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SYNTHESIS

2010 saw a dynamic revival of global economy and its overcoming of the aftermaths of the 2008-2009 financial breakdown. However, the year of 2011 brought about a slowdown in world economy. This happened due to numerous factors such as the debt crisis troubling the Eurozone, natural disasters in Japan and Thailand, general deterioration of the economic situation in the US and the increase in raw material prices witnessed by most global markets. The decreased economic growth resulted in a decreased dynamics of global turnover. According to the latest data provided by the International Monetary Fund (as of July 2012), the global GDP increased by 3.9% in 2011, while the volume of international trade in goods and services rose by 5.9% in the same year. In contrast, in 2010 the GDP rose by 5.3%, and the world trade increased by as much as 12.8%.

A slowdown in the dynamics of economic growth was noted in most markets in 2011, and it was decidedly more severe among developed countries than in the case of the developing states. In the Eurozone, the increase in GDP slowed down to a mere 1.5% (to 3.1% in Germany). The deteriorating condition of this market group was an effect of the structural weaknesses in public finances and the banking system present in many Eurozone countries (which later evolved into debt crisis in the case of many of these states), exposed in the second half of 2011. In spite of the negative tendencies displayed by its immediate surroundings, Poland still remains one of the fastest economically growing countries in Europe. This situation results from both high activity of domestic enterprises (increase in capital expenditures and production) and the stable increase in household consumption expenditures.

2011 also saw a slowdown in the pace of increase in domestic demand for most markets worldwide. In analogy to the GDP situation, developed states suffered more drastically from this halt. Demand in the European Union slowed down more than twice; nevertheless, the situation was different for Germany – recipient of approx. 26% of total Polish exports – where it increased, although insubstantially.

In 2011, the value of Polish exports of goods, expressed in Euro, increased by 13.6%, amounting to EUR 136.7 billion. Imports increased by 13.7%, reaching the level of EUR 152.6 billion. The deficit in commodities turnover amounted to EUR 15.9 billion in 2011 and, compared against the previous year, noted a further increase by EUR 2.1 billion.

The relatively high increase in the 2011 exports – which took place even against the serious disturbances in the Eurozone, comprising Poland's main commercial partners – was mainly a result of the high dynamics noted in the developing and less-developed markets.

Exports to developing and less-developed countries increased by 18.2%, amounting to EUR 21.4 billion, and imports grew by 15.3% (to EUR 50.7 billion). In spite of the relatively favourable situation with respect to trade exchange between Poland and these countries, an increased deficit (by EUR 3.4 billion, to EUR 29.3 billion) was noted. This large increase in the negative balance was a result of disadvantageous changes to Poland's trade exchange with CIS countries. Following a dynamic increase in imports from CIS – which grew twice faster than exports – the deficit deepened by nearly EUR 4 billion (to EUR 10.2 billion) when compared against the year before. The situation was much better for Polish trade exchange with other (non-CIS) developing and less-developed states – in this area, exports increased nearly 5 times faster than imports, and the exchange balance recorded a slight improvement in 2011.

Turnover with developed states in 2011 increased at a much slower pace than in the case of both developing markets and the general scale. As usually, the most important market for Polish trade exchange with developed countries in the European Union, which in 2011 was the recipient of 78% of total Polish exports and the provider of 59.7% of total Polish imports. In 2011, Polish exports to EU countries increased by 12%, following its slowdown to Eurozone states. Imports from the EU to Poland noted an increase which was slightly faster than average, although – in analogy to the situation in exports – the increase was larger for EU states from outside the Eurozone.

The balance of turnover with the European Union amounted to EUR 15.6 billion in 2011. Differences were recorded in the turnover balance in relation to Eurozone states and other EU states. As a result of an increase in imports from the Eurozone countries which was faster than the increase in exports, the surplus recorded in the preceding year decreased by EUR 1.7 billion. The balance deteriorated in relation to most Eurozone markets; the greatest decline was noted in relation to our main trade partner – Germany. The disadvantageous changes in Polish turnover with this market group were, however, made up for by an improved balance in turnover with EU countries from outside the Eurozone. As a result of a relatively fast increase in exports, the turnover surplus increased by EUR 1.9 billion (to EUR 12.6 billion). The most significant improvements were noted in our turnover with the following of these countries: United Kingdom, the Czech Republic and Romania.

In 2011, developed markets from outside the European Union strengthened their significance for the Polish exports. Exports to those countries grew by approx. 24%. This dynamic increase was a result of the faster pace of exports to EFTA markets, which grew by 41% (3 times faster than average). On the other hand, 2011 saw a slowdown in imports from the entire group of developed non-EU markets (increase by 4.5%), which resulted in a reduction of the turnover deficit by EUR 1.2 billion (to EUR 2.2 billion).

The turnover grew fastest in 2011 for one single product group: mineral products (amounting to 5% of Polish exports and 13.6% of Polish imports), exports of which grew by 33.8% (amounting to EUR 6.9 billion) and imports – by 33.3% (to EUR 20.7 billion). Moreover, the largest increase in imports value (by nearly EUR 5.2 billion) was also recorded for this group, resulting from a dynamic increase in global prices of energy resources (oil and gas).

The exports of ceramic products also recorded an increase which was faster than average (by 30%, to EUR 3.9 billion); the case was similar for chemical products (by 20.2%, to EUR 18.9 billion) and metallurgical products (by 20.2%, to EUR 16.2%). While the share of ceramic products in total Polish exports is rather insignificant (2.8%), chemical and metallurgical products have constituted an important element of our trade exchange for many years now. In 2011, the share of chemical products amounted to 13.8% in exports and 17.5% in imports and the share of metallurgical products amounted to 11.9% and 10.9% respectively.

A relatively high increase in the exports of agricultural and food products (by 12.7%, to approx. EUR 15.2 billion) was recorded in 2011. The growth was greatest for meat and animal products (by 14.8%, to EUR 5.2 billion) and prepared foodstuffs (by 13.4%, to over EUR 7 billion). The imports of food products increased by 15.6%, amounting to EUR 12.6 billion. The turnover surplus in agricultural and food products exchange reached the level of EUR 2.6 billion, slightly exceeding the results for 2010.

While the increase in the exports of the dominant product group for the Polish-foreign trade exchange – namely, electromechanical products – turned out to be greatest in terms of absolute values (by EUR 3.9 billion, to EUR 55.4 billion), the pace of this increase was the slowest (7.5%, or 6.1 p.p. slower than the average increase rate). The increase rate for the imports of this product group was also the slowest of all product groups – the imports of electromechanical products grew by 5.1%, which was 8.6 p.p. lower than for all product groups in general. The faster increase in the exports of electromechanical products resulted in an increased surplus in the turnover of these goods, which grew by almost EUR 1.3 billion (to over EUR 1.9 billion).

The deepening of the total deficit in commodity turnover by nearly EUR 2.1 billion was primarily a result of the increase in the negative balance in mineral products exchange by over EUR 3.4 billion (to approx. EUR 13.8 billion). This was not compensated by the positive changes recorded in the exchange of electromechanical and ceramic products, where the surplus grew by EUR 1.3 billion (to over EUR 1.9 billion) and EUR 0.7 billion (to nearly EUR 1.9 billion), respectively.

The slowdown in commodity exchange between Poland and other countries recorded in 2011 continued into the first months of 2012, particularly on the side of imports. During the first half of 2012, exports from Poland increased by 1.1%, reaching the level of EUR 68.3 billion. The value of imports during the period of January-June 2012 amounted to nearly EUR 74.2 billion, which was 1.9% lower than in the corresponding period of previous year. As a result, the deficit in commodity turnover – amounting to less than EUR 5.9 billion after the first six months of the year – was reduced by over EUR 2.2 billion when compared against the same period of the previous year.

It is now rather impossible to make reliable forecasts for further developments in global economy, as the level of uncertainty is too high and risk factors are too numerous. Nevertheless, it is expected that the slowdown in global economy which has been recorded since the latter half of 2011 will continue into 2012, and the previously hoped for improvements will take place no earlier than in 2013 and will be only of a moderate size. The main threats which may have a negative impact on the global financial and economic situation in the months to come include the debt problems faced by the Eurozone, including primarily the threats related to the implementation of the savings plan in Greece and the situation of the banking and public finances sectors in Spain. Global prices – raw material and resource prices in particular – are also a great risk factor which cannot be predicted with a degree of certainty.

The business and economic conditions described above, including the significant slowdown in the economic increase and lowered imports demand in those exports markets which are key for Polish economy, will effect in the continuing slowdown in exports – a trend which started in the second half of 2011. This slowdown will, in turn, bring about an even more visible lowering in Polish imports dynamics.

1 CHANGES IN EXTERNAL AND INTERNAL CONDITIONS

1.1 External conditions

1.1.1 Situation in global economy and major markets in 2011

2011 was the period of lowered activity for global economy. This happened due to numerous factors, including the debt crisis troubling the Eurozone, natural disasters in Japan and Thailand, general deterioration of the economic situation in the US and the increase in raw material prices witnessed by most global markets.

Following the speedy recovery of production, international trade, investments and employment in 2010, the year of 2011 brought about a slowdown of increase in global production to 3.9% (from 5.3%). This secondary downtrend in economy was a proof that economic disturbances which had resulted in the 2008-2009 crisis had not been fully removed and still affected many of the world's economies. The main aftermaths of the global financial crisis in the European markets include tensions in the sphere of public finances and a serious debt crisis in the Eurozone, posing threats for the functioning of the common currency. These disturbances slow down the economy of not only the European Union, but also of many other regions in the world – this is particularly true for the countries which see European markets as their main trade partners.

During the past two years, the condition of global economy was also dictated by several non-economic events, which nevertheless brought about a slowdown in increase and lowered expectations regarding future economic growth. One of such factors which cannot be predicted in a long-time perspective is the natural disasters. In 2010-2011, the global economic production was affected by volcano explosions in Iceland, tsunami and earthquakes in Japan (resulting in a nuclear threat) and the enormous flood in Thailand in late 2011. These events had a strong impact on the global supply and cooperative relations. Furthermore, the political situation in North Africa and the Middle East, which has been rather unstable since late 2010, causes uncertainties with respect to its potential influence on the global economy in general and supply and prices of oil in particular.

The disturbances described above had also affected international trade. Strong interconnections in global production result in high susceptibility of international trade to fluctuations in economy, which means that global turnover usually records more intense vacillations than GDP. While the growth rate of GDP in 2011 lowered by 1.4 p.p., the increase in the volume of international trade in goods and services slowed down to 5.9%, which was nearly 7 p.p. lower than in the previous year.

The results obtained by particular economies in 2011 only confirm the tendency which has been observed for many years and according to which developing markets grow at a faster pace than the developed ones. GDP in developed countries increased by 1.6% - half slower than in 2010. The slowdown in growth was much less dramatic in the case of developing countries, as it only dropped down from 7.5% to 6.2%.

Although the slowdown in growth which had been taking place since late 2011 mainly affected developed economies, the extensive group of developing markets also includes countries whose economies suffered from the global crisis – mainly due to their dependence on imports demand from the developed countries. Another factor which had a negative effect on some developing markets was the increase in the prices of raw materials worldwide.

Table 1 Changes of GDP in selected economies and groups in the years 2010-2013

	2010	2011	2012**	2013**
World	**5.3**	**3.9**	**3.5**	**3.9**
Advanced economies	3.2	1.6	1.4	1.9
United States	3.0	1.7	2.0	2.3
EU-27	2.0	1.6	0.0	1.0
Euro Area	1.9	1.5	-0.3	0.7
Germany	3.6	3.1	1.0	1.4
Japan	4.4	-0.7	2.4	1.5
Emerging and developing economies	7.5	6.2	5.6	5.9
Commonwealth of Independent States	4.8	4.9	4.1	4.1
Russia	4.3	4.3	4.0	3.9
Middle East and North America	5.0	3.5	5.5	3.7
Sub-Saharan Africa	5.3	5.2	5.4	5.3
Latin America and the Caribbean	6.2	4.5	3.4	4.2
Developing Asia	9.7	7.8	7.1	7.5
China	10.4	9.2	8.0	8.5
India	10.8	7.1	6.1	6.5
Newly industrialized Asian economies*	8.5	4.0	2.7	4.2

** Hong Kong, Republic of Korea, Singapore, Taipei; ** forecast*
Source: Strategy and Analyses Department of the Ministry of Economy on the basis of data of the IMF of July 2012.

Developed states also suffered more intensely from fluctuations in international trade than the developing economies. Exports of goods and services in developed countries increased by 5.4% in 2011 (compared against 12.2% in 2010), and imports grew by a mere 4.4% (which was nearly three times slower than in the previous year). Developing countries, on the other hand, recorded an increase in the volume of exports of goods and services amounting to 6.6%, and a growth in imports by 8.8%. In 2010, the increase amounted to 14.4% in exports and 15.3% in imports.

Both in the times of the 2008-2009 recession and during the post-crisis recovery and the subsequent secondary slowdown recorded in late 2011, large developing economies, including primarily China and India, were the leaders of economic growth. Although the growth of these countries also recorded a slowdown in 2011, mainly due to the economic disorder in their immediate surroundings, the significance and strength (both political and economic) of these markets has increased dramatically during the past several years.

The pace of the economic growth among EU countries, which constitute approx. 80% of recipients of Polish exports in total, slowed down from 2% in 2010 to 1.6% in 2011, which was slower than expected in early 2011. Internal demand among EU states slowed down even further, recording an increase by 0.6% as compared against 1.5% in 2010. This resulted in a decreased pace of growth of imports to the European Union, which is the main determinant of the external demand for Polish commodities; thus, the rate of imports growth decreased from 9.5% in 2010 to 2% in 2011.

The general economic slowdown in the European Union was a result of a decrease in economic growth of the Eurozone states from 1.9% in 2010 to 1.5% in 2011. These markets recorded a systematic deterioration in all quarters of 2011 (on a year-to-year basis): economic growth decreased from 2.4% in the first quarter to 0.7% in the last quarter of the year. The first quarter of 2012 was a period of stagnation. This declining condition of the Eurozone resulted from the structural weaknesses in public finances and the banking sector of many Eurozone states, revealed in late 2011. In many countries (Greece, Spain, Ireland and Portugal) these weaknesses subsequently evolved into a debt crisis, thus posing a potential threat for the stability of both the Eurozone and the European Union in general.

The economic situation in Germany – Poland's major trade partner – was relatively advantageous when compared against other EU markets. Although the increase in the market's GDP (which reached the level of 3.1%) was somewhat slower than in 2010 (3.6%), it still remained more than twice faster than in the case of the remaining Eurozone countries. The growth of the German market was mainly a result of the good internal conditions. In 2011, internal demand in Germany grew by 2.5% (a little faster than in 2010), and internal consumption – which has been one of the key factors for Germany's economic growth in the recent years – increased by 1.4%. Furthermore, the country recorded an improvement in the job market: the unemployment rate, which was 6.8% in 2010, dropped down to 5.7% in 2011.

14 countries of the European Union recorded a decrease in demand. These included Greece (by 8.5%), the Czech Republic (by 1%), Slovakia (by 1.5%), Italy (by 0.9%) and Hungary (by 0.6%). On the other hand, some of the states which are more significant for the Polish exports recorded an increase: Belgium noted a growth by 1.9%, France – by 1.6% and the Netherlands – by 0.7%.

Table 2 Changes of domestic demand by selected economies in the years 2010-2013

	2010	2011	2012*	2013*
European Union	1.5	0.6	-0.7	0.8
Euro Area	1.2	0.5	-1.1	0.7
Germany	2.4	2.5	1.0	2.0
France	1.6	1.6	0.2	1.3
Italy	2.1	-0.9	-2.9	-0.1
United Kingdom	2.3	-0.5	-0.1	0.8
Netherlands	0.9	0.7	-1.9	0.0
Spain	-1.0	-1.7	-4.4	-2.1
Sweden	6.2	3.4	0.6	1.8
Austria	1.8	2.6	0.4	1.4
Czech Republic	2.0	-1.0	-1.0	0.9
Slovakia	4.5	-1.5	1.4	2.3
Hungary	-0.5	-0.6	-2.0	-0.3
POLAND	4.6	3.7	1.9	2.2
Norway	3.1	3.3	3.1	2.8
United States	3.4	1.6	2.2	2.0
Japan	2.7	0.1	2.1	1.4
Turkey	13.4	9.5	3.9	3.9

** forecast*
Source: Strategy and Analyses Department of the Ministry of Economy on the basis of data of the IMF of July 2012.

1.1.2 Changes in global prices and foreign exchange rates

Raw material prices in 2010 and the first half of 2011 displayed an upward trend. In the second half of 2011, however, the deteriorating situation in some European markets and the slowdown in economic growth of developing countries contributed to the decrease in the global demand for raw materials. This, in combination with the increased supply, resulted in a decrease in raw material prices. Nevertheless, regardless of these drops, the real prices of raw materials remained relatively high.

The reason for the decrease in raw material prices which took place in 2011 had included the exceptionally high level of uncertainty regarding the prospective developments in global economy, deteriorating economic conditions in many countries as well as the Eurozone crisis. At the same time, the pace of GDP growth in developing countries was lower than expected. It was the stagnation in the

Chinese real estate market and the decreased raw material demand from China which affected the lowering of raw material prices in particular. A decreased demand for raw materials was also recorded in Japan (where it was a result of lowered production volume due to the natural disaster which had taken place in March) and the United States of America.

Following a significant increase at the turn of 2010-2011, the prices of metals recorded a notable decrease in the latter half of 2011. Due to weaker dynamics of industrial production and deteriorating growth perspectives for developed countries, the index of metal prices recorded a growth by 13.5% (as estimated by the IMF in September 2011), while in 2010 it had increased by as much as 48%.

The prices of food products also increased dynamically in 2010 and early 2011. Disadvantageous weather conditions in late 2010 brought about significant increases in food prices, resulting mainly from a boom in crop prices. The volume of crops produced at a global scale in 2011 was larger than in the previous year, which allowed for the replenishment of reserves. As a result, the prices of food products dropped down in late 2011. In the context of the entire year, the index of food prices as estimated by the IMF increased by nearly 23%, although the pace of growth for this index was one third slower when compared against 2010.

In contrast to non-energy resources, the prices of oil steadily increased throughout 2011. This was connected to the geopolitical situation in the oil-exporting countries. The increase in oil prices in the first half of 2011 was affected by the unstable political situation in Arabic countries, Libya in particular. Disturbances in oil production which took place there resulted in a limitation of free productive forces in the states belonging to the OPEC, which additionally contributed to the increase in tensions on the demand side of the oil market. International sanctions imposed against Iran were yet another factor which contributed to the pressure to increase prices. The price of a single oil barrel fluctuated between USD 100-115 in 2011 and increased to USD 126 in March of 2012. Since that time, the prices of oil have recorded a systematic decrease. At the end of the first half of 2012, price of oil was about USD 90 per barrel.

2011 was a year of significant weakening of the US dollar against other major currencies. The American currency, for many years considered to be the symbol of power and stability, lost the investors' trust in 2011. Afraid of the return of recession in the USA, they turned to look for more reliable ways to invest their capital, such as the Japanese yen or gold. As a result, in 2011 yen started to be seen as a safe haven, which in turn brought about its nominal appreciation against the USD by 10%. Two other major Asian currencies – the Chinese yuan and the Korean won – also strengthened in relation to the American currency, their value growing by 4.7% and 4.3% respectively. The Brazilian real increased by 5.4% in relation to the USD, and the Eurozone currency noted a strengthening by 5% in 2011.

Furthermore, the unstable and unpredictable situation in the global market – including the disturbances in the Eurozone – resulted in a significant appreciation of the Swiss currency, which many perceived as safe for their investments. In 2011, the Swiss franc recorded a nominal growth by 17% in relation to the US dollar. Strong currency, however, had a negative impact on the Swiss economy, which motivated the Swiss National Bank to intervene in currency markets in order to lower the value of franc.

The changes in the aforementioned currency took on a different shape for their real value (nominal exchange rate deflated by price fluctuations) than for their nominal value. In the case of the US dollar, the real depreciation (by 4.9%) was greater than the nominal depreciation, which indicates the potential increase in price competitiveness for American goods, resulting from the decrease in these prices. On the other hand, average annual strengthening of other currencies in terms of their nominal values was significantly higher when compared against their growth in real terms. The real value of the Japanese yen increased by a mere 1.7%, and the Chinese yuan – by 2.7%. The appreciation of the EUR exchange rate was also relatively low and reached the level of 1.8%. This means that the increased value of these currencies recorded in 2011 did not have such a negative impact on the competitiveness of their domestic products in the global market. When compared against these currencies, the Brazilian real noted a relatively significant real growth (by 4.7%).

1.1.3 Situation in global trade

1.1.3.1 Commodities turnover volume in 2011

The volume of global commodities turnover, following a decrease by 10.5% during the crisis period, increased significantly in 2010 (by 12.8%). This trend, however, did not continue into the following year. In 2011, the trade in goods and services increased only by 5.9% (according to the IMF data).

Table 3 Changes in global trade turnover (goods and services) in the years 2010-2013

	changes of volume			
	2010	**2011**	**2012***	**2013***
World	**12.8**	**5.9**	**3.8**	**5.1**
Exports				
Advanced economies	12.2	5.4	2.3	4.3
Emerging and developing economies	14.4	6.6	5.7	6.2
Imports				
Advanced economies	11.5	4.4	1.9	4.2
Emerging and developing economies	15.3	8.8	7.8	7.0

** forecast*

Source: Strategy and Analyses Department of the Ministry of Economy on the basis of data of the IMF of July 2012.

Exports from the developing countries increased by 6.6%, which was 1.2 p.p. more than in the case of developed economies. The discrepancy between these two market groups was even greater for the pace of growth of imports – in developed countries imports increased by 4.4% (compared against 2010), while in the developing countries imports grew by 8.8%.

Table 4 Changes of GDP and global merchandise trade turnover by region in the years 2009-2011

	GDP			Exports			Imports		
	2009	**2010**	**2011**	**2009**	**2010**	**2011**	**2009**	**2010**	**2011**
World	-2.6	3.8	2.4	-12.0	13.8	5.0	-12.9	13.7	4.9
North America	-3.6	3.2	1.9	-14.8	14.9	6.2	-16.6	15.7	4.7
United States	-3.5	3.0	1.7	-14.0	15.4	7.2	-16.4	14.8	3.7
South and Central America	-0.3	6.1	4.5	-8.1	5.6	5.3	-16.5	22.9	10.4
Europe	-4.1	2.2	1.7	-14.1	10.9	5.0	-14.1	9.7	2.4
European Union	-4.3	2.1	1.5	-14.5	11.5	5.2	-14.1	9.5	2.0
Commonwealth of Independent States	-6.9	4.7	4.6	-4.8	6.0	1.8	-28.0	18.6	16.7
Africa	2.2	4.6	2.3	-3.7	3.0	-8.3	-5.1	7.3	5.0
Middle East	1.0	4.5	4.9	-4.6	6.5	5.4	-7.7	7.5	5.3
Asia	-0.1	6.4	3.5	-11.4	22.7	6.6	-7.7	18.2	6.4
China	9.2	10.4	9.2	-10.5	28.4	9.3	2.9	22.1	9.7
Japan	-6.3	4.0	-0.5	-24.9	27.5	-0.5	-12.2	10.1	1.9
India	6.8	10.1	7.8	-6.0	22.0	16.1	3.6	22.7	6.6
Newly industrialized Asian economies*	-0.6	8.0	4.2	-5.7	20.9	6.0	-11.4	17.9	2.0

** Hong Kong, Republic of Korea, Singapore, Taipei*

Source: Strategy and Analyses Department of the Ministry of Economy on the basis of data of the WTO of July 2012.

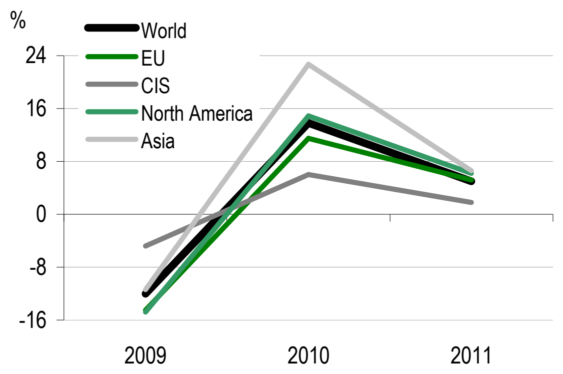
According to the data provided by the WTO, the volume of world exports of goods increased by 5% in 2011, compared against the increase by 13.8% in 2010. The exports of goods from developed countries increased by 4.7% in 2011. This was affected by a relatively speedy increase in the exports from USA (by 7.2%) and the European Union (by 5.2%) on the one hand, and the negative effects of the decreased Japanese exports (by 0.5%) on the other. Imports in developed economies increased by 2.8%, compared against 10.9% in the previous year, which means that imports in this group of countries increased at half the pace of the exports.

