

DOING BUSINESS IN POLAND

Country Commercial Guide 2012



Prepared by

**U.S. Commercial Service
and U.S. Embassy Warsaw**

February 2012

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Chapter 1: Doing Business in Poland

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Market Overview

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Poland has emerged as an important and dynamic market since the country began its transition to democracy and a market driven economy in 1989. With 38 million people, Poland is the largest market among the former Eastern European countries and shares borders with both “new” EU and “old” EU-15 countries. Poland became a member of the European Union (EU) in 2004 and held the presidency of the EU for the last 6 months of 2011. Poland’s adoption of EU legislation has led to wide ranging reforms in economic regulation, and reduced government intervention in the private sector. Reforms in areas such as financial markets, company and competition law, accounting, and intellectual property rights have improved the environment for private business and boosted economic growth. Poland’s plans to eventually adopt the Euro currency will further accelerate the countries integration with the EU. Poland is an active member of NATO, upgrading its armed forces accordingly and participating in joint peacekeeping activities in the region and elsewhere including Afghanistan.

The United States and Poland enjoy a very close bilateral relationship, which has fostered strategic and commercial cooperation. U.S. companies are active in Poland and have invested heavily since the late 1980s when the country began its transition from communism to democracy and a market-driven economy. Abundant opportunities remain for U.S. firms in Poland. In addition to its large and growing domestic market, the country also affords direct access to the EU and markets to the east. Poles continue to demonstrate a strong affinity for the United States and its products.

Poland’s GDP growth remained strong in 2011 at over 4% while the rest of Europe struggled with the global financial crisis. Total GDP growth from 2008 through 2011 reached 15.8%; the highest in the EU. Growing exports, household consumption and business investment fueled the country’s strong economic performance. Over the medium term, domestic demand, infrastructure spending (with EU support), and capital investment will drive growth. EU structural funds are scheduled to continue through 2015 or longer. Economists expect Poland’s GDP growth to slow in 2012 and 2013 as a result of the European debt crisis and Poland’s own fiscal consolidation efforts.

In 2011, the U.S. sold \$3.1 billion worth of merchandise in Poland, up 4.93% from 2010. However, the trade imbalance widened as the Poles shipped 4.8 billion to the U.S. in 2011; an increase of 48% over 2010.

Agricultural products including aquaculture, wood products and beverages showed the largest increases in 2011. Other areas that saw substantial increases were

transportation, (27%), chemicals (26%), metal manufacturing (27%) and machinery (17%).

U.S. firms interested in Poland can expect moderately increasing domestic demand and a general affinity for U.S. products. U.S. firms can increase their competitiveness by establishing a local presence, committing to strong after-sales service and support and offering pricing and financial terms consistent with customer needs. U.S. exporters are encouraged to offer creative pricing and financing packages in order to win business from Polish buyers.

The Energy sector currently offers particularly strong sales opportunities for U.S. firms. The Polish Government plans to complete the country's first nuclear power plant by 2020. Building the plant will be a massive undertaking that will create opportunities in the areas of reactor technology, engineering services, legal/regulatory services and training services. Currently, Poland generates 90% of its electricity via coal-fired plants, 44% of which are older than 30 years. Another 33% are between 20 and 30 years old. In order to meet EU emissions targets, Poland is focusing on increasing renewable sources of energy such as wind, biomass and biogas. The Government is also exploring clean coal and shale gas exploration and production as alternatives to the current energy technologies.

U.S. energy companies are at the forefront of shale gas exploration activities in Poland. Exploration is expected to last for another two years or so. Geology and local cost structures will strongly influence the feasibility of full field production. Industry sources are cautiously optimistic that the responsible development of shale gas may eventually make a substantial contribution to Poland's energy supply.

This report discusses a number of other important sectors including Aviation and Airports, Cosmetics, Computer Technologies, Defense, Engineering and Green Build services, Medical, Machinery, Plastics and Waste Management.

The Polish public holds very positive attitudes toward foreign investment. U.S. investors represent a wide range of industry sectors including automotive, aerospace, information technologies- hardware and software, food products, transportation, pharmaceuticals, paper production, appliances and financial services. Poland has also emerged as a favorable location for business processing centers including call centers, shared services centers and research and development operations. U.S. companies have invested significantly in Poland in recent years. With its well-regarded workforce, proximity to major markets and political stability, it is an excellent choice for American firms wishing to expand their export markets.

Market Challenges

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Although Poland's per capita GDP increased from 50 to 59 percent of the EU average from 2008-11, the country remains one of the EU's less developed countries with limited individual purchasing capacity and domestic consumption. Poland has made great strides toward improving the commercial climate, but investors point to an inefficient commercial court system, a rigid labor code, bureaucratic red tape, and a burdensome tax system as challenges for foreign companies.

Poland has made some progress in reducing bureaucratic obstacles to business. Its ranking in the latest World Bank *Ease of Business Index* was number 62, down eight spots (lower is better) in the last year which was down 2 from the previous. In the 2010

Transparency International *Corruption Perception Index*, Poland ranked 41th out of 182 countries (again lower is better), a drop of one place from the previous year.

Although many infrastructure projects are underway, Poland still has much work to do to modernize its road, railway, and air transportation network. Weak transportation infrastructure increases the cost of doing business for U.S. businesses by limiting ready access to all of the markets within Poland and diminishes the country's potential as a regional distribution hub.

Market Opportunities

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Poland's membership in the EU offers access to billions of Euros in structural and cohesion funds to support infrastructure development, environmental protection and environmental remediation projects. Between 2007 and 2015, Poland will be the EU's largest recipient of funding, receiving €67 billion (\$90 billion) in total from the EU's budget. The country's highway and aviation network are in need of expansion and modernization. Airports in Krakow, Poznan, Wroclaw, Gdansk and Warsaw have proposed or began work on projects for modernization of taxiways, runways and construction of new aprons. Further infrastructure development in the area of environmental protection is expected as Poland races to meet deadlines for complying with EU low carbon economy requirements. As landfills close across the country, experts expect Polish cities to develop new waste stream models including waste to energy.

While the U.S. share of Poland's import market remains small at approximately 3%, U.S. exporters have found considerable success targeting competitive niches, using effective market entry strategies and diligently following up with marketing and sales support. Assuming Poland's shale gas deposits transition into a production phase, this will produce a dramatic increase in the need for gas drilling rigs, gas field equipment, and services.

The Euro Cup tournament to be held in Poland and Ukraine in June 2012 has driven many infrastructure projects. Work is expected to continue even after the games are over. Projects such as the expansion of the Metro line in Warsaw, the building of the east-west highway between Germany and Ukraine, and the continued modernization and expansion of regional airports will continue over the next few years. The need for premium office space and the expansion of the retail sector present opportunities for engineering and green building services. Other important sectors are niche retailing and consumer goods such as cosmetics where an American label is still a symbol of prestige and high quality. Sectors that continue to perform well and show signs of growth are computer technologies, defense, medical, machinery, plastics and waste management.

Market Entry Strategy

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The Polish market is characterized by wide population dispersion with 25% living in rural areas and urban dwellers spread among a number of population centers including Warsaw and Lodz in the center of the country, Krakow in the south, Wroclaw and Poznan in the west, Gdansk and Szczecin in the north and Lublin in the southeast.

Urban consumers generally have greater purchasing power than their rural counterparts. Personal contact with the customer is critical and final purchasing decisions typically require a face-to-face meeting. Success in this market typically requires an in-country presence such as an agent, distributor or representative office.

While the number of English speakers in Poland is rising, particularly in urban areas, communication in Polish is recommended in order to elicit prompt responses to offers and inquiries and to facilitate negotiations. Poland's communication network is relatively well developed and email communications and website offerings are an increasingly effective means of reaching local buyers.

Pricing remains the most critical factor in positioning a product or service for sale in Poland. Access to capital is difficult for most Polish firms and business transactions are typically self-financed. U.S. firms that can arrange financing will have a competitive edge. The effects of the global financial crisis have underlined the need for U.S. exporters to develop a creative strategy for financing exports. Using Ex-Im Bank programs is a recommended option. In addition, currency fluctuations may continue in 2012, challenging even the most well-planned export strategy. Careful crafting of terms of sale including creative packaging of currency and pricing terms, will help the U.S. exporter gain long term advantage in the current Polish market.

The U.S. Embassy in Poland, led by the Commercial Service team in Warsaw, stands ready to assist U.S. firms in achieving success in the Polish market. We encourage you to contact us and explore the best way to partner together as you commence or expand your business activities here.

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Chapter 2: Political and Economic Environment

For background information on the political and economic environment of the country, follow the link below to the U.S. Department of State Background Notes.

<http://www.state.gov/r/pa/ei/bgn/2875.htm>

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Using an Agent or Distributor

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Polish trade partners most often serve their U.S. counterparts as distributors. They import goods, clearing them through the customs and then offer them on the local market. Their network of contacts in the industry is highly leveraged when offering products on the market. One of the most common tools for distributors to use is the internet, where goods are advertised and, increasingly, also sold through e-commerce.

Signing an agent agreement with a Polish entity allows the agent to act as a representative for the foreign company in Poland. Agents have the authority to manage the company's activities in the country and often also act as distributors. In most cases, product and marketing training must be provided to new distributors. There are no local laws imposing rules specifically for Polish importers. Distributor and agent agreements may take any form mutually beneficial to the parties involved.

A good starting point for finding a distributor or an agent is to review websites of local companies. There is also Kompas database (<http://www.kompass.com>), with information on a large number of local businesses. Visiting a trade show in Poland is also a good occasion to review local businesses and to meet with potential partners. Catalogs of trade events usually include a brief description of each exhibitor, also in English.

Of course, we highly recommend utilizing CS services, such as the International Partner Search (IPS) and/or our signature Gold Key Service (GKS) if you are inexperienced in the market. Our specialists have deep and broad knowledge of many market sectors

and can help save U.S. business representatives' time and money finding and screening (International Company Profile) potential distributors or agents.

Companies wishing to use distribution, franchising and agency arrangements need to ensure that the agreements they put into place are in accordance with European Union (EU) and Member State national laws. Council Directive 86/653/EEC establishes certain minimum standards of protection for self-employed commercial agents who sell or purchase goods on behalf of their principals. In essence, the Directive establishes the rights and obligations of the principal and its agents; the agent's remuneration; and the conclusion and termination of an agency contract, including the notice to be given and indemnity or compensation to be paid to the agent. As an EU member Poland adheres to EU-wide business directives and requires local market compliance.

U.S. companies should be particularly aware that the Directive states that parties may not derogate certain requirements. Accordingly, the inclusion of a clause specifying an alternate body of law to be applied in the event of a dispute will likely be ruled invalid by European courts.

Key Link:

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:31986L0653:EN:HTML>

The European Commission's Directorate General for Competition enforces legislation concerned with the effects on competition in the internal market of "vertical agreements." U.S. small- and medium-sized companies (SMEs) are exempt from these Regulations because their agreements would likely qualify as "agreements of minor importance," meaning they are considered incapable of affecting competition at the EU level but useful for cooperation between SMEs. Generally speaking, companies with fewer than 250 employees and an annual turnover of less than €50 million are considered small- and medium-sized undertakings. The EU has additionally indicated that agreements that affect less than 10 percent of a particular market are generally exempted as well (Commission Notice 2001/C 368/07).

Key Link:

http://eur-lex.europa.eu/LexUriServ/site/en/oj/2001/c_368/c_36820011222en00130015.pdf

The EU also looks to combat payment delays with Directive 2000/35/EC. This covers all commercial transactions within the EU, whether in the public or private sector, primarily dealing with the consequences of late payment. Transactions with consumers, however, do not fall within the scope of this Directive. In sum, the Directive entitles a seller who does not receive payment for goods/services within 30-60 days of the payment deadline to collect interest (at a rate of 7 percent above the European Central Bank rate) as compensation. The seller may also retain the title to goods until payment is completed and may claim full compensation for all recovery costs.

Key Link:

<http://europa.eu/rapid/pressReleasesAction.do?reference=IP/09/552&format=HTML&aged=0&language=EN&guiLanguage=en>

Companies' agents and distributors can take advantage of the European Ombudsman when victim of inefficient management by an EU institution or body. Complaints can be

made to the European Ombudsman only by businesses and other bodies with registered offices in the EU. The Ombudsman can act upon these complaints by investigating cases in which EU institutions fail to act in accordance with the law, fail to respect the principles of good administration, or violate fundamental rights.

Key Link: <http://www.ombudsman.europa.eu/home/en/default.htm>

Establishing an Office

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The type of business entity that U.S. companies choose to establish is often determined by the scope of activities the company plans to undertake in Poland. If a U.S. company wants to sell its products and services in Poland exclusively through its own office, it usually establishes a representative office. If a U.S. company will invest in Poland, there are different legal forms available to carry out business activity. Investors can choose the most suitable one from the following options for their business presence in Poland:

(1) Limited Partnership

<http://www.paiz.gov.pl/index/?id=ccb421d5f36c5a412816d494b15ca9f6>

(2) Limited Joint-Stock Partnership

<http://www.paiz.gov.pl/index/?id=7ec12aa91918c9b6e577c1ae18a0a34b>

(3) Limited Liability Companies (Sp. z o.o.)

<http://www.paiz.gov.pl/index/?id=27584e8cefba0a67a8d1684d55a2a16a>

(4) Joint Stock Companies (S.A.)

<http://www.paiz.gov.pl/index/?id=148d411aeffd8a6f6ad4ecd77d1f904>

(5) Representative Office

<http://www.paiz.gov.pl/index/?id=7d62a275027741d98073d42b8f735c68>

(6) Branch Office

<http://www.paiz.gov.pl/index/?id=8d8f733a7c2a2ea60df6439a28a2b9a3>

Detailed information on forms of doing business in Poland can be found at:

<http://www.paiz.gov.pl/index/?id=887a185b1a4080193d5cf63873ac6d70>

Modern office equipment like computers and office amenities are easily available and can be leased from a number of reputable Polish and western firms. The white collar labor pool is abundant and English-speaking assistants with good office skills are relatively easy to find as are employees with western management and accounting experience. Many executive search firms exist in Poland that offer assistance in finding appropriate staff.

Franchising

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According to PROFIT system, the franchising expert, in 2010 the franchising sector in Poland encompassed 660 franchise networks (an increase of 17% over 2009) including 481 local franchise systems and 179 foreign owned (in 2009 - 410 and 155 respectively).

Industry experts estimate that in 2011 over 750 franchise systems operated on the market. It was a growth by 90 new franchise systems.

The Polish franchise market is constantly growing. In 2011, it grew by 6,700 new franchise units (a 17% growth). In 2011 operated over 45,000 franchise units (a 15% annual growth) and about USD 440 million were invested in the franchise sector. The Polish franchise market has grown mostly in the retail and restaurant subsectors. In 2011, Poles invested in consumer electronics and home appliances and grocery stores. Investing in pizzeria restaurants was the most popular within the restaurant franchising sector. Banking services registered a decrease by number of franchises. The average investment amounted to about USD 80,000, however the most popular are franchises valued at less than USD 32,000. This price is enough to invest in small retail or services outlets. The most expensive investments involve supermarkets and petrol stations at a cost of over USD 2 million. The average franchise fee was USD 8,000. Franchisors often support their new franchisees through sharing investment costs, requesting a contribution of 20% of a franchisee's own contribution and guaranteeing loan for the remain amount.

About 180 foreign franchise systems from 19 countries operate in Poland. The majority of foreign franchise systems come from France, the U.S., Germany, Italy, Great Britain, Spain and the Netherlands. The largest foreign franchise networks represent the following sectors: apparel and footwear, fast-food and restaurant, beauty care, business services, education and trainings, car services, FMCG and health, household appliances, and real estate.

Popular U.S. franchises were the first to arrive and helped introduce the concept in Poland. McDonald's, the first franchiser to Poland, established its first operation in Poland in 1992 and has become the most popular fast-food chain. Other exemplary U.S. franchise networks operating in Poland are Pizza Hut, Kentucky Fried Chicken (KFC), Burger King, Starbucks, T.G.I. Friday, Subway, Levi's, MBE Etc., Colliers, RE/MAX, Best Western, Kodak Express, Crestcom and Curves.

Local Polish franchise firms began operating in 1991-1992, simultaneously with large western franchisers entering the Polish market. Currently 73% of franchise brands are of Polish origin and 15% of them are expanding abroad. Polish franchises developing abroad represent mainly apparel, footwear and accessories, food and cosmetic retail sectors and restaurant.

In the Polish market, the retailing, fast-food/self-service restaurants, business services, beauty and hair salons sub-sectors offer the best potential for U.S. franchisors. Especially retailing is a key sector in the franchising industry. There is a potential for U.S. casual apparel brands for teenagers. The casual apparel sector is expanding steadily. There is also a growing demand for luxury and niche fashion clothing segment.

American franchisers seeking to test their systems in Poland should be aware of differences in market structure and conditions that should be considered during the strategic planning stage. U.S. franchisers often have difficulty locating willing local investors to provide sufficient capital and develop the franchise. Often, a foreign master franchise is purchased by international investors. It is customary for a franchiser to establish at least one successful pilot project before initiating an active search for franchisees. This aspect is less important when it is a large, well-known (e.g. U.S.

brand) organization, which already operates in several other European countries. U.S. franchisers willing to identify the proper partner should also consider a well-tailored advertising campaign. Advertising is the most effective and successful tool advised for U.S. franchisers for international expansion.

U.S. businesses looking to franchise within the European Union will likely find that the market is quite robust and friendly to franchise systems in general. There are a number of laws that govern the operation of franchises within the EU, but these laws are fairly broad and generally do not constrain the competitive position of U.S. businesses. The potential franchiser should take care to look not only at the EU regulations, but also at the local laws concerning franchising.

There are no special legal requirements for franchises in Poland. A franchise agreement is regulated by the general provisions of the Polish Civil Code and is affected by competition law, intellectual property regulations, consumer protection and tax law. Sub-franchising is permitted and is not restricted in any way. Poland and the U.S. have signed an agreement of avoidance of double taxation. The franchise fee is subject to a 23% VAT and 19% CIT (on the difference between franchising income and tax-deductible expenses).

Direct Marketing

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Direct marketing has been an important channel in Poland for over 20 years, and is an accepted business practice in Poland, as in other EU countries. The DM market is increasing approximately 15% annually in Poland. Polish consumers are accustomed to purchasing via catalog and have become more receptive to shopping on the Internet. More than 70% of Polish enterprises use direct marketing to sell their products and services. The most frequently DM used formats are email and internet marketing, telemarketing, direct sales, mailing sales (products available in catalogs and internet), TV marketing, and inserts in publications with a response element.

There are no Polish Laws or regulations that specifically address DM. In general, Polish law is compatible to legal regulations applied to DM activities throughout the EU. For companies operating in the DM sector, laws to consider are the Law of Personal Data Protection (introduced in August 29, 1997) and the Law of Protection of Consumer Rights, especially regulations referring to “distance sale” (introduced in March 2, 2000). Polish protection of personal data is very rigorous, although recent interpretations in court have been less strict.

The SMB Direct Marketing Association (<http://www.smb.pl>) established in 1995, has been actively involved in introducing regulations and principles for DM in Poland. SMB promotes development of direct marketing according to existing law and professional ethics. SMB also participates in legislative procedures on legal acts concerning direct marketing.

There is a wide range of EU legislation that impacts the direct marketing sector. Compliance requirements are stiffest for marketing and sales to private consumers. Companies need to focus, in particular, on the clarity and completeness of the information they provide to consumers prior to purchase and on their approaches to collecting and using customer data. The following gives a brief overview of the most

important provisions flowing from EU-wide rules on distance-selling and on-line commerce.

Processing Customer Data

The EU has strict laws governing the protection of personal data, including the Use of such data in the context of direct marketing activities. For more information on these rules, please see the privacy section above.

Distance Selling Rules

The EU's Directive on Distance Selling to Consumers (97/7/EC and amendments) sets out a number of obligations for companies doing business at a distance with consumers.

It can read like a set of onerous "do's" and "don'ts," but in many ways, it represents nothing more than a customer relations good practice guide with legal effect. Direct marketers must provide clear information on the identity of themselves as well as their supplier, full details on prices including delivery costs, and the period for which an offer remains valid – all of this, of course, before a contract is concluded. Customers generally have the right to return goods without any required explanation within seven days, and retain the right to compensation for faulty goods thereafter. Similar in nature is the Doorstep Selling Directive (85/577/EEC) which is designed to protect consumers from sales occurring outside of a normal business premises (e.g., door-to-door sales) and essentially assure the fairness of resulting contracts.

In 2011, the EU overhauled its consumer protection legislation and merged several existing rules into a single rulebook - "the Consumer Rights Directive". The provisions of this Directive will apply to contracts concluded after June 13, 2014, and will replace current EU rules on distance selling to consumers and doorstep selling. The Directive contains provisions on core information to be provided by traders prior to the conclusion of consumer contracts, regulates the right of withdrawal, includes rules on the costs for the use of means of payment and bans pre-ticked boxes. Companies are advised to consult the information available via the hyper-links, to check the relevant sections of national Country Commercial Guides, and to contact the Commercial Service at the U.S. Mission to the European Union for more specific guidance.

Key Links:

Consumer Affairs Homepage:

http://ec.europa.eu/consumers/index_en.htm

Distance Selling:

http://ec.europa.eu/consumers/cons_int/safe_shop/dist_sell/index_en.htm

Door-to-Door Selling:

http://ec.europa.eu/consumers/cons_int/safe_shop/door_sell/index_en.htm

Consumer Rights:

http://ec.europa.eu/justice/consumer-marketing/rights-contracts/directive/index_en.htm

Distance Selling of Financial Services

Financial services are the subject of a separate directive that came into force in June 2002 (2002/65/EC). This piece of legislation amends three prior existing Directives and is designed to ensure that consumers are appropriately protected with respect to

financial transactions taking place where the consumer and the provider are not face-to-face. In addition to prohibiting certain abusive marketing practices, the Directive establishes criteria for the presentation of contract information. Given the special nature of financial markets, specifics are also laid out for contractual withdrawal.

Key Link:

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32002L0065:EN:NOT>

Direct Marketing over the Internet

The e-commerce Directive (2000/31/EC) imposes certain specific requirements connected to the direct marketing business. Promotional offers must not mislead customers and the terms that must be met to qualify for them have to be easily accessible and clear. The Directive stipulates that marketing e-mails must be identified as such to the recipient and requires that companies targeting customers on-line must regularly consult national opt-out registers where they exist. When an order is placed, the service provider must acknowledge receipt quickly and by electronic means, although the Directive does not attribute any legal effect to the placing of an order or its acknowledgment. This is a matter for national law. Vendors of electronically supplied services (such as software, which the EU considers a service and not a good) must also collect value added tax (see Electronic Commerce section below).

Key Link: http://ec.europa.eu/internal_market/e-commerce/index_en.htm

Joint Ventures/Licensing

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Joint ventures as a form of business are frequently utilized in Poland. Many U.S. businesses in Poland are established as joint ventures, with the Polish partner company responsible for sales in the marketplace. Joint ventures are an excellent way to facilitate export sales to the Polish market.

Most joint ventures are established with the American partner contributing needed capital and technology. The Polish partner typically contributes land, distribution channels, trained workers, access to the Polish market and introductions within the local government and business community that could take a long time to develop for an American company on its own. Increasingly, American firms participating in joint ventures are asked to provide marketing, training, and promotional support for their Polish partners.

The licensing of products, technology, technical data, and services has been less common in Poland, due to concerns about intellectual property protection. Since the country joined the EU, Poland has taken major steps in the areas of intellectual property rights and copyright legislation. Currently more U.S. firms are expected to license their products here. Licensing is particularly prevalent in the industrial manufacturing and consumer goods sectors.

Selling to the Government

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Information on the Office of Public Procurement, public procurement regulations and

public tenders is available via the internet:
<http://www.uzp.gov.pl/cmsws/page/?F;356>

<http://www.paiz.gov.pl/index/?id=46072631582fc240dd2674a7d063b040>

Procurements by the Ministry of Defense are held by the Armaments Inspectorate. Comprehensive information about military procurement laws and regulations are provided on the Armaments Inspectorate website:
<http://www.iu.wp.mil.pl/strony.artykul.19.0.html>

Unlimited tendering is the preferred method. Participation in tenders is open to all those who are legally, technically, and financially able to perform the contract (including foreign companies).

The U.S. Commercial Service strongly urges U.S. firms bidding on Polish government tenders to utilize the Department of Commerce's advocacy and counseling services to avoid common pitfalls in this complex process.

<http://www.export.gov/advocacy/>

The EU public procurement market, including EU institutions and member states, totals around EUR 1,600 billion. This market is regulated by three Directives:

- Directive 2004/18 on Coordination of Procedures for the Award of Public Works, Services and Supplies Contracts, and
- Directive 2004/17 on Coordination of Procedures of Entities Operating in the Utilities Sector, which covers the following sectors: water, energy, transport and postal services.
- Directive 2009/81 on Coordination of Procedures for the Award of Certain Works, Supply and Service Contracts by contracting authorities in the fields of defense and security (to be implemented in national laws of EU member states by August-2011).

Remedies directives cover legal means for companies who face discriminatory public procurement practices. These directives are implemented in the national procurement legislation of the 27 EU member states.

The U.S. and the EU are signatories of the World Trade Organization's (WTO) Government Procurement Agreement (GPA), which grants access to most public supplies and services and some work contracts published by national procurement authorities of the countries that are parties to the Agreement. In practice, this means that U.S.-based companies are eligible to bid on supplies and services contracts from European public contracting authorities above the agreed thresholds. However, there are restrictions for U.S. suppliers in the EU utilities sector both in the EU Utilities Directive and in the EU coverage of the GPA. The Utilities Directive allows EU contracting authorities in these sectors to either reject non-EU bids where the proportion of goods originating in non-EU countries exceeds 50% of the total value of the goods constituting the tender, or is entitled to apply a 3% price difference to non-EU bids in order to give preference to the EU bid. These restrictions are applied when no reciprocal

access for EU companies in the U.S. market is offered. Those restrictions, however, were waived for the electricity sector.

For more information, please visit the U.S. Commercial Service at the U.S. Mission to the European Union website dedicated to EU public procurement. This site also has a database of all European public procurement tenders that are open to U.S.-based firms by virtue of the Government Procurement Agreement. Access is free of charge.

Key Link: http://www.buyusa.gov/europeanunion/eu_tenders.html

Distribution and Sales Channels

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Regional Nature of Market and Review of Major Regions

Opportunities for doing business in Poland are, like the population, dispersed throughout the country. Twenty-five percent of the population resides in rural areas, urban dwellers are widely spread among a number of population centers.

Poland's largest cities and their respective populations are:

Warsaw	1,711,000
Kraków	751,000
Łódź	774,000
Wrocław	632,000
Poznań	554,000
Gdańsk	460,000
Szczecin	406,000
Bydgoszcz	357,000
Lublin	349,000

Industrial Goods Distribution

Imports of equipment and technology have remained steady as Polish industry modernizes and restructures to compete with the West. Poles are familiar with technical parameters of U.S. products, even prior to the actual introduction of those products in the marketplace. This reflects on the fact that serious Polish importers do their homework.

Industrial distributors may therefore be part of a network that developed from former foreign trade organizations (i.e. organizations that handled imports during the Communist period), or may be individuals with significant connections to their industry (frequently former employees of the large foreign trade firms). As industries and companies continue to privatize in Poland, distribution networks are expected to expand in scope and complexity.

Many distributors of industrial equipment are specialized and have very specific technical expertise. Because of this, some are better able to represent foreign manufacturers on a national level than most consumer goods distributors. However, exporters should be aware that large industrial enterprises would rather have **direct contact** with manufacturers when purchasing heavy machinery.

As with the consumer goods sector, importers and other companies that represent foreign companies are becoming more sophisticated and selective. The number and variety of imported goods available on the Polish market play an important role here as well. Polish agents or distributors increasingly look to foreign partners to provide marketing and promotional support, training and financing. Polish trade fairs, which have become more specific in scope, are a good place to look for possible distributors.

It is advisable to consider having one exclusive distributor. Potential channel partners in this sector tend to prefer exclusive arrangements because often they bear the marketing costs of new products and do not want potential competitors to reap the benefits of their promotional activities.

Selling Factors/Techniques

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As said, the Polish market is in most cases regional, and this description applies to selling as well. Because unemployment is lower and the average income is higher in Polish cities, urban dwellers generally have more purchasing power than inhabitants of rural areas. The countryside is dotted with single-factory towns, many of which currently suffer from higher unemployment rates.

Letters, faxes, Internet websites and packages of product literature will serve to introduce a product or service to a Polish company. Communication in Polish is recommended if the seller would like to receive a speedy reply. U.S. companies should ensure that translations from English into Polish are performed only by proficient translators who are fluent in modern business Polish and grammar.

An average Polish customer no longer requires face-to-face contact with a person selling a product. The role of the Internet in securing business contacts is growing and can now be considered a valuable selling tool. Over 17 million Internet users in Poland constitute approximately 46% of population. Approximately 40% use e-commerce to shop for products or services regularly. Over 98% of Polish companies have access to the Internet and many of them have begun to conduct business through this venue.

American companies that are little known outside of the U.S. may need to make a significant effort (often marketing, training, or other promotional activities) to convince the prospective Polish customer of their credibility. Product demonstrations are effective, as Poles tend to be skeptical about claims until they are proven. Sponsored visits to the U.S. company headquarters or manufacturing plant frequently help to convince Polish buyers to purchase a U.S. product.

The decision-making process, especially in large companies or government agencies, can be painfully slow, as every person or section involved in a decision usually must sign off before a decision is made. It usually takes several meetings and many rounds of negotiations before a deal is closed. This means that success in Poland is difficult without an in-country presence, whether that presence is an agent, distributor, or representative office.

Polish customers will want to discuss the technical parameters of the product, explain their needs, and negotiate the price. In addition, the product may not be sold at the first

meeting, as the customer will want some time to consider the points discussed and to arrange financing. Initial orders are frequently small due to Poles access to limited amounts of working capital and high rates of interest on credit. Follow-on sales often grow rapidly once effectiveness and profitability are established.

American exporters should be aware of the Polish customer's main problem: access to capital. Most Polish firms are still too small to consider going public or to issue commercial paper. Therefore, most business activities, including payment for imports, are still self-financed. American companies that can arrange for affordable financing for their Polish customers will have an edge over their competitors. The U.S. Export-Import Bank (Ex-Im Bank) offers a credit insurance program that can help small and medium sized U.S. firms in this regard.

If a prospective customer shows continued effort and interest in dialogue, the potential for a sale is good, even if the time leading up to the conclusion of a contract seems long by U.S. standards. If the proposal is well thought out, the pricing is flexible (or assistance with financing is offered) and promotion, servicing and customer support are part of the package, chances are good that a sale will ultimately be completed. Doing business in Poland is built upon personal relationships and trust. U.S. companies have an advantage in Poland, as the U.S., its people and products are generally held in high regard.

Electronic Commerce

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There are no barriers to electronic commerce activities in Poland, although American companies should consider the strict requirements of the personal data protection regulations and tax issues which match those of other European Union countries.

Even though electronic commerce in Poland has been growing both rapidly and steadily over the last decade, it still is early stages of development. E-commerce sales currently constitute only 3 percent of the entire retail turnover in the country. In general, Poles prefer auction services over e-shopping, so almost half of the e-shops channel their sales also through auction websites. The most popular auction site in Poland is Allegro, which has over 11.3 million users and almost \$3 billion yearly turnover.

A majority of online shops complement e-commerce sales with the traditional brick and mortar operations. Almost 90% of e-shops maintain their profiles on social websites. For a variety of reasons, including the language barrier and some limitations set by foreign auction and e-commerce sites, the vast majority of online shopping is done locally in Poland.

The most popular products bought on-line are consumer electronics, cosmetics, books, clothes, airline tickets and tourist services, as well as house and garden equipment. In large cities, ordering groceries online has become popular and grew by 40% last year. Nevertheless, on-line groceries' sales still represent only 0.2% of the total groceries market.

E-commerce development is facilitated by easy access to the Internet at affordable prices, common usage of banking accounts and credit cards, and, in general, familiarity with Internet technologies. Over the past 5 years, the value of transactions paid by

credit cards has increased four-fold with every fifth client using online banking services. The use of the Internet is also enhanced by the tremendous popularity of social networking sites. The most popular sites in Poland are Facebook and Nasza Klasa, with 12.35 million and 11.23 million users respectively.

Over 63 percent of Polish homes have a computer, 87% of those having internet access. In addition, 85% homes have cellular phones, which are increasingly being used for internet as well. Still, less than half of Internet users conduct online transactions and approximately 20% use on-line banking services.

With funding support from the EU, the Polish government continues to invest in broadband internet infrastructure projects, develops e-government services and internet and computer education programs, which should also benefit the development of e-commerce. Nevertheless, total public expenditure in Poland on digitalization and e-services fluctuate around 1% of GDP. Only since January 2011 Polish fiscal authorities have started to officially recognize e-invoices, waving the requirement that companies maintain hard copies.

The Electronic Commerce Directive (2000/31/EC) provides rules for online services in the EU. It requires providers to abide by rules in the country where they are established (country of origin). Online providers must respect consumer protection rules such as indicating contact details on their website, clearly identifying advertising, and protecting against spam. The Directive also grants exemptions to liability for intermediaries that transmit illegal content by third parties and for unknowingly hosting content. The European Commission released a work plan in 2012 in order to facilitate cross-border online services and reduce barriers.

Key Link: http://ec.europa.eu/internal_market/e-commerce/directive_en.htm

In July 2003, the EU started applying Value Added Tax (VAT) to sales by non-EU based companies of Electronically Supplied Services (ESS) to EU based non-business customers. U.S. companies that are covered by the rule must collect and submit VAT to EU tax authorities. European Council Directive 2002/38/EC further developed the EU rules for charging Value Added Tax. These rules were indefinitely extended following adoption of Directive 2008/8/EC.

U.S. businesses mainly affected by the 2003 rule change are those that are U.S. based and selling ESS to EU based, non-business customers or those businesses that are EU based and selling ESS to customers outside the EU who no longer need to charge VAT on these transactions. There are a number of compliance options for businesses. The Directive created a special scheme that simplifies registering with each member state. The Directive allows companies to register with a single VAT authority of their choice. Companies have to charge different rates of VAT according to where their customers are based, but VAT reports and returns are submitted to just one authority. The VAT authority responsible for providing the single point of registration service is then responsible for reallocating the collected revenue among the other EU VAT authorities.

Key Link: http://ec.europa.eu/taxation_customs/taxation/vat/how_vat_works/e-services/index_en.htm

General Legislation

Laws against misleading advertisements differ widely from member state to member state within the EU. To respond to this imperfection in the Internal Market, the Commission adopted a Directive, in force since October 1986, to establish minimum and objective criteria regarding truth in advertising. The Directive was amended in October 1997 to include comparative advertising. Under the Directive, misleading advertising is defined as any "advertising which in any way, including its presentation, deceives or is likely to deceive the persons to whom it is addressed or whom it reaches and which, by reason of its deceptive nature, is likely to affect their economic behavior or which for those reasons, injures or is likely to injure a competitor." member states can authorize even more extensive protection under their national laws.

Comparative advertising, subject to certain conditions, is defined as "advertising which explicitly or by implication identifies a competitor or goods or services by a competitor." member states can, and in some cases have, restricted misleading or comparative advertising.

The EU's Audiovisual Media Services Directive lays down legislation on broadcasting activities allowed within the EU. Since 2009, the rules allow for U.S.-style product placement on television and the three-hour/day maximum of advertising will be lifted. However, a 12-minute/hour maximum will remain. Child programming will be subject to a code of conduct that will include a limit of junk food advertising to children.

Following the adoption of the 1999 Council Directive on the Sale of Consumer Goods and Associated Guarantees, product specifications, as laid down in advertising, are now considered as legally binding on the seller. (For additional information on Council Directive 1999/44/EC on the Sale of Consumer Goods and Associated Guarantees, see the legal warranties and after-sales service section below.)

The EU adopted Directive 2005/29/EC concerning fair business practices in a further attempt to tighten up consumer protection rules. These rules outlaw several aggressive or deceptive marketing practices such as pyramid schemes, "liquidation sales" when a shop is not closing down, and artificially high prices as the basis for discounts in addition to other potentially misleading advertising practices. Certain rules on advertising to children are also set out.

Key Link:

http://ec.europa.eu/consumers/rights/index_en.htm

http://ec.europa.eu/avpolicy/reg/avms/index_en.htm

Medicine

The advertising of medicinal products for human use is regulated by Council Directive 2001/83/EC as amended by [Directive 2004/27/EC](#). Generally speaking, the advertising of medicinal products is forbidden if market authorization has not yet been granted or if the product in question is a prescription drug. Mentioning therapeutic indications where self-medication is not suitable is not permitted, nor is the distribution of free samples to the general public. The text of the advertisement should be compatible with the

characteristics listed on the product label, and should encourage rational use of the product. The advertising of medicinal products destined for professionals should contain essential characteristics of the product as well as its classification. Inducements to prescribe or supply a particular medicinal product are prohibited and the supply of free samples is restricted.

