`

U.S. COMMERCIAL SERVICE
United States of America
Department of Commerce

U.S. Country Commercial Guides

Poland

2019

U.S. Department of Commerce | International Trade Administration

Table of Contents

Doing Business in Poland

Market Overview

Poland is an important and dynamic market located in the heart of Central Europe. American exporters and investors are drawn to Poland due to the country's large population, well-educated and competitive workforce, strong prospects for economic growth and location affording broader access to the European Union market of 500 million.

With 38 million people, Poland is the largest single market among the "new" European Union (EU) states. Poland joined the EU in 2004, and its adoption of EU legislation has led to economic reforms that have improved the environment for business and boosted economic growth.

With an estimated 2018 GDP of USD 549 billion Poland is the EU's tenth largest economy (6th by PPP). Poland's economy has performed consistently well in the period from 2014 – 18 with real GDP growth averaging over 4 percent a year. According to the World Bank, Poland's 2018 GDP growth was 5.4 percent. Growing exports, household consumption, low unemployment, rising wages and EU funds spending are the driving forces fueling the country's strong economic performance. In addition, infrastructure spending and capital investment (with EU support) have contributed to the growth. The EU budget for 2014 - 2020 has allocated EUR 104 billion (121.6 billion USD at current exchange rates) funds for Poland— 86 billion EUR of which are Structural and Investment Funds--thereby making Poland the biggest net EU funds beneficiary among all the member states. Poland's exports and imports were both valued at USD 527 billion in 2018. Poland's chief export markets are: Germany 27%, United Kingdom 7%, Czech Republic 7%; France 6%; Italy 5%, and the Netherlands 5%. Its chief import partners are: Germany 28%, China 8%, Russia 6%, Netherlands 6%, Italy 5%, France 4% and the Czech Republic 4% (2017). In 2018, total bilateral trade in goods hit a new record totaling USD 13.45 billion, a 15.6% increase from 2017. U.S. exports in goods also hit a new record, increasing year-on-year by 16.6% to USD 5.4 billion with Polish exports to the U.S. accounting for approximately USD 8.0 Billion. Poland now ranks as the United States 40th largest export market. There remains abundant potential for U.S. firms. Poles continue to demonstrate a strong affinity for the United States and its products. This, in addition to the size and location of the domestic market, and the access it affords to the larger EU market, makes Poland a very promising export market for American firms.

Poland is open to foreign investment, and American companies represent one of the largest groups of foreign investors in the country. Official statistics put the stock of U.S. FDI in Poland at USD 12 billion, but the volume is closer to USD 43 billion when considering the amounts routed through U.S. subsidiaries in other EU countries. U.S. companies operate in a wide range of industry sectors. Leading sectors have historically included automotive, aerospace, information technology hardware and software, food products, transportation and pharmaceuticals, paper production, appliances and financial services. Investment and export opportunities exist in the energy sector as Poland seeks to diversify its energy mix, as well as in defense and digital technologies. Poland is also a popular location for business processing centers, including call centers, shared services centers and research and development operations.

Market Challenges

Poland's GDP per capita of USD 33,472 continues to be less than Western EU countries, representing 70 percent of the EU average. Net household disposable income is USD 19,814, less than the OECD average of USD 33,604. There is a considerable gap between the richest and poorest – the top 20% of the population earn close to five times as much as the bottom 20%.

Poland's overall commercial climate is positive. The country is open to foreign investment as a source of capital, growth and jobs, and as a vehicle for technology transfer, research and development (R&D), and integration into global supply chains. There are some limits on foreign ownership of companies in selected strategic sectors, and limits on the acquisition of real estate, especially agricultural and forest land. In March 2018, the Sunday Trade Ban legislation went into effect, which is gradually phasing out Sunday retail commerce in Poland. In 2019, stores may operate one Sunday a month, and in 2020 a total ban will be in effect. Polish authorities have publicly favored introducing a digital services tax. Since no draft has been released, the details of such a tax are unknown, but it would mainly affect foreign digital companies. Some investors have expressed concern about a lack of predictability, noting that policies are sometimes introduced quickly and without broad

consultation, and that the role that state-owned firms have in the Polish economy can create obstacles to long-term growth.

There are concerns that increased spending on social benefits and higher defense spending coupled with a reduction in the retirement age and a tight labor market will constrain GDP growth going forward, Poland's economy is projected to perform well in the next few years in part because of an anticipated cyclical increase in the use of its EU development funds and continued, robust household spending. Poland's low birth rate, fast growth and emigration have created a shortage of labor. Low unemployment in the larger cities drives firms to compete for qualified workers, and Poland has seen an influx of foreign workers, many from Ukraine, who help to balance any loss of domestic workers.

Poland is among the global leaders for doing business and was ranked Poland 33rd on the World Bank's "Ease of Doing Business Index." Compared to other countries, Poland does well when it comes to cross-border trading and credit access and is improving in areas such as enforcing contracts and collecting taxes. Corruption is not a widespread problem in Poland. The country ranks 36th out of 180 countries on Transparency International's Corruption Perception Index.

Market Opportunities

As a member of NATO, Poland continues to meet its commitment to spend at least two percent of GDP on defense and 20 percent of defense spending on equipment and infrastructure and will gradually increase annual defense spending to 2.5 percent of GDP by 2030.

There are currently 122 active Foreign Military Sales (FMS) cases in Poland. In 2018, FMS expenditures reached over $4.6 billion, much of which is accounted for by Poland's acquisition of the Patriot missile defense system.

Poland is the largest net recipient of EU Structural and Investment funds, with USD 121.6 billion budgeted from 2014-2020. Current plans are to use funds to support continued infrastructure development, including improving internet access and developing smart cities, and encouraging companies to conduct research and development in Poland. In the upcoming EU budget, initial estimates indicate Poland may receive as much as 24% fewer EU funds due to rapid growth, a change in EU funding priorities, and Brexit.

Digital technologies are an important and growing sector in Poland. There is a strong demand for information technology and solutions to support advanced manufacturing, smart cities, the Internet of Things (Iot), cloud computing and cybersecurity all offering potential for American exporters.

As Poland seeks to diversify its energy sources and to modernize its electricity generation and distribution systems, U.S. companies will find opportunities in the engineering and construction of pipelines and infrastructure to support natural gas storage and transmission as well as exports of U.S. LNG. The construction of new power plants to replace older, less efficient coal burning plants, a modernization of the electrical grid, including smart grid technologies, and the development nuclear power and offshore wind also hold potential.

Poland continues to devote sizeable resources to improving its transportation infrastructure. Many projects to improve the country's roads, railways and waterways benefit from EU funds. This increased investment has also led to the rapid development of Intelligent Transport Systems (ITS), which have become an important part of highway and road infrastructure projects. From 2014 – 2023, the Government plans to spend USD 12 billion to improve safety standards as well as roads management, which, in large part would be spent on ITS.

Engineering and green-building services firms may find opportunities in Poland's need for premium office space and retail sector expansion. Firms with experience in 'zero emission' buildings and LEED ratings will find the greatest opportunities due to application of EU standards. Many additional opportunities exist for firms offering products that improve energy efficiency. These top prospects are covered in depth under "Leading Sectors for U.S. Exports and Investment."

Other important sectors are agricultural products and agricultural machinery and equipment and environmental technologies.

While the U.S. share of Poland's import market remains small, at approximately 2%, 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

Poland's population is widely dispersed. A quarter of Poles live in rural areas, while urban dwellers are spread among many population centers, including Warsaw and Lodz in the center of the country, Krakow and Katowice 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 cities, communication in Polish is recommended to elicit prompt responses to offers and inquiries and to facilitate negotiations. Poland's communication network is relatively well developed, and e-mail communications and website offerings are an effective means of reaching local buyers.

Pricing is 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. U.S. exporters should develop a creative strategy for financing exports. Pricing is always a challenge for some U.S. exporters, especially as Poles often make decisions on price alone. Careful crafting of terms of sale, including creative packaging of currency and pricing terms, will help U.S. exporters gain a long-term advantage in the current Polish market.

Political Environment

Political Environment

For background information on the political and economic environment of Poland, please read U.S. Department of State Background Notes.

Selling US Products & Services

Using an Agent to Sell US Products and Services

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 to 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 the Kompass database, with information on many 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.

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 per 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.

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 often 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. 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 percent of a particular market are generally exempted (Commission Notice 2014/C 291/01).

The EU also looks to combat payment delays. Directive 2011/7/EU 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 eight percent above the European Central Bank rate) as well as 40 Euro 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.

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.

Establishing an Office

Establishing an office in Europe, whether a subsidiary or a new business, requires knowledge of the relevant national legislations in the country of interest.

While there are a number of EU level policies in effect, many key areas such as taxation are still largely a member state prerogative.

The European Commission manages the Your Europe website where investors can find useful information on various topics ranging from taxation and customs to employment contracts.

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

(2) Limited Joint-Stock Partnership

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

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

(5) Representative Office

(6) Branch Office

Detailed information on forms of doing business in Poland can be found at the web-site of the Polish Investment and Trade Agency.

Modern office equipment like computers and office amenities are easily available and can be leased from a variety 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 aid in finding appropriate staff.

Data Privacy and Protection

As of 25 May 2018, the General Data Protection Regulation (GDPR) applies in the EU. The GDPR is a horizontal privacy legislation that applies across sector and to companies of all sizes. It replaces the previous data protection Directive 1995/46. The overall objectives and underlying principles of the legislation remain the same. Businesses must inform consumers that they are collecting personal data, have a legal basis to process and retain the data.

However, there are significant differences in definitions of key terminology. The GDPR creates a number of new requirements for organizations that process EU individuals' personal data. Companies have an obligation to demonstrate their compliance, in part through a number of documentation obligations. Data subjects have a number of rights which include access, correct, erasure of their personal data.

The GDPR has extra-territorial reach, which means that it might be applicable to U.S. entities even if they do not have physical presence in Europe. In that case, such organizations need to have a representative based in Europe, or in certain cases need to appoint a Data Protection Officer.

Fines in case of non-compliance can reach up to 4% of the annual worldwide revenue or 20 million euros – whichever is higher. Companies of all sizes and sectors should consider GDPR as part of their overall compliance effort with assistance of legal counsel.

The European Commission and Data Protection Authorities are releasing official guidelines to help companies with their compliance process (see resources below).

Note: the EU is currently updating its e-privacy legislation governing confidentiality of communications. This legislative instrument once enacted will add a number of requirements in addition to the GDPR. We encourage U.S. exporters to monitor this situation as it evolves through the EU legislative process.

For more information:

Full GDPR text

European Commission guidance:

http://ec.europa.eu/justice/smedataprotect/index_en.htm

https://ec.europa.eu/commission/priorities/justice-and-fundamental-rights/data-protection/2018-reform-eu-data-protection-rules_en

Transferring Customer Data to Countries outside the EU

The General Data Protection Regulation (GDPR) provides for the free flow of personal data within the EU but also for its protection when it leaves the region's borders.

The GDPR (Chapter 5 - Article 44 onwards) sets out obligations on data controllers (those in charge of deciding what personal data is collected and how/why it is processed), on data processors (those who act on behalf of the controller) and gives rights to data subjects (the individuals to whom the data relates). These rules were designed to provide a high level of privacy protection for personal data, and were complemented by **measures to ensure the protection is maintained when data leaves the region**, whether it is transferred to controllers, processors or to third parties (e.g. subcontractors). EU legislators put restrictions on transfers of personal data outside of the EU, specifying that such data could only be exported if "adequate protection" is provided.

The European Commission (EC) is responsible for assessing whether a country outside the EU has a legal framework that provides sufficient protection for it to issue an "adequacy finding" to that country. The U.S. has never sought to be found adequate by the EC. This means that U.S. companies can only receive personal data from the EU if they:

- Join the EU-U.S. Privacy Shield program, or
- Provide appropriate safeguards (e.g. contractual clauses, binding corporate rules), or,
- Refer to one of the GDPR's derogations,

European Commission's webpage on transfers outside the EU and all mechanisms outlined below:

Data Transfers Outside of EU

Important note:

The legal environment for data transfers to the United States continues to evolve. Companies that transfer EU citizen data to the United States as part of a commercial transaction should consult with an attorney, who specializes in EU data privacy law, to determine what options may be available for a particular transaction.

About the EU-U.S. Privacy Shield

The EU-U.S. Privacy Shield Framework was designed by the U.S. Department of Commerce and the European Commission to provide companies on both sides of the Atlantic with a mechanism to comply with data protection requirements when transferring personal data from the European Union to the United States in support of transatlantic commerce.

For more information on the EU-U.S. Privacy Shield

For more information about other mechanisms of transfer, please refer to:

Transferring Personal Data from EU to U.S.

Cyber-security

The European Network and Information Systems (NIS) Security Directive sets a minimum baseline of requirements to ensure better protection of critical infrastructures in Europe. The legislation targets three groups of stakeholders: 1. it sets basic principles for Member States for common minimum capacity building and strategic cooperation; 2. it directs operators of essential services (OES) and digital service providers (DSP) to ensure they apply basic common security requirements.

DSPs are broadly defined to include: online/e-commerce marketplace (including app stores); online search engine (with the exclusion of search function limited to a specific website); and Cloud computing services. NIS systems are considered the e-communications network, connected devices and digital data.

A DSP and an OES are expected to ensure "the ability of NIS to resist any action that could compromise the availability, authenticity, integrity or confidentiality of stored or transmitted or processed data or the related services offered by, or accessible via, those systems." Member states must identify OES and establish security and notification requirements for OES and for DSP. The level of security expected from OES should be higher than the level expected from DSP, because of the degree of risk posed to their infrastructure. Among obligations for both OES and DSP are, to take technical and organizational measures to NIS risk management; to prevent and minimize the impact of NIS security incidents; to notify, without undue delay, incidents having a significant impact on the continuity of the essential services they provide.

This Directive has been adopted by the EU in July 2016. Member States had until May 2018 to transpose the Directive into their national legal framework. The Polish Parliament passed the Act on the National Cybersecurity System ("ANCS" J on 5 July 2018 and the law entered into force on 28 August 2018. The ANCS introduces a national cybersecurity system that includes the biggest service providers from various sectors in Poland, as well as governmental and local administration. The new legislation aims to create an efficient and secure system to increase the level of cybersecurity in Poland and allow for swift co-operation with other EU Member States.

European Commission Recommendations on 5G Security: On March 26, the European Commission published its non-legislative Recommendation on Cybersecurity of 5G networks. The Commission doesn't impose hard limits on the access of Chinese technology in Europe but does set a timeline for EU countries to adopt a common procedure that would create new, tougher requirements on telecom companies as they roll out their 5G networks. Member States will have to complete their national risk assessments by 30 June 2019 and update necessary security measures. In parallel, ENISA will complete a 5G threat landscape that will support member states in the delivery by 1 October 2019 of the EU-wide risk assessment. By 31 December 2019, the NIS Cooperation Group will agree on mitigating measures to address cybersecurity risks identified at the national and EU levels. The recently approved Cybersecurity Act will be used to set up an EU-wide certification scheme covering 5G networks and equipment.

Franchising

The Polish franchise market is considered mature, yet growing. Local entrepreneurs are aware of the plethora of potential choices that enables them to make discerning decisions regarding future franchise opportunities. According to the private franchising consulting company PROFIT System, in 2018 the Polish franchising sector encompassed 1,250 independent franchise networks. Franchising is one of the fastest growing options for small, private firms. Per data, the average franchise employs 5-6 people and the sector as a whole is responsible for 460,000 jobs in Poland.

Average investment in a franchise in 2018 amounted to USD 40,000. Most of those franchises - 80% - originated in Poland. The largest franchising sector, with 204 brands, is gastronomy. Leading brands include KFC, Starbucks, Pizza Hut, Subway and McDonald's. Following this is the retail sector, with 156 retail brands and 36,000 licensed locations. Recent U.S. retail brands that announced new locations in Poland are Forever 21 and Steve Madden. In addition, consulting/business services that are in Poland include Signarama, Mail Boxes Etc., and RE/MAX. New additions are Keller Williams, Circle K, and Orangetheory Fitness.

One of the fastest growing trends is online sales, especially in the food and retail sectors. For example, in Poland it is now becoming popular to order food or groceries online for delivery or pick-up. Uber Eats is now operational in Poland. Local meal kit services akin to Blue Apron are also very popular in Poland.

Strong competition and an increasing number of franchise systems have strengthened the position of potential franchisees. Successful franchisors offer franchisees programs for customer service (CRM), product training, merchandising, etc., and often contribute to recruitment campaigns and investment cost-sharing.

American franchisers should be willing to raise brand awareness by committing sufficient resources to advertising and marketing, this is especially true for brands without global recognition. U.S. franchisers should be prepared to modify their product mix or implement other changes in their marketing policy to compete and meet the demands of Polish consumers. Franchise networks successful in the United States will not automatically succeed in Poland. However, well-known U.S. franchises operating in the U.S. or Europe have a strong advantage.

U.S. franchisers often have difficulty locating local investors willing to provide sufficient capital to develop a Polish franchise. To overcome this challenge, firms often create a master franchise that can attract foreign and domestic investors. This practice is especially prevalent in the gastronomy sector.

Poland has no special legal requirements for franchises. The Polish Civil Code regulates franchise agreements. Franchisors should take steps to protect their intellectual property in accordance with Polish and European Union regulations. As in most markets, trademark registration is limited to protecting only trademarks registered in Poland. Registration at the European Union level protects trademarks in Poland and all member states. Sub-franchising is permitted without restrictions and Poland and the U.S. have signed a double taxation avoidance agreement. The franchise fee is subject to a 23% value-added tax (VAT) and 19% corporate income tax (CIT) on the difference between franchising income and tax- deductible expenses.

U.S. businesses looking to franchise within the European Union will likely find the market is generally quite robust and welcoming to franchise concepts. There are several laws that govern the operation of franchises within the EU, but such laws are broad and generally do not constrain the competitive position of U.S. businesses. The potential franchiser should review the applicable EU regulations at the web-site of the European Franchise Federation, as well as local laws in Poland governed by the Polish Franchise Organization (POF).

The Polish Franchise Expo, held annually in Warsaw, is the largest franchising trade show in Central and Eastern Europe. Over 200 exhibitors and 7,000 visitors attended the show in 2018. This year's Franchise Expo will be held October 17-19, 2019.

Direct Marketing

Direct marketing (DM) is an accepted business practice in Poland, as it is in other EU countries. Polish consumers are accustomed to purchasing via catalog as well to shopping on Internet platforms. More than 70% of Polish enterprises use direct marketing to sell their products and services. The most frequently used DM formats are e-mail and internet marking, telemarketing, direct sales, mailing sales (products available in catalogs and internet), TV marketing, and inserts in publications with a response element. Spending on email marketing equals 6% of total advertising expenditure with regards to Polish internet advertising. Local companies care about proper profiling, audience targeting, and know that a well-prepared email campaign will achieve a high conversion rate. Communicating with consumers through a social media (e.g. Instagram, Facebook) is also widely used.

In general, Polish law is compatible with legal regulations applied to DM activities throughout the EU. Direct Sales are governed by the Consumer Rights Act of 30 May 2014 (as amended) on Consumer Rights. Polish protection of personal data is rigorous, although recent interpretations in court have been less strict. A Good source of information is the Office of Competition and Consumer Protection.

The SMB Polish Marketing Association, established in 1995, and PSSB- Polish Direct Marketing Association, established in 1989, are both involved in introducing regulations and principles for DM in Poland. SMB promotes development of direct marketing per existing law and professional ethics.

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 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.

There is a wide-range of EU legislation that impactssumers. Companies need to focus 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

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 have been in force since June 13, 2014, and replaced 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.

