THEMATIC NETWORK PROJECT IN THE AREA OF LANGUAGES III
(TNP3)
SOCRATES-ERASMUS PROGRAMME
(2003-2006)

Sub-project Two

Languages for enhanced opportunities on the European labour market

DRAFT NATIONAL REPORT – POLAND version I

1. Introduction

The aim of this report is to present an overview of the present economic situation in Poland regarding changes in the labour market with special reference to language-related needs and demands.

1.1 A brief overview of the national labour market

Poland's economic development has been remarkable since the start of transition at the beginning of 1990. Its economic development is a measure of the radical advances and increasingly resembles that of the old EU members. Services now account for more than 50% of gross net product and industry for only 24%, the building industry nearly 7% and agriculture , some 3%. Over 60% of net values has been added in the private sector which employs close on 70% of the labour force.

After Poland's economy has expanded rapidly since the mid-nineties, recording annual growth of up to 7% over several years, it underwent a distinct downturn towards the end of the decade. At 1.2% real GDP growth in Poland in 2002 only slightly exceeded the figure for the previous year, the lowest in ten years. After stagnation for the most part of the first half of 2002, a light recovery began in the second half, which gained momentum in 2003. Polish gross domestic product rose in 2003 by 3.7%, putting its economy back on a growth path after two years of stagnation. The forecasts for 2004 predict economic growth of as much as 4-5%. The 1.7% rate of inflation in 2003 was well below 5% for the third year in a row – indisputable proof of Poland's successful anti-inflation policy in the nineties.

The out look in public finances are not as rosy. The budget deficit in 2003 made up 5% of GDP, as it had already done in 2002. National debt is slowly nearing the constitutional ceiling of 60% of GDP. In response, the government is now seeking to halt the rise in public expenditure through far-reaching budget reforms.

Besides budgetary reform, Poland's biggest economic problem is unemployment, which has remained at 18% for the last two years. As of 2004, farmers working less than 1 hectare automatically count as unemployed. As a result of this statistical effect, unemployment currently amounts to about 20%. This poses a particular problem for the Polish government because the continuous rise in productivity due to rationalization – particularly in industry – will put more people out of work.

Besides food production and power supply, mining and iron and steel are still major industries, followed by mechanical engineering, electrical and electronic engineering, vehicle

manufacture and textile and clothing. Polish agriculture still has a disparate structure with a very large percentage of small farming enterprises (80% with less than 10ha), deficient rural infrastructure and almost no employment alternatives.
With its market of over 38 million consumers, its strategic geographic location in Central Eastern Europe and its favourable business climate, Poland has attracted foreign investors since mid-nineties. As of EU accession on 1 May 2004, EU law applies for investors in Poland.

Polish foreign trade has recorded robust growth in recent years, on the import and export side. The focus has shifted increasingly to the EU countries (70% of exports, and 61% of imports) with Germany playing a key role for Poland. Polish exports have been developing particularly well for some time, with exports revenue in 2003 rising by 23%, for example. This development tallies with Poland's declining balance of payments deficit on current account since 1999. The on-going growth so far in foreign trade has been underpinned on the one hand by the exchange rate of the zloty, which has already been free floating since 2000. Since its high point in April 2002, it has receded again by over 30% the against euro. On the other hand, export growth also attests to successful economic transition in Poland. Supported by numerous foreign direct investments, many Polish products are competitive in terms of quality, not just price.

Poland is a functioning market economy, with an increasingly thriving private sector and appropriate legal and institutional environment for economic activity.
The private sector accounts for 61% of Polish GDP and for 71% of employment.

In accordance with the results of the Survey of the Economic Activity of the Population (BAEL), in the 3rd quarter of 2003, the economically active population (i.e. working people plus the unemployed, persons above the age of 15) comprised 17,044 thousand persons. Compared with the 4th quarter of 2002, a drop by 53 thousand persons or 0.9# was noted. During the same period, the number of working people (13,744 thou.) increased by 02% and the unemployment figure dropped by 2.2.%
In the 3rd quarter of 2003 , the rate of employment calculated as a share of working people in the total working-age population (18-64 years for men and 18-59 for women) was 56.3 and increased by 0.2 percentage point as compared with the 4th quarter of 2002.
The economic activity ratio was 55.1% and went up by 01.percentage point as compared with the 4th quarter of 2002 and by 04percentage point as compared with the 2nd quarter of 2003.
The rate of unemployment was 18% and remained the same as at the end of 2003.
Main characteristics of the Polish unemployment are seasonality, differentiation between the regions resulting from uneven socio-economic development of the regions.
The economic transformations noted over the recent years concern mainly the residents of towns and cities where enterprises are predominately located. Registered unemployment is dominated by women who constitute 51.5% of the total unemployment figure. About 26% of the registered unemployed are people aged 18 –24. The number of unemployed persons with the graduate status was 157.9 thousand or 5.0% of the total registered figure.
People with the highest qualifications are in the most favourable situation on the labour market. At the end of December 2003 the number of unemployed with higher education was 140.2 thousand persons (4.4%) with registered women being much better educated than men.
The duration of unemployment is increasing which is evidenced by high increase of unemployment among people remaining out of work for more than 12 months. A younger age and better education reduce the risk of remaining unemployed for more than 12 months

Those dire labour market conditions were due to the following factors:

- slow GDP growth
- accelerated restructuring
- influx of baby boomers into the labour market;
- significant drop in manufacturing, services and sales caused by external factors and excessive fiscalism;
- rigid labour laws;
- expiry of "social packages";
- structural unemployment.

