

Warsaw, 14 October 2020

Balance of Payments in Poland

August 2020

Components of monthly bop are estimated based on monthly and quarterly information reported by residents involved in transactions with non-residents, public statistics surveys as well as administrative data sources.

This version of bop is preliminary and may be subject to further revisions, especially taking into account the restrictions on the availability of certain information related to the COVID-19 pandemic.

The Current and Capital Account

The current account in August 2020 was positive and amounted to PLN 4.2 billion. This value was caused by the positive balance on trade in goods (PLN 3.2 billion), services (PLN 7.1 billion) and secondary income (PLN 0.3 billion) as well as negative balance on primary income (PLN 6.5 billion). In the corresponding period of 2019 the current account balance was negative and stood at PLN 2.9 billion. The total balance on the current and capital account was positive and stood at PLN 7.6 billion.

Exports of goods were estimated at PLN 78.0 billion, up by PLN 1.6 billion, i.e. 2.1% when compared with the corresponding period of 2019. The highest increase in exports was noted in car batteries, delivery trucks, clothing and phones. The value of imports when compared with August 2019 decreased by PLN 3.0 billion i.e. 3.9% and stood at PLN 74.8 billion. The decrease in the value of imports compared to the previous year was still affected by the decline in the prices of imported crude oil and oil refined products on world markets. The prices (in PLN) of imported crude oil were 30.2% lower when compared with August 2019. Furthermore a decline in imports was recorded in new passenger cars, car parts as well as semi-finished products made of iron and steel. Trade in goods balance was positive and amounted to PLN 3.2 billion.

Exports of services amounted to PLN 20.0 billion, down by PLN 2.1 billion, i.e. 9.6% when compared with the corresponding period of 2019. Imports stood at PLN 12.9 billion and compared with August 2019 it decreased by PLN 1.7 billion, i.e. 11.8%. When compared with the corresponding period of the previous year decrease was reported in travel (down by 41.4%) and transportation (down by 3.9%) whereas other services

slightly increased (up by 2.6%). On the debit side travel went down by 25.6%, the decrease in other services amounted to 6.7% and transportation went down by 5.8%.

The primary income balance was negative and amounted to PLN 6.5 billion. Foreign direct investors' income on their capital involvement in Polish companies amounted to PLN 6.3 billion. This item was influenced by dividends on the 2019 profit (PLN 0.6 billion), positive reinvested earnings¹ (PLN 5.1 billion) and interest on debt instruments (PLN 0.6 billion). The negative balance on investment income was also influenced by negative balance of portfolio investment income (PLN 0.6 billion).

In August 2020, credits against secondary income amounted to PLN 2.0 billion, similar to corresponding period of the previous year. Debits stood at PLN 1.6 billion, down by PLN 1.1 billion when compared with August 2019. The positive balance on secondary income (PLN 0.3 billion) resulted from the negative balance on general government (PLN 0.5 billion) and the positive balance on other sectors (PLN 0.8 billion). Credits against secondary income of other sectors stood at PLN 1.6 billion and debits amounted to PLN 0.8 billion.

The inflow of EU funds stood at PLN 4.8 billion, of which PLN 1.3 billion was registered in the current account and earmarked for direct subsidies to farmers. Inflow on the capital account stood at PLN 3.5 billion, which contributed to the European Regional Development Fund and Cohesion Fund. The membership premium paid in August 2020 stood at PLN 1.0 billion. The balance on transfers with the EU was positive and stood at PLN 3.8 billion.

Financial Account

Non-resident investment in Poland (liabilities)

In August 2020 non-residents' investment in Poland decreased by PLN 0.9 billion. The value of this item was affected mainly by the negative balance on portfolio investment and other investment as well as positive balance on direct investment.

Non-residents' direct investment increased by PLN 4.0 billion mostly due to reinvestment of earnings¹, which stood at PLN 5.1 billion, as well as shares and equity standing at PLN 2.4 billion. Balance on debt instruments was negative and amounted to PLN 3.5 billion.

The balance on foreign portfolio investment was negative and stood at PLN 2.0 billion. This resulted largely from the decrease in the value of non-residents portfolio of debt securities (down by PLN 2.1 billion), particular, the withdrawal by non-residents from investments in Treasury bonds issued on the domestic market (down by PLN 1.9 billion).

¹ Narodowy Bank Polski calculated the reinvested earnings on primary income and reinvestment of earnings on non-resident direct investment on the basis of fragmentary data.

