

FORTHCOMING BPCC EVENTS:

19 September, Warsaw

Workshop: How to benefit from change in your company and minimise loss

BPCC Board Room, ul. Fabryczna 16/22, Warsaw
8.45–12.30 am

The moderators of this meeting will be entrepreneurs and board-level senior managers in companies of various size and branches of industry who have long experience in managing change. They have had their successes, but they also accounted failures. They will present informative case studies and highlight the causes of failures, many of which occur after spectacular success. Interactive debate will help to identify risk areas and to understand what can be done not to lose on the change.

Cost: 250 PLN + 22% VAT per person (BPCC Members),
350 PLN + 22% VAT per person (non-members)

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20 September, Krakow

Workshop: Quality Management & Business Processes

Herbewo Business Centre, al. Słowackiego 64, Krakow
10 am–2 pm

The seminar is directed at senior managers responsible for quality systems, and in particular organisations which already have quality standards in place and are seeking to maximise their effectiveness. The meeting provides an excellent opportunity for professionals engaged in quality management to share good practice and exchange experience, facilitated by one of the leading companies in the field.

Cost: 250 PLN + VAT per person

krakow@bpcc.org.pl, +48 12 426 25 36

24-25 September, Warsaw

International Forum on Health Policy Development

InterContinental Warsaw Hotel, ul. Emilii Plater 49

With its key theme: "The Role of the Public Administration in Ensuring a Top Quality Healthcare System", the conference has been designed to establish a platform for a constructive debate for all parties interested in the implementation of best practices and a widely recognised education. The conference agenda is composed of speeches by representatives of the Polish and British public administration as well as practical educational workshops on problems of modern healthcare services and ways of solving them.

Cost: 500 PLN + 22% VAT per person

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1 October, Warsaw

British Polish Construction Forum

InterContinental Warsaw Hotel, ul. Emilii Plater 49
Start: 9.30 am

The first British-Polish construction sector forum held by the BPCC is aimed at bringing

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An action-packed autumn at the BPCC

by **Martin Oxley**, Chief Executive Officer BPCC

Celebrating its 15th anniversary year, the BPCC is looking forward to an action-packed autumn season of activities for its membership.

It is an exciting time in Poland's development. The country is attracting record levels of FDI, while €93 billion EU funds and match funding looms on the horizon to spur economic growth and modernise Poland's infrastructure. Second quarter GDP growth was 6.7%, while inflation remains under control at 2.3%.

The next four months will be an exciting time for the BPCC – we have superb plans for our 15th Anniversary Ball and are expanding our popular BPCC Executive and Sector Forum series of conferences. We are launching an innovative membership loyalty scheme and have boosted our English and Polish language UK events programme. Our foundation FIT (Technology Incubator Foundation) is starting to lead the debate on innovation and business start-ups.

Services for exporters

"On the business and trade services side of our activity we have also enhanced our offer in line with the significant interest in Poland", comments Michael Dembinski, Head of Policy. "We are expanding our export services programme led by Business Development Manager, Jakub Matyjek, with a range of bespoke services to enable Polish companies to seize the attractive opportunities in the UK. We are also seeing keen interest in our sourcing and supply chain programmes for British companies which are looking to increase their operating efficiency. Our newly-launched series

of events for Polish entrepreneurs in the UK is continuing this autumn. We will also be holding two more job fairs, which will focus on bringing Poles back to Poland to take up jobs that the rapidly-growing economy is now creating." This autumn, the Chamber will for the fourth time be conducting a multi-city roadshow around the UK, aimed at attracting new British investment to Poland.

The Chamber is also launching a new BPCC Business Grants Guide Service, which will offer a comprehensive report service to provide investors with the latest transnational grant funding availability for UK companies looking to invest into mainland Europe. There are grants available to support investment in Poland and to support Polish companies expanding their business in Europe. We want to ensure our members have the latest information to optimise their business.

This year the BPCC's FIT Foundation is participating in a major programme to promote innovation with SEEDA (South East England Development Agency) and partners from Spain and Holland. "We are expanding this programme to focus on mentoring innovative business start-ups under a programme called FIT for Growth. This will create opportunity for our members and a new class of membership", said Kris Jaszczuk, Project Director GROW Enterprise.

FIT is also staging two events this Autumn. The first is a major Intergovernmental Health Policy Forum and Conference, bringing together key government decision-makers from the British and Polish health services. The second is a four-country Innovation Networking Exchange.

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FORTHCOMING BPCC EVENTS:

together companies from both countries to learn about the opportunities opening up, and to make new business contacts. The event will be of interest to any UK company in the sector interested in winning construction contracts in Poland, recruiting Polish construction specialists or cooperating with Polish construction companies.

Cost: 450 PLN + 22% VAT per person (BPCC Members), 600 PLN + 22% VAT per person (non-members)

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1 October, London

Seminar: Doing Business in Poland – how to maximise state aid investors are entitled to

KPMG LLP International & Finance Tax Group,
8 Salisbury Square, London, EC4Y 8BB; Start: 6 pm

The seminar, moderated by a representative from the Polish Information and Foreign Investment Agency (PAIIIZ) and a KPMG expert, will provide an overview of investment possibilities in Poland, with special focus on practical aspects of applying for state aid. The presentation part of the seminar will be followed by a Q&A session.

