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SYNTHESIS

Following the breakdown of commodity exports which lasted from November 2008 until late 2009, the year 2010 brought about a systematic revival of exports. Following the 2009 decrease by 15.5%, amounting to nearly EUR 18 billion (drop to EUR 98.3 billion), in 2010, an increase by 22.6% was recorded (to EUR 120.4 billion), which was over EUR 4.1 billion more than in 2008.

At the same time, following the 2009 decrease (by 24.5%) and later a relative increase in 2010 (by 24.8%), imports settled at the level of EUR 134.2 billion, which was nearly EUR 8.3 billion more than in 2008.

As a result, in spite of the high and increasing import-intensity of exports observed before the economic crisis, it became possible to quickly recover – and even exceed – the exports level from before the crisis. At the same time, Poland managed to significantly decrease imports and, consequently, improve the balance of commodities turnover (measured by the relation of turnover balance to exports). The deficit in commodities turnover decreased from EUR 26.2 billion in 2008 to less than EUR 13.8 billion in 2010, and the turnover balance rate improved from -0.22 to -0.11 in the same time period.

During both the crisis and the post-crisis times, the positive and key role of the developed Western markets – EU markets in particular – for Polish commodities turnover became more visible. The decrease in exports to these markets during the crisis (by 12.8%) turned out to be significantly lower than in the case of other markets (by 28.6%). At the same time, the turnover balance in relation to these markets achieved a significant surplus (amounting to EUR 9.8 billion) in 2009, as compared against the deficit amounting to EUR 2.2 billion in 2008. The extremely deep deficit in turnover with other markets was lowered by less than EUR 4.9 billion (from EUR 24 billion in 2008), which was a mildly successful result.

In 2010 – the period of economic recovery after the crisis – the situation in developed markets as compared against the remaining markets continued to improve. The level of exports to these markets from before the crisis (2008) was reconstructed in 105.9%, which exceeded the level of reconstruction of exports in general and exports to the remaining markets (reconstructed only in 92%). At the same time, trade surplus increased by over EUR 2.2 billion, to EUR 12 billion (which meant the improvement of 2008 balance by over EUR 14.2 billion), whereas for turnover with the remaining markets – in spite of the slow pace of turnover reconstruction – the gap widened to over EUR 25.8 billion. This resulted in further significant deepening of disproportion of turnover balance between the two groups of markets.

While for the turnover with developed markets (participating in nearly 85% of Polish exports and over two thirds of imports) the balance/exports ratio improved from -0.02 in 2008 to +0.12 in 2010, for the turnover with the remaining markets the negative ratio recorded before the crisis, amounting to -1.22, grew even worse – to the level of -1.42. The main reason for this state of affairs is to be found in the structural conditions of trade with China and Russia. The deep and dynamically growing trade deficit in relation to China stems – for Poland and other economies alike – from the natural impossibility of balancing exports expansion of price-competitive Chinese goods, in particular in a situation when the Chinese currency is being centrally maintained on an undervalued level (in spite of the dynamic growth of China's currency reserves). Moreover, the low exports rate of Polish goods to China (over ten times lower than imports) results from the difficulties in competing against exporters from highly developed countries (who have technological advantage and greater investment possibilities), as well as from the limited possibility for Polish entities to expand to faraway Asian markets.

In the case of Russia, the deep turnover deficit in relations with this country is, to a large extent, dictated by the inevitable imports of energy raw materials (gas and oil). While the volume of imports of these resources has remained relatively steady for years, its scale in terms of value – which is decisive for the deficit level – depends immediately on global prices which, following a temporary decrease in 2009, bounced back to the level from before the crisis, thus resulting in a nearly complete reconstruction of pre-crisis scale of imports from Russia. On the other hand, exports to Russia – in spite of its fast growth rate amounting to nearly 40% – turned out to be 16.8% lower than in 2008. As a result, the turnover deficit in trade with Russia in 2010 deepened in relation to both 2009 (by EUR 3.1 billion, to the level of EUR 8.7 billion) and its level from before the crisis (by nearly EUR 0.9 billion).

This increase in deficit regarding the turnover with these two markets alone in 2010 (by over EUR 5.5 billion) turned out to be approx. EUR 1 billion higher than for the Polish commodities turnover in total.

The significant turnover unease observed during the last two years, when broken down into particular commodities, confirm the key position of electromechanical products and certain other technologically advanced goods for Polish exports, as well as their positive impact on the level of trade balance.

Exports of electromechanical products, which comprises 42.8% of exports in total, following a relatively mild decrease in 2009 (by less than 12%, i.e. by approx. 6.5 p.p. less than in case of other sectors), in 2010 exceeded the 2008 level by 3.2%, and the significant deficit amounting to EUR 4.8 billion observed in 2008 was transformed, in 2010, into a surplus of nearly EUR 0.7 billion.

Other significant positive changes recorded in the last two years for certain groups of goods include certain chemical industry products and finished food products. The former include pharmaceuticals, for which the exports in the last two years has increased by nearly 47%, and the traditionally deep deficit has lowered by nearly EUR 0.5 billion, to over EUR 2.6 billion. Exports of finished food products has increased in the last two years by over 20% (including by over 2% in 2009), and the turnover surplus increased by EUR 0.5 billion, to approx. EUR 1.7 billion.

Exports of agricultural and food products turned out to be most resilient to the economic crisis. Following a minor decrease in the crisis year, exports of these goods increased in 2010 by over 17.5%, reaching a level which exceeded the 2008 level by 15.5%. At the same time, a significant improvement in the turnover balance was recorded – the 2008 surplus amounting to EUR 1.4 billion increased to nearly EUR 2.6 billion in 2010.

Exports of chemical products increased last year by 32.8% (to EUR 15.7 billion) and, in spite of its breakdown in 2009 (decrease by 15%), it turned out to be 13.1% (EUR 1.8 billion) higher than before the crisis. Deficit in the trade in these goods deepened by approx. EUR 1 billion, reaching the level of nearly EUR 7.6 billion. However, when compared against the 2008 level, this was a decrease by EUR 1.3 billion only.

Compared against the three product groups listed above, the reconstruction of exports in metallurgy products proceeded significantly slower. Following a deep crash in 2009 (by over one third), its level as of last year turned out to be 10.5% lower than before the crisis (in spite of its dynamic growth by 35.1%).

For vast majority of product groups, last year's imports growth rates were several to ten-odd percent lower than two years ago. Exceptions from this rule were recorded for three product groups: agricultural and food products, whose imports increased by 6.3% when compared against 2008, light industry products (by 5.2%) and chemical industry products (by 2.4%).

The greatest increase in turnover deficit was observed for mineral products trade which, following a significant drop last year (by nearly EUR 4.8 billion, to the level of EUR 7.5 billion), experienced another decrease by almost EUR 2.8 billion; however, it remained lower than the pre-crisis level of approx. EUR 2 billion. The increase in deficit was a result of increase in mineral products imports by approx. EUR 4.7 billion (to over EUR 15.5 billion), which resulted mainly from the increase in global prices of raw materials (energy raw materials in particular).

A decisive influence on the relatively positive commodities turnover balance in 2010, as compared against 2008, was exerted by electromechanical products turnover. Nearly half of the deficit's decrease can be attributed to the increase in turnover balance for this group of products (the deficit decreased by EUR 12.4 billion in total, whereas the increase in electromechanical products turnover balance amounted to over EUR 5.4 billion).

The main sources of recovery from the crisis for Polish foreign trade are the following:

– general improvement of economic situation (overcoming recession and revival of imports demand) on the main markets, in particular Germany;
– rationing of stock and supply imports for exports production;
– relatively strong condition of the Polish banking sector, providing the necessary external funding for exporters;
– maintaining of a relatively high competitiveness in terms of price/cost ratio of the Polish exports, measured by the fluctuations in the real rate of zloty applying the PPI and ULC indices.

Following the period of a relatively speedy recovery of Polish turnover in 2010, the first half of 2011 brought about certain slowing down of the growth pace. Exports increased to the level of EUR 66.7 billion, i.e. by 14.6% when compared against the same period of 2010, and turned out to exceed the level achieved in the analogous period of 2009 (the time of economic breakdown) by 41.5%, i.e. by EUR 19.5 billion. This indicates that the tendency to achieve relatively quick recovery in exports (following the breakdown in Polish foreign trade during the global crisis) is sustained.

For imports, however, the recovery of turnover is less dynamic. Whereas in the first half of 2011 imports was 16.2% (over EUR 9.8 billion) higher than in the same period of 2010 and almost 42% (EUR 21.5 billion) higher than two years ago, it increased by 3% only when compared against the analogous period of 2008.

After the first half of 2011, the deficit in commodities turnover reached the level of almost EUR 6.7 billion, which was approx. EUR 1.3 billion higher than in the same period of 2010. Nevertheless, it was EUR 5.6 billion lower than in the analogous period before the crisis.

1. CHANGES IN EXTERNAL AND INTERNAL CONDITIONS

1.1. External conditions

1.1.1. Situation in global economy and major markets in 2010

Following the deep recession of 2008-2009 (which reached its peak in mid-2009), since the fourth quarter of 2009 and during the whole of 2010 most countries displayed significant, although uneven, revival of general economic outlook. The year 2010 brought about the reconstruction of production and international exchange and, for some economies, also of employment and investment. Nevertheless, structural threats in the financial and real economic spheres – which had created the basis for the recession – were not completely eradicated. Moreover, new challenges appeared: ecological disasters (Icelandic volcano eruptions, earthquakes and tsunamis which resulted in the nuclear disaster in Japan), violent revolutions and disturbances in North Africa and Middle East, which can result in serious consequences of not only regional, but even global reach.

Negative implications of the financial crisis have not been fully neutralized and can still be observed as e.g. certain tensions in the sphere of public finance or debt crisis of numerous European economies, including the Eurozone (Greece, Ireland, Portugal, Spain), which significantly increases the scope of risk and uncertainty as to the permanence of the revival. These events affected the lowering of previous prognoses for economic growth for the upcoming years (2011-2015). An important aspect of the recent recession is the exposition of two paces of development in global economy, which have been becoming visible since the beginning of the last decade. Developing economies grow at a faster pace than developed countries. Unlike the previous recessions, the last economic crisis was most detrimental to the developed countries, whereas most developing economies recorded only a temporary decrease in growth. Both during the crisis and shortly afterwards, countries such as China, India and Brazil strengthened their positions in global economy, whereas the position of Russia (which, before the crisis, aspired to become one of the leading countries in terms of global economy) became weaker.

The scale of destructive impact of the recent crisis on global economy is evidenced by the fact that, for the first time since the WW II, a decrease in global GDP was noted (by 0.5%), whereas developed economies experienced this decrease the most (by as much as 3.4%). Developing economies, however, experienced only a slowing down of growth to 2.8%.

Economic growth of 2010 turned out to be decidedly faster than it had been predicted in late 2009, and achieved the level of 5.1%, whereas in developed countries this growth (by 3%) was nearly 2.5 times slower than in developing countries (growth by 7.4%). Therefore, the former did not manage to reconstruct their GDP levels from before the crisis, whereas the latter managed to increase their GDP levels significantly, thus increasing their share in global product.

Table 1 The growth rate of GDP compared to the previous year, expressed in fixed prices

	2009	2010	2011**	2012**
World	**-0.5**	**5.1**	**4.3**	**4.5**
Advanced economies	-3.4	3.0	2.2	2.6
United States	-2.6	2.9	2.5	2.7
EU-27	-4.1	1.8	2.0	2.1
Euro Area	-4.1	1.8	2.0	1.7
Germany	-4.7	3.5	3.2	2.0
Japan	-6.3	4.0	-0.7	2.9
Emerging and developing economies	2.8	7.4	6.6	6.4
CIS	-6.4	4.6	5.1	4.7
Russia	-7.8	4.0	4.8	4.5
Middle East and North America	2.5	4.4	4.2	4.4
Sub-Saharan Africa	2.8	5.1	5.5	5.9
Latin America and the Caribbean	-1.7	6.1	4.6	4.1
Developing Asia	7.2	9.6	8.4	8.4
China	9.2	10.3	9.6	9.5
India	6.8	10.4	8.2	7.8
Newly Industrialized Asian Economies*	-0.7	8.4	5.1	4.5

** Hong Kong, Republic of Korea, Singapore and Taipei; ** forecast*
Source: Analyses and Forecasting Department of the Ministry of Economy on the basis of data of the IMF of July 2011.

The breakdown of economic growth in the Eurozone, which is a key market for Poland, was relatively significant in 2009 (-4.1%), and the revival in 2010 was incomparably slower (1.8%). In Germany, following a relatively deep GDP decrease in 2009 (by 4.7%), a revival by 3.5% was recorded in 2010. In France, the drop was relatively mild (by 2.6%), but still deeper than the revival in last year (by 1.4%). In Italy, the increase (1.3%) turned out to be incomparable to the preceding decrease (by 5.2%), whereas in Spain there was no increase at all, only a slowing down of decrease (from 3.7% to 0.1%).

The situation in developing markets was, as it has already been mentioned, much better in general. In 2009, the slowing down of the GDP growth amounted only to 2.8%, and in 2010 the pace of growth increased to 7.4%. This was a result of a relatively high growth during the last two years in China (by 9.2% in 2009 and 10.3% in 2010) and India (by 6.8% and 10.4% respectively).

The growth of GDP in the CIS markets by 4.6% in 2010 turned out to be significantly lower than the decrease in 2009 (by 6.4%). This was a result of the situation in Russia, where – following a relatively deep GDP drop by 7.8% in 2009 – the 2010 growth amounted to a mere 4%.

In the EU-10 countries, the GDP drop in 2009 was slightly smaller (by 3.6%), and its increase in 2010 (2.1%) – slightly quicker than in the CIS as a whole. In spite of the slowing down of investments and net exports, the pace of growth in the following quarters of 2010 in these countries (measured year-on-year) displayed a systematic increase from 0.6% in the first quarter to 2.8% in the fourth quarter, mainly due to the reconstruction of stocks by means of a more complete use of productive capabilities and revival of household consumption.

A decisive factor affecting the scale and dynamics of Polish commodities turnover in the past two years were the changes in outlook for the major markets, including EU markets in particular.

The revival of domestic demand, including imports demand in major EU markets, was of key significance for the activation and reconstruction of Polish exports after the crisis. According to the Eurostat data as of late July 2011, the domestic demand of EU-27 (and EU-15 as well) in 2010 increased by 1.4%, following the 2009 decrease by 4.2% (and by 3.9% in the EU-15 states). Regardless of the moderate increase in domestic demand, the increase in imports within the EU last year was incomparably faster and achieved the level of 9%. Even though it was affected by the low reference base effect, this situation allowed for a reconstruction (and a surplus) of the pre-crisis scale of Polish exports not only to EU markets, but also of Polish exports in general.

Table 2 Changes of domestic demand by selected economies in the years 2009-2012

	2009	2010	2011**	2012**
European Union	-4.2	1.4	1.1	1.6
Euro Area	-3.5	1.0	0.9	1.6
Germany	-2.0	2.6	2.3	2.0
France	-2.4	1.4	1.9	2.4
Italy	-3.9	1.6	0.7	1.2
United Kingdom	-5.5	2.7	0.4	0.7
The Netherlands	-4.1	0.8	1.1	1.3
Spain	-6.0	-1.1	-0.6	1.0
Sweden	-4.9	6.1	3.8	2.3
Austria	-2.3	1.3	1.6	1.5
Czech Republic	-4.3	1.6	0.6	2.0
Slovakia	-7.9	2.7	1.5	3.6
Hungary	-10.4	-1.2	1.9	1.6
POLAND	-1.3	4.5	4.4	3.7
Norway	-4.1	4.4	3.0	2.3
United States	-3.6	3.2	2.6	2.8
Japan	-4.8	2.2	0.7	1.5
Turkey	-7.2	13.3	7.3	5.0
Russia*	-3.1	2.7	-	-

** Russian Federal Customs Service data; ** forecast*
Source: Analyses and Forecasting Department of the Ministry of Economy on the basis of data of Eurostat of July 2011.

The breakdown in economic growth and trade exchange in key markets for Poland in 2009 and the revival of economy as observed last year are strictly and immediately connected with the fluctuations of domestic demand in these markets. The increase in this demand in 2010 observed in vast majority of EU-27 markets was incomparably slower than its decrease in 2009; moreover, it was subject to significant quarter-to-quarter and market-to-market fluctuations. Nevertheless, the very fact of recovering from the tendency to decrease and sustaining the trend of economic growth and demand revival (including demand for imports), as displayed by EU markets, resulted in the creation of favorable conditions for speedy reconstruction of Polish exports.

The increase in 2010 turned out to be slower than the significant decrease in demand in EU-27 markets in 2009; nevertheless, this disproportion was much smaller in the major EU markets (owing to governmental intervention programmes which softened the 2009 demand decrease, among others). In Germany, the 2009 decrease in demand did not exceed 2%, whereas the 2010 growth amounted to 2.6%. In France, the drop by 2.4% was followed by an increase by 1.4%.

1.1.2. Changes in global prices and foreign exchange rates

Global commodity prices, instead of the expected stabilization, displayed a significant tendency to grow since mid-2010. In January 2010 – February 2011, the commodity price index as estimated by the IMF increased by over 30%, thus making up for nearly half of its decrease in value as compared against its peak level of July 2008. The main source of this high dynamics of the price index was the increase in food prices and crude oil prices, resulting from the unease in the Middle East and North Africa.

The decisive factor for the pace and direction of changes in crude oil prices in 2010 was the surplus demand over the raw material supply, resulting from the positive expectations for global economy. Owing to the limitation of the risk of the so-called “second bottom” of the recession, developing economies which consume large volumes of raw materials – including China – managed to retain their high share in the global crude oil demand. The aggregated demand for this resource was also supported by developed economies, which continued to increase their energy consumption rapidly in 2010.

Another driving force which stimulated the increase in crude oil prices during the first months of 2011 was the instable political situation in Libya, an exporter of crude oil. Although the decreased supply of crude oil from Libya was almost entirely compensated by the increase in production in Saudi Arabia nearly in full, the prices of this raw material boomed from USD 95 per barrel in January 2011 to USD 110 per barrel only two months later. It is estimated that this was an effect of the increased demand for crude oil allotted to reserves, which were being expanded with a view to the growing risk of supply reduction in the following periods.

In both medium and long term it is estimated that the upward trend for crude oil prices will continue, as a result of the increasing demand pressure accompanied by a relatively moderate increase in the resource's supply. Anxieties related to the stability of global economy may act as a counter factor to this trend, since this factor is deemed to be the main determinant of the volume of crude oil demand in the macro scale.

During the second half of 2010 and until early 2011, a strong upward tendency for metal prices was observed. As a result, the metal price index as estimated by the IMF increased by 40% during that period. The source of this dynamic increase in prices was the growing demand for metals (from both developing and developed economies) on the one hand, and the slowly increasing supply of metals on the other. The latter factor was affected by, among others, the introduction of new regulations on metal production standards and problems regarding stability of production processes (e.g. worker strikes in copper mines in Chile).

Responsibility for this – higher than expected – increase in demand for metals during the period under analysis lies mainly with China, due to the increasing share of Chinese economy in the global consumption of metals (during the last decade this share has doubled and achieved the level of 40%). It is, however, expected that in 2011 – due to the limitation of credit and loan supply by local banks and expiration of anti-crisis stimulation packages – the growth in China's demand for metals will remain stable.

A decrease in the pace of growth of China's demand for metals does not mean, however, a rapid drop of metal prices, since the reconstruction of demand from developed countries (where metal consumption is still about 15% lower than before the crisis) will act as a counter factor. As a result and in conjunction with the limited growth in metal production – an effect of the low dynamics of productive capacity and growing energy prices – the upward trend for global metal prices is expected to continue for the next periods.

During the second half of 2010 and until early 2011, the food price index as estimated by the IMF increased by 41%. This increase in prices of agricultural and food products resulted mainly from the significant boom in crop prices – by as much as 82%. Increase in food prices was also strongly affected by supply shocks resulting from unfavorable weather conditions which took place in the second half of 2010, mainly in Russia and Ukraine where disastrous drought led to a significant decrease in crop yields, wheat in particular. Moreover, unfavorable weather conditions in other regions of the world resulted in decreased production of certain agricultural goods, including rice, cotton and locally grown vegetables in the southern and south-eastern regions of Asia, corn in the United States and sugar in India.

Another factor affecting the increase in global food prices was related to the exports limitations introduced in Russia and Ukraine, which resulted in lowering of supply of agricultural and food products. In Russia, food prices in 2010 increased by 13%. As an effect of the bad crops disaster caused by drought, Russian authorities decided to introduce crop exports embargo in August 2010. Initially, the embargo was to remain in force until the end of the year; eventually, it lasted until July 1st 2011. In Ukraine, in fall of 2010, crop exports quotas were introduced. Similarly to the Russian embargo, the quotas were to last until the end of 2010, but eventually remained in force until July 1st 2011.

In 2010, significant exchange rate fluctuations were observed for two main currencies: the Euro and dollar. In the first half of 2010, the tendency to weaken the rate of Euro in relation to USD – which began in late 2009 – continued. In June 2010, the lowest rate of Euro since March 2006 (when it amounted to USD 1.2023) was recorded and amounted to USD 1.2217. Although during the following months the exchange rate of Euro began to strengthen visibly (until October 2010, when it began to lose value again), it never reached a level which would allow for a compensation for the decrease in value observed during the first six months of the year. As a result, in 2010 in total Euro was 4.8% weaker than in the preceding year. Since early 2011, the European currency displays an upward tendency. In June 2011, EUR 1 was worth USD 1.4386, which made it 7.7% stronger than in the beginning of the year.

Whereas in 2010 USD became stronger in relation to EUR, it became weaker in relation to other currencies, including Asian market currencies such as yuan, yen, won, as well as real in Brazil.

Among the currencies listed above, the most stable was the Chinese yuan (second year in a row), which in the scale of the entire year was only 1% stronger than in 2009. Its real appreciation, however, proceeded at a much faster pace, which resulted from the relatively high level of inflation in China.

The rate of the Japanese yen in relation to US dollar strengthened nominally by nearly 7%, although its real growth was significantly lower and amounted to less than 1%. This means that the value of yen as recorded in 2010 does not have a negative impact on the competitiveness of Japanese products in the global market.

The Brazilian real and Korean won also experienced significant appreciation in 2010. In relation to the US dollar, they gained nominal strength of 12% and 10% respectively. This growth was – unlike in the case of the Japanese yen – accompanied by significant increases in real value, by 15% and 9% respectively. This indicates the possibility of decrease in price competitiveness of goods from Brazil and Korea in relation to foreign markets (prices for products from these countries may become higher).

1.1.3. Situation in global trade

1.1.3.1. Commodities turnover volume in 2010

In 2009, foreign trade was the main channel of crisis transmission from one economy to another. In 2010, it became one of the most important factors of the post-crisis revival.

Following the severe breakdown in the volume of global trade in goods and services in 2009 (by nearly 11%), in 2010 (according to the IMF data) a dynamic increase in global trade – by 12.4% – was recorded. One reason for the high sensitivity of global trade exchange to market fluctuations, i.e. its tendency to breakdown during economic crashes and quickly recover during periods of boom, is the development of global supply and cooperation ties under production processes. This situation means that, during the production process, goods cross state borders repeatedly, which in turn significantly expands the scale of exchange when compared against the previous decades, when the scope of such ties was decidedly narrower. It is estimated that the influence of this situation is currently significant, particularly taking into account the fact that the share of goods produced by means of the aforementioned ties (durable goods, industrial machines etc.) in global commodities turnover is decisively greater than their share in the global GDP, which to a large extent translates to greater fluctuations in trade turnover as compared against fluctuations in GDP. According to WTO estimates, medium annual growth pace of global exports volume in 2000-2008 amounted to approx. 6% and was almost twice higher than the average growth pace of global product in the same period.

The disproportion between the pace of growth in these two categories – according to IMF data – in 2009 (crash of the global goods and services trade volume by 10.8% and of the GDP by 0.5%) and 2010 (increase in trade volume by 12.4% and in GDP by 5.1%) turned out to have been higher than in any other year in the last decade.

Similarly to GDP increase, revival of trade turnover in 2010 was quite visible in developing economies, where a growth in exports volume by 12.8% was recorded, and a bit slower in developed economies (growth by 12.3%).

The volume of global commodities trade (according to data by the WTO), following the 2009 decrease by 12%, increased in 2010 by 14.5%, whereas its decrease in the crisis year was significantly smaller among developing economies (7.8% compared against 15.1% in developed countries), and the pace of growth in 2010 was higher than in the case of developed economies (16.7% in developing countries, 12.9% in developed countries).

Table 3 Changes in global trade turnover (goods and services) in the years 2009-2012

	2009	2010	2011*	2012*
World	**-10.8**	**12.4**	**8.2**	**6.7**
Exports				
Advanced economies	-12.0	12.3	6.8	6.1
Emerging and developing economies	-7.9	12.8	11.2	8.3
Imports				
Advanced economies	-12.5	11.6	6.0	5.1
Emerging and developing economies	-7.9	13.7	12.1	9.0

** forecast*
Source: Analyses and Forecasting Department of the Ministry of Economy on the basis of data of IMF of July 2011.

The revival in global trade observed in the fourth quarter of 2009 and in 2010 was often transitory in nature, also due to the necessity of restocking (which was the case for Polish economy, among others) or periodical support under governmental programmes.

Gradual extinction of the aforementioned factors in 2010 meant slowing down of the process of global trade growth. As a result, the high rate of global exports growth in the first quarter of 2010 slowed down to less than 2% in the third quarter. Although in late 2010 and early 2011 another wave of exchange revival was recorded, the fluctuations which we can now observe suggest that global trade has not yet entered the path of dynamic growth which could be comparable to the long-term upward trend from before the crisis, when an average annual growth rate amounted to 7%.

Since about 2005, global trade expresses a new tendency to increase trade exchange between developing markets and thus increase the significance of certain markets from this group in relation to other developing markets. An example of this trend is the growing significance of China as an exports market to all developing countries. During the recent years, the exchange of goods and services between China and markets of the Sub-Saharan Africa has increased significantly, together with the inflow of Chinese investments in these markets. In the course of the past ten years, such investments exceeded USD 200 billion and were mainly focused on infrastructural projects, in particular construction of roads (approx. 60 thousand kilometers) and power plants (3.5 thousand MW total power).

An important driving force of the post-crisis revival in global trade was the dynamic growth in imports demand, particularly investment demand in developing markets (except for Russia), supported by various governmental programmes. The breakdown of demand for such goods during the crisis was particularly severe (decrease by approx. 30%, whereas the decrease in imports of other goods decreased by approx. 20%). This increased demand for investment goods and other durable goods during the crisis-overcoming period was met by a quick and adequate supply reaction from developed economies, particularly interested in the exports of such goods and able to finance their sale by means of loans and credits. According to data for 2010, exports of capital goods within the Eurozone developed at the rate of approx. 12%, which meant several percentage points faster than in the case of consumption goods. In Japan, the increase of this type of exports in the first half of 2010 amounted to approx. 40%, which meant it was twice quicker than in the case of consumption goods. A similar tendency was also displayed by the US exports.

