

# Economic Bulletin

## **Nuclear power plant to be ready by 2020, says PM**

First electricity should flow from one or two first Polish nuclear power plants in 2020, Prime Minister Donald Tusk said at a press conference on Tuesday.

Tusk added his cabinet at its Tuesday meeting passed a resolution on steps to be undertaken in regard to the development of nuclear energy in Poland. He stressed that Polska Grupa Energetyczna (Polish Energy Group) will be responsible for the building of the power plant.

Nine locations are taken into account for the nuclear station, including Żarnowiec in Pomerania, where the construction of the first such plant was started two decades ago but never finished. France and South Korea were consulted on possible assistance for the project, Tusk added.

The PM stressed that government's priority will be energy security of Poles. „From the point of view of my government, in times of energy instability such as the Russian-Ukrainian crisis, our priority will be energy security of our citizens,” he said.

„There is no other priority. We will not mix geopolitics with gas for our cookers,” stressed the PM.

He announced plans for expanding the Polish gas, crude oil and fuels storage facilities, to be partly financed with EU money. The combined volume of gas storage tanks will grow to 2.36 bn cubic metres in the first stage of extension, and to 4 bn later, he said.

## **Poland ready to amend budget if necessary – Finance Minister**

Poland is ready to amend the 2009 budget if such a need arises, Finance Minister Jacek Rostowski said.

„We have to watch calmly what is going on (on world markets - ed.). There is no sense in revising Poland's GDP prognosis every few weeks,” he stressed.

■ Prices of commodities and consumer services in December rose by 3.3 pct from December 2007 and fell by 0.1 pct from November 2008, the Central Statistical Office (GUS) has reported.

■ The Council of Ministers has issued a directive on appointing a government commissioner for euro introduction. The government plans to swap zloty with euro in 2012.

■ Current account deficit in November stood at 1,748 million euro against 2,012 million euro in October and 2,300.3 million euro expected by analysts, the National Bank of Poland (NBP) has reported.

■ The foreign trade deficit after November 2008 amounted to 22,339.1 million euros, the Central Statistical Office (GUS) reported on Thursday. The deficit in USD was 33,427.5 million.

■ The housing completions went up in December 2008 by 80.3 percent year-on-year to 31,031 flats, the Central Statistical Office (GUS) announced Friday. At the same time the number of flats completed in December grew by 144.1 pct month-on-month. Overall 165,833 apartments were completed in 2008, up 24.0 pct against the 2007 figure.

■ M3 money supply increased by 2.9 pc in December to PLN 667.4 bln, Poland's central bank NBP announced Friday. Household lending was up 6.6

The government will handle the 2009 budget in a flexible way and will not hesitate to amend it if such a need arises, the minister stressed.

Poland has not experienced direct effects of the world financial crisis, Rostowski said.

„We can say that contrary to other countries Poland has escaped the direct effects of the financial crisis,” he said.

According to Rostowski, no bank in Poland went bankrupt and nobody lost savings.

„We have a sound and strong banking sector,” he added.

### **Nowicki on environment ministry's priorities in 2009.**

Waste management, water economy, energy saving, increased energy efficiency, the development of renewable energy sources and better protection of the Białowieża Forest are the main priority for 2009. In 2009 the ministry plans a breakthrough in waste management. In 2008 partial solutions were ploughed through the parliament but the problem will be solved after a general law on waste management is passed. The ministry plans to change the law on batteries, on packaging economy and waste and used up electric and electronic equipment.

pc for the month, corporate lending was up 1.6 pc. Deposits were up 5.5 pc in the household sector, and up by 4.5 pc for corporates.

■ Direct foreign investments in Poland's special economic zones are expected to reach 10 bln euros in 2009, head of the Polish Foreign Information and Investments Paweł Wojciechowski said.

■ A few years ago prospective earth gas deposits were estimated at 650 billion cubic meters. In recent years three new deposits have been documented in Poland as well as new resources, the State Geological Institute has reported.

## WSE leads in Europe in IPOs number

The Warsaw Stock Exchange is the European leader with respect to the number of debuts staged during the last quarter of 2008, according to a report drafted by Pricewaterhouse Coopers (PwC) and titled IPO Watch Europe.

23 companies had their debuts in Warsaw in the said quarter, which represented 1/3 of all IPOs staged in Europe over that period. The combined value of the Warsaw IPOs reached 555 m euros, or 45 pc of the pan-European value of 1.2 bn euros.

For the whole of last year the WSE ranked second, after the London Stock Exchange, in terms of the value of IPOs.

The WSE was the unquestionable leader of the east-central European region last year. The capitalisation of domestic companies, the number and value of IPOs, the futures market scale were higher in Warsaw than in any other regional stock market.

Last year 94 companies made their debuts at market run by the Warsaw Stock Exchange. London recorded 99 IPOs, third was NYSE-Euronext which recorded 65 debuts. In 2008 340 new companies appeared on stock exchanges of our continent. The value of last year's offers in Europe exceeded 15.5 billion euro of which London accounted for 8.9 billion euro and Warsaw (2nd in the rating) accounted for 2.5 billion euro.

Taking into account only markets regulated by the European Union in 2008 Warsaw Stock Exchange placed 2nd after London with 33 debuts on the main market while London recorded 38 debuts.

**1 USD = 3.13 PLN**

**1 EUR = 4.15 PLN**

### MOTORISATION

Last year Poland made 990,982 passenger cars and delivery vans, up 14 pct on 2007 figure.

### INTERNET

The number of Internet domains with „.pl” ending registered by NASK at the end of 2008 exceeded 1.3 million, indicates a report of the NASK, scientific and academic computer network.

### FINANCE

Banks favour short-term lending granted to each other (up to one month) but longer-term lending are still very rare, director of the PAP has learnt, director of the Polbank EFG treasury department has told PAP. Animation on the interbank market may have a positive influence on credits granting to private and corporate customers.

### TAXES

A taxpayer who presents a correction to tax revenues and will voluntarily pay overdue tax will have to pay lower interest for delay in the amount of 9.75 pct annually, the finance ministry has reported adding that this solution is possible under an amended tax law in force as of January 1, 2009

### MOTORISATION

More than 30-pct output growth was recorded by Fiat in Tychy in 2008 compared to 2007. Nearly 474,000 cars rolled off the assembly plants last year.

### TOURISM

In 2008 Warsaw was visited by 8.9 million tourists, Cracow by 4.1 million, indicates a report of tourist traffic. The report indicates that Warsaw was visited also by 5.6 million home tourists and 3.3 foreigners, chiefly Germans (12.7 pct), Spaniards (10.8 pct), Britons (9.8 pct), Frenchmen (9.6 pct), Americans (USA – 9 pct) and Italians (5.9 pct).