

## Public debt 4Q2012

### Quarterly newsletter

1. At the end of the fourth quarter of 2012 consolidated **public debt (according to domestic methodology)** stood at **PLN 840,473.9 million** (public debt to GDP ratio amounted to 52.7% compared with 53.5% at the end of 2011). Compared with the third quarter of 2012 debt increased by PLN 4,960.1 million (0.6%). From the end of 2011 public debt increased by PLN 25,131.2 million (3.1%).\*

2. Change of public debt in the fourth quarter of 2012 resulted mainly from change of local government units debt (increase by PLN 2,942.3 million - 4.8%). Increase of public debt in 2012 was mainly the result of change in State Treasury debt (increase after consolidation by PLN 21,623.9 million - 2.9%).

3. At the end of the fourth quarter of 2012 unconsolidated public debt stood at PLN 889,661.6 million. Compared with the third quarter of 2012 debt increased by PLN 8,547.7 million (1.0%).

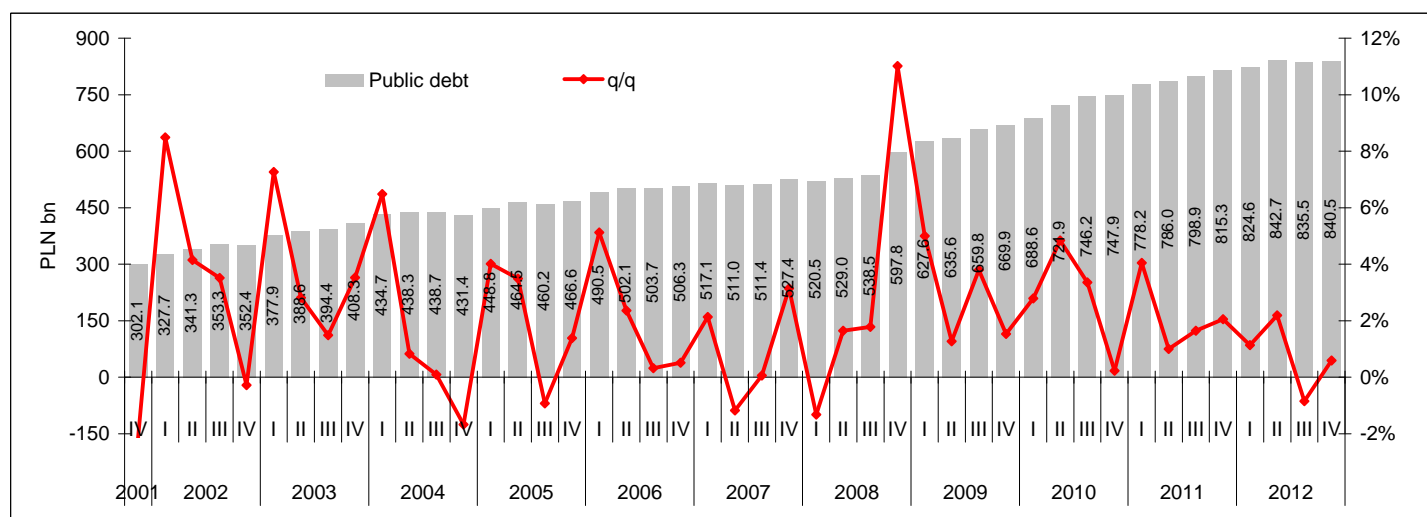
4. At the end of the fourth quarter **general government debt** (EDP debt, part of the government finance Maastricht criterion) was at **PLN 886,778.7 million** (EDP debt to GDP ratio amounted to 55.6% compared with 56.4% at the end of 2011). Compared with the third quarter of 2012 EDP debt increased by PLN 3,044.8 million (0.3%). From the end of 2011 EDP debt increased by PLN 27,702.3 million (3.2%).

5. Similarly to public debt measured according to domestic methodology, the changes in EDP debt in 2012 were mainly influenced by changes in State Treasury debt.