Commodities turnover in developing and less developed countries recorded a greater increase. The volume of exports from those countries increased by 5.4% (compared against 14.9% in 2010). This group of economies, in contrast to the developed states, noted a pace of growth in imports (amounting to 7.9%) which exceeded the pace of exports growth. At the same time, imports from developing countries increased nearly three times faster than imports from developed markets.

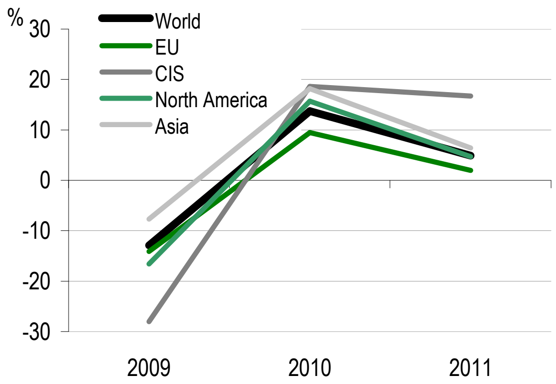
When broken down into particular regions, the highest growth in exports volume in 2011 was recorded in Asia (by 6.6%), led mainly by India (increase by 16.1%) and China (by 9.3%). Exports in the countries classified as the newly industrialized Asian economies increased by 6% in 2011. Imports to Asian countries increased at a slightly slower pace than their exports (by 6.4%). While in China the growth in imports volume (by 9.7%) was a bit faster than in exports (the difference amounting to 0.4 p.p.), the situation was different in India, where imports increased nearly 2.5 times slower than exports (by 6.6%).

Chart 1 Changes in commodities turnover volume in selected countries and groups of countries in the years 2009-2011

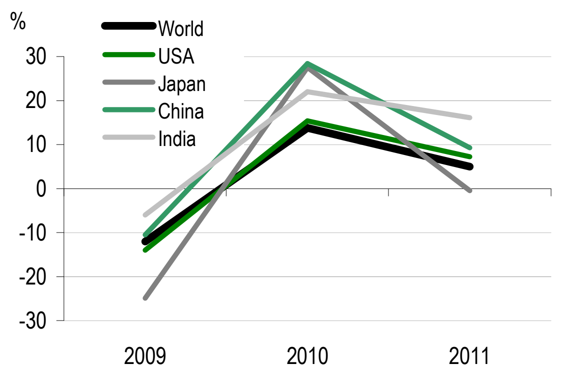
Changes in exports volume



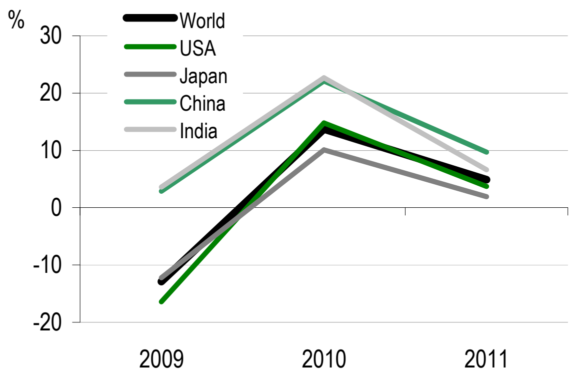
Changes in imports volume



Changes in exports volume



Changes in imports volume



Source: Strategy and Analyses Department of the Ministry of Economy on the basis of data of the WTO of July 2012.

Relatively large increase was recorded in the volume of exports in North America (by 6.2%) and Europe (by 5%), while the volume of imports to these regions grew slower – by 4.7% and 2.4% respectively. The economy of the United States, dominant in the region of North America, recorded an increase in exports by 7.2%, faster than the average growth in the entire region. The situation was similar in Europe, where the volume of exports from the European Union increased by 5.2%, which was slightly more than for the region as a whole.

The Commonwealth of Independent States recorded a low pace of growth in the volume of exports (1.8%), while the imports increased significantly faster than average (by 16.7%).

The only region which recorded a decrease in the exports volume in 2011 was Africa, where exports were by 8.3% lower than in 2010. On the other hand, imports to this region increased by 5% in 2011.

1.1.3.2 Global commodities turnover in current USD-denominated prices

In 2011, the value of global exports (expressed in USD-denominated prices) increased by 19%, reaching the level of USD 18.2 trillion[1], and the volume of commodities exports increased by 5%. Imports grew by 19%, reaching the level of almost USD 18.4 trillion, and its volume increased by 4.9%. The fact that the value of turnover increases at a faster pace than its volume results mainly from the increase in global commodity prices.

The share of particular regions in the global commodities turnover did not undergo any significant changes in 2011. Europe is the biggest market for global exports; in 2011, its share in worldwide exports reached the level of 37%, and the value of exports in this region amounted to USD 6.6 trillion (which was 17% more than in 2010). The imports of commodities in the European market amounted to USD 6.85 trillion, thus growing by 17% when compared against the data for 2010 and providing for 38% of global imports.

Exports from the European Union was developing at a similar pace to European exports in general. It reached the level of approx. USD 6 trillion. The main European economy, Germany, recorded an increase to nearly USD 1.5 trillion. Imports to Germany, on the other hand, increased by 2 p.p. more, thus reaching the level of almost USD 1.3 trillion. A slower than average growth in exports rates among European economies was recorded for France (by 14%, to nearly USD 600 billion) and the Netherlands (by 15%, to USD 660 billion).

The value of exports of commodities from North American countries increased by 16% (to nearly USD 2.3 trillion), thus constituting 13% of global exports in total. Imports to this region reached the level of USD 3.1 trillion (15% more than in 2010), comprising 17% of total imports worldwide. The main economy of this region, the United States, recorded a growth in turnover similar to the increase recorded in the entire region, reaching the amount of nearly USD 1.5 trillion in exports and almost USD 2.3 trillion in imports.

[1] The data includes the value of re-exports and imports for re-exports (as in Table no. 6).

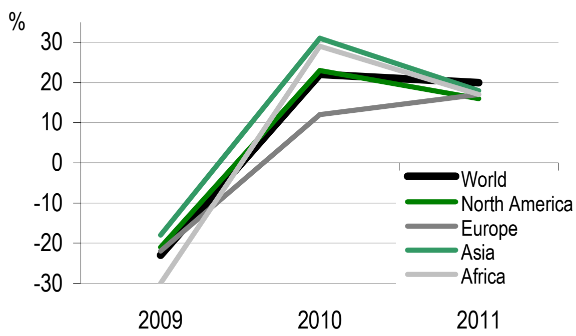
Table 5 Changes of world merchandise trade by region and selected economies in the years 2005-2011 (billion dollars and percentage)

	Exports					Imports				
	2011	2005-2011	2009	2010	2011	2011	2005-2011	2009	2010	2011
	USD bln	in %				USD bln	in %			
World	17,779	10	-23	22	20	18,000	9	-23	21	19
North America	2,283	8	-21	23	16	3,090	5	-25	23	15
United States	1,481	9	-18	21	16	2,265	5	-26	23	15
Canada	452	4	-31	12	17	462	6	-21	22	15
Mexico	350	9	-21	30	17	361	8	-24	28	16
South and Central America	749	13	-23	26	27	727	16	-25	30	24
Brazil	256	14	-23	32	27	237	20	-27	43	24
Other	493	12	-24	22	27	490	14	-25	24	25
Europe	6,601	7	-22	12	17	6,854	7	-25	13	17
European Union	6,029	7	-22	12	17	6,241	7	-25	13	16
Germany	1,474	7	-23	12	17	1,254	8	-22	14	19
France	597	4	-21	8	14	715	6	-22	9	17
Netherlands	660	8	-22	15	15	597	9	-24	17	16
United Kingdom	473	4	-23	15	17	636	4	-24	16	13
Italy	523	6	-25	10	17	557	6	-26	17	14
CIS	788	15	-36	31	34	540	17	-33	24	30
Russia	522	14	-36	32	30	323	17	-34	30	30
Africa	597	11	-30	29	17	555	14	-15	15	18
South Africa	97	11	-24	31	20	122	12	-27	27	29
Other	500	12	-31	29	17	433	14	-12	12	15
Oil exporters*	331	11	-38	34	15	160	15	-9	8	11
Other	169	13	-14	21	20	274	14	-14	15	18
Middle East	1,228	15	-31	27	37	665	12	-15	13	16
Asia**	5,534	12	-18	31	18	5,568	13	-20	33	23
China	1,899	16	-16	31	20	1,743	18	-11	39	25
Japan	823	6	-26	33	7	854	9	-28	26	23
India	297	20	-15	33	35	451	21	-20	36	29
Newly industrialized Asian economies***	1,290	10	-17	30	16	1,302	10	-24	32	18

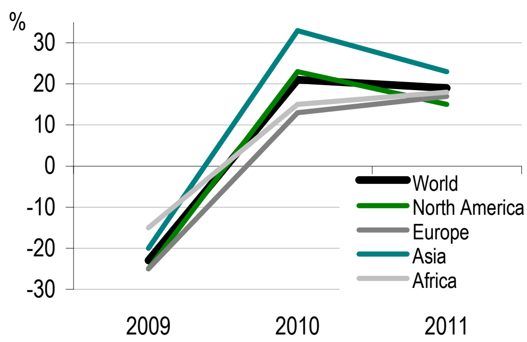
** Algeria, Angola, Cameroon, Chad, Congo, Equatorial Guinea, Gabon, Libya, Nigeria, Sudan*
*** Asia, including Australia and Pacific*
**** Hong Kong, Republic of Korea, Singapore, Taipei*
Source: Strategy and Analyses Department of the Ministry of Economy on the basis of data of the WTO of July 2012.

Chart 2 Changes in commodities turnover in selected countries and groups of countries in the years 2009-2011 (in USD terms)

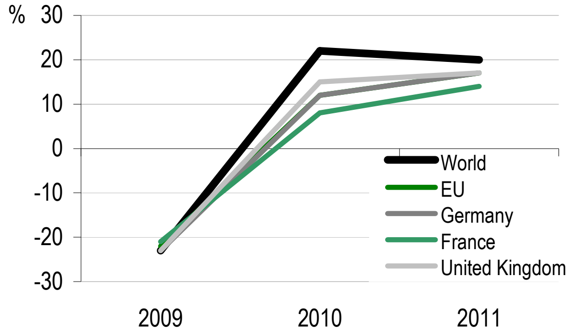
Changes in exports per continents



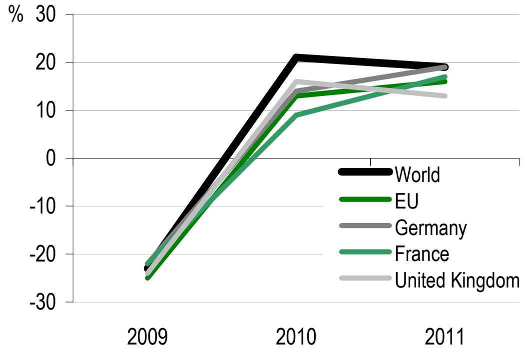
Changes in imports per continents



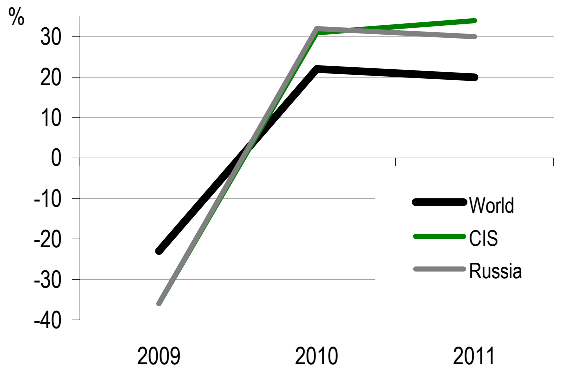
Changes in exports in the EU



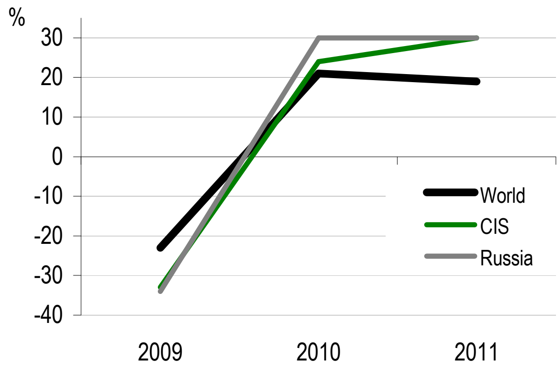
Changes in imports in the EU



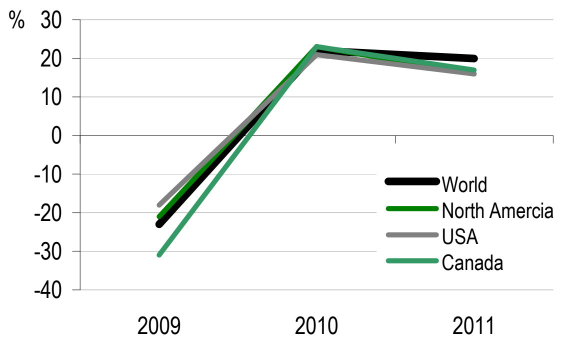
Changes in exports in the CIS



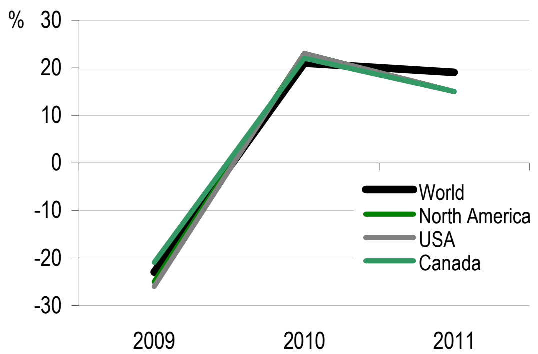
Changes in imports in the CIS



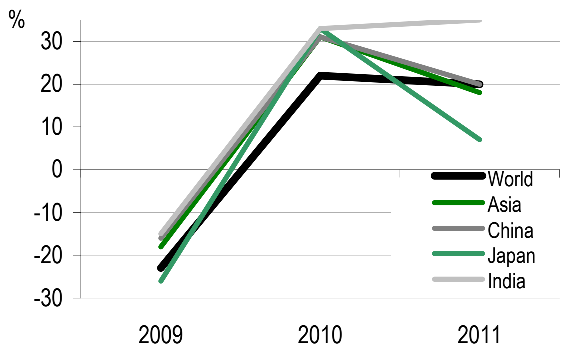
Changes in exports in North America



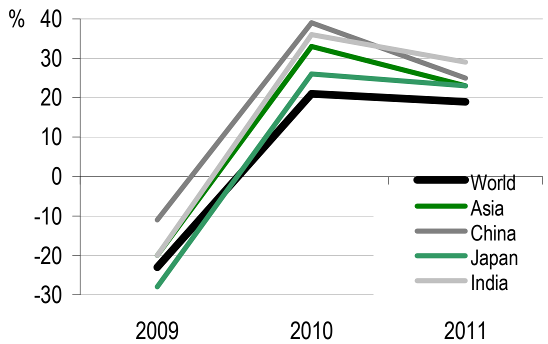
Changes in imports in North America



Changes in exports in Asia



Changes in imports in Asia



Source: Strategy and Analyses Department of the Ministry of Economy on the basis of data of the WTO of July 2012.

Not unlike in 2010, a faster pace of growth in commodities turnover in 2011 was observed in developing countries. The region which displayed the greatest dynamics in exchange was the Commonwealth of Independent States, where exports increased by 34% (to nearly USD 790 billion), and imports by 30% (to USD 540 billion). The share of CIS markets in global exports amounted to 4% in 2011, and 3% in global imports. The largest economy within this group of countries, Russia, recorded a growth in exports by 30% (slower than the average for the entire group of countries), to USD 520 billion, and an increase in imports to approx. USD 320 billion.

Trade exchange in Asian countries in 2011 recorded a growth by 18% for exports (to over USD 5.5 trillion) and by 23% for imports (to nearly USD 5.6 trillion). Asia, after Europe, is the second region in terms of its share in global trade – in 2011, it amounted to 31% of both global imports and exports. The values for trade exchange as recorded in China – both the dominant economy of the region and the world's largest exporter of commodities and second largest importer in the world – increased at a pace faster than the average. Chinese exports increased to USD 1.9 trillion (by 20%), and imports to this country grew to over USD 1.7 trillion (by 25%). An even more dynamic increase in turnover was recorded in India, where exports grew by 35% (to nearly USD 300 billion), and imports – by 29% (to USD 450 billion). The most developed economy in this part of the world, which is Japan, recorded a significant slowdown of exports growth (to 7%, reaching the level of over USD 820 billion) and an increase in imports by 23% (to approx. USD 850 billion).

The turnover recorded by the countries of Middle and South Americas increased at a pace faster than average, i.e. by 27% for exports (to USD 750 billion) and by 24% for imports (to nearly USD 730 billion). The region's share in global exchange amounted to 4% for both exports and imports in 2011. Turnover in the region's largest economy, Brazil, increased at a rate similar to the average pace for other countries of this region: in 2011, its exports reached the value of approx. USD 260 billion, and its imports – approx. USD 240 billion.

For the third year in a row, the largest global exporter of commodities in 2011 was China, whose share in global turnover amounted to 10.4%. Not unlike in 2010, it was followed by the United States and Germany; these two countries, however, recorded very similar exports values (USD 1.48 trillion for the USA and USD 1.47 trillion for Germany), and each had a share in global exports amounting to 8.1%. Japan, in spite of an exports growth rate which was much slower than average (by 13 p.p.), remained the fourth dominant economy in global exports (its share amounting to 4.5%, compared against 5.1% in 2010). The increase of Russia's significance in global exports is worth mentioning – in 2011, this country was the ninth largest exporter in the world (with the share of 2.9%), while in 2010 it only ranked twelfth (2.6%).

The global leader in imports in 2011 was the United States, whose share in global imports amounted to 12.3% (almost USD 2.3 trillion). Similarly to the situation in 2010, the USA was followed by China and Germany, whose shares amounted to 9.5% and 6.8% respectively.

In 2011, Poland recorded a share of approx. 1% in the global turnover of commodities, thus becoming the 27th largest exporter in the world (USD 187 billion), and the 24th largest importer (USD 208 billion).

The value of global services turnover in 2011 grew at a pace nearly twice slower than the value of commodity exchange. At a global scale, exports of services increased by 11%, reaching the level of over USD 4.1 trillion. According to the WTO, the share of services in the global turnover in commodities and services amounted to 18.6% in 2011.

Table 6 Leading exporters and importers in world merchandise trade in 2011

	Exporters	Value	Share	Annual change		Importers	Value	Share	Annual change
		USD bln	in %				USD bln	in %	
1	China	1,899	10.4	20	1	United States	2,265	12.3	15
2	United States	1,481	8.1	16	2	China	1,743	9.5	25
3	Germany	1,474	8.1	17	3	Germany	1,254	6.8	19
4	Japan	823	4.5	7	4	Japan	854	4.6	23
5	Netherlands	660	3.6	15	5	France	715	3.9	17
6	France	597	3.3	14	6	United Kingdom	636	3.5	13
7	Republic of Korea	555	3.0	19	7	Netherlands	597	3.2	16
8	Italy	523	2.9	17	8	Italy	557	3.0	14
9	Russia	522	2.9	30	9	Republic of Korea	524	2.9	23
10	Belgium	476	2.6	17	10	Hong Kong	511	2.8	16
11	United Kingdom	473	2.6	17	11	Canada	462	2.5	15
12	Hong Kong	456	2.5	14	12	Belgium	461	2.5	17
13	Canada	452	2.5	17	13	India	451	2.5	29
14	Singapore	410	2.2	16	14	Singapore	366	2.0	18
15	Kingdom of Saudi Arabia	365	2.0	45	15	Spain	362	2.0	11
16	Mexico	350	1.9	17	16	Mexico	361	2.0	16
17	Taipei	308	1.7	12	17	Russia	323	1.8	30
18	Spain	297	1.6	17	18	Taipei	281	1.5	12
19	India	297	1.6	35	19	Australia	244	1.3	21
20	United Arab Emirates	285	1.6	30	20	Turkey	241	1.3	30
21	Australia	271	1.5	27	21	Brazil	237	1.3	24
22	Brazil	256	1.4	27	22	Thailand	228	1.2	25
23	Switzerland	235	1.3	20	23	Switzerland	208	1.1	18
24	Thailand	229	1.3	17	24	Poland	208	1.1	17
25	Malaysia	227	1.2	14	25	United Arab Emirates	205	1.1	28
26	Indonesia	201	1.1	27	26	Austria	192	1.0	20
27	Poland	187	1.0	17	27	Malaysia	188	1.0	14
28	Sweden	187	1.0	18	28	Indonesia	176	1.0	30
29	Austria	179	1.0	17	29	Sweden	175	1.0	18
30	Czech Republic	162	0.9	22	30	Czech Republic	151	0.8	20
	Total of above	14,835	81.4			Total of above	15,180	82.6	
	World*	18,215	100.0	19		World*	18,380	100.0	19

** includes significant re-exports and imports for re-exports*
Source: Strategy and Analyses Department of the Ministry of Economy on the basis of data of the WTO of July 2012.

The fastest growth was recorded in the exports of tourism services (by 12%), which comprise more than 25% of global services exports in general (nearly USD 1.1 trillion). The slowest pace of growth was recorded for transport services (by 8%), which provide for a fifth of total exports in services (i.e. USD 855 billion).

Similarly to commodities exchange, the largest share of global turnover in services is held by European countries – 47% in exports (nearly USD 2 trillion) and 42% in imports (USD 1.6 trillion), as well as by Asia - 26% in global exports (USD 1.1 trillion) and 28% in imports (nearly USD 1.1 trillion).

When we look at particular economies of the world, the greatest share in the global services exports belongs to the United States – 13.9% (nearly USD 580 billion). The USA is followed by United Kingdom (6.6%, over USD 270 billion) and Germany (6.1%, over USD 250 billion). The global imports of services in 2011 was also dominated by the United States (10.1%, approx. USD 390 billion), Germany (7.3%, over USD 280 billion) and China (6.1%, nearly USD 240 billion).

In 2011, Poland was the 30th largest services exporter in the world (its share amounting to 0.9%, i.e. approx. USD 37 billion), and the 32nd largest services importer (0.75%, nearly USD 30 billion).

1.1.4 Development prospects for global economy and selected markets

Forecasts by analytical centres and organizations worldwide indicate that the global economy, after experiencing a slowdown in the latter half of 2011 (and, as a result, achieving a growth by 3.9%, according to the IMF), will continue to develop a little slower in 2012 (at a pace of 3.5%). A slight improvement is expected in 2013, when the rate of growth of global economy is predicted to reach the pace of 3.9%. It must be highlighted, however, that the current forecasts are burdened by a significant degree of uncertainty, resulting mainly from the unstable situation in the Eurozone which may contribute to a potential economic slowdown in many countries whose economies are closely connected to the one of the European Union.

Similarly to the previous years, global economic growth is expected to be more intense in developing countries than in the developed ones both in 2012 and in 2013. The average GDP increase rate predicted for the group of emerging markets will reach the level of 5.6% in 2012 and 5.9% in 2013, while for the developed countries these figures are expected to be 1.4% and 1.9% respectively. At the same time, the share of developing countries in global production is expected to exceed 50% in 2012-2013.

According to the forecasts of the European Commission (dated late July 2012), 2012 will be a year of stagnation for the European Union in general and a period of recession for the Eurozone, where GDP will decrease by 0.3%. The growth in 2013 is predicted to amount to 1.3% for EU economies and to 1% for the Eurozone countries.

Table 7 Changes in the global GDP and world trade in the years 2009-2013

	2009	2010	2011	2012*	2013*
World real GDP growth	-1.2	5.1	3.6	3.4	4.2
World real trade growth	-10.7	12.8	6.0	4.1	7.0

** forecast*
Source: Strategy and Analyses Department of the Ministry of Economy on the basis of data of the OECD of May 2012.

Apart from the slowdown in economic growth, an inhibited global turnover is also expected. According to the OECD, its pace of growth will slow down to 4.1% in 2012 (compared against 6% in 2011). A faster increase in the economic growth is predicted to take place in 2013 (to 4.6%), which should result in a more active international exchange (its increase is supposed to reach the level of 7%).

Table 8 Changes in the global trade in selected groups of countries in the years 2009-2013

	2009	2010	2011	2012**	2013**
World	-10.7	12.8	6.0	4.1	7.0
OECD	-12.0	11.4	5.3	3.2	5.8
OECD America	-12.5	12.6	5.9	4.5	6.4
OECD Asia	-13.0	15.9	5.0	4.8	7.4
OECD Europe	-11.6	10.0	5.0	2.3	5.1
China	-4.0	24.4	9.2	6.2	11.0
Other industrialized Asia*	-10.1	18.4	7.2	5.0	8.6
Russia	-17.2	14.6	9.3	8.4	8.0
Brazil	-8.4	24.5	7.6	7.4	11.2
Rest of the world	-10.2	9.4	6.8	4.8	7.2

** Taipei, Hong Kong, Malaysia, Philippines, Singapore, Vietnam, Thailand, India and Indonesia; ** forecast*
Source: Strategy and Analyses Department of the Ministry of Economy on the basis of data of the OECD of May 2012.

