

MAIN MACROECONOMIC INDICATORS

REPUBLIC OF POLAND

APRIL 2010

MINISTRY OF ECONOMY

Analyses and Forecasting Department

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



The mission of the Ministry of Economy is to create the best conditions for business activity in Europe

Poland's macroeconomic performance in 2009-2010

Specification	Unit	2009	IV 2009	IV 2010	I-IV 2010	2010 <sup>5</sup>
<b>GDP</b>	dynamics	101.8 <sup>2</sup>			103.0 <sup>2,4</sup>	103.0
Consumption	dynamics	102.1 <sup>2</sup>			102.2 <sup>2,4</sup>	102.1
Individual consumption	dynamics	102.3 <sup>2</sup>			102.2 <sup>2,4</sup>	102.6
Gross capital formation	dynamics	88.4 <sup>2</sup>			102.4 <sup>2,4</sup>	106.0
Gross fixed capital formation	dynamics	99.2 <sup>2</sup>			87.6 <sup>2,4</sup>	103.7
<b>Prices</b>						
Price index of consumer goods and services (CPI)	dynamics	103.5	104.0	102.4	102.8	102.5
Price index of sold production of industry (PPI)	dynamics	103.4	104.8	99.5	98.7	102.5
<b>Production<sup>1</sup></b>						
Sold production of industry	dynamics	96.8	87.8	109.9	109.4	106.0
Construction and assembly production	dynamics	103.7	100.5	93.9	88.5	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	3,295	3,399	3,366	
<b>Labour market</b>						
Average employment in enterprise sector	thous.pers.	5,327	5,309	5,308	5,303	
Unemployment rate (as of the end of the period)	%	11.9	10.9	12.3	12.3	12.5
<b>Current account balance acc. to NBP</b>	m EUR	-5,059 <sup>2</sup>	-131 <sup>2,3</sup>	-559 <sup>2,3</sup>	-1,158 <sup>2,4</sup>	
<b>Foreign trade acc. to CSO</b>						
Trade balance	m EUR	-8,719 <sup>2</sup>			-2,181 <sup>2,4</sup>	-11,200
- exports	m EUR	96,326 <sup>2</sup>			26,236 <sup>2,4</sup>	107,700
- imports	m EUR	105,045 <sup>2</sup>			28,417 <sup>2,4</sup>	118,900

Dynamics (100=corresponding period of the previous year)

1 - data concerns entities which employs more than 9 persons

2 - provisional data

3 - data for March

4 - data for January-March

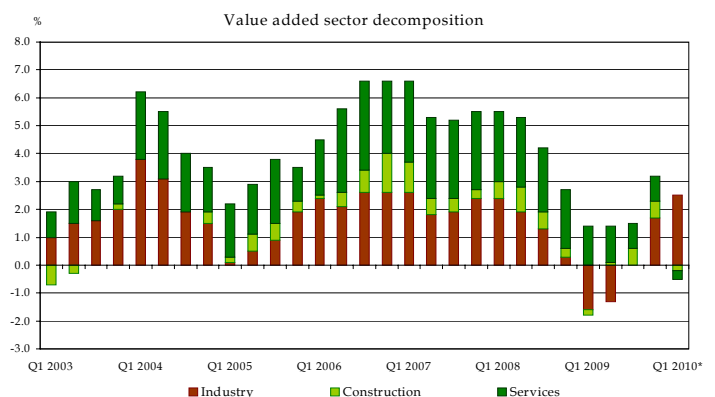
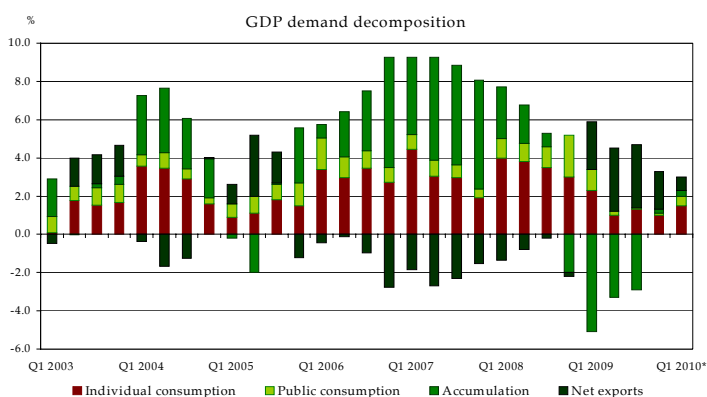
5 - AFD MoE forecast

In the 1<sup>st</sup> quarter of 2010, according to CSO preliminary data, GDP increased by 3.0%. Both domestic and external demand contributed positively in GDP growth.