The Commission presented a new framework for information to patients on medicines in 2008. The framework which is still being debated would allow industry to produce non-promotional information about their medicines while complying with strictly defined rules and would be subject to an effective system of control and quality assurance.

Key Link:

http://ec.europa.eu/health/human-use/information-to-patient/index_en.htm

Nutrition & Health Claims

On July 1, 2007, a regulation on nutrition and health claims entered into force. [Regulation 1924/2006](#) sets EU-wide conditions for the use of nutrition claims such as “low fat” or “high in vitamin C” and health claims such as “helps lower cholesterol”. The regulation applies to any food or drink product produced for human consumption that is marketed on the EU market. Only foods that fit a certain nutrient profile (below certain salt, sugar and/or fat levels) will be allowed to carry claims. Nutrition and health claims will only be allowed on food labels if they are included in one of the EU positive lists. Food products carrying claims must comply with the provisions of the [nutritional labeling directive 90/496/EC](#) and its amended version to come into effect in 2011.

The development of nutrient profiles, originally scheduled for January 2009, has been delayed. Nutrition claims can fail, however, on any *single* criterion, i.e. if only one nutrient (salt, sugar or fat) exceeds the limit of the profile, a claim can still be made provided the high level of that particular nutrient is clearly marked on the label. For example, a yogurt can make a low-fat claim even if it has high sugar content but only if the label clearly states “high sugar content”. A European Union [Register of nutrition claims](#) has been established and is updated regularly. Health claims cannot fail any criteria.

The European Food Safety Authority (EFSA) finalized the evaluation of the “general function” health claims prioritized by the Commission by the end of June 2011 and published 341 opinions providing scientific advice on 2,758 “general function” health claims. These were drawn from a list of 4,637 claims submitted to EFSA by the European Commission between July 2008 and March 2010 when EFSA received the latest 452 claims for evaluation. The updated final list of 4,637 claims was the result of a consolidation process carried out by the Commission, after examining over 44,000 claims supplied by the Member States. The complete list was published on the EFSA website in the form of an Access database in May 2010.

A simplified authorization procedure has been established for health claims based on new scientific data. A guidance document on how companies can apply for health claim authorizations can be downloaded from EFSA’s website.

Key Link: <http://www.efsa.europa.eu/en/nda/ndaclaims.htm>

Food Supplements

Regulation 1925/2006, applicable as of July 1, 2007, harmonizes rules on the addition of vitamins and minerals to foods. The regulation lists the vitamins and minerals that may be added to foods. This list was most recently [revised in November 2011](#) to include additional substances. A positive list of substances other than vitamins and minerals has not been established yet, although it is being developed. Until then, member state laws will govern the use of these substances.

Key Link: http://ec.europa.eu/food/food/labellingnutrition/supplements/index_en.htm

Tobacco

The EU Tobacco Advertising Directive (2003/33/EC) bans tobacco advertising in printed media, radio, and internet as well as the sponsorship of cross-border events or activities including Olympic games and Formula One races. Free distribution of tobacco is banned in such events.

The ban covers advertising and sponsorship with the aim or direct or indirect effect of promoting a tobacco product. Tobacco advertising and sponsorship on television has been banned since 1989 and is governed by the Television without Frontiers Directive (89/552/EEC). This Directive was replaced by the Audiovisual Media Services Directive (2007/65/EC) adopted in December 2007, which extends this ban to all forms of audiovisual commercial communications, including product placement.

The Council Recommendation (2003/54/EC) on the Prevention of Smoking and on Initiatives to improve tobacco control covers other forms of tobacco promotion. It recommends Member States to prohibit the use of tobacco brand names on non-tobacco products or services; the use of promotional items and tobacco samples, the use and communication of sales promotion, such as a discount, a free gift, a premium or an opportunity to participate in a promotional contest or game; the use of billboards, posters and other indoor or outdoor advertising techniques (such as advertising on tobacco vending machines); the use of advertising in cinemas and any other forms of advertising, sponsorship or practices directly or indirectly addressed to promote tobacco products.

The EU plans to revise the Tobacco Products Directive in 2012 with possible changes could include bigger, double-sided health pictorial warnings on cigarette packages and plain packaging.

Key link: http://ec.europa.eu/health/tobacco/law/advertising/index_en.htm

Local Market Specifics

Trade fair activities in Poland grew rapidly at the beginning of the last decade, from a single major event (the annual June Poznan International Fair) to a full year's schedule of industry and product specific events in major cities around the country. For information on upcoming trade events please see Chapter 9: Trade Events. Some fairs are still proving their worth while others have lost popularity in recent years and are no longer attracting key Polish and international businesses. Direct U.S. company presence at trade fairs in Poland is minimal, but some U.S. firms exhibit through their European or Polish distributors. U.S. firms exhibiting in larger Western European trade fairs, particularly those in the Commercial Service's Showcase Europe program, will

encounter Polish buyers at those events. The U.S. Commercial Service in Warsaw can help you find distributors interested in representing U.S. products at Polish fairs. Advertising in Poland is considered important, not only in the consumer product field, but also in developing a company image for all types of goods. Television, which reaches virtually every home in Poland via local channels or satellite, is believed to be the most effective advertising medium in Poland. Products advertised through television commercials show the greatest sales growth among all advertised products. The bulk of advertising revenues go to television. The price of television spots on top rated shows has grown dramatically in the last few years as demand has soared. Radio is another means of advertising with 261 local radio stations as well as 6 national networks in operation: Polskie Radio SA Program 1, Polskie Radio SA Program 2, Polskie Radio SA Program 3, Polskie Radio SA Program 4, RMF FM, and Radio ZET.

There is a ban on cigarette and alcohol (including beer and wine) advertising for broadcasters and on alcohol ads for display and print media. There is also a ban on pharmaceutical advertising, except for over-the-counter (OTC) drugs and in professional publications.

Print media advertising is sophisticated and the print media market itself has grown to include a full range of publications. Major newspapers circulate throughout Poland and reach every corner of the country. In addition, special interest magazines, business journals, niche publications, and specialized newspapers have proliferated. Newsweek Polska, a division of Newsweek, will celebrate its 11th anniversary this year (2012) and the Polish edition of Forbes magazine, which was launched in January 2005, will celebrate its 7th anniversary this year. Classified advertising is very well developed and effective. Most U.S. companies find print media to be a highly effective means of reaching customers and candidates for jobs.

Major daily newspapers include Rzeczpospolita, Gazeta Wyborcza, Dziennik Polska, Nasz Dziennik, and two tabloids: Fakt and Super Express. Major daily business journals include Dziennik Gazeta Prawna, Parkiet Gazeta Gieldy, Puls Biznesu, and Financial Times. The Polish edition of Businessweek is published on a biweekly basis. There are also two English language weeklies that cater mainly to foreigners in Poland, the Warsaw Business Journal and the Warsaw Voice.

Major international, as well as local, advertising and public relations agencies abound in Poland. For contact information on these journals and firms please contact the U.S. Commercial Service in Warsaw at office.warsaw@trade.gov, at telephone number (48) 22 625-4374 or fax number (48) 22 621-6327.

Pricing

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The importance of pricing in Poland cannot be understated. Pricing is the key to successfully selling U.S. products and services in Poland. Working capital is limited in Poland, even among the larger, more successful Polish companies. Polish businesses generally spend money wisely, after thoughtful and sometimes lengthy consideration. The most commonly expressed reason for failed sales efforts according to potential Polish clients continues to be that “the price is too high.” The risks surrounding an m.jaskot@pzmielec.com.pl unstable exchange rate between the dollar versus the Polish zloty makes pricing especially difficult. Typically U.S. manufactured goods are compared to similar European-made goods and the lowest cost item wins the day.

Establishing the price of U.S. made products is further complicated by the addition of customs duties, Value Added Tax (VAT), and, in some cases, excise taxes, which may elevate the final retail price of a product dramatically. Flexibility in pricing is important, and the initial market penetration to gain product awareness among Polish consumers should be the goal. Successful U.S. exporters work together with their Polish representatives to keep costs, particularly import costs, as low as possible. For example, some companies ship products unassembled to help reduce import duties. Poland's accession to the EU has given the price advantage to European producers. U.S. made goods are burdened with customs duties, while products imported from EU countries are not. To level the difference, some American businesses have opened distribution and/or manufacturing facilities in Europe.

The Polish market is large and expanding for all types of products, but is also increasingly competitive. U.S. companies that approach the market with a long-term view of creating market share for their products will reap the rewards.

Sales Service/Customer Support

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After price, service is the second greatest concern for Polish customers. A manufacturer in the United States is seen by the Polish distributor and customer alike as being far removed from products exported to Poland. A potential customer may shy away from U.S. products over concerns that distance will lead to ineffective servicing if the product requires repair or maintenance.

Polish customers may walk away rather than purchase a product if they are required to ship it back to the United States for repair or service - even if the U.S. company pays for the shipment. Sending spare parts to Poland is easy to do. Some firms provide service for their exports to Poland through European representatives or firms licensed to repair their products. Even then, some distributors worry that they may not get adequate support.

Ideally, customer service and support should be provided through a trained Polish representative or U.S. affiliate company. The local technical support teams can be considered a part of the U.S. company's image in the Polish market. Effective, fast and reliable service contributes greatly to the U.S. manufacturer's success in Poland. The opposite can also be said about service. Therefore U.S. manufacturers should be ready to provide full assistance to their service personnel in Poland.

U.S. manufacturers with major export accounts in Poland may wish to periodically send a service representative to Poland to work with the local representative and visit customers. As an EU member, Poland adheres to EU-wide business directives and requires local market compliance.

Conscious of the discrepancies among Member States in product labeling, language use, legal guarantee, and liability, the redress of which inevitably frustrates consumers in cross-border shopping, EU institutions have launched a number of initiatives aimed at harmonizing national legislation. Suppliers within and outside of the EU should be aware of existing and upcoming legislation affecting sales, service, and customer support.

Product Liability

Under the 1985 Directive on liability of defective products, amended in 1999, the producer is liable for damage caused by a defect in his product. The victim must prove the existence of the defect and a causal link between defect and injury (bodily as well as material). A reduction of liability of the manufacturer is granted in cases of negligence on the part of the victim.

Key link:

<http://ec.europa.eu/enterprise/policies/single-market-goods/product-liability/>.

Product Safety

The 1992 General Product Safety Directive introduced a safety requirement at the EU level to ensure that manufacturers only place safe products on the market. It was revised in 2001 to include an obligation to the producer and distributor to notify the Commission in case of a problem with a given product, provisions for its recall, the creation of a European Product Safety Network, including a ban on exports of products to third countries that are not deemed safe in the EU.

Key link: http://ec.europa.eu/consumers/safety/prod_legis/index_en.htm

Legal Warranties and After-Sales Service

Under the 1999 Directive on the Sale of Consumer Goods and Associated Guarantees, professional sellers are required to provide a minimum two-year warranty on all consumer goods sold to consumers (natural persons acting for purposes outside their trade, businesses or professions), as defined by the Directive. The remedies available to consumers in case of non-compliance are:

- Repair of the good(s);
- Replacement of the good(s);
- A price reduction; or
- Rescission of the sales contract.

Key link:

http://ec.europa.eu/comm/consumers/cons_int/safe_shop/guarantees/index_en.htm.

Other issues pertaining to consumers' rights and protection, such as the New Approach Directives, CE marking, quality control and data protection are discussed in Chapter 5 of the Country Commercial Guide.

Protecting Your Intellectual Property

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Polish legislation and regulations have been amended several times to bring them into full compliance with the WTO TRIPS Agreement and EU Directives. The Polish government also continues to review and amend other laws and regulations to reflect the development and use of new technologies. Following the EU access to ACTA (Anti-

Counterfeiting Trade Agreement), Poland has signed the agreement on January 26, 2012 but it still requires ratification by the Polish Parliament. As a result of a wave of protests against ACTA, the Polish government has decided to suspend the ratification until completing a detailed analysis of ACTA provisions and wide consultations with all market players. According to the government, the IPR in Poland are covered by the legislation which is already in place.

Even though piracy remains a problem, Poland has made great progress in this respect, which resulted in taking Poland off the USTR 301 Watch List in 2010.

The main organizations responsible for IPR and related issues in Poland are the Ministry of Culture and National Heritage (<http://www.mkidn.gov.pl/pages/the-ministry-of-culture-and-national-heritage.php?lang=EN>) and the Polish Patent Office (<http://uprp.gov.pl>)

Several general principles are important for effective management of intellectual property (“IP”) rights in Poland. First, it is important to have an overall strategy to protect your IP. Second, IP is protected differently in Poland than in the U.S. Third, rights must be registered and enforced in Poland, under local laws. Your U.S. trademark and patent registrations will not protect you in Poland. There is no such thing as an “international copyright” that will automatically protect an author’s writings throughout the entire world. Protection against unauthorized use in a particular country depends, basically, on the national laws of that country. However, most countries do offer copyright protection to foreign works under certain conditions, and these conditions have been greatly simplified by international copyright treaties and conventions.

Registration of patents and trademarks is on a first-in-time, first-in-right basis, so you should consider applying for trademark and patent protection even before selling your products or services in the Polish market. It is vital that companies understand that intellectual property is primarily a private right and that the US government generally cannot enforce rights for private individuals in Poland. It is the responsibility of the rights' holders to register, protect, and enforce their rights where relevant, retaining their own counsel and advisors. Companies may wish to seek advice from local attorneys or IP consultants who are experts in Polish law. The U.S. Commercial Service can provide a list of local lawyers upon request.

While the U.S. Government stands ready to assist, there is little we can do if the rights holders have not taken these fundamental steps necessary to securing and enforcing their IP in a timely fashion. Moreover, in many countries, rights holders who delay enforcing their rights on a mistaken belief that the USG can provide a political resolution to a legal problem may find that their rights have been eroded or abrogated due to legal doctrines such as statutes of limitations, laches, estoppel, or unreasonable delay in prosecuting a law suit. In no instance should U.S. Government advice be seen as a substitute for the obligation of a rights holder to promptly pursue its case.

It is always advisable to conduct due diligence on potential partners. Negotiate from the position of your partner and give your partner clear incentives to honor the contract. A good partner is an important ally in protecting IP rights. Consider carefully, however, whether to permit your partner to register your IP rights on your behalf. Doing so may create a risk that your partner will list itself as the IP owner and fail to transfer the rights should the partnership end. Keep an eye on your cost structure and reduce the margins (and the incentive) of would-be bad actors. Projects and sales in Poland require

constant attention. Work with legal counsel familiar with Polish laws to create a solid contract that includes non-compete clauses, and confidentiality/non-disclosure provisions.

It is also recommended that small and medium-size companies understand the importance of working together with trade associations and organizations to support efforts to protect IP and stop counterfeiting. There are a number of these organizations, both Polish or U.S.-based. These include:

- The U.S. Chamber and local American Chambers of Commerce
- National Association of Manufacturers (NAM)
- International Intellectual Property Alliance (IIPA)
- International Trademark Association (INTA)
- The Coalition Against Counterfeiting and Piracy
- International Anti-Counterfeiting Coalition (IACC)
- Pharmaceutical Research and Manufacturers of America (PhRMA)
- Biotechnology Industry Organization (BIO)
- Polish Chamber of Commerce (Krajowa Izba Gospodarcza – KIG)

IP Resources

A wealth of information on protecting IP is freely available to U.S. rights holders. Some excellent resources for companies regarding intellectual property include the following:

- For information about patent, trademark, or copyright issues -- including enforcement issues in the US and other countries -- call the STOP! Hotline: **1-866-999-HALT** or register at www.StopFakes.gov.
- For more information about registering trademarks and patents (both in the U.S. as well as in foreign countries), contact the US Patent and Trademark Office (USPTO) at: **1-800-786-9199**.
- For more information about registering for copyright protection in the US, contact the US Copyright Office at: **1-202-707-5959**.
- For more information about how to evaluate, protect, and enforce intellectual property rights and how these rights may be important for businesses, a free online training program is available at www.stopfakes.gov.
- For US small and medium-size companies, the Department of Commerce offers a "SME IP Advisory Program" available through the American Bar Association that provides one hour of free IP legal advice for companies with concerns in Brazil, China, Egypt, India, and Russia. For details and to register, visit: http://www.abanet.org/intlaw/intlproj/iprprogram_consultation.html
- For information on obtaining and enforcing intellectual property rights and market-specific IP Toolkits visit: www.StopFakes.gov This site is linked to the USPTO website for registering trademarks and patents (both in the U.S. as well as in foreign countries), the U.S. Customs & Border Protection website to record

registered trademarks and copyrighted works (to assist customs in blocking imports of IP-infringing products) and allows you to register for Webinars on protecting IP.

The U.S. Commerce Department has positioned IP attachés in key markets around the world. For contact information, please see:

http://www.uspto.gov/ip/global/attache/Attache_Contacts_12-23-11.doc

Due Diligence

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The U.S. Commercial Service in Warsaw can provide U.S. companies with affordable, fast background checks on Polish business organizations through our *International Company Profile Service*. For more information on this service, please click on the following link: http://export.gov/poland/eg_pl_038499.asp or email the U.S. Commercial Service in Warsaw at office.warsaw@trade.gov, or call us at +48 22 625-4374.

Local Professional Services

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The legal environment in Poland continues to evolve at a rapid pace, and this is expected to continue. In general, Polish law firms follow changes closely. Thus, American companies doing business in Poland are strongly urged to obtain legal representation. This is particularly essential when bidding in a tender, forming a joint venture, or untangling a trade dispute. Most major law firms in Poland provide business counseling in addition to legal advice. Some firms are also experienced in helping their contacts find Polish business partners, investments or projects to pursue.

A U.S. exporter new to the Polish market may not initially need specialized legal, accounting, or consulting advice as it pursues potential partners. It can, however, take comfort in knowing that expert advice is abundant and available in Poland through the offices of U.S. and Polish law and consulting firms when problems arise.

U.S. accounting and consulting firms in Poland can also offer legal advice and business counseling. Most of the major international accounting firms have operations in Poland that focus on business formation, tax matters, and employee benefits. Many are also involved in the privatization process in Poland, including advising the Polish government. All can offer practical business counseling and assistance in establishing a representative office or incorporating a business in Poland.

Follow the link below to explore our on-line database of businesses providing professional services to U.S. exporters and investors in Poland.

http://export.gov/poland/businessserviceproviders/eg_pl_026743.asp

Local service providers focusing on EU law, consulting, and business development can be viewed on the website maintained by the Commercial Service at the U.S. Mission to the European Union at:

<http://export.gov/europeanunion/businessserviceproviders/index.asp>

For information on professional services located within each of the EU member states, please see EU Member State Country Commercial Guides which can be found at the

following website: <http://www.export.gov/mrktresearch/index.asp> under the Market Research Library.

Web Resources

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EU Websites:

Coordination of the laws of the member states relating to self-employed commercial agents (Council Directive 86/653/EEC):

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:31986L0653:EN:HTML>

Agreements of Minor importance which do not appreciably restrict Competition under Article 81(1) of the Treaty establishing the European Community

http://eurlex.europa.eu/LexUriServ/site/en/oj/2001/c_368/c_36820011222en00130015.pdf

Directive on Late Payment:

http://ec.europa.eu/enterprise/policies/single-market-goods/files/late_payments/doc/directive_2011_7_en.pdf

European Ombudsman:

<http://www.ombudsman.europa.eu/home/en/default.htm>

EU's General Data Protection Directive (95/46/EC):

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:1995:281:0031:0050:EN:PDF>

Safe Harbor:

<http://www.export.gov/safeharbor/>

Information on contracts for transferring data outside the EU:

http://ec.europa.eu/justice/policies/privacy/modelcontracts/index_en.htm

EU Data Protection Homepage

http://ec.europa.eu/justice/policies/privacy/index_en.htm

Distance Selling Rules:

http://ec.europa.eu/consumers/cons_int/safe_shop/dist_sell/index_en.htm

Distance Selling of Financial Services:

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32002L0065:EN:NOT>

E-commerce Directive (2000/31/EC):

http://ec.europa.eu/internal_market/e-commerce/index_en.htm

VAT on Electronic Service:

http://ec.europa.eu/taxation_customs/taxation/vat/how_vat_works/e-services/index_en.htm

The Unfair Commercial Practices Directive:

http://ec.europa.eu/comm/consumers/cons_int/safe_shop/fair_bU.S._pract/index_en.htm

Information to Patients - Major developments:

http://ec.europa.eu/health/human-use/information-to-patient/legislative-developments_en.htm

Nutrition and health claims made on foods: [Regulation 1924/2006](#)

Provisions of Nutritional Labeling

Nutritional Labeling Directive 90/496/EC

[http://eur-](http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:1990:276:0040:0044:EN:PDF)

[lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:1990:276:0040:0044:EN:PDF](http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:1990:276:0040:0044:EN:PDF)

EU-27 FAIRS EU Country Report on Food and Labeling requirements:

http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Food%20and%20Agricultural%20Import%20Regulations%20and%20Standards%20-%20Narrative_Brussels%20USEU_EU-27_1-4-2012.pdf

Guidance document on how companies can apply for health claim authorizations:

Summary document from EFSA

http://www.efsa.europa.eu/cs/BlobServer/Scientific_Opinion/nda_op_ej530_guidance_summary_en.pdf?ssbinary=true

Full document from EFSA

http://www.efsa.europa.eu/cs/BlobServer/Scientific_Opinion/nda_op_ej530_guidance_20health_claim_en.pdf,2.pdf?ssbinary=true

Health & Nutrition Claims

http://ec.europa.eu/food/food/labellingnutrition/claims/index_en.htm

Tobacco

http://ec.europa.eu/health/tobacco/policy/index_en.htm

Product Liability:

http://europa.eu/legislation_summaries/consumers/consumer_safety/l32012_en.htm

Product Safety

http://ec.europa.eu/consumers/safety/prod_legis/index_en.htm

Legal Warranties and After-Sales Service:

http://ec.europa.eu/consumers/rights/gen_rights_en.htm

Copyright: http://ec.europa.eu/internal_market/copyright/documents/documents_en.htm

Harmonization of certain aspects of Copyright and related rights in the Information Society - Copyright Directive (2001/29/EC):

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32001L0029:EN:HTML>

Industrial Property

http://ec.europa.eu/internal_market/indprop/index_en.htm

European Patent Office (EPO)

<http://www.european-patent-office.org/>

Office for Harmonization in the Internal Market (OHIM)
<http://oami.europa.eu/>

World Intellectual Property Organization (WIPO) Madrid
<http://www.wipo.int/madrid/en>

Directive on harmonizing trademark laws:
http://ec.europa.eu/internal_market/indprop/tm/index_en.htm

U.S. Websites:

IPR Toolkit:
<http://export.gov/europeanunion/marketresearch/intellectualpropertyrightssector/index.asp>

EU Public Procurement:
<http://export.gov/europeanunion/marketresearch/eufundingandgovernmentprocurementsectors/index.asp>

Local Professional Services: http://export.gov/europeanunion/eg_eu_030910.asp .

EU Member State Country Commercial Guides - Market Research Library:
<http://export.gov/europeanunion/eustandardsandcertification/2010countrycommercialguide/index.asp>

Polish Websites:

Representative offices in the territory of Poland:
<http://www.paiz.gov.pl/index/?id=7d62a275027741d98073d42b8f735c68>

Detailed information on forms of doing business in Poland:
<http://www.paiz.gov.pl/index/?id=887a185b1a4080193d5cf63873ac6d70>

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Chapter 4: Leading Sectors for U.S. Export and Investment

Commercial Sectors

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 - [Renewable Energy: Wind Power, Biomass, Biogas](#)
 - [Clean Coal Technologies](#)

- [Aviation – Airports and Aircrafts](#)
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Agricultural Sectors

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 - [Processed Fruit & Vegetables \(Consumer Oriented Product\)](#)
 - [Tree Nuts \(Consumer Oriented Product\)](#)
 - [Wine \(Consumer Oriented Product\)](#)
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Gas Drilling and Exploration

Overview

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Unit: USD thousands

	2009	2010	2011 (estimated)
Total Market Size	NA	NA	NA
Total Local Production	NA	NA	NA
Total Exports	9.1	17	4.8
Total Imports	9.7	15	50
Imports from the U.S.	0.3	6.8	37

In USD million

Estimation is based on statistical data for January - September of 2011.

Source of export/import statistics:

Global Trade Atlas GTA and Polish Statistical Office GUS

Local production statistics are confidential and not available.

The above statistical export/import data refer to HS 843049 category– Boring or Sinking Machinery for Boring Earth or Extracting Minerals or Ores, Not Self-Propelled – and include various boring machinery. Statistics specific solely to oil and gas drilling machinery are not available.

Annual natural gas consumption is estimated at the level of 14 billion cubic meters, with 4 billion cubic meters coming from domestic production. Poland is determined to reduce its heavy dependence on gas imports by attracting foreign oil and gas companies to develop domestic gas production. Currently, as of February 2012, there are 257 concessions for oil and gas exploration in Poland issued by Ministry of Environmental Protection, including 146 concessions for only conventional hydrocarbons exploration, 16 concessions for only un-conventional hydrocarbons exploration (including shale gas) and 95 concessions for exploration of both types of hydrocarbons.

According to an assessment that Advanced Resources International (ARI) prepared for the U.S. Energy Information Administration, it is estimated that Poland's technically recoverable shale gas resources are 187 trillion cubic feet (tcf) or over 5 trillion cubic meters. The ARI estimate places Polish shale gas reserves as the largest in Europe with France second with 180 tcf, followed by Norway at 83 tcf, and Ukraine at 42 tcf. (The same report estimates U.S. technically recoverable shale gas resources at 862 tcf.). The process of Polish shale gas deposit exploration has begun, with leading international oil and gas companies lining up to participate.

Exploration for shale gas is a best prospect for U.S. companies in the Polish gas exploration market. As of February 2012 there are 109 concessions for shale gas exploration issued by the Ministry of Environmental Protection. The vast majority of them belong to U.S. companies, some to companies from other countries like Canada, Germany, U.K., Italy, and Australia. There are also Polish firms that have such concessions – like Polish Oil and Gas (known as POGC or PGNiG), Lotos, PKN Orlen and others.

A map of Shale Gas Concessions in Poland can be viewed at:

http://www.mos.gov.pl/g2/big/2012_01/7ee88c2b02fd403018a41a482782f6f7.jpg

and Conventional Gas Concessions:

http://www.mos.gov.pl/g2/big/2012_01/0c95e4a015843d7d73b6e2d5fcab8cec.jpg

The following companies hold oil and gas exploration concessions in Poland: Aurelian Oil and Gas (U.K.), Blue Energy (Australian), BNK Petroleum (U.S.), CalEnergy (U.S.), Celtique Energie (Germany), Chevron (U.S.), Cuadrilla (U.K.), Dart Energy (Australian), DPV Service (Germany), Ecco Energy 2010 (Poland), Eni Polska (Italy), Exxon Mobil (U.S.), EurEnergy Resources (U.S.), FX Energy (U.S.), Gas Plus International (Denmark), 3Legs Resources (U.K.), Lotos Petrobaltic (Poland), Marathon Oil (U.S.), Mac Oil (Italy), Petrolinvest (Polska), PL Energia (Poland), PKN Orlen (Poland), Polish Oil and Gas Co. (Poland), Realm Energy International (Canada), RWE Dea AG (Germany), San Leon Energy (U.K., Ireland), Sierra Bravo (U.S.), Strzelecki Energia (Australia), Talisman Energy (Canada), and ZOK (Poland – in this case for methane recovery).

By the end of 2011 some 13 sites were drilled in Poland. The planned number for 2012 is 18, and this number will be rising significantly in 2014 (up to 200 drills), when the exploration phase would move to production. The Polish Ministry of Environmental Protection expects the figure to grow to 1000 by 2020. Other estimates say that if the first research confirm Poland's potential for shale gas exploitation, as many as 12 thousand drills will be working by 2020.

The Polish Oil and Gas Company (PGNIG), a joint stock company majority owned by the State Treasury, is one of the largest Polish companies and a leading player in the market of natural gas exploration and production in Poland. Currently, PGNIG holds 96 concessions for oil and gas exploration, including 81 concessions for conventional hydrocarbon exploration and 15 concessions for conventional and un-conventional hydrocarbon exploration. The company uses high-caliber equipment and the latest research methods. The company also performs gas exploration and production in Poland together with foreign companies under joint venture agreements.

The market for gas drilling and exploration services is dominated by six domestic companies owned by PGNIG. There are three drilling and exploration services contractors and two geophysical services contracts. They have been cooperating with international drilling operators around the world and are well experienced in exploration and drilling works performed in Poland and abroad. PGNIG has executed projects in the Middle East and Asia, North Africa and Europe (Germany, Russia, Slovakia, and Ukraine) and possess a qualified and professional engineering staff that is able to work in a wide variety of international environments. Foreign companies exploring for gas in Poland are contracting these professionals for their drilling works. Companies are well equipped with drilling rigs and machinery of foreign production, including American, Italian, Canadian, and from Singapore. There are also foreign firms that have started to offer drilling services in Poland – like MND Drilling & Services from the Czech Republic, or KCA Deutag from Scotland. Currently, there are around over 30 drilling rigs that are at the disposal of drilling contractors in Poland. These include machinery of following brands: National, IDICO, IDM, IRI, Massarenti, Mid-Continent, Skytop Brewster, Kremco, Bentec, and Cardwell. These rigs have been going through rehabilitation on a regular basis and are in very good condition. Polish drilling contractors plan to enlarge the number of drilling rigs available for gas exploration works. Receptivity to American

products is high due to an excellent reputation for high quality products, reliability, and technical assistance.

There is no domestic production of drilling rigs used for hydrocarbon exploration in Poland.

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Drilling contractor services for shale gas exploration
Associated geophysical services for shale gas exploration
Specialized equipment for shale gas exploration

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The exploration for shale gas in Poland creates an immediate market for drilling services and machinery. If the results of the current exploration projects prove that there are recoverable shale gas deposits that can be exploited effectively, it will open the way for production. Any future production of shale gas would create a market for additional equipment and supplies to be used during the production stage. We may expect results from the first exploration projects as early as 2014-2015. Poland does not have the technology necessary to extract shale gas on a commercial scale, and a steady flow of necessary equipment and qualified engineering staff from abroad will become necessary.

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Ministry of Environmental Protection

<http://www.mos.gov.pl/?j=en>

Polish Geological Institute

http://www.pgi.gov.pl/pgi_en/

Polish Oil and Gas Company

<http://www.pgnig.pl/main/?s,main,language=EN>

Oil and Gas Exploration Company Jaslo

<http://www.pnig.jaslo.pl/en/>

Oil and Gas Exploration Company Krakow

<http://www.ogec.krakow.pl/index.php?recid=&lang=en>

Oil and Gas Exploration Diament

<http://www.en.pn-diament.com.pl/>

Oil and Gas Drilling Company Nafta

<http://www.nafta.com.pl/?lang=en>

Geophysical Services Company Torun
<http://www.geofizyka.torun.pl/en>

Geophysical Services Company Krakow
http://www.gk.com.pl/?cl=en&set_language=en

The Polish Exploration and Production Industry Organization - Employers' Union
<http://www.opppw.com/>

Major Trade Events

Oil & Gas
September (annual event)
Warsaw, Poland
<http://www.ztw.pl/index.php/kalendarium#>

International Geological Fair Geologia
May (annual event)
Warsaw, Poland
<http://www.geologia.info.pl/index.php?go=24>

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In January 2009, the Polish government took the decision to develop the Polish Nuclear Energy Program PNEP. The program envisions the construction of two nuclear power plants of 3,000 MW each, with the first plant becoming operational in 2020. According to Poland's energy policy, by 2030 the nuclear energy should provide 6.5% of national energy demand. The Polish Energy Group PGE, a majority state-owned company, was assigned as the major investor of the first two nuclear power plants. The Government Commissioner for Nuclear Energy was established in May 2009 with the task to create and supervise the PNEP, prepare the necessary nuclear legislation and to cooperate with PGE on program preparation and introduction. In July 2009, the Commissioner prepared an action plan for nuclear energy that became the basis for the program preparation. In January 2011, after multiple and lengthy social and industry consultations, the program was presented to the Council of Ministers for authorization.

PNEP describes detailed tasks and identifies the actions needed to perform these tasks together with deadlines for completion of each particular tasks, lists possible power plant locations, presents financial cost analysis of program introduction and social and economic consequences of program introduction, analyzes nuclear energy safety issues (radioactive waste disposal, spent nuclear fuel disposal), and examines nuclear education needs. The following five stages in the program action plan are:

1. Preparation and adoption by Council of Ministers of Polish Nuclear Energy Program PNEP and adoption and implementation of required legislation necessary for development and functioning of civil nuclear energy industry in Poland (by June 30, 2011);
2. Site selection and contract settlement for construction of first nuclear power plant (July 1, 2011 – December 31, 2013);
3. Technical design preparation and all required settlements (January 1, 2014 – December 12, 2015);
4. Construction permit arrangements and construction of first power block of first power plant; beginning of construction of following power blocks/power plants (January 1, 2016 – December 31, 2020); and
5. Construction of following power blocks/power plants (January 1, 2021 – December 31, 2030).

The final PNEP approval by the Council of Ministers is still subject to receipt of environmental impact assessment and trans-border consultations, and is estimated for the middle of 2012. By July 1, 2011, the required nuclear legislation (an update of Poland's Atomic Law and a new Nuclear Energy Investment Law) was prepared, approved and came into force. The Nuclear Energy Investment Law describes the rules for preparation and realization of investments in nuclear power plants and associated investments (nuclear fuel beneficiation plants, nuclear fuel production and processing facilities, and radioactive waste storage facilities). The law specifies procedures for obtaining the necessary administrative decisions and permits required for construction and operation of nuclear power plant, regulates the expropriation procedures and claims, gives directives for the financing of the investment. The idea was to create one single law that would regulate all the issues connected with construction and operation of

nuclear power plant, and to make the entire process as clear as possible. The Atomic Law regulates the issues of nuclear safety and supervision related to localization, design, construction, operation and liquidation of nuclear energy facilities (power plants, radioactive waste facilities, and spent nuclear fuel), radiological protection, and responsibility for nuclear damage. Law specifies responsibility of Polish Atomic Agency as the Poland's nuclear energy supervisory body. All necessary ordinances implementing the new Atomic Law are currently in the process of preparation by relevant ministries.

The Ministry of Economy has already begun working on the national plan for the handling of radioactive wastes and spent nuclear fuel; that first draft should be ready this year. In November 2011, PGE presented the shortlist of possible locations for the first nuclear power plant, including three sites located in the Northern Poland (Zarnowiec, Gaski, Choczewo).

Sub-Sector Best Prospects

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Best prospects exist in all areas of nuclear energy, including technology and product area, engineering services, design and construction services, technical services, consulting services, and nuclear education and training. Although the conventional power sector is well developed in Poland, the country does not have much experience in nuclear energy. The nuclear energy program initiated in the eighties was abandoned following the Chernobyl disaster. Currently, Poland has to build everything from the scratch, including the legal and physical infrastructure as well as qualified manpower. A large scale educational program to train qualified nuclear energy professionals must be established. The lack of an already existing base creates a need for usage of international human resources from countries that already implemented nuclear energy program. Development of local qualified nuclear energy resource base is top priority for Polish government.

Opportunities

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According to PGE estimates, the cost of complete construction of the first 3,000 MW nuclear power plant should range between \$12-18.5 billion. The state budget will cover the cost of \$270 million for construction of radioactive waste disposal facility, educational campaign and creation of State Atomic Agency.

PGE is responsible for creating a consortium with interested companies to construct the first two nuclear power plants. PGE will hold at least 51% stake in the future consortium. The company is also responsible for technology selection and has signed three memorandums of understandings with foreign companies to analyze the possibility of introducing specific nuclear technology and associated costs. These memorandums are specifically in partnership with Electricite de France and Areva (EPR technology), GE Hitachi (ESBWR reactor) and Westinghouse Toshiba (AP 1000 reactor).

The actual tender for nuclear technology selection, initially planned to be announced by PGE in July 2011, has been delayed. Currently, the tender is expected to be announced by the middle of 2012. All suppliers that meet the tender requirements would be welcome to bid. In the preparation of the tender, PGE organized a vendor conference where invited potential technology providers received detailed information on the Polish government's nuclear energy development plans and the technology tender conditions.

Within 24 months of tender issuance, PGE will conclude contract negotiations with the selected technology provider. Simultaneously, PGE will hold negotiations with potential equity partners, co-investors for consortium to construct power plant. PGE is confident that there are multiple international utilities interested in becoming an equity partner.

