

# Polish Investment and Trade Agency

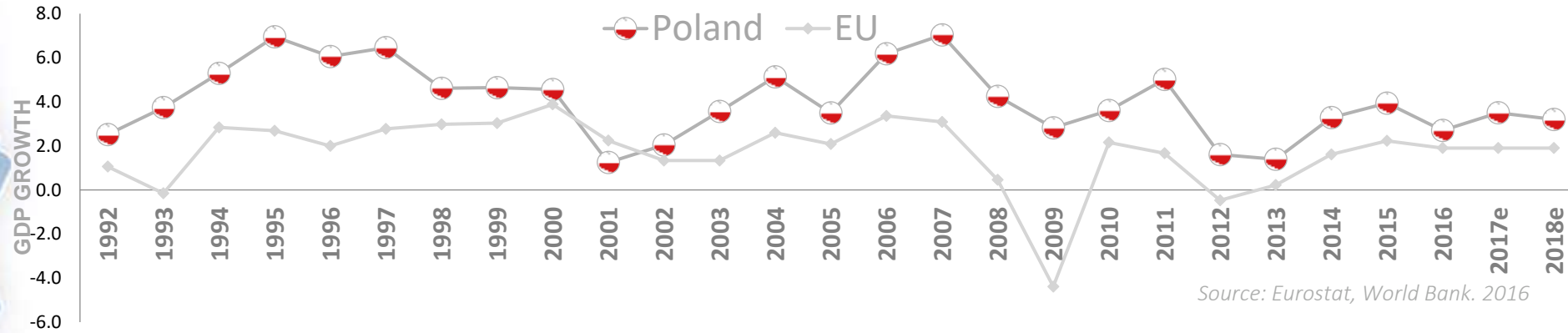
Azerbaijan – Poland: business and investment cooperation

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Vice President

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# Poland – main facts



G20 aspirations

6th largest in  
the EU: area,  
population and  
economy

24 years of  
constant growth

GDP per  
capita: USD  
26,403 (PPP,  
2015) – IMF

EUR 100 bn

largest EU funds  
beneficiary:  
~100 bn EUR  
between  
2014-2020

Stable macroeconomic  
fundamentals

low public  
debt: 52.0% of  
the GDP vs. the  
EU average  
87.8%

EUR 167 bn

FDI stock:  
EUR 167 bn  
as of the  
end of 2015

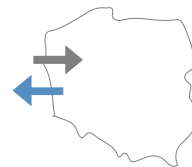
# Comparative advantages of Poland



## Highly skilled and young labor force

25 million inhabitants under age of 50

Healthy unemployment level of 8.2%



## Big internal market

6th biggest country in the EU (area, population)

Unlimited access to the EU market of 510 million inhabitants



## Quickly developing infrastructure

Over 1200 km high speed roads under construction

4.4 times more high speed roads than before joining EU



## Academic hub

1.4 million students and

400 thousand graduates each year



## Business friendly environment

1st place in the CEE region –

the most attractive country to establish operations

Katowice SEZ - best free zone in Europe in 2015 and 2016

Poland advanced in Doing Business ranking by 50 positions since 2012



## Attractive incentives system

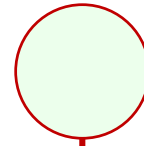
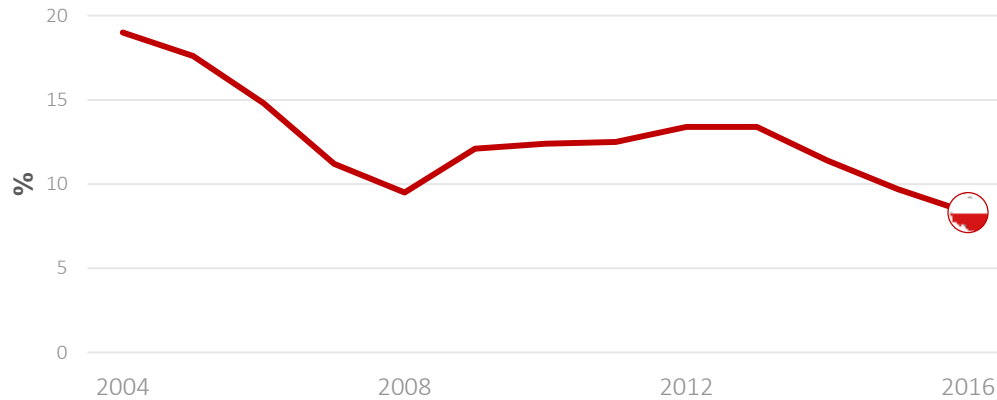
250 million m<sup>2</sup> of land incorporated in SEZ