GDP growth in 2005-2009

	2005				2006				2007				2008				2009				2010			
YoY	3.6				6.2				6.8				5.0				1.8				--			
	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	2.4	3.2	4.3	4.4	5.4	6.3	6.6	6.6	7.5	6.6	6.6	6.6	6.3	6.1	5.2	3.2	0.7	1.1	1.8	3.3	3.0*	--	--	--

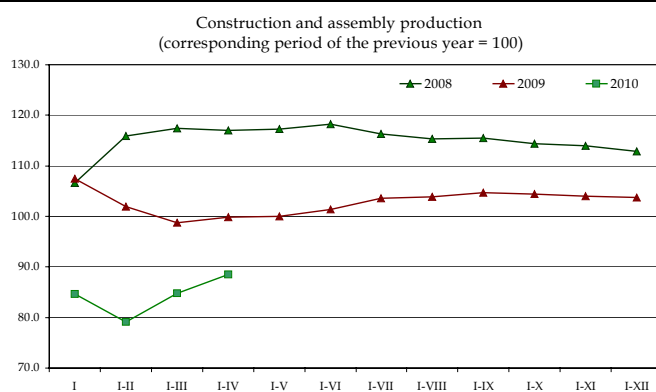
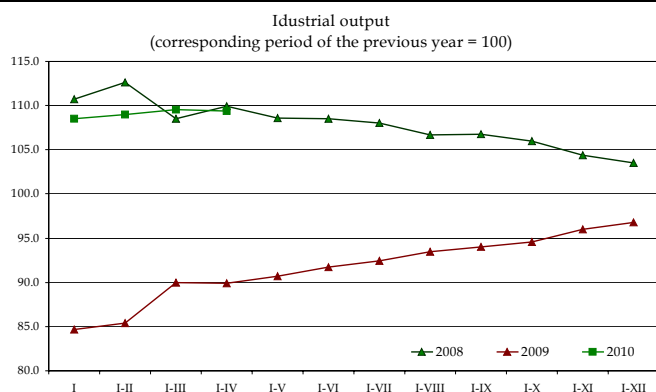
\* CSO preliminary data



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

- A growth in sold industrial production amounted to 9.4%. The biggest increase was recorded in manufacturing (10.9%).
- Construction and assembly production decreased by 11.5%.
- Consumer Price Index was at the level of 2.8%.
- An amount of registered unemployment amounted to 1,974 thousand persons (increase by 14.8%).
- Registered unemployment rate made up 12.3%.
- Average monthly wages and salaries in enterprise sector amounted to PLN 3,366 and was higher by 3.0% (in nominal terms).
- Average monthly retirement pay and pension from non-agricultural social security system increased by 7.0%, and individual farmers by 5.8% (in nominal terms).
- Execution of revenues stood at 32.0% and expenditures 35.4% of the amount planned in the Budgetary Law, budget deficit amounted to PLN 27.0 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 got stronger against US dollar and euro.
- At the end of March 2010 the cumulative current account balance deficit was higher than in 2009 by EUR 1,063 m.

