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PANORAMA POLAND INSOLVENCIES

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Poland is a headline example of the country that didn't record recession in recent years. However, in micro terms companies insolvencies have been on rise since 2008 and 883 bankruptcies in 2013 is even the highest result in 9 years history. The decreased internal demand caused less contribution to the country's GDP growth and it was directly perceived by Polish companies. This year brought better outlook with the slow recovery of Eurozone which is the main trading

partner of Poland and improved labour market data which should lead to a momentum for private consumption. The constraint came from a stagnation in Russia which was 5th largest receiver of Polish exports triggered then by the Russia-Ukraine conflict and trade disruptions. On the internal side, Polish households have started to increase their consumption modestly, focusing more on daily necessities than durable goods. It proves they are not convinced of the long-term improvement of their financial situation.

Against the backdrop above, has the rising trend of companies insolvencies been stopped? Have companies suffered from a modest improvement of internal demand and will they be harmed by uncertainties on the external side: the stagnation of Russian economy and introduced embargo as well as Eurozone's disappointing recovery? And last but not least, what is the outlook for insolvencies in Poland in the near future?