



PEI Economic Weekly

October 24, 2025

Poland Expected to Remain Europe’s Growth Leader, According to IMF Forecasts

2.9%

average annual real GDP growth projected for Poland in 2025-2030

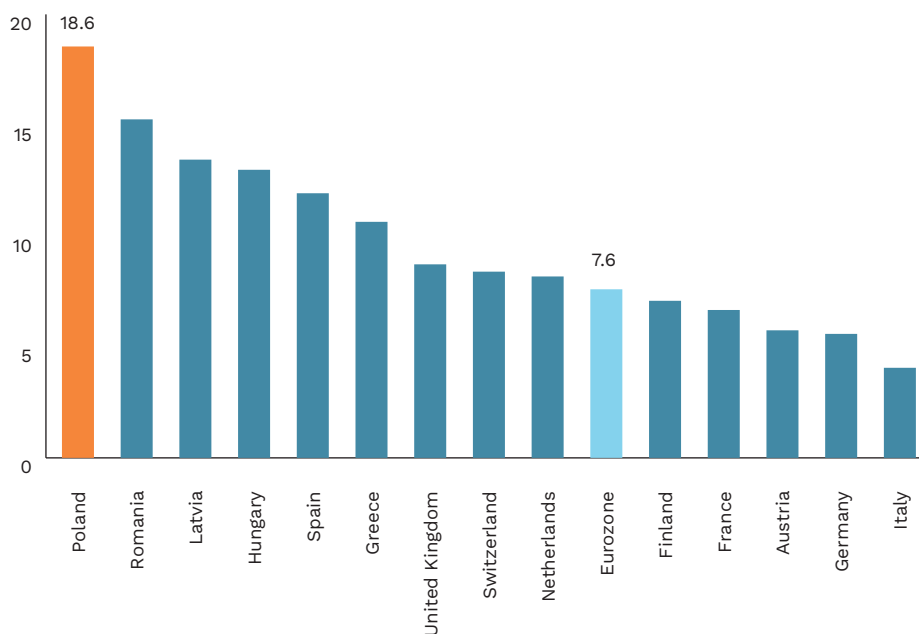
221%

cumulative real GDP growth in Poland between 1995 and 2024

► **The year 2025 is marked by heightened uncertainty and major shifts in global economic policy.** The most significant event so far has been the wave of tariff increases introduced by the United States, which raised effective rates to their highest levels in a century. The depreciation of the US dollar has largely prevented the full transmission of tariff effects into prices, easing imported inflationary pressure. Companies have also absorbed part of the higher costs in their margins, although the International Monetary Fund (IMF) expects that in the coming quarters some of these cost increases will be passed on to consumers, potentially reigniting price pressures. Nevertheless, global inflation is projected to decline to 4.2% in 2025 and 3.7% in 2026, while global economic growth is forecast to slow to 3.2% and 3.1%, respectively.

► **Global growth is projected to remain close to 3% in the coming years – below its historical average.** East Asian economies will expand particularly dynamically, with average growth of 4.8% in 2025-2030, driven by technological progress, infrastructure investment and strong domestic demand. In contrast, the euro area will experience much slower growth, averaging 1.5% per year. Additional risks to the baseline scenario include further escalation of protectionism, fiscal and financial vulnerabilities, and the potential collapse of the investment boom linked to artificial intelligence – all of which could further weaken global growth momentum.

Figure 1. Cumulative real GDP growth in selected European countries – forecast for 2025-2030 (%)



Source: Polish Economic Institute (PEI) based on IMF data.

► **Against the European backdrop, Poland stands out as a strong performer.** Between 1995 and 2024, Poland’s real GDP increased by 221%, placing it among the EU’s fastest-growing

economies, where the average cumulative increase was 69.9%. According to [IMF](#) forecasts, following a slowdown in 2023 (0.2%), Poland regained growth momentum in 2024 (2.9%), and the same average annual pace is expected to continue through 2025-2030. While Poland currently remains one of the region's most resilient economies, combining stable growth with improving macroeconomic balance, maintaining competitiveness in the long term will require continued investment in productivity, innovation and human capital.

