



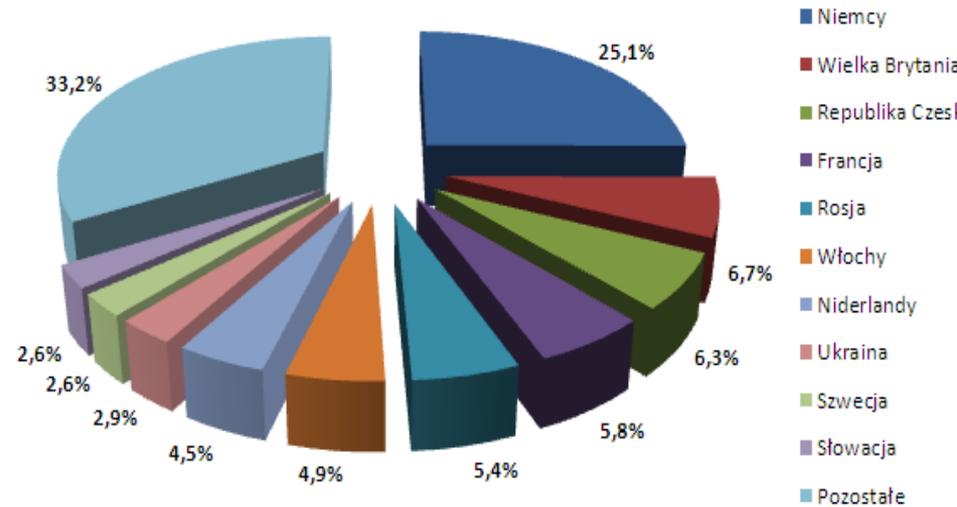
Ministry
of Foreign Affairs
Republic of Poland

Foreign trade in 2012

Germany, UK, Czech Republic, France, Russia, Italy, the Netherlands, Ukraine, Sweden, Slovakia, Other,
Source: Central Statistical Office

Poland's most important trading partner - in terms of import and export values - is **Germany**. Exports to this country in 2012 amounted to EUR 35.7 billion, representing 25.1% of the total export value. Imports from Germany amounted to EUR 32.1 billion, accounting for 21.1% of total imports.

Structure of Polish exports in 2012



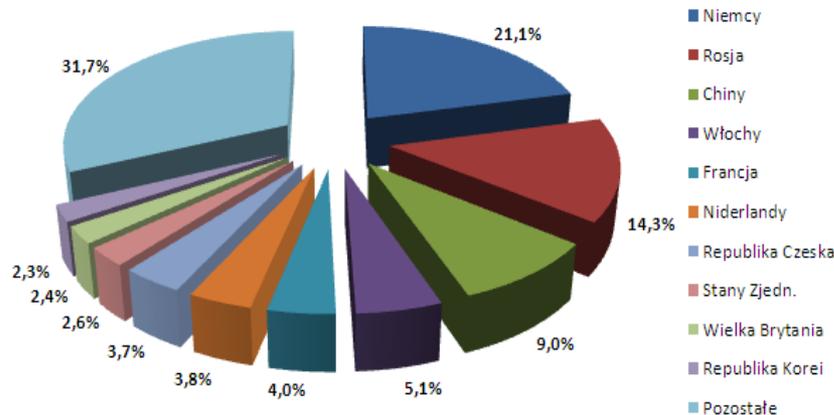
Źródło: GUS

Exports as the driving force of the Polish economy in 2013

According to World Bank forecasts, Polish exports will increase in 2013 by 5.8% as compared to 2012

Germany, Russia, China, Italy, France, the Netherlands, Czech Republic, USA, UK, Republic of Korea, Other
Source: Central Statistical Office

Structure of Polish imports in 2012



Źródło: GUS



Foreign trade in the first quarter of 2013

Increase in exports by 5.6% y-o-y in Q1 2013, to EUR 36.2 billion.

Decrease in imports by 2.1% y-o-y in Q1 2013, to approximately EUR 36.7 billion.



Almost six-fold reduction of Polish trade deficit - from around EUR 3.2 billion only a year ago, to around EUR 0.5 billion in Q1 2013.