PGE has been organizing several other tenders for legal and technical advisory services and analysis, in preparation for actual construction work. The tender for feasibility study for construction of two nuclear power plants has already been concluded. In February 2011, PGE announced two technical consultancy tenders. The first tender is for "Providing Technical Advisory Services (Owner's Engineer) to Support PGE EJ1 First Nuclear Power Plant Development Program with an Installed Capacity of Approximately 3,000 MW". The estimated value of the contract is over \$415 million (for a 10 year period). The second tender is for "Site Characterization and Licensing/Permitting Services Necessary for the PGE EJ1 First Polish Nuclear Power Plant Development Program with an Installed Capacity of Approximately 3,000 MW". The objective of this contact is to provide environmental analysis, site characterization and the licensing/permitting services necessary for the investment process. The estimated value of the contract is over \$40 million. Both of the tenders are currently underway (with three consortia shortlisted for each of the tender) and the selection of successful bidders is expected in the first half of 2012.

Tenders in nuclear energy organized by PGE are published on PGE EJ1 website <http://www.pgeej1.pl/english/>. PGEEJ1 is a wholly-owned subsidiary of PGE to lead development of the first nuclear power plant.

Web Resources

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Ministry of Economy
www.mg.gov.pl

PGE
<http://www.pgesa.pl/en/Pages/default.aspx>

PGE EJ1
<http://www.pgeej1.pl/english/>

National Atomic Energy Agency
<http://www.paa.gov.pl/en/>

Soltan Institute for Nuclear Studies
<http://www.ipj.gov.pl/en/rob3.php>

Institute of Atomic Energy POLATOM
http://www.iea.cyf.gov.pl/index_ang.html

Ecology Association for Nuclear Energy SEREN
<http://www.seren.org.pl/>

Polish Nuclear Society
http://ptn.nuclear.pl/index_en.php?li=_en

Energy Market Agency
<http://energetykajadrowa.cire.pl/>

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Poland has very favorable technical and economic factors for renewable energy development. Starting in 2004, Poland began to experience a shift of political and public support away from traditional fossil fuels and toward the development of renewable energy resources. Poland established a target of 10.4 percent of energy production from renewable sources by 2010, and will continue with this target till 2014. These targets were set forth in the Ministry of Economy regulation of November 3rd, 2006. Utilities are required to purchase electricity from renewable sources, and prices are regulated by tariffs. Producers of green energy can apply for green certificates that are tradable on global energy stock exchange markets. As of December 2011 the Ministry of Economy presented a draft of a new RE law that is currently under public consultations.

Biomass, biogas and wind appear to be the most promising renewable energy resources for development in Poland. Both liquid and solid biomass is considered to be the main sources of renewable energy in Poland, for both electricity and thermal energy production. Biomass technologies and supply sources are relatively mature, and the investment costs are lower than for other maturing renewable energy technologies. Poland also has some of the best documented wind resources in Central and Eastern Europe with areas reaching up to 1,000 W/m² in power density.

Biomass

Biomass is the most promising source of renewable energy in Poland. The technical potential of biomass amounts to 755 PJ/year (Petajoule/year). The greatest opportunities for biomass technology implementation are in the forestry, wood processing and agriculture sectors. The majority of current biomass use is for heat. Small and medium scale boilers in industrial settings most commonly use fuel such as wood pieces, sawdust, and wood shavings. Also industrial scale energy sector looks promising after start up of two boilers of 191MW and 140 MW power capacity at two power plants in Szczecin and Polaniec. Combined heat and power (CHP) plants using organic waste from pulp and paper operations, and straw and wood fired heating plants are also in operation. According to the Energy Regulatory Office over 89% of biomass energy comes from co-firing with traditional fuel, mostly coal.

About 47 percent of the land area of Poland, (approx. 14 million ha), consists of arable and agricultural lands. Nearly 9 million ha is forested, approximately 28 percent. It is estimated that the total forest cover in Poland will reach 32 percent in the next 15 years. There are very good opportunities for biomass development in Poland. The areas with the most potential for biomass / biogas projects are those in the northern and western regions, rural and mountainous regions, as well as the eastern border of Belarus.

Wind power

In Poland, wind turbines installed by October, 2011 have a combined capacity of around 1481MW comparing to 582 MW in 2009 shows an increase of 250% within two years. According to the European Bank for Reconstruction and Development, Poland is one of the most promising wind energy markets in Europe. The country possesses many potentially profitable locations and great development possibilities. Much of Poland has favorable conditions for wind energy production. The average wind speed varies

between 5.5 and 7.0 m/s at a height of 50 meters. The productivity of one 2MW turbine may be equal to as much as 5,000 MWh per year.

Poland's existing wind power capacity includes almost 500 wind turbines of varying capacity including 2.3MW installed at 14 professional wind power stations. The largest ones are:

- Margonin – 120MW – major investor Energias de Portugal
- Tymien – 50 MW – major investor INVEnergy of the USA
- Losina – 48 MW – major investor Mutsui and J-Power of Japan
- Suwalki – 41.5MW – major investor RWE of Germany
- Kisielice – 40.5 MW – major investor Iberdrola of Spain.

According to investors, the ROI of wind power investments is approximately 10-12 years. This favorable profitability rate is the result of the high price of electric power produced from RES which the market currently supports. When selling 1 MW of power, a wind farm owner can obtain up to \$140 MWh. Wind energy projects are strongly supported by the Polish government and the European Union funds. Currently funds for wind energy projects can be sourced from the 9.4 activity of the Operational Program "Infrastructure and Environment". The new financial perspective for 2014-2020 will for sure support RE developments in member states.

Sub-Sector Best Prospects

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Best selling prospects with harmonized system codes:

- 8402 wood-fired boilers
- 8402 fluidized-bed boilers
- 8402 straw-fired boilers
- 8407 spark ignition engines generating electricity from biogas at waste water treatment plants and from landfill gas
- 841280 wind turbines

Opportunities

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Poland is one of the European Union countries that committed to a 20% reduction of CO₂ emission, a 20% goal of renewable energy in the total energy balance, and a 20% increase in the effective use of energy, all by the year 2020.

The Polish Biomass Chamber together with local governments and under auspices of the Polish Ministry of Agriculture and Economy promotes the national program "Biogas 2020" which aims at reaching 2000 MW of electric power by the year 2020 within scattered cogeneration. Within the framework of this program Poland has a target to build and install 2020 agricultural biogas facilities with capacity of 0.5-2.0 MW by the year 2020. Each community should have such a facility. Necessary acreage of biomass needed is approx. 800 thousand hectares and the value of the program and is estimated at 3 – 6 billion Euros. This program will create about 10,000 new jobs at those facilities as well as 40,000 – 60,000 new jobs in farming.

According to the European Wind Energy Association's (EWEA) latest figures, Poland is expected to increase its total wind power capacity 26-fold by 2020. This jump will catapult Poland into one of the foremost wind energy producers in the EU by 2020, after Germany, Spain, the UK, France and Italy. By 2020, Poland is expected to have a total installed capacity of up to 12,500 MW, of which 12,000 will be onshore installed capacity and the rest offshore, EWEA's Pure Power report finds. Poland has not yet ventured into offshore wind energy, but the 'Energy Policy of Poland until 2030', adopted by the Polish Council of Ministers in November 2009, outlines the country's intention to support the development of wind farms both on land and at sea.

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Ministry of Economy
<http://www.mpips.gov.pl/english/>

Ministry of Environment
<http://www.mos.gov.pl>

Polish Chamber of Commerce for Renewable Energy
<http://www.pigeo.org.pl/>

Polish Wind Energy Association
<http://www.psew.org.pl/>

Polish Biomass Chamber
<http://www.biomasa.org.pl>

Institute for Renewable Energy
<http://www.ieo.pl/eng/start.html>

National Fund for Environmental Protection and Water Management
<http://www.nfosigw.gov.pl>

Commercial Specialist

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Clean Coal Technologies

Overview

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Poland is the largest hard coal producer in Europe (excluding Russia) and one of the world leaders in coal production and exports. The country accounts for about 3% of the worldwide hard coal output. The volume of hard coal operational reserves in Poland is estimated at 4.5 billion tons, while brown coal operational reserves are estimated at 1.7 billion tons. Production of hard coal totaled 70 million tons in 2010, and the production of brown coal achieved 60 million tons. Poland's current export of hard coal is estimated at 17 million tons annually with Germany, Austria, Slovakia and Finland the major importers of Polish coal.

Poland has traditionally been a supply-oriented country with important hard coal and lignite industries. Coal dominates Poland's energy supply, supplying around two-thirds of the country's primary energy demand and producing most of its electricity. Within the country, hard coal goes to a range of market sector and industrial users that include power generation, heating generation, coke making, industrial users, and other users, including residential, small business and agricultural heating. The Polish power generation sector, the largest individual market for coal, uses 40 Mt/y of hard coal (53%). The current share of coal in primary energy consumption averages 60%. Coal is the major energy source in Poland. 96% of electrical energy is generated from hard coal and lignite, the highest national dependence in the world. The Polish power sector of installed capacity of 35 GWe (the largest in CEE) currently comprises over 21 GW of hard coal fired capacity and nearly 9 GW of lignite fired.

The energy and climate policy of the European Union is one of the instruments designed to build a low carbon economy in EU. The policy envisages a major reduction (20%) of CO₂ emissions by the year 2020 – creating an enormous challenge for Poland, whose economy is to a large extent based on coal. This target set by the EU, places Poland under significant pressure to minimize the environmental impact of coal utilization by developing modern clean coal technologies (CCT) and methods for CO₂ emissions reduction in existing and new power generation installations. The development of Clean Coal Technologies (CCT) is a way for the country to considerably reduce the negative effects of CO₂ emissions. It would also allow, to an extent, a limited period for the exploitation of hard and brown coal before the commercial application of alternative energy sources is available. Nonetheless, according to Poland's Energy Policy until 2030 guidelines, coal will remain the major country energy source.

Poland is very interested in developing a diverse array of clean coal technologies. The Polish Energy Policy (PEP) up to 2030 specifies six basic areas for the Polish energy sector: improvement of energy efficiency, enhancement of fuel and energy supply security, diversification of electricity production structure, development of renewable energy sources, growth of competitive fuel and energy markets, and limiting of energy sector environmental impact. The stricter security of fuel sources involves the rational and efficient management of Poland's coal deposits and continued use of coal as the principal energy source in Poland. The Energy Policy also provides for the development of modernized coal preparation and enrichment technologies as well as the identification and increasing resource base of this fossil fuel. The Policy also provides for funding for research and development of technologies to produce liquid and gaseous fuels from coal, and counteracting the negative environmental impact of energy generation from

coal. The Polish government's ultimate goal is to become a European and global leader in CCT development and utilization.

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The following CCTs are of special interest to the Polish government:

- Enrichment of coal;
- Coal Gasification , including Integrated Gasification Combined Circle (IGCC) and Underground Coal Gasification (UCG); and Carbon Capture and Storage (CCS).

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Carbon Capture and Storage (CSS) technology is a priority within CCT for the Polish government, as well as for the EU. According to McKinsey & Company, CCS technology has the potential to reduce CO₂ emissions in Poland by 15% by 2030. There were plans to build two CCS installations under the European Commission program of building 12 CCS flag installations in EU. Projects were to be co-financed by the EU CCs Flag Program fund called NER 300. Poland's demonstration projects which were presented to this program and are strongly supported by the Ministry of Economy include:

- PGE project to build a CCS post combustion installation in the 858 MW (lignite-fired) unit in Belchatow Power Plant; and
- PKE in cooperation with ZAK Kedzierzyn, a project to retrofit the Blachownia power station (IGCC precombustion technology) combined with carbochemical synthesis in the chemical plant Kedzierzyn.

The above two demonstration projects have been submitted to the European Commission as Polish proposals to the EU Flagship Program. The Belchatow power plant has already received the grant for Euro 180 million from the European Economic Program for Recovery EEPR and the grant of Euro 137 million from Norway Grants, and is also a candidate for the CCS funding mechanism NER 300. The plan is to fit 250 MW of the 858 MW new coal fired unit at the Belchatow power plant for CCS, using an amines-based capture technology. Recently, ZAK Kedzierzyn has announced its withdrawal from the second project and the project application has been withdrawn from the EU CSS Flagship Program. Other CCS projects that are considered for development include coal gasification projects in Nitrogen Works Pulawy ZAP and Wrotkow CHP plant.

Coal gasification technology, including Underground Coal Gasification (UCG) and Integrated Gasification Combined Circle (IGCC) (pre-combustion) is of great importance for Poland, as the primary product of gasification is syngas. Syngas is an alternative for natural gas and the raw material for the majority of Poland's sizeable chemical industry. Given the potential for aboveground and underground gasification, Poland may become Europe's largest producer of synthetic gas and hydrogen. The research works in the area of coal gasification are notably advanced in Poland. The Central Mining Institute (GIG) successfully completed an underground coal gasification demonstration project in the experimental coal mine Barbara last year, and is preparing two additional trials in the Barbara mine and in the active coal mine Wieczorek. The latest experiment will be done

400 meters underground and will be the largest project of this kind worth USD 30 million. The trial will be performed jointly by the Krakow Mining and Metallurgy Academy, GIG, and the Silesian Technical University under the European HUGE II program.

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Ministry of Economy

<http://www.mg.gov.pl/>

Ministry of Environment Protection

<http://www.mos.gov.pl/>

Central Mining Institute

<http://www.gig.eu/>

Clean Coal Technologies Center

<http://cctw.gig.eu/>

Polish Clean Coal Technologies Platform

<http://www.ppctw.pl>

Institute of Chemical Coal Processing

<http://www.ichpw.zabrze.pl/?setlang=en>

Mineral and Energy Economy Research Institute

<http://www.min-pan.krakow.pl/english/index.php>

The Polish National Energy Conservation Agency

<http://www.kape.gov.pl/EN/index.phtml>

Institute of Environmental Protection

<http://www.ios.edu.pl/>

The Energy Market Agency

<http://www.ure.waw.pl/>

Polish Confederation of Private Employers Lewiatan

<http://pkpplewiatan.pl>

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The civil aviation sector in Poland continues to undergo many changes concurrent with the country's recent accession to the European Union. The liberalization of Poland's air transportation industry and implementation of the "open skies" agreement as of May 1, 2004 has created a new operating environment, which promises vastly increased competition. Until 2008 the number of passengers served at Polish airports was growing rapidly, with the world's fastest annual growth rate in some years. While growth stopped at the end of 2008 and in 2009 due to the global economic crisis, the growth trend has returned.

The number of passengers passing through Polish airports has been growing significantly over the last few years. In 2010 the figure reached almost 20.5 million and 21.9 million in 2011 and is expected to continue over the next several years at an average rate 5.5%. The Polish Civil Aviation Office predicts that the total number of passengers served by Polish airports will reach 23 million in 2012, almost 40 million in 2020 and 58 million in 2030.

Polish airports are getting ready to host soccer fans coming to Poland for the European Soccer Championships in June 2012. It is estimated that over 500,000 soccer fans will visit Poland for the event and that 50% of them will arrive by air. Poland, while getting ready to host this event, had to upgrade its regional airports to be able to host so many passengers at one time. Government of Poland estimates that the total cost of preparations of Polish regional airports to Euro2012 may reach 7 billion PLN (3.2 billion USD). Majority of the financing comes from the EU sources, the remaining part - from airports' own sources and local governments.

In recent years, the structure of the Polish air sector has changed significantly – first, regarding growth in the number of passengers - mostly attributed to low cost airlines, and second, regional airports have noted a much higher passenger growth rate than at the Warsaw Airport.

Poland's national airline, LOT, is considered to be one of the leaders among Central and Eastern European airlines. The company was privatized at the beginning of the 1990's with 25% of shares sold to Swissair. These shares, after Swissair's bankruptcy, were taken over by SAirLines BV and then were transferred to the Finance Society Silesia Co. Ltd. (owned by the State Treasury). Now LOT is owned by the State Treasury of Poland and LOT employees. The Polish government is reported to have had serious talks with potential investors interested in acquiring LOT shares.

The Civil Aviation Office is the primary Polish civil aviation authority, and falls under the authority of the Ministry of Transport, Construction and Maritime Economy.

Airports

Poland's current airport network consists of one central airport (Warsaw Frederic Chopin), one regional central airport (Krakow Balice), 9 regional airports, and in addition several small airports, sporting and training airports owned by the Polish Aeroclub, a

number of post Russian military airports, and a few facilities owned by manufacturing enterprises.

Warsaw Frederic Chopin Airport is the primary international airport, while Krakow Balice is considered a regional central airport. Regional airports are: Gdansk Rebiechowo, Katowice Pyrzowice, Poznan Lawica, Wroclaw-Strachowice, Szczecin Goleniow, Rzeszow Jasionka, Bydgoszcz-Szwederowo, Lodz, and Zielona Gora-Babimost.

Most regional airports are owned by consortia, which include nearby municipalities, Polish Airports State Enterprise and private entities. In the past, most lacked the necessary funds and capital to adequately develop, but currently funds from regional development funds, European Union Structural and Cohesion funds, and private capital are readily available. One airport, in Bydgoszcz, has a private foreign company as a minority shareholder.

The privatization of Polish Airports State Enterprise (PPL) has been projected for some time, however these plans might not be as immediate as previously expected. PPL operates Warsaw Frederic Chopin Airport (previously called Okecie Airport) and two regional airports: Rzeszow and Zielona Gora. Five regional airports: Gdansk, Katowice, Wroclaw, Krakow and Poznan have been transformed into commercial companies with shares owned by State Treasury, PPL, local governments and private economic entities. PPL does not own shares in Lodz Airport. There are plans to introduce private foreign investors to take over some shares at Polish airports. So far only Bydgoszcz Airport has a minority shareholder (24.9%) – Airports International, formerly being a part of Austrian company Meinl Airports International.

Since Warsaw Chopin Airport is expected to reach its capacity soon, there were plans to build a new passenger–cargo airport near Warsaw - Warsaw II. Mszczonow is mentioned as the possible location, however, decisions concerning this project have been postponed.

The Ministry of Transport, Construction and Maritime Economy has confirmed that the existing airport infrastructure cannot handle the forecasted growth and that Poland needs to build new regional airports. The regions targeted by the Ministry for new airport construction are Mazury (North Eastern part of Poland, near Olsztyn), Podlasie (also North-Eastern part of Poland, near Bialystok), in Swidnik, near the city of Lublin (South-Eastern part of Poland), near the city of Kielce (200 km South of Warsaw), and near the city of Kolobrzeg (North-Western part of Poland). So far these construction/development projects have started in Modlin and Lublin with construction of completely new terminals to be ready and operational in mid/late 2012. A former military airport in Modlin (North of Warsaw) was chosen for an airport for low-cost carriers and charter flights.

Investment plans at regional airports have been limited in the past by financial limitations of regional self-governments (self-governments are partial owners of the regional airports). The situation improved when Poland joined the EU, thus opening access to EU structural and cohesion funds available for infrastructure projects. All Polish airports have major expansion/modernization plans to accommodate the growing number of passengers and cargo shipments.

Aircrafts and Parts

	2009	2010	2011 est.
Total Market Size	NA	NA	NA
Total Local Production	NA	NA	NA
Total Exports	319	432	517
Total Imports	405	466	506
Imports from the U.S.	111.5	115.8	147.5

In USD million

Exchange rates:

2009 – 3.1162 PLN/1 USD

2010 - 3.0157 PLN/1 USD

2011 – 2.9634 PLN/1 USD

SOURCES:

Chief Statistical Office of Poland (GUS) - Yearbook 2009, 2010, First Three Quarters of 2011

www.money.pl

www.nbp.pl

The data above show trade statistics for HS 8801- 8805.

The aerospace industry has long been an important sector of the Polish economy dating back to the beginning of the 20th century. Major production plants such as PZL Swidnik, PZL Warszawa, PZL Mielec, and PZL Rzeszow were established before World War II and continued to expand during the Cold War period due to close cooperation with the Soviet aerospace industry. The end of the Cold War brought about a rapid decline in the industry as orders from former Eastern bloc countries dried up. Skilled aerospace employees were laid off by the thousands. The situation began to improve in the late 90's. Significant growth of production in this sector resulted from cooperation with some of the world's largest aerospace companies. Some of them (like Goodrich, or Pratt & Whitney) decided to invest in Poland. The sector grew rapidly from 2003. In 2003 turnover of the aviation sector reached 710 million PLN. Five years later, in 2008, total turnover was 2.8 billion PLN (890 million USD). It is estimated that in 2009 and 2010 the annual turnover was reaching 1 billion USD.

In 2006, Poland exported over \$495 million in aerospace products (HS 8801-8805), in 2007 exports reached \$186.7 million, in 2008 – \$342 million, 2009 - \$319 million, 2010 - \$432 million. USA is the single largest source of aerospace imports into Poland. In 2006, U.S. companies exported over \$120 million in aerospace products (HS 8801-8805), in 2007 exports reached \$71 million, in 2008 - \$91, in 2009 - \$111, while in 2010 - almost \$116. Fluctuations within these figures are the result of single contracts of significant value.

The Polish aerospace industry is characterized by a large number of small and medium sized companies located in the vicinity of major producers such as PZL Swidnik, PZL Mielec, PZL Rzeszow, and PZL Kalisz.

Currently, there are approximately 70 aviation companies in Poland employing over 22,000 people (in 2003 the number of employees was 2.5 times less). 90% of Poland's aerospace production is exported.

The full list of aerospace companies active in Poland is available at the web page of the Aviation Valley Association www.dolinalotnicza.pl

Much of the country's production activity is concentrated in the southeastern part of Poland. Many small and medium sized companies were established there in the vicinity of the existing indigenous producers of aerospace equipment such as PZL Swidnik (owned by Agusta Westland), PZL Mielec (owned by Sikorsky), and PZL Rzeszow (owned by Pratt & Whitney).

U.S. manufacturers are well represented in Poland and include such firms as Sikorsky, Pratt & Whitney, Goodrich, Raytheon, Lockheed Martin, Boeing and others.

About 90% of the local production of the aviation sector is exported – parts and components – to global companies like Boeing, AgustaWestland, Eurocopter, and EADS. The remaining 10% is sold locally. The largest local buyer is the Polish government – army, police, border guards, etc. Other local buyers focus mostly on general aviation products. This market is relatively new in Poland, but is expected to grow significantly, as interest in general aviation has only recently started to develop.

The air carrier market in Poland used to be dominated by the national carrier, LOT Polish Airlines. However, LOT's market share is being steadily eroded by low cost airlines, which began operation in Poland in the summer of 2004. In 2005, LOT's market share totaled 43.8%, dropping to 33.58% in 2006 and to 29% in 2010 due to more open competition.

As of September 30, 2011, LOT's fleet consists of the following aircrafts:

Boeing 767-300 ER, number of aircraft: 5

Boeing 737-400, number of aircraft: 2

Boeing 737-500, number of aircraft: 7

Embraer 195, number of aircraft: 3

Embraer 175, number of aircraft: 12

Embraer 170, number of aircraft: 10

LOT is the first European airline to purchase Boeing 787 aircrafts. In 2005 the airline decided to purchase eight Boeing Dreamliners to replenish its long haul fleet. The delivery dates have been moved several times. The first Dreamliner is expected in Poland in fall 2012.

There are also other small local companies offering charter flights, cargo flights, and aero-taxi flights – the major ones are:

OLT Jetair - <http://www.oltjetair.com/>

Sprint Air - <http://sprintair.eu>

Sky Taxi - <http://skytaxi.aero>

Aerogryf - <http://www.aerogryf.com.pl>

Enter Air - <http://www.enterair.pl>;

Exin - <http://www.exin.pl>

Yes Airways - <http://www.yesairways.pl>

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- consulting services
- terminal equipment including baggage handling
- flight information and display systems
- parking revenue control systems
- boarding bridges
- airport security systems
- runway and taxiway lights
- aircraft maintenance equipment
- aircraft rescue equipment
- avionics
- commercial aircrafts (planes and helicopters)
- general aviation aircrafts and parts

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The development plans for airports typically call for construction/expansion of passenger and cargo terminals, extension of aprons and runways and installation of Instrumental Landing Systems (ILS). Development plans are provided in further detail at the individual airports' web sites.

Polish Ministry of Transport, Construction and Maritime Economy posted a detailed description of projects done in eight major Polish commercial airports. The report can be seen at the page of the Ministry of Infrastructure:

http://www.en.mi.gov.pl/2-482be1a920074-1794511-p_1.htm - in English

and

<http://www.mi.gov.pl/files/0/1793436/Dnia30wrzenia2011PortyTENTinwestycje2011www.pdf> - in Polish

The biggest and most important buyer of commercial aircrafts is LOT Polish Airlines (www.lot.com) with its subsidiary company EuroLot. There are also small local companies in Poland offering cargo flights and aero-taxi flights and they might be interested in purchases. The current list is available at the Civil Aviation Office web page under the following link:

http://www.ulc.gov.pl/index.php?option=com_content&task=view&id=558&Itemid=489

PZL Mielec, PZL Swidnik, EADS PZL Okecie, and other smaller aircraft producers would likely be interested in purchases of various types of parts and equipment.

Web Resources

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Major Internet Resources:

Ministry of Economy

Web site: <http://www.mg.gov.pl/>

American Chamber of Commerce in Poland

Web site: <http://www.amcham.com.pl/>

Ministry of Transport, Construction and Maritime Economy
Web site: <http://www.en.mi.gov.pl/>

Polish Information and Foreign Investment Agency
Web site: <http://www.paiz.gov.pl>

Civil Aviation Office
Web site: <http://www.ulc.gov.pl>

Polish Air Navigation Services Agency (PANSNA)
www.pansa.pl

Institute of Aviation
Web site: <http://www.ilot.edu.pl>

Aviation Valley
Association of Group of Entrepreneurs of Aviation Industry
Web site: <http://www.aviationvalley.pl>

Aircraft Owners and Pilots Association (AOPA)
Web site: <http://www.aopa.pl>

Polish Aeroclub
Web site: <http://www.aeroklubpolski.pl>

LOT Polish Airlines
www.lot.com

Warsaw Frederic Chopin Airport
<http://www.lotnisko-chopina.pl>

BALICE AIRPORT (Krakow)
<http://www.krakowairport.pl>

Katowice AIRPORT (Katowice)
www.katowice-airport.com

REBIECHOWO AIRPORT (Gdansk)
www.airport.gdansk.pl

STRACHOWICE AIRPORT (Wroclaw)
www.airport.wroclaw.pl

LAWICA AIRPORT (Poznan)
www.airport-poznan.com.pl

GOLENIOW AIRPORT (Szczecin)
www.airport.szczecin.pl

JASIONKA AIRPORT (Rzeszow)

<http://www.rzeszowairport.pl/>

Bydgoszcz Airport
www.plb.pl

Lodz Airport
www.airport.lodz.pl

Zielona Gora Airport
www.lotnisko.zielonagora.pl

Modlin Airport
<http://www.modlinairport.pl/>

Lublin Airport
<http://www.airport.lublin.pl/en/>

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Cosmetics

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	2009	2010	2011 (estimated)
Total Market Size	2,793	3,058	3,515
Total Local Production	3,713	4,111	4,520
Total Exports	2,143	2,443	2,597
Total Imports	1,223	1,390	1,592
Imports from the U.S.	13,8	17,7	25.6

In USD million

Estimation – based on statistical data for the nine months of 2011

Exchange rates:

2009 - USD 1 = 3.1162 PLN

2010 - USD 1 = 3.0157 PLN

2011 - USD 1 = 2.9634 PLN

SOURCES:

Chief Statistical Office of Poland (GUS) - Yearbook 2009, 2010, First Three Quarters of 2011

www.money.pl

www.nbp.pl

The statistical data includes the following product categories:

- HS 3303 perfumes and toilet waters,
- HS 3304 beauty and make-up preparations,
- HS 3305 hair care products,
- HS 3306 oral hygiene products,
- HS 3307 deodorant and shaving preparations.

Despite the economic crisis, the Polish cosmetic market is growing by 10% - 15% annually. In 2010, the Polish cosmetic market was worth USD 3.06 billion, a 10% increase over 2009. Estimation for 2011 is USD 3, 51 billion, a 15% increase over 2010.

In 2010, the cosmetics imports to Poland were valued at USD 1.39 billion, a 13% increase from 2009. According to estimation, the 2011 cosmetics import to Poland achieved USD 1.59 billion, a 15% increase over 2010. The largest suppliers were Germany (32 %), France (17%), Great Britain (11%), and the Netherlands (7%). The remaining major suppliers were Spain, Sweden, Italy, and Belgium (5% each). In 2010, the U.S. exports of cosmetics to Poland were USD 17.7 million (2%), a 28% growth over 2009. In 2011 was reported a further substantial, 44% growth of the U.S. cosmetics export to Poland worth USD 25.6 million, a 5% of a total Polish cosmetics imports.

2010 import share by product categories:

HS 3303 perfumes and toilet waters (19% - USD 264 million)

HS 3304 beauty and make-up preparations	(37% - USD 514.5 million)
HS 3305 hair care products	(14% - USD 193 million)
HS 3306 oral hygiene products	(10% - 136.4 million)
HS 3307 deodorant and shaving preparations	(20% - 277.5 million)

Poland's 2010 cosmetics exports totaled USD 2.44 billion, a 14% increase over 2009. The top importers of locally produced cosmetics were Russia (17%), Great Britain (13%), Germany (10%), Ukraine (8%) and the Netherlands (5%) followed by Romania, Turkey, Spain, Italy, and France (4% each). Estimated Poland's 2011 cosmetics export were worth USD 2.59 billion, a 6% growth over 2010.

The total value of local production of cosmetics in 2010 was USD 4.11 billion and grew by 11% over 2009. In 2011 grew by 10% and was worth USD 4.52 billion.

Cosmetic products do not require CE mark for EU market. Based on TARIC, the EU official source for tariffs, U.S. made cosmetics are imported at a duty rate of 0%. Excise tax does not apply to cosmetics. VAT is 23%.

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The best import and sales potential over the next several years is expected in the following areas:

- Innovative cosmetic preparations for adult female consumers (60+)
- Beauty care products for men
- Derma-cosmetics
- Professional/Spa cosmetics
- Organic/Ecological cosmetics

The cosmetics market for the adult female is growing fast. One of the main criteria while choosing a specific product is the age of customer (type of skin is another important criteria). There is also an increasing interest for male products. Polish men, naturally in the younger generation, have become more interested in spending discretionary income on cosmetic products. Derma-cosmetics represent one of the most rapidly developing sectors in Poland. The market's strong growth in recent years is projected to continue and in 2012 is estimated to be worth over USD 550 million. Facial care cosmetics (anti-aging, cleansing and anti-acne preparations) make up the largest category of derma-cosmetics market in Poland.

The market for spa and beauty services is a very dynamic business in Poland. Local and foreign spa businesses located in specialized spa centers, hotels and even lately at the airports are increasing in popularity. Spa and beauty salons offer a wide range of advanced and innovative face and body, hand and feet treatments, massages, water treatments, dermatologist's advice and hair-dressing services specially designed and suited to the individual needs of the skin. Salons often combine innovative and traditional approaches including acupressure, reflexology and various types of massage techniques. Dermatologists solve both cosmetic and strictly dermatological problems and can perform advanced and highly specialized beautifying and curing therapies. Essence face and body treatments and holistic beauty programs are more often chosen by Polish clients. Also there is a growing demand for using natural elements of therapy

- water, algae, white clay, therapeutic precious and semi-precious stones, and aromatherapy essence. All this creates a growing demand for spa and professional cosmetics product lines.

Polish consumers more often are aware of product additives and synthetic ingredients. Therefore certified, natural, organic and ecological products not tested on animals are becoming increasingly appealing for Polish customers. Market analysts expect that the market for organic and natural products will grow at 10% annually. Good potential exists for innovative products directed to problem areas.

The presented sales potential is a direct result of the improvement of Poles' financial capabilities and their growing sophistication about body image. Poles are expected to spend a steadily increasing amount on updating their appearance. Poles are increasingly desirous of a well shaped and healthy body as well as a neat appearance in both their private and professional lives.

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In Poland there are two markets for cosmetics: the consumer market and the institutional market. The consumer market which consists of a variety of groups of people can be researched based upon certain demographic factors such as sex, income, age, lifestyle and neighborhood. Suppliers must use care in making product adaptations appropriate for specific market niches. The institutional market consists of professional beauty and spa salons. Owners purchase adequate goods from wholesalers and foreign representatives in Poland, or they import themselves. Research indicates the majority of cosmetics used in those salons represent foreign producers.

The key competitive factors for selling cosmetics in Poland are price, quality and brand recognition. Also important are packaging, advertising, easy application of cosmetics, and effectiveness. Another factor which effects market demand and sales potential is a highly knowledgeable store staff and well presented information about the products, recognition and the reputation of a particular firm and its products. Despite the strong position of European suppliers, there are still excellent prospects for American products, which are regarded as of the highest quality.

Web Resources

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Major Internet Resources:

The Association of Employers-Exhibitors of Professional Beauty Products,
<http://www.zpwkp.pl/>

Polish Association of Cosmetics and Home Care products Producers, <http://czystepiekno.pl/>

Polish Spa & Wellness Association, <http://www.spawellness.org.pl>

American Chamber of Commerce in Poland, <http://www.amcham.com.pl/>

Upcoming Trade Shows:

LOOK (Hairdressing Forum), March 17-18, 2012, Poznan, <http://look.mtp.pl/en/>

Beauty Vision (Cosmetics Forum), March 17-18, 2012, Poznan,
<http://beautyvision.mtp.pl/en/>

Salon SPRING (Cosmetics Fair for Professionals), February 25-26, 2012

<http://www.zpwkp.pl/>

Salon AUTUMN (Cosmetics Fair for Professionals) October 10-14, 2012

<http://www.zpwkp.pl/>

VENUS (Aesthetic Medicine, Cosmetics, Hairdressing Equipment), Nov 30 – Dec 2, 2012

Kielce, <http://venus.targikielce.pl/>

SPA & WELLNESS, May 25-26, 2012, Krakow, <http://targi.krakow.pl>

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Defense

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Poland's military is continuously undergoing changes - all of which are designed to restructure it into a more capable and mobile force compatible with NATO troops. It is forcing change in every area of operation: force structure, staff organizations, training programs, doctrine, security procedures, etc. However, the changes in Poland's military and the reorganization plan for the defense industry must compete with other reforms that the state budget must also finance.

In 2011, the Polish government allocated 1.95% of GDP, an amount equal to about USD 8.79 billion (PLN 27.26 billion), for defense expenditures of which USD 1.55 billion (PLN 4.8 billion) was for new procurements. Over twenty four percent (24.3%) went towards the modernization of the army and infrastructure maintenance, 47.7% were spent on salaries and pensions, and 28% on other expenditures. The Polish government aims to meet NATO target of 2% of GDP spending on defense.

Spending on defense in Poland in 2007 – 2011

	2007	2008	2009	2010	2011
Defense Spending % of GDP	1.95	1.95	1.95	1.95	1.95
Defense Spending USD billion	7.2	10.5	8.6	8.38	8.79

Exchange rate:

2007 1 USD = 2.8 PLN

2008 1 USD = 2.4 PLN

2009 1 USD = 2.9 PLN

2010 1 USD = 3.07 PLN

2011 1 USD = 3.1 PLN

Source: Ministry of Defense (MON) - Budget

The modernization of the Polish army includes the improvement of troop capacity and mobility and air defense systems as well as moving towards a professional army (versus conscription). On August 5, 2008 the Council of Ministers accepted a governmental program designed to restructure and modernize the Polish army and the Office of General Staff called "The Polish Army Development Program: 2009 to 2018." The Program involves the purchase of military equipment (armored transportation vehicles and military transportation aircraft) and ammunition (armor piercing guided missile and ship to ship missile system for the Polish Navy). NATO force goal requirements are also driving equipment-related decisions.

The major directions of the MOD expenditures take account of the following:

1. Professionalization of the Polish Armed Forces.
2. Securing of functioning of the Polish Military Contingents including ISAF (Afghanistan and Georgia), NTM-I (Iraq), KFOR (Kosovo), EUFOR/MTT (Bosnia and Herzegovina), ACTIVE ENDEAVOUR (Gibraltar region), SNMG1 (Somalia), and UNFICYP (Cyprus).
3. Modernization of the Polish Army including both operational programs and weaponry programs.
4. Completion of IT system strategy for the Polish Defense sector for 2008-2012.
5. NATO Response Forces and EU Combat Groups assign for strategic and international cooperation.

In addition, sources of revenue from the following resource increased the defense expenditures to about USD 255.3 million (PLN 791.5 million):

- Armed Forces Modernization Fund – USD 55.8 million (PLN 173.1 million),
- F-16 Support Program – USD 86.4 million (PLN 267.9 million)
- NATO Investment Program (NSIP) – USD 72.09 million (PLN 223.5 million)
- Military FMF Program – USD 42 million (PLN 130.2 million)
- IMET grants – USD 2.2 million (PLN 6.82 million).