Alternative Dispute Resolution

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.

Key Links:

Consumer Affairs Homepage

Consumer Rights

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 ofcontract information. Given the special nature of financial markets, specifics are also laid out for contract withdrawal.

Key Link: Distance Marketing

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 should 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: Direct Marketing over the Internet

New Legislation

In December 2015 the European Commission released a package of two draft Directives, respectively on "contracts for the supply of digital content" and another on "contracts for the online and other distance sales of goods." This package addresses the legal fragmentation and lack of clear contractual rights for faulty digital content and distance selling across the EU. The package would only address B2C contracts, although its draft scope uses a very broad definition of both digital content (including music, movies, apps, games, films, social media, cloud storage services, broadcasts of sport events, visual modelling files for 3D printing) and distance selling goods so as to cover Internet of Things (such as connected households' appliances and toys). It could also apply to transactions whether in the context of a monetary transaction or in exchange of (personal) consumer data. Healthcare, gambling and financial services are excluded from the proposal.

The package is currently under scrutiny at both the European Parliament and Council. Its adoption is expected in the course of 2018.

Local Associations

Polish Marketing Association

Polish Direct Marketing Association

SELDIA – The European Direct Selling Association

FEDMA- European Direct Marketing Association

Joint Ventures/Licensing

Joint ventures are a common form of business in Poland. Many U.S. businesses in Poland have established joint ventures with Polish partner companies. 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. Having a Polish partner who is familiar with the industry and culture gives American firms a competitive edge they may not have on their own. American firms participating in joint ventures are often asked to provide marketing, training, and promotional support for their Polish partners.

Licensing products, technology, technical data, and services has been less common in Poland, due to concerns about to protect intellectual property rights and copyrights. Still we suggest U.S. businesses be cautious when licensing their products in Poland, particularly since we expect the number of U.S. firms opting to license their products in Poland to increase, especially in the industrial manufacturing and consumer goods sectors.

Selling to the Government

Information on the Office of Public Procurement, public procurement regulations and public tenders is available via the internet. Only a handful of relevant resources is available in English.

The Armaments Inspectorate handles Ministry of Defense procurements. Comprehensive information about military procurement laws and regulations is provided on the Armaments Inspectorate website. On-line resources are available in Polish only.

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.

Government procurement in Europe is governed by both international obligations under the WTO Government Procurement Agreement (GPA) and EU-wide legislation under the EU Public Procurement Directives. U.S.-based companies can bid on public tenders covered by the GPA, while European subsidiaries of U.S. companies may bid on all public procurement contracts covered by the EU Directives in the European Union.

The EU directives on public procurement have recently been revised and new legislation on concessions has also been adopted. Member States were required to transpose the provisions of the new directives by April 16, 2016. The four relevant pieces of legislation are:

- Directive 2014/24/EU (replacing Directive 2004/18/EC) on the coordination of procedures for the award of public works contracts, public supply contracts and public service contracts applies to the general sector;
- Directive 2014/25/EU (replacing Directive 2004/17/EC) coordinating the procurement procedures of entities operating in the water, energy, transport and postal services sectors;
- Directive 2009/81/EC **on defense and sensitive security procurement.** This Directive sets Community rules for the procurement of arms, munitions and war material (plus related works and services) for defense purposes, but also for the procurement of sensitive supplies, works and services for non-military security purposes;
- Directive 2014/23/EU on the award of concession contracts. A concession contract (either for the delivery of works or services) is conducted between a public authority and a private enterprise that gives the right to the company to build infrastructure and operate businesses that would normally fall within the jurisdiction of the public authority (e.g. highways).

The EU has three remedial directives imposing common standards for all member states to abide by in case bidders identify discriminatory public procurement practices.

Electronic versions of the procurement documentation must be available through an internet URL immediately on publication of the Official Journal of the European Union (OJEU) contract notice. Full electronic communication (with some exceptions) will become mandatory for all public contracts from October 2018. Central purchasing bodies are required to publish their contracts and requests for tenders since April 2017.

Electronic invoicing (e-invoicing) will be introduced beginning the 3rd quarter of 2018, based on the requirement set forth in Directive 2014/55/EU. The Directive makes the receipt and processing of electronic invoices in public procurement obligatory. Standards for e-invoicing are being developed by the European Committee for Standardization (CEN).

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. Article 85 of Directive 2014/25 allows EU contracting authorities to either reject non-EU bids where the proportion of goods originating in non-EU countries exceeds 50 percent or give preference to the EU bid if prices are equivalent (meaning within a three percent margin). Moreover, the Directive allows EU contracting authorities to retain the right to suspend or restrict the award of service contract to undertaking in third countries where no reciprocal access is granted.

There are also restrictions in the EU coverage of the GPA that apply specifically to U.S.-based companies. U.S. companies are not allowed to bid on works and services contracts procured by sub-central public contracting authorities in the following sectors:

- Water sector
- Airport services
- Urban transport sector as described above, and railways in general
- Dredging services and procurement related to shipbuilding

Distribution & Sales Channels

Regional Nature of Market and Review of Major Regions

Opportunities for doing business in Poland are, like the population, dispersed throughout the country. Thirty-nine 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	1,764615
Kraków	767,348
Łódź	690,422
Wrocław	638,586
Poznań	538,633
Gdańsk	464,254
Szczecin	403,883
Bydgoszcz	352,313
Lublin	339,850
Katowice	296,262

Source: Chief Statistical Office (GUS) Poland

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 the 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 the 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. This is one of the reasons why the number of heavy machinery distributors is limited in Poland.

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.

Express Delivery

All major express delivery firms - DHL, UPS, and FedEx offer their services in Poland, both for inbound and outbound shipments. Reliable domestic express delivery firms include DPD Poland and GLS. Be sure to check their service coverage and declared guaranteed delivery time prior to enlisting their service.

Selling Factors & Techniques

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.

Websites and e-mails are effective tools 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 82% of Polish homes have internet access, 48% of them buy on-line. The number of banking customers who actively use internet banking services reached 78%.

American companies that are little known outside 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 may take 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 interest rates on credit. Follow-on sales often grow rapidly once product effectiveness and profitability are established.

Many Polish firms complain that access to capital is a problem. This is a particularly acute problem for small and medium size businesses. Most Polish firms are too small to consider going public or to issue commercial paper so business activities, including payment for imports, are usually 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, pricing is flexible (or assistance with financing is offered), and includes promotion, servicing and customer support, chances are good that the 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 United States, its people and products, are generally held in high regard.

e-Commerce

Overview

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

The Polish e-commerce market is expected to reach USD 13.5 billion at the end of 2019, a 16% increase over last year. Poland is ranked 13th among the fastest developing e-commerce markets in the world. In 2018-2022, the value of the e-commerce market is expected to increase by $6 billion. The government claims that the digital economy keeps developing at 7% a year and in 2020 it will account for 12% of Poland's GDP. E-commerce currently accounts for a little over 7% of retails sales.

In Poland, e-commerce is one of the most important drivers for economic development, contributing to the rapid growth of logistics operations. E-commerce currently accounts for 60% of the warehouse space used by retail chains and logistics operators. Poland is a hub for several e-commerce operations serving Western European countries, including Amazon and Zalando.

Easy and affordable access to the internet through multiple tools, comfortable online purchasing platforms, and customer-friendly regulations (please see the information on the Digital Single Market below) all drive e-commerce growth. Online sellers benefit from the recent ban on Sunday trading, where most brick-and-morto retail operations are closed on official holidays and three Sundays each month. The Sunday Ban, enacted in 2018, will gradually expand to cover all Sundays by 2020.

There are a total of 28 million internet users in Poland, 66% of them shop on-line. More than half of customers use multiple devices for on-line shopping. The following is the breakdown of equipment used: laptops (80%), personal computers (61%), smartphones (47%), tablets (21%) and e-book devices (3%).

Current Market Trends

As technology changes allow customers to easily compare prices and products offered by various sellers. Retailers tend to take an omnichannel approach to combine traditional and on-line sales channels to retain or expand their customer base and only 20% of them sell exclusively on-line. E-commerce platforms and shops increasingly invest in advanced analytic tools, including artificial intelligence. The industry primarily reaches customers via social media, personalized advertising and content marketing.

On-line grocery sales is the fastest, although still very small, segment of the e-commerce market. This segment's value is expected to reach $670 million by 2020, a 458% increase over $120 million in 2017. In addition, fast growing e-commerce segments is e-sport and sales of enterteinment tickets, both developing at over 20% a year.

Domestic e-Commerce (B2C)

The vast majority of online shopping is done locally in Poland. There are 12,000 on-line stores in Poland. Majority of them are Polish-owned and have been operating for over 10 years.

The most popular products bought online are clothing, shoes and accessories, toys and child care, home appliances, consumer electronics, books, music and movies, and cosmetics. Other popular products include car appliances, airplane, train and bus tickets, sporting goods, and tourist equipment and travel services.

Cross-Border e-Commerce

While only about 16% of Poles shop in foreign stores, 40% of Poles have never shopped on-line internationally. According to Kronenberg Foundation by Citi Handlowy bank, 65 % of e-commerce businesses sell internationally, mainly to customers in Central and Western Europe. Outside of the EU, 10% of on-line businesses are active in Asia, 6% in the U,S,, and 5% in the Middle East countries. Nevertheless, value-wise, foreign sales account for only 6 percent of the total sales of e-commerce businesses.

B2B e-Commerce

The B2B e-commerce market is estimated at over USD 60 billion, and it is expected to grow 8% per year to reach USD 92 billion by 2020. At the moment, only some 35% of Polish firms use internet purchasing platforms. e-Commerce Services

In general, e-commerce platforms in Poland are eager to work with foreign suppliers and sell their products online. Nevertheless, many limit their suppliers to European sources. They have little experience in dealing with suppliers from the United States and provide limited logistical support, if any.

e-Commerce Intellectual Property Rights

Polish law enforcement agencies are increasingly focusing on Internet crime, but intellectual property infringement continues to be a problem. Please see the Intellectual Property Rights section below for general information on this topic.

Popular e-Commerce Sites

The most popular e-commerce platform in Poland is Allegro, with over 40% market share. Initially established as an auction platform, over the last few years, Allegro has expanded, currently also seling its own offer as well as hosting a variety of business sellers.

In November 2017, Facebook launched its Polish Marketplace, which is quickly gaining popularity as well.

Amazon has a large presence in Poland, where it operates five fulfillment centers in addition to an R&D center. Amazon offers a Polish language site on its German platform.

Top e-commerce platforms in Poland:

1.	Allegro,pl	All types of consumer goods
2.	Euro.com.pl	Consumer electronics and home appliances
3.	Amazon	Polish language version of German website
4.	Empik.com	Books, games, toys,music, gifts, tickets to cultural events
5.	Mediaexport.pl	Consumer Electronics and home appliences
6.	Zalando.pl	Fashion
7.	Aliexpress.com	All types of consumer goods

Online Payment

The most popular on-line payments methods include pay-by-link (56%), cash on delivery (30%) and cards (10%).

Digital Marketing

The online advertising market was estimated at $1.24 billion in 2018 and is expected to reach $1.5 billion in 2019. In 2018, it represented 35% of the total advertising expenditures and is expected to surpass expenditures on traditional advertising by 2020.

Ads on Google and Facebook account for 64% of growth of all expenses in digital marketing. The most popular services for on-line marketing are Facebook, Instagram, Twitter, LinkedIn, and YouTube. While 62% of e-shops pay search engines for promotion, over 50% place paid ads in social media, Youtu.

Major Buying Holidays

Christmas shopping is the best time for e-commerce activities, with 42% of sales taking place online. Black Friday and Cyber Monday-type sales are new in Poland but are slowly gaining popularity.

Social Media

Almost all Polish internet users, use social media, which is above the world average. The average user spend over 2 hourson social media each day.

The most popular social media platform in Poland is Facebook. 70% of Polish Facebook users are active every day. Other popular services are YouTube, Instagram,. and Tik-Tok, which targets young teensagers' audience.

As many as 97% of e-shops market and communicate with clients on social media platforms. This applies to all large e-Commerce platforms. The most popular social media e-commerce platforms are Facebook, Instagram, Google+, and YouTube.

Please see the information on the European Union's Digital Single Market Initiative for the EU perspective on this topic: https://www.export.gov/article?id=European-union-ECommerce

During the last plenary session before the European elections in May 2019, the Parliament voted on three residual digital files:

First, the Online Terrorist Content proposal, which will require hosting service providers to remove online terrorist content within one hour after receiving an order from the competent national authority. The text will go into negotiations once the new Parliament is in office. Second, the Parliament adopted the provisional agreement with the Council and the Commission on the Platform-to-Business proposal, which will regulate how companies interact with their business users including merchants and app developers. Finally, the Parliament approved the draft rules on the European Cybersecurity Competence Center and Network of National Coordination Centers, which aims to boost the EU cybersecurity industry's global competitiveness across the entire value chain—from research to the deployment and implementation of key technologies.

Key links:

Proposed regulation on preventing the dissemination of terrorist content online

Final platforms-to-business regulation

Link to the proposed Cybersecurity Competence Centre and National Coordination Centres

Value Added Tax (VAT)

While the general VAT regulations in Poland are the same as in other European countries, Poland focuses on implementing strict procedures to maximize the VAT collection and minimize tax abuse. The standard VAT rate in Poland amounts to 23 percent, and the reduced VAT rates range from 5 percent to 8 percent. As of June 1, 2019, the VAT rates for some products and services will be modified, including the reduction of VAT for e-books from 23 to 5 percent.

Trade Promotion & Advertising

General Legislation

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

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

The EU's Audiovisual Media Services Directive (AMSD) 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. The AMSD is currently under revision. The European Commission is aiming to extend the scope of the Directive to video-sharing platforms which tag and organize the content. The Commission is also aiming to provide more flexibility about the 12-minute/hour maximum restriction. Children's programming is subject to a code of conduct that includes 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.

The EU adopted Directive 2005/29/EC concerning fair business practices in a further attempt to tighten consumer protection rules. These rules outlaw several aggressive or deceptive marketing practices such as pyramid schemes, "liquidation sales" when a shop is not closing, 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 Links:

Misleading Advertising

Unfair Commercial Practices Directive

Audio video Media Services

Medicines

The advertising of medicinal products for human use is regulated by Council Directive 2001/83/EC, as amended by Directive 2004/27/EC. 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.

Key Link: Health and Medicine

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's 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.

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 later. 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 more simplified authorization procedure has been established.

The development of nutrient profiles, originally scheduled for January 2009, has been delayed. The original proposal has been withdrawn. In October 2015 the European Commission released a new roadmap on the potential development of nutrient profiles and botanicals. To obtain stakeholders' inputs, two consultations and an external study was launched in mid-2017. The European Commission is now assessing the opportunity to proceed with a proposal and then potentially draft it. Nutrition claims, in place since 2006, 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.

Detailed information on the EU's Nutrition and Health Claims policy can be found on the USEU/FAS website at USEU/FAS website and in the USDA Food and Agricultural Import Regulations and Standards EU 28 2017.

Key Link: EU Register of Nutrition and Health Claims

Food Information to Consumers

In 2015, the EU adopted a new regulation on novel foods (2015/2283) amending the provision of food information to consumers (1169/2011). Novel foods and food ingredients must not present a danger for the consumer or mislead him and should not differ from the ingredients that they are intended to replace to such an extent that normal consumption would represent a nutritional disadvantage for the consumer. It is important to mention that the European Commission may decide, on its own initiative or upon a request by a Member State, by means of implementing acts (a sort of decree), if a particular food falls within the definition of novel food. More information can be found on the Commission's website. Most provisions of this new Novel Foods Regulation become applicable on January 1, 2018.

Detailed information on the EU's new food labeling rules can be found on the USEU/FAS website at EU Labelling Requirements and in the USDA Food and Agricultural Import Regulations and Standards EU 28 2017

Key link: Provision on Food Information

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 2014. 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: Labelling Nutrition Supplements

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. A 2016 revision to the legislation includes the requirement for bigger, double-sided health pictorial warnings on cigarette packages and possibility for plain packaging along with health warnings, tracking systems.

Key link: Tobacco Products

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 the information on trade fairs and events in Leading Sectors for U.S. Exports and Investments. 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, Radio ZET and TOKFM.

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, celebrates its 17th anniversary this year (launched in 2001) and the Polish edition of Forbes magazine, which was launched in January 2005, celebrates its 13th 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, 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

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 per potential Polish clients

continues to be that "the price is too high." The risks surrounding exchange rate fluctuations can make pricing 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 dramatically elevate the final retail price of a product. Flexibility in pricing is important and 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 that products imported from other EU countries do not. To level the playing field, 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 to creating market share for their products will reap the rewards.

Sales Service/Customer Support

After price, service is the second greatest concern for Polish customers. Polish distributors and customers see U.S. manufacturers as far removed from the products they export to Poland. Potential customers may shy away from U.S. products over concerns that distance will lead to ineffective service 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 local service 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 a U.S. affiliate company. Local technical support teams should 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.

Conscious of the discrepancies among member states in product labeling, language use, legal guarantee and liability, the redress of which inevitably frustrates consumers in cross-border shopping, EU institutions have launched several 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.

Product Safety

The 1992 General Product Safety Directive introduced 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.

Legal Warranties and After-sales Service

Under the 1999 Directive on the Sale of Consumer Goods and Associated Guarantees, revised in 2011, 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.

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 the Trade Regulations section of this report.

Protecting Intellectual Property

For general information on Protecting Your Intellectual Property in the EU, please follow this link**:** https://www.export.gov/article?id=European-Union-Protecting-Intellectual-Property

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

Granting patents registrations generally is based on a first-to-file (or first-to-invent, depending on the country) basis. Similarly, registering trademarks is based on a first-to-file (or first-to-use, depending on the country), so you should consider how to obtain patent and trademark protection before introducing your products or services to the EU market. It is vital that companies understand that intellectual property is primarily a private right and that the U.S. government cannot enforce rights for private individuals in the EU. 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 EU 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 U.S. government 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 responsibility of a rights holder to promptly pursue its case.

It is always advisable to conduct due diligence on potential partners. 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 the EU require constant attention. Work with legal counsel familiar with the EU 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 EU 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)

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 United States and other countries -- call the STOP! Hotline: **1-866-999-HALT** or visit STOP Fakes
- For more information about registering trademarks and patents (both in the United States as well as in foreign countries), contact the U.S. Patent and Trademark Office (USPTO) at: **1-800-786-9199**
- For more information about registering for copyright protection in the United States, contact the U.S. 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, please visit the "Resources" section of the STOPfakes website.
- For information on obtaining and enforcing intellectual property rights and market-specific IP Toolkits visit: STOPfakes Business tools. The toolkits contain detailed information on protecting and enforcing IP in specific markets and contain contact information for local IPR offices abroad and U.S. government officials available to assist SMEs.

In any foreign market companies should consider several general principles for effective protection of their intellectual property. For background, please link to our article on Protecting Intellectual Property (at https://www.uscib.org/register-and-apply-ud-859/) and Stopfakes.gov for more resources).

The U.S. Department of Commerce has positioned IP attachés in key markets around the world. Contact information for European based IP attachés in below:

Geneva, Switzerland

Deborah Lashley-Johnson

deborah_e_lashley-johnson@ustr.eop.gov

European Union

Susan Wilson

Susan.Wilson@trade.gov

Kyiv, Ukraine

Vacant – contact Dominic Keating

Dominic.Keating@uspto.gov

For more information, contact ITA's Office of Intellectual Property Rights Director, Stevan Mitchell at Stevan.Mitchell@trade.gov.