Foreign trade – 2013 forecast of the Ministry of Economy

Due to the difficult external and internal trade conditions, the Ministry of Economy estimates that in 2013:

- exports will increase by 2%, to about EUR 144.8 billion,**
- imports will decrease by 0.5%, to approximately EUR 150.9 billion**

and, consequently, the current account deficit will be reduced by about EUR 3.6 billion, to approximately EUR 6.1 billion.



Prospects for the development of export – geographic structure

- ✓ **In 2013-2015, the fastest growing Polish export markets will be:**
 - India (21% per year in 2013-2015),
 - Vietnam (18%),
 - South Korea (17%).

- ✓ **In 2016-2020 the top three fastest growing markets for Polish goods will be:**
 - India (16%)
 - Vietnam (15 %)
 - China (15%).

- ✓ **In the long term (2021-2030), the rate of growth of Polish exports to developing countries will decrease slightly and on average will amount to 12-11% per year in the case of the three leading markets (Vietnam, China, and India).**

- ✓ **In 2013, Polish exports to Central and Eastern European countries (22.1% y-o-y for exports in EUR) and developing countries (17.3%) will grow most rapidly – acc. to Export Credit Insurance Corporation.**



Prospects for export growth - branch structure

- ✓ In the long term, an increase of exports in ICT equipment will be the most noticeable. According to HSBC, this industry will account for slightly less than 10% of the growth of Polish export in the period from 2011 to 2030. In 2030, ICT equipment will take third place among Poland's most important export commodities
- ✓ According to HSBC, it is primarily heavy industry which will drive the growth of Polish exports within the next 20 years: in total, selling industrial machinery and means of transport abroad will account for 45% of the increase in Polish exports.

Rank	Sector	2013–15	Sector	2016–20	Sector	2021–30
1	Industrial machinery	26	Industrial machinery	26	Industrial machinery	28
2	Transport equipment	16	Transport equipment	20	Transport equipment	17
3	ICT equipment	12	ICT equipment	10	Mineral manufactures	9
4	Textile and wood manufactures	8	Mineral manufactures	8	ICT equipment	8
5	Mineral manufactures	8	Chemicals	7	Chemicals	8
6	Chemicals	7	Textile and wood manufactures	6	Prefab buildings	5
7	Prefab buildings	6	Prefab buildings	5	Textile and wood manufactures	5
8	Misc. manufactures	5	Misc. manufactures	4	Misc. manufactures	4
9	Plastics	3	Animal products	3	Animal products	3
10	Iron and steel	3	Plastics	3	Plastics	3

The fastest growing export sectors of the Polish economy and their percentage contribution to the overall growth of Polish exports in the given period (source: HSBC, Oxford Economics, HSBC Global Connections Report Poland)



Polish export - forecasts

- ✓ According to analysts at HSBC and Oxford Economics, **in 2016-2020 Polish exports will increase by a total of 55%, gaining an average of 9.1% per year.**
- ✓ The dynamic growth of exports will be possible thanks to the intensification of trade with developing countries, particularly in Asia.

Rank	Destination	2013–15	Destination	2016–20	Destination	2021–30
1	India	21	India	16	Vietnam	12
2	Vietnam	18	Vietnam	15	China	12
3	Korea	17	China	15	India	11
4	Mexico	17	Turkey	13	Malaysia	10
5	HK	16	Malaysia	13	Turkey	10
6	Saudi	14	Brazil	12	Indonesia	9
7	Brazil	14	Korea	12	Egypt	9
8	Turkey	13	Indonesia	12	Saudi	8
9	Indonesia	13	UAE	11	Bangladesh	8
10	UAE	12	Mexico	10	UAE	8

