

# Poland: Economic Outlook

## Will the outperformance continue?

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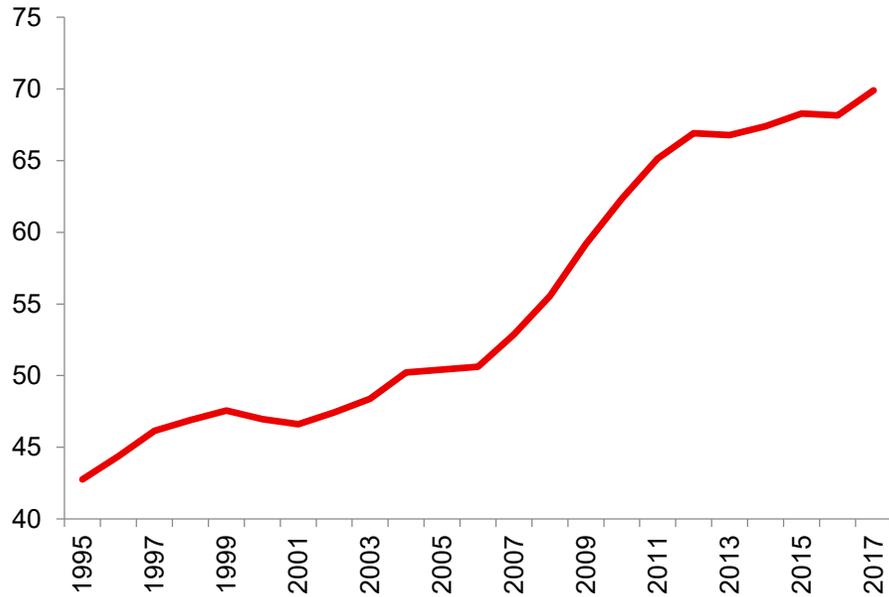


**Bank Roku 2018**  
w Polsce według  
magazynu **The Banker**



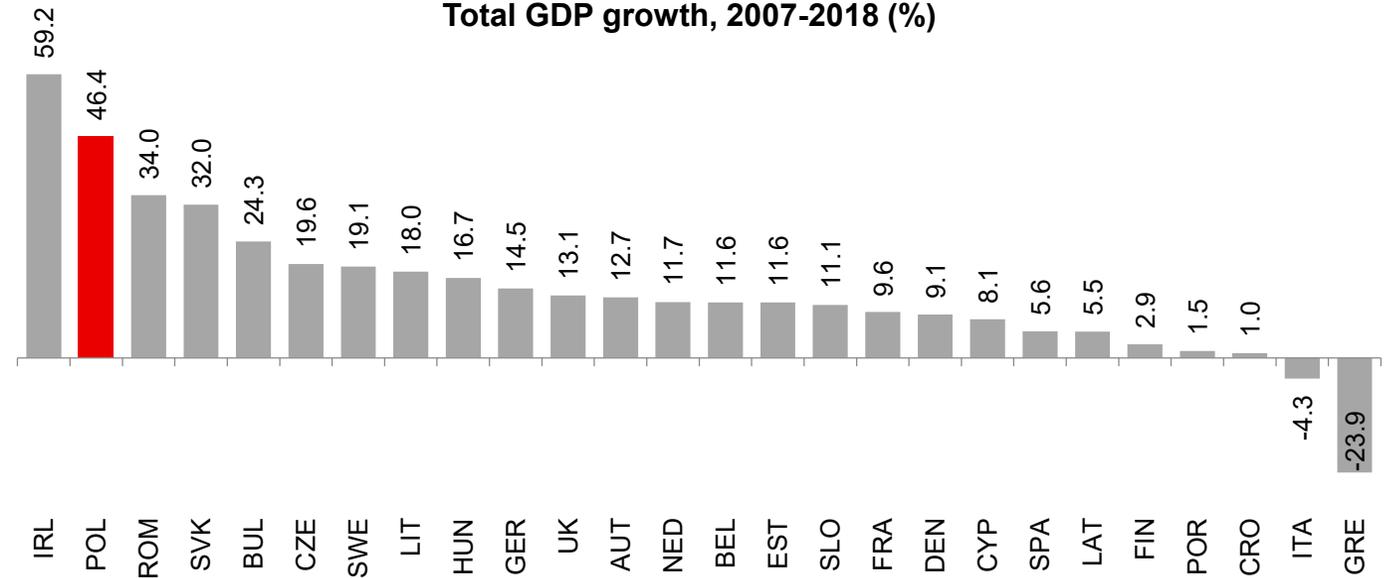
# Poland: the European growth champion

Poland: GDP per capita (PPS), % of EU average

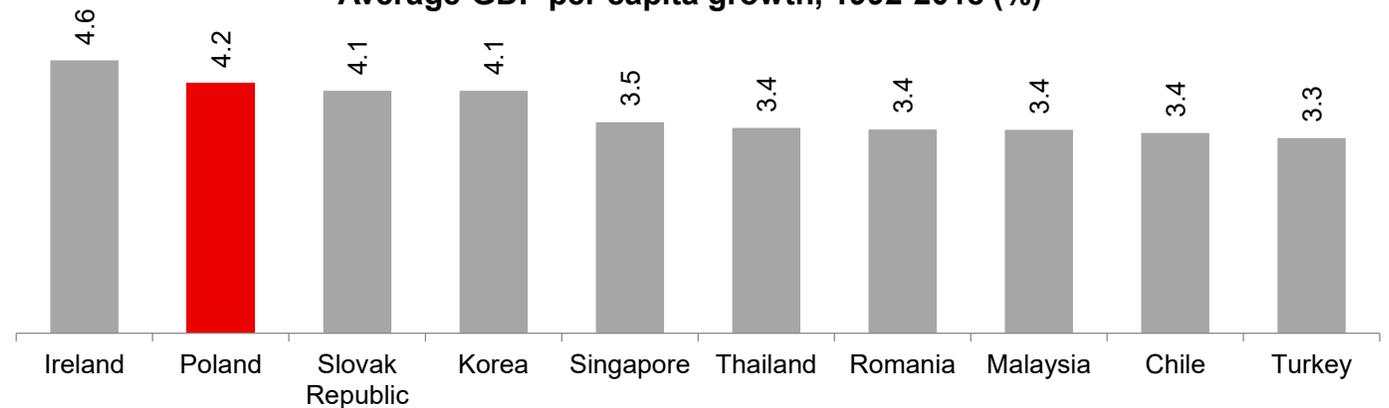


Source: Eurostat, Santander

Total GDP growth, 2007-2018 (%)

