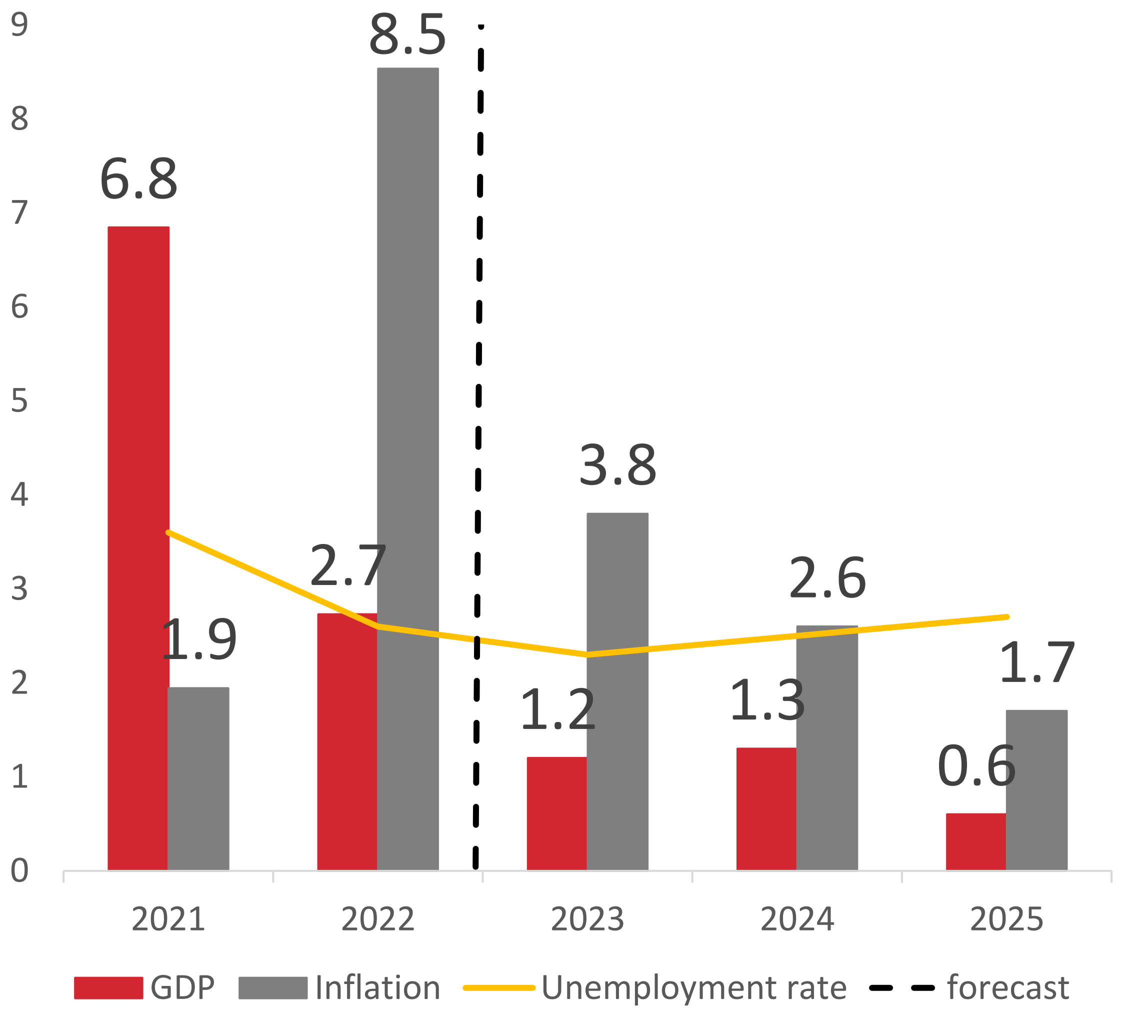
Polish Economic Institute

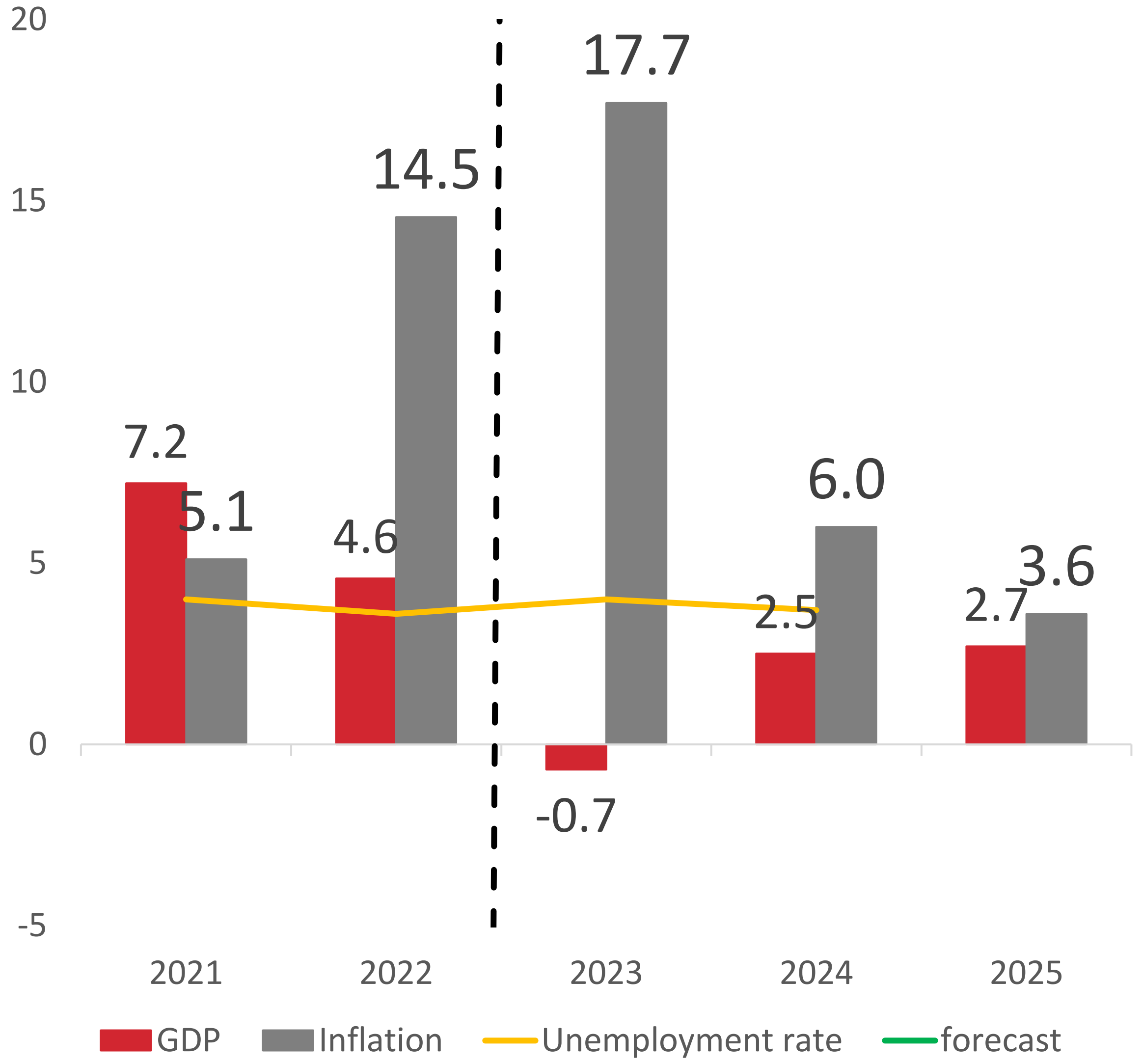
Outlook for non-eurozone countries

Denmark – Economic outlook



