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Poland as a new player on the global LNG market – chances for development in the context of the construction of LNG terminal in Świnoujście by the Ministry of Treasury

The construction of LNG terminal (LNG – liquefied natural gas) in the Polish coastal town of Świnoujście by Polskie LNG, a company owned by the state-owned gas pipelines operator Gaz-System, is one of the key investments in the Polish energy sector in the coming years.

The terminal, to be launched in 2014, will be the first project of this kind not only in Poland, but also in the entire region of Central and Eastern Europe. Analysts expect that the launching of the terminal will significantly reshape the Polish gas sector and initiate Poland's presence on the global LNG market.

The terminal is to allow for diversification of gas supply sources, and thus improve the energy security of Poland and the entire region. Initially, the LNG terminal is to allow for re-gasification of 5 bcm of LNG per year, but depending on the level of demand its capacity may be

later hiked to 7.5 bcm per year, i.e. roughly 50% of the yearly gas consumption in Poland, Polskie LNG said in a press statement.

The construction financing of about PLN 2,4 bln comes from three sources: firstly, Polskie LNG's own cash pile coming from capitalizations from its parent company Gaz-System (there have already been three such capitalization and the next one is planned in autumn), secondly, from loans – 600 million from the European Investment Bank and 300 million PLN for Gaz-System from the European Bank for Reconstruction and Development, and thirdly, from European funds (PLN 456 mln in the framework of the operational program Infrastructure and Environment and EUR 55 mln in the framework of the Recovery Plan).

Currently, there are 67 LNG terminals worldwide, the largest group (24) in Japan – according to the information on Polskie LNG's website.

The global LNG market is expected to continue its fast growth: the volume of international LNG trade is to amount to 880 bcm per year in 2030, which is an increase of nearly 200% between 2010 and 2030, according to the analyses quoted by Robert Zajdler of Zajdler Energy Lawyers in his report presented on September 5, 2012, during the 22nd Economic Forum in Krynica.



“The Polish gas price could be influenced by ... securing new sources of [gas] supplies and the realization of projects that will enable trans-border trade, such as the construction on trans-border interconnectors to the Czech Republic and Germany, and – first of all – the construction the LNG terminal in Świnoujście.”

LNG terminal in Świnoujście stands chances of becoming the gas hub for the CEE region

“The Polish [gas] hub stands chances of becoming a trading center for the region, yet it will require meeting a number of conditions, i.e. a considerable development of infrastructure that would enable natural gas supplies (two-way connections, transit networks, LNG terminal, gas storage facilities), adequate legal regulations and a diversification of gas supplies sources (gas pipelines, LNG terminal, internal sources),” Zajdler believes.

The situation as regards the gas storage facilities in Poland is slowly improving, Polskie LNG’s CEO Rafał Wardziński told news service Energianews.pl in an interview. “[Polish gas monopolist] PGNiG invests much in depots, which should translate into much higher [gas] storage facilities in a few years, compared to the present level,” Wardziński said.

Assuming that the Świnoujście terminal will make full use of its capacities and re-gasify 5 bcm of imported LNG per year, the gas supplies to Poland contracted in the country’s deal with the Russian Gazprom will amount to some 10 bcm per year (until 2022) and the domestic gas output will amount to 4.3 bcm per year and the domestic consumption – 15.4 bcm per year, Poland will see an oversupply of gas at the level of 5 bcm per year – and this oversupply could be exported, Zajdler argues. Obviously, in that case Poland will have to face international competition, i.e. primarily the Austrian CEGH and German hubs, the author of the report notes.

Future challenges: securing LNG suppliers to Poland, freeing gas prices

International competition and the problem of insufficient gas storage infrastructure are not the only challenges on Poland’s way to making full use of the Świnoujście LNG terminal’s potential.

Other problematic matters include the specific list of companies to use the LNG terminal as well as the future method of determining gas prices in Poland.

The only company to have confirmed its will to use the terminal so far is PGNiG, which intends to import 1.5 bcm of LNG from Qatar per year.

Polski LNG’s CEO Rafał Wardziński says, however, that it is still too early for such declarations. “... we are conducting talks on gas imports to Poland with all the potential clients, including chemical, petrochemical and fertilizers companies. If they decide to import it via the Świnoujście terminal, we are ready to launch another procedure of making our re-gasification capacities available to the market,” Wardziński said in an interview for Energianews.pl.

Polskie LNG also considers announcing the procedure of open season, meant to sound the interest in the LNG terminal on the part of potential clients, but most likely no sooner than at the turn of 2013 and 2014, the company CEO told PAP.

“It should be the right moment for the procedure, I believe. We will be closer to the moment when the terminal is launched, which means that by the time we will have verified the validity of introducing new functionalities of the terminal. Secondly, the obstacle for the LNG market development, i.e. the insufficient gas storage capacities in Poland, will start to be overcome,” Wardziński said.

Another task to be dealt with in the context of developing the Polish LNG market is freeing gas prices by means of, among other things, creating a gas commodity exchange.

Polish Power Exchange wants to launch gas exchange in December 2012. Creating a gas commodity exchange is a step towards market liberalization, but it is too early to talk about its full deregulation, the Polish Institute of International Affairs (PISM) analyst Lidia Puka told PAP, adding that the solutions agreed on so-far will maintain the strong position of PGNiG.

Many factors have to coincide to have Poland’s gas price shaped by free market competition and thus lower it, she said. “The Polish gas price could be influenced by ... securing new sources of [gas] supplies and the realization of projects that will enable trans-border trade, such as the construction on trans-border interconnectors to the Czech Republic and Germany, and – first of all – the construction the LNG terminal in Świnoujście,” Puka underscored.

Origin: economic newsroom by Polish Press Agency at the request of the Ministry of Treasury.

Euroterminal Sławków signs a contract with CEUPT

by the Ministry of Transport, Construction and
Maritime Economy

Today marks an important moment for the Infrastructure and Environment Operational Programme (IEOP). It is the perfect time to say that we have announced another competition under Measure 7.4 – said Patrycja Wolińska-Bartkiewicz, the Undersecretary of State at the Ministry of Transport, Construction and Maritime Economy on 12 September 2012 during the signing ceremony of a contract for the realization of construction works “Construction of International Logistic Centre Euroterminal in Sławków - Section 3”. The ceremony was also attended by Adam Zdziebło, the Secretary of State at the Ministry of Regional Development.

It is the tenth contract signed within the framework of Measure 7.4 that supports intermodal transport and other 193 transport projects under IEOP. As a result, we have absorbed 76% of the funds allocated to transport projects – added Deputy Minister Wolińska-Bartkiewicz.

The completion has been scheduled for 31 December 2014 and the construction will comprise:

- container terminal floor,
- overhead travelling crane roadways for a gantry,
- container gantry crane,
- technical backup of container floor,
- tracks secured by the Rail Traffic Management System,
- track shift / adjustment,

- water supply network,
- storm water drainage system,
- electrical grid and power station P-2,
- internal road network.

Valued at approximately 60.7 mIn PLN, the construction of Euroterminal Sławków will receive 21.7 mIn PLN (Cohesion Fund) from the Centre for EU Transport Projects under Measure 7.4 *Development of intermodal transport, Infrastructure and Environment Operational Programme.*

The investment is the third and final section of the Construction of International Logistic Centre Euroterminal in Sławków.

It is a follow-up to the construction projects of International Logistic Centre Euroterminal in Sławków, implemented under the Sectoral Operational Programme - Transport.

Poland is ready to attract innovations

by (PAIIZ)

Polish Information and Foreign Investment Agency

Foreign investors are an important source of innovation. FDI means a transfer of know-how and new quality, which, in turn, leads to the growth of competitiveness of enterprises and their cooperators. This gives Poland a lot of opportunities to encourage foreign investors to attract advanced technologies.

The innovation means not only modern and advanced products or services but also modern approach to management, enterprise organization or marketing. Statistics shows that the highest expenditures for R&D are incurred by companies operating in the field of biotechnology, pharmacy, automotive and car parts production as well as IT equipment. Foreign companies operating in Poland used to be more innovative than those with Polish capital.

In the transition period they had the biggest impact on the increase of production of highly technologically advanced products. Today, the difference between Polish and foreign companies in this field becomes increasingly blurred, which is a good news. It means that Polish entrepreneurs, willing to catch up with the competition, took up good habits such as paying attention on company's innovativeness. FDI have changed the Polish investment potential.

Together with innovative investments, the companies operating in Poland gained modern machineries and equipments, technical knowledge, highly qualified specialists as well as the improvement of financial planning, management and productivity and access to knowledge and foreign capital.

Domestic enterprises have learnt about products and technologies brought in by foreign investors.

The spillovers also took place through labor turnovers when local firms hire the employees who worked and got the qualifications in foreign companies.

Moreover, Polish firms are stimulated by foreign ones to develop its products and processes.

Finally, foreign investors affect their local suppliers by means of technological know-how transfer, staff training, and so on.

The spillover results in the growth of competitiveness of the host country. Poland has already passed the stadium of development driven by production, now the growth is driven by innovation.

This is the time when the country, thanks to qualified human capital, demonstrates the activity in research and development.

Even if Poland is not at the top of the rankings of the most innovative countries, it is on its way to achieve the next level – when the country implements its own technologically advanced and innovative solutions.

As the following:

Last year, the scientists from the University of Warsaw announced a joint development of acquisition technology of large pieces of graphene with the best quality so far.

Why is it so unusual? Because it used to be one of the most expensive materials on Earth. Graphene is one of the strongest materials ever tested, with a breaking strength 200 times greater than steel, and at the same time so flexible that it can be stretched without damage by 20%.

