CEE – Monthly Forecast Update

Macro Research

10 August 2026

Poland's macro in a nutshell

	2025	2026	2027	Comment
Real economy				
- real GDP (%)	3.6	3.5	2.8	The outlook for the domestic economy remains favourable. Growth is supported by stable private consumption and a strong rebound in investment, which should remain the main driver of activity over the coming quarters. However, as the low-base effect fades, annual GDP growth in 2h26 is expected to gradually moderate to around 3.2-3.5% y/y. In 2027, we expect a further cooling in economic activity as the strong investment impulse associated with the completion of the RRF and the launch of the SAFE programme fades. The main risk factor remains an escalation of geopolitical tensions, while growth could be supported by a gradual economic recovery in the euro area, particularly in Germany.
Prices				
- CPI inflation (%)	3.6	3.2	3.0	Inflation rose to 3.0% y/y in July from 2.5% y/y in June. The acceleration was driven by a renewed increase in oil prices and the end of the CPN programme, resulting in a marked rise in domestic fuel prices. At the same time, falling food prices continued to exert downward pressure on inflation. Inflation should continue to rise gradually in the coming months, although we believe the scale of the increase will be limited as the impact of the Middle East crisis has proved significantly smaller than previously expected. We see no fundamental sources of inflationary pressure – wage growth is weakening, inflation expectations have returned to pre-crisis levels, and second-round effects remain very limited. Food prices remain the main risk factor and may increase in 2h26. From 3q27, we expect inflation to return sustainably to the NBP's target tolerance band (1.5-3.5%).
Monetary aggregates				
- loans / deposits (%)	5.0/9.2	5.7*/8.0	7.0/6.2	Lending will continue to accelerate, supported by lower interest rates, stable income growth and high corporate investment needs. Deposit growth should gradually slow, although more slowly than we previously assumed.
External balance				
- current account balance (% GDP)	–0.9	–1.6	–1.7	Disruptions in energy commodity markets are having a negative impact on the balance of payments, but we forecast a slightly smaller increase in the deficit than previously expected, to 1.6% of GDP in 2026. Trade is being driven by less traditional markets outside the EU and the US, while diversification is key to strong export performance.
Fiscal policy				
- fiscal balance (% GDP)	–7.3	–7.1	–6.7	The fiscal deficit is expected to remain close to current levels in 2026–2027, at around 7% of GDP. Our baseline scenario does not assume any significant fiscal consolidation. Current forecasts point to public debt rising above 70% of GDP by the end of 2027, and reversing this trend would require decisive fiscal adjustment.
Monetary policy				
- NBP reference rate (%)	4.00	3.50	3.00	We maintain our forecast that NBP interest rates will remain unchanged in 2026. This is supported by the normalization in the Middle East, the absence of second-round effects and favourable current inflation trends. The expected return of inflation to the target in 3q27 should allow monetary policy easing to resume in 2027, by a total of 75bp (3x25bp).

Source: GUS, NBP, Eurostat, PKO Bank Polski. *In January 2026, the NBP revised its methodology and excluded the debt of pass-through funds held at BGK from monetary statistics.

