

POLAND

YOUR BUSINESS PARTNER

WARSAW 2008

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RESEARCH

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Dear Reader,

During the recent little less than two decades an efficient market economy has been built in Poland, based on the dynamically developing private sector. The country has opened up to the world. Poland has actively joined the process of European integration, in particular since the country's accession to the European Union as its Member State enjoying full rights. Polish businesses have proved to be competitive and effectively operate on the Single European Market. An intensive flow of foreign direct investment to Poland has been observed, both from the EU and from third countries.

In the recent years the rapidly growing export has been the most important factor determining Poland's economic growth. Currently the growth trend in the Polish economy is maintained also due to higher consumption and domestic investments.

Throughout the entire period of social and economic transformation an increasing interest in business and investment opportunities in Poland has been seen. To meet the demand of information, every year since 1992, the Institute has prepared and published an up-to-date annual guidebook to Poland. It contains basic data about our country and its economy. It provides necessary information on legal regulations concerning the establishment of companies, investment opportunities, licensing business activities, as well as trade turnover, taxation, customs duties, labour law, rules governing acquisition of real estate and other conditions for doing business in Poland.

We hope that this guidebook will help you to establish and develop a mutually beneficial business cooperation with Polish partners.

We wish you every success in this activity.

*Ryszard Michalski
Director of the Institute for Market,
Consumption and Business Cycles Research*



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I GENERAL INFORMATION

1. Geographical location

Poland lies in Central Europe, on the Baltic Sea. It is the ninth-largest country in Europe, and the sixth-largest in the European Union (312,679 sq. kilometres), extending 649 km from north to south and 689 km from east to west. The capital of Poland is Warsaw.

The entire Polish border is 3505 km long. On the west Poland shares a 489-kilometre border with Germany, running along the Odra (Oder) and Nysa Łużycka (Lusatian Neisse) rivers. To the north is 395-kilometre seashore of the Baltic with two major gulfs – of Pomerania and of Gdańsk. The remaining 232-kilometre border is with an isolated sliver of Russia – the Kaliningrad district. On the east, there is a 104-kilometre border with Lithuania, and then 418 kilometres and 535 kilometres with Belarus and Ukraine respectively. On the south, the Sudeten and the Carpathian mountains run along the 790-kilometre Czech and 541-kilometre Slovak border. Upon Poland's accession to the European Union on 1 May 2004, the Polish over one thousand kilometre long border with Ukraine, Belarus and the Russian Kaliningrad District became the eastern border of the EU.

Most of the country – over 90% – is flat and crossed by a dense network of rivers. With fertile soil, favourable climate and topography Poland has been for centuries an important producer of food and agricultural products. As early as the thirteenth century, a very efficient system of selling agricultural products was developed. They were rafted down the rivers (the longest Polish river, the Vistula, in the first place) to the harbour city of Gdańsk and across the Baltic Sea to other European countries.

Poland has some of the most extensive forests in Europe, like Puszcza Białowieska on the border with Belarus – a part of the unique primeval woods in Europe. It is inhabited by a variety of wildlife, including the only remaining wild herd of the European bison.

With the majority of the country being lowland (in Poland, the average elevation above sea level is 173 metres), the Polish landscape is all the same relatively diversified. The retreating glaciers of the glacial periods left beautiful lake districts in the north of the country, like the biggest Pomeranian and Mazurian Lake Districts, today's favourite holiday spots not only for Poles but also for visitors from many countries.

Further south we encounter more and more upland plains and finally mountains, the Sudeten and the Carpathians being the largest. In the Carpathians, there are the Tatra Mountains with the highest point – Rysy Peak (2499 metres above sea level). Winter sports in the winter and tourists routes with mountain climbing and biking opportunities in the summer attract numerous Polish visitors.

2. Climate

Poland is largely a country with a temperate climate. The confrontation of different air masses, the warm and humid sea air from over the Atlantic and the dry continental air from the Eurasian continent give rise to frequent daily and annual changes of weather.

Generally, temperate sea climate dominates in the northern and western part of Poland, with mild, moist winters and cool summers, as well as high precipitation. The eastern part of Poland experiences more continental features of its climate with severe winters and hotter and dryer summers.

The warmest regions include the Silesian Lowland in the southwest and the western part of the Sandomierz Valley in the southeast, the coldest region being the Suwałki Region (Suwalszczyzna) in the northeast of the country.

The winters in Poland, mostly warm and humid, can at times be quite frosty, with temperatures dropping to below -10°C . In January the average temperature ranges from -1°C in the west to -4.5°C in the east and -5.5°C in the northeast. The summers are rather mild, with frequent rainfalls and thunderstorms. In July, the temperatures average 17°C in the north and 20°C in the south.

The highest annual rainfalls are in the mountains and on the upland plains. Maximum rainfall is recorded in the summer months.

3. Population and language

With a population amounting to 38,125,000 (31.12.2006), Poland is ranked 33rd in the world (0.6% of the world population), 9th in Europe (5.3% of the population of the continent), 6th in the European Union (8.4% of the EU-25). The average population density is 122 inhabitants per sq. kilometre.

A dominant share of the population (61.3%) lives in towns and cities. The biggest of them is the capital of Warsaw, with 1,702,100 inhabitants (4.5% of the country's total population). Other major cities include Łódź (760,300), Kraków (756,300), Wrocław (634,600), Poznań (564,900), Gdańsk (456,700), Szczecin (409,100), Bydgoszcz (363,500), Lublin (353,500) and Katowice (314,500).

Males account for 48% of the Polish population, while females for 52%. The average male life expectancy is 70.5 years, while that for females is 78.9 years.

Poland is a homogenous country in terms of ethnicity. Minorities account for less than 2% of the population. The most numerous are Germans, Roma, Ukrainians and Belarussians; there are also Jews, Lithuanians, Slovaks and other ethnic minorities. Roman Catholicism is by far the dominant religion in Poland (some 90%).

The official language is Polish.

4. Political system

In accordance with the Constitution of 2 April 1997, the state governing authorities are:

- Legislative: the Sejm (Parliament) and the Senate of the Republic of Poland,
- Executive: the President of the Republic of Poland and the Council of Ministers,
- Judiciary: an independent court system.

The **Sejm**, the lower chamber of the Parliament, is elected to a four-year term of office in general, equal, direct and proportional vote. It consists of 460 deputies. Subordinate to the Sejm is the Supreme Chamber of Control – the State’s highest auditing body. The bodies of the Sejm include the Presidium of the Sejm, the Council of Seniors and parliamentary committees. Parliamentary caucuses are the main form of the political organisation of deputies within the Sejm.

The **Senate**, the upper chamber, is together with the Sejm elected to a four-year-term of office in general elections. The Senate consists of 100 senators.

Constitution specifies major issues on which the Sejm and the Senate, acting together as the National Assembly, debate on sessions presided over by the Marshal (Speaker) of the Sejm.

In October 2007, general elections to the Sejm and Senate took place in Poland, won by the right wing. The largest number of votes was received by the Civic Platform (PO) which formed a majority coalition with the Polish Peasant Party (PSL).

The **President** is elected to a five-year-term of office in general, equal and direct vote, and can be re-elected only once. He is the supreme representative of the state, monitoring the observance of the Constitution and the security of the state. The President appoints the Prime Minister and, upon the motion of the latter, the ministers. The executive body for the President is the Chancellery. Since 23 December 2005, the President of Poland has been Mr Lech Kaczyński.

The **Council of Ministers** consists of the Chairman of the Council of Ministers (the Prime Minister) as its head, Deputy Prime Ministers, and ministers. The Government is responsible for the domestic and foreign policy of the state.

In particular, it secures the implementing of legal acts, controls the government administration, draws up the budget and supervises its execution.

The Sejm gives a vote of confidence for the government.

5. Territorial division

Since 1 January 1999, a three-tier territorial division of the state has been in force. Poland was divided into:

- 16 voivodeships,
- 314 land poviats (districts) and 65 urban poviats (towns having the rights of districts),
- 2478 *gminas* (communes).

The **Gmina** is the principal unit of territorial division. The authorities of the *gmina* include: the Council, elected in general vote, and the Board elected by the Council and having executive power. In rural *gminas* the Board is headed by the *wójt*, in smaller towns by a *burmistrz* and in big cities by the *prezydent* (the Mayor). The constitution guarantees the priority of the *gmina* in the management of public affairs of local significance.

In particular, the *gmina* is responsible for:

- kindergartens, primary and lower level secondary schools;
- libraries and culture houses;
- healthcare (health centres, outpatients' clinics and in urban *gminas* also hospitals);
- water piping systems;
- local transport and communal roads;
- protection of the environment in its territory;
- disposal of solid and liquid wastes;
- open-air markets.

The **Poviat** (district) is the second-tier unit of territorial division, comprising a number of *gminas*. Its authorities include the Poviat Council, appointed in local elections, and the Poviat Board. The latter is headed by the *Starost*.

The poviat manages matters concerning a number of *gminas*, like hospitals, secondary schools, etc.

The poviats are particularly responsible for:

- protection of public order and security;
- flood and fire protection;
- prevention of natural disasters and managing their consequences;
- maintenance of general hospitals;
- social welfare and combating unemployment;
- construction and maintenance of supra-community roads;
- protection of consumer rights;
- issuance of passports and matters connected with a change of citizenship.

The **Voivodeship** (province) is the largest territorial division unit.

Its authorities include the *Sejmik*, the voivodeship legislative body elected at regional level, and the Board. The *Sejmik* and the board are presided over by the voivodeship Marshal. The Voivode is a representative of the central state authorities at regional level with the mission to safeguard the national interest.

The voivodeship is responsible for matters related to regional development. It prepares and implements strategies and creates conditions for the economic development of the region. To foster regional cooperation it can maintain contacts with communities in other countries.

The map of Poland's administrative division into voivodships



The three basic tasks for the voivodship are:

1. economic development, including foreign economic cooperation and the promotion of the region,
2. providing “higher level” public services: higher education, specialist healthcare, cultural institutions of significance wider than local,
3. providing a friendly natural environment.

The economies of the Polish regions, main targets and directions of their policies are presented in chapter VI.

II POLAND IN EUROPE AND THE WORLD

1. The place of Poland in the global economy

Poland is a European country of a significant territory, population and economic potential. Its share and significance in the world economy has recently shown a considerable increase, reflected in the growth rate of the gross domestic product (GDP).

Since the beginning of the transformation, the value of GDP in \$ has increased more than fivefold. In 1990 it was approximately \$ 59 billion (in current prices at the official exchange rate), while in 2005 it exceeded \$ 300 billion, which ranked Poland 21st country in the world and 11th country in Europe with the highest GDP. In 2006, the GDP reached approximately \$ 320 billion. In 2007 Poland's GDP increased by over 6.6%, so it grew faster than the world average.

Poland is among the world leaders in the production of many industrial goods, both basic raw materials and processed products. It belongs to the world's top ten producers of refined copper, sulphur, hard and brown coal and TV receivers, and is one of the 20 largest producers of sulphuric acid, crude steel and electric energy.

Poland is also a leading world producer of various food products and agricultural goods. It is the largest world producer of rye, providing around one fourth of the total world production. It has ranked with top 10 producers of oats, potatoes, sugar beets and swine, and in the top 20 as regards barley, wheat, sugar, meat, cow milk and hen eggs.

In 2007, the value of Polish foreign trade, including intra-Community trade, exceeded \$ 300 billion. Poland joined the group of thirty world leading exporters, ranked 29th (previously 30th), with a share of 1.0% in world's commodity exports. As regards imports, Poland has moved upwards in the ranking from 26th to 22nd place, representing 1.1% of global imports. Poland's value of commodity turnover was similar to that of Switzerland, Austria, Sweden and Australia, and higher than Thailand and Brazil. Among EU member States Poland ranks 10th in exports and 8th in imports, with a 2.6% and 2.9% share in imports and exports respectively.

Poland's rising position in international markets is a result of the high dynamics of foreign trade turnover, much higher than the world trade dynamics. Between 1990 and 2005, the annual growth rate of the volume of Polish commodity exports exceeded 10% per year and the imports exceeded 15%, while the volume of world trade grew at a rate around 6% per year. Also in 2007 the rate of growth of Poland's foreign trade volume distinctly exceeded the growth of world trade turnover (exports by nearly 9% and imports by around 14%).

A growing share of foreign trade in Polish GDP (in 2007 a percentage share of exports in GDP was as high as 41%, and for imports it exceeded 43%) reflects the progressing process of opening of the Polish economy and the resulting increased interrelation with the processes which take place in the global economy.

Companies with foreign participation operating in Poland have substantially contributed to speeding up its foreign trade turnover. Poland still remains one of the main recipients of foreign direct investment in Central and Eastern Europe and is a regional leader in terms of the total value of the FDI inward stock. Due to Poland's accession to the European Union, the country has become more attractive for investment. Important factors encouraging investment in Poland are the country's large and absorptive internal market, positive economic development forecasts, competitive advantages for business operation (relatively low labour costs, large numbers of highly-qualified workers and the country's geographical location, which facilitates the logistics and creates favourable conditions for co-operation with eastern markets of Russia, Ukraine and other countries of the Commonwealth of Independent States.

2. Membership in international organisations and institutions

Poland is an active member in many international organisations and institutions, both globally and regionally.

The United Nations Organisation (UNO)

Poland is one of the founding countries of the UNO. During over 60 years of the operation of this most important international organisation in the world, Poland has actively participated in the work of its bodies, specialised agencies and autonomous organisations operating under the auspices of the UNO and has taken part in various programmes realised by the UNO.

Poland's contribution has been of particularly significant in the following areas:

- working for global disarmament and world peace,
- organising international economic cooperation and aid to developing countries,
- protection of human rights,
- codification and regulation of international law.

Polish experts were involved in the preparation of disarmament agreements under the auspices of the UNO. Since 1953 Polish soldiers have taken part in UN peace and observation missions, including missions to the Korean Peninsula and Indochina, in Egypt, Lebanon, the Golan Heights, Rwanda, Kuwait and Liberia, and, in recent years, in former Yugoslavia, Afghanistan and Iraq. More than 35,000 of Poles have taken part in such missions so far.

Currently Poland is represented in:

1. two UNIFIL military units in South Lebanon and UNDOF on the Golan Heights (ca. 700 soldiers);
2. the UNMIK multifunctional operation in Kosovo (ca. 130 police officers);
3. in eight other military missions (ca. 30 observers).

Polish engineers, physicians and scientists are actively engaged in programmes of technical assistance for developing countries, provided via specialised organisations of the UN: FAO, WHO, UNIDO and UNDP/ILO.

An expression of recognition of Poland's involvement in the UN forum was that the country was selected a non-permanent member of the Security Council, the tenure of the office of Deputy Secretary General and the chair of one of the General Assembly sessions by Polish representatives.

North Atlantic Treaty Organisation (NATO)

Poland became a member of NATO on 12 March 1999, along with the Czech Republic and Hungary. The joining of NATO was a logical consequence of Poland's transformation after 1989. It substantially contributed to the country's increased international security and helped to integrate Poland with other European structures, and in particular with the European Union.

Currently Poland takes part in NATO cooperation programmes in the security and defense domain within the framework of the Partnership for Peace (PfP) and the Euro-Atlantic Partnership Council (EAPC). The Polish troops also participate in international units, such as the Polish-German-Danish Corps "North-East", the Lithuanian-Polish Battalion "Litpolbat" and the Polish-Ukrainian Peace Corps Battalion "Polukrbat". The Joint Forces Training Centre (JFTC), an important element of the NATO command structures, operates in Bydgoszcz. Polish soldiers participate in actions to maintain and restore international order and security in peace missions of NATO, as well as of the UN, OSCE and WEU. Currently, they are taking part in the following NATO peace operations:

- International Peace-Enforcement Force – Kosovo Force (KFOR) in Kosovo,
- International Stabilisation Force (SFOR) in Bosnia and Herzegovina,
- International Security Assistance Force (ISAF) in Afghanistan; in 2007 the Polish presence increased to ca. 1200 soldiers and in 2008 by 400 soldiers, who, under military operations, perform command, support and security functions,
- Gendarmerie peace missions of the European Union Force EUFOR in Bosnia and Herzegovina, in Congo and Chad,
- the NTM-I training mission in Iraq and the Active Endeavour operation on the Mediterranean Sea.

The Organisation for Security and Cooperation in Europe (OSCE)

The proposal to convene an international conference on security and cooperation was put forward by the Polish Minister of Foreign Affairs, Adam Rapacki, at the 19th Session of the UN General Assembly in December 1964.

Today's OSCE is the largest regional organisation in the world with 55 member states, including European countries, the USA, Canada and the Asian states which emerged after the demise of the USSR.

An important test for Polish participation in the OSCE was its presidency of the Organisation for Security and Cooperation in Europe in 1998.

Warsaw is the seat of the Office for Democratic Institutions and Human Rights of the OSCE (ODIHR), established in 1992. It is the largest international organisation having its head office in Poland. The Office controls the observance of human rights,

including the rights of national minorities, and of the rules of democracy in member states. It is actively involved in promoting tolerance, combating discrimination, as well as promoting equal rights for women and combating trade in humans. The Office closely cooperates with the OSCE High Commissioner on National Minorities.

Organisation for Economic Cooperation and Development (OECD)

Poland has been a full member of the OECD since 22 November 1996. Poland's membership in the OECD has become a significant instrument for the implementation of the country's economic policy goals, mainly those connected with the adjustment of the Polish economy to external requirements of the systemic transformation, regionalisation and globalisation. It has had a particular role in the strategy for Poland joining European structures, mainly in the Polish efforts to accede the EU. The approximation of Polish legislation, institutions, economic policy and practices to OECD standards was clearly seen in many aspects.

Poland's membership in the OECD, a prestigious club of highly developed states, has evidenced the country's economic stability, and in consequence facilitated the access to credit lines granted by financial institutions on preferential terms. It has also demonstrated Poland's ability to adjust to international standards and rules.

From the very beginning of its membership, Poland has been actively involved in the work of the Committees and Working Groups of the OECD and has engaged in all initiatives of the Organisation, in both traditional and new, interdisciplinary areas. In autumn 2000 an off-site session of the Council was held in Poland. It was the third such session of the OECD in the organisation's history and the first to have been held in a Central European country. Poland also participates in the consultation mechanism of EU states that are members of the OECD.

The OECD carries out regular reviews of the Polish economy, the direction of changes and progress of reforms. The reports from such reviews are considered to be reliable and accurate sources of information about the economic development and economic forecasts, while at the same time being the basis for the assessment of the country's reliability in the international arena.

World Trade Organisation (WTO)

Poland was one of the signatories of the Final Act which closed the negotiations of the GATT Uruguay Round and the Agreement establishing the World Trade Organisation. The country became a full member of the WTO on 1 July 1995, after the harmonisation of internal legislation and the closing of the process of ratification of the Uruguay Round Agreements.

The accession to the WTO has improved Poland's economic situation in the international area. Later, membership in the Organisation has become one of the conditions of Poland's accession to other international organisations and bodies, such as the OECD and the European Union.

Due to the acceptance of all WTO liberalisation agreements, Polish products have gained better access to third country markets, while at the same time the protective measures against imports have been alleviated and competition in the Polish market increased. The share of fully liberalised imports from member states has increased substantially, in particular as regards the import of industrial goods. The provisions

concerning the agricultural sector have also been of significance for Poland. The Republic of Poland has adopted all general liberalisation obligations with regard to agriculture resulting from the Agreement, including those which specified the quotas on the market access, as well as a reduction of subsidies to agriculture.

In the domain of trade in services, a result of the accession to the WTO was the granting of the most-favoured nation clause to all partners of the Organisation, and the obligations towards OECD members extended to all WTO countries. Poland also took the obligation to liberalise financial services.

The situation of Poland in the forum of the WTO changed after 1 May 2004, upon the country's accession to the European Union. It was connected with the transfer of the commercial policy from the national to Community level. This means that currently, negotiations with third countries and the WTO are conducted by the European Commission (Directorate General for Trade) on the basis of the mandate of the Council of the European Union and consultations with working groups of the EU Council, mainly with the Committee 133. Within the Committee all matters concerning the participation of EU Member States are discussed and the Community's commercial policy with regard to negotiations with the WTO is co-created by Member States.

International Bank for Reconstruction and Development (World Bank)

Poland was a founding member of the International Monetary Fund and the World Bank, but in 1950 it was forced to resign for political reasons; it renewed its membership in 1986.

After 1989, the World Bank became one of the main sources for financing the socio-economic reforms in Poland, while playing an important role in restoring Poland's access to the international capital market.

So far, Poland has been granted loans from the Bank for several projects, the implementation of which has contributed to the market orientation of reforms, the restructuring of the economy, the improvement of Poland's creditworthiness and systemic, institutional and structural changes.

Currently, both investment projects and projects aimed at bringing about structural changes are being implemented, chiefly as regards the modernisation of the transport and ICT infrastructure, the energy and heat sector along with the use of clean energies, environmental protection and rural development.

After Poland's accession to the EU, the strategy of loan aid from the World Bank has begun to change to support Poland as a Member State of the EU.

It is chiefly aid for the improvement of the transport infrastructure and support to the government for a better use of EU Structural Funds. During the first years after accession, Bank funds were granted to Poland for the co-financing of the maintenance and modernisation of roads and the transport network, the reclamation of areas of hard coal mines that had been shut down and the support for the government programme of reform of the Polish hard coal mining sector. At the same time, with an increasing availability of commercial financing for projects on competitive terms to the government and the private sector, the Bank's activity has gradually been shifted from the loan-granting and supervision to the non-credit support aimed at making better use of international experience and lessons learned from it to support the Polish government in key economic reforms.

The main focus of the World Bank's activity in Poland is now on such areas as the implementation of the reform of the social sector, the restructuring and privatisation of the public sector, addressing environmental protection targets, the streamlining of management in the public sector, creating jobs outside agriculture, support to the government Programme for the Restructuring of Hard Coal Mining, and the granting of loans for innovation and pilot projects.

Recently Polish companies which have participated in tender procedures covered by the Bank statistics have chiefly executed contracts in the transport, energy and mining sectors. Most of tenders have taken place in Poland but an increasing interest of Polish companies in foreign markets is observed, including Russia, Ukraine and former Yugoslavia which show a high growth potential while being supported by the World Bank funding.

Since 1997, after the change of the system of Bank operation and displacing of many Country Directors and experts from the Washington headquarters to the countries of their operation, the Office for Poland and Baltic States has had its headquarters in Warsaw.

International Monetary Fund (IMF)

Support from the International Monetary Fund played an important role in stabilising the Polish economy during the early stage of the transformation. In the years 1990-1994, Poland received credits and loans from the IMF, totalling at SDR 1,237 million (about \$ 1.8 billion). Due to the rapid improvement of the economic situation and the substantial foreign currency reserve, their repayment before the date due was possible, mostly in 1995.

Since that time there has been no need for further financial aid from the Fund to Poland. This has led to the change in the form of cooperation, which now takes the form of the regular monitoring of the economic situation in Poland and of progress in the transformation processes as well as consultancy by the IMF.

European Bank for Reconstruction and Development (EBRD)

The EBRD is an international financial institution, created in 1991 to support the socio-economic transformation in Central and Eastern Europe towards a market economy. It was established on the initiative of the European Council, and the European Union holds 51% of shares in the Bank. Poland is among 39 founding states which in 1990 signed the declaration about the establishment of the Bank. The European Commission and the European Investment Bank are now members of the EBRD along with 61 countries.

The strategy of the cooperation with Poland, adopted by the Board of Directors of the Bank in 1999, envisages the focus on the following areas:

- financial support and technical assistance to privatisation and restructuring of state-owned enterprises and banks, as well as to private business in priority sectors of the economy,
- technical assistance and financial support to banks and the finance sector as a whole, and promotion of specialised financing institutions and banking services to SMEs,

- technical assistance and financial support to environmental protection programmes,
- technical assistance and financial support to energy programmes considering environmental constraints, and support to modernisation, stabilisation and privatisation to energy supply.

Recently, there have been some shifts in the priorities of the Bank activity, so they now include the following:

- attracting investors and capital, as well as foreign direct investment, for the restructuring and modernisation of private enterprises, chiefly in the energy, gas and chemical sectors,
- investigating and developing opportunities for the financing of the SME sector, and continuing the dialogue with the government on the financing of this sector,
- supporting the development of infrastructure and environmental protection through the cooperation with central and local authorities in developing, co-financing and implementing projects and programmes for a better use of EU structural funds,
- utilising international experience for the development of project financing under public-private partnership, chiefly in cities and *gminas*, in the road and transport sector.

In 2007, the Bank concluded three new contracts for project financing with Polish companies and invested ca. € 100 million in Poland.

3. Poland in the European Union

On 1 May 2004, Poland became a member of the European Union. Accession to the EU crowned many years of efforts by successive Polish governments, as well as the aspirations of Polish society, which hoped that this would result in further improvement of the country's social and economic situation.

Poland's path to the EU membership

Poland's efforts for integration with the European Union began shortly after the systemic transformation in 1989. As a result, the Europe Agreement was signed in December 1991, by virtue of which Poland became an associated country of the European Community. The implementation of the provisions of the Europe Agreement led to the creation of a zone of free trade in industrial products between Poland and the EU (1 January 2002 the last tariffs for car imports from the EU were abolished); it also facilitated the movement of capital and, to a lesser extent, of persons and services. The conclusion of the Agreement gave an impetus to numerous political and economic reforms in Poland which was then undergoing the process of transformation. During the period of association with the EC, Poland adopted many new legislative acts to harmonise Polish regulations with Community legislation¹, and created new institutional framework necessary for the operation of the market economy and for future membership in the EU.

¹ Among the areas harmonised the most important are: the protection of competition, banking law, the protection of intellectual property, customs law and technical standards, indirect taxes.

In 1994, Poland submitted its official application for membership of the EU, and at the meeting in Luxembourg in 1997 the European Council decided that accession negotiations would be opened in spring 1998². On 16 April 2003, the Accession Treaty was signed in Athens, in which the terms of the EU membership were specified for Poland and 9 other countries (Cyprus, Czech Republic, Lithuania, Latvia, Estonia, Malta, Slovakia, Slovenia and Hungary).

In May 2003, 77.5% of Poles voted for membership in a national referendum. On 31 July 2003 the treaty was ratified by the President of Poland.

Transition periods in the Accession Treaty

Poland's accession to the European Union required acceptance of the entire *acquis communautaire*, i.e. primary and secondary law (with certain exceptions for transition periods). Such derogations, as provided in the Accession Treaty, were in most cases introduced at the initiative of Poland, who as a weaker partner, feared substantial costs of the implementation of Community standards and the resulting negative impact on the competitiveness of Polish goods and services. The largest number of transition periods were granted to Poland in the "environment" area, which made it possible to extend over a period of time the great investment effort connected with the implementation of the high environmental standards required by the Community in this respect³. Transition periods in this area refer to the reduction of air pollution emissions, transport control and waste disposal, standards of packaging recycling and a reduction of sulphur content in liquid fuels etc. For similar reasons Poland was granted transition periods (by 2006 or 2007) for adjusting enterprises in the food processing sector to the EU requirements regarding veterinary and sanitary standards. Transition periods adopted on Poland's initiative referred to the free movement of goods (registration procedures for medicines) and capital (restrictions on the purchase of arable land and forests and the so-called "secondary residences" by EU nationals in Poland), competition policy (provision of state aid, especially in special economic zones) and transport (maintaining restricted access for vehicles above 40 tonnes to the Polish road network until 31 December 2008), corporate law and taxes (certain derogations in the application of VAT). Despite their efforts, Polish negotiators did not succeed in obtaining a transition period for paying the full contribution to the EU budget. On the other hand, Poland obtained additional funds to maintain the liquidity of the state budget in the first years of the country's membership in the EU.

Transitory solutions were entered to the Accession Treaty at the initiative of EU-15 Members States in the following three areas: free movement of persons (a few years before the freedom of employment of citizens of new Member States in EU countries was introduced, Poland obtained a reciprocity clause), transport (including a 3-year period of transition, with an option for its extension up to 5 years, for coastal traffic by Polish cargo vessels in EU countries) and agriculture (lower direct payments than in the EU-15, production quotas lower than expected by the Polish side).

² Also in that period five other states were invited to open negotiations: Cyprus, Czech Republic, Estonia, Slovenia and Hungary. In December 1999, Bulgaria, Lithuania, Latvia, Malta, Romania and Slovenia joined the "Luxembourg six" in Helsinki.

³ It is estimated that the cost of environmental investments in Poland will reach approx. € 30 billion.

The EU proposals to address agricultural issues were a particularly sensitive item of the negotiation agenda, in view of the high proportion of people employed in agriculture in Poland's overall population and the concerns expressed by Polish farmers as to whether effective competition with EU farmers in the European market would be possible (as seen in the first four years of membership, these fears have proved to be unjustified.)

Participation in the EU bodies

Since 1 May 2004, Poland has had equal rights to participation and decision-making in all EU bodies. Poland has a relatively numerous representation in EU institutions, mainly because of the size of the country's population (Poland is the sixth country of the European Union in demographic terms). Since 1 November 2004, Poland has 27 votes in the Council of the European Union, while in the European Commission it has one Commissioner (Danuta Hübner holds the office of Commissioner for Regional Policy). 54 Polish deputies, elected in June 2004 in general vote for the 2004-2009 term, take part in the debates of the European Parliament.

Adopting the Euro

The accession to the European Union opened the path for a further stage of Poland's economic integration, that is membership of the Euro area. When acceding to the EU, Poland assumed the obligation to adopt the Euro in further perspective, and by this to run the common monetary policy with the member countries of the monetary union. The date of accession to the common monetary area has not been set as yet. Poland, as a member of the monetary and economic union, has been granted a derogation. The accession to the Eurozone must be preceded by the country's participation in the European exchange rate mechanism – ERM II. Polish accession to the Euro area will depend on economic circumstances (the meeting of the Maastricht criteria).

Entry to the Schengen area

In December 2007 Poland joined the Schengen area which covers 22 EU member States and 2 EFTA states (Iceland and Norway). Regular checking of persons crossing the borders has been abolished in the Schengen area, strengthening the cooperation between the states in the security and asylum policy. However, sample checks are allowed with regard to documents which entitle to entry and stay within the Schengen area and to transport of goods. In some situations where public security is at stake, the temporary reinstatement of border checks is permitted (e.g. during mass-scale international events such as Euro 2008). In addition, Poland, as a Schengen state has the right to refuse entry or stay on its territory to a national of another Schengen state if he/she is a threat to the national security or public order.

The accession of Poland to the Schengen area has resulted in the streamlining of intra-Community supply of goods. *Just in time* supply has been made possible as there is no queuing on the borders between the four EU Member States. The use of the Schengen Information System (SIS II) database allows for a more effective search for both persons and things (e.g. stolen cars). Information that a given person is sought by

the services of one country is automatically fed into the system and immediately available to the services of other Schengen countries.

The visa system has also changed. Like other Schengen states, Poland issues uniform Schengen visas for third-country nationals (short-stay, long-stay or airport visas). A Schengen visa is automatically recognised by other member countries. Poland is also authorised to issue visas the validity of which is limited to the territory of the issuing country (long-term visas).

Structural funds

Membership of the EU also opens access to financial aid from EU funds (Structural Funds and the Cohesion Fund). In the Financial Perspective 2004-2006 these funds were designated, *inter alia*, to the modernisation of agriculture, modernisation of the infrastructure, regional development and aid to small and medium-sized enterprises. An additional source of EU financing were Community Initiatives aimed to support the EU as a whole instead of as individual regions. These initiatives include: INTERREG (inter-regional cooperation), URBAN (revitalisation of urban areas affected by structural unemployment), LEADER+ (aid to the development of rural areas), EQUAL (equal opportunities in the labour market).

The new budget period 2007-2013 does not envisage the Community Initiatives which have been included into the Cohesion Fund, while the financing of rural development and the fisheries sector is external to the Cohesion Policy. In this period the value of EU funds available to Poland will be over € 67 billion, compared with nearly € 13 billion in the years 2004-2006. Nearly 20% of total EU funds for the Cohesion Policy will be available to Poland in the years 2007-2013.

Pursuant to EU guidelines setting the main objectives of the Cohesion Policy and considering Poland's socio-economic situation, the *National Strategic Reference Framework for the years 2007-2013* (NSRF), also known as the *National Cohesion Strategy*, has been prepared. The document provides guidelines for the support from EU budget allocations available for the 7 years to come under the European Regional Development Fund, the European Social Fund and the Cohesion Fund.

The strategic goal of the NSRF is to create conditions for improved competitiveness of the Polish economy based on knowledge and entrepreneurship, ensuring employment growth and the growth of social, economic and territorial cohesion within the EU and inside the country. This objective will be accomplished through the realisation of detailed horizontal objectives addressing the challenges of the Lisbon Strategy, Community Strategic Guidelines and conclusions from the analysis of the strengths and weaknesses of the Polish economy, as well as the opportunities and threats it faces. Specific NSRF objectives include the following:

- creating conditions for maintaining a sustainable and high rate of economic growth;
- growth of employment through the development of human and social capital;
- improving the competitiveness of Polish enterprises, in particular the services sector;
- the construction and modernisation of technical infrastructure which is of primary importance to enhanced competitiveness of Poland and its regions;

- improving the competitiveness of Polish regions and combating their social, economic and territorial marginalisation;
- the development of rural areas.

The total financial resources disbursed on the implementation of the NSRF in the years 2007-2013 will amount to approximately € 85.6 billion (in 2006 prices). Approximately € 67.3 billion will be provided from the EU budget (the Structural Funds and the Cohesion Fund), € 11.9 billion from national public funds, while around € 6.4 billion is estimated to be a contribution from private entities. On average ca € 9.5 billion will be expended annually until 2015, which is equivalent to around 5% of GDP. Over 66% of expenditures will be allocated to the implementation of the Lisbon Strategy objectives. Projects financed from the budget of the Cohesion Policy will be additionally complemented by the Common Agricultural Policy and the Common Fisheries Policy contribution totalling ca. € 12.4 billion.

The financial support from EU funds is provided under particular assistance programmes (Operational Programmes). Every Operational Programme specifies what types of projects will be granted financial support and defines the entities which may apply for grants. Sectoral Operational Programmes managed by the Ministry of Regional Development are envisaged to be implemented under the National Strategic Reference Framework (Infrastructure and Environment, Human Capital, Innovative Economy, Eastern Poland Development and Technical Assistance 2007-2013) along with 16 Regional Operational Programmes managed by voivodship self-governments.

Under the European Territorial Cooperation Programmes (a new EU Cohesion Policy objective), it is planned to focus more on the development of projects promoting

The share of Operational Programmes in the Cohesion Policy allocation for Poland in the years 2007-2013

Operational Programme	The programme share in the total allocation	Financing source
Infrastructure and Environment	41.9% of the total allocation (€ 27.9 billion)	European Regional Development Fund Cohesion Fund
Regional Operational Programmes	24.9 % of the total allocation (€ 16.6 billion)	European Regional Development Fund
Human Capital	14.6% of the total allocation (€ 9.7 billion)	European Regional Development Fund
Innovative Economy	12.4 % of the total allocation (€ 8.3 billion)	European Regional Development Fund
Eastern Poland Development	3.4% of the total allocation (€ 2.3 billion)	European Regional Development Fund (of which additional € 992 million granted by the European Council to 5 most disadvantaged regions of the EU)
Technical Assistance	0.8% of the total allocation (€ 0.5 billion)	European Regional Development Fund

Source: *National Strategic Reference Framework for 2007-2013*, Warsaw. May 2007.

cooperation between partners from EU countries and EU neighbouring countries (cross-border, trans-national and inter-regional cooperation). The following projects with Polish participation are planned to be delivered:

- cross-border cooperation:
 - three bilateral programmes on the Polish-German border (with the participation of Mecklenburg, Brandenburg and Saxony),
 - Poland – the Czech Republic,
 - Poland – Slovakia,
 - Poland – Lithuania,
 - Poland – Sweden – Denmark – Lithuania – Germany (South Baltic),
- transnational cooperation:
 - The area of Central and Eastern Europe,
 - The Baltic Sea Region,
- interregional cooperation programme throughout the EU.

On external borders of the EU, transborder cooperation with partner states will be supported from the funds of the European Neighbourhood and Partnership Instrument. Programmes of cross-border cooperation between Poland, Ukraine, Belarus and the Kaliningrad District of the Russian Federation will be supported throughout this instrument.

In the years 2007-2013 entrepreneurs can benefit from the funding allocated to regional policy in various ways. Under the largest programme – the Innovative Economy Operational Programme (IE OP) – support will be available for investments of high significance for the economy (above € 40 million each), on at least national and/or international level, for research and development commissioned by enterprises, the improvement of the competitiveness of enterprises through enhancing demand for new/modern solutions in the economy and for the strengthening of cooperation between entrepreneurs operating in the single European market. A mechanism to stimulate the creation of new businesses with high innovation potential (two-stage support) was also created. The following priorities will be implemented under the IE OP:

- Research and development of new technologies.
- R&D infrastructure
- Capital for innovation
- Investment in innovative undertakings
- Diffusion of innovation
- Polish economy on the international market.

On local or regional levels innovation will be supported under Regional Operational Programmes and the Eastern Poland Development Operational Programme.

Enterprises which produce excessive environmental pollution may seek assistance for environmental investments. Comprehensive and specialised consulting services by expert institutions are also offered to enterprises. Employers who want to invest in the human capital of their employees and implement new solutions in the area of work organisation and forms of work provision may benefit from aid. Enterprises active in fisheries, fish processing or transport may benefit from a number of measures under aid to the fish industry sector.

A condition for being eligible for such aid is to be established in Poland, to prepare a proposal and a business plan of the project, and to provide own financial input. Most of the funds are to be allocated to SMEs.

* * *

By acceding to the EU, Poland not only strengthened its international position but was also given an opportunity to influence the Union policies. The increased trustworthiness of Poland in the international arena has contributed to an additional influx of foreign direct investment to our country.

The membership in the EU has also been of great significance on a micro scale. Now, Polish business entities compete directly with Community-based businesses, which often have financial and marketing advantages. However, due to the structural and capital transformations initiated during the period of association with the Community, Polish businesses are able to compete with firms from other EU countries on a more equal footing. Moreover, a larger market offers greater opportunities for development and allows access to new technologies, development capital and investments. The liberalisation of the net sectors (e.g. telecommunication, energy), as well as the earlier abolition of border trade barriers, enables the reduction of companies' operational costs. The creation of more stable and predictable conditions of business operation is also extremely important.

Most of concerns expressed by the Poles before accession to the EU have proven unfounded. Painstaking and time-consuming preparations for accession have enabled a smooth transition to the new economic system and rapid adaptation to the new conditions.

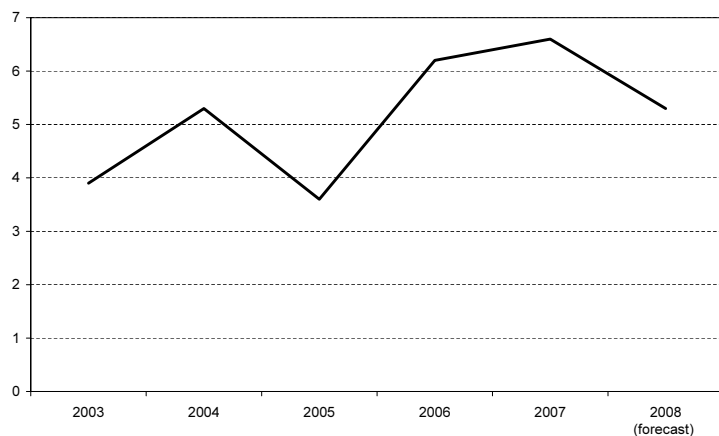
III ECONOMIC GROWTH AND ITS PROSPECTS

1. Poland's economic situation

Recent years have been a successful period for the Polish economy. It has been characterised by a high rate of growth of Gross Domestic Product (GDP), increase in investment activity and improvement of a situation on the labour market. Foreign trade volume has been rapidly increasing and the structure thereof improved.

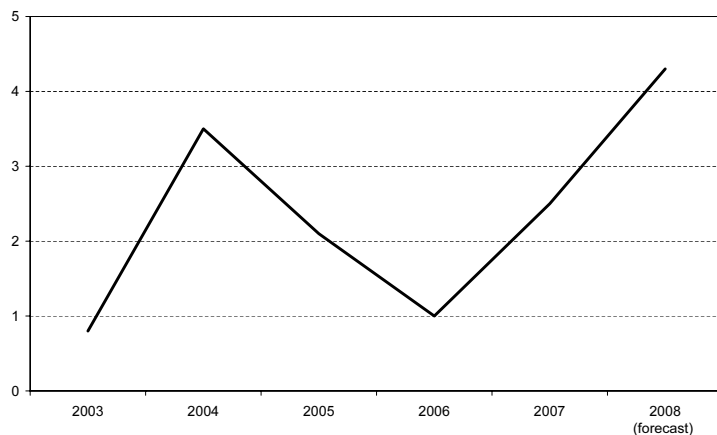
Since 2003, following a short-term economic slowdown at the beginning of the current decade, Polish economy regained impetus which was at its peak in 2006 and 2007 when GDP went up by 6.2% and 6.6%, respectively. However, in 2007 and at the beginning of 2008 inflation level rose, enhanced by a rapid growth in fuel prices and food, as well as quickly increasing level of income and domestic investor and consumer demand. For these reasons, as well as due to a downward trend in the world's and European economy, including in the Polish economy, a temporary slowdown in the years 2008-2009 is expected. Nevertheless, the rate of growth should still remain at a fairly high

GDP growth in 2003-2007 and forecast for 2008
(rate of growth of GDP volume in % relative to the previous year)



Source: Central Statistical Office data; forecast by the European Commission.

Rate of inflation in 2003-2007 and forecast for 2008
(average annual increase in consumer prices in % relative to the previous year)

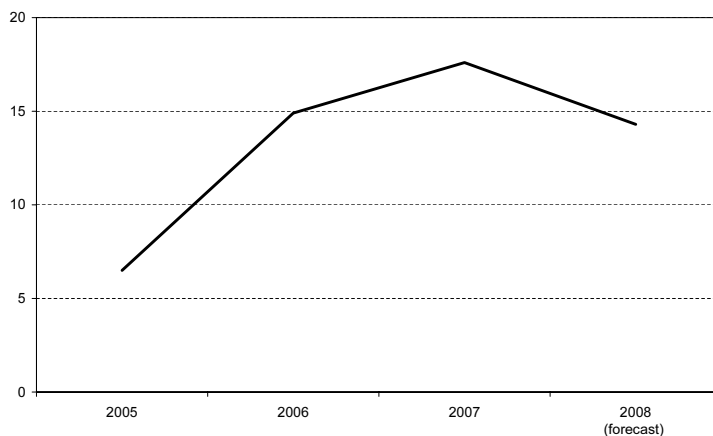


Source: Central Statistical Office data; forecast by the European Commission.

level of ca. 5% annually. This can be achieved if the growth is based on a variety of factors, as it stems both from strong domestic demand (consumer and investor demand) and from the exports. It is estimated that in 2008 the GDP volume can increase by approximately 5.5%, while in 2009 by ca. 5%.

As regards its rate of economic growth, Poland records twice the average figure for the EU Member States. As a result, it is steadily diminishing the distance to the most developed EU countries and improving its competitive position in the

Increase in gross expenditure on fixed assets in 2005-2007 and forecast for 2008
(rate of growth in the volume in %)



Source: Central Statistical Office data; forecast by the European Commission.

European Union. According to the data compiled by the European Commission, the gross domestic product per capita in Poland in 2006 stood at 52.4% of the EU-27 average.

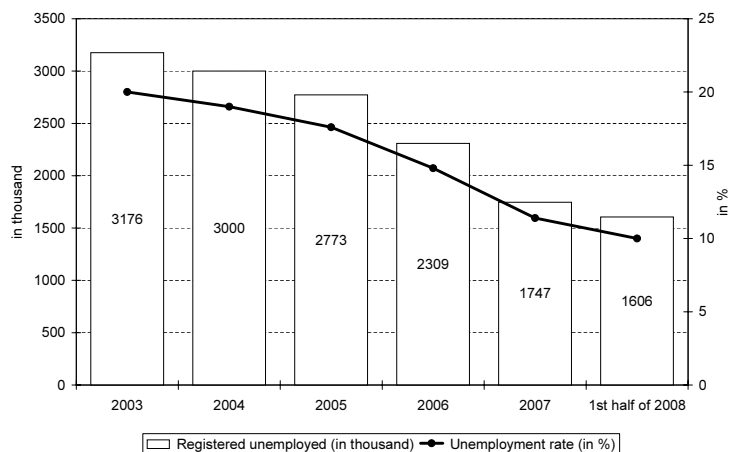
Increase in the employment and remuneration levels leads to a high, and still growing, consumer demand. The rate of growth of individual consumption went up from 2.1% in 2005 to 5% annually in the years 2006 and 2007.

A strong increase in investment activity, seen since 2005, should be particularly emphasised.

The reason for such an increased investment activity is the growing optimism on the part of enterprises and foreign investors, related to a strong domestic demand and good prospects for further increase in exports. Good economic and financial condition of companies on the whole, inflow of the EU structural funds and availability of bank loans (the interest rate of which will, however, be higher in 2008-2009 than in the two previous years) facilitate the financing of investment expenditure. Due to the increase in inflation, monetary policy has become more stringent. Ministry of Finances forecasts, however, that the average annual rate of growth in the consumer price index should be limited to 2.9% in 2009, thus creating favourable conditions for the gradual decrease in the restrictiveness of the monetary policy.

In the situation of a high economic growth, the labour market situation is steadily improving. The number of the unemployed and the unemployment rate is decreasing. The rate of registered unemployment dropped at the end of 2007 to 11.4% and subsequently, in the 1st half of 2008 went further down to approx. 10%. According to Eurostat, the harmonised unemployment rate is even lower (7.7% in March 2008).

Number of the unemployed and the unemployment rate in 2003-2007 and in the first half of 2008 (as at the end of the period)



Source: Central Statistical Office.

The rate of economic activity of the population remains low; according to CSO in the 1st half of 2008 it stood at approx. 54%. The rate of economic activity calculated

according to the EU methodology was higher (63.6% in the 4th quarter of 2007), but still much lower than the EU-27 average (70.6%).

Polish employees' working hours are longer than in the "old" Member States. Consequently, the rate of growth of labour productivity is high. This allows to quickly bridge the gap between the level of labour productivity in Poland and that in the "old" Member States of the European Union as well as the EU-27 average. The labour productivity in Poland, measured as the real value of GDP per working person, rose from one-half of the average EU-27 level in 1999 to two-thirds in 2006.

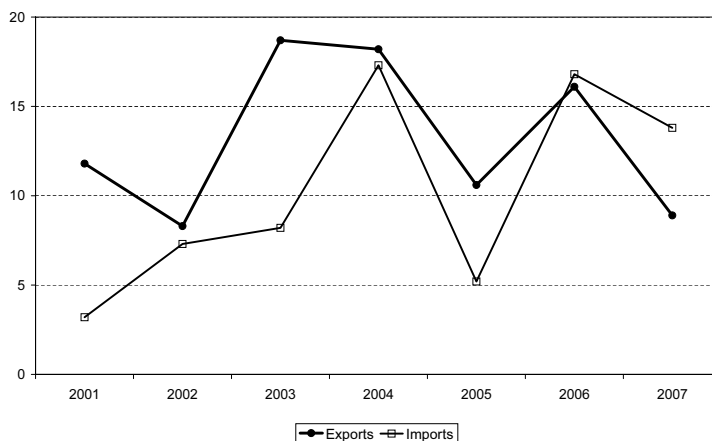
A huge challenge for Poland's economic policy, especially in the context of its preparation for membership in the Euro zone in the future, is to improve the situation in the public finance sector. It will require reduction of pressures on excessive increase in social expenses and implementation of a comprehensive public finance reform, even if the overall economic situation becomes worse.

Following the method recommended by Eurostat, the public and self-government budget deficit diminished from 3.8% of GDP in 2006 to 2.0% in 2007. The public debt to GDP ratio also decreased from 47.6% to 45.2%. This allowed abrogation in June 2008 of the EU excessive deficit procedure imposed on Poland in 2004. Thus the formal barrier to the inclusion of the Polish currency to ERM II and a subsequent replacement of the Polish zloty with euro was removed. According to the governmental convergence programme, updated in April 2008, trends contributing to an improvement of the condition of public finances are expected to sustain in the years 2008-2010.

Tax burden in Poland is lower than the average figure for the EU Member States. In 2007, it accounted for 35.1% of GDP (of which taxes represented 22.8 percentage points and social security contributions 11.9 percentage points). The Ministry of Finances expects that until 2010 the share thereof in GDP should fall to 33.3%.

In the recent decade, a strong impetus for Poland's economic growth has come from foreign trade. In the years 2000-2007, the volume of exports went up, on an average

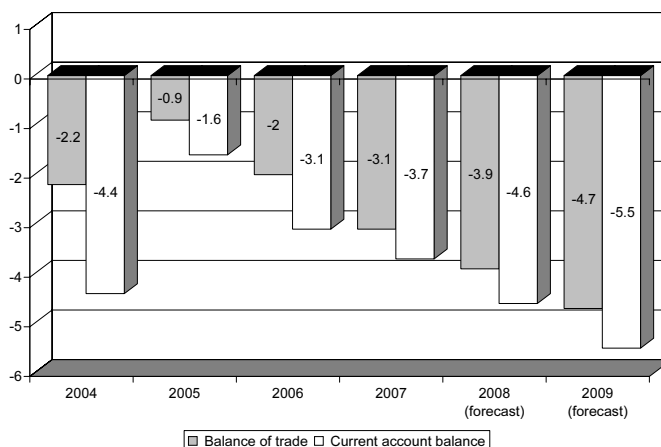
Increase in the volume of Poland's foreign trade in goods in 2001-2007
(rate of growth of the volumes of exports and imports in % relative to the previous year)



Source: Official estimates and forecasts by the European Commission.

annual basis, by 13.2%, which is a markedly higher rate than that of the growth of the volume of imports (10.1%).

Balance of trade and current account balance in relation to GDP in 2004-2007 and forecast for 2008-2009 (in % of GDP)



Source: Official estimates and forecasts by the European Commission.

In the last two years, namely in 2006 and 2007, a high rate of growth of investment and consumption led to a faster growth of imports (to 16.8% and 13.8%, respectively) than of exports (16.1% and 8.9%) and, as a result, to an increase in the trade deficit and deficit in the current account balance (to 3.7% of GDP in 2007). Still, it is not a deficit that could pose any threat to the external balance. It is financed, *inter alia*, by an inflow of the EU funds, foreign direct investment and income generated from transfers from Polish citizens employed abroad.

In 2007, the rates of export involvement and import penetration (the share of the exports/imports of goods and services in total GDP) increased, respectively, to 40.9% and 43.2%. Hence, further progress in the process of opening of the economy was made.

In the transformation and the EU membership period, the geographical and commodity structure of the Polish foreign trade underwent substantial changes. The share of manufactured industrial goods in the total volume of exports increased substantially with a concurrent decrease in the share of raw materials therein. As a consequence of a re-orientation of trade towards well-developed countries, including in particular the EU Member States, in terms of its trade structure Poland is now more integrated with the European Union than the ten new Member States on average and than a number of the EU-15 states. In 2007, approximately 84% of the total value of Polish exports and 71% of Polish imports was generated from trade with well-developed countries, of which a majority (ca. 79% of total exports and 64% of total imports) from trade with the European Union countries. The value of exports to the EU, calculated in euro, rose in 2007 by 14.7%, whereas the value of imports from the EU by 17.7%.

The major item in the Polish trade in goods is industrial goods. In 2007, these goods (listed in sections 6-8 of SITC) accounted for more than 77% of total exports and 65%

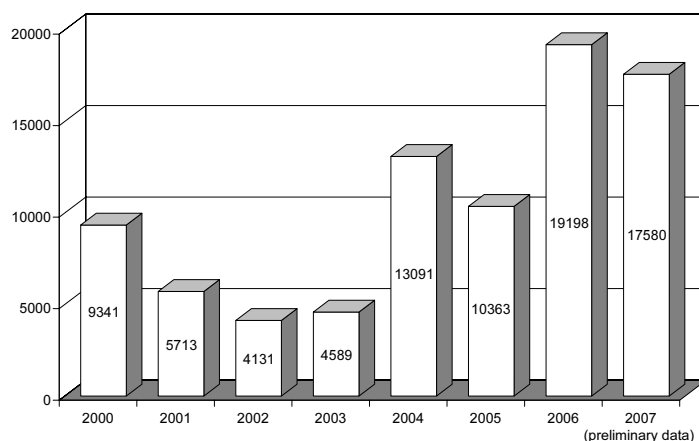
of total imports. On the whole, the balance of these three sections was positive and represented 0.6% of total exports. Trade in agri-food products (sections 0-1) remains a very important portion of the trade volume (approx. 9% of total exports and above 5% of total imports). The balance of trade in these sections is positive and accounts for 2.3% of total exports. As regards the other sections, a surplus of imports over the exports is recorded, likewise in the total trade in goods; deficit therein in 2007 represented 17.4% of total exports.

Detailed information on the situation in Poland's foreign trade can be found in Section V.4 and in the Statistical Annex.

An increasingly important role in the Polish economy is being played by enterprises with foreign capital participation. As at the end of 2006, they represented 16.3% of the total number of enterprises employing 10 or more persons, employed 27.1% of the total workforce in this group and had 36.4% of total fixed assets in this group. The share held by such enterprises in the total business activity revenue was 39.7% and in investment expenditure on new fixed assets 45.6%. In the sectors of economy foreign investors are particularly interested in, such as industrial processing, trade and repair and transport, storage and communication, more than one-half of fixed assets are concentrated in entities with foreign capital participation which have a decisive bearing on the overall level of investment and production and/or service activity. Since the end of 1990s they have also generated a major portion of the total volume of Poland's foreign trade (in 2006 their share in exports amounted to 56.5%, while in imports to 55.6%).

Entities with foreign capital participation serve as the key stimulus of changes in the structure of industrial production and exports, leading to an increased share of technologically advanced goods therein. The years 1995-2006 saw an almost twofold increase in the share of high and medium-high technology goods in these entities' exports (from 30% to 56%); a similar trend was observed as regards the share of such goods in the production sold in this group of enterprises. In such circumstances inflow

Foreign direct investment in Poland in 2000-2007
(in \$ million)



Source: National Bank of Poland.

of foreign direct investment (FDI) to Poland as well as the activity of companies with foreign capital participation have a substantial impact on the dynamics and nature of developmental processes in the Polish economy and foreign trade.

The period when Poland recorded lower FDI (2001-2003) as a result of the main phase of privatisation processes coming to an end and, in effect, of a substantial decline in the importance of privatisation as the factor which attracted direct investment, has already ended. Privatisation investment was successfully replaced with numerous new greenfield projects and, in particular, with re-investment of profit generated by companies with foreign capital participation which had already carried on their businesses in Poland.

Good financial performance recorded in recent years by these companies as well as good development prospects for the Polish market have resulted in a situation where since 2004 the key component of FDI inflow to Poland has become the re-invested profit, which in the individual years represented from 29% to 51% of the total FDI inflow. According to preliminary data for 2007, the value of re-invested profit stood at € 5,330 million and rose by 22.3% relative to 2006. With its share of 41.5% it was the principal component of FDI inflow.

Also the geographical and sectoral structure of the said inflow has been undergoing noticeable evolution. The share of investors coming from the enlarged European Union (EU-25) has increased: from 76.5% in 2003 to 85.3% in 2007. At the same time, a growing portion of FDI has been channelled to service sectors with the share of industrial processing steadily decreasing: from 40% in 2003 to 20% in 2007. Although still the main recipient of FDI in 2007 was industrial processing, only a slightly lower amount was provided to the section real estate and corporate services (19.8%); also the share of financial brokerage (15.3%) and trade and repair (11.9%) was high.

Among factors which determine foreign investors' engagement in our country, the most important ones include the size of the Polish market, cost of labour and prospects for economic growth, as well as a substantial reduction of investment risk resulting from Poland's accession to the EU.

High skills of Polish employees become increasingly important. A growing percentage of young people graduate from universities thus creating a potential of high-skilled resources needed, *inter alia*, by foreign investors. At higher-education schools nearly one-half of the population aged 19-24 is currently educated. At the beginning of the academic year 2007/2008, in higher-education schools of all types 1,937,000 students, including 13,700 foreigners, were enrolled. In 2007, education at the first year of studies was commenced by more than 0.5 million of people with 410,000 graduates completing higher education. This is reflected in increasing foreign investment related to offshoring, requiring high-skilled personnel, consisting in the establishment of R&D centres, IT technology centres and centres which manage business processes.

2. External opinion on the Polish economy

Accelerated economic growth contributes to Poland being perceived as a successful and economically and politically stable country with good development prospects. This view seems to be corroborated by opinions delivered by international economic organisations and financial institutions, as well as by foreign opinion-forming centres and institutions, voiced in foreign economic mass media. Attention is being brought to the size of the Polish market and its location in the very centre of Europe as well as

to a good condition of the financial system in Poland and its resistance to crises. Structural reforms, in particular introduction of a new pension system, and advancement of the transformation process are much appreciated.

In their "Transition Report 2007: People in Transition", experts from the European Bank for Reconstruction and Development give a favourable opinion on Poland's progress as compared with the other states in Central and Eastern Europe in a transformation of the way enterprises, markets, financial institutions and infrastructure function. Having obtained the maximum rating in such areas as small-scale privatisation, price liberalisation and regulation of trade and foreign exchange, Poland attained the level of economically most-developed countries.

EBRD emphasises the fact that the rate of Poland's economic growth has become high and it expects it to be maintained in the immediate future. Good prospects in this respect seem to be shown by the recent forecasts by OECD, International Monetary Fund and the World Bank. The rate of GDP growth in Poland, anticipated by these organisations, is somewhere in the region of 5-6% in 2008 and 4.5-5% in 2009, hence despite the downturn in the world's economy, it should remain high and one of the highest in the European Union.

Ratings assigned by reputable firms, such as Standard & Poor's, Fitch IBCA and Moody's Investor Service, are of considerable importance for the evaluation of creditworthiness and investment risk. At the beginning of 2007 the two former assigned a higher rating to Poland, from BBB+ to A- for long-term debt in foreign currency. The agencies appreciated a very good economic situation of Poland, the fact that the country is developing rapidly and is becoming increasingly competitive.

In February 2008, the rating agency Standard & Poor's raised the rating outlook for the Polish debt in foreign currency from 'stable' to 'positive' and justified it by the improvement of the condition of finances and implementation of structural reforms by the new government. These should lead to a further decrease in the deficit and enhance the prospects for Poland's inclusion in the euro zone. S&P anticipates continued fiscal consolidation, increased flexibility of the labour market and acceleration of the privatisation process.

In the creditworthiness ranking compiled by the US monthly "Institutional Investor" based on data supplied by chief economists of the world's leading banks and insurance companies, Poland consistently improves its position. In the recent edition of March 2008 it was ranked 35th among 174 countries and obtained 73 points where the maximum number was 100. Such a result is by 1.8 points better as compared with the previous ranking of September 2007 when Poland ranked 39th and by 2.2 points better than the result achieved a year before, when it ranked 40th.

Poland's position in the ranking compiled by the British monthly "Euromoney" is also high. It presents a ranking of countries according to their credibility to investors and takes account of such factors as, for example, political risk, debt ratio and debt service payments ratio. In the latest ranking of March 2008 Poland was ranked 42nd among 185 countries analysed.

According to Standard & Poor's the prospects for the attracting of foreign investment by Poland appear to be positive. This will be fostered by the programme of a considerable acceleration of the privatisation process, undertaken by the government. It seems that in a situation where the investment climate has substantially worsened worldwide, Poland should suffer from it only to a minimum extent. This should be thanks to the EU funds which serve as a very important and steadily increasing source of capital. Earlier, there were concerns about possible problems with public finances in Poland due to a rapid slowdown in the economic growth in the world. However,

Poland reduces its budget deficit at a high pace. According to S&P, these efforts pay off as the threat of an adverse impact of the situation abroad on the public finances has markedly diminished while, at the same time, trust on the part of the business environment has enhanced.

High attractiveness of Poland for international corporations as the place where foreign investment can be located is confirmed by the recent report by Ernst&Young: *An Open World. European Attractiveness Survey in 2008*. Poland ranked first among the most often considered locations of investment in Europe, followed by Germany, Russia and France. Poland was also classified among the leading countries in Europe (second after the UK) in terms of job creation resulting from foreign investment located here. In 2007, 18,400 jobs were thus created in Poland.