**January-April 2010: sold production of industry increased by 9.4% and construction and assembly production dropped by 11.5% (comparing to the corresponding period of the previous year).**



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

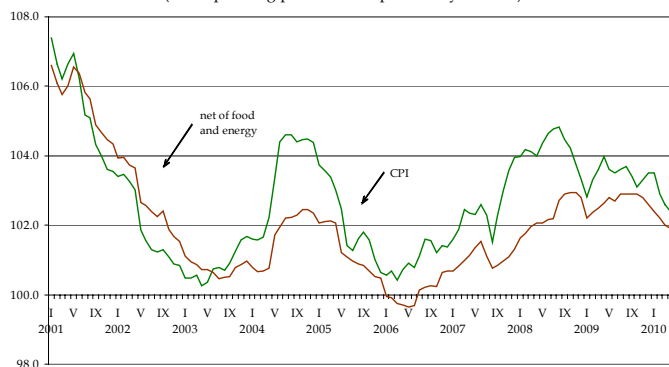
		I	I-II	I-III	I-IV	I-V	I-VI	I-VII	I-VIII	I-IX	I-X	I-XI	I-XII
Sold production of industry	2009	84.7	85.4	90.0	89.9	90.7	91.7	92.4	93.5	94.0	94.6	96.0	96.8
	2010	108.5	109.0	109.5	109.4								
Construction and assembly production	2009	107.4	102.0	98.7	99.8	100.0	101.4	103.6	103.9	104.7	104.4	104.0	103.7
	2010	84.7	79.1	84.8	88.5								

**January-April 2010: price index of consumer goods and services reached 2.8%, of sold industrial production -1.3%, and price index of construction and assembly production -0.6% (comparing to the corresponding period of the previous year).**

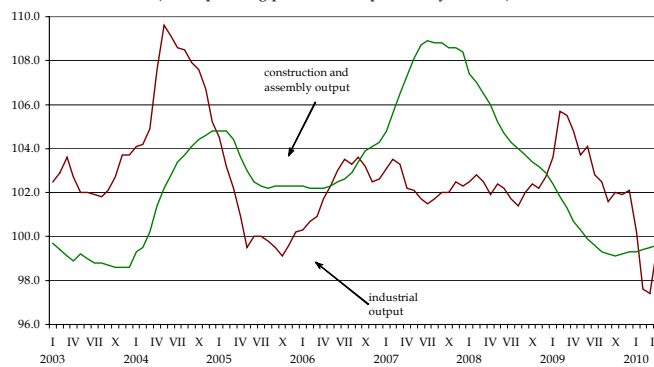
**Prices indices**

		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	98.9	98.4	98.7								
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	103.5	103.2	103.0	102.8								
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	99.3	99.4	99.4								

**Consumer Price Index and inflation net of food and energy prices (corresponding period of the previous year=100)**



**Producer Price Index (corresponding period of the previous year=100)**



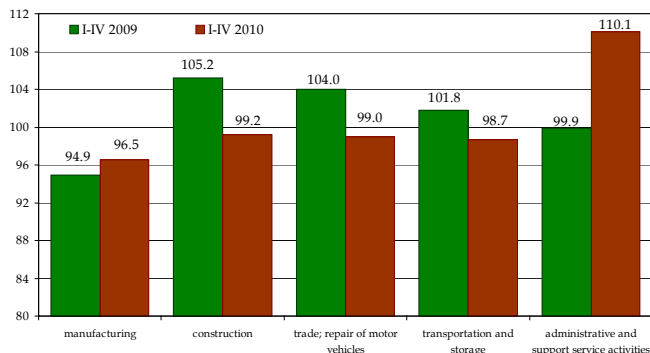
**January-April 2010: registered unemployment rate stood at 12.3%, employment in enterprise sector amounted to 5,303 thousand persons and dropped by 1.0% (comparing to the corresponding period of the previous year).**

#### Unemployment rate

	2005	2006	2007	2008	2009	IV 09	V	VI	VII	VIII	IX	X	XI	XII	I 10	II	III	IV	V	VI
<b>Registered unemployment</b>	17.6	14.8	11.2	9.5	11.9	10.9	10.7	10.6	10.7	10.8	10.9	11.1	11.4	11.9	12.7	13.0	12.9	12.3	--	--
<b>LFS*</b>	17.7	13.8	9.5	7.0	8.5	7.9			8.1			8.5			10.6			--		