The economic situation of the **United States**, the world's largest economy, naturally affects the economic condition of Poland in both direct and indirect ways (including by affecting those Eurozone markets which are of greatest significance for Poland). Following the post-crisis revival in 2010 (an increase in GDP by 3%, which was more than in 2008), the growth of American economy slowed down in 2011 to 1.7%. According to the OECD, in the years to come GDP in the United States will grow at a faster pace, increasing by 2.4% in 2012 and by 2.6% in 2013.

The factor which will be most beneficial for the economic development of the USA in 2012 will be the ongoing increase in gross expenditures on fixed assets (by 4.4%). Internal demand is supposed to grow by 2.3%. Further decrease in the unemployment rate (to 8.1%) is predicted for 2012, and the inflation rate is expected to drop down (to 2.3%).

The uncertain situation in the European markets, which receive approx. 20% of American goods, as well as the general slowdown in global economy brought about an arrest to the exchange between the USA and other countries. The volume of exports of goods and services increased by 6.7% in 2011, and the imports volume – by 4.7%. Further deceleration of American turnover with other countries is expected to take place in 2012; the growth in exports is predicted to amount to 4.9%, and in imports – by 3.9%.

Following the decrease in GDP in 2011 (by 0.7%), resulting from the natural disaster which affected the country in March of 2011, the year of 2012 will be **Japan's** return on the path of economic revival. The decrease in GDP was to a large extent a result of a significant slowdown in exports, which has been the main driving force of the Japanese economy for many years. In 2011, following the dynamic increase by 24.4% in 2010, Japanese exports came to a halt.

In 2012, Japan is expected to achieve a growth rate of 2%, mainly due to the increasing domestic demand (2.3%) and gradual revival of exports (2.3%). The government-stimulated program for national reconstruction will bring about an increase in investments (by 2.3%) and decrease in the unemployment rate (to 4.5%).

According to forecasts, Japanese economy in 2013 will develop at the rate of 1.5%. Exports is predicted to achieve an accelerated growth to the level of 6.5%, and imports is supposed to reach the level of 4.9%. Moreover, analysts expect further increase in investments (by 2.8%).

Following the period of post-crisis revival in 2010 (an increase in GDP by 1.9%), the growth of the **Eurozone** in 2011 slowed down to 1.5%. The economic growth in the Eurozone was decelerating systematically in all quarters of 2011 (on a year-to-year basis): from 2.4% in the first quarter and 1.6% in the second to 1.3% in the third quarter and 0.7% in the last. The first quarter of 2012, however, brought about the first decrease in GDP (by 0.1%) since the fourth quarter of 2009. This declining condition of the Eurozone resulted from the structural weaknesses in public finances and the banking sector of many Eurozone states. In many countries (Greece, Spain, Ireland and Portugal) these problems subsequently evolved into a debt crisis, thus posing a potential threat for the stability of both the Eurozone and the European Union in general.

The need to reduce the deficit in public finances of particular countries of the Eurozone, as well as the strong aversion to taking risk in financial markets accompanied by the prolonging uncertainty with respect to the global market condition will result in a slowdown in the real economy of the zone. According to the OECD, the Eurozone will see a moderate recession in 2012: GDP is expected to drop down by 0.1%. In 2013, however, it is expected to display and upward trend again (by 0.9%).

German economy has a significant impact on the situation of the entire Eurozone. According to the OECD, German GDP will increase by 1.2% in 2012 (compared against 3.1% in 2011), and by 2% in 2013. The relatively good condition of German economy in 2011 was an effect of the advantageous situation in the domestic market, where demand grew by 2.4% (at a pace faster than in the previous year) and private consumption – which has been one of the major growth factors for German economy for several years now – increased by 1.4%. It is predicted that domestic demand in Germany will increase by 1.2% in 2012 and by 2% in 2013.

Economies of the **Commonwealth of Independent States** developed at a rather fast rate in 2011, reaching an increase in GDP amounting to 4.9%. The main factors which influenced this growth included the relatively high prices of oil and raw materials as well as the significant increase in agricultural production among those economies which had suffered from drought in 2010 (such as Russia and Kazakhstan). In 2012 and 2013, due to the deteriorating external conditions, the increase in GDP in the CIS countries is expected to slow down to 4.1%, even though the prices of oil will remain at a relatively high level.

According to the estimates, European countries receive approx. 1/3 of total exports from the CIS; therefore, the economic breakdown in Europe may contribute to a slowdown in exports from the Commonwealth countries, Russia in particular. Another factor which may have a negative impact on the economic growth of the CIS countries is the prospective decrease in global prices of commodities and raw materials. On the other hand, the prices of energy resources – which the economies of CIS are dependent on – may remain relatively high due to the political tensions in the Middle East and North Africa.

Those CIS countries which exports energy resources are expected to record a growth by approx. 5.8% in 2012, owing to the advantageous terms of trade and the increase in investments in the oil and mining sectors (in Kazakhstan) and infrastructural investments (in Kazakhstan and Uzbekistan). Russia, which is the largest economy in this group, is predicted to achieve an economic growth of 4% in 2012 and 3.9% in 2013. Those CIS countries which are importers of energy resources will see a slowdown in economy, resulting from both external and internal factors. It is estimated that the GDP in Ukraine will increase by 3% in 2012, and that this downtrend will result from the tightening of the fiscal and monetary policies and the deteriorating condition of exports. Similar growth rates are predicted for Belarus, where the slowdown is to a large extent an effect of the 2011 currency crisis and a very restrictive fiscal and monetary policies (which had been necessary to introduce due to the extremely high inflation rates).

The general deterioration of global economy in 2011 also affected the growth of **Asian countries**, even though this region continued to develop relatively fast, and the GDP of the area increased by 5.9%. The developing Asian markets recorded a growth by 7.8%, while the developed countries in this part of the world noted an increase in GDP by 1.3%. The slowdown in the economic growth of Asian countries which had been taking place since the fourth quarter of 2011 was, to a large extent, a result of external factors. The most visible aftermath of the Eurozone crisis for Asian economies was the slowndown in their exports to Europe.

The relatively fast economic growth recorded by many countries of this region was possible due to the strong domestic demand, which allowed some of these states to make up for the breaking exports. This was true of the Chinese economy, dominant in the region, which has been able to maintain a steady rate of growth for several years in spite of the difficult external conditions. Nevertheless, even this relatively strong economy was affected by the general slowdown in 2011: the Chinese GDP increased by 9.2%, compared against 10.4% in 2010. India, too, recorded an increase in GDP much lower than in the previous year (7.2%, compared against 10.8% in 2010), although it managed to remain one of the fastest developing economies in the world.

Forecasts for 2012 predict further decrease in GDP growth rates in the major Asian markets. Regardless, this region will still remain the fastest growing economy in the world. In 2012, GDP in China is predicted to increase by 8%, and in India – by 6.1%. The slowdown recorded by these markets is to a large extent an effect of the deteriorating external conditions, which mean a necessary decrease in the exports.

1.2 Internal conditions – general situation of Polish economy

As particular economies worldwide recovered their potential at very different paces, all forecasts regarding even the most basic economic tendencies in 2011 were marked by a significant level of uncertainty. An additional factor which further increased the probability of variations from the initially predicted trends was the risk of the fiscal problems in the Eurozone escalating even more. In spite of these negative tendencies displayed by the external environment, Poland remains one of the fastest growing economies in Europe. This is an effect of both the intense activity of domestic enterprises (increase in capital expenditures and production) and the steady increase in household consumption expenditures.

The economic conditions which surrounded the Polish market in 2011 did not foster the dynamic of the process of generating added value in the country. Escalating fiscal problems in the Eurozone greatly contributed to the aversion to risk, which in turn resulted in a decrease in the scale of foreign capital inflow to economies in this region. One factor making up for the negative effects of the debt crisis in the Eurozone was the ongoing process of fiscal consolidation in Poland. Activities aimed at the lowering of the unfavourable relation between the debt of the public finances sector and the GDP helped to soothe some of the foreign investors' fears about the future financial condition of the Polish state budget.

Regardless of the negative tendencies on a global scale, the rate of economic growth of Poland accelerated to 4.3% in 2011 (following the growth by 1.6% in 2009 and 3.9% in 2010). The average real GDP growth for the entire European Union in the same period amounted to 1.5%, which was 2.8 p.p. lower than in Poland.

2011 was a year in which Poland continued the process of reconstruction of investments. Quarter by quarter, the dynamics of gross expenditures on fixed assets increased steadily, eventually achieving a pace of growth for the entire 2011 similar to the one recorded before the crisis in 2008. This was an effect of the increasing willingness on the side of enterprises to take investment risks. On the other hand, the ongoing uncertainty with respect to the economic well-being of Poland's major trade partners (even though the growth perspectives for Germany seem to be optimistic) is still a limiting factor for the investors' activity in this area.

During the analyzed period, consumption demand also continued its revival. Even though the scale of total consumption in the Polish economy recorded a steady decrease from quarter to quarter, the final results for the entire year of 2011 marked an increase by 2.1%, contributing to the GDP increase by 1.6 p.p. In 2011, consumption demand was accelerated mainly by the increase in individual consumption rates, closely related to the relatively high increase in retail sales recorded for this year. The increased consumer activity was an effect of the gradual growth in salaries and the decrease in unemployment rates.

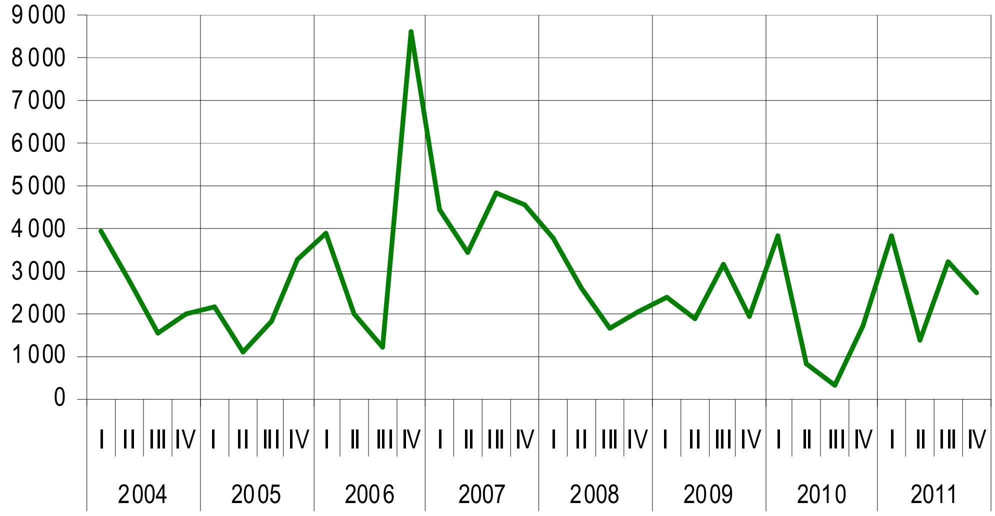
The changes to the structure of domestic and foreign demand remain closely connected to the role played by particular sectors of economy. In 2011, the services sector – which has been undergoing a steady growth during the recent years – maintained its positive input to the generation of added value. Following the period of economic breakdown, 2010 brought about a return to the positive impact of industry on GDP growth. This tendency continued into 2011.

In 2008-2010, the inflow of direct investments remained under a heavy influence of crisis-related circumstances, which had dramatically limited the flow of investments. However, taking into account the relatively mild run of the economic crisis in Poland, the decrease in investments was less significant here than in the case of other countries of the region. In 2011, the inflow of FDI to Poland saw a significant recovery. According to the estimates by the NBP, an inflow of direct foreign investments amounting to EUR 10.3 billion was recorded in 2011 (compared against EUR 6.7 billion in 2010).

The increased value of foreign investments in 2011 was closely connected to the significant increase in the value of cross-border mergers and takeovers and was accompanied by the decreased inflow of greenfield investments. When compared against 2010, the structure of the inflow of direct foreign investments changed: the value of own capital and reinvested profits decreased, and mother companies tended to retain their capital with a view to solving financial problems of their branches.

The changes in the sector structure of the foreign capital interested in making investments in Poland are worth analyzing. In the recent years, the II sector (industry) has played a decreasing role in the total value of FDI inflow to Poland, while the III sector (services) gained greater significance.

Chart 3 Inflow of foreign direct investments to Poland in the years 2004-2011 (in EUR million)



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

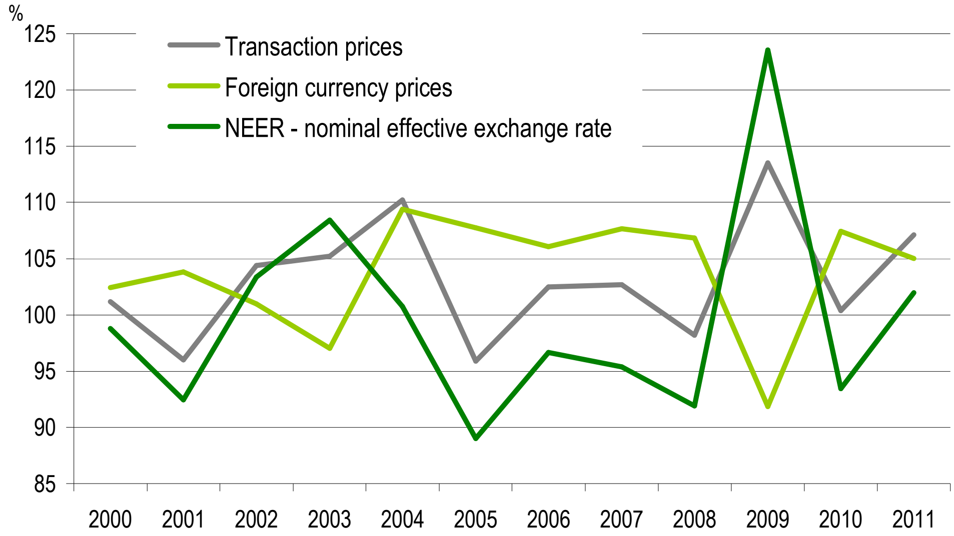
Apart from investments in the automotive and machine industries, an increasing amount of capital is being invested in those sectors in which foreign companies seek the possibilities of lowering their running costs. These include broadly understood services, particularly with respect to the development of business process outsourcing (BPO) centres, shared services centres (SSC) and research and development (R&D) centres. Investments of this type require less capital and create more jobs at the same time.

As it has been mentioned previously, Polish international trade in 2011 found itself surrounded by the deteriorating economic conditions on a global scale, including in the markets of our major trade and exchange partners (such as the Eurozone). The negative effects of this economic breakdown, particularly intense in the second half of 2011, were to a large extent made up for by the exports-boosting effects resulting from the growing depreciation of the Polish zloty in relation to EUR (the dominant currency for settlements in Polish turnover).

Following the period of relative stabilization, or even a slight strengthening of the PLN in relation to EUR, which had taken place from early 2010 until mid-2011, the second half of 2011 (the fourth quarter of the year in particular) brought about a significant strengthening of EUR in relation to PLN. The exchange rate of EUR to PLN increased by 3.4% in the third, and by 11.3% in the fourth quarter of 2011 (on a year-to-year basis). During the entire year, the average EUR exchange rate reached the level of PLN 4.1198, which was 3.1% more than in 2010. The exchange rate of USD, on the other hand, amounted to PLN 2.9634 (1.7% weaker than in 2010).

The weakening of the Polish currency in relation to EUR took place in 2011 in spite of the interventions undertaken by the NBP and the Ministry of Finance in the currency market (both institutions sold foreign currencies). In 2011, the main factor determining the demand for the Polish zloty was the increasing uncertainty about the global financial markets, resulting mainly from the debt crisis in the Eurozone. This, due to the fact that portfolio investors tended to back out of capital markets of developing economies and sell those currencies which were seen as risky, contributed to the weakening of these markets' currencies.

Chart 4 Changes of transaction and foreign currency prices in exports compared to changes in nominal effective exchange rate in the years 2000-2011 (yoy)



Source: Strategy and Analyses Department of the Ministry of Economy on the basis of data of National Bank of Poland and Central Statistical Office.

Transaction prices in both exports and imports, i.e. current prices in PLN gained from exported sales and paid for imported purchases, constitute yet another parameter which affects the profitability of trade and commercial exchange. Changes in these prices are dependent on the fluctuations in foreign currency prices and the nominal effective exchange rate, or NEER (the exchange rate of PLN in relation to the basic composite currencies, EUR and USD in particular). In 2011, the level of foreign exchange prices in exports (when compared against the previous year) increased by 5%. The exports-boosting fluctuations in the exchange rate of EUR was balanced by the strengthening of PLN in relation to USD and, as a result, the exchange rate of PLN in 2011 depreciated in relation to composite currencies by 2%. This decrease in the value of Polish currency affected the level of transaction prices in exports, which recorded an increase by 7.1% (compared against the growth by 0.4% in 2010).

2 LONG -TERM CHANGES IN THE COMMODITIES TURNOVER

2.1 Changes during the transformation period

From the beginning of the transformation period, Polish commodities exports rose by nearly 13 times, reaching the total level of USD 190.3 billion in 2011, while imports grew by 13.7 times, to the total level of USD 212.3 billion. In consequence, the 1991 trade deficit of USD 0.6 billion deepened to USD 22.1 billion in 2011. However, compared to 2008, when the deficit level reached its peak value of USD 38.6 billion, it dropped by over USD 16.5 billion.

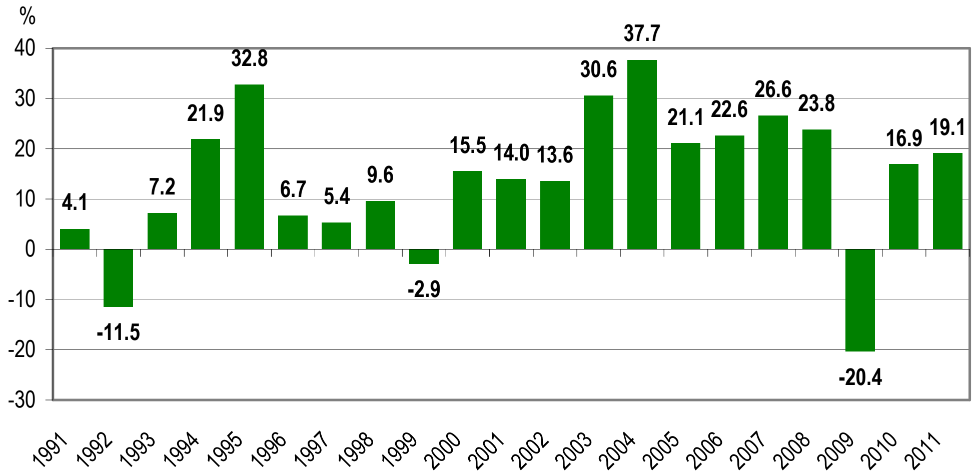
Table 9 Polish foreign trade turnover according to data of the CSO in the years 1991-2011

	USD million			previous year = 100		EUR million			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
2011	190,248	212,331	**-22,083**	119.1	119.2	136,694	152,568	**-15,875**	113.6	113.7

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

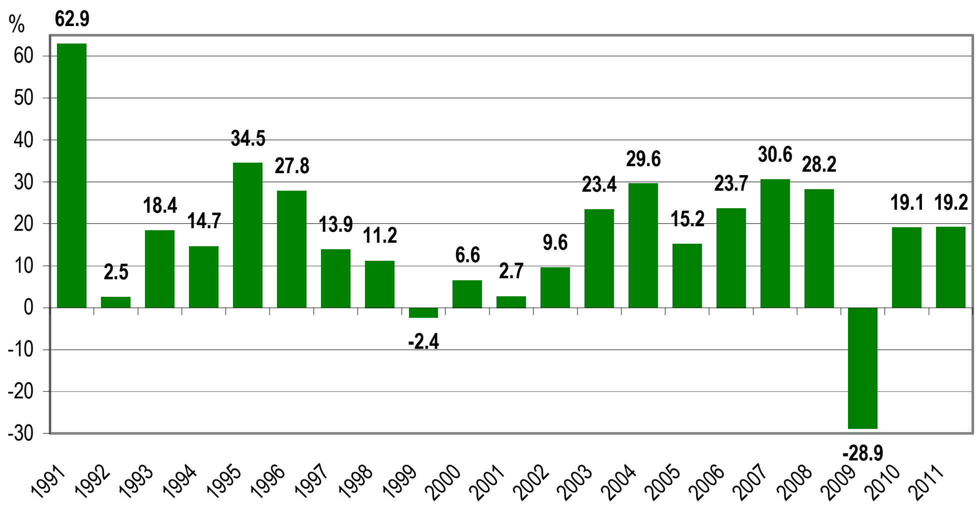
During the analyzed period, the value of exports continued to grow very dynamically – much faster in 2000-2008, when the average annual exports growth rate expressed in USD amounted to 22.8% (compared against 8.1% per year in the years 1991-1999). Imports rose at the average annual pace of 18.8% during the years 2000-2008, while its growth in 1991-1999 was faster and amounted to 20.4% per year. In the years 2009-2011, as the result of dynamic changes in global economy, Polish foreign trade experienced turbulences. Following the 2009 decrease by 20.4% in exports and by 28.9% in imports, the year of 2010 brought about a recovery – exports increased by 16.9%, and imports grew by 19.1%. In 2011, the pace of growth of commercial exchange (expressed in USD) grew even further and amounted to 19.1% in exports and 19.2% in imports.

Chart 5 Changes in Polish exports denominated in US dollars, for the years 1991-2011 (in %)



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

Chart 6 Changes in Polish imports denominated in US dollars, for the years 1991-2011 (in %)



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

In 2000-2008, the growth of exports value measured in the European common currency increased at an average annual rate of 18.5%, and the average increase in imports amounted to 14.5%. 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%, and the value of imports – by 24.5%. The years of 2010-2011 saw the recovery of Polish commercial exchange with other countries, and the pace of its growth (when expressed in EUR) was higher in 2010 (which was mainly a result of the very low reference level), when exports increased by 22.6% and imports grew by 24.8%. In 2011, Polish commodities turnover recorded an increase by 13.6% in exports and by 13.7% in imports.

2.2 Changes in trade turnover since 2001

In the years 2001-2011, the value of Polish exports increased 3.4 times, reaching the total level of EUR 136.7 billion (from EUR 40.2 billion in 2001). During the same period, Polish imports increased 2.7 times, to the total of EUR 152.6 billion (from EUR 56 billion in 2001).

The average annual growth of exports in the period under analysis amounted to nearly 14%. During the years 2004-2007 it achieved an average annual increase 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 to 22.6%. In 2011, the value of exports reached the level of EUR 136.7 billion, which was 13.6% higher than in the previous year.

Imports during the indicated period displayed an average yearly growth rate of 11%, while – similarly to exports – its annual growth was faster during the years 2004-2007 (by 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%. In 2011 it grew further by 13.7%, reaching the level of EUR 152.6 billion.

The deficit of commodities exchange, which was first 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 2011, the deficit grew deeper and amounted to EUR 15.9 billion; nevertheless, it still remained approx. 40% lower than its record 2008 level from before the crisis.

It is worth mentioning that, while the reduction of the deficit in Polish commodities exchange with other countries can be said to have been moderate in the years 2001-2011 (expressed in absolute values), the improvement of the exchange balance becomes significant when we take into account the scale of turnover. In 2001, the balance-to-exports ratio was -39.4%, while in 2011 it amounted to -11.6% (three times less).

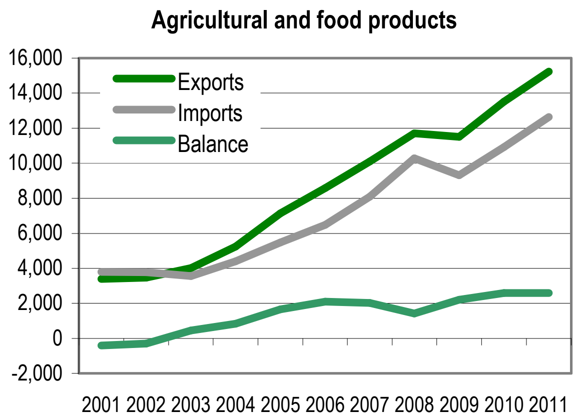
Since 2001, significant changes occurred in the geographical structure of Polish commodities turnover. The group of developed countries still accounts for the largest share in the total Polish exports, although their share decreased from 87.1% in 2001 to 84.3% in 2011. The changes recorded in the geographical structure of Polish trade exchange in the past decade were largely a result of Poland's accession to the European Union. EU markets, which consume the largest share of Polish exports, amounted to 78% of all recipients of Polish exports in 2011. It is worth noting that, in the years 2001-2011, the share of Eurozone markets decreased by 7.2 p.p. (to 54.1%), while the share of non-Eurozone states increased by 3.9 p.p. (to 23.9%).