The Polish government has prepared a programme aiming to return the Polish economy to the path of rapid growth. In particular the Minister of Finance presented a Public Finances reform programme, in which a strategic goal: creation of conditions for sustainable growth of the Polish economy, was formulated. At the beginning of 2003 the Minister of Economy, Labour and Social Policy presented the new Action Plan featuring four priorities (1) combating social exclusion and poverty, (2) employment promotion, (3) preparation of EU structural funds, and (4) Economic growth. The Action Plan is a part of a larger programme "Entrepreneurship-Development-Work".
As a result of these programmes the Polish economy should start to recover from the slowdown of recent years which, in turn, should contribute to an increase in labour demand and reduction in current unemployment levels.

Upon Poland's accession to the EU on 1 May 2004 the labour market situation remained difficult and unemployment is still high. This may have contributed to the fears in the old EU 15 of a post-enlargement influx of cheap labour and people seeking social security benefits, and to the decision by most governments to apply transitional periods before fully opening their labour markets to citizens of new Members States. However studies conducted in Poland suggest that these fears are exaggerated. According to National Universal Census of Population and Dwellings data the number of Polish economic migrants living abroad for longer than one year is estimated at over half a million. The number of Polish citizens legally employed in the old EU is between 350,000 and 450,000 , and two-thirds of them work in Germany.

Public opinion polls indicate that a mass exodus in search of work is unlikely: in a Public Opinion Research Centre poll published in March 2003 more than half of respondents stated that they had no intention to leave Poland for work reasons, whereas only 20% envisaged such possibility and 14% would go if they received an explicit work offer. These results support sociological research findings pointing to low mobility in Polish society.
After May 1, 2004, practically only Ireland, UK and Sweden opened their labour market for Polish citizens, which had implications for the interest in foreign languages (English only attitude). Most of the labour migrants have left for Ireland, UK, Sweden, Italy and Germany
In the next 10 –12 years it is expected[1] that
Min. 23.000 max. 123.000 Poles will go to Austria (7%)
Min. 14.000 max 106.000 will go to Belgium (5.5%)
Min. 16.000 max 85.000 will go to Denmark (5%)
Min. 6.000 max 90.000 will go Finland (4%)
Min. 43.000 max 134.000 will go to France (10%)
Min. 0 max 12.000 will go to Greece (0.5%)
Min. 0 max 45.000 will go to Spain (1.5%)

[1] Estimated by the Ministry of Economy, Labour and Social Policy

Min.15.000 max 104.000 will go to the Netherlands (5.5.%)
Min. 0 max 44.000 will go to Ireland (1.5%)
Min. 4.000 max 34.000 will go to Luxembourg (1.5%)
Min. 195.000 max. 410.000 will go to Germany (39.5%)
Min. 12.000 max 102.000 will go to Sweden (5%)
Min. 25.000 max.91.000 will go to Great Britain (6.5%)
Min. 27.000 max 93.000 will go to Italy (6.5%)

Although Polish political scene shows all too often the pendulum effect, practically no government or parliament managed to survive until the end of their nominal term of office, and continuous swings from the right to the left have been observed since 1989, Polish economy is manifesting a sound dynamics of growth: Polish zloty (PLN) is as strong as never before (below 3 PLN for 1 USD, ca 4 PLN for 1 EURO), foreign investments (especially American) are growing, a demand for Polish bonds and stocks is increasing, economic growth has reached a steady 5%. Other economic indices are also very promising with an exception of one : high and very slowly decreasing, practically unnoticeably, unemployment rate.

	2000	**2001**	**2002**
Total	16	18,5	19,7
Tertiary education	4,8	6,4	7,5
Post-secondary education	12,4	13,8	16,2
Vocational education	13,8	16,5	17,6
Men	14,2	17,3	19
Women	18,1	20	20,6
Urban areas	16,9	19,6	21,3
Rural areas	14,3	16,7	18,7
Unemployed person aged 20-24	32,4	40	42,5
Unemployed person aged 25-29	16,9	20,1	22,6
Unemployed person aged 30-34	15,3	15,6	17,1
Unemployed person aged 45-54	11,4	13,3	15,3

Presently the unemployed graduates of higher education institutions constitute over 7.5% of the group. Different surveys conducted among Polish employers show that qualifications acquired during the course of studies do not meet the needs of the labour market. It has been often emphasized that universities do not respond to the voiced needs of the labour market, curricula being out-dated and inflexible, leading eventually to growing unemployment, frustration and alienation among young people, as CBOS surveys reveal. A few years ago they believed that their professional success derived from their abilities and activity. Presently they think that connections are much more important than their professional profile, abilities and intelligence.

2. New linguistic demands in the private and public sectors resulting from European integration and globalisation: languages and skills / competences

Ironically English only

It is quite obvious that European integration and globalisation processes have brought about the increased need to communicate effectively in foreign languages. Specialists needed in

different sectors of the country's economy, public or private, small, medium, or large, are required to manifest foreign language skills.
Unfortunately what is overtly demanded as "good foreign language skills or knowledge" very often translates into "good command of English".
Most large, international companies operating in Poland have chosen English to be their company language which is quite normal for American and British firms, but quite strange for French and German ones.
This, as well as labour markets of Ireland, Great Britain and Sweden open for Poles as of 1st of May 2004, the accession day, makes English practically the only language believed to be worth mastering in order to enhance opportunities on the labour market.

REFLECT – a project co-funded by the European Commission, aiming at promotion of economic and mobility value of acquiring linguistic competences, designed to specifically support European objectives of improving competitiveness in European companies by reviewing and measuring language and cultural needs, competences and deficiencies in the UK, Ireland, Portugal and Poland, has established the extent of awareness of the foreign language needs of business in each country and to identify gaps in knowledge and support for companies.

Not much research has been conducted in the area of languages in business and there is some concern whether the Polish government has really identified the needs.
The language background in Poland is one of domination by Russian until 1989. With increased globalisation and accentuation of English as the worldwide language of business, the language has increased rapidly in importance.

