## BUSINESSEUROPE



## Spring 2007 Economic Outlook for Poland: Answers from PKPP

MAIN FORECAST						
		2006	2007	2008		
Real GDP growth		5,5	5,6	5,0		
Consumer price inflation		1,0	2,0	2,0		
Unemployment rate		14,3	11,5	10,9		
Employment growth		3,5	2,9	2,1		
Components of aggregate demand						
Annual % change		2006	2007	2008		
Private consumption		<b>2006</b> 5,4	<b>2007</b> 5,7	<b>2008</b> 4,5		
Public consumption		3,5	4,0	4,5		
Investment (Gross fixed capital form	ation)	16,0	17,0	20,0		
Exports	,	16,5	14,0	17,0		
Imports		17,0	19,0	20,0		
ECONOMIC SENTIMENT						
Question 1	Positive	Negative	Unchanged			
Trend in business climate over the	Industry	Nogativo	ononangou			
next 6 months	Services					
Que atien 0	Desition	N. a. and face	the share as d			
Question 2	Positive	Negative	Unchanged			
Trend in profitability over the next 6 months	Industry Services					
montho						
Question 3	Increase (faster pace)	Increase (slower pace)	Unchanged	Decrease (slower pace)	Decrease (faster pace)	
		(1000)		(	(	
Trend in investment over the next 6	Industry					
months (compared to the last 12 months)	Services					
Question 4	Replacement	Extension	Rationalisation	Innovation		
Driving force behind investment	Up	Up	Same	Same		
decisions in the next six months	Op	Op	Jame	Jame		
0	Desition	N	the share as d			
Question 5 Trend in consumer confidence over	Positive	Negative	Unchanged			
the next 6 months	yes					
Question 6	Industry: past 6 months	Industry: next 6 months	Services: past 6 months	Services: next 6 months		
Overall trend in employment	Up	Same	Up	Same		
Question 7	Higher / more difficult	Same	Lower / less difficult			
Compared to 6 months ago, SME's	Cost					
cost/access to capital for business	0051		_			
development			Access			
MAIN RISKS						
Question 8	Dollar per euro					
Above which level of dollar /euro						
will the European economy be	1,00					
significantly hurt?	,					
	D					
Question 9	Dollar per euro					
Where will the dollar / euro stand in October 2007 ?	1,35					
In October 2007 ?						
POLICYMIX						
			Neither satisfactory nor			
Question 10	Excellent	Satisfactory	unsatisfactory	Unsatisfactory	Deteriorating	
			anoanoraoto. y			
Fiscal policy: Progress towards the						
medium-term budgetary objective?				yes		
					1	
	Tight arrest t					
Question 11	Tight, appropriate for	Tight	Appropriate	Loose	Loose, appropriate for	
Question 11	Tight, appropriate for the euro area	Tight	Appropriate	Loose	the euro area	
		Tight	Appropriate yes	Loose		
		Tight		Loose		
	the euro area		yes	Loose Risks to price stability	the euro area	Disks of sure
Monetary policy is	the euro area	Downside risks to	yes Risks to price stability		the euro area Risks from money	Risks of euro
Monetary policy is	the euro area		yes	Risks to price stability	the euro area	Risks of euro appreciation
Monetary policy is Question 12	the euro area	Downside risks to	yes Risks to price stability	Risks to price stability from indirect tax	the euro area Risks from money	
Monetary policy is Question 12 ECB policy: Focus on elements of	the euro area Robust growth and above-target inflation	Downside risks to growth	yes Risks to price stability from high oil prices	Risks to price stability from indirect tax increases	the euro area Risks from money supply growth	appreciation
Monetary policy is Question 12 ECB policy: Focus on elements of the ECB analysis underlying its	the euro area	Downside risks to	yes Risks to price stability	Risks to price stability from indirect tax	the euro area Risks from money	
Question 12 ECB policy: Focus on elements of the ECB analysis underlying its	the euro area Robust growth and above-target inflation	Downside risks to growth	yes Risks to price stability from high oil prices	Risks to price stability from indirect tax increases	the euro area Risks from money supply growth	appreciation
Monetary policy is Question 12 ECB policy: Focus on elements of the ECB analysis underlying its current policy stance is Question 13	the euro area Robust growth and above-target inflation	Downside risks to growth	yes Risks to price stability from high oil prices	Risks to price stability from indirect tax increases	the euro area Risks from money supply growth	appreciation
Monetary policy is Question 12 ECB policy: Focus on elements of the ECB analysis underlying its current policy stance is Question 13 Consistency between the fiscal and	the euro area Robust growth and above-target inflation excessive	Downside risks to growth appropriate	yes Risks to price stability from high oil prices	Risks to price stability from indirect tax increases	the euro area Risks from money supply growth	appreciation
Monetary policy is Question 12 ECB policy: Focus on elements of the ECB analysis underlying its current policy stance is Question 13	the euro area Robust growth and above-target inflation excessive	Downside risks to growth appropriate Inadequate	yes Risks to price stability from high oil prices	Risks to price stability from indirect tax increases	the euro area Risks from money supply growth	appreciation