**FOR Communication 33/2021: Krysiak's Balance of Errors and Omissions**

Summary:

* "Krysiak's balance" presented at the conference organized by Patryk Jaki is a biased, methodologically flawed, selective compilation of numbers used to show that as a result of EU membership, Poland has lost gigantic amounts of money over the past 17 years.
* In reality, the "Krysiak's balance" is a balance of errors and omissions. It ignores the fact that 40% of the profits from foreign investments are reinvested in Poland, and that a huge amount of capital from Western Europe has flowed into the country. It also erroneously indicates the negative balance of Poland's trade with the EU. It omits the balance of services and erroneously adjusts exports for import contributions.
* What is also important, Polish companies on the common market in many areas are doing very well, from a deficit country in trade turnover, we have become a surplus country. Since joining the EU, the Polish processing industry has increased its turnover by over 2.5 times, while e.g. the German industry in these 17 years only by 12%. As a result, the adjusted positive balance of flows will significantly increase each year by further tens of billions of PLN.
* More importantly, such a balance, even after appropriate adjustments, will not take into account the most important benefit of EU membership - access to the common market. Models estimating such benefits are based on basic findings of economic sciences. They show unequivocally that thanks to its access to the common market, Poland has benefited enormously.
* Taking into account even just a conservative estimate of the macroeconomic benefits (that GDP is higher by about 11% as a result of the common market), the value of the additional GDP is about PLN 250 billion in just one year. And it is worth recalling that Krysiak's erroneous "balance" indicates a loss of only PLN 31.5 billion per year. The size of the balance of errors and omissions in Krysiak's calculations is thus all the more striking.

CONTACT TO AUTHORS

Sławomir Dudek, Ph.D.Chief Economist
e-mail: slawomir.dudek@for.org.pl

Rafał Trzeciakowski

FOR Economist
e-mail: rafal.trzeciakowski@for.org.pl

Marcin Zieliński

Economist
e-mail: marcin.zielinski@for.org.pl