Comprehensive information on the Polish law protecting intellectual property is available on the website of the Polish Investment and Trade Agency.

New Copyright Regulations: Despite opposition of 8 countries, including Poland, in April 2019, the European Parliament passed the Copyright Directive, and EU countries will have two years to implement the new regulations. There are numerous articles and points of reform therein, but it is Article 11 and 13 of the Directive which have sparked controversy. Art 11, dubbed as the "link tax", gives publishers right to charge search engines, aggregators, and other sites if they reproduce more than "single words or very short extracts" of new stories. Art, also known as the "upload filter," for-profit platforms like YouTube, Tumblr, and Twitter will be forced to proactively scan user-uploaded content for material that infringes copyright.

Due Diligence

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 visit or e-mail 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 should perform due diligence in accordance with mandatory EU legislation prior to exporting.

Local Professional Services

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 and most of them 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.

American companies doing business in Poland are urged to obtain legal representation. This is particularly essential when bidding in a public tender, forming a joint venture, untangling a trade dispute establishing a representative office or incorporating a business in Poland.

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.

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.

Information on professional service providers in Poland is available upon request. Please send the request to office.warsaw@trade.gov.

Principal Business Associations

American Chamber of Commerce in Poland

Spektrum Tower, 16th Floor
ul. Twarda 18
00-105 Warszawa
Tel. +48 22 520 5999
Fax +48 22 520 5998
e-mail: office@amcham.pl

The American Chamber of Commerce in Poland is the leading voice for international investors in Poland. It is composed of over 300 companies representing a wide range of sectors, and has significant American presence, including 80 of the 500 Fortune companies. Members share the will to build connections and develop the business market in Poland. AmCham is an independent, non-profit business association, and is supported fully by its membership dues and sponsorship agreements. The organization is an accredited affiliate of the US Chamber of Commerce in Washington D.C. and AmCham's in Europe network.

Confederation Lewiatan

ul. Zbyszka Cybulskiego 3
00-727 Warszawa
tel. +48 22 55 99 900
Fax +48 22 55 99 910
e-mail: recepcja@konfederacjalewiatan.pl

Lewiatan is the most influential Polish business association representing interests of Polish businesses in Poland and the European Union. Lewiatan gathers around 4,100 companies that employ over 1 million people. Confederation Lewiatan is a member of the Social Dialog Council created by the Polish government and has a direct influence on government and legislative actions in Poland. Lewiatan has a representative office in Brussels and is a member of Businesseurope – the leading European business organization representing interests of entrepreneurs and businesses in EU. Many U.S. companies that are present in the Polish market are members of Lewiatan.

Business Center Club

Plac Zelaznej Bramy 10
00-136 Warszawa
tel. +48 22 625 30 37, 582 1001
fax +48 22 621 84 20
e-mail: biuro@bcc.org.pl

Business Center Club (BBC) is a prestigious business club and the largest individual entrepreneur organization in Poland. BCC gathers more than 2,000 members (individual entrepreneurs and companies) representing various industries jointly controlling USD 30 billion in capital and employing 400,000 people. BCC also affiliates lawyers, journalists, scientists, publishers, physicians, members of the military and students. BCC concentrates on lobbying activities aimed at furthering the growth of the Polish economy. All to-date Polish Presidents, Prime Ministers and Ministers have consulted with BCC members. BCC is an international organization with ties to institutions in the EU, U.S., Russia and Canada. BCC membership is also held by more than 100 foreign firms.

Polska Rada Biznesu

(Polish Business Roundtable)

Palac Sobanskich
Al. Ujazdowskie 13
00-567 Warszawa
tel. +48 22 523 66 11
mobile: +48 532 003 335
fax: +48 22 523 66 14
e-mail: rada@prb.pl

Polska Rada Biznesu gathers large businesses and employers in Poland and represents them in dealings with government. The association is apolitical, and its members are CEOs of large Polish private enterprises or foreign firms operating in Poland. Polska Rada Biznesu is engaged in many programs promoting entrepreneurship, including organization of the annual Jan Wejchert prize for the best entrepreneur, the most prestigious business prize in Poland.

Pracodawcy Rzeczypospolitej Polskiej

(Employers of Poland)
ul. Brukselska 7
03-973 Warszawa
tel. +48 22 518 8700
fax +48 22 828 8438

e-mail: sekretariat@pracodawcyrp.pl

Employers of Poland is the oldest and the largest employers' organization in Poland. The organization has accompanied Poland's political and economic transformation since 1989, representing the interests of entrepreneurs of all industry sectors. The Confederation gathers 19,000 companies that employ over 5 million employees. An employer of Poland is a member of the Social Dialog Council and has influence on government legal actions. The association accepts companies registered in Poland as their members.

Polski Klub Biznesu

(Polish Business Club Association)

ul. Kompasowa 3/23
04-048 Warszawa
tel. +48 22 870 0705
fax +48 22 305 8029

e-mail: biuro@pkb.org.pl

The Polish Business Club is the oldest independent business organization in Poland gathering private entrepreneurs. The club's major role is to promote Polish entrepreneurship, businesses and people. The Polish Business Club is involved in increasing foreign investments in Poland and cooperation with Polonia. PBC is a member of the Club of Europe, and co-organizer of the Polonia World Economic Conferences. The association accepts U.S. company members.

Limitations on Selling US Products and Services

We are not aware of any limitations on manufacturing or service sectors that prohibit non-Poles from owning or selling these businesses in Poland.

Web Resources

Kompass database

Council Directive 86/653/EEC

Notice on agreements of minor importance

Directive 2011/7/EU

The European Ombudsman

SOLVIT

Forms of conducting business activity in Poland

The European Franchise Federation

Polish Franchise Organization

Office of Competition and Consumer Protection

SMB Polish Marketing Association

Consumer Affairs Homepage

Consumer Rights

Directive 2002/65/EC

Directive 2000/31/EC

The European Commission proposal on e-Commerce regulations:

Digital Single Market: Boosting e-Commerce in the EU

Office of Public Procurement

The Armaments Inspectorate

The Advocacy Center

The Annual Public Procurement Implementation Review
Legal Rules and Implementation

International Public Procurement

Tenders for Government Contracts in the EU
Digital Single Market

Market Research on e-Commerce in the EU

Unfair commercial practices

Audiovisual Media Services Directive (AVMSD)

Medicinal Products for Human Use

Nutrition & Health Claims

EU Register of nutrition and health claims made on foods

EU Labeling Requirements

Regulation (EU) no 1169/2011

Food supplements

Tobacco - Products regulation

Liability of defective products

Product safety legislation

Sales and guarantees

The Ministry of Culture and National Heritage

Polish Patent Office

Intellectual property rights in Poland

Stop Fakes

U.S. Patent and Trademark Office

U.S. Copyright Office

Business Service Providers

American Chamber of Commerce in Poland

Confederation Lewiatan

Business Center Club

Polish Business Roundtable

Employers of Poland

Polish Business Club Association

Leading Sectors for US Exports & Investments

Advanced Manufacturing

Overview

Industry 4.0 refers to the adoption of automation and data exchange in manufacturing technologies. It includes cyberphysical systems, the Internet of Things (IoT), cloud computing, and cognitive computing. Industry 4.0 is commonly referred to as the fourth industrial revolution.

Industry 4.0 creates what has been called a "smart factory." Within the modular structured smart factories, cyber-physical systems monitor physical processes, create a virtual copy of the physical world, and make decentralized decisions. Over the IoT, cyber-physical systems communicate and cooperate with each other and with humans in real-time both internally and across organizational services offered and used by participants in the value chain.

Poland is a growing manufacturing power in Europe, and there is increased demand for new and innovative manufacturing technologies. The Polish Government is pushing the development and investment in new technologies, such as additive manufacturing, that will drive Poland's economy to the next level, and there are grants and other resources available to support innovative R&D.

Poland is the sixth largest manufacturing country within the EU, with manufacturing contributing 27 percent of the country's GDP. Leading manufacturing sectors include: food and beverages; automotive; metal products; rubber and plastic; coke and refined petroleum products; chemicals and chemical products; electrical equipment; non-metallic mineral products; basic metal products; miscellaneous machinery and equipment, and furniture. In 2018, the manufacturing sector grew by 5.8%, compared to the overall GDP growth rates of 5,1%. In February 2019, manufacturing grew by 6.9%.

The Polish Government's economic development agenda heavily focuses on supporting innovation. Poland currently ranks as a moderately innovative country (21st place in the Bloomberg Innovation Index) as measured by R&D spending, manufacturing capability and high-tech companies' presence. To help Polish industry move to the next level, the Polish Government launched its Industry 4.0 Platform in 2019. The aim of this project is to increase the innovativeness of Polish companies, popularizing knowledge about 4.0 processes and developing competences in areas such as robotics and automation.

According to the Polish officials, the amount of investment in innovation in Poland equals $9 billion, and more than 300 R&D centers have been created in the last few years to improve innovation. One of the most innovative investments of last years was a 3M SuperHub in Wroclaw, a modern production plant which became a model for the region. The plant, called the "manufacturing plant of the future", has highly automated production and supply chain, as well as modern safety and security measures controlled by drones. U.S. companies like Raytheon have partnerships with Polish educational institutions to increase engineering capabilities and develop the manufacturing process of their Polish partners and support engineering and robotics education among Polish students.

The Polish Government provides a number of incentives to support advanced manufacturing and industrial transformation through tax incentives and a robust grant system to support research and innovation surrounding manufacturing. Grants are provided to support industry research, and experimental means of production that are likely to be implemented in manufacturing. These projects, with a budget of USD 200 million, are supervised by the National Center for Research and Development (NCBiR) and the Agency for Industry Development (ARP). The country is also applying its EU "cohesion funds", USD 9.3 billion, to research and innovation alone. Specific European Projects within the Operational Program "Intelligent Development" might also be dedicated for innovative projects. In 2019, companies may apply for USD 395 million for subventions for innovations in their companies, as well as for almost USD 300 million for R&D.

Polish companies can also compete for funds from the European "Horizon 2020" program, which awards Euro 500 million to organizations through 2020 for digital innovation centers and free flow data projects in six industries: automotive, space, defense, textiles, maritime technologies, and tourism. Poland continues to heavily invest in and develop its 4G networks and to integrate digital technologies with the cloud. The government sees expanding this infrastructure as key to making the transition to Industry 4.0; and has declared it will make further investments in a fiber optic and faster internet infrastructure. 5G development will begin in 2019, with the 5G network becoming available in most large Polish cities by 2022.

Industry experts also see extensive investments in digital technologies as inevitable as they are the only way to allow Polish manufacturers to stay competitive on the domestic and international markets, especially as labor as labor shortages and labor costs rise. PricewaterhouseCoopers reported in 2017 that expenses for digital transformation of Polish companies will increase up to 7,7% until 2020. According to Grant Thornton, 41% of Polish companies will be investing in IT Technologies and 40% in R&D in 2019.

While Poland is ripe for exploiting opportunities in advance manufacturing, the country does need to overcome some obstacles that may hold Polish industry back: specific regulations and a lack of technological standards, shortages of experts in the field, limitations of existing digital technologies, and a reluctance to adopt new solutions. There is also a need to introduce ethical and legal standards for the use of artificial intelligence and robots that are being discussed at the EU level.

Leading Sub-Sectors

New technologies will be especially important in the aviation, defense, and automotive industries. Polish suppliers are already a large part of the manufacturing process in these industries, and manufacturers must meet the technological standards of their suppliers. Industry 4.0 is also spreading to logistics and storage operations. In terms of Industry 4.0, the most promising sectors are automotive and aviation, followed by pharmaceuticals and household appliances.

Both the automotive and aerospace industries are important to Poland's manufacturing sector. Automotive manufacturing, with over 180,000 employees, is the fourth largest industrial employer in Poland, and the country ranks as the eight largest car manufacturer in the Europe. Many OEMs, such as Fiat, Toyota, VW and Opel, among others, have made investments in Poland, and their Tier 1 and Tier 2 suppliers, such as Lear, Delphi, Federal Mogul, Tenneco, etc., have followed them. In 2018, Poland produced 659,600 vehicles. Poland manufactures engines (Daimler, PSA, Volkswagen Motor), tires (Goodyear, Michelin, Bridgestone), parts and components (Valeo, Hutchinson, BorgWarner, Faurecia, Johnson Controls, Delphi). Moreover, there are several R&D centers located in the country, such as Delphi, Wabco, Faurecia, Nexteer, Tenneco and Eaton. Furthermore, Poland is the region's largest automotive market in terms of sales and services.

Each year, new investments in the automotive sector are established. Lately, Mercedes decided to manufacture engines in Poland. The brand-new plant, which should start operating in 2019, represents an investment of over $550 million and will generate employment for 1000 people. The factory will represent an example of Industry 4.0 manufacturing.

Aerospace is a dynamic and growing sector of Poland's economy. Global demand for Polish-made products and increasing air passenger travel and development of associated infrastructure drive this growth.

Aerospace manufacturing is largely centered in the Aviation Valley – a specialized industry cluster in Southeast Poland with a large concentration of aerospace OEMs, scientific research centers and educational and training facilities, with over 160 companies and more than 30,000 employees. International companies such as Sikorsky, Augusta Westland, Pratt & Whitney and Airbus, among others, have made investments in the region. Much production focuses on helicopters and airplanes and engines and engine components. GE Aircraft Engines has located some R&D facilities in Poland, and in 2019 Lufthansa Technik and GE Aviation announced a $274 million investment to open a new engine maintenance and repair operation RMO) to service GE9X engines.

Growth in these two sectors is heavily reliant on the development of advanced technologies and will drive demand for the latest in automation and additive manufacturing in Poland.

Opportunities

Recent analyses of the competitive global industry markets indicate Poland is in a strong position for and has good prospects of future investments in industrial automation and manufacturing technology. Good opportunities for U.S. exporters include:

- Additive manufacturing equipment
- Sensors and instruments
- Electric motors and actuators
- Electrical relays and industrial control equipment
- Material handling equipment
- Industrial robots, including those used in spot welding, sorting, palletizing, and painting
- Machine tools for cutting metal and forming metal pieces
- Machine tools parts, both OEM and after-market
- Tools, dies, jigs, and fixtures for manufacturing applications
- Welding and soldering equipment
- Plastics and rubber manufacturing equipment
- Industrial molds.

There are also good prospects for IoT, advanced analytic, virtual reality, augmented reality, and general innovative solutions as the key elements toward the development of Industry 4.0 in Poland.

Web Resources

Organizations:

Ministry of Entrepreneurship and Technology

NCBiR - The National Center for Research and Development

ARP – Industry Development Agency

Trade events:

Robotech Robotics Technology Conference, Wroclaw, September 17, 2019

New Industry Expo, Katowice, September, 2019

Toolex International Fair of Machine Tools, Tools and Processing Technology

Katowice, October 1-3, 2019

Automaticon International Fair Industry Automation, Warsaw, March 20-23, 2020

Przemysł 4.0 Conference, Warsaw, April 7, 2020

ITM Polska Innovation, Technologies, Machines, Poznan, June 4-7, 2019

Mach-Tool, International Machine Tool Exhibition, Poznan, June 4-7, 2019

Publications:

Magazyn Przemysłowy

AutomatykaB2B

Industry 4.0 information portal

For more information about Advanced Manufacturing, please contact:

U.S. Commercial Service Poland

Commercial Specialist: Joanna Bereza

E-mail: joanna.bereza@trade.gov

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 the table below.

Overview

Spending on Defense in Poland

Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Approximate Defense Spending $ billion	8.38	8.79	9.05	10.36	10.67	10.30	9.8*	9.5*	10.1*	12.5*

Source: Ministry of Defense (MON) – Annual Budget

*Please note that USD value went up in 2016.

2016 exchange rate: 1 USD = 4.0 PLN

2017 exchange rate: 1 USD = 3.6 PLN

2018 exchange rate: 1 USD = 3.7 PLN

The current exchange rate: 1 USD = 3.8 PLN

Poland's military is continuously undergoing changes - all of which are designed to transform it into a more capable, mobile, and NATO-compatible force. Change is occurring in every area of operations, to include: force structure, staff organizations, training programs, doctrine, and security procedures. The Polish army's modernization plans include improvement of troop capacity/mobility and air defense systems and the further development of a professional army (Poland ended conscription in 2008).

Poland leads the former East-bloc countries in parting from Soviet-era equipment and has long term plans to replace any remaining Soviet era equipment with modern NATO platforms. However, the Polish Government's plans to strengthen and reorganize the armed forces and the Polish defense industry must compete with other reforms that are financed through the state budget.

The Polish Government annually negotiates its defense budget and the budget parameters are set during these negotiations. In the 2019 budget, the Polish government allocated 2% of 2018 GDP, an amount equal to about $11.76 billion** (PLN 44.7 billion) for total defense expenditures, of which about $11.5 billion** (PLN 43.8 billion) is dedicated to national defense. This amount includes $3.28 billion** (PLN 12.5 billion PLN) allocated for arms and technical modernization.

**based on the current exchange rate: 1 USD = 3.8 PLN

One of the main expenditures remain salaries (11% higher than in 2018) and pensions. Spending on Special Operation Forces was increased the most (by 20%), to PLN 355 million, while less money goes to the Territorial Defense Forces (PLN 483 million). The size of the troops is currently set at 26 thousand instead of the 53 thousand originally planned in 2017 when the Minister of Defense decided to establish this new reserve military unit.

While Poland is one of the few NATO members to meet the alliance target of spending at least 2.0% of GDP on defense, the government has announced its intent to increase spending up to 2.5% of GDP by the year 2030. Significant new contracts are anticipated in the areas of air and missile defense, helicopters and unmanned aerial systems (UAS). Poland uses its Foreign Military Financing (FMF) for UAS procurement and sustainment, signal intelligence, airfield navigational aids and tactical airlift support.

At the end of fall 2016, the Polish government released the "Technical Modernization Plan 2017-2020". An updated modernization plan has been released in March 2019. Poland's ambitious multi-year defense modernization program (valued at USD 40 billion) will significantly strengthen its military capability and increase interoperability with the United States and NATO.

Poland currently has 122 active FMS cases, which have been used to procure a wide range of items. Previous and on-going military procurements include: High Mobility Artillery Rocket System (HIMARS), PATRIOT air and missile defense system, Head of State Boeing 737-800 aircraft, VIP Gulfstream aircraft, AIM-9 Sidewinder, AIM-120 AMRAAM, F-16 fighter aircraft, Joint Air-to-Surface Standoff Missile (JASSM), JASSM-Extended Range (JASSM-ER), C-130 transport aircraft (EDA), C4ISR enhancements, Air Support Operations Center, Navigation Aids (NAVAIDS), communications, High Mobility Multipurpose Wheeled Vehicles (HMMWV), SIGINT equipment, simulation equipment, Perry-Class Frigates (EDA), small arms accessories, Mine-Resistant Ambush Protected All-Terrain Vehicles (M-ATVs; EDA), and SH-2G Helicopters (EDA).

FMS Expenditures in $M for CY 2016, 2017, 2018, and 2019

	CY 2016	**CY 2017**	**CY 2018**
FMS Expenditures (in $M)	1,500	186	4,825

* Sales to date

Source: ODC, US Embassy Warsaw

Leading Sub-Sectors

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 offered from U.S. companies will not always win the deal.

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.