Thanks to the Polish discovery, graphene will be able to replace silicon in the processors and make them even 100 faster.

It will be possible to use graphene in the production of solar panels, touch screens, but also in medicine or aerospace industry.

A young Polish inventor, Michał Kubacki, has developed a new type of keyboard that can change the face of touch-screen devices.

Keyboard ETAOI has only 5 buttons which match the size of a human finger and it takes 70% less space than a traditional QWERTY keyboard.

It also offers a number of features unavailable in any other keyboard – advanced editing tools and simultaneous support for multiple languages without having to change the settings. The keyboard is currently available on the Google Play and includes versions for smartphones and tablet computers.

Braster is a Polish company which, the first in the world, patented a unique tool for the mobile, non-invasive and early diagnosis of breast cancer - Tester BRASTER.

The tester uses dermo-thermal effect what, as opposed to X-rays, is completely save. It allows women to perform a non-invasive cancer diagnostic test at home.

The implementation of this invention was possible thanks to the financial aid from European funding – Innovative Economy Operational Programme. Currently R&D is the third most popular sector among projects serviced by PAIiZ.

The Agency negotiated with 12 companies operating in the field of research and development, who can jointly invest over EUR 9 million and create 1215 new jobs. From January until the end of October 2012 PAIiZ closed two R&D projects and twelve BPO investments.



Did you know that the West Pomeranian Region is a group of Polish regions exceptionally attractive for investments?

The latest edition of a ranking prepared by the Gdańsk Institute for Market Economics also confirms this.

WEST POMERANIA INVEST IN NORTH-WEST

Various factors contribute to the success of the West Pomerania. Location right in the heart of Europe and excellent transport accessibility. Qualified workforce and three hundred hectares of available land within special economic zones. Sławomir Majman, the President of the Polish Information and Foreign Investment Agency, thinks that the *West Pomeranian Region is appreciated by investors mostly due to its direct sea access and well developed port facilities.*

Investors from all over the world have found their place in our region. Every night lorries leave the Goleniów Industrial Park, transporting wind turbine blades, manufactured by a Danish company, **LM Wind Power Blades**. In Goleniów itself, the Swedish concern Swedwood, operating in the wood and furniture industry and collaborating with Ikea, located its headquarters. Wood mills and production facilities of the company are dotted around the whole region and country.

The Danish manufacturer of "*probably the best beer in the world*" located its investment in the region's capital, and two out of six BPO projects finalised in 2009 in Poland found their way to Szczecin. Italian UniCredit and Danish Coloplast prove the city's attractiveness for the service investments. The second regional center, Koszalin, has become the home for the Royal Greenland Seafood, the largest European fish processing company and Portuguese **Jerónimo Martins** established their logistics center there.

In the High Technologies Industrial Park in Stargard Szczeciński, **Japanese Bridgestone** manufactures tyres for lorries and buses.

Cargotec, a world leader in the production of transport and trans-shipment machines and equipment, established a facility right next door.

In the opinion of Harri Ojala, the Vice President of the Finnish Cargotec Corporation, the location of their investment *offers everything needed to run a business: the proximity to our European clients, the port, the motorway, adequate logistics solutions and road investment plans.*

Ulrich Dohle, Deputy Chairman of Tognum AG, also shares this opinion. The German tycoon is starting the construction of a modern plant in Stargard where engine parts will be produced.

The projects mentioned above constitute only a few examples of successful foreign investments in the West Pomeranian Region, where over four thousand companies with foreign capital are registered. The predominant role in this respect is played by investors from Germany, Scandinavia and other European countries, however, our offer is also appreciated by investors from USA, India, Japan and Korea.

As the President Sławomir Majman said, specific to the region are good wind conditions for wind farms, currently, more and more producers are considering locating production plants in the West Pomeranian Region to meet the requirements of the existing wind farms.

At the same time, Roland Sunded of LM Wind Power Blades highlights the fact that the *West Pomerania has excellent logistical options for our inbound and outbound logistics needs whether by road or marine allowing to effectively serve customers in the growing offshore and onshore markets in Europe.*

For investors who are interested in the assets and the potential of the West Pomerania, professional and free assistance at each step of the investment process is available from the Investors' Assistance Center at the Marshal's Office, who is the regional partner of the Polish Information and Foreign Investment Agency. IAC is known as a one stop shop due to the scope of assistance which it provides, from information regarding the legal requirements of locating investments in the Westpomeranian Region, through assistance programmes, investment incentives to suggesting particular investment plots which are available in the investment offer database.



Place for investment in WEST POMERANIA

Goleniów Industrial Park

The Goleniów Industrial Park is a fully developed area of 405 ha, designed for the needs of production and industrial services facilities.

The Kostrzyn-Słubice Special Economic Zone operates within GIP, with over 30 ha of vacant investment land. The biggest advantage of GIP is its excellent location: within 35 km of Szczecin and 65 km of the port and ferry terminal in Świnoujście, adjacent to the express road S3/S6. The international Szczecin-Goleniów airport is in the vicinity of the Park.

The local authorities offer property tax exemptions based on investment size. The municipality is the winner of The Golden Site 2007 competition. Almost 40 companies from Belgium, Denmark, Germany, Italy, Poland, South Korea and USA have taken advantage of these favourable conditions by purchasing over 160 ha of land in 2002-2008.

The attractiveness of this area is confirmed by Baltic Spinning, Faymonville, LM Glasfiber, Lucky Union Foods and Rasch.

Stargard Industrial Park

Stargard Industrial Park is located on the outskirts of Stargard, next to the main Szczecin thoroughfare. It is mainly intended for use by small and medium companies.

The main attributes of the Park are its excellent location next to the main communication routes, proximity to Szczecin (35 km) and the German border, local tax exemptions for even up to 5 years, fully developed plots (utilities and access roads), existing spatial development plan, proximity to railway lines (with a siding inside the Park). The Park is the winner of The Golden Site 2008 award.

These advantages have already been appreciated by numerous companies, for example, from Belgium (**Spaas Candles, Van Heyghen Staal**), Denmark (**Mekoprint**), Poland (**Emperia**) and Sweden (**Backer OBR, Klippan Safety**).

High Technologies Industrial Park in Stargard Szczeciński

The High Technologies Industrial Park in Stargard was created only two years ago on an ex-Soviet military airport in Kluczewo.

The Pomeranian Special Economic Zone forms a part of the Park (30 ha of land available).

The Park has excellent links to a national road through the recently completed Stargard ring-road.

Development of the plots as well as access roads are financed by EU funds as part of the Regional Operational Programme for the West Pomeranian Region.

The Park is an ideal location for large investors, requiring large and flat areas. The uniqueness of the land is confirmed by the presence of the two largest recent investors – **Japanese Bridgestone** (100 ha) and **Finnish Cargotec** (41 ha). About 200 ha remain available for investors.

Gryfino Industrial Park

The Gryfino Industrial Park is located in the direct vicinity of the A6 motorway and S3 expressway junction which will be commissioned in September this year.

Over 300 ha of land have been assigned to the Park for manufacturing and services.

The Park also contains 57.5 ha of Kostrzyn-Słubice Special Economic Zone. In the future, the S3 expressway is to link the Scandinavian countries with the south of Europe as part of the Central European Transport Corridor (CETC – Route 65).

Currently, development of the area is being co-funded from the Regional Operational Programme for the West Pomeranian Region.

Science and Technology Park in Szczecin

Since 2007 the main focus of the Szczecin Science and Technology Park activities has been the construction of The Pomerania Park located at Niemierzyńska Street in Szczecin.

This will be the place facilitating an exchange of contacts, matching of business partners, practical exchange of new technologies and the creation of business synergies.

The construction of the Pomerania Park is an undertaking which aims to economically revitalise Szczecin, stimulate the whole region and SME growth.

Modern Park areas and the professional services will not only be available for start-ups but also for existing, developed companies that wish to implement state of the art technologies and employ workforce.

The main objective of the Park will be to concentrate within one area research and development companies as well as those interested in investing in innovative products and services.

The implementation of this investment is divided into stages which span 2009-2020. The outcome will be 100 000 m² of office, laboratory, technical and general use space, 3-4 thousand advanced technology workplaces

and 1 thousand workplaces for staff. Already in the first quarter of 2010 an entrepreneurship incubator has commenced operations, with 1200 m² of office space available.

Koszalin Business Activity Zone

This is the second largest city in the voivodeship and a significant academic center, with 91 ha of open land (non-built up land) available, located in an industrial district of the city, 4 km away from the city center. The trump card of the city is its location at the junction of the international E-28 route which links Berlin and Kaliningrad and the National Road no. 11 linking Koszalin with Poznań and the south of the country. The entire area has a special economic zone status (Słupsk SEZ). 9 companies from Denmark, Germany, Poland, Portugal, Sweden and Switzerland have already invested within the zone.

Amongst the foreign investors one can find such brand names as **Esperen, Hatteland, Jeronimo Martins and Royal Greenland Seafood**. **48 ha of vacant land are still available for investors.**

Karlino

Karlino is a commune located in the North-Eastern part of the West Pomeranian Region, at the junction of main roads: National Road no. 6 (E28) Szczecin – Gdańsk and Voivodship Road no. 163 Poznań – Kołobrzeg (28 km to the seaport in Kołobrzeg, 130 km to the Szczecin-Świnoujście seaport, 86 km to the airport in Goleniów).

The Commune of Karlino successfully supports and assists domestic and foreign investors who create new workplaces in industry and services.

