



February 24, 2010 **No. 287**

- **UNCTAD: Poland's 17% drop in FDI in 2009 the lowest in the region, with other CEE suffering 50-63% decreases**
- **The number of Polish companies in 2009 has decreased for the 1<sup>st</sup> time in five years**
- **Polish industrial production grew by 2.5% in January**
- **The Finance Ministry expects economic growth this year close to 3%**

## Main Macroeconomic and Financial Indicators of POLAND

	2008	2009	2009				2010
			Q1	Q2	Q3	Q4	
<b>Real sector</b>							
Real GDP, yoy, %	5.0	1.7	0.9	1.2	1.2	:	:
Nominal GDP per capita, EUR thou	9.5	:	9.1	8.7	8.2	:	:
Industrial production index, wda, yoy, % <sup>1)</sup>	2.2	-3.9	-11.7	-5.4	-2.6	4.3	:
Volume index of construction production, wda, yoy, %	9.6	4.5	3.3	0.4	8.6	4.4	:
Retail trade (excl. motor vehicles and motorcycles), deflated turnover index, yoy, %	4.4	4.3	7.1	3.7	2.2	4.4	:
Gross fixed capital formation, yoy, % <sup>1)</sup>	8.2	0.3	-0.4	-1.5	-0.6	:	:
<b>Prices</b>							
HICP, eop, yoy, %	3.3	3.8	4.0	4.2	4.0	3.8	:
PPI, eop, yoy, %	2.5	2.2	5.6	4.2	1.8	2.2	:
<b>Labour market</b>							
Average gross monthly earnings <sup>2)</sup> , yoy, %	10.3	4.4	6.2	3.6	3.8	4.1	0.5 (Jan)
Unemployment rate, sa, LFS, %	7.1	8.2	7.7	8.1	8.4	8.8	:
<b>External trade &amp; external position</b>							
Exports of goods, yoy, % <sup>1)</sup>	7.8	:	-19.1	-18.9	-14.4	:	:
Imports of goods, yoy, % <sup>1)</sup>	8.5	:	-19.4	-22.6	-17.0	:	:
Current account balance, % of GDP	-5.1	:	-0.04	-1.5	-1.6	:	:
FDI inflow, % of GDP	2.8	:	2.1	2.7	4.1	:	:
FDI per capita, eop, EUR	3040.7	:	2792.1	2970.2	3194.4	:	:
International reserves per capita, eop, EUR	1157.4	1446.4	1209.8	1249.0	1398.9	1446.4	1595.8 (Jan)
<b>Financial market</b>							
Average interest rates on new loans in LCU, eop, %	11.4	9.7	10.6	10.7	10.6	9.7	:
Average interest rates on new term deposits in LCU, eop, %	5.9	3.2	3.8	3.5	3.3	3.2	:
Loans to households and non-financial corporations <sup>3)</sup> , yoy, %	19.7	7.6	2.5	-4.0	-4.7	7.6	:
Housing loan portfolio <sup>3)</sup> , yoy, %	42.2	12.9	22.2	14.5	9.6	12.9	:
Loans to households and private non-financial corporations, eop, % of GDP	40.0	:	39.0	43.2	47.9	:	:
Deposits, yoy, %	-18.6	13.1	19.2	18.6	14.2	13.1	10.3 (Jan)
<b>Economic sentiments</b>							
Economic sentiments, total index, eop	92.3	93.7	79.0	85.7	89.5	93.7	94.6 (Jan)
Consumer sentiments, eop	-18.2	-23.5	-36.0	-28	-24.3	-23.5	-20.9 (Jan)

**Note:** Latest date is given in parenthesis; <sup>1)</sup> at constant prices; <sup>2)</sup> in enterprise sector; sectoral statistics has been adjusted to NACE 2; <sup>3)</sup> denominated in EUR.

**Abbreviations:** GDP – gross domestic product; HICP – harmonized index of consumer prices; PPI – producer price index; FDI – foreign direct investments; yoy – year-on-year; eop – end-of-period; LFS – Labour Force Survey; LCU – local currency units; wda – data adjusted by working days; sa – seasonally adjusted; <sup>p</sup> Eurostat provision value.