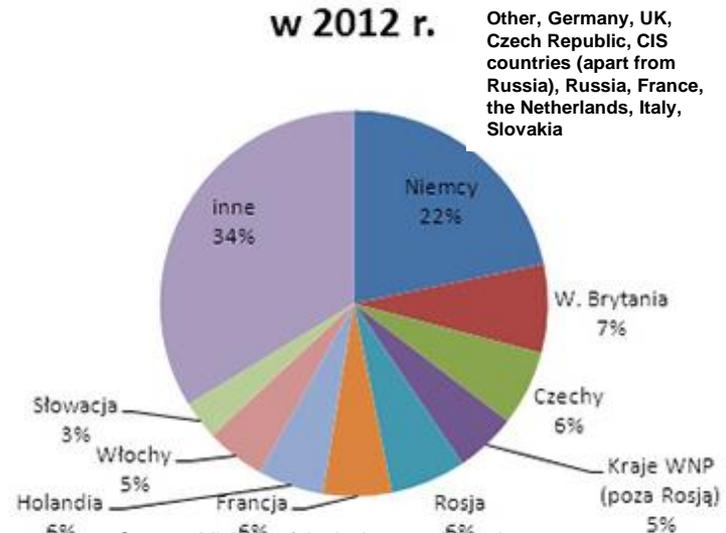
The fastest growing markets for Polish export and average annual growth of Polish export to these countries in the given period (expressed in percentages) (source: HSBC, Oxford Economics, HSBC Global Connections Report Poland)



Record growth in Polish food exports

- ✓ Increase in food exports in 2012 by 14.8% y-o-y, to EUR 17.5 billion.
- ✓ The share of agricultural and food products in Polish exports amounted to 12.33% in 2012
- ✓ Trade surplus in agri-food products has continued since 2003

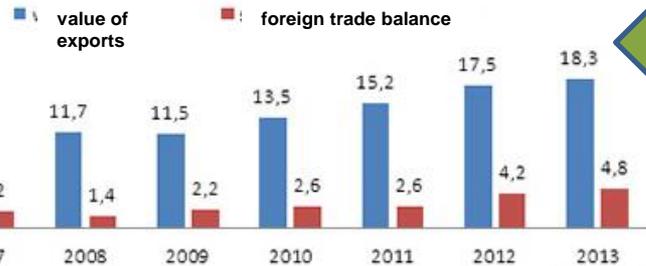
Directions of Polish food exports in 2012



Source: Ministry of Agriculture and Rural Development

Źródło: Ministerstwo Rolnictwa i Rozwoju Wsi

Value of Polish food exports (in billions of EUR)



Source: Ministry of Agriculture and Rural Development

Źródło: Ministerstwo Rolnictwa i Rozwoju Wsi

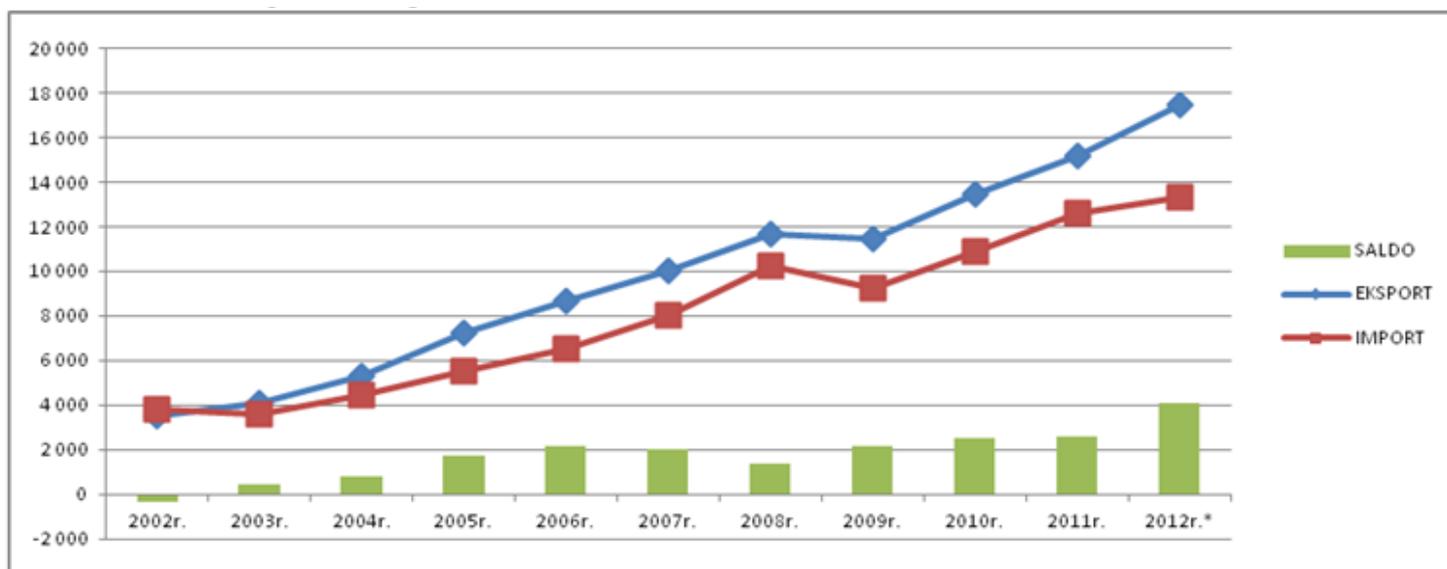
2012 – yet another record year for food exports