American companies that are well informed about upcoming projects are free to submit tenders to the contracting authority directly. However, direct purchases from foreign suppliers are very rare and we encourage U.S. firms to identify local agents/representatives that can provide necessary assistance. Selecting an appropriate representative is very important. The agent should have very close contacts in the military/defense market. A reputable agent with good contacts can provide important and timely information, which is often not readily available through public sources. Additional considerations should be given in view

of complicated tender procedures and import regulations. American companies exporting to Poland should be familiar with the country's Public Procurement Law, Polonization, and Offset Act. Polonization is part of Poland's long-term plan to become more self-sufficient, and to increase and promote local industrial production. The bottom line is that it is nearly impossible to effectively sell these products without a competent agent.

The Office for Offset Agreements at the Ministry of Defense (MOD) coordinates Poland's defense offsets. The offset requirements are an important part of defense procurement contracts. On June 26, 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. The new law covering the use of offsets in defense acquisition brings the country in line with European Union (EU) military procurement rules.

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 the 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 several 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 several commercial export promotion programs and advice on regulation compliance, the market potential for a product or service, agent/representative vetting, as well as advocacy support. Please visit the Commercial Service in Warsaw for more information on how we help U.S. companies do business in Poland.

Opportunities

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. Poland's military has decreased from 450,000 in 1989 to 144,140 at present including 110,000 in the regular army, 12,000 in the reserves, 5,000 cadets, and 17,140 in the Territorial Defense Forces.

In 2017, the Minister of Defense decided to establish a new reserve military unit called the Territorial Defense Forces (Wojska Obrony Terytorialnej), and to increase their total number by an additional 26,000 troops.

Poland's membership in NATO has brought numerous opportunities for U.S. companies in terms of upgrades and adjustments. In addition, Poland became a close U.S. ally in Europe through its support for and participation 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 military consists of 110,000 professional soldiers including 47,927 troops in the land forces; 16,428 in the Air Force; 7,020 in the Navy; 2,600 in Territorial Defense Forces, and 36,025 in other segments including, Reinforcements, Military Police, and the Polish Armed Forces Command.

In addition, in 2019, the Ministry of Defense decided to establish a new Mechanized Division (18 Dywizja Zmechanizowana) and create a new general-military brigade (nowa brygada ogólnowojskowa) by 2020.

At present, over 1500 Polish soldiers and military employees participate in foreign military missions including:

NATO missions: Afghanistan-RSM, Iraq-OIR, Kuwait-OIR, Kosovo-KFOR , eFP-Latvia, tFP-Romania, and EUNAVFOR-Sophia.

EU missions: Bosnia-Hercegovina-EUFOR/MTT, EUMM-Georgia, and the Central African Republic.

The revised Polish Armed Forces "Technical Modernization Plan 2019-2026" comprises the following priorities: Air and Missile Defense, Armored and Mechanized Forces, Navy, Cyber Defense and Territorial Defense, and involves the purchase of military equipment under the following major programs:

HARPIA Program

Acquisition of new generation multi-task aircraft operating in anti-access and network-centric environment collaborating with the allied air forces.

NAREW program

Acquisition of anti-aircraft batteries of short-range missile systems to combat unmanned aerial vehicles, and destroy missiles. It is anticipated an extensive use of the Polish defense industry and technology transfer for production of rockets.

KRUK Program

Acquiring of modern attack helicopters for Land Forces.

CYBER.MIL Program

As a part of the CYBER.MIL operational program it is planned to acquire tools and software to enable the Polish Army to carry out effective operations in cyberspace and the most up-to-date cryptographic technologies. It is planned to mainly use the capabilities of PGZ and Exatel, and the MOD intends to allocate PLN 3 billion to the program itself.

WISŁA Program

This anti-aircraft and anti-missile program of medium-range missile systems will be one of the main elements of the Polish air defense system.

PUSTELNIK Program

Acquiring of anti-tank launchers missiles with guided missiles. Thanks to implementation of the program the Polish Armed Forces will be equipped with new, light, anti-tank missile kits that do not require complicated training.

REGINA Program

Acquiring of 155 mm fire division modules to enhance the fire support capability at the tactical level. The major contractor is Huta Stalowa Wola (HSW). As part of the Technical Modernization Plan, it is planned to acquire further squadron modules.

HOMAR Program

Acquisition of a squad module of multiple rocket launchers, capable of striking targets situated 70-300 km away.

MIECZNIK Program

Acquiring a coastal defense ship to replace units withdrawn from service and increase the ability to cooperate with allied and coalition task forces.

ORKA Program

Acquiring the ability to damage surface and submarine targets by the New Type Submarine.

This New Type Submarine will increase the ability to effectively use the armaments and impact potential of ships in the field of combating nautical, underwater and land targets, as well as destroying airborne anti-submarine forces. It will increase the ability to make effective use of weapons and potential impact of fighting against surface targets and submarines, as well as destruction of air anti-submarine targets.

PŁOMYKÓWKA Program

Acquiring of a comprehensive reconnaissance aircrafts.

GRYF Program

Acquisition of unmanned aerial vehicles, tactical medium-range class.

MUSTANG Program

Acquiring of high-mobility trucks and passenger vehicles.

WAŻKA Program

Acquisition of unmanned aerial vehicles intended for use mainly in urbanized areas, equipped with an optoelectronic head that allows observation during both day and night.

BORSUK program

Introduction of a new combat vehicle based on a universal modular tracked chassis, developed and manufactured by the Polish defense industry. It will replace a worn out BWP-1 Soviet construction vehicle. It will have the ability to swim.

Source: Ministry of Defense (MON)

The amended "Technical Modernization Plan" is based on three principles: assessment of Polish military needs, timeframe for delivery of equipment, and Polish industry participation. The priorities include air defense systems, cyber security, and modernization of the Navy, Polish Armed Forces and Territorial Defense Forces. The implementation of technical modernization program has put special emphasis on the importance of using Polish defense industry capacities, with special emphasis on the Polish Armament Group (PGZ). The newest, updated edition of Technical Modernization Plan was announced in March 2019.

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 for 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.

Digital Technologies

Overview

The Polish Information Technology Market (in $ Millions)

Source: BMI Research

	2017	2018 (estimate)	2019 (forecast)	2023 (forecast)
Total IT Market Value	17,450	18,890	19,000	27,500
Hardware	3,193	3,230	2,560	2,700
Software	3,211	3,608	3,940	6,300
Services	11,046	12,052	12,500	18,500

The IT market currently accounts for 3.3 percent of Polish GDP and it is expected to reach 3.5% in 2021. Government expenditures are less than 2.0% of GDP, however, EU funds supplement this amount by up to 85% of a project's actual value. The IT market forecast for the coming years is optimistic, as EU funds continue to finance technological investments. Market development is driven by the digitization strategies of the

public and business sectors and the need to invest in labor-saving or productivity maximizing solutions.

In 2019 total information technology expenditures in Poland are expected to reach USD 19 billion. Due to the fluctuation of the Polish currency, while the market y/y growth calculated in Polish zloty exceeded 10%, it grew by 6.9% when calculated in USD. Nevertheless, the market has completely recovered from a rapid decrease in value experienced in 2016. According to BMI Research, the total IT market value is expected to reach USD 27.5 billion in 2023.

The overall mid-term forecast for the whole sector is very positive, although it varies substantially depending on the segment. The hardware segment is at estimated at $2.6 billion in 2019, but is expected to reach barely $2.7billion in 2023, with 2020 seen the strongest growth year due to the official end of support for Windows 7. The hardware segment suffers smartphones taking over many traditional PC functions. Software sales, estimated at almost USD 4 billion in 2019, are expected to reach the value of USD 6.3 billion . IT services, are expected to rise from USD 12.5 billion in 2019 to USD 18.5 billion in 2023.

Software development and services are driving sales growth in the IT market, and, while cloud computing services, including software, infrastructure and platform services, are they key trend in the enterprise market.

Value of U.S. exports to Poland (In $ million)

Source: Global Trade Atlas

Commodity	2016	2017	2018	2019 (forecast)
HS #8471: Automatic Data Process Machines & Parts Thereof; Magnetic or Optical Readers, Machines for Transcribing and Processing Coded Data	65.7	98.1	110.5	124
HS #8542: Electronic Integrated Circuits & Micro assembly; Parts Thereof	18.9	27.4	71.9	80.1

Note: The above statistics do not reflect the actual number of all U.S. exports to Poland. Many exporters first ship their products to regional hubs and then distribute them to other European countries.

Portable Digital Automatic Data Process Machines Not > 10 Kg (HS 847130) represent over 33% of the #8471 category's exports to Poland. Other popular products include Digital Processing Units (HS 847150), Automatic Data Processing Units (HS 847180) and Automatic Data Processing Storage Units (HS 847170). A recent slowdown of storage unit exports is attributed to the growing popularity of cloud solutions. In the HS8542 category, Processors and Controllers, Electronic Integrated Circuits products (HS 854231) represent 67% of the U.S. exports to Poland.

Trends such as technological integration, streamlined access to services, outsourcing, cloud computing, IT security, and IoT reflect new market opportunities for Polish suppliers.

IoT expanded substantially and reached USD 3.1 billion in 2018. The main areas of growth include: fleet monitoring, intelligent energy networks, intelligent transportation, and process management. Cloud services are growing seven times faster than the overall IT market. Approximately half of all small and medium size businesses already use cloud computing. Cloud computing should benefit from the integration of data security and privacy regulations across Europe, with Poland potentially becoming a low-cost regional services hub.

The main public institution responsible for the development and implementation of digital policy is the Ministry of Digital Affairs. The goal of the Country Integrated IT Development Program is to create a public information system that provides efficient electronic services and interoperability of existing and new IT public systems and eliminates duplicative functions. In order to evaluate the progress and decide on potential amendments to this Development Plan, the Ministry is currently conducting public consultations, to be concluded by the end of May.

The government has opted to divide larger IT efforts into small projects that would be implemented gradually or apply them only to contract services. The goal of this policy is to stimulate competition and allow smaller companies to move away from projects that can only be implemented the market's largest players. .

The Office of Electronic Communications (UKE) is the regulatory authority responsible for telecommunications, postal activities, and resources management. In April 2019, UKE presented the initial requirements for the planned 5G networks for 3.7 GHz frequency and plans to conduct further public consultations before auctioning the frequencies, which is expected later in 2019. The 700 MHz frequency for 5G networks is expected to be distributed by 2022, after settling the dispute with Sferia operator and introducing legislative changes.

In the meantime, the major mobile operators, T-Mobile, Orange and Play, have already started to introduce 4½ or 5G solutions on an experimental basis.

Manufacturing, energy, trade, tourism, public sector, services, transportation, and communications are the industries actively investing in IT. With the increase in larger IT investors, small- to medium-sized companies have become major clients for vendors, purchasing more advanced computer equipment and investing in enterprise software. Financial services, banking, and telecommunications have all spent large amounts of money on sophisticated projects. Their future investments mainly depend on the availability and accessibility of new technologies, as well as the regulations imposed upon them.

Leading Sub-Sectors

Cloud computing, IoT, and cybersecurity are the sub-sectors with best potential for American exporters. Leaders in specialized software include software for vertical markets, internet, and e-commerce solutions, specifically in IT security.

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 assistance should be available locally and in the Polish language.

Opportunities

The public sector digital technology policy and Poland's IT development plans are coordinated by the Ministry of Digital Affairs, but individual ministries or institutions can be responsible for projects in their specializations specialty areas. . Project opportunities include investments in e-administration and open government, as well as training and other activities aimed at increasing the digital literacy of Polish society.

The EU allocated USD 2.5 billion for the implementation of the Digital Poland Operation Plan from 2014 to 2020. Funds are available to central administration, local governments, universities, businesses, non-profits, associations, and cultural institutions through a variety of programs executed by the Polish government. Additional EU funding is also available for IT projects through regional programs.

Web Resources

Ministry of Digital Affairs

UKE – Office of Electronic Communications

PIIT – Polish Chamber of Information Technology and Telecommunications

KIGEiT – the National Chamber of Electronics and Telecommunications

PIKE – Polish Chamber of Electronic Communication

Trade events

There are no general IT-sector-oriented trade events country-range in Poland. Instead, there are many sectoral IT events and conferences, usually devoted to specific verticals and end-users. Information on these events is available on request

Contacts for Marketing and Advertisement

Magazines: IT Reseller and CRN Elektronika B2B, Automatyka

IDG Polska publisher of Polish editions of ComputerWorld, PC World and CxO, as well as ComputerWorld Top 200 yearly report on the Polish IT market. IDG also organizes technology conferences, e-seminars and debates, and offers expert market research as well as content and email marketing services

PMR Research - market research, marketing and specialized market entry services

For more information about the IT industry sector, please contact:

U.S. Commercial Service Poland

Commercial Specialist: Maria Kowalska

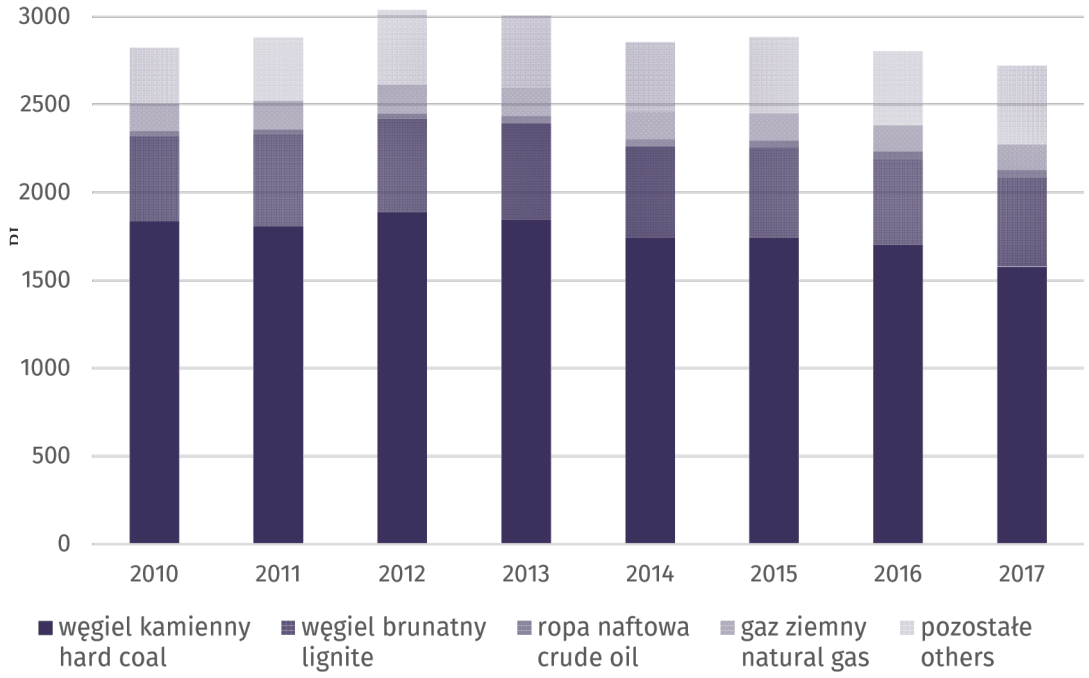
E-mail: maria.kowalska@trade.gov

Energy

Overview

Poland's primary energy production achieved 2723,7 PJ in 2017 and relied heavily on coal and fossil fuels. Hard coal, accounted for 57.9% of energy production in 2017, followed by lignite (18.7 %), natural gas (5.3 %), crude oil (1.5%) and others, mainly renewables (16.6 %). The consumption of primary energy sources was 4409.8 PJ in 2017, with hard coal and lignite sharing of 51% of all consumption.

Primary Energy Production



Source: Poland's Main Statistical Office (GUS)

Leading Sub-Sectors

Power Generation

	2017	2018
Gross Generation (TWh)	**165.8**	**165.2**
Thermal (hard coal & lignite)	79.5%	79.6%
Thermal (gas)	4.3%	5.8%
Hydro	1.7%	1.3%

Renewable (wind, biomass, biogas)	8.4%	7.2%
Industrial power plants	6.1%	6.1%

Source: Polish Power Grid Company PSE

Poland's electrical power generation system, with 42 GW installed capacity, is the largest in Central and Eastern Europe. Almost 80% of Poland's electricity is produced by hard and brown coal, mainly from Polish suppliers. The majority of Polish coal-fired power plants were built between 1960 and 1980. Currently, many of these plants are worn-out and do not meet strict EU environmental requirements for greenhouse gas emissions. For these reasons, 10 GW of old coal plants will be retired and replaced with newly-built, conventional capacity plants by 2025. The Ministry of Energy has announced that Poland will build 5-6 new conventional power plants valued at USD 12.5 billion by 2025. Two newly build large power plants – Kozienice (1,000 MW) and Opole (2x900 MW) have already been operational, and there are four large, highly efficient coal-fired power plants under construction in Poland. . These include the Ostroleka power plant (1,000 MW – developed by GE), Kozienice (1000 MW), Jaworzno (910 MW),and Turow (450 MW). . Several CHP plants are being developed, including the gas-fired CHP Zeran (420 MW) and CHP Stalowa Wola (450 MW), as well as the coal-fired Pulawy CHP.

In 2009, Poland began developing the civil nuclear power program. Initially, the state-owned power company PGE envisioned construction of two nuclear power plants of 3,000 MW by 2035. The program has been delayed significantly and has been the subject of reform from the government. Construction of six nuclear power blocks of 6-9 GW total capacity by 2043 is now being considered. The Ministry of Energy plans to launch operation of the first 1-1.5GW nuclear power reactor in 2033, with the remaining five 1-1.5 GW reactors coming on-line every two years following construction of the first one and fully complete by 2043. The Owner's Engineer and Site Characterization plans for the nuclear project development have been completed, and the environmental inspections are taking place at two selected sites in Zarnowiec and Lubiatowo-Kopalino. The reactor technology tender is still to be announced. Officials expect that the new Polish nuclear power program and means of funding the project will be presented by the end of 2019. The Polish government also plans to develop the High Temperature Gas Reactor (HTGR) technology in Poland. . The Ministry of Energy and the National Center for Nuclear Research (NCBJ) will create the special HTGR development center in cooperation with foreign partners who have experience with this technology. Officials plan to build a 10 MWt HTGR reactor in the NCBJ facility for testing and licensing purposes, then develop commercial HTGR reactors that would provide heat for the chemical industry, and electric energy for the grid in Poland. Implementation of HTGR technology in Poland would significantly reduce the need for imported natural gas and would also reduce the level of the country's CO2 emissions.

Renewable energy

Poland expects to achieve a 15% share of renewable energy in the final energy balance by 2020. There is also a goal to reach 19.3% of electricity produced from renewable sources, which requires significant investment in renewable energy technologies. The total installed capacity of renewable sources in power plants amounted to 6,452 MW in 2018, with over 70% of capacity installed in wind power, followed by biomass, hydro, biogas, and photovoltaics. Currently, wind energy and biomass are seeing the most growth. Photovoltaic growth is marginal, though the market for micro installations is rapidly increasing. By the end of 2018, there were a total of 55 thousand systems installed with total capacity of 490MW. By the end of March 2019, the Polish Energy Regulatory Office URE reported 700MW total installed ed capacity in PV systems. The Polish government plans to announce auctions for the new PV installations for 1.3 GW until the end of 2019. Poland's wind generation capacity development was restricted in 2016, when President Duda signed a bill making it illegal to build turbines within 2km of other buildings or forests, ruling out 99 % of Poland's land area. The bill also quadruples the taxes on existing turbines, making it harder to profit from them. Due to these changes, the installed capacity in wind generation grew only by 0.87%. Since then, the government has made plans to revise parts of the bill that hindered wind energy development and created a number of investment disputes between Poland and international investors. These forced the Polish government to loosen the rules, though these two years significantly inhibited new developments. To catch up with the 15% in 2020 and 21% in 2030 of Renewable Energy Source (RES) obligations the Polish government plans an

extensive development program of offshore wind farms. The Polish Energy Policy Road Map 2040 provides for a visible participation of offshore wind in the Polish energy mix in 2027. This means that the first mature projects should appear even around 2024. In the prospectus for 2040, the strategic document sets the potential of 10.3 GW. Currently the Polish wind energy sector has 5.9GW electric power capacity installed. The Polish Wind Energy Association (PSEW) http://www.psew.pl/en, estimates that the Polish energy system will require 1,000MW of newly installed wind energy capacity each year to comply with EU targets. Renewable energy laws from April 2015 strongly support prosumer activities. Individual producers of maximum 10kW power from the newly installed RES system are guaranteed tariffs for 15 years. For bigger producers below 1MW and above 1MW, the new law introduces an auction system. Each year, the Ministry of Economy will announce how much of renewable energy from each group it will need and announce the reference prices for each group. For the year 2019, the RES producers will be allowed to sell 3.4GW electric power installed in that 2.5GW in wind only. This number will grow to reach 32.4TWh in 2020. According to credit rating agency Moody's, Poland's ability to generate 15% of its electricity from RES will depend on the pace of development for technologies supported by the government.

