NARODOWY BANK POLSKI

Economic Analysis and Research Department

Inflation and economic growth projection of Narodowy Bank Polski based on the NECMOD model

Warsaw / 7th November 2025

Projection 2025-2027

Economic conditions abroad

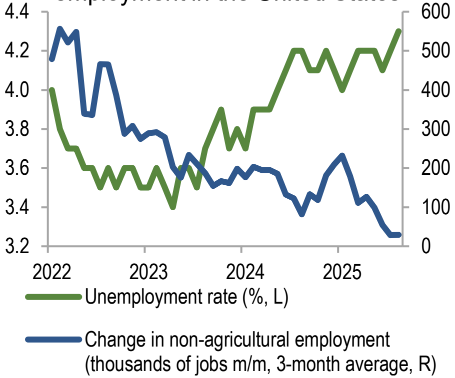
Upward revision of GDP growth forecast in the external environment; slightly better prospects for global trade

GDP growth in the main economies – NBP forecast (%)

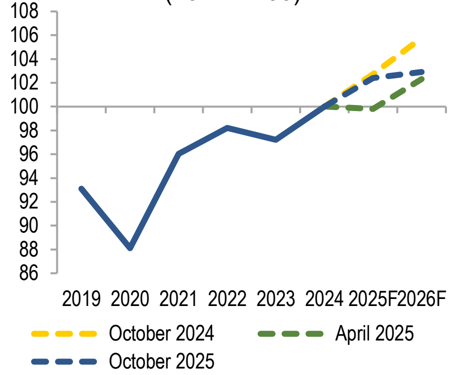
	2024	2025	2026	2027
Euro area	0.8 (0.9)	1.2 (0.9)	1.0 (1.0)	1.3 (1.3)
Germany	-0.5 (-0.2)	0.2 (0.2)	1.1 (1.0)	1.4 (1.4)
United Kingdom	1.1 (1.1)	1.5 (1.2)	1.0 (1.0)	1.1 (1.1)
USA	2.8 (2.8)	1.9 (1.4)	1.8 (1.4)	1.9 (1.9)
China	5.0 (5.0)	4.9 (4.6)	4.2 (4.3)	4.1 (4.2)

Values from the July projection are given in brackets (seasonally adjusted). Indicators with values higher than in the July projection are marked green, and indicators with lower values are marked red.

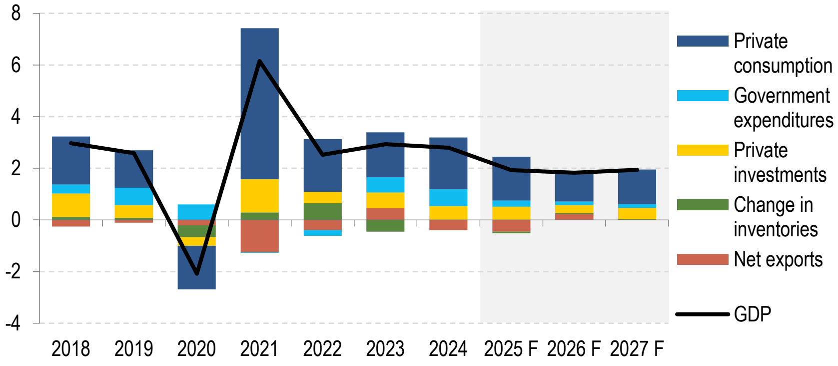
Unemployment rate and non-agricultural employment in the United States



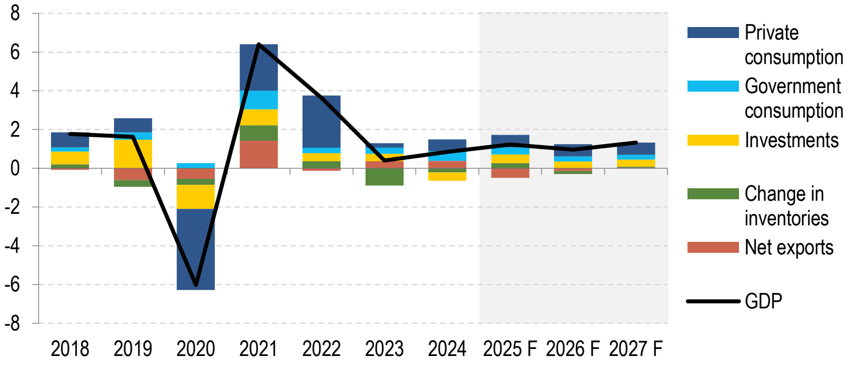
World Trade Forecasts according to the WTO (2024 = 100)



USA real GDP growth decomposition (%, pp.)



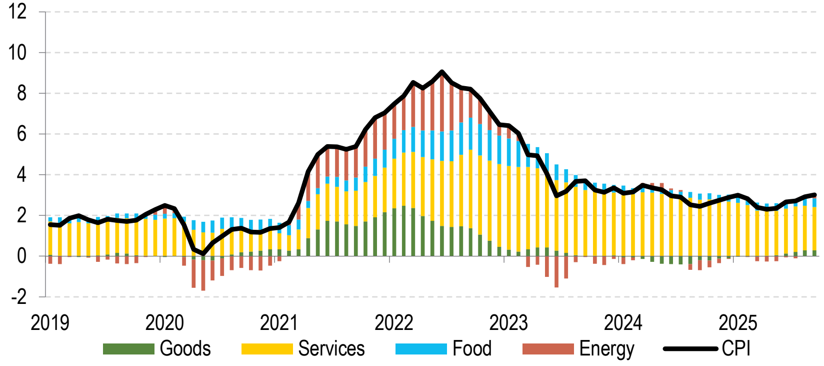
Euro area real GDP growth decomposition (%, pp.)



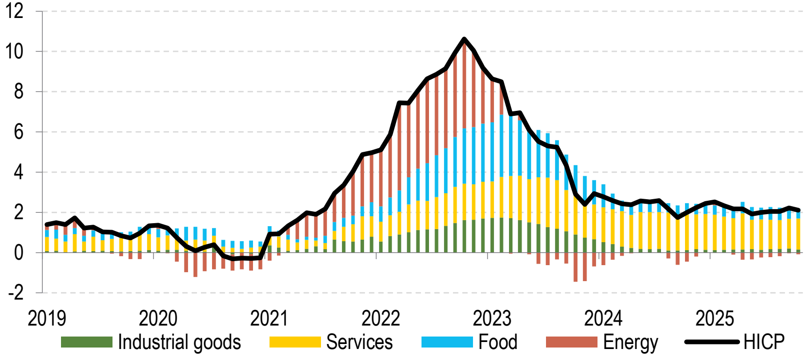
Source: BEA, Eurostat, U.S. Treasury, Census, The Budget Lab at Yale, WTO, NBP calculations.

Inflation in the USA will rise temporarily, reflecting the impact of higher tariffs. In the Euro area, inflation will gradually decrease as service inflation falls

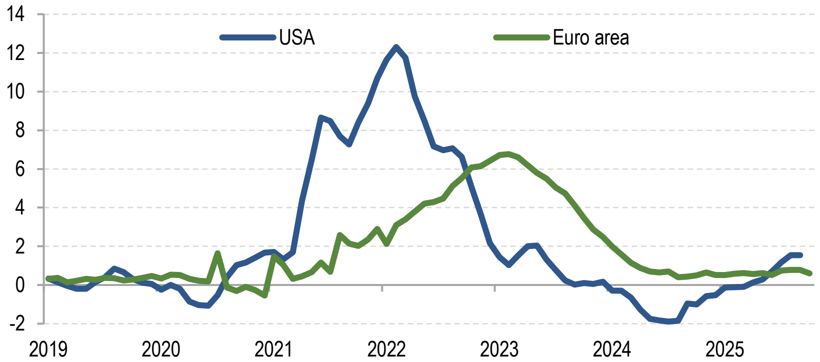
Decomposition of the CPI inflation in the USA (%, pp, y/y)



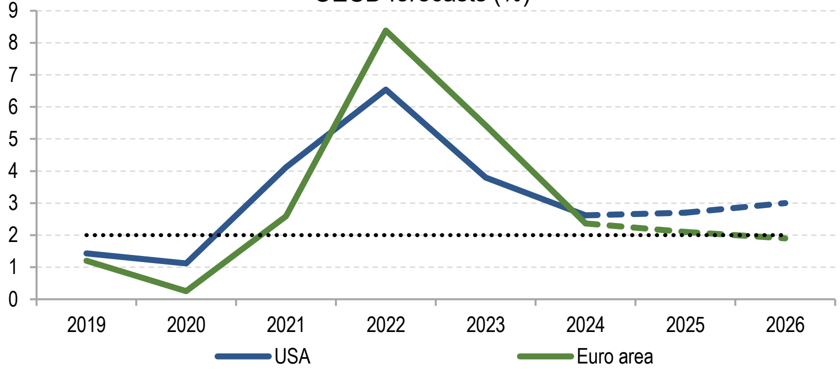
Decomposition of the HICP inflation in the Euro area (%, pp, y/y)



Goods inflation in the USA and Euro area (%, y/y)



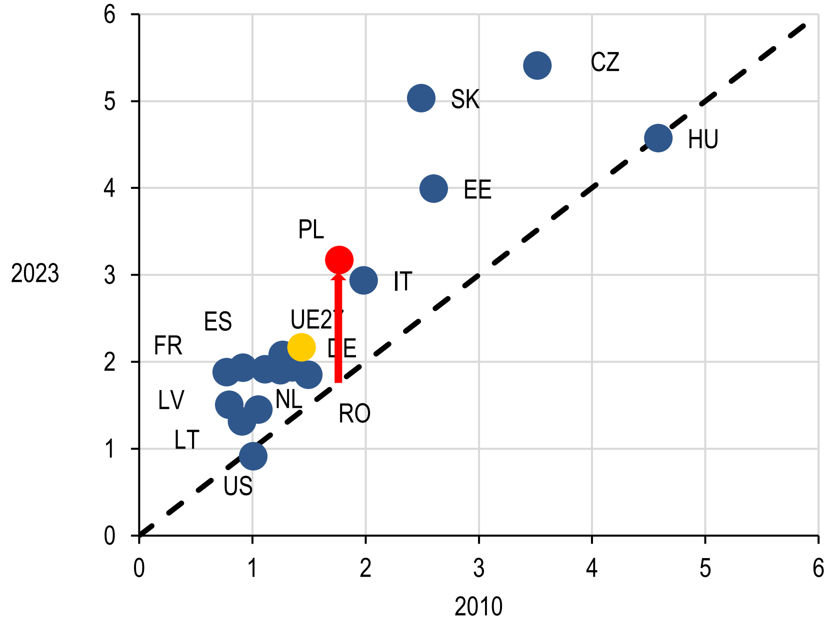
Annual average PCE inflation in the USA and HICP inflation in Euro area - OECD forecasts (%)



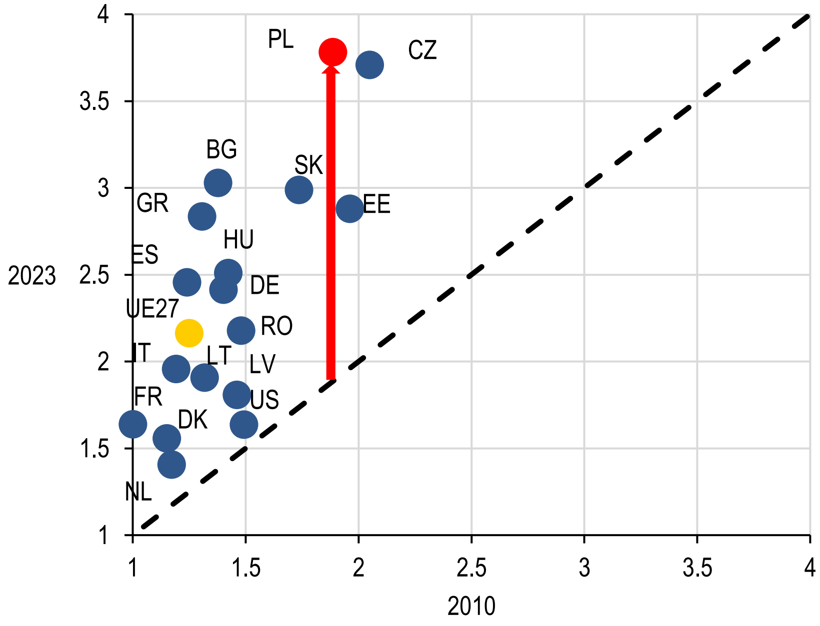
Source: BLS, Eurostat, OECD, NBP calculations.