A small sample survey conducted as a part of the review under the project emphasized the problems with language competences and highlighted the need for SMEs to address language difficulties. The survey selected 10 translation/interpretation companies throughout Poland and identified what percentage of their work was generated through SMEs and the languages most commonly used. Up to 60% of the work was generated by the SME sector with the most popular languages being English, German, Italian, French.

Languages are much taught throughout the educational system, but perhaps not too intensively: in primary schools there are 2-3 hours of language tuition for 3 years, in gymnasium 3 hours for 3 years, and in secondary schools 5 hours for two years. Tertiary schools provide ca 240 hours of language tuition throughout the course of the study.
According to OBOP survey (Centre for Public Opinion Surveys) 25% of Poles declare some command of English, 26% of German, 6% of the respondents declare command of French, 2% of Italian, and 1% of Spanish.

However a year 2000 survey undertaken by Taylor Nelson Sofres for OBOP showed that among the general population only 23% claimed to be learning or planning to learn a foreign language and 77% did not intend to start learning languages.

However according to work done by the Polish National Observatory 53% of the 18-24 age group are interested in courses leading to professional upgrading and 70% of managers are ready to upgrade their qualifications. Other work (under Bialecki) has shown an interest in further education linked to jobs and careers.

REFLECT results have shown that Polish companies benefit from a high level of employees who can competently communicate in at least one other foreign language. The two most

popular and widely used business languages by Polish companies are English and German, followed by Russian, Italian, Spanish. The demand for English language is considerably higher than German, even if Germany is the main trading market for Polish exports, accounting for one third of the country's total exports.
The results have suggested that Polish companies may use English language to communicate with other European countries thus providing an even playing field for both parties.
Language barriers were encountered by 34% of the companies, and only 34% of these had said that these barriers have resulted in lost business. Results suggest that these companies may not be aware of how much business is actually lost through such barriers.

The survey of language preferences of the Polish employers carried out on the basis of 435 employment offers[2] placed in a leading national daily "Gazeta Wyborcza" on 24th May 2004 showed that language skills in at least one language were required in 200 of the advertisements. In 136 job offers some kind of required language proficiency was mentioned (23% advanced, 18% intermediate,18% proficient, 7% pre-intermediate, 1% elementary), whereas in the remaining 64 no preferred proficiency level was specified.
English is definitely the most preferred language (80%), German being the second preferred language (8%), whereas French and Spanish were requested in very few instances (2% and 1% respectively). English or another language is indicated in 7% of job offers, and English and another language in 2% of the offers.
Language competences are most required in the following sectors: marketing and sale, finance and banking, pharmaceutical production, education, IT, legal services, telecommunications.

The study of "The expectations of employers towards the graduates" carried out by Institute of Sociology of Lodz University on the basis of 4000 job advertisements placed in Polish national dailies and interviews carried out in 18 companies listed on "The Employer of the Year" ranking, showed that graduates have insufficient foreign language skills, foreign language skills are among most preferred qualifications and that 69% of employers mention proficiency in at least one foreign language as the condition sine qua non for employment.
A survey of legal services employers carried out by ELSA also shows insufficient language preparation of prospective employees, graduates of law.

A survey carried out by Careers Office of Academy of Mining and Metallurgy among 148 employers potentially interested in employing graduates of the Academy showed that proficiency in English as a necessary requirement was indicated by 60% of respondents.

3. In regard to non-language graduates, what formal or informal linguistic and intercultural qualifications – languages / skills and competences – are sought after on the national labour market?

In the telephone interview carried out by Grzeszczuk[3] with selected companies representing the following sectors of economy: finances and banking, industry and construction, transport, telecommunications, education, public and government administration, commerce, services[4] eighty percent of employers have defined their language requirements. Most of them were looking for employees with good and advanced language skills, mostly in English. No

[2] Małgorzata Grzeszczuk on the basis of 400 employment offers in „Gazeta Wyborcza", a serious national newspaper, on 24th May 2004
[3] op.cit
[4] a list of consulted stakeholders attached thereto

language certificates were demanded in majority of cases. Language competencies were to be checked during the interviews. If language certificates were demanded then those should come from prestigious language schools or recognised certification centres.
All the interviewed employers organised language enhancement courses for their staff or commissioned organization of such courses outside their institutions. The companies cover tuition fees.

REFLECT project results show that among the reviewed SMEs telephone communication is perceived as the most important situation for language skills, accounting for just over 50% of first rankings.
Generally, telephone is the first point of contact for most companies and an area where a vast amount of business can be lost by the inability to deal with the calls effectively. Meetings are ranked for further 20% of situations and correspondence nearly 13%, language skills for negotiations account for only 8.7%, whereas socialising scored 1.4%, presentations 1.0%, exhibitions 0.7%, travelling 0.7%.

The project results show that only 3% of companies have employed a native speaker as part of their language strategy. A reason for such a low percentage is the comparative salaries of other European countries which the companies trade with.

Further the results show that 57% of companies have a formal language strategy in order to deal with customer's abroad. Responding in customers own language (23.7%) was the highest ranked solution followed closely by company sales literature in customer's language (20.3%). Companies also use foreign language competence as a criterion for staff selection (16.8%), which reflects the high number of employees with language skills. The use of external translators/interpreters (16.6%) are two further methods which companies employ.

4. In regard to language graduates (bachelor and master) outside language-related industries and professions, what formal or informal linguistic and intercultural qualifications – languages / skills and competences - are known to enhance career prospects?