Compared with 2004, Polish food exports gave grown three-fold. In 2004, it amounted to little more than EUR 5 billion.



Polish food on the European market

Figure 3. Polish foreign trade in agri-food products with the existing EU-27 countries in 2002-2012 (EUR million)



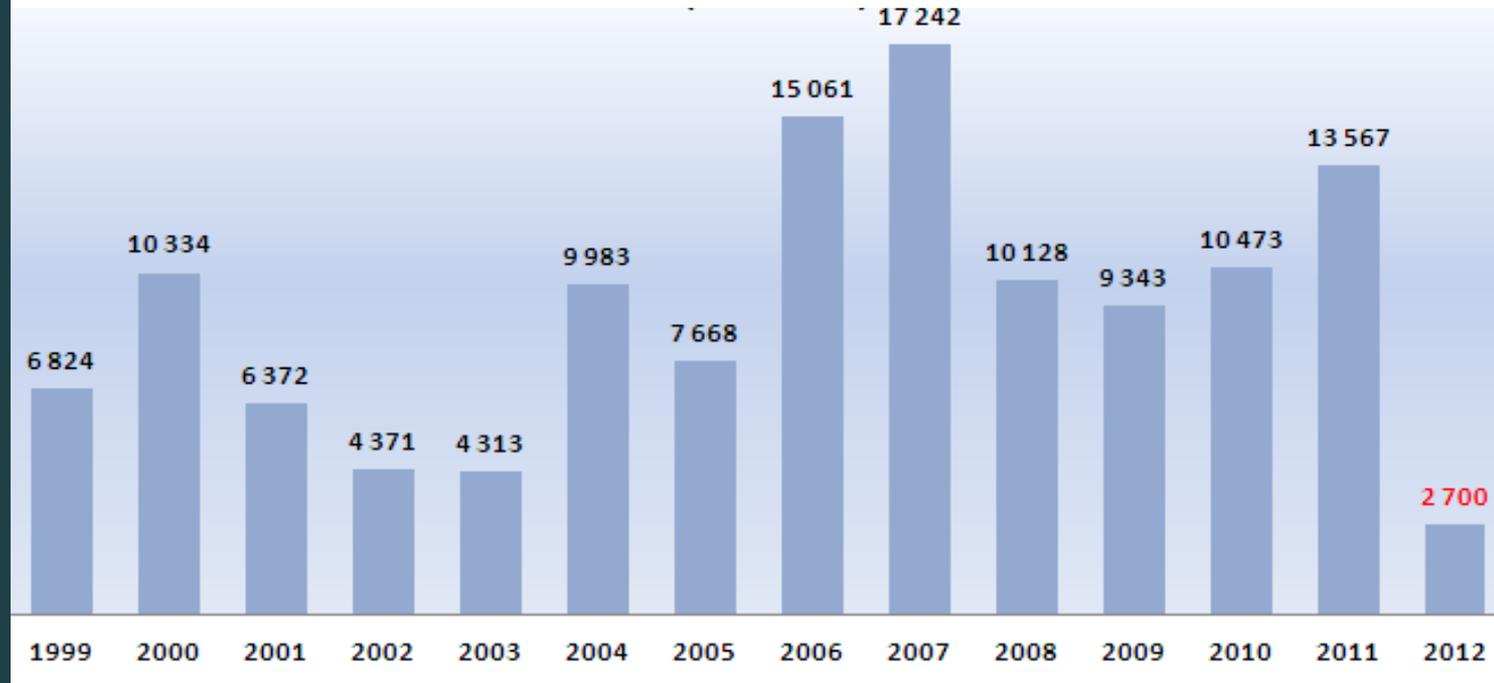
Source: MF, MARD; (2012 * - preliminary data, 02/13/2013).
(BALANCE, EXPORT, IMPORT)