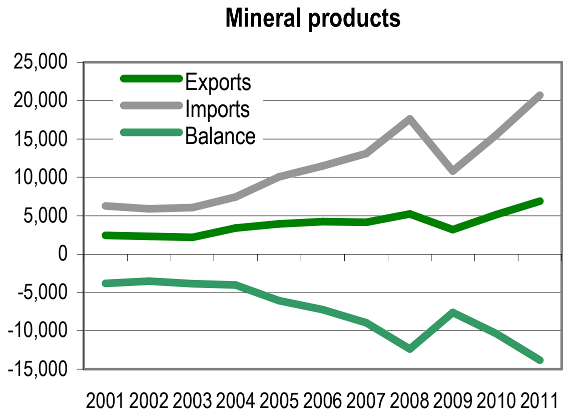
The past several years saw a significant qualitative change to the geographical structure of the deficit in Polish commodities turnover. In 2001, approx. 56% of the deficit resulted from the exchange with the developed countries (nearly EUR 8.9 billion), while since 2009 a systematically increasing surplus is being recorded in the Polish exchange with these markets. In 2011, this surplus amounted to almost EUR 13.4 billion. Currently, the total negative balance of Polish trade exchange with other countries is determined by the deficit recorded in the exchange with developing countries and emerging markets, which amounted to almost EUR 29.3 billion in 2011. This was to a large extent a result of the condition of our exchange with Russia and China, where a deficit amounting to EUR 12.2 billion and EUR 11.9 billion, respectively, was recorded.

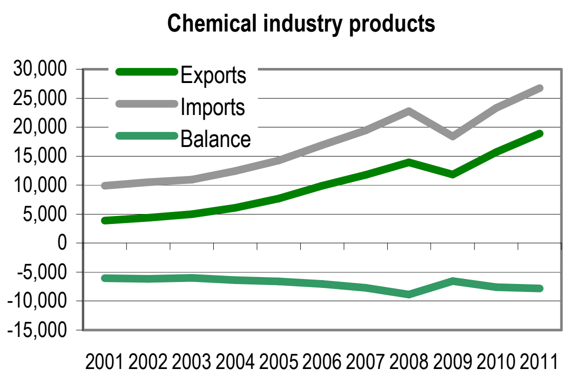
The years 2001-2011 saw significant changes in the commodity structure of Polish exports – specifically, an increased share of relatively highly processed products and technologically advanced goods, including electromechanical products in particular. In 2001, electromechanical products accounted for about 37% of the overall exports, while in 2011 their share grew 40.5%. The case was similar for products of the chemical industry, whose share in the total exports from Poland rose by 4.2 p.p., reaching the level of 13.8%. Compared to other commodities groups, the exports of agricultural and food products underwent a positive change, as its share grew from 8.4% in 2001 to 11.1% in 2011. On the other hand, the years 2001-2011 saw a decrease in share of light industry products in the Polish exports (by 5.2 p.p., to the level of 3.6%), and wood and paper products reduced their share by 1.7 p.p., to 5% in 2011.

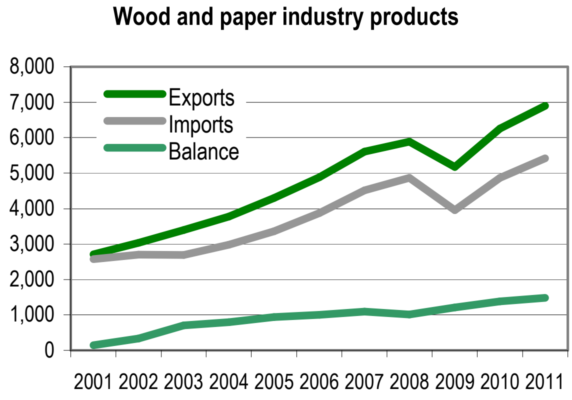
In imports to Poland, the most significant change in the period under analysis was recorded for mineral products (growth by 2.5 p.p., to 13.6%), metallurgical products (by 2.3 p.p., to the level of 10.9%), as well as agricultural and food products (growth by 1.5 p.p., to the level of 8.3%). The share of electromechanical products in the overall imports decreased by 3.7 p.p. (to the level of 35%), and the share of light industry products decreased by 2.5 p.p. (reaching the level of 4.9%).

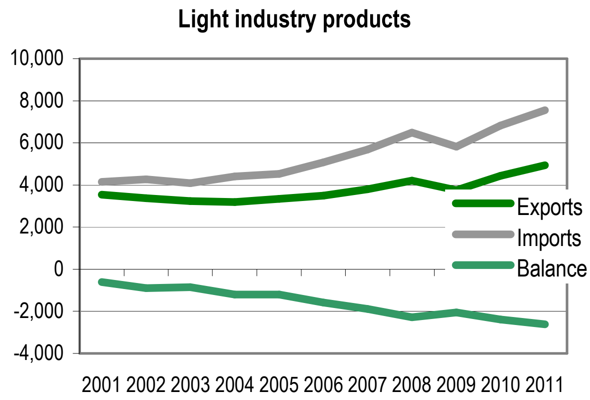
Chart 7 Changes in exchange of commodities aggregated in 10 commodities groups, in EUR million

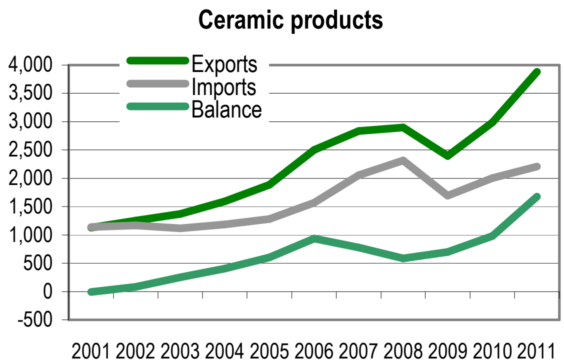


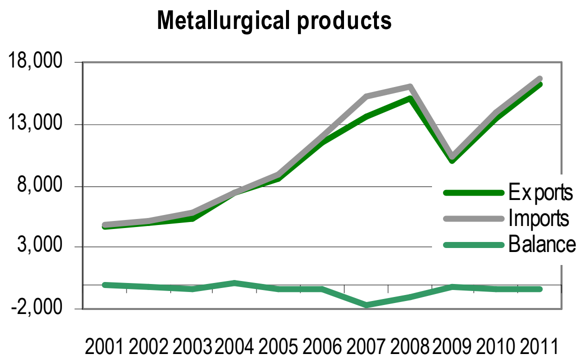


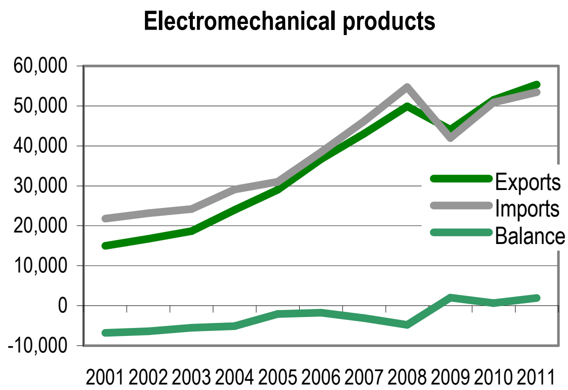


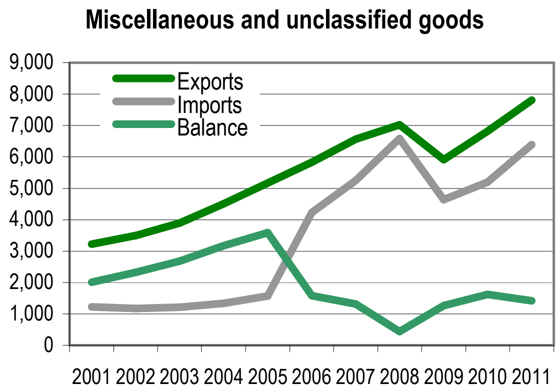












Source: Strategy and Analyses Department of the Ministry of Economy on the basis of data of the CSO.

3 SCALE AND DYNAMIC OF COMMODITIES TURNOVER IN 2011

3.1 Commodities turnover according to NBP data

Following the increase in exports[2] recorded in 2010 (by 22.8%), 2011 saw the slowdown in the growth of exports to the level of 11.4%, (to EUR 139.3 billion). The rate of imports growth, which had amounted to 24.9% in 2010, dropped down in 2011 to the level of 11.5% (to EUR 149.4 billion). The deficit in commodities turnover amounted to EUR 10.1 billion, which was approx. EUR 1.2 billion more than in the previous year.

Table 10 Polish commodities turnover in the years 2010-2011 in EUR million

Months	2011			same period of past year = 100		2010			same period of past year = 100	
	exports	imports	balance	exports	imports	exports	imports	balance	exports	imports
January	10,561	11,065	-504	121.0	123.9	8,727	8,927	-200	115.4	109.3
February	11,034	11,736	-702	117.6	119.4	9,380	9,830	-450	120.7	124.3
March	12,185	12,872	-687	112.5	110.6	10,831	11,636	-805	125.1	128.1
Q1	***33,780***	***35,673***	***-1,893***	***116.7***	***117.4***	***28,938***	***30,393***	***-1,455***	***120.6***	***120.8***
April	11,484	12,488	-1,004	111.2	116.1	10,325	10,759	-434	126.6	126.2
May	12,104	13,036	-932	118.1	119.4	10,252	10,921	-669	127.4	132.0
June	11,680	12,883	-1,203	107.2	112.9	10,893	11,412	-519	129.2	127.7
Q2	***35,268***	***38,407***	***-3,139***	***112.1***	***116.1***	***31,470***	***33,092***	***-1,622***	***127.8***	***128.6***
1st half of the year	***69,048***	***74,080***	***-5,032***	***114.3***	***116.7***	***60,408***	***63,485***	***-3077***	***124.2***	***124.7***
July	10,939	12,128	-1,189	106.0	109.1	10,322	11,118	-796	120.8	121.1
August	11,492	12,395	-903	115.9	112.0	9,913	11,063	-1,150	127.0	130.5
September	12,509	12,720	-211	107.5	104.5	11,640	12,169	-529	121.9	124.6
Q3	***34,940***	***37,243***	***-2,303***	***109.6***	***108.4***	***31,875***	***34,350***	***-2,475***	***123.1***	***125.2***
after 3 quarters	***103,988***	***111,323***	***-7,335***	***112.7***	***113.8***	***92,283***	***97,835***	***-5,552***	***123.8***	***124.9***
October	12,518	13,240	-722	108.6	107.8	11,528	12,282	-754	119.3	120.3
November	12,112	13,076	-964	108.4	105.0	11,173	12,453	-1,280	120.2	127.7
December	10,557	11,679	-1,122	104.7	102.4	10,087	11,400	-1,313	123.0	129.1
Q4	***35,187***	***37,995***	***-2,808***	***107.3***	***105.1***	***32,788***	***36,135***	***-3,347***	***120.7***	***125.5***
YEAR	**139,175**	**149,318**	**-10,143**	**111.3**	**111.5**	**125,071**	**133,970**	**-8,899**	**123.0**	**125.1**
Monthly average	11,598	12,443	-845			10,423	11,164	-742		

Source: Strategy and Analyses Department of the Ministry of Economy on the basis 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 no. 10) results from the fact that calculation was made with other exchange rates – that is, monthly average for monthly data, and quarterly for annual data.

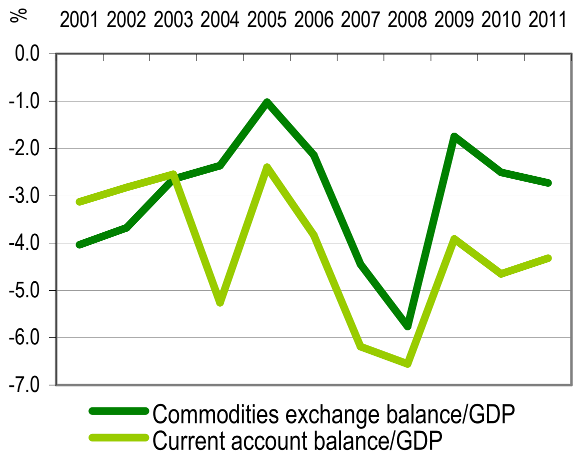
Table 11 Turnover in goods and services and the current account balance, as well as their value *per capita* and in relation to the GDP in the years 2006-2011

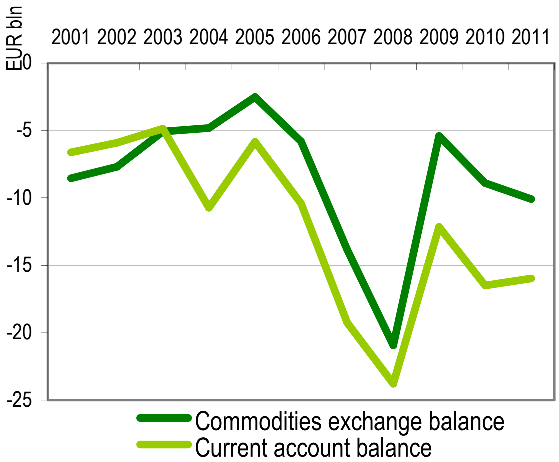
Ratio/data	2006	2007	2008	2009	2010	2011
in billion PLN						
GDP	1,060.0	1,176.7	1,275.4	1,344.4	1,416.4	1,524.7
Exports of goods	363.8	400.2	423.7	439.8	499.3	573.7
Imports of goods	386.5	452.3	497.3	463.2	534.8	615.4
Balance of commodities exchange	-22.7	-52.1	-73.6	-23.4	-35.5	-41.7
Exports of services	63.7	79.3	84.9	89.5	98.7	109.7
Imports of services	61.5	66.4	72.5	74.7	89.4	92.0
Balance of services	2.2	12.9	12.4	14.8	9.3	17.7
Exports of goods and services	427.5	479.5	508.6	529.3	598.1	683.4
Imports of goods and services	448.0	518.7	569.8	537.9	624.2	707.4
Balance of goods and services	-20.5	-39.2	-61.2	-8.6	-26.2	-24.0
Current account balance	-40.5	-72.6	-83.7	-52.2	-65.8	-66.4
Relation to GDP in %						
Exports of goods / GDP	34.3	34.0	33.2	32.7	35.3	37.6
Exports of goods and services / GDP	40.3	40.8	39.9	39.4	42.2	44.8
Imports of goods / GDP	36.5	38.4	39.0	34.5	37.8	40.4
Imports of goods and services / GDP	42.3	44.1	44.7	40.0	44.1	46.4
Balance of commodities exchange / GDP	-2.1	-4.4	-5.8	-1.7	-2.5	-2.7
Balance of goods and services / GDP	-1.9	-3.3	-4.8	-0.6	-1.8	-1.6
Current account balance / GDP	-3.8	-6.2	-6.6	-3.9	-4.6	-4.4
***per capita* in PLN thousand**						
Exports of goods per capita	9.5	10.5	11.1	11.5	13.1	14.9
Imports of goods per capita	10.1	11.9	13.0	12.1	14.0	16.0
Exports of goods and services per capita	11.2	12.6	13.3	13.9	15.7	17.8
Imports of goods and services per capita	11.8	13.6	14.9	14.1	16.3	18.4
Current account balance per capita	-1.1	-1.9	-1.7	-1.4	-1.7	-1.7
EUR billion						
GDP	272.1	311.0	363.2	310.7	354.6	370.0
Exports of goods	93.4	105.9	120.9	101.8	125.0	139.3
Imports of goods	99.2	119.7	141.8	107.2	133.9	149.4
Balance of commodities exchange	-5.8	-13.8	-20.9	-5.4	-8.9	-10.1
Exports of services	16.4	21.0	24.2	20.7	24.7	26.6
Imports of services	15.8	17.6	20.7	17.3	22.4	22.2
Balance of services	0.6	3.4	3.5	3.4	2.3	4.3
Exports of goods and services	109.8	126.9	145.1	122.5	149.7	165.8
Imports of goods and services	115.0	137.3	162.5	124.5	156.3	171.6
Balance of goods and services	-5.2	-10.4	-17.5	-2.0	-6.6	-5.8
Current account balance	-10.4	-19.2	-23.8	-12.2	-16.5	-16.0
Relation to GDP in %						
Exports of goods / GDP	34.3	34.0	33.3	32.8	35.3	37.6
Exports of goods and services / GDP	40.3	40.8	40.0	39.4	42.2	44.8
Imports of goods / GDP	36.5	38.5	39.1	34.5	37.8	40.4
Imports of goods and services / GDP	42.3	44.1	44.8	40.1	44.1	46.4
Balance of commodities exchange / GDP	-2.1	-4.4	-5.8	-1.7	-2.5	-2.7
Balance of goods and services / GDP	-1.9	-3.3	-4.8	-0.6	-1.9	-1.6
Current account balance / GDP	-3.8	-6.2	-6.6	-3.9	-4.7	-4.3
***per capita* in EUR thousand**						
Exports of goods per capita	2.4	2.8	3.1	2.7	3.2	3.6
Imports of goods per capita	2.6	3.1	3.7	2.8	3.5	3.9
Exports of goods and services per capita	2.9	3.3	3.8	3.2	3.9	4.3
Imports of goods and services per capita	3.0	3.6	4.3	3.3	4.1	4.5
Current account balance per capita	-0.3	-0.5	-0.6	-0.3	-0.4	-0.4

Source: Strategy and Analyses Department of the Ministry of Economy on the basis of data of the CSO, National Bank of Poland and Eurostat.

The situation of the current account balance was quite different from the situation of commodities turnover balance. Following the deepening of the deficit by EUR 4.3 billion in 2010, 2011 saw a reduction of the deficit by over EUR 0.5 billion, to the level of nearly EUR 16 billion.

Chart 8 Relation of the current account balance to the GDP (in %)





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

3.2 Commodities turnover according to CSO data

In 2011, Polish exports of goods expressed in EUR increased by 13.6%, to the level of EUR 136.7 billion. At the same time, exports recorded a growth by 17.6% (or by EUR 20.5 billion) compared against its level from before the crisis, i.e. from 2008. Imports in 2011 grew by 13.7% to the level of EUR 152.6 billion, reaching a level which was by 7.1% (or by EUR 10.1 billion) higher than in 2008. The deficit in commodities turnover amounted to nearly EUR 15.9 billion in 2011 and, although in comparison to the exceptionally low level it had reached in 2009 it was by EUR 6.5 billion deeper, when compared against the record-breaking value it had reached the pre-crisis year of 2008, it recorded a reduction by over EUR 10.3 billion.

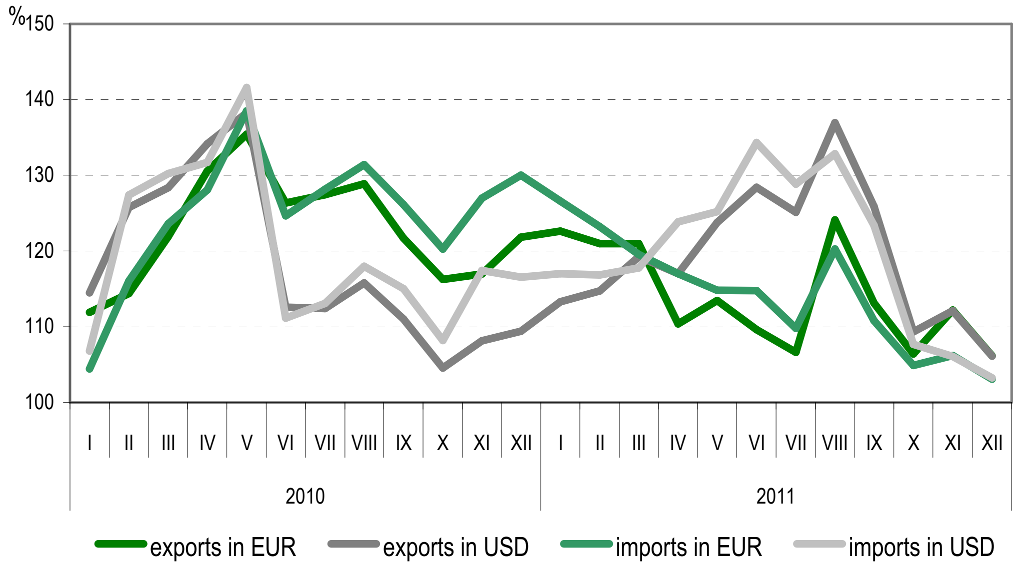
Commodities exchange measured in US dollars grew at a faster pace (by 5.5 p.p.) than the turnover expressed in EUR. Exports expressed in USD amounted to USD 190.3 billion and turned out to be 19.1% higher than the year before and by 10.7% (or by USD 18.4 billion) higher than in 2008. On the other hand, imports expressed in US dollars increased by 19.2% to the level of USD 212.3 billion – when compared against the level from before the crisis, the increase amounted to 0.9% (or by almost USD 1.9 billion). The negative balance in commodities exchange, measured in US dollars, amounted to USD 22.1 billion in 2011.

Table 12 Commodities turnover according to the CSO data in the years 2010-2011

period	EUR million			dynamics in % same period of past year = 100		USD million			dynamics in % same period of past year = 100	
	exports	imports	balance	exports	imports	exports	imports	balance	exports	imports
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***
after 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**		
January	10,061	11,100	-1,039	122.6	126.6	13,242	14,610	-1,368	113.3	117.0
February	10,932	12,149	-1,217	121.0	123.2	14,711	16,348	-1,637	114.7	116.8
March	12,317	13,530	-1,213	120.9	119.5	16,695	18,339	-1,645	119.2	117.7
Q1	***33,311***	***36,780***	***-3,469***	***121.5***	***122.8***	***44,648***	***49,297***	***-4,649***	***115.9***	***117.2***
April	10,961	12,537	-1,576	110.4	117.0	15,546	17,766	-2,219	117.0	123.8
May	11,712	13,122	-1,410	113.5	114.8	16,963	18,998	-2,035	123.7	125.2
June	11,544	13,179	-1,634	109.6	114.8	16,457	18,787	-2,330	128.4	134.3
Q2	***34,217***	***38,837***	***-4,620***	***111.2***	***115.5***	***48,967***	***55,551***	***-6,584***	***123.0***	***127.7***
1st half of the year	***67,528***	***75,617***	***-8,089***	***116.0***	***118.9***	***93,615***	***104,848***	***-11,233***	***119.5***	***122.5***
July	10,664	12,292	-1,628	106.6	109.8	15,360	17,701	-2,341	125.1	128.8
August	11,483	12,903	-1,420	124.1	120.3	16,285	18,303	-2,019	136.9	132.8
September	12,698	13,537	-840	113.2	110.8	18,181	19,397	-1,217	125.9	123.4
Q3	***34,844***	***38,732***	***-3,888***	***114.3***	***113.5***	***49,825***	***55,402***	***-5,577***	***129.0***	***128.1***
after 3 quarters	***102,372***	***114,349***	***-11,978***	***115.4***	***117.0***	***143,440***	***160,250***	***-16,810***	***122.7***	***124.4***
October	11,859	12,981	-1,122	106.4	104.9	16,211	17,728	-1,517	109.3	107.7
November	12,028	13,250	-1,222	112.2	106.2	16,616	18,300	-1,684	112.1	106.1
December	10,436	11,988	-1,552	106.2	103.1	13,980	16,053	-2,073	106.1	103.3
Q4	***34,322***	***38,219***	***-3,897***	***108.3***	***104.8***	***46,807***	***52,081***	***-5,273***	***109.3***	***105.7***
YEAR 2011	**136,694**	**152,568**	**-15,875**	**113.6**	**113.7**	**190,247**	**212,331**	**-22,083**	**119.1**	**119.2**
Monthly average	**11,391**	**12,714**	**-1,323**			**15,854**	**17,694**	**-1,840**		

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

Chart 9 Dynamics of exports and imports measured in EUR and USD in the years 2010-2011 (in % compared to the same month of the previous year)



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

2010 saw the reconstruction of the Polish trade exchange with other countries, following its breakdown in 2009. The relatively high rate of turnover increase, recorded in particular in the first half of 2010, was therefore largely a result of the very low level of reference. Until May of 2010, turnover expressed in USD grew faster than those expressed in EUR, while during the period of June 2010-March 2011 the situation was exactly the opposite. Beginning with the second quarter of 2011, the turnover expressed in USD began to grow faster than those expressed in EUR once again.

The slowdown in the pace of turnover growth recorded in the second half of 2011, in the last quarter of the year in particular, resulted from the general global economic breakdown. In 2010 the pace of imports growth was by 2.2 p.p. faster than that of exports growth, while in 2011 imports grew only slightly faster (by 0.1 p.p.) than the rates of exports.