According to the Ernst&Young report of 2007, Poland was the world's second country in terms of location of industrial investment, after China and followed by India, US, Germany and UK, and was ranked 5th in the world as regards service-related investment of the call centre type.

Poland is also ranked high in the ranking compiled by A.T. Kearney Inc. which analyses the attractiveness of well-developed countries and the so-called emerging markets for foreign investors using the so-called FDI Confidence Index, evaluating possible inflow of foreign investment. The index is calculated based on the opinions delivered by the top managers from the world's 1,000 largest corporations and also on data supplied by a number of international organisations. In the recent ranking of autumn 2007, Poland scored 1.58 points (in a scale of 0 to 3), which means an improvement as compared with the previous ranking of 2005 when the grade was 1.36. As a result, as one of only three CEE countries, Poland was included in the list of 25 most attractive countries for foreign direct investment. In a similar ranking by UNCTAD of 2007 Poland was listed among the 10 countries most often referred to as the possible location of direct investment.

Investing in Poland is encouraged by the gradual improvement of the conditions for conducting business activity, reflected in the higher position achieved in the World Bank's ranking "Doing Business 2008" or the ranking of countries having most friendly business environment, developed by the Economist Intelligence Unit. Poland's progress in the development of information society is confirmed, *inter alia*, by its improving scores in the ranking of advancement in the implementation and application of high IT and telecommunications technologies (e-readiness), compiled by the Economist Intelligence Unit and IBM. The said ranking takes into account such factors as development of infrastructure, the use of on-line solutions by businesses, as well as the scale of e-commerce and e-services offered by the Internet. In 2007, Poland scored in it 5.8 points, where the maximum was 10, relative to 5.76 points in the previous edition.

On the whole, the ranks shown above demonstrate that favourable conditions created to entrepreneurs as well as good development prospects make Poland an attractive partner for various forms of business cooperation.

3. Visions of economic growth of Poland until 2015 in the light of the National Development Strategy

Poland's membership in the European Union and a development gap between our country and the majority of members of this organisation, make the need to reach a sustainable and high pace of development especially urgent. Also in response to

the globalisation process and the challenges presented to Europe by the renewed Lisbon Strategy, Poland has to pursue a modern development policy which is necessary to make reasonable use of the opportunities afforded by Poland's membership in the European Union and, first of all, to use the EU funds allocated for the years 2007-2013 in a much larger amount than for 2004-2006. Such a policy has to take advantage of these features of the Polish economy and society which may serve as a source of our country's competitive advantage, such as, primarily, a relatively young and increasingly well-educated workforce, high degree of entrepreneurship of the Polish society and the entrepreneurs' adaptability to changing circumstances as well as a large internal market and unrestrained access to the internal market of the European Union.

Creation of an environment conducive to development and, in the first place, of an efficient institutional and regulatory system to enable the best possible use of resources is central to Poland's civilisation advancement. Poland has to make considerable effort to change the rules of the game in the economy so that the carrying out of business activity would be easier and less costly, thus contributing to an improvement of the situation on the labour market.

Efforts should be concentrated particularly on job creation, especially in the sector of market services as it is the only sector capable of absorbing employees of the industrial sector undergoing modernisation and of the restructured agriculture. Social and professional activity and mobility of population should increase and its educational attainment should improve. Continuing learning should be popularised. Poland's economy has to be based on knowledge and employ, to a large extent, information and communication technologies, available to all citizens, in all the areas of economy and social services. Our country will promote development of intellectual capital both of persons and of organisations.

The National Development Strategy 2007-2015 (NDS) adopted by the Council of Ministers on 29 November 2006 formulates such a policy. It is the key government strategic document which defines the objectives and priorities as regards Poland's social and economic development, and conditions to be met in order to ensure such development. It is the main multiannual strategic document related to the country's social and economic development, which serves as a reference document for other government strategies and programmes developed also by territorial self-government units.

It is the basis for an effective use by Poland of development funds, both from domestic sources and from the European Union, for the attainment of social and economic objectives. An important role NDS plays is to co-ordinate institutional and regulatory reforms with actions financed with the EU funds so that due to thus achieved synergies these two areas of economic policy would stimulate development to the largest possible extent.

The National Development Strategy, while focusing on growth and employment, pursues the objectives and challenges set in the Lisbon Strategy, the key strategic document of the European Union.

In 2015 Poland should be a country offering high standards of living to its residents and having strong and competitive economy capable of creating new jobs.

The central goal of the strategy is to improve the standard and quality of living of residents of Poland. It will be pursued within six priorities which define the most important areas of operation. These are as follows:

1. Improvement of the economy's competitiveness and innovativeness;
2. Improvement of the technical and social infrastructure;
3. Increase in the employment level and improvement of the quality of employment;
4. Development of an integrated social community and improvement of its safety;
5. Rural development;
6. Regional development and improvement of territorial cohesion.

The first priority, i.e. improvement of the economy's competitiveness and innovativeness, will be implemented through the following actions:

- creating sustainable macroeconomic basis for development;
- development of entrepreneurship;
- enhanced access to external financing of investment;
- improvement of technological advancement of the economy through increased expenditure on research and development, and innovation;
- development of information society through introduction of information technology in the relationship between business and public administration (administrative and financial management, databases, etc.), e-administration;
- competition protection;
- exports and foreign cooperation;
- development of the services sector;
- completion of restructuring of traditional sectors of industry and structural changes in the fisheries sector.

Actions intended to implement the second priority, namely improvement of the condition of infrastructure, will be focused, in the area of technical infrastructure, on the following: transport infrastructure, housing infrastructure, data communication infrastructure, energy sector, and environmental protection. As regards the impact on social infrastructure, measures will be implemented in the field of educational infrastructure, health care and social welfare, culture, tourism and sport.

Implementation of the third priority, that is increase in the employment level and its quality, will consist in the following actions:

- creation of conditions encouraging entrepreneurship and reduction of employers' burdens;
- making the labour market in Poland more flexible and improving labour resources' mobility;
- initiatives to promote equal opportunities on the labour market;
- adjustment of the educational offer to the labour market needs;
- development of social dialogue and enhancement of negotiation-based system of employee-employer relationships;
- improvement of work safety and of working conditions;
- improvement of efficiency of institutional activities related to the labour market;
- effective migration policy.

Development of an integrated social community and improvement of the mode of functioning of public authorities (the fourth priority) will be possible thanks to such actions as:

- building of trustworthy and efficient public authorities deserving social trust, and counteracting corruption;
- supporting self-organisation of local communities;

- promotion of social inclusion policy, including pro-family policy, in particular as regards the economic, care and educational functions;
- ensuring national security and feeling of safety;
- internal security and public order.

Projects aimed at the implementation of the fifth priority (rural development) will focus on the following areas:

- development of entrepreneurship and non-agricultural activity;
- improvement of competitiveness of farms;
- development and improvement of technical and social infrastructure in rural areas;
- improved quality of human capital and economic activity of rural residents.

The key to successful implementation of the sixth priority, namely regional development, will be the regions' and the societies' ability to exploit their own resources and to attract external investors. The strategic objective of the state regional policy for the years 2007-2015 is to create conditions facilitating enhanced competitiveness in such a way so as to foster social, economic and territorial cohesion, and lead to equalisation of development opportunities for those areas which would be doomed to marginalisation or long-term development difficulties without state aid. At the same time, in line with the subsidiarity principle and the principle of support to endogenic development, the state regional policy will still focus on flexible differentiation of objectives and the use of the internal potential of the particular areas.

Attainment of the NDS objectives will be possible primarily due to the potentially large investments thanks to the support obtained under the Community Cohesion Policy. The aggregate amount of the EU funds earmarked for the implementation of NDS will approximate € 86 billion and together with national public and private contribution will amount to ca. € 108 billion. Therefore, the amount of the allocation for the period 2007-2015 is much higher than the funding available under the National Development Plan 2004-2006, whereunder the Community commitment appropriations amount to € 12.8 billion.

Implementation of the Strategy should result in a sustainable and fast economic growth in Poland, stimulated, to a large extent, by investment and exports. As regards the basic implementation indices, the NDS assumes as follows:

- Acceleration of the GDP growth from 3% on an average annual basis in 2001-2005 to 5.1% in 2006-2010 and 5.2% in 2011-2015. This would probably imply attainment of the level of 66% of the EU-25 average in the last year of NDS implementation relative to the current 50%.
- Increase of the average investment rate from 18.8% in 2001-2005 to 21% in 2006-2010 and 25% in 2011-2015.
- Increase in the value of exports per capita from € 1,900 in 2005 to € 3,500 in 2010 and further to € 4,900 in 2015.
- Substantial increase in expenditure on R&D activity: from 0.58% of GDP in 2004 to 1.5% of GDP in 2010 and 2.0% of GDP in 2015, accompanied by an increasing share of business entities' contribution in such expenditure – from 22.6% to 30% and 40% respectively.
- Decrease in the unemployment rate from 17.6% in 2005 to 12% in 2010 and to 9% in 2015.
- Macroeconomic stabilisation; maintaining the rate of inflation at a level of approximately 2.5% annually and steady reduction of the deficit of the public finance sector (2.5% of GDP in 2010 and 2.0% of GDP in 2015), which will halt

the increase of public debt (its relation to GDP, following a rise from 48.8% in 2005 to 51.7% in 2010, is expected to go down to 47% in 2015).

In general, implementation of the above goals has been successful thus far and in some areas even unexpectedly good. In the years 2006-2007, the average annual rate of GDP growth stood at 6.4%, thus being much higher than the rate of 5.1% forecast for the period 2006-2010. As early as in 2007 the decrease in the unemployment rate, assumed to be achieved by 2010, was already attained, as was the reduction in the deficit in the public finances sector, expected to be achieved by 2015.

These achievements were possible, to a considerable extent, due to the implementation of programmes co-financed with the EU funds. It is estimated that thanks to these funds GDP was higher in 2007 by 0.57-1.71% and the number of the employed in 2006 was higher by 167,000 (in 2007 even twice as many). Given the lengthy procedures related to the use of the EU funds, it was mainly the result of the implementation of programmes under the National Development Plan for the years 2004-2006. More noticeable effects of the use of the funds provided for in the National Cohesion Strategy 2007-2013 should be expected only in the few years to come.

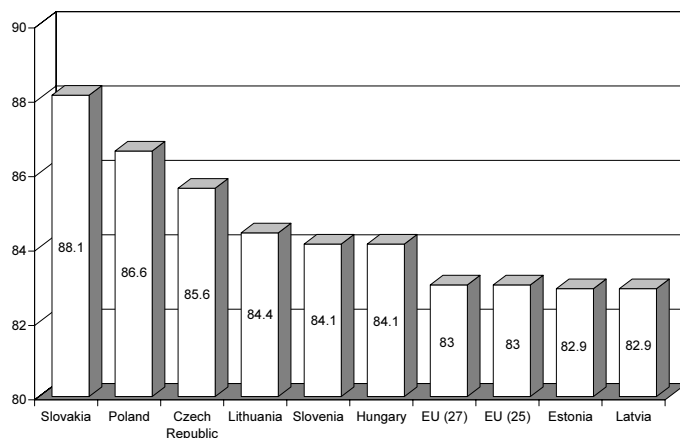
IV RESOURCES AND INFRASTRUCTURE

1. Labour market

Polish society is relatively young. When compared with the other EU Member States from Central and Eastern Europe, Poland is still among those which boast the highest percentage of people below 64 years of age. A falling rate of population growth, seen in Poland since 1989, has led to a decrease in its total population. It is only for two years that a positive rate of population growth has been recorded, which is a positive sign for a possible reversal of the existing trend.

Since the beginning of the transformation period a high growth dynamics has been observed in the group of population at productive age¹. At the end of 2007 the percentage of people at productive age stood at 64% (24.5 million).

Percentage of individuals below 64 years of age in selected EU countries in Central and Eastern Europe in 2007



Source: Own study based on Eurostat data.

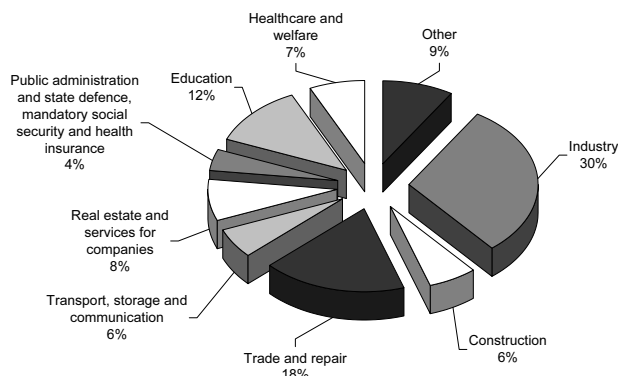
¹ For women it is 18-59 years of age, whereas for men 18-65.

In 2007 favourable changes on the labour market were sustained. In all the voivodeships the employment rate steadily, though with varied intensity, increased and was accompanied by a concurrent fall in the unemployment levels. On the whole, employment in the sector of enterprises grew by 4.7%. The rate of increase of employment ranged from 3.5% in industry to 9.1% in the construction sector. In the key services sectors, such as trade and repair, hotels and restaurants, and real estate and services for companies, it approximated 7%.

As at the end of 2007 the 9,943,000 people worked in the national economy, of which 47.7% were women. The private sector employed approx. 66% of the total number of employed population, while the public sector ca. 34%. More than 58% of the total number of the employed worked in medium-sized and large entities (employing more than 49 of staff).

In terms of the particular sections, at the end of 2007 the largest number of people worked in industrial processing (approx. 25%), followed by trade and repair (approx. 18%) and education (12%). Also a relatively high percentage was recorded in real estate and services for companies (8% of the total number of employed population) and healthcare and welfare (7%).

Employed population by sections in 2007



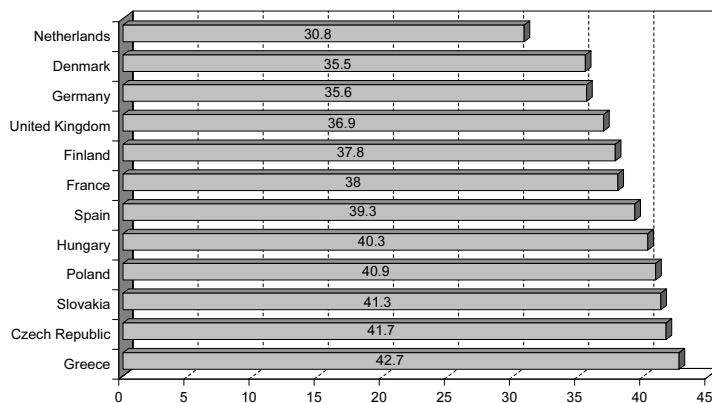
Source: Own study based on Central Statistical Office data.

The largest professional group was specialists (approx. 20% of the total working population) as well as industrial workers and craftsmen (approx. 18%). A fairly large share in the total number of the employed was also held by office workers (approx. 12%) as well as technicians and other medium-level staff (11.8%).

The Poles work longer than the EU average. The average weekly working time in Western Europe is by 2 to even 10 hours shorter than in Poland.

The percentage of people seeking jobs other than currently performed has diminished. In the 4th quarter of 2007 this group accounted for 4.5% of all working population, compared with 6.1% a year before. The key reason, quoted by more than 59% of people searching for other jobs, remains the intention to improve one's

Average weekly number of working hours in selected EU countries in 2006



Source: Own study based on OECD data.

financial situation (the previous year's figure was 61.4%); another reason was search of permanent employment.

In 2007, the steady decrease in the rate of registered unemployment, observed in Poland since 2002, was most dynamic. At the end of December 2007 1,746,600 people were registered in labour offices, which was by as many as 562,800 (by 24.4%) fewer than in the respective period of the previous year. Also the number of the newly registered unemployed was lower than a year before (by 7.5%).

At the end of 2007 the rate of unemployment for the country as a whole stood at 11.4% and was by 3.4 percentage points lower than a year before, although it still varied regionally: from 8% in the Wielkopolskie voivodeship to 19% in the Warmińsko-Mazurskie voivodeship. A relatively low unemployment rate was recorded in the following voivodeships: Małopolskie (8.8%), Mazowieckie (9.2%) and Śląskie (9.3%), whereas a high rate was still observed, apart from the Warmińsko-Mazurskie voivodeship, also in the following voivodeships: Zachodniopomorskie (16.6%), Kujawsko-Pomorskie (15.2%) and Świętokrzyskie (15.1%).

A fall in the number of the unemployed was seen both as regards men (by 27.3%) and women, although in the latter group it was slightly lower (by 22.1%).

The number of unemployed people who remain jobless for more than one year has decreased and the highest fall in the respective figure was recorded in the Wielkopolskie (by 41%) and Dolnośląskie (by 40.1%) voivodeships.

The specific feature of the Polish labour market is a relatively large number of young old-age and disability pensioners, some of whom undertake part-time employment.

Despite higher inflation levels, in 2007 the financial situation of Polish households did not deteriorate. The purchasing power of an average gross monthly remuneration in the enterprises' sector increased by 9.4% relative to 2006. All voivodeships witnessed a growth in the remuneration levels, which limited the impact of inflation on households' budgets. The largest increase in remuneration was recorded in the Pomorskie and

Podlaskie voivodeships, while the lowest one in the Mazowieckie and Śląskie voivodeships, namely in those where the level of remuneration is still highest.

In 2007, the average gross monthly remuneration in the national economy amounted to PLN 2,691.03, which is by 8.7% more than a year before. Traditionally, the highest figure was recorded in financial brokerage (PLN 5,122.36), mining (PLN 4,941.78) and in production and supply of electricity, gas and water (PLN 3,742.17), whereas the lowest one in the following sections: hotels and restaurants (PLN 2,096.16), fisheries (PLN 2,304.71) and healthcare and welfare (PLN 2,506.19). The largest increase in remuneration as compared with the year before was seen in health care and welfare (by 18%) and construction (by 15.4%).

In order to increase employment levels and reduce the rate of unemployment the Polish government pursues an active labour market policy. Unemployed people can benefit from various forms of professional activation: activation bonuses, reimbursement of the costs of travel and accommodation, public works, intervention works, socially useful works, practical and on-the-job training, training sessions, loans for training purposes, grants in the period of continued education, support for one's own business activity. Moreover, the government supports professional activation of graduates, creation of jobs for the unemployed, social and occupational inclusion of women and disabled persons. On the other hand, what is important from the point of view of employers is government's actions taken in order to improve flexibility of the labour law and simplify administrative procedures related to a registration of business activity and obtainment of permits and licences, as well as leading to an improvement of the clarity of the existing legal regulations.

Actions pursued in order to improve the situation on the labour market include also implementation of necessary reforms of the education and training system to improve general attainment level and ensure better matching of qualifications and the labour market requirements, develop continuing education systems and co-ordinate the fiscal and social benefits systems.

In recent years, a considerable impact on the Polish labour market was exerted by the fact that a majority of the EU countries opened their labour markets to Polish workers, thus enabling Polish people to take up employment with no need to obtain any work permits. At present, the Poles may undertake employment in eleven countries in the EU-15: Ireland, Sweden, United Kingdom, Finland, Greece, Spain, Portugal, Italy, the Netherlands, Luxembourg and France, as well as in the new EU Member States in Central and Eastern Europe, namely Bulgaria, Czech Republic, Estonia, Lithuania, Latvia, Romania, Slovakia, Slovenia and Hungary. The other Member States decided to maintain the existing restrictions on the access to their labour markets. At the same time, some of them introduce measures to facilitate access to some sectors/professions (Belgium) or simplify procedures related to the obtainment of work permits (Denmark).

Opening of the European labour markets to Polish workers has contributed, to a considerable extent, to a reduction of the rate of registered unemployment in Poland or even led to shortages of labour force, e.g. of temporary workers in the agri-food sector, construction industry or some niche professions. Amendments to the Polish legislation, introduced in 2008 and seen as favourable for Polish employers, have facilitated, to some extent, the process of employment of foreigners from outside the EU (for more information see Chapter IX).

2. Natural resources

Poland is rich in resources of mineral raw materials. It ranks with the leading world producers and exporters of hard coal, sulphur, copper and silver. Other resources include substantial deposits of zinc, lead, natural gas, salt and other minerals.

Energy raw materials. Fuel and energy balance

Exploitation of coal deposits is the main source of the country's energy supply and an important source of export income. In Europe (excluding Russia), Poland is the leading producer and exporter of hard coal and also an important producer of brown coal (lignite).

Proven hard coal deposits, estimated at 42 billion tons are mined particularly in Silesia and in the Lublin region. Brown coal, with 13.7 billion tons of proven resources, is extracted in open-pit mines in central and south-western part of the country. Workable reserves equal 161 years of hard coal and 31 years of lignite output.

Considerable coal resources and output provide Poland with a high degree of energy self-sufficiency. Coal supplies cover more than 60% of the primary energy consumed domestically and this mineral is the source of generation of approximately 92% of the total electricity production. Restructuring of coal mining and the need to diversify the structure of energy supply increases the significance of liquid and gaseous fuels in the country's energy consumption.

The workable natural gas deposits in Poland are estimated at 113 billion cubic metres, an equivalent of 20 years of output at the present level. Natural gas exploitation covers above 30% of the domestic demand for this fuel. On the other hand, reserves and output of crude oil are insignificant, hence, practically the entire oil refining is based on imported crude, in more than 90% from Russia.

Traditionally, Soviet Union was the only exporter of natural gas and the major supplier of crude oil to Poland. However, in the 1990s, the sources of crude oil imports were considerably diversified and, for this purpose, the crude oil terminal in the Gdańsk port was expanded. It is not unlikely that in the future Poland will be supplied with Caspian crude oil via the Odessa-Brody-Gdańsk pipeline. Apart from Poland this project generated interest from Ukraine, Lithuania, Georgia and Azerbaijan.

With 7 to 8 billion cubic metres of annual export (which represents roughly one-half of the total domestic consumption), Russia still remains by far the largest supplier of natural gas to Poland. The Russian gas is partially delivered via the first branch of the Yamal gas pipeline running from Russia through Belarus and Poland to Germany. Gas imports have also been gradually diversified by Poland. To achieve this a liquid gas terminal is planned to be built in Świnoujście. It is expected that first ships with gas will arrive at Świnoujście in 2012. Initially 2.5-3 billion cubic metres of gas per year are expected to come to Poland this way. The next step towards diversification of gas supply sources will be the construction of a 200-kilometre long pipeline from the north-western coast of Poland (Niechorze) to Denmark, by which Norwegian gas from the North Sea is planned to be imported. In order to guarantee supplies from that source PGNiG, a Polish state-controlled company, will co-finance construction of a pipeline from Norway to Denmark and Sweden. First deliveries of gas are expected to come in the years 2012-2015. Finally, to improve the country's energy security underground gas storage facilities are planned to be built and extraction of this type of fuel in Poland is to be increased.

Metals

Developed copper resources in Poland, now reaching 1.6 billion tons, are sufficient for the next 45 years at the present level of output. Copper is mined in Lower Silesia from the depth of down to 1,200 metres. Copper ores available in Poland are characterised by a high content of silver, making the exploitation more profitable. Copper mining in Poland is a relatively new industry, dating its development to the late 1960s. Poland is ranked 9th among producers of pit copper in the world and first in Europe (excluding Russia). The production of silver gives Poland 6th position in the world and the first in Europe. The majority of mined copper and silver is exported principally to the EU countries. Restructuring and modernisation of this branch, carried out in recent years, have reduced production costs and improved competitiveness on the international market.

The year 1997 witnessed the beginning of privatisation of the Polish copper industry. 36% of shares in KGHM Polska Miedź S.A., the sole copper producer in Poland, have been sold to domestic and foreign investors in public offering. KGHM is a leading Polish exporter and one of the largest companies in Poland. Furthermore, it is a major producer on a worldwide scale. In 2007, the Polish company's share in the total world's output of silver stood at 6% and in the total world's output of copper at 3%.

Zinc-lead ore deposits can be found in the Silesia and Kraków regions. The present output of zinc ores, however, does not meet the demand of the domestic manufacturing industry, which is therefore partially covered by imports of concentrates. On the other hand, some portion of metallurgic zinc and, to a lesser extent, lead output is exported.

3. Productive assets

At the end of 2006, the total gross value of fixed assets at current market prices in Poland amounted to PLN 1,913.3 billion, this being an equivalent of approx. \$ 657.4 billion, of which 58.6% was owned by the private sector. Buildings and structures accounted for 65.8%, machinery and equipment for 27.1%, and transport equipment for 6.2% of the total value of fixed assets. More than 72% of fixed assets were accumulated in three economy sectors: industry (31.6%, of which manufacturing accounted for 17.5%), real estate and business activities (22.8%, of which 20.5% in residential buildings), and transport and communication (17.9%).

The productive assets of manufacturing comprised primarily assets invested in the following divisions: manufacture of food products and beverages (18%), manufacture of chemical products (9.9%), automotive industry (9.7%), mineral industry (8.8%), manufacture of rubber and plastic products (6.5%), manufacture of coke, refined petroleum products and derivatives (5.7%), manufacture of machinery and equipment (5.6%) and manufacture of metals (5.5%). The main components of manufacturing industry's assets were machinery and equipment (61.5%) and buildings and structures (33.8%).

The Polish productive assets are to a high degree depreciated. As at the end of 2006, the degree of their depreciation in economy averaged 46.8%, including in industry it was 50.2%. In manufacturing industry the rate of depreciation stood, on average, at 47.6%. It was relatively high (exceeding 55%) in the following sectors: manufacture of textiles, manufacture of other transport equipment (i.e. mainly ships), and manufacture of chemical products. In such divisions as: manufacture of coke, refined petroleum

products and derivatives, manufacture of metals, manufacture of office machinery and computers, manufacture of radio, TV and telecommunications equipment, and manufacture of furniture the foregoing rate was quite favourable (below 42%).

The degree of depreciation of productive assets in the economy varies widely as regards individual components. As at the end of 2006, the depreciation ranged from 62.8% in machinery and equipment, to 55.4% in transport equipment, and 38.8% in buildings and structures. A very high degree of depreciation of machinery and equipment was recorded in agriculture and forestry (83.9%), a considerably lower one, but still high in real estate and business activity (67.3%), and fisheries (64%). The depreciation rate was slightly lower in industry (60.7%), transport and communication (60.4%) and in trade and repair (59.6%). In the latter section, major foreign investment has been recorded in recent years, focusing mainly on commercial networks. In industry, the rate of machinery and equipment depreciation was the highest in the mining sector (67.9%) and the lowest in manufacturing (57.2%). In the latter sector it exceeded 60% in the following divisions: manufacture of textiles, manufacture of other transport equipment, manufacture of clothing, manufacture of electrical machinery and equipment, manufacture of medical, precision and optical apparatus, manufacture of furs and fur products, manufacture of chemicals, and manufacture of office equipment and computers.

A high degree of depreciation of productive assets in Poland, especially in traditional industries, makes the modernisation and replacement of machinery, apart from consistently introduced systemic changes, the basis for economic transformation. The modernisation should focus, in particular, on high productivity industries facing good development prospects. In the years 1996-2006, the degree of depreciation of productive assets in Polish economy decreased from 49.7% to 46.8%, including in industry from 57.2% to 50.2%. In this sector the rate of depreciation went down particularly in manufacture of coke and oil refining products (from 69.1% to 38.3%), manufacture of metals (from 66.3% to 38.6%), manufacture of office equipment and computers (from 54.9% to 41.9%), textile industry (from 66.6% to 59.8%), manufacture of radio, TV and telecommunication equipment (from 49.8% to 41.5%), and manufacture of motor vehicles (from 53.3% to 47%).

Such a decrease in the rate of depreciation of productive assets in the Polish economy was possible thanks to a considerable growth in investment expenditure. Such expenditure increased particularly fast (14-22% *per annum* in fixed prices) in the years 1995-1998. In subsequent years this growth largely slowed down. However, since the second half of 2003 an increase in the investment activity has been observed again. A substantial increase was recorded in 2006 and 2007 when investment rose by a dozen or so percent per year (by 14.9% and 17.6% respectively). An increasingly important role in the investment process is played by foreign companies. In 2006, their share in the aggregate gross expenditure on new fixed assets represented 45.6% as compared with 18% in 1994.

4. Economic infrastructure

Infrastructure is of key importance for development of activity in all sectors of the economy. As a Member State of the European Union, Poland makes efforts leading to an integration of its economic infrastructure with the infrastructure of the other Member States. Liberalisation of the services market in the network sectors as well as

development of the economic infrastructure which has been deteriorating for years is one of the most crucial strategic directions of economic development in Poland.

Transport

The most important problem of the Polish transport infrastructure is the absence of a well-developed network of high-capacity roads (motorways and express roads), a high percentage of poor-quality roads, substantial technical deterioration of the railway network, unadjustedness of the air transport infrastructure to the increasing number of passengers, low quality of inter-regional links, in particular between the eastern regions of Poland and the rest of the country.

Inclusion of the Polish network of transport infrastructure in the European network requires modernisation and extension of the former. EU membership has offered an opportunity for significant improvement of situation in this respect due to the possibility of obtaining the Community's financial support to investment projects. Such a support can be granted to those elements of the transport infrastructure which are situated in trans-European transport corridors (TEN-T network) and are of material importance for the entire EU (modernisation of the railway and road network, construction of motorways and express roads), as well as to smaller investment projects aimed at a development and upgrading of the regional transport infrastructure. In the years 2007-2013, the EU funds of more than € 19 billion is expected to be earmarked for: TEN-T trans-European transport networks, development of environment-friendly transport, transport infrastructure in eastern Poland, enhancement of transport safety and national transport networks. The average share of the EU funds in the financing of projects under the foregoing priorities is to be approximately 78%. In addition to national public contribution, these projects are to be financed also by the private sector. In total, in the years 2007-2013 the expenditure will exceed € 26 billion. The major objective of the investment will be intra-industry and territorial integration and improvement of the quality of transport infrastructure in Poland as well as decreasing environmental hazards caused by transport through increased importance of rail and sea transport on the transport market.

Thanks to its transit location and infrastructural investment, Poland now faces a chance to play a major role serving international transport between Western Europe and Russia, Ukraine and Central Asia as well as between the Nordic States and the South of Europe.

In relation with the organisation of the Europe Football Championship by Poland and Ukraine in 2012, the following investment projects are planned in Poland: modernisation and development of road and railway connections between the cities in which football events will take place (Warsaw, Gdańsk, Wrocław, Poznań and reserve cities: Chorzów and Kraków), development of public transport and airports in the above cities, as well as road and rail connections with Germany, the Czech Republic, Slovakia and Ukraine.

Road transport

In recent years the number of motor vehicles on Polish roads has been growing fast. In the period 2000-2007, the number of registered passenger cars increased by 46% (from 9,991,000 to 14,589,000), and of trucks and semi-articulated lorries by 34% (from 1,879,000 to 2,521,000).

As a result of Poland's accession to the EU the motor transport market was fully liberalised, which has led to a significant increase in the number of vehicles in international transport. Considering Poland's transit situation, transport between Western Europe and Russia, Ukraine and Central Asia has a considerable share in the total volume of international transport.

At the end of 2006, Poland had 256,000 km of hard-surface public roads, of which 90% had the road surface improved. This translated into 81.7 km of roads per 100 square kilometres of land. The most dense network of roads was in the Śląskie and Małopolskie Voivodeships, whereas the most sparse one – in the Warmińsko-Mazurskie and Podlaskie Voivodeships.

The substantial increase in traffic affecting the road infrastructure in the past decade and at the beginning of this decade was not followed by sufficient development and modernisation of that infrastructure. The chief drawback of the Polish road network is the insufficient length of motorways (674 km) and express roads (294 km). The length of international roads was 5,500 kilometres, of which 4,800 kilometres in the TEN-T trans-European network. Until 2012 further 1,105 km of motorways and 964 km of express roads are planned to be built. Construction of about 54 ring roads around cities and towns is expected to improve road capacity and safety. As a result, a network of safe roads will be built to cover the majority of the country's area. In the years 2007-2015, the network of roads adjusted to traffic of vehicles of maximum authorised weight per axle of 11.5 tons is expected to increase from 2,191 km to more than 3,400 km. Such investment is necessary due to the forecast increase in the number of passenger cars by 40-60% and in the volume of cargo transport at the rate of 1.6-2.1% per year until 2020. In that period demand for car transport in Polish foreign trade is expected to increase by 150-190%.

Development of the road network in eastern Poland and, in particular, improvement of road links between the region's two largest cities, Białystok and Lublin, and Warsaw, contributing to an improved quality of infrastructure for international transport between Western Europe and the Eastern Europe countries, will be one of the priorities.

Railway transport

As at the end of 2007 the total length of railway lines in Poland was 20,100 km. Density of the railway network was 6.4 km/100 km² of the country's total area and exceeded the EU-15 average of 5 km/100 km². The largest density of the railway network is in the south-western part of Poland and, in particular, in the Śląskie Voivodeship (17.2 km/100 km²), whereas the lowest one in the Podlaskie, Lubelskie and Mazowieckie Voivodeships (below 5 km/100 km²). The most important element of the railway infrastructure is the 5,400 kilometre long Trans-European Railway Transport Network (TEN-T) which serves approximately 60% of total transport. Railway lines of four trans-European transport corridors cross Poland.

In the next few years development of railway transport in Poland will consist primarily in the improvement of the existing infrastructure. As a result, the technical condition of railway lines will be improved, namely the carrying capacity will be increased to 22.5 ton/axle, maintenance costs will be reduced and the standard of passenger and cargo transport will be improved, in particular thanks to the reduction of the time of journey. Until 2013 50% of the railway network in the trans-European

transport corridors is expected to be upgraded and, by 2020, fully modernised. At the same time, the remaining part of the railway network which falls within the scope of the state's responsibility will be upgraded. By 2013 preparatory work prior to the construction of high-speed railway lines (above 300 km/h) will be commenced.

Municipal transport

In 2007, municipal transport system was in operation in 262 Polish cities and towns. The aggregate length of ground municipal transport lines was 28,800 km, served by 11,600 buses, 3,700 trams and 200 trolley buses. The only city having the Underground is Warsaw. At present, only one, 18 km long, line is in operation.

The condition of infrastructure of local public transport in Polish cities and towns is varied. The major problems include: high costs of maintenance of the transport system and deterioration of infrastructure as a result of excessive individual traffic, insufficient funds allocated to infrastructural investment by municipal self-governments, insufficient development of environment-friendly forms of transport, such as fast city railway, tram, Underground or trolley bus, low competitiveness of railway transport (apart from the Underground service) as compared with cars due to its low operational speed. In a majority of cities and towns individual transport is preferred to bus transport, this being the case, in particular, of medium-sized towns. A positive phenomenon is the demonopolisation of the market in public transport services.

Until 2013 the priority of the transport policy pursued by the State will be to increase the share of environment-friendly public transport in the metropolitan areas: Katowice, Tri-City (Gdańsk-Gdynia-Sopot), Warsaw, Toruń-Bydgoszcz, Łódź, Kraków, Szczecin and Poznań. Actions are to be aimed at infrastructural integration of all means of transport in operation in a given metropolitan area, introduction of integrated traffic management systems preferring public transport and promotion of environment-friendly forms of transport, alternative to individual transport.

Maritime transport

The largest seaports in Poland, that is ones in Gdańsk, Gdynia, Szczecin and Świnoujście, are the strategic nodes of the domestic and European transport infrastructure. They link various branches of inland (railway and road) transport and inland waterway transport with international maritime transport. They are situated within the international North-South transport corridors. Polish seaports are served mainly by railway transport.

The main Polish commercial seaports have an infrastructure which allows them to provide a wide range of both passenger and cargo transport services. At the same time, each of them specialised in a particular area of activity. Gdynia is the largest container port on the southern Baltic Sea, Gdańsk has one of the largest reloading terminals for crude oil on the Baltic Sea, whereas the Szczecin – Świnoujście port complex has the largest ferry terminal in Poland. The largest regional seaports (Kołobrzeg, Darłowo and Elbląg) perform chiefly tourist and fisheries functions.

As regards development of maritime transport infrastructure, projects planned include modernisation of the Świnoujście-Szczecin waterway, construction of port infrastructure for the container base in Szczecin and for the West-Pomerania Logistic Centre in Szczecin, improvement of access to the main seaports from the sea and land,

and many other projects related to modernisation and to the enhancement of reloading capacity. Currently, Polish seaports offer attractive areas for potential investors.

Inland waterway transport

Inland waterway transport plays a minor role in Poland. The length of navigable inland waterways approximates 3,660 km, including 200 km of international importance. The most ample opportunities for inland navigation are offered by the Oder River and its tributaries. The Oder Waterway forms part of the trans-European transport network and serves primarily the Szczecin and Świnoujście seaports. In the future, this type of transport, as the most environment-friendly one, will gain importance in Poland.

Air transport

The largest airport in Poland is the Fryderyk Chopin airport in Warsaw which in 2007 served 9.3 million passengers. There are also 11 regional airports in Poland. The largest ones – in Kraków, Katowice, Gdańsk and Wrocław – serve over 1 million passengers per year each (in 2007 the total number stood at 8 million passengers). In 2007, Polish airports offered regular flight connections with 37 countries.

Dynamic development of passenger air transport requires concurrent expansion and modernisation of the infrastructure of airports and ground handling equipment, in particular navigation equipment. In 2008 a new terminal of the Warsaw airport was made available for use, due to which the airport capacity increased to 10 million passengers per year. The other seven airports belonging to the TEN-T network (Poznań, Szczecin, Wrocław, Gdańsk, Rzeszów, Kraków and Katowice) are also being modernised and developed. Planned construction of the second central airport will be of strategic importance for the Polish air transport.

Intermodal transport

In recent years the importance of intermodal transport, which makes use of at least two different modes of transport, has been growing. Its role in Poland, however, is still smaller than in the EU-15. At present, the existing network of terminals is insufficient and requires upgrading and extending. Development of this type of transport will be possible primarily through a construction of new terminals based on the existing railway infrastructure, establishment of logistic centres linked to the railway network and seaports, and introduction of innovative management techniques in the terminals and centres. These actions are expected to result in an increased share of intermodal transport in the total cargo transport from 1.5% at present to 5% in 2015.

Infrastructure of crude oil and natural gas transport

As at the end of 2007 crude oil and petroleum products mains pipelines were 2,278 km long. The main crude oil transport routes from the states of the former Soviet Union to the EU, including the northern branch of the oil pipeline “Przyjaźń”, run across Poland. Crude oil and petroleum products are imported to Poland also by sea. The current reloading capacity of the Northern Port and Naftoport in Gdańsk is nearly two times larger than the domestic demand for crude oil.

In 2006, the length of the gas transmission network was 18,500 km, and of the gas distribution network – 106,500 km. The distribution network reaches 7.1 million households, including 6.3 million residents of urban areas. The most dense network is in the Małopolskie and Śląskie Voivodeships, whereas the most sparse one is in the Podlaskie and Warmińsko-Mazurskie Voivodeships. Development of the network, particularly in rural areas in north-eastern Poland, is necessary.

Projects planned for the years 2007-2013 include construction and upgrading of natural gas and crude oil transmission lines as well as of technical equipment which enables operation of transmission systems, extension of natural gas storage facilities, and construction of infrastructure allowing diversification of sources of natural gas and crude oil imports. These projects are to be financed, to a large extent, with the EU funds.

Communications

As at the end of 2007 the number of fixed-telephony subscriber's lines totalled 10,243,000, of which 8,184,000 in urban and 2,059,000 in rural areas. The density of the subscriber network (30 subscriber's lines per 100 residents) represented one of the lowest ratios in the EU-25. In recent years, the telecommunications network has been replaced and upgraded, although the number of subscriber's lines has decreased. The main reasons therefor include high costs of installation and use of the line by customers as well as competition from mobile telephony. Currently, all the main telephone exchanges are digital ones operating based on fibre optic networks. The largest fixed-line telephony operator is Telekomunikacja Polska S.A. which provides services to more than 83% of all customers. In 2007, among alternative operators which established their own telecommunications networks the largest share in the total number of subscriber's lines was held by Netia S.A. (ca. 3.8%).

Mobile telephony is developing fast. At present, it has more users than the fixed-line telephony. In 2000-2007, the number of users went up from 6.7 million to 41.5 million thus exceeding Poland's total population. Currently, eight operators are present on the market; they manage 13 mobile telephony brands. The largest ones are POLKOMTEL S.A., Polska Telefonía Cyfrowa Sp. z o.o. and Polska Telefonía Komórkowa CENTERTEL Sp. z o.o.

One of the important tasks the telecommunications policy is now facing is to provide universal and cheap access to the Internet. In recent years it has been the fastest growing segment of the telecommunications services market. In 2007, the number of Internet users reached 12.9 million (in 2006: 10.5 million). 41% of households and 92% of companies had access to the Internet with 53% of companies having their own website. The broadband access service was used by 3.4 million users (in 2006: 2.8 million). The increase in the number of Internet connections was possible due to a marked decrease in installation costs and access prices. The number of open-access points offering access to wireless Internet (tourist spots, hotels, office buildings, restaurants, cafés, etc.) is steadily growing. Dynamic growth is also seen as regards e-banking. In 2007, it was used by 13% of people aged 16-74 (in 2005: 6%). Also the number of individuals and companies purchasing goods and services via the Internet, as well as the value of such purchases, has also been quickly increasing. Accelerated development of e-services for citizens is expected to take place in the years to come.

The policy for telecommunications development in Poland provides for the introduction of clear and transparent market rules for all the operators in line with

the principles of fair competition. Considerable importance is being attached to improved availability of data transmission services, both fixed-line and mobile, including broadband and third-generation mobile telephony services.

Power system

As at the end of 2007 the total generated power in Polish power plants and commercial CHP plants amounted to 32,600 MW. More than 90% of electricity is generated in coal power plants.

The length of power lines in Poland is 750,000 km, including 13,000 km of transmission grids and 705,000 km of medium- and low-voltage distribution grids. In order to ensure energy safety on a local level it is necessary to upgrade and expand the power grid, in particular in rural areas.

Poland is situated on the borders of three power systems: the West European one (UCTE), the East European one (CIS/Baltic States) and the Nordic one (Nordel). The capacity of the links of the Polish power system with the EU states (Germany, the Czech Republic, Slovakia and Sweden) is 2000-3000 MW. Currently, the links with Germany, the Czech Republic and Slovakia as well as with Ukraine are planned to be extended and upgraded, which should improve Poland's energy safety. Projects under consideration include also construction, supported with the EU funds, of a line linking the Polish and the Lithuanian power systems and the District of Kaliningrad.

5. Natural environment

Poland is one of those countries, where the degree of environment pollution shows a considerable regional variation. Threats to the environment are present primarily in the industrial urban areas covering approximately 5% of the country. Over the past a dozen or so years, the condition of the natural environment in Poland has improved remarkably. This resulted from a reduction of industrial production (particularly in environmentally hazardous areas) at the beginning of the transformation process, from tightening of laws on environmental protection and a more effective enforcement thereof through economic instruments, such as a system of charges and penalties. Consequently, investment outlays on the protection of the environment increased significantly, as did the demand of enterprises for raw materials causing less pollution (e.g. coal with low sulphur content).

In the years 1990-2005, total emissions of sulphur dioxide decreased by 61.9%, emission of nitrogen oxides by 36.6%, of ammonia by 40.5%, of carbon dioxide by 17.7% and of methane by 34.9%. The last two are the main greenhouse gases; under the Kyoto Protocol the European Union committed itself to reduce their emissions by 8% in the period 2008-2012 as compared with the 1990 level. In accordance with the European Commission decision, in 2008-2012 Poland will be entitled to emission of 208.5 million ton of carbon dioxide per year (this refers exclusively to emissions from selected industrial plants in which there are installations covered by trade in emissions). For reference, in 2006 emissions of this gas in Poland reached 208.6 million tons and 209.5 million tons in 2007. If an industrial plant exceeds the emission level to which it is entitled, it will have to purchase emission rights on the free market from other companies which show a surplus with respect to such entitlement. As the existing level of carbon dioxide emissions already exceeds

the permitted emissions granted to Poland for the years 2008-2012 and a marked growth of industrial production, including in polluter industries (cement plants, coking plants, brown-coal generated power plants), is forecast for the years to come, significant interest in investment in installations reducing air pollution should be expected.

The emissions of particulate matter by air-polluting plants declined from 1,163,000 tons in 1990 to 103,000 tons in 2006, including particulate matter from fuel burning from 933,000 tons to 80,000 tons. In the same period, the quantity of untreated industrial and municipal sewage diminished from 1.34 billion cubic metres to 0.17 billion cubic metres, including sewage from sewerage network from 922.9 million cubic metres to 109.7 million cubic metres, and sewage disposed directly from plants from 419.7 million cubic metres to 57.7 million cubic metres. The volume of sewage requiring treatment decreased from 4.1 billion cubic metres to 2.1 billion cubic metres. The structure of treated sewage also improved, and the share of sewage treated with biological, i.e. most environment-friendly methods, rose from 39.5% to 64.5%.

The uptake of water by the economy and population declined in the years 1990-2006 from 14.2 billion cubic metres to 11.8 billion cubic metres. This concerned, in particular, the three main consumption areas: water used for production (excluding agriculture, forestry and fisheries) from own water intakes; water used for irrigation and refilling of ponds in agriculture, forestry and fishing; and water for the water supply system.

Because of the rapid growth of the number of vehicles, the emissions of some pollutants generated by transport equipment, particularly of carbon dioxide and dinitrogen monoxide, has risen significantly in the last dozen or so years. Nevertheless, the emission of other pollutants (methane, non-methane volatile nitrogen compounds, carbon monoxide, nitrogen oxides, sulphur dioxide or lead) has decreased.

The economic utilisation of a majority of the Polish territory is extensive and has only a limited impact on the quality of the environment. In agriculture, for instance, the use of mineral fertilizers and plant protection chemicals is relatively low. This opens up vast possibilities for the development of organic farming. In the years 1990-2007, the number of organic farms in Poland increased from 27 to 11,887. Particularly strong increase in the interest in organic farming has taken place in recent years. In 2005, the number of farms using ecological methods rose by 3,422, in 2006 by 2,005, while in 2007 by 2,700. In the years 2005-2007 the highest percentage increase of the number of such farms was recorded in the Zachodniopomorskie and Wielkopolskie Voivodeships, although still the largest number of them is seen in south-eastern Poland. In 2007, the Małopolskie Voivodeship was ranked first in this respect (1,657 farms), followed by the Podkarpackie (1,575) and Lubelskie (1,397) Voivodeships. In 2007, the total area of organic cultivation was 285,900 ha, which is three-and-a-half times more than in 2004. However, in 2007 organic cultivation in Poland accounted for a mere 1.5% of the total area of usable agricultural land (the respective ratio in the EU-15 usually exceeds 3%).

Poland is considered a country of relatively unspoiled natural resources, especially when compared with Western Europe. Many regions of the country are characterised by a wide biological diversity. There are rare species of plants and animals that cannot be found anywhere else on the continent and regarded as endangered on the Continent. Protected areas of different status encompass almost one-third of the country, which is one of the highest ratios in Europe. In 2006, the highest percentage of protected areas in the total voivodeship area was recorded in the Świętokrzyskie (62.6%) Voivodeship,

followed by the Małopolskie (52.1%), Warmińsko-Mazurskie (46.3%) and Podkarpackie (44.5%) Voivodeships. The system of protected areas has developed since mid-1980s. In 1990-2006 alone, the area of national parks increased by 91%, of nature reserves by 43%, of landscape parks by 107%, and of protected forests by 22%.

6. Border crossings

Poland borders on land with seven states. The northern border of the Republic of Poland runs along the seashore of the Baltic Sea. Since 1 May 2004, i.e. as of the day of Poland's accession to the European Union, the western part of the border with the Federal Republic of Germany, the southern part of the border with the Czech Republic and with the Republic of Slovakia, and the border in the east with the Republic of Lithuania have become internal EU borders. The remaining part of the eastern border with Ukraine and the Republic of Belarus, and the north-eastern border with the District of Kaliningrad, an enclave belonging to the Russian Federation, is the external border of the European Union. As of 21 December 2007 the rules governing the crossing of the state border with the neighbouring EU states have changed. As a result of Poland's joining the Schengen zone regular control of documents entitling to the crossing of borders of the states forming the said zone was abolished in accordance with the principle applicable in the zone. Internal borders of all the states of the zone, now including Poland, may be crossed at any point and at any time regardless of one's citizenship.

The state borders with Ukraine, the Republic of Belarus and the Russian Federation became the external border of the Schengen zone. These may be crossed only at border crossings. Third-country citizens, in order to be permitted to enter the territory of the Schengen states, have to satisfy the following requirements:

- hold a valid travel document and a visa, if required from the citizens of a given state,
- specify the purpose of the trip,
- have appropriate funds for the period of stay and for the return travel, and
- a person who intends to enter the Schengen zone may not be registered in SIS (Schengen Information System) as an undesirable person or a person who poses a threat to public order.

For detailed information on border crossings visit the Border Guard's website:
<http://www.sg.gov.pl>.

Free emergency phone number to Border Guard units throughout Poland:
0800 422 322

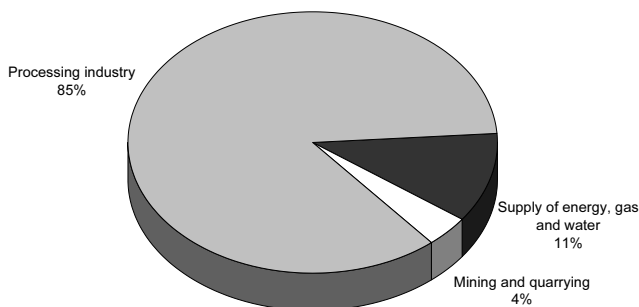
V

MAIN SECTORS OF THE ECONOMY

1. Industry

In 2007 the total value of sold industrial output amounted to approximately PLN 835 billion (\$ 302 billion), which mainly includes the output of industrial processing companies – approx. PLN 715 billion (\$ 258 billion) and enterprises dealing with the production and supply of electricity, gas and water - approximately PLN 81 billion (\$ 29 billion) as well as mining and quarrying – approx PLN 39 billion (\$ 14 billion).

Breakdown of sold industrial output of industry in 2007,
by sections of the Polish Classification of Economic Activities (PKD), in %



In 2007 the production of food and beverages had the largest share in the overall output of the processing industry amounting to 19.9%. The percentage share of other sectors was as follows: the production of cars, trailers and semitrailers (11.2%), metal products (7.1%), chemical products (6.9%), oil refining and coking industries (6.4%), machinery and equipment (6.3%) and rubber and plastic products (5.7%).

For over 15 years the industrial output in Poland has grown rapidly. The high growth rate in industry is mainly attributable to the growth of the industrial processing sector based on the growing activity of private sector companies.

The volume of sold industrial output grew in the years 1992-2000 at an average annual rate of 7.3%. After a temporary slowdown of the growth rate in 2001-2002, it accelerated in 2003 to reach 8.3% and 12.6% in 2004. After the subsequent 2005 slump (to 3.7%), in 2006 the industrial output has grown by 11.2%. and in 2007 by 9.5%. Growth has been particularly strong in the industrial processing sector (by 10.6%), mainly in the manufacture of machinery and equipment (by 23.6%), medical, precision and optical devices (by 18.6%), metal products (by 16.5), electrical equipment and apparatus (by 16%), leather and leather products (by 14.5), radio, TV and telecommunications equipment (by 14.3%), motor vehicles (by 13.8%), rubber and plastic products (by 12.7%) and other non-metal products (by 12.1%).

Growth in the sold industrial output in the years 2000-2004 was achieved in the falling employment, while in 2005-2007 the employment level grew at a slower rate than output. As a result, the labour productivity measured as sold industrial output per employed was higher by 2.9% in 2005, 9.4% in 2006 and 7.7% in 2007 with average employment rate higher by 3.4% in 2007.

At the beginning of 1990s restructuring of Polish industry began. The aim of the restructuring is to adjust industry to market economy conditions in view of such factors as the challenges of globalisation, the opening of the economy and Poland's participation in the integration processes within the EU as its Member State.

The restructuring of industry follows different directions and involves both horizontal and sector-specific programmes as well as activities undertaken directly at industrial company level. The main goal of the restructuring programmes is to improve innovativeness and the profitability of enterprises, supported from the Innovative Economy Operational Programme 2007-2013.

Usually the restructuring activities conducted at enterprise level are combined with privatisation – also with the injection of foreign capital. In 2007 a major part of industrial output (84%) was generated by private enterprises and their share in an average industrial employment rate reached 82% (compared to 50% in 1995).

The restructuring activities involve the introduction of non-technological innovations – new organisational structures and management methods as well as technological innovations – replacement of machinery, introduction of new technologies and upgrading the production profile and range of products. These activities are combined with the introduction of IT and ICT, efficient supply chain management methods (e.g. *Just-in-Time*) and control (e.g. TQM) as well as ISO standards and EU certificates.

The restructuring of industry leads to increased labour efficiency and improved production profitability. The strategic goal of industrial restructuring is to increase the part played by high and medium-high technology in the industrial output and to limit the role of medium-low and low technology sectors. Such restructuring is founded on research and development (R&D) involving the pursuit of systematic creative activities aimed to increase the resources of knowledge and to find new applications for that knowledge.

In 2007 most of the internal outlay on research and development and R&D employment in enterprises was made in the chemical sector (including pharmaceutical products) and the manufacture of cars as well as machinery and equipment.

In the years 2004-2006 more than 4% of employees in the industrial processing sector (in companies with 50 and more employees) were those operating in areas classified as high technology sectors. The share of the sector of high technologies

Internal expenditures on research and development and R&D employment in enterprises
in selected divisions of industrial processing in 2006^a

Industries by PKD	Internal expenditure		Employment (persons)
	\$ million	%	
Manufacture of food products and beverages	15.7	4.8	200
Manufacture of textiles	6.6	2.1	107
Manufacture of coke and refined petroleum products	12.0	3.7	110
Manufacture of chemicals	93.9	29.0	1788
Manufacture of rubber and plastic products	10.9	3.4	275
Manufacture of metals	8.4	2.6	55
Manufacture of metal products	5.0	1.5	125
Manufacture of machinery and equipment	48.3	14.9	1155
Manufacture of office machinery and computers	1.8	0.6	61
Manufacture of electrical machinery and apparatus	34.9	10.8	685
Manufacture of radio and TV equipment	16.5	5.1	374
Manufacture of medical and precision instruments	11.6	3.6	421
Manufacture of motor vehicles	48.3	18.0	1172
Total	324.0	100.0	6528

^a Internal expenditure on research and development are enterprise's outlays on R&D independent of the source of financing. They cover both current expenditure and investment outlays on fixed assets associated with R&D activities, but do not cover depreciation of these assets. These expenditures are on a gross basis, even if actual costs were lower due to reliefs or rebates granted after the completion of R&D projects.

Source: Central Statistical Office.

in the value of sold industrial output within the industrial processing sector has amounted to approx 5% and exceeds 30% combined with the medium-high sector. Of this foreign capital companies account for 50%.

What characterises the development of industrial processing in Poland is the creation of industrial clusters – groups of specialised enterprises competing and cooperating with each other at local level but also within regional, national and international environments. The clusters – as structures creating a demand for innovation – generate highly qualified resources, which allow enterprises to obtain and maintain their competitive advantages. Commercialisation of the output of scientific research is mainly conducted in technological parks and centres for technology transfer. International corporations set up research and development centres in Poland and undertake cooperation with both. Polish research and development centres undertake cooperation with Polish organisations from the education and higher education sector as well as with innovative businesses as creators and users of knowledge.

Polish enterprises use their websites to promote their operations and publish invitations to cooperate. This is commonly done by large and medium-sized enterprises and a growing number of small enterprises.

Sold output of industrial processing in the years 2004-2006 by technology level (in %)^a

Specification	2004	2005	2006
Total			
Total	100.0	100.0	100.0
High technology	4.5	4.5	4.9
Medium-high technology	25.6	26.1	26.7
Medium-low technology	31.3	32.1	32.5
Low technology	38.6	37.3	35.9
Public sector			
Total	100.0	100.0	100.0
High technology	3.2	3.4	3.6
Medium-high technology	23.7	26.7	25.6
Medium-low technology	56.8	54.2	59.5
Low technology	16.3	15.7	11.3
Private sector			
Total	100.0	100.0	100.0
High technology	4.7	4.6	5.0
Medium-high technology	25.8	26.0	26.8
Medium-low technology	28.3	30.0	30.0
Low technology	41.2	39.4	38.2
Foreign property in the private sector			
Total	100.0	100.0	100.0
High technology	6.5	5.8	7.1
Medium-high technology	42.5	43.0	42.8
Medium-low technology	19.2	19.6	20.8
Low technology	31.8	31.6	29.3

^a Based on the OECD list of 1997.

Source: Central Statistical Office.

Selected sectors of industrial processing by technology level

In four short, uniform sectoral profiles, the basic data on sector characteristics is presented (industry section) as well as its place in the domestic and international market. It is intended to show both the potential and development opportunities of the sectors in Poland.

High technology industries are represented by the aviation sector and the pharmaceutical sector and medium-high technology industries by the automotive and chemical industries.

Selected sectors of the high technology industries

Aviation sector (*Manufacture of airships and spaceships – NACE 35.30*)

In 2006, the aviation sector comprised around 11 enterprises employing 13,900 persons (end of December) with an average monthly wage or salary amounting to PLN 2,700.

The value of output sold amounted to PLN 1.2 billion (approx. \$ 0.4 billion); labour productivity (output sold per employee) – to PLN 118,300 and the energy-intensity (kWh per PLN 100 of output sold) to 8.8 kWh.

These results were obtained with the following production costs structure: materials – 40.3%, wages and salaries – 13.1%, outsourcing – 28.4%.

In 2006, the value of the aviation sector output sold amounted to 0.2% of the total value of sold industrial production in Poland.

In 2005 and 2006, the role of the aviation sector in foreign trade turnover was as follows (trade value in \$ million, figures in brackets stand for percent shares in the total foreign trade turnover:

CN Section 88	2005			2006		
	Exports	Imports	Balance	Exports	Imports	Balance
	152	393	-241	161	257	-96
	(0.2)	(0.4)	x	(0.1)	(0.2)	x

Specific features of the Polish aviation sector include:

- long-established traditions in designing, constructing and test-flying civilian and military aircraft (a tradition that can be traced back to the beginning of the last century);
- connections with the industrial defence potential, particularly within the scope of the R&D projects;
- diversified and continuously updated offers of the aircraft, *inter alia* for commercial and sports use;
- specialised production equipment in a dozen or so medium-sized facilities;
- guarantee of top quality production, thanks to compliance with ISO standards;
- potential for cooperating with leading world aviation industry companies.
- operation industrial cluster: The Aviation Valley (Rzeszów).

Pharmaceutical sector (*Manufacture of pharmaceuticals, medicinal products and botanical products – NACE 24.4*)

In 2006, the sector comprised 73 enterprises employing 23,000 persons (end of December) with an average monthly wage or salary amounting to PLN 4,300.

The value of output sold amounted to PLN 8.1 billion (approx. \$ 2.7 billion); labour productivity (output sold per employee) – to PLN 350,100 and the energy-intensity (kWh per PLN 100 of sold production) to 5.1 kWh.

These results were obtained with the following production costs structure: materials – 42.2%, wages and salaries – 21.0%, outsourcing – 17.7%.

In 2006, the value of the pharmaceutical sector output sold amounted to 1.2% of the total value of sold industrial production in Poland.

In 2005 and 2006, the role of the pharmaceutical sector in the foreign trade turnover was as follows (trade value in \$ million, figures in brackets stand for percent shares in the total foreign trade turnover):

CN Section 30	2005			2006		
	Exports	Imports	Balance	Exports	Imports	Balance
	525	3,096	-2,571	712	3,658	-2,946
	(0.6)	(3.1)	x	(0.6)	(2.9)	x

Specific features of the Polish pharmaceutical sector include:

- concentration of production of medicinal products in plants which were formerly part of the Polfa state-owned conglomerate;
- co-operation between the Biotechnology and Antibiotics Institute and the Pharmaceutical Institute;
- operation of herbal plants, chemical-pharmaceutical works and many private enterprises producing exclusively over the counter medicinal products;
- domination of investment outlays assigned for GMP (*Good Manufacturing Practice*) in order to fulfil international quality standards and environment protection standards.

Selected sectors of the medium-high technology industries

Automotive sector (*Manufacture of motor vehicles, trailers and semi-trailers and parts and accessories thereof – NACE 34*)

In 2006, the sector comprised 276 enterprises employing 105,500 persons (end of December) with an average monthly wage or salary amounting to PLN 2,800.

The value of sold production amounted to PLN 69.1 billion (approx. \$ 23.1 billion); labour productivity (output sold per employee) – to PLN 1,360,000 and the energy-intensity (kWh per PLN 100 of sold production) to 1.4 kWh.

