

Chapter 10

Socio–Economic Development and Competitiveness: Poland

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ABSTRACT

The objective of this chapter is to present Poland's key strategic strengths and weaknesses, providing insights into the actual state of the country's competitiveness in a comparative strategic context. The chapter findings are based on the most recent and reliable data, including international and reputable domestic sources. The authors present a general country profile, discussing the position of Poland in key business rankings. Then an overview of the socio-economic development of Poland, including the macroeconomic situation, international stability and safety, global competitiveness, infrastructure, and demographic trends is provided. The authors also discuss key economic sectors and trends in foreign trade and Foreign Direct Investment (FDI). The discussion on Polish competitiveness is summarized in a Strengths, Weaknesses, Opportunities, and Threats (SWOT) analysis. Finally, the authors present best corporate and institutional practices and lessons in competitiveness, and provide a list of sources of information on doing business in Poland.

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INTRODUCTION

Poland is one of the biggest countries in the European Union (EU) in terms of population (ranked 6), area (ranked 6), and economy (ranked 8, by gross domestic product (GDP) in current prices) (Eurostat, 2013). The large consumer market and economic growth, political stability, availability of well-educated employees, relatively low labor costs, and a prime location (in the center of Europe and at the intersection of major Pan-European corridors) make the country an attractive location for foreign direct investment (FDI). During the recent economic crisis, Poland avoided a recession (it was the only country in the EU that experienced GDP growth each year between 2008 and 2013). It also strengthened its socio-economic competitiveness, which is reflected in improvement of a number of international rankings. In 2012, GDP per capita in Poland was 67% of the EU-27 average, in comparison to 51% in 2005 and 56% in 2008 (Eurostat, 2014). Key facts about Poland are presented in Table 1.

A large domestic market and a diversified export structure make Poland relatively resilient to external shocks. The stable macroeconomic environment (e.g., stable prices, permanent GDP growth) supports the undertaking of economic activity. The risk of a financial crisis is reasonably low. Moreover, Poland has a large number of agile small and medium-sized enterprises (SMEs) (more than three million registered entities).

Poland's successful transition and entry into the global economic system make it interesting to study. This chapter examines Poland's competitiveness and socio-economic development, often in comparison to other Central and Eastern Europe (CEE) countries. The findings are based on the most recent and reliable data, including international and reputable domestic sources (e.g. Eurostat, UNCTAD or Central Statistical Office of Poland and National Bank of Poland). The chapter starts with an overview of Poland's development and competitiveness, followed by an overview of the key economic sectors that create gross value added for the

Table 1. Key facts about Poland

Population	38.5 Million	GDP in Current Prices (2012)	377.2 Billion EUR
Area	312.7 thousand square kilometers	GDP per capita in PPS, EU-27=100 (2012)	67
Density	122 residents per 1 km ²	GDP growth (2012):	1,9%
Distribution of population	Urban: 61.8% Rural: 38.2%	Inflation	(Jan. 2014): 0.1%
Currency	PLN (1 Euro = 4.15 PLN)	Unemployment	(Jan. 2014): 14%

Source: Own elaboration based on Central Statistical Office of Poland and Eurostat data. Retrieved February 10, 2014 from <http://www.stat.gov.pl> and www.epp.eurostat.ec.europa.eu.

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