The growing role of Chinese goods in European economies

Share of value added from China in gross exports in 2010 (horizontal axis, %) and 2023 (vertical axis, %)



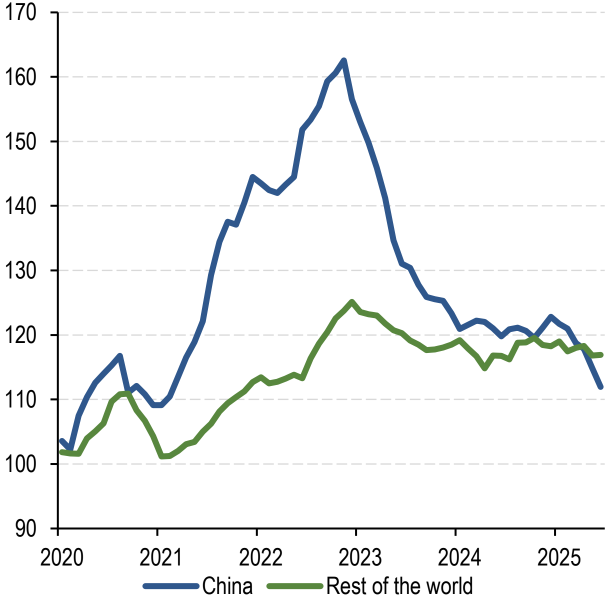
Share of value added from China in final demand in 2010 (horizontal axis, %) and 2023 (vertical axis, %)



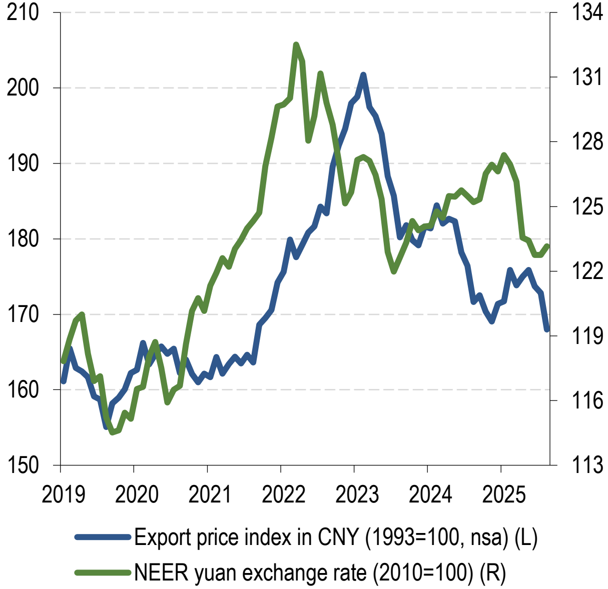
Source: Eurostat FIGARO.

High price competitiveness of goods imported from China supported by yuan depreciation

Unit price of imports from China and other countries (Jan 2020 = 100, 6-month moving average, structure of imports from China in 2019)



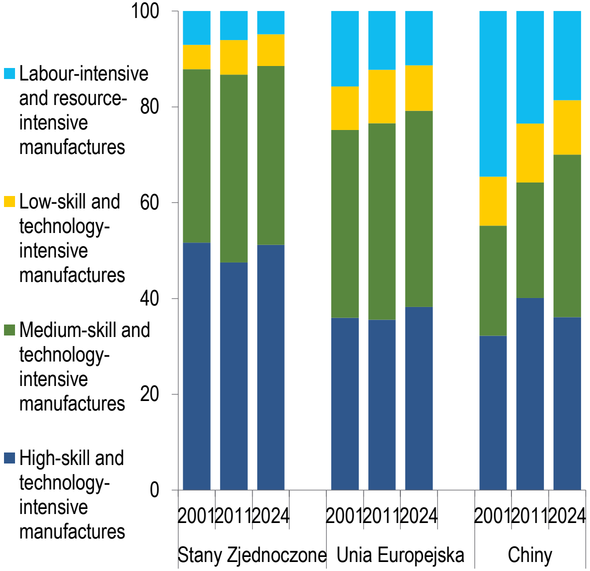
Chinese export prices (in CNY) against the yuan exchange rate (NEER)



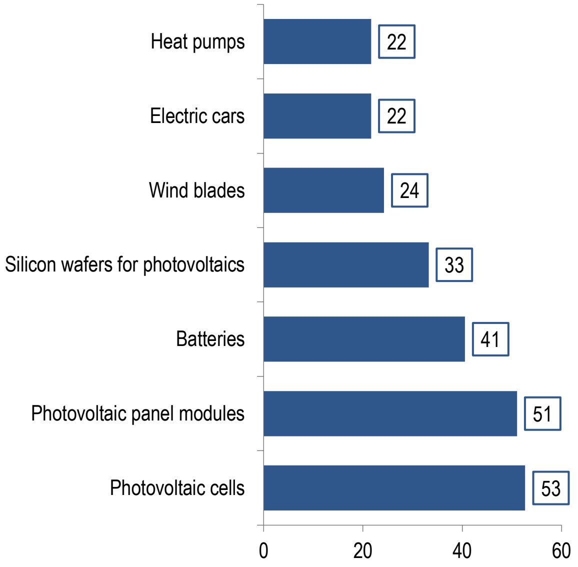
Source: Eurostat COMEXT.
Notes: The import value in Eurostat COMEXT data includes the cost of transportation and insurance (CIF), but excludes the potential duty imposed on the product.

China's participation in the creation and supply of advanced technology goods, particularly in 'clean energy', is increasingly growing

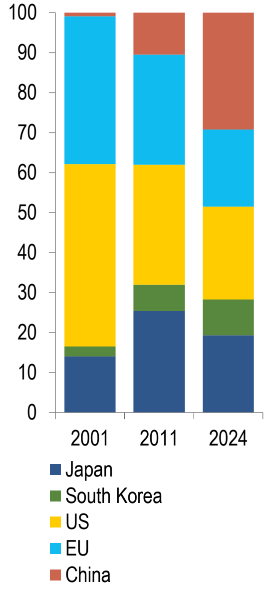
Export structure of industrial goods of selected economies (%)



China's share in global exports of selected 'clean energy' goods in 2023 (%)

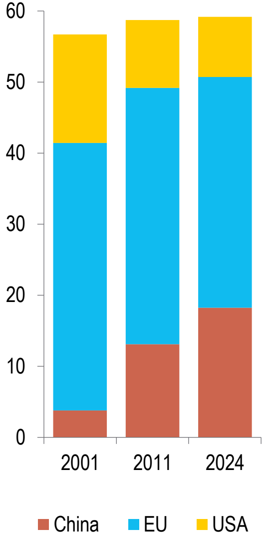


International patent applications filed in selected countries (%)



Note: the chart shows PCT-type applications, i.e., applications that allow one to seek a patent in multiple locations using a single application.

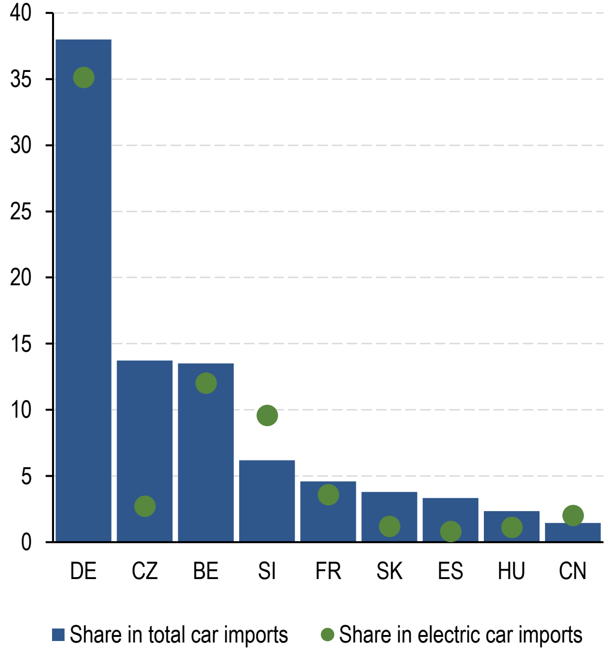
Share of selected economies in global exports of high- and medium-tech goods (%)



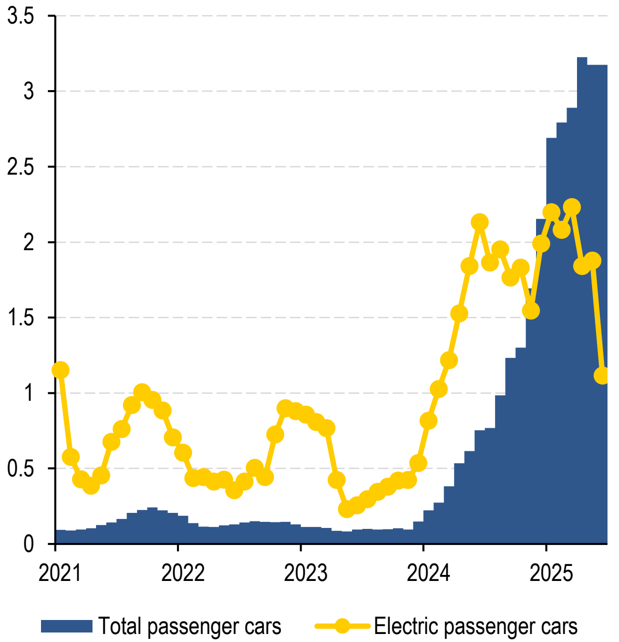
Source: UnctadStat, OECD, UN Comtrade, NBP calculations.

