ECONOMIC COMMISSION FOR EUROPE
TIMBER COMMITTEE

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P O L A N D

STATEMENT ON THE WOOD MARKET REVIEW AND PROSPECTS

Ministry of the Environment

1. GENERAL ECONOMIC TRENDS AFFECTING THE FOREST AND FOREST INDUSTRIES SECTOR

In 2010 the economic situation in Poland improved compared to the previous year. Gross Domestic Product was 3.8% and it was an over two-fold higher increase than in 2009.

The main factor of economic growth was domestic demand (an increase by 4.4%). A growth of individual consumption expenditure by 3.2% and an increase in gross accumulation by 8.5% were recorded; whereas a fall in gross outlay on fixed assets by around 1% had a negative influence on the economy. Another factor decelerating the economic growth was a decrease in foreign direct investments in Poland (in national currency by 34%, in euro by 29%). Due to the international situation (changes observed in the economies of Western European countries, i.e. Greece, Italy, Ireland and Japan, and North African countries), it is difficult to unambiguously determine future trends in the Polish economy; however, forecasts for 2011 assume continuation of previous trends in main macroeconomic indices. This concerns GDP dynamics that should stay at the level of 4.0%, individual consumption expenditure whose level is estimated at 3.3%, and investment outlay on fixed assets that is to rise by 8%.

The economic situation in construction industry is important for the condition of the wood sector. In 2010 construction and assembly production increased by 3.3% in relation to the previous year. Nevertheless, it is disturbing that the number of dwellings completed decreased (by 15%). It is anticipated that in 2011 construction and assembly production should increase by even 12% (in the first half of 2011 it rose by 20.8% in comparison with an analogous period of the previous year).

In 2010 upward trends were observed in industry. Sold production of industry increased by 9.7% in relation to 2009 (in fixed prices). An improvement of the situation was also observed in the wood sector; however, it did not concern all wood industries. Sold production in the wood industry increased by 14.2%, and in the pulp and paper industry by 16.7%; whilst the furniture industry recorded a drop in sold production by almost 4%. The share of wood industries in total sold production of industry was similar to their share in 2009 and it was around 8% (it was almost 10% in manufacturing). The expectations as to the level of sold production of industry in 2011 are optimistic. It is anticipated that it will increase by around 8%.

The instability of economic situation is reflected on the labour market. In 2010 the registered unemployment rate was 12.3% (the value at the end of the year), i.e. it increased by 0.2 basis point in comparison with the previous year; however, in 2010 the number of the employed in national economy increased by almost 1%. In the wood sector the situation on the labour market was diverse. The average employment in the wood and the pulp and paper industries increased by 3.7% and 4.1%, respectively; whereas in the furniture industry it decreased by 0.9% (in the enterprises sector). In 2010 the share of the wood industry in the employment in industry was approximately 11%. 39.5 thou. people were employed in forestry. A slow improvement of the situation on the labour market is anticipated. This improvement is to be reflected by an increase in employment and a decrease in the number of the unemployed already at the end of 2011.

2010 recorded a foreign trade negative balance increase (in national currency by 38% in relation to the previous year). The imports dynamics (21.7%) exceeded the exports dynamics (19.5%). It is forecasted that in 2011 exports will rise to € 133.5 billion (from € 120.4 billion in 2010) and imports to € 150.3 billion (from € 134.2 billion).

In 2010 the dynamics of price indices of consumer goods and services dropped (to 2.6% from 3.5% in 2009). The expectations as to the rate of inflation in the coming years depend on changeability of food and energy prices on international markets and possible pressure on remuneration increase in the case the situation on the labour market improves. Taking these factors into consideration, it is forecasted that in 2011 the inflation rate may be 3.7%.

In the near future the economic situation in the world will be the most important factor for the economic development of Poland, especially the economic conditions of the main trade partners will be crucial. It is expected that the demand in Poland will increase (in the first half of 2011 retail sale grew by 7.6% compared to analogous period of 2010); however, the moods amongst entrepreneurs, including wood companies, are not very optimistic. In their view, the environment in which they have been operating has been becoming more and more changeable and uncertain. This hampers creation of long-term development plans, especially that more and more often companies use only their own financial means (resigning from loans).

