

Poland – The best business opportunity

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Why Poland?

- Strategic location
- Economic growth
- Investment potential
- EU - membership
- Foreign trade and FDI
- Strategic sectors
- Investment incentives
- Human potential
- Reliability of business partners
- Poland - the beautiful country



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Where is Poland?



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Strategic location

- In the heart of continental Europe – between highly developed Western European Countries and Eastern Europe with growing markets as Russia and Ukraine
- **Direct and easy access to 500 million people in Western Europe and 250 million in Eastern Europe**
- Part of Trans European Network
- Competitive cost base offers significant business benefits

- **Given its strategic geographical location, Poland may as play a crucial role in EU trade as a gateway to markets further to the east, particularly Russia and Ukraine**

Source: www.citypopulation.de, GUS

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Macroeconomic data 2007 and Economic Growth

- Stable **GDP** Growth - in **2006 – 5,8%**, in **2007 - 6,5%**,
- GDP per capita (**PPP**) in 2006 – **17 400 USD**
- **76% of GDP** generated by the **private sector**
- 2007-2015 up to **92 billion USD** from **EU structural funds**
- **Value** of Polish **export - 102,5 bln. EUR**
- Co-organization of **EURO 2012** as a additional **booster for Polish economy**
- **38 million domestic consumers** driving 10% annual retail market growth
- Area - 312 685 sqm

Source: GUS, NBP, CSO, Eurostat 2007

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Investment potential

- Very high productivity
- Polish Economy is developing much faster than EURO zone and average of all EU Members
- Ranked on the **2nd place** in planned investments in Europe
- Ranked **7th in top 10 global** investment destinations
- **GDP growth twice as much as in Western Europe**

Source: Ernst&Young 2007



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EU Membership create business opportunities

- **Access** to single market of **490 million customers**
- Polish law further Harmonization according to EU law– **the legal environment fully compatible with western standards**
- EU Membership guarantees stability and dynamic development
- From 21.12.2007 Poland belongs to Schengen area: there is no border control between Poland and other neighbor EU-countries
- Customs regulation are the same as in other EU countries
- Work permission for EU citizens is not required

Source: PAIZ

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Foreign Trade and FDI

- Export **growth** in 2006 - **19%**, **growth in 2007 – 15%**
- 10 Top Export products: cars, car parts, engines, electronics, cables, steel constructions, tires, household machines, furniture, ships
- **58%** of Polish export generated from foreign investments
- The value of export in 2006 equaled **109 billion USD**, **more than 100 billion EUR in 2007**
- Major trade partners in 2006 (export) : Germany, Italy, France, UK, Czech Republic, Russia
- Major trade partners in 2006 (import) : Germany, Russia, Italy, China, France, Czech Republic
- **FDI in 2007** has reached **108 billion EUR**, only in **2007: 13-14 billion EUR**

Source: GUS 2006, 2007, Cushmann&Wakefield 2008
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Strategic sectors - Automotive

- Components manufactured in Poland are installed in cars of many brands such as: **Opel, Mercedes, Volkswagen, Toyota, Isuzu, Fiat, MAN, Nissan, Porsche, Citroen, Honda, Peugeot, Volvo, BMW, Rolls Royce, Lamborghini, Ferrari, Scania**
- Other components for automotive industry produced in Poland - for example: **Valeo, Delphi, TRW, Faurecia, Bosch, Michelin, Good Year, Bridgestone, Gedia**
- Poland is the leading manufacturer for such components as: tires, car seats, car electronics, electric installation, car brake systems
- In the first half of 2007, over **87% of the goods were exported to EU-markets**
- A network of over **670 sub-contractors** with many of them having the **ISO/TS 16949**

Source: McKinsey &Company, PAIZ

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Strategic sectors – R&D

- Well qualified personnel, including **100 tsd. scientists**
- **10 large academic centers**
- Significant increase of productivity
- Low costs
- The improvement of products quality
- The possibility to diversify basic operations
- Over **40 R&D centers** in Poland such as Google, Microsoft, TRW, Motorola, Siemens, Samsung, GSK, IBM, Intel

Source: McKinsey&Co

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Strategic sectors - BPO

- Poland is becoming the European centre for modern business process off shoring (BPO) services
- It was possible because of:
 - Availability of well educated, multilingual labor forces
 - High quality of services
 - Well developed telecommunication infrastructure in the major cities
 - Low operating costs
 - European work standards



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Investment incentives

- **90 billion EURO** available for development, infrastructure and human capital
- **14 Special Economic Zones (SEZ) and Technology Parks** with incentives and its business benefits till 2015-2017
 - Income tax exemption for manufacturing and BPO
 - Concentration of suppliers and subcontractors
 - Large reserves of highly trained and well educated workers



Source: PAIZ

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Human Potential

- The youngest population in Europe (50% under 35 year age)
- Total population about 38 million people
- 22 technical educational institutes with 318,9 thousand students
- Motivated, flexible - they can adapt quickly to the new technologies
- Highly skilled
- They have the German rigor combined with the creativity of a Latin nation
- It's really pleasure to work with them



Source: GUS 2006

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Reliability of Polish business partners

- Present high quality of business co-operation
- Very skillful and motivated
- Open for new technologies and business trends
- Reliable and loyal as a business partner
- **Win-win** business rules



Poland as a beautiful country

- Poland - not only industrial country
- Poland is as well a garden of nature
- Poland has 23 National Parks
- Poland is a treasure of cultural riches
- Poland is a country with excellent cuisines
- SPA is a one on new standards of life
- Just enjoy Poland not only for business but for a leisure as well



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