The growing role of China in the Polish passenger car imports

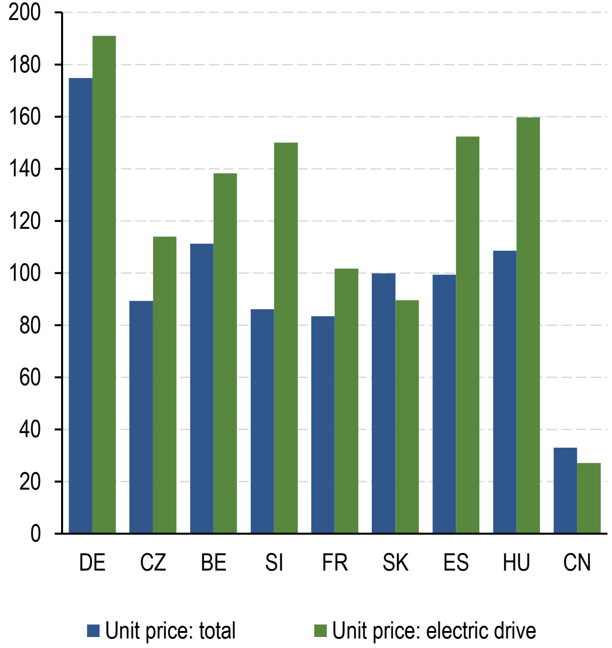
Share of selected countries in Polish passenger car imports (2024, in %, current prices)



China's share in Polish passenger car imports (in %, 6-month moving average).



Unit prices of Polish passenger car imports (2024, thousands PLN/unit, current prices)



Source: Eurostat COMEXT.

Notes: Unit price is defined as the value of imports of a given product group in PLN divided by the import volume in units. The analysis uses the HS classification, according to which passenger cars are classified under group 8703, and electric passenger cars are classified under group 87038. The import value in the Eurostat COMEXT data includes the cost of transportation and insurance (CIF), but excludes the potential duty imposed on the product.

Projection 2025-2027

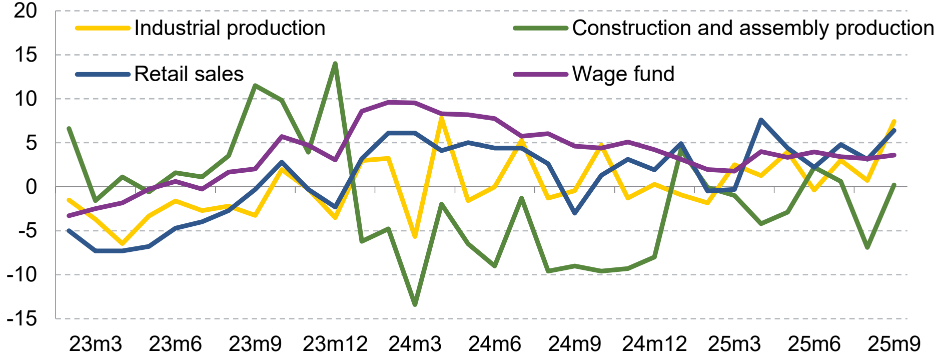
Economic perspectives for Poland

Stable GDP growth rate

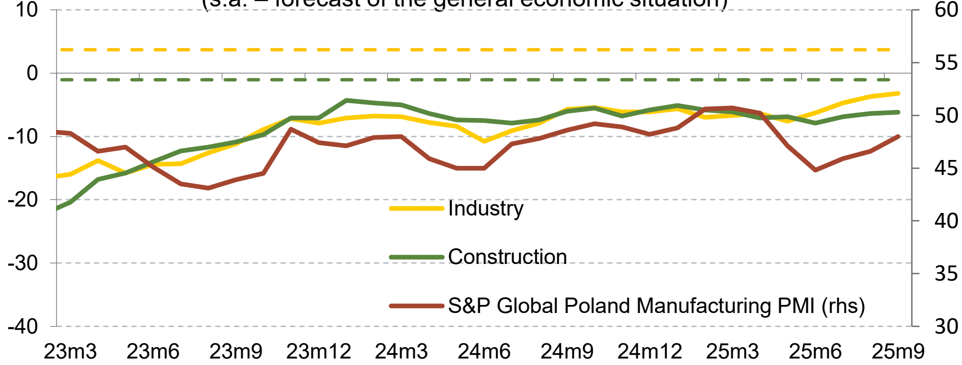
	25q2		25q3	
GDP (y/y, %)	3,4	(3,6)	3,3	(3,7)
Domestic demand (y/y, %)	4,0	(4,9)	4,2	(5,4)
Household consumption (y/y, %)	4,4	(3,6)	4,2	(4,6)
Public consumption (y/y, %)	2,1	(5,0)	7,9	(7,9)
Gross fixed capital form. (y/y, %)	-1,0	(4,5)	2,9	(6,9)
Change in inventories contrib. (y/y, pp)	1,0	(0,8)	-0,5	(-0,3)
Net exports contribution (y/y, pp)	-0,4	(-1,0)	-0,7	(-1,3)
Exports (y/y, %)	1,5	(1,2)	2,2	(2,7)
Imports (y/y, %)	2,6	(3,5)	3,8	(5,5)

Values from the July projection are given in brackets (seasonally adjusted). Indicators with values higher than in the July projection are marked green, and indicators with lower values are marked red.

Growth rates of industrial production, construction and assembly production, retail sales and wage fund (constant prices, y/y, %)



Business climate indicators in industry and construction
(s.a. – forecast of the general economic situation)

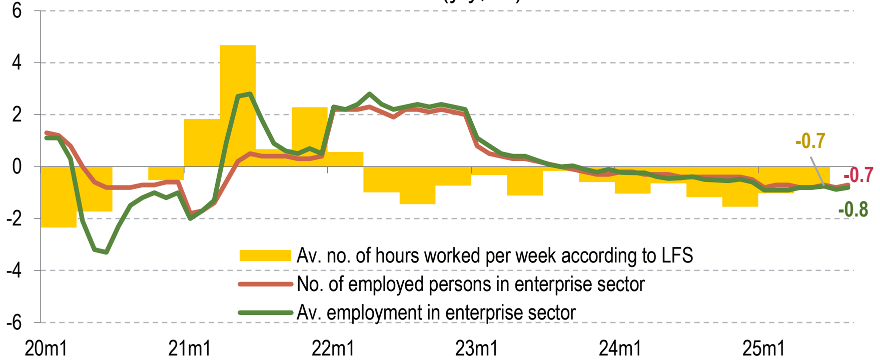


Note: dashed lines mark long-term averages of business climate indicators in industry (yellow) and construction (green).

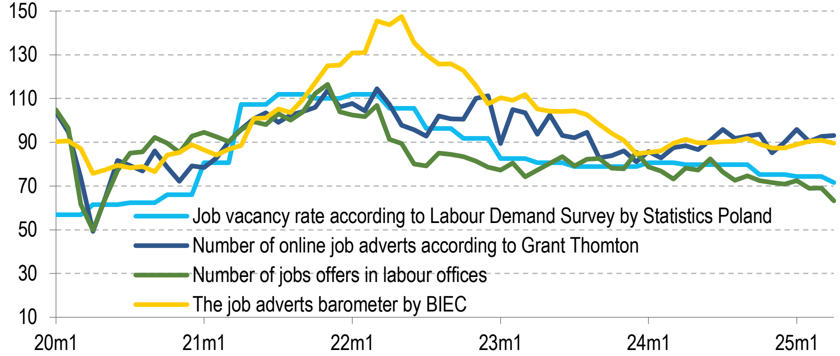
Source: Statistics Poland, IHS Markit, NBP calculations.

Low unemployment amid continued decline in full-time employment in the enterprise sector

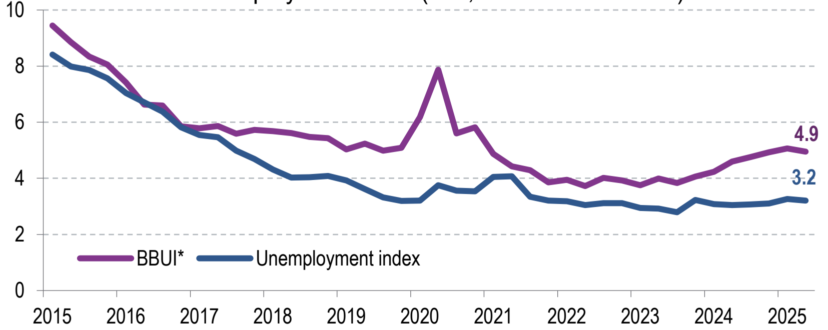
Number of employed persons, average employment in enterprise sector and average number of hours worked per week in the economy according to LFS (y/y, %)



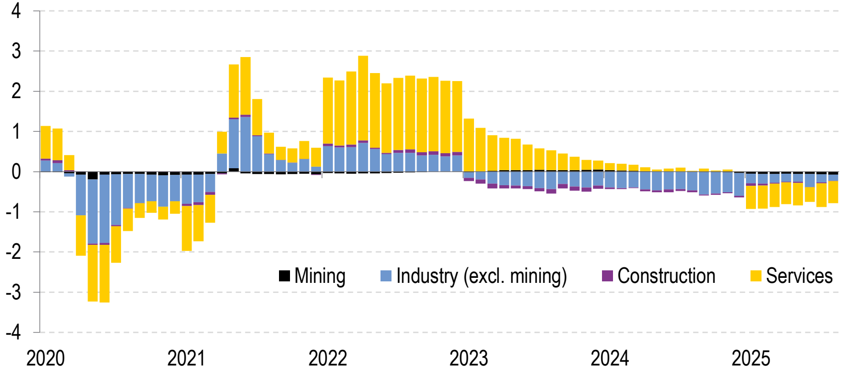
Labour demand measures (index 04.2019=100, s.a.)



Bell & Blanchflower Underemployment Index (BBUI) and unemployment index (s.a., % labour resource)



Number of positions in the enterprise sector by types of activity (y/y,%)



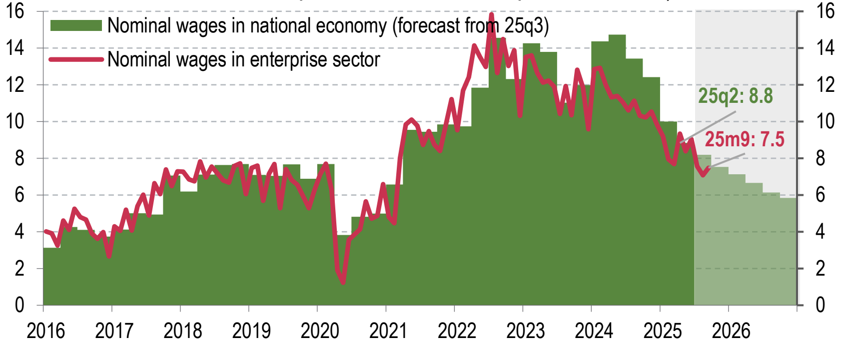
*BBUI – *Bell & Blanchflower Underemployment Index*.

