

HOW TO DO BUSINESS IN POLAND

For all who would like to know more about Poland



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of the United Nations Industrial Development Organization in Warsaw,
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This guide is not intended to be comprehensive - it has been prepared to provide a general overview of the current situation in Poland. The information contained herein should be treated as a guideline and whenever a business decision is to be made, the actual laws and regulations in force should be consulted. Potential investors should conduct further analysis according to specific project requirements.

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General remarks

- The main sources of statistics cited in the Guide are the official publications of the Central Statistical Office (GUS).
 - Unless stated otherwise, tables and graphs included in this publication are based on the information contained in the text.
 - Unless stated otherwise, values in US dollars have been calculated in accordance with the average exchange rate for a given period set by the National Bank of Poland.
 - When the text refers to industry, the term includes the mining and extracting industries, manufacturing, and the sectors supplying gas, power, and water.
-

I. GENERAL INFORMATION

Geography

The Republic of Poland (Rzeczpospolita Polska) is one of the largest countries in Central Europe. It borders on Russia, Lithuania, Belarus, Ukraine, Slovakia, the Czech Republic and Germany. Its northern frontier on the Baltic Sea gives it easy access to Scandinavian and North Sea ports.

The capital of Poland, Warsaw, is situated in the centre of the country. Poland ranks ninth in Europe in terms of size, with a surface area of 312,677 sq. km, which constitutes about 3 % of the continent's surface.

The country lies almost wholly on the North European Plain and is a land of gentle slopes, rarely rising above 300 m, except along the southern border with the Sudety and Carpathian Mountain ranges. Rysy, Poland's highest mountain peak, rises 2,499 m above sea level. Approximately one-fifth of Poland's area is maintained as pasture and meadows. Forests cover 28.5 % of the total area. The longest rivers cross the country northwards: the Vistula (1,074 km in length) in the centre, and the Odra (854 km), which flows along Poland's western border.

Climate

Poland has a moderate climate characterised by relatively cold winters and warm summers. Winters become increasingly severe inland from the Baltic coast, with January temperatures averaging -1 °C (30 °F) in the north and going as low as -5 °C (23 °F) in the south-east. July temperatures range from 16.5 °C (62 °F) near the coast to 19 °C (66 °F) in the south. Rainfall varies with the altitude, from less than 500 mm a year in the lowlands to as high as 1270 mm in the southern mountains.

Natural Resources

Poland has substantial agricultural and mineral resources. It has the world's fifth-largest proven reserves of hard and brown coal, in addition to deposits of copper, sulphur, zinc, lead, silver, magnesium and rock salt. All these contribute significantly to Poland's exports. There is natural gas and also potentially useful deposits of chalk, kaolin, clays, and potash.

Poland's main agricultural crops are wheat and other cereals, potatoes, sugar beets and fodder crops. Poland is the leading exporter of apple concentrate and is among the world's leading producers of berries, cabbages and carrots. In 2000 Poland was ranked third in the world in rye and in potato production. At the end of 2002, the livestock sector comprised 5.4 million beef and dairy cattle and approximately 19 million pigs. Due to its favourable geographical position and temperate climate utilised agricultural area amounts to more than half of Poland's surface (16.9 million hectares). In addition, over 8.9 million hectares are forested, making sawn timber an important resource.

Energy and Fuels

The overwhelming majority of Poland's electricity is generated by coal- and lignite fuelled power stations, while the remainder derives from hydroelectric power stations and wind power plants. Hard coal remains the foundation of Polish industry. Thanks to coal, Poland's total energy consumption and production have generally been in balance, with imports of oil offset by coal exports. In 2002, hard coal production reached almost 104 million tons, almost the same as in the previous year, and that of brown coal and coke 58.2 and 8.8 million tons, respectively. Outputs of natural gas, basic fuels and electricity are presented in the table below.

Production of Major Fuels and Energy Products in 2002

	Unit	Output
Hard coal	million tons	103.5
Brown coal	million tons	58.2
Coke	million tons	8.8
Fuel oils	million tons	4.7
Petrol (incl. aviation fuel)	million tons	4.0
Diesel oil	million tons	4.6
Natural gas	cubic hectometres	5,259
Electricity	TWh	141.3

Source: Central Statistical Office, 2003

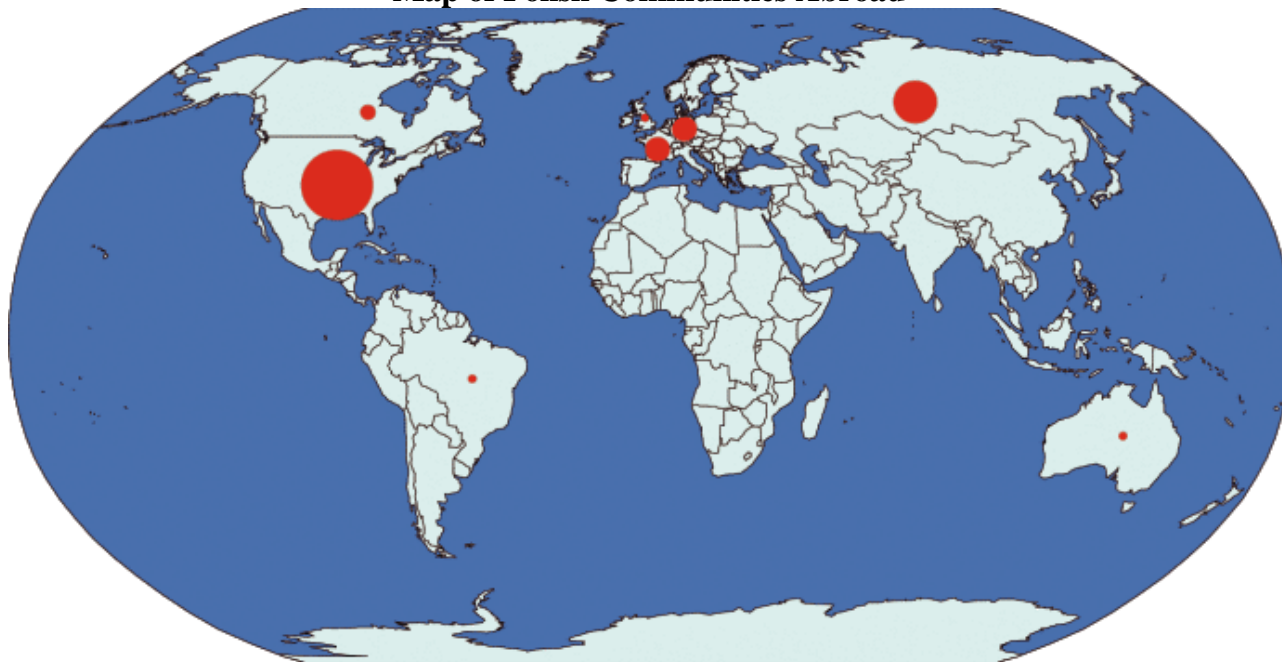
About forty percent of Poland's demand for natural gas is covered by domestic production and most imports come from Russia.

Population and Language

In recent years the population of Poland, currently 38.3 million people, has been experiencing very slow growth. However, in 1999 for the first time in the post-war period a slight decline in the population was noted. In 2000-2002 this trend continued. In 2002 the population of Poland declined by 0.06 %. Approximately 62 % of Poles live in 884 towns, which are mostly small or medium-size, and half the population lives in 42 cities with a population of over 100,000 inhabitants. Warsaw, the capital and Poland's largest city, has a population of 1.6 million people. Apart from the capital, the largest Polish cities are Łódź, Cracow, Wrocław, Poznań and the Gdańsk-Sopot-Gdynia conurbation, which together account for about 3.6 million people. With respect to size of population, Poland ranks 8th in Europe and 29th in the world, with an average population density of 122 persons per km².

The population of Polish communities abroad is estimated at 12 million, with the largest communities living in the USA (5.6 million), the Commonwealth of Independent States - CIS (2.5 million), France (1 million), Germany (0.8 million), Canada (0.4 million), Brazil (0.2 million), Australia (0.15), and the UK (0.14).

Map of Polish Communities Abroad



Source: Institute of Geodesy and Cartography

Demographic trends in Poland indicate rapid growth in the working-age population, until 2005, approximately. In 2002 there were 14.9 million people employed, including 4.9 million by companies employing ten or more persons. On the other hand, the number of retired persons and pensioners reached 9.2 million. Even though the number of retired

people is growing, Poland's workforce is among the youngest in Europe. The activity rate is equal to 54.8 % (as of the first quarter of 2003).

From the ethnic point of view, Poland is one of the most homogeneous countries in Europe, with over 98 % of the population being ethnically Polish.

In the business community, as well as among young people, English is the most popular foreign language. In addition, German and Russian are frequently spoken, reflecting the geographical position of the country.

Political System and Government

Poland was the first country in Central and Eastern Europe to free itself from communist rule. This bold move was soon followed throughout the region. It all started early in 1989 when the communist-dominated authorities and the opposition embarked on discussions which became known as the "Round Table Negotiations". As a result, major agreements were reached, including legalisation of the Solidarity trade union and an agreement to hold elections on 4 June 1989. The elections were won by the representatives of Solidarity, who then formed the first non-communist government in East-Central Europe since the Second World War.

Poland is a republic reflecting a mixture of parliamentary and presidential models. In 1997, a new constitution was adopted by the national assembly and submitted for ratification in a national referendum. The new constitution contains some important guarantees for business. It states that the Republic of Poland assures freedom of economic activity and that any limitation of this freedom should be based on law. On the other hand, constitutional regulations concerning public finance protect business against unfair and overburdening fiscal charges. For instance, the constitution says that fiscal charges may be imposed only by law and should not be excessively high. Another important safeguard clause says that an increase of expenditure by the government should not cause an increase of the budget deficit above the level set by the budgetary law, and that the budgetary law should not provide for the financing of the deficit through lending from the central bank.

The president is elected to office by universal suffrage for a 5-year term. He appoints candidates for the post of prime minister and has the right to veto acts passed by parliament. His veto may be rejected by a two-third majority in the *sejm*. The president is the head of state and the commander-in-chief of the armed forces. He has the right to dissolve parliament if it is unable to approve the budgetary law or to form a government. Lech Wałęsa, the historic leader of the Solidarity movement, was elected president in November 1990. However, in a heated presidential campaign in the autumn of 1995, he

lost to Aleksander Kwaśniewski, leader of the Democratic Left Alliance, who also won the subsequent presidential elections held in October 2000, and who will thus be in office until the end of 2005.

Legislative authority is vested in the parliament, or National Assembly, composed of two chambers: the lower house, the *sejm*, with 460 seats, and the upper house, the senate, with 100 seats, both elected for a 4-year term. The *sejm* has 460 deputies elected through a proportional voting system. All 100 senators are elected in a majority voting system. The senate does not initiate laws but reviews and proposes amendments to acts passed by the *sejm*. It is ultimately the *sejm* that decides on the final version of any legislative act.

The last parliamentary elections were held on 23 September 2001. A coalition of the Democratic Left Alliance and the Union of Labour (SLD-UP) won decisively with over 41 % of votes, receiving 216 seats. The Civic Platform (PO) received 12.7 % of votes (65 seats), followed by the Self-Defence Party (Samobrona), which received 10.2 % of votes (53 seats). The remaining seats were divided between the Law and Justice Party (PiS) - 44 seats, the Polish People's Party (PSL) - 42 seats, the League of Polish Families (LPR) - 38 seats and the German Minority - 2 seats. It is worthy of note that the two parties that had formed the previous government, the Solidarity Electoral Action (AWS) and the Freedom Union (UW) failed to pass the electoral threshold. Since then several changes have taken place on the Polish political scene, resulting in an increase in the number of political forces in the parliament. The present structure of the *sejm* (as of June 2003) is presented in the next diagram.

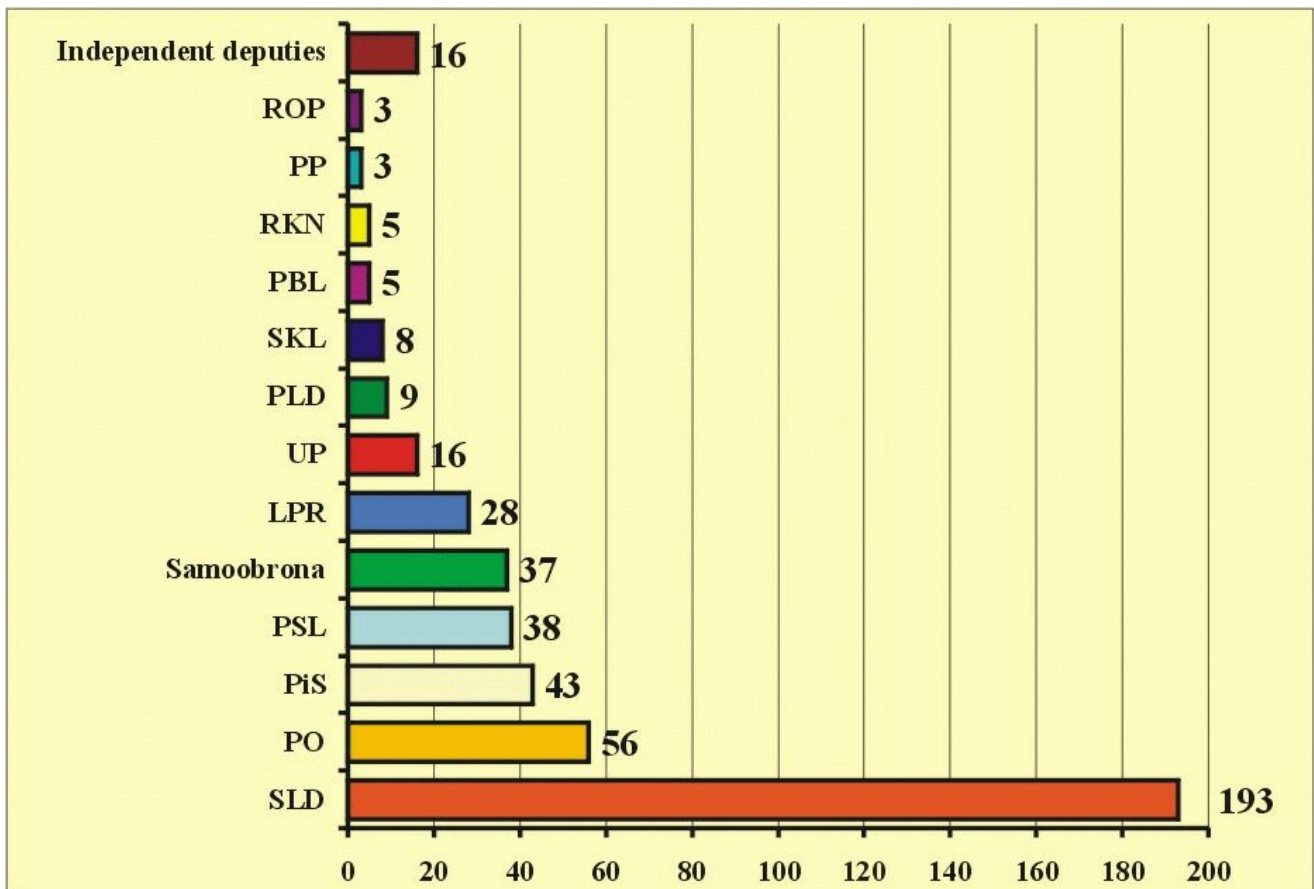
Executive power is vested in the prime minister and his cabinet, called the Council of Ministers, while judicial power is vested in independent courts.

At the very outset of the political and economic transformation process Poland focused its efforts on two major goals: economic integration with the European Community (see Chapter VI) and NATO membership.

The economic integration process, described further in Chapter VI, aims at re-establishing Poland as an integral part of the European economy and at acquiring EU membership in the shortest time possible. NATO membership, ensuring external security, has already been achieved.

The first step in the process of joining NATO had taken place in March 1991, when the military structures of the Warsaw Pact were dissolved. The organisation was formally disbanded in July of the same year. A mere three months later, in October 1991, in Cracow, the presidents of Poland, Czechoslovakia, and Hungary expressed the desire of their states to participate in NATO activities.

Structure of the Sejm in May 2003 (number of seats)



At a 1997 NATO summit, Poland, the Czech Republic, and Hungary were invited to start negotiations on membership in the alliance. By the end of that year NATO's foreign ministers signed the Accession Protocols for the three candidate countries. The ratification process lasted till the end of 1998.

Finally, on 17 February 1999, the parliament passed a law allowing the President Kwaśniewski to ratify the North Atlantic Treaty, which he did on 26 February 1999. On 12 March of the same year, Poland's accession to NATO was sealed with the ceremony of depositing the ratification treaty with the Treaty's Depository Office.

Government Administration

The government administration is composed of the central administration (ministries and other bodies) and the regional administration.

An administrative reform has been conducted to make the regional administration more efficient. In July 1998, the *sejm* passed a new law dividing the country into 16 provinces, down from 49. The new administrative division of the country is based on

three levels of administration, i.e., provinces (*województwo*), which are divided into districts (*powiat*), which are further divided into communes (*gmina*) and came into force on 1 January 1999. There are 16 provinces, 379 districts, and 2478 communes in Poland. The list of local authorities (*Urząd Wojewódzki*) is presented in Appendix 19.

Administrative Map of Poland



Source: Institute of Geodesy and Cartography

To speed up the adjustment and integration activities accelerating Poland's membership in the European Union, the central administration was reformed in the autumn of 1996. Some ministries and central offices were eliminated and some new ones were created in order to reinforce the co-ordinating role of the prime minister, to reduce the direct involvement of ministries in the management of enterprises, to limit the number of rungs in the decision making-process and the direct influence of the government on the economy.

The aims of the reform were to increase the government's ability to formulate a long-term economic strategy, to co-ordinate its implementation, and to counteract the pressure of interest groups. Since then, several other changes have taken place. The present functions of some major government institutions are listed in the table below.

Ministry or Central Government Office	Main Functions
Prime Minister's Chancellery	Assisting the Council of Ministers and the Prime Minister, deputy prime ministers, permanent committees of the Council of Ministers, and the Committee for Secret Services.
Ministry of Agriculture and Rural Development	Developing and implementing policies regarding agriculture, rural development and the development of agricultural markets.
Ministry of the Economy, Labour and Social Policy	Initiating and co-ordinating policies regarding economic activity and development, including foreign trade and economic issues, energy policy, co-operation with economic self-governing organisations, increasing employment, creating and implementing policy regarding labour conditions, remuneration, employee benefits, trade unions, social security, pension funds, and the rehabilitation and employment of handicapped persons.
Ministry of the Environment	Regulating all issues pertaining to environmental protection and water resources, and particularly, developing and implementing policies concerning air and water protection, the avoidance of land degradation, water management and protection of the population and property against flood and drought.
Ministry of Finance	Responsibilities include activities in the area of public finance, state budget development and implementation and financial institutions.
Ministry of Infrastructure	Directing government administration in the area of architecture, construction, housing and land management, maritime economy, communications and transport.
Ministry of Internal Affairs and Administration	Overseeing internal safety, state administration and relationships between the state and the Catholic church and other churches and religious associations, and all issues regarding foreigners in Poland.
Ministry of Scientific Research and Information Technology	Directing state activities in the field of science and information technology and servicing the State Committee for Scientific Research, which is the major central governmental source of funds for research
Ministry of the Treasury	Supervising and managing the State Treasury, taking privatisation decisions concerning state-owned enterprises, initiating the privatisation of municipal property, keeping a register of the State Treasury's assets, and the setting up, closing down and privatisation of State Treasury companies.
Government Centre for Strategic Studies	Forecasting and planning economic and social development, urban and rural planning, assessing the country's international situation, evaluating the functionality of the state's structures and proposals regarding their restructuring.
Office of the Committee for European Integration	Co-ordinating activities aimed at Poland's integration with the European Union and adjustment to EU standards, co-ordinating state administrative activities in processing foreign assistance.
Office for Competition and Consumer Protection	Prevention of monopolistic practices, preparing of government proposals on consumer policy, preparing draft legislation concerning consumer policies. The president of this office supervises the Trade Inspection.

Source: Various acts

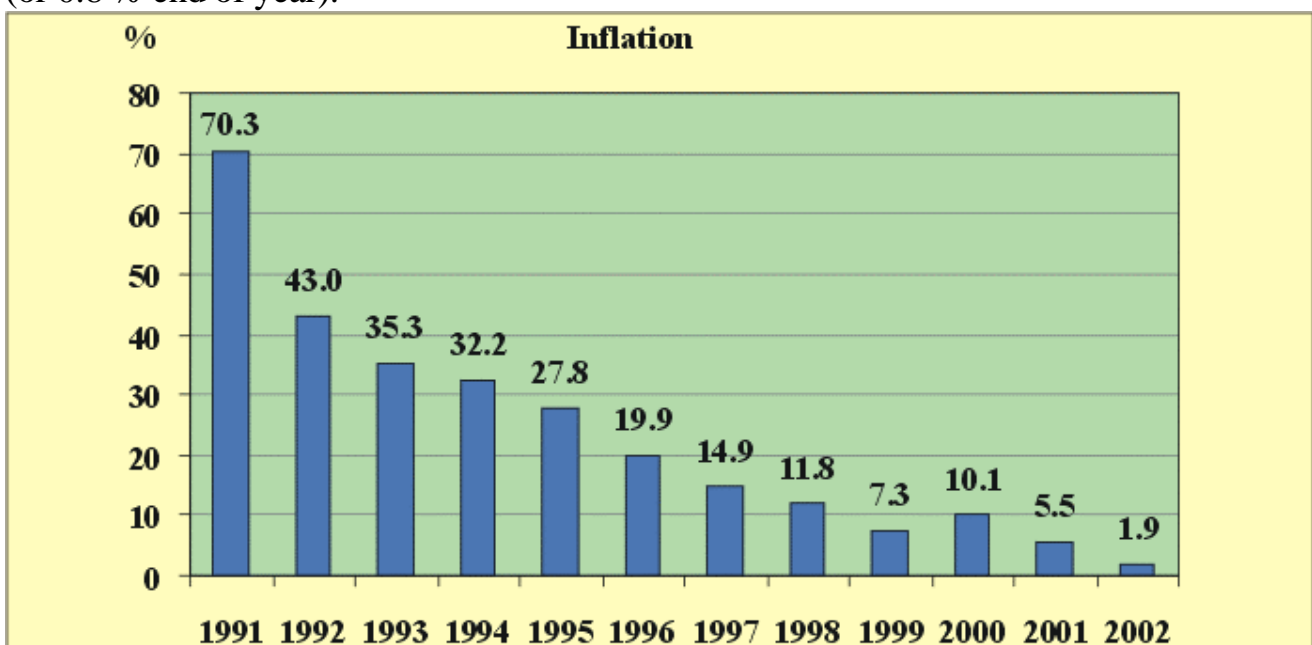
II. ECONOMIC ENVIRONMENT

GDP and Inflation

Poland was the first country in Central and Eastern Europe to embark upon the breakthrough transition from a planned economy to a market system. This transition began under the extremely difficult conditions of high inflation, scarcity of consumer goods and highly concentrated production. The Polish economy entered the 1990s as the weakest in Central Europe. It emerged in the new millennium as one of the strongest. Although the past few years have been characterised by an economic slowdown, the results for 2002 as well as economic performance in the first months of 2003, indicate that Poland may be getting back on the fast growth track.

The introduction of radical reforms was a precondition for Poland's survival. The "shock therapy" programme applied in late 1989 by the then Deputy Prime Minister, Leszek Balcerowicz, resulted in the dismantling of all central economy planning mechanisms and the introduction of a market economy. Virtually all government subsidies were eliminated. A new foreign currency law ended the previous unrealistic official exchange rate for the zloty and introduced full domestic convertibility (by International Monetary Fund standards). Foreign trade transactions were liberalised and trading monopolies abolished, initiating a considerable rise both in exports and imports.

This bold reform programme was quick to produce effects. The freeing of prices allowed them to rise in response to market forces, during a period of corrective inflation, and to find their own level. As a result, inflation, running at 686 % in 1990, fell to 43 % in 1992, and declined steadily in the following years to fall to as little as 1.9 % in 2002 (or 0.8 % end of year).



Although successful, the stabilisation programme also plunged the country into a deep, but relatively short-lived recession, and Poland was the only country in the region to achieve GDP growth in 1992. The recovery gained momentum in 1993 with a GDP growth rate of 3.8 %, at that time the highest growth rate in Europe. In 2002, GDP grew by 1.4 %. Comparing Polish GDP per capita to that of other countries, to reflect the real degree of development, overall price levels should be considered and thus appropriate adjustments made. In 2002, applying the OECD estimates of the PLN's purchasing power, GDP per capita in Poland in PPP (Purchasing Power Parity) terms amounted to approximately USD 10,600.

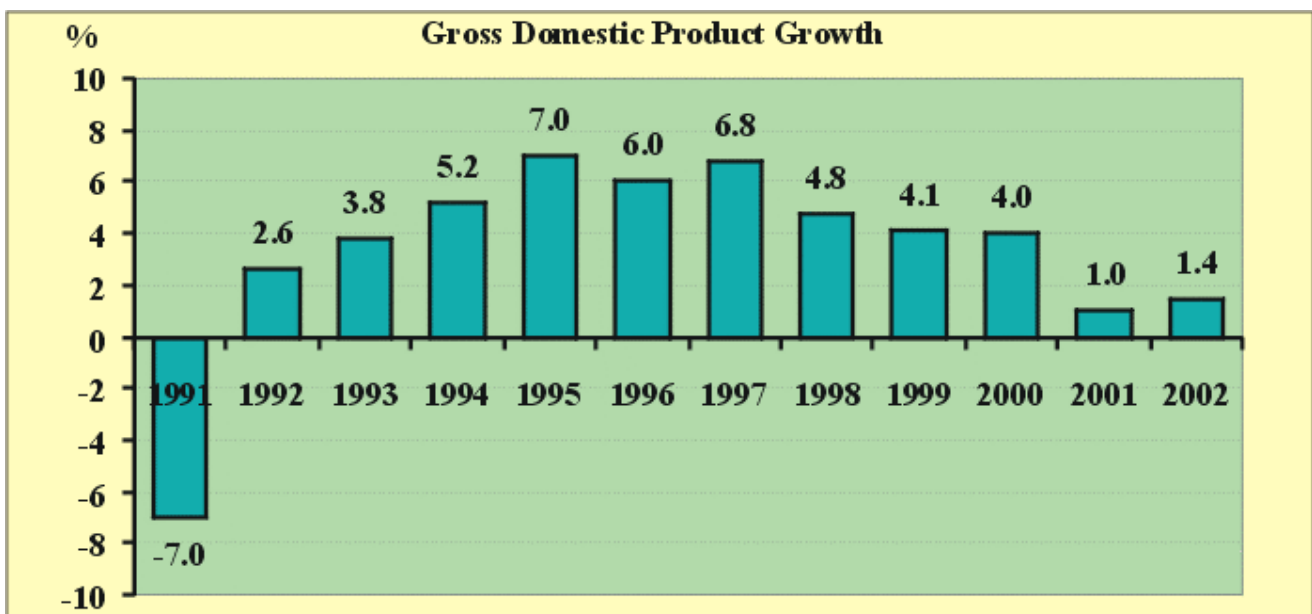
In 2002, exports continued to be an important driver of GDP growth, despite an economic slowdown in Western Europe and especially in Germany, Poland's major trade partner.

Gross Domestic Product

Gross Domestic Product	1994	1995	1996	1997	1998	1999	2000	2001	2002
GDP at current prices (PLN bn)	217.9	278.9	371.1	469.4	550.4	615.6	685.0	721.6	772.2
GDP per capita (USD)	2,400	3,293	3,484	3,702	4,095	4,014	4,077	4,567	4,940*
GDP annual growth (%)	5.2	7.0	6.0	6.8	4.8	4.1	4.0	1.0	1.4

* estimate

Source: Central Statistical Office, Ministry of the Economy, Labour and Social Policy, 2003



Since 1990, important changes in resource allocation have taken place with a dynamic expansion of trade and services, and a steep fall in construction, farm, and industrial output. This has moved Poland's economic structure closer to that of countries at a medium level of development.

Budgetary Policy

Poland managed to go through a difficult period of transition without excessive relaxation of its budgetary policy. However, in 2001, the budget deficit doubled in comparison to the previous year and amounted to just under 4.5 % of GDP. 2002 did not bring any improvement in this respect, as the budget deficit equalled 5.1 % of GDP.

A breakdown of the state budget in 2001 and 2002 is presented in the table below.

State Budget 2001 and 2002 (PLN billion)

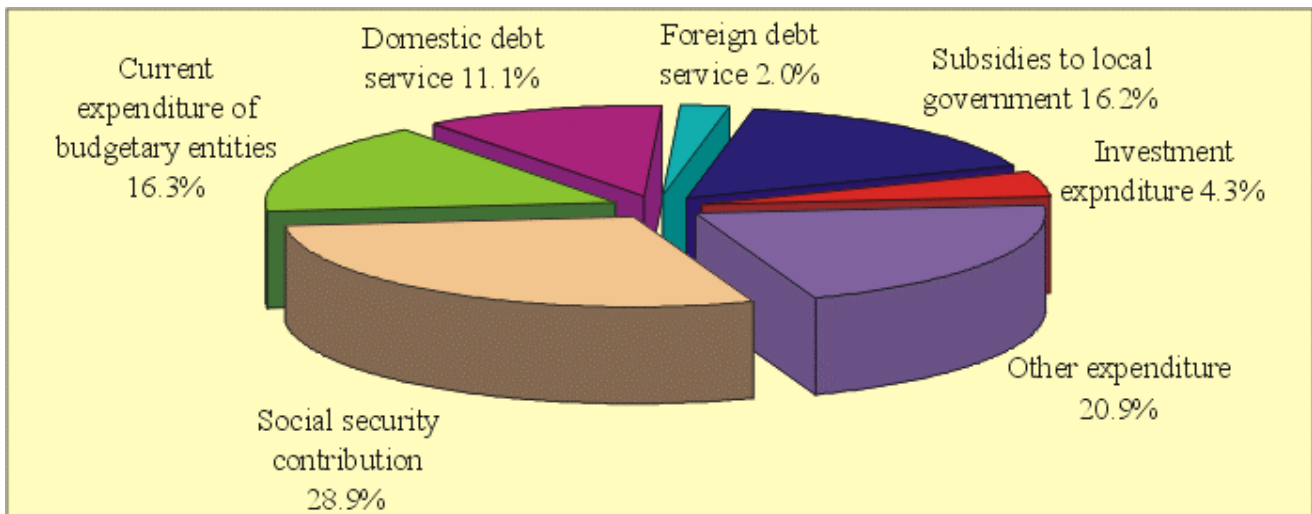
Selected Items	2001	2002
REVENUES	140.53	143.52
Indirect taxation	82.42	89.60
- thereof VAT	52.89	57.44
- thereof excise tax	28.86	31.49
Corporate income tax	13.22	15.01
Personal income tax	23.44	24.14
Dividends and income from profit	0.89	0.64
Custom duties	4.09	3.81
EXPENDITURE	172.89	182.92
Social security contributions	46.07	52.86
Current expenditure of budgetary entities	29.27	29.80
Domestic debt service	17.10	20.32
Foreign debt service	3.79	3.72
Subsidies for local government	29.43	29.70
Investment expenditure	6.42	7.81
DEFICIT	-32.36	-39.40

Source: Central Statistical Office, 2003

As a result of the good budget performance in recent years, the ratio of public debt to GDP declined substantially, from 70.4 % at the end of 1994, to some 55 % of GDP at the end of 1995, following an important reduction of foreign debt. At the end of 2002, it amounted to 45.8 % of GDP.

Budgetary expenditure in 2002 is presented in the following diagram. It is worth noting that foreign debt service expenditure is rather insignificant, amounting to 2.0 % of the budget.

Structure of State Budget Expenditure in 2002



A good budgetary performance, stable economic growth, the curbing of inflation, and other positive economic factors of the past decade, led first to constant improvement of Poland's rating on international markets, and then to its stabilisation. Currently (May 2003), Poland's rating by the major agencies is decidedly favourable, as reflected in the table below.

Rating Agency	Long-term Rating	Short-term Rating
Standard & Poor's	BBB+	A-2
Moody's	A2	P-1
Fitch	BBB+	F2

Foreign Exchange

The official currency in Poland is the złoty (zł or PLN), which is divided into 100 groszy. Full domestic convertibility of the national currency was one of the cornerstones of Polish economic reform from its very outset in January 1990. Consequently, following a number of amendments liberalising foreign exchange regulations, the Foreign Exchange Law of 18 December 1998 was passed and took effect on 11 January 1999. For the first time in Poland's post-war history, this law entailed external convertibility of the złoty.

The 1998 Foreign Exchange Law paved the way for the złoty to become legal tender in foreign trade as well as to its quotation by OECD central banks and on inter-bank markets. In this way the Polish currency achieved parity of status in relation to other

currencies and became exchangeable in OECD banks and exchange offices. Following a request by the Monetary Policy Council, the Polish government decided on 11 April 2000 to float the złoty on international currency exchanges. Thus Poland became the second Central European country to float its currency.

The law served its purpose well, fully liberalising current exchange, while capital exchange, including direct investment, portfolio investment, credit and deposit exchange and guarantees, was subject to certain limitations. However, it was not fully compatible with European Union requirements. Therefore, in view of Poland's accession to the EU, a new Foreign Exchange Law was passed by the Polish Parliament on 27 July 2002. It came into force on 1 October 2002. The new law further liberalised capital exchange. In line with mandatory EU regulations concerning foreign exchange, it removed all restrictions in the flow of capital payments between Poland and the EU member states, the European Economic Territory, and OECD member states.

Nonetheless, some limitations to capital exchange that are not contrary to the EU mandatory foreign exchange regulations are permitted. These apply to capital flows relating to direct investments (including investments in real estate), the provision of financial services, and the introduction of securities to capital markets.. The new law contains a provision stating that limitations resulting from other acts supersede the freedom of capital flow arising from the Foreign Exchange Law.

The law lists some limitations pertaining to foreign exchange terms and conditions. These, however, may be abolished through foreign exchange permits. There are two types of permits provided for: general; and individual. General foreign exchange permits are granted by the Minister of Finance, while individual foreign exchange permits are granted by the President of the National Bank of Poland. Both general and individual permits will be granted if there is no threat to state security, public order, the equilibrated balance of payments, and other basic interests of the state.

An important safeguard mechanism is provided in Art. 10 of the Law, which allows for the introduction of certain specific limitations through a decree of the council of ministers. These restrictions may be introduced, if necessary, to:

- implement decisions of international organisations, of which Poland is a member,
 - ensure public order, or public security,
 - ensure balance of payments' equilibrium in case of its general disequilibrium, or sudden collapse, or a threat of either of these,
 - ensure stability of the Polish currency in case of a sudden fluctuation in its rate of exchange, or a threat of it.
-

It should be noted, however, that since introducing foreign exchange restrictions to stabilise domestic currency is not provided for in the European Union Treaty, this may only take place before Poland becomes an EU member state. If any such restrictions are implemented, they will no longer be binding once Poland joins the EU.

Foreign Debt

Two agreements concerning foreign debt, which were concluded in the last decade significantly facilitated the transformation of the Polish economy. The first was the agreement reached on 21 April 1991 on the reduction of Poland's USD 33 billion debt to the Paris Club. Under this agreement, the implementation of the whole programme drafted in consultation with the IMF paved the way for a 50% debt remission and rescheduling of the remainder.

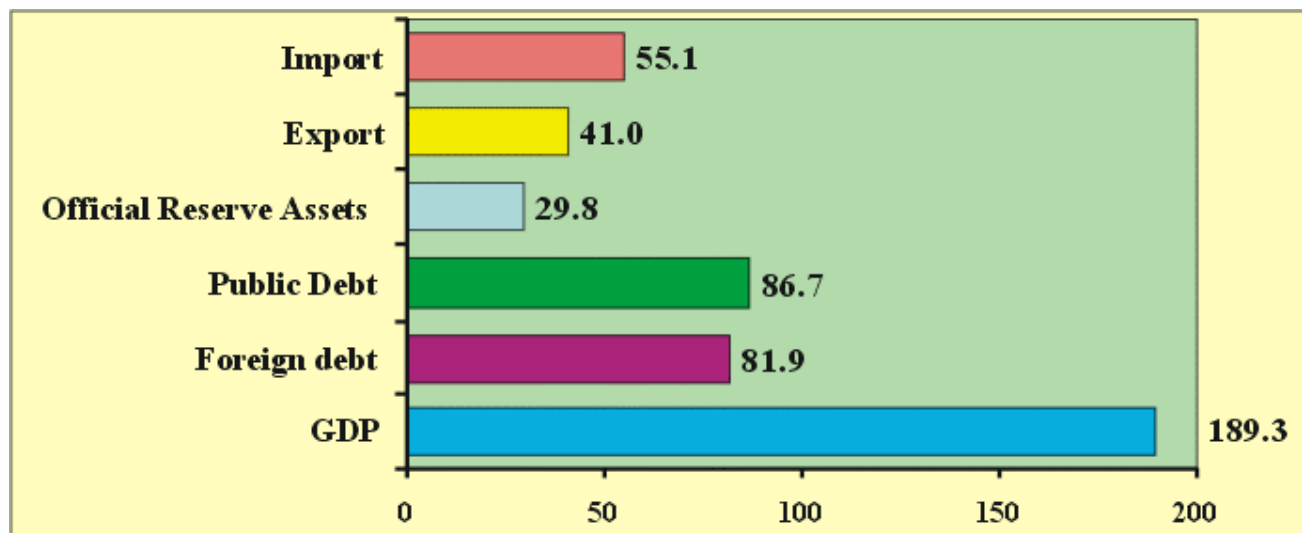
Along with debt forgiveness by public sector lenders, on 27 October 1994, the Polish government successfully concluded a similar reduction of the USD 13.2 billion debt owed to commercial banks. This debt reduction and restructuring agreement with a group of some 500 banks resulted in a 49.2 % debt reduction.

The great significance of the agreement with the London Club and the above mentioned debt reduction operations lies in the normalisation of Poland's financial relations with countries that play a key role in international trade and capital flow. By improving financial terms of trade it has reduced transaction costs. It has also extended Poland's access both to credit and foreign capital. Polish banks and enterprises have the opportunity to use relatively cheaper financial resources and they are increasingly taking advantage of this benefit to finance development and modernisation projects.

Moreover, the agreement has diminished the risk level for foreign investors in Poland (for Poland's rating please refer to Budgetary Policy section in this chapter). This fact, together with Poland's economic growth, low labour costs, increasing productivity and decreasing risks related to trade, investment and exchange makes Poland a more attractive area for investments. Poland's credibility as a promising economic partner has also been reinforced by the growth of foreign currency reserves, which reached USD 29.79 billion at the end of 2002.

At the end of 2002, Poland's overall foreign debt reached USD 81.9 billion (43.3 % of GDP), according to the National Bank of Poland. It increased by approximately USD 10 billion during the year. Central and local governments were mainly responsible for this increase, as their foreign debt rose by USD 6.5 billion.

Foreign Debt in 2002 in Comparison to Other Economic Indicators
(in USD billion)



Until 2002, a characteristic feature of Poland's foreign debt was the constant trend of change in the proportion between state and private debt, with the private share increasing in line with the liberalisation of foreign exchange policy and transformations in the economy. In 1996, the share of government foreign debt amounted to over 76 %, and in only five years it had decreased to just over 41 % by the end of 2001. However, 2002 was a notable exception and the share of government foreign debt climbed to almost 44 %.

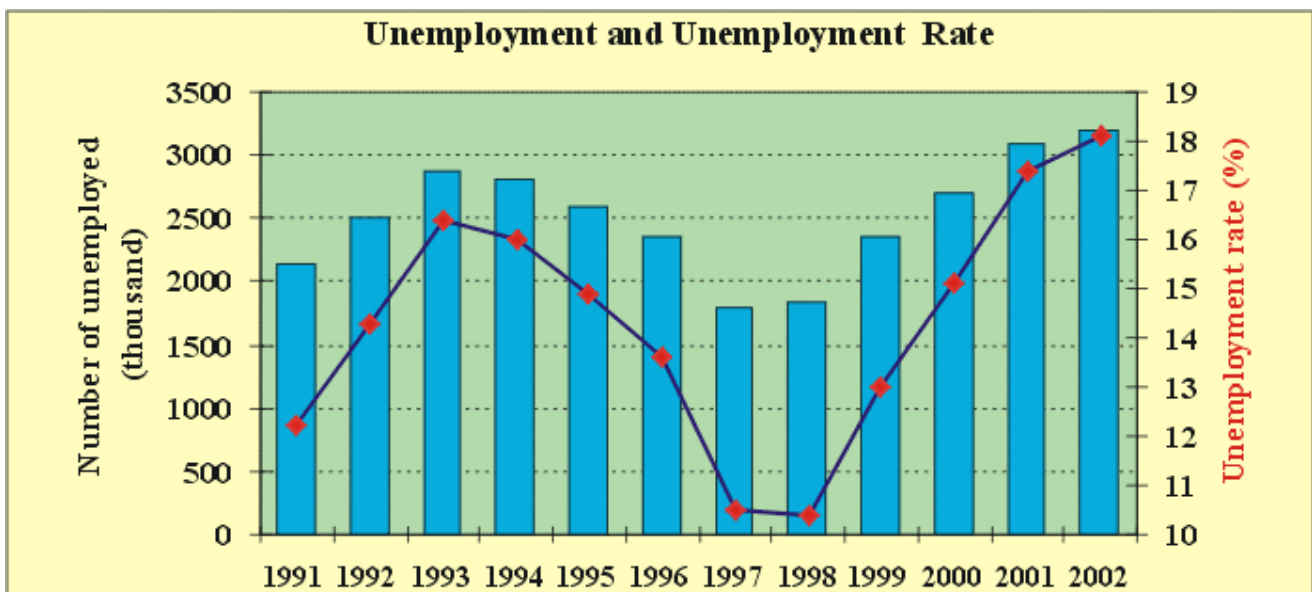
Short-term debt accounted for less than 15.7 % of total debt by the end of 2002. The ratio of Poland's overall short-term foreign debt (owed by the government, banks, and companies) amounted to some 43 % of foreign currency reserves at the end of the same year.

Employment and the Labour Market

Unemployment was unknown in Poland before 1990, but the realities of the market economy were soon felt in the labour market. Unemployment appeared in 1990 and reached 1.1 million people, or 6.3 % of labour force. It peaked and stabilised in 1993-1994 and started to decline from then on. However, since 1998 it has been growing again, mainly as a result of industrial restructuring and structural changes in companies aimed at increasing productivity and competitiveness. An additional factor was a slow-down in the economy that began in 1998. At the end of 2002 the number of unemployed persons reached 3.2 million, or 18.1 % of the labour force. The unemployment rate varies significantly from one province to another. It is lowest in provinces of

Mazowieckie and Małopolskie (13.9 %) and highest in Warmińsko-Mazurskie province (28.8 %).

Of the 3.2 million unemployed, 1.65 million, which means more than half, have been without work for more than one year. Furthermore, over 83 % of the unemployed are not eligible for benefits, and a considerable number of jobseekers are school leavers. Many of them have acquired good qualifications but cannot find work because the vocational education system has not kept up with the changes in demand for specific professional skills.



Nonetheless, Poland's labour force is generally well educated and highly qualified. In 2001/2002 there were 1.7 million students, attending lectures at over 340 universities, polytechnics, academies and other higher education institutions. In 2001/2002 the school-attendance ratio for the secondary school age group (excluding basic vocational schools) was 74 %, a significant increase from 46 % in 1990/91. An even sharper increase can be noted in the university-age group, 44 %, up from 13 % ten years earlier. Though this ratio is lower than the EU average, it shows a dramatic improvement since economic transformations started.

In 2002, the average gross monthly salary in Poland was PLN 2,133.21 (approx. USD 520). In industry average salaries were approximately 7 % higher, (PLN 2,284.93). It was considerably higher (PLN 3,712.42) in mining and quarrying. On the other hand, average salaries in the manufacturing sector (PLN 2,064.17) as well as in the hotel and restaurant sector (PLN 1,688.57) were lower than the national average. Real net wages and salaries grew by 2.4 % in 2002.

The relatively low labour costs and easy access to skilled workers are important assets for prospective foreign investors, particularly in regions with industrial traditions. According to Eurostat, the cost of an hour of labour remains approximately 5 times lower in Poland than in European Union countries and amounts to some EUR 4.5 per hour. However, it is slightly higher than in Czech Republic, Hungary, and Slovakia.

Trade unions play a relatively important role both in national politics and at the enterprise level. In addition to the Solidarity trade union there are also federations of branch trade unions (former communist unions). Trade unions are particularly strong in big state-owned enterprises, but they are also active on a regional level. Trade unions tend to present their demands directly to the government. In 2002, there was just one strike, involving a mere 2.7 % of employees of the company involved. Nonetheless, Poland was not one of the most peaceful countries socially in 2002. There were a number of protest actions involving employees of various sectors marching through the streets and presenting their demands to central authorities. Among the most numerous were protest marches organised by health service employees, miners, and shipyard workers.

Industry and Technology

With the trade and service sectors gradually gaining in importance, the share of industry and especially agriculture, in Poland's gross domestic product has been falling steadily over the last few years. Along with the diminishing share of industry in the Polish economy (24 % share in gross value added terms in 2002), economic transformation has brought on progressive modernisation, reflected, for example, in growing productivity and exports.

The structure of the Polish economy in 2002, in terms of the number of economic entities by sector, taking form of ownership into account, is presented in the table below. The figures are not inclusive of single-person businesses or partnerships.

Economic Entities by Sector and Form of Ownership as of 31 December 2002

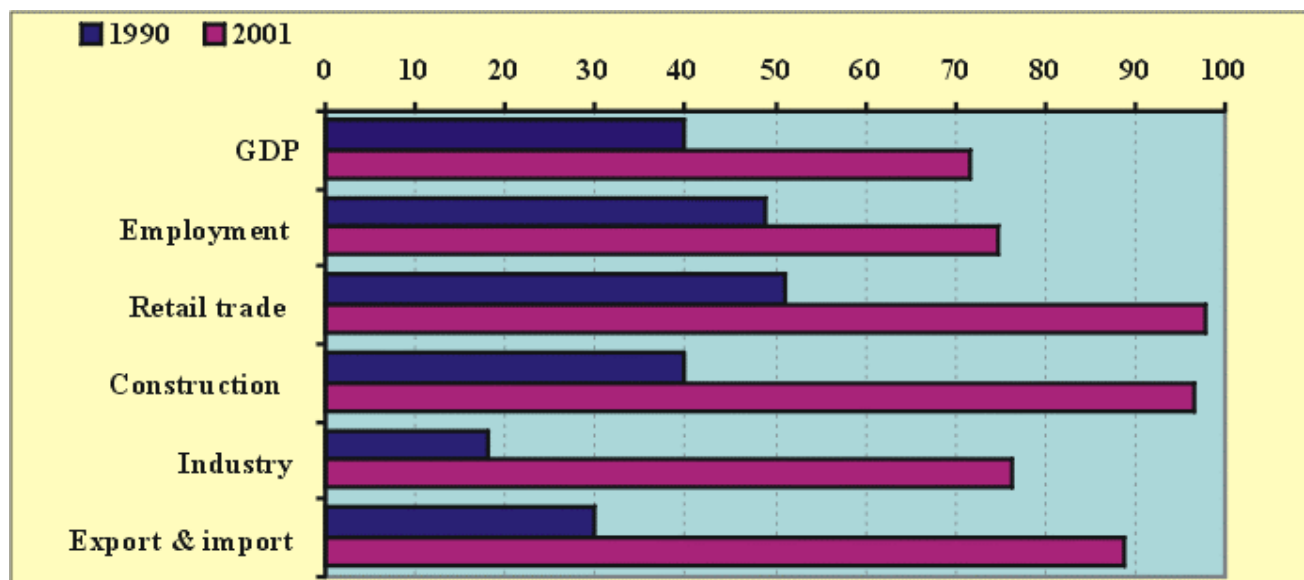
Sector	Total	State Enterprises	Corporations				Co-operatives
			Total	100 % State	100 % Private Domestic	With Foreign Capital	
Total	473,553	1,951	196,681	721	138,643	47,352	18,682
<i>including:</i>							
Agriculture, hunting & forestry	12,075	31	3,612	37	2,270	1,124	3,354
Quarrying and mining	742	33	701	23	401	174	8
Manufacturing	44,536	828	40,981	338	27,243	10,744	2,187
Power, gas and water production and supply	2110	22	1362	68	378	172	13
Construction	23,036	345	21,222	30	16,539	3,324	922
Trade and repairs	76,763	229	72,353	40	51,502	19,335	3,394
Hotels and restaurants	4,341	11	3,738	10	2,042	1,482	42
Transport, storage & communications	9,484	257	8,617	69	5,683	2,240	248
Financial mediation	5,662	2	3,669	9	2,911	561	976
Real estate and business services, science	126,725	181	31,876	40	23,295	6,809	7,241
Education	33,863	-	1,371	-	1,056	244	39
Health & social welfare services	17,482	-	2,776	27	2,376	259	74
Other community, social and personal service activities	92,287	10	4,224	25	2,816	856	171

Source: Central Statistical Office, 2003

The private sector of the economy has grown rapidly in recent years. In 2002, the private sector accounted for 77.6 % of industrial output and it is still expanding, due to the privatisation of state-owned enterprises and to the establishment and development of new private businesses. At the same time, the private sector, already dominant in foreign trade for several years, was responsible for 92.3 % of imports and 88.7 % of exports. Furthermore, nearly all of agriculture, retailing, wholesale trade (94.1 %), and construction (98 %), is in private hands.

The role of the private sector in the Polish economy now and at the beginning of the transformations is best reflected in the following graph.

Private Sector in 1990 and 2001
(share in the economy)



Source: Ministry of the Economy, Labour and Social Policy, 2003

In 2001, the structure of industrial production saw a reversal of the trend visible during the last decade, with the processing industry's share steadily increasing and the mining and quarrying sector share decreasing. In 2002, the share of the power, gas and water production and supply sector increased to 12.8 % (from 12.2 % in 2001), while the share of the processing industry shrank to 81.8 % (from 82.2 in 2001). The mining and quarrying sectors' share also diminished, to 5.4 %, as compared to 5.6 % the year before.

The production of food and related products (beverages and tobacco articles) occupies the most important part in the Polish processing industry, accounting for approximately a fifth of total production. Other important sectors are the electrical engineering industry, the metalworking industry, the chemical industry, the rubber and plastic materials industry and the automotive industry.

In 2002, industrial output increased by 1.4 %, as compared to a growth of 0.6% the year before. The private sector accounted for 77.6 % of the output, up from 76.2 % in the previous year, and productivity rose by approximately 4.5 %.

The following table presents the branch structure of Polish industry in 2002. Please note that these figures refer to companies employing more than 9 persons, as data covering the entire economy was not available at the time of printing.

Structure of Industry by Branch in 2002

Sector	Industrial Production Sold (PLN million)
Food products and beverages	96,474.0
Tobacco products	3,229.9
Textiles	7,683.8
Wearing apparel and furriery	7,666.2
Leather and leather products	2,938.2
Wood and wood, straw, and wicker products	12,947.6
Pulp and paper	11,261.2
Publishing, printing, and reproduction of recorded media	13,813.0
Coke and refined petroleum products	21,024.9
Chemicals and chemical products	29,998.8
Rubber and plastic products	20,022.4
Other non-metallic mineral products	20,870.6
Basic metals	18,682.5
Metal products	22,595.0
Machinery and equipment	20,252.7
Electrical machinery and apparatus	14,113.0
Radio, television, and communications equipment and apparatus	10,509.3
Medical equipment, precision and optical instruments, watches and clocks	3,624.0
Motor vehicles, trailers and semi-trailers	27,518.8
Other transport equipment	8,736.9
Furniture and manufacturing not elsewhere classified	16,968.1
Total manufacturing	393,763.6
Mining and quarrying	25,795.8
Electricity, natural gas, and water production and supply	61,522.5
TOTAL	481,081.9

Source: Central Statistical Office, 2003

In 2002, a dynamic growth in sales was noted in the following areas: office equipment and computers (18.2 %), furniture (13.4 %), rubber and plastic products (12.4 %), pulp and paper (12.2 %) and metal products (10.9 %).

On the other hand, a significant decrease in sales was noted in the following branches: other transportation equipment (16.5 %), coke and oil products (15.8 %) and metals (4.3 %).

The output of the companies with ten or more employees producing mainly investment goods decreased by approximately 1 % in 2002. At the same time, output of companies with ten or more employees manufacturing mainly consumer goods increased by approximately 5 %.

Several branches of Polish industry have been undergoing organisational, managerial, and technological transformations based on restructuring programmes. Such programmes are being implemented in the fuel and energy, defence, chemical, metallurgical, pharmaceutical, textile and clothing sectors as well as in some high-tech industries.

In this context, it is worth pointing out that Polish science and technological research, while suffering from under-investment, is still able to produce some very interesting results. A major problem is the lack of financing necessary to develop this research into commercially viable projects, and this presents yet another opportunity for foreign investors to enter the market and launch successful businesses.

A large number of inventors, research and development companies, universities, and scientific institutions, are members of the Association of Polish Inventors. The Association supports research activities leading to inventions, promotes Polish inventions in Poland and abroad and protects the rights of inventors.

Investment and co-operation opportunities based on Polish inventions and new technologies can be found in numerous industrial sectors in Poland. The ones outlined below are just a few.

Transition Technologies S.A., Warsaw

Digital Platform for the Optimisation of Electric Energy Generation

Inventors: Dr. Eng. Paweł D. Domański, Dr. Eng. Konrad Świrski, Dr. Eng. Jarosław Arabas.

Modern control systems allow for the gathering of huge amounts of information concerning the control process and they are becoming progressively more elaborate for bigger control systems. However, processes are often so complex and unstable that traditional methods fail to produce an optimal solution. The aim of this system is to address this problem.

The software system includes highly specialised optimisation and control modelling procedures which take into account the economy of production and environmental protection at the level of the entire power station. It combines the latest scientific achievements (neural networks, optimisers) of Polish research centres. The most recent regulation techniques are used in this solution, i.e. predictive models with neural networks, fuzzy logic controllers, fuzzy neural networks, genetic optimisation, advanced validation algorithms – wavelet conversions, Kohonen neural networks and other methods. Many of the unique technical solutions applied in this tool are protected by patents. Currently all versions of the software are undergoing significant modernisation and are fully web-enabled. Its innovativeness consists in:

- modern, open-scaled information structure,
- the use of innovative calculation algorithms,
- the integration of information technologies and algorithm solutions into an industrial platform for control and optimisation.

This technology was the winner of the 2002 edition of the "Polish Product of the Future" competition in the "Technology of the Future" category.

Med & Life Polska Sp. z o.o., Komorów

Viofor JPS System Clinic - Equipment for Therapy with Magnetic Field and Light Energy

Inventors: Prof. Feliks Jaroszyk, Prof. Janusz Paluszak, Prof. Aleksander Sieroń, Prof. Wiesław Stręk, the design team directed by MSc. Eng. Waldemar Deka, the team from Institute of Optoelectronics (Military University of Technology) directed by Prof. Zygmunt Mierczyk.

This equipment has been designed for physiotherapy using a magnetic field and the energy of light. Viofor JPS System Clinic combines the functions of a magneto stimulation device, a simplified version of a magneto therapy device, as well as applicators for the associated action of a magnetic field and monochromatic light. Associated action applicators are produced in three versions: red light, infrared light and mixed - red with infrared. A unique JPS magneto stimulation system elaborated by prominent Polish scientists is used in this equipment.

The system consists of a microprocessor controller with an LCD graphic display and applicators for magneto stimulation: homogeneous and heterogeneous magnetic fields, for magneto therapy heterogeneous field applicator as well as applicators for associated impact of magneto stimulation and monochromatic light, with a similar effect and power as those of bio stimulating medical lasers, but safer for the users. Communication with the user takes place by way of the menu system from the equipment's keyboard or the infrared remote control.

The device is destined for use in hospital therapy conditions, in physiotherapy and in medical offices. It is effective in the treatment, assisted treatment and recovery following many sicknesses, e.g., illnesses and contusions of the locomotive system, neurological diseases and injuries. It has analgesic, antiphlogistic and anti-inflammatory properties. In many cases, the use of this method results in a reduction of medication consumed and in a shorter recovery period. So far, no side-effects have been observed. Combining three methods of physical therapy in one device leads to cost reduction, economy of space and increases the effectiveness of therapy by enabling the use of different methods simultaneously or consecutively. Therapy parameters may be programmed by the user.

This technology is the winner of the 2002 edition of the "Polish Product of the Future" competition in the "Product of the Future" category.

Pharmaceutical Research Institute, Warsaw

Manufacturing of Tacalcitol, an Active Ingredient of Antipsoriatic Drug

Inventors: Andrzej Kutner, Ph.D., D.Sc.; Michał Chodyński, Ph.D.; Wanda Wojciechowska, Ph.D.; Hanna Fitak, MSc.; Małgorzata Krupa, M.Sc.

Tacalcitol is an analogue of vitamin D₃. It is an active substance of a drug used in dermatology. The main clinical use of tacalcitol is local treatment of light and mild forms of ordinary and plaque psoriasis. Among similar drugs, tacalcitol stands out due to its high efficiency and low level of side effects (skin irritation). Therefore, it seems that tacalcitol will soon account for a substantial share of the dermatological market.

The absence of tacalcitol on the pharmaceutical market presents an opportunity to manufacture a pharmaceutical compound (ointment or cream) containing tacalcitol as an active substance, in keeping with the latest GMP European requirements for domestic and foreign markets. Its high price and short supply on the pharmaceutical market is an indication of the difficulties in its manufacturing. Among the group of active analogues and metabolites of vitamin D used as drugs, tacalcitol is the most difficult one to synthesise.

The synthesis of tacalcitol was elaborated in the Vitamin Laboratory of the Chemistry Department of the Pharmaceutical Institute. The method is based on the coupling of the s.c. C-22 vitamin synthon, which includes the main part of a molecule, with a separately obtained side chain. The substrates in the elaborated method are commercially available (norcholenic acid acetate and L-valine). As usual in the case of vitamin D metabolites, the most difficult part of the process was to obtain a final compound with a high degree of chemical and pharmaceutical purity, providing for an adequate stability of the substance in the finished pharmaceutical form.

The innovativeness of the project consists in the elaboration of a completely new process for the production of tacalcitol. The multistage synthesis yields a pharmaceutically pure product that complies with relevant quality requirements.

This technology won a distinction in the 2002 edition of the "Polish Product of the Future" competition in the "Technology of the Future" category.

Foundry Research Institute, Cracow

Aluminium Composite Brake Disks And Drums

Inventors: Prof. Jerzy Sobczak, Dr. Eng. Andrzej Wojciechowski, Dr. Eng. Adam Nowak, Dr. Eng. Natalia Sobczak.

This technology consists in the introduction of hard particles of silicon carbide to a relatively soft aluminium alloy matrix in an amount of approximately 20 % in terms of volume and/or some selected fractions of fly-ash (micro granules or micro spheres) in an

amount of approximately 10 % in terms of volume. This type of metal-ceramic composite material, through the combination of the advantages of both materials, achieves performance characteristics exceeding even the best quality grades of cast iron. The proposed solution represents a new approach in the field of materials and the design of braking system elements. Besides a significant reduction in weight, the use of this new material reduces the maximum operating temperature several times. It also introduces a new definition of operating time, since the expected life of new brake disks may reach even hundreds of thousands of kilometres of failure-free performance.

The new material proposed, as well as the brake disk and drum manufacturing technology, can be used effectively in the car industry, in vehicles designed for large-scale production, as well as in racing cars, special-purpose and luxury vehicles, and in railway transport.

This technology won a distinction in the 2002 edition of the "Polish Product of the Future" competition in the "Technology of the Future" category.

Institute of Plastic Processing METALCHEM, Toruń

Technological Line for Single-Stage Polyolefin Pipes Extrusion, Particularly PP Pipes, Highly Filled with Mineral Components in the Double-Screw Concurrent Plastifying Process

Inventors: Dr. Eng. Joachim Stasiak, Eng. Grzegorz Kubiak, Eng. Józef Mazur, Eng. Jerzy Przytuła, M.Sc. Edmund Kopaczewski, MSc. Eng. Stanisław Skotarczak, Janisław Baraniak and Eng. Roman Cybulski

This is a direct pipe extrusion technology for the extrusion of filled plastic pipes, without the need for an intermediate pre-compounding stage. The proper amount of plastic and additional components are measured by gravimetric feeder and are batched to specific positions in the extruder's barrel (of a segmental modular structure), in which a composite is intermixed and homogenised, and then placed in the gear pump. The gear pump forces the malleable plastic composite into the die of the extruder, which forms the pipe. The main advantages of direct extrusion include:

- a reduction of manufacturing costs - mineral fillers cost several times less than plastic,
- a shorter manufacturing time - decrease in energy consumption,
- higher pipe quality - as a result of plastic heat load reduction.

The direct extrusion method for highly filled PP pipes is used for pipe manufacturing, especially non-pressurised ones, i.e., for ventilation and sewage pipes used in sewage disposal. The technology allows for the manufacturing of pipes containing chalk up to 50% of mass. This is an environment-friendly technology, due to the presence of an

ecological mineral component in the pipe, which considerably simplifies the recycling process.

This technology won a distinction in the 2002 edition of the "Polish Product of the Future" contest in the "Technology of the Future" category.

Institute of Natural Fibres, Poznań

Technology of Hemp and Flax Fibres and Oil Flax Manufacturing, Serving as an Alternative Raw Material for the Ecological Manufacture of Chemical Paper Pulp and Composite Materials

Inventors: Prof. Ryszard Kozłowski, Dr. Eng. Jerzy Mańkowski and M.Sc Eng. Andrzej Kubacki

Presently, the production of chemical pulp and paper is based mainly on logged spruce-pine wood pulp. Considering the growing ecological consciousness of society, this technology presents an alternative to the use of wood. This alternative is to use fibre crops, especially hemp, which yields 10 tonnes of straw and ca 2.5 tonnes of fibre per ha. Conducted analyses have confirmed the high usefulness of flax and hemp fibres in the process of thermoplastic strengthening. These natural fibres are characterised by high endurance, elasticity, and lower specific gravity. Therefore, they are perfectly able to replace synthetic fibres (carbon fibres, glass fibres, etc.) currently used in such applications.

This innovative technology consists in processing fibre crop straw and in fibre production with non-standard devices used in the retting industry. It provides considerable simplification of the processing method used so far as well as cost reduction through a lower consumption of energy and labour in the fibre extraction process. In contrast to traditional production methods, the suggested raw material processing eliminates the labour-consuming and expensive straw retting and drying processes. The resulting fibre, due to an application of some new devices, has a form which makes it suitable, after an appropriate thorough cleaning, for technical purposes.

New technological solutions largely simplify the manufacturing processes and reduce production costs. In practice, one extracting device equipped with thorough cleaning devices, make it possible to obtain fibre with the parameters required by pulp mills, and which are still considerably cheaper in comparison to the traditional raw material. The equipment for the extraction of fibres from fibre crops applied in this technology is 2-3 times cheaper than that used by competitors.

This technology won a distinction in the 2002 edition of the "Polish Product of the Future" competition in the "Technology of the Future" category.

KOMAG Mining Mechanisation Centre, Gliwice

Universal KSW-750E High-Power Longwall Shearer

Inventors: Andrzej Meder, Ph.D.Eng.; Ryszard Diederichs, M.Sc. Eng.; Ryszard Bednarz, M.Sc. Eng.; Jan Dziura, M.Sc. Eng.; Piotr Drabik, M.Sc. Eng.; Tadeusz Mazurkiewicz, M.Sc. Eng.; Artur Tarkowski, M.Sc. Eng.

The KSW-750E shearer has been designed in order to increase the efficiency of the coal extraction process in hard coal mines. Operational tests of the shearer have demonstrated that the applied innovative solutions result in the tripling of output in comparison to the present average production rates as well as in an increase of safety and reliability.

The KSW-750E shearer makes it possible to reduce the large number of longwall faces of limited efficiency, and its auxiliary infrastructure in order to introduce a model of 2-3-face mine of a several times higher degree of efficiency. The expected economic effect can be obtained only by a high-power shearer installed and equipped with an automatic haulage system allowing for the continuous and optimal use of this power. Another challenge consists in ensuring a high degree of availability which can only be achieved through the use of technically advanced equipment of the highest life and reliability parameters. The electric KSW-750E longwall shearer fully meets the requirements of the modern mining industry.

The unique set of features of the KSW-750E longwall shearer sets it apart from other equipment currently being produced. Eight innovative solutions embodied in this product immensely increase its operational parameters, as well as improve its life and reliability, and are under patent protection of the Polish Patent Office.

This technology won a distinction in the 2002 edition of the "Polish Product of the Future" contest in the "Product of the Future" category.

Institute of Communication, Warsaw

Portable Device for Programmed and Controlled Discharging and Charging of Accumulator Batteries 48/50V – Converter TBA2-IŁ

Inventors: M.Sc. Eng. Tadeusz Kunert, Eng. Paweł Godlewski, M.Sc. Eng. Kazimierz Niechoda, M.Sc. Eng. Krzysztof Olechowski, M.Sc. Eng. Zbigniew Mąkosza.

Consultations and research: Eng. Jan Komorowski.

