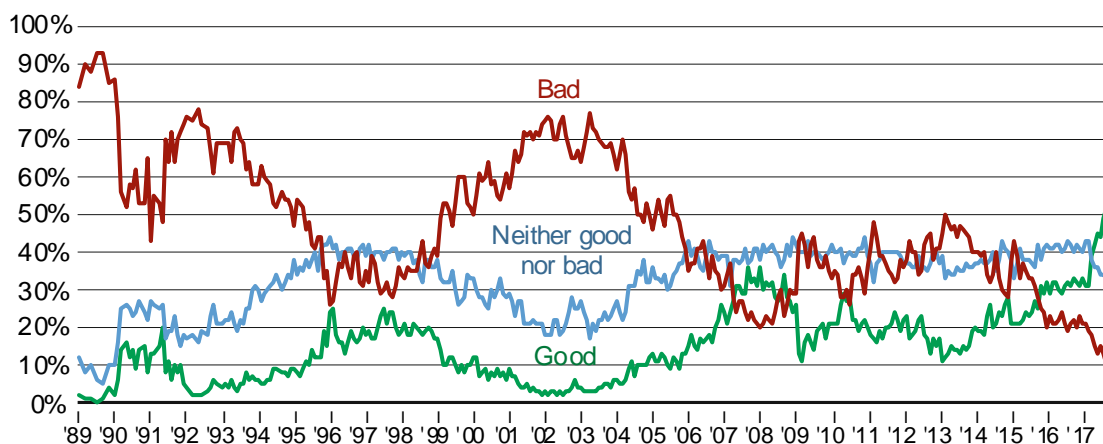


Subjective vs. objective indicators of the state of the economy and material living conditions

The assessment of the economic situation in Poland recorded in recent months is the best since 1989. In the second half of this year, for the first time over half of respondents expressed satisfaction with the state of our economy, while the group giving negative ratings is the smallest since the beginning of transformation. It is worth noting that from the end of 2015, in the perception of the Polish economy, positive assessments outweigh the negative ones. In addition to the current period, starting from 1989, we recorded the prevalence of positive over negative ratings only for about a year, from around mid-2007 to mid-2008.

Evaluation of economic situation in Poland

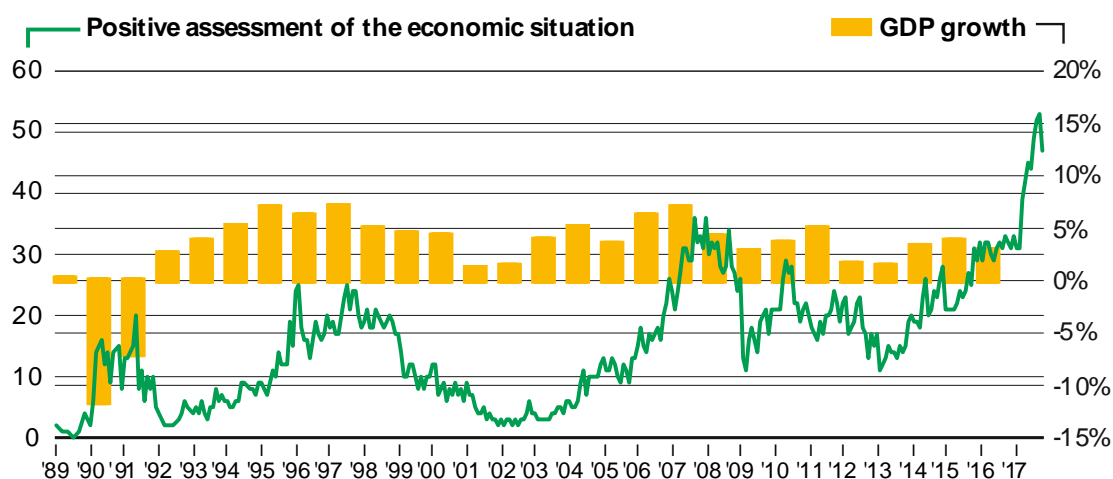


"Don't know" omitted.

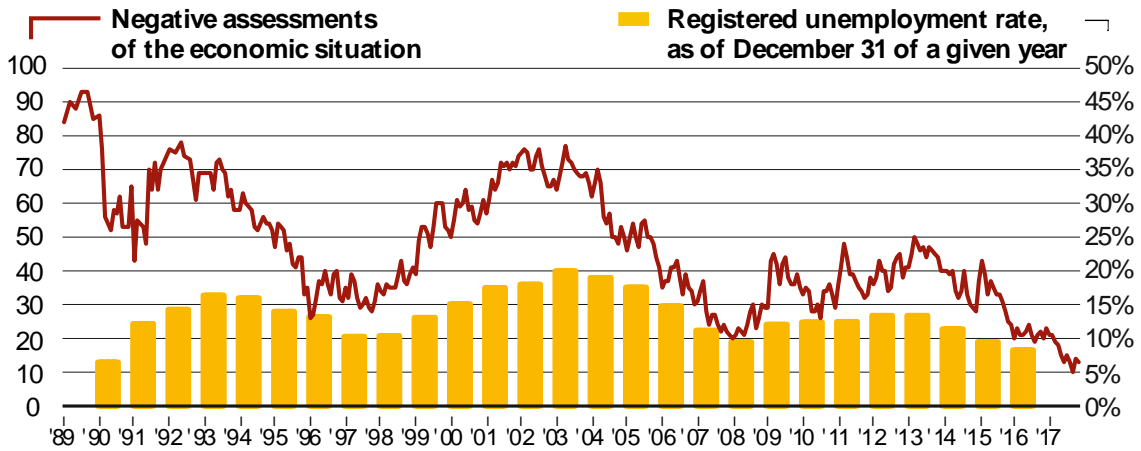
The best assessment of the condition of the Polish economy in the history of CBOS surveys correspond with the positive signals about it. The unemployment rate is the lowest in over twenty-five years, and according to the latest economic forecasts, real GDP growth this year will be the highest since 2011. In November, growth forecasts for Poland were raised to 4.2% in analyses of the National Bank of Poland and the European Commission. Economic growth inland is stimulated by the good situation in Europe. In turn, economic growth as well as the tightening of the tax system have had a positive impact on the budget. According to the predictions of various institutions, including the European Commission, the deficit of the public sector will be significantly lower than assumed six months ago.

