POLAND

Poland's economy has remained resilient amid global uncertainty, with growth projected at 3.6 percent in 2026. Despite a global energy price spike triggered by the Middle East conflict, strategic reserves ensured supply continuity and swift fiscal interventions shielded household purchasing power. Accelerated disbursements of European Union (EU) Recovery and Resilience Facility funds sustained the investment momentum. The principal challenge remains the tight fiscal position.

Population[1]	Poverty[2]
million	millions living on less than $8.30/day
36.4	0.4
Life expectancy at birth[3]	**School enrollment[4]**
years	primary (% gross)
78.4	105.4
GDP[5]	**GDP per capita[6]**
current US$, billion	current US$
1040.6	28576.2

Sources: WDI, MFMod, and official data. 1/ 2025. 2/ 2023 (2021 PPPs). 3/ 2024. 4/ 2024. 5/ 2025. 6/ 2025.

Key conditions and challenges

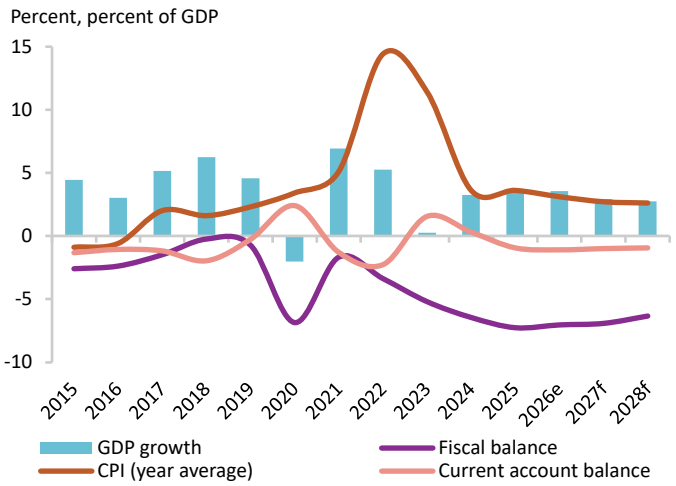
Poland's GDP crossed the USD 1 trillion threshold in 2025, reflecting over three decades of sustained economic expansion. Yet this milestone arrives at a moment of profound structural transformation. Four megatrends will shape Poland's trajectory in the decades ahead: demographic aging, the artificial intelligence (AI) and technology revolution, energy transition, and growing geopolitical fragmentation. Sustaining growth will increasingly depend on productivity gains and innovation, securing a foothold in new AI-driven value chains, workforce lifelong learning, and deeper capital markets. Demographic headwinds will pressure labor supply and public finances, making productivity growth essential. Energy remains a structural constraint: reliance on fossil fuels and the scale of required grid modernization translate into persistently high electricity prices weighing on competitiveness. Finally, rising political fragmentation adds uncertainty and calls for stronger institutional foundations and strategic autonomy.

The fiscal outlook presents a more immediate challenge. Defense and security spending have compressed available fiscal space, while public debt is rising rapidly requiring a credible policy response. Poland has committed to a Medium-Term Fiscal-Structural Plan targeting compliance with EU deficit rules by 2028—yet measures taken to date are insufficient, and a more targeted fiscal effort will be required, especially on the expenditure side. Progress is further complicated by institutional checks, including the active use of veto power, which narrows the scope for tax policy changes and reforms. Left unresolved, the misalignment risks undermining investor confidence and long-run growth potential.

Recent developments

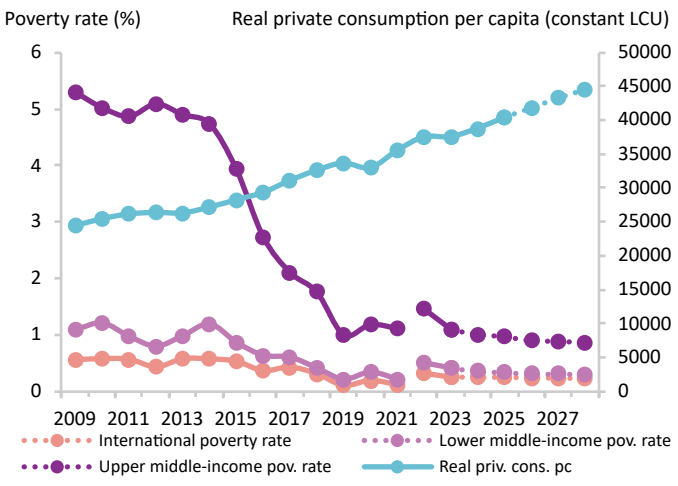
In the first half of 2026 GDP expanded by 3.7 percent year-on-year, driven by investment and consumption. Higher global oil prices stemming from the Middle East conflict did not translate into fuel supply disruptions, as high strategic reserves ensured continuity of supply. A temporary reduction in fuel value-added tax and excise duties on petrol and diesel, combined with the introduction of price caps at filling stations, helped preserve household purchasing power. Investment dynamics continue to be shaped primarily by the EU funds absorption cycle, which has served as a buffer against any dampening effect the conflict may have had on broader investor sentiment. On the supply side, rising investment

FIGURE 1 / Main macroeconomic variables



Sources: Central Statistical Office of Poland (GUS), National Bank of Poland (NBP), and World Bank.

FIGURE 2 / Actual and projected poverty rates and real private consumption per capita



Source: World Bank. Notes: See footnotes in table on the next page.

has boosted the contribution of manufacturing and construction to output growth.

