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> " Those able to connect to the Internet have already done so. Many people are still unaware of the possibilities of the Internet."
> —*Polish IT consultant*

> " We've got IT companies here, and that's a good start."
> —*Financial analyst, Poland*

Poland's overall ranking of thirty-five in Readiness for the Networked World is an indicator of the nation's position as one of the leaders of Central and Eastern Europe. Accession to the European Union (EU) has made the telecommunications sector the most active part of Poland's Networked World landscape.

As one of the requirements to join the EU, the process to fully liberalize Telekomikacja Polska (TPSA), the dominant telecommunications company, has begun. TPSA continues to control 90 percent of the local dialing market and has a monopoly on international long-distance through 2002 (Ranking in Effect of Telecommunications Competition: 57). Competition in local markets exists, but only one additional competitor per city/region has been licensed, and little change in pricing or market share is evident. Local calling prices are prohibitively high for many Poles, and teledensity is expected to grow slowly until new entrants are able to gain strength and achieve fiscal stability. In the meantime, mobile telephones are being adopted quickly as an alternative communications device in Poland. TPSA is also being privatized; the government sold 10 percent of TPSA's shares on the Warsaw Exchange in 1998 and 35 percent of the company to France Telecom in 2001.

The Internet is starting to become a meaningful sector for the telecommunications industry. Online traffic is growing rapidly. Falling prices of Internet access, along with higher-quality networks and better service quality, have driven greater Internet use. TPSA was the first ISP in Poland. It offered the Internet free to its customers in hope of increasing phone use; however, service was so unreliable that fee-based dial-up providers emerged. Two of these new providers, Wirtualna Polska and onet.pl, have become the most dominant ISPs in Poland (Ranking in Effect of ISP Competition: 47).

The Internet's economic impact and adoption by businesses are also just becoming visible. While most foreign direct investment has focused on Poland's recently privatized heavy industry and agricultural sector, ICT infrastructure is now recognized as an undeveloped opportunity. Almost 300 Polish firms were engaged in e-commerce at the beginning of 2000[1] (Ranking in e-Commerce micro-index: 30). Vertically integrated industries are beginning to adopt e-commerce, and as supply chains diversify with liberalization and accession to the EU, it is estimated that B2B e-commerce in Poland could grow to more than US$7 billion in 2005.[2]

Poland's gray market legacy as a former member of the Soviet bloc has led to thriving ICT-related business subsectors. The "entrepreneurs" who once pieced together smuggled components into computers sold in Poland, Czechoslovakia, and the USSR are now the leaders in the Polish PC industry.[3] Several other ICT companies floated on the public markets with initial but short-lived success also have elicited interest in the industry as an area for growth.

Knowledgeable observers point out that if Poland is to produce the ICT workforce necessary even in an economy based on manufacturing and agriculture, the nation's greatest need for improvement lies in its schools. At the beginning of 2000, 16 percent of Polish primary or secondary schools had Internet connectivity (Ranking in Internet Access in Schools: 33), and no Polish universities taught modern Internet skills.[4] A government program has been established to bring all schools online by 2001.[5]

Key Facts

Population	38,800,000
Rural population (% of total population) 1999	34.78 %
GDP per capita (PPP)	US$8,971
Global Competitiveness Index Ranking, 2001–2002	41
UNDP Human Development Index Ranking, 2001 (adjusted to GITR sample)	32
Main telephone lines per 100 inhabitants	28.23
Telephone faults per 100 main telephone lines	26.00
Internet hosts per 10,000 inhabitants	87.66
Personal computers per 100 inhabitants	6.89
Piracy rate	54.00 %
Percent of PCs connected to Internet	12.73 %
Internet users per host	8.24
Internet users per 100 inhabitants	7.22
Cell phone subscribers per 100 inhabitants	17.40
Average monthly cost for 20 hours of Internet access	US$26.48

RANK

Networked Readiness Index	**35**
Network Use component index	**36**
Enabling Factors component index	**33**
Network Access	**48**
Information Infrastructure	56
Hardware, Software, and Support	39
Network Policy	**42**
Business and Economic Environment	27
ICT Policy	56
Networked Society	**32**
Networked Learning	38
ICT Opportunities	33
Social Capital	24
Networked Economy	**35**
e-Commerce	30
e-Government	34
General Infrastructure	41