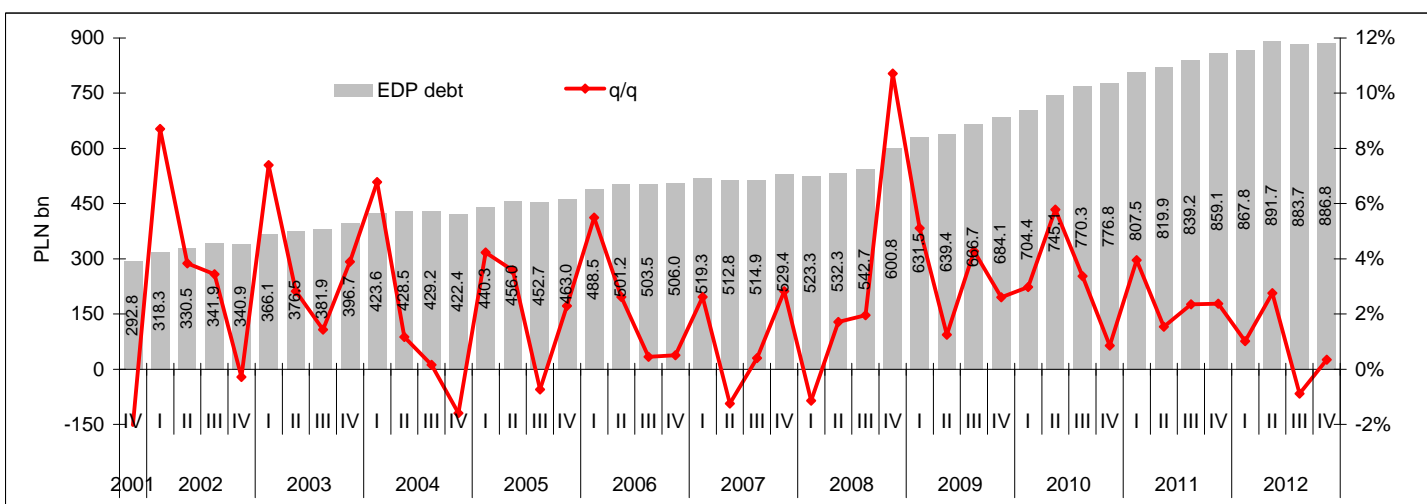
6. Table 1 presents the differences between public debt according to domestic methodology and general government debt.

\* Data regarding the fourth quarter of 2012 is preliminary. Data regarding previous periods were updated if necessary.

