

INFORMATION ON FOREIGN DIRECT INVESTMENT IN POLAND IN 2006

Information concerning foreign direct investment in Poland is based on data reported by direct investment enterprises, i.e. legal entities, where direct investor owns 10% or more of capital share, and the capital exceeds PLN 100 000.00 .

1. Inflow of foreign direct investment to Poland in 2006

In 2006 inflow of foreign direct investment to Poland amounted to EUR 15 061 million, up by 81.9%, when compared with EUR 8 280 million in 2005.

Table 1

Inflow of foreign direct investment to Poland in years 2004 – 2006

EUR million

Year	Equity capital	Reinvested earnings	Other capital	Total
2004	5 841	5 085	- 943	9 983
of which:				
real estate	0	0	0	0
capital in transit	0	0	0	0
2005	3 555	2 709	2 016	8 280
of which:				
real estate	336	0	0	336
capital in transit	1 218	0	0	1 218
2006	5 632	4 358	5 071	15 061
of which:				
real estate	910	0	0	910
capital in transit	2 928	186	0	3 114

In the last two years, and especially in 2006, a phenomenon called “capital in transit” was recorded. It is a direct investment from abroad in a company seated in Poland, which reinvests the capital abroad. Capital which was “in transit” through Poland in 2006 amounts to EUR 3 114 million, i.e. 20.7% of the inflow (respectively in 2005, it was EUR 1 218 million, i.e. 14.7% of the inflow). As from 2006, buying and selling of real estate has also been included in the inflow.

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The amount of EUR 15 061 million comprises: ownership capital expenditure of direct investment enterprises EUR 5 631 million, reinvested earnings amounting to EUR 4 359 million, and the positive balance of inter-company loans standing at EUR 5 071 million.

In 2006 direct investment flows amounted to EUR 15 061 million of which EUR 13 242, i.e. 87.9% were from the European Union countries, the rest – EUR 1 819 million from other countries. The largest amounts came from Luxemburg (EUR 3 573 million), Germany (EUR 2707 million), Italy (EUR 1 353 million), Netherlands (EUR 1 303 million), United Kingdom (EUR 1 170 million) and Spain (EUR 1 125 million).

The greatest amount of direct investment inflow in 2006 (total EUR 15 061 million) was invested in real estate and other business activities (EUR 4 900 million), manufacturing (EUR 3 568 million), trade and repairs (EUR 2 145 million), financial intermediation (EUR 1 667 million), and buying and selling of real estate by non-residents (EUR 0.910 million).

2. Foreign direct investment in Poland: Position

Net liabilities to direct investors at the end of 2006 amounted to EUR 94 472 million (versus EUR 76 538 million at the end of 2005).

Table 2

Foreign direct investment in Poland: Position at the end of years 2004 – 2006

EUR million

Year	Equity capital and reinvested earnings	Other capital	Total
2004	50 596	12 629	63 225
of which:			
real estate	0	0	0
capital in transit	0	0	0
2005	61 626	14 912	76 538
of which:			
real estate	512	0	512
capital in transit	1 554	0	1 554
2006	74 275	20 197	94 472
of which:			
real estate	1 442	0	1 442
capital in transit	4 563	0	4 563

Net liabilities stood at EUR 94 472 million, of which :

- EUR 74 275 million (78,6%) was the direct investors share in equity capital and reinvested earnings of the direct investment enterprises,
- EUR 20 197 million (21,4%) comprised liabilities from loans from direct investors diminished by claims on loans to direct investors.

Majority of the net liabilities is towards investors from the OECD countries (95.9%), share of European Union countries is 85%. Largest liabilities are to investors from Netherlands (EUR 18 836 million), Germany (EUR 15 508 million), France (EUR 10 822 million), Luxemburg (EUR 7 422 million) and the United States (EUR 6 889 million).

Net liabilities to foreign direct investors broken down by economic activity are: manufacturing – EUR 32 055 million, financial intermediation – EUR 17 847 million, trade and repairs – EUR 16 481 million and real estate and other business activities – EUR 12 957 million.

3. Direct investment income

Direct investment income in 2006 amounted to EUR 10 355 million, versus EUR 7 460 million in 2005.

The abovementioned direct investment income in the amount of EUR 10 355 million comprises dividends EUR 9 568 million, reinvested earnings EUR 4 358 million and income on debt EUR 0.787 million.

Table 3

Direct investment income in years 2004 – 2006

EUR million

Year	Income on equity			Income on debt interest	Total
	Dividends	Reinvested profits	Total		
2004	2 073	5 085	7 158	514	7 672
2005	4 169	2 709	6 878	582	7 460
2006	5 210	4 358	9 568	787	10 355

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It is worth mentioning that in 2006 income on direct investment was up by EUR 2 895 million, i.e. 38.8%, when compared to the previous year. The share of European Union countries in the total amount of direct investment income (i.e. EUR 10 355) was 85.9%, i.e. EUR 8 890 million.

The biggest direct investment income has been reported in manufacturing (EUR 4 272 million), financial intermediation (EUR 2 211 million), trade and repairs (EUR 1 459 million) and in real estate and other business activities (EUR 1 208 million).

The amount of direct investment income transferred abroad was EUR 5 997 million (dividends – EUR 5 210 million and income on debt interest – EUR 0.787 million), up by EUR 1 246 million, i.e. 26.2% when compared to the previous year.