No research has been done so far in this area and practically no information is available. What can be deduced from the careers of language graduates is the following:
On the turn of the 80s and 90s a high demand for employees with proficiency in English and other languages caused that language graduates (especially English studies graduates) could easily find employment virtually in any sector of the economy at all sorts of important, managerial, positions – language competences being the most important qualifications, others to be acquired on the job.
It is obvious though that a good, comprehensive, university background has not been insignificant: philology curricula comprising such subjects as foundations of economy, philosophy, sociology, pedagogy etc. Beside language competences, a language graduate's profile included intercultural competences, ability to analyse and synthetise, communication and public speaking skills etc.
Presently it is not enough to be a language specialist to find a job. Language competences are demanded as additional ones to the professional skills and experience acquired on placement or stages or voluntary occupations.

5. Validation of learning, assessment, certification – what does the labour market recognise and value?

In Polish universities languages are an obligatory part of curricula. No diploma can be awarded without an exam in a foreign language. The level of required exit language proficiency is varied: usually it is described as intermediate to advanced. In some universities CEFR scales of proficiency are used. The required minimum level is B2 in at least one language.

The Polish Rectors' Conference also recommended B2 as the minimum level of proficiency.

The number of ECTS credits awarded on completion of a language course and upon the exam also varies – from 4 to 10 credits.

Diploma Supplement (obligatory as of 1 January 2005) will also list language courses and language examinations resulting from the individual student's curriculum.

The practice of taking examinations in Language and Culture Centres and Institutes is very popular in Poland. The certificates issued by the British Council (Cambridge exams), Goethe Institute, Cervantes Institute, Italian Institute, French Institute are commonly recognised by employers and very often sought after by students and graduates although they are very expensive.

Some universities have developed their own language certificates, eg. Warsaw University issues a Language Diploma Supplement certifying language proficiency of the graduates in more than 20 languages (incl. LWUaTL).

Student intending to continue their education abroad, incl. of Socrates-Erasmus programme must prove their language skills by producing one of the recognized certificates issued by language and culture institutes or centres operating in Poland or by taking an exam administered in the home institution usually at the minimum B2 level.

6. Communication and co-operation between higher education institutions / public authorities and the world of work (private and public employers, the social partners etc) – aims and structures

To be filled

7. Institutional, regional and national career services

To be filled

8. Process recommendations: measures to be taken to bring about improved consultation and co-operation between higher education and the world of work

In order to improve understanding of needs and goals standing committees should be set up, on local, regional, and national level, consisting of representatives of the world of Academia, employers, graduates, ministerial agents, working on the language needs of the labour market and way of satisfying them by means of modernisation of curricula.

Other than English languages should be promoted.

Surveys must be carried out in order to find out the real needs and the results communicated to all interested parties in an on-going way.

Students should be clearly communicated what language skills they are expected to master in order to enhance their chances on the labour market.
Employers should be furnished with adequate knowledge and skills to be able to communicate their needs in a legible way.
Universities should develop their language policies and take account of languages in their strategic planning.
Adequate funding should be ensured.

9. Process recommendations: measures to be taken to survey higher education graduates and to provide careers advice in regard to linguistic and intercultural requirements

Career offices and labour offices should be aware of the role languages play in enhancing opportunities on the labour market. A dialogue between them and universities in this respect is needed.
Information thereon should be available continuously.
Language Portfolio should be promoted.
Universities should maintain links with their graduates and track their careers and ask feedback on the qualifications and skills acquired and their applicability.

10. Initial overarching recommendations regarding learning outcomes and academic profiles

A list of learning outcomes compatible with the labour market needs should be compiled against the CEFR grid together with appropriate assessment tools.

Language Portfolio should be promoted more vigorously together with implementation methodology.

Methods and mechanisms for up-dating curricula should be elaborated and set-up.

11. Initial recommendations regarding validation of learning, assessment and certification of linguistic and intercultural skills and competences

Course syllabi and assessment of outcomes should be closely related to CEFR and certification systems should be adopted nationally or Europe-wide.
Diploma supplements should record outcomes, i.e. actual competences acquired by graduates.

12. Needs for future projects, studies and research

A sincere survey of the language programmes and their outcomes against the real needs of the labour market (national and European) should be conducted.

Projects should be undertaken jointly by universities and social partners (employers)

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Annexes
C Statistical data
B Examples of good practice
C Links and useful addresses

Table 1. Population of Poland

(as of 31 XII)

in thous. persons

Specification	1995	1996	1997	1998	1999	2000	2001	2002 a)
Total population	**38609**	**38639**	**38660**	**38667**	**38654**	**38644**	**38632**	**38230**
urban areas	23876	23903	23925	23923	23894	23876	23847	23610
rural areas	14733	14736	14735	14744	14760	14768	14783	14620
of which: females	19823	19842	19859	19869	19870	19871	19871	19714
Working age population	**22647**	**22820**	**23014**	**23226**	**23424**	**23655**	**23920**	**23626**

a) as of 20 V

Note*:* Data for the years 1995-2001 are estimated on the basis of the National Census 1988, in 2002 – on the basis of the National Population and Housing Census 2002 and current reports on vital statistics and migration of population.

