

1. Poland - the country with large number of students

Poles are **one of Europe's youngest societies** (half of the nation is below the age of 35). The country also holds the **second place in Europe in terms of the number of students**. Two million young people who are currently studying make up almost half of the student-age population. Studying is becoming increasingly popular even among youths from smaller towns and rural areas.

Thanks to this, Poles are **one of the best educated societies in Europe**. Polish students are also well acquainted with foreign languages. There are 116 state academies in Poland, including 17 universities, 18 technical academies and 263 private schools of tertiary education. They employ **over 100,000 scientists**, out of which **half hold doctorate degree**. The quality of the Polish scientific and technical achievements is reflected by the fact that the world's largest corporations locate their R&D centers here.

This high quality is also confirmed by the achievement of the Warsaw University, which is **ranked first in the Top Coder international IT ranking**. The University has outperformed the Massachusetts Institute of Technology, Stanford University and California Institute of Technology. **The leader of the Top Coder ranking remains Tomasz Czajka** (winner in 2003 and 2004), a graduate of Mathematics, Computers and Mechanics Faculty at the Warsaw University. TopCoder consists in fact of two rankings - individual and university levels. **Poles are leaders in both!**

High level of education leads to **very tangible achievements**. The first **extra solar planetary system** was discovered by a remarkable Polish astrophysics Aleksander Wolszczan. This is the most significant discovery made by a Polish astronomer since the discoveries of Copernicus who designed the heliocentric model of the Solar System. The **discovery of the blue laser** is also among the most significant achievements of modern Polish science.

Polish scientists are also praised for other significant successes, such as:

- constructing an artificial heart,
- producing Polish insulin,
- designing unique scald bandages,
- designing nano-crystals for the purposes of 3G mobile telephony system.

The **best Polish scientists** are awarded by the **Foundation for Polish Science (FNP)**. It supports both **individual scientists**, as well as **research teams** and **investment initiatives** benefiting science in Poland. The Foundation also undertakes activities aiming at **facilitating technology transfer**. One of the laureates in the field of technical sciences is **Prof. Krzysztof Matyjaszewski** from the Chemical Faculty at the Carnegie Mellon University (USA). He discovered new methods of **radical controlled polymerization**. Polymers constitute a basic ingredient of plastics. The method discovered by Krzysztof Matyjaszewski has huge industrial importance. This was indicated by receiving **25 American and 75 international patents**, as well as **setting up a consortium** with over **30 chemical companies** from Europe, Asia and America, and **selling licences** for industrial manufacturing of polymers in Japan and the United States in 2002. Another laureate is **Prof. Leszek Stoch** who designed **unconventional type of glass for pro-ecological use**. These kind of materials may be used in for e.g. medicine, farming, as well as environmental protection.

Polish scientists also made other breakthrough scientific discoveries. **Prof. Andrzej Udalski** from Astronomical Observatory of the Warsaw University was awarded by the Foundation for **revising the scale of distances in the Universe** and discovering numerous **dark objects**

accompanying stars. In mid-2001 Andrzej Udalski constructed a **technologically advanced camera**, which substantially increased the effectiveness of Polish telescope located in Chile. He was also the instigator of using the Polish telescope for the search of **low weight elements in the Universe**, which is one of the most important pressing hypothesis of contemporary astrophysics. Accuracy of the results achieved with the equipment created by Udalski turned out to be **unmatched by other international achievements of this type**. **Prof. Bohdan Paczyński** employed at the Princeton University came up with a new method of discovering cosmic objects and assessing their weight by applying **micro-lens gravitation method**. In the 70's Paczyński became an internationally recognized specialist with regard to the **theory of stars evolution**. The most important effect of applying this technology is the possibility of discovering both small and large elements in the Universe (stars, planets and black holes). FNP's prize in the field of **mathematical logics** was awarded to **Prof. Ludomir Newelski** whose work is the breakthrough in the **theory of models and algebra**. The theory itself was formulated under strong influence of the most outstanding logician in the world - **Alfred Tarski**.