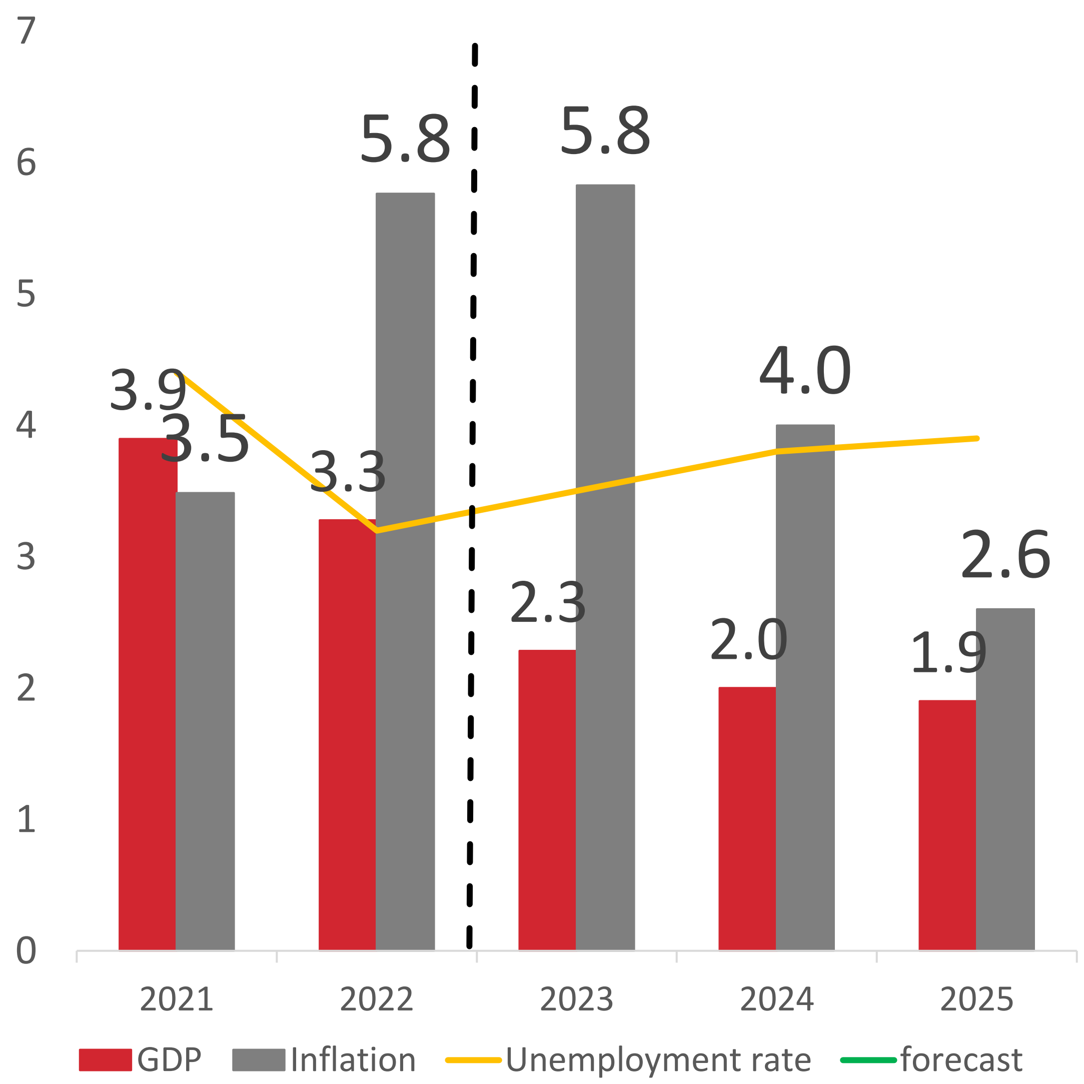
- AIECE institutes expect a further slowdown in subsequent years, to just 0.6% in 2025.
- Weaker economic performance is expected to bring a steady decline in inflation: to 2.6% in 2024 and 1.7% in 2025.
- The labour market will remain robust, despite the slowdown.
- Results were further improved by developments in the pharmaceutical industry.