FMF Program spending in Poland in 2003 - 2011 (USD million)

2003	2004	2005	2006	2007	2008	2009	2010	2011
27.9	32.5	76.5	29.7	28.5	26.9	27.0	47.0	42.0

Poland has been receiving one third of NATO funds allocated for the development of defense infrastructure projects. However, in 2010 NATO decreased its spending in Poland, cutting funding by up to 40 percent in the NATO Security Investment Program (NSIP). The NATO Alliance financial constraints were a result of the economic crisis and budget cuts within the organization. Poland also has one of the largest International Military Education and Training (IMET) programs in the United States European Command (EUCOM) and is one of the top 10 worldwide. Poland has already trained a vast number of military and civilian students using IMET, FMS (Foreign Military Sales) and the Regional Defense Counterterrorism Fellowship Program (CTFP). These programs have helped to reform the defense establishments of Poland and have improved Poland's capacity to conduct peace and stability operations.

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Opportunities for American firms exist mainly in investment, technology transfer, and co-production work. Polish defense companies seek cooperation agreements or joint venture opportunities with foreign defense companies that, combined with the relatively lower cost of production in Poland (particularly tanks, armored vehicles, artillery, ships, aircraft, and helicopters), will be attractive to potential customers.

Receptivity to American products is high due to an excellent reputation for high quality products, reliability, and technical assistance. However, technological advantage is not the only factor determining success in the market. American companies should focus on educating end-users and other players in the defense sector. A successful U.S. exporter is expected to support its agent/representative at trade shows, seminars, and conferences.

Polish officials maintain that the most important factor in awarding a contract is price (which is particularly critical in big-ticket purchases), after which other variables such as quality, availability of service and training, and technical assistance for the installation as well as the start-up operation of the equipment becomes important. Therefore, superior performance offers from U.S. companies will not always win the deal.

Poland's defense budget is negotiated annually and the budget parameters are set during these negotiations. The Polish government is required by law to hold tenders for major procurements. Financial value, project complexity, international cooperation and political sensitivity determine the project category. Poland has an offset policy coordinated by the Department of Offset Programs at the Ministry of Economy. These offset requirements are an important part of defense procurement contracts. Offsets are sensitive political issues that involve regional interests in Poland; therefore, the allocation of offsets is the exclusive responsibility of the Ministry of Economy. Offsets can best be approached through partnerships with local companies.

American companies interested in military procurements in Poland are advised to use various resources to increase the chances of getting their company's information into vendor's databases within the military/defense sector. We advise American suppliers of military/defense equipment and services to contact the American Embassy in Warsaw as it pertains to information on defense related business in Poland and current political issues prior to contacting any Polish government agency. This applies particularly to the Office of Defense Cooperation (ODC) and the U.S. Commercial Service.

Defense cooperation is considered the integrated package of security assistance and defense cooperation in armaments activities. The U.S. government security assistance program for the government of Poland is managed by the Office of Defense Cooperation and includes Foreign Military Sales (FMS), Direct Commercial Sales (DCS) and a number of programs under the auspices of defense cooperation in armaments activities.

The U.S. Commercial Service identifies the defense industry as one of its sectors with sizeable American sales potential in Poland. Our office offers a number of commercial export promotion programs and advice on regulation compliance, the market potential for a product or service, agent/representative vetting, and provides advocacy support. Please visit our website <http://export.gov/poland/>

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The modernization of the Polish army includes the improvement of troop capacity and mobility and air defense systems as well as moving towards a professional army (versus conscription). Poland's military population has already decreased from 450,000 in 1989 to 94,255 at present. Poland's membership in NATO has brought numerous opportunities for U.S. companies in terms of upgrades and adjustment. In addition, Poland became a close U.S. ally in Europe through its support in the international

interventions in Iraq and Afghanistan, which also called for upgrades and adjustments in terms of developing a more capable and mobile force compatible with NATO troops.

Poland's military is traditionally land force heavy. Currently, the Polish military consists of 94,255 soldiers including 46,040 troops (48.8%) in land forces; 17,415 (18.5%) in the Air Force; 8,110 (8.6%) in the Navy; and 22,690 (24.1%) in other segments including Reinforcement, Military Police, and the Polish Armed Forces Command. Categorized according to rank, the Polish army represents 21,555 officers including 120 generals; 39,276 non-commissioned officers; 2,343 cadets, and about 36,501 soldiers.

The Polish Armed Forces modernization project involves the purchase of military equipment including:

- military transportation helicopters (medium lift helicopters), light transport aircrafts, military training aircrafts (LIFT), and VIP aircraft;
- modern rocket systems (mid- range and long-range units) surface-to-surface missile systems and anti-armor guided missile systems, SPIKE guided missiles, striking anti-aircraft systems, rocket artillery systems, and ADA missile systems;
- gun-barrel artillery systems (howitzers with ammunition, rocket launchers, as well as new tanks), 155mm self-propelled artillery pieces, C4ISR command-support system, and precision munitions;
- simulators, training systems, individual soldiers systems, and UAV systems;
- armored transportation vehicles and the upgrade of existing base transportation vehicles (Rosomak);
- frigate modernization.

Foreign investors and joint venture partners with local firms can take advantage of government incentives. Many U.S. businesses in Poland take the form of joint ventures with Polish companies are specifically set up to handle sales in the market. Joint ventures are an excellent way to facilitate export sales to the Polish market. U.S. companies competing on Polish defense contracts are encouraged to look for joint ventures, co-production, and other cooperative opportunities with Polish companies to make their bid offers more attractive. The relatively lower cost of production in Poland has led many foreign defense companies to seek cooperation agreements or joint venture opportunities with Polish defense companies that can produce equipment, which will be attractive to potential customers. Examples of such products include tanks, armored vehicles, artillery, ships, aircraft, and helicopters.

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Participation in trade fairs, conferences and seminars is a very effective avenue for promotion in the defense/military sector in Poland.

The MSPO International Defense Industry Trade Show held in Kielce (south-east Poland). The upcoming show takes place September 3-6, 2012. The MSPO show organizer is Targi Kielce http://www.targikielce.pl/index.html?k=mspo_en&s=index;

Contact person: Ms. Katarzyna Prostek, Deputy Director for Trade Fairs and MSPO Project Director prostak.k@targikielce.pl

To reserve a space at MSPO 2012 you may contact the MSPO organizer directly prostak.k@targikielce.pl or private U.S. Show Organizer - Kallman Worldwide, Inc. www.kallman.com; Contact: Thomas Kallman, President tk@kallman.com

Other important exhibitions in this sector are:

INTERNATIONAL AIR SHOW, held biannually in Radom (south-east Poland). The next show will take place at the end of August 2013. The organizer of this show is Polish Air Force HQ, Targi Kielce, the city of Radom, and the Polish Aero Club. Contact: Malgorzata Mlynarczyk, Radom Air Show Project Manager at Targi Kielce mlynarczyk.m@targikielce.pl

BALT-MILITARY-EXPO International Fair for Navy, Border Guards and Police held biannually in Gdansk (north Poland) <http://www.baltmilitary.pl/x.php/2,661/Invitation.html>. The upcoming show takes place June 27-29, 2012. The show organizer is Miedzynarodowe Targi Gdanskie S.A.; Contact person: Marek Buczkowski, Project Manager; E-mail: military@mtgsa.com.pl

BALT-EXPO - International Maritime Exhibition, held biannually in Gdansk (north Poland) <http://www.baltexpo.com.pl/>. The nearest show will be held September 2013. The show organizers are AGPOL Promocja Sp. z o.o. and Zarzad Targow Warszawskich SA; E-mail: ztw@ztw.pl; Contact: Hanna Maksymowicz, Project Manager h.maksymowicz@agpolpromocja.pl

Additional Resources & Contacts:

Ministry of National Defense (MOD)
<http://www.mon.gov.pl/index.php?lang=2>

Defense Policy Department MOD
<http://www.dpz.wp.mil.pl/pl/index.html>
dpz@mon.gov.pl

Armaments Inspectorate (MOD Procurements) <http://www.iu.wp.mil.pl/>
Coordinator for Procurements jwozniak@mon.gov.pl
Foreign Relations Coordinator pjozefacki@mon.gov.pl
Coordinator for Military Market Analysis cstajniak@mon.gov.pl
Development Coordinator sdul@mon.gov.pl

Polish Chamber of Defense Industry
<http://www.przemysl-obronny.pl/>
izba@przemysl-obronny.pl

Institute of Aviation
<http://ilot.edu.pl/>
ilot@ilot.edu.pl

For more information, please contact:

U.S. Commercial Service
American Embassy Warsaw, Poland
<http://export.gov/poland/>
Tel: +48 22 625 4374
Fax: +48 22 621 6327
Contact person: Zofia Sobiepanek-Kukuryka, Commercial Specialist
E-mail: zofia.sobiepanek@trade.gov

Green Building Products and Technologies

- * Statistics for green building products cannot be included as green building products are not distinguished from regular building products.

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The residential and tertiary sector, a major part of which includes buildings, accounts for more than 40% of the final energy consumption in the European Community. This sector continues to expand, resulting in an increase in energy consumption and the subsequent carbon dioxide emissions. Poland remains, however, below the average energy consumption in Europe. The majority (75%) of the energy consumed in Poland goes to the housing sector. There are 13 million apartments within residential buildings, (including single and multi-family houses) in Poland. Over 8.7 million of these apartments are in the cities. Only 1/5 of all of the housing was built after 1990. Every year approx. 180 thousand new apartments are put into operation. The average floor surface of a Polish apartment is 229 square feet. In 2007 the average use of energy by a Polish apartment amounted to 59GJ. Heating consumes 71.2% of all energy use and includes hot water, cooking, lighting, and electrical appliances. Heat energy in Polish housing is usually sourced from either a central heating network or locally based boilers, mainly fueled by coal, gas or oil. The estimated average energy consumption in new and old buildings in Poland is 170kWh/m²/year, which is much higher compared to the rest of Europe. The average EU consumption is 150kWh/m²/year, although countries like Holland and Norway rank even lower, closer to levels of 90 – 110 kWh/m²/year.

Within last 10 years Poland reduced its building energy consumption by 50%, thereby making the country a leader in energy efficiency reduction. In 1998, Poland enacted a thermo-modernization law, which allowed building owners to apply for a refund of up to 16% of the total project cost. Thousand of windows, doors, roofs, wall insulation, or boilers were exchanged with the introduction of this law. As recently as 2008, BGK, the state-owned bank responsible for the distribution of the Thermo-modernization Fund, paid out 3,213 premiums, averaging approximately sixty thousand dollars (\$60,000) each. For every 1PLN in public money 6PLN are invested.

In addition to the Thermo-modernization Fund, the National Fund for Environmental Protection and Water Management, together with their regional subsidiaries, provides grants and loans for both individual and institutional investors. This entity recently announced that it would pay out almost \$280 million in grants and loans to institutional investors for thermo-modernization works in public buildings. Within the next four years, this fund plans to spend over \$1.1 billion for such activities. Funds received by Poland from the sale of surplus Kyoto carbon credits will feed into a third funding source which will be used for thermo-modernization, among other activities.

The Polish commercial office building market began to develop early in the 1990's. Before then, offices were located in apartment houses or old office buildings. Currently, new Class A and B office buildings dominate the market. Poland has almost 5 million square meters of modern office space, with 3.2 million square meters in Warsaw. Governmental and administrative buildings remain outdated although intense focus is increasingly being given towards energy savings and thermo-modernization in this sector as well.

Similar to the development of the office building market, commercial estates began to appear in Poland also during the 1990s. All of the offered space is modern and built accordingly to the best European standards. By the end of 2009 Poland had 9,345 thousand square meters of commercial surface available of which almost 73% was shopping malls. Development trends within this particular area are very positive as Poland has a large growth curve thanks to the demographics, sustained economic growth, and increasing purchasing power of Poles. Every year about 1.5 million square meters of commercial space is put into operation in Polish cities both big and small.

The basic tool Poland uses to promote energy efficient and sustainable buildings is the system of energy certificates introduced into Polish law from the EU 2002/91 Directive on the Energy Performance of Buildings. This Directive is the main legislative instrument at the EU level to achieve energy performance in buildings. Current binding Polish law is very liberal in terms of the recommended amount of energy consumption in buildings, which amounts to 120kWh/m²/year. In other European Union countries, this value is much lower reaching even 70kWh/m²/year in Sweden.

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Best prospects for U.S. suppliers can be found within the following areas:

- HVAC including air conditioners with cooling capacity of 470-1750 kW
- High efficiency heating pumps integrated with solar panels and other innovative RE systems
- Solar Photovoltaic panels (PV) integrated into the building facade
- Small wind turbines for application in multi-family houses
- Ventilation and heat recovery systems
- High-tech biomass boilers
- Innovative insulation materials and glass
- Energy efficient appliances
- Energy rating services as RESNET system
- CO₂ and air contamination HVAC sensors
- Roof reflective membranes to reduce air conditioning needs
- Smart meters and software to modulate electrical power use

Scientific and research measurement equipment for energy and emissions testing

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Only recently there has been an increased interest for green building programs in Poland. Public awareness about energy savings has also been growing steadily. Currently there are 3 office buildings certified with LEED and 4 with BREEM. As of December 2011, 100 new buildings apply for LEED and 70 for BREEM certification. More and more developers apply for LEED or BREEAM certification. In January 2012 Skanska announced that all their currently developed buildings will be accomplished in accordance with LEED requirements. Market will be driven even more intensely when all the regulations for the recast of the Energy Performance of Buildings Directive (2002/91/EC) will be implemented what will force member states to introduce regulations

for new buildings built after December 2020, that will require those new buildings to have “near zero emission”, using not more than 15kWh/m²/year.

Another factor positively driving the market would be the EU Commission decision about allocation of funds within the new financial perspective 2014-2020 where for the first time energy efficiency will be specified as a target for all EU member states.

Web Resources

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Instytut Technik Budowlanych

Building Research Institute

<http://www.itb.pl/>

instytut@itb.pl

Krajowa Agencja Poszanowania Energii S.A.

Polish National Energy Conservation Agency

<http://www.kape.gov.pl>

kape@kape.gov.pl

Narodowa Agencja Poszanowania Energii S.A.

National Energy Conservation Agency

<http://www.nape.pl>

nape@nape.pl

Polish Green Building Council PLGBC

<http://www.plgbc.org>

Contact: Ms. Agnes Vorbrodt-Schurma, President

agnes@plgbc.org

Fundacja Budownictwa Energo-oszczednego “Zielone Domy”

Foundation for Energy Saving Construction “Green Houses”

<http://www.fundaczzielonedomy.pl/>

biuro@fundaczzielonedomy.pl

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Information Technology

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The Polish information technology (IT) market grew by 10.9% in 2011, which shows further recovery from 2009 crisis. The current total value of the market is estimated at \$9.4 billion, including \$3.7 billion for the hardware, \$2.2 billion for the software and \$3.5 billion for the IT services segments of the market. The IT sector is expected to grow at approximately 10% a year in 2012 and the next few years, with the services representing the fastest-growing segment. The dominant trends in Poland are the technology convergence, digitalization and rapidly growing diversity of access to services. These trends directly reflect on new market opportunities for suppliers of products and services.

Even though Poland continues to spend only 2.2% of its GDP on IT investments, these projects can obtain the EU funds up to 75% of project value. The EU funding is also available to private project sponsors investing in the IT for greater competitiveness.

Financing and banking, telecommunications, and the public sectors all account for half of IT expenditures in Poland. The public sector investments are driven by the country's "Digital Poland" plan and the development of e-government services required by the European Union. Individual users and small-to-medium sized companies have become major purchasers of computer equipment, with emphasis on low-end equipment.

U.S. exports to Poland of Commodities registered at HS 8471, in USD

2009	2010	2011	2012 forecast
38.15 million	66.95 million	88.37 million	97.2 million

The above figures do not reflect the actual position of American IT suppliers, as a large part of US exports for Poland enter the EU zone outside of the country and are not captured by the statistical data. Nevertheless, while American companies are seen as the industry leaders in all segments of the IT sector, the major Polish trading partners for these products are China, the Netherlands, Germany, and the Czech Republic.

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Best prospects for American suppliers exist in all segments of the IT market and include all kinds of specialized software, internet and e-commerce solutions especially for IT security area. Good prospects also include networking equipment and computers, storage systems, components and peripherals.

The U.S. suppliers of IT services interested in entering the Polish market should consider working with Polish partners as Polish project sponsors usually require that any required assistance will be available to them locally and in the Polish language.

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The public sector IT development projects are coordinated by the Ministry of Administration and Digitization, please see <http://www.mac.gov.pl/>

The following are the projects in the pipeline:

-- Public health IT system projects

<http://www.csioz.gov.pl/index.php>

--Polish Identification Card Project pl.id

<http://cpi.mswia.gov.pl/portal/cpi/38/195/plID.html>

-- Implementation of smart meters by energy distribution companies

--Digital school projects

--Further development of the Ministry of Justice electronic platform, including access to land registers and providing services to the private sector;

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CS Warsaw recommends European regional shows in lieu of local events.

CeBIT, March 6-8, 2012 Hannover, Germany

See <http://www.cebit.de/home> or

http://export.gov/germany/TradeShowsEvents/TradeFairsinGermanyandtheUnitedStates/eg_de_034341.asp for more information on the U.S. Commercial Service programs at this event

Audio/Visual Products:

Integrated Systems Europe (ISE), February 1-4, 2013, Amsterdam, the Netherlands

For more information please see <http://www.iseurope.org/kcms/home.php>

Contacts for Marketing and Advertisement

IDG Polska publishes Polish editions of ComputerWorld, PC World, Net World, CIO, and IT sector rankings. (printed and on-line) IDG also offers marketing services.

<http://www.idg.com.pl/informacje.html>

IT Reseller (on-line) <http://itreseller.pl/>

CRN (bi-weekly printed magazine and daily on-line) <http://www.crn.pl/>

Elektronik – professional electronic magazine (printed and on-line)

www.elektronikab2b.pl

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Machine Tools

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	2009	2010	2011 est.
Total Market Size	NA	NA	NA
Total Local Production	NA	NA	NA
Total Exports	290	240	335
Total Imports	688	585	705
Imports from the U.S.	28	19.5	21

In USD million

Exchange rates:

2009 – 3.1162 PLN/1 USD

2010 - 3.0157 PLN/1 USD

2011 – 2.9634 PLN/1 USD

SOURCES:

Chief Statistical Office of Poland (GUS) - Yearbook 2009, 2010, First Three Quarters of 2011

www.money.pl

www.nbp.pl

The figures shown in the table were collected by Poland's Chief Statistical Office --GUS for HS Numbers 8456-8463 and 8466 (note: there is a substantial difference between these figures and U.S. statistics on exports to Poland. GUS information may not be complete and their tables do not offer comprehensive information on this industry sector).

Industry leaders evaluate the size of the market in Poland in 2011 at 1 billion Euro. This figure represents a market approximately ten times smaller than Germany's. Poland relies heavily on imports, especially of these highly sophisticated machines. The country imports mainly from Germany, Italy, Switzerland, USA and also the Far East. Successful Polish producers focus on highly specialized machine tools.

The machine tools sector was once one of the great specialties of Polish industry – in 1978 the American magazine “American Machinist” ranked Poland in 5th place on the list of largest exporters/importers of machine tools. The industry suffered a great decline after 1990 when economic changes were introduced in all Central and Eastern Europe. The market economy proved that the strong Polish machine tools industry was in fact a colossus with feet of clay. The industry lacked innovation, and the collapse of the Council for Mutual Economic Assistance (Comecon) significantly lowered the once very high and stable demand for Polish made machine tools from other Comecon countries.

After Poland's accession to the EU on May 1, 2004, the duty for machine tools decreased according to the EU's external tariff schedule. Subsequently, this has resulted in increased imports coming into Poland from the U.S.

Companies from Germany, Italy, Japan, Switzerland, China, Taiwan, and Korea are the leading suppliers of CNC machines in Poland. In the last decade Asian suppliers have expanded their market share. The market has suffered in the last years from global recession, but it is expected that in the end of 2010 sales should increase again.

The US import share is 4.5%, with Haas and Fanuc Robotics as the leading American producers present on the Polish market.

At this time, the Polish machine tool industry is going through a great deal of restructuring. Some major producers were bought out by leading foreign manufacturers like DMG, or HACO (Pamot, FAT, and Jafo) and are successfully exporting their machines to multiple Western markets including Germany and the US. Other producers are owned by local Polish capital, and some companies, such as Rafamet, even trade shares on Warsaw's public stock exchange. While some Polish companies are doing well, others are struggling to survive or are already in liquidation. In 2006 there was an attempt to organize an Association of Polish Machine Tool Producers – in the beginning the Association included nearly 20 leading Polish producers. Over the long run, however, it turned out that companies were unable to neither communicate their common interests effectively nor come to consensus regarding their agenda. The Association was disbanded in 2010.

A majority of Polish producers offer machining centers with two or three axis, some include four (Jazon) or five (Avia) axis machines in their offers. Industry specialists stress that in order to stay profitable, Polish companies should focus on production of highly specialized machine tools, as they would not be able to compete with mass produced standard machine tools originating from Asia. Rafamet, specializing in machines for shaping railway wheel sets, is an example of a company that adopted such a successful strategy.

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- Multifunction CNC centers
- High Speed Machining centers
- High Performance Machining centers
- CNC lathes
- Parts

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The major industries creating demand for machine tools in Poland are aerospace, automotive, rail, defense, white goods and power. With significant investment done in all of these sectors including such high-profile acquisitions of PLZ Mielec by Sikorsky or PZL Rzeszow by Pratt & Whitney, there will be a growing demand for high quality CNC technology. Another sector that is seen as a potential buyer is the yacht production industry.

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Major Internet Resources:

Ministry of Economy

Web site: <http://www.mg.gov.pl/>

American Chamber of Commerce in Poland

Web site: <http://www.amcham.com.pl/>

Swiat Obrabiarek

(The World of Machine Tools)

Web site: <http://www.swiatobrabiaerek.pl>

This is a bimonthly magazine devoted to machine tools industry.

Upcoming Trade Shows:

Innovations-Technologies-Machines

Mach-Tool

Web site: <http://machtool.mtp.pl/en/>

Eurotool

<http://www.targi.krakow.pl/gb/strona-glowna/targi/17-miedzynarodowe-targi-obrabiaerek-narzedzi-i-urzadzen-do-obrobki-materialow/strona-glowna.html>

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Medical Equipment

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Poland, the sixth largest country in the European Union with a population of 38 million people, represents one of the biggest health care markets in Central/Eastern Europe. That stated, the health care sector in Poland has been in a somewhat challenging financial condition of late, and the short-term outlook in the public healthcare sector remains tentative. Since 1999, the health care sector has gone through several unsuccessful attempts at reform. It is expected that the current government will prepare and Parliament will pass major amendments to the existing Health Care Law and Regulations. Once these new laws become the legal basis as established legislative reform, U.S. Commercial Service Warsaw foresees significant opportunities for U.S. companies in the healthcare-medical market.

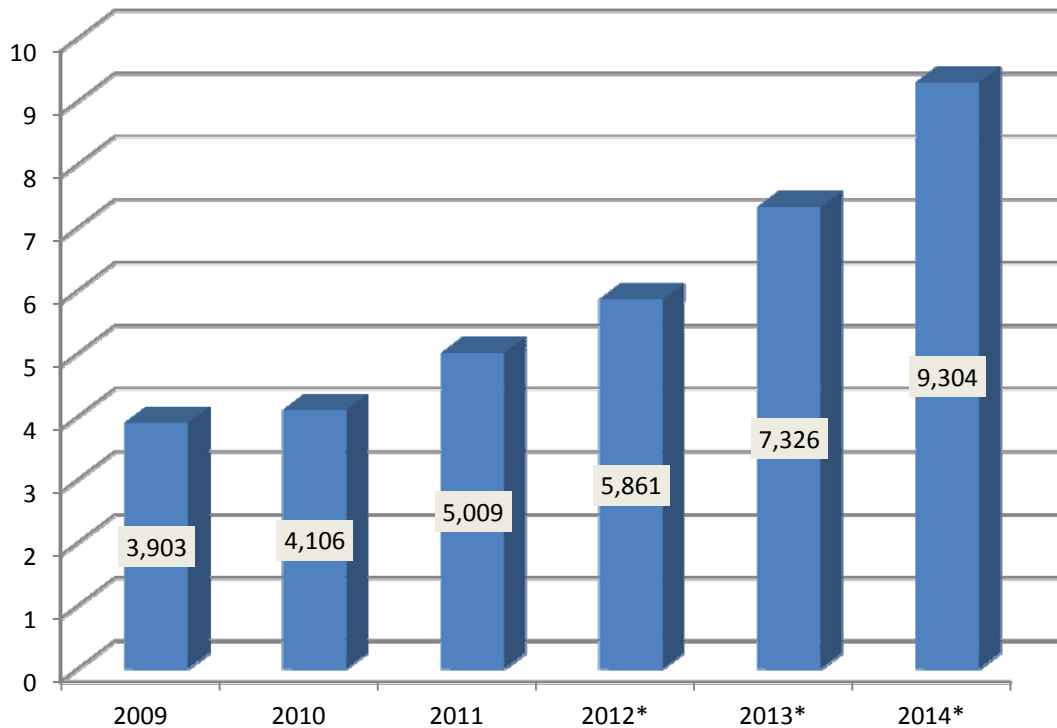
Polish manufacturers are not very competitive because they lack the latest technology, efficient production methods, investment capital, and appropriate marketing resources. Therefore, medical equipment represents a good prospect for foreign suppliers. However, U.S. medical equipment manufacturers face strong competition from European companies in particular. EU suppliers increased market share due to their competitive prices as well as availability of EU assistance packages for Poland. Poland imports medical equipment primarily from Western Europe (Germany, Netherlands, Austria, France, Switzerland, and United Kingdom), the United States, and Asia (Japan and China).

According to the latest accounts, PMR Research* publication on medical devices market in Poland, in 2010 the medical equipment market in Poland grew by 5% over the previous year. By large, it was driven by imports with growth estimated at 6% and 3.9 billion PLN in value. In 2011, the market registered more rapid growth - in the first half of 2011 imports increased by over 30% - which allowed PMR estimating the dynamics of total market growth by more than 20%, with value exceeding 5 billion PLN. Given that, by 2013, the market growth should exceed 25%.

** PMR Research (www.research-pmr.com) is a research unit of PMR (British-American) company providing market information, advisory and consulting services for international business interested in Central and Eastern Europe and other emerging markets. PMR's key areas of operation include business publications (PMR Publications), consultancy (PMR Consulting) and market research (PMR Research). PMR products and services cover the following areas: housing/construction market, pharmaceutical sector, healthcare sector, retail market, and IT/Telecom industry sector.*

Based on the above statistics, the Polish market for medical equipment will grow quite significantly in the next few years. According to PMR estimates, in 2013-2016 the Polish medical market will grow 25% annually. This growth will be linked directly to the European Union requirement defined in the EU Regulation of February 2011 on sanitary standards and equipment standards required in hospitals and other health care facilities. According to PMR experts, such market growth is feasible in spite of budgetary restrictions and managerial problems within the Polish public health system including the medical equipment reimbursement regulations.

Value of medical equipment market in Poland (in billion PLN)



*Forecast

Exchange Rates:

Current USD 1 = 3.17 PLN

2011 USD 1 = 3.1 PLN

2010 USD 1 = 3.07 PLN

2009 USD 1 = 2.9 PLN

The most common causes of death in Poland are cardiovascular disease (45%), cancer (26%), injuries and accidents (7%). Also, contagious diseases, especially hepatitis and sepsis, are an important concern. In addition, there is a growing concern with health problems associated with the aging population. About 7.5 million of the population is in retirement, 1.2 million are pensioners, and another 5.4 million are considered handicapped. In Poland, only 24% of handicapped people are employed comparing to 50% in other European countries.

In general, American suppliers of medical products have a good reputation for high quality products. However, technological advantage is not the only factor determining success in the Polish market. Therefore, American companies should focus on

educating end-users and other players in the health care sector. A successful exporter should strongly support its agent/representative with marketing strategies.

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The latest restructuring of public health care in Poland resulted in establishment of short-term and outpatient facilities. This change required implementation of advanced diagnostic techniques and new surgical procedures that, in turn, created a demand for new equipment. Also, the development of private health care sector in Poland created a need for equipment not only for general and specialty practice consulting offices, but also for one-day-clinics and hospitals.

In Poland, imports are a fundamental component of the local medical equipment market. Local production is focused on hospital furniture including hospital and rehabilitation beds, lenses, spectacle frames and other ophthalmic devices, and a relatively limited supply of alpha, beta or gamma emission devices, ultraviolet and infrared equipment, dialysis equipment, scintigraphy equipment, and pacemakers.

The best prospects for U.S. suppliers are in sophisticated diagnostic equipment, patient-monitoring systems, surgery equipment (high-tech surgical devices and mini invasive surgery equipment), oncology and nuclear medicine, and cardiovascular surgical devices. Advanced diagnostic and operating rooms medical equipment has good market potential, especially equipment that increases efficiency and reduces occupancy rates in hospitals and medical clinics. The idea of implementing controls on health expenditures is not unknown to Poland where the expansion of such alternatives has created a demand for a whole new range of medical equipment that facilitate fewer and shorter hospital stays. The demand for medical equipment and products that will assist new Polish health care controls will continue to increase.

In addition, X-ray equipment has currently great market potential in Poland. According to the Supreme Chamber of Control (NIK) latest inspections, there are 11,000 analogue x-ray apparatus operating in the Polish healthcare facilities that need digitization or replacement with digital equipment. As a result, import of x-ray equipment including parts and accessories represents the highest value of Polish imports of medical devices lately. In 2010, it grew by 7% and was worth almost 312 million PLN.

The need for medical home-care for the increasing elderly population in Poland also brings prospects for the American medical equipment market. The increasing elderly population reinforces the demand for all kinds of equipment and aid-supplies used by nurses and families for home-care. Also, the hygiene sub-sector represents good prospects. Patient and medical personnel safety is of growing concern to both members of the medical profession and the Polish public. Best sales prospects will certainly focus around assuring stringent personnel safety requirements. This is especially due to the concern regarding hepatitis, sepsis and other contagious diseases. In the near future, prevention should receive similar emphasis considering the present focus on protection.

Marketing strategies in Poland are heavily based on market demand. In Poland, medical specialists recommend products, so a good marketing strategy is to keep doctors well informed about new products. This means that a successful importer will need to have a representative/distributor that promotes awareness of new products, attends medical

trade shows, seminars and conferences, and keeps doctors informed by direct campaigns.

Price is a more important factor than quality in Poland's health care market. The second factor is local availability of service and spare parts. Quality is usually the third element considered by most potential buyers of imported medical devices. Another sale-making factor is quick delivery.

We have several programs to help you find a local agent/distributor/representative. For more information, please look at our web site:

<http://export.gov/poland/servicesforu.s.companies/index.asp>

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The end-users of medical equipment are the service providers themselves. Service providers include public hospitals, private clinics, and private doctor's offices. One should take into account the difference between the average patient in a private clinic and the average patient of public hospitals and medical facilities. The public sector (the largest sector of health care in Poland) receives annual funding for equipment purchases. Private institutions try to maintain a stock of products based on supply and demand, and generally respond better to a new technology or innovation if it is well marketed.

As Poland is a member of the European Union, import regulations for medical equipment are harmonized with the European Union's Medical Device Directives, which cover essential safety, health and environmental requirements. The three regional European standards organizations, CEN, CENELEC and ETSI, are mandated by the Commission.

There are no restrictions in Poland on sales or the importation of used medical equipment by either state-owned or private medical facilities but market opportunities for used medical equipment is relatively small. Medical equipment for the public hospitals is purchased through a competitive bidding process. All tenders are announced in a public procurement bulletin "Biuletyn Zamowien Publicznych" issued by the Public Procurement Office (<http://www.uzp.gov.pl/cmsws/page/?F;356>). Private clinics can purchase medical equipment from any sources they wish or through any trading organizations they choose but no specific buying pattern has been identified. Leasing of medical equipment has become more and more popular in Poland, especially among an increasing number of private clinics and private medical facilities.

Investment related purchases, such as advanced medical equipment like mammography equipment, EEG equipment, Magnetic Resonance Imaging units, radiography/tomography Units, X-ray equipment, etc., are usually limited to private clinics. Fortunately, this market niche rapidly grew with an average annual growth rate at 20-30% in 2008 (larger private firms grew even faster). However, due to the global economic crisis, the latest annual growth in private medical sector was estimated at only 6-7%.

There are several special funds and medical foundations that raise money to purchase medical equipment and donate it to hospitals and other healthcare facilities. In addition, a certain amount of money is still available from the European Union Funds through the Operational Program titled "Infrastructure and Environment" (Program Operacyjny

Infrastruktura i Srodowisko) <http://www.pois.gov.pl/>. Through this program, about 420 million EURO has been allocated for the purchase of medical imaging and diagnostic equipment, and supporting equipment for patient transportation service in 2007-2013. These funds are distributed strictly via bidding procedures.

Web Resources

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Participation in medical events, conferences and seminars is a very effective avenue for promotion in the healthcare/medical sector in Poland. A successful exporter should strongly support its agent/representative at all external marketing events - medical specialty seminars and conferences in particular. Introducing new medical products successfully on the Polish market requires an investment of considerable time and sizable marketing expense.

SALMED (<http://www.salmed.pl/en/>) is the largest event for the healthcare/medical industry sector in Poland held biannually in Poznan (western Poland). The up-coming show, the XXIV edition of SALMED, will take place March 14-16, 2012.

Other important exhibitions and conferences in the medical equipment and supplies sector are:

CEDE (<http://www.cede.pl/?s=870;a=4;lang=en>) - Central and Eastern European Conference and Exhibition of Dental Products is the largest event for dental industry sector. It is held annually at the MTP fair ground in Poznan. The up-coming show will be held September 20-22, 2012.

EXPODENT (<http://www.expo-andre.pl/>) - Dental Conference and Trade Fair. The up-coming event, XVIII National Dental Conference and Trade Fair, will be held October 19-20, 2012 in Torun.

REHMED-PLUS EXPO (http://www.targikielce.pl/index.html?k=rehmed_en&s=index) – Trade Fair of Rehabilitation, Therapy & SPA/Wellness Medical Equipment. The up-coming show will be held April 12-14, 2011 in Kielce.

In addition, we recommend reviewing web portal “TargiMedyczne.pl” (MedicalTradeFairsOn-Line) - <http://www.targimedyczne.pl/pl,1,0,home.htm>

The following is a listing of key contacts for government and non-government organizations in the healthcare/medical sector:

Ministry of Health (MOH) <http://www.mz.gov.pl/>
E-mail: kancelaria@mz.gov.pl and kancelaria-mz@mz.gov.pl

MOH Foreign Cooperation Department
E-mail: dep-wm@mz.gov.pl

MOH Health Policy Department
E-mail: dep-pz@mz.gov.pl

MOH Public Health Department
E-mail: dep-zp@mz.gov.pl

MOH Procurement Office
<http://www.mz.gov.pl/wwwmz/index?mr=m241614191&ms=416&ml=pl&mi=419&mx=6&ma=377>

Office for Registration of Medical Equipment, Medical Products,
Pharmaceutical Products and Biocides (Products approval and testing)
<http://www.urpl.gov.pl/>
Medical Devices
<http://www.urpl.gov.pl/wyroby-medyczne>
E-mail: wm@urpl.gov.pl

National Health Fund
<http://www.nfz.gov.pl/new/>
E-mail: secretariat.prezes@nfz.gov.pl

Healthcare Managers Association
<http://www.stomoz.pl>
E-mail: stomoz@stomoz.pl

The Polish Chamber of Physicians
<http://www.nil.org.pl/xml/>

National Association of Private Hospitals
<http://www.szpitale.org/>
POC: Dorota Gnaczyńska
Mobile: +48 508 104 578
E-mail: dorota.gnaczyńska@ossn.org.pl

Foreign Aid Programs in Health Care
<http://www.bpz.gov.pl/>
E-mail: bpz@bpz.gov.pl

For more information, please contact:

U.S. Commercial Service
American Embassy Warsaw, Poland
<http://www.export.gov/poland>
Tel: +48 22 625 4374
Fax: +48 22 621 6327
Contact person: Zofia Sobiepanek-Kukuryka, Commercial Specialist
E-mail : zofia.sobiepanek@trade.gov

Plastic Production and Equipment

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In first 10 months of 2011 US export to Poland amounted \$81.8 million including: Plastic products - \$72.9 million, Machinery - \$6.9 million, and Molds - \$2 million. The statistics do not mirror the real numbers though, as most of the US export to Poland enters EU economic area through the major European ship ports for example Rotterdam, Hamburg or Bremen and are registered as export to the country of the first entry.