2. Poland - R&D centre; Poland - „Silicon Valley” of Central and Eastern Europe

Polish IT specialists have gained recognition and praise abroad by winning international competitions. Without difficulty they find employment with **the largest IT companies** in the world. **Poles constitute a large share of managers responsible for R&D activities in the multinational corporations**, such as Microsoft and Nokia.

Research and development - the innovative sector, which is based on science and commercialization of its results is an opportunity for Poland. A good example in this regard are foreign investments in knowledge. **Intel** placed one of its two largest European R&D centres in Gdańsk. Another giant - **Motorola Global Software Group** - chose Krakow, as the location for its first **European Software Centre**. The decision was taken after prior verification of numerous potential locations in the region of Central and Eastern Europe. Poland was chosen above all because of the **availability of highly qualified labor force, the presence of renown universities, as well as the support of authorities** both on the central and regional levels.

Motorola's European Software Centre in Krakow became one of the corporation's best software designing centres. In 2002 it received a certificate for the highest quality of programming - **Level 5**, which is awarded by the Software Engineering Institute in the USA (world authority in terms of quality software).

Delphi (Krakow) and **Siemens** (Wrocław) set up in Poland one of their largest R&D centres in the world. **Other R&D centers were set up in Poland also by:**

- Lucent Technologies (Bydgoszcz),
- Oracle,
- ABB (Kraków),
- General Electric,
- SAS,
- Cederroth.

TRW Poland plans to set up an **Engineering Centre for Automotive Safety Systems** in Częstochowa. The Centre will also carry out measurements and analysis for all plants of TRW in the world.

American Management System is opening a Software Development Centre in Krakow, which will employ 200 people.

Alstom, which operates in the power sector, is taking on about 150 Polish engineers, while its Polish plants are one of the best in the world.

Polish IT companies are successful in conquering foreign markets. For two years **Logotec Engineering Group** has been winning prestigious awards and distinctions in international competitions. In December 2004 Logotec Engineering Group was listed by Microsoft Corporation among **25 most innovative IT companies in the world**. Logotec systems are used in numerous countries of Western Europe: Germany, Switzerland, the Netherlands, Italy and the USA.

ComArch was recognized by the Financial Times, as one of **the most innovative IT companies in the world**. ComArch is present on numerous markets, such as in: Russia, Germany, France, Brazil, Ireland, Finland, Ukraine, Nicaragua, and the United Arab Emirates. The firm delivers management support systems to governmental telecom and IT systems for the IT and Telecommunication Department of the State of Washington in the USA. ComArch has **very strong brand name**, which is well recognized of **foreign markets**. In 2004 **company's revenues increased by 28%**, which was mainly affected by an **85% increase of exports**. Over the next few years, ComArch's management board plans to boost the share of foreign sales in revenues to 50%.

Other examples of innovative Polish companies include **Young Digital Poland** - world leader in the production of interactive programs for learning foreign languages, as well as **Psiloc Mobile Solutions** - expert in designing applications for Nokia telephones.

Software of Rzeszów-based **Softsystem** is used in 300 hospitals and medical laboratories in the United States, Canada, and Brazil. The company is also **the third largest supplier of IT solutions to the medical sector in the USA**. Company's products acquired the most important quality certificates in the sector.

The Polish electronics sector is composed of **small and niche companies**, which are in many cases producing high-tech equipment unique on international scale. European leader in designing and producing technologically advanced telecommunication and television systems is another Polish firm - **Vector**. Roughly 75% of its electronics equipment is exported among others to: the USA, Australia, Pakistan and Vietnam. Its equipment is utilized by many European cable television operators: Essent Kabelcom, Telewest and United Pan-European Communications. Another famous representative of electronics sector, which became a global player, is Zielona Góra-based **ADB**. It designs digital television decoders and is preparing for the upcoming boom in the digital television sector. IT specialists from ADB's R&D centre designed equipment, which in 2003 and 2004 was chosen **product of the year during Mediacast fairs in London**. Its operating system for decoders was recognized as a **standard system for the whole European Union**. Over the last four years, ADB conquered the Thai market, 70% of the Italian market and half of the markets in Australia and Republic of South Africa. It also delivers its products to Israel, Spain and Switzerland.