**Sources:** National statistics office, Bank of Lithuania, ECB, Eurostat, European Commission

# Structural Indicators of the BALTIC RIM ECONOMIES

	LITHUANIA		LATVIA		ESTONIA		POLAND	
	2008	2009	2008	2009	2008	2009	2008	2009
<b>Main macro economic indicators</b>								
Labour productivity: GDP in PPS per employee, EU27 = 100	62.0	55.1 <sup>f</sup>	52.6	48.8 <sup>f</sup>	63.8	60.3 <sup>f</sup>	62.0	62.9 <sup>f</sup>
Exports of goods and services <sup>1)</sup> , yoy, %	12.2	-17.9 (I-IIIQ)	-1.3	-16.4 (I-IIIQ)	-0.7	-12.3 (I-IIIQ)	7.1	-14.0 (I-IIIQ)
Comparative price index, EU27 = 100	64.6	:	72.6	:	78.0	:	69.1	:
Average monthly gross earnings, eop, EUR	671.7	613.5	705.7	643.6 (IIIQ)	838.3	752.2 (IIIQ)	892.5	823.7
Unemployment rate, LFS, sa, eop, %	8.2	14.6 (III)	10.2	22.1	7.7	15.2 (III)	6.9	8.8
FDI per capita, eop, EUR	2731	2971 (IIIQ)	3578	3646 (IIIQ)	8441	7943 (IIIQ)	3041	3194 (IIIQ)
<b>Public finance</b>								
General government revenue, % of GDP	34.2	33.8 (I-IIIQ)	34.6	35.3 (I-IIIQ)	37.1	40.8 (I-IIIQ)	39.6	38.3 (I-IIIQ)
Government consolidated gross debt, % of GDP	15.6	25.4 (IIIQ)	19.5	32.8 (IIIQ)	4.6	6.2 (IIIQ)	47.2	50.5 (IIIQ)
Fiscal balance, % of GDP	-3.2	-8.4 (I-IIIQ)	-4.1	-7.0 (I-IIIQ)	-2.7	-4.9 (I-IIIQ)	-3.6	-4.7 (I-IIIQ)
<b>Financial market</b>								
International official reserves, eop, % of M2	36.5	37.7	43.9	58.8	34.9	33.9	27.9	31.7
Loans to households and private non-financial institutions, eop, % of GDP	59.3	64.1 (IIIQ)	83.4	93.1 (IIIQ)	92.3	102.3 (IIIQ)	40.0	47.9 (IIIQ)
Gross external debt, % of GDP	71.6	83.0 (IIIQ)	127.5	145.3 (IIIQ)	121.2	123.7 (IIIQ)	47.7	48.7 (III)

**Note:** Latest date are given in parenthesis; <sup>f</sup> Eurostat forecast; <sup>1)</sup> at constant prices. **Abbreviations:** PPS – Purchasing Power Standards.

**Sources:** National statistics offices, National central banks, ECB, Eurostat, European Commission, International Monetary Fund

## News from POLAND: Macroeconomics, Finance and Banking

### The number of Polish companies has dropped

February 22, 2010  
(WBJ)

According to figures published by the Central Statistical Office, as of the end of December, there were 3.742 million companies registered in Poland - or about 14,400 less than a year ago.

The total has fallen for the first time in five years, even though about 350,000 new firms were registered last year. Most of the companies that deregistered were small enterprises, employing up to nine people.

"In times of crisis, not only do orders fall, but competition intensifies and not all companies can handle that," said Jeremi Mordasiewicz of PKP Lewiatan.

### Polish automobile exports on the rise

February 23, 2010  
(WBJ)

Beleaguered Polish automakers have reason to breathe easy this month as the news came that domestic automotive production is up 24% year-on-year. Export numbers have now been published and they are also having an effect on optimists returning to the auto market.

Auto analyst AutomotiveSuppliers.pl says last November (most recent data available), Polish auto exports were worth 5.9 billion PLN, a jump of more than 7% yoy. That marks the third straight month of gains for the struggling auto export sector.

### Industrial production in Poland grew 2.5% in January

February 18, 2010  
(BNS)

Polish industrial production in January compared with December, taking into account seasonal factors, increased by 2.5%.

