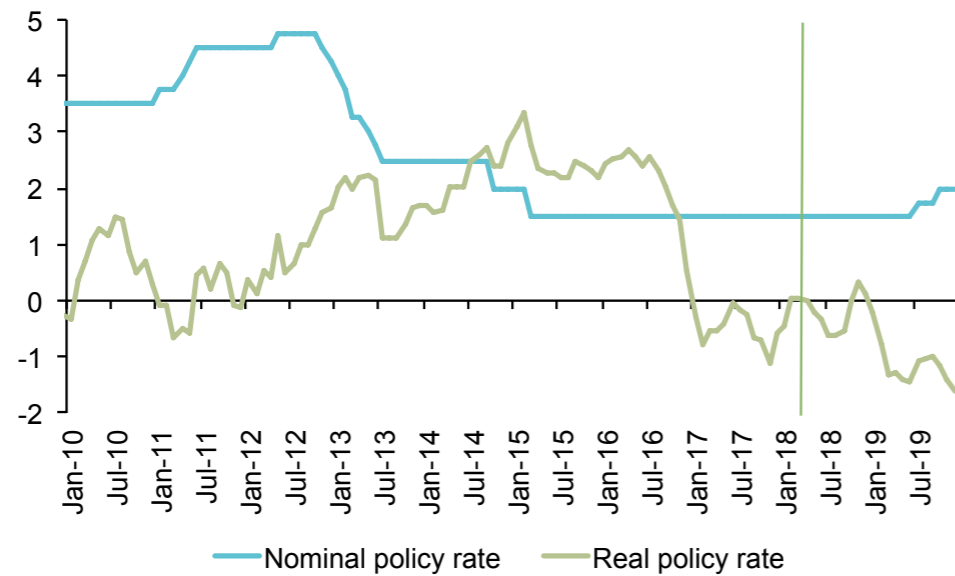
Debt servicing costs (in % of wages).



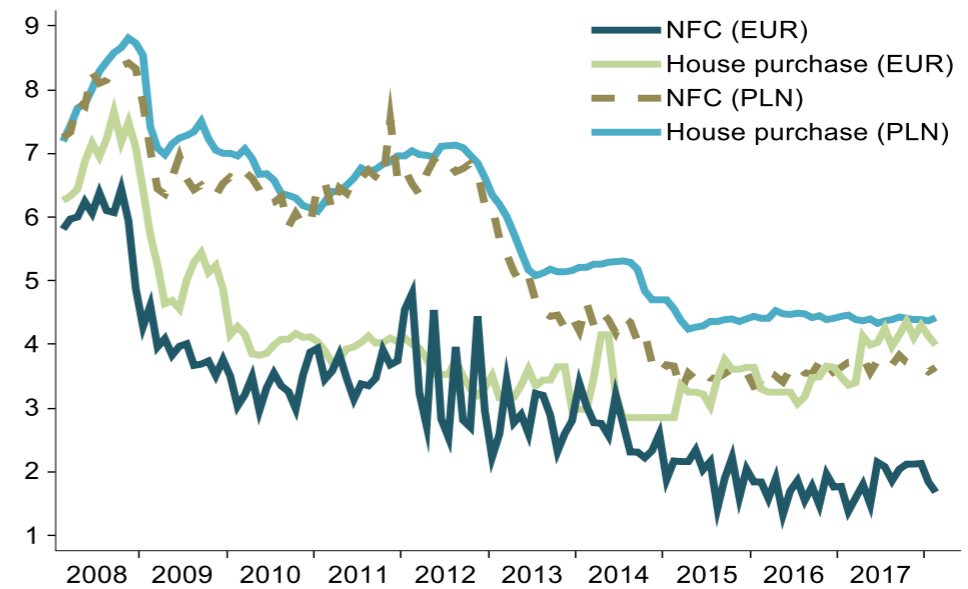
Sources: MACROBOND, ADA ECONOMICS

BORROWING COSTS AND LENDING.

Policy rate history and forecast.