Looking from a longer, nearly thirty-year perspective, one can notice a certain cyclicity in the perception of the economic situation, largely convergent with the classic economic cycles. When the economy is in the phase of expansion, these assessments usually improve, while in periods of slowdown, criticism increases (apart from short-term fluctuations in the perception of the condition of the Polish economy dependent on various current events).

Positive assessments of the economic situation and GDP growth

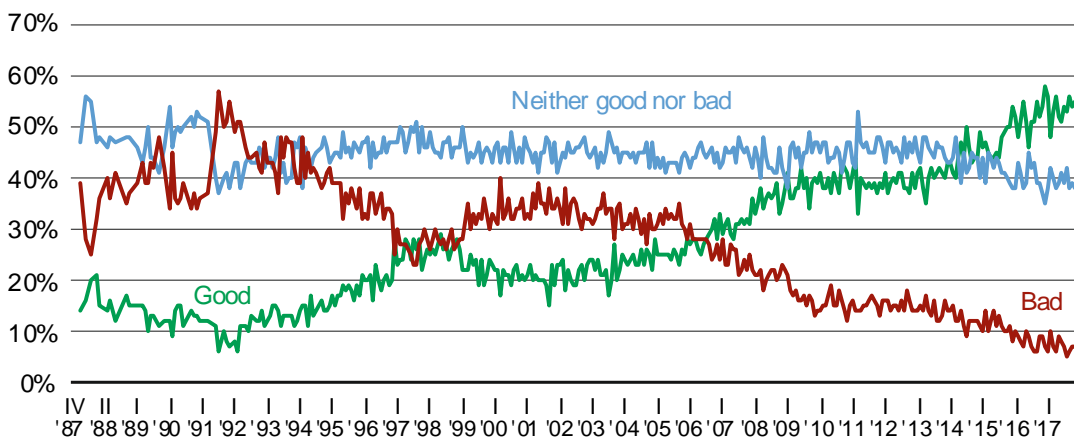


Negative assessments of the economic situation and the registered unemployment rate



Material situation is of great importance for the perception of the economic situation of the country. Poles are more and more satisfied with the material conditions of their households, and we have observed a very significant improvement in ratings from around 2014. The assessment of the material conditions of households registered in recent months is among the best among those recorded so far.

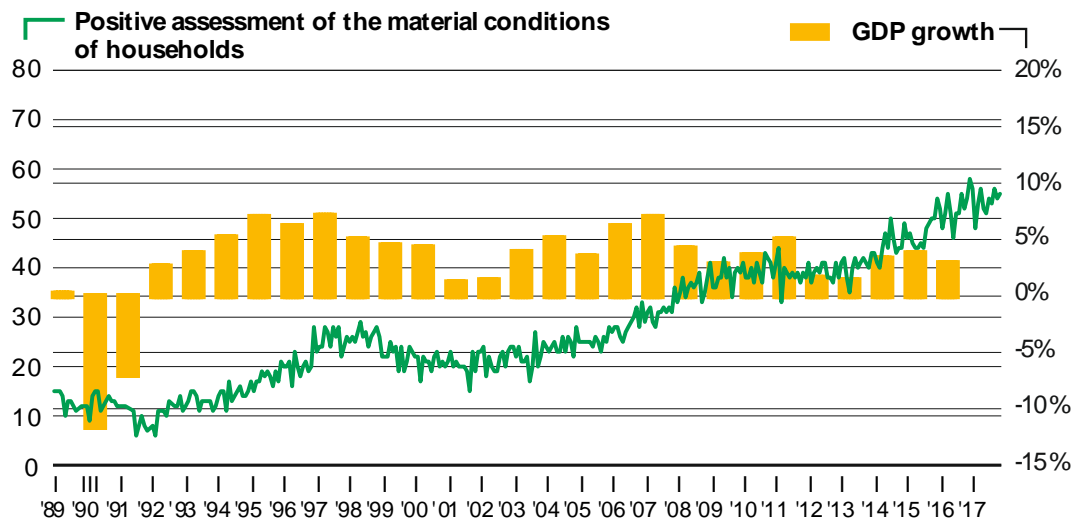
Evaluation of household material living conditions



Significant improvement of subjective opinions corresponds in a significant way with objective indicators of material situation. Since 2013, there has been an improvement in the labour market and, consequently, there has been a decrease unemployment. As a result of pressure to raise wages, real incomes are growing. The income situation of households is also improving, and, as is clear from more detailed data, it concerns all socio-economic groups. The introduction of a child-raising benefit (Family 500+ program) has had some

significance for improving the income situation of households. Disposable income per person has been growing since 2013, and since 2014 there has been a growth in expenditure per person. In addition, the share of expenditures in incomes has been systematically declining for many years, which gives households greater opportunities to save.

Positive assessments of the material conditions of households and GDP growth



More information about this topic can be found in CBOS report in Polish: "Subjective vs Objective Indicators of Economy and Material Conditions", November 2017. Data from CBOS surveys on random samples representative for adult population of Poland in years 1989-2017 and data of Central Statistical Office.