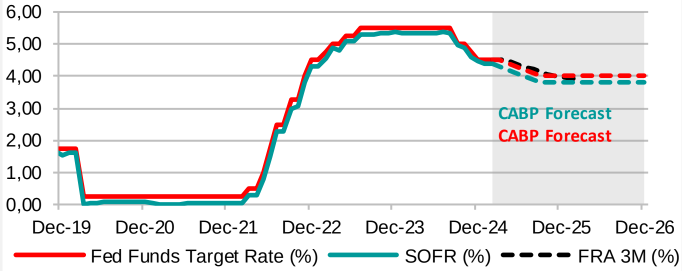
Which industries in Poland are the fastest to adopt artificial intelligence?

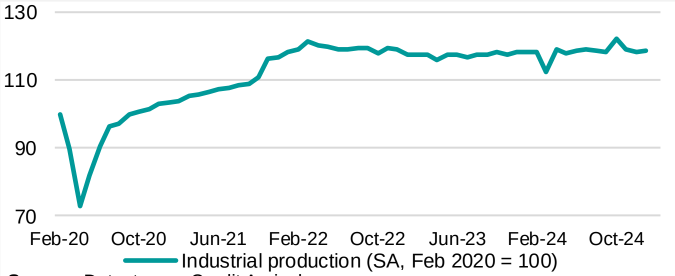
This week

- **The most important event this week will be the FOMC meeting planned for Wednesday.** Fed representatives have hinted recently that the target range for Federal Reserve funds is most likely to be kept at [4.25%; 4.50%], which would be the second consecutive pause after the total rate cut of 100bp towards the end of 2024. Key insights on the assessment of the current macroeconomic situation amidst the signs of economic growth slowdown will be the most important pieces of information in the press release and the conference after the meeting. On the one hand, we expect the Fed to be aware of greater uncertainty and a downside risk to economic growth prospects. On the other hand, J. Powell is highly likely to maintain his current opinion that the economy is still “in a good place”. The Fed Chairman will most probably leave himself some room for maneuver concerning future decisions, and will emphasise that there is no need to hurry up easing the monetary policy. The median of FOMC members’ expectations for interest rates arising from the updated macroeconomic projection is highly likely to indicate that there will be two cuts in 2025 anyway. At the same time, it will show substantial differences between individual FOMC members’ forecasts, emphasising the uncertainty of the future monetary policy. Revised macroeconomic forecasts may predict a slower GDP growth in the short-term perspective as well as slightly higher inflation and unemployment rates. Therefore, we expect the conference after the FOMC meeting to add to volatility in financial markets.



Source: Refinitiv, Credit Agricole

- **Thursday release of Polish industrial production data for February will be another important event this week.** We expect the production growth rate to have fallen to -2.2% YoY, down from -1.1% YoY in January. The decline in production was aggravated by unfavourable calendar effects. Our industrial production growth forecast is below market consensus (-1.0%), so if it materialises, it will have a slight negative effect on the PLN and the yields on Polish bonds.



Source: Datastream, Credit Agricole

- **Some important data from the US will be released this week.** We expect nominal retail sales to have gone up by 0.5% MoM in February, which will be just a partial adjustment after the 0.9% decline seen in January. The growth was mainly driven by a rebound in sales in the automotive industry. Consequently, the data will point to the continuing consumption slowdown. We expect the industrial production growth to come in at 0.1% MoM for February after the 0.5% growth in January, which will be consistent with business survey results (such as the ISM, which printed below the 50-point mark), indicating limited potential for growth in that sector. We expect the combined data on the number of new construction permits (1,455k in February vs. 1,473k in January), housing starts (1,400k vs. 1,366k) and existing-home sales (3.90m vs. 4.08m) to indicate that the activity in the US property market is still subdued. In our opinion, the data from the US will be overshadowed by the FOMC meeting, and thus their impact on financial markets will be limited.
- **Data on employment and average wages in Poland’s business sector for February will be released on Thursday.** We do not expect the employment growth rate to have changed between January and February, and we believe that it stood at -0.9% YoY. Average wage growth, in turn,

slowed from 9.2% YoY in January to 8.6% in February, driven down by last year's high base effect. We think that the release of data on employment and the average wage in the business sector will be neutral for the PLN and the debt market.

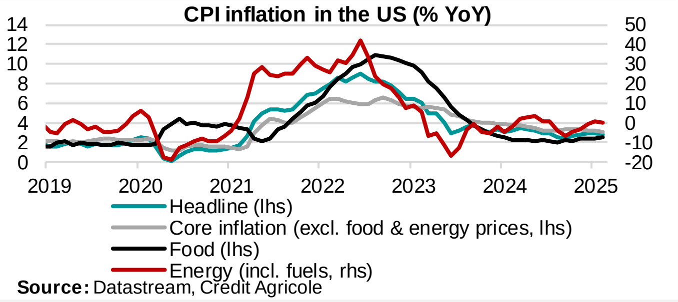
- **Poland's balance of payments figures for January will be released on Monday.** We expect the current account balance to have increased to EUR 851m from EUR -803m in December, primarily as a result of a higher balance of trade in goods and balance of transfers from the EU. We expect the exports growth rate to have increased to 3.5% YoY in January from -0.3% in December, and the imports growth rate to have increased from 3.9% YoY to 8.9% in January. In our opinion, the data on the balance of payments will be neutral for the PLN and the yield on Polish bonds.
- **The publication of an update of Poland's long-term debt rating by Moody's is scheduled for Friday.** In September 2024, Moody's affirmed Poland's rating of A2 with a stable outlook. In its decision, Moody's emphasised that the rating stemmed from the strong economic growth, an improvement in Poland-EU relations, and the situation in public finances, which was still relatively good, though deteriorating. At the same time, the agency pointed to material risks, including Poland being highly exposed to geopolitical tensions arising from the war in Ukraine. This risk is partially mitigated, though, by security guarantees arising from Poland's NATO membership. We expect Moody's to keep Poland's rating and outlook unchanged. Moody's decision will be announced after the European markets close, so we cannot expect any reaction of the FX market or the debt market to the decision before next week.
- **Significant data from China has been published today.** Data on urban investments came in better than expected (4.1% YoY for January-February 2025 vs. 3.6% in December, with market anticipating 3.7%), and so did those on industrial production (5.9% vs. 6.2%, with market expecting 5.3%). Retail sales data, in turn, were consistent with market consensus (4.0% vs. 3.7%). It needs to be noted, though, that the decline in housing investments is still strong (-9.8% YoY in January-February vs. -13.3% in December) despite the acceleration in total investments. It shows that the crisis on the property market is still one of the key challenges that the Chinese economy has to face. The acceleration of retail sales growth is largely attributable to the measures adopted by the Chinese government to stimulate the internal demand amidst poorer prospects for Chinese exports in the wake of the growing tensions in the global trade. The measures included lower taxes and support schemes facilitating the purchase of motor vehicles and home electronics. In turn, the slowdown of industrial production growth mirrors a weaker foreign demand on Chinese goods. In our view, the data are neutral for financial markets, but they have no impact on our forecast of Chinese annual GDP falling from 5.4% in Q4 2024 to 5.1% in Q1 2025. We also still anticipate the Chinese GDP to fall from 5.0% in 2024 to 4.2% all over 2025. In our view, the target of around 5% economic growth in 2025 will be difficult to reach unless fiscal stimulus is markedly stronger. On 16 March, China published a "special action plan" to stimulate domestic consumption. The government made a commitment to raise the households' income through pay rise and stronger employment support. The plan also includes increasing capital gains through stock market stabilisation. The government also plans to boost income in rural areas and solve the issue of payment bottlenecks in the SME sector. Moreover, it has announced child care subsidies and solidifying the social security system. As regards consumption, there are plans to stimulate expenses on services and offer a stronger support for the real property market. The authorities have also announced a stronger fiscal and credit support to stimulate consumption. The document confirms that internal demand stimulation will be China's response to the growing tensions in the global trade, including D. Trump administration's tariff policy.