CEE macro in a nutshell

	2025	2026	2027	Comment
Czechia				According to preliminary data, economic growth in Czechia slowed again in 2q26, to 2.0% y/y from 2.2% y/y in 1q26, and came in slightly below expectations. Growth was driven by consumption and a positive contribution from net exports, while the contribution from investment was negative, marking a reversal of the previous pattern, when investment was the main growth driver and net exports acted as a drag. On the supply side, GDP growth was supported by industry and most service sectors. According to preliminary data, CPI inflation accelerated to 1.7% y/y in July from 1.5% y/y in June, in line with expectations. The increase in inflation was broad-based, encompassing both core categories as well as food, energy and fuels. Core inflation (as measured by the CNB) may have accelerated towards 2.9-3.0% y/y in July from 2.8% y/y in June. At its August meeting, the central bank unanimously decided to keep interest rates unchanged. In its statement, the Bank noted that "the interest rate hike at the previous meeting led to the expected tightening of monetary conditions". In our baseline scenario, we assume that interest rates will remain unchanged at least until the end of the year, while some room for modest monetary policy easing may emerge next year. Nevertheless, we cannot rule out one further rate hike this year.
- real GDP (%)	2.6	2.5	2.4	
- CPI inflation (%)	2.5	2.0	2.1	
Hungary				According to preliminary data, GDP growth in 2q26 amounted to 1.7% y/y, unchanged from 1q26. In quarterly terms, GDP increased by 0.4% sa. Although detailed data are not yet available, we assume that the main factors supporting economic growth were services, particularly professional, scientific, technical and administrative activities, as well as industry, while the contribution from agriculture was negative. New production capacity in the automotive sector remains the key growth driver, while the effects of lower inflation and fiscal easing are not yet visible in the pace of economic activity. CPI inflation fell again in July, to 1.2% y/y from 1.7% y/y in June, well below expectations. At the same time, core inflation declined to 1.9% y/y from 2.0% y/y in June. The Hungarian central bank cut interest rates again in July (following a similar move in June) by 25bp, including the base rate to 5.75%. Lower-than-expected inflation increases the likelihood that the rate-cutting cycle will continue. In our view, the Hungarian central bank could cut rates as early as at its September meeting.
- real GDP (%)	0.4	1.7	2.4	
- CPI inflation (%)	4.4	2.8	3.8	
Romania				GDP growth was negative in 1q26, at –1.2% y/y (prelim.: –1.7% y/y), compared with 0.7% y/y in 4q25 (revised data). Activity declined in annual terms for the first time since 2020, with private consumption making the largest negative contribution to GDP growth (–1.2pp). The decline in consumption reflects the ongoing fiscal consolidation in Romania (including, among other measures, increases in the VAT rate, excise duties and the dividend tax, as well as a freeze on public-sector wages and pensions). At the same time, the latest estimate revised public consumption, whose contribution to growth proved positive (0.4pp versus –0.1pp according to earlier data). The contribution from investment was revised downwards (0.4pp versus 0.9pp previously), as was that from inventories (–2.5pp vs –1.0pp in the previous estimate). The contribution from net exports was marginally stronger (0.3pp versus 0.2pp). In 2q26, annual GDP growth is likely to remain negative, while for the full year it is expected at –0.6%. CPI inflation declined to 10.4% y/y in June from 10.9% y/y in May, remaining above 10% for the third consecutive month. In July, inflation should decline markedly due to base effects and approach 4% y/y by year-end. At its August meeting, the NBR left interest rates unchanged (policy rate: 6.50%), while the scope for monetary policy easing remains limited. A potential resumption of rate cuts after a hiatus of more than two years could take place in 4q26.
- real GDP (%)	0.7	–0.6	2.4	
- CPI inflation (%)	7.3	7.2	3.7	

Source: Eurostat. INSSE. CZSO. KSH. PKO Bank Polski.