Non-residents slightly increased their investment in equity securities (up by PLN 0.1 billion).

Other investment on the liabilities side went down by PLN 2.9 billion. NBP decreased its external liabilities by PLN 1.5 billion, mainly due to transactions with the European Commission. Other sectors (enterprises) also reduced their liabilities by PLN 0.8 billion mainly due to other liabilities and trade credits. The banking sector decreased its liabilities by PLN 0.7 billion (mainly due to short-term non-resident deposits).

Polish investment abroad (assets)

The balance on Polish investment abroad was positive (increase in assets) and stood at PLN 6.2 billion. The value of this balance was mainly affected by the increase in direct investment, official reserve assets and portfolio investment as well as negative balance on other investment and financial derivatives.

Balance on direct investment was positive and amounted to PLN 6.0 billion. This balance was largely influenced by increase in receivables due to debt instruments (up by PLN 5.7 billion).

As a result of transactions carried out by the NBP, the official reserve assets increased by PLN 3.8 billion, mainly due to the inflow of funds from the European Commission.

Foreign portfolio investment assets went up by PLN 0.2 billion. Residents increased their assets in the form of equity securities by PLN 0.8 billion and decreased their assets in the form of debt securities by PLN 0.6 billion.

Assets included in other investments decreased by PLN 2.4 billion. This balance was significantly influenced by transactions of the banking sector and other sectors. Each sector decreased their external assets by PLN 1.1 billion.

Balance on derivative financial instruments was negative and amounted to PLN 1.4 billion. Negative balance translates into inflow of funds resulting mainly from realisation of profits of the enterprise sector (PLN 0.9 billion) and the banking sector (PLN 0.5 billion).

Additional information on the balance of payments

The balance of payments data for September 2020 will be released on 13 November 2020. Time series of the monthly balance of payments beginning with January 2004 are available at the NBP website.

http://www.nbp.pl/statystyka/Bilans_platniczy/bop_m.xlsx

Monthly balance of payments data will also be published in NBP's Information Bulletin. Time series of the monthly stock of official reserves, beginning with January 1998, are available at the NBP website.

http://www.nbp.pl/en/statystyka/DWN/Rez_m.xlsx

Time series of the quarterly balance of payments beginning with Q1 2004 are available at the NBP website.

http://www.nbp.pl/en/statystyka/bilans_platniczy/bop_q.xlsx

Analytical tables of the quarterly balance of payments beginning with Q1 2004 are available at NBP website.

http://www.nbp.pl/en/statystyka/bilans_platniczy/bop_q_PLN.xlsx

Poland: Balance of Payments

mn PLN

	2019	2020		Cumulated data**	
	VIII	VII*	VIII*	IX 2018-VIII 2019	IX 2019-VIII 2020*
Current Account	-2 909	4 509	4 167	-12 730	67 819
Balance on goods	-1 402	3 644	3 234	-13 318	36 460
Goods: exports	76 413	87 067	78 047	975 508	984 769
Goods: imports	77 815	83 423	74 813	988 826	948 309
Balance on Services	7 512	7 667	7 104	97 192	100 360
Services: Credit	22 119	21 785	19 985	261 324	257 664
Services: Debit	14 607	14 118	12 881	164 132	157 304
Balance on Primary Income	-8 302	-7 237	-6 504	-88 215	-67 682
Primary income: credit	3 861	3 091	3 530	54 380	49 772
Primary income: debit	12 163	10 328	10 034	142 595	117 454
Balance on Secondary Income	-717	435	333	-8 389	-1 319
Secondary income: credit	2 020	2 464	1 977	25 216	30 810
Secondary income: debit	2 737	2 029	1 644	33 605	32 129
Capital Account	2 151	3 837	3 397	47 149	53 307
Capital account: credit	2 378	4 262	3 588	53 824	61 903
Capital account: debit	227	425	191	6 675	8 596
Financial account	2 567	3 587	7 138	23 653	91 772
Direct investment - assets	1 869	127	6 001	15 690	8 760
Equity and investment fund shares	190	376	307	2 631	-9 773
Debt instruments	1 679	-249	5 694	13 059	18 533
Direct investment - liabilities	7 842	5 476	4 046	58 792	34 168
Equity and investment fund shares	7 337	4 116	7 530	54 321	33 295
Debt instruments	505	1 360	-3 484	4 471	873
Portfolio investment - assets	-310	3 660	193	276	9 024
Equity securities	-569	1 290	779	-4 186	2 033
Debt securities	259	2 370	-586	4 462	6 991
Portfolio investment - liabilities	-7 165	3 067	-2 030	-32 052	-56 189
Equity securities	-1 313	-26	110	1 885	-7 511
Debt securities	-5 852	3 093	-2 140	-33 937	-48 678
Other investment - assets	3 028	-907	-2 361	12 932	8 779
Monetary authorities	2 721	196	-153	2 917	-2 868
General government	37	6 940	58	5 015	12 020
MFIs	1 037	-12 697	-1 137	-2 018	2 427
Other sectors	-767	4 654	-1 129	7 018	-2 800
Other investment - liabilities	1 289	3 785	-2 906	-12 727	12 556
Monetary authorities	3 630	-3 404	-1 531	-7 396	3 366
General government	-2 179	6 641	181	-8 229	9 203
MFIs	-2 231	2 087	-709	-18 064	-1 834
Other sectors	2 069	-1 539	-847	20 962	1 821
Financial derivatives	505	206	-1 409	-7 594	-5 380
Official reserves assets	-559	12 829	3 824	16 362	61 124
Net Errors and Omissions	3 325	-4 759	-426	-10 766	-29 354

