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15 years of Poland in the European Union

Nearly 16 years ago, on the 7th and 8th of June 2003, over 13.5M Poles answered "YES" to the question: "Do you approve of the Republic of Poland's accession to the European Union?". One year later, on the 1st of May 2004 Poland joined the Union together with nine other countries. Poland's integration with the rest of the EU deepened over the years. Some old member states: Great Britain Sweden and Ireland, opened their labor markets to Polish workers as early as 2004. A tide of Polish migration rose as other countries followed the pattern. Last countries to welcome Polish employees were Austria and Germany, which did so in 2011. Now, over a million Poles reside in the UK alone, compared to mere 70 thousand in 2003. In 2017 as many as 2.1M of our countrymen resided temporarily in other EU states. Another important milestone in European integration was Poland's 2007 entry to the Schengen Area. The ability to travel the European Union freely remains possibly the most noticeable benefit of Poland's EU membership.

Poland's economy has flourished thanks to the EU membership. Exports have exceeded 200M EUR yearly owing to a free, common market. In the years 2015–2017 Poland's net exports were positive for the first time in the XXth century. Open market allowed Polish entrepreneurs, especially in the construction business to bid for tenders under fair treatment in the entire EU. Foreign direct investment to Poland rose sharply after the accession in 2004. Structural funds equaling 164B EUR, twice the country's budget have or will have shortly arrived to Poland. Most of new infrastructure, such as highways, express roads or sewage treatment plants has been financed with the EU funds. Inclusion in the European value chains, made possible by the EU membership, has boosted Polish economy by more than a quarter, according to some research.

Polish people have remained very much pro-European. 4 out of 5 consider themselves EU citizens and 47% trust the Union. Although this is less than during the peak (62% in 2007) it remains on par with other EU countries. Regardless, it can be established that the 15 year long membership has caused outstanding euro enthusiasm in the Polish society. This is an important conclusion, drawn in the light of Brexit and the unease regarding the very integrity of the European Union.

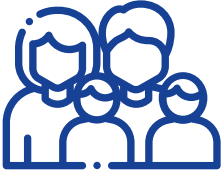
In a wider context of IIIrd RP's 30th anniversary and 100th anniversary of Poland's independence, the period since the accession can be considered a time of great economic prosperity. Not just the economy, but the entire state has changed. Joining the EU harmonized the law, streamlined financial flows and eliminated many trade barriers. Some challenges still remain, ranging from the debate regarding Eurozone accession to a proper reform of the entire Union, aimed at make it competitive with global superpowers.

In the next 15 years Poland can join the G20, and the European Union can remain one of the most powerful economies in the world, alongside China and the USA. Another enlargement lies ahead, which offers a chance for Poland to share its experiences with the Balkan states.

I encourage you to read this report, prepared by the Polish Economic Institute, which summarizes Poland's presence in the Union. In this text we intend to present the change experienced by our country in the last 15 years and encourage further discussion regarding directions, means and the quality of changes in the next 15 years and more.

Piotr Arak
Director of Polish Economic Institute

POPULATION



38.4M

Poland's population in 2017, circa 200 thousand more than in 2004

82 years

life expectancy of a Polish female in 2017, 80 years in 2004

74 years

life expectancy of a Polish male in 2017, 71 in 2004

21%

In 2017 21% of Poles were in the retirement age. 15% in 2004

15%

In 2017 15% of Poles were younger than 15. 17% in 2004

29.6 years

average age of a Polish male at the time of his first marriage in 2017, 27.5 in 2004

27.3 years

average age of a Polish female at the time of her first marriage in 2017, 25.1 in 2004

AVERAGE POLE



7h 15min

was the duration of a Polish citizen's average workday. 7h 30min in 2004

60%

of Poles lived in cities in 2017. 62% in 2004

26%

of Poles aged 15-64 has an university degree, 13% in 2004

38%

of Poles read at least one book in 2017, 58% in 2004

24%

In 2017 24% of Polish adults smoked. 30% smoked in 2004

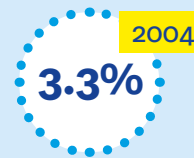
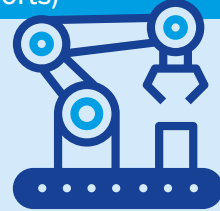
23%

In 2016 21% of adult Poles were obese, 19% in 2004

Free trade's rapid growth

Polish exports amounted to 48B EUR in 2003. During the last 15 years this value has quadrupled. 100B mark was reached in 2010, 200B in 2017. Out of the 220B worth of exports in 2018, circa 80% have reached other EU member states. Germany remains our largest trade partner. Polish companies sell there nearly 28% of export produce and import 23% of all the goods reaching Poland.

