

SPRING 2010 REFORM BAROMETER - POLAND

1. SUMMARY TABLE

<u>Poland</u>				<u>Rank among 29 **</u>			<u>Relative Gap</u>	
	2008	2009	Change	2008	2009	Change	EU 5 top performers 2009	Gap to EU 5 top performers 2009
GDP per capita (Purchasing Power Parity - PPP)	14078	14058	-0.1%	26	25	1	LU, IE, NL, AT, BE	-59%
GDP per capita (€ at 2000 prices)	6755	6837	1.2%	24	23	1	LU, DK, SE, IE, UK	-80%
Labour Utilisation (Annual hours worked per capita)	833	827	-0.8%	10	6	4	CY, SI, GR, CZ, PL	-6%
Annual hours worked per person employed	1975	1973	-0.1%	3	3	0	GR, HU, PL, SI, CZ	-2%
Employment as % of labour force (100-unemployment rate)	92.9	91.6	-1.3	21	16	5	NL, DK, AT, CY, LU	-4
Labour participation (labour force as % of active population)	63.8	64.2	0.3	25	25	0	NL, DK, SE, DE, UK	-18
Dependency ratio (working age population as % of total population)	71.2	71.3	0.1	2	2	0	SK, PL, CY, CZ, RO	0
Labour Productivity (GDP per hour worked, in PPP)	17.3	17.4	0.6%	26	25	1	LU, BE, NL, FR, DE	-60%
Labour Productivity (GDP per hour worked, € at 2000 prices)	8.3	8.4	2.0%	23	22	1	LU, SE, BE, DK, FR	-82%
Capital deepening (capital stock per hour worked)*	N/A	N/A	N/A	N/A	N/A	N/A	IE, FR, LU, AT, SE	N/A
Total Factor Productivity (level of economic efficiency per hour worked)*	N/A	N/A	N/A	N/A	N/A	N/A	LU, UK, DK, SE, BE	N/A
Corporate Investment (private investment excluding non-residential, % GDP)	8.0	5.9	-2.1	26	25	1	BE, RO, AT, DK, SK	-7.2
Current Account Balance (as % GDP)	-5.1	-1.9	3.3	15	16	-1	LU, SE, LV, DE, EE	-8.2
Export market share measured in volume relative to main 35 trading partners (from 2000)	35.1	38.8	3.6	6	5	1	RO, LT, HU, CZ, PL	-15.9
Unit labour Costs relative to main 35 trading partners (from 2000)	-9.2	-10.2	-1.0	2	2	0	DE, PL, AT, SE, GR	-3.1
Government gross debt (as % GDP)	47.2	51.7	4.5	16	14	2	EE, LU, BG, RO, LT	33.8
Net lending/net borrowing of general government (as % GDP)	-3.6	-6.4	-2.8	21	19	2	BG, DK, SE, LU, FI	-4.4
Required budgetary adjustment related to ageing (as % GDP)	N/A	-1.2	N/A	N/A	1	N/A	PL, EE, HU, BG, SE	-1.3
Public Investment (as % total public expenditure)	12.1	13.3	1.2	8	5	3	BG, RO, EE, CZ, PL	-3.0
Tax burden (as % GDP)	34.3	32.1	-2.2	11	9	2	LV, RO, IE, SK, LT	4.3

Note: Labour utilisation and productivity are a product of its sub-components.

* Rank refers to EU15 ** EU 27, Norway and Switzerland

2. PRIORITIES FOR REFORM: : ANSWERS FROM PKPP (POLAND)

	1. Priority areas	2. Concrete Recommendations	3. Are the proposed recommendations already in the agenda of your Government?	
			Yes	No
Priority 1	Orientation and sustainability of public finances	1. completion of the three-tier pension system reform: making it a predominant system for all groups, including farmers and uniformed servicepeople. 2. setting a realistic path and date to enter the eurozone	YES	
Priority 2	ICT	1. faster implementation of the government "Digital Poland" program	YES	
Priority 3	Labour taxation to stimulate labour demand	1. reducing administrative burdens on employers, including reporting obligations 2. further gradual decrease of social security payments		NO
Priority 4	Business Environment - Regulatory barriers to entrepreneurship	1. easier to obtain building permits, clearer zoning rules 2. reduce the complexity of taxation system (VAT and CIT)	2. YES	1. NO
Priority 5	Policies increasing working time	1. we resist to the Parliament initiative to make the Epiphany another national holiday 2. gradual extension of the retirement age up to 67 years	1. YES	2. NO