Capital: Warsaw

Population: 38.491m

Currency: Polish Zloty (€1 : PLN4.3)

GDP Per Capita: €12,800 (estimated) - 70% of EU average in Purchasing Power Standards

GDP 2018: €467.3bn

GDP Growth 2018: 4.2%

Predicted Economic Growth for 2019: 3.7%

Unemployment: 3.8% with many companies facing labour shortages

Trade value between Ireland and Poland in 2017: €3.5m (2/3 in favour of Ireland)

Enterprise Ireland Client Exports 2018: €178.5m
WHY EXPORT TO POLAND?

Poland lies at the centre of Europe and has a border with Germany, the Czech Republic, Slovakia, Ukraine, Belarus, Lithuania and Russia. The total length of Poland's land and sea borders is 3,496km, and its total surface area is 312,685sq, making Poland the 9th largest country in Europe.

Poland was one of the first ex-communist countries to adopt privatisation and economic liberalisation. It has been successful as the government was able to privatise most of the small and medium state-owned companies and to encourage foreign direct investment.

Poland is the largest of the newer EU member states and has been one of the fastest developing countries in the EU in recent years. Its GDP growth is currently 5.1%, well above the EU average. €82.5bn from EU structural and cohesion funds between 2014 and 2020 is being invested in a range of projects which will help maintain Poland as a market offering growth and stability. The EU funds will contribute towards investment in Polish infrastructure, environmental and technology projects and regional development.

Poland participates in the EU, United Nations, NATO, WTO, the OECD, and the International Monetary Fund. From an economic point of view, it was not as affected by the global crisis and grew by 4.3% in 2011 compared to 1.5% for the EU 27.

Over the last decade Poland has been steadily improving its business environment and the competitiveness of its economy. The latest "Doing Business 2018 report" launched by the World Bank Group, ranked Poland in 27th place out of 190 economies worldwide in terms of ease of doing business. Poland is ranked among the top performers in the Europe and Central Asia regions and is also the leader among new EU member states in Central Europe.

Having a strong domestic market, low private debt, flexible currency, and not being dependent on a single export sector, makes Poland a very promising market. Reports published by KPMG, Colliers International, EY, Doing Business, and PwC, describe the Polish economy as a safe business environment, as it features long-term planning with a low risk of financial crisis and offers good transport connections with a modern infrastructure.

Poland is a particularly good market for Irish SMEs. Many of the companies already doing business in Poland started early in their exporting history, as it is a relatively low-cost market, and easy to access from Ireland. Poland offers a good return for low investment compared to other territories and is a valuable and strategic foothold into Central and Eastern Europe (CEE).

OTHER IRISH COMPANIES ARE SELLING INTO POLAND, SO WHY AREN'T YOU?

• Enterprise Ireland clients’ exports to Poland based on ABR reached €178m in 2018.
• Poland is the 19th largest export destination for Irish indigenous companies.
• The proportion of Irish indigenous exports - compared to overall goods is very high - at 26%, nearly double the rate recorded for other EU continental markets such as Germany, France and Spain. This may reflect the formal and informal trade links that have developed between Ireland and Poland over the past decade due to the size of the Polish community in Ireland (3% of Ireland's population). This community in Ireland (150,000 people) plays an important role in bringing our countries closer together.
REASONS TO INCLUDE POLAND IN YOUR EXPORT STRATEGY

Poland has developed a strong presence in attracting foreign multinationals producing electronics, white goods, auto manufacturing and components. Poland is the leading producer of LCD screens in Europe thanks to investments by LG, Philips, Toshiba and the largest white goods producers.

Poland is the Top European Destination for Business Services Centres and has developed a strong presence in back-office services and business process outsourcing.

Poland produces 78% of all LCD screens manufactured in Europe (3rd largest in the world).

Poland is the largest producer of electronic equipment and white goods in Europe, worth over €14bn.

Poland is Europe’s 3rd largest producer of furniture.


Poland is ranked 27th out of 190 economies worldwide in terms of ease of doing business according to the latest ‘Doing Business 2018 Report’, launched by the World Bank.

