

Economic Bulletin

Government adopted a savings plan

The government adopted a draft savings plan for a total amount of PLN 19.7 billion. The opposition criticizes the plan and claims that the response to the crisis should be to increase the budget deficit, not to cut expenditure, while the economists are positive about the plan.

The Finance Minister Jacek Rostowski stated that the government would save PLN 10 billion in the ministries and voivodeships, while the remaining PLN 9.7 billion would result from a new form of structural expenditure financing. The costs related to investments in this area will not be charged to the budget but the National Road Fund.

Such savings, said Rostowski, will allow for maintaining the budget deficit at the same level, with the assumed economic growth at 1.7% and the inflation rate at 1.9%.

The minister also informed that the government would have to sell the Treasury bonds amounting to PLN 155 billion this year. Rostowski said that an amendment of the act on budget, including the savings proposed by the government, may be expected in the middle of the year.

Prime Minister: government has to be particularly responsible during the crisis

The economists agree that the government has to be particularly responsible and foresighted during the crisis, said Prime Minister Donald Tusk at a press conference after the meeting with the economists. According to the economists, the activities of the government “have to be full of cautiousness, calm response to the developments in the world, seeking savings rather than expenditure”, said Prime Minister. “It was an important message for me”, he added.

Prime Minister Donald Tusk does not see the need of intervention on the foreign exchange market but ensures that Poland

■ The government adopted a programme increasing the capital of loan funds for small and medium-sized enterprises from the current PLN 888.5 million to around PLN 1.8 billion in 2013.. The capital of loan guarantee funds will grow from PLN 589 million to around PLN 1 billion.

■ The influx of foreign direct investment in 2009 may amount to EUR 7-10 billion, said Paweł Wojciechowski, the president of the Polish Information and Foreign Investment Agency.

■ The recent data presented by the EU Commissioner for Regional Policy Danuta Huebner show that by February this year, Poland used 76% of all EU funds allocated to it in the EU budget for 2000-2006

■ The gross revenues from privatisation amounted to around PLN 43.3 million after January 2009, which accounts for 0.36% of the plan for this year, stated the Treasury Ministry.

■ The gross revenues from privatisation amounted to around PLN 43.3 million after January 2009, which accounts for 0.36% of the plan for this year.

■ According to the deputy Finance Minister Katarzyna Zajdel-Kurowska, the gross borrowing needs of the state will amount to around PLN 155 billion this year.

has the possibility to intervene. He believes that the influx of EU funds will have a stabilizing impact on the Polish currency.

Contracts for almost 760 km of national roads were signed

Between mid November 2007 and February this year, the Ministry of Infrastructure signed contracts for the construction of over 760 km of national roads, including 400 km of motorways and 360 km of express roads and ring roads. The contracts signed include the contract for the construction of almost 50 km of motorways in the traditional system (with the state being the investor – PAP) and 350 km under the Public-Private Partnership. Over 270 km of new national roads, including 95 km of motorways, and 175 km of express roads and ring roads were opened within that period.

Currently around 540 km of new roads are being built, including 220 km of motorways, 225 km of express roads and 95 km of ring roads. There are 11 sections of motorways, 19 sections of express roads and 14 ring roads under construction.

Egyptian minister encourages Polish entrepreneurs to cooperate

Egypt is not only a huge market, but also a base for entering the markets of Africa and the Middle East, argued Egyptian Minister of Trade and Industry Rashid Mohamed Rashid during his visit to Poland.

“We offer Polish companies not only a huge market with a population of over 80 million, but also, thanks to our geographical location, an excellent base for entering the markets in Africa and the Middle East,” said the minister.

Rashid encouraged the companies from the construction and IT sectors to invest in Egypt. He emphasized that a special economic zone for Polish enterprises is to be established in Egypt in order to encourage Polish companies to enter the Egyptian market.“

INDUSTRY

Over 25 million tonnes of limestone and marl used in the cement industry were produced by the Polish mines of those materials last year. The record output results from the increased demand for cement on the domestic market.

REPRIVATISATION

The Reprivatisation Fund from which the State Treasury pays out the means to satisfy the claims of former owners and inheritors has around PLN 2.5 billion on its account, said the Treasury Minister Aleksander Grad.

TRANSPORT

The Polish airports provided services to over 20 650 000 passengers last year, i.e. 1 541 000 more than a year before, informed the Civil Aviation Office. As in the previous years, the Warsaw Okęcie airport was at the first place in terms of the number of passengers with 9 437 000 people using its services (a market share of 45.7%). The following places, as in previous years, belonged to Kraków Balice (a market share of 14%), Katowice Pyrzowice (a market share of 11.6%), Gdańsk Rębiechowo (9.4%), Wrocław Strachowice (7.2%) and Poznań Ławica (6.1%). All those airports provided services to more than a million of passengers.

NUMISMATICS

The National Bank of Poland released two coins commemorating the 90th anniversary of the

Poles most often drive Fiats

Polish drivers most often drive Fiats, Volkswagens and Opels, showed a survey by TNS OBOP. According to the survey entitled “A Portrait of a Polish driver”, 16% of Poles own Fiat cars, 14% own Volkswagen and Opel cars, while 8% of Poles have Ford cars. Audi, Renault and Daewoo cars are owned by 6% of respondents each. The survey showed that 48% of Polish drivers have cars with an engine capacity of 1501-2000 cc, 33% of them own cars with 1001 to 1500 cc engines, while cars with engines with a capacity up to 1000 cc are owned by 12% of Poles.

establishment of the Supreme Chamber of Control. The first is a PLN 10 coin which was struck in proof finish in silver in 100 000 copies, while the other PLN 2 coin was struck in 1.2 million copies.

IBnGR: situation will improve already in the second half of 2009

There will be no recession in Poland, despite the economic slowdown, and the situation will begin to improve already in the second half of 2009, believe the experts of the Gdańsk Institute for Market Economics (IBnGR).

The economists forecast in their report that the GDP of Poland will grow by 2.0% in 2009. They believe that the year 2010 will be even better with the GDP increasing by 3%.

The IBnGR experts also estimated the average annual exchange rate for euro and US dollar in 2009 and 2010. They believe the euro will stand at PLN 4.3 in 2009 and PLN 4.0 in 2010, while the US dollar will cost PLN 3.3 and PLN 3, respectively.

The GDP growth rate will continue to decline in the first and second quarter of this year and will amount to 1.5% and 1.3%, respectively. According to the economists from the Institute, the situation will get better already in the second half of 2009, with the economic growth amounting to 2.0% in the third quarter and to 2.8% in the fourth quarter.

Due to the slower economic growth rate, 2009 and 2010 will be the years of lower inflation. The inflation this year will amount to 2.2% year on year, while in 2010 it will total 2.5%.

“The increase in unemployment is inevitable this year,” said an IBnGR expert Marcin Peterlink. It will amount to 11%. “It is 1.5% more than in 2008,” added Peterlink. In 2010 the unemployment will begin to decrease and will amount to 10.5%.

The experts also assessed the fourth quarter of 2008. The GDP increased by 2.7% as compared to the same period in the previous year. The GDP grew by 4.8 in annual terms.

1 USD = 3.55 PLN

1 EUR = 4.56 PLN