The Commune creates beneficial operating conditions and a favourable atmosphere for prospective investors. The Subzone of the Kostrzyn-Słubice Special Economic Zone located in the Commune is beyond any doubt an advantage providing the possibility for considerable deductions of income tax (out of the total 70 ha in the Special Economic Zone there are still circa 34 hectares of land available).

Homanit Polska and Scanrad are companies already operating in the Special Economic Zone in Karlino, and the company Drinktech is currently in the process of realization of its investment.

Entrepreneurs operating in the Special Economic Zone in Karlino are also encouraged to benefit from local tax deductions and from the support offered by local

authorities at every stage of investment realization. It is a priority for the Commune authorities to provide an attractive and updated investment offer.

The Commune of Karlino has a very wide investment offer – investment grounds of the area ranging from 1 ha to over 200 ha.

The said grounds are located within the Karlino Subzone of the Kostrzyn-Słubice Special Economic Zone as well as outside the Zone.

A potential investor can expect that a plot will be measured out so as to meet his needs. There are grounds available both for industrial and service investments (warehouses, depots or and bases) as well as for tourist services.

Most of the grounds have updated spatial land development plans. All the grounds are located at main roads and all media are provided.

The commune is the winner of The Golden Site 2005 contest. Karlino is a growing Commune and its authorities are trying to take advantage of all the arising chances and opportunities.

This refers to both using EU funds for own investments as well as creating opportunities for developing the region by foreign investments.

Szczecinek

Szczecinek is mainly a large center of wood and furniture branch. Among the main companies in this industry one should mention **Kronospan and KPPD**.

The town is located on the eastern edge of West Pomerania, on the junction of National Roads No. 11 (Koszalin – Poznań) and No. 20 (Stargard Szczeciński – Gdańsk).

Advantageous location of Szczecinek in equal distances from four regional voivodship capitals makes the town a convenient place for creations of logistic centers.

The town's offer includes five investment land complexes with the total size of 53 ha and Special Economic Zone status (Słupsk Special Economic Zone). All of the SEZ complexes are included in the local development plan, full technical infrastructure and are located by the National Road S11.

The three biggest complexes areas are - 6 ha, 8.5 ha and 32 ha. There is a possibility of making a plot sized specially for investor's needs.

Well-developed network of vocational schools allows a quick profiling of the graduates education for industrial production needs.

In Szczecinek there is also a customs office, large railway junction and a wide range of social base (recreation, health care, culture).

Within the administrative boundaries of the town three Lakes are located - Trzesiecko, Wilczkowo, Leśne, therefore Szczecinek has a wide range of investment areas for hotel services and tourism.

Wałcz

Wałcz is a small but picturesque town located at the south-eastern outskirts of the Westpomeranian Region.

Its main advantage, which makes it stand out from the rest, are excellent communication links

– at the junction of National Road no. 10 (Szczecin – Bydgoszcz – Warszawa) and no. 22 (Gorzów Wlkp. - Elbląg – Kaliningrad). Road no. 11 (Koszalin – Poznań – Katowice) is also within easy reach. The commune has six areas with plots available for investment, all possessing the special economic zone status (Słupsk SEZ). 15 ha out of the total of 26 ha are still awaiting potential investors. The occupied plots are being utilised by Austrian and Polish investors.

Białogard Investment Park “Invest-Park”

The Białogard Investment Park “Invest-Park” was established in 2011 in Białogard, 4 km from the national road No. 6 (E28). The Park includes fully developed investment lands of the total area of 41 ha, including 14.38 ha which belong to the Kostrzyn-Słubice Special Economic Zone.

The plots may be freely combined and divided depending on the investors' needs (from 0.5 ha to 28 ha).

The Park area is intended to be used for production and industrial service facilities. In 2010, some parts of the Park were awarded the title of the best investment land in the West Pomeranian Region, in the competition The Golden Site, which was conducted by the Polish Information and Foreign Investment Agency. 310 000 inhabitants live within the region of 35 km from the “Invest-Park”.

Within the area of the Park, there is a modern Technological Incubator of 7 300 m² (built in 2008) which offers the possibility of renting industrial premises intended for production and service business.

The Technological Incubator offers the possibility of renting premises from 360 m² to 3 000m² and using modern processing lines for powder coating and a chamber for spray painting.

The Incubator is the only facility of this type in the north-western Poland.

If the Technological Incubator fails to meet the expectations of an investor, there is a possibility of renting another industrial facility. If an individual decides to invest in the “Invest-Park” area, he additionally receives free-of-charge support granted by the Regional Investor Assistance Office.

The office staff cooperates with high-profile specialists in industrial construction, commercial law, and finance. Based on the needs, the Office guarantees free-of-charge support in contacting public administration in order to obtain construction permits, start production activities as well as to conduct staff trainings and recruitment processes.

Sales Contract interpretation under Polish Law

by Lukowicz Swierzewski &
Partners

The Polish Civil Code constitutes the fundamental source of legislation relating to contracts of sale (and most other types of contracts) in Poland.

Its provisions apply both to commercial transactions, that is, between business entities and within the scope of their activity, and non-commercial transactions, that is, any other transaction not concluded between business entrepreneurs acting within the scope of their activity, which also comprises consumer transactions. Therefore, there is no separate code dealing with commercial transactions entered into between business entities.

A sales contract constitutes an example of the legal acts effected by the corresponding declaration of intent of two parties. The said declarations of intent can be made in different manners. Declarations of intent contained in sales contracts are subject to the general Civil Code rules applicable to all declarations of intent.

Manner of making a Declaration of Intent

In principle, the declaration of intent of each of the parties may be made in any manner. It should, however, show the intent sufficiently. Therefore, possible behavior involves gestures (raising a hand or nodding one's head), words uttered, writing and so-called conclusive acts, for example, taking a product off the shelf and putting the amount of the price on the register, accompanied by a passive look of the shop assistant.

It should also be underlined that, in some situations, statutory law clearly requires that a certain form must be observed, for example, writing, certified date, certified signature or notary deed.

Failure to comply with such form may involve various legal consequences, which may include the invalidity of the legal act, the absence of intended legal results and limitations upon admitting evidence in court proceedings.

Polish Language

Pursuant to article 8 of the Act of 7 October 1999 on the Polish Language, any agreement with consumers or relating to employment law which is to be performed within the territory of the Republic of Poland, and where one party is a Polish entity, should be made in the Polish language.

Such agreements may also be executed in other language versions but, unless the parties agree otherwise, the basis for the interpretation of such agreements will be the Polish language version.

It should be noted that those provisions would not apply to international trade relations. Therefore, whenever in the following part a reference is made to the 'in writing' form for evidentiary purposes, one should keep in mind that the limitations will not apply to international trade relations.

Modification, Rescission and Waiver

Modification

Modification of the contents of an obligation may result from the occurrence of prerequisites specified in statutory law, from a court ruling or may be made by way of an agreement between the parties. As for the contractual amendment of the contents of an obligation, the freedom of the parties is very broad and is limited by the framework of freedom of contract contained in article 353 of the Civil Code. According to that provision, the parties to a contract may arrange their legal relationship as they deem proper upon the condition that the contents or the purpose of that contract are not contrary to the nature of the relationship, statutory law and the principles of public policy.

An agreement amending the previous agreement must be entered into by all entities being the parties to the previous agreement.

The amendment of an agreement concluded in writing should be, for evidentiary purposes, also concluded in writing. Such amendment should be distinguished from a novation, which instead of amending leads to the extinguishing of the existing contract.

In case of doubt, the legislator recommends deeming that the amendment of the contents of the existing obligation does not constitute a novation.

In some situations, the amendment of an agreement may be caused by a unilateral act, for example, the making of a declaration containing a demand for replacement of a defective commodity with one free from defects, pursuant to provisions for warranty for defects.

In some cases, amendment of the contents of an agreement may also be effected irrespective of the intent of the parties, pursuant to legal provisions.

Rescission

Parties, within the limits of freedom of contract set out by law, are entitled to terminate each agreement which they conclude.

In order to avoid doubts it is essential to describe precisely which agreement is terminated and the results of such termination.

If an agreement is made in writing, then, for evidentiary purposes, an agreement terminating the agreement should also be concluded in writing.

It is assumed that, in case of obligations of a continuous nature, the terminating effect will (unless the parties decide otherwise) apply to future only (*ex nunc*) and, in case of obligations related to a single performance, the effect will take place retroactively (*ex tunc*). In order to eliminate potential doubt, it is suggested that the parties should specify the issue precisely when entering into the agreement terminating the previous one.

Waiver

Release from debt is effected by way of an agreement concluded between the parties.

If the agreement is made in writing, then, for evidentiary purposes, the agreement concerning the release from the debt *thereunder* should also be made in writing.

Release from debt usually applies to the entire obligation. The parties, however, may limit its scope in a manner which they agree upon.

Release from debt should be distinguished from an agreement under which the creditor undertakes not to pursue the performance due from the debtor. Such agreement shall not result in an expiry of the obligation, but the creditor pursuing claims at variance with such agreement shall be liable for its violation.

Release from the debt should also be distinguished from an institution of procedural (litigation) law consisting of a waiver of claim combined with the withdrawal of suit by

the plaintiff (creditor). Where such suit is filed again, it would be dismissed.

Right to Demand Interest for Delay

The obligation to pay interest for the buyer's delay in the price payment may arise from an express provision of the sales contract.