The annual production growth rate amounted to 11.1 %.

Industrial production during the whole year 2009 decreased by 3.2%. It is observed that Poland last year was the only European Union country survived crisis, the economy grew by 1.7%.

### Poland's import and export levels plunged in 2009

February 22, 2010  
(WBJ)

According to Central Statistical Office data, Polish import and export levels declined significantly in 2009 as a result of the global economic crisis.

Exports fell by 22.2% yoy to 133.65 billion USD, while imports plummeted 30.7% yoy to 145.79 billion USD.

An improvement in Poland's trade balance was noted. It stood at a negative 12.14 billion USD for the full year 2009, a considerable improvement on the negative 38.62 billion USD recorded in 2008.

### Poland's economy seen expanding by 2-3% this year

February 17, 2010  
(Warsaw voice)

Poland's GDP growth in 2010 will range between 2% and 3%, depending on the situation in the neighboring Germany, new MPC member Adam Glapiński told PAP news agency.

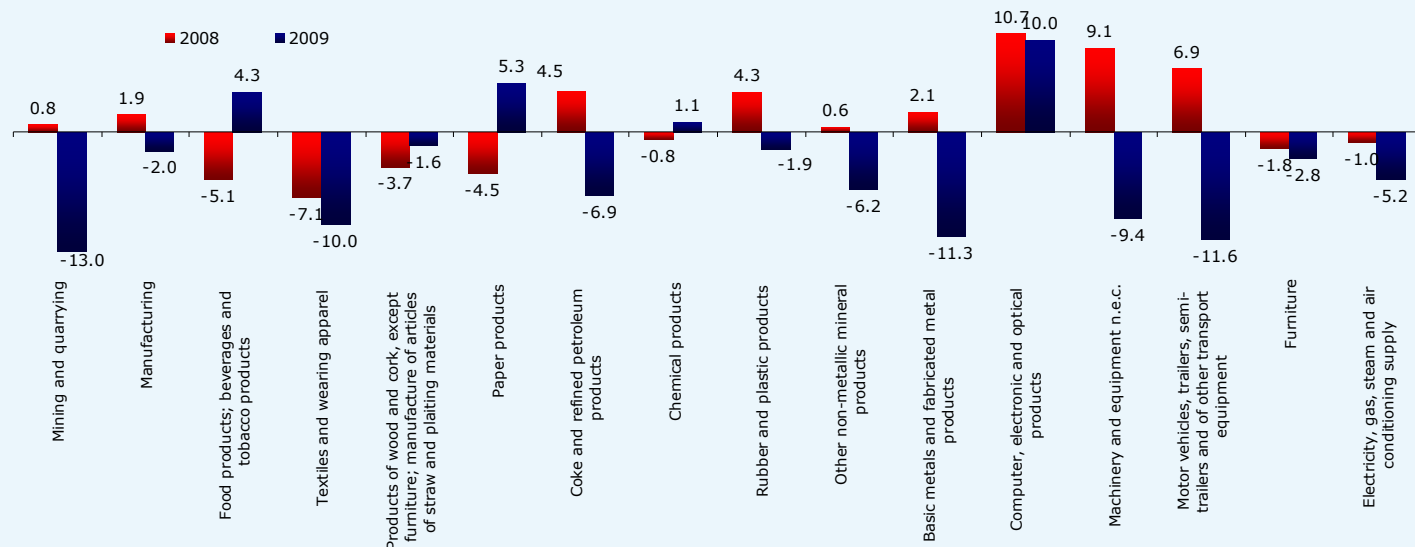
GDP growth will probably measure between 2% and 3%, but there is considerable uncertainty as to how the situation in Germany develops, which, via exports, will determine Poland's economic growth," the new rate setter said.

The Finance Ministry expects economic growth this year to neighbor 3%.

According to the flash estimate, in 2009 Polish GDP was by 1.7% higher than a year ago.