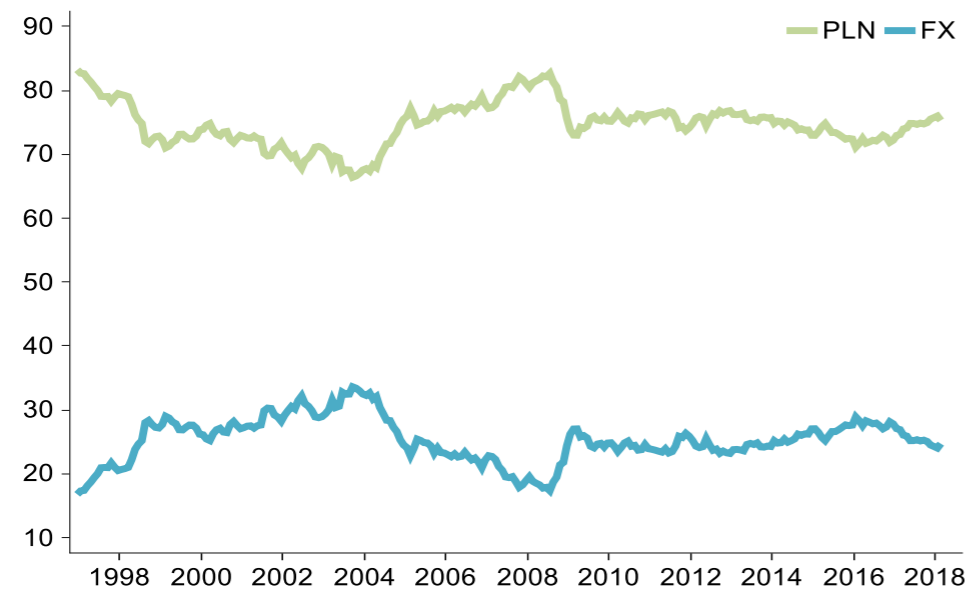
Market lending rates.



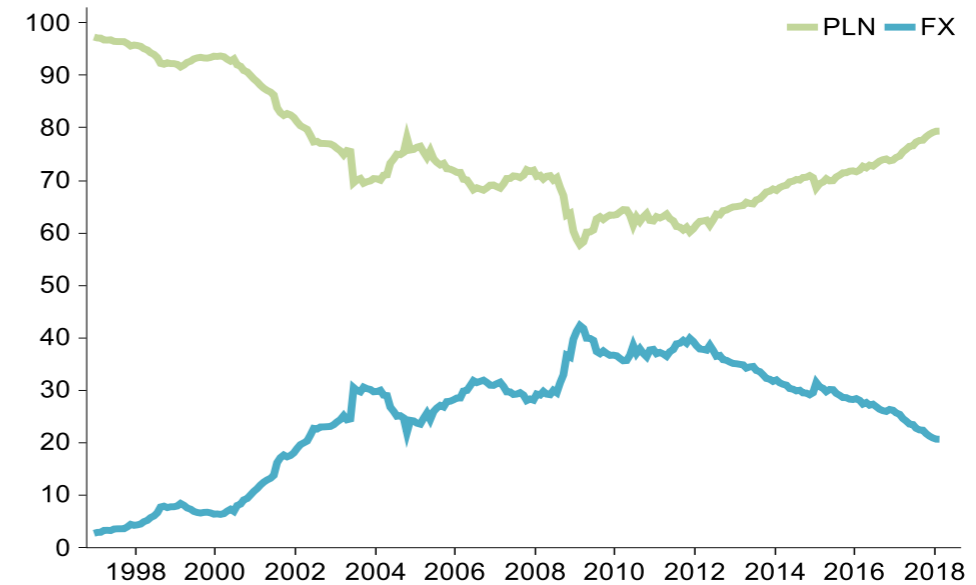
Sources: MACROBOND, CEIC, ADA ECONOMICS

BORROWING COSTS AND LENDING.

Share of lending for non-financial corporations.



