



EMBASSY OF THE REPUBLIC OF POLAND  
IN OSLO  
ECONOMIC DIVISION

# The economic outlook of Poland

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# Poland – facts & figures



- Population 38.5 million
- Largest new EU member
- 21st economy of the world-IMF (based on 2007 GDP data)
- Labour force 16.95 million (2008 est.)
- Labour force by occupation:
  - agriculture: 17.4%
  - industry: 29.2%
  - services: 53.4% (2005)



# Basic macroeconomic indices 2008

- GDP growth in 2008 4.8%
- Unemployment 2008 at year's end 9.2%
- CPI 2008 at year's end 3.8%
- Current account balance -5.2% GDP
- General government balance -2.1% GDP



# Key projections for 2009

- GDP projected to slow down in 2009 to 2.0-2.6%
- Unemployment to increase in 2009 to 10.5%
- CPI is likely to fall to estimated 2.8%
- Government is planning to join the ERM II mechanism



# Polish economy-among the least affected

- Our financial market was not exposed to toxic assets
- There were no investments in high risk/high interest instruments
- Financial sector does not fuel the polish economy in a large scale



# Not unharmed though

- The external demand has slackened – it hit the exporters
- Business sector is going through tough time finding financing
- Warsaw Stock has considerably lost the capitalization
- PLN exchange rate is plummeting – it affects the debtors who mostly have their credits denominated in CHF



# PLN/EUR exchange rate



# PLN/USD exchange rate





# PLN/NOK exchange rate



# Strengths & weaknesses in 2009

## STRENGTHS

- EU membership
- EU funds, EEA funds
- Low inflation
- Lower prices of raw materials
- Political stability



# Strengths & weaknesses in 2009

## WEAKNESSES

- Decrease of the global demand
- Rise of the cost of energy
- Increase of the business risk
- Limited access to financing



# Hoping to recover soon

- Government is implementing a savings plan – cutting down the administrations expenses
- Ministry of Economy is preparing a business incentive package
- National Bank of Poland is stimulating the economy by lowering the interest rates – last decision from the 28 of Jan has decreased the key policy rate by 0.75%, to 4.25%



Thank you for your attention.

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