

News in brief



Poland faces two sovereign rating reviews by S&P in 2017

Poland will undergo sovereign credit rating review by S&P twice next year, on April 21 and on October 20, S&P said in a statement.

Standard & Poor's last affirmed Poland's BBB+ rating and moved the outlook from negative to stable on December 2. The country has 'BBB+/A-2' foreign currency and 'A-/A-2' local currency ratings.

S&P gave Poland's its first ever ratings downgrade back in January 2016, citing concerns "Poland's system of institutional checks and balances has been eroded significantly." That January downgrade has left Poland with a three-notch array of ratings. Moody's has offered Poland its highest rating since setting the A2 mark in late 2002 followed by the A- from Fitch.

GDP growth may slow down even to 1.2pct in Q4 – opinion

Poland's Finance Ministry expects GDP growth in Q4 could slow down to 1.8% year on year, Dziennik Gazeta Prawna daily writes. Officially, the ministry only admits growth in Q4 will be slower than in Q3, when the economy expanded by 2.5% y/y. Some economists are even more pessimistic: BZ WBK economists expect mere 1.2% growth, while Credit Agricole and Millennium expect 1.7%. As of 2017 the economy should start accelerating.

Poland's 2018 GDP growth seen at 2.8pct - Moody's

Poland's economy is expected to grow by 2.8% year on year in 2018, while its general government deficit should measure 2.8% of GDP, credit rating agency Moody's said of its first set of 2018 forecasts for Poland.

Poland expects investments to rebound in Q3'17 at latest

The Polish government expects to see investments rebound at the turn of Q1 and Q2 2017 or in Q3 at the latest, deputy PM Mateusz Morawiecki said during a conference.

"Projections of investment processes for the coming four or five quarters make me optimistic," Morawiecki said. "At the turn of Q1 and Q2 or in Q3 at the latest, I see a very probable rebound in investments, both private and public, including those correlated with EU funds."

Ministry of Development said in late November that the investments decline in Q4 2016 should not be as deep as Q3's 7.7%.

Poland expects to maintain FDI growth trend in 2017

The Polish government hopes to attract more foreign direct investment (FDI) projects next year than in 2016, maintaining a positive trend observed this year, head of the FDI promotion agency PAiIZ Tomasz Pisula said.

"I can't make any declarations, but our goal is to maintain the good results from this year," Pisula

said. "We have serviced 20% more investments than in 2015, and next year shouldn't be worse." The agency hopes to close this year with 60 projects worth ca. EUR 1.6 billion completed, he said. "At the moment, the PAiIZ is working on another 180 projects worth more than twice as much, the bulk of which we want to conclude next year," Pisula said. FDI in Poland could receive a boost in the aftermath of Brexit, he also said. "A number of companies that are currently functioning in Great Britain will soon realize what a hindrance to their operations staying outside of the EU will be," he argued. "Poland has the potential and the means to take the most advantage of that." "Poland has very well prepared cadres, still relatively low costs of running business, a large internal market, large demand for goods from the EU and a favorable location," he said of the country's assets.

Poland mulls expanding consortium of firms to buy EDF assets

The Polish government considers expanding the consortium of firms bidding for Polish generation and cogeneration assets of French utility EDF, Energy Minister Krzysztof Tchorzewski told reporters. "The consortium has been formed, but other entities are coming forth," Tchorzewski added. "If these are transparent entities which do not have any secrets and have transparent sources of capital, then we are open. It's not important if it's a private or state entity." Earlier on Friday Tchorzewski said the entity that could join the consortium could come from abroad.

Polish power groups PGE, Energa and Enea as well as heat and power producer PGNiG Termika have jointly filed an offer for all Polish units of the French utility. These assets include the Rybnik power plant, heat & power plants in Cracow, Gdansk and Gdynia, heat distribution networks in Torun, the Wroclaw agglomeration and Zielona Gora as well as a gas-fueled block project in Torun. The offer was not taken into account by EDF as it was filed after the deadline. EDF instead decided to split its assets and sell Rybnik to the Czech utility EPH and the heat assets to Australian investment fund IFM.

That decision was, in turn, blocked by Poland, which claims the right to block sale of strategic energy assets on security grounds.

Asked what he expects to happen now, Tchorzewski said "EDF can either look for another buyer for all of the assets together and consult that with us or agree to our offer."

Polish industrial output rises by 3.3pct y/y in November

Poland's industrial output increased by 3.3% year on year in November versus 1.7% y/y growth expected in the PAP Polish news agency's consensus survey, and up by 1.9% from the prior month, the Central Statistical Office (GUS) said.

Analysts surveyed by PAP had expected a monthly increase of 0.2%.

Polish seasonally adjusted industrial output in November was up by 3.0% y/y and up by 2.1% m/m, versus 1.3% y/y growth and 0.9% m/m decline in October.

Poland raises power distribution tariff, cuts retail sale tariff

Polish energy market regulator URE approved 2017 power distribution tariffs with an average increase for all client groups of 5.6%, while cutting the retail power sale tariff on average by 4.6%, URE said in a statement.

The distribution tariff increase is related to a significant increase of the transitory fee (tied to termination of long-term contracts) and a new renewable energy fee, URE said.

"All tariff motions of distribution system operators had contained higher sums and diverged

significantly from the levels accepted by the regulator," URE said.

The regulator approved tariffs in their entirety for the four biggest distributors - PGE, Tauron, Enea and Energa - as well as power grid operator PSE, URE said. The tariff for innogy Stoen (former RWE) was approved only in part related to costs that are not controlled by the company. Reduction of electrical energy tariffs for households on average by 4.6% resulted chiefly from lower costs of purchase by power traders as well as from the support system in the shape of 'green' certificates, the regulator said.

Asseco Poland IT to bid for up to PLN 300m ZUS contract

IT group Asseco Poland will be invited along with three other companies to bid in a tender for four-year maintenance of social security ZUS's IT system KSI the value of which ZUS estimates at some PLN 200-300 million, ZUS representatives told journalists.

The value of the agreement would thus be significantly below the previous four-year maintenance contract signed by Asseco and ZUS back in 2013 in the amount of PLN 595.8 million gross. In October, ZUS and Asseco inked a PLN 73.2 million annex extending that agreement by nine months, with ZUS claiming up to 35% savings. ZUS shortlisted Asseco Poland, Comarch, Atos and a consortium of HP and Capgemini in the new tender.

Source: The Warsaw Voice