**Moody’s rating agency affirmed Poland’s credit rating at unchanged level**

**Moody’s rating agency affirmed credit rating of Poland. Rating is one notch higher than Fitch’s rating and two notches higher than S&P’s rating from January this year.**

On 14 May 2016 rating agency Moody’s Investors Service announced a decision about keeping Poland’s credit rating unchanged at the level of A2/P-1 for long and short term liabilities respectively in local and foreign currency. Rating outlook has been changed from stable to negative.

Moody’s rating agency in its press release justifying the decision indicates strong, diversified economy, which is growing fast despite external headwinds and euro area crisis. Poland’s real GDP growth in 2011-2015 amounted to 2.9% on average compared to 1.0% for European Union. Agency projects further GDP growth at the level of 3.5% in 2016 and 2017, pointing to net export and private consumption as main growth drivers.

Moody’s specified risk of worsening Poland’s fiscal position and impairment to the investment climate as reasons for changing outlook. Agency is concerned about the risk of growing government expenditures, possibility of passing conversion of foreign-currency denominated mortgages bill that may negatively affect investors and controversy over Constitutional Court. Ministry of Finance would like to pay attention to the fact that on 26 April this year Multiannual Financial Plan of the State for the years 2016-2019 has been adopted by the Council of Ministers, in which general government balance path has been presented. In 2017 deficit is expected to be below 3%, and in following years it will continuously decrease to 1.3% in 2019. Number of actions are carried out to achieve this target including among others amendment of Tax Ordinance passed by Lower House of Polish Parliament on 13 May this year and package tightening fuel market accepted by Permanent Committee of the Council of Ministers on 12 May this year.