	% Change				% Change			
	2006	2007	2008	2009	2009 Q1	2009 Q2	2009 Q3	2009 Q4
European Union (27 countries)	4.15	3.56	-1.73	-13.92	-17.27	-17.25	-13.59	-7.17
European Union (15 countries)	3.58	3.00	-1.99	-14.38	-17.42	-17.71	-14.11	-7.89
Euro area (16 countries)	4.24	3.72	-1.71	-14.94	-18.39	-18.62	-14.51	-7.76
Belgium	5.03	2.86	-0.61	:	-16.45	-17.55	-13.85	:
Bulgaria	5.99	9.49	0.56	-17.40	-18.11	-19.70	-18.57	-13.19
Czech Republic	8.71	10.46	-2.57	-12.65	-18.96	-17.63	-11.16	-2.76
Denmark	3.96	-2.11	-1.19	-15.06	-11.86	-16.50	-15.51	-16.35
Germany (including ex-GDR from 1991)	5.68	6.03	-0.04	-16.95	-20.43	-20.55	-16.57	-9.98
<b>Estonia</b>	<b>10.18</b>	<b>6.40</b>	<b>-6.16</b>	<b>-26.15</b>	<b>-28.42</b>	<b>-32.22</b>	<b>-27.30</b>	<b>-15.24</b>
Ireland	3.02	4.94	-1.49	-2.66	-2.52	-1.21	-2.87	-4.06
Greece	0.84	2.27	-4.23	-9.34	-8.21	-11.28	-9.88	-7.79
Spain	3.92	1.99	-7.29	-15.82	-22.60	-18.67	-14.66	-5.63
France	1.35	1.19	-2.50	-12.02	-15.70	-15.69	-10.89	-5.38
Italy	3.60	2.10	-3.29	-17.55	-21.27	-22.10	-17.11	-8.63
Cyprus	0.44	4.65	4.14	:	-8.89	-11.14	-8.81	:
<b>Latvia</b>	<b>6.47</b>	<b>1.00</b>	<b>-3.81</b>	<b>-15.79</b>	<b>-22.17</b>	<b>-18.82</b>	<b>-14.98</b>	<b>-6.74</b>
<b>Lithuania</b>	<b>6.74</b>	<b>2.48</b>	<b>4.89</b>	<b>-14.44</b>	<b>-13.42</b>	<b>-20.17</b>	<b>-15.09</b>	<b>-8.55</b>
Luxembourg (Grand-Duché)	2.14	-0.64	-5.33	-16.75	-24.67	-21.34	-17.38	-0.81
Hungary	10.58	8.06	-1.00	-17.32	-21.64	-22.00	-17.83	-7.49
Netherlands	1.54	2.33	1.42	-7.79	-9.81	-12.53	-6.95	-1.93
Austria	7.42	5.94	1.13	:	-12.40	-16.65	-13.14	:
<b>Poland</b>	<b>12.26</b>	<b>9.24</b>	<b>2.20</b>	<b>-3.89</b>	<b>-11.69</b>	<b>-5.39</b>	<b>-2.59</b>	<b>4.30</b>
Portugal	3.19	0.08	-4.12	-8.51	-12.36	-9.70	-7.44	-4.33
Romania	9.48	10.16	3.05	-5.66	-13.21	-7.58	-4.37	2.97
Slovenia	6.12	7.21	2.00	-17.37	-19.18	-23.33	-18.46	-7.55
Slovakia	15.19	16.89	2.40	-14.53	-22.62	-21.58	-13.70	1.11
Finland	10.13	4.73	1.05	-21.15	-21.85	-24.03	-22.31	-16.28
Sweden	3.61	3.92	-2.93	-17.85	-20.52	-21.44	-18.20	-10.61
United Kingdom	0.54	0.23	-3.11	-10.35	-12.05	-12.01	-10.90	-6.39
Croatia	4.32	5.07	0.66	-8.91	-9.88	-8.27	-9.50	-8.12
Turkey	5.81	4.42	-0.87	-5.69	-18.86	-11.86	-5.12	15.35
Norway	-2.16	-1.31	0.28	-3.60	0.01	-6.13	-3.12	-5.17
Switzerland	7.83	9.50	1.23	:	-9.44	-13.96	:	:
United States	2.28	1.49	-2.26	:	-11.45	-13.48	-9.28	:

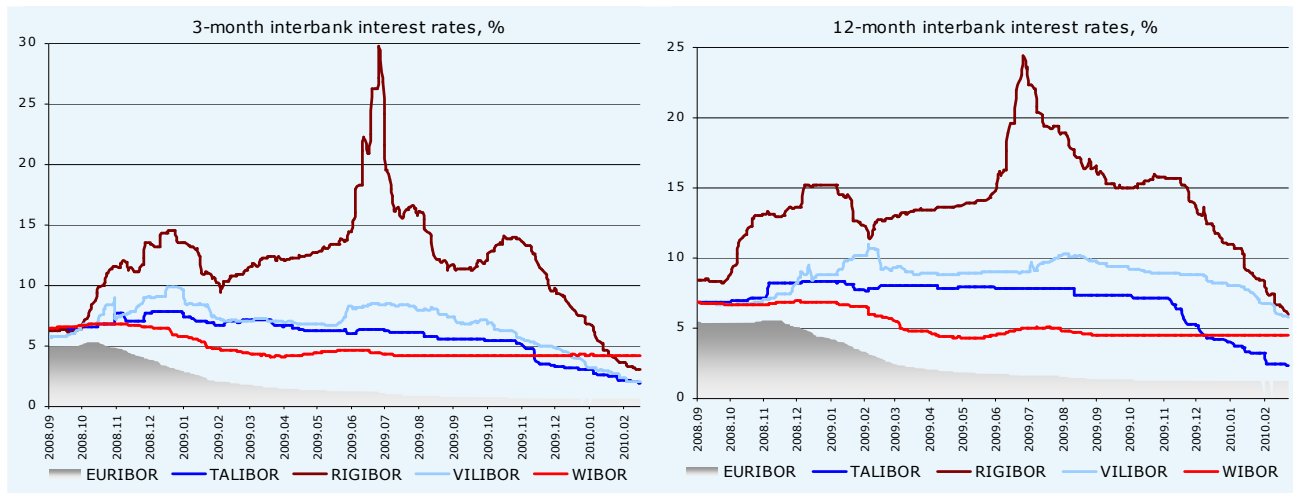
Industry Production Index on Poland by branch



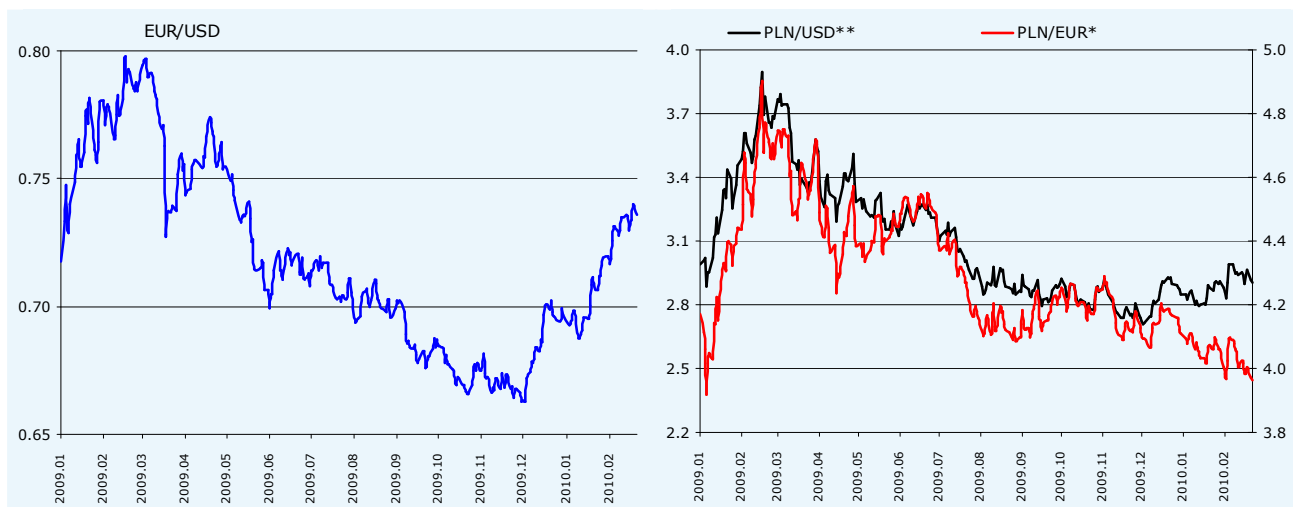
Note: The Industrial Production Index is an economic indicator which measures real production output. Production indexes are computed mainly as fisher indexes with the weights based on annual estimates of value added. This index, along with other industrial indexes and construction, accounts for the bulk of the variation in national output over the duration of the business cycle.

