



Chapter XI

POLAND AS ECONOMIC PARTNER

Marzena Ples



Get to know about Poland – Training Materials for Trainers and Teachers

Authors: Danuta Gałyga, Tomasz Mazurek, Marzena Ples, Agnieszka Słomian, Marcin Zybała

Content-related coordination of the project: Agnieszka Słomian

Content-related editing of the publication: Agnieszka Słomian, Marcin Zybała

Linguistic editing of the publication: Steve Jones

Composition/graphics: DoLasu | art studio, www.dolasu-pracownia.pl

ISBN: 978-83-938388-2-0

Published by:

© Institute for Eastern Initiatives (Instytut Wschodnich Inicjatyw)

ul. Salvatorska 5/10, 30-109 Kraków

www.iwi.org.pl | www.aboutpoland.iwi.org.pl

Kraków 2015

The workshop scenario is part of the publication *Get to know about Poland – Training Materials for Trainers and Teachers* which was created during the project coordinated by the Institute for Eastern Initiatives.

The project is co-financed by the Department of Public and Cultural Diplomacy of the Ministry of Foreign Affairs within the framework of the “Cooperation in the Field of Public Diplomacy 2015” competition.

The publication expresses the views of the authors only and cannot be identified with the official position of the Ministry of Foreign Affairs of the Republic of Poland.

Get to know about Poland – Training Materials for Trainers and Teachers is licensed under the Creative Commons Attribution 3.0 Poland. Some rights are reserved for Danuta Gałyga, Tomasz Mazurek, Marzena Ples, Agnieszka Słomian, Marcin Zybała and the Institute for Eastern Initiatives. The work was created as part of the “Cooperation in the Field of Public Diplomacy 2015” competition. Permission is granted to all use of the work, provided the aforementioned information is upheld, including the information concerning the applicable license, the rights reserved and the “Cooperation in the Field of Public Diplomacy 2015” competition.

Cover photo: Fotolia.com

I. WORKSHOP SCENARIO



AIMS

- To acquaint the participants with basic information on the Polish economy and investment opportunities in Poland.
- To develop advertising strategies for promoting established Polish export brands abroad.
- To develop skills of creative and analytical thinking.



DURATION: 180 minutes.



PARTICIPANTS: 20 people.



TEACHING METHODS

- Demonstration methods – film.
- Expository methods – talk.
- Practical methods – guiding text method.
- Practical methods – productive exercises.



TEACHING MATERIALS, AIDS AND WORK

- Computer and projector to display video.
- Board or flipchart to write down associations.
- Two A4 sheets of different colours with the word “YES” and “NO” written on them.
- A string or a tape.
- For each group: an instruction on how to complete the task and a text entitled *Macroeconomic Analysis of the Polish Economy*, a picture and a short product description, 7 sets of banknotes and coins.

I. WORKSHOP SCENARIO

Plan of the workshop**1. INTRODUCTION**

The participants are informed that the main purpose of the workshop is to broaden their knowledge of the Polish economy as well as to develop creative thinking and the art of persuasion. The participants are asked what they know about the Polish economy, for example GDP, export and import, Polish companies operating globally etc. The information obtained should be written on the flipchart or on the board in the form of a mind map. The main points are commented on.

**2. EXPLAINING AND CONDUCTING THE FIRST EXERCISE**

A4-sized "YES" and "NO" sheets of paper are placed at opposite ends of the workshop room. In the middle of the place, a string or a tape is stretched to clearly separate the "YES" and "NO" areas. The participants are asked to stand up. They are told that they will hear different statements about the Polish economy (*Auxiliary material no. 1*), and their task will be to move to the "YES" side if they believe that the information that will be read out is true or move to the "NO" side if they do not agree with it. After each sentence, the participants are asked to move to the appropriate side, a few people will be requested to justify their choice. The correct answer is given with a brief explanation (*Educational material no. 1*). The participants should be informed that in the exercise there are no right or wrong comments – they may be surprised at some of the statements; however, this method gives them room for discussion, which is an essential part of this exercise. Therefore, if the participants need more time to analyse the issue, they should be allowed to do so. They ought to be encouraged to make comparisons with other countries. 3 to 5 minutes are allocated for each question. The exercise allows for flexibility in terms of timing – not all the questions need to be asked. If the answer to any question happened to be mentioned in the introductory part of the workshop when the participants shared their knowledge about the economy, it can be either abandoned or elaborated. The suggested maximum number of questions is 10. After completing the exercise, the participants are asked which facts about Poland surprised them the most and why.