Last week

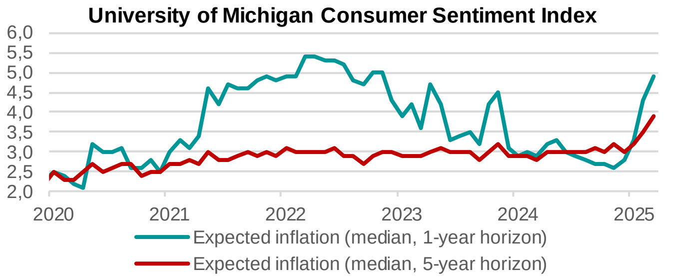
- **CPI inflation in Poland did not change between January and February, standing at 4.9% YoY, below the market consensus (5.4%) and our forecast (5.5%).** The lower-than-expected reading for February is mainly due to the change in weights applied to the inflation basket (see MACROpulse of 14/03/2025), which brought a significant downward revision of the price growth rate in January (from 5.3%). Inflation was driven up by a stronger growth in the prices of food and non-alcoholic beverages and energy, with an opposite impact coming from a slower growth in the prices of fuels and a core inflation drop, which went down from 3.9% YoY in January to 3.6% in February in line with our estimates. We estimate that the monthly core inflation in February stood at 0.3%, still above its seasonal pattern (0.1% for a February). In our opinion, it indicates that the elevated inflationary pressure still persists in the Polish economy. This makes us believe that the MoM growth in core prices will slow down in the months to come, though it will remain above its seasonal pattern. We forecast that inflation will stay close to 5% YoY until June 2025. We anticipate that it will reach its local peak of ca. 5.1% in March 2025, and then it will gradually start to fall. Our scenario assumes that inflation will stay close to the upper band for deviations from the inflation target (3.5%) despite a strong decline in H2 2025. Consequently, we expect the average annual inflation to print at 3.9% YoY in 2025 vs. 3.6% in 2024.
- **The Monetary Policy Council decided to keep interest rates unchanged last week, with the NBP reference rate standing at 5.75%.**The MPC's decision was consistent with the market consensus and our forecast. The post-meeting press release maintained a slightly hawkish tone. Once again, the Council noted that inflation in major developed economies remains slightly above central banks' targets. It also observed that 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 (see MACROpulse of 05/02/2025). The press release also contains the passage saying that the outlook for economic activity and inflation around the world is fraught with uncertainty, which is related to, among others, changes in trade policies This way, the Council made a reference to the growing tensions in the global trade, which are connected with D. Trump administration's tariff policy to a considerable extent. The MPC also repeated its assessment regarding the future level of interest rates, which will depend on incoming information regarding prospects for inflation and economic activity. The March inflation projection was also released last week. Inflation path for 2025 had been revised downwards from the November projection. This happened due to the government keeping the energy prices frozen, and because the PLN-nominated prices of oil in the global market dropped markedly, which contributed to a larger-than-expected decline in fuel prices. As regards 2026, inflation forecast has been revised markedly upwards due to low base effects of 2025. Consequently, the projection shows a picture of inflation returning to the target set by the MPC only in 2027. In turn, the GDP growth forecast for 2025-2026 was revised slightly upwards from the November projection, which we think was mainly due to the higher starting point arising from better-than-expected GDP data for Q4. The usual press conference was also held last week, with NBP Governor A. Glapiński suggesting that the current, strong inflation growth gives no grounds whatsoever for interest rates to be cut amidst a strong growth in wages and high core inflation. He emphasised that it is necessary to stabilise the interest rates at the moment to bring the inflation down to its target. At the same time, NBP Governor said that interest rates on their current level are not a significant obstacle to economic growth and investments, when real interest rates in Poland are low. Despite the hawkish tone of the March projection and the NBP Governor's statements, we do not change our scenario, in which the first interest rate cut, by 25bp, will take place in Q3 2025. A notable statement in this context was made by MPC member H. Wnorowski, who said that he still thinks that interest rates could be cut this July, but this is

less likely than it was before the March projection was released. It is worth noting that the March projection is based on the assumption that energy prices will be released in H2 2025. In our opinion, though, they will rise only in Q1 2026, and not as much as the NBP predicts. This would mean that inflation will drop markedly in H2 2025, which will give the MPC a strong argument in favour of interest rate cuts in our view.

- **Last week, important data from the US economy was released.** CPI inflation in the US fell to 2.8% YoY in February vs. 3.0% in January, coming in below market expectations (2.9%). The drop was driven by slower growth in the prices of energy, as well as lower core inflation, which declined to 3.1% YoY in February from 3.3% in January, with higher food prices having the opposite effect. Seasonally-adjusted core prices fell from 0.4% MoM in January to 0.2% in February, signaling that inflationary pressures in the US economy are easing. The preliminary University of Michigan Index, which fell from 64.7 pts in February to 57.9 pts in March, printing below both the market consensus (63.1 pts) and our forecast (64.5 pts), was also released last week. The index dropped on the back of decreases in both the "current situation" and "expectations" sub-indices. The median for expected inflation over a one-year horizon, released together with the University of Michigan index, rose to 4.9% YoY in March from 4.3% in February, thus reaching the highest level since November 2022. The strong growth in inflation expectations in recent months shows that US consumers have concerns about the pro-inflationary impact of D. Trump's administration's recent decisions, including the tightening of immigration policy and increasing tariffs on goods imported from certain countries. At the same time sentiment surveys indicate that US consumers are increasingly inclined to believe that the D. Trump's administration's policy may lead to a recession. Accordingly, the consumer sentiment survey results represent a downside risk to our forecast of annualised GDP growth going down from 2.3% in Q4 to 1.9% in Q1, and from 2.8% all over 2024 to 1.9% all over 2025. At the same time, we still believe that the Federal Reserve will cut interest rates by a total of 50bp in 2025 (in June and September, each time by 25bp).