Table 4 Changes of GDP and global merchandise trade turnover by region in the years 2008-2010

	GDP			Exports			Imports		
	2008	2009	2010	2008	2009	2010	2008	2009	2010
World	1.4	-2.4	3.6	2.2	-12.0	14.5	2.2	-12.8	13.5
North America	0.1	-2.8	3.0	2.1	-14.8	15.0	-2.4	-16.7	15.7
United States	0.0	-2.6	2.8	5.8	-14.0	15.4	-3.7	-16.4	14.8
South and Central America	5.1	-0.2	5.8	0.8	-7.9	6.2	13.2	-16.3	22.7
Europe	0.5	-4.0	1.9	0.2	-14.1	10.8	-0.6	-14.2	9.4
European Union	0.5	-4.2	1.8	0.0	-14.5	11.4	-0.9	-14.2	9.2
Commonwealth of Independent States	5.5	-7.1	4.3	2.0	-5.2	10.1	16.4	-25.6	20.6
Africa	4.8	2.1	4.7	1.2	-4.2	6.5	14.6	-5.0	7.0
Middle East	5.3	0.8	3.8	3.5	-4.3	9.5	14.2	-7.8	7.5
Asia	2.8	-0.2	6.3	5.5	-11.2	23.1	4.7	-7.5	17.6
China	9.6	9.1	10.3	8.5	-10.5	28.4	3.8	2.9	22.1
Japan	-1.2	-6.3	3.9	2.2	-24.8	27.5	-1.0	-12.2	10.0
India	6.4	5.7	9.7	14.4	-6.8	19.9	17.3	-1.0	11.2
Newly industrialized Asian economies*	1.9	-0.8	7.7	4.9	-5.7	21.3	3.5	-11.4	18.0

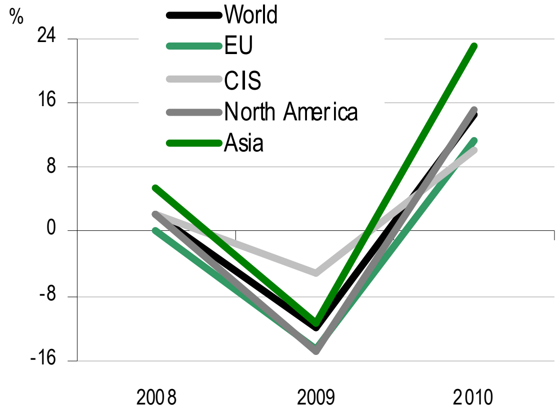
** Hong Kong, Republic of Korea, Singapore and Taipei*
Source: Analyses and Forecasting Department of the Ministry of Economy on the basis of data of WTO of July 2011.

The increase in capital goods exports had significantly influenced the economic revival in developed countries, which in turn resulted in global growth revival. In 2010, less developed countries benefited from increased prices and raw materials demand, including demand for metals.

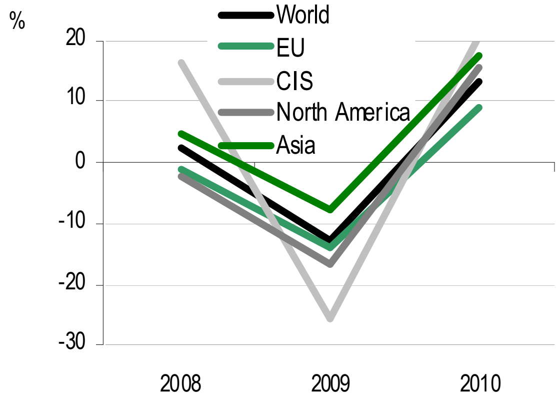
Also trade in services became significantly increased in 2010. This type of trade, being more sensitive to crisis shocks than trade in commodities and comprising approx. 20% of global trade turnover, decreased in 2009 by 12% (according to WTO data). The most severe drops were recorded for financial, transport, construction, personal and leisure services. In spite of the crisis breakdown in its services sector, the leading position in the global services market is still held by the United States (whose share in the global services market amounts to 14%). It is estimated that the pre-crisis scale of services exchange has generally been reconstructed. Tourist services comprise a significant part of general services trade income, particularly in developing economies. According to the World Tourism Organization (UNWTO), the volume of international tourist visits, following its decrease by over 4% in 2009, increased by 7% in 2010. However, the growth rate of tourism income is slower, which results from lowered prices of services and shortened time of holiday stays.

Chart 1 Changes in commodities turnover volume in selected countries and groups of countries

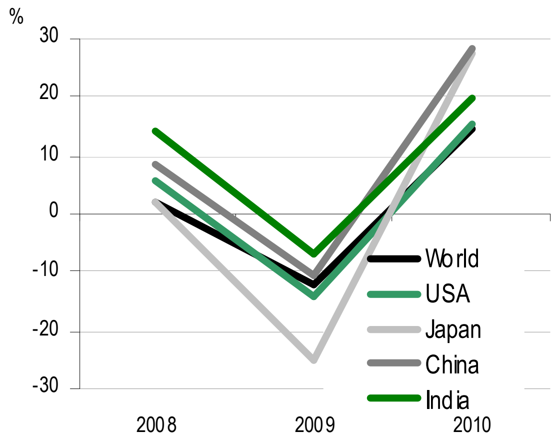
Changes in exports volume



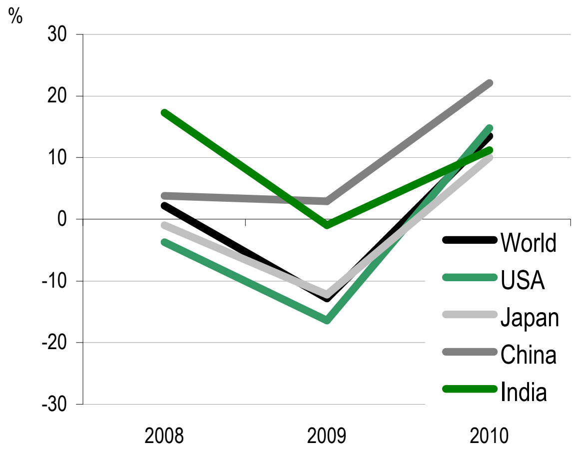
Changes in imports volume



Changes in exports volume



Changes in imports volume



Source: Analyses and Forecasting Department of the Ministry of Economy on the basis of data of WTO of July 2011.

The most dynamic increase in exports volume in 2010 was recorded in Asian markets – by 23.1%, compared against the 2009 decrease by 11.2%. Imports to this region increased by 17.6%, whereas the year before it had decreased by 7.5%. The fastest growing country of this group in terms of exports is China (increase by 28.4%), closely followed by Japan (27.5%). The breakdown of Japanese exports during the crisis turned out to have been very deep – its volume decreased by as much as 24.8%. What should also be mentioned is the relatively fast pace of exports growth in newly-industrialized Asian countries (by 21.3%), in particular when compared against its relatively mild decrease during the crisis (by 5.7%).

The slowest pace of growth in exports volume was displayed by Central and South Americas (by 6.2%) and Africa (by 6.5%). However, these parts of the world also displayed relatively mild drops in 2009 – their exports had decreased by 7.9% and 4.2% respectively.

The biggest growth rate in imports in 2010 was recorded for South and Central Americas and the Commonwealth of Independent States – by 22.7% and 20.6% respectively. The volume of imports to the Americas had decreased during the crisis by 16.3% (which was 3.5 p.p. more than the total decrease), whereas imports to the CIS during the crisis had dropped by as much as 25.6%, which meant it had been twice deeper than the global crash in commodities imports. Another dynamic increase in imports was observed in China (by 22.1%).

Low rate of imports volume increase in 2010 was recorded in Africa (by 7%) and Middle East (by 7.5%). However, these regions had experienced much milder imports drops in 2009 than global imports markets in total – decrease in imports for those countries had amounted to 5% and 7.8% respectively.

1.1.3.2. Global commodities turnover in current USD-denominated prices

In 2010, the value of global commodities turnover expressed in USD increased at a faster pace than the turnover volume, which was caused mainly by the increasing level of global prices of goods. For commodities exports, a growth by 22% was recorded (from USD 12.5 billion to USD 15.2 billion)[1] – compared against the decrease by 23% in 2009. The global commodities imports increased by 21% in 2010, compared against the decrease by 23% during the crisis period.

Value of commodities exports in developed countries in 2010 increased by 16% (from USD 7 billion to USD 8.2 billion). North America's exports, amounting to 13% of global exports, increased by 23% (to nearly USD 2 billion), compared against its decrease by 21% in 2009. Imports of commodities to this region increased last year at a similar rate (compared against the 2009 crash by 25%) to approx. USD 2.7 billion, and its share in total global exports amounted to approx. 18%. An increase by 21% (to almost USD 1.3 billion) was recorded in the turnover of the US economy, dominant in this part of the world, and an increase in 23% was observed in its imports (to nearly USD 2 billion).

In Europe, the increase in commodities turnover in 2010 was significantly slower than in other regions – exports increased by 12%, compared against the decrease by 22% the year before, whereas imports increased by 13%, compared against the decrease by 25% during the crisis. European exports of commodities achieved the level of approx. USD 5.6 billion in 2010, comprising nearly 38% of global exports, whereas imports reached the level of approx. USD 5.8 billion, comprising nearly 39% of global imports. The main European economy, Germany, recorded a somewhat faster pace of growth in foreign exchange: an increase in exports by 13%, compared against the 2009 drop by 23%, and an increase in imports by 15%, compared against the drop by 22%. A much slower recuperation of trade took place in France, where exports in 2010 increased by only 7%, against the background of the 21% decrease in 2009, and imports increased by 8%, compared against the 22% drop during the crisis.

A decidedly faster pace of growth in commodities turnover in 2010 was observed in developing countries. The region which displayed the greatest dynamics in exchange – and the greatest trade breakdown during the crisis – was the Commonwealth of Independent States, where exports increased by 30%, and imports by 24% (compared against the 2009 drops by 36% and 33%, respectively). The share of CIS markets in global exports amounted to 4% in 2010 (USD billion 855), and 2.8% in global imports (USD 484 billion). The largest economy within this group of countries, Russia, recorded a growth in exports by 32% (to USD 400 billion) and an increase in imports by 30% (to USD 248 billion), compared against the 2009 drops by 36% and 34% respectively.

Trade exchange in Asian countries in 2010 reached the level of USD 4.7 billion in exports and USD 4.5 billion in imports, which amounted to 32% of global exports and 30% of global imports. In 2010, a dynamic increase in this region's turnover was recorded – exports from Asian economies increased by 31%, and imports to these economies increased by 32%. It is worth mentioning that during the crisis period for commodities turnover in 2009, this region recorded relatively lowest drops of commodities exchange. Exports from Asia decreased by 18%, and imports – by 20% in 2009. The largest economy within this region, China, recorded a growth in exports by 31% (to USD 1.6 billion) and an increase in

[1] The data includes the value of re-exports and imports for re-exports.

imports by 39% (to nearly USD 1.4 billion), compared against the relatively mild 2009 drops in this country by 16% for exports and 11% for imports.

Table 5 Changes of world merchandise trade by region and selected economies in the years 2005-2010 (billion dollars and percentage)

	Exports					Imports				
	2010	2005-2010	2008	2009	2010	2010	2005-2010	2008	2009	2010
	USD bln	in %				USD bln	in %			
World	14,855	8	15	-23	22	15,050	7	16	-23	21
North America	1,964	6	11	-21	23	2,681	3	8	-25	23
United States	1,278	7	12	-18	21	1,968	3	7	-26	23
Canada	387	1	9	-31	22	402	4	7	-21	22
Mexico	298	7	7	-21	30	311	6	10	-24	29
South and Central America	575	10	21	-24	25	576	14	30	-26	30
Brazil	202	11	23	-23	32	191	20	44	-27	43
Other	373	9	20	-25	22	385	12	25	-25	24
Europe	5,626	5	12	-22	12	5,841	5	13	-25	13
European Union	5,147	5	11	-22	12	5,337	5	12	-25	12
Germany	1,269	5	9	-23	13	1,067	7	12	-22	15
France	521	2	10	-21	7	606	4	13	-22	8
The Netherlands	572	7	13	-22	15	517	7	18	-24	17
United Kingom	405	1	5	-23	15	558	2	2	-24	15
Italy	448	4	9	-25	10	484	5	10	-26	17
CIS	588	11	35	-36	30	414	14	32	-33	24
Russia	400	10	33	-36	32	248	15	31	-34	30
Africa	500	10	29	-30	28	463	13	28	-15	14
South Africa	82	10	16	-24	33	94	9	14	-27	29
Other	418	10	31	-31	28	369	14	33	-12	11
Oil exporters*	277	9	34	-38	31	138	14	39	-9	4
Other	141	12	24	-14	21	231	13	29	-14	15
Middle East	916	11	34	-31	30	572	11	28	-15	13
Asia**	4,685	11	15	-18	31	4,503	11	21	-20	32
China	1,578	16	17	-16	31	1,395	16	18	-11	39
Japan	770	5	9	-26	33	693	6	23	-28	25
India	216	17	30	-15	31	323	18	40	-20	25
Newly industrialized Asian economies***	1,111	9	10	-17	30	1,103	9	17	-24	33

** Algeria, Angola, Cameroon, Chad, Congo, Equatorial Guinea, Gabon, Libya, Nigeria, Sudan*
*** Asia, including Australia and Pacific*
**** Hong Kong, Republic of Korea, Singapore and Taipei*
Source: Analyses and Forecasting Department of the Ministry of Economy on the basis of data of WTO of July 2011.

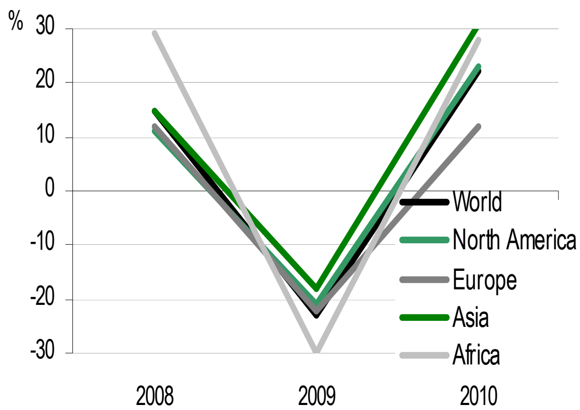
The turnover in Central and South Americas in 2010 displayed a somewhat slower increase, including a 25% growth in exports (drop by 24% in the crisis year 2009) and a 30% growth in imports (against the 26% decrease the year before). The region's share in global exchange amounted to approx. 4% for both exports (USD 575 billion) and imports (USD 576 billion). Trade in Brazil increased at a rate which exceeded the average pace for the countries of this region. The country's exports value was 32% higher than the year before, whereas the value of imports was 43% higher. At the same time, the downfall in Brazilian trade in 2009 was similar to the average level of decrease in the entire region: Brazilian exports decreased by 23%, and imports – by 27%.

The largest global exporter of commodities was China, whose share in global exports amounted to 10.4% (nearly USD 1.6 billion), closely followed by the United States and Germany, whose exports amounted to 8.4% and 8.3% respectively (approx. USD 1.3 billion each). It is worth mentioning that, back in 2008, Germany was the leader in global exports, whereas in 2009 this position was taken over by China. In 2010, Germany became the third global exporter, with the first two spots taken by China and the United States.

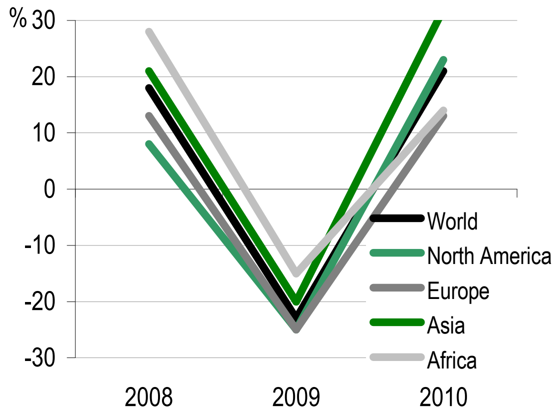
The global leader in imports in 2010 was the United States, whose share in global imports amounted to 12.8% (approx. USD 2 billion). The US was followed by China and Germany, whose shares amounted to 9.1% (USD 1.4 billion) and 6.9% (nearly USD 1.1 billion) respectively.

Chart 2 Changes in commodities turnover in selected countries and groups of countries (in USD)

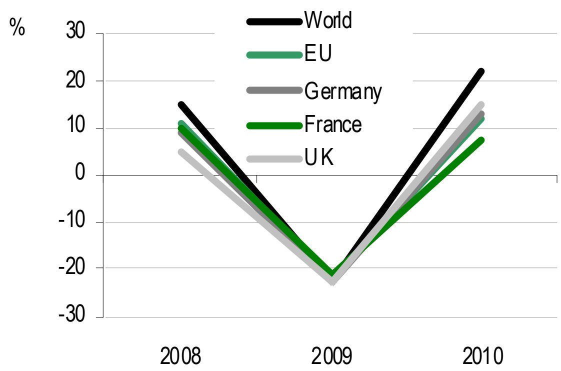
Changes in exports per continents



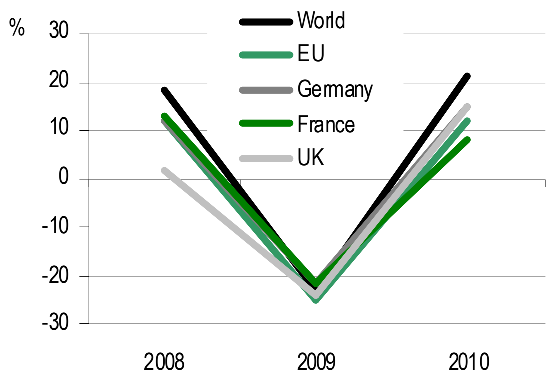
Changes in imports per continents



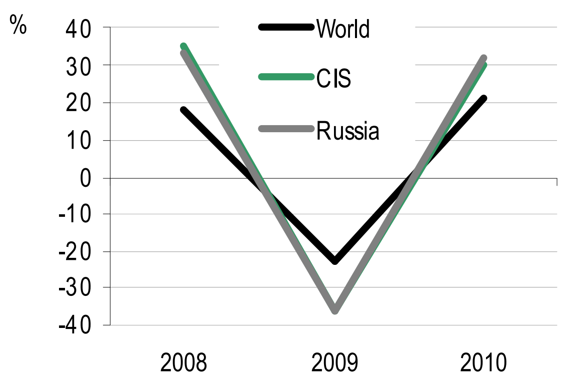
Changes in exports in the EU



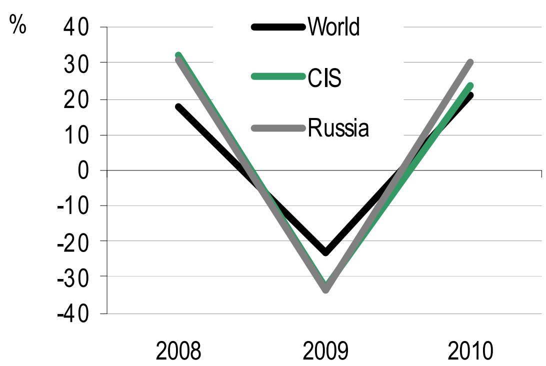
Changes in imports in the EU



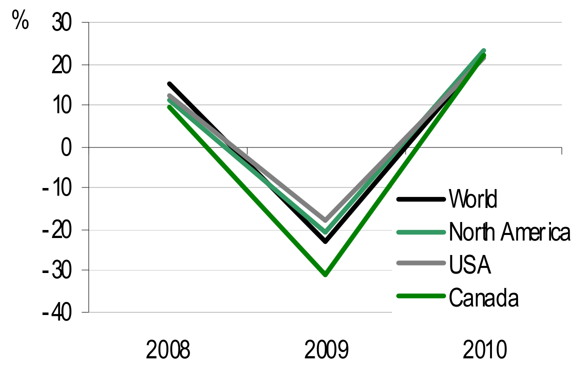
Changes in exports in the CIS



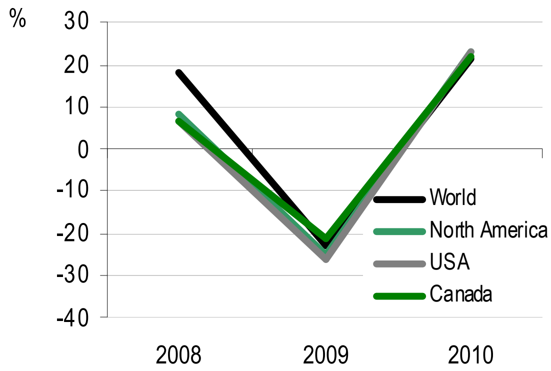
Changes in imports in the CIS



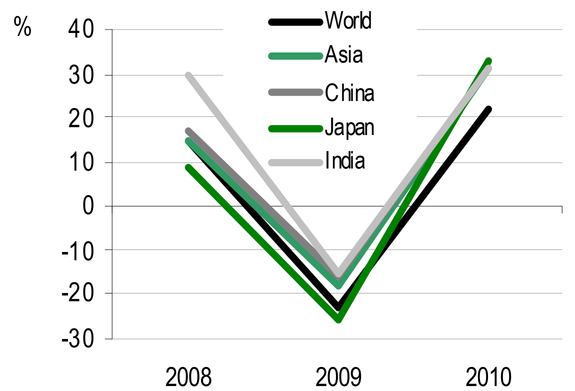
Changes in exports in North America



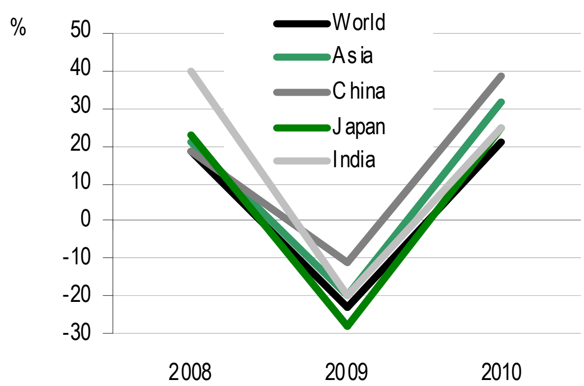
Changes in imports in North America



Changes in exports in Asia



Changes in imports in Asia



Source: Analyses and Forecasting Department of the Ministry of Economy on the basis of data of WTO of July 2011.

The increase in global services trade was much slower than the one in commodities exchange – the global exports of services increased by 8% (from USD 3.4 billion to USD 3.7 billion); however, the breakdown of services exports (by 12%) in 2009 was much milder (10% slower) than of commodities exports. The fastest growth rate was recorded for transport services exports which increased by 14% (however, in 2009 it decreased by as much as 23%).

When we look at particular regions of the world, the greatest share in the global services trade belongs to Europe, whose share in global services exports amounted to 47% in 2010 (over USD 1.7 billion), and share in imports – to 43% (USD 1.5 billion). In terms of particular economies, the world leader in services exchange is the United States, which comprised 14.1% of global services exports (USD 515 billion) and 10.2% of imports (USD 358 billion). The second spot in the global services exchange is taken by Germany, whose share in exports is 6.3% (USD 230 billion), and in imports – 7.3% (USD 256 billion).

In 2010, the significance of China in services exchange increased – the country became the fourth largest exporter of services (with a share of 4.6%, i.e. USD 170 billion) and the third largest importer (5.5%, i.e. USD 192 billion). In 2009, however, China's global share was 3.9% in exports and 5.1% in imports, which made it the 5th largest exporter and 4th largest importer of services worldwide.

In 2010, Poland was the 30th largest exporter in the world, with 0.9% share (approx. USD 32 billion) in global exports, and the 32nd largest importer – 0.8%, i.e. USD 27 bln.

Table 6 Leading exporters and importers in world merchandise trade in 2010

	Exporters	Value	Share	Annual change		Importers	Value	Share	Annual change
		USD bln	in %				USD bln	in %	
1	China	1,578	10.4	31	1	United States	1,968	12.8	23
2	United States	1,278	8.4	21	2	China	1,395	9.1	39
3	Germany	1,269	8.3	13	3	Germany	1,067	6.9	15
4	Japan	770	5.1	33	4	Japan	693	4.5	25
5	The Netherlands	572	3.8	15	5	France	606	3.9	8
6	France	521	3.4	7	6	United Kingdom	558	3.6	15
7	Republic of Korea	466	3.1	28	7	The Netherlands	517	3.4	17
8	Italy	448	2.9	10	8	Italy	484	3.1	17
9	Belgium	411	2.7	11	9	Hong Kong	442	2.9	25
10	United Kingdom	405	2.7	15	10	Republic of Korea	425	2.8	32
11	Hong Kong	401	2.6	22	11	Canada	402	2.6	22
12	Russia	400	2.6	32	12	Belgium	390	2.5	11
13	Canada	387	2.5	22	13	India	323	2.1	25
14	Singapore	352	2.3	30	14	Spain	312	2.0	6
15	Mexico	298	2.0	30	15	Singapore	311	2.0	26
16	Taipei	275	1.8	35	16	Mexico	311	2.0	29
17	Kingdom of Saudi Arabia	254	1.7	32	17	Taipei	251	1.6	44
18	Spain	245	1.6	8	18	Russia	248	1.6	30
19	United Arab Emirates	235	1.5	27	19	Australia	202	1.3	22
20	India	216	1.4	31	20	Brazil	191	1.2	43
21	Australia	212	1.4	38	21	Turkey	185	1.2	32
22	Brazil	202	1.3	32	22	Thailand	182	1.2	36
23	Malaysia	199	1.3	26	23	Switzerland	176	1.1	13
24	Switzerland	195	1.3	13	24	Poland	174	1.1	13
25	Thailand	195	1.3	28	25	United Arab Emirates	170	1.1	13
26	Sweden	158	1.0	21	26	Malaysia	165	1.1	33
27	Indonesia	158	1.0	32	27	Austria	159	1.0	11
28	Poland	156	1.0	14	28	Sweden	148	1.0	23
29	Austria	152	1.0	11	29	Indonesia	132	0.9	46
30	Czech Republic	133	0.9	18	30	Czech Republic	126	0.8	20
	Total of above	**12,541**	**82.3**			Total of above	**12,712**	**82.7**	
	World*	**15,238**	**100.0**	**22**		World	**15,376**	**100.0**	**21**

** includes significant re-exports or imports for re-exports*

Source: Analyses and Forecasting Department of the Ministry of Economy on the basis of data of WTO of July 2011.