The educational film *Get to know about Poland: Poland as Economic Partner* (*Auxiliary material no. 2*) is presented as a summary of the first part of the workshop. The movie is discussed together – the information contained therein as well as the visual material.

**3. EXPLAINING AND CONDUCTING THE SECOND EXERCISE**

In the second part of the workshop, the participants will work in groups to develop advertisements for established Polish products, already sold and recognised globally. Afterwards, they are asked to think of the advantages of investing in Poland and their task will be to convince "foreign investors" (played by other participants) to invest money in their product. The advertisements are displayed during an investors' meeting; therefore, each group should present its product in its best light.

Descriptions of five established Polish products are prepared in advance and pictures of them printed. One item may be a food product (for example, Prince Polo wafers, Żubrówka vodka, Oscypek cheese, Mokate coffee), automotive (for example, Solaris buses, Melex vehicles, Pesa trains), entertainment (for example, games Dead Island or The Witcher, music projects Vader or Behemoth), fashion (for example, Kazar or Gino

I. WORKSHOP SCENARIO

Rossi shoes, Reserved or Cropp Town clothes), cosmetics (for example, Inglot, Dr Irena Eris, Eveline Cosmetics, Ziaja) or from the furniture industry (for example, Black Red White, VOX, Nowy Styl Group). Additionally, money should be prepared (printed and cut out) for each group to invest in selected products (*Auxiliary material no. 4*). It is their decision how they will invest: whether these will be group or individual decisions, or whether they will invest money in the chosen brand, or in different products involved in the competition.

The participants are divided into 5 groups of 4 people in the following way: on slips of paper the names of products are drawn and written. Afterwards, the participants are asked to select randomly a slip of paper and to find their groups by using gestures and sounds (not words). There should be the same number of slips in each category as the number of people in a given group. Each of the group is given: an instruction on how to complete the task (*Auxiliary material no. 3*), a text *Macroeconomic Analysis of the Polish Economy* (*Educational material no. 2*), a picture and a short product description which will be advertised, as well as money (*Auxiliary material no. 4*). The groups will have 45 minutes to complete the task.

On expiry of the allotted time, each group is asked to present their advertisement and promotional strategy as well as reasons why it is worth investing in Polish products. After each advertisement, the investors (other participants) may ask questions to the speakers and comment on the proposed solutions. When all the products have been presented, there is time to allocate funds to the presented brands. The product which receives the largest sum of money wins the title of Flagship Polish Export Product, and the group who advertised it can enjoy the satisfaction of a task well done.



4. SUMMARY AND DISCUSSION

In discussing the task, the participants are asked about how they worked under the pressure of time, how they divided their tasks, what difficulties they encountered in teamwork, as well as how they assess their own performance and that of the other participants. Finally, the films *Ten Years Later – How the EU membership has changed Poland*, *Share in our success* or *The Animated Guide to Polish Success* (*Auxiliary material no. 2*) and, the *Macroeconomic Analysis of the Polish Economy* based on the text (*Educational material no. 2*) are shown, after which a brief discussion is held on the advantages of investing in Poland.



5. THE TIME FRAME OF THE WORKSHOP

Introduction to the topic: 10 minutes.

Conducting the first exercise: 40 minutes.

Conducting the second exercise: 100 minutes, including:

- Explaining the task and dividing into groups: 5 minutes.
- Developing advertisements and promotional strategy: 45 minutes.
- Presenting work results: 5 groups x 8 minutes.
- Investing money and announcing the results: 10 minutes.