Four-fold increase in export of agri-food products since Poland's entry into the EU, from EUR 4.1 billion in 2003 to EUR 17.5 billion in 2012



Foreign direct investments in Poland

Inflow of foreign direct investments to Poland in 1999 - 2012 (in EUR millions)

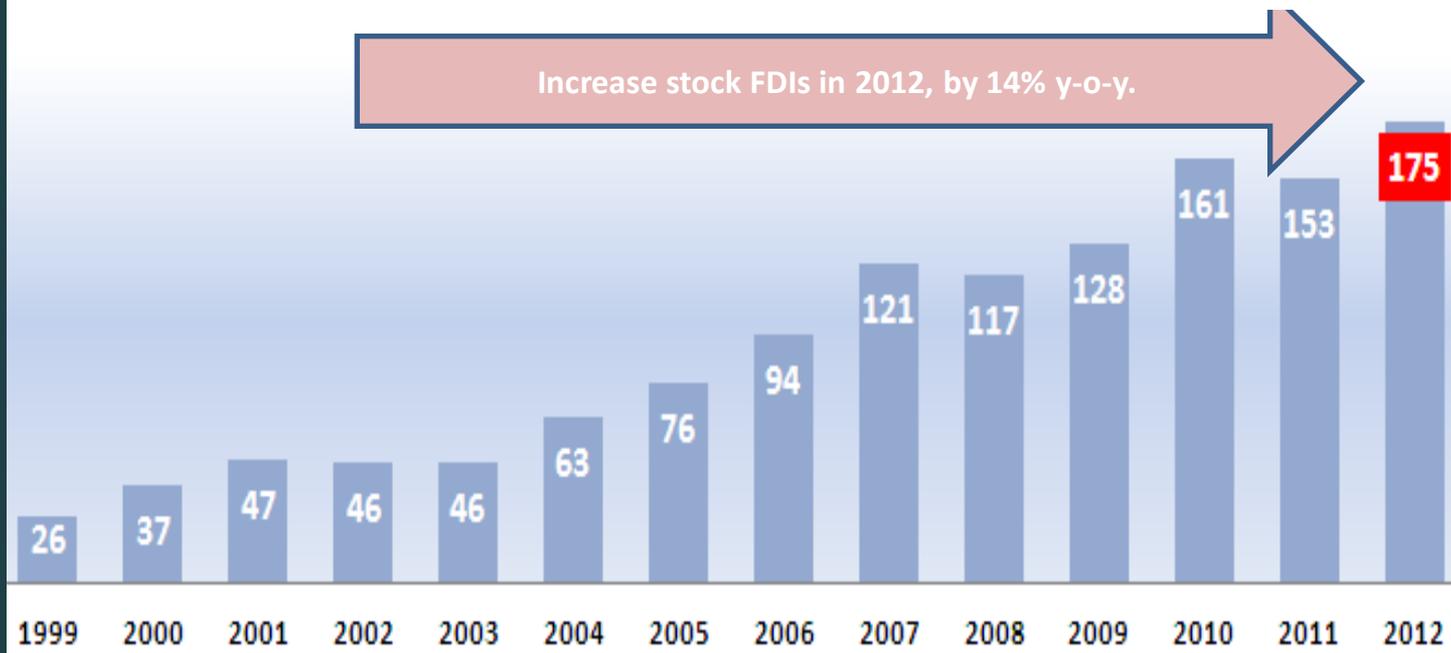


The net FDI value in Poland in 2012 (inflows minus outflows) amounted to EUR 2.7 billion, representing a decrease of approximately 80% as compared to 2011 (EUR 13.6 billion). EU countries, in particular those belonging to the euro area, remain the main source of FDI inflow to Poland. In 2012, the majority of FDI came from France – EUR 2.6 billion, Germany – EUR 2.2 billion and Cyprus - EUR 0.9 billion.



Foreign direct investment stock in Poland

Poland's liabilities arising from foreign direct investments in the years
1999-2012 (billion EUR)



Cumulative value (sum) of FDIs in Poland amounted to EUR 174.8 billion in 2012, compared to EUR 153.3 billion in 2011 (increase by 14%)