(Piotr Kamiński)

Global Demand for Gas Turbines Is Straining Industry Production Capacity

71%

share of the three largest gas turbine manufacturers in the global market

28%

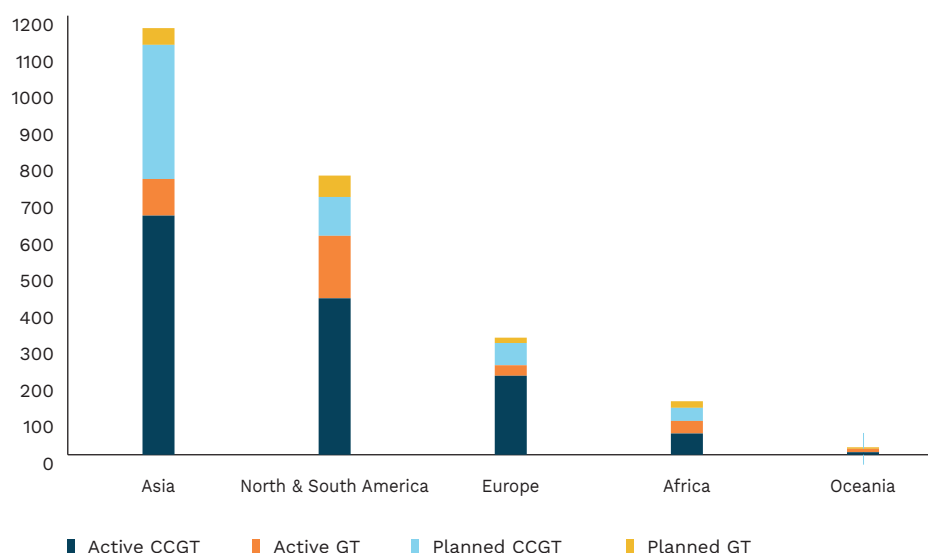
share of natural gas in the increase in global energy supply in 2024

75 GW

planned gas power plant investments in Europe

► Global demand for gas turbines is beginning to exceed the industry's production capacity. According to [Bloomberg](#) estimates, gas power plant projects worth more than **USD 400 billion, scheduled for completion by 2030, are at risk of delay or cancellation due to insufficient manufacturing capacity among turbine suppliers.** The global market is dominated by three producers: GE Vernova (25%), Siemens Energy (24%), and Mitsubishi Heavy Industries (22%), which together account for 71% of total production capacity. The remaining 29% of the market is held by smaller firms, including several Chinese manufacturers. Currently, the industry's annual output capacity stands at around **60 GW** of gas turbines. In 2024, global orders reached **57 GW**, nearly exhausting this capacity. **Forecasts suggest that in 2025, demand will rise by 40% year-on-year to 80 GW**, peaking at 102 GW in 2028, before falling sharply to around 70 GW in 2030.

Figure 2. Operating and planned combined-cycle gas turbine (CCGT) and gas turbine (GT) power plant capacity by continent (GW), August 2025



Source: Polish Economic Institute (PEI) based on Global Energy Monitor data.

► **In 2024, natural gas accounted for the second-largest contribution (after renewables) to the increase in global energy supply, at 28%.** The rapid expansion of gas-fired capacity partly reflects the acceleration in global energy demand, which grew by 2.2% year-on-year

in 2024, well above the 1.3% annual average recorded between 2013 and 2023. One of the key drivers of rising demand is the expansion of artificial intelligence (AI). **Data centres – the infrastructural backbone of AI – require massive computing power, resulting in high electricity consumption: in 2022, they used between 240 and 340 TWh of electricity.** Given their flexible and dispatchable nature, gas power plants are an attractive power source for large electricity consumers such as data centres.

► **Asia accounts for 58% of planned capacity in combined-cycle gas turbine (CCGT) and simple-cycle gas turbine (GT) power plants. In Europe, 75 GW of such capacity is planned, representing 11% of all global investments.** According to results from Poland's capacity market auctions, up to 4.4 GW of new gas capacity could be developed in the country by 2029. Currently, the total available capacity of gas-fired power plants in Poland's National Power System stands at just under 6 GW.