Although the cost of measures related to limiting fuel price increases has been contained (0.13 percent of GDP), the fiscal deficit remains elevated. For 2026, it is estimated at 7.0 percent of GDP, largely reflecting defense spending and the continued absence of substantive tax policy actions or efforts to rationalize other expenditure categories.

Monthly inflation readings have remained relatively contained in 2026. Higher fuel prices linked to the Middle East conflict, alongside the government's offsetting policy response, introduced some volatility. Consumer price inflation fluctuated within the 2.5–3.4 percent range in recent months, remaining broadly in line with the National Bank of Poland's (NBP) 2.5 percent target. Inflation is estimated to average 3.1 percent over 2026. The NBP reference rate has been held at 3.75 percent since March 2026.

Despite elevated oil and gas prices, the current account deficit held steady at around 1 percent of GDP in the first half of 2026, as surging exports of refined fuel products and other commodities offset higher import costs.

Poverty in Poland remained broadly stable. Extreme poverty edged up from 5.2 to 5.3 percent (measured at the national poverty line) in 2025, while the at-risk-of-poverty rate rose slightly from 13.3 to 13.5 percent, reflecting uneven consumption gains across households. Strong real wage growth, minimum wage hikes, and the expanded "800+" child benefit helped household expenditures track the rising subsistence threshold, containing further deterioration. Nevertheless, poverty rates remain highest among farmers (33 percent), pensioners and households relying mainly on non-earned income (24 percent), and families with dependent children (16 percent).

Outlook

Growth is projected to decelerate to 2.9 and 2.7 percent in 2027 and 2028, respectively. The electoral cycle reduces the likelihood of fiscal consolidation before the 2027 parliamentary elections. High fiscal deficits could raise public debt to levels that trigger statutory debt-brake mechanisms within three years. Operating primarily through expenditure constraints, these mechanisms would temporarily weigh on growth.

The poverty outlook remains broadly favorable but fragile. Robust GDP growth and continued wage gains should support incomes, but rising electricity costs and still-elevated inflation could erode real consumption, particularly for lower-income and rural households. Relative poverty is unlikely to improve significantly given uneven income gains. Over the medium term, declining pension replacement rates raise serious elderly poverty risks, underscoring the need for well-targeted social protection reforms.

Downside risks are associated with heightened geopolitical tensions in the region, oil and gas supply disruptions, and uncertainty in world trade, especially concerning tariffs. An escalation of these factors could lead to the simultaneous weakening of growth and the need for accelerated fiscal adjustments. On the upside, efforts to redirect a greater share of defense spending toward domestic industry could provide an additional boost to growth—as could a peaceful resolution of the conflict in Ukraine, from which Poland is expected to benefit through its role in reconstruction efforts.

Recent history and projections

	2023	2024	2025	2026e	2027f	2028f
Real GDP growth, at constant market prices	0.2	3.2	3.6	3.6	2.9	2.7
Private consumption	-0.3	2.9	3.7	3.3	3.2	2.7
Government consumption	4.5	8.7	5.3	5.0	2.0	1.0
Gross fixed capital investment	12.7	0.4	4.4	8.2	1.7	3.4
Exports, goods and services	3.7	1.9	5.5	6.6	3.7	4.3
Imports, goods and services	-1.5	4.6	6.8	6.9	3.3	4.0
Real GDP growth, at constant factor prices	1.3	2.3	3.1	3.6	3.0	2.7
Agriculture	14.4	-1.0	1.5	1.0	1.0	1.0
Industry	-0.6	-0.4	2.7	3.5	2.6	2.8
Services	1.8	3.6	3.3	3.7	3.2	2.7
Employment rate (% of working-age population, 15 years+)	55.7	55.5	55.6	55.4	55.4	55.4
Inflation (consumer price index)	11.4	3.6	3.6	3.1	2.7	2.6
Current account balance (% of GDP)	1.5	0.3	-0.9	-1.1	-1.0	-0.9
Net foreign direct investment inflow (% of GDP)	2.9	1.1	1.2	1.9	1.8	1.7
Fiscal balance (% of GDP)	-5.2	-6.4	-7.3	-7.0	-6.9	-6.3
Revenues (% of GDP)	41.7	42.8	43.6	43.2	43.2	43.1
Debt (% of GDP)	49.5	54.8	59.7	66.9	69.9	72.4
Primary balance (% of GDP)	-3.8	-4.9	-5.5	-5.1	-4.9	-4.3
International poverty rate ($3.00 in 2021 PPP)[1,2]	0.2	0.2	0.2	0.2	0.2	0.2
Lower middle-income poverty rate ($4.20 in 2021 PPP)[1,2]	0.4	0.4	0.3	0.3	0.3	0.3
Upper middle-income poverty rate ($8.30 in 2021 PPP)[1,2]	1.1	1.0	1.0	0.9	0.9	0.9
GHG emissions growth (mtCO2e)	-5.5	1.6	0.8	0.1	0.2	-0.5

Source: World Bank, Fiscal Policy & Growth Department. Emissions data sourced from CAIT and OECD.
Notes: e = estimate, f = forecast. Data in annual percent change unless indicated otherwise.
1/ Calculations based on ECAPOV harmonization, using 2024-EU-SILC. Actual data: 2023. Nowcast: 2024-2025. Forecasts are from 2026 to 2028.
2/ Projection using neutral distribution (2023) with pass-through = 0.87 (Med (0.87)) based on private consumption per capita in constant LCU.