Poland is ranked 39th in the Global Innovation Index.

Poland features among the most attractive countries in Europe in terms of FDI.

Poland is the biggest beneficiary of the EU’s budget. €82.5bn from EU structural and cohesion funds between 2014 and 2020 is being invested in a range of projects in Poland.

According to the European Commission, Poland is a Top 3 fastest growing economy, together with Ireland. 2019 forecast is 3.5% growth.

There were 1.3m students in the academic year 2016/2017. 28% of people aged 25 – 64 have obtained a higher education degree.
GET READY TO DO BUSINESS IN POLAND

Business Culture in Poland

Much like Ireland, having a wide network of contacts and personal relationships is very important when doing business in Poland. Regular personal contact is crucial, especially in the early stages of business development. There are also important differences between the Irish and Polish approach to business. For example, in Ireland it is common to reach agreement quite early in a business relationship whereas in Poland it is more structured and process-based. If any financials are to be agreed, they have to be made in writing with all T&Cs clearly defined. Decisions also take longer, and you should factor this into your planning.

Another crucial aspect of Polish business culture is the top-down management. Leaders are seen as providing direction and seniority is respected. Hierarchies are clearly defined in traditional Polish companies and they can't be bypassed. Titles are important and business leaders expect to be listened to. For these reasons, you need to ensure you are establishing contact with a person who has decision-making power.²²

- Relationship-building is crucial in Polish business, and it takes time and regular personal contact to build up confidence and trust.
- There is a higher level of formality in Polish business settings compared to Irish meetings, particularly at the initial stages.
- Poland is a price-sensitive market and this attitude pervades the country’s business culture; while quality is a consideration, cost is often the deciding factor.
- You may have to navigate several layers within an organisation, involving multiple meetings on different occasions, before speaking with the person authorised to sign-off a project.
- The decision-making process is typically slower than in Ireland, although certain sectors such as ICT are exceptions.
- Meetings in Poland tend to overrun. Try not to arrange them back-to-back; plan your time, especially if there is travel involved.

Take into account that a first meeting might not be about your particular product or service, and several meetings are likely before progress is made. Price is unlikely to be discussed at the outset, but when the subject is brought up, it will be a key consideration. It is important to be well prepared for business meetings and especially for contract signings. You should have suitable brochures and promotional material ready. Ask your prospect if they would like this material to be translated into Polish first.²³

Overcoming the language barrier

It is estimated that 62% of the Polish population speak English.²⁴ Most educated Poles, especially in the business community, speak at least one foreign language, with English being the most popular one. English is widely understood by young people aged 18-30. Depending on the sector, there will be different levels of ease and comfort in speaking English; therefore, it is advisable to avoid slang and to use clear language. Before arranging a presentation or sending marketing material, ask if your prospect would like them in English or Polish.

Enterprise Ireland’s Warsaw office can arrange an interpreter for you. You may also have access to Polish-speaking resources closer to home. According to the 2016 census, Polish is the second most spoken language in Ireland.²⁵

Travelling to Poland

Poland is one of the easiest countries to visit from Ireland with more than 60 direct flights between Ireland and Poland each week. You can fly to 12 Polish cities from Dublin.²⁶

Poland is three times bigger than Ireland in terms of area. The country has a well-developed transport network. Many company headquarters are located in the capital city of Warsaw and in the main cities including Lodz, Poznan, Gdansk and Lublin. Krakow is a Business Process Outsourcing and IT hub, while several Irish companies operate in the IT hub of Wroclaw.
Routes to market:

**Distributor or a wholesaler:**
Finding a distributor or a wholesaler who can warehouse and resell products across Poland to retailers, or directly to the end user, is a very popular way of entering the market. They usually provide a range of services such as product information, estimates and technical support to their customers. Distributors will most likely hold stock of your product to ensure a timely supply within Poland. Enterprise Ireland focuses on assisting distributors working with Irish companies and can help with organising inward buyer visits. Typically, with a distributor, targets are set and both parties will work to achieve them. In certain sectors, a distributor will also take responsibility for the process of registering your company’s product, if necessary, and may also be responsible for pursuing tenders and completing the necessary documentation on behalf of the Irish company.