These results were obtained with the following production costs structure: materials – 87.2%, wages and salaries – 3.7%, outsourcing – 3.3%.

In 2006, the value of the automotive sector's output sold amounted to 10.6% of the total value of sold industrial production in Poland.

In 2005 and 2006, the role of the automotive sector in the foreign trade turnover was as follows (trade value in \$ million, figures in brackets stand for percentage shares in the total foreign trade turnover):

CN Section 87	2005			2006		
	Exports	Imports	Balance	Exports	Imports	Balance
	11,655	8,836	2,819	14,886	11,438	3,448
	(13.0)	(8.7)	x	(13.6)	(9.1)	x

Specific features of the Polish automotive sector include:

- domination of companies with foreign participation;
- a considerable share of assembly of motor vehicles relative to their production;
- emergence of domestic demand barrier at given credit conditions;
- competition coming from individual imports of used cars;
- operating industrial cluster of manufacturers of motor vehicle parts.

The chemical sector, excluding the manufacture of pharmaceuticals (*Manufacture of chemicals – NACE 24, excl. 24.4*)

In 2006, the sector comprised 236 enterprises employing 64,000 persons (end of December) with an average monthly wage or salary amounting to PLN 3,400.

The value of output sold amounted to PLN 35.5 billion (approx. \$ 12.8 billion); labour productivity (output sold per employee) – to PLN 479,000 and the energy-intensity (kWh per PLN 100 of sold production) to some 18.9 kWh.

These results were obtained at the following production costs structure: materials – some 60.0%, wages and salaries – some 16%, outsourcing – some 10%.

In 2006, the value of the chemical industry sector output sold (excluding pharmaceuticals) amounted to 5.4% of the total value of sold production in Poland.

In 2005 and 2006, the role of the chemical sector in the foreign trade turnover was as follows (trade value in \$ million, figures in brackets stand for percentage shares in the total foreign trade turnover):

CN Section VI (excl. 30)	2005			2006		
	Exports	Imports	Balance	Exports	Imports	Balance
	4,121	7,123	-3,002	4,830	8,105	-3,275
	(4.6)	(7.0)	x	(4.4)	(6.5)	x

Specific features of the Polish chemical sector include:

- large number of enterprises and broad range of products;
- importance of fertilizer (particularly nitrogenous fertilizers) production in the total production of the sector;
- significant share of exports in production;
- high domestic demand and a significant negative trade balance.

2. Construction

Construction is an important sector of the Polish economy. In 2007 an average employment level in the construction industry amounted to 366 thousand persons, i.e. 4.7% of the total number of persons employed in the economy, with 93.4% working in private construction companies.

The construction industry in Poland is a sector dominated by small, privately-owned companies. In 2007 they generated approx 98% of the total value of the construction and assembly output in the country. The highest proportion of production was generated by enterprises owned by Polish natural persons – over 66%, and private-owned companies – over 22%.

Within the breakdown of the construction and assembly output by type of structure built, over half of the structures are civil and water engineering structures, approx 1/3 are non-residential constructions and only approx 16% residential buildings. An average usable area of an apartment completed in 2007 was over 105 sq. metres and was 4 sq. metres larger than in the previous year.

Structure of construction and assembly output by types of structures
in 2006 and 2007 (%)

Type of structure	2006	2007
Total	100.0	100.0
Buildings	45.3	47.8
of this:		
residential buildings	13.4	16.1
non-residential buildings	31.9	31.7
Land and water engineering structures	54.7	52.2

Source: Central Statistical Office.

In 2007 the value of the output of the companies employing more the 9 persons each in the construction and assembly industry in fixed prices, was 15.7% higher than in the previous year. The increase was a result of the increase in sales of services of companies which prepared land for investment (by 30.1%), companies which provided structural installations (by 16.4%), new construction of building and structures as well as land and water engineering structures (by 15.4%), and construction finishing works (by 9.0%).

The utilisation of production capacity in the construction industry was estimated at 84% in January 2008 and was higher than in January of any year during the recent decade. The highest level of utilisation of production capacity (more than 88%) was recorded in large companies employing 250 or more persons.

A fast sales growth registered by enterprises dealing with land development and a high increase in the number of new building permits issued (especially regarding municipal housing as well as apartments for rent or on sale) suggest that the boom

observed in the building sector will continue in the near future. Poland's accession to the EU is bound to stimulate the construction and assembly sector in the long term. On the one hand, accession fosters new inward investment, supported from the structural funds, and on the other hand, it gradually improves the competitive situation of Polish companies on the single market of the enlarged European Union.

The award of the organisation of Europe Football Championship 2012 to Poland (along with Ukraine) will give a momentum to construction activity in the years to come.

3. Agriculture

Poland is an agricultural producer of world and European importance.

Agricultural land in Poland covers 15.9 million hectares and constitutes approx. 12% of the total arable area of the EU-15 and over 50% of the total area of the country, i.e. more than the EU-15 average. Private farms occupy over 14.0 million ha, i.e. 88.0% of the total agricultural land area. Nearly all previously state-owned farms have been privatised since the process began in 1990, mainly in the form of lease.

77.0% of the agricultural land is arable. Orchards occupy 1.8%, while meadows and pastures 21.3%.

In 2005, an average size of a private farm was 8.6 ha, with farms from 2 to 5 ha accounting for 33% of the arable land. Those from 5 to 10 ha accounted for 22.0%, those from 10 to 15 ha for 9.4%, and farms above 15 ha for 10.9% of the arable land. Farms from 1 to 2 ha accounted for a sizeable share (25.1%) of arable land. Since 1995 an average size of an individual farm has increased by around 1 ha.

Agricultural production is relatively highly mechanised. In 2005, there was one tractor per 10 ha of agricultural land. The use of fertilisers as pure chemicals in the economic year 2004/2005 amounted to 102.4 kg of NPK per hectare of agricultural land and was 10 kg/ha more than in the previous year.

In 2005, agriculture, hunting and forestry employed 2,100,000 people, which accounted for 16.3% of the total working population. In the EU-15 states the rate amounts to slightly over 4%.

The volume of the total agricultural output is influenced by agricultural and meteorological conditions, which may affect the production of crops. Natural conditions made the agricultural output fall by 4.3% in 2005 and its further drop in 2006 (by 1.2%), in particular as regards the production of crops (by 19.1%), after the high growth in the value of agricultural production recorded in 2004 (by 7.5%). In 2007 the global agricultural production increased again by 6.1%.

Poland's accession to the EU has brought very positive changes in the position of the agricultural sector. The restructuring and modernisation of farms has been accelerated considerably. This refers mainly to farms with a high development potential, the number of which is estimated at over 500 thousand. The output volumes of these farms are growing at a fast rate, as is particularly shown by the increase in the area of arable land and the growing number of live stock within individual herds, e.g. cattle (in particular dairy cows), pigs, etc. This increases the efficiency and productivity of farming – the crops of cultivated plants, in particular corn, and the productivity of animal breeding, especially dairy cows. In 2005, i.e. in the second year after the accession, Polish producers “fulfilled” the milk production quota specified under the Accession

Treaty, reaching a figure of approx 8.5 billion litres. The output of the agri-food industry as well as the exports of agricultural products and processed food is growing at a fast rate. In 2004 exports grew by 30.2%, while in 2005 by 32.7% and in 2006 by 20%.

The accelerated growth of the Polish agricultural and food production sector is mainly supported by the increased input from the State Budget following the accession, both in the form of direct support to farmers' incomes (direct payments) and support for the technical, economic and social restructuring of the sector.

The overall value of the support for the sector has been growing from year to year. In 2004 it amounted to PLN 11 billion (of which PLN 5.74 billion was expended from the national budget); and in 2005 to approx PLN 16.5 billion (of which approx PLN 8 billion came from the national budget) while in 2007 the value of external support amounted to some PLN 17.5 billion. The average annual allocation for the Polish agri-food sector was € 177 million under SAPARD and € 1,353 million under the Rural Development Plan (RDF-2004) and the Sectoral Operational Programme Agriculture (SOP Agri). It is expected that the annual average allocation for the agri-food sector under the Rural Development Operational Programme (RD OP -2013) will increase to € 1,680 million in the years 2007-2013.

After Poland's accession to the EU Polish farmers obtained financial support to their incomes from the EU budget (amounting to 25% of the support obtained by the farmers from the EU-15), additionally supplemented by EU and domestic support in the form of transfer of funds from the so-called second pillar (structural funds) which allowed Poland to achieve over 30% of the support granted in the countries of the EU-15. As a result the total amount of support for agricultural incomes in Poland reached approx 55% of the EU-15 support.

The total value of direct support of farmers' incomes in 2007 amounted to over PLN 12.5 billion (in 2005 to over PLN 7 billion and in 2004 to approx PLN 6.5 billion).

An important role is also played by the subsidies for exports of agricultural products and food in the form of export refunds, whose value in 2005 amounted to PLN 420.5 million.

Another important factor is the activity of the Agricultural Market Agency on the market for agricultural and food products (mainly intervention purchases). Outlays on this activity in 2005 amounted to PLN 1,391 billion, of which 34.2% was absorbed by the market for corn, 31.7% the market for sugar and sucrose, 11.3% the market for milk and dairy products, 10.4% the market for tobacco. The intervention activities of the Agency stabilise the Polish market for agricultural and food products and enhance the effectiveness of the production and exports.

Poland is continuing the implementation of a comprehensive programme towards adjusting agriculture and the agricultural and food sector to EU conditions:

- based on SAPARD funds (*Special Accession Programme for Agriculture and Rural Development*, a pre-accession programme which is now about to end. The total value of the funds under SAPARD allocated for the implementation of the programme will amount to PLN 6,343.74 million, of which PLN 4,191.13 million are public funds (from EU and state budget); EU assistance amounts to PLN 3,144.13 million;
- co-financing of the structural changes in the Polish agriculture and its environment from EU and domestic funds under the Rural Development Plan for the years 2004-2006. In total, the Plan envisaged co-financing from budgetary funds of € 3,592.4, of which 2,866.4 came from the EU budget. In 2005 the implementation of all 10 measures under the Plan was started;

- through restructuring of the agricultural and food sector in Poland (including agriculture itself) under the Sectoral Operational Programme Restructuring and Modernisation of Agriculture and Development of Food Sector and Agriculture, scheduled for 2004-2006. The total co-financing earmarked under the Programme amounted to € 1,784.1 million, of which € 568.9 million came from the state budget.
- in 2007 the implementation of the Rural Development Programme (RDP-2013) began. Under this programme the Polish agri-food sector and rural areas were granted support totalling € 17.2 billion.

4. Trade

Domestic trade

The process of economic transformation in Poland has brought about fast effects in the operation of the domestic market, both in the wholesale and the retail trade. In the 1990s, the number of shops more than doubled. At the end of 2006, the total number of retail outlets was estimated at over 400,000, including 394,000 shops and some 10,200 filling stations.

The development of private enterprises combined with privatisation of state-owned companies is one of the foundations supporting the development of the trading infrastructure in Poland. In 2006 the share of private sector companies in total retail sales amounted to approx 98.4%. Approximately 0.9 million persons were employed in the private commerce sector, compared to a mere 15 thousand persons in the public sector.

It is estimated that in 2007 total retail sales value (in fixed prices) was higher by approx. 8.0% as compared to the previous year (in 2006 the growth was by 7.7%). In 2007 the value of wholesales (in current prices) made by trading and non-trading companies with more than 9 employees increased by 12.7% compared to 2006. The retail sales (in fixed prices) made by companies with more than 9 employees were 14.0% higher than in 2006. The most sizeable proportion of the retail trade is taken by the sale of food, beverages and tobacco products as well as solid, liquid and gaseous fuels. A smaller share was registered for cars, motorbikes and their parts, as well as

The structure of retail trade by commodity group
in 2006 and 2007 (%)

Group of commodities	2006	2007
Total	100.0	100.0
of which:		
Food, beverages and tobacco products	27.6	25.8
Solid, liquid and gaseous fuels	18.8	18.0
Cars, motorbikes and their parts	9.2	10.7
Furniture, radio and TV equipment and household appliances	5.6	6.1
Pharmaceuticals, cosmetics	3.2	3.3

Source: Central Statistical Office.

furniture, radio and TV equipment and household appliances, pharmaceuticals and cosmetics.

The most concentrated network of wholesale warehouses is located in the most industrialised regions, such as Śląsk, Mazowsze and Wielkopolska with the majority of the 29,400 fully walled and roofed warehouses, approx 3,000 roofed warehouses and approx 5,000 storage yards. Moreover, in the vicinity of large cities (*inter alia* Warsaw, Poznań, Lublin, Radom) agricultural commodity exchanges are operating.

Nearly 90% of trading companies have computer equipment, used not only to register the turnover and for office purposes but primarily to speed the service of trading partners, including e-commerce. In the Kujawsko-Pomorskie, Pomorskie, Opolskie, Zachodniopomorskie, Warmińsko-Mazurskie, Podlaskie, Mazowieckie and Małopolskie Voivodeships the proportion of firms which process orders via the Internet in the total number of companies is higher than Poland's average (ca 25%). Purchases via the Internet are also made by individual households. In the years 2004-2006 the number of Polish citizens aged 16-74 who ordered or bought goods or services for non-commercial use via the Internet more than doubled up to 3.5 million. The proportion of such persons in the total population also more than doubled from 5% in 2004 to 12% in 2006. The goods most frequently bought via websites include books and magazines, sportswear, sports and electronic equipment. The value of the goods and services ordered or purchased via the Internet in 2006 was over PLN 2.7 billion. (\$ 0.9 billion).

Capital integration is based on a holding formula, comprising traders and producers associations. The structure of the domestic trade network has been changing substantially. In large urban centres, a growing part of the market is being taken over by supermarkets and hypermarkets, dominated by companies with foreign input. The networks (shopping centres) occupy the position of price leaders and create a new style of retail shopping by using their infrastructure (large shopping floor area, unique space arrangement, multi-level car parks), as well as organisation of work (multi-assortment offer with direct access to shelves, long operating hours throughout the week). In 1995-2007, the number of shops with a retail floor area exceeding 400 sq. metres actually doubled to approx. 4,800. Consequently, a growing number of small and medium-sized commercial companies are faced with a demand barrier.

Foreign trade (merchandise turnover)

The opening up of the economy and its growing competitiveness have stimulated the growth of Poland's foreign trade turnover. Between 1996 and 2007 the volume of exports and imports increased nearly four times (in fixed prices).

In 2007 the value of exports amounted to PLN 386.6 billion (\$ 138.8 billion, € 101.8 billion), while imports to PLN 456.8 billion (\$ 164.2 billion, € 120.4 billion).

In spite of the high growth rate of Polish foreign trade, the share of Poland in world exports (1.0%) and the value of exports per capita (approx \$ 2,900) remain unsatisfactory in terms of both need and potential.

The geographical structure of Polish foreign trade changed substantially in the late 1980s and early 1990s due to the reorientation of trade towards West European markets. In 2007, exports to developed countries accounted for 84.1% of total Polish exports (including 78.9% to the European Union Member States), while exports to the countries of Eastern and Central Europe¹ accounted for 9.8% and exports to developing

¹ The trade with Central and Eastern Europe includes: Albania, Belarus, Bulgaria, Croatia, Moldova, Russia, Romania and Ukraine.

countries for 6.1%. The structure of imports was similar: the share of developed countries reached 71.1% (of which the share of European Union countries was 64.2%), while that of the countries of Central and Eastern Europe was 10.6%, and that of developing countries 18.3%.

In exports, Poland's main trading partners in 2007 were: Germany (25.9%), followed by Italy (6.6%), France (6.1%), the United Kingdom (5.9%), the Czech Republic (5.5%), Russia (4.6%) Ukraine (4.0%), the Netherlands (3.8%), Sweden (3.2%) and Hungary (2.9%). In imports, the main partners were: Germany (24.1% of total imports), Russia (8.7%), China (7.2%), Italy (6.9%), France (5.1%), the Czech Republic (3.5%), the Netherlands (3.4%), the United Kingdom (3.1%), Belgium (2.5%) and the Republic of Korea (2.3%). A more detailed geographical structure of Polish foreign trade turnover has been presented in the statistical Annex (Chapter X).

The main commodity groups in Polish foreign trade in 2007 included (by SITC section): machinery, mechanical appliances and transport equipment (40.3% of the total value of exports and 35.3% of the value of imports), followed by industrial goods classified by the raw-material (23.5% and 21.5% respectively), various industrial products (13.2% and 8.4%), chemicals and related products (7.4% and 13.3%), mineral fuels, lubricants and derivative materials (3.8% and 9.9%), as well as food products and live animal stock (8.4% and 5.3%).

Commodities for indirect consumption form the dominant group in total imports (63.9% of total imports in 2007); other consumer goods and investment goods account for a much smaller share in imports (18.9% and 17.2% respectively).

The share of high-technology products (according to 1995 OECD list) in total Polish foreign trade in 2006 amounted to 3.1% in exports and 9.2% in imports. Electronic and telecommunications equipment has the largest share in the overall turnover of high-tech goods. Research apparatus and aviation equipment have the largest share in exports, whereas computers and office equipment have the largest share in imports. The highest share in exports of high-tech products (87.1%) was held by developed countries (of which 78.3% from EU countries), while the shares of Central and Eastern Europe and developing countries were 5.3% and 7.6% respectively. In imports, the share of developed countries was significantly lower (51.7%, of which EU countries – 40.4%), while developed countries accounted for 48.0%, which was mainly due to the import of telecommunications equipment from China and the Republic of Korea.

Foreign capital companies operating in Poland play an important role in foreign trade turnover. In 2006 their share in total exports amounted to 56.5%, while in imports 55.6%. The turnover is mainly generated by several major groups of goods – in 2006 two most important CN groups of goods (machinery and equipment along with electrical and electrotechnical devices and transport equipment) accounted for over a half (51.8%) of the overall value of exports and for 44.2% of imports made by foreign capital companies. Non-precious metals and non-precious metal products, chemical industry products (particularly in imports), plastic and plastic products, mineral products (particularly in imports), various ready products (particularly in exports), foodstuffs, wood pulp, paper and cardboard and textiles accounted for a substantial share in trade turnover. The total share of the ten foregoing sections in the turnover of foreign-share capital companies exceeded 90% in 2006.

The process of improvement of the long-term, structural competitiveness of exports consists in creating advantage of quality factors over the price factors resulting, *inter alia*, from foreign exchange fluctuations, as well as increased innovativeness of

Structure of exports and imports of high-technology products
in 2004-2006 by commodity groups (in %)^a

Commodity group	Exports			Imports		
	2004	2005	2006	2004	2005	2006
Total	100.0	100.0	100.0	100.0	100.0	100.0
Aviation equipment	14.7	8.8	10.6	7.4	4.2	3.1
Computers and office equipment	10.9	8.5	8.7	23.9	23.0	23.2
Electronics and telecommunications equipment	27.7	42.9	43.5	33.3	38.2	41.0
Pharmaceuticals	4.6	4.3	4.0	10.0	8.4	8.3
Scientific and research apparatus	23.0	13.9	12.1	10.2	10.0	10.4
Electrical machinery	4.1	2.5	3.1	3.2	4.6	2.9
Non-electrical machinery	8.0	6.0	6.3	4.2	3.5	3.2
Arms	5.5	4.6	7.2	6.8	2.2	6.7
Chemicals	1.5	7.5	4.5	1.0	5.0	1.3

^a Based on the 1995 OECD list.

Source: CSO.

enterprises. The restructuring of Polish industry is already bringing visible effects. More and more goods manufactured in Poland meet international standards, which gradually improves their competitiveness in EU and non-EU markets as well as in the domestic market relative to imported goods.

Developing an information society and knowledge-based economy should significantly stimulate the growth of foreign trade in the coming years, including exports of high and medium-high technology products. These processes will be directly connected with the implementation of the National Strategic Reference Framework for 2007-2013, including the Innovative Economy Operational Programme. Companies with foreign participation may be crucial in these processes; there are also examples of effective activities of Polish small and medium-sized innovative companies.

5. Transport services

Poland's location in the heart of Europe makes transport (in particular inland transport) play a particularly important role for the country's economy. Poland provides a transit route for major transport connections between Western Europe and the East, which connects the transport arteries of the EU with Russia, Belarus and Ukraine as well as other countries of the Commonwealth of Independent States.

The north-south transport routes crossing Poland, which connect Baltic ports with the south of Europe are playing an increasingly important role, too.

In 2007 the value of revenue on the sale of transport (municipal transport not taken into account) and warehousing services increased by 4.9%, while such services provided by the private sector alone increased by 5.5%.

Transport of cargo by types of transport in 2006

Type of transport	Million tonnes	Share in %
Total transport	1532.7	100.0
of which:		
road ^a	1213.3	79.2
rail	245.3	16.0
pipelines	52.9	3.5
sea	11.4	0.7
inland water ways	9.8	0.6
air	0.05	0.0

^a The data applies both to commercial and economic road transport (i.e. performed to fulfil companies' own needs).

Source: Central Statistical Office.

In 2007 over 3/4 of the cargo was carried by road, and approx 1/5 by rail. These proportions show how important road and rail cargo transport is for Poland.

Rail transport is mainly used to carry bulk cargo: coal, coke, metal ores, stone and gravel, oil and oil products, metals and metal products as well as chemical fertilisers. International cargo transport accounts for over 45% of total rail transport.

In 2007 Polish seaports trans-shipped over 60 million tonnes of goods. Bulk materials predominated, including mainly coal and coke, oil and oil processing products, corn and metal ores, major portion (31% according to data of 2006) being groupage.

Most of the trans-shipment was made in the ports of Gdańsk (35.3% of the total volume in 2007), Gdynia (29.2%), Szczecin (15.9%) and Świnoujście (15.2%). In 2007 transit shipments accounted for approx. 18.7% of the total number of trans-shipments; these were mostly made in Gdańsk (66.1%) and to a lesser degree in Świnoujście (16.6%) and Szczecin (14.8%).

Inland water transport plays a minor role in the overall transport of cargo (in 2007 its share was merely 0.6%). Yet it is important for the transport (including international transport) of certain types of bulk cargo, among others sand and gravel, hard coal, metals and metal products. The importance of inland water transport, as the most ecological form of transport, is likely to grow in the future.

Road transport is as important for the transport of passengers as for goods. The transport of passengers by rail is still significant and the organisational, ownership and legislative changes foster the development of enterprises carrying both cargo and passengers, in particular on a regional scale. Nevertheless, the last few years have revealed a drop in the importance of mass road and rail transport and an increase in car and air transport.

Passenger transport by types of transport in Poland in 2007

Type of transport	Million passengers	Share in %
Transport in total	1004.7	100.0
of this:		
road ^a	718.3	71.5
rail	278.2	27.7
air	6.2	0.6
inland water transport	1.5	0.1
sea (ferry)	0.7	0.1

^a Excluding municipal transport.

Source: Central Statistical Office.

At present, air transport is a very dynamically developing type of transport in Poland. In 2007 the number of passengers handled by the Polish airports amounted to 17 million and was three times higher than in 2000. The increased presence of both Polish and foreign planes could be clearly seen at nearly all Polish airports. The dynamic development is related on the one hand to the liberalisation of the air transport and the entry of cheap airlines to the Polish market, and as a consequence an increased availability of air transport while on the other hand to an increase of travellers on business or for work and an increase of the tourist movement in Europe in the course of its integration.

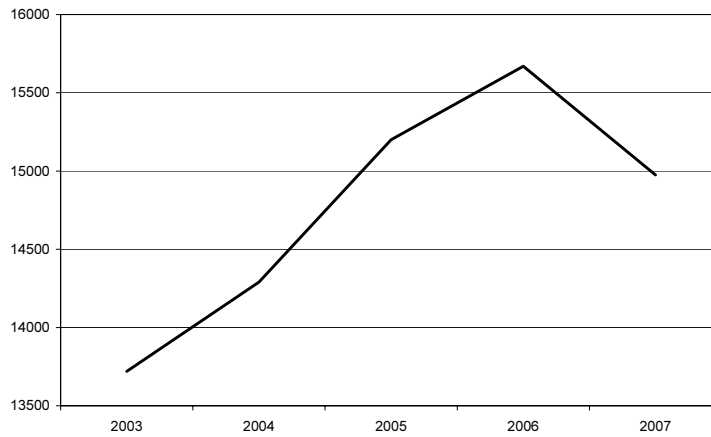
There are over 40 air carriers operating on the Polish market. Air transport handles mainly international passenger traffic (approx 89% of the total number of passengers in 2007). The share of cheap airlines in the market for air transport is growing fast. While at the beginning of 2004 they carried merely 2-3% of all passengers, in 2005 the proportion reached over 31%, and in the first six months of 2006 nearly 50%.

6. Tourism

Poland is a country offering many tourist attractions for foreign visitors, including:

- the richness and variety of the landscape (unique national and landscape parks and vast unpolluted areas of virgin nature),
- the unique cultural and historic heritage with its various manifestations:
 - religious and spiritual, in particular the places connected with the pontificate of John Paul II,
 - related to objects of material culture – created by the various cultures coexisting in Poland for centuries,
 - related to the local colour and traditions, not just unique ones, but also those integrating various cultures,
- excellent cuisine – both typically Polish and that offering culinary specialities from all over the world.

Incoming foreign visitors
(in thousand persons)



Source: Prepared by the authors on the basis of data from the Institute of Tourism.

Visitors coming to Poland can take advantage of good hotel facilities, shopping facilities and restaurants, which are comparable with the European average and still offer prices lower than in many European countries. Poland's integration with the EU facilitated cross-border traffic between Poland and the other Member States, which translated into vastly increased tourist traffic both in 2004 and 2005. In 2006 an upward trend in tourist movement was halted; in 2007 the number of incoming tourists dropped by over 4%.

The revenues on incoming tourism in Poland are becoming an increasingly important source of foreign currency revenues, while the activity of the tourist sector is an important factor stimulating the economy.

In 2007 the total foreign currency revenues
from visits of foreigners to Poland increased by approx. 30%
and amounted to approx PLN 29 billion, of which
nearly 50% were revenues generated by tourists.

Tourist companies and the HORECA sector operating in the Polish market generate profits not only by offering services to foreign tourists but also by offering domestic and foreign trips to Polish citizens. In connection with the economic boom in 2007, the share of Polish tourists was at the level of 47%, with a marked increase in the share and number of foreign travels of Polish citizens.

7. Banks and financial services

On 29 August 1997, the Polish Parliament (Sejm) passed a new Act on the National Bank of Poland (Journal of Laws of 2005, No. 1, item 2) and a new Banking Law (Journal of Laws of 2002, No 72, item 665 as amended and Journal of Laws of 2004 No 91, item 870). These acts, as amended, determine the current shape of the entire banking system, as well as the structure and scope of responsibilities of the Polish central bank. They are also fully harmonised with the relevant EU legislation regulating this sphere of economic activity.

Since 1 May 2004, under the new Banking Law, branches of foreign banks based in EU countries, are treated as branches of lending institutions. This means that the Commission for Financial Supervision², which on 1 January 2008 replaced the Commission for Banking Supervision, exercises its supervision over these institutions exclusively in relation to the liquidity. Other Polish legal provisions governing the operations of Polish banks are not applicable.

Both banking acts provide the legal framework for the reform of the state finance system launched in 1990, aligned Polish banking with world standards and allowed for its integration with international financial markets.

The National Bank of Poland (NBP), an entirely independent entity, has two objectives: to maintain a stable level of prices, while at the same time supporting the government's economic policy. To accomplish this, the NBP:

- implements the monetary policy adopted by the Monetary Policy Council, composed of the NBP President, and nine members appointed, in equal proportions, by the President of the Republic of Poland, the Sejm and the Senate,
- creates the institutional background for ensuring an adequate level of financial security and the stability of the banking sector,
- specifies the principles and mechanisms ensuring the liquidity of monetary settlements in the economy.

At the same time, the National Bank of Poland, as the central bank, performs three basic functions:

- it is the central bank of the state (banking service of the state budget, keeping the bank accounts of banks and the state budget; managing foreign currency reserve),
- it is the issuing bank (issue of cash money, management of its circulation and regulation of the volume of money in the market),
- it is the bank of banks (organisation of clearance system, refinancing of banks and credit management).

The banking market

When accessing the EU in 2004, Poland had the banking sector fully integrated with the international market, the investment and pension funds market and the insurance market. Similarly to other EU countries, an increasing concentration of capital is observed.

² The Commission for Financial Supervision – a state administration body exercising supervision over the financial market. Pursuant the Act of 19 July 2006 (Journal of Laws No 157, item 1119) it replaced the Commission of Securities and Stock Exchanges, the Commission for Supervision over Insurance and Pension Funds and the Commission for Banking Supervision.

Due to the consolidation processes, the number of commercial banks in Poland dropped from 82 in 1994 to 77 in 1999 and to 51 as of the end of 2007. However, the number of the branches of foreign lending institutions undertaking transborder operations is growing systematically. Since the accession to the EU such operations have been started by 13 lending institutions, by opening 278 offices throughout the country.

From among the general number of 51 banks, foreign investors control 40 banks. At the end of 2006, the capital introduced by foreign investors to the Polish banking sector was the equivalent of PLN 8.1 billion (60.5% of the initial capital). The State Treasury directly controlled only 2 banks, including Bank Gospodarstwa Krajowego, which was the only bank with state bank status. The BGK increasingly takes over the current service for the state budget account from the NBP.

Apart from commercial banks, local markets were serviced by 582 co-operative banks, with PLN 600 million worth of initial capital. At the same time retail banks increasingly often provide banking services using intermediary loan institutions or through outsourcing. The responsibility for their activity is borne by the bank.

Customers were handled in nearly 9,000 branches of commercial banks, and 4,000 branches of co-operative banks.

The largest investments in the Polish banking sector were made by Belgian (PLN 1.7 billion) and German (PLN 1.3 billion) investments. French and Austrian investments exceeded PLN 0.6 billion each. The financial involvement of the US, Portuguese, Irish and Dutch entities – PLN 500 million each.

The share of funds and net assets of the 40 operating banks with a majority stake owned by foreign parties in the funds and assets of the entire banking sector was estimated at the end of 2007 to be 71.8% and 70.2%, respectively. Those banks collected 65.2% deposits from the non-banking sector and extended 66.5% of loans.

Most Polish banks act as comprehensive institutions offering a wide range of services both to corporate and to individual clients. Some of them operate also on capital markets – brokerage houses operated by banks, separated in terms of financing and organisation from their parent institutions, have come to dominate the securities market. Some banks have also been successful in developing investment banking, offering, for instance, consulting services, and underwriting the issue of shares and bonds. The importance of mortgage banks is growing rapidly.

All big banks and an increasing number of smaller banks, also co-operative ones, offer their customers services on-line. Three of them (BRE Bank S.A., PKO Bank Polski S.A. and Volkswagen Bank Polska) run so-called virtual banks, providing their services entirely via the Internet.

Banks in Poland offer their customers all kinds of payment cards. By the end of 2007, almost 26.5 million payment cards had been issued (11.1% more than in the previous year).

At the end of 2007, 14 banks were listed at the Warsaw Stock Exchange, and their share in the stock exchange capitalisation was 38.7%.

The dynamic growth of banking services is followed by improved quality of services and high reliability of the banks. In 2007 the solvency index amounted to 11.7% and was comparable with such indices in the United Kingdom, Ireland and the Netherlands. The minimum solvency index as recommended by the EU is 8%.

Financial markets

The dynamic development of capital markets in Poland is a major factor that has contributed significantly to the economic growth of the country. Basic components of the Polish financial market include:

- the debt securities market,
- the money market,
- the capital market, regulated (the Warsaw Stock Exchange),
- the over-the-counter market.

The market of debt securities in Poland is dominated by frequent issues of instruments of different kind by the Polish government. However, the value of corporate debt securities (commercial papers) is constantly growing. Banks, as institutions intermediating in this market, provide for the issuers the process of acquiring capital directly from the money market, at the same time enabling investors to find profitable investment opportunities. Municipal issues are becoming increasingly significant. Domestic bonds and Eurobonds market has become an attractive and promising segment of the financial market in Poland.

The money market is another market in which Polish banking institutions compete with their foreign counterparts. This market offers bonds issued by the NBP, certificates of deposit issued by local banks and short-term debt securities issued by large companies.

The most important component of the secondary market in Poland is the Warsaw Stock Exchange (WSE), one of the most rapidly developing institutions of this kind in the world. Its tradition goes back to the first Polish stock exchange, which was opened in Warsaw in 1817. On 31 December 2007, 351 domestic and 25 foreign companies were listed (compared to only 9 in 1991) on the WSE, which resumed operation on 12 April 1991. The average Polish companies capitalisation at the end of 2007 was PLN 510 billion (compared to PLN 0.1 billion in 1991), while the average market value of a listed company amounted to PLN 1,450 million (PLN 11 million in 1991). In comparison with 2006, the stock exchange capitalisation rose by 16.4%, and the average market value of listed companies slightly dropped. However, compared to 2001 the value of the market went up almost five times, as did the value of an average company. The capitalisation of foreign companies as at 31 December 2007 was PLN 356.8 billion; almost twice the 2006 figure. An important factor for the capital market development is the number of newly entered companies – until 2006 it has been around 40 each year (the highest number in the region) and in the first half of 2007 81 companies entered the Stock Exchange.

Apart from shares and Treasury bonds, the securities quoted on the exchange include shares of National Investment Funds. In January 1998, the derivatives market was launched; in March 1998, warranties were introduced, and in September 1998, trading in USD-based futures was started. The year 2000 saw the launch of corporate bonds quotation; the Segment of Innovative Technologies was created, intended (regardless of the type of market quotations) for companies from the telecoms and IT sector. Moreover, the Treasury Securities Market was established, addressed to large institutional investors, as was trading in futures for company shares. Since February 2005 investors have been able to purchase futures on bonds and since October 2005 also share options.

Since 2000 the distributors of stock exchange services have provided real-time stock exchange quotations on-line.

In 1999, the dynamically developing WSE acquired the status of an affiliated member of the Federation of European Stock Exchanges and since June 2004 it has been a full member of FESE.

In 2007, the value of stock exchange trading totalled PLN 1186 billion, of which share trading accounted for 40.5% (increase by 40% compared to the previous year), bond trading for less than 0.2%, futures trading for 57% and option trading for over 2.3%.

Insurance

As at the end of 2007, 67 insurance companies possessed permits issued by the Minister of Finance to conduct insurance activity in Poland. Insurance operations were conducted by 66 insurance companies, including:

- 32 life insurance companies (Section I); at the end of 2007, the gross written premium of these companies was PLN 25.5 billion, and the indemnity and benefit payments amounted to PLN 10.4 billion;
- 34 other personal and property insurance companies (Section II); at the end of 2007, the gross written premium of these companies reached PLN 18.2 billion, and indemnity and benefit payments amounted to PLN 9.2 billion.

Until 2000, the share of foreign investors in the insurance sector was relatively small. However, the years 2000-2002 witnessed a considerable change in terms of foreign investment in this sector. By the end of 2007 the value of foreign investments increased by nearly 200%, i.e. by around PLN 2 billion, compared to the end of 1999. At the end of 2007, the share of foreign capital in the value of equity capital of insurance companies reached 76.4%, an equivalent of PLN 3.8 billion (compared to 50.1%, i.e. PLN 1.22 billion at the end of 1999).

- As of 31 December 2007, foreign entities have invested a total of PLN 1.72 billion in life insurance companies, which represents a 74.7% share in the equity capital of Section I (compared to PLN 520.1 million on 31 December 1999, accounting for 46.6% of the equity capital in Section I).
- As of 31 December 2007, the direct share of foreign parties in the equity capital of non-life insurance companies amounted to 77.9%, an equivalent of PLN 2.08 billion. At the end of 1999, the value of invested foreign capital in this Section totalled PLN 697.2 million (i.e. 53.2% of the equity capital in Section II).

At the end of 2007, there were 66 insurance companies with foreign participation, including 43 companies with a majority stake owned by foreign parties.

As a result of the social insurance reform being implemented in Poland, open pension funds started operating in 1999. Their majority shareholders are primarily insurance companies and banks. The foreign participation in pension funds' equity amounted to some 80%. At the end of 2007, open pension funds kept 13.14 million pension-fund accounts, and the amount of contributions, with accrued interest, channelled into funds since 1999 reached PLN 95.6 billion (PLN 15.5 billion in 2007). The two largest open pension funds in terms of market share, Commercial Union BPH CU WBK (26.9% of the contributions) and Nationale Nederlanden Polska (22.6% of the contributions), are both foreign-controlled.

VI POLAND OF REGIONS

1. Characteristics of the economy of Polish regions

As a result of the administrative reform as an element of the transformation of the socio-economic system and the decentralisation of the state, in 1999 the territory of Poland was divided into 16 voivodeships (see map in Chapter I) which became not only the units of the primary territorial division for the central government administration, but also units of territorial self-government entrusted with the task of establishment of their own development strategy, stimulating economic activity and improving the competitiveness and innovativeness in the economy of a given voivodeship.

Development of voivodeships is also supported by the state, which through its regional policy implements the goal of enhancing the country's social, economic and territorial cohesion. In the years 2007-2015, among major goals of the Polish regional policy will be to **create conditions conducive to improvement of competitiveness of all regions and equalisation of development opportunities** for those areas which would be doomed to marginalisation or persistent development difficulties without state aid¹.

Dolnośląskie Voivodeship

The voivodeship lies in the south-western part of the country, bordering Germany and the Czech Republic. The capital city is Wrocław, a strong industrial, academic, scientific and cultural centre. Other major towns in the region include Legnica, Wałbrzych and Jelenia Góra. The III Pan-European Transport Corridor (from Germany to Ukraine) and the road from the Nordic states to the Czech Republic and Austria run across the region.

The Dolnośląskie Voivodeship is ranked second in the country (after the Śląskie Voivodeship) in terms of development of its settlement network and degree of urbanisation (71% of its total population lives in urban areas). The region ranks among the most industrialised and richest ones in Poland. Thanks to vast deposits of mineral resources, extractive industry and raw materials processing have developed here as well as production of electronic devices and household appliances, food,

¹ Cf. *National Development Strategy 2007-2015*, Ministry of Regional Development. Warsaw, 28 April 2006.

chemical and automotive industries. Also high technology industries have developed in the voivodeship.

Population	2.9 million	<p style="text-align: center;">Structure of GDP creation</p> <table border="1"> <caption>Data for Structure of GDP creation pie chart</caption> <thead> <tr> <th>Category</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>market services</td> <td>46.8%</td> </tr> <tr> <td>industry</td> <td>29.6%</td> </tr> <tr> <td>non-market services</td> <td>15.2%</td> </tr> <tr> <td>construction</td> <td>5.8%</td> </tr> <tr> <td>agriculture</td> <td>2.6%</td> </tr> </tbody> </table>	Category	Percentage	market services	46.8%	industry	29.6%	non-market services	15.2%	construction	5.8%	agriculture	2.6%
Category	Percentage													
market services	46.8%													
industry	29.6%													
non-market services	15.2%													
construction	5.8%													
agriculture	2.6%													
Area	19,9 thousand km ²													
Population density	145 persons/km ²													
Unemployment rate	11.8%													
GDP <i>per capita</i>	PLN 26,620													
Average monthly gross remuneration	PLN 2,924.00													
Share in national sold industrial output	8.5%													
The number of companies with a share of foreign capital	5,863													

One of the key areas of business activity is tourism. It has developed both thanks to the region's considerable geographical and landscape diversification (two national parks: Karkonoski National Park and National Park of the Stołowe Mountains), monuments of world importance (such as Ostrów Tumski and the Old Town Square (*Rynek*) in Wrocław), and the spa potential (rich and varied springs of mineral and curative waters).

The region is perceived as a good and attractive location for prospective investment. The voivodeship ranks high in terms of the intensity of its foreign trade relationships. It develops international cooperation within two Euroregions: "Glacensis" and "Neisse-Nisa-Nysa".

In the years to come projects aimed to enhance competitiveness of enterprises, development of transport and energy infrastructure, improving the environment condition and environmental security as well as those aimed for better use and promotion of the tourist and cultural potential of the region will be implemented using the Structural Funds. The state's regional policy will focus on the enhancement of the metropolitan functions of Wrocław and its metropolitan area (mainly through development of the city's science and culture potential) and also on the improvement of the region's accessibility for international transport and its transport links with Warsaw. Another important task will be to improve the quality of the environment.

Kujawsko-Pomorskie Voivodeship

The voivodeship is situated in the centre of the northern part of the country. The functions of the region's capital city have been distributed among Bydgoszcz (the seat of the Voivode) and Toruń (the seat of the Voivodeship Marshal and the *Sejmik*). Both these cities are important industrial, cultural, educational and scientific centres. Other major towns in the voivodeship include Grudziądz, Włocławek and Inowrocław. Transit roads from the Nordic states to Southern Europe as well as from the Baltic

States and Russia to Western Europe cross the region. In spite of this links with abroad are relatively weak

Population	2.1 million	<p style="text-align: center;">Structure of GDP creation</p> <table border="1"> <caption>Data for Structure of GDP creation</caption> <thead> <tr> <th>Category</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>market services</td> <td>47.9%</td> </tr> <tr> <td>industry</td> <td>23.7%</td> </tr> <tr> <td>non-market services</td> <td>15.9%</td> </tr> <tr> <td>agriculture</td> <td>6.8%</td> </tr> <tr> <td>construction</td> <td>5.8%</td> </tr> </tbody> </table>	Category	Percentage	market services	47.9%	industry	23.7%	non-market services	15.9%	agriculture	6.8%	construction	5.8%
Category	Percentage													
market services	47.9%													
industry	23.7%													
non-market services	15.9%													
agriculture	6.8%													
construction	5.8%													
Area	18 thousand km ²													
Population density	115 persons/km ²													
Unemployment rate	15.2%													
GDP <i>per capita</i>	PLN 22,474													
Average monthly gross remuneration	PLN 2,514.00													
Share in national sold industrial output	4.2%													
The number of companies with a share of foreign capital	1,541													

An important role in the region's economy is played by the food, electromechanical, chemical, rubber, wood and paper industries. Also agriculture has a considerable share in the creation of regional added value, this being thanks to a favourable agricultural structure, fertile soils and good agricultural practices. Farms are characterised by good economic and production performance and a high level of technical equipment.

The region offers favourable conditions for tourism and spa-related activity, among them being high quality of the environment, landscape features such as river valleys, morainal hills and plains, lakes, forests, pine forests (*Bory Tucholskie* and *Puszcza Bydgoska*) and springs of mineral waters (Ciechocinek, Inowrocław, Wieniec), as well as rich cultural heritage.

In the next few years the EU assistance funds will be allocated in the voivodeship to the widely understood infrastructure (road and rail, environmental protection, education, culture, health care), support to the development of information society and enhancing the competitiveness of enterprises as well as tourism development. Under its regional policy the state will support development of the transport network, namely of the A1 axis (Gdańsk-southern state border-Ostrava) and transport links with Warsaw, Szczecin, Poznań and Olsztyn, as well as integration of Bydgoszcz and Toruń through enhancement of their metropolitan functions, their scientific and academic potential, and the cultural heritage. The state will also take actions to facilitate access to the labour market, education (in particular higher education), business environment services, culture services and specialist health care for the population of rural areas.

Lubelskie Voivodeship

The Lubelskie Voivodeship is situated in the eastern part of the country. It borders Belarus and Ukraine and is an EU border region. The voivodeship's capital city is Lublin, the largest academic centre in Eastern Poland and also an industrial and

services centre. Other major towns in the region include Chełm, Zamość, Biała Podlaska and Puławy. Transit routes, run across the voivodeship, from Belarus and Ukraine to Western Europe. The city's geographical position offers favourable conditions for the development of cross-border trade and cooperation with Eastern European countries, *inter alia*, with the countries of the Bug Euroregion.

Population	2.2 million	<p style="text-align: center;">Structure of GDP creation</p> <table border="1"> <caption>Data for Structure of GDP creation</caption> <thead> <tr> <th>Category</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>market services</td> <td>47.5%</td> </tr> <tr> <td>industry</td> <td>18.7%</td> </tr> <tr> <td>non-market services</td> <td>20.7%</td> </tr> <tr> <td>agriculture</td> <td>7.4%</td> </tr> <tr> <td>construction</td> <td>5.6%</td> </tr> </tbody> </table>	Category	Percentage	market services	47.5%	industry	18.7%	non-market services	20.7%	agriculture	7.4%	construction	5.6%
Category	Percentage													
market services	47.5%													
industry	18.7%													
non-market services	20.7%													
agriculture	7.4%													
construction	5.6%													
Area	25.1 thousand km ²													
Population density	87 persons/km ²													
Unemployment rate	13%													
GDP <i>per capita</i>	PLN 17,591													
Average monthly gross remuneration	PLN 2,542.00													
Share in national sold industrial output	2.3%													
The number of companies with a share of foreign capital	896													

Being one of the largest Polish regions, the Lubelskie Voivodeship is characterised, however, by a low population density and a relatively low degree of urbanisation (more than 53% of its population lives in rural areas). The region is mostly agricultural, being Poland's largest producer of hops and sugar, and also a major supplier of fruit. Agriculture develops thanks to a relatively favourable climate, highly fertile soil and suitable land form.

The region is little industrialised and its predominant branch of industry is agri-food processing which has developed based on local agriculture. Other important branches of industry include: production of clothing, production of machines and equipment, motor vehicles, as well as chemical and wood industry.

The voivodeship offers favourable conditions for the development of agri-tourism, active tourism and sanatorium treatment, as the Lubelskie Voivodeship is one of the most interesting regions in Poland in terms of its landscape (for example, two national parks: the *Poleski* and *Roztoczański* National Parks, landscape parks and nature reserves, lakes), and culture (the urban complex of Zamość, the Old Town in Lublin, Kazimierz Dolny, or horse studs in Janów Podlaski and Białka). In the years to come the voivodeship will implement projects to support entrepreneurship and innovativeness, development of the economic, social, transport and environmental infrastructure as well as infrastructure which will contribute to the development of information society, enhanced investment attractiveness, development of tourism and international cooperation, financed from the Structural Funds. The state's regional policy with regard to the Lubelskie Voivodeship will focus on the improvement of its transport infrastructure and links with major cities in the country. Also the metropolitan functions of Lublin and cross-border cooperation will be enhanced along with support for the development of the educational system.

Lubuskie Voivodeship

The Lubuskie Voivodeship is situated in Western Poland and borders Germany. The functions of the region's capital city have been distributed among Gorzów Wielkopolski (the seat of the Voivode) and Zielona Góra (the seat of the self-government authorities).

Population	1.0 million	<p style="text-align: center;">Structure of GDP creation</p> <table border="1"> <caption>Data for Structure of GDP creation</caption> <thead> <tr> <th>Category</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>market services</td> <td>46.4%</td> </tr> <tr> <td>industry</td> <td>28.0%</td> </tr> <tr> <td>non-market services</td> <td>15.7%</td> </tr> <tr> <td>construction</td> <td>5.3%</td> </tr> <tr> <td>agriculture</td> <td>4.6%</td> </tr> </tbody> </table>	Category	Percentage	market services	46.4%	industry	28.0%	non-market services	15.7%	construction	5.3%	agriculture	4.6%
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market services	46.4%													
industry	28.0%													
non-market services	15.7%													
construction	5.3%													
agriculture	4.6%													
Area	14 thousand km ²													
Population density	72 persons/km ²													
Unemployment rate	14.2%													
GDP <i>per capita</i>	PLN 23,241													
Average monthly gross remuneration	PLN 2,511.00													
Share in national sold industrial output	2%													
The number of companies with a share of foreign capital	2,475													

Transit routes towards central regions of the country and the Eastern border cross the voivodeship.

The region's geographical position stimulates development of cross-border trade and cooperation with Germany. The voivodeship has engaged in active cooperation within the framework of two Euroregions: "Spreva – Nysa – Bóbr" and "Pro Europa Viadrina".

It is the smallest voivodeship in Poland in terms of population density. This is a result, first of all, of the presence of large forest areas (occupying approximately 48% of the voivodeship's total area) which are the region's most important resources, providing especially favourable conditions for the development of hunting, horse, water and bicycle tourism.

The region is classified as moderately industrialised, with its industry concentrated in four towns: Gorzów Wielkopolski, Zielona Góra, Żary and Świebodzin. Major branches include: wood, furniture and paper industries.

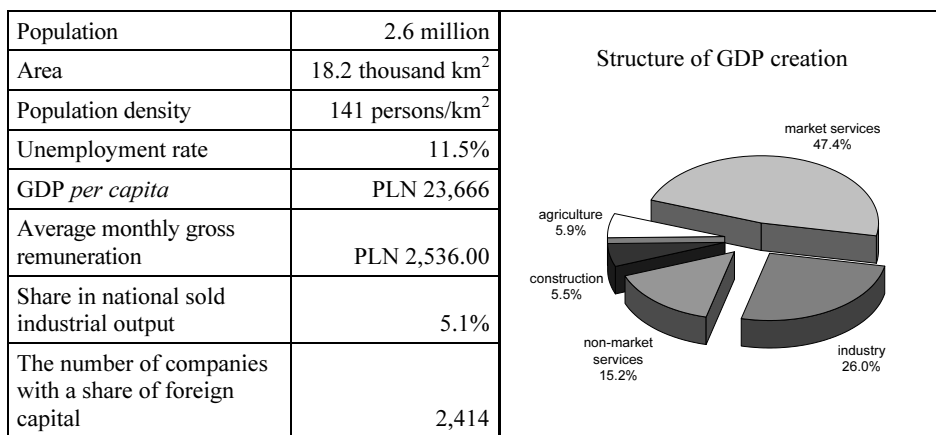
The characteristic feature of agriculture in the Lubuskie Voivodeship is the smallest share of usable agricultural land in the total area among all the voivodeships in Poland. Although climate conditions for development of agriculture are among the most suitable in the country, soil conditions are unfavourable for agricultural production.

As regards the Lubuskie Voivodeship, support from the Structural Funds will be allocated primarily for the development of infrastructure to enhance the region's competitiveness, stimulating investment in enterprises and increasing innovation potential of enterprises as well as protection of its natural environment resources, the development and modernisation of social, tourist and cultural infrastructure.

Under the state's regional policy support will be provided primarily to integration of the region's two most important cities, Gorzów Wielkopolski and Zielona Góra, enhancement of its academic potential and of the network of institutions which support entrepreneurship.

Łódzkie Voivodeship

The Łódzkie Voivodeship is situated in central Poland. The voivodeship's capital city is Łódź, a city of long-established industrial traditions, in particular in the field of textile industry, and a large academic centre. Other major towns in the region include: Piotrków Trybunalski, Sieradz, Skierniewice, Bełchatów and Tomaszów Mazowiecki.



The Łódzkie Voivodeship is one of the most densely populated regions in Poland; one-third of its total population lives in one city, Łódź.

The structure of the voivodeship's economy is diversified. The primary role is played by industry concentrated in the Łódź Metropolitan Area and the Bełchatów Industrial District. The traditional branch of industry in the voivodeship used to be light industry, yet its significance has been diminishing in recent years while the energy industry, lignite mining, as well as food, chemical, electromechanical and construction materials industries have gained importance.

The Łódzkie Voivodeship ranks among the country's leading regions in terms of the area of usable agricultural land (above 50% of the voivodeship's total area). Agriculture in the region is characterised by a relatively high productivity. The predominant sectors in the structure of production are vegetable-growing, fruit-growing and pig farming. Furthermore, the region offers favourable natural conditions for the development of specialised tourism and eco-tourism (thanks to its resources of subsoil and geothermal water).

In the years to come the Structural Funds will be used to support the development of transport infrastructure, innovation and entrepreneurship, projects supporting

environmental protection, preventing hazards, energy, development of information society, improving of social infrastructure projects and urban renewal. The state's regional policy with regard to the Łódzkie Voivodeship will focus on the improvement of its transport links (in particular with Warsaw), as well as support to the processes of metropolisation of Łódź.

Małopolskie Voivodeship

The Małopolskie Voivodeship is situated in Southern Poland and borders Slovakia. Its capital city is Kraków, the second largest (after Warsaw) academic centre in Poland and the region's economic, scientific and cultural centre. Another major city in the voivodeship is Tarnów. The north-south and west-east roads, including the III Pan-European Transport Corridor run across the region.

Population	3.3 million	<p style="text-align: center;">Structure of GDP creation</p> <table border="1"> <caption>Data for Structure of GDP creation</caption> <thead> <tr> <th>Category</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>market services</td> <td>51.0%</td> </tr> <tr> <td>industry</td> <td>22.5%</td> </tr> <tr> <td>non-market services</td> <td>16.9%</td> </tr> <tr> <td>construction</td> <td>6.7%</td> </tr> <tr> <td>agriculture</td> <td>2.9%</td> </tr> </tbody> </table>	Category	Percentage	market services	51.0%	industry	22.5%	non-market services	16.9%	construction	6.7%	agriculture	2.9%
Category	Percentage													
market services	51.0%													
industry	22.5%													
non-market services	16.9%													
construction	6.7%													
agriculture	2.9%													
Area	15.2 thousand km ²													
Population density	215 persons/km ²													
Unemployment rate	8.8%													
GDP <i>per capita</i>	PLN 21,989													
Average monthly gross remuneration	PLN 2,741.00													
Share in national sold industrial output	6.5%													
The number of companies with a share of foreign capital	3,060													

Initiatives within the framework of the “Tatras” and “Carpathians” Euroregions are implemented in the region.

The Voivodeship is characterised by a high population density and one of the lowest rates of urbanisation in Poland (less than one-half of the total population lives in urban areas).

The region's production potential is varied; traditional branches of industry (mining, metallurgy, heavy chemical industry) gradually diminish in importance. Instead cable, telecommunications, computer, pharmaceutical, construction materials and printing industries develop rapidly. The majority of workforce is employed in agriculture which is characterised by considerable fragmentation and dispersion of farms.

The region boasts magnificent historical, cultural and folklore attractions and sites of historical interest (for example, four sites included in the World Heritage List: in Kraków, Wieliczka, Auschwitz and Kalwaria Zebrzydowska) and a microclimate having medicinal properties (Krynica, Muszyna, Piwniczna, Rabka and Szczawnica) which creates favourable conditions for tourism development. Diversified land form and landscape provide ample opportunities for backpacking, climbing and mountaineering.

In the years to come better conditions for the development of the regional economy (including tourism and culture) and knowledge-based society will be created in the region using the EU financial support. The infrastructure and potential of the Kraków Metropolitan Area will be developed. The EU funding will also be allocated for increased intra-regional cohesion, regional cooperation and environmental protection. The state will also support actions targeted at the improvement of spatial cohesion, preservation of high quality of landscape and improvement of the quality of the environment. An important element of the state's regional policy will be also support to the region's efforts to promote its tourist and cultural resources.

Mazowieckie Voivodeship

The Mazowieckie Voivodeship is situated in central Poland. The capital city of the voivodeship and of Poland is Warsaw where a substantial amount of the country's economic, scientific and cultural potential is concentrated. Other towns that play a major role in the region include Radom, Płock, Siedlce, Ostrołęka and Ciechanów.

Population	5.2 million	<p style="text-align: center;">Structure of GDP creation</p> <table border="1"> <caption>Data for Structure of GDP creation</caption> <thead> <tr> <th>Sector</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>market services</td> <td>63.1%</td> </tr> <tr> <td>industry</td> <td>16.7%</td> </tr> <tr> <td>non-market services</td> <td>12.0%</td> </tr> <tr> <td>construction</td> <td>4.5%</td> </tr> <tr> <td>agriculture</td> <td>3.7%</td> </tr> </tbody> </table>	Sector	Percentage	market services	63.1%	industry	16.7%	non-market services	12.0%	construction	4.5%	agriculture	3.7%
Sector	Percentage													
market services	63.1%													
industry	16.7%													
non-market services	12.0%													
construction	4.5%													
agriculture	3.7%													
Area	35.6 thousand km ²													
Population density	145 persons/km ²													
Unemployment rate	9.2%													
GDP <i>per capita</i>	PLN 40,817													
Average monthly gross remuneration	PLN 3,720.00													
Share in national sold industrial output	21.2%													
The number of companies with a share of foreign capital	21,557													

Important transport routes run across the voivodeship north-south and east-west. Furthermore, Warsaw is a hub of railway lines, including international ones, making up the country's domestic transport network.

The Voivodeship ranks first according to the area and population as well as the income generated by its population. Population of urban areas represents approximately 65% of the voivodeship's total population.

A characteristic feature of the economy of the Mazowieckie Voivodeship is a considerable variety of branches. The region is relatively highly industrialised with the economic potential being concentrated in the Warsaw metropolitan area.

In the region the country's largest petrochemical plant (Płock) is located. Also agri-food industry and the state-of-the-art branches of industry have developed well. Moreover, the voivodeship is Poland's leading producer of fruit, vegetables, potatoes, cereals, milk, cattle and swine.

In addition, the Warsaw conurbation strengthens its position as the centre of business, finance and insurance, consulting and commercial activity. In effect, the services sector records the highest level of employment in the region.

Furthermore, the voivodeship's advantages include the environment (protected areas, including: the Kampinoski National Park, *Puszcza Biala* and *Puszcza Kozienska*) and monuments (the Old Town in Warsaw and Żelazowa Wola), which contribute to development of tourism.

In the years to come EU-funded projects aimed at enhancing competitiveness, entrepreneurship and the human capital, the development of the regional transport system, environmental protection, enhancing the role of cities in the region's development as well the development of tourism and leisure facilities will be implemented in the voivodeship.

The state will support the development of metropolitan functions of Warsaw and its surroundings and, in particular, of functions of significant international importance; the improvement of spatial and functional cohesion, mainly through improvement of internal transport links within the voivodeship; links between Warsaw and other towns of considerable sub-regional importance; actions intended to improve the accessibility of the Warsaw labour market and of the educational, cultural and healthcare services for the surrounding areas of the Mazowsze region; as well as deglomeration actions, locating business projects and initiatives related to development of entrepreneurship outside the metropolitan area and, in particular, outside Warsaw.

The state's policy also aims at improvement of the quality of the environment in the most valuable landscape areas of supra-regional importance. Given the functions of Warsaw as the capital city, the state's regional policy will support implementation of joint government and self-government projects undertaken with a view to coordinating country-wide processes.

Opolskie Voivodeship

The voivodeship is situated in the south of Poland and borders the Czech Republic. The voivodeship's capital city is Opole, a major economic, service, cultural and academic

Population	1 million	<p style="text-align: center;">Structure of GDP creation</p> <table border="1"> <caption>Data for Structure of GDP creation</caption> <thead> <tr> <th>Category</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>market services</td> <td>42.7%</td> </tr> <tr> <td>industry</td> <td>29.3%</td> </tr> <tr> <td>non-market services</td> <td>16.8%</td> </tr> <tr> <td>construction</td> <td>5.7%</td> </tr> <tr> <td>agriculture</td> <td>5.5%</td> </tr> </tbody> </table>	Category	Percentage	market services	42.7%	industry	29.3%	non-market services	16.8%	construction	5.7%	agriculture	5.5%
Category	Percentage													
market services	42.7%													
industry	29.3%													
non-market services	16.8%													
construction	5.7%													
agriculture	5.5%													
Area	9.4 thousand km ²													
Population density	111 persons/km ²													
Unemployment rate	12%													
GDP <i>per capita</i>	PLN 21,347													
Average monthly gross remuneration	PLN 2,682.00													
Share in national sold industrial output	2.4%													
The number of companies with a share of foreign capital	1,279													

centre. The largest towns in the region include also Kędzierzyn-Koźle, Brzeg and Nysa. The Opolskie develops cross-border cooperation with the Czech Republic under the “Pradziad” Euroregion. Its most important transit route, running across the voivodeship, is the Pan-European Transport Corridor from Western Europe to Ukraine.

The Opolskie is the smallest voivodeship in Poland in terms of its area and one of the smallest in terms of its population. Also the degree of urbanisation is low (residents of urban areas account for slightly more than 52% of the region’s total population). The voivodeship is a highly industrialised region with the predominant branches including food, power, chemical, mineral, machine, metal and furniture industries.

The characteristic feature of agriculture in the Opolskie Voivodeship is the highest effectiveness in the country, resulting from good agricultural practices, good equipment in farms as well as favourable climate and soil conditions. The region offers conditions suitable for development of tourism and, in particular, of agri-tourism, backpacking and biking. It boasts numerous monuments of secular and church architecture, sports and recreational facilities, lakes, forests and protected landscape areas.