(Marianna Sobkiewicz)

Improved Sentiment Among Manufacturing Firms

nearly 3 in 10

share of manufacturing firms that reported higher sales in September 2025

32%

share of manufacturing firms expecting improvement in the next three months

7.4%

year-on-year increase in sold industrial production in September 2025

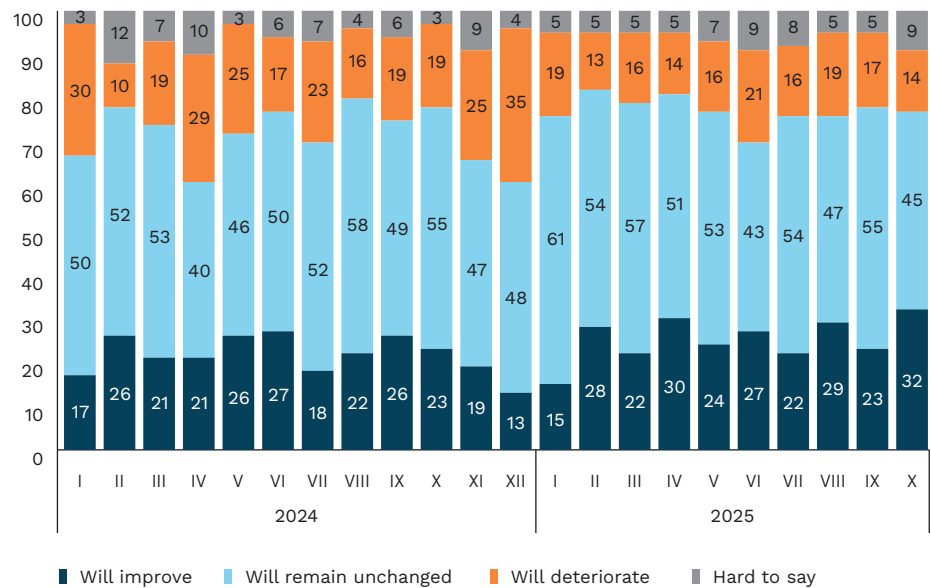
► **Positive sentiment clearly prevails among Polish manufacturing firms**, according to the MIK (Monthly Business Climate Index) survey. The October MIK reached 107.7 points, remaining above the neutral threshold (100 points) and exceeding both the September 2025 reading (by 1.9 points) and the October 2024 result (by 1.6 points). It was also the second consecutive month of rising optimism, with positive moods outweighing negative ones. The index for manufacturing was notably higher than in other sectors covered by the MIK survey – trade (102.2), transport and logistics (100.2), services (99.9) and construction (97.1).

► **The improvement in sentiment stems largely from stronger demand. Nearly three in ten manufacturing firms reported higher sales in September compared to August 2025** – an 8 percentage point increase relative to the previous measurement. In the coming months, business sentiment is expected to remain stable, as 61% of firms reported unchanged order volumes and 23% anticipated an increase. As a result, 85% of companies intend to keep employment levels steady, while 9% plan to hire new staff. Investment activity also strengthened: 41% of firms made investments in the past three months – up 7 percentage points from the previous month. At the same time, the financial condition of firms remains sound, with over half declaring sufficient funds to continue operations for more than three months.

► **Industrial output also increased.** According to Statistics Poland (GUS), sold industrial production in September 2025 was 7.4% higher year-on-year and 16% higher month-on-month, significantly exceeding economists' forecasts. After seasonal adjustment, this corresponds to 5.7% year-on-year and 4.1% month-on-month growth. Output increased in 24 out of 34 industrial divisions, with the strongest increases recorded in the repair and installation of machinery and equipment (+34.6%), manufacture of machinery and equipment (+16.2%), manufacture of basic metals (+13.3%), manufacture of motor vehicles, trailers and semi-trailers (+12.8%), and manufacture of fabricated metal products (+11.4%). Declines occurred in ten divisions, but they were modest, generally not exceeding a few percentage points, while compared with the previous month, production increased in 32 of the 34 divisions.

► **Manufacturing firms also look to the future with optimism.** In October, 32% of them – the highest share across all sectors – expected an improvement in their situation over the next three months, up 9 percentage points from the previous month. Meanwhile, the share of firms anticipating deterioration fell by 3 percentage points. The health of the manufacturing sector is particularly important for Poland, as it accounts for over one-fifth of the country's gross value added, a larger share than in most EU economies.

Figure 3. Manufacturing firms' expectations for their situation in the next three months (%)



Source: Polish Economic Institute (PEI) based on MIK data.