Source: Datastream, Crédit Agricole



Source: Datastream, Credit Agricole

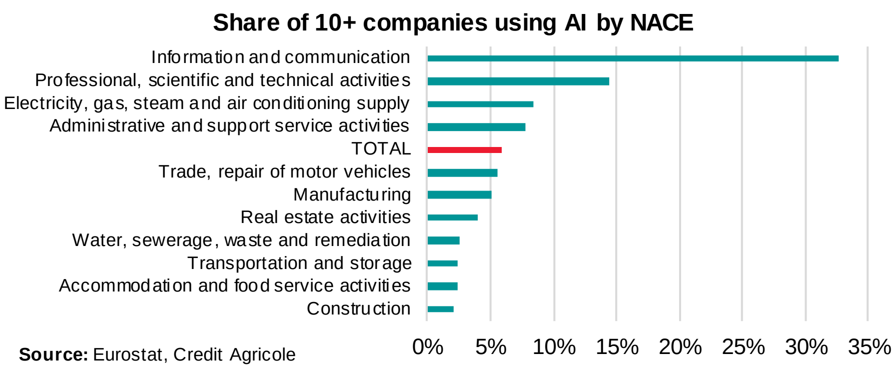
- **Fitch rating agency has upheld Poland's long-term credit rating at A- with a stable outlook.** According to the agency, the current rating, on the one hand, reflects a diversified economy, a good balance of payments situation, stable state budget revenues and the strong fundamentals of the Polish economy, supported by EU membership. On the other hand, indicators compiled by the World Bank on the rule of law, the level of public deficit and GDP per capita are at a relatively low level compared to other A-rated countries. Fitch also reaffirmed its assessment of factors that, if they materialise, could contribute to a positive decision on Poland's rating in the future. According to Fitch, a rating upgrade could take place if the income gap between Poland and developed countries narrowed more rapidly or if public debt in relation to GDP fell sustainably, or if the rule of law situation continued to improve. In contrast, a deterioration in public finances or economic growth prospects would be negative for Poland's rating. In our opinion, Fitch's confirmation of Poland's rating and its outlook is neutral for the PLN and yields on Polish bonds.
- **Last week, the CDU/CSU, SPD and Greens coalition agreed to increase public debt to strengthen defence capabilities.** A vote on the proposal is scheduled for 18 March in the Bundestag. Despite

the planned debt expansion, future Chancellor F. Merz emphasised the need to comply with European fiscal rules and stressed the need for saving, which remains the subject of coalition negotiations. A key element of the agreement is excluding defence and security spending exceeding 1% of GDP from the so-called debt break, which requires amending the constitution and a two-thirds majority in parliament. The plan also calls for creating a special fund of EUR 500bn for infrastructure and climate protection. We estimate that the increased spending will have a limited impact on inflation in 2025-2026, as investments in infrastructure and defence do not directly affect consumer prices. We expect the fiscal package to boost Germany's GDP growth by about 0.3-0.5 pp in 2025, 0.8-1.0 pp in 2026 and up to 1.5-1.8 pp in 2027-2029. As a result, German GDP in 2028 may be some 4.5% higher compared to the alternative scenario without the fiscal stimulus. We anticipate that the multiplier effect of infrastructure investments will be stronger than that of defence spending, which will largely drive imports, thereby limiting the positive impact of increased public spending on GDP. Although we estimate that Germany's public debt will rise by about EUR 1tn, the debt-to-GDP ratio will remain relatively stable at around 65%.

Which industries in Poland are the fastest to adopt artificial intelligence?

In a previous MACROmap, we examined the degree of adoption of artificial intelligence (AI) across EU member states and by company size. Below, we present how the AI adoption process in Poland varies across different industries.

To recap, our analysis was prepared using a dataset concerning the actual use of AI in businesses compiled by Eurostat. The survey collects information about the types of AI technologies companies use, how they apply them and the origin of these solutions. It is important to note that the survey only covers companies with 10+ employees. Thus, micro-enterprises are excluded from this analysis. Due to data unavailability, some NACE sections and divisions, such as finance and healthcare, are also excluded from this analysis. The main information and trends are outlined in the text below, while tables with detailed industry-specific data can be found at the end of this analysis. Please note that for some categories, data are only available as aggregates for two or three NACE divisions.

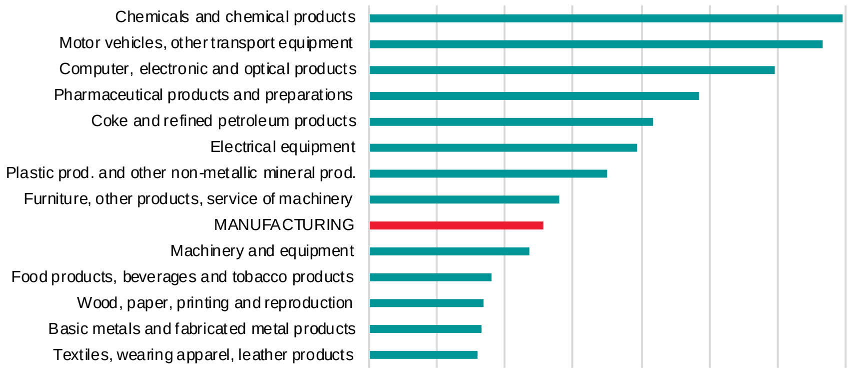


Source: Eurostat, Credit Agricole

In terms of AI usage, two sections stand out significantly against the rest of the economy, namely "Information and communication" (32.6% of 10+ companies use at least one AI technology) and "Professional, scientific and technical activities" (14.5%). The first of these sections includes two NACE divisions with the highest share of enterprises using AI technology – "Computer programming, consultancy and related activities" and "Information service activities", where a combined 38.1% of businesses use AI, compared to 5.9% for Poland as a whole. A similar trend exists in other EU countries, as these sectors employ workers with expertise helpful in creating, implementing and using AI technology. The remaining NACE sections within the service sector have much lower shares of companies adopting AI (see chart).

