



Poland's economic growth may reach 4 pct

Poland will enjoy economic growth well in excess of 3.6% this year, possibly even 4%, deputy Development Minister Jerzy Kwiecinski told PAP, calling a fresh set of forecasts by the European Commission "conservative."

"We maintain our forecasts - it will easily be 3.6% with a very big 'plus'," Kwiecinski said. "I would be absolutely not surprised if we reached 4% this year."

The latest forecast from the European Commission, hiked to 3.5% for 2017, are conservative, according to the minister.

Growth in the first quarter of the year was likely ""close to 3.5-3.6%," Kwiecinski claimed.

EU funds should add 1.0 ppt to the 2017 GDP growth tally, according to Kwiecinski.

The EC raised Poland's 2017 GDP growth forecast to 3.5% from 3.2% and the 2018 forecast to 3.2% from 3.1% in its spring set of forecasts published on Thursday.

Poland will hold deficit below EC forecast

Poland can hold its 2018 general government deficit below the 2.9% of GDP mark set out in the European Commission's latest forecast as the country remains highly focused on measures improving tax collection, deputy PM and Mateusz Morawiecki said in a comment to the EC spring forecasts.

"The European Commission said the [2017]deficit could be lower as a result of implementing measures aimed at improving tax collection," Morawiecki said, as quoted in an e-mailed press statement. "Also the deficit in 2018 should be lower than the one forecast by the EC, given high priority of these measures for the Finance Ministry."

In its latest set of forecasts, the EC said general government deficit will measure 2.9% of GDP in 2017 but may even turn out to be lower, if tax tightening measures yield better results than currently assumed. For 2018 the EC expects the deficit to stay at 2.9% of GDP.

"The latest European Commission's forecast confirms high development potential of the Polish economy and the fact that public finances in Poland are in very good shape," Morawiecki also believes. "The 2017 deficit forecast is in line with the forecast presented [by Poland] in the convergence program."

For 2018 Poland forecasts deficit at 2.5% of GDP in its convergence program update from late April.

Eurozone - Government skeptic

Poland is neither ready nor willing to consider entering the euro zone as it wouldn't be favorable for the Polish economy, PM Beata Szydlo reiterated in an interview for Rzeczpospolita daily. The Polish economy is proving each day it is doing great outside of the euro zone, the PM stressed. The euro zone is in crisis and there is no point in entering it while it is in trouble, she added.

PM Beata Szydlo "cannot imagine" ever holding a referendum regarding Poland's EU membership as EU membership is favorable for Poland, Szydlo said in an interview for Rzeczpospolita daily. Poland outside of the EU would be weak and would have much poorer development and security perspectives, she stressed. At the same time, the EU needs to undergo reform, she reiterated.

Power prices down?

Poland's planned power capacity market may push down wholesale power prices.

Wholesale power prices in Poland may come down thanks to the introduction of a capacity market, but costs for end-recipients likely won't change, the deputy CEO of listed power group Tauron, Jaroslaw Broda, said at an industry event in Katowice.

"The capacity market may cause a certain reduction of power prices on the wholesale market, given that a part or all fixed costs will be shouldered by this second, capacity market," Broda said. Net costs for the end-client rather won't come down, however, he added.

A fuller assessment of the impact of Poland's planned capacity market is impossible prior to the release of greater details. "We don't know the budget size, the composition of baskets or other components," Broda said.

The planned market should ensure power system balancing in a five to eight year horizon, but longer term outlook is harder to predict, he believes.

Poland can craft a power capacity market this year for 2018 launch including initial capacity auctions in 2018, an Energy Ministry official said earlier on Thursday during the seminar.

Parental and maternity leave to be changed

Poland's 12-month parental and maternity leave could be reduced for women as a result of a new directive proposed by the European Commission, which seeks to force parents to share the leave, Dziennik Gazeta Prawna daily writes.

If passed, the law would force men to take a 4 month leave or parents would lose that time altogether. The aim is to encourage women to return to work within less than a year after giving birth to a child.

The directive would also introduce a paid care giving leave, allowing employees to have up to 5 working days off for taking care of a child, a spouse or a parent.

This solution could generate significant costs, DGP cites Wioletta Żukowska-Czaplicka, an expert of the employers' lobby group Pracodawcy RP.

Demographic Reserve Fund

Poland is still deciding what part of pension savings collected at pension funds OFE to transfer to the Demographic Reserve Fund, with the Labor Ministry calling for a bigger share than the 25% proposed by the Development Ministry, the daily Dziennik Gazeta Prawna wrote citing a person close to the latter. The Labor Ministry is to prepare remarks to the pension system reform bills by the end of May, a postponement vs. the initial end-April deadline due to divergent opinions. An increase beyond 25% of assets would entail transfer of not only bank deposits and foreign stocks, but also Polish equities, which could cause a sell-off on the WSE, the daily wrote. The changes would not be welcome by the public and could endanger the Responsible Development Strategy, pension funds' association IGTE head Malgorzata Rusewicz commented. The Labor Ministry fears shortage of money in the public system.

Copernicus Atmosphere Monitoring Service in Warsaw

Warsaw will host the 2nd Copernicus Atmosphere Monitoring Service's General Assembly. Taking place between 16-18 May 2017, the conference will host about 160 attendees from 15 countries. The Copernicus Atmosphere Monitoring Service (CAMS) aims at providing citizens, policymakers and businesses with high-quality atmospheric environmental information and short-term forecasts. The general assembly is the main annual event of CAMS and it provides a discussion forum for stakeholders, providers and users. Importantly, the general assembly is not only inviting the existing CAMS users but it is open to all and it aims at attracting potential new users. The newcomers will learn what the service can offer and how to use the available information about the changing atmospheric environment in Europe and to adapt it to their specific needs.

"We hope that the conference will generate awareness that there is a consolidated effort in Europe and the European Commission to provide coherent environmental information for public consumption and further processing," says Dr. Joanna Struzewska, Warsaw University of Technology, a member of the consortium providing the CAMS European air quality forecasts and also part of the organising committee of the general assembly.

Since 2013, Warsaw University of Technology has been involved in operational air quality forecasting for Poland under contracts from the Chief Inspectorate of Environmental Protection. In 2015, the University joined the CAMS European air quality forecasting efforts. The air quality model developed at Warsaw University of Technology is one of three new candidate models to join the operational multi-model ensemble system that provides the CAMS Europe-wide forecasts, which currently includes inputs from seven models. Adding new models that are among the best and most validated in Europe to the operational ensemble is expected to further enhance the quality of the CAMS forecasts and to provide more robust uncertainty estimates.

The conference programme also includes the possibility for attendees to give presentations in plenary; to showcase their work at the User Exhibition; and to have training on accessing and using the range of CAMS products.

Capacity auctions next year

The Polish government can craft a power capacity market this year for 2018 launch including initial capacity auctions in 2018, an Energy Ministry official said during an economic seminar in Katowice.

"Our schedule is to enact a bill on the capacity market to end-year for it to go into effect in 2018 and to launch certification processes to make it possible to conduct the first capacity auctions in 2018 and issue all directives," the ministry's director of the energy department, Tomasz Dabrowski, said during a discussion panel. Such a schedule would make 2021 the first year of power deliveries within the system, he noted.

"We will maintain the solutions regarding the division of auctions for baskets dedicated for new, modernized and existing power units," the official said, adding that foreign units could take place in the auction.

Source: The Warsaw Voice