Unless the sales contract imposes such obligation upon the buyer, and the buyer is delayed with the payment of the price, then the seller may demand interest for the time of delay. It should be noted here that, in the light of the provision quoted above, interest is due to the creditor in each case of delayed performance in money, irrespective of the reason for the delay and whether the creditor suffered any damage as a result of the delay.

In a case where the delay in payment is the result of circumstances for which the debtor is responsible, for example, where the debtor causes a qualified delay, then the creditor, in addition to interest, may demand redress for any damage on general terms.

If the interest rate for delay is not specified in the sales contract, then the seller is entitled to statutory interest.

The specification of the contractual interest rate on an invoice, in the absence of such specification in the sales contract, does not authorize the seller to demand interest other than statutory interest.

In principle, the Polish civil law does not allow the creditor to demand interest on overdue interest. The seller can make such a demand to the buyer, after the interest in arrears had become due, the seller and the buyer agreed in writing (for evidentiary purposes) to add the interest to the principal amount of the debt, that is, to the price agreed in the sales contract, and the principal amount increased by the calculated interest will be subject to interest as a whole.

The parties may agree to the capitalization of interest only after the interest in arrears has become due from the buyer. If the parties fail to reach agreement as to the capitalization of interest, the seller will be able to demand interest for delay on the overdue interest only from the time

of filing the suit for it. However, those limitations shall not apply to international trade relations.

Failure to observe the requirement of the written form for the termination of an agreement concluded in writing will not result in invalidity of such terminating agreement but will result in limitations in evidentiary procedure before the court. Those limitations shall not apply to international trade relations.

Right to Renounce Contract and other remedies in case of delay

Irrespective of whether the contract renunciation right is envisaged by the parties in its provisions, each party may renounce the contract in the cases specified by the provisions of the Civil Code.

One of the cases in which the party is entitled to renounce the agreement under a provision of statutory law is qualified delay of the other party in carrying out its performance resulting from a mutual contract, including a sales contract.

Delay caused by one of the parties to a sales contract does not authorize the other party to renounce the contract immediately. Before that party can exercise its right, it is obliged to set the delaying party an additional time limit. Only after the debtor's failure to comply with such additional time limit is the entitled party allowed to exercise its right of renunciation.

The right of renunciation can also be exercised where the other party causes a delay in part of its performance, for example, the buyer timely pays only part of the price. Such renunciation may apply to the overdue part of the performance only, to the overdue part and all other parts of the performance which were to be made in the future or to the whole sales contract.

Renunciation of the whole contract is possible only where partial performance would not have significance for the party in view of the nature of the obligation or in view of the intended purpose of the contract known to the party whose performance became partly impossible.

The possibility of immediate renunciation of the contract due to the qualified delay of the other party, that is, without the obligation to set an additional time limit, arises only where the right to renounce the contract was reserved in the sales contract in the case of non-performance of the obligation by the other party within the strictly defined time. The exception is a situation where the delayed

performance of an obligation by one of the parties would not have significance for the other party in view of the nature of the obligation or in view of the intended purpose known to the party causing the delay. In such a situation, renunciation of the contract is not contingent upon the setting of an additional time limit.

The party to a sales contract which, despite the delay of the other party, does not choose to renounce the contract may demand that the delaying party carry out its performance and redress the damage resulting from the delay.

International Aspects

Vienna Convention

The Vienna Convention is applicable in Poland fully and without any subjective or objective exclusions. In particular, the Vienna Convention is applicable in both situations, where an international sales contract is entered into between parties which have their registered offices in two different states and are signatories to the Vienna Convention and where the conclusion of an international contract on the sale of goods takes place between two parties having their registered offices in two different countries, out of which one is not a party to the Vienna Convention, but under norms of competence of international private law it may be established that the governing law for that sales contract is the law of the country being party to the Convention.

Exclusions of the application of the Vienna Convention, in full or in part, including also the waiver of some of its provisions or a change to their consequences, may be decided by the parties to an international sales contract in compliance with the freedom of contract granted to them in the Convention.

It should be explained that the exclusion, by the parties, of the application of the Vienna Convention may also be made by way of selecting the national law of a given country as the governing law for a given contract.

Choice of Law

The provisions of international private law in force in Poland, grant the parties the freedom to select the law governing relations between them arising out of contractual obligations.

In the field of contractual obligations the International Private Law act redirects to the provisions of the Regulations of the European Parliament and of the Council on the law applicable to contractual obligations. Limitations to choice of law concern contractual obligations including consumers in case the party to the obligation has seat outside of European Economic Area.

General rule has been established, based on the concept of the closest connection, which applies in the circumstances where the act itself or other provisions of Polish law fail to indicate the governing law.

SUPPORTING BILATERAL BUSINESS between Poland and Indonesia

At the request of members and generally increasing interest in Asian markets of companies cooperating with the Chamber, we have recently decided to expand our activities to inter alia Indonesia.

In this respect, the Chamber provides a range of services relating to business partners search and participation in direct talks with prospective cooperators.

Within the field of market research the Chamber provides services such as information and consultancy, reports and analysis of particular sectors.

In collaboration with Indian consulting companies the Chamber prepares a report covering all aspects of starting a business in Indonesia: regulations, the tax system in the region, supply chains.

To encourage Polish companies to cooperate with Indonesia, the Chamber will hold the business mission of Polish companies to Indonesia and Singapore in the second half of 2013.

During the mission the Chamber will organize a business seminar in conjunction with B2B meetings between Polish and Indonesian companies.

The companies will also have an opportunity to visit production plants and to participate in meetings with government officials.

Despite the global economic crisis in 2008-2012, Indonesia, whose economy is not based so heavily on export as the neighboring economies, recorded much better economic indicators than other countries in the region of Southeast Asia. The GDP growth in 2011 was 6.5%.

In terms of foreign trade, Indonesia's main trading partners are Asian countries such as China, Japan, India, Malaysia, South Korea, Singapore as well as the European Union, Australia and the USA.

Currently, export from Indonesia relies heavily on minerals and raw materials – unprocessed or processed products to some extent. Products with the highest value of import are machinery, electrical equipment, iron and steel, motor vehicles, plastics, organic chemicals, grains, products of iron and steel and cotton.

When it comes to the Polish-Indonesian trade, the data are as follows: exports in 2011 amounted to USD 120.9 million, while imports 719.9 million.

In case of imports from Indonesia, it should be noted that the most significant items relate to raw materials or components ordered by foreign investors carrying out production activities, including factories, car tires, bicycle, sports shoes or electronics. In addition, it is known that many export products from Poland are ordered by Indonesian companies through intermediaries in Singapore.

The main goods exported from Poland to Indonesia in 2011 are chemical products, machinery and mechanical appliances and electrical equipment, animal products and the main goods imported into Poland from Indonesia in 2011 are mainly plastics, rubber, machinery and mechanical appliances, fabrics and textiles, chemical products, footwear, leather goods, wood and wood products.

The new government of Indonesia has taken a number of innovative actions aimed at liberalizing the rules of doing business. But the problems for foreign and domestic companies remain poor road, marine and energy infrastructure as well as corruption and non-transparent regulations.

Findings of the GfK Consumer Climate Europe and USA survey for the second quarter of 2012 (PART I)

by GfK

Nuremberg, 17 July 2012 – The European financial crisis has escalated again in the second quarter.

Consumers' assessments of the future of their economy and income as well as their willingness to make major purchases vary depending on the extent to which specific countries are affected by this development. Accordingly, a low mood among the population is particularly prevalent in the crisis-ridden countries - Greece, Spain and Italy. These are the findings of the GfK Consumer Climate Europe and USA survey, which provides an overview of the development of economic and income expectations and willingness to buy among consumers in 12 European countries and the USA.

In the last few weeks and months, an escalation of the banking crisis has seen financial crisis return to Europe. The situation in Spain demonstrates just how closely the fate of a country is linked to that of its banks.

The EU has approved a €100 billion bailout for the government in Madrid in order to rescue its financial institutions.

Greece and Ireland have also already received billion-euro bailouts for their banks. The worse the situation is in a country, the more critical it also becomes for its banks. This correlation has been reinforced by the crisis. On the one hand, financial institutions are supporting their troubled governments by purchasing government bonds. And, on the other hand, governments are stepping in when things become critical for their banks.

If a country's financial sector is in poor shape, sovereign debt essentially rises. As a result, rating agencies are quick to downgrade the rating for that country, as recently happened to Italy.

At the EU summit in Brussels at the end of June, European leaders agreed on an expansion of the rescue package to support those eurozone countries that are potentially on shaky ground.

In the future, the European Financial Stability Facility (EFSF) and European Stability Mechanism (ESM) will have greater flexibility for implementing their existing rescue fund measures in order to stabilize government bond markets. The crisis-stricken countries will now have easier access to euro rescue funds and will have to comply with fewer conditions.

Italy and Spain are currently suffering from high interest rates and are really struggling to raise new money on the markets.

The ESM crisis fund will be able to offer direct support to banks in the future. Previously, under the ESM Treaty, this was not possible.

The money is to be transferred to the respective country, which would increase the sovereign debt of the countries, although, there were objections from Italy and Spain, who demanded that these funds were given directly to the rescued banks in order to preserve the national balance sheets.

However, a prerequisite is that uniform banking supervision is established in the eurozone, in which the European Central Bank will play a central part. In addition, an economic recovery program of €120 billion was approved. Reactions from the markets to the fast track actions have so far been positive.

Whether these measures successfully reduce the severity of the financial crisis and prevent the breakup of the eurozone remains to be seen in the coming months.

The willingness of affected national governments and their citizens to implement reforms will be decisive.