2. POLICY MEASURES TAKEN IN POLAND OVER THE PAST 18 MONTHS, WHICH MIGHT HAVE A BEARING ON TRADE AND MARKETS OF FOREST PRODUCTS OR FOREST MANAGEMENT

In the light of current economic situation in Europe and in the world, comprehensive solutions aimed at attainment of the set goals of state policy are important for the development of the wood sector.

The priorities and areas of economic development in Poland, and the use of EU funds for this purpose, are described in the effective “Poland’s Development Strategy 2007-2015”. Currently the Strategy is being updated. In the future the time span of the Strategy is to be 2011-2020. Other plans, i.e. “Plan for Development and Consolidation of Finance 2010-2011” and “Multi-year Poland’s Financial Plan”, are still being fulfilled; however, introduction in 2011 of new, higher VAT rates (5%, 8%, and 23%) is an important change in relation to the guidelines set forth in those documents. Moreover, in case the relation of public debt to GDP exceeds 55%, those documents assume the possibility of another VAT rate increases. Such changes also influence the development of the wood sector and are reflected by the economic situation of wood industries.

The issues of financial instability were one of the reasons for updating the “Convergence Programme” in 2011. The main goal of this year’s Programme is to create the conditions for fast and sustainable growth and at the same time ensure optimum pace of public finance consolidation.

The economic policy of Poland is consistent with the priorities set by the strategy

“Europe 2020”, which was emphasised in the “Poland’s Programme of Reforms for the Implementation of Europe 2020 Strategy” (April 2011). This Programme assumes taking actions for economic development, including especially actions in transport, power industry, and telecommunications. Those actions should take into account such issues as effective use of available natural resources (including wood raw material), rational management of waste (including re-use of industrial wood waste and post-consumer wood), and prevention of global warming.

To keep the actions taken in Poland consistent, the “Plan to arrange the development strategy” was updated in April 2011. The Plan suggests reduction of the number of strategic documents from currently effective 42 to 9 new. One of the Plan’s elements is the strategy “Efficient State 2011-2020” (presently a draft of this strategy is being prepared). The aim of the actions assumed in the strategy is to increase the efficiency and effectiveness of the state by 2020 (the time span of the strategy is longer than financial perspective of the EU actions adopted for the period 2007-2013).

A factor that greatly influences the image of Poland and its economy, including the wood sector, is Polish presidency over the EU Council in the period from July 1, 2011, to December 31, 2011. For the forestry-wood sector it is important that the presidency programme includes such issues as sustainable forest management and its contribution to “green” economy/bioeconomy, as well as prevention of climate change and adaptation to that change. It is also no less important that the presidency priorities are environmental protection and sustainable use of resources (in connection with the Polish presidency the Ministry of the Environment in co-operation with the Ministry of Foreign Affairs are implementing the project “Green presidency”). A special attention is given to international negotiations on legally binding accord on forests in Europe within the process called FOREST EUROPE.

3. MARKET DRIVERS

In Poland the development of wood industries depends on the development dynamics of the whole economy, including fist of all the dynamics of construction development. On the one hand, the construction sector is a direct user of wood materials, and, on the other, it creates demand for final wood products. In the near future, due to the results it has achieved in 2011 (an increase in construction and assembly production, in the number of dwellings under construction and issued construction permits), construction should stimulate the development of the whole wood sector. Another stimulus of the wood market, similarly to the whole economy, should be the anticipated revival of domestic demand and expected higher activity on international markets (which is periodically favoured by weakening of Polish currency).

The company sector is also directly influenced by fiscal stimuli envisaged in the effective strategies of Poland’s development. Especially the instruments of Polish exports promotion have a great bearing on improvement of the economic situation in the wood sector, for instance broadening of the offer of credits for exporters and reduction of handling charges. The new credit offer for exporters was accepted by the government in August 2010. This convenience introduced by the Ministry of Economy

is to facilitate improvement of financial liquidity of entrepreneurs, and thus support the competitiveness of Polish companies on foreign markets; however, the instrument has become less attractive due to uncertain international situation.

