

DIRECT INVESTMENT FLOWS IN POLAND IN 2007

Preliminary information concerning the inflow of foreign direct investment (FDI) to Poland in 2007 is primarily based on data reported by banks, accompanied by data provided by companies and on the National Bank of Poland's own estimations.

In 2007 the value of foreign direct investment inflow to Poland amounted to EUR 12 834 million, down by EUR 2 227 million, i.e. 14.8%, when compared with EUR 15 061 million in 2006.¹ Table below outlines the structure of FDI flows in 2006 – 2007.

**Inflow of foreign direct investment to Poland
in 2006 – 2007 (EUR million)**

Year	Components of FDI inflow			Total
	Shares/equity capital	Reinvested earnings	Other capital	
2006	5 632	4 358	5 071	15 061
2007	3 859	5 330	3 645	12 834

The amount of EUR 12 834 million comprises: ownership capital expenditure of direct investment enterprises (EUR 3 859 million), reinvested earnings in the amount of EUR 5 330 million, and the positive balance of inter-company loans at EUR 3 645 million. Reinvested earnings, with a 41.5% share in FDI flows were the main component of FDI in 2007.

¹ In 2006, a phenomenon called “capital in transit” was recorded. Such transactions amounted to EUR 3 114 million, i.e. 20.7% of the direct investment inflow.

Reinvested earnings amounted to EUR 5 330 million and were higher by 22.3%, when compared with 2006.

In 2007, capital for the purchase of shares in direct investment enterprises amounted to EUR 3 859 million and was lower by EUR 1 773 million, when compared with 2006 (i.e. down by 31.5%). The parallel situation occurred in inter-company loans, where its positive balance stood at EUR 3 645 million and was lower by EUR 1 426 million (i.e. down by 28.1%).

The greatest amount of direct investment inflow in 2007 (total EUR 12 834 million) was invested in manufacturing (20%), real estate and other business activities (19.8%), financial intermediation (15.3%) as well as trade and repairs (11.9%).

It is estimated that in 2007 85.3% of direct investment flows were from European Union countries, mainly from France, Germany, Austria, Italy and Sweden. The most significant investment from outside the European Union came from residents of United States of America, Netherlands Antilles, Republic of Korea (South Korea) and Japan.