Poland: consumers increasingly pessimistic despite good economic data

At present, the Polish population is strongly affected by the renewed escalation of the eurozone crisis. Although the gross national product rose by 3.5 percent in the first quarter to one of the highest rates in the EU, consumers were dubious as to whether the economy could continue such positive development given the euro crisis.

Experts have now reduced their growth forecasts for the year as a whole to three percent. This noticeable boom in economic performance was largely due to Poland co-hosting the European Championships in June. But these investments have now come to an end as the competition has finished. As a result of pleasing developments on the labor market, salaries and wages also rose significantly in the first quarter.

However, workers do not think that this development will continue. Accordingly, the indicator for income expectations fell in the second quarter.

In 2012, the majority of economic growth in Poland is likely to be attributable to private consumption. This is a realistic expectation given declining unemployment rates and the subsequent rise in willingness among the population to spend.

However, the renewed escalation of the financial crisis in Europe has quite noticeably unsettled consumers. This is also apparent from the rather low willingness to make major purchases.

Economic expectations:	-25.8 points
Income expectations:	-31.2 points
Willingness to buy:	-11.0 points

USA: Americans hope for economic recovery

The economy in the USA has so far struggled to really gain momentum.

Experts think that it may currently be experiencing a second economic trough.

In order to help stimulate growth, the government recently extended its lower payroll tax rate of 4.2 percent through 2012, a reduction of 2 percentage points was implemented in January 2011.

Americans are, however, noticeably more positive about the future of their economy overall than Europeans. In addition, they are hopeful about a recovery on the labor market in the coming months. At 8.1 percent in April, the unemployment rate dropped to its lowest level since January 2009. Part of this decrease in unemployment is

due to many older workers entering early retirement because they have not been able to find new jobs. Since August last year, the economic expectations indicator has steadily increased from -3.9 points to its present level of 21.2 points.

The average value for the previous survey period is nine points. Many US citizens are considerably less positive when it comes to the future of their own financial position. Income expectations are currently at 14.7 points and the average is 20 points.

The buying mood of consumers is weak and retail sales in the US fell again for the second consecutive time in May. Accordingly, the willingness to buy of American consumers has fallen further in the past few months. In June, the indicator value was a low -9.6 points and the average is -7 points.

Americans have long since fallen back into old habits. While wages and salaries have hardly increased, consumers are once again buying on credit.

In the past few months, the rate at which Americans borrowed money was the highest in a decade. Conversely, the savings rate reached the lowest level since the end of 2007.

The real estate market may have bottomed out. Expensive rent and record low mortgage interest rate levels are motivating US citizens to purchase property again.

The market is still some way from being in a strong position though and experts predict that it will not return to normality before 2016.

The banking sector has also not yet recovered from the US mortgage crisis. Many major banks have been downgraded by their rating agencies in recent weeks. On top of this, the European financial crisis has caused stock markets worldwide to drop, inspiring lower confidence in the markets.

In light of this situation, American consumers are keeping a watchful eye on their spending. Experts predict that they will not be consuming more in the medium term either.

Economic expectations:	21.2 points
Average:	9 points

Income expectations:	14.7 points
Average:	20 points

Willingness to buy:	-9.6 points
Average:	-7 points

France: summer of uncomfortable truths

France has not been left unscathed by the ongoing euro crisis, the sharply rising capital requirements of ailing states, Greece, Cyprus and Spain, and the budget targets determined by Brussels.

President Francois Hollande must cut spending without breaking his election promises. If the government intends to fulfill its promise to cut both debt and the budgetary deficit within the next five years, it must enforce stringent cutbacks in the country.

Experts in the Finance Ministry have calculated a deficit

of between €7 billion and €10 billion for this year already. The announced “cashing-up” of the national audit office at the beginning of July has exposed a further €33 billion shortfall for 2013.

Tax increases and cuts in all public sectors will be the result. The French population is facing a summer of uncomfortable truths.

Economic expectations:	-8.2 points
Income expectations:	-23.0 points
Willingness to buy:	-17.6 points

Italy: problem child of the EU

Over the last three months, Italy has become the problem child of the EU. The country is stuck in recession and it does not look as if it will emerge anytime soon. In the first quarter of 2012, the Italian economy contracted at its steepest rate in three years and preliminary figures suggest that this poor development continued in the second quarter.

This year, Italy could potentially be suffering the worst recession in its history. Shrinking competitiveness is affecting Italian industry and it is now barely present on the global market.

International demand is steadily falling, most recently by four percent between March and April. Unemployment is currently more than 10 percent and is set to rise further over the course of the year.

Add to this the precarious situation on the capital market, with hesitant investors demanding ever higher interest rates for lending to Italy.

The government is running out of options for even more stringent austerity measures and tax increases to reassure the markets.

There is a concern that further damage will be inflicted on the crisis-ridden economy. Italians are reacting to these developments by reducing their spending as much as possible and preparing themselves for even more difficult times. The government is currently discussing an increase of VAT from 21 percent to 23 percent.

Economic expectations:	-60.2 points
Income expectations:	-68.0 points
Willingness to buy:	-31.2 points

United Kingdom: economy has slipped back into recession

In the first quarter of 2012, the gross national product in the United Kingdom fell for the second time in a row and the economy therefore slipped back into recession. It continues to grapple with the stringent austerity measures implemented by the government. Adding to this is the escalation of the financial crisis in eurozone countries.

As the UK is not part of the single currency union, the country does not have to directly provide bailouts. But it is in fact contributing considerable sums indirectly via the IMF.

As the banking crisis in Spain radically intensified, attention also once again focused on major British banks. Although the UK banking sector is not yet quaking, it is a problem by virtue of its magnitude alone.

The total assets of the financial institutions are five times greater than the country's gross domestic product.

Furthermore, a number of banks are highly active with subsidiaries in crisis countries in particular.

If the situation took a turn for the worse, the country would presumably not be able to save the failing banking giants.

For this reason, the British government is making provisions and introducing stricter capital market regulations for banks than are in place in the eurozone. Unemployment has fallen a little in recent months and currently stands at 8.2 percent. However, this development has not yet had any impact on the spending behavior of consumers.

They are focusing on the extremely volatile economic development overall, in the UK and Europe as well as the USA. The government is trying to strictly enforce its austerity measures.

The level of consumption has been at a historic low for almost 12 months. A longer depression was last seen in the 1970s. Brits are trying to hold on to their money and are only buying necessities.

Even the Queen's Diamond Jubilee was not able to stimulate greater consumption. The royal wedding of Prince William and Kate Middleton just over a year ago provided a considerably greater boost to consumer spending.

Economic expectations:	-34.2 points
Income expectations:	-27.8 points
Willingness to buy:	-42.3 points

Germany: crisis causes falling economic expectations

At the time of the survey, turbulence in the eurozone due to an unknown Greek general election outcome and rescue packages for the Spanish banking sector put a considerable damper on the economic optimism of German consumers.

The worsening international climate is now also evidently having an impact on Germans' economic outlook. Citizens think that the ongoing debate on the future of the single currency and the provision of financial aid to stabilize the Spanish banking system harbor risks for the German economy too.

Consumers are apparently concerned that sooner or later Germany will be affected by the downward trend in the eurozone.

The development of exports, above all, is at considerable risk in key European sales markets. This is also reflected in the attitudes of business.

Companies fear a growing negative impact on their business due to the euro crisis. However, both rising employment and noticeably improved salary agreements on previous years have fueled expectations of further positive income developments.

On top of this, inflationary pressure also appears to have abated recently. In May, price rises for living costs dropped below the psychologically crucial margin of two percent.

Consumers therefore consider their purchasing power to be strengthened. As a result of deficient trust in the financial markets and historically low interest rates, many consumers do not think it is sensible to put their money in the bank and are instead making higher value purchases.

Economic expectations:	3.0 points
Income expectations:	40.1 points
Willingness to buy:	32.7 points

Spain: international uncertainty due to banking crisis

In Spain, the financial crisis has intensified over the last three months.

After ever more deficits became apparent in the balance sheets of banks, the interest rates for government bonds shot up.

The financial markets are concerned about a possible risk of insolvency. The international bailout fund would then have to rescue a group of banks in Europe's fourth biggest economy, which would have dramatic consequences.

Spanish economic performance is set to decline by 1.6 percent this year. The third quarter will be the most difficult.

After this point, economic experts are predicting a slight improvement. Next year, GDP will drop once again by 0.8 percent.

This development is also reflected in the economic

expectations of the population. Unemployment continues to be Spain's biggest problem.

At present, the rate is just below 25 percent. Young Spaniards are particularly struggling to find jobs.

Add to this the government's stringent austerity measures, a range of tax increases and the scrapping of benefits, and it comes as no surprise that income expectations are low in Spain.

Consumers are left with no choice but to be as thrifty as possible with the income available to them. If possible, major purchases are being postponed.

Since it became certain that other European countries will help the Spanish banks, the population seems to have found new hope.

However, even after the most recent EU summit, the conditions for such a direct bank rescue to occur have still not been clearly defined.

Economic expectations:	-28.5 points
Income expectations:	-32.9 points
Willingness to buy:	-16.8 points

Austria: stable economic development

Despite the financial crisis, Austria can lay claim to a stable economy. The GDP has risen by 0.3 percent in comparison with the first quarter.

Austria is above all benefiting from the ongoing strength of the German economy. Unemployment is at 4.1 percent and therefore at the same level as one year ago.

As in Germany, historically low interest rates and uncertainty on the stock markets are causing consumers to spend their money on high-value products rather than putting it in the bank.