Source: Statistical Yearbook of the Republic of Poland 1998, CSO , p. 90-91
Statistical Yearbook of the Republic of Poland 1999, CSO, p. 96-98
Statistical Yearbook of the Republic of Poland 2000, CSO, p. 95-98
Statistical Yearbook of the Republic of Poland 2002, CSO, p. 101-103
Small Statistical Yearbook of the Republic of Poland 2003, CSO, p. 113-114, 123
Report on the National Population and Housing Census 2002 results, CSO, p. 17

Table 3. Gross Domestic Product in selected NACE sections

(current prices)

in zł mln

Specification	1995	1996	1997	1998	1999	2000	2001	2002
Total, of which:	**308 103.7**	**387 826.6**	**472 350.4**	**553 560.1**	**615 115.3**	**713 391**	**750 786**	**772 248**
Gross value added, of which:	268 289.1	336 853.5	412 870.4	485 177.0	535 829.0	623 910	657 844	674 501
Agriculture, hunting and forestry,	**18 428.3**	**21 497.4**	**22 611.2**	**22 930.9**	**21 083.5**	**22 057**	**24 459**	**20 929**
Industry:	**84 961.6**	**101 283.1**	**121 025.2**	**133 962.9**	**145 211.4**	**160 086**	**158 205**	**160 552**
Mining and quarrying	11 100.5	12 759.3	14 631.1	13 897.0	14 117.8	16 068	15 912	15 938
Manufacturing	63 322.2	75 787.8	92 321.3	104 339.5	112 938.6	124 411	118 005	117 663
Electricity, gas and water supply	10 538.9	12 736.0	14 072.8	15 726.4	18 155.0	19 607	24 288	26 951
Construction	**19 505.6**	**25 048.7**	**32 769.2**	**41 988.8**	**47 142.7**	**51 292**	**47 442**	**44 062**
Services, of which:	**145 262.2**	**188 875.9**	**236 325.0**	**286 128.1**	**322 162.4**	**390 274**	**427 535**	**448 745**
Market services	123 373.4	141 969.5	201 446.3	246 342.6	250 288.6	294 500	320 433	339 549
Trade and repair	53 575.9	70 477.3	86 766.9	100 339.1	110 605.5	126 545	135 237	140 904
Transport, storage and communication	17 588.9	21 812.3	26 679.3	30 948.9	36 259.1	42 982	48 102	52 998

Note: Since 2002 there have been changes implemented in the annual accounts regarding among others the change on the way of recording transactions on general government sector accounts (in memorial terms instead of cash ones) and assessing fixed assets value according to market prices.

Source: Statistical Yearbook of the Republic of Poland 2000, CSO, p. 531-532, p. 546; 2002, p. 554
Small Statistical Yearbook of the Republic of Poland 2003, CSO, p. 454
Statistical Bulletin, CSO, Nr 6/2003, p. 36

Table 30. Cumulative Foreign Direct Investments in Poland

in USD mln

Years	Investments above USD 1 mln	Investments below USD 1 mln	Total investments
1991	324.0	144.0	468.0
1992	1408.0	248.0	1656.0
1993	2830.0	510.0	3340.0
1994	4320.8	762.2	5083.0
1995	6831.0	1205.0	8036.0
1996	12027.7	2000.0	14027.7
1997	17705.4	2882.3	20587.7
1998	27279.6	3371.6	30651.2
1999	35171.0	3741.6	38912.6
2000	45772.0	3620.5	49392.5
2001	53152.2	3681.3	56833.5
2002	**61447.4**	**3667.2**	**65114.6**

Source: Polish Information and Foreign Investment Agency

Table 31. Foreign Direct Investments in Poland by country of origin
(as of 31 XII 2002)

in USD mln

Country of origin		Capital invested		Investment plans	Number of investors
		value	share (in %)		
Total FDI in Poland		**65114.6**	**x**	**x**	**x**
Estimates of investments below USD 1 mln		3667.2	x	x	x
Investments above USD 1 mln		**61447.4**	**100.0**	**12866.4**	**979**
1.	France	12172.1	19.8	2261.2	93
2.	USA	8736.1	14.2	2522.5	128
3.	Germany	7841.0	12.8	1672.3	231
4.	the Netherlands	5846.1	9.5	728.3	91
5.	Great Britain	4051.8	6.6	515.8	45
6.	Italy	3696.2	6.0	1085.5	62
7.	Sweden	2788.8	4.5	334.6	57
8.	International organizations	2424.7	3.9	697.0	17
9.	Denmark	1839.2	3.0	303.0	43
10.	Belgium	1645.3	2.7	205.8	23
11.	Republic of Korea	1465.3	2.4	1.2	4
12.	Russia	1323.2	2.2	300.0	3
13.	Ireland	1059.7	1.7	31.2	2
14.	Cyprus	998.9	1.6	184.0	3
15.	Switzerland	925.0	1.5	334.9	24
16.	Austria	795.3	1.3	81.8	39
17.	Spain	592.2	1.0	38.5	13
18.	Portugal	560.2	0.9	66.6	4
19.	Greece	558.0	0.9	4.0	4
20.	Finland	405.6	0.7	102.8	16
21.	Japan	351.8	0.6	365.5	11
22.	Canada	314.0	0.5	284.4	14
23.	Norway	304.3	0.5	73.9	13

Country of origin		Capital invested		Investment plans	Number of investors
		value	share (in %)		
24.	Croatia	173.0	0.3	16.0	2
25.	Luxembourg	143.3	0.2	23.3	10
26.	Turkey	100.1	0.2	58.0	4
27.	Other	336.2	0.5	574.3	23

Source: Polish Information and Foreign Investment Agency

Table 32. Major individual foreign investors (by cumulative value of investments)

(as of the end of 2002)

in USD mln

No	Investor	Capital invested	Country of origin	Industrial branch
1.	France Telecom	3199.4	France	Communication
2.	FIAT	1749.3	Italy	Motorization
3.	Daewoo	1452.3	South Korea	Motorization; production of electrical devices, insurance
4.	HVB Group	1336.0	Germany	Banking, insurance
5.	Citigroup	1300.0	USA	Banking
6.	RAO Gazprom	1283.8	Russia	Construction
7.	Vivendi Universal	1243.4	France	Communication
8.	United Pan-Europe Communications	1200.0	Spain	Media, entertainment
9.	UniCredito Italiano	1200.0	Italy	Banking
10.	European Bank of Reconstruction and Development	1194.6	International organizations	Banking, capital investments
11.	KBC Bank N.V.	1146.0	Belgium	Banking, insurance
12.	METRO AG	1125.0	Germany	Trade
TOTAL		**17429.8**	**x**	**x**