Note: Methodological discontinuity due to the change in the LFS survey methodology introduced in 2021 Q1.

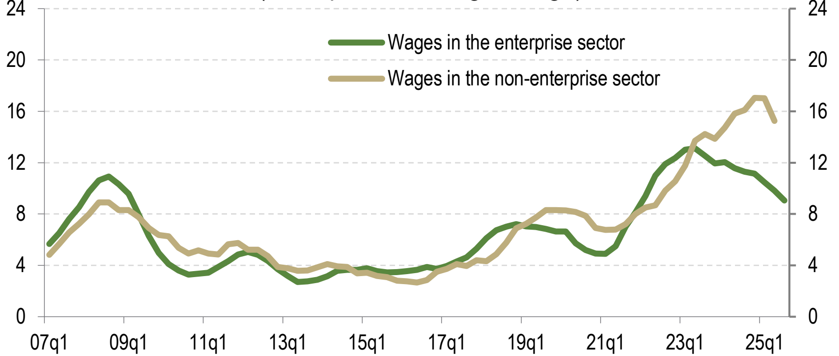
Source: Statistics Poland, BIEC, Grant Thornton, NBP calculations.

Further decline in nominal wage growth and gradual reduction in wage pressures

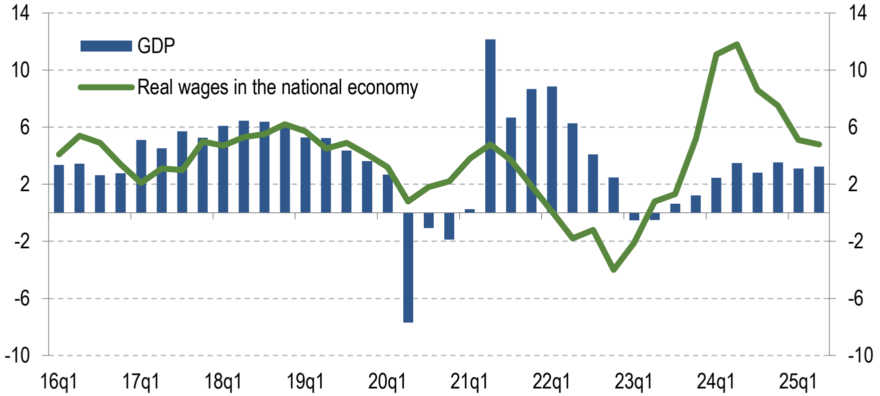
Nominal wage growth (%, y/y, national economy data as of 2025 Q2, data from enterprise sector as of September 2025)



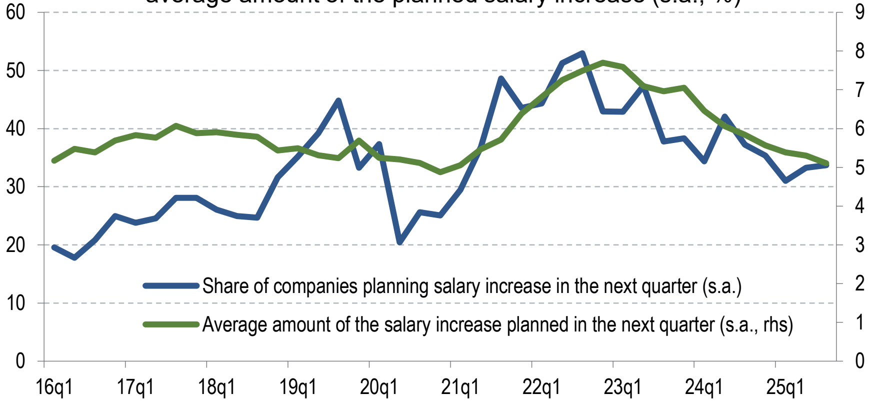
Annual growth rate of wages in the enterprise and non-enterprise sector (%, 5-quarter moving average)



Real wage growth vs. GDP (y/y, %)



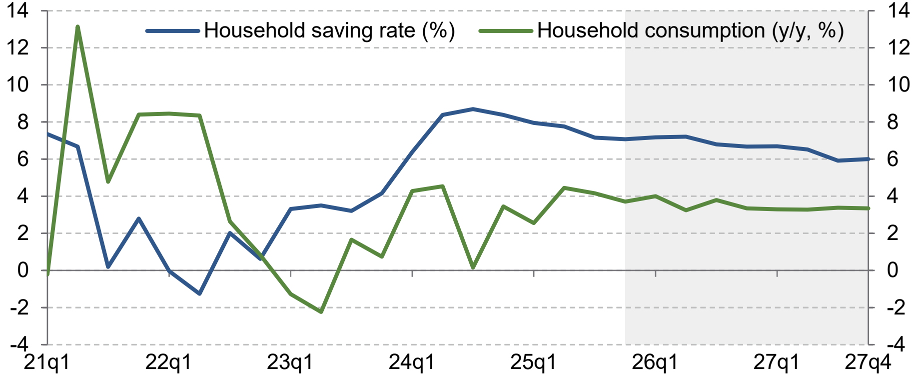
Share of companies planning salary increases in the next quarter and average amount of the planned salary increase (s.a., %)



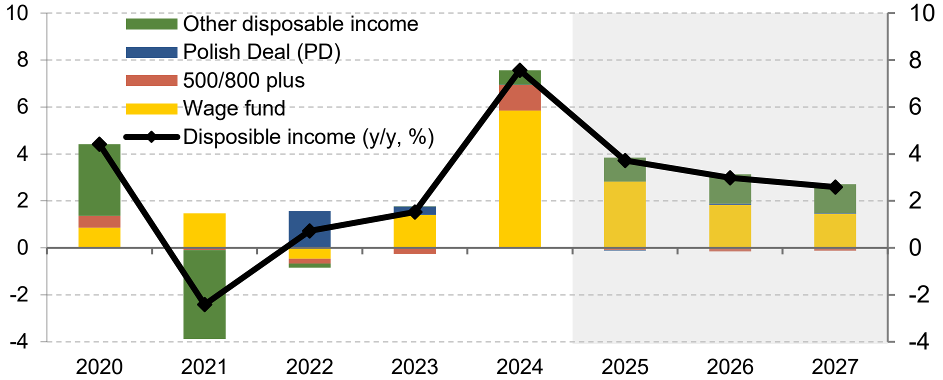
Source: Statistics Poland, NBP Quick Monitoring Survey, NBP calculations.

Household consumption growth rate in 2026-2027 will decline, accompanied by the still increased saving rate of households

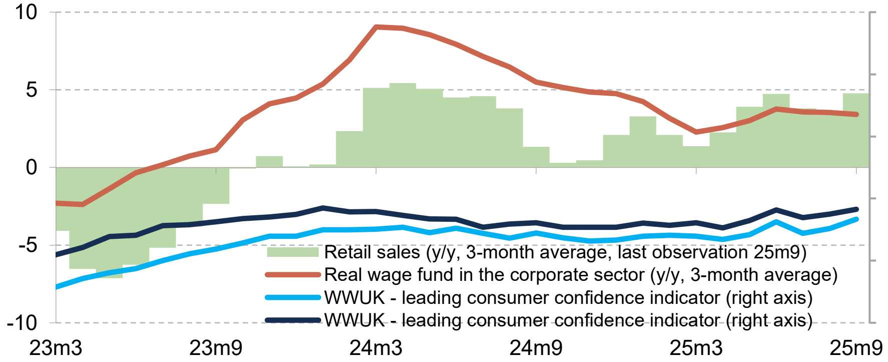
Household saving rate and consumption in projection (%)



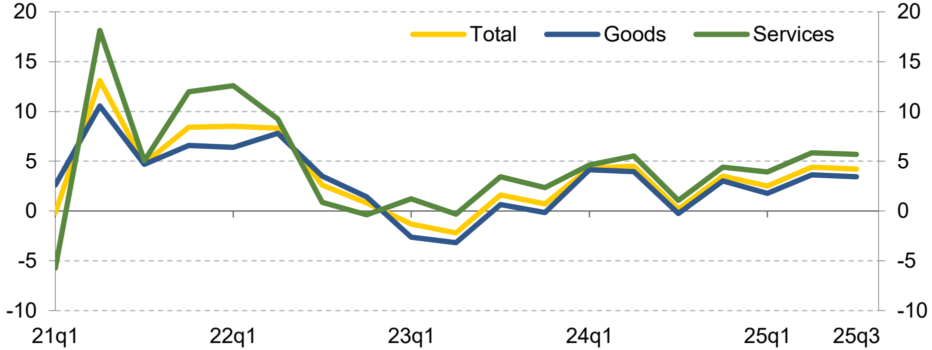
Decomposition of the growth rate of disposable income (constant prices , y/y, %)



Consumer sentiment indicators (points)



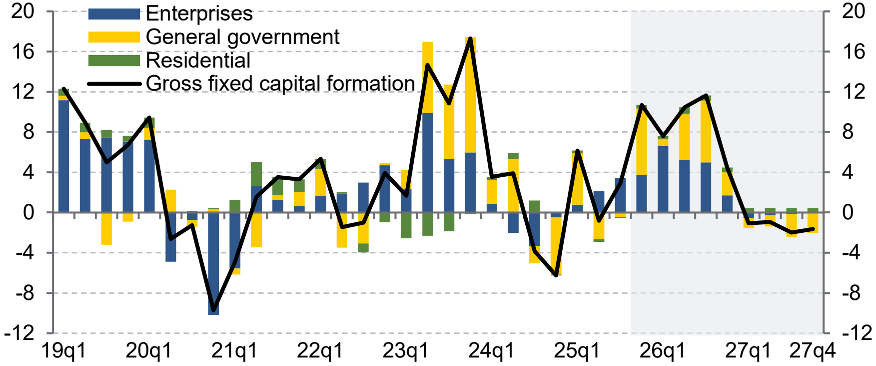
Household consumption (y/y, %)



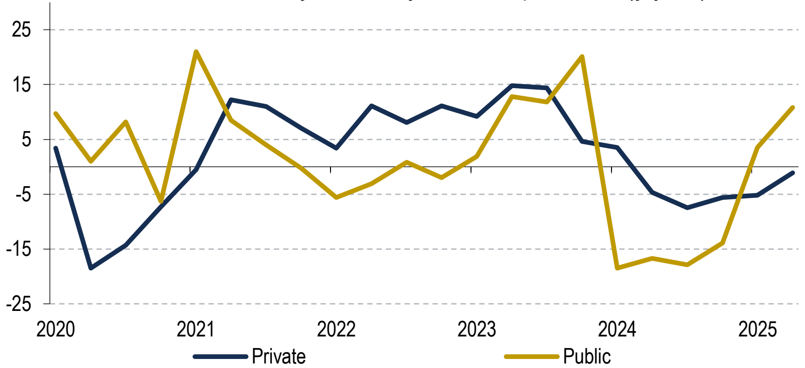
Source: NBP, Statistics Poland, Eurostat, MF, NBP calculations.

