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***Lower Taxes, Bigger Revenues***

The Treasury received nearly six billion zlotys more as compared with a year ago from the income tax on enterprises (CIT), VAT and excise duties. Even the Ministry of Finance did not expect such an influx of money. Apart from the economic recovery, no less important was the lowering of tax rate from 27 to 19 percent. "The taxpayers simply ceased to declare higher costs to pay a lower tax," said Robert Gwiazdowski, tax adviser, expert A. Smith Centre. Marcin Sasin, World Bank economist said the higher revenues mean the loss by companies of the possibilities of deducting losses from the tax. The VAT and excise duty revenues were high in May totalling more than 42 billion zlotys that is more than 40 percent of the sum planned for the whole year. This is the highest index of the execution of indirect taxes in recent years. The data also came as a surprise because a new VAT and excise duty law came into force in May introducing less profitable for the budget principles of settling accounts. The higher than the planned tax revenues caused that after five months of 2004 budget deficit amounted to only 15.3 billion zlotys in view of the 45.3 billion planned for the whole year.

***Export Investments of Polish Companies***

The growing export encourages more Polish companies to invest in developing sales abroad. The identification of an alien market, establishment of an office, the construction of a distribution network, employee training, product advertising – all this costs tens of millions of zlotys, often millions of dollars. However, Polish entrepreneurs winning success abroad are of the opinion that there is no sense to begrudge the money for such investments. Most money is spent on advertising, distribution, customer predilections, and participation in foreign fairs and tenders. It took Maspeks Company a year and a half to launch the Kubus juice on the German market but now Kubus is available in 60 percent of German shops. Thanks to its bold strategy, the Barlinek Company turning out floorboards captured 20 percent of the extremely difficult Swedish market. "At the beginning they watched our products reservedly. They asked, why boards for from Poland, as the Swedish are the best. They saw, however, that the quality of our product is no worse than theirs but it is cheaper," said Barlinek's export director Robert Kowalski. The company earmarked 500,000 zlotys for employee training in 2003 alone. Last year's export revenues totalled one million euro and they will be still higher this year.

***Bison Bial: Best Exporter***

On June 15, during the International Poznań Fair, the president of Bison Bial Company from Białystok received the title of the Best Exporter. The National Economic Chamber grants the titles and prizes are founded by the minister of economy and labour. This year's winner specialises in the production of lathe chucks. The company employs a staff of 1,000. Indukta SA Company from Bielsko-Biała received the second title and an honourable mention went to the Kraków-based Fittings Factory.

***Polish Railway Cars in Iraq***

The Wagony Świdnica Company will make and sell 240 container platform cars. The American Greenbrier Concern, which owns the Polish factory, has won the contract for rolling stock supplies. Wagony Świdnica is one of the biggest producers of railway cars in Europe.

### ***Scandinavian Superchamber***

In effect of the merger of the Finnish Chamber of Commerce, the Norwegian Business Forum, the Swedish Business Club and the Danish-Polish Economic Chamber operating on the Polish market, the Scandinavian-Polish Economic Chamber was established. It will represent the Scandinavian investors in Poland. This is the first merger of Scandinavian economic chambers in Europe. Henrik Jelert has been nominated president of the organisation. The chamber affiliates 200 members.

### ***PeopleSoft Appreciates Poland***

PeopleSoft, the world's second largest producer of IT solutions for enterprises has launched its activity in Poland. The company, which among other things, supplied software for the Polish Telecom in telephone customer servicing known as TP blue line, is planning to launch its products on the Polish market in the Polish version. PeopleSoft also wants to increase the number of their new partners in this country to 100 within six months. The company will open its bureau in Warsaw along with the Software Application Centre, which will offer the implementation of PeopleSoft's software in Europe. The company will employ 20 persons by the end of 2004.

### ***Development of Low-Cost Airlines***

Wizz Air and SkyEurope, two lines aspiring to the role of a leader among low-cost airlines in East-Central Europe, are planning to open new bases on Polish territory. SkyEurope wants to launch connections from Kraków and Wizz – from Gdańsk. In addition, Air Polonia declares its wish to become the biggest low-cost airline on the Polish market.

### ***Development of the Polish Gastronomic Market***

In 2005, the Polish gastronomic market may be worth four billion euro, which means that Polish people will spend the sum in bars and restaurants. The branch is living through a period of dynamic development. Peter Backman, managing director of the British Horizons FS Limited consulting firm, believes that this market will grow seven-fold in the coming years. The most optimistic forecasts predict that people in Poland will start spending money in restaurants as willingly as the Americans do. There are 88,000 bars and restaurants in Poland. As many as fifty percent of revenues on that market come from bars, fast foods and restaurants. Modern gastronomy is also developing in trade centres. Soon investments will be made on the entertainment and mass performances. Catering is developing dynamically. The number of beds for patients requiring three meals a day is estimated at 300,000, which cost about 0.65 billion zlotys a year. Despite that, the number of tenders for catering for patients is growing at the annual rate of 20-30 percent and there is an increasing number of companies interested in services for hospitals, more than 70 percent of the market is yet to be taken by the catering companies.

### ***Outsourcing and Investment opportunities in Poland***

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