Using the Structural Funds available, the voivodeship authorities spare no effort to increase the region’s economic attractiveness, develop transport connections, environmental protection, information society, social infrastructure and higher education. The activation of urban and derelict areas are also high on the agenda. The state’s regional policy focuses on the improvement of the quality of the environment, more efficient use of its tourist assets and strengthening of business environment institutions. Moreover, support for the modernisation of the transport infrastructure (mainly in the east-west direction) and for the cross-border cooperation with the Czech Republic (primarily in the field of the economy) is planned.

Podkarpackie Voivodeship

The voivodeship is situated in south-eastern Poland. The region borders Ukraine and Slovakia and is a border region of the European Union. Its capital city is Rzeszów.

Population	2.1 million	<p style="text-align: center;">Structure of GDP creation</p> <table border="1"> <thead> <tr> <th>Category</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>market services</td> <td>44.8%</td> </tr> <tr> <td>industry</td> <td>27.4%</td> </tr> <tr> <td>non-market services</td> <td>18.8%</td> </tr> <tr> <td>construction</td> <td>5.8%</td> </tr> <tr> <td>agriculture</td> <td>3.3%</td> </tr> </tbody> </table>	Category	Percentage	market services	44.8%	industry	27.4%	non-market services	18.8%	construction	5.8%	agriculture	3.3%
Category	Percentage													
market services	44.8%													
industry	27.4%													
non-market services	18.8%													
construction	5.8%													
agriculture	3.3%													
Area	17.8 thousand km ²													
Population density	118 persons/km ²													
Unemployment rate	14.4%													
GDP <i>per capita</i>	PLN 17.789													
Average monthly gross remuneration	PLN 2,423.00													
Share in national sold industrial output	3.5%													
The number of companies with a share of foreign capital	772													

Other major towns include Przemyśl, Tarnobrzeg and Krosno. Transit routes from Germany to Ukraine, from central Poland to Slovakia and from the south to Lithuania run across the voivodeship. Within the “Karpaty” Euroregion the Podkarpackie Voivodeship cooperates with Slovakia, Hungary, Ukraine and Romania.

The Podkarpackie Voivodeship is the least urbanised region in Poland (only around 40% of its population lives in urban areas). The region has a considerable production potential as well as numerous mineral resources, such as crude oil, natural gas, sulphur, building aggregates and mineral waters. The central role for the voivodeship’s economic development is played by agri-food, chemical, machine and construction industries. Also furniture and wood industries are dynamically developing in the region.

Agriculture is, to a large extent, based on natural methods of production and is very fragmented. Further, its characteristic feature is a surplus of labour force and a low yield of marketable agricultural products. Factors that limit agricultural production include also unfavourable climate and soil conditions.

The Podkarpackie Voivodeship offers ample tourist and cultural opportunities relating to its landscape values (for example, two national parks: the Bieszczadzki and Magurski National Parks) and numerous historic buildings (Łańcut, Krasiczyn and Baranów Sandomierski). A relatively unpolluted environment and waters classified as the 1st class of purity is also an unquestionable advantage.

In the years to come the Structural Funds available for the Podkarpackie Voivodeship will be allocated for support to competitiveness and innovative economy, development of technical and public infrastructure, promoting environmental protection and preventing environmental hazards, projects in the area of tourism and culture as well as intra-regional cohesion. The state’s regional policy will focus on actions leading to a change in the voivodeship’s agricultural structure, stimulation of job creation and improvement of the educational system. Furthermore, it is planned to support cross-border cooperation and modernisation of transport infrastructure (mainly in the east-west axis; further construction of the A4 motorway which runs from Zgorzelec on the Polish-German border through Wrocław, Katowice, Kraków to the Polish-Ukrainian border crossing Korczowa-Krakowiec).

Podlaskie Voivodeship

The voivodeship is situated on the north-eastern part of Poland; it borders Belarus and Lithuania and is a border region of the European Union. The voivodeship’s capital city is Białystok, the largest industrial, scientific and cultural centre in the region. Other major towns include Suwałki, Łomża, Augustów, Bielsk Podlaski, Grajewo, Hajnówka, Zambrów and Sokółka. The region develops international cooperation within the framework of the “Niemen” Euroregion.

The Podlaskie ranks among the most sparsely populated and least urbanised regions in Poland. The network of towns is sparse, whereas rural centres are dispersed and fragmented. The voivodeship is one of relatively poorly developed regions. The share of industry, construction and market services in the creation of the region’s GDP is among the lowest in Poland. The predominant sector of its economy is agriculture which develops despite the generally poor quality of soils and changeable climate. It is characterised by low productivity, high level of employment and hidden unemployment. On the other hand, low level of soil pollution and ecologically clean areas provide excellent conditions for development of organic farming.

As regards the branches of industry, the most important role is played by production and processing of agri-food products, production of plant and equipment, textiles and wood products (such as windows and doors). The construction industry is also one of the region's leading industries.

Population	1.2 million	<p style="text-align: center;">Structure of GDP creation</p> <table border="1"> <caption>Data for Structure of GDP creation</caption> <thead> <tr> <th>Category</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>market services</td> <td>44.4%</td> </tr> <tr> <td>non-market services</td> <td>20.1%</td> </tr> <tr> <td>industry</td> <td>18.0%</td> </tr> <tr> <td>agriculture</td> <td>11.8%</td> </tr> <tr> <td>construction</td> <td>5.8%</td> </tr> </tbody> </table>	Category	Percentage	market services	44.4%	non-market services	20.1%	industry	18.0%	agriculture	11.8%	construction	5.8%
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market services	44.4%													
non-market services	20.1%													
industry	18.0%													
agriculture	11.8%													
construction	5.8%													
Area	20.2 thousand km ²													
Population density	59 persons/km ²													
Unemployment rate	10.7%													
GDP <i>per capita</i>	PLN 19,075													
Average monthly gross remuneration	PLN 2,607.00													
Share in national sold industrial output	1.6%													
The number of companies with a share of foreign capital	432													

The Podlaskie Voivodeship is one of the ecologically cleanest regions in Poland, boasting unique landscape values, including Europe's largest complex of marshes and primeval forests untouched by human activity (*Puszcza Białowieska*). This offers excellent conditions for the development of qualified and sightseeing tourism, agri-tourism and spa centres (Augustów, Supraśl).

Like other voivodeships, the Podlaskie plans to allocate EU funds for increased innovativeness and entrepreneurship level, development of information society, transport, social and local infrastructure, environmental protection and development of tourism. As part of its regional policy, the state plans to improve the region's transit links (in particular with Lithuania: Via Baltica, Rail Baltica) and support extension and modernisation of border crossings. The policy is also intended to enhance the metropolitan functions of Białystok and foster development of rural areas and smaller towns in the region. Moreover, development of tourism will be a major guideline of the regional policy.

Pomorskie Voivodeship

The Pomorskie Voivodeship is situated in northern Poland on the Baltic Sea. The region's capital city is Gdańsk which, together with Gdynia and Sopot, makes up a multi-function urban area where more than 40% of the voivodeship's total population lives. The central elements of the transport infrastructure are the sea ports in Gdańsk (reloading of goods in bulk) and Gdynia (container terminal). The north-south and east-west transit routes run across the region. The region is engaged in international cooperation in the Baltic region.

The region's economy is directly or indirectly linked to the sea. Shipbuilding, port and petrochemical industries have developed there as well as transport and shipping

services, and specialist services related to fisheries. An important role in the development of the voivodeship and, in particular, of its sea resorts, is played by tourism. Landscape values (the Słowiński National Park and the Bory Tucholskie National Park), low degree of transformation of the environment as well as numerous historic monuments (particularly on Żuławy and Pobrzeże Kaszubskie), of both sacred and secular architecture (such as the city of Gdańsk and the Teutonic Castle in Malbork) offer good conditions for the development of tourism.

Population	2.2 million	<p style="text-align: center;">Structure of GDP creation</p> <table border="1"> <thead> <tr> <th>Category</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>market services</td> <td>52.8%</td> </tr> <tr> <td>industry</td> <td>22.8%</td> </tr> <tr> <td>non-market services</td> <td>15.6%</td> </tr> <tr> <td>construction</td> <td>6.0%</td> </tr> <tr> <td>agriculture</td> <td>2.8%</td> </tr> </tbody> </table>	Category	Percentage	market services	52.8%	industry	22.8%	non-market services	15.6%	construction	6.0%	agriculture	2.8%
Category	Percentage													
market services	52.8%													
industry	22.8%													
non-market services	15.6%													
construction	6.0%													
agriculture	2.8%													
Area	18.3 thousand km ²													
Population density	120 persons/km ²													
Unemployment rate	10.9%													
GDP <i>per capita</i>	PLN 25,308													
Average monthly gross remuneration	PLN 3,016.00													
Share in national sold industrial output	6.2%													
The number of companies with a share of foreign capital	3,669													

EU funds will be used in the voivodeship to support development of small and medium-sized enterprises (with high stress on innovation), knowledge-based society, urban and metropolitan functions, local basic and social infrastructure and the transport system. Projects in the area of environmental protection, environmentally-friendly energy, healthcare, tourism and cultural heritage will also be supported. The state's regional policy will support development of the port functions, modern sector of "port-related" services and international competitiveness of the Tri-City as well as the modernisation of the north-south and east-west transport links. Furthermore, the policy is to contribute to preservation of the cultural heritage and the water system of Żuławy, and promotion of the region's cultural and landscape values.

Śląskie Voivodeship

The Śląskie Voivodeship is situated in southern Poland where transit routes of national and European importance meet. It borders the Czech Republic and Slovakia. The region cooperates with the Czech Republic and Slovakia within the "Beskidy" Euroregion and with the Czech Republic within the "Śląsk Cieszyński" Euroregion. The voivodeship's capital city is Katowice, an important academic, scientific, financial and cultural centre. Other major towns include: Częstochowa, Sosnowiec, Gliwice, Bytom, Zabrze, Bielsko-Biała, Ruda Śląska, Rybnik, Dąbrowa Górnicza, Chorzów, Tychy and Jastrzębie-Zdrój.

The characteristic feature of the Śląskie Voivodeship is the highest population density among the Polish regions; more than three times higher than the national

average. Moreover, it is the most urbanised (nearly 80% of its total population lives in urban areas, mainly in the Katowice and Rybnik metropolitan areas) and industrialised region in Poland. At the same time, it records the lowest percentage of people working in agriculture.

Population	4.7 million	<p style="text-align: center;">Structure of GDP creation</p> <table border="1"> <caption>Data for Structure of GDP creation</caption> <thead> <tr> <th>Category</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>market services</td> <td>47.4%</td> </tr> <tr> <td>industry</td> <td>33.3%</td> </tr> <tr> <td>non-market services</td> <td>12.3%</td> </tr> <tr> <td>construction</td> <td>5.8%</td> </tr> <tr> <td>agriculture</td> <td>1.3%</td> </tr> </tbody> </table>	Category	Percentage	market services	47.4%	industry	33.3%	non-market services	12.3%	construction	5.8%	agriculture	1.3%
Category	Percentage													
market services	47.4%													
industry	33.3%													
non-market services	12.3%													
construction	5.8%													
agriculture	1.3%													
Area	12.3 thousand km ²													
Population density	379 persons/km ²													
Unemployment rate	9.3%													
GDP <i>per capita</i>	PLN 27,792													
Average monthly gross remuneration	PLN 2,997.00													
Share in national sold industrial output	17.9%													
The number of companies with a share of foreign capital	4,844													

The Śląskie Voivodeship is the industrial centre of Poland. Coal mining, metallurgical and coking industries have developed mostly based on local natural resources, such as hard coal and zinc and lead ores. In recent years, the significance of the traditional sectors of industry based on raw materials for the region's economy has gradually been diminishing, whereas the electromechanical, heat and power, food, automotive and high technologies industries have gained in importance. The region offers beautiful landscape (Wyżyna Krakowsko-Częstochowska, Pogórze Śląskie and Beskid Zachodni) as well as historical and cultural tourist attractions (ruins of old castles, park and palace complexes and church architecture), and also excellent riding sport facilities. All this is favourable for the development of tourism. The EU funds available for the voivodeship will be allocated mainly for the development of research and technologies, innovation and entrepreneurship, information society and education infrastructure. Projects in the area of tourism, culture, environment, transport, sustainable urban development, health and recreation will also be supported. The state's regional policy with regard to the Śląskie Voivodeship will focus on the development of modern sectors of economy, in particular in the strongly degraded industrial areas), development of the services sector and improvement of the environment quality. Further, the state's policy will support the improvement of the technical infrastructure, including transport one, on the main north-south and west-east transit routes.

Świętokrzyskie Voivodeship

The Świętokrzyskie Voivodeship is situated in central Poland. The voivodeship's capital city is Kielce. Other major towns include: Ostrowiec Świętokrzyski, Starachowice, Skarżysko-Kamienna and Sandomierz.

The Świętokrzyskie Voivodeship is one of the smallest regions in Poland in terms of its population and area. It also belongs to the least urbanised (only slightly more than 45% of its total population lives in urban areas) and economically disadvantaged regions.

Population	1.3 million	<p style="text-align: center;">Structure of GDP creation</p> <table border="1"> <caption>Data for Structure of GDP creation</caption> <thead> <tr> <th>Sector</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>market services</td> <td>46.3%</td> </tr> <tr> <td>industry</td> <td>22.8%</td> </tr> <tr> <td>non-market services</td> <td>18.2%</td> </tr> <tr> <td>construction</td> <td>6.5%</td> </tr> <tr> <td>agriculture</td> <td>6.3%</td> </tr> </tbody> </table>	Sector	Percentage	market services	46.3%	industry	22.8%	non-market services	18.2%	construction	6.5%	agriculture	6.3%
Sector	Percentage													
market services	46.3%													
industry	22.8%													
non-market services	18.2%													
construction	6.5%													
agriculture	6.3%													
Area	11.7 thousand km ²													
Population density	109 persons/km ²													
Unemployment rate	15.1%													
GDP <i>per capita</i>	PLN 19,274													
Average monthly gross remuneration	PLN 2,527.00													
Share in national sold industrial output	2.3%													
The number of companies with a share of foreign capital	504													

The voivodeship is characterised by insignificant share in domestic industrial output with a number of its towns facing economic difficulties related to the restructuring of large industrial enterprises. The key sectors are the metallurgical and electromechanical industries. A considerable role is also played by the construction industry based on local deposits of mineral resources (sandstone, quartzite, marble, gypsum, limestone and marls). The region is Poland's leading producer of a wide range of construction materials, such as gypsum binders, lime, cement or building aggregates).

The structure of the voivodeship's agriculture is dominated by small individual farms usually insufficiently equipped with infrastructure and machinery. In areas with more fertile soil (the south-eastern part of the region) fruit-growing and vegetable-growing has developed. The percentage of population employed in agriculture is more than twice higher than the national average, with a high level of hidden unemployment.

Classified as one of the ecologically cleanest regions of Poland, with the picturesque Świętokrzyskie Mountains occupying a substantial part of its total area, the voivodeship is an attractive tourist region. Moreover, well-known spa centres, such as Busko-Zdrój and Solec-Zdrój, are situated in the voivodeship.

In the years to come the Structural Funds available to the voivodeship will be allocated for projects to develop entrepreneurship, innovation and information society. Investment potential, the transport system, environmental protection, energy and social infrastructure will also be supported. Part of EU-funding will also be allocated for investments in the area of culture, tourism and sports, strengthening of urban centres and revitalisation of small towns. Support under the state's regional policy will focus on the following: improvement of its transport links within the voivodeship, more efficient use of its tourist potential and development of the educational system.

Warmińsko-Mazurskie Voivodeship

The Warmińsko-Mazurskie Voivodeship is situated in north-eastern Poland and borders Russia (the Kaliningrad District). It is a border region of the European Union. The voivodeship's capital city is Olsztyn. Other major towns include Elbląg, Elk, Kętrzyn and Giżycko. The Voivodeship ranks among the largest in Poland in terms of its area, while its population density is the lowest.

Population	1.4 million	<p style="text-align: center;">Structure of GDP creation</p> <table border="1"> <caption>Data for Structure of GDP creation</caption> <thead> <tr> <th>Category</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>market services</td> <td>45.4%</td> </tr> <tr> <td>industry</td> <td>22.0%</td> </tr> <tr> <td>non-market services</td> <td>18.8%</td> </tr> <tr> <td>agriculture</td> <td>8.5%</td> </tr> <tr> <td>construction</td> <td>5.3%</td> </tr> </tbody> </table>	Category	Percentage	market services	45.4%	industry	22.0%	non-market services	18.8%	agriculture	8.5%	construction	5.3%
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market services	45.4%													
industry	22.0%													
non-market services	18.8%													
agriculture	8.5%													
construction	5.3%													
Area	24.2 thousand km ²													
Population density	59 persons/km ²													
Unemployment rate	19%													
GDP <i>per capita</i>	PLN 19,709													
Average monthly gross remuneration	PLN 2,454.00													
Share in national sold industrial output	2.1%													
The number of companies with a share of foreign capital	895													

The region's most valuable resource is its unpolluted environment. Warmia and Mazury form part of the area named "Poland's Green Lungs" which covers land of high environmental and landscape values. The voivodeship's huge advantage is its varied land form with numerous lakes and lakeland (the Grand Mazurian Lakes), large forest areas (*Puszcza Piska*) and landscape parks. As a result, it is a leading region in Poland in terms of the tourism being one of its primary sources of employment.

In the voivodeship mainly industry based on local natural resources has developed, such as food processing and wood industry. An important role in the region's economy is also played by rubber industry. The region ranks high in terms of the volume of production of car tyres, maturing cheese, poultry carcasses, beer and butter.

Despite unfavourable soil and climate conditions, the effectiveness of farms is relatively good, this being primarily an effect of a favourable area structure (large farms account for more than 30% of the total farm area).

In the years to come the voivodeship authorities intend to spend EU funding on the development of entrepreneurship, tourism, social infrastructure, information society, transport infrastructure, restructuring and revitalisation of towns and the natural environment. The state's regional policy will focus on the improvement of its transport links (for example, with Russia – the Kaliningrad District), and on the development of the educational system, R&D and academic potential, and enhancement of the supra-regional functions of Olsztyn. Preservation of the region's high environmental values and improvement of its tourist attractiveness will also be an important element of the policy.

Wielkopolskie Voivodeship

The Wielkopolskie Voivodeship is situated in central-western Poland. The region's capital city is Poznań, a large city of national importance and also a buoyant business, scientific and cultural centre as well as a venue of the largest international fairs and exhibitions in Poland, including the Polagra Agriculture and Industry Fair. Cities and towns of regional importance include Kalisz, Konin, Piła, Leszno, Ostrów Wielkopolski and Gniezno. Roads linking central Poland with Eastern and Western Europe run across the region.

Population	3.4 million	<p style="text-align: center;">Structure of GDP creation</p> <table border="1"> <caption>Data for Structure of GDP creation</caption> <thead> <tr> <th>Category</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>market services</td> <td>46.2%</td> </tr> <tr> <td>industry</td> <td>26.4%</td> </tr> <tr> <td>non-market services</td> <td>13.4%</td> </tr> <tr> <td>agriculture</td> <td>7.8%</td> </tr> <tr> <td>construction</td> <td>6.2%</td> </tr> </tbody> </table>	Category	Percentage	market services	46.2%	industry	26.4%	non-market services	13.4%	agriculture	7.8%	construction	6.2%
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market services	46.2%													
industry	26.4%													
non-market services	13.4%													
agriculture	7.8%													
construction	6.2%													
Area	29.8 thousand km ²													
Population density	113 persons/km ²													
Unemployment rate	8%													
GDP <i>per capita</i>	PLN 27,553													
Average monthly gross remuneration	PLN 2,700.00													
Share in national sold industrial output	11.4%													
The number of companies with a share of foreign capital	5,214													

One of the largest voivodeships in Poland, both in terms of its total area and population, the Wielkopolskie region also ranks among the economically strongest ones. In the region's economy an important role is played by industry concentrated in large cities, mainly in Poznań and its surrounding area. The structure of industry, although diversified, is dominated by agri-food processing. Next to it, manufacturing of motor vehicles has developed as well as the pharmaceutical and furniture industries, manufacturing of lighting and household appliances, and ceramic, glassware, plastics, textile and clothing industries. Moreover, an important role in the region's economy is played by lignite mining, metallurgy and power generation.

A share of agriculture in the creation of added value is high. The Wielkopolskie Voivodeship is one of the regions of high percentage of the total area used for agricultural purposes (usable agricultural land represents approximately two-thirds of its total area). Despite low fertility soils, the voivodeship is a leading region in terms of the volume of food production, this being an effect of its good agricultural practices and efficient management. Pig farming and vegetable growing are particularly significant sectors of the region's agriculture.

The EU funding available for the voivodeship will be allocated for projects aimed to enhance competitiveness of enterprises, development of the infrastructure for human capital and communication, improvement of the environment, revitalisation of problem areas, tourism and culture environment. The state's regional policy will enhance the international importance of the developing Poznań metropolitan area

through, *inter alia*, improvement of the region's transport system and expansion of its transport infrastructure. Moreover, the Wielkopolskie Voivodeship will be provided with state support in the area of promotion of the region's culture.

Zachodniopomorskie Voivodeship

The Zachodniopomorskie Voivodeship is situated in north-western Poland and borders the Baltic Sea in the north and Germany in the west. The voivodeship's capital city is Szczecin, an important economic and academic centre. Other major towns in the region include Koszalin, Stargard Szczeciński, Świnoujście and Kołobrzeg. In addition to the international transit routes running across the voivodeship, important elements of its infrastructure include sea ports in Szczecin, Świnoujście and Kołobrzeg. The voivodeship engages in international cooperation within the Baltic Sea area under the VASAB 2010 (*Visions and Strategies around the Baltic Sea*) initiative undertaken jointly by the states in that region, and also within the framework of the "Pomerania" Euroregion.

Population	1.7 million	<p style="text-align: center;">Structure of GDP creation</p> <table border="1"> <caption>Data for Structure of GDP creation</caption> <thead> <tr> <th>Category</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>market services</td> <td>53.6%</td> </tr> <tr> <td>industry</td> <td>17.9%</td> </tr> <tr> <td>non-market services</td> <td>17.7%</td> </tr> <tr> <td>construction</td> <td>6.3%</td> </tr> <tr> <td>agriculture</td> <td>4.5%</td> </tr> </tbody> </table>	Category	Percentage	market services	53.6%	industry	17.9%	non-market services	17.7%	construction	6.3%	agriculture	4.5%
Category	Percentage													
market services	53.6%													
industry	17.9%													
non-market services	17.7%													
construction	6.3%													
agriculture	4.5%													
Area	22.9 thousand km ²													
Population density	74 persons/km ²													
Unemployment rate	16.6%													
GDP <i>per capita</i>	PLN 23,924													
Average monthly gross remuneration	PLN 2,674.00													
Share in national sold industrial output	2.8%													
The number of companies with a share of foreign capital	3,930													

The Zachodniopomorskie Voivodeship is one of the largest in Poland in terms of its area and ranks high in terms of the degree of urbanisation (nearly 70% of its population lives in urban areas). At the same time, however, it is one of the most sparsely populated regions in Poland.

The structure of economy is diversified, although maritime economy is its predominant element. Next to it, production of chemical fertilisers and electricity as well as the electrotechnical, wood and textile industries, and agri-food processing have developed. The region's position creates suitable conditions for the development of service activity including recreational tourism, passenger navigation and sanatorium services. Well-known health resorts include Kołobrzeg, Połczyn Zdrój, Świnoujście and Kamień Pomorski. Favourable area structure of farms (such as the highest percentage in Poland of very large farms of an area exceeding 50 hectares) stimulates development of agriculture.

The Structural Funds available for the voivodeship will be allocated for the development of innovation and new technologies, information society, development of transport and energy infrastructure, environmental protection, tourism, culture and revitalisation, the development of metropolitan functions, social infrastructure and health care, as well as for the support for organisations which foster the creation of new jobs. As part of its regional policy, the state plans to support actions aimed at the improvement of competitiveness of the region's port and port-related functions, mainly in the area of shipping and financial services. An important task under the policy will be also to improve the transport links with Szczecin (both in the north-south direction and with the rest of the country, particularly with Poznań and Warsaw) and of the quality of the existing transport routes. Further actions to be taken as part of the regional policy are intended to foster improvement of the quality of the environment, preservation of the high landscape values and promotion of the region.

2. Special Economic Zones

Special Economic Zones (SEZs) offer the most important instrument to promote business development, create new jobs and foster the influx of innovative technologies to Poland. Most of large corporations' direct investment in the production sector in Poland is located in the SEZs.

The Special Economic Zones are separated administrative uninhabited parts of Poland's territory designated for economic activity under special conditions. Entrepreneurs who start their business within a SEZ may benefit from state aid in the form of such privileges as: exemption from the income tax (CIT or PIT), exemption from local (*gmina*) charges and taxes, competitive prices of plots of land fully prepared for new investments or free-of-charge assistance in completing the formalities related to the investments planned.

The most important documents regulating the rules and procedures for granting assistance for new investments within special economic zones include:

- Act of 20 October 1994 on special economic zones (Journal of Laws of 1994, No 123, item 600),
- Act of 16 November 2000 amending the Act on special economic zones and other selected acts, which harmonises the regulations related to SEZs with Community legislation and applies to enterprises which obtained authorisation to operate within a SEZ after 1 January 2001 (Journal of Laws of 2000, No 117, item 1228),
- Act of 2 October 2003 amending the Act on special economic zones and other selected acts, transposing the provisions of the Accession Treaty to the Act (Journal of Laws of 2003, No 188, item 1840),
- Act of 30 April 2004 on the procedure to be followed in cases related to state aid (Journal of Laws of 2004, No 123, item 1291),
- Act of 23 June 2006 amending the Act on Special Economic Zones and certain Acts (Journal of Laws of 2006, No 141, item 997),
- an ordinance of the Council of Ministers of 13 October 2006 on the establishment of the map of regional aid (Journal of Laws of 2006 No 190, item 1402),
- a number of ordinances of the Council of Ministers and the Minister of Economy regulating the matters related to particular SEZs.

The most important ordinances of the Council of Ministers and the Minister of Economy regulating economic operations within individual SEZs

Kamiennogórska SEZ for Small Enterprises	Katowicka SEZ
Journal of Laws of 1999 No 35, item 328	Journal of Laws of 1998 No 70, item 459
Journal of Laws of 2004 No 254, item 2539	Journal of Laws of 2004 No 254, item 2540
Journal of Laws of 2005 No 81, item 708	Journal of Laws of 2006 No 202, item 1485
Journal of Laws of 2006 No 211, item 1555	Journal of Laws of 2007 No 26, item 171
Journal of Laws of 2007 No 26, item 166	Journal of Laws of 2007 No 179, item, 1268
Journal of Laws of 2007 No 179, item 1267	Journal of Laws of 2008 No 27, item 153
Kostrzyńsko-Słubicka SEZ	SEZ Kraków Technology Park
Journal of Laws of 1998 No 43, item 258	Journal of Laws of 1999 No 86, item 960
Journal of Laws of 2004 No 254, item 2541	Journal of Laws of 2004 No 254, item 2542
Journal of Laws of 2005 No 182, item 1534	Journal of Laws of 2007 No 17, item 97
Journal of Laws of 2006 No 236, item 1704	Journal of Laws of 2007 No 179, item, 1269
Journal of Laws of 2007 No 26, item 167	Journal of Laws of 2008 No 39, item 229
Journal of Laws of 2007 No 178, item 1253	
Legnicka SEZ	Łódzka SEZ
Journal of Laws of 1997 No 153, item 1003	Journal of Laws of 1998 No 139, item 900
Journal of Laws of 2004 No 254, item 2543	Journal of Laws of 2004 No 254, item 2544
Journal of Laws of 2006 No 191, item 1416	Journal of Laws of 2005 No 81, item 709
Journal of Laws of 2007 No 17, item 98	Journal of Laws of 2005 No 207, item 1730
Journal of Laws of 2008 No 41, item 240	Journal of Laws of 2006 No 141, item 1001
	Journal of Laws of 2006 No 200, item 1473
	Journal of Laws of 2007 No 26, item 172
	Journal of Laws of 2007 No 97, item, 640
	Journal of Laws of 2007 No 212, item 1551
SEZ Euro-Park Mielec	Pomorska SEZ
Journal of Laws of 1996 No 154, item 749	Journal of Laws of 2004 No 254, item 2545
Journal of Laws of 2004 No 254, item 2538	Journal of Laws of 2005 No 81, item 707
Journal of Laws of 2005 No 81, item 710	Journal of Laws of 2005 No 207, item 1731
Journal of Laws of 2005 No 182, item 1532	Journal of Laws of 2006 No 183, item 1361
Journal of Laws of 2007 No 26, item 163	Journal of Laws of 2006 No 228, item 1667
Journal of Laws of 2007 No 182, item 1299	Journal of Laws of 2007 No 26, item 168
Journal of Laws of 2007 No 212, item 1557	Journal of Laws of 2007 No 211, item, 1545
	Journal of Laws of 2008 No 41, item 242
	Journal of Laws of 2008 No 96, item 610

Słupska SEZ	SEZ Starachowice
Journal of Laws of 1998 No 43, item 259 Journal of Laws of 2004 No 254, item 2546 Journal of Laws of 2005 No 81, item 711 Journal of Laws of 2007 No 26, item 169 Journal of Laws of 2007 No 179, item 1270	Journal of Laws of 1998 No 135, item 879 Journal of Laws of 2004 No 254, item 2547 Journal of Laws of 2007 No 26, item 164 Journal of Laws of 2007 No 189, item 1352
Suwalska SEZ	Tarnobrzaska SEZ Euro-Park Wisłosan
Journal of Laws of 1997 No 17, item 92 Journal of Laws of 2004 No 254, item 2548 Journal of Laws of 2005 No 81, item 712 Journal of Laws of 2005 No 182, item 1531 Journal of Laws of 2007 No 26, item 165 Journal of Laws of 2007 No 178, item 1254	Journal of Laws of 2000 No 2, item 23 Journal of Laws of 2004 No 254, item 2549 Journal of Laws of 2005 No 207, item 1732 Journal of Laws of 2006 No 215, item 1581 Journal of Laws of 2007 No 26, item 173 Journal of Laws of 2007 No 182, item 1300 Journal of Laws of 2007 No 215, item 1587
Wałbrzyska SEZ Invest-Park	Warmińsko-Mazurska SEZ
Journal of Laws of 1997 No 153, item 1004 Journal of Laws of 2000 No 62, item 727 Journal of Laws of 2004 No 254, item 2550 Journal of Laws of 2005 No 81, item 713 Journal of Laws of 2005 No 182, item 1533 Journal of Laws of 2006 No 236, item 1705 Journal of Laws of 2007 No 17, item 99 Journal of Laws of 2007 No 55, item 362 Journal of Laws of 2007 No 147, item 1035 Journal of Laws of 2007 No 212, item 1552 Journal of Laws of 2008 No 96, item 611	Journal of Laws of 1998 No 70, item 460 Journal of Laws of 2004 No 254, item 2551 Journal of Laws of 2007 No 26, item 170 Journal of Laws of 2007 No 105, item 716 Journal of Laws of 2007 No 187, item 1325

Source: Based on information of the Journal of Laws.

In August 2008 a successive amendment to the Act on special economic zones entered into force. It provides, *inter alia*, for increasing a limit of the zones' area (up to 20,000 ha). As a result, a number of executive acts to the Act will be necessary (ordinances of the Council of Ministers and the Minister of Economy), however the existing regulations will continue to be legally valid for 12 months after the date of entry into force of the amended act.

Each SEZ is managed by a managing company (see Chapter XI Useful Addresses), responsible for making the property located within a given zone available to businesses which operate in the zone, for managing the property of the zone, providing services to businesses and promoting the SEZ. Besides, the managing company issues, after

a tender or through negotiations, authorisations which entitle entities to benefit from state aid in the form of tax exemptions².

New investors are entitled to benefit from tax exemptions, if the investment outlays they make exceed EUR 100 thousand or if they employ at least the minimum number of persons specified for a given zone (ranging from 40 to 100, depending on the zone). The amount of aid for a given entrepreneur depends on the location of the investment, the amount of investment outlays incurred, the cost of employing new workers and the size of the enterprise.

An enterprise taking advantage of assistance on account of **the costs of a new investment** is obliged to:

- conduct business operations for a period not shorter than 5 years (in the case of SMEs 3 years after completion of investment),
- retain the ownership of the assets on which investment outlays have been made, within 5 years of the registration of the assets with the register of fixed, intangible assets (in the case of SMEs 3 years after completion of investment). In such a case the maximum amount of assistance is calculated as the product of the aid intensity and the investment costs eligible for aid³. In calculating the amount of aid account is taken of the purchase price of the land, outlays on the buildings and structures, spending on equipment for the facilities and on intangible assets (maximum 25% of the costs enumerated previously).

On the other hand, an enterprise benefiting from the aid **on account of creating new jobs** must maintain the newly-created jobs for a period not shorter than 5 years (in the case of SMEs 3 years). The amount of aid is calculated as the product of the aid intensity and two-years' gross outlays on the salaries of newly-hired employees plus all the investor's charges related to the employment of these workers.

Since 1 January 2007 the aid intensity index amounts to:

- **50%** for the following voivodeships: Lubelskie, Podkarpackie, Warmińsko-Mazurskie, Podlaskie, Świętokrzyskie, Opolskie, Małopolskie, Lubuskie, Łódzkie, Kujawsko-Pomorskie;
- **40%** for the following voivodeships: Pomorskie, Zachodniopomorskie, Dolnośląskie, Wielkopolskie, Śląskie, and in the period from 1 January 2007 to 31 December 2010 for the Mazowieckie Voivodeship, except for the City of Warsaw;
- **30%** – for investments in the capital city of Warsaw and in the period from 1 January 2011 to 31 December 2013 for the Mazowieckie Voivodeship.

In the case of small and medium-sized enterprises the maximum amount of aid may be increased by 20 or 10 percentage points respectively. The amount of admissible aid for large investment projects, whose eligible costs exceed € 50 million, is specified under the ordinances of the Council of Ministers related to particular SEZs. In the case of projects whose eligible costs exceed € 100 million, granting state aid in the form of a tax exemption requires individual notification to the European Commission.

² Within SEZs business operations may also be conducted without a permit, yet the revenues on the operations are not subject to exemption from the income tax in such situations.

³ The definition of eligible costs is specified in the ordinances of the Council of Ministers on special economic zones.



Poland has 14 special economic zones. By the end of 2007 enterprises conducting business operations within SEZs invested over PLN 46 billion and created around 182 thousand new jobs. The total area of special economic zones amounted to nearly 11 thousand hectares. The largest economic zones are: the Katowicka SEZ, Tarnobrzaska SEZ, Mielecka SEZ, Pomorska SEZ and Kostrzyńsko-Słubicka SEZ.

As of the end of 2007 the average level of utilisation of special economic zones in Poland amounted to over 68%, with the lowest levels (much below the national average) in three economic zones: Słupska, Starachowicka and Kamiennogórska. The most successful zones in this respect include the Legnicka, Krakowska and Kostrzyńsko-Słubicka zones. The decreasing discrepancies between particular zones in terms of the level of utilisation are a result of systematic adjustment of the zones to the needs of investors, i.e. excluding unattractive areas and including plots of land suitably prepared for investments. Actions focused on improvement of transport infrastructure within zones are also undertaken.

As at the end of 2007 201 permits were granted for taking up investment activity in Special Economic Zones, the largest numbers in the Katowicka, Kostrzyńsko-Słubicka and Wałbrzyska zones. A particularly strong increase in investment outlays was seen in the following zones in: the Krakowska SEZ (due to MAN Trucks investment); Tarnobrzaska SEZ (LG Philips LCD Poland) and Kostrzyńsko-Słubicka (Stelmet, Homanit Polska, TVP Displays Polska). An increase exceeding the average investment outlays was also seen in the Pomorska, Suwalska and Wałbrzyska SEZs. In the same year the number of new workplaces in SEZs rose by approx. 25% as compared to 2006. The highest increase of employment was recorded in Łódzka, Kamiennogórska and Pomorska Special Economic Zones.

Level of utilisation of special economic zones in Poland (as of 31 December 2007)

Name of the zone	Voivodeship	The number of valid permits	Area (in ha)	Area to be utilised (in ha)	Value of investment made so far (in PLN million)	Number of jobs	Leading industry (by invested capital)
Kamiennogórska SEZ for Small Enterprises	Dolnośląskie, Wielkopolskie	39	339	172	1216	5033	Printing industry
Katowicka SEZ	Śląskie, Małopolskie, Opolskie	170	1300	339	11760	35285	Automotive
Kostrzyńsko-Słubicka SEZ	Lubuskie, Zachodniopomorskie, Wielkopolskie	101	1005	249	2450	12891	Wood processing and paper
SEZ Kraków Technology Park	Małopolskie, Podkarpackie	38	299	70	1026	5566	Automotive
Legnicka SEZ	Dolnośląskie	53	417	94	3626	8104	Automotive
Łódzka SEZ	Łódzkie, Wielkopolskie, Mazowieckie	91	897	309	3896	14756	Metal industry
SEZ Euro-Park Mielec	Podkarpackie, Małopolskie, Lubelskie	88	926	292	3114	13104	Wood processing
Pomorska SEZ	Pomorskie, Kujawsko-Pomorskie, Zachodniopomorskie	65	1054	331	2649	17493	Electrical and optical devices
Słupska SEZ	Zachodniopomorskie, Pomorskie	41	377	194	616	2180	Wood processing

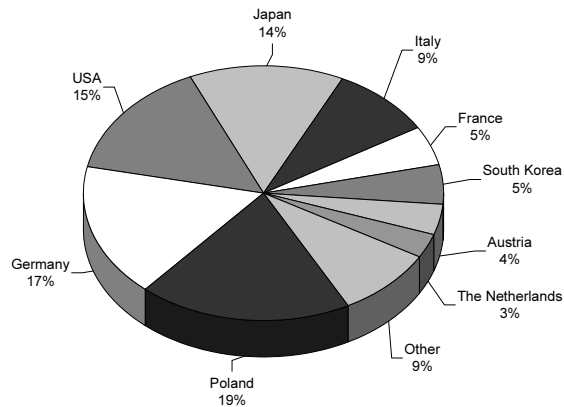
Name of the zone	Voivodeship	The number of valid permits	Area (in ha)	Area to be utilised (in ha)	Value of investment made so far (in PLN million)	Number of jobs	Leading industry (by invested capital)
SEZ Starachowice	Świętokrzyskie, Mazowieckie, Opolskie, Łódzkie, Lubelskie	67	566	290	740	6970	Printing
Suwalska SEZ	Podlaskie, Warmińsko-Mazurskie, Mazowieckie	52	313	83	1001	5096	Wood processing
Tamobrzeska SEZ Euro-Park Wisłosan	Podkarpackie, Mazowieckie, Świętokrzyskie, Lubelskie, Dolnośląskie, Małopolskie	102	1336	358	4129	18799	Electrical and optical devices
Wałbrzyska SEZ Invest-Park	Dolnośląskie, Opolskie, Wielkopolskie, Lubuskie	100	1435	491	7855	28673	Automotive
Warmińsko-Mazurska SEZ	Warmińsko-Mazurskie, Mazowieckie	52	700	187	2008	8415	Rubber and plastic products
Total		1059	10963	3459	46085	182365	

Source: Ministry of Economy.

At the end of 2007 in terms of the amount of investments made, five zones clearly stand out: Katowicka (over PLN 11.7 billion, on fourth of all investments in the SEZs), Wałbrzyska (PLN 7.8 billion), Tarnobrzaska and Legnicka SEZs (about PLN 4 billion each) and Legnicka SEZ (PLN 3.6 billion).

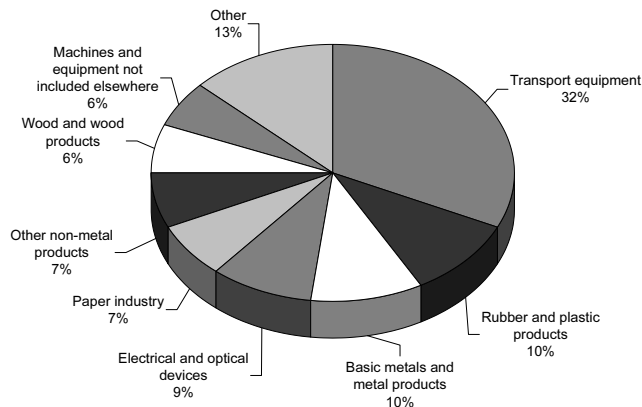
Capital invested in special economic zones comes primarily from Poland, followed by Germany, USA, Japan and Italy. The most substantial investment outlays have been

The geographical structure of capital invested in SEZs
(as at 31 December 2007)



Source: based on data provided by the Ministry of Economy.

The structure of capital invested in SEZs by sectors
(as at 31 December 2007)



Source: based on data provided by the Ministry of Economy.

Major foreign-capital investors conducting business operations in SEZs

Zone	Investor	Country of origin	Sector/industry	
Kamienogórska SEZ for Small Enterprises	BDN sp. z o.o. sp. Komandytowa	Germany	Printing industry	
	Ceramika Marconi sp. z o.o.	Italy	Ceramic industry	
	Takata Petri Parts Polska sp. z o.o.	Japan	Automotive industry	
	Sopp Polska sp. z o.o.	Germany	Textile industry	
	Dr Schneider Automotive Polska sp. z o.o.	Germany	Automotive industry	
	Wępa Professional Piechowice S.A.	Germany/Poland	Paper production	
	Weber – Hydraulika sp. z o.o.	Germany	Metal industry	
	CM3- Polska sp. z o.o.	Italy	Metal industry	
	General Motors Manufacturing Poland sp. z o.o.	USA	Automotive industry	
	Fiat – GM Powertrain Polska sp. z o.o.	Italy	Automotive industry	
	NGK Ceramics Polska sp. z o.o.	Japan	Automotive industry	
	Delphi Polska Automotive Systems	USA	Automotive industry	
	Brembo Poland sp. z o.o.	Italy	Automotive industry	
	Isuzu Motors Polska	Japan	Automotive industry	
Katowicka SEZ	Guardian Industries Poland sp. z o.o.	USA	Glass products	
	Eaton Automotive Systems sp. z o.o.	USA	Automotive industry	
	Lear Corporation Poland II	USA	Automotive industry	
	Maflow Polska sp. z o.o.	Italy	Electrical industry	
	ICT Poland sp. z o.o.	Italy	Paper production	
	Faurecia Gorzów sp. z o.o.	Spain	Automotive industry	
	TPV Displays sp. z o.o.	Taiwan	Optical devices	
	Kostrzyńsko-Słubicka SEZ			

Zone	Investor	Country of origin	Sector/industry	
SEZ Kraków Technology Park	Arectic Paper Kostrzyn S.A.	Sweden	Automotive industry	
	Volkswagen Poznań S.A.	Germany	Automotive industry	
	Funai Electric sp. z o.o.	Japan	Optical devices	
	AB Foods Polska sp. z o.o.	UK	Food	
	Teleskop sp. z o.o.	Belgium	Machines	
	RR Donnelley	USA	Printing industry	
	Motorola Polska Electronics sp. z o.o.	USA	Electronic industry	
	ACS Poland sp. z o.o.	The Netherlands	BPO	
	MAN Trucks sp. z o.o.	Germany	Automotive industry	
	Shell Polska sp. z o.o.	UK / The Netherlands	BPO	
	Meiller Polska sp. z o.o.	Germany	Automotive industry	
	HCL Poland sp. z o.o.	India/USA	IT	
	Volkswagen Motor Polska sp. z o.o.	Germany	Automotive industry	
	Sitech sp. z o.o.	Germany	Automotive industry	
	Winkelmann sp. z o.o.	Germany	Metal industry	
	Legnicka SEZ	Legnicka SEZ	Legnicka SEZ	Legnicka SEZ
Legnicka SEZ	Gates Polska sp. z o.o.	USA/UK	Automotive industry	
	TBMeca	Japan/France	Automotive industry	
	Royal Europa sp. z o.o.	Canada	Construction	
	Faurecia Legnica sp. z o.o.	France	Automotive industry	
	Brugman Fabryka Grzejników sp. z o.o.	The Netherlands	Metal industry	
	C+P Systemy Meblowe sp. z o.o.	Germany	Furniture	
	Sanden Manufacturing Polska sp. z o.o.	Japan	Automotive industry	

Zone	Investor	Country of origin	Sector/industry
Łódzka SEZ	Voss Automotive Polska sp. z o.o.	Germany	Automotive industry
	wezi-tec sp. z o.o.	Germany	Plastics
	Dell Products (Poland) sp. z o.o.	USA	IT
	Gillette Poland International sp. z o.o.	USA	Shaving accessories
	Procter&Gamble Operations Polska sp. z o.o.	USA	Cosmetics
	Indesit Company Polska sp. z o.o.	Italy	Household appliances
	ABB sp. z.o.o	The Netherlands	Industrial automatics
	BSH Sprzęt Gospodarstwa Domowego sp. z o.o.	Germany	Household appliances
	Haering Polska sp. z o.o.	Germany	Machining
	UMA INVESTMENTS sp. z o.o.	USA	Food
	PRINTPACK POLAND sp. z o.o.	UK	Packaging
	Prowell sp. z o.o.	Germany	Paper production
	FUJI SEAL Poland sp. z o.o.	Japan	Label production, packing
	EUROGLAS Polska sp. z o.o.	Germany	Glass
	Kronospan Mielec sp. z o.o.	Austria	Wood processing
	Kronoflooring Mielec sp. z o.o.	Austria	Wood processing
	HPL Pustków sp. z o.o.	Austria	Plastics
Kirchhoff Polska sp. z o.o.	Germany	Automotive industry	
Lear Corporation sp. z o.o.	USA	Automotive industry	
Polskie Zakłady Lotnicze sp. z o.o.	USA	Aviation	
Onduline Production sp. z o.o.	France	Construction	
Sharp Manufacturing Poland sp. z o.o.	Japan	Electronic industry	
Pomorska SEZ			

Zone	Investor	Country of origin	Sector/industry
Stupska SEZ	Orion Electric (Poland) sp. z o.o.	Japan	Electronic industry
	Bridgestone Stargard sp. z o.o.	Japan	Tyres
	Fletronics International Poland sp. z o.o.	USA	Electronic industry
	International Paper Kwidzyn S.A.	USA	Paper production
	Jabil Circuit Poland sp. z o.o.	USA	Electrotechnical industry
	Gemalto sp. z o.o.	France	Electronic industry
	“Athletic Manufacturing” sp. z o.o.	China	Bicycles, motorcycles, scooters
	“KAPENA” S.A.	Italy	Automotive industry
	“Kronospan Polska” sp. z o.o.	Cyprus	Wood-based boards
	Ulma System S.A.	Spain	Metal industry
SEZ Starachowice	Biella Polska sp. z o.o.	Switzerland	Office articles
	EC Starachowice sp. z o.o.	USA	Power industry
	MAN Star Trucks & Buses sp. z o.o.	Germany	Automotive industry
	Orizzonte Polska sp. z o.o.	International	Metal industry
	RR Donnelley Starachowice sp. z o.o.	USA	Printing industry
	Starfam sp. z o.o.	France	Textile industry
	Provost Polska sp. z o.o.	France	Metal industry
	PALCO sp. z o.o.	USA	Recovered raw materials
	Ceramika Końskie sp. z o.o.	Italy	Ceramic industry
	CLEAR ALUMINIUM OPOLE sp. z o.o.	Spain	Metal industry
Suwalska SEZ	“PORTA KMI System” sp. z o.o.	USA	Construction
	“Impress Decor Polska” sp. z o.o.	Germany	Printing industry

Zone	Investor	Country of origin	Sector/industry
	Pfleiderer MDF sp. z o.o.	Germany	Wood processing
	Rockwool Polska sp. z o.o.	Denmark	Construction
Tarnobrzaska SEZ Euro-Park Wistosan	LG Philips LCD Poland sp. z o.o.	Korea	LCD monitors
	ATS Stahlschmidt & Maiworm sp. z o.o.	Germany	Manufacture of aluminium rims
	Heesung Electronics Poland sp. z o.o.	Korea	Electronic industry
	Toshiba Television Central Europe sp. z o.o.	Japan	Electronic industry
Walbrzyska SEZ Invest-Park	Toyota Motor Manufacturing Poland sp. z o.o.	Japan	Automotive industry
	Toyota Motor Industries Poland sp. z o.o.	Japan	Automotive industry
	Electrolux Poland	Sweden	Household appliances
	Faurecia Walbrzyeh sp. z o.o.	France	Automotive industry
	Whirlpool	The Netherlands	Household appliances
	Colgate Palmolive Manufacturing Poland	USA	Chemical industry
	General Electric PC	The Netherlands	Electrical industry
	Metzeler Automotive Profile Systems	Germany	Rubber and plastic products
	FagorMastercook S.A.	Spain	Household appliances
	Bridgestone Diversified Products Poland	Japan	Rubber and plastic products
	WABCO Polska	USA	Automotive industry
	NSK Steering Systems Europe	Japan	Transport equipment
	Marcegaglia Poland	Italy	Steel pipes, heat exchangers
Warmińsko-Mazurska SEZ	Michelin Polska S.A.	France	Tyres
	LG Electronics Mława sp. z o.o.	South Korea	Electronic industry

Source: Polish Information and Foreign Investment Agency.

incurred by companies in the automotive sector (ca. 32% of total investment so far), followed by manufacturers of rubber and plastic products, metal products and electric and optical devices.

Special economic zones have been established for a period of 20 years, which means that the lost zones will cease operate in 2017. The Ministry Economy has already begun work on new instruments supporting the creation and development of companies, such as industrial and technology parks as well as technology incubators.

VII CONDITIONS FOR CONDUCTING BUSINESS ACTIVITY

1. General principles

Business activity in Poland is characterised by simple and universal principles, of which the most important are:

- freedom to undertake business activity,
- equality of business entities – state and private, domestic and foreign,
- regulation of the activity of business entities by market mechanisms,
- limitation of government intervention to a necessary minimum.

These principles are vested in and guaranteed by economic law, which is in turn based on the standards of the democratic legal state.

2. Legal bases

The legal bases for the business activity in Poland are provided for in the Civil Code, Commercial Companies Code and in the Act of 2 July 2004 on the freedom of business activity which replaced the Act of 1999 – the Business Activity Law.

The **Civil Code** regulates property relations between natural persons, legal persons, and natural and legal persons as well as provides protection of personal rights. The Act of 28 July 1990 adjusted the Code to the requirements of the system and economy transformation taking place in Poland. The provisions of the Civil Code respect the principle of the equality of entities – participants in a given legal relation, irrespective of their form of ownership, the equivalence of benefits (the benefit of one party corresponds to the benefit of the other party), and of the independence and freedom of contracts. It defines property rights of an absolute character (effective *erga omnes*), execution and expiration of obligations, types of contracts (e.g. sale contract, contract to supply, contract for performance of a specific task, assignment, commission sale contract, contracts of transport, forwarding, rent, lease, loan, or bank account deliveries), rights effective only between parties of a given inter-party relation under civil law, and statutory and testamentary succession (last will and legacy). The Civil Code was amended by the Act of 26 July 2000 to regulate the contract of lease, and the amendment of 14 February 2003 set forth explicitly that concessions, licenses and permits are components of an enterprise and in case of its sale are transferred to the buyer. Another amendment to the Civil Code, made in 2004, introduced new principles

governing the State Treasury responsibility (Journal of Laws No 162, item 1692). These solutions apply to acts of law and legal positions occurring after 1 September 2004. Any previous acts or positions are subject to the provisions previously in effect.

Apart from the Civil Code, legal regulations pertaining to business activity are laid down in the Commercial Companies Code, copyright law, industrial property law, etc. The application of miscellaneous legal acts is governed by the Roman principle: a specific regulation has priority over a general rule.

The new principles for commercial companies' activity have been binding since 1 January 2001, pursuant to the Act of 15 September 2000 – the **Commercial Companies Code**. This Act amended the provisions of the Commercial Code of 1934 (as amended). The new Code provides for the establishment, organisation, operations, dissolution, division and transformation of commercial companies. The following types of commercial companies have been defined: general partnership, professional partnership, limited partnership, limited joint-stock partnership, limited liability company and joint-stock company. The Commercial Companies Code defines a commercial company's articles of association, whereby the partners or shareholders undertake to pursue a common goal by making contributions and, where so provided in the articles or statutes of the company, by other joint action.

The Act also revises other laws to harmonise them with the Code, including amendments to the Bankruptcy Law, Code of Civil Procedure, Notary Public Services Law, the Accounting Act, the Act on tax regulations, Banking Law, etc. However, special regulations concerning the following continue to be in force:

- National Investment Funds,
- companies conducting banking activities,
- companies operating stock exchanges or conducting over-the-counter activities,
- companies operating brokerage houses,
- National Depository for Securities (KDPW S.A.),
- companies conducting insurance activities,
- investment fund companies,
- pension funds,
- public radio and TV companies,
- companies established as a result of commercialisation and privatisation of state-owned enterprises,
- other commercial companies regulated by separate laws.

On 20 June 2008 amendment to the Commercial Companies Code (Act of 25 April 2008 amending the Commercial Companies Code; Journal of Laws No 86, item 524) came into effect, whereby new regulations concerning cross-border merger of companies were introduced. Procedures were laid down to enable merger of Polish companies with certain companies incorporated under the law of an EU Member State or a state which is a party to the agreement on the European Economic Area and has its registered office, seat of the main governing body or the principal establishment on the territory of the EU or of the state-party to the EEA agreement.

Another amendment to the Commercial Companies Code, dated 23 June 2008, abolished the obligation to transform private partnerships into general partnerships. At present, it is required only when the net revenue generated by a private partnership in each of the last two years reach the ceiling which results in an obligation for the company to keep accounting records (€ 800,000 per year). The new regulations also provide for a reduced minimum required share capital in limited liability companies from PLN 50,000 to 5,000, and in joint-stock companies from PLN 500,000 to 100,000.

Furthermore, these provisions reduce the amount of penalty imposed on members of management boards of commercial companies for placing of an incomplete commercial order (from PLN 10,000 to 5,000).

Currently, other processes related to further amendments to the Commercial Companies Code are taking place in the Sejm with a view to introducing regulations increasing the maximum limit for the acquisition of own shares from 5% to 20%.

The Act of 2 July 2004 **on the freedom of business activity** (Journal of Laws No 173, item 1807, as amended) regulates issues related to the commencement, conduct and termination of business activity, and the responsibilities of public administration authorities in this respect. The Act defines the term “entrepreneur” as a natural person, a legal person or an organisational unit without the status of a legal person, which conducts business activity on its own behalf. Furthermore, the Act also classifies as entrepreneurs partners in a private partnership within the scope of their business activity.

The Act strictly specifies the criteria to be met by an entrepreneur in order to be classified as a micro, small or medium-sized one. These are as follows: the average annual maximum employment level and the maximum annual net sales on goods, products, services and financial transactions or the maximum amount of assets as revealed in the balance sheet drawn up as at the end of one of the last two financial years.

Both the foregoing criteria and definitions of small and medium-sized companies are common throughout the European Union.

An entity is classified as a micro-entrepreneur if it: (i) employs, on an average annual basis, less than 10 persons, and (ii) records the annual net sales not exceeding the PLN equivalent of € 2 million or whose total assets did not exceed the PLN equivalent of € 2 million.

A entity is classified as a small entrepreneur if it: (i) employs, on an average annual basis, less than 50 persons, and (ii) records the annual net sales not exceeding the PLN equivalent of € 10 million, or whose total assets, as shown in the balance sheet, did not exceed the PLN equivalent of € 10 million.

A entity is classified as a medium-sized entrepreneur if it: (i) employs, on an average annual basis, less than 250 persons, and (ii) records the annual net sales not exceeding the PLN equivalent of € 50 million, or whose total assets, as shown in the balance sheet, did not exceed the PLN equivalent of € 43 million.

Moreover, the Act lays down the rules for the operation of branches and representative offices of foreign entrepreneurs on the territory of the Republic of Poland. Foreign entrepreneurs may conduct business activity either in the form of branches or representative offices. The scope of activity of a branch must not be different from the scope of activity of the respective foreign entrepreneur. The scope of activity of a representative office may include only advertising and promotion of the respective foreign entrepreneur.

An entrepreneur must comply with the principles of fair competition, respect for traditional customs and justified interest of consumers. An entrepreneur must also comply with operating requirements stipulated by law (e.g. in the field of protection against threats to human life or public morals, health care, environmental protection, professional qualifications). In addition, all entrepreneurs must provide Polish labelling on the goods or their packaging concerning identification of the producer of the goods, including his address, the name of the product, and other information if

separate provisions so require. Failure to fulfil these formal conditions of conducting business activity may result in a fine.

The Act on the freedom of business activity requires that all public administration bodies support entrepreneurial activity. Particularly they are to initiate amendments to the law with a view to promoting development of entrepreneurship, support institutions which provide funding to business activity, conduct informational and educational activities, organise training courses in the area of enterprise development, and promote co-operation between entrepreneurs.

In April 2008 the Sejm commenced work on a change of the definition of business activity for the purposes of personal income tax. Business activity is to cover also activity conducted for and on behalf of a third party.

In order to further facilitate conduct of business activity, the government of Prime Minister Donald Tusk proposes introduction of a “one-stop-shop” system for the establishment of new business entities, enhancement of commercial courts’ operation and real reduction of the period of collection of receivables. The Ministry of Economy plans to introduce prior to the end of 2008 several major amendments to the Act on the freedom of business activity, for example to allow temporary suspension of business activity.

State aid to enterprises, defined as generation of financial profits to the benefit of a particular entrepreneur in the area of the business activity conducted by him, is – as in the EU law – considered to be incompatible with the idea of economic freedom and common market rules since it favours some entities at the expense of others. The prohibition of such aid is to some extent eased as it excludes the “minute aid”, the value of which may not exceed the equivalent of € 200,000 in the current calendar year and two previous calendar years (the *de minimis* principle) and which is intended for entrepreneurs who operate on local markets only, provided, however, that the aid does not support exports. The relevant regulations in line with the European Union standards were introduced in Poland by way of the *Act on the criteria of admissibility and supervision of public aid to entrepreneurs* (Journal of Laws No 60 of 27 July 2000, item 704). Regulations contained therein, along with several amendments, remained in force until May 2004, that is until Poland’s accession to the European Union. They were repealed as at the date when the *Act on proceeding in matters related to public aid* (Journal of Laws No 123 of 30 April 2004, item 1291, as amended) entered into force. At present, the rules for and criteria of provision of public aid in Poland are provided for, in addition to the aforementioned Act, directly in the Community law and the Treaty of Accession.

Poland’s accession to the EU implies direct application of Community rules regarding admissibility of public aid and, in particular, application of Articles 88 and 89 of the EC Treaty and Council Regulation (EC) No 659/1999 of 22 March 1999 laying down detailed rules for the application of the provisions of the EC Treaty concerning state aid. The authority responsible for the supervision of the granting of aid to entrepreneurs is no longer the President of the Office for Competition and Consumer Protection, but the European Commission. It is obliged to supervise the system of aid granted to entrepreneurs by the Member States and verify that such aid is compatible with the EC Treaty and with other community rules. Pursuant to the Act of 2004 on proceeding in matters related to public aid, the task of OCCP is to act as an intermediary between entities which provide the aid and the Commission, and to assist in the preparation of notification of applications (both under aid programmes and for individual aid).

Changes in the state aid system included also the existing rules for the notification of aid and consisted in the replacement of optional notification of the European Commission with mandatory notification. According to the Community law, prior to putting of any state aid into effect (whether in the form of aid programmes or individual aid) the relevant aid scheme has to be submitted for approval to the European Commission. This applies to new cases of aid provided to business entities. The notification obligation does not apply to the existing aid within the meaning of Article 88.1. of the EC Treaty (Annex IV to the Treaty of Accession, Chapter 3(1))¹. The following types of aid are regarded as existing aid:

- (a) all aid measures put into effect before 10 December 1994,
- (b) aid measures listed in the Appendix to Annex IV, i.e. notified to the Commission before the work on the Treaty of Accession was completed (7 measures),
- (c) aid measures which were assessed twice; they were found by the OCCP President to be compatible with the *acquis* and the European Commission did not raise any objection in respect thereof. In such a case the aid will be in effect for a certain period of time following the accession.

These regulations do not apply to financial aid to small and medium-sized entrepreneurs (until the end of 2011 and until the end of 2010, respectively).

The nature of financial relations between public authorities and public undertakings is regulated by the *Act of 22 September 2006 on the transparency of financial relations between public authorities and on financial transparency of some enterprises* (Journal of Laws No 191, item 1411). The Act lays down the rules and methods to ensure transparency of such relations, specifying the obligations of a public undertaking as regards bookkeeping and documentation of its legal and economic standing, to present the use of public funds in a reliable manner.

