

Poland



KEY FACTS

Official name: Rzeczpospolita Polska (Republic of Poland)

Head of State: President Bronislaw Komorowski (took office 6 Aug 2010)

Head of government: Prime Minister Donald Tusk (PO) (from 2007; re-elected 9 Oct 2011)

Ruling party: Coalition government led by Platforma Obywatelska (PO) (Civic Platform) (since 2007; re-elected 9 Oct 2011)

Area: 312,683 square km

Population: 38.90 million (2012) (38,501,000; 2011, census figure)

Capital: Warsaw

Official language: Polish

Currency: Zloty (Zl) = 100 groszy

Exchange rate: Zl4.87 per US\$ (Jul 2013)

GDP per capita: US\$12,538 (2012)*

GDP real growth: 2.04% (2012)*

GDP: US\$487.67 billion (2012)*

Labour force: 17.39 million (2012)*

Unemployment: 10.35% (2012)*

Inflation: 3.68% (2012)*

Natural gas production: 4.20 billion cum (2012)

Balance of trade: -US\$6.87 billion (2012)

Annual FDI: US\$15.30 billion (2011)

* estimated figure

Rather than the more pendulous political shifts that of late have seen its regional counterparts revert to hard-line nationalism – in the case of Hungary and Slovakia – or position once-reviled Communists as a potential determining element on whether a governing coalition will serve its electoral mandate – as in the Czech Republic – recent events in Poland appear more first-world by comparison and less the stuff of developing nationhood.

In 2013, they included the finer points of economic stewardship and the more inclusive aspects of human rights legislation. That the former saw the government of Prime Minister Donald Tusk take steps away from the guidance proffered by its more developed European Union (EU)

partners and that the latter contravened *diktats* of the Catholicism that has helped unite Poles through dark periods in their collective national history shows just how far the country has advanced in the quarter-century that has passed since strikes at its shipyards shook the world.

Indeed, the wing-mirror images of Soviet hegemony and the shock-therapy economic reforms that were implemented in the wake of its collapse appeared larger only briefly with the death of the region's first post-Communist prime minister and demonstrations by disgruntled trade unionists on the streets of Warsaw. That both occurred at autumn's onset appears as fitting testament to progress underscored in a World Bank report that located the country in a 'golden age', both as

compared to its European contemporaries and in the larger frame of Polish history.

And while undermined at turns by party parliamentarians both conservative and progressive and by administrative incompetence that made for a geopolitical *faux pas*, Tusk maintained his grip even as his popularity plummeted. Still, a sharp return to growth in the second half of 2013 portended a rise in positive sentiment in the year ahead. Renewed demand from Poland's EU trading partners meant that gambles to temporarily abandon the austerity advocated in Brussels and to execute controversial changes to the country's three-pronged pension system might yet come good.

Nixed unions

The prime minister's approval ratings had dipped along with growth in gross domestic product (GDP), which fell to 0.1 per cent in the final quarter of 2012, and took a further hit at end-January 2013. That was when 46 deputies from the Platform Obywatelska (PO) (Civic Platform) party he leads voted against measures that would start the process of granting equal rights to same-sex couples. The 211 votes in favour to 218 against, forced when then-Justice Minister Jaroslaw Gowin ruled the government's proposed policy as unconstitutional, marked the closest-ever defeat since bills allowing so-called civil unions first entered the law-making process in 2004.

Tusk's initial support for the measure and summary assessment that no such law

was possible under current political conditions in the wake of its defeat, did him little favour with conservative and liberal elements of the PO power base. Opinion polls at the time of the vote showed 70 per cent of those surveyed opposed the provision of joint taxation, rights to adopt children or citizenship for foreign partners for gay and lesbian couples. This despite victories by gay and transgender candidates in the 2011 parliamentary elections that helped comprise the Ruch Palikota (RP) (Palikot's Movement), a progressive party led by Lublin MP Janusz Palikot that broke away from the PO in 2010.

The liberal RP, which is generally aligned with the moderate wing of the PO, had come third in the 2011 election, getting 10 per cent of the votes and taking 40 seats in the 460-seat Sejm, the lower house of the country's bicameral legislature. The conservative Prawo i Sprawiedliwosc (PiS) (Law and Justice) party is parliament's second-largest and stands in opposition, having won 157 seats. Together with the Polskie Stronnictwo Ludowe (Polish People's Party) (PSL), an agrarian party led by former PM Waldemar Pawlak that took 28 seats in 2011, Tusk's majority at end-2013 was 236 seats.

Though the prime minister's concession appeared a *de facto* victory for the Catholic Church, which exercises considerable social control thanks to the focus it has provided Poles through the course of a history that has seen the country be overrun by foreign powers or erased entirely

from the map at various points through the centuries. Still, the seven-vote margin of defeat – coupled with the televising nationwide at end-May 2013 of a programme that featured testimony of victims of alleged molestation at the hands of parish priests – led the church to soften its stance on at least one form of reproductive choice – in vitro fertilisation (IVF).

Conceding that any rules were better than none at all as competing conservative and liberal bills emerged from the PO on how best to regulate the procedure, which became eligible for government funding thanks to a loophole discovered in October 2012 that allows local clinics to offer IVF without parliamentary approval. With the first government-funded clinics opened in July 2013 and up to Z1100 million (US\$20.5 million) in support earmarked for 2014, church leaders backed away from opposition, including PiS calls for gaol sentences for doctors performing IVF.

The softer stance is more in line with opinion polls, which routinely show little objection among most Poles when it comes to the procedure. And those, in turn, mirror attitudes elsewhere in Europe, with EU officials among those lobbying the Tusk government to create formal IVF legislation. However, the schism in the PO was at mid-2013 being blamed for an impasse – centred on the storage and disposal of human reproductive cells – that led Gowin, the sponsor of a competing PO proposal on IVF regulation, to forecast that the issue would not be solved by the current parliament. A conservative deputy from Krakow – an otherwise PiS stronghold – Gowin was sacked as justice minister in April 2013 after claiming that Polish fertility clinics had sold embryos in neighbouring Germany.

Gas gaffe

Gowin's dismissal was not the only change in the Tusk cabinet in 2013. That same month, treasury minister Mikolaj Budzanowski departed after signing a preliminary agreement that would allow the joint Polish-Russian operator of a natural gas pipeline to extend its network and create a north-south route, enabling Russia's listed, state-controlled Gazprom monopoly provider and a key continental supplier to skirt Ukraine as it services customers in south-eastern Europe.

Agreed ahead of a meeting between the Polish government and Gazprom officials, the memorandum of understanding (MOU) on the proposed expansion – called Yamal-Europe 2 – was made public in a Gazprom press release in early-April 2013.

KEY INDICATORS

Poland

	Unit	2008	2009	2010	2011	2012
Population	m	*38.10	*38.10	*38.18	38.50	*38.90
Gross domestic product (GDP)	US\$bn	528.30	430.20	468.50	513.80	*487.67
GDP per capita	US\$	13,858	11,288	12,300	13,540	*12,538
GDP real growth	%	5.1	1.6	3.8	4.4	*2.0
Inflation	%	4.2	3.5	2.6	4.3	*3.7
Unemployment	%	9.8	11.0	12.1	12.8	*10.3
Natural gas output	bn cum	4.1	4.1	4.1	4.3	4.2
Coal output	mtoe	60.5	56.4	55.5	56.6	58.8
Exports (fob) (goods)	US\$m	177,278.0	139,956.0	162,267.0	195,209.0*	188,408.0
Imports (fob) (goods)	US\$m	201,655.0	144,432.0	173,681.0	209,245.0*	195,276.0
Balance of trade	US\$m	-24,377.0	-4,476.0	-11,414.0	-14,036.0	*-6,868.0
Current account	US\$m	-34,957.0	-17,155.0	-24,030.0	-25,023.0*	-17,400.0
Total reserves minust gold	US\$m	59,305.6	75,923.3	88,821.8	100,929.3*	103,396.2
Foreign exchange	US\$m	58,931.0	73,393.6	86,317.4	98,325.9*	100,316.9
Exchange rate	per US\$	2.41	3.12	3.02	2.82	3.17

* estimated figure

The MOU covered a six-month feasibility study for a 15 billion cubic meter line that would be fed from Belarus and join Slovakia's transmission network. Gazprom holds a 48 per cent stake in EuRoPol GAZ – the network operator – as does Polskie Górnictwo Naftowe i Gazownictwo SA (PGNiG) (Polish Petroleum and Gas Mining), which likewise is state-controlled and publically traded. Gas-Trading SA, a consortium of five companies, including PGNiG, holds the remaining shares.

However, neither Tusk nor Budzanowski were aware of the agreement, with the prime minister making clear his government's refusal to participate in a scheme that makes fuel supplies still more a political football. Or one that further isolates Ukraine, a country over which in 2013 both Brussels and Moscow were vying for deeper trade links. Governments in Kiev routinely fall into arrears on gas deliveries, which in 2006 and in 2009 forced Gazprom to curtail volumes pumped westward via Ukraine.