Government Grants for strategic projects

50% public aid intensity in Eastern Poland

# Vast pool of young labour force

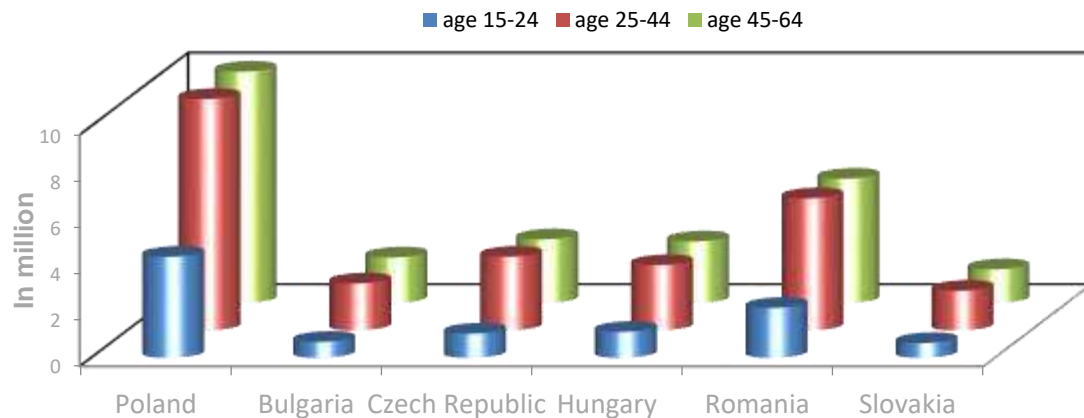
**National unemployment rate: <8.2%**



**Historically lowest unemployment**

2016 marked highest employment and lowest unemployment levels

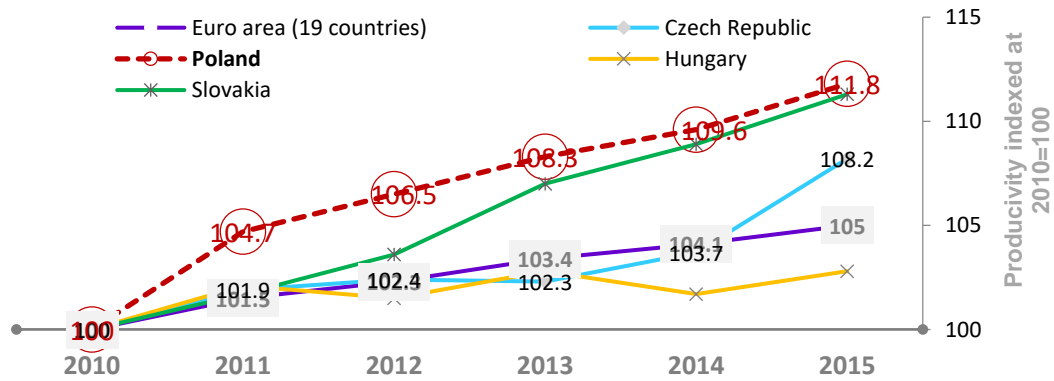
**Working age population at uncomparable level among the peers in CEE**



**Vigorous human capital**

Working age population at uncomparable level in CEE

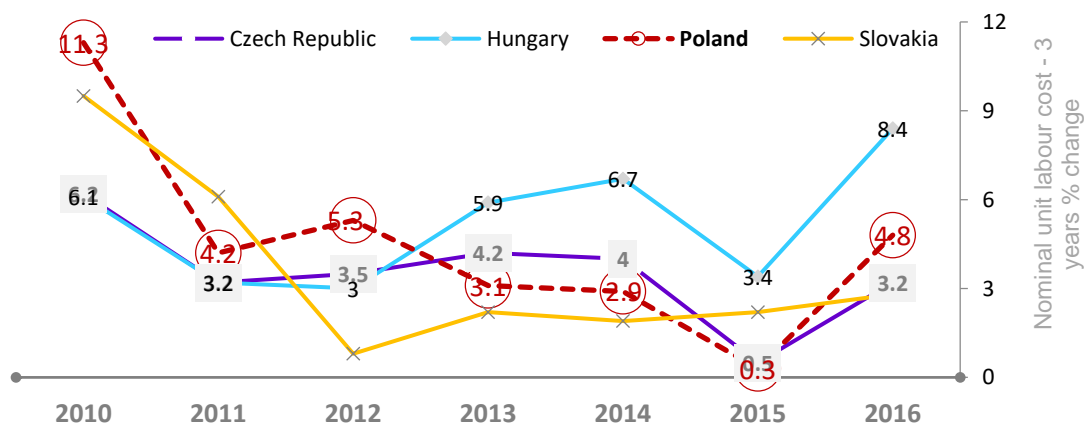
# Rising productivity



Rising labour productivity per hour

Productivity dynamics higher than at the peers in CEE and euro area

Productivity growth accompanied by healthy nominal unit labour costs growth (inc. wages)

