DOING BUSINESS IN POLAND

Country Commercial Guide 2014

Prepared by

U.S. Commercial Service
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Table of Contents

Return to table of contents

Chapter 1: Doing Business in Poland

Market Overview Return to top

Poland has emerged as an important and dynamic market since the country began its transition to democracy and a market-driven economy in 1989. With 38 million people, Poland is the largest market among the former Eastern bloc countries of Central Europe and shares borders with both "new" EU and "old" EU-15 countries. Poland became a member of the European Union (EU) in 2004. Poland's adoption of EU legislation has led to wide-ranging reforms in economic regulation and reduced government intervention in the private sector. Reforms in areas such as financial markets, company and competition law, accounting, and intellectual property rights have improved the environment for private business and boosted economic growth. Poland is now the sixth-largest economy in the EU. Poland's plans to eventually adopt the Euro currency will further accelerate the country's integration with the EU. Poland has been an active member of NATO since 1999, participating in joint peacekeeping activities in the region and elsewhere, including Afghanistan, and is investing in a major modernization of its military.

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

While the rest of Europe struggled with the global financial crisis, Poland experienced GDP growth of over 20 percent from 2008-2013. As predicted, Poland's GDP growth slowed in 2013 as a result of the European debt crisis and Poland's own fiscal consolidation efforts. However, expansion is expected to exceed 3% in 2014. Poland's growth was in part due to the sizable resources from the EU structural and cohesion funds. Poland is the main beneficiary of these funds, receiving €68.7 billion from 2007 to 2013. The second round of EU funding for the years 2014-2020 will reportedly be used to drive continued infrastructure projects, to develop Poland's energy industry, and to stimulate innovation.

In 2013, the U.S. sold $3.9 billion worth of merchandise in Poland, up 16.5% from 2012.

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

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

Market Challenges

Return to top

Although Poland's per capita GDP is increasing relative to the rest of the EU, it amounts to less than 70% of the EU average. Nonetheless, strong domestic consumption is one of the engines of growth in Poland. Poland has made great strides toward improving the commercial climate, but investors point to an inefficient commercial court system, a rigid labor code, bureaucratic red tape, and a burdensome tax system as challenges for foreign companies.

Poland has made significant progress in reducing bureaucratic obstacles to business. Its ranking in the latest World Bank *Ease of Business Index* was number 45, down ten spots (lower is better) in the last year which was down 7 from the previous. In the 2013 Transparency International *Corruption Perception Index,* Poland improved its rank to 38th out of 177 countries (again lower is better).

Although many infrastructure improvements have been completed or are underway, Poland still has much work to do in order to modernize its road and railway network. Weaknesses in transportation infrastructure increase the cost of doing business for U.S. businesses by limiting ready access to all of the markets within Poland and diminishes the country's current attractiveness as a regional distribution hub. Internet access and connection strength is good in the cities, but still very limited in less populated regions.

Market Opportunities

Return to top

The government's commitment to spend as much as $45 billion on its ten-year military modernization program has created many opportunities for companies involved in defense or defense-related products. Poland has announced it's intention to meet the NATO standard of spending 2.0% of its GDP on defense, up from recent spending levels amounting to around 1.8% of GDP. There are currently over 80 active foreign military sales cases in Poland which makes military/defense spending Poland's top prospect for American businesses in 2014.

Poland is once again the largest recipient of EU structural and cohesion funds, with €72.9 billion (nearly $100 billion) pledged from 2014-2020.

These funds could create market opportunities for U.S. firms. In particular, Poland intends to use a share of the funds to support continued infrastructure development, environmental protection, and environmental remediation projects. In order to meet EU emissions targets, Poland is attempting to diversify its energy mix by introducing domestically produced shale gas and nuclear energy as well as increasing use of renewable sources of energy, such as wind, biomass and biogas. Other strategies to reduce emissions may include introducing clean coal technologies upgrading coal plants, and exploring waste-to-energy systems. Polish cities will have to develop new waste stream models because EU directives require closure and remediation of landfills across the country.

In this environment, the need for premium office space and the expansion of the retail sector present opportunities for engineering and green-building services, particularly those built as 'zero emission' buildings and to LEED standards. Many additional opportunities exist for firms offering products that improve energy efficiencies. These top prospects will be covered in depth later in this report.

Other important sectors that will be discussed in this report, are cybersecurity and software for mobile applications, consumer goods, such as cosmetics, where an American label is still a symbol of prestige and high quality, and automotive products. All of these sectors continue to perform well and show signs of growth.

While the U.S. share of Poland's import market remains small, at approximately 3%, U.S. exporters have found considerable success targeting competitive niches, using effective market-entry strategies, and diligently following up with marketing and sales support.

Market Entry Strategy

Return to top

The Polish market is characterized by wide population dispersion with 25% of Poles living in rural areas and urban dwellers spread among a number of population centers, including Warsaw and Lodz in the center of the country, Krakow in the south, Wroclaw and Poznan in the west, Gdansk and Szczecin in the north, and Lublin in the southeast. Urban consumers generally have greater purchasing power than their rural counterparts.

Personal contact with the customer is critical and final purchasing decisions typically require a face-to-face meeting. Success in this market typically requires an in-country presence, such as an agent, distributor, or representative office.

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

Pricing remains the most critical factor in positioning a product or service for sale in Poland. Access to capital is difficult for most Polish firms, and business transactions are typically self-financed. U.S. firms that can arrange financing will have a competitive edge. The effects of the global financial crisis have underlined the need for U.S. exporters to develop a creative strategy for financing exports. Using Ex-Im Bank programs is a recommended option. In addition, currency fluctuations may continue in

2014, challenging even the most well-planned export strategy. Careful crafting of terms of sale, including creative packaging of currency and pricing terms, will help the U.S. exporter gain a long-term advantage in the current Polish market.

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

Market Fact Sheet Link Return to top

Poland - Market Fact Sheet Link

Return to table of contents

Return to table of contents

Chapter 2: Political and Economic Environment

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

http://www.state.gov/r/pa/ei/bgn/index.htm

Return to table of contents

Return to table of contents

Chapter 3: Selling U.S. Products and Services

Using an Agent or Distributor

Return to top

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

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

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

Of course, we highly recommend utilizing the services of the U.S. Commercial Service, such as the International Partner Search (IPS) and/or our signature Gold Key Service (GKS) if you are inexperienced in the market. Our specialists have deep and broad knowledge of many market sectors and can help save U.S. business representatives' time and money finding and screening (International Company Profile) potential distributors or agents.

Companies wishing to use distribution, franchising and agency arrangements need to ensure that the agreements they put into place are in accordance with EU and member state national laws. Council Directive 86/653/EEC establishes certain minimum standards of protection for self-employed commercial agents who sell or purchase goods on behalf of their principals. The Directive establishes the rights and obligations of the principal and its agents, the agent's remuneration and the conclusion and termination of an agency contract. It also establishes the notice to be given and indemnity or compensation to be paid to the agent. U.S. companies should be particularly aware that according to the Directive, parties may not derogate from certain requirements. Accordingly, the inclusion of a clause specifying an alternate body of law to be applied in the event of a dispute will likely be ruled invalid by European courts.

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

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

Key Link:
http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2001:368:0013:0015:EN:PDF

The EU also looks to combat payment delays. The new directive 2011/7/EU, which replaced the current law in March 2013, covers all commercial transactions within the EU, whether in the public or private sector, primarily dealing with the consequences of late payment. Transactions with consumers, however, do not fall within the scope of this directive. Directive 2011/7/EU entitles a seller who does not receive payment for goods and/or services within 30 days of the payment deadline to collect interest (at a rate of 8% above the European Central Bank rate) as well as € 40 as compensation for recovery of costs. For business-to-business transactions a 60-day period may be negotiated subject to conditions. The seller may also retain the title to goods until payment is completed and may claim full compensation for all recovery costs.

Key Link:
http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2011:048:0001:0010:EN:PDF

Companies' agents and distributors can take advantage of the European Ombudsman when victim of inefficient management by an EU institution or body. Complaints can be made to the European Ombudsman only by businesses and other bodies with registered offices in the EU. The Ombudsman can act upon these complaints by investigating cases in which EU institutions fail to act in accordance with the law, fail to respect the principles of good administration, or violate fundamental rights. In addition, SOLVIT, a network of national centers, offers online assistance to citizens and businesses who encounter problems with transactions within the borders of the single market.

Key Links:
http://www.ombudsman.europa.eu/home/en/default.htm
http://ec.europa.eu/solvit/site/about/index_en.htm

Establishing an Office Return to top

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

(1) Limited Partnership
http://www.paiz.gov.pl/index/?id=ccb421d5f36c5a412816d494b15ca9f6

(2) Limited Joint-Stock Partnership
http://www.paiz.gov.pl/index/?id=7ec12aa91918c9b6e577c1ae18a0a34b

(3) Limited Liability Companies (Sp. z o.o.)
http://www.paiz.gov.pl/index/?id=27584e8cefba0a67a8d1684d55a2a16a

(4) Joint Stock Companies (S.A.)
http://www.paiz.gov.pl/index/?id=148d411aeffed8a6f6ad4ecd77d1f904

(5) Representative Office
http://www.paiz.gov.pl/index/?id=7d62a275027741d98073d42b8f735c68

(6) Branch Office
http://www.paiz.gov.pl/index/?id=8d8f733a7c2a2ea60df6439a28a2b9a3

Detailed information on forms of doing business in Poland can be found at:
http://www.paiz.gov.pl/index/?id=887a185b1a4080193d5cf63873ac6d70

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

Franchising

Return to top

In 2013, the Polish franchise market grew by 9.4 percent. The addition of 4,650 new franchise units brought the total number of units to 58,396 in the country. This growth pattern is expect to continue with experts estimating that about 63,000 franchise units will be in operation in Poland by the end of 2014.

Poland's franchise market is maturing and local entrepreneurs are more aware of their choices and are able to verify a good franchise offer. According to the franchising expert, PROFIT system, in 2013 the franchising sector in Poland encompassed 941 franchise networks, a 5.5% increase over 2012. The majority (85%) of franchise systems originate from Poland and there are 93 Polish franchise systems operating abroad. The biggest growth was recorded in the gastronomy sector where 22 new franchise systems were established, followed by the retail grocery store sector (18 new systems) and apparel retail brands (12 new systems). Industry experts estimate, that in 2014 the number of franchise concepts operating on the Polish market will reach 1,000.

The average investment in a single franchise in the commerce sector was about $ 70,000 and $ 35,000 in the service sector. The most popular single franchises are valued between $6,500 – $15,500.

Strong competition and an increasing number of franchise systems have strengthened the position of potential franchisees. Franchisors now must spend more on recruitment campaigns, and often they financially support their new franchisees through sharing investment's cost. Typically, requesting 20% of franchisee's own contribution and guaranteeing a loan for the remaining amount.

While franchising was especially popular in the area of retail trade, gastronomy, and consulting/business services, 52 companies withdrew their franchise concepts from the market in 2013. Franchise concepts that are not able to offer franchisees a proven and profitable business idea quickly disappear from the market. The majority of franchises that closed in 2013 were in the areas of clothing, banking and catering services.

American franchisers should be aware of differences in market structure and conditions in Poland and consider them during the strategic planning stage. U.S. franchisers should be prepared to modify their product mix or implement other changes in their marketing policy in order to compete and meet the needs of the Polish market. Franchise networks, which have been successful in the United States, will not automatically succeed in Poland. However, a name that is well known in the U.S. market or that is already operating in several other European countries does have a great advantage.

U.S. franchisers often have difficulty locating local investors willing to provide sufficient capital to develop the franchise. Often, the solution to low capital is to create a foreign master franchise which is purchased by international investors. This practice is especially prevalent in the gastronomy sector.

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

U.S. businesses looking to franchise within the European Union will likely find that the market is quite robust and friendly to franchise systems in general. There are a number of laws that govern the operation of franchises within the EU, but these laws are fairly broad and generally, do not constrain the competitive position of U.S. businesses. The potential franchiser should take care to look not only at the EU regulations, but also at the local laws concerning franchising. More information on specific legislation can be found on the website of the European Franchise Federation: http://www.eff-franchise.com/spip.php?rubrique21. For a list of Lawyers who can assist with local Polish law please contact our office.

Direct Marketing Return to top

Direct marketing is an accepted business practice in Poland, as in other EU countries. The DM market is increasing approximately 10% annually in Poland. Polish consumers are accustomed to purchasing via catalog and have become more receptive to shopping on Internet platforms. More than 70% of Polish enterprises use direct marketing to sell their products and services. The most frequently DM used formats are email and internet marketing, telemarketing, direct sales, mailing sales (products available in catalogs and internet), TV marketing, and inserts in publications with a response element.

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

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

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

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

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

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

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

In 2013, the EU adopted rules on Alternative Dispute Resolution which provide consumers the right to turn to quality alternative dispute resolution entities for all types of contractual disputes including purchases made online or offline, domestically or across borders. A specific Online Dispute Resolution Regulation will set up an EU-wide online platform to handle consumer disputes that arise from online transactions. The platform will be operational at the end of 2015.

Key Links:
Consumer Affairs Homepage:
http://ec.europa.eu/consumers/index_en.htm

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

Distance Selling of Financial Services
Financial services are the subject of a separate directive that came into force in June 2002 (2002/65/EC). This piece of legislation amended three prior existing Directives and is designed to ensure that consumers are appropriately protected with respect to financial transactions taking place where the consumer and the provider are not face-to-face. In addition to prohibiting certain abusive marketing practices, the Directive establishes criteria for the presentation of contract information. Given the special nature of financial markets, specifics are also laid out for contractual withdrawal.

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

Direct Marketing over the Internet

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

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

Joint Ventures/Licensing

Return to top

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

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

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

Selling to the Government

Return to top

Information on the Office of Public Procurement, public procurement regulations and public tenders is available via the internet:
http://www.uzp.gov.pl/cmsws/page/?F;356

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

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

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

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

In 2014, the EU adopted new legislation in the public procurement market. The EU is currently regulated by three Directives adopted for the general and utilities sectors as well as one on concession contracts:

- Directive 2004/18 on Coordination of Procedures for the Award of Public Works, Services and Supplies Contracts
- Directive 2004/17 on Coordination of Procedures of Entities Operating in the Utilities Sector, which covers water, energy, transport and postal services
- Directive 2009/81 on Coordination of Procedures for the Award of Certain Works, Supply and Service Contracts by contracting authorities in the fields of defense and security

There is a separate Directive addressing the procurement of defense and sensitive security equipment.

According to some estimates, the size of the EU public procurement market is thought to be between € 340 billion - 440 billion. More details on the size of the EU public procurement market are available in "The Annual Public Procurement Implementation Review":
http://ec.europa.eu/internal_market/publicprocurement/docs/implementation/20121011-staff-working-document_en.pdf

Remedy directives cover legal means for companies who face discriminatory public procurement practices.

The U.S. and the EC are signatories to the World Trade Organization's (WTO) Government Procurement Agreement (GPA), which grants access to most public supplies and services and some work contracts published by national procurement authorities of the countries that are parties to the Agreement. In practice, this means that U.S.-based companies are eligible to bid on supplies and services contracts from European public contracting authorities above the agreed thresholds:
http://ec.europa.eu/internal_market/publicprocurement/rules/gpa-wto/index_en.htm

However, there are restrictions for U.S. suppliers in the EU utilities sector both in the EU Utilities Directive and in EU coverage of the GPA. The Utilities Directive allows EU contracting authorities to either: 1) reject non-EU bids where the proportion of goods originating in non-EU countries exceeds 50% of the total value of the goods constituting the tender; or 2) apply a 3% price difference to non-EU bids in order to give preference to the EU bid. These restrictions are applied when no reciprocal access for EU companies in the U.S. market is offered. Those restrictions, however, are waived for the electricity sector.

While authorities of EU member states have to apply EU Public Procurement Directive when procuring goods and services, the EU institutions follow different procurement rules, as explained in our reports on “Selling goods and services to the EU institutions – Update 2014” and “Tenders for Government Contracts in the EU”: http://export.gov/europeanunion/marketresearch/index.asp

Distribution and Sales Channels Return to top

Regional Nature of Market and Review of Major Regions

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

Poland’s largest cities and their respective populations are:

Warsaw	1,715 500
Kraków	758,000
Łódź	719,000
Wrocław	631,200
Poznań	550,700
Gdańsk	460,400
Szczecin	408,900
Bydgoszcz	361,300
Lublin	347,700

Industrial Goods Distribution

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

With its location in the center of Europe, and being a member state of EU, Poland is often perceived as a good location for a distribution hub in Central and Eastern Europe. Another good reason is that prices in Poland are still lower than in other EU countries.

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

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

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

Selling Factors/Techniques

Return to top

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

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

An average Polish customer no longer requires face-to-face contact with a person selling a product. The role of the internet in securing business contacts is growing and can now be considered a valuable selling tool. Over 70% of Polish homes have internet access, with 68% using broadband access. Some 72% of internet users conduct online transactions, while over 20% use on-line banking services.

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

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

Polish customers will want to discuss the technical parameters of the product, explain their needs, and negotiate the price. In addition, the product may not be sold at the first meeting, as the customer will want some time to consider the points discussed and to arrange financing. Initial orders are frequently small due to Poles access to limited amounts of working capital and high rates of interest on credit. Follow-on sales often grow rapidly once effectiveness and profitability are established.

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

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

Electronic Commerce

Return to top

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

With funding support from the EU, the Polish government continues to invest in broadband internet infrastructure projects, develops e-government services, and internet and computer education programs, which should also benefit the development of e-commerce.

E-commerce development is facilitated by easy access to the Internet at affordable prices, common usage of banking accounts and credit cards, and, in general, familiarity with internet technologies. Over 70% percent of Polish homes have internet access, with 68% using broadband access. Some 72% of internet users conduct online transactions and over 20% actually pay for the purchases on-line. Over the past 10 years, the value of online banking payments has increased four-fold and m-payments segments in Poland, although still small, is one of the strongest in Europe. M-commerce is still in an early infancy stage in Poland. Only 7% of internet users pay for their purchase this way even though 28% of owners of smartphones regularly visit on-line shops or use price-comparison services.

Electronic commerce in Poland has been growing both rapidly and steadily at approximately 20% year-on-year over the last decade. In 2014, it is expected to reach $10 billion, constituting 6% of the entire retail turnover in the country. In 2013, Poles spent approximately $8.4 billion on-line, and 2012 spending was estimated at $7 billion.

In general, Poles prefer auction services over e-shopping, so almost half of the e-shops channel their sales also through auction websites. The most popular auction site in Poland is Allegro, which has approximately 53% of the market share. A majority of online shops complement e-commerce sales with the traditional brick and mortar operations. Over 90% of e-shops maintain their profiles on social websites.

The most popular products bought online are home and garden products, clothing and shoes, books and music, as well as computers and consumer electronics. The products rapidly expanding in online sales are grocery and automotive products.

The vast majority of online shopping is done locally in Poland but the situation has been changing slowly as a result of general increase of digital competences in Poland and the recent elimination of cross-border barriers in online services within the EU.

The Electronic Commerce Directive (2000/31/EC) mentioned in the direct marketing section above provides rules for online services in the EU. It requires providers to abide by rules in the country where they are established (country of origin). Online providers must respect consumer protection rules such as indicating contact details on their website, clearly identifying advertising and protecting against spam. The Directive also grants exemptions to liability for intermediaries that transmit illegal content by third parties and for unknowingly hosting content. The European Commission released a work plan in 2012 in order to facilitate cross-border online services and reduce barriers and released a report on implementation of the action plan in 2013.

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

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

Businesses affected by EU Directive 2002/38 are either U.S.-based and selling ESS to non-business EU customers, or are EU-based businesses selling ESS to customers outside the EU. There are a number of compliance options for businesses.
The Directive creates a special scheme that simplifies registering with each member state. The Directive allows companies to register with a single VAT authority of their choice. Companies have to charge different rates of VAT according to where their customers are located, but VAT reports and returns are submitted to just one authority. The VAT authority responsible for providing the single point of registration service is then responsible for reallocating the collected revenue among the other EU VAT authorities.

For more, go to the EC website:
http://ec.europa.eu/taxation_customs/taxation/vat/traders/e-commerce/index_en.htm

Trade Promotion and Advertising Return to top

General Legislation

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

Comparative advertising, subject to certain conditions, is defined as "advertising which explicitly or by implication identifies a competitor or goods or services by a competitor." Member states can restrict misleading or comparative advertising.

The EU's Audiovisual Media Services Directive lays down legislation on broadcasting activities allowed within the EU. Since 2009, the rules allowing for U.S.-style product placement on television and the three-hour/day maximum of advertising have been lifted. However, a 12-minute/hour maximum remains. Child programming will be subject to a code of conduct that will include a limit of junk food advertising to children. Following the adoption of the 1999 Council Directive on the Sale of Consumer Goods and Associated Guarantees, product specifications, as laid down in advertising, are considered as legally binding on the seller. (For additional information on Council Directive 1999/44/EC on the Sale of Consumer Goods and Associated Guarantees, see the legal warranties and after-sales service section below, though this Directive will be incorporated into the Consumer Rights Directive mentioned above by June 2014.)

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

Key Link:
http://ec.europa.eu/comm/consumers/cons_int/safe_shop/fair_bus_pract/index_en.htm
http://ec.europa.eu/avpolicy/reg/avms/index_en.htm

Medicines

The advertising of medicinal products for human use is regulated by Council Directive 2001/83/EC as amended by Directive 2004/27/EC. Generally speaking, the advertising of medicinal products is forbidden if market authorization has not yet been granted or if the product in question is a prescription drug. Mentioning therapeutic indications where self-medication is not suitable is not permitted, nor is the distribution of free samples to the general public. The text of the advertisement should be compatible with the characteristics listed on the product label, and should encourage rational use of the product. The advertising of medicinal products destined for professionals should contain essential characteristics of the product as well as its classification. Inducements to prescribe or supply a particular medicinal product are prohibited and the supply of free samples is restricted.

The Commission presented a new proposal for a framework for information to patients on medicines in 2008 which would allow industry to produce non-promotional information about its medicines while complying with strictly defined rules and would be subject to an effective system of control and quality assurance. The debate on the framework however is currently blocked in the member states and therefore, current varying systems at national level are in force.

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

Nutrition & Health Claims

On July 1, 2007, a regulation on nutrition and health claims entered into force. Regulation 1924/2006 sets EU-wide conditions for the Use of nutrition claims such as "low fat" or "high in vitamin C" and health claims such as "helps lower cholesterol". The regulation applies to any food or drink product produced for human consumption that is marketed in the EU. Only foods that fit a certain nutrient profile (below certain salt, sugar and/or fat levels) are allowed to carry claims. Nutrition and health claims are only allowed on food labels if they are included in one of the EU positive lists. Food products carrying claims must comply with the provisions of nutritional labeling Directive 90/496/EC and its amended version Directive 1169/2011 on information to consumers mentioned below.

In December 2012, a list of approved functional health claims went into effect. The list includes generic claims for substances other than botanicals which will be evaluated at a later date. Disease risk reduction claims and claims referring to the health and development of children require an authorization on a case-by-case basis, following the submission of a scientific dossier to the European Food Safety Authority (EFSA). Health claims based on new scientific data will have to be submitted to EFSA for evaluation but a simplified authorization procedure has been established.

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

Key Link: http://ec.europa.eu/nuhclaims/

Food Information to Consumers

In 2011, the EU adopted a new regulation on the provision of food information to consumers (EU Regulation 1169/2011). The new EU labeling requirements apply from December 17, 2014, except for the mandatory nutrition declaration, which apply from December 13, 2016.

Key link:
http://ec.europa.eu/food/food/labellingnutrition/foodlabelling/proposed_legislation_en.htm

Food Supplements

Directive 2002/46/EC harmonizes the rules on labeling of food supplements and introduces specific rules on vitamins and minerals in food supplements. Ingredients other than vitamins and minerals are still regulated by member states.

Regulation 1925/2006, applicable as of July 1, 2007, harmonizes rules on the addition of vitamins and minerals to foods. The regulation lists the vitamins and minerals that may be added to foods. This list was most recently revised in November 2009. A positive list of substances other than vitamins and minerals has not been established yet, although it is being developed. Until then, member state laws will govern the use of these substances.

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

Tobacco

The EU Tobacco Advertising Directive bans tobacco advertising in printed media, radio, and internet, as well as the sponsorship of cross-border events or activities. Advertising in cinemas and on billboards or merchandising is allowed, though these are banned in many member states. Tobacco advertising on television has been banned in the EU since the early 1990s and is governed by the Audiovisual Media Services Directive. The EU proposed a revision to the Tobacco Products Directive in 2012 with proposals to include bigger, double-sided health pictorial warnings on cigarette packages and plain packaging along with health warnings, tracking systems.