Budzanowski and the PGNiG chief executive, Grazyna Piotrowska-Oliwa, claimed that the agreement was both technical in nature and non-binding as regards construction. For Budzanowski, the gaffe marked the latest and ultimately the last in a string of failures in oversight. The treasury minister had been forced to fire Marcin Pirog, the chief executive of LOT Polish Airlines, amid a Z1400 million (US\$82 million) bailout of , the state-owned carrier in December 2012. And to discharge the head of the Warsaw Stock Exchange, Ludwik Sobolewski, a month later, in January 2013, after he was found to be soliciting investment from registered trading companies in a film starring his actress partner, a former exchange employee.

For his part, the Prime Minister – whose popularity ratings by that time had slipped to 34 per cent, rivalling those of PiS leader Jaroslaw Kaczynski – was unmoved. He relieved both Budzanowski and Piotrowska-Oliwa of their positions, saying in part that state-controlled companies should operate in the national interest. While the extension's proposed capacity would meet the country's entire annual demand, the Tusk government is keen to diversify energy sources away from Russia, which until 2012 had charged more per cubic metre for deliveries to Poland than for those to Germany.

Energy exits

Alternatives included greater reliance on energy imports from Poland's EU trading

partners and increased natural gas output from domestic sources, including from shale-gas trapped in fields of largely spent gas wells. The government has sought to encourage exploration, mostly via the sale of cut-price licences to companies intending to use the technique of hydraulic fracturing, also known as fracking, to free gas by injecting large amounts of treated water into bedrock.

However, a combination of poor initial results and regulatory uncertainty – a tax of as much as 40 per cent on the sale of fracked gas has been mooted – has seen companies balk at deepening their investment. Indeed, in May 2013 Marathon Oil of the US and Canadian producer Talisman Energy followed the October 2012 lead of Exxon Mobil of the US out of the Polish market. They are among 19 producers issued more than 100 licences since 2010. They cited regulatory uncertainty and unforeseen geological difficulties in extraction as among the reasons behind the exits. Service companies, among them Scotland's KCA Deutag and MND of the Czech Republic, also have withdrawn.

The Organizacja Polskiego Przemysłu Poszukiwawczo-Wydobywczego (OPPPW) (Polish Exploration and Production Industry Organisation), an industry lobby, said that despite revised government plans to extend tax subsidies on shale-gas proceeds that were due to go into effect in 2015 and last until 2020, the results from the 49 test wells (12 in 2013) that had been drilled at a cost of Z12 billion (US\$335 million) since licensing began are a source of concern for investors.

So, too, are plans that would grant participation in successful projects to the Narodowy Operator Kopalni Energetycznych (NOKE) (National Mineral Energy Operator), a state-controlled concern. The OPPPW claims that NOKE's presence will add costs and dilute profits. It is also concerned that because exploration licences do not guarantee rights to production, operators will be forced to compete for development rights to the reserves they discover. In July 2013, the EU Court of Justice ruled that the licensing process contravened guidelines that require their provision be subject to tender.

Wind woes

The gas-drillers are not alone in their frustration with efforts to transpose EU energy rules into Polish law, an effort that is expected to be ongoing at least to 2015 and that has earned the government

frequent rebuke from Brussels. Spain's Iberdrola and DONG Energy of Denmark, said in 2012, that they would withdraw in February 2013. Polska Grupa Energetyczna (PGE) (Polish Energy Group) and Grupa Energa, both state-controlled, exchange-listed enterprises, purchased the Polish assets of both companies, including approvals for projects in development.

Iberdrola sold its 75 per cent stake in three off-shore wind farms for Z1 840 million (US\$280 million) to the pair, which purchased the remainder from the European Bank for Reconstruction and Development (EBRD) in June 2013. PGE is the country's largest electricity producer, and Grupa Energa, based in Gdansk, operates power plants and distribution networks in the north that serve around a quarter of Polish households. They acquired DONG Energy's on-shore assets, located in Western Pomerania, for Z11 billion (US\$330 million). DONG Energy's installed capacity is 111.5 megawatts, with approvals for 700 megawatts. Together, the five farms involved in the deals produce 295 megawatts per annum.

Wind producers are upset in part because the country, which is aiming to meet an EU target of generating 20 per cent of its electricity needs from renewable sources by 2020, favours siting wind farms off-shore. There is also a move afoot to cut subsidies for renewables in order to raise budget revenues. Parliament in November 2013 received a bill that calls for reductions of 40 per cent in 2014 and lifts subsidies altogether for companies that sell power for more than 105 per cent of the median price for electricity, which is around Z1200 (US\$67) per megawatt-hour.

Most producers employ flexible pricing schedules that allow them to command higher rates at times of peak demand. But the government is keen to create fixed-term contracts that would lower consumer costs. Meanwhile, the prices on so-called green certificates entitling producers to subsidies have fallen by around 70 per cent since the start of 2012 to stand at around Z1100 (US\$33) at the beginning of November 2013.

The bill also affects biogas producers, with the country's mainly coal-fired power plants now well accustomed to burning plant matter in bituminous boilers, a practice labelled co-generation. The uncertainty has led some investors in the sector, including Électricité de France (EDF) and Finland's Fortnum, to delay upgrades and new construction. EDF in

part cited uncertainty over co-generation in its decision in December 2012 to suspend a Z15.4 billion (US\$1.8 billion) project to increase capacity at Rybnik, in southern Poland. Fortnum also intends to wait on capacity increases at a pair of sites; projects valued at Z12.5 billion (US\$830 million).

The practice has environmentalists riled both because Poland's government counts power produced by cogeneration against its renewables target and domestic producers import some of the organic material they burn with the coal that accounts for around 90 per cent of electricity production. Rather than prioritise renewables, the Tusk government has commissioned an upgrade at a coal-fired plant in Turow, which the EU lists as Europe's eighth-largest emitter of carbon dioxide (CO₂), the primary greenhouse gas identified as a source of global warming.

A February 2013 tender came in over operator PGE's Z12.5 billion (US\$830 million) budget and the government reissued the call of bids four months later, in June 2013, even as competing bidders, including listed builder Budimex and Japan's Hitachi Power Europe, sued to bar the winner of the cancelled tender, Alstom of France, from the process. Regardless, China's Shanghai Electric was declared the winner in November 2013, offering to replace aging and de-commissioned production facilities over a period of nearly five years with a 450 megawatt unit for Z13.09 billion (US\$1 billion).

Blowing the budget

The decline in investment due to parliamentary foot-dragging can be read into efforts the Tusk government made at mid-2013 to strengthen a slow-growing economy. With indicators pointing to a second-quarter rise in GDP of 0.5 per cent, Tusk announced in July 2013 his intention to grow deficit spending by 1 per cent of GDP, or around Z116 billion (US\$5.2 billion), while cutting spending by around Z18 billion (US\$2.6 billion), in order to offset a decline in revenues below the 2013 budget forecast.

The move, approved by parliament in a September 2013 amendment to a law prohibiting the government from raising the deficit if aggregate public debt is above 50 per cent of GDP, is expected to widen the budget gap from 3.9 per cent to 4.4 per cent by year-end. Poland's government debt stood near 55 per cent at mid-year, around the time the government began petitioning the European Investment Bank and World Bank for loans to cover the

revenue shortfall. Those institutions cited improving fundamentals in agreeing the loans, despite the government's move away from the 3 per cent called for by the Treaty of Maastricht that governs the single European currency.

As a signatory to the EU Growth and Stability Pact, Poland is bound to lower its deficit if it is to adopt the euro. While no date has been set, Tusk said in March 2013 he would let voters decide in a referendum on the issue, likely sometime after the 2015 parliamentary election. Opinion polls at the time of the announcement showed that a measure to enter the euro-zone would fail in a popular vote.

The decision to widen the budget gap, based initially on a growth forecast of 2.2 per cent in 2013, came after a succession of reductions in key interest rates that left the interbank borrowing benchmark at a record low. From 4.75 per cent in November 2012, the Monetary Policy Council of the Narodowy Bank Polski (National Bank of Poland) (the central bank) dropped rates in eight of the next nine months, to 2.5 per cent in July 2013 and where it remained following the council's November 2013 meeting.

To shore up its accounts further, the Tusk government announced in September 2013 that it would transfer the government debt component from privately managed second-pillar pension funds – *Otwarte Fundusze Emerytalne* (OFE) (Open Pension Funds) – to the *Zakladu Ubezpieczen Spolecznych* (ZUS) (Social Insurance Institution), which administers the pay-as-you-go, first pillar of the system. Approved in October 2013, the transfer involves OFE assets in excess of Z1140 billion (US\$46.6 billion), which will be employed to reduce a ZUS deficit and to lower governmental debt-servicing outlays.