The growth rate of investments will accelerate in 2026

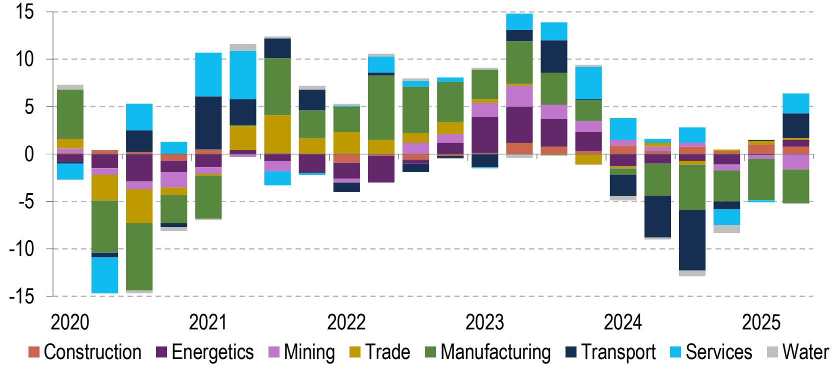
Decomposition of the growth rate of gross fixed capital formation (y/y, %)



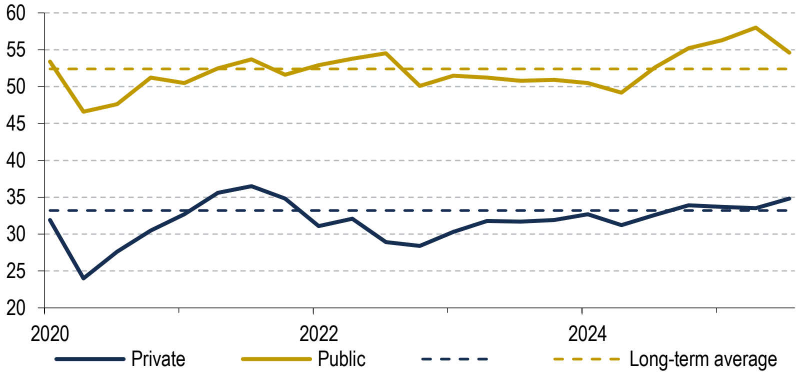
Real investment dynamics by ownership sectors (y/y, %)



Contribution to real investment growth by NACE (y/y, pp)



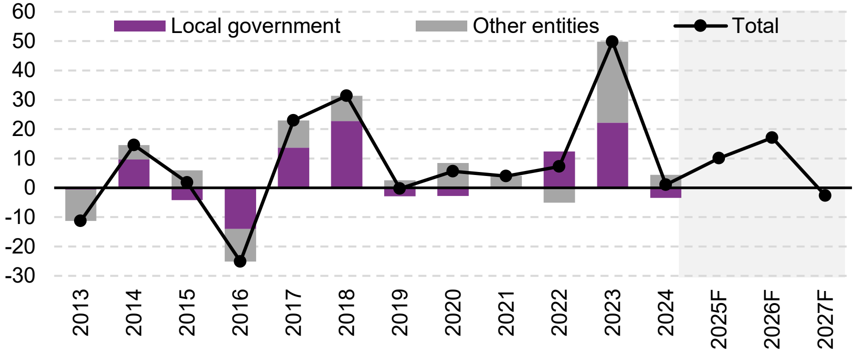
OPTIN by ownership sector (in % of companies)



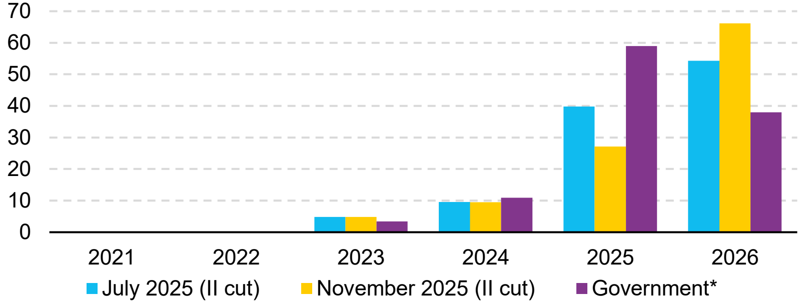
Source: Statistics Poland, NBP Quick Monitoring, NBP calculations.

Acceleration of public investment growth in 2026, including owing to absorption of the RRF funds

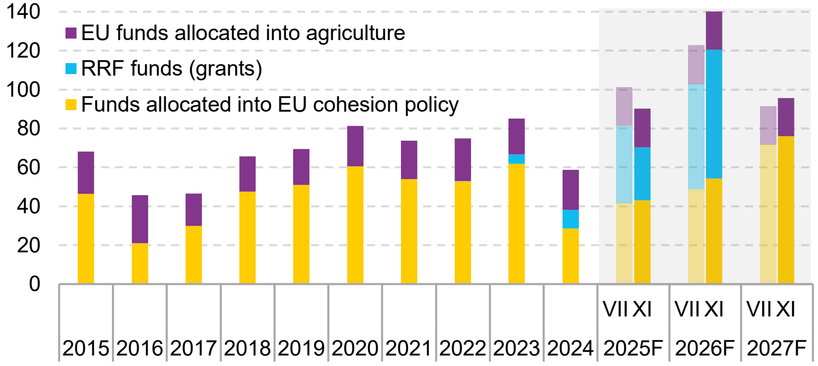
Nominal growth rate of general government investment and contribution of its main components (current prices, y/y and pp)



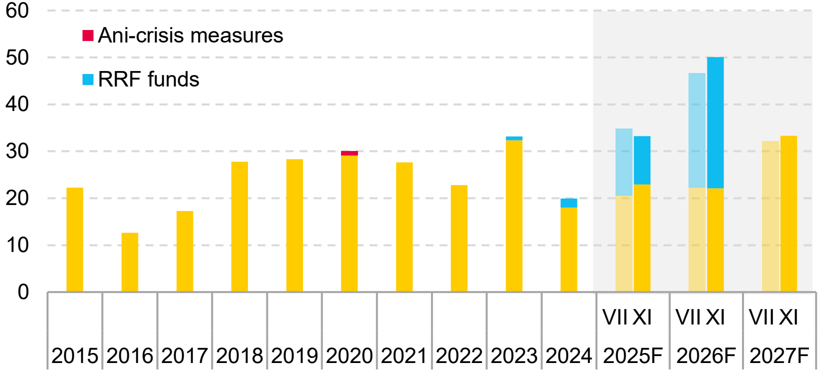
Poland's assumed use of RRF funds (bn PLN)



Total absorption of EU funds (current prices, bn PLN)



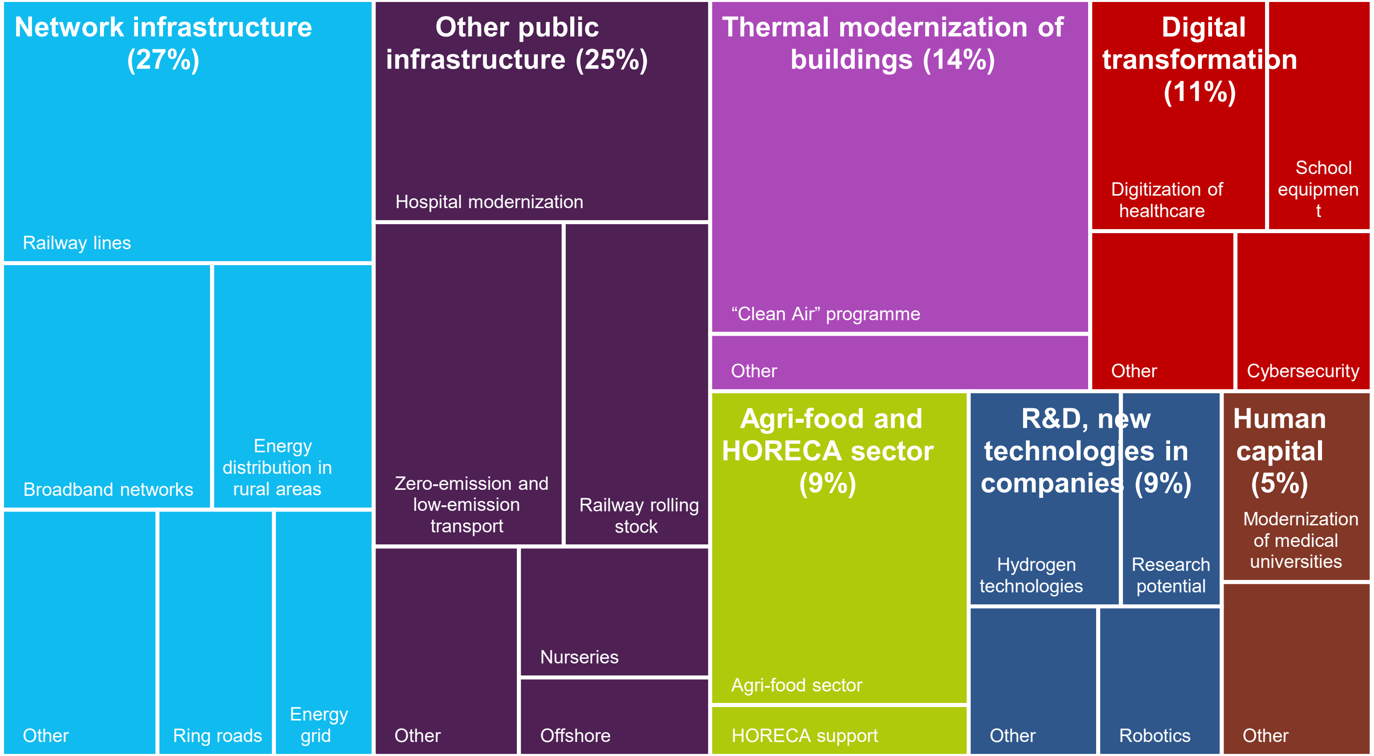
EU funds used for public investments (bn PLN , current prices)



Source: Statistics Poland, Eurostat, MF, Min. of Development Funds, NBP. All growth rates presented in current prices.
** Report on the implementation of the medium term plan from April 2025, (converted from % of GDP)*

F - forecast

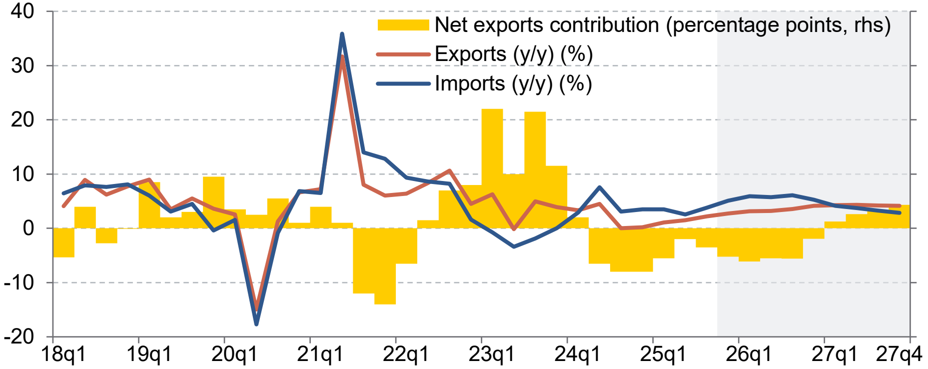
Distribution of RRF grants – infrastructure, thermal modernization, digital transformation, R&D, agri-food sector, human capital