Contemporary battlefield systems are to a growing extent based on electronics. High-tech appliances and software for military purposes are manufactured by among others, **WB Electronics** - leader on the Polish market. The firm offers niche products, such as:

- internal communication systems for radio and electronics reconnaissance vehicles,
- emulators of processes,
- steering devices,
- military computers,
- programs of automated command over battlefield (Topaz),
- systems of field telecommunications (Fonet).

The company specializes in designing and producing computers, terminals and appliances for data transmission. Recently it delivered telecommunication systems for armed vehicles of the Swedish army. WB Electronics' products are renowned in South Africa, Argentina, Sweden, India and Egypt.

Bioton S.A. is an example of another innovative Polish company. It produces modern pharmaceuticals. Recently in cooperation with the Biotechnology and Antibiotics Institute it designed and commenced production of bio-synthetic human insulin (Gensulin).

3. Poland - aviation sector valley

Poland specializes in production and maintenance of **all-round planes**. The country produces planes for agricultural, training and other purposes.

Companies operating in Poland manufacture:

- small passenger and sport planes,
- helicopters,
- gliders,
- parts and components for the aviation sector.

There are some **55 enterprises** (including subcontractors) operating in this industry, which employ a total of around **16,000 people**.

Rising production of civil planes created new development opportunities for the existing factories. **A significant share of their output is exported, mainly to:**

- the USA,
- Venezuela,
- Italy,
- Greece,
- Canada,
- Spain,
- Germany,
- South Korea,
- Indonesia,
- Vietnam,
- Iraq.

A rapid growth of production in the aviation sector is achieved thanks to cooperation with the **world's largest aviation corporations**. This envisages production of parts and components for planes in Poland, which are later assembled abroad. The country specializes mainly in the production of **elements from aluminum alloys** (riveting, pressure welding, etching). Aviation corporations are interested in making use of the production capacity of Polish plants, which are **very competitive mainly in terms of high quality and low labor costs**.

As a result of good experience in cooperation with Polish companies, **foreign enterprises are currently deciding on further expansion in the Polish aviation sector**.

Following investments are considered by:

- Pratt&Whitney,
- EADS,
- British Aerospace,
- Lockheed Martin,
- Boeing.

Polish aviation industry currently faces two significant opportunities concerning the development of: **designing activities**, as part of engineering design centers, and **maintenance activities**, as part of the so called aircraft maintenance centers.

Pratt&Whitney plans to open one of the world's most modern foundries for production of precision aircraft parts in Rzeszów. The plant will assembly engines for F-16 fighter jets. The company is also an owner of two other plants in Kalisz.

Meanwhile for years now **General Electric** has been taking advantage of the skills of Polish engineers in the Engineering Design Centre, which was created as part of the Aviation Institute in Warsaw. The Polish office, which employs 150 engineers, has received **a license from the government of the United States for execution of military projects**. GE in cooperation with military aviation plant Wojskowe Zakłady Lotnicze Nr. 4 and national carrier PLL LOT have constructed the most modern engine test bed for jet planes engines. A joint venture created by LOT and GE is responsible for maintenance of the engines.

The existence of the Polish **aviation cluster** is worth emphasizing. It consists of Rzeszów Technical University and 21 other companies and institutions, including:

- WSK Rzeszów,
- PZL Świdnik,
- PZL Mielec,
- Pratt&Whitney Kalisz.

There are **13 companies** operating in the area of Bielsko Biała, which were created in 1999 on the basis of Przedsiębiorstwo Doświadczalno-Produkcyjne Szybownictwa SZD-PZL Bielsko. One of the enterprises - **Serwis Samolotów Historycznych** - operating in this "aviation valley" specializes in production of replicas of old aircrafts. The company sells almost 100% of its production to foreign markets - to Canada, Switzerland, and EU states. It has virtually competition in its sector.

