

F. Timmermans briefing

Mr. Vice President

We are very grateful to be here today and we would like to thank you for the meeting. It will, for sure, help us understand the Commission's position, as well as help you to get some insights directly from companies doing business in Poland.

We are representing Confederation Lewiatan – the biggest and the most powerful Polish business organization.

Confederation Lewiatan represents employers' interests in Poland and in the European Union. Our aim is to support companies' development. We strive for stable **economic growth, better legislation, healthy competition, more jobs and growing social capital**. We associate over 4 thousand companies, which employ over 1 million workers.

We are the only Polish member of the BusinessEurope, as well as the only Polish entrepreneurs' association that run its office in Brussels. Lewiatan is also a member of the Business and Industry Advisory Committee (BIAC) affiliated to the OECD.

We are coming from the country, which has been enjoying unprecedented economic and social development for last 30 years. It has happened thanks to **EU enlargement, EU funds transfers and hard work of companies in Poland, which made use of open market, technology advancements and institutional stability**.

Mr. Vice President

We all appreciate your personal efforts for **development of stability of institutions and governance of the legal system in Poland**. It is important for us as this constitutes the cornerstone for doing business.

Coming here we would like to share our perspective hoping that our insights will help you to build well balanced judgment for important matters of regulations.

Doing business, we are experiencing the daily impact of EU and local regulations and we often can see some regulations overlapping, conflicting or one changing the other before full implementation of the first one. We are asking for more **consistency and more accountability in lawmaking**. (GDPR and e-privacy can be an example from DSM area). **We welcome REFIT initiative with interest and warm feelings**.

We would like to ask for more attention for assessment regulation. We believe member countries should **focus more on evaluation of the regulations impact**, sharing the review results with public, helping us understand the aggregated benefits and bigger picture. This would mitigate natural feeling of objections for changes and help building trust for rational of the regulations, as regulations often impose extra duties on businesses, and require cost, effort and time to comply.

Doing business we operate in the environment, which is the product of EU and local legislation.

Confederation Lewiatan has recently run a research in Poland, which shows that even the economic situation continues to be positive, the moods of entrepreneurs will only improve, **if legislative changes are introduced in a well-planned manner and in alignment with the expectations of the business community.**

Only 18% of the respondents agree with the statement that legislative changes introduced by the government will have a positive effect on their companies, while 73% of the respondents were of the opposite opinion.

The assessment of the situation in 2017 is mostly correlated with inconsistent legal provisions in Poland. 27.1 thousand pages of new legal acts entered into force last year. Nobody is able to understand all interdependencies between legal acts and all consequences of the changes. It rises significantly the legal risk of doing business.

This oversupply of laws in Poland and the creation of illusions that new legal acts are subjected to consultations give rise to the greatest concerns among entrepreneurs.

The second most frequently mentioned barrier are unclear or inconsistent tax laws. They were mentioned by 95% of entrepreneurs.

Access to talent and growing cost of labor is the third mentioned issue.

Entrepreneurs are planning to increase employment, however, they mention the rising labor costs and shortages of qualified employees as a key barrier in their business.

Technology revolution, we are living in, will further amplify the needs for employees with skills matching requirements of digital economy.

Mr. Vice President

Despite some concerns we believe EU and Poland are and will be great places for business, and we would like also to **hear your perspective on the priorities of the next EU budget**, which is created in more turbulent environment than the previous one. Brexit, development priorities changes will impact the budget and we are keen to hear your thoughts about it?