1.1.4. Development prospects for global economy and selected markets

Forecasts by various international organizations indicate that, in 2011, global economy will continue to grow, however slower than in 2010. According to the report by OECD experts (as of May 2011), global economy will increase by 4.2% in 2011, and by 4.6% in 2012. The revival of most economies began earlier than originally predicted, which is indicated by higher GDP rates presented in the May report (when compared against the report of November 2010). An exception from this rule is Japan, whose GDP rate dropped significantly as a result of the earthquake and tsunami.

According to the OECD, countries of the Eurozone will develop significantly slower than the average, i.e. at a pace of approx. 2% in 2011-2012. This is predominantly the result of debt crisis and continuing disproportion among certain countries of the region.

Moreover, OECD experts warn that the growing debt of many countries may become an inhibiting factor for their economic development. According to the 2011 forecasts, public debt in the Eurozone will amount to 95.6%, in USA to 101.1%, and in Japan to 212.7%; whereas in 2012 it will increase further to 96.5%, 107% and 218.7% respectively.

Table 7 Changes in the global GDP and world trade in the years 2008-2012

	2008	2009	2010	2011*	2012*
World real GDP growth	2.6	-1.0	4.9	4.2	4.6
World real trade growth	3.1	-10.8	12.5	8.1	8.4

** forecast*
Source: Analyses and Forecasting Department of the Ministry of Economy on the basis of data of OECD of May 2011.

Table 8 The growth rate of global exports volume in Q3 2010 – Q4 2012 (compared to the same quarters of previous years; adjusted for seasonal factors)

2010		2011*				2012*			
Q3	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**
8.7	5.0	9.1	6.0	9.0	8.6	8.4	8.4	8.5	8.5

** forecast*
Source: Analyses and Forecasting Department of the Ministry of Economy on the basis of data of OECD of May 2011.

In the **United States,** upward tendency for GDP is predicted to occur in the third quarter of 2011. As a result, the country's economic growth will amount to 2.6% in 2011 and to 3,1% in 2012. A significant factor of the country's economic revival will be private consumption expenditures (comprising approx. 70% of American GDP), which are estimated to increase by approx. 2.9%.

Japan's economic growth in the nearest years seems to be particularly uncertain. The great earthquake and tsunami, which took place in March 2011, caused the greatest disaster in post-war Japan history, immediately resulting in production decrease. However, in spite of gigantic level of destruction, it is estimated that – due to efficient organization and high social mobilization – a significant revival can be expected in the second half of 2011, especially in the construction and industrial production sectors. At the same time, it is quite probable that, both in 2011 and 2012, a serious deflationary pressure will continue, as well as unemployment at a rate even higher than before the crisis.

This high level of uncertainty is related, among others, with the difficulty to predict the duration period for limited energy supplies from the Fukushima nuclear power plant, the pace of implementation of governmental expenditures for reconstruction of areas affected by the disaster and the scale and possibilities of financing for future fiscal packages. According to OECD estimates, in 2011 Japan's GDP will drop by 0.9%, and its domestic demand will decrease by 0.6%. Commodities turnover with foreign markets will also slow down dramatically – even more for exports, whose volume increase is predicted to amount to 3.2%, which is 2 p.p. less than the predicted increase in imports volume (5.2%). It is also estimated that Japan economy should return on the path of sustainable growth in 2012, when the country's GDP will increase by 2.2%.

The main risk factors for the **Eurozone's** economic development in both short and medium-term perspective include debt crisis and continuing disproportion among certain countries of the region. According to OECD estimates, in the nearest two years the Eurozone will grow at a moderate pace of approx. 2%; nevertheless, it should be made clear that there will continue to be large disproportions among particular European economies. The driving force of the Eurozone will be Germany, whose GDP is predicted to increase by 3.4% in 2011 and by 2.5% in 2012. On the other hand, certain countries will slow down the development of the entire zone. These countries include Portugal, Ireland, Greece and Spain, who all face a particularly difficult financial situation, and their budget deficits are reaching excessively high levels.

According to IMF estimates, **Chinese economy** will develop quickly in both 2011 and 2012 (at a rate of approx. 9.6%), driven by the increasing demand which will switch from the public to the private sector. Consumption will be supported by rapid increase in new loans, job market improvement and government policy focused on income increase. As for trade exchange between China and other countries, it is estimated that in 2011 the pace of growth of goods and services volume will slow down, particularly for exports, which will increase by less than 16% (i.e. only 1 p.p. faster than the imports volume, which will increase by 15%). Moreover, it is estimated that inflation in China, which amounted to 3.3% in 2010 (and -0.7% the year before) will increase even further – to 5.1% in 2011. This situation is a result of anti-crisis programmes undertaken by the Chinese government. Initially, a significant growth in prices could be observed particularly in the agricultural sector; in time, however, it spread to other sectors, including real estate.

As regards the **Commonwealth of Independent States**, experts expect an economic growth amounting to 5% in 2011, including among the region's most important trade partners for Poland: Russia, Ukraine and Belarus, which will grow by 4.8%, 4.5% and 6.8% respectively. One of the main growth factors for this group of countries is expected to be high prices of energy raw materials. It is estimated that, for Ukraine, the main growth factor in 2011 will be household consumption. Moreover, a dynamic increase in investments (by approx. 12%) is expected, mainly as a result of the preparations for the European Football Championship EURO 2012. Furthermore, analysts predict that the introduction of economic reforms resulting from the fiscal consolidation policy is a sign of Ukraine's entry on the path of stabilization. These reforms are related to the loan package the country received in mid-2010 from IMF, which allows for USD 15.2 billion to be paid out to Ukraine over the period of 2.5 years.

Table 9 Changes in the global trade in selected groups of countries in the years 2008-2012

	2008	2009	2010	2011**	2012**
World	3.1	-10.8	12.5	8.1	8.4
OECD	1.2	-12.2	11.3	6.9	7.5
NAFTA	0.8	-12.8	13.1	6.5	8.6
OECD Asia-Pacific	3.3	-12.7	15.3	6.7	9.3
OECD Europe	1.0	-11.8	9.7	7.1	6.6
Other industrialized Asia*	6.7	-9.7	16.6	9.6	9.4
Rest of the world	7.3	-10.6	8.5	11.8	7.0

** Taipei, Hong Kong, China, Malaysia, Philippines, Singapore, Vietnam, Thailand, India and Indonesia; ** forecast*
Source: Analyses and Forecasting Department of the Ministry of Economy on the basis of data of OECD of May 2011.

1.2. Internal conditions – general situation of polish economy

Following a moderate increase in GDP by 1.6% during the 2009 economic crisis, the year 2010 brought about the development of Polish economy on the level of 3.8%. Polish economy was developing particularly fast in the third and fourth quarters of 2010, by 4.2% and 4.5% respectively. In the first quarter of 2011, Polish GDP increased by 4.4%. In 2010, Poland reached economic growth 2 p.p. higher than the average for the European Union as a whole (1.8%). It should, however, be highlighted, that this result was measured against a positive reference base of 2009.

The increase in economic growth in 2010 was significantly driven by the increase in domestic demand – by 4.4%, following the 2009 decrease by 1.1%. As a result of increasing expenditures of households (individual consumption) and growing activity of enterprises (recovery of stocks), demand became the main driving force of the country's economic growth.

In 2009 external demand was one of the main growth-driving factors; in 2010 the input of foreign turnover balance to GDP turned out to be negative. In 2010, Polish exports grew by 22.6%, and imports increased by 24.8%. Although the recovery of pre-crisis exports value (in 103.6%) took place unexpectedly rapidly, and imports was reconstructed in approx. 94%, the deficit in commodities turnover remained nearly 50% lower than before the crisis and deepened by EUR 4.5 billion, as compared against the 2009 level.

Gross expenditures on fixed assets in 2010 decreased by 1%, which was greatly affected by the significant decrease in investments (by 11.4%) in the first quarter of the year. In the second half of 2010 the situation improved and Polish economy stepped back on the path of slow development (1.6%). Adverse investment data result from the continuing weak investment activity of the private sector. On the other hand, the limitation of the decrease level can be attributed to high gross expenditures on fixed assets in the public sector, infrastructural investments in particular.

Situation in the job market became worse in 2010. In 2009, the unemployment rate amounted to 8.2%, whereas in 2010 it increased to 9.6%.

Inflation measured by the index of consumption goods and services prices in 2010 amounted to 2.6% and turned out to be 0.9 p.p. lower than in 2009. However, in early 2011 – mainly as a result of continuing increase in prices for food products and raw materials, including energy raw materials in particular – the inflation rate increased again, to the level of 4.2% in the first half of 2011.

In 2010, the negative tendencies in Polish public finances continued. The increasing deficit in the sector of governmental institutions and local governments resulted in the increased debt of this sector. State budget deficit in 2010 amounted to 3.2% of GDP, whereas the deficit in the sector of governmental institutions and local governments amounted to 7.9% of GDP (compared against 7.3% in 2009). In late 2010, Polish public debt increased to PLN 747.9 billion, which was PLN 78 billion (or 11.6%) more than in late 2009. The public debt's ratio to GDP amounted to 52.8% in 2010, which meant that the safety threshold as provided in the Act on Public Finances, amounting to 50%, was trespassed. The debt of the sector of governmental institutions and local governments in relation to GDP increased from 50.9% to 54.9%, which meant it managed to stay below the threshold of 60% as provided by the Maastricht Treaty. According to the Ministry of Finance's forecasts for 2011, the deficit and debt of the sector of governmental institutions and local governments will amount to 5.6% and 54.9% of GDP respectively.

A significant detrimental impact of the global economic crisis is exemplified by the inflow of direct foreign investments to Polish economy. According to NBP's preliminary estimates, the inflow of direct foreign investments in 2010 amounted to EUR 6.7 billion and was 28.7% (almost EUR 2.7 billion) lower than in 2009 (and reached the lowest level in Polish history since 2003). In the first half of 2011, the inflow of direct foreign investments to Poland is estimated to amount to nearly EUR 4 billion.

According to prognoses included in budget justification for 2011, GDP will increase by 3.5%. A somewhat higher increase is expected by experts from international organizations and institutions; according to the OECD, Polish economy can be expected to grow by 3.9% this year, whereas according to the IMF – by 3.8%.

2. LONG-TERM CHANGES IN THE COMMODITIES TURNOVER

2.1. Changes during the transformation period

From the beginning of the 1990s, exports rose by 10.7 times, reaching the total level of USD 159.8 billion in 2010, while imports grew 11.5 times, to the total level of USD 178.1 billion. In consequence, the 1991 trade deficit of USD 0.6 billion deepened to USD 18.3 billion in 2010. However, compared to 2008, when the deficit level reached its peak value, it dropped by USD 20.3 billion.

Table 10 Polish foreign trade turnover according to data of the Central Statistical Office in the years 1991-2010

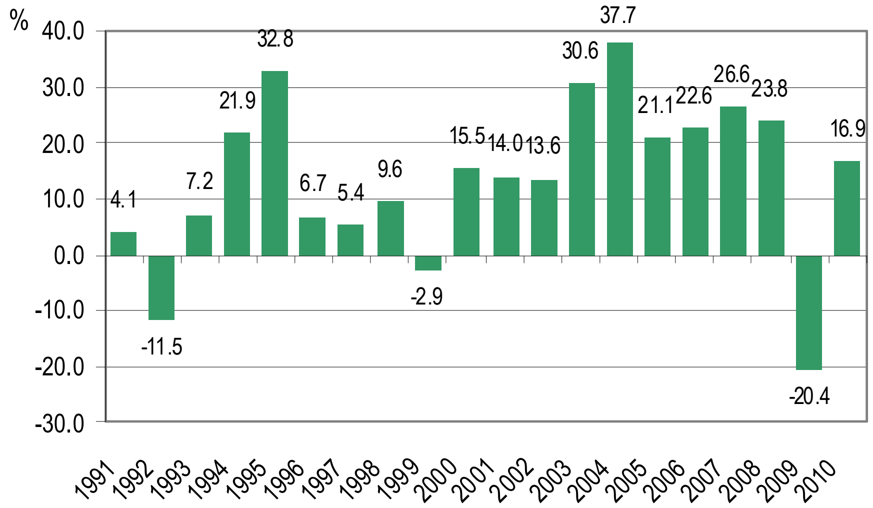
	million USD			previous year = 100		million USD			previous year = 100	
	Exports	Imports	Balance	Exports	Imports	Exports	Imports	Balance	Exports	Imports
1991	14,903	15,522	**-619**	104.1	162.9					
1992	13,187	15,913	**-2,726**	88.5	102.5					
1993	14,143	18,834	**-4,691**	107.2	118.4					
1994	17,240	21,596	**-4,356**	121.9	114.7					
1995	22,895	29,050	**-6,155**	132.8	134.5					
1996	24,440	37,137	**-12,697**	106.7	127.8					
1997	25,751	42,307	**-16,556**	105.4	113.9					
1998	28,229	47,054	**-18,825**	109.6	111.2					
1999	27,407	45,911	**-18,504**	97.1	97.6	25,670	43,050	**-17,381**		
2000	31,651	48,940	**-17,289**	115.5	106.6	34,373	53,085	**-18,711**	133.9	123.3
2001	36,092	50,275	**-14,183**	114.0	102.7	40,195	56,035	**-15,840**	116.9	105.6
2002	41,010	55,113	**-14,103**	113.6	109.6	43,499	58,480	**-14,981**	108.2	104.4
2003	53,577	68,004	**-14,427**	130.6	123.4	47,526	60,354	**-12,827**	109.3	103.2
2004	73,781	88,156	**-14,375**	137.7	129.6	59,698	71,354	**-11,656**	125.6	118.2
2005	89,378	101,539	**-12,161**	121.1	115.2	71,424	81,170	**-9,746**	119.6	113.8
2006	109,584	125,645	**-16,061**	122.6	123.7	87,926	100,784	**-12,858**	123.1	124.2
2007	138,785	164,172	**-25,387**	126.6	130.6	101,838	120,389	**-18,550**	115.8	119.4
2008	171,860	210,479	**-38,619**	123.8	128.2	116,244	142,448	**-26,204**	114.1	118.3
2009	136,641	149,570	**-12,929**	79.6	71.1	98,218	107,529	**-9,311**	84.5	75.5
2010	159,758	178,063	**-18,305**	116.9	119.1	120,373	134,188	**-13,815**	122.6	124.8

Source: Analyses and Forecasting Department of the Ministry of Economy on the basis of data of CSO.

During the analyzed period, the value of exports continued to grow very dynamically – much faster in 2000-2008, when the average annual exports growth rate amounted to 22.8% (compared against 8.1% in the years 1991-1999). Imports rose at the annual pace of 18.8% during the years 2000-2008, while its growth in 1991-1999 amounted to 20.4%. In the year 2009, as the result of the financial crisis, Polish commodities turnover experienced a radical breakdown, much deeper for imports (drop by 28.9%, i.e. USD 60.9 billion) than exports (by 20.4%, i.e. USD 35.1 billion). In 2010, during the recovery period for foreign exchange, faster pace of growth was recorded for imports, which grew by 19.1% (to USD 178.1 billion), whereas exports increased by 16.1%, to the level of USD 159.8 billion.

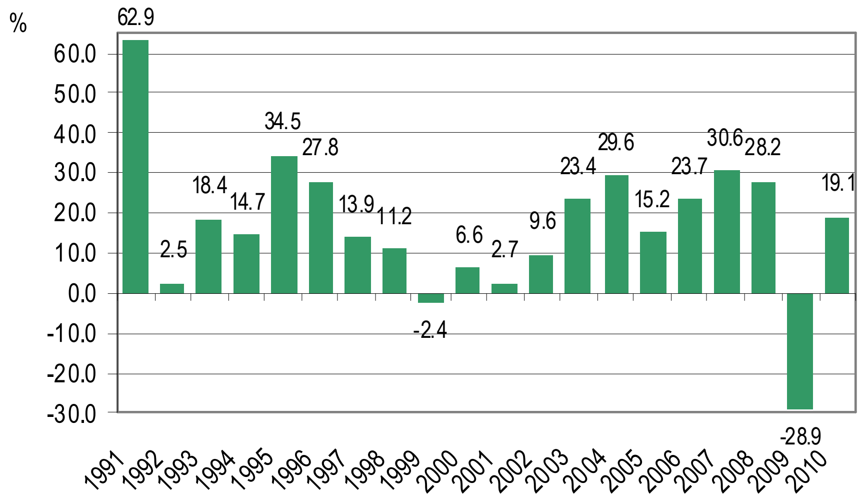
The growth of turnover value measured in the European common currency turned out to be slower than when expressed in US dollars. In 2000-2008, the average annual increase amounted to 18.5% for exports, and 14.5% for imports. The 2009 decrease of commodities exchange, measured in the European common currency, turned out to be less severe than measured in US dollars: the value of exports decreased by 15.5% (i.e. nearly EUR 18 billion), and the value of imports – by 24.5% (i.e. approx. EUR 34.9 billion). The year 2010 brought about a recovery of foreign trade exchange and saw exports increase by 22.6% (to EUR 120.4 billion), and imports grow by 24.8% (to EUR 134.2 billion).

Chart 3 Changes in Polish exports denominated in US dollars, for the years 1991-2010 (in %)



Source: Analyses and Forecasting Department of the Ministry of Economy on the basis of data of CSO.

Chart 4 Changes in Polish imports denominated in US dollars, for the years 1991-2010 (in %)



Source: Analyses and Forecasting Department of the Ministry of Economy on the basis of data of CSO.

2.2. Changes in trade turnover since 2001

In the years 2001-2010, the value of exports nearly tripled, reaching the total level of EUR 120.4 billion (from EUR 40.2 billion in 2001). During the same period, imports increased 2.4 times, to the total of EUR 134.2 billion (from EUR 56 billion in 2001).

The average annual growth of exports in the period under analysis amounted to 14%. During the years 2001-2003 it achieved an average annual increase by 11.5%, and in 2004-2007: by 21%. Year 2008 – due to significant reduction of exports during the year's last two months – brought a slowdown of exports growth to the level of 14.1%, while the crisis year 2009 saw its decline by 15.5%. In 2010, however, when Polish foreign exchange was recovering, the annual exports growth rate increased by 22.6%.

Imports during the indicated period displayed an average yearly growth rate of 10.7%, whereas – similarly to exports – its annual growth was slower during the years 2001-2003 (4.4%) and faster in 2004-2007 (18.9%). In 2008, this growth rate experienced a slowdown to 18.3% due to the economic standstill recorded in the year's fourth quarter. The 2009 crisis breakdown in imports amounted to 24.5%, which was much more than in the case of exports. In 2010, imports increased by 24.8%.

The deficit of commodities exchange, which first was being systematically reduced from EUR 15.8 billion in 2001 to EUR 9.7 billion in 2005, and next deepened dynamically to EUR 26.2 billion in 2008, in 2009 dropped to the record level of that decade and amounted to EUR 9.3 billion. In 2010, the deficit grew deeper by EUR 4.5 billion, to the level of EUR 13.8 billion; nevertheless, it still remained nearly 50% lower than its record 2008 level from before the crisis.

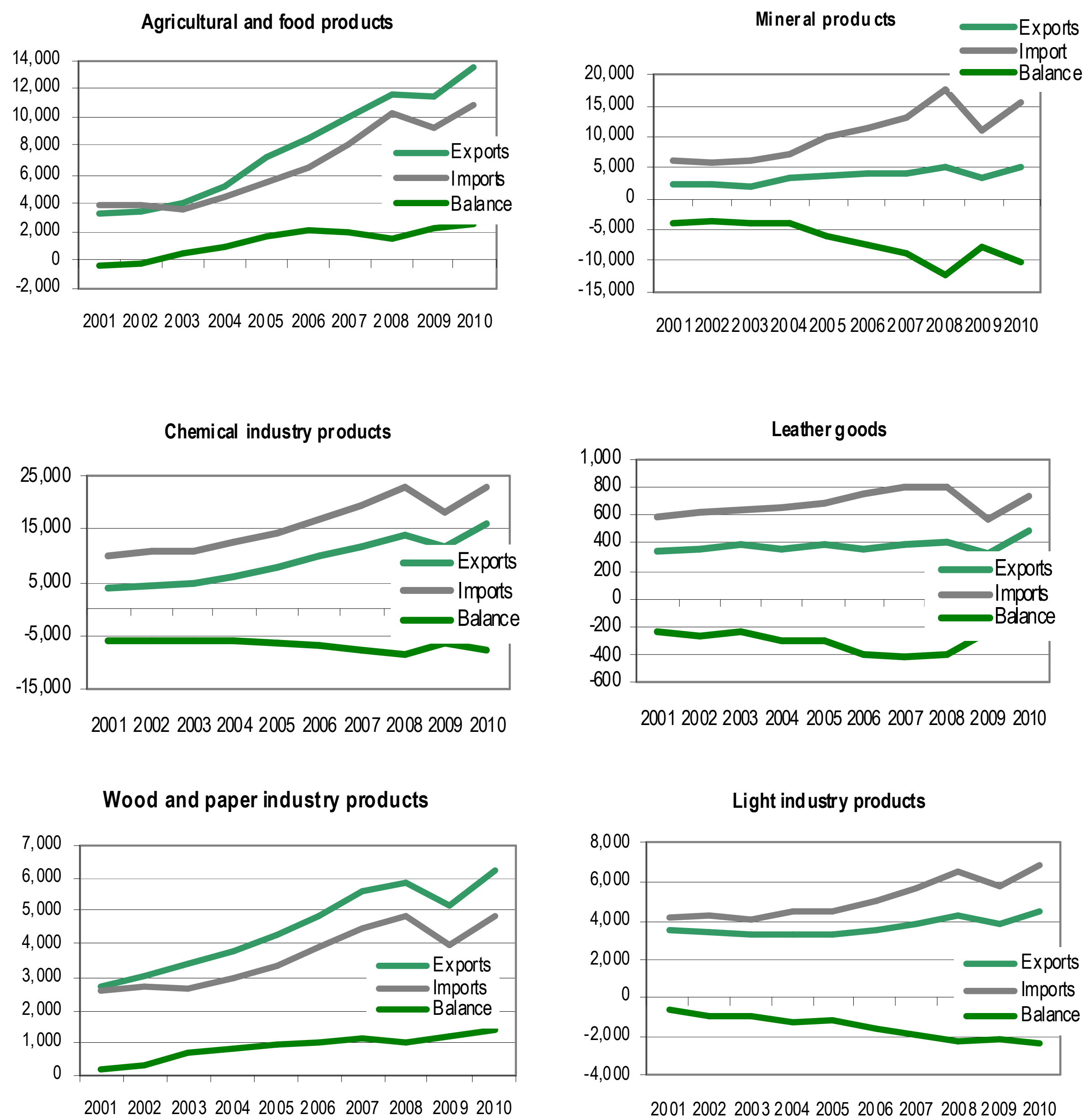
At the same time, important changes occurred in the geographical structure of Polish turnover deficit. In 2001, the overall deficit was dominated by share of developed countries (nearly 56%), including EU members (72.3%). In 2010, however, the overall deficit was determined by the deficit in trade with developing and emerging countries, which amounted to over EUR 25.8 billion. On the other hand, in commercial exchange with the developed markets, in 2010 a surplus was recorded in the amount of EUR 12 billion (versus a deficit of EUR 9.8 billion a year earlier and EUR 2.2 billion in 2008). Of this, the surplus of exchange with the European Union exceeded EUR 15.4 billion (EUR 13.1 billion more than in 2008).

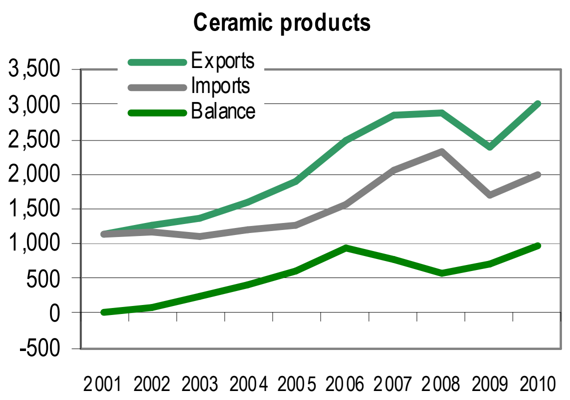
Since 2001, significant changes occurred in the geographical structure of Polish exports. This was largely due to Poland's accession to the European Union. The group of developed countries account for the largest share in the total Polish exports. From 2001 to 2010 this share fell by 2.1 p.p., to the level of 84.9%. Among this group of countries, the largest buyer of Polish goods are the countries of the European Union, including members of the Eurozone. Share of the Eurozone in the Polish exports dropped by 5.5 p.p. in the years 2001-2010, to 55.8%, but the share of the other EU markets rose by 3.4 p.p., to the level of 23.4%. Developing countries increased their share in the Polish exports, from 12.9% in 2001 to 15.1% in 2010. This was a consequence of the increasing share of CIS countries (by 1.3 p.p., to 8.2%) and other developing countries (excluding the CIS; by 0.9 p.p., to the level of 6.9%).

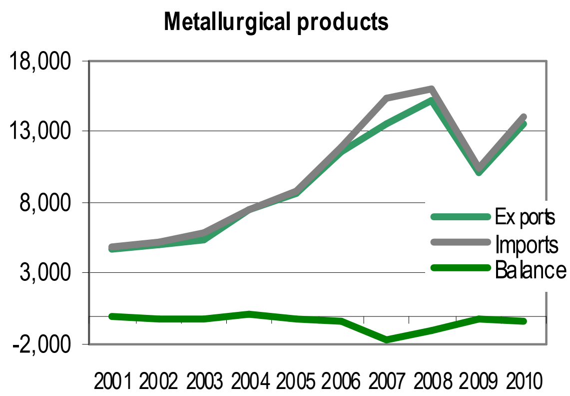
The years 2001-2010 saw significant changes in the commodity structure of Polish exports – specifically, an increased share of relatively highly processed products. In 2001, electromechanical products accounted for about 37% of the overall exports, while in 2010 their share grew to almost 43%. The case was similar for products of the chemical industry, whose share in the total exports from Poland rose from 9.6% in 2001 to 13.1% in 2010. Compared to other commodities groups, the exports of agricultural and food products also underwent a positive change, as its share grew by 2.8 p.p., reaching the level of 11.2% in 2010. On the other hand, the years 2001-2010 saw a decrease in share of light industry products in the Polish exports by 5.1 p.p., to the level of 3.7% in 2010, and the wood and paper products reduced their share by 1.5 p.p., to 5.2% last year.

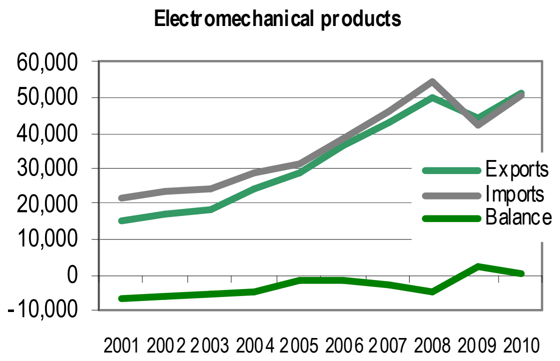
In imports to Poland, the most significant change in the period under analysis was recorded for metallurgy products, whose share grew by 1.8 p.p. to the level of 10.4%, as well as agricultural and food products (growth by 1.4 p.p., to the level of 8.1%). The share of light industry products decreased by 2.3 p.p., reaching the level of 5.1%.

