

MAIN MACROECONOMIC INDICATORS

REPUBLIC OF POLAND

January 2010



Territory: 312 685 km<sup>2</sup>  
Population: 38.2 mln  
Capital city: Warsaw  
Currency: the Polish zloty

Ministry of Economy, Analyses and Forecasting Department

Poland's macroeconomic performance in 2008-2010

Specification	Unit	2009	I 2009	I 2010	2010 <sup>4</sup>
<b>GDP</b>	dynamics	101.7 <sup>2</sup>			103.0
Consumption	dynamics	102.0 <sup>2</sup>			102.1
- individual consumption	dynamics	102.3 <sup>2</sup>			102.6
Gross capital formation	dynamics	89.2 <sup>2</sup>			106.0
- gross fixed capital formation	dynamics	99.7 <sup>2</sup>			103.7
<b>Prices</b>					
Year-on-year price index of consumer goods and services (CPI)	dynamics	103.5	102.8	103.6	102.5
Year-on-year price index of sold production of industry (PPI)	dynamics	103.4	103.6	100.2	102.5
<b>Production<sup>1</sup></b>					
Sold production of industry	dynamics	96.8	84.7	108.5	106.0
Construction and assembly production	dynamics	103.7	107.4	84.7	105.0
<b>Wages and salaries</b>					
Average wages and salaries in the national economy, of which:	PLN	3,103			
- enterprise sector	PLN	3,325	3,216	3,231	
<b>Labour market</b>					
Average employment in enterprise sector	thous.pers.	5,327			
Unemployment rate (as of the end of the period)	%	11.9	10.4	12.7	12.5
<b>Current account balance</b>	m EUR	-4,968 <sup>3</sup>			
<b>Foreign trade acc. to CSO</b>					
Trade balance	m EUR	-8,719 <sup>3</sup>			-11,200
- exports	m EUR	96,326 <sup>3</sup>			107,700
- imports	m EUR	105,045 <sup>3</sup>			118,900

1 - data concerns entities which employs more than 9 person

2 - CSO preliminary data

3 - provisional data

4 - DAF MoE forecast

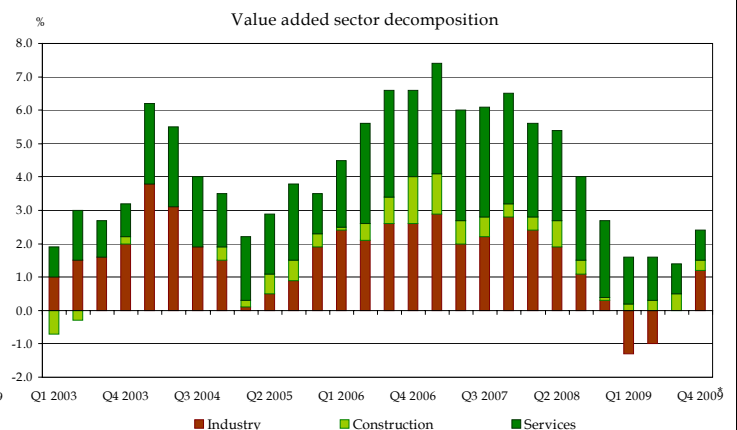
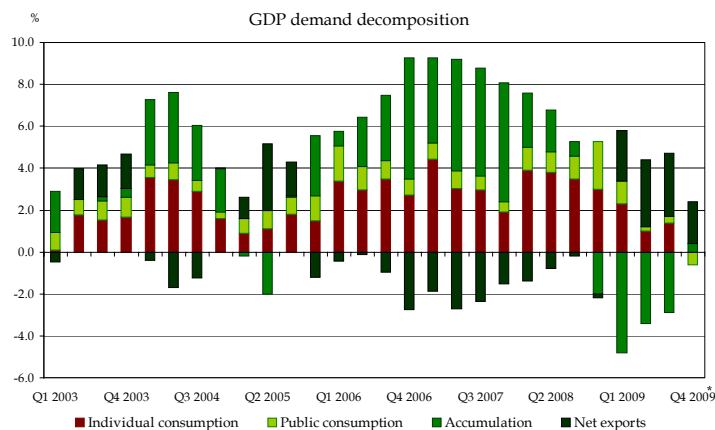
In the year 2009, according to CSO, GDP increased by 1.7%. The largest GDP growth contributor was net exports.\*

