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Economic Comment

Economy in the second dip

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On the supply side, the annual data imply that the industrial sector saw a further acceleration in 4Q: value added in industry dropped only -0.2% in 2020, which implies c. 3% q/q s.a. rise in the final quarter, according to our estimate. Meanwhile, construction and retail trade were still under pressure and it seems that in both sectors the gross value added could have dropped by around 5% q/q s.a. in 4Q20.

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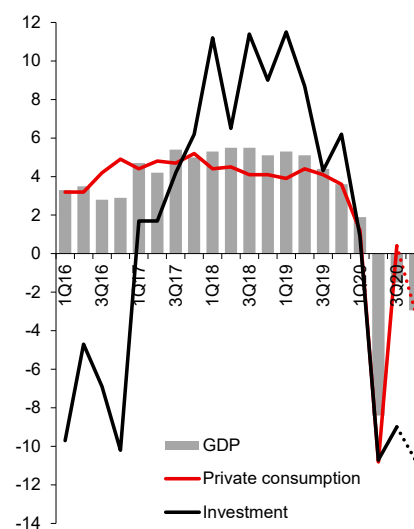
GDP growth and its components (% y/y)

	2018	2019	2020	1Q20	2Q20	3Q20	4Q20**
GDP	5.4	4.5	-2.8	1.9	-8.4	-1.5	-2.9
Domestic demand	5.6	3.5	-3.7	1.0	-9.5	-3.2	-2.8
Total consumption	4.3	4.4	-1.5	1.5	-7.5	1.0	-1.3
Private consumption	4.3	4.0	-3.0	1.2	-10.8	0.4	-3.0
Public consumption	3.5	6.2	3.3	2.6	3.4	3.4	3.5
Gross accumulation	10.5	0.1	-12.2	-1.6	-19.7	-20.2	-7.0
Fixed investment	9.4	7.2	-8.4	0.9	-10.7	-9.0	-10.7
Stock building *	0.4	-1.3	-0.8	-0.4	-2.0	-2.2	0.9
Net export *	0.0	1.1	0.8	1.0	1.1	1.6	-0.3

* contribution to GDP growth (percentage points); ** Santander estimate based on annual data

Source: GUS, Santander

Polish GDP growth, % y/y

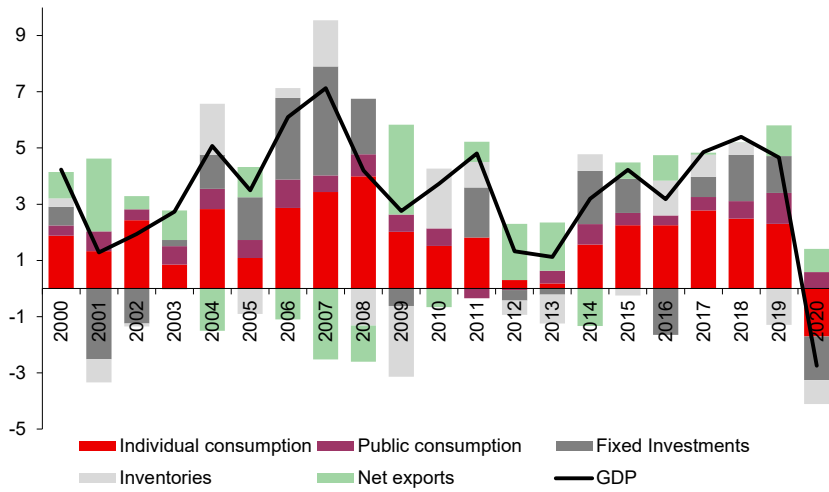


Source: GUS, Santander

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GDP growth breakdown (% y/y)



Source: GUS, Santander

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