4 CHANGES IN THE GEOGRAPHICAL STRUCTURE OF COMMODITIES EXCHANGE

4.1 Changes seen from the continental perspective

Although Polish exports has been long dominated by European countries, their share continues to display a steady tendency to decrease. In the past few years, the share of Europe in Polish exports decreased systematically: from 91.1% in 2008 to 89.6% in 2011. In 2011, exports from Poland to European countries amounted to EUR 122.4 billion and was 13.1% higher than the year before. The share of Europe in Polish imports, which had continued to decrease in the previous years, increased from 73.9% in 2010 to 76.4% in 2011, which resulted from its growth by 17.6% (to EUR 116.5 billion). Polish exports to European markets developed slower than Polish imports from those countries, which resulted in the reduction of surplus in our turnover with European markets to the level of EUR 5.9 billion (in 2010 it amounted to nearly EUR 9.1 billion). It must be highlighted, however, that the 2008 deficit in the Polish turnover with European countries amounted to EUR 2.4 billion.

Asia is the second largest player in terms of its share in the total value of Polish turnover. In 2011, Polish exports to this region increased by 21.5%, reaching the level of EUR 7.9 billion and amounting for 5.8% of Polish exports in total (compared against 5.4% in the previous year). However, the role of this region is much more significant – and continuously growing – for Polish imports. In 2011, imports from Asia amounted to 18.2% of Polish imports in total, and the value of commodities imported from Asia reached the level of approx. EUR 27.7 billion (over 3.5 times more than Polish exports to Asian markets), which was a growth by 2.3% when compared against 2010. Polish exports to Asia grew at a rate nearly 10 times faster than imports, resulting in a reduction in the (traditionally very high) deficit in our turnover with this group of countries by nearly EUR 0.8 billion, to EUR 19.8 billion.

Exports of commodities from Poland to North American countries amounted to nearly EUR 3.2 billion in 2011 (12% more than in 2010), while imports from this region reached the level of EUR 3.7 billion (3.1% less than in the previous year). As a result, the deficit in turnover with this group of countries was reduced by more than a half, to the level of less than EUR 450 billion. In 2011, the share of North America in Polish turnover in total amounted to 2.4% for both exports and imports. The share of South and Middle Americas in Polish total exports in 2011 amounted to 1% (over EUR 1.3 billion), while their share in imports was 1.7% (EUR 2.6 billion). Polish commodities exports to Africa amounted to EUR 1.3 billion in 2011, comprising 1% of Polish exports in total; for imports these figures were even lower (EUR 1.2 billion, or 0.8%). The smallest part of Polish turnover can be attributed to the markets of Australia and Oceania: in 2011, this region contributed to 0.3% of Polish exports and 0.2% of imports (EUR 420 million and approx. EUR 360 million respectively).

Table 13 Changes in geographical structure of Poland's commodities trade turnover (in EUR million)

	2011			2010			Changes 2011/2010		
	Exports	Imports	Balance	Exports	Imports	Balance	Exports growth (+) decline (-)	Imports growth (-) decline (+)	Balance impr. (+) wors. (-)
Poland, total	**136,694**	**152,568**	**-15,875**	**120,373**	**134,188**	**-13,815**	**16,321**	**18,380**	**-2,059**
previous year = 100	113.6	113.7		122.6	124.8				
Developed countries	**115,254**	**101,868**	**13,387**	**102,231**	**90,209**	**12,022**	**13,023**	**11,659**	**1,365**
previous year = 100	112.7	112.9		121.5	121.4				
share	84.3	66.8		84.9	67.2				
including:									
EU	**106,620**	**91,043**	**15,577**	**95,286**	**79,849**	**15,438**	**11,334**	**11,194**	**140**
previous year = 100	111.9	114.0		121.8	120.0				
share	78.0	59.7		79.2	59.5				
including:									
Germany	35,664	34,042	1,622	31,427	29,362	2,065	4,237	4,680	-442
previous year = 100	113.5	115.9		122.4	122.1				
share	26.1	22.3		26.1	21.9				
United Kingdom	8,805	4,006	4,799	7,558	3,669	3,889	1,248	337	910
previous year = 100	116.5	109.2		120.0	115.5				
share	6.4	2.6		6.3	2.7				
Czech Republic	8,534	5,682	2,852	7,202	5,074	2,128	1,331	608	724
previous year = 100	118.5	112.0		125.4	130.7				
share	6.2	3.7		6.0	3.8				
France	8,371	6,374	1,997	8,156	5,797	2,358	215	576	-361
previous year = 100	102.6	109.9		119.5	117.0				
share	6.1	4.2		6.8	4.3				
Italy	7,294	8,235	-941	7,141	7,646	-505	153	588	-436
previous year = 100	102.1	107.7		106.2	104.2				
share	5.3	5.4		5.9	5.7				
Other developed countries	**8,634**	**10,825**	**-2,191**	**6,945**	**10,360**	**-3,415**	**1,689**	**464**	**1,225**
previous year = 100	124.3	104.5		118.3	133.1				
share	6.3	7.1		5.8	7.7				
including:									
USA	2,665	3,454	-789	2,190	3,394	-1.203	475	61	414
previous year = 100	121.7	101.8		123.7	136.7				
share	1.9	2.3		1.8	2.5				
EFTA	**3,976**	**3,709**	**267**	**2,822**	**3,241**	**-419**	**1,154**	**468**	**686**
previous year = 100	140.9	114.5		104.6	133.5				
share	2.9	2.4		2.3	2.4				
Developing countries	**21,439**	**50,701**	**-29,261**	**18,142**	**43,979**	**-25,838**	**3,298**	**6,721**	**-3,424**
previous year = 100	118.2	115.3		128.8	132.4				
share	15.7	33.2		15.1	32.8				
including:									
Countries of the CIS	**11,635**	**21,838**	**-10,203**	**9,894**	**16,164**	**-6,270**	**1,741**	**5,673**	**-3,932**
previous year = 100	117.6	135.1		131.9	146.6				
share	8.5	14.3		8.2	12.0				
including:									
Russia	6,139	18,380	-12,242	5,031	13,730	-8,699	1,107	4,650	-3,543
previous year = 100	122.0	133.9		139.9	149.1				
share	4.5	12.0		4.2	10.2				
Other countries	**9,805**	**28,863**	**-19,059**	**8,248**	**27,815**	**-19,567**	**1,556**	**1,048**	**509**
previous year = 100	118.9	103.8		125.3	125.4				
share	7.2	18.9		6.9	20.7				
including:									
China	1,347	13,245	-11,899	1,229	12,615	-11,386	118	630	-512
previous year = 100	109.6	105.0		117.0	126.4				
share	1.0	8.7		1.0	9.4				

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

4.2 Changes among the main groups of countries

In 2011, Polish commodities turnover with foreign countries was traditionally dominated by developed countries, although their share lowered insignificantly. In 2011, the share of developed countries in Polish exports decreased by 0.6 p.p. and amounted to 84.3%, while recording a growth by 12.7%. Imports from developed markets to Poland in 2011 increased by 12.9% and amounted to EUR 101.9 billion. This resulted in the decrease in the share of this group of markets in Polish imports from 67.2% in 2010 to 66.8% in 2011. In effect, the 2010 surplus in exchange, which had amounted to EUR 12 billion, increased to EUR 13.4 billion.

The significance of EU markets for the Polish commodity exchange is particularly great. In 2011, this group of countries was the recipient of 78% of total Polish exports and the provider of 59.7% of total Polish imports.

The share of non-EU developed markets in Polish commodities turnover was strengthened in 2011. Exports to those countries increased by 24.3% (much faster than in 2010), and so their share in overall Polish exports amounted to 6.3% (0.6 p.p. higher than in the previous year). This resulted from an increased exports to the EFTA markets, which grew by approx. 41%, which was three times faster than the average rate. A significant slowdown was noted on the side of imports from this group of countries; following an increase by 33% in 2010, imports from these markets grew by 4.5% (to EUR 10.8 billion) in 2011. As a result, the deficit in turnover with these markets was reduced by EUR 1.2 billion, to the level of EUR 2.2 billion.

Polish commodities turnover with developing countries increased at a faster than usual pace in 2011. Exports to these markets increased by 18.2% to the level of over EUR 21.4 billion; imports grew by 15.3% (to EUR 50.7 billion). Developing markets comprised 15.7% of Polish exports and 33.2% of imports in total. In spite of the relatively advantageous situation pertaining to our trade exchange with these markets, the deficit deepened by EUR 3.4 billion, to the level of EUR 29.3 billion. This was an effect of the significantly greater level of imports than exports (in qualitative terms). The negative turnover balance resulted mainly from our trade relations with the CIS countries, where imports grew by 35.1% - at a pace twice faster than in the case of exports, which increased by 17.6% - thus resulting in the deepening of the deficit to EUR 10.2 billion (compared against EUR 6.3 billion in 2010). Polish trade exchange with other developing and emerging markets recorded a growth in exports by 18.9%, which was nearly five times faster than the increase in imports (by 3.8%). The negative turnover balance recorded a slight improvement (reduction by EUR 0.5 billion, to EUR 19.1 billion).

4.3 The European Union

Polish commodities turnover with foreign countries is dominated by developed countries, including European Union markets in particular. In 2011, however, the share of EU markets in total Polish exports decreased by 1.2 p.p. and recorded only a slight increase in the field of imports. This was an effect of a slower than average pace of growth of Polish exports to EU markets (by 11.9%) and the decidedly faster rate of increase in imports to the European Union (by 14%). At the same time, the surplus in exchange with the EU amounted to EUR 15.6 billion, reaching a level similar to the one recorded in 2010 (an insignificant increase by EUR 140 million).

The slowdown in Polish exports to the EU recorded in 2011 resulted mainly from the lowered turnover with the Eurozone states. Following an increase in exports to this zone by nearly 21% in 2010, in 2011 an increase by only 10.1% was recorded, which was 3.6 p.p. slower than on the side of imports. Therefore, the share of Eurozone markets in overall Polish exports decreased by 1.7 p.p., to 54.1%, whereas in the case of exports the results retained the level recorded in 2010, i.e. 46.5%. The faster increase on the side of imports brought about a reduction in the surplus by EUR 1.7 billion (to EUR 3 billion).

A decrease in the turnover balance was recorded for most of these markets, including our main trade partner: Germany. As an aftermath of a relatively fast increase in imports to Poland from Germany (by 15.9%, which was 2.4 p.p. more than in the case of exports), the surplus in our turnover with this country decreased by approx. EUR 440 million, to EUR 1.6 billion. Situation was similar in the case of our turnover with Italy (deepening of the deficit by approx. EUR 440 million, to approx. EUR 940 million), France (decrease in surplus by approx. EUR 360 million, to EUR 2 billion) and Slovakia (decrease in surplus by almost EUR 0.3 billion, to approx. EUR 0.2 billion). The greatest improvements in turnover balance with this group of countries was recorded for Estonia (increase in surplus by almost EUR 0.2 billion, to EUR 0.6 billion) and Belgium (reduction of deficit by EUR 150 million, to EUR 0.2 billion).

This negative tendency displayed by the balance of Polish turnover with Eurozone markets was made up for (with a surplus) by the results of turnover with EU countries from outside the Eurozone. The surplus in Polish exchange with these countries increased by EUR 1.9 billion, to EUR 12.6 billion. The greatest positive changes took place in our turnover with the following countries:

- United Kingdom, to which Polish exports increased by 16.5% (by 7.3 p.p. faster than in the case of imports), resulting in a surplus increase by over EUR 0.9 billion, to EUR 4.8 billion;
- The Czech Republic, to which Polish exports increased by 18.5% (by 6.5 p.p. faster than in the case of imports), resulting in a surplus increase by over EUR 0.7 billion, to EUR 2.9 billion;
- Romania, to which Polish exports increased by 27.6% (imports increased by 10.3%), resulting in a surplus increase by over EUR 360 million, to almost EUR 1.1 billion.

On the other hand, the balance of Polish turnover turned out to be most negative for our exchange with Hungary and Sweden, for which our surplus decreased by approx. EUR 250 million (to a bit over EUR 0.8 billion) and EUR 0.2 billion (to over EUR 0.8 billion), respectively.

The fifteen most important exports markets for Poland include as many as 12 EU states. For imports, the share of EU states is 11 out of 15.

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

- Germany - by EUR 4.2 billion (by 13.5%),
- Czech Republic - by EUR 1.3 billion (by 18.5%),
- United Kingdom - by EUR 1.2 billion (by 16.5%),
- the Netherlands - by nearly EUR 0.7 billion (by 13.1%),
- Lithuania - by over EUR 0.5 billion (by 37.8%).

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

- products of the chemical industry - by approx. EUR 2.5 billion (by 21.5%),
- metallurgical products - by EUR 2.4 billion (by 22.1%),
- product of the electromechanical industry - by EUR 1.5 billion (by 3.6%),
- mineral products - by EUR 1.4 billion (by 30.5%),
- agricultural and food products - by EUR 1.2 billion (by 11.3%).

4.4 Commonwealth of Independent States

In 2011, commodity exchange with CIS markets increased decidedly more dynamically than the general Polish turnover, especially on the side of imports. The value of imports from the CIS amounted to EUR 21.8 billion (35.1% more than in the previous year). Although it grew at a pace over 2.5 times faster than normally, it still recorded a slower growth than in 2010, when imports from these markets increased by as much as 46.6%. Exports to CIS markets grew twice slower than imports from this region – it increased by 17.6%, amounting to EUR 11.6 billion. This pace of growth was by more than 14 p.p. slower than in 2010. These results accounted for the deepening in the deficit in Polish exchange with these markets; it increased by EUR 3.9 billion, reaching the record-breaking level of EUR 10.2 billion.

The most important Polish trade partner from among the countries of this group is Russia (4.5% share in overall Polish exports, compared against 4.2% in 2010), followed by Ukraine (2.5% share) and Belarus (1%). On the list of dominant exports markets in 2011, these countries took the following spots: Russia – number 6, Ukraine – number 10, Belarus – number 22. In 2011, these three markets comprised 93.3% of total Polish exports to CIS markets, as well as 97.8% of overall imports to Poland from this region. The biggest importer to Poland from among this group is Russia (12% of overall imports), which makes it Poland's second – after Germany – biggest trade partner in the field of imports.

In 2011, Polish turnover with Russia increased decidedly faster than our turnover in general. This was particularly true for imports. The value of imports from Russia amounted to EUR 18.4 billion, which was 34% (or less than EUR 4.7 billion) more than in the previous year. Polish exports to this market grew by 22% (to EUR 6.1 billion), which was significantly faster than average but, at the same time, by 11.9 p.p. slower than in the case of imports. Faster increase of imports from Russia than exports to it resulted in the deepening of the deficit by EUR 3.5 billion, to the record-breaking level of EUR 12.2 billion. For the first time since 2006, Polish deficit in trade with Russia exceeded our deficit in turnover with China.

This deepening of the negative balance in our turnover in Russia resulted (in 97%) from the imbalance in the significance of mineral products, which dominate Polish imports from this market. Following the dynamic increase in oil prices, the value of imports of mineral products amounted to EUR 13.5 billion, which was by 34% more than in the previous year. The deficit in mineral products trade alone thus deepened from EUR 10 billion to EUR 13.4 billion.

On the other hand, the balance in the turnover in electromechanical products – our main exports group to Russia – improved significantly. Exports of these products increased by 45.4% (to EUR 2.5 billion), which was more than twice faster than normally. In effect, the 2010 surplus increased by nearly EUR 0.6 billion in 2011, amounting to EUR 2.2 billion. This resulted in an increased share of this group of products in overall Polish exports to Russia – to 40.9%, compared against 34.3% in the previous year. The second biggest group of products exported to Russia comprises chemical products. However, as a result of the relatively slow increase in their exports (less than 7%), their share decreased by 2.7 p.p., to the level of 19.5%, and the surplus was reduced by EUR 0.1 billion (to a bit over EUR 0.5 billion).

Polish exports to Ukraine grew slower than our exports to Russia and slightly slower than normally. Exports to this market increased by 13.3%, to the level of EUR 3.4 billion. Imports from Ukraine to Poland increased by as much as 45% (to EUR 2 billion), which resulted in a decrease in surplus by more than EUR 0.2 billion (to the level of EUR 1.4 billion).

The slowest pace of exports increase and the fastest rate of imports growth for the entire group of CIS markets was recorded for Belarus. Following the dynamic increase in Polish exports to this market in 2010 (by 40.3%), 2011 saw a slowdown in this growth to 9.6% (to EUR 1.3 billion). Imports from

Belarus, which recorded a growth more than three times slower than average in 2010 (by 7.7%), in 2011 increased to 54%, reaching the level of nearly EUR 1 billion. This resulted from the dynamic increase in the imports of mineral product (this area of imports increased its value twice). In effect, Polish balance in turnover with Belarus recorded a deterioration (for the first time since 2005), and the surplus was reduced by more than EUR 0.2 billion, to the level of approx. EUR 360 million.

4.5 Asian states

Polish turnover with Asian countries in 2011 was traditionally least advantageous. Our deficit in trade exchange with this group of markets amounted to EUR 19.8 billion and, not unlike during the two previous years, it exceeded the overall commodity deficit of Poland (by nearly EUR 4 billion). It is, however, worth mentioning that, in comparison against 2010, this deficit was reduced by nearly EUR 0.8 billion, which was an effect of the significant slowdown in the imports to Poland from Asian markets. In 2010, imports from Asia increased by 27.5%, while in 2011 it grew by a mere 2.3% (amounting to EUR 27.7 billion). Exports to Asian states amounted to EUR 7.9 billion in 2011 and, although it's worth was decidedly lower than that of imports, the pace of its increase (by 21.5%) was over 9 times faster.

The traditionally negative trade balance with Asian countries stems from the deep deficit in our turnover with Poland's three major partners from this region, namely China, Republic of Korea and Japan. It should be mentioned that, in 2011, these three markets closely followed Russia on the list of economies in turnover with which Poland recorded the largest deficit.

In 2011, exports to the Chinese market amounted to EUR 1.3 billion, which was by 9.6% more than in 2010. Although the pace of exports growth to this market was slower than average, it was at the same time faster than the increase in imports (by 5%). Polish exports to China is dominated by metallurgical and electromechanical products. The significance of the former increased decidedly (by 6.8 p.p., reaching the share of 47.7%), which was an effect of the dynamic increase in the exports of these products (by 27.6%). On the other hand, the share of electromechanical products dropped down by 6.9 p.p., to a total of 23.3%, which was caused by decrease in exports by 15.4%. Chinese imports to Poland is dominated by electromechanical products, which comprised 55.9% of total imports from this market (compared against 59.5% in 2010). This decreased share was a result of a slowdown in imports (by 1.5%). The significant deficit in Polish turnover in these products with China did not grow any deeper, and retained a level similar to the one recorded in 2010 (nearly EUR 7.1 billion).

In 2011, the total deficit in Polish turnover with China amounted to EUR 11.9 billion and, compared against the results for 2010, it grew deeper by over EUR 0.5 billion. It should be highlighted that, in terms of its value, imports from China outgrew exports ten times. Thus, despite the fact that imports grew nearly at a twice slower pace than exports in 2011, the deficit grew deeper.

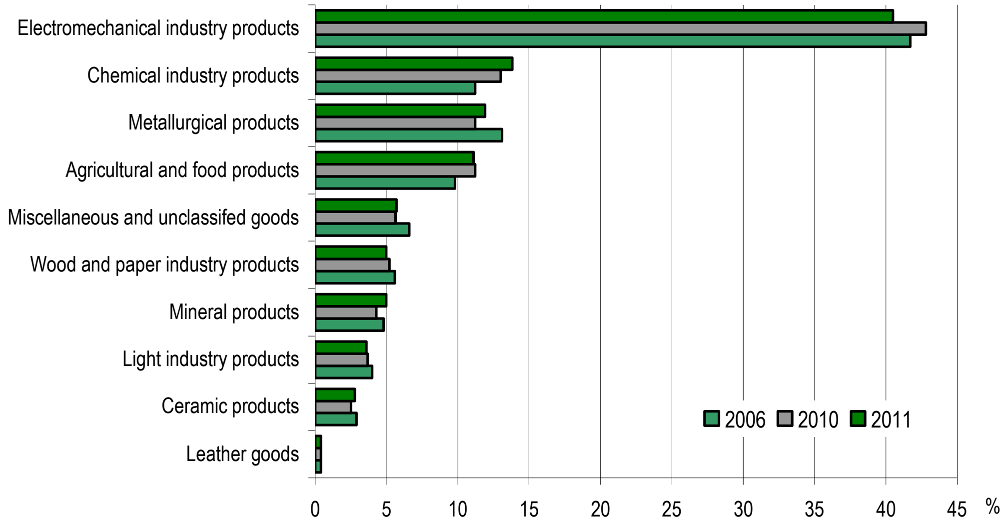
Polish turnover with the Republic of Korea and Japan recorded a positive tendency in balance, which stemmed from the relatively fast increase in exports and the simultaneous decrease in imports. Exports to Korea, following the 2010 increase by 18.4%, grew even further (by approx. 43.5%, amounting to EUR 0.3 billion) in 2011. This dynamic increase in Polish exports rates to Korea resulted from the rapid increase in the exports of food and agricultural products (four times) and metallurgical products (by 66%). The decrease in Korean imports (by 9%, amounting to less than EUR 3.4 billion) recorded in 2011 resulted from a reduced imports of electromechanical goods (by approx. 13%), which constitute the dominant product group for Korean imports to Poland. In effect, the deficit in our turnover with this market was reduced by over EUR 0.4 billion, reaching the level of EUR 3.1 billion.

The pace of growth of Polish exports to Japan (by 17.9%, to the level of EUR 0.4 billion) was slower than in the case of the entire group of Asian markets. At the same time, it also exceeded the general scale of growth. Imports from this market decreased by 2.3% (to the level of EUR 2.7 billion) which – similarly as for Korea – resulted from the reduction in the imports of the dominant product group, which was electromechanical goods (by 7.6%). The deficit in our turnover with Japan reached the level of almost EUR 2.3 billion in 2011, which was approx. EUR 125 million less than in 2010.

5 CHANGES IN THE COMMODITY STRUCTURE OF COMMERCIAL EXCHANGE

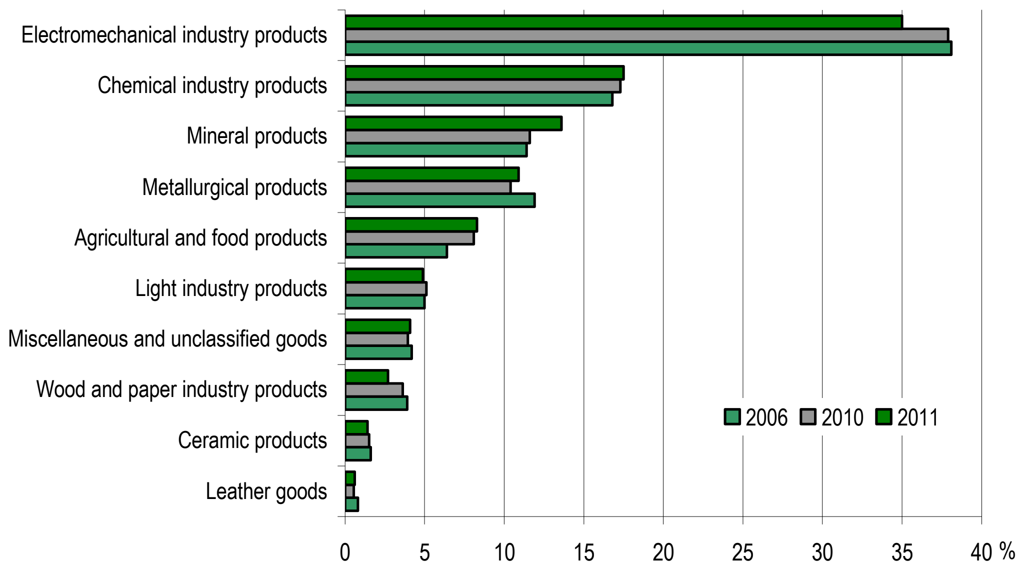
During the past few years, the commodity structure of Polish commercial exchange with other countries saw several significant changes. This results from the different levels of resistance to the economic breakdown displayed by particular product groups, which had accounted for the significant differences in the scale of turnover decrease of these product groups during the crisis. On the other hand, turnover in different product groups recovered at different rates.

Chart 10 Commodity structure of Polish exports in 2011, compared to 2010 and 2006 (in %)



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

Chart 11 Commodity structure of Polish imports in 2011, compared to 2010 and 2006 (in %)



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

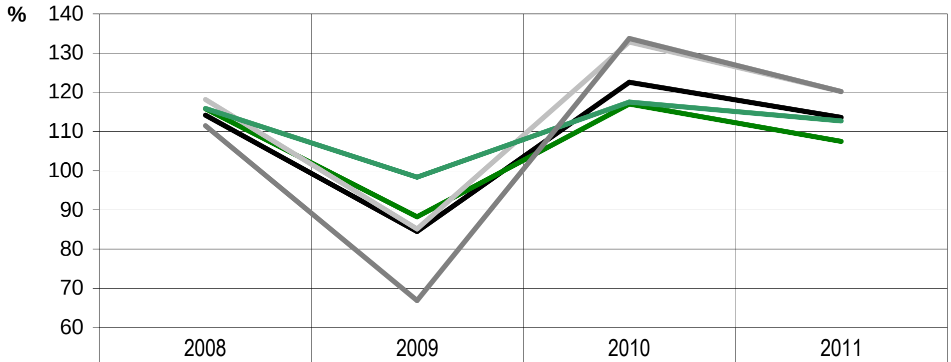
In 2011, the fastest growth in turnover was recorded for the group of **mineral products**, which comprise 5% of Polish exports and 13.6% of Polish imports – their exports increased by 33.8% (to the level of EUR 6.9 billion), and imports grew by 33.3% (to EUR 20.7 billion). This group recorded the greatest increase in imports value (by almost EUR 5.2 billion). This dynamic increase in the imports of mineral products was, to a large extent, a result of the significant increase in global energy resources prices (especially oil and gas). The high increase in the value of imports of mineral products brought about a deepening in turnover deficit by more than EUR 3.4 billion, when compared against the level recorded in 2010.

