

Economic Bulletin

Budget deficit in 2007 probably at 63-67 pct

The budget deficit in 2007 should stand at 19-20 billion zlotys or 63-67 percent of the annual plan of 30 billion zlotys, deputy Finance Minister Elzbieta Suchocka-Roguska has said.

She added the Agriculture Ministry still had some 3 billion zlotys at its disposal. If the money is spent, the deficit will amount to 22-23 billion zlotys. But the chance for it is rather slim, so the deficit should stand at 19-20 billion zlotys, Elzbieta Suchocka-Roguska said.

In mid-December Suchocka-Roguska said that at the end of 2007 the budget deficit would reach around 20 billion zlotys.

After November 2007 the budget deficit amounted to 6 billion 12.6 million zlotys or 20.0 percent of the plan. State spending amounted to 221.7 billion zlotys or 85.6 percent of the annual plan of 258.9 billion zlotys. Incomes reached 215.6 billion zlotys or 94.2 percent of the annual plan of 228.9 billion zlotys.

Noble Bank group on prices of flats in 2008

Prices of flats may slightly go down in the 1st quarter of 2008. Prices in successive quarters of 2008 will remain at a level slightly different from 2007, Open Finance analysts Emil Szweda predicts in a report of the Noble Bank group.

The report sent to PAP on Thursday predicts that high demand for flats will be maintained in 2008 owing to better situation on the labour market.

Szweda believes that interest rates hike may limit Poles' capability to drawing credits but this is often made up for by growing pays. He added that flat prices considerably influence demand. „The 5-8 percent fall in prices may boost demand for flats, he believes. According to Szweda in 2008 Poles will stop buying grass-root investments and will become more interested in already existing flats.

■ Beneficiaries of programs co-sponsored by EU structural funds received more than 926.3 million zloty in November, the regional development ministry has reported. Since the start of programmes for 2004 and 2006 beneficiaries received 20.5 billion zloty or, 65.7 pct of funds allotted to Poland for 2004-2006, up 5.3 percentage point from the end of October 2007.

■ The debt of the public finance sector in the 3rd quarter of 2007 rose by 0.1 pct or 335.7 million zloty to 511 billion 384.9 million zloty, the finance ministry has reported. Since the start of 2007 the sector's debt rose by 1.3 pct or, by 6 billion 396.1 million zloty.

■ PKN Orlen and the European Investment Bank (EIB) have signed a 300 million euro worth of a credit agreement for financing part of costs of the construction in Poland of the state-of-the-art plant manufacturing Paraxylene (PX) and Purified Terephthalic Acid (PTA).

IT investments to go up 27 per cent in 2007

IT outlays in Poland are to grow by 27.8 per cent this year to over 23 billion zlotys (9.1 billion USD), Computerworld weekly has wrote quoting estimates by DiS analytical company.

The fast growing economy and an inflow of funds from the European Union were the key factors behind such an investment growth.

Majority of heads of 200 IT companies in Poland taking part in a poll expects further development of the market also next year. Companies count on EU funds as well as contracts from public administration.

INVESTMENTS

Primary Resources, Australia mining company will take over Strzelecki Mining, the company operating in Poland which has the license for extracting molybdenum, wolfram and copper in the region of Myszków-Żarki.

ROADS

A 104-kilometre-long stretch of A2 motorway from Nowy Tomyśl to Swiecko in western Poland will be constructed by 2010 to help drivers reach the German motorway network.

TRADE

The number of the Biedronka store chain will increase by 210 outlets at the end of 2008 as a result of a take over of Plus chain by Jeronimo Martins SGPS. Jeronimo Martins company has paid 320 mn euro for taking over Plus Discount shops in Portugal and Poland from Tengelmann Warenhandelsgesellschaft.

INVESTMENTS

Śnieżka, one of Poland's leading paint and varnish producers plans to open its plant in Romania. It will be its fourth factory abroad. The company has already opened two plants in Ukraine and one in Belarus.

TRANSPORT

There is a chance that Modlin airport, some 40 km north of Warsaw, may begin to service passengers at the end of 2009 or early 2010, Piotr Okienzczyk, CEO of the Modlin Airport company said at a Friday press conference.

He added that such deadline can be met under condition that all preparations for the project, including construction tenders, will pass without difficulties such as protests and appeals. The com-

78 pct of Poles dream about vacation cottage out of town

Seventy eight percent of Poles dream about a vacation cottage outside of their place of residence and 12 pct already has it, indicates a recent poll run by IPSOS and commissioned by Stark Development company on a representative group of some 1,000 Poles. The poll has shown that the number of owners of recreational facility has gone up recently with every eight Pole possessing such a cabin. In the past 10 year the number of out-of-town cabin holders doubled.

Sociologist from Śląski University Professor Marek Szczepański said the upward trend was accelerated by growing middle class.

Poll results show growing aspiration of Poles in this field. Developers believe that if as much as 78 pct of Poles dream about having a recreational cabin for some of them the dream may come true. And this is good news for the real estate market in the coast and in the mountains. Where such cabins are sought for respectively by 26 pct and 32 pct of the polled.

Stark Development CEO Piotr Cholewa noted a considerable increase in the demand for a „second house” as a weekend destination for owners. Location depends on the place of residence so most residents of southern Poland choose the mountains and those of western Poland choose the seacoast.

The survey showed that Poles tend to spend more weekends outsider their places of residence except for Christmas which is a family (home) celebration for 98 pct of them.

1 USD = 2.45 PLN

1 EUR = 3.60 PLN

pany hopes that construction work will start at the end of the first quarter of next year.

The total cost of the project is assessed at 250-300 million zlotys (97-116 million USD). The company expects the airport will services some 1.5 million passengers a year.

The Modlin airport, which in the past was an military air base, is to be linked with Warsaw with a new rail line.

FUELS

At the start of 2008 PKN Orlen plans to launch the 100 percent self-renewable bio-Diesel fuel at the wholesale and retail market, the latter comprising more than 100 „Bliska” pump stations.

TRADE

Russian vet authorities have decided to qualify another 29 Polish companies for meat and meat product exports to that country that brings the total number of firms to 69, Chief Veterinary Officer Ewa Lech told PAP on Friday. The list includes 20 farms for live pig exports, 18 poultry farms, 6 pork and beef producing firms, 20 milk and milk products companies, 4 cold storage facilities and 1 egg producing farm.

The firms were inspected by Russian veterinary experts in November and December.

TELECOMMUNICATION

Telekomunikacja Polska (Polish Telecommunication – TP SA) has to pay 75 million zloty in a fine for discriminating rivals at the Internet providers market, Head of the Office for the Protection of Competition and Consumers (UOKiK) Marek Niechciał has said. TP SA announced he would appeal from the decision. This is the highest fine in the UOKiK history put on a single firm, the office said.