

## 2011 IT INDUSTRY COMPETITIVENESS INDEX

# Poland

### OVERALL RANKING

COUNTRY	2011 RANK	2011 SCORE	2009 RANK	2009 SCORE
United States	1	80.5	1	78.9
United Kingdom	5	68.1	6	70.2
Germany	15	64.1	20	58.1
France	21	59.3	17	59.2
Italy	23	50.7	24	48.5
Czech Republic	27	46.1	26	47.0
<b>Poland</b>	<b>30</b>	<b>44.6</b>	<b>35</b>	<b>40.8</b>
India	34	41.6	44	34.1
China	38	39.8	39	36.7
Brazil	39	39.5	40	36.6
Turkey	41	38.7	46	33.8
Bulgaria	43	38.1	47	33.6
Russia	46	35.2	38	36.8

### HIGHLIGHTS

- > Poland has risen five places in the IT industry competitiveness table since 2009.
- > IT infrastructure and the R&D environment are particular areas of improved performance, with noteworthy progress also evident in the legal and business environments.
- > A fall in science and engineering enrolment portends future skills shortages for technology firms operating in Poland.

Poland is one of the big gainers in the 2011 IT Industry Competitiveness Index, having risen five places to 30th since 2009 and broken into the top half of the table. It ranks fifth in the east European region, behind Slovenia, the Czech Republic, Hungary and Estonia.



## ABOUT THE INDEX

The IT Industry Competitiveness Index gauges the information technology (IT) industry environment of 66 countries by assessing the enablers of competitiveness and determining their relative importance in IT sector performance. Now in its fourth year, it is the centerpiece of a major program of research, created by the Economist Intelligence Unit for the Business Software Alliance, into the forces that drive the competitiveness of countries' IT industries.

A complete description of the Index indicators, scoring methodology, and definitions, as well as written analysis, case studies, video interviews and other content, can be found at [www.bsa.org](http://www.bsa.org).

**Business environment:** In the aspects of the business environment of particular importance to IT producers, Poland's has risen three places since 2009 to 32nd in the category rank. In this it has benefitted mainly from improvement in the level of government regulation. The country continues to receive generally positive grades when it comes to protecting private property and allowing businesses to compete relatively freely. Despite this, progress in reducing bureaucratic barriers has been slower than planned.

**IT infrastructure:** Poland's IT producers are benefiting from improved IT and communications infrastructure in the country. The country's rank and score have both increased in this area from 2009, putting it behind only Estonia and the Czech Republic in the region. While IT investment has fallen from 2009 levels, broadband penetration has expanded steadily, from 11% in 2008 to over 16% at year-end 2010. Still, broadband adoption remains well behind that of other countries in the region. The quality of telecoms services is likely to improve with more competitors emerging to challenge the national provider Telekomunikacja Polska.

**Human capital:** This is the one category where Poland's overall IT industry competitiveness performance weakened in 2011; it has dropped three places in the human capital rank, to 34th. The decline is caused primarily by a drop in student enrolment in science and engineering programs, an important source of talent for IT firms operating in Poland. The IT sector employs an estimated 107,000 people, the third largest IT workforce in the region after Russia and Ukraine. There are employer concerns, however, about shortages of relevant skills for the technology sector.

**R&D environment:** Although ranked at 39th globally, Poland registered a significant improvement in its R&D environment, shooting up 10 places from its position in 2009. Public sector spending on R&D in particular has expanded strongly in comparison with other countries — due possibly to the avoidance of having to make severe recessionary cuts — while private sector R&D spending has increased as well. IT-specific patent generation is also up, amounting to over 7% of total patent applications.

**Legal environment:** The legal environment is another area of improvement, thanks mainly to an increase in its score for intellectual property rights enforcement. Among other positive signals on the IP front, Poland was removed from the US Trade Representative's Special 301 Watchlist in 2010, in part because of stronger enforcement efforts. The country earns a generally positive assessment for its electronic signature legislation, and changes are expected in 2011 that will strengthen its existing data privacy law.

**Support for IT industry development:** A slight improvement was registered in this area, with a rise of one place in category rank to 33rd. Its score for access to investment capital remains unchanged in 2011, unlike in other European countries where the recession occasioned a decline from 2009. Gross foreign direct investment inflows reached €9.8bn in 2010, according to the central bank, and Poland ranked 12th worldwide for attracting FDI in 2010 according to the UN's World Investment Prospects Survey.