\* LFS – Labour Force Survey

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

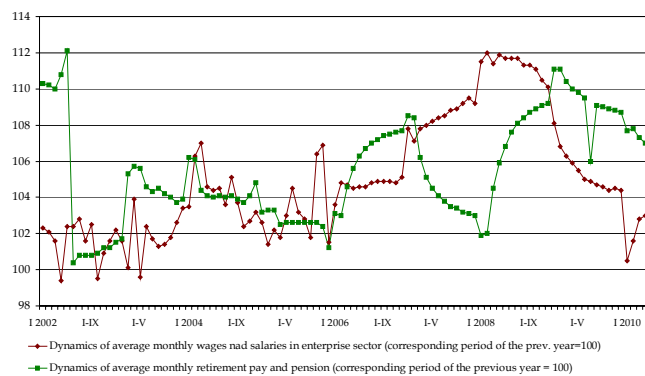


Employment rate (acc. to LFS)

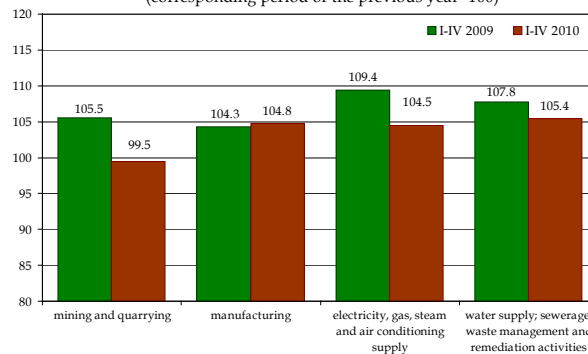


**January-April 2010: average wages and salaries in enterprise sector stood at PLN 3,366 and were higher by 3.0% (increased by 0.1% in real terms); (comparing to the corresponding period of the previous year).**

Salaries, wages verso social security benefits

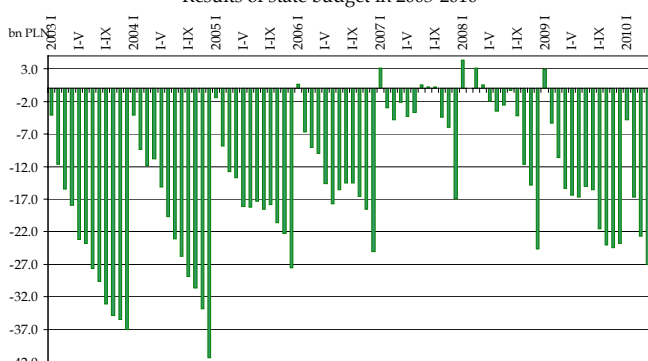


Dynamics of average monthly wages and salaries in enterprise sector (corresponding period of the previous year=100)

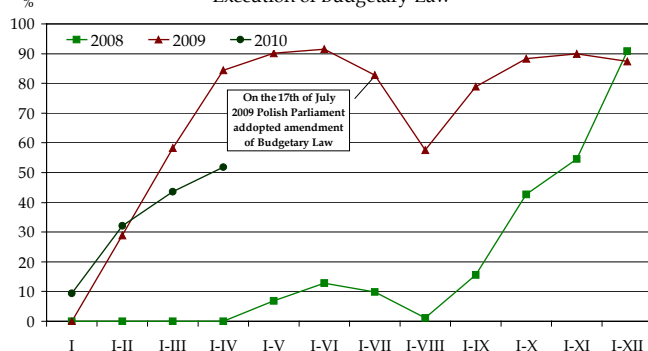


**January-April 2010: state budget revenues ensured execution of the Budgetary Law in 32.0%, expenditures in 35.4%, the budget deficit amounted to PLN 27.0bn.**