Cost: £35.25 + 17.5% VAT per person (BPCC members), £47.00 + 17.5% VAT per person (non-members)

<http://www.bpcc.org.pl/event.php?id=407>

8 October, London

Seminar: Poland-UK Import and Export

Polish Social and Cultural Association (POSK),
240 King Street, Hammersmith, London W6; 6–10 pm

The import-export seminar, organised for Polish entrepreneurs in Britain, is aimed at Poles trading or looking to trade in commodities, manufactured goods or services between the two countries. The session will provide delegates with the most up-to-date information from the best-informed sources. The programme will cover the key issues: logistics, trade finance and marketing.

Cost: £18 per delegate (£10 for BPCC members)

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20 October, Warsaw

15th BPCC Annual Ball

Grand Ball Room, InterContinental Warszawa Hotel,
ul. Emilii Plater 49; Start: 7 pm

The BPCC has the pleasure of inviting you to its 15th Anniversary Annual Ball, which will be the best yet and promises to be the most prestigious event on the Warsaw social calendar this autumn. The BPCC is planning a special programme of culinary excellence, fine wines and splendid entertainment. Entertain your preferred clients or celebrate in style with your closest business partners.

Cost: 475 PLN + 22% VAT per person (BPCC Members and their guests); 550 PLN + 22% VAT per person (non-members)

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BPCC monthly macroeconomic update

by Michael Dembiński, Head of Policy BPCC

Skills shortages are beginning to hinder economic growth as unemployment continues to fall.

July unemployment fell again to 12.2% (from 12.4% in June), according to GUS figures based on claimant rate. The harmonised rate, based on numbers of economic active people, show unemployment to be lower – 9.6%, when grey economy jobs are taken into account. While these figures are welcome proof that unemployment is receding (it is now nearly half of what it was in February 2004 when it peaked at 20.6%), employers are increasingly beginning to complain that they cannot find staff. Wages have risen by 9.3% in the year to July. Nearly two million Poles are believed to have gone to work abroad. As of end-July, there are still 1,856,100 Poles registered as unemployed. And while Warsaw, Poznan, Katowice, the Tri-City and Kraków all have registered unemployment at around 5% or less, there are still towns and regions where unemployment is still above 30% – Szydłowiecki powiat (district) in Mazowsze, for example, has Poland's highest joblessness – 33.7%. By contrast, Warsaw, just 80 miles away, has unemployment of 3.9%.

Industrial output grew in the year to July by 10.4%, returning to the long running trend of double-digit annualised growth after a disappointing May and June. Manufacturing (especially export-oriented) has been Poland's main engine of growth since 2003, performing well throughout 2006, growing by 11.8% on 2005.

Rising labour costs (9.3% in the year to July) are seen as a driver of inflationary pressure. Despite perceived political instability, the zloty is likely to continue appreciating against the Euro and Sterling as productivity in tradeable goods and services continues to catch up with the Eurozone, although predictable bouts of political unpredictability will periodically weaken the zloty.

CPI inflation for the year to July 2007 fell back to 2.3% from 2.6% in June. Analysts had

been expecting a fall to 2.4%. The National Bank of Poland's Monetary Policy Committee took a decisive step to ward off mounting inflationary pressure by increasing interest rates by a further 25 basis points at its June meeting. This follows an April rate hike of 25 bp. A September rise is expected.

GDP growth for the second quarter of 2007 was up 6.7% year on year, according to the central statistical office, GUS. This follows Q1 '06 y-o-y growth of 5.2% accelerating to 5.5% in Q2, 5.8% in Q3, 6.4% in Q4 and 7.4% in Q1 '07. Capital investment grew by 31.4% y-o-y in H1 '07.

Polish exports grew by 22.6% in 2006, while imports grew faster still, up 23.2% compared to 2005. The main component of the import growth, was capital goods, which bodes well for the future growth of Polish exports.

Consumer spending is growing strongly (17.1% y-o-y to Jul 2007). Best performing sectors include household appliances and consumer electronics, new car sales have also rebounded after two years in the doldrums.

Fears that Poland's chaotic political scene is putting off foreign direct investment (FDI) are unfounded, according to the National Bank of Poland figures which show FDI strongly up on 2005. FDI for the whole of 2006 was \$14.7 billion.

Given that Poland's largest demographic age group is 24 year-olds (690,000 of them!) and that the livelihoods of nine million people depend on an inefficient agriculture sector, upward pressure on unemployment will be strong for many years to come, ensuring that Poland will remain a relatively low labour cost economy. For the past decade each year, an additional 15,000 or so young people have been entering the labour market compared to the previous year. But this demographic boom is running out of steam. From now on, each successive year will see fewer and fewer new labour market entrants – and that's before you factor in migration.

Inflation (CPI year-on-year, Jul '07, GUS)	2.3%
Unemployment (Jun '07, GUS)	12.2%
GDP growth, latest (y-o-y Q2 '07, GUS)	6.7%
GDP growth forecasts range, 2007 (Average of forecasts)	6.0–6.4%
Investment growth (y-o-y Q2 '07, GUS)	22.3%
Consumer spending growth (y-o-y Jul '07, GUS)	17.1%
Average salary (private sector, monthly gross) (GUS, July '07 – up 9.3% y-o-y)	2,893.71 PLN (= 760 EUR / 515 GBP)
NBP reference base rate (last change 27 Jun '07, 25 basis point rise)	4.50%
Industrial output (y-o-y Jul '07, GUS)	+10.4%

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