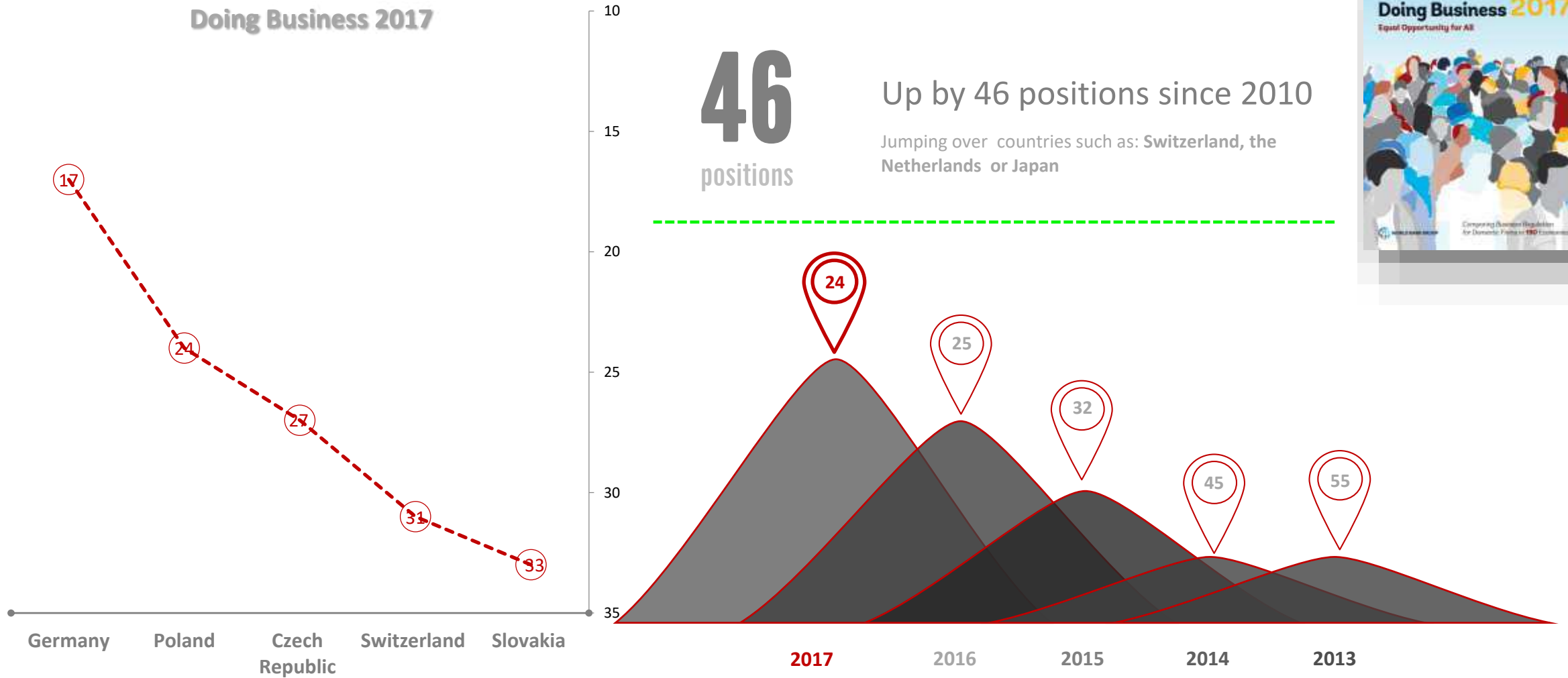


Attractive unit labour costs

Very attractive quality/cost ratio in the Polish economy

# Doing Business 2017

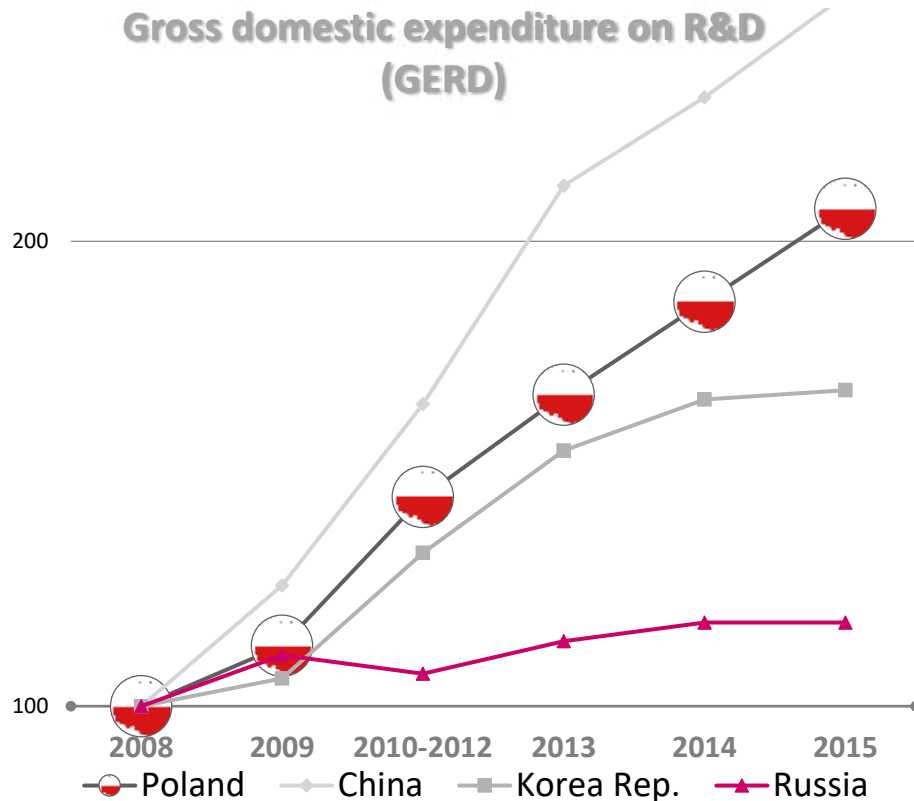
## Doing Business 2017



# Global Innovation Index 2017

**2<sup>nd</sup>**

Poland is 2<sup>nd</sup> globally in terms of increase of GERD, which has risen by 207% between 2008-2015



