



Economic outlook for Poland – positive and negative contributions to economic development.

Rafał Antczak

Vice-president

Deloitte Business Consulting

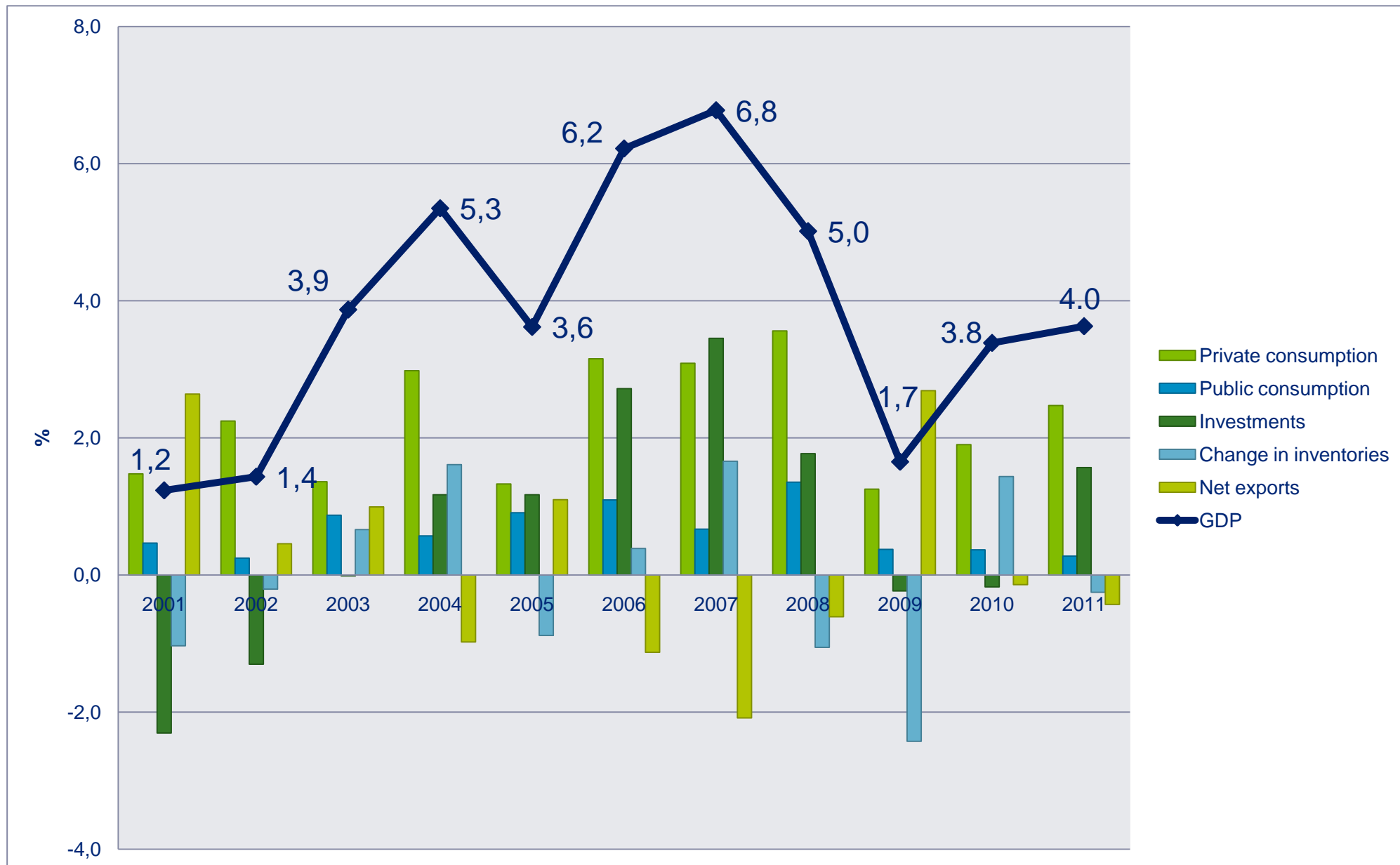
SPCC Szczecin

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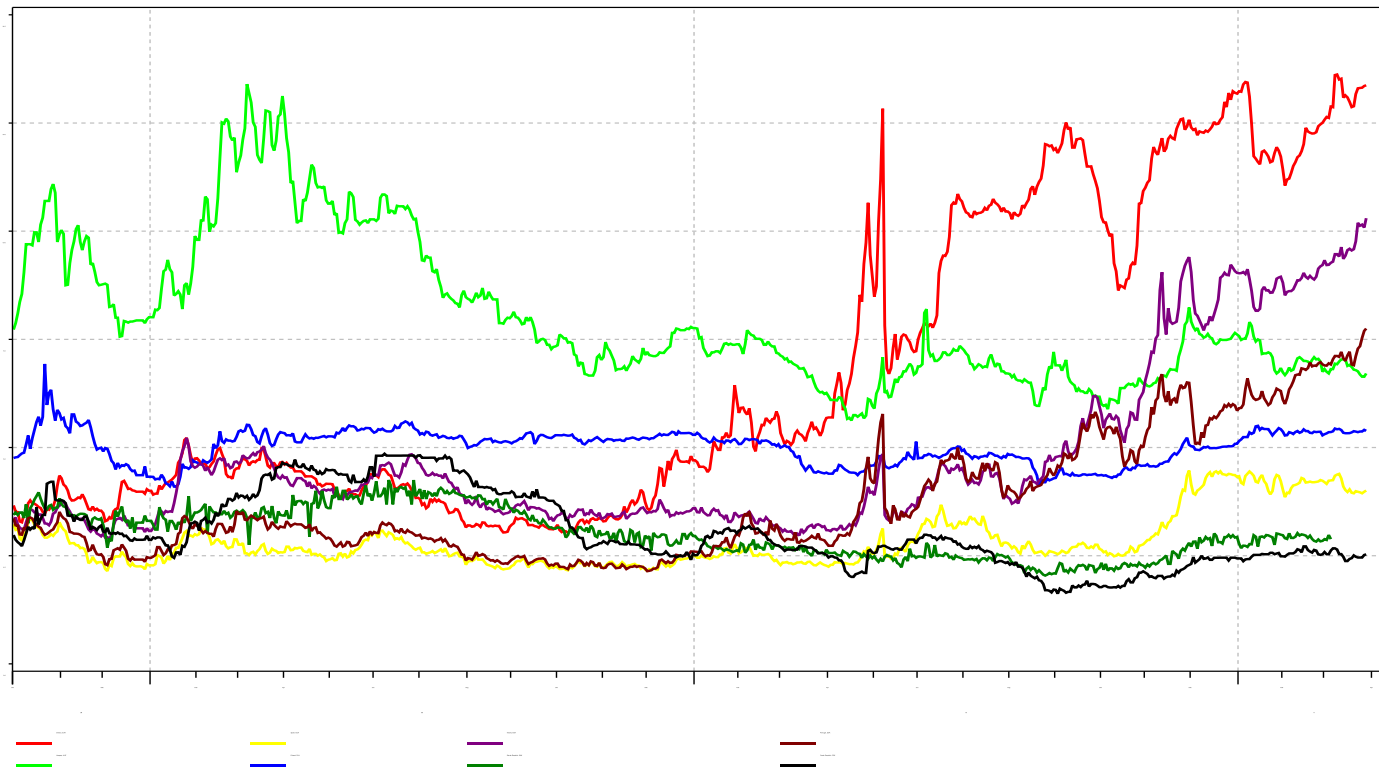
GDP dynamics and its components in Poland

Strong consumption, unknown investments



PIGS versus PoSCH

Let the market speak...



- Stabilization of yields in PoSCH and a steady growth in PIGS (recently, with exception of Spain, but for how long?)