3. Licences and regulated business activity

Some types of business activity require a licence. These have been specified in the Act on the freedom of business activity, as amended.

Since 1 January 2005 a licence has been required for conducting business activities in the fields of: prospecting and extraction of minerals from deposits, tank-free storage of substances and waste in rock mass, including in underground headings, manufacture and trade in explosives, arms and ammunition as well as articles and technologies of military and police use, manufacture, processing, storage, transmission, distribution and trade in fuels and energy, protection of persons and property, air transport, radio and television broadcasting (Article 46).

Licences in other areas may be introduced only by way of amendment to the foregoing Act and only when it arises from the need to ensure state security or defence or from some other important public interest.

The licence is granted by a licensing authority. The licence can be refused on grounds of a threat to the state defence or security, or to citizens' security. Before

¹ The existing aid includes: aid measures granted in special economic zones (until 2017), criteria of granting and settlement of state funds on education, regional aid programme for entrepreneurs conducting their activity in special economic zones, reimbursement of remuneration paid to juvenile workers, aid to training and stable employment and to entrepreneurs employing prisoners.

commencing its activity a business entity may apply for a promise of a licence. The promise makes granting of a licence contingent upon fulfilment of conditions for conducting the business activity which requires such a licence. If the number of entrepreneurs who meet the requirements for the obtainment of a licence and guarantee proper conduct of the activity the licence pertains to is larger than the number of licences that can be granted, the licensing authority holds tender proceedings for the granting of a licence. A licence is issued for a limited period of time, not shorter than 5 years and not longer than 50 years, unless the entrepreneur applied for a shorter period of time.

Selected types of business activity (more than 200) are classified as regulated activity allowed provided that certain conditions are met and the relevant entry in the register of regulated activity has been made. In a number of areas obtainment of permits is required. The list of the types of activity (26) which require obtainment of permits is included in separate regulations, for example in the Banking Law, regulations on investment funds, and the Act on education in sobriety and counteracting alcoholism. Business activity falling within the scope specified in the Acts on Road Transport and Railway Transport requires obtainment of a licence.

The Act specifies situations when an administrative authority may refuse to grant a licence (or limit the scope thereof) or to enter the entity in the system of regulated activity. Moreover, rules for exercising control of business activity and situations when the licences may be revoked have also been defined.

4. Registration of business entities

An entrepreneur may commence business activity following entry in the register of entrepreneurs in the National Court Register or in the register of business activity. A company in organisation may commence its activity prior to the entry in the relevant register. Pursuant to the provisions of the Act of 20 August 1997 on the National Court Register (Journal of Laws of 2000, No 60, item 702, No 114, item 1193 as amended), the National Court Register comprises: 1) the register of entrepreneurs; 2) the register of associations, other social and professional organisations, foundations and public health care establishments, and 3) register of insolvent debtors.

The register is kept in compliance with the principles of formal openness (everyone has the right of access to the register data) and material openness (ignorance of the register data cannot be used as an excuse) as well as reliability of entries. Entrepreneurs are obliged to update register data. The register of entrepreneurs includes, among others, the following entities: companies (general partnerships, professional partnerships, limited partnerships, limited liability companies, joint-stock companies), cooperatives and state-owned enterprises, R&D units, foreign enterprises and branches of foreign enterprises, and mutual insurance companies.

The register of business activity is kept by each *gmina* having territorial jurisdiction over the entrepreneur's place of residence. All entrepreneurs who are natural persons are entered therein.

In order to be registered, all entities included in the register of entrepreneurs are obliged to submit detailed data on the entrepreneur to the relevant registration body. Requirements in this respect are laid down in the Act on the National Court Register and in the Act on the freedom of business activity.

An entrepreneur who commences business activity may submit, along with the application for entry in the register of entrepreneurs or in the register of business activity, the following documents:

- application for entry in the National Official Register of Entities Operating in the National Economy (REGON),
- registration declaration or update declaration as defined in the provisions on the records and identification of taxable persons and taxpayers (NIP),
- registration declaration of a payer of social security contributions or application for inclusion in the social security system.

The rules for registering foreign entrepreneurs' representative offices are set by the Act on the freedom of business activity. Establishment of a representative office requires entry into the register of representative offices of foreign entrepreneurs kept by a minister competent for the economy. The application for entry into the register should contain: (i) the deed of association of the foreign entrepreneur (articles of association, statute); (ii) excerpt from the commercial register; (iii) a declaration by the entrepreneur on establishment of the representative office in Poland, and (iv) a document confirming the legal title to the premises (real estate) where the activity is to be conducted.

Since 1 January 2008 the Polish Classification of Activity (PKD 2007), introduced by virtue of the Ordinance of the Council of Ministers dated 24 December 2007 (Journal of Laws No 251, item 1885), has been in effect. It means that any change in the data contained in the Register of Business Activity or in the National Court Register necessitates disclosure by entrepreneurs of new PKD numbers related to their activities. The changes should be made in the period from 1 July 2008 to 31 December 2009. It should be remembered that these changes should also be notified to the tax office and the Social Security Institution.

5. Control of the entrepreneur

Provisions of the Act on the freedom of business activity, as amended, lay down strict rules for the carrying out of a control of the entrepreneur's activity by public administration bodies. A principle has been adopted to the effect that no more than one control may be carried out at a time. This, however, does not apply to a situation when:

- ratified international agreements provide otherwise,
- carrying out of a control is necessary for the purposes of investigation or inquiry proceedings conducted against the entrepreneur,
- the control is to verify justification for the refund of value added tax prior to such refund,
- carrying out of a control is justified on grounds of a threat to human life or health, or to natural environment,
- carrying out of a control results from the obligations under Community rules on competition protection or obligations in respect of protection of financial interests of the European Community.

With regard to micro-, small and medium-sized entrepreneurs, duration of control may not exceed 4 weeks, and 8 weeks for large entrepreneurs. These limitations do not apply, however, to the situations when multiple controls may be carried out concurrently.

The foregoing rules governing entrepreneur control do not apply to the activities of entrepreneurs which are subject to: (a) special tax supervision, (b) capital and commodities market supervision, (c) banking supervision, (d) insurance supervision, (e) pension schemes' supervision, and (f) veterinary supervision.

6. Ownership of land and of real estate

Provisions regulating the right to land are laid down mainly in the Civil Code as well as in the Act of 19 October 1991 on the management of the agricultural real estate of the State Treasury. The rights to land can take the form of property rights, perpetual usufruct rights, lease, rent, lending for use, and permanent management rights.

A property right gives the owner, within the limits set in the relevant provisions (and except for other persons), the possibility to use the objects in accordance with their purpose and, in particular, to dispose of them. This right is alienable, hereditary and subject to execution. Acquisition and disposition of the right takes the form of a notarial deed.

The right to perpetual usufruct concerns state and municipal land in towns and housing estates and/or destined in the spatial management plan for non-agricultural use. It is established in the form of a notarial deed for 99 years (not less than for 40 years) with a possibility of extension for subsequent 40-99 years. This right is alienable, hereditary and subject to execution. Fixed objects connected with the land (buildings, structures, trees and crops) are the property of the perpetual usufructuary. The latter is obliged to pay relevant charges for the usufruct as well as charges and taxes connected with the land.

Each land real estate should have a land and mortgage register kept by the District Court, showing the legal status of the land. Section I of the land and mortgage register describes the real estate (place, location, area), Section II specifies the owner or perpetual usufructuary, Section III concerns limited property rights, and Section IV – mortgages.

Specific conditions regarding the use of real estate by a given organisational unit without the status of a legal person (state or municipal), carrying out permanent administration of the real estate, are laid down by the *starost* with respect to state-owned property, by the *poviat* Board with regard to property owned by a *poviat*, or by a *wójt* of the *gmina* with respect to the land owned by the *gmina*. Land forming part of the State Treasury Agricultural Property Reserve can be handed over for permanent administration by force of a decision of the President of the State Treasury Agricultural Property Reserve.

The Act of 19 October 1991 on the management of agricultural real estate of the State Treasury allows for sale, perpetual usufruct, usufruct, and lease of state-owned land to foreigners. In the first two cases a permit of the Minister of the Interior and Administration is required. The Minister is obliged to submit to the Sejm annual reports on the sale of land to foreigners. Practice has shown that this is a rather formal, though time-consuming procedure, as all investors applying for a permit to purchase land or real estate for the purpose of carrying out business activity other than farming, have been granted it. The sale or perpetual usufruct of land owned by the State Treasury or *gmina* must be effected in the form of a tender.

The term “foreigner”, as provided for in Article 2 of the Act of 13 June 2003 on foreigners (Journal of Laws No 128, item 1175), means the following: “Any person who does not have the Polish citizenship shall be regarded a foreigner”.

According to the Act, commercial law companies are foreigners when they have their registered office outside the territory of Poland. Also companies with their registered offices in Poland, in which foreigners have a dominant position, are considered to be foreigners.

The provisions of the Act of 1920 on real estate acquisition by foreigners (Journal of Laws No 54 of 1996, item 245, as amended) apply to all cases of acquisition of a real estate, irrespective of its form, namely to contracts for the exchange, sale, donation or contracts for life-long usufruct, contribution in kind to a company (which, within the meaning of the Act, is a foreigner) by shareholders, or acquisitive prescription of a real estate. It should be remembered that the permit is required not only for the land owned by the State Treasury or *gmina* but also for private real estate.

The minister competent for internal affairs issues the permit for the sale of real estate to a foreigner if the Minister of State Defence or, in case of agricultural real estate, the minister competent for rural development, does not object thereto (Article 1 (1) and (1a) of the Act amending the act on real estate acquisition by foreigners (Journal of Laws of 2004 No 49, item 466).

No permit is required for the acquisition, *inter alia*, of:

- an individual apartment by a foreigner,
- individual commercial premises to be operated as a garage,
- real estate by a foreigner residing in Poland for at least five years since the date of obtaining a permanent residence card,
- a secondary residence, if the buyer has been lawfully residing in Poland for an uninterrupted period of at least four years,
- real estate by a foreigner being a spouse of a Polish citizen, residing in Poland for at least two years since the obtainment of a card of permanent residence, and acquiring the real estate under joint tenancy (with the spouse),
- real estate by a foreigner, if on the date of the acquisition the person in question is entitled to intestate succession, and the disposing person has been the owner (or perpetual usufructuary) of the real estate for at least 5 years,
- non built-up plot of land of an area not exceeding 0.4 hectare in urban areas (nationwide) by a legal person having its registered office in Poland and controlled by a foreigner, for its statutory purposes,
- real estate by foreigners being citizens or entrepreneurs of the member states of the European Economic Area, except for agricultural and forest land (of an area of at least 1 hectare), for 12 years since the day of Poland’s accession to the EU, and except for secondary residences, for five years since the day of accession,
- agricultural land (in western and northern voivodeships) by foreigners being citizens of the Member States of the European Union or the European Economic Area, who have been leasing the land for 7 years since the conclusion of the lease contract, if during that period they conducted on that land agricultural activity in person (also as shareholders or stakeholders of a company) and have lawfully resided on the territory of Poland,
- agricultural land (in central, eastern and southern voivodeships) by foreigners being citizens of the Member States of the European Union or the European Economic Area, who have been leasing the land for 3 years since the conclusion of the lease contract if during that period they conducted on that land agricultural

activity in person (also as shareholders or stakeholders of a company) and have lawfully resided on the territory of Poland.

The abovementioned exemptions are not applicable to real estate in the cross-border area.

Under provisions of the Ordinance of the Minister of the Interior and Administration of 26 April 2004 on detailed information and types of documents to be submitted by a foreigner applying for a permit for real estate acquisition (Journal of Laws No 94, item 925, as amended: Journal of Laws of 2006 No 226, item 1653), the permit, valid

Documents related to administrative procedures conducted in the Department of Permits and Licences of the Ministry of the Interior and Administration may be submitted in person at the Ministry's Registry Office at ul. Rakowiecka 2a or sent by post.

Enquiries on general matters may be sent by e-mail to: waii@dzik.mswia.gov.pl or by fax to: 48 (22) 848-97-81.

For information on pending administrative proceedings call and quote the case number:

- 48 (22) 60-146-96 – licences,
- 48 (22) 60-118-70 – permits for the acquisition of real estate or shares by foreigners,
- 48 (22) 60-116-02 – public fund raising, privileged vehicles.

Information on the acquisition of real estate by foreigners can be also obtained at the Polish Information and Foreign Investment Agency (tel.: 48 (22) 3349800; fax: 48 (22) 3349999).

The obligation to pay stamp duty arises upon submission of the application for the issuance of a permit or licence, certificate, or upon filing of a power of attorney for the case, or making other acts which are subject to stamp duty.

Amounts of stamp duty:

- PLN 1,570 – permit for the acquisition of real estate or shares by a foreigner,
- PLN 616 – licence for the provision of personal and property security services, licence for special trade (based on the scope of trade applied for), entry in the register of regulated activity,
- PLN 523 – decision on the recognition of qualifications required to pursue a regulated profession,
- PLN 82 – permit to conduct public fund raising,
- PLN 855 – permit for the establishment of a representative office on the territory of the Republic of Poland by a foreign foundation,
- 50% of the applicable rate – extension of the term of validity of a permit or extension of the scope of activity,
- 100% of the applicable rate – another type of activity,
- PLN 98 – promise,
- PLN 10 – decision other than the ones listed, governed by the relevant provisions of the Code of Administrative Procedure,
- PLN 17 – power of attorney, issuance of a certificate.

for a specified period, is issued upon an application containing information on the buyer and the seller of the real estate, detailed characteristics of the real estate and a declaration of sufficient funds for the buyer to make the intended investment. Enclosures to the application should include an excerpt from the relevant register of the buyer (or from natural persons' register), a statement expressing the will to sell the real estate, a current excerpt from the land and mortgage register (*księga wieczysta*), an excerpt from the land and building register (*rejestr gruntów*), a certificate from the *gmina* office on appropriation of the real estate in accordance with the spatial development plan or an official statement that no such plan exists.

A foreigner is also required to present a permit for the acquisition of shares in a company being the owner or the perpetual usufructuary of a real estate (in accordance with the abovementioned Ordinance of the Minister of the Interior and Administration). This, however, does not apply to listed companies.

A permit for the acquisition of real estate does not exempt foreigners from the obligation to fulfil other legal requirements for the owners of real estate and land in Poland. This concerns, in particular, the need to obtain all the required permits from the administrative authorities, taking into account spatial development, protection of cultural monuments, protection of the natural environment and national parks, building law, and the law concerning the utilisation and maintenance of inland waters. Acting in their own interest, buyers should check if they would be able to use the land or the real estate for the purpose intended.

7. Prevention of monopolist practices and unfair competition

Entrepreneurs who conduct business activity on the Polish market are subject to two systems of competition law at the same time: the Community rules and the Polish law. Like in other EU Member States, the Community competition law is applied directly and has precedence over national law. The Community competition law is comprised mainly of the rules contained in the Treaty establishing the European Community (EC Treaty) and other acts issued on the basis of the Treaty. Polish anti-monopoly legislation consists primarily of the Act on the protection of competition and consumers, commonly known as "the Anti-monopoly Act". Legal norms in the Polish competition law are modelled on the provisions of the Community legislation, namely on Articles 81 and 82 of the EC Treaty, which prohibit anti-competition agreements and the abuse of dominant position on the market respectively, and of Council Regulation (EC) No 139/2004 on the control of concentrations between undertakings (the EC Merger Regulation).

The distribution of competences between the European Commission, the Community competition authority, and the President of the Office for Competition and Consumer Protection (OCCP), the national competition authority in Poland, is specified in Council Regulation (EC) No 1/2003 on the implementation of competition rules laid down in Articles 81 and 82 of the Treaty. The Regulation has maintained the principle of the European Commission's primacy in the system of the competition protection bodies in the Community. The OCCP President may initiate anti-monopoly proceedings under the Community law in cases of European dimension when specific practices have effect on trade between Poland and the other EU Member States, and the European Commission will be the authority competent for agreements or practices

which affect competition in more than three Member States (the so-called 3+ rule). If such practices have no effect on trade with other Member States, such proceedings will be carried out in accordance with national regulations (the Anti-Monopoly Act).

The Commission remains the body that decides which cases should be examined at national level and which at the Community level. Initiation by the Commission of proceedings with a view to counteracting infringements of Articles 81 and 82 of the EC Treaty, results in a loss of OCCP President's competence to apply those articles. If OCCP conducted proceedings in such a case, the Commission should request an opinion of that body before it initiates the proceedings.

The OCCP President is obliged to co-operate in the application of Community competition rules with anti-monopoly bodies in other Member States, and with the European Commission within the framework of the Network of Competition Authorities.

The Act of 16 February 2007 on competition and consumer protection, as amended, lays down the procedure and rules for counteracting:

- practices which restrict competition (anti-competition agreements or abuse of dominant position),
- anti-competitive concentrations of entrepreneurs and associations thereof,
- and practices which infringe the common interests of consumers²

where such practices or concentrations cause (or may cause) effects on the territory of the Republic of Poland.

Anti-competitive agreements consist, among others, in: fixing, directly or indirectly, prices and other conditions of purchase or sale of products; limiting or controlling production, supply or sale as well as of investments; division of markets of supply or purchase; limiting access to the market or eliminating from the market entrepreneurs who are not party to the agreement. The prohibition applies to horizontal agreements (between entrepreneurs operating on the same level of trade) and vertical agreements (between entrepreneurs operating on different levels of trade).

However, the prohibition concerning anti-competition agreements is not absolute – it does not apply to agreements of minor importance in which the combined market share does not exceed 5%. If agreements are concluded between entrepreneurs acting at different levels of trade, the combined market share must not exceed 10%. The so-called group exemptions, put into effect by way of an Ordinance of the Council of Ministers (e.g. exempting from the prohibition certain vertical agreements in the sector of motor vehicles or certain agreements between insurance companies) and individual exemptions are also possible.

Dominant position is defined as one that allows an entrepreneur to prevent effective competition on the relevant market through creation of a possibility of its acting, to a considerable extent, independently of competitors, contractors and consumers. It is assumed that an entrepreneur holds a dominant position where his market share exceeds 40%. Although dominant position is not illegal, the abuse thereof is strictly prohibited. Such an abuse may occur through, for example, direct or indirect imposing of unfair prices (e.g. exorbitant or glaringly low prices), imposition of onerous terms and conditions of agreements, limiting production, sale or technical progress to the detriment of contractors or consumers, or counteracting formation of conditions necessary for the emergence or development of competition.

² Common interests of consumers are infringed if any practice applied by an entrepreneur affects an unlimited number of people (potentially every person may be affected by it).

Preventive *control of concentration* is applied in Poland. Any intended concentration covering transactions between entrepreneurs whose total turnover in the preceding year exceeded € 1 billion or € 50 million in Poland, must be notified to the OCCP President. Any concentration may not be put into effect without prior obtainment of an approving decision issued by that authority. In the event that a concentration was put into effect without prior consent of the OCCP President and restoration of competition is not otherwise possible, the anti-monopoly authority may order, *inter alia*, separation of thus merged enterprise or disposal of its assets, in whole or in part. The OCCP President issues a decision permitting concentration if it will not result in an emergence or strengthening of the entrepreneur's dominant position.

As a *practice infringing upon common interests of consumers*, illegal actions of entrepreneurs are regarded, among them being in particular:

- 1) breach of the duty to provide consumers with reliable, truthful and complete information,
- 2) unfair market practices or unfair competition acts, and
- 3) introducing prohibited clauses in contracts entered into the register kept by the OCCP President.

Protection of common interests of consumers, provided for in the Act on protection of competition and consumers, does not exclude protection granted under other acts, in particular under the provisions on the counteracting of unfair market practices and provisions concerning combating unfair competition.

Anti-monopoly proceedings are conducted under the administrative procedure. Proceedings concerning anti-competitive practices and practices infringing common interests of consumers are instituted *ex officio*. Entrepreneurs and consumers may raise their claims in civil proceedings before common courts. They may also notify OCCP of the fact that prohibited practices have taken place. Although such a notification will not be binding on the OCCP President, yet it may result in the initiation of proceedings. Anti-monopoly proceedings in concentration cases are initiated upon the party's request or *ex officio*.

Prior to the decision on the initiation of anti-monopoly proceedings or proceedings concerning common interest of consumers, the OCCP President may conduct explanatory proceedings.

Anti-monopoly proceedings related to anti-competitive practices may last no longer than five months from the date on which the proceedings were started or, in concentration cases, no longer than two months (in certain cases this term may be extended by 14 days). Proceedings concerning the common interest of consumers should end no later than within 2 months (in particularly complicated cases – no longer than within three months).

The OCCP President may apply temporary measures. Under specific circumstances, the OCCP President may, by way of exception, order the entrepreneur before the proceedings are completed to stop practices which might have an effect on the market which could be difficult to eliminate.

The anti-monopoly office has the right to carry out control of entrepreneurs, including search, at a request of the European Commission or the authorities of another Member State, without instituting separate proceedings.

The Polish law provides for severe sanctions for the non-compliance with the competition law. Entrepreneurs who have been found guilty of applying competition-restricting practices, practices which cause excessive concentration of capital or infringe

upon common interests of consumers, even if it was not done on purpose, are subject to a fine of up to 10% of the revenues for the year preceding the one in which the fine was imposed. Entrepreneurs who refuse to cooperate with the anti-monopoly authority during control, provide false information or refuse information, may be subject to a fine up to € 50 million. For each day of delay in the execution of the decision of the OCCP President or of court judgment in cases covered by the Act a penalty may be imposed representing an equivalent of up to € 10 thousand.

Persons holding a managerial position or members of the governing body of the entrepreneur (an association of entrepreneurs), who:

- have not implemented the decision or ruling of the OCCP President or a court judgement,
- have not notified their intention of concentration,
- have provided untrue information or have failed to provide information,

may be subject to a fine up to fifty times the average salary.

At the same time in Poland a *leniency* programme, modelled on the solutions applied by the European Commission, is in effect. The OCCP President may decide not to impose any penalty on an entrepreneur who was a party to a cartel collusion and who was first to notify OCCP of the existence of the prohibited agreement or to submit evidence which allows OCCP to make a decision considering a given practice to be a restriction of competition (if the President was not in a possession of such evidence or information at that time); however certain other conditions must be met. Entrepreneurs who do not qualify for being fully immune to penalty may expect a lower fine if they provide, at their own initiative, evidence which significantly contribute to the issuance of such a decision. In both cases participants in an anti-competition agreement must cease their illegal activity on a voluntary basis.

A decision of the OCCP President may be appealed against before competition and consumer protection court, which performs the function of the court of first instance.

In the event of practices other than competition-restricting agreements or abuse of a dominant position, entrepreneurs who consider that a competitor has infringed their interests may claim enforcement of their rights before a civil court pursuant the **Act of 16 April 1993 on combating unfair competition**, as amended. Similarly to the Act on the protection of competition and consumers, the purpose of this Act is to protect competition. While the aim of the Anti-monopoly Act is, first of all, to protect the freedom of competition, the purpose of the Act on combating unfair competition is to ensure fair competition among entrepreneurs. Both regulations are complementary acts providing for protection of interests of entrepreneurs against competition-restricting actions on the part of stronger market players, and against individual actions of entrepreneurs. Unlike competition-restricting practices, which are to be combated with administrative measures, combating unfair competition is to be achieved with measures available under civil and criminal law.

The Act on combating unfair competition regulates preventing and combating unfair competition in business activity, particularly as regards industrial and agricultural production, construction, trade and services – in public interest as well as in the interest of entrepreneurs and customers.

Under the Act, an act of unfair competition is one that is against the law or against good practices and impairs the interest of another entrepreneur or a customer. Acts of unfair competition include in particular: misleading designation of an enterprise, false or fraudulent designation of geographical origin of goods or services, violation

of business confidentiality, encouragement to terminate or not to perform an agreement, product imitation, imputations against or dishonest praise for goods, obstruction of market access, bribery of a public official, dishonest or unlawful advertising, organising the pyramid selling system as well as a conduct or organising of the Ponzi scheme.

The entrepreneur whose interests have been impaired or threatened by unfair competition may claim: cessation of prohibited activities, elimination of the effect of prohibited activities, public statements of appropriate content, redress of damages caused to the entrepreneur, refund of unjust benefits, and imposition of fines for social purposes connected with the support of Polish culture. At the request of the entity the court can adjudicate on the products, their packaging, advertising materials and other objects directly connected with the act of unfair competition. In particular, the court may decide that they be destroyed or treated as part of indemnity.

If an act of unfair competition is harmful to the interests of consumers, the claim can be asserted by the OCCP President, by state or regional organisations whose statutory purpose is consumer protection, as well as by consumers' advocates.

Regulations protecting consumers prohibit, in the first place, practices misleading consumers. Inadequate marking of goods (or lack of marking) misleading for the customers as regards the origin, quantity and quality of ingredients, way of production, suitability, possible usage, repair, maintenance or other significant features of goods and services, as well as concealing the risk connected with the usage, are subject to a penalty of arrest or fine. The same applies to a person committing an act of unfair competition in advertising, promotional lotteries and sale combined with free of charge bonuses. A fine or a penalty of imprisonment or restriction of liberty of up to two years is to be administered for a disclosure of a business secret. The same punishment can be applied to a person who discloses illegally obtained information which is a business secret to another person or takes advantage of it in his own business activity. Organisation of a pyramid selling system is subject to a penalty of imprisonment for 6 months to 8 years.

In addition to the Act of 16 April 1993 on combating unfair competition, since December 2007 an **Act of 23 August 2007 on counteracting unfair market practices** has been in force; it transposes to the Polish legal system Directive 2005/29/EC concerning unfair business-to-consumer commercial practices in the internal market. Both these legal acts regulate a similar subjective scope and, at the same time, provide for an analogous catalogue of sanctions for actions stipulated therein, however the Act on combating unfair competition protects in the first place the interests of entrepreneurs and only indirectly those of consumers, contrary to the Act on counteracting unfair market practices.

An unfair market practice is considered to be, in particular, a misleading practice or an aggressive market practice (e.g. threats of physical or psychological coercion which restrict or may restrict a consumer's freedom of choice), as well as an application of a code of good practices which is in breach of the law. The Act lists 31 practices regarded as unfair market practices which are prohibited by law (the so-called blacklist). Use of aggressive commercial practices is subject to a fine. An entrepreneur who uses an unfair market practice consisting in a management of a property collected within a group including consumers in order to finance a purchase of a product in a Ponzi scheme is subject to a penalty of imprisonment for 3 months to 5 years.

8. Protection of intellectual property

The law on the protection of intellectual property (industrial property and copyright and neighbouring rights) in force in Poland is adjusted to modern worldwide standards. The most important legal acts currently in force include the Act on copyright and neighbouring rights (of 1994, as amended) and the Industrial Property Law (of 2000, as amended). The Industrial Property Law, which came into force on 22 August 2001, is of a code nature.

Poland is a signatory country to the following main international agreements regulating the issues of protection of industrial and intellectual property:

- the Paris Convention on the protection of industrial property (since 1975),
- the Bern Convention on the protection of literary and artistic works (since 1990),
- the Agreement on Trade-related Aspects of Intellectual Property Rights (TRIPS/WTO) (since 2000),
- the Treaty of the World Intellectual Property Organisation (WIPO) on copyright (since 2004),
- the Treaty of the World Intellectual Property Organisation (WIPO) on Performances and Phonograms (since 2003), and
- the European Patent Convention (since 2004).

Poland also signed a number of agreements concerning the protection of inventions and utility patterns, including the Washington Treaty on Patent Cooperation (effective since 1990) and the Strasbourg Agreement on International Patent Classification (effective since 1997). The agreements related to trademarks signed by Poland include the Madrid Agreement on the International Registration of Trademarks (binding since 1991), the Nice Agreement on the International Classification of Goods and Services for the Purposes of Trademark Registration (effective since 1997), and the Vienna Agreement Establishing an International Classification of the Figurative Elements of Marks (since 1997).

As a Member State of the EU, Poland is obliged to respect EU legislation concerning the scope of protection of industrial property, copyright and neighbouring rights.

Protection of industrial property

Industrial property (invention, utility pattern, industrial pattern, trademark, geographic indication, topography of integrated circuits) is subject to legal protection in Poland. Citizens of foreign countries as well as foreign legal entities are entitled to protection of industrial property on the basis of international agreements concluded by Poland or on a reciprocity basis, provided the international agreements are not thus violated.

The author of an invention, utility pattern and industrial pattern has the right to:

- obtain a patent, protection right or right from registration,
- remuneration,

Poland offers additional protection rights for medicinal products and plant protection products.

The right to obtain a patent for an invention, a protection right for a utility pattern or a right from registration of an industrial pattern is an alienable and hereditary right.

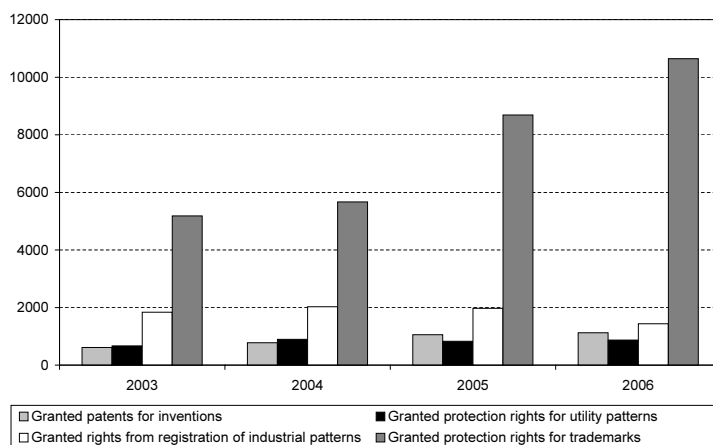
In Poland, **patents** are granted, irrespective of the field of technology, for inventions which are new, represent an inventive level (i.e. do not result explicitly from the technology state-of-play), and are suitable for application in industry. Special regulations apply to biotechnology inventions. Acquisition of a patent grants the exclusive right to use the invention on the territory of the country in a profit-oriented or professional way for 20 years from the date of notification of the invention to the Patent Office. The holder of the patent right may issue to another person a licence to use the invention. In order to obtain a patent, an application accompanied by a description of the invention and patent claims (including e.g. the requested scope of the patent protection) should be submitted to the Patent Office. In Poland, European patent granted by the European Patent Office under the European Patent Convention is also subject to protection.

In 2006, residents submitted to the Patent Office of the Republic of Poland applications for patent protection of 2,157 inventions, which is by 129 more than in 2005. The number of patents granted was 1,122 and was higher than in 2005 by 68.

Foreign entities applied for a patent protection in Poland for 655 inventions and the number of patents obtained by them stood at 1,564. In 2006, traditionally the highest number of applications came from the United States (34%) and Germany (13%). These countries were also leading in terms of the number of patents granted. In 2006, the share of Germany in the total number of patents granted to non-residents stood at 29% and that of the US at 21%.

The majority of domestic and foreign applications, and of the patents granted pertained to chemistry and metallurgy (23% and 32% respectively), basic human needs (18%) and various industrial processes and transport (17% in each of these two categories).

Protection of intellectual property in Poland in the years 2003-2006 (residents)



Source: *Nauka i technika w 2006 r. [Science and technology in 2006]*, Central Statistical Office, Warsaw 2008.

Protection of a **utility pattern** is obtained in Poland by a notification thereof to the Patent Office. The latter extends protection rights and issues protection certificates. The protection right gives the right to the exclusive use of the pattern on the territory of Poland. The protection right extends for 10 years from the date of notification of the pattern to the Patent Office.

An **industrial pattern** may be also subject to protection. A registration certificate issued by the Patent Office confirms the ownership of the industrial pattern and the exclusive right to use it for 25 years from the date of notification of the pattern to the Patent Office. Industrial patterns for which a right from registration has been granted are entered to the register of industrial patterns. Rights from registration are not to be granted for industrial patterns the use of which would be against the public order or good practices.

The registration and protection of **trademarks** is restricted to those trademarks which distinguish goods or services manufactured or marketed by a specific enterprise from goods or services of the same kind manufactured or introduced to the market by other firms. In Poland, an ordinary trademark is protected from the moment of its registration. A commonly known trademark enjoys protection even without registration if it is correctly associated by a major part of potential buyers with a given product or service. A registered trademark receives a protection right. The right to use the trademark covers a period of ten years and may be extended for successive 10-year periods. Protection rights are not granted for trademarks the use of which:

- infringes personal and property rights of third persons,
- is contrary to the law, public order or good practices,
- may be misleading for buyers, in particular with respect to the nature of the goods, their quality, features or origin.

In Poland, **geographic indications, names and markings of agricultural products and foodstuffs**, and **topographies of integrated circuits** are also subject to protection and are granted rights from registration.

The **business name** of an enterprise is protected by the provisions of the Civil Code.

Legal regulations of auxiliary nature in the field of industrial property protection can also be found in the Act on combating unfair competition (of 1993, as amended) and the Act on protection of competition and consumers (of 2000, as amended).

Protection of copyright and neighbouring rights

Poland extends protection also to copyright and neighbouring rights. The Act of 1994 on copyright and neighbouring rights (as amended) regulates a wide range of creative activity, including works of literature, journalism, science, music, theatre, manufacture of string musical instruments, choreography, pantomime, audio-visual arts (including films), cartography, as well as computer software, works of art and photography, and industrial, architectural and urban designs, as well as revisions of other authors' works (in particular: translation, alteration, adaptation), collections, anthologies, compilations, and databases which have the features of works.

The Act protects the personal and proprietary rights of the author. The personal rights (e.g. the right to inviolability of contents and form of works and to its proper use) are inalienable and cannot be inherited. They are protected without any time limits. The proprietary rights (to the exclusive use of the work and its disposal as well as to remuneration for the use of the work) are hereditary and alienable by contract.

The proprietary rights expire upon the lapse of 70 years after the death of the creator or after the date of the first publication.

The Copyright Act contains special regulations concerning audio-visual works and computer software. It also regulates matters connected with neighbouring rights that refer to creative work not having the features of a work of art but also enjoying the same protection (for example, the right to artistic performance, phonograms, video recordings, broadcasts, first publications, scientific and critical editions). The Act contains also specific provisions on a protection of image, addressee of correspondence and confidentiality of the source of information.

9. Labour relations

Basic legislation

Labour law is regulated by the Labour Code (LC) of 26 June 1974, as amended. The Code specifies the rights and obligations of employees and employers, and regulates the establishment, content and termination of the employment contract, the rights and duties of the parties to the employment contract, employment benefits, vacations and leaves, protection of employment, employment of women and minors, and settlement of labour disputes. The provisions of the Code apply to all types of employment relations unless special provisions stipulate otherwise. In particular, they apply also to the employment of a Polish citizen abroad in a Polish representative office, mission, etc. and in a foreign representative office conducting its activities on the territory of the Republic of Poland, unless international treaties or agreements provide otherwise.

Trade unions and employer organisations present their opinions on the implementing regulations to the Labour Code as well as on other labour law provisions.

Conclusion of the employment contract

An employee is employed on the basis of an employment contract. The employer is obliged under Article 29 of the LC to confirm the type of the agreement concluded as well as its terms and conditions on the day of the commencement of work by the employee at the latest. While employing a worker the employer has the obligation to define the work place and to inform an employee by a written notice when he/she is to perform his/her work (on what days and within what hours), what is the amount of working time, how many days of paid vacations he/she is entitled to, and how long the period of notice of termination of the employment contract is. Any change of the place of performing work requires the employee's consent, and in case of a lack of such a consent termination of the employment contract is necessary to change the employment conditions.

The Code does not specify for what type of employment contract should be concluded. The overall regulations indicate, however, that an employment contract is concluded for a trial period (not longer than three months), for a specified period, or for an unspecified period of time, or for a period of time required to perform a specific task. Since 1 May 2004, a provision has been in effect, restricting the employer in case he has concluded with the employee contracts for a specified period of time twice. Article 25 of the LC provides that in such a case the employer may conclude

another (third) contract only for an unspecified period of time, if the period between termination of the previous and the conclusion of a new contract is shorter than one month.

Termination of the employment contract

The Code makes the notice period for the termination of a contract for an unspecified period of time dependent on the duration of the employee's employment at the enterprise. While terminating a contract, the employer applies a notice period of two weeks when the employee has been employed for less than six months; of one month when the employee has been employed for at least six months, or three months when the employee has been employed for at least three years. The same notice periods are binding for the employee.

In the event that the employment contract is terminated for reasons attributable to the employer, the employer has the right to unilaterally shorten the three-month notice period (to a minimum of one month) with the obligation to pay the employee remuneration for the remaining part of the notice period plus compensation for a loss of employment.

Regulations concerning termination of an employment contract without a notice are also in place. Article 52 of the Labour Code allows the employer to judge independently whether an employee has committed an offence that is "a serious violation by the employee of basic employee duties".

The employee has the right to terminate the contract without notice (Article 55 (1) of the LC) if the employer is guilty of "a serious violation of duties". In the event that the contract is terminated under this procedure, the employee has the right to obtain compensation equalling the remuneration due for the notice period. If, however, the termination is for a reason that has not been properly justified, the employer may seek compensation from the employee for the damage thus sustained in a labour court.

Additional obligations for employers result also from the provision of Article 30 of the Labour Code. It specifies that notice periods determined in weeks or months are to end on Saturday or on the last day of the month. Such a general regulation can be favourable for the employee with whom a contract is terminated with a two-week notice period.

The Labour Code stipulates that the termination of a labour contract for an unspecified period of time requires written justification. If a labour dispute is submitted to court, the employer may not refer to other causes of the employee's dismissal than those indicated in the notice of termination. Labour disputes arising from the employment contract are settled by labour courts.

Remuneration

In employment contracts remuneration is established on a time-period basis, in a piecework system, time-period plus premium basis and in a mixed system. Where remuneration is reduced, a notice of change of employment terms and conditions is necessary, whereas any rise of remuneration requires written confirmation.

Detailed obligations of the employer and the employee may be established in the rules of work which may not, however, provide for working conditions for the employee worse than those stipulated by the Labour Code.

Apart from cases specified in special provisions, the statutory working time must not exceed eight hours per day and, on average, 40 hours per week in the adopted accounting period. The working time for minors (aged 16 to 18) is shortened. Overtime work should be remunerated additionally. An employee is entitled to a vacation ranging from 20 to 26 working days depending on the length of employment and the post occupied. After each month of employment, an employee becomes entitled to first vacation equivalent to one-twelfth of the total annual vacation period he/she is entitled to after 12 consecutive months of employment. In each subsequent calendar year the employee becomes entitled to subsequent vacation periods. Provisions of the Labour Code exclude free Saturdays from the vacation period.

Protection of working conditions

The aim of the protection of working conditions is to prevent threats to the life and health of the employee that may arise in the course of work. This concerns primarily health and safety at work, special protection of the working conditions of women and minors, and supervision of working conditions (labour inspection). It is the duty of the employer to create safe and healthy conditions of work. Pregnant women and women bringing up children of up to four years of age as well as minors may not be employed to work at night, in particularly harmful conditions, or perform overtime work. Women are entitled to maternity leave (from 18 to 28 weeks) and extended non-remunerated maternity leave for bringing up a child (up to three years). Minors are entitled to shorter working hours.

Supervision of working conditions is performed by the State Labour Inspection established by the Act of 6 March 1989. The institution is responsible for assuring observance by the enterprise of the labour law and, in particular, of regulations concerning health and safety at work.

Social security

Social security benefits are paid out in case of illness and maternity. They take the form of a sickness benefit, care benefit, compensatory benefit, childbirth benefit, maternity benefit and funeral benefit. The benefits are paid out by the Social Security Institution (ZUS). It is, however, the employer who covers sick benefits of individual employees for a period of up to 33 days annually. The Social Security Institution is also responsible for paying retirement and disability pensions.

An employer is obliged to pay the following social security contributions both on behalf of the employee and on his own behalf:

- for retirement pension (19.52% of gross remuneration) – one-half paid by the employer and one-half by the employee,
- for disability pension (6%) – 4.5% of it paid by the employer and 1.5% by the employee,
- for sick benefit, including maternity benefit (2.45%) – paid by the employee,
- for accidents – paid by the employer pursuant to the Act of 30 October 2002 on social insurance of accidents at work and of occupational diseases; since 1 January 2003, the amount of the contribution depends on the industry and the number of employees,
- for health care (9%) – paid by the employee; the contribution is calculated based on the gross remuneration minus the contributions listed above (the employee

deducts 7.75% from the amount of income tax due and the remaining portion of the contribution is deducted by the employer from net remuneration).

The employer is obliged to pay contribution of 2.45% of the employee's remuneration to the Labour Fund and further 0.10% to the Guaranteed Employee Benefit Fund.

Employers employing more than 25 of staff are obliged (with some exemptions specified in the Act on employment and rehabilitation of the disabled) to make monthly payments to the State Fund for the Rehabilitation of the Disabled. Where the disabled persons account for 6% or more of the total number of employees, the employer is exempt from the above payments. Where the disabled persons represent 7% or more of the total number of employees, the employer is entitled to an income tax relief in the amount depending on the share of the disabled persons in the total staff level, or even to exemption from the income tax.

10. Taxation system

The general principles of the taxation system are laid down in the Tax Code (*Ordynacja Podatkowa*), which came into effect on 1 January 1998 (Journal of Laws No 137, item 926, amended by Article 142 of the Act of 24 July 1998 on the amendments to some acts specifying the competencies of the state's public administration bodies (Journal of Laws No 106, item 668, as amended)). The Tax Code regulates, *inter alia*, tax obligations, tax information, tax procedure and fiscal control, as well as verification procedures and fiscal secret. Provisions of this Code apply to taxes, charges and other non-tax dues to the state budget and budgets of local self-government units.

The system has a three-tier institutional structure and consists of revenue offices as the first tax instance, fiscal chambers and the Ministry of Finance. The jurisdiction of the tax bodies is determined based on the place of residence or the registered office of the taxpayer. The Tax Code obliges taxpayers to keep tax books and bookkeeping records for a period of five years, and stipulates that tax liabilities are subject to limitation after a lapse of five years as of the end of the calendar year in which the deadline for payment of the tax concerned expired.

The Polish taxation system includes, in particular, corporate income tax together with exemptions therefrom, value added tax (VAT), excise duty, personal income tax and real estate tax. Furthermore, many civil law transactions are subject to stamp duty. These include, for instance, a contract for sale and transfer of goods and property rights, lease and tenancy contract, contract for a loan, the contract of partnership, the contract of guarantee. Poland's fiscal policy aims at gradual reduction of corporate and personal income tax rates accompanied by an elimination or reduction of the existing tax exemptions and deductions.

Corporate income tax

Corporate income tax is regulated by the Act of 15 February 1992 (subsequently amended). Payers of this tax are:

- legal persons,
- organisational units without the status of a legal person, except for partnerships without the status of a legal person, however companies in organisation are payers of this tax,

- tax capital groups (groups composed of at least two commercial law companies having the status of legal persons, which operate in capital groups and satisfy the conditions specified in the Act),
- companies or partnerships without the status of a legal person, having their registered offices or seats of the managing body in another country, if under the relevant provisions of the tax law of that country they are treated as legal persons and are subject to taxation with respect to their total income regardless of the place where the income is generated.

The fiscal year lasts one calendar year. In the case of starting up business activity, the fiscal year lasts from the day of launching the activities until the end of the calendar year or until the last day of the chosen fiscal year, but not longer than 12 subsequent calendar months.

The tax base is the income, irrespective of the sources thereof, less donations for purposes specified in Article 4 of the Act of 24 April 2003 on public benefit activity and voluntary service, channelled to organisations conducting public benefit activity specified in that Act. The total amount of deductions from the tax base on that account may not exceed 10% of total income.

Donations for religious worship purposes may reduce the tax base by up to an additional 10% of income. Nevertheless, the total amount of deductions from the tax base on both these accounts may not exceed 10% of total income. Deductions are not permitted for donations to natural persons and to legal persons and organisational entities without the status of a legal person and conducting business activities consisting in the manufacture of electronic, fuel, tobacco, spirit, wine or brewery products, as well as other alcoholic beverages with alcohol content above 1.5%, or products of precious metals or containing those metals, or engaged in trade in these products.

In 2008, the corporate income tax rate is set at 19% of the tax base (Article 19). Legal persons having their registered offices or seats of the managing body on the territory of Poland are subject to taxation according to this rate on the total income. Where the registered office of the taxpayer is outside the territory of Poland, only the portion of the income earned in Poland is taxable in Poland. The income tax on dividends as well as other revenues generated as a result of participation in profits of legal persons having their registered offices in Poland amounts to 19% of the income generated. This tax may, however, be deducted from the income tax on general business activity.

At the beginning of 2000 the rules for calculating depreciation allowances were rendered more flexible. It was established that fixed assets of an initial value of no more than PLN 3,500 were subject to a one-off depreciation in the month of putting the fixed asset into operation or in the following month. Taxpayers have the right to choose the most suitable method of depreciation of fixed assets. The applicable depreciation methods and rates are described in Article 16 (h) of the Act.

The relevant regulations give the right of income tax relief to entities which make agricultural investment and entities operating in special economic zones.

Taxpayers have the right to deduct expenses incurred on a purchase of new technologies up to the amount and on the terms and conditions specified in the Act (Article 18 (b)). According to the said Act, the term “new technologies” is deemed to mean technological know-how in the form of intangible and legal assets, in particular results of research and development work, acquired by the taxpayer from research units. An entity is not entitled to the right of deduction if in a fiscal year or in the preceding year it conducted its business on the territory of a special economic zone.

In case of a financial loss the Act provides for the possibility of spreading the loss over a period of five subsequent fiscal years, but the maximum amount of deduction in one year must not exceed one-half of the loss value (Article 7).

The Act imposes an obligation on fiscal authorities to determine income by estimation where there is justified suspicion that the income has been underestimated by the taxpayer. The estimate can be made by the comparable non-competitive price method, the re-sale price method or the so-called reasonable profit margin method.

Direct taxes, including personal income tax and corporate income tax rates, are not harmonised within the European Union, hence Poland's accession to the EU did not necessitate any amendments to the existing law. Corporate income tax rates vary in different EU-15 states, but they are usually around 30%. Therefore, the 19% rate applicable in Poland is very favourable for entrepreneurs.

Tax on goods and services (VAT) and excise duty

Pursuant to the Act of 11 March 2004 on the tax on goods and services (VAT) (Journal of Laws No 54, item 535), the tax applies to paid delivery of goods and paid provision of services domestically, exports and imports of goods, intra-Community acquisition of goods against remuneration domestically and intra-Community supply of goods. It does not apply to the sale of an enterprise or company (branch) which draws up a balance sheet.

In 2008, exemptions from VAT apply to taxpayers whose value of goods and services sold (including exports) did not exceed PLN 39,700 in the preceding fiscal year. The tax obligation arises at the moment when the goods are given out, transferred, exchanged or donated and when the service is rendered. Articles 19 and 20 of the Act specify in detail the cases and dates when the tax obligation arises. Taxpayers are obliged to submit to the revenue office a registration declaration before the first taxable action is performed. Invoices and offers should bear the tax identification number. Tax returns should be filed with revenue offices at monthly intervals.

The Act on VAT stipulates the following tax rates: the basic rate of 22%, a reduced rate of 7% or 3%, and a 0% rate. The 0% rate applies to exports of goods and services provided that records are kept and a document confirming the export of goods abroad has been received. A 0% tax rate is also applicable to intra-Community delivery of goods.

Lists of goods and services exempt from VAT and those subject to a reduced VAT rate are contained in annexes to the Act (cf. the Act of 11 March 2004 on the tax on goods and services (VAT), Journal of Laws No 54, item 535, as amended).

The minister competent for public finances may, by way of an ordinance, reduce the VAT rates to 0%, 3% or 7% for the supplies of certain goods and provision of certain services or to some portion of such supplies or some portion of provision of such services, and set the terms and conditions for the application of reduced rates.

The categories of goods and services covered by particular tax rates are subject to changes, hence in specific cases current regulations should be consulted.

In the period from 1 May 2008 to 31 December 2008 the rates of 3%, as specified in the Annex to the Act of 11 April 2008 amending the Act on goods and services (VAT) (Journal of Laws of 2008, No 74, item 444), apply. Items subject to a reduced rate of 3% include, with some exceptions, products of animal origin, dairy products, horticultural products, fishery products, products of breeding, forestry and hunting,

chemical fertilisers, pesticides, pharmaceutical products, certain products of the food industry and certain services.

Health care and social welfare services as well as education services are exempted from VAT. An important amendment in force as of 1 January 2006 is the introduction of VAT at 22% on research and development services.

The taxpayer has the right to reduce the amount of tax due by the sum of VAT paid on the goods or services purchased.

The Act of 23 January 2004 **on excise duty** (Journal of Laws No 29, item 257) imposes a tax obligation in the form of excise duty. Excise duty is levied on: manufacture of harmonised excise goods, removal of harmonised excise goods from the tax warehouse, domestic sale of excise goods, exports and imports of excise goods, as well as intra-Community supply and acquisition. Excise duty covers, among others, petroleum products and synthetic liquid fuels, consumer electronics, hunting and gas arms, alcoholic and tobacco articles, wine and beer, perfumes, gambling automatic machines and electronic game machines, sailboats and motorboats, seagoing yachts, passenger cars, furs, salt, plastic packaging, LPG and gas used in tourist bottles.

Excise duty rates are determined as percentage or a specific amount. The excise duty rate is set as a percentage of the manufacturer's selling price or the importer's customs value. Excise duty rates are subject to changes, also during the calendar year, and are published in annexes to the ordinance of the Minister of Finance.

The minister competent for public finance may, by way of an ordinance, reduce rates of excise duties or make some goods exempt therefrom.

In the import of excise goods, the excise duty base is the customs value of the goods increased by the customs duty calculated at the basic rate. Where the basic tax rate is not specified, an autonomous rate is applied. Sales of excise goods for exports are not subject to excise duty, except for the goods previously marked with excise duty stamps. The Minister of Finance determines, by way of an ordinance, the conditions and procedure for excise duty refund in exports.

The Polish system of indirect taxes (VAT and excise duty) was relatively well-aligned with Community law requirements prior to the accession, both in terms of the types and rates of levied taxes, as well as the method of their assessment. Therefore, the list of goods the tax rates on which had to change in connection with Poland's accession to the EU is not long, although it contains items of major significance for households' budgets. Raising VAT rates was required, *inter alia*, in the case of various children's products, building materials and services of basic relevance (e.g. construction services, catering and certain legal services), and raising (or imposition) of the excise duty – in the case of fuels, cigarettes and other tobacco products. However, the consequences of these increases are mitigated by transitional periods for their introduction, which have been agreed in the Treaty of Accession. These include:

- maintaining by the end of 2010 a reduced 7% VAT rate in residential building industry with respect to new flats, as well as on building and repair services (this does not apply to building materials),
- maintaining by the end of 2010 a reduced 7% VAT rate on catering services,
- maintaining by the end of 2010 a zero VAT rate on books and specialist periodicals,
- extension by the end of 2010 of a period of application of a super-reduced 3% VAT rate on certain means of farming production, agricultural products and farming services,

- a transitional period by the end of 2008 on a step-by-step introduction of a minimum level of excise duty rate on cigarettes, which is in effect in the European Union,
- an annual technical transitional period on a zero excise duty rate on eco-components and a reduced rate on eco-fuels (with a possibility of its extension).

Furthermore, the Union granted to Poland transitional periods for full implementation of minimum excise duty rates on fuels, in connection with the introduction of the energy tax in the EU. The duration of transitional periods is as follows: on fuel oil – until the beginning of 2012, on unleaded petrol – until the beginning of 2009, on heavy heating oil and on light oil for heating public utilities – until the beginning of 2008, and on coal and coke – until the beginning of 2012. Poland is exempt from the obligation to impose excise duty on natural gas until the beginning of 2014, unless before that date the share of gas in the total domestic energy consumption exceeds 25%.

Personal income tax

Pursuant to the Act on personal income tax of 26 July 1991, natural persons having their place of residence on the territory of the Republic of Poland are subject to mandatory tax on the whole of their income regardless of the location of the source thereof (unlimited tax liability).

The tax is payable on income generated by natural persons who are permanently residing in Poland and by persons who reside in Poland for more than 183 days in a fiscal year. Also income generated by persons residing abroad is subject to taxation if the source thereof is in Poland.

In 2008, three tax rates as well as an amended system of tax reliefs and deductions are in effect.

Tax base in PLN		The tax due is
Above	Up to	
	44,490	19% of tax base minus PLN 586.85
44,490	85,528	PLN 7,866.25 + 30% of the surplus above PLN 44,490
85,528		PLN 20,177.65 + 40% of the surplus above PLN 85,528

In 2008, there is a tax relief of up to PLN 760 per year to be deducted from income tax paid by natural persons being Internet users.

A taxpayer may also deduct donations transferred to:

- organisations specified in the provisions which regulate the activity of the public benefit organisations in Poland or in the other EU Member States or other EEA countries,
- for religious worship purposes, and
- for the purposes of voluntary blood donation system.

In 2008, the limit of deductions of donations is set at 6% of income generated by the taxpayer. Donation to a charity and custodianship church activity is an exception; in such a case even the entire income generated may be donated and the tax relief may be thus applied to the full amount of income.

The right to pay 1% of the tax due to public benefit organisations remains in effect.

The year 2008 is another year when the tax deduction and tax relief for parents is in effect; its amount depends on the number of children brought up and is calculated as a product of the number of children and PLN 1,173.70.

In order to calculate the tax base, the amount of income is reduced by the retirement, disability, health and accident insurance contributions provided for in the regulations on the social security system.

Income tax at a flat rate of 19% applies to dividends and other types of income on participation in profits of legal persons. Also tax at a rate of 19% is payable on interest or other income generated on funds collected on a taxpayer's bank account or other forms of savings offered by an entity authorised thereto pursuant to separate regulations.

Tax at the rate of 19% is levied on income generated upon a disposal, against payment, of a real estate and the rights specified in Article 10 (1) (8) a)-c)), obtained after 31 December 2006 (if the said acquisition took place prior to 1 January 2007, the tax is collected according to the "old" principles, namely 10% of the income as provided for in Article 7 (1) of the Act of 16 November 2006 amending the Act on personal income tax and certain other acts (Journal of Laws No 217, item 1588).

Real estate tax

Real estate taxation in Poland includes three types of tax: real estate tax, farm land tax and forest land tax.

Taxpayers on whom real estate tax is levied are natural or legal persons as well as organisational units, including companies, without the status of a legal person, which are:

- owners or owner-like possessors of real estate or building structures,
- perpetual usufructuaries of land,
- owner-like possessors of real estate or parts thereof or of building structures or parts thereof, where these are owned by the State Treasury or territorial self-government units, if the tenure results from an agreement with the owner, the Agency of Agricultural Property of the State Treasury or from another legal title, except owner-like possession by natural persons of residential apartments which do not have a status of a separate property,
- owner-like possessors of real estate or parts thereof or of building structures owned by the State Treasury or local self-government units without a legal title to such a property.

Land, buildings or parts thereof, building structures or parts thereof related to a conduct of a business activity are subject to **real estate tax**.

Pursuant to the Act of 30 October 2002 amending the Act on local taxes and charges, the rates of real estate tax are to be set by the *gmina* council (*rada gminy*). In 2008, these may not exceed, on an annual basis, PLN 0.54/m² of usable area of residential premises, PLN 17.98/m² of usable area of buildings used for household purposes, PLN 3.61/m² of usable area occupied for the purposes of a business activity in the field of health services and PLN 6.01/m² of other usable areas, 2% of the value of building structures and PLN 0.66/m² of land related to a conduct of a business activity

regardless of the classification of such land in the respective land and buildings register. The *gmina* councils may reduce these rates or introduce tax exemptions.

The **farm land tax** is payable on land classified in the register of land and buildings as usable agricultural area or as tree-planted and/or bush-planted area and on usable agricultural land. Farms of an area of less than 1 ha and of the usable agricultural area not exceeding 1 conversion hectare are exempted from the tax obligation. The amended Act provides that agricultural area of less than 1 ha will be subject to the farm land tax instead of the real estate tax as it is the case at present.

Farm land tax is calculated based on the number of conversion hectares, which takes into account the diversification of classes of usable agricultural area, and based on which of the four tax districts a given farm belongs to (e.g. 1 actual hectare of 1st class usable agricultural area in the 1st tax district equals 1.95 conversion hectare). At present, the rate of farm land tax per conversion hectare of land occupied by farms equals a cash equivalent of 2.5 quintals of rye calculated at the average purchase price of rye in the first three quarters of the year preceding the fiscal year, whereas the respective rate per 1 ha of other types of land equals a cash equivalent of 5 quintals of rye.

The tax obligation does not apply, *inter alia*, to land belonging to the worst classes. Furthermore, it is possible to have the tax obligation temporarily suspended (for 1 to 15 years) or the tax rate reduced (mountain areas).

Pursuant of the Act of 30 October 2002 on **forest land tax**, the forest land tax is levied on forests except the ones in which other activity than forest business activity is carried out. The forest land tax per conversion hectare for the fiscal year 2008 equals the cash equivalent of 0.220 m³ of wood, calculated at the average selling price of wood, obtained by the forest inspectorate in the first three quarters of the year preceding the fiscal year.

Agreements on avoidance of double taxation

Poland has concluded agreements on the avoidance of double taxation with 81 countries. In accordance with OECD standards, all these agreements are based on the principle that the profits of a company are taxed only in the country where its registered office is located unless that company has branches located in the country of the partner. In that case, the portion of profits earned by these branches in that country is taxed there. It is also a rule that profits obtained from international transfers are exempt from taxation “at source”.

The majority of agreements signed by Poland determine the maximum tax rate on dividends at 5-15%. This rate may be cut down to 5%, if a foreign investor has a certain minimum share in the equity capital of a company based in Poland (10% or 25%).

Some agreements concluded by Poland provide for tax exemptions for interest “at source”; hence tax is collected in the country that is the domicile of the person to which the interest is paid. In other agreements a 10% tax rate prevails. The agreements on the avoidance of double taxation concluded by Poland also permit taxation on licence fees.

A complete list of agreements on avoiding double taxation may be found on the Ministry of Finance website: <http://www.mf.gov.pl>

11. Environmental protection requirements

Regulations concerning the use of environmental resources in Poland are fully harmonised with the legislation in force in the European Union. Basic acts on environmental protection include the Act of 27 April 2001 – the Environmental Protection Law (Journal of Laws No 62, item 627), as amended and the Act on waste (Journal of Laws No 62, item 628), as amended. The amendments to these Acts were aimed to remove any doubts as to their interpretation and first of all, to implement the EC directives, e.g. on public access to environmental information or laying down the rules of procedure in serious emergency situations. These Acts set forth the rules governing the shaping, protection and use of the environment and, in particular, specify requirements to be met by entrepreneurs in this respect, in particular in relation with their investment activity.

Any use of the environment which is not of a common nature requires obtainment of a permit issued by an authority competent for environmental protection, which defines the scope and conditions of such use. Before starting business activity, an entrepreneur is obliged to obtain a permit for running the activity of a given type or an emission permit which provides in what manner the activity will be carried out by the user of an installation having an environmental impact by emissions of substances or energy. Emission permits are granted by the *starosts* or Voivodes at the request of the party interested. The permit is given for a limited period of time – 10 years being the maximum. Entrepreneurs whose business may cause significant pollution of the environment or nature elements must obtain special integrated permits. An integrated permit differs from sectoral permits in that the use of best available technologies (BAT) is required for the installations which should meet specific emission standards (emission thresholds).

The Environmental Protection Law imposes on entities using the environment an obligation to measure the level and amount of emissions of substances (or energy) into the environment, to collect and process data and make it available for the purposes of state monitoring of the environment. Furthermore, it defines principles of initiation of proceedings for environmental impact assessment (carried out by the relevant decision-making administrative authority); it also determines charges for use of the environment as well as penalties for non-observance of the provisions of this law.

The law provides for charges for the commercial use of the environment and making changes to the environment. The rates of the charges vary depending on the type and amount of the substances emitted into the air. The list of pollutants on which charges are levied and the value of unit rates are set by the Council of Ministers by way of an ordinance. As at 1 January each calendar year the rates are subject to valorisation and are published annually in the *Monitor Polski* (Official Gazette) no later than on 31 October.

Pursuant to the Environmental Protection Law, the State Treasury, territorial self-government units, foundations and associations with the statutory mission to protect the environment may claim discontinuance of any unlawful activity generating environmental hazards or damage. Environmental organisations may also apply for cessation of advertisement or other type of promotion of contents which are contrary to the principles of environment protection and sustainable development.