Key link: http://ec.europa.eu/health/tobacco/products/revision/

Local Market Specifics

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

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

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

Print media advertising is sophisticated and the print media market itself has grown to include a full range of publications. Major newspapers circulate throughout Poland and reach every corner of the country. In addition, special interest magazines, business journals, niche publications, and specialized newspapers have proliferated. Newsweek Polska, a division of Newsweek, will celebrate its 13th anniversary this year (launched in 2001) and the Polish edition of Forbes magazine, which was launched in January 2005, will celebrate its 9th anniversary this year. Classified advertising is very well developed and effective. Most U.S. companies find print media to be a highly effective means of reaching customers and candidates for jobs.

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

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

Pricing

Return to top

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

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

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

Sales Service/Customer Support

Return to top

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

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

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

U.S. manufacturers with major export accounts in Poland may wish to periodically send a service representative to Poland to work with the local representative and visit customers.

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

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

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

Key link:
http://ec.europa.eu/enterprise/policies/single-market-goods/product-liability

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

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

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

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

Key link: http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:01999L0044-20111212&qid=1395670475658&from=EN

Other issues pertaining to consumers' rights and protection, such as the New Approach Directives, CE marking, quality control and data protection are dealt with in Chapter 5 of this report.

Protecting Your Intellectual Property Return to top

Polish legislation and regulations have been amended several times to bring them into full compliance with the WTO TRIPS Agreement and EU Directives. The Polish government also continues to review and amend other laws and regulations to reflect the development and use of new technologies. Poland is one of a few EU countries that did not sign the agreement on establishing a Unified Patent Court (UPC) adopted in February 2013.

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

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

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

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

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

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

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

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

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

- For information about patent, trademark, or copyright issues -- including enforcement issues in the US and other countries -- call the STOP! Hotline: **1-866-999-HALT** or register at www.StopFakes.gov.

- For more information about registering trademarks and patents (both in the U.S. as well as in foreign countries), contact the US Patent and Trademark Office (USPTO) at: **1-800-786-9199**.

- For more information about registering for copyright protection in the US, contact the US Copyright Office at: **1-202-707-5959**.

- For more information about how to evaluate, protect, and enforce intellectual property rights and how these rights may be important for businesses, a free online training program is available at www.stopfakes.gov.

- For US small and medium-size companies, the Department of Commerce offers a "SME IP Advisory Program" available through the American Bar Association that provides one hour of free IP legal advice for companies with concerns in Angola, Argentina, Brazil, China, Colombia, Egypt, Ghana, India, Indonesia, Kenya, Mexico, Mozambique, Nigeria, Russia, Saudi Arabia, Senegal, South Africa, Thailand, Turkey and Vietnam. For details and to register, visit: http://www.stopfakes.gov/business-tools/international-ip-advisory-program

- For information on obtaining and enforcing intellectual property rights and market-specific IP Toolkits visit: www.StopFakes.gov This site is linked to the USPTO website for registering trademarks and patents (both in the U.S. as well as in foreign countries), the U.S. Customs & Border Protection website to record registered trademarks and copyrighted works (to assist customs in blocking imports of IP-infringing products) and allows you to register for Webinars on protecting IP.

- The U.S. Commerce Department has positioned IP attachés in key markets around the world. For contact information, please see: http://www.uspto.gov/ip/global/attache/Attache_Contacts_2013-10-31.doc

Due Diligence Return to top

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

Product safety testing and certification is mandatory for the EU market. U.S. manufacturers and sellers of goods have to perform due diligence in accordance with mandatory EU legislation prior to exporting.

Local Professional Services Return to top

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

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

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

Follow the link below to explore our on-line database of businesses providing professional services to U.S. exporters and investors in Poland.
http://export.gov/poland/businessserviceproviders/eg_pl_026743.asp

Local service providers focusing on EU law, consulting, and business development can be viewed on the website maintained by the Commercial Service at the U.S. Mission to the European Union at:
http://export.gov/europeanunion/businessserviceproviders/index.asp.

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

Web Resources Return to top

EU websites:

Coordination of the laws of the member states relating to self-employed commercial agents (Council Directive 86/653/EEC):
http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:31986L0653:EN:HTML

Agreements of Minor importance which do not appreciably restrict Competition under Article 81(1) of the Treaty establishing the European Community:
http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2001:368:0013:0015:EN:PDF

Directive on Late Payment:
http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2011:048:0001:0010:EN:PDF

European Ombudsman:
http://www.ombudsman.europa.eu/home/en/default.htm

EU's General Data Protection Directive (95/46/EC):
http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:1995:281:0031:0050:EN:PDF

Safe Harbor:
http://export.gov/safeharbor/eu/eg_main_018476.asp
Information on contracts for transferring data outside the EU:
http://ec.europa.eu/justice/data-protection/document/international-transfers/transfer/index_en.htm

EU Data Protection Homepage:
http://ec.europa.eu/justice_home/fsj/privacy/index_en.htm
Distance Selling Rules:
http://ec.europa.eu/justice/consumer-marketing/rights-contracts/distance/index_en.htm

Distance Selling of Financial Services:
http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2002:271:0016:0024:EN:PDF

E-commerce Directive (2000/31/EC):
http://ec.europa.eu/internal_market/e-commerce/index_en.htm

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

The Unfair Commercial Practices Directive:
http://ec.europa.eu/consumers/rights /

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

Nutrition and health claims made on foods - Regulation 1924/2006
http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2007:012:0003:0018:EN:PDF

Regulation on Food Information to Consumers:
Regulation 1169/2011

EU-27 FAIRS EU Country Report on Food and Labeling requirements:
http://www.usda-eu.org/trade-with-the-eu/eu-import-rules/fairs-reports/

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

Health & Nutrition Claims
http://ec.europa.eu/food/food/labellingnutrition/claims/index_en.htm

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

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

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

Legal Warranties and After-Sales Service:
http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:01999L0044-20111212&qid=1395670475658&from=EN

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

Harmonization of certain aspects of Copyright and related rights in the Information Society - Copyright Directive (2001/29/EC):
http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32001L0029:EN:HTML

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

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

European Patent Office (EPO): http://www.european-patent-office.org/

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

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

U.S. websites:

IPR Toolkit: http://www.stopfakes.gov/sites/default/files/europeanunion_toolkit.pdf

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

Local Professional Services:
http://export.gov/europeanunion/businessserviceproviders/index.asp

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

Polish Websites:

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

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

Return to table of contents

Return to table of contents

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

Commercial Sectors

Agricultural Sectors

Defense Industry

Due to the sensitive nature of the defense industry sector, there are no official statistics available on local production, imports, and exports. The only data available through public sources is the annual amount of defense expenditures, which is illustrated in table below.

Overview

Return to top

Spending on Defense in Poland

	2010	2011	2012	2013	2014
Approximate Defense Spending $ billion	8.38	8.79	9.05	10.36	10.67

Source: Ministry of Defense (MON) - Annual Budget

Poland's military is continuously undergoing changes - all of which are designed to transform it into a more capable and mobile force, compatible with NATO troops. Change is occurring in every area of operation: force structure, staff organizations, training programs, doctrine, security procedures, etc. The modernization of the Polish army includes the improvement of troop capacity/mobility and air defense systems, as well as the development of a professional army (versus conscription). However, the changes in Poland's military and the reorganization plan for the defense industry must compete with other reforms, which the state budget must also finance.

In the 2014 budget, the Polish government allocated 1.95% of 2012 GDP, an amount equal to about $10.67 billion (PLN 32.0 billion), for defense expenditures, of which $ 2.72 billion (PLN 8.15 billion) is for arms and technical modernization. While Poland is not one of the few nations which meet the NATO target of spending at least 2.0% of GDP on defense, the government has announced its intent to meet that target in the future. Significant new contracts are anticipated in the areas of missile defense, medium-lift helicopters and unmanned aerial systems (UAS). New Foreign Military Financing (FMF) and 1206-funded material cases are also foreseen for UAS, command and control boats, signal intelligence, airfield navigational aids and tactical airlift support.

On December 11, 2012, the Council of Ministries accepted two governmental programs designed to modernize the Polish Army. Entitled the "Technical Modernization Plan," and“The Polish Army Development Program: 2013-2022.” The Program involves the purchase of military equipment (armored transportation vehicles and military transportation aircraft) and ammunition (armor piercing guided missiles and a ship-to-ship missile system for the Polish Navy). NATO force requirements are also driving equipment-related decisions. It is estimated that about $ 45 billion will be spent on the technical modernization of the Polish Armed Forces in 2013-2022.

Currently, Poland has over 80 active Foreign Military Sale (FMS) cases valued at approximately $4.6 billion. Since 1995, Poland has received over $473 million in

Foreign Military Financing (FMF) grants (plus $3.8 billion US-backed loan) to help fund NATO force goals and national procurements requirements. Grant and loan expenditures have focused primarily on F-16 fighter aircraft, C-130 transport aircraft, HMMWVs, tactical radios, Scan Eagle, C4I enhancements (air sovereignty operations center, navigation aids, communications equipment and computers) and support for Perry-Class frigates and SH-2G helicopters.

Funding Levels of Major Security Assistance Programs: (in $ million)

	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14
FMS	3,550.	190.	6.88	74.3	189.	79.1	90.1	39.1	64.0	15.8	297.*	500.*
FMF Grant	27.9	33.0	20.0	29.7	28.5	27.0	27.0	46.9	34.0	24.1	20.0*	14.0*
FMF Loan	3,800.	-	-	-	-	-	-	-	-	-	-	-
1206 Funds	-	-	-	-	-	-	-	11.4	2.85	14.3	11.2*	7.00*
IMET	2.2	2.3	2.3	2.1	2.1	2.1	2.2	2.2	2.1	2.2	2.0*	2.0*

° To date
*****Projected

Source: ODC, US Embassy Warsaw

Poland has one of the largest International Military Education and Training (IMET) programs in the United States European Command (EUCOM) and is one of the top 10 worldwide. Poland has already trained a vast number of military and civilian students using IMET, FMS (Foreign Military Sales) and the Regional Defense Counterterrorism Fellowship Program (CTFP). These programs have helped to reform the defense establishments of Poland and have improved Poland's capacity to conduct peace and stability operations.

Sub-Sector Best Prospects

Return to top

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

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

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

Poland’s defense budget is negotiated annually and the budget parameters are set during these negotiations. The Polish government is required by law to hold tenders for major procurements, though there is a national security exception. Financial value, project complexity, international cooperation, and political sensitivity determine the project category. Poland has an offset policy formerly coordinated by the Department of Offset Programs at the Ministry of Economy, however this will change shortly.

On 26 June 2014, the Polish Parliament adopted a new Offset Act, the Act on Certain Agreements Concluded in Connection with Contracts Essential for National Security. The new Offset Act was signed into law by the President of Poland on 7 July 2014 and will come into force 14 days after publication in the Journal of Laws. It is expected that this will happen within the next 2 months. The new law covering the use of offsets in defense acquisition brings the country in line with European Union (EU) military procurement rules.

The new law conforms to the EU legislation under which member states may not conclude offset deals that are a source of general revenue or economic development, but only deals that contribute directly to national security or domestic defense industry sector. Poland's new law therefore shifts responsibility for offset agreements from the Ministry of Economy to the Ministry of National Defense. The new Offset Act eliminates the previous rule requiring the government to conclude offset arrangements for any defense procurement worth more than 5 million euro. Instead the government may conclude offset arrangements that enhance national defense capabilities, regardless of the value of the procurement.

The new Offset Act may be applied only if the specific procurement has been exempted from the Polish Public Procurement Law under Art. 346 of the Treaty on the Functioning of the European Union, according to which “any Member State may take such measures as it considers necessary for the protection of the essential interests of its security which are connected with the production of or trade in arms, munitions and war material; such measures shall not adversely affect the conditions of competition in the internal market regarding products which are not intended for specifically military purposes.” In such case, the procurement is subject to the procedures set forth in Ministry of National Defense Decision No. 118/MON.

Under Art. 34 of the new Offset Act, in the case of offset agreements concluded before the new Offset Act enters into force, the old Offset Act (the Act on Certain Compensating Agreements Concluded in Connection with Supply Agreements for the Needs of Defense and State Security of 10 September 1999) will continue to apply. The old Offset Act will also apply to amendments of offset agreements concluded before the new Offset Act enters into force but amended after the new Offset Act enters into force. The old Offset Act will also apply to procedures for conclusion of an offset agreement commenced before the new Offset Act enters into force. Consequently, the new Offset Act will apply only to offset agreements concluded under proceedings commenced after the new Offset Act enters into force.

Whenever the ministry considers exempting the award of a contract under TFEU (Treaty on the Functioning of the European Union) Article 346 and Public Procurement Law Article 4(5b), which is the first step required for the new Offset Act to be applied, it will have to proceed in accordance with the Regulation of the Council of Ministers of 12

February 2013 on the Procedure for Assessment of the Existence of an Essential Interest of State Security. Under this regulation, exemption of the contract process from the procurement regime must be justified by the contracting authority (the Armaments Inspectorate) by showing:

1. An essential interest of national security justifying exemption of the procurement from the procurement regime under TFEU Art. 346 and the need to assure the security of supply of military equipment or the proper repair and renovation of existing military equipment
2. A causal link between the subject matter of the procurement and the essential interest of national security, describing the influence of the procurement on such national interests, and
3. The effect that the exemption of the procurement from the Public Procurement Law will have on conditions of competition in the internal market for products which are not intended for specifically military purposes.

The contracting authority's application for exemption will be reviewed by the Minister of National Defense.

<u>Source:</u> *Wierzbowski Eversheds legal service.*

Synopsis of information provided at the Defense and Security networking meeting held in Warsaw on 30 June - 1 July, 2014 by the Deutsches Kompensations Forum (DKF) and Wierzbowski Eversheds.

Author: Dr. Piotr Kunicki is an attorney at law on the Public Procurement team at Wierzbowski Eversheds. He specializes in public procurement, commercial law and real estate.

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

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

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

Opportunities

Return to top

The modernization of the Polish army includes the improvement of troop capacity and mobility and air defense systems, as well as the development of a professional army (versus conscription). Poland's military population has already decreased from 450,000 in 1989 to 100,000 at present. Poland's membership in NATO has brought numerous opportunities for U.S. companies in terms of upgrades and adjustment. In addition, Poland became a close U.S. ally in Europe through its support in the international interventions in Iraq and Afghanistan, which also called for upgrades and adjustments in terms of developing a more capable and mobile force compatible with NATO troops.

Poland's military is traditionally land-force heavy. Currently, the Polish military consists of 100,000 soldiers; including 45,870 troops in land forces; 16,547 in the Air Force; 8,063 in the Navy; and 29,520 in other segments, including Reinforcement, Military Police, and the Polish Armed Forces Command.

The Polish Armed Forces "Technical Modernization Plan" involves the purchase of military equipment including:

- Air defense systems
- Helicopters (combat support, security, and VIP);
- Integrated command support and battlefield imaging systems;
- Unmanned reconnaissance systems and reconnaissance-strike systems;
- Individual soldier equipment and weapons;
- Simulators and trainers;
- Air transport;
- Modernization of army missile and artillery;
- Armored transportation carriers;
- Anti-tank missiles;
- Combating risks at sea;
- Trainer aircraft;
- Modernization of Polish Armored Forces and Transportation Troops

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

Web Resources

Return to top

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

The MSPO International Defense Industry Trade Show held in Kielce (south-east Poland). The upcoming show takes place September 1-4, 2014. The MSPO show organizer is Targi Kielce http://www.targikielce.pl/index.html?k=mspo_en&s=index; Contact person: Ms. Katarzyna Prostak, Deputy Director for Trade Fairs and MSPO Project Director prostak.k@targikielce.pl

Other important exhibitions in this sector are:

RADOM AIR SHOW (http://www.airshow.sp.mil.pl/en/general-information/the-history-of-air-show) held biannually in Radom (south-east Poland). The upcoming show takes place in 2015. The organizer of this show is Polish Air Force HQ, Targi Kielce, the city of Radom, and the Polish Aero Club.

BALT-EXPO - International Maritime Exhibition, held biannually in Gdansk (north Poland) http://www.baltexpo.com.pl/. The nearest show will be held September 1-3, 2015. The show organizers is Zarzad Targow Warszawskich SA; E-mail: baltexpo@ztw.pl

BALT-MILITARY-EXPO International Fair for Navy, Border Guards and Police held biannually in Gdansk (north Poland) http://baltmilitary.amberexpo.pl/title,Jezyk,lang,2.html The upcoming show will take place June 2016. The show organizer is Miedzynarodowe Targi Gdanskie S.A.; Contact person: Marek Buczkowski, Project Director; E-mail: military@mtgsa.com.pl

Additional Resources & Contacts:

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

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

Armaments Inspectorate (MOD Procurement Office)
http://www.iu.wp.mil.pl/
Foreign Cooperation Department
iu.ooz@mon.gov.pl

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

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

For more information, please contact:

U.S. Commercial Service
American Embassy Warsaw, Poland

http://export.gov/poland/
Tel: +48 22 625 4374
Fax: +48 22 621 6327
Contact person: Zofia Sobiepanek-Kukuryka, Commercial Specialist
E-mail: zofia.sobiepanek@trade.gov

Information Technology

Overview
Return to top

The Polish Information Technology Market (in $ Millions)

	2012	2013 (Estimated)	2014 (Forecast)	2015 (Forecast)
Total Market Value	8,587	9,164.4	9,024.5	10,041.5
Hardware	3,691	3,817	3,706	4,032
% of the market	43%	41.7%	41.1%	40.2%
Software	1,513	1,649	1,613	1,842
% of the market	17.6%	18%	17.9%	18.3%
Services	3,383	3,699	3,706	4,168
% of the market	39.4%	40.4%	41.1%	41.5%

Source: Business Monitor International; Industry Forecast Report – Poland

The Polish information technology (IT) market is considered one of the fastest growing IT markets in Europe. The forecast for 2014 shows a slight decline in the IT market's value as a result of rapid interest in purchasing tablets instead of more expensive laptops and notebooks. Industry specialists foresee that the 2014 market for hand-held tablet computers will rise by over a dozen percent. The personal computers segment decreased in value in 2013 despite a few large public sector projects. This trend is expected to continue in 2014 and for coming years.

The dominant trends in Poland are technology convergence, digitalization, and the rapidly growing diversity of access to services, the implications of outsourcing and cloud computing as well as growing interest in IT security. These trends directly reflect the new market opportunities for suppliers of products and services.

Public sector projects represent 20% of the total IT projects currently available in Poland. Government expenditures amount to only about 2% of the country's budget, but this amount is supplemented by the European Union funding, which could reach up to 85% of project value. The government's development priorities for the future are contained in the "Digital Poland 2014-2020" strategy. This strategy, adopted in early 2014, has already been allocated $2.3 billion of the EU budget funds. The program will support activities ensuring common broadband internet access, actions against digital exclusion and improving e-government services.

The energy industry, along with the financial and banking and telecommunications sectors, represent almost half (46%) of the business expenditures on IT. With the saturation of larger IT users, small- to medium-sized companies have become major clients for the vendors, purchasing more advanced computer equipment and investing into enterprise software. Individual buyers tend to purchase low-end equipment.

Sub-Sector Best Prospects
Return to top

Best prospects for American suppliers exist in all segments of the IT market and include all kinds of specialized software for vertical markets, internet, and e-commerce solutions, especially in the IT security area. Good prospects also include networking equipment and computers, storage systems, components, and peripherals. Systems that address cyber security requirements will be in demand.

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

Opportunities Return to top

Public sector IT development projects are coordinated by the Ministry of Administration and Digitization. The EU allocated $2.3 billion for the implementation of the Digital Poland Operation Plan for 2014-2020. The project opportunities include investments in broadband internet, the future development of e-administration and open government, as well as training and other activities aimed at increasing digital competences of the Polish society. Please see https://mac.gov.pl/en/the-areas-of-our-activity

The implementation of smart meters by energy distribution companies are seen as one of the major opportunities in the private sector.

Web Resources Return to top

CS Warsaw recommends European regional shows in lieu of local events: CeBIT, March 16-20, 2015, Hannover, Germany: http://www.cebit.de/home

Audio/Visual Products:
Integrated Systems Europe (ISE), February 10-12, 2015, Amsterdam, the Netherlands
http://www.iseurope.org/kcms/home.php

Security Products:
Infosecurity Europe, June 2-4, 2015, London, United Kingdom http://www.infosec.co.uk/

Contacts for Marketing and Advertisement

IDG Polska publishes Polish editions of ComputerWorld, PC World, NetWorld, CIO, Internet Standard and Top 200 IT computer rankings (printed and on-line).
http://www.idg.com.pl/

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

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

Elektronik – professional electronic magazine (printed and on-line)
www.elektronikab2b.pl

Commercial Specialist
at the U.S. Commercial Service Warsaw, Poland:
Maria.Kowalska@mail.doc.gov

Electrical Power Systems

Overview

Return to top

	2011	2012	2013
Total Market Size	1.380	1.220	1.553
Total Local Production	1.300	1.355	1.520
Total Exports	835	832	1.003
Total Imports	915	697	1.036
Imports from the U.S.	33.5	47.5	91.3

In USD million

Source of export/import statistics: Global Trade Atlas GTA
Source of local production statistics: Prodcom data (Eurostat)

The statistical export/import data include the following HS product categories (the production data includes Prodcom corresponding categories):

8401 Nuclear reactors and parts
8402 Steam and other vapor generating boilers and parts
8403 Central heating boilers
8404 Auxiliary plant for use with boilers
840681 Steam turbines and other vapor turbines of an output exceeding 40 MW
840682 Steam turbines and other vapor turbines of an output not exc. 40MW
840690 Parts of steam and vapor turbines
840790 Spark-ignition engines, type n.e.s (without position 8407.9050)
84089085 Compressing-ignition internal combustion piston engines (diesel or semi-diesel) exceeding 1000 kW but <5000 kW
84089089 Compressing-ignition internal combustion piston engines (diesel or semi-diesel) exceeding 5000 kW (excl. engines for rail traction or marine)
84089099 Compressing-ignition internal combustion piston engines (diesel or semi-diesel) exceeding 5000 kW (excl. engines for motor vehicle)
8410 Hydraulic turbines, water wheels and regulators therefore; parts thereof;
841182 Gas turbines of a power exceeding 5,000 kW
841199 Parts of gas turbines n.e.s.
84138100 Other pumps for liquids, n.e.s. (turbine pumps)
8502 Electric generating sets and rotary convertors
850434 Electric transformers having a power handling capacity exceeding 500 KVA
85372000 Boards, panels for electric control or distribution of electricity for a voltage exceeding 1,000 V

The value of the electrical power systems market in Poland is fairly significant and exceeded $ 1.5 billion in 2013. With a domestic production of the same value, the local market is still 70% supplied by imported products since the majority of electrical power machinery and equipment produced in Poland is exported.

Production of machinery and equipment for the electrical power industry is well developed in Poland. In addition to Polish brands, leading European producers ABB and Alstom have made significant equity investments in Poland and developed production capacity with local manufacturing. Alstom's Elblag factory is involved in the production of steam turbines and medium power gas turbines and parts, while their Wrocław factory produces generators of 100 – 1400 MW power for conventional and nuclear applications, and large turbo-generators for commercial and industrial power plants. ABB Łódź is involved in production of a wide range of power system transformers of up to 1200 kV for electricity transmission and distribution (including high efficient amorphous core distribution transformers); ABB Aleksandrow Lodzki produces electrical engines and wind converters for wind farms, ABB Pszasnysz produces high, medium and low voltage electric generator sets and apparatus, ABB Wrocław manufactures low voltage switchgear systems. Poland has become a key sourcing country for ABB and Alstom, with the majority (90% for Alstom and 50% for ABB) of their Polish production exported worldwide.

Production of energy boilers is also well developed, with major manufacturers including: Rafako (coal, lignite, gas and oil fired conventional boilers, fluidized bed boilers, heat recovery steam boilers and parts), Foster Wheeler Energia Polska (industrial boilers, mainly circulating fluidized-bed boilers CFB and parts) and Sefako (water-tube and steam boilers, and parts). Production of electric power transformers, generating sets, rotary convertors, turbine parts, boards and panels for electric control or distribution is also performed by many medium and small-sized companies. Power sector engineering and servicing companies are well represented in the market.

Seventy percent of Poland's 2013 production was exported ($ 1 billion) worldwide. The scope of Poland's export of electrical power systems is diversified and depends on product category, with Germany, Italy, Great Britain, Finland, Romania, and Russia in the lead. The major export product categories in 2013 were: central heating boilers ($ 297 million), steam turbine parts ($ 178 million), steam boilers and parts ($ 155 million), and electric generating sets and rotary convertors ($ 126 million). Total import of electrical power systems equipment in 2013 reached over USD 1 billion, which was a 48% increase in comparison with 2012. Poland's import products were: generator sets ($ 307 million imported mainly from Spain, Germany, and Sweden), central heating boilers and parts ($ 216 million Germany, Italy, and Slovakia), and parts of gas turbines ($ 138 million USA, Germany, and Italy). Many international power companies have experienced successful sales in Poland.