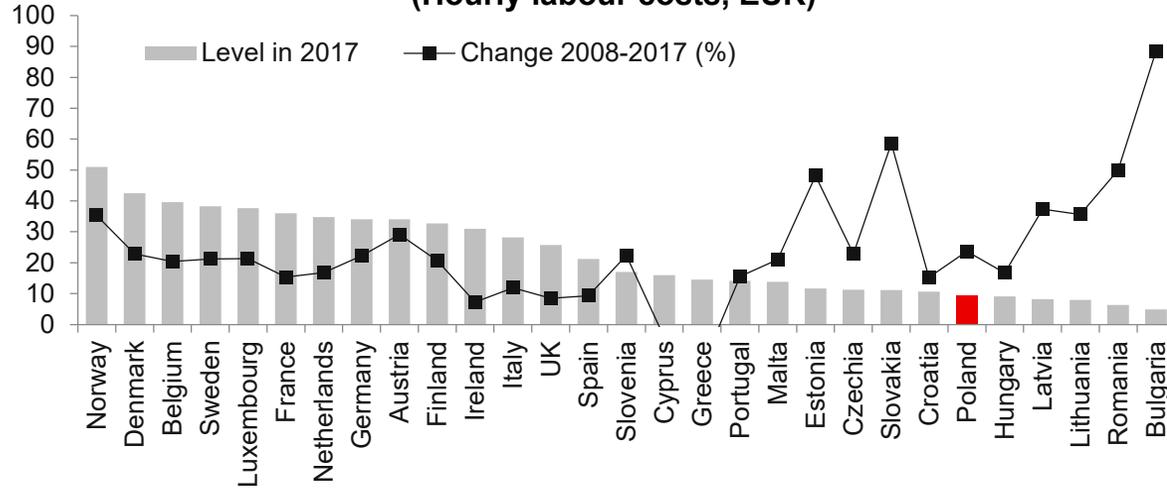


Average GDP per capita growth, 1992-2018 (%)



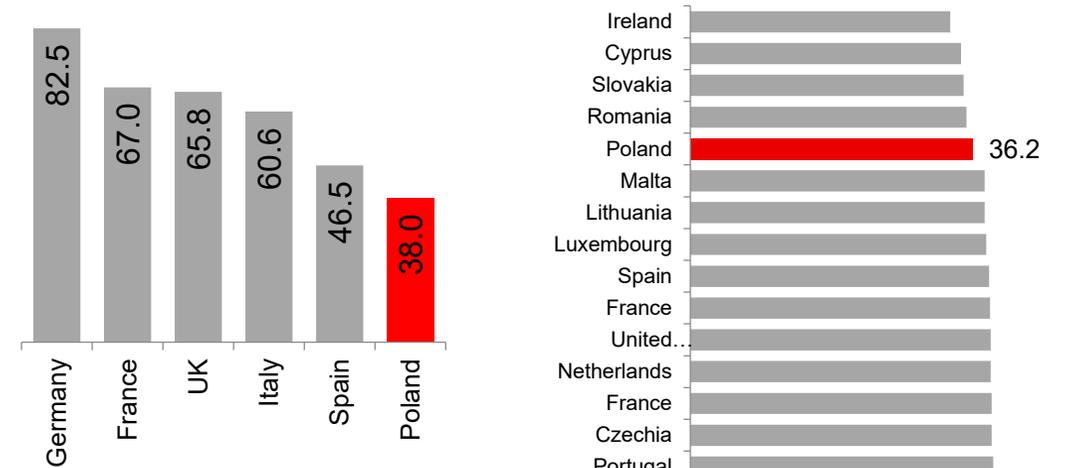
# Factors behind the success

Labour costs among the lowest in Europe, rising only moderately:  
(Hourly labour costs, EUR)

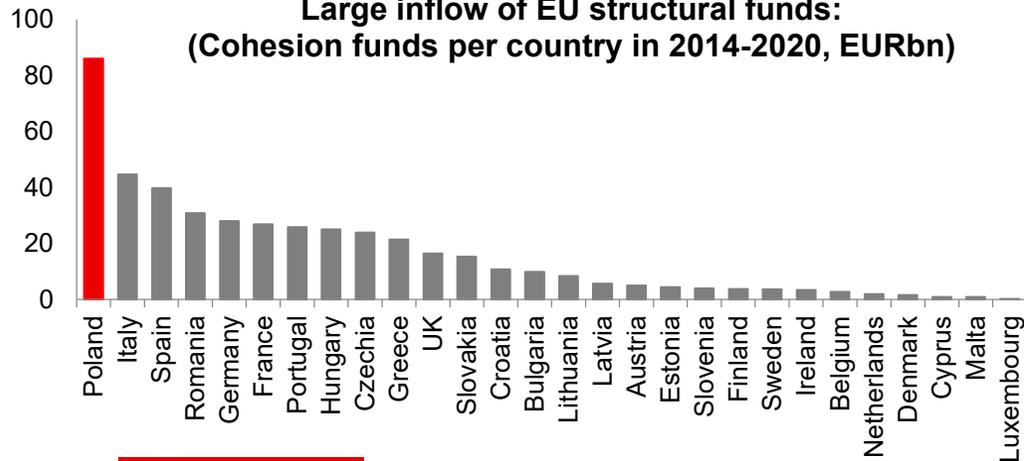


Source: Eurostat, Santander

Large, young, and well educated population:  
(Population in mn, 2017) (Median age, 2004)

