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Invest
in Poland

POLAND – one of the most attractive investment locations in the world

Poland is a perfect place for investment and business expansion. According to the **Ernst & Young Attractiveness Survey Europe 2013, Poland is the most attractive country for investment in Central and Eastern Europe**. The report highlighted the fact that 2012, foreign direct investments (FDI) created in Poland by 67% more new jobs than 2011, the result of the whole of Europe is +8%. The sheer number of new jobs (13,111) ranks Poland in third place on the continent after the United Kingdom and Russia. At that time, Poland noted an increase of investment projects by 22% compared to 2011 - Europe recorded a decrease by 2.8%. With these results, Poland became the leader of growth in Europe.

Also in **“2013 Global Manufacturing Competitiveness Index”** from Deloitte and U.S. Council on Competitiveness **Poland ranks 14th as the competitive manufacturing nation in the world**. As European countries, besides Poland, only Germany (2) and UK (15) are included in the top fifteen global manufacturing competitiveness index. The report found that access to talented workers is the top indicator of a country's competitiveness – followed by a country's trade, financial and tax system, and then the cost of labor and materials. The competitive advantage of labor skills in Poland is confirmed in the 8th place just before Germany and Belgium and Switzerland due to the EF English Proficiency Index 2013.

According to **UNCTAD's World Investment Report 2013** Poland will be in the next two years, 4th in Europe, and 14th the world's most attractive economy. The report confirms Poland's strong position on the international investment scene.

In the 8th edition of the **Economic Survey 2013 Polish-German Chamber of Industry and Commerce** carried out in collaboration with seven bilateral chambers of commerce in Poland - Poland again outclassed all countries in Central and Eastern Europe in terms of investment attractiveness. 94 percent of respondents would have invested in Poland again. The membership in the European Union still remains the greatest asset of Poland. The vast majority of respondents highly appreciate the Polish workers, recognizing their qualifications, academic education, productivity and motivation. Respondents also appreciate the quality and availability of local suppliers, political and social stability and the availability of qualified staff.

By the **PALIZ's report on investment climate in Poland 2013**, the most appreciated factor was the size of the market and the country's political stability. The next most highly assessed aspect of the climate for business is the access to a pool of highly-skilled people.

The investment attractiveness of Poland is confirmed by thousands of foreign companies that already profit from investments in different sectors on the Polish market. The key reasons why they have decided to do business here are: strategic location, investment potential and human resources. Another important factor that increases the competitiveness of the Polish economy are investment incentives.

Poland – attractive



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Investment incentives for investors

Poland managed to develop a very attractive incentive system of different types. There are possibilities to combine various forms of aid – tax exemption offered in Special Economic Zones, tax incentives that are issued by the local authorities or the EU structural funds. The most attractive and interesting form of incentive are direct grants. There are two sources of direct grants. The first is the “Program for the support of investments of considerable importance for Polish economy for years 2011-2020”. The second source is subsidies co-financed with European funds for the years 2014-2020 (ca. EUR 72 billion).




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Sectors of opportunity for investment and trade

The Polish economy turned out to be especially friendly to sectors developing in areas in which Poland already has or stands a good chance of achieving long-term success on the international stage. The following information highlights key sectors which show particular promise in years to come. Attracted by generous tax incentives and a competitive cost base, the number of investors in these sectors continues to grow steadily.

investment locations



Dynamic growth

The most visible factor speaking in favor of Poland's economy is the fact that due to its strong and well-planned economic policy, as the only country in Europe, it was not affected by the economic recession.

What is more, in 2012 Poland was one of the fastest growing countries in the EU. According to EUROSTAT in 2012 Poland's GDP increased by 1.9%, while the GDP of all 27 EU countries was amount to an average of -0.4%. Due to the European Commission seasonal forecasts in the year 2013 the Polish GDP growth expectations have improved from the 1.1% (EC Spring Forecast) to 1.3% (EC Autumn Forecast). The forecasted growth rates for Poland for the next years are also optimistic. Also in terms of the Polish foreign trade, Poland recorded dynamic growth. According to the Polish Statistical Office and the Ministry of Economy of the Republic of Poland, the exports increased by 4.3% and the imports by 1%. The current account deficit will stabilize at the 1.5% GDP level in 2013 due to the EC Autumn Forecast.

Poland has been named the biggest winner of rating of the 20 most valuable national brands, because of the highest percentage increase in brand value in 2012 (75%) - from USD 271 to 482 billion, moving up from 24th to 20th place. The authors of the "Nation Brand 100 report" perceive the reasons of success in positive economic growth predictions. "Poland's economy just keeps growing" - the report says.