(Anna Szymańska)

Implementation of the EU's Global Gateway Strategy Gains Momentum

EUR 306.8 billion

mobilised for investments in Global South countries under the Global Gateway strategy in 2021-2024

EUR 157.1 billion

allocated for investments in Africa

► **The acceleration of European investment plans in the Global South signals a more active bid to compete with China's growing presence in the region.** Expanding Chinese influence in Africa, South America, and Central Asia, particularly in the EU's immediate neighbourhood, prompted the Union to offer its own development proposal. The response came in 2021 with the launch of the Global Gateway (GG) strategy by the European Commission, designed to mobilise around EUR 300 billion in investments in Global South countries. Although this amount was originally intended to be disbursed by 2027, the target has already been reached, making the programme more effective than initially expected. The new goal foresees mobilising EUR 400 billion by 2027. The main implementation instrument is the European Fund for Sustainable Development Plus (EFSD+), which aims to provide EUR 53 billion in guarantees to secure European investments in these regions.

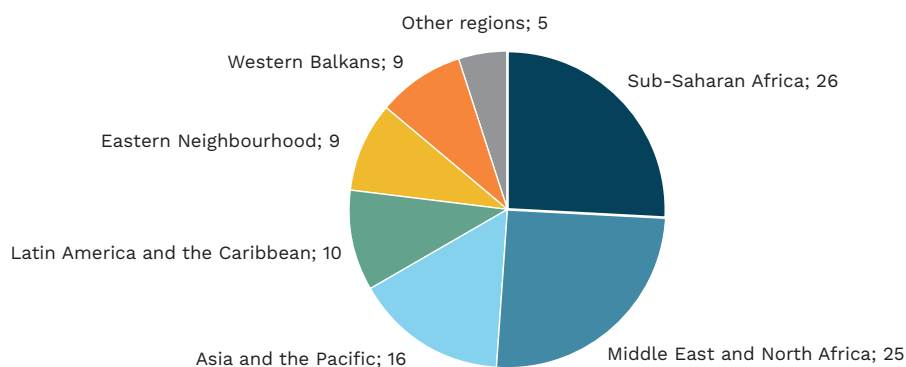
► **Africa has so far attracted over half of all funds. North Africa has received EUR 77 billion, while Sub-Saharan Africa has gained nearly EUR 80 billion.** The most ambitious project is the construction of a rail corridor linking the port of Lobito in Angola with Zambia and the Democratic Republic of the Congo, facilitating the import of raw materials from these countries. Nearly half of all projects fall within the climate and energy category, focusing mainly on renewable energy and interconnection infrastructure.

► **The Asia-Pacific region has been allocated 15% of Global Gateway funds (around EUR 48 billion).** Key projects include the construction of the Middle Corridor – a trade route from China to Europe providing an alternative to the Northern Corridor – and initiatives related to the exploration and extraction of critical raw materials, such as in Uzbekistan.

► **Latin America is set to receive 10% of the GG budget (approximately EUR 31 billion).** Around 130 projects are primarily led by Spain, France, and Germany, with financing provided mainly by the Inter-American Development Bank and the European Investment Bank (EIB). Example projects include the development of a sustainable lithium value chain in Argentina and Bolivia, integration of Latin American energy markets, and improvement of digital connectivity in remote areas of Brazil, Colombia, and Jamaica.

► **The Global Gateway programme has faced criticism for a lack of clarity in project selection criteria and management mechanisms.** In many respects, projects under China's Belt and Road Initiative (BRI), also criticised for limited transparency, are reportedly easier to implement, due to simpler access to funding, less bureaucratic procedures, and greater tolerance for corruption.

Figure 4. Share of Global Gateway investment value planned for 2021-2024 (in %)



Source: Polish Economic Institute (PEI) based on [European Commission data](#).