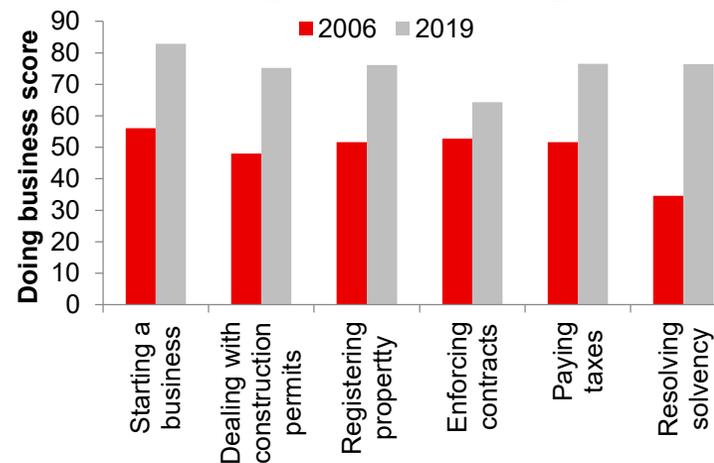


Large inflow of EU structural funds:  
(Cohesion funds per country in 2014-2020, EURbn)

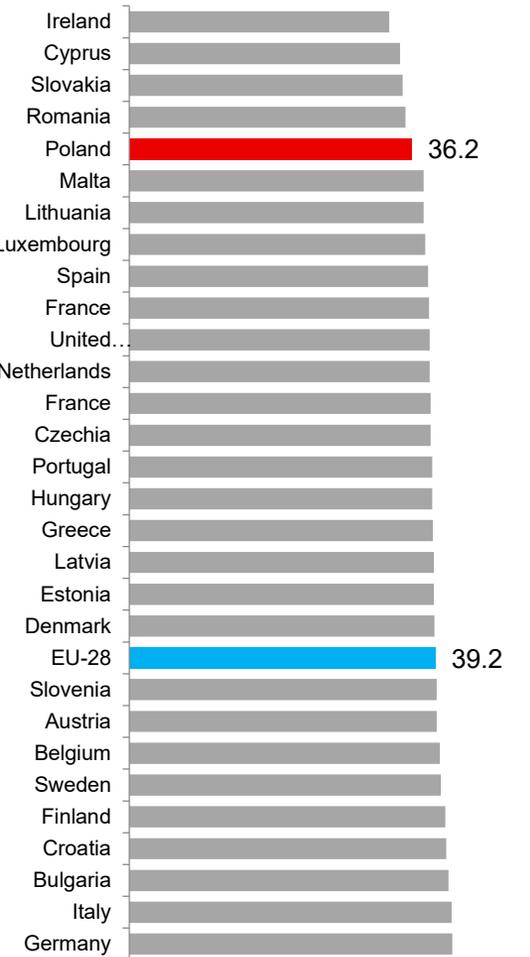


Source: European Commission, Santander

Improving business framework:  
(Doing Business Ranking)



Source: World Bank, Santander

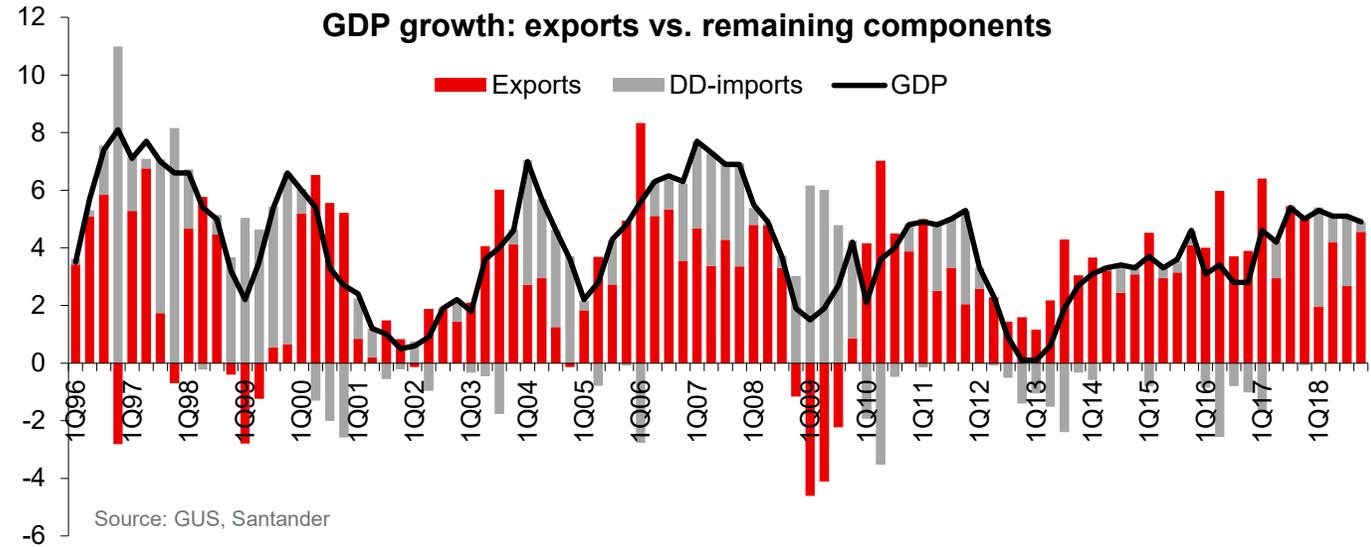


# Export-driven expansion

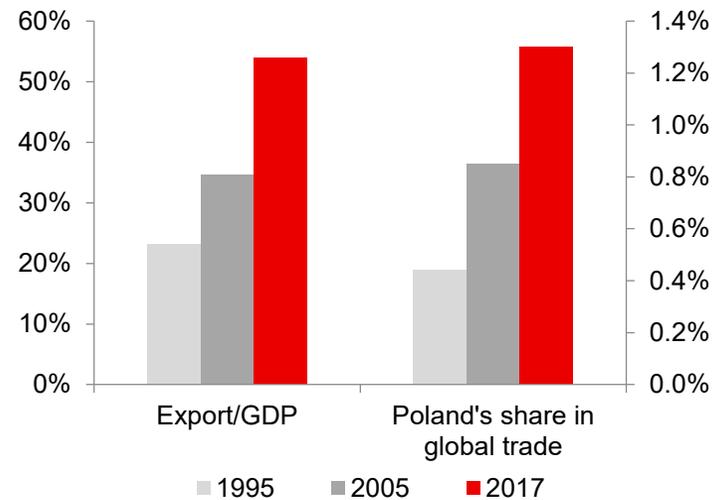
Geographical location - on the main trade routes