Dynamic



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Automotive

The Polish automotive sector is one of the largest in Europe. Current and potential investors in this sector are drawn by excellent facilities, locations and a productive and cost-effective labour force. In addition to automobile assembly, Poland is also home to producers of engines, engine components and a wide range of automotive parts. One of the biggest advantages is the access to highly qualified specialists from automotive faculties at the technical universities.



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Aviation

Did you know that almost every passenger aircraft in the world has at least one part made in Poland? Poland is one of the best locations in Europe for the development and fulfillment of aerospace projects and includes aircraft production sites, maintenance facilities, local technical universities, scientific research centres and pilot training facilities. A plethora of multinational aircraft-industry corporations are present in Poland and over 90% of production is exported. Poland has a strong base of small and medium-sized enterprises constituting a wide chain of suppliers for companies such as Boeing, Airbus and Embraer.



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Machinery and Steel Industry

Foreign companies and their subsequent reinvestments confirm the excellent business environment in the machinery sector in Poland. One of the main advantages is a very attractive balance between the price and the quality of human capital in the machinery industry. What is more, the value of the machinery market in Poland is constantly increasing. Furthermore, the Polish steel industry is gaining its momentum as the country is becoming a No. 1 destination in Europe for a production of white goods. Also automotive industry propelled by hot selling of small city cars which are manufactured in Poland is contributing to the growth of the metal sector. Moreover, the construction sector which is a major beneficiary of huge infrastructural programmes is also not lagging behind in fueling the demand for steel products. This is particularly true in a view of new roads, bridges and sport stadiums which are built across the country.

growth



Land of people

Human capital is one of the most unique values in Poland. Poles are innovative, creative and smart. Beside the famous Mikołaj Kopernik, Maria Skłodowska-Curie or Fryderyk Chopin, Poland is full of bright, great minds. Well-educated Polish economists, engineers, IT specialists and scientists are highly sought-after and appreciated employees who find employment in IT companies, R&D centres and scientific institutes. Investors who opt for Poland should barely have any problems finding suitable personnel. This may have much to do with the fact that Poland – according to the Ministry of Science and Higher Education of the Republic of Poland - has about 450 higher education institutions with app. 1.8 million students, so that every tenth European student comes from Poland. According to “The Learning Curve”, Poland ranks 14th ahead countries such as Germany, USA, France. In addition, Poland has the highest percentage of people with secondary and tertiary educational attainment (68%) in the labor market. Every year Polish students and scientists win the most prestigious international competitions in different fields, proving the high intellect potential of Polish staff. Needless to say, Polish students have an excellent knowledge of foreign languages.

Also the high standards of the Polish educational system are reflected in a number of scientific achievements. It is worth noting that Polish scientists are well known for the discovery of the first extra-solar planetary system, the creation of the technology for the production of the blue laser, the production process to make the world's smallest synthetic diamonds and for the isolation of queen cells from bone marrow. 2011 Polish scientists announced a joint development of acquisition technology of large pieces of graphene with the best quality so far. Thanks to this discovery, graphene will be able to replace silicon in the processors and make them even 100 faster. It will be possible to use graphene in the production of solar panels, touch screens, but also in medicine or aerospace industry.

Wise, clever, intelligent, open-minded, innovative and creative – this is the staff of companies running their businesses in Poland.

Land



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Service Centres

International corporations see Poland as an excellent location for transferring non-production functions of a company, such as the accounting departments or IT support. Poland is becoming the European centre of Business Process Offshoring (BPO) / Shared Services Centres (SSC). The launching of BPO/SSC has a significant impact on the development of the Polish labor market, since one new work place in this sector requires a relatively low outlay. Furthermore, the success of BPO/SSC firms and Poland's vast pool of highly skilled labor has resulted in a growing investor interest in the Knowledge Process Outsourcing (KPO) sector. KPO involves higher-end analytics and analysis, providing organizations with strategic and tactical decision-making tools. Factors usually influencing investors' decisions regarding the location of KPO investments include: the availability of highly qualified labour force, infrastructure, telecommunications and technological support, as well as the alleviation of intellectual property and data concerns. Poland offers all of these.

R&D

The quality of Polish scientific and technical thought is confirmed by the fact that the largest global corporations tend to locate their R&D centres in Poland. There are almost 100 research and development centres in Poland, employing several thousands of Polish scientists and specialists. Most of them work for the ICT, automotive, chemical, aviation, food and IT sector. These centres are mainly located in large urban areas with extensive academic facilities, developed infrastructure thus creating attractive living conditions for potential employees. Poland is also an active partner in the Framework Programmes for Research and Development of the EU. Polish research centres have submitted 5 of the 20 winning projects included on the Research Potential competition main ranking list in the 7th Framework Programme. The R&D expenditures in the years 2014-2020 will be supported by the EU funds EUR 7.6 bln.