The TBA2-IŁ converter is the only such device (at least in Europe), which allows the process of discharging and charging batteries for accumulators of the 48/50V VRLA type in telecommunication structures to be wholly automated. The accumulators in these structures, in order to increase their operational life, must be temporarily discharged and recharged (in large devices with a current of up to 200 A), which normally requires the use of "discharging resistance" and constant process supervision, lasting up to 48 hours. This can all change with the use of the TBA2-IŁ converter.

The TBA2-IŁ converter, after connecting to the accumulator batteries and programming, can do its job without supervision and, after completing an assigned programme (e.g., a cycle: equalising charging – discharging – recovery charging), it turns itself off and transmits, via computer or telephone network, information to the user about the termination of the process and the recorded characteristics of the battery. The charging and discharging parameters are automatically corrected according to the ambient temperature of the battery and its characteristics. While discharging a battery, the device converts its energy into alternating sinusoidal current energy and transmits it to an 230V/50Hz electrical network. Therefore, even during long-lasting operations the room doesn't heat up, contrary to the "discharging resistance" method, where excess heat must be evacuated via an air-conditioning system. In order to increase the current efficiency while operating at the largest structures, a few devices may be connected in parallel and the computer appropriately adjusted so that one of them records overall results.

The TBA2-IŁ converter embodies high-current technology, precise measurement techniques, microprocessor technology to control and program work, and remote-control communication through various media. Due to the modern solutions used, the converter is of very small dimensions and weight, and has a very user-friendly software interface.

This technology won a distinction in the 2002 edition of the "Polish Product of the Future" competition in the "Product of the Future" category.

For the list of the above Polish scientific and research institutions offering inventions and technologies through licensing and other forms of economic co-operation, please refer to Appendix 22.

Warsaw Technopolis

The *Warsaw Technopolis* concept has been developed in order to take advantage of the educational and scientific potential of Warsaw. The project forms a general framework for a number of independent initiatives and programs that aim to transform Warsaw into an important knowledge-based economic centre. These initiatives generally consist in concentrating high-tech companies around higher education establishments and R&D institutes in order to facilitate co-operation and to accelerate the creation of new companies, by ensuring their access to knowledge and to well-trained and highly motivated employees, while providing optimal living and working conditions.

Bemowo Campus in the Warsaw-Bemowo district, planned for an area of 800 hectares is the most advanced undertaking of the *Warsaw Technopolis* concept currently under way.

Bemowo Campus envisages creating a *Science & Technology Park*, as well as a comprehensive urban infrastructure in its environs, including a residential district, shopping and service centre, recreational facilities, etc., to ensure an excellent standard of living for the employees of the high-tech companies located on the campus. *The Science & Technology Park* will group Polish and foreign high-tech firms together around the Military University of Technology in order to facilitate the establishment of co-operative links leading to creation, application, and marketing of modern technologies.

The first unit of *Bemowo Campus* is the Technology Incubator, which has started its activities by providing business support services for start-ups and other SMEs (small and medium size enterprises). It focuses on innovative companies, especially those active in high-tech areas like IT, electronics, environmental protection, new materials, biotechnology, etc. Services rendered include technological consulting, assistance in mobilising funds and investors, partners' identification, preparing business plans, training courses and seminars, etc.

The Warsaw Technopolis' Bemowo Campus is managed by the Technopolis Foundation, established by the Military University of Technology and the former Warsaw Bemowo Borough. Please refer to Appendix 22 for contact details.

The Polish Agency for Enterprise Development

The Polish Agency for Enterprise Development is a governmental body established as a result of the transformation, in 2001, of the Polish Foundation for the Promotion and Development of Small and Medium Enterprises. The Agency is subordinated to the Minister of the Economy, Labour and Social Policy. It focuses its activities on:

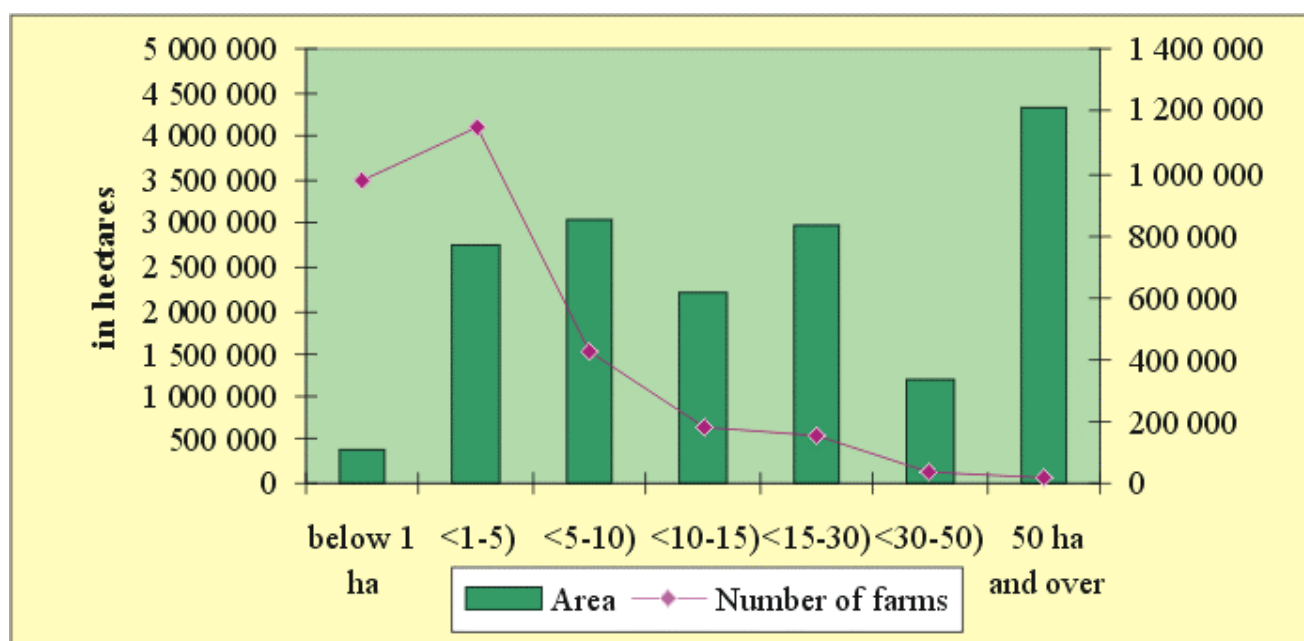
- the development of small and medium-size companies;
- the growth of exports;
- regional development;
- the application of modern technologies;
- creating new jobs and counteracting unemployment.

The agency is involved in a number of assistance programmes and it provides grants for the co-financing of initiatives supporting the development of entrepreneurship, as well as direct support to entrepreneurs. The activities of the agency are financed from the state budget and European Union funds. The agency co-operates with more than 150 local business advisory centres, which are grouped in the National SME Service Network.

Agriculture

In Poland, 38 % of the population lives in rural areas and approximately 27 % is engaged in farming. There are some regions where agriculture is still the major sector of the economy, even though its importance has been declining steadily. However, persons who work exclusively, or mainly in agriculture account for less than 6 % of Poland's population. The Polish agricultural sector includes farms that vary considerably in terms of organisational structure, ownership, size, and output volume. There are 2.9 million farms in Poland, with an average size of 5.8 ha. Over 70 % of farms in Poland have an area of less than 5 ha.; however, their total area amounts to less than 19 % of farmland. The structure of Polish farms in terms of size and number is presented on the graph below.

Number of Farms and Their Area by Farm Size Category in 2002



Despite politically driven efforts to collectivise farms after the Second World War, private ownership has always prevailed in the agricultural sector. The political and economic transformations launched in 1989 led to even greater reduction of the public sector's share in agriculture and to the introduction of new forms of ownership, e.g., various types of companies and foreign equity. In 1992, the Agricultural Property Agency of the State Treasury (AWRSP) started its operations, which focused on taking over and managing state-owned farms, primarily through selling or leasing their land (see Chapter IV, the section on the Agricultural Property Agency of the State Treasury). In 2002, privately owned farmland accounted for 94.5 % of utilised agricultural area.

Unpredictable weather conditions and the constantly changing profitability of various crops and other produce have resulted in an instability of agricultural production, which is not regulated by quotas. It is the producer who bears the entire production risk, with only a few crop deliveries being based on supply contracts (concluded between producers and food processing plants), e.g., for sugar beets, rape seed, and flower and vegetable seeds. Mixed farming with both crop growing and some animal production prevails in most farms in Poland, as a majority of them lack clearly defined specialisation. Consequently, a characteristic feature of Polish agriculture is that marketable production accounts for only approximately 60 % of the total agricultural output, with the rest of output being used for self-supply.

In 2002, there were 16.9 million hectares of utilised agricultural area in Poland, or close to 55 % of the country's surface. After two years of decline, agricultural output increased by 4.6 % in 2001; however, last year it declined again by 1.9 %. The most important crops in Poland are cereals, especially wheat and rye. Next, there are potatoes, fodder crops, sugar beets, oilseeds and pulses. Pigs and cattle dominate the livestock sector, though poultry, and sheep in southern Poland, are also quite popular. The basic agricultural output in 2002 is presented in the table below.

Agricultural Output in 2002

Item	Crop (million tons)	Yield ql./ha
Cereals, total	26.8	32.3
- wheat	9.3	38.4
- rye	3.8	24.1
Rape and oil-yielding rape	1.0	22.8
Potatoes	15.4	190.0
Sugar beets	11.7	388.0
Vegetables	4.0	x
Pigs (million)	19.0	x
Cattle (million)	5.4	x

Source: Central Statistical Office, 2003

Horticulture is a well-developed sector in Poland, offering a large range of fresh and processed fruit and vegetable products. Polish strawberries and excellent apple juice are very well known and popular both in Poland and abroad.

It is important to note that Polish agriculture is characterised by a low use of chemicals. In 2002, the chemical fertilisers used to grow the crops harvested in that year amounted to 88.5 kg of NPK per one hectare of arable land. This means that Polish agricultural products are generally ecological and very healthy.

Banking Sector

The Polish banking sector has undergone a deep transformation since 1989. The National Bank of Poland (NBP) has relinquished its commercial activity and plays the role of a central bank. The NBP issues currency, holds Poland's foreign exchange reserves, refinances and supervises the banking system, exercises supervising functions, and issues licences for banking activities.

The operations of the Polish banking system are governed by the Act on the National Bank of Poland and by the Banking Act (both of 29 August 1997). Most of Polish banking regulations, such as bank licensing, counteracting money laundering and monitoring by certified auditors are already fully compatible with European Union standards. Other basic issues display a high degree of compatibility and all will be adjusted to the EU requirements by the time Poland joins the European Union on 1 May 2004.

Most banks in Poland operate as multipurpose institutions. They are involved in various types of deposit taking and financing activities, and offer a wide range of commercial and personal banking services. Some of them are also active on the capital market through their own brokerage houses. Some of the banks are involved in investment banking activities, such as underwriting issues of bonds and stocks, or advisory services.

At the end of 2002, fourteen years after the beginning of transformations, the Polish banking system comprised the National Bank of Poland and 62 commercial banks in the form of joint stock companies (out of which 59 are in operation) and 605 co-operative banks. The State Treasury directly owned three banks, with a further five being controlled indirectly.

The co-operative sector, although very important for Polish farmers, does not play any significant role in Polish banking. In 2002, however, its share in banking services increased for the second consecutive year. By the end of the year the co-operative banks held 6.2 % of non-financial sector deposits and had originated 6.5 % of total loans. Their total assets increased during the year and amounted to 5.0 % of the total assets of the whole banking sector in 2002.

The banking network has been developing very fast during the past few years. In 2002, the domestic office network of commercial banks (excluding head offices and representative offices) comprised over 3,000 branch offices and almost 6,900 other offices (sub-branches, customer service outlets, etc.). Moreover, co-operative banks operated almost 1,300 branch offices and approximately 1,200 other offices. Investments in ATMs (Automatic Teller Machines) are progressing at an even swifter

rate. By mid-2003 their number approached 7,000, or 180 per one million citizens, which is about half of the EU average.

The bankcard market is certainly one of the fastest growing segments of new services in Poland. In 2002, the number of bankcards in use climbed by some 17 %, rising from 14.4 million at the end of 2001 to over 16.9 million. At the end of the year, there were approximately one hundred thousand shops and service points in Poland accepting credit and/or debit cards. In 2002, there were 466 million bankcard transactions, with a total value of some USD 26.8 billion.

To meet the challenges of competition, Polish banks have to invest heavily in their network, as well as in automation and information technology. Major commercial banks, as well as some smaller ones (including some co-operative banks) offer bank services through the internet. There are also some banks allowing their clients to carry out operations via cellular phones using WAP technology. Moreover, there are already some virtual banks operating on the market. By the end of 2002, there were three (mBank, Inteligo and Volkswagen Bank Direct), operated by BRE Bank SA, PKO Bank Polski SA and Volkswagen Bank Polska S.A., respectively.

The modernisation of banks is progressing rapidly, however huge investments are increasing the costs of their operations significantly. The introduction of cash dispensers and electronic sales outlets for credit card payments requires considerable investment. Even more costly is increasing the quality of consumer service and introducing new banking products. This is partially off-set by positive consolidation effects, but the generally difficult economic conditions of the last year resulted in a deterioration of the banking sector's results in 2002:

- For the first time since 1993, the total assets of the banking sector have decreased, amounting to PLN 467 billion (a decrease of 0.6 %) at the end of 2002. The ratio of banking sector assets to GDP dropped to 60.7 %,
- The net earnings reported by the banking sector were PLN 2.7 billion, approximately one-third less in comparison to the previous year.

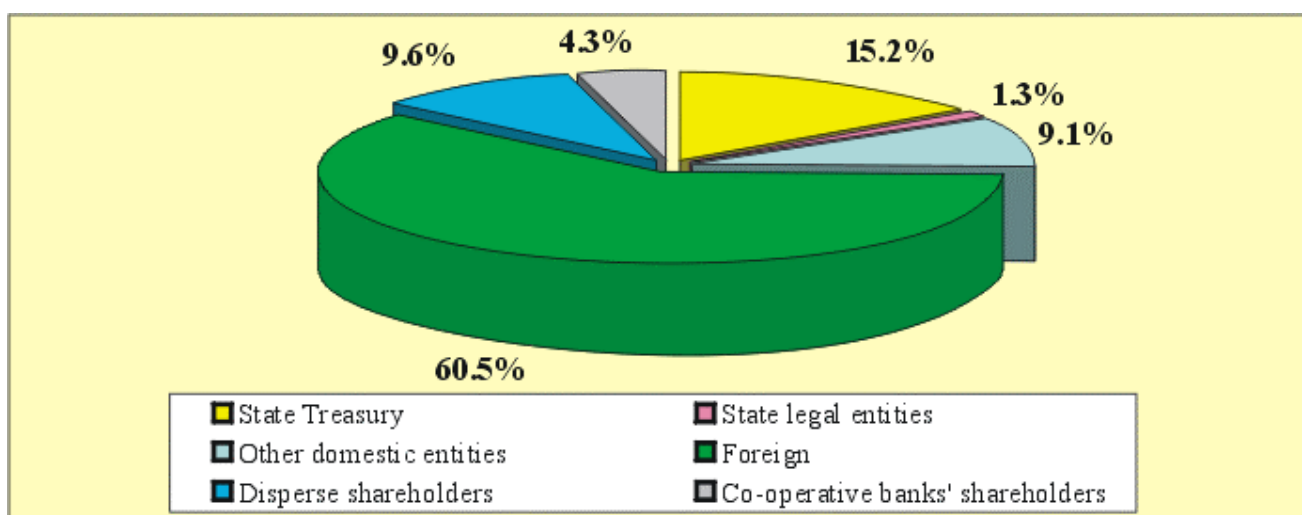
Nonetheless, the year 2002 also witnessed some positive developments in the Polish banking system, including:

- Commercial banks' equity increased by over PLN 1.15 billion, to 10.7 billion,
 - Employment in the sector decreased for the third consecutive year, amounting to 158.7 thousand at the end of 2002,
 - Further consolidation of the sector, both of commercial and co-operative banks, the latter decreasing in number from 642 in 2001 to 605 at the end of 2002.
-

At the end of 2002, of the 59 commercial banks operating in Poland, 15 were listed on the Warsaw Stock Exchange, and their share in the WSE capitalisation amounted to 48.4 %.

The principal alterations seen in the ownership structure of banks were the result of mergers and of foreign investors' involvement in the sector, as well as of increasing equity in the state-controlled banks. In 2002, out of 52 private commercial banks operating in Poland, foreign shareholders controlled 45. This number includes one branch of a foreign bank, 22 joint-stock companies with 100 % foreign ownership, 16 with a majority of foreign capital, and 6 banks controlled indirectly. The following diagram presents the ownership structure of the banking sector in Poland as of 31 December 2002.

Ownership Structure of the Banking Sector as of 31 December 2002



Foreign shareholders have been steadily increasing their investments in the Polish banking sector, with banks controlled by foreign investors accounting for 67.2 % of the total assets of the banking sector. According to the NBP, German, American and Dutch institutions have made the largest investments in the Polish banking sector.

The structure of the banking sector in Poland at the end of 2002 is further illustrated by the following table.

Commercial Banks in 2002*

Number of Banks and Their Share in Total Banking Sector Assets (%)

	Number	% Share
Banks controlled by the State Treasury:	8	25.3
- directly	3	23.1
- indirectly	5	2.2
Banks controlled by the private sector:	54	69.7
- with majority Polish equity	7	2.5
- with majority foreign equity	47	67.2

* including three banks that were not in operation

Source: NBP, 2003

It is important to note that competition in the Polish banking sector has been growing rapidly in the past years. This is reflected in mergers between Polish banks, as well as in the ever growing involvement of foreign ones.

In 2001, the number of commercial banks decreased to 71 (from 74 in 2000). The largest merger involved Citibank (Poland) S.A. and Bank Handlowy w Warszawie S.A., both directly controlled by Citibank Overseas Investment Corp. BIG Bank S.A. merged with its owner, BIG Bank Gdański S.A., and there was a merger between Wielkopolski Bank Kredytowy S.A. and Bank Zachodni S.A., both controlled by Allied Irish Bank European Investments Ltd. As the result of the merger of Powszechny Bank Kredytowy S.A. with Bank Przemysłowo-Handlowy S.A. the third largest bank in Poland was created.

In 2002, the consolidation process continued, resulting in the disappearance of nine banks. Two new banks were created, MHB Bank Polska S.A. and Bank of Tokyo - Mitsubishi (Polska S.A.), and three banks stopped operations.

The clients of all banks established and operating according to Polish law are protected by a deposit insurance system - *Bankowy Fundusz Gwarancyjny* (The Bank Guarantee Fund) - established in November 1994. In 2002, the BFG guaranteed 100 % of deposits up to EUR 1000 and 90 % of deposits between EUR 1000 and EUR 18,000. In 2003, the upper limit was increased to EUR 22,500. Moreover, the NBP protects savings in those banks by strict supervision and by imposing receivership management in the case of financial problems.

**Ranking of Banks by Balance Sheet Total as of 31.12.2002
(PLN billion)**

	Bank	Total Assets	Net Profit / Loss
1.	PKO BP	83.02	1.05
2.	Bank Pekao S.A.	64.74	0.80
3.	Bank Przemysłowo-Handlowy PBK S.A.	42.56	0.13
4.	Bank Handlowy S.A.	32.18	0.24
5.	ING Bank Śląski S.A.	27.16	0.15
6.	BRE Bank S.A.	24.85	- 0.38
7.	Bank Zachodni WBK S.A.	24.63	0.27
8.	Kredyt Bank S.A.	24.06	- 0.42
9.	Bank Millennium S.A.	18.61	0.18
10.	BGŻ S.A.	18.06	- 0.26

Source: Rzeczpospolita, 2 June 2003

On joining the Organisation for Economic Co-operation and Development (OECD), Poland agreed to let foreign banks open branches in 1999. Consequently, as of 1999, it is no longer necessary for foreign banks to obtain a licence to start banking activities in Poland. This means that a foreign bank can simply open a branch anywhere in Poland, as opposed to having to obtain a licence, and open an entire operation, including its back office.

Liberalisation of the rules and regulations pertaining to the establishment and operation of foreign banks in Poland generally consists in the introduction of the "national treatment" principle. Subsidiaries of foreign banks are established in Poland according to the same rules and regulations as Polish banks, and are subject to the same requirements. Therefore, it is not possible to limit the number of foreign banks operating in Poland, nor to compel new banks wanting to enter the Polish market to finance recovery programmes for troubled Polish banks before being allowed to operate, as had been the case under the previous regulations.

In May 2003 according to the National Bank of Poland, there were 18 representative offices of foreign banks operating in Poland. These are listed in Appendix 25.

Insurance Sector

As in other areas of the economy, the insurance sector has undergone significant changes since the transformations began. The starting point was the passage by the *sejm* of a new law, the Insurance Law of 28 July 1990, which was amended substantially in October 1995, in line with the provisions existing in the European Union. Insurance and reinsurance services may be provided only after the approval of the Minister of Finance, who grants an insurance licence and also has the power to revoke it. Insurance companies are obliged to distinguish between life insurance and other types of insurance.

Obligatory types of insurance include civil liability for damages for:

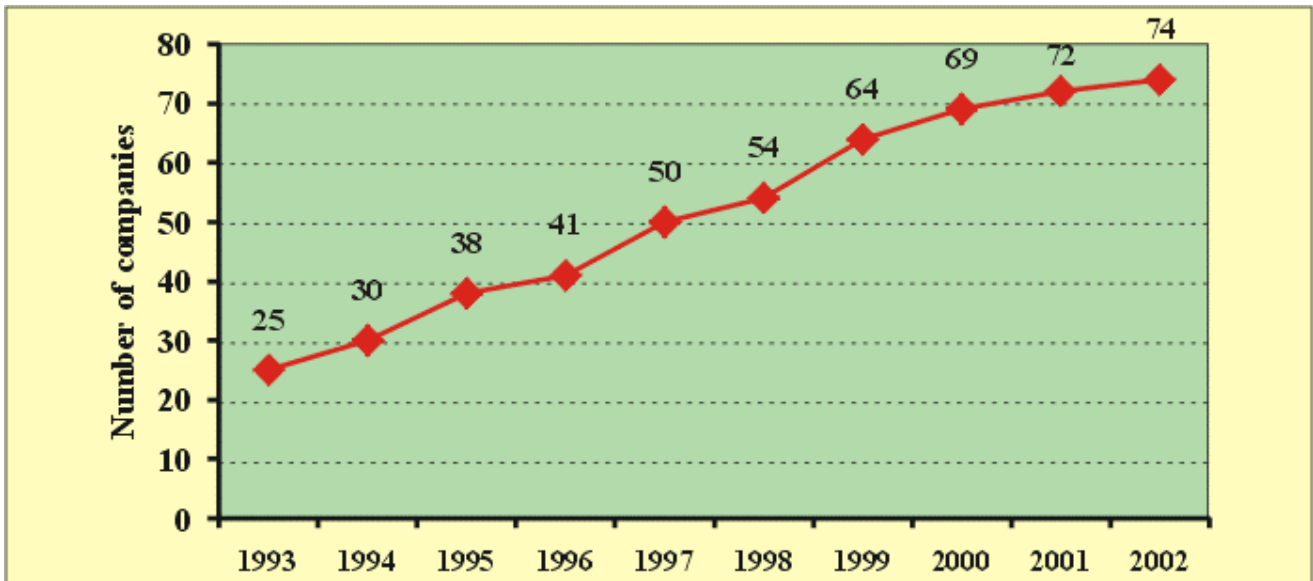
- car owners,
- farmers,
- entities providing health services,
- tax advisors,
- insurance and reinsurance brokers,
- registered auditors,
- organisers of public events,
- tourist agencies and brokers,
- court executive officers.

The only permitted legal forms for conducting insurance activity are the joint-stock company and the mutual insurance company. The insurance sector in Poland is supervised by the Insurance and Pension Funds Supervisory Office (KNUiFE), created on 1 April 2002.

At the end of December 2002, according to KNUiFE there were 74 insurance companies (72 domestic and 2 main branch offices of foreign insurance companies) licensed by the Minister of Finance to operate in Poland, including two in the organisational phase. Out of 72 operating insurance companies, 36 were insurers licensed to run life insurance businesses, including one mutual insurance society and one branch office of a foreign insurance company. A further 36 were licensed to render non-life insurance services, the number including five mutual insurance societies, one reinsurance company, and one branch office of a foreign insurance company. In two companies, PZU S.A. and KUKI S.A., the State Treasury held the controlling package of shares. At the end of May 2003, there were two insurance companies, Warta S.A. and TU Europa S.A., listed on the Warsaw Stock Exchange.

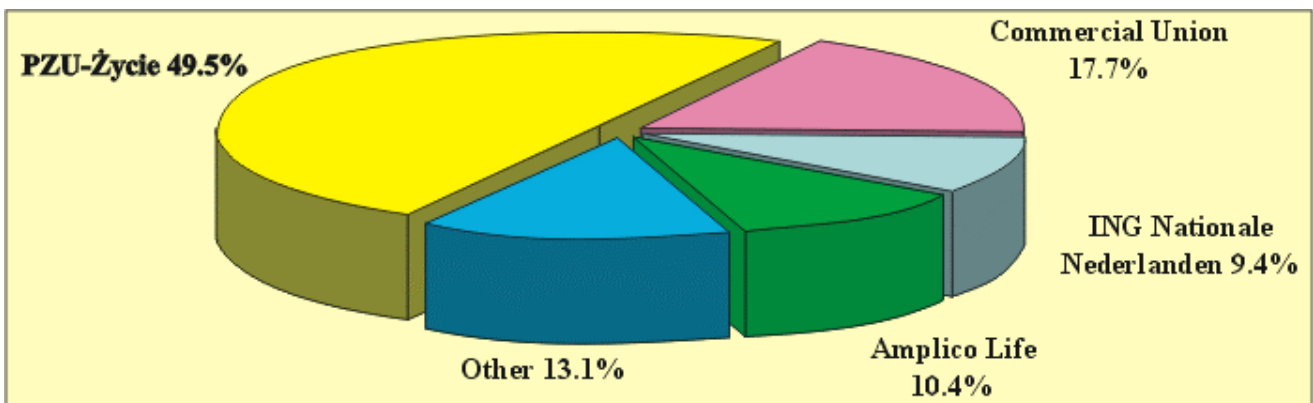
All insurance companies registered in Poland are members of the Polish Chamber of Insurance (PIU) established in 1990. Initially, membership was voluntary, however, since 1995, PIU membership has been obligatory.

Number of Insurance Companies

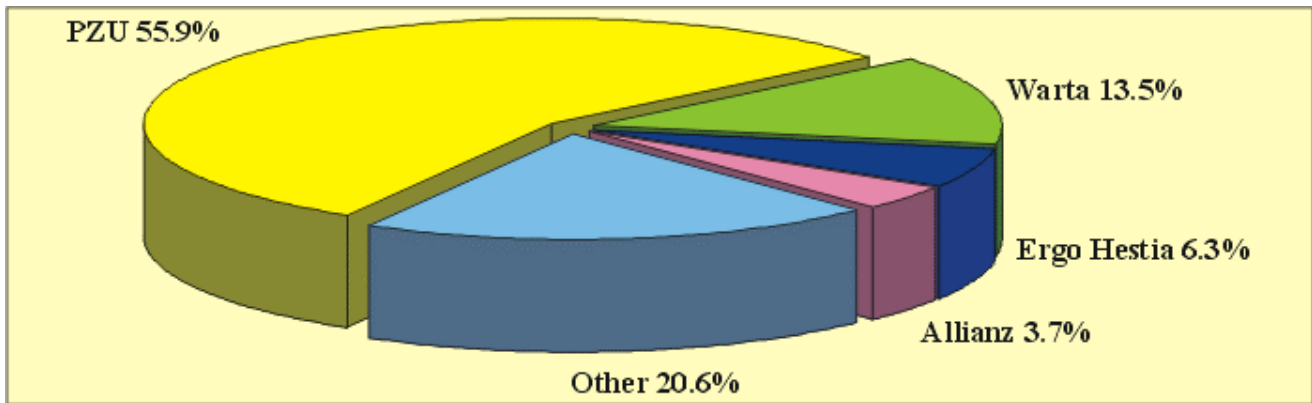


In 2002, the market was still dominated by the PZU S.A. group, though its domination is less pronounced from one year to another. The industry remains heavily concentrated. Two companies (PZU S.A. and TUiR Warta S.A.) control almost 70 % of the property insurance market, with PZU S.A. accounting for approximately 56 %. None of their competitors managed to secure more than 7 %. In the life insurance market the situation is not much different. Four companies (PZU Życie S.A., Commercial Union Polska - TU na Życie S.A., Amplico-Life S.A., and ING Nationale-Nederlanden Polska S.A.) control 87 % of the market, with PZU na Życie S.A. alone accounting for almost 50 %.

Structure of the Life Insurance Market in 2002



Structure of the Non-life Insurance Market in 2002



As far as products are concerned, in the life insurance sector simple life insurance products dominate the business, whereas the non-life sector remains dominated by car insurance.

The overall 2002 premiums of the Polish insurance market amounted to approximately USD 5.7 billion, a 3.4 % increase over the previous year. Life insurance premiums accounted for approximately 43 % of this figure. This means that the premium collected per capita in Poland is still far behind European levels, even though the proportion of insurance premiums to the GDP is steadily increasing, reaching 3.01 % in 2002 as compared to 1.84 % in 1991. However, the European Union average is twice as high.

In 2002, the Polish insurance market recorded a joint net profit of PLN 1.47 billion, of which PLN 0.57 billion was made by the life insurance sector and the remaining PLN 0.89 billion by the non-life insurance sector.

In order to protect the insured, the Insurance Guarantee Fund was established on the basis of art. 51 of the Insurance Activity Act of July 28, 1990. The main task of the Fund is to pay out compensation and benefits by virtue of compulsory civil liability insurance of vehicle owners and farmers in case of:

- personal injury, if the perpetrator was not identified,
- personal injury and property damage, if the perpetrator was not insured.

In the case of foreigners the Insurance Guarantee Fund pays out compensation on the principle of reciprocity. The Fund also satisfies claims, if an insurance company declares insolvency.

The Export Credit Insurance Corporation (KUKE) is a Polish export credit insurance agency. It has the form of a joint stock company with most of the shares being owned by the state. Since 1991, it has been insuring Polish companies, primarily against commercial risk, offering solutions that combine export and domestic contract insurance with credit information and credit portfolio management. Its services are available to all exporters, regardless of the scale of their operations and the countries to which they export, providing them with the opportunity to insure export receivables from over 190 countries worldwide.

The activities of the corporation include:

- insurance of short-term export credits,
- insurance of short-term domestic credits,
- insurance of medium- and long-term export credits,
- insurance of direct investments abroad,
- foreign market entry costs insurance,
- guarantees.

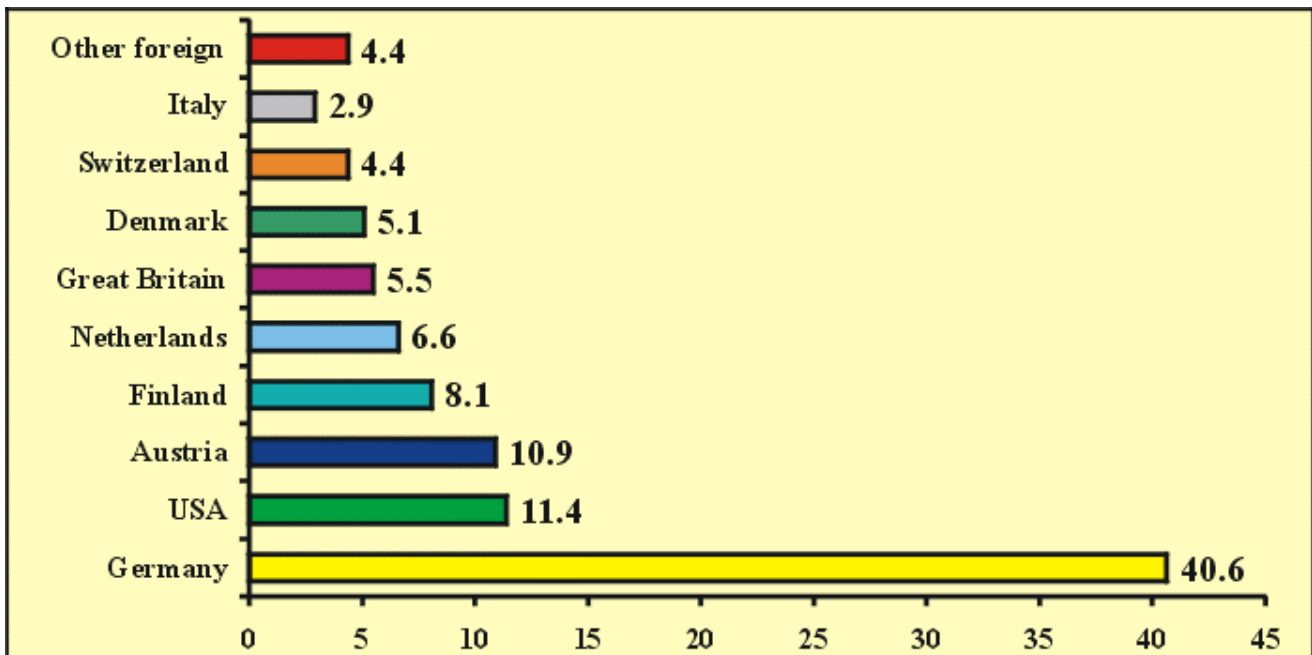
Since 1 April 1996, Polish citizens have been able to purchase insurance policies from foreign insurers, which are not licensed to do their business in Poland. Another change in insurance regulations is the removal of some of the limitations on reinsuring Polish insurance companies abroad. The changes introduced are intended to harmonise Polish regulations with OECD standards. The new regulations allow Polish citizens to purchase insurance policies outside Poland, providing that the insured risk is connected with their stay abroad.

With regards to the insurance of goods in transit for the purpose of international trade, interested enterprises may purchase insurance policies from foreign insurers.

Reinsurance regulations have also been liberalised. Currently insurance companies are allowed to transfer abroad up to 100 % of the insurance fees collected in a given year for the purpose of reinsurance.

2002 was yet another year of dynamic changes in the Polish insurance business. According to KNUiFE, foreign investments in the insurance sector further increased by 17 % (39 % in 2001), to reach over PLN 2.97 billion, accounting for approximately 72 % of the sector's aggregate basic capital. The share of foreign investments in the life insurance sector and in the non-life sector was about the same. The following diagram presents the foreign investment structure in the Polish insurance sector as of 31 December 2002.

Foreign Investment Structure in the Insurance Sector (%)



At the end of the year, foreign partners held majority stakes in 50 insurance companies operating on the Polish market, while Polish shareholders held majority stakes in 20 companies. Major investments in the Polish insurance sector have come from German companies, which have invested PLN 1.21 billion in 21 insurance companies in Poland, accounting for over 40 % of the foreign investment in the sector. Significant investments, amounting to some PLN 0.34 billion, have also come from US investors, present in 7 companies, while Austrian entrepreneurs have invested PLN 0.24 billion in 10 companies. Altogether, investments from the top four countries, which include Finland, as well as those countries already mentioned, account for over 70 % of total foreign investment in the insurance sector in Poland.

Foreign involvement on the market increases the competition, which means better service quality and more competitive prices. It also entails the introduction of new insurance products, that are better adjusted to clients' needs. Presently there are only a few Polish insurance companies that do not have a foreign strategic partner.

As of 1 January 1999, the Polish insurance market became even more open to international competition, with the easing of conditions for foreign insurance companies entering the market. However, for the time being this does not seem to have had much impact on the sector. There are just two main branch offices of foreign insurance companies in Poland, and they have a rather insignificant market share. Nonetheless, awareness of this crucial development has encouraged some Polish companies to

accelerate their search for, or negotiations with, potential foreign strategic investors. It has also been one of the reasons behind the further capital consolidation in the bank-and-insurance sector; the other major reasons being a need for new capital and cost reduction possibilities.

The development of the insurance sector in the next few years will be influenced substantially by foreign capital, further privatisation of PZU S.A. and PZU Life S.A., an increase in the share capital of major insurance companies, and merger and acquisition processes. Stronger links between the banking and insurance sectors can help banks and insurance companies to survive in a more competitive environment.

Pension Reform

The new Polish pension system came into force on 1 January 1999. The leading idea of the system is security through diversity, which is achieved by basing the system on three independent pillars. The new system replaces the old, defined benefit, pay-as-you-go scheme, with one linking the future pension more closely to the contributions paid. Out of the three pillars, two are mandatory and one is voluntary. The mandatory pension contribution amounts to 19.52 % of the contribution base (total salary / wages).

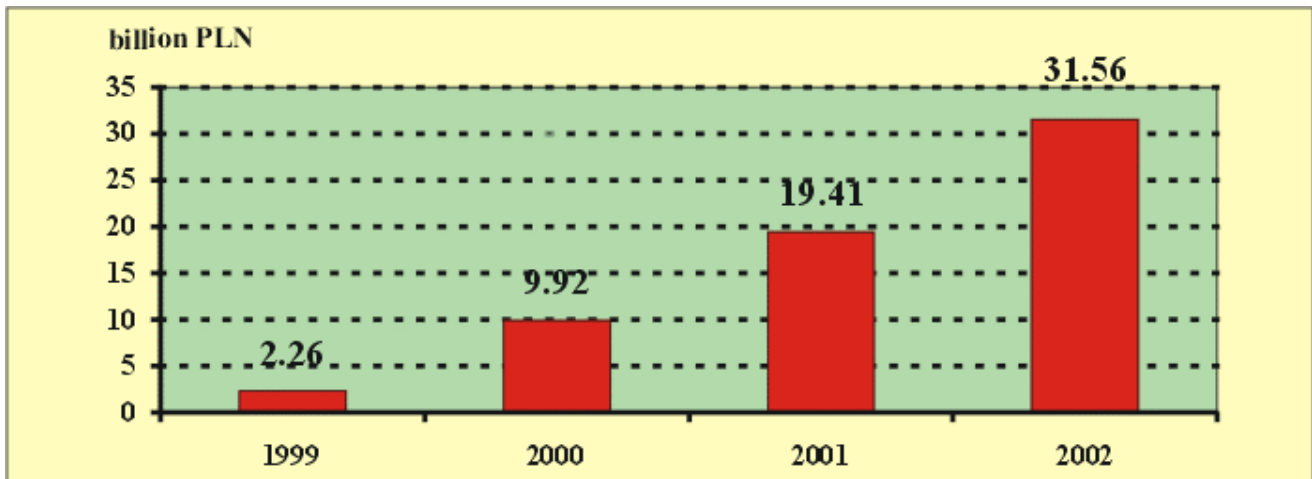
The first pillar, operated by the Polish Social Security Institution (ZUS), accounts for 12.22 % of the contribution base. It is predominantly a notional defined contribution pay-as-you-go scheme, with the pension amount related to the amount of contributions made that are index-linked to the contribution base and the average life expectancy. Consequently, the later a person retires, the larger the pension paid.

The second pillar accounting for the remaining 7.3 % is a defined contribution scheme serviced by open pension funds having the legal form of joint-stock companies. ZUS collects the whole contribution of 19.52 % and then transfers 7.3 % of the employee contribution base to the employee's open pension fund. The pension funds are managed by pension societies that invest the funds' resources on the financial markets in keeping with provisions of the law. An employee can select a fund of his choice (only one fund) from the ones registered. It is also possible to change funds. In order to protect the employees benefits coming from this source, the Pension Funds Supervisory Office (UNFE) was established. On 1 April 2002, it was replaced with the Insurance and Pension Funds Supervisory Office.

As of 31 April 2003, there were 16 pension funds in Poland, managing a capital of approximately PLN 34.95 billion. Most of this capital has been invested in treasury debt securities (70 %), however the value of shares in their investment portfolio exceeded 24 % of invested assets. This means that the pension funds are already

important players on the Polish capital market. It is also certain that their role will be gradually increasing, in proportion to the size of the assets under their management. The growth of pension funds' assets in 1999-2002 is illustrated in the graph below.

Assets of Pension Funds in 1999-2002



The new pension system was introduced gradually. All employees born in 1969 or later were obliged to join the second pillar (choosing a pension fund) by the end of September, 1999. Those born before 1969, but after 1949 had the choice of remaining in the old system or joining the new one. This decision had to be taken by the end of December 1999. Once taken though, it was irreversible. Employees born in 1949 or before stayed with the old system.

Both mandatory pillars are similar in many ways, having in common the same defined contribution principle, individual accounts, the same retirement age, benefits in the form of annuities, and a minimum guaranteed pension.

On the other hand, the voluntary third pillar allows for diverse organisational principles and forms of participation, which means that it can be better adjusted to individual preferences. In this pillar contributions are paid into life insurance pension and investment funds, and employee funds. Companies are allowed to establish employee pension funds and mutual insurance funds on an entirely voluntary basis. Contributions are paid from after tax income, however, the benefits are tax-free. By the end of April 2003, KNUiFE had registered 215 employee pension plans.

Each of the pillars may be characterised by the various types of risks to which it is exposed. For example, the first one is exposed to political pressure, the ageing of the population and increasing unemployment risks, while the other two are more vulnerable to persistent inflation as well as to disturbances on the financial markets. This is exactly how the new system diversifies the risks - each of the two mandatory pillars works in

a different way, thus assuring that even in unfavourable circumstances the system as a whole will perform satisfactorily, at least.

Another important aspect of the reform of the pension system is the elimination of widespread occupational privileges.

The importance of introducing the new pension system cannot be underestimated. First of all, it must be stated that the transformation was absolutely necessary, since without it the old system would have simply gone bankrupt within a few years. Secondly, in the new system employees' savings, placed on the financial markets, are working on their owners' behalf and at the same time provide financing, which stimulates economic growth. Therefore, the pension reform is not only providing economic security for the future, but also creating more work places and accelerating the country's development.

Telecommunications

Telecommunications is one of Poland's most dynamically developing sectors. It is governed by the Telecommunications Law of 21 July 2000, effective as of 1 January 2001.

One of the key elements introduced by this law is the regulation of the telecommunications sector exercised by the Chairman of the Telecommunications Regulatory Authority (URT). The URT was established on 7 October 2000. The URT Chairman took over the licensing competencies from the Minister of Telecommunications (on 1 January 2002). However, the licensing system has been significantly relaxed. Under the new law only the operation of a public telephone network or radio and TV broadcasting networks requires a license. On 1 April 2002 the URT was transformed into the Telecommunications and Post Regulatory Authority (URTiP).

The URTiP Chairman is empowered to perform typical regulatory activities with regards to the telecommunications sector. These include resolving disputes between market players, ensuring the stimulation of competition in the sector, determining professional qualifications in the area of telecommunications, co-operating with the competent minister in drafting new laws and regulations, and co-operating with international telecommunications organisations. Moreover, the URTiP Chairman manages the frequency allocations, assuming the competencies of the State Radio-Communications Agency (PAR).

As far as foreign capital is concerned, it is important to note that the Telecommunications Law of 21 July 2000 currently in force had removed all foreign capital limitations.

Naturally, the Ministry of Infrastructure continues its activities as the state authority supervising the sector's development. The Ministry's tasks include:

- Formulating state policy guidelines and programmes pertaining to telecommunications,
- Building favourable conditions for the construction, maintenance and operation of telecommunications networks, post installations and other telecommunication means, allowing for the state's defence and security needs,
- Providing conditions for the organisation of domestic and international telecommunications and postal services,
- Supervision of the technical conditions, operation and use of telecommunication means.

It should be noted that the Ministry of Infrastructure and the URTiP are focusing their activities on de-monopolising the Polish telecommunications market to make it EU compatible, and this has included the introduction of a new telecommunications law better adjusted to EU standards, and the privatisation of TPSA.

Still, in 2001, over 96 % of the Polish telecommunication market, worth approximately PLN 28 billion (USD 7 billion), was held by the dominant fixed-line operator TPSA and the three mobile phone operators: PTC, Polkomtel and PTK Centertel (owned by TPSA), with TPSA alone accounting for over 56 % of the market.

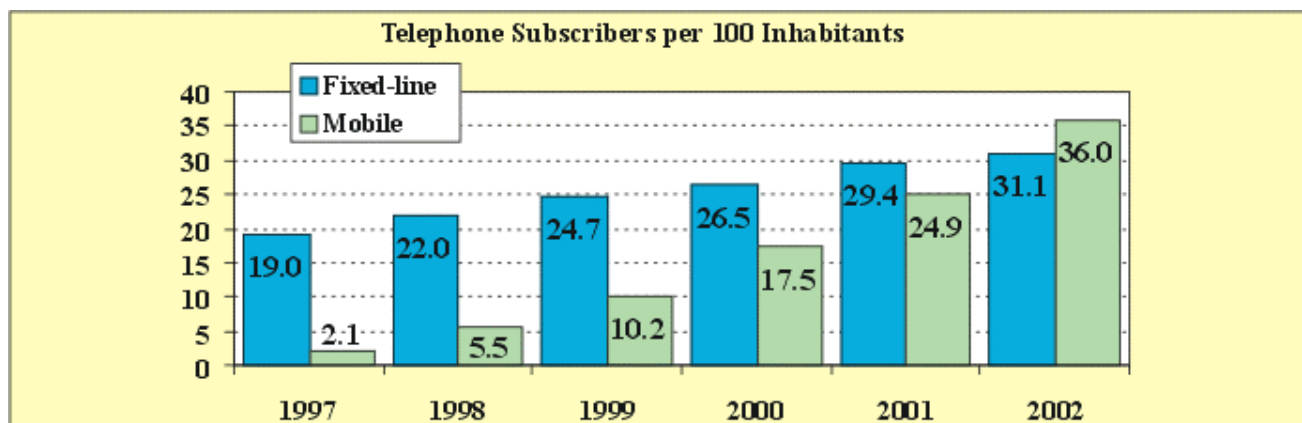
The national operator - Telekomunikacja Polska S.A. (TPSA), practically services the whole fixed-line telecommunications market. According to the latest assessments only approximately 9 % of this market (in terms of fixed lines) is controlled by a few dozen independent private operators, who provide local level services, which are generally regarded as being not very profitable. The only notable competition comes from Dialog and Netia, which account for about 3 % of fixed lines each. As of June 2003, there are also over 20 operators that have been assigned an NDS (Network Access Number), which enables them to provide long-distance and international calls. However, only a few of them have started operations.

Nevertheless, considerable progress has been achieved in the process of liberalising the market. It is worthy of note that since 2002 the local and long-distance telecommunications markets have been fully liberalised - no licenses are required. Since the beginning of 2003, the same applies also to international services. TPSA has local competitors everywhere now and the pressure in the long-distance and international call

segments is growing. Moreover, there are several companies offering VoIP services, which are growing quite popular in Poland.

At the end of 2002, TPSA had 10.1 million subscribers, including 1.2 million connected through out of date analogue exchanges. On 1 January 2003, Netia 1 and Energis started to provide international services. As of 15 February 2003 some 47 % of TPSA's subscribers had access to international long distance calls provided by operators other than TPSA.

Since 1991, the telecommunications network has registered a steady growth rate of approximately 14 %. However, growth has slowed in the past two years. In 2002, the fixed-line telephone operators increased the number of main lines by 4.2 %, bringing the total number to 11.9 million at the end of the year. Approximately 9.0 million of these are in urban areas (a 2.9 % increase) and only some 2.9 million in rural areas (a 8.4 % increase). At the end of 2002, average telephone density, measured by the number of main lines per 100 inhabitants, was 31.1.



Source: Central Statistical Office, 2003

Despite its dynamic development, the Polish telecommunication sector still lags behind conditions prevailing in the EU. This is best reflected by the average telephone density factor. As of 1 January 2002, in Denmark it had reached 73.8, in Germany 63.5, in France 58.4, in Spain 46.0 and in Portugal 44.1. Nevertheless, Poland does not differ too much from other countries in the region, considering the average telephone density of 37.4 in the Czech Republic and 30.0 in Latvia.

In the field of mobile telecommunications, Centertel, the analogue cellular network operator using the NMT 450i system, dominated the cellular phone market till 1996, when a tender was held for awarding GSM licences. The tender resulted in the selection of two operators, the Polkomtel (Plus GSM) and Polska Telefonía Cyfrowa (Era GSM). On 1 March 1998, Centertel started operating a DCS cellular phone system.

In 2002, the number of mobile phone users increased by 43.7 %, reaching 13.8 million by the end of the year. This pushed up the average mobile telephone density to 36, which means that the number of cell phones in Poland exceeded the number of fixed lines. Still, cellular telephony in Poland does not compare very favourably with the European average. As of 1 January 2002, the mobile telephone density in Portugal reached 83.1, in Spain 73.3, in Germany 64.9, and in France 60.7.

Power Industry

Poland generates 95 % of its electricity in thermal plants. Approximately 50 % of the country's electric energy comes from hard coal and around 45 % from lignite. This situation is a result of the abundance of these natural resources in Poland. Less than 5 % of electricity is generated from renewable resources, mainly in hydro plants and wind power stations. However, on the grounds of a decree of the Minister of the Economy of 15 December 2000, the share of energy generated from renewable resources is to gradually increase, to reach at least 7.5 % by 2010.

In 2002, Poland's total electric energy production (141.3 TWh) exceeded its energy consumption. Poland exported 11.5 TWh of electric energy, while importing just 4.5 TWh of electric energy. The Czech Republic and Slovakia are the leading export markets, accounting for approximately 90 % of energy exports.

The new energy law passed in April 1997 has created conditions for competition on the energy market and for improving the financial standing of companies in the energy sector. The essential component of the new law is the liberalisation of prices of energy and fuels that will be allowed to respond to the demands of the market. The law provides for the gradual introduction of market mechanisms. The competitiveness of the market is achieved through demonopolisation and by introducing the third party access principle, which means opening the electric energy market to the final consumers.

The price of electrical energy is clearly divided into a production element and an energy transfer element. The electrical energy market can be divided into the wholesale market and retail market. In the wholesale market, providers, (both producers and trade companies), sell energy on a competitive basis. The energy trade is organised through direct contracts between the market participants, however, it is expected that in future most trade will take place on the already established Electrical Energy Exchange. The wholesale market includes both energy exports and imports. The dominant wholesale market player is *Polskie Sieci Elektroenergetyczne S.A.* (Polish Power Grid Joint Stock Company).

There are two segments of the retail market:

- the competitive segment, where distribution companies provide transfer services to customers, while producers and electrical energy trade companies sell the energy to these customers who have acquired the right to purchase electricity at source and are willing to exercise this right;
- the regulated segment, where distribution companies sell the energy to "tariff" customers at prices approved by the president of the Energy Regulatory Office.

Presently, the right to select an energy provider is granted to customers consuming more than 10 GWh per year. In time, as the market develops, further customer groups will be eligible to purchase energy in the competitive segment of the retail market. As of 1 January 2004, this right will be granted to customers consuming more than 1 GWh per year. Finally, as of 5 December 2005, all electric energy consumers in Poland will have the right to select their electrical energy provider.

In April 2002, the government approved the amended version of its Guidelines for Polish Energy Policy, setting out its long-term strategy for the energy sector in Poland. The policy provides for a separation of transmission and sale functions in the power and gas production industries. At the same time, it aims to consolidate the energy sector through the creation of five power distribution groups to replace the existing 32 regional distributors, and of two power plant groups, one based on hard coal, the other on brown coal. The consolidation process will not include STOEN, the Warsaw energy distributor, or the G-8 group of distributors in central and northern Poland, in which privatisation processes have already started. The government also intends to group coalmines into three or four companies, which will subsequently be privatised.

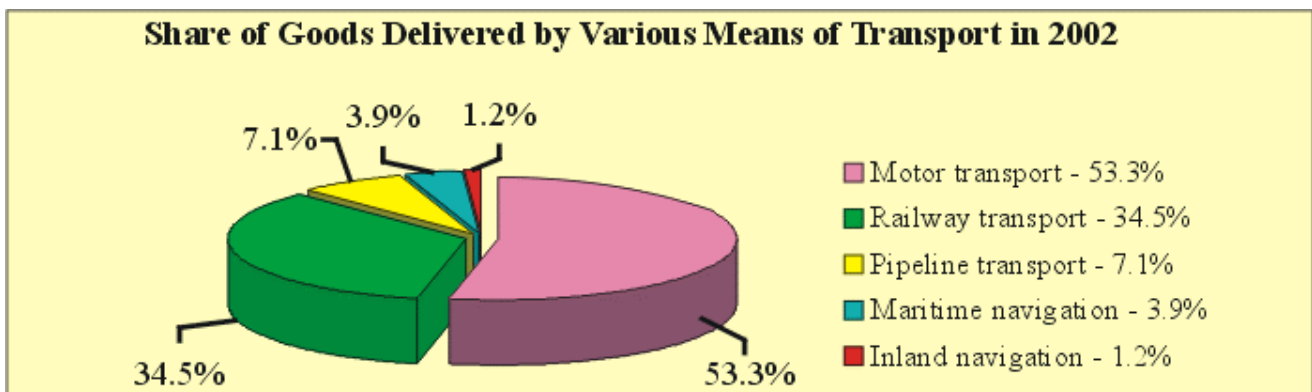
Investment opportunities exist in all sub-sectors of the power industry in Poland and they continue to emerge along with its privatisation. Foreign involvement in the energy sector is already quite substantial. Major projects are planned in the power generation industry to deal with problems related to environmental protection. According to PAIZ, single investments worth over USD 1 million in the Polish power, gas, and water supply sectors totalled almost USD 2.3 billion by the end of 2002.

Transportation Infrastructure and Highway Construction

Poland has an extensive transport infrastructure. There are approximately 242,000 kilometres of hard surface roads, i.e., approximately 80 km per 100 km², and an extensive railway network of some 23,500 kilometres, linking all the major cities and towns. However, only 19,700 kilometres of railway lines are in use, which results in a density of some 6 km per 100 km².

In 2002, a total of 1.125 billion passengers made use of public transport (urban transport excluded). This represents a 9.0 % decrease in comparison to 2001. Of this number, 304.1 million passengers travelled by rail (8.5 % less than in 2001), 815.0 million by road (9.3 % less), and 3.7 million by air (6.7 % more).

The structure of the Polish transportation system is best reflected in the share of goods delivered in 2002. All in all, approximately 647 million tons were transported (5.1 % more than the year before), mostly by roads.



There are 360,300 km of public roads in Poland, including 242,050 km with hard surfaces. The roads are divided into four categories: national, regional, district, and communal. Motor transport focuses on the first two categories, which total 47,700 km and include:

- National roads, of a total length of 18,100 km;
- Regional (provincial) roads, of a total length of 29,600 km.

The programme of building a network of highways in Poland was adopted by a decree of the Council of Ministers dated 28 September 1993 and is regarded as one of the most ambitious undertakings in the post-war history of all Central Europe. It envisages the construction of some 2,300 km of toll highways in the next 20 years. This will require approximately nine to ten billion US dollars.

Motorway Construction Programme in Poland



Source: Agency for Highway Construction and Operation, Institute of Geodesy and Cartography

The Highway Construction in Poland Programme calls for the construction of a network of four highways, two running from east to west, and two from north to south, namely:

- The A-1 (597 km) between Gdańsk, Toruń, Łódź, and Katowice, and farther to the border with the Czech Republic,
- The A-2 (626 km) from the Polish - German border, from a border crossing in Świecko, then running through Poznań and Warsaw onwards to Terespol, the border crossing between Poland and Belarus,
- The A-3 (365 km) from Szczecin, via Gorzów, Zielona Góra, Legnica to Lubawka,

- The A-4/A-12 (738 km) running from the Polish - German border, from border crossings in Jędrzychowice near Zgorzelec and in Olszyna, respectively, and through to Wrocław, Opole, Gliwice, Katowice, Cracow, and Rzeszów to the Polish - Ukrainian border.

Priority has been given to constructing the A-1, A-2 and A-4/A-12 highways. The A-3 is deemed less likely to experience such a high traffic volume as the other ones. The programme additionally provides for the reconstruction of a public road running from Elbląg to the Polish frontier with Russia towards Kaliningrad. It will be built as a toll road and will be put for tender.

The legal grounds for implementing this programme is the Law on Toll Highways of 27 October 1994, which came into force on 1 January 1995. This law regulated the rules governing the construction and operation of toll highways in a financial scheme that would not require funds from the state budget. The Agency for Highway Construction and Operation (ABEA) was established to assume responsibility for all duties pertaining to the execution of the Highway Programme. In March 2002 the ABEA was liquidated and its duties were assumed by the newly established General Direction of Domestic Roads and Highways.

At the beginning of 1999, in view of difficulties in implementing the Highway Construction Programme, the government decided to replace the BOT (Built-Operate-Transfer) system of highway construction with a PPP (Private-Public Partnership) system that would oblige the state to co-finance construction, or to cover up to 50 % of the operating costs. In return, the state would gain the right to participate in the profits. At the beginning of 2000, the Economic Committee of the Council of Ministers approved and recommended draft amendments to the Law on Toll Highways. The experience of six years, during which not a single kilometre of toll highway had been put into operation, indicated that the program needed larger support from public sources.

A new law, the Law on Amending the Law on Toll Highways and Other Laws of 8 September 2000 came into force on 17 November 2000. The amendments lead towards the utilisation of both public and private finance through PPP.

At the beginning of 2002, the government prepared a new programme for road construction and modernisation, with the aim of adjusting the Polish road transportation system to EU standards. Currently, only 1 % of roads in Poland conform to EU standards, which require international roads to withstand axle loads of 11.5 tonnes. The programme envisages the construction of 526 km of highways and some 200 km of motorways, and the modernising of approximately 1500 km of existing roads in the next three years. Moreover, the construction of a further 576 km of highways and some 200 km of motorways is to be underway by the end of the same period. The costs are

estimated at some PLN 37.5 billion. It is expected that EU financing will cover approximately a fifth of this amount.

Finally, it seems that highway construction in Poland has taken off. At the beginning of 2002, there were less than 400 km of highways in Poland, due mainly to the failure to create an effective model for financing highway construction. In 2002, however, 54 km of highways were built or reconstructed. Moreover, 185.5 km of highways were under construction or reconstruction.

The Outlook for 2003 and Beyond

Current Developments

In July 2003, the government accepted a program of activities for 2003-2004 whose object is to accelerate Poland's economic growth. It focuses on new activities aimed at the stimulation of entrepreneurship, the creation of new jobs, the promotion of innovations, infrastructure development, and an effective use of EU structural funds. Some amendments to the laws in force are foreseen, and should lead, in particular, to a substantial simplification and shortening of administrative procedures related to economic activity. The average time required to start a new business is to be cut by almost two-thirds, to just 20 days, in comparison to 30 days in the EU.

So far, economic developments of the first months of 2003 indicate that Poland's economy is gradually recovering from the slowdown of 2001-2002. The GDP is estimated to have grown by some 2.1 % in the first quarter of 2003. The growth of exports and personal consumption are the main factors behind the recovery. At the same time, inflation stayed low. Prices of consumer goods and services grew by only 0.8 % in March 2003 (in comparison to December 2002).

Sold industrial production grew by 2.9 % (as compared to 0.2 % in the previous year) in the first quarter of 2003. On the other hand, registered unemployed persons accounted for 18.7 % of the total economically active population as of the end of March 2003. Under such circumstances, a slow growth in salaries should be expected. However, despite a low inflation rate, average salaries and wages in the enterprise sector increased by 1.4 % in real terms, amounting to PLN 2,253.

According to customs statistics, exports and imports rose at a similar pace (with imports growing slightly faster than exports). Exports amounted to USD 11.2 billion (23.6 % more than in the corresponding period of 2002), while imports equalled USD 14.7 billion (an increase of 23.8 %). However, according to the NBP, export revenues increased by 30.6 % while import expenditures increased by only 19.2 %.

The lower growth rate of import expenditures resulted in a reduction of the trade deficit, from USD 2.6 billion in the first quarter of 2002, to USD 2.3 in the same period of 2003. The reduction of the trade deficit contributed to a decrease in the current account deficit, from USD 2.3 billion in January - March 2002 to USD 1.5 billion in the same period of 2003.

Economic Forecasts

The Budgetary Law for 2003 envisages a GDP growth rate of 3.5 %. In industry, sold industrial production is expected to increase by 3.6 %, while gross fixed capital formation is to expand by 5.6 %. Average annual inflation is expected to increase slightly, from 1.9 % in 2002 to 2.3 %, while the unemployment rate is to fall from 18.7 % to somewhere between 17.7 and 18.3 %.

The Budgetary Law assumes a deterioration in foreign trade results. Import expenditures are to increase to USD 45.3 billion, faster than export revenues, which are to rise to USD 33.7 billion. Therefore, the trade deficit is expected to grow to USD 11.6 billion (as opposed to USD 10.4 billion in 2002). This is to affect the current account balance, which is to show a USD 8.7 billion deficit.

However, in June 2003, the Ministry of the Economy, Labour and Social Policy presented its own forecast, which is generally less optimistic and is based on the economy's performance and trends during the first months of 2003. According to the Ministry, GDP will grow by some 3.0 %, with gross capital formation increasing by only some 2.0 %. At the same time, the unemployment rate should stabilise at approximately 18.0 %, and the inflation rate is expected to rise to 2.0 %.

On the other hand, there is much more optimism with regards to the growth of sold industrial production (over 4.0 %) and foreign trade results. According to the ministry, export revenues should reach USD 36.9 billion, with import expenditures growing much more slowly, to USD 46.8 billion. Therefore, the trade deficit is forecast to amount to USD 9.9 billion and the current account deficit to USD 7.5 billion.

It is worth noting, however, that the prospects for Poland's economy, as seen from an outside perspective, are somewhat less favourable. In April 2003, the European Commission revised its growth forecasts for the EU and the candidate countries. According to the new forecast, GDP in Poland is expected to grow by 2.5 % in 2003 and 3.7 % in 2004. The International Labour Organisation predicts that the unemployment rate in Poland will reach 20.6 % in 2003, and then drop slightly to 20.0 % in 2004.

Finally, the newest IMF prognosis forecasts 2.6 % GDP growth in Poland in 2003 and 4.1 % in 2004. According to the IMF, Poland's inflation rate will further decrease, to 1.1 % this year, only to rise to 2.4 % in 2004.

Co-operation with International Organisations

Poland's successful transition to a market economy has been, to a significant degree, facilitated by the assistance of international economic organisations. Already in the late 1980s Poland had established good relations with the International Monetary Fund, the World Bank, and the International Finance Corporation.

In the crucial years of 1989 and 1990, when the ambitious stabilisation programme was launched, the IMF arranged a stand-by loan to support the Polish currency. Actually, the loan was never used for the original purpose and most of the countries contributing to the stand-by arrangements agreed to use it to support the development of the Polish banking system.

Poland rejoined **the World Bank** in 1986 and began borrowing from it in 1990. Since then, the Bank has lent USD 5.385 billion (USD 4 billion net of cancellations) for 35 operations. About USD 3.908 billion of this amount has been disbursed and USD 1.54 billion repaid (as of end-May 2003).

The World Bank has provided three main types of loans to support the government's economic development and reform program: fast disbursing program assistance (adjustment lending) to help offset some of the costs of the economic reforms to the budget and balance of payments, lending for specific investments, such as equipment for infrastructure rehabilitation and the financing of modernisation and expansion projects by private enterprises through credit lines managed by Polish banks.

In 2002, the World Bank approved one USD 15 million loan to Poland - to the Municipal District Heating Enterprise in Cracow - which will help to finance the Cracow Energy Efficiency Project aimed at improving the energy efficiency of the heating systems in the Cracow region.

In December 2002, the World Bank's Board of Directors discussed the new Country Assistance Strategy for Poland for 2003-2005. The CAS is a document that details the work plan of the World Bank and the International Finance Corporation (IFC) to assist client countries in achieving their development goals. It describes all of the Bank's planned operations in the country, including lending, analytical work, and technical assistance. The new CAS, prepared jointly by the Government of Poland and the World Bank, in consultation with the donor community and NGOs, envisions a base-case

lending program of up to USD 1.3 billion during 2003-2005, provided that agreed macroeconomic and project-specific triggers are met.

The European Bank for Reconstruction and Development (EBRD) was established in 1991 to finance development projects in Eastern and Central European countries that foster transition to a market economy. EBRD is among the largest investors in Poland, having embarked on over 170 projects as of 31 December 2002, involving overall financing of approximately EUR 2.5 billion (excluding Poland's share in regional projects).

The Bank has made considerable investments and gained far reaching experience in Poland, which it will endeavour to use to help the government accelerate the transition process. Notably, the Bank will seek to assist in accelerating (i) investment in infrastructure and environment; (ii) the modernisation, restructuring and, where appropriate, the privatisation of less reformed sectors of the economy; and (iii) the pace of new investment by both domestic and foreign capital, particularly in the area of SMEs. The Bank, particularly in the area of infrastructure investment and the restructuring of less reformed sectors, will work closely with other IFIs and multilateral and bilateral donors, as well as with the local financial market, to ensure that the Bank has a lasting impact.

As reflected in its strategy for the period 2002-2003, the Bank will target its investments in the following sectors:

- *Infrastructure and Environment*

In light of the significant challenges which Poland faces in modernising its infrastructure both to meet EU accession requirements and to ensure continued economic growth, the Bank will focus on financing infrastructure investment at national as well as local levels, and will minimise reliance on sovereign guarantees, where feasible, to alleviate fiscal pressures. Supporting restructuring, commercialisation and privatisation of, and private participation in the economy will be a priority. With the active support of national and local authorities, the Bank is committed to a large increase in the volume of infrastructure and environmental projects in Poland, working in close co-operation with the European Union (through the PHARE and ISPA programmes).

