



## Poland congratulates Libya - lines up for reconstruction contracts

Poland's foreign minister Radek Sikorski, on a surprise visit to Libya, 24<sup>th</sup> of October, congratulated the Libyan people for overthrowing the Gaddafi regime and embarking on their "first days of freedom". Sikorski promised to share Poland's experiences of building democracy after decades of dictatorship. Sikorski was the

first senior politician from the international community to visit Libya since the National Transitional Council declared itself "liberated" from 42 years of rule by Gaddafi. Sikorski, who had talks with interim government leader Mustafa Abdul Jalil, was accompanied to Libya by Polish business people from the petrochemical and



construction industries. "Polish companies have a good reputation and will have plenty to do in rebuilding Libya," Sikorski said. Poland, currently head of the six-month rotating EU presidency, has invited leaders from the National Transitional Council to a conference in Warsaw on 2 December on cooperation between newly liberated nations in North Africa and the EU.

## Shale gas drilling begins in eastern Poland

PKN Orlen, Poland's energy fuel giant, began drilling operations in Syczyn, in the eastern Chelm region on Monday, 24<sup>th</sup> of October. This is the first of two explorations in search of shale gas deposits planned by the

company this year. PKN Orlen is conducting over 3,000 meters of drilling to check the data from seismic research carried out over the summer. Another two such operations are envisaged by mid 2012. Currently, PKN Orlen

has eight prospecting licenses for crude oil and natural gas deposits in Poland. Of the total, six are located in the eastern Lublin province.

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## Poland-Russia gas negotiations enter crucial stage

If negotiations between Poland and Russia over gas prices does not reach a conclusion by the end of October then Warsaw will seek international arbitration, Poland's gas company has repeated.

"If the two parties do not reach a consensus by the end of the month then the company will submit an application for

arbitration in Stockholm," says a statement on Poland's gas monopoly PGNiG's web site.

"We are confident there are grounds for a price cut. Even now, in the winter period, prices [on the market] are lower than in the contract," PGNiG deputy head Radoslaw Dudzinski has said.

Poland is seeking at least a 10 percent discount on present prices, though Gazprom, Russia's gas giant, has said it sees no reason to slash prices.

Poland imports around two-thirds of its annual gas needs from Russia.



## High speed freight train to travel from UK to Poland

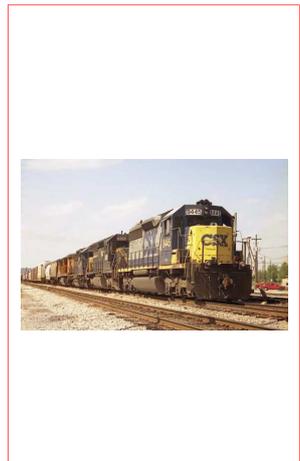
A high-speed freight train will begin overnight trips once a week between London and Wroclaw, south west Poland, from 8 November.

The journey, which will take two days, will travel from Barking in east

London, via the Channel Tunnel, to Poland and will transport food, retail goods and cars.

"This is an important step for rail freight in Europe, as a new market has been developed and a new trading route opened," Alain

Thauvette, chief executive of DB Schenker Rail UK has said.



## Poland's richest man pulls out of Syria

Polish business mogul Jan Kulczyk has suspended his oil operations in Syria, as violence in the Middle Eastern country shows no sign of abating. "The main reason for the decision is the problem of ensuring the safety of our employees," said Jakub

Korczak, vice chairman of Kulczyk Oil Ventures (KOV). However, he acknowledged that that was not the only factor involved. "It's worth pointing out that there are sanctions imposed by the United States and the EU, which prevent us

from securing financing for our search operations." By June this year, KOV had invested some 19.4 million zloty (4.5 million euros) in Syria. Most of that money has been spent on surveys, but drilling for oil began in July.



Jan Kulczyk

## Emir of Qatar in Poland for trade agreements

Emir of the state of Qatar Sheikh Hamad bin Khalifa Al-Thani has paid a two day visit to Poland. The official welcoming ceremony was held on the courtyard of the Presidential Palace and was then followed by plenary talks chaired by President Bronislaw Komorowski and Sheik Hamad Bin Khalifa Al-Thani, and a meeting in private of the President and the Emir of Qatar.

"Ten years ago, I was visiting Poland and I met the then President but also beforehand, I had been following the development of Solidarity movement

and reading articles on the subject. I was full of admiration for that movement" - said the Emir.

In the presence of the Polish President and the Emir of Qatar, an agreement was signed between the government of the Republic of Poland and the government of the State of Qatar on cooperation in tourism and an agreement on establishment of the Polish-Qatar Business Council between the Polish Chamber of Commerce and the Qatar Chamber of Commerce and Industry.

Poland intends to import from Qatar 1 million tonnes of liquid natural gas (LNG) annually to its terminal in the north west of the country for a period of 20 years from 2014.



## Shortage of hotel beds in Poland

Poland is well below the EU average in the amount of hotel accommodation on offer, shows data from the Central Statistical Office (GUS). The country has 66 beds to every 10,000 inhabitants, while the EU average amounts to

245. The EU leader is Cyprus with 1057 hotel rooms for every 10,000 inhabitants. The situation in Poland is better when all levels of accommodation b&b, motels, agro tourist locations and hostels, are taken into consideration,

however. In July 2011, Poland had 606,000 hotel rooms available, 4,000 less than last year. To make up for the shortage, 240,000 private rooms are being offered by locals in tourist areas. Poland is expecting a major influx of tourists next year when it stages the Euro 2012 football championships with Ukraine.





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## Polish budget revision to depend on quality of euro zone rescue package

A potential revision of the Polish 2012 budget will largely depend on the package of rescue measures for the euro-zone troubled countries to be approved within days, Finance Minister Jacek Rostowski told radio broadcaster RMF FM.

"The less efficient the [rescue] package, the deeper will be the slowdown in 2012 and the more the [Polish] budget will have to change, the more it will differ from initial assumptions," Rostowski said after being asked about a potential revision of the budget.

Poland based its initial budget bill on an assumption of 2012 GDP growth of 4%, which most economists now see as unrealistic. Up until October 9 general elections, Rostowski had claimed to see no reason for any revision, as 2012 nominal GDP figure would likely be boosted by higher base from 2011.

### Zloty expected to be gaining in coming months

The Polish zloty could appreciate by the end of the year thanks to the stable situation of Poland, economists said after "buy" recommendations for the zloty issued by Societe Generale and earlier by Deutsche Bank, HSBC and Barclays.

The losses suffered by the Polish currency at the beginning of October were a result of the sell-out of the euro on the back of renewed concerns about the debt crisis, according to analysts.

In the coming months, the zloty is seen supported by, among others, the expected higher prices of Polish T-bonds.

The Polish currency would also benefit if the government quickly presented a reliable revision of 2012 draft budget, in experts' opinion.

### ZLOTY EXCHANGE MID-RATES /15th-31st Oct 2011/

<b>USD</b>	<b>3,10</b>	<b>-1,60%</b>
<b>EUR</b>	<b>4,35</b>	<b>+0.39%</b>
<b>CHF</b>	<b>3,54</b>	<b>+0.64%</b>
<b>GBP</b>	<b>4,97</b>	<b>+0.21%</b>