In a bid to boost spending and generate tax revenues, the government in 2011 had cut mandatory contribution levels by 5 per cent, to 2.3 per cent of salary, to the 14 OFEs, which are run largely by the Polish subsidiaries of Western banks and asset managers and invest in a mix of government debt and listed shares. The proceeds from government bond issues are used to cover the contributions, money the OFEs use, in part, to purchase government debt. Government estimates show the transfer will save around Z15.1 billion (US\$1.7 billion) per year in interest payments on its borrowings, which would stand at around 35 per cent of GDP had it not covered the debt-funded contributions to the OFEs

that were created in a comprehensive 1999 pensions overhaul.

The transfer will take place in February 2014, with second-pillar funds retaining stewardship of their equity components. Privately funded retirement savings vehicles – the third pillar – are not affected by the change, which will reduce the government's debt burden by 8 per cent of GDP, according to finance minister Jacek Rostowski. Those estimates were among the elements called into question by critics, some of whom likened the reform to the Cypriot government's March 2013 seizure of funds in excess of €100,000 of account holders in the country's banks in order to pay down debt and stave off an exit from the euro-zone.

Forward march

Among the aggrieved were members of the Solidarity trade union, 100,000 of whom took to the streets of Warsaw in September 2013 for a series of marches to protest against the labour and wage policies of the Tusk government. The union, instrumental in bringing an end to Communism in the region more than two decades ago, blames the government's pro-business approach for leaving wages for workers at subsistence levels in the industries, such as manufacturing and healthcare, that its membership represents.

Unemployment has risen, standing above 10 per cent at mid-2013, thanks to layoffs in the wake of an economic slowdown induced by the succession of crises in the economies of the country's EU trading partners. And average monthly wages, which slipped to Z13,600 (US\$1,200) in the period, according to government statistics, rank well down by comparison. So, too, is union membership, which stood at 12 per cent, according to the European Trade Union Institute – a far cry from the 10 million or so members whose strikes at enterprises that were then state-owned helped to trigger the Soviet Union's collapse.

Despite many unionists from the period, most notably former Polish President Lech Walesa, becoming politicians, Solidarity's influence has declined along with its membership. In the same month as the marches took place, another notable ex-unionist, Tadeusz Mazowiecki, passed away. The region's first freely elected prime minister, aged 86, had served on a so-called Board of Experts that advised Solidarity in its negotiations with the government during the imposition of Martial Law in 1980 and later was imprisoned for his union activities.

Mazowiecki's work in Round Table talks led to the region's first free elections, which Solidarity candidates won in a landslide. He was made prime minister in 1989 and helped to oversee constitutional changes that established the country's multi-party political system and the economic reforms that saw moribund state-run enterprises turned out to the free market almost overnight. Those changes produced schisms in the movement that in 1990 pitted Mazowiecki against Walesa in the presidential election.

At the time, the so-called shock-therapy reforms of then-finance minister Leszek Balcerowicz produced sharp increases both in government debt, as older workers were pensioned off, and in unemployment, as many state enterprises were shuttered because they were unable to compete without government assistance. High inflation rocked the currency and conditions forced the sort of political turmoil that made Mazowiecki the first of a succession of sacrificial leaders who stayed the reformist course despite the unpopularity engendered by the hardships.

Still, the same free-market forces that have seen union participation ebb in the intervening decades have laid the groundwork for substantive economic progress. Blessed with Central Europe's largest domestic market, Poland was the only EU member-state, East or West, to have avoided recession amid the global financial crisis of 2007-08 and the euro-zone debt crisis that it precipitated. Preliminary indicators in the third quarter of 2013 showed a better than 6 per cent rise in industrial output, buffeting the upward turn from the flat-lining of quarterly GDP growth rates at mid-year 2012.

Reinforced by figures from 2010 released by Eurostat, the EU's statistical agency, in March 2013 that show the Warsaw region for the first time surpassing the EU average in per-capita GDP, the rises bode well for an expected return to stronger growth in the year ahead. The achievement was also among the factors that prompted the World Bank in October 2013 to declare the country's economic and political successes as emblems of a 'golden age' in Polish history.

Economist Marcin Piatkowski said that Poles had heretofore not known levels of income and quality of life as they had in contemporary times, thanks to a backslide that began in the sixteenth century and left the country in an economic backwater by the end of Communist rule in 1989. He credited shock-therapy reforms with bringing about the changes that permitted

increases in GDP growth every year since 1992 and predicted the country will reach 80 per cent of parity with wealthier nations of core Europe after 2030 and do so faster than its regional neighbours.

Per capita GDP figures from Eurostat show there is still some way to go before all Poles feel the fuller benefits of transformation. The agency reported that among the 20 poorest regions in the EU, five are in Poland. With structural funds through to 2020 from the EU budget rising to €73 billion (US\$97.3 billion) – €5 billion (US\$6.7 billion) more than in the previous seven-year spending plan – the government will receive assistance in closing the gap. Entering 2014, how the Tusk government marshals those resources will dictate the near-term pace of development.

Risk assessment

Politics	Good
Economy	Good
Regional stability	Good

COUNTRY PROFILE

Historical profile

Poland's geographical position between east and west Europe has put it at the mercy of the great European powers. 1918 An independent republic was declared at the end of the First World War. 1919–21 The Polish-Russian War broke out in February 1919. After the Poles defeated the Russians during the Battle of Warsaw in August 1920, a peace treaty was eventually signed in April 1921. 1939 The Second World War began as Germany, with military assistance from the Soviet Union, invaded Poland. German forces occupied Poland until 1945, when the Soviet Union, now on the side of the Allies, liberated the country. 1945 After the end of the Second World War, Poland came under the Soviet Union's sphere of influence and it annexed Poland's eastern provinces. The Soviet Union established a puppet government in Poland, comprised mostly of communists of the Polskiej Partii Robotniczej (PPR) (Polish Workers' Party) and Polskiej Partii Socjalistycznej (PPS) (Polish Socialist Party). Communist rule did not end until 1989. 1948 The PPR and PPS merged to form the Polska Zjednoczona Partia Robotnicza (PZPR) (Polish United Workers' Party) to cement Poland's one-party political system. 1956 Riots due to food shortages resulted in the reinstatement of Wladyslaw Gomulka as the first secretary of the PZPR. Gomulka had been distrusted as

too liberal in 1948. Liberalisation and some economic reform ensued. 1970 Food price strikes brought about the resignation of Gomulka, who was succeeded by Edward Gierek. 1980–82 The rise of the trade union, *Solidarnosc* (Solidarity), under Lech Walesa, followed strikes at the Gdansk, Gdynia and Szczecin shipyards. The right to form independent unions was recognised by the government. General Wojcieck Jaruzelski succeeded Gierek as PZPR leader. Serious unrest continued during the 1980s, including a period of martial law, the imprisonment of *Solidarnosc* leaders and the abolition of independent unions. 1987 Government plans for rapid economic reform necessitating further hardship were rejected in a referendum, but political reform was approved. 1988 A series of politically motivated strikes kept up pressure on the government for change. 1989 As the rule of communism ebbed semi-free elections for the national assembly were held. Seats for the Sejm were allocated one-third to communists, one-third to existing communist coalition partners and one-third were free-to-vote, the majority of which were won by supporters of *Solidarnosc*. Poland's Third Republic was declared on 19 July. 1990 Lech Walesa became Poland's first democratically elected president. 1991 The first completely free parliamentary elections were held, resulting in the election of a new centre-right government under Prime Minister Jan Olszewski. He was succeeded by Waldemar Pawlak, who was unable to form a government. 1992 Hanna Suchocka became prime minister (Poland's fifth prime minister since the end of communist rule in 1989). 1993 Suchocka resigned and elections, under the new 5 per cent threshold rule (parties not reaching this level of the vote are not eligible for parliamentary representation), reduced the number of parties in parliament. Voters opted for a slowdown in the pace of market-led economic reforms by bringing back the former communists – the Sojusz Lewicy Demokratycznej (SLD) (Democratic Left Alliance). A coalition government of the SLD and the Polskie Stronnictwo Ludowe (PSL) (Polish People's Party) was formed. Waldemar Pawlak of the PSL became prime minister. 1995 Aleksander Kwasniewski (SLD) was elected president. 1996 Poland became a member of the Organisation for Economic Co-operation and Development (OECD). A political wing of *Solidarnosc* was founded as the Akcja Wyborcza Solidarnosc (AWS) (Solidarity Electoral Action)

1997 A new constitution strengthened the powers of parliament. The AWS formed a centre-right coalition government with Unia Wolności (UW) (Freedom Union) after the election.

1999 Poland joined NATO.

2000 UW withdrew from the coalition government in order to slow pace of reform. Kwasniewski was re-elected president.

2001 After parliamentary elections, Leszek Miller, leader of the centre-left SLD, formed a left-wing coalition government with the Unia Pracy (UP) (Labour Union) and the PSL.

2003 The coalition split when the PSL was ejected from government after it refused to vote in favour of government legalisation. The SLD and UP carried on as a minority government.

