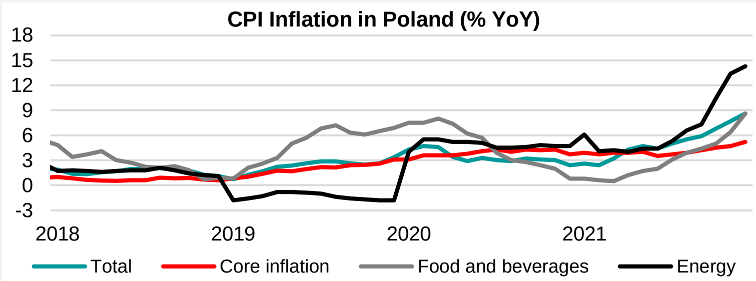
VAT reduction on food will contribute to higher inflation

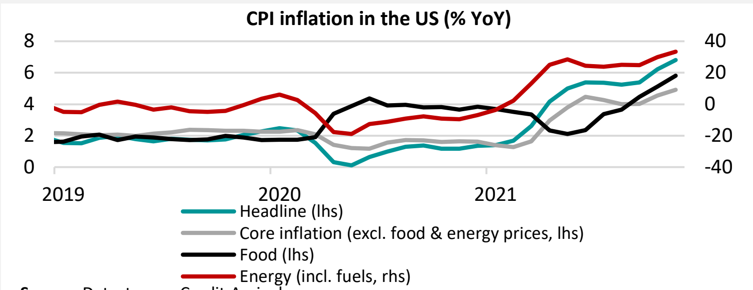
This week

- **On Friday, the final data on December inflation in Poland will be published.** In our view the price growth rate will be in line with the preliminary estimate (8.6% YoY vs. 7.8% in November). Higher food and energy prices dynamics as well as higher core inflation contributed to the inflation growth in December. The publication of the final data on inflation will be neutral for the zloty exchange rate and Polish bond prices.



Source: GUS, Credit Agricole

- **Poland's balance of payments data for November will be released on Thursday.** We expect the current account balance to increase to EUR -1368 million compared to EUR -1791 million in October. We forecast that an increase was recorded both in exports (11.7% in November vs. 6.6% in October,) and in imports (25.4% vs. 20.4%). Exports and imports in November were boosted by favourable calendar effects. In our view the publication of the balance of payments data will be neutral for the PLN exchange rate and the yields on Polish bonds.
- **This week we will get to know important data from the US.** We expect headline inflation to have increased to 7.1% YoY in December from 6.8% in November, which was supported by a strong rise in core inflation. We forecast that nominal retail sales increased by 0.1% MoM in December vs. an increase of 0.3% MoM in November. A factor affecting a slower growth in total sales was lower car and fuels sales. We expect industrial production growth to have slowed to 0.1% MoM in December from 0.5% in November, which will be consistent with the labour market data released last week (see below). Business survey results will also come in from overseas. On Friday, the preliminary University of Michigan index will be published. We forecast that it decreased slightly to 70.0 pts in January from 70.6 pts in December, reflecting the continued rise in US inflation and deterioration of the US epidemic situation. We believe that if our forecasts materialise, US data will not have a significant impact on the PLN exchange rate and the yields on Polish bonds.



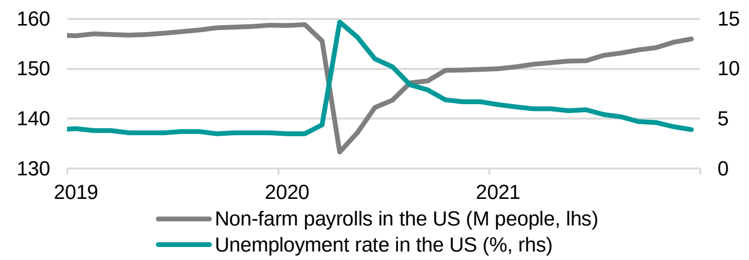
Source: Datastream, Credit Agricole

- **On Friday data on China's trade balance will be released.** We forecast that it increased slightly to USD 72.0 billion in December from USD 71.7 billion in November. At the same time, export growth slowed to 20.2% YoY in December from 22.0% in November, and import growth slowed to 29.4% YoY from 31.7%. The continued high import dynamics was supported by increased imports of energy commodities as well as rising prices of imported goods. In our opinion, the publication of data from China will be neutral for financial markets.