4. Poland - center of the automotive sector suppliers

Polish factories are characterized with the **highest quality and efficiency** combined with **very low costs** (it is especially visible on the example of Opel plants in Poland and Germany). Polish plants maintain **the highest quality** standards (ISO certificate).

The inflow of foreign investments to the automotive sector resulted in the dynamic **development of the network of suppliers**. Automotive giants, such as: Toyota, Isuzu, Volkswagen, MAN, Volvo, General Motors (Opel, Fiat) encourage companies cooperating with them to shift production to Poland. In 2003 the **value of car components** sold by the Polish factories amounted to almost **PLN 15 billion** (in 2004 the figure went up substantially), while the **value of cars** manufactured in the domestic plants stood at **PLN 20 billion**. Development of this sector gives a strong stimulus to the emergence of numerous domestic ventures. An excellent example are among others: **Inter-Groclin** and **Solaris Bus&Coach**. In 2004 producer of buses Solaris won the largest European Union tender, as a result of which it will deliver 200 buses produced in Poland to Berlin. **Poland is thus becoming one of the largest European suppliers of buses and coaches.**

As a result of snowball effect following automotive investments (or re-investments) are stimulating the development of more companies and the creation of new jobs. Currently there are **over 400 companies - suppliers of the automotive sector**, with the share of both Polish and foreign capital. Their list includes for instance seven car engines plants. **Engines are slowly becoming "Polish specialty"**.

Poland is also a leader in the production of components such as:

- tires,
- car seats and interiors,
- car electronics,
- electric cables,
- car breaking systems.

The list of the largest foreign companies representing automotive sector operating in Poland includes:

- Powertrain,
- Faurecia,
- Bosch,
- GKN,
- Valeo,
- Delphi,
- TRW,
- Lear,
- Kirchoff,
- Stahlschmidt & Maiworm.

Automotive sector production centers are grouped around four agglomerations: Katowice, Wrocław, Poznań and Warszawa.

5. Poland - the white goods centre

In 2004 the following companies have decided to locate their new production facilities or develop their earlier investments in Poland:

- Whirlpool,
- Indesit Company,
- BSH Bosch und Siemens Hausgeraete GmbH,
- Elektrolux.

Majority of their output **will be exported**. Thanks to these investments **3,000 new work places** were created last year alone.

The investment of BSH also resulted in attracting company's subcontractors, such as:

- Coko Werk GmbH & Co. KG (Germany),
- Wirthwein AG (Germany),
- HIRSCH Porozell GmbH (Austria),
- HSV (The Netherlands),
- Calex doo (Slovenia),
- Prettl (Germany),
- Mecalit GmbH (Germany),
- Drahtzug Stein GmbH & Co. KG (Germany)
- E.G.O. (Germany).

There are over **440 companies** representing the white goods sector in Poland. The largest Polish producer in the industry, **Amica**, sells 40% of its production on 40 different foreign markets. On two of its most significant foreign markets, the company builds its market position using two of its own brands - Premiere (in Germany) and Gram (in Scandinavia). Moreover the company's third brand name, Hensa, is very popular in Central and Eastern Europe. Another Polish producer - **Zelmer** - is the largest domestic manufacturer of home

appliances and a significant international player on the vacuum cleaners market. The company sells half of its production on foreign markets.

6. Poland - the leading yacht producer in the region

Poland is the main producer of yachts up to 7.5 meters in length in Europe. Domestic shipbuilding companies are leaders in terms of sales of its products to Spain, Germany, France, Great Britain, and rank eighth on the Swedish market.

Five most significant manufacturers export almost 100% of their output. Due to this fact the yacht production sector has grown by more than fivefold over the last five years, while the value of its **sales reached almost PLN 500 million.** The companies also managed to double the number of their employees.

A proof of recognition of the high quality of Polish yachts is a report published by a global monthly International Boat Industry and a **nomination of a Polish yacht produced by Polish firm Skipper to the Yacht of Europe 2003 award.**

7. Poland - shared services centre of Europe

Financial and accountancy centres were opened in Poland by the following international corporations:

- Philips (Łódź),
- Accenture (Łódź),
- General Electric (Łódź),
- Cap Gemini Ernst & Young (Kraków),
- IBM (Kraków),
- Lufthansa (Kraków),
- Thomson (Warszawa),
- Citigroup (Olsztyn).

