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Invest
in Poland

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

Poland is a country of enterprising people and a „crisis – resistant“ economy and a good business partner. With a strong economy, broad range of investment incentives and a comprehensive support of government agencies, Poland has become one of the most attractive investment destination and a place where foreign capital is expected to return three times more likely than to other European Union countries.

For sever years, Poland has been proving it's leading economic position in Central Eastern Europe. Moreover, Poland has become the undisputed “number-one” investment location in Central and Eastern Europe as stability, consistency and the policy of opened doors for foreign capital encourages investors to do business in Poland. Many international surveys show that **in terms of investment attractiveness there is no better place like Poland**. In recent EY’s “European Attractiveness survey” the country was defined as the “investment magnet” of the region by overtaking the Czech Republic, Romania, Hungary, Ukraine and Turkey and leaving all of neighbours far behind. Also in this year’s AHK – German Chambers of Commerce (AHK) report, Poland maintained the leading position in CEE region for the second time in a row, **outclassing all countries in Central and Eastern Europe in terms of investment attractiveness again**. The latest **World Bank’s “Doing Business”** report, also confines the leading position of the country – Poland was considered as **the best location to invest in the Central Europe** and 45th in the world. Poland also competes with the major European powers. According to **UNCTAD’s World Investment Report 2014**, the country is sixth in terms of the total value of FDI in the whole Europe. **UNCTAD’s report** also predicts that in the next two years, **Poland will be the 5th in Europe, and 13th world’s most attractive economy**. Moreover, the sheer number of new jobs (13,862) ranks Poland in third place on the continent after the UK (27,953) and France (14,122). It worth to mention that in terms of such advanced sectors as BPO investments, Poland plays in the global league. Since few years, Kraków has been placed by Tholon’s among the 10 world’s best outsourcing destinations. The country has also been defined as “the number one” destination in the CEE in terms of R&D projects, driven essentially by international software companies.

There is no doubt that the position of Poland as one of the European frontrunners of investment attractiveness rankings will long lasting as investors operating in Poland are satisfied with doing business here and like to invest here again and as the survey show, would also advice other companies from their countries to establish business here. Thus Poland’s image as investment safe haven is spreading all over Europe. **94% of German respondents of AHK survey would have invested in Poland again** and 75% of surveyed companies intend to increase or keep the same level of expenditure on investments in Poland. Poland has one of the highest rates of reinvestments in the UE. 41% of FDI projects supported by PAIiZ between 2010 -2013 derives from reinvested capital. Their total value reached € 2.3 billion.

What makes Poland so attractive? Investment attractiveness of Poland is a combination of economic and social factors as well as the well-tailored offer of investment incentives and public assistance. Surveys made among foreign investors who do business in Poland, including **PAIiZ report on investment climate in Poland**, show that Poland attract them also by the country’s central location in Europe, integration and good communication with both the European Union and Eastern Europe markets, competitive prices of freight and materials as well as a large internal market. Poland has also much to offer in terms of investment incentives.

Poland – attractive



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Investment incentives for investors

Poland managed to develop a very attractive system of different types of incentives. There are possibilities to benefit from both tax exemptions and cash grants for new investments and job creation. Special Economic Zones in Poland offer exemption from income tax, which is supplemented with exemption from real estate offered by local authorities. Cash grants are available upon "Program for the support of investments of considerable importance for Polish economy for years 2011-2020" for investments in: automotive, aviation, electronics, biotechnology, food processing, R&D and modern services sector. Second source of cash grants are subsidies co-financed with European funds for the years 2014-2020 – new application rounds shall start in 2015.



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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

Poland is the largest and the strongest economy in the Central Eastern Europe. Moreover, due to its well-planned economic policy, it proved to be the most crisis-resistant economy in the European Union. As the only one of the 27 EU countries, Poland maintained positive GDP growth during a down economy and was not affected by the economic recession. Thanks to that it earned the title of a "green island". Comparing to the rest of the Europe, Polish economy is growing faster than its surroundings and the country has the lowest risk of financial crisis.