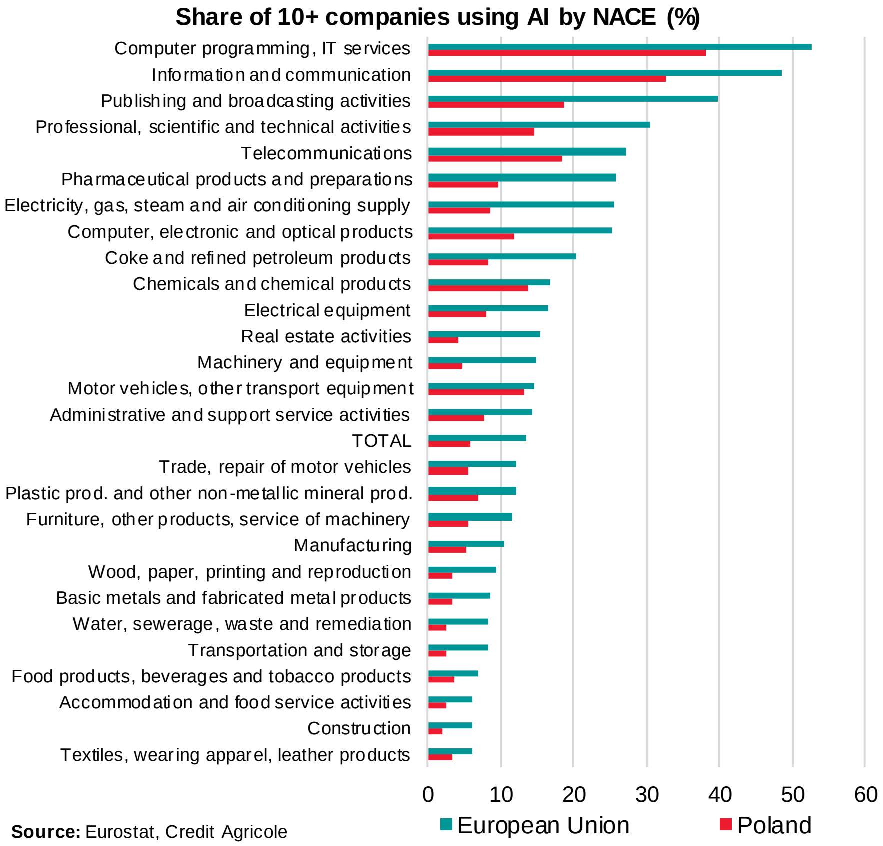
It is also worth noting that the share of companies using AI within the service sector partly depends on the proportion of large enterprises (250+ employees) in the number of 10+ companies in a given NACE division. In a previous MACROmap, we showed that, at the level of the whole economy, AI technology is more than eight times more widespread among large (250+) enterprises than among small (10-49) ones. Consequently, industry-level data should not be compared directly due to the risk of bias arising from differences in the proportion of large companies in a given NACE division. NACE sections where the share is the lowest ("Wholesale and retail trade, repair of motor vehicles and motorcycles", "Transportation and storage", "Accommodation and food service activities", "Real estate activities") also show the lowest AI adoption rate. A similar dependency exists in the individual branches of manufacturing.

Share of 10+ companies using AI by manufacturing industry branches



Source: Eurostat, Credit Agricole

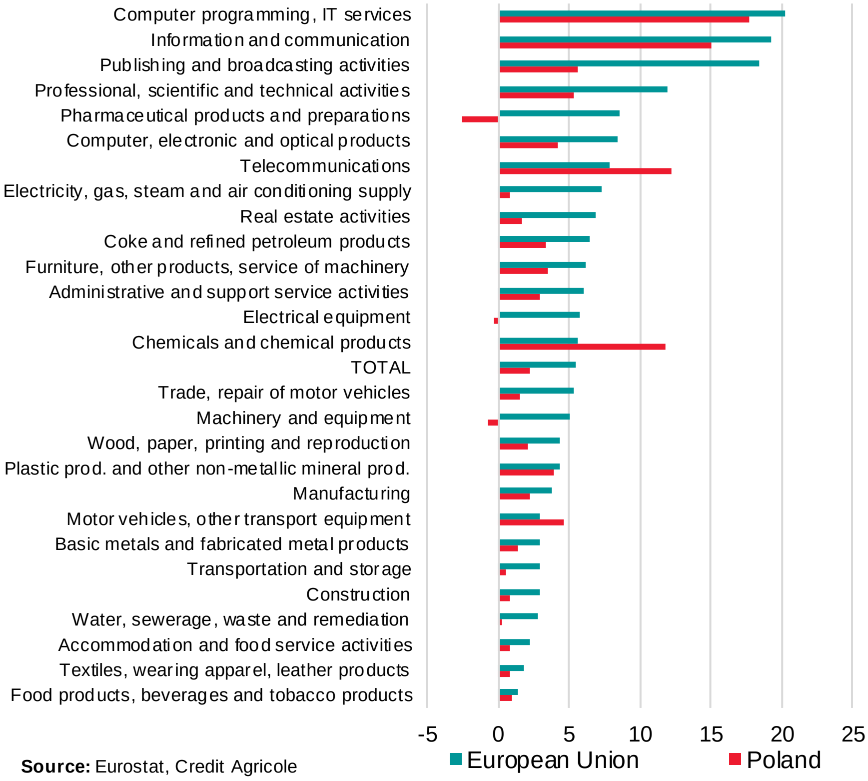
Among manufacturing companies, 5.1% use at least one AI technology. There is a considerable variation in AI adoption across different manufacturing industries. The top spot is taken by "Chemicals and chemical products", which recorded a significant increase in the last year (13.9% in 2024 vs. 2.1% in 2023). Ranking second are the combined "Manufacture of motor vehicles, trailers and semi-trailers" and "Manufacture of other transport equipment" (13.3% in 2024) categories, which also boast the highest rates in manufacturing for AI usage in the production process (8.5%) and logistics (3.9%) and have the highest share of companies using autonomous vehicles and machinery (4.1%). A high level of AI adoption can also be observed in "Manufacture of computers, electronic and optical products" (11.9%). An interesting case is the NACE division "Manufacture of basic pharmaceutical products and pharmaceutical preparations", which in 2023 had the highest share of companies using AI among manufacturing sectors, while in 2024 it recorded a substantial drop in the number of companies using AI (9.7% in 2024 vs. 12.2% in 2023). This drop was broad-based, extending to most applications and technologies. Notably, in the remaining EU countries, with the exception of Romania, this industry saw a substantial increase in AI usage (25.8% in 2024 vs. 17.2% in 2023 for the entire EU) and thus the decline in the use of AI in this sector in Poland is an outlier.