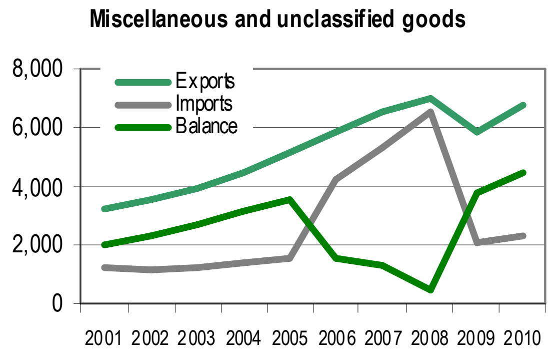
Chart 5 Changes in exchange of commodities aggregated in 10 commodities groups, in EUR million











Source: Analyses and Forecasting Department of the Ministry of Economy on the basis of data of CSO.

3. SCALE AND DYNAMIC OF COMMODITIES TURNOVER IN 2010

3.1 Commodities turnover according to NBP data

In 2010, exports[2] increased by 20.3%, to the level of EUR billion 122.4, which was 1.3% more than in the pre-crisis year of 2008. Imports increased by 22.2%, to the level of EUR 131 billion, which was 7.6% lower than the 2008 level. Therefore, turnover recovery proceeded at a much faster pace in the case of exports. The deficit in commodities turnover, when compared against the previous year, deepened by EUR 3.2 billion, to the level of EUR 8.6 billion; nevertheless, it turned out to be over EUR 12 billion lower than two years before.

Table 11 Polish commodities turnover in the years 2009-2010 in EUR million

Months	2010			same period of past year = 100		2009			same period of past year = 100	
	exports	imports	balance	exports	imports	exports	imports	balance	exports	imports
January	8,504	8,757	-253	112.5	107.2	7,561	8,171	-610	77.4	75.8
February	9,316	9,649	-333	119.9	122.0	7,771	7,909	-138	75.3	68.4
March	10,621	11,331	-710	122.6	124.7	8,661	9,086	-425	85.2	76.2
Q1	28,441	29,737	-1,296	118.5	118.2	23,993	25,166	-1,173	79.3	73.4
April	10,090	10,577	-487	123.8	124.1	8,153	8,526	-373	72.4	66.1
May	10,052	10,774	-722	124.9	130.3	8,046	8,271	-225	80.4	70.6
June	10,677	11,263	-586	126.7	126.1	8,428	8,934	-506	80.0	71.1
Q2	30,819	32,614	-1,795	125.1	126.7	24,627	25,731	-1,104	77.4	69.2
1st half of the year	59,260	62,351	-3,091	121.9	122.5	48,620	50,897	-2,277	78.3	71.2
July	10,162	10,970	-808	119.0	119.5	8,542	9,180	-638	78.5	71.5
August	9,758	10,772	-1,014	125.0	127.1	7,804	8,478	-674	80.5	73.7
September	11,311	11,770	-459	118.5	120.5	9,548	9,768	-220	84.2	73.9
Q3	31,231	33,512	-2,281	120.6	122.2	25,894	27,426	-1,532	81.1	73.0
after 3 quarters	90,491	95,863	-5,372	121.4	122.4	74,514	78,323	-3,809	79.3	71.8
October	11,477	12,121	-644	118.8	118.7	9,664	10,208	-544	89.1	79.3
November	10,804	12,167	-1,363	116.3	124.8	9,293	9,753	-460	101.8	89.3
December	9,700	10,928	-1,228	118.2	123.7	8,203	8,831	-628	115.1	96.1
Q4	31,981	35,216	-3,235	117.8	122.3	27,160	28,792	-1,632	100.2	87.3
Year	**122,472**	**131,079**	**-8,607**	**120.5**	**122.4**	**101,674**	**107,115**	**-5,441**	**84.0**	**75.4**
Monthly average	10,206	10,923	-717			8,473	8,926	-453		

Source: Analyses and Forecasting Department of the Ministry of Economy on the basis of data of National Bank of Poland.

[2] NBP data; the difference between annual data presented in the text and the sum of values of monthly commodities turnover (presented in table 11) results from the fact that calculation was made with other exchange rates – that is, monthly average for monthly data, and quarterly for annual data.

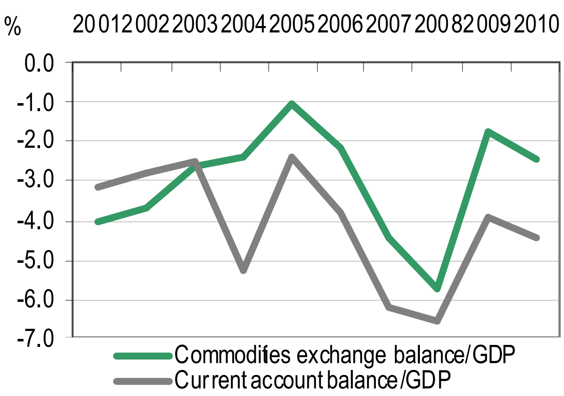
Table 12 Turnover in goods and services and the current account balance, as well as their value *per capita* and in proportion to the GDP in the years 2005-2010

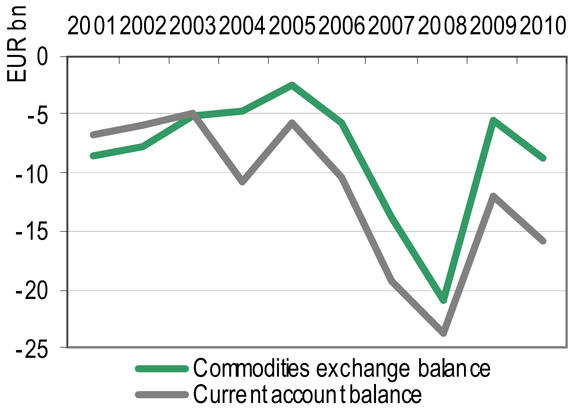
Ratio/ data	2005	2006	2007	2008	2009	2010
in billion PLN						
GDP	983.3	1,060.0	1,176.7	1,275.4	1,343.4	1,415.4
Exports of goods	312.0	363.8	400.2	423.7	439.8	489.0
Imports of goods	322.0	386.5	452.3	497.3	463.2	523.3
Balance of commodities exchange	-10.1	-22.7	-52.1	-73.6	-23.4	-34.3
Exports of services	52.7	63.7	79.3	84.9	89.5	98.0
Imports of services	50.4	61.5	66.4	72.5	74.7	87.5
Balance of services	2.4	2.2	12.9	12.4	14.8	10.5
Exports of goods and services	364.7	427.5	479.5	508.6	529.3	587.0
Imports of goods and services	372.4	448.0	518.7	569.8	537.9	610.8
Balance of goods and services	-7.7	-20.5	-39.2	-61.2	-8.6	-23.8
Current account balance	-23.5	-40.5	-72.6	-83.7	-52.2	-63.3
Proportion to GDP in %						
Exports of goods / GDP	31.7	34.3	34.0	33.2	32.7	34.5
Exports of goods and services / GDP	37.1	40.3	40.8	39.9	39.4	41.5
Imports of goods / GDP	32.8	36.5	38.4	39.0	34.5	37.0
Imports of goods and services / GDP	37.9	42.3	44.1	44.7	40.0	43.2
Balance of commodities exchange/ GDP	-1.0	-2.1	-4.4	-5.8	-1.7	-2.4
Balance of goods and services / GDP	-0.8	-1.9	-3.3	-4.8	-0.6	-1.7
Current account balance/ GDP	-2.4	-3.8	-6.2	-6.6	-3.9	-4.5
***per capita* in thousand PLN**						
Exports of goods per capita	8.2	9.5	10.5	11.0	11.5	12.8
Imports of goods per capita	8.4	10.1	11.7	12.6	12.1	13.7
Exports of goods and services per capita	9.6	11.2	12.6	13.3	13.9	15.4
Imports of goods and services per capita	9.7	11.7	13.5	14.5	14.1	16.0
Current accounts balance per capita	-0.3	-0.8	-1.4	-1.8	-1.4	-1.7
in EUR billion						
GDP	244.4	272.1	311.0	363.2	310.4	354.3
Exports of goods	77.6	93.4	105.9	120.9	101.8	122.4
Imports of goods	80.1	99.2	119.7	141.8	107.2	131.0
Balance of commodities exchange	-2.5	-5.8	-13.8	-20.9	-5.4	-8.6
Exports of services	13.1	16.4	21.0	24.2	20.7	24.5
Imports of services	12.5	15.8	17.6	20.7	17.3	21.9
Balance of services	0.6	0.6	3.4	3.5	3.4	2.6
Exports of goods and services	90.7	109.8	126.9	145.1	122.5	146.9
Imports of goods and services	92.6	115.0	137.3	162.5	124.5	152.9
Balance of goods and services	-1.9	-5.2	-10.4	-17.5	-2.0	-6.0
Current account balance	-5.9	-10.4	-19.2	-23.8	-12.2	-15.9
Proportion to GDP in %						
Exports of goods / GDP	31.7	34.3	34.0	33.3	32.8	34.5
Exports of goods and services / GDP	37.1	40.3	40.8	40.0	39.5	41.5
Imports of goods / GDP	32.8	36.5	38.5	39.1	34.5	37.0
Imports of goods and services / GDP	37.9	42.3	44.1	44.8	40.1	43.2
Balance of commodities exchange/ GDP	-1.0	-2.1	-4.4	-5.8	-1.7	-2.4
Balance of goods and services / GDP	-0.8	-1.9	-3.3	-4.8	-0.6	-1.7
Current account balance/ GDP	-2.4	-3.8	-6.2	-6.6	-3.9	-4.5
***per capita* in thousand EUR**						
Exports of goods per capita	2.0	2.4	2.8	3.1	2.7	3.2
Imports of goods per capita	2.1	2.6	3.1	3.6	2.8	3.4
Exports of goods and services per capita	2.4	2.9	3.3	3.8	3.2	3.8
Imports of goods and services per capita	2.4	3.0	3.6	4.1	3.3	4.0
Current accounts balance per capita	-0.1	-0.2	-0.4	-0.5	-0.3	-0.4

Source: Analyses and Forecasting Department of the Ministry of Economy on the basis of data of National Bank of Poland.

Situation of the current account balance was analogous to the situation of commodities turnover balance: in 2010, a deficit amounting to nearly EUR 15.9 billion was recorded, which was EUR 3.7 billion more than the year before, but also EUR 7.9 billion less than in 2008.

Chart 6 Proportion of the current account balance to the GDP in %





Source: Analyses and Forecasting Department of the Ministry of Economy on the basis of data of the NBP and the Eurostat.

3.2 Commodities turnover according to CSO data

In 2010, Polish **exports of goods expressed in Euro** increased by 22.6%, to the level of EUR 120.4 billion. At the same time, in spite of the export's decrease in the times of crisis (by 15.5%, to the total level of EUR 98.2 billion), it turned out to be 3.6% (i.e. over EUR 4.1 billion) higher than when compared against its pre-crisis level in 2008. On the other hand, the 2010 increase in **imports** (by 24.8%, to the level of EUR 134.2 billion) did not manage to make up for the deep 2009 breakdown by 24.5% (to EUR 107.5 billion) and turned out to be 5.8% (or almost EUR 8.3 billion) lower than in the pre-crisis year. **The deficit in commodities turnover amounted to EUR 13.8 billion in 2010 and, although in 2009 it deepened by EUR 4.5 billion, it still remained nearly 50% lower than before the crisis (EUR 26.2 billion).**

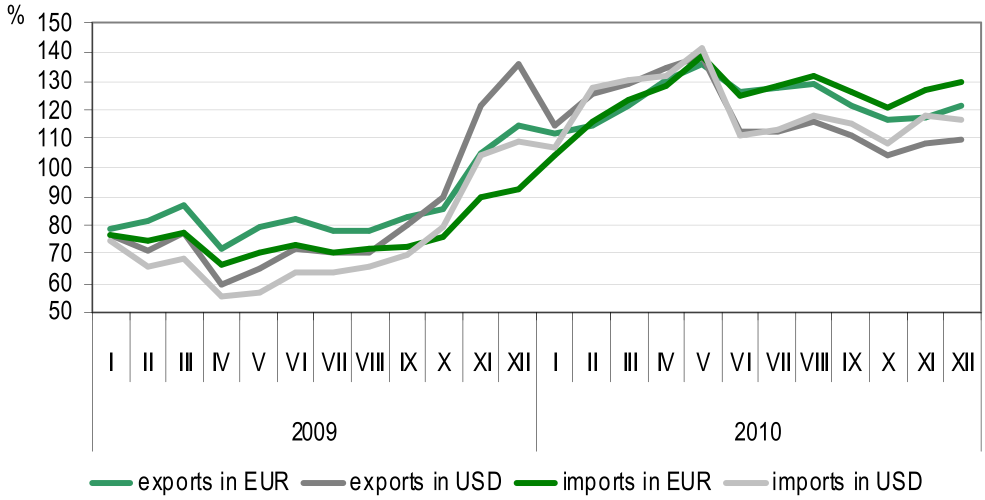
Commodities exchange measured in US dollars grew at a slower pace than turnover expressed in Euro. **Exports expressed in USD** amounted to USD 159.8 billion and turned out to be 16.9% higher than the year before; however, the value of exports as expressed in US dollars was 7% (or USD 12.1 billion) lower when compared against the level from before the crisis. On the other hand, imports expressed in dollars increased by 19.1% to the level of USD 178.1 billion – when compared against the level from before the crisis, it was 15.4% (or USD 32.4 billion) less. The **negative balance in commodities exchange, measured in US dollars**, amounted to USD 18.3 billion in 2010, which meant that, when compared against the 2009 level, it deepened by almost USD 5.4 billion. At the same time, it turned out to be USD 20.3 billion lower than in 2008.

Table 13 Commodities turnover according to CSO data in the years 2009-2010

period	million EUR			dynamics in % same period of past year = 100		million USD			dynamics in % same period of past year = 100	
	exports	imports	balance	exports	imports	exports	imports	balance	exports	imports
January	7,332	8,397	-1,066	79.0	76.7	10,208	11,695	-1,487	76.4	74.2
February	7,899	8,499	-600	80.9	74.1	10,196	10,984	-787	71.6	65.6
March	8,354	9,159	-805	87.3	77.4	10,908	11,959	-1,051	77.0	68.4
Q1	23,585	26,056	-2,471	82.4	76.1	31,312	34,638	-3,326	75.0	69.3
April	7,605	8,366	-762	71.7	66.5	9,906	10,894	-988	59.3	55.0
May	7,623	8,251	-627	79.5	70.2	9,916	10,719	-802	64.8	57.2
June	8,334	9,211	-876	82.6	73.1	11,382	12,581	-1,199	71.7	63.5
Q2	23,562	25,828	-2,265	77.8	69.9	31,204	34,194	-2,990	65.2	58.6
1st half of the year	47,147	51,884	-4,737	80.0	72.9	62,517	68,832	-6,315	69.7	63.5
July	7,847	8,736	-889	78.3	70.5	10,921	12,151	-1,230	69.9	63.0
August	7,181	8,164	-983	77.5	71.7	10,273	11,681	-1,408	70.9	65.4
September	9,222	9,685	-463	83.0	72.6	13,007	13,667	-660	80.2	69.9
Q3	24,249	26,585	-2,335	79.8	71.6	34,202	37,499	-3,298	73.8	66.1
3 quarters	71,396	78,468	-7,072	80.0	72.5	96,718	106,331	-9,613	71.1	64.4
October	9,588	10,290	-703	85.8	76.0	14,181	15,212	-1,032	90.1	79.7
November	9,166	9,825	-659	104.9	89.8	13,703	14,688	-985	121.9	104.1
December	8,068	8,945	-878	114.6	92.6	12,039	13,338	-1,299	135.4	109.2
Q4	26,822	29,061	-2,239	99.5	85.1	39,923	43,238	-3,316	111.3	95.2
year 2009	**98,218**	**107,529**	**-9,311**	**84.5**	**75.5**	**136,641**	**149,570**	**-12,929**	**79.5**	**71.1**
Monthly average	**8,185**	**8,961**	**-776**			**11,387**	**12,464**	**-1,077**		
January	8,205	8,769	-564	111.9	104.4	11,689	12,490	-802	114.5	106.8
February	9,037	9,862	-824	114.4	116.0	12,821	13,992	-1,171	125.7	127.4
March	10,184	11,319	-1,135	121.9	123.6	14,002	15,575	-1,573	128.4	130.2
Q1	27,426	29,950	-2,524	116.3	114.9	38,512	42,057	-3,545	123.0	121.4
April	9,930	10,715	-785	130.6	128.1	13,287	14,346	-1,059	134.1	131.7
May	10,322	11,427	-1,105	135.4	138.5	13,709	15,177	-1,467	138.2	141.6
June	10,528	11,482	-954	126.3	124.7	12,818	13,985	-1,168	112.6	111.2
Q2	30,780	33,624	-2,844	130.6	130.2	39,814	43,508	-3,694	127.6	127.2
1st half of the year	58,207	63,574	-5,367	123.5	122.5	78,326	85,566	-7,239	125.3	124.3
July	10,001	11,193	-1,192	127.4	128.1	12,279	13,742	-1,462	112.4	113.1
August	9,255	10,729	-1,475	128.9	131.4	11,892	13,778	-1,886	115.8	118.0
September	11,220	12,214	-993	121.7	126.1	14,443	15,722	-1,279	111.0	115.0
Q3	30,476	34,136	-3,660	125.7	128.4	38,615	43,242	-4,627	112.9	115.3
3 quarters	88,683	97,710	-9,028	124.2	124.5	116,941	128,808	-11,867	120.9	121.1
October	11,144	12,374	-1,230	116.2	120.2	14,826	16,462	-1,636	104.6	108.2
November	10,718	12,475	-1,757	116.9	127.0	14,819	17,248	-2,429	108.1	117.4
December	9,828	11,629	-1,801	121.8	130.0	13,171	15,545	-2,373	109.4	116.5
Q4	31,690	36,478	-4,788	118.2	125.5	42,817	49,255	-6,438	107.2	113.9
year 2010	**120,373**	**134,188**	**-13,815**	**122.6**	**124.8**	**159,758**	**178,063**	**-18,305**	**116.9**	**119.1**
Monthly average	**10,031**	**11,182**	**-1,151**			**13,313**	**14,839**	**-1,525**		

Source: Analyses and Forecasting Department of the Ministry of Economy on the basis of data of CSO.

Chart 7 Dynamics of exports and imports measured in EUR and US dollar in the years 2009-2010 (in % compared to the same month of the previous year)



Source: Analyses and Forecasting Department of the Ministry of Economy on the basis of data of CSO.

The impact of economic crisis on foreign exchange was recorded since the fourth quarter of 2008, when exports decreased and imports growth rate slowed down significantly. Early 2009 brought about a quicker pace of imports decrease – an average of 9% for the entire year – than the pace of exports drop. At the same time, greater decrease was recorded for turnover expressed in US dollars than that expressed in Euro. The first signs of revival in foreign commodities exchange were observed in the fourth quarter of 2009, when the tendency for more dynamic increase in turnover as expressed in dollars (versus Euro) began. This tendency continued for the whole first half of 2010. Subsequently, in the second half of 2010, a faster pace of growth for turnover expressed in Euro was observed. Moreover, while in the first half of 2010 faster pace of growth was recorded for exports, in the second half of the year it was imports which developed faster. As a result, the increase in imports in 2010 exceeded the growth pace of exports by 2.2 p.p.

4. CHANGES IN THE GEOGRAPHICAL STRUCTURE OF COMMODITIES EXCHANGE

4.1 Changes seen from the continental perspective

In 2010, Polish commodities turnover was still dominated by European countries, although their share continues to display a steady tendency to decrease. During the last three years (2008-2010), the share of Europe in Polish exports decreased from 91.1% in 2008 to 90.2% in 2009 and 89.9% in 2010. Exports from Poland to European countries amounted to EUR 108.2 billion in 2010 and was 22.2% higher than the year before (and 2.2% higher when compared against the pre-crisis level). The share of Europe in imports to Poland has also continued to decrease in the recent years – from 76% in 2008 to 74.2% in 2009 and 73.9% in 2010. In 2010, imports from this region increased by 24.2%, to the level of EUR 99.1 billion; however, it still remained 8.5% lower than in the pre-crisis year 2008. Polish exchange with European countries in the analyzed period recorded a significant improvement of turnover balance: the 2008 deficit amounting to EUR 2.4 billion was transformed into a surplus of EUR 8.7 billion in 2009. In 2010, this surplus increased to nearly EUR 9.1 billion.

Asian countries comprised 5.4% of total exports from Poland in 2010, which was similar to the 2009 level and 0.7 p.p. more than in 2008. However, the role of this region is much more significant – and continuously growing – for Polish imports. In 2008, imports from Asia amounted to 18.2% of Polish imports in total; whereas only a year ago it increased to 19.8% and in 2010 – to 20.2%. Polish exports of commodities to this region amounted to EUR 6.5 billion in 2010, which was 20% more than in 2008. Imports from Asia to Poland amounted to over EUR 27.1 billion and, when compared against its pre-crisis level, was reconstructed in 104.6%. This significant difference in the scale of both streams of trade exchange with Asian markets results in a deep turnover deficit. In 2009 the deficit was reduced by over EUR 4.5 billion, but in 2010 it grew deeper once again (to the level of over EUR 20.6 billion, thus exceeding the pre-crisis level by over EUR 0.1 billion).

Exports from Poland to North American countries amounted to nearly EUR 2.9 billion in 2010, whereas imports from this region reached the level of EUR 3.8 billion, amounting to 2.4% of Polish exports and 2.8% of Polish imports respectively. The deficit in turnover with this group of countries grew deeper in 2010 – it increased by EUR 0.5 billion to the level of EUR 0.9 billion. The share of South and Central Americas in Polish total exports in 2010 amounted to 0.8% (less than EUR 1 billion), whereas their share in imports was 1.7% (over EUR 2.2 billion). Polish commodities exports to Africa amounted to less than EUR 1.4 billion in 2010, comprising 1.1% of Polish exports in total; for imports these figures were over EUR 1 billion and 0.8% respectively. The smallest part of Polish turnover can be attributed to Australia and Oceania: in 2010, this region contributed to 0.31% of Polish exports and 0.28% of imports (approx. EUR 370 million each).

Table 14 Changes in the geographical structure of Poland's commodities trade turnover (in EUR million)

	2010			2009			Changes 2010/2009		
	Exports	Imports	Balance	Exports	Imports	Balance	Exports growth (+) decline (-)	Imports growth (-) decline (+)	Balance impr. (+) wors.(-)
Poland, total	**120,373**	**134,188**	**-13,815**	**98,218**	**107,529**	**-9,311**	**22,155**	**26,660**	**-4,504**
previous year = 100	122.6	124.8		84.5	75.5				
Developed countries	**102,231**	**90,209**	**12,022**	**84,133**	**74,321**	**9,812**	**18,099**	**15,888**	**2,211**
previous year = 100	121.5	121.4		87.2	75.3				
share	84.9	67.2		85.7	69.1				
including:									
EU	**95,286**	**79,849**	**15,438**	**78,260**	**66,535**	**11,725**	**17,026**	**13,314**	**3,713**
previous year = 100	121.8	120.0		86.5	75.5				
share	79.2	59.5		79.7	61.9				
including:									
Germany	31,427	29,362	2,065	25,686	24,053	1,632	5,741	5,309	432
previous year = 100	122.4	122.1		88.2	73.4				
share	26.1	21.9		26.2	22.4				
France	8,156	5,797	2,358	6,826	4,956	1,870	1,329	841	488
previous year = 100	119.5	117.0		94.7	73.7				
share	6.8	4.3		7.0	4.6				
United Kingdom	7,558	3,669	3,889	6,300	3,178	3,123	1,258	491	766
previous year = 100	120.0	115.5		94.0	78.6				
share	6.3	2.7		6.4	3.0				
Czech Republic	7,202	5,074	2,128	5,745	3,882	1,863	1,457	1,192	265
previous year = 100	125.4	130.7		86.6	76.5				
share	6.0	3.8		5.8	3.6				
Italy	7,141	7,646	-505	6,722	7,337	-615	419	310	110
previous year = 100	106.2	104.2		96.8	79.2				
share	5.9	5.7		6.8	6.8				
Other developed countries	**6,945**	**10,360**	**-3,415**	**5,873**	**7,786**	**-1,913**	**1,072**	**2,574**	**-1,502**
previous year = 100	118.3	133.1		97.4	73.8				
share	5.8	7.7		6.0	7.2				
including:									
USA	2,190	3,394	-1,203	1,771	2,482	-711	419	912	-493
previous year = 100	123.7	136.7		104.9	79.2				
share	1.8	2.5		1.8	2.3				
EFTA	2,822	3,241	-419	2,698	2,427	270	124	813	-689
previous year = 100	104.6	133.5		93.3	71.6				
share	2.3	2.4		2.7	2.3				
Developing countries	**18,142**	**43,979**	**-25,838**	**14,085**	**33,208**	**-19,123**	**4,056**	**10,772**	**-6,715**
previous year = 100	128.8	132.4		71.4	76.0				
share	15.1	32.8		14.3	30.9				
including:									
Countries of the CIS	**9,894**	**16,164**	**-6,270**	**7,502**	**11,026**	**-3,524**	**2,392**	**5,138**	**-2,746**
previous year = 100	131.9	146.6		61.9	62.3				
share	8.2	12.0		7.6	10.3				
including:									
Russia	5,031	13,730	-8,699	3,596	9,206	-5,610	1,436	4,525	-3,089
previous year = 100	139.9	149.1		59.4	66.3				
share	4.2	10.2		3.7	8.6				
Other countries	**8,248**	**27,815**	**-19,567**	**6,584**	**22,182**	**-15,598**	**1,665**	**5,634**	**-3,969**
previous year = 100	125.3	125.4		86.6	85.3				
share	6.9	20.7		6.7	20.6				
including:									
China	1,229	12,615	-11,386	1,051	9,983	-8,933	178	2,632	-2,454
previous year = 100	117.0	126.4		121.3	87.1				
share	1.0	9.4		1.1	9.3				

Source: Analyses and Forecasting Department of the Ministry of Economy on the basis of data of CSO.