High tech exports (percentage of all goods exports)



Source: World Bank

Bestsellers (value of exports in 2017)



11.0B EUR
Vehicle parts
and accessories



6.7B EUR
Cars



5.2B EUR
Chairs



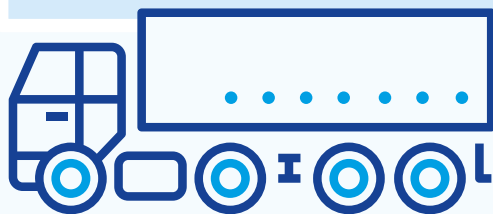
4.0B EUR
TVs

Source: UN comtrade

Primary EU export destinations

169.6B EUR

value of exports to the EU in 2018



← 8 EUR



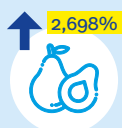
Source: Eurostat

Poland's trade balance, 2003-2018



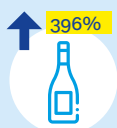
Source: Eurostat

Luxury goods imports, (change, 2004-2017)



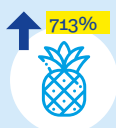
↑ 2,698%

+34.9M EUR
Avocado



↑ 396%

+24.3M EUR
Sparkling wine



↑ 713%

+21.7M EUR
Pineapples



↑ 612%

+12.7M EUR
Exclusive watches



↑ 294%

+6.9M EUR
Diamonds

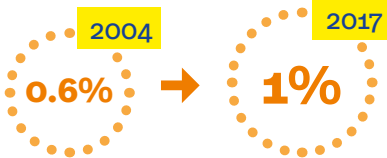
Source: UN comtrade

Companies expand

In 2017 10 largest companies reported an income of 332B PLN, three times more than 10 largest companies of the time did in 2004.

PKN Orlen remains the leader, but its position can soon be challenged by Jeronimo Martins Poland (owner of the Biedronka groceries), which has doubled its income since 2012. Warsaw Stock Exchange flourished thanks to enterprise development. The number of listed companies has increased twofold and total capitalization nearly quadrupled.

R&D expenditure (%GDP)



Source: OECD

Nominal employment

2004

13,795,000

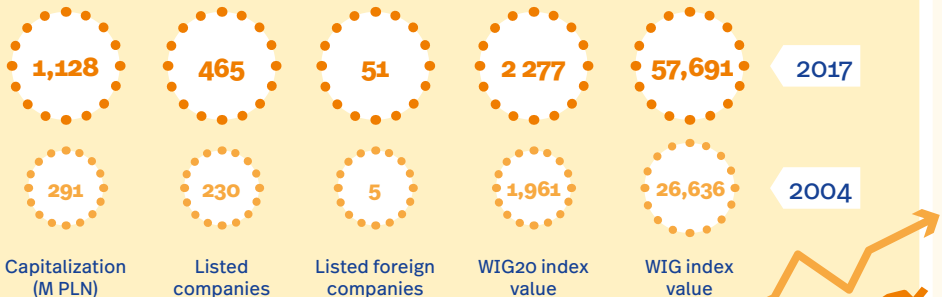
2017

16,423,000



Source: GUS

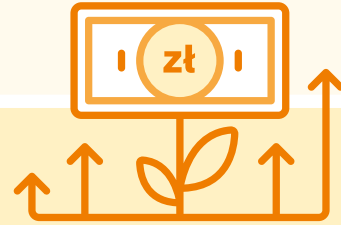
Stock exchange development



Source: GPW



Largest companies of 2004 and 2017 in terms of income



2004

PKN Orlen	29.0B
Telekomunikacja Polska	18.6B
PZU	16.0B
Polskie Sieci Energetyczne	15.8B
Metro AG	11.6B
Profus Management	10.5B
Grupa Lotos	10.3B
Fiat Auto Poland	10.1B
Mittal Steel Poland	9.6B
Kompania Węglowa	9.1B

2017

PKN Orlen	95.4B
Jeronimo Martins Polska SA	48.2B
PGNiG SA	35.9B
Grupa LOTOS	24.2B
Eurocash	23.3B
PGE SA	23.1B
KGHM Polska Miedź	20.4B
Tauron Polska Energia	17.4B
Orlen Paliwa	17.2B
Cinkciarz.pl	17.0B

Source: "Rzeczpospolita"

Largest investors 2017 (PLN)

PGE SA	32B
Tauron	26B
PGNiG SA	19B
KGHM Polska Miedź SA	11B
PKN Orlen	11B
Polkomtel sp z o o	6B



Source: "Rzeczpospolita"

Biggest employers 2017

PKN Orlen	74,601
Jeronimo Martins Polska SA	59,882
PGNiG SA	43,310
Grupa Lotos	41,231
Eurocash	40,171
PGE SA	39,349



Source: "Rzeczpospolita"

In pursuit of technology

Poland's accession to the EU coincided with the spread of one of the most groundbreaking innovations in human history – the Internet.