(Michał Kowalski, Katarzyna Sierocińska)

Level of Human Development Shapes Perceptions of AI

1 in 5

share of respondents using AI for educational, professional, or health-related purposes

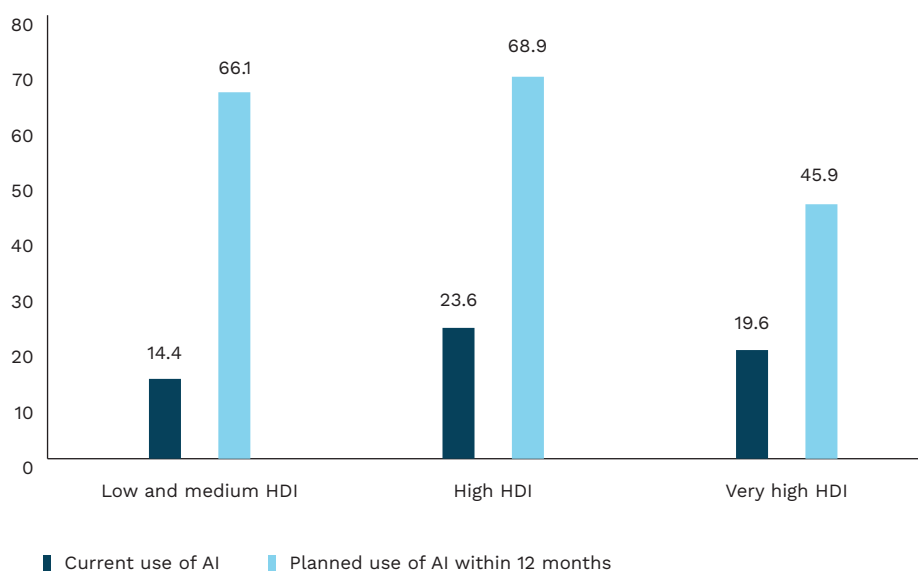
54%

share of residents of very high-HDI countries who doubt that AI is designed with good intentions

► Artificial intelligence (AI) plays an increasingly significant role in people's lives, regardless of their country's level of development, according to new data from the [United Nations Development Programme \(UNDP\)](#). The survey, conducted among more than 21,000 respondents from twenty-one countries, provides insights into the differences in the use and perception of AI across nations with varying levels of human development (HDI)¹. It distinguishes between countries with very high (VH), high (H), and medium or low (ML) HDI.

► **Currently, one in five residents of the surveyed countries use AI for educational, health-related, or work purposes – considered by the UN as essential for human development.** Moreover, within a year, about two-thirds of respondents are expected to use AI. The largest projected increases are seen in medium and low HDI countries (up 51.7 percentage points) and high HDI countries (up 45.3 percentage points), suggesting strong interest in the benefits of AI technology.

Figure 5. Share of people declaring AI use for educational, health, or work purposes by country HDI level (%)



Source: Polish Economic Institute (PEI) based on UNDP data

► Perceptions of AI differ notably across development levels, particularly regarding its impact on work. **In medium and low, as well as high HDI countries, nearly 60% of respondents believe that AI will significantly change or even replace their jobs, compared with 40% in very high HDI countries.** Residents of medium, low, and high HDI countries also tend to be more optimistic about productivity gains from AI – 69.5% of respondents

¹ [The Human Development Index \(HDI\)](#) is a summary measure of average achievement in key dimensions of human development: a long and healthy life, knowledge, and a decent standard of living.

from ML countries and 69.7% from H countries expect AI to enhance their work efficiency, compared with 54% in VH countries.

► **Residents of very high-HDI countries are also more pessimistic about the intentions behind AI development.** 54% expressed doubts that AI systems are designed to serve the public good, compared with 35% in medium and low-HDI countries and 32% in high-HDI ones. Similarly, 54% of respondents in VH countries doubted their governments' ability to use AI to improve citizens' quality of life, compared with 40% in ML and 35% in H countries.

► **These disparities in perceptions of opportunities and risks may strongly influence the future diffusion of AI.** Although very high-HDI countries develop the majority of AI technologies, and their labour markets are more exposed to AI-driven changes, with residents possessing better skills to use these technologies effectively, they tend to display greater pessimism and lack of trust. Meanwhile, the optimism observed in other HDI groups may result not only in problems stemming from excessive confidence in unreliable AI solutions, but also in dependence on technologies controlled by a small group of third countries.

(Jakub Witczak)

Between Intention and Action – The Silent Skills Standoff in Poland's Labour Market

75%

share of employed Poles aged 25-64 who declare a willingness to expand their knowledge and skills to perform their work better

► **The 'silent standoff' refers to a growing yet unspoken tension between employers and employees regarding skills. Employees believe their current abilities are sufficient to maintain employment, while employers worry that the workforce is unprepared for future challenges. The term was introduced by DeVry University (USA) in the report *Bridging the Gap: Bridging the Gap: Overcoming a Silent Standoff in America's Talent Economy*. Overcoming a Silent Standoff in America's Talent Economy. This phenomenon leads to stagnation in skill development and weakens economic innovation.**

29%

share of employed Poles aged 25-64 who participated in training or education

► **In Poland, the silent standoff differs from the American model described by DeVry University.** It is marked by paradoxes and contradictions. Mutual passivity is a key feature – employers declare an interest in training but rarely invest, while employees feel pressure to develop but seldom take proactive steps.

