

## Is the European market more competitive than the Chinese one? [CINKCIARZ.PL ZLOTY INDEX]

Position of China as one of the best places to start a business activity, is gradually weakening. It is Poland that may soon become the most attractive country for business – claims Piotr Lonczak, the Cinkciarz.pl currency analyst.

China is slowly becoming less and less profitable when it comes to starting business activity. The country's long-lasting trade surplus causes the renminbi to enforce. This on the other hand, is the reason of an increase in prices of the Chinese products abroad.

### Poland is becoming more attractive for business

If the value of renminbi and salaries in China continue to grow at the same pace as for the last decade, the country may lose its cost advantage. In few years time employing a citizen of China can be more expensive than employing a citizen from Poland.

Low labour costs are not the only advantage of Poland. Relatively good education of the employees is of big significance. Thanks to this factor, the relation between effectiveness and costs works for our country's advantage. According to the OECD, the percentage of people with higher education in Poland is 24.5%, whilst in China it is 3.6%. This was the reason that allowed us to become a more attractive location for business centres than other countries. As a result, thousands of working places for people with high qualifications (e.g. programmers in the financial sector) were created.

Location is also a significant advantage. It will play an increasing role as the costs in China will increase. This is an encouragement also for the Chinese companies that would like to build their position on the European market. For them, Poland can be an excellent location to place their production.

A membership in the European Union also makes starting the business easier. It is a result of quite uniform legislation, and a common market. Apart from this, it offers stabilisation. It is very significant regarding political disturbances in many countries of the emerging markets.

Also the currency rate works for our advantage. According to Cinkciarz.pl calculations, the renminbi gained approximately 30% to the currencies of developed economies (the eurozone, USA, Japan, United Kingdom and Australia), since the beginning of 2010. At the same time, the zloty depreciated by approximately 10% to these currencies.

### A unique chance

China decided to change their model of economic development. When it comes to an increase in the GDP, Beijing is planning to base it on consumption.

It is also focusing on innovativeness, and production and export are no longer that significant. However, the process of transformation is difficult. From the beginning of last year, the central bank had to support the economy with a series of six decreases in interest rates. Also, the stock market in Shanghai experienced a breakdown this Summer. Meanwhile, Poland's results are relatively good. Our GDP remains at the head of Europe, we do not have problems with public finance, and we keep the price competitiveness.

The advantages of the Polish economy are also noticed by the global companies. This results in placing the production in our country, and even moving the factories from China to Poland. This trend reflects in growth of export. Thanks to this, we have a chance to finish a year with a trade surplus (according to the GUS, in August it was 9.2 billion PLN) for the first time in history. This only proves that we know how to be effectively competitive on the global markets. Poland received a unique chance to strengthen its position of the leading exporter in the region.

## INFORMATION ABOUT THE BRAND

Cinkciarz.pl provides online FX services, using state-of-the-art FX technology for everybody, including individuals, entrepreneurs, travelers and those repaying loans in foreign currencies.

Cinkciarz.pl presents the most favorable rates of all the 24 currencies in its offer. Categories of services offered are: online currency exchange (in three transaction models) and currency cards. The transactions can be concluded via internet transfers from any bank account 24/7. Cinkciarz.pl is the first FX company in Poland to join the SWIFT organization which includes only the largest banks and financial institutions.

The company is also amongst Bloomberg data and analysis suppliers. Cinkciarz.pl EUR/PLN forecasts have been awarded first place in the world for four consecutive quarters in Bloomberg's rank Best EMEA Currency Forecasters Q3 2013 and the first place for the CZK/EUR and ZAR/USD forecasts for the first three quarters of 2014. The forecasts of Cinkciarz.pl's analysts for the currency pair CZK/EUR have also been awarded the first place in the world for 2015 Q1.

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