The centres provide services to European branches of these companies. **Over the recent years IBM and Hewlett-Packard also decided to set up data processing centres in Warsaw.**

In **2004** there were **900 offshore outsourced agents** positions and their number is **increasing by 30-35% annually** (according to DataMonitor). The largest outsourced centres are operated by among others:

- Bancom Centrum Telemarketingu,
- Call Center Poland,
- CTM - Centrum Telemarketingowe,
- Polskie Linie Telefoniczne,
- Axel Springer Kontakt,
- ContactPoint,
- CBB - Centrum Bankowości Bezpośredniej,
- PCM,
- TMMG.

According to the forecasts of Andersen Business Consulting the number of call/contact centres might increase to 1,210 by 2006.

Currently investors have the possibility to **locate shared services centres on the territory of Special Economic Zones. It is anticipated that over the next five years thanks to developments in this sector, the economy could see the creation of 200,000 new jobs.** Poland has chances of becoming a leader in the inflow of FDI to the modern services sector, as it is the only country in the region, which is **meeting at the same time all of the requirements with this regard.**

These include:

- low labor costs,
- availability of qualified and thoroughly educated labor force,
- good command of foreign languages,
- developed telecommunication infrastructure,
- the highest rate of economic growth in the region.

Majority of existing services centres are located in large towns, which are at the same time **large academic centres.** In terms of the number of existing centres - the leaders are: **Krakow, Łódź, Wrocław and Warsaw.** However smaller towns, such as **Olsztyn, Bielsko-Biała** are also successful in attracting investments of this kind.

The picture of the domestic logistics and warehousing sector is also changing. About 80% of modern warehouses are located around **Warsaw.** The proportion will however change in favor of other regions thanks to among others financial support from the EU for the construction and modernization of roads and railways. Demand for modern warehouses outside the capital will also be increasing thanks to foreign companies, for which Poland is the launching pad for expansion on the Eastern markets. Already the main competitor of Warsaw is **Piotrków Trybunalski,** which is located on the crossing of the main transport corridors. Important warehousing centres will soon become Łódź, Poznań, Gdańsk, Wrocław, Katowice and other smaller towns of strategic location.

8. Poland - the best agricultural and food products

In 2004 Polish agricultural and food products turned out to be an export hit. Numerous companies from this sector took advantage of the opportunity created by Poland's accession to the European Union. Custom barriers disappeared and the Polish products sold to other EU member states are no longer examined on the borders. There is also no need to be granted separate certificates to sell the products in Poland and in the EU. **This resulted in a very rapid increase in exports of Polish products, such as milk, meat, fruit and vegetables.** Polish products are on average 30% cheaper than those produced in the EU.

Poland is the largest producer of apples in Europe, with majority of the output being exported. Polish processing companies are the largest suppliers of apple concentrate in Europe (in 2003 60% of Polish apples were processed into concentrate). **Polish farmers grow the same amount of the so-called soft fruits (raspberries, currants, strawberries and cherries), as all of the "old" European Union producers jointly.**

Polish dairy products are becoming increasingly competitive on the EU market. Last year, besides the powdered milk, which is a Polish specialty, yogurts and cheese gained on popularity. As of the end of August 2004 Polish firms have exported **53,000 tons of cheese.** In comparison with the previous year, the **figure increased by 72%.**

Following EU accession, **demand for meat rapidly increased.** **Beef and poultry** are among the most popular products in this category.

Price, quality, punctuality of deliveries are the advantages of many Polish companies thanks to which they supply their goods to European hypermarkets on a mass scale. A company specializing in processing vegetables - **Rolnik** - sold its marinates worth PLN 5 million on foreign markets in 2003. It exported them to the Czech Republic, Germany, Slovakia, Latvia, as well as to the United States. Łowicz-based **Urbanek** is a family company which specializes in processing vegetables and fruits. Its products are praised for their high quality in numerous European countries (Estonia, Greece, Netherlands, Slovakia, Sweden, Great Britain), as well as in Russia, Mongolia, Korea, Australia and the USA.