26%

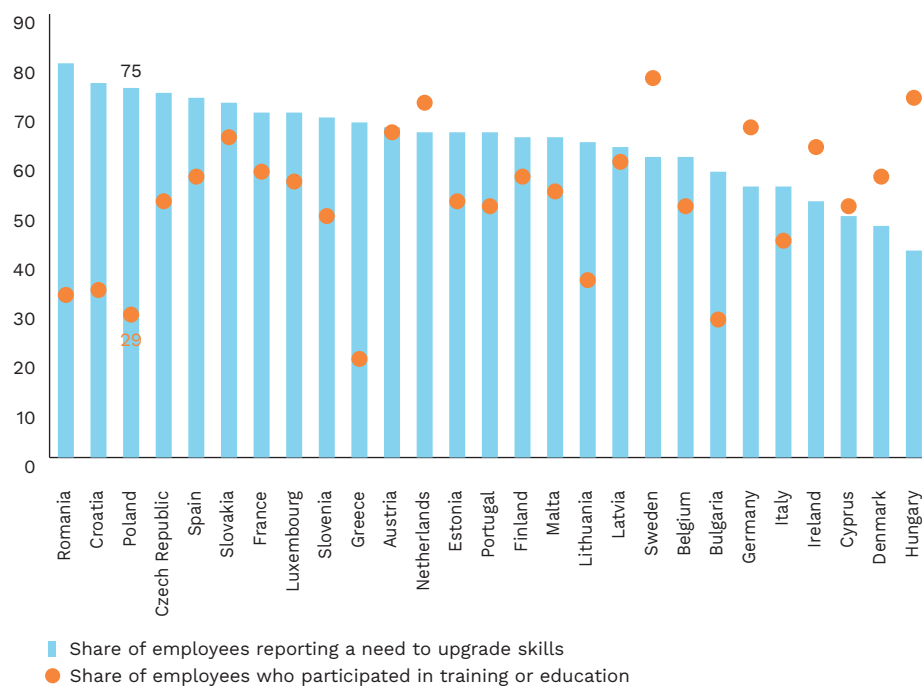
share of Polish enterprises with at least 10 employees that provided continuing vocational training

► **A lack of awareness of one's own skills gaps remains one of the main barriers to adult professional development.** Only 33% of Poles aged 25-65 have a positive attitude towards learning, while 37% are sceptical and 29% remain neutral. About half agree that learning brings them enjoyment and satisfaction, and more than 60% say that expanding their knowledge and skills is important to them. Yet almost 42% admit they no longer feel motivated to learn.

► **Poles generally possess the skills needed for their current jobs, but neither employers nor employees invest enough in future-oriented competencies.** According to the European Skills Index (ESI), Poland ranks 3rd in the EU in the alignment of skills with current job requirements but only 17th in skills development – a 'success masking failure'. Present skills suffice for now, but this may cause problems in the future. Only 26% of Polish firms provide continuing vocational training for employees – more than twice less than the EU average (55%). Lower activity is observed only in Hungary, Greece, and Romania.

► **Although the share of companies reporting recruitment difficulties is gradually declining, the Polish economy faces an increasingly visible human capital quality crisis.** According to ManpowerGroup’s *Talent Shortage Survey*, 59% of employers in 2025 struggled to find candidates with the required skills, down from 70% in 2022. Yet data from the *PIAAC* study show that 39% of Poles may struggle with reading comprehension, 38% with mathematical reasoning, and 48% with adaptive problem-solving². Skills levels in Poland also decline sharply with age – a sign of human capital erosion.

Figure 6. Gap between the demand for skills development and participation in training among employees aged 25-64 in EU countries (%)



Source: Polish Economic Institute (PEI) based on CEDEFOP (2021) and Eurostat (2022) data.