GDP growth in 2004-2009

	2004				2005				2006				2007				2008				2009			
YoY	5.3				3.6				6.2				6.8				5.0				1.7**			
	I-III	IV-VI	VII-IX	X-XII	I-III	IV-VI	VII-IX	X-XII	I-III	IV-VI	VII-IX	X-XII	I-III	IV-VI	VII-IX	X-XII	I-III	IV-VI	VII-IX	X-XII	I-III	IV-VI	VII-IX	X-XII
YoY	6.9	6.0	4.8	4.0	2.4	3.2	4.3	4.4	5.4	6.3	6.6	6.6	7.5	6.6	6.6	6.6	6.2	6.0	5.1	3.0	0.8	1.1	1.7	3.0*

\* DAF MoE estimation

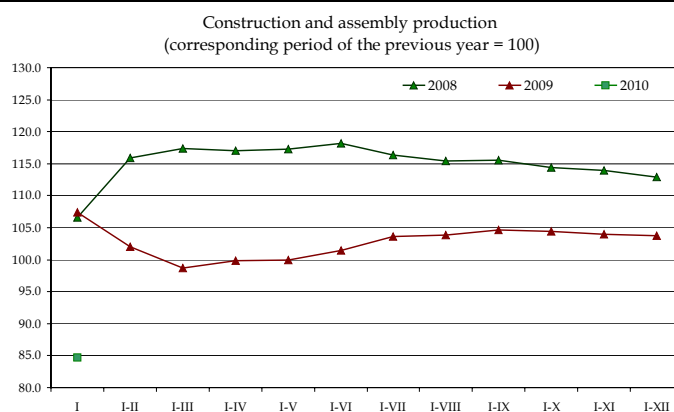
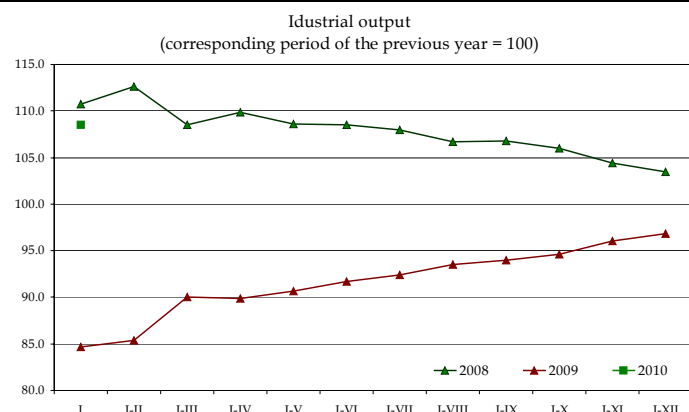
\*\* CSO preliminary data



**In January 2010 (comparing to the corresponding period of the previous year):**

- A growth in sold industrial production amounted to 8.5%. The biggest increase was recorded in manufacturing (10.1%).
- Construction and assembly production decreased by 15.3% (yoy).
- Consumer Price Index was at the level of 3.6%.
- An amount of registered unemployment amounted to 2,053 thousand persons (increase by 25.6%).
- Registered unemployment rate made up 12.7%.
- Average monthly wages and salaries in enterprise sector amounted to PLN 3,231 and was higher by 0.5% (in nominal terms).
- Average monthly retirement pay and pension from non-agricultural social security system increased by 7.7%, and individual farmers by 6.0% (in nominal terms).
- Execution of revenues and expenditures stood at 8.9% of the amount planned in the Budgetary Law, and the budget deficit amounted to PLN 4.8 bn.
- The Monetary Policy Council didn't change interest rates. On 1<sup>st</sup> January of 2010 the discount rate on bills of exchange accepted from commercial banks for discount at the NBP was introduced.
- The Polish currency was stronger against US dollar and euro.
- At the end of December 2009 the cumulative current account balance deficit was lower than in 2008 by EUR 13,325 m.