4.2 Changes among the main groups of countries

Polish commodities turnover with foreign countries is dominated by developed countries, including European Union markets in particular. In 2010, the share of developed countries in Polish exports amounted to 84.9%. Exports to this group of countries amounted to EUR 102.2 billion and, when compared against 2008, was reconstructed in 105.9%. Imports from developed markets to Poland in 2010 amounted to EUR 90.2 billion; however, it remained 8.6% lower than in 2008. As a result, the pre-crisis deficit of EUR 2.2 billion was transformed into a surplus of EUR 9.8 billion in 2009. In 2010, this surplus increased to EUR 12 billion. The most significant developed markets for Poland are definitely the EU markets, whose share in total Polish exports in 2010 reached the level of 79.2%, and in imports – 59.5%.

The share of non-EU developed markets in Polish commodities turnover amounted to 5.8% in exports and 7.7% in imports in 2010. Exports to this group of countries reached the level of nearly EUR 7 billion, which was 15.2% more than before the crisis. Imports from these markets amounted to nearly EUR 10.4 billion. In 2009, a significant reduction in exchange deficit was recorded (by EUR 2.6 billion, to the level of EUR 1.9 billion); in 2010, however, the deficit grew deeper once again and achieved the level of EUR 3.4 billion. Nevertheless, it was still EUR 1.1 billion lower than before the crisis.

Developing and emerging countries comprised 15.1% of Polish exports and 32.8% of imports in 2010. Exports to these markets increased by 28.8% to the level of over EUR 18.1 billion; nevertheless, when compared against its level in 2008, it was reconstructed only in 92%. This can be attributed to the very slow reconstruction of exports to CIS markets – its level in 2010, amounting to less than EUR 9.9. billion, was 18.4% lower than before the crisis. Exports to other developing markets (CIS excluded) amounted to over EUR 8.2 billion and increased by 8.5% compared against the pre-crisis level. Imports from developing countries amounted to nearly EUR 44 billion, which was 0.6% more than in 2008. Imports from other developing countries (CIS excluded) was reconstructed in 106.9%, whereas imports from the CIS region remained 8.7% lower than before the crisis. The negative balance of exchange with this group of markets has a decisive influence of the total deficit of Polish turnover. During the crisis period it was reduced by nearly EUR 4.9 billion (to EUR 19.1 billion); however, in 2010 it recorded another slump to over EUR 25.8 billion, reaching a level over EUR 1.8 billion deeper than before the crisis.

4.3 The European Union

The general shape of Polish exchange with developed markets was highly influenced by the situation in Polish turnover with **European Union countries**. When compared against the pre-crisis year, exports to EU markets was reconstructed in 105.3%. Accompanied by a much slower reconstruction of imports (in 90.5%), this resulted in a further surplus increase by EUR 3.7 billion, to the level of nearly EUR 15.5 billion (which was over EUR 13 billion better than in 2008). The high surplus in trade with European Union markets made up for the high deficit in trade with other (mainly developing) markets.

Among all EU members, **countries of the Eurozone** have an almost twice as high share in the Polish exports as the countries outside the zone (in 2010, the ratio was 55.3% to 23.9%).

The European Union also holds a dominant position in Polish exports, having a share of 59.5% (EUR 79.8 billion) in it in 2010. Similarly to the situation in exports, imports to Poland is dominated by Eurozone countries which, in 2010, comprised 46.4% of Polish imports in total.

The fifteen most important exports markets for Poland include as many as 13 EU states. For imports, the share of EU states is 10 out of 15.

The largest increase in exports to the EU market, measured in absolute terms, were seen in the exchange with the following countries:

- Germany - by EUR 5.7 billion (by 22.4%),
- Czech Republic - by EUR 1.5 billion (by 25.4%),
- France - by EUR 1.3 billion (by 19.5%),
- Great Britain - by EUR 1.3 billion (by 20%),
- the Netherlands - by EUR 1.1 billion (by 27.5%).

Among products which experienced the largest increase in exports to the EU, the most important ones were:

- product of the electromechanical industry - by EUR 5.2 billion (by 14.6%),
- products of the chemical industry - by EUR 3.1 billion (by 34.8%),
- metallurgy products - by EUR 3 billion (by 39.5%),
- mineral products - by EUR 1.7 billion (by 64%),
- agricultural and food products - by EUR 1.4 billion (by 15.3%).

Polish exports to the EU markets, measured in EUR, increased by 21.8% in 2010, versus its decrease by 13.5% in 2009. Imports from the EU increased by 20%, while in 2009 it noted a decrease by 24.5%.

As a result of the faster pace of growth in the case of exports than for imports, the surplus in turnover with the EU countries increased. The improvement in balance was noted for exchange with both Eurozone countries (by EUR 1.5 billion, to EUR 4.3 billion) and the remaining EU markets (by EUR 2.2 billion, to EUR 11.1 billion).

The overall result of exchange with countries of the European Union was determined by the improvement in exchange with our key economic partners, including especially Great Britain, France, Slovakia and Germany. Exports to Great Britain increased by 20%, which meant an increase in the surplus in relations to this market by nearly EUR 0.8 billion (to EUR 3.9 billion). A slightly slower pace of growth was recorded for Polish exports to France (19.5%); however, it still grew at a faster pace than imports (17%) and resulted in an increase in the surplus in relations to this market, from EUR 1.9 billion in 2009 to EUR 2.4 billion in 2010. Among the most significant EU countries, the greatest acceleration of exports was recorded for Slovakia (by 45%), whereas imports from this market improved by approx. 26%. Thus, the surplus in relations to this market increased by over EUR 0.4 billion. A similar increase in surplus (over EUR 0.4 billion) was observed in turnover with the main Polish trade partner which is Germany – the surplus increased to nearly EUR 2.1 billion. This resulted from a slightly faster pace of exports increase to this market (by 22.4%, i.e. EUR 5.7 billion) than imports from it (by 22.1%, i.e. EUR 5.3 billion)

On the other hand, the greatest decrease in balance for exchange with EU countries was recorded for Belgium (deficit increase by over EUR 0.2 billion, to nearly EUR 0.4 billion) and Greece (surplus reduction by over EUR 0.1 billion, to EUR 0.3 billion).

4.4 Commonwealth of Independent States

In 2010, turnover with the CIS region increased dynamically, by 31.9% in exports (to nearly EUR 9.9 billion) and by 46.6% in imports (to nearly EUR 16.2 billion); however, the extremely deep breakdown of exchange during the crisis (by 38.1% in exports and 37.7% in imports) did not allow for the reconstruction of the pre-crisis level of turnover. The value of exports to this group of markets in 2010 was 18.4% (over EUR 2.2 billion) lower, whereas the value of imports decreased by 8.7% (over EUR 1.5 billion) when compared against the values from 2008. The deficit in commodities turnover with CIS countries in 2010 amounted to nearly EUR 6.3 billion and was not only greater when compared against 2009 (by nearly EUR 2.7 billion), but also deeper than before the crisis (by nearly EUR 0.7 billion).

The most important Polish trade partners from among the countries of this group are **Russia, Ukraine and Belarus**, which in 2010 comprised 93.3% of total Polish exports to CIS and 97.4% of total Polish imports from this region. On the list of dominant exports markets in 2010, these countries took the following spots: Russia – number 7 (4.2% share), Ukraine – number 12 (2.5%), Belarus – number 22 (1%). As for imports, the Russian market is Poland's second – after Germany – biggest trade partner, whose share in total imports to Poland amounted to 10.2%.

Turnover with these three dominant CIS markets in 2009 experienced a significant limitation, and in 2010 they continued to remain lower (this is especially true for the Ukrainian market) than before the crisis. Polish exports to **Russia** increased in 2010 by nearly 40% (to over EUR 5 billion); however, taking into account its 40.6% drop during the crisis, it was only reconstructed in 83.2% when compared against 2008. The 2010 increase in imports amounted to 49% (to over EUR 13.7 billion); however, its value was 1% lower than before the crisis. Faster increase of imports from Russia than exports to it resulted in another deepening of the deficit (to the level of EUR 8.7 billion).

Fast increase in imports from the Russian market and its result – the deepening of the negative balance in exchange with this country – stemmed mainly from the increase in imports of mineral products. This, in turn, was the result of a significant increase in global resource prices, especially for energy raw materials. Following a deep breakdown in 2009 (by 37.4%, i.e. over EUR 3.8 billion), imports of mineral products from Russia in 2010 increased by 56.1% (to over EUR 10 billion) and was only 2.3% lower than in 2008. As a result, the deficit in mineral products turnover increased to EUR 10 billion, versus EUR 6.4 billion during the crisis.

Polish exports to the Russian market was dominated by products of the electromechanical industry, whose share increased by 63.2% in 2010. However, it did not manage to compensate for the 2009 breakdown which exceeded 60%. At the same time, the surplus in exchange in products of the electromechanical industry, amounting to EUR 1.6 billion, increased by over EUR 0.6 billion when compared against 2009. Nevertheless, it was still nearly EUR 1 billion lower than in 2008.

An even lower level of reconstruction of the pre-crisis turnover was seen in the trade with **Ukraine**. Polish exports to Ukrainian market, despite its 2010 growth by 21% (to almost EUR 3 billion) was still 31.4% lower than in 2008. For imports, a growth by 69.4% (to nearly EUR 1.4 billion) was observed, which meant that imports remained 12.6% lower than before the crisis. During the past three years, a decrease in surplus in exchange with Ukraine was recorded, to EUR 1.6 billion in 2010.

A dynamic increase in exports was recorded in trade with **Belarus** in 2010. The growth amounted to 40.3% (to over EUR 1.2 billion), which allowed for the reconstruction of the pre-crisis level in 111.7%. Imports increased by 7.7% (to over EUR 630 million), which was not enough to make up for its downfall during the crisis. As a result, imports was 28.5% (approx. EUR 250 million) lower than in 2008. During the past three years, a systematic increase in surplus in exchange with Belarus was recorded, from EUR 210 million in 2008 to approx. EUR 280 million in 2009 and EUR 590 million in 2010.

4.5 China and the Republic of Korea

The traditionally negative trade balance with **Asian countries** had a decisive influence on the total deficit of Polish foreign trade in 2010. Despite the fact that this deficit was significantly reduced during the crisis (by EUR 4.5 billion, to the total level of nearly EUR 16 billion), the year 2010 brought about its deepening to over EUR 20.6 billion. The largest part of this deficit was attributed to exchange with China, Republic of Korea and Japan.

During the 2009 turnover breakdown, Polish exports to **China** increased by as much as 21.3%, to over EUR 1 billion, whereas in 2010 it increased by another 17%, thus reaching the level of over EUR 1.2 billion. As a result, the value of exports last year turned out to be 41.8% higher than before the crisis. Imports from the Chinese market increased by 26.4% in 2010, which allowed to make up for the 12.9% drop during the crisis. As a result, imports was 10% higher than in 2008. Nevertheless, the scale of Polish exports to China is incomparably lower than the scale of imports from this market (in 2010, the ration was ten to one), which results in a deep deficit. In 2010, the deficit reached the level of nearly EUR 11.4 billion, which was almost EUR 2.5 billion more than during the crisis and nearly EUR 0.8 billion more than in 2008.

Polish exports to China is dominated by metallurgy products (40% share), whose exports during the crisis grew by 20.1%, and by another 23% in 2010 (to EUR 0.5 billion). Imports of these products in 2010 increased by 30.8% but, taking into account the deep 2009 crash by 41.9%, it was 24% (approx. EUR 230 million) lower than before the crisis. Almost 60% of Chinese imports to Poland comprises electromechanical products (EUR 7.5 billion), which constitute approx. 30% of exports to China (approx. EUR 370 million). In 2009, the negative balance in electromechanical products turnover increased by approx. EUR 760 million (to EUR 5.5 billion), whereas in 2010 the balance worsened significantly – by EUR 1.6 billion, to over EUR 7.1 billion.

The dynamic increase of exports to **Japan** in 2010 (by 60%, to nearly EUR 350 million), following its 19.5% drop the year before, allowed for the reconstruction of Polish exports to this market in 128.7% when compared against the level from before the crisis. Imports from the Japanese market increased by 28.7% (to over EUR 2.7 billion); however, taking into account the deep 2009 crash by 28.6%, it was 8.2% lower than in 2008.

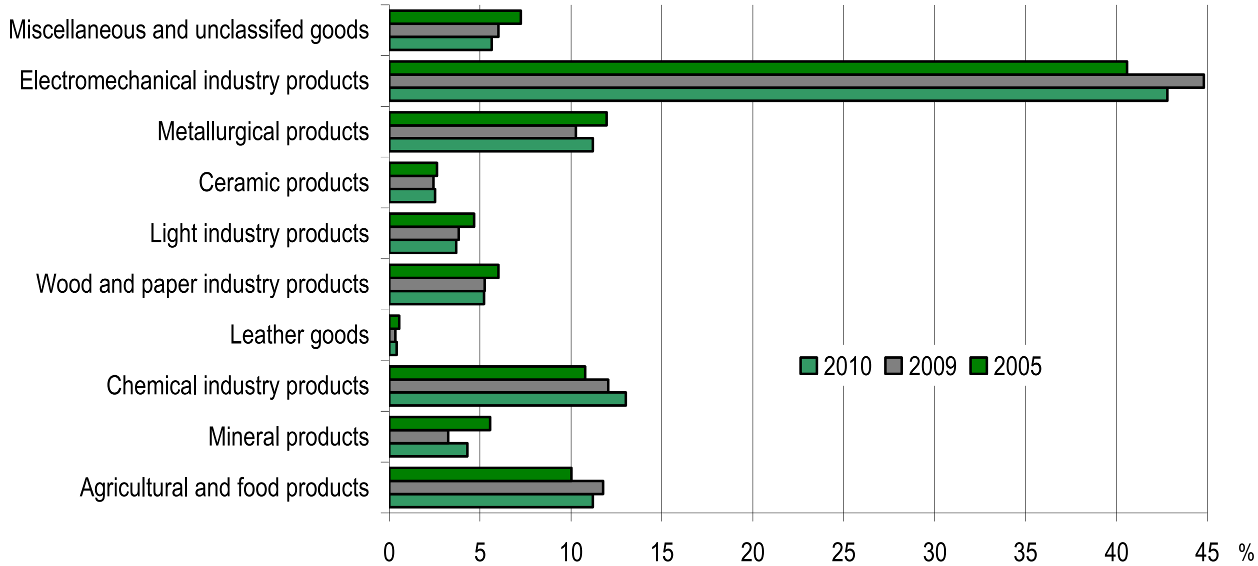
A reverse situation occured in trade with the **Republic of Korea**, where Polish exports increased in 2010 by 18.4% (to EUR 210 million), remaining 1.3% lower than in 2008, whereas imports increased by 14.2% (to nearly EUR 3.7 billion) and exceeded the pre-crisis level by 4.4%.

Turnover with the Republic of Korea and Japan, not unlike with the entire analyzed region, recorded a deepening of the deficit. For Korea, the deficit amounted to nearly EUR 3.5 billion in 2010 (EUR 425 million more than the year before and EUR 160 million more than in 2008). The negative balance in turnover with Japan amounted to nearly EUR 2.4 billion in 2010 (approx. EUR 480 million more than the year before, but approx. EUR 320 million less than in 2008).

5. CHANGES IN THE COMMODITY STRUCTURE OF COMMERCIAL EXCHANGE

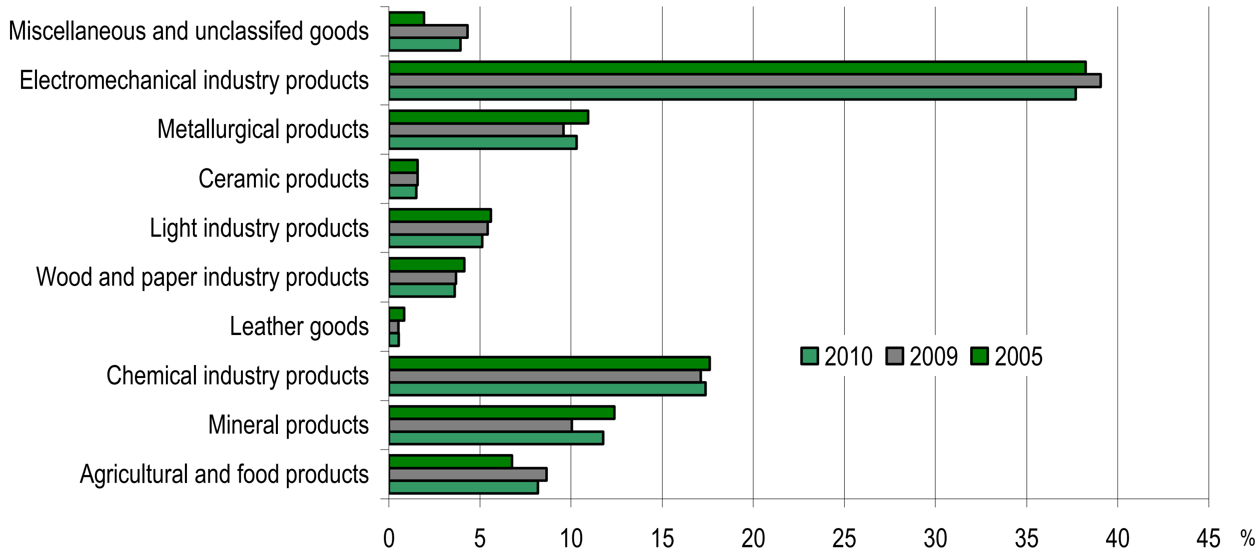
Changes in the commodity structure of commercial exchange in 2010 result mainly from the diversified pace of reconstruction of trade in particular groups of products, as well as from the intensity of downfall which affected these groups during the 2009 crisis.

Chart 8 Commodity structure of the Polish exports in 2010, compared to 2009 and 2005 (in %)



Source: Analyses and Forecasting Department of the Ministry of Economy on the basis of data of CSO.

Chart 9 Commodity structure of the Polish imports in 2010, compared to 2009 and 2005 (in %)

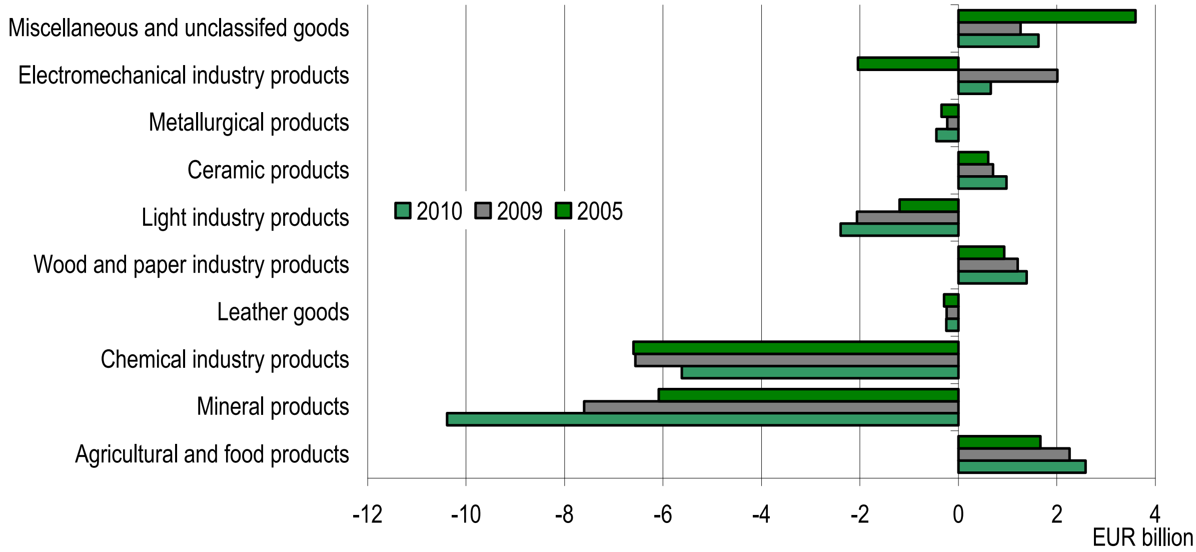


Source: Analyses and Forecasting Department of the Ministry of Economy on the basis of data of CSO.

Generally, the greatest increase in share was observed for those products who recorded the greatest decrease in turnover in 2009, and so 2010 brought about dynamic growth for them. The biggest increase was recorded for mineral and metallurgy products share.

Decrease in share was observed for those groups of products who experienced relatively mild downfalls during the crisis and whose pace of reconstruction in 2010 was slower. This particularly includes electromechanical and agricultural and food products.

Chart 10 Commodity structure of the Polish foreign trade balance in 2010, compared to 2009 and 2005 (in EUR billion)



Source: Analyses and Forecasting Department of the Ministry of Economy on the basis of data of CSO.

A decisive part for the reconstruction of exports and improvement of exchange balance was played by **electromechanical products**, which contributed to 42.8% of exports in total. The rate of reconstruction of the pre-crisis exports level and balancing of turnover were, however, different for the two main sections of this group of products.

In section XVI – **machines, mechanical and electric devices** – exports increased by 23.7%, nearly EUR billion 31,4, that is almost 9.2% higher than in 2008, while the exchange deficit of approx. EUR 1.4 billion turned out to be over EUR 4.2 billion less than in pre-crisis year. Special attention in this section of products should be devoted to the following groups, which take leading positions on the list of the most important Polish exports products:

– *TV reception equipment, radio receivers, visual recording and playing equipment*, whose exports – following a systematic increase in the previous two years – reached a level of over EUR 5.5 billion in 2010, which was 36.6% more than in 2008, whereas the surplus in exchange during that period increased from approx. EUR 1.6 billion to over EUR 4.6 billion; and
– *computer equipment*, whose exports in the previous two years increased almost twice (to the level of nearly EUR 2.6 billion), and exchange balance transformed from almost EUR 1.1 billion deficit to a surplus of approx. EUR 440 million.

Exports in section XVII – **means of transport**, particularly for cars and car parts and accessories, increased in 2010 by a mere 7%, to the level of EUR 19 billion, and was 5.8% lower than in 2008. The surplus in exchange amounted to nearly EUR 5.2 billion and, despite decreasing by EUR 1.5 billion when compared against 2009, remained almost EUR 1.6 billion higher than in 2008. This section of products includes two groups (classified at the level of 4-digit CN codes) which open the list of 50 most important exports products, which comprised over 50% of total exports in 2010. These groups are:

- *passenger cars* (buses and microbuses excluded), whose exports in 2010 was 5.2% lower than the year before, however during the 2009 crisis it had increased by 3.8%; last year, the value of exports for these products amounted to over EUR 6.6 billion, and the surplus in exchange (despite a drop by approx. EUR 0.8 billion last year) remained at the high level of almost EUR 2.5 billion, which was almost EUR 1.2 billion more than before the crisis; and
- *car parts and accessories*, whose exports – following a dramatic decrease in 2009 (by 15%) and an increase in 2010 (by 23.4%) – reached a level of over EUR 5.9 billion, which was 5% more than in 2008, whereas the surplus in exchange, following a systematic increase in the previous two years, increased by approx. EUR 0.5 billion to the level of EUR 1.9 billion.

As a result, the whole group of electromechanical products (including section XVIII – devices, equipment and apparatuses) managed to reconstruct its pre-crisis level of exports in 103.2% (to EUR 51.5 billion). Imports of electromechanical products in 2010 increased by 21% (to nearly EUR 50.9 billion); however, when compared against the 2008 level, it was only reconstructed in 93%. The turnover balance in this group of goods remained at the level of nearly EUR 0.7 billion, which was over EUR 1.3 billion less than in 2009, but also over EUR 5.4 billion better than in 2008.

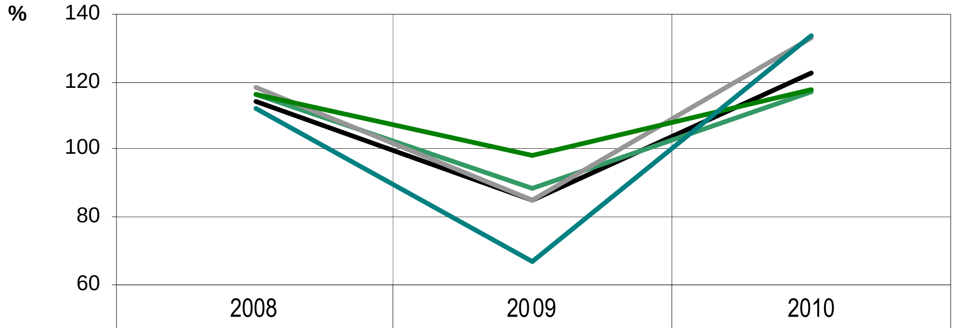
The second largest group in Poland's foreign trade are the **chemical products**. Due to the fast increase in 2010 (by 32.8%), their exports reached a level of over EUR 15.7 billion, which was over 13% more than in 2008. Imports of this group of products increased in 2010 by 26.7%, and was reconstructed in 102.4% when compared against its pre-crisis level. The traditionally high deficit in the turnover of these goods, despite its increase by approx. EUR 1 billion, remained at the level of nearly EUR 7.6 billion, which was EUR 1.3 billion less than before the crisis. The most important sections of this group of products are the following:

- *pharmaceuticals*, whose exports in the crisis year did not decrease, and in 2010 it increased by 37.8%, to the level of nearly EUR 1.7 billion, which was approx. 47% more than in 2008;
- *rubber products* (mainly car tyres), whose exports in 2010 increased by 36.3% to the level of over EUR 2.8 billion, which was 19.3% more than before the crisis, whereas the positive balance observed during the two preceding years almost doubled (reaching the level of EUR 0.5 billion).

Exports of **agricultural and food products**, following a small decrease during the crisis (by 1.7%) and an increase last year by 17.5%, reached the level of EUR 13.5 billion, which was 15.5% more than before the crisis. Imports of these products increased by 17.4%, to EUR 10.9 billion, which was 6.3% more than in 2008. At the same time, the turnover surplus for these products during the last two years increased by nearly EUR 1.2 billion, reaching the level of approx. EUR 2.6 billion. This favorable situation in food trade was a result of an increase in exports (also during the crisis, by 2.1%) of finished food products observed during two years, to the level of over EUR 6.2 billion in 2010, which was 20.5% more than before the crisis. During the same period, the surplus increased by approx. EUR 0.5 billion, reaching the level of almost EUR 1.7 billion. For this group of products, a particularly fast pace of exports increase and exchange balance improvement was observed for tobacco and cocoa products.

The crisis had the most detrimental effects on Polish exchange in raw materials and less processed products (metallurgy and mineral products), whose turnover decreased greatly. Exports of **metallurgy products** in 2010 increased by 33.7% (to EUR 13.5 billion); however, due to its deep decrease in 2009 by over 33%, it still remained 10.5% (EUR 1.6 billion) lower than before the crisis. A greater decrease for metallurgy products turnover was recorded in imports (by 35.7%) and, despite its dynamic growth by 35.1% in 2010, its level from before the crisis was only reconstructed in 87%. As a result, the deficit which, in 2008, amounted to nearly EUR 1 billion, was reduced to less than EUR 450 million in 2010.