► **Despite widespread declarations, neither employers nor employees treat skills development as a real priority.** According to the *European skills and jobs survey (2021)*, 75% of employed Poles aged 25-64 expressed a moderate or strong desire to improve their general knowledge and skills to perform their work better. However, data from 2022 show that only 29% actually participated in training or education – the third-largest gap in the EU, after Greece and Romania.

(Cezary Przybył)

² Adaptive problem-solving is the ability to achieve goals in dynamic situations where the method of solution is not immediately available. It requires defining problems, evaluating possible solutions, and monitoring progress.

Flexibility and Purpose at Work Matter More Than Maximising Pay

11%

share of wages employees in Germany are willing to give up for more flexible working conditions

3%

share of wages employees in Germany are willing to give up for work with greater social value

97%

share of Poles who consider a sense of purpose a very or fairly important aspect of work

► **Employees value flexibility far more than the social impact of their work**, according to a 2023 study of around 5,500 Germans. Participants were asked to indicate the minimum acceptable salary under scenarios where jobs were more flexible or offered greater societal benefits. Comparing their responses allowed researchers to estimate what portion of their pay employees would be willing to forgo for specific job attributes.

► **Respondents were most willing to sacrifice part of their pay for greater work flexibility.** They would lower their salary expectations by 7.8% for one extra day off per month, by 10.2% for one additional day of remote work, and by as much as 16.1% for a shorter commute. On average, 44% of respondents would give up 11% of their pay for such flexibility. These results align with earlier studies: [Maestas et al. \(2018\)](#) found that employees value the ability to set their own schedules at around 9% of pay and remote work at 4.1%. The most prized benefit was additional leave – workers were willing to give up as much as 23% of pay for extra days off. Similarly, [Mas and Pallais \(2017\)](#) found that employees would forgo about 8% of wages to work remotely and were highly averse to having employers dictate their hours, being willing to sacrifice 20% of pay to avoid such uncertainty.

► **Moreover, 39% of employees would accept lower pay for jobs providing a stronger sense of social purpose**, though they would give up a much smaller share of income. Germans were willing to forgo about 3% of their wages for work that benefits those in need or the environment. The findings of [Maestat et al. \(2018\)](#) were comparable – respondents were ready to give up 3.9% of pay for jobs with a clearer social impact.

► **Flexibility and meaningfulness are also highly valued by Polish workers.** According to the latest [European Working Conditions Survey](#), a sense of purpose ranks among the most important aspects of work across the EU, with Poland showing one of the lowest shares of people who consider it unimportant. 63% of Poles regard it as very important, and 34% as fairly important. They rated friendly working hours and fair pay equally highly – 97% consider them very or fairly important.

► **Data from a survey by the Public Opinion Research Centre (CBOS)** further confirm that the sense of purpose in work has become more widespread in Poland since the early 2000s. In 2021, 39% of respondents said their job definitely gave them a sense of performing important and meaningful tasks, and 45% said rather yes – both significantly higher than in previous years.

► While for many people work remains primarily a source of income, non-financial factors are gaining importance. The findings send a clear message to employers: investing in flexibility and meaningfulness can be less costly than continual pay rises, and has become a strategic factor in competing for talent. At the macro level, an increasing sense of purpose at work is not only an outcome but also a vital driver of socio-economic development.

(Karolina Rutkowska)

Authors: Piotr Kamiński, Michał Kowalski, Cezary Przybył, Karolina Rutkowska, Katarzyna Sierocińska, Marianna Sobkiewicz, Anna Szymańska, Jakub Witczak

The Polish Economic Institute

The Polish Economic Institute is a public economic think tank with a history dating back to 1928. The Institute produces reports, analyses and recommendations on key areas of the economy and social life in Poland, taking into account the international situation. Its research areas primarily include macroeconomics, energy, the global economy, the digital economy, behavioural economics and social processes.

The events and data presented in this publication come from and are based on external sources, therefore we do not guarantee their correctness. They may also be incomplete or abbreviated. All opinions and forecasts contained in this publication are an expression of the assessment of PIE experts on the date of their publication and may change without notice. This document is for informational purposes only and is intended for the recipient's use.

© Copyright by Polish Economic Institute



Contact
Ewa Balicka-Sawiak
Head of Communications Team
Press Spokesperson
ewa.balicka@pie.net.pl
phone: +48 727 427 918