Business entities are obliged to take measures towards removal of a harmful impact on the environment. The Act of 13 April 2007 on prevention of damage to the environment and remedy thereof (Journal of Laws No 75, item 493) regulates the responsibility

(including a material one) of the employer whose business activity has caused damage to the environment. Business entities must make every effort (take up preventive measures) to prevent damage to the environment (e.g. ensure proper protection of installations) and to inform environment-protection authorities on existing hazards and damage they might cause. In the event that such damage does occur, the user of the environment shall agree on remedial measures with the relevant environment-protection authority. The costs of preventive and remedial measures shall be borne by the user of the environment. Failure to take such measures, as well as to notify the environment-protection authority of a threatening or actually occurring damage is subject to a fine. Irrespective of civil and penal responsibility, the entity whose activity has caused damage bears administrative responsibility³. The register of types of damage is kept by the Chief Inspector for Environmental Protection.

The task of supervision over the undertaking's compliance with the Act has been entrusted to voivodes. The assessment of the level of air pollutants also lies within the scope of their responsibility. Business entities are required to keep records of the kind and quantity of agents released into the air and to submit to the voivode annual reports on the air pollution subject to charges.

Additional regulations in the field of environmental protection were introduced by virtue of the Act on waste. The act lays down rules for waste management and, in particular, for preventing generation of waste or minimisation of its quantity, removal of waste from the place of its generation as well as the use or disposal of waste in such a way so as to ensure protection of human life and health as well as of the environment. In principle, waste should first be recycled or, where for technology reasons it is not viable, neutralised on the site of their production, and only where the latter is impossible, transferred to the closest possible sites where such a process may be carried out. Entrepreneurs have been obliged to ensure proper quality packaging specified from the point of view of the possible environmental impact of the waste generated by the packaging itself.

The Act on waste introduces a ban on the import of hazardous waste from abroad and imposes a duty to obtain a permit from the Chief Environmental Protection Inspector for the import of waste other than hazardous. Entrepreneurs whose operations generate waste (other than hazardous) are required to inform the local authorities thereof. Depending on the volume of waste, the entrepreneur is required to inform the relevant authorities (a *wójt* or a *starost*) two months before starting production. The voivode is to be informed when a given investment project has been classified as particularly harmful for the environment and human health.

An entrepreneur who generates waste must obtain a decision approving the programme of hazardous waste management (if he generates over 0.1 Mg of such waste per year) and a permit for the production of waste. Permits are issued by the *starost* upon consultation with the *wójt* and the voivodeship sanitary inspector (for investment projects which are particularly harmful for the environment the permits are issued by the voivode).

³ For example, under the Environmental Protection Law such instruments of administrative responsibility are as follows: decision which obliges a given entity to reduce its environmental impact and to restore the original condition of the environment; decision to cease the activity run by the user of the environment or to stop the operation of an installation; decisions withdrawing or limiting previously issued permits for the use of the environment. The Act also provides for the optional use of a supervision measure in the form of a decision to stop the activity in question.

In the event of any breach by an entrepreneur of the Act (including misrepresentation), he is summoned to change his conduct by the relevant administrative body. In the absence of any corrective action, a decision is issued on the suspension of his activity falling within the scope of the programme of hazardous waste management.

Similar matters concerning inland waters (rivers, lakes, canals, natural reservoirs and underground waters), irrespective of their form of ownership, are regulated by the Act of 18 July 2001 – the Water Law (Journal of Laws No 115, item 1229, as amended). It provides for restrictions and bans on discharging wastewater and waste into waters. In particular, it prohibits situating investment projects which pose a particular threat to human health and life or harmful to the environment, as well as collection of wastewater, storage and economic utilisation of waste and chemicals on areas at direct risk of being flooded. All water owners are under an obligation to care for the ecological condition thereof and to cooperate in reclamation of damaged ecosystems. They must not only provide unrestricted flood and ice run-off, but also regulate their flow by installing appropriate devices. When constructing water pipelines, the owners of plants are obliged to construct a sewerage system and wastewater treatment plants. Springs and water intakes supplying the population remain protected, as well as natural and artificial reservoirs of surface and underground waters and coastal areas (on the latter areas an obligation of planting specified crops will be introduced so that chemical fertilizers do not get into the waters). Water facilities built without the relevant permit shall be pulled down. Plants discharging waste to water or to the ground are obliged to ensure the protection of water against pollution, in particular through the construction and operation of adequate facilities, and where appropriate, to re-use wastewater after treatment.

Moreover, the law regulates issues concerning hydro-engineering, water companies, and control over water management. It also includes penal regulations. Limiting access to water used for the fighting of natural disasters or extraordinary threats to the environment is regarded an offence and charged with a fine, penalty of restricted liberty or imprisonment of up to one year; and in case of casualties – imprisonment of even up to 5 years. Waters and grounds beneath them, owned by the State Treasury, have been under permanent administration of marine boards, regional water managements or national parks.

12. Courts and arbitration

Operation of Polish courts is regulated by the Act of 27 July 2001 on the common courts system (Journal of Laws No 98, item 1070). Courts in Poland are independent. Judicial decisions are based solely on laws and are supervised by the Supreme Court. The structure of the judicial system is based, in the first place, on common courts (district courts and courts of appeals) and on special – administrative courts. Poland has a two-tier system of justice. Judgments of the second-instance courts are legally binding and are not subject to appeal under normal appeals procedure. Common courts settle disputes falling within the scope of the civil, penal, family and labour law.

District courts have jurisdiction over one or more *gminas*. They consist of the following divisions: civil, criminal (including for petty offences), family, labour and land and mortgage register. Within district courts also borough courts may be established as divisions or delegated divisions of these courts. They adjudicate in cases prosecuted as petty offence (as the first instance), including fiscal crimes and offences, crimes prosecuted on the basis of a private suit or in summary proceedings.

Regional courts cover the territory of jurisdiction of at least two district courts and consist of the following divisions: civil, criminal, penitentiary and supervision over the execution of penal decisions, labour (sometimes together with social security department) and commercial divisions. Courts of appeals cover the territory of jurisdiction of at least two regional courts. They include civil, criminal, labour and social security divisions. Where so required, the Minister of Justice may establish new and abolish other divisions in courts of each instance. Administrative bodies in courts are: in the district court – President of the court, in regional and appeal courts – President and a board of justices.

Commercial courts, operating as separate units of common courts, handle disputes arising from civil-law relations between entities conducting business activity. The amendment to the Code of Civil Procedure, introduced by virtue of the Act of 16 November 2006 amending the Act – Code of Civil Procedure and some other acts (Journal of Laws No 235, item 1699), defined the scope of competencies of commercial courts by means of the introduction of a legal definition of entrepreneur. According to the said definition, the entrepreneur shall be a natural person, a legal person or an organisational unit which does not have the status of a legal person, granted with legal capacity under the Act and conducting business or professional activity on its/his own behalf⁴. Pursuant to this amendment district courts, as courts of 1st instance, are competent to adjudicate in the following categories of commercial cases: proprietary rights, if the value of the object of the dispute exceeds PLN 100,000; moral rights and material claims pursued along with them; protection of copyright and neighbouring rights, and cases related to innovations, trademarks etc.; repealing, stating nullity of resolutions issued by the governing bodies of legal persons or organisational units without the status of a legal person to which legal capacity is granted under the Act, and preventing and combating unfair competition.

In 2004, the system of administrative courts in Poland was reformed. The reform changed its organisational structure and introduced two-instance court proceedings (Ordinance of the President of the Republic of Poland, Journal of Laws No 72, item 652). The 11 delegated centres of the Supreme Administrative Court (NSA) were replaced with 16 voivodeship administrative (first instance) courts. Their tasks include assessment of lawfulness of administrative decisions. NSA, as a second instance, hears cassation appeals and appeals against rulings of voivodeship administrative courts.

Apart from common courts, business disputes can also be settled by conciliatory tribunals and arbitration courts (domestic and foreign). Conciliatory tribunals may be permanent, established by statutes of unions and associations (arbitration courts), but also appointed ad hoc to settle a single dispute. These may solve disputes concerning proprietary and moral rights cases which may be subject to a court settlement, except alimony cases⁵.

Proceedings before such courts or tribunals are voluntary and disputes are settled by courts composed of arbitrators appointed by the parties. Decisions issued by such courts have the force of rulings of the common courts of the first instance. Amendment

⁴ Consequently, cases in which a party (or parties) is a self-employed entrepreneur conducting business activity and generating income from a different source have also been included into the category of commercial cases (so far settled by civil courts), where the obligation which is the subject matter of the dispute results from the business activity in question.

⁵ A conciliatory tribunal may be requested to adjudicate a benefit, to decide on a legal relationship as well as to establish a legal relationship.

to the Code of Civil Procedure, made in 2004, abandoned the principle of single-instance conciliatory proceedings while, at the same time, providing the parties with a choice of the way in which the case should be settled in the second instance. Decision of a conciliatory tribunal issued in Poland may be repealed by the court in proceedings instituted as a result of an appeal lodged (within three months of the delivery of the decision).

The party wishing to carry out enforcement of an arbitration award in Poland has to obtain court ascertainment of a possibility to enforce the same. If the arbitration award was delivered abroad, the enforceability thereof is ascertained by the voivodeship court competent for the place of residence or the registered office of the debtor, or, if there is no such court, the voivodeship court in whose jurisdiction the enforcement is to be carried out.

In Poland approximately 20 permanent arbitration tribunals are in operation. The largest one operates at the Polish Chamber of Commerce in Warsaw and is appointed to settle disputes arising from international commercial relations. Such courts also operate at the Union of Polish Banks and the Polish Confederation of Private Employers *Lewiatan*.

Settlement of disputes related to public procurement is regulated by the Act of 13 April 2007 amending the Public Procurement Law and some other acts (Journal of laws No 82, item 560). Pursuant to that Act a National Chamber of Appeal (NCA) was established at the President of the Public Procurement Office. Disputes are settled by a team of professional arbitrators. Among the tasks of the NCA is to hear the appeals against decisions taken under public procurement procedure. The value of the contract with respect to which an appeal may be lodged must be at least € 137,000/211,000 (depending on the category of the contracting authority)⁶. The Chamber examines the appeal within 15 days of the date of its delivery to the President of the Office. The costs of appeal proceedings are borne by the parties. The appeal is examined if the relevant charge has been paid. The amount and the method of collecting the charge (depending on the value and type of procurement) will be specified by the President of the Council of Ministers by virtue of an ordinance.

In order to safeguard the interests of the State Treasury, the Office of Attorney for the State Treasury was established by way of the Act of 8 July 2005 (Journal of Laws No 169, item 1417). It is a state organisational unit supervised by the Minister of State Treasury. Its main task is to ensure uniform representation in proceedings at law for the State Treasury before domestic and foreign courts. The representation in proceedings at law pertains to cases in which the State Treasury is or should be a plaintiff or a defendant, or a participant of proceedings before a court, tribunal or any other adjudicating authority. Such a representation may not, however, be appointed in cases settled in proceedings related to land and mortgage register, concerning entry in the register, cases settled in bankruptcy and reorganisation proceedings, or in enforcement proceedings.

The scope of responsibilities of the Office of Attorney for the State Treasury include also representation of the Republic of Poland before international courts, tribunals and other adjudicating authorities, as well as drafting, upon request of the Ministry of the State Treasury, drafts of normative acts on matters related to the management

⁶ The relevant provisions of the Act of 17 November 1964 – the Code of Civil Procedure concerning arbitration tribunals apply to appeal proceedings unless the Public Procurement Act provides otherwise.

of the property of the State Treasury. Representation in proceedings at law by the Office of Attorney for the State Treasury is mandatory in cases where the value of the object of dispute exceeds PLN 1 million.

13. Promotion and information services

Information on the Polish economy is readily available in Poland. The largest collection of it can be found at the Statistical Information Centre of the Central Statistical Office (GUS) (Warsaw, Al. Niepodległości 208).

In Poland's relations with other countries a major informational and promotional role is played by Economic and Commercial Departments, Trade and Investment Promotion Sections and Consulates at Polish Embassies. For Polish enterprises they serve as a source of information on foreign markets, while for foreign businesspeople and investors interested in the Polish market they provide information on conditions of doing business in Poland and offer assistance in establishing business contacts with Polish partners.

Economic and Commercial Departments of Polish Embassies are, as a rule, the places of first contact with the Polish market. Information services for foreign firms entering the Polish market or already operating on it are also provided by numerous databases on Polish business enterprises, consulting firms and business information firms. At present, a number of public and private institutions keep and use databases on Polish business entities. The major ones include:

- Commercial Inquiry Office at the Polish Chamber of Commerce, which manages a nationwide commercial inquiry system,
- Polish Information and Foreign Investment Agency,
- Market Information Centre of the Foreign Trade Research Institute,
- Foreign Investors Chamber of Industry and Commerce in Poland,
- Euro-Info Centre at the Polish Agency for Enterprise Development, and
- Foreign representative offices operating on the Polish market.

Also private consulting firms offer a wide range of information, marketing, financial and legal services. Their addresses can be obtained from the Association of Business Consultants.

Television, radio, press and exhibition advertising are now the most popular forms of promotion on the Polish market.

In 2008, the average cost of TV and radio advertising did not change as compared with the previous year. In 2008, the average (net) cost of TV advertising ranges from PLN 900 to 38,000 per 30 seconds of air time depending on the TV station and time when it is broadcast. Advertising is cheaper in the teletext service of various TV stations of nationwide and regional coverage. In channels one and two of TVP (public television) the cost of week-long advertising in teletext on the home page is PLN 30 to 200 depending on the industry.

Also press advertising is of major importance. The average price of advertisement in Polish press ranges from PLN 300 to 2,700 per 1 space module (PLN 10 to 60 per 1 cm²). The price depends on the size of the space occupied and also on which page the advertisement is to be placed, as well as on whether it is to be printed in colour or not.

Outdoor advertising is gaining on importance.

Mobiling marketing, consisting in the sending of commercial information to mobile phones, is developing fast. However, under the Polish law potential recipient has to give prior consent to a receipt of such information.

Each year the interest in exhibition trade fair events has been growing in Poland both among exhibitors and visitors. Trade fairs are held in a number of large cities in Poland. The best-known exhibitions are organised in Poznań, Warsaw, Kielce, Gdańsk, Kraków, Bielsko-Biała, Łódź, Lublin, Szczecin and Bydgoszcz. In the years 2003-2007 the trade fair space increased by 21% and in 2007 it amounted to 639,771 m². Also a growing number of exhibitors, both domestic and foreign, has been observed. In 2007, the aggregate number of exhibitors stood at 30,621, including 5,342 foreign ones, which represented an increase of more than 13% relative to 2003. Interest in trade fairs among visitors grew substantially. In 2007, trade fairs were visited by more than 1 million people, which is by 28% more than in 2003.

In 2007, the largest exhibition space was sold by Międzynarodowe Targi Poznańskie sp. z o.o. (297,734 m²). Trade fairs organised by that company were also most popular among visitors; more than 288,000 people visited them. In 2007, the largest total number of exhibitors was present at BUDMA – International Construction Fair held in Poznań (1,293 exhibitors), whereas the most popular trade fairs among foreign exhibitors were PLASTPOL – 11th International Plastics Processing Trade Fairs organised in Kielce (386 exhibitors).

Ranking of entities organising trade fairs according to the exhibition area sold (2007)

No	Organising entity	City	Net exhibition area [m ²]	Percentage share
1.	Międzynarodowe Targi Poznańskie sp. z o.o.	Poznań	297,734	47.71
2.	Targi Kielce sp. z o.o.	Kielce	127,798	20.48
3.	Międzynarodowe Targi Gdańskie S.A.	Gdańsk	30,630	4.91
4.	Targi w Krakowie sp. z o.o.	Kraków	27,103	4.34
5.	Międzynarodowe Targi Polska sp. z o.o.	Warszawa	20,161	3.23
6.	ZIAD Bielsko-Biała S.A.	Bielsko-Biała	17,023	2.73
7.	Międzynarodowe Targi Łódzkie sp. z o.o.	Łódź	14,314	2.29
8.	MURATOR EXPO sp. z o.o.	Warszawa	13,510	2.16
9.	INTERSERVIS sp. z o.o.	Łódź	13,126	2.10
10.	Economic Chamber "Polish Waterworks"	Bydgoszcz	11,524	1.85
11.	Other audited entities		51,164	8.20
	Total		624,087	100.00
12.	Unaudited entities		15,684	
	Total		639,771	

Source: Report on Trade Fairs in Poland 2007, Polish Chamber of Exhibition Industry.

Ranking of trade fairs according to the total number of exhibitors (2007)

No	Trade fairs	City	Total number of exhibitors	Percentage share
1.	BUDMA – International Construction Fair	Poznań	1,293	4.28
2.	TOUR SALON –Fair of Regions and Tourist Products	Poznań	783	2.59
3.	POLEKO – International Trade Fair for Environmental Protection	Poznań	781	2.59
4.	PLASTPOL – 11th International Plastics Processing Trade Fairs	Kielce	748	2.48
5.	ENERGETAB – International Energy Trade Fairs in Bielsko-Biała	Bielsko-Biała	645	2.14
6.	AUTOSTRADA-POLSKA – 13th International Road Construction Trade Fairs	Kielce	629	2.08
7.	FARMA – International Trade Fair of Animal Breeding and Rural Development	Poznań	548	1.81
8.	ITM POLAND: MACH-TOOL – Machine Tools Exhibition	Poznań	530	1.75
9.	TT WARSAW TOUR & TRAVEL – 15th International Tourism Trade Fairs	Warszawa	493	1.63
10.	POLAGRA-FOOD – International Trade Fair of Food and Catering Products	Poznań	491	1.63
11.	Other audited trade fairs		23,261	77.02
Total			30,202	100.00
12.	Unaudited trade fairs		419	
Total			30,621	

Source: Report on Trade Fairs in Poland 2007, Polish Chamber of Exhibition Industry.

Ranking of trade fairs according to the number of foreign exhibitors (2007)

No	Trade fairs	City	Number of foreign exhibitors	Percentage share
1.	PLASTPOL – 11th International Plastics Processing Trade Fairs	Kielce	386	7.31
2.	BUDMA – International Construction Fair	Poznań	325	6.16
3.	TT WARSAW TOUR & TRAVEL – 15th International Tourism Trade Fairs	Warszawa	286	5.42
4.	ITM POLAND: MACH-TOOL – Machine Tools Exhibition	Poznań	252	4.78
5.	POLAGRA-FOOD – International Trade Fair of Food and Catering Products	Poznań	224	4.24
6.	POLEKO – International Trade Fair for Environmental Protection	Poznań	196	3.71
7.	METAL – 13th International Foundry Engineering Trade Fairs	Kielce	194	3.68
8.	TOUR SALON – Fair of Regions and Tourist Products	Poznań	190	3.60
9.	TTM – Automotive Technology Fair	Poznań	166	3.15
10.	MEBLE – Furniture Trade Fair	Poznań	148	2.80
11.	Other audited trade fairs		2,910	55.14
Total			5,277	100.00
12.	Unaudited trade fairs		65	
Total			5,342	

Source: Report on Trade Fairs in Poland 2007, Polish Chamber of Exhibition Industry.

Ranking of entities organising trade fairs according to the number of visitors (2007)

No	Organising entity	City	Number of visitors	Percentage share
1.	Międzynarodowe Targi Poznańskie sp. z o.o.	Poznań	288,339	31.14
2.	Targi Kielce sp. z o.o.	Kielce	182,786	19.74
3.	Targi w Krakowie sp. z o.o.	Kraków	79,769	8.61
4.	Międzynarodowe Targi Gdańskie S.A.	Gdańsk	69,634	7.52
5.	MURATOR EXPO sp. z o.o.	Warszawa	64,164	6.93
6.	Międzynarodowe Targi Łódzkie sp. z o.o.	Łódź	62,189	6.72
7.	INTERSERVIS sp. z o.o.	Łódź	44,111	4.76
8.	Międzynarodowe Targi Lubelskie Spółka Akcyjna	Lublin	37,328	4.03
9.	Międzynarodowe Targi Szczecińskie sp. z o.o.	Szczecin	21,873	2.36
10.	Zarząd Targów Warszawskich S.A.	Warszawa	21,250	2.29
11.	Other audited entities		54,558	5.89
		Total	926,001	100.00
12.	Unaudited entities		75,000	
		Total	1,001,001	

Source: Report on Trade Fairs in Poland 2007, Polish Chamber of Exhibition Industry.

For more information on trade fairs and exhibitions held in 15 Polish cities consult the Polish Chamber of Exhibition Industry at ul. Głogowska 26, 60-734 Poznań, tel. (+48 61) 866 15 32, fax (+48 61) 866 10 53, e-mail: info@polfair.com.pl; <http://www.polfair.com.pl>

Since 2006 a Code of Ethics in Advertising has been in force in Poland. The Code is not a collection of official regulations, but an internal self-regulation of the industry, agreed upon by representatives of authors of advertisements, advertising agencies and mass media associated in the Union of Associations Advertising Board. The task of the Board is to ensure compliance with the Code. A Commission for Ethics in Advertising was also appointed to examine complaints lodged by customers, companies and entrepreneurs. As in other countries, a request for the evaluation of an advertisement project in an initial phase of development thereof can be submitted to the Commission. This allows companies to avoid incurrence of costs of advertisements which subsequently they would have to withdraw from the market.

14. Major legal acts

Legal bases for business activity:

- Commercial Companies Code, the Act of 15 September 2000 (Journal of Laws of 2000 No 94, item 1037, as amended; most recent amendments: Journal of Laws

- of 2008 No 86, item 524; Journal of Laws of 2003 No 229 item 2276, and Journal of Laws of 2005 No 132, item 1108; No 183, item 1538; and No 184, item 1539);
- Civil Code, the Act of 23 April 1964 (Journal of Laws of 1964 No 16, item 94, as amended; most recent amendments: Journal of Laws of 2004 No 96, item 959; and Journal of Laws of 2005 No 48, item 462; No 157, item 1316; No 172, item 1438);
 - Act amending the Act – Code of Civil Procedure and some other Acts of 16 November 2006 (Journal of Laws No 235, item 1699);
 - Act of 2 July 2004 on the freedom of business activity (Journal of Laws of 2004 No 173, item 1807 as amended);
 - Act of 2 July 2004 – regulations implementing the Act on the freedom of business activity (Journal of Laws of 2004 No 173, item 1808 as amended: Journal of Laws of 2006 No 225, item 1636);
 - Ordinance of the Council of Ministers of 24 December 2007 (Journal of Laws No 251, item 1885) on the Polish Classification of Activity (“PKD”);
 - Bankruptcy and reorganisation law of 28 February 2003 (Journal of Laws of 2003 No 60, item 535; Journal of Laws of 2005 No 94, item 785; No 183, item 1538; No 184, item 1539);
 - Act on the National Court Register of 20 August 1997 (Journal of Laws of 1997 No 121, item 769, as amended: Journal of Laws of 2002 No 1, item 2; Journal of Laws of 2004 No 92, item 959; Journal of Laws of 2005 No 62, item 551; No 86, item 732, Journal of Laws of 2006 No 208, item 1540);
 - Act of 13 June 2003 on foreigners (Journal of Laws of 2003 No 128, item 1175, as amended: Journal of Laws of 2004 No 96, item 959; and Journal of Laws of 2005 No 90, item 757; No 94, item 788; No 132, item 1105; No 163, item 1362);
 - Act of 30 April 2004 on proceedings in matters related to state aid as amended (Journal of Laws of 2004 No 123, item 1291 and Journal of Laws of 2006 No 245, item 1775);
 - Council Regulation (EC) No 659/1999 of 22 March 1999 laying down detailed rules for the application of EC Treaty on state aid (OJ EC No 83 of 27.03.1999);
 - Act of 29 January 2004 – the Public Procurement Law (Journal of Laws of 2004 No 19, item 177; and Journal of Laws of 2005 No 163, item 1362, and No 184, item 1539);
 - Act amending the Act – Public Procurement Law and some other Acts of 13 April 2007 (Journal of Laws No 82, item 560);
 - Act of 20 October 1994 on special economic zones (Journal of Laws of 1994 No 123, item 600, as amended: Journal of Laws of 2003 No 188, item 1840, and Journal of Laws of 2005 No 167, item 1398);
 - Act of 20 March 2002 on financial support of investment (Journal of Laws of 2002 No 41, item 363, as amended: Journal of Laws of 2003 No 159, item 1537, and Journal of Laws of 2005 No 179, item 1484, and No 249, item 2104);
 - Act of 20 April 2004 on the National Development Plan (Journal of Laws of 2004 No 116, item 1206);
 - Act of 22 September 2006 on the transparency of financial relations between public authorities and entrepreneurs and financial transparency of certain entrepreneurs (Journal of Laws of 2006 No 191, item 1411).

Land and real estate ownership:

- Act of 21 August 1997 on real estate management (Journal of Laws of 1997 No 115, item 741, as amended: Journal of Laws of 2005 No 130, item 1087; No 169, item 1420; No 175, item 1459; of 2006 No 249, item 1832);

- Act of 19 October 1991 on the management of the agricultural real estate of the State Treasury (consolidated text in: Journal of Laws of 1995 No 57, item 299, as amended: most recent amendments in Journal of Laws of 2004 No 69, item 624, and Journal of Laws of 2005 No 132, item 1110; No 163, item 1362; No 167, item 1398; No 169, item 1420; and No 175, item 1459; of 2006 No 104, item 708, No 141, item 997, No 170, item 1217, No 195, item 1437, No 249, item 1832 and of 2007 No 35, item 218);
- Act of 24 March 1920 on real estate acquisition by foreigners (Journal of Laws of 1996 No 54, item 245, as amended: Journal of Laws of 2004 No 49, item 466; and Journal of Laws of 2005 No 94, item 788; and No 183, item 1538);
- Act of 8 September 2006 amending the Act on the exercise of the right to obtain compensation for real estate left outside the present borders of the Republic of Poland and some other Acts (Journal of Laws No 195, item 1437);
- Ordinance of the Minister of the Interior and Administration of 21 November 2006 on detailed information and types of documents to be submitted by a foreigner applying for a permit for real estate acquisition (Journal of Laws No 226, item 1653);
- Ordinance of the Minister of the Environment of 20 April 2007 on detailed conditions and procedures for public tender and the procedure and terms of price negotiation in the event of a sale of forests, land and other real estate managed by the State Forest Office (Journal of Laws No 78, item 532);
- Ordinance of the Minister of the State Treasury of 26 January 2007 on detailed rules of financial economy of the Agricultural Real Estate Agency and financial management of Agricultural Property Resources of the State Treasury (Journal of Laws No 24, item 159).

Prevention of monopolistic practices and unfair competition:

- Act of 16 February 2007 on competition and consumer protection (Journal of Laws of 2007 No.50, item 331, as amended by the Act of 13 April 2007 amending the Act on competition and consumer protection and the Act on the state human resources and high state positions (Journal of Laws of 2007 No 99, item 660) and by the Act of 23 August 2007 on counteracting unfair market practices (Journal of Laws of 2007 No 171, item 1206: consolidated text);
- Act of 16 April 1993 on combating unfair competition (Journal of Laws of 1993 No 47, item 211, as amended: Journal of Laws of 2002 No 126, item 1071, Journal of Laws of 2003 No 153, item 1503, Journal of Laws of 2004 No 96, item 959, Journal of Laws of 2004 No 172, item 1804, Journal of Laws of 2004 No 162, item 1693, Journal of Laws of 2005 No 10, item 68 and Journal of Laws of 2007 No 171, item 1206). Consolidated text;
- Act of 23 August 2007 on counteracting unfair market practices (Journal of Laws of 2007 No 171, item 1206).

Intellectual property protection:

- Stockholm Act changing the Paris Convention on the Protection of Industrial Property of 20 March 1883, as amended, drawn up in Stockholm on 14 July 1967 (Journal of Laws of 1975 No 9, item 51);
- Paris Act of the Bern Convention on the Protection of Works of Literature and Art of 9 September 1886, as amended, drawn up on 24 July 1971 (Journal of Laws of 1990 No 82, item 474, and Journal of Laws of 1994 No 104, items 506 and 507);

- WIPO Treaty on Performances and Phonograms, drawn up in Geneva on 20 December 1996 (Journal of Laws of 2004 No 41, items 375 and 376);
- WIPO Treaty on Copyright, drawn up in Geneva on 20 December 1996 (Journal of Laws of 2005, No 3, items 12 and 13);
- Agreement on Trade Related Intellectual Property Aspects (TRIPS) constituting an Annex to the Agreement Establishing the World Trade Organisation (WTO), drawn up in Marrakesh on 15 April 1994 (Annex to a Journal of Laws of 1996 No 32, item 143);
- Convention on the Grant of European Patents, drawn up in Munich on 5 October 1973, as amended (Journal of Laws of 2004 No 79, items 737 and 738);
- Act of 4 February 1994 on copyright and neighbouring rights (consolidated text in: Journal of Laws of 2000 No 80, item 904), as amended;
- Act of 30 June 2000 – the Industrial Property Law (Journal of Laws of 2001 No 49, item 508), as amended.

Labour relations:

- Labour Code (Journal of Laws of 1996 No 24, item 110, as amended: (Journal of Laws of 2002 No 135, item 1146; Journal of Laws of 2003 No 213, item 2081; Journal of Laws of 2004 No 96, item 959; and Journal of Laws of 2005 No 10, item 71; No 68, item 610; No 86, item 732; and No 167, item 1398).

Tax system:

- Act of 29 August 1997 – the Tax Code (Journal of Laws of 1997 No 137, item 926 and Journal of Laws No 160, item 1083, as amended: (e.g. recently: Journal of Laws of 2004 No 91, item 868, Journal of Laws of 2005 No 85, item 727; No 86, item 732; and No 143, item 1199; consolidated text in: Journal of Laws of 2005, No 8, item 60);
- Act of 13 October 1995 on the rules governing registration and identification of taxpayers (Journal of Laws of 1995 No 142, item 702, as amended: Journal of Laws of 2004 No 173, item 1808; Journal of Laws of 2005 No 14, item 113; consolidated text in: Journal of Laws of 2004, No 269, item 2681);
- Act on corporate income tax. Consolidated text of the Act of 13 July 2000 in: Journal of Laws of 2000 No 54, item 654; as amended;
- Act of 3 March 2000 on personal income tax (Journal of Laws of 2000 No 14, item 176, as amended);
- Act of 11 March 2004 on tax on goods and services (VAT) (Journal of Laws of 2004 No 54, item 535; consolidated text in: Journal of Laws of 2005 No 14, item 113; No 90, item 756; No 143, item 1199; and No 179, item 1484);
- Act of 23 January 2004 on excise duty (Journal of Laws of 2004 No 29, item 257, as amended: Journal of Laws of 2004 No 68, item 623; and Journal of Laws of 2005 No 160, item 1341);
- Act of 9 September 2000 on stamp duty (Journal of Laws of 2000 No 86, item 960, as amended; consolidated text in: Journal of Laws of 2004 No 253, item 2532; and Journal of Laws of 2005 No 14, item 115; No 48, item 447; No 62, item 550; No 90, item 757; No 94, item 788; No 113, item 954; No 143, item 1199; No 153, item 1272; No 169, item 1418; No 175, item 1458; and No 179, item 1485);
- Act of 2 December 1993 on marking with excise duty symbols (Journal of Laws of 1993 No 127, item 584), as amended;

- Ordinance of the Minister of Finance of 22 December 2000 on the execution of certain provisions of the Act on the tax on goods and services (VAT) and on the excise duty (Journal of Laws of 2000 No 121, item 1296);
- Act of 30 October 2002 amending the Act on local taxes and charges and amending some other acts (Journal of Laws of 2002 No 200, item 1683); as amended (e.g. recently: Journal of Laws of 2004 No 96, item 959);
- Act of 30 August 2002 on restructuring of certain public-legal dues of entrepreneurs (Journal of Laws of 2002 No 155, item 1287);
- Ordinance of the Council of Ministers of 21 April 2001 on detailed terms and conditions of granting of aid to small and medium-sized enterprises in the form of tax reliefs (Journal of Laws of 2004 No 95, item 954);
- Ordinance of the Council of Ministers of 21 April 2004 on detailed terms and conditions of granting of aid for employment purposes in the form of certain tax reliefs (Journal of Laws of 2004 No 95, item 956).

Environmental protection:

- Act of 27 July 2001 – the Environmental Protection Law (Journal of Laws of 2001 No 62, item 627, as amended: Journal of Laws of 2003 No 190, item 1865; Journal of Laws of 2004 No 96, item 959; Journal of Laws of 2004 No 281, item 2784; and Journal of Laws of 2005 No 25, item 202; No 62, item 552; No 113, item 954; No 130, item 1087; No 132, item 1110; No 163, item 1362; No 167, item 1399; No 169, item 1420; No 175, items 1458 and 1462; No 180, item 1495; and No 249, item 2104);
- Act of 24 February 2006 amending the Act – Environmental Protection Law and some other acts (Journal of Laws of 28 March 2006, No 50, item 360);
- Act of 12 January 2007 amending the Act – Energy Law, the Act – Environmental Protection Law and the Act on the conformity assessment system (Journal of Laws No 21 of 9 February 2007, item 124);
- Act of 18 July 2001 – the Water Law (Journal of Laws of 2001 No 115, item 1229, as amended: Journal of Laws of 2003 No 165, item 1592; Journal of Laws of 2004 No 96, item 959; and Journal of Laws of 2005 No 85, item 729; No 130, item 1087; No 163, item 1362; No 169, item 1420; and No 175, item 1462);
- Act of 27 July 2001 on waste (Journal of Laws of 2001 No 62, item 628, as amended: Journal of Laws of 2003 No 7, item 78; Journal of Laws of 2004 No 96, item 959; Journal of Laws of 2004 No 116, item 1208; and Journal of Laws of 2005 No 25, item 202; No 90, item 758; No 130, item 1087; No 175, items 1458 and 1462; and No 180, item 1495);
- Act of 11 May 2001 on obligations of entrepreneurs in the field of management of certain types of waste, on product charge and on deposit charge (Journal of Laws of 2001 No 63, items 638 and 639, as amended: Journal of Laws of 2004 No 96, item 959; Journal of Laws of 2004 No 121, item 1263; and Journal of Laws of 2005 No 33, item 291; No 175, item 1458; and No 180, item 1495);
- Act of 20 April 2004 on handling of substances that deplete the ozone layer (Journal of Laws of 2004 No 121, item 1263);
- Act of 20 July 1991 on the Environmental Protection Inspection (consolidated text in: Journal of Laws of 2007 No 44, item 287);
- Act of 13 April 2007 on prevention and repair of damage to the environment (Journal of Laws of 26 April 2007, No 75, item 493).

Courts and arbitration:

- Act of 27 July 2001 – the Common Courts Law (Journal of Laws of 2001 No 98, item 1070; No 154, item 1787, as amended: Journal of Laws of 2002 No 153, item 1271; Journal of Laws of 2003 No 188, item 1838; Journal of Laws of 2003 No 228, item 2256; Journal of Laws of 2004 No 96, item 959; and Journal of Laws of 2005 No 13, item 98; No 131, item 1102; No 167, item 1398; No 169, item 1410; No 169, items 1413 and 1417; No 178, item 1479; and No 249, item 2104);
- Act of 30 August 2002 – Regulations implementing the Administrative Courts Law and the Law on Proceedings before Administrative Courts (Journal of Laws of 2002 No 153, item 1271, as amended: Journal of Laws of 2003 No 228, item 2261; and Journal of Laws of 2005 No 169, item 1417);
- Ordinance of the President of the Republic of Poland, of 25 April 2003, on the establishment of voivodeship administrative courts (Journal of Laws of 2003 No 72, item 652);
- The Code of Civil Procedure of 17 November 1964, as amended: Journal of Laws of 1964 No 43, item 296; amendments made in 2005: Journal of Laws of 2005 No 13, item 98; No 22, item 185; No 86, item 732; No 122, item 1024; No 143, item 1199; No 150, item 1239; No 167, item 1398; No 169, items 1413 and 1417; No 172, item 1438; No 178, item 1478; No 183, item 1538; and No 267, item 2258; amendments made in 2006: Journal of Laws No 66, item 466);
- Act of 14 July 2006 amending the Act – Law on the system of common courts – Law on the system of military courts and the Act on prosecutor’s office (Journal of Laws No 144 of 11 August 2006, item 1044).

VIII BASIC CONDITIONS OF EXTERNAL TRADE

The territory of the Republic of Poland is part of the European Union customs area. Trade with the EU Member States (the so-called intra-Community trade) is governed by the rules of the single internal market of the EU, where the principle of the free movement of goods is binding i.e. there are no borders, and harmonised (approximated) regulations concerning technical requirements to be met by the goods are in effect. In its trade exchange with countries from outside the EU (third countries), Poland is subject to uniform rules resulting from the EU common trade policy, including the common tariff legislation. Poland is also a party to international agreements signed by the EU.

The common commercial policy is shaped at Community level. Trade measures are set by the European Union Council or the European Commission by way of directly applicable regulations. The European Commission is the body responsible for the implementation of that policy, including anti-dumping, anti-subsidy and safeguard proceedings. The scope of competencies of Polish authorities is limited to issuance of export and import permissions and to imposition of restrictions on exports and imports for non-economic reasons, e.g. protection of human and animal health, (pursuant to Article 36 TEC). In domestic legislation the most important regulation is the Customs Law Act and the Act on administering foreign trade which came into force as at the date of Poland's accession to the EU.

1. Conditions of trade within the European Union

Trade transactions with EU countries are not considered as exports or imports transactions. The notions of exports and imports are reserved exclusively to transactions with third countries. Trade transactions between entities in different Member States are defined as intra-Community supplies and intra-Community purchase.

Trade exchange under a single European market is characterised by:

1. Abolishment of customs controls on borders (free movement of goods).
2. Uniform technical requirements on the entire territory of the EU.
3. The trader must have a NIP registration number (including country prefix – PL) and must be registered in an appropriate revenue office.
4. Entrepreneurs trading with EU companies are obliged to submit monthly INTRASTAT declarations covering aggregate data on supply and acquisition of goods.

INTRASTAT declaration may be submitted by the person obliged or by a representative acting on his/her behalf. These declarations in the form of electronic file or hard copy should be submitted to the appropriate customs authority by the 10th working day of each month following the reporting month. Summary data on the total turnover generated by intra-Community supply and acquisition of goods indicating the amount per each customer (“Summary information”) must also be submitted quarterly. Correctness of the filed INTRASTAT declaration is verified by means of its comparison with VAT returns. The entity obliged for reporting which nevertheless fails to comply with its obligations is subject to penal sanctions as provided in the Customs Law.

WHO IS OBLIGED TO SUBMIT INFORMATION UNDER THE INTRASTAT SYSTEM? STATISTICAL THRESHOLDS IN 2008

Pursuant to the provisions of tariff law the following persons are obliged to submit information under the INTRASTAT system: a natural or legal person or an organisational unit not having legal personality being a VAT payer and involved in trade exchange with EU countries.

The obligation to transfer information rests on entities for which the value of imports and exports exceeds values of statistical thresholds set and announced each year by the President of the Central Statistical Office. The following values of statistical thresholds are binding in 2008.

	Basic threshold in PLN	Specific threshold in PLN
For imports	500,000	33,000,000
For exports	800,000	49,000,000

The entity is obliged to fill in INTRASTAT declaration if the value of imports or exports of goods in the year preceding the reporting year or in the reporting year exceeded the value of the basic threshold. In the latter case the person obliged submits INTRASTAT declaration beginning from the declaration for a reporting period in which the value of imports and exports of goods exceeded the value laid down for the relevant basic statistical threshold. The entity for which the value of imports and exports exceeded the specific threshold is obliged to fill the entire INTRASTAT declaration.

Source: Central Statistical Office.

The acquisition of goods subject to harmonised excise duty should be declared at the customs office.

Since the day of accession Poland has applied Community principles of marketing goods. All goods manufactured in Poland in compliance with EU requirements are allowed to circulate freely within the Single European Market. The applicable technical requirements relate, first of all, to product safety.

A mutual recognition principle is applicable on the Single European Market, which means that any product lawfully manufactured and sold in one Member State may be freely marketed in any other Member State. A prohibition of sale of such a product in another country's market may be imposed only upon proving that the product does not fulfil essential safety requirements. In practice, the rule of mutual recognition alone is not enough for a given product to circulate freely within the single market, since on purchase most buyers demand a test or certificate recognised in their country.

Technical requirements relating to certain groups of products have been harmonised at Community level. Formerly, these requirements used to be set in a very detailed way (the so-called "old approach"). Such harmonisation covered, *inter alia*, foodstuffs, pharmaceuticals, chemicals and motor vehicles. Given the enormous number of directives describing technical requirements relating to specific products (some 90 in the case of the automotive industry), in 1985 so-called a "new approach" to harmonisation of technical requirements was adopted. It relates exclusively to regulations involving safety, health and environmental protection. Unlike old approach directives, the new directives set forth only essential requirements, results to be obtained, or threats to be avoided, but they do not specify what technical measures should be used to this end.

Manufacturers of a product covered by new approach to technical harmonisation may themselves choose the method, which will allow them to obtain the results required, or they may make use of detailed EU standards, which are published in the Official Journal of the European Community (including EN prefix)¹. These standards are implemented into Polish law by Notices of the President of the of the Polish Committee for Standardisation published in the Official Gazette (*Monitor Polski*). They are usually marked with PN-EN.

The List of Polish Standards which implement European standards harmonised with new approach directives is updated every 4-5 weeks and is available on the Standardisation Committee web-page:

http://www.pkn.pl/index.php?pid=wykaz_nor_zharm

Products which meet the requirements of Polish Standards may be subject to conformity assessment on a voluntary basis for the manufacturer or the marketer of the product to obtain the right to mark the products with the **Mark of Conformity with**

¹ EU standards are harmonised standards, which are drawn up by European standardisation bodies (CEN, CENELEC or ETSI). CEN is responsible for standardization in various fields, CENELEC for standardization in the electrotechnical field, and ETSI in telecommunications. A product manufactured using harmonised standards is considered to comply with the directive, i.e. to ensure that it will meet the basic requirements of the directive.

Polish Standard. The necessary condition for the right to mark the product with the conformity mark is that the entity applying for it has a PN certificate.



This mark is a guarantee for the customer that the product complies with the relevant Polish standard and that this fact is confirmed by an accredited certifying body.

A majority of products covered by the new approach directives must bear the **CE** mark (on the product, or, if the former is impossible, on the packaging or accompanying documents).

These include: machines, low-voltage electrical equipment, pressure devices, medical products, toys and personal protective equipment.

CE marking must be in the form presented below:



CE marking procedures show a strong variation, depending on potential health and safety hazard presented by the product. In order to choose a CE procedure appropriate for a specific product, the risk associated with the use of such product must be assessed. In this way the product is classified into an appropriate category laid down in the directive. Products involving the smallest risk are subject to the simplest procedure, under which the manufacturer himself declares that the product is in compliance with applicable directives. The more high-risk the product, the more complicated the procedure. Independent agencies, the so-called “Notified Bodies”, are appointed to carry out the procedures of certification of potentially highest-risk products. These bodies assess products for compliance with requirements of applicable directives at the stage of product designing and/or production supervision. A manufacturer may choose any Notified Body within the Community, irrespective of the location of the production facility and the company seat.

The lists of all Polish Notified Bodies for CE marking directives are published in the following editions of the *Monitor Polski* (Official Gazette): No 50 of 2004, item 858 (first list); No 46 of 2005 item 636 and No 69 of 2006, item 706, and No 73 of 2007, item 785 (supplement and corrigendum). Information on that subject may also be found in the official database of all notified bodies in the EU, i.e. in the **Nando** information system (*New Approach Notified and Designated Organisations Information System*): <http://ec.europa.eu/enterprise/newapproach/nando/>

The manufacturer is obliged under directives to draw up technical documentation, demonstrating that the product conforms with essential requirements.

Certificates of product safety must be obtained by the manufacturer (or importer, if the product is imported from outside the Community) before the product is marketed. The manufacturer is liable for any damage caused by a defective product to consumers' health or property (Directive 85/374/EEC as amended by Directive 1999/34/CE and transposed into the Polish legislation by the Act on protection of certain consumer rights and on liability for damage caused by a high-risk product).

Each Member State supervises the safety of products marketed in a given country. Information about defective products is exchanged between countries. In Poland, the general market supervision is exercised by the Office for Competition and Consumer Protection.

Apart from mandatory requirements, the manufacturer has to comply with, there are also additional, optional standards the manufacturer may, but does not have to apply (voluntary certification). Usually, they confirm high quality or fulfilment of environmental standards of the product.

Polish manufacturers may also certify their goods with marks assigned on the terms and conditions provided for in the EU law. In the European Union, products regarded as specific, i.e. originating in a particular geographical region or manufactured with the use of traditional procedures (first of all foodstuffs) are under special protection. Such products may be given the symbol of Protected Designation of Origin (PDO), Protected Geographical Indication (PGI) or Traditional Speciality Guaranteed (TSG).

Since 1 January 2006, pursuant to Regulation (EC) No 853/2004 of the European Parliament and of the Council of 29 April 2004 on the hygiene of foodstuffs, all the companies involved in a production and distribution of foodstuffs have to implement and apply the rules of the 7-stage **HACCP** (Hazard Analysis and Critical Control Points) system to guarantee that the foodstuffs will not be contaminated or polluted and that they will be safe for the consumer.

2. Customs regulations and main non-tariff barriers to trade with non-EU countries

Changes in the provisions regulating Poland's trade with non-EU partners after 1 May 2004 (i.e. after accession to the EU) are the consequence of adopting by Poland of all instruments and principles of the EU common commercial policy vis-à-vis third countries, especially the Community Customs Code and executive provisions, Community Customs Tariff and various non-tariff instruments, as well as a developed system of agreements with trading partners not being EU Member States.

Common External Customs Tariff

An EU common customs tariff is binding on imports to Poland. The Community customs tariff contains a column with so-called "**conventional rates**", i.e. rates applied to imports from third-country members of WTO or with which the EC concluded agreements on the status of the most-favoured nation – MFN status). For certain goods (mainly agricultural products), **autonomous rates** are also given as a reference to the conventional rates, specified independently to MFN and obligations towards the WTO.

Tariffs are usually expressed as a percentage of the CIF-based customs value (*ad valorem tariff rate*)²; tariffs may also be set for the physical volume of imports, i.e. the amount, weight, content of pure alcohol (*specific tariff*). In some cases two types of tariffs are given – they are applied alternatively (combined tariff rates) or jointly i.e. part of the customs duty is collected *ad valorem* while another part is in the form of specific tariff (mixed rates). Tariffs may also be expressed as a difference between the minimum (reference) price and the CIF tariff value of the product declared by the importer on the border (variable tariff). Tariffs on certain goods (e.g. potatoes, fruit, flowers) originating from the EU are binding seasonally.

Common Customs Tariff and TARIC

The European Union classifies goods pursuant to the Combined Nomenclature (CN) containing eight-digit codes based on the international Harmonised System (HS). CN, created specially for the EU has six digits in accordance with HS. It contains over 10 thousand tariff lines of which ca. 8,000 are industrial goods.

An annex to the common customs tariff contains tariff rates for the successive calendar year. It is published in the Official Journal at the end of October. Tariff rates for 2008 are published in the Commission Regulation (EC) No 1214/2007 of 20 September 2007 amending Annex I to Council Regulation (EEC) No 2658/87 on the tariff and statistical nomenclature and on the Common Customs Tariff (OJ L 286 of 31.10.2007).

Detailed information about customs duties, especially about the level of preferential rates, as well as about other commercial policy instruments (e.g. anti-dumping duties), is contained in the Integrated Customs Tariff of the European Communities (**TARIC**). TARIC is available on-line in all official languages of the EU on the website http://europa.eu.int/comm/taxation_customs/dds/en/tarhome.htm in the form of a database being updated on a daily basis.

The user entering the CN code obtains customs rate and the relevant information concerning tariff and quantitative quotas, suspensions of customs duties, anti-dumping duties and countervailing duties, agricultural charges, supervisory measures and other commercial policy measures applicable in the import of a given product. TARIC does not contain information about VAT and excise.

All the duty rates are bound. The zero rate applies to more than 24% of goods (tariff lines). In 2006 the average (non-import weighted) MFN rate on manufactured articles (HS 25-97) was 4.0%, whereas on agricultural products it was 18.6%. More than 1,700 products (tariff lines) are subject to a system of duty suspensions. A vast majority (approximately 99%) of the suspended duty rates is at the level of 0%.

81.5% of MFN tariff rates in the common customs tariff (by tariff lines) are at a level below 10%. The highest tariff rates among industrial goods are applicable to sensitive goods: clothing and textiles, shoes, transport equipment and plastic products.

² Almost 100% of rates for industrial goods and 54% for agricultural products. WTO, Trade Policy Review, Report by the Secretariat of the European Communities, 22 January 2007. All numeric data on EU tariff rates come from the same source.

The MFN rate applies to imports from nine countries: Australia, Canada, Taiwan, Hong-Kong, Japan, South Korea, New Zealand, Singapore and the United States. Imports from other countries are subject to preferences, so tariff burdens on Polish imports from those countries are much lower than as might seem from the rates in the common customs tariff. The preferences assume the form of tariff quotas (a zero or a reduced rate within the quota), a reduced duty rate outside the quota and/or complete suspension of customs duties without any limits.

EU trade preferences

The European Union uses an extensive system of unilateral customs preferences for developing countries (preferences granted to African, Caribbean and Pacific States (ACP)³ pursuant to the Cotonou Agreement, the Generalized System of Preferences (GSP), and mutual preferences with many trade partners under free trade zones (e.g. EFTA countries, Mexico, Chile, RSA).

Tariff preferences for the African, Caribbean and Pacific countries

The trade regulations of the Cotonou Convention signed in 2000 were valid until the end of 2007, regulating trade relations of the EU with 77 ACP countries. The Convention was signed for 20 years, but the part concerning trade was to be binding for 7 years only. Thanks to privileged conditions for access to the EU market (more favourable than GSP), over 97% of exports from ACP countries benefited from duty-free access to the European market. From 1 January 2008 the relations of the EU with ACP countries were planned to be regulated by Economic Partnership Agreements. However, African countries feared a wider opening of their own markets (though gradual and asymmetrical), so the EU has signed the Agreements only with 15 Caribbean countries (the Cariforum group), while the other 20 countries (18 African and 2 Pacific States), the so-called ACP-non-LDC, decided to sign transitional agreements only. The remaining 42 ACP countries which did not sign new partnership agreements (whether full or transitional), now export to Poland and other EU Member States following GDP provisions. The 32 poorest countries benefit from the most favourable scheme (Everything but Arms), which ensures a free access to the EU market.

Generalised System of Preferences (GSP)

GSP preferences cover 178 developing countries and territories⁴. Since the early 1990s, the GSP beneficiary states have included, next to developing countries, members of the Commonwealth of Independent States (CIS) and Albania as well as certain states of the former Yugoslavia. Preferences apply to manufactured articles and agricultural products, although some products (most sensitive to the EU) are excluded

³ This group comprises 79 states. A complete list may be found at: http://www.acpsec.org/en/acp_states.htm

⁴ In June 2006 the Council of the European Union temporarily suspended the access to the general tariff preferences for the Republic of Belarus. Economic sanctions were imposed on the grounds of regular infringement on workers' rights which are laid down in the UN and ILO conventions and regulate the fundamental human and labour rights

from the system. Some GSP beneficiaries enjoy more preferential terms and conditions of access to the EU market under the system of preferences for ACP states.

GSP will remain in effect until the end of 2008. Modifications made in the system at the beginning of 2006 were intended to enable inclusion therein of the most underdeveloped countries, in particular small states, island states, states without access to the sea and of a low level of economic diversification. Moreover, a simplified graduation mechanism was introduced. Such a mechanism applies to those groups of products from these developing states, which have become competitive on the EU market to such an extent that they no longer need to enjoy the GSP preferences. Previous graduation criteria based on diversified indices (share of preferential imports, rate of development and rate of export specialisation) were replaced with a single criterion in the form of the share of imports from the GSP beneficiary states in the total EU market. If the imports of a particular group of products from a single state exceed 15% of total imports from all the GSP beneficiary states, it is to be excluded from the system, i.e. ceases to enjoy preferential access to the EU market. As regards textiles and clothes, the exclusion threshold is reduced to 12.5%. Under the new mechanism, 80% of exports from China to the EU market are excluded, although formally China is still a GSP beneficiary. As to exports from India, textile materials are excluded from the trade preferences (they exceed the threshold), whereas clothes remain covered by the preferences.

The system provides for additional tariff preferences (“GSP Plus”) for the states which have ratified and effectively implemented international conventions relating to sustainable development, taking account of environmental protection (the so-called environmental clause), human rights protection and employee rights protection (the so-called social clause), and good governance rules. The GSP Plus programme ensures duty-free access to the EU market for products included in 91% of tariff lines. In total, there are 15 states benefiting from the programme: 5 Andean states (Bolivia, Ecuador, Columbia, Peru and Venezuela), 6 Central America states (Guatemala, Honduras, Costa Rica, Nicaragua, Panama and El Salvador) and Georgia, Moldova, Mongolia and Sri Lanka (Commission Decision of 21 December 2005, OJ EU L 337 of 22.12.2005).

Margins on preferences applicable to the products covered by GSP:

- Non-sensitive products (e.g. mineral fuels, leather, wood, certain products made of iron and steel, nickel and products made thereof, aircraft and spare parts to aircraft, musical instruments, furniture, toys, sports equipment) – duties have been suspended (except for duties on agricultural components).
- Sensitive products (e.g. a number of agricultural products, passenger cars, transport cars, special-purpose cars, clocks and watches, lightning equipment) – *ad valorem* reduction of duties amounts to 3.5 percentage points, whereas for products included in chapters 50 to 63 (textile and clothing products) – the reduction is 20%. For specific duties, except for the rates specified as the minimum or maximum ones, the reduction is 30%.

Source: Council Regulation (EC) No 980/2005 of 27 June 2005 applying a scheme of generalised tariff preferences (OJ L 169 of 30.06.2005).

The criteria set forth above do not apply to the Least Developed Countries (LDC), covered by the Everything But Arms (EBA) programme which grants a duty- and a quota-free access to the EU market for all the products originating in these countries, except for arms and ammunition (GSP excludes Chapter 93 of HS) and certain agricultural products (sugar, rice and bananas) for which customs duties are reduced on a step-by-step basis.

Use of the preferences requires compliance with the **rules of origin**. More information on this subject can be found in the guide available at: http://ec.europa.eu/taxation_customs/common/publications/info_docs/customs/index_en.htm

Free trade agreements

Poland, upon becoming an EU Member State, entered free trade agreements (FTAs) with other partners, which had either been effective or were being drawn up in the EU prior to Poland's accession.

The most important of them, beside the agreements with the three EFTA countries (European Economic Area), Switzerland (free trade zone) and Turkey (customs union) are:

- Euro-Mediterranean Association Agreements (with Algeria, Egypt, Israel, Jordan, Lebanon, Morocco, the Palestinian Authority, Syria, Tunisia and Turkey; Libya currently has observer status).
- Stabilisation and Association agreements (signed with the countries of the former Yugoslavia), which are aimed at stabilisation of economic co-operation conditions and at granting mutual trade preferences to strengthen the democratic process in those countries.
- Association agreements with Mexico and Chile
- An agreement on trade, development and cooperation with RSA

Community Customs Code

In Poland, the system of customs law is made up of directly applied Community rules and national laws (the Customs Law and executive acts thereto). Issues related to customs control and the system of organisation of customs authorities are regulated in the Act on Customs Service. Application of national regulations intended to supplement or render the community law more specific is permitted by virtue of the Community Customs Code, the basic Community legal act in respect of customs law.

Since 1 May 2004, introducing goods to the Community customs area has been possible in Poland exclusively through air and sea border crossings and through land border crossings with Belarus, Ukraine and Russia (the Kaliningrad district). Border control has already been abolished on crossings with Lithuania, Slovakia, the Czech Republic and Germany.

Goods introduced to the customs area of Poland (Community) are subject, as of the moment they are introduced thereto, to **customs supervision**. These goods, except

for specific cases, should be presented to customs authorities at a customs office, or in any other venue as may be permitted or specified by the customs authority, in order to be assigned a customs-approved treatment or use. The goods which are to be placed under a customs procedure have to be declared for such a procedure. Detailed requirements to be met by a **customs declaration** are laid down in the Ordinance of the Minister of Finance of 22 April 2004. In the period from 31.08.2007 to 30.06.2009, the customs declaration may be in paper or electronic form. These changes result from the launching of the 1st phase of the EU Exports Control System (ECS) in Poland on 31 August 2007. The ECS provides for the handling of an electronic export declaration sent by the declaring party/exporter, both in the customs office of export and the customs office of entry, where such declaration is to be submitted for:

- export procedures,
- inward processing,
- return journeys after the customs procedure with economic impact
- transport (single transport contract)

and in other cases when the customs office of entry acts as office of export.

Electronic confirmation of the entry of goods, sent by the export office to the declaring party replaces the 3 SAD card and stands as a document which confirms the export of goods for VAT purposes. The system ensures the effective customs control by customs administration, while exporters are able to faster process documents concerning exports of goods and apply a zero tax rate on exports of goods.

The second stage of operation of the ECS system will begin on 1 July 2009. Export declarations will be submitted exclusively in the electronic form throughout the EU using the ECS system (they will be submitted in paper form only in emergency situations). In addition, data concerning safety and protection will be provided in advance.

Non-tariff measures

Inclusion of Poland in the EU common commercial policy implies application of Community solutions in respect of non-tariff measures, such as anti-dumping, countervailing and protective measures, quantitative restrictions, surveillance system and prohibitions on exports and imports. Although the means of administering trade with third countries are established by the EU and not by the particular Member States, the Community law does not preclude application by a Member State of any prohibitions, restrictions or surveillance measures with regard to imports, exports or transit if they are justified on grounds of public morality, public safety, protection of health and life of humans, animals or plants, protection of national treasures of artistic, historical or archaeological value, or protection of commercial and intellectual property. These prohibitions and restrictions may not, however, serve as a means of arbitrary discrimination or a disguised restriction on trade between the EU Member States.

Anti-dumping and anti-subsidy (countervailing) duties. The European Union, which has a highly liberalised access to the market for manufactured articles, relatively often applies non-tariff measures, in particular measures preventing unfair competition, i.e. dumping (more frequently) and subsidies (less often). As at 30 June 2008 in imports to the EU, and thus also to Poland, 131 anti-dumping measures were in effect (mostly in respect of chemical and steel products) and 8 countervailing measures. In the first half of 2008 the European Union did not initiate any new anti-subsidy or anti-dumping proceeding.

The list of the anti-dumping and countervailing measures currently in effect is available at: http://ec.europa.eu/trade/issues/respectrules/anti_dumping/stats.htm

The anti-dumping duty on imports from a third country may be imposed only when the relevant investigations reveal that:

- imports at dumping prices took place,
- EU manufacturers of similar goods incurred real loss or are at risk of incurring such loss, or development of the relevant sector in the EU can be considerably delayed,
- there is a cause-and-effect relationship between these two events,
- imposition of the duty is in the Community's interest.

An alternative to the anti-dumping duty may be the so-called price undertaking. In the course of the investigation the exporter accused of dumping may undertake to comply with the minimum export prices agreed upon with the Commission or the maximum volume of exports (this applies only to countries which are not members of WTO). The exporter may submit such an offer only following preliminary establishment that dumping has taken place and a loss has been suffered. The Commission accepts price undertakings made only by these exporters who cooperated with it during the investigation. It also takes into account the fact whether a particular exporter carried out its undertakings in the past (this applies to companies which were subject of anti-dumping investigations in the past). The undertaking is accepted only on condition that effective monitoring of the carrying out thereof is possible.

Exporters (and also importers and manufacturers which were parties to the investigation) may apply for a revision of the decisions taken by the Commission or the Council under the administrative procedure (in the Commission) or in court proceedings (at the Court of First Instance and the European Court of Justice).

After the lapse of one year of the imposition of the anti-dumping duty, exporters may apply for a review of the anti-dumping measures put into effect (interim review). Such a review may result in a change of the amount of the anti-dumping duty.

Exporters who did not export particular goods in the period under analysis by the Commission, but commenced the exports after the investigation had been initiated, or entered into export contracts, may apply for the carrying out of special investigation (newcomer review). Such a review may result in the establishment of individual rates of anti-dumping duty based on the individual dumping margins, or in the accusation of dumping being dismissed. As at the commencement of the investigation, the anti-dumping duty on goods delivered by a new exporter ceases to be effective and, at the same time, the Commission establishes a system of recording to enable imposition of anti-dumping duty retrospectively.

