



## AUTUMN 2007 ECONOMIC OUTLOOK FOR POLAND: ANSWERS FROM PKPP

### MAIN FORECAST

	2007	2008	2009
Real GDP growth	6.5	5.0	5.0
Consumer price inflation	2.0	2.6	3.0
Unemployment rate	10.4	8.5	8.0
Employment growth	4.1	2.9	1.0

### Components of aggregate demand

Annual % change	2007	2008	2009
Private consumption	6.2	5.7	5.2
Public consumption	2.5	2.0	2.5
Investment (Gross fixed capital formation)	18.2	10.1	12.0
Exports	10.0	8.0	9.0
Imports	16.0	14.0	13.0

### ECONOMIC SENTIMENT

<b>Question 1</b>	<b>Positive</b>	<b>Negative</b>	<b>Unchanged</b>		
Trend in business climate over the next 6 months	Services	Industry	Industry		
<b>Question 2</b>	<b>Positive</b>	<b>Negative</b>	<b>Unchanged</b>		
Trend in profitability over the next 6 months	Services	Industry	Industry		
<b>Question 3</b>	<b>Increase (faster pace)</b>	<b>Increase (slower pace)</b>	<b>Unchanged</b>	<b>Decrease (slower pace)</b>	<b>Decrease (faster pace)</b>
Investment intentions over the next 6 months (compared to the last 12 months)		Industry	Services		
<b>Question 4</b>	<b>Replacement</b>	<b>Extension</b>	<b>Rationalisation</b>	<b>Innovation</b>	
Driving force behind investment decisions in the next six months	Up	Same	Same	Up	
<b>Question 5</b>	<b>Positive</b>	<b>Negative</b>	<b>Unchanged</b>		
Trend in consumer confidence over the next 6 months	yes				
<b>Question 6</b>	<b>Industry: past 6 months</b>	<b>Industry: next 6 months</b>	<b>Services: past 6 months</b>	<b>Services: next 6 months</b>	
Overall trend in employment	Up	Down	Up	Same	
<b>Question 7</b>	<b>Higher / more difficult</b>	<b>Same</b>	<b>Lower / less difficult</b>		
Compared to 6 months ago, SME's cost/access to capital for business development will be...	Cost	Access			
<b>Question 8</b>	<b>to a large extent</b>	<b>to some extent</b>	<b>not at all</b>		
Effect of financial market turmoil on assessment of financing conditions for next 6 months ...		yes			

### MAIN RISKS

<b>Question 9</b>	<b>Dollar per euro</b>	<b>Question 10</b>	<b>Dollar per euro</b>
Above which EUR/USD level will the national economy be significantly hurt ?	na	Where will the EUR/USD stand in April 2008 ?	1.45

### POLICY MIX

<b>Question 11</b>	<b>Excellent</b>	<b>Satisfactory</b>	<b>Neither satisfactory nor unsatisfactory</b>	<b>Unsatisfactory</b>	<b>Deteriorating</b>
Progress towards medium-term budgetary objective is...				yes	
<b>Question 12</b>	<b>Tight, appropriate for the euro area</b>	<b>Tight</b>	<b>Appropriate</b>	<b>Loose</b>	<b>Loose, appropriate for the euro area</b>
Monetary policy is...					
<b>Question 13</b>	<b>Robust growth and above-target inflation</b>	<b>Downside risks to growth</b>	<b>Risks to price stability from high oil prices</b>	<b>Risks from money supply and credit growth</b>	<b>Risks of euro appreciation</b>
Focus on elements of the ECB analysis underlying its current policy stance is...	excessive	appropriate	appropriate	appropriate	insufficient
<b>Question 14</b>	<b>Adequate</b>	<b>Inadequate</b>			
Consistency between the fiscal and the monetary policies		yes			