Responding to the Coronavirus Crisis
Update on Poland (08/04/20)

EBRD Policy Comparator

<table>
<thead>
<tr>
<th>Financial Sector</th>
<th>Direct support to firms</th>
<th>Payment holidays</th>
<th>Temporary controls</th>
<th>Support to individuals</th>
<th>Increased social benefits</th>
<th>Health</th>
<th>External Assistance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Policy rate reduced</td>
<td>Liquidity increased</td>
<td>Prudential req. loosened</td>
<td>Wage subsidies</td>
<td>Tax social sec. def.</td>
<td>Loan subsidies</td>
<td>Guarantees</td>
<td>Inspections/audits suspended</td>
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Economic channels of disruption
Services, especially small and micro enterprises, value chains, private consumption
- Severe lockdown (schools and all non-essential businesses closed) causing sharp halt to the steady economic recovery.
- 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 (April 2020) [new forecasts out on May 13 2020]
2020: mild recession
2021: robust recovery

Economic sentiment (March 2020):
- ESI 95.3 (down 3.8 points m/m)

Employment expectations (March 2020):
- PMI 42.4 (down 5.8 points m/m)

Warsaw stock market (end-March 2020):
- 1,512.8 (down 14.5% 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, limited 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