Hungary – Economic outlook



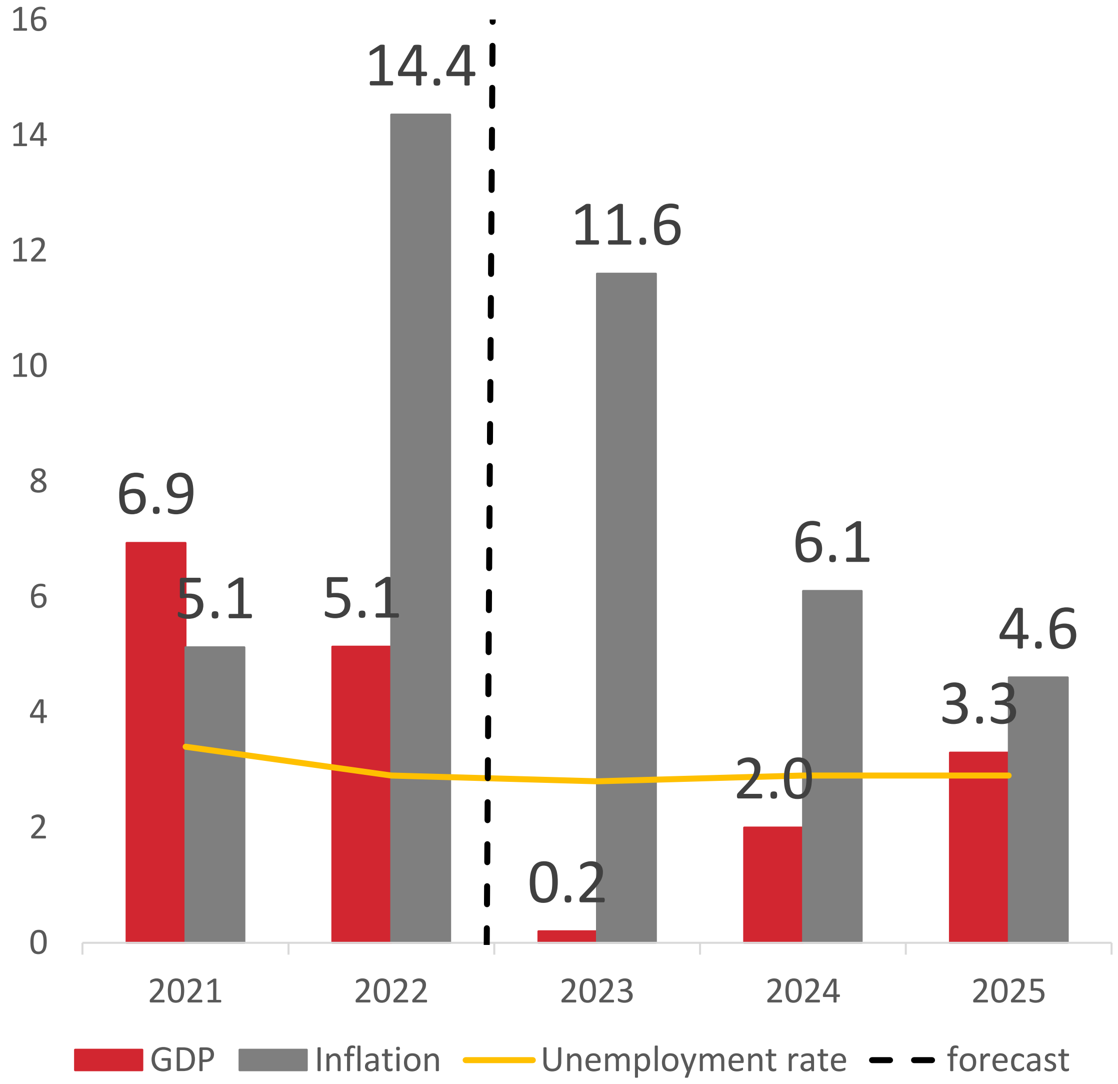
- Hungary's economy is currently experiencing very rapid disinflation.
- However, this is mainly caused by the beginning of the year, when it exceeded 25% y/y.
- Growth rates are likely to remain below potential.
- Public investment will likely remain a drag on growth and some risks are attributed to the external environment.

