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International

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S&P revises Poland's Credit Rating Outlook to Positive

- On 6th February 2015, Poland had its credit rating outlook raised to positive from stable by Standard and Poor's. Moreover, the agency affirmed the 'A-/A-2' long- and short-term foreign currency and 'A/A-1' long- and short-term local currency sovereign credit ratings.
- The outlook revision reflects S&P's expectation that income levels in Poland will rise consistently on the back of broad-based and balanced economic growth, thereby improving the economy's resilience and capacity to bear debt.
- Poland's pace of economic growth last year almost doubled from 2013 to 3.3 % as consumers increased spending and companies boosted investment, helping the country narrow its budget deficit.
- The country's growth prospects remain strong, and it is anticipated that its external imbalances will remain steady and financed predominantly by FDI and EU funds. Poland benefits from some important buffers that should help keep external borrowing costs down.
- Poland has been impacted by the escalating conflict in neighboring Ukraine, which affected the country through counter-sanctions imposed by Russia.
- Poland is rated A2 (Stable) by Moody and A- (Stable) by Fitch.

Selected Indicators	2013	2014e	2015f	2016f
Real GDP growth (%)	1.7	3.3	3.0	3.3
General government balance/GDP (%)	-5.3	-3.4	-3.0	-2.9
General government debt/GDP (%)	55.7	48.6	49.2	49.4
Net general government debt/GDP (%)	53.2	46.1	46.9	47.2
General government interest expenditure/revenues (%)	6.7	6.3	5.2	5.1
CPI growth (%)	0.8	0.1	0.5	2.0
Current account balance/CARs (%)	-2.6	-3.8	-5.3	-5.6

Source: Standard & Poor's



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