

## Poland: Strong rebound in manufacturing PMI

Poland's manufacturing PMI rose to 53.4 in February compared to 51.9 in January. The increase was the strongest since June 2018 and larger than suggested by other business climate indicators. The upward trend in the sector has continued for eight months now



Source: Shutterstock

**53.4** Manufacturing PMI in February  
Consensus at 52.8  
Higher than expected

Polish PMI components show that new orders are growing strongly, with export orders rising at the fastest pace since September 2017. The backlog continued to rise again - at the fastest rate since January 2007, due to shortages of raw materials. To meet rising demand, companies have recruited new workers and bought more raw materials. Employment levels increased for the sixth

consecutive month, at the fastest pace since June 2018.

Respondents pointed to material shortages in global markets, logistical problems at borders, and the weakening of the zloty as reasons for the fastest increase in cost pressures in a decade. Manufacturers are passing on the higher costs to customers by raising the prices of finished goods (at the fastest rate since May 2004).

The mood of companies remains optimistic, with many expecting double-digit sales growth in anticipation of a post-pandemic recovery. The survey results are consistent with our forecast of a strong post-pandemic GDP rebound.

We expect GDP growth to reach 4.5% year-on-year this year compared to the 2.7% drop in 2020. This will be accompanied by relatively high inflation, which we estimate to be at 3.1% YoY in 2021.