Taking advantage of the EU funds is another stimulus of the economy and the wood market development. Those funds offset the negative effect the global crisis has on the Polish economy and are especially important for such things as innovative and sustainable development of the market in wood biomass for energy purposes, increasing the scale of use of wood from industrial and post-consumer waste, and sustainable environment management.

To a large extent the whole Polish economy, including the wood sector, will be influenced by external conditions whose development depends on the economic condition of the most important economies in Europe and in the world; however, difficult to foresee turn of events in Greece, Italy, Ireland, Japan, and in North African countries, does not allow unambiguous assessment of those events' impact on the Polish wood sector in the future.

4. DEVELOPMENTS IN FOREST PRODUCTS MARKETS SECTORS

4.1. (A) **Wood raw materials**

In 2010 removals of roundwood in Poland increased by 2.4% in relation to the previous year and reached 35.5 M m^3; however, that increase did not concern non-coniferous roundwood whose removals dropped by 2.1% (from 9.1 M m^3 to 8.9 M m^3). The removals of coniferous roundwood amounted to 26.5 M m^3 (4% more than in the previous year). Almost 97% of roundwood came from public forests (over 95% from the state forests). 94% of harvested roundwood was large-size wood (33.6 M m^3). Pulpwood was the most important item in harvested roundwood (15.6 M m^3, its removals increased by 1.6%). Almost 3% more of roundwood (31.3 M m^3) was intended for manufacturing and it accounted for 88% of total roundwood harvested. The removals of roundwood intended for fuel decreased by almost 1% and amounted to 4.1 M m^3.

In 2010 roundwood exports increased to 1.7 M m^3 (i.e. by 59%). The exports growth was mainly reflected by an increase in the share of roundwood intended for production in the exports structure (from 89% in 2009 to 91% in 2010). Similarly to previous years, roundwood exports was dominated by coniferous species (92%), of which 59% was pine. The structure of exported non-coniferous roundwood intended for production was dominated by beech (63%). A relatively large growth was recorded in the case of fuelwood exports (from 118 thou. m^3 in 2009 to 149 thou. m^3 in 2010).

In 2010 Poland imported 2.3 M m^3 of roundwood (an increase by 23% in relation to 2009), which amounted to almost 7% of domestic roundwood removals. Like in previous years, most of imported roundwood was allocated for production (98.5%). The imports was dominated by non-coniferous species (60%), mainly birch (45%). Fuelwood imports amounted to 35.3 thou. m^3 and it was twice as many as the level of 2009.

It is assumed that in 2011 roundwood removals will amount to approximately 36 M m^3. This upward trend in roundwood removals should continue in 2012 as well

(36.3 M m^3). Roundwood intended for manufacturing should still account for 88% of harvested roundwood, i.e. 31.8 M m^3 in 2011 and 32 M m^3 a year later. Foreign trade characteristics will not change appreciably. According to the forecasts in 2011 roundwood imports will amount to 2.5 M m^3, and exports to 1.6 M m^3.

4.2. (B) **Wood energy, with a focus on government policies promoting wood energy**

At the end of 2010 Polish government adopted the "National Action Plan on energy from renewable sources". This Plan defines national goals concerning the share of energy from renewable sources (RES) in the following sectors in 2020: transport, electric energy, heating, and cooling. At the same time the Plan describes tools and instruments that serve the achievement of set goals. The document also presents systems supporting promotion of the use of energy from renewable sources (inter alia a system of certificates of origin or investment incentives). Operation of those systems is necessary, for currently the share of RES in the balance of gross final energy is estimated to be at the level of 8%, compared to the planned level of 15% by 2020. The Plan points to biomass as an energy source having the greatest potential amongst renewable energy sources, and this concerns biomass of both forest and agricultural origin. However, a possible increase in the use of forest wood for energy purposes is limited in the first place by the growing demand for roundwood, development of technologies facilitating substitution of high quality wood with lower quality wood, and the priority of material use of wood (an assumption of the energy policy in Poland that the use of wood biomass in the power industry should not cause significant reduction of wood supply for industrial purposes).