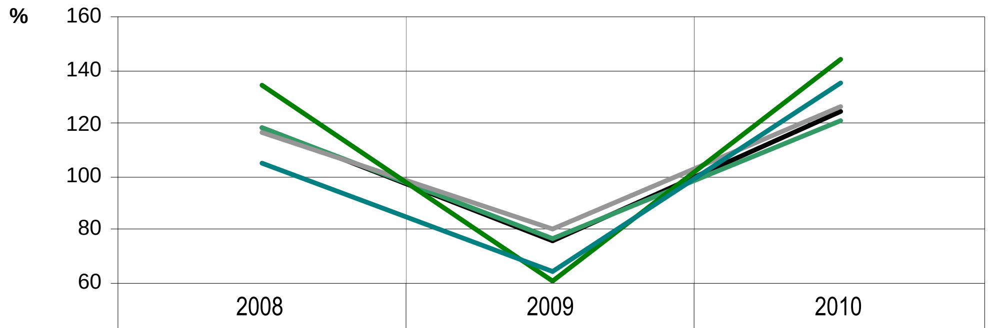
Chart 11 Dynamics of Polish exports in main commodities groups in the years 2008-2010 (in EUR, previous year = 100)



	2008	2009	2010
Total	114.1	84.5	122.6
electromechanical	115.8	88.2	117.0
chemical	118.1	85.1	132.8
agricultural and food	115.9	98.3	117.5
metallurgical	111.5	66.9	133.7

Source: Analyses and Forecasting Department of the Ministry of Economy on the basis of data of CSO.

Chart 12 Dynamics of Polish imports in main commodities groups in the years 2008-2010 (in EUR, previous year = 100)



	2008	2009	2010
Total	118.3	75.5	124.8
electromechanical	118.3	76.8	121.0
chemical	116.9	80.8	126.7
mineral	134.3	61.3	143.7
metallurgical	105.3	64.3	135.1

Source: Analyses and Forecasting Department of the Ministry of Economy on the basis of data of CSO.

Turnover in **mineral products** in 2010 recorded the most dynamic increase – by 61.1% (or approx. EUR 2 billion) in exports and by 43.7% (or over EUR 4.7 billion) in imports. However, 2009 brought about the greatest decrease for this group of products: by over 39% for exports (nearly EUR 2.1 billion) and 38.7% (by EUR 6.8 billion) for imports. As a result, exports of these goods in 2010 remained nearly 2% lower than in 2008, and their imports was almost 12% lower. A fast increase in imports of mineral products (which, in 2010, comprised 11.6% of imports in total) resulted in a deepened deficit in the turnover of these products. The deficit deepened by nearly EUR 2.8 billion, which was still approx. EUR 2 billion lower than during the record-breaking level from before the crisis. The dynamic increase in the value of imports of these goods resulted mainly from the increase in global prices for raw materials, energy raw materials in particular.

Table 15 Commodity structure of Polish trade turnover in the years 2009-2010 in EUR million

		2010			2009			Changes 2010/2009		
		Exports	Imports	Balance	Exports	Imports	Balance	Exports growth (+) decline (-)	Imports growth (-) decline (+)	Balance impr. (+) wors. (-)
I	Live animals	4,514	2,967	1,547	3,636	2,563	1,072	878	404	475
II	Plant products	2,451	2,914	-464	2,337	2,488	-151	113	426	-313
III	Fats, oils	323	501	-178	257	408	-151	66	93	-27
IV	Prepared foodstuffs	6,220	4,539	1,681	5,269	3,839	1,430	951	700	251
(I-IV)	**Agricultural and food products**	**13,507**	**10,921**	**2,586**	**11,499**	**9,299**	**2,200**	**2,008**	**1,622**	**386**
V	**Mineral products**	**5,154**	**15,533**	**-10,380**	**3,199**	**10,806**	**-7,606**	**1,954**	**4,728**	**-2,773**
VI	Products of the chemical industry	7,865	13,484	-5,620	5,886	10,827	-4,942	1,979	2,657	-678
VII	Plastics	7,860	9,826	-1,967	5,955	7,575	-1,620	1,904	2,251	-347
(VI-VII)	**Products of the chemical industry**	**15,724**	**23,311**	**-7,586**	**11,841**	**18,403**	**-6,561**	**3,883**	**4,908**	**-1,025**
VIII	**Leathers and leather products**	**485**	**734**	**-249**	**323**	**565**	**-243**	**162**	**169**	**-7**
IX	Wood and wood products	2,503	1,105	1,398	2,067	901	1,166	436	204	232
X	Wood pulp	3,750	3,761	-11	3,105	3,061	44	645	700	-55
(IX-X)	**Wood and paper industry products**	**6,253**	**4,866**	**1,387**	**5,172**	**3,962**	**1,210**	**1,081**	**904**	**177**
XI	Textiles and textile products	3,954	6,004	-2,049	3,403	5,158	-1,755	551	846	-295
XII	Footwear, headgear	484	827	-343	355	659	-304	129	168	-39
(XI-XII)	**Light industry products**	**4,438**	**6,830**	**-2,392**	**3,758**	**5,816**	**-2,059**	**680**	**1,014**	**-334**
XIII	Products of stone, gypsum, cement …	2,249	1,741	508	1,865	1,441	424	385	300	85
XIV	Pearls, metals and stones	737	266	471	531	253	277	207	13	194
(XIII-XIV)	**Ceramic products**	**2,987**	**2,007**	**980**	**2,396**	**1,694**	**701**	**591**	**313**	**278**
XV	**Products of non-precious metals**	**13,492**	**13,937**	**-445**	**10,089**	**10,318**	**-230**	**3,403**	**3,618**	**-215**
XVI	Mechanical and electrical equipment	31,366	32,756	-1,390	25,360	27,445	-2,085	6,006	5,311	695
XVII	Vehicles	19,006	13,842	5,163	17,765	11,094	6,672	1,240	2,749	-1,508
XVIII	Optical devices and apparatuses, etc.	1,142	4,258	-3,116	904	3,481	-2,577	238	777	-539
(XVI-XVIII)	**Products of the electromechanical industry**	**51,514**	**50,856**	**658**	**44,029**	**42,019**	**2,010**	**7,484**	**8,837**	**-1,352**
XIX	Weapons and ammunition	16	77	-61	37	66	-28	-21	11	-32
XX	Various products	6,735	2,276	4,459	5,832	2,022	3,809	904	254	650
XXI	Works of art	21	8	13	10	8	2	11	1	11
(XIX-XXI)	**Miscellaneous**	**6,773**	**2,362**	**4,411**	**5,879**	**2,096**	**3,783**	**894**	**266**	**628**
XXII	Other	47	2,772	-2,726	33	2,495	-2,461	13	278	-265
	Unknown or erroneous	0	58	-58	0	56	-56	0	3	-3
	TOTAL	**120,373**	**134,188**	**-13,815**	**98,218**	**107,529**	**-9,311**	**22,155**	**26,659**	**-4,504**

Source: Analyses and Forecasting Department of the Ministry of Economy on the basis of data of CSO.

Table 16 Changes in the Polish foreign trade turnover per commodities groups and sections in EUR million

	Group / section / subsection	2010 Exports	2010 Imports	2010 Balance	2009 Exports	2009 Imports	2009 Balance	Changes 2010/2009 Exports growth (+) decline (-)	Changes 2010/2009 Imports growth (-) decline (+)	Changes 2010/2009 Balance impr. (+) wors. (-)
	TOTAL	**120,373**	**134,188**	**-13,815**	**98,218**	**107,529**	**-9,311**	**22,155**	**26,659**	**-4,504**
I	**LIVE ANIMALS, ANIMAL PRODUCTS**	**4,514**	**2,967**	**1,547**	**3,636**	**2,563**	**1,072**	**878**	**404**	**475**
1	Live animals	209	223	-14	267	211	57	-58	12	-70
2	Meat and edible variety meats	2,139	1,091	1,047	1,656	1,071	585	483	20	462
3	Fish and crustaceans, mollusks and other water invertebrates	722	1,022	-300	531	758	-227	191	264	-73
4	Dairy products, eggs, natural honey	1,309	437	871	1,057	321	737	251	116	135
5	Animal products n.e.c.	135	194	-59	124	203	-80	12	-9	21
II	**PLANT PRODUCTS**	**2,451**	**2,914**	**-464**	**2,337**	**2,488**	**-151**	**113**	**426**	**-313**
6	Live trees and other plants; bulbs …	108	235	-127	104	214	-110	4	21	-17
7	Vegetables, certain edible roots and bulbs	759	508	251	641	372	269	118	136	-18
8	Fruit and edible nuts, zests and skins of citrus fruits or melons	703	946	-243	664	809	-145	39	137	-98
9	Coffee, tea, Paraguay tea and spices	227	430	-203	209	357	-148	18	73	-55
10	Cereals	318	261	58	423	210	213	-105	51	-156
11	Products of the milling industry; malt; starch; inulin; wheat gluten	118	163	-45	113	168	-55	5	-5	10
12	Seeds of oil-bearing fruit ..	207	274	-66	170	275	-105	37	-1	38
13	Shellac; rubbers; resins and other plant juices and extracts	6	73	-67	9	69	-59	-4	4	-8
14	Plant materials for weaving …	4	25	-22	4	16	-11	-1	9	-10
III	**PLANT AND ANIMAL FATS AND OILS; PRODUCTS OF THEIR PROCESSING**	**323**	**501**	**-178**	**257**	**408**	**-151**	**66**	**93**	**-27**
15	Animal fats and oils …	323	501	-178	257	408	-151	66	93	-27
IV	**PREPARED FOODSTUFFS; NON-ALCOHOLIC AND ALCOHOLIC BEVERAGES , VINEGAR; TOBACCO**	**6,220**	**4,539**	**1,681**	**5,269**	**3,839**	**1,430**	**951**	**700**	**251**
16	Processed meat, fish, crustaceans, mollusks and other water invertebrates	672	163	508	570	146	424	101	17	84
17	Sugar and sugar products	389	290	99	314	298	15	76	-8	84
18	Cocoa and cocoa products	709	593	116	543	440	103	166	153	13
19	Products of cereals, flour, starch or milk; confectionery products	779	422	357	688	376	312	90	46	45
20	Processed vegetables, fruit, nuts or other plant parts	715	491	224	658	373	285	56	118	-61
21	Various prepared foodstuffs	915	649	266	764	620	144	151	29	122

	Group / section / subsection	2010			2009			Changes 2010/2009		
		Exports	Imports	Balance	Exports	Imports	Balance	Exports growth (+) decline (-)	Imports growth (-) decline (+)	Balance impr. (+) wors. (-)
22	Non-alcoholic and alcoholic beverages , vinegar	451	494	-43	367	427	-60	84	68	16
23	Remains and waste of the food industry; ready fodder for animals	398	1,011	-614	298	844	-546	99	167	-68
24	Tobacco and processed tobacco substitutes	1,193	426	767	1,066	315	751	127	110	16
(I-IV)	**Agricultural and food products**	**13,507**	**10,921**	**2,586**	**11,499**	**9,299**	**2,200**	**2,008**	**1,622**	**386**
V	**MINERAL PRODUCTS**	**5,154**	**15,533**	**-10,380**	**3,199**	**10,806**	**-7,606**	**1,954**	**4,728**	**-2,773**
25	Salt; sulfur; soil and stones; gypsum materials; lime and cement	178	510	-332	142	391	-250	36	119	-83
26	Metal ores; slag and ash	41	611	-569	48	321	-273	-6	290	-296
27	Mineral fuels, mineral oils and products of their distillation; bitumen substances; mineral waxes	4,935	14,413	-9,478	3,010	10,094	-7,084	1,925	4,319	-2,394
(V)	**Mineral products**	**15,724**	**23,311**	**-7,586**	**11,841**	**18,403**	**-6,561**	**3,883**	**4,908**	**-1,025**
VI	**PRODUCTS OF THE CHEMICAL INDUSTRY AND RELATED INDUSTRIES**	**7,865**	**13,484**	**-5,620**	**5,886**	**10,827**	**-4,942**	**1,979**	**2,657**	**-678**
28	Inorganic chemicals; organic or inorganic compounds of precious metals …	498	803	-305	382	556	-174	116	248	-131
29	Organic chemicals	976	2,286	-1,310	701	1,661	-960	275	625	-350
30	Pharmaceutical products	1,667	4,315	-2,649	1,209	3,598	-2,389	457	717	-260
31	Fertilizers	482	434	48	284	301	-17	198	132	66
32	Tanning agents, dyes, pigments, paints, lacquers, putty, sealants, inks ..	485	1,122	-637	376	1,013	-637	109	110	0
33	Essential oils, resinoids; perfumes, cosmetics and toiletries	1,849	1,356	494	1,552	1,109	443	298	246	51
34	Soaps and laundry products …	986	693	294	872	573	300	114	120	-6
35	Protein substances; modified starches; glues, enzymes …	157	440	-283	127	378	-251	30	62	-32
36	Explosives; pyrotechnical and flammable materials; matches …	51	25	26	37	21	16	15	4	10
37	Photographic and cinematographic materials	12	98	-86	12	90	-79	0	8	-7
38	Various chemical products	701	1,912	-1,211	334	1,527	-1,193	367	384	-18
VII	**PLASTICS AND PLASTIC PRODUCTS CAUTCHOUC AND CAUTCHOUC PRODUCTS**	**7,860**	**9,826**	**-1,967**	**5,955**	**7,575**	**-1,620**	**1,904**	**2,251**	**-347**
39	Plastics and plastic products	5,019	7,541	-2,522	3,870	5,885	-2,015	1,148	1,656	-507
40	Cautchouc and cautchouc products	2,841	2,285	556	2,085	1,690	395	756	595	161
(VI-VII)	**Products of the chemical industry**	**15,724**	**23,311**	**-7,586**	**11,841**	**18,403**	**-6,561**	**3,883**	**4,908**	**-1,025**
VIII	**LEATHERS AND LEATHER PRODUCTS**	**485**	**734**	**-249**	**323**	**565**	**-243**	**162**	**169**	**-7**

	Group / section / subsection	2010			2009			Changes 2010/2009		
		Exports	Imports	Balance	Exports	Imports	Balance	Exports growth (+) decline (-)	Imports growth (-) decline (+)	Balance impr. (+) wors. (-)
41	Untanned leathers (with the exception of furs), and tanned leathers	170	351	-181	97	265	-168	73	86	-13
42	Leather products …	167	334	-168	127	280	-153	39	55	-15
43	Furs and artificial furs, and their products	148	49	100	99	20	78	50	29	21
(VIII)	**Leathers and leather goods**	**485**	**734**	**-249**	**323**	**565**	**-243**	**162**	**169**	**-7**
IX	**WOOD AND WOOD PRODUCTS**	**2,503**	**1,105**	**1,398**	**2,067**	**901**	**1,166**	**436**	**204**	**232**
44	Wood and wood products; charcoal	2,472	1,074	1,398	2,043	875	1,168	429	199	230
45	Cork and cork products	3	9	-6	3	7	-5	1	2	-1
46	Goods made of straw, esparto etc.; basketry products and wicker goods	28	23	5	22	19	3	6	3	2
X	**WOOD PULP OR PULP OF OTHER FIBROUS PLANTS**	**3,750**	**3,761**	**-11**	**3,105**	**3,061**	**44**	**645**	**700**	**-55**
47	Wood pulp	82	419	-337	42	261	-219	40	158	-118
48	Paper, cardboard, products of paper mass, paper and cardboard	3,120	3,105	15	2,570	2,576	-6	550	529	21
49	Books, newspapers, pictures, manuscripts …	548	237	311	492	224	269	56	14	42
(IX-X)	**Products of the wood and paper industry**	**6,253**	**4,866**	**1,387**	**5,172**	**3,962**	**1,210**	**1,081**	**904**	**177**
XI	**TEXTILES AND TEXTILE PRODUCTS**	**3,954**	**6,004**	**-2,049**	**3,403**	**5,158**	**-1,755**	**551**	**846**	**-295**
50	Silk	1	11	-10	3	13	-10	-2	-3	1
51	Wool, thin or thick animal hair …	119	157	-39	85	126	-40	33	32	2
52	Cotton	42	378	-335	33	338	-305	9	40	-31
53	Other plant textile products	21	24	-3	15	20	-5	6	5	1
54	Continuous chemical fibers	164	545	-381	134	464	-329	30	81	-51
55	Cut chemical fibers	65	370	-305	45	309	-264	20	61	-41
56	Cotton wool, felt and unwoven fabrics; special fibers …	128	337	-209	114	304	-190	14	33	-19
57	Carpets and other textile floor carpeting	143	184	-41	99	161	-62	43	23	21
58	Special textiles, notions, embroidery …	43	191	-148	36	165	-128	6	26	-20
59	Impregnated fabrics …	163	420	-257	134	349	-215	28	71	-42
60	Knitted fabrics	69	179	-110	59	157	-98	10	22	-12
61	Clothes and clothing accessories of knitted fabrics	1,050	1,368	-319	873	1,126	-253	177	242	-65
62	Clothes and clothing accessories, other than of knitted fabrics	1,391	1,365	25	1,283	1,207	76	108	158	-50
63	Other packaged textile products; sets; used clothes; rags	557	476	81	488	420	68	68	56	12

	Group / section / subsection	2010			2009			Changes 2010/2009		
		Exports	Imports	Balance	Exports	Imports	Balance	Exports growth (+) decline (-)	Imports growth (-) decline (+)	Balance impr. (+) wors. (-)
XII	**FOOTWEAR, HEADGEAR, UMBRELLAS …**	**484**	**827**	**-343**	**355**	**659**	**-304**	**129**	**168**	**-39**
64	Footwear, gaiters and similar products, parts thereof	400	721	-320	289	564	-275	112	157	-45
65	Headgear and parts thereof	59	50	9	46	45	2	13	5	7
66	Umbrellas, sun umbrellas, walking sticks, walking sticks with seats, whips, horsewhips and parts thereof	19	16	2	14	13	1	4	3	2
67	Prepared feathers and down, products of feathers and down …	6	40	-34	6	37	-31	0	3	-3
(XI-XII)	**Light industry products**	**4,438**	**6,830**	**-2,392**	**3,758**	**5,816**	**-2,059**	**680**	**1,014**	**-334**
XIII	**PRODUCTS OF STONE, GYPSUM …**	**2,249**	**1,741**	**508**	**1,865**	**1,441**	**424**	**385**	**300**	**85**
68	Products of stone, gypsum, cement, asbestos, mica and similar materials	559	432	127	477	334	143	82	98	-16
69	Ceramic products	702	408	294	575	375	201	126	33	93
70	Glass and glass products	988	901	87	812	732	80	176	169	7
XIV	**PEARLS; PRECIOUS AND SEMI-PRECIOUS METALS AND STONES; COSTUME JEWELRY**	**737**	**266**	**471**	**531**	**253**	**277**	**207**	**13**	**194**
71	Pearls; precious and semi-precious stones, precious metals	737	266	471	531	253	277	207	13	194
(XIII-XIV)	**Ceramic products**	**2,987**	**2,007**	**980**	**2,396**	**1,694**	**701**	**591**	**313**	**278**
XV	**BASE METALS AND PRODUCTS THEREOF**	**13,492**	**13,937**	**-445**	**10,089**	**10,318**	**-230**	**3,403**	**3,618**	**-215**
72	Iron, cast iron and steel	2,896	5,002	-2,107	2,035	3,593	-1,558	861	1,409	-548
73	Products of cast iron and steel	3,872	3,194	678	3,457	2,846	611	415	348	67
74	Copper and copper products	3,320	1,284	2,036	2,024	759	1,265	1,296	525	771
75	Nickel and nickel products	81	143	-62	41	105	-64	40	38	2
76	Aluminum and aluminum products	1,440	2,169	-729	1,123	1,533	-410	317	636	-319
78	Lead and lead products	96	97	-2	75	49	26	21	48	-27
79	Zinc and zinc products	199	138	61	126	77	49	73	61	12
80	Tin and tin products	25	38	-13	17	25	-7	8	14	-5
81	Other base metals, ceramic metals, products thereof	24	56	-32	11	42	-31	13	14	-1
82	Tools, instruments, knives, spoons, forks etc. cutlery of base metals .	865	744	121	631	457	173	234	287	-53
83	Various products of base metals	674	1,070	-396	548	831	-283	126	239	-113
(XV)	**Metallurgy products**	**13,492**	**13,937**	**-445**	**10,089**	**10,318**	**-230**	**3,403**	**3,618**	**-215**
XVI	**MECHANICAL AND ELECTRICAL EQUIPMENT**	**31,366**	**32,756**	**-1,390**	**25,360**	**27,445**	**-2,085**	**6,006**	**5,311**	**695**

	Group / section / subsection	2010			2009			Changes 2010/2009		
		Exports	Imports	Balance	Exports	Imports	Balance	Exports growth (+) decline (-)	Imports growth (-) decline (+)	Balance impr. (+) wors. (-)
84	Nuclear reactors, boilers, machinery and mechanical equipment and parts thereof	15,415	16,700	-1,286	12,699	14,763	-2,064	2,716	1,938	778
85	Electrical machines and equipment	15,952	16,056	-104	12,661	12,682	-21	3,290	3,374	-83
XVII	**VEHICLES, AIRCRAFT, VESSELS …**	**19,006**	**13,842**	**5,163**	**17,765**	**11,094**	**6,672**	**1,240**	**2,749**	**-1,508**
86	Locomotives, rolling stock; track equipment; signaling devices	553	223	330	431	199	232	123	24	98
87	Non-rail vehicles, parts and accessories	15,683	11,092	4,590	14,610	8,939	5,671	1,072	2,153	-1,081
88	Aircraft, space craft and their parts	327	359	-32	233	285	-52	94	74	20
89	Vessels, boats and floating constructions	2,442	2,168	275	2,491	1,671	820	-48	497	-545
XVIII	**OPTICAL EQUIPMENT AND APPARATUSES**	**1,142**	**4,258**	**-3,116**	**904**	**3,481**	**-2,577**	**238**	**777**	**-539**
90	Optical equipment, tools, apparatuses, photo cameras, measuring and medical equipment, parts thereof	1,101	4,138	-3,037	864	3,372	-2,508	238	766	-529
91	Clocks and watches, and parts thereof	28	85	-57	27	84	-57	1	2	-1
92	Musical instruments, parts and accessories	12	34	-22	13	25	-12	-1	9	-10
(XVI-XVIII)	**Electromechanical products**	**51,514**	**50,856**	**658**	**44,029**	**42,019**	**2,010**	**7,484**	**8,837**	**-1,352**
XIX	**WEAPONS AND AMMUNITION; PARTS AND ACCESSORIES**	**16**	**77**	**-61**	**37**	**66**	**-28**	**-21**	**11**	**-32**
93	Weapons and ammunition, parts and accessories	16	77	-61	37	66	-28	-21	11	-32
XX	**VARIOUS PRODUCTS**	**6,735**	**2,276**	**4,459**	**5,832**	**2,022**	**3,809**	**904**	**254**	**650**
94	Furniture, bedclothes, mattresses etc., lamps, light advertising etc.	6,429	1,396	5,033	5,566	1,261	4,305	864	135	728
95	Toys, games, sports goods, parts and accessories	191	619	-428	165	533	-368	26	86	-60
96	Various manufactured products	115	261	-146	101	228	-127	14	33	-19
XXI	**WORKS OF ART., COLLECTIBLES**	**21**	**8**	**13**	**10**	**8**	**2**	**11**	**1**	**11**
97	Works of art, collectibles and antiques	21	8	13	10	8	2	11	1	11
XXII	**OTHER**	**47**	**2,772**	**-2,726**	**33**	**2,495**	**-2,461**	**13**	**278**	**-265**
98	Special classification – deliveries	0	0	0	0	0	0	0	0	0
99	Special commercial transactions	47	2,772	-2,726	33	2,494	-2,461	13	278	-265
	PCN UNKNOWN OR ERRONEOUS	**0**	**58**	**58**	**0**	**56**	**-56**	**0**	**3**	**-3**

Source: Analyses and Forecasting Department of the Ministry of Economy on the basis of data of CSO.

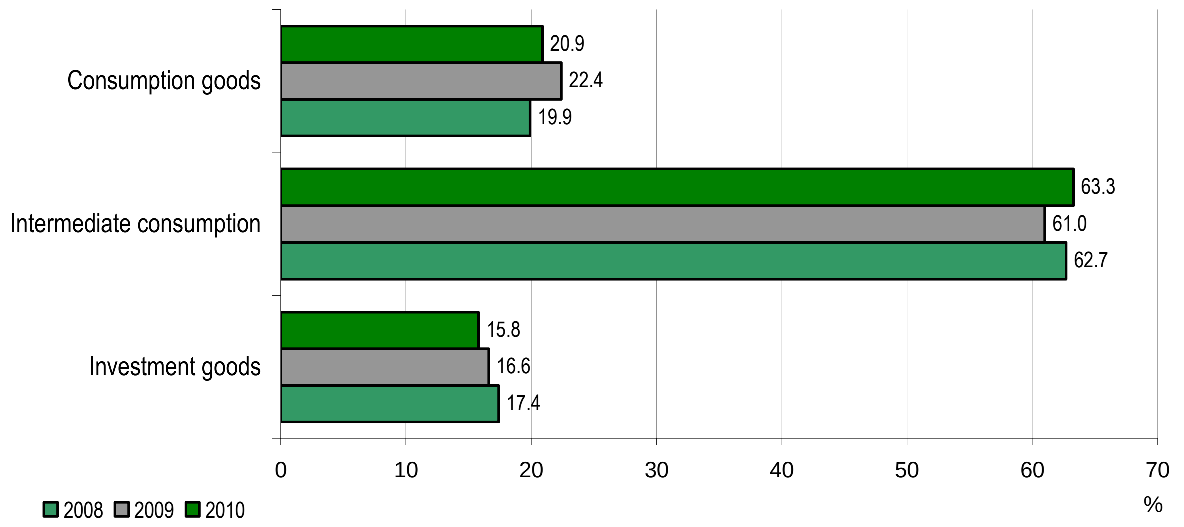
6. DESIGNATION OF IMPORTED GOODS

Changes in the structure of imports distribution per base economic categories (BEC) observed during the last three years are a result of long-term tendencies and the effects of crisis.

In 2010, similarly to the previous year, the share of investment goods was reduced: it amounted to 15.8%, whereas in 2009 it comprised 16.6%, and in 2008 – 17.4% of total imports to Poland. The share of goods designated for indirect consumption amounted to 63.3% in 2010. As a result, the total share of the pro-development imports stream (investment and supplies) in Polish imports reached the level of 79.1% in 2010. This share increased when compared against its value in the crisis period (77.6% in 2009), when the inflow of investment goods was dramatically reduced; however, it still did not reach its 2008 level, when pro-development imports comprised 80.1% of total Polish imports.

The share of consumption goods stream in the total imports in 2010 amounted to 20.9%, as compared against the 22.4% in 2009.

