

Ship Building

Poland is one of the world's leading ship building nations. In 1988, it was the world's fourth largest ship builder. The country's shipyards have considerable capacity and can customize ships to meet the requirements of any purchaser. The yards manufacture many types of vessels, including oceanographic ships, ferries, medium-sized bulk carriers, fishing vessels, and tankers. There are also ship repair yards which can handle major overhauls and refits. Ancillary industries serving the ship-building sector are well established, and the shipyards themselves operate a network of training centres which upgrade employee qualifications and train foreign workers. Two technical universities train naval architects and marine engineers.

Household Consumer Goods

The Polish market harbours a tremendous, pent-up demand for basic household items. These include domestic appliances as well as home entertainment equipment such as television sets, satellite receiving equipment and VCRs. There is also a noticeable increase in the demand for various foreign foods which had not previously been part of the Polish diet.

Transportation Equipment

There is a strong demand for personal automobiles, trucks, vans, railway rolling stock, buses, and aircraft. With the exception of aircraft, Poland manufactures most types of vehicles, but its transport-related industries urgently require upgrading and modernization. A tremendous inflow of foreign-made automobiles between 1989 and 1991 eventually provoked government action to restrict these imports and protect the domestic industry. Negotiations are currently in progress with FIAT, General Motors Europe and Volkswagen to allow improved import quotas in return for investment in the Polish automotive industry.

Industrial Machinery

Poland needs a wide assortment of industrial machinery for woodworking, metalworking, knitting and sewing. Plastics, agriculture, leather, textiles, food and fish processing have similar requirements.

Environmental Protection

Poland is one of the most polluted countries in Europe. A heightened sensibility to the threat of global pollution, as well as the reality of a united Europe in 1992,

has made western nations willing to help Poland curb industrial pollution. Financial guarantees have followed. The World Bank has pledged \$US 18 million for research and implementation of cleanup techniques and equipment. European Community funding for the Central European Environmental Protection Centre reached ECU 25 million in May 1990. And numerous other funds and lines of credit have been created specifically to finance investment in Polish environmental clean-up (see Figure 8.2)

Eastern Markets

Poland lies close to the most important economic zones in Ukraine, Belarus, and Russia. Since much of Polish industry was geared to satisfying the needs of the former Soviet Union, Polish producers and exporters have considerable experience in this market. They are familiar with how business is done. They understand the economic situation, and they know the people responsible for economic activity in these newly emerging countries. Polish producers will be invaluable allies for western enterprises seeking to penetrate these evolving markets.

Leasing Arrangements

The new law on privatization grants improved latitude to investors who wish to build new plants under foreign ownership. Special arrangements are afoot to allow Western firms to build and lease superior office and commercial space in high-quality industrial parks situated along the German-Polish border. The objective is to attract capital from western investors who favour some alternative to formal joint-venture agreements with Polish partners.

Special Economic Zones

The creation of special economic zones for western investors is another interesting development proposed by the Polish government. Although details have not been finalized, the zones are expected to provide preferential treatment and special tax breaks to companies operating within such areas. The first zone has been established in the Szczecin area, with similar zones tentatively designated for Slupsk, Gdansk-Gdynia, Poznan, Krakow, Warsaw, Malaszewice and Gliwice.