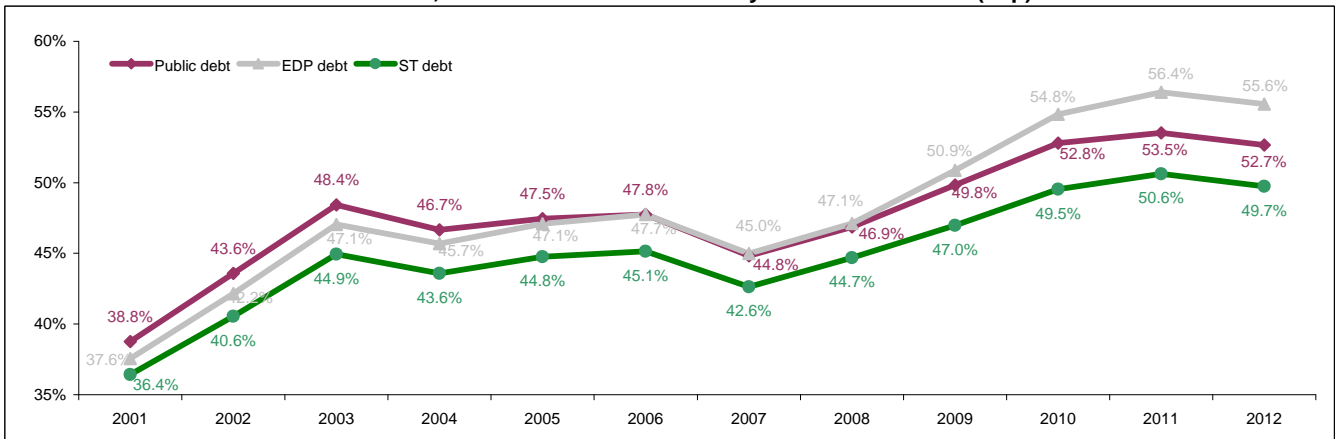
### Public debt



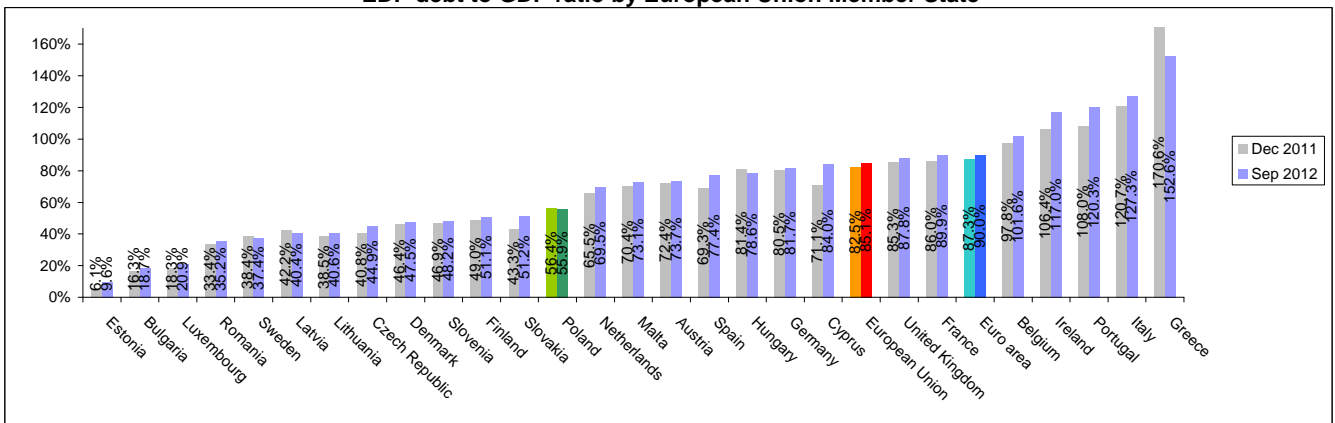
### EDP debt



### Public debt, EDP debt and State Treasury debt to GDP ratios (eop)

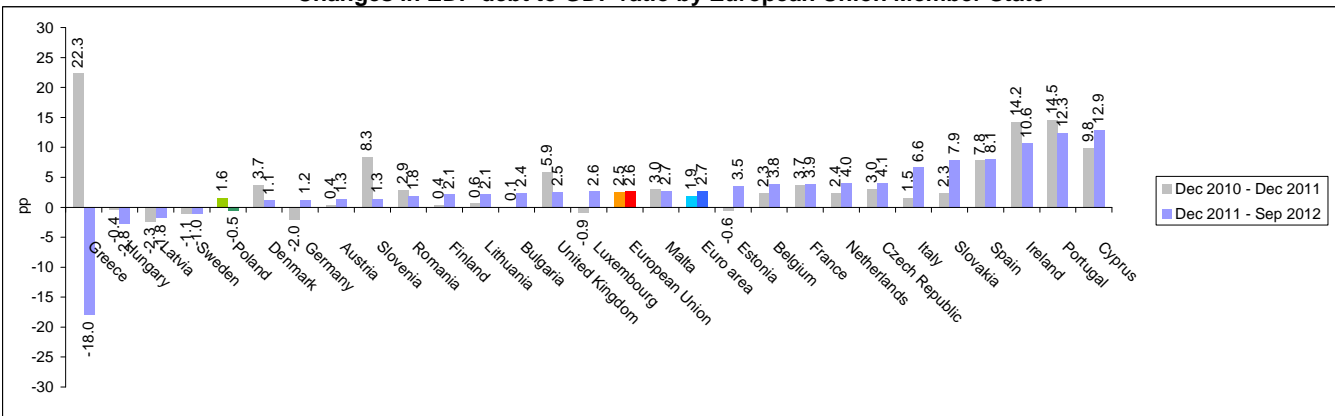


### EDP debt to GDP ratio by European Union Member State



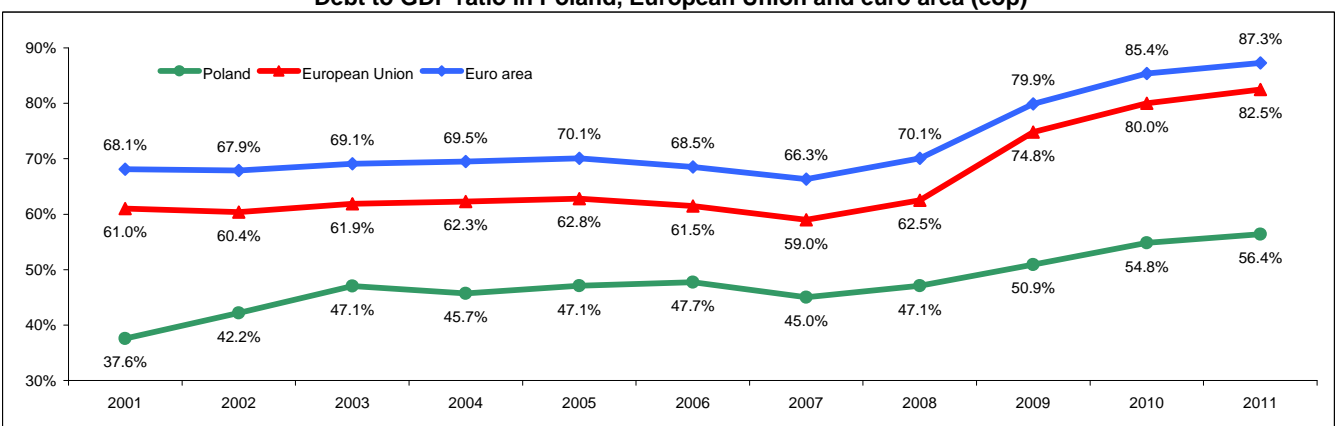
Source: Eurostat - [http://epp.eurostat.ec.europa.eu/portal/page/portal/statistics/search\\_database](http://epp.eurostat.ec.europa.eu/portal/page/portal/statistics/search_database)

### Changes in EDP debt to GDP ratio by European Union Member State



Source: Eurostat - [http://epp.eurostat.ec.europa.eu/portal/page/portal/statistics/search\\_database](http://epp.eurostat.ec.europa.eu/portal/page/portal/statistics/search_database)

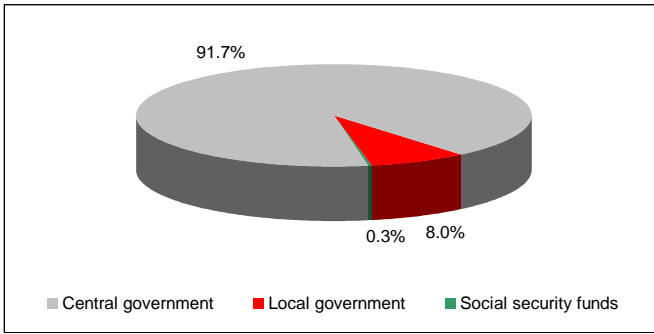
### Debt to GDP ratio in Poland, European Union and euro area (eop)



Source: Eurostat - [http://epp.eurostat.ec.europa.eu/portal/page/portal/statistics/search\\_database](http://epp.eurostat.ec.europa.eu/portal/page/portal/statistics/search_database)