**1<sup>st</sup>**

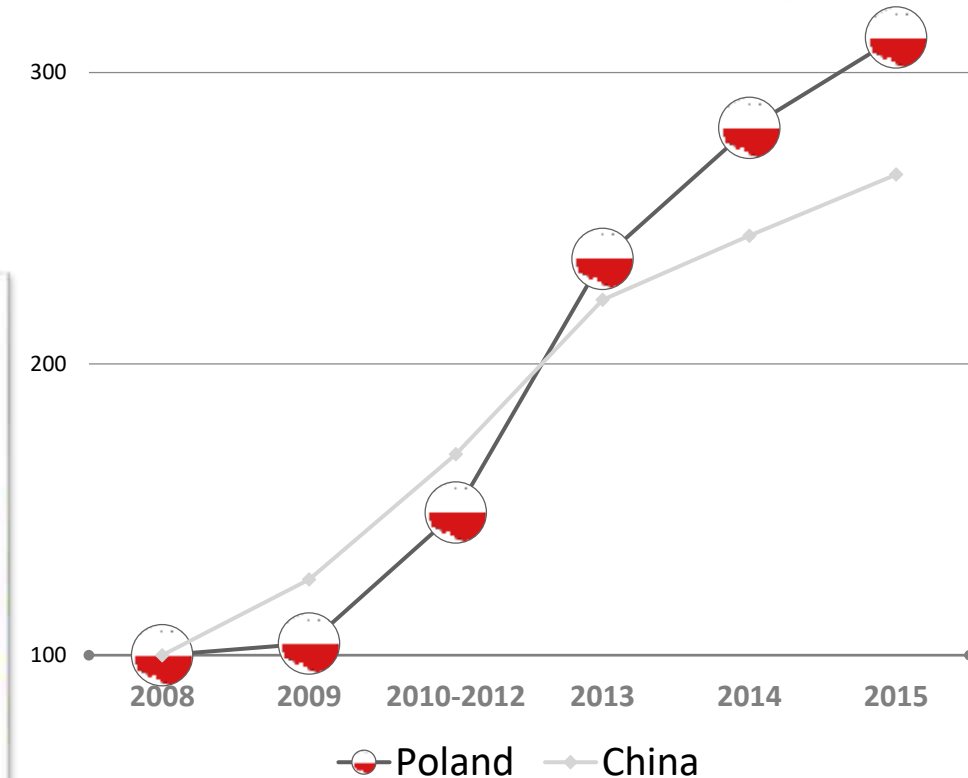
Poland is 1<sup>st</sup> globally in terms of increase of **BERD**, which has risen by 312% between 2008-2015

however

**38<sup>th</sup>  
globally**

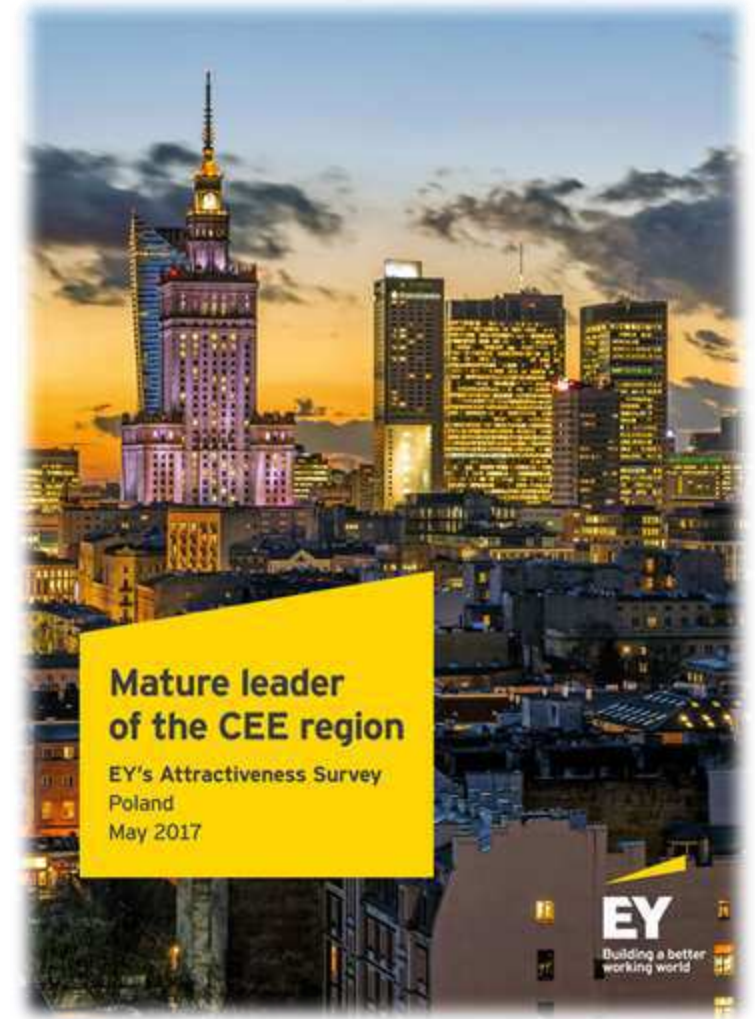


Gross domestic expenditure on R&D (GERD)