HS 39 – plastics, HS 8477 – machinery for working plastics, HS 848071 – molds for plastics

	2008	2009	2010	2011*
Total Market Size	N/a	N/a	N/a	N/a
Total Local Production	N/a	N/a	N/a	N/a
Total Exports	6,709.2	4,543.8	5,608.6	6,987.5
Total Imports	11,679.5	7,131.7	8,666.8	10,338.3
Import from the U.S.	102.1	59.1	79.3	81.8

*first ten months of 2011
In USD million

2008 – 2.4 PLN/ 1 USD

2009 – 3.1162 PLN/1 USD

2010 - 3.0157 PLN/1 USD

2011 – 2.9634 PLN/1 USD

SOURCES:

Global Trade Atlas

Although the economic crisis remains far-reaching as of late 2010, the Polish plastic processing industry is in surprisingly good condition and represents the one of fastest developing sub-sectors of the chemical industry. *“After the recession in 2008-2009, which affected a large part of the plastics industry, the situation is improving, however still very slowly”* – said representative of the Orlen Group, the largest plastic raw material producer in Poland. Poland is the seventh largest country in Europe in terms of plastic consumption. According to the Plastic Europe Market Research Group Poland’s consumption of plastics amounts to almost 2.5 million tons in 2010, 5% more than in the previous year. Also, financial results reflect on the good condition of the industry: in 2010 revenues from sale grew up by 15.3% while in 2009 it was only 3%, and net financial results increased by 9.8% year to year.

Domestic production of plastics is far less than domestic demand. Despite the strong efforts of the Polish producers, they cannot meet the market demand and increase output capacities to satisfactory levels. Thanks to the opening of the production facility of a capacity of 600 thousand tons/year, PTA BASF-PKN Orlen became the only supplier of PET raw material in Central-Eastern Europe.

Currently the Polish industry production potential looks as following:

HDPE – 350K tons,

LDPE – 110K tons,
PP – 438K tons,
PVC – 340K tons,
PS – 50K tons,
EPS – 65K tons,
PA – 80K tons,
PET – 120K tons with target of 600K tons

Polish imports of plastics in their primary form have grown in 2009/2010 by 31.8%. Imports from other EU countries made up 93.17% of the total import figure in 2010. In terms of plastic articles, imports decrease every year showing the Polish industry becoming mature. Simultaneously, exports of some types of plastics have increased dramatically. A proof for this is growing export of ready plastic products that was higher by 27.2% in 2010 than in 2009.

In terms of plastic processing machinery Poland relies almost solely on imported equipment. The largest suppliers are Germany and Italy. More and more equipment is imported from Asia, mostly from China.

At the beginning of the 1990's, the average Pole used only 17 kg of plastics annually, approximately four times less than other EU countries. This gap has since shrunk, with the average Pole now using 61 kg of plastics, or only 27 kg less than the average used in the rest of the EU and 16 kg more than the average in the Central Europe. AMI Plastics estimates that Poland consumed 2.3 million tons of polymers in 2008, approximately 70% of the total Central European consumption.

The Polish market is served by approximately by 100 distributors of polymers. The largest suppliers of plastic raw materials include Basell Orlen Polyolefins, Resinex, Anwil S.A., Synthos S.A., A.Schulman, Brenntag, Ashland, and Sabic among many others. Sabic established its presence in Poland only in 2003. Within 5 years of operation in Poland, the company quadrupled sales, starting from 40 thousand tons.

The plastics processing sector in Poland includes over 8,000 companies, with small and medium-size enterprises comprising 93% of the total. Over half of which are active in molding. Currently, the most rapid increase in plastic production and consumption is in the area of polyolefins processing - plastic packaging especially plastic foil and plastic components. Within the last few years Poland has overtaken Scandinavia to become the EU's seventh largest plastics processor. Poland has received a major boost over the past decade as a large number of international companies have settled here. The product focus is mainly on packaging, automotive OEM parts, white goods and consumer electronics.

In terms of the U.S. market position, although the import numbers are not large, American business is well defined in Poland by such suppliers of raw materials as DuPont, Dow, Conoco ExxonMobil Chemicals, Ashland and others. The lower production figures are also because most of these companies have production facilities or distribution centers in Western Europe from which they import directly. None of these companies has production facilities in Poland. US companies are strongly represented in Europe.

Sub-Sector Best Prospects

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According to the Industrial Chemistry Research Institute these are the most required technologies that would significantly help in developing the Polish plastic processing industry:

- technology for production of styrene and polystyrene.

- technology for production of engineering polymers.
pultrusion technology for production of laminate

Opportunities

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The Polish plastic processing industry is a constantly developing market driven by the high domestic consumption as well as by the foreign investments by plastic products consumers including home appliances producers and car manufacturers. Poland produces every third home appliance used in Europe. Investors as Electrolux, Bosh, Siemens, Whirlpool, Samsung placed their production facilities here. Poland is home for such car manufacturers as GM, Fiat, Volkswagen, Volvo, Man. In 2010 Poland produced 35 million, (77% of all produced in Europe), flat screen TV sets as it hosts Funai, Jabil Circuit, LG Display, Orion Electronic and TPV Displays as investors.

The Polish market also offers a potential for “bio” plastics. Bio-polymers expansion into the market is strongly supported by the existing law regulations, for example a ban for free distribution of plastic bags introduced in Italy in 2011 is to be expanded into the all EU member states as it was announced by the EU Commission. Polish companies see a potential in bioPET bottles already being introduced by CocaCola and Pepsi.

Another area of great potential is plastic recycling as the Polish plastics industry sees 70% of its products ending up in landfills.

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Ministry of Economy

<http://www.mg.gov.pl/English>

Industrial Chemistry Research Institute

<http://www.ichp.pl/eng/index.htm>

Polish Chamber of Chemical Industry

<http://www.en.pipc.org.pl/>

Polish Plastics Converters Association PPCA

<http://www.pspts.com.pl/index.php?l=en>

Central Research and Development Institute for Packaging

<http://www.cobro.org.pl>

Commercial Specialist

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Waste Management

Overview

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Poland produces approximately 12 million tons of municipal waste annually, that expressed in energy would give 1.4TWh of electricity – 1% of Poland's annual production or 21PJ of heat – 6% of Poland's annual production. Poland, ratifying the accession treaty in 2003, obligated itself to reduce the amount of landfilled waste by 50% by 2013. This means that by 2013 Poland will be allowed to landfill only biodegradable waste. The other 50% is to be recovered through recycling of glass, plastics and paper, while the rest is to be processed either with biological or thermal method. According to this requirement starting from July 16, 2011 Poland can landfill only 75% of biodegradable waste. Because Poland does not comply with this target, the EU Commission started to calculate 40 thousand Euro per day of fine that is to be increased up to 250 thousand Euro per day after 2013.

Poland's generation of municipal waste is far behind the average of the Western European Union countries: the average Pole produces around 350 kg of waste per year while the Western European citizen generates 700-800kg. According to the newest regulation starting from January 1st, 2012, the municipalities are the owners of the waste generated by their citizens. Every citizen is to pay for waste management to the municipality and it is the municipality to decide which company shall collect waste from a particular area. Local governments gained the power to organize collection and sorting. The new regulation will also significantly limit the number of unauthorized landfills and illegal waste dumping that is an urgent problem to be addressed in Poland.

Currently 86% of waste is deposited at ca. 800 landfills. Out of these 200 were to be closed by the end of 2011. Only 8% of waste is composted, 18% is recycled and 0.4% thermally treated, (Poland has only one waste-to-energy facility of 40K tons/year capacity). In comparison to Poland, the Western European countries deposit in landfills on average 47% of waste. The leaders are Germany, Holland, Belgium, Denmark and Sweden, which landfill less than 10% of their waste, while the rest is recycled and recovered.

Due to the EU requirements Poland will have to introduce thermal utilization of waste and energy recovery. Ultimately Poland is to have 12 waste-to-energy facilities. But the amount of produced waste means a few dozen of such facilities with various capacities are needed. It is estimated that 4-5 million tons of waste could be used as a fuel. Currently 6 projects are to be accomplished with the EU co-financing. These projects are: Bialystok of 120K tons/year capacity, Bydgoszcz&Torun – 180K tons, Konin – 94K tons, Krakow – 220K tons, Poznan – 240K tons and Szczecin – 150K tons. All of these projects are either after public tender or shortly before. The total value of these projects amount to 1 billion USD, 57% of value will be covered by the EU funds.

Sub-Sector Best Prospects

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- waste-to-energy technologies/ waste incineration with energy recovery
- sludge treatment technologies including energy recovery
- ash treatment technologies

Municipal waste:

Waste thermal utilization facilities are of a significant potential for production of energy and heat. As of June 2010 the ordinance regarding qualifying 42% of the energy recovered from waste as a renewable energy is in effect. Thus, when the waste-to-energy facilities become operational they will have a significant contribution towards Poland's compliance with the EU requirements in terms of the amount of energy produced from renewable energy source (RES). Also the new renewable energy law that is currently at public consultations foresees municipal waste as RES.

Poland's plans for increasing the number of waste-to-energy facilities open significant opportunities for the newest technology suppliers. Within 2016 and 2020 there are another 10 projects to be accomplished with public-private-partnership, (PPP), financing model possible. These projected facilities are to process ca. 2 million tons of waste. Among these projects the most urgent is the extension of the Warsaw facility that is planned for 350K tons/year of capacity. The city of Warsaw looks for an international PPP partner. The bid should be announced in 2012.

Experts estimate that Poland needs waste-to-energy facilities of 3mln tons/year capacity in order to comply with the European Union requirements and standards. For the years 2016 – 2020 waste-to-energy facilities are projected in the following cities: Lodz, Koszalin, Gdansk, Katowice, Chrzanow, Tarnow, Oswiecim, Gorlice, Plock, Radom and Kalisz.

Sludge:

Poland produces over 600K tons of sludge per year. The EU Commission imposed an obligation in accordance to which Poland will not be permitted to landfill sludge starting from January 1st 2013. Also, according to the National Plan for Waste Management by 2018, 60% of sludge is to be utilized with thermal methods. The current amount being processed this way reaches only 12%. Cities of Warsaw, Lodz, Krakow, Gdansk, Poznan, and Szczecin have limited capacities to dry and incinerate sludge. Over 58% of forecasted amount of sludge by the year 2015 will originate from 76 agglomerations over 100K of citizens. Poland has practically no experience in using drying and incineration methods. High-tech sludge processing technologies are to be of high demand in the nearest future. The currently operational capacity does not allow Poland to comply with the requirement. It is important that the Polish regulations qualify dried sludge as RES.

Ministry of Environment

<http://www.mos.gov.pl>

Ministry of Economy

<http://www.mg.gov.pl/English>

National Board of Waste Management

<http://www.kigo.pl>

Waste Management Companies Directors' National Forum

<http://www.forum-dyktorow.pl/>

Polish Board of Recycling
<http://www.oigr.pl>

Polish Waterworks Chamber of Commerce
<http://igwp.org.pl/>

Commercial Specialist

at the U.S. Commercial Service Warsaw, Poland:

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Overview:

U.S. exports of agricultural products to Poland continue to increase and reached the level of over US \$200 million in 2011. While imports of feed to the agricultural sector dropped as a result of increased imports of lower priced product from South America, food ingredient exports destined for the hotel/restaurant/food processing, and high-value and consumer ready products destined to the retail and food processing sectors remained strong.

The Agricultural Affairs Office routinely receives inquiries from the local food importers seeking to expand their range of the U.S. food products. Best prospects for U.S. products are with agricultural feed ingredients such as soybean meal, and with consumer-oriented products such as tree nuts - almonds, wine, beer, distilled spirits, seafood - salmon and processed fruit & vegetables - prunes and dry cranberries.

POLAND BEST PROSPECTS FOR AGRICULTURAL PRODUCTS

Note: All figures are in Thousands of U.S. Dollars, unless otherwise stated.
Data Source: Global Agricultural Trade System (GATS). The GATS does not track intra-EU transshipments.

Feed & Fodder (Intermediate Product)
Processed Fruit & Vegetables (Consumer Oriented Product)
Tree Nuts (Consumer Oriented Product)
Wine (Consumer Oriented Product)
Salmon Whole (Fish Products)
Hardwood Lumber (Forest Product)

1. Soybean Meal (HS 230400)

Soybean meal traditionally was sourced from the United States until the recent decade when South American meal's price competitiveness emerged. Given stable domestic demand for vegetable proteins and South America's stable soybean crop forecast, the U.S. is still positioned to be at a disadvantage in 2012. Poland imports around 2 million metric tons of soybean meal every season. In 2007, Poland sourced 79 percent of its soybean meal from Argentina, zero from the U.S. In 2011, the U.S. share was at 4 percent.

Commodity Group: Feed & Fodder
Harmonized Schedule Code(s): HS 230400
Value in US\$1,000

<u>Year</u>	<u>2009</u>	<u>2010</u>	<u>2011 (p)</u>	<u>2012 (f)</u>
Total Imports	693,519	798,241	770,000	775,000
Total Imports from U.S.	48,321	108,875	25,000	30,000

2. Processed Fruits and Vegetables (HS 200860, 20089949, 20089985, 2002, 081320)

The dried fruits market is experiencing dramatic growth, led by dry cranberries and prunes, which have steadily gained in popularity as healthy snack foods. As Polish consumers become more health conscious these products are increasingly desired ingredients in the confectionary, home baking, and snack sectors. These sectors are also showing growing demand for cherries, corn, and tomatoes.

Commodity Group: Processed Fruits & Vegetables

Harmonized Schedule Code(s): HS 200860, 20089949, 20089985, 2002, 081320

Value in US\$1,000

Year	2009	2010	2011 (p)	2012 (f)
Total Imports	103,595	112,955	115,138	120,000
Total Imports from U.S.	3,448	5,617	4,269	10,785

3. Tree Nuts – Almonds (HS 080212)

Tree nuts sourced from the United States consists primarily of almonds. Almonds are becoming an increasingly popular ingredient in the confectionary, home baking and snack industries. The Almond Board of California is very active on the Polish market, promoting the advantages of using U.S. almonds to both industry and end users. The leading competitor for the United States in the Polish market is Spain.

Commodity Group: Tree Nuts

Harmonized Schedule Code(s): HS 080212

Value in US\$1,000

Year	2009	2010	2011 (p)	2012 (f)
Total Imports	20,985	21,000	24,100	25,000
Total Imports from U.S.	3,367	3,497	5,402	6,000

4. Wine (HS 2204)

Poland is a leading importer of wine in central Europe. Italy, France, and Spain are the leading suppliers with a combined import market share of nearly 60 percent. The U.S., together with other “new-world” wines, has developed an increasingly good reputation for quality in the Polish market. Given transshipments, the Polish trade estimates the actual figure of direct and in-direct imports of U.S. wine in 2011 at close to \$25 million.

Commodity Group: Wine

Harmonized Schedule Code(s): HS2204

Value in US\$1,000

Year	2009	2010	2011 (p)	2012 (f)
Total Imports	224,000	185,943	201,113	195,000
Total Imports from U.S.	1,063	2,560	3,405	4,000

5. Salmon (HS030311)

Consumption of seafood in Poland continues to increase, setting a record for U.S. whole salmon in 2009. Preliminary data for 2011 indicate strong continued interest in the U.S. product. Given its strengthening currency, Poland will likely remain a growing market for salmon (Sockeye Salmon/Red Salmon), and other seafood, specifically herring and mackerel.

Commodity Group: Salmon
Harmonized Schedule Code(s): HS030311
Value in US\$1,000

Year	2009	2010	2011 (p)	2012 (f)
Total Imports	12,459	11,213	12,897	13,000
Total Imports from U.S.	11,120	9,834	9,897	9,900

6. Hardwood Lumber (HS 440920, 440921, 440929)

The housing market is in recover after the crash in 2008-10, creating new opportunities for wood products in the local market.

Commodity Group: Hardwood
Harmonized Schedule Code(s): HS 440920, 440921, 440929
Value in US\$1,000

Year	2009	2010	2011 (p)	2012 (f)
Total Import	54,775	58,043	63,420	63,500
Total Imports from U.S.	440	250	420	430

Web Resources:

Agricultural Reports
Attaché Reports

Attaché reports provide information on market opportunities, crop conditions, new policy developments and information on the local food industry. Some standard reports include: Retail Market Report, Exporter Guide, Food Service Report, and market briefs on select products. Attaché reports can be found at: <http://www.fas.usda.gov/scriptsw/attacherep/default.asp>. In recent years, many of the reports have been consolidated and are submitted as EU reports. We recommend that companies interested in the market covered by our Post also review the EU-27 reports.

Trade Data:

Please refer to: The USDA Foreign Agricultural Service's Global Agricultural Trade System (GATS). GATS includes international agricultural, fish, forest and textile products trade statistics dating from the inception of the Harmonized coding system in 1989 to present. Available at: <http://www.fas.usda.gov/gats/default.aspx>

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Chapter 5: Trade Regulations, Customs and Standards

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Import Tariffs

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Upon its accession to the European Union on May 1, 2004, Poland became part of the EU customs union. This means that the same import duty rates are applicable in all member states. Tariff rates are contained in the European Union's Common External Tariff. Information on the customs duty rates is available from the Electronic Integrated Community Tariff (TARIC).

Key Links:

<http://www.mofnet.gov.pl/index.php?const=2&dzial=550&wysw=4>

http://ec.europa.eu/taxation_customs/customs/customs_duties/tariff_aspects/customs_tariff/index_en.htm

Trade Barriers

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All business entities operating in Poland (including foreign companies) have equal access to international trade. However, this access is subject to trade policy measures introduced by the EU, which Poland as a member is obliged to observe.

There are certain licensing requirements, not related to commercial policy, for trading in dual-use (i.e. both civil and military use) goods and technologies; in certain chemicals, particularly narcotic drugs and psychotropic's; or in cultural goods.

Separate arrangements are applied to trade in certain agricultural products under the Common Agricultural Policy (CAP), including export/import licensing, quantitative restrictions, export refunds or preferential tariff arrangements. In Poland, licenses and permits for trading in goods that require such licenses or permits are issued by the Minister of Economy and, in the case of agricultural products, by the Agricultural Market Agency. For information on existing trade barriers, please see the National Trade

Estimate Report on Foreign Trade Barriers, published by USTR and available through the following website: <http://www.ustr.gov/about-us/press-office/reports-and-publications/2011-0>

Information on agricultural trade barriers can be found at the following website: <http://www.fas.usda.gov/posthome/useu/>

To report existing or new trade barriers and get assistance in removing them, contact either the Trade Compliance Center at <http://tcc.export.gov/> or the U.S. Mission to the European Union at <http://www.buyusa.gov/europeanunion>.

Import Requirements and Documentation

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The Integrated Tariff of the Community, referred to as TARIC (Tarif Intégré de la Communauté), is designed to show various rules applying to specific products being imported into the customs territory of the EU or, in some cases, when exported from it. To determine if a license is required for a particular product, check the TARIC.

The TARIC can be searched by country of origin, Harmonized System (HS) Code, and product description on the interactive website of the Directorate-General for Taxation and the Customs Union. The online TARIC is updated daily.

Many EU member states maintain their own list of goods subject to import licensing. For example, Poland's "Import List" includes goods for which licenses are required, their code numbers, any applicable restrictions, and the agency that will issue the relevant license. The Import List also indicates whether the license is required under Polish or EU law. The relevant bodies for issuing licenses for import of goods are: Ministry of Economy, Department of Trade Administration: tel: +48 22 693 55 53, e-mail: sekretariatDAO@mg.gov.pl for industrial goods and Agricultural Market Agency Foreign Trade Administration Department, tel: +48 22 661 71 33, e-mail: sekretariat_baotzz@arr.gov.pl for agricultural and food products. For information relevant to member state import licenses, please consult the relevant member state Country Commercial Guide: EU Member States' Country Commercial Guides or conduct a search on the Commerce Department's Market Research Library, available from: <http://www.export.gov/mrktresearch/index.asp>

Import Documentation

Non-agricultural Documentation

The official model for written declarations to customs is the Single Administrative Document (SAD). European Free Trade Association (EFTA) countries including Norway, Iceland, Switzerland, and Liechtenstein also use the SAD. However, other forms may be used for this purpose. Information on import/export forms is contained in Title VII, of Council Regulation (EEC) No. 2454/93, which lays down provisions for the implementation of Council Regulation (EEC) No. 2913/92 establishing the Community Customs Code (Articles 205 through 221). Articles 222 through 224 provide for computerized customs declarations and Articles 225 through 229 provide for oral declarations.

Additional information on import/export documentation can be found in Title III, of Council Regulation (EEC) No. 2913/92 of October 12, 1992, establishing the Community

Customs Code (Articles 37 through 57). Goods brought into the customs territory of the Community are, from the time of their entry, subject to customs supervision until customs formalities are completed.

Goods presented to customs are covered by a summary declaration, which is lodged once the goods have been presented to customs. The customs authorities may, however, allow a period for lodging the declaration, which cannot be extended beyond the first working day following the day on which the goods are presented to customs. The summary declaration can be made on a form corresponding to the model prescribed by the customs authorities. However, the customs authorities may permit the use, as a summary declaration, of any commercial or official document that contains the particulars necessary for identification of the goods. It is encouraged that the summary declaration be made in computerized form.

The summary declaration is to be lodged by:

- the person who brought the goods into the customs territory of the Community or by any person who assumes responsibility for carriage of the goods following such entry; or
- the person in whose name the person referred to above acted.

Non-EU goods presented to customs must be assigned a customs-approved treatment or use authorized for such non-Community goods. Where goods are covered by a summary declaration, the formalities for them to be assigned a customs-approved treatment or use must be carried out:

- 45 days from the date on which the summary declaration is lodged in the case of goods carried by sea;
- 20 days from the date on which the summary declaration is lodged in the case of goods carried other than by sea.

Where circumstances so warrant, the customs authorities may set a shorter period or authorize an extension of the period.

The Modernized Customs Code (MCC) of the European Union is expected to be fully put into place by 2013 although there are concerns that this deadline may be missed due to the complexity of the project. Some facets of the MCC implementation have already been put into place such as EU wide Economic Operators Registration and Identification (EORI) numbers. The MCC will replace the existing Regulation 2913/92 and simplify various procedures such as introducing a paperless environment, centralized clearance, and more. Check the EU's Customs website periodically for updates:

http://ec.europa.eu/taxation_customs/customs/procedural_aspects/general/community_code/index_en.htm

Batteries

EU battery rules changed in September 2006 following the publication of the Directive on batteries and accumulators and waste batteries and accumulators (Directive 2006/66). This Directive replaces the original Battery Directive of 1991 (Directive 91/157). The updated Directive applies to all batteries and accumulators put on the EU market including automotive, industrial and portable batteries. It aims to protect the environment by restricting the sale of batteries and accumulators that contain mercury or cadmium (with an exemption for emergency and alarm systems, medical equipment and cordless power tools) and by promoting a high level of collection and recycling. It places the

responsibility on producers to finance the costs associated with the collection, treatment, and recycling of used batteries and accumulators. The Directive also includes provisions on the labeling of batteries and their removability from equipment. For more information, see our market research report: http://www.buyusainfo.net/docs/x_4062262.pdf

REACH

REACH is the system for controlling chemicals in the EU. It came into force in 2007 (Regulation 1907/2006). Virtually every industrial sector, from automobiles to textiles, is affected by the new policy. REACH stands for the "Registration, Evaluation and Authorization and Restriction of Chemicals." REACH requires chemicals produced or imported into the EU in volumes above 1 ton per year to be registered with a central database handled by the European Chemicals Agency (ECHA), including information on their properties, uses and safe ways of handling them. The next registration deadline is May 31, 2013: <http://echa.europa.eu/web/guest/reach-2013>. U.S. companies without a presence in Europe cannot register directly and must have their chemicals registered through their importer or EU-based 'Only Representative of non-EU manufacturer'. A list of Only Representatives (ORs) can be found on the website of the U.S. Mission to the EU: <http://export.gov/europeanunion/reachclp/index.asp>

MSDS must be updated to be REACH compliant. For more information, see the guidance on the compilation of safety data sheets: http://echa.europa.eu/documents/10162/17235/sds_en.pdf

U.S. exporters to the EU should carefully consider the REACH 'Candidate List' of substances of very high concern. Substances on that list are subject to communication requirements, and at a later stage, may require authorization for the EU market. For more information, see the ECHA website: <http://echa.europa.eu/web/guest/candidate-list-table>

WEEE & RoHS

EU rules on Waste Electrical and Electronic Equipment (WEEE), while not requiring specific customs or import paperwork, may entail a financial obligation for U.S. exporters. They require U.S. exporters to register the products with a national WEEE authority, or arrange for this to be done by a local partner. The WEEE Directive is currently being revised; U.S. exporters seeking more information on WEEE and RoHS regulations should visit: <http://export.gov/europeanunion/weeerohs/index.asp>

The ROHS Directive, restricting the use of certain chemicals in electrical and electronic equipment, was revised in 2011 to become a CE marking directive and cover medical devices and monitoring and control equipment. The new ROHS Directive will replace the existing one on January 2, 2013. For more information on products covered by the legislation, substances banned in electrical and electronic equipment and the possibility to request exemptions, see: <http://export.gov/europeanunion/weeerohs/rohsinformation/index.aspCosmetics>

On November 30, 2009, the EU adopted a new regulation on cosmetic products which will apply from July 11, 2013. The new law introduces an EU-wide system for the notification of cosmetic products and the requirement to appoint a responsible person in the EU. For more information, see:

http://export.gov/europeanunion/accessingeumarketsinkeyindustrysectors/eg_eu_044318.asp

Agricultural Documentation

Phytosanitary Certificates: Phytosanitary certificates are required for most fresh fruits, vegetables, and other plant materials.

Sanitary Certificates: For commodities composed of animal products or by-products, EU countries require that shipments be accompanied by a certificate issued by the competent authority of the exporting country. This applies regardless of whether the product is for human consumption, for pharmaceutical use, or strictly for non-human use (e.g., veterinary biologicals, animal feeds, fertilizers, research). The vast majority of these certificates are uniform throughout the EU, but the harmonization process is not complete. During this transition period, certain member state import requirements continue to apply. In addition to the legally required EU health certificates, a number of other certificates are used in international trade. These certificates, which may also be harmonized in EU legislation, certify origin for customs purposes and certain quality attributes. Up-to-date information on harmonized import requirements can be found at the following website: <http://www.fas.usda.gov/posthome/Useu/certificates-overview.html>

Sanitary Certificates (Fisheries)

In April 2006, the European Union declared the U.S. seafood inspection system as equivalent to the European one. Consequently, a specific public health certificate must accompany U.S. seafood shipments. Commission Decision 2006/199/EC lays down specific conditions on imports of fishery products from the U.S. Unlike for fishery products, the U.S. shellfish sanitation system is not equivalent to that of the EU's. The EU and the U.S. are currently negotiating a veterinary equivalency agreement on shellfish. In the meantime, the EU still has a ban in place (since July 1, 2010), that prohibits the import of U.S. bivalve mollusks, in whatever form, into EU territory. This ban does not apply to wild roe-off scallops.

With the implementation of the second Hygiene Package, aquaculture products coming from the United States must be accompanied by a public health certificate according to Commission Decision 2006/199/EC and the animal health attestation included in the new fishery products certificate, covered by Regulation (EC) 1250/2008. This animal health attestation is not required in the case of live bivalve mollusks intended for immediate human consumption (retail).

Since June 2009, the unique U.S. competent authority for issuing sanitary certificates for fishery and aquaculture products is the U.S. Department of Commerce, National Marine Fisheries Service (NOAA-NMFS).

In addition to sanitary certificates, all third countries wishing to export fishery products to the EU are requested to provide a catch certificate. This catch certificate certifies that the products in question have been caught legally.

For detailed information on import documentation for seafood, please contact the NOAA Fisheries office at the U.S. Mission to the EU (stephane.vrignaud@trade.gov) or visit the following NOAA dedicated web site: http://www.seafood.nmfs.noaa.gov/EU_Export.html

U.S. Export Controls

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A validated U.S. export license is required prior to shipping certain controlled commodities to Poland, as provided under the U.S. Department of Commerce's Bureau of Industry and Security Commodity Control List. For more information and assistance, please contact BIS's Office of Exporter Services at (202) 482-4811 or refer to BIS's web site at <http://www.bis.doc.gov>.

Poland is a member of the Wassenaar Arrangement and has established its own export control regime for munitions and dual use commodities. That regime is managed by the Polish Ministry of Economy, Export Control Department.

Key link: <http://www.mg.gov.pl/Kontakt/DKE>

Temporary Entry

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A permit is also required for the temporary import of goods, which takes place under the supervision of Polish customs officials. Written confirmation is required, stating that the goods will be sent from Poland on specific dates. A deposit is required for the import of the goods subject to clearance, which must equal the value of the goods to be exported or the total import customs duty and taxes. Commercial samples of zero or low value can usually be imported free of customs duty by means of a written statement to Polish customs confirming the value of the sample and that it will stay in the possession of the importing entity. Promotional materials must be clearly marked "no commercial value" in order to clear customs. Temporary imports may also enter Poland under an ATA Carnet.

Info on ATA Carnet: http://www.export.gov/logistics/eg_main_018129.asp

Labeling and Marking Requirements

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An overview of EU mandatory and voluntary labeling and marking requirements has been compiled in a market research report that is available at: http://buyusainfo.net/docs/x_366090.pdf

Prohibited and Restricted Imports

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The import of certain commodities into Poland is prohibited, usually as the result of international sanctions. A variety of goods and commodities are subject to import (and export) restrictions to protect the safety and lives of humans, animals and plants, safeguard national security, or to protect artistic, cultural or intellectual property. Examples would be restrictions and controls on the import of certain food products, drugs, pharmaceuticals, environmentally hazardous products, seeds, weapons, explosives, and antiques.

As an EU member, Poland adheres to EU-wide business directives and requires local market compliance.

There is an online customs tariff database, called TARIC, which is designed to show various rules applying to specific products being imported into the customs territory of the EU or, in some cases, when exported from it. To determine if a product is prohibited or subject to restriction, check the TARIC for that product for the following codes:

CITES Convention on International Trade of Endangered Species
PROHI Import Suspension
RSTR Import Restriction

For information on how to access the TARIC, see the Import Requirements and Documentation Section above.

Key Link:

http://ec.europa.eu/taxation_customs/customs/customs_duties/tariff_aspects/customs_tariff/index_en.htm

Customs Regulations and Contact Information

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Please consult the homepage of Taxation and Customs Union Directorate (TAXUD) Website

Key link: http://ec.europa.eu/taxation_customs/index_en.htm

The website of the Polish Customs Authorities is:

<http://www.mofnet.gov.pl/?const=2&lang=en>

http://ec.europa.eu/taxation_customs/taxation/personal_tax/savings_tax/contact_points/index_en.htm

Standards

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Overview

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Products tested and certified in the United States to American standards will likely need to be retested and re-certified according to EU requirements as a result of the EU's different approach to the protection of the health and safety of consumers and the environment. Where products are not regulated by specific EU technical legislation, they are always subject to the EU's General Product Safety Directive as well as to possible additional national requirements.

European Union standards created under the New Approach are harmonized across the 27 EU member states and European Economic Area countries to allow for the free flow of goods. A feature of the New Approach is CE marking. For a list of this new approach to legislation, go to http://ec.europa.eu/enterprise/policies/european-standards/documents/harmonised-standards-legislation/list-references/index_en.htm.

While harmonization of EU legislation can facilitate access to the EU Single Market, manufacturers should be aware that regulations (mandatory) and technical standards (voluntary) might also function as barriers to trade if U.S. standards are different from those of the European Union.

Agricultural Standards

The establishment of harmonized EU rules and standards in the food sector has been ongoing for several decades, but it took until January 2002 for the publication of a general food law establishing the general principles of EU food law. This regulation introduced mandatory traceability throughout the feed and food chain as of Jan 1, 2005. For specific information on agricultural standards, please refer to the Foreign Agricultural Service's website at: <http://www.fas.usda.gov/posthome/useu/>

There are also export guides to import regulations and standards available on the Foreign Agricultural Service's website:
<http://gain.fas.usda.gov/Lists/Advanced%20Search/AllItems.aspx>

Standards Organizations

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The Polish Committee for Standardization (PKN) is the only Polish body that creates standards. Since Poland joined the European Union, Polish standards have been adjusted to meet the EU Standards, a system based on greater harmonization with international standards in general. PKN sells standards documents electronically: <https://sklep.pkn.pl/>.

EU standards setting is a process based on consensus initiated by Industry or mandated by the European Commission and carried out by independent standards bodies, acting at the national, European or international level. There is strong encouragement for non-governmental organizations, such as environmental and consumer groups, to actively participate in European standardization.

Many standards in the EU are adopted from international standards bodies such as the International Standards Organization (ISO). The drafting of specific EU standards is handled by three European standards organizations:

1. CENELEC, European Committee for Electrotechnical Standardization (<http://www.cenelec.eu>)
2. ETSI, European Telecommunications Standards Institute (<http://www.etsi.org/>)
3. CEN, European Committee for Standardization, handling all other standards (<http://www.cen.eu/cen/pages/default.aspx>)

Standards are created or modified by experts in Technical Committees or Working Groups. The members of CEN and CENELEC are the national standards bodies of the member states, which have "mirror committees" that monitor and participate in ongoing European standardization. CEN and CENELEC standards are sold by the individual member states standards bodies. ETSI is different in that it allows direct participation in its technical committees from non-EU companies that have interests in Europe and gives away some of its individual standards at no charge on its website. In addition to the three standards developing organizations, the European Commission plays an important role in standardization through its funding of the participation in the standardization process of small- and medium-sized companies and non-governmental organizations, such as environmental and consumer groups. The Commission also provides money to the standards bodies when it mandates standards development to the European Standards Organization for harmonized standards that will be linked to EU technical legislation. Mandates can be checked on line at:
http://ec.europa.eu/enterprise/policies/european-standards/standardisation-requests/index_en.htm

Given the EU's vigorous promotion of its regulatory and standards system as well as its generous funding for its development, the EU's standards regime is wide and deep - extending well beyond the EU's political borders to include affiliate members (countries which are hopeful of becoming full members in the future) such as Albania, Belarus, FYR Macedonia, and Morocco among others. Another category, called "partner standardization body" includes the standards organization of Mongolia and Australia, which are not likely to become a CEN member or affiliate for political and geographical reasons.

To know what CEN and CENELEC have in the pipeline for future standardization, it is best to visit their websites. CEN's "sectors" page provides an overview by sector and/or technical committee whereas CENELEC offers the possibility to search its database. ETSI's portal (http://portal.etsi.org/Portal_Common/home.asp) leads to ongoing activities.

With the need to adapt more quickly to market needs, European standards organizations have been looking for "new deliverables" which are standard-like products delivered in a shorter timeframe. While few of these "new deliverables" have been linked to EU legislation, expectations are that they will eventually serve as the basis for EU-wide standards.

Key Link: <http://www.cen.eu/cenorm/products/cwa/index.asp>

The role of standards in legislation is undergoing review. The Commission's proposal, which is now in its first reading at the European Parliament, clarifies the relationship between regulations and standards and confirms the role of the three European standards bodies in developing EN harmonized standards. The emphasis is also on referencing international standards where possible. For information, communication and technology products, the importance of interoperability standards has been recognized. Through a newly established mechanism, a board will decide which deliverables from fora and consortia will be acceptable for public procurement specifications. The European standards bodies have been encouraged to improve efficiency in terms of delivery and to look for ways to include more societal stakeholders in European standardization.

Key Link: http://ec.europa.eu/enterprise/policies/european-standards/standardisation-policy/index_en.htm

Conformity Assessment

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Conformity Assessment is a mandatory step for the manufacturer in the process of complying with specific EU legislation. The purpose of conformity assessment is to ensure consistency of compliance during all stages, from design to production, to facilitate acceptance of the final product. EU product legislation gives manufacturers some choice with regard to conformity assessment, depending on the level of risk involved in the use of their product. These range from self-certification, type examination and production quality control system, to full quality assurance system. Conformity assessment bodies in individual member states are listed in NANDO, the European Commission's website. Here is a link to the list of conformity assessment bodies in Poland:

Key Link:

http://ec.europa.eu/enterprise/newapproach/nando/index.cfm?fuseaction=country.notifydbody&cou_id=616

To promote market acceptance of the final product, there are a number of voluntary conformity assessment programs. CEN's certification systems are the Keymark, the CENCER mark, and CEN workshop agreements (CWA) Certification Rules. CENELEC has its own initiative. ETSI does not offer conformity assessment services.

Product Certification

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In Poland, the leading organization in testing and certification is the Polish Center for Testing and Certification (PCBC). With almost 50 years of experience, this organization also certifies management systems and trains personnel. PCBC is a member of many international and European organizations acting in the field of quality management, conformity assessment of products and systems and also training and certification of personnel. PCBC is the EU Notified Body No. 1434 for 11 New Approach Directives and it strives to extend its scope of notification.

The PCBC runs activities in the scope of:

- Certification of management systems (certificates of PCBC and IQNet);
- Conformity assessment of products and management systems according to notifications;
- Certification for voluntary marks: B, Q, EKO, Ecolabel;
- Certification of ecological farms;
- Certification of personnel;
- Testing of products;
- Organization of training and improvement of personnel in the field of quality (testing, certification, accreditation);
- International cooperation.

Key link: <http://www.pcbc.gov.pl/english/>

To sell products in the EU market of 27 member states as well as in Norway, Liechtenstein and Iceland, U.S. exporters are required to apply CE marking whenever their product is covered by specific product legislation. CE marking product legislation offers manufacturers a number of choices and requires decisions to determine which safety/health concerns need to be addressed, which conformity assessment module is best suited to the manufacturing process, and whether or not to use EU-wide harmonized standards. There is no easy way for U.S. exporters to understand and go through the process of CE marking, but hopefully this section provides some background and clarification.