PIGS versus PoSCH

Repetition of the PIGS story in PoSCH possible, but not yet

	CA balance*				FDI, net*		Portfolio, net*		Other investments, net*	
	2000	2008	2009	2010F	2000-2004	2005-2009	2000-2004	2005-2009	2000-2004	2005-2009
Portugal	-10.4	-12.6	-10.3	-10.0	-0.5	0.6	0.4	4.9	3.4	6.6
Ireland	0.0	-5.6	-3.0	-2.7	3.9	-8.8	-17.4	3.9	10.0	13.0
Greece	-7.7	-14.8	-11.4	-10.8	0.1	0.0	7.1	6.9	3.5	-3.7
Spain	-4.0	-9.7	-5.5	-5.2	-1.4	-2.5	0.4	7.4	3.4	3.6
<i>P.I.G.S. total</i>	<i>-4.9</i>	<i>-10.3</i>	<i>-6.6</i>	<i>-6.3</i>	<i>-0.5</i>	<i>-2.5</i>	<i>-0.6</i>	<i>6.7</i>	<i>4.1</i>	<i>3.9</i>
Poland	-6.0	-5.0	-1.6	-2.4	3.4	2.7	1.6	1.0	3.2	-1.2
Czech Rep.	-4.8	-0.7	-1.1	-1.2	6.9	3.8	-0.6	-0.4	0.0	2.0
Slovak Rep.	-3.5	-6.6	-3.2	-1.4	7.6	3.5	1.1	0.2	3.5	0.8
Hungary	-8.5	-7.0	0.3	0.5	3.8	2.1	2.9	0.4	7.5	0.9
<i>Po.S.C.H. total</i>	<i>-6.0</i>	<i>-4.5</i>	<i>-1.4</i>	<i>-1.6</i>	<i>4.6</i>	<i>2.9</i>	<i>1.6</i>	<i>0.6</i>	<i>3.8</i>	<i>-0.1</i>

	Primary balance*				Fiscal balance*				Public debt*				
	2000	2008	2009	2010F	2000	2008	2009	2010F	2000	2008	2009	2010F	% point 2000-2010F
Portugal	0.1	0.1	-6.4	-4.1	-2.9	-2.8	-9.4	-7.3	50.5	66.3	76.8	83.5	33.0
Ireland	6.8	-5.9	-13.1	-29.3	4.8	-7.3	-14.3	-32.0	37.8	43.9	64.0	121.0	83.2
Greece	3.6	-3.1	-8.6	-2.2	-3.7	-7.7	-15.4	-9.4	103.4	99.2	126.8	145.0	41.6
Spain	2.2	-2.5	-9.9	-7.5	-1.0	-4.1	-11.2	-9.3	59.3	39.7	53.2	63.4	4.1
<i>P.I.G.S. total</i>	<i>2.6</i>	<i>-2.7</i>	<i>-9.7</i>	<i>-8.5</i>	<i>-1.0</i>	<i>-4.8</i>	<i>-11.9</i>	<i>-11.4</i>	<i>62.0</i>	<i>51.3</i>	<i>67.3</i>	<i>83.0</i>	<i>20.3</i>
Poland	0.0	-1.5	-4.5	-4.5	-3.0	-3.7	-7.2	-7.9	36.8	47.2	50.9	55.4	18.6
Czech Rep.	-2.9	-1.6	-4.8	-3.9	-3.7	-2.7	-5.9	-5.7	18.5	30.0	35.4	38.5	20.0
Slovak Rep.	-8.2	-1.1	-5.5	-6.8	-12.3	-2.8	-6.8	-8.0	50.3	27.7	35.7	41.8	-8.5
Hungary	2.1	-0.1	-0.2	-0.5	-3.0	-3.8	-4.0	-4.2	55.0	72.9	78.3	79.8	24.8
<i>Po.S.C.H. total</i>	<i>-0.8</i>	<i>-1.3</i>	<i>-4.0</i>	<i>-4.0</i>	<i>-3.8</i>	<i>-3.4</i>	<i>-6.4</i>	<i>-6.8</i>	<i>37.1</i>	<i>45.6</i>	<i>50.0</i>	<i>53.9</i>	<i>17.0</i>

Source: Reuters EcoWin, European Economic Forecast. * Weighted averages (by nominal GDP) of real and percentage changes.