Norway – Economic outlook



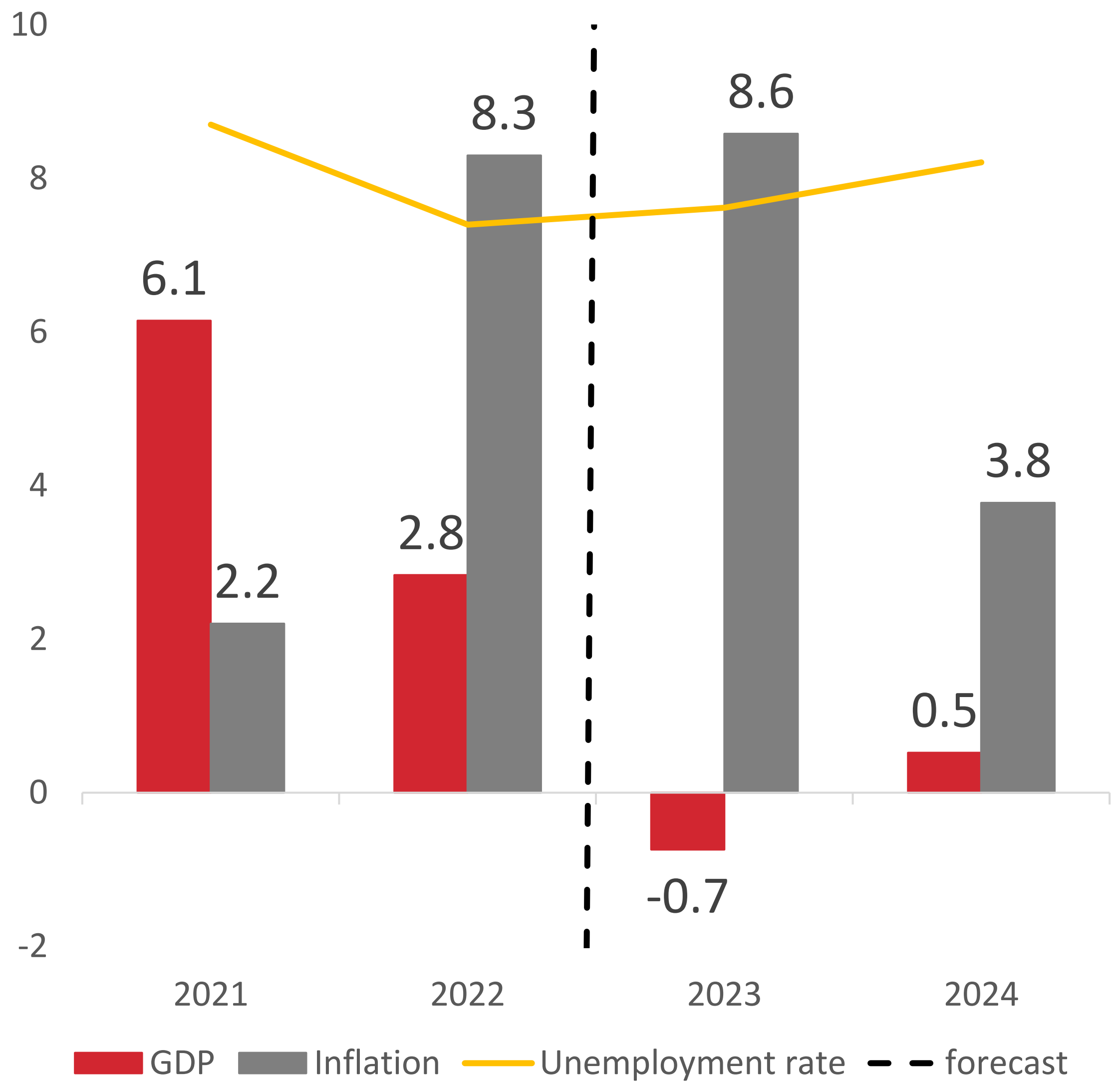
- Norway's economy will maintain its solid performance in the coming years.
- Slow normalisation of inflation, from 5.8% this year to 4.0% in 2024 and 2.6% in 2025.
- Some risks appear to be linked to global oil demand and the related volatility of the USD/NOK exchange rate.