Apart from mineral products, exports of the following groups of products also recorded a faster than average growth in 2011:

- ceramic products – by 30% (to EUR 3.9 billion);
- chemical products – by 20.2% (to EUR 18.9 billion);
- metallurgical products – by 20.2% (to EUR 16.2 billion).

While the share of ceramic products in Polish exports in total was relatively low (2.8%), chemical and metallurgical products combined have constituted a large share of Polish turnover for many years. In 2011, chemical products contributed to 13.8% of Polish exports in total and 17.5% of imports. For metallurgical products, these figures amounted to 11.9% and 10.9% respectively.

Chart 12 Dynamics of Polish exports in main commodities groups in the years 2008-2011 (in EUR terms, previous year = 100)



	2008	2009	2010	2011
Total	114.1	84.5	122.6	113.6
electromechanical	115.8	88.2	117.0	107.5
chemical	118.1	85.1	132.8	120.2
agricultural and food	115.9	98.3	117.5	112.7
metallurgical	111.5	66.9	133.7	120.2

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

The relatively fast growth in the exports of **chemical products** was mainly an effect of the increase in the exports of the following product groups:

- *organic chemical products* (comprising 1% of overall Polish exports), whose exports increased by 46.4% and amounted to over EUR 1.4 billion;
- *caoutchouc and caoutchouc products* (2.7% of exports), whose exports increased by 29.5% and amounted to nearly EUR 3.7 billion;
- *plastics and plastic products* (4.4% of exports), whose exports increased by 18.8% and amounted to nearly EUR 6 billion.

These speedy increase rates were contrasted by a slight decrease in the exports of *pharmaceutical products* (by 0.6%), to the level of less than EUR 1.7 billion (comprising 1.2% of total exports).

Although imports of chemical products increased slower (by 14.6%) than their exports, the larger scale of turnover on the side of imports resulted in the deepening of the deficit in the Polish turnover in these goods by approx. EUR 230 million (to the level of approx. EUR 7.8 billion).

Chart 13 Dynamics of Polish imports in main commodities groups in the years 2008-2011 (in EUR terms, previous year = 100)

	2008	2009	2010	2011
Total	118.3	75.5	124.8	113.7
electromechanical	118.3	76.8	121.0	105.1
chemical	116.9	80.8	126.7	114.6
mineral	134.3	61.3	143.7	133.3
metallurgical	105.3	64.3	135.1	119.3

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

A faster than average increase in the exports of **metallurgical products** recorded in 2011 stemmed mainly from the high dynamics displayed by the exports of the dominant products of this group, namely *cast iron and steel products* as well as *iron, cast iron and steel*, providing for 3.5% and 2.9% of overall exports respectively. Exports of the former increased by 22.5% (to the level of approx. EUR 4.7 billion), and of the latter – by 35.2% (to the level of EUR 3.9 billion). Imports of metallurgical products increased a bit slower than their exports in 2011 (by almost 1 p.p.), which brought about a small reduction in the deficit (by less than EUR 40 million, to the level of over EUR 0.4 billion).

The increase in the exports of the dominant for the Polish foreign trade group of products – namely, **electromechanical products** – turned out to be greatest in terms of absolute growth (by EUR 3.9 billion, to the level of EUR 55.4 billion). On the other hand, this group of products recorded the slowest pace of increase in exports (7.5%, which was by 6.1 p.p. slower than average). In effect, the share of electromechanical products in overall Polish exports dropped down to 40.5%, compared against 42.8% in 2010. This relatively slow increase in the exports of electromechanical products was an effect of the decrease in the exports of *machines and electronic devices* by 3.6% (or by over EUR 0.6 billion, to the level of EUR 15.4 billion). On the other hand, exports of the biggest subgroup of these products – *non-rail vehicles, their parts and accessories* (12.6% of overall exports) – was by 10.1% higher than in the previous year (by approx. EUR 1.6 billion), reaching the level of nearly EUR 17.3 billion. At the same time, the exports of *cauldrons, machines and mechanical devices* (12.3% of total exports) increased by 8.8% (i.e. nearly EUR 1.4 billion, to the level of EUR 16.8 billion).

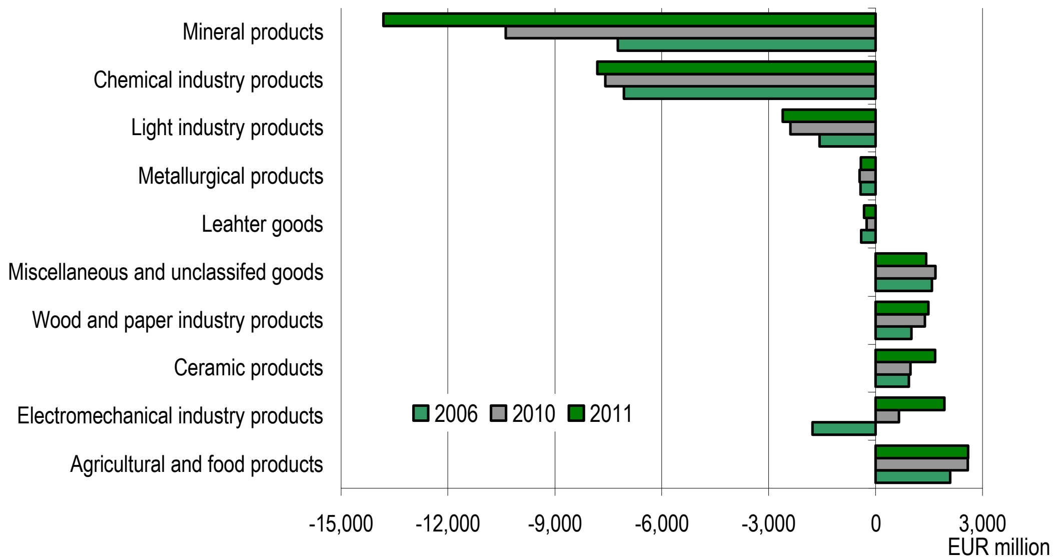
The fastest pace of growth in the group of electromechanical products in 2011 was recorded for the exports of *ships, boats and floating devices* (by 47.3%) and *optical, photographic, measurement and medical equipment, tools and devices and parts thereof* (by 24.4%). Nevertheless, these groups of

goods provide for a much smaller part of overall Polish exports: 2.6% (approx. EUR 3.6 billion) and 1% (approx. EUR 1.4 billion), respectively.
The pace of growth in the imports of electromechanical products, as in exports, was the slowest among all product groups and amounted to 5.1% (by 8.6 p.p. slower than in general). As a result, the share of these products in imports to Poland decreased from 37.9% in 2010 to 35% in 2011. This low pace of growth in the imports of electromechanical products was, to a large extent, a result of the decreasing imports of *machines and electronic devices* (by 4%, i.e. by approx. EUR 640 million, to the level of EUR 15.4 billion). On the other hand, the imports of *non-rail vehicles, their parts and accessories* increased at a pace which exceeded the average for this group, recording a growth by 10.6% (by nearly EUR 1.2 billion, to approx. EUR 12.3 billion).

A faster growth in exports of electromechanical products than in their imports brought an increase in the surplus by nearly EUR 1.3 billion, to the level of more than EUR 1.9 billion.

Exports of **food and agricultural products** increased relatively high, although a bit slower than average. Exports of these products in general grew by 12.7%, to the level of approx. EUR 15.2 billion. For *meat and animal products,* the rate of growth amounted to 14.8% (to EUR 5.2 billion) and for *prepared foodstuffs* – to 13.4% (to over EUR 7 billion). These groups provided for 3.8% and 5.2% of exports in total, respectively. Imports of food products increased by 15.6%, amounting to EUR 12.6 billion. The highest rate of growth was recorded for *products of plant origin* (2.3% of overall imports) – by 20.7%, to the level of over EUR 3.5 billion. In 2011, food and agricultural products accounted for 11.1% of total exports and 8.3% of total imports. The surplus in our turnover in this group of products amounted to EUR 2.6 billion and was insignificantly higher than in 2010.

Chart 14 Commodity structure of Polish foreign trade balance in 2011, compared to 2010 and 2006 (in EUR million)



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

The deficit in the Polish commodity turnover with other countries in 2011 deepened by nearly EUR 2.1 billion, to the level of approx. EUR 15.9 billion. This was mainly a result of the negative balance in the turnover in mineral products (deficit deepened by over EUR 3.4 billion, to the level of approx. EUR 13.8 billion), which was not made up for by the advantageous changes recorded for the turnover in electromechanical and ceramic products, where the surplus increased by nearly EUR 1.3 billion (to over EUR 1.9 billion) and by EUR 0.7 billion (to almost EUR 1.7 billion) respectively.

When compared against the results for 2010, the deficit in 2011 deepened. However, when compared against the highest level it had ever reached recorded before the crisis (in 2008), the deficit still remained lower by EUR 10.3 billion. This advantageous change in the balance in commodities turnover stemmed mainly from the radical change in the trade of electromechanical products. In 2008, this sector of trade recorded a deficit amounting to nearly EUR 4.8 billion, which means that during the years 2008-2011 this balance had improved by approx. EUR 6.7 billion.

Table 14 Commodity structure of Polish trade turnover in the years 2010-2011 in EUR million

		2011			2010			Changes 2011/2010		
		Exports	Imports	Balance	Exports	Imports	Balance	Exports growth (+) decline (-)	Imports growth (-) decline (+)	Balance impr. (+) wors. (-)
I	Live animals	5,182	3,287	1,895	4,514	2,967	1,547	668	320	348
II	Plant products	2,623	3,519	-895	2,451	2,914	-464	173	604	-431
III	Fats, oils	372	767	-396	323	501	-178	49	266	-217
IV	Prepared foodstuffs	7,051	5,056	1,995	6,220	4,539	1,681	831	517	314
(I-IV)	**Agricultural and food products**	**15,228**	**12,628**	**2,599**	**13,507**	**10,921**	**2,586**	**1,720**	**1,707**	**13**
V	**Mineral products**	**6,896**	**20,709**	**-13,814**	**5,154**	**15,533**	**-10,380**	**1,742**	**5,176**	**-3,434**
VI	Products of the chemical industry	9,260	14,934	-5,674	7,865	13,484	-5,620	1,395	1,449	-54
VII	Plastics	9,640	11,784	-2,143	7,860	9,826	-1,967	1,781	1,958	-177
(VI-VII)	**Products of the chemical industry**	**18,900**	**26,718**	**-7,817**	**15,724**	**23,311**	**-7,586**	**3,176**	**3,407**	**-231**
VIII	**Leathers and leather products**	**540**	**860**	**-319**	**485**	**734**	**-249**	**56**	**126**	**-70**
IX	Wood and wood products	2,684	1,291	1,394	2,503	1,105	1,398	181	185	-4
X	Wood pulp	4,214	4,122	91	3,750	3,761	-11	463	361	102
(IX-X)	**Wood and paper industry products**	**6,898**	**5,413**	**1,485**	**6,253**	**4,866**	**1,387**	**644**	**546**	**98**
XI	Textiles and textile products	4,375	6,592	-2,217	3,954	6,004	-2,049	421	588	-167
XII	Footwear, headgear	564	958	-394	484	827	-343	80	131	-51
(XI-XII)	**Light industry products**	**4,939**	**7,549**	**-2,610**	**4,438**	**6,830**	**-2,392**	**501**	**719**	**-218**
XIII	Products of stone, gypsum, cement …	2,578	1,888	690	2,249	1,741	508	328	147	181
XIV	Pearls, metals and stones	1,304	318	986	737	266	471	566	52	514
(XIII-XIV)	**Ceramic products**	**3,881**	**2,206**	**1,675**	**2,987**	**2,007**	**980**	**895**	**199**	**696**
XV	**Products of non-precious metals**	**16,224**	**16,631**	**-407**	**13,492**	**13,937**	**-445**	**2,732**	**2,694**	**38**
XVI	Mechanical and electrical equipment	32,144	33,708	-1,563	31,366	32,756	-1,390	778	952	-174
XVII	Vehicles	21,825	15,215	6,610	19,006	13,842	5,163	2,819	1,373	1,446
XVIII	Optical devices and apparatuses, etc.	1,413	4,529	-3,116	1,142	4,258	-3,116	271	271	0
(XVI-XVIII)	**Products of the electromechanical industry**	**55,382**	**53,452**	**1,930**	**51,514**	**50,856**	**658**	**3,868**	**2,596**	**1,272**
XIX	Weapons and ammunition	18	108	-89	16	77	-61	2	31	-29
XX	Various products	7,682	2,576	5,106	6,735	2,276	4,459	947	300	647
XXI	Works of art	21	16	5	21	8	13	0	7	-8
(XIX-XXI)	**Miscellaneous**	**7,721**	**2,700**	**5,022**	**6,773**	**2,362**	**4,411**	**949**	**338**	**611**
XXII	Other	85	3,689	-3,605	47	2,772	-2,726	38	917	-879
	Unknown or erroneous	0	13	-13	0	58	-58	0	-45	45
	TOTAL	**136,694**	**152,568**	**-15,875**	**120,373**	**134,188**	**-13,815**	**16,321**	**18,380**	**-2,059**

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

Table 15 Commodity structure of Polish trade turnover in the years 2010-2011 in EUR million

	Group/section/subsection	2011			2010			Changes 2011/2010		
		Exports	Imports	Balance	Exports	Imports	Balance	Exports growth (+) decline (-)	Imports growth (-) decline (+)	Balance impr. (+) wors. (-)
	TOTAL	**136,694**	**152,568**	**-15,875**	**120,373**	**134,188**	**-13,815**	**16,321**	**18,380**	**-2,059**
I	**LIVE ANIMALS, ANIMAL PRODUCTS**	**5,182**	**3,287**	**1,895**	**4,514**	**2,967**	**1,547**	**668**	**320**	**348**
1	Live animals	186	279	-94	209	223	-14	-23	57	-80
2	Meat and edible variety meats	2,567	1,240	1,328	2,139	1,091	1,047	428	148	280
3	Fish and crustaceans, mollusks and other water invertebrates	757	1,035	-278	722	1,022	-300	35	14	21
4	Dairy products, eggs, natural honey	1,505	533	971	1,309	437	871	196	96	100
5	Animal products n.e.c.	168	199	-32	135	194	-59	32	5	27
II	**PLANT PRODUCTS**	**2,623**	**3,519**	**-895**	**2,451**	**2,914**	**-464**	**173**	**604**	**-431**
6	Live trees and other plants; bulbs …	108	235	-127	108	235	-127	0	0	0
7	Vegetables, certain edible roots and bulbs	761	526	235	759	508	251	2	18	-16
8	Fruit and edible nuts, zests and skins of citrus fruits or melons	767	1,003	-236	703	946	-243	64	57	6
9	Coffee, tea, Paraguay tea and spices	361	561	-200	227	430	-203	134	131	3
10	Cereals	327	438	-111	318	261	58	8	177	-169
11	Products of the milling industry; malt; starch; inulin; wheat gluten	145	203	-58	118	163	-45	27	40	-13
12	Seeds of oil-bearing fruit ..	145	442	-297	207	274	-66	-62	169	-230
13	Shellac; rubbers; resins and other plant juices and extracts	6	71	-65	6	73	-67	0	-2	2
14	Plant materials for weaving …	3	39	-36	4	25	-22	-1	14	-15
III	**PLANT AND ANIMAL FATS AND OILS; PRODUCTS OF THEIR PROCESSING**	**372**	**767**	**-396**	**323**	**501**	**-178**	**49**	**266**	**-217**
15	Animal fats and oils …	372	767	-396	323	501	-178	49	266	-217
IV	**PREPARED FOODSTUFFS; NON-ALCOHOLIC AND ALCOHOLIC BEVERAGES , VINEGAR; TOBACCO**	**7,051**	**5,056**	**1,995**	**6,220**	**4,539**	**1,681**	**831**	**517**	**314**
16	Processed meat, fish, crustaceans, mollusks and other water invertebrates	768	185	583	672	163	508	96	22	74
17	Sugar and sugar products	437	421	16	389	290	99	48	131	-83
18	Cocoa and cocoa products	846	649	197	709	593	116	137	56	81
19	Products of cereals, flour, starch or milk; confectionery products	898	473	425	779	422	357	119	51	68
20	Processed vegetables, fruit, nuts or other plant parts	874	530	344	715	491	224	159	39	120
21	Various prepared foodstuffs	1,014	692	322	915	649	266	99	43	56

	Group/section/subsection	2011			2010			Changes 2011/2010		
		Exports	Imports	Balance	Exports	Imports	Balance	Exports growth (+) decline (-)	Imports growth (-) decline (+)	Balance impr. (+) wors. (-)
22	Non-alcoholic and alcoholic beverages , vinegar	476	543	-66	451	494	-43	26	49	-23
23	Remains and waste of the food industry; ready fodder for animals	439	1,107	-668	398	1,011	-614	41	96	-54
24	Tobacco and processed tobacco substitutes	1,298	457	841	1,193	426	767	105	31	74
(I-IV)	**Agricultural and food products**	**15,228**	**12,628**	**2,599**	**13,507**	**10,921**	**2,586**	**1,720**	**1,707**	**13**
V	**MINERAL PRODUCTS**	**6,896**	**20,709**	**-13,814**	**5,154**	**15,533**	**-10,380**	**1,742**	**5,176**	**-3,434**
25	Salt; sulfur; soil and stones; gypsum materials; lime and cement	207	748	-541	178	510	-332	29	238	-209
26	Metal ores; slag and ash	44	700	-656	41	611	-569	3	89	-86
27	Mineral fuels, mineral oils and products of their distillation; bitumen substances; mineral waxes	6,645	19,261	-12,617	4,935	14,413	-9,478	1,710	4,849	-3,139
(V)	**Mineral products**	**6,896**	**20,709**	**-13,814**	**5,154**	**15,533**	**-10,380**	**1,742**	**5,176**	**-3,434**
VI	**PRODUCTS OF THE CHEMICAL INDUSTRY AND RELATED INDUSTRIES**	**9,260**	**14,934**	**-5,674**	**7,865**	**13,484**	**-5,620**	**1,395**	**1,449**	**-54**
28	Inorganic chemicals; organic or inorganic compounds of precious metals …	665	922	-257	498	803	-305	167	119	49
29	Organic chemicals	1,430	2,502	-1,073	976	2,286	-1,310	453	216	237
30	Pharmaceutical products	1,656	4,355	-2,699	1,667	4,315	-2,649	-11	40	-51
31	Fertilizers	647	547	100	482	434	48	165	113	52
32	Tanning agents, dyes, pigments, paints, lacquers, putty, sealants, inks ..	582	1,273	-692	485	1,122	-637	97	151	-54
33	Essential oils, resinoids; perfumes, cosmetics and toiletries	1,918	1,445	473	1,849	1,356	494	69	89	-21
34	Soaps and laundry products …	1,151	755	396	986	693	294	165	63	102
35	Protein substances; modified starches; glues, enzymes …	155	492	-336	157	440	-283	-2	51	-53
36	Explosives; pyrotechnical and flammable materials; matches …	38	27	11	51	25	26	-13	2	-15
37	Photographic and cinematographic materials	24	98	-74	12	98	-86	12	0	12
38	Various chemical products	993	2,516	-1,523	701	1,912	-1,211	292	605	-312
VII	**PLASTICS AND PLASTIC PRODUCTS CAUTCHOUC AND CAUTCHOUC PRODUCTS**	**9,640**	**11,784**	**-2,143**	**7,860**	**9,826**	**-1,967**	**1,781**	**1,958**	**-177**
39	Plastics and plastic products	5,961	8,757	-2,796	5,019	7,541	-2,522	942	1,216	-274
40	Cautchouc and cautchouc products	3,679	3,027	652	2,841	2,285	556	838	742	97
(VI-VII)	**Products of the chemical industry**	**18,900**	**26,718**	**-7,817**	**15,724**	**23,311**	**-7,586**	**3,176**	**3,407**	**-231**
VIII	**LEATHERS AND LEATHER PRODUCTS**	**540**	**860**	**-319**	**485**	**734**	**-249**	**56**	**126**	**-70**
41	Untanned leathers (with the exception of furs),	201	419	-218	170	351	-181	31	68	-37

	Group/section/subsection	2011			2010			Changes 2011/2010		
		Exports	Imports	Balance	Exports	Imports	Balance	Exports growth (+) decline (-)	Imports growth (-) decline (+)	Balance impr. (+) wors. (-)
	and tanned leathers									
42	Leather products …	188	387	-199	167	334	-168	21	52	-31
43	Furs and artificial furs, and their products	151	54	97	148	49	100	3	5	-2
(VIII)	**Leathers and leather goods**	**540**	**860**	**-319**	**485**	**734**	**-249**	**56**	**126**	**-70**
IX	**WOOD AND WOOD PRODUCTS**	**2,684**	**1,291**	**1,394**	**2,503**	**1,105**	**1,398**	**181**	**185**	**-4**
44	Wood and wood products; charcoal	2,652	1,261	1,392	2,472	1,074	1,398	180	187	-7
45	Cork and cork products	4	9	-5	3	9	-6	1	1	1
46	Goods made of straw, esparto etc.; basketry products and wicker goods	28	21	7	28	23	5	0	-2	2
X	**WOOD PULP OR PULP OF OTHER FIBROUS PLANTS**	**4,214**	**4,122**	**91**	**3,750**	**3,761**	**-11**	**463**	**361**	**102**
47	Wood pulp	113	438	-325	82	419	-337	31	19	12
48	Paper, cardboard, products of paper mass, paper and cardboard	3,522	3,434	89	3,120	3,105	15	403	329	73
49	Books, newspapers, pictures, manuscripts …	578	250	328	548	237	311	30	13	17
(IX-X)	**Products of the wood and paper industry**	**6,898**	**5,413**	**1,485**	**6,253**	**4,866**	**1,387**	**644**	**546**	**98**
XI	**TEXTILES AND TEXTILE PRODUCTS**	**4,375**	**6,592**	**-2,217**	**3,954**	**6,004**	**-2,049**	**421**	**588**	**-167**
50	Silk	0	7	-6	1	11	-10	0	-4	3
51	Wool, thin or thick animal hair …	117	170	-53	119	157	-39	-2	13	-15
52	Cotton	44	424	-380	42	378	-335	2	47	-44
53	Other plant textile products	22	25	-3	21	24	-3	1	1	0
54	Continuous chemical fibers	180	556	-376	164	545	-381	16	11	4
55	Cut chemical fibers	61	418	-357	65	370	-305	-4	49	-53
56	Cotton wool, felt and unwoven fabrics; special fibers …	163	452	-289	128	337	-209	35	115	-80
57	Carpets and other textile floor carpeting	179	195	-17	143	184	-41	36	11	25
58	Special textiles, notions, embroidery …	42	182	-140	43	191	-148	-1	-9	8
59	Impregnated fabrics …	195	443	-248	163	420	-257	32	23	9
60	Knitted fabrics	68	179	-111	69	179	-110	-1	0	-1
61	Clothes and clothing accessories of knitted fabrics	1,168	1,472	-304	1,050	1,368	-319	118	103	15
62	Clothes and clothing accessories, other than of knitted fabrics	1,522	1,569	-47	1,391	1,365	25	132	204	-72
63	Other packaged textile products; sets; used clothes; rags	613	499	114	557	476	81	57	23	34
XII	**FOOTWEAR, HEADGEAR, UMBRELLAS …**	**564**	**958**	**-394**	**484**	**827**	**-343**	**80**	**131**	**-51**
64	Footwear, gaiters and similar products, parts	473	829	-356	400	721	-320	72	109	-36

