



BUSINESS NEWS FROM POLAND

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Let's meet in Poland

Poland - a country between the Oder and the Bug River – situated in the central part of the European Lowland and occupying its all width from the Baltic Sea to the ranges of the Sudety and the Tatra Mountains – constitutes a natural land bridge between Western and Eastern Europe – first of all in geological context, but also in geographic, geopolitical, historical and cultural sense.

Poland is not only a very rich and diversified country as regards its landscape. It prides itself on a long, sandy, at times cliff seashore. Spacious lake districts, along with the Land of Great Mazurian Lakes. Picturesquely undulating or flat, but lushly afforested lowlands; and naturally the mountains – from the low Karkonosze, fabulously sculpted to the Tatras of alpine character. In the twenty-four national parks



we shall come across extraordinary natural attractions.

Poland's statehood is over one thousand years old, which can be easily traced within the borders of the country: medieval castles and modern fortresses, old city districts and magnate palaces. Moreover, foreign influence can also be found within the Polish borders: that of the formerly existing

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Poland in figures in 2005:

- Population - 38.2 mln
- Total FDI - 91 bln USD
- Area - 312 000 sq. km
- Exports - 89.3 bln USD
- GDP growth - 3.2 %
- Imports - 100.9 bln USD
- GDP per capita - 11,900 USD (acc. to ppp)
- Industrial production growth - 9.6 %
- Inflation rate - 2.1 %
- Exchange rate
1 USD = 3.16 PLN
- FDI inflow - 10 bln USD



Polish Economy in the first half of 2006



Ministry of Economy

 WarsawIndependent.info

In the first half of 2006, GDP growth in Poland increased by 5.2%. The sold production of industry went up by 12.3%.

The growth in construction sector reached 9.2%. In domestic trade the increase by 10.2% of retail sales was recorded. The highest increase was recorded in April and May.

Labour market performance was still improved. The unemployment rate lowered and accounted for 16%.

The inflation rate was 0.9% only. The wages increased by 2.1%. In real terms both salaries in enterprise sector and retirements from non-

agriculture security system increased. Simultaneously, the increase in the purchasing power was recorded.

The foreign trade performance was characterized by higher acceleration of exports than imports.

The national currency appreciated both against USD and Euro, comparing to the similar period of 2005.

The budget execution in the period of January-June 2006 pose that execution of budget deficit was higher than a year before. It was caused by a lower execution of incomes and expenditures.

Expenditure for foreign debt services were ones which higher than in the corresponding period of the previous year.

The Monetary Policy Council lowered the interest rate twice, by 0.25 pp. each month. In consecutive months, the Council maintained the interest rates at the stable level.

In the 1st half of 2006 both broad and narrow (i.e. cash in circulation) monetary aggregates increased comparing to the similar period of 2005.

The inflow of foreign direct investments was higher by 38% than in the same period of 2005.

Tourism Sector in Poland - A Report by the Institute of Tourism (August 2006)

During the first half of 2006 there were: 20.4 million departures abroad (by 13% more than in the first half of 2005), 29.4 million arrivals (by 2.5% more), of which, as we estimate, about 7 million tourist arrivals (by 4% more).

Analysis and forecasts should consider varied patterns for specific groups of countries. Altogether the number of tourist inbound trips we estimate to grow from 14.3 million in 2004 to 16.8 million in 2007 year. We assume significant changes in structure of tourist flows: in terms of generating countries as well as in purposes of visits. More leisure and business trips and rather flat level of transit, shopping-oriented and VFR trips we do expect. Important growth can be seen in use of commercial accommodation. Consequently, receipts from international arrivals are expected to rise.

In 2005 year there were 64.6 million arrivals (by 4.3% more than in 2004). Considerably growth in arrivals from Germany results mainly from same-day visitors. It is worth also an attention some 12.6% growth in visits from other, non-adjacent, countries of 15 EU. Inbound from main overseas (USA, Australia, Japan, Rep. of Korea, Canada) went up substantially: by 27.6%. In 2005 we estimate about 15.2 million tourist arrivals (by 6.4% more).

Generally, there are five main motivations for traveling: holidays, leisure, business, visiting friends and relatives. Besides, Polish inbound tourism has some special characteristics: relatively large amount of shopping and transit tourism. The size of these segments is generated mainly by tourists from behind

eastern border even though numbers of shoppers from Belarus, Ukraine and Russia is steadily diminishing. However, the transit traffic through Poland is still very important.