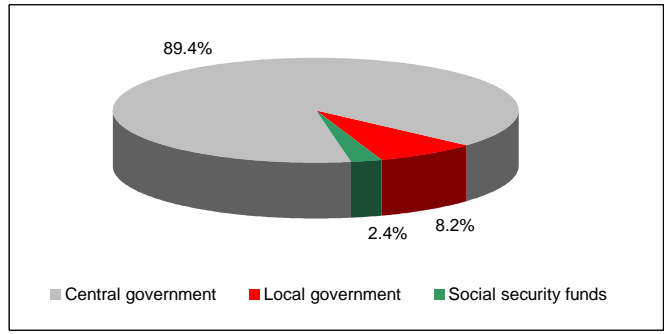
**Public debt by sub-sector:**

**consolidated**



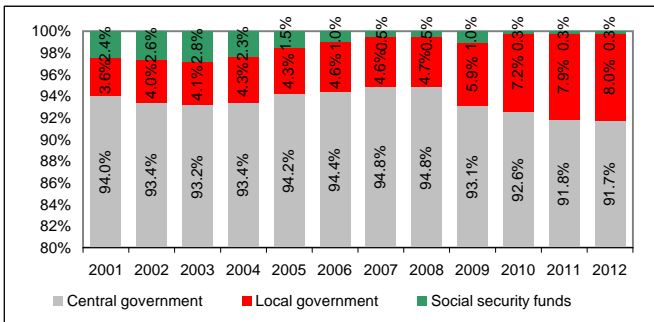
The central government is by far the most important debt issuer, representing 91.7% of public debt, of which 91.5% represents State Treasury debt. The local government sub-sector contribution was 8.0% of the total debt, of which 7.6% represents debt of local government units and their unions.

**unconsolidated**



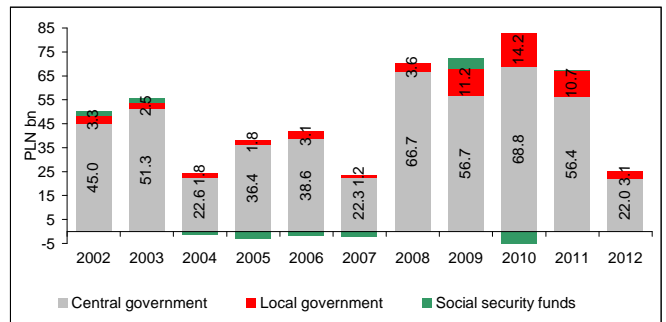
The central government and State Treasury made up 89.4% and 89.2% of the total unconsolidated public debt respectively. Unconsolidated social security funds debt includes loans granted by State Treasury (PLN 18.9 bn at the end of the fourth quarter of 2012), hence larger contribution of SSF to unconsolidated public debt.

**Consolidated public debt structure by sub-sector**



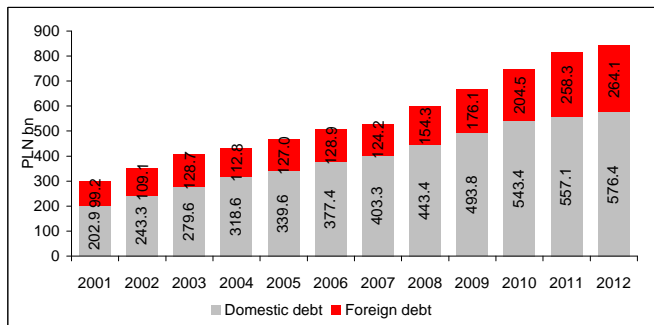
Social security funds debt plays a minor role in the general government debt with its contribution of 0.3% of the total debt, compared to 2.4% at the end of 2001. At the same time the ratio of local government debt to total debt increased in the last four years by 3.3 pp.

**Changes in consolidated public debt by sub-sector**

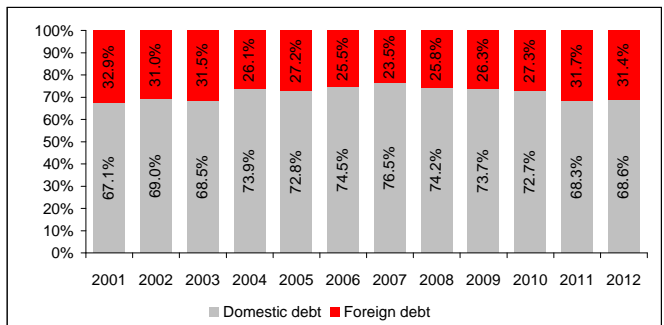


Changes in public debt by sub-sector since the beginning of 2012 was the result of:  
 - central government debt increase by PLN 22.0 bn (2.9%),  
 - local government debt increase by PLN 3.1 bn (4.9%),  
 - social security funds debt decrease by PLN 0.02 bn (0.9%).