	Group/section/subsection	2011			2010			Changes 2011/2010		
		Exports	Imports	Balance	Exports	Imports	Balance	Exports growth (+) decline (-)	Imports growth (-) decline (+)	Balance impr. (+) wors. (-)
	thereof									
65	Headgear and parts thereof	66	62	3	59	50	9	7	12	-6
66	Umbrellas, sun umbrellas, walking sticks, walking sticks with seats, whips, horsewhips and parts thereof	18	23	-5	19	16	2	0	7	-7
67	Prepared feathers and down, products of feathers and down ...	7	43	-36	6	40	-34	1	3	-2
(XI-XII)	**Light industry products**	**4,939**	**7,549**	**-2,610**	**4,438**	**6,830**	**-2,392**	**501**	**719**	**-218**
XIII	**PRODUCTS OF STONE, GYPSUM ...**	**2,578**	**1,888**	**690**	**2,249**	**1,741**	**508**	**328**	**147**	**181**
68	Products of stone, gypsum, cement, asbestos, mica and similar materials	678	481	197	559	432	127	118	48	70
69	Ceramic products	775	432	343	702	408	294	73	24	48
70	Glass and glass products	1,125	975	150	988	901	87	137	74	63
XIV	**PEARLS; PRECIOUS AND SEMI-PRECIOUS METALS AND STONES; COSTUME JEWELRY**	**1,304**	**318**	**986**	**737**	**266**	**471**	**566**	**52**	**514**
71	Pearls; precious and semi-precious stones, precious metals	1,304	318	986	737	266	471	566	52	514
(XIII-XIV)	**Ceramic products**	**3,881**	**2,206**	**1,675**	**2,987**	**2,007**	**980**	**895**	**199**	**696**
XV	**BASE METALS AND PRODUCTS THEREOF**	**16,224**	**16,631**	**-407**	**13,492**	**13,937**	**-445**	**2,732**	**2,694**	**38**
72	Iron, cast iron and steel	3,913	6,225	-2,312	2,896	5,002	-2,107	1,018	1,223	-205
73	Products of cast iron and steel	4,741	3,867	874	3,872	3,194	678	870	674	196
74	Copper and copper products	3,581	1,319	2,262	3,320	1,284	2,036	261	35	226
75	Nickel and nickel products	28	122	-95	81	143	-62	-53	-20	-33
76	Aluminum and aluminum products	1,692	2,741	-1,049	1,440	2,169	-729	252	572	-320
78	Lead and lead products	131	114	17	96	97	-2	35	17	18
79	Zinc and zinc products	220	151	69	199	138	61	21	13	8
80	Tin and tin products	42	66	-23	25	38	-13	17	27	-10
81	Other base metals, ceramic metals, products thereof	25	66	-41	24	56	-32	1	10	-9
82	Tools, instruments, knives, spoons, forks etc. cutlery of base metals .	954	819	135	865	744	121	89	75	14
83	Various products of base metals	896	1,140	-245	674	1,070	-396	222	70	152
(XV)	**Metallurgical products**	**16,224**	**16,631**	**-407**	**13,492**	**13,937**	**-445**	**2,732**	**2,694**	**38**
XVI	**MECHANICAL AND ELECTRICAL EQUIPMENT**	**32,144**	**33,708**	**-1,563**	**31,366**	**32,756**	**-1,390**	**778**	**952**	**-174**
84	Nuclear reactors, boilers, machinery and mechanical equipment and parts thereof	16,773	18,288	-1,516	15,415	16,700	-1,286	1,358	1,588	-230
85	Electrical machines and equipment	15,372	15,419	-48	15,952	16,056	-104	-580	-637	57

Group/section/subsection		2011 Exports	2011 Imports	2011 Balance	2010 Exports	2010 Imports	2010 Balance	Changes 2011/2010 Exports growth (+) decline (-)	Changes 2011/2010 Imports growth (-) decline (+)	Changes 2011/2010 Balance impr. (+) wors. (-)
XVII	**VEHICLES, AIRCRAFT, VESSELS …**	**21,825**	**15,215**	**6,610**	**19,006**	**13,842**	**5,163**	**2,819**	**1,373**	**1,446**
86	Locomotives, rolling stock; track equipment; signaling devices	588	346	243	553	223	330	35	122	-87
87	Non-rail vehicles, parts and accessories	17,260	12,269	4,991	15,683	11,092	4,590	1,578	1,177	400
88	Aircraft, space craft and their parts	379	382	-4	327	359	-32	51	23	28
89	Vessels, boats and floating constructions	3,598	2,218	1,380	2,442	2,168	275	1,155	50	1,105
XVIII	**OPTICAL EQUIPMENT AND APPARATUSES**	**1,413**	**4,529**	**-3,116**	**1,142**	**4,258**	**-3,116**	**271**	**271**	**0**
90	Optical equipment, tools, apparatuses, photo cameras, measuring and medical equipment, parts thereof	1,370	4,407	-3,037	1,101	4.138	-3,037	269	269	0
91	Clocks and watches, and parts thereof	30	89	-59	28	85	-57	1	3	-2
92	Musical instruments, parts and accessories	13	33	-20	12	34	-22	1	-1	2
(XVI-XVIII)	**Electromechanical products**	**55,382**	**53,452**	**1,930**	**51,514**	**50,856**	**658**	**3,868**	**2,596**	**1,272**
XIX	**WEAPONS AND AMMUNITION; PARTS AND ACCESSORIES**	**18**	**108**	**-89**	**16**	**77**	**-61**	**2**	**31**	**-29**
93	Weapons and ammunition, parts and accessories	18	108	-89	16	77	-61	2	31	-29
XX	**VARIOUS PRODUCTS**	**7,682**	**2,576**	**5,106**	**6,735**	**2,276**	**4,459**	**947**	**300**	**647**
94	Furniture, bedclothes, mattresses etc., lamps, light advertising etc.	7,278	1,621	5,657	6,429	1,396	5,033	848	225	623
95	Toys, games, sports goods, parts and accessories	281	672	-391	191	619	-428	90	53	37
96	Various manufactured products	123	283	-160	115	261	-146	8	22	-13
XXI	**WORKS OF ART., COLLECTIBLES**	**21**	**16**	**5**	**21**	**8**	**13**	**0**	**7**	**-8**
97	Works of art, collectibles and antiques	21	16	5	21	8	13	0	7	-8
XXII	**OTHER**	**85**	**3,689**	**-3,605**	**47**	**2,772**	**-2,726**	**38**	**917**	**-879**
98	Special classification – deliveries	0	0	0	0	0	0	0	0	0
99	Special commercial transactions	85	3,689	-3,605	47	2,772	-2,726	38	917	-879
	PCN UNKNOWN OR ERRONEOUS	0	13	-13	0	58	-58	0	-45	45

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

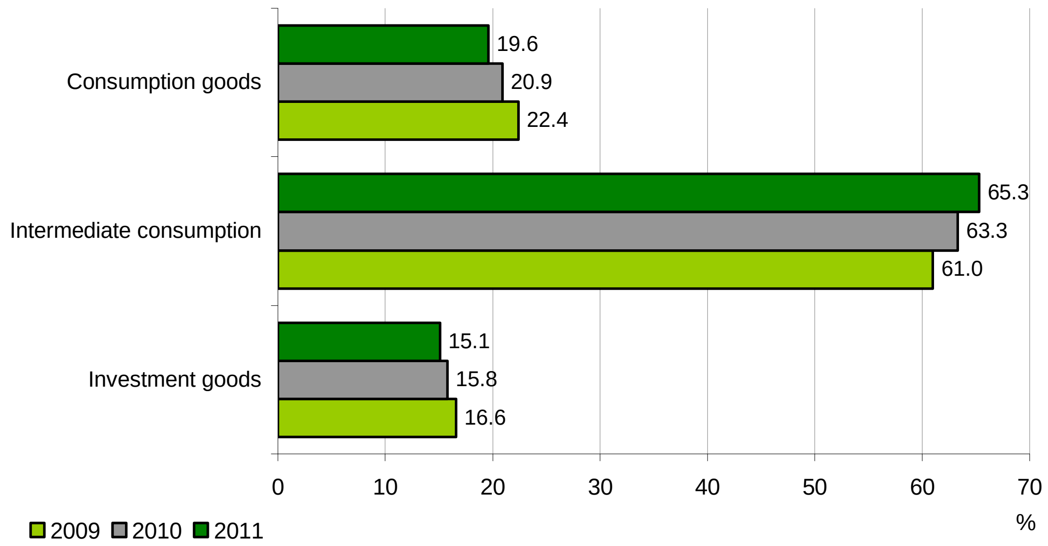
6 DESIGNATION OF IMPORTED GOODS

In 2011, similarly to the two previous years, the share of investment goods was reduced: it amounted to 15.1%, while in 2010 it comprised 15.8%, and in 2009 – 16.6% of total imports to Poland. The share of goods designated for indirect consumption amounted to 65.3% in 2011, which was more than in 2010, when this kind of imports accounted for 63.3% of total imports, and in 2009, when it accounted for 61%.

As a result, the total share of imports in the field investment and supplies reached the level of 80.4% in 2011. The share of pro-development imports stream in Polish imports in total increased when compared both against the results for 2010 (79.1%) and those of 2009 (77.6%) when, due to the aftermath of the economic breakdown, Polish imports in investment and supplies recorded a deeper than average decrease.

The share of consumption goods stream in the total imports in 2011 amounted to 19.6%, as compared against the 20.9% in 2010 and 22.4% in 2009.

Chart 15 Structure of imports distribution in the years 2009-2011 (share in %)



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

The most rapid increase[3] in imports in 2011 was recorded for goods designated for indirect consumption – by 17.3% (total imports increased by 13.7%). This imports category recorded the greatest growth for unprocessed food and beverages, mainly for industry (by 55.9%) which, however, accounted to a mere 0.7% of total imports. A high pace of growth was also recorded for unprocessed fuels and greases (by 35.4%), whose share amounted to 11.9%.

Imports of investment goods increased by 8.9% in 2011, which was by 4.8 p.p. slower than in general. The greatest increase in imports in this group in 2011 was recorded for industrial means of transport (by 29.2%), which accounted for 3.3% of total imports.

[3] Changes are presented in EUR.

Imports of consumption goods in 2011 recorded a growth by 6.4%, which meant it increased slower than any other category described herein and by 7.3 p.p. slower than average. This imports category recorded the greatest growth for processed food and beverages, mainly for households (by 12.9%), which amounted to 3.4% of total imports.

7 FOREIGN TRADE IN THE FIRST HALF OF 2012

The slowdown in both exports and imports, which had begun in the second half of 2011, continued into the first half of 2012. Exports of goods increased by 1.1%, amounting to EUR 68.3 billion. Imports amounted to nearly EUR 74.2 billion, which meant it was by 1.9% lower than in the first half of 2011. This brought about a reduction in the deficit in commodity turnover by over EUR 2.2 billion, to the level of less than EUR 5.9 billion.

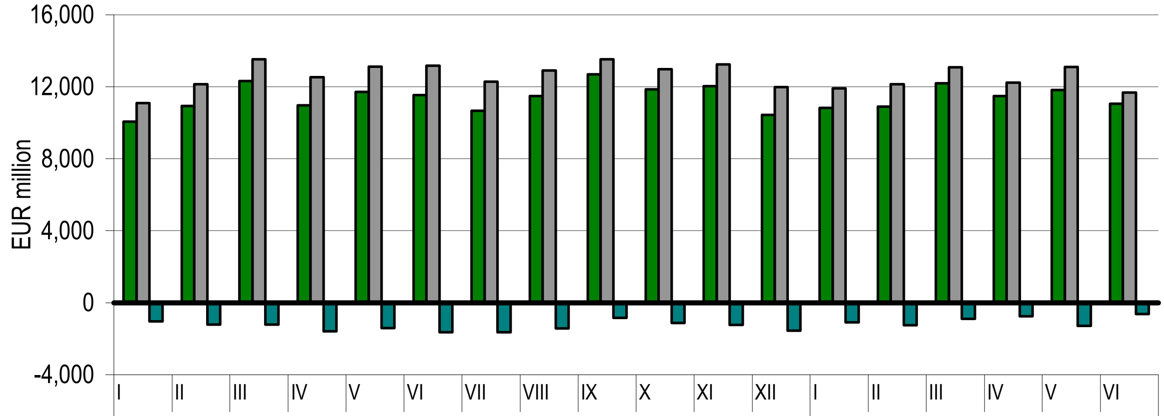
Table 16 Polish foreign trade turnover during the period from January 2011 to June 2012

Period	in EUR million			Dynamics in % same period of past year =100	
	Exports	Imports	Balance	Exports	Imports
January 2011	10,061	11,100	-1,039	122.6	126.6
February	10,932	12,149	-1,217	121.0	123.2
March	12,317	13,530	-1,213	120.9	119.5
Q1	***33,311***	***36,780***	***-3,469***	***121.5***	***122.8***
April	10,961	12,537	-1,576	110.4	117.0
May	11,712	13,122	-1,410	113.5	114.8
June	11,544	13,179	-1,634	109.6	114.8
Q2	***34,217***	***38,837***	***-4,620***	***111.2***	***115.5***
1st half of the year	***67,528***	***75,617***	***-8,089***	***116.0***	***118.9***
July	10,664	12,292	-1,628	106.6	109.8
August	11,483	12,903	-1,420	124.1	120.3
September	12,698	13,537	-840	113.2	110.8
Q3	***34,844***	***38,732***	***-3,888***	***114.3***	***113.5***
October	11,859	12,981	-1,122	106.4	104.9
November	12,028	13,250	-1,222	112.2	106.2
December	10,436	11,988	-1,552	106.2	103.1
Q4	***34,322***	***38,219***	***-3,897***	***108.3***	***104.8***
YEAR 2011	***136,694***	***152,568***	***-15,875***	***113.6***	***113.7***
January 2012	10,827	11,908	-1,081	107.6	107.3
February	10,899	12,141	-1,242	99.7	99.9
March	12,191	13,083	-892	99.0	96.7
Q1	***33,917***	***37,132***	***-3,215***	***101.8***	***101.0***
April	11,489	12,232	-743	104.8	97.6
May	11,827	13,109	-1,282	101.0	99.9
June	11,065	11,680	-615	95.9	88.6
Q2	***34,382***	***37,021***	***-2,639***	***100.5***	***95.3***
1st half of the year	***68,299***	***74,153***	***-5,854***	***101.1***	***98.1***

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

In the first half of 2012, the average monthly value of Polish exports amounted to almost EUR 11.4 billion (a result similar to that for the entire year of 2011), while the average monthly value of Polish imports in the period of January-June 2012 amounted to less than EUR 12.4 billion, which was lower than the average for 2011 (over EUR 12.7 billion). In effect, the average monthly deficit in commodities turnover decreased by approx. EUR 350 million, to the level of almost EUR 980 million.

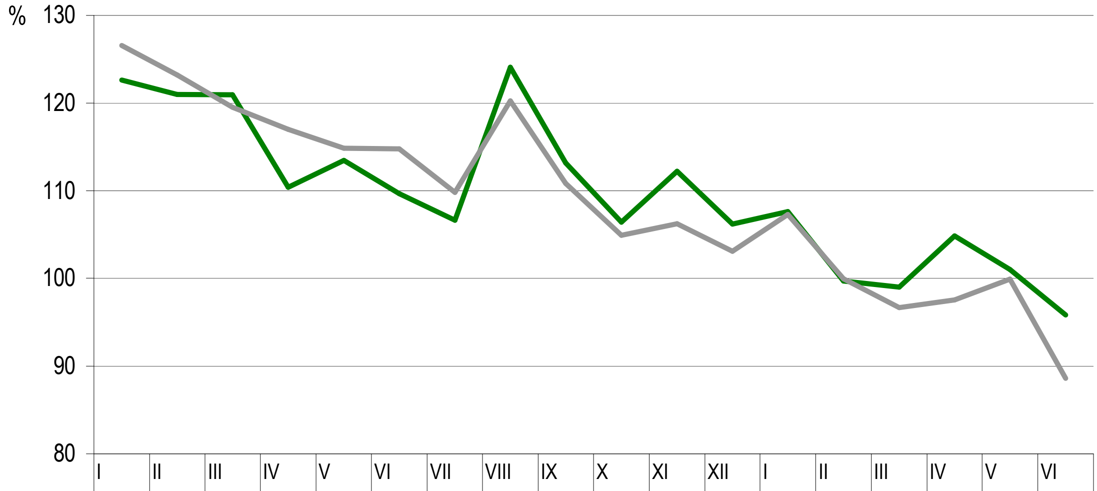
Chart 16 Polish foreign trade turnover during the period from January 2011 to June 2012, in EUR million



	2011												2012					
	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI
exports	10,061	10,932	12,317	10,961	11,712	11,544	10,664	11,483	12,698	11,859	12,028	10,436	10,827	10,899	12,191	11,489	11,827	11,065
imports	11,100	12,149	13,530	12,537	13,122	13,179	12,292	12,903	13,537	12,981	13,250	11,988	11,908	12,141	13,083	12,232	13,109	11,680
balance	-1,039	-1,217	-1,213	-1,576	-1,410	-1,634	-1,628	-1,420	-840	-1,122	-1,222	-1,552	-1,081	-1,242	-892	-743	-1,282	-615

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

Chart 17 Polish foreign trade turnover during the period from January 2011 to June 2012, dynamics in %



	2011												2012					
	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI
exports	122.6	121.0	120.9	110.4	113.5	109.6	106.6	124.1	113.2	106.4	112.2	106.2	107.6	99.7	99.0	104.8	101.0	95.9
imports	126.6	123.2	119.5	117.0	114.8	114.8	109.8	120.3	110.8	104.9	106.2	103.1	107.3	99.9	96.7	97.6	99.9	88.6

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

Table 17 Changes in the geographical structure of Polish commodities trade turnover after 1st half of 2012 (in EUR million)

	1st half of 2012			1st half of 2011			Changes		
	Exports	Imports	Balance	Exports	Imports	Balance	Exports growth (+) decline (-)	Imports growth (-) decline (+)	Balance impr. (+) wors. (-)
Poland, total	**68,299**	**74,153**	**-5,854**	**67,528**	**75,617**	**-8,089**	**771**	**-1,464**	**2,235**
previous year = 100	101.1	98.1		116.0	118.9				
Developed countries	**56,627**	**47,478**	**9,149**	**57,525**	**51,190**	**6,335**	**-898**	**-3,712**	**2,814**
previous year = 100	98.4	92.7		114.9	119.0				
share	82.9	64.0		85.2	67.7				
including:									
EU	**52,424**	**42,437**	**9,987**	**53,115**	**45,593**	**7,522**	**-690**	**-3,155**	**2,465**
previous year = 100	98.7	93.1		114.1	119.8				
share	76.8	57.2		78.7	60.3				
including:									
Germany	17,392	15,762	1,630	17,560	16,717	843	-168	-955	787
previous year = 100	99.0	94.3		116.4	120.4				
share	25.5	21.3		26.0	22.1				
United Kingdom	4,512	1,815	2,698	4,321	2,055	2,267	191	-240	431
previous year = 100	104.4	88.3		113.5	115.4				
share	6.6	2.4		6.4	2.7				
Czech Republic	4,312	2,755	1,557	4,260	2,799	1,461	52	-44	96
previous year = 100	101.2	98.4		123.8	117.6				
share	6.3	3.7		6.3	3.7				
France	4,261	2,947	1,314	4,350	3,314	1,037	-90	-367	277
previous year = 100	97.9	88.9		103.2	114.4				
share	6.2	4.0		6.4	4.4				
Italy	3,562	3,842	-280	3,895	4,220	-325	-333	-378	45
previous year = 100	91.5	91.1		103.8	112.4				
share	5.2	5.2		5.8	5.6				
Other developed countries	**4,203**	**5,040**	**-838**	**4,410**	**5,597**	**-1,187**	**-208**	**-557**	**349**
previous year = 100	95.3	90.1		126.6	113.1				
share	6.2	6.8		6.5	7.4				
including:									
USA	1,326	1,802	-477	1,428	1,706	-279	-102	96	-198
previous year = 100	92.8	105.6		131.1	104.1				
share	1.9	2.4		2.1	2.3				
EFTA	1,724	1,600	124	1,984	2,146	-161	-260	-546	285
previous year = 100	86.9	74.6		147.4	154.5				
share	2.5	2.2		2.9	2.8				
Developing countries	**11,672**	**26,675**	**-15,003**	**10,003**	**24,427**	**-14,425**	**1,670**	**2,248**	**-578**
previous year = 100	116.7	109.2		122.7	118.7				
share	17.1	36.0		14.8	32.3				
including:									
Countries of the CIS	**6,391**	**12,425**	**-6,034**	**5,422**	**10,135**	**-4,713**	**969**	**2,290**	**-1,321**
previous year = 100	117.9	122.6		130.6	134.3				
share	9.4	16.8		8.0	13.4				
including:									
Russia	3,500	10,798	-7,298	2,849	8,487	-5,639	651	2,310	-1,660
previous year = 100	122.8	127.2		135.5	131.5				
share	5.1	14.6		4.2	11.2				
Other countries	**5,281**	**14,250**	**-8,969**	**4,581**	**14,293**	**-9,712**	**701**	**-42**	**743**
previous year = 100	115.3	99.7		114.5	109.7				
share	7.7	19.2		6.8	18.9				
including:									
China	621	6,487	-5,866	554	6,334	-5,779	66	153	-87
previous year = 100	112.0	102.4		88.4	107.1				
share	0.9	8.7		0.8	8.4				

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

The dynamic increase in exports to developing and less developed markets in the first six months of 2012 was contrasted by the decrease in exports to the developed countries.

Polish commodities exports to developed markets amounted to EUR 56.6 billion during the period of January-June 2012, which was by 1.6% lower than in the previous year. Imports from these markets decreased by 7.3% (to EUR 47.5 billion) – faster than the exports, which resulted in an increased surplus in the turnover with these countries by approx. EUR 2.8 billion, to the level of over EUR 9.1 billion.

Exports to Eurozone markets decreased by 2.7% (to the level of EUR 36.1 billion), which was not made up for by the increase in exports to other EU countries by 1.9% (to the level of EUR 16.3 billion). As a result, Polish exports to EU markets decreased by 1.3% (to approx. EUR 52.4 billion). Imports from EU markets dropped down fast by 6.9%. This resulted in an increase in surplus in the turnover with these markets by EUR 2.5 billion, to the level of EUR 10 billion.

Among Poland's most important commodity exchange partners in the EU, decrease in exports was recorded for Germany (by 1%, to nearly EUR 17.4 billion), France (by 2.1%, to less than EUR 4.3 billion) and Italy (by 8.5%, to nearly EUR 3.6 billion).

Increase was recorded in Polish exports to United Kingdom (by 4.4%, to EUR 4.5 billion), the Netherlands (by 4.3%, to EUR 3 billion), Slovakia (by 3.9%, to EUR 1.7 billion) and the Czech Republic (by 1.2%, to EUR 4.3 billion).

The decrease in exports to other developed countries was even more significant than in the case of EU markets. On the average, exports to these countries decreased by 4.7%, including by 21.4% to Norway and by 7.2% to the United States. Compared against the entire group of non-EU developed markets, Polish exports recorded good results in relation to Canada (growth by 29.3%) and Israel (increase by 18.4%). Imports from this group of markets after the first six months of 2012 amounted to EUR 5 billion, which was almost 10% less than in 2010. The deficit in turnover with these countries was reduced by approx. EUR 350 million.

The decreasing exports to developed markets is contrasted by the dynamically increasing exports to less developed and developing countries (growth by 16.7%), including the CIS markets (growth by 17.9%, to the level of EUR 6.4 billion) and other developing markets (by 15.3%, to EUR 5.3 billion). The advantageous exports to CIS markets resulted from the dynamic increase in the Polish exports to Russia (by 22.8%, to EUR 3.5 billion) and Ukraine (by 20.7%, to EUR 1.8 billion).

Imports from less developed and developing markets increased in the period of January-June 2012 by 9.2%, amounting to nearly EUR 26.7 billion. The turnover deficit in this case amounted to EUR 15 billion, which meant it increased by approx. EUR 580 million when compared against the results for 2010. The relatively fast increase in imports from the developing markets resulted from the dynamic increase in imports from CIS (by 22.6%). Among the most important CIS markets, the fastest increase in imports (and so the greatest negative tendency for the turnover balance) was recorded for Russia. Imports from Russia to Poland increased by 27.2% (to EUR 10.8 billion), which included a growth in mineral products imports by over 31% (to EUR 7.9 billion). The negative balance in the Polish turnover with this market deepened by nearly EUR 1.7 billion, to EUR 7.3 billion.

Imports from other (non-CIS) developing markets decreased by 0.3% (to approx. EUR 14.2 billion) in 2011, which brought about a reduction in the exchange deficit (by approx. EUR 740 million). Imports from the most important market in this group – China – increased by 2.4% in the first half of 2012 (to almost EUR 6.5 billion), while the deficit recorded a slight increase when compared against the level recorded in 2010 (by approx. EUR 70 million, amounting to nearly EUR 5.9 billion).