Additionally, the regulation of the Minister of Economy of 2008 which envisages exclusion of "waste and residues from forest production, also from industry processing products of forest production" from combustion in production units of power of over 5MW until 2015, is still in force.

Therefore, an increase in wood biomass supply for energy purposes requires improvement of the conditions of investing in plantations of energy plants and improvement of the stability of support mechanisms in this area. In that regard, it is important that the concept of employing agriculture to energy generation from renewable sources, described in the document "An outline of rural areas development lines" drawn up by the Ministry of Agriculture and Rural Development, is effectively implemented. This concept points to the necessity of constant stimulation of actions connected with starting multi-annual plantations of energy plants on rural areas. The potential of wood biomass could also be increased by common use of wood left after nurturing (most of this wood is left in forest).

As regards solving the issues concerning the use of wood biomass for energy purposes, much hope is placed on execution of research projects under LIFE+ programme and on Polish-German cooperation for sustainable development.

4.3. (C) **Certified forest products**

Currently there are two certification systems of forest management and wood products in Poland – FSC (*Forest Stewardship Council)* and PEFC *(Programme for the Endorsement of Forest Certification Schemes).*

15 out of 17 State Forests Regional Directorates and 3 Forest Experimental Stations (in Krynica, Rogów, and Siemianice) are certified according to **FSC** standards. In mid 2011 total area of forests certified under FSC system was 6.4 M ha, i.e. 70% of total forest area in Poland. In relation to the area of certified forests in Europe it is approximately 11%, and in the world 4.5%.

In mid 2011 968 Polish companies declared that their production of wood materials and products is based on raw material coming from certified forests, in other words, those companies declared that they were in possession of certificates of product origin control FSC-CoC (FSC – *Chain of Custody)*; however, 16 certificates were temporally suspended. Out of 952 active certificates (605 companies and their branches) around 70% was held by production companies (665 firms), the rest was in possession of companies operating in trade, service (also printing), import and export, and of consultancies. Companies holding certificates are mainly manufacturers of sawnwood and wooden garden products (280 certificates in total, i.e. approximately 42% of total number of certificates possessed by production companies). An important group of FSC certificate holders consists of wooden accessories producers (16%) and furniture producers (over 11%). Amongst certified production companies, manufacturers of builder's carpentry and joinery account for around 10%, and manufacturers of wood-based panels for 5%. Polish producers holding the FSC-CoC certificate amount to around 6% of companies holding such certificate in Europe, and to 2.9% of such companies in the world. 141 of certified wood companies obtained the FSC-CW (FSC – *Controlled Wood)* certificate as well.

By mid 2011 in Poland two State Forests Regional Directorates (in Radom and in Warsaw) additionally obtained the **PEFC** certificate. The area of forests covered by this certification system is 499.3 thou. ha, i.e. 5.5% of total forest area in Poland. In relation to the area of forest certified under this system in the world it is 0.2%.

On the other hand, in mid 2011 the wood sector producers possessed 46 active certificates of product origin control PEFC-CoC, either individual or group (5 certificates expired and 4 were temporally suspended). Amongst those companies more than 56% (26 firms) are production companies, and the rest operate in distribution and trade, and in service (printing houses). The group of production companies is dominated by pulp and paper producers and paper processing companies (14 firms), and producers of wood-based panels (6 firms). Polish producers holding the PEFC-CoC certificate account for 0.4% of total number of such companies in the world.

4.4. (D) **Value-added wood products**

Value-added products (i.e. mainly furniture, builder's carpentry and joinery products, wooden packaging, and paper products) are the most important for the development of the wood sector.