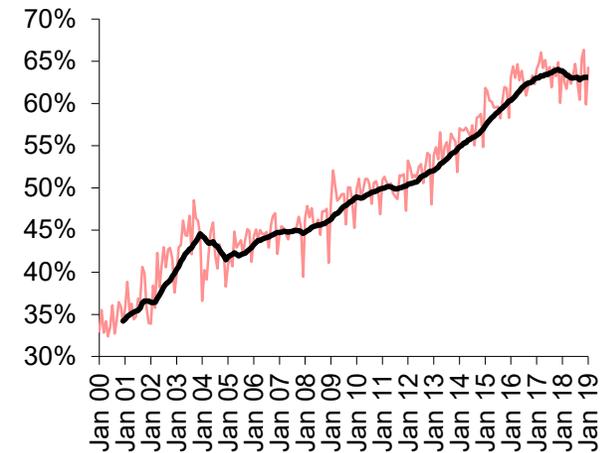
Source: "Belt and Road" Initiative Logistics Innovation and Application Seminar, China - Jilin Province, January 2019



Exports of goods and services

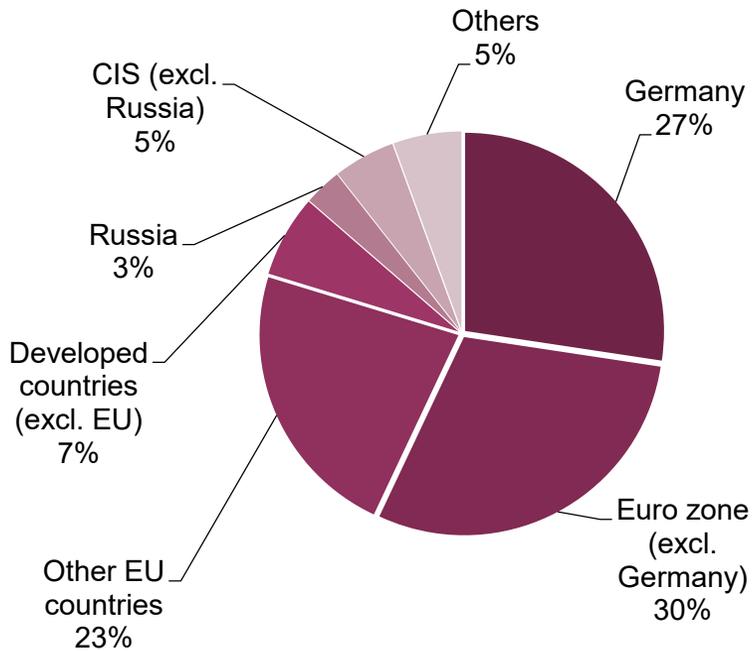


Exports-to-industrial output ratio



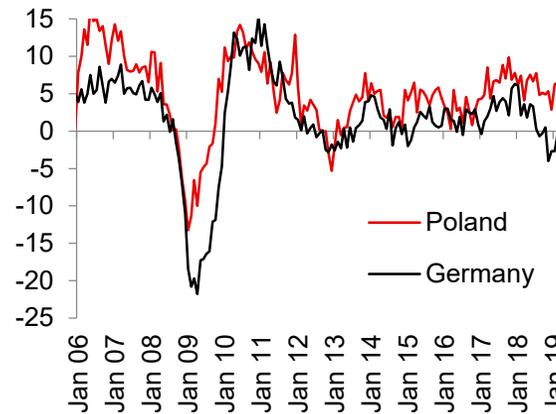
# Can we decouple from the global slowdown?