Source: Polish Information and Foreign Investment Agency

Table 33. FDI inflow by NBP statistics and its relation to GDP and total investment outlays

in USD mln

Specification	1994	1995	1996	1997	1998	1999	2000	2001	2002
FDI inflow	1875	3659	4498	4908	6365	7270	9341	5713	**4119**[1]/
FDI to GDP in %	2.0	2.9	3.1	3.4	4.0	4.7	5.9	3.1	**2.2**
FDI to total investments in %	12.5	15.5	15.1	14.5	16.0	18.4	23.8	14.9	**11.4**

[1]/ FDI inflow recorded on the basis of payments, in other years on the basis of transactions

Source: Foreign Investments in Poland, Foreign Trade Research Institute /IKiCHZ/, Warsaw 2003, p. 27

Table 57. Employed persons in the national economy a) by selected NACE sections

(as of 31 XII)

in thous. persons

Specification	1995	1996	1997b)	1998b)	1999b)	2000	2001	2002
Total	**15129.1**	**15487.4**	**15940.8**	**15921.1**	**15691.7**	**15159.2**	**14670.6**	**14381.5**
Industry	**4193.5**	**4358.7**	**4365.2**	**4343.7**	**4322.4**	**4304.6**	**4289.7**	**4277.6**
Mining and quarrying	**3728.8**	**3757.3**	**3761.3**	**3650.0**	**3426.6**	**3134.4**	**2963.6**	**2855.5**
Manufacturing	357.1	339.1	325.9	297.0	256.7	223.2	216.5	208.9
Electricity, gas and water supply	3102.5	3158.8	3177.0	3100.3	2923.0	2674.7	2501.5	2409.2
Construction	239.2	259.4	258.4	252.7	246.9	236.5	245.6	237.4
Trade and repairs	**827.4**	**868.7**	**947.5**	**938.6**	**915.0**	**814.6**	**737.1**	**659.5**
Transport, storage and communication	**1903.1**	**1900.3**	**2060.6**	**2106.4**	**2093.9**	**2074.6**	**1969.2**	**1931.5**
Total	**838.1**	**832.3**	**864.7**	**858.9**	**838.2**	**779.3**	**689.8**	**689.8**

a) excluding budgetary entities conducting activity within the scope of national defence and public safety

b) as of 30 IX

c) for private farms estimated data

Source: Statistical Yearbook of the Republic of Poland, CSO: 1998, p.124-125; 1999, p.131-132; 2000, p. 132-133; 2001, p.136-137; 2002, p.138-139 Small Statistical Yearbook of the Republic of Poland 2003, CSO, p.. 144

Table 59. Average paid employment in enterprises' sector in selected NACE sections

in thous. persons

Specification a – previous year = 100	1995	1996	1997	1998	1999	2000	2001	2002
Total	**9360.0**	**9479.8**	**9751.5**	**9863.8**	**9637.1**	**9354.1**	**9050.2**	**8915.7**
a	102.8	101.3	102.9	101.2	97.7	97.1	96.8	98.5
Industry	**3461.1**	**3436.0**	**3433.4**	**3378.7**	**3138.4**	**2955.0**	**2820.6**	**2735.9**
a	103.0	99.3	99.9	98.4	92.9	94.2	95.5	97.0
Mining and quarrying	374.4	356.4	335.2	311.6	271.4	239.7	221.4	211.1
a	95.4	95.2	94.1	93.0	87.1	88.3	92.4	95.3
Manufacturing	2809.2	2802.6	2820.9	2800.7	2611.4	2467.1	2358.6	2285.4
a	104.3	99.8	99.8	99.2	93.2	94.5	95.6	96.9
Electricity, gas and water supply	277.5	277.0	277.3	266.4	255.6	248.2	240.6	239.4
a	100.5	99.9	100.1	96.1	95.9	97.1	96.9	99.5
Construction	**689.2**	**684.2**	**723.5**	**736.9**	**710.4**	**661.9**	**627.8**	**575.2**
a	101.5	99.3	105.7	101.9	96.4	93.2	94.8	91.6
Trade and repairs	**1078.6**	**1119.7**	**1244.8**	**1321.1**	**1318.4**	**1325.0**	**1295.6**	**1344.4**
a	108.3	103.8	111.2	106.1	99.8	100.0	97.8	103.8
Transport, storage and communication	**723.4**	**721.9**	**730.7**	**725.2**	**686.3**	**654.9**	**630.4**	**601.6**
a	99.3	99.8	101.2	99.2	94.6	95.4	96.3	95.4

Source: Statistical Yearbook of the Republic of Poland, 1998, CSO, p. 128-129
Statistical Yearbook of the Republic of Poland, 1999, CSO, p. 135-136
Statistical Yearbook of the Republic of Poland, 2000, CSO, p. 136-137
Statistical Yearbook of the Republic of Poland, 2001, CSO, p. 140-141
Statistical Yearbook of the Republic of Poland, 2002, CSO, p. 142-143
Small Statistical Yearbook of the Republic of Poland 2003, CSO, p. 146-147

Table 60. Number of unemployed persons and registered unemployment rate

(as of the end of the year)

Specification	1995	1996	1997	1998	1999	2000	2001	2002
Registered unemployed persons								
in thous. persons	**2628.8**	**2359.5**	**1826.4**	**1831.4**	**2349.8**	**2702.6**	**3115.1**	**3217.0**
previous year = 100	92.6	89.8	77.4	100.3	128.3	115.0	115.3	103.3
of which females (in thous. persons)	1448.6	1375.6	1103.2	1071.3	1307.3	1491.6	1642.1	1645.8
Unemployment rate (in %)	14.9	13.2	10.3	10.4	13.1	15.1	17.5	18.1