Informatization and internetization processes have begun earlier in the old EU than in Poland. In 2004 we have not yet met the European standards in these areas. 15 years later, the differences have largely been bridged. Most Poles have access to the Internet and use it for banking and shopping. Public offices and administration also follow the informatization trend. Each year more and more formalities can be arranged from home.

Informatization of Poland

2004

1/3 of Poles use the Internet.
Onet.pl is the most popular website
with 6.8M monthly users

2005

Number of debit
cards reaches 20M

2006

The largest social networking
site in the history of Poland
– nasza klasa – launches

2009

Every second
household has access
to the internet

2008

e-PUAP,
e-Declarations

2007

Number of cellphones
exceeds the population count.
First paypass cards

2010

Every fourth Pole uses
internet banking and
does online shopping

2011

Ministry of administration
and digitization is created

2012

Last phase of tv digitization
begins. First analog
broadcasting stations are
turned off

2015

School digitization
program is launched

2014

Operating program "digital
Poland" is launched. Over 4B PLN
to be spent on digitization

2013

e-WUŚ. TV signal digitization
process is complete

2016

Electronic
sick leaves

2017

Number of deb-
it cards exceed the
population count

2018

4 out of 5 Poles use the internet.
Google is the most popular
website with over 26M
monthly users

2019

e-Prescription

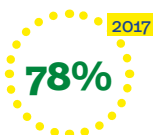
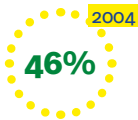
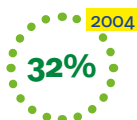
Non-cash payments

Number of card payments
per inhabitant in 2017

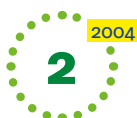
Source: European Central Bank



Internet users



Fixed broadband



per 100 adults

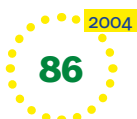


Source: World Bank

Number of cellphones



per 100 inhabitants



Online shopping



Source: Eurostat, World Bank

Open borders...

Accessing the European Union in 2004 and the Schengen area in 2007 coupled with the opening of the old EU states' labor markets to Polish workers, caused over 2.1M Poles to temporarily migrate to other EU countries, mostly to work or study. On the other hand immigration to Poland from the former Soviet sphere of influence has increased in recent years. Polish society remains among those with the most positive attitude towards the European Union.

Knowledge of foreign languages



15%

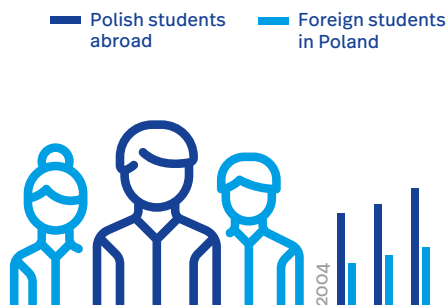
15% of Poles declare **proficiency in at least one foreign language** (2016). Despite a 10% increase since 2007, this result is the fourth worst in the European Union (after Czech republic, Italy and Romania)

67%

67% of Poles declare **knowledge of at least one foreign language** (2016), a 4pp increase since 2007. this is more than the European average (65%)

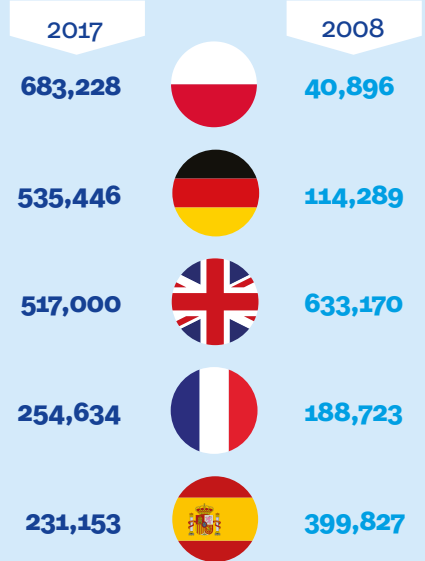
Source: Eurostat

Students in Poland and abroad (2004-2017)



