

# Coronavirus response in 2021: building back better

## Update on Poland (24 June 2021)



### Covid-19 policy response

- **The government responded strongly to the pandemic in 2020**, with a package worth around 15 per cent of gross domestic product (GDP). The main measures included enhanced income for vulnerable individuals, greater liquidity for businesses and budgetary support for the health sector.
- **The Polish recovery plan, worth about 12 per cent of GDP, is based on six pillars of economic resilience**, namely, business environment reform, innovation and labour-market policy, green energy, the digital transformation, sustainable transport and the health system.
- **The authorities expect to draw on major European Union funding for the recovery.** Poland is expected to receive €139 billion in grants and €34 billion in loans from the EU's regular multiannual financial framework (MFF) and extraordinary Covid-19 recovery fund.

### Macroeconomic indicators (%)

	2018	2019	2020	Short-term indicators
GDP growth	5.4	4.7	-2.7	<b>EBRD GDP growth forecast (June 2021)</b> <b>2021: 5.0%; 2022: 4.8%</b> Quarterly GDP growth: -0.9% y/y (Q1 2021) Economic sentiment: 106.7 (May 2021) Purchasing Managers Index: 57.2 (May 2021) Warsaw Stock Exchange : 66,284.71 (end May 2021), up 9.0% m/m Annual inflation: 4.6% (May 2021)
Annual inflation (end-year)	0.0	0.6	0.3	
Government balance/GDP	-0.2	-0.7	-7.0	
Current-account balance/GDP	-1.3	0.5	3.5	
Net FDI/GDP	-2.6	-1.6	-1.4	
Public debt/GDP (end-year)	48.8	45.6	57.5	
Unemployment rate (end-year)	3.8	2.9	3.2	

### Key short-term priorities

- The government should take steps to improve the public's relative lack of interest in Covid-19 vaccination to boost immunity within the population.
- Further support is needed for distressed businesses and workers, to alleviate the impact of the pandemic.
- Tax relief for certain individuals and households should be enhanced, especially for families with children.

### EBRD assessment of transition qualities (ATQs), 2020<sup>1</sup>



### Building back better: key ongoing initiatives

#### Competitive

The EU recovery plan envisages substantial investments in Industry 4.0 projects, which should contribute to enhanced competitiveness in the short and medium term.

#### Green

The government aims to develop 5.9 GW of offshore wind capacity by 2030 and up to 11 GW by 2040.

#### Inclusive

Continued labour-market reform is expected to improve labour-market institutions and popularise remote working opportunities.

#### Resilient

The resolution of CHF-denominated mortgage loans is ongoing and is a priority for the stability of the financial sector.

#### Integrated

Intermodal transport is being developed further.

#### Digital

The authorities expect the continued rollout of high-speed Internet access across the country to eliminate digital exclusion in certain regions.

To learn more about the EBRD's support for Poland, visit: <https://www.ebrd.com/poland.html>.

<sup>1</sup> For more details on ATQs, see EBRD (2020), [Transition Report 2020-21: The State Strikes Back](#), London.