PIGS versus PoSCH

Some microeconomics

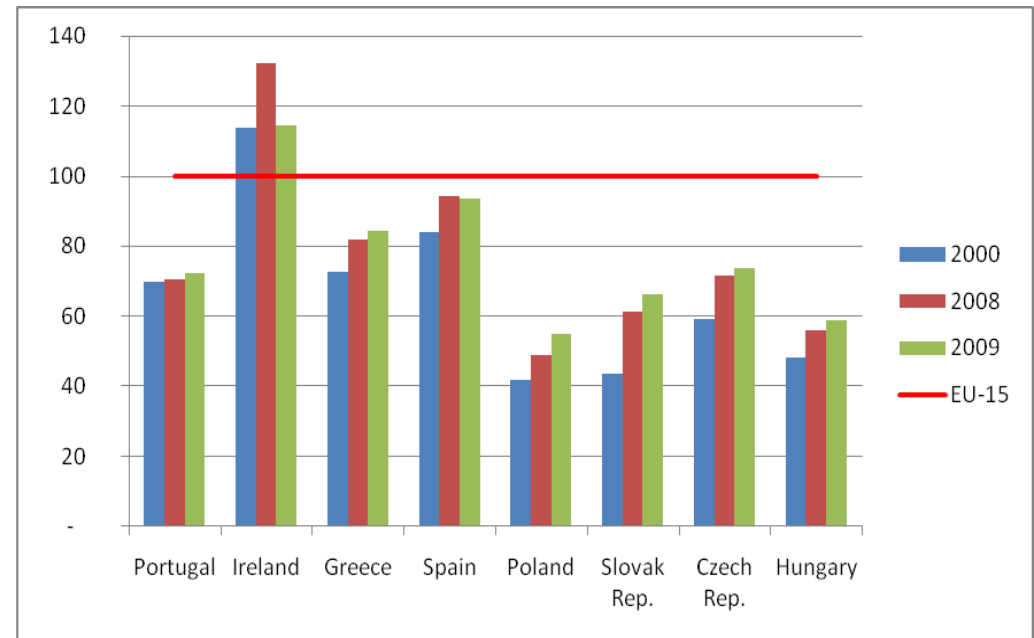
Ease of doing business

	2008	2011
Portugal	37	31
Ireland	8	9
Greece	100	109
Spain	38	49
P.I.G.S. total*	44	53
Poland	74	70
Czech Rep.	56	63
Slovak Rep.	32	41
Hungary	45	46
Po.S.C.H. total*	62	62

Source: World Bank, Doing Business Report 2008 & 2011.
 * Weighted averages (by nominal GDP)

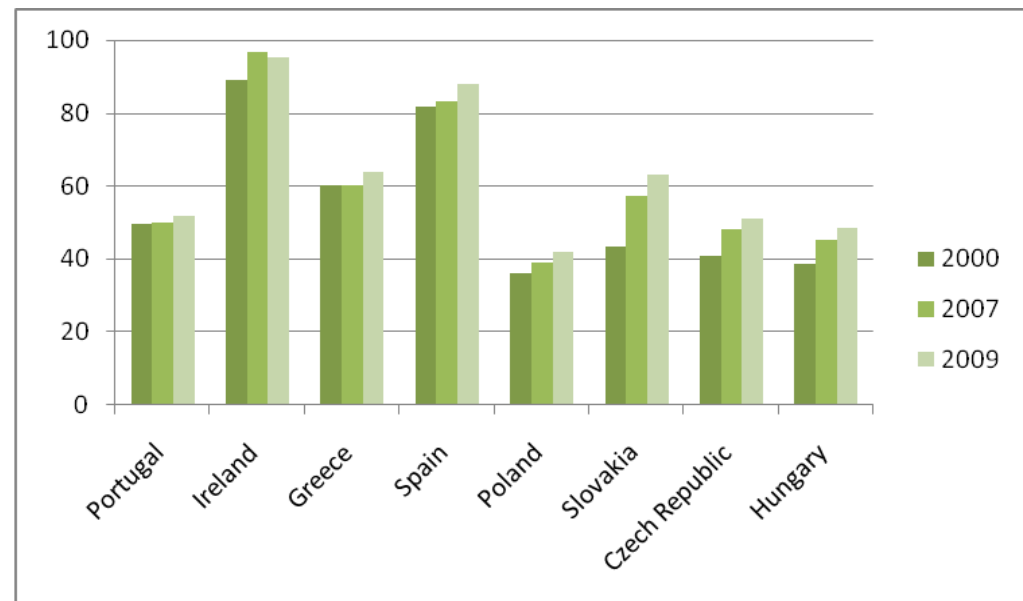
- Weakening of PIGS position in business ranking
- Leap-frog jump of PoSCH in GDP
- Still lagging productivity of PoSCH comparing to PIGS reflects a growth potential