Source: UNESCO, GUS

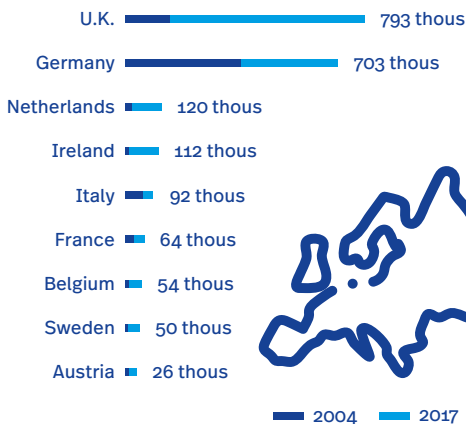
Countries with most migrants from outside the EU



Number of first time residence permits issued to people from outside the EU

Source: Eurostat

Poles on temporary stay outside the country



Source: GUS

Do you feel an European citizen? (% of responses "YES" in 2017)

Luxembourg	89
Germany	86
Ireland	85
Spain	83
Malta	82
Sweden	82
Estonia	81
Finland	81
Hungary	80
Belgium	79
Poland	79
Denmark	78
Portugal	78
Lithuania	77
Slovakia	77
Austria	75
Netherlands	75
Latvia	75
Słowenia	72
EU28	71
Romania	68
Croatia	66
Cyprus	65
France	62
Italy	59
United Kingdom	58
Czech Republic	56
Greece	52
Bulgaria	51

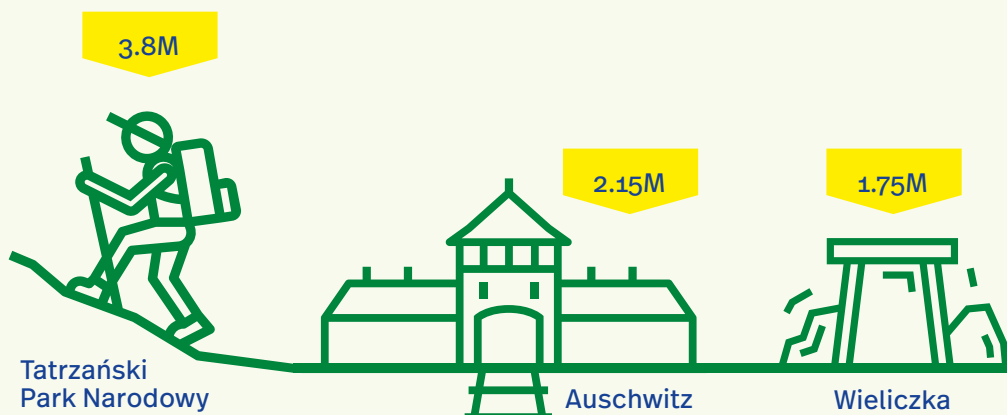
Source: Eurobarometer



...bring tourists joy

Not only has accessing the European Union and the Schengen area allowed Poles to easily travel around Europe, it improved Poland's attractiveness as a tourist destination. Since 2009 the number of foreign tourists has been significantly increasing and reached 19M in 2017. Poles use the opportunities granted by open borders. According to 2014 research, every second Polish citizen (48%) has visited another EU country and every fourth (22%) has studied, worked or trained in other member states.

Number of tourists visiting...
(as 2018)



of Poles have studied, trained or worked in the EU (2018)



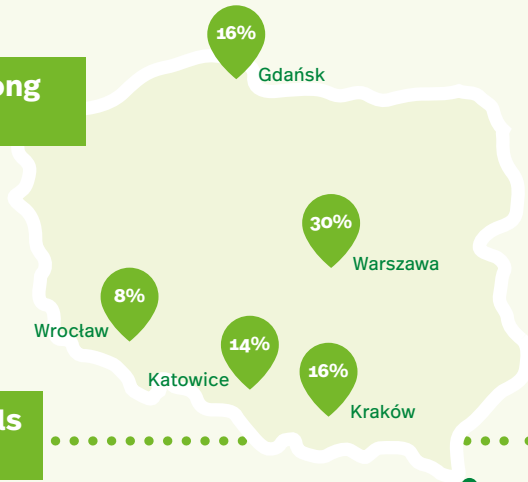
of Poles have travelled to a country outside the EU (2014)



of Poles have travelled to another EU member state (2014)