Last week

- **According to preliminary estimates, Poland's CPI inflation increased to 8.6% YoY in December from 7.8% in November, above the market consensus equal to our forecast (8.3%).** GUS released partial data on the structure of inflation, including information on the rate of price increases in the categories of "food and non-alcoholic beverages", "energy" and "fuels". The higher inflation was a result of higher dynamics in food and non-alcoholic beverages (8.6% YoY in December vs. 6.4% in November), energy (14.3% vs. 13.4%), and core inflation, which, in line with our estimates, increased to 5.2% YoY in December vs. 4.7% in November. The data poses an upward risk to our forecast that inflation will rise to 7.4% in 2022 from 5.1% in 2021.

- **The Monetary Policy Council decided last week to increase interest rates again.** The NBP reference rate increased from 1.75% to 2.25%. The scale of the rate hike was in line with our forecast and the market consensus. The Council maintained its declaration that its decisions in the coming months would continue to be aimed at lowering the inflation to a level consistent with the NBP inflation target in the medium term, taking into account business developments, so as to ensure price stability in the medium term while supporting sustainable economic growth after the global pandemic shock. As in December, the Council made the scale of the overall monetary tightening conditional on incoming information on the outlook for inflation and economic growth, including the outlook for the labour market situation (see MACROpulse of 04/01/2022). The content of the statement following the January meeting, combined with statements made by NBP President A. Glapiński at Wednesday's press conference, indicate that the MPC is ready for further and gradual monetary policy tightening, while at the same time accepting that inflation would remain above the inflation target for a long period of time. Hence, they provide support for our scenario according to which the MPC will raise the NBP reference rate by 50 bp and 25 bp in February and March 2022 respectively, and end the cycle of interest rate hikes. Our interest rate scenario is also supported by last week's government announcement of a reduction in the VAT rate on fuels from 23% to 8%, which would be a deterrent for the NBP against a stronger tightening of the monetary policy.
- **Last week the *Minutes* of the December FOMC meeting were published.** The document included two important pieces of information on the outlook for monetary policy in the US. Firstly, FOMC members are generally of the opinion that the Federal Reserve will have to "start raising interest rates sooner or raise interest rates faster" than they initially expected. Secondly, in December, FOMC members began discussing the Fed's balance sheet. Some FOMC members believe that the Federal Reserve should start reducing it (i.e. stop reinvesting funds from maturing securities bought under the quantitative easing programme) "relatively soon", after it starts raising interest rates. The hawkish tone of the *Minutes* poses a significant upward risk to our scenario, in line with which the first US interest rate hike will occur in Q4 2022, and as a consequence the downward risk to our EURUSD scenario assuming its increase up to 1.18 by the end of 2022.
- **Last week important data from the US economy were published.** Non-farm payrolls increased by 199k in December compared to an increase of 249k in November (upward revision from 210k) and was well below market expectations (increase of 400k). The strongest employment growth was noted in tourism and recreation (+53.0k), professional services (+43.0k), and manufacturing (26.0k). The unemployment rate decreased in December to 3.9% compared with 4.2% in November, well below market expectations (4.1%). The evident decline in the unemployment rate was due to a decrease in the number of unemployed people while employment increased. The labour force participation rate was unchanged in December compared to November and it equalled 61.9%, and is hence still clearly below the levels observed before the outbreak of the pandemic (around 63.3%). Last week we also learned the number of jobless claims, which rose to 207k from 200k two weeks ago. Thus, it has been at levels close to 200k for several weeks. In turn, the number of continued jobless claims