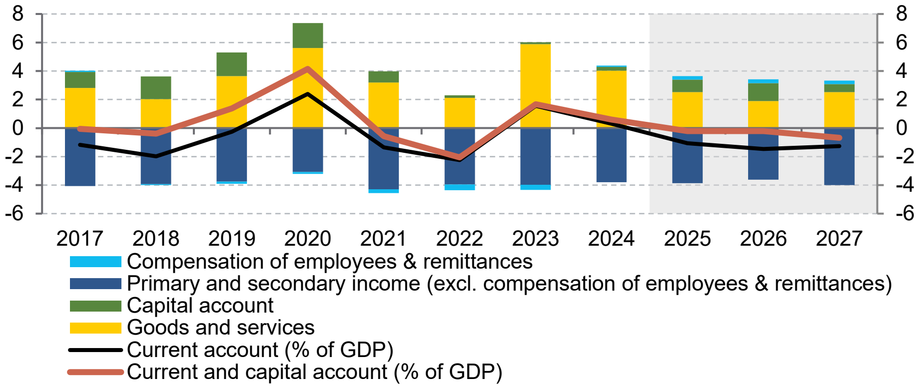
Source: Own compilation based on Ministry of Development Funds and Regional Policy

A negative contribution of net exports to GDP growth in 2026, following by improvement in 2027 amid a slowdown in domestic demand growth

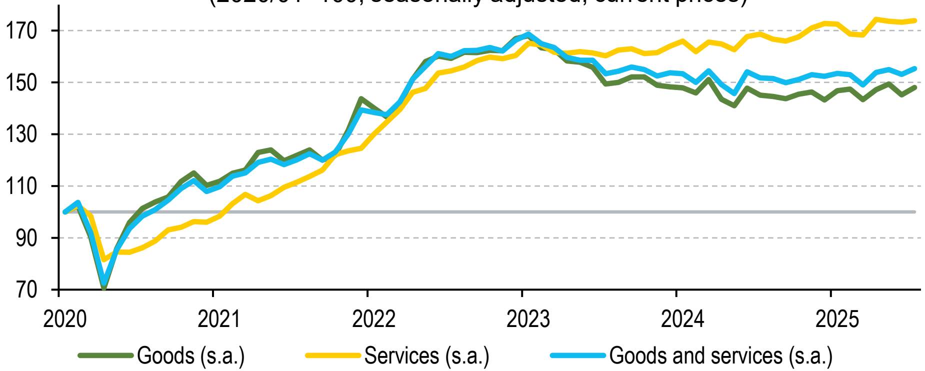
Net exports contribution to GDP growth rate



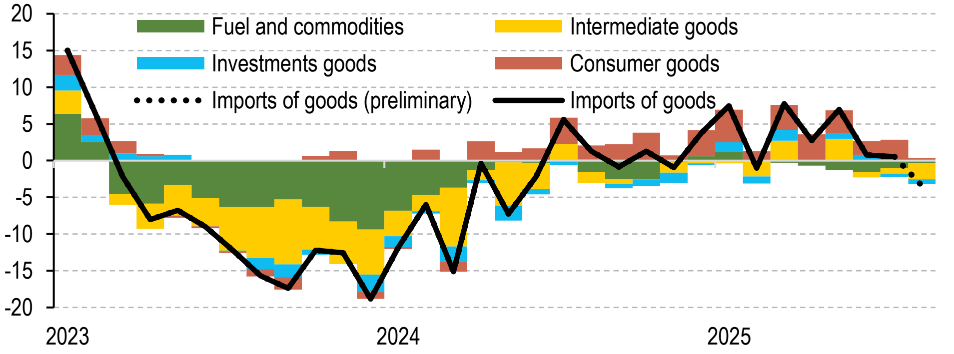
Current and capital account balance (% of GDP)



Export of goods and services
(2020/01=100, seasonally adjusted, current prices)



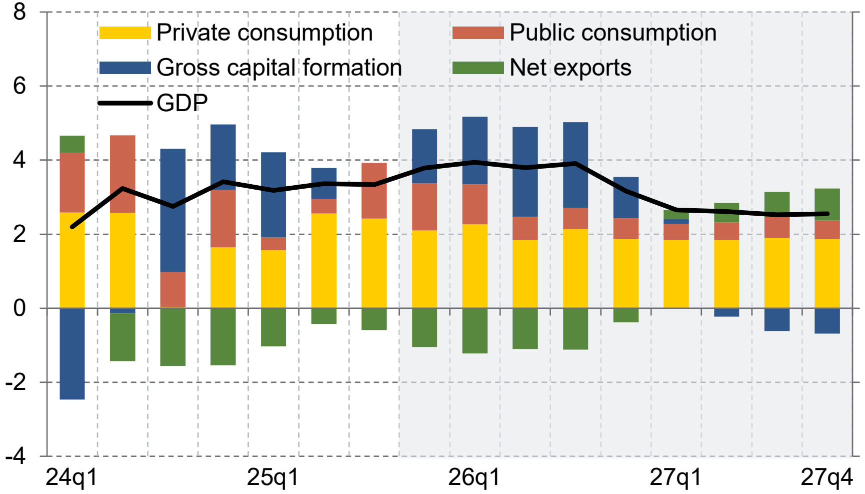
Imports of goods by products (current prices, %, y/y)



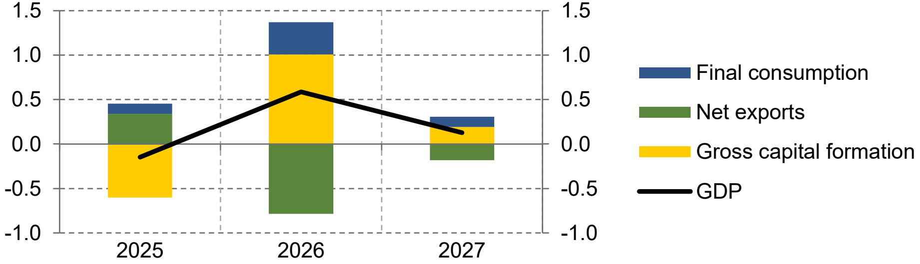
Source: Statistics Poland, Eurostat, NBP calculations.

Peak of domestic economic activity in 2026

GDP growth rate and its decomposition (y/y, %, pp)



Decomposition of changes in GDP growth rate between projection rounds (y/y, pp)



Factors determining domestic activity over the coming years:

- ⇧ **sharp influx of UE funds** in 2026 under the National Recovery Plan in 2026
- ⇧ **rising expenditures related to** the ongoing **energy transition** of the Polish economy
- ⇩ **limited foreign demand** – limited recovery in Poland's external economic environment
- ⇩ **termination of spending under the National Recovery Plan** (grants part) **in 2027**
- ⇩ **increased level of propensity to save**
- ⇩ increasing **real interest rates** in 2027, assuming NBP interest rates remain unchanged

GDP, y/y, %	2023	2024	2025	2026	2027
November 2025	0.2	2.9	3.4	3.7	2.6
July 2025	0.2	2.9	3.6	3.1	2.5

Source: Statistics Poland data, NBP calculations.

Outline:

Projection 2025 – 2027

- Economic conditions abroad
- Economic perspective for Poland
- Inflation

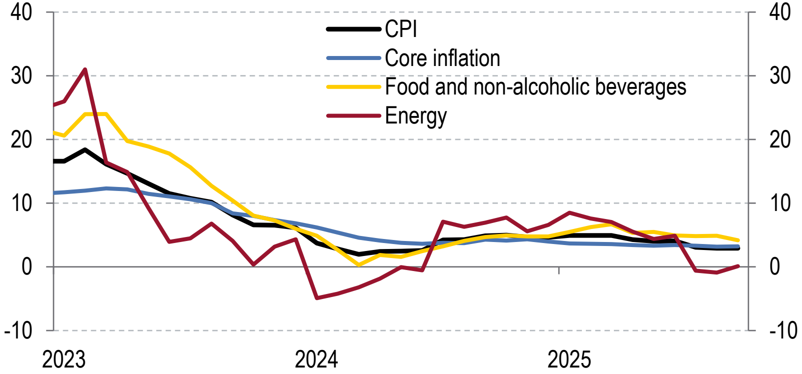
Uncertainty

Projection 2025-2027

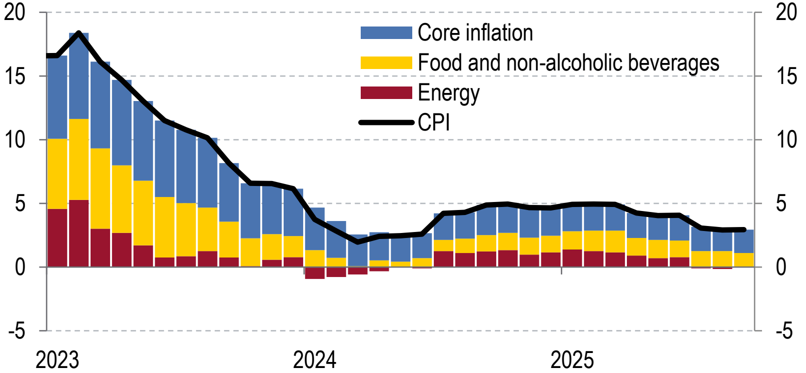
Inflation

CPI inflation in Poland has declined in 2025 Q3 to a level consistent with the NBP's inflation target

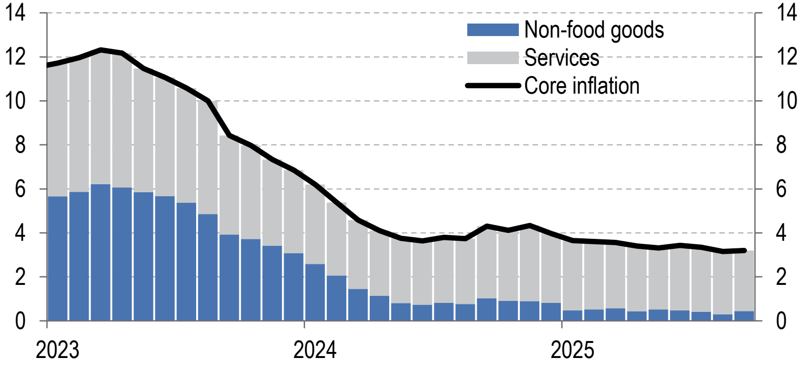
Consumer prices (y/y, %, monthly data)



CPI inflation decomposition (y/y, pp, monthly data)



Decomposition of core inflation
(CPI inflation excl. food and energy prices y/y, pp, monthly data)



Inflation compared to the July projection (y/y, %)