In 2010 in Poland furniture of the value of almost PLN 23 billion (USD 7.6 billion, € 5.8 billion, in current prices) was produced. It was almost 5% more than in the previous year (in fixed prices). Furniture of wood accounted for 73% of that value. Approximately 98% of furniture produced was exported (PLN 22.5 billion, USD 7.5 billion, € 5.5 billion), mainly to EU markets (Germany and France). Furniture of wood accounted for 54% (PLN 12.1 billion) of total value of furniture exported. On the other

hand, Poland imported furniture of the value of PLN 3.5 billion (USD 1.2 billion, € 0.9 billion). The furniture was mainly imported from China and Germany, and 28% of it was furniture of wood (PLN 1 billion).

In 2010 in Poland builder's carpentry and joinery products of the value of PLN 5.3 billion (in current prices, a level similar to the level of the previous year) were produced as well. Amongst manufactured products was almost 2 M m^2 of inlay (2% more than in the previous year), 39 M m^2 of floor panels (an increase by 10%), and 14.6 M m^2 of windows and doors (an increase by 4% in relation to 2009). The value of exports of this wood product group (mainly to the United Kingdom, Denmark, Germany and France) exceeded PLN 2.4 billion (USD 0.9 billion, € 0.7 billion; including the prefabricated wood buildings). On the other hand, Poland imported (inter alia from Denmark, Germany, and Ukraine) builder's carpentry and joinery wood products of the value of PLN 0.4 billion (USD 0.1 billion, € 0.1 billion).

In 2010 the production of wooden packaging was at the level of PLN 1.1 billion, which meant an increase by 14% in relation to the previous year (in fixed prices). More than 82% of the production value was exported (PLN 0.9 billion, USD 0.3 billion, € 0.2 billion), and over half of it to Germany. Poland's imports of wooden packaging (also mainly from Germany) amounted to PLN 0.1 billion (USD 0.05 billion, € 0.04 billion).

In 2010 in Poland the value of secondary paper and paperboard products manufactured and printing services rendered exceeded PLN 19.7 billion (USD 6.5 billion, € 4.9 billion). It was a level similar to the level of 2009. Like in previous years the dominant items were corrugated paper and paperboard and packaging made of them (38%), printing services (33%), and sanitary and household papers (18%). On the other hand, Poland exported (mainly to Germany and Russia) products of the value of PLN 9.3 billion (USD 3.1 billion, € 2.3 billion). The value structure of exports of value-added paper products is dominated by household and sanitary papers, printing products, and packaging. Polish imports of paper products and printing products amounted to PLN 5.1 billion (USD 1.7 billion, € 1.3 billion) and was dominated by packaging of paper and paperboard, and household and sanitary products (imported in the first place from Germany and the Czech Republic).

4.5. (E) **Sawn softwood**

In 2010 the production of sawn softwood increased by 11% (to 3.8 M m^3 from 3.4 M m^3 in 2009, without sawn semi-products). Coniferous species amounted to 89% of total sawnwood production. Approximately 0.4 M m^3 of sawn softwood (together with sawn semi-products) was exported, and it was 22% more than in 2009. 52% of sawn softwood exports was sawn pine wood. The volume of sawn softwood imported to Poland was similar to the volume of 2009 (0.5 M m^3). The imports was also dominated by sawn pine wood (40%).

In the near future it is forecasted that the upward trend in sawn softwood manufacture will continue – to 3.9 M m^3 in 2011 (i.e. 3.5% more than in 2010), and 4 M m^3 in 2012. Both exports and imports of sawn softwood may increase at the rate of 1-2% annually in the near future.

4.6. (F) Sawn hardwood

In 2010 the production of sawn hardwood was lower by around 13 thou. m^3 in relation to the previous year and amounted to almost 0.5 M m^3 (without sawn semi-products). Sawn hardwood accounted for approximately 11% of total sawnwood production. The share of tropical species in the raw material sawn is small (it does not exceed 2%). The amount of sawn hardwood in foreign trade increased. The exports reached the level of 94 thou. m^3 (an increase by 23% in comparison to 2009). Oak (51%) was the most important species in the structure of exported sawn hardwood. Sawn hardwood imports amounted to 0.22 M m^3 (0.19 M m^3 in 2009); whilst the imports species structure was dominated by oak and beech.