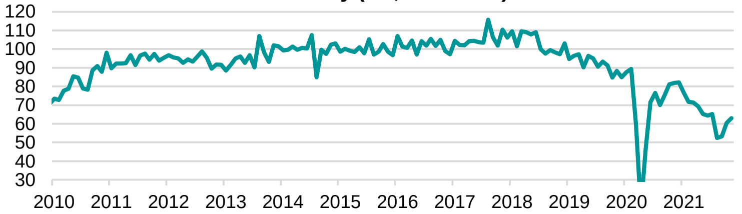


Source: Datastream, Credit Agricole

increased from 1.7m to 1.8m. It is worth noting, however, that these figures are close to those recorded immediately before the outbreak of the pandemic. The data thus indicates that the US labour market is getting closer to equilibrium. Last week we also found out the results of the business survey. The ISM manufacturing index declined to 58.7 pts in December from 61.1 pts in November and was below market expectations (60.1 pts). The decline in the index was due to lower contributions from 4 of its 5 components (for delivery times, inventories, output and new orders), while the opposite impact was due to lower contributions from the component for employment. Particularly noteworthy in the data is the strong decline in the index for the prices of intermediate goods used in production, which indicates that prices in December rose at the slowest rate since November 2020. In our view, this is another sign of the gradual reduction of supply constraints in the global economy (see Caixin PMI for China and data on industrial production in Germany). Last week we also got to know the ISM index in services, which declined to 62.0 pts in December from 69.1 pts in November, coming in below market expectations (66.9 pts). The downturn in the services sector was largely a result of an increase in coronavirus infections in the US (see COVID Dashboard). We maintain our forecast of US GDP expanding by 5.6% YoY in 2021 compared to a decline by 3.5% in 2020. At the same time, given the lack of Senate support for Biden's new fiscal package, we see a downward risk to our scenario, in line with which in 2022 and 2023 the US GDP growth will grow by 3.8% and 2.3% respectively.

- **Last week important data from the German economy were released.** Industrial output declined by 0.2% MoM in November, compared to a 2.4% increase in October, which was clearly below market expectations (+1.0%). As a result, industrial output in Germany was 13.7% lower in November than immediately before the outbreak of the pandemic (i.e. in February 2020). The lower dynamics of industrial output was due to the reduction of output dynamics in all its main categories: manufacturing, energy and construction. Last week also saw the release of data on orders in manufacturing, which increased by 3.7% MoM in November, compared with a 5.8% decrease in October (upward revision from -6.9%). As a consequence, orders in German manufacturing were 6.6% higher in November than immediately before the outbreak of the pandemic (i.e. in February 2020). The source of the increase in orders was higher export orders, while domestic orders declined. In turn, higher foreign orders were the result of higher orders from both the Eurozone and countries outside the single currency area. Output failing to keep up with new orders points to persistent supply constraints in the German economy. It should be noted, however, that in Germany output growth has been sustained for three months in the automotive sector, an industry where supply constraints have had a particularly strong impact on activity. Together with last week's Chinese and US manufacturing data, this may indicate the first signs of weakening of supply constraints in the global economy. Last week also marked the publication of data on the German trade balance, which decreased in November to EUR 10.9bn against EUR 12.4bn, below market expectations (EUR 12.7bn). A decrease was also recorded in the dynamics of exports (1.7% against 4.2%) and imports (3.3% against 5.2%), which indicates a slight slowdown in the growth of activity in German foreign trade. Last week's data from the German economy does not change our forecast that GDP in Germany grew by 2.7% in 2021 compared to a decline of 4.6% in 2020.

