

# Economic Bulletin

## Tusk about Polish economy, gas supplies in Davos

In the time of crisis the Polish economy is stable, PM Donald Tusk assured participants in the World Economic Forum in the Swiss mountain resort of Davos. His talks with heads of some states centred on gas supplies to Poland.

Gas supplies dominated Tusk's two-day talks with Russian PM Vladimir Putin, Qatar Emir Sheik Hamad Bin Jassim Bar Jar Al-Thani and Turkish PM Recep Tayyip Erdogan.

After meeting Putin Tusk said he hoped for the problem with gas supplies to be solved. During talks with the Qatar emir Tusk discussed a contract for LNG supplies to Poland.

The Polish PM met also his Turkish counterpart Recep Tayyip Erdogan to discuss Nabucco gas pipeline and prospects of Turkey's membership of the EU.

During his meetings with representatives of business circles Tusk encouraged them to invest in Poland. The PM assured businessmen that the Polish banking and financial system is stable and home institutions are effective and act with consideration and responsibility. He recalled that the Polish government undertakes actions that are to cushion financial crisis results.

## Poland will weather crisis - EBRD

Poland will be among the relatively small group of countries whose economies will react to the world financial crisis with lower but positive growth, according to the European Bank for Reconstruction and Development.

The ministry of economy said here Monday that EBRD's most recent „Transition Report 2008. Growth in Transition” described Poland's economic situation to be among the best in the east-central European region. The report also said that Poland's reaction to the international crisis would be less dramatic than in other countries of the region.

■ The Gross Domestic Product (GDP) in 2008 rose by 4.8 pct, after a 6.7 pct rise in 2007. Investments went up by 7.9 pct and home demand by 4.8 pct, the Central Statistical Office (GUS) has said.

■ 2008 was the 1st year in the past 11 years when Poland's population went up by 20 pct or 38.135 thousand people more than in 2007, according to GUS initial estimates.

■ The Monetary Policy Council (RPP) on Tuesday cut all interest rates by 75 base points. The central bank (NBP) reference rate will now stand at 5.00 percent. The RPP decision means that the 7-day intervention rate will be not lower than 5.00 percent, the lombard rate will be not lower than 6.50 percent, the rediscount rate will be not lower than 5.25 percent and the deposit rate not lower than 3.50 percent.

■ In December 2008 unemployment went up to 9.5 percent from 9.1 pct in November 2008, the Central Statistical Office (GUS) reported on Monday. The number of registered jobless stood at 1,473,800 at the end of December 2008.

■ In December 2008 Poland received from the EU 314.96 million euro, the finance ministry has reported. It also said that Poland paid to the EU budget 425.72 million euro. After 12 months Poland received

## Poland is one of the fastest developing EU countries

Estimated data on 2008 show that Poland was one of the fastest developing EU countries, according to a finance minister report.

The government has approved of the report about the current economic situation in Poland and Europe. “Higher pace of growth was recorded only in Slovakia, Bulgaria and Romania. It is estimated that in the whole 2008 Poland’s GDP stood at 4.7-4.8 pct,” reads a communiqué of the CIR government information centre.

## Polish, Maltese businessmen meet

Poland and Malta can step up cooperation in such fields as the maritime sector, financial services, telecommunications and IT, the president of Malta Edward Fenech Adami said during the meeting of Polish and Maltese businessmen here Monday.

The current visit here by a delegation of Maltese businessmen demonstrated that trade contacts could be intensified even during the period of world economic slowdown, he added.

Officials of the Confederation of Polish Employers (KPP) and of the Association of Maltese Employers signed a letter of intent on establishing bilateral cooperation and promoting contacts between businessmen from both countries.

from the EU 7 bn 387.18 million zloty and Poland paid to the EU budget 3 billion 402.1 million euro.

■ According to the pessimistic scenario Poland’s economic growth in 2009 may be at 1.7 pct, inflation at 1.9 pct. The government seeks 17 billion zlotys in savings, PM Donald Tusk has announced. Experts say said indicators are close to market and EC prognosis.

■ New industrial orders went down 19.6 percent year-on-year in December 2008 after a 12.5-percent fall in November, the Central Statistical Office GUS reported on Monday. New industrial orders fell 6.8 percent month-on-month in December 2008 after a 6.9-percent drop in November.

■ Retail sales went up by 6.6 percent year-on-year in December 2008 after a 2.7-percent growth y/y in November 2008, the Central Statistical Office GUS announced on Monday. In December 2008 retail sales went up 20.2 percent month-on-month.

■ The National Bank of Poland NBP is ready to cut compulsory reserves for banks and does not exclude further interest rates’ cuts, NBP governor Sławomir Skrzypek has said.

■ Labour productivity in industry in the January-December 2008 period was higher by 1.1 percent than in the same period of 2007, the Central Statistical Office (GUS) reported on Thursday. Average employment went up by 2.4 percent and gross pay by 9.5 percent, GUS reported.

## 52 pct of Poles for euro adoption

Fifty two percent of Poles think that Poland should join the euro zone, according to results of a CBOS survey. The number of Poles thinking that Poland should adopt the euro has been going up since 2007 but it has been still much lower than the record high reported in 2002 (64 pct). In the opinion of 62 percent it is good that Slovakia has been the first to adopt the euro as Poland can use its experience while 16 percent do not agree with such opinion. Nineteen percent believe that having adopted the euro Slovakia will be less affected by the global financial crisis while 21 percent believe this is not true.

CBOS ran the survey on a sample of 1,089 adult Poles on Jan. 9-15.

**1 USD = 3.45 PLN**

**1 EUR = 4.43 PLN**

### INVESTMENTS

U.S. car part maker BorgWarner company has invested some 50 million zloty its plant in Podkarpacki Park Naukowo-Technologiczny (research and development park), an investment that created more than 100 people.

BorgWarner's Małgorzata Początek has told PAP the company plans to increase the number of staff in the 2nd quarter of 2009.

### FINANCE

Businessman in Poland May clear their accounts in euro and Rother foreign currencies under an amended hard currency law and Civil Code, the economy ministra has reported.

### INVESTMENTS

Euros, a Polish-German company making windmill blades, will invest some 15 million euro in the development of its plant in Jas-trzebie-Zory, part of the Katowice special economic zone. The news about this first new investment project in the zone was broken to PAP on Friday by zone's CEO Piotr Wojaczek. He announced that the investor would soon receive a formal permit. In view of economic downturn the zone expects a considerable downsize in investments from 2008.