Source: Eurostat, Credit Agricole

Further in the analysis, we compared NACE divisions in Poland to EU averages. In every industry analysed, the share of companies using AI in Poland is below the EU average, both in companies using at least one, two, three or more AI technologies and in terms of usage of specific technologies (with minor exceptions). The disparities are significant as in two-thirds of the industries the EU average share of AI use is twice as high as in Poland. The sectors with the smallest gaps are “Manufacture of motor vehicles, trailers and semi-trailers” and “Manufacture of other transport equipment” (13.3% in Poland vs. 14.6% in the EU). These industries also surpass the EU average in 5 out of 7 surveyed AI application areas (production processes, logistics, ICT security, administration, and finance/accounting). It should be noted that some industries show significant differences between Poland and the EU. In the remaining EU countries, "Electricity, gas, steam, hot water, and air conditioning supply", has a significantly higher AI adoption rate than in Poland. Manufacture of basic pharmaceutical products and pharmaceutical preparations” is another top AI-adopting sector in the EU, where Poland lags significantly behind. In this sector, substantial differences in AI usage between Poland and the EU are particularly visible in R&D, ICT security, production processes, and marketing.

Change in the share of 10+ companies using AI by NACE (pp, 2024 vs 2023)



Source: Eurostat, Credit Agricole

Moreover, AI adoption growth rates in Poland from 2023 to 2024 were below the EU average in most industry sections (see chart), indicating that Poland is falling further behind in AI implementation. Exceptions include "Telecommunications", "Chemical and chemical products" and "Motor vehicles and other transport equipment".

AI technology usage varies widely across sectors. For example, in "Information and communication" and "Professional, scientific, and technical activities", text and speech generation technologies, as well as machine learning for data analysis, are most commonly used. In manufacturing, AI is primarily applied for process automation and decision-making. Notably, in "Manufacture of motor vehicles, trailers and semi-trailers" and “Manufacture of other transport equipment” (grouped into one for the purposes of the study), and in “Computers, electronic and optical products” technologies based on autonomous vehicles and machinery play a more significant role than in other manufacturing sectors. These categories also show a high share of companies leveraging image recognition technology.

In Poland, across all NACE sections, commercial off-the-shelf AI software is the most commonly used source of technology. However, it is worth noting that in 2023, the two leading AI-adopting NACE divisons in Poland ("Computer programming, consultancy and related activities" and "Information service activities") relied primarily on proprietary AI solutions. Interestingly, in the case of these industries in EU countries with high-AI-adoption, commercial software with custom modifications is more prevalent, as is the use of customised open-source AI solutions, which is higher than in Poland.

In summary, the key sectors adopting AI in Poland are "Information and communication" and "Professional, scientific, and technical activities". In manufacturing, AI adoption is highest in the combined “Manufacture of motor vehicles, trailers and semi-trailers” and “Manufacture of other transport equipment” category, as well as in “Computers, electronic and optical products”. However, no sector in Poland exceeds the EU average in terms of AI adoption, and most sectors have significant gaps relative to the EU average. Furthermore, AI adoption growth between 2023 and 2024 was lower in Poland than the EU average in nearly all NACE sections, widening the gap between Poland and the rest of the EU. In 2024, 5.9% of companies in Poland used at least one AI technology, compared to 13.5% in the EU (up from 3.7% in Poland and 8.0% in the EU in 2023). This means the gap between Poland and the EU widened from 4.4 pp in 2023 to 7.6 pp in 2024.

NACE Sector	Companies utilising AI in at least 1 area	Share of 10+ companies using particular AI technologies (%)						
		Text mining	Speech recognition	Natural language generation	Image recognition	Data analysis	Process automation	Physical automation
Manufacturing	**5,1**	**1,0**	**0,9**	**1,6**	**1,8**	**1,0**	**2,4**	**0,8**
Food products, beverages and tobacco products	3,6	0,8	0,6	1,4	1,3	0,9	1,9	0,5
Textiles, w earing apparel, leather and related products	3,2	0,8	1,1	1,5	0,9	1,0	0,7	0,1
Wood, paper, printing and reproduction	3,4	0,8	0,1	0,8	1,3	0,4	1,6	0,7
Coke and refined petroleum products	8,3	1,7	0,0	1,7	3,3	5,0	5,0	0,0
Chemicals and chemical products	13,9	3,5	1,8	6,2	3,8	2,7	5,5	0,7
Pharmaceutical products and preparations	9,7	1,3	1,3	3,9	3,9	3,9	5,8	3,2
Plastic products and other non-metallic mineral products	7,0	0,7	1,1	1,7	2,2	1,4	3,1	1,4
Basic metals and fabricated metal products	3,3	0,8	0,2	0,6	0,9	0,5	1,9	0,4
Computer, electronic and optical products	11,9	2,1	3,5	6,3	6,1	3,1	4,0	3,6
Electrical equipment	7,9	0,4	0,9	1,9	2,7	1,5	4,3	3,0
Machinery and equipment	4,7	1,9	1,2	1,3	0,9	0,6	2,6	0,4
Motor vehicles, other transport equipment	13,3	0,9	1,2	2,5	6,7	2,9	6,5	4,1
Furniture, other products, service of machinery	5,6	1,5	2,0	2,5	2,1	1,0	2,5	0,4
Electricity, gas, steam and air conditioning supply	**8,4**	**1,0**	**1,4**	**2,5**	**2,7**	**4,5**	**4,0**	**0,2**
Water, sewerage, waste and remediation	**2,5**	**0,4**	**0,3**	**0,6**	**0,4**	**0,7**	**1,3**	**0,0**
Construction	**2,0**	**0,3**	**0,8**	**0,9**	**0,4**	**0,2**	**0,6**	**0,1**
Wholesale and retail trade, repair of motor vehicles	**5,5**	**1,4**	**1,3**	**2,4**	**1,4**	**1,1**	**2,3**	**0,3**
Trade and repair of motor vehicles	5,0	1,3	0,8	3,1	1,4	1,2	2,0	0,4
Wholesale trade	5,8	1,2	1,1	2,6	1,3	1,4	2,5	0,4
Retail trade	5,4	1,6	1,6	2,0	1,4	0,8	2,1	0,2
Transportation and storage	**2,5**	**0,4**	**0,2**	**1,1**	**0,8**	**0,5**	**1,0**	**0,4**
Accommodation and food service activities	**2,4**	**1,5**	**0,3**	**0,8**	**0,6**	**0,2**	**0,6**	**0,1**
Accomodation	3,0	0,5	0,6	0,8	1,4	0,5	1,3	0,2
Information and communication	**32,6**	**10,2**	**9,7**	**15,7**	**9,5**	**17,1**	**13,4**	**3,1**
Publishing and broadcasting activities	18,6	6,3	9,4	9,5	7,5	6,1	4,7	0,8
Telecommunications	18,3	5,3	2,8	14,0	4,7	4,5	7,9	0,6
Computer programming, IT consultancy and services	38,1	11,8	10,8	17,4	10,7	21,6	16,3	4,0
Real estate activities	**4,0**	**1,8**	**0,9**	**1,4**	**1,1**	**0,2**	**1,0**	**0,0**
Professional, scientific and technical activities	**14,5**	**4,4**	**4,3**	**5,5**	**3,8**	**3,8**	**7,3**	**0,7**
Legal, accounting, head offices, consultancy, engineering	13,3	3,2	3,9	4,9	2,6	3,0	7,1	0,9
Scientific R&D		2,7	1,2	6,6	2,8	10,1	-	0,7
Marketing, other professional, scientific and technical activities	17,6	8,3	6,2	7,0	7,9	4,9	6,9	0,1
Administrative and support service activities	**7,7**	**1,6**	**2,3**	**3,4**	**2,5**	**2,1**	**3,8**	**0,3**
Travel agencies	12,0	3,3	3,3	3,8	3,5	5,1	6,7	1,1