Total U.S. imports were $ 91.3 million, an increase of 90% in comparison to 2012 . The United States is the leading source country for Poland's importation of parts for gas turbines ($ 43.5 million), gas turbines of power exceeding 5,000 Kw ($ 18 million), and spark ignition engines ($ 12.4 million). The Polish market presents significant sales opportunities for U.S. companies that manufacture electrical power equipment, as Polish companies are familiar with and receptive to U.S. products in the power sector.

Sub-Sector Best Prospects Return to top

Products and services for grid measuring, diagnostics, automation (Smart Grid products)
Steam generators of supercritical parameters
Turbine pumps

Opportunities
Return to top

The Polish electrical power generation system of 37 GW installed capacity is the largest in Central and Eastern Europe. Almost 90 percent of Poland's electricity is produced by hard and brown coal power plants. The majority of these power plants were built between1960-1980, and after 40-50 years of operation they are becoming worn-out and inefficient. In addition, they do not meet current strict and binding EU environmental requirements for greenhouse gas emissions reduction and promotion of renewable energy sources. For these reasons, some 7 GW of old Polish coal-fired power plants will be detached from the system by 2020 and another 4 GW are planned for deep modernization. Currently, there are four large and several small power generation projects under construction of 4000 MW total power and $ 7 billion value. Power generation projects $ 10 billion worth are in the final tendering stage, and others worth $ 20 billion are in the initial tendering stage, including nuclear power plants. The Polish government program being implemented by the state-owned power concern PGE, envisages construction of two nuclear power plants of 3,000 MW each by 2035, with the first power block to be in commercial operation by the end of 2024.

This new generation capacity requires the development of transmission and distribution networks. Poland's aging electricity distribution and transmission system generates energy losses of 9.36%, and is in need of upgrades and modernization. Expanding and modernizing the electricity grid is a key element of Poland's efforts to meet the EU goals of increasing renewable energy sources, improving energy efficiency, and better integrating the European transmission networks. Poland is building interconnections with Lithuania and upgrading connections with Germany. Investments undertaken by Polish Transmission System Operator (TSO) and five Distribution System Operators (DSOs) in the area of grid expansion and upgrade are estimated at $ 14 billion by 2019.

Development of smart grid technologies in the area of grid measuring, diagnostics and automation is well advanced in Poland. A special task force group was established by the Ministry of Economy to introduce a smart power grid infrastructure and technologies to Poland. The group has prepared economic analysis of the introduction and foundations of smart power grid technology for the required legislation. The EU directive requires development of Advanced Metering Infrastructure (AMI)and installation of smart meters for 80% of consumers by 2020. It would require installation in Poland of sixteen million smart meters at the cost estimated of $ 2.3 billion. Poland has not yet committed to this requirement by putting in place legal provisions for the mandatory installation of smart meters by DOSs. However, Polish DSOs have started to organize tenders for AMI supply, with about 400,000 smart meters already installed, and another 900,000 to be contracted this year.

Poland is obliged by EU directive to improve energy efficiency by 20% in 2020. The system of White Certificates that awards energy efficiency investments and undertakings is an instrument for increasing energy efficiency in Poland. The system is obligatory for utilities selling electricity to end-users. The catalog of products/undertakings qualified for White Certificates is included in the Energy Efficiency Law.

Web Resources
Return to top

Ministry of Economy
www.mg.gov.pl

Energy Regulatory Agency
www.ure.gov.pl

Energy Market Agency
www.are.waw.pl

Polish Committee of Electric Energy
www.pkee.pl

Association of Polish Power Plants
www.tgpe.pl

Polish Association of Professional Combined Heat and Power Plants
www.ptez.com.pl

Polish Power Transmission and Distribution Association
www.ptpiree.pl

Chamber of Industrial Power Plants and Energy Suppliers
www.iep.org.pl

Polish Chamber of Power Industry and Environmental Protection
http://igeos.prv.pl

Chamber of Polish Heating Companies
www.igcp.org.pl

Association of Energy Trading
www.toe.pl

Major trade fairs in electrical power sector:

International Power Industry Exhibition Expopower
www.expopower.pl

Energetab
http://www.energetab.pl/

ENEX
http://www.targikielce.pl/index.html?k=enex_en&s=index

Commercial Specialist
at the U.S. Commercial Service Warsaw, Poland:
Aleksandra.Prus@mail.doc.gov

Green Building Products and Technologies

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

Overview

Return to top

The residential and tertiary sector, a major part of which includes buildings, accounts for more than 40% of the final energy consumption in the European Community. This sector continues to expand, resulting in an increase in energy consumption and the subsequent carbon dioxide emissions. Poland remains, however, below the average energy consumption in Europe. The majority (75%) of the energy consumed in Poland goes to the housing sector. There are 13 million apartments within residential buildings, (including single and multi-family houses) in Poland. Over 8.7 million of these apartments are in the cities. Only 1/5 of all of the housing was built after 1990. Every year, approx. 180,000 new apartments are put into operation. The average floor surface of a Polish apartment is 229 square feet. In 2007, the average energy use by a Polish apartment amounted to 59GJ. Heating consumes 71.2% of all energy use and includes hot water, cooking, lighting, and electrical appliances. Heat energy in Polish housing is usually sourced from either a central heating network or locally based boilers, mainly fueled by coal, gas or oil. The estimated average energy consumption in new and old buildings in Poland is 170kWh/m^2/year, which is much higher than the rest of Europe. The average EU consumption is 150kWh/m^2/year, although countries like Holland and Norway rank even lower, closer to levels of 90 – 110 kWh/m^2/year.

Despite the high average energy consumption in Poland, the state has taken steps to decrease the average heat energy consumption. Within the last 10 years, Poland reduced its building energy consumption by 50%, thereby making the country a leader in energy efficiency efforts. In 1998, Poland enacted a thermo-modernization law, which allowed building owners to apply for a refund of up to 16% of the total project cost. Thousands of windows, doors, roofs, wall insulation, or boilers were exchanged with the introduction of this law. Starting in 1999 up to the end of 2013, BGK, the state-owned bank responsible for the distribution of the Thermo-modernization Fund, paid out 31,360 premiums. The total amount of capital invested so far into this fund exceeded $520 million, averaging approximately $16,000 each.

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

The Polish commercial office building market began to develop early in the 1990's. Before then, offices were located in apartment houses or old office buildings. Currently, new Class A and B office buildings dominate the market. Poland has over 5 million square meters of modern office space, with over 3 million square meters in Warsaw. In 2013, developers in Warsaw applied for 17 sustainable building certificates for a new

400,000 square meters of office space. Governmental and administrative buildings remain outdated, although intense focus is increasingly being given towards energy savings and thermo-modernization in this sector as well.

Similar to the development of the office building market, commercial estates also began to appear in Poland during the 1990s. All of the offered space is modern and built according to the best European standards. By the end of 2013, Poland had 9.84 million square meters of modern commercial space available within 416 shopping malls. Development trends within this particular area are very positive, as Poland has a large growth curve, thanks to demographics, sustained economic growth, and an increasing purchasing power of Poles. By the end of 2013, an additional 700,000 square meters of commercial space was under construction in Polish cities both big and small.

The basic tool Poland uses to promote energy - efficient and sustainable buildings is the system of energy certificates introduced into Polish law from the EU 2002/91 Directive on the Energy Performance of Buildings. This Directive is the main legislative instrument at the EU level to achieve energy performance in buildings. Current binding Polish law is very liberal in terms of the recommended amount of energy consumption in buildings, which amounts to 120kWh/m^2/year. In other European Union countries, this value is much lower, reaching even 70kWh/m^2/year in Sweden. When implementing the EU recommendations written in the Recast of this Directive, the Polish government will have to toughen the regulations. Currently, the government is working on the new energy certificates system, which will definitely be less liberal than the current binding one.

Sub-Sector Best Prospects Return to top

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

- HVAC, including air conditioners with cooling capacity of 470-1750 kW
- CO_2 and air contamination HVAC sensors
- High - efficiency heating pumps integrated with solar panels and other innovative RE systems
- Roof reflective membranes to reduce air conditioning needs
- Solar photovoltaic panels (PV) integrated into the building facade
- Small wind turbines for application in multi-family houses
- Ventilation and heat recovery systems
- High-tech biomass boilers
- Innovative insulation materials and glass
- Energy efficient appliances
- Energy rating services, such as RESNET system
- Smart meters and software to modulate electrical power use
- Scientific and research measurement equipment for energy and emissions testing

Opportunities Return to top

Members of the Polish Construction and Real Estate Confederation think that the development of sustainable construction on a massive scale is not only possible but also very profitable.

The market will be driven more intensely when all the regulations for the recast of the Energy Performance of Buildings Directive (2002/91/EC) is implemented. That will force member states to introduce regulations for new buildings built after December 2020 that will require new buildings to have “near zero emission”. Currently, governments work on a definition of “near” that will also to consider criteria of economic cost-effectiveness. In the case of Poland, this “near” will mean an energy demand on a level of 50kWh/square meter/year that will be 2.5 – 3 times less than in buildings currently in operation. Another factor positively driving the market is the EU Commission decision about the allocation of funds within the new financial perspective (2014-2020). For the first time, energy efficiency is specified as a target for all EU member states in the new perspective.

Web Resources Return to top

Instytut Technik Budowlanych
Building Research Institute
http://www.itb.pl/
instytut@itb.pl

Krajowa Agencja Poszanowania Energii S.A.
Polish National Energy Conservation Agency
http://www.kape.gov.pl
kape@kape.gov.pl

Narodowa Agencja Poszanowania Energii S.A.
National Energy Conservation Agency
http://www.nape.pl
nape@nape.pl

Polish Green Building Council PLGBC
http://www.plgbc.org
Contact: Ms. Agnes Vorbrodt-Schurma, President
agnes@plgbc.org

Fundacja Budownictwa Energo-oszczednego “Zielone Domy”
Foundation for Energy Saving Construction “Green Houses”
http://www.fundacjazielonedomy.pl/
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Waste Management

Overview

Return to top

Poland produces approximately 12 million tons of municipal waste annually. If that were expressed in energy, it would translate to1.4TWh of electricity – 1% of Poland's annual production, or 21PJ of heat – 6% of Poland's annual production. When Poland ratified the EU accession treaty in 2003, it obligated itself to reduce the amount of landfilled waste by 50% by the year 2013. The result is that, beginning in 2013, Poland is only allowed to landfill biodegradable waste. The 50% reduction is to be achieved through recycling of glass, plastics and paper, with non-recyclable materials to be processed either with biological or thermal methods. The requirement will become even more stringent after 2020, when Poland will be allowed to landfill only 35% of biodegradable waste, or only 1.5 million tons per year. Poland has not yet been able to comply with this target, therefore the EU Commission has already started to calculate a € 40,000 per day fine.

Regulations that began on January 1st, 2012, made the municipalities the owners of the waste generated by their citizens. Local governments are responsible for organizing collection and sorting waste. Citizens are required to pay the municipality for waste management service, and the municipality hires the companies that will collect waste from a particular area.The new regulation should significantly limit the urgent problem of unauthorized landfills and illegal waste dumping in Poland.

Municipal waste generation in Poland is far behind the average of other European Union countries. The average Pole produces around 350 kg of waste per year, while the average Western European citizen generates 700-800kg. Currently, 86% of waste is deposited at ca. 800 landfills. In comparison, Western European countries deposit on average 47% of waste in landfills. Poland lags in recycling and recovering waste with only 8% composted, 18% recycled and only 0.4% thermally treated. Poland has only one waste-to-energy facility with a 40K tons/year capacity.

In order to comply with the European Union requirements, Poland will have to reach 55% waste recycling by 2015. To do this, Poland will have to introduce thermal utilization of waste and energy recovery. Currently, 6 projects are under construction or being planned for completion in 2015 and 2016. All of them have received European Union co-financing. These projects are: Bialystok of 120K tons/year capacity, Bydgoszcz &Torun – 180K tons, Konin – 94K tons, Krakow – 220K tons, Poznan – 240K tons, and Szczecin – 150K tons. The total value of these projects amount to $ 1 billion, 57% of which will be covered by EU funds.

Poznan is building its facility in a public-private partnership. The facility is to be fully operational in 2016 and will process 210,000 tons of waste per year. The total investment cost is estimated at $ 242 million, of which $ 117.3 million is a grant from the EU. The city of Poznan and its private partner, the company Sita Green Energy, acquired the final construction permit for the installation of municipal waste incineration and started the construction in April 2014. Sita Green Energy designed it, will build it, and operate the facility for 25 years.

Some cities plan to finance the plants with EU funds and some of them will use the funds for other parts of the project (education, collection systems, etc.) and will look for private partners to build and run the plant, as was done by the city of Poznan. The new EU financial assistance package for 2014 – 2020, opens new perspectives for Silesian agglomeration, Lower Silesia, Tri-City, Warsaw, Olsztyn, Lodz, the Mazovian district, the Sub-Carpathian region, and the Lublin region.

In accordance with the National Waste Management Program assessments, there is a potential for at least six new waste-to-energy facilities. Each waste incineration plant will recover both energy and heat that can be classified as green energy eligible for green certification. The amount of produced waste means a few dozen such facilities with smaller capacities are needed. The currently planned facilities will have a capacity of 1 million tons, but that is only 50% of the needs in 2014. It is estimated that 4-5 million tons of waste could be used as fuel.

Sub-Sector Best Prospects Return to top

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

Opportunities Return to top

Municipal waste:
As of June 2010, the ordinance which qualifies 42% of the energy recovered from waste as a renewable energy is in effect. Waste thermal utilization facilities are of significant potential for the production of energy and heat. Thus, when the waste-to-energy facilities become operational, they will significantly contribute to Poland's compliance with the EU requirements in terms of the amount of energy produced from renewable energy sources (RES).

Poland's plans for increasing the number of waste-to-energy facilities offer significant opportunities for the newest technology suppliers. Suppliers should be aware that both the Ministry of Environment and Treasury strongly support Public Private Partnerships for waste-to-energy projects and will seek firms who can offer this type of partnership. Between 2016 and 2020, there are dozens of projects to be accomplished. These projected facilities are expected to handle up to two million tons of waste. However, experts estimate that Poland needs waste-to-energy facilities with 4-5 million tons/year capacities in order to comply with the European Union requirements and standards.

For the years 2016 – 2020, waste-to-energy facilities are projected in the following cities: Silesian agglomeration, Lower Silesia, Tri-City, Warsaw, Olsztyn, Lodz, the Mazovian district, the Sub-Carpathian region, and the Lublin region. Among these projects, the most urgent is the extension of the Warsaw facility that is planned for 350K tons/year of capacity. The city of Warsaw will also look for an international PPP partner for this expansion.

Sludge:
Poland produces over 700K tons of dry sludge per year. The EU Commission imposed an obligation in accordance to which Poland is not be permitted to landfill sludge as of the beginning of January 1, 2013. Also, according to the National Plan for Waste

Management by 2018, 60% of sludge is to be treated by thermal methods. Currently, only 35% is processed this way. Cities of Warsaw, Łódź, Krakow, Gdansk, Poznan, and Szczecin have limited capacities to dry and incinerate sludge. Poland has practically no experience in using drying and incineration methods. High-tech sludge processing technologies will be in high demand in the near future. The currently operational capacity does not allow Poland to comply with the requirement. It is important that Polish regulations qualify dried sludge as RES.

Web Resources

Return to top

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

Ministry of Economy
http://www.mg.gov.pl/English

National Board of Waste Management
http://www.kigo.pl

Waste Management Companies Directors' National Forum
http://www.forum-dyrektorow.pl/

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

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

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Cosmetics

Overview

Return to top

	2011	2012	2013
Total Market Size	3,250	3,392	3,593 (E)
Total Local Production	4,338	4,470	4,800 (E)
Total Exports	2,618	2,643	2,816
Total Imports	1,530	1,565	1,609
Imports from the U.S.	26,3	32,4	35,0

In USD million
(E) - Estimation

SOURCES:
Chief Statistical Office of Poland (GUS) - Yearbook 2011, 2012, 2013
www.money.pl
www.nbp.pl

The statistical data includes the following product categories:

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

The Polish cosmetic market is growing by 4 - 5 % annually. In 2012, the Polish cosmetic market was worth $ 3.39 billion, a 4.4% increase over 2011. Estimates for 2013 are $ 3.59 billion, a 5.5% increase over 2012.

In 2013, cosmetic imports to Poland were valued at USD 1.6 billion, a 2.8% increase over 2012. The largest suppliers were Germany (32 %), France (12%), Great Britain and Italy (9% each), the Netherlands and Spain (5% each). In 2013, the U.S. exports of cosmetics to Poland equaled $ 35 million (2%) and remain at the 2012 level.

Total 2013 imports into Poland and market share by product categories:

HS 3303 perfumes and toilet waters	(20.3% - $ 327.0 million)
HS 3304 beauty and make-up preparations	(35.8% - $ 577,1 million)
HS 3305 hair care products	(14.9% - $ 240,7 million)
HS 3306 oral hygiene products	(9% - $ 146,0 million)
HS 3307 deodorant and shaving preparations	(19.7% - $ 318,1 million)

Poland's 2013 cosmetic exports totaled $ 2.81 billion, a 6.5% increase over 2012. The top purchasers of locally produced cosmetics were Russia (13.8%), Germany (12.1%), Great Britain (11.4%), Romania (5.8%), Ukraine (5.2%) and Czech Republic, Hungary, Spain and Italy (about 4.5% each).

The estimated total value of local cosmetics production in 2013 was $ 4.8 billion and grew by 7.5% over 2012.

Cosmetic products do not require a CE mark for the EU market. Based on the TARIC Database, a website maintained by the European Commission (EC), U.S. - made cosmetics are imported at a duty rate of 0%. Excise tax does not apply to cosmetics. VAT is 23%.

Sub-Sector Best Prospects

Return to top

The greatest sales potential over the next several years is expected in the following areas:

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

The cosmetics market for the mature adult female is growing fast. For this market segment, properties that address age and skin type are the main criteria when choosing products. There is also an increasing interest for male products. Polish men, especially in the younger generation, have become more interested in spending discretionary income on cosmetic products. Derma-cosmetics represent one of the most rapidly developing sectors in Poland. Facial care cosmetics (anti-aging, cleansing and anti-acne preparations) make up the largest category of the derma-cosmetics market in Poland.

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

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

The above-listed sales potential is a direct result of the improvement of Poles' financial capabilities and their growing sophistication about body condition. Poles are expected to spend a steadily increasing amount for updating their appearance. Perhaps more in Poland than elsewhere, Poles desire a well-shaped and healthy body, as well as a neat appearance in both their private and professional life and are willing to spend discretionary funds to achieve this.

Opportunities Return to top

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

The key competitive factors for selling cosmetics in Poland are price, quality, and brand recognition, and the reputation of the firm and its products. Also important are packaging, advertising, easy application of cosmetics, and effectiveness. In Poland, cosmetics are sold by store consultant staff, even outside of the traditional department store setting. Well-presented information about the products by highly knowledgeable store associates can positively affect market share and sales potential. Despite the strong position of European suppliers, there are still excellent prospects for American products, which are regarded as of the highest quality.

Cosmetics Regulation

On July 11, 2013, the EU Cosmetics Regulation entered into effect replacing the EU Cosmetics Directive, which had been in place since the 1970s. The new law introduces an EU-wide system for the notification of cosmetic products, the regulatory process required to place a cosmetic product on the EU market, including labeling requirements and a requirement that companies without a physical presence in the EU appoint responsible EU-based person.

In addition, on March 11, 2013, the EU imposed a ban on the placement on the market of cosmetics products that contain ingredients that have been subject to animal testing. This ban does not apply retroactively but does capture new ingredients. Of note, in March 2013, the Commission published a Communication stating that this ban would not apply to ingredients where safety data was obtained from testing required under other EU legislation that did not have a cosmetic purpose. For more information on animal testing, see: http://ec.europa.eu/consumers/sectors/cosmetics/animal-testing

Web Resources Return to top

Major Internet Resources:

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

Polish Association of Cosmetics and Home Care products Producers, http://czystepiekno.pl/
Polish Spa & Wellness Association, http://www.spawellness.org.pl

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

Upcoming Trade Shows:

BEAUTY FORUM & SPA (Cosmetics Fair for Professionals), September 28 – 29, 2014, Warsaw, http://www.beauty-fairs.com.pl
SPA & WELLNESS, November 5 – 7, 2014, Krakow, http://targi.krakow.pl
VENUS (Aesthetic Medicine, Cosmetics, Hairdressing Equipment), November 15 – 16, 2014, Kielce, http://venus.targikielce.pl/
LOOK (Hairdressing Forum), April 2015, Poznan, http://look.mtp.pl/en/
Beauty Vision (Cosmetics Forum), April 2015, Poznan, http://beautyvision.mtp.pl/en/

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Intelligent Transport Systems

Overview

Return to top

Intelligent Transport Systems (ITS) is a broad-based term that describes a wide range of communication and computer technologies used to improve a variety of transportation systems. The introduction of ITS in Poland is moving the country towards a computer-coordinated transportation system that could improve every means of transportation - from trains, planes, motorized vehicles, like cars and buses, to even bike traffic.

These improvements make transportation more convenient and efficient, but they also increase safety. Improvements in traffic management by the use of driver-assistance technologies and navigation aids; freight management dispatch systems, information for multi-modal transport users to streamline the amount of traffic on the highway; rescue systems and environmental management all provide significant reductions in total transportation traffic, thereby reducing related costs and travel time, while increasing safety.

Until recently, Intelligent Transport Systems were uncommon in Poland. However, a limited number of projects have now been completed, indicating a trend and growing awareness of the benefits of ITS. The most significant ITS projects to date are the Warsaw System for Tram Monitoring SNRT2000 and the paid parking zone in Warsaw. In Gdansk-Gdynia-Sopot, the Municipal Intelligent Transportation System known as TRISTAR enables traffic to be controlled automatically throughout the Tri-City (Gdańsk, Sopot, and Gdynia) area supporting the optimal use of road infrastructure and reduces the negative impact of road traffic on the environment. The region of Podhale (which includes the city of Krakow) installed a similar ITS system based on networks of specialist devices, such as road-traffic intensity monitoring stations, weather and road surface condition monitoring and warning stations, video surveillance stations, as well as traffic message boards. The A4 highway also uses a Variable Message Signs System on the national highway and a toll collection system, ViaTOLL, is being installed on Polish highways.

The majority of the projects are coordinated on a local level (like municipal intelligent transportation systems, or local parking), but some have a regional or a national scope.

The total value of the planned ITS projects in Poland is difficult to estimate, but they may easily reach well over $ 1 billion in the next five years. For example, a project for a municipal Intelligent Transport Management System in Katowice was estimated at $ 55 million.

Sub-Sector Best Prospects

Return to top

Approximately 40% of the budget for ITS projects is allocated to purchases of components, such as cameras, electronic signs, or detectors.

Many projects are or will be co-financed by EU funds.

Opportunities

Return to top

A detailed report on opportunities in this sector is presented on the following web page: http://ec.europa.eu/transport/themes/its/road/action_plan/doc/2012-poland-its-5-year-plan-2012_en.pdf

The Polish National Directorate for Roads and Highways (GDDKiA) is responsible for the biggest project in the ITS area – the National Traffic Management System, based on the European Framework Architecture FRAME. See the description of the project on the web page of GDDKiA: http://www.kszr.gddkia.gov.pl/index.php/en/
The value of this project is estimated at $ 250 million.

At the 2013 ITS Poland Congress, the following problems were discussed as best opportunities in Poland: systems for managing traffic on urban and non-urban roads, public transport management systems, rail transport management systems, traffic detection systems, traffic control systems (the speed and weight of vehicles etc.), parking systems, mobile transport technologies, passenger information systems, public transport fare collection systems, interoperability, intermodality and standardization, as well as legal, economic and financial aspects.

Web Resources Return to top

ITS Polska
http://www.itspolska.pl/index.php?lang=en

Ministry of Infrastructure and Development
http://www.mir.gov.pl/english/Strony/main_mrr_eng.aspx

General Directorate of Roads and Highways
http://www.gddkia.gov.pl/en/1618/News

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Agricultural Sectors
Return to top

Overview
Return to top

U.S. exports of agricultural products to Poland continue to increase and reached a record level of over $527 million in 2013, as compared with $314 million in 2012. Imports of feed to the agricultural sector, food ingredient exports destined for the hotel/restaurant/food processing sector, and high-value and consumer-ready products for the retail and food processing sectors remained strong.

