

ECONOMY

Anti-Crisis Plan

The Polish government will assign more than zł.91 billion to its anti-crisis Stability and Development Plan.

Prime Minister Donald Tusk has said that the most important goal of the government's activity is "ensuring financial stability and fostering economic development." Among the main points of the anti-crisis plan, adopted at the end of November, Tusk mentioned increased guarantees for banks, extra credit for small and medium-sized enterprises totaling zł.20 billion, in which the "main instrument" will be Bank Gospodarstwa Krajowego, and accelerated investment from the European Union estimated by the government at zł.16.8 billion.

The key issue for the government is maintaining the planned budget deficit. "We feel responsible for Poland, for all our forecasts and analyses," Tusk said

after adoption of the package. "The actions we plan are pro-development." The related Digital Poland plan will be speeded up, and changes are planned in the energy law to protect households from uncontrolled energy price hikes.

Proposed legislative changes would improve the operations of lending institutions in order to make loans more readily available. "We also want to make life easier for those who want to invest in development," Tusk said. "There will be special incentives for 2009-2010. We want to increase the limit of investment that can be reported as an income-generating cost from 50,000 euros to 100,000 euros."

The government plan also provides for a Social Solidarity Reserve of zł.1.14 billion. To obtain this money, the government proposes a moderate increase of the excise tax on alcohol and imported cars with engines over two liters in capacity.

A.R.

Opinion

Sergei Krasulenko, financial director at *ISD Polska*, a unit of the *Ukrainian Donbas Industrial Union*:

Business has reacted positively to information about the government's stability and development package. From an entrepreneur's viewpoint, it is important for the recently announced plan for combating the economic crisis to account for the expectations and needs of business. As usual, the devil's in the details. Several questions and doubts arise as to how these guarantees will be provided. First, who will grant them and what sectors will they encompass? Another fear is how the European Commission will treat these guarantees and whether all types of entities will be covered. From the point of view of industry, the key issue is whether the package will apply to operating capital or investments. The more transparent the process, and as long as the beneficiaries are not banks but real sectors of the economy, the greater the chances for the package's success.

A.R.

EUROZONE INFLATION ON THE WANE

Inflation in the eurozone is visibly decelerating, according to preliminary figures by the European Union's statistics office, Eurostat. In November, eurozone inflation was 2.1 percent in year-on-year terms, down from 3.2 percent in October and 3.6 percent in September. The lower inflation rate is a clear sign of an economic slowdown within the eurozone, experts say. Along with rising unemployment, which increased to 7.7 percent in October from 7.6 percent in September, the new inflation figures may prompt the European Central Bank to cut interest rates more markedly, according to some experts.

ADVERTISING MARKET TO SHRINK IN 2009

For the first time in many years, the global advertising market will not expand but contract in 2009, according to media services company ZenithOptimedia Group, which has drastically revised its 2009 figures for the market. According to new estimates, advertising spending worldwide will decrease by 2 percent. In October, ZOG still predicted an increase of 4 percent. The newest data suggests that advertising spending in 2009 will total \$490.5 billion, down from the October estimate of \$526.6 billion. Global spending on press and radio advertising will fall, ZenithOptimedia Group says, while spending on television, cinema and outdoor advertising will increase, though less markedly than previously forecast. The United States and several European countries are already in recession, while other European countries may follow suit soon, according to ZenithOptimedia Group. The hardest hit advertising markets will be South America, with a 5.7-percent drop on 2008, and the United States, with a 6.2-percent decrease, ZenithOptimedia Group says.

AIR TRAVEL ON THE RISE

In the first three quarters of 2008, Poland's airports handled 16.27 million passengers in total, on both charter and regular flights, a 12.14-percent increase on the same period in 2007. Warsaw's Okęcie had the lion's share with 46 percent, followed by Cracow's Balice with 14 percent, Katowice's Pyrzowice with 11 percent, and Gdansk's Rebiechowo with 9 percent. The third quarter saw an increase of nearly 9 percent, while the first quarter was up 17.74 percent and the second 12 percent. During this same time, the global air travel market saw an increase of 3 percent, while Europe rose by 2.5 percent, according to international data.

package into a source of strength, a guarantee of security and future revenue. There's no question that we will incur the greatest costs of these changes, because the biggest investments will be carried out here. That's why it's worth getting across that with the help of EU institutions, large companies and domestic scientists, we can achieve an energy revolution in Poland and start specializing in niche technologies."

Krzysztof Pietraszkiewicz, president of the Polish Bank Association, said there were various ways of financing environmental projects. "Things are not so bad," he said. "Today, for example, it's easy to finance regional projects involving renewable energy."

According to Buzek, one barrier to solving the problems of individual countries is that the EU does not have a common energy policy. Former economy minister Janusz Steinhoff echoed that the lack of a cohesive policy meant measurable losses for the EU. One example are infrastructure projects that are sometimes not carried out because different countries take part in undertakings that compete against one another, Steinhoff said. "Neither is it a good thing that the energy and climate package is supposed to be the first component of this policy," he added.