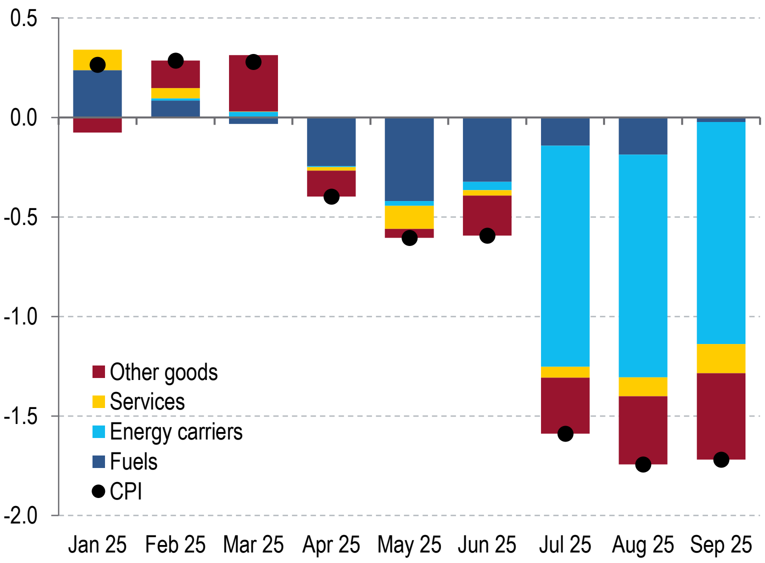
y/y, %	25q2		25q3	
CPI inflation	4.1	(4.1)	3,0	(2.9)
Core inflation	3.4	(3.4)	3,2	(3.3)
Food prices inflation	5.3	(5.2)	4,6	(4.2)
Energy prices inflation	4.9	(5.1)	-0,5	(-0.2)

Values from the July projection are given in brackets (seasonally adjusted data). Indicators with values higher than in the July projection are marked **green**, whereas indicators with lower values are marked red.

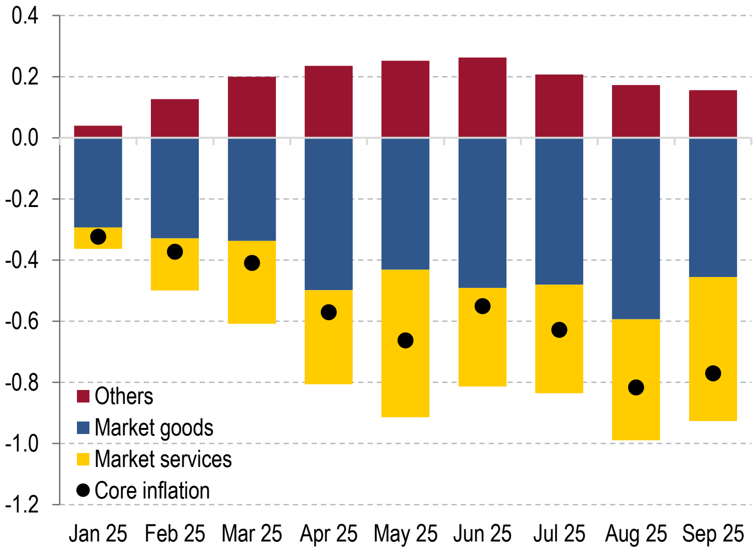
Source: Statistics Poland data, NBP calculations.

Sources of CPI inflation changes in 2025

Decomposition of the CPI change compared to December 2024 (contributions in percentage points)



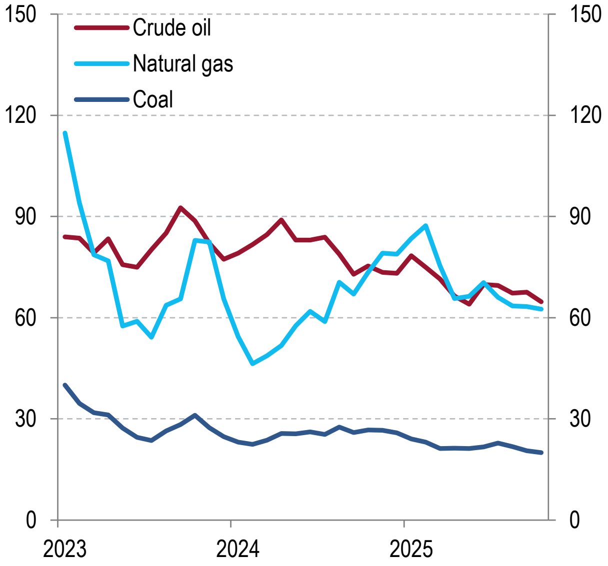
Decomposition of the change in core inflation compared to December 2024 (contributions in percentage points)



Source: Statistics Poland data, NBP calculations.

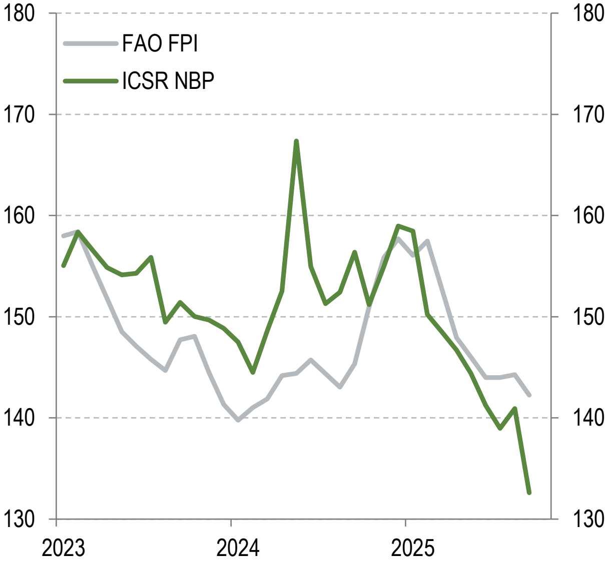
Decline in prices of most commodities over 2025

Oil, gas and coal prices
(USD/boe, monthly data)



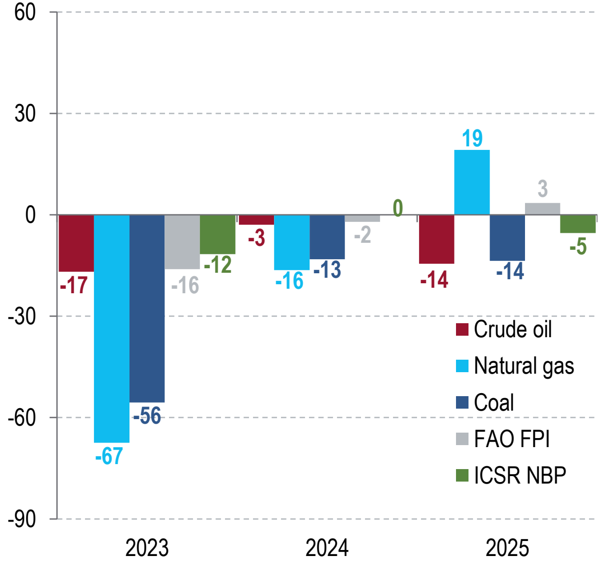
Note: boe - barrel of oil equivalent.
Last observation: 09/10/2025.

FAO FPI and NBP ICSR
(indices May 2010=100, EUR, monthly data)



Note: Last observation: FAO FPI – 30/09/2025,
ICSR NBP – 30/09/2025.

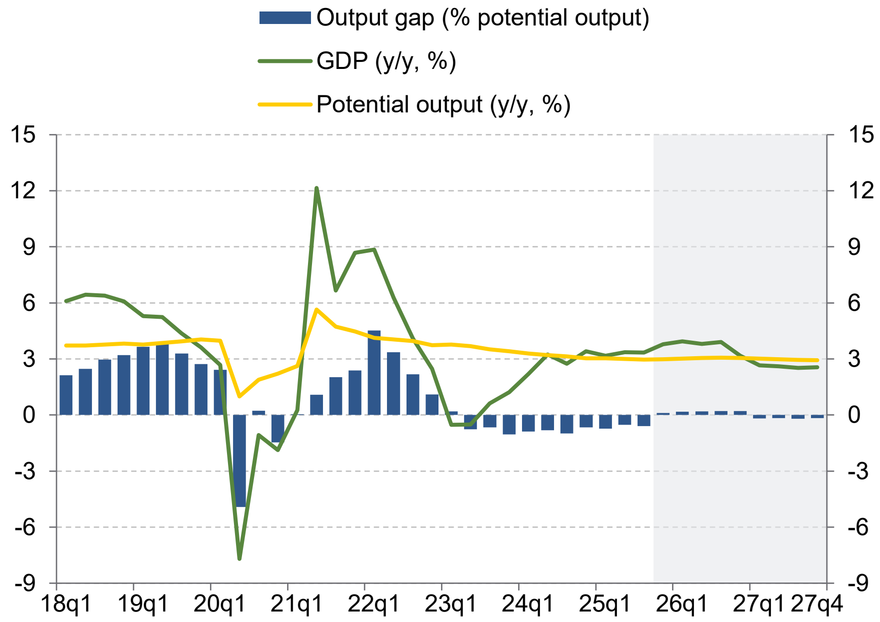
Average annual price dynamics of energy and agricultural commodities between 2023 and 2025 (%)

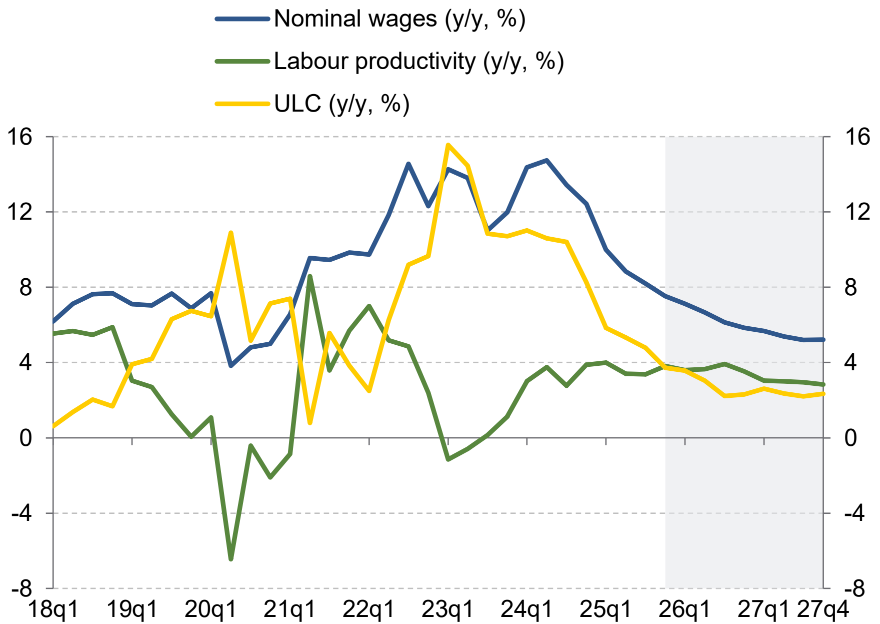


Note: Average annual growth rate in 2023-2024. For 2025 and energy commodities and the NBP ICSR, January-October average on an annual basis; for the FAO FPI, January-September average.