Poland – Economic outlook



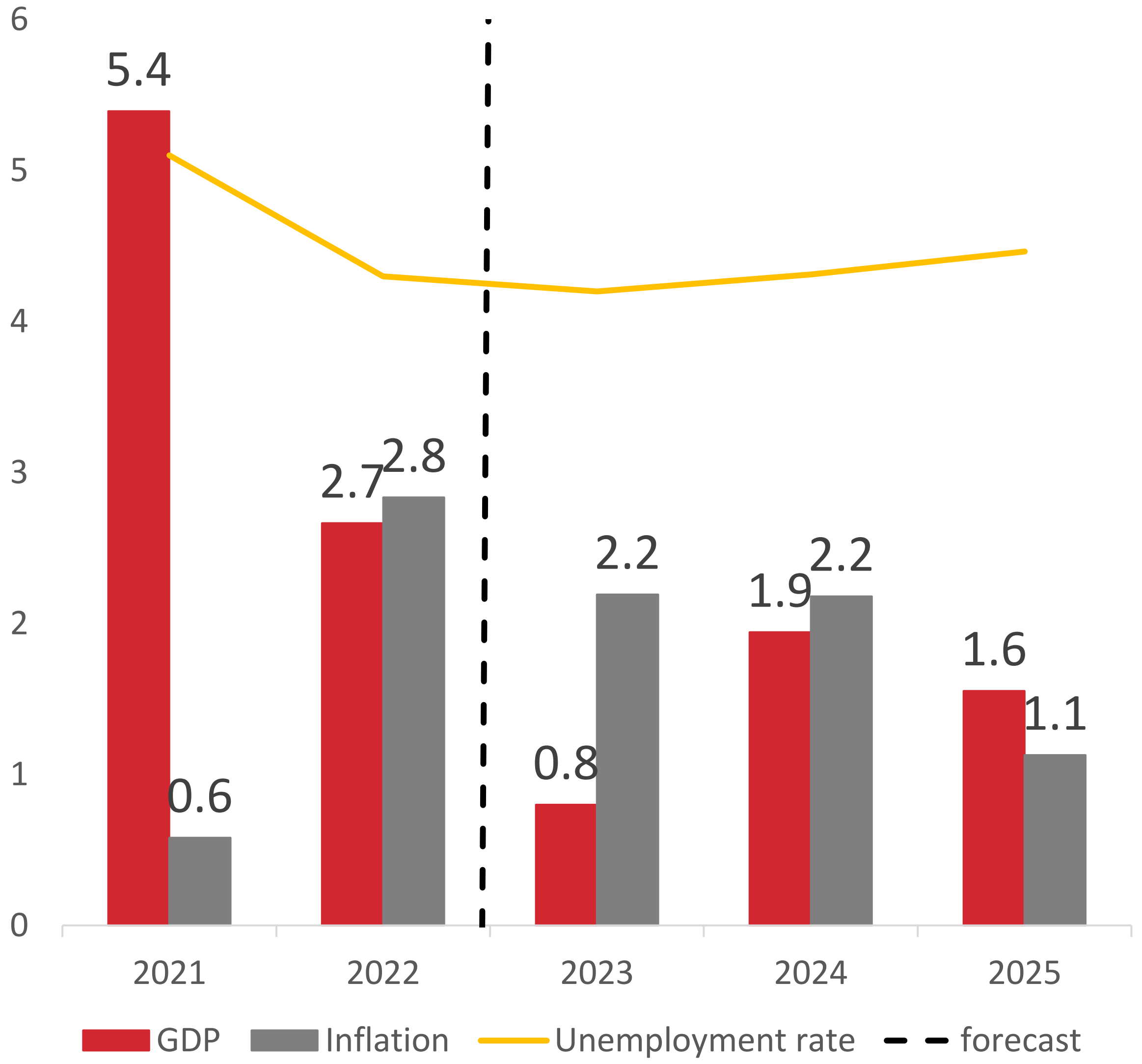
- The Polish economy is expected to rebound in the next two years.
- A partial economic rebound next year and strong fiscal spending give limited room for inflation to fall.
- The share of unfilled vacancies is significant due to record labour shortages and aging population.