GDP per capita (in PPS)



Price levels of final consumption by private households including indirect taxes

Labour productivity

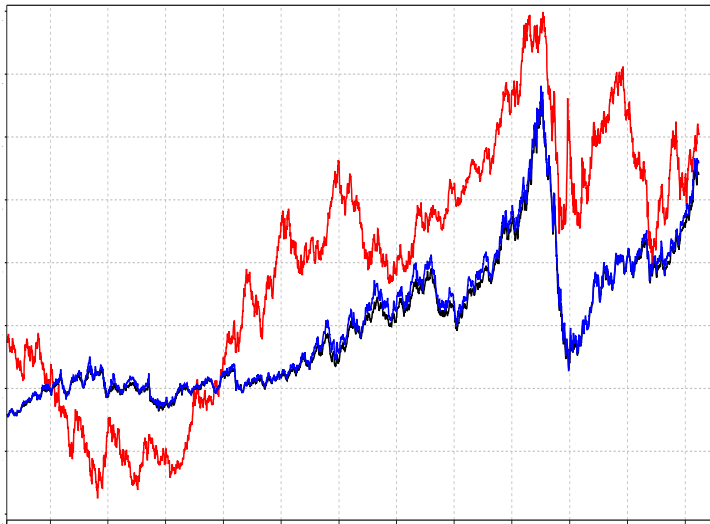


Source: Eurostat

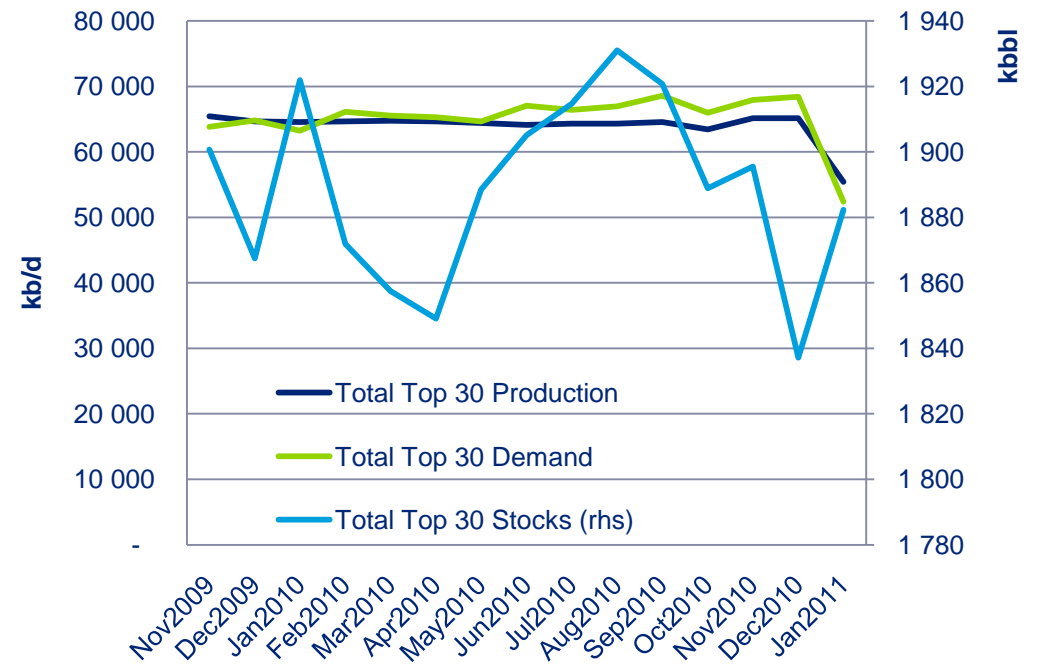
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Prices of resources