A strong economy, a stable financial situation and the inflow of foreign investment make Poland a shining star in terms of a economic growth. Poland is one of the fastest growing countries in the EU. According to EUROSTAT, in 2013 Poland's GDP increased by 1.6%, while the GDP of all 27 EU countries was amount to an average of -0.4%. Moreover, now after the third quarter of 2014, with 3.4% of GDP growth, Poland is a real leader in terms of the economic growth in the UE. The forecasted regarding economic growth of Poland for the next years is also optimistic.

The country is also a fast developing foreign trade player. The data of the Polish Statistical Office and the Ministry of Economy show that the exports increased by 6.5% y/y.

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 productive and cost-effective labour force, proximity to major OEMs and high-end manufacturing quality. In addition to motor vehicle assembling plants of GM, Fiat and VW, Poland is also home to producers of engines, engine components and a wide range of automotive parts. Over 500 companies with ISO/TS 16494 certificate strongly contribute to the Polish export. Every ninth EURO out of EUR 152,8 bn of 2013 Polish export was generated by the automotive industry. With the latest EUR 800 M greenfield investment in a new VW Crafter manufacturing plant in Wrzesnia even more momentum will be given to growth of the sector.



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Aerospace

With a century-long tradition of aviation and over 80 years of aerospace industry, Poland stands out as one of the best locations in Europe for the development and fulfillment of aeronautic projects. Industry covers all aspects including aircraft and aircraft's parts production, maintenance and overhaul, scientific research and pilot training. Thus, it is not a coincidence that a lot of multinational aerospace corporations are present in Poland and over 90% of production is exported. Poland has also a strong base of small and medium-sized enterprises constituting a wide chain of suppliers for companies such as Boeing, Airbus and Embraer. Last but not least, Poland is rapidly advancing in the field of space exploration. Two out of six nanosatellites comprising the BRITe Constellation are from Poland – Lem and Heweliusz are right on their way to study the brightest stars in the night sky.



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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 set. 50% of Europe's LCD TV production comes from Poland. 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.

growth



Land of people

Undoubtedly, excellent quality of human capital is one of the strongest assets of Poland. Surveys made among foreign investors who do business in the country show, that among the most appreciated characteristic of Polish employees there are: high qualifications, communication skills, proficiency in foreign languages as well as motivation to work and organizational culture of Polish staff. 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. Also it is thanks to Polish highly skilled employees the shift in the profile of incoming investments to Poland towards more sophisticated and know-how projects was made.

There are 470 higher education institutions with app. 1.5 millions students. 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.

The high standards of the Polish educational system are reflected in a number of scientific achievements. It is worth noting that Polish scientists have been involved in the recent and most ambitious space project of the new century – the Rosetta mission that is the first ever precision comet landing. The touchdown of Rosetta satellite on Comet 67/PT was successfully completed in November 2014. Polish team designed a group of temperature sensors integrated to measure temperature under the comet's ground. Scientists from Poland also gain international fame also thanks to 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, a the isolation of queen cells from bone marrow or discovering the technology of graphene acquisition. Thanks to this discovery, graphene will be able to replace silicon in the IT processors and make them even 100 faster. Wise, clever, intelligent, open-minded, innovative and creative – this is the staff of companies running their businesses in Poland.

Land



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Business Services Centers

International corporations see Poland as an excellent place for locating their global business support operations, such as finance and accounting, HR support, IT, supply chain and customer services functions or IT support. Poland has already become the European centre of BSS, hiring more than 130 000 skilled employees in the industry. Availability of experienced staff, multilingual capabilities, cultural compatibility and competitive cost base greatly contribute to the Polish success story in Business Services. Furthermore, the success of BPO/SSC firms and Poland's vast pool of highly skilled labor has resulted in a growing investor interest in much more complex operations: Centres of Excellence (CoE) and 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 intellectual property and data security regulations.