Chart 13 Structure of imports distribution in the years 2008-2010 (share in %)



Source: Analyses and Forecasting Department of the Ministry of Economy on the basis of data of CSO.

The most rapid increase in imports[3] in 2010 was recorded for goods designated for intermediate consumption – by 29.4% (total imports increased by 24.8%). The inflow of these goods during the crisis year of 2009 decreased by 26.6%, whereas the total imports decreased by 24.5% during the same period. In 2010, imports of goods designated for indirect consumption remained 5% lower than in 2008 (imports in general remained 5.8% lower). This imports category recorded the greatest growth for unprocessed fuels and lubricants (by 44%), primary industrial supplies (42.9%) and processed industrial supplies (by 28.9%).

[3] Changes are presented in EUR terms.

Imports of investment goods increased by 18.4% in 2010, which meant it was a little slower than the general rate of imports increase, whereas its drop during the crisis amounted to 27,9% (the greatest decrease from among the three distribution categories under analysis). When compared against 2008, imports of investment goods last year remained approx. 14.7% lower. The greatest increase in imports in this group in 2010 was recorded for industrial transport equipment (by 30.5%), following their deep decrease (by 42.2%) during the crisis.

Imports of consumption goods last year increased by 17.1% and was 0.6% higher than in 2008. At the same time, this category of products experienced the mildest downfall during the crisis year – by 15.1% only. This imports category recorded the greatest growth for primary food and beverages for households consumption (by 29.8%) and non-durable consumer goods (by 22%).

7. FOREIGN TRADE IN THE FIRST MONTHS OF 2011

Following a period of relatively fast recovery of Polish turnover in 2010, the first half of 2011 brought about a certain slowdown in the pace of its growth. Exports increased to the level of EUR 66.7 billion, by 14.6% when compared against the same period of 2010, and exceeded the level recorded in the first half of 2009 (the crisis period) by 41.5% (or EUR 19.5 billion). This indicates that the tendency for relatively speedy recovery of exports, following the breakdown in Polish trade during the global crisis, is still maintained.

The recovery of turnover in imports, however, is not as dynamic as in the case of exports. After the first half of 2011 imports was 15.4% higher than in the same period of 2010 and 41.4% higher than two years ago; nevertheless, when compared against the January-June period of 2008, its value increased by a mere 3%.

Table 17 Polish foreign trade turnover during the period January 2010 – June 2011

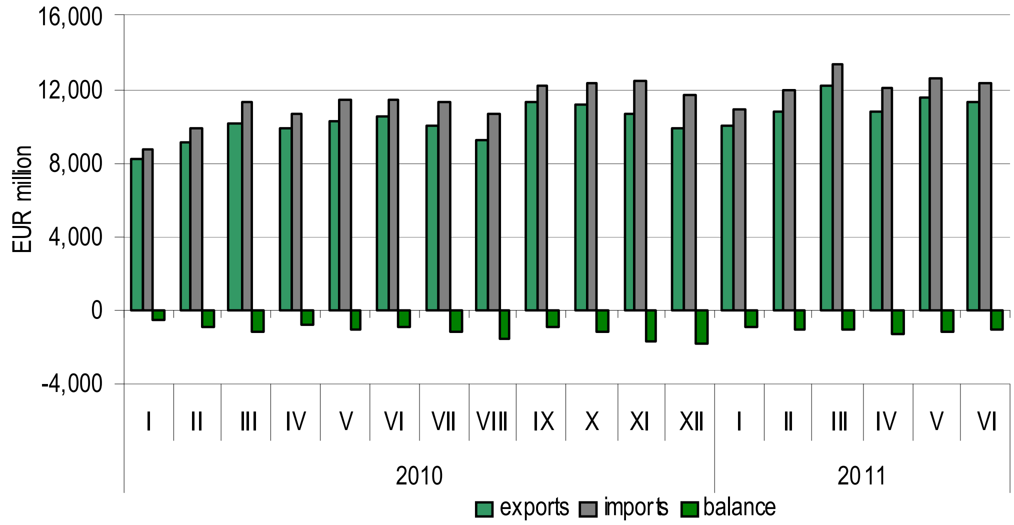
	in EUR million			Dynamics in % same period of past year=100	
	Exports	**Imports**	**Balance**	**Exports**	**Imports**
January 2010	8,205	8,769	-564	111.9	104.4
February	9,037	9,862	-824	114.4	116.0
March	10,184	11,319	-1,135	121.9	123.6
Q1	**27,426**	**29,950**	**-2,524**	**116.3**	**114.9**
April	9,930	10,715	-785	130.6	128.1
May	10,322	11,427	-1,105	135.4	138.5
June	10,528	11,482	-954	126.3	124.7
Q2	**30,780**	**33,624**	**-2,844**	**130.6**	**130.2**
1st half of the year	**58,207**	**63,574**	**-5,367**	**123.5**	**122.5**
July	10,001	11,193	-1,192	127.4	128.1
August	9,255	10,729	-1,475	128.9	131.4
September	11,220	12,214	-993	121.7	126.1
Q3	**30,476**	**34,136**	**-3,660**	**125.7**	**128.4**
October	11,144	12,374	-1,230	116.2	120.2
November	10,718	12,475	-1,757	116.9	127.0
December	9,828	11,629	-1,801	121.8	130.0
Q4	**31,690**	**36,478**	**-4,788**	**118.2**	**125.5**
Year 2010	**120,373**	**134,188**	**-13,815**	**122.6**	**124.8**
January 2011	10,051	10,923	-872	122.5	124.6
February	10,845	11,965	-1,120	120.0	121.3
March	12,209	13,292	-1,083	119.9	117.4
Q1	**33,105**	**36,181**	**-3,075**	**120.7**	**120.8**
April	10,831	12,148	-1,317	109.1	113.4
May	11,524	12,692	-1,167	111.6	111.1
June	11,230	12,345	-1,115	106.7	107.5
Q2	**33,586**	**37,185**	**-3,600**	**109.1**	**110.6**
1st half of the year	**66,691**	**73,366**	**-6,675**	**114.6**	**115.4**

Source: Analyses and Forecasting Department of the Ministry of Economy on the basis of data of CSO.

In the first half of 2011, the average monthly value of Polish exports amounted to EUR 11.1 billion, whereas during the entire previous year it amounted to EUR 10 billion, and to EUR 8.2 billion in 2009. For imports, the average monthly value in the first half of 2011 amounted to EUR 12.2 billion, which was over EUR 1 billion more than the average value for 2010 and nearly EUR 3.3 billion more than in 2009.

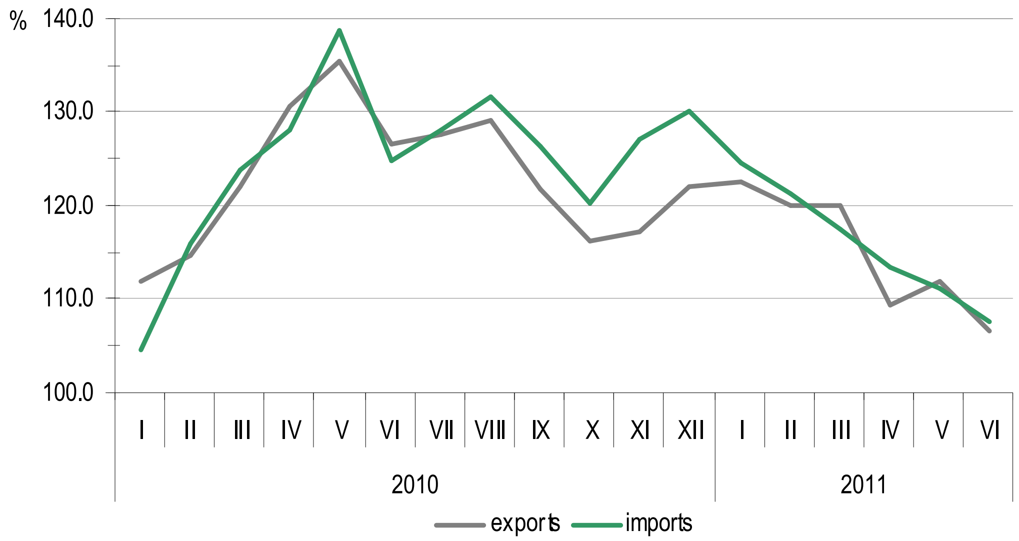
Deficit in commodities turnover after the first six months of 2011 reached a level of nearly EUR 6.7 billion, which was EUR 1.3 billion more than in the same period of 2010.

Chart 14 Polish foreign trade turnover during the period January 2010 – June 2011, in EUR million



Source: Analyses and Forecasting Department of the Ministry of Economy on the basis of data of CSO.

Chart 15 Polish foreign trade turnover during the period January 2010 – June 2011, dynamics in %



Source: Analyses and Forecasting Department of the Ministry of Economy on the basis of data of CSO.

Table 18 Changes in the geographical structure of Poland's commodities trade turnover after 1st half of the 2011 (in EUR million)

	1st half of year 2011			1st half of year 2010			Changes		
	Exports	Imports	Balance	Exports	Imports	Balance	Exports growth (+) decline (-)	Imports growth (-) decline (+)	Balance impr. (+) wors. (-)
Poland, total	**66,691**	**73,366**	**-6,675**	**58,207**	**63,574**	**-5,367**	**8,484**	**9,792**	**-1,307**
previous year = 100	114.6	115.4		123.5	122.5				
Developed countries	**56,667**	**49,146**	**7,521**	**50,054**	**43,002**	**7,052**	**6,613**	**6,144**	**469**
previous year = 100	113.2	114.3		123.3	119.2				
share	85.0	67.0		86.0	67.6				
including:									
EU	**52,254**	**43,649**	**8,604**	**46,569**	**38,054**	**8,516**	**5,685**	**5,596**	**89**
previous year = 100	112.2	114.7		123.1	118.4				
share	78.4	59.5		80.0	59.9				
including:									
Germany	17,348	16,077	1,271	15,083	13,889	1,194	2,265	2,188	77
previous year = 100	115.0	115.8		120.3	119.0				
share	26.0	21.9		25.9	21.9				
France	4,317	3,213	1,104	4,216	2,897	1,319	102	316	-215
previous year = 100	102.4	110.9		127.7	121.0				
share	6.5	4.4		7.2	4.6				
United Kingdom	4,317	2,000	2,317	3,807	1,780	2,027	510	220	290
previous year = 100	113.4	112.3		129.9	113.9				
share	6.5	2.7		6.5	2.8				
Czech Republic	4,142	2,707	1,434	3,440	2,380	1,060	702	327	375
previous year = 100	120.4	113.7		129.0	130.6				
share	6.2	3.7		5.9	3.7				
Italy	3,893	3,969	-76	3,753	3,755	-2	140	214	-74
previous year = 100	103.7	105.7		108.3	101.1				
share	5.8	5.4		6.5	5.9				
Other developed countries	**4,413**	**5,497**	**-1,084**	**3,485**	**4,949**	**-1,464**	**928**	**548**	**380**
previous year = 100	126.6	111.1		125.0	125.7				
share	6.6	7.5		6.0	7.8				
including:									
USA	1,429	1,677	-247	1,089	1,639	-550	340	37	303
previous year = 100	131.2	102.3		148.3	124.5				
share	2.1	2.3		1.9	2.6				
EFTA	1,985	2,109	-124	1,346	1,389	-43	639	720	-81
previous year = 100	147.4	151.8		94.4	115.3				
share	3.0	2.9		2.3	2.2				
Developing countries	**10,024**	**24,220**	**-14,195**	**8,153**	**20,572**	**-12,419**	**1,871**	**3,648**	**-1,776**
previous year = 100	123.0	117.7		124.7	130.3				
share	15.0	33.0		14.0	32.4				
including:									
Countries of the CIS	**5,439**	**10,120**	**-4,680**	**4,153**	**7,546**	**-3,393**	**1,287**	**2,574**	**-1,287**
previous year = 100	131.0	134.1		120.7	147.6				
share	8.2	13.8		7.1	11.9				
including:									
Russia	2,854	8,479	-5,624	2,102	6,454	-4,351	752	2,025	-1,273
previous year = 100	135.8	131.4		127.9	147.4				
share	4.3	11.6		3.6	10.2				
Other countries	**4,585**	**14,100**	**-9,515**	**4,000**	**13,026**	**-9,026**	**584**	**1,074**	**-489**
previous year = 100	114.6	108.2		129.1	121.9				
share	6.9	19.2		6.9	20.5				
including:									
China	555	6,263	-5,708	627	5,913	-5,286	-73	350	-422
previous year = 100	88.4	105.9		137.7	123.9				
share	0.8	8.5		1.1	9.3				

Source: Analyses and Forecasting Department of the Ministry of Economy on the basis of data of CSO.

Turnover with developed countries increased slower than in the case of other countries. Exports to these markets increased by 13.2%, and imports by 14.3%. The slowdown of exports to developed markets stemmed from the results of turnover with EU countries, where the exports growth rate amounted to 12.2%. At the same time, last year's surplus in the turnover with EU markets increased slightly after the first half of 2011 (by nearly EUR 90 million), to EUR 8.6 billion.

Turnover with Eurozone countries increased at a slower pace than in the case of the entire group of EU states. Exports to these markets increased by 10.6%, and imports grew by 13.7%. This resulted in a decrease in surplus in the turnover with Eurozone states by almost EUR 0.6 billion, to the level of EUR 2.7 billion.

A dynamic increase in exports (by 26.6%) was recorded for developed non-EU markets. The most dynamic increase was observed for exports to Norway (by 61.6%), United States (by 31.2%) and Switzerland (by 23.4%). This was contrasted by a relatively low pace of imports growth from these markets.

Trade exchange with countries other than the developed states grew at a faster pace: exports increased by 23%, and imports grew by 17.7%. At the same time, the deficit in the exchange with this group of countries grew deeper by nearly EUR 1.8 billion, to the level of EUR 14.2 billion.

Turnover increase with the CIS markets was higher than for the entire group of non-developed markets. Exports to that region increased by 31%, whereas imports grew by 34.1%. This meant the strengthening of these markets' position in Polish exchange on the one hand, but also deepening of the negative exchange balance on the other. Dynamic exports increase resulted mainly from the increase in exports to Russia (by 35.8%) and Belarus (by 41.9%). The increase in imports stemmed from a significant increase in the value of goods imported from Ukraine and Russia, by 77.1% and 31.4% respectively.

Exports to the remaining developing markets increased by 14.6%, and imports to this group grew by 8.2%. Especially favorable was the exchange with Turkey, where Polish exports increased by 42%, to nearly EUR 1.2 billion. A small surplus in exchange with this market recorded last year (amounting to approx. EUR 55 million) increased to almost EUR 320 million. A significant increase in exports (by 41%) was also recorded for India. Exchange with China, where exports decreased by nearly 11.6%, was unfavorable for Polish economy.

Turnover for electromechanical products, which dominate Polish foreign exchange, increased at a slower rate than Polish turnover in general. Exports of these goods increased by 7.3% (to EUR 27.6 billion), and imports grew by 5% (to EUR 25.5 billion). This slower pace of imports growth caused an increase in surplus in turnover of these commodities by nearly EUR 0.7 billion, to a level exceeding EUR 2.1 billion.

Agricultural and food products exports grew by 12.9% (to almost EUR 7.1 billion), and its imports – by 16.3% (to EUR 5.9 billion).

After the first six months of 2011, an increase in trade was observed for chemical products: a growth by 23.2% (to almost EUR 9.1 billion) in exports and by 15.9% (to EUR 13.2 billion) in imports. Turnover deficit recorded for the exchange in these products deepened by EUR 0.1 million during the analyzed period, amounting to nearly EUR 4.2 billion.

Another dynamic increase was recorded for metallurgy products, where exports grew by 22.2% (to EUR 7.9 billion) and imports by 26.7% (to over EUR 8.3 billion), which meant a deeper exchange deficit (which grew by nearly EUR 320 million, to approx. EUR 440 million). It should be mentioned that the trade in metallurgy products experienced significant downfall during the economic crisis in 2009, and then a major increase during the recovery period of 2010 – a growth by 33.7% in exports (to EUR 13.5 billion) and by 35.1% in imports (to EUR 13.9 billion)

Table 19 Changes in the commodity structure of Poland's foreign trade after 1st half of the 2011 (in EUR million)

		1st half of year 2011			1st half of year 2010			Changes		
		Exports	Imports	Balance	Exports	Imports	Balance	Exports growth (+) decline (-)	Imports growth (-) decline (+)	Balance impr. (+) wors. (-)
	Poland, total	**66,691**	**73,366**	**-6,675**	**58,207**	**63,574**	**-5,367**	**8,484**	**9,792**	**-1,307**
I	**Live animals**	2,450	1,513	937	2,038	1,366	672	412	147	265
II	**Plant products**	1,195	1,719	-525	1,128	1,449	-321	67	270	-203
III	**Fats, oils**	164	332	-168	146	213	-67	18	119	-101
IV	**Prepared foodstuffs**	3,269	2,371	898	2,957	2,074	882	312	297	16
(I-IV)	**Agricultural and food products**	**7,078**	**5,936**	**1,142**	**6,269**	**5,102**	**1,166**	**809**	**833**	**-24**
V	**Mineral products**	**3,333**	**9,761**	**-6,429**	**2,391**	**6,910**	**-4,519**	**942**	**2,851**	**-1,909**
VI	**Products of the chemical industry**	4,458	7,509	-3,050	3,709	6,706	-2,997	750	803	-53
VII	**Plastics**	4,597	5,703	-1,106	3,639	4,693	-1,054	958	1,010	-52
(VI-VII)	**Products of the chemical industry**	**9,055**	**13,212**	**-4,156**	**7,348**	**11,399**	**-4,051**	**1,707**	**1,813**	**-105**
VIII	**Leathers and leather products**	**282**	**399**	**-117**	**254**	**351**	**-97**	**28**	**48**	**-20**
IX	**Wood and wood products**	1,382	622	760	1,267	512	755	116	111	5
X	**Wood pulp**	2,044	2,014	30	1,756	1,798	-42	287	216	71
(IX-X)	**Wood and paper industry products**	**3,426**	**2,637**	**790**	**3,023**	**2,310**	**713**	**403**	**327**	**77**
XI	**Textiles and textile products**	2,140	3,146	-1,007	1,867	2,801	-934	273	345	-73
XII	**Footwear, headgear**	281	454	-172	219	376	-157	63	78	-15
(XI-XII)	**Light industry products**	**2,421**	**3,600**	**-1,179**	**2,086**	**3,177**	**-1,091**	**335**	**423**	**-88**
XIII	**Products of stone, gypsum, cement …**	1,251	888	363	1,047	819	227	204	68	136
XIV	**Pearls, metals and stones**	613	149	464	325	119	206	288	29	258
(XIII-XIV)	**Ceramic products**	**1,864**	**1,036**	**828**	**1,372**	**938**	**433**	**492**	**98**	**394**
XV	**Products of non-precious metals**	**7,904**	**8,345**	**-441**	**6,466**	**6,588**	**-122**	**1,438**	**1,757**	**-319**
XVI	**Mechanical and electrical equipment**	15,526	15,801	-275	15,196	15,568	-371	330	233	96
XVII	**Vehicles**	11,379	7,605	3,774	9,952	6,710	3,242	1,427	895	532
XVIII	**Optical devices and apparatuses, etc.**	681	2,057	-1,376	554	1,974	-1,420	127	83	44
(XVI-XVIII)	**Products of the electromechanical industry**	**27,586**	**25,463**	**2,123**	**25,702**	**24,252**	**1,450**	**1,884**	**1,211**	**673**
XIX	**Weapons and ammunition**	11	32	-22	9	37	-29	2	-5	7
XX	**Various products**	3,707	1,174	2,533	3,257	1,017	2,241	449	157	292
XXI	**Works of art**	8	3	6	8	3	5	0	-1	1
XXII	**Miscellaneous**	16	1,760	-1,743	23	1,441	-1,418	-7	318	-325
	Other	0	9	-9	0	48	-48	0	-39	39
	Unknown or erroneous	**3,742**	**2,977**	**765**	**3,298**	**2,547**	**751**	**445**	**430**	**15**

Source: Analyses and Forecasting Department of the Ministry of Economy on the basis of data of CSO.

8. FORECAST FOR 2011

Economic scenarios for Polish foreign trade in international context in 2011 generally seem to agree that the revival in economy, demand and commodities exchange will continue. At the same time, all forecasts also indicate a significant slowdown of the pace of this growth, in particular for domestic demand and imports demand. This is especially true for markets of the European Union, which are key to Polish exporters. Current prognoses also stress the rather vast area of tensions and insecurities related to, among other things, the high unemployment rate in developed countries, which significantly limits the possibilities to use the potential of productive growth and long-term growth prospects. Other risk factors include the financial crisis in certain Eurozone countries and the recent events in North Africa and Japan.

Both International Monetary Fund and the OECD have presented their most recent forecasts for basic macroeconomic indicators for 2011 and 2012. Experts from the IMF estimate that the global GDP will increase by 4.3% this year, as compared against its growth by 5.1% in 2010. A slower pace of economic growth is predicted for both developed economies (2.2% as compared against 3% in 2010) and developing countries (6.6% as compared against 7.4% in 2010).

Table 20 Forecast for the GDP growth in selected economies in the years 2011-2012

	2011	2012
World	**4.3**	**4.5**
Advanced economies	***2.2***	***2.6***
United States	2.5	2.7
EU-27	2.0	2.1
Euro Area	2.0	1.7
Germany	3.2	2.0
Japan	-0.7	2.9
Emerging and Developing Economies	***6.6***	***6.4***
CIS	5.1	4.7
Russia	4.8	4.5
Developing Asia	8.4	8.4
China	9.6	9.5
India	8.2	7.8
Newly industrialized Asian economies*	5.1	4.5

** Hong Kong, Republic of Korea, Singapore, Taipei*
Source: Analyses and Forecasting Department of the Ministry of Economy on the basis of data of IMF of July 2011.

The latest IMF forecasts indicate that the volume of global trade in goods and services will increase by 8.2% in 2011 (as compared against 12.4% in 2010). At the same time, similarly to the situation with GDP, a more dynamic growth is expected for developing markets (increase by 11.2% in exports and by 12.1% in imports) than developed countries (increase by 6.8% in exports and by 5.1% in imports).

Similar forecasts have been presented by the OECD. According to their predictions, trade in developing countries – including China and India – will develop the fastest. An increase in exports in these two countries is expected to achieve the levels of 10.5% and 12.9% respectively, whereas an increase in imports will amount to 10.2% and 9.1% respectively. A rapid increase in imports (by 21.3%) is expected in the Russian market. At the same time, OECD experts expect imports in Germany (Poland's major partner in trade) to increase by 8%.

Table 21 Forecast for the growth of foreign trade turnover (goods and services) in the years 2010-2012

	2010		2011*		2012*	
	Exports	**Imports**	**Exports**	**Imports**	**Exports**	**Imports**
Germany	13.8	12.4	10.4	8.0	7.7	6.7
France	9.5	8.2	6.6	7.7	7.7	6.8
Italy	8.9	10.3	6.9	7.2	6.9	4.9
United Kingdom	5.3	8.5	8.0	4.0	6.1	3.7
The Netherlands	10.9	10.5	6.7	5.4	6.7	6.7
Poland	**10.1**	**11.4**	**5.4**	**7.7**	**6.7**	**7.2**
United States	11.7	12.6	7.5	5.4	8.9	8.4
Japan	23.9	9.7	3.2	5.2	8.2	8.7
Russia	7.1	25.6	4.1	21.3	5.8	10.9
China	28.3	20.6	10.5	10.2	11.0	13.7
India	12.5	9.1	12.9	9.1	13.0	12.6

** forecast*

Source: Analyses and Forecasting Department of the Ministry of Economy on the basis of data of OECD of May 2011.

The scenario for Polish economy which we have observed in the first months of 2011 and which is predicted to continue for the entire year suggests caution. Actions aimed at limiting the deficit in public finance, inflation and remuneration pressure, prospective tightening of monetary policy and appreciation of Polish zloty, as well as limitation of the tendency to lower labour costs will all result in a slower pace of exports growth and, consequently, of imports growth as well (at least in its dominant part which is the supplies sector). However, the pace of growth of imports in total, particularly as a result of the relative increase in price-competitive consumption imports (accompanied by relatively high inflation rates), will slow down incomparably less than the pace of exports growth.

Taking into account the external and domestic conditions of Polish commodities exchange as presented above, the following is predicted for 2011:

– **exports will increase by 10.5%, to the level of approx. EUR 133 billion,**
– **imports will increase by 12%, to the level of approx. EUR 150.3 billion,**

and, as a result,

– **deficit in commodities turnover will increase to approx. EUR 17.3 billion, which makes it approx. EUR 3.5 billion deeper than in 2010.**

APPENDIX. CHANGES IN THE COMPETITIVENESS OF POLISH EXPORTS IN FOREIGN MARKETS AND IMPORTS IN DOMESTIC MARKET IN 2000-2010

1. Price and cost competitiveness of Polish exports in 2000-2010

Taking into account the current level of quality and innovation represented by the Polish exports offer, our economy's exports expansion capabilities (reflected by the growth rate of exports volume) are immediately related to the level of price and cost competitiveness of Polish goods and services in international market.

Fluctuations of this level in any given period can be described by the following three parameters:
(1) **exchange rate parameter,** or the nominal effective exchange rate (NEER), which in this case is the nominal effective rate of composite foreign currencies (expressed in PLN) used for the settlement of exports transactions. Any change in this exchange rate, assuming that contract prices (or foreign prices – FP) remain fixed, translates immediately into increase or decrease in transaction prices and, therefore, in PLN income from exports,

and two adjustment parameters (so-called deflators) for the level and index of changes in NEER:
(2) **cost parameter**, or the index of changes in the relation between the unit cost labour (ULC) in Poland (ULC PL) to the similar cost labour abroad (ULC A) over a given time period. Any increase in this relation (as a NEER deflator) over a given time period results in a lowering of the level of the real effective exchange rate (REER-ULC) in relation to its nominal level, which means a decrease in cost-competitiveness of Polish exports in a given foreign market. Any decrease in Polish ULC in relation to a foreign country means an increase in real cost competitiveness of Polish exports (measured by the REER-ULC growth index) in relation to its nominal level (measured by the NEER growth index).

(3) **price parameter**, or the index of changes in the relation between domestic prices (PPI, or the producer price index, generally acknowledged to be a more reliable exports analysis measuring tool than the CPI, or the consumer price index) and foreign currency prices (FP, i.e. contract prices expressed in contract currencies, included in composite foreign currencies) over a given time period. Similarly to the cost deflator, any increase in this relation results in a lowering of the real effective exchange rate (REER-P, i.e. calculated by means of the price deflator) in relation to the NEER change index, which means a decrease in price attractiveness (profitability) of exports versus alternative sales to domestic market. Any decrease in the aforementioned relation means an increase in the REER-P index, which results in an increase in price attractiveness of exports versus domestic sales.