**Polish export by main destinations (2017)**



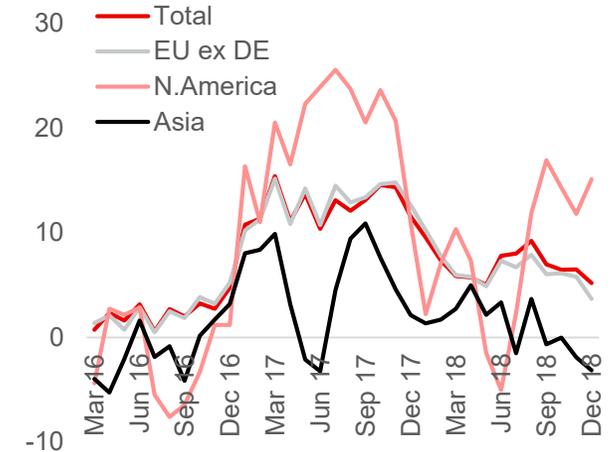
Source: GUS, Santander

**Production: Germany vs. Poland, %/y WDA**



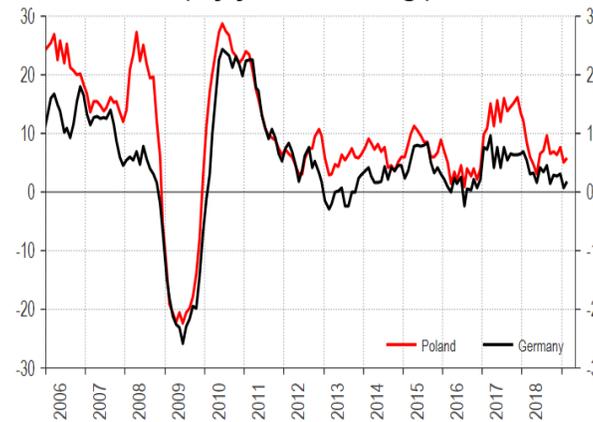
Source: GUS, Eurostat, Santander

**Poland, exports to selected regions, % y/y 3M mov.avg.**



Source: GUS, Santander

**Export growth: Poland vs Germany (%/y, 3M mov.avg.)**



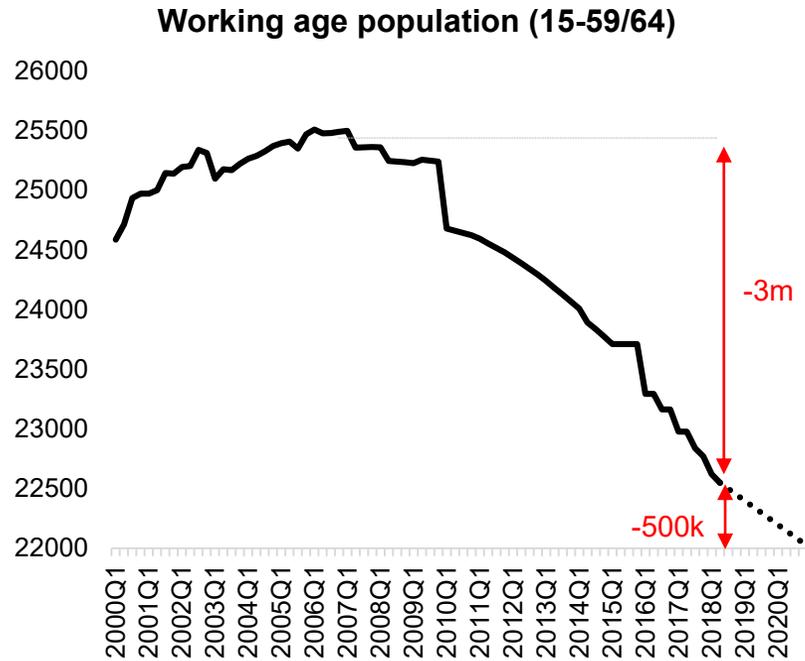
Source: Thomson Reuters Datastream

**Value of new orders in industry, %/y, 3M mov.avg.**

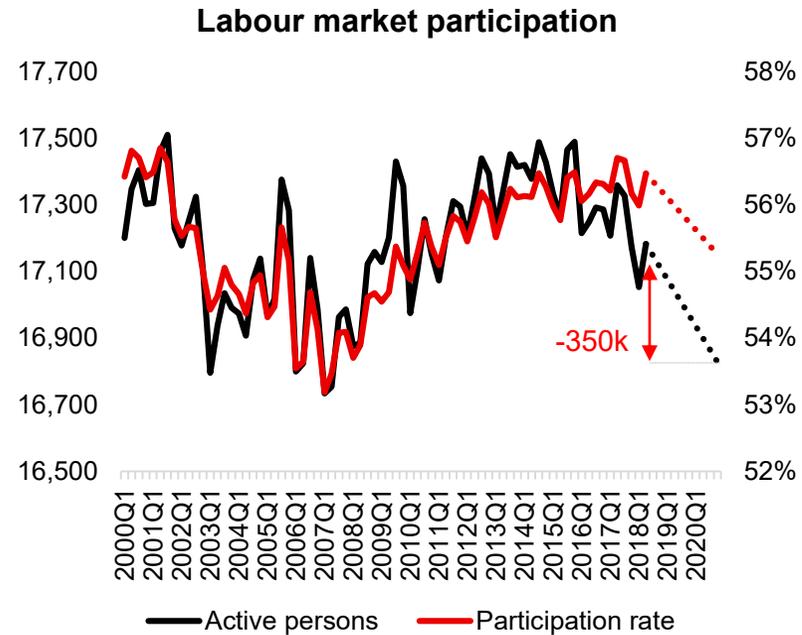


Source: GUS, Santander

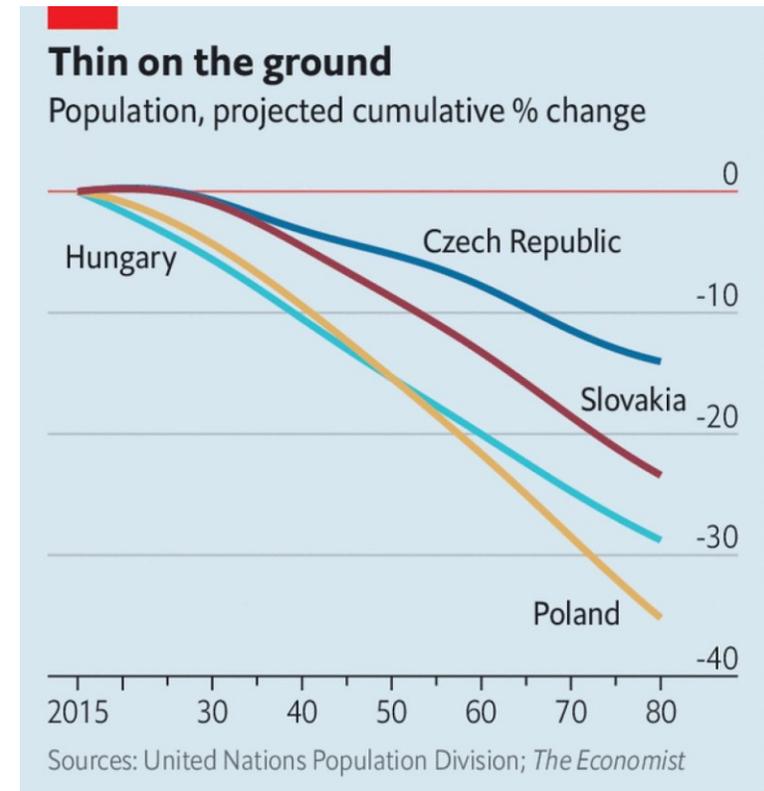
# Can we cope with the demographic challenge?