Table 18 Changes in commodity structure of Polish foreign trade after 1st half of 2012 (in EUR million)

	Group/section	1st half of 2012			1st half of 2011			Changes		
		Exports	Imports	Balance	Exports	Imports	Balance	Exports growth (+) decline (-)	Imports growth (-) decline (+)	Balance impr. (+) wors. (-)
	Poland, total	**68,299**	**74,153**	**-5,854**	**67,528**	**75,617**	**-8,089**	**771**	**-1,464**	**2,235**
I	Live animals	2,661	1,606	1,055	2,455	1,570	886	206	36	170
II	Plant products	1,354	1,848	-494	1,207	1,853	-647	147	-5	152
III	Fats, oils	144	382	-239	161	358	-198	-17	24	-41
IV	Prepared foodstuffs	3,691	2,518	1,173	3,266	2,421	844	425	97	328
(I-IV)	Agricultural and food products	**7,849**	**6,355**	**1,495**	**7,089**	**6,203**	**886**	**761**	**152**	**609**
V	Mineral products	**3,472**	**10,502**	**-7,030**	**3,438**	**9,838**	**-6,400**	**35**	**665**	**-630**
VI	Products of the chemical industry	4,783	7,150	-2,367	4,510	7,670	-3,160	272	-520	793
VII	Plastics	4,803	5,705	-902	4,687	5,939	-1,253	117	-234	350
(VI-VII)	Products of the chemical industry	**9,586**	**12,856**	**-3,270**	**9,197**	**13,610**	**-4,413**	**389**	**-754**	**1,143**
VIII	Leathers and leather products	**304**	**388**	**-84**	**286**	**415**	**-129**	**19**	**-26**	**45**
IX	Wood and wood products	1,398	578	819	1,414	652	762	-16	-73	58
X	Wood pulp	1,780	1,890	-111	2,037	2,044	-7	-258	-154	-104
(IX-X)	Wood and paper industry products	**3,177**	**2,469**	**709**	**3,451**	**2,696**	**755**	**-274**	**-227**	**-47**
XI	Textiles and textile products	2,154	3,055	-900	2,183	3,230	-1,047	-29	-176	147
XII	Footwear, headgear	303	466	-163	276	448	-172	27	17	10
(XI-XII)	Light industry products	**2,457**	**3,520**	**-1,063**	**2,459**	**3,678**	**-1,219**	**-2**	**-158**	**156**
XIII	Products of stone, gypsum, cement ...	1,304	816	488	1,254	904	351	49	-88	137
XIV	Pearls, metals and stones	770	177	593	634	156	479	136	22	115
(XIII-XIV)	Ceramic products	**2,074**	**993**	**1,081**	**1,889**	**1,059**	**829**	**185**	**-66**	**252**
XV	Products of non-precious metals	**8,218**	**8,031**	**187**	**8,126**	**8,624**	**-498**	**92**	**-593**	**684**
XVI	Mechanical and electrical equipment	16,027	16,184	-157	15,607	16,428	-820	420	-243	664
XVII	Vehicles	10,119	7,393	2,726	11,455	7,889	3,566	-1,336	-497	-839
XVIII	Optical devices and apparatuses, etc.	728	1,811	-1,083	688	2,149	-1,461	40	-338	378
(XVI-XVIII)	Products of the electromechanical industry	**26,875**	**25,388**	**1,487**	**27,750**	**26,466**	**1,285**	**-876**	**-1,078**	**202**
XIX	Weapons and ammunition	8	30	-22	9	41	-32	-1	-10	10
XX	Various products	4,207	1,260	2,947	3,808	1,216	2,593	398	44	354
XXI	Works of art	13	5	8	8	4	3	5	1	5
XXII	Miscellaneous	58	2,350	-2,292	18	1,760	-1,741	40	590	-550
	Other	0	7	-7	0	9	-9	0	-2	2
	Unknown or erroneous	**4,286**	**3,652**	**635**	**3,843**	**3,029**	**814**	**443**	**623**	**-180**

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

Taking into account the commodity structure, the fastest pace of growth in the first half of 2012 was recorded for the exports of food and agricultural products (by 10.7%), ceramic products (9.8%) and chemical products (4.2%).

Although the exports of ceramic products increased by 9.8%, in terms of absolute values it recorded a growth by EUR 185 million (to the level of approx. EUR 2.1 billion), and accounted for 3% of overall exports.

The share of agricultural and food products in Polish exports in the first six months of 2012 amounted to 11.5% (EUR 7.8 billion). The greatest increase was recorded in the exports of *prepared foodstuffs* (by 13%, amounting to nearly EUR 3.7 billion) and *products of plant origin* (by 12.2%, to almost EUR 1.4 billion). During the analyzed period, imports of this group of products increased by 2.4%, to the level of almost EUR 6.4 billion. The higher growth of exports than imports of food products resulted in an increase in the surplus by EUR 0.6 billion, to the level of EUR 1.5 billion.

Chemical products, accounting for 14% of total Polish exports, are the largest product group for this side of Polish turnover. In the first half of 2012, exports of these products increased faster than normally. Their imports, on the other hand, dropped down by 5.5% (to less than EUR 12.9 billion). In effect, a slight reduction in the deficit in chemical products turnover was recorded – it decreased by over EUR 1.1. billion, to the level of less than EUR 3.3 billion.

Turnover for electromechanical products, which dominate Polish foreign exchange (accounting for 39.4% of exports and 34.2% of imports), decreased in the analyzed period by 3.2% (to almost EUR 26.9 billion) on the side of exports and by 4.1% (to EUR 25.4 billion) on the side of imports. The decrease in exports resulted mainly from the decrease in the exports of *non-rail vehicles, their parts and accessories* (by 9.3%, to approx. EUR 8.3 billion). On the other hand, exports of *cauldrons, machines and mechanical devices* (accounting for 12.6% of total exports) increased by 5.4%, to the level of approx. EUR 8.6 billion.

The surplus in the turnover of electromechanical products recorded in the first six months of 2012 amounted to nearly EUR 1.5 billion, which was EUR 0.2 billion more than in the previous year.

8 FORECAST FOR 2012

According to the estimates by most international and domestic analytical centres, the slowdown in global economy which has been recorded since the second half of 2011 will continue into 2012. The global economic crisis of 2008-2009 revealed the high degree to which economy and global trade are globalized and proved how strongly the economic well-being of particular countries and regions is, in fact, interconnected and interdependent.

The nearly general economic breakdown in 2008-2009, the periodical improvement in 2010 and the secondary economic slowdown recorded since the second half of 2011 meant significant and visible fluctuations in the dynamic of global commodities turnover.

According to WTO, the global GDP increased by 3.8% in 2010, and the volume of international trade grew by 13.8%. In 2011, the pace of global economic growth slowed down to 2.4%, which brought about a slowdown in global exchange to the pace of 5%. According to WTO forecasts, 2012 will see even further slowdown in the pace of global economic growth (to 2.1%), which will also result in a slowdown in volume of global commodity exchange (to 3.7%).

Economic slowdown is also predicted by other international institutions and analytical centres (including the IMF, OECD and EC), which have recently corrected their previous forecasts for global economic growth *in minus*.

Experts from the IMF, who – in September of 2011 – had expected the global GDP to increase by 4% in 2012, now (as of July 2012) predict it to grow by 3.5%. The pace of economic growth predicted for developed economies in the fall of 2011 – by 1.9% in 2012 – was now corrected down to 1.4%, whereas for developing markets forecasts have been amended from 6.1% to 5.6%.

Table 19 Changes of forecasts for the GDP growth in selected economiec in the years 2012-2013

	2012			2013		
	IX 2011	**IV 2012**	**VII 2012**	**IX 2011**	**IV 2012**	**VII 2012**
World	**4.0**	**3.5**	**3.5**	**4.5**	**4.1**	**3.9**
Advanced economies	***1.9***	***1.4***	***1.4***	***2.4***	***2.0***	***1.9***
United States	1.8	2.1	2.0	2.5	2.4	2.3
European Union	1.4	0.0	0.0	1.9	1.3	1.0
Euro Area	1.1	-0.3	-0.3	1.5	0.9	0.7
Germany	1.3	0.6	1.0	1.5	1.5	1.4
Japan	2.3	2.0	2.4	2.0	1.7	1.5
Emerging and developing economies	***6.1***	***5.7***	***5.6***	***6.5***	***6.0***	***5.9***
Commonwealth of Independent States	4.4	4.2	4.1	4.4	4.1	4.1
Russia	4.1	4.0	4.0	4.1	3.9	3.9
Developing Asia	8.0	7.3	7.1	8.4	7.9	7.5
China	9.0	8.2	8.0	9.5	8.8	8.5
India	7.5	6.9	6.1	8.1	7.3	6.5
Newly industrialized Asian economies*	4.5	3.4	2.7	4.4	4.2	4.2

** Hong Kong, Republic of Korea, Singapore, Taipei*

Source: Strategy and Analyses Department of the Ministry of Economy on the basis of data of IMF of September 2011, April 2012 and July 2012.

A particularly disadvantageous (from the point of view of Polish exports) corrections have been introduced to the forecasts pertaining to the Eurozone. Back in the fall, a moderate economic growth was predicted to take place in the Eurozone in 2012 (by 1.1%). Currently, experts foresee the return of recession to these markets (a decrease in GDP by 0.3%).

An *in minus* adjustment has also been introduced to the original forecast for 2013. In the fall of 2011, experts assumed that 2013 would bring about a significant increase in the condition of global economy (an increase in GDP by 4.5%). As of July 2012, analysts expect this growth to be much slower and amount to 3.9%. Growth is still expected to take place faster among developing countries (by 5.9%) than the developed markets (by 1.9%).

According to the analysts, major threats which may have a negative impact on global economy include primarily debt problems in the Eurozone, particularly the uncertain situation related to the implementation of the savings plan in Greece and the condition of the banking and public finances sectors in Spain. The preventive measures which have been undertaken may reduce the financial imbalance which was the root cause of the crisis; nevertheless, a sustainable improvement in the financial situation of the most indebt countries (as well as stabilization of the entire European Union) will require time. The recession in the Eurozone, which is forecast to take place in 2012, will also result in a slowdown in imports demand in these markets and may, in turn, have a negative impact on developing economies, which see EU as their main trade partner. At the same time, a moderate growth in Eurozone economies (by 0.7%) is predicted to take place in 2013.

An additional risk for the condition of global economy results from the uncertainty pertaining to the increase in global prices, raw material prices in particular. This factor, however, may be analyzed in a twofold way. On the one hand, high prices result from the arrested growth of those economies which import these resources; on the other, they bring about a significant increase in imports profits made by raw materials producers, most of whom comprise developing and less developed countries.

According to the estimates presented by the OECD, global trade increased by 6% in 2011, following its dynamic reconstruction in 2010 (growth by 12.8%). During the same period, the increase in global GDP slowed down from 5.1% (2010) to 3.6% (2011). Experts predict a continuing slowdown in the growth in global GDP to 3.4%, and in international trade – to 4.1%.

Table 20 Forecast for the growth of foreign trade (goods and services) in the years 2012-2013

	2012*		2013*	
	Exports	**Imports**	**Exports**	**Imports**
Germany	4.4	4.7	6.2	6.7
France	3.7	1.3	6.3	4.7
Italy	2.3	-2.0	4.4	2.4
United Kingdom	1.9	1.5	5.3	2.3
Netherlands	5.4	4.7	5.4	5.0
Poland	**5.8**	**4.7**	**6.2**	**5.7**
United States	4.9	3.9	6.7	6.2
Japan	2.3	3.8	6.5	4.9
Russia	2.0	15.0	2.9	12.8
China	5.8	6.7	10.6	11.5
India	8.4	10.8	10.4	10.8

** forecast*

Source: Strategy and Analyses Department of the Ministry of Economy on the basis of data of OECD of May 2012.

Forecasts presented by the major analytical centres for Polish economy are, in most cases, more optimistic than those for developed (mainly EU) markets. According to the OECD, the volume of Polish exports will increase by 5.8% in 2012 (in comparison, OECD experts expect it to grow by 3.7% in France, 2.3% in Italy and 1.9% in United Kingdom). At the same time, growth prospects for Germany remain rather optimistic as well – exports is predicted to increase by 4.4%, and imports by 4.7%. This is important from the Polish point of view, as Germany absorbs a quarter of Polish exports in total.

A reliable scenario for global economy is currently difficult to predict. This is particularly true for the European Union and the Eurozone, due to the relatively high level of uncertainty and an abundance of risk factors. Nevertheless, the economic conditions discussed above – including, in particular, the significant slowdown in economic growth and reduced imports demand in Poland's major exports markets – are expected (by the Ministry of Economy) to contribute to the continuation of the slowdown in exports, which has been recorded since late 2011. This, in turn, will decrease the dynamics of imports even further.

The increase in the volume of commodities turnover is expected to decrease in 2012 by approx. 1.4 p.p. on the side of exports and by over 2 p.p. on the side of imports.

The expected increase in the volume of Polish commodities turnover in 2012 is:
- approx. 7% for exports and
- approx. 4.5% for imports,

assuming that the predicted decrease in global commodity prices will only moderately affect the value of Polish turnover, especially when calculated to EUR. This would mean that the pace of growth in exports value (in EUR) will be by approx. 1.4 p.p. lower, and the rate of growth in imports – by 1.5 p.p. lower than the rate of volume growth.

It is thus expected that Polish turnover expressed in EUR in 2012 will increase:
- by approx. 5.5% for exports, amounting to approx. EUR 144.2 billion, and
- by approx. 3% for imports, amounting to approx. EUR 157.1 billion.

As a result the deficit in commodities turnover is expected to amount to approx. EUR 12.9 billion, which will be approx. EUR 3 billion less than in 2011.

APPENDIX. CHANGES IN THE COMPETITIVENESS OF POLISH EXPORTS IN FOREIGN MARKETS AND IMPORTS IN DOMESTIC MARKET IN 2000-2011

1. Price and cost competitiveness of Polish exports in 2000-2011

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. **the nominal effective exchange rate** (NEER), which in this case is the nominal effective course 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.

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-on-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).

Changes in price and cost competitiveness of Polish exports in 2000-2011 (as compared against the 1999 level)

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 (and 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).

In the years 2000-2011, NEER (composite foreign currencies expressed in PLN) remained on a level lower than the reference base (i.e. 1999), except for a short break during the years 2003-2004. The deepest decrease in NEER (greatest appreciation of the Polish zloty) was recorded in 2008, when it reached a level over 22% lower than in 1999. Then, in 2009, NEER bounced back to a level which was only 3.8% lower than the base level. In 2011, however, NEER was by 8.4% weaker than in the base year.

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

2011 saw a continuation of the tendency for the real price competitiveness to remain on a level higher than its nominal level, which had started back in 2005. In 2011, the variation of indexes of these two parameters reached 4.4 p.p.

This means that, in 2011 (similarly to the previous years), changes in the relations of domestic prices to foreign prices (when compared against the base year) tended to ease their negative impact of the nominal appreciation of PLN on the price competitiveness of exports.

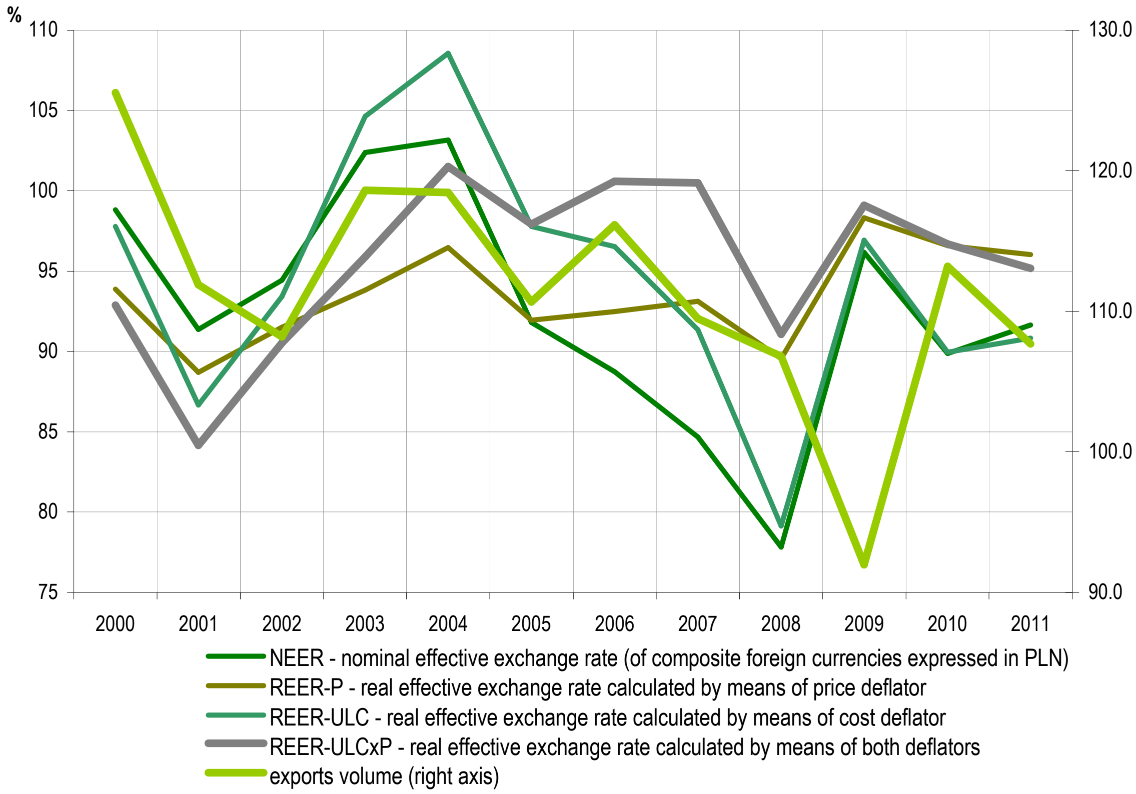
Changes in cost competitiveness of exports

In 2011, for the first time since 2002, a relative increase in unit labour cost (ULC) was recorded in Poland when compared against other countries. This resulted in the lowering of the real cost competitiveness of exports by 9.2 p.p., when compared against 1999. Thus, the real competitiveness decreased even further than the nominal competitiveness.

Changes in real cost and price competitiveness of exports

Not unlike during the previous three years, 2011 saw the real cost and price competitiveness (REER-ULCxP) remaining at a level lower than the one in 1999. The decreasing level of the real price and cost competitiveness in 2011 (resulting from the relative increase in the labour costs in Poland when compared against foreign markets) was partially made up for by the advantageous ratio of Polish to foreign prices, which remained more or less unchanged since 2005.

Chart 18 Changes of Polish exports competitiveness on foreign markets in the years 2000-2011 (1999 = 100) and dynamics of exports volume (yoy)



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

Table 21 Changes of NEER i REER (calculated by means of price deflator and cost deflator) in Polish exports in the years 2000-2011 (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 indicates (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	103.5	101.1	101.2	107.8	102.4	105.3	97.8	93.9	92.9	125.6
2001	3.6685	4.0939	0.2726	0.2443	3.5080	91.4	111.4	105.7	105.4	97.2	109.5	106.3	103.0	86.7	88.7	84.1	111.9
2002	3.8557	4.0795	0.2594	0.2451	3.6261	94.4	108.9	107.8	101.1	101.4	110.8	107.4	103.2	93.4	91.5	90.5	108.2
2003	4.3978	3.8889	0.2274	0.2571	3.9308	102.4	105.4	107.7	97.8	106.7	113.7	104.2	109.1	104.6	93.8	95.9	118.6
2004	4.5340	3.6540	0.2206	0.2737	3.9606	103.2	103.1	108.5	95.0	117.6	121.9	114.0	106.9	108.6	96.5	101.5	118.5
2005	4.0254	3.2348	0.2484	0.3091	3.5252	91.8	103.4	110.2	93.9	112.8	122.6	122.8	99.9	97.8	91.9	97.9	110.7
2006	3.8951	3.1025	0.2567	0.3223	3.4074	88.7	102.4	111.4	92.0	115.6	125.0	130.2	96.0	96.5	92.5	100.6	116.1
2007	3.7829	2.7667	0.2643	0.3614	3.2506	84.7	105.1	113.4	92.7	118.7	127.5	140.2	90.9	91.4	93.1	100.5	109.5
2008	3.5166	2.4092	0.2844	0.4151	2.9881	77.8	113.0	114.9	98.3	116.6	130.1	149.8	86.9	79.1	89.6	91.1	106.8
2009	4.3273	3.1162	0.2311	0.3209	3.6918	96.2	115.4	116.4	99.2	132.3	134.6	137.6	97.8	96.9	98.3	99.1	92.0
2010	3.9946	3.0157	0.2503	0.3316	3.4504	89.9	116.9	117.1	99.9	132.8	137.5	147.8	93.0	89.9	96.6	96.7	113.2
2011	4.1198	2.9634	0.2427	0.3375	3.5187	91.6	119.0	118.0	100.9	142.3	148.1	155.2	95.4	90.8	96.0	95.2	107.7

** NEER – nominal effective exchange rate (of composite foreign currencies 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 effective exchange rate calculated by means of cost deflator (NEER / ULC PL / ULC A)*
^^^ REER based on prices – 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: Strategy and Analyses Department of the Ministry of Economy on the basis of data of National Bank of Poland and Eurostat.

2. Price competitiveness of Polish imports in 2000-2011

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 resources (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 energy resources imports).

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).

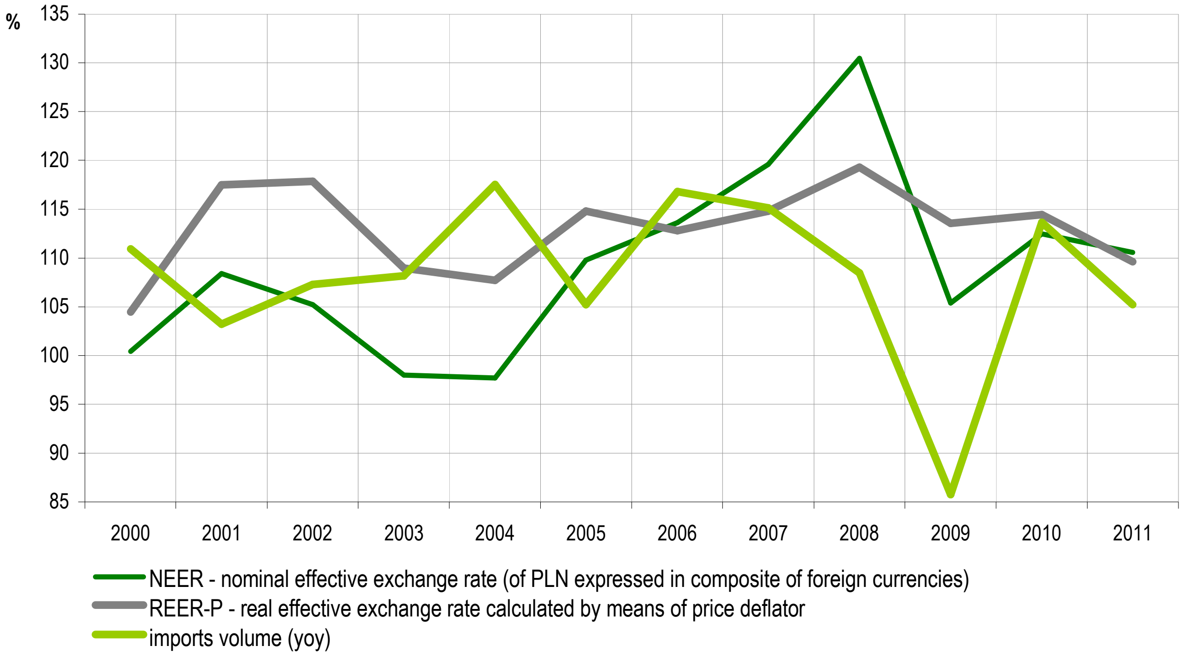
As opposed to the analysis of exports competitiveness, which used the effective average composite settlement currencies in PLN, the analysis of imports competitiveness assumes the average PLN rate in composite currencies as a parameter whose level or index of changes in time translates directly into 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 imports-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 prices) were calculated in relation to the base level, i.e. the year 1999, while changes in imports volume in particular years are expressed as a chain (i.e. year-on-year depiction).

One of the most reliable indicators of changes in price competiveness of imports in the domestic market are fluctuations of the nominal exchange rate (NEER) of the domestic currency in relation to a foreign currency or composite currency used for the settlements of imports – adjusted (deflated) by the fluctuations in foreign prices (FP) to the prices of domestic consumption goods and services (CPI), or by means of the so-called price deflator.

In 2011, the real competitiveness of imports was 9.6% higher than in the base year; at the same time, it reached its lowest level since 2004. The main factor affecting the competitiveness of Polish imports in 2011 was the strengthening of the Polish zloty (by 10.6%, when compared against the data from 1999), although this imports-boosting effect of the appreciation was partially balanced by the increase in foreign prices in relation to the domestic prices.

Chart 19 Changes of Polish imports competitiveness on domestic market in the years 2000-2011 (1999 = 100) and dynamics of imports volume (yoy)



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

Table 22 Changes of NEER and REER (calculated by means of price deflator) in Polish imports in the years 2000-2011 (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 NEER* (1999=100)	Changes of NEER** (1999=100)	Changes of 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	126.2	144.4	141.9	98.3	114.5	113.7
2011	4.1198	2.9634	0.2427	0.3375	3.4609	0.2889	90.4	110.6	137.4	150.6	151.9	100.9	109.6	105.2

** 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 with a structure: 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: Strategy and Analyses Department of the Ministry of Economy on the basis of data of National Bank of Poland and Eurostat.

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