It is estimated that in the near future sawn hardwood manufacture will be increasing gradually, i.e. to the level of 470 thou. m^3 in 2011, and 480 thou. m^3 in 2012. Similar changes should occur in foreign trade in sawn hardwood. According to forecasts, exports may be 95 thou. m^3 in 2011-2012, whereas imports 225 thou. m^3 and 230 thou. m^3, respectively.

4.7. (G) Wood-based panels

In 2010 the production of wood-based panels was 8.1 M m^3 and it was an amount 5% above the level from 2009. The manufacture structure was dominated by particleboards (58%, 4.7 M m^3). Fibreboards were of great importance as well (36% of manufactures wood-based panels, including dry-process fibreboards – 2.9 M m^3). The production of plywood and veneers amounted to 407 thou. m^3 and 112 thou. m^3, respectively.

In 2010 the exports of wood-based panels amounted to 2.2 M m^3. The exports of fibreboards was relatively the highest at the level of 1.4 M m^3 (50% of domestic production), including 0.6 M m^3 of dry-process fibreboards; whilst the exports of particleboards amounted to 0.5 M m^3. The exports of plywood was by 14% higher (133 thou. m^3). In 2010 Poland imported 1.7 M m^3 of wood-based panels. The biggest changes in imports were observed in the case of plywood (an increase by 34%) and particleboards (an incerase by 18%). The structure of imported wood-based panels was dominated by particleboards (around 1.2 M m^3, 67%). Fibreboards accounted for more than 22% of wood-based materials imported to Poland (369 thou. m^3), plywood for 9% (160 thou. m^3), and veneers for 2% (33 thou. m^3).

The forecasts concerning wood-based panel production assume its increase by approximately 1-2% annually in the near future. It is also estimated that by 2012 the exports of wood-based panels will be in the area of 2.1 M m^3, and the imports 1.8 M m^3.

4.8. (H) Pulp and paper

The market in wood pulp is characterised by stabilisation of the production at the level of 1.2 M tonnes in 2010 (including pulp from the other cellulosic raw materials). The assortment structure of wood pulp production was dominated by cellulose (0.8 M tonnes, 75%); whereas semi-chemical wood pulp accounted for 15%, and pulp obtained from the other cellulosic raw materials for 8%. Mechanical wood pulp is of the least importance. In 2010 its production dropped to 19 thou. tonnes. The foreign

trade in wood pulp (without pulp from the other cellulosic raw materials) recorded an incerase of 37% in exports (30 thou. tonnes). Poland imported 679 thou. tonnes of wood pulp, i.e. by 5% more than in 2009. In relation to domestic production it was 58%.

In 2010 the manufacture of paper and paperboard increased by 13% and amounted to 3.7 M tonnes. The greatest share in paper and paperboard production belonged to packaging papers (63%). The production of graphics papers was also important (24%). The exports of paper and paperboard was almost 23% higher than in the previous year (1.9 M tonnes compared to 1.6 M tonnes in 2009). That increase was caused mainly by the growth in exports of packaging paper (by 34%). The exports of graphics paper increased by 4% in comparison to the previous year. The structure of exported products was similar to the structure of domestic production, i.e. it was dominated by packaging paper and graphics paper. The imports of paper and paperboard amounted to 3.1 M tonnes (a growth by 12% in relation to 2009), and it mainly consisted of graphics paper and packaging paper.

Despite the global economic crisis, the specificity of the market in wood pulp and paper and paperboard allows an assumption that current trends will continue in the near future (the manufacture of wood pulp should remain at the level of 1.2 M tonnes, and paper and paperboard production may grow to 3.9 M tonnes in 2012). The trends in foreign trade also should be similar to previous ones, i.e. in the case of wood pulp its imports should increase, and in the case of paper and paperboard both its exports and imports should grow.