**January 2010: sold production of industry increased by 8.5% and construction and assembly production drop by 15.3% (comparing to the corresponding period of the previous year).**



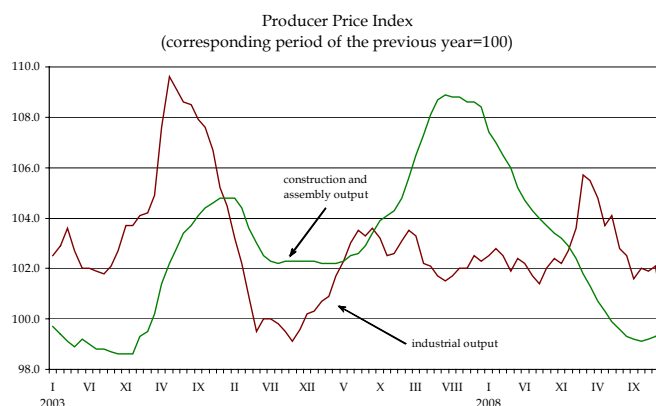
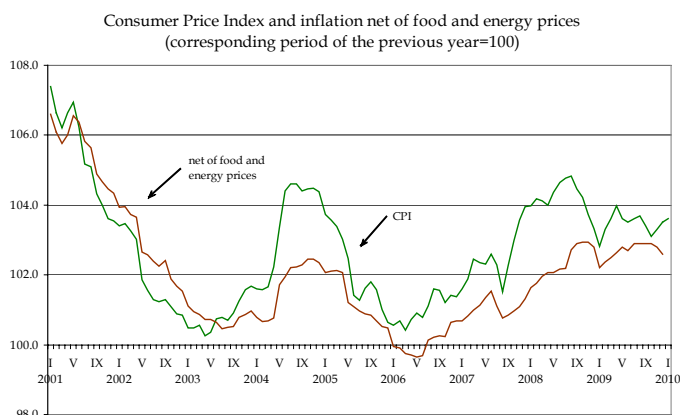
**Indices of sold production of industry and construction and assembly production**

		I	I-II	I-III	I-IV	I-V	I-VI	I-VII	I-VIII	I-IX	I-X	I-XI	I-XII
Sold production of industry	2009	84.7	85.4	90.0	89.9	90.7	91.7	92.4	93.5	94.0	94.6	96.0	96.8
	2010	108.5											
Construction and assembly production	2009	107.4	102.0	98.7	99.8	100.0	101.4	103.6	103.9	104.7	104.4	104.0	103.7
	2010	84.7											

**January 2010: price index of consumer goods and services reached 3.6%, of sold industrial production 0.2%, and price index of construction and assembly production -0.7% (comparing to the corresponding period of the previous year).**

**Prices indices**

		I	I-II	I-III	I-IV	I-V	I-VI	I-VII	I-VIII	I-IX	I-X	I-XI	I-XII
Price indices of sold production of industry	2009	103.6	104.7	105.0	104.9	104.7	104.6	104.3	104.1	103.8	103.6	103.5	103.4
	2010	100.2											
Price indices of consumer goods and services	2009	102.8	103.1	103.3	103.4	103.5	103.5	103.5	103.5	103.5	103.5	103.5	103.5
	2010	103.6											
Price indices of construction and assembly production	2009	102.4	102.1	101.8	101.6	101.3	101.1	100.9	100.7	100.5	100.4	100.3	100.2
	2010	99.3											



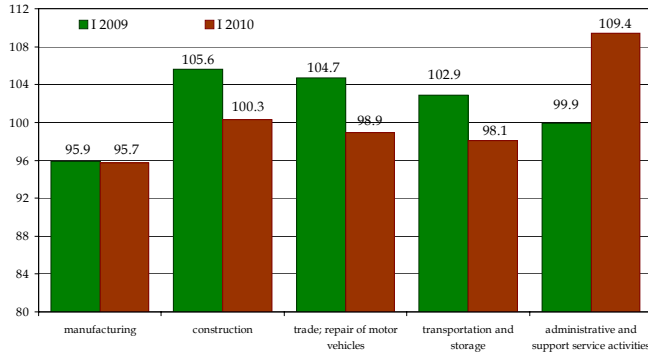
**January 2010: registered unemployment rate stood at 12.7%, employment in enterprise sector amounted to 5,301 thousand persons and dropped by 1.4% (comparing to the corresponding period of the previous year).**