Source: Statistical Yearbook of the Republic of Poland, 1998, CSO, p. 136
Statistical Yearbook of the Republic of Poland, 1999, CSO, p. 142
Statistical Yearbook of the Republic of Poland, 2000, CSO, p. 143
Statistical Yearbook of the Republic of Poland, 2001, CSO, p. 148
Statistical Yearbook of the Republic of Poland, 2002, CSO, p. 150
Small Statistical Yearbook of the Republic of Poland 2003, CSO, p. 156

Table 63. Unemployment rate for the population aged 15 and more (LFS)

(IV quarter)

Specification a – of which women	1998 [1)]	1999	2000	2001	2002
Unemployed persons	1827	2641	2760	3186	3375
a	964	1434	1429	1574	1609
Unemployment rate (%) [2)]	**10.6**	**15.3**	**16.0**	**18.5**	**19.7**
of which at working age [3)]	10.9	15.6	16.3	19.0	20.2

by age groups:	15-24	23.3	32.5	34.1	41.1	43.6
	25-34	10.6	15.6	16.2	18.0	20.0
	35-44	9.1	12.2	13.2	16.0	15.8
	45-54	7.5	10.8	11.4	13.3	15.3
	55 and more	5.3	9.2	8.4	7.1	8.1
by sex	men	9.3	13.0	14.2	17.3	19.0
	women	12.2	18.1	18.1	20.0	20.6

1) November
2) men: 18-64 years, women: 18-59 years
3) calculated as the relation of unemployed persons to economically active population and to a given group

Source: Statistical Yearbook of the Republic of Poland, CSO: 1998, p. 119, 138; 1999, p. 126, 142; 2000, p. 127, 145; 2001, p. 131, 150; 2002, p. 133, 152
Small Statistical Yearbook of the Republic of Poland, CSO, 2003, p. 140, 160

Table 84. Selected socio-economic indicators in the first half of 2003.

No	Specification	Unit of measure	Performance in 2002 by GUS	I-VI 2003 / I-VI 2002	Budgetary Law for 2003
0.	*1.*	*2.*	*3.*	*4.*	*5.*
1.	GDP – *constant prices*	%	101.4	***I-III*** ***102.2***	103.5
2.	Sold production of industry *(constant prices)*	%	101.5[1/]	**106.7** [1/]	103.6
3.	Construction and assembly production *(constant prices)*	%	89.5[1/]	**86.0**[1/]	100.6
4.	Exports (by NBP)	USD mln %	32998 109.0	**19239** **129.5**	33720 °
5.	Imports (by NBP)	USD mln %	43292 103.2	**23899** **121..2**	45340 °
6.	Balance	USD mln	-10294	**-4660**	-11620

[1/] concerns entities employing more than 9 persons

No	Specification	Unit of measure	Performance in 2002 by GUS	I-VI 2003 I-VI 2002	Budgetary Law for 2003
0.	*1.*	*2.*	*3.*	*4.*	*5.*
7.	Average employment in the national economy, of which:	thous.persons %	7542 96.4	***I-III*** ***7347*** ***96.8***	• 100.8
	- in enterprise sector, of which:	thous.persons %	4912 95.6	**4726** **95.9**	• 100.4
	- Industry	thous.persons %	2481 94.4	**2403** **96.8**	• •
8.	Average monthly gross wages and salaries in the national economy, of which:	zł %	2133.21 104.3	***I-III*** ***2228.68*** ***103.4***	2195.0 103.5
	- in enterprise sector, of which:	zł %	2277.43 103.4	**2271.30** **102.1**	2362.0 •
	- Industry	zł %	2284.93 103.4	**2277.54** **102.4**	• •
9.	Number of registered unemployed persons (as of the end of month)	thous.persons %	3217.0 103.3	**3134.6** **101.4**	3.2-3.3 mln •
10.	Unemployment rate	%	18.1	**17.8**	17.7-18.3
11.	Price indices of sold production of industry - *on December of the previous year*	%	101.0 •	**102.6** **101.1**	102.0[2/] •
12.	Price indices of construction and assembly production - *on December of the previous year*	%	101.2 •	**99.2** **99.3**	• •
13.	Price indices of consumer goods and services - *on the previous month* - *on December of the previous year*	%	101.9 • •	**100.5** ***101.0*** ***100.7***	102.3[2/]
14.	Total gross turnover profitability rate - Industry	%	0.8[3/] 1.2[3/]	***I-III*** ***2.6*** ***4.2***	• •
15.	Total net turnover profitability rate - Industry	%	-0.2[3/] 0.2[3/]	***I-III*** ***1.3*** ***2.5***	• •

[2/] year-on-year
[3/] concerns entities employing more than 49 persons
[3/] concerns entities employing more than 49 persons

No	Specification	Unit of measure	Performance in 2002 by GUS	I-VI 2003 / I-VI 2002	Budgetary Law for 2003
0.	*1.*	*2.*	*3.*	*4.*	*5.*
16.	Average US dollar exchange rate (NBP)	PLN/100 USD	407.95	**386.73**	•
17.	Average EUR exchange rate (NBP)	PLN/100EURO	385,.7	**426.87**	•
18.	State budget performance	bn zł	-39.41	**-23.8**	-38.73
	(the share in the planned annual amount))	%	98.5	**61.5**	•
				I-III	
19.	Average monthly gross wages and salaries in the budgetary sector in nominal terms	zł	2149.53	***2601.11***	•
		%	102.4	***104.4***	•