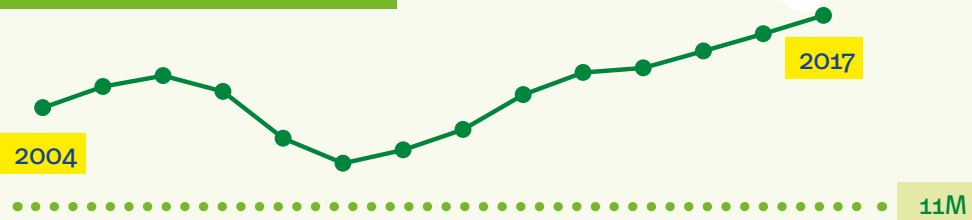
Source: Eurostat

Cities most popular among foreign tourists in 2017

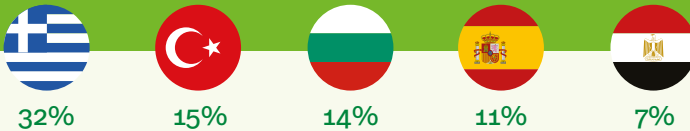


Source: National Geographic

Number of tourist arrivals to Poland

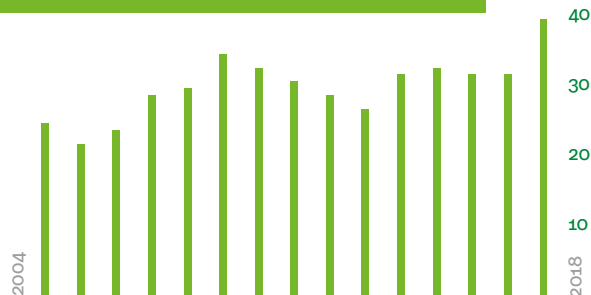


Most popular holiday destinations (may–august 2018, incl. travel agencies)

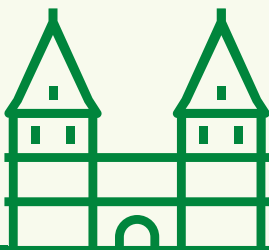


Source: Polish Chamber of Tourism

Number of Poles spending at least one week long holiday abroad (per 100 adults, 2004–2018)



Source: CEBOS



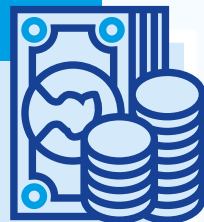
Malbork



It's coming in our wallets

GDP growth in Poland has accelerated sharply after the EU accession. In 2018 Polish GDP was 81% higher than in 2003. Polish economy is one of the fastest growing in the Union and one of the few which did not experience a recession following the 2008 crisis. Wages in Poland are converging to the European level, as do levels of wealth and value of household equipment.

Richest in Poland



2

2 Poles are on the "Forbes"
1000 wealthiest list

7

7 Poles' wealth exceeds
1B USD

44

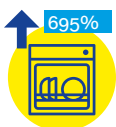
44 Poles' wealth exceeds
1B PLN

Source: "Forbes", "Wprost"

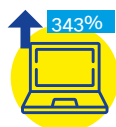
Our wealth increases (change, 2004-2017)



