

Poland has demonstrated the most impressive commitment to environmental protection of all the former Warsaw Pact countries. It has the region's most aggressive program of investment in the environment, worth over US\$1.4 billion annually (1.3 per cent of GNP), and has progressive environmental regulations.

The Ministry of Environment, Natural Resources and Forestry estimated that the implementation would require approximately 22 billion zlotys (US\$8 billion in 1996 dollars or US\$6 billion at current exchange rates) for these improvements. The World Bank, however, estimates that Poland's total cost of complying with

expenditures, while water protection accounted for 37 per cent and waste management for 9 per cent.

Growth and trends

Polish companies are facing many pressures and incentives to invest heavily in environmental protection, such as:

- EU-based environmental standards are being imposed on industries and are, in large part, being enforced;
- energy and other input costs are rising rapidly, making waste minimization an important issue; and
- Polish exporters trying to compete in the EU want to appear modern and environmentally responsible. As a result, an increasing number are acquiring the ISO 9000 designation.

Poland's privatization process is also stimulating the demand for environmental equipment and services. Companies being privatized must evaluate their existing performance and prepare business plans for future development. Environmental protection is an integral part of these plans, since plants must be brought up to newer standards or face increasing fines.

Government policies are shifting away from the application of end-of-pipe technologies toward more progressive programs to prevent pollution and minimize waste. These measures could open up good prospects for Canadian products and services.

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Poland Environmental Sector

Market Overview and Opportunities

Environmental situation

Poland's decline in manufacturing activities has corresponded to a reduction in environmental pollution. However, Poland still suffers from some of the most severe environmental problems in Central and Eastern Europe.

Two of the most polluted areas in Europe — Upper Silesia and the Black Triangle (Central Europe's brown coal depression) — are located in the southern region of Poland. Considerable environmental damage has occurred in the past and continues to take place. Damage includes the contamination of water and soil and the deterioration of air quality.

The Polish government's 1994 National Environmental Policy Program to the Year 2000 was developed as an ambitious plan to implement medium-term policy objectives. Its main goals are to reduce environmental pressures on the air, water and soil; develop waste treatment and disposal facilities; develop water resources; and expand and/or enlarge nature conservation areas.

EU environmental standards could reach US\$35-50 billion.

Market size

Estimates of market size vary considerably from source to source, since there is no standard definition of what products and services make up the environmental market.

According to a study by the German environmental consulting firm of Helmut Kaiser Unternehmensberatung, the Polish environmental technology market is one of the most dynamic in Central and Eastern Europe, averaging an annual growth rate of 8 per cent. The market was worth DM 5.4 billion (US\$3.1 billion) in 1996, and should reach DM 13.8 billion (US\$7.9 billion) by 2010 (based on the 1997 annual average exchange rate of DM 1 = US\$0.58).

No equivalent information is available for the environmental services market. However, total environmental expenditures in 1995 amounted to US\$13 billion. Spending on air protection accounted for 53 per cent of total

