

## Development prospects

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Two confronting trends may be expected to affect the development of crude prices. On the one hand, growing consumption of crude oil and its derivatives in the developing countries, unstable geopolitical situation and commodity speculation may be driving prices upwards. On the other hand, relative stagnation of the developed economies, gradual launch of production from new reserves and the growing use of non-conventional energy sources may confine the price increase, balancing supply and demand.

KBC<sup>1</sup> forecasts presented in December 2011 show that in the near term the price of oil will be on an upward trend, creating favourable prospects for upstream operations, including exploration and production from offshore and unconventional reserves.

Prospects for development of the downstream (production and trading) operations will be determined by the demand for petroleum products and achievable margins. The European Commission predicts that the GDP growth in Poland over the next few years (2.5% in 2012, 2.8% in 2013) will be well above the EU average (0.6% in 2012, 1.5% in 2013), which will be a factor of paramount importance for the growth of demand for fuels. Therefore, in terms of demand for petroleum fuels, prospects for the producers in Poland are good. A steady upward trend is visible particularly in the case of diesel oil, which is the Gdańsk refinery's key product. Prospects for the gasoline market in Poland are neutral. However, the recent fiscal changes in Poland, i.e. increase of the excise duty and of the toll surcharge on diesel fuel and LPG, may prompt new car buyers to opt for spark ignition cars, and in consequence change the structure of demand in favour of gasoline.

<sup>1</sup> World Long-Term Oil & Energy Outlook 2011, December 2011.