In 2005 total receipts from international visits amounted to USD 6.2 billion of which 3.4 billion came from tourists and the rest – from same-day visitors. The average expenditures of tourists in 2005 amounted to some USD 156 per capita. Daily expenditure per capita averaged at USD 34. One-day trippers have spent USD 58 per capita.

In 2005 the number of departures grew to 40.8 million (by 9.7% more than in 2004). The volume of tourist trips stayed at similar level as in 2004: approximately 6.3 mill.

Rest, holidays, country tours, i.e. typical tourist purposes have been recently the basic incentives for Polish foreign departures. In 2004, however, its share dropped to 38% and went up again in 2005 to 47%.

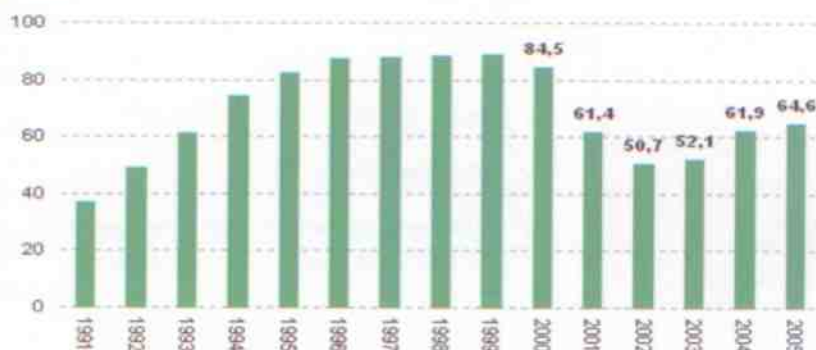
Stays with families and friends also were more frequent than in 2004, and the share of business trips and incentives decreased significantly (from 33% to 19%).

In 2005 Polish residents took 14.7 million domestic holiday trips (4 nights of longer), and 21.2 million – short breaks.

The number of hotels is growing year by year (in 2005 – the number of four and five-star hotels went up by 8%).

Data for 2005 year confirm the continuation of growth in use of tourist accommodation. Number of residents in accommodation grew (as compared to 2004) by 4%, up to 12.287 thous., of which in hotels – by 9.9%, up to 5.250 thous, number of foreigners amounted to 4.310 thous., (growth by 9.5%), of which in hotels – 3443 thous. (+9.9%). Occupancy rates went up as well: for bed-places from 33.8% to 35.0% and for hotel rooms from 39.8% to 43.1%.

Arrivals (mill)



Arrivals to Poland 1991 - 2005

Polish participation in SABAH EXPO INTERNATIONAL 2006 - a report

TRADE and INVESTMENT PROMOTION SECTION of the **EMBASSY OF THE REPUBLIC OF POLAND** participated in **SABAH EXPO** for the third time.

On our booth we distributed information materials promoting Poland, Polish economy, industry, services and products as well as investments and tourism opportunities in Poland.

The Polish presence in SIE EXPO 2006 was strongly supported by **HE Eugeniusz Sawicki, Ambassador of the Republic of Poland to Malaysia**.

We had the great pleasure to welcome on Polish booth among others the **Right Honorable Datuk Musa Haji Aman - Chief Minister of Sabah**, **Datuk Dr Ewon Ebin - Minister of Industrial Development**, **Datuk Wong Khen Thau - President of Federation of Sabah Manufacturers (FSM)**, **Mr. Ng Lai Su - Vice President of FSM**, **Datuk Andrew Lo Yun Bin - Organizing Chairmen**, **Datuk Mohd. Lan Allani - Chairman of Sabah Economic Development Corporation**, **Hajjah Raziah Mahmud-Geneid - Honorary Consul of the Republic of Poland in Sarawak and Sabah** and **Mr. Thierry Rommel - Ambassador of EU to Malaysia**.



Stand of the Trade and Investment Promotion Section of the Embassy of Poland

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Let's meet in Poland



land of the Teutonic Order and the traces of the Russian, Austrian, Prussian and later German reigns over particular parts of the country.

Polish culture has been connected with the western world since the Middle Ages. Affluent modern artistic life wins huge interest across the world in the spheres of music, film, literature and



fine arts. It is a country of kind and hospitable people who enjoy and respect their customs, for instance that of Christmas and Easter grand celebration and in some village regions local folklore is carefully fostered, but Polish people are simultaneously perceptive to newness and difference.

Poland is a state with the well developed tourist base, a rich offer of services, as well as old experiences in receiving and serving guests from all over the world.

We invite you to make use of our offer!