Oil



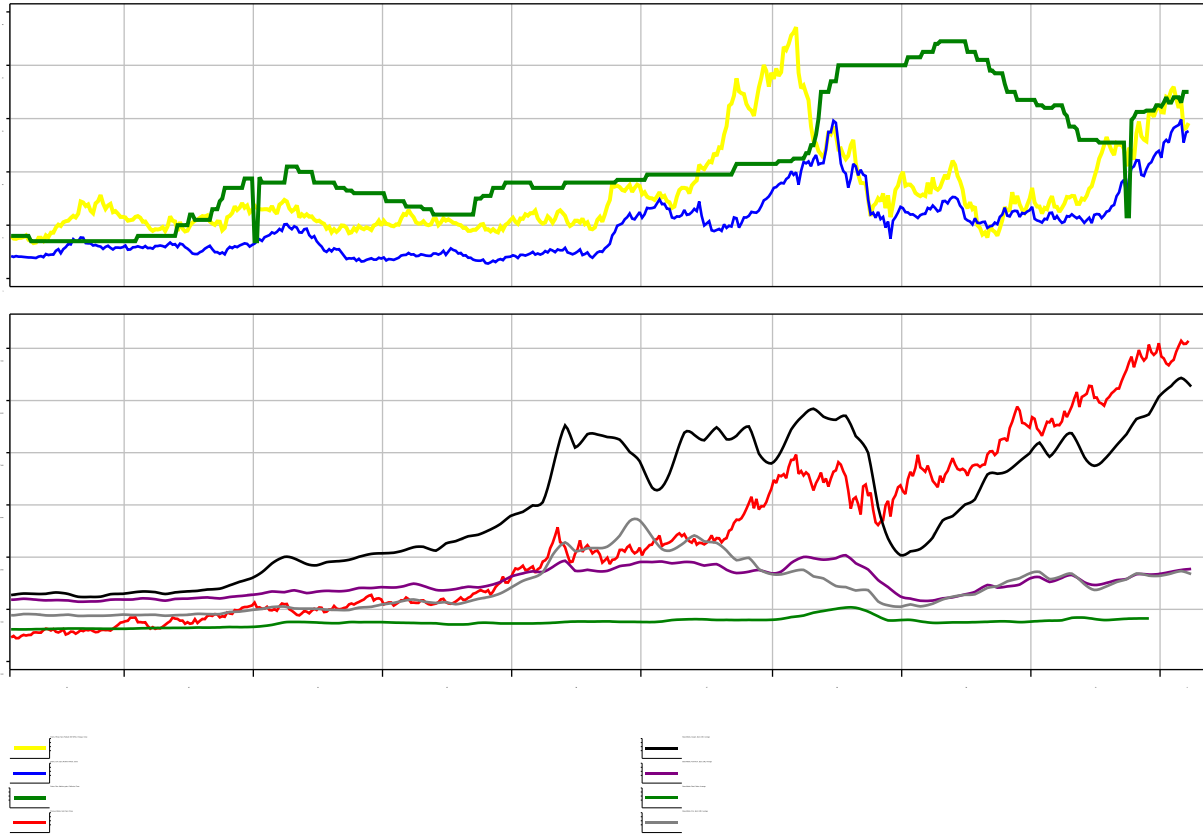
Supply, demand, and stocks of oil in top 30 countries



- Price jump during last year, but also since December 2010
- Correlation with weakening dollar seems rather strong
- With a decline in production and demand stocks are rising