If imports are no longer made at dumping prices or if the dumping margin decreased, importers may apply for a return of the duty paid. The importer should receive the monies no later than within 21 months (decision on the return should be taken within one year and no later than within 18 months, while the relevant payment should be made within 90 days of the date of the decision).

Importers of bicycle parts of Chinese origin may apply for exemption from the obligation to pay the anti-dumping duty if their company imports not more than 300 parts of

a single type per month. In the case of a company which uses more than 299 parts of a single type, the European Commission may consent to such an exemption if the added value to the parts exceeds 25% of the costs of manufacturing and the value of such parts represents less than 60% of the total value of all the parts of the final product.

A similar procedure is followed in anti-subsidy investigations. Differences consist mainly in the fact that in the anti-subsidy procedure investigation for new exporters is carried out in the form of the accelerated investigation review and the countervailing duty remains in effect until the investigation is completed, whereas in the anti-dumping procedure the duty ceases to be in effect at the moment the investigation is initiated. Furthermore, in anti-subsidy investigations, an alternative to the countervailing duty may also be undertaking of the government of the exporter's country to eliminate or reduce the subsidy.

Quantitative restrictions. With regard to imports of certain steel products from Kazakhstan and Russia quantitative quotas, established in sectoral bilateral agreements between the EU and these countries, are in place. The quantitative quotas are also in effect for imports of certain types of clothing and textile goods from North Korea (established autonomously) and Belarus (bilateral agreement). As to the imports from Belarus, limits on inward processing of textiles and clothing have been established.

Administration of the quotas falls within the scope of competencies of the European Commission. The role of the Polish administration is to issue import licences following obtainment of information from the Commission on the limit assigned. The system of administering of quotas has been set forth in the Council Regulation (EC) No 520/94⁵. It allows administering of quotas based on the order in which applications are submitted (on a "first come, first served" basis), based on traditional trade flows, and in proportion to the quantities requested when the applications are submitted. With regard to quotas for steel and textiles the first system is used.

The quotas are not allocated to countries but to importers, in the order in which the Commission receives information from the Member States on the applications submitted. The Commission checks the availability of a quota and notifies the Member States whether they can issue an import licence for the quantity of goods applied for (which, however, may not exceed the limits established per importer). The Commission makes decisions on the daily basis, depending on the actual demand; if the demand is exceeded, a *pro rata* reduction is made, namely a reduction proportionately to the volumes notified.

Importers may obtain information on the use of the quantitative quotas using the Integrated System for the Management of Licences (*Système Intégré de Gestion de Licenses* – SIGL: <http://trade.ec.europa.eu/sigl/query.html>) which serves as a link between the European Commission and the institutions issuing import licences in Member States, including the Polish Ministry of Economy.

⁵ Council Regulation (EC) No 520/94 of 7.03.1994 (OJ EC L 66 of 10.03.1994, p. 1), Commission Regulation (EC) No 2044/2003 of 20.11.2003.

Surveillance system. Surveillance may cover both imports made (retrospective surveillance) and planned (prior surveillance, or automatic licensing). In the former case, thanks to registration of trade by customs authorities, the Commission obtains information on the imports to the Member States faster than it usually takes place. In the case of prior surveillance, marketing of products on the territory of the Union is possible on condition that the importer has obtained a uniform surveillance document from the competent authorities in the Member States (in Poland: an import licence; see further below). In some cases obtainment of an import licence is contingent upon submission of an original export licence issued by the supplier state (double-checking surveillance).

Import licences. These are required for imports of manufactured articles covered by quotas and goods subject to surveillance (if such a requirement was introduced). Import licences are issued by the Minister of Economy automatically, for the quantity applied for, within 5 business days of the date of submission of the relevant application (licences for the imports of agri-food products are issued by the President of the Agricultural Market Agency). The issuance of Community import licence (within a quota) is subject to stamp duty of PLN 82. Stamp duty is not collected on the application for the surveillance concerning the imports of steel products *erga omnes* (on the basis of Regulation 076/2002). The receipt should be enclosed to the application. Where there is no evidence to the contrary, the authority competent to issue the import document is assumed to have received the application within 3 business days following the date of submission thereof. A model application for the issuance of an import (and export) licence was published in the Ordinance of the Minister of Economy and Labour of 14 May 2004 concerning import and export licences issued as measures of administration of foreign trade in goods, The obligation to obtain a licence does not apply to goods exempted from customs duties pursuant to separate regulations.

Issuance of the licence may be contingent on the provision of a **security** (either in the form of a cash deposit or a guarantee). The security is provided in the Polish currency and calculated at the rate published by the National Bank of Poland on the business day preceding the date on which the security is provided. The security provided in the form of a cash deposit is returned by a transfer to the bank account specified in the application, whereas one in the form of a guarantee – by a return of the document confirming issuance of the said guarantee. If a licence is issued for a volume lower than the one applied for, the overpaid amount of the security is returned within 14 days of the date of licence issuance. The procedure for the provision and return of the security is laid down in the Ordinance of the Minister of Economy and Labour of 18 May 2004 concerning the security introduced as a measure of administration of foreign trade in goods.

In practice, surveillance is put into effect with regard to imports of sensitive goods, such as steel, textiles and clothes. The system of double-checking surveillance is in place for imports of clothes and textiles from Uzbekistan and eight categories of textile products from China (e.g. T-shirts, bedlinen, trousers), as well as steel products under quotas on imports from Russia and Kazakhstan. Imports of certain steel products from other third countries save for Switzerland, Norway, Liechtenstein, Iceland and Turkey, are subject to prior surveillance (only import licences are required – single-checking system) until 31 December 2009. This does not refer to the imports less than net weight 2.5 tons.

Prohibitions on exports and imports. The prohibitions on trade (imports/exports) are introduced by the EU only in exceptional cases – the protection of humans, animals and plants, public security, protection of cultural goods etc. Prohibitions on imports,

introduced by virtue of the Community regulations, apply, *inter alia*, to the following cases:

- trade in certain goods which could be used for capital punishment, torture or other inhuman, cruel or humiliating treatment or punishment,
- introduction to the Community of certain goods which infringe certain intellectual property rights;
- imports and exports of Iraqi national treasures;
- sale, transfer on a free of charge basis, or provision of technical assistance related to the military activities of any entities in Liberia, imports of unworked diamonds from Liberia, and of wood and wood products of Liberian origin;
- imports of leather and other goods produced from certain species of wild animals originating in countries where they are caught by means of leghold traps or by other methods which do not meet internationally agreed humane trapping standards
- trade in animals and plants which are particularly threatened with extinction (CITES);
- imports of sunflower oil originating in or exported from Ukraine without a valid certification of the absence of unacceptable concentration of mineral oil.

From 31 December 2008 a ban on the marketing, imports and exports of cat and dog fur and the products thereof will be in effect in the EU. Pursuant to domestic regulations, namely the Ordinance of the Council of Ministers, in Poland there is a prohibition on the imports of: skins of certain species of seal pups and products derived thereof from third countries and of asbestos and products containing asbestos.

Trade in rough diamonds. Trade in rough diamonds (unworked diamonds or diamonds that are simply sawn, cut or roughly worked) is governed by special rules. First of all, in exports and imports presentation of the so-called international Kimberley certificate is required, which the European Community undertook to use by virtue of the Interlaken Declaration in trade in rough diamonds as of 1 January 2003, pursuant to the document named *Kimberley Process Certification Scheme*. The Community export certificates may be obtained in Belgium, Federal Republic of Germany and in the United Kingdom; also imported consignments containing rough diamonds can be verified there. Polish authorities do not issue any licences for the import or export of rough diamonds, neither do they issue any export certificates.

Dual-use goods and technologies. In the common system of control of exports of dual-use goods, a uniform list of dual-use goods and technologies is in effect on the entire territory of the European Union. It is contained in the Council Regulation (EC) No 1183/2007 of 18 September 2007 amending and updating Regulation (EC) No 1334/2000 setting up a Community regime for the control of exports of dual-use items and technology. The rules governing foreign trade in goods, technologies and services of strategic importance for state security and also for the maintenance of international peace and security, as well as the rules governing control and registration of such trade, and liability for trade, in such goods, technologies and services, are laid down in the Act of 29 November 2000, which has been harmonised with the relevant Community laws.

Information on the rules governing trade in dual-use goods is available at:
<http://dke.mg.gov.pl>

These regulations do not provide for any control of imports of dual-use goods. Only imports of cryptographic devices are monitored by the Internal Security Agency in view of the requirements related to the ensuring of state security.

Exports and imports of arms and military equipment from and to Poland require obtainment of the relevant individual permit. An applicant should attach an end-use certificate to the application for the issuance of an individual permit for the export of armament, whereas an application for the issuance of a licence for the export of dual-use goods may be accompanied with an import certificate or an end-user certificate. Export of goods of strategic importance for the state security to certain countries is prohibited or requires the relevant permit from the Council of Ministers.

Information, in Polish and in English, on the terms and conditions of trade with third countries can be found on the website of the Ministry of Economy: <http://mg.gov.pl/Clo> or of the European Commission: http://ec.europa.eu/trade/index_en.htm.

Information on the terms and conditions of exports to the EU market can be also found in the EXPANDING EXPORTS HELPDESK portal created by the European Commission and intended for exporters from developing countries. The portal includes also a forum where entrepreneurs can establish relationships and find a supplier or purchaser of their goods.

3. Foreign Exchange Law

In June 1995, Poland adopted obligations arising from Article VIII of the Statute of the International Monetary Fund; the currency was declared convertible according to IMF standards.

The currently binding Act – the Foreign Exchange Law of 27 July 2002, which took effect as of 1 October 2002 (Journal of Laws No 141, item 1178, as amended⁶), was prepared for further liberalisation of capital flows and harmonisation with the European Union requirements. It provides for the principle of free movement of capital and payments; and only allows for restrictions stipulated in the European Union Treaty.

The Act regulates foreign exchange dealings⁷ (foreign exchange dealings performed abroad and domestic trade in foreign exchange values) and the activity of exchange

⁶ Amendments to the above Act are published in the following Journals of Laws of 2003, No 228, item 2260; of 2004 No 91, item 870 and No 173, item 1808; of 2006 No 157, item 1119 and of 2007 No 61, item 410. Eight executive acts to the Foreign Exchange Law have been issued – five ordinances by the Minister of Finance, including one on general foreign currency permits, one Ordinance of the Council of Ministers as well as one notice and one ordinance of the NBP President.

⁷ The trade in domestic legal tenders is not deemed foreign exchange dealings and is thus not covered by the Act – Foreign Exchange Law.

offices⁸. It also defines the obligations: 1) connected with the exportation and importation and taking foreign exchange values or domestic legal tenders abroad and with the transfer of money abroad and domestic settlements with non-residents; 2) referring to the obligation to report to the NBP on data in foreign exchange dealings and exchange offices activities as well as keeping documents pertinent to these dealings and this activity. Furthermore, it defines the control performed with regard to limitations and obligations stipulated in the Act.

The limitations provided for in the Act do not apply to foreign exchange dealings with participation of the following parties: State Treasury, National Bank of Poland and public authorities in penal, civil or administrative procedures, banks or other financial institutions supervised by respective authorities as well as foreign exchange dealings with a bank or another entity having its registered seat in Poland within the scope of operations subject to surveillance under separate regulations concerning banking, insurance, pension and the capital market. However, “special limitations” on foreign-exchange dealings with foreign partners would apply to banks and other supervised entities but would not be applicable to the first three of the foregoing parties⁹.

Few limitations that remain in the Act refer primarily to third party states. There are also limitations which do not have a geographical dimension as they are related to the foreign-exchange principle pursuant to Article 58 (1) of the Civil Code. Exceptions from this rule are provided in the Act.

Third-party states are countries other than Poland, non-members of the European Union as well as autonomous and associated territories of all states. Countries being members of the EEA or OECD are treated on equal terms with the Member States of the EU. Also, if the international agreements imply equal treatment of a dependent, autonomous or associated territory of the EU, EEA and OECD countries under the Act, such territories are treated on equal terms with these countries.

Foreign exchange dealings in the country and agreements which result in such dealings are also subject to limitations, i.e. cannot be done without a foreign-exchange permit. This limitation does not apply the following foreign-exchange dealings as provided in the Act: foreign trade and foreign-exchange dealings between non-residents as well as foreign-exchange dealings between residents being natural persons where these are not related to business activity.

Other limitations on foreign exchange dealings included in the Act refer to foreign exchange dealings with third party states, which constitute only a small part of all dealings in question. The limitations include, *inter alia*:

- exportation, taking and transferring domestic or foreign legal tenders to third party states by residents, with the purpose of undertaking or broadening the scope of business activity in these states including purchase of real estate (with exceptions),
- purchase by residents of, *inter alia*, stocks and shares in companies, or participation units in funds established in third party states, debt papers issued or made by non-residents from third party states, foreign exchange values sold by non-residents from the third party states,

⁸ Activity of exchange offices is an economic activity consisting in the purchase and sale of foreign exchange values and in acting as intermediary in the purchase and sale thereof. The trade in foreign exchange values for own purpose is not subject to control.

⁹ Special limitations concerning foreign-exchange dealings with foreign partners may be imposed for max. 6 months on the basis of an ordinance of the Council of Ministers. They would be connected with the implementation of decisions of international bodies of the Republic of Poland in a member or a dramatically difficult situation in the balance of payments.

- sale by residents of, *inter alia*, debt papers with maturity shorter than a year in third party states,
- opening accounts by residents in banks and branches of banks with seat in the third party states (with exceptions),
- sale of debt papers issued or made by non-residents from third party states or by residents in third party states with maturity shorter than a year unless these were earlier purchased in accordance with existing regulations,
- making between residents and non-residents cash settlements arising from the abovementioned activities.

The limitations in foreign exchange dealings provided for in the Act may be abolished by way of general foreign exchange permits (issued by the minister competent for public finance matters by way of an ordinance) or individual foreign exchange permits (issued by the President of the National Bank of Poland by way of administrative decisions). Foreign exchange permits will be granted when there is no threat relating to the public interest or international obligations of the Republic of Poland. The possibility to apply general and individual foreign exchange permits allows for the broadening – dependent on changing conditions – of the scope of freedom of foreign exchange dealings relative to the provisions of the Act.

The Ordinance of the Minister of Finance of 4 September 2007 on general foreign exchange permits allows for refraining from certain limitations on foreign exchange dealings performed abroad; the permits refer to all third countries or only to those that concluded agreements with Poland for mutual support and protection of investment¹⁰.

Currently with respect to all third party states with which agreements on mutual support and protection of investment have been signed the following is permitted, *inter alia*:

- transfer by residents of means of payment – through the intermediary of authorised bank – for the running of business activity in these countries (including the purchase of real estate),
- purchase by residents of stocks and shares in companies, participation units and debt papers with maturity of a year or longer,

With respect to all third party states, the following is permitted, *inter alia*:

- purchase by residents of stocks and shares or participation units and debt papers with maturity of a year or longer as well as debt papers with maturity shorter than a year sold in Poland by non-residents in accordance with the regulations in force,
- purchase by residents of foreign currency during their stay in third party states in order to expend them in accordance with regulations in force,
- opening of bank accounts in such states by residents for settlement of accounts with non-residents in accordance with the regulations in force.

Furthermore permits were granted which were not geographically oriented, as they referred to foreign exchange settlements between residents in the country. This is about refraining from limitations on domestic foreign exchange.

The following is permitted, *inter alia*:

- payment settlements in EUR as regards the funds from the EU budget and settlements in exchangeable foreign currencies with respect to other non-refundable funds from foreign sources as specified¹¹;

¹⁰ Third party states with which the European Communities signed agreements on partnership and cooperation or association agreements are treated on equal terms.

¹¹ Pursuant to the Public Finance Act.

- payment settlements between residents in foreign currencies in the country, if such currencies have been obtained from a non-resident in order to cover obligations to the resident or are earmarked to carry out a foreign exchange order and where such settlements result from foreign exchange money transfers by residents who run business activity in this respect.
- payment of remuneration for work provided abroad by residents being employers in the country to bank accounts of residents-employees.

A separate chapter in the Act refers to the activity of foreign exchange offices. The provisions on exchange office activity do not apply to banks¹², branches of international banks and credit institutions and branches of credit institutions. The activity of foreign exchange offices is a regulated activity within the meaning of the Act on the freedom of business activity and needs to be entered in the register of foreign exchange office activity, kept by the President of the National Bank of Poland. The Act defines who may and under which conditions run a foreign exchange office. Obligations of an entrepreneur who carries out this type of activities are also specified in detail. In the activity of foreign exchange offices, the continuity of transactions must be maintained, the evidence of purchase and sale provided and a reliable register kept. The foreign exchange office activity may be conducted also by a non-resident, and the customer may also be an economic entity. Moreover, the object of foreign exchange dealings may comprise foreign exchange values other than foreign currencies, gold and foreign exchange platinum, e.g. traveller's cheques.

Despite the liberalisation of foreign currency turnover, there are still some obligations related to it, which usually appear when a threshold is exceeded. As regards money transfers abroad and domestic settlements in foreign currency, exceeding EUR 15,000 residents and non-residents are obliged to use authorised banks as intermediaries, while residents or non-residents crossing the Polish frontier are obliged to declare import or export of Polish or foreign currency exceeding EUR 10,000 (as foreign currency gold and platinum regardless of the value thereof) to the customs authorities or Border Guard.

On the basis of a general foreign currency permit it is allowed to waive the obligation to use an authorised bank as an intermediary in foreign currency dealings, if:

- either of the parties, whether resident or non-resident, is a consumer and non-cash dealings are involved,
- the parties are natural persons and business activity is not involved.

The control stipulated in the Act is performed by the NBP President within the scope of foreign exchange permits issued, the activity of foreign exchange offices and fulfilment of reporting obligations by residents who perform foreign exchange dealings and entrepreneurs carrying out the business of foreign exchange offices.

The Penal Code precisely defines norms of penal law applicable in case of fiscal offences and minor offences against foreign exchange dealings, committed with violation of limitations and non-observance of obligations stipulated in the Act

4. Exchange rate

Poland's exchange rate system has evolved since the 1990s from a fixed rate system attached to the US dollar (and then for a few months to a basket of five currencies),

¹² The list of banking activities has been supplemented with the purchase and sale of foreign currency.

through a crawling peg and a floating exchange rate within a crawling band, to the present independent floating. The structure of the basket remained unchanged until January 1999¹³. The rate of the zloty's depreciation against the value of the basket lowered successively from 1.8% monthly in October 1991 to 0.3% in March 1999, which reflected the exchange rate as nominal inflation anchor. The average USD exchange rate, which amounted to PLN 0.95 in 1990, reached PLN 3.9675 in 1999 and PLN 4.3464 in 2000.

The progressively more flexible exchange rate system has implied increasing influence of the market on the zloty exchange rate. Forex and fixing rates were required to stay within a specific band that has been gradually widened. Initially, from May 1995, the maximum deviation from the parity rate amounted to +/-7%; after March 1999, the band limits reached as much as +/-15%. As early as in mid-1997, a substantial movement of the exchange rate of zloty within the band was observed. Since August 1998, the central bank has not intervened on the foreign exchange market, and transaction fixing was abolished in June 1999. Thus, the exchange rate policy resembled in practice a floating exchange rate system, although the crawling band system was formally maintained.

On 12 April 2000, the full floating of the zloty exchange rate took place, as a result of a decision made by the Council of Ministers on the initiative of the Monetary Policy Council. The zloty exchange rate has been since then set freely by market forces; the category of the parity exchange rate, the crawling devaluation and the band limits no longer exist. The central bank could intervene on the foreign exchange market, which is admissible also in the adopted system of independent floating; however, it has not used this possibility so far.

After a long period of nominal depreciation which ended in 1999, the exchange rate of the Polish zloty has been subject to marked fluctuations. Following its considerable appreciation in the years 2000-2001 (year-to-year), the years 2002-2004 witnessed a growing depreciation trend. In 2005, appreciation of zloty took place again, by 12%. In the years 2006-2007, appreciation was much weaker, annually around 3%. As a result in 2007 zloty was stronger by 14% as compared to the year 1999.

The effective nominal PLN exchange rate has been strongly influenced by the Euro to zloty exchange rate. In 2007, the average PLN/EUR exchange rate was 3.7829 and the USD/PLN exchange rate stood at 2.7667. As compared with the year 2006 zloty was appreciated by 3% to Euro, and 12.1% to US dollar. Such variations in the dynamics in the zloty exchange rate related to each of the abovementioned currencies resulted in the average annual EUR/USD exchange rate of 9.2%.

The real effective exchange rate of zloty defiled using the consumption prices index increased by 23% between 1999 and 2007, which was largely due to the high inflation in Poland at the end of the 1990s. However, the real effective exchange rate defiled by the index of unit labour costs in the processing industry decreased by 19%. It was a result of a 28% drop in nominal relative unit labour costs. The most significant drops in these costs were recorded in the years 2002-2003. Although in 2006 the reduction was still 4%, in 2007 (similarly to the years 2004-2005) it lost its depreciative influence on the real exchange rate of zloty. This situation in terms of the nominal and real exchange rate of zloty ensured favourable conditions for investment in Poland both by

¹³ The USD remained in the structure of the basket, with the present share of 45%; EUR replaced 4 other currencies.

portfolio investors who purchase securities in PLN and who benefited from the nominal appreciation of zloty, and intermediate investors, who benefited from real depreciation of the zloty exchange rate defiled by unit labour costs.

Similarly to other new Central European Member States of the EU, Poland is a member of the Economic and Monetary Union with a derogation, i.e. it took the obligation to adopt the common currency after meeting the convergence criteria set forth in the Treaty of Maastricht. Poland has already met most of these criteria. It is expected that the Euro will provide a number of benefits to Poland, including lower costs of transactions and a lower exchange rate risk. It will also facilitate access to the capital market of the Euroland and will contribute to closer relations between businesses, by which the further integration of the Polish economy with the European economy may be achieved.

5. Major legal acts

Community legislation

- Council Regulation (EEC) No 2913/92 of 12 October 1992 establishing the Community Customs Code (OJ L 302 of 19.10.1992), as amended;
- Council Regulation (EC) No 384/96 on protection against dumped imports from countries not members of the European Community (OJ L 56 of 6.03.1996), as amended;
- Council Regulation (EC) No 2026/97 of 6 October 1997 on protection against subsidized imports from countries not members of the European Community (OJ L 288 of 21.10.1997), as amended;
- Council Regulation (EC) No 3285/94 of 22 December 1994 on the common rules for imports repealing Regulation 518/94 (OJ L 349 of 31.12.1994), as amended;
- Council Regulation (EC) No 519/94 of 7 March 1994 on common rules for imports from certain third countries repealing Regulation (EEC) 1765/82, 1766/82 and 3420/83 (OJ L 67 of 10.03.1994), as amended;
- Council Regulation (EEC) No 3030/93 of 12 October 1993 on common rules for imports of certain textile products from third countries (OJ L 275 of 8.11.1993), as amended;
- Council Regulation (EC) No 517/94 of 7 March 1994 on common rules for imports of textile products from certain third countries not covered by bilateral agreements, protocols or other arrangements, or by other specific Community import rules (OJ L 67 of 10.03.1994, as amended);
- Council Regulation (EC) No 3286/94 of 22 December 1994 laying down Community procedures in the field of the common commercial policy in order to ensure the exercise of the Community's rights under international trade rules, in particular those established under the auspices of the World Trade Organization (OJ L 349 of 31.12.1994);
- Council Regulation (EC) No 3036/94 of 8 December 1994 establishing economic outward processing arrangements, as amended (OJ L 322/94);
- Council Regulation (EC) No 980/2005. of 27 June 2005. applying a scheme of generalised tariff preferences (OJ L 169 of 30.06.2005, as amended);
- Council Regulation (EC) No 1183/2007 of 18 September 2007 amending and updating Regulation (EC) No 1334/2000 setting up a Community regime for the control of exports of dual-use items and technology (OJ L 278 of 22.10.2007);

- Regulation (EC) No 852/2004 of the European Parliament and of the Council of 29 April 2004 on the hygiene of foodstuffs and Regulation (EC) No 853/2004 laying down specific hygiene rules for food of animal origin (OJ L 139 of 30.4.2004).

Polish legislation

- The Act of 30 August 2002 on conformity assessment system (consolidated text: Journal of Laws No 204 of 2004, item 2087). Important amendment since 7 January 2007 (Journal of Laws No 249 of 2006, item 1834);
- The Foreign Exchange Law of 27 July 2002 (Journal of Laws No 141, item 1178 as amended, recently in 2007 Journal of Laws No 61, item 410);
- The Act of 29 November 2000 on foreign trade in goods, technologies and services of strategic relevance for the national security and for maintaining international peace and security, and on amendment of certain laws (Journal of Laws No 229 of 2004, item 2315, consolidated text);
- Act of 19 March 2004 – Customs Law (Journal of Laws of 2004 No 68, item 622)
- Act of 16 April 2004 on administering foreign trade in goods (Journal of Laws of 2004 No 97, item 963);
- Act of 10 March 2006 on administering foreign trade in services (Journal of Laws of 2006 No 79, item 546);
- The Ordinance of the Minister of Economy and Labour of 14 May 2004 on permits for imports and exports of goods granted under the measures of administration of foreign trade turnover (Journal of Laws No 131 of 2004, item 1402);
- The Ordinance of the Minister of Economy and Labour of 18 May 2004 on deposits required under the measures of administration of foreign trade turnover (Journal of Laws No 131 of 2004, item 1403);
- The Ordinance of the Minister of Finance of 22 April 2004 on specific requirements to be met by customs declarations (Journal of Laws No 94 of 2004, item 902);
- Act of 25 August 2006 on food and nutrition safety (Journal of Laws No 171 of 2006, item 1225).

IX PRACTICAL INFORMATION

1. Entry to the Schengen area and principles of foreigners' stay in Poland

On 21 December 2007 Poland joined the group of the countries of the Schengen area on which uniform rules of entry and short stay apply with not internal border checks. Internal borders of all member countries within the Schengen area can be crossed at any point and any time, regardless of their citizenship.

Schengen countries

- Austria, Belgium, Czech Republic, Denmark, Estonia, Finland, France, Greece, Spain, the Netherlands, Lithuania, Luxembourg, Latvia, Malta, Germany, Poland, Portugal, Slovakia, Slovenia, Sweden, Hungary, Italy – EU Member States
- Norway and Iceland – associated countries which apply the Schengen system

In addition, special agreements have been concluded to facilitate border traffic within the Schengen area for nationals of the European Economic Area (EEA countries) and Switzerland.

The following EU Member States still remain outside the Schengen area: Cyprus, Bulgaria, Romania, the United Kingdom and Ireland.

The first three of these EU Member States as well as Switzerland and Lichtenstein intend to join the Schengen zone.

To enter the Schengen area, a national of a non-EU country **must have a visa, if it is required, and to meet the following conditions:**

- to have a valid travel document,
- to explain the purpose of travel (e.g. by presenting an invitation) and the conditions of the planned stay, to have sufficient financial means for subsistence during the planned sojourn (at least PLN 100 per day or an equivalent amount in foreign

currency) and for covering return travel to the country of residence or transit to a third country to which he/she has a guaranteed entry, or to be able to acquire such funds by lawful means,

- the person in question must not be entered on the list of persons for whom entry was refused in any country within the Schengen area,
- the person in question must not be considered liable for breaking public order, security or international relations of any of the Schengen states.

Nationals of non-EU countries

In order to facilitate tourist traffic and business activity, Poland has concluded with many countries agreements abolishing visas mutually or unilaterally for stays which, as a rule, do not exceed 90 days. Nationals of such countries planning a stay longer than 90 days and intending to take up a job in Poland must have visas¹.

A list of the countries with which Poland has concluded agreements abolishing visas mutually or which unilaterally abolished visas for Polish citizens can be found on the website of the Ministry of Foreign Affairs: <http://www.msz.gov.pl>, the Consular Information section.

The joining of the Schengen area has involved changes in the principles of awarding visas and the visa charges. Similarly to other Schengen states, Poland issues the following types of uniform visas (Schengen visa)

- airport visa (A) – issued exclusively to persons travelling by plane; it does not give the holder the right to leave the airport transit zone
- transit visa (B) – allows for a transit throughout the entire Schengen territory for no longer than 5 days,
- short-stay visa (C) (sojourn visa) – entitling to a stay in the Schengen area for 90 days within 6 months of the first entry.

In addition to uniform visas, Poland issues long-term national visas (D) and permits for sojourn which are valid only on its territory. National visas are issued for a period of stay exceeding three months (work, studies etc.) but no longer than a year pursuant to procedures laid down in the national law.

Transit and sojourn visas (B, C, D) may be single-, double- and multiple-entry.

Polish consular offices collect a € 60 charge for receipt and examination of an application for an airport visa (A), transit visa (B), uniform sojourn visa (C) and national visa (D) of any type.

¹ The basic legal act regulating these issues is the Aliens Act of 13 June 2003 (Journal of Laws of 2006, No 234, item 1694 as amended).

For countries which signed special agreements with the European Union facilitating the granting of visas², charges for visa application and examination of the application are lower. This applies to Russia, Albania, Bosnia and Herzegovina, Montenegro, Macedonia, Moldova, Serbia and Ukraine. Nationals of these countries are charged € 35 for uniform visas of all types (A, B, C). For nationals of Belarus the charge for A, B and C visas is € 60. Uniform visa charges for nationals of Russia and Ukraine increase to € 70 if the application and accompanying documents are submitted within 3 days before the planned date of entry.

A charge for the submission and examination of a national visa application (D) is the lowest for nationals of Ukraine and Belarus – € 35. For nationals of other countries a charge for such a visa is € 60.

Nationals of the European Union Member States and the European Economic Area

Nationals of the European Union Member States, as well as Norway, Iceland, Liechtenstein and Switzerland cross Poland's border upon presentation of a document stating their identity and citizenship (passport, identity card). Persons from those countries planning to stay in Poland longer than 3 months must obtain a temporary residence permit

The registration of sojourn and the granting of a residence permit (for a limited duration) is done in the event if a EU national meets **one the following conditions**:

- is employed or self-employed in the territory of Poland;
- holds a health insurance and has financial means sufficient to sustain himself/herself and his/her family members without the need to benefit from social assistance;
- studies or participates in vocational training and thereby is covered by general health insurance or is entitled to health care services on the basis of provisions on the coordination of social security systems and has sufficient financial means to sustain himself/herself and members of his/her family in Poland;
- is a spouse of a Polish citizen³.

The registration of sojourn in Poland and the issuance of a certificate of the registration of sojourn in Poland shall be made with no delay. The authority competent for the legalisation of stay in Poland is the voivode having the jurisdiction over the place of intended stay of the EU national in Poland. The application for the registration of sojourn must be submitted in person by the person interested, while for other legal

² The list and the content of the agreements may be found on the website of the Ministry of Foreign Affairs <http://msz.gov.pl>

³ Detailed principles concerning the sojourn of EU nationals in Poland are laid down in the Act of 14 July 2006 on principles and conditions of entry and sojourn and leaving Poland for citizens of the European Union Member States and members of their families (Journal of Laws of 2006, No 144, item 1043). The above Act is also applicable to nationals of the EEA countries and citizens of countries which are not parties to the EEA Agreement who may benefit from the freedom of movement of persons on the basis of agreements between these countries and the European Community and its Member States (Norway, Iceland, Liechtenstein and Switzerland) and their family members who stay with them or join them.

activities a plenipotentiary may be established (via a power of attorney in writing). The charge for the issuance of a certificate of registration of sojourn is PLN 1.00 while for the granting of a limited-duration residence permit the charge is PLN 340. Failure to comply with the obligation to register sojourn in Poland is subject to a fine.

A foreigner who has obtained a residence permit in Poland obtains the residence card.

The obligation to register residence is compulsory in Poland. A EU national staying outside a hotel or an accommodation facility provided in relation with his/her work, education, treatment or leisure is obliged to registered his/her temporary stay (in the city or *gmina* office relevant to the place of sojourn) before the fourth 24 hrs have lapsed after he/she crossed the Polish border.

After 5 years of uninterrupted sojourn on the territory of Poland a EU national is granted the right of permanent residence.

2. Conditions for employment of foreigners

Employment of non-EU and EEA nationals

An employer applying for employment of a foreigner in Poland must obtain a permit. There are two stages of acquiring a work permit for foreigners⁴. At the first stage, the future employer applies to the Voivode relevant to the place of establishment of the employer for a promise of a work permit. This is a prerequisite for a foreigner to obtain a residential visa with permission to work (D8 visa). At the second stage, having received the relevant visa, the foreigner is granted a work permit valid within the territory of Poland (to get this permit, the employer must make a contribution to the Labour Fund in an amount of PLN 50 if the foreigner is planned to be employed for 3 months, or PLN 100 if employment longer than 3 months is planned). The promise for a work permit and a work permit itself are issued exclusively at the employer's request, for a limited period of time, for a specific foreigner and employer and specific position or type of work to be provided. Applications for permits for employing foreigners in Poland shall be examined with not unnecessary delay, that is the procedure will take no longer than 1 month. The date of beginning of employment by a foreigner must not be earlier than the date of issuance of decision on the work permit. In the event if employment of the foreigner ceases before the date of expiry of the permit or employment does not begin within the deadline set in that document, the employer must return the promise and the work permit to the relevant voivode with no delay. The employer who employs a foreigner without a work permit or on terms other than contained therein is guilty of committing an offence and subject to a fine amounting from PLN 3,000 to 5,000.

Granting a promise and work permit to a foreigner depends on the situation in the local labour market and on qualifications of the applicant for job. These regulations do not apply, however, to certain groups of employees (e.g. family members of diplomatic staff, foreigners – graduates of Polish medical academies on internship training, aliens representing a foreign company in Poland, aliens working in Poland under international agreements on employment).

⁴ Legal basis: the Act on employment promotion and labour market institutions (consolidated text: Journal of Laws of 2004, No 99, item 1001), and the Aliens Act (Journal of Laws of 2006, No 234, item 1694 as amended).

In some cases, employing a foreigner does not require a work permit⁵. It concerns, among others, teachers of foreign languages who are employed on the basis of international agreements, permanent foreign correspondents, foreigners, non-EU, EEA and Switzerland nationals, represented in managements of legal persons (staying in Poland on the basis of residence visas, if their stay in Poland in connection with the performance of their function is not longer than six months within the successive twelve months), as well as persons in charge of training schemes, taking part in professional internship trainings, performing advisory functions, or functions requiring special skills or qualifications within the framework of European Union programmes or other international aid programmes, nationals from outside the EU/EEA or Switzerland temporarily seconded by their employers to provide a specific service in Poland, as well as citizens of the Republic of Turkey with their families who have lived in Poland for at least five years and have been lawfully employed for four years. Moreover, by 31 December 2009, nationals of Ukraine, Russia and Belarus lawfully employed by Polish employers in all sectors, however not longer than for six months within the successive twelve months are exempted from the obligation to have a work permit, provided that they have presented a declaration of a Polish employer that he intends to employ them. Such a document must be registered in the Poviats Labour Office relevant to the place of residence or the employer's registered office. The declaration (original) is a basis for the issuance of a residence visa with permit to work by the Polish consul⁶.

Employment of nationals of the European Union Member States and the EEA

Poland's joining of the Schengen area does not cause any change in the conditions of employment of nationals of the EU and EEA.

Until January 2007 the conditions of employment of European Union and EEA nationals in Poland varied depending on the country of their origin. Regulations applicable as of 1 May 2004 imposed restrictions mirroring those on introduced on employment of Polish citizens in the EU Member States⁷. On 17 January 2007 Poland abolished equivalent measures applied to nationals of the countries which maintained

⁵ Ordinance of the Minister of Labour and Social Policy of 30 August 2006 on providing work by foreigners without required work permit (Journal of Laws of 2006, No 156, item 1116) as amended on 27 June 2007 (Journal of Laws of 2007, No 120, item, 824) and on 29 January 2008 (Journal of Laws of 2008, No 17, item 106) specify in detail who and under which conditions may seek employment in Poland without having to apply for a work permit.

⁶ Since 21 March 2008, in the cases when work permits are not required, visas with work permit which have been issued on the basis of a promise for work permit in Poland as well as a written declaration by the employer about his intention to employ the foreigner, are issued by consular offices as national multi-entry visas.

⁷ Polish nationals have a free access to labour markets of the United Kingdom, Ireland and Sweden and new Member States from Central and Eastern Europe (since 1 May 2004, except Malta), as well as Spain, Portugal, Greece, Finland and Iceland (since 1 May 2006), Italy (since 31 July 2006), the Netherlands (since 1 May 2007), Luxembourg (since 1 November 2007) and France (since 1 July 2008). Moreover, Polish citizens have gained access to the labour markets in Bulgaria and Romania on the entry of these countries to the European Union on 1 January 2007. Other countries have facilitated the issuance of work permits for Polish nationals, except Austria, Germany and Switzerland where transitory measures have been maintained.

transition measures⁸. Pursuant to the regulations in force from that date, nationals of Austria, Belgium, Denmark, France, the Netherlands, Lichtenstein, Luxembourg, Germany, Norway and Switzerland have obtained the right to work without having to apply for work permit. Other EU and EEA nationals were granted this right earlier. In view of the above, citizens of all EU Member States⁹ and of EEA states non-members of the EU, as well as nationals of non-EEA countries who benefit from the free movement of persons on the basis of agreements between the respective countries and the European Community and its Member States, may freely take up employment in Poland.

Foreigners having their place of residence in Poland, or those whose temporary sojourn takes longer than 183 days are subject to unlimited tax obligation, i.e. taxes are levied on their total incomes, irrespective of their source¹⁰. Double taxation is prevented under relevant agreements concluded by Poland with many countries. Foreigners not having their place of residence in Poland, or those whose temporary stay takes shorter than 183 days in the tax year are subject to limited tax obligation, i.e. taxes are levied only on their incomes from work performed on the territory of Poland.

3. Accommodation

Foreigners residing in Poland do not encounter difficulties in renting a residence (a flat or a detached house) and are not obliged to acquire a relevant permit. No permit is needed to purchase an apartment. A permit is required, however, when purchasing a real estate or obtaining the right to perpetual usufruct. A relevant application (with enclosures) shall be filed with the Department of Permits and Concessions of the Ministry of the Interior and Administration¹¹. Separate provisions are applicable to acquisition of land (see Chapter VII, paragraph 6).

There are many real estate agencies handling the rental and purchase of flats and houses in Poland; they have a wide offer and can be helpful in real estate transactions.

4. Health care

Every insured Polish citizen has the right to free of charge access to the public health care and to choosing the general practitioner or the family doctor¹².

⁸ Ordinance of the Minister of Labour and Social Policy of 10 January 2007 repealing the ordinance on the limitation for work provided by foreigners on the territory of the Republic of Poland (Journal of Laws of 2007, No 7, item 54).

⁹ Nationals of new EU member States (Romania and Bulgaria) are free to take up jobs in Poland with not limitations (since 1 January 2007).

¹⁰ The regulation of the Minister of Finance of 31 January 2000 on the publication of a consolidated text of Personal Income Tax Law of 31 January 2000, (Journal of Laws of 2000, No 14, item 176).

¹¹ A permit is not required from citizens or entrepreneurs from the EU Member States, except for acquisition of agricultural real estate (over twelve years since Poland's accession to the EU) and the so-called secondary residences (over five years since Poland's accession to the EU).

¹² The Act on healthcare services financed from public funds (Journal of Laws of 2004, No 210, item 2135, as amended).

Foreigners having residential visas with a work permit, card of permanent or temporary residence are entitled to public health care services, if they are subject to obligatory health insurance and pay relevant insurance contributions. Aliens may also get insured voluntarily. Foreign students also enjoy the right to health insurance and public health care service.

Nationals of the EU Member States and the EEA (and members of their families), who are covered in their countries with a universal healthcare system may benefit from healthcare services on the territory of Poland (also when they stay in Poland on e.g. tourist trip). The settlement of costs of the services provided takes place between institutions functioning in the health insurance sphere. A patient should have a European Health Insurance Card or a replacement certificate. Both documents entitle to free-of-charge healthcare (only in establishments having a contract with the National Health Fund) at a level of the basic health care and dentist's services. In emergency situations the person entitled to health care services may also visit a specialist, go to hospital or use medical rescue or transport services within Poland. Nationals of the EU Member States, who are not covered by the healthcare system in their countries, may benefit from healthcare services in Poland, provided that they get insured voluntarily and have their place of residence in Poland. A contract with the National Health Fund for voluntary health insurance may be concluded by foreigners who stay in Poland on the basis of a visa with the work permit or a permanent or temporary residence permit, if they are not obliged to have health insurance (e.g. as employees).

Other foreigners are excluded from this right, unless international agreements between Poland and other countries stipulate otherwise¹³. Each agreement defines persons covered by common health insurance, situations and range of free health care services. These services may concern:

- persons insured in the country with which an agreement was signed (e.g. Russia, countries of the former Yugoslavia), irrespective of the purpose of visit,
- employees posted to work abroad or cross-border workers,
- all citizens of a given country.

Possession of a proper document (i.e. passport, health insurance certified, or a relevant form) entitle to public health care.

The healthcare services may cover either only action connected with an emergency or any medical care, depending on the kind of agreement, if such agreement exists. Costs of medical care services provided on the basis of an international agreement are usually covered by the state budget.

Foreign persons residing on the territory of Poland who are not covered by the universal health insurance and are not citizens of countries with which Poland signed relevant international agreements may:

- use a well-developed (especially in large cities) network of private and co-operative health care centres offering a full range of medical services,
- get insured in an insurance company (e.g. in Powszechny Zakład Ubezpieczeń – PZU), which guarantees the reimbursement of medical treatment costs of accidents and other events covered by the insurance policy.

¹³ Such agreements have been signed with Albania, Russia, Bosnia and Herzegovina, Macedonia, Croatia, Serbia and Montenegro and Tunisia).

5. Most frequently used foreign languages

English is the most common foreign language in Poland. German and Russian are also popular, French Spanish and Italian are less often used. The command of foreign languages becomes more and more popular among inhabitants of larger towns, young people and those having contact with foreigners on professional basis. During a last couple of years, the knowledge of foreign languages has considerably increased among Polish citizens.

6. Currency

The legal tender in Poland is the Polish zloty (PLN). 1 zloty = 100 grosz. Foreign currency may be exchanged into Polish zloty in banks, hotels and exchange offices. In mid-July 2008 a USD/PLN exchange rate was 2.04, while the EUR/PLN rate was 3.26.

The following money values are now in circulation:

- banknotes with nominal values of 10, 20, 50, 100 and 200 zlotys;
- coins with nominal values of 1, 2, 5, 10, 20, 50 grosz and 1, 2 and 5 zlotys.

7. Transport

There are air services between major Polish cities, operated by Polish Airlines PLL LOT and many low-cost airlines.

Most towns can be reached by rail; the network of the Polish State Railways (PKP) is dense.

PKP InterCity offers express train connections between the largest towns in Poland and with some European cities (e.g. Berlin. Hamburg. Vilnius, Moscow, Prague and Vienna). The regional railway network, PKP Przewozy Regionalne, is the largest railway carrier in Poland which ensures regular commuters' connections to work, school, trade and administration centres. Inter-voivodeship passenger connections between larger towns and tourist regions are also provided.

Residents of Tri-City and neighbouring localities, as well as of Warsaw and environs use Fast Urban Railway. Trains circulate every few or less than twenty minutes and they are synchronised with urban transport.

Train timetables can be consulted and tickets for domestic trains booked via the PKP website: <http://www.pkp.pl>

Municipal transport, i.e. buses, trams (in bigger cities) and the underground (only in Warsaw) is available in every town. Tickets for the municipal transport can be bought in all newspaper kiosks and in shops at underground stations, usually also from the driver. Daily and weekly tickets are very convenient for tourists. Different tickets for municipal transportation are in use in every town. There can be tickets for a period of time or for a passage (for one passage, no matter how long). Some passengers are

entitled to reduced fares. A ticker is valid only within the town of purchase. Fares may also differ in different cities (they range between PLN 1.70 to PLN 7.20 for a passage).

Taxis ordered on the phone or found on taxi lines can be a convenient form of transport. Taxis belonging to big corporations are usually cheaper and safer. You can also rent a car in one of the many “rent-a-car” firms operating in Poland. Customer service points are located at airports, receptions of larger hotels and some travel offices.

Driving licences issued by EU are respected in Poland and are valid until their expiry date as specified in the document (there is no need to exchange it for the Polish document before the date of expiry, except when the document is lost). A person driving a car in the territory of Poland must have a registration document of a car and a document confirming that he/she has a valid car insurance on him/her. Speed limits for passenger cars in Poland are 50 km/h in built-up areas, 90 km/h on the open road and 130 km/h on motorways. The speed limit for a car with a trailer is 70 km/h (80 km on motorway and express roads).

In the following years, the motorway and express roads network is planned to be developed, which would facilitate and accelerate the road transport in Poland.

8. Communications

Telecommunication services in Poland are provided, first of all, by Telekomunikacja Polska S.A., but there are also other local operators (Tele 2, Netia etc.) Mobile telephone networks cover almost the whole territory of Poland. To use public payphones you must buy telephone cards, which are available; at post offices and in newspaper kiosks. There are no coin telephones in Poland.

Country code for Poland: 00-48

Area codes for voivodeship towns:

- Warsaw (Mazowieckie Voivodeship): 0-22
- Białystok (Podlaskie Voivodeship): 0-85
- Bydgoszcz (Kujawsko-Pomorskie Voivodeship): 0-52
- Gdańsk (Pomorskie Voivodeship): 0-58
- Gorzów Wielkopolski (Lubuskie Voivodeship): 0-95
- Katowice (Śląskie Voivodeship): 0-32
- Kielce (Świętokrzyskie Voivodeship): 0-41
- Kraków (Małopolskie Voivodeship): 0-12
- Lublin (Lubelskie Voivodeship): 0-81
- Łódź (Łódzkie Voivodeship): 0-42
- Olsztyn (Warmińsko-Mazurskie Voivodeship): 0-89
- Opole (Opolskie Voivodeship): 0-77
- Poznań (Wielkopolskie Voivodeship): 0-61
- Rzeszów (Podkarpackie Voivodeship): 0-17
- Szczecin (Zachodnio-pomorskie Voivodeship): 0-91
- Wrocław (Dolnośląskie Voivodeship): 0-71

In order to obtain automatic connection with a subscriber in another city when calling from Poland, you should dial “0”, followed by access code, area code and subscriber number (e.g. 0 (1011) 99 12 34 567). By choosing a certain access code, you also choose the operator. Dialling the number without access code in long-distance calls means choosing Telekomunikacja Polska S.A. as the operator.

Local connections are operated mainly by Telekomunikacja Polska S.A.

It should be remembered that in some cases when you choose an operator other than Telekomunikacja Polska S.A., a separate contract on providing telecommunication services has to be concluded with this operator.

9. The Internet

The Internet is increasingly popular in providing communications, information and education services. Every third person in Poland aged 16-74 uses the Internet. E-purchases are becoming increasingly popular. Internet banking is also developing rapidly.

Almost all Polish companies are connected to the Internet, many of them have their own website. Electronic signature is used by every third large company and more than ten percent small enterprises. The Internet services are still quite expensive as compared with other European countries, although the growing competition between on-line services providers should result in dropping prices in the near future.

Important websites

Ministry of Foreign Affairs	www.msz.gov.pl
Ministry of Finance	www.mf.gov.pl
Ministry of the Interior and Administration	www.mswia.gov.pl
Ministry of Economy	www.mg.gov.pl
Sejm (Parliament)	www.sejm.gov.pl
Senate	www.senat.gov.pl
Office of the Committee for European Integration	www.ukie.gov.pl
National Bank of Poland	www.nbp.pl
Chancellery of the President of the Republic of Poland	www.prezydent.pl
Chancellery of the Prime Minister	www.kprm.gov.pl
Polish Press Agency	www.pap.pl
Central Statistical Office	www.stat.gov.pl
Polish Agency for Enterprise Development	www.parp.gov.pl
Polish Information and Foreign Investment Agency	www.paiz.gov.pl

Most of the above websites contain information in Polish and English.

The whole country is covered by a network of internet cafés, facilitating access to the Internet at any time of day or night.

10. Business hours of offices, banks and shops

State and administration offices in Poland are open from Monday through Friday from 8 a.m. to 4 p.m., and on some Saturdays. Manufacturing enterprises usually work on a two-shift basis, from 6 a.m. to 2 p.m. and from 2 p.m. to 10 p.m.

Banks are open from Monday to Friday usually from 8 a.m. to 6 p.m. and on some Saturdays from 9 a.m. to 1 p.m. Some banks, however, particularly in small towns, do not work on Saturdays and their working hours on other days may be shorter.

Grocery stores are usually open from 7 a.m. to 7 p.m., while supermarkets are open longer, sometimes until 10 p.m. There are also convenience shops that are open around the clock. Some grocery stores and supermarkets are also open on Sundays.

Pharmacies selling medicines and pharmaceutical products are most often open from 8 a.m. to 8 p.m., but there is at least one pharmacy open at night in each town. Most medications are prescription medicines.

Employees of private enterprises usually start work at 8 a.m. or 9 a.m. In Warsaw and in other big cities employees of large companies, especially foreign ones, can have a lunch break during working hours. Discussing business matters with partners over a meal in a restaurant or a café both at lunch or later in the afternoon is becoming increasingly popular.

11. Hotels and restaurants

The hotel and restaurant base in Poland is developing quickly. Simultaneously, the range of offered services keeps increasing and the quality of these services keeps improving. Different regions of the country, particularly big cities, have witnessed the development of a network of high-standard hotels destined primarily for foreigners visiting Poland on business and for tourist purposes. The quality of rendered services is similar to world standards. Considerable numbers of hotels provide room service and laundry service, offer “rent-a-car” facilities, as well as sports and recreation facilities, and the like. The rates of hotel accommodation vary depending on the hotel category and the town in which it is situated.

The past few years have also seen a rapid growth in the number of private motels along major international routes crossing Poland. Their services and standards are comparable to those offered by hotels.

The existing network of restaurants, bars and coffee shops offers a wide selection of cuisines from all over the world, but first and foremost delicious and healthy specialties of the Polish cuisine. They include especially meat dishes (excellently prepared/served denison, duck and ribs) mostly with potatoes. Particularly popular soups are *rosół* (broth) and sour soups, like *barszcz* (red beet soup), *żurek* (sour rye soup with white sausage), *kapuśniak* (cabbage soup). Meat has often been replaced by fish (trout and tinch are regarded a specialty). The Polish cuisine can boast of particularly

delicious meatless dishes, e.g. *pierogi* (dumplings served sweet with fruits, salty with cabbage, cottage cheese), *naleśniki* (pancakes), cakes.

One of the favourite Polish dishes is *bigos*, i.e. cooked cabbage and sauerkraut, with several kinds of meat, many other extras (especially with mushroom) and flavouring.

It is also worth mentioning that the Polish cuisine is much diversified in regional perspective. In the west it is influenced by the German, and in the east – by the Russian cuisine.

Polish restaurants offer also a wide range of Italian, French and Chinese dishes.

Credit cards are accepted in the majority of higher-class hotels but rarely in bars, pubs or less expensive restaurants. It is customary to give a tip of 10% of the bill.

12. Leisure time activities

Leisure time should be spent on sightseeing. Main destinations of foreign trips to Poland are the largest Polish towns: Warsaw, Kraków, Wrocław, Gdańsk and Poznań. They attract tourists with diversified architecture, interesting monuments, and pleasing location. However, also smaller towns are worth visiting. They are often extremely charming having typical Polish architecture and numerous monuments of the rich Polish history.

Poland's natural environment is enchanting, especially on the Mazurian Lake District. Polish lakes and rivers can be best explored by a sailboat or a canoe. Also worth visiting is the Baltic seaside with its sandy beaches, where one can perhaps find amber – a stone of valued aesthetic and medical properties.

Mountains lovers will not be disappointed, either. The Tatra Mountains, the highest mountain range in Poland and the lower ones: the Sudeten (Sudety) and Beskid mountains, attract visitors with beautiful landscape and natural environment.

Twenty three Polish National Parks reflect the wealth of the country's natural values. The parks were created in areas inhabited by most interesting specimen of flora and fauna.

Practicing sports is another interesting leisure time activity in Poland. More and more new cycle tracks both in and outside the cities, invite to ride bicycles. Sports fields, sports halls and courts provide the possibility to practice any type of sports.

We can also recommend a rich cultural offer, particularly as regards Warsaw. It has theatres of high artistic level; the ballet and the opera repertoires are also highly appreciated.

Museums are worth attention as well. The most famous ones are located in Warsaw and Kraków. They pride on a collection of most precious of Polish and foreign artists.

Bookshops offer excellent guides, also in foreign languages, containing detailed information on leisure time activities offered in most interesting Polish towns and regions.

Numerous travel agencies offer services of hotel bookings, purchase of tickets, provision of guides and interpreters, car rental, currency exchange and the like.

13. Measures and weights, geographical time, voltage

Measures and weights

The decimal system is in use, based on the SI International System (Systeme International).

Geographical time

Poland lies in the mid-European time zone (solar time of Meridian 15E), shifting to East-European time (Meridian 30 E) in summer. The latter is used from the end of March to the end of October).

Voltage

The voltage in Poland is 230 V. The plugs used are those used in the majority of European countries. The average power-line frequency is 50 Hz.

14. Emergency phones

In emergencies, you should dial one of the following numbers:

Ambulance: 999

Fire brigade: 998

Police: 997

Gas emergencies: 992

Emergency call from mobile phones: 112

15. Public and religious holidays

The most important national and religious holidays in Poland include:

New Year – 1 January

Easter – variable (spring)

Labour Day – 1 May

Constitution Day – 3 May

Corpus Christi – variable (Thursday, June)

Ascension Day – 15 August

All Saints Day – 1 November

Independence Day – 11 November

Christmas – 25-26 December.

All the foregoing holidays are free on the basis of legal regulations.

X BASIC STATISTICAL DATA

Main indicators of Poland's economic growth in 2000-2007
(growth rate in %)

Specification	2000	2001	2002	2003	2004	2005	2006	2007
Gross domestic product	4.3	1.2	1.4	3.9	5.3	3.6	6.2	6.6
Private consumption	3.0	2.2	3.4	2.0	4.7	2.1	5.0	5.0
Gross fixed capital formation	2.7	-9.7	-6.3	-0.1	6.4	6.5	14.9	17.6
Total agricultural production	-5.6	5.8	-1.9	-0.8	7.5	-4.3	-1.2	6.1
Industrial output sold	6.7	0.6	1.1	8.3	12.6	3.7	11.2	9.5
Construction and assembly production	1.4	-11.7	-4.1	1.6	1.8	8.0	15.9	12.2
Exports (volume)	25.3	11.8	8.3	18.7	18.2	10.6	16.1	8.9
Imports (volume)	10.8	3.2	7.3	8.2	17.3	5.2	16.8	13.8
Average employment in the sector of enterprises	-3.3	-3.3	-4.4	-3.8	-0.9	1.9	3.0	4.7
Consumer price index								
- annual average	10.1	5.5	1.9	0.8	3.5	2.1	1.0	2.5
- December compared to December	8.5	3.6	0.8	1.7	4.4	0.7	1.4	4.0
Unemployment rate (in %)	15.1	19.4	20.0	20.0	19.0	17.6	14.8	11.4
PLN/USD exchange rate (according to NBP)	4.3464	4.0939	4.0795	3.8889	3.6540	3.2348	3.1025	2.7667

Source: Central Statistical Office.

Selected economic data for Poland in 2005-2007

Specification	2005	2006	2007
Gross domestic product (USD billion)	304.0	341.7	422.1
GDP per capita (USD thousand)	8.0	9.0	11.1
Private consumption (USD billion)	188.7	210.4	253.4
Gross fixed capital formation (USD billion)	55.4	67.1	91.7
Imports (USD billion)	101.5	125.6	164.2
Exports (USD billion)	89.4	109.6	138.8
Average employment in the sector of enterprises (in thousand)	4773	4918	5150
Average gross nominal salary in the sector of enterprises (in USD)	778	852	1044

Source: Central Statistical Office.

Foreign trade by country and Poland's major trading partners in 2007

Specification	Exports		Imports		Balance
	In million USD	Share in %	In million USD	Share in %	In million USD
Total	138785.0	100.0	164172.5	100.0	-25387.5
Developed countries	116573.3	84.1	116587.0	71.1	-13.7
of which the European Union	109366.6	78.9	105226.4	64.2	4140.2
Developing countries	8482.1	6.1	30149.7	18.3	-21667.6
Central and Eastern European countries	13729.6	9.8	17435.8	10.6	-3706.2
Germany	35901.2	25.9	39434.6	24.1	-3533.4
Russia	6432.2	4.6	14352.8	8.7	-7920.5
Italy	9151.6	6.6	11235.9	6.9	-2084.3
France	8443.1	6.1	8380.5	5.1	62.6
Czech Republic	7683.8	5.5	5673.8	3.5	2010.0
United Kingdom	8238.0	5.9	5107.0	3.1	3131.0
China	986.4	0.7	11753.4	7.2	-10767.0
Netherlands	5302.1	3.8	5602.4	3.4	-300.3
Sweden	4464.6	3.2	3622.3	2.2	842.3
Belgium	3721.6	2.7	4152.6	2.5	-431.0
Spain	4006.5	2.9	3503.7	2.1	502.8
Hungary	4033.8	2.9	3449.8	2.1	584.0
Ukraine	5511.3	4.0	1693.5	1.0	3817.8

Source: Central Statistical Office.

Poland's foreign trade turnover in 2007 by CN sections

Specification	Exports		Imports		Balance in million USD
	in million USD	share in %	in million USD	share in %	
Total	138785.0	100.0	164172.5	100.0	-25387.5
Livestock; animal products	4860.8	3.5	2379.8	1.4	2481.0
Plant products	2655.0	1.9	3502.3	2.1	-847.3
Fats and oils	337.0	0.2	531.2	0.3	-194.2
Prepared foodstuffs	5906.3	4.3	4598.9	2.8	1307.4
Mineral products	5672.2	4.1	17953.5	10.9	-12281.3
Products of the chemical industry	7291.5	5.3	14498.4	8.9	-7206.9
Plastics and rubber and their products	8747.4	6.3	12010.5	7.3	-3263.1
Raw hides and skins and leather products	530.5	0.4	1090.2	0.7	-559.7
Wood and wood products	3563.6	2.6	1679.9	1.0	1883.7
Wood pulp, paper, paper board and their products	4062.6	2.9	4465.1	2.7	-402.5
Textiles and textile products	4655.3	3.4	6954.8	4.2	-2299.5
Footwear, headgear, etc.	500.5	0.4	780.1	0.5	-279.6
Stone and ceramic products, glass	3143.3	2.3	2415.3	1.5	728.0
Pearls, precious stones, metals and their products	713.8	0.5	383.7	0.2	330.1
Base metals and their products	18411.1	13.3	20724.1	12.7	-2313.0
Machinery and mechanical appliances, electrical and electrotechnical equipment	34635.1	24.9	40353.0	24.5	-5717.9
Transport equipment	23032.8	16.6	18689.6	11.4	4343.2
Optical, photographic, measuring, checking instruments, etc.	1129.1	0.8	3989.6	2.4	-2860.5
Arms and ammunition	66.7	0.1	132.9	0.1	-66.2
Miscellaneous products – furniture, prefabricated buildings, toys, etc.	8816.6	6.4	2861.7	1.7	5954.9
Works of art, collector's items and antiques	53.8	0.0	4177.9	2.5	-4124.1

Source: Central Statistical Office.

Poland's foreign trade balance on a cash basis in 2005-2007 (USD million)

Specification	2005	2006	2007
A. CURRENT ACCOUNT	-4 775	-11 084	-15 794
Trade balance:	-2 766	-7 004	-15 553
Exports FOB	96 395	117 468	144 609
Imports FOB	99 161	124 472	160 162
Services:	1 946	2 217	4 024
Credit	16 258	20 584	28 710
Debit	14 312	18 367	24 686
Income:	-10 889	-14 500	-12 788
Credit	2 795	4 147	10 372
Debit	13 684	18 647	23 160
Current traders	6 934	8 203	8 523
Credit	11 036	12 785	15 274
Debit	4 102	4 582	6 751
B. CAPITAL ACCOUNT	995	2 105	4 752
Credit	1 185	2 573	5 392
Debit	190	468	640
C. FINANCIAL ACCOUNT	15 295	12 111	34 315
Polish direct investment abroad	-3 350	-9 161	-3 353
Foreign direct investment in Poland	10 363	19 198	17 580
Portfolio investment-credit	-2 509	-4 550	-6 054
Portfolio investment-debit	15 109	1 543	1 400
Other investment-credit	-2 782	-3 734	-918
Other investment-debit	-1 729	9 572	27 650
Derivatives	193	-757	-1 990
D. ERRORS AND OMISSIONS	-3 380	-652	-10 236
TOTAL (ITEMS A TO D)	8 135	2480	13 037
E. OFFICIAL RESERVE ASSETS	-8 135	-2 480	-13 037

Source: National Bank of Poland.