The Agricultural Affairs Office routinely receives inquiries from local food importers seeking to expand their range of U.S. food products. Best prospects for U.S. agricultural products include feed ingredients, such as soybean meal, and consumer-oriented products, such as wine, tree nuts (almonds), seafood (salmon), processed fruit (dry cranberries and prunes) and hardwood lumber.

BEST PROSPECTS FOR AGRICULTURAL PRODUCTS IN POLAND

Note: All figures are in thousands of U.S. dollars, unless otherwise stated.
Data Source: Global Agricultural Trade System (GATS). The version of GATS –Polish Customs Databased used tracks reported intra-EU transshipments.

Soybean Meal
Return to top

Soybean meal was traditionally sourced from the United States until the last decade, when the price competitiveness of South American meal emerged. Poland imports around 2 million metric tons of soybean meal every season. In 2007, Poland sourced 89% of its soybean meal from Argentina, and zero from the United States. In 2013, the U.S. share increased to 20 percent from 6.3 percent in the last year. In the first half of 2013, Polish importers resumed purchases from the U.S. due to shortages of supply in South American countries after the poor harvest in 2012. For 2014, it is expected that Poland will turn to South American sources for the bulk of their needs, due to price.

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

	2011	2012	2013	2014 (f)
Total Imports	810,439	1,011,946	1,050,180	1,100,000
Total Imports from U.S.	32,819	66,138	209,225	100,000

Wine
Return to top

Poland is a leading importer of wine in Central Europe. Italy, France, and Spain are the leading suppliers with a combined import market share of nearly 60 percent. The U.S., together with other “new-world” wines, has developed an increasingly good reputation for quality on the Polish market.

Commodity Group: Wine
Harmonized Schedule Code(s): HS2204
Value in US$1,000

	2011	2012	2013	2014 (f)
Total Imports	224,602	224,300	249,939	255,000
Total Imports from U.S.	30,974	27,711	28,831	29,000

Tree Nuts – Almonds Return to top

Tree nuts sourced from the United States consist primarily of almonds. Almonds are becoming an increasingly popular ingredient in the confectionary, home baking and snack industries. The leading competitor for the United States on the Polish market is Spain.

Commodity Group: Tree Nuts
Harmonized Schedule Code(s): HS 080212
Value in US$1,000

	2011	2012	2013	2014 (f)
Total Imports	27,844	30,632	43,037	45,000
Total Imports from U.S.	11,745	13,379	16,756	17,000

Salmon Return to top

The consumption of seafood in Poland continues to increase. Data for 2013 indicates strong continued interest in the U.S. product. Given its strengthening currency, Poland will likely remain a growing market for salmon (Sockeye Salmon/Red Salmon) and other seafood, specifically herring and mackerel.

Commodity Group: Salmon
Harmonized Schedule Code(s): HS030481
Value in US$1,000

	2011	2012	2013	2014(f)
Total Imports	n/a	36,113	76,218	80,000
Total Imports from U.S.	n/a	830	15,870	20,000

Processed Fruit Return to top

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

Commodity Group: Processed Fruit

Harmonized Schedule Code(s): HS 200860, 20089949, 20089985, 081320
Value in US$1,000

	2011	2012	2013	2014 (f)
Total Imports	236,964	240,993	281,857	285,000
Total Imports from U.S.	14,440	10,827	15,085	16,000

Bovine semen Return to top

There continues to be strong interest in U.S. bovine genetics in Poland. U.S. bovine genetics, primarily dairy, have garnered the strongest interest as reflected in the unprecedented growth in demand, which was recorded following Poland's EU accession in 2004. In 2013, imported bovine semen to Poland amounted to $6.9 million or almost 1.6 million doses of semen every year (a 22% increase compared to the previous year). The value of imported U.S. bovine semen in 2013 amounted to $1.4 million, 40% higher than a year ago.

Commodity Group: Animal Genetics
Harmonized Schedule Code(s): **HS** 051110
Value in US$1,000

	2011	2012	2013	2014(f)
Total Imports	4,583	5,647	6,896	7,500
Total Imports from U.S.	779	996	1,378	1,800

Hardwood Lumber Return to top

The housing market is recovering following a slowdown during the 2008-10 period, creating new opportunities for wood products in the local market.

Commodity Group: Wood Sown or Chipped Lengthwise
Harmonized Schedule Code(s): HS 4407
Value in US$1,000

	2011	2012	2013	2014 (f)
Total Imports	342,429	280,976	283,168	285,000
Total Imports from U.S.	2,624	1,799	2,272	2,500

Commodity Group: Veneer Sheets
Harmonized Schedule Code(s): HS 4408
Value in US$1,000

	2011	2012	2013	2014 (f)
Total Imports	72,723	59,547	61,874	63,000
Total Imports from U.S.	3,951	1,981	2,715	3,000

Commodity Group: Wood Continuously Shaped
Harmonized Schedule Code(s): HS 4409
Value in US$1,000

	2011	2012	2013	2014 (f)
Total Imports	62,007	57,539	50,172	55,000
Total Imports from U.S.	350	205	309	340

Web Resources: Return to top

Agricultural Reports
Attaché Reports

Attaché reports provide information on market opportunities, crop conditions, new policy developments and information on the local food industry. Some standard reports include: Retail Market Report, Exporter Guide, Food Service Report, and market briefs on select products. Attaché reports can be found at: http://www.fas.usda.gov/scriptsw/attacherep/default.asp. In recent years, many of the reports have been consolidated and are submitted as EU reports. We recommend that companies interested in the market covered by our Post also review the EU-28 reports.

Trade Data:

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

Return to table of contents

Return to table of contents

Chapter 5: Trade Regulations, Customs and Standards

Import Tariffs Return to top

Upon its accession to the European Union on May 1, 2004, Poland became part of the EU customs union. This means that the same import duty rates are applicable in all member states. Tariff rates are contained in the European Union's Common External Tariff. Information on customs duty rates is available from the Integrated Tariff of the European Community (TARIC) database. U.S. exporters seeking to enter the Polish market can obtain useful information from the Office of European Union and Regional Affairs at the U.S. Department of Commerce.

Key Link:
http://ec.europa.eu/taxation_customs/customs/customs_duties/tariff_aspects/customs_tariff

Trade Barriers Return to top

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

There are certain licensing requirements, not related to commercial policy, for trading in dual-use (i.e. both civil and military use) goods and technologies, in certain chemicals, particularly narcotic drugs and psychotropic' s, or in cultural goods. Separate arrangements are applied to trade in certain agricultural products under the European Union's Common Agricultural Policy (CAP), including export/import licensing, quantitative restrictions, export refunds or preferential tariff arrangements. In Poland, licenses and permits for trading in goods that require such licenses or permits are issued by the Minister of Economy and, in the case of agricultural products, by the Agricultural Market Agency. For information on existing trade barriers, please see the 2014 National Trade Estimate Report (NTE) and Technical Barriers to Trade (TBT), published by USTR and available through the following website:

http://www.ustr.gov/about-us/press-office/reports-and-publications/2014

Information on agricultural trade barriers can also be found at the following website:

http://www.usda-eu.org/

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

http://export.gov/europeanunion/

Import Requirements and Documentation Return to top

The TARIC (Tarif Intégré de la Communauté), described above, is available to help determine if a license is required for a particular product.

Many EU member states maintain their own list of goods subject to import licensing. Poland's "Import List" includes goods for which licenses are required, their code numbers, any applicable restrictions, and the agency that will issue the relevant license. The Import List also indicates whether the license is required under Polish or EU law. The relevant bodies for issuing licenses for import of goods are: Ministry of Economy, Department of Trade Administration: tel: +48 22 693 55 53, e-mail: sekretariatdhu@mg.gov.pl for industrial goods and Agricultural Market Agency Foreign Trade Administration Department, tel: +48 22 661 71 16, e-mail: sekretariat_bwtzz@arr.gov.pl for agricultural and food products.
For information relevant to member state import licenses, please consult the relevant member state Country Commercial Guide: EU Member States' Country Commercial Guides or conduct a search on the Commerce Department's Market Research Library, available from: http://www.export.gov/mrktresearch/index.asp.

Import Documentation

The Single Administrative Document

The official model for written declarations to customs is the Single Administrative Document (SAD). Goods brought into the EU customs territory are, from the time of their entry, subject to customs supervision until customs formalities are completed. Goods are covered by a Summary Declaration which is filed once the items have been presented to customs officials. The customs authorities may, however, allow a period for filing the Declaration which cannot be extended beyond the first working day following the day on which the goods are presented to customs.

The Summary Declaration is filed by:

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

The Summary Declaration can be made on a form provided by the customs authorities. However, customs authorities may also allow the use of any commercial or official document that contains the specific information required to identify the goods. The SAD serves as the EU importer's declaration. It encompasses both customs duties and VAT and is valid in all EU member states. The declaration is made by whomever is clearing the goods, normally the importer of record or his/her agent.

European Free Trade Association (EFTA) countries including Norway, Iceland, Switzerland, and Liechtenstein also use the SAD. Information on import/export forms is contained in Council Regulation (EEC) No. 2454/93, which lays down provisions for the implementation of the Community Customs Code (Articles 205 through 221). Articles 222 through 224 provide for computerized customs declarations and Articles 225 through 229 provide for oral declarations.

More information on the SAD can be found at:
http://ec.europa.eu/taxation_customs/customs/procedural_aspects/general/sad/index_en.htm
Regulation (EC) No 450/2008 laying down the Community Customs Code (so-called the "Modernized Customs Code") aimed at the adaptation of customs legislation and at introducing the electronic environment for customs and trade. This Regulation entered into force on June 24, 2008, and was due to be applicable once its implementing provisions were in force by June 2013. However, the Modernized Customs Code was recast as a Union Customs Code (UCC) before it became applicable. The Union Customs Code (UCC) Regulation entered into force in October 2013, and repealed the MCC Regulation; its substantive provisions will apply only on May 1, 2016. Until this time, the Community Customs Code and its implementing provisions continue to apply.

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

EORI

Since July 1, 2009, all companies established outside of the EU are required to have an Economic Operator Registration and Identification (EORI) number if they wish to lodge a customs declaration or an Entry/Exit Summary declaration. All U.S. companies should use this number for their customs clearances. If a U.S. company wishes to apply for AEO status or apply for simplifications in customs procedures within the EU, it must first obtain an EORI number. Companies should request an EORI number from the authorities of the first EU member state to which they export. Once a company has received an EORI number, it can use it for exports to any of the 28 EU member states. There is no single format for the EORI number.

More information about the EORI number can be found at
http://ec.europa.eu/taxation_customs/dds2/eos/eori_home.jsp?Lang=en

U.S. - EU Mutual Recognition Arrangement (MRA)

Since 1997, the U.S. and the EU have had an agreement on customs cooperation and mutual assistance in customs matters. For additional information, please see
http://ec.europa.eu/taxation_customs/customs/policy_issues/international_customs_agreements/usa/index_en.htm

In 2012, the U.S. and the EU signed a new Mutual Recognition Arrangement (MRA) aimed at matching procedures to associate one another's customs identification numbers. The MCC introduced the Authorized Economic Operator (AEO) program (known as the "security amendment"). This is similar to the U.S.' voluntary Customs-Trade Partnership Against Terrorism (C-TPAT) program in which participants receive certification as a "trusted" trader. AEO certification issued by a national customs authority is recognized by all member state's customs agencies. An AEO is entitled to two different types of authorization: "customs simplification" or "security and safety." The former allows for an AEO to benefit from simplifications related to customs legislation, while the latter allows for facilitation through security and safety procedures. Shipping to a trader with AEO status could facilitate an exporter's trade as its benefits include expedited processing of shipments, reduced theft/losses, reduced data requirements, lower inspection costs, and enhanced loyalty and recognition.

The U.S. and the EU recognize each other's security certified operators and will take the respective membership status of certified trusted traders favorably into account to the extent possible. The favorable treatment provided by mutual recognition will result in lower costs, simplified procedures and greater predictability for transatlantic business activities. The newly signed arrangement officially recognizes the compatibility of AEO and C-TPAT programs, thereby facilitating faster and more secure trade between U.S. and EU operators. The agreement is being implemented in two phases. The first commenced in July 2012 with the U.S. customs authorities placing shipments coming from EU AEO members into a lower risk category. The second phase took place in early 2013, with the EU re-classifying shipments coming from C-TPAT members into a lower risk category. The U.S. customs identification numbers (MID) are therefore recognized by customs authorities in the EU, as per Implementing Regulation 58/2013 (which amends EU Regulation 2454/93 cited above):
http://ec.europa.eu/taxation_customs/resources/documents/customs/procedural_aspects/general/implementing_regulation_58_2013_en.pdf

Additional information on the MRA can be found at:
http://www.cbp.gov/newsroom/national-media-release/2013-02-08-050000/eu-us-fully-implement-mutual-recognition-decision

Batteries

EU battery rules changed in September 2006 following the publication of the Directive on batteries and accumulators and waste batteries and accumulators (Directive 2006/66). This Directive replaces the original Battery Directive of 1991 (Directive 91/157). The 2006 Directive applies to all batteries and accumulators placed on the EU market including automotive, industrial and portable batteries. It aims to protect the environment by restricting the sale of batteries and accumulators that contain mercury or cadmium (with an exemption for emergency and alarm systems, medical equipment and cordless power tools) and by promoting a high level of collection and recycling. It places the responsibility on producers to finance the costs associated with the collection, treatment, and recycling of used batteries and accumulators. The Directive also includes provisions on the labeling of batteries and their removability from equipment. In 2012, the European Commission published a FAQ document to assist interested parties in interpreting its provisions. For more information, see our market research report:
http://www.buyusainfo.net/docs/x_4062262.pdf

REACH

REACH, "Registration, Evaluation and Authorization and Restriction of Chemicals", is the system for controlling chemicals in the EU and it came into force in 2007 (Regulation 1907/2006). Virtually every industrial sector, from automobiles to textiles, is affected by this policy. REACH requires chemicals produced or imported into the EU in volumes above 1 metric ton per year to be registered with a central database handled by the European Chemicals Agency (ECHA). Information on a chemical's properties, its uses and safe ways of handling are part of the registration process. The next registration deadline is May 31, 2018. U.S. companies without a presence in Europe cannot register directly and must have their chemicals registered through their importer or EU-based 'Only Representative of non-EU manufacturer'. A list of Only Representatives (ORs) can be found on the website of the U.S. Mission to the EU:
http://export.gov/europeanunion/reachclp/index.asp

U.S. companies exporting chemical products to the European Union must update their Material Safety Data Sheets (MSDS) to be REACH compliant. For more information, see the guidance on the compilation of safety data sheets:
http://echa.europa.eu/documents/10162/17235/sds_en.pdf

U.S. exporters to the EU should carefully consider the REACH 'Candidate List' of Substances of Very High Concern (SVHCs) and the 'Authorization List'. Substances on the Candidate List are subject to communication requirements prior to their export to the EU. Companies seeking to export products containing substances on the 'Authorization List' will require an authorization. The Candidate List can be found at:
http://echa.europa.eu/web/guest/candidate-list-table. The Authorization List is available at http://echa.europa.eu/addressing-chemicals-of-concern/authorisation/recommendation-for-inclusion-in-the-authorisation-list/authorisation-list

WEEE Directive

EU rules on Waste Electrical and Electronic Equipment (WEEE), while not requiring specific customs or import paperwork, may entail a financial obligation for U.S. exporters. The Directive requires U.S. exporters to register relevant products with a national WEEE authority or arrange for this to be done by a local partner. The WEEE Directive was revised on July 4, 2012 and the scope of products covered was expanded to include all electrical and electronic equipment. This revised scope will apply from August 14, 2018, with a phase-in period that has already begun. U.S. exporters seeking more information on the WEEE Directive should visit:
http://export.gov/europeanunion/weeerohs/index.asp

RoHS

The ROHS Directive imposes restrictions on the use of certain chemicals in electrical and electronic equipment. It does not require specific customs or import paperwork however, manufacturers must self-certify that their products are compliant. The Directive was revised in 2011 and entered into force on January 2, 2013. One important change with immediate effect is that RoHS is now a CE Marking Directive. The revised Directive expands the scope of products covered during a transition period which ends on July 22, 2019. Once this transition period ends, the Directive will apply to medical devices, monitoring and control equipment in addition to all other electrical and electronic equipment. U.S. exporters seeking more information on the RoHS Directive should visit:
http://export.gov/europeanunion/weeerohs/index.asp

Cosmetics Regulation
On November 30, 2009, the EU adopted a new regulation on cosmetic products which has applied since July 11, 2013. The law introduces an EU-wide system for the notification of cosmetic products and a requirement that companies without a physical presence in the EU appoint an EU-based responsible person.

In addition, on March 11, 2013, the EU imposed a ban on the placement on the market of cosmetics products that contain ingredients that have been subject to animal testing. This ban does not apply retroactively but does capture new ingredients. Of note, in March 2013, the Commission published a Communication stating that this ban would not apply to ingredients where safety data was obtained from testing required under other EU legislation that did not have a cosmetic purpose. For more information on animal testing, see: http://ec.europa.eu/consumers/sectors/cosmetics/animal-testing

For more general information, see:
http://export.gov/europeanunion/accessingeumarketsinkeyindustrysectors/eg_eu_044318.asp

Agricultural Documentation

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

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

Sanitary Certificates (Fisheries)
In April 2006, the European Union declared the U.S. seafood inspection system as equivalent to the European one. Consequently, a specific public health certificate must accompany U.S. seafood shipments. The U.S. fishery product sanitary certificate is a combination of Commission Decision 2006/199/EC for the public health attestation and of Regulation 1012/2012 for the general template and animal health attestation. Unlike for fishery products, the U.S. shellfish sanitation system is not equivalent to that of the EU's. The EU and the U.S. are currently negotiating a veterinary equivalency agreement on shellfish. In the meantime, the EU still has a ban in place (since July 1, 2010), that prohibits the import of U.S. bivalve mollusks, in whatever form, into EU territory. This ban does not apply to wild roe-off scallops.

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

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

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

U.S. Export Controls Return to top

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

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

Key link: http://www.mg.gov.pl/Kontakt/DBG

The U.S. Department of Commerce's Bureau of Industry and Security (BIS) is responsible for implementing and enforcing the Export Administration Regulations (EAR), which regulate the export and re-export of some commercial items, including "production" and "development" technology.

The items that BIS regulates are often referred to as "dual use" since they have both commercial and military applications. Further information on export controls is available at: http://www.bis.doc.gov/licensing/exportingbasics.htm

BIS has developed a list of "red flags," or warning signs, intended to discover possible violations of the EAR. These are posted at:
http://www.bis.doc.gov/enforcement/redflags.htm

Also, BIS has "Know Your Customer" guidance at:
http://www.bis.doc.gov/Enforcement/knowcust.htm

If there is reason to believe a violation is taking place or has occurred, report it to the Department of Commerce by calling the 24-hour hotline at 1(800) 424-2980, or via the confidential lead page at: https://www.bis.doc.gov/forms/eeleadsntips.html

The EAR does not control all goods, services, and technologies. Other U.S. government agencies regulate more specialized exports. For example, the U.S. Department of State has authority over defense articles and services. A list of other agencies involved in export control can be found on the BIS web.

It is important to note that in August 2009, the President directed a broad-based interagency review of the U.S. export control system, with the goal of strengthening national security and the competitiveness of key U.S. manufacturing and technology sectors by focusing on current threats, as well as adapting to the changing economic and technological landscape. As a result, the Administration launched the Export Control Reform Initiative (ECR Initiative) which is designed to enhance U.S. national security and strengthen the United States' ability to counter threats such as the proliferation of weapons of mass destruction.

The Administration is implementing the reform in three phases. Phases I and II reconcile various definitions, regulations, and policies for export controls, all the while building toward Phase III, which will create a single control list, single licensing agency, unified information technology system, and enforcement coordination center.

For additional information on ECR see: http://export.gov/ecr/index.asp

BIS provides a variety of training sessions to U.S. exporters throughout the year. These sessions range from one to two day seminars and focus on the basics of exporting as well as more advanced topics. A list of upcoming seminars can be found at: https://www.bis.doc.gov/seminarsandtraining/index.htm

For further details about the Bureau of Industry and Security and its programs, please visit the BIS website at: http://www.bis.doc.gov/

Temporary Entry

Return to top

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

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

Labeling and Marking Requirements

Return to top

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

Prohibited and Restricted Imports

Return to top

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

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

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

CITES Convention on International Trade of Endangered Species

PROHI Import Suspension

RSTR Import Restriction

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

Key Link:

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

Customs Regulations and Contact Information

Return to top

The following provides information on the major regulatory efforts of the EC Taxation and Customs Union Directorate:

Electronic Customs Initiative – This initiative deals with EU Customs modernization developments to improve and facilitate trade in the EU member states. The electronic customs initiative is based on the following three pieces of legislation:

- The Security and Safety Amendment to the Customs Code, which provides for full computerization of all procedures related to security and safety;
- The Decision on the paperless environment for customs and trade (Electronic Customs Decision) which sets the basic framework and major deadlines for the electronic customs projects;
- The Modernized Community Customs Code (recast as Union Customs Code) which provides for the completion of the computerization of customs.

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

Homepage of Customs and Taxation Union Directorate (TAXUD) Website
Key Link: http://ec.europa.eu/taxation_customs/customs/index_en.htm

Customs Valuation – Most customs duties and value added tax (VAT) are expressed as a percentage of the value of goods being declared for importation. Thus, it is necessary to dispose of a standard set of rules for establishing the goods' value, which will then serve for calculating the customs duty.

Given the magnitude of EU imports every year, it is important that the value of such commerce is accurately measured for the purposes of:

- economic and commercial policy analysis;
- application of commercial policy measures;
- proper collection of import duties and taxes; and
- import and export statistics.

These objectives are met using a single instrument - the rules on customs value. The EU applies an internationally accepted concept of 'customs value'.

The value of imported goods is one of the three 'elements of taxation' that provides the basis for assessment of the customs debt, which is the technical term for the amount of duty that has to be paid, the other ones being the origin of the goods and the customs tariff.

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

Other links:
http://ec.europa.eu/taxation_customs/taxation/personal_tax/savings_tax/contact_points/

The website of the Polish Customs Authorities is:
http://www.mf.gov.pl/en/customs-service/customs-service/history

Standards Return to top

- Overview
- Standards Organizations
- Conformity Assessment
- Product Certification
- Accreditation
- Publication of Technical Regulations
- Labeling and Marking
- Contacts

Overview Return to top

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

European Union legislation and standards created under the New Approach are harmonized across the member states and European Economic Area countries to allow for the free flow of goods. A feature of the New Approach is CE marking. For a list of new approach legislation, go to http://ec.europa.eu/enterprise/newapproach/nando/index.cfm?fuseaction=directive.main.

The concept of new approach legislation is likely to disappear as the New Legislative Framework (NLF), which entered into force in January 2010, was put in place to serve as a blueprint for existing and future CE marking legislation. Since 2010/2011 existing legislation has been reviewed to bring them in line with the NLF concepts.

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

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

There are also export guides to import regulations and standards available on the Foreign Agricultural Service's website: http://www.usda-eu.org/trade-with-the-eu/eu-import-rules/certification/fairs-export-certificate-report/

Standards Organizations

Return to top

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

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

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

1. CENELEC, European Committee for Electrotechnical Standardization (http://www.cenelec.eu/)

2. ETSI, European Telecommunications Standards Institute (http://www.etsi.org/)

3. CEN, European Committee for Standardization, handling all other standards (http://www.cen.eu/cen/pages/default.aspx)

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

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

To know what CEN and CENELEC have in the pipeline for future standardization, it is best to visit their websites. Other than their respective annual work plans, CEN's "what we do" page provides an overview of sytandards activities by subject. Both CEN and CENELEC offer the possibility to search their respective database. ETSI's portal (http://portal.etsi.org/Portal_Common/home.asp) leads to ongoing activities.

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

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

The European Standardization system and strategy was reviewed in 2011 and 2012. The new standards regulation 1025, adopted in November 2012, clarifies the relationship between regulations and standards and confirms the role of the three

European standards bodies in developing EN harmonized standards. The emphasis is also on referencing international standards where possible. For information, communication and technology (ICT) products, the importance of interoperability standards has been recognized. Through a newly established mechanism, a "Platform Committee" reporting to the European Commission will decide which deliverables from fora and consortia might be acceptable for public procurement specifications. The European standards bodies have been encouraged to improve efficiency in terms of delivery and to look for ways to include more societal stakeholders in European standardization.

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

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

Conformity Assessment

Return to top

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

Key Link: http://ec.europa.eu/enterprise/newapproach/nando/

To promote market acceptance of the final product, there are a number of voluntary conformity assessment programs. CEN's certification system is known as the Keymark. Neither CENELEC nor ETSI offer conformity assessment services.