2004 Poland joined the EU.

2005 The referendum on the EU constitution was postponed indefinitely. The Prawo i Sprawiedliwość (PiS) (Law and Justice) party won 28 per cent of the vote. Lech Kaczyński was elected president and a new PiS minority government was formed with eight non-partisan members of parliament providing support; Kazimierz Marcinkiewicz became prime minister.

2006 The PiS party established a new ruling coalition with Samoobrona Rzeczypospolitej Polskiej (SRP) (Self-Defence of the Polish Republic) and Liga Polskich Rodzin (LPR) (League of Polish Families). Kazimierz Marcinkiewicz resigned as prime minister and was replaced by the president's twin brother, Jarosław Kaczyński. A new lustration law was introduced designed to purge ex-communist and communist collaborators from current positions of power.

2007 The Bishop of Warsaw resigned as Archbishop just hours after being appointed, following revelations that he had collaborated with the Polish communist secret police. The coalition government broke down, but a minority government remained in power. In snap parliamentary elections the opposition Platforma Obywatelska (PO) (Civic Platform) won. It immediately began talks to form a coalition and Donald Tusk became prime minister. Poland became a member of the European Union Schengen area whereby all travellers may cross borders without a passport or visa.

2008 Prime Minister Donald Tusk announced that Poland aimed to join the euro-zone by 2011. Former Communist leader General Jaruzelski was put on trial for the imposition of martial law in 1981. 2009 Poland marked the anniversary of the doomed Warsaw uprising in 1944 when an estimated 250,000 civilians, 18,000 Polish fighters, and 17,000 Nazi

troops were killed during two months of fighting. The city was virtually destroyed and around 500,000 residents were expelled by the occupying Nazi force.

2010 President Lech Kaczyński was killed in an aeroplane crash in Smolensk (Russia), along with all other passengers. He had been on his way to attend a memorial service for the Polish victims of the Katyn massacre in 1940. Bronisław Komorowski was appointed acting president. After two rounds, Acting President, Bronisław Komorowski (PO) won 52.63 per cent of the vote, Jarosław Kaczyński (PiS) 47.37 per cent. The European Commission reported that Poland had been the largest recipient of EU funds in 2009, receiving €6.5 billion (US\$9.1 billion). The Russian Duma passed a resolution confirming that Josef Stalin had, according to papers kept in a secret archive, given the direct order for the massacre of 22,000 Polish officers in the Katyn massacre.

2011 An official report released in July, into the death of former president Lech Kaczyński, in the April 2010 plane crash in Russia, concluded that incorrect and confusing Russian instructions were as much to blame for the accident as Polish officials who applied undue pressure on the Polish pilots, even though they had insufficient experience in flying the Tupolev 154 airplane. In parliamentary elections, held in October, all 460 Sejm seats and all 100 Senate seats were in contention and for the first time the Senate was chosen by the first-past-the-post electoral system. The PO was returned to power with 39.18 per cent of the vote (206 seats out of 460) and the opposition Prawo i Sprawiedliwość (PiS) (Law and Justice) won 32.11 per cent (158). Prime Minister Tusk remained in office.

2012 On 17 September the sale of liquor from the Czech Republic was banned, following a series of poisoning from bootleg liquor and the death of four; beer and wine was excluded from the ban.

2013 Four days of protests against proposed labour law changes ended on 14 September. The protesters were demanding a higher minimum wage and greater job security, as well as a repeal of the law raising the retirement age to 67.

Political structure

Constitution

The 1952 constitution was amended in 1989 and 1990. Poland is divided into 49 regional voivodes (administrations).

Independence date

11 November 1918

Form of state

Parliamentary democratic republic

The executive

The president is head of state, directly elected by universal suffrage for a

five-year term. The president has the power to dissolve parliament and nominates the prime minister. Supreme executive power is vested in the Council of Ministers, headed by the prime minister, responsible to the Sejm.

National legislature

The bicameral Zgromadzenie Narodowe (National Assembly) consists of the Sejm (lower house) with 460 members elected by proportional representation in multi-seat constituencies, and the Senat (Senate) with 100 members elected in 40, multi-seats constituencies. Members of both houses serve for four-year terms.

Legal system

The apex of the legal structure is the Supreme Court, whose judges are elected by the State Council for five years. The Council also appoints a prosecutor general. Below the Supreme Court are district and special courts. Family courts deal with cases involving divorce and domestic relations.

Last elections

9 October 2011 (parliamentary); 20 June and 4 July 2010 (presidential: first round and runoff)

Results: Parliamentary (Sejm): Platforma Obywatelska (PO) (Civic Platform) won 39.18 per cent of the vote (206 seats out of 460), Prawo i Sprawiedliwość (PiS) (Law and Justice) 32.11 per cent (158), Ruch Palikota (RP) (Palikot's Movement) 10.02 per cent (40), Polskie Stronnictwo Ludowe (PSL) (Polish Peasant Party) 8.36 per cent (28), Sojusz Lewicy Demokratycznej (SLD) (Democratic Left Alliance) 8.24 per cent (27), Mniejszość Niemiecka (MN) (German Minority) 0.2 per cent (one). Senate: PO won 62 seats (out of 100), PiS 32, PSL two, independents four.

Presidential (first round): Bronisław Komorowski (PO) won 41.22 per cent of the vote, Jarosław Kaczyński (PiS) 36.74 per cent, Grzegorz Napieralski (SLD) 13.68 per cent; seven other candidates each won less than 3 per cent of the vote. Turnout was 54.94 per cent. Second round: Komorowski won 53.01 per cent of the vote, Kaczyński 46.99 per cent. Turnout was 55.31 per cent.

Next elections

June 2014 (presidential); October 2015 (parliamentary)

Political parties

Ruling party

Coalition government led by Platforma Obywatelska (PO) (Civic Platform) (since 2007; re-elected 9 Oct 2011)

Main opposition party

Prawo i Sprawiedliwość (PiS) (Law and Justice)

Population

38.90 million (2012) (38,501,000; 2011, census figure)

Last census: 31 March 2011: 38,501,000

Population density: 127 inhabitants per square km. Urban population 61 per cent (2010 Unicef).

Annual growth rate: 0.0 per cent, 1990–2010 (Unicef).

Ethnic make-up

Poland is one of the most ethnically uniform countries in Europe. The non-Polish population, including Ukrainians, Germans and Russians, accounts for only 1.3 per cent of the total population.

Religions

The population is predominantly Roman Catholic. There are small communities of Protestants, Orthodox Christians and Jews.

Education

Public expenditure on education is typically equivalent to 7.5 per cent of annual GNP, including subsidies to private education at the primary, secondary and tertiary levels.

Education is provided free of charge; primary schooling lasts for eight years followed by secondary, academic and technical or vocational qualifications.

Under the former communist state, technical education was biased towards heavy industries and the decline of these industries has left large sections of the mature workforce in need of retraining. Current government aims are to improve education and information technology skills as part of its long-term growth programme. Students attending Poland's most prestigious universities must pass a tough entrance exam. Since 1990, over 280 private universities have opened, providing an extra 50,000 graduates for the employment market. Typical fees for private universities can vary from US\$530 (the average monthly wage), up to US\$1,855 per annum, for high cost subjects like medicine.

Compulsory years: 7 to 14

Enrolment rate: 96 per cent gross primary enrolment, 98 per cent gross secondary enrolment, of relevant age groups (including repeaters) (World Bank).

Pupils per teacher: 15 in primary schools.

Health

Primary healthcare is provided by a network of healthcare centres and specialist physicians. Initial reforms during the 1990s started with the decentralisation of healthcare (mostly primary care) and the introduction of new payment mechanisms to doctors. This led to a range of publicly subsidised private providers.

The concept of primary healthcare is now based on family medicine. Clinics are run by family practitioners who provide a wide range of healthcare services, or make

referrals to contracted specialists.

Development according to this model has signalled movement towards the privatisation of state-owned primary healthcare. Private healthcare services are provided to eligible individuals via contracts with sickness funds.

A common form of mobile healthcare delivery is the non-public clinic (*npzoz*), which typically employs two or more doctors. The high investment cost has limited the number of private hospitals to gynaecological and surgical clinics.

HIV/Aids

HIV prevalence: 0.1 per cent aged 15–49 in 2003 (World Bank)

Life expectancy: 75 years, 2004 (WHO 2006)

Fertility rate/Maternal mortality rate: 1.4 births per woman, 2010 (Unicef); maternal mortality 8 per 100,000 live births (World Bank).

Child (under 5 years) mortality rate (per 1,000): 5 per 1,000 live births (WHO 2012)

Head of population per physician: 2.47 physicians per 1,000 people, 2003 (WHO 2006)

Welfare

Poland has operated a dual state-run social insurance system and a mandatory private insurance system since 1999. The system, for those under the age of 30, who are obliged to join, consists of a modified social insurance and individual accounts.

Social insurance covers employees, members of co-operatives, self-employed artisans, homeworkers, lawyers and clergy. Special systems exist for independent farmers.