Source: Eurostat, Santander



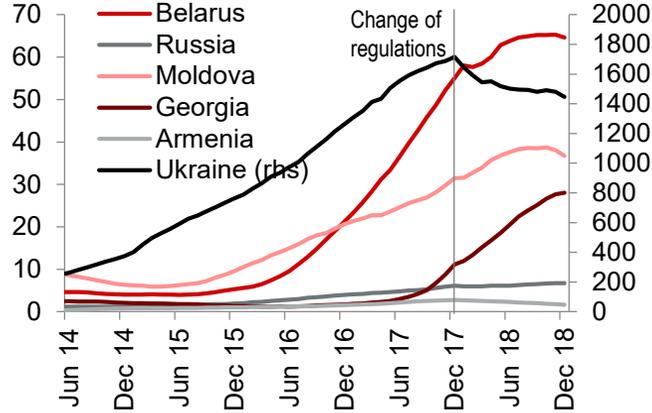
Source: Eurostat, Santander



The Economist

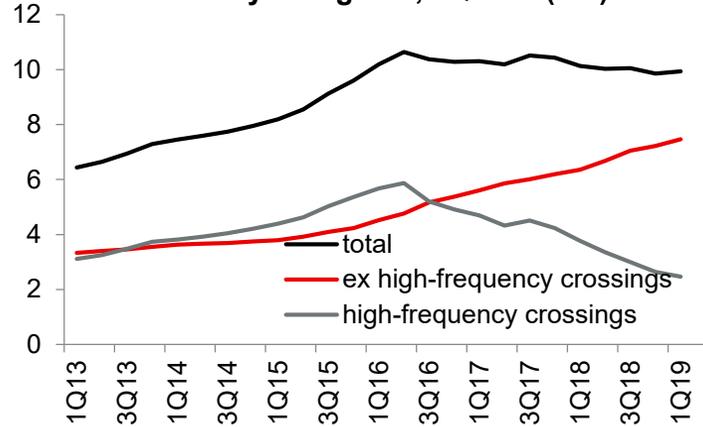
# Will immigrants keep coming?