**Public debt according to the place of issue criterion**

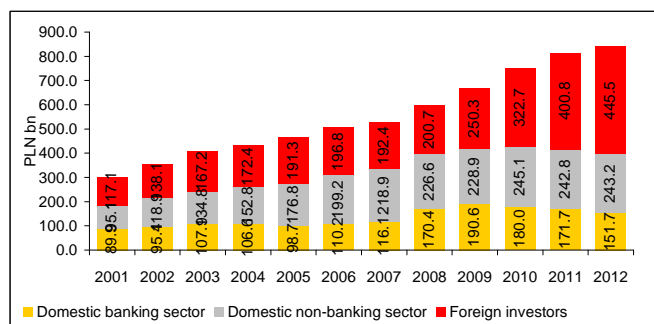


At the end of the fourth quarter of 2012 domestic debt stood at PLN 576.4 bn, up by PLN 19.4 bn (3.5%) compared with the end of 2011. Foreign debt stood at PLN 264.1 bn, up by PLN 5.8 bn (2.2%).



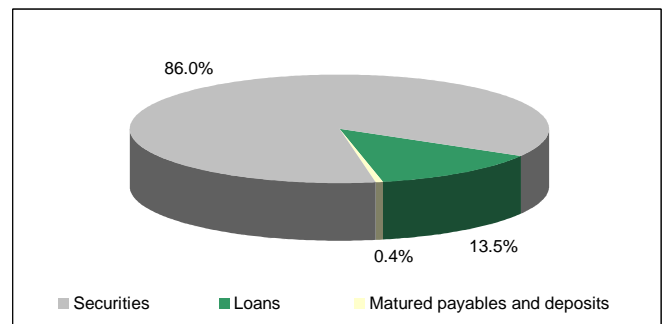
The share of foreign debt in the total public debt accounted for 31.4% at the end of the fourth quarter of 2012, down compared with 31.7% at the end of 2011.

**Public debt by holder**



At the end of the fourth quarter of 2012 the share of non-residents in public debt accounted for 53.0% (PLN 445.5 bn), up compared with 49.2% (PLN 400.8 bn) at the end of 2011.

**Public debt by instrument**



At the end of the fourth quarter of 2012 securities were the most important category of debt instruments accounting for 86.0% of the total debt, up by 0.01 pp compared with the end of 2011.

**Table 1. Differences between public debt (according to domestic methodology) and general government debt (PLN m)**

ITEM	XII 2006	XII 2007	XII 2008	XII 2009	XII 2010	XII 2011	III 2012	VI 2012	IX 2012	XII 2012
<b>Public debt</b>	<b>506,263.5</b>	<b>527,441.8</b>	<b>597,764.4</b>	<b>669,876.4</b>	<b>747,898.8</b>	<b>815,342.6</b>	<b>824,578.9</b>	<b>842,660.1</b>	<b>835,513.8</b>	<b>840,473.9</b>
<i>1) Adjustments concerning the scope of the sector</i>	<i>4,435.4</i>	<i>6,438.7</i>	<i>8,121.8</i>	<i>18,571.9</i>	<i>32,771.5</i>	<i>47,228.2</i>	<i>46,853.6</i>	<i>52,781.5</i>	<i>52,092.0</i>	<i>49,912.9</i>
Debt of National Road Fund	3,722.1	4,857.4	5,923.1	15,703.2	24,798.1	36,412.7	35,779.8	41,653.2	41,270.6	41,197.4
T-Securities held by funds managed by Bank Gospodarstwa Krajowego	0.0	0.0	0.0	-1,276.2	-232.9	-364.5	-343.2	-547.1	-878.1	-3,038.9
National Road Fund (aquisition of infrastructure assets)*	886.8	1,771.7	2,396.0	4,292.8	8,197.4	11,076.3	11,302.3	11,555.7	11,572.5	11,571.9
Research & development units**	-173.5	-190.3	-213.1	-156.2	-	-	-	-	-	-
Public corporations included in general government sector	-	-	15.8	8.3	8.9	103.7	114.7	119.6	127.1	182.4
<i>2) Differences concerning debt instruments</i>	<i>-4,662.7</i>	<i>-4,510.7</i>	<i>-5,041.2</i>	<i>-4,366.7</i>	<i>-3,845.2</i>	<i>-3,494.4</i>	<i>-3,632.0</i>	<i>-3,764.8</i>	<i>-3,872.0</i>	<i>-3,608.1</i>
matured payables	-4,709.7	-4,570.3	-5,069.9	-4,688.6	-3,860.1	-3,504.2	-3,641.2	-3,770.9	-3,877.9	-3,611.0
debt assumption - activation of a guarantee	47.1	59.6	28.7	21.8	14.9	9.8	9.2	6.1	5.9	2.9
up-front payments on off-market swaps	0.0	0.0	0.0	300.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>General government debt</b>	<b>506,036.3</b>	<b>529,369.8</b>	<b>600,845.0</b>	<b>684,081.6</b>	<b>776,825.1</b>	<b>859,076.4</b>	<b>867,800.5</b>	<b>891,676.8</b>	<b>883,733.9</b>	<b>886,778.7</b>