**Unemployment rate**

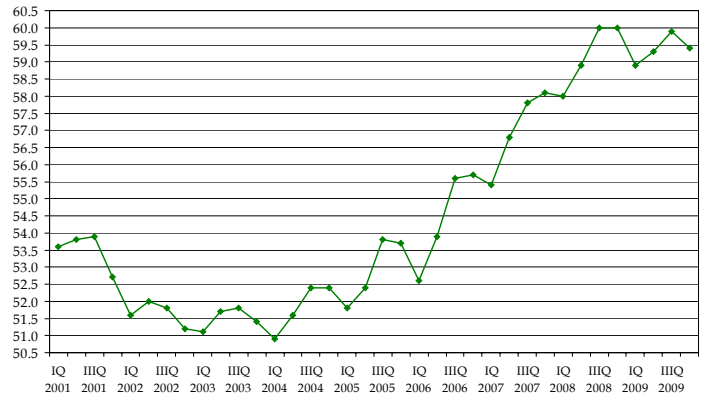
	2005	2006	2007	2008	2009	I 09	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	I 10	II	III
<b>Registered unemployment</b>	17.6	14.8	11.2	9.5	11.9	10.4	10.9	11.1	10.9	10.7	10.6	10.7	10.8	10.9	11.1	11.4	11.9	12.7	--	--
<b>LFS*</b>	17.7	13.8	9.5	7.0	8.5	8.3			7.9			8.1			8.5			--		

\* LFS – Labour Force Survey

Dynamics of average monthly employment in enterprise sector (corresponding period of the previous year=100)

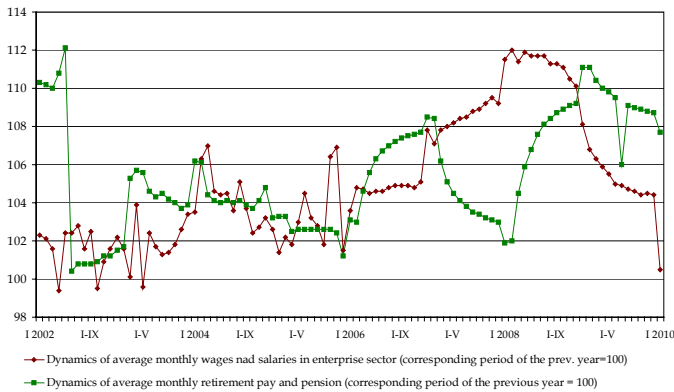


Employment rate (acc. to LFS)

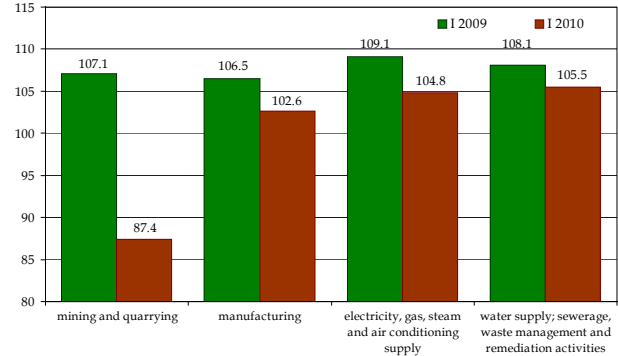


**January 2010: average wages and salaries in enterprise sector stood at PLN 3,231 and were higher by 0.5% (dropped by 3.0% in real terms); (comparing to the corresponding period of the previous year).**

Salaries, wages verso social security benefits

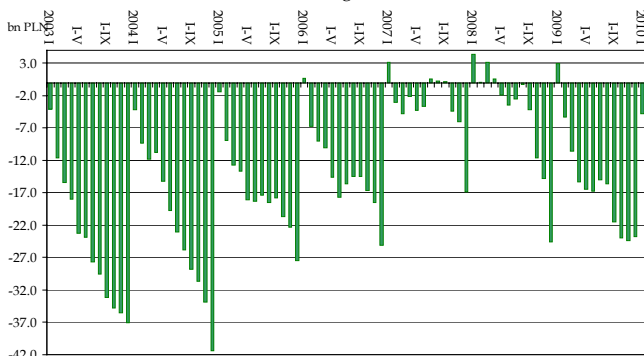


Dynamics of average monthly wages and salaries in enterprise sector (corresponding period of the previous year=100)

