



Warsaw, 7 May 2025

Information from the meeting of the Monetary Policy Council held on 6-7 May 2025

The Council decided to cut the NBP reference rate by 0.5 percentage points, i.e. to 5.25%. At the same time, the Council set the remaining NBP interest rates at the following levels:

- **lombard rate at 5.75%;**
- **deposit rate at 4.75%;**
- **rediscount rate at 5.30%;**
- **discount rate at 5.35%.**

In the euro area, the annual GDP growth in 2025 Q1 – similarly as in 2024 Q4 – amounted to 1.2%. In turn, in the United States economic activity declined in 2025 Q1, which resulted in the annual GDP growth falling to 2.0%. In both economies inflation is running close to the central banks' targets. The outlook for global activity and inflation is subject to uncertainty, related, among others, to changes in trade policies.

In Poland, available data signal that annual economic activity growth in 2025 Q1 was probably lower than expected and somewhat lower than the 2024 Q4 figure. In March annual growth rates of retail sales and of construction and assembly production were negative, while industrial output rose in annual terms. In the labour market, unemployment remains low and the number of working persons continues to be high, although employment in the enterprise sector in March 2025 was lower than a year earlier. Wage growth is still running at the high level, but data from the enterprise sector point to lowering of wage growth.

According to the Statistics Poland flash estimate, annual CPI inflation in April 2025 declined to 4.2% (from 4.9% in March 2025). The fall in annual CPI stemmed mainly from fading away of base effect on food price dynamics, caused by hiking VAT rate in April 2024, as well as from lower fuel prices, due to decreasing oil prices and weakening of the US dollar. Considering the Statistics Poland data, it can be estimated that in April 2025 inflation net of food and energy prices also decreased, whereas services price growth remained elevated. The earlier increases in the administered energy prices together with continuously heightened annual growth in prices of food and non-alcoholic beverages translate into still elevated level of CPI inflation.



Taking into account incoming information, including lower current and forecasted inflation, decreasing wage growth and weaker data on economic activity, in the Council's assessment, the adjustment of the level of the NBP interest rates became justified.

Further decisions of the Council will depend on incoming information regarding prospects for inflation and economic activity. Developments in demand pressure and situation in the labour market in subsequent quarters, as well as the level of administered energy prices and further fiscal policy measures remain an uncertainty factor. Uncertainty stems also from inflation developments abroad, following, among others, from changes in trade policies of major economies.

NBP will continue to take all necessary actions in order to ensure macroeconomic and financial stability, including above all to bring inflation down sustainably to the NBP inflation target in the medium term. NBP may intervene in the foreign exchange market.