- *The Financial Sector*

Employing a four-pronged approach aimed at increasing the low level of financial mediation in Poland, the Bank will seek to increase the availability and variety of financing available to SMEs; support the expansion and growth of the non-bank financial sector; using a flexible approach, support the completion of the modernisation of the banking/insurance sector and its required consolidation and eventual privatisation;

and promote the availability of a wider variety of more sophisticated financial products and services.

- *The Enterprise Sector: Modernisation and Restructuring*

Keeping in mind sound banking principles, the Bank will seek to support the restructuring and, where appropriate, the privatisation of the remaining large-scale industrial enterprises whose effectiveness and competitiveness must be strengthened. In order to promote regional development and create employment, green-field foreign direct investment will receive priority attention, particularly in areas of higher unemployment. In those industries that are dominated by non-competitive enterprises, the Bank will help to facilitate the consolidation and investment processes necessary to improve competitiveness and effectiveness. In light of a reduced inflow of investment capital expected into the region as a whole, equity (and other methods to increase risk sharing) will be a critical tool of the Bank. An important objective underlying all activities with commercial entities across all sectors will be an improvement in corporate governance and management effectiveness.

- *Agriculture/Agribusiness*

The Bank is prepared to assist, as far as possible, in financing the agricultural sector (including related agribusiness companies) to improve competitiveness, and the quality and sanitary standards of domestically produced food products, and to achieve the necessary consolidation. The introduction of appropriate structural policies by the government will be critical to the success of such efforts, as the Bank can only undertake projects that lead to lasting change and where an acceptable risk profile can be achieved. The Bank will co-operate with the SAPARD Programme of the European Union and with other IFIs and multilateral and bilateral donors in this effort. It is important to emphasise that delays in the reform process will impede the Bank's ability to further contribute to transition in the sector.

The International Finance Corporation (IFC), a member of the World Bank Group, fosters economic growth in the developing world by financing private sector investments, mobilising capital in the international financial markets and providing technical assistance and advice to governments and businesses. The IFC's mission is to promote sustainable private sector investment in developing countries, helping to reduce poverty and improve people's lives.

As part of the IFC's strategy of consolidating its field offices into regional hubs, in July 2001 IFC's Warsaw office was converted into a hub for the Corporation's work in Poland, the Czech Republic, Slovakia, Hungary, Estonia, Lithuania and Latvia. The IFC is located in the same building as the World Bank office in Warsaw and this facilitates close cooperation.

Since Poland joined the IFC in 1987, the Corporation has invested over USD 550 million (USD 404 million on its own account and USD 153 million in syndications) in a wide range of sectors, including glass, paper, electrical equipment, steel, hotels, telecommunications, urban development, retailing, agribusiness, mortgage financing, SME financing, healthcare, banking and private equity funds. The IFC has also approved a further USD 200 million for investments in Central Europe, much of which was destined for investment in Poland. Furthermore, IFC has undertaken many technical assistance and advisory assignments in Poland, ranging from the privatisation of several cement plants in the early 1990s to advice on leasing, housing finance, and pension reform. IFC's current portfolio in Poland stands at USD 88 million.

Given the growing availability of long-term financing from private sources and Poland's prospects for EU accession soon, the IFC will focus its investment and advice selectively in a few areas where its value-added is highest, as for example:

- Complex privatisation and post-privatisation cases where the IFC's participation may help to strengthen the transparency and credibility of the privatisation process, and assist with structuring the post-privatisation investment program.
- Promoting public-private partnerships in health and education.
- Supporting further institutional development in the financial sector (supporting the expansion of access to housing finance, stimulating the corporate bond market, facilitating the sale of non-performing loans, developing securitisation).
- Promoting renewable energy sources and energy efficiency.
- Strengthening corporate governance.
- Selective financing of domestic manufacturing companies.
- Eastward investments by Polish companies.

Poland also benefits from the financial support of **the European Union**, which it is seeking to join. Poland has been receiving non-returnable aid from the European Union since 1990 as part of the PHARE Fund. In line with decisions taken during the EU summit in Berlin in March 1999 (Agenda 2000), a considerable increase in financial aid to EU candidate states was planned for 2000-2006. Since 2000, Poland and other associated states have been able to benefit not only from PHARE Funds, but also from two new funds: ISPA (the Instrument for Structural Policies for Pre-Accession) and SAPARD (the Special Accession Programme for Agriculture and Rural Development).

PHARE (Poland and Hungary: Assistance for Restructuring of the Economy) was initially meant to help Poland and Hungary in their political and economic transformations. It was later expanded to include other countries of Central and Eastern Europe. Right now it has ten beneficiaries: the ten countries of Central and Eastern Europe that are EU candidate states, i.e., Bulgaria, the Czech Republic, Hungary, Estonia, Latvia, Lithuania, Poland, Romania, Slovakia, and Slovenia.

In the EU candidate states, the programme supports actions preparing the countries for accession. In 1990-1999 PHARE aid funds for all the aforementioned countries amounted to EUR 10.31 billion, with Poland receiving over EUR 2 billion. In the EU budget for 2000-2006, PHARE aid was set at EUR 1.56 billion per year. In line with the New Orientation of PHARE, 70 per cent of the resources is intended for investment projects and 30 per cent for projects related to institutional development. Poland can count on PHARE assistance amounting 450 Euro million a year. In 2000 Poland received a record sum of EUR 484 million within the PHARE programme, in 2001 - EUR 468.5 million, and in 2002 - EUR 451.7 million.

The ISPA programme is a pre-accession instrument of structural policy, aimed at supporting large-scale investments in environmental protection and transport. The budget of the ISPA programme for the ten EU candidate states in 2000-2006 was set at EUR 1.04 billion per year. Poland could receive between EUR 312 and EUR 385 million per year. In 2000, Poland was granted EUR 351 million, out of which EUR 177 million for environmental protection and EUR 174 million for the development of transport infrastructure. Over the period 2000-2004, Poland will receive EUR 1.4 billion in total from the ISPA fund (environment and transport projects).

The SAPARD programme is another instrument of financial aid addressed to EU candidate states. It is aimed at assisting in the modernisation of agriculture and the development of rural communities. In 2000-2006, within this programme the European Commission is to grant a sum of EUR 520 million every year to the ten candidate states. In 2000, about EUR 170 million was granted to Poland, and the same amount was granted in 2001 and in 2002.

The total value of EU assistance to the ten candidate states from Central and Eastern Europe in 2000-2006 amounts to EUR 3.12 billion per year. The amount of aid to individual countries depends on the size of the population, GDP, the ability to absorb aid and progress in accession preparations. From 2000 onwards, Poland is granted pre-accession aid of up to EUR 1 billion per year.

Over the period 1990-2002 Poland was granted approximately EUR 5.8 billion within the framework of PHARE, ISPA and SAPARD.

In the PHARE programme there are also national and multibeneficiary programmes in operation. National programmes are implemented on the basis of a yearly financial memorandum compiled by the administrations of the countries receiving PHARE aid. The aim of these programmes is to seek joint solutions to problems that extend beyond the borders of one country. They focus on the system of social welfare, environment, energy, the safety of nuclear energy, transport, telecommunications, and combating illegal drug trafficking.

Poland also participates in Community programmes implemented on the basis of co-operation. To participate in such a programme, Poland must pay a membership fee. Participation in Community programmes may be partly financed out of PHARE funds. For information on Poland's integration with the European Union, please refer to Chapter VI.

UNIDO and its Activities in Poland

The United Nations Industrial Development Organization (UNIDO) is a specialised UN agency established in 1967 with the aim of reducing the traditional gap between the industrialised countries, developing countries, and, more recently, economies in transition. The UNIDO headquarters is in Vienna and its membership numbers 169 countries. UNIDO harnesses the joint forces of governments and the private sector, acting as a neutral adviser to foster competitive industrial production, develop international partnership, and promote socially equitable and environmentally friendly industrial development. It is the only worldwide organisation dealing exclusively with industry from a development perspective and rendering non-profit, neutral and specialised services.

UNIDO activities focus on promoting investments and related technologies, and assuring clean and sustainable industrial development. Maintaining its universal character and vocation, UNIDO pursues a geographical, sectoral, and thematic division of services directed at the least developed countries and economies in transition and its services are offered first of all to small and medium-size enterprises.

Investment and technology are proving to be essential keys to success in the global marketplace. However, many countries face enormous difficulties in attracting investors, as well as in gaining access to technology and markets. UNIDO is giving significant impetus to its services in this direction by launching a unique business intelligence unit - the UNIDO Exchange - that optimises, through an electronic platform, the use of information technology to provide information and knowledge to its members.

There are 44 UNIDO field representative offices in developing countries, and 12 Investment and Technology Promotion Offices based in Bahrain, China (in Beijing and Shanghai), France, Greece, Italy (in Milan and Bologna), Japan, Poland, the Republic of Korea, the Russian Federation and the United Kingdom. They facilitate contacts between business communities in their host countries and in other countries.

The Warsaw UNIDO Investment and Technology Promotion Office (ITPO), was set up in 1983 as a part of UNIDO's investment and technology promotion network. By drawing on the linkages of the UNIDO Exchange electronic platform, ITPO Warsaw

redresses the industrial development imbalance by bringing investment and the latest technology on offer in Poland and abroad to those countries in Central and East Europe and Mid-Asia which are most in need of a promotional hand. At the same time ITPO Warsaw opens up new opportunities for investors and technology suppliers from Poland to find potential partners in countries with economies in transition. Its tasks also include supporting the development of Polish small and medium-size enterprises entering the markets of countries in Central and East Europe and Mid-Asia.

The main tasks of the Office are:

- the promotion of industrial investments and technologies in developing countries, in Poland and in other transition economies,
- the support of Polish industry through managers' training.

In its operations, the UNIDO Warsaw Office implements the methodology, practices, and promotional tools developed by the UNIDO Secretariat. The most important are the Country Presentation Meetings, which provide information on the economies and legal frameworks for foreign investment in the developing and reforming countries. Further, individual industrial investment projects are promoted in Poland and in developing countries.

ITPO supports the development processes of Polish industry through various management training courses, (teaching the evaluation of the profitability of export products, modern techniques for preparing an offer, marketing and negotiations related to, for example, technology transfer). The promotion of COMFAR, a software developed by UNIDO to enable the appraisal of industrial investment projects, business performance, financial analysis, and the diagnosis of enterprises, is another example of training-related activities.

Moreover, ITPO services encompass the gathering and promotion of information via UNIDO Exchange on:

- Polish export offers,
- Polish technologies,
- Polish companies interested in investment and/or technical cooperation with foreign partners.

Other kinds of assistance include editing and disseminating business manuals and related publications. In this area the most important publications are: *Manual for Preparation of Industrial Feasibility Studies*, annually updated foreign investors' guide *How to Do Business in Poland* and country-focused manuals for Polish entrepreneurs containing business information and guidelines on particular markets in Central and Eastern Europe and in Mid-Asia.

The services of the Warsaw UNIDO Office are offered to entrepreneurs in the developing and reforming countries, foreign investors and Polish institutions, businesses and business organisations.

The ITPO assists companies from developing and reforming countries in their search for potential Polish partners interested in technical co-operation, subcontracting, the transfer of technology, establishing a joint venture, or in the acquisition of a company in a respective developing or reforming country.

The ITPO services offered to Polish firms, organisations, and institutions include the identification of potential partners and strategic investors, and the upgrading of managerial capabilities and skills through training courses on the preparation of business plans and feasibility studies, marketing techniques, and the implementation of ISO standards.

In view of the ambitious goal of preparing Poland's economy for European Union membership, it is necessary to bridge the developmental and structural gap between Poland and the member states of the European Union. Therefore, the activities of the ITPO Warsaw are focused on this strategic goal, providing Polish enterprises and institutions with benefits stemming from UNIDO's expertise and experience in industrial development.

At the same time, the re-orientation of ITPO Warsaw activities takes into consideration the fact that Poland has become a member of the OECD and soon will become a member of the European Union, thereby becoming a net donor country. In this context, the office is concentrating its activities on the following strategic areas:

- promoting of Polish exports, particularly to countries with economies in transition and to developing countries, using promotional tools such as economic forums, country presentation meetings, country delegate programmes, and servicing Polish and foreign economic missions, as well as establishing a data base of Polish export offers in order to promote them through UNIDO channels;
 - promoting technology (outward and inward), including the promotion of clean industrial technologies, i.e., by establishing a portfolio of selected Polish industrial technologies to be promoted via UNIDO Exchange and other channels;
 - capacity building and facilitating private-sector development with special reference to SMEs, including the promotion of UNIDO standards in the preparation of feasibility studies, business plans, financial analyses, and BOT projects, the organisation of training courses based on UNIDO methodology (i.e., on technology management and technology transfer negotiations), as well as supporting the introduction of quality management systems in small- and medium-size companies;
-

- supporting the creation and implementation of the Polish development assistance policy, i.e., by encouraging Polish authorities to participate in UNIDO assistance programmes addressed to developing countries (UNIDO Integrated Programmes).

It should be noted that some of the publications mentioned above are also available on-line and on CD-ROM. While promoting modern technology solutions for industry, ITPO itself also takes advantage of IT tools to the benefit of its clients and offers various services through the web-site *<http://www.unido.pl>*.

III. FOREIGN TRADE

There is a tremendous demand for various goods in Poland, which creates great opportunities for a broad range of exports, including medium-size and small foreign producers. However, more and more companies are starting up new manufacturing operations each year and foreign exporters face strong and constantly increasing competition. More than a decade of economic transformations has created a large number of modern and innovative enterprises ready to expand into foreign markets. These companies offer a wide range of high quality products, often at very competitive prices.

Considering Poland's geographic location, its trade agreements and readiness to develop economic co-operation, its foreign partners are expected to be flexible. Foreign companies may discover that in many cases it is more profitable to waive short-term profits for long-term gains, and to invest in establishing more advanced forms of co-operation, including setting-up production facilities in Poland - the opportunities are plentiful.

Export and Import Regulations

All business entities in Poland, including companies with foreign capital, have equal access to foreign trade operations. Generally, all goods and services can be traded without restriction. There are, however, some usual exceptions. For example, a licence is required for the import and export of products and technologies for the police and military sector, such as explosives or weapons and ammunition, and their parts and accessories in keeping with the Law on Economic Activity of 19 November 1999. Separate legislation covers the export and/or import of other goods, such as, for example antiques and hazardous substances.

A licence is required for the temporary import of goods, which takes place in Poland under customs authority supervision. Written confirmation is required, stating that the goods will be sent back from Poland on a specific date. Commercial samples of zero or little value can usually be imported free from 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.

There is also a system of import quotas and temporary import bans, set by the Minister of the Economy, Labour and Social Policy. The quotas, bans, etc., change in accordance with the demands of the Polish market and the international situation. Some also result from international treaties to which Poland is a party. These instruments may relate either to commodity groups or to countries. In the past few years these barriers have seldom been used; when they have been used it has mostly been to protect the

agricultural market and has often applied to just a few countries. The import of some commodities, such as waste and toxic substances, is strictly forbidden.

The import or export of goods is subject to customs clearance, carried out on the basis of the SAD (Single Administrative Document), accompanied by customs declarations and a certificate of origin.

To facilitate Polish exports, the Program of Refinancing Interest of Export Credit (DOKE) was introduced in Poland in keeping with the Law of 8 June 2001 on Refinancing the Interest on Fixed Interest Rate Export Credits. The program is regulated in detail by several decrees of the Minister of Finance. The program is modelled on the solutions contained in the OECD Arrangement on Guidelines for Officially Supported Export Credits (OECD Consensus) incorporated into European Law. The DOKE program introduces a mechanism for the stabilisation of interest rates, allowing Polish exporters, commercial banks, and IFIs to offer medium and long term export credit (with a repayment period of at least 2 years) with a fixed interest rate for financing Polish exports. It eliminates the risk of incurring losses arising from fluctuating market interest rates.

The mechanism is based on periodic settlements between Bank Gospodarstwa Krajowego (BGK), a state-owned bank administering the DOKE program on behalf of the State Treasury, and commercial banks granting fixed interest rate export credits through long term agreements. If, during the settlement period, the fixed export credit interest rate (CIRR rate) is lower than the costs of financing (market short term interest rate for a given currency plus a spread of 80 to 170 points), then BGK effects an appropriate payment to the commercial bank. If the opposite is found, then the commercial bank is obliged to transfer the surplus to BGK.

CIRR rates for currencies of the countries that are members of the OECD Consensus are announced each month by the OECD Secretariat.

Customs Duties

Poland is certainly not a newcomer to international co-operation. Being a member of GATT for 25 years, Poland took part in the negotiations of the Uruguay Round, presented tariff concessions for GATT member countries and signed the final protocol of the Uruguay Round. Poland also joined the WTO and adjusted its foreign trade policies to the requirements of WTO membership.

Poland's customs policy is determined to a large degree by the international trade treaties it has signed. These are the EU Association Agreement, the agreements with EFTA and CEFTA and some bilateral agreements and undertakings within the WTO.

Customs duties are calculated on the basis of the goods' value, which is understood as the price paid or due (the acquisition price), inclusive of all costs borne by the buyer and not included in the price, such as transportation and insurance expenses, commissions, packaging, and the various licence fees relating to the purchase of the goods.

The Customs Code of 9 January 1997, which has been in force since the beginning of 1998, provides the Council of Ministers with the possibility of regulating customs duties and tariffs so as to stimulate economic development in line with the country's policies. On 17 December 2002, the Council of Ministers issued an ordinance adopting a new Customs Tariff, which is currently in force.

The new Customs Tariff provides for the following five types of rates:

- Autonomous, applied to commodities originating from countries other than WTO members and not covered by the most favoured nation clause and to which preferential rates do not apply. It is also applied if the conventional rate is higher than the autonomous one for the commodity in question, or if it has not been defined. In the absence of a preferential customs rate, the autonomous rate also applies to commodities coming from those countries included in the list of developing countries and from the least developed countries that are not on the list of WTO countries and are not subject to the most favoured nation clause;
 - Conventional, applied to commodities coming from WTO countries and regions, as well as countries to which Poland has granted the most favoured nation status within bilateral trade agreements or unilaterally, unless it is higher than the autonomous rate;
 - Preferential, applied in line with the Polish system of customs preferences, providing for two kinds of rates for commodities coming from the developing and the least developed countries;
 - Reduced, applied to commodities coming from the EU, EFTA, Bulgaria, Croatia, the Czech Republic, Estonia, the Faroe Islands, Hungary, Israel, Latvia, Lithuania, Romania, Slovakia, Slovenia and Turkey;
 - Lump sum, amounting to 3.5 % of total customs' value, applied to commodities contained in parcels sent from abroad by a natural person and intended for a natural person, and for commodities imported in traveller's personal luggage, if their kind and quantity do not imply commercial use, providing that their total value does not exceed EUR 350 and it is higher than EUR 45 (for parcels), or EUR 175 (for personal luggage) and that the criteria specified in Articles 190¹⁰ and 190¹⁴ of the Customs Code are met.
-

In all cases, certificates of origin complying with WTO standards must be submitted. If the country or region of origin cannot be established, then the higher of the autonomous and conventional rates is applied, increased by 100 %.

During the past few years, Poland has been continuously adjusting its customs policy and tariffs to European Union standards. In 2002, a further reduction in the level of customs duties on agricultural and industrial goods was achieved. This should lead to the average effective customs rate falling to just 2.08 % in 2003.

Polish customs law provides for extra anti-dumping duties on goods imported to Poland at dumping prices. Anti-dumping proceedings that may lead to imposing an anti-dumping duty are carried out by the Ministry of the Economy, Labour and Social Policy upon receiving a certified request from a domestic economic entity that has been affected. The ministry may also order official proceedings upon gathering sufficient evidence of dumping practices. In the course of anti-dumping proceedings, the Ministry of the Economy, Labour and Social Policy co-operates with the Office for Competition and Consumer Protection.

It should be noted that on 30 April 2002 the Central Customs Office ceased to exist. On 1 May 2002 its duties were passed to 17 regional Customs Chambers and to the Ministry of Finance; however, the customs clearing procedures remained unchanged.

Customs Duty Exemptions

Some items are exempted from customs duties, including models and samples of non-commercial value, brought to Poland for publicity purposes, for a limited period of time or in order to be exhibited. An extensive list of commodities exempted from customs duties is contained in articles 190⁴ - 190⁴⁸ of the Customs Code of 9 January 1997, currently in force.

Article 190¹¹ provides for a customs duty exemption on fixed assets belonging to entrepreneurs transferring their operations to Poland from abroad. Generally, the fixed assets of entrepreneurs ceasing their operations abroad and intending to start similar operations in Poland are exempt from customs duty, subject to fulfilling certain criteria.

Fixed assets constituting a foreign partner's non-monetary contribution (in kind) into a joint venture are also exempted, provided that the ownership of the goods is not transferred for a period of 3 years from the date of customs clearance. Detailed regulations concerning this exemption are contained in the aforementioned Art. 190¹¹ of the Customs Code, although the exemption itself is granted on the basis of a decree of the Council of Ministers. For further information concerning the above exemption, please refer to Legal Considerations in Chapter V.

Companies with foreign participation, which have their registered seat within the territory of the Republic of Poland, are subject to the above customs exemptions. A definition of "fixed assets" applicable for customs exemption purposes is contained in Art. 190² of the Customs Code, which stipulates that fixed assets are complete commodities imported from abroad, or commodities in parts (having attributes of completeness) and usable at the moment of importation, with a life-span of at least three years, and subject to a single invoice.

Apart from dealing with simple imports and exports, the Customs Code provides special procedures, which form the basis for customs duty exemptions, repayments and suspensions for goods that are brought, or brought back to Poland for a specific purpose. These procedures include temporary customs clearance, clearance of goods in transit, clearance of goods refined abroad, and clearance of goods earmarked for; a bonded warehouse, refining, or processing under customs custody. Application of these procedures provides, for example, for the repayment of all customs duties levied on raw materials, semi-finished goods, and assembly elements used in the manufacture of exported goods, provided the administrative requirements are met.

Foreign Trade Results

The liberalisation of the economy and fast economic growth have caused an ever growing internal demand for products and services, so Poland is faced with a challenge to ensure a greater market share for Polish goods and services on foreign markets. The table below illustrates the structure of Polish exports and imports in the last eight years, reflecting the very dynamic developments that have taken place in Poland's foreign trade. In the period presented, both exports and imports have almost doubled, a great achievement, no doubt, although still somehow inadequate in comparison to EU member states *per capita* exports and imports.

Exports have been an important driving force accelerating the pace of economic growth in recent years. In 2002, exports increased by 13.6 % (in USD terms), to over USD 41 billion, with imports growing more slowly, by 9.6 %, to over USD 55 billion, according to the Central Statistical Office (GUS). One of the most important features of last year's foreign trade results is the higher growth of exports than imports. Thus the trade deficit decreased for the fourth year in a row and amounted to USD 14.1 billion, as compared to USD 14.2 billion in 2001.

Foreign Trade in 1995-2002 (USD million)

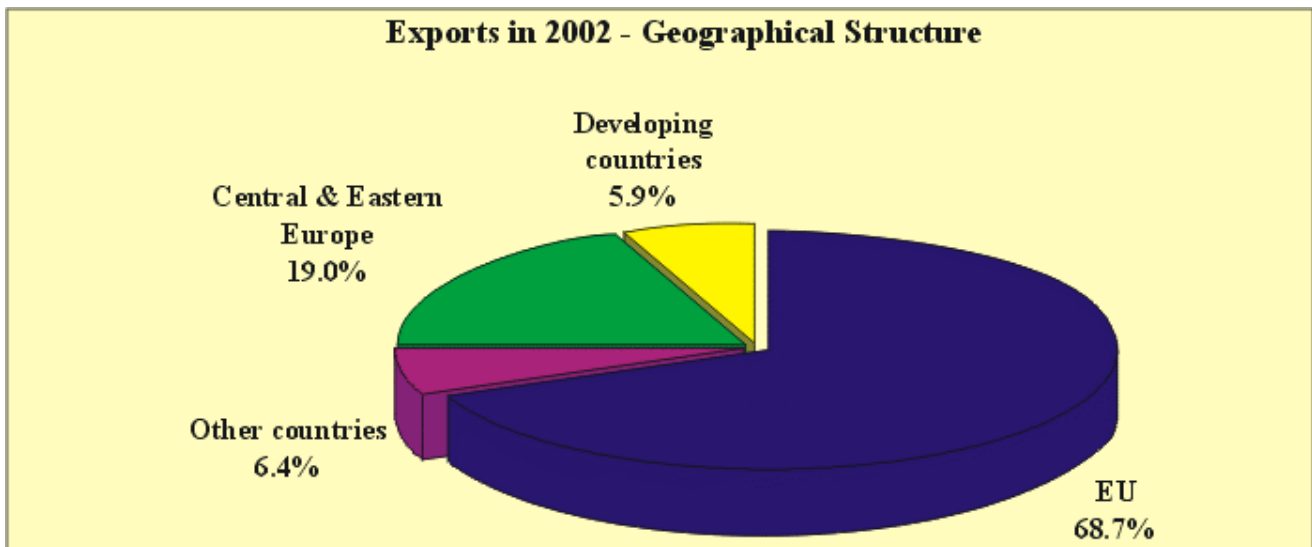
	1995	1996	1997	1998	1999	2000	2001	2002
EXPORTS	22,895	24,440	25,751	28,229	27,407	31,651	36,092	41,010
Food and live animals	2,100	2,460	3,026	2,839	2,328	2,367	2,669	2,968
Beverages and tobacco	164	131	104	96	102	120	140	126
Crude materials, inedible, except fuels	1,029	825	820	803	839	894	915	1,011
Mineral fuels, lubricants	1,870	1,675	1,719	1,547	1,377	1,610	2,043	2,041
Oil, fats and waxes	35	38	43	38	46	23	18	14
Chemicals and related products	1,774	1,887	2,027	1,898	1,696	2,151	2,278	2,608
Manuf. goods class. by raw materials	6,314	6,316	6,830	7,116	6,986	7,856	8,614	9,753
Machinery and transport equipment	4,829	5,719	5,560	8,019	8,278	10,820	13,056	15,411
Misc. manufactured articles	4,772	5,379	5,611	5,865	5,750	5,805	6,355	7,071
IMPORTS	29,050	37,137	42,308	47,054	45,911	48,940	50,275	55,113
Food and live animals	2,339	3,143	2,894	2,993	2,537	2,558	2,724	2,754
Beverages and tobacco	217	249	299	305	368	198	233	313
Crude materials, inedible, except fuels	1,562	1,737	1,762	1,669	1,419	1,643	1,578	1,636
Mineral fuels, lubricants	2,651	3,389	3,710	2,989	3,281	5,297	5,082	5,040
Oils, fats and waxes	189	216	239	284	190	164	174	206
Chemicals and related products	4,340	5,120	5,839	6,462	6,584	6,881	7,337	8,184
Manuf. goods class. by raw materials	6,266	7,455	8,283	9,801	9,526	9,788	10,333	11,362
Machinery and transport equipment	8,688	12,272	15,228	18,014	17,544	18,114	18,324	20,699
Misc. manufactured articles	2,701	3,435	3,950	4,452	4,380	4,218	4,416	4,868

Source: Central Statistical Office, 2003

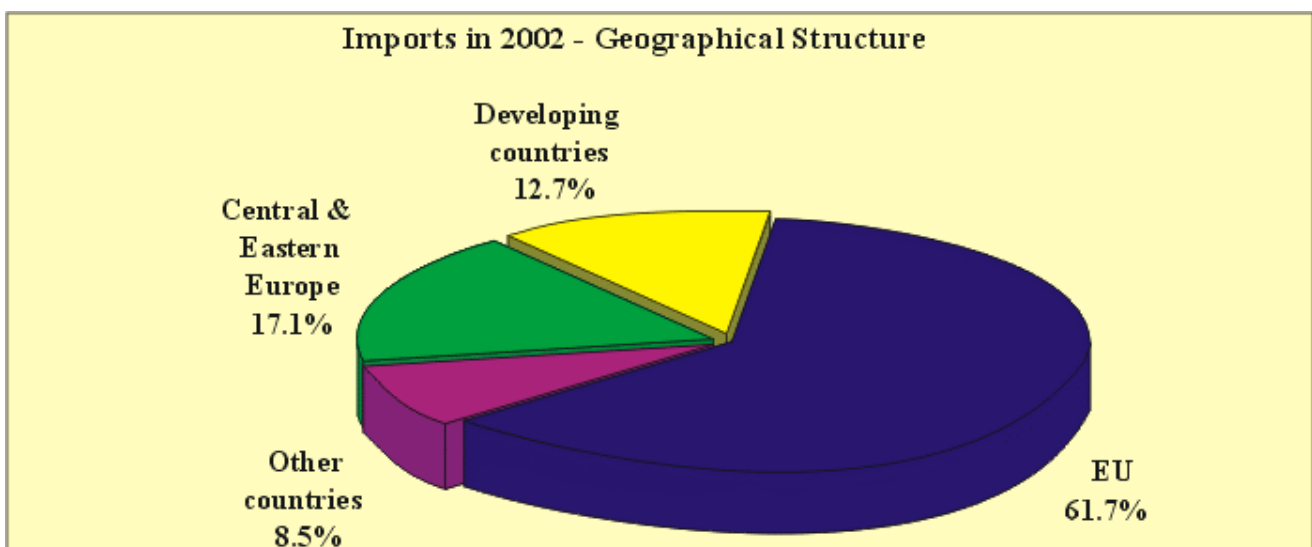


Still, the official figures do not include cross border trade with neighbouring countries, especially Germany. It is estimated that this trade reaches several USD billion a year. When this "invisible" trade is included, the overall trade deficit is much less pronounced. Therefore, according to the National Bank of Poland, which bases its calculations on actual payments, the trade deficit amounted to USD 10.4 billion in 2002, as reflected in the balance of payments.

Developed countries dominate both Polish exports and imports and their share of trade amounts to 75.1 % and 70.2 % respectively. Poland's main trading partner is Germany, which alone accounts for just under one quarter of Polish imports and almost a third of exports. The EU as a whole has a 68.7 % share in Poland's exports and 61.7 % in imports.



The share of Central and Eastern European countries amounts to 19.0 % in exports and 17.1 % in imports and that of developing countries to 5.9 % in exports and 12.7 % in imports. Russia remains the major trading partner in the East, though its share in Polish foreign trade, once close to 40 %, in 2002 amounted to just 3.2 % of Poland's exports and to 8.0 % of imports. Last year the share of Polish exports to Central and Eastern European countries increased, as well as the share of Polish imports from both developed and developing countries.



Exports in 2002 - Major Partners

	Value (USD million)	Share %
Germany	13,248	32.3
France	2,473	6.0
Italy	2,256	5.5
Great Britain	2,126	5.2
Netherlands	1,841	4.5
Czech Republic	1,640	4.0
Russia	1,332	3.2
Belgium	1,330	3.2
Sweden	1,329	3.2
Ukraine	1,181	2.9
Total exports	41,010	x

Source: Central Statistical Office, 2003

Imports in 2002 - Major Partners

	Value (USD million)	Share %
Germany	13,402	24.3
Italy	4,613	8.4
Russia	4,407	8.0
France	3,841	7.0
Great Britain	2,142	3.9
China	2,077	3.8
Netherlands	1,935	3.5
USA	1,795	3.3
Czech Republic	1,788	3.2
Belgium	1,529	2.8
Total imports	55,113	x

Source: Central Statistical Office, 2003

The expansion of Polish exports in the transformation period was accompanied by the modernisation of its commodity structure. This resulted in the growing importance of highly processed products, especially from the engineering sector (which increased its share from 20 % of exports in 1992, to 38.6 % in 2002). On the other hand, the importance of raw materials and semi-finished products (mineral products, wood and wooden products, and metallurgical products) substantially decreased. The inflow of foreign direct investments was the leading factor behind this change.

In 2002, machinery and transport equipment dominated both exports and imports, with the same share of 37.6 %. In exports this is followed by manufactured goods (23.8 %), miscellaneous manufactured articles (17.2 %), and foodstuffs (7.2 %). In imports, manufactured goods have a 20.6 % share, chemical products (14.8 %), and mineral fuels and lubricants (9.1 %).

Even though the overall foreign trade balance is negative, the deficit has been decreasing gradually since 1999. There are several commodity groups generating substantial surpluses. In 2002, the most notable included:

- diesel engines, with exports of USD 1.52 billion and imports of USD 0.15 billion, consequently generating a USD 1.37 billion surplus;
- seats, with exports reaching USD 1.51 billion and imports of USD 0.21 billion, generating a USD 1.3 billion surplus;
- other furniture, excluding seats and medical furniture, with exports of USD 1.25 billion and imports of USD 0.20 billion, generating a USD 1.05 billion surplus;
- TV sets, with exports of USD 1.09 billion and imports of USD 0.22 billion, generating a USD 0.87 billion surplus.

Other important examples of highly processed export items include passenger cars and other passenger motor vehicles, trucks, etc.

As far as imports are concerned, it is important to note that the trade deficit mainly results from the import of raw materials necessary for the economy, and of investment goods and articles bought for co-operation and supply purposes, which are indispensable for industrial restructuring and development. In 2002, the import of raw materials and components accounted for over 59.3 % of total imports, while the import of investment goods reached 19.2 %.

Consequently, petroleum oils head imports while the most important import products include natural gas, cars, parts and accessories for motor vehicles, computers, engines, and electronic integrated circuits.

The private sector plays an increasingly important role in foreign trade. In 2002, the private sector accounted for 88.7 % of exports (compared with 42 % in 1993) and for 92.3 % of imports (compared with 60 % in 1993).

The impressive expansion of foreign trade in the past decade was no doubt greatly facilitated by Poland's political and economic integration with the world and especially with the European Union (see Chapter VI).

Nonetheless, last year's positive developments, as well as the overall picture, should be viewed in a wider, international context. In terms of value, current Polish exports are similar to those of some much smaller countries of the region. Exports' share in Polish GDP amounts to 22 %, while in the Czech Republic and Hungary it is two to three times higher. In 2002 exports per capita reached 1,060 USD, between half and one-third of the Czech, Slovakian, or Hungarian level, while in a vast majority of OECD countries this ratio is well over ten times higher.

The current account balance of payments has been negative for several years, as indicated in the following table. It is worth noting though, that a favourable trend consisting in diminishing the current account deficit from one year to another has been visible since 2000.

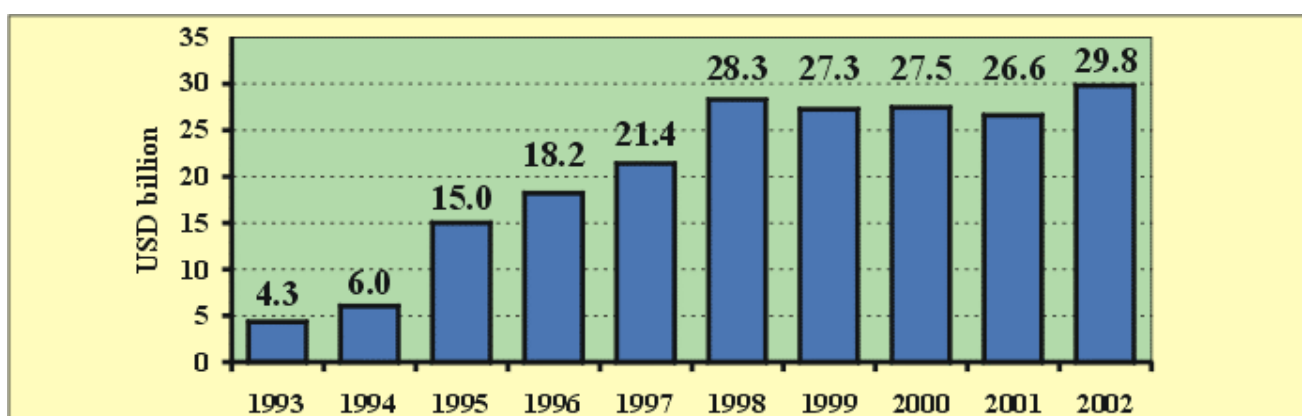
Balance of Payments on Current Account 1995-2002 (USD million)

	1995	1996	1997	1998	1999	2000	2001	2002
Current Account	5,310	-1,371	-4,309	-6,841	-11,553	-9,952	-7,166	-6,700
<i>Export revenues</i>	22,878	24,453	27,229	30,120	26,349	28,255	30,275	32,945
<i>Import expenditures</i>	24,790	32,632	38,549	43,840	40,728	41,423	41,950	43,297
Trade balance	-1,912	-8,179	-11,320	-13,720	-14,379	-13,168	-11,675	-10,352
Services, net	146	-213	305	-488	-1,631	-1,686	-976	-1,005
Income, net	-613	-356	-455	-569	-795	-759	-896	-1,588
Current transfers, net	544	1,002	1,150	1,941	1,614	1,681	1,986	2,180
Unclassified, net	7,145	6,375	6,011	5,995	3,638	3,980	4,395	4,065

Source: National Bank of Poland, 2003

This deficit is balanced, however, by a strong position on the capital and financial account. Consequently, foreign exchange reserves have been rising constantly. In 1993, Polish official reserve assets amounted to USD 4.3 billion. Since then they have been rising steadily, to stabilise in the late 90's at a level of USD 27 - 29 billion. By the end of 2002, official reserve assets amounted to USD 29.8 billion, corresponding to over 6 months of Poland's imports.

Official Reserve Assets



This growth has mostly been due to cross border trade and foreign direct investments, as well as to the foreign exchange portfolio and short-term capital operations.

IV. PRIVATISATION

Legislative Framework

The current framework for privatisation in Poland is contained in the Law on the Commercialisation and Privatisation of State Enterprises, passed on 30 August 1996. This legislation came into force in April 1997. The law governs two basic privatisation methods: indirect privatisation, also known as capital privatisation, and direct privatisation, sometimes referred to as privatisation through liquidation.

The legislation also permits the commercialisation and privatisation of state enterprises under the Law on State Enterprises of 25 September 1981 at the instigation of various authorities. These are the minister responsible for the relevant sector (e.g. the Minister of the Economy, Labour and Social Policy), the *wojewoda* (the governor of a province) or the mayor of a commune.

The Mass Privatisation Programme aimed at spreading the benefits of ownership changes across the whole nation is based on the Law on National Investment Funds and their Privatisation of 30 April 1993. The Programme was launched in 1995.

Other legal regulations pertaining to this matter include the Law on the Financial Restructuring of Banks and Enterprises of 3 February 1993 and the Law on the Administration of the State Treasury's Agricultural Property of 19 October 1991.

In 2001, there were three entities responsible for the privatisation of the Polish economy:

- The Ministry of the Treasury,
- The Agricultural Property Agency of the State Treasury,
- The Privatisation Agency.

As of 1 April 2002 there are only the first two, as the activities of the Privatisation Agency were terminated on 31 March 2002.

Ministry of the Treasury

The Ministry of the Treasury was created on 1 October 1996 as the successor to the Ministry of Privatisation, which had operated for a period of 5 years - from 1 October 1991.

The main functions and responsibilities of the Ministry of the Treasury include:

- the initiation of legislation,
 - the keeping a record of State Treasury property,
-

- the exercise of ownership rights resulting from shares and stakes belonging to the State Treasury,
- the standardisation of the rules governing the legal representation of the State Treasury,
- the maintenance of funding supervision (over about 200 enterprises),
- the registration of State Treasury representatives,
- the legal representation of the State Treasury,
- the realisation of the ownership transformation policy,
- the supervision over:
 - The Agricultural Property Agency of the State Treasury,
 - The Military Property Agency,
 - The Military Housing Agency.

Within the Ministry's structure, there are five departments involved in the privatisation of individual branches. Their competencies are as follows:

The Department of Financial Institutions

National Investment Funds and companies participating in the program, banking and institutions of the financial and capital market, insurance companies and foundations.

The Department of Restructuring and Public Aid

The gas industry (mining, distribution and trade), oil industry, heavy chemistry.

The Department of Defence Matters and Protection of Classified Information

The defence industry.

The Department of Privatisation I and the Department of Privatisation II

All other branches.

In 2002, privatisation revenue amounted to just PLN 2.86 billion, much less than the envisaged PLN 6.8 billion. However, the government plans for 2003 anticipate that privatisation revenue will reach over PLN 9 billion, with PLN 8.7 billion to be generated through indirect privatisation.

Out of the 2003 privatisation revenue, PLN 1.5 billion is to remain at the Ministry's disposal to cover privatisation costs, the cost of restructuring aimed at restoring the profitability of selected industries or entities prior to their privatisation, and the continued accumulation of assets allocated for meeting reprivatisation claims.

It is worth noting that due to recent amendments of the Law on the Commercialisation and Privatisation of State Enterprises, some PLN 4 billion is earmarked for the reform of

the social security system and approximately PLN 0.2 billion (2 % of the privatisation revenue) will be allocated for developing of Polish science and technology.

Privatisation Objectives and Plans for 2003

The current national privatisation policy aims at completing core ownership transformation processes in Poland by 2005. The resulting ownership structure of the Polish economy should be similar to that of EU member states, with public ownership at a level of 10 to 20 %.

In 2003, primary privatisation goals remain more or less the same as in the previous years. These are, as follows:

- to increase the effectiveness of privatised entities,
- to improve their competitiveness,
- to support restructuring processes, and
- to further develop the capital market.

The privatisation efforts of the state will focus in particular on:

- the further implementation of privatisation processes in strategic and infrastructure sectors, following the restructuring and privatisation time-tables prepared for individual branches of the economy,
- supporting restructuring processes in the so-called "sensitive" sectors,
- accelerating the completion of direct privatisation in companies, where the State Treasury holds minority shares.

In 2003, the further privatisation of the banking sector should consist in selling through public offering minority blocks of shares in PKO BP S.A. and BGŻ S.A. (at the end of 2003 / beginning of 2004). The Ministry plans to generate a significant part of the expected revenue through privatisations in the power sector. First, however, some consolidation processes are envisaged, in line with the adopted "Implementation Estimate and Correction of Assumptions of the Polish Energy Policy until 2020" document. The privatisation of the power generating companies will continue, and will be followed by the privatisation of the distribution sub-sector.

Privatisations in the gas, oil, and bulk chemicals sector are to take place upon some further consolidation and restructuring of the companies involved. All in all, the indirect privatisation process to be conducted by the Minister of the Treasury should encompass approximately 90 companies. Moreover, there should also be approximately 150 state enterprises supervised by province governors involved in direct privatisation.

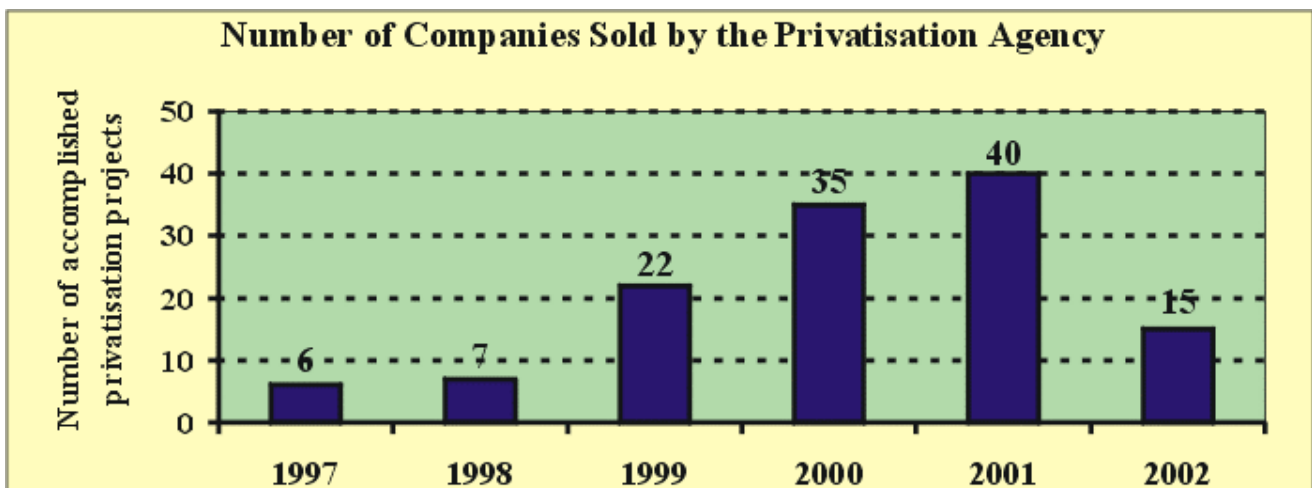
The Privatisation Agency

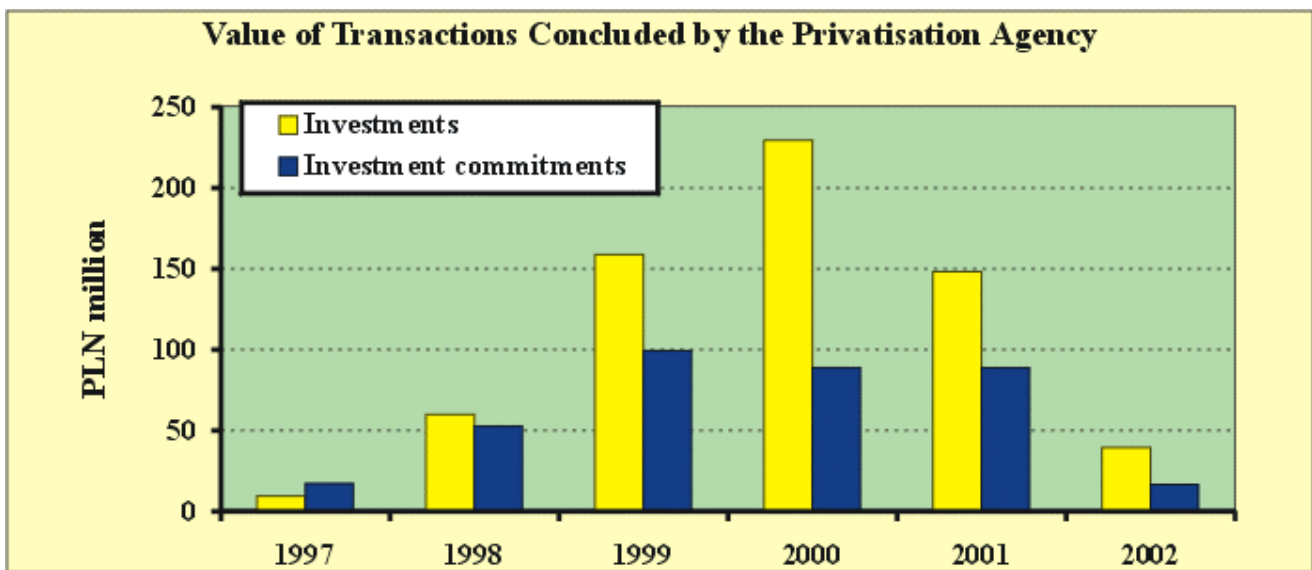
The Privatisation Agency was supervised by the Minister of the Treasury and its main responsibility was the privatisation of companies wholly or partially owned by the State Treasury on behalf of the Minister of the Treasury.

The Agency carried out the privatisation processes on the basis of the Law on the Commercialisation and Privatisation of State Enterprises of 30 August 1996, employing the following methods: public auction and invitation to negotiations. It sold corporate shares and stakes, as well as the assets of state enterprises, on the basis of the Treasury Minister's authorisation, determining the scope and terms of the privatisation.

From 1997 till its liquidation on 31 March 2002, the Privatisation Agency sold shares in 125 small and medium size companies in the following sectors: electro-engineering, the construction and production of building materials, trade and services, food processing, herb processing, transportation and forwarding services, the excavation and processing of minerals, glass, textiles, chemical, pharmaceutical, musical instrument production, leather, tourism, ceramics, wood and paper, and education services.

The results of the Agency's activities in terms of privatisation projects completed and of investment amounts are presented on the graphs below.





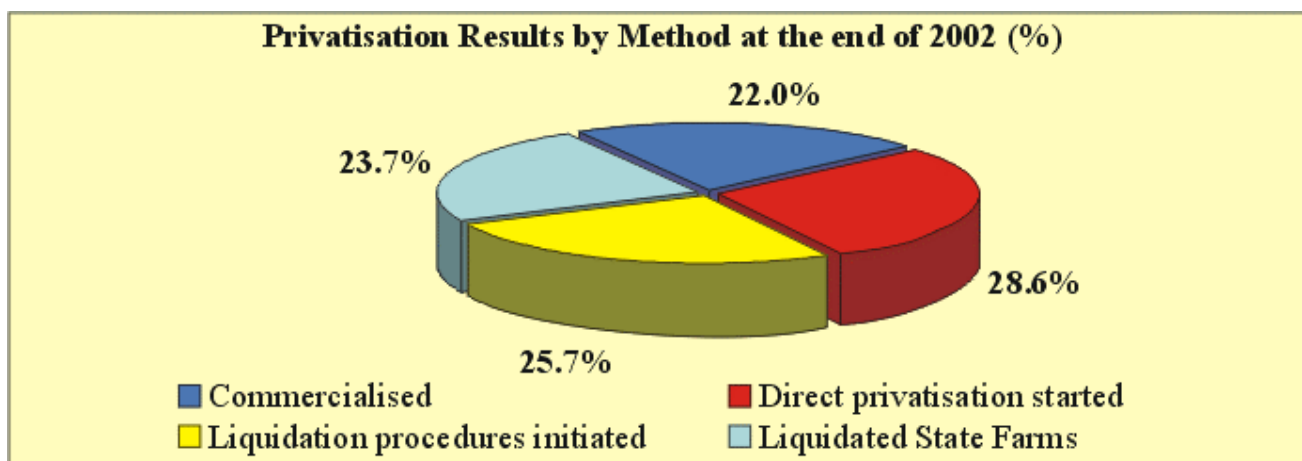
However, it should be noted that the above amounts represent values contained in the contracts concluded. In some cases of sale by instalments the contracts have not been duly performed.

The Multi-methods Approach

From the very beginning privatisation was considered to be one of the three most important components of the economic transformation, together with the economy's stabilisation and liberalisation. There were 8441 state-owned companies registered in July 1990. Since the beginning of the privatisation of state-owned enterprises, i.e., from 1 August 1990 till the end of 2002, privatisation processes have been started in 6982 state-owned companies. Of these, 22.0 % have been commercialised (the first stage of indirect privatisation), 28.6 % have started direct privatisation, in 25.7 % liquidation procedures have been initiated due to poor economic condition and the remaining 23.7 % are liquidated state farms, whose assets have been taken over by the Agricultural Property Agency of the State Treasury.

The most characteristic feature of privatisation processes in Poland is the variety of privatisation methods used. The idea behind this diversity is to offer methods best suited to the size, financial situation, and importance of a given entity to be privatised. Poland's original contribution to privatisation is the sectoral approach. Whole sectors or branches of industry have been analysed and strategies for their privatisation have been devised, first by the Ministry of Privatisation and later by the Ministry of the Treasury, once it was established. The Ministry decides which methods are best suited for individual enterprises, what role can be played by foreign capital in the privatisation of a given sector, and which enterprises can be offered to foreign investors.

The legislation provides for two fundamental alternative methods of privatisation of state-owned enterprises. The first method, indirect or capital privatisation, consists of the "commercialisation" of a state-owned enterprise or its transformation into a State Treasury corporation, either as a joint stock company or as a limited liability company. The shares of the commercialised company are then offered to a third party. This method is usually applied to large and medium-size state enterprises.



The other method is direct privatisation ("through liquidation"), which is applied mostly to small and medium-size state enterprises. Such liquidation is followed by the offer of the assets (which could include the whole business) directly to third parties, either for purchase or to lease. The assets of a company being liquidated may also be transferred to an existing company.

The government also makes use of article 19 of the Law on State Enterprises of 25 September 1981 to put companies into private hands. This usually entails the liquidation of a state-owned enterprise in poor financial condition, followed by the sale of its assets to satisfy creditors. By the end of 2002, the liquidation procedure had been started in 1795 enterprises and by the same date the process had been completed in 852 enterprises (47 %).

Finally, a remarkable achievement should be noted in the field of so-called "small privatisation". Hundreds of thousands of small and medium-size retail and wholesale shops, restaurants, etc., which were previously owned by local authorities, were fairly rapidly sold.

Capital Privatisation

A traditional form of capital privatisation is applied to large enterprises. The first stage in the capital privatisation is conversion of the enterprise into a company with all shares held by the State Treasury (commercialisation). Enterprises are valued independently, prospectuses are drawn up, a subscription is held and then a final allotment of shares is made. Accelerated privatisation may be applied to medium-size and small enterprises, where the whole or substantial parts of an enterprise could be sold to a single buyer.

Conversion into a joint stock or limited liability company with all shares held by the State Treasury is the first step in capital privatisation, providing a clear management structure appropriate to the company's size.

The initiative for such a transformation may come from:

- the Minister of the Treasury, who takes the relevant decision on his own and notifies the director of the company, its Employee Council and its founding body (consent of these entities is no longer needed);
- the enterprise's director and Employee Council;
- the enterprise's founding body.

The newly created company assumes all the rights and liabilities of the transformed state enterprise and, subject to certain exceptions, takes on most of the employees of the transformed enterprise. Its opening balance sheet is the closing balance sheet of the state enterprise and its capital is the sum of the enterprise's original capital and retained earnings. The Charter of the company specifies how the capital is to be divided into share capital and reserve capital. On the conclusion of the Charter, the management applies for registration of the new company, and the state enterprise is removed from the registry of state companies.

The next step is to offer the company's shares to private investors. Before a public offering of shares, the Ministry of the Treasury may order a financial assessment of the company in order to value its assets and to determine whether the company first requires restructuring, particularly when there has been a time lapse between incorporation and presentation of the offer. The Ministry may also order an analysis of the legal status of the company's assets to determine if there are any conflicting claims. To make the company more attractive to potential investors the Ministry of the Treasury may assume (with the consent of the Minister of Finance) some or all of the company's debts.

There are four general methods for offering shares: public offer, negotiations initiated by public invitation, public tender, and accepting an offer made by a shareholder inviting other shareholders to sell their shares. Employees are eligible for up to 15 % of the

shares of their companies free of charge. These shares cannot be traded on the Stock Exchange for a period of 2 to 3 years.

Under certain circumstances farmers and fishermen may acquire shares on the same basis as employees in the companies with which they have long-term contracts. State enterprises require permission from the Minister of Finance to acquire shares in other companies.

By the end of 2002, according to the Central Statistical Office, 1535 state enterprises have been commercialised and 1521 have been transformed into single-holder State Treasury joint stock or limited liability companies. Out of this number, 330 were completely privatised through capital privatisation (including 111 with foreign participation) and 512 were included in the Mass Privatisation Programme.

The Ministry of the Treasury has prepared a transfer list of companies being privatised individually and offered to foreign investors. This list provides potential investors with some basic information on the companies that are currently being privatised by trade sales or public offering. Initial contact by a potential investor should be with the sector/company adviser and if none has been appointed, then with an appropriate department of the ministry. The list is also available at the ministry's web-site.

The basic criteria for selecting the investor remain as follows:

- the price for shares and terms of payment,
- investment commitments,
- the pro-export nature of the investment in terms of the liberalisation of trade between Poland and the European Union countries,
- social commitments towards employees and sub-contractors (in the case of the food processing industry),
- environmental protection investment plans,
- accordance with Poland's obligations towards the European Union and the OECD.

The pricing, sale and distribution of shares is subject to thorough control and supervision. Fixing the price for each enterprise is carried out in strict compliance with market techniques. An active anti-monopoly policy supports the competitive process and counteracts any attempt to acquire capital control over any branch by a single investor.

Privatisation through Debt - Equity Swaps

This is a form of capital privatisation. The initiative for such an ownership transformation comes from the director of the enterprise and has to have the agreement of the Minister of the Treasury. According to this formula, state-owned enterprises are transformed into limited liability companies in which creditors take shares amounting to the enterprise's debt. Privatisation with debt equity swaps takes place according to the regulations of the Law on the Commercialisation and Privatisation of State Enterprises. By the end of 2002, only 14 state enterprises were privatised this way.

Direct Privatisation

An enterprise may be privatised directly ("through liquidation"), which is the fastest and most popular way of privatisation. It entails the direct sale or leasing of the assets of the liquidated enterprise. By the end of 2002, privatisation through liquidation had been started in 1998 and completed in 1911 enterprises. This method is devised for smaller companies. In most cases, the privatised enterprises were sold or leased to employees and management of the enterprise. Direct privatisation is not only popular but also very effective. Almost 96 % of state-owned enterprises being privatised in this way have completed the process. Direct privatisation can take several forms:

Sale of assets. All or part of the assets may be acquired using the same methods as with the offering of shares by private local or foreign investors without any special permit. When an enterprise is sold as a whole and the legal ownership of land and other fixed assets under its control has been established, "fast-track" privatisation may be implemented. In such cases the pricing of the enterprise is simplified by making use, within certain pre-set limits, of a valuation based on the book value of the enterprise and on the annual profits. This accelerates the process leading to a sale and also considerably reduces the cost of privatisation. An enterprise may be sold by instalments. In this case the first instalment amounts to at least 20 % of the agreed price and the outstanding amount plus interest must be paid within 5 years. Almost 22 % of direct privatisations were accomplished using this method.

Contribution of assets. Assets may be contributed to an already existing company or a company specially incorporated to receive these assets in exchange for shares. As the State Treasury becomes a partner, it is easier to mobilise a strategic investor. The shares acquired by the Treasury would eventually be sold in a public offer.

Employee buyout (lease of the enterprise). The enterprise is liquidated and the new company leases the assets under a contract negotiated on behalf of the State Treasury by the founding body of the liquidated enterprise. This contract may give the lessee an

option to purchase. When only part of the assets is leased, the remainder may be sold or contributed to another company. Liquidation by means of a lease is considered appropriate for small companies and has proved to be the most popular method of privatisation, accounting for approximately 65 % of direct privatisations.

The Agricultural Property Agency of the State Treasury

The Agricultural Property Agency of the State Treasury (APA) was established under the Law on the Management of Agricultural Real Estate of the State Treasury dated 19 October 1991. APA is a trust organisation, authorised by the State Treasury to exercise ownership rights regarding state property in agriculture and obliged to take over all the property of liquidated state-owned farms, other agricultural real estate of the State Treasury, as well as realty from the National Land Fund. Furthermore, by virtue of the provisions of the Farmers' Social Insurance Law of 20 November 1990 the Agency has been obliged to acquire agricultural real estate for the State Treasury stock at the request of farm owners having the right to social security pension, or disability pensions.

At present, as a result of transformations in the state agricultural sector, the APA has the strategic objective of privatising all the state's agricultural property.

In accordance with existing regulations the APA may sell or lease agricultural property to foreigners who have obtained the required permit. By the end of 2002, the APA had sold 747 ha and leased 114,200 ha of land to foreigners. During the same period, Polish companies with a minority foreign stake purchased approximately 38,743 thousand ha and leased 60,336 ha of land from the Agency.

The APA performs its tasks as a state legal person in accordance with the principle of self-financing. After the assets of a liquidated state agricultural enterprise have been taken over, restructuring programmes determine their use or disposal. These include:

- sale;
 - lease or rent;
 - contribution in kind into other companies (including companies established by the APA);
 - transfer for management to the state entities without legal personality;
 - transfer of management administration;
 - conversion of stock.
-

**Land Taken over into APA Stock and its Redistribution as at the End of the Year
(thousand hectares)**

	1994	1995	1996	1997	1998	1999	2000	2001	2002
I. Total land taken over into APA Stock	4,232	4,413	4,506	4,592	4,646	4,666	4,694	4,700	4,705
<i>in which from:</i>									
Former state farms	3,728	3,741	3,750	3,751	3,752	3,754	3,758	3,759	3,759
National Land Fund	436	538	570	579	594	602	608	608	608
Others	68	134	186	262	300	310	328	333	338
II. Land from APA Stock									
1) redistributed through:									
Sale	124	240	432	581	728	846	967	1,114	1,272
Free of charge transfer	21	51	85	107	148	182	210	233	244
Bringing into company	7	8	9	9	13	14	14	15	15
2) redistributed through:									
Lease	1,981	2,744	2,928	2,890	2,810	2,695	2,619	2,508	2,408
Management, perpetual usufruct	20	41	65	107	122	123	122	115	112
Administration	374	333	268	248	208	135	39	12	5
3) awaiting for disposal	1,705	996	719	650	617	671	682	652	584

Source: APA, 2003

Real estate belonging to the Agricultural Property Stock of the State Treasury may also be passed free of charge to territorial self-governments, the Polish Academy of Sciences, the chambers of agriculture or the National Board of Chambers Agriculture for investments in infrastructure, and also for the fulfilment of the statutory functions of state schools of higher learning and state research or development institutions. Farmland of low quality can be passed to the State Forests or lie fallow.

Apart from those assets that are agriculturally productive, the State Treasury Stock contains assets of historical or national importance, acknowledged as being part of the cultural heritage. Assets of historical and national importance includes land together with buildings, facilities, trees, etc.

The Agency is headed by its president. In order to perform its tasks efficiently, the APA has set up 11 regional branches and 5 subsidiary offices. One of them is situated in Warsaw and is also responsible for enterprises of special importance for the national economy (animal and plant breeding).

The Agency sells or leases assets following a tender (auctions or bidding by written offer). The list of APA assets offered for sale or lease, as well as announcements regarding tenders, are posted in the relevant commune's (*gmina*) office, on the actual real estate being the subject of sale or lease, and in the appropriate APA regional branch. An advertisement of the intended sale of property whose estimated value exceeds the equivalent of 10,000 quintals of rye - fixed according to the regulations on agricultural

tax - must be published in newspapers having at least region-wide circulation. The list of assets for sale or lease is announced 14 days before the invitation for tender.

The Agency may also organise closed tenders addressed to a defined groups of tenderers and may sell real estate at a price determined by law to certain categories of purchasers, who have the right of first purchase of given pieces of real estate.

The Mass Privatisation Programme

The Mass Privatisation Programme (MPP) significantly accelerated the privatisation processes and spread the benefits of ownership changes across the whole nation. Each adult Polish citizen was eligible to take part in the MPP, which was approved by Parliament on 30 April 1993 under the Law on National Investment Funds and was finally launched at the end of 1994. The MPP encompassed 512 mostly medium-size companies (some 10 % of Polish industry).

As a first step, 15 National Investment Funds (NIFs) were established to hold shares in those enterprises. Each NIF is controlled by a Supervisory Board charged with representing the interests of shareholders, who were initially all Polish citizens holding universal share certificates. The Supervisory Boards are composed of suitably qualified individuals nominated and appointed by a specially convened Selection Commission. The law requires that two-thirds of the Supervisory Board members including, its chairman, are Polish citizens.

The MPP was devised as the most appropriate and expedient way of privatising and restructuring a large number of Poland's state-owned enterprises, thereby accelerating the transformation of Polish industry. Shares in each NIF were initially represented by Universal Share Certificates (USC), which were bearer securities. The fee for such certificates, which were available to all adult Polish citizens, was set at PLN 20 (USD 8) each. Owners were able to trade them freely, and beginning in June 1996, the certificates were also quoted on the Warsaw Stock Exchange (WSE). The distribution of the USC started in November 1995 and by end of the distribution period 25.8 million out of 28.3 million eligible adult Poles had picked them up.

In early April 1997, the Securities Commission approved the public trading of all 15 National Investment Funds. The conversion of the MPP's universal certificates into NIF shares (one USC for 1 share of each of the 15 NIFs) started in May 1997. It ended on 31 December 1998. Since June 1997, NIF stocks are traded on the WSE.

By the end of 2002, according to the Ministry of the Treasury, out of 512 companies participating in the NIF programme 39, were publicly traded, including 28 listed on the

WSE and 11 traded on the OTC market. A further 10 were put into liquidation and in 83 companies proceedings in bankruptcy were initiated.

An institutional, strategic and private investor from abroad can participate in the MPP in a variety of ways:

- Investors can purchase and trade in NIFs' shares.
- Financial and strategic investors may actively participate in the restructuring of individual participating companies by purchasing their shares when they are offered by NIFs, by providing equity or non-equity finance, by acquiring companies entirely, or by forming joint ventures.
- Institutional investors may choose to purchase shares in individual participating companies.

Restitution

The nationalisation that took place in Poland shortly after World War II was based on a series of nationalisation decrees, which empowered the State Treasury to take over real estate from private owners. Since the beginning of the political and economic transformations in Poland it has been clear that it is the country's obligation to compensate the owners, whose interests were violated. This need results from the basic principles and values contained in the Polish constitution, such as the principles of a democracy under the rule of law, of social justice, and of respect for private property. However the problem of re-privatisation, i.e., the restitution of nationalised property to its original owners, has not yet been resolved, as there are no restitution regulations in force (as of June 2003).

Parliamentary work on restitution has taken several years. There has been universal agreement to the principle that not all nationalised property could be returned to its original owners, either in kind or in the form of compensation. Unfortunately, that was where the consensus ended.

Nonetheless, nationalisation decisions that were issued with no legal basis or with infringement of the law can still be challenged on the grounds of constitutional legality. This process started in the 1990s along with the political and economic reforms. On the grounds of the Code of Administrative Procedure several thousand former owners have had their property returned or have been paid compensation. Several thousand others are still awaiting a court decision. Therefore, despite the lack of general legalisation a process comprising some elements of property restitution to the former owners or a payment of compensation is in force.