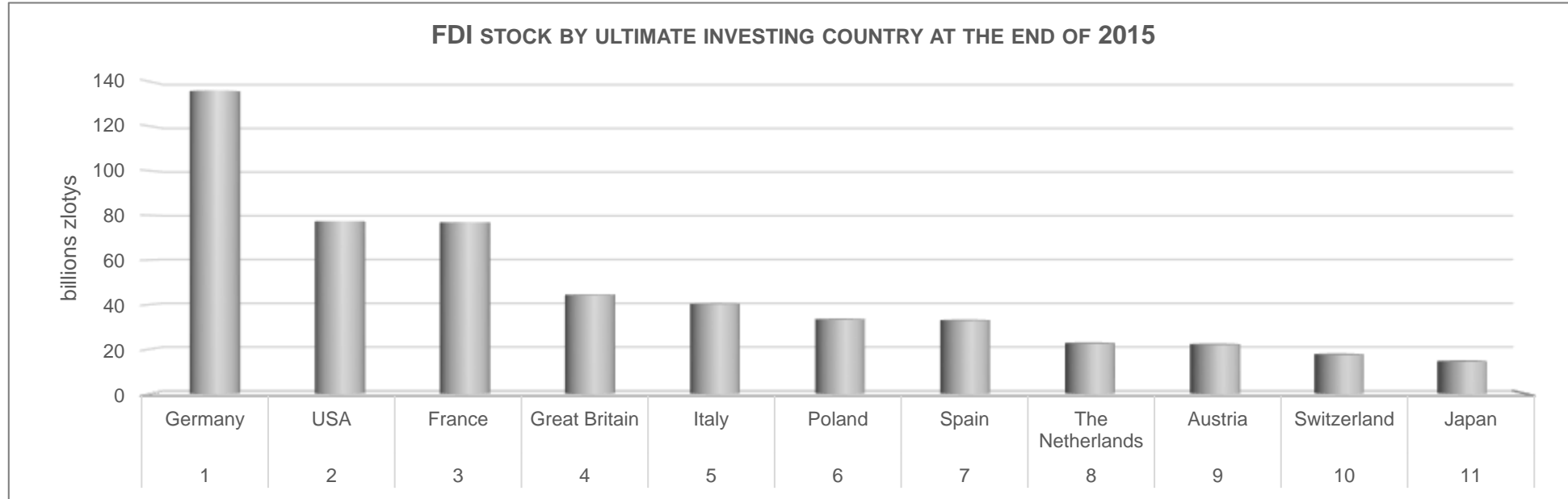


# Europe's favourite FDI destination





# FDI stock in Poland at the end of 2015



1.



**GERMANY**

Poland's biggest trade and investment partner

2.



**UNITED STATES OF AMERICA**

A number of manufacturing, business services and R&D investment in Poland

3.



**FRANCE**

Strong presence in retail, manufacturing and banking sectors in Poland

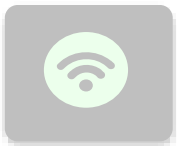
# Reinvestment of earnings in Poland



Poland is one of the best countries for business in Europe

**1<sup>st</sup> place** in the CEE region – the most attractive country to establish operations (EY European Attractiveness Survey 2016)

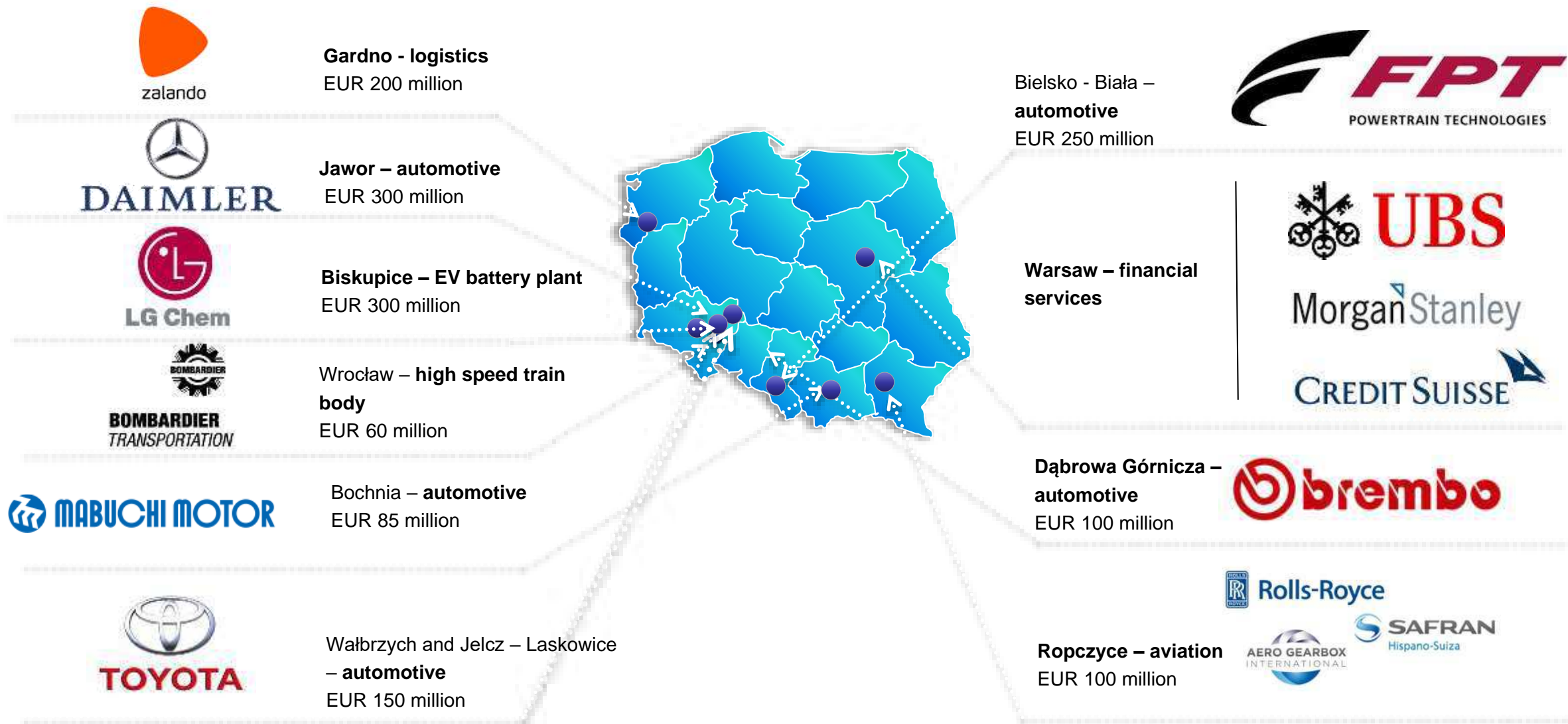
**24<sup>th</sup> place** in Doing Business 2017