Discussion and summary of the workshop: 30 minutes.

2. AUXILIARY MATERIALS

Auxiliary material no. 1



True and false statements on the Polish economy

1. In August 2015 the unemployment rate was 15.8%.
2. In 2014 the average monthly gross remuneration in the private sector was around EUR 1000.
3. In 2009 Poland was the only EU country to experience a growth in GDP.
4. After 2004 when Poland joined the European Union, more than 3 000 000 economic migrants left the country.
5. In Poland there is the greatest number of people employed on so-called 'junk contracts' (contract of mandate or contracts of specific work) in the entire EU.
6. Poland is the world leader in the export of mushrooms, yachts and furniture.
7. In 2014 Poland exported more products than it imported.
8. Poland is the world largest exporter of apples.
9. Krakow is in the top ten of the best world's outsourcing destinations.
10. Currently, in Poland EUR 1 is worth around PLN 5.10.

Auxiliary material no. 2

Educational films



The films are available on You Tube at:

- *Get to know about Poland: Poland as Economic Partner*
(EN): https://www.youtube.com/watch?v=BUySbqR_Y7o
(RU): https://www.youtube.com/watch?v=7mUEYDN_dCg
- *Share in our success. Invest in Poland* (EN):
http://www3.paiz.gov.pl/multimedia/FILM_Share_in_our_success.Invest_in_Poland.VOB
- *Ten Years Later – How The EU Membership Has Changed Poland* (EN):
<https://www.youtube.com/watch?v=NDpziN7FUM4>
- *The Animated Guide to Polish Success* (EN):
<https://www.youtube.com/watch?v=JC4xh1bO7ww>

2. AUXILIARY MATERIALS



Auxiliary material no. 3

Instruction on how to complete the task

The task comprises three parts: 1) preparing an advertisement and product promotional strategy as well as outlining the advantages of investing in Poland, 2) presenting the work results during the investors' meeting, 3) investing money in products and selecting the best one.

In the first part, you will play the roles of given brand marketing specialists. Your product is already known outside Poland and you are really proud of it, although you want to increase revenue from abroad as well as brand recognition. Prepare an advertisement and a strategy to promote your product on foreign markets in order to attract new investors. At the same time, promote Poland. During the discussion, think in groups why this product is successful on foreign markets and what should be done to make it even more popular. Afterwards, using the additional material *Macroeconomic Analysis of the Polish Economy* develop the positive sides of investing in Polish products.

In the form of a presentation, present your work results at the investors' meeting. Be creative! You have 45 minutes to prepare your talk and 4 minutes to deliver it. Another 4 minutes for questions from potential investors – prepare justifications for why it is worth investing in your product in particular.

In the third part of the task you will become investors. Having seen all the advertisements, you will decide in which product or products your group wants to invest. During the presentations given by the other groups, you are encouraged to make notes and then ask questions to the groups. You will have 7 investment units (Polish banknotes and coins) at your disposal. IMPORTANT! You cannot assign investment units to your own brand. The product which receives the largest amount of funds from all the groups, wins the title of Flagship Polish Export Product.

3. EDUCATIONAL MATERIALS

Auxiliary material no. 4



Polish banknotes and coins

Coins: 1 zł, 2 zł, 5 zł, banknotes: 10 zł, 20 zł, 50 zł, 100 zł, 200 zł / Source: <http://www.nbp.pl>



3. EDUCATIONAL MATERIALS

Educational material no. 1

Information on the Polish economy

1. In August 2015 the unemployment rate was 15.8%.



FALSE. The unemployment rate was then 9.9%. In 2007 Poland, together with Slovakia, had the highest unemployment rate in the European Union. Since January 2013, the unemployment rate in Poland has been gradually falling. As compared to the year 2003 when it exceeded 20%, it fell by more than half. Only in 1991 was the unemployment rate lower than in August 2015. In the years 2007-2014 due to the economic crisis, the unemployment rate rose throughout the entire EU. Only in Poland, Germany and Malta was there a fall in unemployment.

