



Warsaw, 16 January 2025

Information from the meeting of the Monetary Policy Council held on 15-16 January 2025

The Council decided to keep the NBP interest rates unchanged:

- reference rate at 5.75%;
- lombard rate at 6.25%;
- deposit rate at 5.25%;
- rediscount rate at 5.80%;
- discount rate at 5.85%.

The economic conditions in the environment of the Polish economy are still weakened. In late 2024, the annual GDP growth in the euro area was probably moderate, and in Germany it was close to zero. Meanwhile, in the United States the annual economic activity growth presumably remained relatively high. Uncertainty about the activity outlook in the largest economies persists.

Inflation in the major advanced economies increased in recent months, which – to a large extent – was attributed to higher growth of energy prices. At the same time, core inflation is still higher than headline inflation, amid elevated growth in services prices.

In Poland, incoming data signal that in 2024 Q4 GDP growth increased. In November 2024, growth in retail sales accelerated, which was accompanied by negative annual growth in industrial production and in construction and assembly output. In the labour market unemployment remains low and the number of working persons continues to be high, although employment in the enterprise sector in November 2024 was lower than a year earlier. At the same time, the wage growth is still running at the high level.

Annual CPI inflation in December 2024 was 4.7% (against 4.7% in November). Higher inflation in the second half of 2024 compared to the first half of the year resulted mainly from the increases in the administered prices of energy carriers, as well as – albeit to a lesser extent – the higher annual growth in prices of food and non-alcoholic beverages. At the same time, inflation net of food and energy prices remains elevated, mainly due to high growth in services prices. This is supported by the high wage growth, stemming i.a. from wage increases in the public sector. Meanwhile, the annual growth in producer prices remains negative.



In the Council's assessment, in the coming quarters, inflation will remain markedly above the NBP inflation target, driven by the effects of the already introduced increases in energy prices, as well as rises in excise duties and administered services prices. At the same time, core inflation will probably also continue to be elevated. Unfreezing of energy prices in the second half of 2025 may contribute to extending the period of inflation staying above the target.

In the medium term – under the current NBP interest rates level and amid the expected gradual decline in wage growth – inflation should return to the NBP target. The impact of elevated inflation on inflation expectations and wage pressure – especially against the anticipated economic recovery and low unemployment – remains an uncertainty factor. Inflation developments over the medium term will be also affected by the further fiscal and regulatory policy measures.

Against this background, the Council decided to keep the NBP interest rates unchanged. The Council judges that the current level of the NBP interest rates is conducive to meeting the NBP inflation target in the medium term.

Further decisions of the Council will depend on incoming information regarding prospects for inflation and economic activity.

NBP will continue to take all necessary actions in order to ensure macroeconomic and financial stability, including above all to bring inflation down sustainably to the NBP inflation target in the medium term. NBP may intervene in the foreign exchange market.