Passing restitution regulations is not only a moral obligation, but also has significant practical value, as in some cases unresolved restitution claims have been hampering the privatisation process. The government has been retaining 5 % of the stock of privatised companies as a "reserve" to satisfy re-privatisation claims after the passing of the relevant law.

Capital Markets

The first Stock Exchange in Warsaw was opened on 12 May 1817. In the nineteenth century, it was mostly bonds and other debt instruments that were traded on the Warsaw bourse. Before the Second World War, there were seven Stock Exchanges operating in Poland, with Warsaw accounting for more than 90 % of the total trading.

In 1989, along with the political changes, the new non-communist government began creating a capital market structure. The new legal framework, the Act on Public Trading in Securities and Trust Funds was adopted in March 1991, and the State Treasury established the Warsaw Stock Exchange joint-stock company in April 1991. At the same time, the Polish Securities Commission, with its chairman appointed by the prime minister, was created.

Both the structure and the legal regulations of the Polish capital market were modelled on the most modern and efficient systems used elsewhere in the world that were relevant to Poland's situation. Following a thorough review of several contemporary markets, a system based on French experience was adopted and implemented.

The Warsaw Stock Exchange (WSE), the only securities exchange in Poland, is a self-regulatory organisation. Pursuant to the Act on Public Trading, the Polish Securities Commission must approve the Rules and Statutes of the WSE.

The Warsaw Stock Exchange is a non-profit joint-stock company. Its share capital stands at PLN 42 million, divided into 60,000 registered shares. The shares of the WSE may be purchased by banks, brokerage houses, the State Treasury, trust fund companies, insurance companies, and the issuers of securities approved for public trading and listed on the WSE.

The structure of the Warsaw Stock Exchange is as follows:

The General Meeting

The General Meeting is the WSE's highest decision-making body. Its role is to put changes to the Statutes and Rules into effect and to elect members of the Supervisory Board. It consists of all WSE shareholders.

The Supervisory Board

The Supervisory Board controls the operation of the exchange, admits securities for trading, and grants and recalls stock exchange membership. It consists of 12 members appointed by the General Meeting, representing the shareholders.

The Management Board

The Management Board co-ordinates the day-to-day operations of the WSE and introduces securities to exchange trading. The Management Board consists of five members. The President, elected by the General Meeting for a three-year term, directs Management Board activities.

The high standard of the regulations and operations of the Warsaw Stock Exchange has been recognised by the international community. In October 1994, the Warsaw Stock Exchange was admitted as a full member to the International Federation of Stock Exchanges (FIBV).

The Securities Act of 21 August 1997, effective from 4 January 1998, facilitated further development of Polish capital markets. Among the changes were further reconciliation of the act with the regulations of the OECD and the European Union, the introduction of securities lending and borrowing mechanisms, and the definition of the rules of underwriting.

On 21 February 1998, the Act on Investment Funds was adopted, making the creation of new kinds of investment vehicles possible. The pension reform (see Chapter II, Pension Reform) resulted in the establishment of pension funds, thus increasing the institutional investors' base.

One great achievement of the WSE was to attract millions of Poles, as well as a large number of foreign investors. This was possible in part due to a long-lasting bull market on the bourse, but most of all it was due to the fast economic growth, political stability, and to the market's efficiency and transparency and to the clear and comprehensive rules which govern it.

Presently, the legislative framework for Stock Exchange operations is formed by the following:

- The Securities Act of 21 August 1997,
 - The Code of Commercial Companies of 15 September 2000,
 - The Warsaw Stock Exchange Statutes,
 - The Rules and Regulations of the Warsaw Stock Exchange,
 - The Rules and Regulations of the Stock Exchange Court.
-

There are over 1 million investment accounts; however, as a result of the predominantly bear market, the annual turnover of the Polish bourse has been steadily decreasing in the past couple of years. In 2002 it amounted to around PLN 150 billion, which is approximately USD 150 million a session, in comparison to approximately USD 200 million a session in the previous year. In 2002, stocks dominated trade on the Warsaw bourse cash market, accounting for approximately 92.2 % of total session trading. The remaining part was similarly dominated by bonds, accounting for a further 7.7 % with the share of other instruments (warrants, subscription rights, investment certificates and allotment certificates) being rather insignificant. The bear market resulted in a considerable decrease in the cash market trade (-21 %) and a similar decrease in the futures market trade (-22 %), where the total turnover amounted to PLN 77.4 billion, once again exceeding the cash market figure.

The basic statistics of WSE turnover during the last year are presented in the following two tables, which contain information on the cash and futures markets' performance.

Structure of WSE Cash Market Trade in 2002 (PLN million)

Financial Instruments	Session trading		Block trades	Other*	Total
	Value	% share			
Stocks	47,729	92.17	15,933	3,826	67,488
Allotment certificates	7	0.01	-	-	7
Subscription rights	24	0.05	2	-	26
Bonds	3,986	7.7	145	-	4,131
Investment certificates	27	0.05	-	-	27
Warrants	8	0.02	-	-	8
TOTAL Cash Market	51,781	100.00	16,080	3,826	71,686

* Includes public offerings and substantial acquisitions of shares

Source: WSE, 2003

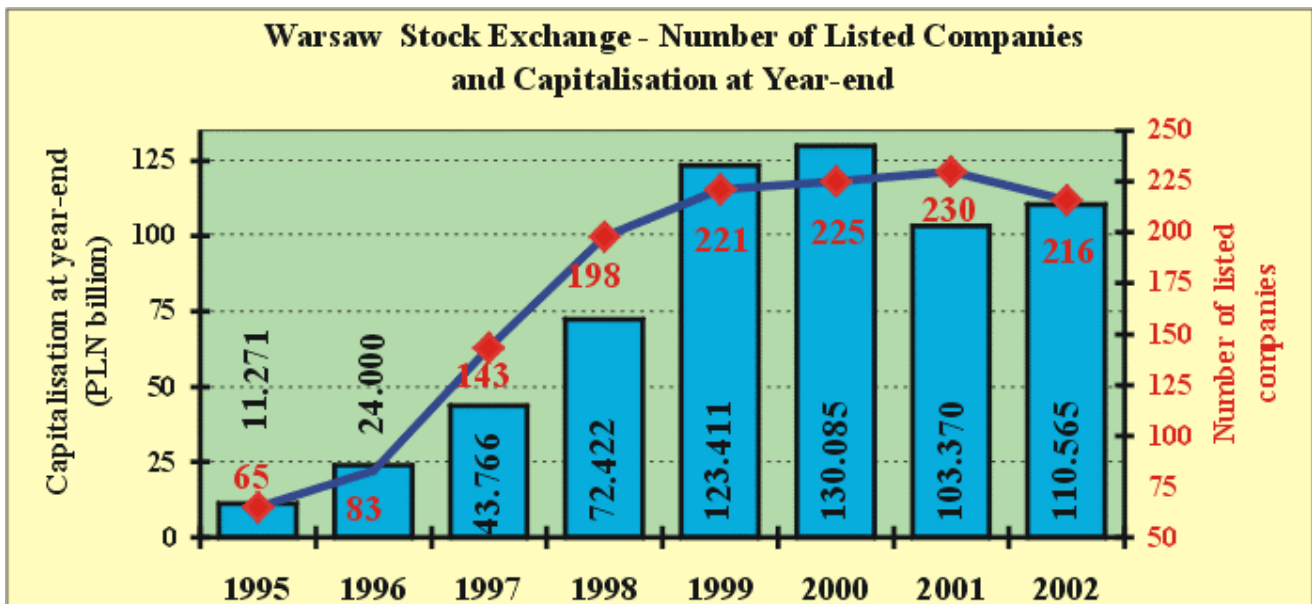
Structure of WSE Futures Market Trade in 2002 (PLN million)

Financial Instruments	Turnover		Volume	
	Value	% share	(Contracts)	% share
Index futures	75,521	97.58	3,077,836	89.97
Stock futures	1,332	1.72	92,097	2.69
Currency futures	482	0.62	5,957	0.17
Index participation units	62	0.08	245,019	7.16
TOTAL Futures Market	77,396	100.00	3,420,909	100.0

Source: WSE, 2003

The impressive dynamics of the WSE's development are best reflected in the growing number of companies listed and in the booming capitalisation, which grew by more than 50 % over the past four years, to reach over PLN 110 billion (approximately USD 25 billion) at the end of 2002. However, since 1999 both the number of companies and

capitalisation remain more or less constant. By the end of 2002, there were 216 companies listed on the WSE. This number encompassed 132 companies on the main market, 57 on the parallel one, and 27 on the free market.



More information on trading in shares and bonds on the WSE in 2002 is contained in Appendices 15 and 16 respectively.

The Polish Securities Commission (PSC) is the only administrative body authorised to bring securities into public trading. An entity that wants its shares or bonds to be publicly traded is obliged to prepare an issue prospectus. The PSC ensures that the prospectus fulfils detailed conditions specified by law and grants permission for public trading. The issuance of GDRs and ADRs also require the approval of the PSC.

The PSC also exercises administrative supervision over the activities of brokerage houses and grants permits for each specific area of a brokerage house's activities. Currently (30 April 2003), there are 35 brokerage houses operating in Poland, of which 5 are bank-owned and 30 independent. All securities brokers are licensed by the Polish Securities Commission.

There are 19 Investment Fund Corporations operating on the Polish market, managing 124 funds (as of 30 January 2003). The biggest players are already on the market and a number of others are preparing to start their activities in Poland. There are 53 entities (including 21 brokerage houses) authorised to distribute funds' participation certificates.

The sectoral structure of companies listed on the Warsaw Stock Exchange as of May 2003 is presented in the following table.

WSE Sector Market Figures as of 07 May 2003

Sector name	No. of companies	Share in Total	Market	Book	P/BV	P/E		Dividend
		Market Value	Value	Value			(*)	Yield
		(%)	(PLN mil)	(PLN mil)				(%)
INDUSTRY	120	27.2	27,507	24,616	1.12	88.1	16.6	2.2
Food	18	5.4	5,459	4,827	1.13	94.1	40.2	4.2
Light Industry	12	0.1	110	272	0.40	x	5.5	1.4
Wood & Paper	7	3.2	3,235	1,333	2.43	15.8	14.4	7.4
Chemicals	14	11.1	11,266	9,937	1.13	16.6	16.5	0.7
Building Materials	8	1	1,036	551	1.88	x	52.6	0.7
Construction	30	1.8	1,866	1,788	1.04	x	28.4	0.6
Electrical Engineering	17	0.6	601	832	0.72	x	10.8	0.7
Metals	13	3.5	3,500	4,962	0.71	31.4	8.4	0.5
Other	1	0.4	436	112	3.89	18.1	18.1	-
FINANCE	21	44.5	45,073	31,893	1.41	44.6	21.6	2.9
Banking	15	42.1	42,598	30,346	1.40	47.8	22	3
Insurance	2	1.2	1,249	842	1.48	19.7	19.7	1.4
Other	4	1.2	1,226	704	1.74	22	14.9	-
SERVICES	52	28.3	28,644	24,368	1.18	x	19.5	0.1
Wholesale & Retail	16	1.8	1,783	1,100	1.62	16.4	14	0.1
IT	16	3.5	3,586	1,444	2.48	x	20.1	-
Telecom	4	19.1	19,293	18,293	1.05	x	18.8	-
Media	6	2.6	2,588	1,195	2.17	52.3	33.4	-
Other	10	1.4	1,394	2,337	0.60	x	25.8	1.9
TOTAL	193	100	101,225	80,877	1.25	x	19.4	1.9

* indicator for companies with earnings

Source: WSE, 2003

The challenge for the market is to complete the development of the WSE into a fully-fledged capital market, playing an important part in the economy. In early 1993, the WSE was virtually unknown. In early 1994, the WSE was covered by Reuters' news service and its performance was followed by the Financial Times.

In June 1995 the government adopted a regulation on the functioning of the over-the-counter market. In May 2003, there were 30 entities trading their securities.

At the beginning of July 1996, the WSE began continuous quotations for five of the most widely traded stocks (Bank Inicjatyw Gospodarczych - BIG, Bank Przemysłowo-Handlowy, the Dębica tire maker, Elektrim and Rolimpex). At the end of 2002, there were already 152 companies traded in the continuous quotations system.

No restrictions are placed on foreign investors, though they must adhere to disclosure rules, just as domestic investors. Rules on taxation for foreign investors are regulated by intergovernmental treaties on the avoidance of double taxation, or agreements on reciprocity treatment. Such treaties are signed with a vast majority of OECD countries (see Appendix 6). The rule of free entry and exit exists in Poland in terms of foreign investment. Capital gains can be repatriated without obtaining any permission.

In 2002, foreign investors' share in the trading of Polish companies' stock on the WSE equalled 35 %. Polish individual investors accounted for 29 % of this trade and Polish institutional investors for the remaining 36 %. Polish individual investors dominated trade on the futures market (79 %) with Polish institutional investors accounting for 19 % of futures trading and foreign investors accounting for just 2 %.

V. FOREIGN INVESTMENT

Legal Considerations

As of 1 January 2001, business activities conducted by non-residents in Poland are subject to the Law on Commercial Activity of 19 November 1999 and the Code of Commercial Companies of 15 September 2000. Subject to meeting certain conditions, foreign entities and physical persons may operate in Poland in accordance with the general principles applicable to domestic entrepreneurs. The formation of a company with foreign participation takes place without the necessity of obtaining a permit from any state administration organ.

Simultaneously, on 1 January 2001 the National Court Register of Entrepreneurs replaced the previous locally based registration system. The obligation to be registered rests on companies operating under commercial law, state-owned enterprises, co-operatives and other entities, as specified in the Law on the National Court Register of 20 August 1997. This also applies to natural persons undertaking business activities in Poland.

A company registered in Poland acquires legal personality upon being entered in the Register of Companies at the National Court Register of the Economic Court having jurisdiction over the seat of the company that is being formed.

Foreign investors may conduct their operations in the following legal forms:

- Limited partnership (*Spółka komandytowa*);
- Limited liability company (*Spółka z ograniczoną odpowiedzialnością - Sp. z o.o.*);
- Joint stock company (*Spółka Akcyjna - SA*).

In addition, foreign entities and individuals may operate branches, representative offices, partnerships and operate as sole traders, subject to obtaining a certificate from the relevant Polish consulate confirming that the law of their home country allows Polish nationals and companies to operate in that country in a similar manner. In practise there may be some difficulties in obtaining such certificates, due to differences in legislation adopted in Poland and in other countries.

In all aspects, foreign owned companies registered in Poland are treated on the same basis as Polish owned companies.

Foreign investors may receive or acquire shares in companies already existing in Poland. Shares may be acquired in public sales, through the Stock Exchange or, if the company is not listed on the Stock Exchange, through individual negotiations with the existing owners.

The Law on Commercial Activity enumerates several areas, such as mineral extraction, air transport, trading in arms and explosives, etc. in which economic activity may be undertaken only if an appropriate license is granted. Such licenses are granted for a period of no less than two and no more than fifty years. Furthermore, operating in some other areas also requires a permit on the grounds of other legislation.

The new law has changed the scope of obtaining permits. In many cases, where the law hitherto applied made it necessary to obtain a license or permit, the new law has changed this obligation to the requirement of having a permit. In accordance with the new law, a positive decision concerning the granting of a permit depends solely on the applicant's compliance with the appropriate statutory conditions. This eliminates the arbitrariness of decisions concerning the granting of permits for commercial activity. Among other areas, this relates to such services as manufacturing of tobacco products, detective services, courier services, customs agency services, and the organisation of tourist events. The new law does not regulate certain spheres of business activity, such as the processing industry, trading in non-ferrous metals and marketplace services, which were previously regulated.

There is no minimum value set on the contribution to be made by a foreign party (subject to overall minimum share capital requirements for companies) and no provisions either for minimum or maximum percentage share of foreign participation in the equity of a company, thus it is also possible to form a company with exclusively foreign shareholding. Nevertheless, in rare cases a company can be excluded from a specific field of activity when the share of foreign parties in its total equity exceeds a certain proportion (e.g., broadcasting).

According to the Polish Code of Commercial Companies, the minimum founding capital of:

- A limited liability company amounts to PLN 50,000 (approx. USD 12,500) and must be fully paid up on incorporation. The minimum value of each share is PLN 500 and the minimum number of founders is one person;
- A joint stock company amounts to PLN 500,000 (approx. USD 125,000). At least 25 % of the cash capital must be paid up on incorporation. The minimum nominal value of each share is PLN 1 and the minimum number of founders is one person.

Existing companies, which had a share capital lower than the minimum applicable before 31 December 2000, will, over a period of up to 5 years, have to increase their basic share capital up to the new minimum.

For more information on how to establish the above-mentioned types of companies please refer to Chapter X.

Contributions by a foreign investor to the company's capital may be made in-kind, in cash (in PLN obtained from documented sources), or in foreign currency transferred by the foreign investor through a foreign bank. Contribution in-kind to a joint stock company is reviewed by court-appointed experts.

Fixed assets, that are the contribution in kind of a foreign shareholder, are exempted from customs duty on the grounds of the Decree of the Council of Ministers of 28 December 2001 on Defining Custom Exemptions Other Than Those Defined in Art. 190¹ - 190⁴¹ of the Customs Code, provided that the ownership of the goods is not transferred for a period of 3 years from the date of customs clearance.

Moreover, the changes in the Customs Code of 9 January 1997 introduced by the Law of 22 December 2000 on Changing the Customs Code and the VAT and Excise Tax Law that entered into force on 1 January 2002 provide for some customs duties' exemptions on fixed assets belonging to entrepreneurs transferring their operations to Poland from abroad.

Generally, the fixed assets of entrepreneurs ceasing their operations abroad and intending to start similar operations in Poland are exempt from customs duty if the following conditions are met:

- the fixed assets were used by the entrepreneur at the place where he was conducting his operations for at least 12 months before the company ceased its operations abroad,
- the fixed assets will be used in Poland for the same purpose they had been used for abroad,
- the fixed assets' type and quantity correspond to the type and scale of operations hitherto carried out by the entrepreneur.

Detailed regulation of the above is contained in Art. 190¹¹ of the Customs Code of 9 January 1997, which is currently in force. The same provisions apply to the exemption on the grounds of the decree of the council of ministers dated 28 December 2001.

After the annual balance sheet has been approved by the shareholders (and audited if the company is subject to a statutory audit) a foreign shareholder is entitled to transfer abroad the whole of his share of the after tax profit. Foreign investors are also allowed to transfer abroad proceeds from the sale of stocks and shares, and other assets or compensations received.

Companies are free to employ whomever they may choose, including a foreign national (subject to such a person's obtaining a work permit), with pay terms at the discretion of the company (subject to minimum wage legislation). Foreign employees are allowed to buy foreign currency for the PLN they earn in Poland and transfer the currency abroad.

Alternatively, the employer may transfer the net pay directly to the employees' foreign bank account. The banks may, however, require proof of payment of any taxes due.

The interests and rights of foreign investors, as well as their property, are protected by law. Poland has signed bilateral agreements on the protection and promotion of foreign investments with a number of countries (see Appendix 7). Foreign investors are guaranteed compensation in the case of the nationalisation or expropriation of their property. Poland is also a member of MIGA and OECD.

Radical changes resulted from the Law on Economic Activity of 19 November 1999, which is in force as of 1 January 2001. This law provides for the equal treatment of Polish and foreign citizens with regards to business activity, on the basis of reciprocity. However, even in instances where there is no reciprocity, foreign subjects now have a wider choice of legal forms to select for their economic activity in Poland, since they are now able to conduct operations in the form of a limited partnership.

State Aid for New Investments

In order to accelerate economic growth and to facilitate new investments the new Law on Financial Assistance for Investments was passed by the Parliament on 20 March 2002.

According to the above mentioned law, financial assistance for new investments (as defined by the Public Aid Law, see bottom of this section) may be granted to an entrepreneur in the following cases:

- the value of the new investment equals at least EUR 10 million;
- the value of the new investment equals at least EUR 500 thousand and the investment pertains to the development or modernisation of an existing company and is connected with maintaining at least 100 jobs (50 jobs, if the investment is carried out in one of the assisted areas), for at least 5 years;
- the new investment results in the creation of at least 20 jobs for at least 5 years;
- the new investment introduces a technological innovation;
- the new investment has a favourable environmental impact.

Moreover, financial assistance for a projected investment can be granted to an entrepreneur if, in addition to one of the above, the investment meets at least two of the following criteria:

- it has a favourable impact on regional economic development,
 - it has a location in an assisted area,
 - it introduces technological innovations,
-

- it contributes to the development of co-operation with domestic scientific and research resources,
- it has a favourable impact on the local labour market.

Financial assistance is granted by the Minister of the Economy, Labour and Social Policy. Financial assistance can be extended to an entrepreneur and/or to a district council. In the latter case it is granted for creating and modernising technical infrastructure directly connected to the investment assisted.

Financial assistance to entrepreneurs implementing new investments can be granted in one or more of the following forms:

- up to 50 % of the maximum amount of public aid envisaged for the areas specified on the grounds of art.13 par.1 of the Public Aid Law,
- for creating new jobs, up to EUR 4,000 per newly created job, multiplied by the number of new jobs; however this assistance amount is not to exceed the two-year gross labour costs of the newly employed person,
- for training specified in art. 20 paragraph 2 and 3 of the Public Aid Law (specialist and general training), for the amount specified in art. 20 par. 4 and 5 of the same Law (25 % of costs for specialist training and 50 % of the costs for general training, subject to certain limits, more for small and medium-size companies); however, the amount of assistance for training per one employee can not exceed EUR 1,150.

Currently, state aid for entrepreneurs is regulated by the Public Aid Law of 27 July 2002, which came into force on 6 October 2002. This Law defines new investments as investments related to the establishment of a new company, the development or purchase of an already existing company, or the initiation of economic activity involving some fundamental change in either the production, or the product, or the production process of an existing company:

- in tangible fixed assets,
- in intangible fixed assets, through obtaining patents, purchasing licenses, and/or non-patented technical, technological, organisational, and managerial know-how.

The maximum amount of public aid granted to entrepreneurs basically depends on the sector and location of the investment. There is a series of decrees issued in 2001 by the Council of Ministers that regulate this matter in great detail.

Special Economic Zones

The Law on Special Economic Zones of 20 October 1994 created the grounds for establishing and operating Special Economic Zones (SSE). It provided the investors operating in the zones with various incentives and tax breaks. The most important ones included a partial or a complete exemption from corporate income tax on revenue coming from business operations carried out in a given zone, and counting some part of investment expenses as an income-generating cost.

The law specifies the aims of Special Economic Zones and how to establish them, the rules and conditions applying to investments within the zones, and the benefits for investors. All investors who started business operations in SSEs before the end of 2000 are subject to the provisions applicable till then. Those who started business operations in 2001 or later are subject to the provisions of the amended Law of 16 November 2000 and the Public Aid Law of 30 June 2000, the latter having been replaced by the Public Aid Law of 27 July 2002, which came into force on 6 October 2002. These regulations are fully compatible with the respective EU legislation.

An investor, in order to take advantage of regional assistance has to obtain a permit for conducting business operations in a zone and must first meet its terms and conditions. The permit is granted by the zone's management (see Appendix 23 for the list of Special Economic Zones) through a tender or through negotiations undertaken on the basis of a public invitation. Such a permit specifies a field of activity, the size of the investment, and future employment.

Moreover, the investor also has to meet the conditions specified by the law on public assistance. For a period of five years the investor is obliged to:

- carry out the business operations specified in the permit,
- retain ownership of the assets acquired through the investment in the SSE (if regional assistance was rendered to the investor by virtue of investment outlays),
- maintain the jobs created (if regional assistance was rendered to the investor by virtue of employment).

Regional assistance in SSEs is offered in the form of income tax exemptions. Investors are free to choose whether the assistance is to be rendered by virtue of investment outlays (minimum EUR 100,000), or newly created jobs.

Maximum assistance is offered in all the zones, except for the Cracow Technological Park. Generally speaking, the value of assistance may not exceed 50 % of the initial investment outlays, or 50 % of two years' labour costs. More advantageous treatment is offered to small and medium-size companies. In this case, the maximum value of public assistance is increased to 65 %. In the above mentioned Cracow SSE, the maximum

value of assistance amounts to 40 % in the case of large companies, and 55 % in the case of small and medium-size companies.

Permits are not granted and public assistance is not offered for some types of business activity. These include: manufacturing of explosives, production of tobacco products, bottling and processing of spirit and alcoholic beverages, processing of engine fuels, running game centres, offering services connected with the installation, repair, or maintenance of machinery and equipment used to carry out business operations in the zone, certain types of construction services, services connected with retail and wholesale trade, repair of motor vehicles and household and personal-use articles, hotel and catering services, financial mediation services, services connected with real estate, renting, education and business operations, services in the area of public administration, national defence, obligatory social insurance, education, health care and social welfare, municipal services, and some licensed business activities.

Euro-Park Mielec was the first Special Economic Zone established. By the end of 1998 there were 17 Special Economic Zones in Poland. Since two of them did not manage to attract any investors, they were shut down in 2001. Moreover, two SSEs (SSE "Tczew" and SSE "Żarnowiec") merged to form Pomorska SSE in 2001.

The following table summarises the effects of the operations of the 14 SSEs in Poland as of 31 March 2003.

	Zone	Valid permits	Including issued after 01.01.01	Companies operating	Actual investments (PLN million)	Employment
1.	Mielecka SSE	63	9	55	1,995.8	7,342
2.	Suwalska SSE	85	5	53	341.4	2,704
3.	Katowicka SSE	99	10	56	5,690.5	12,503
4.	Legnicka SSE	34	2	14	1,729.2	3,430
5.	Wałbrzyska SSE	31	3	20	1,055.7	6,328
6.	Łódzka SSE	32	2	19	712.2	1,870
7.	Kamiennogórska SSE	23	3	13	39.3	910
8.	Kostrzyńsko-Słubicka SSE	59	6	10	434.4	656
9.	Krakowska SSE	18	2	6	232.9	745
10.	Pomorska SSE	65	3	18	546.4	4,130
11.	Słupska SSE	19	4	16	80.6	863
12.	SSE Starachowice	33	8	25	125.1	1,453
13.	Tarnobrzaska SSE	59	11	52	353.6	6,069
14.	Warmińsko-Mazurska SSE	49	4	15	73.7	655
Total		669	68	372	13,410.7	49,658

Source: Ministry of the Economy, Labour and Social Policy, 2003

Considering both the legislation and the practical results up to date, it must be noted that conducting business in special economic zones in Poland has proven to be very advantageous for investors. By 31 March 2003 as many as 372 companies were operating in Polish SSEs, basing their operations on 669 permits. Since 2001, as investment conditions have substantially changed, i.e., tax incentives have diminished, only 68 new permits that are still valid have been issued.

Some incentives may differ from zone to zone, especially those regarding local taxes and services offered to investors by the zones' managing companies. Therefore, a detailed knowledge of the regulations regarding the particular zone is essential in order to make the most out of the incentives offered.

For a long time Special Economic Zones remained one of the toughest problems in Poland's accession negotiations with the European Union. The European Commission accepted the state aid measures applied as of 1 January 2001, but could not accept the extensive investment privileges granted to companies investing in the zones on the grounds of the old regulations (i.e., those from before 2001), which the SSEs' investors were naturally reluctant to give up. The Polish government had a difficult task to reconcile the conflicting interests.

Finally, in December 2002, at the end of the accession negotiations the following compromise was negotiated:

- a transition period (i.e., respecting the acquired rights) for small enterprises, till the end of 2011, and for medium-size enterprises till the end of 2010;
- for big enterprises that had obtained their permits by the end of 1999, the maximum state aid amounts to 75 % of investment costs, and for permits issued in 2000, 50 % of investment costs;
- for enterprises in the automotive industry the maximum state aid amounts to 30 % of investment costs.

These conditions are provided for in the Law on Changing the Law on Special Economic Zones and some Other Laws that is currently being drafted by parliament's European Commission.

Duty-Free Zones

Duty-free zones and bonded warehouses are governed by the Customs Code of 9 January 1997, which defines a duty free zone or a bonded warehouse as a separate area of Poland's main customs territory, where, with regard to applying customs duties and other commercial policy instruments related to imports, foreign goods are treated as being outside of Polish customs territory, unless subject to customs procedures, or used in violation of the provisions of the customs law. Further, bringing domestic goods into

a duty-free zone or a bonded warehouse entails the same consequences as would their export.

Companies operating in duty-free zones may undertake any industrial, service, or commercial activity. Retail operations are excluded, although, this exclusion does not cover duty-free zones at airports, seaports and river border crossings.

As of June 2003, Poland had 7 duty-free zones, located in: Gdańsk, Gliwice, Małaszewicze (Terespol commune), Mszczonów, Szczecin, Świnoujście, and at Warsaw Okęcie International Airport. One of them (in Warsaw) operates simply as a group of duty-free shops, however, the remaining six are ready to accommodate companies undertaking economic activity.

The above mentioned duty-free zones are linked with the main transport routes or are located in ports (which allows them to influence the volume of goods that transit Poland, and the amount of goods that are re-exported).

Trade between the duty-free zone and a foreign country is subject to neither import quotas nor customs permits and payments. Under the current law, duty-free zones are set up by the Minister of Finance in co-operation with the Minister of the Economy, Labour and Social Policy and are to be managed by domestic entities, either individuals or corporate entities that own the zone's land or hold it in perpetual usufruct.

Duty-free zones and bonded warehouses are set up through a decree of the Minister of Finance, which also appoints the manager and defines the area. There are no limits on the period for which goods may remain in a duty-free zone.

Duty-free zones are expected to attract capital, create new jobs, and facilitate exports. However, as of today they do not play any significant role in the Polish economy. Since Polish regulations regarding duty-free zones are in line with EU legislation, there are no changes foreseen after Poland joins the European Union.

Institutional Structure for Foreign Direct Investments

The Polish Agency for Foreign Investment (PAIZ) was established by the Polish government in order to actively promote Poland's investment opportunities and encourage foreign companies to choose Poland as their investment location. The agency acts as an intermediary, serving individual and corporate foreign investors. PAIZ offers foreign companies its know-how and helps them to establish contacts with governmental bodies and the business community. It has three major objectives: to help foreign companies to invest in Poland, to promote Poland as an attractive place for investment

and to advise the Polish authorities on how to improve laws relating to foreign investment. The range of services includes:

- quick and tailored information on the economic and legal environment in Poland;
- help in identifying reliable Polish partners and the most convenient locations for business activities;
- facilitating the initial stages of the investment process;
- guidance through all the formal procedures by handling contacts with authorities on both central and local levels;
- fully updated publications: "The List of Major Foreign Investors in Poland", in-depth analyses of particular sectors of the Polish economy, and others.

PAIZ offers a wide range of information, advice, and guidance services to prospective foreign investors free of charge.

There are two state entities responsible for the privatisation of the Polish economy, and thus dealing with foreign investors taking part in it. Naturally, the most important is the Ministry of the Treasury. The other one, dealing with agricultural property is the Agricultural Property Agency of the State Treasury. Both of these are described in Chapter IV.

Quite often potential foreign investors abroad first contact the Polish commercial counsellor's offices and the economic divisions of Polish embassies. These can facilitate initial contacts with Polish counterparts, as well as provide some very useful economic data and information.

To some extent, the promotion of foreign investments in Poland is also carried out by the Polish Chamber of Commerce and other sectoral and bilateral chambers.

The Warsaw Office of the United Nations Industrial Development Organization (UNIDO), which offers its assistance to individual potential foreign investors, also plays an important role in the promotion of foreign direct investment. By opening its Investment and Technology Promotion Office in Warsaw in 1983, UNIDO became one of the first international organisations to establish close relations with Poland.

The UNIDO Office in Warsaw has been very active in attracting foreign investors to Poland. Already in the late 1980s it was organising International Investors' Forums, which enabled the international business and financial community to get acquainted with the investment environment and opportunities in Poland.

For further information on UNIDO's current activities, and especially on UNIDO's Warsaw Office, please refer to Chapter II, the subchapter on UNIDO and its activities in Poland.

Why Invest in Poland?

In the first years of transformation, the inflow of foreign investment to Poland was relatively weak as compared to other Central and East European countries. From 1992, Poland attracted much greater attention from foreign investors, for various reasons. The features that particularly attract foreign investors include:

- continued, stable, and fast economic growth,
- the size of the Polish market of 38.2 million inhabitants, 40 % more than the Czech Republic, Slovakia and Hungary put together,
- the continuation of a market-oriented policy, regardless of political changes,
- EU membership as of 1 May 2004,
- a productive, well motivated, highly skilled, and relatively cheap labour force,
- Poland's location in the heart of Europe, a very good "bridging position" assuring easy access of goods manufactured in Poland both to the EU and to Eastern markets,
- the success of foreign companies that have already entered the market since the early 1990s, thus encouraging others,
- the equal treatment of foreign and domestic investments, in line with OECD regulations and in accordance with the principles of free trade and an open market economy,
- specific investment incentives,
- the support of and positive appraisals from international institutions, such as the IMF and the World Bank.

For more information on various kinds of tax and non-tax incentives, available to foreign and domestic entities alike, please refer to the subchapter "Special Economic Zones" and to Chapter VII - "Taxation System".

Foreign Investors' Reasons for Investment

The results of a study* conducted at the turn of 1999 indicate that the most important factors taken under consideration by the largest foreign investors in their decision to embark on business activities in Poland were market-related ones. Respondents placed three of those factors in the first four places in terms of importance rank: The creation of new markets (first place); the certainty of existing markets (third place); and the lower competitiveness level of local enterprises (fourth place).

* W. Karaszewski, *"Przedsiębiorstwa z udziałem kapitału zagranicznego w Polsce (miejsce w gospodarce kraju, czynniki i perspektywy rozwojowe)"*, Nicholas Copernicus University Publishers, Toruń, 2001.

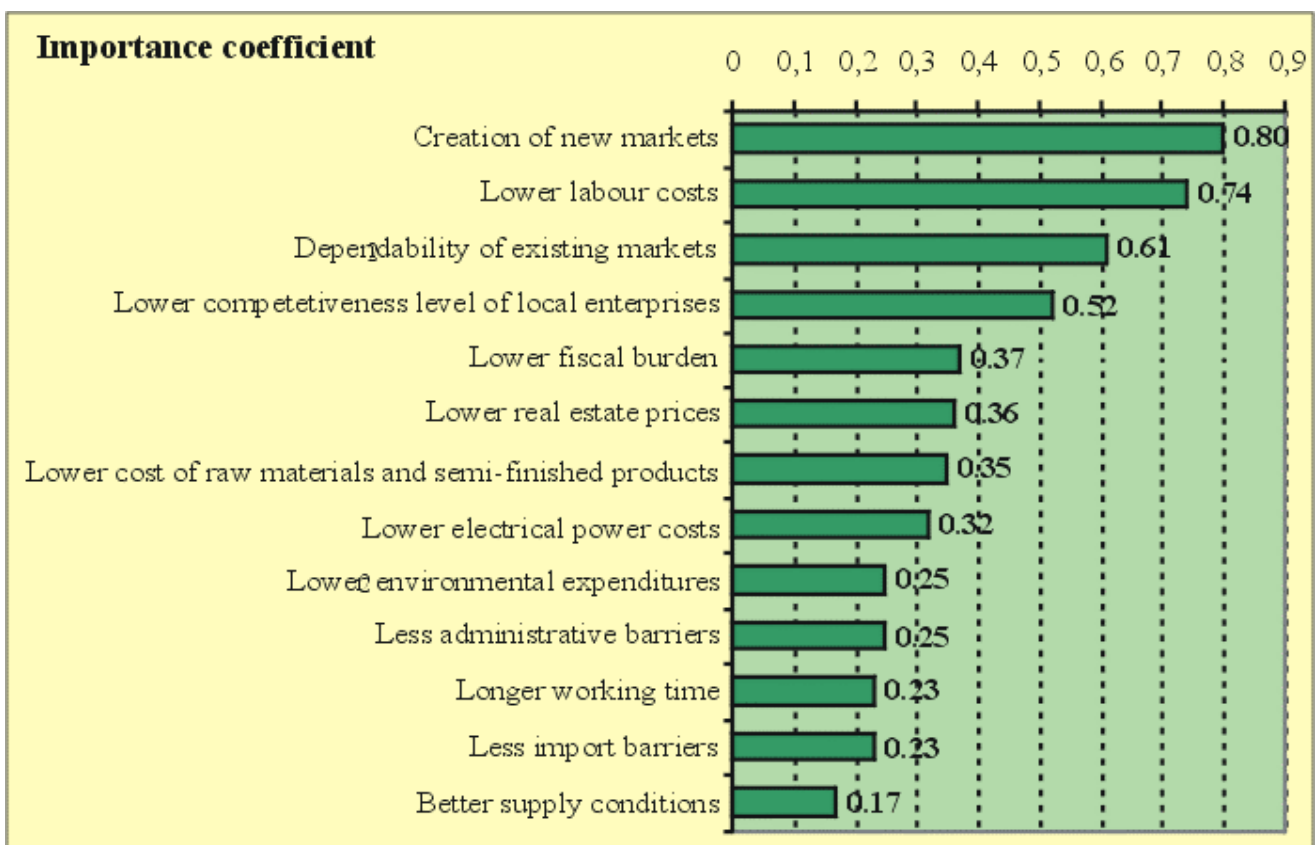
Cost-related motives were also significant. These included lower labour costs (second place); the lower real estate prices (sixth place); lower cost of raw materials and semi-finished products (seventh place); lower electrical power costs (eight place); and lower environmental expenditures (ninth place).

The relative significance of the second group, however, turned out to be lesser than that of market-related factors.

Factors described as political, although far less important than those of the first two groups, were also a factor of importance for foreign investors of companies participating in the study.

Various motives, along with their respective importance coefficient, are illustrated in the diagram below.

**Main Motives for the Initiation of Business Activities in Poland
by the Largest Foreign Investors**



Source: W. Karaszewski, "Przedsiębiorstwa z udziałem kapitału zagranicznego w Polsce (miejsce w gospodarce kraju, czynniki i perspektywy rozwojowe)", Nicholas Copernicus University Publishers, Toruń, 2001.

The largest studies of factors leading to the initiation of business activities in Poland by foreign investors were conducted in 1993, 1995, 1997, 2000, and 2003 by INDICATOR Centre for Marketing Research, on behalf of PAIZ (the Polish Agency for Foreign Investment). A comparison of the results obtained makes it possible to define the changes that took place in the hierarchy of importance of individual factors. Such a comparison indicates that five of the factors shown in the diagram have remained unchallenged at the top of the importance ranking since 1995. Their order has been subject to insignificant change.

Economic growth prospects, in third place in 1993 and 1995 made it to second place in 1997, and to first place in 2000 and 2003. Labour costs in the last two years made it to second place, whereas the size of the Polish market made it to third place.

Considering that the significance of the "economic growth prospects" factor mainly comes down to expectations related to the internal economic situation, and in particular of its market aspects (economic growth leads to desirable changes in demand), one can assume that these studies also confirm the primacy of market factors.

The Most Important Factors Behind the Initiation of Economic Activities by Foreign Investors in Poland

Factors	1993		1995		1997		2000		2003	
	Ranking	% of resp.	Ranking	% of resp.	Ranking	% of resp.	Ranking	% of resp.	Ranking	% of resp.
Economic growth prospects	1	53.5	3	48.7	2	52.6	1	49.8	1	62.1
Labour costs	3	44.7	1	60.8	1	57.6	2	46.4	2	61.5
Size of Polish market	2	47.5	2	49.1	3	47.3	3	44.6	3	59.4
Possibility of reducing production costs	5	31.6	5	37.2	5	40.0	5	38.0	4	53.9
Availability of labour	4	33.9	4	44.4	4	42.1	4	39.3	5	52.5

Source: CBM INDIKATOR, "Opinia inwestorów zagranicznych o społecznych i ekonomicznych warunkach działalności gospodarczej w Polsce", report from the studies conducted on behalf of the Polish Foreign Investment Agency by J. Garlicki and J. Błuszkowski, Warsaw, 2003.

The analysis of the results obtained during this research, whose aim was to identify the motives behind the initiation of economic activities by foreign investors in East-Central Europe, indicates that cost and market-factors were dominant. This is borne out by the majority of studies, notwithstanding significant methodological differences such as a different approach, the formulation of questions, sample selection, the number of respondents, etc. Foreign investors thought market-related factors more important than cost-related ones. Motives of a political nature and supply-related ones proved less important.

What the Investors Say

General Motors decided to make one of the largest ever foreign investments in Poland. The new Opel Polska factory located in Gliwice was opened in October 1998. It is to produce 150,000 cars a year. With an investment of USD 360 million at the end of 1998, it is in the "top twenty" in PAIZ ranking of the largest foreign investors in Poland. At the end of 1998 the factory employed approximately 1200 people. After reaching full production capacity, employment will grow to almost 3000. General Motors' representatives say that the plant will make it possible to enhance Opel's presence on Central and Eastern European markets. They revealed that the decision to invest in Poland had been a result of a comprehensive site selection study, which had reviewed different locations in Central Europe, including Hungary and the Czech Republic and others and 75 different locations in Poland. As a result of this comprehensive study, they decided to locate the new facility in Gliwice, based mainly on the excellent support they had received from the government, the infrastructure that would be available, the benefits of locating in the Special Economic Zone, and, very importantly, the large component suppliers' base that was available in the Gliwice area.

The areas of foreign investments in Poland are just as diversified as the Polish economy, although investors' opinions tend to be quite similar, regardless of the sector or their country of origin. Let's take a look at a few examples.

"As a leading provider of petrol and lubricants, naturally, BP Amoco wants to be where our customers are. Poland is definitely such a place. With almost forty million people, Poland offers a major domestic market, and excellent opportunities to expand the sales of our products. Moreover, the relatively young Polish population means a growing customer base. And they are buying more cars every year! Beyond that, the country is located at a very centre of Europe, on the crossroads between East and West, North and South. This is especially important for a company that serves transportation.

Another thing that drew us to Poland was the labour force. Not only is the Polish workforce large, young and competitive in terms of labour costs, but potential employees also boast high levels of technical skills, good work habits and an uncommon degree of flexibility, and the best of them work for firms like BP Amoco.

Then there is the new Poland itself. Many people refer to Poland as Europe's tiger economy, because of its extremely rapid and sustained economic development. This is a unique business opportunity. After the long years of neglect, the infrastructure is developing rapidly, telecommunication gets better by the day. Old roads are being upgraded and new roads built at a rapid rate. Investing in Poland exemplifies a classic ground floor opportunity." These are the words of W.Heydel, Business Development Director of BP Poland.

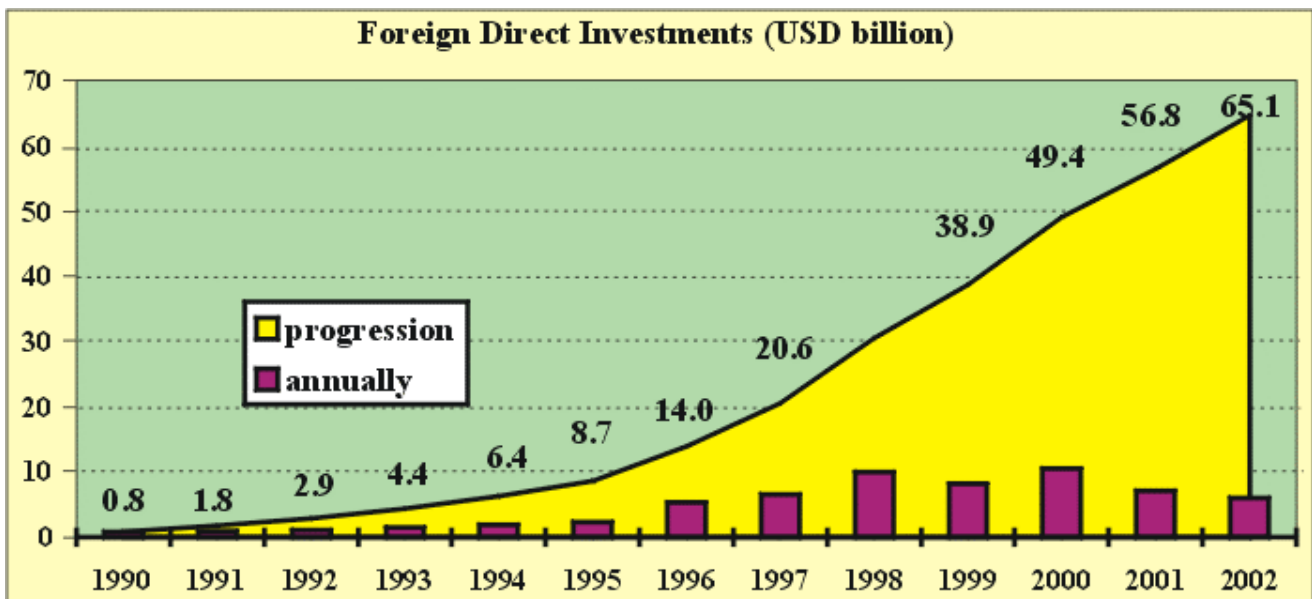
"Eurocash entered the Polish market in 1995. Then, as now, the main drivers to our investment were the size of the market and the excellent growth prospects. The political stability and the economic growth generate an excellent investment climate. We currently employ 1,200 people directly in this country. Overall, the human resources meet our requirements: people have no problem with learning a foreign language and are proud to work for a foreign company. Moreover, personally, I was very much surprised with the quality of life Poland offers". This is an opinion of Luis Amaral, Country Manager for Eurocash JMB Poland.

ITT Sheraton states that prior to the decision to invest in the Sheraton Warsaw Hotel the company had carried out a feasibility study. This study revealed that due to the economic situation and due to the economic development of Poland there would be an increased demand for hotel rooms for business travellers. The second factor that this study revealed was the tourist factor. There is a high level of interest among many tourist groups and individuals in travelling to Warsaw and to Poland. These two factors brought ITT Sheraton to the conclusion that the demand for hotel rooms in Warsaw would be growing and the following months proved them right.

Finally, here is an opinion from the French company Alcatel: "Many foreign investors, including Alcatel, have decided to start telecommunication equipment production in Poland. The telecommunication market is booming. The number of new installed phone lines has been constantly growing. Alcatel has been present on the market since 1972. In 1993 we decided to undertake some big investments. We managed to successfully realise these investments, due to the fact that we bought two big Polish communications companies. We would like to keep the leading position on the Polish market".

Foreign Direct Investment

The Polish Agency for Foreign Investment (PAIZ) estimates that from the beginning of the market transformations in 1989 to the end of 2002, foreign businesses invested directly a total of over USD 65.11 billion in Poland. This figure has been adjusted to reflect investments identified by PAIZ in 2002, which had been carried out earlier, as well as FDI outflow.



Investments of over USD 1 million, which are monitored by PAIZ, amounted to USD 61.45 billion. Investments below USD 1 million are estimated at some USD 3.67 billion. This is supplemented with investment plans of approximately USD 13 billion.

2002 proved that Poland still remains a very attractive target country for foreign investors, even though it lost the leading position in Central and Eastern Europe. The Czech Republic attracted USD 8.4 billion in that year, while the inflow of foreign direct investments to Poland reached USD 6.06 billion. However, taking into account foreign direct investments' stock, Poland is still in the lead.

On the other hand, when taking into account the size of the population, with USD 1,700 of foreign direct investment per capita, Poland lags behind. For comparison, foreign direct investments per capita in the Czech Republic amount to over USD 3,700 and in Hungary to over USD 2,700.

As at the end of 2002, the number of companies with foreign capital participation set up in the country surpassed 47,000, as over 1,500 companies were registered that year. The share of these companies in the number of companies operating hotel and restaurant

businesses (34.1 %) and trade and repairs (25.2 %) was especially high. The number of foreign companies investing over USD 1 million in Poland increased by 8 %, from 906 at the end of 2001 to 979 at the end of 2002. The list of countries originating these large investments also expanded, reaching 35.

The dynamic development of foreign investments in Poland is well reflected by an increase in the number of companies with foreign capital participation during the transition period, as presented in the following table.

Companies with Foreign Capital Participation

Year	Companies with Foreign Capital Participation	Share of Companies with Foreign Capital Participation in the Total Number of Companies in Poland (%)
1991	5,583	4.1
1992	10,817	6.9
1993	15,814	8.6
1994	20,324	10.4
1995	24,635	11.7
1996	29,157	12.2
1997	33,459	12.8
1998	37,355	12.6
1999	40,910	12.3
2000	44,229	11.6
2001	46,258	10.6
2002	47,352	10.0

Source: Foreign Investment in Poland, Foreign Trade Research Institute, Warsaw, 2003

Among the investors on the PAIZ list, the largest group was represented by German companies - 231, followed by investors from the USA - 128, France - 93, the Netherlands - 91 and Italy - 62.

European Union countries had a 71.6 % share in 2002 foreign direct investment in Poland. At the same time North American investors' share amounted to over 14.2 %, whereas Asian investors' share accounted for just 3 %.

In 2002, transnational corporations from Great Britain invested USD 1.37 billion in Poland (22.6 % of total 2002 foreign direct investment inflow). These investments encompassed Tesco Plc's investment of USD 320 million, enlarging its retail trade network, Energis Plc's investment of USD 150 million in telecommunications and a USD 139.5 million investment by Glaxo SmithKline in the pharmaceutical industry.

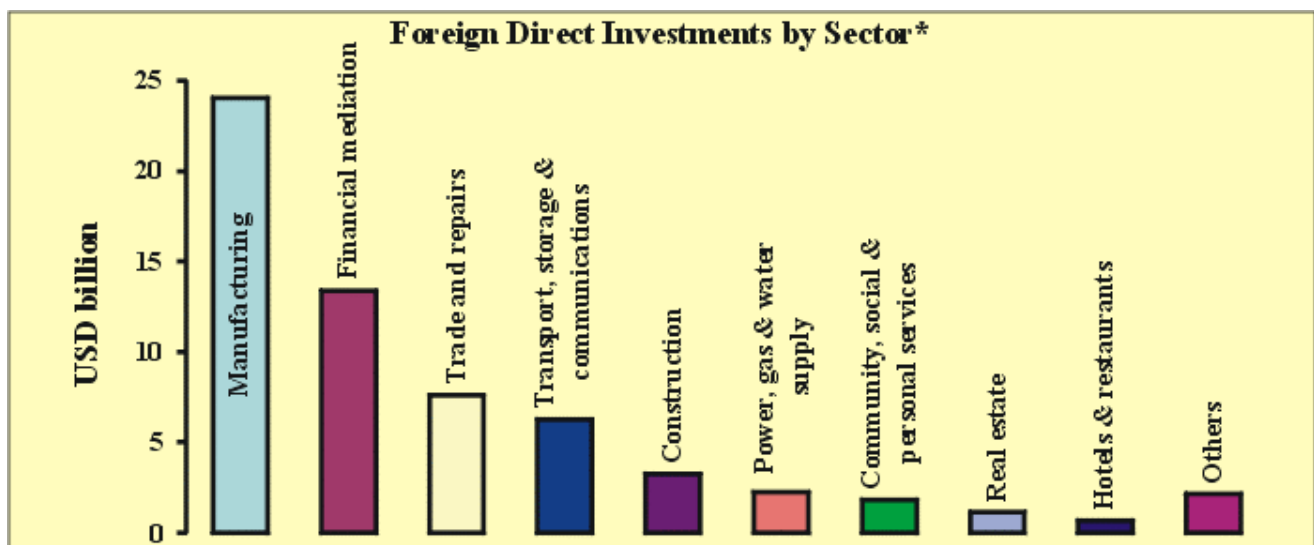
In 2002, the second largest total sum of foreign direct investments in Poland, amounting to USD 1.07 billion, came from the Netherlands. The next three places

were taken by companies coming from the United States (USD 887 million), France (USD 742 million), and Germany (USD 561 million).

However, the single largest investment of the year came from Belgium, with KBC Bank N.V.'s further investment in banking and the insurance sector (Kredyt Bank and Warta) of USD 442 million.

Taking into account cumulative investment values, France is a clear leader, with its investments exceeding USD 12.17 billion. The USA with investments of USD 8.74 billion takes second place, followed by Germany (USD 7.84 billion), the Netherlands (USD 5.85 billion), and Great Britain (USD 4.05 billion). For more details, please refer to Appendices 12, 13, and 14.

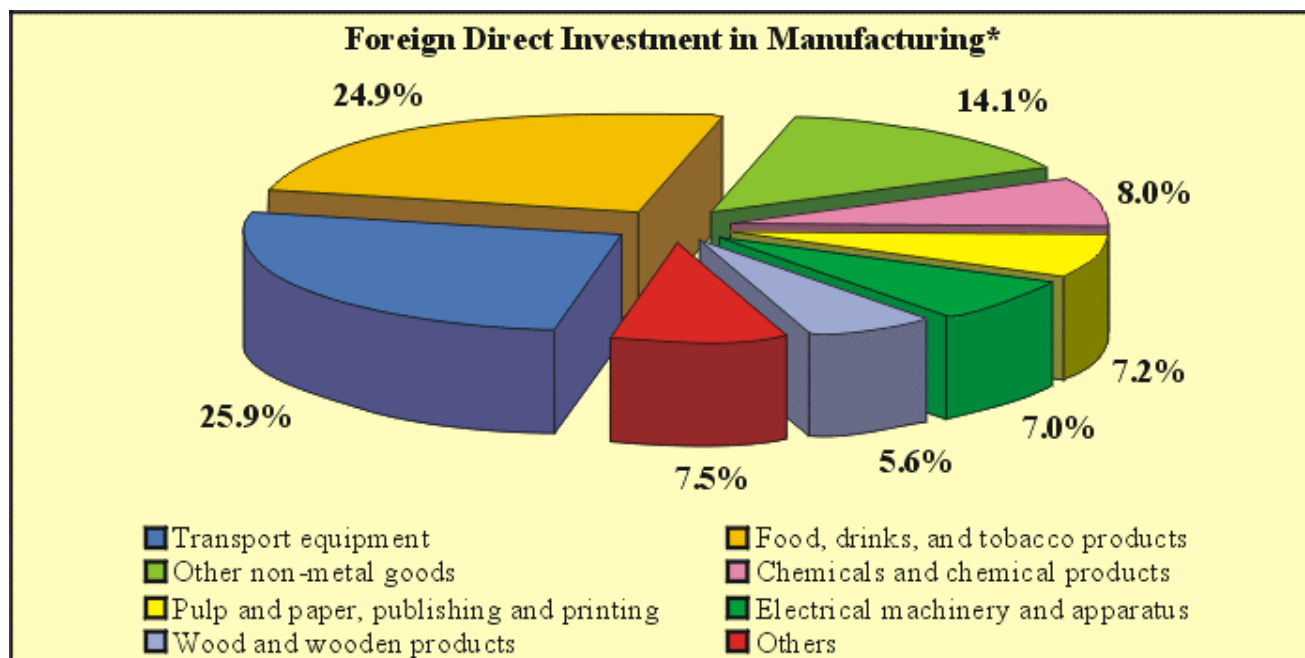
An analysis of the Polish Agency for Foreign Investment's data confirms a high concentration of capital. At the end of December 2002, the top 5 countries accounted for almost 63 % of the total of direct foreign investments in Poland of more than USD 1 million. Moreover, the top ten companies from the PAIZ list invested USD 15.2 billion, thus accounting for approximately a quarter of total foreign capital inflow monitored by PAIZ. The investments of twelve companies have reached the USD 1 billion mark.



* FDI of over USD 1 million

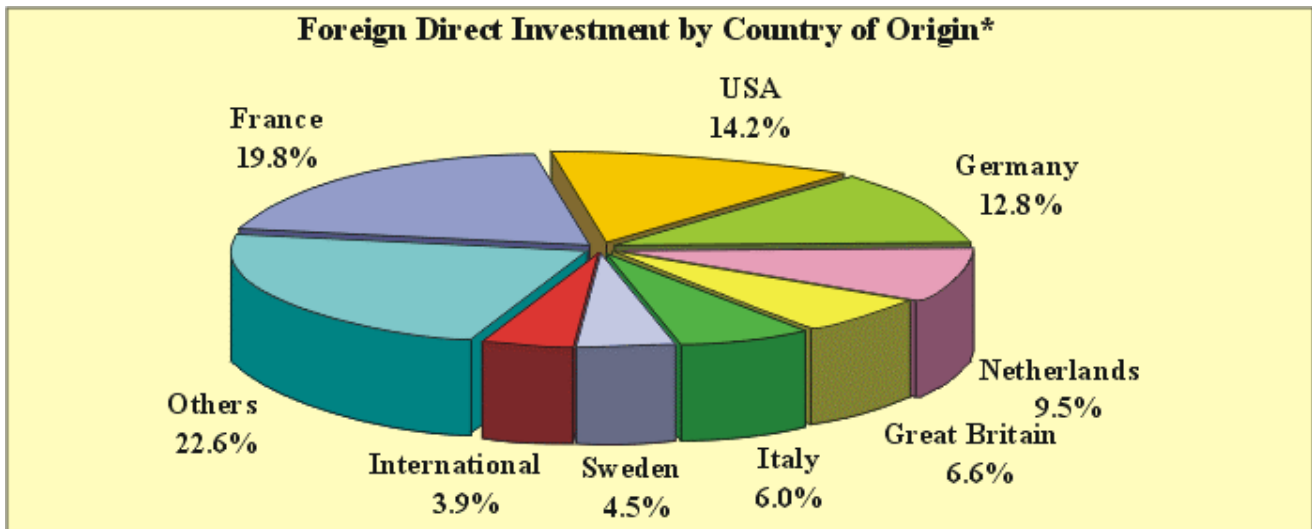
Manufacturing is still the most popular sector for investment, accounting for almost 40 % of the investments over USD 1 million (USD 24.5 billion). Within this sector transport equipment manufacturing attracted USD 6.2 billion, food processing close to USD 6.0 billion, and the manufacture of other non-metal goods almost USD 3.4 billion. Besides the manufacturing sector, the most significant foreign investments are in

financial services (USD 13.4 billion), the trade and repairs sector (USD 7.6 billion), and in transport, storage and telecommunication (USD 6.3 billion).



An important feature of the foreign investment process in Poland is that companies already well established in Poland usually reinvest most of the profits generated in this country to support and develop local operations. Although the long-term trend indicates that more and more foreign companies are choosing a green-field investment instead of buying into existing Polish companies, the latter approach to starting operations in Poland still dominates.

Green-field investment often takes the modified form of buying or leasing land and buildings and just installing machinery and equipment. This is sometimes called "brown-field" investment. This approach results from the abundance of land with unused buildings in Poland.



* FDI of over USD 1 million

The importance of foreign companies for the Polish economy arises from that fact that these companies not only create new jobs, but through introducing modern technologies and management techniques achieve much higher operational efficiency. This is reflected, for example, in their labour productivity.

Another prominent feature is their foreign trade operations. In 2002, companies with foreign capital participation exported USD 22.3 billion worth of goods, accounting for 54.5 % of total Polish exports. These companies also imported commodities for USD 32.1 billion, which constituted 58.2 % of total Polish imports. This resulted in a trade deficit of almost USD 10 billion, or almost 70 % of Poland's trade deficit.

The Polish economy has a high capacity for the absorption of foreign capital and it is hoped that over the next few years, foreign investments in Poland will continue to grow. An increase in the USA's direct investments is especially anticipated, due to the off-set agreement concluded for the purchase of fighter planes for the Polish Army. Moreover, as Poland joins the EU in 2004, more direct investments from these countries are expected.

However, even though Poland remains the regional leader in terms of foreign direct investment stock, 2002 once again indicated that foreign investors increasingly prefer other countries in the region, especially the Czech Republic and Hungary. These countries, albeit with smaller internal markets, offer a more efficient legal and institutional framework in the opinion of many foreign companies.

It is worth noting that Poland is also exporting some capital, although on a very small scale so far. According to NBP estimates the total value of Polish foreign investments abroad amounts to approximately USD 1 billion. Nonetheless, this is an indication of

a growing economic potential and, subject to continuing economic growth, the size of Polish investments abroad will doubtlessly increase. For more information on Polish foreign direct investments please refer to the next section.

Polish Direct Investments Abroad

The export of capital has been the fastest growing sector in the area of international economic co-operation in recent years. The growth in importance of international capital flows has been particularly pronounced in the last decade, when the annual growth of foreign direct investments in the world was greater than the growth of world trade. The value of the foreign production of transnational corporations grew considerably faster than the value of their exports.

The growing internationalisation of production and services is a way of fighting against ever-tougher competitors to secure markets for one's own products and services. More and more often it turns out that an effective way to compete on foreign markets is to locate one's production or service-related activities there. In order to face the growing competition, Polish companies, even if their means are limited, "embark on the conquest" of those markets, where they enjoy a competitive advantage over their rivals. These are the markets of East-Central European countries, Poland's closest neighbours. Unfortunately, it is only to a very limited extent that the Polish economy is engaged in the global internationalisation process. This is indicated both by Poland's small share in the world's trade and in its limited foreign direct investments, in comparison to other countries.

Polish FDI in 1995-2001 (USD million)

	1995	1996	1997	1998	1999	2000	2001
World's total	355,284	391,554	474,010	684,039	1,042,051	1,379,493	620,713
Poland	42	53	45	316	31	17	14*
Share (%)	0.012	0.014	0.009	0.046	0.003	0.001	0.022

* In 2001, according to NBP, Poland achieved a negative value of exported foreign direct investments. Data contained in the WIR 2002 will most certainly be verified in the report for the following year.

Source: World Investment Report 2002, United Nations, 2002

Poland is a traditional net recipient of foreign direct investment. Polish foreign direct investment in 1995-2001 amounted to just USD 415 million, a mere 1 % of the FDI flowing into Poland during the same period. The size of FDI outflow from Poland, although small, until now has been from USD 17 to 53 million, with the exception of the years 1998 and 2001. In 1998, the National Bank of Poland noted the largest outflow of

Polish capital in the form of FDI. The cause for such a high level of capital outflow was the increase of purchases of stock and shares in companies whose headquarters were located abroad and the growth of loans granted by Polish entrepreneurs to companies in which they had directly invested (mainly from the banking sector).

In 2001, for the first time, the value of Polish FDI abroad decreased, which means that the value of investments withdrawn was greater than the value of investments newly made.

The withdrawal of Polish foreign direct investments was related to the sale of stock and shares in foreign companies by Polish direct investors and constituted USD 70 million, and to the repayment of loans by foreign firms to Polish direct investors, in the amount of USD 50 million. Both the sale of stock and the repayment of loans arose mainly from the reduction of direct investments abroad by Polish banks.

FDI Outflow by type in 1995-2001 (USD million)

	1995	1996	1997	1998	1999	2000	2001
FDI outflow, of which:	42	53	45	316	31	17	-89
- acquisition of stock and shares and non-cash contributions	29	12	24	117	98	111	-52
- conversion of loans and dividends into shares	n.a.	n.a.	n.a.	n.a.	1	0	4
- re-invested profits (net)*	13	21	-3	-31	-40	-12	9
- investor loans	0	20	24	230	-28	-82	-50

* Until 1996, reinvested profits did not include balance sheet losses.

Source: "Balance of payments on the basis of transactions in the years 1998-2001", NBP, 2002

In 2001, the stock and shares sold were mostly those of foreign direct investment companies with headquarters in OECD countries, including Belgium, Luxembourg, Great Britain, Germany and Austria. In 2001, Polish capital was withdrawn primarily from companies active in production and financial mediation services.

Besides Polish investors who reduced their foreign investments, there were also those who effected new investments. Polish capital found its way mostly to Switzerland (12 % of outflow), the Netherlands (9 %), and Ukraine (7 %). Polish capital was directed mainly to services (84 %), trade and repairs (7 %), mining (7 %) and construction (2 %).

According to the National Bank of Poland, the highest revenue amount was generated by Polish foreign companies based in African countries (46 %), Europe (28 % - mainly

in Germany and Russia), and Central America (26 %). These revenues were mainly derived from the following areas: transport, warehousing, storage and communications (46 %), real estate services, rental and business-related activities (21 %), manufacturing (19 %), and construction (14 %).

At the end of 2002 the involvement of Polish capital in various business areas was as follows: financial mediation services (49 %), trade and repairs (12 %), other services (11 %), manufacturing and real estate services, rental and business-related activities (8 % each), transport, warehousing, and storage and communication (5 %), mining (4 %), and construction (3 %).

VI. ECONOMIC INTEGRATION

Integration with the European Union

Since the political and economic transformations started in 1989, the single most important objective of Polish policy has been political and economic integration with the European Union, meaning both joining its defensive structure NATO and the Common Market. The former was achieved on 12 March 1999, when the Polish Minister of Foreign Affairs, Bronisław Geremek submitted the ratification treaty to the North Atlantic Treaty's Depository Office. Integration with the EU is going to happen on 1 May, 2004.

For Poland, integration with the EU presents a unique opportunity to accelerate the country's economic and social development. The most important benefits it will bring include:

- better access for Polish goods and services to the EU market, not only through the abolition of tariff barriers, but also due to removing the necessity for additional testing and product certification,
- increasing the investment attractiveness of Poland,
- improving Poland's ratings on international financial markets,
- the import of modern technologies, thus improving quality and cost-effectiveness,
- more possibilities for business co-operation and contacts with EU partners.