\* in compliance with Eurostat guidelines on sector classification of some motorway projects, general government debt figures include capital expenditures of the projects in question

\*\* according to the Public Finance Act of August 27th 2009 (Journal of Law 09.157.1240 dated September 24th 2009) from Jan 1st 2010 Research and Development Units are not included in the public finance sector.

**Table 2. Public debt - before consolidation (m PLN, at nominal value, eop)**

ITEM	XII 2011	structure	IX 2012	structure	XII 2012	structure	change		change	
		XII 2011		IX 2012		XII 2012	XII 2012 - IX 2012	XII 2012 - XII 2011	m PLN	%
<b>Public debt</b>	<b>861,243.3</b>	<b>100.0%</b>	<b>881,113.9</b>	<b>100.0%</b>	<b>889,661.6</b>	<b>100.0%</b>	<b>8,547.7</b>	<b>1.0%</b>	<b>28,418.2</b>	<b>3.3%</b>
<b>1. Central government sector debt</b>	<b>772,638.9</b>	<b>89.7%</b>	<b>793,514.9</b>	<b>90.1%</b>	<b>795,706.2</b>	<b>89.4%</b>	<b>2,191.2</b>	<b>0.3%</b>	<b>23,067.3</b>	<b>3.0%</b>
1.1. State Treasury	771,127.5	89.5%	791,718.2	89.9%	793,853.1	89.2%	2,134.9	0.3%	22,725.6	2.9%
1.2. Earmarked State funds	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	-	0.0	-
1.3. State institutions of higher education	351.2	0.0%	435.5	0.0%	518.4	0.1%	82.9	19.0%	167.2	47.6%
1.4. Independent public health units	1,122.2	0.1%	1,319.1	0.1%	1,298.2	0.1%	-20.9	-1.6%	176.0	15.7%
1.5. State institutions of culture	23.4	0.0%	25.3	0.0%	16.8	0.0%	-8.4	-33.4%	-6.6	-28.2%
1.6. Polish Academy of Science and units established by it	9.4	0.0%	4.3	0.0%	8.0	0.0%	3.7	86.4%	-1.4	-15.1%
1.7. Other central government legal entities established under separate acts for public tasks execution, with the exception of enterprises, banks and companies organized under commercial law	5.1	0.0%	12.6	0.0%	11.7	0.0%	-0.9	-7.3%	6.6	127.2%
<b>2. Local government sector debt</b>	<b>70,447.9</b>	<b>8.2%</b>	<b>70,144.1</b>	<b>8.0%</b>	<b>72,818.8</b>	<b>8.2%</b>	<b>2,674.7</b>	<b>3.8%</b>	<b>2,370.9</b>	<b>3.4%</b>
2.1. Local government units	66,105.6	7.7%	65,138.0	7.4%	68,203.9	7.7%	3,065.9	4.7%	2,098.2	3.2%
2.2. Independent public health units	4,119.1	0.5%	4,787.2	0.5%	4,401.8	0.5%	-385.4	-8.1%	282.7	6.9%
2.3. Local institutions of culture	109.7	0.0%	107.2	0.0%	99.5	0.0%	-7.7	-7.2%	-10.2	-9.3%
2.4. Other local government legal entities established under separate acts for public tasks execution, with the exception of enterprises, banks and companies organized under commercial law	113.4	0.0%	111.7	0.0%	113.6	0.0%	2.0	1.8%	0.2	0.2%
<b>3. Social Security Sector debt</b>	<b>18,156.6</b>	<b>2.1%</b>	<b>17,454.8</b>	<b>2.0%</b>	<b>21,136.6</b>	<b>2.4%</b>	<b>3,681.8</b>	<b>21.1%</b>	<b>2,980.0</b>	<b>16.4%</b>
3.1. Social Insurance Institution	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	-100.0%	0.0	-100.0%
3.2. Funds managed by Social Insurance Institution	18,156.6	2.1%	17,454.8	2.0%	21,136.6	2.4%	3,681.8	21.1%	2,980.0	16.4%
3.3. Agricultural Social Insurance Fund	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	-	0.0	-
3.4. National Health Fund	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	-	0.0	-