Manufacture of motor vehicles, trailers, semi-trailers in Germany (SA, 2015=100)



Source: Datastream, Credit Agricole

- **In accordance with the flash estimate, inflation in the Eurozone went up to 5.0% YoY in December vs. 4.9% in November, running above the market consensus (4.7%) and our forecast (4.9%).** Thus, inflation in the Eurozone was at its highest level ever. The rise in inflation was driven up by stronger rises in prices of food and industrial assets, with opposite impacts coming from lower growth rates in energy and services. Core inflation did not change in December in comparison to November and stood at 2.6% YoY, remaining on an all-time high level. We believe that inflation in the Eurozone peaked in December and will follow a mild downward trend in the months ahead. We now expect it to be 3.7% YoY for the entire 2022 vs. 2.6% in 2021, and drop to 1.6% in 2023. We believe that Eurozone inflation will not fall below 2% YoY until late 2022.

- **Last week, Caixin index for Chinese manufacturing was published. The index rose to 50.9 pts in December from 49.9 pts in November, running above market expectations (50.0 pts).** The increase in the index resulted from higher contributions of its components for current output, new orders and inventories, while lower contributions of employment and delivery times had the opposite effect. Noteworthy in the data structure is the first decline in final goods prices since April 2020. At the same time, the rate of increase in the prices of intermediate goods used in production was in December the lowest since May 2020. In our view, these are further signs of a gradual weakening of supply constraints in Chinese manufacturing, which, given China's role in international supply chains, will foster their weakening in other markets as well. Despite the better-than-expected business survey results for Chinese manufacturing, we see a significant likelihood of a downturn early this year due to the tightening of anti-smog policies with the upcoming Winter Olympics in Beijing (4-20 February 2022). We forecast China's GDP growth to have accelerated to 7.7% YoY in 2021 from 2.3% in 2020, and to slow down to 4.9% in 2022.

VAT reduction on food will contribute to higher inflation

At the end of 2021, Prime Minister M. Morawiecki announced a temporary reduction of the VAT rate on "basic foodstuffs" as of "February for at least six months" to zero. This is one of the government's measures aimed at reducing inflation, which (according to flash GUS data) was 8.6% YoY in December, compared to 7.8% in November (see above). However, the effectiveness of this means of curbing inflation will depend on the extent to which zero VAT rates on basic foodstuffs are reflected in their retail prices. The following analysis attempts to answer this question.

Temporary VAT rate reductions are a fairly new fiscal policy tool. While there are a number of studies on the impact of permanent changes in VAT rates on prices, there are relatively few studies analysing temporary changes in VAT rates. Based on our review of literature, we have identified some of the most important factors that influence the degree of the pass-through effect of VAT rate changes on retail prices:

- **Market situation and the purpose of a temporary change in VAT rates.** To date, temporary VAT rate reductions have been used as a tool to stimulate demand rather than reduce inflation (e.g. the temporary VAT reduction in the UK in 2008-09 and in Germany in 2020). Research indicates that when firms face insufficient demand they are able to reduce the prices of their products more strongly due to the reduction in the VAT rate, and are subsequently less inclined to make strong price increases when VAT rates return to their original level. However, it is worth noting that the current market situation is different. Firms are facing a rapid increase in demand for their products and at the same time they are facing strong cost pressure. In this situation, in our opinion, we can expect the reaction of firms to be opposite to the one indicated in the literature: a weaker pass-through of the VAT reduction to prices and later a stronger increase in prices due to its increase to the original level.
- **Margin levels.** Research indicates that firms with relatively low margins tend to react asymmetrically to a temporary reduction in VAT, i.e. to pass on the VAT reduction to prices to a smaller extent and then to raise prices more strongly due to VAT increase to the original level. In this way they try to take advantage of the temporary reduction in the VAT rate to increase their

margins. Basic foodstuffs are characterised by relatively low value added and consequently low margins. In effect, this suggests a strong asymmetric response to the temporary VAT reduction by firms.