Transmission and Distribution Network

The length of Poland's transmission and distribution grid is 840,105 km; 70% of which is overhead lines. The grid is in good shape, with a majority lines less than 40 years old (high voltage distribution lines less than 25 years old). The Polish state-owned Transmission system operator (TSO) Polski Sieci Elektroenergetyczne (PSE) invested a total of USD 1.25 billion from 2010 to 2015 for grid development and modernization. Expanding and upgrading of the electricity transmission network is a key element of Poland's efforts to meet EU goals of increasing renewable energy sources, improving energy efficiency, and better integrating the European transmission networks. PSE plans to spend USD 3.3 billion from 2017 to 2025 to expand and modernize the Polish grid, with USD 1.25 billion taken from the EU Operational Program Infrastructure and Environment fund. Much of the plan focuses on improving the inefficient grid in Poland's north and northwest, so that they may activate wind turbines lining the Baltic coast and constructing new transmission lines near power plants in Kozienice and Opole. PSE plans to introduce 8 GW power from off-shore wind farms by 2027 and begin construction on power lines for a nuclear power plant. In addition, PSE investment plans include building 4,300 km of new 400 kV lines and upgrading another 800 km, building and improving 1,400 km of 220 kV lines., construction of nine new transformer stations and upgrading 23 existing stations. Five distribution system operators (DSOs) have recently invested an estimated USD 12.5 billion in distribution grid expansion, upgrades, automation, and cybersecurity. EU cohesion funds within the Infrastructure and Environment Program have co-financed 30 investment projects related to electricity transmission and 188 projects in electricity distribution with a total value of USD 3.6 billion. In 2017, total investment in Polish transmission and distribution companies totaled USD 1.98 billion, including Tauron's USD 0.45 billion investment, PGE's USD 0.46 billion, Energa's USD 0.33 billion, PSE's USD 0.39 billion, Enea's USD 0.27 billion, and Innogy's USD 61 million.

Smart Grid

Poland has committed to following the EU directive to develop a smart power grid infrastructure and install intelligent meters for 80% of end-users by 2020. The process is significantly delayed and in the draft update of the Energy Law there is indication of 2026 as a deadline for completing this task. Currently, there are approximately 1.3 million smart meters installed, versus a total of 16 million electric energy end-users in Poland. Among the five Polish DSOs, Energa is the most advanced in advanced metering infrastructure (AMI) implementation with 850,000 meters installed and further plans to invest USD 0.5 billion in smart grid development. Tauron has installed 350,000 intelligent meters in Wroclaw. Innogy has installed 100,000 units in Warsaw. PGE, the largest DSO, began its pilot project of 50,000 meters in Bialystok and Lodz. Enea is also starting smart grid construction. Between 2011 and 2015, Poland began building a number of smart meters, however, many of these projects stalled in 2016 and 2017. The reason behind this slowdown is poor legislation that does not mandate DSOs to implement Advanced Metering Infrastructure (AMI), as well as a lack of regulations that would incentivize power companies to do so. The Polish regulator URE does not allow the inclusion of smart meter investment costs in the distribution tariff. The cost of installation of smart meters for 80% of end-users is estimated at USD 1.2 billion. Companies can spend EU program funds for grid infrastructure development to build smart grids, intelligent meters, grid automation, and energy storage

systems construction. In December 2017, Energa received USD 50 million and Tauron USD 45 million to continue with their grid infrastructure development.

Energy Efficiency

Over the last two decades, Poland has made significant improvements in its energy efficiency. Energy consumption has decreased by 51% from 1996 to 2013, even as the Polish economy grew. Poland's primary energy consumption per capita is 25% lower than the EU average. EU directives obligate Poland to improve energy efficiency by 20% in 2020, as well as show annual energy efficiency savings of 1.5% from 2014 to 2020. A system of white certificates that award energy efficiency, investments, and expansion are an instrument for incentivizing energy efficiency in Poland. This system is required for the consumer utilities selling electricity to the end-user market. The system is available for all projects that meet specific criteria. To receive a white certificate, a company needs to send an energy efficiency audit to the Office of Energy Regulation. Energy efficiency audits are required for companies with more than 250 employees. EU funds dedicated to improving energy efficiency have allowed the energy market in Poland to grow over the last decade; advancing the thermo-modernization of buildings, street lighting, and industrial processes. The EU has allocated Euro 6.8 billion to support the low carbon economy in Poland. This includes Euro 3.8 billion available from the European Regional Development Fund and Euro 3 billion from the Cohesion Fund, which includes the Environment and Infrastructure Program. The EU may also fund the production of electric energy, including co-generation, electricity transmission and distribution, including the smart grid; energy modernization of public buildings and housing; and increased energy efficiency in factories. Other financing dedicated to such projects include: the National Fund for Environmental Protection, made up of subsidies and preferential credits; EBRD; and EU PolSEEF, which includes preferential credits.

LNG

Poland relies on Russia for its gas supply, as Russia's Gazprom controls 56% of the country's gas consumption. The rest is covered by domestic production (23%), EU imports (15%), and LNG imports (6%). Poland seeks to become energy secure, as well as diversify its gas sources before its contract with Gazprom expires in 2022. As such, Poland is in the process of building gas infrastructure to become more energy independent and meet growing consumption. Poland began this process with its first LNG terminal in Swinoujscie in 2015. Since then, Poland has also increased its imports of LNG from Qatar and the United States.

Poland's LNG terminal in Swinoujscie is the first on-shore regasification facility in the Baltic Sea region. This facility receives shipments from a Qatari supplier under a long-term contract, as well as a series of auxiliary deliveries secured via the spot market. In November 2017, PGNiG signed a five-year contract with Centrica LNG Co. This contract allows the deliveries of U.S. LNG from Cheniere Energy's Sabine Pass LNG Terminal in Louisiana. In 2018 PGNiG signed other long-term contracts for US LNG that include 20-years contracts with: Sempra for 2.7 BCM, Venture Global Calcasieu Pass LLC and Venture Global Plaquemines LNG LLC for together 2.7BCM and Cheniere Marketing International 1.95 BCM of degasified LNG yearly, Deliveries will start in 2022 – 2023. Recently, the Polish government made the decision to increase the LNG terminal's capacity by 50%, giving the terminal 7.5 BCM. The tender was announced in the beginning of 2019 and should be concluded in the second half of the year.

From 2023, PGNiG will have at least 7.45 million tons of liquefied gas, which is over 10 billion cubic meters of natural gas. Such quantities of LNG will strengthen the company's position on the market for this fuel and will contribute to the increase of gas supply security of Poland.

PGNiG also plans to build a Baltic Pipeline to carry gas from Norway to Poland. This pipeline should be operational by 2022. The European Commission recognizes the Baltic Pipeline Project as a 'Project of Common Interest' (PCI). The EU is providing support funding to the Baltic Pipeline because it strengthensthe European internal energy market by securing more affordable, secure, and sustainable energy sources. When completed, the Baltic Pipeline will account for 43% of Poland's gas consumption. Poland expects to receive another 37% via the expanded LNG terminal; which will receive imports from a variety of sources, including the U.S.

In addition, the Polish government is strongly considering purchase of a Floating Storage Regasification Unit (FSRU). This investment will allow Poland to accept delivery of between 4.1 and 8.2 billion Nm3 of liquefied natural gas per year to Poland. In addition to transporting liquefied gas, the tanker would also enable

reloading and bunkering (refueling) of LNG-powered vessels. The potential location of the new terminal is Gdansk Bay.

Web Resources

Ministry of Energy

Energy Regulatory Agency

Energy Market Agency

Polish Committee of Electric Energy

Association of Polish Power Plants

Polish Association of Professional Combined Heat and Power Plants

Polish Power Transmission and Distribution Association

Chamber of Industrial Power Plants and Energy Suppliers

Polish Chamber of Power Industry and Environmental Protection

Chamber of Polish Heating Companies

Association of Energy Trading

Polish Wind Energy Association

Polish Economic Chamber of Renewable and Distributed Energy

Polish Offshore Wind Energy Society

Polish PV Association

Chamber of the Natural Gas

Major trade fairs in electrical power sector:

International Power Industry Exhibition Expopower

Energetab

ENEX

For more information about the Energy Sector, please contact:

U.S. Commercial Service Poland
Commercial Specialists: Aleksandra Prus and Anna Janczewska
E-mail: Aleksandra.Prus@trade.gov;
Anna.Janczewska@trade.gov

Environmental Technologies

Overview

Poland spends less than half the European Union (EU) average on the environment - only 0.4% of its GDP compared to the EU average of 0.8%. Cohesion funds Poland receives from the EU boost this spending somewhat. Poland is scheduled to receive over USD 30 billion to finance the operational program Infrastructure & Environment from between 2014-2020. According to data from 2016, the environmental technologies market in Poland has an estimated value of USD 7.0 billion. EU mandates have served as a catalyst to the growth of this market. EU environmental standards imposed on Poland create greater opportunities for U.S. businesses, who are used to generally stringent U.S. requirements, to compete. Poland ranks 19th in the International Trade Administration's 2016 Top Markets Report, with a composite environmental technologies score of 17.7. Poland ranks 9th for water markets as well, with a score of 8.4. Poland also ranks 9th for air pollution control, with a score of 8.6. Its waste and recycling market trails behind with a rank of 16th and a score of 0.7.

EU regulations drive Poland's environmental market. In the fifteen years since Poland joined the EU, EU funding has helped to build over 1,000 new water treatment plants, set up thousands of miles of new piping systems, reduced CO2 emissions by over 30 percent, created hundreds of new hazardous waste management facilities, and developed long-term programs to protect endangered plant and animal species.

State of the Environmental Regime

Poland's environmental regime has steadily improved since its accession to the EU in 2004. The 2001 Environmental Protection Act provides the legal framework for all commercial and environmental activities in Poland. The Ministry of the Environment (MoE) is the highest national office responsible for the preparation and implementation of environmental legislation and strategies. In accordance with EU directives, the Polish government prepares a national plan to implement environmental rules and to direct the corresponding regional governments, or voivodeships, to develop and implement cascading local plans. Overall, Poland's environmental governance exhibits a high level of national, regional, and municipal coordination. Environmental norms are relatively free from corruption and overall compliance is high. However per the recent EU Environmental Implementation Review 2019, Poland needs to strengthen environmental governance and avoid Institutional changes that could weaken implementation and enforcement of environmental legislation.

Market Barriers

Differences in regulation and standards development philosophies between the United States and the EU are the biggest market barrier in Poland. The following obstacles are the most problematic for environmental technology companies attempting to export to or work in Poland:

1. Failure to recognize international standards:

The existing European Regulation on Standardization (EU) No 1025/2012 only recognizes standards from three international bodies: the International Organization for Standardization (ISO), the International Telecommunications Union (ITU), and the International Electrotechnical Commission (IEC). The EU's failure to recognize other international bodies prohibits the application of equivalent U.S. technologies in the market. In Poland, the CE mark is required. The Polish Center for Research and Certification (PCBC) is the national testing and certification office.

2. A preference for design-based standards over performance-based standards:

In the United States, environmental technology generally meets a performance standard, such as the mitigation of pollution below a level that protects health. This performance-based approach allows for innovation and a variety of ways to attain a goal. In the EU, many standards require technology to meet a design specification, thus prohibiting the use of any technology that meets important performance standards but lacks the design specifications to make it legal.

3. Precautionary standards and regulations:

In Europe, technological hazards and subsequent limitations on applications are tied to unknown future costs, as opposed to the risk-based approach in the U.S., which assesses the likelihood of both unknown and known risks against known benefits. Precautionary standards and regulations levy billions of dollars on manufacturers and service providers for testing and redesigning their products without a clear definition of the resulting benefits. Furthermore, precautionary regulations slow the delivery of environmental technologies to the market, even when pollutants pose a greater risk to human health than the technology in question.

4. EU assistance and subsidies for environmental projects:

To help Poland meet EU environmental standards, the EU often funds or subsidizes environmental infrastructure. Financiers prefer European firms, placing U.S. bidders at a competitive disadvantage.

5. Slowed implementation of EU environmental rules:

EU environmental rules drive the development of environmental projects. When Poland takes time to adhere to EU environmental laws, this creates a lag in project development, slowing market growth overall.

Leading Sub-sectors

Air Pollution Control

Since Poland's accession to the EU in 2004, the country has made significant progress in reducing its emissions of greenhouse gases (GHG) and NOx/SOx. Nevertheless, it remains the most fossil fuel-reliant economy in the EU., and smog and particulate matter in the air remain serious problems in many Polish cities. Fossil fuels made up79.6% of Poland's energy sources in 2018, and coal is expected to remain the country's primary energy source in the medium-term. In 2018, Poland recorded the highest levels of PM 2.5 in all of Europe, mainly because heating in the winter requires burning of biomass and coal. The Government recognized this problem starting, in 2015 passing an "anti-smog" law that allows local authorities to ban the burning of coal and other environmentally noxious substances in private homes and properties. Coal-fired power plants still emit excessive amounts of particulate matter and other air pollutants. .In July 2017, the European Commission adopted new "Best Available Technique (BAT)," standards for Large Combustion Plants, which includes coal plants. By 2021, all EU coal-fired power plants need to meet these new standards, issued by the Commission in accordance with the Industrial Emissions Directive. Virtually all Polish coal power plants do not comply with the new EU regulation on industrial air pollution emissions standards that they need to meet by 2021. BAT Conclusions for Large Combustion Plants have to be implemented not later than August 18, 2021 in accordance with https://ec.europa.eu/jrc/en/news/new-eu-environmental-standards-large-combustion-plant.

Emissions from transportation, small industrial plants, and small boilers also contribute to Poland's air quality problems. Other contributors include industrial sources in areas where the geography prevents dispersion, such as in Krakow and Upper Silesia. These locations are often mountainous or in river valleys that trap air pollutants. Opportunities for air pollution control are found in EU Air Quality Directive 2008/50/EC, which includes air quality objectives. Poland will achieve improved air quality by implementing measures on the voivodeship level. Voivodship boards will soon have to monitor the implementation of air protection plans by local governments. The latter will have less time to prepare such plans. Both ideas are among a number of new anti-smog measures that the government will deal with on Tuesday. A new draft amendment to the Environmental Protection Law is the government's reaction to the judgment of the Court of Justice of the European Union (CJEU) of May 2018, which indicated that the Polish authorities had not taken appropriate measures to contribute to the improvement of air quality. The verdict concerned the years 2007–2015. Attention to regional air quality plans is the most rational approach for U.S. businesses seeking to work in Poland's air pollution control market. In June 2018, the Polish government announced it will designate PLN 103 billion, over USD 28 billion, for financing thermo-modernization of buildings. The program, called "Clean Air", will be implemented from 2018 to 2029. The program is for individual home owners.

Technologies and services in demand include:

- Wet/dry scrubbers (particularly systems that remove multiple pollutants)

- Carbon injection systems (for reduction in mercury and organics)
- Particulate matter control systems (particularly new bagging systems)
- NOx, mercury, CO2 and particulate matter monitoring and continuous monitoring systems
- Selective catalytic and non-catalytic reduction controls
- Oxygen enrichment, fuel injection, and other efficient combustion technologies
- Innovative specialty cements
- Mixing technologies
- Pumping and fluid handling equipment
- Engineering and plant design
- Leak detection
- Alternative fuel technologies used to fire cement kilns
- Gas or biomass fueled boilers for individual users
- Small capacity energy storage

Water and Wastewater Treatment

Municipal wastewater treatment, storm management expansion, and sewage networks under Poland's National Program of Municipal Wastewater Treatment (NPMWT) offer a variety of opportunities. In 2013, only 67% of Poles had homes connected to sewers. In 2018, this number is expected to increase to 70%. Existing treatment facilities will undergo upgrades to reduce nitrogen and phosphorus levels in their wastewater by 75%, a goal outlined by the NPMWT. Flooding has sparked interest in stormwater management systems, while water scarcity in the long-term has generated concern over water efficiency through wastewater reuse. The Polish government ordered a contract for the design and development of river management systems, providing an attractive project for U.S. companies with expertise in stormwater infrastructure. The Polish government is also implementing a new water pricing scheme to promote water reuse and conservation for consumers, factories, and farms. The National Plan, updated annually, estimates budgetary outlays of USD 7 billion between 2017 and 2020 for the modernization of water infrastructure in 1,578 agglomerations. Technologies and services in demand include:

- Engineering, procurement and construction services
- Advanced filtration
- Membrane filtration
- Waste to energy technology
- Anaerobic digestion
- Nitrification
- Biological denitrification
- Monitoring equipment
- Testing equipment

Industrial Process and Wastewater

Poland suffers from water scarcity, with per capita resources averaging 1,450 to 1,700 m^3 per year. Industry consumes the most freshwater resources in Poland, accounting for 70% of water intake. As a result, industry has become the primary focus for water conservation and reuse programs. Fossil fuel extraction, processing, and power generation consumes the most water among the industrial segments. Other industries that consume large amounts of water include: metals and mining, pulp and paper, cement manufacturing, and construction. The National Plan, which attributes overconsumption to low prices, creates incentives for improved industrial water efficiency. The Polish government estimates that industry water consumption is two to three times higher in Poland than other EU nations. Increases in water tariffs will incentivize industries to find water efficient solutions for both processing and wastewater. The EU Priority Substance Directive (PSD) will limit the allowances of a new class of chemical substances, placing additional burdens on industry.

Sludge treatment and reuse is also a major issue in Poland. Poland produces over 700,000 tons of sludge per year, and as EU obligations related to landfill waste reduction mount, Poland will no longer use sludge in landfills. As a result, the demand for sludge treatment technologies will grow. The National Plan for Waste Management outlines that 60% of sludge is to be processed through incineration, a 25% increase from current

levels. There is also a proposal to use treated sludge as a biomass fuel to help meet Poland's renewable energy targets. Limited capacity to develop and operate sludge drying and incineration technologies will generate demand for attendant services and technologies. Cities with needs in this area include Warsaw, Lodz, Krakow, Gdansk, Poznan, and Szczecin.

- Engineering, procurement, and construction services
- Advanced filtration
- Membrane filtration
- Waste-to-energy technology
- Anaerobic digestion
- Nitrification
- Biological denitrification
- Monitoring equipment
- Testing equipment

Waste Management and Recycling

Poland suffers from water scarcity, with per capita resources averaging 1,450 to 1,700 m^3 per year. Industry consumes the most freshwater resources in Poland, accounting for 70% of water intake. As a result, industry has become the primary focus for water conservation and reuse programs. Fossil fuel extraction, processing, and power generation consume the most water. Other industries that consume large amounts of water include metals and mining, pulp and paper, cement manufacturing, and construction. The National Plan, which attributes overconsumption to low prices, creates incentives for improved industrial water efficiency. The Polish government estimates that industry water consumption is two to three times higher in Poland than other EU countries. Increases in water tariffs will incentivize industries to find water efficient solutions for both processing and wastewater. The EU Priority Substance Directive (PSD) will limit the allowances of a new class of chemical substances, placing additional burdens on industry.