Poland started negotiations on economic integration with the European Union right after its economic liberalisation in 1990. In March 1992, a transition agreement concerning foreign trade between Poland and the European Union became effective. On 1 February 1994 it was replaced by the Association Treaty (the so-called European Treaty) after its ratification by the Parliament of Poland and the 12 EU members. On 8 April of the same year, Poland formally applied for EU membership. In 1995, with three new members joining the EU, the Treaty became the basis for Poland's relations with all fifteen member countries.

The objective of the Association Agreement was to establish a free trade zone between the EU and Poland. Under an asymmetry rule, the Community market has been opening more quickly to Polish products than the Polish market to European Union products. On 1 January of each year, a new stage in trade liberalisation has been introduced.

Initially, quota restrictions on Polish industrial imports into the Community were abolished, except for sensitive products, that is, five categories of textile and agricultural products, which were not subject to general liberalisation under the Association Agreement. Quota restrictions pertaining to textiles applied till the end of 1997. As of

1 January 1998, all Polish industrial exports benefit from completely unrestricted access to the EU market. As of 1 January 2002, Poland lifted all the remaining customs' barriers for EU member states' industrial exports to Poland.

The lowest degree of liberalisation and the smallest concessions apply to agricultural products such as milk, meat, and livestock. However, the EU has undertaken to reduce restrictions on imports of processed foodstuffs at a faster rate than Poland. Nonetheless, on 27 September 2000, the Polish - EU agreement on agricultural trade liberalisation was signed, effective as of 1 January 2001. This agreement provides for duty-free quotas for trade in sensitive products, including pork, beef, poultry, veal, milk, other dairy products, wheat and cereals. These quotas will be increased by 10 % each year. Moreover, the EU shall not subsidise its food exports to Poland.

One of the major tasks involved in joining the European Union is the obligation to harmonise Polish laws with those of the EU, which is stipulated in Article 68 of the Polish-European Union Association Agreement. The Association Agreement identified the need to harmonise the following issues: accounting law, bank law, competition protection, company taxation, consumer protection, customs law, employee protection, environmental protection, financial services, health and life protection, indirect taxation, intellectual property protection, animal and plant sanitation, technical norms and regulations, and transport. However, this does not signify that other areas do not need harmonisation. The process of screening Polish laws from the point of view of their compatibility with those of the EU started in 1994 and still continues.

In June 1995, at the European summit in Cannes, the European Union member states approved a "White Book", which contains a collection of the legal acts the EU considers to be the foundation of the single market. Acceptance of the White Book provisions by the countries aspiring to the EU was a preliminary condition for commencing membership negotiations. The same summit concluded that the process of preparation of candidates for EU membership should include not just the adaptation of laws, but also the creation of the structures necessary for their implementation.

In July 1996, Poland became the 28th OECD member, joining the most developed countries in the world. The accession of Poland to this organisation was an important milestone in its integration with European structures. It strengthened Poland's credibility and improved its quotations on financial markets, promoting the inflow of foreign capital.

In 1996, in order to accelerate the pace of adjustment and integration of the Polish economy with the European Union, the Committee for European Integration was created as an office of central state administration headed by the prime minister. The Committee for European Integration was established as a result of the reform of Polish public

administration and plays an instrumental role in the process of co-operation, information flow, and the allocation of tasks between different ministries dealing with relations with the European Union. The tasks of the Committee include the preparation and co-ordination of the adjustment process to EU requirements, as well as the co-ordination of central administration activities in the area of foreign assistance.

The formal negotiations on Poland gaining the status of full membership started on 31 March 1998. Just before they commenced the European Union had released its Regular Report of the Commission on Poland's Progress towards Accession. This report is the statement from the Commission of their opinion on Poland's readiness for negotiations and future accession. According to the report, Poland had met the basic criteria to compete in the single market. The country was considered to be a dynamic market economy, with a high level of macroeconomic stability, and conditions conducive to economic growth.

The negotiations were based on the position papers prepared by task teams of the Inter-Ministerial Team for Preparing the Accession Negotiations with the EU. Next, the drafts were submitted to the negotiating team for final amendments and approval. Then they were sent to further commissions, which assessed their estimated financial and socio-economic costs before they were filed with the Committee for European Integration. Finally, they had to be adopted by the entire Council of Ministers. The negotiations have been divided into 31 negotiation areas, or chapters. The last one, however, titled "Others" is of a technical nature, leaving 30 "proper" negotiation areas.

In December 2000, during the Nice summit, a treaty reforming the EU institutional structures providing for future enlargement was agreed upon. From the Polish perspective the most important provisions include granting the same rights to all EU member states, both old and new. Poland was granted 27 votes in the European Council and 50 seats in the European Parliament, which places this country among the six most powerful EU members.

Poland successfully concluded accession negotiations on 13 December 2002 and on 16 April 2003 signed the Accession Treaty in Athens, along with nine other countries joining the EU in 2004.

The Accession Treaty is the most complex international agreement ever. It consists of many parts, such as the proper Accession Treaty, Accession Act, and a number of Protocols and Enclosures, which are all binding. Moreover, there are also some Declarations attached, which are unilateral and even though they have not force of law, they serve for the Treaty's interpretation. The proper Accession Treaty is common for all ten countries joining the EU in 2004, while other documents of the Treaty have parts

that are common for all countries, as well as parts referring to individual countries. Declarations refer to individual countries only.

It is worth noting that the proper Accession Treaty contains just three Articles. The first one states that the ten countries accede to the EU and the two others define the languages of the Treaty and the date it comes into force. The Accession Act is the core document of the Treaty, specifying all the particulars pertaining to accession, such as transitional arrangements and changes in EU legislation resulting from accession. The Treaty of Accession 2003 of the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Slovenia, and Slovakia, signed in Athens on 16 April 2003, can be consulted and downloaded from the European Union web-site at http://www.europa.eu.int/comm/enlargement/negotiations/treaty_of_accession_2003/.

Among specific provisions regarding Poland it is worth noting the following:

- Freedom to provide services - with reference to the investor compensation scheme, Poland has been granted transitional arrangements until the end of 2007 to reach the minimum level of compensation.
- Free movement of capital - Poland is granted a five-year transitional arrangement during which it can maintain the national legislation regarding the acquisition of secondary residences. Moreover, there is a twelve-year transitional arrangement during which Poland can maintain its national legislation regarding the purchase of agricultural land and forests. Nationals of the Member States, who are self-employed farmers in the above countries, are excluded from the scope of the transitional period, in accordance with provisions specific to each acceding country concerned.
- Competition Policy - transitional arrangements are agreed with Poland with regard to state aid for environmental protection, along the following lines: For investments that relate to standards for which a transitional arrangement has been granted under the Environment Chapter and for the duration of that transitional arrangement, the aid intensity is limited to the regional aid ceiling with a 15 % supplement for SMEs. For existing IPPC installations covered by a transitional arrangement under the Environment Chapter, an aid level of 30 % is agreed upon until the end of 2010. For IPPC-related investment not covered by a transitional arrangement under the Environment Chapter, an aid level of 30 % is agreed upon until 31 October 2007. For large combustion plants, an aid level of 50 % was agreed upon for investments that relate to a transitional arrangement granted under the Environment Chapter. Moreover, a transitional arrangement is agreed upon whereby the restructuring of the steel industry is to be completed by 31 December 2006.

- Taxation - Poland is allowed to maintain the reduced VAT rate on restaurant services and construction until the end 2007. Poland is also allowed to maintain the VAT zero rate on books, and a super-reduced VAT rate on foodstuffs and agricultural inputs, excluding machinery, until 31 December 2007, and until 30 April 2008, respectively. All countries joining can maintain a higher turnover threshold than the level provided for in the *acquis* to exempt SMEs from VAT, and can exempt international passenger transport from VAT. Furthermore, Poland is granted a one-year transitional arrangement, during which it can maintain its existing reduced excise duty rate on certain ecological fuels.

Finally, on 7 and 8 June 2003, a nationwide referendum was held on Poland's accession to the European Union. 59 % of Poles participated in this historical event, with 77 % voting Yes to the integration and 23 % voting against. This clear outcome confirms the consistency and commitment with which Poland went through the years of transformation to become a modern democracy, a functioning market economy, and eventually a member of the European Union.

The European Free Trade Association

Another important element of Poland's European integration is its partnership with EFTA. In 1992, Poland signed an agreement with EFTA countries on trade in industrial and agricultural goods and fish. Since March 1993 Polish exporters have the opportunity to sell these goods to EFTA countries on more favourable terms. Elimination of tariffs did not initially include sensitive products, such as steel, textiles and apparel, and certain chemicals.

From the beginning, this agreement took into consideration the possibilities of EFTA countries joining the European Union and many of its provisions are identical or parallel to those applied in the Association Treaty with the EU. So the decision of Austria, Finland and Sweden to become members of the EU did not significantly affect their relations with Poland. The most important changes refer to Finland as Poland had a special free trade agreement with this country.

European integration processes led to the establishment of the world's largest free trade area, encompassing EFTA and EU countries - the European Economic Area on 1 January 1994. Although EFTA's share in Polish foreign trade is rather small, it has been growing in recent years. In 2002, EFTA countries had a 2.6 % share in Polish import and a 2.7 % share in exports.

As far as the liberalisation of trade between Poland and EFTA is concerned, it is important to note the following:

- On the grounds of the multilateral agreement concluded with EFTA countries, a free trade area for industrial goods, fish, and processed agricultural products was established by the end of 2001. The agreement also provided for a partial liberalisation in relation to trade in agricultural products;
- The treaty provided for some asymmetry in the removal of customs duties between Poland and other EFTA countries - the partners have been removing their import restrictions faster than Poland;
- Poland has agreed to treat goods imported from EFTA no worse than those imported from the European Union;
- The multilateral EFTA agreement is supplemented with bilateral agreements covering trade in agricultural products (excluding fish, fish products, and processed agricultural products, already included in the EFTA treaty), signed by Poland separately with each EFTA country.

The Central European Free Trade Association

Poland has signed an agreement to establish a free trade zone with the Czech Republic, Slovakia, and Hungary, creating the Central European Free Trade Area. CEFTA is a free trade agreement modelled on EFTA and aimed at liberalising trade in Central and Eastern Europe. Effective from 1 April 1993, import tariffs on raw materials and finished goods not in direct competition with domestic products in respective countries were abolished at once. Tariffs for some goods (lighting equipment, medical supplies, ceramic products, rolling stock) were abolished in two instalments, in 1995 and 1996. For goods considered the most sensitive, such as textiles, steel products, and passenger cars, liberalisation has been taking longer (5-7 years).

Furthermore, the Agreement provided for equivalency of legislation aimed at encouraging competition, co-operation, and exchange of information about subsidies and protection measures against excessive imports, as well as rules and procedures concerning the origin of goods. The goal was to establish a free trade zone among member countries by 2002 at the latest.

The CEFTA agreement applies to both industrial and agricultural products, but trade liberalisation for agricultural products is limited. The customs tariffs are only reduced and quantitative barriers persist. The agreement makes it plain that in the case of serious damages to domestic producers any liberalisation may be temporarily waived. Therefore, the process of trade liberalisation within CEFTA has not been completed. A renewed imposition of customs fees occurs from time to time, sometimes unilaterally.

Since September 1995 CEFTA has been open to other countries, irrespective of their geographical position, with the only condition being that the country has to be a member of the WTO. The first countries to join CEFTA were Slovenia and Romania, which were later joined by Bulgaria. As of 1 March 2003, Croatia is also treated as a CEFTA member, although the ratification procedure has not been finalised (as of June 2003). Other countries queuing for membership include Latvia, Lithuania, and Ukraine.

Liberalisation processes within CEFTA produced a very substantial growth in trade among member states. In 2002, CEFTA countries accounted for 8.9 % of Polish exports and 7.3 % of imports. A negative development has been Poland's trade deficit with the group, which amounted to USD 397.7 million in 2002, despite an almost USD 0.5 billion increase in exports and only USD 0.3 billion growth in imports, as compared to 2001.

VII. TAXATION SYSTEM

Taxes

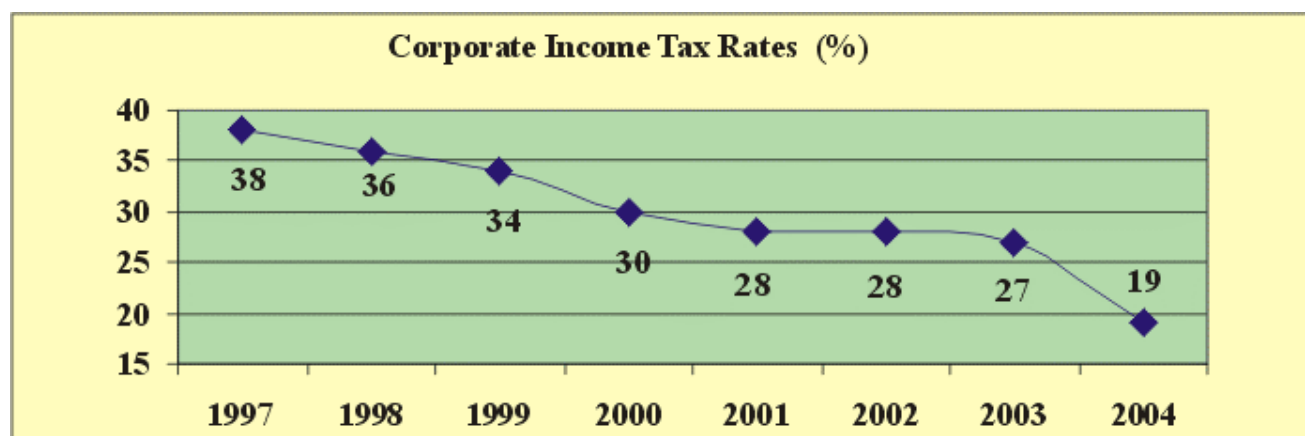
All taxes in Poland are approved by Parliament. The Polish taxation system has in recent years been undergoing substantial changes aimed at creating a more transparent system and at conforming to taxation standards existing in market economy countries. Although Polish tax legislation itself is relatively straightforward, its application in practice can be difficult. In particular, the law leaves some areas open to interpretation and it may happen that officials within the same tax district will come to two different conclusions as to the tax consequences of a particular set of circumstances. Moreover, some areas of tax legislation refer to concepts that either lack a legal definition or have a different meaning from that adopted in other legislation.

Taxpayers should note that all taxes are payable monthly on account and that interest penalties of 14 % per annum apply to the late payment of tax.

The main taxes in Poland are:

- **Corporate Income Tax (CIT):** With the exception of partnerships having no legal personality, all legal persons and organisational units having a legal personality are subject to corporate income tax. The base of taxation is profit taken as surplus of income over the cost of acquiring it. In 2003, the rate of this tax equals 27 %. Moreover, in June 2003, the Council of Ministers approved a 19 % CIT rate to be applied in 2004.

During the transformation process, Poland has been constantly reducing the state's involvement in the economy, as is clearly reflected in the reduction of the tax burden. The following graph illustrates reductions in the CIT rate, actual and forecast, in the period of 1997-2004.



Corporate income tax does not apply to:

- revenues earned on agricultural activity, with the exception of income from special branches of agricultural production,
- revenue earned on forestry activities within the limits of the Forestry Act,
- revenue earned on activities, which cannot constitute the subject of a legally effective contract.

Corporate taxpayers having their seat or the location of their board of directors, within the territory of the Republic of Poland are liable to tax on the whole of their income, irrespective of the place where it was earned. Taxpayers having neither a seat nor a board of directors within the territory of Poland are liable to tax only on income earned within the territory of the Republic of Poland.

Losses can be carried forward for up to five years, though no more than 50 % of the loss can be written off in any year. There is no concept of the carry back of losses. Various tax reliefs, contained in the Act on Corporate Income Tax of 15 February 1992 (with later amendments) have been cancelled, however, the provisions granting them still apply to investments that were effected before 1 January 2000.

The Act very precisely enumerates expenditures that are not treated as costs. Furthermore, the last major revision of the CIT Act of November 1999 incorporated depreciation and amortisation issues, previously regulated in a decree.

Transfer pricing: Companies and individuals entering into transactions with related entities or individuals (both domestic and foreign), as well as with entities or individuals located in tax havens, have to possess full transfer pricing documentation. Such documentation has to be made available within 7 days of request by a tax inspector. Profits assessed under a transfer pricing investigation are subject to a penalty tax at 50 % plus interest (currently 14 % per annum). Related entities and persons are defined as these having 5 % or more direct or indirect ownership. Transfer pricing definitions follow the OECD guidelines.

- **VAT (Tax on Goods and Services):** This tax was introduced in July 1993, replacing turnover tax. The basic rate amounts to 22 %. Apart from the basic rate there is a preferential rate of 7 % applicable to sales of certain agricultural means of production (fertilisers, pesticides, agricultural machinery), goods for children, goods connected with health protection, construction materials and services, and some other services such as transport (except taxi cabs), etc.

There is also a zero rate applicable to exports. However, services ordered from abroad but performed in Poland are subject to 22 % VAT. Only services performed abroad are treated as exports and thus are subject to 0 % rate. Moreover, some basic food products

and social and cultural services are VAT-exempt. Examples include education and health services, as well as postal services.

The VAT rate on unprocessed products is 3 %. Normally, the principle of VAT liability on sales of agricultural products is that a farmer who is a non-VAT payer (who is subject to lump-sum payments), selling his products, beside the sales price will receive a lump-sum VAT refund from the buyer of these products. This refund will amount to 3 % of the sum due for the sold products less the lump-sum tax return.

Companies and individuals must register for and charge VAT if their annual turnover exceeds EUR 10,000 (PLN 40,900 in 2003). VAT is chargeable on supplies of goods and services unless they are specifically relieved by way of exemption or zero rating. Just like in most European countries, VAT is refundable to foreign tourists leaving Poland and exporting products from Poland. Foreign tourists are eligible for VAT reimbursement for purchases exceeding EUR 200 (incl. VAT) only if the customs authorities confirm that the goods have left the Polish territory intact and no later than on the last day of the third month following the month the goods were purchased in.

VAT legislation causes the most problems to taxpayers, particularly where goods and services are involved that are not adequately classified in the official register.

- **Excise Duty:** In addition to VAT some commodities are subject to excise duty. This applies to some 200 products, encompassing goods such as passenger cars, fire-arms used for hunting, fuels and lubricants, plastic packaging, salt, alcoholic beverages, tobacco products, and certain consumer goods such as hi-fi equipment, video cameras, yachts and motor boats, perfumes, etc. The excise tax rate depends on the kind of goods, as well as on whether the goods to which it is applied are produced locally, or imported. It is always higher in the case of imports.

- **Tax on Dividends:** This tax applies to legal and natural persons, who are shareholders in companies. Income of holding companies coming from other Polish registered companies of the holding are exempted from this tax. The tax rate is equal to 15 % unless agreements on avoiding double taxation state otherwise.

In order for a Polish payer to withhold tax at the reduced rates set by the relevant agreement for the avoidance of double taxation, the recipient will have to provide the payer with a certificate of tax residence issued by the tax authorities of the recipient. The certificate confirms that the taxpayer's headquarters, for tax purposes, are located in the country where the dividend is paid.

- **Personal Income Tax (PIT):** The tax is assessed on the income of natural persons, independently of the source of origin. The income tax scale is progressive. In 2003, the following tax scale has been applied.

Tax Base (PLN)	Income Tax (PLN)
up to 37,024	19 % less 530.08
From 37,024 to 74,048	6,504.48 + 30 % of income exceeding 37,024
From 74,048	17,611.68 + 40 % of income exceeding 74,048

Husband and wife may be taxed separately or together, dividing their combined income by two. A similar regulation applies to single parents and their children. There are some tax deductibles of which the most important are interest payments on loans financing housing needs (deduction from the tax base) and house / flat repairs and modernisation (deduction from the tax). Altogether the Law on Personal Income Tax specifies more than one hundred types of income exempt from personal income tax, as well as various deductions from the tax base and from the tax.

- **Inheritance and Gifts Tax:** The base of taxation is the market value of goods and property rights acquired through inheritance, donation and prescription. The rate is progressive and its level depends on the relation between the donor and the recipient.
- **Tax on Civil and Legal Proceedings:** On 1 January 2001, a law dated 9 September 2000 on Tax on Civil and Legal Proceedings came into force. A taxpayer who must pay this tax, is obliged, without being called to do so by tax authorities, to submit the appropriate declaration, calculate and pay the tax to the tax office, or transfer it to its bank account, within 14 days from the date of the commencement of tax obligation.
- **Stamp Duty:** On 1 of January 2001, a law dated 9 September 2000 on Stamp Duty came into force. A taxpayer who must pay this stamp duty, is obliged, without being called to do so by tax authorities, to submit the relevant declaration, calculate and pay the stamp duty to the tax office or transfer it to its bank account, within 14 days from the date of the commencement of tax obligation.
- **Local Taxes:** Local authorities are empowered to set the level of rates and the scope of relief in local taxes. Their rates, however, cannot exceed the maximum levels determined by parliament. Local taxes and fees include: real estate tax, vehicle tax, dog tax, and fair tax.
- **Real Estate Tax:** All real estate is subject to real estate tax within the limits defined in the decree of the Minister of Finance published every year. As specified, annual tax

rates are determined by resolutions of the local communal level government (*gmina*) and may be different in each administrative area. The 2003, maximum real estate tax rates for selected types of real property are set out in the following table:

Type of Real Estate	Annual Tax Rate per Square Meter
Residential buildings	0.51 PLN
Commercial buildings	17.31 PLN
Other buildings	5.78 PLN
Commercial land	0.62 PLN
Other land	0.30 PLN

There were Ministry of Finance plans to replace this tax, which is related to the size of property, with a cadaster tax, which will be related to the property's value. However, introduction of this change is not foreseen any time soon. It was envisaged that the Ministry of Finance would establish a minimum tax level and the local authorities would have the liberty to raise the tax within a 30 % limit.

Tax Allowances for Companies Utilising Waste Materials

Pursuant to the Act on Corporate Income Tax, a part of income derived from operations in which waste materials produced in Poland are used is tax-free. This part is defined as the ratio of the value of waste materials used to the total value of raw materials and waste materials used in the manufacturing process. A list of waste materials that are eligible for such an allowance, as well as the specific rules for determining their value, are in the Minister of Finance's Decree of 7 January 1998, as amended. The list contains several items, including lubricating oils, batteries, used tires, paper and cardboard used as recycling materials, waste glass packaging, etc.

Tax Allowances for Protected Employment Companies

Protected employment companies are exempted from some tax liabilities, including VAT. This exemption, however, does not apply to income tax, excise tax, customs duty, or lottery tax.

According to the Act of 27 August 1997 on the Vocational and Social Rehabilitation and Employment of Disabled Persons (as amended), the status of a protected employment company may be granted to a company which employs not fewer than 25 people, providing it is operating for at least 12 months and achieves the ratios mentioned in (a) below for at least 6 months, if:

- (a) the disabled constitute no less than 40 % of the staff, 10 % of whom belong to the disability groups I and II, or employs 30 % of sightless or mentally disturbed or mentally handicapped persons in a significant or moderate degree;
- (b) the premises used for production meet the necessary criteria of current standards and regulations, taking into consideration the specific needs of the disabled (accessibility, adequate sanitary facilities, availability of municipal transport services);
- (c) the company provides both primary and secondary medical care, counselling or guidance and rehabilitation services.

Probably the most important tax incentive for protected employment companies is that they are entitled to a partial or total refund of VAT paid. The amount of the refund depends on three factors:

- the number of disabled persons employed, converted into full-time posts,
- their level of disability,
- the amount of minimum remuneration, valid on the last day of the preceding accounting month, as announced by the appropriate minister for labour issues.

For disabled persons with a minor degree of disability the amount is defined as a product of the number of the disabled and the minimum remuneration. For disabled persons with a medium degree of disability the minimum remuneration is doubled, while for the disabled with a major degree of disability, it is tripled.

The VAT refund for any given month is limited to the amount paid to the tax office for the month in question. The tax office is obliged to refund the due amount of VAT paid to it within 25 days from the date this payment was effected.

The above mentioned provisions for VAT refunds do not apply to taxpayers of excise tax, or other companies selling excise goods, except for the sale of electricity, salt, beauty and perfume products, and playing cards. Moreover, taxpayers who on the day of submission of the refund statement have any tax arrears, are not eligible for the refund, unless the tax office owes these taxpayers a previous refund.

Companies employing disabled persons that do not have the status of a protected employment company are also eligible for various tax privileges, varying in relation to the number / ratio of handicapped persons employed.

Capital Allowances

As of 1 January 2000, depreciation and amortisation rates as well as their application are governed by the Act on Corporate Income Tax of 15 February 1992 (with later amendments).

Taxpayers are free to treat as costs any expenditure up to PLN 3,500. Current depreciation and amortisation rates are specified in Annex 1 to the Act on Corporate Income Tax. For certain categories of real estate and plant and machinery the reducing-balance method of depreciation may be applied, in such a way that depreciation can be charged at a higher rate. These rates are calculated by multiplying the normal rate by a certain factor. The factors provided by the Act vary between 1.2 and 2.0.

On the other hand, it is also possible to reduce the listed depreciation and amortisation rates, although a reduction may not exceed 50 %. There are 10 groups of depreciation and amortisation rates.

The major depreciation rates applied in 2003 are as follows:

	Depreciation Rate
Buildings	2.5 %
Constructions	4.5 %
Machinery and equipment (general)	10 %
Other machinery and equipment	7 % - 25 %
Cars	20 %
Computer systems	30 %

The government has put forward some proposals that will radically change some aspects of tax legislation. The proposed changes include more precise rules covering the taxation of non resident individuals, the introduction of quarterly cash-based accounting of VAT for smaller companies and some simplifications to corporate tax. Details of the proposed changes are updated on the Grant Thornton web site at www.pkgt.org under publications.

Double Taxation Treaties

Poland follows the model of the OECD convention in negotiating its tax treaties. As of June 2003, Poland has signed agreements on avoiding double taxation with 79 countries. These treaties are based on a reciprocity principle; they may actually reduce or eliminate various taxes. The list of countries with which Poland has signed such agreements is presented in Appendix 6.

VIII. REAL ESTATE AND CONSTRUCTION

Legislative Framework Governing Real Estate

The basic regulations governing foreigners' usage and ownership of real estate in Poland are as follows:

- The Law on the Acquisition of Real Estate by Foreigners of 24 March 1920,
- The Law on the Development of State Treasury Owned Real Estate Zoned for Agricultural Use of 19 October 1991,
- The Law on the Management of Real Estate of 21 August 1997.

Appropriate regulations of the Polish Civil Code, administrative laws, and decisions of the Supreme Court, apply to all issues not regulated by the above laws.

Forms of Real Estate Ownership

The Polish legal system differentiates between three groups of rights pertaining to holding of real estate: "real rights", "limited real rights", and "contractual rights". The grounds for this differentiation is the scope of rights and obligations to which entities holding and using real estate are entitled.

There are two forms of property ownership in Poland similar to those existing in other countries:

- Ownership - equivalent to "freehold", absolute right "*in rem*",
- Perpetual usufruct (minimum 40 years - maximum 99 years, renewable) - a type of "*in rem*" right, which corresponds to "leasehold". The holder of this type of right is charged with perpetual-usufruct fees, paid to an owner (the commune or the State Treasury) on an annual basis. Buildings and structures constructed on the land in perpetual usufruct become the property of the perpetual usufruct holder.

Both forms of property ownership can be used as loan guarantees (mortgage) under Polish law.

Ownership of real estate is freely transferable, although the transfer must be executed in the form of a notarial deed. The deed must be entered in the Land and Mortgage Register. The Polish Civil Code provides for a number of limited rights "*in rem*", for instance: usufruct rights over the property of another, mortgages, ownership rights to co-operative flats, co-operative commercial premises, and co-operative single family houses.

Contractual property rights (leases) include:

- "Najem" - The landlord grants the tenant the use of premises for a fixed period of time (not longer than 10 years) or for an unspecified period, in exchange for rent,
- "Dzierżawa" - The landlord agrees to grant the tenant the use of the land and the right to collect the profits (raw resources are excluded) of property for a fixed period (not longer than 30 years) or for an unspecified period, in exchange for rent.

Purchase of Real Estate by Foreigners

Ownership rights on land and real estate concerning foreigners are governed by the act of 1920 (The Law on the Acquisition of Real Estate by Foreigners), amended and liberalised in May 1996.

For the purposes of this act a foreign person is defined as:

1. a natural person who is not a Polish citizen,
2. a legal entity with its registered seat abroad,
3. a partnership with no legal personality between the above mentioned persons, or entities with its registered seat abroad, created on the grounds of a foreign law,
4. a legal entity or a commercial partnership that has no legal personality and a registered seat in Poland, controlled directly, or indirectly, by any of the above.

Generally, a purchase of real estate, or taking it over in perpetual usufruct, as well as a purchase or taking over shares in a company having its registered seat in the territory of Poland and holding title to, or the right of perpetual usufruct to real estate, requires a permit from the Minister of Internal Affairs and Administration.

Permits are issued by the director of the Department of Permits and Licences (*Departament Zezwoleń i Koncesji*) in the Ministry of Internal Affairs and Administration, acting on the authorisation from the Minister of Internal Affairs and Administration. A permit is issued in the form of an administrative decision, pursuant to an application having been filed by a foreigner. The permit is valid for one year from the date of issue. Provisions of the Administrative Procedure Code apply to the proceedings related to the purchase of real estate.

Currently, a foreigner does not have to apply for a permit in the following cases:

- The purchase of real estate by a foreigner who has lived in Poland for at least five consecutive years from the date of issuance of a permanent residency card;
- The purchase of real estate by a foreigner who is the spouse of a Polish citizen and who has lived in Poland for at least two consecutive years from the date of

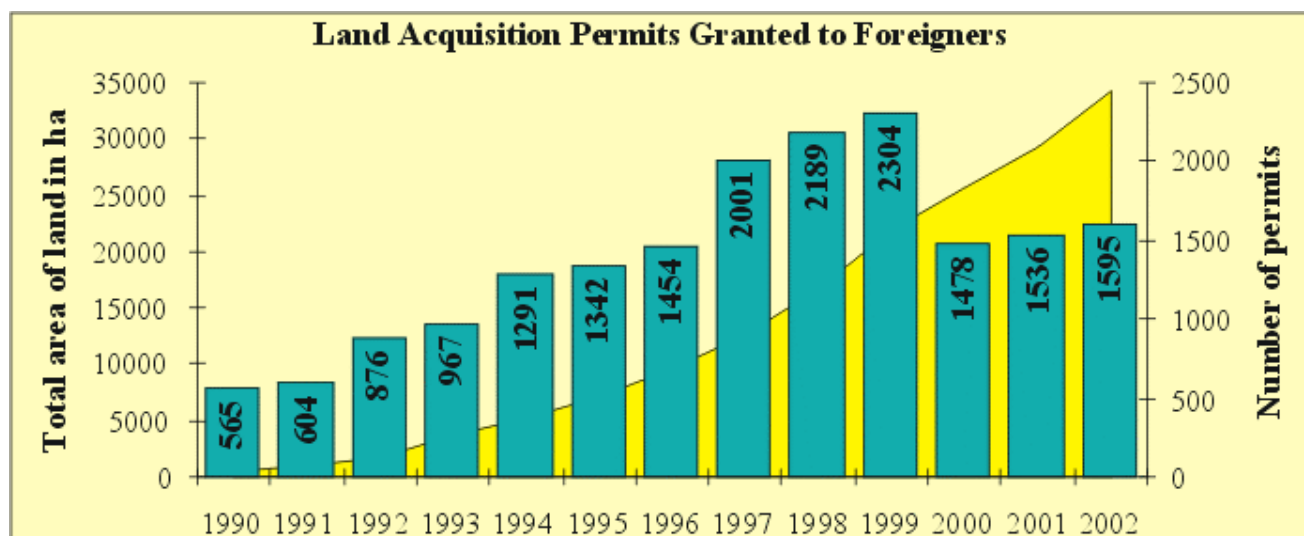
issuance of a permanent residency card, when the real estate will become part of the matrimonial estate;

- The purchase of real estate by a foreigner, if legally entitled to inherit from the property title holder on the day of the purchase, when the property title holder was the owner or perpetual user of the property for at least five years;
- The purchase of an independent residential property by a foreigner;
- The purchase by a legal entity or a commercial partnership that has no legal personality and a registered seat in Poland, controlled directly, or indirectly by any entity mentioned in 1, 2, or 3 above, in accordance with its statutory objectives, when the total area of undeveloped land does not exceed 0.4 ha within city zones;
- The purchase of real estate by a foreign entity that is simultaneously a bank and a mortgage debtor, as a result of a unsuccessful auction being a part of an execution process;
- The purchase or acquisition by a bank being a legal person, as described in art. 1 paragraph 2 section 4 of the act, of shares in a company, as mentioned in art. 3e of the act, in connection with that bank's pursuance of claims arising from banking activities performed.

Exemptions from the permit requirement do not apply to property located in the border zone, or when the total area of land zoned for agricultural use exceeds 1 ha.

Moreover, on the grounds of Article 7 of the act, EU entrepreneurs enjoy preferential treatment. It is explicitly stipulated that a permit is to be granted to an EU entrepreneur, if the entrepreneur's company or branch office is established in the territory of Poland and such a permit is necessary for conducting business operations for which the company, or branch office, has been created. The purchase of natural resources, or agricultural or forest land is excluded from the regulation. A permit may be refused only if such a refusal is justified by social policy, public safety, or public health concerns.

In 2002, the Minister of Internal Affairs and Administration issued 1,595 permits for foreigners to buy land or real estate. Most of these (1,223 permits) regarded foreign companies investing in Poland. Furthermore, 450 permits for acquiring shares or stakes in Polish companies that own real property in Poland were issued. The number of permits issued for purchase of land and real estate as well as the total amount of land covered by the permits, presented on the graph below, are yet another measure of evaluating foreign interest in investing in Poland.



In 2002, foreign companies investing in Poland received permits for the purchase of approximately 4,800 ha, while 372 foreign natural persons received permits encompassing just over 100 ha. The permits were issued primarily for lands in central and south-western Poland. In 2002, the largest amount of land was bought by companies and individuals from Germany, followed by applicants from the Netherlands. According to The Ministry of Internal Affairs and Administration, foreigners were allowed to purchase 34,165 ha in Poland in 1990-2002.

Transaction Costs

- Purchasing a company: stamp duty on company shares: 1 %
- Purchasing a property
 - Land: no VAT payable, stamp duty: 2 %
 - Buildings: VAT Payer - 22 % VAT, no stamp duty
Non VAT Payer - stamp duty 2 %, no VAT
- Leasing a property: VAT: 22 %

Additional Transaction Costs

- Permit fee: 1,000 PLN
- Notary fees: varies, based on the value of the real estate, maximum rates as for setting up a company, see Appendix 2
- Court registration fees: varies, depends on the transaction
- Agent's fees:
 - Purchase: 1 - 2 % of transaction value, usually paid by the owner
 - Lease: 10 - 15 % of the annual rent + VAT, usually paid by the owner

Property Tax

- Real estate tax - the rate is determined by the local authority, subject to maximum rates set by the Minister of Finance every year. For more information please refer to Chapter VII.
- Annual perpetual usufruct tax is assessed as 3 % of the value of perpetual usufruct.
- Owners of certain types of property, including owners of land zoned for agricultural use, must pay an agricultural tax. Its amount depends on the size of the property, the type, the class of the agricultural land and the tax district within which it is situated.

Professional Services on the Real Estate Market

The Law on Management of Real Estate (passed on 21 August 1997) and the executive acts (issued by the Council of Ministers in 1998) regulate professional activity on the real estate market.

Licensed Valuer

As of 1 January 1998, only licensed valuers are allowed to perform property valuations in Poland. To qualify for this profession, a person must:

- be able to conduct legal activity,
- have not been convicted of an offence that could undermine the profession,
- possess a university degree,
- pass a postgraduate course in property valuation,
- have relevant work experience,
- pass the qualification proceedings conducted by the State Designation Committee,
- obtain a licence from the Office of Housing and Urban Development.

The law requires licensed valuers to maintain a high level of knowledge through continuing education and makes them responsible and accountable to the Professional Ethics Committee. There are currently about three and a half thousand Chartered Surveyors in Poland. They are accredited by the local offices of the Polish Federation of Valuers' Associations. The Polish Federation is a member of the European Group of Professional Chartered Surveyors (TEGOVA) and of the International Valuation Standard Committee (IVSC).

Real Estate Agent / Broker

The Law on Management of Real Estate mandates that only licensed professionals may conduct real estate transactions. A person that meets the qualification criteria set by the Office of Housing and Urban Development may apply for a professional agent/broker licence. The criteria are as follows:

- secondary school diploma,
- completion of an applicable college or speciality course,
- practical experience gained while employed by a real estate agency,
- passing qualification proceedings conducted by the State Designation Committee.
- obtaining a licence from the Office of Housing and Urban Development.

A real estate agent is obliged to conduct business in accordance with the applicable laws and regulations, adhere to professional standards and professional conduct, and maintain an adequate level of knowledge. Real estate agents are accountable for their business conduct to the Professional Ethics Committee. The Polish Real Estate Federation is the organisation of real estate agents. It establishes standards for the profession, including ethical business practices. The federation co-operates closely with a number of similar societies throughout the world.

Real Estate Manager

The law defines a real estate manager as a person who possesses the required qualifications and is licensed to manage properties on behalf of the owner. Owners managing their own properties do not require a licence. The criteria for licensing professional managers are similar to those for real estate agents. The new regulations will impose insurance requirements on persons offering property management services. The Polish Federation of Property Managers represents this profession.

Real Estate Market by Segments

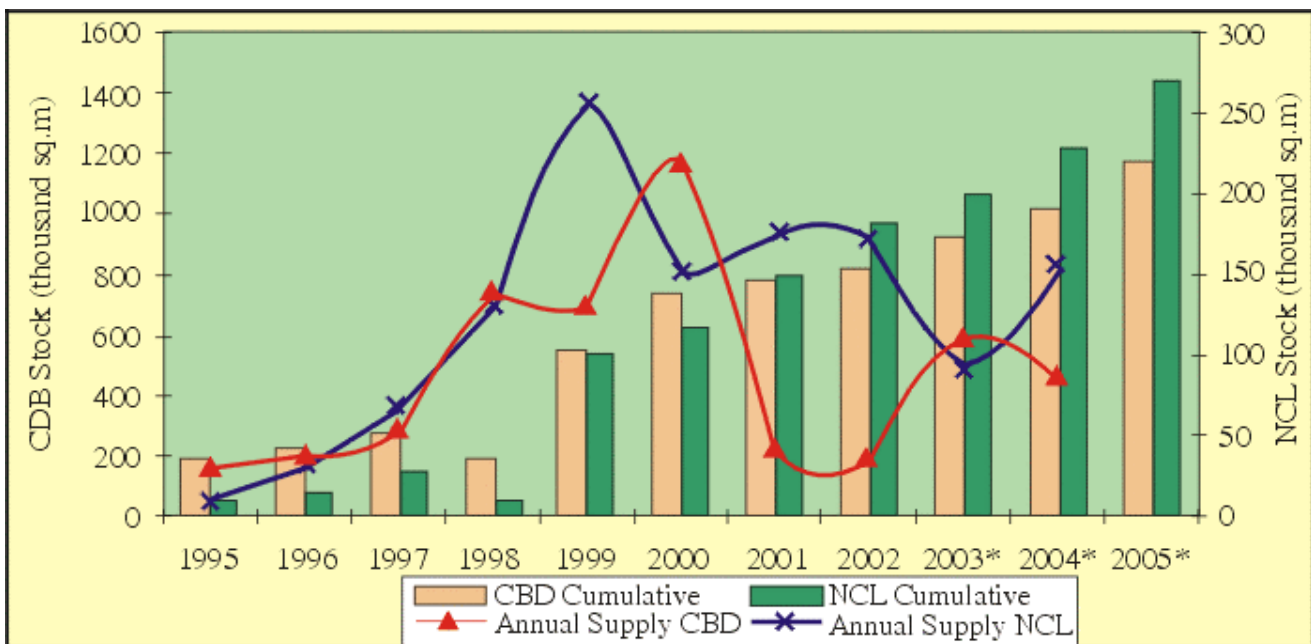
Office Market

Supply

Modern office stock in Warsaw has further increased in 2002, with over 200,000 sq.m being delivered onto the market. Most of the new supply (83 %) was released in non-central locations (NCL). A further increase in new supply in the central business district (CBD) is expected to follow through to 2003, with over 100,000 sq.m of space presently under construction. With continued development activity and increasing competition in

the market, the quality of new projects should continue to improve with experienced developers taking a larger share of the market. New office developments are not only more in line with tenant requirements and needs, but also aligned with end-investor expectations. The lack of institutional grade products is forcing investors to commit earlier in the development process, (an example being forward purchasing), to secure the best products.

Office Market – Cumulative Stock and Annual Supply



* Estimate

Source: Cushman & Wakefield Healey & Baker, 2003

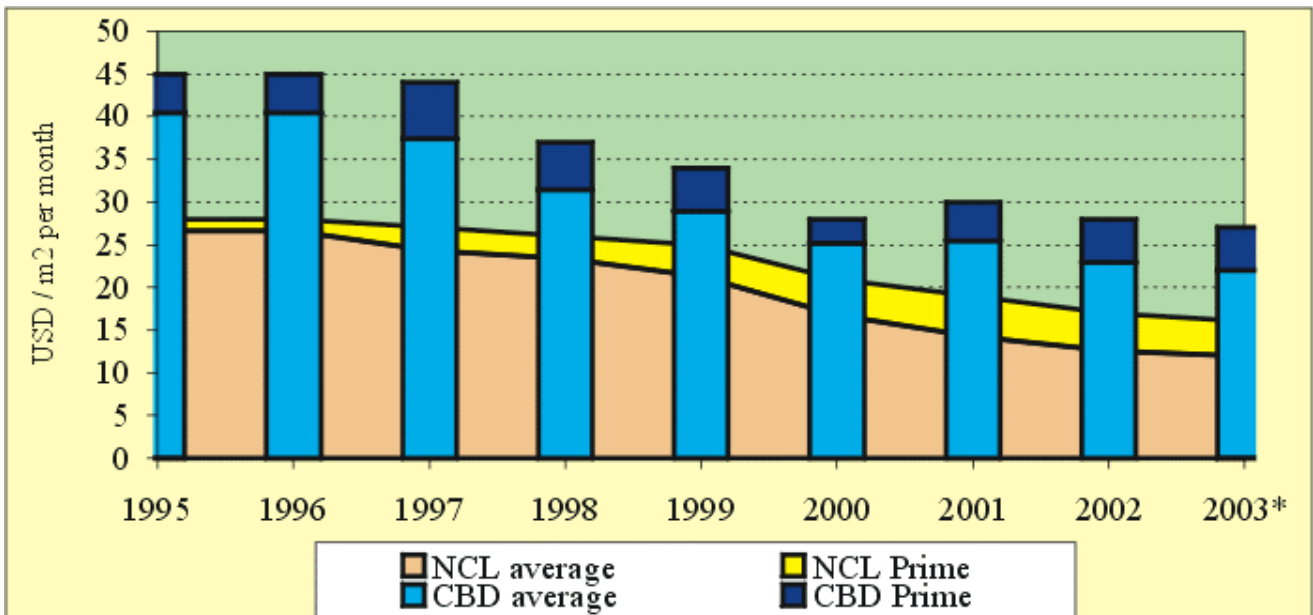
Demand

The occupational market has shown signs of recovery in 2002. Despite the slowdown of the Polish economy, annual gross take-up in 2002 has increased by 30 % year-on-year, reaching just over 237,000 sq.m. Nearly 29 % of total demand was fuelled by owner-occupiers and a further 19 % was from existing occupiers negotiating lease extensions. Demand during 2002 was much stronger in non-central locations (77 %) than in the Central Business District (23 %). The overall vacancy level has stayed stable again over 2002.

Rents

Rents should continue to adjust in 2003 as level of supply is expected to remain high. The emergence of clear prime sub-markets across Warsaw’s CBD and NCL should support investment decisions and stabilise rental income expectations in the market.

Office Market - Rents



* Estimate

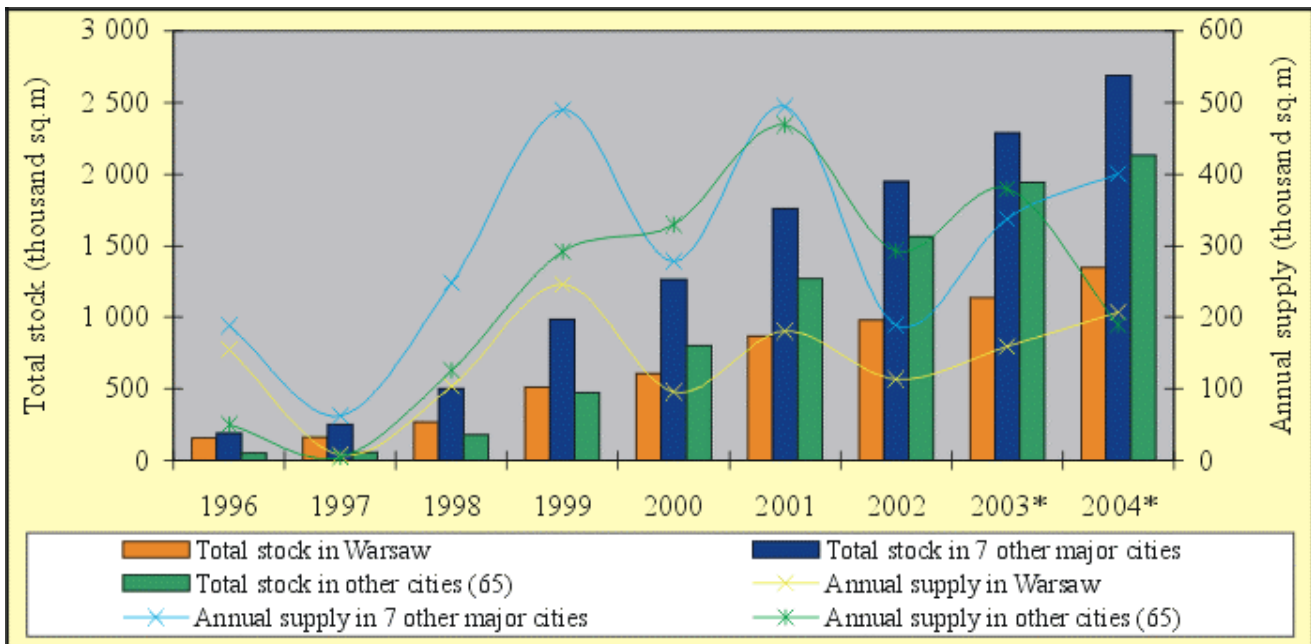
Source: Cushman & Wakefield Healey & Baker, 2003

Retail Market

Supply

Retail development has continued in all the main cities across Poland as well as in Warsaw, where over 100,000 sq.m of retail space was released in 2002. Development activity is set to increase again in other major cities as well as in the smaller cities where city centre projects are now being realised as retailers continue with their expansion programs. The retail warehouse sector, one of the most active at the moment, should also create new investment opportunities for institutional investors, offering high quality products and long term tenancies. Competition is certainly emerging in the different markets across the country and will affect the performance of some existing schemes and planned new developments. Best product selection is, however, the priority for investors and will represent the real test for the market after the first wave of development.

Retail Market - Cumulative Stock and Annual Supply



* Estimate

Source: Cushman & Wakefield Healey & Baker, 2003

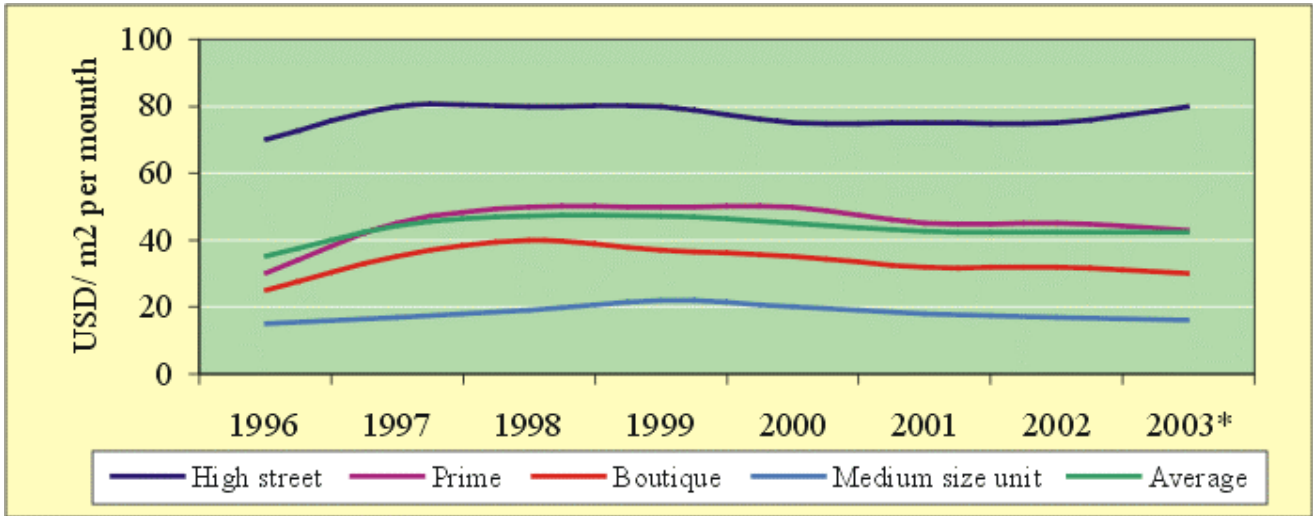
Demand

The retail occupational market remained healthy in 2002, despite the global economic slowdown and increasing competition in the market. Demand was fair with a number of new schemes delivered to the market with good levels of occupancy. The expansion of existing schemes has proved to be a successful strategy, especially in Warsaw's competitive market.

Rents

The achieved rental levels in some schemes have confirmed their commercial success, as well as created a real benchmark in terms of project positioning in the different markets. High street interest has also increased in 2002, in line with the progress of city centre redevelopment projects. Rents vary considerably between new redeveloped space and the older high street retail network. Investment interest is increasing in this sector, which should also improve in turn market transparency.

Retail Market – Rents



* Estimate

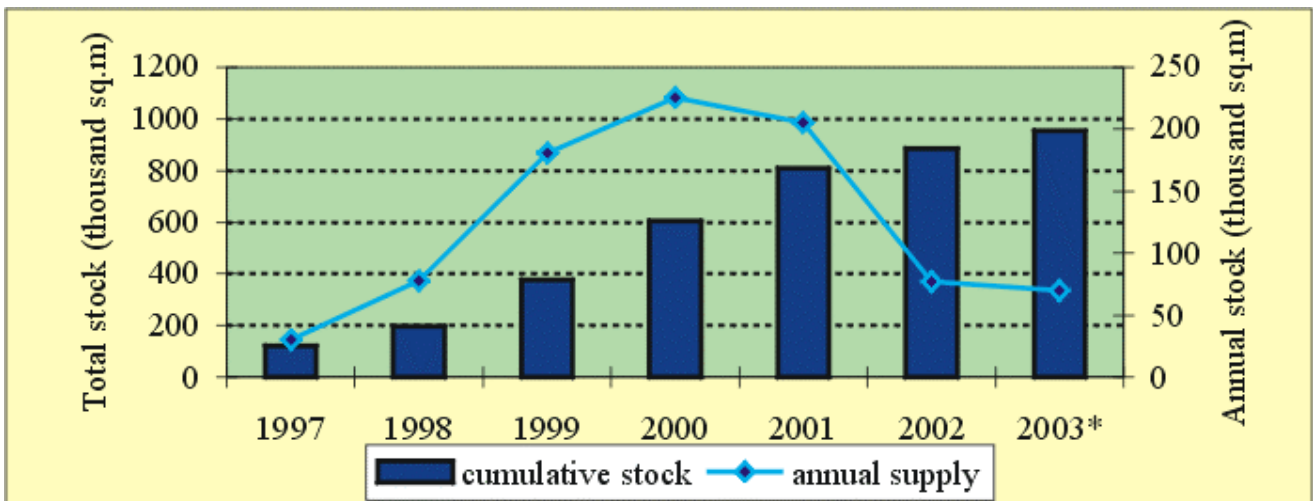
Source: Cushman & Wakefield Healey & Baker, 2003

Industrial Market

Supply

Experienced international developers are now joining the reduced group of developers already present and active in the market for the last 5 years. Construction activity is spurred by a healthy demand for logistics space, and is set to support retailer expansion across the country. Built-to-suit projects are now the common method of development in the market, with new project infrastructure put in place to start with. The market capacity for new stock is still high in Warsaw and is building up around other major Polish cities. Łódź and the Silesia region seem to be the most attractive locations outside off the capital.

Industrial Market - Cumulative Stock and Annual Supply



* Estimate

Source: Cushman & Wakefield Healey & Baker, 2003

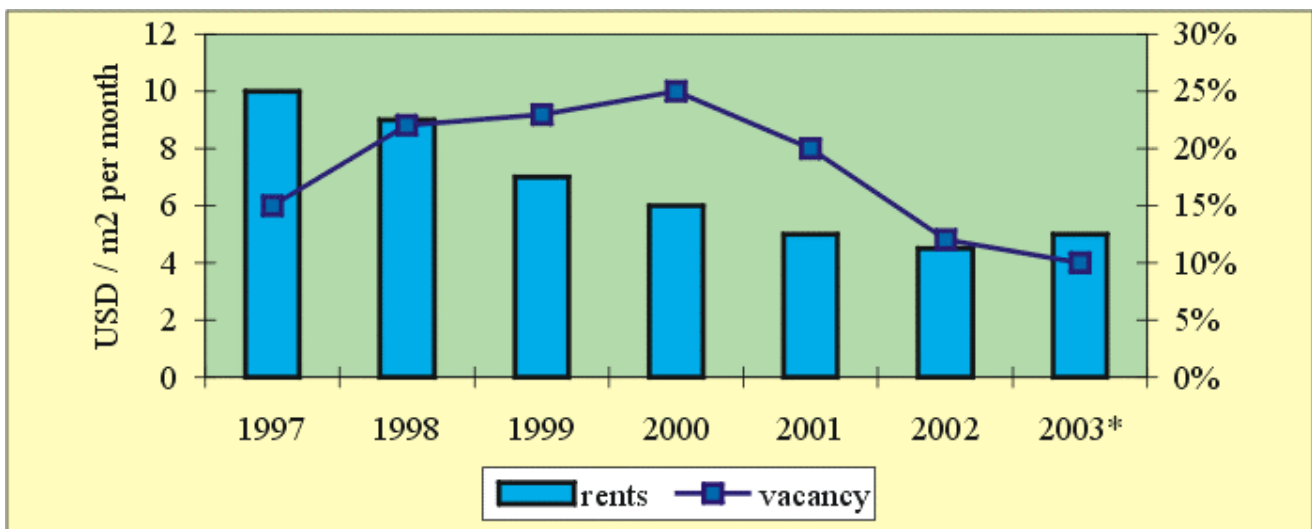
Demand

Vacancy levels have fallen from a high of 25 % in 2000 to nearly 12 % in the Warsaw area. The role of Poland in the overall European distribution network should increase with EU accession. The size of the country's domestic market and the geographic positioning of the country, at the door of attractive emerging markets to the east, should again convince companies to locate regional distribution centres in Poland. Production space demand should increase again in line with economic progress, as well as following EU accession.

Rents

Rents bottomed out in 2002, with the majority of deals concentrated in out of town warehouse facilities run by logistics operators.

Industrial Market - Rents and Vacancy



* Estimate

Source: Cushman & Wakefield Healey & Baker, 2003

Construction Industry

Construction industry output significantly increased in 1997-2000, primarily as a result of foreign investment mainly in the industrial, retail and office sectors, although developments financed by Polish capital were also on the increase. In 2001, however, after ten years of growth, this favourable trend reversed. In 2002, there was an approximately 8 % drop in the construction industry's output in Poland.

The overall result was influenced by an 8 % decrease in the private sector and a sharper, 15 % decline in the output of state enterprises. In 2002, the private sector's share in the construction industry further increased, to reach approximately 98 %.

New investments and modernisation projects dominated the sector's output, with their share amounting to 72.4 %, as opposed to a 27.6 % share of repair and maintenance work. In 2002, 99,089 new flats were brought to the market and construction of 76,961 new ones started, according to the Central Statistical Office. As at the end of the year some 696,700 flats were under construction.

IX. INDUSTRIAL AND INTELLECTUAL PROPERTY

On 22 August 2001, the new Industrial Property Law of 30 June 2000 came into force, replacing four previous items of legislation (the Laws on Inventive Activity, Trade Marks, Integrated Circuit Patents, and on the Patent Office). The new legislation regulates inventions, utility models, industrial designs, trademarks, geographical indications and topographies of integrated circuits, as well as the principles on which entities may accept rationalisation proposals and remunerate the creators thereof.

Patent Legislation

Poland is a member of the Stockholm Text of the Paris Convention on the Protection of Industrial Property. Since 1990, Poland is also a signatory to the Patent Co-operation Treaty. Protection of inventions by patents and utility models is provided by the above mentioned Industrial Property Law of 30 June 2000. However, if an international agreement provides for special procedures for granting protection in the subject matter, the provisions of this law apply only to the subject matter not governed by that agreement or falling within the responsibilities of national authorities. Applications are filed with the Polish Patent Office. Foreign applicants must be represented by Polish patent attorneys.

Registered patents are valid for 20 years from the date of filing. A patent granted for a manufacturing process also covers products directly obtained through this process. The protection right of a utility model is valid for 10 years. To keep a patent or protection right in force annuities must be paid.

Patents are not granted for:

- inventions, whose application would be contrary to the principles of public order or decency;
- new plant varieties or animal breeds, or purely biological methods for the cultivation of plants or breeding of animals, although this does not apply to the microbiological cultivation of plants or breeding of animals, nor to its results;
- surgical and therapeutic methods of medical or veterinary treatment, or diagnostic methods in the fields of medicine or veterinary science, although this does not apply to products used in diagnosis or treatment.

Patents are granted after an examination as to whether an invention is new, involves original research, and is commercially viable. A utility model is to be new and useful and to relate to the shape, construction, or arrangement of an object that has a durable form.

The patent or protection right of a utility model gives the owner the exclusive right to exploit the invention on the territory of Poland while it is valid. The exclusive right cannot, however, be abused, especially by applying prohibited monopolistic practices.

In particular, patent rights will not apply where its exploitation by a third party is necessary to satisfy a domestic market need and in particular when the public interest requires so and supply and/or the quality of the product concerned is insufficient, and/or its price is unduly inflated. This provision, however, does not apply in the first three years following patent registration.

Abusing patent rights, as well as the need to prevent or eliminate a state of national emergency, may be a reason for applying for a compulsory licence.

There are no special terms on licences. The owner of a patent or exclusive licence has the right to sue for an injunction on account of profits and/or damages. Criminal penalties are foreseen for false marking and infringement. Marking products with a patent number is commonly used but not obligatory.

It is worth noting that on the grounds of the Law on Changing Industrial Property Law of 6 June 2002 a whole new chapter on supplementary protection rights was introduced, and will come into force on the date of Poland's accession to the European Union. From that date supplementary protection rights shall be granted on the territory of the Republic of Poland following the conditions laid down in the regulations concerning the creation of supplementary protection certificates for medicinal products and plant protection products in the European Union.

Trademarks

Poland is a member of the Madrid Agreement on the registration of trademarks and the prevention of false or deceptive indications of the origin of goods. Since 1991, Poland has also been a member of the Madrid Agreement on the international registration of trademarks and became a member of the Protocol to this Agreement in the spring of 1997.

The following kinds of mark may be registered:

- trademark,
 - service mark,
 - collective mark,
 - mutual quality assurance trademark.
-

An application must define the goods and services that are to be marked by the registered trademark. The application procedure, the rights conferred, and the forms of registerable and unregisterable marks are regulated by the aforementioned Industrial Property Law. The applications are filed with the Polish Patent Office. Priority under the Paris Convention may be claimed.

A registered trademark is valid for 10 years from the date of filing. However, there are several instances where the right of protection for a trademark shall lapse earlier, for example, if it is proved that for five consecutive years the mark has not been used. The registration may be renewed for the next 10-year period. After registration, the owner of the trademark may grant the licence to a third party. In case of infringement, the proprietor or licensee can take legal steps.

Protection is extended to the names of geographical places and regions, where the name refers to a specific locality or area which is associated with a particular product and where there is a particular characteristic of the product associated with the name.

Foreign applicants have to be represented in Poland by a local patent agent. There are many patent attorneys. Their list is available at the Polish Patent Office (www.uprp.pl).

Copyrights

Copyrights in Poland are protected by the Law on Copyrights and Related Rights of 4 February 1994, which was substantially revised in June 2000 and in October 2002. The new law meets contemporary international standards and corresponds to the principles of free trade in intellectual property and also achieves compatibility with EU regulations.

The scope of copyright protection has been considerably broadened. The law covers not only the protection of traditionally understood author's rights, but also related rights. The law provides for new rights, and their owners who can now decide how their work is to be used and can derive financial benefit from it. The new owners include producers of sound and video recordings, TV and radio stations, as well as artist-performers. The law provides protection for intellectual property in the areas of science, technology, and manufacturing, including computer programmes, industrial designs, etc. The protection mechanism for computer software is similar to that used in EU countries.

The rights to any manifestation of creative activity of an individual character in any form, regardless of its value, purpose, and manner of expression are protected. The term during which intellectual property rights are protected was expanded to 70 years after

the author's death or, in cases where the copyright belongs to somebody else, 70 years after its distribution.

The law also provides for a general compensation mechanism for losses incurred by authors, performers, and producers due to uncontrolled mass reproduction for personal use (at home). Producers and importers of VCRs, tape recorders, other audio and video equipment, scanners, copying machines, as well as clean tapes, CDs, etc. must pay a surcharge to the artists, performers, and manufacturers amounting to up to 3 % of the sales income generated by these products.

The new law provides ground for more efficient enforcing of copyright protection. Illegally obtained benefits may be confiscated and returned to the true owner. The law also envisages penalties for the infringement of intellectual property rights by fines and even prison sentences of up to 5 years.

The new legislation has considerably strengthened copyright protection in Poland. It has also contributed to curtailing piracy. Meeting international standards in intellectual rights protection creates appropriate conditions for foreign investments making use of property rights.

Moreover, the law regarding protection against unfair competition protects Polish and foreign companies from such activities as:

- attempts to convince the public that goods or services originate from someone other than the true producer or supplier,
 - damaging the company's image by providing unchecked information or publishing its trade or technological service information, etc.
-

X. OPERATING IN POLAND

Forms of Business Entities

Polish regulations allow the following legal forms of businesses:

- enterprises run by a natural person; these are subject to registration according to the type and scope of activity,
- civil partnerships established under the regulations of the Polish Civil Code,
- commercial companies, established by natural or legal persons under the regulations of the Polish Code of Commercial Companies,
- co-operatives established by natural or legal persons,
- state-owned enterprises.

The Code of Commercial Companies of 15 September 2000 regulates two groups of companies:

- partnerships (registered partnership, limited partnership, professional partnership and limited joint-stock partnership),
- corporations (joint-stock company and limited liability company). For some basic information on corporations please refer to Legal Considerations in Chapter V.

Societies, foundations, and trade unions may also carry out economic activity.

Establishing a Company

On the basis of the Law on Commercial Activity of 19 November 1999, foreign companies and foreign residents may conduct their business operations in Poland in all legal forms, subject to reciprocity. However, the condition of reciprocity does not apply to limited partnerships, limited liability companies and joint-stock companies.

The formation of the latter two types of companies by foreign entities has also been allowed under the former regulations. Since these forms are well suited for all but small-scale businesses, it is expected that a major part of foreign business activities in Poland will still be carried out in this form. As a limited partnership is the only other legal form available to foreign investors without the need to obtain a reciprocity certificate from a Polish consulate in their home country, it may also prove to be popular, especially among small companies and individuals.

Joint-Stock Companies and Limited Liability Companies

Before the registration procedure for a company may be started, the company charter (joint stock company) or the articles of association (limited liability company) must be prepared and duly signed and notarised. Prior to their finalisation in consultation with a notary, a draft should be prepared by the legal advisers of the company's founders.

In the case of a joint stock company, the notarial deed should contain the following:

- business name and company seat,
- type of activity,
- duration of the company, if limited,
- amount of share capital, capital paid-in before registration, the nominal value of the shares and their number, the indication whether they are registered shares or bearer shares,
- number of shares and rights associated with specific share types, if applicable,
- names and addresses of the founders,
- number of members of the governing and supervisory bodies, or at least a minimum or a maximum number and an entity authorised to appoint the members,
- at least an approximation of costs resulting from the company's formation,
- a newspaper / periodical for publishing announcements, if the company intends to publish announcements in other than the Court and Economic Monitor (*Monitor Sądowy i Gospodarczy*).

Apart from the above, the charter should include provisions concerning the number and type of instruments that entitle the holder to participate in the profits or in the division of company assets, along with the rights associated with these instruments, any additional obligations related to the purchase of the shares, the conditions and manner in which the shares may be re-deemed, any limitations concerning shares' transfer or sale and any extra rights granted to specific shareholders.