**Importer:**
Having a local partner who brings products from Ireland into Poland and helps to establish a presence, translates materials and makes sales, is a great assistance.

**Online stores:**
Poland is one of fastest developing e-commerce markets in Europe. The digital economy currently accounts for 3% of Poland’s GDP, and it is expected to rise to 9.5% by 2020. E-commerce accounts for 7% of retail sales, and it is expected to reach 10% in the next 2-3 years. There is no direct presence of Amazon and eBay in Poland; Allegro is the biggest e-commerce platform with close to €10bn of online trade.

Direct sales from Ireland:
From a logistics standpoint, it is possible to serve the Polish market from Ireland. However, if you intend to sell from Ireland into Poland, you will need to ensure that you can visit the market regularly and be seen to be present there – either virtually through a partner, supported by regular visits by senior management, or by an employee of your company based permanently in Poland. Partners may be best suited if your product is knowledge-based, but for physical goods a distributor may be more appropriate.

**Commercial agents:**
Working with a commercial agent or partner is a common way to start as it can reduce the risks for an Irish company. A commercial agent provides a presence on the ground and therefore adds any additional reassurance and service that local customers may require. Many agents in Poland operate on a commission-only model and are prepared to invest in a business relationship with an Irish company as it adds to their portfolio.

Enterprise Ireland can assist with sourcing agents, and there are several official online listings including the Polish Chamber of Commerce Matching Business Partners Scheme. The official Polish government site also has a directory of partners, searchable by region.
Irish companies are advised to undertake as much research and planning as possible. Taking a strategic approach is key to making the process manageable. The first step is to spend time thinking about your company’s objectives in Poland. Below are a number of questions which should help you to focus your thoughts and highlight areas for further research. This may be used as a basis for developing a formal Poland strategy, although this may not be necessary, or appropriate for all companies.

**The Market Landscape**
What is the size of the target market? Is the market fragmented or dominated by a few key players?

**Market Trends**
What are the common trends, customer needs and interests? Find out why there are some obvious gaps in the market.

**Target Market**
What are the buying decisions in Poland? Who are the relevant decision makers?

**Market Segmentation**
Who are the most probable customers and what are their influencing factors? How do they buy?

**Market Competition**
Do you know if there is a market for your product in Poland? Do you know if you can be competitive in Poland? Are your competitors already in Poland? If so, what are they doing?

**Growth Sectors**
Which sectors of the economy are experiencing a higher-than-average growth rate?

**Market Research Resources**
Being abreast of local market trends, especially in your sector, will help enormously when it comes to building your knowledge about the Polish market.

Enterprise Ireland’s *Market Research Centre* offers client companies access to market intelligence in the form of company, sector, market, and country information to explore opportunities and compete in international markets.

Visit the Market Research Centre section of the website for details of the market research facilities available, and for a database of sector-specific information that will indicate whether there is research available for the market you wish to target. Further information is available at: [https://www.enterprise-ireland.com/en/Export-Assistance/Market-Research-Centre/](https://www.enterprise-ireland.com/en/Export-Assistance/Market-Research-Centre/) - into Market Research Centre words
KEY GROWTH OPPORTUNITIES IN POLAND

Polish industry is based on two main pillars. The first pillar includes traditional industries, which have survived the post-communist era; while the second pillar comprises of newly-created industrial clusters formed through foreign direct investment. During the communist period, Poland put a lot of emphasis on its heavy industries such as mining, metallurgy, machine construction, shipbuilding and the arms sectors. The industrial sector employs approximately 30% of all employed Polish people.

Poland's main industrial sectors include automotive, household appliances and electronics. Foreign ownership is prevalent in these sectors. Poland has well-developed, and indigenous, agricultural chemicals and furniture sectors which are export dependent. There is a large state-sector, with major corporations and banks in state ownership.