REINVESTMENTS ARE ONE OF THE MOST CRITICAL PART OF FDI INFLOWS IN POLAND

It confirms, that investment and business climate in Poland is very attractive!

# Recent investment announcements in Poland



# Increasing interantionalization of Polish exporters

EUR  
183.6 bn

EXPORTS IN  
2016

Highest value in Poland's  
history

EUR  
4.5 bn

TRADE  
SURPLUS IN  
2016

Second time in history  
Poland became the net  
exporter

86.2 %

ADVANCED  
ECONOMIES

Majority of exports goes  
into developed markets

80%

The  
European  
Union

80% of all Polish exports  
went to the EU and  
**27% to Germany**

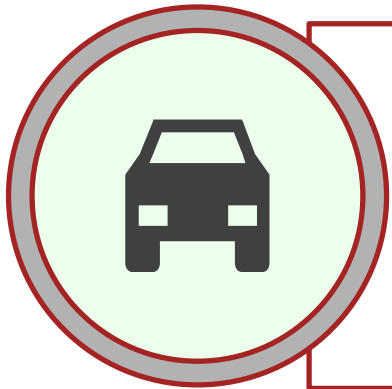


# Poland's exports hits

Polish **companies** gradually attract new customers  
around the World

**2016**

Second  
consecutive  
year of trade  
surplus



## Vehicles & accessories – automotive

### Top producer in CEE

23 bn EUR value of exports in 2016

- 15% annual growth rate
- The key component (43%): car parts and accessories

**2<sup>nd</sup> manufacturer globally** of small  
motorized yachts (up to 9 m length)  
95% of Polish yachts shipped  
overseas



## Yachts

### Largest manufacturer in Europe

Global companies located their  
businesses in Poland



## LCD sets and household appliances



### **Furniture**

**Numerous Polish companies with global success**

- 8 bn EUR in exports in 2016
- 4th global exporter (2nd in Europe)
- 7th global manufacturer



### **Windows and doors**

**The leader in exports in Europe**  
(wooden and PVC)

- 600 m EUR in exports in 2016
- Exports grew tenfold between 2004 and 2016

### **Agri – food sector**

**Leading producer of sweets, dairy, meat, fruits & veg**

EUR 25 bn of exports value in 2016  
Over EUR 7 bn of trade surplus  
80% of exports into the EU



