

Economic Bulletin

Deputy PM Pawlak on Polish-Ukrainian economic cooperation

Power industry, transport and Euro 2012 organization were discussed by the Polish-Ukrainian Commission for Economic Cooperation, deputy PM and Economy Minister Waldemar Pawlak told reporters after its meeting on Thursday.

Pawlak and Ukrainian deputy PM Hryhoryi Nemyria, who signed earlier a protocol, stressed that bilateral cooperation was very good.

According to Pawlak, the construction of the Odessa-Brody-Plock oil pipeline was one of its most significant parts. Pawlak added the project had been now verified with view to its profitability but stressed that it could be successful.

Pawlak added that talks focused also on electrical energy production and transmission, capital markets and agriculture.

Nemyria said Polish PM Donald Tusk would pay a visit to Ukraine on March 28.

During a planned meeting with Ukrainian PM Yulia Tymoshenko the two prime ministers are expected to sign a Polish-Ukrainian petty border traffic accord and an agreement on cooperation in Euro 2012 organization.

Asked about the condition of the Polish economy, Pawlak said it had stable foundations and declared that the GDP would grow by around 6 pct in the 1st quarter.

A related conference on Thursday was devoted to economic issues and was attended by Ukrainian Ambassador to Poland Olexandr Motsyk.

„For Ukraine Poland is a strategic partner and a country to which Ukraine owes an invariable support for its sovereignty and independence,” the ambassador said.

„We are linked by a vision of common future, a prosperous, democratic and undivided Europe,” he added.

■ Industrial production in February 2008 rose by 14.9 pct year-on-year (y/y) after a 10.7 pct y/y growth in January. Compared to the previous month the production rose by 1.6 pct, the Central Statistical Office (GUIS) reported.

■ The finance ministry has made an early purchase of RSTA Brady bonds of nominal value of 104.1 mn USD and PAR Brady bonds of nominal value of 21.4 mn USD. As a result of operations carried out so far by the state treasury the sum of Brady bonds to be purchased as part of agreement with London club fell from some 8 billion USD at the end of 1994 to some 0.42 bn USD (including 147.7 mn USD worth of RSTA and 268.5 mn worth of PAR bonds).

■ The average gross pay in February 2008 totalled 3,032.7 zloty, up 12.8 pct y/y and up 2.1 pct m/m, GUS has reported.

■ Industrial production prices in February 2008 rose by 3.2 pct y/y after a revised y/y growth by 2.9 pct in January 2008. M/m prices went up by 0.6 pct, GUS has said.

■ The State Treasury debt fell 0.3 pc y/y, or 1.46 bn zloty, to 500.1 bn zloty at the end of January 2008, the Finance Ministry said in a statement on Thursday. Domestic debt declined 0.9 pc y/y or 3.45 bn zloty to 377 bn zloty in January. Foreign debt increased 1.6 pc or 1.99 bn zloty to 123.1 bn.

Furniture production expanding

Sold production of Poland's furniture industry has reached, according to initial data, 27 billion zlotys (12 billion USD) in 2007, President of the Polish Chamber of Furniture Producers Maciej Formanowicz has announced.

Formanowicz told a press conference that production in upcoming years may grow by 10-12 per cent annually. Furniture makers predict that further growth will take place thanks to increased internal demand, growing exports and improvement of trade relations with Russia. The majority of the sector's production is exported. Last year's export totalled 22-24 billion zlotys.

Formanowicz stressed that furniture production generated 2.1 pct of GDP and placed 10th among world furniture leaders after the United States, China, Italy, Japan.

■ Poland received 612.5 million euros in EU funds in February 2008, the finance ministry said Tuesday. February's contribution to the EU budget stood at 487.3 mn euros. Over two months of 2008 Poland received 1.015 billion euros in EU funds.

■ In February 2008 the finance ministry paid 226.3 mn euro of interests on the foreign debt and 13.3 mn euro on principal.

■ The number of flats commissioned in February 2008 rose by 33.7 percent from February 2007 to 11,656, the Central Statistical Office (GUS) reported Monday. But the number of flats commissioned in February went down by 8.17 percent month-on-month, GUS reported. The number of flats commissioned in the first two months of 2008 amounted to 24,341, up 28.8 pct against the corresponding period of 2007.

Poles go on shopping: pragmatics and shopaholics

Poles doing shopping are either “cautious pragmatics” or “trendy shopaholics,” indicates a recent survey run by Pentor Research International for Fashion House Outlet Centre on a representative sample of Poles.

Authors of the survey selected five groups of consumers that differed in respect of population, purchase strategy and important factors in trade offers. Apart of “cautious pragmatics” and “trendy shopaholics” the survey selected three other groups including „alternative bargain seekers,” “snobbish connoisseurs” and „thrifty ascetics.”

As many as 31 pct of Poles can be termed “cautious pragmatics” resistant to impulses and guided by reason who assess their would-be purchase by its quality, comfort and their own taste.

29 pct of Poles are „trendy shopaholics” who do shopping frequently buying new clothes and footwear guided by impulse or emotions and fashion or brand.

18 pct are “alternative bargain seekers” in quest for cheaper versions of common products.

11 pct are „snobbish connoisseurs” guided by their won sophisticated taste. The highly value beauty, comfort and high quality.

10 pct of Poles are „thrifty ascetics” or, consumers of smaller purchase power who limits their spending to the indispensable minimum and are guided by the price.

The survey indicates that men more often than women consider reasons behind the purchase while women are prone to yield to beauty of products.

1 USD = 2.28 PLN

1 EUR = 3.53 PLN

TOURISM

66.2 mn foreigners visited Poland in 2007, up 1.7 pct on the previous year figure, the Institute of Tourism (IT) has reported. The number of Poles going abroad also went up. Germans accounted for the most numerous group of visitors with more than 38 mn people coming to Poland. They were followed by citizens of the “new EU” (more than 13 mn) and Russians, Belarussians and Ukrainians (exceeding 10 mn). The IT has also reported that 47.6 million Poles went abroad in 2007, up 6.4 pct from 2006.

ECOLOGY

The government plans to assign 55 mn zloty from the budget reserve for the organisation of the world conference on climate in Poznań next year, deputy Environment Minister Stanisław Gawłowski has said.

TRADE

Belarus has resumed the import of Polish pork and beef.

TRANSPORT

As of March 25 Warsaw Okęcie airport’s Terminal 2 services LOT passengers bound for the United States and Canada.

All other foreign lines will be serviced as of March 31 and home line as of April 8.

TRADE

Poznań will join the International Congress and Convention Association (ICCA) affiliating congress-organising institutions world-wide.

AVIATION

A planned air terminal in Modlin near Warsaw will probably open in 2010, the airport's manager Piotr Okieńcyc said on Monday. The airport, to be built on the site of a former military airstrip, will cost an estimated 400 million zlotys (176,9 mn USD) and will process 1,5 million passengers a year.

Modlin airport will mainly service cheap airlines.