The effect of price ratio fluctuations on the competitiveness of Polish exports in foreign markets is not as immediate and strong as in the case of cost ratio; nevertheless, it may be stated that the effect of price ratios on the entities' eagerness to exports and undertake a series of multidirectional activities aimed at increased exports competitiveness is quite significant and, as such, influences potential increase in exports volume, in long-term perspective in particular. This means that a comprehensive and reliable assessment of changes in the competitiveness of Polish exports in international markets in the long-term perspective requires the use of real effective composite currency rate index expressed in PLN and calculated by means of using both aforementioned deflators, i.e. the cost deflator and the price deflator.

The detailed part of this assessment, including tables and charts, presents changes in the real effective exchange rate (as the indicator of real competitiveness of exports) expressed from the point of view of three complementary perspectives. These perspectives are:

– **REER-ULC**, or the REER calculated by means of the cost deflator (an index of changes in relations between unit labour prices in Poland and abroad);
– **REER-P**, or the REER calculated by means of the price deflator (an index of changes in relations between prices in Poland and prices abroad);

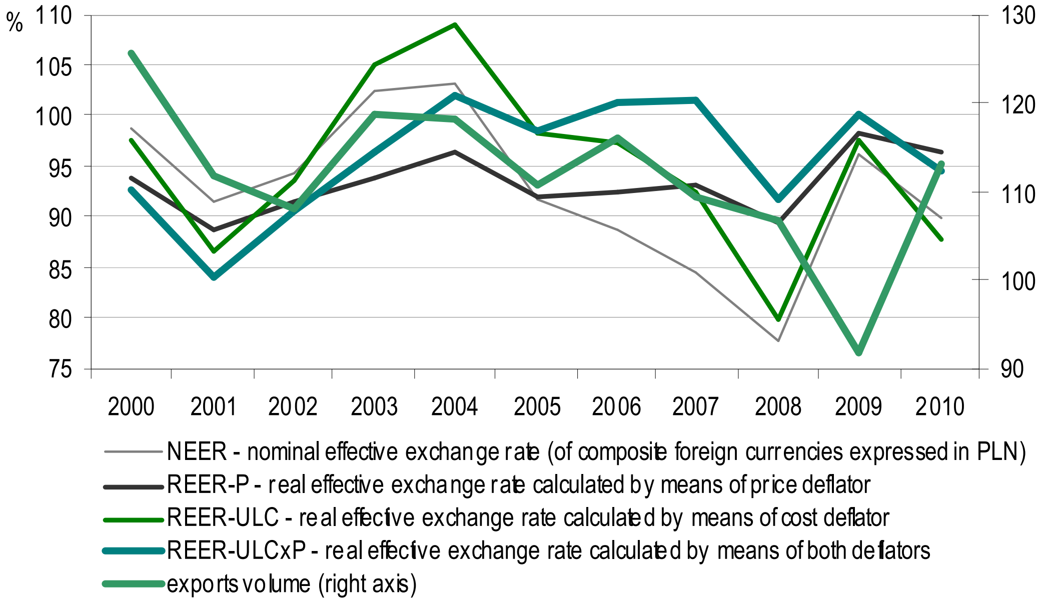
and

– **REER-ULCxP**, or the REER calculated by means of both deflators, taking into account their accumulated influence on any variations of the real cost and price competitiveness from its nominal value (measured by the NEER change index).

Fluctuations of the above parameters in particular years of the past decade are presented in single-base terms, which means that the reference base for all changes is the year 1999. This type of presentation, as opposed to the chain method (on a year-on-year basis), softens the scale of short-term fluctuations resulting from a changing reference base (especially in the periods of significant fluctuations in global economic well-being) and allows for a more reliable assessment of long-term impact of the level and tendencies of changes in exports competitiveness on the dynamics of exports growth.

However, the changes are presented against the background of the exports volume growth dynamics presented on a year-on-year basis, in order to allow for a more complete exposition of fluctuations in exports growth pace in particular years. These fluctuations, which generally result from a visible upward tendency in exports, following the increasing accumulation of its year-by-year growth, would be hardly visible (or even invisible) if presented in single-base terms (the exports volume change curve retains a general upward tendency during the entire period under analysis when expressed in reference to a single year, regardless of fluctuations in competitiveness level).

Chart 16 Changes of Polish exports competitiveness on foreign markets in the years 2000-2010 (1999=100) and dynamics of exports volume (yoy)



Source: Analyses and Forecasting Department of the Ministry of Economy on the basis of data of the NBP and the Eurostat.

Table 22 Changes of NEER and REER (calculated by means of price deflator and cost deflator) in Polish exports in the years 2000-2010 (1999=100) and changes of exports volume (yoy)

year	Annual exchange rate PLN in:		Annual exchange rate EUR and USD in PLN		Nominal effective exchange rate*	Changes of NEER (1999 =100)	Changes of costs indicies (1999=100)			Changes of prices indicies /1999=100/				REER based on ULC***	REER based on PPI^^^	REER based on ULC and PPI*^	Changes of exports volume
	EUR	USD	EUR/ PLN	USD/ PLN			ULC** PL	ULC A	deflator ULC PL /ULC A	transaction prices (in PLN)	PPI^	foreign currency prices (FP)^^	deflator based on prices: PPI/FP	1999=100		1999=100	yoy
2000	4.0110	4.3464	0.2493	0.2301	3.7938	98.8	104.6	103.4	101.2	101.2	107.8	102.4	105.3	97.7	93.9	92.8	125.6
2001	3.6685	4.0939	0.2726	0.2443	3.5080	91.4	111.4	105.8	105.3	97.2	109.5	106.3	103.0	86.8	88.7	84.2	111.9
2002	3.8557	4.0795	0.2594	0.2451	3.6261	94.4	108.9	108.0	100.9	101.4	110.8	107.4	103.2	93.6	91.5	90.7	108.2
2003	4.3978	3.8889	0.2274	0.2571	3.9308	102.4	105.4	108.1	97.5	106.7	113.7	104.2	109.1	105.1	93.8	96.3	118.6
2004	4.5340	3.6540	0.2206	0.2737	3.9606	103.2	103.1	109.0	94.6	117.6	121.9	114.0	106.9	109.0	96.5	101.9	118.2
2005	4.0254	3.2348	0.2484	0.3091	3.5252	91.8	103.4	110.8	93.3	112.8	122.6	122.8	99.9	98.4	91.9	98.5	110.8
2006	3.8951	3.1025	0.2567	0.3223	3.4074	88.7	102.3	112.2	91.2	115.6	125.0	130.2	96.0	97.3	92.5	101.4	116.2
2007	3.7829	2.7667	0.2643	0.3614	3.2506	84.7	105.0	114.5	91.7	118.7	127.5	140.2	90.9	92.4	93.1	101.6	109.5
2008	3.5166	2.4092	0.2844	0.4151	2.9881	77.8	112.8	115.8	97.5	116.6	130.1	149.8	86.9	79.8	89.6	91.9	106.8
2009	4.3273	3.1162	0.2311	0.3209	3.6918	96.2	115.3	117.3	98.3	132.3	134.6	137.6	97.8	97.8	98.3	100.0	92.0
2010	3.9946	3.0157	0.2503	0.3316	3.4504	89.9	120.9	118.2	102.2	132.8	137.5	147.8	93.0	87.9	96.6	94.5	113.2

** NEER – nominal effective exchange rate (of composite foreign curriencies expressed in PLN with a structure: 65% EUR, 25% USD, 10% PLN)*
*** ULC – unit labour cost; ULC PL – unit labour cost in Poland; ULC A – unit labour cost abroad*
^ PPI – industry producer prices index; FP – foreign currency prices
^^ changes of foreign currency prices = changes of transaction prices / changes of NEER
**** REER based on ULC – real effecitve exchange rate calculated by means of cost deflator (NEER / ULC PL / ULC A)*
^^^ REER based on PPI – real effective exchange rate calculated by means of price deflator (NEER / PPI / FP)
**^ REER based on ULC and PPI – real effective exchange rate calculated by means of cost deflator and price deflator*
Source: Analyses and Forecasting Department of the Ministry of Economy on the basis of data of the NBP and Eurostat.

Changes in price and cost competitiveness of Polish exports in 2000-2010 (as compared against the 1999 level)
Following a relatively short period of decrease in NEER (nominal effective exchange rate in PLN) during 2000-2001 by 8.6% as compared against its 1999 level, the next three years brought about its boom. In 2004, NEER achieved a level which was 3.2% higher than in the base year 1999.

Over the next 5 years, i.e. until 2008, a systematic decrease in NEER was recorded (nominal appreciation of PLN) to a level which was 22.2% lower than in 1999. Then, in 2009 – as a result of the economic crisis – NEER bounced back to a level which was only 4 p.p. lower than the base level.

Changes in nominal competitiveness of exports (measured by NEER) during the period under analysis were, however, subject to significant corrections related to parallel changes in price and cost parameters, whose course usually deviated heavily from the nominal course.

Changes in price competitiveness of exports
In the period 2000-2004, when compared against the base year 1999, the REER (with price deflator) as an index of price competitiveness of exports remained at a level lower than the level of NEER, which meant that the real price competitiveness of exports in that period was lower than its nominal level, which was especially visible in 2003-2004, when NEER was generally 2.8% higher than in the base year, whereas REER (price index) was approx. 5% lower than in 1999.

In 2005, as a result of a significant decrease in NEER (or a nominal strengthening of the Polish currency), an equation of both parameters was recorded. Both parameters were approx. 8% lower than in 1999, whereas in all the subsequent years (until 2010) the real price competitiveness index remained higher than the nominal index, particularly in 2007-2008, when the deviation of both parameters' indexes amounted to an average of 10 p.p..

Therefore, in the first half of the decade the changes in relation between domestic and foreign prices (when compared against the base year) resulted in the lowering of the real competitiveness of exports, whereas in the second half of this decade – particularly in the years immediately preceding the crisis – an improvement of this relation was a significant soothing factor to the negative impact of the nominal appreciation of Polish currency on the price competitiveness of exports.

Changes in cost competitiveness of exports
The level of REER (cost index) – as a measurement of real cost competitiveness of exports in the first three years of the decade, i.e. during 2000-2002, decreased by over 13% when compared against the base year. Its decrease during that period was nearly 5 p.p. greater than that of NEER, which meant that, in that time period – as a result of relatively short-term deterioration of the domestic labour cost (ULC) to foreign labour cost ratio – real cost competitiveness of exports decreased more than the nominal cost competitiveness. However, from 2003 until 2009, the REER (cost index) remained higher than the NEER index, which indicated a general improvement in real cost competitiveness of exports against its nominal competitiveness. Moreover, in the first two years of this sub-period, i.e. 2003-2004, REER (cost index) increased to a level which was 9% higher than in the base year. However, in the following years of this sub-period, i.e. 2005-2008, a systematic and visible decrease of REER was being observed, to a level approx. 20% lower than in the base year. This meant that REER decreased at a pace not much slower than NEER, whose drop exceeded 22%. During the crisis year 2009, the dynamic increase in NEER (sharp depreciation of Polish currency) accompanied by a relatively stable cost relation, resulted in an equally speedy increase in cost REER, which increased from a level which was over 20% lower than in the base year to a level merely 2.2% lower than in 1999. However, following a short-term fluctuation of the nominal rate in the crisis period, in 2010 another decrease in NEER was

observed – to a level 10% lower than in the base year. This was followed by an even deeper decrease in REER (cost index) – or the real cost competitiveness of exports – by approx. 12%.

Changes in real cost and price competitiveness of exports

Relatively significant deviations of the real price competitiveness level (as price REER) and real cost competitiveness level (as cost REER) from its nominal level (as NEER) in particular sub-periods of the decade under analysis indicate to a significant adjustment influence of changes in cost and price relations on real changes in exports competitiveness. From the perspective of the entire decade, however, the strength of their influence varied; in some of the periods, it was even opposite, which meant that the strength of impact of these relations on real competitiveness and exports tendencies was more or less compensated by other factors.

Following a period of decrease in nominal competitiveness (NEER) by 8.6% and even deeper decrease in real cost competitiveness (cost REER) – by 13.2%, as well as decrease in price REER by over 11.7% in the 2000-2001 period as compared against 1999, real cost-price competitiveness (cost-price REER), affected by the accumulation of these changes, decreased by nearly 16%, reaching the lowest level in the analyzed decade.

During the next three years, i.e. 2002-2004, due to a simultaneous (although different in pace) growth of NEER (to a level over 3% higher than in the base year), price REER (to a level 3.5% lower than in 1999) and cost REER (to a level 9% higher than in the base year), real price and cost competitiveness of exports (cost and price REER) increased to a level nearly 2% higher than in the base year, achieving the highest level in the analyzed decade.

In the following years, until 2010, real cost and price competitiveness of exports generally remained at a relatively high level – its fluctuations in particular years remained within the limits of +2% to -8% in relation to the base level. However, a slow downward trend was observed. It should also be mentioned that, until 2007, the relatively high level of real cost and price competitiveness resulted mainly from a relatively favorable relation of labour costs (domestic to foreign ULC ratio); during the most recent years, however, the positive influence of this factor weakened and price became the dominant factor. Moreover, from the middle of the analyzed decade until the wake of the economic crisis, a relatively high level of real cost and price competitiveness of Polish exports was maintained owing to positive changes in cost-price relations, whose beneficial influence on exports competitiveness acted as a counter factor to the negative effects of the nominal appreciation of PLN during that period.

Exports competitiveness and dynamics of exports volume

According to research conducted by independent analysis centers, including the Institute for Market, Consumption and Business Cycles Research (IBRKK), the key factor for the increase in volume of Polish exports is external demand, in EU markets in particular. The most influential of the EU markets is the German market, which is the largest and absorbs over a quarter of Polish exports in total. It is estimated that any increase in imports demand in Germany by 1% translates into an increase in Polish exports to this market by approx. 4%.

The influence of the demand factor on the dynamics of exports volume is estimated to amount to approx. 40%, whereas the influence of price and cost competitiveness – expressed by the NEER index adjusted (deflated) to changes in relations between unit labour costs (ULC) and prices in Poland and abroad – is estimated to be decidedly lower, amounting to approx. 30%.

Moreover, during the periods of serious economic changes – especially during economic breakdowns and post-crisis revivals – the influence of the demand factor becomes dominant over the remaining factors, including the price-cost competitiveness of exports. This was exemplified by the situation which took place during the recent global crisis, when – despite the dynamic growth of nominal competitiveness (NEER increase), which largely affected the increase in real cost-price competitiveness of exports – the volume of exports experienced a deep breakdown.

An opposite reaction took place in the period of post-crisis revival, i.e. 2010. Despite the significant influence of the demand factor it can be said that, during the entire period of the past decade, a relatively visible and simple relation between the changes in the level of price-cost competitiveness of exports and the pace of growth of exports volume in the following years could be observed. Except for the aforementioned crisis period, we can generally observe – more or less shifted in time – relatively clear reactions of the pace of growth of exports volume to the changes in the level of its real price-cost competitiveness. Moreover, it can be stated that a positive correlation between the pace of growth of exports volume and the real competitiveness expressed jointly as the accumulated REER with price and cost deflator is more visible than in the cases when each of these two parameters is approached individually. This stems from the fact that changes in exports competitiveness in the foreign market (measured by the cost REER index) do not have to be congruent with the changes in exports supply (as an alternative to domestic market sales, measured by the price REER index) – what is more, periodically they can even be opposite in their influence on the dynamics of exports volume.

2. Price competitiveness of Polish imports in 2000-2010

The key determinant for the increase in imports is the high imports flexibility of the increase in industrial production and exports. Significant structural demand for pro-development imports (including investment and supply-cooperation types of imports as an inherent element of FDI absorption) and for the imports of basic energy raw materials (crude oil and natural gas) causes a situation in which there are no alternative solutions, i.e. possibility of domestic purchase, to a very large part of imports. During the analyzed period the above determinants of Polish imports were even more visible, mainly due to the increased FDI absorption and the dominant share of foreign capital in Polish exports.

The main factors of imports growth have, for a number of years, affected the imports distribution structure. Over three fourths of this structure comprise supply and investment imports, which is to a large extent immune to changes in cost relations, and often also to changes in price relations (this is especially true for imports of energy raw materials).

Taking the above into account, this analysis of imports competitiveness in the domestic market uses as its index the level of real PLN exchange rate (REER), calculated by means of the price deflator, i.e. the relation of foreign prices (FP) to the prices of domestic consumption goods and services (CPI).

As opposed to the analysis of exports competitiveness, which used the effective average composite settlement currencies in PLN, the analysis of imports competitiveness assumes the average PLN rate in composite currencies as a parameter whose level or index of changes in time translates directly into the level of imports competitiveness in the domestic market (increase in exchange rate index over time means an increase in imports competitiveness, and vice versa).

Indices of changes to the nominal effective exchange rate (calculated for an import-adequate composite currencies structure, which slightly differs from the structure used for exports analysis) and price deflator (which expresses the relation of foreign prices in imports to domestic CPI) were calculated in relation to the base level, i.e. the year 1999, whereas changes in imports volume in particular years are expressed as a chain (i.e. year-on-year depiction).

Changes in price competitiveness of imports in the domestic market in 2000-2010
Following an increase in the nominal PLN exchange rate (NEER) during the first two years of the past decade, i.e. in 2000-2001, to a level which was 8.4% higher than in the base year, the next three years brought about a decrease in NEER. In 2004, its level was 2.3% below the base level.

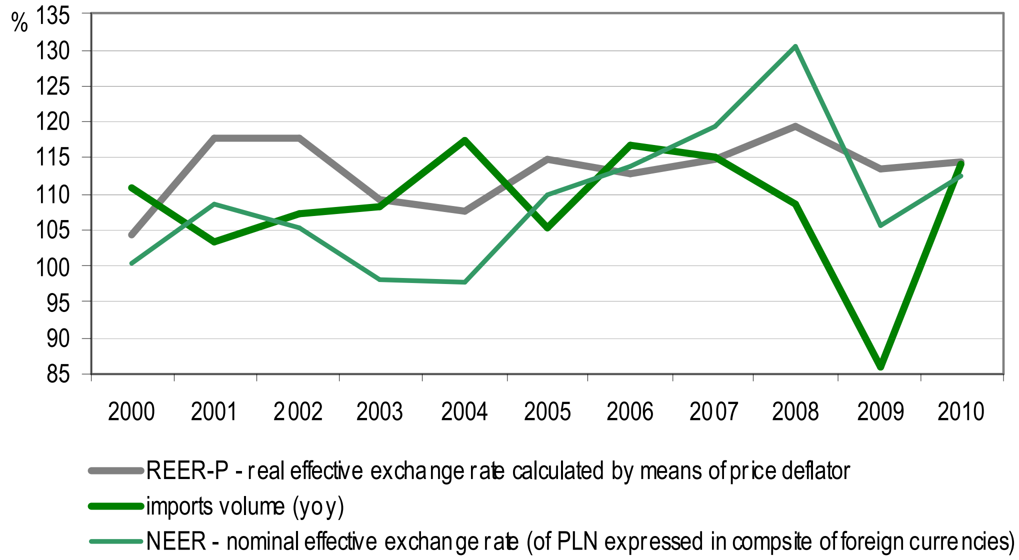
In 2005-2008, a dynamic nominal appreciation of the Polish currency was observed, achieving a level over 30% higher than in 1999. Then, in the crisis year 2009 – as a result of sharp depreciation of PLN – NEER dropped by nearly 25 p.p., reaching a level which was only 5.4% higher than in the base year. In 2009, a partial bouncing back of NEER was recorded, and it achieved a level almost 15% higher than in 1999.

As a result of significant lowering of the ratio of foreign prices to domestic prices during the years 2000-2005 (or for more than half of the decade), the real level of imports competitiveness (expressed in price REER) generally remained at a relatively high level, even though the PLN exchange rate was becoming weaker by the year for most of this period (i.e. during 2002-2004).

During the next three years (2006-2008) and before the crisis, the relation between foreign and domestic prices increased. However, due to a simultaneous dynamic nominal appreciation of the Polish currency, real competitiveness of imports remained at a relatively high level.

During the last two years, in spite of a deep decrease in the nominal exchange rate of the Polish currency, the level of imports competitiveness did not record any significant drops. This was due to the first increase in domestic prices in relation to foreign prices in three years.

Chart 17 Changes of Polish imports competitiveness on domestic market in the years 2000-2010 (1999 = 100) and dynamics of imports volume (yoy)



Source: Analyses and Forecasting Department of the Ministry of Economy on the basis of data of the NBP and the Eurostat.

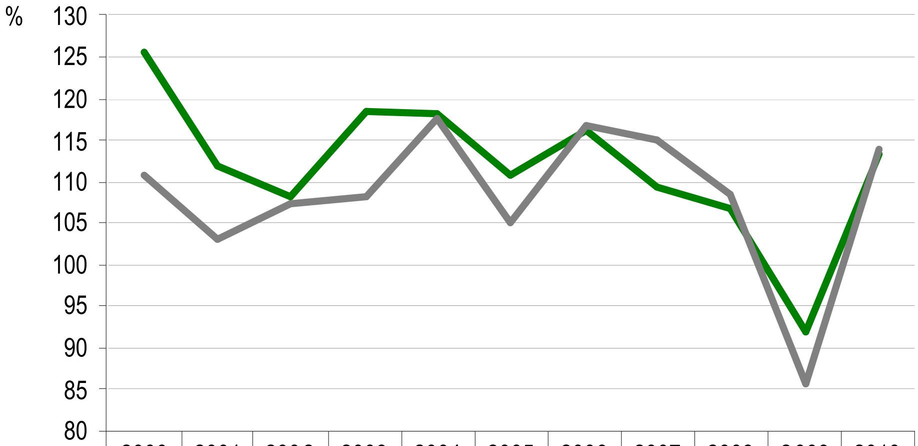
In conclusion, it can be stated that, during nearly entire past decade (excluding the short period immediately preceding the crisis and the downfall period itself), real competitiveness of imports in Polish market remained at a relatively high level, fluctuating within the limits of +4.5% (in 2000) to +19.3% (in 2008) when compared against the 1999 level. This situation stemmed primarily from the fact that domestic prices were relatively higher than foreign prices. Fluctuations in the nominal PLN exchange rate in the analyzed period had a moderate impact on the real competitiveness of imports.

Influence of real price competitiveness of imports on the dynamics of imports volume

As it has already been indicated, strong dependency of Polish economy and exports on imports leads to a situation where changes in price competitiveness in the Polish market measured by the level and changes in the real effective exchange rate in imports (NEER with price deflator) do not have an immediate impact on the dynamics of imports volume as a whole (i.e. not broken down in particular sectors and distribution types). This is illustrated by the volume curve presented against the NEER and price REER curves in chart 17.

On the basis of a long-term imports statistics it can be estimated that the impact of the price/exchange rate factor is decidedly much more visible in the case of consumption goods imports (imports of staple goods in particular), including agricultural and food products, whose share in imports in total amounts to approx. 20-25%. Therefore, the impact of this factor is not strong enough to affect the general situation in imports. The pace of growth of the dominant part of imports is, to a large extent, a result of the high demand for imports expressed by the Polish economy, especially by the sectors of industrial production and industrial goods exports. It can be said that the factor of import-intensity of exports is decisive here, which seems to be exemplified by a clearly visible correlation between the dynamics of exports volume and that of imports volume.

Chart 18 Changes in the commodities turnover volume in the years 2000-2010 (yoy)



	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
exports volume	125.6	111.9	108.2	118.6	118.2	110.8	116.2	109.5	106.8	92.0	113.2
imports volume	110.9	103.2	107.3	108.2	117.5	105.2	116.8	115.1	108.5	85.8	113.9

Source: Analyses and Forecasting Department of the Ministry of Economy on the basis of data of CSO.

Table 23 Changes of NEER and REER (calculated by means of price deflator) in Polish imports in the years 2000-2010 (1999=100) and changes of imports volume (yoy)

year	Annual exchange rate PLN in:		Annual exchange rate EUR and USD in PLN		Nominal effective exchange rate*	Nominal effective exchange rate**	Changes of NERR* (1999=100)	Changes of NERR** (1999=100)	Changes od prices /1999=100/				REER (deflator FP/CPI)^^	Changes of imports volume
	EUR	USD	EUR/PLN	USD/PLN					transaction prices in imports	CPI^	foreign currency prices*^ (transaction prices /NEER*)	deflator FP/CPI	1999=100	yoy
2000	4.0110	4.3464	0.2493	0.2301	3.8105	0.2624	99.6	100.4	105.4	110.1	105.8	96.1	104.5	110.9
2001	3.6685	4.0939	0.2726	0.2443	3.5293	0.2833	92.2	108.4	98.9	116.2	107.2	92.3	117.5	103.2
2002	3.8557	4.0795	0.2594	0.2451	3.6373	0.2749	95.1	105.2	100.4	118.4	105.7	89.3	117.8	107.3
2003	4.3978	3.8889	0.2274	0.2571	3.9054	0.2561	102.1	98.0	109.5	119.3	107.3	89.9	109.0	108.2
2004	4.5340	3.6540	0.2206	0.2737	3.9166	0.2553	102.4	97.7	114.6	123.5	112.0	90.7	107.7	117.5
2005	4.0254	3.2348	0.2484	0.3091	3.4857	0.2869	91.1	109.8	109.8	126.1	120.6	95.6	114.8	105.2
2006	3.8951	3.1025	0.2567	0.3223	3.3678	0.2969	88.0	113.6	112.9	127.3	128.3	100.7	112.8	116.8
2007	3.7829	2.7667	0.2643	0.3614	3.1998	0.3125	83.6	119.6	113.7	130.5	135.9	104.2	114.8	115.1
2008	3.5166	2.4092	0.2844	0.4151	2.9327	0.3410	76.6	130.5	114.0	136.0	148.8	109.4	119.3	108.5
2009	4.3273	3.1162	0.2311	0.3209	3.6312	0.2754	94.9	105.4	123.9	140.8	130.6	92.8	113.6	85.8
2010	3.9946	3.0157	0.2503	0.3316	3.4015	0.2940	88.9	112.5	125.9	144.4	141.7	98.1	114.7	113.9

** NEER – nominal effective exchange rate (of composite foreign currencies expressed in PLN with a structure: 60% EUR, 30% USD, 10% PLN)*
*** NEER – nominal effective exchange rate (of PLN expressed in composite of foreign currencies: 60% EUR, 30% USD, 10% PLN)*
**^ FP – foreign currency prices (changes of foreign currency prices = changes of transaction prices / changes of NEER)*
^ CPI – consumer prices (according to CSO data)
^^ REER based on CPI – real effective exchange rate calculated by means of price deflator (NEER / FP / CPI)
Source: Analyses and Forecasting Department of the Ministry of Economy on the basis of data of the NBP and Eurostat.

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