Source: Eurostat, Credit Agricole

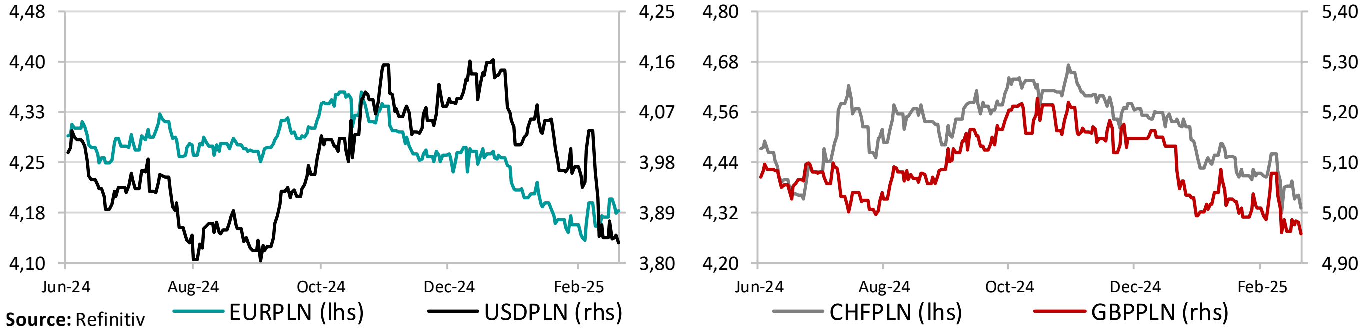
Which industries in Poland are the fastest to adopt artificial intelligence?

NACE Sector	Companies utilising AI in at least 1 area	Share of 10+ companies applying AI technology in a given area (%)						
		Sales and marketing	Production processes	Logistics	ICT Security	Managment, Administration	Finance, accouting, controlling	R&D
Manufacturing	**5,0**	**1,6**	**1,8**	**0,7**	**1,8**	**1,8**	**1,7**	**1,1**
Food products, beverages and tobacco products	3,4	1,2	1,0	0,7	1,2	1,7	1,4	0,6
Textiles, wearing apparel, leather and related products	3,2	0,9	0,0	0,1	1,8	1,2	0,4	0,3
Wood, paper, printing and reproduction	3,2	1,3	1,3	0,7	0,7	1,4	1,0	0,2
Coke and refined petroleum products	8,3	3,3	5,0	1,7	1,7	3,3	1,7	5,0
Chemicals and chemical products	13,9	4,7	1,0	0,7	4,7	5,5	5,3	2,8
Pharmaceutical products and preparations	9,7	1,9	3,9	2,6	3,9	7,1	3,2	1,3
Plastic products and other non-metallic mineral products	7,0	2,5	2,5	0,9	2,5	1,8	2,1	1,4
Basic metals and fabricated metal products	3,3	1,1	0,9	0,3	0,9	0,9	0,9	1,1
Computer, electronic and optical products	11,9	4,9	6,6	2,2	6,4	2,0	2,5	4,1
Electrical equipment	7,9	0,8	4,3	3,0	4,2	2,2	2,5	1,5
Machinery and equipment	4,7	0,7	2,4	0,5	2,1	1,1	0,9	1,2
Motor vehicles, other transport equipment	12,9	1,1	8,5	3,9	5,5	4,9	4,9	2,4
Furniture, other products, service of machinery	5,6	2,5	2,2	0,2	1,5	2,8	2,7	1,6
Electricity, gas, steam and air conditioning supply	**8,4**	**1,8**	**3,5**	**1,5**	**3,1**	**2,2**	**1,6**	**2,6**
Water, sewerage, waste and remediation	**2,5**	**0,6**	**0,9**	**0,0**	**0,7**	**0,7**	**0,7**	**0,1**
Construction	**1,9**	**0,4**	**0,3**	**0,5**	**0,7**	**1,0**	**0,6**	**0,1**
Wholesale and retail trade, repair of motor vehicles	**5,3**	**3,1**	**0,9**	**0,4**	**1,8**	**1,7**	**1,8**	**0,5**
Trade and repair of motor vehicles	4,9	2,6	0,6	0,1	2,0	2,2	2,8	0,8
Wholesale trade	5,5	2,9	1,0	0,5	2,2	1,8	1,5	0,7
Retail trade	5,3	3,5	1,0	0,3	1,4	1,5	1,9	0,2
Transportation and storage	**2,4**	**0,8**	**0,5**	**0,9**	**1,0**	**1,1**	**1,0**	**0,5**
Accommodation and food service activities	**2,4**	**1,9**	**0,1**	**0,0**	**0,3**	**0,3**	**0,5**	**0,1**
Accomodation	3,0	1,8	0,1	0,1	0,7	0,4	1,3	0,2
Information and communication	**31,8**	**13,7**	**14,8**	**2,1**	**12,1**	**11,4**	**8,1**	**15,4**
Publishing and broadcasting activities	18,6	9,5	7,1	0,6	6,5	6,0	6,1	4,2
Telecommunications	18,3	11,0	4,5	1,2	6,6	5,6	5,8	3,7
Computer programming, IT consultancy and services	36,9	15,1	18,2	2,6	14,2	13,6	9,0	19,7
Real estate activities	**4,0**	**1,6**	**0,6**	**0,0**	**1,4**	**1,6**	**1,8**	**0,7**
Professional, scientific and technical activities	**14,0**	**5,3**	**5,0**	**0,4**	**4,8**	**6,0**	**4,8**	**5,2**
Legal, accounting, head offices, consultancy, engineering	12,8	3,9	3,9	0,5	4,5	6,2	5,9	4,4
Scientific R&D		0,3	7,2	0,0	7,1	6,4	0,0	8,6
Marketing, other professional, scientific and technical activities	17,6	11,0	7,9	0,0	5,3	5,4	2,0	7,0
Administrative and support service activities	**7,7**	**3,1**	**3,8**	**1,1**	**2,2**	**4,3**	**3,1**	**0,9**
Travel agencies	12,0	10,5	3,0	0,0	3,9	3,0	1,3	0,6

