

## POLAND

After five years of strong economic performance, the global financial crisis has worsened Poland's macroeconomic and fiscal outlook, but a recession has been avoided. Since late 2008, Poland has been hit by two shocks: the recession in high-income countries, which has hurt external demand for exports; and the global financial crisis, which has reduced capital inflows and thereby lowered domestic demand. The Polish economy has weathered the global economic crisis well. The response of the authorities was timely and adequate.

Poland entered the crisis in late 2008 with relatively strong economic fundamentals and a sound financial system. The authorities have taken a number of measures, including liquidity support and bank confidence restoring measures (like adopting a EUR 10 billion repo facility at the European Central Bank and strengthening household deposit insurance), and securing a US\$20.5 billion precautionary arrangement under the new IMF Flexible Credit Line (FCL).

As the fiscal policy response to the crisis was counter-cyclical, Poland is now facing a large fiscal adjustment over the medium term to stabilize the public debt-to-GDP ratio and introduce the euro by mid-2010s. The international markets responded well to the Government's handling of the crisis, and Poland maintained its access to these markets. In early May, 2009 the IMF Board approved a precautionary Flexible Credit Line, offered to countries with strong macroeconomic and financial fundamentals. In late June 2009 the World Bank Board approved the second US\$1.3 billion Development Policy Loan.

Polskie Koleje Państwowe SA Holding (Polish State-Owned Railways) includes 17 independent companies, the most important of which are PKP Polskie Linie Kolejowe SA (PKP PLK), the national railway infrastructure manager, PKP Przewozy Regionalne Sp. z o.o, responsible for railway passenger services, PKP Cargo SA, the national railway freight transport operator and PKP InterCity Sp. z o.o., company dealing with the operation of fast trains, EuroCity, InterCity, Tanie Linie Kolejowe, as well as express trains.

According to studies elaborated by the Community of European Railway and Infrastructure Companies (CER) in 2009, PKP

Cargo owns 83% of the Polish railway freight transport market. According to the same studies elaborated by CER, Poland invests EUR 8,226 per rail km every year. Apart from PKP S.A. there are also other railway operators dealing mainly with freight transport. Among them there is PTKiGK Rybnik S.A., PCC Rail Szczakowa or CTL. Except for PKP, there are few operators certified for passenger transport services, only companies operating on narrow gauge railways.

### Background figures in railways (2009):

19,764 km length of lines

11,891 km electrified lines

210,721 x 1 000 passengers carried

16,454 x 1 000 000 passenger-km

110,062 x 1 000 tonnes carried

29,940 x 1 000 000 tonne-kilometres

Economics	2008	2009
GDP (current billions US\$)	528.32	430.07
GDP growth (annual %)	5	2
Exports of goods and services (% of GDP)	40	35
Imports of goods and services (% of GDP)	43	36
Industry, value added (% of GDP)	31	31

### Ease of Doing Business Rank 2010

World	rank 72
Eastern Europe & Central Asia	rank 16

