

# INSTANT COMMENT

12 February 2016

## Solid GDP growth in 4Q2015

Data on 4Q2015 GDP were close to expectations. Economic growth rate reached 3.9% YoY, confirming the flash estimate released in mid-February. Domestic demand expanded by 4.0% YoY (fastest in a year), mainly due to accelerating investments (4.9% YoY) and rising stocks. Private consumption growth was stable at 3.1% YoY while net exports contribution to growth was neutral (both exports and imports accelerated).

We keep our 2016 forecast unchanged – GDP growth is likely to be at 3.5% on average. The main driver will be private consumption, which will probably accelerate in the coming quarters (well above 4% YoY in 2H) on strong labour income and new child benefits (500+). Investment growth may decelerate slightly (due to lower public spending and more cautious private sector), and net export's contribution will remain slightly negative (imports will grow faster than exports). Such breakdown of GDP growth will be supportive for tax revenues of the budget.

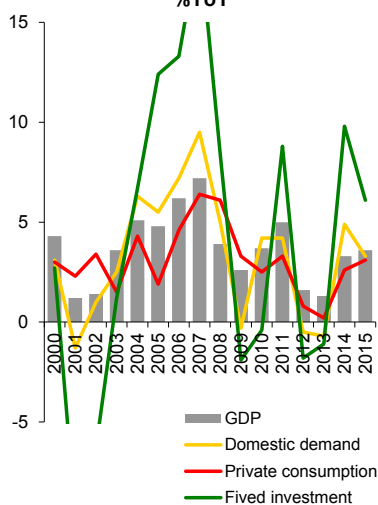
Weakening of economic recovery in the euro zone seems to be the biggest risk for the Polish GDP growth. Economic indicators in Europe worsened significantly at the start of the year and continuation of such a tendency may undermine foreign demand for Polish goods.

### GDP growth and its components (%YoY)

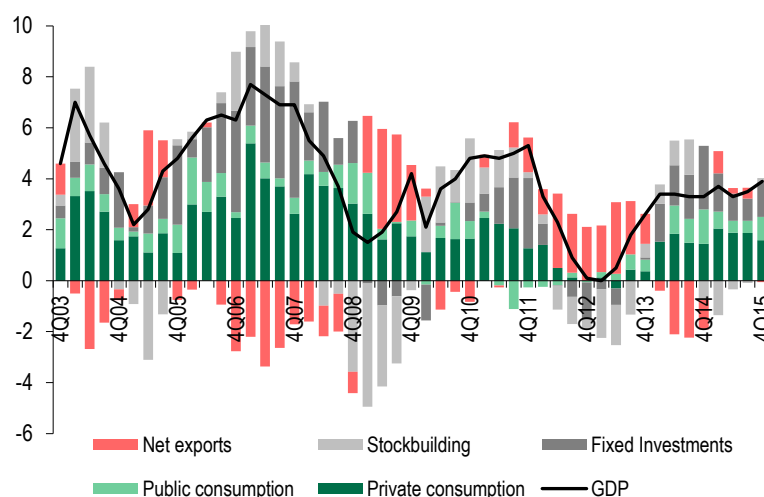
	2013	2014	2015	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15
GDP	1.3	3.3	3.6	3.4	3.3	3.3	3.7	3.3	3.5	3.9
Domestic demand	-0.7	4.9	3.3	5.6	5.6	4.6	2.9	3.1	3.2	4.0
Total consumption	0.7	3.1	3.1	3.6	2.9	4.0	3.2	2.9	2.9	3.5
Private consumption	0.2	2.6	3.1	3.0	2.4	2.8	3.1	3.1	3.1	3.1
Public consumption	2.2	4.9	3.5	6.2	5.3	7.4	3.7	2.5	2.7	4.8
Gross accumulation	-5.8	12.6	4.1	15.1	18.0	6.3	1.1	4.0	4.0	5.4
Fixed investment	-1.1	9.8	6.1	9.3	9.5	9.5	11.5	6.1	4.6	4.9
Net export *	2.0	-1.5	0.4	-2.1	-2.2	-1.2	0.9	0.2	0.4	0.0

\* contribution to GDP growth (percentage points);

Growth of GDP and components, %YoY



GDP growth and its main components (% YoY)



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