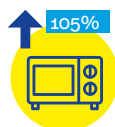
Wealth



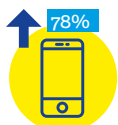
Dishwasher



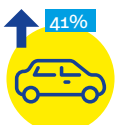
Computer



Microwave



Smartphone

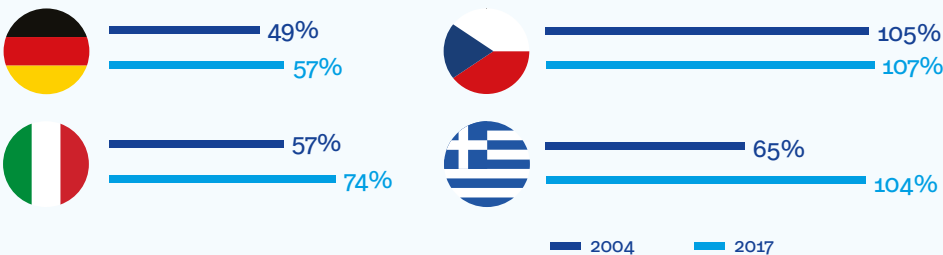


Car



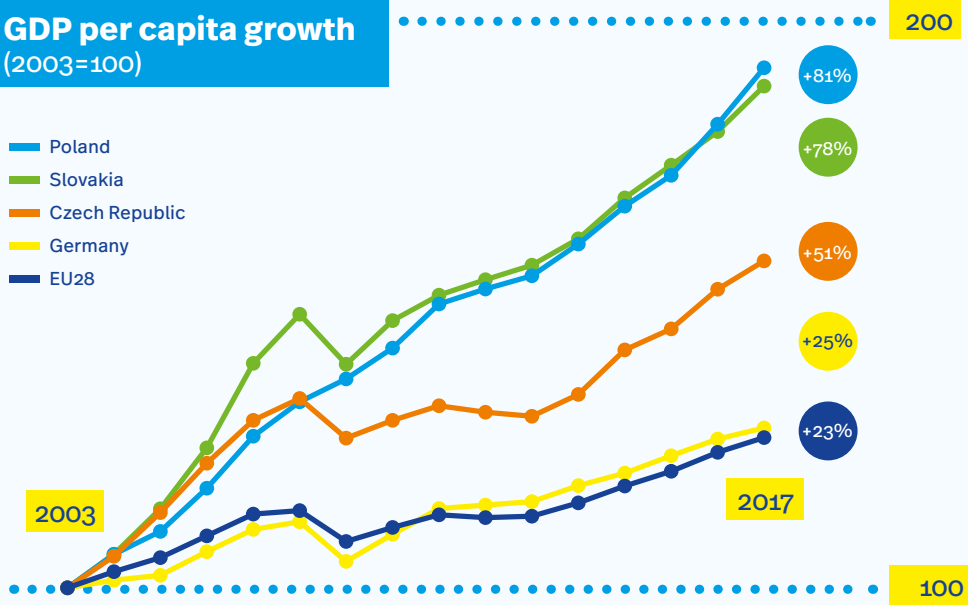
Source: Credit Suisse, GUS

Average wage in Poland compared to average wages in selected EU countries (change, 2004-2017)



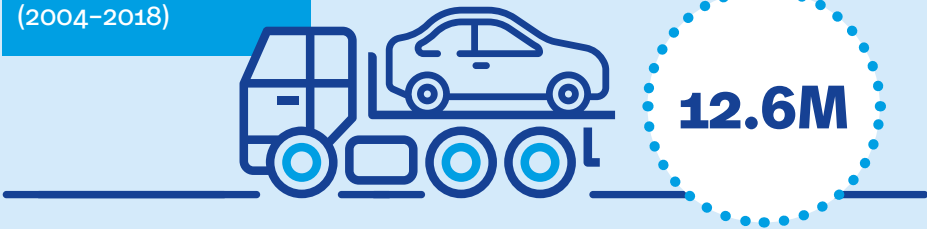
Source: OECD

GDP per capita growth (2003=100)



Source: Eurostat

Import of used cars (2004-2018)



Source: MF

Poland.

Under construction

EU accession brought to Poland structural funds worth billions of Euro (164B in years 2004–2020). Most of these were used to develop infrastructure, particularly roads, highways, express roads, public transport, sewage facilities and sewers. Since 2004 total length of highways and express roads has quadrupled. Number of households with access to sewers and sewage plants has increased by over a dozen percentage points.

EU funds in numbers



1,64B EUR

have been granted to Poland in the years 2004–2020, **twice the country's budget**



662 PLN

worth of EU funds spent per capita in **podlaskie voivodship** in the years 2014–2017 (first place in Poland among NUTS 1 regions)



8,879 PLN

worth of EU funds spent per capita in **Krynica Morska** in the years 2014–2017 (first place in Poland among NUTS 3 regions)



7.4B PLN

worth of EU funds spent on the **development of II subway line** in Warsaw



241 thousand

number of finished and running EU projects since 2004



3,073 PLN

worth of EU funds spent per capita in **Olsztyn** in the years 2014–2017 (first place in Poland among NUTS 2 regions)



3.5B PLN

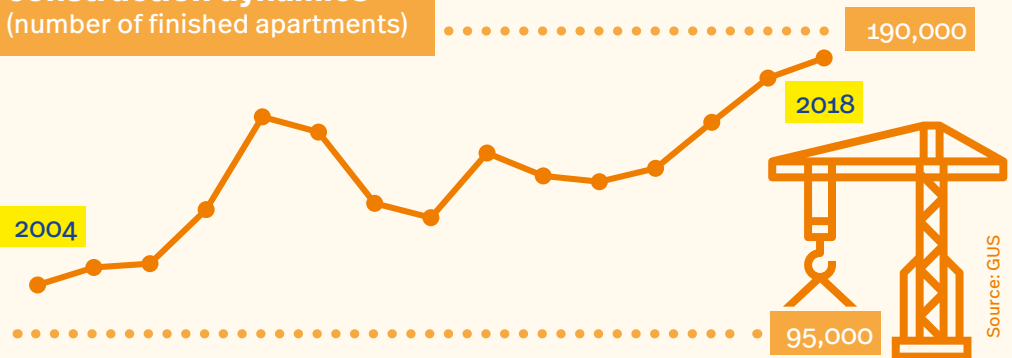
worth of EU funds spent on a 6-phase project supplying Warsaw with fresh water and sewage facilities