Sludge treatment and reuse is also a major issue in Poland. Poland produces over 700,000 tons of sludge per year, and as EU obligations related to landfill waste reduction mount, Poland will no longer use sludge in landfills. As a result, the demand for sludge treatment technologies will grow. The National Plan for Waste Management outlines that 60% of sludge is to be processed through incineration, a 25% increase from current levels. There is also a proposal to use treated sludge as a biomass fuel to help meet Poland's renewable energy targets. Limited capacity to develop and operate sludge drying and incineration technologies will generate demand for attendant services and technologies. Cities with needs in this area include Warsaw, Lodz, Krakow, Gdansk, Poznan, and Szczecin.

Technologies and services in demand include:

- Waste collection technologies,
- Sanitary landfill systems,
- Environmental monitoring and analytical equipment,
- Sorting machines,
- Crushing and grinding machines,
- Materials handling equipment,
- Recycling process expertise,
- Waste incinerators.

Environmental Consulting and Engineering

The Ministry of Environmental Protection, the Main Inspector of Environmental Protection, and the Main Director of Environmental Protection regulate the use of environmental resources. The Main Inspector of Environmental Protection supervises compliance with environmental protection provisions, while the Main Director of Environmental Protection Issues Environmental Impact Assessments (EIAs). Polish administrative authorities emphasize firm compliance with national and EU environmental law and regulation. Breaching a permit is punishable by fines, criminal liability, and seizure of operations. The types of permits include

integrated and single/separate permits. Integrated permits are required when activities could cause harm to the environment in general. These permits are renewed every five years and are strictly regulated. Single/separate permits are issued for activities that may affect an aspect of the environment that is protected from pollution, such as air and water. Single/separate permits are valid for a maximum of 10 years. The Act on Disclosing Information about the Environment and its Protection, the Participation of Society in Environmental Protection, and Environmental Impact Assessments of October 3, 2008 all serve as legislation to regulate EIAs. An EIA is required where an industrial infrastructure project may have a serious impact on the environment or a Natura 2000 area, an area that is protected because of its environmental significance.

Web Resources

Trade Shows

POLECOSYSTEM

Poznan, October 9 - 11, 2020

GREENPOWER

Poznan, April 21 – 23, 2020

Waste Management SOS Expo

February 2020, Warsaw

Ministry of Environment

Chief Environment Inspectorate

Main Director of Environmental Protection

Public Procurement Office

Tender Electronic Daily

The Polish Center for Research and Certification (PCBC)

Environmental Implementation Review 2019 – Poland

For more information about the Environmental Technologies Sector, please contact:

U.S. Commercial Service Poland

Commercial Specialist: Anna Janczewska

E-mail: Anna.Janczewska@trade.gov

Green Building Products and Sustainable Construction

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

Overview

The residential and building sector accounts for more than 40% of the final energy consumption in the EU. Energy consumption, and the subsequent carbon dioxide emissions, grow as this sector expands. However, Poland remains below the average energy consumption in Europe. 75% of the energy consumed in Poland is in the housing sector.

In Poland, there are 13 million apartments (8.7 million in cities) within residential buildings, including single and multi-family houses. While 180,000 new apartment buildings open each year, only 1/5 of all housing in Poland was built after 1990. As a result, the estimated average energy consumption in new and old buildings in Poland is 170kWh/m^2 per year. This higher than the European average of 150kWh/m^2 per year.

A Polish apartment uses 59GJ of energy on average. Heating comprises 71.2% of all energy use, including water heating, cooking, lighting, and electricity. Heating in Polish housing is sourced from a central heating network or a local boiler, which are fueled by coal, gas, or oil.

Poland is taking steps to decrease its heat energy consumption. Within the last 10 years, the government has enacted programs which have reduced building energy consumption by 50%, thereby making the country a leader in energy efficiency. In 1998, Poland enacted a thermo-modernization law, which allowed building owners to apply for a refund of 16% on projects that modernize heating systems. Landlords upgraded thousands of windows, doors, roofs, wall insulation, and boilers as a result of this law. This program has saved over USD 260 million in energy expenditures.

In June 2018, the Polish government announced it will designate PLN 103 billion, over USD 28 billion, To finance thermo-modernization. The program, called "Clean Air", will begin in 2018 and end in 2029. The Program will target individual home owners. Two thirds of funds will be grants and the rest as loans. Grants can cover 90% of qualified costs or a maximum of PLN 53,000, approximately USD 15,000.

In addition to the Thermo-Modernization Fund, the National Fund for Environmental Protection and Water Management, provides grants and loans for both individual and institutional investors. Within the next four years, the government plans to spend over $1.1 billion from this fund. Money from the sale of surplus Kyoto carbon credits will feed into a third fund which will address thermo-modernization and other activities.

The market for commercial office buildings began in the early 1990's. Class A and Class B office buildings dominate the market. At the end of 2018, developers built more than 10.4 million m^2 of office space in nine major Polish markets
In the past year, developers have put 744 thousand square meters new office space into use of which almost 233 thousand m2 are in Warsaw. Among regional cities, the highest growth in resources was recorded in the Kraków market (over 155,000 m2)

Many government and administrative buildings are still outdated; however, developers are focusing on energy savings and thermo-modernization in this sector as well.

Much like office buildings, commercial estates began to appear in Poland during the 1990s. In 2018, approximately 360,000 square meters of retail space were completed. Almost 19% of this space were expansion projects. At the end of December 2018, approximately 11.9 million square meters were available on the market. At the end of the fourth quarter of 2018 there were nearly 400,000 square meters of area of shopping centers under construction, of which about 60% will come on the market in the first half of 2019.

Traditional shopping centers make up 88% of retail formats, while the retail space density ratio is 303 m^2 per 1,000 inhabitants. Among the eight major Polish agglomerations, the highest level of this ratio was noted in Poznan at 862 m^2 per 1,000 inhabitants; while Lublin held the highest ratio at 959 m^2 per 1,000 inhabitants

Developers' activities cover a wide spectrum, including adapting infrastructure for children and people with disabilities, remodeling common space and food courts, implementing free Wi-Fi, modernizing navigation and

identification systems, creating interactive information points, building relaxation space, and remodeling parking lots and building facades.

The Swedish company Skanska has recently announced a housing project in Warsaw that will encompass almost 500 apartments. This will be the first ever residential estate with a Building Research Establishment Environmental Assessment Method (BREEAM) certificate in Poland. In Gdansk, single-family homes are built in line with heating regulations coming into effect in 2021. Companies in Poland offering ready-made houses, provide a guarantee for responsible energy consumption, improved air quality, acoustic comfort, and optimal use of day light.

There are already 772 certified buildings in Polandof those 591 are BREEAM and 166 are LEED. Over the past twelve months, the number of certificates increased by over 154 new buildings. The pace of growth shows that BREEAM is consistently more popular, with 70% of today's green buildings bidding for these certificates.

Poland promotes energy efficient and sustainable buildings through a 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 efficiency in buildings. In January 2017, new limits on primary energy use (EP) for new buildings and certain U-coefficients, i.e. penetration of heat, for external partitions of buildings were put into place. These limits also a previous ordinance from 2014, which regulated buildings by their location. It is recommended that buildings should consume a maximum of 120kWh/m^2 per year. In other EU countries, this value is much lower. For example, Sweden only allows 70kWh/m^2 per year. The energy performance of buildings directive assumes that from 2021 all newly constructed buildings must have almost zero energy demand. New public buildings must meet this requirement from 2019. This means that the energy demand in such buildings should be minimal and largely satisfied with renewable energy produced on site.

With EU directives, regulations have gotten tougher. As of March 2015, owners and managers are obligated to perform an energy audit before selling or renting their properties. This also applies to the owners of public buildings exceeding 250 m^2 of space. In July 2015, the Ministry of Infrastructure introduced a national plan aimed at lower energy consumption for all buildings.

Leading Sub-Sectors

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

- HVAC, including air conditioners with cooling capacity of 470-1750 kW
- HVAC sensors that detect CO_2 and air contamination
- 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 façade BIPV
- Small wind turbines for multi-family houses
- Ventilation and heat recovery systems
- High-tech biomass boilers
- Innovative insulation materials and glass
- Energy efficient appliances
- Energy rating services as RESNET system
- Smart meters and software to mitigate electricity use
- Measuring equipment for energy and emissions testing
- Small-scale energy storage equipment

Opportunities

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

The market will grow even more when all regulations for the recast of the Energy Performance of Buildings Directive (2010/31/EC) come into effect. In two to four years, all buildings should be energy efficient, forcing member states to introduce regulations on new buildings built after December 2020. These new regulations will require new buildings to have "near zero emissions", energy usage of 50kWh/square meter per year, which will be 2.5 – 3 times less than buildings currently in operation.

The EU Commission's decision to allocate funds targeting energy efficiency for all EU member states will also have a positive impact on the market.

Web Resources

Building Research Institute

instytut@itb.pl

Krajowa Agencja Poszanowania Energii S.A. (Polish National Energy Conservation Agency)

kape@kape.gov.pl

Narodowa Agencja Poszanowania Energii S.A. (National Energy Conservation Agency)

nape@nape.pl

Polish Green Building Council PLGBC

Contact: Ms. Alicja Kuczera, Managing Director

akuczera@plgbc.org.pl

Fundacja Budownictwa Energo-oszczednego "Zielone Domy" (Foundation for Energy Saving Construction "Green Houses")

http://www.zielonedomy.com.pl/

For more information about the Green Building and Sustainable Construction Sector, please contact:

U.S. Commercial Service Poland

Commercial Specialist: Anna Janczewska

E-mail: Anna.Janczewska@trade.gov

Infrastructure and Intelligent Transportation Systems

Overview

Poland continues to devote sizeable resources to the development of its transportation. The National Directorate for Roads and Highways (GDDKiA), the Polish Railway PKP S.A., the Polish Railway Networks (PKP-PLK), Ministry of Investment and Economic Development, Ministry of Infrastructure, and Ministry of Maritime Economy and Inland Waterways are all responsible for nation-wide or regional projects. In addition, local governments are responsible for infrastructure projects for their own communities.

Many highway, railway, and inland-waterway projects are eligible for EU funding. While Polish resources are required as base funding, these EU funds are catalysts for making each project a reality. It is important to note that the current EU budget, due to last until 2020, is likely the last one to feature such abundant resources for the development of transportation infrastructure. Therefore, Poland is introducing important changes to the regulatory framework governing the distribution of these funds, with the aim of enhancing infrastructure investments.

One of the auspicious side effects of developing Poland's transportation systems in the past few years has been the rapid development of Intelligent Transport Systems (ITS). ITS solutions have become an important part of highway and road infrastructure. Under the current EU funding scheme, for 2014 to 2023, the government plans to invest $17,5 billion in railway infrastructure and $36,6 billion in road infrastructure.

Successful country-wide ITS implementation includes Viatoll, a system of collecting payments from trucks using paid roads, and CANARD, connecting all photoradars. The Viatoll system first launched in 2011 and will expire in 2019. The government appointed the General Inspectorate of Road Transportation (GITD) as the new operator of Viatoll. GITD is currently processing system upgrades and implementing new technologies. Now the Ministry of Infrastructure is planning to implement an innovative satellite-based system, which should be created within the two following years.

The ITS sector is becoming better organized. In 2013, key industry players founded the ITS Cluster ("Klaster ITS") to support and inspire greater and more efficient cooperation between the private sector, government authorities, and academics. The ITS Polska Association controls the cluster and has divided it into eight working groups: mobility management, dual-use technologies, traffic management, metrology, billing and control systems, rail ITS, shared services centers, and smart cities. Each working group is led by one of almost 30 Cluster members. ITS Polska also organizes the annual ITS Poland Congress, a gathering of industry representatives; academic experts; and central, local, and municipal governments.

Leading Sub-Sectors

Road Transportation

Poland has a large and growing road network of about 1017 miles of highways and 1300 miles of express roads. The country was listed as 13th in Europe regarding the length of highways. Under the current program, GDDKiA plans to spend $37.5 billion on highways and roads by 2025. This would allow investments in new road infrastructure or upgrades. Since the beginning of the program (2014), 450 miles of new roads have already been constructed. In 2019, GDDKiA will spend $5 billion for investments of new roads - 270 miles. More than 868 miles of roads are now under construction, while 85 miles of roads are in the tender process. The government earmarked over $7 billion for construction on the Polish part of the Via Carpatia, an international route connecting Lithuania with Greece, including supporting infrastructure and plans for new ring roads in several cities. Via Carpatia should be finished in 2025.

One of the most important investments under current programs is the National Traffic System, which received a $139 million subvention from the European Commission. The system will support drivers by informing them in real-time about traffic, accidents and road conditions.

In May 2018, the government announced the Bridges for Regions program, where 21 bridges will be built over the largest Polish rivers. The project is estimated to cost $640 million and construction is expected to begin in 2020.

Railway transportation

PKP S.A. is the dominant company on the railway market in Poland. Today, Polish railway infrastructure has 12,000 mi of railway tracks.

Most of the works are funded by EU Program Infrastructure and Environment for the 2014-2020 perspective. Today, Poland is realizing investments of $5,5 billion from these funds. Since the beginning of the program, the country has already spent $24 billion. Within the program, 900 km of railway roads will be created or improved, and 500 trains will be upgraded.

Under the National Railway Program (KPK), the most important investment railway program in Poland, PKP PLK has planned for over 220 infrastructure projects, worth $18.6 billion, which will improve over 5,592 mi of railroad tracks. Until now, projects worth USD 2,6 billion have been completed, tenders worth USD 8,4 billion are in process. The priority is the cargo routes, especially those linking the south of the country with the seaport in the north and those in large cities. The railway projects that would benefit include modernization of the cargo route in Southern Poland Chorzow-Zdunska Wola (over $1 billion), as well as improvement of railway infrastructure linking seaports in Gdansk, Swinoujscie and Gdynia ($1,55 billion). The aim of the program is also to increase average train speed on 8.5000 km of railroads. Currently, Polish train speeds are much lower than the EU average.

In October 2018, the Ministry of Infrastructure announced the Kolej+ program which aims to improve local and regional railway infrastructure.

The government is considering creating a national logistics operator to maximize the use of existing railway resources, and to improve the safety of passenger and freight railway operators. It is possible that this project will operate as a public-private partnership.

Intermodal transportation is the future of Polish railroads. The main obstacles in developing intermodal transportation are the slow speed of cargo trains, which are two times slower than the EU average, and the inadequate number of intermodal terminals. In June 2018, the EU increased the funds for intermodal transportation in Poland to $550 million to address these concerns.

PKP SA plans to invest in new multimodal logistic centers. A center in Bydgoszcz, called X-Logistics, is already under discussion. In agreement with seaports, PKP plans to build as many as 19 intermodal terminals throughout the country. These projects would be carried out until 2030.

Airport Infrastructure

Nearly 46 million passengers travelled through Polish airports in 2018, reaching a record compared to 2017 , an increase of 15%. Each regional airport, except for Radom (closed in January 2019), saw an increase.

Warsaw Chopin airport is an economic leader with growth of 12.7% compared to 2017, mainly with LOT Polish Airlines (11.56 M passengers, 20% growth). Regional airports are also fast growing with a large increase in passengers and with development plans.

Polish Regional Ports identified 210 investment needs (of $1 billion) to be realized in regional airports. They should be realized between 2018 and 2037.

The biggest project that will be realized within next years is the Central Communication Port – a brand new international airport, located in Central Poland, about 25 miles from Warsaw. According to government plans, the national transportation hub should launch in 2027 and its cost will be $9 billion – the biggest cost of a single infrastructure project since 1989.

The Central Communication Port project is the government's response to a substantial increase in air transport passengers in Poland (last year's increase: 10%). Warsaw's Chopin Airport is the country's largest. Last year, 15. 7 million passengers travelled through Chopin Airport, and it has no room to expand. The new hub is designed to handle 45 million passengers and will have the opportunity to eventually support 100 million passengers.

The aim of the project is to broaden the collaboration between airports and railways, where the cost of investment would be even higher than the cost of the hub itself. The railway network will cost around $10

billion and, according to the government, will be financed/co-financed by the European Union. The government plans to create 808 miles of new railway infrastructures. According to the Ministry, the time to reach the airport from Warsaw city center will take around 15 minutes and from other major cities in Poland – 2-2,5 hours via high-speed train. The government also plans to create a system that will allow passengers to check in while entering the train.

The new international hub would become important not only for passengers but also for logistics. Poczta Polska (Polish Post) announced that the company would build a Central Logistics Hub close to the airport.

Eventually, the government would like to create a high technology smart city around the airport. Such a city would employ directly more than 50,000 people.

The Central Communication Port presents a tremendous opportunity for U.S. companies that might support the Polish government from the very beginning in engineering and project formation. Moreover, technological support will be highly needed.

Other upcoming projects

- Central Seaport in Gdansk: The concept for this project will be ready by the end of 2019 and will be followed by environmental assessment and public discussions. Estimated completion date: 2027. Estimated cost of the project: $1,57-$2,10 billion
- Port Gdynia Project: creation of an additional port that will toad up to 180ha, to the already existing 240 ha. Cost of the project: $0,66 billion, Estimated completion date: 2026.
- The government is also pursuing the Piercing Spit of Vistula, a flagship project. If completed, this will create a 1,300 m long and 5 m deep canal that would create an inland port in the city of Elblag. The project will cost $236 million and it will be finished in 2022.

Good opportunities for U.S. exporters include:

- Engineering, project creation in Central Communication Port
- Technological companies which can help with the smart city that will be constructed near the Central Communication Port.

Web Resources

ITS Polska

Ministry of Infrastructure

Ministry of Maritime Economy and Inland Waterways

General Directorate of Roads and Highways

Road Traffic Automatic Supervision Centre (CANARD, part of General Directorate of Roads and Highways)

PKP S.A.

PKP Polish Railway Networks

For more information about the Infrastructure and Intelligent Transportation Systems, please contact:

U.S. Commercial Service Poland

Commercial Specialist: Joanna Bereza

E-mail: Joanna.Bereza@trade.gov

Agricultural Sector

Overview

Total 2018 U.S. agricultural and related product exports to Poland were valued at $458 million, an 8.5 percent increase over 2017. The U.S. Embassy's Office of Agricultural Affairs provides routine market intelligence to U.S. food and agricultural exporters, and regularly creates linkages between Polish food, bulk commodity, beverage, and ingredient importers and U.S. exporters.

Best prospects for U.S. agricultural products include seafood (pollock, salmon), livestock feed ingredients, such as soybean meal and feed preparations, and consumer-oriented products, including wine, tree nuts (almonds), dried fruit (cranberries and prunes), distilled spirits, and hardwood lumber.

Leading Sub-Sectors
Data Source: Global Agricultural Trade System (GATS). The version of GATS –Polish Customs Databases used tracks reported intra-EU transshipments of the U.S. products.

Seafood
Poland remains one of the largest fish processors in the European Union and imports almost 95 percent of the seafood it processes. Poland ranks among the biggest salmon importers in the world and sources products mostly from Norway, Sweden, and the United States. 2018 data showed strong interest in U.S. pollock, with imports of U.S. pollock up by 26 percent over 2017. Post forecasts that imports of pollock and other seafood (salmon) from the United States will continue to grow in 2019, pending market prices and competition from Norway, Russia and China. Although domestic seafood consumption in Poland continues to increase, most seafood processed in Poland is bound for markets in other EU Member States.