Product Certification

Return to top

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

The PCBC runs activities in the scope of:

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

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

To sell products in the EU market of 28 member states, as well as in Norway, Liechtenstein and Iceland, U.S. exporters are required to apply CE marking whenever their product is covered by specific product legislation. CE marking product legislation offers manufacturers a number of choices and requires decisions to determine which safety/health concerns need to be addressed, which conformity assessment module is best suited to the manufacturing process, and whether or not to use EU-wide harmonized standards. There is no easy way for U.S. exporters to understand and go through the process of CE marking, but hopefully this section provides some background and clarification.

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

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

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

Accreditation Return to top

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

"European Accreditation" (http://www.european-accreditation.org) is an organization representing nationally recognized accreditation bodies. Membership is open to nationally recognized accreditation bodies in countries in the European geographical area that can demonstrate that they operate an accreditation system compatible to appropriate EN and ISO/IEC standards.

Publication of Technical Regulations Return to top

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

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

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

Labeling and Marking Return to top

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

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

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

Key Link: http://ec.europa.eu/enterprise/sectors/legal-metrology-and-prepack/prepacked-products/index_en.htm

The Eco-label
The EU eco-label is a voluntary label which U.S. exporters can display on products that meet high standards of environmental awareness. The eco-label is intended to be a marketing tool to encourage consumers to purchase environmentally-friendly products. The criteria for displaying the eco-label are strict, covering the entire lifespan of the product from its manufacture, use, and disposal. These criteria are reviewed every three to five years to take into account advances in manufacturing procedures. There are currently 13 different product groups, and more than 17000 licenses have been awarded.

Applications to display the eco-label should be directed to the competent body of the member state in which the product is sold. The application fee will be somewhere between €275 and €1600 depending on the tests required to verify if the product is eligible, and an annual fee for the use of the logo (typically between $480 to $2000), with a 20% reduction for companies registered under the EU Eco-Management and Audit Scheme (EMAS) or certified under the international standard ISO 14001. Discounts are available for small and medium sized enterprises (SMEs).

Key Links:
Eco-label Home Page

Contacts Return to top

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National Institute of Standards & Technology
Mr. George W. Arnold
Director
Standards Coordination Office
100 Bureau Dr.
Mail Stop 2100
Gaithersburg, Maryland 20899
Tel: (301) 975-5627
Website: http://ts.nist.gov/Standards/Global/about.cfm

CEN – European Committee for Standardization
Avenue Marnix 17
B – 1000 Brussels, Belgium
Tel: 32.2.550.08.11
Fax: 32.2.550.08.19
Website: http://www.cen.eu

CENELEC – European Committee for Electrotechnical Standardization
Avenue Marnix 17
B – 1000 Brussels, Belgium

Tel: 32.2.519.68.71
Fax: 32.2.519.69.19
Website: http://www.cenelec.eu

ETSI - European Telecommunications Standards Institute
Route des Lucioles 650
F – 06921 Sophia Antipolis Cedex, France
Tel: 33.4.92.94.42.00
Fax: 33.4.93.65.47.16
Website: http://www.etsi.org

SBS – Small Business Standards

4, Rue Jacques de Lalaing
B-1040 Brussels
Tel: +32.2.285.07.27
Website: under development (http://www.ueapme.com/spip.php?rubrique220)

ANEC - European Association for the Co-ordination of Consumer Representation in Standardization
Avenue de Tervuren 32, Box 27
B – 1040 Brussels, Belgium
Tel: 32.2.743.24.70
Fax: 32.2.706.54.30
Website: http:/www.anec.org

ECOS – European Environmental Citizens Organization for Standardization
Rue d'Edimbourg 26
B – 1050 Brussels, Belgium
Tel: 32.2.894.46.55
Fax: 32.2.894.46.10
Website: http://www.ecostandard.org

EOTA – European Organization for Technical Assessment (for construction products)
Avenue des Arts 40
B – 1040 Brussels, Belgium
Tel: 32.2.502.69.00
Fax: 32.2.502.38.14
Website: http://www.eota.be/

Trade Agreements Return to top

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

Web Resources Return to top

EU websites:
Online customs tariff database (TARIC):

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

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

ECHA: http://echa.europa.eu

Taxation and Customs Union:
http://ec.europa.eu/taxation_customs/customs/index_en.htm

Security and Safety Amendment to the Customs Code - Regulation (EC) 648/2005:
http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2005:117:0013:0019:en:PDF

Electronic Customs Initiative: Decision N° 70/2008/EC
http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:023:0021:0026:EN:PDF

Modernized Community Customs Code Regulation (EC) 450/2008):
http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:145:0001:0064:EN:PDF

Legislation related to the Electronic Customs Initiative:
http://ec.europa.eu/taxation_customs/customs/policy_issues/electronic_customs_initiative/electronic_customs_legislation/index_en.htm

Export Help Desk
http://exporthelp.europa.eu/thdapp/index_en.html

International Level:

What is Customs Valuation?:
http://ec.europa.eu/taxation_customs/customs/customs_duties/declared_goods/european/index_en.htm

Customs and Security: Two communications and a proposal for amending the Community Customs Code:
http://ec.europa.eu/taxation_customs/customs/policy_issues/customs_security/index_en.htm

Establishing the Community Customs Code: Regulation (EC) n° 648/2005 of 13 April 2005
http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2005:117:0013:0019:en:PDF

Pre Arrival/Pre Departure Declarations:
http://ec.europa.eu/taxation_customs/customs/procedural_aspects/general/prearrival_predeparture/index_en.htm

AEO: Authorized Economic Operator:

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

Contact Information at National Customs Authorities:
http://ec.europa.eu/taxation_customs/taxation/personal_tax/savings_tax/contact_points/index_en.htm

New Approach Legislation:
http://ec.europa.eu/enterprise/newapproach/nando/index.cfm?fuseaction=directive.main

Cenelec, European Committee for Electrotechnical Standardization:
http://www.cenelec.eu/

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

CEN, European Committee for Standardization, handling all other standards:
http://www.cen.eu/cen/Pages/default.aspx

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

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

CEN – Sector:
http://www.cen.eu/work/areas/Pages/default.aspx

CEN - Standard Search:
http://esearch.cen.eu/esearch/

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

Mutual Recognition Agreements (MRAs):
http://ec.europa.eu/enterprise/newapproach/nando/index.cfm?fuseaction=mra.main

European Co-operation for Accreditation:
http://www.european-accreditation.org/home

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

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

What's New:
http://ec.europa.eu/enterprise/news/index_en.htm

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

NIST - Notify U.S.:
http://www.nist.gov/notifyus/

Metrology, Pre-Packaging – Pack Size:
http://ec.europa.eu/enterprise/sectors/legal-metrology-and-prepack/prepacked-products/index_en.htm

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

EU Marking, Labeling and Packaging – An Overview
http://buyusainfo.net/docs/x_366090.pdf

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

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

U.S. websites:
National Trade Estimate Report on Foreign Trade Barriers:
http://www.ustr.gov/about-us/press-office/reports-and-publications/2012-1

Agricultural Trade Barriers:
http://www.usda-eu.org/

Trade Compliance Center:
http://tcc.export.gov/

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

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

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

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

Overview of EU Certificates:
http://www.usda-eu.org/trade-with-the-eu/eu-import-rules/certification/fairs-export-certificate-report/

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

EU Marking, Labeling and Packaging – An Overview http://buyusainfo.net/docs/x_366090.pdf

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

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

Polish Websites:

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

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

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

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

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

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

Return to table of contents

Return to table of contents

Chapter 6: Investment Climate

Openness to Foreign Investment

Return to top

Attitude Toward FDI

Poland welcomes foreign investment not only as a source of capital, growth, and jobs, but also as a vehicle for technology transfer, research & development (R&D), and integration into global supply chains. By the end of 2012, according to IMF and National Bank of Poland data, Poland had attracted an estimated $235 billion (cumulative) in foreign direct investment (FDI), principally from Western Europe and the United States. Foreign companies generally enjoy unrestricted access to the Polish market. However, Polish law limits foreign ownership of companies in selected strategic sectors, and still limits foreign acquisition of real estate, especially agricultural land.

Poland has introduced a series of reforms in recent years to improve the climate for foreign and domestic investment. In April 2014, the Polish government approved the “Enterprise Development Program 2020” (Program Rozwoju Przedsiebiorczosci do 2020), which aims to create a friendly business environment for companies as well as to support R&D, innovation projects, and cooperation between business and academia. Poland has also improved administration of real estate registers and public procurement law. National and local governments are implementing an internet-based “one-stop shop” registration process for new businesses as well. Despite these reforms, many foreign investors complain of over-regulation and burdensome bureaucratic processes. Parliament established a permanent commission in late 2012 to accelerate the deregulation process in Poland.

Laws/Regulations of FDI

The basic legal framework for establishing and operating companies in Poland, including companies with foreign investors, is found in the Commercial Companies Code. The code provides for the establishment of joint-stock companies, limited liability companies, or partnerships (e.g., limited joint-stock partnerships, professional partnerships). These corporate forms are available to foreign investors who come from an EU or European Free Trade Area (EFTA) member state or from a country that offers reciprocity to Polish enterprises, including the United States.

With few exceptions, foreign investors are guaranteed national treatment. Companies that did not have a subsidiary established in the EU before May 1, 2004, but that conduct, or plan to commence business operations in Poland must observe all EU regulations, and may not be able to benefit from all privileges to which EU companies are entitled. Foreign investors without permanent residence and the right to work in Poland may be restricted from participating in day-to-day Polish operations of a company.

According to the Law on the National Court Register of October 1997, all companies, commercial partnerships, and sole proprietorships must be listed in the Register of Entrepreneurs, a part of the district court-managed National Court Register. The Register of Entrepreneurs is a public document. The law specifies certain situations in which registration may be refused (e.g., if required documents are not submitted on time or on national security grounds).

Under the Law on Freedom of Economic Activity, branch offices are registered in the National Court Register under the name of the foreign investor, with the notation "branch in Poland." A branch office can perform any activity within the scope of business of the parent foreign investor that established the branch. In contrast, representative offices must limit their activities to promotion and advertising for the parent foreign investor. Representative offices must register with the Ministry of Economy.

Industrial Promotion

Poland has a number of government programs to stimulate investment to targeted sectors including: the Energy Policy of Poland until 2030, the Electrical Power Sector Program, the Policy of the Government of the Republic of Poland with respect to the Oil Industry in Poland, and Coal Mining Activities in Poland 2007-2015. Large investments in priority sectors may qualify for the government's “Program for the support of investments of considerable importance for the Polish economy for 2011-2020 offers grant support to large investments that create jobs in priority sectors, including automotive, electronics, aviation, biotechnology, and modern services (finance, information and communication, professional business services). The program also supports research and development (R&D).
Companies can learn more at: http://www.paiz.gov.pl/governmental_grants

Limits on Foreign Control

Poland places limits on foreign ownership and foreign equity for a limited number of sectors. Polish law limits non-EU citizens to 49% ownership of a company’s capital shares in the air transport, radio and television broadcasting, and airport and seaport operations sectors. The government repealed the law requiring state ownership of LOT Polish Airlines and affiliates in July 2013. PLL LOT S.A., Eurolot S.A. and LS Airport Services S.A. may therefore be sold to EU entities. Licenses and concessions for defense production and management of seaports are granted on the basis of national treatment for investors from OECD countries. Pursuant to the Broadcasting Law, a TV broadcasting company may only receive a license if the voting share of its foreign owners does not exceed 49% and if the majority of the members of the management and supervisory boards are Polish citizens and hold permanent residence in Poland. In the insurance sector, at least two members of management boards, including the chairman, must speak Polish.

The Law on Freedom of Economic Activity requires companies to obtain governmental concessions, licenses, or permits to conduct business in certain sectors, including broadcasting, aviation, energy, weapons/military equipment, mining, and private security services. According to the Law on Freedom of Economic Activity, a permit from the Treasury Ministry is required for certain major capital transactions (i.e., to establish a company when a wholly or partially Polish-owned enterprise is contributed in-kind to a company with foreign ownership).

Polish law restricts foreign investment in land and real estate. Since Poland's EU accession in 2004, foreign citizens from EU member states, Iceland, Liechtenstein, Norway, and Switzerland do not need permission to purchase non-agricultural real estate, or to acquire or receive shares in a company owning non-agricultural real estate in Poland. These foreign citizens are still subject to restrictions on the acquisition of Polish agricultural land, however. Under the terms of its accession to the EU, Poland will remove nearly all restrictions on acquisition of Polish agricultural land for all categories of foreign citizen by the end of May 2016.

Citizens from countries other than the EU, Iceland, Liechtenstein, Norway, and Switzerland are allowed to purchase an apartment, 0.4 hectares (4,000 square meters) of urban land without restriction, or up to one-half hectare of agricultural land with building restrictions and restrictions on eligibility for government support programs. In order to make large commercial real estate purchases, such foreign citizen must obtain a permit from the Ministry of Interior (with the consent of the Defense and Agriculture Ministries), pursuant to the Act on Acquisition of Real Estate by Foreigners. A foreign business intending to buy real estate in Poland may apply for a provisional permit from the Ministry of Interior, which is valid for two years from the date of issue, during which time the company is expected to assemble documents demonstrating it is a viable business. Permits may be refused for reasons of social policy or public security. Foreigners can (and do) lease agricultural land.

Privatization Program

After over twenty years of privatization, the Treasury now controls or owns shares of certain enterprises it deems strategic and dozens of others slated for sale. With few exceptions, the Polish government has invited foreign investors to participate in major privatization projects. In general, bidding criteria have been clear and the process has been transparent. There are nearly 50 state-owned enterprises (SOEs) classified as "strategically important," the majority of which are in the energy, financial, and mining sectors. The government intends to keep majority share ownership of these firms, or to sell tranches of shares in a way that will ensure maintenance of state control. In 2011, the National Bank Supervisory board (KNF) began a program to provide loans to Polish institutions, including some that are partially state-owned, to buy foreign-owned banks. In late 2012, the Treasury Ministry established the Polish Investment Program (PIR). It uses privatization revenues and government assets, including SOE holdings, to co-finance investments in infrastructure, in chemical, energy, transport and telecommunication industries.

Screening of FDI
Poland does not have any general screening mechanism for foreign firms' entry and establishment of businesses.

Competition Law
Poland's anti-trust authority, the Office of Competition and Consumer Protection (UOKiK), reviews investment and merger transactions for competition-related concerns. Its mandate covers transactions of a magnitude which influences, or may influence, the Polish market. Under the Act on Competition and Consumer Protection, participants in planned transactions must obtain UOKiK's advance clearance if their turnover in the year preceding the application exceeded either € 1 billion globally or € 50 million in Poland. The law provides for a waiver of the obligation to notify UOKiK in certain situations, such as if the annual turnover in Poland of the target enterprise was less than € 10 million in the two previous years, or if the parties to the merger already belong to the same capital group.

Investment Trends
An increasing share of FDI in Poland is in the services sector, although Poland has a large base of manufacturing. One of the largest FDI projects announced in Poland in 2013 was a U.S. retail and logistics firm who will open centers in Wroclaw and Poznan in 2014 and 2015. According to the Polish Information and Investment Agency (PAIiIZ), the number of new investment projects is growing in the automotive, R&D, electronic and chemical sectors.

Bloomberg Rankings for 2013 announced Poland as the best Central European country for business. According Ernst & Young's European Attractiveness report, in the next three years Poland will be the second most attractive country for investment in Europe, after Germany.
Poland ranked 45th in the World Bank's "Doing Business 2014" report, an improvement from 48th place a year earlier. Poland enhanced the ease of doing business by making it easier to start a business and obtain construction permits. The report noted, however, that Poland's complex tax system and business regulations remain burdensome, particularly in relation to new business formation. UNCTAD's World Investment Prospects Survey 2013–2015 ranked Poland as the fourth European and the fourteenth World's top foreign investment destination.

TABLE 1: The following chart summarizes several well-regarded indices and rankings.

Measure	**Year**	**Rank or value**	**Website Address**
TI Corruption Perceptions index	2013	(38 of 177)	http://cpi.transparency.org/cpi2013/results/
Heritage Foundation's Economic Freedom index	2013	(50 of 177)	http://www.heritage.org/index/ranking

World Bank's Doing Business Report "Ease of Doing Business"	2014 2013	(45 of 189) (48 of 189)	http//doingbusiness.org/rankings
Global Innovation Index	2013	(49 of 142)	http://www.globalinnovationindex.org/content.aspx?page=gii-full-report-2013#pdfopener
World Bank GNI per capita	2012	USD 12,660	http://data.worldbank.org/indicator/NY.GNP.PCAP.CD

Conversion and Transfer Policies

Return to top

Foreign Exchange

Foreign exchange is widely available through commercial banks as well as exchange offices. Payments and remittances in convertible currency may be made and received through a bank authorized to engage in foreign exchange transactions, and most banks have such authorization. Foreign investors have not complained of significant difficulties or delays in remitting investment returns such as dividends, return of capital, interest and principal on private foreign debt, lease payments, royalties, or management fees. Foreign currencies can freely be used for settling accounts.

Poland provides full IMF Article VIII convertibility for current transactions. The Polish Foreign Exchange Law, as amended, fully conforms to the OECD Codes of Liberalization of Capital Movements and Current Invisible Operations.

In general, foreign exchange transactions with the EU, OECD, and European Economic Area (EEA) countries are accorded equal treatment and are not restricted.

Except in limited cases which require a permit, foreigners may convert or transfer currency to make payments abroad for goods or services and also may transfer abroad their shares of after-tax profit from operations in Poland. Foreign investors may freely withdraw their capital from Poland. Full repatriation of profits and dividend payments is allowed without obtaining a permit. However, a Polish company (including a Polish subsidiary of a foreign company) must pay withholding taxes to the Polish tax authorities on any distributable dividends unless a double taxation treaty is in effect. A double taxation treaty is in place between Poland and the United States. The United States and Poland signed an updated bilateral tax treaty in February 2013, but the United States had not yet ratified it as of April 2014. As a rule, a company whose headquarters is outside of Poland is subject to corporate income tax on income earned in Poland, under the same rules as Polish companies.

Foreign exchange regulations require non-bank entities dealing in foreign exchange or acting as a currency exchange bureau to submit reports electronically to the National Bank of Poland (NBP) at http://sprawozdawczosc.nbp.pl. An exporter may open foreign exchange accounts in the currency it chooses.

Remittance Policies
Poland does not prohibit remittance through legal parallel markets utilizing convertible negotiable instruments (such as dollar-denominated Polish bonds in lieu of immediate payment in dollars). As a practical matter, however, such payment methods are rarely, if ever, used. Poland is not a Financial Action Task Force (FATF) member, but is seeking membership.

Expropriation and Compensation Return to top

Article 21 of the Polish Constitution states: "expropriation is admissible only for public purposes and upon equitable compensation." The Law on Land Management and Expropriation of Real Estate provides that property may be expropriated only in accordance with statutory provisions such as those concerning construction of public works, national security considerations, or other specified cases of public interest. The government must pay full compensation at market value for the expropriated property. The procedure of acquiring land for road construction investment has been liberalized and simplified to accelerate property acquisition. Most acquisitions for road construction are resolved without problems. However, there have been a few cases in which inability to reach agreement on remuneration has resulted in expropriation and compensation protests/disputes. Post is not aware of any expropriation actions against U.S. investments, companies, or representatives.

Dispute Settlement Return to top

The Polish legal system offers an acceptable level of protection for business, but has undergone appreciable changes in a very short time. Poland has a written commercial law, the Commercial Companies Code. This code provides for the establishment, organization, operations, dissolution, division and transformation of commercial companies.

The UN Convention on the International Sales of Goods applies to all everyday cross-border business transactions in western European countries and Poland. Consequently, most ordinary international business transactions with Poland are regulated by well-known fundamental legal principles.

Legal System, Specialized Courts, Judicial Independence, Judgments of Foreign Courts
The Polish legal system is code-based and prosecutorial. Poland has 365 first instance courts of general jurisdiction and 28 specialized courts. In civil and commercial matters the first instance courts sit in single-judge panels, the courts handling appeals sit in three-judge panels. The majority of disputes are handled in the first instance by District Courts (Sad Rejonowy). When the value of the subject matter dispute exceeds a certain amount or the subject matter requires more expertise (such as in intellectual property right matters) the Circuit Courts (Sad Okregowy) serve as first instance courts. Circuit Courts also handle appeals from District Court verdicts. Courts of Appeal (Sad Apelacyjny) handle appeals from verdicts of Circuit Courts as well as generally supervise the courts in their region. The Ministry of Justice continues work to simplify court procedures and ensure timely court proceedings.

The judiciary acts independently. The Polish judicial system generally upholds the sanctity of contracts. Judgments of foreign courts are, under the Polish Civil Procedure

Code and European Community regulation, able to be recognized. However, there are many judgments of foreign courts which are not accepted or accepted partially in Polish courts. One of the reasons for delays in recognition of judgments of foreign courts is an inadequate number of judges specializing in specific matters.

Generally, foreign firms are wary of the slow and over-burdened Polish court system, preferring to rely on other means to defend their rights. Contracts involving foreign parties frequently include a clause specifying that disputes will be resolved in a third-country court or through offshore arbitration.

Bankruptcy

Poland's Bankruptcy Law provides that a company's creditors or its governing bodies (i.e., its Board of Directors or another body, depending on the corporate form of the debtor) may file declarations of bankruptcy. The Creditors Preliminary Assembly has the right to decide, at the initial stage of the bankruptcy process, whether a workout agreement is possible or whether assets of a bankrupt company should be liquidated. Liabilities are repaid in the following order: cost of legal proceedings; employee remuneration; liabilities to the State and Social Security Fund (ZUS) secured by a mortgage or pledge; other liabilities secured by mortgages or pledges; other taxes and other public liabilities; other liabilities. The Mortgage Banking Act and the Law on Registered Pledges and Pledge Registry protect qualified mortgagors and secured creditors against subsequent tax liens and other secured and unsecured claims. Monetary judgments are usually made in local currency. As of 2014, the OECD estimates that it takes an average of three years to close a business in Poland, slightly more than double the OECD average. The Justice Ministry continues work on simplifying and relaxing bankruptcy procedures.

Investment Disputes

Poland's sale of state-owned enterprises, adoption of EU regulations, and passage of legislation limiting the role of the state in economic activity have facilitated an environment in which there have been few investment disputes. Investment disputes involving U.S. and foreign investors in Poland do not reflect a discernable pattern. Polish civil society has not expressed a position on investment disputes.

International Arbitration

Poland does not have a law on arbitration, but there are provisions in the Polish Code of Civil Procedures of 1964, as amended, which is based on a large extent to the UNCITRAL Model Law. Commercial contracts between a Polish company and a foreign company often contain an arbitration clause. Arbitration tribunals to settle disputes that arise from international commercial activities operate through the Polish Chamber of Commerce, and other sector organizations. Under the Code of Civil Procedure, an arbitration agreement must be in writing.

There is no distinction in the law between domestic and international arbitration. The law only distinguishes between foreign and domestic arbitral awards for the purpose of their recognition and enforcement. Arbitration body decisions are not automatically enforceable in Poland; they must be confirmed in a Polish court. Under the Polish Civil Code, local courts accept and enforce judgments of foreign courts; however, in practice, acceptance of foreign court decisions varies.

ICSID Convention and New York Convention
Poland is not a party to the Convention on the Settlement of Investment Disputes between States and Nationals of Other States (Washington Convention).

Poland is party to the following international agreements on dispute resolution, with the Ministry of Finance acting as the government's representative:

1. The 1923 Geneva Protocol on Arbitration Clauses

2. The 1958 New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards

3. The 1961 Geneva European Convention on International Trade Arbitration

4. The 1972 Moscow Convention on Arbitration Resolution of Civil Law Disputes in Economic and Scientific Cooperation

Duration of Dispute Resolution
On average it takes around 13 weeks to enforce an arbitration award rendered in Poland, from filing an application to a writ of execution attaching assets (if there is no appeal), and 15 weeks for a foreign award.

Performance Requirements and Incentives Return to top

WTO/TRIMS
Post is not aware of Poland's notifications to the World Trade Organization (WTO) of any measures it maintains that are inconsistent with its obligations under the Trade Related Investment Measures (TRIMS) Agreement.

Investment Incentives
A company investing in Poland, either foreign or domestic, may receive assistance from the Polish government. A number of incentives are potentially available to foreign investors in Poland: income tax and real estate tax exemption in Special Economic Zones (SEZ); investment grants of up to 50% of investment costs (70% for small- or medium-sized enterprises); grants for research and development; grants for other activities, such as environmental protection, training, logistics, or creating renewable energy sources.

