

## Doing Business in Poland

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Poland offers an attractive environment for international investment. The main advantages of the Polish market include low labour costs coupled with a highly skilled and educated workforce, and a strong internal demand for consumer goods and services. Prospects for a further increase in foreign capital involvement become more likely as international investment organizations like the World Bank and the IMF commit increased financial assistance to Poland's reform process.

Nevertheless, the logistical difficulties faced by foreign business should not be underestimated. Many of the chief problems — administrative procedures, banking, production bottlenecks, underdeveloped service groups, unfamiliar tax regulations — have already been mentioned.

Companies entering Poland should also pay close attention to networking and to relations with government. The current intensification of reforms means that laws, regulations, and rulings are subject to ongoing change. Only good contacts at both the political and administrative levels can keep a company informed of what legislation is being planned and how it is likely to be applied in practice. Such contacts can also facilitate negotiations and help to close a deal faster.

Foreign companies seeking to do business in Poland should provide themselves with a Polish language capability. One way of doing this is through the large number of expatriate Poles and other Polish speakers living outside Poland. Emigration from Poland has been high, especially during the 1980s when many highly skilled and professional people left the country. As a result, many Poles have learned English, German, or French as a second language. Familiar with both the Polish language and Polish business conditions, these individuals can be an invaluable resource in penetrating the Polish marketplace.

Perhaps most important, foreign business people should recognize the heightened role that warm personal contacts play in the Polish business environment. Long lunches are seen as a way of getting acquainted and establishing personal rapport. And there may be invitations to participate in social occasions or family gatherings. Such social intercourse is

usually more important to the conduct of business in Poland than in North America. As well, attention to Polish social conventions can boost the credibility of the foreign investor and facilitate business relations. One good example is the practice of giving flowers to women whether they are prospective business partners, the spouses of a business associate, or the latter's secretary — as a friendly gesture at an initial meeting.

### Standards

As a general rule, Polish national standards are applied to imported goods. Standards are defined and supervised by the Polish Committee for Standardization, Measures and Quality (*Polski Komitet Normalizacji, Miar i Jakości*) which publishes all standards in its catalogues. Its standards are obligatory within Poland, and imported goods must conform to them. Increasingly however, Polish standards, reflect international norms. Poland is a member of the International Organization for Standardization (ISO) and the International Electrotechnical Commission (IEC).

Machinery and equipment usually conform to specifications set by the buyer or carry guarantee periods specified by mutual agreement, but international standards are applied in some cases. Pharmaceuticals, foodstuffs, new consumer goods, consumer electronics, and certain types of machinery are also required to conform to health regulations or safety standards. Diagnostic equipment, drugs, and medical equipment for which there are no standards may be imported only if approved by the Ministry of Health and Social Aid. Control of agricultural and food products is compulsory and is performed by the Central Office for Quality Inspection (*Centralny Inspektorat Standaryzacji*). Packaging and labelling requirements in Poland resemble those in other countries, but imported products in individual wrappings, which are destined for direct sale without repackaging, should carry Polish labels bearing metric sizes and measurements.