Influx of foreign direct investment to Poland in 2006 and Poland's FDI-related liabilities
by country of origin (as of 31 December 2006)

Specification	Influx		Liabilities as of 31.12.2006	
	in million USD	share in %	in million USD	share in %
Total	18942.1	100.0	124358.5	100.0
EU-15 countries	16347.5	86.3	103530.9	83.3
of which:				
- The Netherlands	1648.5	8.7	24795.1	19.9
- Germany	3405.2	18.0	20412.7	16.4
- France	959.6	5.1	14245.1	11.5
- Luxemburg	4488.8	23.7	9770.5	7.9
- Italy	1707.0	9.0	5425.5	4.4
- United Kingdom	1483.5	7.8	4992.9	4.0
- Sweden	300.6	1.6	4760.5	3.8
- Austria	-476.3	x	4556.7	3.7
- Belgium	305.3	1.6	3952.0	3.2
Other countries	2594.6	13.7	20827.6	16.7
of which:				
- USA	529.7	2.8	9068.2	7.3
- South Korea	489.8	2.6	1237.5	1.0
- Japan	314.3	1.7	1062.6	0.9
- Russia	-39.0	x	660.7	0.5

Source: National Bank of Poland.

Influx of foreign direct investment to Poland in 2006
and Poland's FDI-related liabilities by processing industry sectors
and divisions (as of 31 December 2006)

Specification	Influx		Liabilities as of 31.12.2006	
	in million USD	share in %	in million USD	share in %
Total	18942.1	100.0	124358.5	100.0
Agriculture and fisheries	50.5	0.3	514.1	0.4
Mining and quarrying	25.8	0.1	161.0	0.1
Processing industry	4464.3	23.6	42195.5	33.9
of which production of:				
- foods products	372.2	2.0	6356.9	5.1
- textile products and clothing	6.2	0.0	436.0	0.4
- timber, paper, publishing and printing	431.5	2.3	4426.8	3.6
- coke and petroleum products	33.0	0.2	125.2	0.1
- chemical products	705.4	3.7	4216.7	3.4
- rubber and plastic products	654.1	3.5	3518.7	2.8
- metals and metal products	921.5	4.9	4497.7	3.6
- machinery and equipment	217.5	1.1	2113.0	1.7
- office equipment and computers	24.0	0.1	61.1	0.0
- radio and TV equipment	238.1	1.3	1101.4	0.9
- motor vehicles	556.8	2.9	6910.2	5.6
- other transport equipment	238.8	1.3	582.0	0.5
Electricity, gas and water production and supply	96.3	0.5	3579.6	2.9
Construction	482.4	2.5	2381.1	1.9
Trade and repairs	3040.3	16.1	21694.1	17.4
Hotels and restaurants	45.6	0.2	664.7	0.5
Transport, warehousing and communications	1102.7	5.8	10001.6	8.0
Financial brokerage	2124.5	11.2	23492.3	18.9
Real estate service, IT, science and other business-related services	6162.1	32.5	17057.1	13.7
<i>Memo:</i>				
- total industry	4586.4	25.6	45936.1	37.0
- total services	12554.0	66.3	73475.1	59.1

Source: National Bank of Poland.

XI

USEFUL ADDRESSES

I. MINISTRIES AND SELECTED CENTRAL OFFICES

1. **MINISTRY OF ECONOMY**
MINISTERSTWO GOSPODARKI
Pl. Trzech Krzyży 3/5
00-507 Warszawa
Tel.: 48(22) 6935000
Fax: 6934048, 6934013,
e-mail: mg@mg.gov.pl
<http://www.mg.gov.pl>
2. **MINISTRY OF NATIONAL EDUCATION**
MINISTERSTWO EDUKACJI NARODOWEJ
Al. J.Ch. Szucha 25
00-918 Warszawa
Tel.: 48(22) 3474100, 5224100
Fax: 6286953, 6283504
e-mail: minister@men.gov.pl, informacja@men.gov.pl
<http://www.men.gov.pl>
3. **MINISTRY OF FINANCE**
MINISTERSTWO FINANSÓW
ul. Świętokrzyska 12
00-916 Warszawa
Tel.: 48(22) 6945555, 6945058
Fax: 6944177, 8272722
e-mail: sekretariat.bm@mofnet.gov.pl
<http://www.mf.gov.pl>
4. **MINISTRY OF INFRASTRUCTURE**
MINISTERSTWO INFRASTRUKTURY
ul. Chałubińskiego 4/6
00-928 Warszawa
Tel.: 48(22) 6301000, 6301122
Fax: 6301116, 8300063
e-mail: info@mi.gov.pl
<http://www.mi.gov.pl>
5. **MINISTRY OF CULTURE AND NATIONAL HERITAGE**
MINISTERSTWO KULTURY I DZIEDZICTWA NARODOWEGO
ul. Krakowskie Przedmieście 15/17
00-071 Warszawa
Tel.: 48(22) 4210100, 4210431
Fax: 8260726, 8269148
e-mail: rzecznik@mkidn.gov.pl
<http://www.mkidn.gov.pl>
6. **MINISTRY OF SCIENCE AND HIGHER EDUCATION**
MINISTERSTWO NAUKI I SZKOLNICTWA WYŻSZEGO
ul. Wspólna 1/3
00-529 Warszawa
Tel.: 48(22) 5292718, 6281944
Fax: 6280922, 5292621
e-mail: dip@mnisw.gov.pl
<http://www.mnisw.gov.pl>

- 7. MINISTRY OF NATIONAL DEFENCE**
MINISTERSTWO OBRONY NARODOWEJ
 ul. Klonowa 1
 00-909 Warszawa
 Tel.: 48(22) 6280031, 6280032, 6280033, 6280034
 Fax: 8455378, 6840224
 e-mail: dpi@mon.gov.pl
<http://www.mon.gov.pl>
- 8. MINISTRY OF LABOUR AND SOCIAL POLICY**
MINISTERSTWO PRACY I POLITYKI SPOŁECZNEJ
 ul. Nowogrodzka 1/3/5
 00-513 Warszawa
 Tel.: 48(22) 6611000, 6611102
 Fax: 6611101, 6611336
 e-mail: prasa@mps.gov.pl
<http://www.mpips.gov.pl>
- 9. MINISTRY OF AGRICULTURE AND RURAL DEVELOPMENT**
MINISTERSTWO ROLNICTWA I ROZWOJU WSI
 ul. Wspólna 30
 00-930 Warszawa
 Tel.: 48(22) 6231239, 6231510, 6231000
 Fax: 6232750, 6232751
 e-mail: kancelaria@minrol.gov.pl
<http://www.minrol.gov.pl>
- 10. MINISTRY OF REGIONAL DEVELOPMENT**
MINISTERSTWO ROZWOJU REGIONALNEGO
 ul. Wspólna 2/4
 00-926 Warszawa
 Tel.: 48(22) 4613000, 4613962
 Fax: 4613310
 e-mail: media@mrr.gov.pl
<http://www.mrr.gov.pl>
- 11. MINISTRY OF STATE TREASURY**
MINISTERSTWO SKARBU PAŃSTWA
 ul. Krucza 36
 00-522 Warszawa
 Tel.: 48(22) 6958000, 6959000
 Fax: 6213361, 6280872
 e-mail: minister@msp.gov.pl
<http://www.msp.gov.pl>
- 12. MINISTRY OF SPORT AND TOURISM**
MINISTERSTWO SPORTU I TURYSTYKI
 ul. Senatorska 14
 00-082 Warszawa
 Tel.: 48(22) 2443142, 2443144
 Fax: 2443255, 2443209
 e-mail: rzecznik@msport.gov.pl
<http://www.msport.gov.pl>
- 13. MINISTRY OF JUSTICE**
MINISTERSTWO SPRAWIEDLIWOŚCI
 Al. Ujazdowskie 11
 00-950 Warszawa
 Tel.: 48(22) 5212888
 Fax: 6286552, 6281901
 e-mail: wi@ms.gov.pl
<http://www.ms.gov.pl>
- 14. MINISTRY OF INTERIOR AND ADMINISTRATION**
MINISTERSTWO SPRAW WEWNĘTRZNYCH I ADMINISTRACJI
 ul. S.Batorego 5
 02-591 Warszawa
 Tel.: 48(22) 6212020
 Fax: 8497494, 6227973
 e-mail : minister@mswia.gov.pl
<http://www.mswia.gov.pl>
- 15. MINISTRY OF FOREIGN AFFAIRS**
MINISTERSTWO SPRAW ZAGRANICZNYCH
 Al. J.Ch. Szucha 23
 00-580 Warszawa
 Tel.: 48(22) 5239000, 5239318
 Fax: 6290287, 6283353
 e-mail: dsi@msz.gov.pl, rzecznik@msz.gov.pl
<http://www.msz.gov.pl>
- 16. MINISTRY OF ENVIRONMENT**
MINISTERSTWO ŚRODOWISKA
 ul. Wawelska 52/54
 00-922 Warszawa
 Tel.: 48(22) 5792900, 5792400
 Fax: 5792224, 5792511
 e-mail: info@mos.gov.pl, comment@mos.gov.pl
<http://www.mos.gov.pl>

- 17. MINISTRY OF HEALTH**
MINISTERSTWO ZDROWIA
 ul. Miodowa 15
 00-952 Warszawa
 Tel.: 48(22) 6349600, 6349326
 Fax: 6349213, 8262791
 e-mail: kancelaria@mz.gov.pl
<http://www.mz.gov.pl>
- 18. OFFICE OF THE COMMITTEE FOR EUROPEAN INTEGRATION**
URZĄD KOMITETU INTEGRACJI EUROPEJSKIEJ
 Al. J.Ch. Szucha 23
 00-580 Warszawa
 Tel.: 48(22) 4555337, 4555352
 Fax: 4555340, 4555353
 e-mail: cie@mail.ukie.gov.pl, biuro.prasowe@mail.ukie.gov.pl
<http://www.ukie.gov.pl>
- 19. OFFICE OF COMPETITION AND CONSUMER PROTECTION**
URZĄD OCHRONY KONKURENCJI I KONSUMENTÓW
 Plac Powstańców Warszawy 1
 00-950 Warszawa
 Tel.: 48(22) 5560800
 Fax: 8266125
 e-mail: uokik@uokik.gov.pl
<http://www.uokik.gov.pl>
- 20. PATENT OFFICE OF THE REPUBLIC OF POLAND**
URZĄD PATENTOWY RZECZYPOSPOLITEJ POLSKIEJ
 Al. Niepodległości 188/192
 00-950 Warszawa
 Tel.: 48(22) 5790000, 5790220
 Fax: 5790001
 e-mail: informacja@uprp.pl
<http://www.uprp.pl>
- 21. OFFICE OF TECHNICAL INSPECTION**
URZĄD DOZORU TECHNICZNEGO
 ul. Szczeńsliwicka 34
 02-353 Warszawa
 Tel.: 48(22) 5722100, 5722101
 Fax: 8227209
 e-mail: udt@udt.gov.pl
<http://www.udt.gov.pl>
- 22. CENTRAL OFFICE OF MEASURES**
GLÓWNY URZĄD MIAR
 ul. Elektoralna 2
 00-139 Warszawa
 Tel.: 48(22) 5819399, 5819545
 Fax: 6208378, 6208411
 e-mail: gum@gum.gov.pl
<http://www.gum.gov.pl>
- 23. NATIONAL INSTITUTE OF HYGIENE**
PAŃSTWOWY ZAKŁAD HIGIENY
 ul. Chocimska 24
 00-791 Warszawa
 Tel.: 48(22) 5421400
 Fax: 8497484, 8493513
<http://www.pzh.gov.pl>
- 24. NATIONAL BANK OF POLAND**
NARODOWY BANK POLSKI
 ul. Świętokrzyska 11/21
 00-919 Warszawa
 Tel.: 48(22) 6531000
 Fax: 6208518
 e-mail: nbp@nbp.pl, sekretariat.gp@mail.nbp.pl
<http://www.nbp.pl>
- 25. POLISH CHAMBER OF COMMERCE**
KRAJOWA IZBA GOSPODARCZA
 ul. Trębacka 4
 00-074 Warszawa
 Tel.: 48(22) 6309600
 Fax: 8274673
 e-mail: kig@kig.pl, kigcp@kigcp.pl
<http://www.kig.pl>
- 26. POLISH INFORMATION AND FOREIGN INVESTMENT AGENCY S.A.**
POLSKA AGENCJA INFORMACJI I INWESTYCJI ZAGRANICZNYCH S.A.
 ul. Bagatela 12
 00-585 Warszawa
 Tel.: 48(22) 3349800, 3349905, 3349980
 Fax: 3349999
 e-mail: post@paiz.gov.pl, invest@paiz.gov.pl
<http://www.paiz.gov.pl>

II. VOIVODESHIP OFFICES

1. Dolnośląskie Voivodeship Office in Wrocław
Dolnośląski Urząd Wojewódzki we Wrocławiu
Pl. Powstańców Warszawy 1
50-951 Wrocław
Tel.: 48(71) 3406000, 3406273, 3406301
Fax: 3406895
e-mail: info@duw.pl
http://www.duw.pl
2. Kujawsko-Pomorskie Voivodeship Office in Bydgoszcz
Kujawsko-Pomorski Urząd Wojewódzki w Bydgoszczy
ul. Jagiellońska 3
85-950 Bydgoszcz
Tel.: 48(52) 3497913, 3497780
Fax: 3497294, 3497460
e-mail: wojewoda@uwoj.bydgoszcz.pl
http://www.uwoj.bydgoszcz.pl
3. Lubelskie Voivodeship Office in Lublin
Lubelski Urząd Wojewódzki w Lublinie
ul. Spokojna 4
20-914 Lublin
Tel.: 48(81) 7424308, 7424310
Fax: 7424309
e-mail: wojewoda@lublin.uw.gov.pl
http://www.uw.lublin.pl, www.lublin.uw.gov.pl
4. Lubuskie Voivodeship Office in Gorzów Wielkopolski
Lubuski Urząd Wojewódzki w Gorzowie Wielkopolskim
ul. Jagiellończyka 8
66-400 Gorzów Wielkopolski
Tel.: 48(95) 7115110, 7115235, 7115600
Fax: 7115803
e-mail: wojewoda@uwoj.gorzow.pl
http://www.wojewodalubuski.pl, www.luw.pl
5. Łódzkie Voivodeship Office in Łódź
Łódzki Urząd Wojewódzki w Łodzi
ul. Piotrkowska 104
90-926 Łódź
Tel.: 48(42) 6641010, 6641413
Fax: 6641040
e-mail: sekretariat@lodz.uw.gov.pl
http://www.uw.lodz.pl, www.lodz.uw.gov.pl
6. Małopolskie Voivodeship Office in Kraków
Małopolski Urząd Wojewódzki w Krakowie
ul. Basztowa 22
31-156 Kraków
Tel.: 48(12) 3921200, 3921104
Fax: 6160438, 3921999
e-mail: wojewoda@malopolska.uw.gov.pl
http://www.krakow.uw.gov.pl, www.malopolska.uw.gov.pl
7. Mazowieckie Voivodeship Office in Warsaw
Mazowiecki Urząd Wojewódzki w Warszawie
Pl. Bankowy 3/5
00-950 Warszawa
Tel.: 48(22) 6956588, 6956995
Fax: 6203704, 6956687
e-mail: wojewoda@mazowieckie.pl,
info@mazowieckie.pl
http://www.mazowsze.uw.gov.pl, www.mazowieckie.pl
8. Opolskie Voivodeship Office in Opole
Opolski Urząd Wojewódzki w Opolu
ul. Piastowska 14
45-082 Opole
Tel.: 48(77) 4524125, 4524706, 4524252
Fax: 4524705
e-mail: gw@opole.uw.gov.pl
http://www.opole.uw.gov.pl
9. Podkarpackie Voivodeship Office in Rzeszów
Podkarpacki Urząd Wojewódzki w Rzeszowie
ul. Grunwaldzka 15
35-959 Rzeszów
Tel.: 48(17) 8671000, 8671901
Fax: 8671950
e-mail: sekrwoj@rzeszow.uw.gov.pl
http://www.rzeszow.uw.gov.pl
10. Podlaskie Voivodeship Office in Białystok
Podlaski Urząd Wojewódzki w Białymstoku
ul. Mickiewicza 3
15-213 Białystok
Tel.: 48(85) 7439315, 7439201
Fax: 7439231, 7322486
e-mail: wojewoda@bialystok.uw.gov.pl
http://www.bialystok.uw.gov.pl

- 11. Pomorskie Voivodeship Office in Gdańsk**
 Pomorski Urząd Wojewódzki w Gdańsku
 ul. Okopowa 21/27
 80-810 Gdańsk
 Tel.: 48(58) 3077695, 3077213
 Fax: 3011417
 e-mail: zok@gdansk.uw.gov.pl
<http://www.gdansk.uw.gov.pl>
- 12. Śląskie Voivodeship Office in Katowice**
 Śląski Urząd Wojewódzki w Katowicach
 ul. Jagiellońska 25
 40-032 Katowice
 Tel.: 48(32) 2077777, 2554037
 Fax: 2552482, 2054623
 e-mail: wojewoda@katowice.uw.gov.pl
<http://www.katowice.uw.gov.pl>
- 13. Świętokrzyskie Voivodeship Office in Kielce**
 Świętokrzyski Urząd Wojewódzki w Kielcach
 Al. IX Wieków Kielc 3
 25-516 Kielce
 Tel.: 48(41) 3442956, 3421115
 Fax: 3444832
 e-mail: wojewoda@kielce.uw.gov.pl
<http://www.kielce.uw.gov.pl>
- 14. Warmińsko-Mazurskie Voivodeship Office in Olsztyn**
 Warmińsko-Mazurski Urząd Wojewódzki w Olsztynie
 Al. J. Piłsudskiego 7/9
 10-575 Olsztyn
 Tel.: 48(89) 5232201, 5232200
 Fax: 5351881
 e-mail: wojewoda@uw.olsztyn.pl
<http://www.uw.olsztyn.pl>, www.olsztyn.uw.gov.pl
- 15. Wielkopolskie Voivodeship Office in Poznań**
 Wielkopolski Urząd Wojewódzki w Poznaniu
 al. Niepodległości 16/18
 61-713 Poznań
 Tel.: 48(61) 8541071, 8541300
 Fax: 8527327
 e-mail: wuw@poznan.uw.gov.pl
<http://www.poznan.uw.gov.pl>
- 16. Zachodniopomorskie Voivodeship Office in Szczecin**
 Zachodniopomorski Urząd Wojewódzki w Szczecinie
 Wały Chrobrego 4
 70-502 Szczecin
 Tel.: 48(91) 4303315, 4342413
 Fax: 4303431, 4330250
 e-mail: wojewoda@szczecin.uw.gov.pl
<http://www.szczecin.uw.gov.pl>

III. SPECIAL ECONOMIC ZONES

- 1. EURO-PARK Mielec Special Economic Zone**
 Specjalna Strefa Ekonomiczna EURO-PARK Mielec
 Managing company: Agencja Rozwoju Przemysłu S.A.
 in Warsaw
 ARP S.A. Mielec Branch
 ul. Partyzantów 25
 39-300 Mielec
 Tel.: 48(17) 7887236
 Fax: 7887769
 e-mail: europark@europark.com.pl
<http://www.europark.com.pl>
- 2. Katowicka Special Economic Zone**
 Katowicka Specjalna Strefa Ekonomiczna
 Managing company: Katowicka Specjalna Strefa Ekonomiczna S.A.
 ul. Sienkiewicza 28
 40-032 Katowice
 Tel.: 48(32) 2510736, 2510958, 7857068
 Fax: 2513766
 e-mail: ksse@ksse.com.pl
<http://www.ksse.com.pl>

- 3. Suwalska Special Economic Zone**
Suwalska Specjalna Strefa Ekonomiczna
Managing company: Suwalska Specjalna Strefa Ekonomiczna S.A. in Suwałki
ul. Noniewiczza 49
16-400 Suwałki
Tel./Fax: 48(87) 5652217, 5652449
e-mail: ssse@ssse.com.pl, suwalki@ssse.com.pl,
goldap@ssse.com.pl, elk@ssse.com.pl
<http://www.ssse.com.pl>
- 4. Legnicka Special Economic Zone**
Legnicka Specjalna Strefa Ekonomiczna
Managing company: Legnicka Specjalna Strefa Ekonomiczna S.A.
ul. Kardynała B. Kominka 9
59-220 Legnica
Tel.: 48(76) 7277470
Fax: 7277474
e-mail: lsse@strefa-legnica.com
<http://www.strefa-legnica.com>
- 5. Łódzka Special Economic Zone**
Łódzka Specjalna Strefa Ekonomiczna
Managing company: Łódzka Specjalna Strefa Ekonomiczna S.A.
ul. Ks. Tymienieckiego 22/24
90-349 Łódź
Tel.: 48(42) 6762753, 6762754
Fax: 6762755
e-mail: info@sse.lodz.pl
<http://www.sse.lodz.pl>
- 6. Wałbrzyska Special Economic Zone**
Wałbrzyska Specjalna Strefa Ekonomiczna
Managing company: Wałbrzyska Specjalna Strefa Ekonomiczna Invest-Park Sp. z o.o.
ul. Uczniowska 21
58-306 Wałbrzych
Tel.: 48(74) 6649163, 6649164
Fax: 6649162
e-mail: invest@invest-park.com.pl
<http://www.invest-park.com.pl>
- 7. Kamiennogórska Special Economic Zone of Small Enterprise**
Kamiennogórska Specjalna Strefa Ekonomiczna Małej Przedsiębiorczości
Managing company: Specjalna Strefa Ekonomiczna Małej Przedsiębiorczości S.A.
ul. Papieża Jana Pawła II 11a
58-400 Kamienna Góra
Tel.: 48(75) 6451503 - 06
Fax: 7442017
e-mail: strefa@ssemp.pl
<http://www.ssemp.pl>
- 8. Kostrzyńsko-Słubicka Special Economic Zone**
Kostrzyńsko-Słubicka Specjalna Strefa Ekonomiczna
Managing company: Kostrzyńsko-Słubicka Specjalna Strefa Ekonomiczna S.A. in Kostrzyn
ul. Orła Białego 22
66-470 Kostrzyn nad Odrą
Tel.: 48(95) 7219800
Fax: 7524167
e-mail: info@kssse.pl
<http://www.kssse.pl>
- 9. Słupska Special Economic Zone**
Słupska Specjalna Strefa Ekonomiczna
Managing company: Pomorska Agencja Rozwoju Regionalnego S.A.
ul. Poznańska 1a
76-200 Słupsk
Tel.: 48(59) 8412892, 8401174
Fax: 8413261
e-mail: office@parr.slupsk.pl
<http://www.parr.slupsk.pl>
- 10. Special Economic Zone "Starachowice"**
Specjalna Strefa Ekonomiczna „Starachowice”
Managing company: Special Economic Zone “Starachowice” S.A.
ul. Radomska 29
27-200 Starachowice
Tel.: 48(41) 2754101, 2754445
Fax: 2754102
e-mail: sse@sse.com.pl, sekretariat@sse.com.pl
<http://www.sse.com.pl>

**11. Tarnobrzaska Special Economic Zone
"Euro-Park Wisłosan"**
Tarnobrzaska Specjalna Strefa Ekonomiczna
„Euro-Park Wisłosan”
Managing company: Agencja Rozwoju Przemysłu S.A.
in Warsaw
ul. Wołoska 7
02-675 Warszawa
Tel.: 48(22) 4603600, 4603700
Fax: 4603701
e-mail: arpsa@arp.com.pl
<http://www.arp.com.pl>

Branch office in Tarnobrzeg:
Agencja Rozwoju Przemysłu S.A. in Warsaw
Tarnobrzeg Branch
ul. Zakładowa 48
39-405 Tarnobrzeg - Machów
Tel.: 48(15) 8229999, 8236688
Fax: 8234708
e-mail: biuro@tsse.pl
<http://www.tsse.pl>

12. Pomorska Special Economic Zone
Pomorska Specjalna Strefa Ekonomiczna
Managing company: Pomorska Specjalna Strefa
Ekonomiczna Sp. z o.o.
ul. Władysława IV 9
81-703 Sopot
Tel.: 48(58) 5559700, 5559717
Fax: 5559711
e-mail: headoffice@strefa.gda.pl,
marketing@strefa.gda.pl
<http://www.strefa.gda.pl>

13. Warmińsko-Mazurska Special Economic Zone
Warmińsko-Mazurska Specjalna Strefa Ekonomiczna
Managing company: Warmińsko-Mazurska Specjalna
Strefa Ekonomiczna S.A.
ul. Kasprowicza 1
10-219 Olsztyn
Tel.: 48(89) 5350241
Fax: 5359002
e-mail: wmsse@wmsse.com.pl
<http://www.wmsse.com.pl>

**14. Special Economic Zone "Kraków Technology
Park"**
Specjalna Strefa Ekonomiczna „Krakowski Park
Technologiczny”
Managing company: Krakowski Park
Technologiczny Sp. z o.o.
Al. Jana Pawła II 41 L
31-864 Kraków
Tel.: 48(12) 6401940
Fax: 6401945
e-mail: biuro@sse.krakow.pl
<http://www.sse.krakow.pl>

IV. POLISH EMBASSIES ABROAD

1. AFGHANISTAN
Embassy of the Republic of Poland
Maghzan Street
Kharte Seh, KABUL, Afghanistan
e-mail: embapolkابل@yahoo.pl
<http://www.kابل.polemb.net>

2. ALBANIA
Embassy of the Republic of Poland
Rruga e Durrësit 123, TIRANA, Albania
Tel.: (0-0355 4) 2234190
Fax: (0-0355 4) 2233364
e-mail: polemb@albaniaonline.net
<http://www.tirana.polemb.net>

3. ALGERIA

Ambassade de la République de Pologne
104 Hai El Binaa, Dely Brahim
ALGER, Algerie
Tel.: (0-0213 21) 917782, 917783
Fax: (0-0213 21) 917812, 917804
e-mail: ambalgier@yahoo.pl,
polwehalger@polwehalg.org
<http://www.algier.polemb.net>, www.alger.trade.gov.pl

4. ANGOLA

Embaixada da República da Polónia
Rua Comandante N'zaji 21/23
CP. 1340, Alvalade, LUANDA, Angola
Tel.: (0-0244) 222 323088
Fax: (0-0244) 222 323086
e-mail: embpol@netangola.com
<http://www.luanda.polemb.net>

5. ARGENTINA

Embajada de la República de Polonia
Alejandro María de Aguado 2870
1425 BUENOS AIRES, Argentina
Tel.: (0-054 11) 48029681-82, 48081700
Fax: (0-054 11) 48029683, 48081701
e-mail: ambuenos@datamarkets.com.ar,
emb@buenosaires.polemb.net,
promocion@fibertel.com.ar
<http://www.buenosaires.polemb.net>,
www.buenosaires.trade.gov.pl

6. ARMENIA

Embassy of the Republic of Poland
44 a Hanrapetutyán str., 375010 YEREVAN, Armenia
Tel.: (0-0374 10) 542493, 542495
Fax: (0-0374 10) 542498, 542496
e-mail: armpolemb@ct.futuro.pl,
armpolcons@ct.futuro.pl
<http://erewan.polemb.net>

7. AUSTRALIA

Embassy of the Republic of Poland
7 Turrana Street
Yarralumla ACT 2600
Australia
Tel.: (0-061 2) 62721000
Fax: (0-061 2) 62733184
e-mail: embassy@canberra.polemb.net
<http://www.canberra.polemb.net>

8. AUSTRIA

Botschaft der Republik Polen
Hietzinger Hauptstraße 42c
1130 Wien, Österreich
Tel.: (0-043 1) 87015-0, 87015100
Fax: (0-043 1) 87015222
e-mail: info@botschaft.at, sekretariat@botschaft.at,
wien@trade.gov.pl
<http://www.wien.polemb.net>, www.wien.trade.gov.pl

9. AZERBAIJAN

Embassy of the Republic of Poland
2, Kichik Gala str.
AZ-1000 BAKU, Azerbaijan
Tel.: (0-0994 12) 4920114, 4975281, 4974708
Fax: (0-0994 12) 4920214
e-mail: embpol@azeurotel.com
<http://www.baku.polemb.net>

10. BELARUS

Ambassade de la République de Pologne
Rumiancewa 6
220034 MINSK, République de Biélorussie
Tel.: (0-0375 17) 2882114, 2882313
Fax: (0-0375 17) 2339750, 2944992
e-mail: ambasada@minsk.polemb.net,
ambasada_we@minsk.polemb.net, wphi.minsk@sml.by
<http://www.minsk.polemb.net>, www.minsk.trade.gov.pl

11. BELGIUM

Ambassade de la République de Pologne
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Tel.: (0-032 2) 7390100
Fax: (0-032 2) 7361881
e-mail: ambassadebe@polembassy.be,
polambbxl@skynet.be, info@poleconomie.be
<http://www.brussels.polemb.net>,
www.brussels.trade.gov.pl

12. BOSNIA AND HERZEGOVINA

Embassy of the Republic of Poland
ul. Dola 13, 71000 Sarajevo, Bosnia and Herzegovina
Tel.: (0-0387 33) 201142
Fax: (0-0387 33) 233796
e-mail: amsar@bih.net.ba
<http://www.sarajewo.polemb.net>

13. BRAZIL

Embaixada da República da Polónia
SES - Avenida das Nações, Od. 809 Lote 33
BRASILIA - DF - CEP 70423-900, Brazil
Tel.: (0-055 61) 32128000
Fax: (0-055 61) 32428543
e-mail: embaixada@polonia.org.br,
comercial@poloniatrade.org.br
http://www.brazylia.polemb.net,
www.saopaulo.trade.gov.pl

14. BULGARIA

Embassy of the Republic of Poland
ul. Chan Krum 46, 1000 SOFIA, Bulgaria
Tel.: (0-0359 2) 9872610, 9872660
Fax: (0-0359 2) 9872939
e-mail: polamba@ambasadarpsofia.org, trade@pl-bg.info
http://www.sofia.polemb.net, www.sofia.trade.gov.pl

15. CANADA

Embassy of the Republic of Poland
443 Daly Avenue, OTTAWA, Ontario K1N 6H3,
Canada
Tel.: (0-01 613) 7890468, 7893376, 7893377
Fax: (0-01 613) 7891218
e-mail: ottawa@ottawa.polemb.net,
tradeoffice@poland-canada.org
http://www.ottawa.polemb.net, www.poland-canada.org,
www.montreal.gov.pl

16. CHILE

Embajada de la República de Polonia
Mar del Plata 2055, Comuna Providencia
SANTIAGO, Chile
Tel.: (0-056 2) 2041213, 2690212
Fax: (0-056 2) 2049332, 3418648
e-mail: embchile@entelchile.net
http://www.santiagodechile.polemb.net, www.polonia.cl,
www.embpolonia.cl

17. CHINA

Embassy of the Republic of Poland
1, Ritan Road,
100600 BEIJING, People's Republic of China
Tel.: (0-086 10) 65321235 - 37
Fax: (0-0 86 10) 65321745
e-mail: polska@public2.bta.net.cn,
polcom@public3.bta.net.cn
http://www.pekin.polemb.net, www.beijing.trade.gov.pl

Consulate General of the Republic of Poland
Rooms 3505-3506, Hopewell Centre
183 Queen's Road East, Wanchai,
HONG KONG Special Administrative Region
of the People's Republic of China
Tel.: (0-0852) 28400779, 28400814
Fax: (0-0852) 25960062, 29189109
e-mail: kgrphk@netnavigator.com,
kgcommhk@netnavigator.com
http://www.hongkongkg.polemb.net

18. COLOMBIA

Embajada de la República de Polonia
de Bogota, D.C., Columbia
Apartado Aereo 101363 Unicentro
Cra 21 Bis No 104A - 15 Bogota, República
de Colombia
Tel.: (0-057 1) 2140400, 2142931
Fax: (0-057 1) 2140854
e-mail: polemb1@supercabletv.net.co,
polemb2@supercabletv.net.co
http://www.bogota.polemb.net

19. CROATIA

Embassy of the Republic of Poland
ul. Krlježin Gvozd 3, 10000 ZAGREB, Croatia
Tel.: (0-0385 1) 4899444
Fax: (0-0385 1) 4834577
e-mail: ambasada-polska@zg.htnet.hr,
ekonomia-amb@post.t-com.hr, weh.zagreb@zg.htnet.hr,
weh.zagreb@zg.t-com.hr
http://www.zagrzeb.polemb.net,
www.zagrzeb.trade.gov.pl

20. CUBA

Embajada de la República de Polonia
Calle G no.452 esq. 19 Vedado
Ciudad de la Habana C.P. 10400
Apartado 6650, Cuba
Tel.: (0-0537) 8332439, 8332440
Fax: (0-0537) 8332442
e-mail: havpolemb@ct.futuro.pl
http://www.hawana.polemb.net

21. CYPRUS

Embassy of the Republic of Poland
Kennedy Avenue 12-14, Office 601
1087 NICOSIA, Cyprus
Tel.: (0-0 357) 22 753517
Fax: (0-0 357) 22 751981
e-mail: secretariat@polamb.org.cy, poland@logos.cy.net
http://www.nikozja.polemb.net

- 22. CZECH REPUBLIC**
 Embassy of the Republic of Poland
 Valdštejnská 8, 118 01 Praha 1, Czech Republik
 Tel.: (0-0420) 257099500
 Fax: (0-0420) 257530399
 e-mail: ambrpczechy@mbox.vol.cz, weh@weh.cz
<http://www.prague.polemb.net>, www.praha.trade.gov.pl
- 23. DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA**
 Embassy of the Republic of Poland
 Tedongang - Munsudong, Pyongyang, DPR of Korea
 Tel.: (0-08502) 3817325
 Fax: (0-08502) 3817634, 3817637
<http://www.phenian.polemb.net>
- 24. DEMOCRATIC REPUBLIC OF THE CONGO**
 Ambassade de la République de Pologne
 63, Avenue de la Justice
 Kinshasa Gombe
 BP 8553 KINSHASA 1
 République Démocratique du Congo
 Tel. (0-0243) 817006327
 Fax: (0-0243) 813000523
 e-mail: kinpolamb@yahoo.com
<http://www.kinszasa.polemb.net>
- 25. DENMARK**
 Embassy of the Republic of Poland
 Richelieus Alle 12, 2900 Hellerup, Denmark
 Tel.: (0-045) 39467700
 Fax: (0-045) 39467766
 e-mail: mail@ambpol.dk, polcom@polcom.dk
<http://www.copenhagen.polemb.net>, www.polcom.dk,
www.copenhagen.trade.gov.pl
- 26. EGYPT**
 Embassy of the Republic of Poland
 5 El Aziz Osman Str., Zamalek, CAIRO
 Arab Republic of Egypt
 Tel.: (0-0202) 27367456, 27359583
 Fax: (0-0202) 27355427
 e-mail: secretary@kair.polemb.net,
 sahafa@kair.polemb.net, info@wehkair.com
<http://www.kair.polemb.net>, www.cairo.trade.gov.pl
- 27. ESTONIA**
 Embassy of the Republic of Poland
 Suur Karja 1/Vana Turg 2/4
 10140 TALLINN, Estonia
 Tel.: (0-0372) 6278206, 6278212
 Fax: (0-0372) 6445221
 e-mail: poola.info@mail.ee, poola@poola.ee
<http://www.tallin.polemb.net>, www.poola.ee
- 28. ETHIOPIA**
 Embassy of the Republic of Poland
 Gulele Sub-City, Kebele 08, House No. 583, Dej. Belay Zeleke Road
 P.O.Box 27207/1000, ADDIS ABABA, Ethiopia
 Tel.: (0-0251 11) 1574189, 1574190
 Fax: (0-0251 11) 1574222
 e-mail: polemb@ethionet.et
<http://www.addisabeba.polemb.net>
- 29. FINLAND**
 Embassy of the Republic of Poland
 Armas Lindgrenin tie 21
 00570 Helsinki, Finland
 Tel.: (0-0358 9) 618280, 61828120
 Fax: (0-0358 9) 6847477
 e-mail: amb.poland@helsinki.inet.fi,
 helsinki@trade.gov.pl
<http://www.helsinki.polemb.net>,
www.helsinki.trade.gov.pl
- 30. FRANCE**
 Ambassade de la République de Pologne
 1, rue de Talleyrand
 75343 PARIS Cedex 07, France
 Tel.: (0-033 1) 43173400, 43173405
 Fax: (0-033 1) 43173507
 e-mail: info@ambassade.pologne.net,
 info@ambassade.pologne-org.net
 info@eco.amb-pologne.fr
<http://www.paris.polemb.net>, www.eco.amb-pologne.fr,
www.paris.trade.gov.pl
- 31. GEORGIA**
 Embassy of the Republic of Poland
 19, Brothers Zubalashvili Street
 0108 TBILISI, Georgia
 Tel.: (0-0995 32) 920398, 936236
 Fax: (0-0995 32) 920397, 936231
 e-mail: ambpolgruzja@access.sanet.ge,
 konspolgruzja@internet.ge
<http://www.tbilisi.polemb.net>

32. GERMANY

Botschaft der Republik Polen
Lassenstr. 19-21, 14193 BERLIN, Deutschland
Tel.: (0-049 30) 223130
Fax: (0-049 30) 22313155
e-mail: info@botschaft-polen.de, info@wirtschaft-polen.de,
info.koeln@wirtschaft-polen.de
http://www.berlin.polemb.net, www.berlin.trade.gov.pl,
www.kolonia.trade.gov.pl

33. GREECE

Embassy of the Republic of Poland
Chryssanthemon 22
154-52 Paleo Psychico, ATHENS, Greece
Tel.: (0-030 210) 6797700
Fax: (0-030 210) 6797711
e-mail: ambpol@otonet.gr, info_we@otonet.gr,
athens@trade.gov.pl
http://www.ateny.polemb.net,
http://www.athens.trade.gov.pl

34. HUNGARY

Lengyel Köztársaság Nagykövetsége
Városligeti fasor 16
H-1068 Budapest, Magyar Köztársaság
Tel.: (0-0361) 4138200
Fax: (0-0361) 3511723
e-mail: info@polishemb.hu, ambpl-weh@t-online.hu
http://www.budapest.polemb.net,
www.budapest.trade.gov.pl

35. INDIA

Embassy of the Republic of Poland
50-M Shantipath, Chanakyaपुरी
110021 NEW DELHI, India
Tel.: (0-091 11) 41496900, 41496901
Fax: (0-091 11) 26871914
e-mail: polemb@airtelbroadband.in,
rh@poltradeindia.org
weh@poltradeindia.org, newdelhi@trade.gov.pl
http://www.newdelhi.polemb.net, www.poltrade.in,
www.newdelhi.trade.gov.pl

36. INDONESIA

Embassy of the Republic of Poland
Jl. HR Rasuna Said Kav. X Blok IV / 3
12950 Jakarta Selatan, Indonesia
Tel.: (0-062 21) 2525938 - 40
Fax: (0-062 21) 2525958
e-mail: poljkt@dnet.net.id, mediapoland@dnet.net.id,
brhjak@rad.net.id
http://www.jakarta.polemb.net, www.jakarta.trade.gov.pl

37. IRAN

Embassy of the Republic of Poland
Africa Expressway, Pirouz str. 1-3
P.O.Box 11155-3489, 19-174 TEHRAN, Iran
Tel.: (0-09821) 88787262-64
Fax: (0-09821) 88788774
e-mail: ambasada@teheran.polemb.net,
handlowy@teheran.polemb.net
http://www.teheran.polemb.net

38. IRAQ

Embassy of the Republic of Poland
38/75 Karadat Mariam
International Zone
BAGHDAD, Republic of Iraq
Tel.: (0-0964) 7904434125, 7902303942
e-mail: ambaspol@tlen.pl, konsul_pol_iraq@o2.pl

39. IRELAND

Embassy of the Republic of Poland
5, Ailesbury Road, Ballsbridge
DUBLIN 4, Ireland
Tel.: (0-0353 1) 2830855
Fax: (0-0353 1) 2698309
e-mail: info@dublin.polemb.net,
info@dublin.polishembassy.ie,
radca@dublin.polishembassy.ie
http://www.dublin.polemb.net, www.dublin.trade.gov.pl

40. ISRAEL

Embassy of the Republic of Poland
16 Soutine St.
TEL-AVIV 64-684, Israel
Tel.: (0-0972 3) 7253111
Fax: (0-0972 3) 5237806
e-mail: embpol@netvision.net.il, brhtlv@inter.net.il
http://www.telaviv.polemb.net, www.telaviv.trade.gov.pl

41. ITALY

Ambasciata della Repubblica di Polonia
Via P.P. Rubens 20, Monti Parioli 00197, ROMA, Italia
Tel.: (0-039 06) 36204200
Fax: (0-039 06) 3217895
e-mail: polish.embassy@agora.stm.it,
ufficio.stampa@ambasciatapolonia.it, info@infopolonia.it
http://www.rzym.polemb.net, www.roma.trade.gov.pl

42. JAPAN

Embassy of the Republic of Poland
2-13-5 Mita, Meguro-ku
TOKYO, 153-0062, Japan
Tel.: (0-081 3) 57947020, 57947050
Fax: (0-081 3) 57947024, 57947053
e-mail: polamb@poland.or.jp, brhtokio@inter.net
<http://www.tokio.polemb.net>, www.tokyo.trade.gov.pl

43. JORDAN

Embassy of the Republic of Poland
No 3 Mahmoud Seif Al-Din Al-Irani St.
P.O.Box 942050
AMMAN 11194, Jordan
Tel.: (0-0962 6) 5512593, 5512594, 5512596
Fax: (0-0962 6) 5512595, 5532681
e-mail: info@amman.polemb.net,
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44. KAZAKHSTAN

Embassy of the Republic of Poland
Dzharkentskaya 9 - Iskanderova 11/13
050059 ALMATY, Kazakhstan
Tel.: (0-07 727) 2581551, 2581617
Fax: (0-07 727) 2581550
e-mail: ambpol@poland.kz, almaty@pol-trade.kz
<http://www.almaty.polemb.net>, www.pol-trade.kz,
www.almaty.trade.gov.pl

45. KENYA

Embassy of the Republic of Poland
Kabarnet Road, 00100 NAIROBI, Kenya
P. O. Box 30086
Tel.: (0-0254 20) 3872811, 3872812
Fax: (0-0254 20) 3872814, 3874572
e-mail: ambnairo@kenyaweb.com
<http://www.nairobi.polemb.net>

46. KUWAIT

Embassy of the Republic of Poland
Al-Jabriya, Area No 7, Street No 3, House No 20,
Kuwait
P.O. Box 5066, Safat, 13051 Kuwait
Tel.: (0-0965) 5311571, 5311572
Fax: (0-0965) 5311576, 5311578
e-mail: embassy@kuwejt.polemb.net,
economic@kuwejt.polemb.net
<http://www.kuwejt.polemb.net>

47. LATVIA

Embassy of the Republic of Poland
Mednieku iela 6B, LV 1010 RIGA, Latvia
Tel.: (0-0371) 67031500
Fax: (0-0371) 67031549
e-mail: ambpol@apollo.lv, weh@poltrade.lv
<http://www.ryga.polemb.net>, www.poltrade.lv

48. LEBANON

Embassy of the Republic of Poland
Av. President Suleiman Frangieh
52 – Raymond Khalife Bldg.
Baabda – P.O. BOX 40-215, Lebanon
Tel.: (0-0961 5) 924881
Fax: (0-0961 5) 924882
e-mail: polamb@cyberia.net.lb
<http://www.polambeirut.org>

49. LIBYA

Embassy of the Republic of Poland
61 Sharia Ben Ashour
P.O. Box 519, 3686
TRIPOLI, Libya
Tel.: (0-0218 21) 3608569, 3615972
Fax: (0-0218 21) 3615199
e-mail: poland@trypolis.polemb.net,
poland@trypolis.polemb.net
<http://www.trypolis.polemb.net>

50. LITHUANIA

Embassy of the Republic of Poland
ul. Smelio 20A
LT-10323 VILNIUS, Lietuva
Tel.: (0-0370 5) 2709001
Fax: (0-0370 5) 2709007
e-mail: ambpol@tdd.lt, kgpl@tdd.lt, vilnius@mg.gov.pl,
brh@takas.lt
<http://www.wilno.polemb.net>, www.vilnius.trade.gov.pl

51. LUXEMBOURG

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2, rue de Pulvermühl
L-2356 Luxembourg
Grand-duché de Luxembourg
Tel.: (0-0352) 260032
Fax: (0-0352) 26687574
e-mail: ambapol@pt.lu
<http://luxsemburg.polemb.net>

- 52. MACEDONIA**
 Embassy of the Republic of Poland
 ul. Djuro Djaković 50
 1000 SKOPJE, Republic of Macedonia
 Tel.: (0-0389 2) 3112647
 Fax: (0-0389 2) 3119744
 Tel./Fax: (0-0389 2) 3133057
 e-mail: ambasada@skopje.polemb.net,
 konsulat@skopje.polemb.net
<http://www.skopje.polemb.net>
- 53. MALAYSIA**
 Embassy of the Republic of Poland
 No 10, Lorong Damai 9, Off Jalan Damai
 55000 Kuala Lumpur
 P.O. Box 10052, 50704 KUALA LUMPUR, Malaysia
 Tel.: (0-060 3) 21610805, 21610780
 Fax: (0-060 3) 21610779, 21649924
 e-mail: polamba@tm.net.my, brh_msia@tm.net.my
<http://www.kualalumpur.polemb.net>,
www.kualalumpur.trade.gov.pl
- 54. MEXICO**
 Embajada de la República de Polonia
 Calle Cracovia 40
 Colonia San Ángel
 01000 MÉXICO, D.F.
 Tel.: (0-052 55) 54812050
 Fax: (0-052 55) 56160822
 e-mail: embajadadepolonia@prodigy.net.mx,
 comercio_pl@prodigy.net.mx
<http://www.meksyk.polemb.net>
- 55. MOLDOVA**
 Ambassade de la République de Pologne
 Str. Grenoble 126 A
 MD-2019 CHISINAU, Moldova
 Tel.: (0-037322) 285950, 285960, 285970
 Fax: (0-037322) 289000
 e-mail: polemb@mtc.md
<http://www.kiszyniow.polemb.net>
- 56. MONGOLIA**
 Embassy of the Republic of Poland
 Diplomat 95 Ajlyn Oron Suuc VI ORC
 PO BOX-1049, Ulaanbaatar-13, Mongolia
 Tel.: (0-0976 11) 320641, 321926
 Fax: (0-0976 11) 322926, 320576
 e-mail: polembassy@mobinet.mn,
 polkonsulat@mobinet.mn
<http://www.ulanbator.polemb.net>
- 57. MONTENEGRO**
 Embassy of the Republic of Poland
 8 Marta 72, 81000 Podgorica, Montenegro
 Tel.: (00-382) 81 662 442, 81 662 394
 Fax: (00-382) 81 662 397
- 58. MOROCCO**
 Ambassade de la République de Pologne
 23, rue Oqbah
 B.P. 425
 RABAT, Maroc
 Tel.: (0-0212 37) 771791, 771173, 771794
 Fax: (0-0212 37) 775320, 778566
 e-mail: apologne@menara.ma, commmerpl@menara.ma
<http://www.rabat.polemb.net>, <http://www.wehrabat.ma>
- 59. NETHERLANDS**
 Embassy of the Republic of Poland
 Alexanderstraat 25
 2514 JM Den Haag, The Netherlands
 Tel.: (0-031 70) 7990100, 7990110
 Fax: (0-031 70) 7990137
 e-mail: ambhaga@polamb.nl, weh@wehhaga.nl
<http://www.haga.polemb.net>, www.wchhaga.nl,
www.haga.trade.gov.pl
- 60. NEW ZEALAND**
 Embassy of the Republic of Poland
 17 Upland Road
 Kelburn
 Wellington 6012, New Zealand
 P.O. Box 10211
 Tel.: (0-0644) 4759453
 Fax: (0-0644) 4759458
 e-mail: polishembassy@xtra.co.nz
<http://www.wellington.polemb.net>
- 61. NIGERIA**
 Embassy of the Republic of Poland
 10, Ona Crescent, off Lake Tchad Crescent, Maitama
 900271, ABUJA, Nigeria
 Tel.: (0-0234 9) 4138280 - 83
 Fax: (0-0234 9) 4138281
 e-mail: contact@abuja-polemb.net,
 secretariat@abuja-polemb.net
<http://www.abuja.polemb.net>

62. NORWAY

Embassy of the Republic of Poland
Olav Kyrres plass 1, 0244 OSLO, Norway
Tel.: (0-04724) 110850, 110851, 110852
Fax: (0-04722) 444839
e-mail: ambpol@online.no, economic@oslo.polemb.net,
trade.pol@broadpark.no
<http://www.oslo.polemb.net>, www.oslo.trade.gov.pl,
www.wehoslo.com

63. PAKISTAN

Embassy of the Republic of Poland
Diplomatic Enclave II, Street 24, G-5/4
P. O. Box. 1032, ISLAMABAD, Pakistan
Tel.: (0-092 51) 2600844 - 46
Fax: (0-092 51) 2600852, 2600853
e-mail: polemb@dsl.net.pk
<http://www.islamabad.polemb.net>

64. PERU

Embajada de la República de Polonia
Avenida Salaverry 1978, Jesús María
LIMA 11, Perú
Tel.: (0-0511) 4713920, 4713925
Fax: (0-0511) 4714813
e-mail: ambrplima@telefonica.net.pe,
consrplima@amauta.rcp.net.pe
<http://www.lima.polemb.net>

65. PORTUGAL

Embaixada da República da Polónia
Av. das Descobertas 2
1400-092 LISBOA, Portugal
Tel.: (0-0351 21) 3041410, 30414200, 3012350
Fax: (0-0351 21) 3041429
e-mail: emb.polonia@mail.telepac.pt,
economia.embpol@mail.telepac.pt,
weh.lizbona@netcabo.pt
<http://www.lizbona.polemb.net>, www.lisbon.trade.gov.pl

66. QATAR

Embassy of the Republic of Poland
West Bay, Al-Qutaifiya 66, Str. no 519, Saha 49
P.O. Box 23380, DOHA, Qatar
Tel.: (0-0974) 411 32 30, 411 35 05
Fax: (0-0974) 411 03 07
e-mail: doha@ct.futuro.pl
<http://www.doha.polemb.net>

67. REPUBLIC OF KOREA

Embassy of the Republic of Poland
70, Sagan-dong, Jongno-gu,
110-190 SEOUL, Republic of Korea
Tel.: (0-082 2) 7239681
Fax: (0-082 2) 7239680
e-mail: embassy@polandseoul.org, filiph@kornet.net
<http://www.seoul.polemb.net>, www.seoul.trade.gov.pl

68. ROMANIA

Ambassade de la République de Pologne
al. Alexandru 23
Sector 1, BUCHAREST, Romania
Tel.: (0-040 21) 3082200
Fax: (0-040 21) 2307832
e-mail: ambasada@bukareszt.ro, ambwe@pol.ro,
weh@pol.ro
<http://www.bukareszt.polemb.net>,
www.bukareszt.trade.gov.pl

69. RUSSIA (RUSSIAN FEDERATION)

Embassy of the Republic of Poland
Klimashkina 4, 123557 MOSCOW, Russian Federation
Tel.: exchange (0-07495) 2311500, 2311511
Fax: (0-07495) 2311515, 2311555
e-mail: embassy@polandemb.ru,
economy@polandemb.ru, moscow@trade.gov.pl
<http://www.moskwa.polemb.net>,
www.moskwa.trade.gov.pl

70. SAUDI ARABIA

Embassy of the Republic of Poland
Al-Warood Area 20, Abdullah Bin Jafar Street
P.O. Box 94016, RIYADH 11693,
Kingdom of Saudi Arabia
Tel.: (0-0966 1) 4549274, 4508889
Fax: (0-0966 1) 4549210
e-mail: rijadamb@shabakah.net.sa
<http://www.rijad.polemb.net>

71. SENEGAL

Ambassade de la République de Pologne
Villa "Les Ailes"
Fann Résidence x Corniche Ouest
BP 343 DAKAR, Senegal
Tel.: (0-0221) 33 8242354, 33 8252403
Fax: (0-0221) 33 8249526
e-mail: ambassade.pl@orange.sn
<http://www.ambassade-pologne.sn>,
www.dakar.polemb.net

72. SERBIA

Ambassade de la République de Pologne
ul. Kneza Miloša 38, 11000 BEOGRAD, Serbia
Tel.: (0-0381 11) 2065318
Fax: (0-0381 11) 3617576
e-mail: ambrpfj@eunet.yu
<http://www.belgrad.polemb.net>

73. SINGAPORE

Embassy of the Republic of Poland
435 Orchard Road
#17-02/03, Wisma Atria
SINGAPORE 238877
Tel.: (0-065) 62359478
Fax: (0-065) 62359479
e-mail: polish_embassy@pacific.net.sg,
secretary@pacific.net.sg
<http://www.singapore.polemb.net>

74. SLOVAKIA

Ambassade de la République de Pologne
Hummelova 4, 814 91 BRATISLAVA, Slovaquie
Tel.: (0-0421 2) 59490211
Fax: (0-0421 2) 54432007
e-mail: bratamp@nextera.sk, weh@polamb.sk
<http://www.polskevelvyslancstvo.sk>,
www.bratyslawa.polemb.net

75. SLOVENIA

Embassy of the Republic of Poland
Bežigrad 10
1000 LJUBLJANA, Slovenia
Tel: (0-0386 1) 4364712
Fax: (0-0386 1) 4362521
e-mail: ambpol.si@siol.net
<http://www.lublana.polemb.net>

76. SOUTH AFRICA

Embassy of the Republic of Poland
PO BOX 12277 Queenswood 0121
14 Amos Street, Colbyn 0083, PRETORIA,
Republic of South Africa
Tel.: (0-027 12) 4302621
Fax: (0-027 12) 4302608
e-mail: e20@mweb.co.za, economicamb@mweb.co.za,
office@poltrade.org.za
<http://www.poland.co.za>, www.johannesburg.trade.gov.pl

77. SPAIN

Embajada de la República de Polonia
Calle Guisando, 23-bis
28035 MADRID, España
Tel.: (0-034) 91 3736605
Fax: (0-034) 91 3736624
e-mail: embajada@polonia.es, economia@polonia.es,
comercial@polonia.es
<http://www.madrid.polemb.net>,
www.madrid.trade.gov.pl

78. SWEDEN

Embassy of the Republic of Poland
Karlavägen 35, SE-114 31 STOCKHOLM, Sweden
Tel.: (0-046 8) 50575000
Fax: (0-046 8) 50575086
e-mail: info.polen@tele2.se, info@polcommerce.com
<http://www.sztokholm.polemb.net>,
www.polcommerce.com, www.stockholm.trade.gov.pl

79. SWITZERLAND

Botschaft der Republik Polen
Elfenstrasse 20A
3000 BERN 15, Schweiz
Tel.: (0-041 31) 3580202
Fax: (0-041 31) 3580216
e-mail: polishemb@dial.eunet.ch,
postmaster@weh-pl-bern.ch, wc@greenmail.ch
<http://www.berno.polemb.net>, www.weh-pl-bern.ch,
www.bern.trade.gov.pl

80. SYRIA

Embassy of the Republic of Poland
P.O. Box 501
Abou Rumaneh, Basha' Aldin Aita Str.
DAMASCUS, Syria
Tel.: (0-0963 11) 3316098, 3333010
Fax: (0-0963 11) 3315318
e-mail: damapol@scs-net.org, polembas@mail.sy
<http://www.damaszek.polemb.net>

81. TAIWAN

There is no Polish embassy or consular office on the island. In emergency cases please contact the Warsaw (Poland) Trade Office in Taipei
Warsaw (Poland) Trade Office in Taipei
Taipei World Trade Center Bldg.
No. 333, Keelung Rd., Sec. 1, 20-th Floor, 2006 Suite
110 TAIPEI, Taiwan
Tel.: (0-886 2) 27220139, 27225364
Fax: (0-886 2) 27220557
e-mail: warsaw.office@msa.hinet.net
<http://www.poland.org.tw>

82. THAILAND

Embassy of the Republic of Poland
100/81-82, Vongvanij Building B, 25th Floor
Rama 9 Road, Huaykwang District
BANGKOK 10310, Thailand
Tel.: (0-666) 26450367/9
Fax: (0-666) 26450365
e-mail: ampolbkk@polemb.or.th, consul@polemb.or.th,
economic@polemb.or.th
<http://www.bangkok.polemb.net>

83. TUNISIA

Ambassade de la République de Pologne
5, Impasse N°1, Rue de Cordoue
2092 El Manar I, TUNIS, Tunisie
Tel.: (0-0216 71) 873837, 874843
Fax: (0-0216 71) 872987
e-mail: amb.pologne@wanadoo.tn, weh@planet.tn
<http://www.tunis.polemb.net>, www.polamb-commerce.planet.tn, www.tunis.trade.gov.pl

84. TURKEY

Embassy of the Republic of Poland
Atatürk Bulvarı No.241
Kavaklıdere
PK-20, 06-650 ANKARA, Turkey
Tel.: (0-090 312) 4572000, 4572001
Fax: (0-090 312) 4678963
e-mail: polamb@superonline.com, weamb@ada.net.tr,
ankara@trade.gov.pl
<http://www.ankara.polemb.net>, www.ankara.trade.gov.pl

85. TURKMENISTAN

Embassy of the Republic of Poland
Azadi Str. 17a
744 005 ASZCHABAD, Turkmenistan
Tel.: (0-099312) 27 40 35, 27 65 52
Fax: (0-099312) 27 31 22
e-mail: ambasada.aszchabad@gmail.com,
amb.aszchabad@ct.futuro.pl
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86. UKRAINE

Ambassade de la République de Pologne
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e-mail: ambasada@polska.com.ua, wehamb@ukrnet.net,
kiev@trade.gov.pl
<http://www.kijow.polemb.net>, www.kiev.trade.gov.pl

87. UNITED ARAB EMIRATES

Embassy of the Republic of Poland
P.O. Box 2334
ABU DHABI, United Arab Emirates
Tel.: (0-0971 2) 4465200
Fax: (0-0971 2) 4462967
e-mail: polonez@emirates.net.ae,
polemb@emirates.net.ae, handlowy@eim.ae,
polcons@emirates.net.ae
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88. UNITED KINGDOM

Embassy of the Republic of Poland
47 Portland Place
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Tel.: (0-044) 8707742700, 8707742702
Fax: (0-044) 2073234018, 2072913575, 2072913576
e-mail: polishembassy@polishembassy.org.uk,
we@polishembassy.org.uk,
weh@polishemb-trade.co.uk
<http://www.polishembassy.org.uk>,
www.polishemb-trade.co.uk, www.londyn.trade.gov.pl

89. UNITED STATES OF AMERICA

Embassy of the Republic of Poland
2640 16th Street, N.W. WASHINGTON,
D.C. 20009, USA
Tel.: (0-01 202) 2343800
Fax: (0-01 202) 3286271
e-mail: polemb.info@earthlink.net,
econcompl@wehwas.us, newyork@trade.gov.pl
<http://www.washington.polemb.net>,
www.washington.trade.gov.pl,
www.newyork.trade.gov.pl

90. UZBEKISTAN

Embassy of the Republic of Poland
Firdavsiy 66 str., Junusabadskiy Rayon
700084 Tashkent, Uzbekistan
Tel.: (0-0998 71) 1208650, 1208652
Fax: (0-0998 71) 1208651
e-mail: ambasada@bcc.com.uz, weh-amb@bcc.com.uz
<http://www.tashkent.polemb.net>

91. VENEZUELA

Embajada de la Republica de Polonia
Av. Nicolas Copernico, Qta. „Ambar”
Urb. Las Mercedes
A.P. Chacao 62293
CARACAS, Venezuela
Tel.: (0-058 212) 9911461
Fax: (0-058 212) 9922164
e-mail: ambcarac@cantv.net, econcaracas@gmail.com
<http://www.caracas.polemb.net>

92. VIETNAM

Embassy of the Republic of Poland
3 Chua Mot Cot, HANOI, Vietnam
Tel.: (0-084 43) 8452027
Fax: (0-084 43) 8236914
e-mail: polamb@hn.vnn.vn
<http://www.hanoi.polemb.net>

93. ZIMBABWE

Embassy of the Republic of Poland
16 Cork Rd, Belgravia
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