Products manufactured to standards adopted by CEN, CENELEC and ETSI, and published in the Official Journal as harmonized standards, are presumed to conform to the requirements of EU Directives. The manufacturer then applies the CE marking and issues a declaration of conformity. With these, the product will be allowed to circulate freely within the EU. A manufacturer can choose not to use the harmonized EU standards, but then must demonstrate that the product meets the essential safety and performance requirements. Trade barriers occur when design, rather than performance, standards are developed by the relevant European standardization organization, and when U.S. companies do not have access to the standardization process through a European presence.

The CE marking addresses itself primarily to the national control authorities of the member states, and its use simplifies the task of essential market surveillance of regulated products. As market surveillance was found lacking, the EU adopted the New Legislative Framework, which went into force in 2010. As mentioned before, this framework is like a blueprint for all CE marking legislation, harmonizing definitions, responsibilities, European accreditation and market surveillance.

The CE marking is not intended to include detailed technical information on the product, but there must be enough information to enable the inspector to trace the product back to the manufacturer or the local contact established in the EU. This detailed information should not appear next to the CE marking, but rather on the declaration of conformity (which the manufacturer or authorized agent must be able to provide at any time, together with the product's technical file), or the documents accompanying the product.

Accreditation

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Independent test and certification laboratories, known as notified bodies, have been officially accredited by competent national authorities to test and certify to EU requirements.

"European Accreditation" (<http://www.european-accreditation.org/content/home/home.htm>) is an organization representing nationally recognized accreditation bodies. Membership is open to nationally recognized accreditation bodies in countries in the European geographical area that can demonstrate that they operate an accreditation system compatible with EN45003 or ISO/IEC Guide 58.

The national organization dealing with accreditation in Poland is the Polish Center for Accreditation (PCA). It is the competent authority to conduct accreditation of certification and inspection bodies. Its scope of activities include: calibration, testing, product certification, quality system certification, personnel certification, EMS certification and inspection.

Key link: <http://www.pca.gov.pl/english/>

Publication of Technical Regulations

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The Official Journal is the official gazette of the European Union. It is published daily on the internet and consists of two series covering draft and adopted legislation as well as case law, studies by committees, and more (<http://eur-lex.europa.eu/JOIndex.do>). It lists the standards reference numbers linked to legislation (http://ec.europa.eu/enterprise/policies/european-standards/documents/harmonised-standards-legislation/list-references/index_en.htm).

National technical Regulations are published on the Commission's website http://ec.europa.eu/enterprise/tris/index_en.htm to allow other countries and interested parties to comment.

Member countries of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT) Agreement to report to the WTO all proposed technical regulations that could affect trade with other member countries. Notify U.S. is a free, web-based e-mail subscription service that offers an opportunity to review and comment on proposed foreign technical regulations that can affect access to international markets. Register online at Internet URL: <https://tsapps.nist.gov/notifyus/data/index/index.cfm>.

Labeling and Marking

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Manufacturers should be mindful that, in addition to the EU's mandatory and voluntary schemes, national voluntary labeling schemes might still apply. These schemes may be highly appreciated by consumers, and thus, become unavoidable for marketing purposes.

Manufacturers are advised to take note that all labels require metric units although dual labeling is also acceptable. The use of language on labels has been the subject of a Commission Communication, which encourages multilingual information, while preserving the right of member states to require the use of the language of the country of consumption.

The EU has mandated that certain products be sold in standardized quantities. Council Directive 2007/45/EC harmonizes packaging of wine and spirits throughout the EU. Existing national sizes will be abolished with a few exceptions for domestic producers.

Key Link: http://ec.europa.eu/enterprise/prepack/packsizes/packsizes_en.htm

The Eco-label

The EU eco-label is a voluntary label which U.S. exporters can display on products that meet high standards of environmental awareness. The eco-label is intended to be a marketing tool to encourage consumers to purchase environmentally-friendly products. The criteria for displaying the eco-label are strict, covering the entire lifespan of the product from its manufacture, use, and disposal. These criteria are reviewed every three to five years to take into account advances in manufacturing procedures. There are currently twenty-three different product groups, and approximately 250 licenses have been awarded for several hundred products.

Applications to display the eco-label should be directed to the competency body of the member state in which the product is sold. The application fee will be somewhere between €300 and €1300 depending on the tests required to verify if the product is eligible. The eco-label also carries an annual fee equal to 0.15% of the annual volume of sales of the product range within the European community. However, the minimum annual fee is currently set at €500 and maximum €25,000.

There are plans to significantly reform the eco-label in the near future, reducing the application and annual fees and expanding the product ranges significantly. It is also possible that future eligibility criteria may take into account carbon emissions.

Key Links:

[Eco-label Home Page](#)

[Product Categories eligible for the Eco-label](#)

[Eco-Label Catalogue](#)

[List of Competent Bodies](#)

[Revision of the Eco-label](#)

[The Eco-label and Carbon Footprint](#)

Contacts

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U.S. Mission to the E.U.
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CEN – European Committee for Standardization
<http://www.cen.eu/cenorm/homepage.htm>

CENELEC – European Committee for Electro technical Standardization
<http://www.cenelec.eu/>

ETSI - European Telecommunications Standards Institute
<http://www.etsi.org/WebSite/homepage.aspx>

European Commission – Enterprise and Industry:
http://ec.europa.eu/enterprise/standards_policy/index_en.htm

EFTA – European Free Trade Association
<http://www.efta.int/>

NORMAPME – European Office of Crafts Trades and Small and Medium-Sized
<http://www.normapme.com/>

ANEC - European Association for the Co-ordination of Consumer Representation in Standardization
<http://www.anec.org/anec.asp>

ECOS – European Environmental Citizens Organization for Standardisation
Brussels Sustainable House
rue d'Edimbourg 26,
B-1050 Brussels, Belgium
Tel: +32 2 894 46 68 (switchboard)
Fax: + 32 2 894 46 10
Email: info@ecostandard.org
<http://www.ecostandard.org/>

EOTA – European Organization for Technical Approvals (for construction products)
Kunstlaan Avenue des Arts 40
B – 1040 Brussels, Belgium
Tel: 32 2 502 69 00
Fax: 32 2 502 38 14
Email: info@eota.be
<http://www.eota.be/>

Trade Agreements

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For a list of trade agreements with the EU and its member states, as well as concise explanations, please see http://tcc.export.gov/Trade_Agreements/index.asp.

Web Resources

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EU websites:

Online customs tariff database (TARIC):
http://ec.europa.eu/taxation_customs/customs/customs_duties/tariff_aspects/customs_tariff/index_en.htm

The Modernized Community Customs Code MCCC):
http://europa.eu/legislation_summaries/customs/do0001_en.htm

ECHA: <http://echa.europa.eu>

Taxation and Customs Union:

http://ec.europa.eu/taxation_customs/customs/index_en.htm

Security and Safety Amendment to the Customs Code - Regulation (EC) 648/2005:

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32005R0648:en:HTML>

Electronic Customs Initiative: Decision N° 70/2008/EC

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:023:0021:0026:EN:PDF>

Modernized Community Customs Code Regulation (EC) 450/2008):

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:145:0001:0064:EN:PDF>

Legislation related to the Electronic Customs Initiative:

http://ec.europa.eu/taxation_customs/customs/policy_issues/electronic_customs_initiative/electronic_customs_legislation/index_en.htm

International Level:

What is Customs Valuation?

http://ec.europa.eu/taxation_customs/customs/customs_duties/declared_goods/european/index_en.htm

Customs and Security: Two communications and a proposal for amending the Community Customs Code

http://ec.europa.eu/taxation_customs/customs/policy_issues/customs_security/index_en.htm

Establishing the Community Customs Code: Regulation (EC) n° 648/2005 of 13 April 2005

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32005R0648:en:HTML>

Pre Arrival/Pre Departure Declarations:

http://ec.europa.eu/taxation_customs/customs/procedural_aspects/general/prearrival_predeparture/index_en.htm

AEO: Authorized Economic Operator

http://ec.europa.eu/taxation_customs/customs/policy_issues/customs_security/aeo/index_en.htm

Contact Information at National Customs Authorities:

http://ec.europa.eu/taxation_customs/taxation/personal_tax/savings_tax/contact_points/index_en.htm

New Approach Legislation: http://ec.europa.eu/enterprise/policies/european-standards/documents/harmonised-standards-legislation/list-references/index_en.htm

Cenelec, European Committee for Electrotechnical Standardization:

<http://www.cenelec.eu/>

ETSI, European Telecommunications Standards Institute:
<http://www.etsi.org/>

CEN, European Committee for Standardization, handling all other standards:
<http://www.cen.eu/cenorm/homepage.htm>

Standardisation – Mandates:
http://ec.europa.eu/enterprise/policies/european-standards/standardisation-requests/index_en.htm

http://ec.europa.eu/enterprise/policies/european-standards/index_en.htm

http://ec.europa.eu/enterprise/standards_policy/mandates/database/index.cfm?fuseaction=txtSearch.main&CFID=34648468&CFTOKEN=6ef965fc96926526-52EF213E-DE68-5C5C-981D1CB14CA6CF99&jsessionid=f412d234ecac366e803c2593f323e576c666TR

ETSI – Portal – E-Standardisation :
http://portal.etsi.org/Portal_Common/home.asp

CEN – Sector Fora:
<http://www.cen.eu/cenorm/sectors/index.asp>

Nando (New Approach Notified and Designated Organizations) Information System:
<http://ec.europa.eu/enterprise/newapproach/nando/>

Mutual Recognition Agreements (MRAs):
http://ec.europa.eu/enterprise/policies/single-market-goods/international-aspects/mutual-recognition-agreement/usa/index_en.htm

European Co-operation for Accreditation:
<http://www.european-accreditation.org/content/home/home.htm>

Eur-Lex – Access to European Union Law:
<http://eur-lex.europa.eu/en/index.htm>

Standards Reference Numbers linked to Legislation:
European Standards
http://ec.europa.eu/enterprise/policies/european-standards/harmonised-standards/index_en.htm

What's New
http://ec.europa.eu/enterprise/policies/european-standards/news/index_en.htm

National technical Regulations
http://ec.europa.eu/enterprise/tris/index_en.htm

NIST - Notify U.S.: <http://tsapps.nist.gov/notifyU.S./data/index/index.cfm>

Metrology, Pre-Packaging – Pack Size:
<http://ec.europa.eu/enterprise/sectors/legal-metrology-and-prepack/documents/pack-sizes/>

European Union Eco-label Homepage:
http://ec.europa.eu/comm/environment/ecolabel/index_en.htm

Eco-Label Catalogue:
<http://www.eco-label.com/default.htm>

U.S. websites:

National Trade Estimate Report on Foreign Trade Barriers:
<http://www.ustr.gov/about-us/press-office/reports-and-publications/2009/2009-national-trade-estimate-report-foreign-trad>

Agricultural Trade Barriers:
<http://www.fas.usda.gov/posthome/Useu/>

Trade Compliance Center:
<http://www.trade.gov/tcc>

U.S. Mission to the European Union:
<http://useu.usmission.gov/>

The New EU Battery Directive:
http://www.buyusainfo.net/docs/x_8086174.pdf

The Latest on REACH:
<http://export.gov/europeanunion/reachclp/index.asp>

WEEE and RoHS in the EU:
<http://export.gov/europeanunion/weeerohs/index.asp>

Overview of EU Certificates:
<http://www.fas.usda.gov/posthome/useu/certificates-overview.html>

Center for Food Safety and Applied Nutrition
<http://www.fda.gov/Food/default.htm>

EU Marking, Labeling and Packaging – An Overview
http://www.buyusainfo.net/docs/x_4171929.pdf

The European Union Eco-Label:
http://buyusainfo.net/docs/x_4284752.pdf

Trade Agreements
http://tcc.export.gov/Trade_Agreements/index.asp

Polish Websites:

Polish Ministry of Economy, Export Control Department:
www.mg.gov.pl

Ministry of Finance:
<http://www.mf.gov.pl/>

Polish Center for Accreditation
<http://www.pca.gov.pl/english/>

Polish Center for Testing and Certification (PCBC)
<http://www.pcbc.gov.pl/english/>

Polish Committee for Standardization:
<http://www.pkn.pl>

International cooperation (PKN):
http://www.pkn.pl/?pid=en_int_cooperation

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Openness to Foreign Investment

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Foreign investment has been at the center of Poland's economic transformation since 1989. It is broadly welcomed not only as a source of finance, but also as a means of technology transfer, human resource development, and Polish integration into global supply chains and R&D. Since 1990, according to National Bank of Poland data, Poland has attracted an estimated \$200 billion in foreign direct investment (FDI), principally from Western Europe and the United States. Investors report they are attracted to Poland's young, well educated, low-cost work force; its proximity to major markets; its membership in the European Union (EU); its political stability; its strong economic performance in turbulent times; and its long-term growth prospects. Foreign companies invest largely, though not exclusively, to service Poland's dynamic local market of over 37 million people and the larger European market of nearly 500 million. Foreign companies generally enjoy unrestricted access to the Polish market. However, Polish law limits foreign ownership of companies in selected strategic sectors, and still limits foreign acquisition of real estate, especially agricultural land.

Poland ranked a 62 in the World Bank's "Doing Business 2012" report, due in part to a cumbersome tax system and burdensome business regulation, particularly in relation to new business formation. UNCTAD's 2011 World Investment Report shows that surveyed trans-national corporations ranked Poland as the sixth most mentioned country as a top FDI priority, behind China, the United States, India, Brazil, and Russia. In an effort to improve the climate for foreign and domestic investment, Poland has introduced a series of reforms in recent years. In July 2011, the Act Limiting Administrative Barriers for

Citizens and Businesses went into effect, introducing a series of measures designed to diminish the burden of Poland's state bureaucracy. In 2007-2010, telecommunication regulations were relaxed, the foreign exchange law was simplified, the overall tax burden was reduced, new acts shaping public-private partnerships came into force, starting and closing a business and registering property became easier, and positive changes appeared on the labor market. Work to improve the bankruptcy law and the administration of real estate registers continues, while national and local governments are working to implement a "zero-stop shop" process of enabling online new business registration. Despite these reforms, many foreign investors complain of an overly burdensome regulatory environment. To address this issue, Prime Minister Donald Tusk appointed a plenipotentiary for deregulation in November 2011.

EU Integration

Adoption of EU legislation induced the government to reform the way in which it regulates the economy to restrict its intervention in the private sector. Changes in areas such as financial markets, company and competition law, accounting, and intellectual property rights have created a better environment for business.

When it acceded to the EU in 2004, Poland committed to adopt the Euro at an unspecified future date. The global economic crisis postponed Prime Minister Tusk's plan to bring Poland into the Eurozone in 2012. Though no new date has been set, government officials continue to confirm their willingness to adopt the common currency at some point. EU membership resulted in an influx of billions of Euros in new financial resources such as structural funds and the Cohesion Fund, which are used to support investments in transport infrastructure, environmental protection, and new production technologies. Access to EU aid funds helped Poland avoid recession during the recent financial crisis. Poland has been the fastest-growing economy in the EU over three years, posting a 1.8% increase in output in 2009, 3.9% in 2010, and 4.3% in 2011.

Major Laws and Regulations

The basic legal framework for establishing and operating companies in Poland, including companies with foreign investors, is found in the Commercial Companies Code which entered into force in January 2001, and the Law on Freedom of Economic Activity, which entered into force on July 2, 2004.

With few exceptions, foreign investors are guaranteed national treatment. Companies that did not have any subsidiary established in an EU country before May 1, 2004, but that conduct, or plan to commence business operations in Poland must observe all EU regulations, and may not be able to benefit from all privileges to which EU companies are entitled.

Under the amended 2000 Commercial Companies Code, companies can be established as: joint-stock companies, limited liability companies, and partnerships (e.g., limited joint-stock partnerships, professional partnerships). These corporate forms are available to foreign investors who come from an EU or European Free Trade Area (EFTA) member state. They are also available to investors who are based in a country, such as the United States, that offers reciprocity to Polish enterprises. Foreign investors without permanent residence and the right to work in Poland may be restricted from participating in the day to day Polish operations of the company.

According to the Law on the National Court Register of October 1997, all companies, commercial partnerships, and sole proprietorships must be registered in the Register of Entrepreneurs, a part of the district court-managed National Court Register. The Register of Entrepreneurs is a public document. Post is unaware of any laws or regulations specifically authorizing private firms to adopt articles of incorporation or association which limit or prohibit foreign investment, participation, or control.

Foreign businesses can open branches in Poland under the provisions of the **Freedom of Economic Activity law**. Many of the requirements and procedures for opening a secondary establishment are the same as for starting up a business. The law specifies certain situations in which registration may be refused (e.g., if required documents are not submitted on time or on national security grounds).

Under the Law on Freedom of Economic Activity, branch offices are registered in the National Court Register under the name of the foreign investor, with the notation "branch in Poland." A branch office can perform any activity within the scope of business of the parent foreign investor that established the branch. In contrast, representative offices must limit their activities to promotion and advertising for the parent foreign investor. The Ministry of Economy keeps a special log of registered representative offices.

Screening and Licensing

Poland does not have any general screening mechanism for foreign firms' entry and establishment of businesses. Authorization requirements and foreign equity limits do exist for a limited number of sectors, such as broadcasting and air transport. According to the June 2004 Law on Freedom of Economic Activity a permit from the Treasury Ministry is required for certain major capital transactions (i.e., to establish a company when a wholly or partially domestically owned enterprise is contributed in-kind to a company with foreign ownership.) A permit from the Treasury Ministry is also required to lease assets to or from a state-owned enterprise. Licenses and concessions for defense production and management of seaports are granted on the basis of national treatment for investors from OECD countries. Polish law limits non-EU citizens to 49% ownership of a company's capital shares in the air transport and the radio and television broadcasting sectors. Waivers of this restriction are not available. In the insurance sector, at least two members of management boards, including the chairman, must speak Polish. In the broadcasting sector, the number of Polish citizens on supervisory and management boards must be greater than the number of foreigners.

According to the June 2004 Law on Freedom of Economic Activity, businesses may require governmental concessions, licenses, or permits to engage in certain activities. Sectors in which concessions are required include broadcasting, aviation, energy, weapons, mining, and private security services. Amendments to the law in 2008 and 2010 replaced the requirement in some sectors to obtain a permit or concession with a requirement for a business to be entered into the "regulated activity register." Such regulated activities include telecom, postal, and courier services; manufacturing of tobacco products; and manufacturing and bottling of alcohol and wine.

Starting January 1, 2012, applicants have the ability to register a limited liability company in 24 hours. This requires filling out an e-form (a simplified deed of the company), signing it with an electronic signature, and sending it to the registry court via internet. An

e-platform with records of all economic activity entities (Central Registration and Information for Economic Activity) was launched in July, 2011. It is available at: www.ceidg.gov.pl

Limits on Foreign Ownership of Agricultural Land and Real Estate

Based on soil quality, Polish agricultural land is divided into six tiers. According to Polish law, foreigners may not purchase agricultural land of the top two tiers. The lower four tiers are available to foreign purchasers with some restrictions. Since EU accession, foreign citizens of EU member states, Iceland, Liechtenstein, and Norway do not need permission to purchase non-agricultural real estate, or to acquire or receive shares in a company owning non-agricultural real estate in Poland. These foreign citizens are still subject to restrictions on the acquisition of Polish agricultural land, however. Under the terms of its accession to the EU, Poland will remove nearly all of these restrictions by the end of a transition period lasting until May 2016.

Citizens from countries other than the EU, Iceland, Liechtenstein, and Norway are allowed to own an apartment, 0.4 hectares (4,000 square meters) of urban land, or up to one hectare of agricultural land classified in the bottom four tiers without a permit. For large commercial purchases, citizens from countries other than the EU-27, Iceland, Liechtenstein, and Norway must obtain a permit from the Ministry of Administration (with the consent of the Defense and Agriculture Ministries), pursuant to the Act on Acquisition of Real Estate by Foreigners. A foreign business intending to buy real estate in Poland may apply for a provisional permit from the Ministry of Administration, which is valid for one year from the date of issue, during which time the company is expected to assemble documents demonstrating it is a viable business. Permits may be refused for reasons of social policy or public security.

A second form of land title is the perpetual lease, under which the lease holder generally controls the property for 40 to 99 years, and which can be extended for up to 99 additional years. Such a perpetual tenant has the right to dispose of its interest in the land by sale, gift, or bequest. Companies report that procedures to acquire real estate are transparent and that the process is not burdensome. Foreigners can and do lease agricultural land.

On December 3, 2011, Poland amended the Land Law in order to allow for selling state-owned agricultural property. Current tenants will now have the option to purchase up to 70 percent of the property under lease, upon lease expiry. Additionally, leases will not be renewed. The purchase option is open to foreign lease holders provided they obtain a permit to purchase agricultural land from the Ministry of Administration.

Privatization Program

With relatively few exceptions, the Polish government has invited foreign investors to participate in major privatization projects. In general, bidding criteria have been clear and the process has been transparent. Some commentators have expressed concern about the level of foreign ownership of the Polish economy, especially in the banking sector, where foreign-controlled banks hold over 70% of assets. In 2011, the National Bank Supervisory board (KNF) began a program to provide loans to Polish institutions, including some that are partially state-owned, to buy foreign-owned banks. This program, which had not yet resulted in any transactions by year's end, aims to increase domestic ownership of banks operating in Poland.

Discrimination against Foreign Investors

Generally, the law treats foreign and domestic investors equally, both at the time of initial investment and after an investment has been made. In the past, there have been complaints about discrimination in public procurement contracts resulting from provisions in legislation favoring domestic firms. Since May 2004, all public authorities must apply the Public Procurement Law of January 2004, as amended by the November 2007 consolidated Act on Public Procurement, when selecting suppliers and service providers in public contracts. Under this law, a joint venture between foreign and domestic firms qualifies as "domestic" for procurement considerations. On joining the EU, Poland acceded to the WTO Government Procurement Agreement.

Poland ranks as the 41st least corrupt country in the Transparency International Corruption Perception Index (CPI) out of 182 countries worldwide.

Measure	Year	Index/Ranking
TI Corruption Index	2011	CPI 5.5 (5.3 in 2010); Rank 41 of 182
Heritage Economic Freedom	2011	Freedom Score 64.1 (+0.9 from 2010) Rank 68 of 179
World Bank Doing Business	2011	NA: Rank 62 of 183

Note: Poland is not on the MCC (Millennium Challenge Corporation) list.

Source: <http://www.transparency.org>
<http://www.doingbusiness.org/economyrankings/>
<http://www.heritage.org/Index/Country/Poland>

Conversion and Transfer Policies

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Foreign exchange is widely available through commercial banks as well as exchange offices. Payments and remittances in convertible currency may be made and received through a bank authorized to engage in foreign exchange transactions, and most banks have such authorization. Foreign investors have not complained of any significant difficulties or delays in remitting investment returns such as dividends, return of capital, interest and principal on private foreign debt, lease payments, royalties, or management fees.

Foreign currencies can freely be used for settling accounts.

Poland provides full IMF Article VIII convertibility for current transactions. The October 1, 2002 Polish Foreign Exchange Law, as amended, fully conforms to the OECD Codes of Liberalization of Capital Movements and Current Invisible Operations.

The Foreign Exchange Law distinguishes between residents and non-residents. It defines residents as natural persons whose center of vital (economic or personal) interests is in Poland or individuals who spend more than 183 days in a tax (calendar) year in the country; companies having their registered office in Poland; and non-resident-created branches, representative offices, and enterprises within the territory of Poland. However, provisions of an applicable tax treaty may limit Poland's ability to tax this income. Under the Law, non-residents include: natural persons with foreign residence; companies seated outside Poland; and branches, representative offices, and enterprises created by residents outside the territory of Poland.

Countries that are members of the European Economic Area (EEA) or OECD are accorded the same treatment as countries that are members of the EU. In general, foreign exchange transactions with the EU, OECD, and EEA countries are not restricted.

Except in limited cases which require a permit, a foreigner may convert or transfer currency to make payments abroad for goods or services and also may transfer abroad his share of after-tax profit from operations in Poland. Foreign investor capital within Poland may be freely withdrawn from Poland in instances of liquidation, expropriation, or decrease in capital share. Full repatriation of profits and dividend payments is allowed without obtaining a permit. However, a Polish company (including a Polish subsidiary of a foreign company) must file and pay withholding taxes with the Polish tax authorities on any distributable dividends unless a double taxation treaty is in effect. A double taxation treaty is in place between Poland and the United States. An exporter may open foreign exchange accounts in the currency it chooses.

Foreign exchange regulations require non-bank entities dealing in foreign exchange or acting as a currency exchange bureau to submit reports electronically to the National Bank of Poland (NBP) at <http://sprawozdawczosc.nbp.pl>.

Poland does not prohibit remittance through legal parallel markets utilizing convertible negotiable instruments (such as dollar-denominated Polish bonds in lieu of immediate payment in dollars). As a practical matter, however, such payment methods are rarely, if ever, used.

Expropriation and Compensation

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Article 21 of the Polish Constitution states: "expropriation is admissible only for public purposes and upon equitable compensation." The Law on Land Management and Expropriation of Real Estate provides that property may be expropriated only in accordance with statutory provisions such as those concerning construction of public works, national security considerations, or other specified cases of public interest. The government must pay full compensation at market value for the expropriated property.

Dispute Settlement

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Until recently, investment disputes were common, often involving state-owned enterprises, difficulties obtaining permits, or heavy-handed government regulatory actions. In the last several years, however, the sale of state-owned enterprises, the government's move toward full adoption of EU regulations, and the passage of legislation more clearly defining the role of the state in economic activity have led to a reduction in the number of investment disputes.

Legal System

The Polish legal system is code-based and prosecutorial. The judiciary acts independently. The Polish judicial system generally upholds the sanctity of contracts. Monetary judgments are usually made in local currency. Generally, foreign firms are wary of the slow and overburdened Polish court system, preferring to rely on other means to defend their rights. Contracts involving foreign parties frequently include a clause specifying that disputes will be resolved in a third-country court or through offshore arbitration. In November 2011, the new Minister of Justice stated that simplification of court procedures and timely court proceedings were among his top priorities.

Poland's Bankruptcy Law provides a company's creditors or its governing bodies (i.e., its Board of Directors or another body, depending on the corporate form of the debtor) may file declarations of bankruptcy. Creditors of an insolvent company must file a claim in writing. The Creditors Preliminary Assembly has the right to decide, at the initial stage of the bankruptcy process, whether a workout agreement is possible or whether assets of a bankrupt company should be liquidated. Liabilities are repaid in the following order: cost of legal proceedings; employee remuneration; liabilities to the State and Social Security Fund (ZUS) secured by a mortgage or pledge; other liabilities secured by mortgages or pledges; other taxes and other public liabilities; other liabilities. The Mortgage Banking Act of 1997 and the Law on Registered Pledges and Pledge Registry of 1997 (with later amendments) protect qualified mortgagors and secured creditors against subsequent tax liens and other secured and unsecured claims. Amendments to the Act on Land and Mortgage Registers and Mortgages came into effect on 20 February, 2011, broadening the opportunities to use mortgages as a means of security and simplifying mortgage proceedings.

Arbitration

A permanent arbitration tribunal to settle disputes arising from international commercial activities operates through the Polish Chamber of Commerce. There are a number of arbitration bodies associated with chambers representing various sectors of the economy, employers' confederations, or local chambers of commerce. It is also possible to appoint ad-hoc conciliatory tribunals to settle a particular dispute.

Arbitration body decisions are not automatically enforceable in Poland; they must be confirmed in a Polish court. Under the Polish Civil Code, local courts accept and enforce judgments of foreign courts. Poland is party to four international agreements on dispute resolution, with the Ministry of Finance acting as the government's representative:

1. The 1923 Geneva Protocol on Arbitration Clauses
2. The 1958 New York Convention on the Recognition and Enforcement of International Arbitration Awards
3. The 1961 Geneva European Convention on International Trade Arbitration

4. The 1972 Moscow Convention on Arbitration Resolution of Civil Law Disputes in Economic and Scientific Cooperation

Poland is not a member of the Washington Convention on the Settlement of Investment Disputes between States and Nationals of Other States..

Performance Requirements and Incentives

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Poland has not notified the WTO of any measures it maintains that are inconsistent with its obligations under the TRIMS Agreement.

Poland generally does not impose performance requirements for establishing or maintaining an investment.

In April 2002, the Polish Parliament passed a law addressing financial support for investments. In line with this law, a company investing in Poland, whether foreign or Polish, may receive assistance from the Polish government. A number of incentives are potentially available to foreign investors in Poland:

- Income tax and real estate tax exemption in Special Economic Zones (SEZ);
- Investment grants of up to 50% (70% for small- or medium-sized enterprises) of investment costs;
- Grants for research and development;
- Grants for other activities, such as environmental protection, training, logistics or creating renewable energy sources;
- Potential partial forgiveness of commercial debt owed to a state-owned bank incurred for the acquisition of technology; and
- Varying incentives related to acquiring or developing new technology.

Regulations on special economic zones and on public assistance to entrepreneurs provide the basis for exemptions from income tax or other incentives.

The amount of assistance (e.g. tax exemptions, grants, etc.) available to investments outside of SEZs varies from region to region. The government produces a "regional aid map" which specifies an assistance ceiling for each region, expressed as a percentage of a project's new investment or employment costs. In case of investment projects not exceeding EUR 50 million, the ceiling may be increased by 20% for small companies and 10% for medium-sized companies. The regional ceilings on aid for 2007-2013 are:

Region	Regional Aid Ceiling (% of Investment Cost)
Warsaw	30%
Mazovia region	30%
Pomerania, West Pomerania, Upper and Lower Silesia, and Wielkopolska	40%
Other regions of Poland	50%

Large investments that the government considers crucial for the Polish economy may qualify for the “Program to support investments of high importance to the Polish economy for 2011-2020,” which the government adopted on July 5, 2011. Unlike the previous multi-annual support program, this program does not permit combining different types of aid--such as employment grants, tax exemptions, and preferential land prices--unless the government gives explicit consent. The new program for granting support to strategic sectors/branches (e.g. the auto industry, electronics, civil aviation, bio-technology, modern business services, and R&D) in the years 2011-2020 has a budget of PLN 727 million (\$214 million). This program is also open to businesses planning new investments in production other than within the above mentioned sectors, provided the project's value is at least PLN 1.0 billion (\$300 million) and it creates at least 500 new jobs.

The level of tax or other investment incentives is based on the relative prosperity of the region where the investment is made, the size of the investment, the number of jobs created, and the sector of the economy involved. Strategic investors may obtain an exemption from or reduction in real estate tax, as well as additional local incentives. All such exemptions must be negotiated with local authorities.

Offset Requirements

The Polish government imposes offset requirements on some defense-related contracts in order to ensure that foreign suppliers help the restructuring and development of the Polish economy, and in particular the defense industry. Offsets are also meant to promote Polish exports, facilitate technology transfer, and develop Polish universities and R&D centers.

Legislation adopted in 1999 and the Regulation of the Council of Ministers of May 18, 2007, governs the imposition of “compensation agreements” concluded in connection with contracts for deliveries of armaments or military equipment from a foreign supplier. Such offset agreements are obligatory for contracts exceeding EUR 5 million from a single foreign supplier within three consecutive years.

Foreign Participation in Government-Financed Research

Except in the field of agricultural biotechnology, the government allows foreign firms' participation in government-funded research and development projects of the National Center for Research and Development and the National Science Center. Nonetheless, foreign companies have not participated in any such projects to date. At present, foreign capital (including American) backs over 100 R&D institutions. Of these institutions, 56 are fully foreign-owned and are carrying out research across various sectors of the economy.

Visa and Work Permit Requirements

Foreign investors can and do bring personnel to Poland. With some exceptions, foreign workers must have a work visa. All EU citizens are free to work in Poland without first

obtaining a work permit. In addition, Poland has opened its labor market to workers from member countries of the European Free Trade Area (EFTA).

On February 1, 2009, amended regulations on employment of foreigners entered into force, simplifying procedures and reducing the paperwork needed to employ foreigners.

Citizens from Ukraine, Belarus, Georgia, Moldova, and Russia, and certain other countries may work temporarily (up to six months per year) in Poland without a permit. However, Polish employers must submit written statements of their intention to employ foreigners.

U.S. citizens continue to be subject to Poland's work and residency permit regulations, unless they have otherwise established permanent residency in Poland or elsewhere in the EU. Poland's visa and work permit regulations offer the possibility for non-EU/EFTA citizens to live and work in Poland under certain conditions. In practice, however, foreign firms and individuals have experienced difficulty in obtaining both visas and work permits. Poland requires an applicant to apply for a visa in his or her home country, rather than in Poland or in neighboring countries. This procedure is often burdensome. Provincial authorities, who vary greatly in speed and willingness, issue work permits.

Discriminatory or Preferential Export/Import Policies

The government supports exporters through export credit guarantees from a state-owned insurance entity (KUKI). KUKI provides credit guarantees for all firms registered in Poland (including foreign firms and firms with foreign capital). The state-owned Bank Gospodarstwa Krajowego (BGK), on the basis of an agreement with the Ministry of Finance, offers subsidized credits to exporters.

Right to Private Ownership and Establishment

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Domestic and foreign private entities generally may freely establish, acquire, or dispose of a business, and may engage in almost all forms of lawful economic activity. Participation of foreigners is restricted in the broadcasting and air transportation sectors, while foreign ownership of other than a small amount of real estate property requires a government permit.

The Civil Code, as amended, regulates property rights among individuals or legal entities. Civil Code regulations are based on the principles of equality of all parties regardless of their ownership status, equivalency of obligations, discretion, protection of private ownership, and freedom of contracts.

Protection of Property Rights

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Poland has a non-discriminatory legal system accessible to foreign investors that protects and facilitates acquisition and disposition of all property rights, including land, buildings, and mortgages. Many investors, foreign and domestic, complain that the judicial system is extremely slow. Foreign investors often voice concern about frequent or unexpected changes in laws and regulations.

The 1997 Mortgage Banking Act provided that a licensed bank-recorded mortgage takes priority over subsequent tax liens and other secured and unsecured claims. Outstanding residential mortgage debt grew rapidly from 2005 to 2008. In comparison to most Western countries, the mortgage market in Poland is still relatively small at around 20% of GDP.

Intellectual Property

The Polish Government views protecting intellectual property (IP) rights as a core element of Poland's economic development. Its efforts have led to a significant reduction in the availability of pirated goods at border and open-air markets. Industry groups tell Post they no longer consider physical piracy a serious problem in Poland, although the prevalence of internet piracy is a growing issue. Due to the improving protection of IP, Poland was removed from the USTR Special 301 Watch List in April 2010.

Transparency of Regulatory System

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Regulatory unpredictability and high levels of administrative red tape are recurring complaints of investors. Foreign and domestic investors must comply with a variety of laws concerning taxation, labor practices, health and safety, and the environment. Complaints about these laws, especially the tax system, center on the lack of clarity and often-draconian penalties for minor errors. Under the 2004 Law on Freedom of Economic Activity, inspections are fewer and shorter than in the past. The establishment of the Central Anti-Corruption Office (CBA) in 2006 increased the number of institutions authorized to perform inspections in companies. However, the CBA is entitled to perform inspections of companies only in cases where the State's interest is linked with a business interest (e.g., cases in which a government official carries out economic activity, or government officials make decisions in such areas as privatization, public tenders, licensing, exemptions, quotas, or guarantees favoring certain firms or persons).

The government continues to implement a reform package aimed at streamlining bureaucratic hurdles, such as procuring the licenses and permits required to open a business. The governing coalition has been successful in adopting amendments to a number of business related regulations in such areas as foreign exchange, taxes, public procurement, and consumer bankruptcy, creating a friendlier environment for entrepreneurs.

Revisions to the corporate tax code, which started in 1999, improved transparency and lowered rates. Since 2004, the corporate income tax (CIT) rate has been 19%. The July 2011 Act Limiting Administrative Barriers for Citizens and Businesses amended many different laws in order to cut administrative red tape for businesses. Major amendments include, for example: replacing certificates from official registers with declarations from the businesses themselves, the ability to convert from one business form to another, and a reduction of National Court Register fees. The business community has enthusiastically greeted the act because it eases administrative procedures, streamlines issuance of certain licenses and permits, and reduces the related costs for businesses.

Proposed laws and regulations are published in draft form for public comment, but in practice the period allotted for public consultations tends to be limited. Starting February

2011, Polish citizens can track the legislative process of proposed legislation within the Prime Minister's Office on the government's webpage.

Pharmaceuticals

Global innovative pharmaceuticals companies consistently report that the process the Ministry of Health uses to add new products to the government's drug reimbursement list remains non-transparent and slow. Meaningful access to the Polish pharmaceuticals market often hinges on whether a drug appears on the reimbursement list, since doctors most often prescribe drugs from the list. The Polish National Health Fund subsidizes purchases from the list, making them more affordable for patients.