Regulations on special economic zones and on public assistance to entrepreneurs provide the basis for exemptions from income tax or other incentives. The amount of assistance (e.g., tax exemptions, grants, etc.) available to investments outside of SEZs varies from region to region. The government produces a "regional aid map" which specifies an assistance ceiling for each region, expressed as a percentage of a project's new investment or employment costs. Poland does not have any restrictions on government financed or subsidized national research and development programs. U.S. and other foreign firms can participate in these programs if their company is registered in Poland.

More information can be found at: http://www.paiz.gov.pl/governmental_grants;
http://www.paiz.gov.pl/investment_support/investment_incentives_in_SEZ;

http://www.paiz.gov.pl/index/?id=9f975093da0252e2c0ae181d74c90dc6.

Performance Requirements

Poland has no policy of "forced localization" designed to force foreign investors to use domestic content in goods or technology, and no requirement to store data locally. Polish regulations protect an individual's personal data that is collected in Poland regardless of where the data is physically stored. GIODO (Bureau of the Inspector General for Personal Data Protection) is the institution that enforces personal data regulation.

Right to Private Ownership and Establishment

Return to top

Domestic and foreign private entities generally may freely establish, acquire, or dispose of a business, and may engage in economic activity in accordance with the Commercial Companies Code. The Civil Code, as amended, regulates property rights of individuals or legal entities. Civil Code regulations are based on the principles of equality of all parties regardless of their ownership status, equivalency of obligations, discretion, protection of private ownership, and freedom of contracts.

Protection of Property Rights

Return to top

Poland has a non-discriminatory legal system accessible to foreign investors that protects and facilitates acquisition and disposition of all property rights, including land, buildings, and mortgages. Many investors, foreign and domestic, complain that the judicial system is extremely slow in adjudicating cases involving property rights.

Real Property

Poland recognizes and enforces secured interests in property, movable and real. The concept of a mortgage exists in Poland, and there is a recognized system of recording such secured interests.

The informal sector accounts for around 15% of Poland's GDP according to the Poland's Central Statistical Office. Widespread nationalization of property during and after World War II has complicated the ability to establish clear title to land in Poland, especially in major municipalities. While the Polish government has an administrative system for reviewing claims for the restitution of communal property, former individual property owners must file claims with Polish court system in order to receive restitution. There is no statute of limitations to file private property restitution claims. As a result, it is sometimes difficult to establish clear title, although, there are no estimates of what portion of land does not have clear title in Poland.

Intellectual Property Rights

Polish intellectual property rights (IPR) law is stricter than European Commission directives require. Enforcement is good and improving. Physical piracy (*e.g.*, optical discs) is not a problem in Poland. However, online piracy of movies, music, and software, however, continues to be widespread, despite progress in enforcement. Poland has one notorious online market, Darkwarez.pl.

In 2013 there were no changes introduced to IPR law in Poland. Polish law requires the rights holder to start the prosecution process. In Poland, authors' and creators' organizations and associations track IPR violations and present motions to the prosecutors to start an IPR investigation. Rights holders continue to express concern that penalties for digital IPR infringement are not at levels sufficient to deter violations. In an effort to address these concerns, the Polish government has established a national

IPR strategy, with a goal to adopt EU IPR protection strategies. The Polish Patent Office is currently negotiating an agreement with its U.S. counterpart USPTO to participate in USPTO's Patent Prosecution Highway. Polish officials are working on simplification of administrative procedures involved in patenting, copyrights, trade secrets, trademarks and semiconductor chip layout designs.

For additional information about treaty obligations and points of contact at local offices dealing with IPR, please see WIPO's country profiles at http://www.wipo.int/directory/en/.

Contact Point at Post for Intellectual Property Issues

- Angela Palazzolo
- Trade and Investment Officer
- Ul. Ujazdowskie 29/31, 00-540, Warszawa, Poland
- +48 22 504 2000
- ICSPoland@state.gov

Mission Poland has compiled lists of attorneys with the help of Polish District Bar Associations. Mission Poland assumes no responsibility for the professional ability or integrity of the persons who appear on the list. The lists may be found here: http://poland.usembassy.gov/poland/attorneys.html.

Transparency of Regulatory System

Return to top

Polish accounting standards do not differ significantly from international standards and major international accounting firms provide services in Poland. In cases where there is no national accounting standard, the appropriate International Accounting Standards may be applied. However, regulatory unpredictability and high levels of administrative red tape are recurring complaints of investors. Foreign and domestic investors must comply with a variety of laws concerning taxation, labor practices, health and safety, and the environment. Complaints about these laws, especially the tax system, center on the lack of clarity and on strict penalties for minor errors.

Proposed laws and regulations are published in draft form for public comment, and the ministries are obliged to conduct public consultations. In practice, participation in these public consultations and the time period allotted for them are often limited. Polish citizens can track proposed legislation on the Prime Minister's webpage, http://legislacja.rcl.gov.pl/

Efficient Capital Markets and Portfolio Investment

Return to top

Liquidity, Credit, Banking System, Hostile Takeovers

The Polish regulatory system is effective in encouraging and facilitating portfolio investment. Both foreign and domestic investors may place funds in demand and time deposits, stocks, bonds, futures, and derivatives. Poland has healthy equity markets that facilitate the free flow of financial resources. Poland provides full IMF Article VIII convertibility for current transactions. Banks can and do lend to foreign and domestic companies. Companies can and do borrow abroad and issue commercial paper. The Act on Investment Funds allows for open-end, closed-end, and mixed investment funds, as well as the development of securitization instruments in Poland. In general, no special restrictions apply to foreign investors purchasing Polish securities.

Credit allocation is on market terms. The government, however, maintains some programs offering below-market rate loans to certain domestic groups, such as farmers and homeowners. Foreign investors and domestic investors have equal access to the Polish financial markets. Private Polish investment is financed from retained earnings and credits, while foreign investors utilize funds obtained outside of Poland as well as retained earnings. Polish firms raise capital both in Poland and in other countries.

The banking sector remains sound with major banks well capitalized. Supervision and risk management have proven efficient in containing excessive risk-taking. The state still owns several banks, but the sector is predominantly privately owned. However, the Polish banking system suffers a mismatch of long term assets and short–term liabilities. Based on the Polish central bank's data between 1996 and 2012, the "maturity gap" increased significantly. The average residual maturity of assets exceeded 6 years in 2012 (while less than 2 years in 1996), while the maturity gap for liabilities remained below 1 year.

Stress tests conducted by the NBP indicate that most domestic banks hold sufficient capital to absorb the effects of a severe macroeconomic shock and maintain high capital-adequacy ratios. With an average capital-adequacy ratio of 15.8% in November 2013, all banks meet the 8% minimum requirement. This ratio has risen steadily in recent years, owing to moderate asset growth and retained profits. This means that Poland's banking sector comfortably meets the regulatory requirements set by the European Banking Authority. Although the overall capital position of the banking sector has strengthened, the quality of bank assets has deteriorated because of the rising indebtedness of the non-financial sector: the proportion of loans more than 90 days in arrears rose from 6% at end-2011 to 6.7% at end-2012. The top ten banks held $273.9 billion of assets at the end of 2012.

Neither the government nor private firms have taken measures to prevent hostile takeovers by foreign or domestic firms. Hostile takeover attempts are rare.

Competition from State Owned Enterprises Return to top

SOEs still exist in some sectors, most notably the mining, energy and financial sectors. There is no up-to-date consolidated list of SOEs available. The Treasury Ministry's website includes a privatization plan dated March 2012 which lists companies in which the state held a majority or minority share, and specifies the SOEs over which the state intends to retain control for strategic reasons. There is no consolidated information on SOE budgets for R&D available to Post. The Polish government is working to improve the efficiency of SOEs through enhancing corporate governance standards.

The same standards are generally applied to both private and public companies with respect to access to markets, credit, and other business operations such as licenses and supplies. Officials at various levels of government occasionally exercise their discretionary authority to assist SOEs. In general, SOEs are meant to pay their own way, financing their operations and funding further expansion through profits generated from their own operations. SOEs are governed by a board of directors and most pay an annual dividend to the government. SOEs prepare and disclose annual reports. The process for investment disputes involving SOEs is transparent and non-discriminatory.

Since EU accession, government activity favoring state-owned firms has received careful scrutiny from Brussels.

Corporate Social Responsibility

Return to top

While there is no specific legislation in place to promote corporate social responsibility (CSR) good practices among Polish companies, the Ministry of Economy is tasked with supporting the implementation of CSR programs. Companies are, with growing frequency, compiling CSR activity reports based on international reporting standards. Nevertheless, CSR initiatives involving top managers and CEOs are rare, indicating that business leadership does not yet uniformly view CSR as an integral element of business strategy. Many Polish companies, particularly small and medium size enterprises, lack the knowledge and experience to implement effectively generally accepted CSR practices, such as those described in the OECD Guidelines for Multinational Enterprises. There is also an ongoing discussion among employers whether CSR regulations should be enforced on companies or should CSR be a voluntary process: http://www.mg.gov.pl/node/10892

Political Violence

Return to top

Poland is a politically stable country. Constitutional transfers of power are orderly. The last parliamentary elections took place in October 2011; the new government formed in November 2011. The European Parliament elections were held in May 2014. The next elections are to be held in October 2014 for local government officials. National parliamentary and presidential elections are scheduled for 2015.

There have been no confirmed incidents of politically motivated violence toward foreign investment projects in recent years. Poland has neither insurgent groups nor belligerent neighbors. To date, the civil unrest in neighboring Ukraine has had minimal impact on Poland's business climate. The Overseas Private Investment Corporation (OPIC) provides political risk insurance for Poland but is not frequently used, as competitive private sector financing and insurance are readily available.

Corruption

Return to top

UN Anticorruption Convention, OECD Convention on Combatting Bribery

Poland has laws, regulations, and penalties aimed at combating corruption. Although corruption remains a recognized and continuing problem, its scale and impact on economic growth and development has considerably diminished since the beginning of the 1989 transformation from Communism and its 2004 entry into the EU. A February 2014 European Commission report on corruption found that Poland has made progress in tackling corruption, but needs stronger anti-corruption measures in a number of areas, such as public procurement, supervision of state-owned enterprises, and the healthcare sector. In 2013, the Transparency International (TI) index of perceived public corruption ranked Poland as the 38th least corrupt among 177 countries. Due to the downward trend of corruption in Poland, Transparency International closed its Polish chapter in 2011.

The Polish Central Anti-Corruption Bureau (CBA), Internal Security Agency, and national police all investigate public corruption. The Justice Ministry and the police are responsible for enforcing Poland's anti-corruption criminal laws. The Finance Ministry administers tax collection and is responsible for denying the tax deductibility of bribes.

Reports of alleged corruption most frequently appear in connection with government contracting and the issuance of a regulation or permit that benefits a particular company. Allegations of corruption by customs and border guard officials, tax authorities, and local government officials show a decreasing trend. If such corruption is proven, it is usually punished. Overall, U.S. firms have found that maintaining policies of full compliance with the U.S. Foreign Corrupt Practices Act (FCPA) is effective in building a reputation for good corporate governance and that doing so is not an impediment to profitable operations in Poland. In April 2014, the Polish subsidiary of a U.S. information technology firm agreed to pay criminal penalties and forfeitures in the United States after admitting to violating the FCPA in Poland. The Polish CBA is conducting its own investigation into corruption accusations against this and other U.S. firms.

Poland ratified the UN Anticorruption Convention in 2006 and the OECD Convention on Combating Bribery in 2000. Implementing legislation, which came into effect in February 2001, classifies the payment of a bribe to a foreign official as a criminal offense, the same as if it were a bribe to a Polish official.

Contact at government agency responsible for combating corruption

- ORGANIZATION Centralne Biuro Antykorupcyjne (Central Anti-Corruption Bureau - CBA)
- ADDRESS Centralne Biuro Antykorupcyjne, ul. Poleczki 3, 02-822 Warszawa
- TELEPHONE NUMBER +48 800 808 808
- EMAIL ADDRESS kontakt@cba.gov.pl or via web: www.cba.gov.pl; link: Zglos Korupcje (report corruption)

Contact at "watchdog" organization

- ORGANIZATION Batory Foundation, Public Integrity Program
- TELEPHONE NUMBER +48 (22) 536 0257
- EMAIL ADDRESS op@batory.org.pl

Batory Foundation's contact information is for whistleblowers only.

Corruption, including bribery, raises the costs and risks of doing business. Corruption has a corrosive impact on both market opportunities overseas for U.S. companies and the broader business climate. It also deters international investment, stifles economic growth and development, distorts prices, and undermines the rule of law.

It is important for U.S. companies, irrespective of their size, to assess the business climate in the relevant market in which they will be operating or investing, and to have an effective compliance program or measures to prevent and detect corruption, including foreign bribery. U.S. individuals and firms operating or investing in foreign markets should take the time to become familiar with the relevant anticorruption laws of both the foreign country and the United States in order to properly comply with them, and where appropriate, they should seek the advice of legal counsel.

The U.S. Government seeks to level the global playing field for U.S. businesses by encouraging other countries to take steps to criminalize their own companies' acts of corruption, including bribery of foreign public officials, by requiring them to uphold their obligations under relevant international conventions. A U. S. firm that believes a competitor is seeking to use bribery of a foreign public official to secure a contract should bring this to the attention of appropriate U.S. agencies, as noted below.

U.S. Foreign Corrupt Practices Act: In 1977, the United States enacted the Foreign Corrupt Practices Act (FCPA), which makes it unlawful for a U.S. person, and certain foreign issuers of securities, to make a corrupt payment to foreign public officials for the purpose of obtaining or retaining business for or with, or directing business to, any person. The FCPA also applies to foreign firms and persons who take any act in furtherance of such a corrupt payment while in the United States. For more detailed information on the FCPA, see the FCPA Lay-Person's Guide at: http://www.justice.gov/criminal/fraud/

Other Instruments: It is U.S. Government policy to promote good governance, including host country implementation and enforcement of anti-corruption laws and policies pursuant to their obligations under international agreements. Since enactment of the FCPA, the United States has been instrumental to the expansion of the international framework to fight corruption. Several significant components of this framework are the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (OECD Antibribery Convention), the United Nations Convention against Corruption (UN Convention), the Inter-American Convention against Corruption (OAS Convention), the Council of Europe Criminal and Civil Law Conventions, and a growing list of U.S. free trade agreements. This country is party to [add instrument to which this country is party], but generally all countries prohibit the bribery and solicitation of their public officials.

OECD Antibribery Convention: The OECD Antibribery Convention entered into force in February 1999. As of March 2009, there are 38 parties to the Convention including the United States (see http://www.oecd.org/dataoecd/59/13/40272933.pdf). Major exporters China, India, and Russia are not parties, although the U.S. Government strongly endorses their eventual accession to the Convention. The Convention obligates the Parties to criminalize bribery of foreign public officials in the conduct of international business. The United States meets its international obligations under the OECD Antibribery Convention through the U.S. FCPA. [Insert information as to whether your country is a party to the OECD Convention.]

UN Convention: The UN Anticorruption Convention entered into force on December 14, 2005, and there are 158 parties to it as of November 2011 (see http://www.unodc.org/unodc/en/treaties/CAC/signatories.html). The UN Convention is the first global comprehensive international anticorruption agreement. The UN Convention requires countries to establish criminal and other offences to cover a wide range of acts of corruption. The UN Convention goes beyond previous anticorruption instruments, covering a broad range of issues ranging from basic forms of corruption such as bribery and solicitation, embezzlement, trading in influence to the concealment and laundering of the proceeds of corruption. The Convention contains transnational business bribery provisions that are functionally similar to those in the OECD Antibribery Convention and contains provisions on private sector auditing and books and records requirements. Other provisions address matters such as prevention, international cooperation, and asset recovery. [Insert information as to whether your country is a party to the UN Convention.]

OAS Convention: In 1996, the Member States of the Organization of American States (OAS) adopted the first international anticorruption legal instrument, the Inter-American Convention against Corruption (OAS Convention), which entered into force in March 1997. The OAS Convention, among other things, establishes a set of preventive measures against corruption, provides for the criminalization of certain acts of corruption, including transnational bribery and illicit enrichment, and contains a series of provisions to strengthen the cooperation between its States Parties in areas such as mutual legal assistance and technical cooperation. As of December 2009, the OAS Convention has 34 parties (see http://www.oas.org/juridico/english/Sigs/b-58.html) [Insert information as to whether your country is a party to the OAS Convention.]

Council of Europe Criminal Law and Civil Law Conventions: Many European countries are parties to either the Council of Europe (CoE) Criminal Law Convention on Corruption, the Civil Law Convention, or both. The Criminal Law Convention requires criminalization of a wide range of national and transnational conduct, including bribery, money-laundering, and account offenses. It also incorporates provisions on liability of legal persons and witness protection. The Civil Law Convention includes provisions on compensation for damage relating to corrupt acts, whistleblower protection, and validity of contracts, inter alia. The Group of States against Corruption (GRECO) was established in 1999 by the CoE to monitor compliance with these and related anti-corruption standards. Currently, GRECO comprises 49 member States (48 European countries and the United States). As of December 2011, the Criminal Law Convention has 43 parties and the Civil Law Convention has 34 (see www.coe.int/greco.) [Insert information as to whether your country is a party to the Council of Europe Conventions.]

Free Trade Agreements: While it is U.S. Government policy to include anticorruption provisions in free trade agreements (FTAs) that it negotiates with its trading partners, the anticorruption provisions have evolved over time. The most recent FTAs negotiated now require trading partners to criminalize "active bribery" of public officials (offering bribes to any public official must be made a criminal offense, both domestically and trans-nationally) as well as domestic "passive bribery" (solicitation of a bribe by a domestic official). All U.S. FTAs may be found at the U.S. Trade Representative Website: http://www.ustr.gov/trade-agreements/free-trade-agreements. [Insert information as to whether your country has an FTA with the United States: Country [X] has a free trade agreement (FTA) in place with the United States, the [name of FTA], which came into force. Consult USTR Website for date: http://www.ustr.gov/trade-agreements/free-trade-agreements.]

Local Laws: U.S. firms should familiarize themselves with local anticorruption laws, and, where appropriate, seek legal counsel. While the U.S. Department of Commerce cannot provide legal advice on local laws, the Department's U.S. and Foreign Commercial Service can provide assistance with navigating the host country's legal system and obtaining a list of local legal counsel.

Assistance for U.S. Businesses: The U.S. Department of Commerce offers several services to aid U.S. businesses seeking to address business-related corruption issues. For example, the U.S. and Foreign Commercial Service can provide services that may assist U.S. companies in conducting their due diligence as part of the company's overarching compliance program when choosing business partners or agents overseas. The U.S. Foreign and Commercial Service can be reached directly through its offices in every major U.S. and foreign city, or through its Website at www.trade.gov/cs.

The Departments of Commerce and State provide worldwide support for qualified U.S. companies bidding on foreign government contracts through the Commerce Department's Advocacy Center and State's Office of Commercial and Business Affairs. Problems, including alleged corruption by foreign governments or competitors, encountered by U.S. companies in seeking such foreign business opportunities can be brought to the attention of appropriate U.S. government officials, including local embassy personnel and through the Department of Commerce Trade Compliance Center "Report A Trade Barrier" Website at tcc.export.gov/Report_a_Barrier/index.asp.

Guidance on the U.S. FCPA: The Department of Justice's (DOJ) FCPA Opinion Procedure enables U.S. firms and individuals to request a statement of the Justice Department's present enforcement intentions under the anti-bribery provisions of the FCPA regarding any proposed business conduct. The details of the opinion procedure are available on DOJ's Fraud Section Website at www.justice.gov/criminal/fraud/fcpa. Although the Department of Commerce has no enforcement role with respect to the FCPA, it supplies general guidance to U.S. exporters who have questions about the FCPA and about international developments concerning the FCPA. For further information, see the Office of the Chief Counsel for International Counsel, U.S. Department of Commerce, Website, at http://www.ogc.doc.gov/trans_anti_bribery.html. More general information on the FCPA is available at the Websites listed below.

Exporters and investors should be aware that generally all countries prohibit the bribery of their public officials, and prohibit their officials from soliciting bribes under domestic laws. Most countries are required to criminalize such bribery and other acts of corruption by virtue of being parties to various international conventions discussed above.

Anti-Corruption Resources

Some useful resources for individuals and companies regarding combating corruption in global markets include the following:

- Information about the U.S. Foreign Corrupt Practices Act (FCPA), including a "Lay-Person's Guide to the FCPA" is available at the U.S. Department of Justice's Website at: http://www.justice.gov/criminal/fraud/fcpa.

- Information about the OECD Antibribery Convention including links to national implementing legislation and country monitoring reports is available at: http://www.oecd.org/department/0,3355,en_2649_34859_1_1_1_1_1,00.html. See also new Antibribery Recommendation and Good Practice Guidance Annex for companies: http://www.oecd.org/dataoecd/11/40/44176910.pdf.

- General information about anticorruption initiatives, such as the OECD Convention and the FCPA, including translations of the statute into several languages, is available at the Department of Commerce Office of the Chief Counsel for International Commerce Website: http://www.ogc.doc.gov/trans_anti_bribery.html.

- Transparency International (TI) publishes an annual Corruption Perceptions Index (CPI). The CPI measures the perceived level of public-sector corruption in 180 countries and territories around the world. The CPI is available at: http://www.transparency.org/policy_research/surveys_indices/cpi/2009. TI also publishes an annual *Global Corruption Report* which provides a systematic evaluation of the state of corruption around the world. It includes an in-depth analysis of a focal theme, a series of country reports that document major corruption related events and developments from all continents and an overview of the latest research findings on anti-corruption diagnostics and tools. See http://www.transparency.org/publications/gcr.

- The World Bank Institute publishes Worldwide Governance Indicators (WGI). These indicators assess six dimensions of governance in 213 countries, including Voice and Accountability, Political Stability and Absence of Violence, Government Effectiveness, Regulatory Quality, Rule of Law and Control of Corruption. See http://info.worldbank.org/governance/wgi/index.asp. The World Bank Business Environment and Enterprise Performance Surveys may also be of interest and are available at: http://data.worldbank.org/data-catalog/BEEPS.

- The World Economic Forum publishes the *Global Enabling Trade Report*, which presents the rankings of the Enabling Trade Index, and includes an assessment of the transparency of border administration (focused on bribe payments and corruption) and a separate segment on corruption and the regulatory environment. See http://www.weforum.org/s?s=global+enabling+trade+report.

- Additional country information related to corruption can be found in the U.S. State Department's annual *Human Rights Report* available at http://www.state.gov/g/drl/rls/hrrpt/.

- Global Integrity, a nonprofit organization, publishes its annual *Global Integrity Report*, which provides indicators for 106 countries with respect to governance and anti-corruption. The report highlights the strengths and weaknesses of national level anti-corruption systems. The report is available at: http://report.globalintegrity.org/

Bilateral Investment Agreements Return to top

As of February 2013, Poland had in force 59 bilateral investment agreements: Albania (1993); Argentina (1992); Australia (1992); Austria (1989); Azerbaijan (1999); Bangladesh (1999); Belgium and Luxembourg (1991); Belarus (1993); Bulgaria (1995); Canada (1990); Chile (2000); China (1989); Croatia (1995); Cyprus (1993); the Czech Republic (1994); Denmark (1990); Egypt (1998); Estonia (1993); Finland (1998); France (1990); Germany (1990); Greece (1995); Hungary (1995); India (1997); Indonesia (1993); Iran (2001; although they support international sanctions regimes); Israel (1992); Jordan; Kazakhstan (1995); Kuwait (1993); Latvia (1993); Lithuania (1993); Macedonia (1997); Malaysia (1994); Moldova (1995); Mongolia (1996); Morocco (1995); the Netherlands (1994); Norway (1990); Portugal (1993); Romania (1995); Serbia and Montenegro (1997); Singapore (1993); Slovenia (2000); Slovakia (1996); South Korea (1990); Spain (1993); Sweden (1990); Switzerland (1990); Thailand (1993); Tunisia (1993); Turkey (1994); Ukraine (1993); United Arab Emirates (1994); the United Kingdom (1988); the United States (1994); Uruguay (1994); Uzbekistan (1995); Vietnam (1994).

The United States and Poland signed a Treaty Concerning Business and Economic Relations in 1990; it entered into force in 1994 for an initial period of ten years, and then was amended and ratified in October 2004.