Roleski is one of the leading producers of mustards, mayonnaise, sauces and ketchup, which holds a **28% stake in the domestic market**. Products of the company may be purchased in markets, such as:

- the Czech Republic,
- Germany,
- Sweden,
- Russia,
- USA,
- Australia.

Roleski supplies **NATO army in Europe**, delivers products to the **Italian catering market** and cooperates with **clients from the United Kingdom**. Roleski also won the tender for delivering ketchup to **all Carrefour stores in Europe**. Due to its achievements, the company was awarded with the prize - Export Leader in the category of **"The best debut in 2003"**.

Juice and confectionery producers, strongly marking their presence in Poland, have managed to conquer foreign markets. **Maspex Wadowice** is one of the largest companies from the food sector in Poland. The company delivers its products to customers in the whole of Europe, USA, Canada and Arab countries. Export activities encompass almost whole of the company's production range, but the most significant of them are instant drinks: cappuccino coffee and La Festa chocolate, Ekoland tea, Puchatek cocoa drink, and Kubu juice. In numerous countries, for example in Bulgaria, the Czech Republic, Slovakia, Romania, Slovenia, Macedonia, Estonia, Russia and in Lithuania, Maspex products are leaders in their categories. Kubu juice is now present in 60% of German stores, under a similar brand name of Kubus. Maspex was preparing 18 months for the expansion on the foreign market. In December 2004 Maspex announced the acquisition of a part of Czech's Walmark and the second largest juice producer on the Hungarian market Olympos. Thanks to these investments the company managed to cut distribution and marketing costs and became a strong regional corporation. The enterprise controls 40% of the domestic market, 20% of the Czech and Slovak markets and 10% of Hungarian market.

Hoop is delivering products to the German market. For this purpose the firm commenced cooperation with German distributor, which is allowing Hoop to rapidly enter the market and to avoid the mistakes and costs related to entering new markets. In December 2003, Hoop purchased 50% stake in the Russian Megapack company. Hoop is manufacturing non-alcoholic beverages and mineral water, under the brands such as Hoop, Arctic and Hooch. In 2004 the drinks under the brand of Hoop recorded five times higher sales, while mineral water Arctic increased sales by 40%. Hoop also signed a contract with one of the leading soft drinks producers in the United Kingdom - The Qibla Cola Company Ltd. The contract envisages cooperation with regard to preparing and bottling products of The Qibla Cola Company Ltd. by Hoop.

Confectionery is also one of the Polish export hits. A good example with this regard is **Odra** company, which has been operating for 60 years and exports sweets to: Russia, Hungary,

Germany, the Netherlands, Canada and the USA. Wedel, Wawel, Solidarność, Jutrzenka are other widely known Polish brands present on foreign markets.

After the EU accession **Polish breweries also commenced exporting offensive**. Foreign sales in 2004 were record high and stood at 400,000 hectoliters. Polish beer is beginning to sell very well abroad not only among Polish emigrants - Polonia. One can buy **Okocim** and **Żywiec** in Chicago (present on the American market for 40 years), **Carlsberg** brewed in Brzesko in London. **Brok** is sold in Hungarian supermarkets, while Żywiec exported roughly 115,000 hectoliters of beer, mainly to the USA, Canada and Great Britain. Okocim is selling its beer to among others Great Britain, Slovakia and Hungary.

9. Poland - health tourism destination

Poland is ranked seventh in Europe in terms of the number of spas. Majority of them are located on the territories offering **unique** (on the European scale) **health services**. The most important spas are located in:

- Nałęczów,
- Krynica Zdrój,
- Augustów,
- Kołobrzeg,
- Ciechocinek,
- Rabka,
- Duszniki Zdrój,
- Wieliczka.