Poland is unique among the former Soviet bloc countries in creating Kasa Rolniczego Ubezpieczenia Społecznego (KRUS) (Office of Rural Social Insurance), a farmers' social security system, distinct and separate from the workers' system.

Main cities

Warsaw (capital, estimated population 1.7 million in 2012), Krakow (754,095), Lodz (725,658), Wroclaw (627,562), Poznan (549,403), Gdansk (449,794), Szczecin (401,343), Bydgoszcz (351,345), Lublin (347,159).

Languages spoken

There is a small German-speaking community and German is widely understood and spoken. Kashubian, Ukrainian and Belarusian are also spoken. English and French are used in business circles.

Official language/s

Polish

Media

Press

Dailies: In Polish, the leading newspapers are *Rzeczpospolita* (www.rzeczpospolita.pl), *Gazeta Wyborcza* (www.gazetawyborcza.pl), with English online version and *Trybuna Śląska* (www.trybuna.com.pl). Other, mainly tabloids, include *Super Express*, (www.se.com.pl), *Dziennik* (www.dziennik.pl), *Fakt* (<http://efakt.pl>) and regional newspapers including *Gazeta Krakowie* (www.gk.pl) Krokaw, *Głos Wielkopolski* (www.glos.com) Pozan, *Kurier Szczeciński* (www.kurier.szczecin.pl) Szczecin, *Dziennik Bałtycki* (www.dziennikbaaltycki.pl) Gdansk, and *Zycie Warszawy (Life)* (www.zw.com.pl) Warsaw.

Weeklies: In Polish, the most influential weeklies are *Polityka* (polityka.onet.pl), *Wprost (News)* (www.wprost.pl), *Gazeta Polska* (www.gazetapolska.pl) and *Newsweek Polska* (www.newsweek.pl). Others include *Nie* (satirical), *Przyjaciółka* (womens' magazine), *Poradnik Domowy* (home ideas). Sports magazines, TV/radio guides and youth magazines are also widely available.

Business: In Polish, newspapers include *Parkiet* (www.parkiet.com) and *Puls Biznesu* (www.pb.pl). The most influential periodicals are *Gazeta Bankowa (Bankers' Weekly)* (www.gazetabankowa.pl), *Zycie Gospodarcze* (www.nzq.pl) (economic weekly), *Rynki Zagraniczne* (www.rynkizagraniczne.pl) (three per week; foreign trade), *Gazeta Prawna (Legal Gazette)* and *Handel Zagraniczny (Foreign Trade)*. In English, *The Warsaw Voice* (www.warsawvoice.pl), *Polish Market* (<http://polishmarket.com.pl>) and *Warsaw Business Journal* (www.wbj.pl).

Broadcasting

Radio: There are many public and commercial radio stations. The public broadcaster, Polskie Radio, operates six nationally channels including an external service broadcasting in several languages including English (www.polskieradio.pl/zagranica/gb).

There are around six commercial radio networks broadcasting locally and nationally in FM and AM.

Television: The national broadcasting corporation is Telewizja Polska Spółka Akcyjna (TVP SA, known as PTV), with three commercial channels, broadcasting general programmes with an additional four speciality channels. International, satellite and pay-for-TV networks are also available.

Polska Agencja Prasowa (PAP), ul. Bracka 6/8, 00502 Warsaw, (tel: 628-001, 628-0710; internet: www.pap.pl).

Economy

Poland has a long tradition of heavy industry in coal, iron and steel, including shipbuilding, petrochemicals and vehicle assembly as well as textiles. Its service industries include information technologies and accounting centres for international companies. It also exports meat, dairy produce, fruit, vegetables and processed foods, including confectioneries.

The Polish economy was the seventh largest in the EU in 2010 and maintained economic growth throughout the global economic crisis and avoided going into recession, although GDP growth fell progressively, from 6.8 per cent in 2007 to 5.1 per cent in 2008, before dropping sharply to 1.6 per cent in 2009, as world trade slowed down. However in 2010, GDP growth picked up, as the world economy grew, and registered 3.8 per cent; growth was maintained in 2011, estimated at 4.4 per cent.

The structure of the economy is dominated by the service sector at over 65 per cent of GDP, with industry providing 30 per cent, of which manufacturing is 18 per cent, and agriculture the remainder. Economic reforms, begun in the 1990s, have resulted in a comprehensive move from the previously centrally-planned economy to a market orientated economy, with the sale of small- and medium-sized state entities. The government did, however, keep control of what it considered strategic industries, such as energy and the railways, as well as those unattractive to a potential buyer through privatisation. Investment and restructuring, encouraged by foreign direct investment (FDI) (a record US\$23.6 billion in 2007, down to US\$9 billion in 2010, before strengthening to US\$14.3 billion in 2011), has improved the steel and energy sectors, although problems still remain in turning around other sectors.

According to the World Bank, Poland improved its rating for starting a business from 145th in 2009 to 117th in 2010, although its overall rating improved from 72 in 2009 to 62 (out of 183) in 2011. Poland has access to US\$68 billion in structural adjustment and cohesion funds from the EU (2007–13) for development and integration.

Agriculture employs around 15 per cent of the workforce but as it only provides less than 5 per cent of GDP it is relatively – compared to other EU member states – unproductive, due to the earlier lack of, or restricted, investment opportunities. Nevertheless, Poland is Europe's leading producer of potatoes and the world's leading producer of sugar beet and triticale.

External trade

As a member of the European Union, Poland operates within a community-wide free trade area, with tariffs set as a whole. Internationally, the EU has free trade agreements with a number of nations and trading blocs worldwide.

Manufacturing represents around 20 per cent of GDP, of which almost 75 per cent is foreign trade. Imports recently have been predominately capital goods for industrial retooling. Poland's industrial sector produces vehicles, machinery, telecommunications, building supplies and processed food.

Imports

Main imports include machinery and transport equipment (over 35 per cent), petroleum and lubricants, intermediate manufactured goods and raw materials, chemicals, minerals and related materials.

Main sources: Germany (26 per cent of total in 2012), Russia (14.1 per cent), The Netherlands (5.6 per cent).

Exports

Principal exports are semiconductors and electronic equipment (over 35 per cent), machinery and transport intermediate manufactured goods, miscellaneous manufactured goods, processed food and live animals.

Main destinations: Germany (25.1 per cent of total in 2012), UK (6.7 per cent), Czech Republic (6.3 per cent).

Agriculture

Poland's large agricultural sector remains handicapped by structural problems, surplus labour, small farms and a lack of investment. There are about 2 million small private farms averaging eight hectares in size. Production is concentrated in livestock farming (dairy and pigs), cereals, potatoes, sugar beet and oilseed. Pork and poultry output has increased considerably. The agricultural sector contributes around 3 per cent to GDP and employs around a quarter of the workforce.

The agricultural sector is subject to the reformed Common Agricultural Policy (CAP), whereby subsidies are no longer paid on farm output, which tended to benefit large farms and encourage over-production, but rather on single farm payments not conditional on production. Full implementation of CAP will be completed by 2013.

Poland is a major exporter of meat, dairy produce, fruit, vegetables and processed foods, including confectioneries.

Poland has no immediate access to oceanic fishing grounds, but it has its own deep-sea fleet, which has been granted an EU export licence. It has about 44 fish processing plants regulated by EU requirements.

While annual fish consumption has remained stable – at around 215,000 tonnes – Poland's fishing industry is in decline, with the local catch representing an estimated 41.7 per cent of domestic consumption.

Forests account for less than 33 per cent of Poland's land area. Over 90 per cent of forested land is available for wood supply and the most common species are coniferous, mostly Scots pine. Pollution and insect infestation have degraded much of the forestry resources, although the government has attempted to repair the damage by placing most of the forests under protection. Only the Bialowieza primeval forest is excluded from harvesting.

Industry and manufacturing

The industrial and manufacturing sectors form the mainstay of the economy, accounting for around a third of GDP.

Heavy export-based industries, such as shipbuilding, metallurgy (particularly steel), chemicals, motor vehicles and cement, dominate. The 1990s saw growth in sectors such as electronics and light industries, while food processing, glass, beverages, textile and forestry industries are also significant. The Polish car market is the sixth largest in Europe behind Germany, Italy, France, UK and Spain. The best investment opportunities are considered to be in food, textiles, timber, paper, mechanical engineering and furniture.

The steel sector was the focus of early restructuring plans in preparation for entry into the EU. Progress has been slow due to opposition from trade unions.

Tourism

Tourist development in Poland has improved steadily, with its many varied attractions to encourage visitors. Not only do large numbers visit Warsaw, Cracow (the former capital of Poland) and other cities, the Baltic Sea and Tatra Mountains, there are specialist destinations such as the historic, late medieval timber board and shingle churches of southern (Lesser) Poland, royal palaces and monuments to the destruction suffered during World War Two, particularly Auschwitz-Birkenau state Museum. Visitor numbers fell during the global economic crisis, from 12.9 million in 2008 to 11.8 million in 2009; however numbers grew to 12.5 million in 2010. Travel and tourism experienced negative growth averaging -2.4 per cent over the period 2008–10. In 2008, the sector accounted for 5.2 per cent of GDP, which fell to 5 per cent in 2009. Since then it has contributed an annual 4.7 per cent (2010–11). Employment in the industry has remained relatively constant at 4.8 per cent (2008–11) (averaging 765,900 jobs).