IT

According to the latest projections of Oxford Economics, the Polish IT sector will be one of the fastest growing industries in Poland during the next few years. It is expected to grow at a level of 10 - 12% per year until 2015. The Polish IT market is, following Russia's, the second largest market in Central and Eastern Europe. The main factors leading to Poland's international recognition in IT are Polish IT specialists, as well as the quality of the services provided and the level of creativity, availability of a high quality IT communications infrastructure and cost effectiveness. The dominant segment of the IT market in 2012 was the computer hardware segment, i.e. computers, monitors and supplementary equipment. The second largest segment was in IT services, and the third, was the programming market (software) – which indicated the most dynamic growth.

of people



Land of opportunities

Poland is one of the biggest EU member states, the 6th most populated country in Europe and the biggest market in the region of Central and Eastern Europe. The Polish market is not only numerous and varied but it is much more dynamic than other markets in the region. Here, in the very centre of Europe, entrepreneurs may establish business activity and not only sell products in Poland but also gain vast export opportunities and sell to large markets situated both in the West and East of the continent – but always within easy reach from Poland! Polish economic development is strongly supported by the EU Funds. For the years 2014-2020 Poland will absorb 23% of total EU budget, namely EUR 72.9 bln. Within the EU Funds in Poland, the Operational Program “Smart and Inclusive Growth” will attract investment in R&D in Poland due to the EUR 7,6 bln addressed for the grants. EU Funds for R&D expenditures will support the competitive projects focused on the future commercialization.

Meantime, the biggest part of the EU Funds in the years 2014-2020, namely EUR 24.2 bln will traditionally support the investment expenditures in Poland into infrastructure and environment. Therefore the quality of life and everyday conditions in Poland will improve. Poland is in the group of countries with the highest degree of social development and is the leader among Central European countries in terms of the level of optimism. Poles are also among the most satisfied with their life nations in Europe.

Land of



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Telecommunication

In the coming years, the dynamic growth of the Polish telecommunication services market will be primarily associated with the grants from the European Union. Analysts from the Audytel company expect consumption growth of telecommunication services, broadband Internet penetration growth as a result of projects financed from the EU funds and growth of Poland's position as a regional centre for outsourcing ICT services. According to the forecasts, the value of Polish telecommunication services in the next few years will increase year on year with a minimum of 1.7%.



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Energy

The energy sector in Poland offers many opportunities. Although modernization of existing facilities has attracted a large amount of foreign investments, other projects involving alternative energy development are also extremely promising. Poland set up ambitious targets for 2020 in line with the EU regulations: increase of renewable energy sources exploitation in electricity production, heating & cooling, as well as in transport; obligatory and significant reduction of biodegradable waste deposited on landfills; construction of biogas plants in each Polish commune, etc. Wind energy and bio-fuel rich plants are examples of this potential. Moreover, thanks to the discovered reserves of shale gas, Poland has a chance to become one of the most attractive markets of gas in the world.



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Biotechnology

Modern biotechnology in business and science is becoming more and more important for the economic development of Poland. The dominant branch of this sector is biotechnology used in medicine, pharmacy, plant growing and animal breeding. The most significant advantage of Poland in this field is the high research potential and highly educated scientists with unique qualifications. Increasingly more young people in Poland are opting for a career in biotechnology. Biotechnology is considered a high priority sector in Poland that is why governmental support for new investments is available, as well as funds from the EU.

opportunities



Heart of Europe

Poland's convenient location at the junction of the East-West and North-South communication routes, makes the country a perfect investment destination for enterprises targeting both Western and Eastern, as well as Northern and Southern part of Europe. The central location of Poland and its importance as a gateway to the European Union is a major incentive in attracting foreign companies which aim at slashing time of order realisation for customers in the markets in Eastern Europe. The fact that foreign entrepreneurs invest in creating logistic centres in Poland results from dynamic growth in demand, development of trade co-operation within the frame of the extended European Union and also from the even more attractive domestic suppliers market in Poland.

Poland is the biggest politically and economically stable country in CEE, and thus creates chances for successful long-term investment. Poles account for 24 percent of the region's population and produce nearly 40 percent of its GDP. That is an indicator of the Polish economy's potential.

Heart



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Electronics

Poland's electronics industry has emerged in recent years as one of the most significant in Europe. Poland is home to many renowned producers of electronics and home appliances, including the increasingly popular LCD-screen television. 78% of Europe's LCD TV production comes from Poland, earning Poland a place as the world's 3rd largest producer. Foreign investment spans all electronics segments from computers, to telecoms, components and audio video. Dependable employees, excellent universities and a strategic location make Poland the most competitive choice in the region.