In 2008, the Ministry of Health adopted a practice of requesting recommendations on reimbursement applications from the Health Technology Assessment Agency. Pharmaceuticals companies contend that this has decreased transparency further and increased the delay in acting on reimbursement applications. Inability to add new products to the reimbursement list has undermined U.S. and international innovative drug producers' market position in favor of the Polish generics industry.

Broad healthcare reform legislation took effect on January 1, 2012. Among other items, the legislation includes a mandate that the Polish government pay the lowest reimbursement prices for prescription medicine in the EU. Representatives of the innovative pharmaceutical industry complained that the methods the Ministry of Health employs to meet this mandate are inconsistent and opaque. In response to a wave of public complaints, the Polish Government revised its implementation of portions of the legislation.

Standards-setting Organizations

Government agencies set industry standards. These agencies are not required to consult with domestic or foreign firms when establishing standards, but usually do so. Domestic firms tend to have more influence than foreign firms in the consultation process.

Efficient Capital Markets and Portfolio Investment

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Capital Markets

Poland has healthy equity markets that facilitate the free flow of financial resources. Banks can and do lend to foreign and domestic companies. Companies can and do borrow abroad and issue commercial paper.

Equity markets include the Warsaw Stock Exchange (WSE), the "New Connect" trading platform, the Central Table of Offers "CeTO," an over-the-counter derivatives market), and the Electronic Treasury Securities Market, which operates on a basis similar to the NASDAQ. On September 30, 2009, the WSE launched CATALYST, the first organized market in debt securities in Central and Eastern Europe. The system facilitates and optimizes corporate and municipal bonds issuance.

In July 2010, Warsaw signed a contract to use the NYSE Euronext trading platform, making it easier for American investors to trade shares from Poland and other countries in the region that are listed on the exchange. The agreement is part of the WSE

president's ambition to make Warsaw the dominant exchange for Central Europe, with listings from countries such as Romania, Ukraine, and the Balkans.

In January 2011, Poland's Stock Exchange extended its daily trading sessions (0800GMT-1730GMT) and changed the calculation of trading statistical data (calculation is based on the value of transactions, not on the sum of sales and purchases as it was previously) in an effort to attract more foreign investors.

The regulatory framework for operations on the capital markets is contained in the 1997 Law on Public Trading and Securities, as amended. Since September 19, 2006, the Financial Supervision Commission has performed the regulatory tasks the Securities and Exchange Commission formerly performed. In 2009, Polish regulations were adjusted to the provisions of the Transparency Directive, making the market more favorable for foreign investors and foreign public companies. Increasing regulator attention is applied to market communication, protection of minority investors, counteracting fraud, and insider trading.

The May 27, 2004, Act on Investment Funds allows for open-end, closed-end, and mixed investment funds, as well as the development of securitization instruments in Poland. In general, no special restrictions apply to foreign investors purchasing Polish securities.

Investment funds, consulting companies, investment banks, special funds belonging to financial corporations, companies in the IT sector, and individuals conduct venture capital activity. Many participants in this area are foreign companies or companies with a foreign shareholder that have funds and experience in this type of activity on the domestic market. Many venture capital-established companies operate in the IT and media sectors. In recent years, the biggest increase in such investment was in the consumer goods sector, services, and healthcare. The financial crisis has created some fundraising difficulties, in particular for venture capital funds focusing on high-risk start ups and technology-intensive companies.

Credit Allocation

Credit allocation is on market terms. The government, however, maintains some programs offering below-market rate loans to certain domestic groups, such as farmers and homeowners. Foreign investors and domestic investors have equal access to the Polish financial markets. Private Polish investment is financed from retained earnings and credits, while foreign investment is mainly direct investment, using funds obtained outside of Poland. Polish firms raise capital both in Poland and in other countries.

Legal, Regulatory, and Accounting Systems

Polish accounting standards do not differ significantly from international standards. In cases where there is no national accounting standard, the appropriate International Accounting Standards may be applied. As of January 1, 2008 all banks are obliged to follow the principles of the Basel II capital accord. These regulations increase sensitivity to risk and should lead to improved performance in the banking sector. Poland is in the process of harmonizing legal, regulatory, and accounting systems with those in the EU. Poland's Financial Supervision Authority (KNF) has been introducing stricter requirements on sales of foreign currency loans. Major international accounting firms

provide services in Poland and are familiar with U.S., EU, and Polish accounting standards.

Portfolio Investment

The Polish regulatory system fosters and supervises the portfolio investment market. Both foreign and domestic investors may place funds in demand and time deposits, stocks, bonds, futures, and derivatives. The stock and Treasury bill markets are fairly liquid, but many other investments, such as Treasury bonds, are not. In February 2011, the WSE launched the first official Treasury bond index: the Treasury Bond Spot Poland (TBSP Index).

Banking System

The banking sector remains sound with major banks well capitalized. Supervision and risk management have proven efficient in containing excessive risk-taking. At the end of September 2011, the banking sector was made up of 642 entities, the majority of which were small cooperative banks (574). Commercial banks dominate the sector with around 90% of total banking sector assets at the end of September 2011. Among commercial banks, four, including the largest bank by assets, PKO BP, were directly or indirectly state-owned. Foreign-owned banks accounted for over 70% of the Polish banking system's assets in 2011. Market concentration is increasing slowly, with the top five banks' portion of assets rising to 45.2% in November 2011 from 44.3% in 2010.

After rising in 2009-2010, the proportion of bad loans decreased in 2011, as a result of slowdown in consumer credit, an increase in nominal total lending to the corporate sector, and a large-scale sale of bad consumer and corporate debts by banks to debt collecting companies. At the end of November 2011, 10.5% of commercial bank claims on corporations (7.3% of household loans) were classed as non-performing, down from 12.7% (7.4% of household loans) at the end of November 2010.

Cross-shareholding

Cross-shareholding arrangements are rare and play a minor role in the Polish economy.

Hostile Takeovers

Neither the government nor private firms have taken measures to prevent hostile takeovers by foreign or domestic firms. Hostile takeover attempts are rare.

Competition from State Owned Enterprises

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State-owned entities (SOEs) still dominate some sectors, most notably heavy industry (coal, chemicals) and utilities. The same standards are generally applied to both private and public companies with respect to access to markets, credit, and other business operations such as licenses and supplies. Officials at various levels of government occasionally exercise their discretionary authority to assist state-owned enterprises. For example, tax authorities have not pressed some large, troubled state-owned enterprises to pay taxes to avoid forcing those enterprises into bankruptcy. Nevertheless, in line with EU standards governing competition, the commercial code that took effect in 2001 established a more level playing field.

In general, SOEs aspire to pay their own way, financing their operations and funding further expansion through profits generated from their own operations. SOEs are governed by a board of directors and most pay an annual dividend to the government. SOEs prepare and disclose annual reports.

Since EU accession, government activity favoring state-owned firms has received careful scrutiny from Brussels.

Corporate Social Responsibility

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CSR is a relatively new concept in Poland. Many Polish companies, particularly small and medium enterprises, lack the knowledge and experience to implement generally accepted CSR practices effectively, such as the OECD Guidelines for Multinational Enterprises. There is no specific legislation to promote CSR good practices among Polish companies; however, the Ministry of Economy has been tasked to support the implementation of CSR programs in Poland. (www.csr.gov.pl)

Multinational firms are leading the development of CSR in Poland. Most foreign companies have a CSR program in line with international standards. Additionally, the American Chamber of Commerce in Poland has a CSR committee to encourage implementation of responsible business practices and to support the development of quality CSR programs among member firms.

Political Violence

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Poland is a politically stable country. Constitutional transfers of power are orderly. The last parliamentary elections took place in October 2011; the new government formed in November 2011. The next elections will be in 2014 for Poland's members of the European Parliament.

There have been no confirmed incidents of politically motivated violence toward foreign investment projects in recent years. Poland has neither belligerent neighbors nor insurgent groups. The Overseas Private Investment Corporation (OPIC) provides political risk insurance for Poland but is not frequently used as competitive private sector financing and insurance are readily available.

Corruption

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Poland has laws, regulations, and penalties aimed at combating corruption. Although corruption remains a recognized and continuing problem, its scale and impact on economic growth and development has considerably diminished since the beginning of the 1989 transformation from Communism. The Polish parliament established the Central Corruption Office (CBA) in 2006. It answers directly to the office of the Prime Minister and is the primary law enforcement agency responsible for investigating public corruption. It coordinates anti-corruption activities with other public institutions, such as the police and the internal security services (particularly the Polish Internal Security Agency (ABW)). The Justice Ministry and the police are responsible for enforcing Poland's anti-corruption criminal laws. The Finance Ministry administers tax collection and is responsible for denying the tax deductibility of bribes.

Reports of alleged corruption most frequently appear in connection with government contracting and the issuance of a regulation or permit that benefits a particular company. Allegations of corruption by customs and border guard officials, tax authorities, and local government officials show a decreasing trend. If such corruption is proven, it is usually punished. Overall, U.S. firms have found that maintaining policies of full compliance with the U.S. Foreign Corrupt Practices Act is effective in building a reputation for good corporate governance and that doing so is not an impediment to profitable operations in Poland.

One of the chief tools in preventing corruption is a transparent system of government procurement by open tender at all levels of government. A 1997 law restricts economic activity for those holding public positions. This law prevents a public official from engaging in business activities where he or she would have a conflict of interest while he or she is an official and for one year thereafter. The law applies to parliamentarians, government officials, and local officials. On July 1, 2003, new penal code regulations combating corruption came into force. These amendments include: no punishment for those from whom bribes are extracted when they inform police about this fact, a broader definition of a public official, and seizure of assets if an accused person does not prove they derive from a legal source.

Due to the overall decrease in corruption, the Polish chapter of Transparency International closed in 2011.

Corruption, including bribery, raises the costs and risks of doing business. Corruption has a corrosive impact on both market opportunities overseas for U.S. companies and the broader business climate. It also deters international investment, stifles economic growth and development, distorts prices, and undermines the rule of law.

It is important for U.S. companies, irrespective of their size, to assess the business climate in the relevant market in which they will be operating or investing, and to have an effective compliance program or measures to prevent and detect corruption, including foreign bribery. U.S. individuals and firms operating or investing in foreign markets should take the time to become familiar with the relevant anticorruption laws of both the foreign country and the United States in order to properly comply with them, and where appropriate, they should seek the advice of legal counsel.

The U.S. Government seeks to level the global playing field for U.S. businesses by encouraging other countries to take steps to criminalize their own companies' acts of corruption, including bribery of foreign public officials, by requiring them to uphold their obligations under relevant international conventions. A U. S. firm that believes a competitor is seeking to use bribery of a foreign public official to secure a contract should bring this to the attention of appropriate U.S. agencies, as noted below.

U.S. Foreign Corrupt Practices Act: In 1977, the United States enacted the Foreign Corrupt Practices Act (FCPA), which makes it unlawful for a U.S. person, and certain foreign issuers of securities, to make a corrupt payment to foreign public officials for the purpose of obtaining or retaining business for or with, or directing business to, any person. The FCPA also applies to foreign firms and persons who take any act in furtherance of such a corrupt payment while in the United States. For more detailed

information on the FCPA, see the FCPA Lay-Person's Guide at:
<http://www.justice.gov/criminal/fraud/>

Other Instruments: It is U.S. Government policy to promote good governance, including host country implementation and enforcement of anti-corruption laws and policies pursuant to their obligations under international agreements. Since enactment of the FCPA, the United States has been instrumental to the expansion of the international framework to fight corruption. Several significant components of this framework are the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (OECD Antibribery Convention), the United Nations Convention against Corruption (UN Convention), the Inter-American Convention against Corruption (OAS Convention), the Council of Europe Criminal and Civil Law Conventions, and a growing list of U.S. free trade agreements.

OECD Antibribery Convention: The OECD Antibribery Convention entered into force in February 1999. As of March 2009, there are 38 parties to the Convention including the United States (see <http://www.oecd.org/dataoecd/59/13/40272933.pdf>). Major exporters China, India, and Russia are not parties, although the U.S. Government strongly endorses their eventual accession to the Convention. The Convention obligates the Parties to criminalize bribery of foreign public officials in the conduct of international business. The United States meets its international obligations under the OECD Antibribery Convention through the U.S. FCPA. Poland ratified the OECD Convention on Combating Bribery in 2000. Implementing legislation, effective February 3, 2001, classifies the payment of a bribe to a foreign official as a criminal offense, the same as if it were a bribe to a Polish official.

UN Convention: The UN Anticorruption Convention entered into force on December 14, 2005, and there are 158 parties to it as of November 2011 (see <http://www.unodc.org/unodc/en/treaties/CAC/signatories.html>). The UN Convention is the first global comprehensive international anticorruption agreement. The UN Convention requires countries to establish criminal and other offences to cover a wide range of acts of corruption. The UN Convention goes beyond previous anticorruption instruments, covering a broad range of issues ranging from basic forms of corruption such as bribery and solicitation, embezzlement, trading in influence to the concealment and laundering of the proceeds of corruption. The Convention contains transnational business bribery provisions that are functionally similar to those in the OECD Antibribery Convention and contains provisions on private sector auditing and books and records requirements. Other provisions address matters such as prevention, international cooperation, and asset recovery.

OAS Convention: In 1996, the Member States of the Organization of American States (OAS) adopted the first international anticorruption legal instrument, the Inter-American Convention against Corruption (OAS Convention), which entered into force in March 1997. The OAS Convention, among other things, establishes a set of preventive measures against corruption, provides for the criminalization of certain acts of corruption, including transnational bribery and illicit enrichment, and contains a series of provisions to strengthen the cooperation between its States Parties in areas such as mutual legal assistance and technical cooperation. As of December 2009, the OAS Convention has 34 parties (see <http://www.oas.org/juridico/english/Sigs/b-58.html>)
Bribery and abuse of public office are crimes under the Polish Criminal Code. Penalties

include imprisonment from six months to 12 years, and forfeiture of items derived from an offense.

Council of Europe Criminal Law and Civil Law Conventions: Many European countries are parties to either the Council of Europe (CoE) Criminal Law Convention on Corruption, the Civil Law Convention, or both. The Criminal Law Convention requires criminalization of a wide range of national and transnational conduct, including bribery, money-laundering, and account offenses. It also incorporates provisions on liability of legal persons and witness protection. The Civil Law Convention includes provisions on compensation for damage relating to corrupt acts, whistleblower protection, and validity of contracts, inter alia. The Group of States against Corruption (GRECO) was established in 1999 by the CoE to monitor compliance with these and related anti-corruption standards. Currently, GRECO comprises 49 member States (48 European countries and the United States). As of December 2011, the Criminal Law Convention has 43 parties and the Civil Law Convention has 34 (see www.coe.int/greco.)

Free Trade Agreements: While it is U.S. Government policy to include anticorruption provisions in free trade agreements (FTAs) that it negotiates with its trading partners, the anticorruption provisions have evolved over time. The most recent FTAs negotiated now require trading partners to criminalize “active bribery” of public officials (offering bribes to any public official must be made a criminal offense, both domestically and transnationally) as well as domestic “passive bribery” (solicitation of a bribe by a domestic official). All U.S. FTAs may be found at the U.S. Trade Representative Website: <http://www.ustr.gov/trade-agreements/free-trade-agreements>.

Local Laws: U.S. firms should familiarize themselves with local anticorruption laws, and, where appropriate, seek legal counsel. While the U.S. Department of Commerce cannot provide legal advice on local laws, the Department’s U.S. and Foreign Commercial Service can provide assistance with navigating the host country’s legal system and obtaining a list of local legal counsel.

Assistance for U.S. Businesses: The U.S. Department of Commerce offers several services to aid U.S. businesses seeking to address business-related corruption issues. For example, the Foreign Commercial Service can provide services that may assist U.S. companies in conducting their due diligence as part of the company’s overarching compliance program when choosing business partners or agents overseas. The Commercial Service can be reached directly through its offices in every major U.S. and foreign city, or through its Website at www.trade.gov/cs.

The Departments of Commerce and State provide worldwide support for qualified U.S. companies bidding on foreign government contracts through the Commerce Department’s Advocacy Center and State’s Office of Commercial and Business Affairs. Problems, including alleged corruption by foreign governments or competitors, encountered by U.S. companies in seeking such foreign business opportunities can be brought to the attention of appropriate U.S. government officials, including local embassy personnel and through the Department of Commerce Trade Compliance Center “Report A Trade Barrier” Website at tcc.export.gov/Report_a_Barrier/index.asp.

Guidance on the U.S. FCPA: The Department of Justice’s (DOJ) FCPA Opinion Procedure enables U.S. firms and individuals to request a statement of the Justice Department’s present enforcement intentions under the anti-bribery provisions of the

FCPA regarding any proposed business conduct. The details of the opinion procedure are available on DOJ's Fraud Section Website at www.justice.gov/criminal/fraud/fcpa. Although the Department of Commerce has no enforcement role with respect to the FCPA, it supplies general guidance to U.S. exporters who have questions about the FCPA and about international developments concerning the FCPA. For further information, see the Office of the Chief Counsel for International Counsel, U.S. Department of Commerce, Website, at http://www.ogc.doc.gov/trans_anti_bribery.html. More general information on the FCPA is available at the Websites listed below.

Exporters and investors should be aware that generally all countries prohibit the bribery of their public officials, and prohibit their officials from soliciting bribes under domestic laws. Most countries are required to criminalize such bribery and other acts of corruption by virtue of being parties to various international conventions discussed above.

Anti-Corruption Resources

Some useful resources for individuals and companies regarding combating corruption in global markets include the following:

- Information about the U.S. Foreign Corrupt Practices Act (FCPA), including a "Lay-Person's Guide to the FCPA" is available at the U.S. Department of Justice's Website at: <http://www.justice.gov/criminal/fraud/fcpa>.
- Information about the OECD Antibribery Convention including links to national implementing legislation and country monitoring reports is available at: http://www.oecd.org/departement/0,3355,en_2649_34859_1_1_1_1_1,00.html. See also new Antibribery Recommendation and Good Practice Guidance Annex for companies: <http://www.oecd.org/dataoecd/11/40/44176910.pdf>.
- General information about anticorruption initiatives, such as the OECD Convention and the FCPA, including translations of the statute into several languages, is available at the Department of Commerce Office of the Chief Counsel for International Commerce Website: http://www.ogc.doc.gov/trans_anti_bribery.html.
- Transparency International (TI) publishes an annual Corruption Perceptions Index (CPI). The CPI measures the perceived level of public-sector corruption in 180 countries and territories around the world. The CPI is available at: http://www.transparency.org/policy_research/surveys_indices/cpi/2009. TI also publishes an annual *Global Corruption Report* which provides a systematic evaluation of the state of corruption around the world. It includes an in-depth analysis of a focal theme, a series of country reports that document major corruption related events and developments from all continents and an overview of the latest research findings on anti-corruption diagnostics and tools. See <http://www.transparency.org/publications/gcr>
- The World Bank Institute publishes Worldwide Governance Indicators (WGI). These indicators assess six dimensions of governance in 213 countries, including Voice and Accountability, Political Stability and Absence of Violence, Government

Effectiveness, Regulatory Quality, Rule of Law and Control of Corruption. See <http://info.worldbank.org/governance/wgi/index.asp>. The World Bank Business Environment and Enterprise Performance Surveys may also be of interest and are available at: <http://data.worldbank.org/data-catalog/BEEPS>.

- The World Economic Forum publishes the *Global Enabling Trade Report*, which presents the rankings of the Enabling Trade Index, and includes an assessment of the transparency of border administration (focused on bribe payments and corruption) and a separate segment on corruption and the regulatory environment. See <http://www.weforum.org/s?s=global+enabling+trade+report>.
- Additional country information related to corruption can be found in the U.S. State Department's annual *Human Rights Report* available at <http://www.state.gov/g/drl/rls/hrrpt/>.
- Global Integrity, a nonprofit organization, publishes its annual *Global Integrity Report*, which provides indicators for 106 countries with respect to governance and anti-corruption. The report highlights the strengths and weaknesses of national level anti-corruption systems. The report is available at: <http://report.globalintegrity.org/>.

Bilateral Investment Agreements

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As of March 2008, Poland had ratified 60 bilateral investment agreements: Albania (1993); Argentina (1992); Australia (1992); Austria (1989); Azerbaijan (1999); Bangladesh (1999); Belgium and Luxembourg (1991); Belarus (1993); Bulgaria (1995); Canada (1990); Chile (2000); China (1989); Croatia (1995); Cyprus (1993); the Czech Republic (1994); Denmark (1990); Egypt (1998); Estonia (1993); Finland (1998); France (1990); Germany (1990); Greece (1995); Hungary (1995); India (1997); Indonesia (1993); Iran (2001; although they support international sanctions regimes); Israel (1992); Italy (1993); Jordan; Kazakhstan (1995); Kuwait (1993); Latvia (1993); Lithuania (1993); Macedonia (1997); Malaysia (1994); Moldova (1995); Mongolia (1996); Morocco (1995); the Netherlands (1994); Norway (1990); Portugal (1993); Romania (1995); Serbia and Montenegro (1997); Singapore (1993); Slovenia (2000); Slovakia (1996); South Korea (1990); Spain (1993); Sweden (1990); Switzerland (1990); Thailand (1993); Tunisia (1993); Turkey (1994); Ukraine (1993); United Arab Emirates (1994); the United Kingdom (1988); the United States (1994); Uruguay (1994); Uzbekistan (1995); Vietnam (1994).

The United States and Poland signed a Treaty Concerning Business and Economic Relations in 1990; it entered into force in 1994 for an initial period of ten years. The Treaty grants U.S. investors domestic privileges and provides for international arbitration in the case of investment disputes. In 1974, the United States and Poland signed a double taxation treaty. This treaty will be replaced with a new one to be signed in 2012. Prior to its accession to the EU, Poland reviewed its agreements with third countries for their compatibility with EU law. In June 2004, Poland completed the necessary amendments to bring the bilateral U.S.-Poland economic treaty into compliance with EU regulations. Ratification of the amended bilateral treaty on business and economic relations took place in October 2004. The U.S. - Poland "Totalization Agreement" signed

on April 2, 2008, became effective in April 2009. The Agreement stops dual taxation, opens the door for payments to suspended beneficiaries, and allows transfer of benefit eligibility.

OPIC and Other Investment Insurance Programs

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The Overseas Private Investment Corporation (OPIC) provides political risk insurance for U.S. companies investing in Poland against political violence, expropriation, and inconvertibility of local currency. OPIC offers medium and long-term financing in Poland through its direct loan and guarantee programs. Direct loans are reserved for U.S. businesses or cooperatives. Loan guarantees are issued to U.S. lending institutions.

The World Bank's Multilateral Investment Guarantee Agency also provides investment insurance similar to OPIC's for investments in Poland.

Poland maintains full convertibility of the zloty, apart from a few restrictions on short-term capital movements. Foreign currency is freely available from the banking system. At the height of the global financial crisis, short-term foreign currency lending, particularly interbank-lending, slowed following parent institution tightening (subsidiaries of large European banks dominate Poland's banking sector). However, the government and Central Bank took some measures (similar to other major economy responses) to provide short-term liquidity, and the problem has since eased. Since March 2000, Poland has maintained a freely floating exchange rate regime. As a requirement of EU membership, Poland must enter the European Monetary Union. In 2008, the Polish government set an aggressive timetable for Euro convergence, but the recent global financial crisis has postponed action for the time being. Poland is not likely to set any dates for adoption of the common currency until the financial situation within the euro zone further stabilizes.

Labor

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Poland has a well-educated, skilled labor force. Productivity remains below Western standards but is rising rapidly, and unit costs are competitive. At the end of 2011, the average gross wage in Poland was around \$1260 per month. From January to November 2011, wages in the enterprise sector increased by 5.1%, after rising 4.4 % in all of 2010.

Poland's economy employed around 16 million people at the end of 2011, with unemployment at 9.9% in November 2011 (as measured according to standard EU and International Labor Organization (ILO) methodology). Unemployment varied substantially from one region to another. At the end of 2011, the lowest levels of unemployment were in major urban areas.

Polish workers are usually eager to work for foreign companies and have taken advantage of opportunities for employment in Great Britain, Ireland, Belgium, and Holland. Since Poland joined the EU, over one million Poles have sought work in Western Europe and an estimated two million live abroad.

Polish companies suffer from shortages of qualified workers. Among the most sought-after specialists are engineers, IT specialists, salespersons, project managers, and

technical advisors. Manufacturing companies are looking for welders, bricklayers, machinery and forklift operators

Overall, employment in the public sector continues to shrink as the private sector grows. Employment has expanded in service industries such as information technology, manufacturing, and administrative and support service activities. The state-owned sector still employs about a quarter of the work force, although employment in fields such as coal mining, steel, and energy is declining.

The influence of trade unions is declining, though they remain powerful in the coal-mining industry and shipyards.

The 1996 Labor Code governs most aspects of employee-employer. This outlines employee and employer rights in all sectors, both public and private, and has been gradually revised in order to adapt to EU standards. The Polish government also adheres to the ILO Convention protecting worker rights.

From January 1 to July 2, 2012, illegal immigrants residing in Poland will be able to submit applications to legalize their stay under a new amnesty program. While previously the majority of applicants were from Vietnam, now many are expected to be from Ukraine, Moldova, Belarus, and Armenia, as Poland is becoming increasingly attractive in terms of economic opportunities.

Foreign-Trade Zones/Free Ports

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Foreign-owned firms have the same investment opportunities as Polish firms to benefit from foreign trade zones (FTZs), free ports, and special economic zones. The 2004 Customs Law regulates operation of FTZs in Poland. The Minister of Finance, in cooperation with the Minister of Economy establishes duty-free zones. The Ministers designate the zone's managing authorities, usually the provincial governors who issue the operating permits to interested companies for a given zone.

Most activity in FTZs involves storage, packaging, and repackaging. In 2010, there were seven FTZs: Gliwice, near Poland's southern border; Terespol, near Poland's eastern border; Mszczonow, near Warsaw; Warsaw's Frederic Chopin International Airport (duty-free retail trade within the airport); Szczecin; Swinoujscie; and Gdansk. Duty-free shops are available only for travelers departing to non-EU countries.

There are also nine bonded warehouses (as of July 2011): Gdynia (sea port); Krakow-Balice (airport); Wroclaw-Strachowice (airport); Katowice-Pyrzowice (airport); Gdansk-Trojmiasto (airport); Lodz (airport); Braniewo (near Olsztyn); Poznan (airport); and Rzeszow (airport).

Commercial companies can operate bonded warehouses and customs and storage facilities are operated pursuant to custom authorities' permission. Bonded warehouses can be open to the general public, while a private warehouse is reserved for the warehouse keeper's goods. The authorization to operate such a customs warehouse can be issued only to persons established in the EU.

Foreign Direct Investment Statistics

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Poland is a net capital importer. According to the National Bank of Poland's (NBP) preliminary data, inbound FDI in 2010 amounted to \$8.9 billion (around 2.0% of GDP), a sharp decline compared to the \$13.7 billion in 2009 (3.2% of GDP) and below the government 2010 projection (\$13 billion). According to NBP data, over 85% of FDI comes to Poland from other European Union countries. A significant share of EU investment is attributable to European subsidiaries of U.S. firms.

Reinvested profits (funds foreign companies use for further development) account for two thirds of the FDI inflows, and over 30% of FDI consists of equity capital (usually new funds related to the establishment of businesses in Poland). Among the leading investor-countries in 2010 were: Luxembourg, Germany, and Italy, which are responsible together for 67% of FDI inflows in 2010. Luxembourg is a "transit" country for foreign investors due to its opportune legal and tax system.

At the end of 2010, Poland's cumulative inbound FDI totaled over \$200 billion, according to NBP data. Inbound FDI has been the most stable in the manufacturing sector. However, its share has diminished in favor of highly specialized services and R&D sectors.

According to the NBP data, U.S. firms accounted for over \$12 billion of the cumulative total of around \$200 billion FDI, as of the end of 2010. However, many U.S. firms' investments are attributed to third countries in the NBP's reporting (e.g., Belgium, Luxembourg, and the Netherlands), when funds are transferred from a U.S. company's subsidiary based in that third country. According to those imperfect official statistics, the United States is one of the top ten largest investors in Poland in terms of the volume of capital invested, but in practice U.S. investment in Poland is higher. In fact, according to Johns Hopkins' 2011 Transatlantic Economy Report, the total U.S. asset base in Poland exceeds \$30 billion. <http://transatlantic.sais-jhu.edu/transatlantic-topics/Articles/economy/countries/Poland.pdf>

Compared to the quantity of foreign capital invested in Poland, Poland's investments abroad are small, but increasing. According to data from the NBP, in 2010, Polish firms invested \$5.5 billion (PLN 16.5 billion) abroad versus \$5.2 billion (PLN 14.8 billion) in 2009. Cumulative outbound Polish FDI, through 2010, amounted to almost \$32 billion (PLN 91 billion) or around 6.8% of GDP (6.0% in 2009). In December 2006, PKN Orlen acquired the Mazeikiu refinery in Lithuania for \$2 billion (PLN 5.7 billion). This remains the most significant Polish foreign investment to date. In December 2011, the Polish copper giant KGHM signed a take-over agreement with Quandra FNX mining company worth \$2.8 billion. When the transaction is finalized, KGHM will become an owner of copper deposits and mines in Canada, the United States and Chile. Other leading destinations (including transit countries) for Polish investment are Luxembourg, Switzerland, Belgium, Cyprus, Germany, Netherlands, and The United Kingdom. The majority of Poland's foreign investments are connected with the services sector.

FDI by Country of Origin

Year	2010	
	USD millions	PLN millions
Luxembourg (1 st)	2,577.0	7,770.0

Germany (2 nd)	2,156.0	6,501.0
Italy (3 rd)	1,352.0	4,076.0
Cyprus	1,116.0	3,367.0
Switzerland	675.0	2,039.0
United Kingdom	525.0	1,583.0
Sweden	454.0	1,368.0
Austria	433.0	1,305.0
Spain	334.0	1,006.0
USA* ^^	-173.0	-522.0
Total FDI (not cumulative)	8,856.0**	26,706.0**

Source: National Bank of Poland (report from October 2011)

*Excluding investments attributed to third country subsidiaries

^^ In 2010, net U.S. FDI to Poland was negative, meaning U.S. companies operating in Poland in aggregate either repatriated profits, reduced their equity capital, or Polish subsidiaries gave intra-company loans to their U.S. headquarters.

FDI by Sector

Year	2009		2008	
	USD millions	PLN millions	USD millions	PLN millions
Total Services	6,438.8	20,672.1	9,819.4	23,314.7
Manufacturing	4,749.6	14,272.2	2,106.8	4,946.9
Real Estate & Business Activities (Real estate, Computer activities and Research and development)	2,799.8	8,948.5	3,826.0	9,195.1
Financial Intermediation	2,243.8	7,013.7	4,466.7	10,544.8
Trade and Repairs	1,232.9	4,241.0	2,193.8	5,148.9
Electricity, Gas and Water	1,197.8	3,690.0	1,535.9	3,691.1
Construction	590.4	1,776.5	415.0	956.1
Not allocated	534.2	1,560.7	14.8	36.7
Transports, Communication	226.8	661.6	-756.5	-1,732.6
Hotel and Restaurants	40.6	118.6	-31.1	-91.2
Agriculture and Fishing	38.5	112.4	151.6	348.5
Total FDI (not cumulative)	13,698.1	42,562.4	14,728.0	34,951.3

Source: National Bank of Poland (report from November 2010)

Web Resources

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U.S. Websites:

Transparency International : <http://www.transparency.org>

Ranking of Economies – Doing Business:
<http://www.doingbusiness.org/economyrankings/>

Poland Economy – Facts, data, Analysis: <http://www.heritage.org/Index/Country/Poland>

Department of Justice, Fraud Section: <http://www.justice.gov/criminal/fraud/>

Department of Justice, The Foreign Corrupt Practices Act:
www.justice.gov/criminal/fraud/fcpa

OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions: <http://www.oecd.org/dataoecd/59/13/40272933.pdf>

United Nations Convention against Corruption:
<http://www.unodc.org/unodc/en/treaties/CAC/signatories.html>

Department of International Law, Multilateral Treaties:
<http://www.oas.org/juridico/english/Sigs/b-58.html>

Criminal Law Convention: www.coe.int/greco

Free Trade Agreements, U.S. Trade Representative Website: <http://www.ustr.gov/trade-agreements/free-trade-agreements>.

U.S. Foreign and Commercial Service: www.trade.gov/cs.

Department of Commerce, Trade Compliance Center “Report a Trade Barrier”:
tcc.export.gov/Report_a_Barrier/index.asp

Office of the Chief Counsel for International Counsel, U.S. Department of Commerce, Website, at http://www.ogc.doc.gov/trans_anti_bribery.html.

U.S. Foreign Corrupt Practices Act (FCPA): <http://www.justice.gov/criminal/fraud/fcpa>.

World Bank Business Environment and Enterprise Performance Surveys:
<http://data.worldbank.org/data-catalog/BEEPS>.

Department of Commerce Office of the Chief Counsel for International Commerce Website: http://www.ogc.doc.gov/trans_anti_bribery.html

U.S. State Department’s annual *Human Rights Report*.
<http://www.state.gov/g/drl/rls/hrrpt/>

Polish Websites:

Central Registration and Information for Economic Activity: www.ceidg.gov.pl

Corporate Social Responsibility Program: www.csr.gov.pl

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Chapter 7: Trade and Project Financing

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How Do I Get Paid (Methods of Payment)

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Import financing procedures in Poland take place under seller-buyer terms. Popular payment mechanisms include payment against documents and electronic funds transfer. The safest method of receiving payment for a U.S. export sale is through an irrevocable letter of credit (L/C). However, most banks in Poland require the importer to deposit funds prior to issuance of a L/C. Few buyers and sellers use this method due to its cost. The most popular payment mechanism is the electronic funds transfer (SWIFT or wire transfers) as it is the fastest and the cheapest way for transferring funds. Cash payment or down payments provide an extra measure of security for export sales. Lease financing is a popular approach for vehicles, heavy equipment, and large capital items. Both private and public insurance is available in Poland.

How Does the Banking System Operate

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Poland has a sound, non-discriminatory financial services infrastructure. Private banks control around 80 percent of the market. Foreign banks dominate with around 70 percent share in total assets. There are four directly or indirectly state-owned banks. The group of cooperative banks is numerous (57) and has around six percent share of the market. All three types of banks offer a wide range of services to their customers.

Poland's universal banking system provides deposits, loans, and trade in securities services. The state-owned bank BGK administers target funds (e.g., municipal development, road, housing, technology); provides special credit services, including homeowner mortgages and guarantees to export companies; and issues bonds for financing infrastructure (road) projects.

Payment cards are commonly used. In 2011, there were over 30 million payment cards in circulation, of which a majority were debit cards. Both ATMs and commercial entities accept popular credit cards (VISA, MasterCard, Diner's Club and American Express) and payment cards (VISA Electron and Maestro). Checks as a means of payment are available but have never enjoyed widespread usage in Poland.

Depositors and loans are available in PLN and foreign currencies. Loans in Euros and Swiss Francs have been the most common in recent years, but are becoming less easily

available due to currency fluctuations. Tighter controls on foreign currency lending aim at limiting banks' and borrowers' exposure to a sharp fall in the value of the PLN. Credit agreements require borrowers to provide data on their economic and financial standing. It is common practice when granting credits to require bank guarantees, drafts, or other forms of collateral.

Internet banking is developing rapidly and the availability of banking services varies from one bank to another.

A number of foreign banks have established banking operations in Poland, either through local subsidiaries, fully operating branches, or participation in consortium banks, which may also include Polish bank shareholders. Several U.S. banks have offices in Poland (e.g., Citibank, JPMorgan Chase, and Bank of America). While some banks have branches all over Poland, many are regional or have just a few branches. The Export-Import Bank of the United States has approved several Polish banks for bank guarantees in foreign trade financing.

Foreign-Exchange Controls

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The PLN is fully convertible and there are no foreign exchange controls affecting trade in goods. Companies operating in Poland have free access to foreign currency, and there have been no failures of the banking system to provide hard currency on demand. Polish law allows repatriation of profits, including through bonds and securities.

Under the terms of its EU Accession, Poland is required to adopt the Euro, however; the government has no fixed date for Euro adoption.

