

Balance of payments current account improves

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GUS, NBP: In July the balance on the current account was negative at EUR-565 million against EUR-972 million in July last year, which represented an improvement by EUR407 million.

The current account deficit narrowed mainly due to an improvement of the merchandise trade balance. In July the balance of merchandise trade was negative and amounted to EUR-551 million, against EUR-1,606 million a year before. Receipts from merchandise exports decreased by 23.9% to EUR8,209 million, and payments for imports decreased by 29.3% to EUR8,760 million. The balance of services was positive in July at EUR372 million, against EUR368 million a year before. Receipts from service exports decreased year on year by 16.0% to EUR2,016 million. Payments for service imports decreased by 19.1% to EUR1,644 million. The balance of services was influenced by a positive balance on transport services (EUR307 million), a positive balance on foreign travel (EUR90 million) and a negative balance on other services (EUR-25 million). In July the income balance was at EUR-661 million, against EUR-779 million a year before, with receipts at EUR530 million (down by 30.4% year on year) and expenditure at EUR1,191 million (down by 22.7%). The balance of current transfers was positive in July at EUR275 million against EUR1.045 million a year before. Incomes decreased by 46.1% compared with July last year to EUR757 million while expenditures rose by 34.3% to EUR482 million. (GUS, "Report on the Country's Socio-Economic Situation, September 2009," p. 46-47; www.stat.gov.pl).

Thanks to a faster drop in imports than in exports, the ratio of current account deficit to GDP has been decreasing. The Ministry of Finance projected in September that the ratio will drop from 5.4% in 2008 to 0.7% in 2009 and 2.1% in 2010.