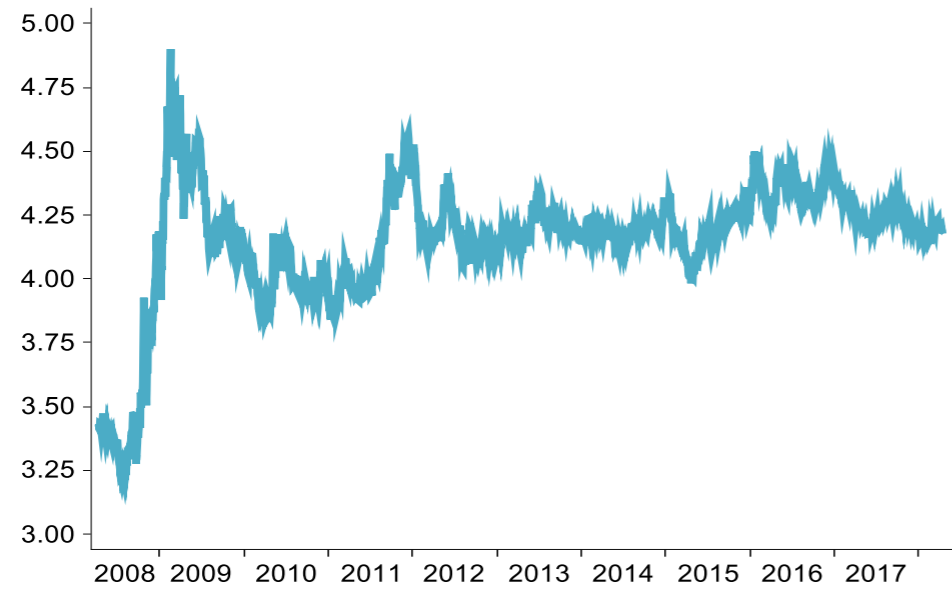
Share of lending for households.



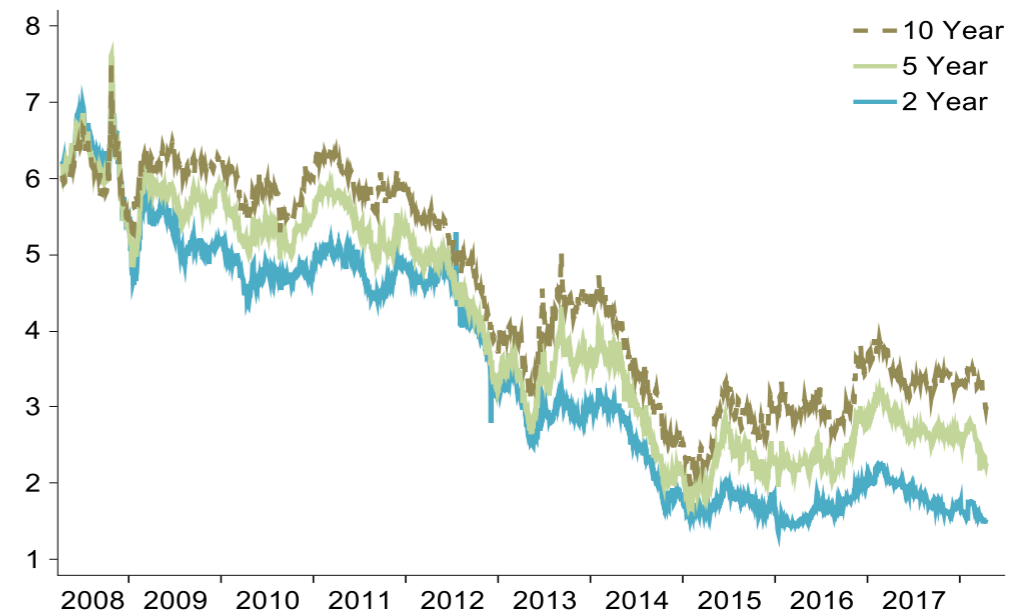
Sources: MACROBOND, ADA ECONOMICS

CURRENCY AND YIELDS.

EURPLN.



Yelds.