### **Aviation sector**

**Over 130 companies manufacturing**

Over EUR 1 bn of output  
90% of production exported



### **New technologies**

**Computer games and FinTech**

Over EUR 1 bn of computer games exports in 2016

Over 80% of FinTech services exported





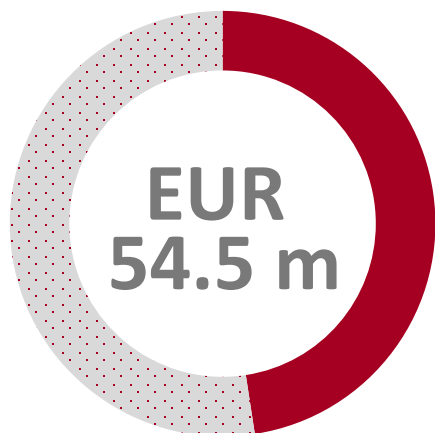
# Azerbaijan – Poland

Great potential for cooperation



# Azerbaijan – Poland: trade and investment cooperation

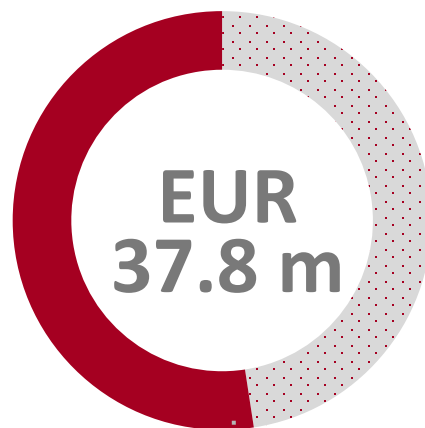
## Trade cooperation



Polish  
export to  
AZE in  
2016

2016/2015 (-50%) y/y dynamics

Great potential for re-building Polish exports, which valued over USD 100 million in 2015



AZE  
export to  
Poland in  
2016

2016/2015 (+192%) y/y dynamics

Great annual dynamics, but results from the low base (USD 13 m in 2015)

## Number of potential cooperation areas



**Automotive and machinery industry**



**Oil and gas industry** – Azerbaijan and Poland could cooperate in a number of aspects, including technology transfer



**Railway industry** – Poland has a number of world class companies within the industry



**Food industry** – Poland is one of the largest food exporter in Europe



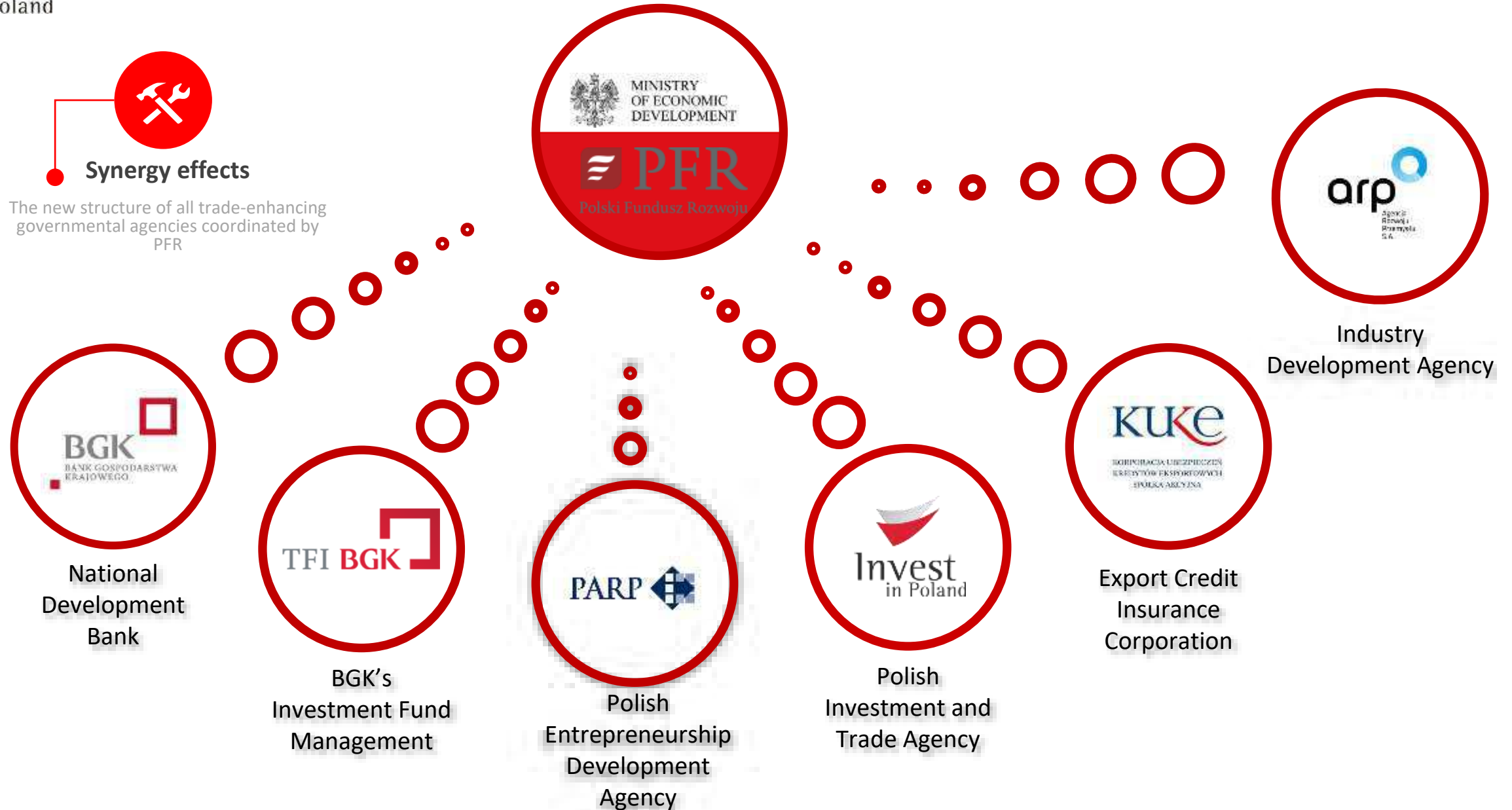
**Logistics** – Azerbaijan has a great logistics potential for Polish companies