2. In 2014 the average monthly gross remuneration in the private sector was around EUR 1000.



TRUE. In January 2014 it amounted to PLN 3805, and in December it rose to PLN 4379, which, depending on the exchange rate, is around EUR 1000. In the European Union, earnings are extremely diverse. In 2013 in Bulgaria the average monthly earnings amounted to EUR 409, while in Luxembourg that figure stands at EUR 4663. Despite the fact that the earnings of Poles are relatively low when compared to other EU countries, the costs of living in Poland are also much lower.

3. In 2009 Poland as the only EU country to experience a growth in GDP.



TRUE. Despite the economic crisis, Poland managed to maintain a steadily growing GDP. In the fourth quarter of 2014 it increased by 3.1%. In 2013 nominal GDP amounted to USD 519.4 billion, which gave Poland the 22nd position in the World GDP Ranking.

4. After 2004 when Poland joined the European Union, more than 3 000 000 economic migrants left the country.



FALSE. It is estimated that after Poland's accession to the EU nearly 2 000 000 people left the country. It is impossible to obtain accurate data due to different understandings of migration, diverse ways of recording migration flows in different countries as well as the openness of EU borders, seasonality or temporality of migration. In 2007 the number of Polish citizens living temporarily abroad reached its highest value and was estimated at 2 270 000. People temporarily living abroad are recognised as those who de-registered themselves from a permanent residence in Poland. The question arises as to how many people changed their place of permanent residence. According to the data from 2011, the greatest number of Poles left for Great Britain (approx. 625 000), Germany (approx. 470 000) and Ireland (120 000).

5. In Poland there is the greatest number of people employed on so-called 'junk contracts' (contract of mandate or contracts of specific work) in the entire EU.



TRUE. Poland struggles with the problem of so-called 'junk contracts' which are characterised by temporality and the lack of benefits which a full-time employee would receive (e.g. lack of holiday leave, health leave, flexitime, often lower earnings). In 2013, 27% of Poles were employed on the basis of contract of mandate or contracts of specific work. The average in the EU was at that time 15%.

3. EDUCATIONAL MATERIALS**6. Poland is the world leader in the export of mushrooms, yachts and furniture.**

TRUE. Poland is the largest producer of mushrooms in Europe and the largest exporter in the world – 35% of imported mushrooms come from Poland. Nearly 100 000 tons per annum are exported from Poland. Galeon, Delphis and Balt-Yacht are the world famous Polish producers of exclusive yachts, which is the second largest (after USA) manufacturer of boats of up to 10 meters long. It is mostly the Germans, the French and the British who buy Polish furniture made by brands such as Black Red White, Wójcik, Nowy Styl and Vox. In 2014 the value of exported furniture amounted to PLN 33.8 billion.

7. In 2014 Poland exported more products than it imported.

FALSE. In 2013 the value of exported goods from Poland amounted to EUR 163.1 billion, whereas the value of imported goods amounted to EUR 165.6 billion. Both import and export increased. In 2014 Poland exported mainly to EU countries (77.1%), including Germany (26.1%), Great Britain (6.4%) and the Czech Republic (6.3%). Poland imported mainly from Germany (22%), China (10.5%) and Russia (10.5%). Import from EU countries constituted a total of 58.6 %.

8. Poland is the world largest exporter of apples.

FALSE. According to the Ministry of Agriculture in 2013 Poland was ahead of China and won the title of the world largest exporter of apples. In 2015, 1205 tons of apples were sent to foreign markets. However, the introduction of an embargo on Polish apples by the Russian Federation caused a significant decrease in their export – by as much as 23% and the loss of global leadership. The Russian Federation was the main importer of Polish apples (more than 50% was sent to Russia). In contrast, the import of apples increased in Belarus and Kazakhstan. Currently, new markets are being sought out and Polish apples will soon be sent to Vietnam.