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 our country. There are almost 115 research and development centres in Poland with foreign capital, employing several thousands of Polish scientists and specialists. Most of them work for the telecommunications, financial, automotive, chemical, aviation, food and IT sectors. 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 the European Union and the biggest market in the region of Central and Eastern Europe. The Polish market is also big and the most varied but it is much more dynamic than other markets in the region. A variety of business and trade opportunity are waiting for any all kind of foreign companies in Poland. Here, in the very centre of Europe, entrepreneurs not only can sell their products in Poland but also gain vast export opportunities to big markets of both – the West and East of the continent – but always within easy reach from Poland! Furthermore one can benefit from the access to the largest amount of EU funds as Poland is the biggest beneficiary among member states of new 2014-2020 budget. In this period, Poland will absorb 23% of total EU budget, namely EUR 72.9 bn. EUR 7.6 bn of EU funds in Poland, given under the Operational Program “Smart and Inclusive Growth” is waiting for those who operate in smart business and R&D. EU Funds for R&D expenditures will support the competitive projects focused on the future commercialization.

Meantime, the biggest part of the EU Funds under 2014-2020 EU budget, namely EUR 24.2 bln will traditionally support the investment expenditures (in Poland) into infrastructure and environment. Therefore the quality of everyday life in Poland which already is defined as good will improve. Now, Poland belongs to the group of most developed countries in the region regarding 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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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 forget the large domestic market which amounts over 14 million households.



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Renewable energy

The renewable energy sector offers many investment opportunities. Poland set up ambitious targets for 2020 in line with the EU regulations: to increase the proportion of energy from renewable sources in final energy consumption up to 15.5% in 2020 (19.3% for electricity, 17% for heating and cooling, 10.2% for transportation fuels). Achieving these objectives requires investments in new generation capacities. Involvement of both foreign and the Polish capital resulted in rapid development of the wind energy and the increasing use of biomass for energy purposes. Moreover, Poland is also gradually becoming an attractive destination for investments in manufacturing of devices used in energy generation.



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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 - Western and Eastern, as well as Northern and Southern parts of Europe. The central location of Poland and its importance as a gateway to the European Union is a major advantage 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 building logistic and fulfillment centres in Poland results from dynamic growth in demand, development of trade co-operation caused by the extension of the 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% 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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Food sector

Food industry, historically one of the most important sectors of the Polish economy, has seen a rapid growth in the recent years. Accounting for nearly 24% of the sales of the whole industry, Polish food sector ranks third in the EU in the total industry share, just behind that of Greece's and Denmark's. Many international companies like Danone, Mondelez, Mars, Nestle or Unilever are vastly present in Poland. Worth to mention that with food industry joining the list of priority sectors, investors can apply for governmental cash support.

Poland is an important European and global producer of agricultural and horticultural products, as well as of products of animal origin. We are the EU leader in the production of apples, carrots and soft fruit (mainly sour cherries, cherries, raspberries and currants), and one of the leading producers of strawberries. The products of Polish orchards and gardens, as well as processed fruit and vegetables, are greatly appreciated by domestic as well as foreign consumers and are the synonym of tasty, healthy and safe food. Poland belongs also to the biggest producers of red meat in the EU and is the biggest geese producer in Europe. And last but not least Poland is one of the leading grain producers in the EU.

Yachting sector

In addition to large full service shipyards, Poland is also home to a number of boatyards where quality yachts and motorboats are produced, most of which are exported. Export constitutes 90% of the production of the yachting sector itself. 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. The range of products of Polish yacht constructors is very wide – several dozens of models, of length varying from 3 to over 30 m (with over 300 different models of motor boats).

of Europe



Designed in Poland

Polish Information and Foreign Investment Agency (PAIIZ) 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, Rome, Zagreb and Sofia. By conducting such projects, PAIIZ, 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: Marcin Nowak © Foto: Marcin Nowak

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.



© Designer: Roman Modzelewski, © Foto: VZOR (Producer)

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 Wąbel (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

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 free of charge professional advisory services for investors, including:

- investment site selection in Poland,
- tailor-made investors visits to Poland,
- information on legal and economic environment,
- information on available investment incentives,
- facilitating contacts with central and local authorities,
- identification of suppliers and contractors,
- care of existing investors (support of reinvestments in Poland).

Besides the **OECD National Contact Point**, PALiZ 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, 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 China - Poland Economic Cooperation Centre operates in PALiZ 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 PALiZ is implementing the **"Go Africa"** program. Its aim is to encourage Polish entrepreneurs to enter the African markets and to promote Poland in Africa. Therefore PALiZ is organizing: 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 is preparing publications on 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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