4.9. (I) **Carbon markets in the forest sector**

In Poland the power sector plays an important role in the process of reduction of greenhouse gases emission. The priority lines of Poland's energy policy take into consideration improvement of energy efficiency, development of competitive energy markets, and diversification of energy generation sources. Especially important are legal regulations concerning this area. Hence, the "National Action Plan on energy from renewable sources" (December 2010) was drawn up, the "Act on forests" (December 2010) and the "Act on environmental protection" (December 2010) were changed, and the "Energy Act" (March 2010) as well as the "Act on energy efficiency" (April 2011) were amended. The Ministry of Economy prepared a draft of the "Programme of Polish nuclear power engineering". In 2011 the government adopted assumptions to the "National Programme of Low-emission Economy Development". The Programme is to be an executive instrument facilitating fulfilment of Poland's commitments concerning reductions defined in the Kyoto Protocol and in the EU climate and energy package. The implementation of the Programme will facilitate adaptation of the Polish economy to the requirements of low-emission economy and development of proper social attitudes in this area.

A draft of an application to the European Commission for so-called derogations, i.e. for allocation to the Polish power generators of free allowances for CO_2 emission in the period 2013-2019, is being prepared. This application includes Polish expectations in this area as regards companies whose installations fulfil defined requirements. In 2010 professional power plants covered by the emission allowances trade system discharged 117.3 M tonnes of CO_2. Out of 405.5 M of free allowances for

CO_2 emission proposed in the application, 90.7 M is to be allocated mainly to new installations operating since 2009. It is assumed that the number of free allowances for power generators will be slowly decreased to 77.9 M tonnes of CO_2 in 2013, 60.2 M tonnes of CO_2 in 2016, and 32.3 M tonnes of CO_2 in 2019. The smallest number of free allowances for CO_2 emission will be allocated to new electric power plants planned to be built in the period 2016-2018. It is forecasted that in 2020 Polish power industry will not use free allowances for emission any more.

Subject: Country market statements for Timber Committee Market Discussions

Table 1

Economic indicators

Indicator	1995	2000	2005	2007	2008	2009	
	% change on previous year						
Gross Domestic Product	107.0	104.3	103.6	106.8	105.1	101.6	103.8
Sold production of industry	109.7	106.7	103.7	110.7	103.6	95.5	109.7
Construction and assembly production	108.1	101.4	108.0	115.5	112.1	105.1	103.3
Dwellings completed	88.2	107.1	105.5	115.9	123.6	96.9	84.9
Dwellings under construction	105.5	105.7	98.7	108.2	101.4	97.5	103.3
Average paid employment							
- total	102.8	97.1	101.7	104.7	105.0	99.2	100.7
- in the enterprises sector	101.0	96.7	101.9	104.7	104.8	98.8	100.8
Registered unemployment rate (*at the end of the year*)[1]	14.9	15.1	17.6	11.2	9.5	12.1	12.3
Average monthly gross real wages and salaries							
- total	102.8	101.0	101.8	105.5	105.9	102.0	101.5
- in the enterprises sector	103.2	101.3	101.2	106.8	106.1	101.1	100.8
Price indices of consumer goods and services (*inflation*)	127.8	110.1	102.1	102.5	104.2	103.5	102.6
Investment outlays	117.1	101.4	107.7	120.4	110.7	99.2	99.8
Trade							
millions of PLN, current prices							
Exports	55515.1	137908.7	288780.8	386555.6	405383.1	423485.4	481058.2
Imports	70502.3	213071.8	328192.0	456828.4	497028.3	463382.6	436220.6
Balance of trade	-14987.2	-75163.1	-39411.2	-70272.8	-91645.2	-39897.2	-55162.4
millions of USD, current prices							
Exports	22894.9	31651.3	89378.1	138785.0	171859.9	136720.3	159757.6
Imports	29049.7	48940.2	101538.8	164172.5	210478.5	149569.8	178062.9
Balance of trade	-6154.8	-17288.9	-12160.7	-25387.5	-38618.6	-12849.5	-18305.3
millions of EUR, current prices							
Exports	-	34373.4	71423.5	101838.7	116243.8	98274.5	120373.1
Imports	-	53084.8	81169.7	120389.5	142447.9	107528.9	134188.4
Balance of trade	-	-18711.2	-9746.2	-18550.8	-26204.1	-9254.4	-13815.3

[1] as a ratio of registered unemployed persons to the economically active civil population