Source: [http://epp.eurostat.ec.europa.eu/portal/page/portal/statistics/search\\_database](http://epp.eurostat.ec.europa.eu/portal/page/portal/statistics/search_database)

**Interbank interest rates**



**Exchange rates**

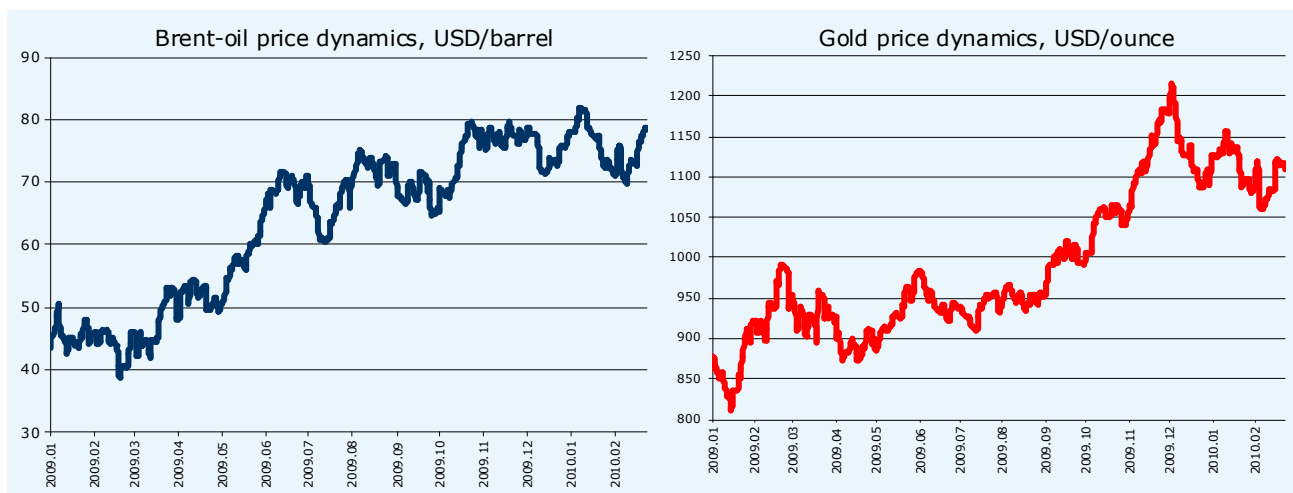


**Changes per week**

	EUR	EEK	LVL	LTL	PLN
2010.02.22					
<b>EUR</b>	1.0000 -	15.6466 =	0.7093 ↑	3.4528 =	3.9630 ↓
<b>USD</b>	0.7358 ↑	11.5132 ↑	0.5219 ↑	2.5408 ↑	2.9040 ↓

Note: \* - scale on the right; \*\* - scale on the left

**Commodity prices**



Source: Reuters, EcoWin

**ECONOMIC RESEARCH GROUP**

Phone: + 370 5 239 35 90  
 Fax: + 370 5 213 90 56  
 E-mail: [research@dnbnord.lt](mailto:research@dnbnord.lt)  
[Otilija.Pridotkaite@dnbnord.lt](mailto:Otilija.Pridotkaite@dnbnord.lt)  
[Raminta.Velickaite@dnbnord.lt](mailto:Raminta.Velickaite@dnbnord.lt)

**DISCLAIMER:**

The information of the periodical is based on the general public sources and is provided for information purposes only. No claim is made as to the accuracy or authenticity of the content of the website. The DnB NORD Group does not accept any liability to any person for the information or advice, which is provided by or incorporated into the periodical by reference.