Bilateral Taxation Treaties

Poland has signed (as of December 2013) Double Tax Treaties with:
Albania, Algeria (a), Armenia, Australia, Austria, Azerbaijan, Bangladesh, Belarus, Belgium, Bosnia and Herzegovina, Bulgaria, Canada, Chile, China, Croatia, Cyprus, Czech Rep., Denmark, Estonia, Egypt, Finland, France, Georgia, Germany, Greece, Guernsey (a), Hungary, Iceland, India, Indonesia, Iran, Ireland, Israel, Italy, Japan, Jersey, Jordan, Kazakhstan, Korea, Kuwait, Kyrgyzstan, Latvia, Lebanon, Lithuania, Luxembourg, Macedonia, Malaysia, Malta, Isle of Man, Mexico, Moldova, Mongolia, Montenegro, Morocco, Netherlands, New Zealand, Nigeria (a), Norway, Pakistan, Philippines, Portugal, Qatar, Romania, Russia, Serbia, Singapore, Slovakia, Slovenia, Saudi Arabia, South Africa, Spain, Sri Lanka, Sweden, Switzerland, Syria, Tajikistan, Thailand, Tunisia, Turkey, Ukraine, UK , United Arab Emirates, Uruguay (a), U.S., Uzbekistan, Vietnam, Zambia (a), Zimbabwe
(Note: (a) Treaty signed, but not yet in force)

A double taxation treaty is in place between the United States and Poland, but an updated bilateral tax treaty was signed in February 2013 and is awaiting ratification by the United States.

A "totalization treaty" (The Agreement between the United States of America and the Republic of Poland on Social Security) prevents double taxation, enables resumption of payments to suspended beneficiaries, and allows transfer of benefit eligibility.

OPIC and Other Investment Insurance Programs Return to top

The Overseas Private Investment Corporation (OPIC) provides political risk insurance for U.S. companies investing in Poland against political violence, expropriation, and inconvertibility of local currency. OPIC offers medium and long-term financing in Poland through its direct loan and guarantee programs. Direct loans are reserved for U.S. businesses or cooperatives. Loan guarantees are issued to U.S. lending institutions.

The estimated annual U.S. dollar value of the local currency to be used by the Mission in 2014 is $ 31 million. This figure includes embassy and consulate spending, and payroll paid in local currency.

Generally, the Mission uses the official United States Government rate as defined daily by the Department of State's Bureau of the Comptroller and Global Financial Services. The rate is set by the Charleston financial service center. The mission has also a few leases/contracts that stipulate payment is based on the average rate of the National Bank of Poland.

The World Bank's Multilateral Investment Guarantee Agency also provides investment insurance similar to OPIC's for investments in Poland.

Labor

Return to top

Poland has a well-educated, skilled labor force. Productivity remains below Western standards but is rising rapidly, and unit costs are competitive. In early 2014, the average gross wage in Poland was around $950 per month.

Poland's economy employed roughly 16 million people at the end of 2013, with total unemployment rate at 10.1% and youth unemployment rate at 27.4% in December 2013 (as measured according to standard EU and International Labor Organization (ILO) methodology). Unemployment varied substantially from one region to another. At the end of 2013, the lowest levels of unemployment were in major urban areas.

Polish workers are usually eager to work for foreign companies, both in Poland and abroad, and many have taken advantage of opportunities for employment in Great Britain, Ireland, Belgium, Germany, and the Netherlands. Since Poland joined the EU, over two million Poles have sought work in other EU member states.

Polish companies suffer from a shortage of qualified workers. Among the most sought-after specialists are engineers, IT specialists, salespersons, project managers, and technical advisors. Manufacturing companies are looking for welders, bricklayers, machinery and forklift operators.
Overall, employment in the public sector continues to shrink as the private sector grows. Employment has expanded in service industries such as information technology, manufacturing, and administrative and support service activities. In recent years, the business process outsourcing industry in Poland has experienced dynamic growth. The state-owned sector still employs about a quarter of the work force, although employment in fields such as coal mining, steel, and energy is declining.

In 2012, Poland revised its pension system and implemented legislation that will gradually raise the retirement age for both men and women to 67. Previously, the retirement age had been 65 for men and 60 for women. The retirement age was also raised for people in the uniformed services, such as the police and army, who are covered by a separate pension system.

Most workers have the legal right to establish and join independent trade unions and to bargain collectively. The influence of trade unions in Poland is declining, though they remain powerful in the coal-mining industry and shipyards. The trade unions were vocal in their opposition to the 2012 changes in the pension system. In September 2013, the three major trade unions launched a four-day strike after talks broke down between representatives from the government, employers, and labor. The strike was political in nature and there were no economic effects.

The 1996 Labor Code governs most aspects of employee-employer. This outlines employee and employer rights in all sectors, both public and private, and has been gradually revised in order to adapt to EU standards. The Polish government also adheres to the ILO Convention protecting worker rights.

The law requires equal pay for equal work as well as equal treatment with respect to signing labor contracts, conditions of employment, promotion, and access to training. The law defines equal treatment as nondiscrimination in any way, directly or indirectly on the grounds of gender, age, disability, race, religion, nationality, political opinion, ethnic origin, denomination, sexual orientation, whether or not the person is employed temporarily or permanently, full time or part time.

Investors have welcomed recent amendments to the Polish Labor Code including the introduction of flexible working hours, which reduces overtime costs to employers, and expansion of the types of work that may be performed on Sundays and holidays.

Foreign-Trade Zones/Free Ports Return to top

Foreign-owned firms have the same investment opportunities as Polish firms to benefit from foreign trade zones (FTZs), free ports, and special economic zones. The 2004 Customs Law regulates operation of FTZs in Poland. The Minister of Finance, in cooperation with the Minister of Economy, establishes duty-free zones. The Ministers designate the zone's managing authorities, usually provincial governors who issue operating permits to interested companies for a given zone.

Most activity in FTZs involves storage, packaging, and repackaging. As of January 2014, there were seven FTZs: Gliwice, near Poland's southern border; Terespol, near Poland's eastern border; Mszczonow, near Warsaw; Warsaw's Frederic Chopin International Airport (duty-free retail trade within the airport); Szczecin; Swinoujscie; and Gdansk. Duty-free shops are available only for travelers departing to non-EU countries.

There are thirteen bonded warehouses: Bydgoszcz – Biale Blota (airport), Gdynia (seaport); Krakow-Balice (airport); Wroclaw-Strachowice (airport); Katowice-Pyrzowice (airport); Gdansk-Trojmiasto (airport); Lodz (airport); Braniewo (near Olsztyn); Poznan-Lawica (airport); Rzeszow-Jasionka (airport), Warszawa Modlin (airport), and Lublin (airport), Szczecin – Goleniow (airport).

Commercial companies can operate bonded warehouses. Customs and storage facilities are operated pursuant to custom authorities' permission. Bonded warehouses can be open to the general public, while a private warehouse is reserved for the warehouse keeper's goods. The authorization to operate such a customs warehouse can be issued only to persons established in the EU.

Foreign Direct Investment Statistics Return to top

TABLE 2: Key Macroeconomic data, U.S. FDI in host country/economy

	Host Country Statistical source*		USG or international statistical source		USG or international Source of data (Source of Data: BEA; IMF; Eurostat; UNCTAD, Other)
Economic Data	Year	Amount	Year	Amount	

Host Country Gross Domestic Product (GDP) (*Millions U.S. Dollars)*	2012	489700	2012	489800	Source: http://www.worldbank.org/en/country/poland
Foreign Direct Investment	Host Country Statistical source*		USG or international statistical source		USG or international Source of data: BEA; IMF; Eurostat; UNCTAD, Other
U.S. FDI in partner country (*Millions U.S. Dollars, stock positions)*	2012	10723	2012	14,178	Source: BEA • Bureau of Economic Analysis • Balance of Payments and Direct Investment Position Data • U.S. Direct Investment Position Abroad on a Historical-Cost Basis • By Country only (all countries) (Millions of Dollars)
Host country's FDI in the United States (*Millions U.S. Dollars, stock positions)*	2012	2020	2012	2000	Source: Eurostat
Total inbound stock of FDI as % host GDP (***calculate)***	2012	48	2012	47	Source: Eurostat

* (GDP) Central Statistical Office (http://stat.gov.pl/en/poland-macroeconomic-indicators/), (FDI) National Bank of Poland.

The discrepancy in "U.S. FDI in partner country" is likely due to the National Bank of Poland (NBP) methodology of classifying origin of capital. For example, if a U.S. company invests in Poland through their German subsidiary, the FDI will be classified as German, not U.S., by National Bank of Poland methodology.

TABLE 3: Sources and Destination of FDI

Poland, 2012

Direct Investment from/in Counterpart Economy Data					
From Top Five Sources/To Top Five Destinations *(US Dollars, Millions)*					
Inward Direct Investment			**Outward Direct Investment**		
Total Inward	235,113	100%	Total Outward	57,364	100%
Germany	35,476	15%	Luxembourg	12,493	22%
Netherlands	34,669	15%	Cyprus	5,870	10%
France	28,936	12%	United Kingdom	5,799	10%
Luxembourg	24,035	10%	Netherlands	4,253	7%
Italy	13,167	6%	Switzerland	4,149	7%
"0" reflects amounts rounded to +/- USD 500,000.					

Source: http://cdis.imf.org

Results of table 3 are consistent with NBP data.

TABLE 4: Sources of Portfolio Investment

Poland, 2012

Portfolio Investment Assets								
Top Five Partners (Millions, US Dollars)								
Total			**Equity Securities**			**Total Debt Securities**		
World	13,232	100%	World	9,198	100%	World	4,032	100%
Luxembourg	3,950	30%	Luxembourg	3,216	35%	Luxembourg	734	18%
Austria	805	6%	Austria	691	8%	Sweden	361	9%
Netherlands	731	6%	Turkey	574	6%	Germany	344	9%
Hungary	702	5%	Netherlands	467	5%	Hungary	318	8%
Turkey	609	5%	Hungary	383	4%	Romania	267	7%

Source: http://cpis.imf.org.

Results of table 4 are consistent with NBP data.

Web Resources Return to top

U.S. Websites:
Transparency International : http://www.transparency.org

Ranking of Economies – Doing Business:
http://www.doingbusiness.org/economyrankings/

Poland Economy – Facts, data, Analysis: http://www.heritage.org/Index/Country/Poland
Department of Justice, Fraud Section: http://www.justice.gov/criminal/fraud/

Department of Justice, The Foreign Corrupt Practices Act:
www.justice.gov/criminal/fraud/fcpa

United Nations Convention against Corruption:
http://www.unodc.org/unodc/en/treaties/CAC/signatories.html

Department of International Law, Multilateral Treaties:
http://www.oas.org/juridico/english/Sigs/b-58.html

Criminal Law Convention: www.coe.int/greco

Free Trade Agreements, U.S. Trade Representative Website: http://www.ustr.gov/trade-agreements/free-trade-agreements.

U.S. Foreign and Commercial Service: www.trade.gov/cs.

Department of Commerce, Trade Compliance Center "Report a Trade Barrier":
tcc.export.gov/Report_a_Barrier/index.asp

World Bank Business Environment and Enterprise Performance Surveys:
http://data.worldbank.org/data-catalog/BEEPS.

U.S. State Department's annual *Human Rights Report*:
http://www.state.gov/g/drl/rls/hrrpt/

<u>EU Websites:</u>

DG Internal Market and Services
http://ec.europa.eu/dgs/internal_market/index_en.htm

DG Economic and Financial Affairs
http://ec.europa.eu/dgs/economy_finance/index_en.htm

DG Employment and Social Affairs
http://ec.europa.eu/social/home.jsp?langId=en

Office for Harmonization in the Internal Market (trademarks and designs)
http://oami.europa.eu/

EU Anti-Fraud Office: http://ec.europa.eu/anti_fraud/index_en.html

Eurostat – EU Statistical Office
http://epp.eurostat.ec.europa.eu/portal/page/portal/eurostat/home/

U.S. Bureau of Economic Analysis – Department of Commerce http://www.bea.gov

European Patent Office: http://www.epo.org/index.html

Polish Websites:

Central Registration and Information for Economic Activity: www.ceidg.gov.pl

Corporate Social Responsibility Program*:* www.csr.gov.pl

Return to table of contents

Return to table of contents

Chapter 7: Trade and Project Financing

How Do I Get Paid (Methods of Payment) Return to top

Import financing procedures in Poland take place under seller-buyer terms. Popular payment mechanisms include payment against documents and electronic funds transfers. The safest method of receiving payment for a U.S. export sale is through an irrevocable letter of credit (L/C). However, since most banks in Poland require the importer to deposit funds prior to issuance of a L/C, however, few buyers and sellers use this method due to its cost. The most popular payment mechanism is electronic funds transfer (SWIFT or wire transfers) as it is the fastest and cheapest way to transfer funds. Cash payment or down payments provide an extra measure of security for export sales. Leasing is a popular method of financing vehicles, heavy equipment, and other capital-intensive items. Both private and public insurance is available in Poland.

The following rating agencies maintain offices in Poland: Fitch Polska S.A.; EuroRating Sp. z o.o.; Moody's Investors Service Limited, Polish Branch; Standard & Poor, Representative Office. The first two agencies appear on the European Securities and Markets Authority (ESMA) list of registered and certified credit rating agencies.

http://www.esma.europa.eu/page/List-registered-and-certified-CRAs

There are dozens of collection agencies in Poland. The major ones are listed in the Warsaw Business Journal's Book of Lists (a Polish-English database of companies in Poland):

http://www.bookoflists.pl/en/unlog-list/28

How Does the Banking System Operate Return to top

Poland has a sound, non-discriminatory financial services infrastructure. The banking sector plays a dominant role in the financial system, accounting for around 70% of financial sector assets. The state owns several banks, but the sector is largely privately owned with private banks controlling around 80 percent of the market. Foreign banks dominate, holding over 60 percent of total assets. There are many cooperative banks (569), but collectively they account for a relatively small share of the market. All three types of banks offer a wide range of services to their customers.

Poland's universal banking system provides deposits, loans, and securities trading services. State-owned bank BGK administers target funds (e.g., municipal development, road, housing, technology); is responsible for the payment of the majority of EU funds granted to Poland; provides special credit services, including homeowner mortgages and guarantees to export companies; and issues bonds for financing infrastructure (road) projects. BGK is also involved in the "Polish Investments" program, which focuses on creating conditions for long-term financing of investment projects in sectors such as power (distribution and generation) and gas (transmission network, development and storage) infrastructure, development of hydrocarbon deposits (including shale gas), transportation infrastructure, municipal infrastructure (waste disposal, public transportation), as well as industrial and telecommunication infrastructure. BGK also supports SMEs with credit guarantees as part of the so-called *de minimis* aid program.

http://www.bgk.com.pl/en

Payment cards are commonly used with debit cards constituting the majority. Both ATMs and commercial entities accept popular credit cards (VISA, MasterCard, Diner's Club and American Express) and payment cards (VISA Electron and Maestro). Checks as a means of payment are available but have never enjoyed widespread use in Poland.

Internet banking is developing rapidly but the availability of online banking services varies from one bank to another.

Deposits and loans are available in the national currency, the Polish zloty (PLN) and foreign currencies. Financial Supervision Commission (KNF) has restricted the availability of loans in euros and Swiss francs in order to minimize the banking system's exposure to the exchange risk resulting from exchange rate fluctuations. Only individuals who earn salaries denominated in foreign currencies (i.e. euros, Swiss francs, U.S. dollars) continue to enjoy easy access to loans in foreign currencies. Tighter controls on foreign currency lending seek to limit banks' and borrowers' exposure to a sharp decline in the value of the PLN. Since 2011, volatility notwithstanding, the zloty has strengthened against both the Swiss franc and the euro. Credit agreements require borrowers to provide data on their economic and financial standing. It is common practice when granting credits to require bank guarantees, drafts, or other forms of collateral.

KNF oversees banks as well as other financial market entities. If an investor intends to exceed a 10%, 20%, 33.3% or 50% threshold in a bank, insurance company, mutual fund or a brokerage house, the investor needs to notify KNF of its plans. KNF then has up to 60 days to object to the investor's acquisition plans if it believes that the acquiring company will not be able to guarantee stable management of the financial institution it seeks to acquire.

The Polish government has not yet decided whether it intends to join the European Union banking union as a non-euro zone member.

Foreign-Exchange Controls Return to top

The PLN is fully convertible and there are no foreign exchange controls affecting trade in goods. Companies operating in Poland have free access to foreign currency, and there have been no failures of the banking system to provide hard currency on demand. Polish law allows repatriation of profits, including through bonds and securities.

Under the terms of its EU Accession, Poland is required to adopt the Euro. However, the government has no fixed date for Euro adoption.

U.S. Banks and Local Correspondent Banks Return to top

Major U.S. Banks

Citi Handlowy
Bank Handlowy w Warszawie
ul. Senatorska 16
00-923 Warszawa
Telephone: +48 22 657 7200
Fax +48 22 692 5023
Web site: http://www.citihandlowy.pl/

Bank BPH SA
ul. Pk. Jana Paubickiego 2
80-175 Gdańsk
Telephone: +48 58 300 7001
Fax: +48 58 300 7985
E-mail: kontaktBPH@ge.com
Web site: http://www.bph.pl

Bank of America Marrill Lynch
Merrill Lynch Polska Sp. z o.o.
Global Banking and Markets
Aleje Jerozolimskie 65/79
00-697 Warszawa
Telephone: +48 22 630 6219
Fax +48 22 630 6218
E-mail: agnieszka.chwojko@baml.com

JP Morgan Chase Bank National Association
Przedstawicielstwo w Polsce, Nowy Jork
ul. Emilii Plater 53 (WFC), 21st floor
00-113 Warszawa
Telephone: +48 22 441 9500
Fax +48 22 441 9502
Email: jakub.leonkiewicz@jpmorgan.com
Web site: http://www.jpmorgan.com

FCE Bank Polska SA
ul. Tasmowa 7
02-667 Warszawa
Telephone: +48 22 608 6900, 608 6980, 608 6985
Fax +48 22 608 6901
Web site: http://www.ford.pl

Major Local Correspondent Banks

PKO BP
ul. Pulawska 15
02-515 Warszawa
Telephone: +48 81 535-65-65
Fax : not published
E-mail: informacje@pkobp.pl
Web site: http://www.pkobp.pl/

Bank Polska Kasa Opieki
Pekao S.A.
ul. Grzybowska 53/57
00-950 Warszawa
Telephone: +48 22 656 0000
Fax: +48 22 656 0004
E-mail: info@pekao.com.pl
Web site: http://www.pekao.com.pl/

ING Bank Slaski S.A.
ul. Sokolska 34
40-086 Katowice
Telephone: +48 32 357 0069
Fax: +48 32 357-7010, 357-7015
E-mail: mampytanie@bsk.com.pl
Web site: http://www.ing.pl/

Bank Zachodni WBK SA
Rynek 9/11
50-950 Wrocław
Telephone.: 1 9999
Telephone: +48 22 586 80 05
Fax: +48 22 586 85 55
e-mail: kontakt@bzwbk.pl
http://www.bzwbk.pl

Project Financing Return to top

The EU supports projects within its Member States, as well as EU-wide "economic integration" projects that cross both internal and external EU borders.

The European Union provides project financing through grants from the European Commission and loans from the European Investment Bank. Grants from the Structural Funds are distributed through the Member States' national and regional authorities, and are only available for projects in the 28 EU Member States.

The CSEU Tenders Database

The U.S. Commercial Service at the U.S. Mission to the European Union offers a tool on its website to help U.S.-based companies identify European public procurement opportunities. The database features all current public procurement tenders issued by European public authorities (at national and regional levels, as well as public institutions and city authorities). All contracts above established thresholds are open to U.S.-based firms under the terms of the Government Procurement Agreement (GPA) of which the U.S. and the EU are parties. The database, which is updated twice weekly, includes all tenders based on a selection of tenders published in the EU Official Journal that are open to GPA member countries.

Readers may access the database at: http://export.gov/europeanunion/grantstendersandfinancing/cseutendersdatabase/

Loans from the European Investment Bank

Headquartered in Luxembourg, the European Investment Bank (EIB) is the financing arm of the European Union. Since its creation in 1958, the EIB has been a key player in building Europe. As the EIB's lending practices evolved over the years, it became highly competent in assessing, reviewing and monitoring projects. As a non-profit banking institution, the EIB offers cost-competitive, long-term lending in Europe. Best known for its project financial and economic analysis, the Bank makes loans to both private and public EU-based borrowers for projects in all sectors of the economy, such as telecommunications, transport, energy infrastructure and environment, with the goal of contributing towards the integration, balanced development and economic and social cohesion of the member countries.

EIB website a source of information on upcoming tenders related to EIB-financed projects:

http://www.eib.org/projects/pipeline/

The European Bank for Reconstruction and Development (EBRD)

The EBRD operates in Poland and aims to provide support in those areas where transition challenges remain significant, where reforms can be deepened to improve energy efficiency, strengthen Poland's competitiveness and expand export potential. The Bank is now focusing on promoting low carbon economy, enhancing private sector's role in the economy and assisting in the development of a sustainable financial sector and capital markets. Since the beginning of its operations in 1991, the EBRD has invested almost € 7 billion ($ 9 billion) in Poland in over 325 projects.

http://www.ebrd.com/pages/country/poland.shtml

Polish Investments Program

In early 2013, the Polish government launched a program called "Polish Investments," which focuses on creating conditions for the long-term financing of infrastructure investment projects in power (distribution and generation), natural gas (transmission network, development and storage), the development of hydrocarbon deposits (including shale gas), transportation, municipal services (waste management, public transportation), as well as industrial and telecommunications infrastructure. The objective of the "Polish Investments" program is to support project financing for growth-generating projects of strategic significance to the national economy. The program is based on two pillars providing, respectively, debt and equity financing for investment projects – the state-owned bank, Bank Gospodarstwa Krajowego (BGK) and a state-capitalized infrastructure investment fund: Polskie Inwestycje Rozwojowe S.A. (PIR). Combined, they are expected to provide about €10 billion ($13 billion) in financing to projects selected for the program. BGK guarantees loans for potential investments. American companies can participate in this new initiative as subcontractors.

http://www.pir.pl/en/polish-investments-for-development/investment-policy

EU financial assistance programs provide a wide array of grants, loans, loan guarantees and co-financing for feasibility studies and projects in a number of key sectors (e.g., environmental, transportation, energy, telecommunications, tourism, public health). A number of centralized financing programs are also generating procurement and other opportunities directly with EU institutions.

The EU supports economic development projects within its member states, as well as EU-wide "economic integration" projects that cross both internal and external EU borders. In addition, the EU provides assistance to candidate and neighbor countries. The EU provides project financing through grants from the EU budget and loans from the European Investment Bank. Grants from the EU Structural and Investment Funds program are distributed through the member states' national and regional authorities. Projects in non-EU countries are managed through the Directorate-Generals Enlargement, Development and Cooperation (EuropeAid), Humanitarian Aid and Civil Protection (ECHO).

EU Structural and Investment Funds (ESIF)

EU Structural Funds, including the European Regional Development Fund, were created in 1975 to assist economically depressed regions of the European Union that required industrial restructuring. For the period of 2014 – 2020, the EU has earmarked € 352 billion for projects under the EU's cohesion policy. In addition to funding economic development projects proposed by member states or local authorities, EU Structural and Investment Funds (ESIF) also support specialized projects promoting EU environmental and socioeconomic objectives. Member states negotiate regional and "sectoral" programs with EC officials. For information on approved programs that will result in future project proposals, please visit: http://ec.europa.eu/regional_policy/index_en.cfm

For projects financed through ESIF, member state regional authorities are the key decision-makers. They assess the needs of their country, investigate projects, evaluate bids, and award contracts. To become familiar with available financial support programs in the member states, it is advisable for would-be contractors to develop a sound understanding of the country's cohesion policy indicators.

Tenders issued by member states' public contracting authorities for projects supported by EU grants are subject to EU public procurement legislation. All ESIF projects are co-financed by national authorities and many may also qualify for a loan from the European Investment Bank and EU research funds under Horizon 2020, in addition to private sector contribution. For more information on these programs, please see the market research section on the website of the U.S. Mission to the EU: http://export.gov/europeanunion/marketresearch/index.asp

The Cohesion Fund

The Cohesion Fund is another instrument of the EU's cohesion policy. Its € 63 billion (2014-2020) budget will fund projects in two areas: Trans-European Network projects in transport infrastructure and environmental projects, including areas related to sustainable development, and energy for projects with environmental benefits.

The fund will support projects in Bulgaria, Croatia, Cyprus, the Czech Republic, Estonia, Greece, Hungary, Latvia, Lithuania, Malta, Poland, Portugal, Romania, Slovakia and Slovenia.