Sweden – Economic outlook



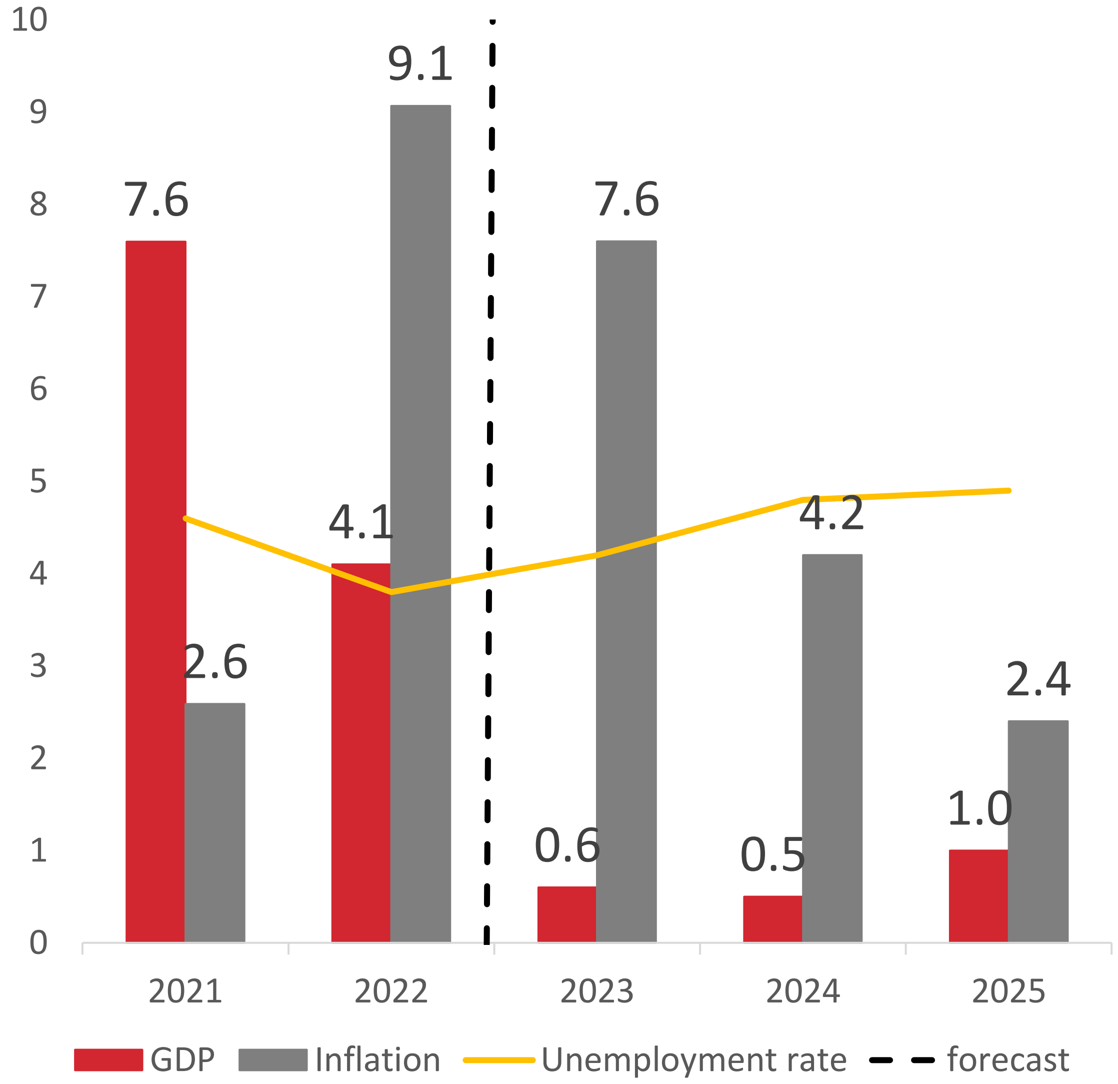
- Sweden will emerge from recession next year, but performance is likely to remain weak.
- The overall output gap could remain negative until at least 2026.
- A risk to the forecast is the situation in real estate linked to the need to refinance old debt at higher interest rates and second-round effects after a drop in real estate prices.

Switzerland – Economic outlook



- Growth prospects have been revised down slightly, mainly due to weaker performance in international trade in goods.
- Some of the inflation will result from sharper increases in rent and electricity prices.
- The labour market is expected to remain structurally stable

United Kingdom – Economic outlook



- The UK's economic outlook remains challenging.
- Growth is likely to remain subdued as long as monetary policy remains restrictive and the external environment adds up to risks.
- The deterioration in Economic activity is expected to affect the labour market, as with vacancies and activity rates falling.

Questions for discussion?

1. General: Will the reconstruction of Ukraine be a significant stimulus for the construction sector in your country?
2. Will accession negotiations and the EU's expansion to the east help your economy grow?
3. Denmark: Could economic data get increasingly blurrier due to pharma sector? Hence are Danish national data going Irish path?
4. Hungary and Poland: CPI forecast seems inconsistent with Hungarian prices expanding less in 2024 than in Poland. Why is it so?
5. Norway: Are global oil prices a significant risk to the forecast? Especially given FX policy and possible NOK volatility.
6. Sweden: Is a downturn in real estate really over given refinancing needs and spillover effects from both residential and commercial real estate?
7. Switzerland: How sensitive is Swiss GDP to shock in global GDP and financial markets? Which one’s health is more important for Swiss economy?
8. United Kingdom: Are risks to 4.2% CPI forecast next year symmetrical given quite significant deceleration in inflation past months? After all it is just 0.4pp less than current print – factually this question applies to most countries.

Thank you

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