Results of state budget in 2003-2010



Execution of Budgetary Law



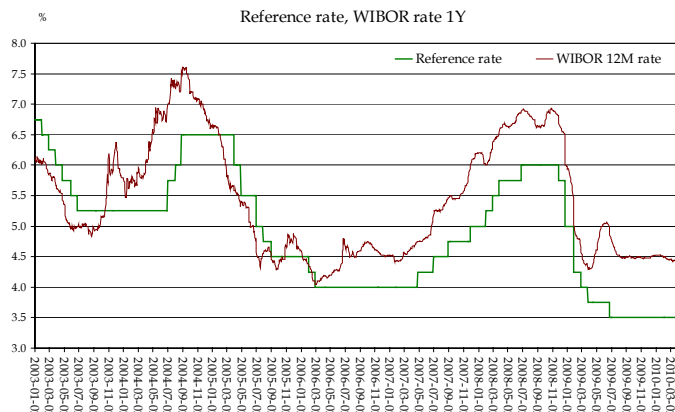
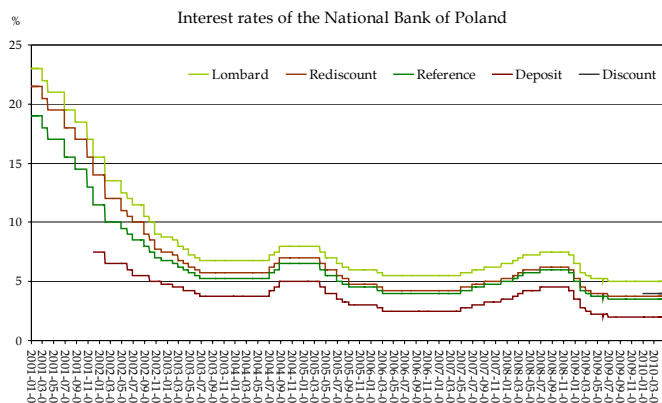
	Budgetary Law 2010	Execution		
		I-IV 2010	I-IV 2009	
		in bn PLN	in %	
<b>REVENUES</b>	<b>249.0</b>	<b>79.7</b>	<b>32.0</b>	<b>29.5</b>
Indirect taxes	160.8	54.0	33.6	29.3
CIT	26.3	7.9	29.9	32.1
PIT	36.1	11.3	31.2	30.6
<b>EXPENDITURES</b>	<b>301.2</b>	<b>106.8</b>	<b>35.4</b>	<b>32.6</b>
Domestic debt servicing	26.6	9.5	35.6	32.9
Foreign debt servicing	8.3	4.1	50.0	65.5
Subventions to the Pension Fund	15.4	5.0	32.1	33.0
Subventions to the Social Insurance Fund	37.9	17.9	47.1	34.6
General subventions to local self-government entities	47.2	19.9	42.3	42.2
<b>DEFICIT</b>	<b>-52.2</b>	<b>-27.0</b>	<b>51.8</b>	<b>84.3</b>
<b>Financing for budget of EU funds</b>	<b>-14.4</b>	<b>0.0</b>	<b>0.0</b>	<b>Δ</b>
<b>DEFICIT FINANCING SOURCES</b>	<b>66.6</b>	<b>27.0</b>	<b>40.6</b>	<b>84.3</b>
<b>DOMESTIC</b>	<b>45.5</b>	<b>14.7</b>	<b>32.4</b>	<b>116.5</b>
Treasury bonds	51.8	22.6	43.7	43.5
Revenues from privatisation	25.0	5.4	21.7	3.9
Pre-financing actions with EU sources	-1.3	0.0*	0.4	63.7
<b>FOREIGN</b>	<b>21.2</b>	<b>12.3</b>	<b>58.1</b>	<b>-</b>

Δ category not existed in Budgetary Law 2009; \* PLN -5,4 m

**January-April 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
<b>February 26, 2009</b>	5.50	4.25	4.00	2.50	
<b>March 26, 2009</b>	5.25	4.00	3.75	2.25	
<b>June 25, 2009</b>	5.00	3.75	3.50	2.00	
<b>January 1, 2010</b>	5.00	3.75	3.50	2.00	4.00



**January-March 2010: according to the provisional CSO data trade deficit shaped at a level of EUR 2,181 m and was lower by EUR 141 m, exports increased by 14.0%, when imports by 12.2% (comparing to the corresponding period of the previous year).**