**Declarations of hiring a non-resident  
12M sum (k)**



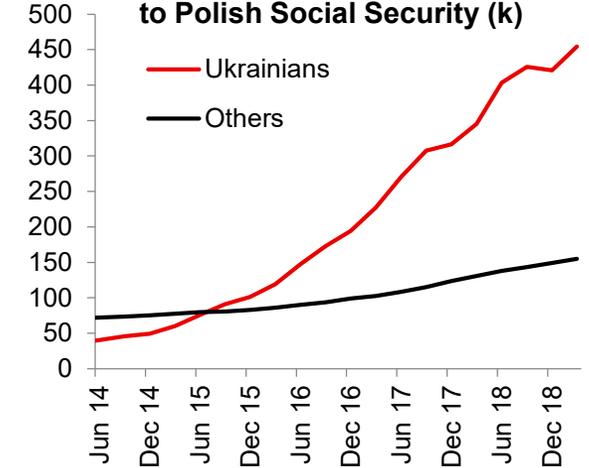
Source: GUS, Santander

**Number of crossings of the Ukrainian border to  
Poland by foreigners, 4Q sum (mn)**



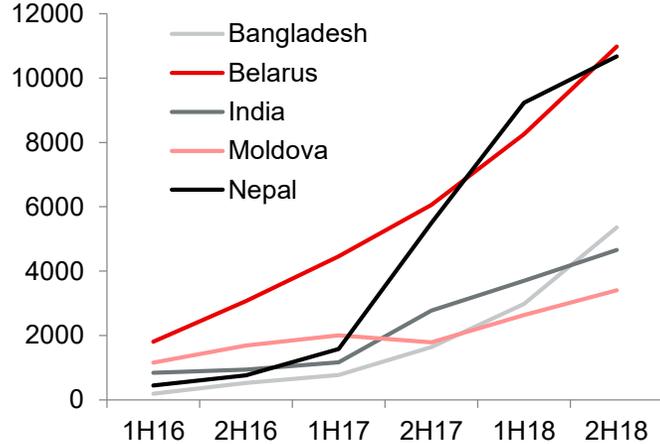
Source: Border Guard, Santander

**Number of foreigners contributing  
to Polish Social Security (k)**



Source: ZUS, Santander

**Number of work permits (k)**



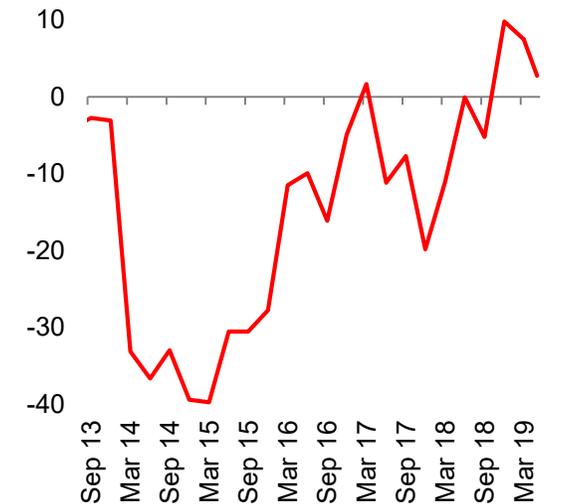
Source: Ministry of Labour, Santander

**Average wage growth in real terms, %/y**



Source: Bloomberg, Santander

**UAHPLN %/y**

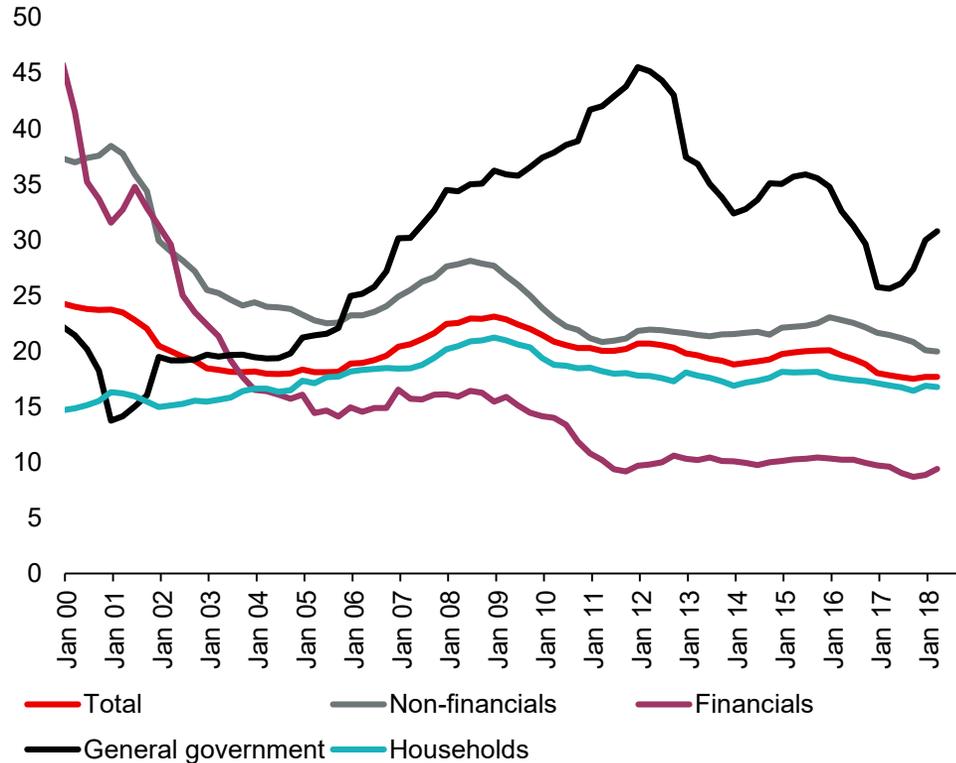


Source: Bloomberg, Santander

# Will fixed investments keep accelerating?

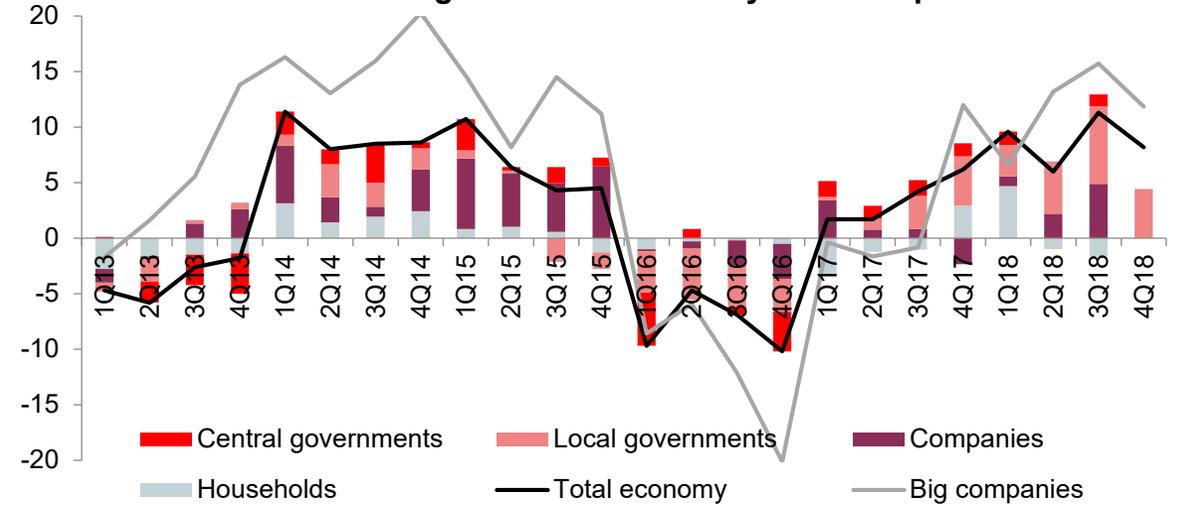
## Investment rates by sector

(fixed investments in relation to gross value added in a given sector)



