


NOVEMBER 2011 ECONOMIC OUTLOOK FOR POLAND: ANSWERS FROM PKPP-LEWIATAN
MAIN FORECAST

<i>Annual % change</i>	2011	2012
Real GDP growth	4,1	3,1
Consumer price inflation	3,5	2,7
Unemployment rate	9,4	9,6
Employment growth	2,0	0,0
government net lending (% of GDP)	-5,1	-3,6
gross public debt (% of GDP)	54,9	54,9
current account balance (% of GDP)	-5,0	-4,0

Components of aggregate demand - in real terms

<i>Annual % change</i>		
Private consumption	3,8	3,0
Public consumption	0,0	0,0
Investment (Gross Fixed Capital Formation)	8,0	3,0
Private non-residential investment	-10,0	0,0
Exports	7,0	6,0
Imports	6,5	5,0

ECONOMIC SENTIMENT

	<i>Positive</i>	<i>Negative</i>	<i>Unchanged</i>			
Trend in business climate over the next 6 months	Industry					
	Services					
Trend in profitability over the next 6 months	Industry					
	Services					
Investment intentions over the next 6 months	<i>Increase (faster pace)</i>	<i>Increase (slower pace)</i>	<i>Unchanged</i>	<i>Decrease (slower pace)</i>	<i>Decrease (faster pace)</i>	
		Industry				
		Services				
Influence on companies' investment decisions	<i>Global demand</i>	<i>Domestic demand</i>	<i>Cost of finance</i>	<i>Availability of finance</i>	<i>Company Profitability</i>	<i>Capacity Utilisation</i>
	neutral	positive	neutral	neutral	positive	neutral
Driving force behind investment decisions in the next 6 months	<i>Replacement</i>	<i>Extension</i>	<i>Rationalisation</i>	<i>Innovation</i>		
	neutral	neutral	positive	positive		
Overall trend in employment	<i>Industry: past 6 months</i>	<i>Industry: next 6 months</i>	<i>Services: past 6 months</i>	<i>Services: next 6 months</i>		
	Up	Same	Up	Same		

ACCESS TO FINANCE AND IMPACT OF THE CRISIS ON POTENTIAL GROWTH

<i>Compared to 6 months ago, cost/access to finance has been... for SMEs</i>	sharply up / restrained	up / more difficult	same	down / easier Cost Access
				Cost Access
<i>for larger companies (>250 employees)</i>				Cost Access

<i>Over the next 6 months, cost /access to finance will be... for SMEs</i>	sharply up / restrained	up / more difficult	same Cost Access	down / easier
			Cost Access	
<i>for larger companies (>250 employees)</i>			Cost Access	

	<i>Consolidation of banking sector balance sheets</i>	<i>Access to capital markets</i>	<i>Engcouraging equity financing through tax reforms</i>	<i>Better use of existing EU instruments (including EIB)</i>	<i>Greater potential for Public-Private-Partnerships</i>
<i>Measures to alleviate current financial difficulties for SMEs</i>	Very limited effect	Very limited effect	Very limited effect	Moderate effect	Very limited effect
	<i>Consolidation of banking sector balance sheets</i>	<i>Access to capital markets</i>	<i>Encouraging equity financing through tax reforms</i>	<i>Better use of existing EU instruments (including EIB)</i>	<i>Greater potential for Public-Private-Partnerships</i>
<i>Measures to alleviate current financial difficulties for midsize and large companies</i>	Very limited effect	Very limited effect	Very limited effect	Very limited effect	Moderate effect



POLICY MIX

	<i>Tight, appropriate for the euro area</i>	<i>Tight</i>	<i>Appropriate</i>	<i>Loose</i> yes	<i>Loose, appropriate for the euro area</i>
<i>Monetary policy is...</i>					
<i>Consistency between fiscal and monetary policies</i>	<i>adequate</i> yes	<i>inadequate</i>			
<i>Regarding the sustainability of public</i>	excellent commitment	satisfactory commitment	neither satisfactory nor unsatisfactory	unsatisfactory commitment yes	no clear commitment creating an extremely
<i>Exit Strategies</i>	excessive focus	sufficient focus	satisfactory nor insufficie	unsufficient focus	so far ignored
<i>Tight fiscal rules and more effective institutions</i>				yes	
<i>Greater efficiency of public</i>					yes
<i>Credible cost-cutting measures</i>					yes
<i>Increased scope of public-private</i>				yes	
<i>Reform of pension systems</i>				yes	
<i>Improved efficiency of healthcare sector</i>				yes	
<i>Entry Strategies</i>	excessive focus	sufficient focus	satisfactory nor insufficie	unsufficient focus	so far ignored
<i>More and better-targeted education and training</i>				yes	
<i>More and better targeted R&D and</i>				yes	
<i>Prioritisation of infrastructure investments</i>			yes		
<i>Growth enhancing tax reforms</i>				yes	
<i>In 2015, the government deficit will...</i>	respect the 3% limit yes	be in balance no			