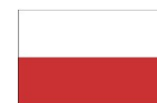


Responding to the Coronavirus Crisis

Update on Poland (14/07/20)



EBRD Policy Comparator

Financial Sector			Direct support to firms					Payment holidays			Temporary controls		Support to individuals				Increased social benefits			Health	External Assistance
Policy rate reduced	Liquidity increased	Prudential req. loosened	Wage subsidies	Tax/ social sec. contr. deferred	Loan subsidies	Guarantees	Inspections/ audits suspended	Loans	Rent	Utilities	Prices	Exports	Universal transfers	Self-employed	Pensioners	Low income households	Enhanced sick leave	Enhanced unemp. benefits	Public works	Additional spending	(available or negotiated)
*	*	*	*	*	*	*		*						*	*		*		*	*	

Economic channels of disruption

Services, especially. small and micro enterprises, value chains, private consumption

- Government launched a four stage lockdown easing on Apr 20; Shopping malls, restaurants, some services, child care facilities are reopened. Borders with all European countries with low epidemic risk are now open.
- Strong GVC integration suffering from border disruptions.
- High share of SMEs, especially micro companies, often in the hard-hit service sector.

Selected crisis impact indicators

EBRD GDP growth outlook (May 2020)	2020: -3.5%
	2021: 4%
Economic sentiment	ESI 57.6
(June 2020):	(up 10.7 points m/m)
Purchasing Managers Index	47.2
(June 2020)	(up 6.6 points m/m)
Warsaw stock market	1,758.6
(end-June 2020)	(up 2.1% m/m)

Crisis response measures to date

Support for support for healthcare, workers and business liquidity

- Furlough and preferred loans (with a grant option) for loss-making companies that keep employment. Social security breaks for micro and reductions for small companies, cash stipends for self-employed.
- Capital support (market based or state-aid) for affected large companies.
- Rate cut, liquidity provision to banks, secondary market sovereign bond buying by the NBP, elimination of the systemic risk buffer, smoothing credit losses to SMEs allowed by banking supervisor.

Selected crisis response indicators

Total size of package	15% of GDP announced in two packages so far
Wage subsidies	up to 40% of average wage
Self-employed	of up to 80% of statutory minimum wage
Loan subsidies/Guarantees	3.3% of GDP, coming mostly from BGK
Liquidity injections to firms to save employment	4.5% of GDP, coming from PFR; 60% non-refundable
Payment holidays	3 months, voluntary only
Financial Sector	100-bp rate cut, 300bps in RRR cut for banks
Health	Additional €1.6bn on healthcare equipment and supplies

Key short-term priorities

Provide liquidity to the economy, particularly SMEs, and revenue support to vulnerable workers and other individuals