Bank Polski

Selected macroeconomic indicators: data and forecasts

	1q26	2q26	3q26	4q26	1q27	2q27	2024	2025	2026	2027
Economic activity										
Real GDP (% y/y)	3.5	4.1	3.2	3.3	3.4	3.2	3.2	3.6	3.5	2.8
Domestic demand (% y/y)	3.7	4.8	4.1	4.5	3.3	2.9	4.8	4.2	4.3	2.6
Private consumption (% y/y)	3.3	3.0	3.3	2.8	2.8	3.0	2.9	3.7	3.1	3.0
Gross fixed capital formation (% y/y)	2.4	10.2	11.5	12.4	6.0	3.5	0.4	4.4	10.0	1.7
Inventories (pp)	0.0	0.0	-0.9	-0.8	0.2	0.0	3.4	1.4	-5.7	1.1
Net exports (pp)	0.0	-0.6	-0.8	-1.1	0.3	0.3	-1.2	0.6	3.2	-1.3
Industrial output (% y/y)^	2.6	4.8	5.1	2.0	2.6	3.5	1.1	2.1	3.6	3.0
Construction output (% y/y)^	-8.1	4.6	4.7	5.7	6.0	4.5	-7.7	0.2	2.7	3.5
Retail sales (real. % y/y)^	6.1	3.5	3.4	1.7	1.8	2.8	3.2	3.9	3.6	2.4
Nominal GDP (PLN bn)	949.8	1001.6	1040.2	1195.9	1012.7	1064.7	3670	3913	4187	4437
Labour market										
Registered unemployment rate‡(%)	6.1	5.8	5.8	5.8	6.0	5.6	5.1	5.7	5.8	5.7
Employment in enterprises (% y/y)	-0.8	-0.9	-0.7	-0.7	-0.4	-0.3	-0.4	-0.8	-0.8	-0.2
Wages in enterprises (% y/y)	6.3	5.7	6.3	5.6	5.2	5.5	11.2	8.0	6.0	5.2
Prices^										
CPI inflation (% y/y)	2.4	3.0	3.4	3.9	3.6	3.3	3.6	3.6	3.2	3.0
Core inflation (% y/y)	2.6	3.0	3.1	3.4	3.3	3.0	4.3	3.3	3.1	3.0
15% trimmed mean (% y/y)	2.5	3.0	x	x	x	x	x	x	x	x
PPI inflation (% y/y)	-1.1	2.0	3.0	3.1	1.7	-1.4	-6.7	-1.6	1.7	-0.9
Monetary aggregates‡										
Money supply M3 (PLN bn)	2804.4	2865.0	2932.7	3008.0	3065.0	3118.5	2479.8	2737.7	3008.0	3214.1
Money supply M3 (% y/y)	11.5	10.8	11.0	9.9	9.3	8.8	9.3	10.4	9.9	6.9
Real money supply M3 (% y/y)	8.9	7.6	7.3	5.7	5.5	5.4	5.5	6.5	6.5	3.8
Loans. total (PLN bn)	1564.4	1619.1	1640.0	1665.4	1700.8	1736.4	1499.6	1575.3	1665.4	1781.4
Loans. total (% y/y)	3.2	5.3	5.6	5.7	8.7	7.2	5.0	5.0	5.7	7.0
Deposits. total (PLN bn)	2547.3	2662.1	2648.5	2671.9	2731.7	2804.8	2266.0	2474.1	2671.9	2837.5
Deposits. total (% y/y)	8.6	9.9	9.7	8.0	7.2	5.4	9.7	9.2	8.0	6.2
Balance of payments										
Current account balance (% GDP)	-0.7	-0.9	-1.3	-1.6	-1.9	-2.0	0.3	-0.9	-1.6	-1.7
Trade balance (%GDP)	-1.3	-1.2	-1.6	-1.8	-1.8	-1.8	-0.7	-1.5	-1.8	-1.4
FDI (% GDP)	1.2	1.1	1.3	2.0	1.9	1.8	1.1	1.3	2.0	1.9
Fiscal policy*										
Fiscal balance (% GDP)	-7.1	-7.0	-6.9	-7.1	-7.3	-7.0	-6.4	-7.3	-7.1	-6.7
Public debt (% GDP)	61.6	63.2	64.7	65.9	67.3	68.6	54.8	59.7	65.9	71.3
Monetary policy‡										
NBP reference rate (%)	3.75	3.75	3.75	3.75	3.75	3.50	5.75	4.00	3.75	3.00
NBP lombard rate (%)	4.25	4.25	4.25	4.25	4.25	4.00	6.25	4.50	4.25	3.50
NBP deposit rate (%)	3.25	3.25	3.25	3.25	3.25	3.00	5.25	3.50	3.25	2.50
WIBOR 3M[x] (%)	3.85	3.85	3.82	3.82	3.73	3.39	5.84	3.99	3.82	3.05
Exchange rates[x]‡										
EUR-PLN	4.29	4.30	4.27	4.28	4.29	4.30	4.27	4.23	4.28	4.30
USD-PLN	3.74	3.77	3.71	3.66	3.64	3.64	4.10	3.60	3.66	3.68
CHF-PLN	4.68	4.66	4.59	4.51	4.47	4.43	4.54	4.54	4.51	4.48
EUR-USD	1.15	1.14	1.15	1.17	1.18	1.18	1.04	1.18	1.17	1.17

Source: GUS. NBP. PKO Bank Polski.
^period averages for quarterly and yearly data.
‡period end values.
*under revision