tion and development. In June 1990, the Finnish government offered to forgive $US 22.5 million of Polish debt, in return for an agreement from the Poles to use this amount to purchase environmental protection equipment from Finland.

Poland retains some links to its former partners in the Council for Mutual Economic Assistance (CMEA), the Soviet bloc's chief international economic agency. The CMEA used to coordinate economic planning among communist countries, but was abolished with the collapse of the Soviet bloc. Nonetheless, the former member countries retain bilateral trade and economic links. Poland maintains important ties to Hungary, the Czech and Slovak Federated Republic, Germany and the successor states of the Soviet Union. Trade among these countries is now almost entirely in convertible currencies. That means that a base in the Polish market can put an investor in an ideal position to export to adjacent markets.

Figure 2.8
A Snapshot of the Central European Economies

	GDP	Industrial Output Change over previous year (%)	Exports ($USbn)	Imports ($USbn)	Inflation rate (%)	Unemployment rate (%)	Trade Balance ($USbn)
Poland							
1989	- 0.2	- 2.5	15.6	17.4	251.0	0.3	-1.8
1990	-12.0	-28.8	18.6	14.7	684.0	6.1	+3.9
1991	- 3.7	- 5.7	18.6	18.8	80.0	7.3	-0.2
Czechoslovakia							
1989	+ 1.4	+ 1.0	14.3	17.1	1.4	0.0	-2.8
1990	- 3.1	- 3.7	13.5	19.0	15.0	1.0	-5.5
1991	- 9.8	- 4.5	13.7	16.5	40.0	2.8	-2.8
Romania							
1989	- 9.9	- 2.1	6.1	3.8	1.1	0.0	+2.3
1990	-10.2	-22.0	3.5	5.2	27.0	0.0	-1.7
1991	-10.0	-20.0	3.2	3.9	130.0	3.6	+0.7
Hungary							
1989	- 0.2	- 1.0	10.9	12.4	17.5	0.5	-1.5
1990	- 3.5	-10.0	10.8	12.6	28.2	1.6	-1.8
1991	- 6.0	-12.0	11.4	11.3	36.0	2.9	-0.1
Bulgaria							
1989	- 0.4	+ 1.1	7.9	10.0	6.4	0.0	-2.1
1990	-11.8	-10.7	6.4	8.9	26.3	1.6	-2.5
1991	-19.8	-12.0	6.1	6.5	200.0	2.7	-0.4

Source: PlanEcon, OECD, as reprinted in The Economist, September 21, 1991.