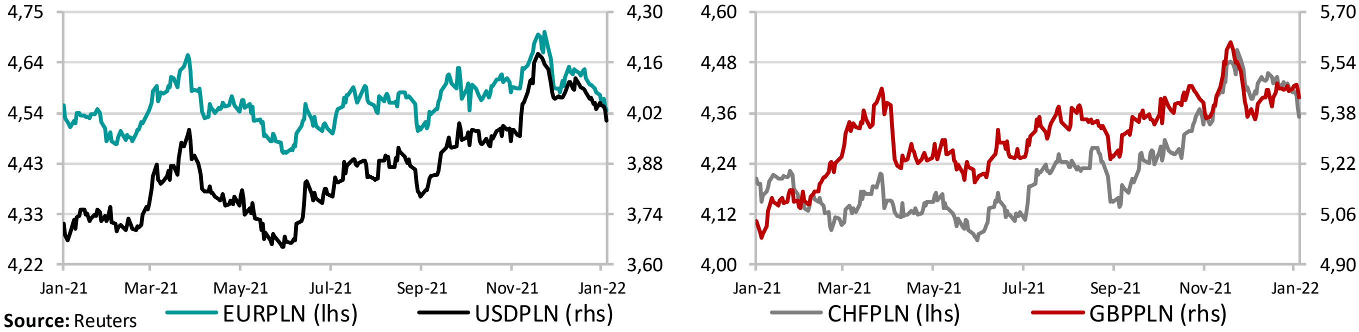
- **Competition in the relevant market and access to information.** Research indicates that the pass-through of VAT reductions on prices is weaker in categories where there is low competition and less access to market information. At the same time, these categories later experience relatively stronger price increases in response to the VAT rate returning to its original level. It is worth noting that in Poland we have quite a high concentration of retail trade. What supports this assessment is the GUS data for 2020, according to which shops with a sales area of more than 99 m^2 had a 59.4% share in the total sales area of shops in Poland. With such a retail structure, retail chains are able to use their market position to increase sales profitability. Moreover, in the case of food products, comparing prices of the same products between shops is much more difficult than in the case of durable goods, where a significant part of trade is concentrated on the Internet. Moreover, even finding differences in the price of the same food product between shops is not always a sufficient argument for doing some of the shopping in another shop. These are further factors suggesting a weaker pass-through of the VAT reduction on food prices, and a stronger price increase later due to its rise to the original level.

The conclusions presented above are coherent with our assumptions that the VAT reduction on basic foodstuffs (we assume that these will be products covered by the 5% VAT rate and sugar, where the VAT rate is 8%) will not be fully reflected in their retail prices (see MACROmap of 3/1/2022). Taking into account the current strong cost pressure in the agri-food and retail sectors (rising prices of agricultural raw materials, energy, packaging transport and labour) and its characteristics, we believe that food distributors will partly try to use the VAT reduction to increase their profitability. Hence, based on literature review, we have assumed that only 50% of the planned VAT reduction will be passed on to prices and this effect will be spread over two months as market participants adjust their pricing strategy to the actions of their competitors. Due to the cost pressure mentioned above, we believe that a subsequent increase in VAT rates to their original level will have a stronger impact on retail prices than their earlier reduction. Based on the literature review, we have assumed that 90% of the VAT increase to the original rates will be passed on to prices and, as with the reduction, this effect will be spread over two months. In other words, for a product costing PLN 10.50 gross (at a 5% VAT rate) in the conditions of full transmission of the VAT rate reduction to zero, its price would fall to PLN 10.00 (-4.8%). However, we assume that only 50% of this decrease will be realised, i.e. the price will fall to PLN 10.25 (-2.4%). This means that the net price will increase from PLN 10.00 to PLN 10.25. Then, when the VAT rate rises to its original level, 90% of this increase will be passed on to prices. So the prices will increase by 4.5% instead of 5%. In the end, the gross price of the analysed product will amount to 10.71 PLN (increase by 2.0% compared to the initial price). Our assumptions assume greater asymmetry in the pass-through mechanism of the temporary VAT rate cut to prices than we estimated two weeks ago, prompted by last week's preliminary inflation data, which signalled stronger-than-expected cost pressure in the agri-food and trade sectors (see above).