However, Austrian consumers are evidently expecting the economic situation to deteriorate in the coming months.

This assumption is based first and foremost on the development of the European financial crisis.

If rapidly effective solutions are not found, this will have far-reaching consequences for the Austrian economy and the state budget.

Economic expectations:	-18.6 points
Income expectations:	-1.0 points
Willingness to buy:	22.4 points

Portugal: becoming the model of reform

Although Portugal continues to be deep in recession, slight improvements are apparent. For example, in its latest evaluation, the Troika of the European Commission, EU and IMF raised the economic growth forecast for Portugal from -3.3 percent to -3 percent. Although industrial production declined over the last few weeks, to counteract this, exports were rather more promising. These small progress steps are also having an effect on economic expectations of the population. Portugal was recently praised for its reform efforts. In its study, the

Centre for European Policy (CEP) investigated the creditworthiness of European crisis countries.

According to the findings, because of its tough and consistent reforms, Portugal will probably be able to finance itself on the markets again by 2015. It will then no longer require assistance from other European countries.

Economic expectations:	-37.7 points
Income expectations:	-33.7 points
Willingness to buy:	-43.2 points

Bulgaria: positive economic growth expected

Bulgaria is also not entirely evading the effects of the European financial crisis, although the country is in a relatively good shape by comparison.

In the first quarter, the GDP in Bulgaria increased by 0.5 percent in comparison with the same period of the previous year.

Although the outlook has deteriorated, Bulgaria is still expected to achieve palpable growth both this year and in 2013. An increase of 0.5 percent is predicted for 2012 and an even higher 1.1 percent for 2013.

However, much depends on further developments in the

crisis-ridden countries. Economic expectations remain low. Unemployment in May is 11 percent. Experts predict the level will remain above 12 percent until the end of the year. Bulgarians who have a job can, however, expect steady improvements in salaries and wages.

This is creating a slightly more positive attitude towards the development of the individual financial situation over the next few months. In light of this, willingness to buy also recovered and the indicator value is currently well above zero.

Economic expectations:	-18.0 points
Income expectations:	-23.0 points
Willingness to buy:	8.5 points

Romania: good development on the labor market

Romania seems so far managed to remain unaffected by the European financial crisis.

Although economic growth forecasts have gone down, they remain at a comparatively high level. According to the World Bank, the Romanian economy will grow by 1.2 percent this year.

This is also demonstrated by the marked increase in consumers' economic expectations over the last few months.

These positive expectations are primarily influenced by the local election results as politicians' promises are generally believed by Romanians.

Economic expectations:	-2.6 points
Income expectations:	1.6 points
Willingness to buy:	-18.4 points

The good sentiment about the economic situation is also reflected on the labor market. Romania is among the countries with the lowest unemployment rates in Europe. This gives rise to hope of income growth for the population. Although the underlying data is currently good, Romanian consumers are nonetheless cautious when it comes to spending money. The willingness to make major purchases has risen in the last few months, but is still at a very low level.

Greece: new government stimulates hope

The road out of the crisis will continue to be difficult. Economic growth in the first three months of the year fell by 6.5 percent and a decrease of around 5 percent is expected for the year as a whole. Unemployment is now markedly above 22 percent. Uncertainty about whether Greece will remain in the single currency has resulted in both business and private individuals transferring their money outside the country. This directly affects the liquidity of Greek banks and consequently the economy in general. Even if the way out of the crisis is long and uncertain, Greeks are gradually starting to find hope.

Czech Republic: improvement expected on labor market

The Czech economy is also struggling in conditions shaped by the European financial crisis. GDP growth is only forecast at 0.2 percent this year, while last December, the Czech government was still predicting 1 percent. The possibility that the country will slip into recession this year can no longer be ruled out. Adding to the problem is the great uncertainty about the future developments in the crisis-ridden countries - Italy, Portugal and Spain, but above all Greece. The population is definitely anticipating a long 'healing process' and continues to see a risk to the domestic economy. This is reflected by extremely low economic expectations. As a result of seasonal developments on the labor market, unemployment fell in the second quarter and now stands at 6.7 percent.

Economic and income expectations as well as willingness to buy all remain at extremely low levels, but the indicators did improve slightly in the last quarter. This is beyond doubt partly attributable to Greece so far not requiring any further rescue packages. Given that a government comprising a majority of euro supporters has now successfully been formed, there is hope that Greece will tackle the next stages of reform and overcome the crisis in the medium term.

Economic expectations:	-36.1 points
Income expectations:	-48.0 points
Willingness to buy:	-45.2 points

Consumers are expecting the labor market to continue improving in the coming months, which is clearly demonstrated by the rise in income expectations. During the budget consolidation process, the Czech government decided to raise VAT in January 2013 from 14 percent and 20 percent to 15 percent and 21 percent respectively. This could mean that major purchases which Czechs are already intending to make will be carried out over the course of 2012, rather than waiting until 2013. In any case, willingness to buy has recently increased quite considerably.

Economic expectations:	-57.1 points
Income expectations:	-24.5 points
Willingness to buy:	-28.5 points

Retail and Office market in Szczecin

by Colliers International

With 234,000 m² of total modern stock (Modern retail schemes over 5,000 m² GLA, excluding stand-alone buildings) retail market in Szczecin is the smallest among eight major Polish agglomerations. Retail space is located in nine schemes, all of which are traditional shopping centres. Szczecin agglomeration has one of the lowest retail space density ratios, which amounts to approx. 427 m² per 1,000 inhabitants.

Two major shopping centres (both of approx. 43,000 m² GLA, located in the city centre) are Galaxy, well recognised retail destination delivered to the market in 2003 by Echo Investment and the newest retail scheme on the market – Galeria Kaskada, opened in 2011 by ECE. It is worth mentioning that Galeria Kaskada was fully leased at the moment of its opening (an exception in recent times), which reflected the demand for high quality modern retail space in Szczecin.

Currently, there is one new project under construction, Outlet Park Szczecin, which is being built by Echo Investment. The first outlet centre in Szczecin will be located in the eastern part of the city in Struga street and will also offer some leisure space (e.g. Helios cinema). In the first phase of the project approx. 23,000 m² GLA will be delivered to the market in Autumn 2012. The developer plans further extension of the scheme, however, at a later date.

The extension of Auchan Kołbaskowo retail complex by stand-alone Decathlon shop will also be completed soon. The retail pipeline in Szczecin comprises the extension of Galaxy, the second phase of Outlet Park as well as new shopping centres, namely Aleja Słońca, Ferio Pogodno and IKEA complex.

However, all retail schemes are at the stage of planning, with no specific delivery dates and it is too early to determine which of them will enter the construction phase.

Rental levels in the best shopping centres for a unit of approx. 100 m² leased by a fashion tenant oscillate between 40 – 43 €/m².

As of end of H1 2012, vacancy rate in all modern shopping centres in Szczecin was at a very low level of approx. 1.1%, which translates into nearly 2,600 m² of vacant space. It was the lowest level of the eight major Polish agglomerations. Low vacancy rate indicates that demand versus supply is relatively well matched and retail market in Szczecin can be currently described as balanced.

Szczecin office market

Szczecin is the smallest office market among the main regional cities in Poland. In the first half of 2012 no scheme was delivered, therefore, the total resources of office space in the city remained unchanged at the level of 43,100 m².

The biggest projects offering office space for lease include Pazim (14,200 m²), Oxygen (14,000 m²) and Maris Business Center (5,000 m²).

During the recent years Szczecin office market recorded a limited construction activity. As a result, nearly 70% of the existing office space was completed before 2004. This trend is to be reversed in the upcoming year as the new supply planned for delivery by the end of 2013 will have exceeded 60,000 m².

At present over 80,000 m² of office space is under construction in Szczecin. The biggest on-going projects include: phase I of Baltic Business Park (18,300 m²), three buildings within Piastów Office Park (21,000 m²) and Hanza Tower (20,000 m²).

The first two schemes are planned for delivery in 2013, while Hanza Tower is to enter the market in 2014/2015.

Due to limited supply, demand for office space in Szczecin remained at a relatively low level. However, thanks to the increasing availability of modern office space, the city might become an attractive option compared to other regional locations, especially for the companies operating in the modern business service sector.

To date the city has attracted several important BPO/SSC investors such as Arvato Services, Unicredit, Coloplast and Tieto Poland.

In the first half of 2012 Szczecin recorded the lowest vacancy rate among the major Polish office markets. At the end of June 2012 the vacancy level stood at 4.8%; however, it is expected that in the upcoming year the vacancy rate will demonstrate an upward trend.

The average rental levels in the existing office projects ranged from € 10 m²/month to €11 m²/month. In case of schemes under construction rents were higher, from €11 m²/month to €15 m²/month.

IBM Study Spotlights Big Data as Top Reason to Deploy Cloud “Platform as a Service”

IBM launches new PaaS Cloud offering

by IBM

In a world awash in data, where complexity is on the rise and the pace of innovation has never been faster, the need to streamline new application development is driving demand for a relatively new form of cloud computing known as Platform as a Service (PaaS). This was the finding of new study released today by the IBM (NYSE: IBM) Center for Applied Insights. In response, IBM is today announcing a new PaaS offering to help organizations build and deploy their own software applications quickly and effectively by renting IBM's PaaS cloud computing platform of integrated middleware, monitoring, networks, servers and storage.

