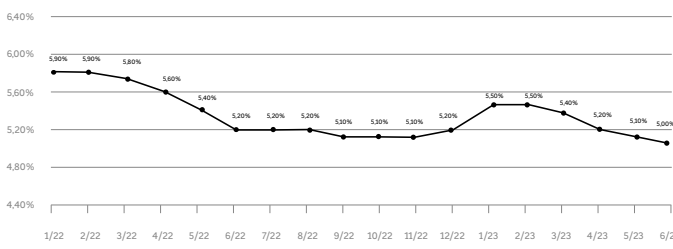
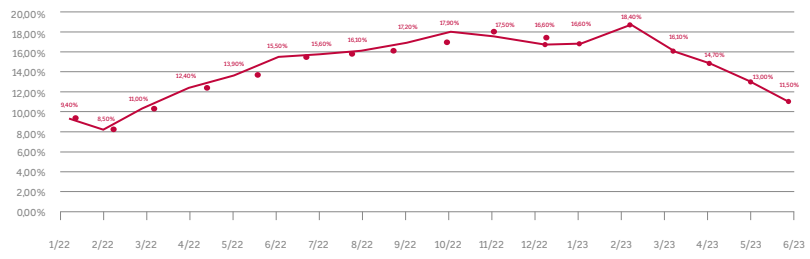


## MACRO FLASH

UNEMPLOYMENT RATE

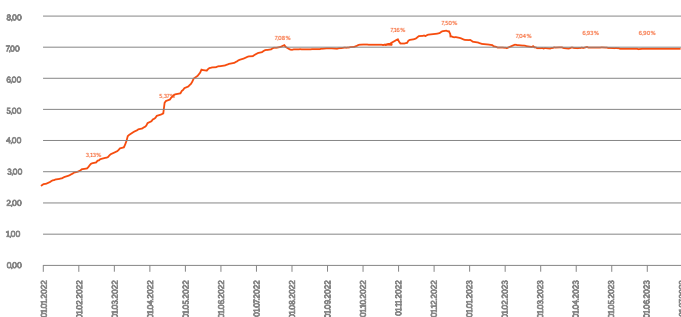


INFLATION RATE

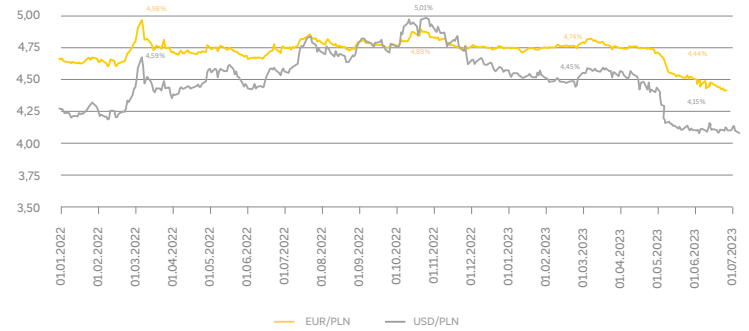


## HOT FACTOR: INTEL INVESTMENT IN POLAND

WIBOR 3M %



FX EXCHANGE RATES



## QUARTER TRENDING NEWS

- According to Polish Statistical Office inflation in June was 11.5%. Estimates suggest that inflation will return to the target range of 1.5-3.5% no sooner than in 2025. At the same time, economic growth forecast has risen to 1.1% in 2023 from 0.9% expected earlier. Moreover, Fitch Ratings affirmed in June Poland's long-term foreign currency rating at "A-" with a stable outlook.
- One of the major investments in Poland that has been announced will be an approximately USD 4.6 billion investment by Intel Corporation, which plans to build a semiconductor integration and testing facility in Miękinia, near Wrocław. It is the largest high-tech investment in this region of Europe and the largest direct foreign investment in the history of Poland (whole project will generate at least 10,000 new jobs).
- The Constitutional Court ruled the provision defining structures for property tax purposes as unconstitutional. This provision will expire in 18 months and will have to be reworked. The Court also highlighted errors in the definition of buildings, requiring legislative amendments. This verdict may trigger numerous disputes between local governments and entrepreneurs, including reopened cases.
- Electronic Invoicing (KSeF) has been adopted by Polish Parliament and will become obligatory for business as of 1 July 2024. Business-wise, implementation of KSeF is considered by firms as one of the biggest challenges on their short-term agenda.
- The Ministry of Family and Social Policy has sent a draft act on collective labor agreements for initial consultation, which aims to lay the groundwork for unions and employers to agree on pay rises more often than before. The changes are expected to come into force in January 2025. The proposal is one of the other recent changes in the area of labor law. In Q2 2023, two important EU directives have been implemented (i) on transparent and predictable working conditions in the European Union, and (ii) on work-life balance for parents and carers. Moreover, the law on so-called remote work entered into force.
- In the area of funding opportunities, the flagship instrument for supporting the R&D and innovation (incl. investments) activities of companies - the SMART Path - has been extended till 31.10.2023. The second quarter of 2023 also brought the opening of a number of new competitions in which entrepreneurs can receive funding. These include (i) the so-called green loan for investments in energy efficiency in the broadest sense - in fact it is a combination of a grant and a commercial loan (ii) the second edition of support for energy-intensive companies in connection with the rising costs of electricity and gas used in production - the possibility of receiving compensation for costs incurred in the first half of 2023; (iii) grants for large enterprises planning multi-million dollar investments in the digitalisation and automation of production/service activities - support provided under the National Recovery Plan. The total value of available funding in the above three new competitions together with the SMART Path is currently around EUR 0.7 billion. In addition to the above, companies can apply for a government grant to subsidise CAPEX investment costs or job creation costs.
- Elections in Poland will likely take place mid-October 2023 (the deadline is November 2023). According to Fitch, the elections are unlikely to have a major impact on macroeconomic stability or Poland's attractiveness as an investment base. Fitch notices however that the results could be crucial in determining the status of Poland-EU relations, the pace of flow of EU funds, and general rule of law issues.