In the case of a limited liability company, the notarial deed should contain the following:

- business name and company seat,
 - type of activity,
 - duration of the company, if limited,
 - amount of share capital,
 - whether a shareholder is entitled to one or more shares,
 - number and value of shares held by individual shareholders.
-

Apart from the above, the deed should include provisions concerning in-kind contributions and stipulations concerning additional shareholder benefits and/or obligations, if applicable.

Other documents required at the notary office are:

- a list of names of shareholders and the value and number of shares held by the founders,
- a draft of the appointment of the Board of Management,
- a draft of the appointment of the Supervisory Board (obligatory for joint-stock companies) and Control Committee, if provided by law or the articles of association.

If the shareholder is a legal person, he is required to submit:

- a copy of the company's entry in the commercial register (valid for three months!),
- a resolution of the appropriate body of the company agreeing to the company's participation in the new company to be formed,
- notarised proxies, if the persons authorised to sign on behalf of the shareholder are not appearing in person and are to be represented by a proxy.

It should be noted that documents in a foreign language should be confirmed by the local Polish embassy or consulate as having been prepared in accordance with local law and must be accompanied by a certified translation.

The next step is to register the company in the National Court Register. This is performed by the Registry Court, which acts after receiving an application for registration submitted by the Board of Management and containing information on:

- the company's name, seat, and scope of business,
 - the value of the initial capital (and the number shares and their nominal value for joint stock companies),
 - the names of Board of Management members and how the company is represented (and members' addresses for limited liability companies),
 - the names of Supervisory Board members (obligatory for joint-stock companies) and Control Committee, if provided by law, or the articles of association,
 - the duration of the company, if limited,
 - a newspaper / periodical for publishing announcements, if indicated in the charter / articles of association,
 - a statement on in-kind contributions made by the partners,
 - whether a shareholder is entitled to one or more shares (limited liability companies),
-

-
- number of privileged shares and type of privileges (joint stock companies),
 - final share capital amount, if provided by the charter (joint stock companies),
 - amount of capital paid-in before registration (joint stock companies),
 - any extra rights granted to specific shareholders, if provided by the charter.

Other documents required upon registration include:

- The company charter or articles of association;
- Documents appointing the company's governing bodies, with a specification of appointed members. In the case of a limited liability company only when these were not defined in the articles;
- A statement from all members of the Board of Management that the contributions towards initial capital have been made by all shareholders in full (limited liability companies), or that the share payments and contributions in kind envisaged by the charter have been effected lawfully (joint-stock companies);
- A list, signed by all members of the Board of Management, giving the names of the shareholders (individuals and companies) and the number and nominal value of shares held;
- Specimens of the signatures of the Board of Management members, certified by a notary or made in person in the presence of the Court.

There are some further requirements concerning documents required upon registration of a joint-stock company, specified in the Code of Commercial Companies, article 320. There is a registration fee amounting to PLN 1,000.

The registration has to be officially announced, as required by the law, in the Court and Economic Monitor. The announcement fee is PLN 500.

After its registration in the Court, each company must obtain its statistical number from the local statistical office. To receive it the company is required to submit an application containing:

- the name of the company,
- the scope of its activities,
- the time when full capacity will be reached,
- the planned number of employees.

The application should be accompanied by a copy of the articles or charter and a certified copy of the entry in the Commercial Register.

Finally, the company must be registered with the Social Security Institution (ZUS) and the local tax office (after opening a bank account).

Limited Partnership

Limited partnership is a partnership wherein at least one partner is fully liable against creditors (general partner) and the liability of at least one partner (limited partner) is limited. The partnership agreement must be notarised and it should contain:

- business name and company seat,
- type of activity,
- duration of the company, if limited,
- contributions made by each partner and their value,
- liability of each limited partner against creditors (value),
- if a limited partner contributes in kind, the contribution must be specified along with its value and the name of the contributing partner.

The next step is to register the company in the National Court Register. The same registration and announcement fees apply as in the case of other commercial companies. A limited partnership's registration application should contain:

- business name and company seat,
- type of activity,
- name(s) of general partners and, separately, names(s) of limited partners, as well as circumstances pertaining to limitations on partners' active capacity, if applicable,
- names of persons authorised to represent the company, and how the company is represented, and, should general partners entrust the running of the company to some of their number alone, this circumstance should be mentioned,
- amount up to which the limited partners are liable.

A limited partnership is established upon its registration. After this, just as for corporations, the company must obtain its statistical number, and register with the Social Security Institution (ZUS) and with the local tax office (after opening a bank account).

Operations in some business areas require a license or a permit, regardless of whether the company is domestic or foreign. The licensed areas are defined in the Law on Commercial Activity of 19 November 1999, although it should be noted that there are other areas requiring a permit, as specified by other regulations.

Subsidiaries of Foreign Companies

Pursuant to the provisions contained in the Law on Economic Activity of 19 November 1999, foreign business entities may open branch offices and representative offices in Poland. In contrast to previous regulations, none of these requires a permit. However, a certificate of reciprocity issued by a relevant Polish consulate is required in order to register.

Branch Office

Foreign companies may establish branch offices in Poland, on the basis of reciprocity, in order to conduct business activity within the scope of their business objectives, exclusively. A foreign entity setting up its branch office is obliged to appoint a person at the branch who is authorised to represent this entity. A branch may commence its operations only after it has been registered with the National Court Register.

Branch offices are to maintain separate accounting books in Polish, pursuant to Polish accounting regulations. Another requirement stipulates that branch offices are required to notify the Polish Minister of the Economy, Labour and Social Policy of:

- the commencement of liquidation of the foreign entity that has opened the branch in Poland,
- the loss by that foreign entity of the right to conduct business activity,
- the loss by that foreign entity of the right to dispose of its assets.

Moreover, branch offices are obliged to use the name of the mother company in the language of the country where it is registered, along with the name of its legal form translated into Polish and the words "*oddział w Polsce*" (branch in Poland) added.

Representative Office

Foreign companies may establish their own representative offices in Poland solely in order to promote and advertise the company establishing the office. Establishment of a representative office requires registration in the Register of Representative Offices of Foreign Business Entities kept by the Minister of the Economy, Labour and Social Policy. Registration is effected based on an application from the foreign company concerned. The application, in Polish, should contain the following:

- name, place of registration and legal form of the foreign company opening its representative office,
 - equity, or other initial capital of the foreign company opening its representative office,
 - scope of the business activity of the foreign company opening its representative office,
-

- name and address in Poland of a person in the representative office authorised to represent the foreign company.

The above-mentioned application should be accompanied by the documents listed below:

- deed of formation (articles of association, charter) of the foreign company,
- copy of its entry in the Commercial Register or its equivalent,
- statement of the foreign company on establishing its representative office in Poland,
- statement of the foreign company on the amount of share capital paid-in, if applicable.

The enclosures in a foreign language contained in this list should be accompanied by a certified translation into Polish.

Representative offices are obliged to use the name of the mother company in the language of the country where it is registered, along with the name of its legal form translated into Polish and the words "*przedstawicielstwo w Polsce*" (representative office in Poland) added.

Just as branch offices, representative offices are required to maintain separate accounting books in Polish, pursuant to Polish accounting regulations, and to notify the Polish Minister of the Economy, Labour and Social Policy of:

- the commencement, or end of liquidation of the foreign entity that has opened the representative office in Poland,
- the loss by that foreign entity of the right to conduct business activity,
- the loss by that foreign entity of the right to dispose of its assets, as well as
- any change pertaining to the information contained in the application for registering of the representative office and the amount of capital paid-in.

Competition and Consumer Protection

The Polish competition authority, the Antimonopoly Office, was created on the basis of the Act of 24 February 1990 on Counteracting Monopolistic Practices and the Protection of Consumer Interests in order to ensure the development of competition, the protection of entrepreneurs exposed to monopolistic practices and the protection of consumer interests. In October 1996, following amendments increasing its field of activity, the name was changed to The Office for Competition and Consumer Protection (OCCP).

The Act of 24 February 1990 on Counteracting Monopolistic Practices and Protection of Consumer Interests guarded free competition till 1 April 2001. As of 1 April 2001 the

Act on Competition and Consumer Protection of 15 December 2000 came into force. In particular, the new act changed the so-called "rule of reason", fully adjusting it to the formula adopted in EU law. It replaced the relative prohibition on abuse of a dominant position by its absolute prohibition and defined agreements of minor importance, which are not prohibited by the act.

The OCCP safeguards free competition and protects consumers in Poland. The head-office is located in Warsaw and there are 9 branch-offices in major Polish cities. Its key activities include acting against monopolistic practices, merger control, and consumer protection. From a foreign investor's point of view, probably the most interesting activities of the Office for Competition and Consumer Protection and its regional agencies are the ones pertaining to mergers.

A merger of companies is subject to the OCCP's approval if their combined turnover in the preceding year exceeds EUR 50 million. This obligation refers, in particular, to:

- the merger of two or more independent companies;
- taking over, through acquisition or entering into a possession of stocks, other securities, shares, of the entirety or a part of the property, or in any other way obtaining direct or indirect control over one or several companies;
- creating a joint-venture;
- taking over or acquisition of stocks or shares of another company resulting in gaining at least 25 % of the votes at the general assembly or assembly of partners;
- the same person assuming the function of a member of the managing or controlling body of competing companies.

A merger can take place if the OCCP grants a favourable decision. The act also specifies some conditions for exemption from the obligation to notify OCCP of a merger intention. These pertain to mergers of companies whose aggregate market share does not pose any threat to the competition and to acquiring only temporary control.

In order to increase the efficiency of the OCCP, the new act has modified the proceedings. In cases where a company's practice may be restricting competition, an explanatory investigation may be instituted instead of the more complex and costly anti-monopoly proceedings, and a decision may be made on the evidence gathered in the shorter proceedings. Additionally, the new provisions are better designed to deal with cases involving companies with a strong market position.

Furthermore, the question arose as to the obligation of notification of trans-national mergers. It was decided that, on the basis of Article 1 of the Act on Competition and Consumer Protection, which provides that the act will apply to all anti-competitive practices "which cause or may cause effects within the territory of the Republic of

Poland", the parties to trans-national mergers are obliged to notify their intention to merge to the OCCP when:

- any of the enterprises has subsidiaries in Poland; or
- they have distribution networks in Poland; or
- they conduct permanent sales on the territory of Poland.

The same act prohibits agreements that aim at, or result in, the elimination, restriction, or any other infringement of competition on the relevant market, and in particular, those agreements consisting in:

- fixing, directly or indirectly, prices and other conditions for the purchase or sale of products;
- limiting or controlling production or supply, or technical development or investments;
- sharing markets of supply or purchase;
- applying onerous, or not homogenous contract terms in like transactions with third parties, thus creating different conditions of competition for these parties;
- making the conclusion of an agreement subject to the acceptance or fulfilment by the other party of another performance, having neither substantial nor customary relation with the subject of the agreement;
- limiting access to the market or eliminating from the market entrepreneurs who are not party to the agreement;
- fixing the conditions of offers to be submitted by entrepreneurs participating in a tender, in particular in relation to the scope of works or price.

In 2002, the OCCP issued 580 decisions on the grounds of antimonopoly regulations. Of this number 40 cases involved agreements limiting competition and in 19 instances the president of the office ordered an abstention from the practices examined. Further, the OCCP examined 169 cases referring to mergers. In 168 instances, the decision was favourable to the merging companies, and in one case the favourable decision was conditional. Finally, the OCCP looked into 353 cases pertaining to the abuse of a dominant position. In 82 instances, the president of the office ordered abstention from the practices examined.

Accounting and Auditing

All businesses operating in Poland must adhere to Polish accounting regulations. The required accounting procedures are based on a double-entry system. Each company must establish its own book of accounts. Except for state organisations, no uniform book of accounts is imposed. Nevertheless, a book of accounts must still meet certain requirements, such as the ability to show the company's assets, the cost of production, and the profitability of the company. The accounting records, the annual balance sheet,

and the profit and loss account must be maintained in Polish currency and prepared in Polish language.

The requirements regarding the correctness and clarity of the accounting records and vouchers do not differ from those normally applied in other European countries. Accounting records, documentation, reports, etc., have to be kept for 5 years.

A new accounting law came into force on 1 January 2002, on the grounds of the Law on Changing the Law on Accounting, dated 9 November 2000. It contains clearer definitions of what is required of accounting systems. However, some of its provisions, most notably these referring to reporting formats, have been effective since 1 January 2001. The changes concern mainly new definitions of finance and operating leases (requiring the capitalisation of those leases that have finance lease characteristics, irrespective of their legal form) and the creation of deferred tax assets.

The accounting law provides for the (optional) application of Polish Accounting Standards (which do not exist at present), and where there is no Polish standard, the appropriate International Accounting Standard (IAS) may be used. In practise, this means that many companies will not comply with IAS where the accounting law is silent on a particular issue.

In light of commercial activity regulations, the entrepreneur is obliged to transact business via a bank account if:

- The amount of the transaction exceeds 3,000 EUR,
- The transaction exceeds 1,000 EUR, if the total turnover with the party exceeded the equivalent of 10,000 EUR in the previous month.

The entrepreneur must notify the appropriate tax office of his intention to operate a bank account for business purposes. If he has more than one bank account opened, he is obliged to indicate one of them as basic and to inform both the bank and the relevant tax office what the principal bank account of his choice is.

Holdings, joint stock companies, banks and insurers, pension funds, entities operating according to the Law on the Public Turnover of Securities and Investment Funds are required to have an annual audit. Other companies must be audited if two of the following three conditions are met in the preceding year:

- the number of employees exceeds 50,
- balance sheet assets exceed EUR 2.5 million,
- net income exceeds EUR 5 million.

The auditor's report must be submitted to the company's local tax office, as well as to the registration court. The report is available for public inspection.

All auditors must be members of and are governed by the National Registered Auditors' Chamber and the list of auditors empowered to audit may be obtained there.

Public Procurement

The Polish public procurement system is governed by the Law on Public Procurement of 10 June 1994, as amended. The law determines the principles, forms, and procedures for conducting public procurements, the appropriate organs of government in matters related to public procurement, and procedures for reviewing protests and appeals filed in the course of procurement proceedings. Except for a few exclusions dealing with specific cases and situations, it is applicable in all cases where public money is used to procure construction works, commodities, and services. It does not apply to public procurement of goods and services with a value not exceeding EUR 3,000.

The Office of Public Procurement created under this law publishes a bulletin listing all unlimited tenders above EUR 30,000 - an open tender procedure being used as the standard.

In the case of procurements with values exceeding an equivalent of EUR 30,000, the purchaser is obliged to set up a tender committee and to require a security of 0.5 % to 3 % of the value of the tender. For procurements of a lower value, setting up a tender committee and requiring a security is optional. A tenderer may submit only one tender. A tender remains binding for a period specified in the procurement's terms of reference, although the maximum period of validity is limited to 45 days.

Until Poland becomes a member of the European Union, domestic preferences in public procurement proceedings are applied. On the basis of the Decree of the Council of Ministers on Applying Domestic Preferences in Conducting Public Procurements dated 28 December 1994, it is obligatory to apply domestic preferences by means of recalculating prices for the purpose of comparing and evaluating tenders.

In the case of delivery of goods, domestic preferences are granted to suppliers who, in the performance of the procurement, will use domestic raw materials and products constituting at least 50 % of the value of the tender.

In the procurement of services, it is mandatory to apply domestic preferences by using domestic raw materials and products constituting at least 50 % of the value of the tender.

In the procurement of construction, it is mandatory to apply domestic preferences by using domestic raw materials and products constituting at least 50 % of the value of the

tender and by involving domestic companies in at least 50 % of tasks related to the performance of the tender.

Bankruptcy and Insolvency

Bankruptcy and insolvency law in Poland is governed by two Acts of the 1934 Commercial Code: the Bankruptcy Law of 24 October 1934, and the Arrangements Proceedings Law of 24 October 1934, both of which have been amended on numerous occasions in order to apply to all types of economic entities, including state enterprises, companies and individuals, and to meet the demands of the modern-day economy.

The Bankruptcy Law is similar to that in developed economies, providing for forfeiture to an official receiver of rights to administer assets. Bankruptcy of any business may be declared when a business entity has ceased to pay its debts. However, if the situation is short-lived only, due to some temporary difficulties, it does not give grounds to declare bankruptcy.

In the case of state-owned enterprises, co-operatives, joint stock companies, limited liability companies, other legal persons conducting economic activity, liquidated general partnerships, registered partnerships, professional partnerships, or limited joint-stock partnerships, bankruptcy is also declared if the assets of such subjects cannot satisfy existing debts. In all cases, the court always closely supervises proceedings.

Once a situation giving grounds for declaring bankruptcy arises, the entrepreneur must file a declaration of bankruptcy within 2 weeks. Failure to do so is punishable, unless this failure is not the entrepreneur's fault.

A creditor of the company may also file a motion for bankruptcy, as well as any of his creditors. Further, in the case of general partnerships, registered partnerships, professional partnerships, or limited joint-stock partnerships, any partner or shareholder is entitled to file a motion for bankruptcy, while in the case of legal persons and other organisational units this right is granted to any person representing such an entity.

There are the following types of insolvency procedures:

- bankruptcy,
- arrangements within bankruptcy proceedings,
- voluntary agreements,
- banking arrangements.

The bankruptcy of a company results in the sale of all assets, the meeting of all commitments, and the collection of all debts. Where possible, illiquid companies should

be sold as going concerns. The Arrangements Proceedings Law aims to avoid the bankruptcy of economic entities that are facing short-term liquidity problems.

Under the Law on Arrangement Proceedings, a business entity which, as a result of exceptional circumstances beyond its control, has ceased to pay its debts or foresees that its payments will cease, may demand the opening of proceedings for arrangements with creditors in order to make a voluntary arrangement.

Entrepreneurs should note, however, that bankruptcy proceedings are very slow and do not give creditors protection at a level Western investors may be used to.

Important ! Please note that a new Law on Corporate Insolvency and Recovery will come into force on 1 October 2003. It will replace two existing laws on bankruptcy and on arrangement proceedings. As the existing legislation dates back to 1934, even though it has been amended, it no longer reflects modern corporate reality.

The aim of the new legislation is to create greater protection for creditors and also to encourage reorganisation schemes during the course of the insolvency process. The primary objective is to ensure that the entity can continue its economic activities, with the objective of maintaining employment and the integrity of the enterprise.

Moreover, the new law aims at the corporate recovery of the enterprise, creditor satisfaction, the prevention of further insolvency, debt rescheduling, and the encouragement of responsible business practices amongst entrepreneurs.

The legislation applies to entrepreneurs, limited liability companies, joint stock companies, partners in partnerships, and branches of foreign banks operating in Poland.

Under the new legislation it is not possible to place the following into insolvency:

- The State Treasury,
- Local authorities and local authority entities,
- Public health service units,
- Institutions and legal entities set up by an act of Parliament, or those set up under delegated authority arising from legislation,
- Farmers,
- Education establishments.

An insolvent debtor is obliged to lodge a formal application within 14 days of the occurrence of conditions for insolvency. Failure to comply can lead to civil law consequences, prohibition from conducting economic activity by the individual and prohibition from acting as a director or supervisory board member of any entity. In

addition, persons acting dishonestly or impeding the process of insolvency can be prosecuted under the criminal law.

The new legislation has a restrained scope of application to individuals, where its application is limited to personal insolvency caused by factors outside the control of the individual. This law does not apply to non-commercial entities.

The insolvency process is divided into two phases. The first concerns the declaration and publication of insolvency and the process of establishing, whether there are grounds for declaring insolvency. The second phase regards execution of the insolvency process, ending in the complete or partial satisfaction of creditors, or in some compromise scheme.

The choice of the method to satisfy creditors' claims is determined by the court.

The new law introduces the concept of securing the assets of an insolvent entity. The aim is to ensure that the insolvent entity does not dispose of its assets in the period between the declaration of insolvency and the moment of appointment of a liquidator / administrator or the appointment of a court official.

A significant change brought by this law is the possibility to conduct a process of corporate restructuring. The process is designed to ensure speed of action and in practise is carried out by the insolvent enterprise itself. It is designed to be applied to enterprises which are still capable of meeting some of their liabilities, but which are in danger of becoming insolvent. Conducting this process is subject to presenting a restructuring plan. Restructuring, however, can only be conducted by enterprises entered in the National Court Register.

The law also extends the application of cross-border insolvency and restructuring. At the moment, when a foreign entity is put into liquidation, its Polish registered branches and representative offices become subject to the insolvency law. The Polish law imposes the model legal solutions of the 1997 UNICITRAL rules. On the date of Poland's accession to the European Union, intra-EU insolvency will become subject to EU law.

The main consequence of the above is that the insolvency process of a branch or a representative office will be conducted on the grounds of the law of the country of registration of the parent entity.

Employees

Companies with foreign shareholders, branch offices, and representative offices can employ any number of personnel. There are no limitations either to the number of employees, or to their remuneration. The only exception is the minimum salary requirement, obligatory for all business entities in Poland. Currently (June 2003), the minimum gross salary for any full-time employee amounts to PLN 800, approximately USD 210.

Foreign employees in Poland require a work permit issued by the district authorities. However, on the grounds of the Minister of Labour and Social Policy's Decree of 19 December 2001, there are some exceptions to this rule. The decree stipulates fifteen instances where foreigners are allowed to work in Poland without a permit. These include:

- foreigners resident abroad and delegated by their foreign employer to Poland for up to 3 months for:
 - assembly, maintenance and repair of machinery, equipment, constructions, etc., produced by their employer,
 - acceptance of machinery, equipment, etc., ordered from a Polish producer,
 - training staff of the Polish employer accepting machinery, equipment, constructions, etc., produced by their employer in servicing and operations thereof,
 - assembly and disassembly of fair stalls, if their foreign employer is the exhibitor.
- foreign language teachers and teachers teaching in a foreign language, working within the framework of international agreements executed by the Minister of National Education and Sport,
- NATO military and civil staff,
- actors, singers, conductors, etc., performing for up to 30 days in Poland,
- students attending regular courses in Poland, for up to 3 months during holidays.

Foreign companies can also accept unpaid assistance from persons delegated by a foreign business partner. Such persons would be neither employed nor paid by the foreign company.

Polish law is valid in all matters concerning employment, such as employer - employee relations, working conditions, social security, and trade unions.

The employer concerned must conclude a written employment contract with an employee. The contract should describe the type of work to be carried out, the commencement date, and the salary. The employment contract may be for an unlimited or limited period of time or can be limited to the carrying out of a specific task.

Employers are allowed to forbid employees from co-operating with rival companies. Non-competition clauses in the contract may take the form of an absolute ban on co-operation with companies with a similar business profile or a ban on working in a rival company after the employee leaves the job. If an employee violates such a clause, he or she is financially liable.

The employee is bound to work obediently and with due care, to comply with the hours of work laid down within the company and to use such time effectively, always to have in mind the benefit of the company, and to obey those instructions of his superiors that relate to his work. The employment contract can be cancelled without previous notice if the employee commits a serious breach of contract, commits a crime, or, through his own fault, loses any licence required for carrying out his or her work.

Generally, employees must be at least 18 years old. There are, however, specific rules for employing minors. Employees who have less than 2 years to work before attaining pensionable age and/or pension rights (65 years for men and 60 years for women) may only be dismissed in the event of bankruptcy or liquidation of the company. This is also true for employees during periods of vacation, illness, maternity leave, or leave of absence requested in advance by the employee.

Upon termination of the employment contract the company must complete a reference with respect to the employee. The reference should include information necessary for a new employer to determine the type of work carried out, the position given to the employee, the amount and makeup of salary, and the type of termination or reasons for ending the employment contract. The employee is entitled to request a reference. If the employee is not satisfied with the reference he or she can request a correction: if necessary, by applying to the labour courts.

Wages and salaries are paid in Polish currency at least once a month. The working hours are to amount to an average of 8 hours a day and 40 hours a week. In 2003, there are 10 public holidays: New Year (January 1), Easter Monday (April 21), May 1 and 3, Corpus Christi (June 19), August 15, All Saints Day (November 1), Independence Day (November 11), and Christmas (December 25 and 26).

In specific cases, working 12 hours a day is permitted. The overtime work relates to duties performed during the time beyond the limit set by the Labour Code's regulations. The circumstances under which such work may be done are thoroughly specified, and include, in particular:

- an emergency action to protect human life, or health, or personal belongings, or to eliminate injuries,
 - a case of the specific needs of the employer.
-

The number of overtime hours worked in the above-mentioned circumstances may not exceed 4 hours per person per 24 hrs, nor 150 hours in the calendar year.

For working overtime an employee, beside usual wages, is entitled to a bonus in the amount of:

- 50 % of remuneration for each hour of overtime work on working days and on holidays which are working days;
- 100 % of remuneration for each hour of overtime work on holidays which are non-working days, and at night.

Employees have a right to annual leave, paid in accordance with their remuneration for the previous three months. The employee acquires a right to annual leave after half a year of employment (half of leave). The right to full annual leave is acquired only after one year of employment. The length of annual leave depends on the length of employment. It ranges from 18 days (after one year) to 26 days (after 10 years).

Women are entitled to paid maternity leave of 16 weeks after the first birth and 18 weeks after the second or any subsequent birth and 26 weeks for giving birth to more than one child at a time, together with a 3 year leave (paid by the Social Security Institution - ZUS) to raise their children of up to 4 years of age. In addition, 1-2 work-free days in a year are permitted to all employees for family reasons such as marriages, births, marriages of children, or a death in the immediate family of the employee, and 2 extra work-free days are permitted to take care of children up to 14 years old.

In 2003, the total social security charges amount to 47.50 % of the salary. This amount is split, as follows: the social insurance contribution, constituting the major charge and accounting for 36.90 % (encompassing pension insurance - 19.52 %, disability pension insurance - 13 %, insurance against sickness - 2.45 % and accident insurance – average 1.93 %), health insurance, accounting for 8 %, the Labour Fund contribution, accounting for 2.45 % and the FGŚP fund (*Fundusz Gwarantowanych Świadczeń Pracowniczych*) contribution of 0.15 %. The Social Security Institution (ZUS) transfers 7.3 % out of the 19.52 % of the pension insurance collected to the open pension funds for all employees that are pension fund members.

Please note that the accident insurance contribution rate ranges between 0.97 and 3.86 %, depending on the company's size and activities. Moreover, the health insurance contribution rate is to increase by 0.25 % a year, to reach 9 % in 2007.

Some of these contributions are paid by the employer, some by the employee, and some are divided between them. Employers are obliged to pay for accident insurance, as well as the Labour Fund contribution and the FGŚP fund contribution. The employee pays for insurance against sickness and for health insurance, while pension insurance and

disability pension insurance charges are split between them equally. Therefore, the social security contribution paid by the employer amounts to 20.79 % of the salary. The maximum base for calculating most elements of the social security contribution is limited to 30 times the average monthly wages envisaged for a given year by the budgetary law. In 2003, the maximum base is equal to PLN 65,850.

It is important to note that a company must register with the ZUS department responsible for the region in which the company is located within 7 days after the first employee has started work.

Foreigners who are employed by a company in Poland, including foreign partners employed by a joint-venture company, are free to acquire foreign currency for their wages and salaries and to transfer them overseas, or may ask their employers to remit foreign currency directly into a foreign bank account.

Living in Poland

Accommodation of various types is readily available. Most native city dwellers live in blocks of relatively small apartments. Houses tend to be considerably more expensive. There are many real estate agencies all over Poland, offering a wide range of properties. In Warsaw alone there are well over a hundred real estate agencies in operation.

For tourists and visitors, Poland offers a whole range of accommodation, from modern hotels to bed-and-breakfast in private houses. For more information on tourist accommodation in Poland, please refer to Chapter XI. The best hotels offer excellent rooms, restaurants, and room service, but just as everywhere they tend to be expensive. Reservations can be made through travel agencies or directly with a chosen hotel. There are hundreds of travel agencies that provide accommodation, transport, and other logistical services.

Most worldwide best-selling foreign newspapers are on sale in Poland, as well as Polish periodicals published in foreign languages, such as the weekly "The Warsaw Voice", and "Warsaw Business Journal".

In some larger cities there are schools for foreign children, where lessons are taught in a language other than Polish.

Most cities offer a well-developed bus and tram system. Tickets must be bought beforehand and punched or stamped in the bus/tram (or the underground) to validate them. However, in some cities, in Warsaw for example, those who are forgetful can buy a ticket directly from the driver. Crowded in peak hours, buses and trams tend to run

quite frequently until ten or eleven in the evening. Bus and tram routes are shown on most city maps. The number of cars in Warsaw, as well as in other major cities, has been rapidly increasing over the past few years and traffic jams are everyday reality now. Inter-city train connections are good and reliable.

The private medical sector is booming with many small and medium-size private clinics opening throughout the country at a rapid rate. Some of them provide fully comprehensive services supported by English speaking staff. Home visits are among the variety of health care services designed to give foreign guests reassurance while staying in Poland. It is advisable to carefully examine insurance policies to find out exactly what risks are involved and to find a provider whose services cover prevention and cure.

Poland has regular direct air connections with most major European countries, as well as some intercontinental connections provided by the national airline LOT and foreign carriers. Charter flights to popular holiday destinations are available. Competition in this sector is steadily increasing, with private Polish airlines entering the market and prices falling. There are also direct flights from Warsaw to other major cities in Poland.

Visitors travelling by car can enter Poland through many border crossings. Rent-a-car services are at hand; cars can be rented in major cities or at the airports. Generally, to rent a car one has to be 21, and have a driving licence, a passport and a credit card.

A foreigner must register within 2 days of crossing into Poland. However, individuals staying in hotels, motels, camping grounds, etc., are relieved from this responsibility, as it is done for them by the facility. The procedure is simple and requires only a few minutes of time. The registered person receives an official document of registration, which is required upon leaving Poland at the border. In the case of longer trips, exceeding two months, the red tape is slightly more complex and requires some more time, as well as the assistance of the person having legal title to the accommodation where the foreigner is staying. The registration takes place in the Office of the Commune (*Urząd Gminy*) in which the foreigner is staying, in the Division of Citizens' Affairs.

Opening hours vary, but generally shops are open from 10 a.m. to 7 p.m. Groceries usually start much earlier and some are open round the clock. Shopping is easy. Everything is now more or less available, just as in any other European country. In smaller shops payment is usually possible in cash only. Larger shops and restaurants, especially these in cities and tourist resorts, increasingly accept cheques and the most popular credit cards, such as Visa, American Express, MasterCard, etc. Their opening hours are usually longer, too. All in all, there are approximately a hundred thousand places accepting credit card payments, as the use of credit cards is becoming increasingly popular in Poland (see Chapter II, the end of the section on banking). In the

country, it is considerably more difficult to do without cash, but the prices are substantially lower.

As far as prices are concerned, Warsaw is certainly cheaper for foreigners than New York, Moscow, or St. Petersburg, but probably more expensive than Prague or Budapest. Everything depends on what one wants to do, and how.

After a hard day at the office, a little relaxation is very welcome. Restaurants offering various cuisine, charm, and quality abound. Polish traditional food is delicious. The number of pubs is growing rapidly and they are often very good, although they tend to be rather expensive.

Cinemas have a good and up-to-date repertoire, and they are all non-smoking. Films are usually shown in their original version, with Polish subtitles. There are also many theatres worth visiting. The "Teatr Wielki" (Grand Theatre) in Warsaw has an impressive ballet and opera programme, and there are often very good concerts at the Warsaw Philharmonic, and, in the summer time, outdoors at the Chopin monument in the beautiful Royal Łazienki Park.

Living in Poland presents its own difficulties, as in all different cultures. There are many contradictions in Polish society, but with persistence it is easy to be accepted and make many lasting friendships. Everything considered, Poland is a very nice place to live.

Poland, a country of nearly 40 million consumers, situated in the heart of Europe, at the crossroads of the main North-South and East-West routes, is one of the world's most dynamically growing markets and has almost unlimited growth potential. However, despite spectacular macro-economic results and many advantages, Poland and its capital, Warsaw, face a number of problems. Underground parking lots, and a supply of financial, shopping, recreational, and exhibition centres is still insufficient. The road network, though quite extensive, with very little highways and surface needing major repairs, significantly slows car travel. Companies, Polish and foreign alike, often complain of the ever-changing legal environment and less than clear executive provisions and administrative procedures. Still, one must remember that this is a country in transition and a changing legal and institutional framework, as well as shortcomings in the local infrastructure, are to be expected. All these problems pose a challenge to investors, but at the same time surmounting them promises considerable rewards.

XI. TOURISM IN POLAND

The intention of including a chapter on tourism in a guide that deals with business and economy is twofold. First of all, it is to introduce the reader to the numerous and varied qualities of Poland as a tourist location, to show that it is a perfect place not only to do business, but also to have a good time and to rest afterwards. Secondly, as it is an important sector of the Polish economy, our intention is to give an overview of the Polish tourism industry in order to indicate the market potential and thus to unfold the opportunities for business.

With the above in mind, this section is has two parts. The first deals with the country as a tourist destination from the point of view of the holidaymaker. It is addressed most of all to people who do not seek to explore business opportunities in the sector, but would simply like to rest, be it in a more or less active way. It contains some practical information and a very brief outline of selected aspects / areas of Poland that are widely considered as "must see" sites and are praised by tourists and visitors alike. Please keep in mind, however, that due to the character of this guide the material enclosed had to be severely limited.

In fact, it was very difficult to decide on how to compose this section: whether it should cover, more or less, all geographical areas and points of interest or should focus on some selected ones. Finally, the latter approach has been favoured, since considering the space assigned in this guide for tourist information, one would otherwise end up with just a bare list that would still not be exhaustive.

Should you plan a holiday in Poland, please do consult some of the specialist tourist guides that are widely available in many languages both in Poland and abroad. The section that you are about to read is nothing more than a flash, therefore even if you do not find anything here that really appeals to you, it would only mean that, unfortunately, our focus has not included your areas of interest. However, if you take our advice and take a closer look at some specialised guides, you are bound to find places you would like to see and events you would like to attend.

The second section of this chapter is intended for businessmen who would like to take a look at the tourist industry in Poland. It was written based on the newest research carried out by the Polish Institute of Tourism. If you are looking for possibilities to invest in the sector or to establish some kind of business co-operation, consulting this part will reveal the market potential and provide much valuable data. Nonetheless, it is recommended that the first section of this chapter be read as well, even if just to have some background information and to be able to place the data in the right frame, so to speak.

Visiting Poland

Practical Information

- **Passport:** a valid passport is required to enter Poland. If a Polish visa is required, the passport's expiry date should not be less than three months from the expected date of arrival in Poland.
- **Visa:** a Polish visa is required for all travellers not holding Polish passports, except for tourists coming from the countries listed in Appendix 8 (with some exclusions, see remarks in the aforementioned Appendix).
- **Currency requirements:** PLN 100 per day, no less than PLN 500, except up to three days - PLN 300. Persons under 16 half of the amount.
- **Currency, arrival:** you must fill a currency declaration form and have it stamped by a customs officer if you are bringing in cash or cash equivalents in an amount exceeding EUR 10,000.
- **Currency, departure:** upon departure you are allowed to export your personal belongings, souvenirs, and foreign currency up to a total amount of EUR 10,000, as well as foreign currency imported to Poland with a currency declaration form confirmed by the customs authorities.
- **Money exchange:** in Poland you can change money either at a bank or at currency exchange offices, labelled "*Kantor*". You can find them at the airports and most hotels, but usually you can find better rates at the independent exchange offices that can be found almost everywhere.
- **Credit cards:** Visa, American Express, Diner's Club, and MasterCard are accepted in most hotels, restaurants, and shops.
- **Transport from Okęcie airport in Warsaw:** city buses 175 and 188 and a night bus, the 611. Some hotels offer their own minibus service to and from the airport.
- **Taxi:** at Okęcie Airport beware of taxi drivers stopping you in the airport hall, they are very likely to charge you excessive rates. All you need to do is to go out and take a cab from the queue parked in front of the entrance; they are all licensed by the airport. As far as other trips are concerned, a list of telephone numbers of reliable taxi corporations can be found in the most popular newspaper in Poland: "*Gazeta Wyborcza*", or just ask for advice. These taxis will pick you up at no extra charge from any place in Warsaw, usually within a few minutes of your call.
- **Rent a car:** some of Europe's largest rent a car companies have their offices in the arrival halls of Polish airports, as well as in some hotels.
- **Electricity:** 230 volts / 50 cycles.
- **Public phones** require a phone card. Phone cards (of different values) are available at post offices and local kiosks.
- **Emergency numbers:** Ambulance: 999; Fire-brigade: 998; Police: 997;
- however, do not count on them to speak any foreign language.

An Overview of the Country

Poland can satisfy the needs both of the tourist who wants to spend a long holiday here and the traveller who is looking for an interesting place to spend one or more weekends. One can enjoy the country during every season and whenever you come, you are bound to find something new.

The castles call to mind the stormy history of Poland. The most important ones are the Wawel Royal Castle in Cracow and the Royal Castle in Warsaw, destroyed during World War II and rebuilt afterwards. The old quarters of Warsaw, Cracow, Gdańsk, Lublin, Poznań, and Wrocław have witnessed centuries of history.

A thousand years of Catholic religion in Poland is reflected in its numerous churches, chapels, and monasteries. The shrine of Jasna Góra in Częstochowa, where the image of the Black Madonna attracts millions of pilgrims from all over the world each year and the Church of St. Mary in Cracow are among the most famous. However, hundreds of sanctuaries and rural churches, some of them built of wood, are also full of mystic atmosphere and well worth visiting.

Poland is one of those rare countries that offer a great variety of landscapes. The southern part of Poland is surrounded by the Sudetic and Tatra Mountain ranges, perfect for walking all year round, and for winter sports during the season. Trekking and excursions are possible in all seasons and are especially recommended in summer and autumn, when the country is in full bloom. In winter you can go skiing, for example, in Szczyrk and Zakopane, tourist resorts famous for their mountain folklore.

Moving from the mountains to the north, one will find large plains, nests of storks in spring, small rural villages, and forests - the most famous being the National Park in Białowieża, close to the eastern border, which, with its unique charm, is home to the European bison. All in all, there are 23 National Parks in Poland, covering over 314 thousand ha, or 1 % of the country's surface area. Excellent information on all the national parks in Poland, available also in English, can be found at The Board of Polish National Parks (<http://www.mos.gov.pl/kzpn>). Horse riding and hunting fans will discover numerous opportunities in Poland to follow their favourite hobby.

Further north there are lakes, including those of the Mazurian Lake District, which is also known as "the country of a thousand lakes", and contains a series of lakes stretching for more than 750 km. It is possible to sail through the lake district's rivers and network of canals for days. This is a paradise for those who enjoy water sports and fishing, thanks to the clear waters of the lakes, the green landscape, and its wilderness. Moreover, in winter, as the temperature often drops to well below 0 °C, the frozen lakes are often suitable for ice-sailing.

Finally, there is the northern frontier - the Baltic coastline. A very long strip of golden sand, beaches and dunes, Rozewie promontory, Hel peninsula, the gulf of Gdańsk and Wolin island, are just some of the countless views which will fascinate any tourist travelling along the coast. Furthermore, in this region you can enjoy saline thermal baths and healing mud-baths, *particularly in the town of Kołobrzeg, all year round.*

Polish Cities, Art, and Culture

Polish art and culture has always been a part of Western Europe, though at the same time it is a bridge to the East.

Among the most famous Polish contributions to European culture are the genius of Copernicus, the *science of Marie Skłodowska-Curie*, the art of Chopin, the music of *Krzysztof Penderecki*, the *movies of Andrzej Wajda and Krzysztof Kieślowski*, the theatre of Tadeusz Kantor, and the poetry of Adam Mickiewicz and of the Polish Nobel prize-winners, *Czesław Miłosz and Wisława Szymborska.*

Besides, Poland houses the works of artists and architects from all over Europe, such as the Italian painter Bernardo Bellotto (Il Canaletto), the architects Bernardo Morando and Domenico Merlini, the German sculptor Veit Stoss (Wit Stwosz), and the Dutch architect Tylman van Gameren.

There are many cities in Poland worth visiting, and most of them well described in the leading tourist guides. Here we will limit ourselves to just a brief outline of Warsaw and Cracow, which are undoubtedly the most famous cities in Poland.

Warsaw is the capital of Poland. You need to keep in mind that Warsaw, which was one of the most lively and cosmopolitan cities in Europe before the Second World War, was destroyed in 1945 and 90 % of it was completely in ruins. It was rebuilt after the War, arising from the rubble thanks to the determination and sacrifice of its surviving citizens.

Although sightseeing in the centre of the city will let you take a look at some modern architecture, one can discover the best of Warsaw only through exploration of the old town, where, besides the old restored buildings and villas, here and there the pre-war architecture miraculously survived. Walking about the old town and plunging into the magic atmosphere of the past, thanks to an amazing reconstruction which took place in the fifties and which brought to life again the Warsaw of the XVII and XVIII centuries, is a truly remarkable experience. There is enchantment in its parks and gardens, the wide course of the Vistula River, and the rich cultural life of this city, which is cosmopolitan without losing its particular, native charm.

While visiting the Royal Castle one can admire its interiors and its works of art, including some works of the world's finest painters. Another "must see" is the Polish portrait gallery in Wilanów Palace, the beautiful Baroque residence of Jan III Sobieski. Then there is the Grand Theatre, a remarkable example of classicist architecture; the Łazienki Park, a beautiful 18th century park, one of everybody's favourite places to have a stroll and rest from all the excitement; the National Museum, featuring precious collections of Polish art; and much, much more.

The uniqueness of Cracow is primarily due to the rare cultural heritage contained within its walls. Here, the Royal Castle, presently housing the crown jewels and a collection of Flemish tapestry, was constructed on Wawel Hill, and became the site for the coronation and burial of kings, as Cracow was the capital of Poland for hundreds of years, from the 11th to the 17th century. Here, in 1364, the Cracow Academy was established, the first Polish university (today known as the Jagiellonian University).

The city's image has changed during the past centuries. During the Middle Ages, Cracow was a safe, rich, fortified city surrounded by walls with 55 towers (fragments of the city fortification have been preserved to this day). During the Renaissance, Cracow became a centre of progressive ideas, with a culture that brought together outstanding humanists, writers, architects, and musicians.

City life focuses around the Market Square, which is the second largest square in Europe after St. Mark's Square in Venice. Tradition interlaces with modern times nearly everywhere you go, and it can truly be said that each stone has its own history. There is a multitude of architectural monuments, estimated at 6,000 buildings and structures. Furthermore, there are approximately 2.5 million artefacts collected and displayed in museums, churches, and other public places. In 1978, thanks to this extraordinary accumulation of cultural heritage, the city's historic centre was registered as the first of the 10 Polish sites on the UNESCO World Heritage List.

Tourism Industry

In 2002, Poland registered 50.7 million foreign arrivals, including both tourists and same-day visitors. The amount of foreign arrivals had been steadily increasing since the beginning of the 90's, although the year 2000 witnessed a reversal of this favourable trend, with a moderate decline of 5.2 %. A sharp decrease of 27.3 % was noted in 2001, and last year witnessed a further, considerable decline of over 17 %. Consequently, Poland fell in the ranking of most frequently visited countries, to 13th place in 2001. In 2002, Poland's share of European inbound tourist traffic amounted to some 3.4 %.

As far as the country structure of arrivals to Poland is concerned, a domination of arrivals from Germany must be noted, accounting for almost half of all arrivals.

In 2002, arrivals from the following countries registered the largest decline: Germany (-24 %), Slovakia (-20 %), Belarus (-18 %), and Kazakhstan (-18 %). On the other hand, the highest growth was recorded in arrivals from Romania (25 %), South Korea (24 %), Croatia (23 %) and Bulgaria (18 %).

In 2002, according to the Institute of Tourism estimates, the number of tourist arrivals (i.e., of visitors staying in Poland for at least one night, but no longer than one year) amounted to approximately 14 million, which is 6.8 % less than the year before. Mazowieckie province, as it boasts Warsaw, the capital of Poland, attracted 3.4 million tourists, more than the next in line Lubelskie and Wielkopolskie provinces together (approximately 1.5 million each).

Over the period of 1992-2000, the average duration of stay of foreign tourists remained at a level of 4.8 to 5.1 nights. In 2001, it equalled 4.5 nights, down from 4.8 in 2000, and in 2002 it decreased again, to just 3.9 nights. In 2002, business was the primary reason for tourist arrivals (27.4 %), closely followed by leisure tourism (23.4 %). However, if visiting friends and relatives (21.5 %) is included in the leisure category, then it still dominates the motives of foreigners visiting Poland.

The structure of tourist arrivals by purpose of visit is reflected in the following graph.



Source: Institute of Tourism, Warsaw, 2003

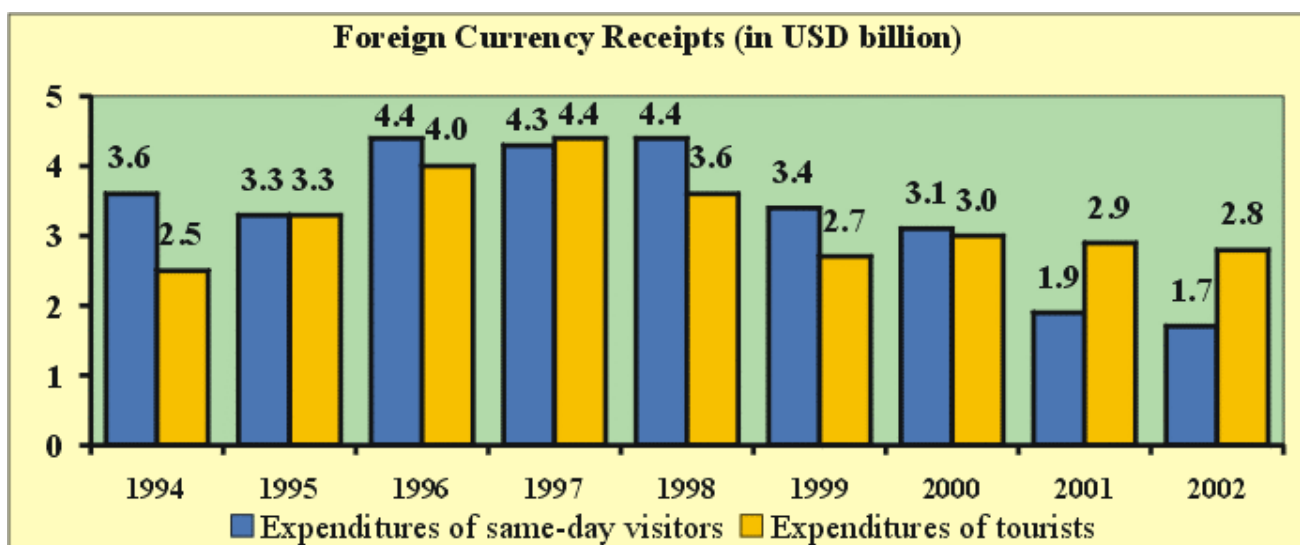
In 2002, total foreign currency receipts from tourists and same-day visitors amounted to approximately USD 4.5 billion, 6.7 % less in comparison to 2001. However, this amount does not include foreign visitors that get a job in Poland, and their number is estimated at some 500,000. Average expenditure per tourist using accommodation services in Poland amounted to approximately USD 132 per person, almost the same as the year before. The average expenditure per tourist per day slightly increased (by 3.6 %) and amounted to USD 29, ranging from USD 23 for overseas tourists and Germans to USD 38 for tourists from Belarus.

The average expenditure by same-day visitors, who are visitors that come to Poland mainly for shopping also increased. In 2002, expenditure by same-day visitors amounted to USD 46 (a 12.2 % increase over the previous year), ranging from USD 10 (Slovakia) to USD 95 (Ukraine).

All in all, tourists' receipts fell less than same-day visitors' receipts and thus, their share further increased, to some 62.4 % (USD 2.8 billion).

In 2002, the structure of tourist expenditures slightly changed in comparison to the previous year's structure. Less money was spent on accommodation (though still almost 32 %) and food (21.3 %), and more on shopping (22.1 %). Just as in the past, shopping (including shopping for resale) constitutes an important item in the expenditure of tourists from Belarus, Ukraine, Russia, and Lithuania.

In the past two years changes in the average expenditure levels of same-day visitors, as well as the number of same-day visitors has had a significant impact upon the structure of total currency receipts generated by inbound travel, as indicated below.

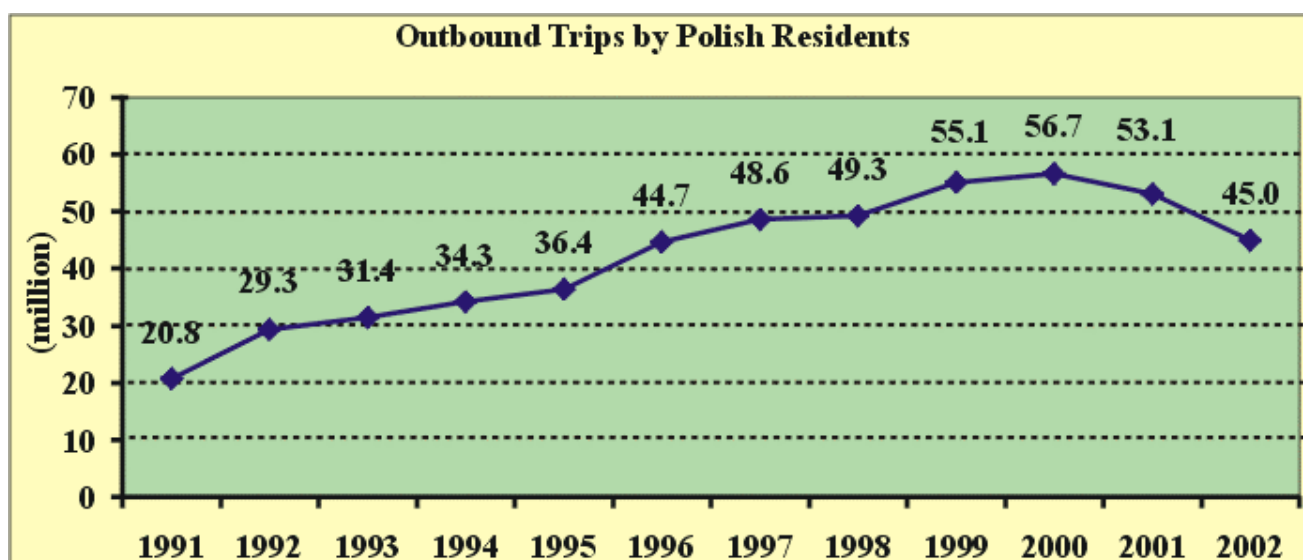


Source: Institute of Tourism, Warsaw 2003

In 2002, Germany continued to be the most important tourist market for Poland, however, there was a decrease in receipts from German tourists and visitors. Receipts from the German market amounted to approximately USD 1.6 billion, accounting for approximately 36 % of the total*.

The overall development of the Polish economy is well reflected in the outbound trips of Polish residents. Quite naturally, fast economic growth leads to people getting richer (see the increase in income per capita and GDP growth in Chapter II) and this in turn increases their expenditure on foreign travel. On the other hand, economic slow-down has an opposite effect. In 2002, the volume of Polish outbound travel reached 45.0 million, i.e., decreased by 15.2 % in comparison to the previous year, thus confirming last year's disruption in a trend of growth visible from the early 90's, with the outbound trips almost tripled in the period of 1991-2000, i.e., since the start of the transformation process.

This trend is very well reflected in the graph below.



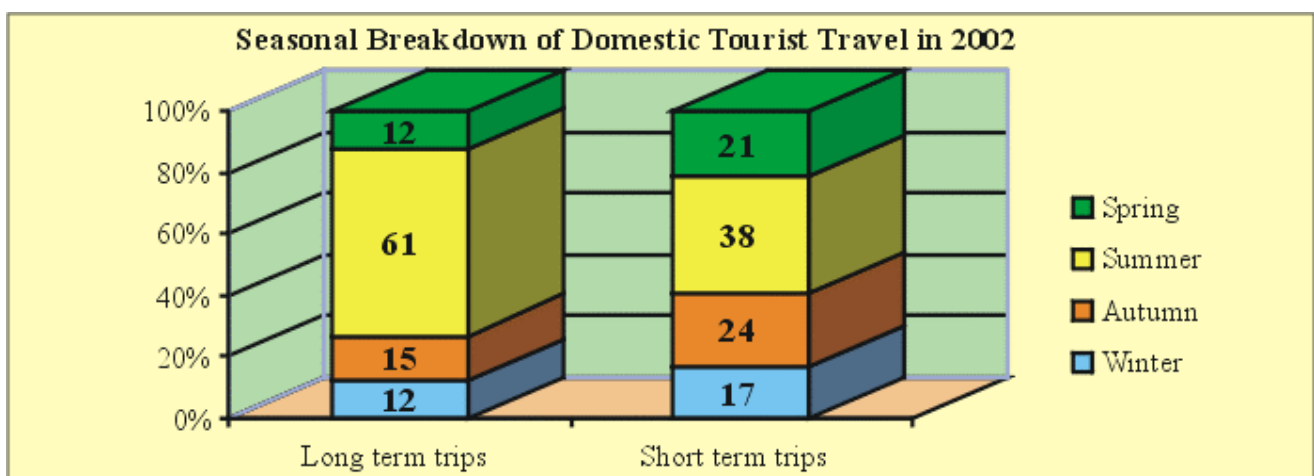
Source: Central Statistical Office, Border Control, 2002

In 2002, according to preliminary estimates of the Institute of Tourism, tourist trips accounted for 8.4 million (an increase of 9.1 %) out of a total 45 million. As in the case of inbound tourism to Poland, Germany accounts for the majority of outbound tourist trips (2.65 million), although its domination is not so pronounced (approximately 32 %). The Czech Republic (0.7 million), France (0.55 million), Greece (0.55 million), and Slovakia (0.55 million) are the other most favoured destinations. Nonetheless, it should be noted that many tourists trips to Germany, the Czech Republic, and Slovakia are

* Excluding payment registered by the NBP

related to further trips to other countries located in Western and Southern Europe. Leisure and recreation is the major motive of Poles travelling abroad. All in all, 14 % of Poles over 15 years of age took part in tourist travels abroad in 2002.

As far as domestic tourism is concerned, it is worth mentioning that approximately 33 % of Polish residents took long-term domestic trips (i.e., at least 5 days) and 35 % made short term trips in 2002. It is interesting to note that while the long-term trips are concentrated in the summer, with the remaining shares spread evenly over the other three seasons, the short trips are spread more or less in a uniform manner throughout the year, as presented in the figure below. Poland really is a country for all seasons.



Source: Institute of Tourism, 2003

Finally, a few words about accommodation facilities in Poland. In the past few years their number has been more or less constant. However, the number of hotels increased by almost 45 % in the period of 1995-2001. In 2001, according to the Central Statistical Office, there were 7613 facilities, offering over 640 thousand beds, including 966 hotels, with almost 98 thousand beds, in Poland. The following table presents the structure of hotel rooms in Poland in terms of hotel category.

Hotels and Hotel Rooms in 2000-2001

	Hotels		Hotel rooms	
	2000	2001	2000	2001
Total	924	966	50,413	51,858
*****	6	6	1,329	1,278
****	41	39	5,487	5,619
***	332	343	23,772	23,966
**	285	315	11,739	12,611
*	260	263	8,086	8,354

Source: Central Statistical Office, 2003

In 2002, 14.17 million tourists (including 3.15 million foreign tourists) stayed in various tourist accommodation facilities in Poland, including hotels, motels, campgrounds, tourist resorts, etc. The majority of foreigners (over 75 %) stayed in hotels.

The market's size, political stability, and impressive economic growth encourage investment. According to data collected by PAIZ, the total value of direct foreign investment of over USD 1 million in the hotel and restaurant business amounted to over USD 650 million by the end of 2002.

XII. SOURCES OF BUSINESS INFORMATION IN POLAND

Considering information distribution methods and accessibility, one can basically group sources of business information into three categories:

- institutions,
- newspapers, magazines, and other printed publications,
- internet pages.

Usually an institutional source of information provides access to its information in many ways: direct consultation, publications, and information on its web-site.

For English speaking foreigners, accessing business and financial news in Poland is quite easy. Nowadays state and research institutions employ highly-qualified staff and finding somebody who speaks English there is not a problem. Whether the person will be an expert in the issues you would like to discuss is another matter, so before coming for an appointment it is always worth checking to find out if an interpreter will be needed.

English-language publications pertaining to the Polish economy cover the whole spectrum of information, from daily stock market news and reports, to the legal aspects of setting up a business in Poland, and market analysis. Finally, one can always order a specific report to be prepared in a language of choice from Poland's many consulting and corporate intelligence companies. Last but not least the easiest and cheapest way of accessing a wealth of information is surfing the web. There are many exclusively business and finance oriented web-sites and if one is patient enough one will find most of the information required right there.

Institutions

State and research institutions are among the most reliable sources of information. Appendix 17 provides a list of central institutions and ministries. Nearly all of them issue various publications (some in English) and maintain web-sites, usually with an English language version.

Of course, a foreigner's obvious first choice is his / her embassy in Poland, or a Polish embassy abroad. A list of embassies in Poland is contained in Appendix 30 and a list of the economic and commercial sections of Polish embassies and consulates abroad is presented in Appendix 31. Next, there are various bilateral chambers of commerce, some of which are listed in Appendix 29.

Obviously, which institution to contact depends on the nature of one's business in Poland, therefore it is not possible to indicate the single best contact that would suit everyone's needs. However, if one considers direct investments, PAIZ (the Polish Agency for Foreign Investment) is a prime choice. PAIZ produces a series of high quality English-language titles under different headings, covering areas ranging from the construction sector to banking, and offers a whole range of free of charge services to foreign investors. For more information on PAIZ see the Institutional Structure for Foreign Direct Investments in Chapter V. The Warsaw UNIDO Office, publisher of this guide, is also helpful.

For a company wanting to participate in the privatisation processes in Poland, the Ministry of the Treasury (described in Chapter IV) is the institution to turn to, while the Ministry of the Economy, Labour and Social Policy deals with state economic policy, foreign trade regulations, etc., and will provide useful general and specific information.

Trade and co-operation offers are collected and distributed, among others, by the Polish Chamber of Commerce, which also offers corporate due diligence services. This organisation produces regular bulletin-type publications on business trends and financial news in Poland.

The Central Statistical Office is an invaluable source of information, some of which is readily available in English in their bilingual publications.

The Polish Press Agency (PAP) offers an informative and comprehensive, if somewhat expensive, guide to Polish politics and business, as well as general issues. It provides Warsaw Stock Exchange and currency rate listings. The English is at times a little erratic, although it serves its purpose.

International news agencies, like Reuters, Bloomberg, and the German Press Agency (dpa) are all accessible for in-depth daily and weekly financial news, although for the uninformed they pose the problem of little or no contextual analysis, and for the average news seeker they pose questions of price.

There are also many international organisations and institutions present in Poland, usually based in Warsaw, which are willing and able to provide various facts and figures. Some of them are listed in Appendix 18.

Finally, business reports from corporate intelligence companies are becoming increasingly popular in Poland. The companies undertaking to draw up such reports will take an in-depth look at a given company on your behalf and offer confidential, if often costly, advice on the company's financial credibility, in Polish or in a foreign language.

For the potential business partner in search of company details, such information may prove to be well worth its price.

Selected entities providing business information are listed in Appendix 32.

Newspapers, Magazines and Other Publications

English-language newsprint publications in Poland cover a broad selection of areas for the English-speaking foreigner, from the general interest weekly, The Warsaw Voice, the oldest and highest circulation newspaper, to the purely entertainment-based Warsaw Insider (<http://www.warsawinsider.pl>). The Voice also produces a Business and Economy Yearbook, which is available on request from the Warsaw Voice office.

The Warsaw Business Journal provides perhaps the most comprehensive coverage of financial and business news, although the Voice has decent weekly reports on the stock market and currency, and often in-depth studies of key markets and industries. The Warsaw Business Journal produces its well-known "Book of Lists", which is a useful database for companies. The WBJ web page, <http://www.wbj.pl>, contains some articles from the Warsaw Insider, as well as from Poland A.M., a morning news digest published by the same house.

The Warsaw Voice's Internet site, <http://www.warsawvoice.pl> is well presented, easy to access, and offers comprehensive coverage of financial and business stories. Its weekly updates on the currency market, Warsaw Stock Exchange, and the odd feature or news article on sectors of industry in the news, are found on these pages, free of charge.

Polish Market, a business focused monthly, presents a valuable compendium of data and information about the government's economic policy. It covers investment, commodity and service markets' issues, and provides information on leading Polish companies and high quality prize-winning products. It promotes various Polish regions presenting their development strategies and investment offers. One may also notice presentations of Polish business leaders and the biggest Polish and foreign investors. Many interesting articles from current and past issues are available at their web-site <http://www.polishmarket.com.pl>.

Another major information supplier is BOSS Information and Publishing Agency that has been on the market as an independent specialist information provider for the past twelve years. It offers analyses and reports on various aspects of the economy, as well as three publications. The latter include Business News Poland - an English language weekly offering in-depth business, economic, and legal information aimed at foreign investors. Regular features include sector analyses, statistics, forecasts, trends,

commentaries, tax and legal regulations, company news, and business/economic news round-ups. Their web-site is available at <http://www.boss.com.pl>.

Several other sources of business and financial news are published outside Poland, and can be found in Poland at any of the major hotels, English-language book shops, and, if you are lucky, at kiosks.

For the upper end of the business information market, one may look towards The Economist Intelligence Unit's Quarterly Business Report on Poland. Other sources include the reports of international organisations such as the World Bank, or OECD, which are usually published once a year.

Internet

A real flurry of internet pages has appeared (and sometimes, vanished) in recent years on Polish business and finance, each new one stepping on the toes of the last, while offering something slightly different, in format as well as content. The following are outlines of the main sources of internet business and finance news. For those in search of hard economic news, as well as commercial and business offers and practical guidance concerning legal, tax, or, for example, insurance matters, the internet is ideal for the English-speaking foreigner and those not based in Poland, with no access to other, hard-copy, sources.

From the point of view of reliability of information, and of its being up to date, it is certainly best to hear it "straight from the horse's mouth". Speaking in terms of the internet, this translates into seeking information on the pages of the information providers. Anyone seeking reliable business information on Poland is best advised to turn to the official pages of various Polish ministries and other government and quasi-government institutions. Most of their web-sites have an English language version covering if not all, then at least the major topics available on the Polish site.

As far as business information is concerned, the sites especially recommended include the ones administered by the Ministry of the Economy, Labour and Social Policy, the Ministry of the Treasury, and PAIZ. Furthermore, one may find specific business information on the pages of the Warsaw Stock Exchange, the National Bank of Poland, and others. Please refer to Appendix 17 for the web pages of various state institutions.

Below, there is a short description of a few general sites on Poland and on doing business in Poland. However, please remember that the internet is a very dynamic medium and by the time this information reaches the reader, there may be many other equally good, or even better, web-sites.

Poland Home Page

<http://www.poland.pl>

This page is the official web-site of Poland. It offers some general information on Poland, as well as the latest news. Moreover, it provides access to a wide range of information through redirecting to various specialised sites. The major topics include the economy, science and education, the natural environment, tourism and recreation, culture and art. The site provides access to business, financial and economic news, although not all the pages to which one is redirected have their English versions.

Polish Export Promotion Portal

<http://www.polishproducts.gov.pl>, <http://www.exporter.gov.pl>

This useful service is provided by the Ministry of the Economy, Labour and Social Policy. It contains brief and up to date information on the Polish economy, including facts and figures pertaining to industry, agriculture, foreign trade, prices, salaries and wages, etc. Furthermore, there is a database of Polish exporting companies, as well as an option to submit an enquiry.

BMB Promotions

<http://www.export-import.pl> internet service is a window onto the world of Polish exports. The service enables users to access thousands of offers of Polish firms looking for export and import opportunities. The service is run by BMB Promotions, which also offers a printed version of the catalogue in English, German, and Russian. There is also a CD-ROM version. Furthermore, BMB Promotions has prepared a general access database containing information about the economic potential and investment environment of all local self-government units. It contains several thousand investment offers from Polish districts, towns, communes, etc. This service is available at www.gminy.pl. Similarly, this information is available in English in a printed version and on a CD-ROM. A database on tenders held by Polish local authorities is the newest addition to BMB Promotions' service. However, it is currently available in Polish only.

Moreover, there are some very good pages created by the economic and commercial divisions of various Polish embassies and consulates. The ones well-worth visiting certainly include www.handelsratpolen.at (Austria), www.poland-canada.org (Canada), www.wirtschaft-polen.de (Germany), www.polishemb-trade.co.uk (Great Britain), www.brhusa.com and www.polandembassy.org (both USA). Of course the others are also quite useful. For a complete list of the economic and commercial sections of Polish embassies and consulates please refer to Appendix 31. An updated list is also available at the web-site of the Ministry of the Economy, Labour and Social Policy www.mpips.gov.pl.

Finally, anyone interested in commercial relations will be glad to take a look at *Targi i Wystawy w Polsce* (www.targi.com) which lists all the major trade fairs in Poland. This

site is simple to navigate, is updated on regular basis, and provides information on some 400 trade fairs organised in Poland each year. There are also information and/or links to some 70 fair organisers. Finally, they have launched an English version of the service, so searching out a particular event is not a problem for an English-speaking person. Alternatively, one can use Polish Trade Fair Corporation (www.polfair.com.pl), which offers a similar service, also with some English.