Our analysis shows that retail prices of food items that will be subject to a temporary VAT cut to zero will end up being higher than they would have been in the absence of such a temporary VAT decrease. From the point of view of growth rate of prices of food and non-alcoholic beverages, it means that in 2022 it will be by 0.3 pp lower and in 2023 by 2.1 pp higher than in the situation without the temporary VAT reduction. Taking into account the weight of food in the GUS's inflation basket, a temporary reduction in VAT rates on food will reduce inflation by 0.1 pp in 2022, at the cost of increasing it by 0.6 pp in 2023. We will present our revised inflation scenario, which also takes into account the temporary reduction in the VAT rate on fuels from 23% to 8% announced by the Prime Minister last week, in the upcoming MACROmap.

US inflation data crucial for the PLN

FX rates



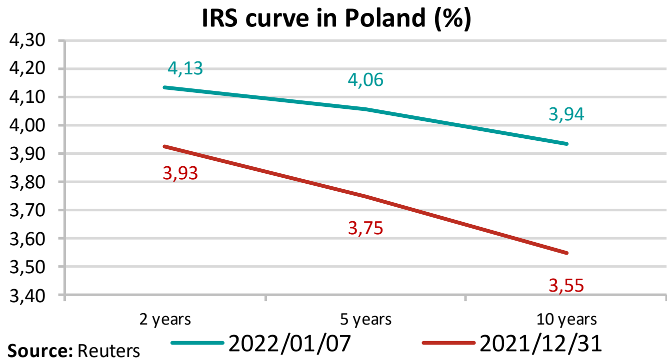
Source: Reuters

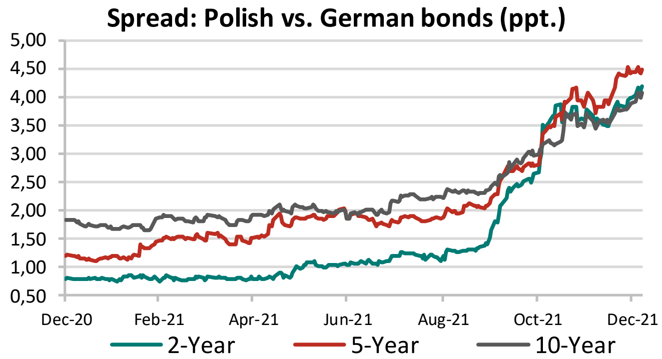
Last week, the EURPLN rate dropped to 4.5447 (the PLN strengthened by 0.8%). Throughout last week, the EURPLN exchange rate followed a mild downward trend. EURPLN experienced its strongest decline on Thursday, the Epiphany, in the absence of domestic investors. The publication of higher-than-expected domestic inflation data had no significant impact on the PLN.

From the point of view of the EURUSD exchange rate, two events were particularly important. On Wednesday, the USD strengthened against the EUR, supported by the hawkish tone of the Minutes from the December FOMC meeting. On the other hand, on Friday, the USD temporarily weakened against the EUR after the publication of significantly weaker-than-expected data from the US labour market.

This week, the release of US inflation data planned for Wednesday will be crucial for the PLN. If our forecast, consistent with the market consensus, materialises, we believe that the data will not have a significant impact on the PLN. The remaining US data, as well as this week's data releases from Poland and China, are also likely to be neutral for the PLN, in our view.

Further strong increase in IRS rates





Source: Reuters

Last week, 2-year IRS rates increased to 4.13 (up by 20 bps), 5-year rates to 4.06 (up by 31 bps) and 10-year ones to 3.94 (up by 39 bps). Last week saw further rise in IRS rates following the core markets. Investors' fears of faster monetary policy tightening by major central banks amid the strong inflation growth currently being observed had an upward effect on yields in the core markets. Last week the further fears grew in reaction to the hawkish tone of the Minutes from the December FOMC meeting. At the same time, the inverted shape of the yield curve persists. This means that in the longer term the market is pricing in a downward adjustment of interest rates.