A list of consulted stakeholders

Full legal name of institution in national language:	Świat Książki		
Full legal name of institution in English:			
Type of institution:	Publishing house		
Name of department / unit in national language:	Dział Kadr		
Name of department / unit in English:	HR		
Address:			
Street:	Rosoła		
Postal Code:	02-786	Town:	Warszawa
Country:	Polska		
Homepage:	www.bertelsmannmedia.pl		
Contact person:	☐ male	☒ female	
Last name:	Pipka		
First name:	Izabela		
Function:	HR manager		

Telephone:	645-81-05
Fax:	
E-mail:	

Consulted stakeholders

Full legal name of institution in national language**:**	ING Securities SA		
Full legal name of institution in English:	ING Securities S.A.		
Type of institution:	brokerage		
Name of department / unit in national language:			
Name of department / unit in English:			
Address:			
Street:	Pl. Trzech Krzyży 10/14		
Postal Code:	00-499	Town:	Warszawa
Country:	Polska		
Homepage:	www.ing.pl		
Contact person:	☐ male	☒ female	
Last name:	Mazanek		

First name:	Beata
Function:	
Telephone:	820 50 18
Fax:	
E-mail:	

Consulted stakeholders

Full legal name of institution in national language:	Orbis SA. Oddział Hotel Europejski.
Full legal name of institution in English:	Orbis S.A. Oddział Hotel Europejski
Type of institution:	hotel

Name of department / unit in national language:	
Name of department / unit in English:	
Address:	
Street:	Krakowskie Przedmieście 13
Postal Code:	00-071 Town: Warszawa
Country:	Polska
Homepage:	www.orbis.pl
Contact person:	☐ male ☒ female
Last name:	
First name:	
Function:	
Telephone:	
Fax:	
E-mail:	

Consulted stakeholders

Full legal name of institution in national language:	ComputerLand S.A.
Full legal name of institution in English:	ComputerLand
Type of institution:	IT
Name of department / unit in national language:	
Name of department / unit in English:	
Address:	
Street:	Al. Jerozolimskie 180
Postal Code:	02-486 Town: Warszawa
Country:	Polska
Homepage:	www.computerland.pl
Contact person:	☐ male ☒ female

Last name:	
First name:	
Function:	
Telephone:	571 10 00
Fax:	
E-mail:	

Consulted stakeholders

Full legal name of institution in national language:	Skanska S.A.		
Full legal name of institution in English:	Skanska		
Type of institution:	Constrution and services		
Name of department / unit in national language:	Dział Kadr		
Name of department / unit in English:	HR		
Address:			
Street:	Gen. Zajączka 9		
Postal Code:	01-518	Town:	Warszawa
Country:	Polska		
Homepage:	www.skanska.pl		
Contact person:	☐ male	☒ female	
Last name:			

First name:	
Function:	
Telephone:	336 30 00
Fax:	
E-mail:	

Consulted stakeholders

Full legal name of institution in national language:	IKEA
Full legal name of institution in English:	IKEA

Type of institution:	commerce
Name of department / unit in national language:	Dział Kadr
Name of department / unit in English:	HR

Address:

Street:	Pl. Szwedzki 3		
Postal Code:	05-090	Town:	Janki k.Warszawy
Country:	Polska		
Homepage:	www.ikea.com		

Contact person: ☐ male ☒ female

Last name:	
First name:	
Function:	
Telephone:	
Fax:	
E-mail:	

Consulted stakeholders

Full legal name of institution in national language:	Daimler Chrysler Leasing sp. z o. o.		
Full legal name of institution in English:	Daimler Chrysler Services Leasing		
Type of institution:	Leasing and Financing		
Name of department / unit in national language:			
Name of department / unit in English:			
Address:			
Street:	Gotllieba Daimlera 1		
Postal Code:	02-460	Town:	Warszawa
Country:	Polska		

Homepage:	www.dcfs.pl
Contact person:	☐ male ☒ female
Last name:	
First name:	
Function:	
Telephone:	312 78 00
Fax:	
E-mail:	

Consulted stakeholders

Full legal name of institution in national language:	Roche

Full legal name of institution in English:	Roche
Type of institution:	pharmaceutical
Name of department / unit in national language:	Dział Kadr
Name of department / unit in English:	HR
Address:	
Street:	Al.Jerozolimskie 146B
Postal Code:	Town: Warszawa
Country:	Polska
Homepage:	www.roche.pl
Contact person:	☐ male ☒ female
Last name:	
First name:	
Function:	
Telephone:	608-18-88
Fax:	
E-mail:	

Consulted stakeholders

Full legal name of institution in national language:	Ministerstwo Gospodarki, Pracy i Polityki Społecznej
Full legal name of institution in English:	Ministry of Economy, Labour and Social Policy
Type of institution:	government
Name of department / unit in national language:	Biuro Prasowe
Name of department / unit in English:	Press Office
Address:	
Street:	Plac Trzech Krzyży 3/5
Postal Code:	00-507 Town: Warszawa
Country:	Polska
Homepage:	www.mgpips.gov.pl
Contact person:	☐ male ☒ female
Last name:	Polgar

First name:	Anna
Function:	Kordynator programu 1 praca
Telephone:	693-56-09
Fax:	
E-mail:	

Consulted stakeholders

Full legal name of institution in national language:	Loréal		
Full legal name of institution in English:	Loréal		
Type of institution:	FMCG		
Name of department / unit in national language:	Dział Personalny		
Name of department / unit in English:	HR		
Address:			
Street:	Daniszewska		
Postal Code:	00-828	Town:	Warszawa
Country:	Polska		
Homepage:	www.loreal.com		
Contact person:	☐ male	☒ female	
Last name:	Jabłońska		

First name:	Dorota
Function:	Specjalista ds. personalnych
Telephone:	67-60-132
Fax:	
E-mail:	