Commodity Group: Pollock
Harmonized Schedule Code(s): HS030475, HS030494, HS030367
Value in US$1,000

	2016	2017	2018	2019(f)
Total Imports	93,459	92,667	110,085	120,000
Total Imports from U.S.	34,949	27,759	34,949	38,000

Soybean Meal
In 2018, Poland imported 2.47 million metric tons (MMT) of soybean meal, a three-percent increase over 2017, valued at over $1.0 billion. 85 percent of imported soybean meal in 2018 was sourced from South America. Soybean meal is a significant source of protein and is an important input in Poland's large poultry production sector. Post forecasts that soybean meal imports will increase by an additional three percent (volume terms) in 2019, as poultry production continues to expand. Polish imported 86,825 metric tons (MT) of U.S. soybean meal in 2018, a 211 percent increase over 2017. Although 2019 soybean meal shipments from the United States should increase along with Poland's expanding poultry production capacity, price competition from Argentina and Brazil will continue to be a decisive factor.

Commodity Group: Soybean meal
Harmonized Schedule Code(s): HS 230400
Value in US$1,000

	2016	2017	2018	2019(f)
Total Imports	854,656	896,101	1,023,518	1,100,000
Total Imports from U.S.	11,122	10,809	37,544	38,000

Wine
Poland is a leading importer of wine in Central Europe, with Italy, France, and Spain accounting for about 60 percent of Polish market share. The U.S. wines, along with other "new-world" wines, are gaining in popularity and becoming increasingly visible. While California wines are better known in Poland, wines from the Pacific Northwest are also increasingly recognized. Although more and more Polish consumers are aware of U.S. wines, educating consumers about the unique attributes of U.S. wines remains necessary.

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

	2016	2017	2018	2019(f)
Total Imports	251,888	300,144	334,818	335,000
Total Imports from U.S.	39,760	42,321	44,078	45,500

Tree Nuts (Almonds)
Most U.S.-origin tree nuts imports are almonds, which are increasingly popular as an ingredient in food processing, particularly for confectionary, bakery, and snack food sectors. Almonds are also popular among consumers for snacking and home baking. Spain is the leading competitor for U.S. almonds in Poland.

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

	2016	2017	2018	2019 (f)
Total Imports	39,860	43,655	43,763	44,100
Total Imports from U.S.	14,180	16,892	17,610	18,100

Processed Fruit
The dried fruits market is experiencing dramatic growth, led by dried cranberries, prunes, and dried cherries, which have experience steady popularity as snack foods. As Polish consumers become more health conscious, these products are increasingly used in home baking and the confectionary and snack sectors. These sectors are also reflect growing demand for raisins.

Commodity Group: Processed Fruit
Harmonized Schedule Code(s): HS 2008
Value in US$1,000

	2016	2017	2018	2019 (f)
Total Imports	215,229	232,585	234,608	235,000
Total Imports from U.S.	14,099	19,166	20,808	21,000

Bovine Semen
There is strong interest in U.S. dairy genetics in Poland due to the unprecedented growth in Poland's diary industry. In 2018, Polish bovine semen imports were valued at $6.0 million and consisted of about 1.3 million doses of semen. The value of imported U.S. bovine semen in 2018 was about $3.0 million, a 65-percent

increase over the previous year. Higher dairy prices and consistent consumer demand for dairy products on the world market are driving demand for U.S. bovine genetics among Poland's dairy producers.

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

	2016	2017	2018	2019(f)
Total Imports	4,818	5,080	6,049	6,300
Total Imports from U.S.*	1,672	1,852	3,050	3,400

**Please note that imports from the U.S. include bovine semen imported to Poland via U.K.*

Hardwood Lumber

U.S.-origin wood-sawn and/or chipped lumber products accounted for 74 percent of the total U.S. wood and wood products exported to Poland in 2018. Market trends for U.S. lumber and wood products in Poland are in flux due to strong international competition and local price sensitivities.

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

	2016	2017	2018	2019(f)
Total Imports	312,564	346,565	390,461	420,000
Total Imports from U.S.	2,984	3,309	2,169	2,300

Commodity Group: Packings and Wood Pellets
Harmonized Schedule Code(s): HS 4415
Value in $1,000

	2016	2017	2018	2019(f)
Total Imports	312,564	346,565	390,461	420,000
Total Imports from U.S.	654	754	362	450

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

	2016	2017	2018	2019(f)
Total Imports	52,757	47,965	53,133	55,000
Total Imports from U.S.	68	25	160	170

Beans and Other Pulses

Imports of leguminous vegetables from United States remain smaller than from China, and South America, however this segment show growth potential. Polish importers and food processors are increasingly aware that U.S. beans and pulses are higher quality than similar products from competing markets, and depending on market price fluctuations, U.S. pulses can also be price competitive.

Commodity Group: Leguminous Vegetables, including dried beans
Harmonized Schedule Code(s): HS 0713
Value in $1,000

	2016	2017	2018	2019(f)
Total Imports	19,065	21,355	25,643	26,000
Total Imports from U.S.	418	1,563	2,765	2,850

Web Resources

Agricultural Reports

Attaché reports provide information on market opportunities, crop conditions, new policy developments and information on the local food industry. Some standard reports include the Retail Market Report, Exporter Guide, Food Service Report, and market briefs on select products. Post also recommends that interested stakeholders review the EU-28 reports.

Trade Data

Please refer to the USDA's Global Agricultural Trade System (GATS). GATS include international agricultural, fish, forest and textile products trade statistics dating from the inception of the Harmonized coding system in 1989 to present.

Customs, Regulations & Standards

Trade Barriers

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 psychotropics, 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. The Minister of Economic Development issues licenses and permits for trading in goods when required. The National Support Center for Agriculture issues licenses and permits in the case of agricultural products.

A range of products is prohibited for reasons relating to the protection of the natural environment, national security, public order, human, plant and animal health.

Customs authorities may detain goods when they suspect infringement of intellectual property, based on supporting documents submitted by the rights holder to the Central Customs Board.
For information on existing trade barriers, please see the 2017 National Trade Estimate Report (NTE) and Technical Barriers published by USTR.

Information on agricultural trade barriers is published by the U.S. Department of Agriculture. Poland's National Support Center for Agriculture also provides useful information on agricultural goods and trade.

On January 1, 2019, the ban on use of feeds enhanced through biotechnology in animal feeding is scheduled to enter into force. Originally this ban was to apply in 2008 but was delayed first until 2013 then again until January 1, 2019 due to strong opposition from Poland's livestock industry. Currently Poland continues to use feeds enhanced through biotechnology in animal feeding. Industry sources indicate that introduction of the ban will be further delayed after January 1, 2019.

To report existing or new trade barriers and get assistance in removing them, contact either the Trade Compliance Center or the U.S. Mission to the European Union.

Import Tariff

When products enter the EU, they need to be declared to customs according to their classification in the Combined Nomenclature (CN). The CN document is updated and published every year, and the latest version can be found on the European Commission's website.

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.

The Polish Customs Service (Sluzba Celna) has an official Tariff Browser (a module of the Integrated Tariff System – ISZTAR), that provides information on tariffs of goods in international trade. The Tariff Browser contains data from the TARIC system (goods nomenclature, duty rates, restrictions, tariff quotas, tariff ceilings and suspensions) as well as national provisions (VAT, excise tax, restrictions and nontariff measures). The Browser is maintained by the Customs Department of the Ministry of Finances within the framework of the Integrated Customs Tariff Information System – ISZTAR3.

Import Requirements & Documentation

The TARIC (Tarif Intégré de la Communauté), described above, is available to help determine if a license is required for a product. Moreover, the European Commission maintains an export helpdesk with information on import restrictions of various products.

Many EU member states maintain their own list of goods that are 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 Development, Department of Trade and Services: tel: +48 22 693 55 53, e-mail: sekretariatdhu@mr.gov.pl for industrial goods and Ministry of Development, Department of Sensitive Goods Trading and Technical Security: tel: +48 22 693 54 45, e-mail: sekretariatdot@mr.gov.pl for sensitive and dual-use goods as well as Agricultural Market Agency External Trade Office, tel: +48 22 376 75 90, e-mail: d.wolska@arr.gov.pl for agricultural and food products.

For information conduct a search on the Commerce Department's Market Research Library.

Import Documentation

The Single Administrative Document

The official model for written declarations to customs is the Single Administrative Document (SAD). The SAD describes goods and their movement around the world and is essential for trade outside the EU, or of non-EU goods. 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 whoever 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.

Click here for complete information on the Single Administrative Document.

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 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 force in October 2013 and repealed the MCC Regulation. Its substantive provisions went into effect on May 1st, 2016.

Click here for complete information on the Union Customs Code.

Economic Operator Registration and Identification (EORI)

Since July 1, 2009, all companies established outside of the EU are required to have an 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. An EORI number must be formally requested from the customs of the specific member state to which the company exports. Member state custom authorities may request additional documents to be submitted alongside a formal request for an EORI number. 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. Once an operator holds an EORI number s/he can request the Authorized Economic Operator (AEO: see below under "MRA") status, which can give quicker access to certain simplified customs procedures

Click here for more information about the EORI number.

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.

In 2012 the United States 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 United States' 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 and is recognized by all member state's customs agencies. As of April 17, 2017, an AEO can consist of two different types of authorization: "customs simplification" or "security and safety." The former allows for an AEO to benefit from simplification 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. Under the revised Union Customs Code, for an operator to make use of certain customs simplifications, the authorization of AEO becomes mandatory.

The United States 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).

Click here for additional information on the MRA and here for revised AEO Guidelines (published March 2016).

Introduction

A key EU priority is to ensuring products marketed in the region are safe for the environment and human health. U.S. manufacturers exporting to the European Union need to ensure their products meet these requirements to enter the market.

New Initiatives: Circular Economy & Plastics Strategy

On 25 September 2014, the European Commission published the Communication "Towards a circular economy: A zero waste program for Europe". The Communication acknowledges the intense competition for resources within Europe and the need to ensure market mechanisms eliminate waste. When implementing this

package, the European Commission will promote regulatory and voluntary measures that encourage the "design out" of waste during the product development cycle. These measures include introducing mandatory recycling targets for waste, improvements to energy and resource use (e.g. water) and eliminating the use of materials in products that inhibit the collection, recycling and reuse of materials in products.

On 16 January 2018, the European Commission published what is arguably the most important measure towards implementing the circular economy. On that day it adopted a strategy document entitled, "A European Strategy for Plastics in a Circular Economy". The strategy acknowledges that plastics have a positive and negative impact on the environment, while calling for voluntary and regulatory measures aimed at mitigating the environmental harm caused by plastics. These measures address marine litter caused by the shipping industry; measures addressing the chemical composition of plastics to encourage recycling; potential regulation on single use plastics; and funding for the development of chemical and mechanical recycling.

Batteries

The EU Battery Directive adopted in 2006 (Directive 2006/66) applies to all batteries and accumulators placed on the EU market. This includes automotive, industrial and portable batteries. The Directive seeks 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. The European Commission publishes a FAQ document – last updated in May 2014 - to assist interested parties in interpreting its provisions. For more information, see our market research reports on regulatory issues in the European Union.

Registration, Evaluation and Authorization and Restriction of Chemicals (REACH)

REACH applies to all chemicals manufactured or imported into the EU in quantities exceeding one metric ton. The regulation entered force in 2007 (Regulation 1907/2006) and touches virtually every industrial sector, from automobiles to textiles. REACH imposes a registration obligation on all entities affected by the one metric ton criteria by May 31, 2018. The European Chemicals Agency (ECHA) is the agency responsible for receiving and ensuring the completeness of such registrations. U.S. companies without a presence in Europe need to rely on an EU-based partner, typically either an importer or a specialized 'Only Representative'.

In addition to the registration requirement, U.S. exporters should carefully review the REACH 'Candidate List' of Substances of Very High Concern (SVHCs) and the 'Authorization List'. Under certain conditions, substances on the Candidate List are subject to communication requirements prior to their export to the EU. Companies seeking to export chemicals on the 'Authorization List' will require an authorization. Click here for the Candidate List and here for the Authorization List.

Waste Electrical and Electronic Equipment (WEEE) Directive

EU rules on 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 click here.

Restriction on Hazardous Substances 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 and affix a "CE" market. The 2011 revisions to the ROHS Directive significantly expanded the scope of covered products. Generally, U.S. exporters have until July 22, 2019 to bring products into compliance that were once outside the scope. More information on the RoHS Directive can be found by clicking here.

Cosmetics Regulation

The EU legislation harmonizing the regulation of cosmetic products has applied since July 11, 2013. The most controversial element of the regulation was the introduction of an EU-wide system for the notification of cosmetic products to the European Commission prior to their placement on the EU market. Only an EU-established entity may submit such a notification. Therefore U.S. exporters must either retain a "Responsible Person" to act on their behalf, rely on their exporter, or establish a presence in the EU.

Export.gov provides additional details on the EU Cosmetics Regulation.

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). Many these certificates are uniform throughout the EU, but the harmonization process is still ongoing. Most recently, certificates for a series of highly processed products including chondroitin sulphate, hyaluronic acid, hydrolyzed cartilage products, chitosan, glucosamine, rennet, isinglass and amino acids are being harmonized. Until harmonization is finalized, certain member state import requirements continue to apply. In addition to the legally required EU health certificates, several 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 website of the Foreign Agricultural Service at the U.S. Mission to the European Union.

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's dedicated web site.

Labeling/Marking Requirements

Summary

There is a broad array of EU legislation pertaining to the marking, labeling and packaging of products, with neither an "umbrella" law covering all goods nor any central directory containing information on marking, labeling and packaging requirements. This overview is meant to provide the reader with a general introduction to the multitude of marking, labeling and packaging requirements or marketing tools to be found in the EU.

Introduction

The first step in investigating the marking, labeling and packaging legislation that might apply to a product entering the EU is to draw a distinction between what is mandatory and what is voluntary. Decisions related

to mandatory marking, labeling and/or packaging requirements may sometimes be left to individual Member States. Furthermore, voluntary marks and/or labels are used as marketing tools in some EU Member States. This report is focused primarily on the mandatory marks and labels seen most often on consumer products and packaging, which are typically related to public safety, health and/or environmental concerns. It also includes a brief overview of a few mandatory packaging requirements, as well as more common voluntary marks and/or labels used in EU markets.

It is also important to distinguish between marks and labels. A mark is a symbol and/or pictogram that appears on a product or its respective packaging. These range in scope from signs of danger to indications of methods of proper recycling and disposal. The intention of such marks is to provide market surveillance authorities, importers, distributors and end-users with information concerning safety, health, energy efficiency and/or environmental issues relating to a product. Labels, on the other hand, appear in the form of written text or numerical statements, which may be required but are not necessarily universally recognizable. Labels typically indicate more specific information about a product, such as measurements, or an indication of materials that may be found in the product (such as in textiles or batteries).

For a general overview please see the link:
https://build.export.gov/build/idcplg?IdcService=DOWNLOAD_PUBLIC_FILE&RevisionSelectionMethod=Latest&dDocName=eg_eu_127856

U.S. Export Controls

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.

Poland is a member of the Wassenaar Agreement and has established its own export control regime for munitions and dual use commodities. That regime is managed by the Polish Ministry of Entrepreneurship and Technology, the Department of Sensitive Goods Trading and Technical Security.

The export control regime is fully compatible with EU regulations. The Ministry of Entrepreneurship and Technology's Department for Trade in Dual Use Products is responsible for Poland's export control regulation. Information is available only in Polish. The EU export control regime is governed by Regulation (EC) No 428/2009, which provides for common EU control rules, a common EU control list and harmonized policies for implementation. Information on the EU dual-use export controls are found here.

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. Refer to the following links for information on the export licensing basics and enforcement.

BIS has developed a list of "red flags", or warning signs intended to discover possible violations of the EAR and enable reporting of possible violations. The list is available in the Know Your Customer Guidance.

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 Enforcement Lead/Tip Form.

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-site.

It is important to note that in August 2009, a broad-based interagency review of the U.S. export control system was initiated, 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. Thus, 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.

This reform is being implement 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. Additional information on the ECR is available at Export.gov.

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. Click here for a list of upcoming seminars.

For further details about the Bureau of Industry and Security and its programs, please visit the BIS website.

Temporary Entry

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.

More information on the ATA Carne is found at Export.gov.

As of May 2015, new EU-wide legislation applies to the Temporary Importation of means of transport. Existing regulation has been amended to exclude the possibility of misuse in case of Temporary Importation of means of transport. For more information about EU-level temporary entry regime please see the https://build.export.gov/build/idcplg?IdcService=DOWNLOAD_PUBLIC_FILE&RevisionSelectionMethod=Latest&dDocName=eg_eu_127856

Prohibited & Restricted Imports

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.

Customs Regulations

Poland together with the 28 member states of the European Union is a member of the Customs Union.

The EU Customs Union means there are common customs duties on imports from outside the EU, common rules of origin for products from outside the EU, and no customs duties at internal borders between the EU Member States.

Customs Information Service

Poland as a member of the European Union is also a member of the EU Customs Union. The basic rules of the EU Customs Union include: no customs duties at internal borders between the EU Member States; common customs duties on imports from outside the EU; common rules for origin of products from outside the EU; and common definition of a customs value. Poland has adopted the Common Customs Tariff (CCT) of the EU that applies to goods imported from outside Europe, while transactions carried out between Poland and the European Economic Area (EEA) countries are free of duty. In general, EU external import duties are relatively low, especially for industrial goods (4.2% on average). Applicable customs duty for a specific product imported from selected country of origin can be found on the TARIC website. The combined Nomenclature of the European Community (EC) integrates the HS nomenclature and has supplementary eight figure subdivisions and its own legal notes created for community purposes. For goods from outside Europe, customs duties are calculated ad valorem on the CIF value, in accordance with the Common Customs Tariff (CCT) for all the countries of the Union. Customs authorities are primarily responsible for the supervision of the Community's international trade.

State Tax and Customs Administration
Customs Department
ul. Swietokrzyska 12
00-916 Warszawa
Tel. +48 22 694 50 05, +48 22 694 55 58
Fax: +48 22 694 43 03

E-mail: Sekretariat.DC@mf.gov.pl

Customs Information Center
Customs Office in Katowice
ul. Bielska 47a
43-400 Cieszyn
Tel. **801 055 055**
Tel. +48 22 330 03 30
E-mail: info.sluzbacelna@kat.mofnet.gov.pl

Standards for Trade

For full overview of the European Union legislation on standards please click here to reference the European Union Country Commercial Guide: EU Country Commercial Guide 2019. For standards information specific to Poland, see below.

Standards

The Polish Committee for Standardization (PKN) is the only Polish body that creates standards at the national level when no EU-wide standards have been set and which also represents the Polish member state vote within the European standards setting organizations of CEN, CELENEC, and ETSI when an EU-wide harmonized standard is being developed. Since Poland joined the European Union, Polish standards have been revised to be consistent with EU Standards. PKN sells standards documents electronically on its web-site Digital System for the Sale of Products and Services (in Polish).

The Polish Committee for Standardization (PKN) is the only Polish body that creates standards. Since Poland joined the European Union, Polish standards have been revised to be consistent with EU Standards. PKN sells standards documents electronically on its web-site Digital System for the Sale of Products and Services (in Polish).