Sectoral Initiatives

Agriculture and Food Processing

Poland is fast developing as Eastern Europe’s key agricultural and food producer, servicing its own internal market of 38m consumers while bordering countries with a combined population of 300m. Over 60% of Poland’s territory has been declared agricultural land. The most common crops are grains, especially rye, wheat, barley and oats. Other important crops include potatoes, sugar beets, flax, tobacco and fruits.

Since EU accession in 2004, Polish agriculture has matured by way of the consolidation of farm sizes, the use of modern technologies and the upgrading of farm equipment. The development of the agribusiness sector is far from complete; many Irish companies successfully service this sector and there are significant opportunities for additional companies to enter this growing market.

Polish food exports have expanded 400% since EU accession. Due to the changes to the EU milk market in 2015, significant upgrading of Polish dairy farms took place. Poland is the third largest producer of sugar beet and pork in the EU, and it is ranked 4th for milk and wheat. Enterprise Ireland already works with its clients selling agricultural machinery, animal nutrition, veterinary chemicals and ICT solutions for food and farming.

Automotive and Engineering

The Polish automotive sector is one of the largest in CEE and is one of the key industries in Poland in terms of production value, employment, capital expenditure and shares in exports. In 2017, the Polish automotive sector was at its highest level since the financial crisis.33 Poland is a big manufacturer of commercial vehicles such as trucks and buses. All big brands including MAN, Volvo, Solaris and Scania have manufacturing plants in Poland, and MAN has just started building its first electric bus factory.

Chinese investor Zhangjiagang Guotai-Huarong New Chemical Materials Co. followed suit and in April 2018 announced a €45m battery electrolytes manufacturing plant in the south of Poland. According to PAIH (IDA equivalent) the agency is currently involved in 14 large electromobility investment projects with a total value close to €3bn.

Healthcare and Pharmaceuticals

The healthcare sector is one of the fastest growing in Poland and private healthcare services are particularly dynamic. There is a rapid development of a large number of private clinics, higher spending on medical equipment, rehabilitation services and diagnostics tests.

There are plenty of opportunities for Irish exporters to introduce their innovative medical devices or pharmaceuticals to the Polish market. Poland has established itself as a key European centre for the production of drugs and medicines, much of it driven by the generics sector, where Poland has one of the highest penetrations of generic pharmaceuticals in Europe. Poland is emerging as an export market for medical devices, which is Ireland’s 5th largest industry cluster, on the back of increased spending on private medicine and the contract of new medical facilities in the private sector and via Public Private Partnership (PPP).
Likewise, Polish pharmacies are moving to a more retail orientated business model (the Polish Over The Counter [OTC] market was worth €4.2bn in 2017) which has created opportunities for Irish companies offering innovative medical products as well as opportunities for medical supplies and wellness products.

Electronics
Poland has developed a strong presence in attracting foreign multinationals producing electronics, white goods, automotive manufacturing, components and furniture. In the last decade the electronics industry has grown significantly, mostly due to foreign direct investment. This sector mainly covers the manufacture of office equipment and computers, as well as radio, television and telecommunications equipment and appliances. Poland benefited greatly from the development of new technologies used in flat screens, and most of the market leaders, such as LG and TPV, have chosen Poland as their main production hub. In addition, Poland has become Europe’s leading producer of household appliances. The growth of manufacturing activities is mainly attributed to the expansion of foreign companies in Poland such as Whirlpool, BSH, Electrolux, Philips, Toshiba, Samsung, and LG.

Retail and Consumer Goods
Polish consumption expenditure continues to grow and in 2017 achieved 4.7%. The market is dominated by foreign retail giants such as Tesco, Auchan, Lidl, Carrefour and Jerónimo Martins. The evolution of the retail format in Poland has created opportunities for Bord Bia’s portfolio of food clients. Irish food and drink products have already achieved a level of penetration, with Irish cheeses, meat, whiskeys and beers readily available.