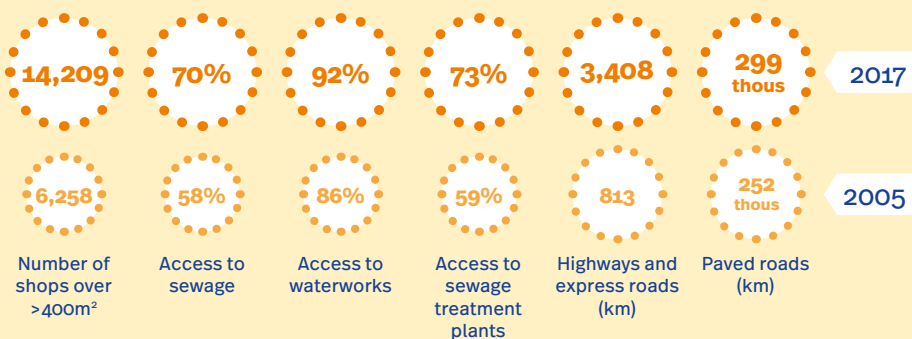
Network of highways and express roads (comparison 2004 & 2018)



Apartment construction dynamics (number of finished apartments)




Poland. Under construction



Poland is getting greener

Last 15 years have brought much success in the area of environment protection. Both fauna and flora benefit from the gradual increase in forest cover. More and more species are protected. Green energy production remains a challenge, however improving air quality is now a national priority.

Number of animals



	2005	2017
European beaver	43,499	124,622
Moose	3,896	21,323
Mouflon	1,684	3,345
European bison	901	1,873
Wolf	800	2,390
Lynx	231	432
Mountain goat	138	310
Brown bear	164	304

Forest cover

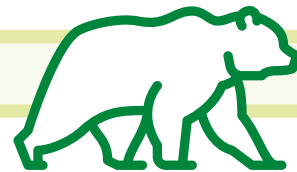


2003
2017

1%

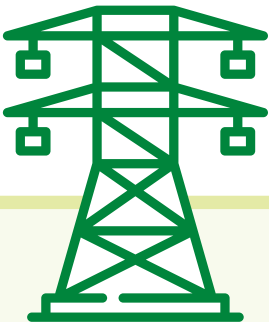
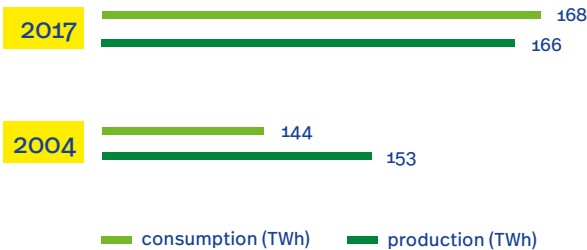
29%

Forests as % of
Poland's surface



Source: GUS

Electricity production and consumption



Source: Polskie Sieci Energetyczne



Number of cities on the 100 most polluted EU cities list



Cities are ordered with accordance to PM2.5 concentration (dust with particles no larger than 2.5µm), which according to the WHO is the most dangerous atmospheric hazard to human beings.

Source: WHO air pollution database

Environment protection in Poland and the EU

			
Energy from renewable sources (% of production)	2004	4,8%	6,4%
	2016	8,8%	13,6%
CO ₂ emissions (2004=100%)	2004	100%	100%
	2016	100%	82,5%
Recycled waste (% of waste)	2004	4,9%	30,6%
	2016	33,8%	46,4%



Source: Eurostat

Names



Susan, Julia, Maya
most popular names for female newborns in 2018. In 2004 most popular were Julia, Victoria and Nathalie

Anthony, Jacob, John
most popular names for male newborns in 2018. In 2004 most popular were Jacob, Casper and Matthew

PLN



4.26
average EUR-PLN exchange rate in 2018. 4.53 in 2004

260M
number of 1PLN coins issued since 2004

Music taste



Disco Polo
is the most popular genre in Poland. In 2004 Poles liked hip hop best

From smalltown
Dawid's Podsiadło album was the best selling album in Poland in 2018. In 2004 Ich Troje's "The Best of" was at the top