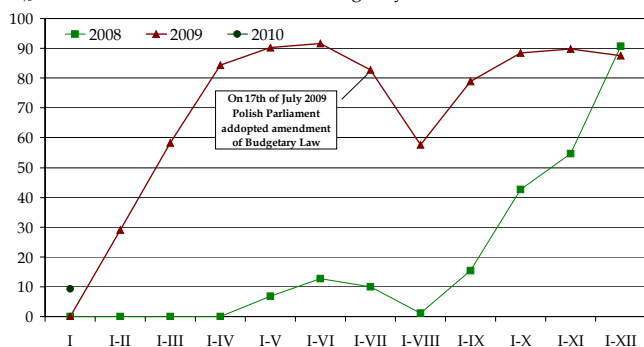


**January 2010: Execution of revenues and expenditures stood at 8.9% of the amount planned in the Budgetary Law, and the budget deficit amounted to PLN 4.8 bn.**

Results of state budget in 2003-2010



Execution of Budgetary Law



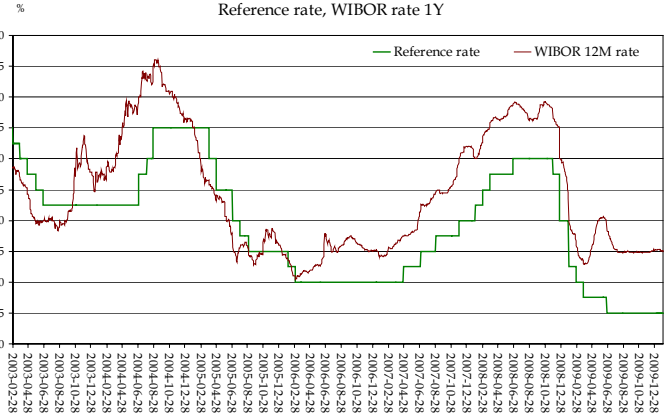
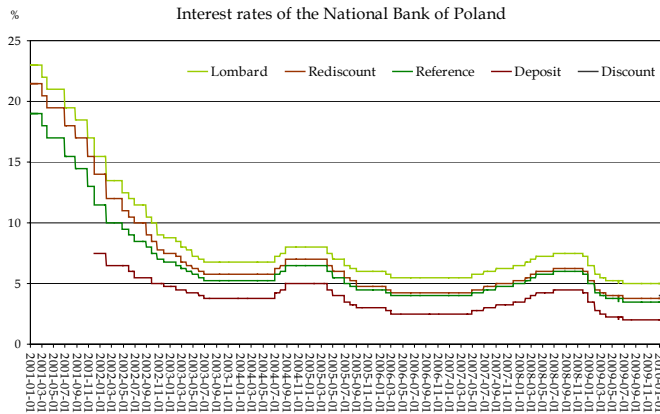
	Budgetary Law 2010	Realization		
		I 2010		I 2009
		in bn PLN	in %	
<b>REVENUES</b>	<b>249,0</b>	<b>22,1</b>	<b>8,9</b>	<b>9,1</b>
Indirect taxes	160,8	17,3	10,7	12,5
CIT	26,3	0,4	1,5	0,9
PIT	36,1	2,6	7,2	7,5
<b>EXPENDITURES</b>	<b>301,2</b>	<b>26,9</b>	<b>8,9</b>	<b>7,7</b>
Domestic debt servicing	26,6	1,3	4,9	5,0
Foreign debt servicing	8,3	1,2	14,5	19,8
Subventions to the Pension Fund	15,4	1,1	7,3	7,2
Subventions to the Social Insurance Fund	37,9	5,7	14,9	4,0
General subventions to local self-government entities	47,2	6,3	13,4	13,4
<b>DEFICIT</b>	<b>-52,2</b>	<b>-4,8</b>	<b>9,3</b>	<b>-</b>
<b>Financing for budget of EU funds</b>	<b>-14,4</b>	<b>-2,5</b>	<b>17,0</b>	<b>Δ</b>
<b>DEFICIT FINANCING SOURCES</b>	<b>66,6</b>	<b>7,3</b>	<b>11,0</b>	<b>-</b>
<b>DOMESTIC</b>	<b>45,5</b>	<b>12,1</b>	<b>26,6</b>	<b>-</b>
Treasury bonds	51,8	8,0	15,4	11,6
Revenues from privatisation	25,0	2,6	10,3	0,4
Pre-financing actions with EU sources	-1,3	0,0	0,9	37,1
<b>FOREIGN</b>	<b>21,2</b>	<b>-4,8</b>	<b>-</b>	<b>-</b>