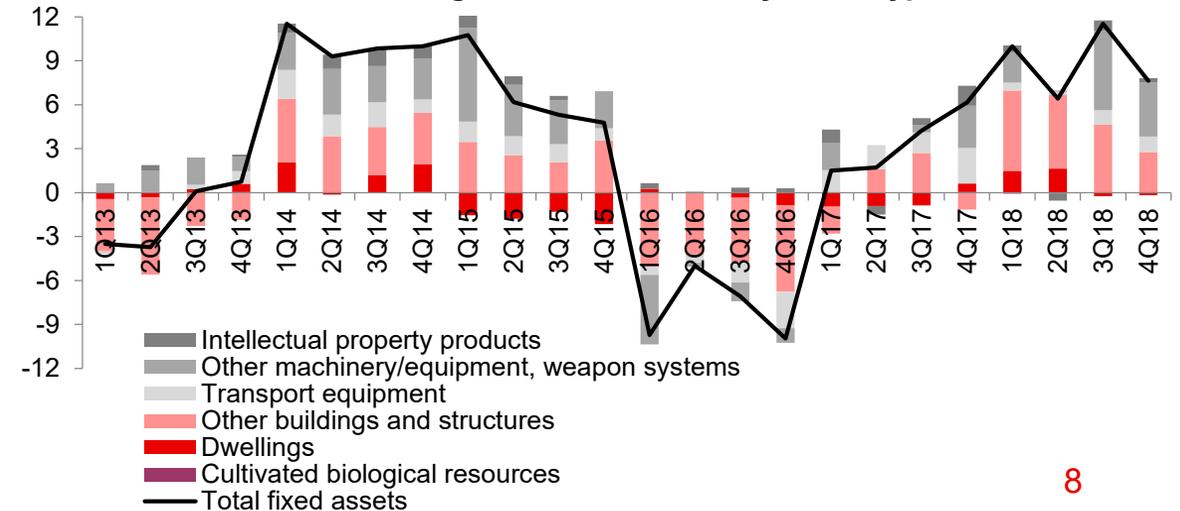
Source: Eurostat, Santander

## Investment growth breakdown by ownership



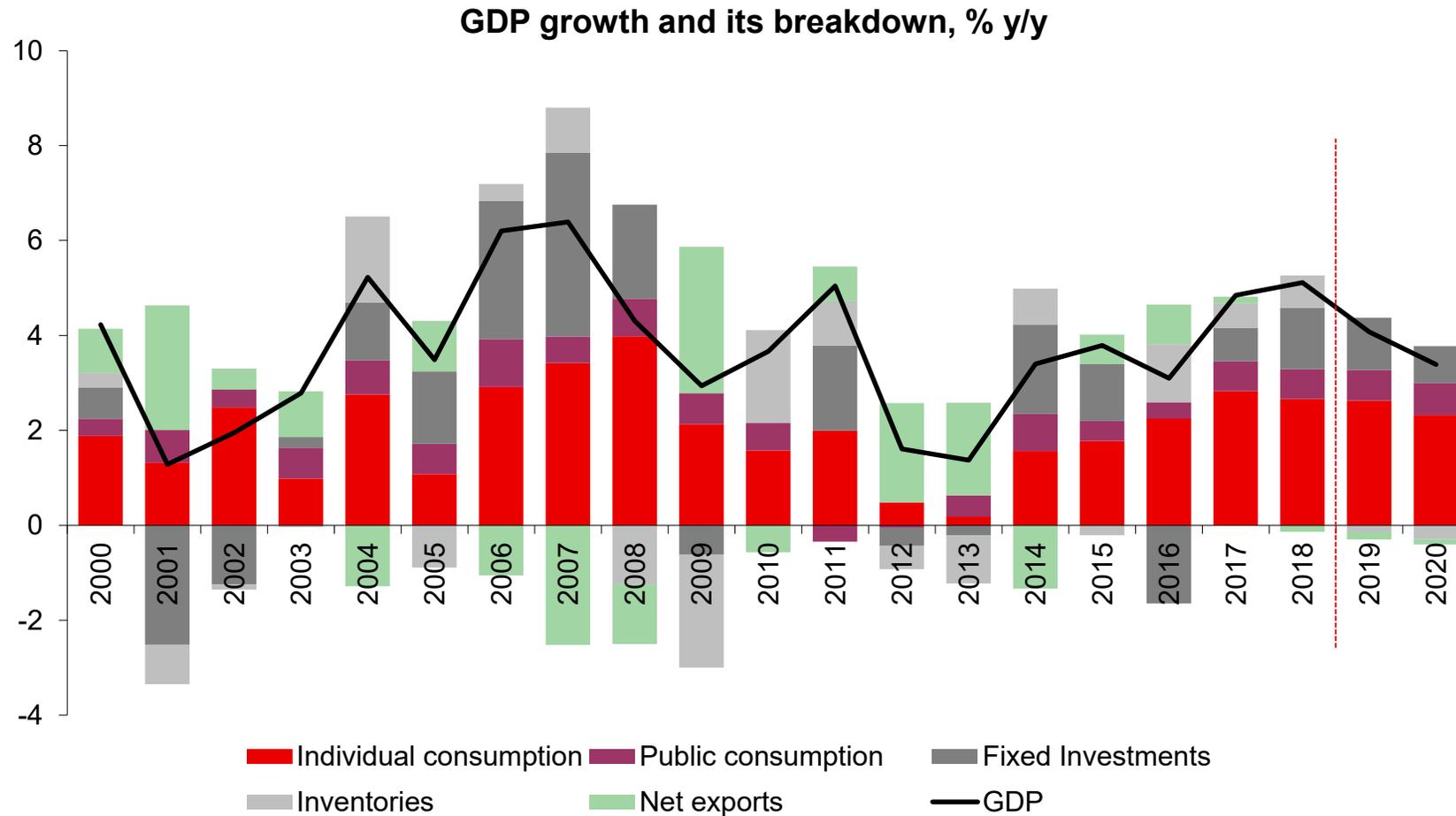
Source: GUS, Eurostat, Santander

## Investment growth breakdown by asset type



Source: GUS, Eurostat, Santander

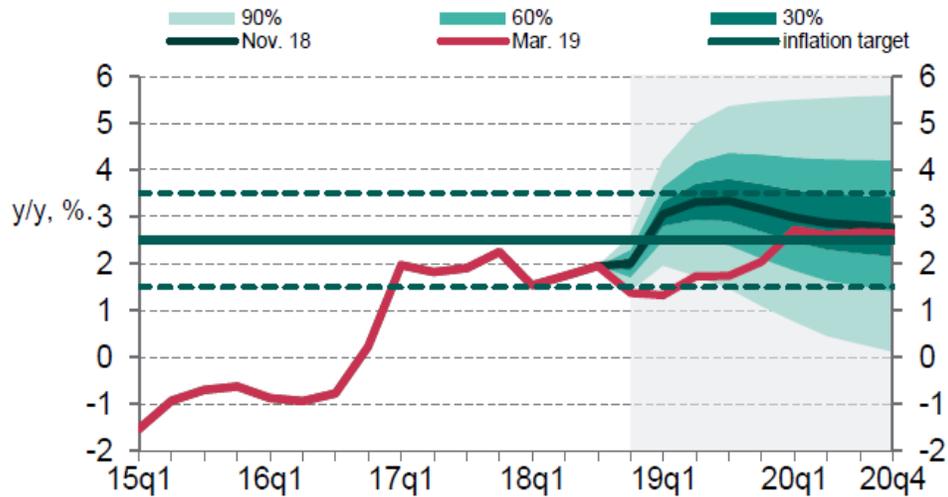
# Will GDP growth keep outperforming?



Source: GUS, Santander

# Will inflation and interest rates stay low for long?

NBP's inflation projection – March vs. November



Source: NBP

## PAP Consensus Call: polish MPC hawks and doves

Individual Council Member Bias, as ranked in PAP consensus survey of sell-side economists

Consensus results based on a survey of fifteen economists, as collected by PAP Business 13-18 Mar 2019

● March 2019 Call  
○ December 2018 Call

Bias:

5 - hawkish

3 - neutral

1 - dovish

The fiscal package does not affect monetary policy outlook.

Interest rate stability can no longer be guaranteed.

Member	Bias Score	Change
Kamil Zubelewicz	4.9	-
Eugeniusz Gatnar	4.5	-0.2
Łukasz Hardt	3.7	-
Jerzy Osiatyński	2.9	-
Grażyna Ancyparowicz	2.8	-0.1
Rafał Sura	2.6	-
Jerzy Kropiwnicki	2.3	-0.1
Adam Glapiński	1.8	-0.1
Jerzy Żyżyński	1.7	+0.6
Eryk Łon	1.1	-0.1

Source: PAP Business





# Thank You.

Our purpose is to help people  
and business prosper.

Our culture is based on believing  
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**Simple Personal Fair**



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