Sources: MACROBOND, ADA ECONOMICS

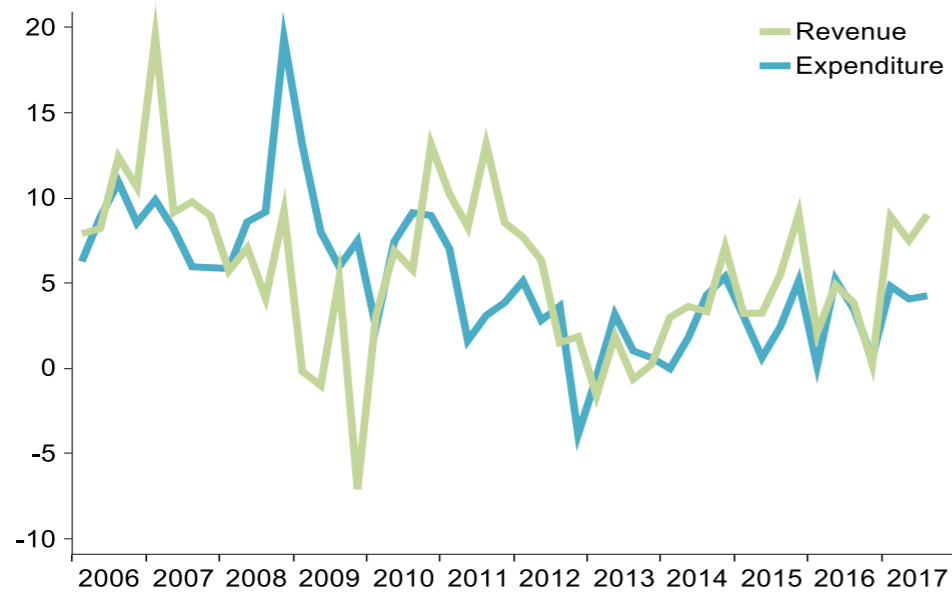
FISCAL POSITION.

As % of GDP	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Total general government expenditure	43.2	44.3	45.0	45.8	43.9	42.9	42.6	42.3	41.6	41.2
VAT receivable	8.2	7.9	7.3	7.6	7.8	7.1	7.0	7.1	7.0	7.0
Interest, payable	2.2	2.1	2.5	2.5	2.5	2.7	2.5	1.9	1.8	1.7
Current taxes on income, wealth, etc., receivable	8.3	8.4	7.2	6.7	6.7	7.0	6.7	6.8	6.9	7.1
Net social contributions, receivable	12.8	12.2	12.1	11.9	12.2	13.0	13.4	13.2	13.5	13.8
Total general government revenue	41.4	40.7	37.8	38.5	39.1	39.1	38.5	38.7	38.9	38.7
Taxes on individual or household income including holding gains	5.2	5.3	4.5	4.3	4.3	4.5	4.5	4.6	4.7	4.8
Taxes on the income or profits of corporations including holding gains	2.7	2.7	2.2	1.9	2.0	2.1	1.8	1.7	1.8	1.8

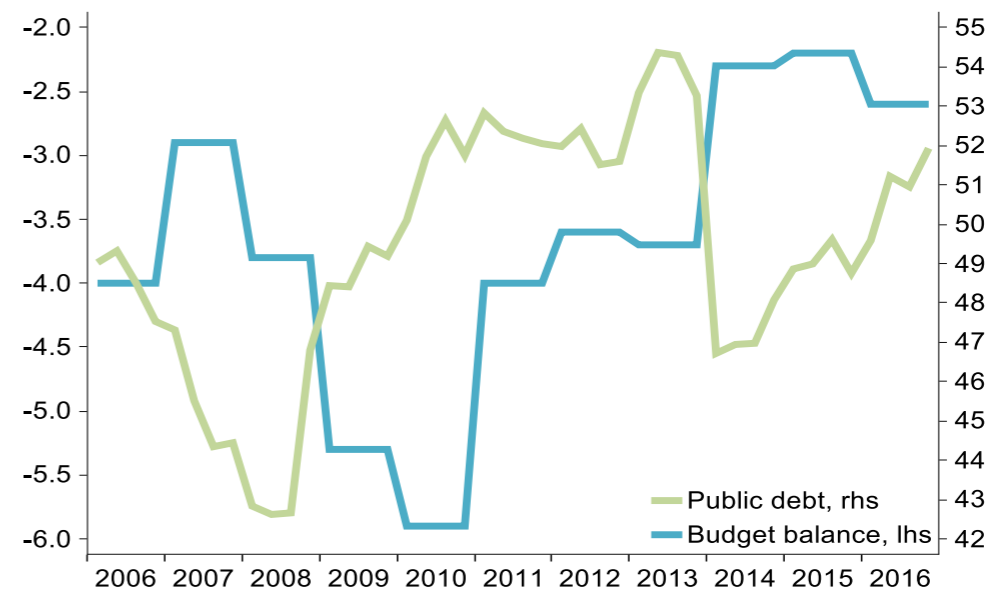
Sources: MACROBOND, ADA ECONOMICS

FISCAL POSITION.

