

13 November 2019

# Economic Comment

## Current account better than expected

Marcin Luzziński, +48 22 534 18 85, [marcin.luzinski@santander.pl](mailto:marcin.luzinski@santander.pl)

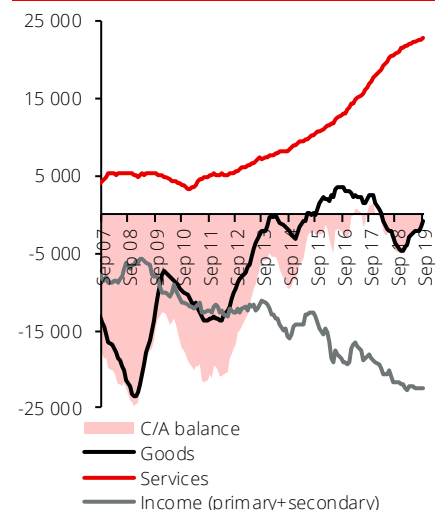
September current account showed a surplus of EUR0.2bn while the consensus expected a deficit (-EUR0.2bn). Imports were the main source of surprise, as they grew by a mere 4.3% y/y, while exports added 9.3% y/y. Poland's balance of payments seems to behave counterintuitively, as the current account is improving amid weakening foreign demand and still strong domestic demand. This pattern is likely to hold in the months to come, so current account is likely to remain fairly balanced. These numbers are a positive for 3Q19 GDP growth estimates, suggesting some upward risk for our forecast (we are expecting 4.1% y/y in 3Q19 vs 4.5% y/y in 2Q19).

September current account showed a surplus of EUR0.2bn while the consensus expected a deficit (-EUR0.2bn). Imports were the main source of surprise, as they came in EUR0.6bn lower than we expected. Trade balance was at +EUR0.5bn, the best result since April 2017. Other components of the C/A balance were fairly in line with expectations, with services surplus at EUR1.8bn, primary incomes deficit at EUR2.0bn and secondary incomes deficit at EUR0.1bn. 12M current account deficit shrank to 0.1% of GDP.

Exports grew by strong 9.3% y/y, with most dynamic growth rates in personal cars, clothing and drugs, i.e. consumer goods. Imports expanded by a mere 4.3% y/y in more or less the same categories. Poland's balance of payments seems to behave counterintuitively, as the trade balance is improving amid weakening foreign demand and still strong domestic demand. Still, this pattern is likely to hold in the months to come, so current account is likely to remain fairly balanced.

These numbers are a positive for 3Q19 GDP growth estimates (flash reading tomorrow), suggesting some upward risk for our forecast (we are expecting 4.1% y/y in 3Q19 vs 4.5% y/y in 2Q19).

Balance of payments components, 12m sum, EURmn



Source: GUS, Santander

Exports and imports, % y/y, 3m ma



Source: NBP, Santander

### Economic Analysis Department:

al. Jana Pawła II 17, 00-854 Warszawa  
 email: [ekonomia@santander.pl](mailto:ekonomia@santander.pl)  
 website: [santander.pl/en/economic-analysis](http://santander.pl/en/economic-analysis)  
 Piotr Bielski +48 22 534 18 87  
 Marcin Luzziński +48 22 534 18 85  
 Wojciech Mazurkiewicz +48 22 534 18 86  
 Grzegorz Ogonek +48 22 534 19 23  
 Marcin Sulewski, CFA +48 22 534 18 84

*This publication has been prepared by Santander Bank Polska S.A. for information purposes only. It is not an offer or solicitation for the purchase or sale of any financial instrument. Information presented in the publication is not an investment advice. All reasonable care has been taken to ensure that the information contained herein is not untrue or misleading. But no representation is made as to its accuracy or completeness. No reliance should be placed on it and no liability is accepted for any loss arising from reliance on it. Forecasts or data related to the past do not guarantee future prices of financial instruments or financial results. Santander Bank Polska S.A. its affiliates and any of its or their officers may be interested in any transactions, securities or commodities referred to herein. Santander Bank Polska S.A. or its affiliates may perform services for or solicit business from any company referred to herein. This publication is not intended for the use of private investors. Clients should contact analysts at and execute transactions through a Santander Bank Polska S.A. entity in their home jurisdiction unless governing law permits otherwise. Copyright and database rights protection exists in this publication.*

*Additional information is available on request. Please contact Santander Bank Polska S.A. Financial Management Division, Economic Analysis Department, al. Jana Pawła II 17, 00-854 Warsaw, Poland, phone +48 22 534 18 87, email [ekonomia@santander.pl](mailto:ekonomia@santander.pl), <http://www.santander.pl>.*