

Poland's GDP Growth to Suffer for EU Sanctions on Russia

By The Moscow Times

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Poland's Prime Minister Donald Tusk and Deputy Prime Minister Janusz Piechocinski listen to Interior Minister Bartlomiej Sienkiewicz (L-R) at parliament in Warsaw, Poland.

WARSAW – Fallout from tit-for-tat sanctions between the European Union and Russia will shave 0.6 percentage points off Poland's economic growth this year, Deputy Prime Minister Janusz Piechocinski was quoted as saying on Friday.

Asked by the Rzeczpospolita newspaper what EU sanctions imposed on Russia would cost the Polish economy, Piechocinski replied: "0.6 percent of GDP by the end of the year."

On Wednesday, Russia announced a ban on most fruit and vegetable imports from Poland, which it said it could extend to the entire EU. Warsaw called the move retaliation by the Kremlin for new sanctions imposed a day earlier by the West on Russia over its role in the Ukraine crisis.

"Currently, our exports to Russia have fallen by 7 percent, and by 26-29 percent to Ukraine," Piechocinski said. "The second half of the year will see these declining trends reinforced."

Poland's Central Bank expects the economy, the largest in Central and Eastern Europe, to expand by 3.6 percent in 2014.

Polish exports to Russia reached 8.1 billion euros (\$10.8 billion) in 2013, including 316 million euros (\$423 million) of the fruit and vegetables affected by the Russian ban.

According to European Commission figures, the EU sold Russia 1.2 billion euros (\$1.6 billion) of fruit and 886 million euros (\$1.2 billion) of vegetables in 2011, accounting for more than a fifth of its exports in those categories.

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