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APPENDIX 1

MAIN ECONOMIC INDICATORS IN 2002

Gross Domestic Product growth	1.4 %
Gross fixed capital formation	- 6.8 %
Industrial output growth	1.4 %
Productivity growth	4.5 %
Construction growth	- 8.0 %
Unemployment rate	18.1 %
Inflation rate	1.9 %
Rediscount rate (December)	7.5 %
Budget deficit	5.1 % of GDP
Foreign debt	43.3 % of GDP
Public debt	45.8 % of GDP
Foreign trade, SAD statistics:	
Export revenue	USD 41.0 bn
Import expenditures	USD 55.1 bn
Trade deficit	USD 14.1 bn
Liquidity - import coverage	6 months
Foreign debt/export ratio	2.0
Foreign reserves (December)	USD 29.8 bn
Foreign direct investments	USD 6.06 bn
Cumulative foreign direct investments	USD 65.11 bn
Average exchange rate	4.0795 PLN/USD 3.8557 PLN/EUR
Wages (average gross monthly)	PLN 2,133
Minimum gross salary (as of 01 Jan.2003)	PLN 800

APPENDIX 2

**ESTABLISHMENT OF A LIMITED LIABILITY COMPANY
- CONSECUTIVE STEPS**

Stage of Company Formation	Institution	Comments	Cost
1. Signing of Articles of Association / Deed of Formation	Notarial Office	According to the provisions of the Code of Commercial Companies, Articles of Association or Deed of Formation of a limited liability company must be executed as a notarial deed.	1. Notarial fee. 2. Tax on civil and legal proceedings. The amount of both charges depends on the amount of the company's initial capital.
2. Company registration	National Court Register	The registration takes place at the Economic Court having jurisdiction in the principal place of business of the company being formed. Upon being entered into the register the company acquires a legal personality.	Fixed charge of PLN 1,000.
3. Announcement of the company's registration in "Monitor Sądowy i Gospodarczy"	Office for the publishing "Monitor Sądowy i Gospodarczy", Ministry of Justice - through the secretariat of the competent economic court		The charge is paid in advance to the Office account in an amount not lower than PLN 500.
4. Assigning the company's statistical number	Provincial Statistical Office (Wojewódzki Urząd Statystyczny)	Applications for the company's registration in the REGON system are to be submitted personally at the Provincial Statistical Office that has jurisdiction in the company's principal place of business.	No charge.
5. Company's registration with the Social Security Institution (ZUS)	Social Security Institution (Zakład Ubezpieczeń Społecznych)	Within ten days of employing the first employee the company should register in the district office of the Social Security Institution (ZUS).	No charge.
6. Obtaining a licence or permit, if required	Competent licensing body	A list of business activities requiring licences or permits is available at PAIZ.	Stamp duty in an amount depending on the type of licence or permit.
7. Opening the company's bank account	Bank	A company is obliged to open a bank account in Polish złotys (at any bank, except the National Bank of Poland) and may also hold foreign currency accounts with a bank authorised to deal in foreign currency (subject to the Foreign Exchange Law).	According to the bank's regulations.

Stage of Company Formation	Institution	Comments	Cost
8. Registration of the company with the Tax Office in respect of income tax and VAT	Local Tax Office	Upon commencing business activity, that is issuing the first invoice, the company is obliged to register with the competent tax office.	Tax Identification Number (NIP) - no charge. VAT registration – stamp duty - PLN 152.

Source: Various acts

Notarial Fees - maximum rates determined by the Minister of Justice

Company's Initial Capital	Fees
To PLN 5,000	PLN 200
Over PLN 5,000 to PLN 15,000	PLN 200 + 3 % an amount in excess of PLN 5,000
Over PLN 15,000 to PLN 30,000	PLN 500 + 2 % an amount in excess of PLN 15,000
Over PLN 30,000 to PLN 60,000	PLN 800 + 1 % an amount in excess of PLN 30,000
Over PLN 60,000 to PLN 1,000,000	PLN 1,100 + 0.5 % an amount in excess of PLN 60,000
Over PLN 1,000,000	PLN 5,800 + 0.25 % an amount in excess of PLN 1,000,000

Please note: the above fees are subject to 22 % VAT.

Tax on Civil and Legal Proceedings - the Company's Deed of Formation

Company's Initial Capital	Tax
To PLN 20,000	1 %
Over PLN 20,000 to PLN 30,000	PLN 200 + 0.5 % an amount in excess of PLN 20,000
Over PLN 30,000	PLN 250 + 0.1 % an amount in excess of PLN 30,000

APPENDIX 3

**ESTABLISHMENT OF A JOINT STOCK COMPANY
- CONSECUTIVE STEPS**

Stage of Company Formation	Institution	Comments	Cost
1. Signing the Deed of Formation and Charter	Notarial Office	According to the provisions of the Code of Commercial Companies, the Deed of Formation and Charter of a joint stock company must be executed as a notarial deed.	1. Notarial fee. 2. Tax on civil and legal proceedings. The amount of both charges depends on the amount of the company's share capital.
2. Accumulation of the company's share capital	The Securities Commission (in certain cases)	- Immediate formation (through subscription for shares by the founders and third parties). - Consecutive formation (through public subscription of shares; in which case a permit from the Securities Commission is required).	
3. Company registration	National Court Register	The registration takes place at the Economic Court having jurisdiction in the principal place of business of the company being formed. Upon being entered into the register the company acquires legal personality.	Fixed charge of PLN 1,000.
4. Announcement of the company's registration in "Monitor Sądowy i Gospodarczy"	Office for the publishing "Monitor Sądowy i Gospodarczy", Ministry of Justice - through the Secretariat of the competent economic court		The charge is paid in advance to the Office account in an amount not lower than PLN 500.
5. Assigning the company's statistical number	Provincial Statistical Office (Wojewódzki Urząd Statystyczny)	Applications for the company's registration in the REGON system are to be submitted personally at the Provincial Statistical Office that has jurisdiction in the company's principal place of business.	No charge.
6. Company's registration with Social Security Institution (ZUS)	Social Security Institution (Zakład Ubezpieczeń Społecznych)	Within ten days of employing the first employee the company should register with the district office of the Social Security Institution (ZUS).	No charge.
7. Obtaining a licence or permit, if required	Competent licensing body	A list of business activities requiring licences or permits is available at PAIZ.	Stamp duty in an amount depending on the type of licence or permit.

Stage of Company Formation	Institution	Comments	Cost
8. Opening the company's bank account	Bank	A company is obliged to open a bank account in Polish zlotys (at any bank, except the National Bank of Poland) and may also hold foreign currency accounts with a bank authorised to deal in foreign currency (subject to the Foreign Exchange Law).	According to the bank's regulations.
9. Registration of the company with the Tax Office in respect of income tax and VAT	Local Tax Office	Upon commencing business activity, that is issuing the first invoice, the company is obliged to register with the competent tax office.	Tax Identification Number (NIP) - no charge. VAT registration – stamp duty - PLN 152.

Source: Various acts

For notarial fees and taxes on civil and legal proceedings please refer to Appendix 2.

APPENDIX 4

FUNDAMENTAL BUSINESS REGULATIONS

Regulation	Published in Journal of Laws (Dz. U.)
Accounting Law of 29 September 1994	Dz. U. No. 76, item 694 of 2002 - uniform text
Acquisition of Real Estate by Foreigners Law of 24 March 1920	Dz. U. No. 54, item 245 of 1996 - uniform text
Arrangements Proceedings Law of 24 October 1934	Dz. U. No. 93, item 836 of 1934
Bankruptcy Law of 24 October 1934	Dz. U. No. 118, item 512 of 1991 - uniform text
Civil Code of 23 April 1964	Dz. U. No. 16, item 93 of 1964
Code of Commercial Companies of 15 September 2000	Dz. U. No. 94, item 1037 of 2000
Competition and Consumer Protection Law of 15 December 2000	Dz. U. No. 122, item 1319 of 2000
Copyright and Related Rights Law of 4 February 1994	Dz. U. No. 24, item 83 of 1994
Corporate Insolvency and Recovery Law of 28 February 2003	Dz. U. No. 60, item 535 of 2003
Customs Code of 9 January 1997	Dz. U. No. 23, item 117 of 1997
Economic Activity Law of 19 November 1999	Dz. U. No. 101, item 1178 of 1999
Financial Assistance for Investments Law of 20 March 2002	Dz. U. No. 41, item 363 of 2002
Foreign Exchange Law of 27 July 2002	Dz. U. No. 141, item 1178 of 2002
Industrial Property Law of 30 June 2000	Dz. U. No. 49, item 508 of 2001
Labour Code of 26 June 1974	Dz. U. No. 21, item 94 of 1998 - uniform text
Public Aid Law of 27 July 2002	Dz. U. No. 141, item 1177 of 2002
Public Procurement Law of 10 June 1994	Dz. U. No. 76, item 344 of 1994
Special Economic Zones Law of 20 October 1994	Dz. U. No. 123, item 600 of 1994
Tax Laws	See Appendix 5

APPENDIX 5

BASIC TAX LIABILITIES

Tax	Rate	Remitters	Notes	Legal Base
Corporate income tax	27 %*	Legal persons	Revenue earned abroad is also subject to this tax	Act on Income Tax on Legal Persons (Dz.U. of 1993 No. 106, item 482, as amended)
VAT	22 % 7 % 3 % 0 %	Legal and natural persons	Indirect tax 22 % - basic rate 7 % - preferential rate 3 % - unprocessed products 0 % - export rate some goods & services are exempted	Act on Value Added Tax and Excise Duty (Dz.U. of 1993 No. 11 item 50, as amended)
Excise duty	Various	Legal and natural persons	Indirect tax limited to some 200 products, higher for imports than for manufacturing	Act on Value Added Tax and Excise Duty (Dz.U. of 1993 No. 11 item 50, as amended) Decree of the Minister of Finance on Excise Duty (Dz.U. of 2002 No. 27 item 269)
Tax on dividends	15 %	Shareholders in companies, legal and natural persons	Holdings are effectively exempted. Rate may be reduced by Agreements on Avoiding Double Taxation. Tax residence certificate for shareholder required if lower rate to be applied	Act on Income Tax on Legal Persons (Dz.U. of 1993 No. 106, item 482, as amended)
Personal income tax	19 % 30 % 40 %	Natural persons	Foreigners staying temporarily in Poland, employed in companies with foreign shareholding, pay tax only on the income earned in Poland and from work carried out in Poland (limited tax liability)	Act on Income Tax on Natural Persons (Dz.U. of 1993 No. 90 item 416, as amended)
Agricultural tax		Legal and natural persons	Calculated on the area of land on which agricultural activity is carried out. The rates vary according to the category of land.	Act on Agricultural Tax (Dz.U. of 1993 No. 94 item 431, as amended)
LOCAL TAXES				
Real estate tax	Varies	Real estate owners, legal and natural persons	Rates determined by local authorities, per m ²	Act on Taxes and Local Charges (Dz.U. of 1991 No. 9 item 31, as amended)

Source: Various acts

* To be reduced to 19 % in 2004.

APPENDIX 6

AGREEMENTS ON AVOIDING DOUBLE TAXATION

No.	Country	Agreement			
		Signed on	Entry into Force	Applied from	Published in Dziennik Ustaw
1.	Albania	05.03.1993	27.06.1994	01.01.1995	1994/No 101, item 492
2.	Algeria	31.01.2000			
3.	Armenia	14.07.1999			
4.	Australia	07.05.1991	04.03.1992	01.01.1993	1992/No 41, item 177
5.	Austria*	02.10.1974	21.09.1975	01.01.1974	1975/No 24, item 129
6.	Azerbaijan	26.08.1997			
7.	Bangladesh	08.07.1997	28.01.1999		2000/No 106, item 1121
8.	Belgium Belgium**	14.09.1976 20.08.2001	21.09.1978	01.01.1979	1978/No 24, item 109
9.	Belarus	18.11.1992	30.07.1993	01.01.1994	1993/No 120, item 534
10.	Bulgaria	11.04.1994	10.05.1995	01.01.1996	1995/No 137, item 679
11.	Canada	04.05.1987	30.11.1989	01.01.1989	1990/No 38, item 216
12.	Chile	10.03.2000	-	-	-
13.	China	07.06.1988	07.01.1989	01.01.1990	1989/No 13, item 65
14.	Croatia	19.10.1994	11.02.1996	01.01.1997	1996/No 78, item 370
15.	Cyprus	04.06.1992	07.07.1993	01.01.1994	1993/No 117, item 523
16.	Czech Republic	24.06.1993	20.12.1993	01.01.1994	1994/No 47, item 189
17.	Denmark	06.12.2001	13.12.2002	01.01.2003	2003/No 43, item 368
18.	Egypt	24.06.1996		01.01.2002	
19.	Estonia	09.05.1994	09.12.1994	01.01.1995	1995/No 77, item 388
20.	Finland Protocol	26.10.1977 28.04.1994	30.03.1979 25.01.1995	01.01.1980 --	1979/No 12, item 84 1993/No 106, item 517
21.	France	20.06.1975	12.09.1976	01.01.1974	1977/No 1, item 5
22.	Georgia	05.11.1999			
23.	Germany Protocol	18.12.1972 24.10.1979 14.05.2003	14.09.1975	01.01.1972	1975/No 31, item 163 1982/No 1, item 1
24.	Great Britain	16.12.1976	25.02.1978	01.04.1975	1978/No 7, item 20
25.	Greece	20.11.1987	28.09.1991	01.01.1992	1991/No 120, item 524
26.	Hungary Protocol	23.09.1992 27.06.2000	10.09.1995 01.05.2002	01.01.1996 01.08.2002	1995/No 125, item 602 2002/No 108, item 946
27.	Iceland	19.06.1998	20.06.1999	01.01.2000	1999/No 79, item 890
28.	India	21.06.1989	26.10.1989	01.01.1990	1990/ No 8, item 46
29.	Indonesia	06.10.1992	25.08.1993	01.01.1994	1994/No 46, item 187
30.	Iran	02.10.1998			
31.	Ireland	13.11.1995	22.12.1995	01.01.1996	1996/No 29, item 129
32.	Israel	22.05.1991	30.12.1991	01.01.1992	1992/No 28, item 124
33.	Italy	21.06.1985	26.09.1989	01.01.1984	1989/No 62, item 374
34.	Japan	20.02.1980	23.12.1982	01.01.1983	1983/No 12, item 60

* Agreement re-negotiated (under negotiation)

** Agreement re-negotiated (signed)

35.	Jordan	04.10.1997	22.04.1999	01.01.2000	1999/No 61, item 654
36.	Kazakhstan	21.09.1994	13.05.1995	01.01.1996	1995/No 121, item 586
37.	Kyrgyzstan	19.11.1998			
38.	Kuwait	16.11.1996	25.04.2000	01.01.1996	2000/No 69, item 811
39.	Latvia	17.11.1993	30.11.1994	01.01.1995	1995/No 53, item 285
40.	Lebanon	26.07.1999			
41.	Lithuania	20.01.1994	19.07.1994	01.01.1995	1995/No 51, item 277
42.	Luxembourg	14.06.1995	11.07.1996	01.01.1997	1996/No 110, item 527
43.	Macedonia FYR	28.11.1996	17.12.1999	01.01.2000	2002/ No 206,item 1744
44.	Malaysia	16.09.1977	05.12.1978	01.01.1977	1979/No 10, item 62
45.	Malta	07.01.1994	24.11.1994	01.01.1995	1995/No 49, item 256
46.	Mexico	30.11.1998	06.09.2002	01.01.2003	2003/No 13,item 131
47.	Moldova	16.11.1994	27.10.1995	01.01.1996	1996/No 38, item 166
48.	Mongolia	18.04.1997	21.07.2001	01.01.2002	2002/No 206,item 1746
49.	Morocco	24.10.1994	29.03.1995	01.01.1996	1996/No 110, item 529
50.	Netherlands	13.02.2002	18.03.2003	01.01.2004	
51.	Nigeria	12.02.1999			
52.	Norway	24.05.1977	30.10.1979	01.01.1976	1979/No 27, item 157
53.	Pakistan	25.10.1974	24.11.1975	01.01.1973	1976/No 9, item 47
54.	Philippines	09.09.1992	07.04.1997	01.01.1998	
55.	Portugal	09.05.1995	04.02.1998	01.01..1999	1998/No 48,item 304
56.	Romania	23.06.1994	15.09.1995	01.01.1996	1995/No 109, item 530
57.	Russia	22.05.1992	22.02.1993	01.01.1994	1993/No 125, item 569
58.	Singapore	23.04.1993	25.12.1993	01.01.1994	1994/No 38, item 139
59.	Slovakia	18.08.1994	21.12.1995	01.01.1996	1996/No 30,item 131
60.	Slovenia	28.06.1996	10.03.1998	01.01.1999	1998/No 35, item 198
61.	South Africa	10.11.1993	05.12.1995	01.01.1996	1996/No 28, item 125
62.	South Korea	21.06.1991	21.02.1992	01.01.1991	1992/No 28, item 126
63.	Spain	15.11.1979	06.05.1982	01.01.1983	1982/No 17, item 127
64.	Sri Lanka	25.04.1980	21.10.1983	01.01.1983	1988/No 5, item 38
65.	Sweden*	05.06.1975	18.02.1977	01.01.1974	1977/No 13, item 51
66.	Switzerland	02.09.1991	25.09.1992	01.01.1992	1993/No 22, item 92
67.	Syria	15.08.2001			
68.	Thailand	08.12.1978	13.05.1983	01.01.1983	1983/No 37, item 170
69.	Tunisia	29.03.1993	15.11.1993	01.01.1994	1994/No 78, item 357
70.	Turkey	03.11.1993	01.10.1996	01.01.1998	1997/No 11, item 58
71.	Ukraine	12.01.1993	11.03.1994	01.01.1995	1994/No 63, item 269
72.	United Arab Emirates	31.01.1993	21.04.1994	01.01.1995	1994/No 81, item 373
73.	Uruguay	02.08.1991			
74.	USA	08.10.1974	23.07.1976	01.01.1974	1976/No 31, item 178
75.	Uzbekistan	11.01.1995	29.04.1995	01.01.1996	1995/No 116, item 560
76.	Vietnam	31.08.1994	20.01.1995	01.01.1996	1995/No 49, item 258
77.	Yugoslavia	12.06.1997	17.06.1998	01.01.1999	2001/No 101, item 1137
78.	Zambia	19.05.1995			
79.	Zimbabwe	09.07.1993	28.11.1994	01.01.1995	1995/No 62, item 318

Source: Ministry of Finance, 2003

APPENDIX 7

**AGREEMENTS ON THE RECIPROCAL
PROMOTION AND PROTECTION OF INVESTMENTS**

No.	Country	Signed on	Entry into Force	Published in <i>Dziennik Ustaw</i>
1.	Albania	05.03.1993	09.08.1993	1993/No 122, item 547
2.	Argentina	31.07.1991	01.09.1992	1993/No 124, item 567
3.	Australia	07.05.1991	27.03.1992	1992/No 39, item 166
4.	Austria	24.11.1988	01.11.1989	1989/No 54, item 321
5.	Azerbaijan	26.08.1997		
6.	Bangladesh	08.07.1997	19.11.1999	2000/No 43, item 492
7.	Belarus	24.04.1992	18.01.1993	1993/No 122, item 545
8.	Belgium-Luxembourg	19.05.1987	02.08.1991	2001/No 15, item 153
9.	Bulgaria	11.04.1994	09.03.1995	1995/No 62, item 322
10.	Canada	06.04.1990	22.11.1990	1991/No 27, item 114
11.	Chile	05.07.1995	17.01.2000	2000/No 21, item 266
12.	China	07.06.1988	07.01.1989	1989/No 13, item 67
13.	Croatia	21.02.1995	04.10.1995	1995/No 26, item 126
14.	Cyprus	04.06.1992	06.07.1993	1993/No 117, item 521
15.	Czech Republic	16.07.1993	29.06.1994	1994/No 97, item 469
16.	Denmark	01.05.1990	13.10.1990	1992/No 28, item 122
17.	Egypt	01.07.1995	17.01.1998	1998/No 48, item 302
18.	Estonia	06.05.1993	06.08.1993	1995/No 39, item 196
19.	Finland	25.11.1996	13.03.1998	1998/No 54, item 342
20.	France	14.02.1989	10.02.1990	1990/No 38, item 220
21.	Germany	10.11.1989	17.04.1990	1991/No 27, item 116
22.	Great Britain	08.12.1987	14.04.1988	1988/No 12, item 93
23.	Greece	14.10.1992	20.02.1995	1995/No 51, item 275
24.	Hungary	23.09.1992	16.06.1995	1995/No 113, item 512
25.	India	07.10.1996	31.12.1997	1998/No 34, item 186
26.	Indonesia	06.10.1992	01.07.1993	1994/No 46, item 185
27.	Iran	17.04.1997	30.10.2001	
28.	Israel	22.05.1991	06.05.1992	1993/No 124, item 562
29.	Italy	10.05.1989	09.01.1993	1994/No 42, item 157
30.	Jordan	04.11.1997		
31.	Kazakhstan	21.09.1994	25.05.1995	1995/No 121, item 584
32.	Kuwait	05.03.1990	18.12.1993	1994/No 50, item 199
33.	Latvia	26.04.1993	19.07.1993	1993/No 122, item 549
34.	Lithuania	28.09.1992	06.08.1993	1993/No 122, item 543
35.	Macedonia	28.11.1996		
36.	Malaysia	21.04.1993	23.03.1994	1994/No 78, item 359
37.	Moldova	16.11.1994	27.07.1995	1995/No 118, item 568
38.	Mongolia	08.11.1995		
39.	Morocco	24.10.1994	29.05.1995	1999/No 76, item 858
40.	Netherlands	07.09.1992	01.02.1994	1994/No 57, item 235
41.	Norway	06.05.1990	24.10.1990	1990/No 84, item 488
42.	Portugal	11.03.1993	09.10.1993	1995/No 19, item 90

No.	Country	Signed on	Entry into Force	Published in <i>Dziennik Ustaw</i>
43.	Romania	23.06.1994	30.12.1995	1995/No 77, item 386
44.	Russia	02.10.1992		
45.	Singapore	03.06.1993	29.12.1993	1994/No 57, item 237
46.	Slovakia	18.08.1996	14.03.1996	1996/No 55, item 246
47.	Slovenia	28.06.1996	31.03.2001	2001/No 106, item 1119
48.	South Korea	01.11.1989	02.02.1990	1990/No 8, item 48
49.	Spain	30.07.1992	01.05.1993	1993/No 124, item 563
50.	Sweden	13.10.1989	04.01.1990	1990/No 38, item 218
51.	Switzerland	08.11.1989	18.04.1990	1990/No 63, item 366
52.	Thailand	18.12.1992	10.08.1983	1994/No 8, item 26
53.	Tunisia	29.03.1993	22.09.1993	1994/No 8, item 28
54.	Turkey	11.08.1991	19.08.1994	1994/No 112, item 539
55.	Ukraine	12.01.1993	14.09.1993	1993/No 125, item 575
56.	United Arab Emirates	31.01.1993	09.04.1994	1994/No 81, item 371
57.	Uruguay	02.08.1991	21.10.1994	1995/No 55, item 291
58.	USA	21.03.1990	6.08.1994	1994/No 97, item 366
59.	Uzbekistan	01.11.1995	29.04.1995	1995/No 116, item 561
60.	Vietnam	31.08.1994	24.11.1994	1994/No 41, item 210
61.	Yugoslavia	03.09.1996	23.01.1997	1997/No 39, item 236

Source: Ministry of the Economy, Labour and Social Policy, 2003

APPENDIX 8

AGREEMENTS ON THE ABOLITION OF VISA REQUIREMENTS

Country	In force as of	Remarks
Andorra	08.04.1991	up to 90 days
Argentina	22.11.1990	up to 90 days
Austria	01.09.1991	up to 90 days
Belarus	13.12.1979	tourist travel - passport and a voucher required; private trips - passport and an invitation required; business / official visits - passport with an "AB" stamp
Belgium	08.04.1991	up to 90 days,
Bolivia	29.04.1994	up to 90 days
Brazil	14.07.1999	up to 90 days
Bulgaria	08.06.1965	up to 30 days
Chile	24.02.1995	up to 90 days
Costa Rica	08.07.1992	up to 90 days
Croatia	08.12.1992	up to 90 days
Cyprus	27.10.1992	up to 90 days
Czech Republic	28.05.1991	up to 90 days
Denmark	01.03.1991	up to 90 days
Ecuador	04.03.1999	up to 90 days
Estonia	26.02.1993	up to 30 days
Finland	01.05.1991	up to 90 days
France	08.04.1991	up to 90 days
Germany	08.04.1991	up to 90 days
Great Britain	01.07.1992	up to 180 days
Greece	24.06.1995	up to 90 days
Honduras	11.01.1994	up to 90 days
Hong Kong Special Administrative Region	-	up to 90 days
Hungary	08.10.1991	up to 90 days
Iceland	01.07.1992	up to 90 days
Ireland	20.11.1992	up to 90 days
Israel	29.12.1999	up to 90 days
Italy	08.04.1991	up to 90 days
Japan	14.02.1999	up to 90 days
Kyrgyzstan	-	up to 30 days, unilaterally only for Polish citizens
Latvia	17.12.1992	up to 90 days
Liechtenstein	03.09.1991	up to 90 days
Lithuania	07.05.1993	up to 90 days
Luxembourg	09.04.1991	up to 90 days
Macau Special Administrative Region	-	up to 90 days
Malaysia	24.05.1998	up to 90 days

Country	In force as of	Remarks
Malta	01.05.1991	up to 90 days
Mexico	08.06.1999	up to 90 days
Monaco	08.04.1991	up to 90 days
Netherlands	08.04.1991	up to 90 days
Nicaragua	10.02.1995	up to 90 days
Norway	15.04.1991	up to 90 days
Panama	23.08.2002	up to 90 days
Philippines	20.05.1994	up to 21 days, unilaterally only for Polish citizens
Portugal	30.03.1993	up to 90 days
Romania	28.06.1971	up to 30 days
Russia	13.12.1979	tourist travel - passport and a voucher required; private trips - passport and an invitation required; business / official visits - passport with an "AB" stamp
Saint Lucia	01.04.1997	up to 28 days, unilaterally only for Polish citizens
San Marino	18.05.1991	up to 90 days
Singapore	02.09.1999	up to 90 days
Slovakia	28.05.1991	up to 90 days
Slovenia	15.12.1992	up to 90 days
South Korea	24.12.1993	up to 90 days
Spain	31.01.1994	up to 90 days
Sweden	01.06.1991	up to 90 days
Switzerland	03.09.1991	up to 90 days
Ukraine	17.08.1997	up to 90 days
United States of America	15.04.1991	unilaterally, up to 90 days only for US citizens
Uruguay	02.09.1991	up to 90 days

Source: Ministry of Foreign Affairs, 2003

Please note:

- 1) The above agreements do not apply to travel undertaken with the intent to work, to study, or to emigrate.
- 2) Due to Poland's accession to the European Union, as of 1 October 2003, citizens of Belarus, Russia and Ukraine will require a Polish visa.

APPENDIX 9

TOP 50 COMPANIES BY SALES REVENUE IN 2002
(in thousand PLN)

	Name of Company	Net Sales Revenue	Total Revenue	Pre-tax Profit	Net Profit
1	Polski Koncern Naftowy ORLEN SA, Płock	23,891,830	24,053,951	616,301	382,270
2	Telekomunikacja Polska SA GK, Warszawa	18,000,861	18,734,587	997,031	840,391
3	PZU SA GK, Warszawa	15,787,500	15,787,500	1,782,400	1,240,800
4	Polskie Sieci Elektroenergetyczne SA, Warszawa	15,123,140	15,385,598	48,261	5,568
5	Metro AG Polska, Warszawa	10,505,280	10,505,280	266,100	209,000
6	PGNiG SA, Warszawa	9,361,223	10,912,996	511,414	339,541
7	PKO BP SA, Warszawa	9,054,456	9,164,174	1,457,386	1,057,231
8	Bank Pekao SA, Warszawa	7,195,069	7,411,176	1,354,980	801,747
9	PZU Życie SA, Warszawa	6,582,210	6,582,210	481,330	302,390
10	Rafineria Gdańska SA, Gdańsk	6,334,256	6,340,507	160,910	107,418
11	PKP Cargo SA, Warszawa	5,889,463	5,896,708	226,788	150,059
12	Poczta Polska PPUP, Warszawa	5,395,547	5,434,202	77,950	26,897
13	Jeronimo Martins Dystrybucja sp. z o.o., Poznań	4,991,829	5,096,105	-312,049	-312,049
14	Era GSM PTC sp. z o.o. GK, Warszawa	4,929,824	n.a.	568,838	346,476
15	Polkomtel SA, Warszawa	4,710,300	4,803,200	776,900	515,800
16	BPH PBK SA, Kraków	4,420,349	4,481,470	190,800	129,592
17	KGHM Polska Miedź SA, Lubin	4,354,450	4,503,032	253,514	191,498
18	Fiat Auto Poland SA, Bielsko-Biała	4,190,615	4,250,098	89,883	89,883
19	Volkswagen Motor Polska sp. z o.o., Polkowice	3,972,353	3,994,458	50,692	49,466
20	Węglokoks SA, Katowice	3,955,386	4,012,435	36,877	19,248
21	Lasy Państwowe PP, Warszawa	3,856,109	3,952,230	16,851	16,851
22	Ruch SA, Warszawa	3,820,624	3,854,701	18,249	11,780
23	Południowy Koncern Energetyczny SA, Katowice	3,702,363	3,750,565	117,582	68,812
24	PHS SA O/Huta Katowice, Katowice	3,621,136	3,656,809	-395,093	-395,117
25	Thomson Multimedia Polska sp. z o.o., Piaseczno	3,575,026	3,582,653	155,484	82,429

	Name of Company	Net Sales Revenue	Total Revenue	Pre-tax Profit	Net Profit
26	Carrefour Polska, Warszawa	3,500,000	n.a.	n.a.	n.a.
27	PTK Centertel sp. z o.o., Warszawa	3,459,971	3,669,193	-417,954	-122,092
28	BP Polska sp. z o.o., Kraków	3,328,199	3,328,199	-7,808	-8,567
29	Geant Polska sp. z o.o., Warszawa	3,251,286	3,257,317	n.a.	n.a.
30	Bank Handlowy SA, Warszawa	3,220,968	3,289,011	360,977	242,689
31	Polska Grupa Farmaceutyczna SA GK, Łódź	3,157,798	3,251,773	34,844	25,410
32	Auchan Polska, Warszawa 11)	3,090,000	n.a.	n.a.	n.a.
33	Elektrownia Bełchatów SA, Rogowic	3,086,027	3,111,275	-18,745	4,767
34	ING Bank Śląski SA, Katowice	3,016,839	3,061,237	226,018	153,953
35	Tesco GK, Kraków	2,972,000	n.a.	n.a.	n.a.
36	Impexmetal SA GK, Warszawa	2,959,162	2,988,899	15,648	16,103
37	Browary Żywiec SA GK, Żywiec	2,956,538	2,981,940	102,588	78,592
38	PKP Polskie Linie Kolejowe SA, Warszawa	2,799,654	2,821,047	-424,542	-424,541
39	Bank Zachodni WBK SA, Wrocław	2,747,561	2,796,702	364,237	270,357
40	Katowicki Holding Węglowy SA, Katowice	2,746,233	2,852,534	74,547	63,964
41	Polskie Linie Lotnicze LOT SA, Warszawa	2,712,265	3,069,249	167,116	109,345
42	Bank Millennium SA, Warszawa	2,633,215	2,675,283	175,013	183,930
43	Commercial Union TUnŻ SA, Warszawa	2,552,890	2,715,341	381,140	276,090
44	Kredyt Bank SA, Warszawa	2,524,173	2,579,387	-303,850	-331,806
45	Górnośląski Zakład Elektroenergetyczny, Gliwice	2,446,562	2,526,603	32,680	69,842
46	Budimex SA GK, Warszawa	2,442,119	2,488,464	-26,102	-38,612
47	Elektrim SA GK, Warszawa	2,393,332	2,487,579	-631,762	-689,408
48	Jastrzębska Spółka Węglowa SA, Jastrzębie Zdrój	2,388,786	2,608,593	1,832	1,753
49	Totalizator Sportowy sp. z o.o., Warszawa	2,380,987	2,417,402	299,289	181,558
50	Farmacol SA GK, Katowice	2,375,219	2,398,155	50,808	37,461

Source: Rzeczpospolita, 7 May 2003

APPENDIX 10

OUTPUT OF MAJOR GOODS AND RAW MATERIALS IN 2002

Product	Units	Output
Hard coal	million tons	103.5
Brown coal	million tons	58.2
Coke	million tons	8.8
Fuel oils	million tons	4.7
Petrol (incl. aviation)	million tons	4.0
Diesel oil	million tons	4.6
Cement	million tons	10.9
Crude steel	million tons	8.4
Copper ore	million tons	29.7
Pure sulphur	th. tons	917
Sugar	th. tons	2,070
Passenger cars	ths.	288
Farm tractors	ths.	4.9
TV sets (incl. monitors)	ths.	7,772
Sea-going vessels	th. DWT	484
Sawn timber	cubic decametres	1,788
Natural gas	cubic hectometres	5,259
Electricity	TWh	141.3

Source: Central Statistical Office, 2003

APPENDIX 11

**AVERAGE RETAIL PRICES OF SELECTED FOOD PRODUCTS AND
OTHER ARTICLES (as of April 2003)**

Product	Quantity	Price (PLN)
Milk, fat content 2 - 2.5%	1 litre	1.30
Wheat-rye bread	1 kg	2.56
Wheat flour	1 kg	1.46
Fresh butter, fat content 82.5%	1 kg	11.85
Beef, boneless (gammon)	1 kg	14.32
Pork ham, boiled	1 kg	18.24
White sugar, crystallised, in sacks	1 kg	2.19
Men's suit, polyester staple fibres and wool	set	435.08
Men's shirt, long-sleeve, polyester staple fibres and cotton	piece	74.62
Women's suits, polyester staple fibres and wool	set	306.95
Fridge-freezer 280 l	unit	1638
Washer-dryer machine	unit	1803
TV-set, 21 inch	unit	899
Washing powder for washing machines	0.6 kg	5.64
Toilet soap 100 g.	one	2.09
Shampoo 200 ml.	one	5.42
Toothpaste 75 ml	one	7.00
Electricity, for households	kWh	0.39
Natural gas for households	1 m ³	1.33
Hot water supply	1 m ³	13.11
Central heating, for dwellings	1 m ² of usable floor area	2.97
Petrol, Euro-Super	1 litre	3.44
Regular fast train ticket, 2 nd class, 181-200 km	one	33.66
Regular long-distance bus ticket, 41-50 km	one	7.65
Taxi, daily fare, 5km	trip	12.36
Regular ticket, urban bus	one	1.81
Regular cinema ticket	one	11.75

Source: Central Statistical Office, 2003

APPENDIX 12

FOREIGN DIRECT INVESTMENTS IN POLAND BY COUNTRY OF ORIGIN
(as of 31 December 2002)

No.	Country	Equity & Loans USD million	Investment plans USD million	Number of Companies
1.	France	12,172.1	2,261.2	93
2.	USA	8,736.1	2,522.5	128
3.	Germany	7,841.0	1,672.3	231
4.	Netherlands	5,846.1	728.3	91
5.	Great Britain	4,051.8	515.8	45
6.	Italy	3,696.2	1,085.5	62
7.	Sweden	2,788.8	334.6	57
8.	International	2,424.7	697.0	17
9.	Denmark	1,839.2	303.0	43
10.	Belgium	1,645.3	205.8	23
11.	South Korea	1,465.3	1.2	4
12.	Russia	1,323.2	300.0	3
13.	Ireland	1,059.7	31.2	2
14.	Cyprus	998.9	185.0	3
15.	Switzerland	925.0	334.9	24
16.	Austria	795.3	81.1	39
17.	Spain	592.2	38.5	13
18.	Portugal	560.2	66.6	4
19.	Greece	558.0	4.0	4
20.	Finland	405.6	102.8	16
21.	Japan	351.8	365.5	11
22.	Canada	314.0	284.4	14
23.	Norway	304.3	73.9	13
24.	Croatia	173.0	16.0	2
25.	Luxemburg	143.3	23.3	10
26.	Turkey	100.1	58.0	4
27.	Israel	70.4	131.0	4
28.	Czech Republic	60.7	0.0	4
29.	Hungary	59.4	100.0	3
30.	China	45.0	45.0	2
31.	Australia	28.5	1.0	2
32.	Slovenia	27.0	40.0	2
33.	South Africa	25.0	40.0	1
34.	Liechtenstein	14.4	17.0	4
35.	Taiwan	5.7	200.0	1
Total value of FDI of USD 1 million and over		61,447.4	12,866.4	979
Estimated value of FDI below USD 1 million		3,667.2		
T O T A L FDI in Poland		65,114.6		

Source: PAIZ, 2003

APPENDIX 13

FOREIGN DIRECT INVESTMENTS IN POLAND BY FIELD OF ACTIVITY
(as of 31 December 2002)

Branch of Activity according to the European Activity Classification	Equity & Loans USD million	Investment Plans USD million
Manufacturing	24,053.7	5,475.3
<i>Transport equipment</i>	6,219.4	927.3
<i>Food, drinks and tobacco products</i>	5,984.0	417.5
<i>Other non-metal goods</i>	3,383.4	950.2
<i>Chemicals and chemical products</i>	1,925.0	796.4
<i>Pulp and paper, publishing and printing</i>	1,728.1	287.4
<i>Electrical machinery and apparatus</i>	1,678.1	279.9
<i>Wood and wooden products</i>	1,339.6	203.2
<i>Rubber and plastics</i>	647.9	408.8
<i>Metals and metal products</i>	548.1	787.1
<i>Machinery and equipment</i>	524.4	86.4
<i>Furniture and consumer goods</i>	452.3	284.5
<i>Fabrics and textiles</i>	308.8	46.1
<i>Leather and leather products</i>	14.6	0.5
Financial mediation	13,393.2	197.4
Trade and repairs	7,586.3	908.5
Transport, storage and communication	6,251.4	625.9
Construction	3,274.8	1,225.7
Power, gas and water supply	2,272.2	1,306.1
Community, social and personal services	1,825.7	535.9
Real estate and business activities	1,174.2	2,261.2
Hotels and restaurants	652.6	301.2
Mining and quarrying	218.5	13.0
Agriculture	44.8	16.3
Value of FDI of USD 1 million and over	61,447.4	12,866.4
Estimated value of FDI below USD 1 million	3,667.2	
T O T A L FDI in Poland	65,114.6	

Source: PAIZ, 2003

APPENDIX 14

LIST OF 30 MAJOR FOREIGN INVESTORS IN POLAND
(as of 31 December 2002)

No.	Investor	Equity & Loans USD million	Country of origin	Sector
1.	France Telecom	3,199.4	France	Telecommunications
2.	Fiat SpA	1,749.3	Italy	Automotive, banking, finance and insurance
3.	Daewoo	1,452.3	South Korea	Automotive, electrical machinery and apparatus, construction, insurance
4.	HVB Group	1,336.0	Germany	Banking, finance and insurance
5.	Citigroup	1,300.0	USA	Banking, finance and insurance
6.	OAQ Gazprom	1,283.8	Russia	Construction
7.	Vivendi Universal	1,243.4	France	Telecommunications
8.	United Pan-Europe	1,200.0	Netherlands	Media and communications, entertainment
9.	UniCredito Italiano SpA	1,200.0	Italy	Banking, finance and insurance
10.	European Bank for Reconstruction and Development (EBRD)	1,194.6	International	Banking, capital investment
11.	KBC Bank N.V.	1,146.0	Belgium	Banking, finance and insurance
12.	Metro AG	1,125.0	Germany	Wholesale and retail trade
13.	Kronospan Holdings Ltd.	954.6	Cyprus	Wood and wooden products
14.	Casino	923.0	France	Retail trade
15.	Tesco Plc	850.0	United Kingdom	Retail trade
16.	Carrefour	814.7	France	Retail trade
17.	General Motors Corporation	800.0	USA	Automotive
18.	Allied Irish Bank Plc	746.7	Ireland	Banking, finance and insurance
19.	Crédit Agricole S. A.	740.0	France	Banking, finance and insurance
20.	ING Group NV	677.0	Netherlands	Banking, finance and insurance
21.	Enterprise Investors	665.3	USA	Capital investment
22.	Auchan	658.5	France	Retail trade
23.	Saint-Gobain	610.0	France	Other non-metal goods
24.	Vattenfall AB	533.0	Sweden	Power, gas and water supply
25.	Electricite de France Internationale (EDF)	523.0	France	Power, gas and water supply
26.	CC HBC (Coca-Cola Hellenic Bottling Company)	513.0	Greece	Food processing
27.	Eureko B.V	503.0	International	Insurance
28.	Philip Morris	500.0	USA	Tobacco processing
29.	Imperial Tobacco Plc	500.0	United Kingdom	Tobacco processing
30.	CBR Baltic BV	496.5	Netherlands	Other non-metal goods

Source: PAIZ, 2003

APPENDIX 15

WSE - EQUITY

KEY FIGURES	2002	2001	2000	1999	1998
INDICES & INDICATORS					
WIG (end of period)	14,366.65	13,922.16	17,847.55	18,083.6	12,795.6
WIG20 (end of period)	1,175.64	1,208.34	1,816.19	1,755.8	1,221.0
MIDWIG (end of period)	950.24	1,020.49	1,004.68	1,098.7	777.0
PLN return on the WIG index (%)	3.2	-22	-1.3	41.3	-12.8
PLN return on the WIG20 index (%)	-2.7	-33.5	3.4	43.8	-16.2
PLN return on the MIDWIG index (%)	-6.9	1.6	-8.6	41.4	-22.3
COMPANIES					
Number of listed companies (end of period)	216	230	225	221	198
Capitalisation at year-end (PLN million)	110,565	103,370	130,085	123,411	72,442
Total turnover value (PLN million)	63,662	80,443	169,096	88,974	62,305
Number of sessions	249	250	250	249	250
Number of investment accounts at end of period (thousand)	1,016	1,085	1,236	1,158	1,262
CONTINUOUS TRADING					
Number of listed companies (end of period)	152	141	102	99	82
Number of transactions per session	11,190	12,097	6,157	4,085	1,626
Total turnover value (PLN million)	47,599	60,032	58,329	28,667	8,766
SINGLE-PRICE AUCTION					
Number of listed companies (end of period)	64	89	123	221	198
Number of transactions per session	165	409	8,777	7,827	11,299
Total turnover value (PLN million)	130	516	45,329	42,164	44,521
BLOCK TRADES (TOTAL)					
Number of transactions (single-counted)	688	1,159	2,681	2,030	1,308
Average value of transaction (PLN million)	11.6	8.6	12.20	4.47	3.46
Total turnover value (PLN million)	15,933	19,895	65,438	18,143	9,051

Source: WSE, 2003

APPENDIX 16

WSE - BONDS

	2002	2001	2000	1999	1998
Order book transactions					
Number of bonds at the year-end	61	53	48	47	44
Turnover value (PLN mill)	3,986	5,093	4,381	4,676	4,950
Average turnover per session (PLN mill)	16	20	18	19	20
Number of transactions per session	331	525	534	544	601
Average transaction value (PLN)	24,222	19,386	16,408	17,260	16,473
Negotiated deals					
Number of transactions	45	13	45	38	327
Average transaction value (PLN mill)	1.61	1.55	2.32	1.19	5.55
Turnover value (PLN mill)	145	40	209	91	3,632

Source: WSE, 2003

APPENDIX 17

CENTRAL INSTITUTIONS AND MINISTRIES

**Chancellery of the President
of the Republic of Poland**

Kancelaria Prezydenta RP
ul. Wiejska 10 ; 00-902 Warszawa
tel.: (+48-22) 6952900; fax: 6951109
www.prezydent.pl

Sejm Chancellery

Kancelaria Sejmu RP
ul. Wiejska 4/6/8 ; 00-902 Warszawa
tel.: (+48-22) 6942500; fax: 6942252
www.sejm.gov.pl

Senate Chancellery

Kancelaria Senatu RP
ul. Wiejska 6; 00-902 Warszawa
tel.: (+48-22) 6942500; fax: 6942224
www.senat.gov.pl

Chancellery of the Prime Minister

Kancelaria Premiera
Al. Ujazdowskie 1/3; 00-583 Warszawa
tel.: (+48-22) 6946012; fax: 6218827
www.kprm.gov.pl

Constitutional Tribunal

Trybunał Konstytucyjny
Al. Szucha 12a; 00-918 Warszawa
tel.: (+48-22) 6574531; fax: 6574532
www.trybunal.gov.pl

Supreme Court

Sąd Najwyższy
Pl. Krasińskich 2/4/6; 00-951 Warszawa
tel.: (+48-22) 5308000; fax: 6201354
www.sn.pl

Supreme Administrative Court

Naczelny Sąd Administracyjny
ul. Jasna 6; 00-013 Warszawa
tel.: (+48-22) 8276031; fax: 8276687

Supreme Chamber of Control

Najwyższa Izba Kontroli
ul. Filtrowa 57; 00-950 Warszawa
tel.: (+48-22) 8254481; fax: 8257376
www.nik.gov.pl

National Bank of Poland

Narodowy Bank Polski
ul. Świętokrzyska 11/21; 00-919 Warszawa
tel.: (+48-22) 6531000; fax: 6208518
www.nbp.pl

Ministry of Agriculture and Rural Development

Ministerstwo Rolnictwa i Rozwoju Wsi
ul. Wspólna 30; 00-930 Warszawa
tel.: (+48-22) 6231000; fax: 6232750
www.minrol.gov.pl

Ministry of Defence

Ministerstwo Obrony Narodowej
ul. Klonowa 1; 00-909 Warszawa
tel.: (+48-22) 6280031 ... 34; fax: 8455378
www.wp.mil.pl

Ministry of the Economy, Labour and Social Policy

Ministerstwo Gospodarki, Pracy i Polityki Społecznej
Plac Trzech Krzyży 3/5; 00-507 Warszawa
tel.: (+48-22) 6935000; fax: 6286808
www.mpips.gov.pl

Ministry of the Environment

Ministerstwo Środowiska
ul. Wawelska 52/54; 00-922 Warszawa
tel.: (+48-22) 5792900
www.mos.gov.pl

Ministry of Finance

Ministerstwo Finansów
ul. Świętokrzyska 12 ; 00-916 Warszawa
tel.: (+48-22) 6945555; fax: 8266352
www.mofnet.gov.pl

Ministry of Foreign Affairs

Ministerstwo Spraw Zagranicznych
Al. Szucha 23; 00-580 Warszawa
tel.: (+48-22) 5239000; fax: 6298635
www.msz.gov.pl

Ministry of Health

Ministerstwo Zdrowia i Opieki Społecznej
ul. Miodowa 15; 00-952 Warszawa
tel.: (+48-22) 6349600; fax: 6359245
www.mzios.gov.pl

Ministry of Infrastructure

Ministerstwo Infrastruktury
ul. Chałubińskiego 4/6; 00-928 Warszawa
tel.: (+48-22) 6301000
www.mi.gov.pl

Ministry of Internal Affairs and Administration

Ministerstwo Spraw Wewnętrznych i Administracji
ul. Batorego 5; 02-514 Warszawa
tel.: (+48-22) 6212020 6289979; fax: 497494
www.mswia.gov.pl

Ministry of Justice

Ministerstwo Sprawiedliwości
Al. Ujazdowskie 11; 00-950 Warszawa
tel.: (+48-22) 5212888; fax: 6282575
www.ms.gov.pl

Ministry of National Education and Sport

Ministerstwo Edukacji Narodowej i Sportu
Al. Szucha 25; 00-918 Warszawa
tel.: (+48-22) 6280461; fax: 6297241
www.men.waw.pl

Ministry of Scientific Research and Information Technology

Ministerstwo Nauki i Informatyzacji
ul. Wspólna 1/3; 00-529 Warszawa
tel.: (+48-22) 5292718; fax: 6280922
www.kbn.gov.pl

Ministry of the Treasury

Ministerstwo Skarbu
ul. Krucza 36/Wspólna 6; 00-522 Warszawa
tel.: (+48-22) 6958000; fax: 6280872
www.mst.gov.pl

Agricultural Market Agency

Agencja Rynku Rolnego
ul. Nowy Świat 6/12; 00-400 Warszawa
tel.: (+48-22) 6617203; fax: 6289353
www.arr.gov.pl

Agricultural Property Agency of the State Treasury

Agencja Własności Rolnej Skarbu Państwa
ul. Dolańskiego 2; 00-215 Warszawa
tel.: (+48-22) 6355353; fax: 6350060
www.awrsp.gov.pl

Board of Technical Supervision

Urząd Dozoru Technicznego
ul. Szczęśliwicka 34; 02-353 Warszawa
tel.: (+48-22) 572 21 00; fax: 8227209
www.udt.gov.pl

Central Office of Measures

Główny Urząd Miar
ul. Elektoralna 2; 00-950 Warszawa
tel.: (+48-22) 6200241; fax: 6208378
www.gum.gov.pl

Central Statistical Office

Główny Urząd Statystyczny
Al. Niepodległości 208; 00-925 Warszawa
tel.: (+48-22) 6083000; fax: 6083863
www.stat.gov.pl

Office for Competition and Consumer Protection

Urząd Ochrony Konkurencji i Konsumenta
Pl. Powstańców Warszawy 1; 00-950 Warszawa
tel.: (+48-22) 5560800; fax: 8265076
www.uokik.gov.pl

General Administration of Domestic Roads and Highways

Generalna Dyrekcja Dróg Krajowych i Autostrad
ul. Wspólna 1/3; 00-921 Warszawa
tel.: (+48-22) 5292718; fax: 6219557
email: kancelaria@gddkia.gov.pl

Government Centre for Strategic Studies

Rządowe Centrum Studiów Strategicznych
ul. Wspólna 4; 00-926 Warszawa
tel.: (+48-22) 6618601; fax: 6212550
www.rcss.gov.pl

Higher Board of Mining

Wyższy Urząd Górniczy
ul. Wilcza 46; 00-679 Warszawa
tel.: (+48-22) 6295863; fax: 6285980
www.wug.gov.pl

Industrial Development Agency

Agencja Rozwoju Przemysłu S.A.
ul. Domaniewska 41; 02-672 Warszawa
tel.: (+48-22) 4603799; fax: 4603701

Institute of National Remembrance

Instytut Pamięci Narodowej
Pl. Krasieńskich 2/4/6; 00-207 Warszawa
tel.: (+48-22) 5308625
www.ipn.gov.pl

Municipal Development Agency

Agencja Rozwoju Komunalnego
Nowy Świat 42; 00-363 Warszawa
tel.: (+48-22) 8283895; fax: 6225495
www.ark.com.pl

National Radio and Television Council

Krajowa Rada Radiofonii i Telewizji
Skwer Kard. Stefana Wyszyńskiego 9
01-015 Warszawa
tel.: (+48-22) 6359925; fax: 8383501
www.krrit.gov.pl

National Police Headquarters

Komenda Główna Policji
ul. Puławska 148/150; 02-514 Warszawa
tel.: (+48-22) 6012046; fax: 6012671
www.kgp.gov.pl

Office of the Committee for European Integration

Urząd Komitetu Integracji Europejskiej
Al. Ujazdowskie 9; 00-918 Warszawa
tel.: (+48-22) 4555349; fax: 4555348
www.ukie.gov.pl

Office for Housing and Urban Development

Urząd Mieszkalnictwa i Rozwoju Miast
ul. Wspólna 2/4; 00-920 Warszawa
tel.: 6618111; fax: 6285887
www.umirm.gov.pl

Office for Veterans and Repressed Persons

Urząd ds. Kombatantów i Osób Represjonowanych
ul. Wspólna 2/4; 00-926 Warszawa
tel.: (+48-22) 6618644; fax: 6618111
www.kprm.gov.pl/udskior

Polish Academy of Sciences

Polska Akademia Nauk
Pałac Kultury i Nauki
00-901 Warszawa; PO Box 24
tel.: (+48-22) 6204970; fax: 6204910
www.pan.waw.pl

Polish Agency for Foreign Investment

Państwowa Agencja Inwestycji Zagranicznych
Al. Róż 2; 00-559 Warszawa
tel.: (+48-22) 3349800; fax: 3349999
www.paiz.gov.pl

Polish Agency For Enterprise Development

Polska Agencja Rozwoju Przedsiębiorczości
Al. Jerozolimskie 125/127; 02-017 Warszawa
tel.: (+48-22) 6997044 ; fax: 6997046
www.parp.gov.pl

Polish Chamber of Commerce

Krajowa Izba Gospodarcza
ul. Trębacka 4; 00-074 Warszawa
tel.: (+48-22) 6309600; fax: 8274673
www.kig.pl

Polish Committee for Standardisation

Polski Komitet Normalizacyjny
ul. Świętokrzyska 14; 00-050 Warszawa
tel.: (+48-22) 5567755; fax: 5567416
www.pkn.pl

Polish Centre for Testing and Certification

Polskie Centrum Badań i Certyfikacji
ul. Kłobucka 23a; 02-699 Warszawa
tel.: (+48-22) 8579916; fax: 6471222
www.pcbc.gov.pl

Polish Patent Office

Urząd Patentowy RP
Al. Niepodległości 188/192
00-950 Warszawa
tel.: (+48-22) 8258001; fax: 8250581
www.uprp.pl

Public Procurement Office

Urząd Zamówień Publicznych
Al. Szucha 2/4; 00-582 Warszawa
tel.: (+48-22) 4587777; fax: 4587700
www.uzp.gov.pl

State Atomic Agency

Państwowa Agencja Atomistyki
ul. Krucza 36; 00-921 Warszawa
tel.: (+48-22) 6959800; fax: 6290164
www.paa.gov.pl

State Committee for Scientific Research

Komitet Badań Naukowych
ul. Wspólna 1/3; 00-529 Warszawa
tel.: (+48-22) 5292718; fax: 6280922
www.kbn.gov.pl

**State Hygiene Department
Institute of Scientific Research**

Państwowy Zakład Higieny
Instytut Naukowo-Badawczy
ul. Chocimska 24; 00-791 Warszawa
tel.: (+48-22) 5421400; fax: 8497484
www.pzh.gov.pl

State Environmental Protection Inspectorate

Główny Inspektorat Ochrony Środowiska
ul. Wawelska 52/54; 02-067 Warszawa
tel.: (+48-22) 8250001; fax: 8250465
www.gios.gov.pl

**State Inspection of Labour
Chief Labour Inspectorate**

Państwowa Inspekcja Pracy
Główny Inspektorat Pracy
ul. Krucza 38/42; 00-926 Warszawa
tel.: (+48-22) 6618111; fax: 6254770
www.pip.gov.pl

Stock Exchange Commission

Komisja Papierów Wartościowych i Giełd
Pl. Powstańców Warszawy 1
00-950 Warszawa
tel.: (+48-22) 5560800; fax: 8268100
www.kpw.gov.pl

Insurance and Pension Funds Supervisory Office

Komisja Nadzoru Ubezpieczeń i Funduszy
Emerytalnych
ul. Niedźwiedzia 6E; 02-737 Warszawa
tel. (+48-22) 5487240; fax: 5487245
www.knuife.gov.pl

Export Credit Insurance Corporation

Korporacja Ubezpieczeń Kredytów Eksportowych
KUKI S.A.
ul. Widok 5/7/9; 00-023 Warszawa
tel. (+48-22) 8277884 8273111; fax: 8273587
www.kuke.com.pl

**Foreign Investors' Chamber of Industry and
Commerce**

Izba Przemysłowo-Handlowa Inwestorów
Zagranicznych
ul. Krakowskie Przedmieście 47/51
00-071 Warszawa
tel.: (+48-22) 8261822; fax: 8268593
www.iphiz.com.pl

Institute of Tourism

Instytut Turystyki
ul. Merliniego 9a; 02-511 Warszawa
tel. (+48-22) 8446347; fax: 8441263
www.intur.com.pl

Polish Chamber of Patent Attorneys

Polska Izba Rzeczników Patentowych
ul. Świętozyska 36 lok. 5 IIIp.; 00-116 Warszawa
tel/fax: (+48-22) 6523881/82
www.pirp.org.pl

Polish Federation of Property Managers

Polska Federacja Stowarzyszeń Zarządców
Nieruchomości
ul. Warecka 9 / 16; 00-034 Warszawa
tel./fax: (+48-22) 8261091
www.pfszn.com.pl

Polish Federation of Valuers' Associations

Polska Federacja Stowarzyszeń Rzeczników
Majątkowych
ul. Złota 79, 00-819 Warszawa
tel.: (+48-22) 6202321; fax: 6202594
www.pfva.com.pl

Polish Real Estate Federation

Polska Federacja Rynku Nieruchomości
ul. Śliska 52, 00-816 Warszawa
tel.: (+48-22) 8253956; fax: 8253495
www.pref.org.pl

Polish Tourism Organisation

Polska Organizacja Turystyczna
ul. Chałubińskiego 4/6; 00-928 Warszawa
tel.: (+48-22) 6301736; fax: 6301742
www.pot.gov.pl

Warsaw Stock Exchange

Giełda Papierów Wartościowych
ul. Książęca 4; 00-498 Warszawa
tel.: (+48-22) 6283232 ; fax: 6281754
www.gpw.com.pl

Włocławek Entrepreneurship Development Zone

Włocławska Strefa Przedsiębiorczości
Aleja Kazimierza Wielkiego 7
87-800 Włocławek
tel./fax. 54/230 31 15
e-mail: wsp.prezes@w3wl.pl , wsp.v-ce@w3wl.pl

APPENDIX 18

INTERNATIONAL ORGANISATIONS AND UN AGENCIES IN POLAND

The World Bank

ul. Emilii Plater 53; 00-113 Warsaw
tel.: (+48-22) 5208000; fax: 5208001
www.worldbank.org.pl

International Monetary Fund

ul. Emilii Plater 53; 00-113 Warsaw
tel.: (+48-22) 5207100; fax: 5207101
www.imf.org

European Bank for Reconstruction and Development

ul. Emilii Plater 53; 00-113 Warsaw
tel.: (+48-22) 5205700; fax: 5205800
www.ebrd.org

International Finance Corporation

ul. Emilii Plater 53; 00-113 Warsaw
tel.: (+48-22) 5206100; fax: 5206101
www.ifc.org

Delegation of the European Commission

ul. Emilii Plater 53; 00-113 Warsaw
tel.: (+48-22) 5208200; fax: 5208282
www.europa.delpopl.pl

Umbrella Project

Al. Niepodległości 186; 00-608 Warsaw
tel.: (+48-22) 6283624, fax: 6299566
www.umbrella.org.pl

International Labour Office**National Correspondent in Poland**

ul. Nowogrodzka 1/3; Office no 617
00-513 Warsaw
tel.: (+48-22) 6214019, fax: 6610650

United Nations Development Programme

Al. Niepodległości 186; 00-608 Warsaw
tel.: (+48-22) 8259245; fax: 8254958
www.undp.org.pl

United Nations Industrial Development Organization

Al. Niepodległości 186; 00-608 Warsaw
tel.: (+48-22) 8259186; fax: (22) 8258970
www.unido.pl

United Nations International Drug Control Programme

United Nations House
Al. Niepodległości 186, 1st Floor, 00-608 Warsaw
tel.: (+48-22) 8259245, fax: 8254958

United Nations Economic Commission for Europe Trans-European North-South Motorway Central Office

ul. Gołędzinowska 10; 03-302 Warsaw
tel.: (+48-22) 6145397; fax: 6145401

Environmental Information Centre United Nations Environment Programme GRID Warsaw

ul. Sobieszyńska 8; 00-764 Warsaw
tel.: (+48-22) 8406664; fax: 8516201
www.gridw.pl

United Nations Population Fund

United Nations House
Al. Niepodległości 186, 00-608 Warsaw
tel.: (+48-22) 8259245; fax: 8254958

United Nations High Commissioner for Refugees Branch Office in Poland

Al. Róż 2; 00-556 Warsaw
tel.: (+48-22) 6286930; fax: 6256124
www.unhcr.pl

United Nations Information Centre in Warsaw

United Nations House
Al. Niepodległości 186, 00-608 Warsaw
tel.: (+48-22) 8252557, 8259245; fax: 8254958
www.unic.un.org.pl

World Food Programme

United Nations House
Al. Niepodległości 186, 00-608 Warsaw
tel.: (+48-22) 8259245; fax: 8254958

World Health Organization Liaison Office in Poland

ul. Długa 38/4; 00-238 Warsaw
tel.: (+48-22) 6359496; fax: 8310892
www.who.int

Polish FAO National Committee
Ministry of Agriculture and Rural Development
Department for Foreign Relations
ul. Wspólna 30; 00-930 Warsaw
tel.: (+48-22) 6231303; fax: 6212326

Polish Committee for UNICEF
Al. Szucha 16/15; 00-582 Warsaw
tel.: (+48-22) 6290676; tel/fax: 6280301
www.unicef.org.pl

The Polish National Commission for UNESCO
and the Permanent Secretariat of the Commission
Pałac Kultury i Nauki; 7th Floor; 00-901 Warsaw
tel./fax: (+48-22) 6203355, 6203362

APPENDIX 19**LOCAL AUTHORITIES - PROVINCIAL GOVERNMENTS****Dolnośląskie**

Wojewoda: Stanisław Łopatowski
Dolnośląski *Urząd Wojewódzki*
Pl. Powstańców Warszawy 1, 50-951 Wrocław
tel.: (+48-71) 3406000; fax: 7907119
www.uwoj.wroc.pl

Kujawsko-Pomorskie

Wojewoda: Romuald Kosieniak
Kujawsko-Pomorski *Urząd Wojewódzki*
ul. Jagiellońska 3, 85-950 Bydgoszcz
tel.: (+48-52) 3497913; fax: 3497460
www.uwoj.bydgoszcz.pl

Lubelskie

Wojewoda: Andrzej Kurowski
Lubelski *Urząd Wojewódzki*
ul. Spokojna 4, 20-914 Lublin
tel.: (+48-81) 5324543; fax: 5324826
www.lublin.uw.gov.pl

Lubuskie

Wojewoda: Andrzej Korski
Lubuski *Urząd Wojewódzki*
ul. Jagiellończyka 8, 66-400 Gorzów Wlkp.
tel.: (+48-95) 7215600; fax: 7223680
www.wojewodalubuski.pl

Łódzkie

Wojewoda: Krzysztof Makowski
Łódzki *Urząd Wojewódzki*
ul. Piotrkowska 104, 90-926 Łódź
tel.: (+48-42) 6641000; fax: 6641040
www.lodz.uw.gov.pl

Małopolskie

Wojewoda: Jerzy Adamik
Małopolski *Urząd Wojewódzki*
ul. Basztowa 22, 31-156 Kraków
tel.: (+48-12) 6160200; fax: 4227208
www.uwoj.krakow.pl

Mazowieckie

Wojewoda: Leszek Mizeliński
Mazowiecki *Urząd Wojewódzki*
Pl. Bankowy 3/5, 00-950 Warszawa
tel.: (+48-22) 6956997; fax: 6203704
www.mazowsze.uw.gov.pl

Opolskie

Wojewoda: Elżbieta Rutkowska
Opolski *Urząd Wojewódzki*
ul. Piastowska 14, 45-082 Opole
tel.: (+48-77) 4524100; fax: 4544575
www.opole.uw.gov.pl

Podkarpackie

Wojewoda: Jan Kurp
Podkarpacki *Urząd Wojewódzki*
ul. Grunwaldzka 15, 35-959 Rzeszów
tel.: (+48-17) 8623032; fax: 8627181
www.uw.rzeszow.pl

Podlaskie

Wojewoda: Marek Strzaliński
Podlaski *Urząd Wojewódzki*
ul. Mickiewicza 3, 15-213 Białystok
tel.: (+48-85) 7439201; fax: 7322486
www.bialystok.uw.gov.pl

Pomorskie

Wojewoda: Jan Ryszard Kurylczyk
Pomorski *Urząd Wojewódzki*
ul. Okopowa 21/27, 80-958 Gdańsk
tel.: (+48-58) 3077274; fax: 3011417
www.uw.gda.pl

Śląskie

Wojewoda: Lechosław Jarzębski
Śląski *Urząd Wojewódzki*
ul. Jagiellońska 25, 40-032 Katowice
tel.: (+48-32) 2077777; fax: 2654245
www.katowice.uw.gov.pl

Świętokrzyskie

Wojewoda: Włodzimierz Wójcik
Świętokrzyski Urząd Wojewódzki
Al. IX Wieków Kielc 3, 25-516 Kielce
tel.: (+48-41) 3421800; fax: 3444832
www.kielce.uw.gov.pl

Warmińsko-Mazurskie

Wojewoda: Stanisław Leszek Szatkowski
Warmińsko-Mazurski Urząd Wojewódzki
Al. Piłsudskiego 7/9, 10-959 Olsztyn
tel.: (+48-89) 5232201; fax: 5237754
www.uw.olsztyn.pl

Wielkopolskie

Wojewoda: Andrzej Nowakowski
Wielkopolski Urząd Wojewódzki
Al. Niepodległości 16/18, 60-713 Poznań
tel.: (+48-61) 8541071; fax: 8527327
www.poznan.uw.gov.pl

Zachodniopomorskie

Wojewoda: Stanisław Wziątek
Zachodniopomorski Urząd Wojewódzki
ul. Wały Chrobrego 4, 70-502 Szczecin
tel.: (+48-91) 4303500; fax: 4330250
www.zuw.szczecin.uw.gov.pl