These projects are, in principle, co-financed by national authorities, the European Investment Bank, and the private sector:
Key Link: http://ec.europa.eu/regional_policy/thefunds/cohesion/index_en.cfm

Other EU Grants for Member States

Another set of sector-specific grants offer assistance to EU member states in the fields of science, technology, communications, energy, security, environmental protection, education, training and research. Tenders related to these grants are posted on the various websites of the directorates-generals of the European Commission. Conditions for participation are strict and participation is usually restricted to EU firms or tied to EU content. Information pertaining to each of these programs can be found at: http://ec.europa.eu/grants/index_en.htm

External Assistance Grants

"Development and Cooperation – EuropeAid" is the Directorate–General (DG) responsible for implementing EU development policies through programs and projects across the world. Its website offers extensive information on the range of grant programs, the kind of projects that are eligible, as well as manuals to help interested parties understand the relevant contract law. However, participation in these calls for tender is reserved for enterprises located in the EU member states or in the beneficiary countries and requires that the products used to respond to these projects are manufactured in the EU or in the aid recipient country. Consultants of U.S. nationality employed by a European firm are allowed to participate. European subsidiaries of U.S. firms are eligible to participate in these calls for tender.
For more information: http://ec.europa.eu/europeaid/index_en.htm

The EU also provides specific Pre-Accession financial assistance to the accession candidate countries that seek to join the EU through the "Instrument for Pre-accession Assistance" (IPA). Also, the European Neighborhood Instrument (ENI) will provide assistance to countries that are the Southern Mediterranean and Eastern neighbors of the EU.

IPA II is the second EU program of support for political and economic reforms, preparing the beneficiaries for the rights and obligations that come with EU membership that are linked to the adoption of the *acquis communautaire* (the body of European Union law that must be adopted by candidate countries as a precondition to accession). These programs are intended to help build up the administrative and institutional capacities of these countries and to finance investments designed to aid them in complying with EU law. IPA II finances projects in: Albania, Bosnia and Herzegovina, the former Yugoslav Republic of Macedonia, Iceland, Kosovo, Montenegro, Serbia, and Turkey. The budget of IPA II for 2014-20 is € 11.7 billion. For more information, see: http://ec.europa.eu/enlargement/instruments/overview/index_en.htm#ipa2

The European Neighborhood Policy program (ENPI) covers the EU's neighbors to the east and along the southern and eastern shores of the Mediterranean (i.e. Algeria, Armenia, Azerbaijan, Belarus, Egypt, Georgia, Israel, Jordan, Lebanon, Libya, Moldova, Morocco, the occupied Palestinian territory, Syria, Tunisia and Ukraine). The ENI budget is € 15.4 billion for 2014-2020. Additional information can be found at: http://ec.europa.eu/world/enp/index_en.htm

Web Resources

Return to top

EU websites:

The EU regional policies, the EU Structural and Cohesion Funds: http://ec.europa.eu/regional_policy/index_en.htm

EU Grants and Loans index: http://ec.europa.eu/grants/index_en.htm

EuropeAid Co-operation Office: http://ec.europa.eu/europeaid/index_en.htm

EU tenders Database: http://ted.europa.eu/TED/main/HomePage.do

The European Investment Bank: http://www.eib.org/projects/pipeline/

European Bank for Construction and Development: http://www.ebrd.com/pages/country/poland.shtml

European Union Tenders Database: http://export.gov/europeanunion/grantstendersandfinancing/cseutendersdatabase/

EIB-financed projects: http://www.eib.org/projects/index.htm?lang=-en.

CSEU tenders database: http://export.gov/europeanunion/grantstendersandfinancing/cseutendersdatabase/

IPA: http://ec.europa.eu/enlargement/instruments/overview/index_en.htm

EIB-financed projects: http://www.eib.org/projects/index.htm?lang=-en.

The Trans-European Networks (TENs): http://ec.europa.eu/ten/transport/index_en.htm

U.S. websites:

Market research section on the website of the U.S. Mission to the EU: http://export.gov/mrktresearch/index.asp

Export-Import Bank of the United States: http://www.exim.gov

Country Limitation Schedule: http://www.exim.gov/tools/country/country_limits.html

OPIC: http://www.opic.gov

Trade and Development Agency: http://www.ustda.gov/

SBA's Office of International Trade
http://www.sba.gov/about-offices-content/1/2889

U.S. Agency for International Development: http://www.usaid.gov

USDA Commodity Credit
Corporation: http://www.fsa.usda.gov/FSA/webapp?area=about&subject=landing&topic=sao-cc

Polish Websites:

Polish Investments for Development: http://www.pir.pl/en/polish-investments-for-development/investment-policy

Book of Lists: http://www.bookoflists.pl/en/unlog-list/28

Return to table of contents

Return to table of contents

Chapter 8: Business Travel

Business Customs

Return to top

In general, conducting business in Poland is highly compatible with our expectations of doing business in the U.S. Poles are, in general, hard-working and trustworthy. The following discussion illustrates a few examples of some potential situations you may encounter when in Poland on business.

It is customary to greet by shaking hands in Poland. A good eye contact and a firm hand-shake are most appropriate. A businesswoman should not be surprised if a Polish man kisses her hand upon introduction, at subsequent meetings or when saying goodbye. American men are not expected to kiss a Polish woman's hand, but may simply shake hands.

Poland is a hierarchical country and it is important to know that while greeting it is appropriate that someone of a higher rank extends his hand first. In case of a man and a woman, usually, out of politeness, the woman is the one expected to extend her hand. With younger generations this custom may not be observed.

When meeting someone for the first time it is more appropriate NOT to address him/her by his/her first name. “Pan” and “pani” – which might be translated as equivalents of “Sir” and “Madam”, are used in initial contacts. The American way of overcoming formalities and addressing almost everybody by his/her first name is growing in popularity. Again, this is particularly true in case of the younger generation of business representatives in Poland.

Business cards are the norm in Poland and are generally given to each person present in a meeting. As Poles tend to bring more than one person to their meetings, U.S. visitors should bring plenty of business cards. It is not necessary to have business cards printed in Polish.

Business hours for offices start at 8:00 AM and end by 5:00 PM. Try to schedule your business meetings within this time frame. Poles might be reluctant to meet at an earlier hour or later in the day.

Although your business contacts may speak English, communication in Polish is recommended when dealing with the Polish government on official business. Just remember that even if you speak fluent Polish, you may still find yourself mired in red tape when doing business with the Polish government.

Business attire is generally formal, including a suit and tie for men, and a suit or a dress for women. Casual wear, including jeans, is suitable for informal occasions, but more formal dress is usually customary for visiting or entertaining in the evening. Flowers, always an odd number, are the most common gift among friends and acquaintances. Sunday is the traditional day for visiting family and friends in Poland.

When planning a business trip to Poland, it is worthwhile to check Polish holidays. Poles are reluctant to schedule appointments on Sundays or Polish holidays. During summer months – July and August – the majority of Poles take vacation; therefore securing business appointments with decision makers might be difficult.

Travel Advisory

Return to top

State Department Travel & Business Advisory:
http://www.state.gov/travel

Visa Requirements

Return to top

American companies that require travel of foreign business persons to the United States should be advised that security options are handled via an interagency process. Visa applicants should go to the following links.

State Department Visa Website: http://travel.state.gov/content/visas/english.html

Visa applicants should go to the following links:

U.S. Embassy in Warsaw, Consular Section:
http://warsaw.usembassy.gov/poland/consular.html

For persons traveling to the U.S. on business:
http://poland.usembassy.gov/visas/nonimmigrant-visas/visas/business.html

Telecommunications

Return to top

Cellular phone services are GSM/DCS/UMTS/LTE-based systems. Internet access is available at all business-class hotels, though some at an extra fee. Free Wi-Fi internet access is available usually at in large cities; gas stations, shopping centers, coffee shops and restaurants frequently offer Wi-Fi service. Visitors can save on expensive international and long-distance phone connections using the U.S. toll-free service provided by AT&T, Verizon and other service providers, or IP-based access numbers.

For emergency, there is a unified 112 number, available from cellular and fixed-line phones.

To call Poland from abroad: +48 and telephone number (include a city prefix in case of calls to fixed-line, no prefix needed while dialing to cellular phones)

To call U.S. from Poland: 001 and telephone number

Transportation Return to top

Transportation by air to and from Poland is excellent. International carriers fly to Poland many times per day from all over the world, and LOT Polish Airlines has direct flights to Warsaw from Chicago, New York and Newark.

Transportation within Poland is quite convenient, especially by air and by train. Flights operate between major cities. Railway routes are extensive and usually reliable, with the "Inter-City" line providing first-class, express service to several cities. However, travel by rail to some destinations might take much more time than expected.

Rental cars are abundant, but due to significantly increased traffic over the past few years and a highway system that has not kept up, driving between Polish cities, especially at night, can be quite dangerous. Poland's highway network, which is generally underdeveloped, is undergoing a major improvement to meet EU standards. Major highways A1, A2 and A4 are still under construction, but many parts of these highways are already in operation.

Taxis are very affordable. It is advisable to call ahead to a reputable taxi company for radio dispatch for personal security, as well as to avoid overcharges.

Major taxi companies in Warsaw include:
Sawa tel. 22 644 4444
Korpo tel. 22 196 24
MPT tel. 22 19191

Basic English is widely spoken in most hotels and restaurants. International hotels and restaurants catering to foreigners accept major credit cards, although smaller hotels and restaurants may not. Currency exchange is widely available, as are local currency Polish Zloty (PLN)-dispensing ATM's, that accept most U.S. bankcards. Please note that the Euro has not been adopted in Poland.

First class business hotels are available in most major Polish cities, and many are located in the heart of business districts. Major western hotels offer air-conditioned rooms with access to the Internet and direct dial telephone capability. Many hotels offer business center amenities with computers, fax, business assistance services, and Internet capabilities. All business hotels take major credit cards. Availability and room rates are seasonal and competitive, and business travelers are advised to check and confirm rates at hotels in advance of their travel.

Language Return to top

Polish is the official language in Poland. Communication in the Polish language is recommended if the seller would like to receive a speedy reply to correspondence and inquiries. U.S. companies should ensure that translations from English into Polish are performed only by professional translators who are fluent in modern business Polish and grammar. When conducting business in Poland, a qualified Polish-language interpreter is recommended. CS Warsaw can provide lists of interpreters.

Health Return to top

In general, American travelers should familiarize themselves with conditions at their destination that could affect their health (high altitude or pollution, types of medical facilities, required immunizations, availability of required pharmaceuticals, etc.). This important information is available at "Travel.State.Gov" website under "Tips for Traveling Abroad - Health Issues": http://www.travel.state.gov/travel/tips/health/health_4971.html

American citizens are welcome to consult a list of doctors compiled by the Embassy and Consulate General. The Embassy does not assume responsibility for the professional ability or integrity of persons appearing on that list.

Medical Facilities
http://poland.usembassy.gov/poland/visa_requirements/medical-facilities.html

Worldwide Air Ambulance Services -
http://www.americanairambulance.com/air_ambulance_assistance.html - provides worldwide air ambulance services for people needing medical attention. The answer-line for all air ambulance questions is: Phone - 800-863-0312 or 941-536-2002

Local Time, Business Hours, and Holidays Return to top

Poland is on Central European Time (CET) and, as such, is six hours ahead of the U.S. East Coast (EST).

Regular business hours in most cases are from 8:00-4:00PM in the governmental offices and 9:00-5:00PM in the private sector.

Locally observed holidays in 2014:

January 1(Wed):	New Year's Day
April 21 (Mon):	Easter Monday
May 1 (Thu):	Labor Day
May 2 (Fri):	Constitution Day observed
June 19 (Thu):	Corpus Christi Day
August 15 (Fri):	Assumption Day
October 31 (Fri):	All Saints' Day
November 11 (Tue):	National Independence Day
December 25 (Thu):	Christmas Day
December 26 (Fri):	Boxing Day

Poland follows European Daylight Savings Time, which begins the last Sunday in March and end on the last Sunday of October.

The U.S. Commercial Service is closed on most U.S. and Polish holidays. During the month of July and August, most Polish institutions are staffed with minimum personnel.

For local time and business hours, please contact the Commercial Service in advance. The Commercial Service can be reached by telephone at +48-22-625-43-74, fax at +48-22-621-63-27, or e-mail at office.warsaw@trade.gov. A current directory of staff and locations worldwide may be accessed on the Commercial Service website www.export.gov/poland

Temporary Entry of Materials and Personal Belongings

Return to top

There are no restrictions on the temporary entry of personal laptop computers or other personal belongings into Poland.

As a result of various customs agreements, simplified procedures are available to US business and professional people for the temporary importation of commercial samples and professional equipment to the EU. Polish law requires materials that enter Poland temporarily and return to the United States, such as exhibition goods, are delivered with ATA Carnet documentation.

An ATA carnet is a customs document that facilitates customs clearance for temporary imports of samples or equipment into foreign countries. With the carnet, goods may be imported without the payment of duty, tax, or additional security. The carnet also saves time since formalities are all arranged before leaving the United States. An ATA carnet is valid for one year from the date of issuance.
To read more about ATA carnet please see: http://export.gov/logistics/eg_main_018129.asp

Web Resources

Return to top

Market Research Library
http://www.export.gov/mrktresearch/index.asp

EU Member States' Country Commercial Guides:
EU Member States' Country Commercial Guides

Commercial Service at the U.S. Mission to the European Union General E-mail Address
brussels.ec.office.box@trade.gov

Current directory of Commercial Service staff and locations worldwide
http://www.export.gov/

ATA carnet: http://export.gov/logistics/eg_main_018129.asp

State Department Travel & Business Advisory:
http://www.state.gov/travel

State Department Visa Website
http://travel.state.gov/visa/visa_1750.html

U.S. Embassy in Warsaw, Consular Section:
http://warsaw.usembassy.gov/poland/consular.html

For persons traveling to the U.S. on business:
http://poland.usembassy.gov/visas/nonimmigrant-visas/visas/business.html

The WHO Health Information on Poland:
http://www.who.int/countries/pol/en/

Worldwide Air Ambulance Services -
http://www.americanairambulance.com/air_ambulance_assistance.html

Return to table of contents

Return to table of contents

Chapter 9: Contacts, Market Research and Trade Events

- Contacts
- Market Research
- Trade Events

Contacts Return to top

American Embassy Warsaw

Aleje Ujazdowskie 29/31
00-540 Warsaw Poland
Tel.: +48-22/504-2000
Web site: http://warsaw.usembassy.gov

Ambassador: Stephen Mull
Deputy Chief of Mission: Douglas Greene

Foreign Commercial Service (FCS): William Czajkowski, Commercial Counselor
Brenda VanHorn, Commercial Attaché
Tel: +48-22/625-4374
E-mail: Office.Warsaw@trade.gov

POL/ECON: John Paul Schutte, Political/Economic Counselor
Tel: +48-22/504-2000
E-mail: econwrw@state.gov

Foreign Agricultural Service (FAS): Michael Henney, Agricultural Counselor
Tel: +48-22/504-2000
E-mail: AgWarsaw@usda.gov

CON GEN: Charles Luoma - Overstreet, Consul General
Tel: +48-22/625-1401
E-mail: publicwrw@state.gov

American Citizen Services (ACS): Emily King
Tel: +48-22/504-2000
E-mail : acswarsaw@state.gov

Consulate General Krakow

Consul General: Ellen Germain
31-043 Kraków
Tel: + 48 12/424-5100
E-mail: krakowfso-dl@state.gov

Further information on the American Embassy Warsaw offices and contact information:
http://poland.usembassy.gov/poland/offices.html

Chambers of Commerce and Bilateral Business Councils:

Polish Chamber of Commerce
Mr. Andrzej Arendarski, President
ul. Trebacka 4
00-074 Warsaw
Telephone: (48) 22 630-9600
Fax: (48) 22 827-4673
E-mail: kig@kig.pl
Web site: http://www.kig.pl/

American Chamber of Commerce in Poland
Ms. Dorota Dabrowski, Executive Director
ul. Emilii Plater 53, Warsaw Financial Center, XIV floor
00-113 Warsaw
Telephone: (48) 22 520-5999
Fax: (48) 22) 520-5998
E-mail: office@amcham.com.pl
Web site: http://www.amcham.com.pl/

Country Government Offices:

Ministry of Environment
ul. Wawelska 52/54
00-922 Warsaw
Telephone: (48) 22 579-2900
Fax: (48) 22 579-2450
E-mail: info@mos.gov.pl
Web site: http://www.mos.gov.pl/

Ministry of Agriculture and Rural Development
ul. Wspolna 30
00-930 Warsaw
Telephone: (48) 22 623-1000
Fax: (48) 22 623-2750
E-mail: kancelaria@minrol.gov.pl
Web site: http://www.minrol.gov.pl/

Ministry of Finance
ul. Swietokrzyska 12
00-916 Warsaw
Telephone: (48) 22 694-5555
E-mail: kancelaria@mofnet.gov.pl
Web site: http://www.mofnet.gov.pl/

Ministry of Economy
Pl. Trzech Krzyzy 3/5
00-507 Warsaw
Telephone: (48) 22 693-5000, 693- 5904
Fax: (48) 22 693-4046

E-mail: mg@mg.gov.pl
Web site: http://www.mg.gov.pl/

Ministry of Treasury
ul. Krucza 36/Wspolna 6
00-522 Warsaw
Telephone: (48) 22 695 8000, 695 9000
Fax: (48) 22 628 0872, 621-3361
E-mail: minister@msp.gov.pl
Web site: http://www.mst.gov.pl/

Ministry of Administration and Digitization
ul. Królewska 27
00-060 Warsaw
Telephone: (48) 22 245-5920
Email: mac@mac.gov.pl
Web site: https://mac.gov.pl/

Information and Foreign Investment Agency
ul. Bagatela 12
00-585 Warsaw
Telephone: (48) 22 334-9800
Fax: (48) 22 334-9999
E-mail: post@paiz.gov.pl,
Web site: http://www.paiz.gov.pl/

Central Statistical Office
Al. Niepodleglosci 208
00- 925 Warsaw
Telephone: (48) 22 608-3000
Fax: (48) 22 608-3860
E-mail: dane@stat.gov.pl
Web site: http://www.stat.gov.pl/

In-Country Market Research Firms:

Millward Brown SMG/KRC
ul. Branickiego 17
02-797 Warsaw
Telephone: (48) 22 545-2000
Fax: (48) 22 545-2100
E-mail: recepcja@moliera.smgkrc.pl
Web site: http://www.smgkrc.pl/

TNS Poland
ul. Wspólna 56
00-687 Warszawa
Telephone: (48) 22 598 98 98
E-mail: tnspolska@tnsglobal.com
Web site: www.tnsglobal.com

Grupa IQS Sp z. o.o.
ul. Francuska 37
03-905 Warszawa
tel: +48 (22) 592 63 00
fax: +48 (22) 825 48 70
e-mail: kontakt@grupaiqs.pl
Web site: www.grupaiqs.pl

Cracovian International Consultants (Cic)
ul. Straszewskiego 28, Suite 22
31-113 Kraków
tel: (48 12) 432 1661
fax: (48 12) 432 1660
E-mail: cic@cic.com.pl
Website: http://www.cic.com.pl/

PMR Ltd.
ul. Dekerta 24
30-703 Kraków
tel: (48) 12 618-9000
fax: (48)12 618-9008
E-mail: info@pmrcorporate.com
Website: http://www.pmrcorporate.com/

Multilateral Development Bank Offices in Poland

European Bank for Reconstruction and Development
Warsaw Financial Center
13th Floor
ul. Emilii Plater 53
00-113 Warsaw
Telephone: (48) 22 520-5700
Fax: (48) 22 520-5800
E-mail: not published
Web site: http://www.ebrd.com/

World Bank
Warsaw Financial Center
9th Floor
ul. Emilii Plater 53
00-113 Warsaw
Telephone: (48) 22 520-8000
Fax: (48) 22 520-8001
E-mail: akowalczyk@worldbank.org
Web site: http://www.worldbank.org

International Monetary Fund
Regional Office for Central Europe and the Baltics
00-108 Warszawa
ul. Zielna 37c
Tel. +48 22 338 6700

Fax +48 22 338 6500
E-mail: cee-office@imf.org
Web site: http://www.imf.org/Poland

Country Major Commercial Banks and Financial Institutions

PKO BP
ul. Pulawska 15
02-515 Warszawa
Telephone: +48 81 535-65-65
Fax : not published
E-mail: informacje@pkobp.pl
Web site: http://www.pkobp.pl/

Bank Polska Kasa Opieki
Pekao S.A.
ul. Grzybowska 53/57
00-950 Warszawa
Telephone: +48 22 656 0000
Fax: +48 22 656 0004
E-mail: info@pekao.com.pl
Web site: http://www.pekao.com.pl/

ING Bank Slaski S.A.
ul. Sokolska 34
40-086 Katowice
Telephone: +48 801 222 222
Fax: +48 32 357-7010, 357-7015
E-mail: mampytanie@bsk.com.pl
Web site: http://www.ing.pl/

mBank
ul. Senatorska 18
00-950 Warszawa
Telephone: +48 22 829 0000
Fax: +48 22 829 0033
E-mail: piotr.rutkowski@brebank.pl
Web site: www.mbank.pl

Bank Zachodni WBK SA
Rynek 9/11
50-950 Wrocław
Telephone.: 1 9999
Telephone: +48 22 586 80 05
Fax: +48 22 586 85 55
e-mail: artur.sikora@bzwbk.pl
http://prasa.bzwbk.pl

NBP
Polish National Bank

ul. Świętokrzyska 11/21
00-919 Warszawa
Telephone: (48) 22 653 10 00
Fax: (48) 22 653 2475
e-mail: sekretariat.gp@nbp.pl
Web site: http://www.nbp.pl

Giełda Papierów Wartościowych
Warsaw Stock Exchange
ul. Książęca 4
00-498 Warszawa
Telephone: +48 22 628 3232
Fax: +48 22 628 1754
e-mail: gpw@gpw.pl
Web site: http://www.gpw.pl

Związek Banków Polskich
Polish Bank Union
ul. Kruczkowskiego 8
00-380 Warszawa
Telephone: +48 22 48 68 180, 48 68 190
Fax: +48 22 48 68 100
e-mail: wp@zbp.pl
Web site: http://www.zbp.pl

Polska Izba Ubezpieczeń
The Polish Chamber of Insurance
ul. Wspólna 47/49
00-684 Warszawa
Telephone: +48 22 42 05 105
Fax: +48 22 420-5107
e-mail: office@piu.org.pl
Web site: http://www.piu.org.pl

Izba Zarządzających Funduszami i Aktywami
Chamber of Investment Fund Associations
ul. Książęca 4
00-498 Warszawa
Telephone: +48 22 573 76 30
Fax: +48 22 537 76 31
e-mail: poczta@izfa.pl
Web site: http://www.izfa.pl

Izba Domów Maklerskich
The Chamber of Brokerage Houses
ul. Kopernika 17
00-359 Warszawa
Telephone: +48 22 828 1402/03, 827-3212
Fax: +48 22 827 8554
e-mail: biuro@idm.com.pl
Web site: http://www.idm.com.pl

Izba Gospodarcza Towarzystw Emerytalnych
Chamber of Pension Associations
Ul. Marszałkowska 20/22, lokal 64
00-590 Warszawa
Tel./fax: +48 22 629 09 27
E-mail: igte@igte.com.pl
Web site: http://www.igte.com.pl

Komisja Nadzoru Finansowego
Polish Financial Supervision Authority
Plac Powstańców Warszawy 1
00-950 Warszawa
Telephone: +48 22 262 5000
Fax: +48 22 262 5111
e-mail: knf@knf.gov.pl
Web site: http://www.knf.gov.pl

Market Research Return to top

To view market research reports produced by the U.S. Commercial Service, please go to the following website: http://www.export.gov/mrktresearch/index.asp and click on Country and Industry Market Reports.

Please note that these reports are only available to U.S. citizens and U.S. companies. Registration to the site is required, and is free.

Trade Events Return to top

Please visit the following links for information about upcoming trade events.

U.S. Trade Event Searchable Database: http://www.export.gov/eac/trade_events.asp

Trade Events in Poland: http://export.gov/poland/tradeevents/eg_pl_024715.asp

Return to table of contents

Return to table of contents

Chapter 10: Guide to Our Services

The President’s National Export Initiative marshals Federal agencies to **prepare U.S. companies to export successfully**, **connect them with trade opportunities** and **support them once they do have exporting opportunities**.

The U.S. Commercial Service offers customized solutions to help U.S. exporters, particularly small and medium sized businesses, successfully expand exports to new markets. Our global network of trade specialists will work one-on-one with you through every step of the exporting process, helping you to:

- Target the best markets with our world-class research
- Promote your products and services to qualified buyers
- Meet the best distributors and agents for your products and services
- Overcome potential challenges or trade barriers
- Gain access to the full range of U.S. government trade promotion agencies and their services, including export training and potential trade financing sources

To learn more about the Federal Government’s trade promotion resources for new and experienced exporters, please click on the following link: www.export.gov.

For more information on the services the U.S. Commercial Service offers to U.S. exporters, please click on the following link: http://www.buyusa.gov.

U.S. exporters seeking general export information/assistance or country-specific commercial information can also contact the **U.S. Department of Commerce's Trade Information Center** at **(800) USA-TRAD(E).**

Return to table of contents