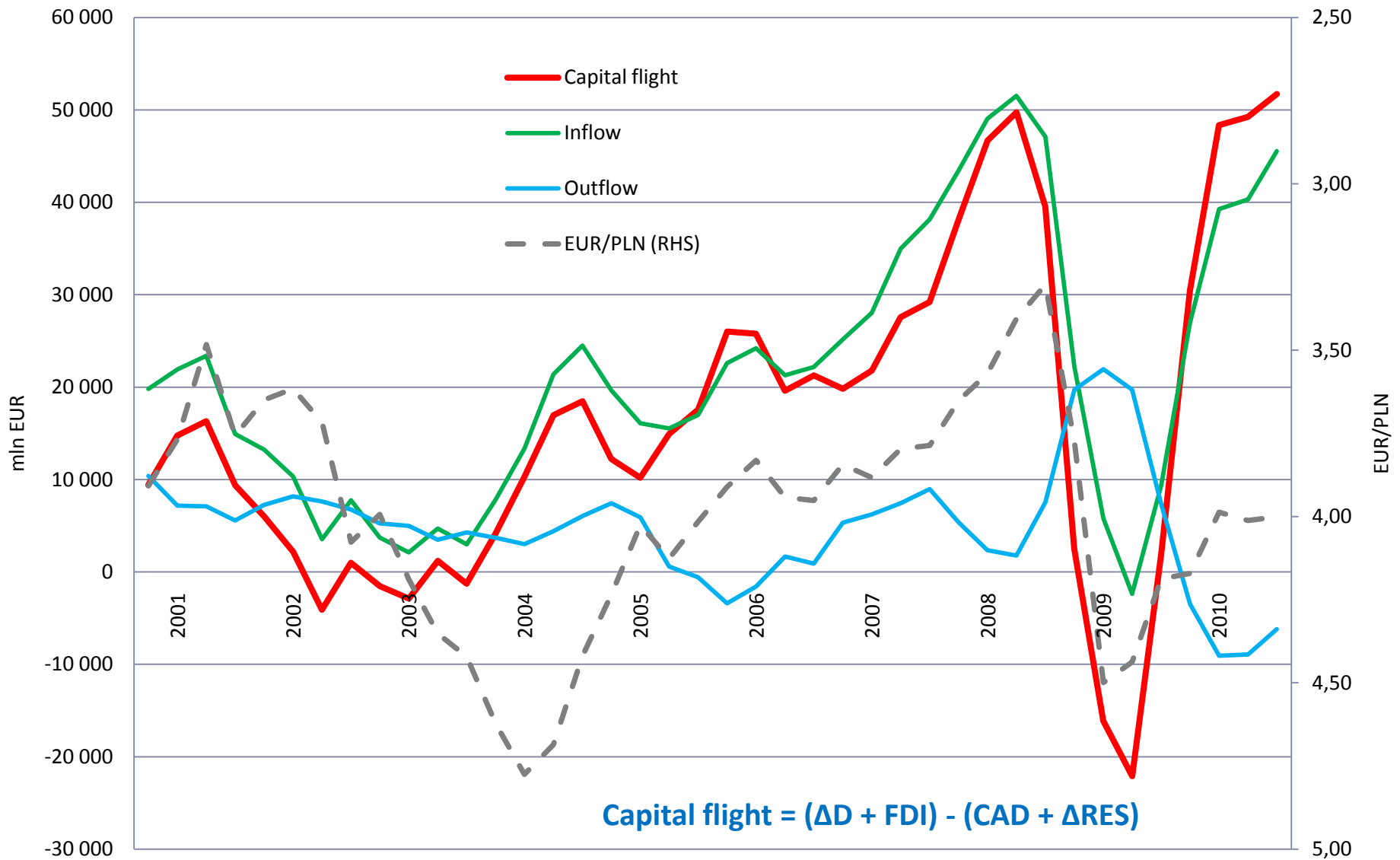
Prices of resources

Food prices up, metals not necessarily



Zloty exchange rate volatility

And capital flight to/from Poland



Source: Deloitte, Rafał Antczak

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Summary

- GDP dynamics → small +
 - Strong consumption, unknown investments
- PIGS versus PoSCH continued → BIG +
 - Migration of capital and growth from the Western to Eastern peripheries of the EU
- The world prices of resources → small –
- Zloty exchange rate volatility → BIG –
 - Strong capital flight continues due to external and internal factors
- Summing up, pluses and minuses are neutral



Rafał Antczak

Vice-president Deloitte Business Consulting

E-mail: ranczak@deloittece.com

Tel.: +48 (22) 511 00 43

Fax: +48 (22) 511 08 13

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