Δ category not existed in Budgetary Law 2009

**January 2010: The Monetary Policy Council didn't change interest rates. On 1<sup>st</sup> January of 2010 the discount rate on bills of exchange accepted from commercial banks for discount at the NBP was introduced.**

**Interest rates of the National Bank of Poland**

	Lombard	Rediscount	Reference	Deposit	Discount
February 26, 2009	5,50	4,25	4,00	2,50	
March 26, 2009	5,25	4,00	3,75	2,25	
June 25, 2009	5,00	3,75	3,50	2,00	
January 1, 2010	5,00	3,75	3,50	2,00	4,00



**January-December 2009: according to the provisional CSO data trade deficit shaped at a level of EUR 8,719 m and was lower by EUR 14,861 m, exports decreased by 17.1%, and imports by 26.3% (comparing to the corresponding period of the previous year).**

**Foreign trade in mln EUR (CSO data)**

	2007	2008	2009
Saldo	-18,551	-26,204	-8,719
Eksport	101,839	116,244	96,326
Import	120,390	142,448	105,045

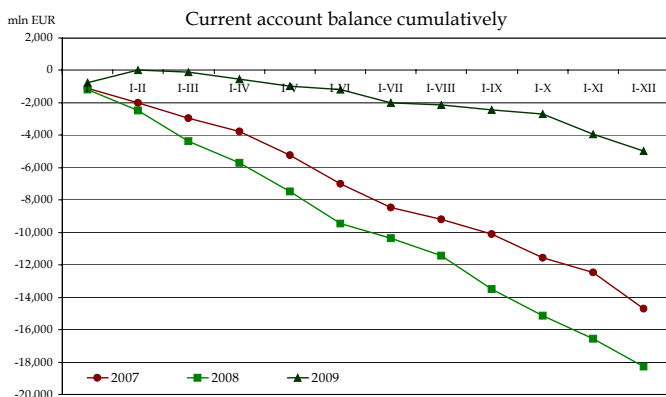
**Foreign trade in mln EUR (NBP data)**

	2007	2008	2009
Saldo	-12,386	-17,726	-3,427
Eksport	105,856	121,082	99,827
Import	118,242	138,808	103,254

Exports and imports acc. to NBP data (corresponding month of the previous year = 100)



**January-December 2009: current account deficit amounted to EUR -4,968 m, in a value higher by EUR 13,325 m in comparison to deficit in the corresponding period of the year 2008.**

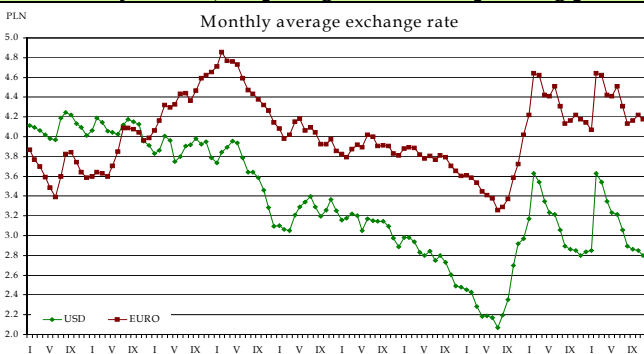


**Current account balance**

2003	2004	2005	2006	2007	2008	2009
-4,109	-8,146	-3,005	-7,453	-14,721	-18,293	-4,968

	2008	2009
in mln EUR		
Polish direct investment abroad	-2,039	-2,315
Foreign direct investment in Poland	10,025	8,384
Portfolio investment - assets	1,681	30
Other investment - assets	4,232	3,112
Official reserve assets	2,368	-10,312

**January 2010: the zloty was stronger against the US dollar and against euro. The EUR/PLN exchange rate decreased by 3.5% and USD/PLN by 10.1% (comparing to the corresponding period of the previous year).**



**Exchange rates of the dollar and the euro (NBP data)**

		I 2009	VIII	IX	X	XI	XII	I 2010
1 USD	end of month	3.4561	2.8672	2.8852	2.8592	2.7532	2.8502	2.9082
	monthly average	3.1717	2.8952	2.8595	2.8462	2.7992	2.8352	2.8512
1 EUR	end of month	4.4392	1.0992	4.2226	1.2432	1.1432	1.1082	1.0612
	monthly average	4.2181	1.1312	4.1635	1.2172	1.1732	1.1422	1.0722