**Table 3. Public debt - after consolidation (m PLN, at nominal value, eop)**

ITEM	XII 2011	structure	IX 2012	structure	XII 2012	structure	change		change	
		XII 2011		IX 2012		XII 2012	XII 2012 - IX 2012	XII 2012 - XII 2011	m PLN	%
<b>Public debt</b>	<b>815,342.6</b>	<b>100.0%</b>	<b>835,513.8</b>	<b>100.0%</b>	<b>840,473.9</b>	<b>100.0%</b>	<b>4,960.1</b>	<b>0.6%</b>	<b>25,131.2</b>	<b>3.1%</b>
<b>1. Central government sector debt</b>	<b>748,805.9</b>	<b>91.8%</b>	<b>769,270.7</b>	<b>92.1%</b>	<b>770,821.3</b>	<b>91.7%</b>	<b>1,550.5</b>	<b>0.2%</b>	<b>22,015.4</b>	<b>2.9%</b>
1.1. State Treasury	747,504.3	91.7%	767,744.8	91.9%	769,128.2	91.5%	1,383.4	0.2%	21,623.9	2.9%
1.2. Earmarked State funds	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	-	0.0	-
1.3. State institutions of higher education	332.4	0.0%	411.5	0.0%	485.6	0.1%	74.1	18.0%	153.2	46.1%
1.4. Independent public health units	951.1	0.1%	1,092.6	0.1%	1,191.7	0.1%	99.1	9.1%	240.6	25.3%
1.5. State institutions of culture	7.8	0.0%	8.6	0.0%	3.1	0.0%	-5.5	-63.7%	-4.7	-59.8%
1.6. Polish Academy of Science and units established by it	6.0	0.0%	2.1	0.0%	4.7	0.0%	2.6	126.5%	-1.3	-21.0%
1.7. Other central government legal entities established under separate acts for public tasks execution, with the exception of enterprises, banks and companies organized under commercial law	4.3	0.0%	11.1	0.0%	7.9	0.0%	-3.2	-28.6%	3.6	83.4%
<b>2. Local government sector debt</b>	<b>64,257.7</b>	<b>7.9%</b>	<b>64,665.8</b>	<b>7.7%</b>	<b>67,393.6</b>	<b>8.0%</b>	<b>2,727.7</b>	<b>4.2%</b>	<b>3,135.8</b>	<b>4.9%</b>
2.1. Local government units	61,186.6	7.5%	61,082.5	7.3%	64,024.8	7.6%	2,942.3	4.8%	2,838.2	4.6%
2.2. Independent public health units	2,999.8	0.4%	3,513.5	0.4%	3,304.8	0.4%	-208.7	-5.9%	304.9	10.2%
2.3. Local institutions of culture	63.2	0.0%	63.5	0.0%	58.1	0.0%	-5.5	-8.6%	-5.1	-8.0%
2.4. Other local government legal entities established under separate acts for public tasks execution, with the exception of enterprises, banks and companies organized under commercial law	8.2	0.0%	6.3	0.0%	5.9	0.0%	-0.4	-6.5%	-2.3	-27.7%
<b>3. Social Security Sector debt</b>	<b>2,279.1</b>	<b>0.3%</b>	<b>1,577.3</b>	<b>0.2%</b>	<b>2,259.1</b>	<b>0.3%</b>	<b>681.8</b>	<b>43.2%</b>	<b>-20.0</b>	<b>-0.9%</b>
3.1. Social Insurance Institution	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	-100.0%	0.0	-100.0%
3.2. Funds managed by Social Insurance Institution	2,279.1	0.3%	1,577.3	0.2%	2,259.1	0.3%	681.8	43.2%	-20.0	-0.9%
3.3. Agricultural Social Insurance Fund	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	-	0.0	-
3.4. National Health Fund	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	-	0.0	-