



Warsaw, 12 March 2025

Information from the meeting of the Monetary Policy Council held on 11-12 March 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%.

In 2024 Q4, the annual GDP growth in the euro area accelerated, while in Germany it was slightly negative. Meanwhile, in the United States the annual economic activity growth in 2024 Q4 was close to its longer-term average. Inflation in the major advanced economies is running slightly above the central banks' inflation targets, mainly as a result of elevated core inflation, including services price growth. The outlook for economic activity and inflation around the world is fraught with uncertainty, which is related to, among others, changes in trade policies.

In Poland, according to the Statistics Poland preliminary estimate, GDP growth accelerated to 3.2% y/y in 2024 Q4 (from 2.7% y/y in Q3). At the same time, growth in domestic demand, including private consumption, picked up (to 4.8% y/y). In January 2025, the annual growth rates of retail sales as well as construction and assembly production increased markedly, while industrial output growth was negative. In the labour market unemployment remains low and the number of working persons continues to be high, although employment in the enterprise sector in January 2025 was lower than a year earlier. At the same time, the wage growth is still running at the high level.

According to the Statistics Poland preliminary data, annual CPI inflation in January 2025 rose to 5.3%. The rise in inflation significantly above the NBP target from mid-2024 was mainly due to the implemented increases in the administered energy prices – in particular partial unfreezing of energy carriers prices from July 2024 and the increase in natural gas distribution tariffs from January 2025 – as well as, albeit to a lesser extent, the higher annual growth in prices of food and non-alcoholic beverages. At the same time, core inflation is also elevated, mainly due to rapidly rising services prices, amid high wage growth.



The Council became acquainted with the results of the March projection of inflation and GDP based on the NECMOD model. In line with the projection, prepared under the assumption of unchanged NBP interest rates and taking into account data available until 27 February 2025, there is a 50-percent probability that the annual price growth will be in the range of 4.1 – 5.7% in 2025 (against 4.2 – 6.6% in the November 2024 projection), 2.0 – 4.8% in 2026 (compared to 1.4 – 4.1%) and 1.1 – 3.9% in 2027. At the same time, the annual GDP growth – according to the projection – will be with a 50-percent probability in the range of 2.9 – 4.6% in 2025 (against 2.4 – 4.3% in the November 2024 projection), 1.9 – 4.0% in 2026 (compared to 1.7 – 4.0%) and 1.1 – 3.5% in 2027.

In the Council's assessment, inflation this year will be markedly above the NBP inflation target, driven by the effects of the already introduced increases in energy prices, rises in excise duties and administered services prices, as well as the further unfreezing of energy prices in the second half of 2025. In the coming quarters, core inflation will probably also continue to be elevated, amid a further economic recovery with a marked increase in domestic demand.

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 amid a rising demand 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.