Product Certification

In Poland, the Polish Center for Testing and Certification (PCBC)is the leading organization for product testing and certification. 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 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:

- organization of certification system for: B, Q, Eko, Ecolabel mark,
- certification of management systems (PCBC and IQNet certificates),
- product certification,
- conformity assessment of products and management systems per notifications
- certification of personnel
- organization of training and improvement of personnel development in the field of quality (testing, certification, and accreditation)
- testing of products,
- certification of ecological farms

Accreditation

Polskie Centrum Akredytacji – Polish Center for Accreditation is the national accreditation body authorized to accreditation of conformity assessment bodies. "For other Polish notified bodies, we recommend using this link.

Trade Agreements

List of trade agreements with the EU and its member states, as well as concise explanations.

Licensing Requirements for Professional Services

Following EU laws, Poland recognizes professional service providers who have already been recognized in the EU. For individuals who would like to practice their profession in Poland, the first step is to get a work permit. Their employers apply for the work permit to the provincial authorities in Poland. In the case of professional services, where advanced qualifications are required, i.e. architects, lawyers, medical professions, the specialists coming from abroad can only perform their services as employees of individuals who have the required license.

The recognition of skills and qualifications acquired by EU citizens in EU Member States, including the corresponding recognition procedures and charges are, in accordance with article 165 of the TFEU, the responsibility of Member States. Similarly, recognition of skills and qualifications earned in third countries is also a national responsibility.

However, the European Commission takes initiatives to facilitate recognition procedures. For example:

Recognition of professional qualifications obtained in one Member State for the purposes of access and pursuit of regulated professions in another Member State is subject to Directive 2005/36.

Recognition of qualifications for academic purposes in the higher education sector, including graduation certificates is subject to the *Lisbon Recognition Convention*. The ENIC-NARIC network provides advice on (cross-border) recognition of these qualifications.

Recognition in other cases is assessed and granted (or denied) by the receiving educational provider or employer. For them to be able to recognize skills and qualifications an **understanding of the level, content and quality** of the education is needed. The Commission currently explores the possibilities on how to better support these recognition decisions.

The "Your Europe" website maintains a webpage dedicated to helping citizens identify what the regulated professions are and what documents are needed for their recognition in each Member State.

Web Resources

TARIC

Reports and Publications

Foreign Agricultural Service

Import restrictions, Agricultural Products

The Single Administrative Document (SAD)

The Union Customs Code

Economic Operators Identification and Registration system (EORI)

International Customs Agreements USA

Commission Implementing Regulation (EU) No 58/2013

EU, US Fully Implement Mutual Recognition Decision

AEO guidelines

Market Research Reports

REACH

WEEE

The EU Cosmetics Regulation

FAIRS Export Certificate Report

NOAA Seafood Inspection Program

Bureau of Industry and Security

Department of Sensitive Goods Trading and Technical Security

Dual-use export controls

Commerce Control List

Recognizing and Reporting Possible Violations

Reporting Possible Violations

Export Control Reform

BIS Seminar Schedule

Consolidated Screening List API

ATA Carnet

Temporary importation

CE marking

Harmonized Standards

New Legislative Framework

Revised CE marking laws applicable in 2016

Waste Electrical & Electronic Equipment (WEEE)

Energy efficient products

Directive 2010/30/EU

Equipment for potentially explosive atmospheres (ATEX)

Directive 2014/34/EU

Noise Emissions from Outdoor Equipment

Directive 96/98/EC

Directive 2014/90/EC

Textiles and clothing legislation

Footwear industry

Regulation 1223/2009

Market Research Report on "EU Cosmetics Legislation"

Regulation 1272/2008/EC

Legal metrology

Directive 98/6/EC

Automotive Legislation

Energy topics

Directive 1222/2009/EC

Directive 228/2011/EC

Packaging and Packaging Waste

Requirements for wood packaging & dunnage

Food Safety Legislation

Pre-packaging

Guideline for the Eco-Labeling of Fish and Fishery Products from Marine Capture Fisheries

Fishwatch

The EU Ecolabel

EU ecolabel for fishery & aquaculture products

Waste Topics

Energy Star

PRO Europe Website

TARIC

Taxation and Customs

Customs Valuation

New Legislative Framework

Foreign Agricultural Service

FAIRS Export Certificate Report

PKN

CEN, European Committee for Standardization

CENELEC, European Committee for Electrotechnical Standardization

ETSI, European Telecommunications Standards Institute

Standardization

Standardization Policy

Nando (New Approach Notified and Designated Organisations) Information System

Polish Center for Testing and Certification

European Accreditation

Polish Center for Accreditation

Official Journal of the European Union

Harmonized Standards

Prevention of technical barriers to trade

NIST NotifyUS

National Institute of Standards & Technology

SBS – Small Business Standards

ANEC - European Association for the Co-ordination of Consumer Representation in Standardization

ECOS – European Environmental Citizens Organization for Standardization

EOTA – European Organization for Technical Assessment (for construction products)

Trade agreements with the EU

Your Europe

Investment Climate Statement

The U.S. Department of State's Investment Climate Statements provide country-specific information on the business climates of more than 170 countries and are prepared by economic officers stationed in embassies and posts around the world. They analyze a variety of economies that are or could be markets for U.S. businesses of all sizes.

Click on the link to read Poland's Investment Climate Statement.

Trade & Project Financing

Methods of Payment

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, 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.; INC Rating Sp.z o.o.; SPMW Rating Sp. Z o.o.; Moody's Investors Service Limited, Polish Branch; Standard & Poor, Representative Office. The first three agencies appear on the European Securities and Markets Authority (ESMA) list of registered and certified credit rating agencies. Until late 2018 there were four such agencies, however, SPMW Rating Sp. Z o.o . de-registered in October 2018.

There are dozens of collection agencies in Poland. The major ones are listed in the Warsaw Business Journal's Book of Lists.

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). Poland is one of the strongest markets in Europe in mobile-payment technologies and leads in the number of contactless transactions. Some 90% of all cards issued in Poland are contactless enabled.

For more information about the methods of payment or other trade finance options, please read the Trade Finance Guide available at www.Export.gov/TradeFinanceGuide

Banking Systems

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 approximately two thirds of the banking sector. The government launched a drive to increase local ownership of the banking sector through acquisitions of foreign-owned banks by state-owned banks, as a result foreign banks' share in total assets of the sector fell, at end-2018, from around 60 percent to below 50 percent. The State controls two largest banks in Poland. These two lenders control about one third of the market while top ten banks account for 73.5% of banking assets and 78.8% of deposits, according to the Financial Supervision Authority (KNF), following a series of mergers. There are many cooperative banks (547 - at the end of 2018), 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.

There has been some reshaping of the banking system in recent years. UniCredit (Italy) sold down its controlling stake in a top-ten bank, Pekao, in 2016, cutting foreign bank ownership of the sector to less than 50% (from 60% previously). In July 2016, UniCredit (Italy) sold a 10 percent controlling stake in the second-biggest bank Pekao SA to institutional investors. On 7 June 2017, state-owned insurer PZU and state investment vehicle PFR finalized the takeover of Pekao from Italian UniCredit, which sold a 32.8 percent stake in Poland's second biggest bank for PLN 10.6 billion ($2.7 bn). By completing the acquisition of Bank Pekao, PZU became the largest financial group in the CEE region, and the leader in both the insurance and banking sectors and in asset management. In November 2018 France's Société Générale sold its Polish unit, Eurobank (a top-20 bank in Poland in terms of assets), to Portuguese-owned Millenium Bank for PLN1.8bn.

GE Capital (US) completed the sale of the core of its Bank BPH to Alior Bank for PLN1.2bn in November 2016. GE Capital continues to own the mortgage unit, the sole remaining business of Bank BPH.
Mergers have also taken place between units of western European lenders. Austria's Raiffeisen Bank sold the core operations of Raiffeisen Bank Polska to BNP Paribas (France) for US$920m in October 2018. The assets were rolled into the French bank's existing Polish subsidiary, BGZ BNP Paribas. In December 2017, Germany's Deutsche Bank sold its Polish private and commercial units to Bank Zachodni WBK, owned by Spain's Santander, which rebranded the enlarged firm as Santander Bank Polska. Poland's strong fundamentals and the size of its internal market mean that many foreign banks will want to retain their positions. The country's relatively low labor costs have attracted some international banks, which use it as an offshoring location. For example, JPMorgan (US) struck a deal with the Polish authorities in late 2017 to hire 2,500 staff over several years for a global back-office operations center.

Banks' profitability has slipped in recent years, partly as a result of a special banking tax. In 2018, banks' profits rose by 7.5% to PLN 14.7bn, recovering from the dip imposed by a bank levy introduced in January 2016 by the ruling PiS party

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 execution of the Responsible Development Strategy **(**Poland's conservative Law and Justice (PiS) government's long-term economic development plan approved in February 2016) (which aims to boost industry, innovation and exports, and it is also designed to enable the country to escape the so-called middle-income trap, while creating opportunities for Poles to earn more money. BGK is an important part of the Development Fund created from several state agencies. BGK also supports SMEs with credit guarantees as part of the so-called de minimis aid program. BGK is also an important player in the Three Seas Initiative.

Popularity of online and mobile banking continues to grow, causing bank networks to shrink rapidly. The investment expenditure of banks on new technologies will likely further increase in 2019, among others, due to the entry into force of the PSD 2 (i.e. a directive changing the landscape of payment services) and the creation of the Polish API standard (a unified interface for access to bank accounts for third parties). The banks are also starting to monetize the electronic tools provided to their clients. All major Polish banks offer online services, from balance-cheque functions to cash transfers and deposits. Deposits and loans are available in the national currency, the Polish zloty (PLN) and foreign currencies. The 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. Tight controls on foreign currency lending seek to limit banks' and borrowers' exposure to a sharp decline in the value of the PLN Credit agreements require borrowers to provide data on their economic and financial standing. Most Polish firms borrow from banks rather than issuing bonds or commercial paper, and demand for corporate loans has been increasing in recent years. Loans to non-financial corporations grew by 7.6%, to Zl359bn, in 2018, up from 6% expansion in 2017. It is common practice when granting credit 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

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.

US Banks & Local Correspondent Banks

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

E-mail: listybh@citi.com

Web site: http://www.citihandlowy.pl/

Bank BPH SA

ul. Pk. Jana Paubickiego 2

80-175 Gdańsk

Telephone: +48 58 300 7500

E-mail: kontaktBPH@ge.com

Web site: http://www.bph.pl

JP Morgan Europe Sp. z o.o.

Oddział w Polsce

ul. Emilii Plater 53 (WFC), 21st floor

00-113 Warszawa

Telephone: +48 22 441 9500

Fax +48 22 441 9502

Email: dorota.orzel@jpmorgan.com

Web site: http://www.jpmorgan.com

Goldman Sachs International

Oddział w Polsce

Warsaw Spire

Plac Europejski 1

00-844 Warszawa

Telephone: +48 22 317 4000

E-mail:receptionwarsaw@ny.email.gs.com

Web site: http://www.goldmansachs.com/

Major Local Correspondent Banks

PKO BP

ul. Pulawska 15

02-515 Warszawa

Telephone: +48 81 535-65-65

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/

Bank Zachodni WBK SA

Rynek 9/11

50-950 Wrocław

Telephone: +48225868005
e-mail: kontakt@bzwbk.pl

Web site: http://www.bzwbk.pl

mBank

ul.Senatorska18
00-950Warszawa
Telephone: + 48 22 829 00 00

E-mail: kontakt@mbank.pl

Web site: www.mbank.pl

ING Bank Slaski S.A.

ul. Sokolska 34

40-086 Katowice

Telephone: +48 32 357 0069

E-mail: mampytanie@ ingbank.pl

Web site: http://www.ing.pl/

Project Financing

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. EU 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:

EU Tenders Databases

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.

The EIB website is a source of information on upcoming tenders related to EIB-financed projects.

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.
In Poland, the Bank is focused on promoting a low-carbon economy, enhancing the private sector's role in the economy and assisting in development of a sustainable financial sector and capital markets. Since the beginning of its operations in 1991, the EBRD has invested almost € 9.5 billion (approx. $ 10.5 billion) in Poland in over 410 projects.

Polish Development Fund
The Polish government does not maintain a sovereign wealth fund, however, the Polish Development Fund

(PFR) is an umbrella organization pooling resources of several governmental agencies and departments, including EU funds to implement programs enhancing long-term investment and support for entrepreneurs. The strategy for the Fund was adopted in September 2016; it was registered in February 2017, at which point the Ministry of Economic Development (this ministry was re-named the Investment and Development Ministry in 2018) assumed supervision of the Fund. Since mid-January 2018, PFR is under the PM's supervision. PFR supports the implementation of the PM's Responsible Development Plan. About a quarter of initiatives outlined as part of the Strategy are correlated with the objectives of the PFR.

The PFR operates as a loose financial group of state-owned banks and insurers, investment bodies and promotion agencies, including the development bank BGK, Export Credit Insurance Corporation (KUKE), Industrial Development Agency (ARP), Polish Agency for Enterprise Development (PARP), Polish Investment and Trade Agency (PAIH) and Polish Investment and Development (PIR). The budget of PFR group initially reached PLN 14 billion, which managers estimate is sufficient to raise capital worth PLN 90-100 billion. Various actors within the organization can invest through acquisition of shares, through direct financing, seed funding, and co-financing venture capital. Depending on the instruments, PFR expects different rates of return. PFR intends to launch a new fund of funds in 2018 with the aim of financing capital investments valued at PLN 50-100 million (USD 14.7 – 29.4 million).

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 can be found at European Union Regional Policy web-site.

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.

The Cohesion Fund

The Cohesion Fund is another instrument of the EU's 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: See Regional Policy: Cohesion Fund and Connecting Europe Facility.

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 the EU Funding and Tenders website:

Multilateral Development Banks:

U.S. Commercial Service Liaison Offices at the Multilateral Development Banks (European Bank for Reconstruction and Development, World Bank)

The Commercial Service maintains Commercial Liaison Offices in each of the main Multilateral Development Banks, including the European Bank for Reconstruction and Development and the World Bank. These institutions lend billions of dollars in developing countries on projects aimed at accelerating economic growth and social development by reducing poverty and inequality, improving health and education, and advancing infrastructure development. The Commercial Liaison Offices help American businesses learn how to get involved in bank-funded projects, and advocate on behalf of American bidders. Learn more by contacting the Commercial Liaison Offices to the European Bank for Reconstruction and Development (*http://export.gov/ebrd*) and the World Bank (*http://export.gov/worldbank*).

Financing Web Resources

CRA Authorization

BGK

Citi Handlowy

BPH

J.P. Morgan

PKO BP

PEKAO

BZW BK

mBANK

ING

EU Tenders Databases

EIB

The EBRD and Poland

Regional Policy

Market Research

Cohesion Fund

Infrastructure - TEN-T - Connecting Europe:

Public contracts and funding

Commercial Liaison Office to the European Bank for Reconstruction and Development

Commercial Liaison Officer to the World Bank

Business Travel

Business Customs

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

State Department Travel & Business Advisory

Visa Requirements

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

Visa applicants should go to the following links: U.S. Embassy in Warsaw, Consular Section

For persons traveling to the U.S. on business.

Currency

Poland is not a member of the Euro currency system and the legal currency in Poland is the Polish zloty (PLN). In most places, it is impossible to pay with Euro or US dollars, only some hotels and few shopping malls will

accept Euro. Money can be exchanged in banks or exchange offices (kantors) that are widely present in Poland, both in large and small cities. Over the counter exchange is also available at larger hotels, at border crossings or in dedicated outlets across towns and cities. All major foreign currencies may be exchanged for Polish zloty. Since Poland's accession to the EU, the exchange rates have proved fairly stable even if the zloty has appreciated over the years. As a rule of thumb, kantors buy currencies dearer and sell cheaper than banks.

Visitors to Poland may be assured of easy access to banks and cash dispensers, particularly in larger towns. In Poland, ATM's, which operate 24 hours a day, offer far easier access to money than banks. They can normally be found near such places as banks, rail stations, airports, supermarkets, town centers and other places popular with visitors. Poland has a dense network of ATM's, which are connected to all international networks. There are more than twenty-two thousand ATM's located across Poland.

Debit and credit cards are widely accepted, and payment by debit or credit card is considered a standard form of payment. All large retail outlets and majority of other shops and restaurants accept debit and credit cards. The most popular are VISA, MasterCard and Maestro, with American Express and Diners also present and accepted by major ATMs. Travelers checks are not popular in Poland. Only selected units of two Polish banks (PKO BP and Pekao SA) cash travelers checks. They also may be cashed in the Currency Express at the Warsaw Chopin International Airport. Travelers checks are of little use in Poland as only some large hotels may accept them as a means of payment. They are not accepted in other places.

Telecommunications/Electronics

Cellular phone services are GSM/DCS/UMTS/LTE-based systems, with the coverage throughout the country. Internet access is available at all business-class hotels, though some at an extra fee. Free Wi-Fi internet access is usually available at gas stations, shopping centers, restaurants, public transport and other public areas. Visitors can save on 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.

In an 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 the U.S. from Poland: 001 or +1.

The electricity in Poland is 230V and 50 Hz, with the European continental standard sockets (same as Germany and France).

Transportation

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, Newark, Los Angeles and Miami.

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. Travel time by rail to some destinations might take much more time than expected, but recently this mode of transportation has been seeing a lot of investment in terms of infrastructure and rolling stock.

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. Thus, travel from Warsaw to other major cities (Krakow, Poznan, Gdansk) became significantly shorter, safer and more comfortable.

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. Ride hailing services, such as Uber and MyTaxi are also available. Many cities have also introduced car sharing services.

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 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. Room rates may be higher during longer off-season breaks close to public holidays.

Language

Polish is the official language in Poland. Communication in Polish 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

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 "International Travel - Before You Go - Your Health Abroad"

American citizens are welcome to consult a list of medical assistance Selling to compiled by the U.S. Embassy and Consulate General in Poland. The Embassy does not assume responsibility for the professional ability or integrity of persons appearing on that list. The list of health care providers is not meant to be exhaustive or definitive, nor does it represent either a guarantee of competence or endorsement by the Department of State or the American Embassy. Inclusion indicates that these health care providers have been utilized by the American community in the past.

Medical Assistance https://pl.usembassy.gov/u-s-citizen-services/doctors/

Local Time, Business Hours and Holidays

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 governmental offices and 9:00-5:00PM in the private sector.

Locally observed holidays in 2019:

January 1 (Tue):	New Year's Day
January 6 (Sun):	Epiphany
April 21 (Sun):	Easter
April 22 (Mon):	Easter Monday
May 1 (Wed):	Labor Day
May 3 (Fri):	Constitution Day
June 9 (Sun):	Pentecost
June 20 (Thu):	Corpus Christi Day
August 15 (Thu):	Assumption Day

November 1 (Fri): All Saints' Day

November 11 (Mon):National Independence Day

December 25 (Wed):Christmas Day

December 26 (Thur):Christmas Second Day

On March 1, 2018, the act limiting trade on Sunday entered into force. From January 1, 2019, there is only one Sunday in a month - the last - where commerce is allow From January 1, 2020 , all trading will be banned on all Sundays except seven..

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 22-625-4374, fax at +48 22-625-4373, or e-mail at office.warsaw@trade.gov. A current directory of staff and locations worldwide may be accessed on the Commercial Service website.

Temporary Entry of Materials or Personal Belongings

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: Export.gov 3-ATA Carnet.

Travel Related Web Resources

Travel Documents
Travel to the United States

Visas
Tourism & Visit

Medical Emergency Abroad

Insurance Providers for Overseas Coverage

Medical Assistance

U.S. Commercial Service - Warsaw Poland

ATA Carnet