IBM's survey of more than 1,500 IT decision makers from 18 countries found that forward looking IT leaders are blazing the trail with early adoption of PaaS for business advantage – citing big data as the Nr. 1 reason amongst several strategic initiatives they were targeting. The study also showed that nearly 20 percent of respondents are currently using PaaS, although more than half recognize the opportunity.

Business and technology leaders are beginning to seek out this new type of cloud computing to keep computing costs low and to expedite delivery of new products and services.

Unlike other cloud computing services, such as Infrastructure as a Service and Software as a Service, PaaS uniquely offers a foundation of common application services, tools and templates for businesses to rent and build their own powerful software applications quickly and deploy them into an automated environment.

“Just as auto makers have used common platforms or chassis to manufacture their lines of cars more efficiently, PaaS allows organizations to standardize their IT platform and quickly introduce new competitive offerings,” said Erich Clementi, senior vice president of IBM Global Technology Services. “IBM is focused on industrializing this cloud platform to drive business innovation around key enterprise applications.”

IBM's new PaaS cloud offering, SmartCloud Application Services, provides self-service, instant access to an application development suite of tools, middleware and databases, available via pattern-based technology.

The study found that 49 percent of IT decision-makers see the strategic importance of PaaS as a way to drive innovation and improve the whole application lifecycle across the enterprise.

They are now contemplating using PaaS as a pragmatic approach to future expansion. They believe PaaS can drive greater differentiation and strategic impact for a business, by standardizing efforts for development, deployment, production and maintenance.

Client Pioneers for PaaS

The study identified a group of early adopting PaaS “Pioneers” (comprised 16 percent of the survey respondents) who saw the strategic benefits of PaaS as a way to innovate.

The research showed the more strategic the benefit, the greater separation between the Pioneers and the rest of the respondents.

According to Pioneers, access to tested “patterns,” which leverage both human expertise and data to create a template for complex tasks common to many development efforts, differentiates the unique value of PaaS from other cloud alternatives.

Two pioneers include CLD Partners, a custom software development shop based in Virginia, and Haddon Hill Group (HHG), a systems integrator based in California.

These companies use PaaS to set up new testing environments and add users in a matter of minutes. These time savings, along with PaaS’s pay-as-you-go subscription model, have helped PaaS pioneers drive down their overall development costs.

“One of the most important benefits of PaaS is the ability to use patterns. They give us tested templates for jumpstarting specific applications very quickly with all the favorable attributes of the cloud,” said George Knoll, general manager of HHG.

“If you are a financial services company that needs a mobile application for customers to look up savings portfolio details, you don’t want to start from scratch. PaaS patterns give you a set of rich tools to build the mobile application very quickly without worrying about big technology investments.”

“We’re a small business now capable of offering a flexible platform that can readily adapt to meet the shifting demands of the software development industry,” said Steve Clune, CEO of CLD Partners. “We’re confident that, as a PaaS pioneer, we’re now more equipped to keep pace with our most aggressive future development plans.”

Study’s Key Findings

Pioneers ranked the primary drivers for their PaaS journey, which include: data management, integration and analysis, efficiency, and resiliency. Key findings include:

- Among Pioneers, 52 percent are driving towards application integration and better data management.
- The current and planned usage rate for Pioneers is three times higher for analytics than other respondents.
- Pioneers were almost twice as likely to identify pattern-related qualities, such as portable,

standardized, and repeatable, as highly valuable compared with the rest of the respondents.

While cloud adopters have concerns like security and ROI, the PaaS pioneers have overcome their hesitations and are now most concerned about performance and service quality. In that vein, nearly half of Pioneers noted they have used application outsourcing, a rate of 70 percent higher than the rest of the respondents combined and their usage rate for public cloud development environments is almost six times greater.

“This study is one of the first deep dives into what arguably is considered the least understood area of cloud computing,” said Kevin Thompson, manager at the IBM Center for Applied Insights.

“The major finding is that these cloud Pioneers have a greater comfort level with the cloud concept and depend on its repeatable and standardized best practices to focus greater efforts at the application level driving business innovation.”

Study’s Recommendations

The study recommended that business leaders unlock the power of PaaS by differentiating the way applications are created, developed and managed. IT leaders can work with a skilled partner to identify best practices and expertise, and harvest repeatable patterns to be leveraged across the cloud platform.

IBM Launches its Cloud Platform as a Service, IBM SmartCloud Application Services

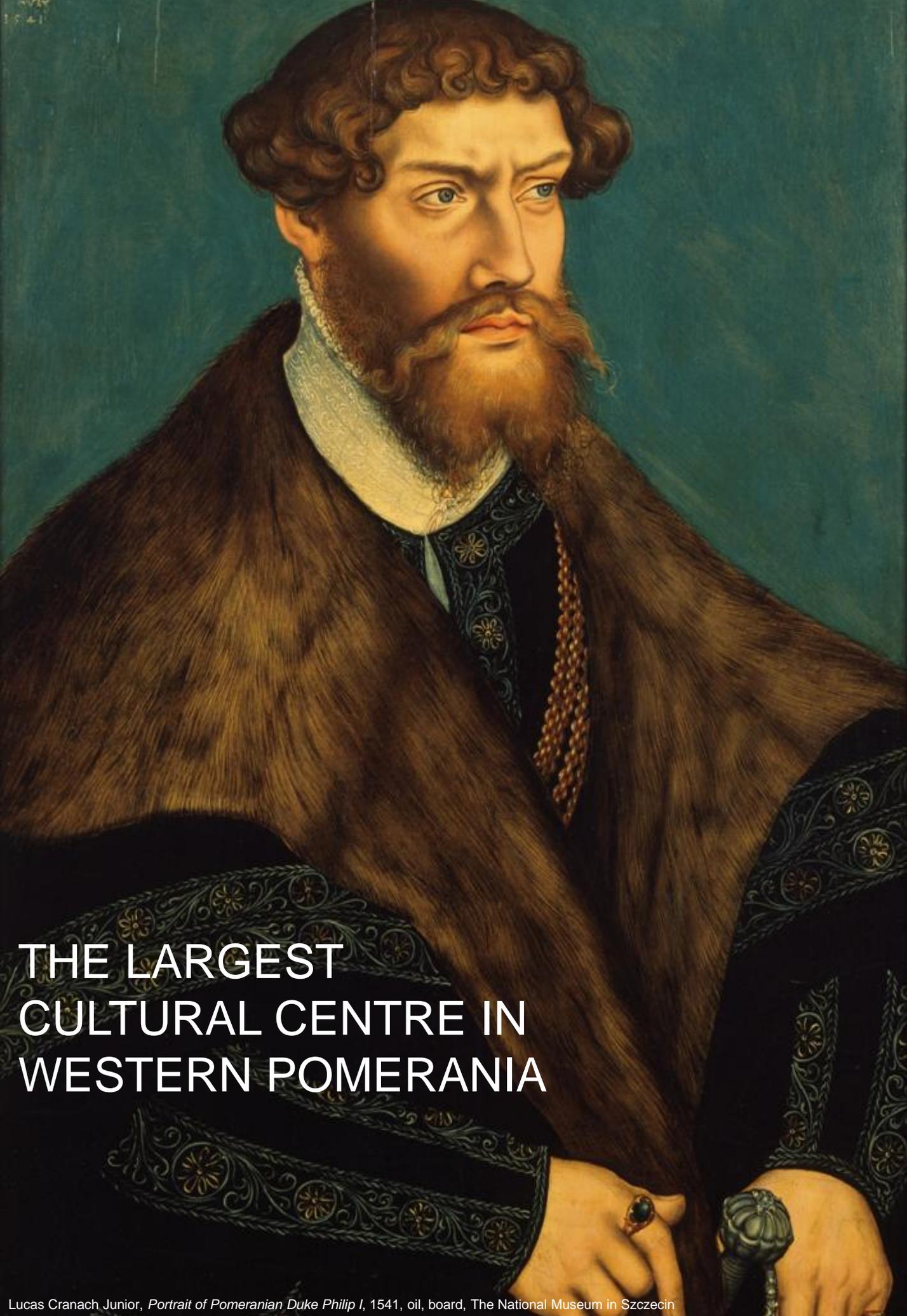
As part of SmartCloud Application Services, IBM has built expertise into a set of common services and pre-integrated patterns, which accelerate the development and delivery of new applications, eliminate manual errors, and drive consistent results.

These application patterns are deployable into a public cloud with IBM SmartCloud Enterprise, or a private cloud with the IBM PureApplication System or via IBM Workload Deployer.

Because no two applications’ requirements are the same, these customizable and portable patterns give clients flexibility and control over their application deployment. General availability of IBM’s SmartCloud Application Services is planned for the fourth quarter of this year.

Visit

The National Museum in
Szczecin



THE LARGEST
CULTURAL CENTRE IN
WESTERN POMERANIA

Lucas Cranach Junior, *Portrait of Pomeranian Duke Philip I*, 1541, oil, board, The National Museum in Szczecin

**The National
Museum in
Szczecin**
belongs to a group
of seven Polish
museums which
have the honor to
call themselves
„national” institutions
owing to their
prestige and
nationwide
importance of their
exhibits. It has many
works ranging from
painting, sculpture,
contemporary and
modern art,
handicrafts,
to archeological and
sailing works.
It also contains
artistic exhibits of
non-European
cultures.

HISTORY

The tradition of collecting works of art in Szczecin dates back as far as to 16th century.

Phillip II, a great humanist and expert, was particularly keen collector of art known all over Europe.

After the dynasty of Griffins (the local dukes) had come to the end, the collection was dispersed and it was not until 19th century that efforts were made to set up a municipal museum.

It was established in 1913 in Wały Chrobrego, close to the river bank.