They have at their disposal **brine twig towers, thermal baths, mineral water drinking outlets, and cryo-therapy chambers**. Regions, in which spas are located, are attractive in terms of tourism and they offer the possibility of spending free time and enjoying the advantages of eco-tourism at the seaside, in the mountains and lakes districts.

Since recently Polish tourism offer is enriched with **beauty farms and SPA institutes**, which offer high quality of services. **There is a dozen of such places in Poland and all of them offer European standard of services.**

Polish cosmetics are also conquering foreign markets. Products of Cosmetics **Laboratory Dr Irena Eris** are present on the American market (where they are used by roughly 1,000 cosmetics centers) and EU markets.

Łódź-based **Kolastyna** is selling its sun-bathing balsams in Spain, while **Oceanica** is selling body care products in Germany. International companies, such as **AVON**, also decide to locate their facilities in Poland.

Dentists and cosmetic surgery clinics are also becoming attractive for foreign tourists. Since the accession Polish ambulatories and clinics started to sign contracts with sick funds in all countries of the European Union. Medical centers are cooperating with hotels, resorts, yacht ports, golf courses and a few travel companies, which is allowing to merge curing with resting. It is expected that medical tourism will gain on significance.

Polish spas and medical centers are visited by Germans. Scandinavians prefer Podlasie region, while Germans and English are more often coming to Poland for weekend trips.

In 2004 Poland was visited by **20% tourists more** than a year earlier. The most recent statistics confirm that Poland is becoming fashionable again. Over the 10 months of 2004

Poland was visited by almost **52 million people**. Tourists are most willingly visiting Kraków, as well as Wrocław and seaside Tricity.

10. Poland - financial centre of the CEE

Economic revival after Poland's accession to the EU positively influenced the trust of foreign investors to the **domestic stock market**. Investments of foreign equity funds positively affected **indices of the WSE** and thus they **reached their highest levels ever**.

In 2004 **capitalization** of the WSE amounted to **PLN 214.3 billion**, which is **the highest value ever and PLN 74 billion more** than in 2003. For the purpose of comparison in 2004 capitalization of bourses in Prague and Budapest reached PLN 85 billion each, while stock exchange in Vienna was valued at PLN 262 billion.

Warsaw becomes the capital centre of the Central and Eastern Europe. Growing turnover of the WSE is the result of among others IPO of large state owned companies (the largest retail bank in Poland PKO BP, education books publisher WSiP). According to experts 2005 will bring about an **increasing number of debuts on the floor, growing turnover and capitalization** by as much as a few dozen billion złoty.

11. Industrial output - construction sector

Polish construction companies may **boast with substantial export achievements**, mainly to the **Eastern markets**. One of the largest producers of skylights - **Fakro** - sells **70% of its output on foreign markets**. Competitive advantage of the company stems from **high quality of its products**, which was appreciated by clients from all continents. Fakro's skylights are purchased in among others:

- Germany,
- Morocco,
- Greece,
- Turkey,
- Ireland,
- United Kingdom.

Porta KMI produces doors and casings, which are exported mainly to the **south of Europe**. Due to this fact the company constructed a plant in Romania. In 2004 value of **foreign sales** of Porta KMI **increased by 60%** in comparison to 2003. Except for Fakro and Porta KMI, other sector leaders with regard to exports are:

- Poltarex,
- Pfeleiderer,
- Kronospan,
- Polskone,
- Kronopol,
- Sklejka Orzechowo.

The **largest domestic producer** of chemical products for the construction sector is **Atlas**, which is mainly active on the **Russian market**. It owns a factory near Moscow, thanks to which company's **turnover increased by 20%**. Another plant in Russia will be constructed by Atlas' competitor - **Kreisel**.

Polish steel products, steel constructions, plastic products, sanitary equipment and ceramic tiles are also very much appreciated on foreign markets. Ceramic tiles of **Grupa Paradyż** are sold in 22 countries, mainly on Eastern markets. In 2004 the share of exports in company's output increased from 18% to 35%. Other companies successfully conquering Eastern markets include **Centrostal, Selena, Opoczno, Cersanit**.