Movie taste



60M
people went to the cinema in 2018. 30M in 2004

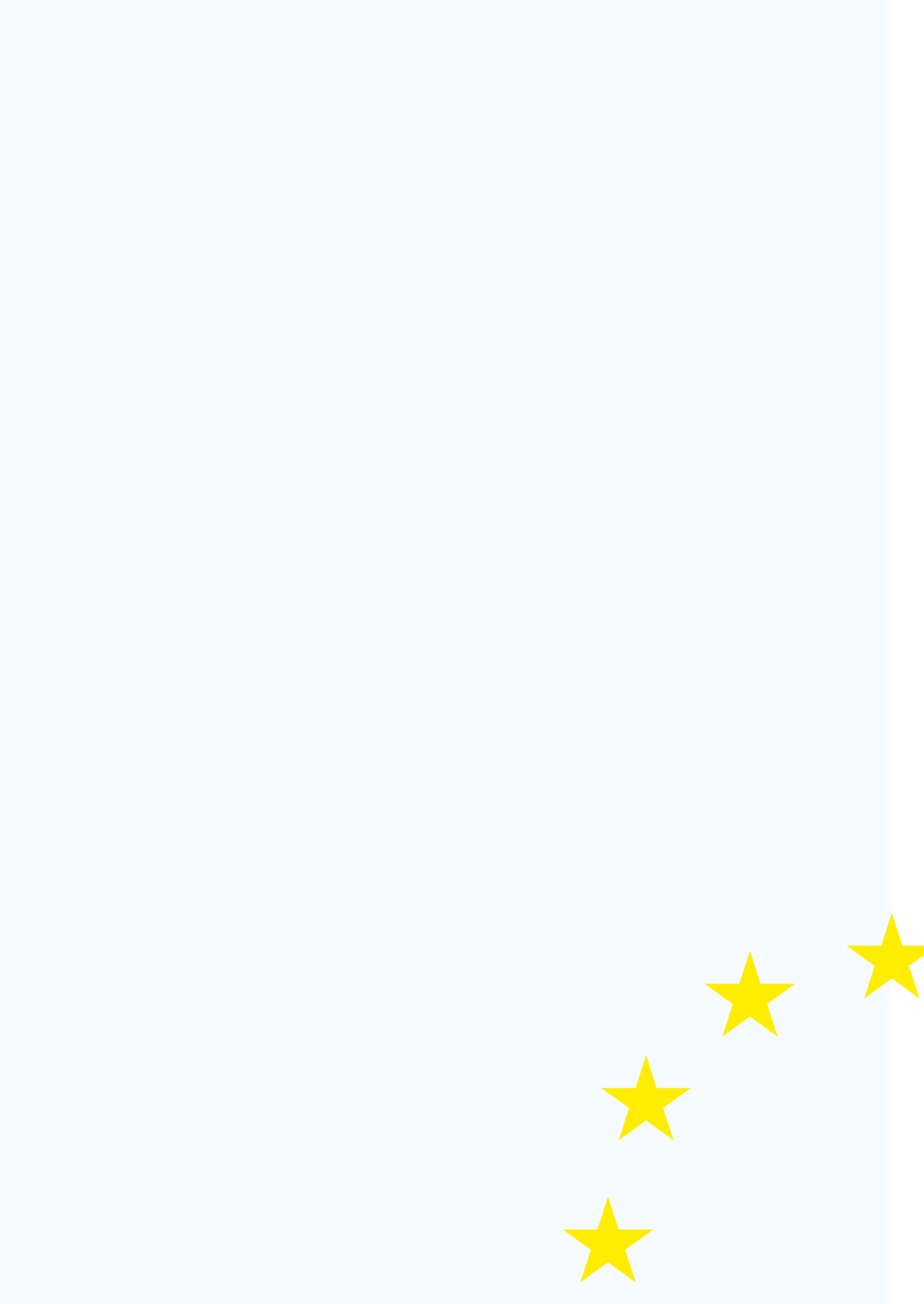
Cold War
Pawel Pawlikowski's Cold War won Golden Lions at the Polish Film Festival in Gdynia in 2018. Magdalena Piekorz's Pręgi won the competition

Security and problems



86%
of poles believe that Poland is a safe place to live, 33% in 2004

Inflation
was the most commonly indicated Poland's problem (42%). In 2004 74% respondents picked unemployment



The Polish Economic Institute

The Polish Economic Institute is a public economic think-tank dating back to 1928. Its research spans trade, energy and the digital economy, with strategic analysis on key areas of social and public life in Poland. The Institute provides analysis and expertise for the implementation of the Strategy for Responsible Development and helps popularise Polish economic and social research in the country and abroad.