In 2011, an estimated €257 million (US\$360.8 million) was invested in conference and training facilities, as hotel owners diversified their resources to take advantage of Poland's geographic location close to the centre of Europe and with easy access for most visitors from mainland Europe.

Poland and Ukraine are jointly hosting the UEFA Euro 2012 football championship (8 June–1 July 2012), and the Polish authorities expect 1.5 million visitors will attend the various matches being held in four stadia around Poland.

Environment

Cutting pollution was a condition for Poland's entry into the EU.

While industry has tackled its pollution domestic consumers burn coal in boilers and fires, and more people are buying cars to add to the growing traffic jams on Poland's roads (motor vehicle population is expanding at 30 per cent a year).

Mining

Rich mineral resources include the largest deposits of copper ore in Europe and substantial deposits of coal, zinc-lead ores, sulphur and salt. Lesser deposits include nickel and precious metals such as silver.

Hydrocarbons

Proven oil reserves were 96 million barrels in 2007, while production was 37,150 barrels per day (bpd). However, as consumption was 523,980bpd imports were necessary to make up the shortfall. Poland relies on crude oil imports, mostly from Russia, its refinery capacity is 497,000bpd and any surplus is exported.

Proven natural gas reserves were 167 billion cubic metres (cum) in 2007, with production meeting around 50 per cent of local needs and the rest supplied from Russia. In October 2010 agreement was reached with Russia's Gazprom for the supply of 10 billion cum of gas a year from 2012–22. There are concerns that this will make Poland over-dependent on Russia.

The state-owned Polskie Górnictwo Naftowe i Gazownictwo (PGNiG), is responsible for all aspects of hydrocarbons including exploration, production, import and storage. It owns around 16,400km of transmission pipelines. It has plans to build a liquefied natural gas (LNG) regasification terminal at Swinoujście by the end of 2011, with a capacity of 2.5 billion cubic metres of LNG per annum.

Proven coal reserves were 7.5 billion tonnes in 2007; production was 88.3 million tonnes. Poland is the EU's foremost producer of coal, with production greater than the combined amount produced by the four other EU coal-mining countries. Kompania Weglowa is one of the largest

coal mining companies in Europe, operating 23 mines. The majority of Poland's coal is the commercially valuable anthracite and exports, mostly to Europe, are a major source of foreign exchange. At 97 per cent of the country's primary energy production and 65 per cent of electricity generation, coal dominates Poland's energy mix.

Energy

Total installed electricity capacity is 33 gigawatts (GW), with peak-demand at around 24GW. Coal-fired power plants are located at mine heads, where the country's entire lignite (brown coal) production is used to generate electricity. In 2007 the government undertook a programme of consolidation of state-owned companies to produce a national company to oversee strategic energy resources, a fuel and generation group, and other regional entities that provide sales of electricity. Poland exports over 16 billion kilowatt hours (kWh) to neighbouring countries. In 2010 the government was planning to sell Energa, a state owned power generator, to PGE the largest state controlled utility.

Financial markets

Stock exchange

Gielda Papierów Wartościowych w Warszawie (Warsaw Stock Exchange) (WSE)

Commodity exchange

Warszawska Gielda Towarowa (WGT) (Warsaw Commodity Exchange)

Banking and insurance

Banks are moving into new areas, such as investment banking, retail banking and asset management. Foreign banks have increased their involvement in the sector – over 70 per cent of Polish banking assets are administered by foreign companies. In the period 2000–05 the banking sector expanded by 14 per cent per annum as foreign competition increased and banking services attracted more customers.

Central bank

Narodowy Bank Polski (NBP) (National Bank of Poland)

Main financial centre

Warsaw

Time

GMT plus one hour (daylight saving, late March to late October, GMT plus two hours)

Geography

Poland is situated to the north of Central Europe, with Germany to the west, the Czech Republic to the south-west, Slovakia to the south and the Russian Federation enclave around Kaliningrad on the Baltic coast to the north. There is a short border with Lithuania to the

north-east and Belarus lies beyond the northern part of the eastern border and Ukraine the southern. Poland has a 520km coastline along the Baltic Sea to the north-west. The country's borders are marked by the Odra and Neisse rivers in the west, the River Bug in the east, the Sudetic Mountains in the south-west and the Carpathian range of mountains in the south-east.

The highest point in the country is 2,499 metres at Rysy on the border with Slovakia. The two major rivers are the Odra and the Vistula which rise in the Sudetic and Carpathian mountains respectively, along the southern borders, and flow into the Baltic Sea.

Hemisphere

Northern

Climate

Poland has a continental climate with cold winters and warm summers. The mountainous regions of the south have a long, cold winter and a relatively short summer. Areas around the Baltic are warmer, with an average temperature of minus one degree Celsius (C) in January and 18 degrees C in July. Southern Poland has annual rainfall of more than 1,500mm, while the rest of the country experiences moderate rainfall of 500–650mm per year. The Vistula and Odra rivers are usually frozen for about two months each year.

Dress codes

Dress codes are generally similar to western European. Lightweight clothing is required from June to August, medium to heavyweight for the rest of year, plus a heavy topcoat in winter.

Entry requirements

Visitors are required to possess sufficient funds for stay, Z1100 per day (or foreign equivalent) and Z1300 per day for medical expenses (or valid insurance).

Passports

Required by all, except members of the EU, EEA and Switzerland who may use a valid national ID card. Passports must be valid for at least three months from date of arrival.

Visa

Required by all, except nationals of EU and Schengen area signatory countries, North America, Australasia and Japan. For further exceptions contact the nearest embassy. A Schengen visa application (offered in several languages) can be downloaded from <http://europa.eu/abc/travel/> see 'documents you will need'. For details of those who must apply for a visa see www.polandembassy.org and follow link from *consular services* to *visas for Poland*. Contact the nearest embassy consular

section for further information and application form.

Those business people who require a visa should have a formal invitation from a local company or organisation giving specific details regarding the purpose and duration of the intended trip. Also required are a company letter from the applicant's employer regarding his/her status, proof of financial means and receipt of payment for full board accommodation, and return/onward passage.

Currency advice/regulations

The import or export of local currency is limited to the equivalent of eur10,000. The import and export of foreign currency is unlimited, although all amounts must be declared on entry.

Travellers cheques are accepted in larger bank branches only.

Customs

Personal items, including one example of electronic items, are duty-free. There are no duties levied on alcohol and tobacco between EU member states, providing amounts imported are for personal consumption.

Artistic items dated before 1945 should have customs clearance before export.

Prohibited imports

Illegal drugs, poisons and explosives. Plants and animals are restricted. Firearms and ammunition require a permit.

Health (for visitors)

Nationals of the European Economic Area (EEA) countries and Switzerland can access reduced cost and sometimes free medical treatment using a European Health Insurance Card (EHIC) while visiting the EEA. Exceptions include nationals of the 10 countries, which joined the EU in 2004, whose EHIC is not valid in Switzerland. Applications for the EHIC should be made before travelling.

Mandatory precautions

None.

Advisable precautions

Hepatitis A, tetanus and polio immunisations. Rabies is a health risk.

Hotels

Most locally run hotels belong to the Orbis hotel chain and are classified one- to four-star. Internationally run chains include the Intercontinental, Holiday Inn and Novotel. Accommodation can be scarce in all main towns, so it is advisable to book well in advance. In an emergency a large travel agency or airline may be able to provide a hotel room. Bills include a 10 per cent service charge; tipping around 10 per cent is customary.

Credit cards

International credit cards are accepted where displayed signs are shown.

Public holidays (national)

Fixed dates

1 Jan (New Year's Day), 1 May (Labour Day), 3 May (National Day), 15 Aug (Assumption Day), 1 Nov (All Saints' Day), 11 Nov (Independence Day), 25–26 Dec (Christmas).

Variable dates

Easter Monday (Mar/Apr), Corpus Christi (May/Jun).

Working hours

Banking

Mon–Fri: 0800–1800.

Polski Bank Kredytowy, Warsaw Okęcie airport Mon–Fri: 0730–1700, Sat: 0730–1130. Banks at Katowice Pyrzowice airport Mon–Fri: 0830–1500.

Business

Mon–Fri: 0800–1600.

Government

Mon–Fri: 0800/0900–1500/1600.

Post Offices, Mon–Fri: 0800–2000.

Shops

Mon–Fri: 1100–1900; Sat: 1000–1500, general shops.

Mon–Fri: 0600/0700–1800/1900, food shops.

Commercial companies and shops, other than food shops, close on 'Free Saturdays' which vary between businesses, but usually three per month (one for shops).