Source: Eurostat, Credit Agricole

Global trade outlook key for PLN

FX rates



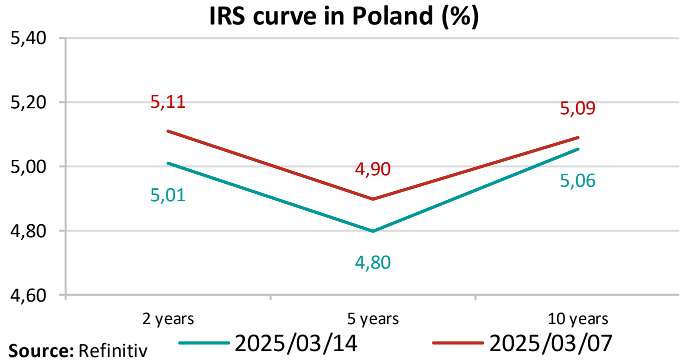
Source: Refinitiv

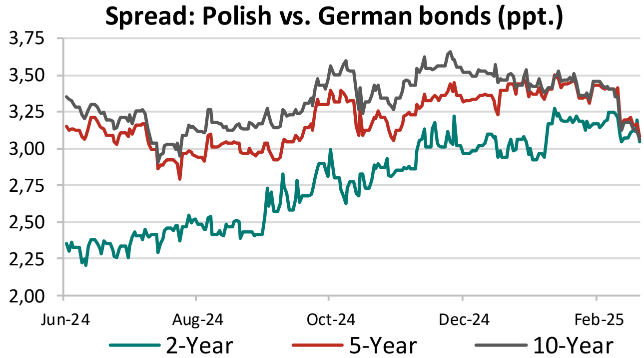
Last week, the EURPLN rate fell to 4.1800, marking a 0.2% appreciation of the PLN. On Monday, the PLN weakened due to increased uncertainty surrounding the D. Trump administration's customs policy. Later in the week, the EURPLN followed a mild downward trend, supported by the hawkish tone of the NBP's March inflation projection and comments from NBP Governor A. Glapiński.

At the start of the week, the EUR gained ground against the USD after the EU reached an agreement to significantly increase defence spending, intensified some investors' expectations of an economic revival in the Eurozone. At the same time, elevated uncertainty over US customs policy remained a key driver of EURUSD volatility.

This week, the market's focus will be on Wednesday's FOMC meeting, which may add to the volatility of the PLN. However, the release of domestic industrial production figures on Thursday could push the EURPLN rate higher. Other data releases from the Polish and global economies scheduled for this week will only have a limited impact on the PLN, in our opinion. Key factors shaping the PLN exchange rate this week will include further economic policy decisions (primarily on customs) by the D. Trump administration and talks regarding the end of the war in Ukraine, both of which are likely to add to the volatility of the Polish currency. Moody's Friday update on Poland's rating will be announced after the close of European markets, thus its potential impact on the PLN exchange rate will not materialise until next week.

FOMC meeting in the spotlight





Source: Refinitiv

Last week, 2-year IRS rates fell to 5.10 (down by 10bp), 5-year rates dropped to 4.80 (down by 10bp) and 10-year rates decreased to 5.06 (down by 3bp). Early last week, IRS rates increased across the curve, following the German market and continuing the trends observed two weeks ago (see MACROmap of 10/03/2025). Friday saw a sharp correction, with IRS rates dropping in response to the release of lower-than-expected domestic inflation data.

This week, the market's focus will be on Wednesday's FOMC meeting, which may add to the volatility of IRS rates. In turn, Thursday's figures on industrial production in Poland may lead to a drop in IRS rates. In our opinion, other data releases from the Polish and global economies scheduled for this week will be neutral for IRS rates. Key factors for the yield curve this week will be further economic policy decisions (primarily concerning tariffs) by the D. Trump administration and talks regarding the end of the war in Ukraine, both of which are likely to add to the volatility of IRS rates. Moody's Friday update on Poland's rating will be announced after the close of European markets, thus its potential impact on IRS rates will not materialise until next week.

Forecasts of the monthly macroeconomic indicators

Main monthly macroeconomic indicators in Poland														
Indicator	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25
NBP reference rate (%)	5,75	5,75	5,75	5,75	5,75	5,75	5,75	5,75	5,75	5,75	5,75	5,75	5,75	5,75
EURPLN*	4,31	4,29	4,33	4,27	4,30	4,29	4,28	4,28	4,35	4,30	4,27	4,21	4,19	**4,18**
USDPLN*	3,99	3,97	4,06	3,94	4,02	3,96	3,87	3,85	4,00	4,06	4,13	4,06	4,04	**3,98**
CHFPLN*	4,52	4,40	4,41	4,36	4,47	4,50	4,56	4,54	4,64	4,60	4,54	4,46	4,46	**4,49**
CPI inflation (% YoY)	2,8	2,0	2,4	2,5	2,6	4,2	4,3	4,9	5,0	4,7	4,7	4,9	4,9	
Core inflation (% YoY)	5,4	4,6	4,1	3,8	3,6	3,8	3,7	4,3	4,1	4,3	4,0	3,9	3,6	
Industrial production (% YoY)	3,2	-5,7	7,8	-1,6	0,0	5,3	-1,3	-0,5	4,7	-1,3	0,3	-1,0	**-2,2**	
PPI inflation (% YoY)	-10,0	-9,9	-8,5	-7,0	-5,8	-5,1	-5,5	-6,2	-5,1	-3,8	-2,7	-0,9	**-1,2**	
Retail sales (% YoY)	6,7	6,0	4,3	5,4	4,7	5,0	3,2	-2,2	2,3	3,4	2,7	6,1	**4,3**	
Corporate sector wages (% YoY)	12,9	12,0	11,3	11,4	11,0	10,6	11,1	10,3	10,2	10,5	9,8	9,2	**8,6**	
Employment (% YoY)	-0,2	-0,2	-0,4	-0,5	-0,4	-0,4	-0,5	-0,5	-0,5	-0,5	-0,6	-0,9	**-0,9**	
Unemployment rate* (%)	5,4	5,3	5,1	5,0	4,9	5,0	5,0	5,0	4,9	5,0	5,1	5,4	**5,5**	
Current account (M EUR)	1752	1239	658	-605	441	-649	-2494	-1133	1220	-33	-803	**851**		
Exports (% YoY EUR)	2,0	-8,7	8,1	-5,4	-6,7	5,3	-2,7	1,0	2,1	-3,1	-0,3	**3,5**		
Imports (% YoY EUR)	2,1	-7,2	5,6	0,9	1,4	9,8	5,5	5,7	6,6	-0,4	3,9	**8,9**		