9. Krakow is in the top ten of the best world's outsourcing destinations.

TRUE. In "2015 Tholons Top 100 Outsourcing Destinations" Ranking, Krakow was ranked 9th best outsourcing destination in the world. It was the only European city in the top ten. Currently, nearly 100 companies operate in Krakow, which provide outsourcing services for 94 countries in 36 languages. Amongst them there are world famous brands such as: IBM, Lufthansa, Philip Morris, Sabre Holdings, Luxoft, HCL, StateStreet, Shell, Hitachi, Cerco, Ericpol, Ernst & Young, or HSBC.

10. Currently, in Poland EUR 1 is worth around PLN 5.10.

Most likely FALSE. The current exchange rate of EUR may be consulted at the Polish National Bank website <http://www.nbp.pl/home.aspx?f=/kursy/kursya.html>. Usually it is around PLN 4.00.

Development of texts – Marzena Ples, based on:

<http://stat.gov.pl>,

<http://paiz.gov.pl>,

<http://mg.gov.pl>,

<http://minrol.gov.pl>,

<http://msp.gov.pl>,

<http://forbes.pl>

Educational material no. 2

Macroeconomic Analysis of the Polish Economy



Basic information

Poland, with a population of over 38.4 million inhabitants, is the largest member of the European Union among all the countries of Central and Eastern Europe. In terms of the number of inhabitants, Poland is the 35th largest country in the world and the 6th largest in the EU. In terms of gross domestic product (GDP), Poland is the 9th biggest economy in the EU and the 25th biggest economy in the world.



Gross domestic product

In terms of economic growth in 2014, Poland ranked #5 in the EU, after Luxembourg, Ireland, Hungary and Malta. Over the recent years, observers have grown accustomed to the Polish economy's relatively good performance against the backdrop of the region of Central and Eastern Europe as well as the entire European Union. It was particularly visible in 2009, when Polish GDP, according to Eurostat data, grew 1.6%, making Poland the only EU country with a positive economic growth and earning the country the title of "green island". It was also in 2010 and 2011 that Polish economy stood out among European peers: the Polish GDP growth of 3.9% in 2010 was the third highest in the EU, while the 4.5% economic growth in 2011 ranked Poland fourth among the 27 member states. Growing faster than its counterparts, Poland is catching up, in terms of wealth, with Western EU countries. Poland's GDP per capita in 1995 was 43% of the average of EU countries, in 2000 it was 48%, and in 2014 – already 68%.



Inflow of European Union funds

Since Poland's accession to the European Union in 2004 the country has come a long way. A strong support in this process has and continues to be provided by the inflow of structural funds granted in the framework of the EU's cohesion policy. In the EU's 2007-2013 framework authorities and beneficiaries signed 106,439 contracts for the total sum of PLN 408,5 bln qualified expenses, including co-funding on the part of the EU amounting to PLN 288.0 bln. The inflow of EU funds to Poland increased in the years 2014-2020, as the EU budget for the period, approved by the Europarliament in mid-November 2013 set the funds allocation for Poland at EUR 105.8 bln. Consequently, Poland will be the biggest EU funds beneficiary among all the member states – not the biggest beneficiary of the Cohesion funds alone, as it has been the case so far, but of all funds.



Foreign direct investments inflow

The inflow of foreign direct investments (FDI) to Poland amounted y/y to USD 6.2 bln. The Polish government agency forecast 2014 FDI to slightly exceed the 2013 threshold. Poland has so far stood out in terms of foreign direct investments (FDI) among its CEE peers. The foreign direct investments inflow to Poland between 2006 and 2011 totalled some USD 94.9 bln and was the highest in the region (compared to the Czech Republic – some USD 36.8 bln, or Hungary – some USD 26.1 bln in the same period).

4. THE PROPOSED LITERATURE AND FILMS



Foreign trade – in 2014 exports grew faster than imports

The geographical structure of Poland's foreign trade slightly shifted in 2014: the share of developed countries (including the EU member states) decreased y/y, while the share of developing countries as well as Central Eastern European countries increased, GUS reported. The shift might be seen as a sign that in the face of the economic slowdown in the Western European countries, Polish companies are searching for trade partners on other, more prospective markets. Germany retained its position as Poland's leading trade partner. Poland's western neighbour absorbed 27% of Polish exports and accounted for 22.8% of imports to Poland.