Telecommunications

Mobile/cell phones

There are GSM 900/1800 and a 3G services available throughout country with more 3G services planned.

Electricity supply

Domestic 220V AC, 50 cycles; adaptor need for continental-type, round two-pin sockets.

Weights and measures

Metric system

Social customs/useful tips

Organisations do not stop for lunch in the middle of the day. The main meal *obiad* is taken from 1500. Formal address in the Polish language is expected. Polite small talk is appreciated as a prelude to talking business.

Security

Poland has no particular problem with security and street crime, although since the collapse of communism, street crime has increased. Normal precautions should be followed.

Getting there

Air

National airline: LOT Airlines (Polskie Linie Lotnicze)

International airport/s: Warsaw-Okęcie (WAW), 10km south-west of the city (20–40 minutes by bus; 20–30 minutes by taxi); duty-free shops, post office,

banks and *bureaux de change*, bars and restaurants, left-luggage, tourist information and car hire.

Other airport/s: Kraków-Balice (John Paul II International) (KRK), 11 km from the city. Wrocław-Strachowice (WRO), 10 km from the city. Katowice International (KTW), 34km from the city.

Gdansk-Trojmaaaiasto (GDN), 10km from the city.

Airport tax: None

Surface

Road: Access is best through Germany and the Czech Republic. All vehicle documentation should include car registration, driver's national driving licence and valid Green Card motor insurance. An International Driving Permit is also required.

Rail: EuroCity rail services from Western Europe pass through Germany (from Berlin, travelling time is approximately 80 minutes), the Czech Republic or the Slovakia Republic. Main lines also link Warsaw with Cologne, Vienna, Budapest and Prague. There are car-sleeper services from the Hook of Holland to Poznan/Warsaw.

Water: Pol Ferries operates between Poland and Sweden, Denmark and Finland.

Getting about

National transport

Air: LOT operates regular services connecting all major cities.

Road: Approximately 154,000km surfaced roads, of which 80 per cent are main roads.

The motorways include a north-south expressway, the Polish section of the Helsinki-Warsaw highway, known as the Via Baltica, and an expressway from Golonice to Opole.

Buses: Extensive bus and coach services are operated by Polish Motor Communications (PKS) and Polski Express.

Rail: There are approximately 30,000km of track. Some lines are narrow-gauge, and some are steam-hauled. Diesel is typical with only 33 per cent of the lines electrified. Regular services are operated by Polskie Koleje Państwowe (PKP) (Polish State Railways), connecting major towns. Intercity express trains are inexpensive and reliable.

Polrailpass tickets valid for between 8–30 days are available from travel agents and railway offices, both locally and internationally. For an additional sum tickets for sleeping berths are available.

Water: About 4,000km of navigable inland waterways, including about 400km of canals. Ferries and hydrofoils link Baltic resorts in summer.

City transport

Taxis: Metered taxis are available in all main towns; they can be hired from ranks or ordered by phone. Payment in hard

currency may be required; tipping is usual. A surcharge is imposed for journeys between 2300–0500, out of town, and at weekends.

Buses, trams & metro: Regular public transport operates 0530–2300. Good bus services in all towns, also trams in some. Tickets for Warsaw can be bought at RUCH kiosks and used indiscriminately. In Warsaw seven-day tram tourist tickets can be bought at 37 Senatorska Street (entrance E) (Mon–Wed: 0730–1700, Thu–Fri: 0730–1400).

A metro is in operation in Warsaw.

Car hire

A hirer must be over 21 and have held a full licence for a year. Rental firms are available in all main towns through Orbis. International driving licence and insurance cover recommended. Minimum renting period is 24 hours. Payment is by cash or credit card. Speed limits: built-up areas 60kph, normal roads 90kph, motorways 100kph.

BUSINESS DIRECTORY

The addresses listed below are a selection only. While World of Information makes every endeavour to check these addresses, we cannot guarantee that changes have not been made, especially to telephone numbers and area codes. We would welcome any corrections.

Telephone area codes

The international direct dialling code (IDD) for Poland is +48, followed by area code and subscriber's number:

Białystok	85	Łódź	42
Bydgoszcz	52	Lublin	81
Gdańsk	58	Poznań	61
Katowice	32	Szczecin	91
Kraków	12	Warsaw	22
Leszno	65	Wrocław	71

Useful telephone numbers

Ambulance: 999
 Police emergency service: 997
 Fire Brigade: 998
 Customs information: 694-5596
 Central Tourist Information Office: 270-000
 Intercity directory assistance: 912
 Local directory assistance: 911/913
 Radiotaxi: 919 (complaints 224-444)

Chambers of Commerce

American Chamber of Commerce in Poland, Warsaw Financial Centre, 53 ulica Emilii Plater, 00-113 Warsaw (tel: 520-5999; fax: 520-5998; e-mail: office@amcham.com.pl).

British-Polish Chamber of Commerce, 2 ulica Zimna, 100-138 Warsaw (tel: 654-5971; fax: 621-1937; e-mail: bpcc@bpcc.org.pl).

Banking

AmerBank, Marszałkowska 115, 00-102 Warsaw.

American Express Bank, ul Krakowskie Przedmieście 11, 00-068 Warsaw.

Bank Gospodarki Żywnościowej (commercial bank), ul Grzybowska 4, 00-131 Warsaw.

Bank Polska Kasa Opieki SA (Grupa Pekao), Grzybowska 53/57, PO Box 1008, 00-950 Warsaw (tel: 656-0000; fax: 656-0004; e-mail: info@pekao.com.pl).

Bank Przemysłowo-Handlowy (Bank BPH), ul Na Zjeździe 11, 30-527 Kraków.

Bank Rozwoju Eksportu SA (export development bank), PO Box 728, Bankowy 2, 00-950 Warsaw (tel: 829-0000; fax: 829-0081).

Bank Zachodni we Wrocławiu (Western Bank in Wrocław), 41–43 Ofiar Oświęcimskich St, 50-850 Wrocław.

Bre Bank SA, ul Senatorska 18, PO Box 728, PL 00-950 Warsaw (tel: 829-0000; fax: 829-0033).

Citibank, ul. Senatorska 12, 00-082 Warsaw (tel: 657-7200).

Creditanstalt, ul Prosta 69, 00-838 Warsaw (tel: 637-9000; fax: 637-9099).

ING Bank, ul. Emilii Plater 28 piętro 7, 00-950 Warsaw (tel: 630-5695).

Łódź Bank Rozwoju SA, PO Box 465, ul Piotrkowska 173, 90-950 Łódź.

National Credit Bank, Nowy Świat 6–12, 00-950 Warsaw (tel: 210-321; fax: 296-988).

Polski Bank Rozwoju SA (Polish development bank), ul Żurawia 47–49, 00-680 Warsaw (tel: 628-0490, 628-0790; fax: 628-6164; (Saturday 2120-828); satellite phone and fax: (39) 120-828, 120-844).

Powszechny Bank Gospodarczy w Łodzi, Piłsudskiego 12, 90-950 Łódź (tel: 361-470, 362-886; fax: 362-870).

Powszechna Kasa Oszczędności Bank Państwowy (state savings bank), ul Świątokrzyska 11–21, 00-950 Warsaw (tel: 220-0321, 226-3839; fax: 226-3863).

WBK (Wielkopolski Bank Kredytowy SA), 60-967 Posnań Place, Wolności 16 (tel: 56-4900; fax: 52-1113).

Central bank

Narodowy Bank Polski, ul Świątokrzyska 11/21; PO Box 1011, 00-919 Warsaw (tel: 653-1000; fax: 620-8518; e-mail: nbp@nbp.pl).

Stock exchange

Giełda Papierów Wartościowych w Warszawie (Warsaw Stock Exchange) (WSE)

www.gpw.pl

Commodity exchange

Warszawska Giełda Towarowa (WGT) (Warsaw Commodity Exchange), www.wgt.com.pl

Travel information

Central Bus Station, Warszawa Zachodnia Aleje Jerozolimskie 144 (tel: 236-394/6).

Central Railway Station, Warszawa Centralna 54 Aleje Jerozolimskie (tel: 255-001, 255-000).

Foundation for Tourism Development, Ul Mazowiecka 7, 00059 Warsaw (tel: 269-238; fax: 269-695).

International train connections – information (tel: 204512); local train connections – information (tel: 200-361).

LOT, Aleje Jerozolimskie 6579, 00-697 Warsaw (reservations in Poland, tel: 0801-703-703; fax: 630-5229); airport information in Warsaw (tel: 650-4220); internet: www.lot.com).

Lufthansa Warsaw Airport Office (tel: 650-4510); town office, Al Jerozolimskie 56c, Warsaw (tel: 630-2555; fax: 630-2535); Katowice Airport Office (tel: 184-5045); town office Al Korfantego 51, Katowice (tel: 106-2443; fax: 106-2444).

Orbis, 16 Bracka Street, 00-028 Warsaw (tel: 829-3939; fax: 827-3301).