* Preliminary data

** Cumulated data presented as 12-month moving data

[1] Narodowy Bank Polski calculated the reinvested earnings on primary income and reinvestment of earnings on non-resident direct investment on the basis of fragmentary data.

Poland: Balance of Payments

mn EUR

	2019	2020		Cumulated data**	
	VIII	VII*	VIII*	IX 2018-VIII 2019	IX 2019-VIII 2020*
Current Account	-671	1 012	947	-2 963	15 441
Balance on goods	-324	818	735	-3 099	8 279
Goods: exports	17 591	19 553	17 730	227 029	225 271
Goods: imports	17 915	18 735	16 995	230 128	216 992
Balance on Services	1 729	1 722	1 614	22 620	22 974
Services: Credit	5 092	4 893	4 540	60 821	58 979
Services: Debit	3 363	3 171	2 926	38 201	36 005
Balance on Primary Income	-1 911	-1 625	-1 477	-20 532	-15 485
Primary income: credit	889	694	802	12 660	11 407
Primary income: debit	2 800	2 319	2 279	33 192	26 892
Balance on Secondary Income	-165	97	75	-1 952	-327
Secondary income: credit	465	553	449	5 868	7 018
Secondary income: debit	630	456	374	7 820	7 345
Capital Account	494	863	772	10 994	12 149
Capital account: credit	547	958	815	12 545	14 096
Capital account: debit	53	95	43	1 551	1 947
Financial account	591	803	1 624	5 514	20 910
Direct investment - assets	431	28	1 364	3 642	2 113
Equity and investment fund shares	44	84	70	614	-2 264
Debt instruments	387	-56	1 294	3 028	4 377
Direct investment - liabilities	1 805	1 231	919	13 651	7 922
Equity and investment fund shares	1 689	925	1 711	12 632	7 676
Debt instruments	116	306	-792	1 019	246
Portfolio investment - assets	-71	820	45	62	2 001
Equity securities	-131	289	177	-972	427
Debt securities	60	531	-132	1 034	1 574
Portfolio investment - liabilities	-1 649	688	-461	-7 459	-12 602
Equity securities	-302	-6	25	442	-1 705
Debt securities	-1 347	694	-486	-7 901	-10 897
Other investment - assets	697	-204	-536	2 982	2 138
Monetary authorities	626	44	-35	667	-659
General government	9	1 559	13	1 168	2 737
MFIs	238	-2 852	-258	-486	630
Other sectors	-176	1 045	-256	1 633	-570
Other investment - liabilities	298	850	-661	-2 984	2 668
Monetary authorities	836	-764	-348	-1 747	551
General government	-501	1 491	41	-1 908	2 043
MFIs	-513	469	-161	-4 206	-439
Other sectors	476	-346	-193	4 877	513
Financial derivatives	117	46	-320	-1 770	-1 225
Official reserves assets	-129	2 882	868	3 806	13 871
Net Errors and Omissions	768	-1 072	-95	-2 517	-6 680

* Preliminary data

** Cumulated data presented as 12-month moving data