Owing to the generous donations of patrician inhabitants of the city, such as Heinrich Dohrn, and to the activities of the Museum's first director, Walter Riezler, a large collection including ancient art, modern painting and natural specimens was acquired.

The other former museum – The National Museum of Pomerania – had to wait until the years between World War I and World War II to be given its own seat in a Baroque building which used to belong to Pomeranian District.

During World War II the collections were badly scattered.

A part of the former municipal Museum's collection was taken to West Germany and became the fundamental part of the collection of Pomeranian Foundation in Kiel, which later came to be known as National Pomeranian Museum in Gryfia.

The Polish Museum, created in 1945, which was later in 1970 raised to the rank of a national museum, took over two additional buildings (one of which has been a Gothic town hall) in the 1970s as well as the remains of the former German museums.

Later, it acquired many new works increasing its holdings and setting up its own collections.

COLLECTION

The National Museum is also home to an interesting collection of European painting and graphic arts, including works by Lucas Cranach the Younger, Lovis Corinth and Giovanni B.

Tiepolo as well as substantial collection of works by Polish artists of 19th and 20th centuries, including paintings by Olga Boznańska, Jacek Malczewski and Tadeusz Kantor.

The collection in Szczecin is also famous, both in Poland and abroad, for its works of modern art in the Museum's regular exhibitions.

The Museum's archeological works have gained a nationwide importance owing to their artistic value.

The Museum also houses various collections of arts that come from outside Europe, one of which is a collection of African art, the largest in Poland.

The ethnographic collection containing works both by and about the old and modern Pomerania inhabitants is interesting in the context of the region.

The Museum documents and presents the history of the Baltic sailing and the history and culture of Szczecin.

Apart from the permanent exhibitions the Museum annually organizes many temporary events using both its own exhibits and the works borrowed from other, Polish and foreign, institutions, in particular from countries at the Baltic see.

SEATS

The Old Art Gallery of National Museum in Szczecin

(27 Staromłyńska Street) has its seat in the former Landred Gentry House, a Baroque building erected between 1726 and 1727 by Gerhard Cornelius Walrave, the designer of Szczecin magnificent Royal city gates. The building houses exhibits of Pomeranian art ranging from the Middle Ages to Baroque, a valuable collection of dukes' jewelry and robes from approximately 1600, and some very interesting handicrafts, including a collection of silverware.

The Museum of Contemporary Art

Department of National Museum in Szczecin (1 Staromłyńska Street) is located in a building, constructed in 18th century, that used to serve as the headquarters to the garrison of the fortress that Szczecin at that time was supposed to be. Later, the building was rebuilt many times. The place is nowadays mostly used to present temporary exhibitions of contemporary and modern art, including the Baltic Contemporary Art Biennial, a major international artistic event which has been taking place in Szczecin since the beginning of the 1990s.

It presents temporary exhibitions of visual art across a range of media, including the Baltic Contemporary Art Biennial, a major international exhibition that has taken place in Szczecin since 1995.

The Biennial is realised within the program for promotion of contemporary art – Mare Articum.

Other locations to host Baltic Biennial events include Visby, Sweden (1999), and Riga, Latvia, (2000).

Curators from around the region and elsewhere in Europe routinely take part in the Baltic Biennial, creating a body of exhibitions that examine social and cultural developments and historic and political change through their expression in current artistic trends.

Among the Baltic Biennial themes plumbed by past editions are: Horizon Line (1995), Baltic Ikonopress – Around a Map (1997), N.E.W.S. (1999–2000), Sybaris (2001), Extra Strong / Super Light (2003), Habitat (2005), transRobota (2007) and Dystopian Realms/Idyllic Meadows (2009).

The ninth edition of the Biennial themed The Dark Side of the Moon exploring the post-colonial theory in art, running from October 2012 to January 2013 in Szczecin.

The Main Building of National Museum in Szczecin

(3 Wały Chrobrego Street) is home to the collection of archeological works dedicated to the ancient times of Pomerania, to the history of Baltic sailing, and to the beginnings of Polish sailing in 20th century.

Of particular interest should be the exhibitions of African, Papuan and Middle East art encompassing Poland's largest collection of African sculpture. The building at Wały Chrobrego presents the Museum's numismatic collection and a unique selection of bronze reconstructions and replicas of the most famous ancient sculptures. The vast rooms of the building also provide space for the majority of temporary exhibitions organized by the Museum.

The Szczecin's History Museum

Department of National Museum in Szczecin (8 Księcia Mściwoja II Street) is located in a medieval town hall.

This impressive Gothic building was meticulously reconstructed after the destruction brought about by World War II and it finally became the place to be used by the Museum in 1975.

The exhibitions presented in the impressive rooms of the old town hall illustrate the thousand year long history of the city, a large Baltic port, a capital of Pomeranian Duchy, and a centre of commerce.

The building is home to many precious objects, including a great treasure trove of late medieval silver jewelry found in Szczecin, numerous paintings and sculptures, elements of the fittings of churches and buildings, and plans and views of the city.



The National Museum boasts a vast collection, one of the most important in Poland, the most prestigious part of which is a set of crown jewels belonging to Pomeranian dukes and dating as far back as to 16th and 17th centuries. Other important items of the collection encompass medieval and modern sculptures, including the famous column capitals from Kolbacz and the crucifix from Kamień Pomorski.

„THE GOLDEN AGE OF POMERANIA. Art at the court of the Pomeranian dukes in the 16th and 17th centuries”

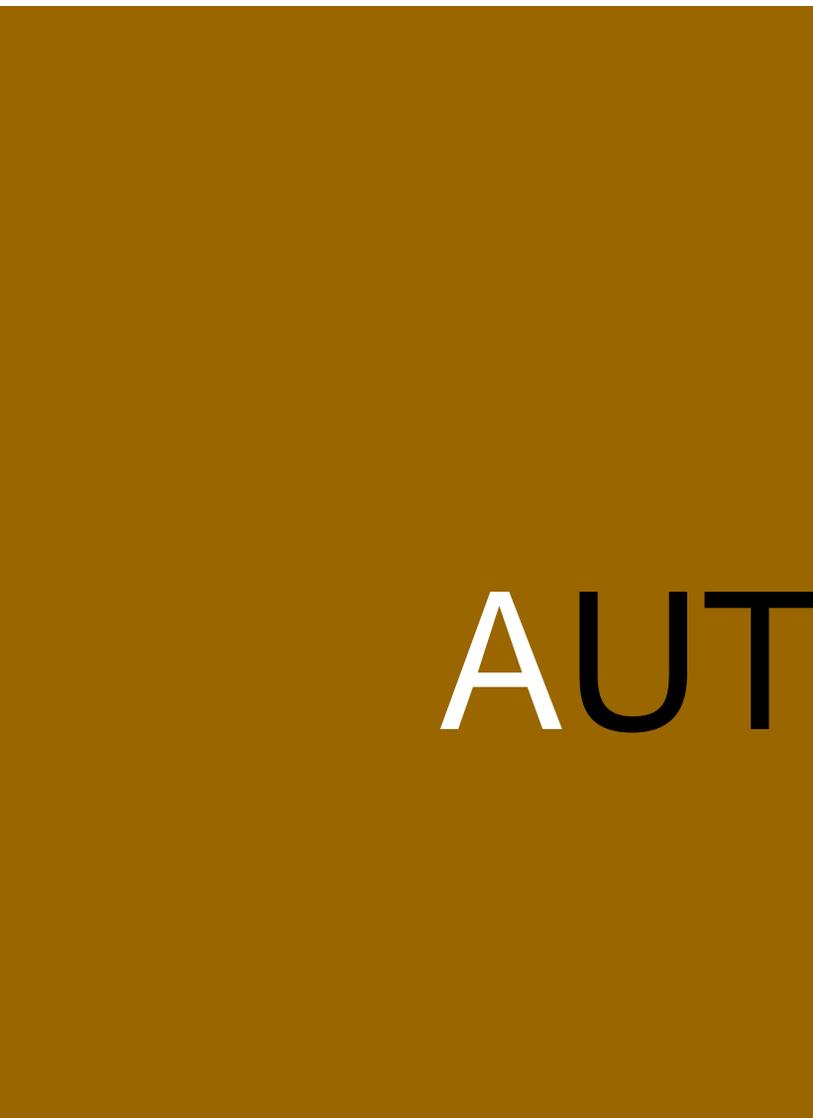
The National Museum in Szczecin would like to invite everyone to a new permanent exhibition devoted to the art at the court of the Pomeranian dukes during the period of its greatest heyday, that is in the XVI and at the beginning of the XVII century.

This period began with the reign of Boguslaw X. The duke joined his plight with Poland through his marriage to Anna, the daughter of king Casimir the Jagiellonian, and he subsequently ensured a high status to his new state, by acquiring the dignity of the imperial liegeman, and in this way he managed to make Pomerania independent of

Brandenburg which had always posed a threat to it. Following the Reformation movement of 1534, the Pomeranian dukes took up an important position among the Protestant rulers of Europe. The Griffin relied not so much on military might, but on demonstrating their importance, among others, through setting up art foundations. And although after the dynasty had died out in 1637, the legacy of the dukes became divided and to a large extent dispersed among their heirs and successors, yet the works of art which have been preserved until today and are presented at the exhibition, bear witness to the immense significance of the Pomeranian princely court as a center of culture and art of the late Renaissance.

The exhibits shown at the Szczecin Museum constitute the biggest existing collection associated with the patronage activity of the dukes belonging to the Griffin dynasty.





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