State Sports and Tourism Administration, Świątokrzyska 12, 00916 Warsaw (fax: 694-5176).

Warsawskie Centrum Informacji Turystycznej (Warsaw Tourist Information Centre), Zankowy Square 1/13, 00-262 Warsaw (tel: 635-1881).

Ministry of tourism

National Administration of Tourism and Physical Culture, ul. Świątokrzyska 12, 00-916 Warsaw (tel: 694-5555; fax: 826-2172).

Ministries

Ministry of Agriculture and Rural Development, ul Wspólna 30, 00-930 Warsaw (tel: 623-1000; fax: 623-2750; e-mail: kancelaria@minrol.gov.pl).

Ministry of Culture and National Heritage, Ul Krakowskie Przedmieście 15/17, 00-071 Warsaw (tel: 620-0231; fax: 826-7533).

Ministry of Defence, ul Kłonowa 1, 00-909 Warsaw (tel: 845-0441; e-mail: bpimon@wp.mil.pl).

Ministry of Education, Al Szucha 25, 00-918 Warsaw (tel: 628-0461; fax: 628-0461; e-mail: minister@men.waw.pl).

Ministry of the Environment, ul Wawelska 52/54, 02-922 Warsaw (tel: 825-0001; fax: 253-332; e-mail: info@mos.gov.pl).

Nations of the World: A Political, Economic and Business Handbook

Ministry of Foreign Affairs, Al Szucha 23, 00-580 Warsaw (tel: 523-9000; fax: 629-0287; e-mail: poland@mfa.gov.pl; internet: www.msz.gov.pl).

Ministry of Health, ul Miodowa 15, 00-923 Warsaw (tel: 831-3441; fax: 831-1553; e-mail: rzecznik@mzi.os.gov.pl).

Ministry of Internal Affairs and Administration, ul Batorego 5, 02-514 Warsaw (tel: 621-0251; fax: 628-9983; e-mail: wp@mswia.gov.pl).

Ministry of Justice, Al Ujazdowskie 11, 00-950 Warsaw (tel: 521-2808; fax: 628-1692; nagorska@ms.gov.pl).

Ministry of Labour and Social Policy, ul Nowogrodzka 1/3/5, 00-513 Warsaw (tel: 661-0100; fax: 628-4048; e-mail: bip@mpips.gov.pl).

Ministry of Post and Telecommunications, pl Malachowskiego 2, 00-940 Warsaw (tel: 656-5000; fax: 826-4840; e-mail: rzecznik@ml.gov.pl).

Ministry of Transport and Maritime Economy, ul Chalubinskiego 4/6, 00-928 Warsaw (tel: 624-4000; fax: 628-5365).

Ministry of the Treasury, ul Krucza 36, 00-522 Warsaw (tel: 695-9000; fax: 625-1114; e-mail: minister@mst.gov.pl).

President's Office, ul Wiejska 10, 00-902 Warsaw (tel: 695-2900; fax: 695-3819; e-mail: listy@prezydent.pl).

Prime Minister's Office, Al Ujazdowskie 1/3, 00-583 Warsaw (tel: 694-66983; fax: 625-2637; e-mail: cirinfo@kprm.gov.pl).

Other useful addresses

British Consul (Szczecin), Ul Starego Wiarusa 32, 71-206 Szczecin (tel: 487-0302; fax: 487-3697).

British Embassy, Corporate Centre, 2nd Floor, Emilii Plater 28, Warsaw 00-688 (tel: 625-3030; fax: 625-3472); Aleja Roz 1, 00-556 Warsaw (tel: 628-1001/5; fax: 621-7161).

Central Board of Customs, Swietokrzyska 12, 00-916 Warsaw (tel: 694-5555). Press Office (tel: 694-5882; fax: 827-3427).

Central Statistical Office, International Co-operation Division, Al Niepodleglosci 208, 00-925 Warsaw (tel: 608-3113; fax: 608-3870; e-mail: j.szczerbinska@gus.stsp.gov.pl).

Co-operation Fund, Ul Zurawia 4a, 00-503 Warsaw (tel: 693-5165/827/868; fax: 693-5815/365).

Energy Restructuring Group, Ministry of Industry and Trade, 2 Mysia Street, 00926 Warsaw 63 (tel: 625-6280; fax: 625-6305, 628-0970).

Euro Information Centre Network/Correspondence Centre, Ul Zurawia 6/12, 00-503 Warsaw (tel: 625-1319; fax: 625-1290).

European Integration Committee, Aleje Ujazdowskie 9, 00-583 Warsaw (tel: 694-7354; fax: 629-4888).

Foreign Trade Research Institute Market Information Center of Foreign Trade, Krucza 38/42, 00-512 Warsaw (tel: 629-1222; fax: 628-8680).

Foundation for Privatisation, 36 Ul Krucza, 00525 Warsaw (tel: 628-2198/99; fax: 625-1114); external department (tel: 693-5419, 693-5818; fax: 693-5300).

Government Centre for Strategic Studies, Wspolna 4, 00-926 Warsaw (tel: 661-8111); Press Office (tel: 661-8664; fax: 629-1619).

Government Information Department, Ul. Wiejska 4/6, 00-902 Warsaw (tel: 694-2500; fax: 694-1911).

Housing and Urban Development Office, ul. Wspolna 2, 00-926 Warsaw (tel: 661-8111; fax: 628-5887).

Industrial Development Agency, ul Wspolna 4, 00-930 Warsaw (tel: 628-7954, 628-0934; fax: 628-2363).

Main Post Office (open 24 hours), 31–33 Swietokrzyska Street, Warsaw.

National Administration of Tourism and Physical Culture, ul. Swietokrzyska 12, 00-916 Warsaw (tel: 694-5555; fax: 826-2172).

Parliament, Sajm RP, ul. Wiejska 4/6/8, 00-902 Warsaw (tel: 694-2500; fax: 694-2215).

Polcarga (cargo experts and supervisors), Zeromskiego 32, Box 223, 81963 Gdynia (tel: 213-921/957).

Polish Agency for Foreign Investment (PAIZ), Al Roz 2, 00-556 Warsaw (tel: 621-6261; fax: 621-8427).

Polish Chartering Agents (Polfracht), Ul Pulaskiego 8, Box 206, 81368 Gdynia (tel: 214-991).

Polish Corporation of Trade Fairs and Economic Exhibition Organisers, Ul Glogowska 26, 60-734 Poznan (tel: 661-532, 692-245; fax: 661-053; e-mail: korptarg@soho-online.com).

Polish Embassy (USA), 2640 16th Street, NW, Washington DC 20009 (tel:

+1-202) 234-3800; fax: (+1-202) 328-6271; e-mail: information@ioip.com).

Polish Foundation for Promotion and Development of SMEs, Ul Zurawia 4a, 00-503 Warsaw (tel: 693-5868/18/27; fax: 693-5815/365).

Polish State Railways (PKP), Ul Chalubinskiego 4/6, 00-928 Warsaw (tel: 628-4909, 293-596; fax: 244-039, 621-9557, 244-870).

Polska Agencja Interpress (Polish information agency), Ul Bagatela 12, 00-585 Warsaw (tel: 628-2221; fax: 628-4651).

Polska Agencja Prasowa (Polish press agency), Ul Jerozolimskie 7, 00-950 Warsaw (tel: 628-0001).

Polskie Linie Oceaniczne (Polish Ocean Lines), Ul 10 Lutego 24, 81-364 Gdynia (tel: 201-901).

Poznan International Fair Co Ltd, Ul Glogowska 14, 60-734 Poznan (tel: 869-2000; fax: 866-5827; e-mail: info@mtp.com.pl); Department of Services (tel: 668-320, 692-547; fax: 660-642); Department of Employment (contracts out exhibition stall personnel) (tel: 666-721, 692-250; fax: 665-827).

State Committee of Science and Technology, ul. Wspolna 1/3, 00-529 Warsaw (tel: 628-4071; fax: 628-0922).

Technology Agency, Krucza 38/42, 00-512 Warsaw (tel: 661-8610; fax: 628-3611).

Telekomunikacja Polska SA, Special Projects Department, Ul Obrzezna 7, 02-691 Warsaw (tel: 275-037; fax: 276-789); External Department, Telephony Polskie Fundacja (Polish Telephone Foundation), Al Stanow Zjednoczonych 24, 03-964 Warsaw (tel/fax: 136-833; fax: 120-544).

Universal SA (foreign trading company), Al Jerozolimskie 44, 00-950 Warsaw (tel: 8144-3135, 693-6091/92; fax: 278-312).

Internet sites

Official Website of Poland: <http://poland.pl>

Business Directory: www.polish-bus.com/anghome.html

Business Polska: www.polska.net

Polish company directory: www.teleadreson.com.pl

Polish Embassy, London: <http://home.btclick.com/polishembassy>

Polish Tourism: www.poland-tourism.pl

Warsaw Business Journal: www.wbj.pl