This week, the release of US inflation data planned for Wednesday will be in the spotlight. However, we believe that it will not have a material impact on IRS rates. The remaining US data, as well as this week's data releases from Poland and China, are also likely to be neutral for the curve.

Forecasts of the monthly macroeconomic indicators

Main monthly macroeconomic indicators in Poland														
Indicator	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22
NBP reference rate (%)	0,10	0,10	0,10	0,10	0,10	0,10	0,10	0,10	0,10	0,10	0,50	1,25	1,75	2,25
EURPLN*	4,55	4,52	4,52	4,63	4,56	4,48	4,52	4,56	4,52	4,60	4,60	4,65	4,58	4,57
USDPLN*	3,73	3,72	3,74	3,95	3,79	3,66	3,81	3,84	3,83	3,98	3,98	4,10	4,03	4,04
CHFPLN*	4,21	4,18	4,11	4,18	4,15	4,07	4,12	4,24	4,18	4,27	4,35	4,47	4,42	4,39
CPI inflation (% YoY)	2,4	2,6	2,4	3,2	4,3	4,7	4,4	5,0	5,5	5,9	6,8	7,8	8,6	
Core inflation (% YoY)	3,7	3,9	3,7	3,9	3,9	4,0	3,5	3,7	3,9	4,2	4,5	4,7	5,2	
Industrial production (% YoY)	11,1	0,7	2,5	18,6	44,2	29,6	18,1	9,6	13,1	8,7	7,6	15,3	15,0	
PPI inflation (% YoY)	0,1	1,0	2,2	4,2	5,5	6,6	7,2	8,4	9,6	10,3	12,0	13,2	13,3	
Retail sales (% YoY)	-0,8	-6,0	-2,7	17,1	25,7	19,1	13,0	8,9	10,7	11,1	14,4	21,2	20,3	
Corporate sector wages (% YoY)	6,6	4,8	4,5	8,0	9,9	10,1	9,8	8,7	9,5	8,7	8,4	9,8	8,9	
Employment (% YoY)	-1,0	-2,0	-1,7	-1,3	0,9	2,7	2,8	1,8	0,9	0,6	0,5	0,7	0,7	
Unemployment rate* (%)	6,3	6,5	6,6	6,4	6,3	6,1	6,0	5,9	5,8	5,6	5,5	5,4	5,4	
Current account (M EUR)	751	2034	652	71	1269	-531	-378	-1551	-1441	-1339	-1791	-1368		
Exports (% YoY EUR)	17,0	1,0	5,6	27,7	68,6	40,5	22,7	13,1	18,9	12,2	6,6	11,7		
Imports (% YoY EUR)	14,6	-3,7	6,0	23,6	58,3	52,4	34,7	21,5	31,6	21,5	20,4	25,4		