**A number of prospective sectors: food-processing, energy, construction, agriculture and know-how transfer**

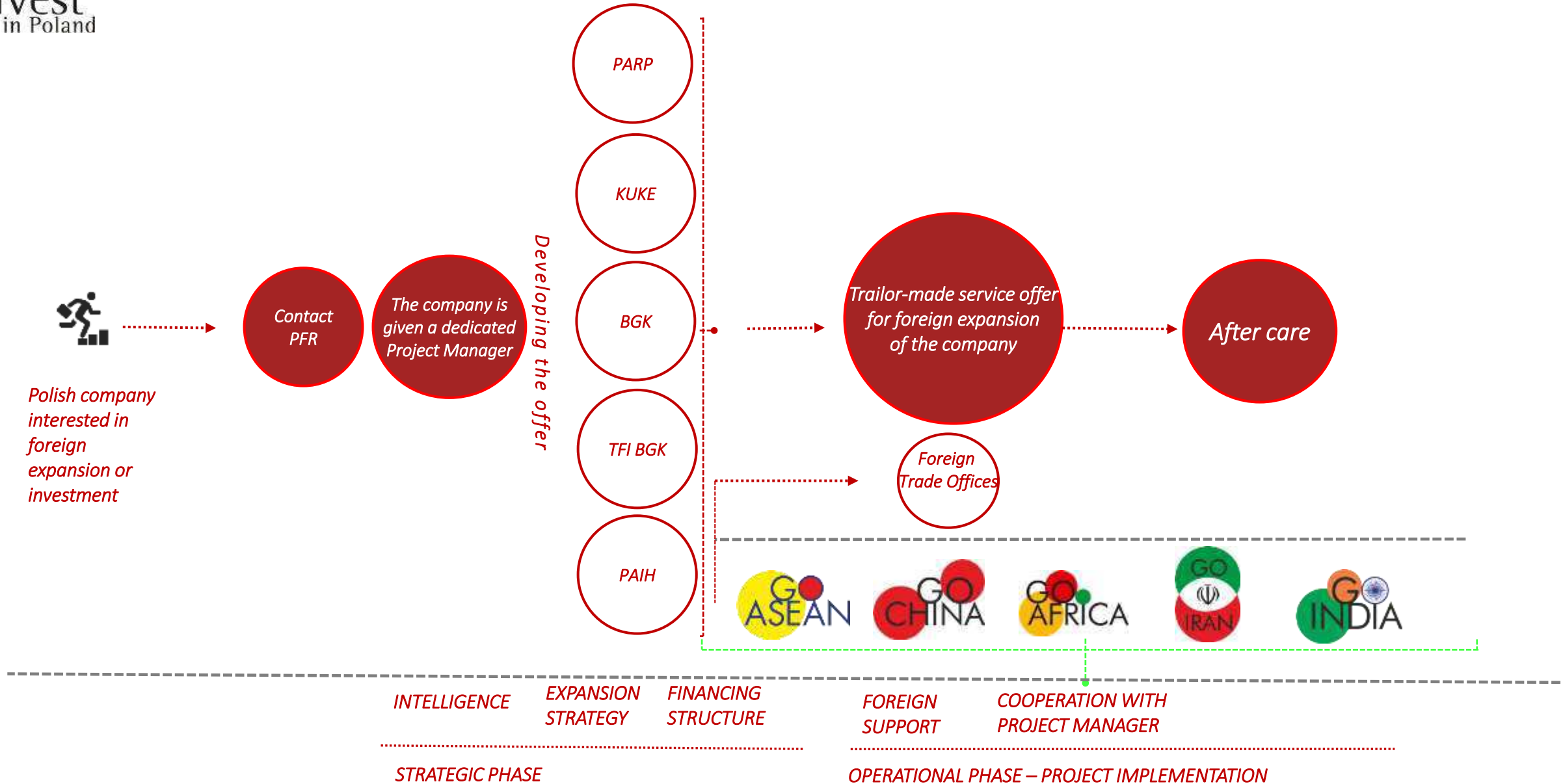
# Reshaping support scheme

**New institutional framework**

# New structure of institutional support



# The roadmap – foreign expansion package



# Network of Trade Offices



# Summary



## POLAND'S 5 CHARACTERISTICS

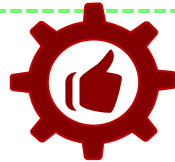


We turn global

01

### Credibility

97% of foreign investors  
would invest again in  
Poland (PAIIZ/HSBC),  
96% - in AHK research



02

### Stability

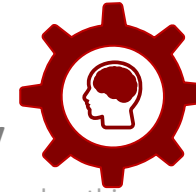
Significant increase in  
employment generated  
by the FDI, in spite of the  
political changes



04

### Productivity

High motivation, works ethics,  
hard-working and creativity of  
the Polish workforce



05

### Sustainability

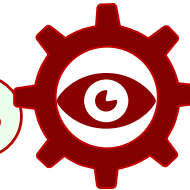
Ambitious economic and social reforms  
to be implemented in the coming years



03

### Predictability

Foreign investors are welcome, no dramatic  
changes in the macro policy, no Brexit in Poland



# Looking forward to cooperate!

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