*end of period

Forecasts of the quarterly macroeconomic indicators

Main macroeconomic indicators in Poland												
Indicator	2024				2025				2024	2025	2026
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
Gross Domestic Product (% YoY)	2,1	3,2	2,7	3,2	**3,1**	**3,3**	**3,4**	**3,6**	2,9	**3,5**	**3,3**
Private consumption (% YoY)	4,4	4,6	0,3	3,5	**2,5**	**2,1**	**2,0**	**1,8**	3,1	**2,2**	**2,9**
Gross fixed capital formation (% YoY)	1,9	3,2	0,1	1,3	**5,6**	**7,7**	**8,9**	**8,8**	1,5	**8,1**	**7,3**
Export - constant prices (% YoY)	2,1	2,9	-0,7	0,5	**4,6**	**5,7**	**4,3**	**7,1**	1,2	**5,3**	**5,5**
Import - constant prices (% YoY)	2,3	5,7	1,9	3,3	**4,9**	**5,3**	**4,3**	**3,9**	3,3	**4,5**	**4,6**
GDP growth contributions: Private consumption (pp)	2,7	2,6	0,2	1,8	**1,5**	**1,2**	**1,2**	**0,9**	1,8	**1,3**	**1,7**
GDP growth contributions: Investments (pp)	0,2	0,5	0,0	0,3	**0,7**	**1,2**	**1,4**	**2,0**	0,3	**1,4**	**1,2**
GDP growth contributions: Net exports (pp)	0,0	-1,3	-1,5	-1,3	**0,1**	**0,5**	**0,1**	**1,8**	-1,0	**0,6**	**0,7**
Current account (% of GDP)***	1,6	1,3	0,5	0,1	**0,3**	**0,3**	**0,2**	**0,2**	0,1	**0,2**	**0,1**
Unemployment rate (%)**	5,3	4,9	5,0	5,1	**5,3**	**4,9**	**4,9**	**4,9**	5,1	**4,9**	**4,8**
Non-agricultural employment (% YoY)	-0,2	0,9	1,5	0,4	**-0,2**	**-0,5**	**-0,5**	**-0,5**	0,7	**-0,4**	**-0,5**
Wages in national economy (% YoY)	14,4	14,7	13,4	12,4	**10,1**	**8,3**	**7,1**	**6,5**	13,7	**8,0**	**6,0**
CPI Inflation (% YoY)*	2,8	2,5	4,5	4,8	**4,9**	**4,6**	**3,1**	**3,1**	3,6	**3,9**	**2,8**
Wibor 3M (%)**	5,88	5,85	5,85	5,84	**5,85**	**5,60**	**5,48**	**5,35**	5,84	**5,35**	**4,36**
NBP reference rate (%)**	5,75	5,75	5,75	5,75	**5,75**	**5,75**	**5,50**	**5,25**	5,75	**5,25**	**4,25**
EURPLN**	4,29	4,30	4,28	4,27	**4,18**	**4,20**	**4,20**	**4,20**	4,27	**4,20**	**4,16**
USDPLN**	3,97	4,02	3,85	4,13	**3,98**	**4,04**	**4,00**	**3,93**	4,13	**3,93**	**3,78**

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

Calendar

TIME	COUNTRY	INDICATOR	PERIOD	PREV. VALUE	FORECAST* CA	FORECAST* CONSENSUS**
		Monday 03/17/2025				
3:00	China	Retail sales (% YoY)	Feb	3,7	4,5	4,0
3:00	China	Urban investments (% YoY)	Feb	3,2	3,8	3,6
3:00	China	Industrial production (% YoY)	Feb	6,2	5,0	5,3
13:30	USA	Retail sales (% MoM)	Feb	-0,9	0,5	0,6
13:30	USA	NY Fed Manufacturing Index (pts)	Mar	5,7		-0,8
14:00	**Poland**	**Core inflation (% YoY)**	**Feb**	**4,0**	**4,1**	**4,1**
14:00	**Poland**	**Current account (M EUR)**	**Jan**	**-803**	**851**	**440**
15:00	USA	Business inventories (% MoM)	Jan	-0,2		0,3
		Tuesday 03/18/2025				
11:00	Germany	ZEW Economic Sentiment (pts)	Mar	26,0		45,0
13:30	USA	Building permits (k)	Feb	1473	1455	1450
13:30	USA	Housing starts (k MoM)	Feb	1366	1400	1375
14:15	USA	Capacity utilization (%)	Feb	77,8		77,8
14:15	USA	Industrial production (% MoM)	Feb	0,5	0,1	0,2
		Wednesday 03/19/2025				
11:00	Eurozone	Wages (% YoY)	Q4	4,4		
11:00	Eurozone	HICP (% YoY)	Feb	2,4	2,4	2,4
19:00	USA	FOMC meeting (%)	Mar	4,50	4,50	4,50
		Thursday 03/20/2025				
9:30	Switzerland	SNB rate decision %)	Q1	0,50		
10:00	**Poland**	**Industrial production (% YoY)**	**Feb**	**-1,0**	**-2,2**	**-1,0**
10:00	**Poland**	**PPI (% YoY)**	**Feb**	**-0,9**	**-1,2**	**-1,2**
10:00	**Poland**	**Corporate sector wages (% YoY)**	**Feb**	**9,2**	**8,6**	**8,7**
10:00	**Poland**	**Employment (% YoY)**	**Feb**	**-0,9**	**-0,9**	**-0,9**
13:00	UK	BOE rate decision (%)	Mar	4,50		4,50
13:30	USA	Philadelphia Fed Index (pts)	Mar	18,1		9,0
15:00	USA	Existing home sales (M MoM)	Feb	4,08	3,90	3,95
		Friday 03/21/2025				
9:00	Eurozone	Current account (bn EUR)	Jan	38,4		
16:00	Eurozone	Consumer Confidence Index (pts)	Mar	-13,6		-13,0

*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
** Refinitiv

Jakub BOROWSKI
Chief Economist
tel.: 600 457 021
jakub.borowski@credit-agricole.pl

Krystian JAWORSKI
Senior Economist
tel.: 512 191 822
krystian.jaworski@credit-agricole.pl

Jakub OLIPRA
Senior Economist
tel.: 518 003 696
jakub.olipra@credit-agricole.pl