APPENDIX 20

ECONOMIC DIVISIONS OF DISTRICT COURTS
(REGISTERING COMPANIES)

XII Wydział Gospodarczy
15-017 **Białystok** ul. Łąkowa 3
tel.: (0-85) 7408980

VIII Wydział Gospodarczy
43-300 **Bielsko-Biała** ul. Bogusławskiego 24
tel.: (0-33) 8163760 ext. 14

XIII Wydział Gospodarczy
85-023 **Bydgoszcz** ul. Toruńska 64A
tel.: (0-52) 3262736

XII / XVI Wydział Gospodarczy
81-364 **Gdynia** ul. 10 Lutego 24
tel.: (0-58) 6278001

X Wydział Gospodarczy
44-100 **Gliwice** ul. Kościuszki 15
tel.: (0-32) 3380233

VIII Wydział Gospodarczy
40-040 **Katowice** ul. Lompy 14
tel.: (0-32) 7313441

X Wydział Gospodarczy
25-312 **Kielce** ul. Warszawska 44
tel. (0-41) 3441056

IX Wydział Gospodarczy Rejestrowy
75-625 **Koszalin** ul. Wł. Andersa 34
tel.: (0-94) 3428260

XI / XII Wydział Gospodarczy
31-547 **Kraków** ul. Przy Rondzie 7
tel.: (0-12) 6195172

XI Wydział Gospodarczy
20-340 **Lublin** ul. Garbarska 20
tel.: (0-81) 7101110

XX Wydział Gospodarczy Rejestrowy
90-928 **Łódź** ul. Pomorska 37
tel.: (0-42) 6305200

VIII Wydział Gospodarczy
10-523 **Olsztyn** ul. Partyzantów 70
tel. (0-89) 5354099

VIII Wydział Gospodarczy
45-057 **Opole** ul. Ozimska 19
tel. (0-77) 4545221

XXI / XXII Wydział Gospodarczy
61-752 **Poznań** ul. Grochowe Łąki 6
tel. (0-61) 8566467

XII Wydział Gospodarczy
35-324 **Rzeszów** ul. Trembeckiego 11a
tel. (0-17) 8628933 ext. 45

XVII Wydział Gospodarczy
70-485 **Szczecin** ul. Królowej Korony Polskiej 31
tel.: (0-91) 4224990

VII Wydział Gospodarczy Rejestrowy
87-100 **Toruń** ul. Młodzieżowa 31
tel.: (0-56) 6105864

XIX / XX / XXI Wydział Gospodarczy
02-315 **Warszawa** ul. Barska 28/30
tel. (0-22) 5705116

VI / IX Wydział Gospodarczy
53-31453-234 **Wrocław** ul. Grabiszyńska 269
tel. (0-71) 3348210

VIII Wydział Gospodarczy
65-364 **Zielona Góra** ul. Kozuchowska 8
tel.: (0-68) 3220256

APPENDIX 21

**REGIONAL BRANCHES AND SUBSIDIARY OFFICES OF AWRSP
(Agricultural Property Agency of the State Treasury)**

		Address	phone	fax
<i>Head Office</i>		00-215 Warszawa ul. Dolańskiego 2	(0-22) 6355353	6350060
1.	Warsaw	00-095 Warszawa Plac Bankowy 2	(0-22) 6358355	6354000
<i>Subsidiary office</i>		91-420 Łódź ul. Północna 27/29	(0-42) 6362972 6365326	6329133
2.	Bydgoszcz	85-039 Bydgoszcz ul. Hetmańska 38	(0-52) 3493781 3493793	3493797 3229840
3.	Gdańsk	83-000 Pruszcz Gdański ul. Powstańców Warszawy 28	(0-58) 3023451 3023223	3004843
4.	Gorzów Wlkp.	66-400 Gorzów Wlkp. ul. Jagiellończyka 8	(0-95) 7215340 7215506	7215433
<i>Subsidiary office</i>		65-001 Zielona Góra ul. Lwowska 25	(0-68) 3254641 3272006	3272006
5.	Lublin	20-027 Lublin ul. Karłowicza 4	(0-81) 5325967	5320511
6.	Olsztyn	10-448 Olsztyn ul. Głowackiego 6	(0-89) 5235193 5235029	5235685
<i>Subsidiary office</i>		16-400 Suwałki ul. Sportowa 22	(0-87) 5651297 5663591	5665861
<i>Subsidiary office</i>		82-300 Elbląg ul. Nowodworska 10b	(0-55) 2324613 2324597	2325593
7.	Opole	45-068 Opole ul. 1 Maja 6	(0-77) 4000900	4000951
8.	Poznań	61-701 Poznań ul. Fredry 12	(0-61) 8515091 8532102	8515092
<i>Subsidiary office</i>		64-920 Piła ul. Motylewska 7	(0-67) 2123001 2123682	2123527
9.	Rzeszów	35-959 Rzeszów ul. 8 Marca 13	(0-17) 8626477 8627170	8628315
10.	Szczecin	70-500 Szczecin ul. Wały Chrobrego 4	(0-91) 8144200	8144222
<i>Subsidiary office</i>		75-411 Koszalin ul. Partyzantów 15a	(0-94) 3433930 3430515	3433695
11.	Wrocław	54-610 Wrocław ul. Mińska 60	(0-71) 3575068	3579097

APPENDIX 22

POLISH TECHNOLOGIES - PROVIDERS

Transition Technologies S.A.

ul. Dzika 4; 00-194 Warszawa
Tel. (+48 22) 3318020
Fax. (+48 22) 3318030
www.tt.com.pl

Pharmaceutical Research Institute

ul. Rydygiera 8; 01-793 Warszawa
Tel. (+48 22) 6338555
Fax. (+48 22) 6338296

Institute of Communication

ul. Szachowa 1; 04-894 Warszawa
Tel. (+48 22) 5128169
Fax. (+48 22) 5128185
www.itl.waw.pl

KOMAG Mining Mechanization Centre

ul. Pszczyńska 37; 44-101 Gliwice
Tel. (+48 22) 2374100
Fax. (+48 22) 2310843
www.komag.gliwice.pl

Med & Life Polska Sp. z o.o.

ul. Marii Dąbrowskiej 45; 05-806 Komorów
Tel. (+48 22) 7591515
Fax. (+48 22) 7591519
www.medandlife.com

Institute of Natural Fibres

ul. Wojska Polskiego 71 B; 60-630 Poznań
Tel. (+48 61) 8480061
Fax. (+48 61) 8417830
www.iwn.inf.poznan.pl

Institute of Plastics Processing

„METALCHEM”
ul. M. Skłodowskiej 55; 87-100 Toruń
tel. (+48 56) 6500044
fax. (+48 56) 6500333
www.ipts-metalchem.torun.pl

Foundry Research Institute

ul. Zakopiańska 73; 30-418 Kraków
Tel. (+48 12) 2618111
Fax. (+48 12) 2660870
www.iod.krakow.pl

X-Serwis Sp. z o.o.

ul. Piłsudskiego 200; 05-260 Marki
Tel. (+48 22) 7619168
Fax. (+48 22) 7619168
www.x-serwis.casper.pl

Association of Polish Inventors

Stowarzyszenie Polskich Wynalazców
i Racjonalizatorów
ul. Rydygiera 8; 01-793 Warszawa
tel./fax: (+48-22) 6338482, 6339511 ext..2105
e-mail : eswir@poczta.onet.pl

Science & Technology Park Office

Biuro Organizacji Parku Technologicznego
ul. Kaliskiego 2; 00-908 Warszawa
tel./fax: (+48-22) 6837745, 6839192
e-mail: boptech@wat.edu.pl
www.wat.edu.pl

APPENDIX 23

SPECIAL ECONOMIC ZONES

Special Economic Zone in Kamienna Góra
 Kamiennogórska Specjalna Strefa Ekonomiczna
 Małej Przedsiębiorczości S.A.
 ul. Jana Pawła II 11a; 58-400 Kamienna Góra
 tel.: (+48-75) 6451503 do 06; fax: 7442017
 e-mail: strefa@ssemp.pl www.ssemp.pl

Special Economic Zone in Katowice
 Katowicka Specjalna Strefa Ekonomiczna S.A.
 ul. Sienkiewicza 28 ; 40-032 Katowice
 tel.: (+48-32) 2510736; fax: 2513766
 e-mail: ksse@ksse.com.pl www.ksse.com.pl

Special Economic Zone in Kostrzyn-Słubice
 Kostrzyńsko-Słubiicka Specjalna Strefa Ekonomiczna
 ul. Orła Białego 22; 66-470 Kostrzyn n. Odrą
 tel.: (+48-95) 7524166; fax: 7524167
 e-mail: info@kssse.pl www.kssse.pl

Special Economic Zone in Kraków
 Specjalna Strefa Ekonomiczna
 Krakowski Park Technologiczny
 Centrum Zaawansowanych Technologii-Kraków
 ul. Jana Pawła II 37; 31-864 Kraków
 tel.: (+48-12) 6401940; fax: 6401945
 e-mail: biuro@sse.krakow.pl www.sse.krakow.pl

Special Economic Zone in Legnica
 Legnicka Specjalna Strefa Ekonomiczna S.A.
 ul. Kardynała B. Kominka 9 ; 59-220 Legnica
 tel.: (+48-76) 8522446/7; fax: 8522443
 e-mail: strefaleg@cuprum.com.pl
 www.cuprum.com.pl/strefa

Special Economic Zone in Łódź
 Łódzka Specjalna Strefa Ekonomiczna
 ul. Ks. Tymienieckiego 22/24; 90-349 Łódź
 tel./fax: (+48-42) 6762753; fax: 6762755
 www.sse.lodz.pl

Special Economic Zone in Mielec
 Agencja Rozwoju Przemysłu Oddział w Mielcu
 EURO-PARK Mielec
 ul. Partyzantów 25; 39-300 Mielec
 tel.: (+48-17) 7887236; fax: 7887769
 e-mail: europark@europark.com.pl
 www.europark.com.pl

Special Economic Zone in Olsztyn
 Warmińsko-Mazurska
 Specjalna Strefa Ekonomiczna S.A.
 ul. Mickiewicza 21/23; 10-508 Olsztyn
 tel.fax: (+48-89) 5350241
 e-mail: wmsse@wmsse.tpnet.pl www.wmsse.pl

Special Economic Zone in Słupsk
 Słupska Specjalna Strefa Ekonomiczna
 Pomorska Agencja Rozwoju Regionalnego S.A.
 ul. Poznańska 1a; 76-200 Słupsk
 tel./fax: (+48-59) 8425116, 8413261
 e-mail: office@parr.slupsk.pl www.sse.slupsk.pl

Special Economic Zone in Starachowice
 Specjalna Strefa Ekonomiczna Starachowice S.A.
 ul. Radomska 29; 27-200 Starachowice
 tel.: (+48-41) 2754101; fax: 2754102
 e-mail: biuro@sse.com.pl www.sse.com.pl

Special Economic Zone in Suwałki
 Suwalska Specjalna Strefa Ekonomiczna S.A.
 ul. Noniewicza 49; 16-400 Suwałki
 tel/fax: (+48-87) 5652217
 e-mail: ssse@ssse.com.pl www.ssse.com.pl

Special Economic Zone in Tarnobrzeg
 Agencja Rozwoju Przemysłu S.A.
 Tarnobrzaska Specjalna Strefa Ekonomiczna
 ul. Zakładowa 48; 39-405 Tarnobrzeg
 tel.: (+48-15) 8229999 tel/fax: 8236888
 e-mail: tsse@tg.onet.pl www.tsse.pl

Special Economic Zone in Wałbrzych
 Wałbrzyska Specjalna Strefa Ekonomiczna
 Invest-Park Sp. z o.o.
 ul. Uczniowska 21; 58-306 Wałbrzych
 tel.: (+48-74) 8413500; fax: 8410177
 e-mail: invest@invest-park.com.pl
 www.invest-park.com.pl

Special Economic Zone in Gdańsk
 Pomorska Specjalna Strefa Ekonomiczna
 ul. Władysława IV 9; 80-703 Sopot
 tel.: (+48-58) 5559700; fax: 5559711
 e-mail: marketing@strefa.gda.pl www.strefa.gda.pl

APPENDIX 24

BANKS OPERATING IN POLAND (Head Offices)

Name of Bank	Address	Telephone Fax
Narodowy Bank Polski	00-919 Warszawa ul. Świętokrzyska 11/21	0-22 6531000 8264123
ABN AMRO Bank (Polska) SA	02-134 Warszawa ul. 1 Sierpnia 8A	0-22 5730500 5730501
AIG Bank Polska SA	00-450 Warszawa ul. Przemysłowa 26A	0-22 5235300 5235350
Bank Amerykański w Polsce SA "AmerBank"	00-102 Warszawa ul. Marszałkowska 115	0-22 5280600 6249981
Bank Gospodarki Żywnościowej SA	01-211 Warszawa ul. Kasprzaka 10/16	0-22 8604000 8605000
Bank Gospodarstwa Krajowego	00-955 Warszawa Al. Jerozolimskie 7	0-22 5229112 6270378
Bank Handlowy w Warszawie SA	00-923 Warszawa ul. Senatorska 16	0-22 6577200 6577580
Bank Inicjatyw Społeczno-Ekonomicznych SA	00-184 Warszawa ul. Dubois 5A	0-22 8601100 8601103
Bank Millenium SA	00-924 Warszawa ul. Kopernika 36/40	0-22 6575718 6575059
Bank Ochrony Środowiska SA	00-950 Warszawa Al. Jana Pawła II 12	0-22 8508735 8508891
Bank of Tokyo-Mitsubishi (Polska) SA	00-113 Warszawa ul. Emilii Plater 53	0-22 5208165 5205236
Bank Pocztowy SA	85-959 Bydgoszcz ul. Jagiellońska 17	0-52 3499100 3270407
Bank Polska Kasa Opieki SA Grupa Pekao SA	00-950 Warszawa ul. Grzybowska 53/57	0-22 6560000 6560203
Bank Polskiej Spółdzielczości SA	01-231 Warszawa ul. Płocka 9/11B	0-22 8623133 5395222
Bank Przemysłowo-Handlowy PBK SA	31-548 Kraków Al. Pokoju 1	0-12 4223333 4216914
Bank Przemysłowy SA	90-365 Łódź ul. Tymienieckiego 5	0-42 6402790 6845513
Bank Rozwoju Budownictwa Mieszkaniowego SA	00-099 Warszawa ul. Senatorska 29/31	0-22 3329000 8277349
Bank Rozwoju Cukrownictwa SA	60-959 Poznań ul. Mickiewicza 35	0-61 8532201 8532385
Bank Svenska Handelsbanken (Polska) SA	02-135 Warszawa ul. Iłżecka 26	0-22 8787387 8787388
Bank Współpracy Europejskiej SA	00-082 Warszawa ul. Senatorska 14	0-22 8299800 8260261
Bank Zachodni WBK SA	50-950 Wrocław Rynek 9/11	0-71 3701000 3702787

Name of Bank	Address	Telephone Fax
Bankgesellschaft Berlin Bank (Polska) SA	00-828 Warszawa Al. Jana Pawła II 15	0-22 6977800 6977802
BNP - Paribas Bank Polska SA	00-108 Warszawa ul. Zielna 41/43	0-22 6546263 6972329
BRE Bank SA	00-950 Warszawa ul. Senatorska 18	0-22 8290000 8290033
CC - Bank SA	60-324 Poznań ul. Marcelińska 90	0-61 8609400 8609402
Credit Lyonnais Bank Polska SA	00-950 Warszawa Al. Jerozolimskie 65/79	0-22 6306888 6354500
DaimlerChrysler Services (debis) Bank Polska SA	00-828 Warszawa Al. Jana Pawła II 15	0-22 6976420 6976419
Danske Bank Polska SA	00-688 Warszawa ul. Emilii Plater 28	0-22 3377100 3377101
Deutsche Bank 24 SA	31-047 Kraków ul. J. Sarego 2 i 4	0-12 6182388 4219652
Deutsche Bank Polska SA	00-609 Warszawa al. Armii Ludowej 26	0-22 5799000 5799001
DOMINET BANK SA	59-300 Lubin ul. Tysiąclecia 2	0-76 8404100 8404103
Dresdner Bank Polska SA	02-017 Warszawa al. Jerozolimskie 123	0-22 5253112 5253159
Euro Bank SA	50-126 Wrocław ul. Świętego Mikołaja 72	0-71 7955500 7955501
FCE Bank Polska SA	02-222 Warszawa Al. Jerozolimskie 181	0-22 6086900 6086901
Fiat Bank Polska SA	02-678 Warszawa ul. Szturmowa 2	0-22 6074801 6074849
Fortis Bank Polska SA	02-676 Warszawa ul. Postępu 15	0-22 5669000 5669010
GE Bank Mieszkaniowy SA	02-822 Warszawa ul. Poleczki 21	0-22 5450500 5450501
GE Capital Bank SA	80-853 Gdańsk ul. Wały Jagiellońskie 36	0-58 3040634 3007952
GMAC Bank Polska SA	02-515 Warszawa ul. Puławska 15	0-22 5215400 5215401
Gospodarczy Bank Wielkopolski SA	61-725 Poznań ul. Mielżyńskiego 22	0-61 8562400 8522730
Górnośląski Bank Gospodarczy SA	40-006 Katowice ul. Warszawska 6	0-32 2008500 2008685
HypoVereinsbank Bank Hipoteczny SA	00-805 Warszawa ul. Chmielna 132/134	0-22 6562169 6562188
ING Bank Śląski SA	40-086 Katowice ul. Sokolska 34	0-32 3577000 7353740
INVEST - BANK SA	04-175 Warszawa ul. Ostrobramska 77	0-22 5145100 5145106
Kredyt Bank SA	01-211 Warszawa ul. Kasprzaka 2/8	0-22 6345400 6345335

Name of Bank	Address	Telephone Fax
LG Petro Bank SA	93-172 Łódź ul. Rzgowska 34/36	0-42 6894000 6846192
LUKAS Bank SA	53-674 Wrocław ul. Legnicka 36	0-71 3559511 3553005
Mazowiecki Bank Regionalny SA	01-747 Warszawa ul. Elbląska 15/17	0-22 6634025 6636112
MHB Bank Polska SA	00-380 Warszawa ul. Kruczkowskiego 8	0-22 5250700 5250710
Nordea Bank Polska SA	81-303 Gdynia ul. Kielecka 2	0-58 6691111 6691110
Polski Kredyt Bank SA	01-402 Warszawa ul. Ciołka 10	0-22 6346501 6346522
Powszechna Kasa Oszczędności - Bank Polski SA	00-975 Warszawa ul. Puławska 15	0-22 5217795 5216981
Rabobank Polska SA	00-958 Warszawa al. Jana Pawła II 27	0-22 6535000 6535004
Raiffeisen Bank Polska SA	00-549 Warszawa ul. Piekna 20	0-22 5852000 5852585
RHEINHYP-BRE Bank Hipoteczny SA	00-609 Warszawa Al. Armii Ludowej 26	0-22 5797500 5797589
Societe Generale SA -Succursale de Varsovie	00-102 Warszawa ul. Marszałkowska 111	0-22 5284000 5284444
Śląski Bank Hipoteczny SA	02-587 Warszawa ul. Wiktorska 63	0-22 5401700 5401701
Toyota Bank Polska SA	02-672 Warszawa ul. Domaniewska 41	0-22 8744755 8744754
Volkswagen Bank Polska SA	00-828 Warszawa Al. Jana Pawła II 15	0-22 6977800 6977888
Westdeutsche Landesbank Polska SA	00-688 Warszawa ul. Emilii Plater 28	0-22 6530500 6530501
Wschodni Bank Cukrownictwa SA	20-022 Lublin ul. Okopowa 1	0-81 5322220 5329005

Source: Narodowy Bank Polski, 2003

APPENDIX 25

REPRESENTATIVE OFFICES OF FOREIGN BANKS IN POLAND

Name of the Bank	Address	Telephone Fax
AO "PRIORBANK", Minsk	02-072 Warszawa ul. Langiewicza 2 apt.1	0-22 8251891 8251891
ASB "BELARUSBANK", Minsk	02-511 Warszawa ul. Bielawska 6 m.57	0-22 6460595 8444480
BELVNESHECONOMBANK, Minsk	02-703 Warszawa ul. Bukowińska 24A apt.118	0-22 8530127 8475180
BELINVESTBANK, Minsk	02-611 Warszawa ul. Krasickiego 12A m.1	0-22 8443301 8443301
BANCA-INTESA S.p.A., Milan	00-193 Warszawa ul. Stawki 2, floor 37	0-22 8606451 8606455
Banca Nazionale del Lavoro S.p.A., Rome	00-697 Warszawa Al. Jerozolimskie 65/79 p.1824	0-22 6306780 6306781
Bank of America, National Association, Charlotte	02-135 Warszawa ul. Hżeczka 26	0-22 5757200 5757406
Crédit Agricole Indosuez, Paris	00-697 Warszawa al. Jerozolimskie 65/79	0-22 6306860 6306861
Crédit Industriel et Commercial, Paris	00-193 Warszawa ul. Stawki 2	0-22 8606503 8606504
EUROHYPO Aktiengesellschaft Europaeische Hypothekenbank der Deutschen Bank	00-609 Warszawa ul. Armii Ludowej 26	0-22 5797780 5797780
Hamburgische Landesbank - Girozentrale - Hamburg	00-113 Warszawa ul. Emilii Plater 53 XXX floor	0-22 4561060 4561069
Investkredit Bank AG, Wien	00-121 Warszawa ul. Sienna 39	0-22 8503300 8503301
Istituto Bancario San Paolo di Torino - Istituto Mobiliare Italiano S.p.A., Turin	00-193 Warszawa ul. Stawki 2	0-22 8606200 8606205
JPMorgan Chase Bank, New York	00-113 Warszawa ul. Emilii Plater 53	0-22 5205100 5205120
Landesbank Baden - Wuerttemberg, Stuttgart	00-845 Warszawa ul. Łucka 20 lik. 15	0-22 6541689 6541687
Nova Ljubljanska Banka d.d., Lublana	00-805 Warszawa ul. Chmielna 85/87	0-22 5711110 5811131
UBS AG, Zurych & Basel	00-536 Warszawa Al. Ujazdowskie 51	0-22 5258400 5258433
The Export-Import Bank, Taiwan, Taipei	02-672 Warszawa ul. Domaniewska 41	0-22 8743582 8743583

Source: Narodowy Bank Polski, 2003

APPENDIX 26**NATIONAL INVESTMENT FUNDS****I National Investment Fund****FUND 1. SA**

BRE/Private Equity
ul. Dworkowa 3; 00-784 Warszawa
tel.: (+48-22) 6468546; fax: 6468536
e-mail: fund.1@firstnif.com.pl

II National Investment Fund SA

PZU NIF Management Sp. z o.o.
ul. Jagiellońska 15; 03-719 Warszawa
tel.: (+48-22) 8713400; fax: 871-34-40
e-mail: info@pzunfi.pl

IV National Investment Fund**PROGRESS SA**

PZU NIF Management Sp. z o.o.
ul. Jagiellońska 15; 03-719 Warszawa
tel.: (+48-22) 871-34-00; fax: 871-34-40

V National Investment Fund**VICTORIA SA**

BRE/Private Equity
ul. Dworkowa 3; 00-784 Warszawa
tel.: (+48-22) 6468546; fax: 6468536

VI National Investment Fund**MAGNA POLONIA SA**

AIB WBK Fund Management Sp. z o.o.
ul. Biała 3; 02-895 Warszawa
tel.: (+48-22) 6204183; fax: 6204184
e-mail: aibfund@aib.pl

VII National Investment Fund**KAZIMIERZ WIELKI SA**

ul. Wolska 45; 01-201 Warszawa
tel.: (+48-22)6321088; fax: 6320098

VIII National Investment Fund**OCTAVA SA**

KP Konsorcjum Sp. z o.o.
Krakowskie Przedmieście 4/6; 00-366 Warszawa
tel.: (+48-22) 8281465; fax: 8280312

IX National Investment Fund**E. KWIATKOWSKI SA**

PZU NIF Management Sp. z o.o.
ul. Jagiellońska 15; 03-719 Warszawa
tel.: (+48-22) 8713400; fax: 8713440
e-mail: info@pzunfi.pl

X National Investment Fund**FOKSAL SA**

ul. Krzywickiego 34; 02-078 Warszawa
tel.: (+48-22) 6311292; fax: 6314535
e-mail: finanse@foksal.nfi.com.pl

JUPITER National Investment Fund**Trinity Management**

ul. Nowogrodzka 47a; 00-695 Warszawa
tel.: (+48-22) 5259900; fax: 5259998
e-mail: jupiter@jupiter-nfi.pl

XII National Investment Fund**PIAST SA**

KP Konsorcjum Sp. z o.o.
Ul. Grzybowska 2; 00-131 Warszawa
tel.: (+48-22) 4360503; fax: 4360468
e-mail: piast@piast.com.pl

XIII National Investment Fund**FORTUNA SA**

BRE/Private Equity
ul. Dworkowa 3; 00-784 Warszawa
tel.: (+48-22) 6468546; fax: 6468536

XIV National Investment Fund**ZACHODNI SA**

Baring Private Equity Partners
ul. Wolska 45a ; 00-201 Warszawa
tel.: (+48-22) 6320098; fax: 6310698
e-mail: nifzach5@supermedia.pl

XV National Investment Fund**HETMAN SA**

Creditanstalt SCG Fund Management SA
ul. Emilii Plater 53; 00-113 Warszawa
tel.: (+48-22) 5209350; fax: 5209351
e-mail: nfihetman@nfihetman.com.pl

APPENDIX 27

VENTURE CAPITAL FUNDS

Advent International Sp. z o.o.

ul. Emilii Plater 53; 00-113 Warsaw
tel.: (+48-22) 6275141
fax: (+48-22) 6275140
www.adventinternational.com

Armada Asset Management

ul. Tymienieckiego 30A; 90-350 Łódź
tel.: (+48-42) 6775555
fax: (+48-42) 6775501
email : aam@armada.pl
www.armada.pl

Caresbac Polska S.A.

ul. Polna 40; 00-635 Warsaw
tel.: (+48-22) 8256205
fax: (+48-22) 8254650
e-mail: caresbac@it.com.pl

Copernicus Capital Management Sp. z o.o.

Krakowskie Przedmieście 79; 00-079 Warsaw
tel.: (+48-22) 8268580
fax: (+48-42) 8264462
e-mail: mailbox@copernicus.pl

Enterprise Investors

ul. Emilii Plater 53; 00-113 Warsaw
tel.: (+48-22) 4588500
fax: (+48-22) 4588555
e-mail: info@ie.com.pl
www.ei.com.pl

Environmental Investment Partners

ul. Piaskowa 12C; 05-510 Konstancin-Jeziorna
tel.: (+48-22) 7563232
fax: (+48-22) 7564919
e-mail: eip@eip.com.pl
www.eip.biz

European Covergence Partners Sp. z o.o.

ul. Biała 3; 00-895 Warsaw
tel.: (+48-22) 6549011
fax: (+48-22) 6549511
e-mail: vencap@ecpartners.com.pl
www.pioneerpolandfund.pl

Hals Fundusz Kapitałowy Sp. z o.o.

Długi Targ 1/7; 80-828 Gdańsk
tel.: (+48-58) 3016849
fax: (+48-58) 3203408
email: gdansk@hals.pl
www.hals.pl

Innova Cappital Ltd.

Arum, ul. Waliców 11; 00-865 Warsaw
tel.: (+48-22) 5839400
fax: (+48-22) 5839420
e-mail: mail@innova.com
www.innovacap.com

MCI Management S.A.

ul. Św. Mikołaja 7, III piętro; 50-125 Wrocław
tel.: (+48-71) 7817380-386
fax: (+48-71) 7817383
www.mci.com.pl

Oresa Ventures Polska

ul. Sapieżyńska 10, 00-215 Warsaw
tel.: (+48-22) 5314100
fax: (+48-22) 5314111
www.oresaventures.com

Regional Investment Funds

ul. Wróblewskiego 18, 93-578 Łódź
tel.: (+48-42) 6812516; fax: (+48-42) 6848968
e-mail: rfilodz@post.ld.onet.pl

**Towarzystwo Inwestycji Społeczno -
Ekonomicznych S.A.**

ul. Nalewki 8, apt. 27; 00-158 Warsaw
tel.: (+48-22) 6360740
fax: (+48-22) 6362902
e-mail: inwestycje@tise.com.pl

APPENDIX 28

MAJOR CONSULTING COMPANIES AND LAW FIRMS OPERATING
IN POLAND**Alzheimer and Gray Polska Sp. z o.o.**

ul. Emilii Plater 53; 00-113 Warszawa
tel.: (+48-22) 5205000
fax: (+48-22) 5205001

Allen & Overy Poland Sp. z o.o.

ul. Żelazna 28/30; 00-832 Warszawa
tel.: (+48-22) 8206100
fax: (+48-22) 8266199

Deloitte & Touche Sp. z o.o.

ul. Fredry 6; 00-097 Warszawa
tel.: (+48-22) 5110811
fax: (+48-22) 5110813
www.deloitte.com.pl
dpoland@deittece.com

Ernst & Young SA

ul. Sienna 39; 00-121 Warszawa
tel.: (+48-22) 5287777
fax: (+48-22) 5287778
e-mail: Warszawa@ey.com.pl
www.ernstandyoung.com.pl

KPMG Polska Sp. z o.o.

ul. Chłodna 51, XVI floor; 00-867 Warszawa
tel.: (+48-22) 5281100
fax: (+48-22) 5281009
www.kpmg.pl

M. Łukowicz & Partners Law Office

ul. Mazowiecka 13; 00-052 Warszawa
tel.: (+48-22) 8273322
fax: (+48-22) 8268319
e-mail: office@lukowicz..pl

Marciniuk and Partners Ltd.

Marciniuk i Partnerzy Sp. z o.o.
Al. Szucha 13/15; 00-580 Warszawa
tel.: (+48-22) 6272323
fax: (+48-22) 6273033
e-mail: marciniuk@mip.com.pl

Mazars Pologne

ul. Foksal 16
00-372 Warszawa
tel.: (48 22) 826 46 30
fax : (48 22) 826 51 34
www.mazars.pl

McKinsey & Company Poland

Pl. Trzech Krzyży 10/14; 00-499 Warszawa
tel.: (+48-22) 8205700
fax: (+48-22) 8205800
e-mail: wa_recruit@mckinsey.com.pl
www.mckinsey.pl

**Law Office E.Piontek, S.Rymar, A.Wiśniewski
Limited Partners**

ul. Świętojerska 5/7; 00-236 Warszawa
tel.: (+48-22) 6350560/61
fax: (+48-22) 6350617
e-mail: lawyer@pol.pl

Potworowski Kinast Grant Thornton

ul. Jasna 1; 00-013 Warsaw
tel.: (+48-22) 8274933
fax: (+48-22) 8274531
e-mail: admi@pkgt.pl

PricewaterhouseCoopers Poland Sp. z o.o.

ul. Nowogrodzka 68; 02-014 Warszawa
tel.: (+48-22) 5234000
fax: (+48-22) 5234040

**Rastawicki Spółka Komandytowa
in association with**

Beiten Burkhardt Rechtsanwälte,
ul. Ks. Ignacego Skorupki 5; 00-546 Warszawa
tel.: (+48-22) 5837100
fax: (+48-22)5837109

Ryszard Kuciński Law Office

Kancelaria Prawnicza dr. Ryszard Kuciński
ul. Marszałkowska 55/73, Apt.19
00-676 Warszawa
tel.: (+48-22) 6212173, 6251671
fax: (+48-22) 6286423

Wardyński & Partners

Advocates and Legal Advisers
Al. Ujazdowskie 10; 00-478 Warszawa
tel.: (+48-22) 4378200
fax: (+48-22) 4378201
e-mail: warsaw@wardynski.com.pl

White and Case Sp. z o.o.

ul. Bagatela 12; 00-585 Warszawa
tel.: (+48-22) 6226767
fax: (+48-22) 6282228

APPENDIX 29

SELECTED BILATERAL CHAMBERS OF TRADE AND INDUSTRY

Association of Cooperation between Poland and the East

ul. Marszałkowska 115; 00-102 Warszawa
tel. (+48-22) 6200301; fax: 8269601
e-mail: swpzb@supermedia.pl

American Chamber of Commerce in Poland

Amerykańska Izba Gospodarcza w Polsce
ul. Emilii Plater 53; 00-113 Warszawa
tel.: (+48-22) 5205999; fax: 5205998

British Chamber of Commerce in Poland

Brytyjska Izba Handlowa w Polsce
ul. Żymna 2 apt. 1; 00-138 Warszawa
tel.: (+48-22) 6545971; fax: 6541675

Danish-Polish Chamber of Commerce

Duńsko-Polska Izba Gospodarcza
ul. Starościańska 5; 02-516 Warszawa
tel.: (+48-22) 8497414; fax: 6464930
e-mail: dpcc@dpcc.pl

French Chamber of Trade & Industry in Poland

Francuska Izba Handlowo-Przemysłowa w Polsce
ul. Świetokrzyska 36/14; 00-116 Warszawa
tel.: (+48-22) 6225525; fax: 6225545

Italian Foreign Trade Institute

Włoski Instytut Handlu Zagranicznego
Al. Jerozolimskie 11/19; 00-508 Warszawa
tel.: (+48-22) 6221394; fax: 6221343

Poland-Israel Chamber of Commerce

Izba Gospodarcza Polska-Izrael
ul. Trębacka 4; 00-074 Warszawa
tel.: (+48-22) 6309600; fax: 8274673

Polish-Belarussian Chamber of Trade and Industry

Polsko-Białoruska Izba Handlowo-Przemysłowa
ul. Trębacka 4; 00-074 Warszawa
tel.: (+48-22) 6309793; fax: (+48-22) 6309794
e-mail: pbihp@chamber.pl

Polish-Belgian-Luxembourgian Chamber of Commerce

Polsko-Belgijsko-Luksemburska Izba Handlowa
ul. Trębacka 4; 00-074 Warszawa
tel.: (+48-22) 6309600; fax: 8274673

Polish-German Chamber of Commerce

Polsko-Niemiecka Izba Przemysłowo-Handlowa
ul. Miodowa 14; 00-952 Warszawa
tel.: (+48-22) 5310500; fax: 5310600
e-mail: info@ihk.pl

Polish-Kazakhstan Chamber of Commerce

Polsko-Kazachstańska Izba Gospodarcza
ul. Podbipięty 31/110; 02-732 Warszawa
tel./fax: (+48-22) 8479607
e-mail: pkig@wp.pl

Union of Chambers of Commerce and Industry of Kazakhstan - Representative Office in Poland

Przedstawicielstwo Związku Izb Handlowo-Przemysłowych Republiki Kazachstan w Polsce
ul. Nowowiejska 10; 00-643 Warszawa
tel.: (+48-22) 8758567; fax: 8255683

Polish-Latvian Chamber of Trade & Industry

Polsko-Łotewska Izba Handlowo-Przemysłowa
ul. Trębacka 4; 00-074 Warszawa
tel.: (+48-22) 6309702; fax: 8274673, 8263506

Polish-Lithuanian Chamber of Commerce

Polsko-Litewska Izba Gospodarcza
Al. Niepodległości 210; 02-577 Warszawa
tel/fax: (+48-22) 8257545

Polish-Russian Chamber of Trade & Industry

Polsko-Rosyjska Izba Handlowo-Przemysłowa
ul. Marszałkowska 115; 00-102 Warszawa
tel.: (+48-22) 6243166; fax: 6249485

Polish-Swiss Chamber of Industry & Trade

Polsko-Szwajcarska Izba Przemysłu i Handlu
ul. Szpitalna 6; 00-031 Warszawa
tel.: (+48-22) 8277621; fax: 8277623
e-mail: psiph@psiph.pl

Polish-Ukrainian Chamber of Commerce

Polsko-Ukraińska Izba Gospodarcza
ul. Trębacka 4; 00-074 Warszawa
tel.: (+48-22) 6309793; fax: (+48-22) 6309794
e-mail: puig@chamber.pl

Swedish-Polish Chamber of Trade

Szwedzko-Polska Izba Handlowa
ul. Chmielna 101/102; 80-748 Gdańsk
tel.: (+48-58) 7631469; fax: 7631480

APPENDIX 30

SELECTED EMBASSIES AND COMMERCIAL COUNSELLORS' OFFICES
IN POLAND**Australian Embassy**

ul. Nowogrodzka 11 ; 00-513 Warsaw
tel.: (+48-22) 5213444; fax: 6273500

Embassy of the Republic of Austria

ul. Gagarina 34 ; 00-748 Warsaw
tel.: (+48-22)8410081; fax: 8410085

Embassy of the Republic of Belarus

ul. Ateńska 67 ; 03-978 Warsaw
tel.: (+48-22) 6173212; fax: 6178441

Embassy of the Kingdom of Belgium

ul. Senatorska 34 ; 00-095 Warsaw
tel.: (+48-22) 8270233 / 35 ; fax: 8285711

Canadian Embassy

ul. Matejki 1/5; 00-481 Warsaw
tel.: (+48-22) 5843100;

Embassy of the People's Republic of China

ul. Bonifraterska 1; 00-203 Warsaw
tel.: (+48-22) 8313836; fax: 6354211

Embassy of the Czech Republic

ul. Koszykowa 18 ; 00-555 Warsaw
tel.:(+48-22) 6287221; fax: 6298045

Royal Danish Embassy

ul. Rakowiecka 19 ; 02-517 Warsaw
tel.:(+48-22) 5652900; fax: 5652970

Embassy of the Republic of Estonia

ul. Karwińska 1; 00-639 Warsaw
tel.: (+48-22) 8811810; fax: 8811812

Embassy of Finland

ul. Chopina 4/8 ; 00-559 Warsaw
tel.: (+48-22) 6294091; fax: 6213442

Embassy of France

ul. Puławska 17; 02-515 Warsaw
tel.: (+48-22) 5293000; fax: 5293001

Embassy of the Federal Republic of Germany

ul. Dąbrowiecka 30 ; 03-932 Warsaw
tel.: (+48-22) 6173011; fax: 6173582
Economic & Commercial Section
ul. Jazdów 12B ; 00-467 Warsaw
tel.: (+48-22) 6219231 / 36; fax: 6290520

British Embassy

Al. Róż 1 ; 00-556 Warsaw
tel.: (+48-22) 6281001/05; fax: 6217161
Commercial Section
ul. Emilii Plater 28 ; 00-688 Warsaw
tel.: (+48-22) 6253030 ; fax: 6253472

Embassy of the Hellenic Republic

ul. Górnośląska 35 ; 00-432 Warsaw
tel.: (+48-22) 6229460 ; fax: 6229464

Embassy of the Republic of Hungary

ul. Chopina 2 ; 00-559 Warsaw
tel.: (+48-22) 6284451; fax: 6218561

Embassy of the Republic of Indonesia

ul. Estońska 3/5; 03-903 Warsaw
tel.: (+48-22) 6175179; satellite fax: 39121885

Embassy of Ireland

ul. Humańska 10 ; 00-789 Warsaw
tel.: (+48-22) 8496655; fax: 8498431

Embassy of Israel

ul. Krzywickiego 24 ; 02-078 Warsaw
tel.: (+48-22) 8250028; fax: 8251607

Embassy of Italy

pl. J.H. Dąbrowskiego 6 ; 00-055 Warsaw
tel.: (+48-22) 8263471; fax: 8278507

Embassy of Japan

ul. Szwoleżerów 8; 00-464 Warsaw
tel.: (+48-22) 6965000; fax: 6965001

Embassy of the Republic of Kazakhstan

ul. Królowej Marysienki 14; 02-516 Warsaw
tel.: (+48-22) 6425388; fax: 6423427

Embassy of the Republic of Korea

ul. Chłodna 51, 24th floor ; 00-867 Warsaw
(Warsaw Trade Tower)
tel.: (+48-22) 8483337; fax: 5282500

Embassy of the Republic of Latvia

ul. Królowej Aldony 19; 03-928 Warsaw
tel.: (+48-22) 6174389; fax: 6174589

Embassy of the Republic of Lithuania

Al. Szucha 5 ; 00-580 Warsaw
tel.: (+48-22) 6253368 ; fax: 6253440

Embassy of Malaysia

ul. Gruzjińska 3 ; 03-902 Warsaw
tel.: (+48-22) 6174413; fax: 39120490

Embassy of the United Mexican States

ul. Starościeńska 1B m 4/5 ; 02-516 Warsaw
tel.: (+48-22) 6468800; fax: 6464222

Embassy of the Kingdom of Morocco

ul. Starościeńska 1 m 11-12; 02-516 Warsaw
tel.: (+48-22) 8496341; fax: 8481840

Royal Netherlands Embassy

ul. Chocimska 6 ; 00-791 Warsaw
tel.: (+48-22) 8492351; fax: 8488345

Royal Norwegian Embassy

ul. Chopina 2A ; 00-559 Warsaw
tel.: (+48-22) 6964030; fax: 6280938

Philippines Commercial Counsellor's Office

ul. Mokotowska 48 m.204 ; 00-543 Warsaw
tel.: (+48-22) 6289291; fax: 6217658

Embassy of Portugal

ul. Zwycięzców 12 ; 03-941 Warsaw
tel.: (+48-22) 6176021; fax: 6174498

Embassy of the Russian Federation

ul. Belwederska 49 ; 00-761 Warsaw
tel.: (+48-22) 6213453; fax: 6253016
Trade Representation
ul. Belwederska 25 ; 00-761 Warsaw
tel.: (+48-22)8495817; fax: 8490463

Embassy of the Slovak Republic

ul. Litewska 6 ; 00-581 Warsaw
tel.: (+48-22) 5258110; fax: 5258112

Embassy of the Republic of South Africa

ul. Koszykowa 54 ; 00-675 Warsaw
tel.: (+48-22) 6256228; fax: 6256270

Embassy of the Kingdom of Spain

ul. Myśliwiecka 4 ; 00-459 Warsaw
tel.: (+48-22)622 42 50; fax: 622 54 08
Commercial Counsellor's Office
ul. Genewska 16 ; 03-940 Warsaw
tel.: (+48-22) 6179408; fax: 6172911

Embassy of Sweden

ul. Bagatela 3 ; 00-585 Warsaw
tel.: (+48-22) 6408900; fax: 6408983
Commercial Section
ul. Wołodziejowskiego 74 ; 02-724 Warsaw
tel.: (+48-22) 8532030; fax: 8532021

Embassy of Switzerland

Al. Ujazdowskie 27 ; 00-540 Warsaw
tel.: (+48-22) 6280481 / 82; fax: 6210548

Royal Thai Embassy

ul. Willowa 7 ; 02-790 Warsaw
tel.: (+48-22) 8492655; fax: 8492630

Embassy of Turkey

ul. Malczewskiego 32 ; 02-622 Warsaw
tel.: (+48-22) 6464321; fax: 6463757

Embassy of Ukraine

Al. Szucha 7 ; 00-580 Warsaw
tel.: (+48-22) 6293446 ; fax: 6298103

Embassy of the United States of America

Al. Ujazdowskie 29/31 ; 00-540 Warsaw
tel.: (+48-22) 5042000 ; fax: 5042688
Commercial Service
Al. Jerozolimskie 56 C "IKEA"; 00-803 Warsaw
tel.: 6254374 , 6254300

APPENDIX 31**ECONOMIC AND COMMERCIAL SECTIONS OF POLISH EMBASSIES
AND CONSULATES****Algeria**

Ambassade de la République de Pologne
Service Economique et Commercial
4 bis, rue Rabah Bourbia; El-Biar, Alger
tel.: (+213-2) 921706, 921828; fax: 921622
e-mail: brhalger@ist.cerist.dz

Ambassade de la République de Pologne
37 Av. Mustapha Ali Khodja, El-Biar, Alger 2
tel.: (+213-2) 923474, 922533; fax: 921435
e-mail: marckmal@wissal.dz

Argentina

Embajada de la Republica de Polonia
Departamento Economico y Comercial
Virrey del Pino 3147
1426-Buenos Aires
tel.: (+54-1) 5515397; fax: 5515097
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Embajada de la Republica de Polonia
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1425 Buenos Aires
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Azerbaijan

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370069 Baku
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Australia

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7 Turrana Str., Yarralumla, ACT 2600 Canberra
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Austria

Botschaft der Republik Polen
Wirtschafts-und Handelsbeteiligung;
Titlgasse 15; 1130 Wien
tel.: (+43-1) 8778341; fax: 8776342
e-mail: info@handelsratpolen.at
www.handelsratpolen.at

Botschaft der Republic Polen
Hietzinger Hauptstraße 42c
1130 Wien; PO Box 17
tel.: (+43-1) 8777444; fax: 8777444-238
e-mail: polambas@ping.at

Belgium

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Service Economique et Commercial
18, Avenue de l'Horizon; 1150 Bruxelles
tel.: (+322) 7716815; fax: 7711839
e-mail: compolambox@free-way.net

Ambassade de la République de Pologne
Avenue des Gaulois 29, 1040 Bruxelles
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e-mail: polambbxl@free-way.net

Belarus

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Service Economique et Commercial
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tel.: (+375-17) 2224819; fax: 2204974
e-mail: weh@nsys.by
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Ambassade de la République de Pologne
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Brazil

Embaixada da Republica da Polonia
Escritorio do Conselheiro Comercial
Avenida das Nacoes, Lote 33;
Caixa Postal 07376, Brasilia
tel.: (+55-61) 2428698; fax: 2428738
e-mail: brh-b@conectanet.com.br

Consulado General da Republica de Polonia
Economic and Commercial Section
Rua Zeguinha de Abreu, 240 CEP
01250-050 Sao Paulo-SP
tel.: (+5511) 36732776; fax: 36730354
e-mail: brhpol@macbbs.com.br

Bulgaria

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ul. Ewłogi Georgiew 125; 1504 Sofia
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e-mail : wehplsofia@bsbg.net

Ambassade de la République de Pologne
Chan Krum 46, 1000 Sofia
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e-mail: polamba@internet-bg.net

Canada

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443 Daly Avenue, Ottawa 2, Ontario K1N 6H3
tel.: (+1-613) 7890-468, 7893376; fax: 7891218
e-mail: polamb@alphainter.net

Consulate General of the Republic of Poland
Economic and Commercial Section
of the Trade Commissioner's Office
3501 Av. du Musée; Montreal, Quebec, H3G 2C8
tel.: (+1-514) 2820080; fax: 2821784
e-mail: akk@poland-canada.org
www.poland-canada.org

Economic and Commercial Section of the Consulate
General of the Republic of Poland
Toronto Branch - Trade Commissioner's Office
3300 Bloor Street-West, Suite 220 Mezzanine
Toronto, Ontario, M8X 2X3
tel.: (+1-416)2336571; fax; 2339578
e-mail: tradeoffica@poland-canada.org

People's Republic of China

Embassy of the Republic of Poland
Economic and Commercial Section
1, Ri Tan Lu, Beijing, 100600 Beijing
tel.: (+86-10) 65321888; fax: 65325364
e-mail: commoff@public.bta.net.cn
www.polecom.com.cn

Consulate General of the Republic of Poland
Economic and Commercial Section
618 Jianguo Xi Lu Rd., Shanghai, 200031
tel.: (+8621) 64334735; fax: 64330161
e-mail: commoff@uninet.com.cn
www.polandshanghai.com

Consulate General of the Republic of Poland
Economic and Commercial Section
Shamian Dajie 63, Kanton
tel.: (+8620) 81877991; fax: 81853992
e-mail: wehgz@sinaman.com

Consulate General of the Republic of Poland
Economic and Commercial Section
Suite 2009, Two Pacific Place
88 Queensway, Hong Kong
tel.: (+852) 28400779/814; fax: 29189109
e-mail: kgcommhk@netvigator.com
www.polandtrade.com.hk

Croatia

Ambassade de la République de Pologne
Service Economique et Commercial
ul. Rokefellerova 49; 41000 Zagreb
tel/fax: (+385-1) 4683128
e-mail: utsa-republike-poljske@zg.tel.hr
www.hinet.hr/usta-republike-poljske

Ambassade de la République de Pologne
Krljezin Gvozd 3, 10000 Zagreb
tel.: (+3851) 4899444; fax: 4834576
e-mail: ambasada-polska@zg.tel.hr

Cyprus

Embassy of the Republic of Poland
Economic and Commercial Section
11 Acharon str.- 2027 Stravolos, Nicosia
tel.: (+357-22) 427007; fax: 313031
e-mail: wans@cytanet.com.cy

Czech Republic

Ambassade de la République de Pologne
Service Economique et Commercial
ul. Hradešinska 1931/58; 10100 Praha 1
tel.: (+4202) 72739327; fax: 738016
e-mail : weh@weh.cz
www.weh.cz

Ambassade de République de Pologne
Valdstejská 8, 11801 Praha 1
tel.: (+4202) 57530388; fax: 57530399
e-mail: ambrpczechy@mbox.vol.cz
www.ambpol.cz

Consulat Général de la République de Pologne
Service Economique et Commercial
Blahoslavova 4, 72827 Ostrava 1
tel.: (+42069) 6120460;
e-mail: konsulatr.p.ostrava@grendel.cz

Denmark

Embassy of the Republic of Poland
Economic and Commercial Section
Ryvangs Alle 46;
Copenhagen - 2900 Hellerup
tel.: (+45) 39622633; fax: 39622554
e-mail: brhdania@post10.tele.dk
www.brh-dania.dk

Embassy of the Republic of Poland
Richelieus Allé 12,
2900 Hellerup Copenhagen
tel.: (+34) 39467700; fax: 39467766
e-mail: ambaspol@post4.tele.dk

Egypt

Embassy of the Republic of Poland
Economic and Commercial Section
8, Ahmed Nessim St. Giza; Cairo
tel.: (+20-2) 3379683 ; fax: 3609353
e-mail: brhkair@egyptonline.com

Embassy of the Republic of Poland
5 El Aziz Osman Str., Zamalek, Cairo
tel.: (+202) 3417456, 3409583
e-mail: polemb@idsc.gov.eg

Estonia

Ambassade de la République de Pologne
Service Economique et Commercial
Narva mnt.9A, 10117 Tallin, Estonia
tel.: (+372) 6604378; fax: 6604380
e-mail : poola@poola.ee

Ambassade de la République de Pologne
Pärnu Mnt. 8, 10-148 Tallinn, PO Box 247
tel.: (+3722) 6278210, 6278208; fax: 445221
e-mail: ambrptal@netexpress.ee

European Communities

Mission de la République de Pologne
Auprès des Communautés Européennes
282-284 Av. de Tervuren; 1150 Bruxelles
tel.: (+322) 7777224; fax: 7777287
e-mail: 101642.2616@compuserve.com

Finland

Embassy of the Republic of Poland
Economic and Commercial Section
Risto Rytin tie 7; 00-580 Helsinki
tel.: (+358-9) 6847240; fax: 6848907
e-mail: ommercial@poland.inet.fi

Embassy of the Republic of Poland
Armas Lindgrenin tie 21, 00570 Helsinki
tel.: (+3589) 6848077, 6848090; fax: 6847477
e-mail: amb.poland@helsinki.inet.fi

France

Ambassade de la République de Pologne
Service Economique et Commercial
86, rue de la Faisanderie; 75116 Paris
tel.: (+33-1) 45041020; fax: 45046317
e-mail: breh@pologne.net
www.weh.ambassade.pologne.net

Ambassade de la République de Pologne
1 rue de Talleyrand, 75007 Paris
tel.: (+33) 143173405; fax: 143173507
e-mail: 106033.3056@compuserve.com

Consulat Général de la République de Pologne
Service Economique et Commercial
Lyon 79, rue Crillon, 69458 Lyon
tel.: (+334) 37511233; fax: 37511238
e-mail: pol-eco-lyon@worldonline.fr
www.pologne-info.com/consulat-pl-lyon

Germany

Botschaft der Republik Polen
Wirtschafts-und Handelsabteilung
Glinkastrasse 5-7, 10117 Berlin, Deutschland
tel.: (+49-30) 2292739; fax: 2292451
e-mail: ambasada@weh-berlin.de
www.wirtschaft-polen.de

Botschaft der Republik Polen
Lassenstr. 19-21, 14193 Berlin
tel.: (+49-30) 223130; fax: 22313155
e-mail: info@botschaft-polen.de

Generalkonsulat der Republik Polen
Wirtschafts-und Handelsabteilung
81675 Munchen Ismaninger Str. 62a
tel.: (+4989) 41860842; fax: 471318
e-mail: 114132.46@compuserve.com

Generalkonsulat der Republik Polen
Wirtschafts-und Handelsabteilung
Grundgenstr. 20; 22309 Hamburg
tel.: (+4940) 6311181; fax: 6325030
e-mail: info.hamburg@wirtschaft-polen.de

Generalkonsulat der Republik Polen
Wirtschafts-und Handelsabteilung
Gorber str.14; 04105 Leipzig
tel.: (+49341) 9800281; fax: 9802043
e-mail: info.leipzig@wirtschaft-polen.de

Great Britain

Embassy of the Republic of Poland
Economic and Commercial Section
15, Devonshire Street; London W1N 2AR
tel.: (+44-20) 75807472; fax: 73230195
e-mail: weh@polishemb-trade.co.uk
www.polishemb-trade.co.uk

Embassy of the Republic of Poland
47 Portland Place, London W1N 4JH
tel.: (+44171) 8707742700;
fax. (+44171) 2073234018
e-mail: polishembassy@polishembassy.org.uk

Greece

Embassy of the Republic of Poland
Economic and Commercial Section
1, Kondoleonos Street
GR-154 52 Psychico, Athens
tel.: (+30-210) 6726176; fax: 6721952
e-mail: wehateny@ath.forthnet.gr
www.wehateny.gr

Embassy of the Republic of Poland
22 Chrysanthemon Str.
Paleo Psychico, 152-54 Athenes
tel.: (+301) 6778260, 6725793; fax: 6718394
e-mail: atenyamb@internet.gr

Hungary

Lengyel Koeztarsasag Nagykoevetsege
Kereskedelmi Tanacsos Hivatala
Stefania ut 65, 1143 Budapest XIV
tel.: (+36-1) 2514677; fax: 2529289
e-mail: brh.bud@ind.eunet.hu
www.ambpl-weh.org.hu

Embassy of the Republic of Poland
Városligeti fasor 16, 1068 Budapest
tel.: (+361) 3511300, 3511301; fax: 3511722
e-mail: amb.bud@ind.eunet.hu

India

Embassy of the Republic of Poland
Economic and Commercial Section
50-M, Shanti Path, Chanakyapuri;
New Delhi 11021
tel.: (+91-11) 6889214; fax: 6872033
e-mail: morhan@del2.vsnl.net.in
www.poltradeindia.org

Consulate of the Republic of Poland
Economic and Commercial Section
Manavi Apartments, 36 Ridge Road,
Malabar Hill, Bombay 400 006
tel.: (+91-22) 23633863/4; fax: 23633376
e-mail: poland@bom2.vsnl.net.in
www.polishconsulate.com

Indonesia

Embassy of the Republic of Poland
Economic and Commercial Section
JI.H.R.Rasuna Said Kav.X Blok IV/3
Kuningan,Jakarta Selatan 12950
tel.: (+62-21) 2525938,2525947; fax: 2525960
e-mail: radca@polandembjak.org; brhj@rad.net.id
www.polandembjak.org

Ireland

Embassy of Republic of Poland
Economic and Commercial Section
4 The Vicarage St John's Road; Dublin 4
tel.: (+353-1) 2691370; fax: 2697662
e-mail: brh@dublin.polishembassy.ie
www.polishembassy.ie

Embassy of the Republic of Poland
5, Ailesbury Road, Ballsbridge, Dublin 4
tel.: (+3531) 2830855; fax: 2698309
e-mail: polembas@iol.ie

Israel

Embassy of the Republic of Poland
Economic and Commercial Section
79, Yehuda Hamaccabi St.; 62-300 Tel-Aviv
tel.: (+972-3) 5446246; fax: 5446247
e-mail: brhtlv@inter.net.il
www.brhtlv.org.il

Embassy of the Republic of Poland
16, Soutine St., Tel-Aviv 64-684
tel.: (+972 03) 5240186, 5240191
fax: 5237806, 5274726
e-mail: embpol@netvision.net.il

Italy

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Service Economique et Commercial
Via Olona 2/4; 00198 Roma
tel.: (+39-06) 8548189; fax: 8553391
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Via P.O.Rubens 20, Monti Parioli 00197, Roma
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Via Capecelatro 53/4, 20148 Milano
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Japan

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2-13-5 Mita, Meguro-ku, Tokyo 153-0062
tel.: (+81-3) 57947050; fax: 57947053
e-mail: brhtokio@twies.com

Kazakhstan

Embassy of the Republic of Poland
Economic and Commercial Section
Almaty 480051; ul. Baturina 4
tel./fax: (+7-3272) 647911
e-mail: brhala@asdc.kz

Embassy of the Republic of Poland
Dzarkentskaja 9-11, Iskanderowa 13,
480100 Almaty, P.O.Box 228
tel.: (+7-3272) 581550
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Republic of Korea

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4F, Dongkyung Bld., 604 Hannam-dong,
Yongsan-gu, Seoul 140-210
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Latvia

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Elizabetes iela 2; 1340 Riga
tel.: (+371) 7039751; fax: 7039755
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Lithuania

Ambassade de la République de Pologne
Service Economique et Commercial
Kastonu g.N 2/14; 20-01 Vilnius
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Embassy of the Republic of Poland
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Malaysia

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45 Jalan Tun Ismail; 50480 Kuala Lumpur
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68000 Ampang Selangor 50704 Kuala Lumpur
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Moldova

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e-mail: wehamb@ch.moldpac.md

Embassy of the Republic of Poland
MD-2009 Chisinau, str. Plamadeala 3
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Morocco

Ambassade de la République de Pologne
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23, Rue Ogbah, Rabat, Maroc B.P.425
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e-mail: apologne@onpt.net.ma

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Netherlands

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Alexanderstraat 25, 2514 JM Den Haag
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Nigeria

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Norway

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e-mail: ambpol@online.no

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tel.: (+351-1) 3526170; fax: 3526174
e-mail: brh.lizbona@mail.telepac.pt
www.negociosnapolonia.com

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Avenida das Descobertas 2, 1400-092 Lisboa
tel.: (+ 352-1) 3012350, 213013; fax: 213010
e-mail: embpol@mail.telepac.pl

Republic of South Africa

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Economic and Commercial Section
P.O. Box 1547, Houghton 2041, Johannesburg, RSA
tel.: (+2711) 7886597; fax: 4425375
e-mail: brhpljhb@iafrica.com
www.brhjhb.org.za

Embassy of the Republic of Poland
14 Amos Street, Colbyn, Pretoria 0083
tel.: (+2712) 432631/2, 432621; fax: 432608
e-mail: amb.pol@pixie.co.za

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Service Economique et Commercial
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tel.: (+40-21) 2307714; fax: 2307732
e-mail: brh.buk@dnt.ro
www.polonia.ro

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www.embajada.polonia.org

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www.polcommerce.com

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tel.: (+46 8) 50575000; fax: 50575086
e-mail: info.polen@swipnet.se
www.polemb.se

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Wirtschafts-und Handelsabteilung
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tel.: (+41-31) 3511935; fax: 3513457
e-mail: brh.bern@bluewin.ch
www.weh-pl-bern.ch

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tel.: (+1-212) 3705300; fax: 8189623
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www.brhusa.com

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2640 16th Street, N.W.,
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e-mail: embpol@dgs.dgsys.com

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www.polishworld.com/polemb

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<http://homepage.interaccess.com/~comconpl>

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www.pon.net/tradecosul

Uzbekistan

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e-mail: ambrpfrij@eunet.yu

APPENDIX 32

SELECTED ENTITIES PROVIDING BUSINESS INFORMATION

(Data Banks, Fact Sheets and/or Business Directories)

BMB Promotions Sp. z o.o.

ul. Mazowiecka 6/8 ; 00-048 Warszawa
tel.: (+48-22) 8268749; fax: 8273773
e-mail: bmb@bmb.pl www.bmb.pl

Dun & Bradstreet Poland Sp. z o.o.

ul. Jana Olbrachta 94 ; 01-102 Warszawa
tel.: (+48-22) 5332400; fax: 5332424

Foreign Trade Research Institute

Institut Koniunktur i Cen Handlu Zagranicznego
ul. Żurawia 4a; 00-503 Warszawa
tel. (+48-22) 6934767; 6934547
www.ikchz.warszawa.pl

Cushman & Wakefield Healey & Baker

ul. Sienna 73; 00-833 Warszawa
tel.: (+48-22) 8202020 ; fax: 8202021
www.healey-baker.com

Hi-Tech Co., Ltd

ul. Akademicka 3 , 02-038 Warszawa
tel.: (+48-22) 8234252
fax: (+48-22) 6688390
www.hitech.com.pl

Info-Net KIG Sp. z o.o.

ul. Trębacka 4 ; 00-074 Warszawa
tel.: (+48-22) 6309693, 6309623
fax: (+48-22) 8289921, 8274080
e-mail: infodata.kig.pl www.kig.pl

Information Processing Centre

Al. Niepodległości 188b ; 00-950 Warszawa
tel.: (+48-22) 8251240-42, fax: 8253319
e-mail: opi@opi.org.pl www.opi.org.pl

Kompass Poland Ltd.

ul. Mokotowska 49; 00-542 Warszawa
tel.: (+48-22) 6600420; fax: 6600510
e-mail: kompass@kompass.com.pl
www.kompass.com.pl

Market Economy Enterprise Foundation

ul. Emilii Plater 47; 00-118 Warszawa
tel.: (+48-22) 6521621; fax: 6209974

BOSS Economic Information Sp. z o.o.

BOSS Informacje Ekonomiczne Sp. z o.o.
Aleje Jerozolimskie 87, 02-001 Warszawa
tel.: (+48-22) 3310715; fax: 3310720
www.boss.com.pl

Mediatex

ul. Kochanowskiego 12b ; 01-864 Warszawa
tel./fax: (+48-22) 6331595
www.mediatex.pnet.pl

Polish Agency for Foreign Investment

Al. Róż 2; 00-559 Warszawa
tel.: (+48-22) 3349800; fax: 3349999
www.paiz.gov.pl

PAP Polish Press Agency

Economic Service
ul. Pawia 55; 00-950 Warszawa
tel. (+48-22) 6280001
www.pap.com.pl

TeleAdreson Sp. z o.o.

ul. Trubadurów 11; 80-205 Gdańsk
tel.: (+48-58) 3454655; fax: 3454680
www.teleadreson.com.pl

Yellow Pages

Panorama Polska Sp. z o.o.
ul. Domaniewska 41; 02-672 Warszawa
tel.: (+48-22) 5422000; fax: 5422001
e-mail: panorama@pf.com.pl
www.pf.pl

APPENDIX 33

UNIDO ESTABLISHED NETWORKS

INVESTMENT AND TECHNOLOGY PROMOTION OFFICES

UNIDO Investment and Technology Promotion Office in Bahrain

Mr. Hashim Hussein, Head
Bahrain Development Bank House
P.O.Box 10523, Bldg. No. 170.Road 1703
Manama 317, Bahrain
Telephone: +973 536881; Fax: +973 536883
e-mail: itpo.bahrain@unido.org

UNIDO Investment and Technology Promotion Office in Belgium

Ministère de la Région Wallonne
Agence Wallonne à l'Exportation
Place Sainctelette, 2; B-1080 Brussels, Belgium
Telephone: +32 2 4218211; Fax: +32 2 4218787
e-mail: itpo.walloon-region@unido.org

UNIDO Investment and Technology Promotion Office in China

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Mr. Yuandong HU, Head
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UNIDO Investment Promotion Unit in Egypt

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UNIDO Investment and Technology Promotion Office in Greece

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UNIDO Investment and Technology Promotion Office in Republic of Korea

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e-mail: info@nwda-unido.org.uk

UNIDO Investment Promotion Unit in Uganda

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e-mail: uipunido@ucpc.co.ug

INTERNATIONAL/NATIONAL TECHNOLOGY CENTRES COOPERATING WITH UNIDO

InterTec Ltd. Austria

Brahmsplatz 8/3
A-1040 Vienna, Austria
Telephone: +431 5044091; Fax: +431 5044094
General Information: info@intertec.co.at

The International Centre for Genetic Engineering and Biotechnology in Italy

Dott. Decio Ripandelli, ICGEB – Area di Ricerca, Padriciano 99
34012 Trieste – Italia
Telephone: +39 040 3757345; Fax: +39 040 3757363
e-mail: decio@icgeb.org

National Technology Transfer Centre – Kyiv (TTC) in Ukraine

Київ 03150, а/я 52, Ukraine
Telephone/fax: +044 – 2276502
e-mail: contact@uatechnology.org

National Technology Transfer Centre (NCTT) in Republic of Belarus

k.106, Академическая 1,
220072 Minsk, Republic of Belarus
Telephone/fax: +375 17 2841499
e-mail: ictt@pochtamt.ru

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The International Materials Assessment and Application Centre (IMAAC) in Austria

Mr. Vladimir Kozharnovich, Programme Manager
Quality, Technology and Investment Branch
Investment Promotion & Institutional Capacity-Building Division
UNIDO
Vienna International Centre
P.O.Box 300, A-1400 Vienna, Austria
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e-mail: vkozarnovich@unido.org

The International Centre for Advancement of Manufacturing Technology in India

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