U.S. Banks and Local Correspondent Banks

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Major U.S. Banks

Citi Handlowy
Bank Handlowy w Warszawie
ul. Senatorska 16
00-923 Warszawa
Telephone: +48 22 657 7200
Fax +48 22 692 5023
Web site: <http://www.citihandlowy.pl/>

Bank BPH SA
ul. Marynarki Polskiej 177
80-868 Gdańsk
Telephone: +48 58 300 7001
Fax: +48 58 300 7952, 300-7120
E-mail: pytanie@ge.com
Web site: <http://www.bph.pl>

Bank of America Merrill Lynch

Merrill Lynch Polska Sp. z o.o.
Global Banking and Markets
Aleje Jerozolimskie 65/79
00-697 Warszawa
Telephone: +48 22 630 6219
Fax +48 22 630 6218
E-mail: agnieszka.chwojko@baml.com

JP Morgan Chase Bank National Association
Przedstawicielstwo w Polsce, Nowy Jork
ul. Emilii Plater 53 (WFC)
00-113 Warszawa
Telephone: +48 22 528 6698
Fax +48 22 528 6627
Email: jakub.leonkiewicz@jpmorgan.com
Web site: <http://www.jpmorgan.com>

FCE Bank Polska SA
ul. Tasmowa 7
02-667 Warszawa
Telephone: +48 22 608 6900, 608 6980, 608 6985
Fax +48 22 608 6901
Web site: <http://www.ford.pl>

Major Local Correspondent Banks

PKO BP
ul. Pulawska 15
02-515 Warszawa
Telephone: +48 81 535-65-65
Fax : not published
E-mail: informacje@pkobp.pl
Web site: <http://www.pkobp.pl/>

Bank Polska Kasa Opieki
Pekao S.A.
ul. Grzybowska 53/57
00-950 Warszawa
Telephone: +48 22 656 0000
Fax: +48 22 656 0004
E-mail: info@pekao.com.pl
Web site: <http://www.pekao.com.pl/>

ING Bank Slaski S.A.
ul. Sokolska 34
40-086 Katowice
Telephone: +48 32 357 7000
Fax: +48 32 357-7010, 357-7015
E-mail: mampytanie@bsk.com.pl
Web site: <http://www.ing.pl/>

Kredyt Bank S.A.
ul. Kasprzaka 2/8
01-211 Warszawa
Telephone: +48 22 634 5400
Fax: +48 22 634 5335
E-mail: info@kredytbank.pl
Web site: <http://www.kredytbank.pl/>

Bank Zachodni WBK SA
Rynek 9/11
50-950 Wrocław
Telephone.: 1 9999
Telephone: +48 22 586 80 05
Fax: +48 22 586 85 55
e-mail: artur.sikora@bzwbk.pl
<http://prasa.bzwbk.pl>

Project Financing

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EU financial assistance programs provide a wide array of grants, loans, loan guarantees, and co-financing for feasibility studies and infrastructure projects. Some of the key sectors for these are: environment, transportation, energy, telecommunications, tourism and public health. From a commercial perspective, these initiatives create significant market opportunities for U.S. businesses, U.S.-based suppliers, and subcontractors.

The EU supports projects within its Member States, as well as EU-wide "economic integration" projects that cross both internal and external EU borders. In addition, the EU provides assistance to accession countries in Eastern and Southern Europe and Turkey, as well as to some of the former Soviet republics.

The European Union provides project financing through grants from the European Commission and loans from the European Investment Bank. Grants from the Structural Funds are distributed through the Member States' national and regional authorities, and are only available for projects in the 27 EU Member States. All grants for projects in non-EU countries are managed through the EuropeAid Cooperation agency in conjunction with various European Commission departments, called "Directorates-General."

The CSEU Tenders Database

The U.S. Commercial Service at the U.S. Mission to the European Union offers a tool on its website to help U.S.-based companies identify European public procurement opportunities. The database features all current public procurement tenders issued by all 118 national and regional public authorities in the 27 Member States of the European Union, plus four other European countries that are open to U.S.-based firms under the terms of the Government Procurement Agreement (GPA) of 1995. The database is updated twice weekly and is easy to use with a range of search options, including approximately 20 industry sectors. The database also contains tenders for public

procurement contracts relating to structural funds. Readers may access the database at: http://www.buyusa.gov/europeanunion/eu_tenders.html
EU Structural Funds

The EU Structural Funds, including the European Regional Development Fund, were created in 1975 to assist economically depressed regions of the European Union that required industrial restructuring. The EU earmarked EUR 308 billion for projects under the Structural Funds and the Cohesion Fund programs for the 2007-2013 period for the EU-27. In addition to funding economic development projects proposed by Member States or local authorities, EU Structural Funds also support specialized projects promoting EU socioeconomic objectives. Member States negotiate regional and “sectoral” programs with officials from the Directorate-General for Regional Policy at the European Commission. For information on approved programs that will result in future project proposals, please visit:

http://ec.europa.eu/regional_policy/atlas2007/fiche_index_en.htm.

For projects financed through the Structural Funds, Member State officials are the key decision-makers. They assess the needs of their country; investigate projects; evaluate bids; and award contracts. To become familiar with available financial support programs in the Member States, it is advisable for would-be contractors to meet with local officials to discuss local needs.

Tenders issued by Member States’ public contracting authorities for projects supported by EU grants are subject to EU public procurement legislation if they meet the EU minimum contract value requirement for the eligible sector. Below this threshold, tender procedures are subject to national procurement legislation. There are no overt prohibitions against the participation of U.S. companies, either as developers or concessionaires of projects supported partially by the Structural Funds, or as bidders on subsequent public tenders related to such projects, but it is advisable to team up with a local partner. All Structural Fund projects are co-financed by national authorities and most may also qualify for a loan from the European Investment Bank. The private sector is also involved in project financing. For more information on these programs, please see the market research section on the website of the US Mission to the EU:

<http://www.buyusa.gov/europeanunion/mrr.html>

The Cohesion Fund

The Cohesion Fund is another instrument of EU structural policy. Its EUR 61.5 billion (2007-2013) budget seeks to improve cohesion within the EU by funding transport infrastructure and environmental projects in Portugal, Spain, Greece and the twelve new (since 2004) EU Member States from Central and Eastern Europe. These projects are generally co-financed by national authorities, the European Investment Bank, and the private sector.

Key Link: http://ec.europa.eu/regional_policy/funds/cf/index_en.htm

The Trans-European Networks

The European Union also provides financial support to the Trans-European Networks (TENs) to develop infrastructure, strengthen cohesion and increase employment across

greater Europe. Launched at the Essen Council (Germany) in 1994, the TENs are a series of transport, telecommunications and energy projects that are continually being expanded and upgraded. The TENs are largely financed by private sector and non-EU sources. The EU does, however, provide grants from the Cohesion Fund, loans from the European Investment Bank (and loan guarantees from the European Investment Fund), and partial feasibility study grants for the TENs. There are no overt EU restrictions on the participation of U.S. firms in the TENs.

http://ec.europa.eu/ten/index_en.html

Other EU Grants for Member States

Another set of sector-specific grants offers assistance to EU Member States in the fields of science, technology, communications, energy, environmental protection, education, training and research. Tenders related to these grants are posted on the various websites of the directorates-generals of the European Commission. Conditions for participation are strict and participation is usually restricted to EU firms or tied to EU content. Information pertaining to each of these programs can be found on:

http://ec.europa.eu/grants/index_en.htm

External Assistance Grants

The EuropeAid Cooperation Office is the European Commission agency in charge of managing the EU's external aid programs. This agency is responsible for the management of the entire project cycle, from identification to evaluation, while the Directorates-General in charge of External Relations and Development, are responsible for the drafting of multi-year programs. The EuropeAid website offers extensive information on the range of grant programs, the kind of projects that are eligible, as well as manuals to help interested parties understand the relevant contract law. However, participation to calls for tender for contracts financed by EuropeAid is reserved for enterprises located in the EU Member States and requires that the products used to respond to these projects are manufactured in the EU or in the aid recipient country. Consultants of US nationality employed by European firms, however, are allowed to form part of a bidding team. European subsidiaries of U.S. firms are eligible to participate in these calls for tender.

Key Link: http://ec.europa.eu/europeaid/index_en.htm

All tenders related to EU-funded programs outside the territory of the European Union (including the accession countries) are located on the EuropeAid Cooperation Office website: http://ec.europa.eu/europeaid/work/funding/index_en.htm

Two new sets of programs have been approved for the financing period 2007-2013., The EU provides specific pre-accession financial assistance to the accession candidate countries that seek to join the EU through the "Instrument for Pre-accession Assistance" (IPA). Also, the European Neighborhood and Partnership Instrument (ENPI) will provide assistance to countries that are the Southern Mediterranean and Eastern neighbors of the EU.

- IPA replaces the following programs: PHARE (Poland and Hungary Assistance for Restructuring of the Economy), ISPA (Instrument for Structural Pre-Accession financing transport and environment projects), SAPARD (projects in the agriculture sector),

CARDS (aid to southern Balkans) and the Turkey Facility Fund. IPA focuses on priorities linked to the adoption of the *acquis communautaire* (the body of European Union law that must be adopted by accession candidate countries as a precondition to accession), i.e., building up the administrative and institutional capacities and financing investments designed to help them comply with European Commission law. IPA will also finance projects destined to countries that are potential candidate countries, especially in the Balkans. The budget of IPA for 2007-2013 is EUR 11.4 billion.

Key Links: http://ec.europa.eu/enlargement/index_en.htm

http://ec.europa.eu/enlargement/how-does-it-work/financial-assistance/index_en.htm

- ENPI: replaces the former TACIS and MEDA programs. The European Neighborhood Policy program covers the EU's neighbors to the east and along the southern and eastern shores of the Mediterranean i.e. Algeria, Armenia, Azerbaijan, Belarus, Egypt, Georgia, Israel, Jordan, Lebanon, Libya, Moldova, Morocco, the Palestinian Authority, Syria, Tunisia and Ukraine. ENPI budget is €11.9 billion for 2007-2013.

http://ec.europa.eu/world/enp/index_en.htm

Loans from the European Investment Bank

Headquartered in Luxembourg, the European Investment Bank (EIB) is the financing arm of the European Union. Since its creation in 1958, the EIB has been a key player in building Europe. As the EIB's lending practices evolved over the years, it became highly competent in assessing, reviewing and monitoring projects. As a non-profit banking institution, the EIB offers cost-competitive, long-term lending in Europe. Best known for its project financial and economic analysis, the Bank makes loans to both private and public EU-based borrowers for projects in all sectors of the economy, such as telecommunications, transport, energy infrastructure and environment.

While the EIB mostly funds projects within the EU, it lends outside the EU as well (e.g., in Central, Eastern and Southeastern Europe; Latin America; and Pacific and Caribbean states). In 2007, the EIB approved loans for projects worth EUR 56.4 billion, of which around 16% was lent outside the EU. The EIB also plays a key role in supporting EU enlargement with loans used to finance improvements in infrastructure, research and industrial manufacturing to help those countries prepare for eventual EU membership.

Projects financed by the EIB must contribute to the socioeconomic objectives set out by the European Union, such as fostering the development of less favored regions; improving European transport and telecommunication infrastructure; protecting the environment; supporting the activities of SMEs; assisting urban renewal; and, generally promoting growth, competitiveness and employment in Europe. The EIB created a list of projects to be considered for approval and posted the list on its website. As such, the EIB website is a source of intelligence on upcoming tenders related to EIB-financed projects: <http://www.eib.org/projects/pipeline/index.htm>

The EIB presents attractive business opportunities to U.S. businesses. EIB lending rates are lower than most other commercial rates. Like all EIB customers, however, U.S. firms must apply the loan proceeds to a project that contributes to the European objectives cited above.

The EIB's i2i (Innovation 2010 Initiative) is designed to highlight projects that support innovative technology in the European Union, in particular by financing broadband and multimedia networks; the physical or virtual infrastructure providing local access to these networks; and research and development infrastructures, especially in the less developed regions of the European Union. i2i will also finance projects to computerize schools and universities and to provide information technology training in conjunction with public authorities.

Key Link: http://www.eib.org/Attachments/thematic/innovation_2010_initiative_en.pdf

The US Mission to the European Union in Brussels has developed a database to help US-based companies bid on EIB public procurement contracts in non-EU countries in particular. The EIB-financed contracts that are open to US-based companies are featured in this database. All the tenders in this database are extracted from the EU's Official Journal. The EIB database contains on average 50 to 100 tenders and is updated twice per week.

Key Link: http://www.buyusa.gov/europeanunion/eu_tenders.html

Web Resources

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EU websites:

Future project proposals:

http://ec.europa.eu/regional_policy/atlas2007/fiche_index_en.htm.

The EU regional policies, the EU Structural and Cohesion Funds:

http://ec.europa.eu/regional_policy/index_en.htm

EU Grants and Loans index: http://ec.europa.eu/grants/index_en.htm

EuropeAid Co-operation Office: http://ec.europa.eu/europeaid/index_en.htm

IPA: http://ec.europa.eu/enlargement/how-does-it-work/financial-assistance/index_en.htm

The European Investment Bank: <http://www.eib.org>

EIB-financed projects: <http://www.eib.org/projects/index.htm?lang=-en>.

The Trans-European Networks (TENs):

http://ec.europa.eu/ten/transport/index_en.htm

U.S. websites:

CSEU Tender Database:

<http://export.gov/europeanunion/grantstendersandfinancing/cseutendersdatabase/index.asp>

Market research section on the website of the U.S. Mission to the EU:

<http://export.gov/mrktresearch/index.asp>

European Union Tenders Database:

<http://export.gov/europeanunion/grantstendersandfinancing/cseutendersdatabase/>

Export-Import Bank of the United States: <http://www.exim.gov>

Country Limitation Schedule: http://www.exim.gov/tools/country/country_limits.html

OPIC: <http://www.opic.gov>

Trade and Development Agency: <http://www.tda.gov/>

SBA's Office of International Trade: <http://www.sba.gov/oit/>

USDA Commodity Credit Corporation: <http://www.fsa.usda.gov/cc/default.htm>

U.S. Agency for International Development: <http://www.usaid.gov>

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Chapter 8: Business Travel

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Business Customs

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In general, conducting business in Poland is highly compatible with our expectations of doing business in the U.S. Poles are, in general, hard-working and trustworthy. The following discussion illustrates a few examples of some potential situations you may encounter when in Poland on business.

It is customary to greet by shaking hands in Poland. A businesswoman should not be surprised if a Polish man kisses her hand upon introduction, at subsequent meetings or when saying goodbye. American men are not expected to kiss a Polish woman's hand, but may simply shake hands. Business cards are the norm in Poland and are generally given to each person present in a meeting. As Poles tend to bring more than one person to their meetings, U.S. visitors should bring plenty of business cards. It is not necessary to have business cards printed in Polish.

Although your business contacts may speak English, communication in Polish is recommended when dealing with the Polish government on official business. Just remember that even if you speak fluent Polish, you may still find yourself mired in red tape when doing business with the Polish government.

Business attire is generally formal, including a suit and tie for men, and a suit or dress for women. Casual wear, including jeans, is suitable for informal occasions, but more formal dress is usually customary for visiting or entertaining in the evening. Flowers, always an odd number, are the most common gift among friends and acquaintances. Sunday is the traditional day for visiting family and friends in Poland.

When planning a business trip to Poland, it is worthwhile to check Polish holidays. Poles are reluctant to schedule appointments on Sundays or Polish holidays. During summer months – July and August – the majority of Poles take vacation; therefore securing business appointments with decision makers might be difficult.

Travel Advisory

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State Department Travel & Business Advisory:
<http://www.state.gov/travel>

Visa Requirements

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U.S. companies that require travel of foreign business persons to the United States should be advised that security options are handled via an interagency process. Visa applicants should go to the following links.

State Department Visa Website: <http://travel.state.gov/visa>

Visa applicants should go to the following links:

U.S. Embassy in Warsaw, Consular Section:
<http://warsaw.usembassy.gov/poland/consular.html>

For persons traveling to the U.S. on business:
<http://poland.usembassy.gov/visas/nonimmigrant-visas/visas/business.html>

Telecommunications

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International direct dialing is available in Poland. Cellular phone services are GSM/DCS/UMTS-based systems, which require phones working at 900/1800 GSM frequency. All cellular operators offer internet access. Internet access is available at all business-class hotels, though some at an extra fee. Wi-Fi internet access is available at random, mostly in large cities, gas stations, shopping centers and restaurants. Visitors can save on expensive international and long-distance phone connections using the U.S. toll-free service provided by AT&T, Verizon and other service providers, Polish pre-paid calling cards (for example Tele2, Dzwoneczek, Papuga) or IP-based access numbers.

In emergency, there is a unified 112 number, available from cellular and fixed-line phones.

To call Poland from abroad: +48 and telephone number (include a city prefix in case of calls to fixed-line, no prefix needed while dialing to cellular phones)

To call U.S. from Poland: 001 and telephone number

Transportation

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Transportation by air to and from Poland is excellent. International carriers fly to Poland many times per day from all over the world, and LOT Polish Airlines has direct flights to Warsaw from Chicago, New York and Newark. Please note that direct flights between Cracow and Rzeszow and USA are no longer available. Delta, American, and United

have code share relationships with various European carriers that service Poland through their European hubs. No U.S. airline services Poland directly at this time.

In December 2007, Poland joined the Schengen area, enabling the public to travel freely from Estonia to Portugal without border controls (except the UK, Ireland, Bulgaria, Romania, and Cyprus). Polish airports met the Schengen requirements in early 2008.

Transportation within Poland is quite convenient, especially by air and by train. Flights operate between major cities. Railway routes are extensive and usually reliable, with the "Inter-City" line providing first-class, express service to several cities. However, travel by rail to some destinations might take much more time than expected. Rental cars are abundant, but due to significantly increased traffic over the past few years and a highway system that has not kept up, driving between Polish cities, especially at night, can be quite dangerous. Poland's highway network, which is generally underdeveloped, is undergoing a major improvement to meet EU standards. Major highways A1, A2 and A4 are still under construction, but many parts of these highways are already in operation. A4 connects Krakow and Katowice and goes further to the German border in Zgorzelec, A2 links German border in Swiecko with Stykow near Lodz), while the existing parts of A1 link Gdansk with Torun. Generally, these highways are subject to toll fees, but some of their parts are still toll free.

Taxis are very affordable. It is advisable to call ahead to a reputable taxi company for radio dispatch for personal security as well as to avoid overcharges.

Basic English is widely spoken in most hotels and restaurants. International hotels and restaurants catering to foreigners accept major credit cards, although smaller hotels and restaurants may not. Currency exchange is widely available, as are local currency Polish Zloty (PLN)-dispensing ATM's, that accept most U.S. bankcards. Please note that the Euro has not been adopted in Poland.

First class business hotels are available in most major Polish cities, and many are located in the heart of business districts. Major western hotels offer air-conditioned rooms with access to the Internet and direct dial telephone capability. Many hotels offer business center amenities with computers, fax, business assistance services, and Internet capabilities. All business hotels take major credit cards. Availability and room rates are seasonal and competitive, and business travelers are advised to check and confirm rates at hotels in advance of their travel.

Language

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Polish is the official language in Poland. Communication in the Polish language is recommended if the seller would like to receive a speedy reply to correspondence and inquiries. U.S. companies should ensure that translations from English into Polish are performed only by professional translators who are fluent in modern business Polish and grammar. When conducting business in Poland, a qualified Polish-language interpreter is recommended. CS Warsaw can provide lists of interpreters.

Health

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In general, American travelers should familiarize themselves with conditions at their destination that could affect their health (high altitude or pollution, types of medical facilities, required immunizations, availability of required pharmaceuticals, etc.). This important information is available at "Travel.State.Gov" website under "Tips for Traveling Abroad - Health Issues": http://www.travel.state.gov/travel/tips/health/health_4971.html

American citizens are welcome to consult a list of doctors compiled by the U.S. Embassy in Warsaw and Consulate General in Krakow. However, the Embassy does not assume responsibility for the professional ability or integrity of persons appearing on that list.

Medical Facilities: http://poland.usembassy.gov/poland/visa_requirements/medical-facilities.html

In addition, you may view the website of the Worldwide Air Ambulance Services providing worldwide air ambulance assistance for people needing medical attention: http://www.americanairambulance.com/air_ambulance_assistance.html.

The answer-line for all air ambulance questions is Phone: 800-863-0312 or 941-536-2002.

Local Time, Business Hours, and Holidays

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Poland is on Central European Time (CET) and as such, is six hours ahead of the U.S. East Coast (EST).

Regular business hours in most cases are from 8:00-4:00PM in the governmental offices and 9:00-5:00PM in the private sector.

Locally observed holidays in 2012:

January 6 (Fri)	Epiphany
April 9 (Mon):	Easter Monday
May 1 (Tue):	Labor Day
May 3 (Thu):	Constitution Day
June 7 (Thu):	Corpus Christi Day
August 15 (Wed):	Assumption Day
November 1 (Thu):	All Saints' Day
November 11 (Sun):	National Independence Day
December 25 (Tues):	Christmas Day
December 26 (Wed):	Boxing Day

The U.S. Commercial Service is closed on most U.S. and Polish holidays. During the month of July and August, most Polish institutions are staffed with minimum personnel.

For local time and business hours, please contact the Commercial Service in advance. The Commercial Service can be reached by telephone at +48-22-625-43-74, fax at +48-22-621-63-27, or e-mail at office.warsaw@trade.gov. A current directory of staff and locations worldwide may be accessed on the Commercial Service website www.export.gov/poland

Temporary Entry of Materials and Personal Belongings

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There are no restrictions on the temporary entry of personal laptop computers or other business materials and personal belongings into Poland.

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Market Research Library

<http://www.export.gov/mrktresearch/index.asp>

EU Member States' Country Commercial Guides:

<http://export.gov/europeanunion/eustandardsandcertification/2010countrycommercialguide/index.asp>

State Department Visa Website

http://travel.state.gov/visa/visa_1750.html

Commercial Service at the U.S. Mission to the European Union:

<http://export.gov/europeanunion/contactus/index.asp>

Current directory of Commercial Service staff and locations worldwide

<http://www.export.gov/>

State Department Travel & Business Advisory:

<http://www.state.gov/travel>

U.S. Embassy in Warsaw, Consular Section:

<http://warsaw.usembassy.gov/poland/consular.html>

For persons traveling to the U.S. on business:

<http://poland.usembassy.gov/visas/nonimmigrant-visas/visas/business.html>

The WHO Health Information on Poland:

<http://www.who.int/countries/pol/en/>

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Chapter 9: Contacts, Market Research and Trade Events

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Contacts

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American Embassy Warsaw

Aleje Ujazdowskie 29/31
00-540 Warsaw Poland
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Web site: <http://warsaw.usembassy.gov>

Ambassador: Lee Feinstein
DCM: William Heidt

Foreign Commercial Services (FCS): Robert Donovan, Commercial Counselor
Tel: +48-22/625-4374
E-mail: Office.Warsaw@trade.gov

POL/ECON: Martina Strong, Pol/Econ Counselor
Tel: +48-22/504-2000
E-mail: econwrw@state.gov

Foreign Agricultural Service (FAS): Michael Henney, Agricultural Counselor
Tel: +48-22/504-2000
E-mail: AgWarsaw@usda.gov

CON GEN: Linda Hoover, Consul General
Tel: +48-22/625-1401
E-mail: publicwrw@state.gov

American Citizen Services (ACS)
Tel: +48-22/504-2000
E-mail : acswarsaw@state.gov

Consulate General Krakow

Consul General: Allen Greenberg
ul. Stolarska 9
31-043 Kraków
Tel: + 48 12/424-5100
E-mail: krakowfso-dl@state.gov

Further information on the American Embassy Warsaw offices and contact information:
<http://poland.usembassy.gov/poland/offices.html>

Chambers of Commerce and Bilateral Business Councils:

Polish Chamber of Commerce
Mr. Andrzej Arendarski, President
ul. Trebacka 4
00-074 Warsaw
Telephone: (48) 22 630-9600
Fax: (48) 22 827-4673
E-mail: kig@kig.pl
Web site: <http://www.kig.pl/>

American Chamber of Commerce in Poland
Ms. Dorota Dabrowski, Executive Director
ul. Emilii Plater 53, Warsaw Financial Center, XIV floor
00-113 Warsaw
Telephone: (48) 22 520-5999
Fax: (48) 22) 520-5998
E-mail: office@amcham.com.pl
Web site: <http://www.amcham.com.pl/>

Country Government Offices:

Ministry of Infrastructure
ul. Chalubinskiego 4/6
00-928 Warsaw
Telephone: (48) 22 630-1000
Fax: (48) 22 630-1116
E-mail: info@mi.gov.pl
Web site: <http://www.mi.gov.pl/>

Ministry of Environment
ul. Wawelska 52/54
00-922 Warsaw
Telephone: (48) 22 579-2900
Fax: (48) 22 579-2450
E-mail: info@mos.gov.pl
Web site: <http://www.mos.gov.pl/>

Ministry of Agriculture and Rural Development
ul. Wspolna 30
00-930 Warsaw
Telephone: (48) 22 623-1000
Fax: (48) 22 623-2750
E-mail: kancelaria@minrol.gov.pl
Web site: <http://www.minrol.gov.pl/>

Ministry of Finance
ul. Swietokrzyska 12
00-916 Warsaw
Telephone: (48) 22 694-5555
E-mail: kancelaria@mofnet.gov.pl
Web site: <http://www.mofnet.gov.pl/>

Ministry of Economy
Pl. Trzech Krzyzy 3/5
00-507 Warsaw
Telephone: (48) 22 693-5000, 693- 5904
Fax: (48) 22 693-4046
E-mail: mg@mg.gov.pl
Web site: <http://www.mg.gov.pl/>

Ministry of Treasury
ul. Krucza 36/Wspolna 6
00-522 Warsaw
Telephone: (48) 22 695 8000, 695 9000
Fax: (48) 22 628 0872, 621-3361
E-mail: minister@mst.gov.pl
Web site: <http://www.mst.gov.pl/>

Information and Foreign Investment Agency
Mr. Sławomir Majman, President of the Board
ul. Bagatela 12
00-585 Warsaw
Telephone: (48) 22 334-9800
Fax: (48) 22 334-9999
E-mail: post@paiz.gov.pl,
Web site: <http://www.paiz.gov.pl/>

Central Statistical Office
Al. Niepodleglosci 208
00- 925 Warsaw
Telephone: (48) 22 608-3000
Fax: (48) 22 608-3860
E-mail: dane@stat.gov.pl
Web site: <http://www.stat.gov.pl/>

In-Country Market Research Firms:

Millward Brown SMG/KRC
ul. Nowoursynowska 154a
02-797 Warsaw
Telephone: (48) 22 545-2000
Fax: (48) 22 545-2100
E-mail: recepca@moliera.smgkrc.pl
Web site: <http://www.smgkrc.pl/>

Pentor Research International
ul. Postępu 18B,
02-676 Warsaw
Telephone: (48) 22 565-1000
Fax: (48) 22 565-1075
E-mail: pentor@pentor.pl
Web site: <http://www.pentor.pl/>

GRUPA IQS Sp z. o.o.
ul. Francuska 37
03-905 Warszawa
tel: +48 (22) 592 63 00
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e-mail: kontakt@grupaiqs.pl
Web site: <http://www.iqs-quant.com.pl/>

CRACOVIAN INTERNATIONAL CONSULTANTS (CIC)
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31-113 Kraków
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fax: (48 12) 432 1660
E-mail: cic@cic.com.pl
Website: <http://www.cic.com.pl/>

PMR Ltd.
ul. Supniewskiego 9
31-527 Kraków
tel: (48) 12 618-9000
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E-mail: info@pmrcorporate.com
Website: <http://www.pmrcorporate.com/>

Multilateral Development Bank Offices in Poland

European Bank for Reconstruction and Development
Warsaw Financial Center
13th Floor
ul. Emilii Plater 53
00-113 Warsaw
Telephone: (48) 22 520-5700
Fax: (48) 22 520-5800
E-mail: not published
Web site: <http://www.ebrd.com/>

World Bank
Warsaw Financial Center
9th Floor
ul. Emilii Plater 53
00-113 Warsaw
Telephone: (48) 22 520-8000
Fax: (48) 22 520-8001

E-mail: akowalczyk@worldbank.org
Web site: <http://www.worldbank.org/pl/>

International Monetary Fund
Regional Office for Central Europe and the Baltics
00-108 Warszawa
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Tel. +48 22 338 6700
Fax +48 22 338 6500
E-mail: cee-office@imf.org
Web site: <http://www.imf.org/Poland>

Country Major Commercial Banks and Financial Institutions

PKO BP
ul. Pulawska 15
02-515 Warszawa
Telephone: +48 81 535-65-65
Fax : not published
E-mail: informacje@pkobp.pl
Web site: <http://www.pkobp.pl/>

Bank Polska Kasa Opieki
Pekao S.A.
ul. Grzybowska 53/57
00-950 Warszawa
Telephone: +48 22 656 0000
Fax: +48 22 656 0004
E-mail: info@pekao.com.pl
Web site: <http://www.pekao.com.pl/>

ING Bank Slaski S.A.
ul. Sokolska 34
40-086 Katowice
Telephone: +48 32 357 7000
Fax: +48 32 357-7010, 357-7015
E-mail: mampytanie@bsk.com.pl
Web site: <http://www.ing.pl/>

BRE Bank SA
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00-950 Warszawa
Telephone: +48 22 829 0000
Fax: +48 22 829 0033
E-mail: piotr.rutkowski@brebank.pl
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50-950 Wrocław

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<http://prasa.bzwbk.pl>

Aviva BZ WBK S.A.
General Pension Association
Ul. Domaniewska 44
02-672 Warszawa
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Fax: +48 22 557 4039
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Web site: <http://www.aviva.pl>

Bank Millennium S.A.
ul.Stanisława Żaryna 2A
02-593 Warszawa
Telephone: 801 331 331
Fax:+48 22 598 25 63
<http://www.bankmillennium.pl/>

Kredyt Bank S.A.
ul. Kasprzaka 2/8
01-211 Warszawa
Telephone: +48 22 634 5400
Fax: +48 22 634 5335
E-mail: info@kredytbank.pl
Web site: <http://www.kredytbank.pl/>

Citi Handlowy
Bank Handlowy w Warszawie
ul. Senatorska 16
00-923 Warszawa
Telephone: +48 22 657 7200
Fax +48 22 692 5023
Web site: <http://www.citihandlowy.pl/>

NBP
Polish National Bank
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00-919 Warszawa
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Fax: (48) 22 653 2475
e-mail: sekretariat.gp@nbp.pl
Web site: <http://www.nbp.pl>

Giełda Papierów Wartościowych
Warsaw Stock Exchange
ul. Książęca 4
00-498 Warszawa

Telephone: +48 22 628 3232
Fax: +48 22 628 1754
e-mail: gpw@gpw.pl
Web site: <http://www.gpw.pl>

Związek Banków Polskich
Polish Bank Union
ul. Kruczkowskiego 8
00-380 Warszawa
Telephone: +48 22 48 68 180, 48 68 190
Fax: +48 22 48 68 100
e-mail: wp@zbp.pl
Web site: <http://www.zbp.pl>

Polska Izba Ubezpieczeń
The Polish Chamber of Insurance
ul. Wspólna 47/49
00-684 Warszawa
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Fax: +48 22 420-5107
e-mail: office@piu.org.pl
Web site: <http://www.piu.org.pl>

Izba Zarządzających Funduszami i Aktywami
Chamber of Investment Fund Associations
ul. Nowy Świat 6/12
00-400 Warszawa
Telephone: +48 22 58 38 600
Fax: +48 22 58 38 601
e-mail: poczta@izfa.pl
Web site: <http://www.izfa.pl>

Izba Domów Maklerskich
The Chamber of Brokerage Houses
ul. Kopernika 17
00-359 Warszawa
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Fax: +48 22 827 8554
e-mail: biuro@idm.com.pl
Web site: <http://www.idm.com.pl>

Izba Gospodarcza Towarzystw Emerytalnych
Chamber of Pension Associations
Al. Jana Pawła II 34 lok.7
00-141 Warszawa
Tel. +48 22 620 6768
Fax +48 22 620 6738
E-mail: igte@igte.com.pl
Web site: <http://www.igte.com.pl>

Komisja Nadzoru Finansowego

Polish Financial Supervision Authority
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00-950 Warszawa
Telephone: +48 22 262 5000
Fax: +48 22 262 5111
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Web site: <http://www.knf.gov.pl>

Trade Associations:

Polish Chamber of Information Technology
and Telecommunications
(Polska Izba Informatyki I Telekomunikacji)
ul. Koszykowa 54, III floor, Room no. 03 230
00-675 Warsaw
Telephone: (48) 22 628-2260, 628-2406
Fax: (48) 22 628-5536
E-mail: biuro@piit.org.pl
Web site: <http://www.piit.org.pl/>

Polish Chamber of Commerce for Electronics
and Telecommunications
(Krajowa Izba Gospodarcza Elektroniki I Telekomunikacji)
ul. Stepinska 22/30
00-739 Warsaw
Telephone: (48) 22 840-6522
Fax: (48) 22 851-0300
E-mail: kigeit@kigeit.org.pl
Web site: <http://www.kigeit.org.pl/>

Polish Association of Sanitary, Heating,
Gas and Air Conditioning Enterprises
(Polska Korporacja Techniki Sanitarnej,
Grzewczej, Gazowej I Klimatyzacji)
Al. KEN 95
02-777 Warsaw
Telephone: (48) 22 678-9893, 678-7929
Fax: (48) 22 678-2076
E-mail: sggik@sggik.pl
Web site: <http://www.sggik.pl/>

The Association of Polish Architects (SARP)
(Stowarzyszenie Architektow Polskich)
ul. Foksal 2
00-950 Warsaw
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Fax: (48) 22 827-8713
E-mail: sarp@sarp.org.pl
Web site: <http://www.sarp.org.pl/>

Polish Homebuilders Association

(Polskie Stowarzyszenie Budowniczych Domow)
ul. Foksal 2
00-366 Warsaw
Telephone: (48) 22 827 77 50
Telephone/fax: (48) 22 828-3044
E-mail: psbd@psbd.com.pl
Web site: <http://www.psb.com.pl/>

Economic Chamber of Energy and Environmental Protection
(Izba Gospodarcza Energetyki i Ochrony Środowiska)
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Fax: (48) 22 628-7838
E-mail: sekretariat@igeos.pl
Web site: <http://www.igeos.pl>

Economic Society Polish Power Plants
(Towarzystwo Gospodarcze Polskie Elektrownie)
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00-950 Warsaw
Telephone: (48) 22 629-0409
Fax: (48) 22 628-6000
E-mail: tgpe@energoprojekt.pl
Web site: <http://www.tgpe.pl>

Polish Chamber of Tourism
(Polska Izba Turystyki)
Ul. Krakowskie Przedmieście 64/7
00-322 Warsaw
Telephone: (48) 22 826-5536
Fax: (48) 22 826-5536
E-mail: bwpit@pit.org.pl
Web site: <http://www.pit.org.pl/>

Polish Chamber of Pharmaceutical Industry and Medical Devices - POLFARMED
(Polska Izba Przemysłu Farmaceutycznego
i Wytwarzania Leków - POLFARMED)
ul. Lucka 2/4/6
00-845 Warsaw
Telephone: (48) 22 654-5351, 654-5352
Fax: (48) 22 654-5420
E-mail: sekretariat@polfarmed.com.pl
Web site: www.polfarmed.com.pl

Polish Chamber of National Defense Manufacture
(Polska Izba Producentów na Rzecz Obronności Kraju)
ul. Fort Wola 22
00-961 Warszawa
Tel: (48) 22 634-4778, 634-4779
Fax: (48) 22 836-8424

E-mail: izba@przemysl-obronny.pl
Web site: www.przemysl-obronny.pl

Market Research

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To view market research reports produced by the U.S. Commercial Service please go to the following website: <http://www.export.gov/mrktresearch/index.asp> and click on Country and Industry Market Reports.

Please note that these reports are only available to U.S. citizens and U.S. companies. Registration to the site is required, and is free.

Trade Events

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Please visit the following links for information about upcoming trade events.

U.S. Trade Event Searchable Database: http://www.export.gov/eac/trade_events.asp

Trade Events in Poland: http://export.gov/poland/tradeevents/eg_pl_024715.asp

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Chapter 10: Guide to Our Services

The President's National Export Initiative aims to double exports over five years by marshaling Federal agencies to **prepare U.S. companies to export successfully, connect them with trade opportunities** and **support them once they do have exporting opportunities**.

The U.S. Commercial Service offers customized solutions to help U.S. exporters, particularly small and medium sized businesses, successfully expand exports to new markets. Our global network of trade specialists will work one-on-one with you through every step of the exporting process, helping you to:

- Target the best markets with our world-class research
- Promote your products and services to qualified buyers
- Meet the best distributors and agents for your products and services
- Overcome potential challenges or trade barriers
- Gain access to the full range of U.S. government trade promotion agencies and their services, including export training and potential trade financing sources

To learn more about the Federal Government's trade promotion resources for new and experienced exporters, please click on the following link: www.export.gov

For more information on the services the U.S. Commercial Service offers to U.S. exporters, please click on the following link: <http://export.gov/begin/index.asp>
U.S. exporters seeking general export information/assistance or country-specific commercial information can also contact the **U.S. Department of Commerce's Trade Information Center** at **(800) USA-TRAD(E)**.

To the best of our knowledge, the information contained in this report is accurate as of the date published. However, **The Department of Commerce** does not take responsibility for actions readers may take based on the information contained herein. Readers should always conduct their own due diligence before entering into business ventures or other commercial arrangements. **The Department of Commerce** can assist companies in these endeavors.

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