Revenue and expenditure growth (% yoy).



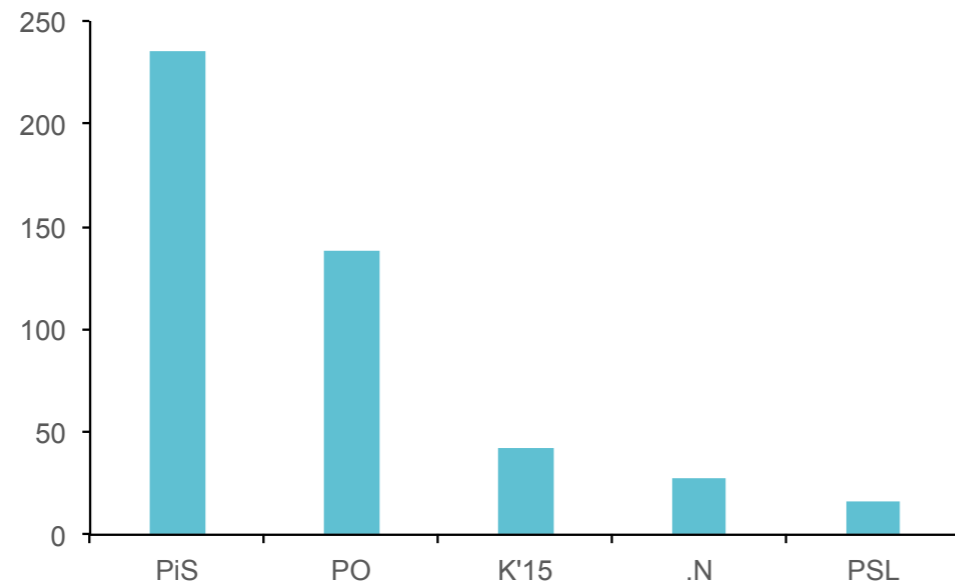
Budget balance and public debt in % of GDP.



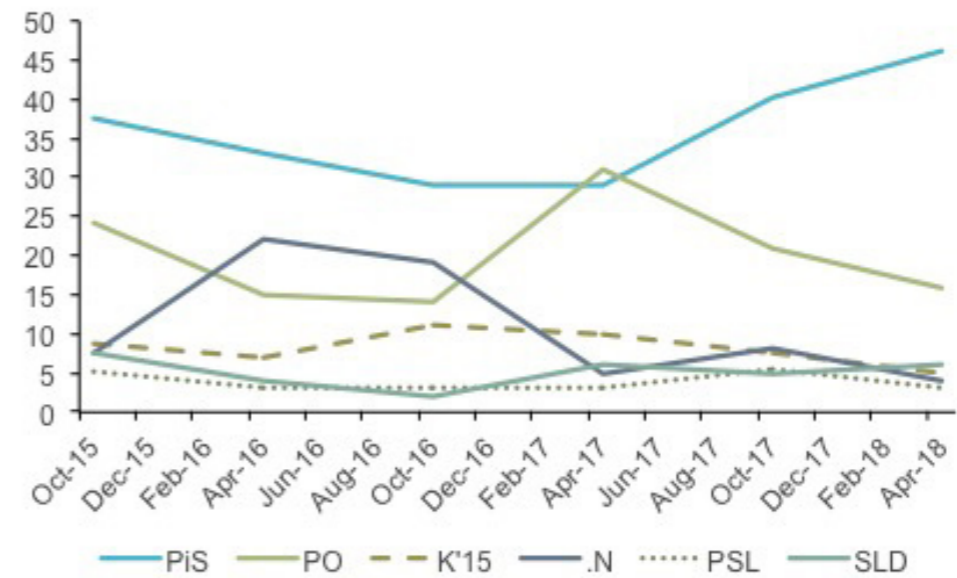
Sources: MACROBOND, ADA ECONOMICS

POLITICS.

Seats won in 2015 parliamentary election.



Opinion polls since 2015 election.



Sources: WIKIPEDIA, ADA ECONOMICS

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