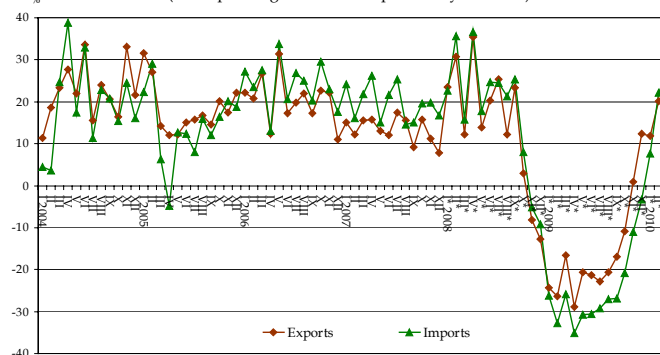
**Foreign trade in mln EUR (CSO data)**

	2008	2009	I-III 2009	I-III 2010
<b>Saldo</b>	-26,204	-8,719	-2,322	-2,181
<b>Eksport</b>	116,244	96,326	23,012	26,236
<b>Import</b>	142,448	105,045	25,334	28,417

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

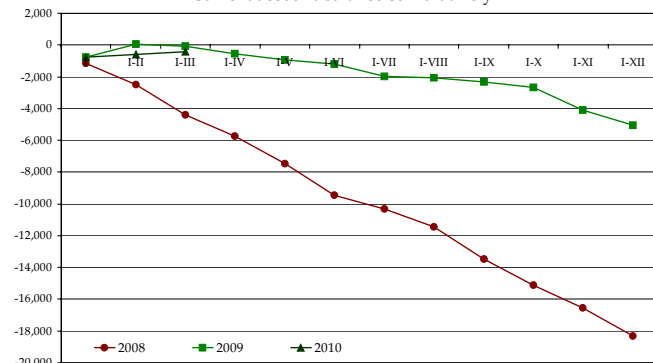
	2008	2009	I-III 2009	I-III 2010
<b>Saldo</b>	-17,726	-3,198	-764	-952
<b>Eksport</b>	121,082	100,130	23,479	27,932
<b>Import</b>	138,808	103,328	24,243	28,884

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



**January-March 2010: current account deficit amounted to EUR 1,158 m, in a value higher by EUR 1,063 m in comparison with deficit in the corresponding period of the year 2009.**

**Current account balance cumulatively**

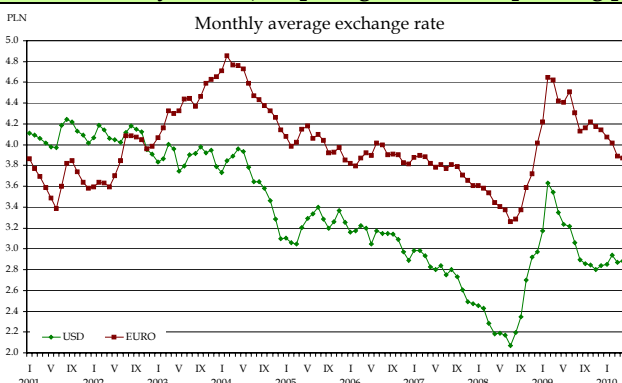


**Current account balance**

	2004	2005	2006	2007	2008	I-III 2009	2009	I-III 2010
	-8,146	-3,005	-7,453	-14,721	-18,293	-95	-5,059	-1,158

	2009	I-III 2009	I-III 2010
	in mln EUR		
<b>Polish direct investment abroad</b>	-2,074	-157	-361
<b>Foreign direct investment in Poland</b>	8,303	1,536	3,527
<b>Portfolio investment - assets</b>	-165	134	-529
<b>Other investment - assets</b>	3,909	3,529	-1,734
<b>Official reserve assets</b>	-10,312	-138	-6,005

**January-April 2010: the zloty got stronger against the US dollar and against euro. The EUR/PLN exchange rate decreased by 11.4% and USD/PLN by 15.7% (comparing to the corresponding period of the previous year).**



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

		IV 2009	XI	XII	I 2010	II	III	IV
		<b>1 USD</b>	end of month	3.2859	2.7538	2.8503	2.9083	2.9251
	monthly average	3.3480	2.7990	2.8351	2.8518	2.9381	2.8672	2.8796
<b>1 EUR</b>	end of month	4.3838	1.1431	1.1082	1.0616	1.0766	1.0622	1.0920
	monthly average	4.4193	1.1734	1.1427	1.0720	1.0151	1.0691	1.0870