Source:

<https://www.msp.gov.pl/en/polish-economy/macroeconomic-analysis/6888,Macroeconomic-Analysis-of-Polish-Economy.html>

4. THE PROPOSED LITERATURE AND FILMS

Websites:

- Central Statistical Office of Poland (PL, EN): <http://stat.gov.pl/>
- Ministry of Agriculture and rural Development (PL, EN): <http://www.minrol.gov.pl/>
- <http://www.mr.gov.pl/>
- Ministry of Treasury (PL, EN): <https://www.msp.gov.pl/>
- Polish Information and Foreign Investment Agency (PL, EN, RU): <http://www.paiz.gov.pl/>
- Polish Agency for Enterprise development (PL, EN): <http://www.parp.gov.pl/>

Books:

- *A golden opportunities*, The Economist – Special Report, London 2014:
http://www.economist.com/sites/default/files/20140628_poland.pdf
- Bogdan Wojciech, Boniecki Daniel, Labaye Eric, Marciniak Tomasz, Nowacki Marcin, *Poland 2025: Europe's new growth engine*, McKinsey&Company, 2015:
http://www.mckinsey.com/~media/mckinsey/dotcom/insights/economic%20studies/how%20poland%20can%20become%20a%20european%20growth%20engine/poland%202025_full_report.ashx
- *Commission staff working document: Country Report Poland 2015*, European Commission, Brussels 2015:
http://ec.europa.eu/europe2020/pdf/csr2015/cr2015_poland_en.pdf
- Gradzewicz Michał, Growiec Jakub, Kolasa Marcin, Postek Łukasz, Strzelecki Paweł, *Poland's exceptional performance during the world economic crisis: New growth accounting evidence*, NBP Working Paper No. 186, Warsaw 2014: https://www.nbp.pl/publikacje/materialy_i_studia/186_en.pdf
- *Investing in Poland 2015*, Polish Information and Foreign Investment Agency, Morten Lindholm, Warsaw 2015: http://www.paiz.gov.pl/files/?id_plik=23794
- *Investor's Guide - Poland. How to do Business*, Polish Information and Foreign Investment Agency, Warsaw 2014: http://www.paiz.gov.pl/files/?id_plik=24139
- *OECD Economic Surveys: Poland. Overview*, Economic and Development Review Committee of the OECD, 2014: http://www.oecd.org/eco/surveys/Overview_Poland_2014.pdf
- Lehmann Hartmut, *The Polish Growth Miracle: Outcome of Persistent Reform Efforts*, IZA, Germany 2012:
<http://ftp.iza.org/pp40.pdf>

4. THE PROPOSED LITERATURE AND FILMS

Films:

- *Get to know about Poland: Poland as Economic Partner*
(EN): https://www.youtube.com/watch?v=BUySbqR_Y7o
(RU): https://www.youtube.com/watch?v=7mUEYDN_dCg
- *Invest in Poland* (EN): http://www3.paiz.gov.pl/kampania/Filmy2008/480x320_CNN.html
- *Poland – Land of Opportunities*
(EN): http://www3.paiz.gov.pl/multimedia/Poland-Land_of_opportunities_flash2010/Poland_of_Opportunities_flash_2010_eng.exe
(RU): http://www3.paiz.gov.pl/multimedia/Poland-Land_of_opportunities_flash2010/Poland_of_Opportunities_flash_2010_rus.exe
- *Poland – Land of People* (EN): <https://www.youtube.com/watch?v=tFA9L-vQ64w>
- *Share in our success. Invest in Poland*
(EN): http://www3.paiz.gov.pl/multimedia/FILM_Share_in_our_success.Invest_in_Poland.VOB
- *Ten Years Later – How The EU Membership Has Changed Poland*
(EN): <https://www.youtube.com/watch?v=NDpziN7FUM4>
- *The Animated Guide to Polish Success* (EN): <https://www.youtube.com/watch?v=JC4xh1bO7ww>