Software/ICT/BPO
The value of the Polish IT market amounted to €10bn in 2018. In the last decade, the CEE region has become one of the most important hubs for business processes offshoring worldwide and Poland has become an internationally recognised destination for advanced business processes. Of the 20 cities in the CEE region which are recognised as potential offshoring locations, almost 50% are located in Poland, in particular Warszawa, Krakow and Wroclaw.

The Polish banking sector, dominated by foreign banks, has developed dramatically and is a market leader in CEE. The main financial institutions have updated their core banking and treasury systems in recent years and this has created openings for Irish software and services companies.

Banking and Fintech
The Polish banking sector is one of the most technologically advanced in the world. For example, Poland belongs to a group of 10 countries in the world that are leaders in contactless payments. The sector looks for added value in the field of payments (e-commerce, alternative and mobile payments) and remote identification of clients (biometrics).
Visa Requirements
Poland is an EU member state and a member state of the Schengen Area, and therefore EU nationals do not require visas or special permission to travel to Poland.

Taxation

Corporation Income Tax
A company (legal entity) that is a resident in Poland for tax purposes is subject to corporate income tax (“CIT”) on its worldwide income. A non-resident company is liable to CIT only on income generated in Poland. Ireland and Poland have signed an agreement for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income. A company is considered a Polish resident if its registered office or management is in Poland. Thus, Polish subsidiaries of foreign companies are treated as residents of Poland for CIT purposes.

CIT is collected at a flat rate of 19% or 15% for small taxpayers (i.e. taxpayers whose value of sales revenue – including the amount of VAT due – did not exceed in the previous fiscal year, the amount corresponding to the equivalent of €1.2m, expressed in PLN) and for those starting a business.

The system of Value Added Tax (“VAT”)
VAT is levied on supplies of most goods and services. Businesses conducting activities subject to VAT should register as VAT taxpayers. In general, VAT is reported on a monthly basis, but some small taxpayers may also opt for a quarterly reporting period. There are certain exemptions when VAT should not be deducted i.e. on gastronomy or hotel expenses.
HELPING YOU WIN IN POLAND

Enterprise Ireland Warsaw is focused on helping Irish companies through collaboration with the Embassy of Ireland in Warsaw and leveraging the network and experience of the Enterprise Ireland Warsaw office. This will be supplemented through the use of Pathfinders, Inward Buyer Visits, In-market Events and Initiatives, End-User Contacts and Irish Diaspora Networks.

After you get there...
As a first-time entrant to the Polish market, your brand may be totally unknown. To build market presence as efficiently as possible, take an integrated approach to marketing including:

- **Company website** should be updated to accommodate international enquiries and sales, as well as being an online brochure. Have a Polish language landing page with news relevant to the Polish market, if possible, with a significant customer endorsement.
- Where possible set up a .pl domain, and use localised search optimisation and search engine marketing techniques.
- **Social media** is an effective way of building up a network in Poland. Get active on LinkedIn. Remember also to check the Irish Embassy website for Poland for further advice: https://www.dfa.ie/irish-embassy/poland/

Helping you to succeed in Poland
Enterprise Ireland assists clients entering new markets with:

**Pre-Visit Support**
Prior to engaging with an overseas market, client companies should engage with their Development Adviser (DA) and the Enterprise Ireland Market Research Centre in Dublin to ensure they leverage the full range of possible supports in preparation for engaging with the Enterprise Ireland team in the market.
- General market and country level information
- Sector overview

**In-Market Supports**
- Introductions to buyers and decision-makers
- Identification of potential partners
- Facilitation of buyer visits to Ireland
- Assistance with product launches/workshops
- Securing reference sites

**International Trade Events Programme**
Every year Enterprise Ireland organises an extensive programme of events to support your business abroad. These include:
- Inward buyers’ missions to Ireland
- Group stands at important international trade fairs
- Overseas trade missions
- Study visits to gain knowledge of overseas markets
- Client knowledge events including seminars and workshops
- Networking events to build and enhance relationships with market contacts

Further information is available at: [www.enterprise-ireland.com/events](http://www.enterprise-ireland.com/events)

**Additional Supports**
Introductions to specialist expertise such as legal, recruitment, public relations and taxation.
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