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Domestic appliance market

Poland is an excellent location for domestic appliance factories. No wonder that most of the world's firms from this sector have already invested in Poland. The greatest assets of the domestic appliance market in Poland are the investment incentives, strong support from local government, sites prepared for investment and the highly skilled workers. Another advantage of Poland is an excellent geographical location - at the heart of Europe - what makes Poland a very attractive place for developing production assigned for export. Not to be forgotten the large domestic market which amounts over 12 million households.



© Marek Wilanowski

Boat building

In addition to large full service shipyards, Poland is also home to a number of smaller boatyards where quality yachts and motorboats are produced, most of which are exported. Attention to detail, excellent craftsmanship and superb engineering have solidified a reputation for fine boats, and Polish-produced models have been gaining an increasing amount of attention at international boat shows and fairs.

of Europe



Designed in Poland

Polish Information and Foreign Investment Agency (PALIZ) for many years has been an organizer of the "Designed in Poland" exhibition which aims at promoting Polish products and modern industrial design. The first edition of the exposition took place 2005 in Berlin; next we visited Hamburg, Helsinki, New Delhi, Mumbai, Munich, Geneva, Copenhagen, Madrid, Karlove Vary, Astana, Minsk, Leipzig, Vienna, Budapest, Barcelona, Prague, Lisbon, Brussels and Rome. By conducting such projects, PALIZ, according to its mission, increases the interest in Poland, its economy, culture, as well as the business tourism and recreational values, at the same time showing potential of Polish economy and creativeness of Polish artists who introduce new, unconventional ideas in industrial design.

Designed

© Designer: Michał Starost, michalstarost@ufufu.pl

© Foto: Marcin Kruk © Jewelry: Eva Stone



© Designer: Aleksander Gliwiński, © Foto: Leszek Żurek

Industrial design is a medium of esthetic values, it allows for promotion of symbols, signs and traditions that create the identity of countries and nations. It helps to identify products with their home country. It also intensifies economic relations and is an important incentive for current and future trade exchange.



© Desinger&Foto: Fabryka Porcelany AS Ćmielów

The exhibition showcases over 450 products designed in Poland by over 100 companies and individual artists. Among the featured products are jewelry, amber and black oak products, china, furniture, artistic and industrial glass, carpets, fixtures, toys, bicycles, interior design elements and many others.



© Designer: Slav Novosad, © Foto: Mirosław Wrąbel (Tchad Shock)

The exhibits are not only of high quality, but their design blends modern trends with traditional styles. The exhibition intends to draw attention to the world of Polish applied art and invite foreign consumers to buy Polish products.

in Poland

About the Polish Information and Foreign Investment Agency

The Polish Information and Foreign Investment Agency (PAIiZ) is a governmental institution and has been servicing investors since 1992. Its mission is to create a positive image of Poland in the world and increase the inflow of foreign direct investments by encouraging international companies to invest in Poland. PAIiZ is a useful partner for foreign entrepreneurs entering the Polish market. The Agency guides investors through all the essential administrative and legal procedures that involve a project. It also provides rapid access to complex information relating to legal and business matters regarding investments. Moreover, it helps in finding the appropriate partners and suppliers together with new locations.

PAIiZ provides professional advisory services for new investors in Poland, including:

- assistance and support for finding the best location for investment,
- finding the potential cooperation partners and suppliers,
- support concerning the investment incentives,
- assistance for the entrepreneurs during the whole investment process.

The services provided by PAIiZ, according to its mission, are free of charge.

About PAIiZ

Besides the **OECD National Contact Point**, PAIiZ also maintains an Information Point for companies which are interested in European Funds. All of the Agency's activities are supported by the **Regional Investor Assistance Centres**. Thanks to the training and ongoing support of the Agency, the Centres provide complex professional services for investors at voivodship level.

On the website **www.paiz.gov.pl** an investor can find all the necessary information concerning key facts about Poland, the Polish economy, legal regulations in Poland and detailed information which could be useful for any company wanting to set up a business in Poland.

Since 2011 in PAIiZ operates also **China – Poland Economic Cooperation Centre** as a “one-stop shop” providing comprehensive information on investment opportunities in Poland and offering support for Chinese companies during the investment process. The Centre is responsible for: promotion of Poland as a location for FDI, identifying sources of foreign direct investment, supporting the missions and delegations from China, preparing analysis & information, maintaining regular contact with Chinese companies operating in Poland, Go China Project. More information you can find on: **www.gochina.gov.pl**

Also since 2013 PAIiZ is implementing the **“Go Africa”** programme. Its aim is to encourage Polish entrepreneurs to invest in African countries and promote Poland in Africa. Therefore PAIiZ has organized: fact finding missions to African countries, participation of Polish entrepreneurs in fairs, conferences, seminars and workshops both in Poland and in Africa. Furthermore the Agency has prepared publication on 4 African markets. More information you can find on: **www.goafrica.gov.pl**

Contact us to learn more about how your company can profit from the unique business potential of Poland.

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