

## SPRING 2008 ECONOMIC OUTLOOK FOR POLAND: ANSWERS FROM PKPP

### MAIN FORECAST

	2007	2008	2009
Real GDP growth	6.5	5.3	5.6
Consumer price inflation	2.6	4.0	3.3
Unemployment rate	8.1	6.9	6.4
Employment growth	3.0	2.2	1.0

#### Components of aggregate demand

Annual % change	2007	2008	2009
Private consumption	5.2	5.6	5.8
Public consumption	0.7	5.0	3.0
Investment (Gross fixed capital formation)	20.4	13.0	15.0
Exports	9.1	8.5	12.0
Imports	10.9	9.3	13.5

### ECONOMIC SENTIMENT

<b>Trend in business climate over the next 6 months</b>	<b>Positive</b>	<b>Negative</b>	<b>Unchanged</b>		
	Services		Industry		
<b>Trend in profitability over the next 6 months</b>	<b>Positive</b>	<b>Negative</b>	<b>Unchanged</b>		
		Industry	Services		
<b>Investment intentions over the next 6 months</b>	<b>Increase (faster pace)</b>	<b>Increase (slower pace)</b>	<b>Unchanged</b>	<b>Decrease (slower pace)</b>	<b>Decrease (faster pace)</b>
	Services	Industry			
<b>Driving force behind investment decisions in the next 6 months</b>	<b>Replacement</b>	<b>Extension</b>	<b>Rationalisation</b>	<b>Innovation</b>	
	Up	Up	na	na	
<b>Trend in consumer confidence over the next 6 months</b>	<b>Positive</b>	<b>Negative</b>	<b>Unchanged</b>		
	yes				
<b>Overall trend in employment</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>	
	Up	Up	Up	Up	
<b>Over the next 6 months, cost/access to finance will be...</b>	<b>Higher / more difficult</b>	<b>Same</b>	<b>Lower / less difficult</b>		
	Cost	Access			
<b>Financial market turmoil has affected companies' investment decisions negatively ...</b>	<b>to a large extent</b>	<b>to some extent</b>	<b>to a limited extent</b>	<b>not at all</b>	

### EXCHANGE RATE DEVELOPMENTS

	Dollar per euro
Where will the EUR/USD stand in October 2008 ?	1.45

### POLICY MIX

	Not necessary, situation is satisfactory	Excellent	Satisfactory	Neither satisfactory nor unsatisfactory	Unsatisfactory	Deteriorating
Progress towards medium-term budgetary objective is...					yes	
Monetary policy is...	<b>Tight</b>	<b>Appropriate</b>	<b>Loose</b>			
		yes				
	<b>Adequate</b>	<b>Inadequate</b>				
Consistency between fiscal and monetary policies		yes				