*end of period

Forecasts of the quarterly macroeconomic indicators

Main macroeconomic indicators in Poland											
Indicator	2021				2022				2021	2022	2023
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
Gross Domestic Product (% YoY)	-0,8	11,2	5,3	7,0	4,5	4,0	3,6	4,9	5,7	4,3	3,8
Private consumption (% YoY)	0,1	13,1	4,7	6,9	3,0	2,3	2,9	3,7	5,9	3,0	3,8
Gross fixed capital formation (% YoY)	1,7	5,6	9,3	18,4	9,8	9,9	11,8	11,5	10,3	11,0	6,8
Export - constant prices (% YoY)	7,3	29,2	8,6	8,9	13,7	13,8	10,3	9,8	12,8	11,9	8,1
Import - constant prices (% YoY)	10,3	34,5	15,2	13,9	13,6	13,2	13,5	11,8	17,6	13,0	9,3
GDP growth contributions: Private consumption (pp)	0,0	7,2	2,7	3,4	1,8	1,3	1,7	1,8	3,3	1,6	2,1
GDP growth contributions: Investments (pp)	0,2	0,9	1,5	3,9	1,2	1,5	1,9	2,7	1,7	1,9	1,2
GDP growth contributions: Net exports (pp)	-1,1	-0,3	-2,7	-1,8	1,0	1,2	-1,6	-0,5	-1,5	0,0	-0,4
Current account (% of GDP)***	2,7	1,8	0,7	-0,8	-1,6	-1,6	-2,1	-1,4	-0,8	-1,4	-1,8
Unemployment rate (%)**	6,4	6,0	5,6	5,4	5,6	5,3	5,1	5,3	5,4	5,3	5,3
Non-agricultural employment (% YoY)	0,1	3,1	2,7	1,5	0,6	0,8	0,6	0,6	1,8	0,7	0,1
Wages in national economy (% YoY)	6,6	9,6	9,4	9,7	9,8	8,9	8,4	8,3	8,8	8,9	7,5
CPI Inflation (% YoY)*	2,7	4,5	5,5	7,7	8,2	8,1	7,7	5,7	5,1	7,4	3,5
Wibor 3M (%)**	0,21	0,21	0,23	2,54	3,13	3,13	3,13	3,13	2,54	3,13	3,13
NBP reference rate (%)**	0,10	0,10	0,10	1,75	3,00	3,00	3,00	3,00	1,75	3,00	3,00
EURPLN**	4,63	4,52	4,60	4,58	4,65	4,60	4,60	4,60	4,58	4,60	4,40
USDPLN**	3,95	3,81	3,98	4,03	4,08	4,00	3,97	3,90	4,03	3,90	3,64

* quarterly average
** end of period
***cumulative for the last 4 quarters

Calendar

TIME	COUNTRY	INDICATOR	PERIOD	PREV. VALUE	FORECAST*	
					CA	CONSENSUS**
		Monday 01/10/2022				
10:30	Eurozone	Sentix Index (pts)	Jan	13,5		12,0
11:00	Eurozone	Unemployment rate (%)	Nov	7,3		7,2
16:00	USA	Wholesale inventories (% MoM)	Nov	1,2		1,2
16:00	USA	Wholesale sales (% MoM)	Nov	2,2		
		Wednesday 01/12/2022				
2:30	China	PPI (% YoY)	Dec	12,9		11,1
2:30	China	CPI (% YoY)	Dec	2,3		1,8
11:00	Eurozone	Industrial production (% MoM)	Nov	1,1		0,3
14:30	USA	CPI (% MoM)	Dec	0,8	0,4	0,4
14:30	USA	Core CPI (% MoM)	Dec	0,5	0,5	0,5
		Thursday 01/13/2022				
14:00	**Poland**	**Current account (M EUR)**	**Nov**	**-1791**	**-1368**	**-1860**
14:30	USA	Initial jobless claims (k)	w/e	207		
		Friday 01/14/2022				
10:00	Germany	Preliminary GDP (% YoY)	2021	-5,0	2,7	2,7
10:00	**Poland**	**CPI (% YoY)**	**Dec**	**7,8**	**8,6**	**8,6**
14:30	USA	Retail sales (% MoM)	Dec	0,3	0,1	0,0
15:15	USA	Industrial production (% MoM)	Dec	0,5	0,1	0,3
15:15	USA	Capacity utilization (%)	Dec	76,8		77,0
16:00	USA	Initial U. of Michigan Sentiment Index (pts)	Jan	70,6	70,0	70,0
16:00	USA	Business inventories (% MoM)	Nov	1,2		1,2
	China	Trade balance (bn USD)	Dec	71,7	72,0	73,4

*The forecasts of macroeconomic indicators for Poland were prepared by Credit Agricole Bank Polska S.A. The forecasts of foreign indicators were prepared by Crédit Agricole Corporate and Investment Bank
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