Source: Bloomberg data, FAO, NBP calculations.

The currently negative demand gap will increase to a slightly positive level in 2026. In 2027, demand pressures decline in line with the slowdown in GDP growth.

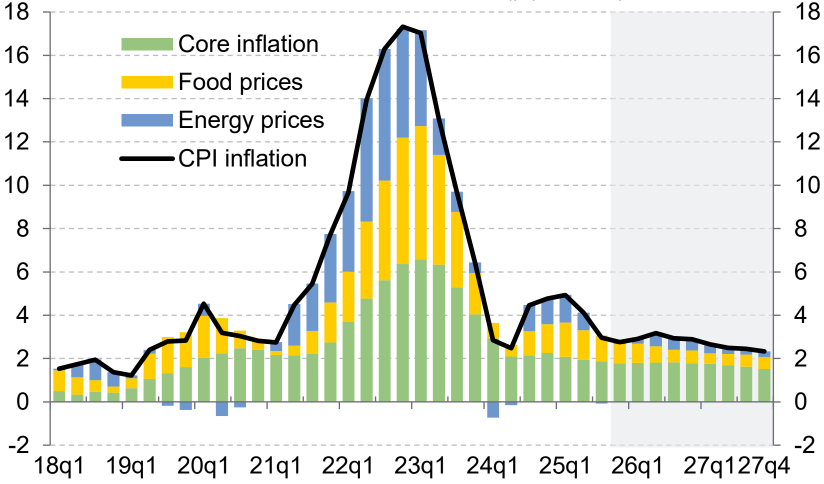




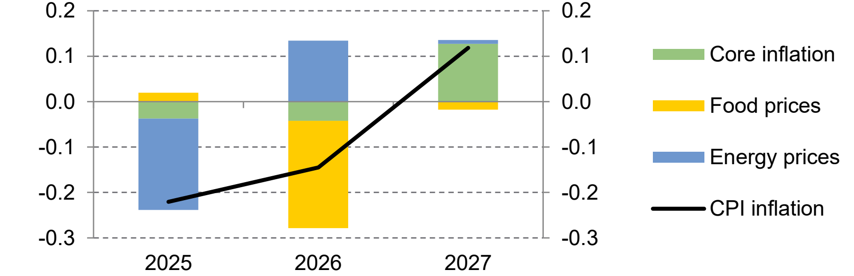
Source: Statistics Poland data, NBP calculations.

In 2026, the disinflation process will temporarily slow down

CPI inflation and its decomposition (y/y, %, pp)



Decomposition of CPI forecast changes between the projection rounds (y/y, pp.)



The inflation path over the projection horizon will be affected by:

In 2026

- ⇧ **regulatory measures** related to energy prices and **high growth of excise goods prices and administered services**
- ⇧ **increased demand pressure**
- ⇩ weakening labor cost growth
- ⇩ **subdued rise in import prices** due to low inflation in the external environment of the Polish economy and the assumed decline in the energy commodity prices on global markets

In 2027

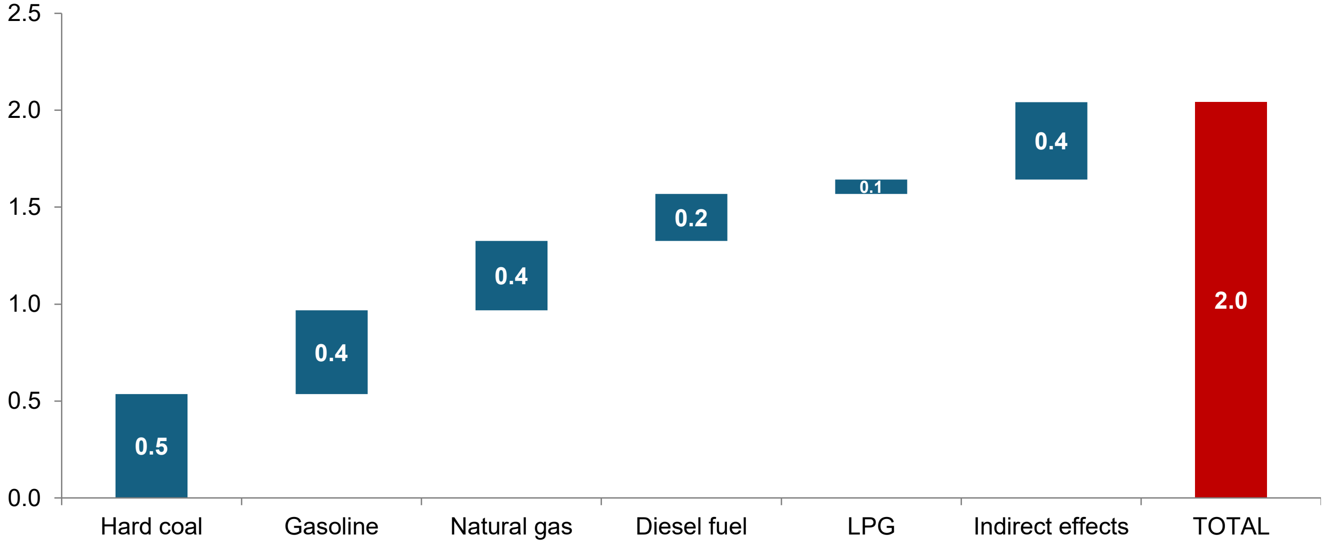
- ⇩ **weakening wage growth**
- ⇩ weakening economic activity resulting in **weak demand pressure**

CPI, y/y, %	2023	2024	2025	2026	2027
November 2025	11.4	3.6	3.7	2.9	2.5
July 2025	11.4	3.6	3.9	3.1	2.4

Source: Statistics Poland data, NBP calculations.

Impact of ETS2 introduction on inflation in Poland

Impact of ETS2 introduction on CPI in Poland (in percentage points)
Scenario of allowance price of EUR 59/tCO2



Note: Both the direct impact resulting from the immediate increase in energy prices and the indirect impact - considering the spillover effects of higher energy prices on the prices of other goods and services - are presented. The impact on expenditures for individual households can vary significantly and will depend mainly on the source of heating. Households using electricity or drawing heat from large heating systems already bear the costs of ETS operation, so the introduction of ETS2 will not increase their heating costs. In contrast, households using coal, gas or heat from small district heating systems will have to bear the additional costs resulting from the introduction of ETS2. The EUR 59/tCO2 scenario assumes price formation at the threshold price level (in current prices projected for 2027).

Source: Statistics Poland data, e-petrol, NBP calculations.

Outline:

Projection 2025 – 2027

- Economic conditions abroad
- Economic perspective for Poland
- Inflation

Uncertainty

Uncertainty

- Risks
- Fancharts

Risks

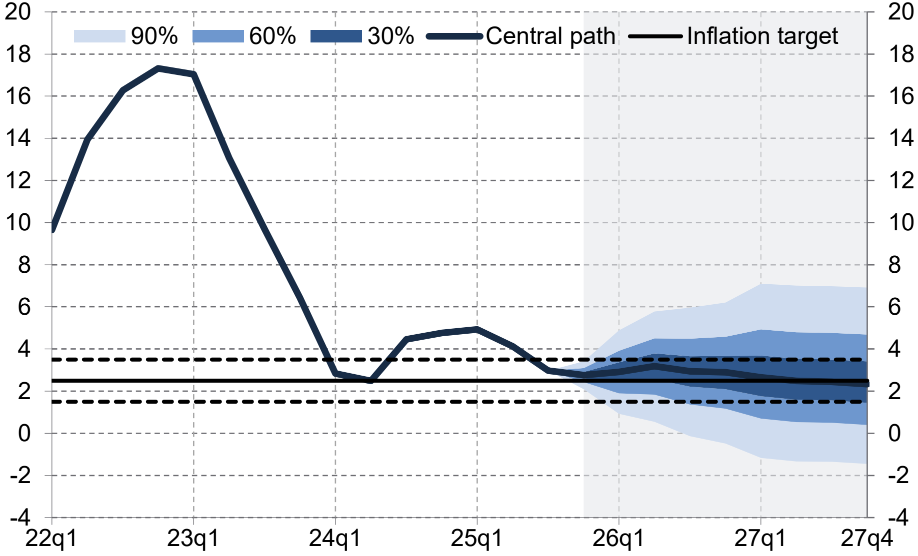
- **The pace and scale of the realisation of the projects under National Recovery and Resilience Plan**
- **Implementation of the ETS2**
- **Formation of administered prices, including the level of new electricity tariffs**
- **Economic activity of Poland's main trading partners**
  - **The scale of the investment recovery in the Euro area, including the German economy**

In the November projection horizon there is:

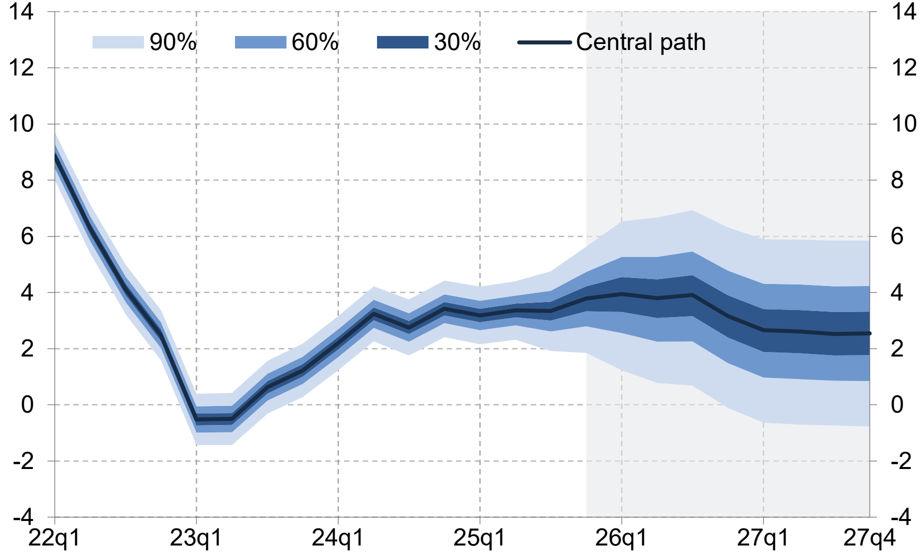
⇩ **A higher probability of GDP running below projection's central path in short term**

⇧ **Upside risks for CPI inflation in 2027**

CPI Inflation (y/y, %)



GDP (y/y, %)



CPI y/y, %	below 1.5%	below 2.5%	below 3.5%	below centr. path	within 1.5-3.5% range
2026	17%	39%	65%	50%	48%
2027	28%	46%	63%	45%	35%

CPI y/y, %	Central path	50% probability interval	
2026	2.9	1.9	4.0
2027	2.5	1.1	4.1

GDP y/y, %	Central path	50% probability interval	
2026	3.7	2.7	4.6
2027	2.6	1.5	3.7

Source: Statistics Poland data, NBP calculations.

NARODOWY
BANK POLSKI