

Poland

An overview of the economy and of the business environment



On October 15, 2023, Poland conducted its parliamentary elections for the year. The electoral process determined the composition of both houses of the Polish Parliament, with a total of 460 members elected to the Sejm and 100 senators to the Senate.

Poland, the largest nation in Central and Eastern Europe and the sixth-largest in the continent, demonstrated consistent economic growth for over 25 years, ranking as the sixth-largest economy in the EU. While economic activity remained strong in 2022, the first semester of 2023 saw a sharp drop in growth. Yet, there has been a recent upturn in consumer confidence, signaling a favorable outlook for a resurgence in consumption during the latter half of 2023. Starting from 2024, experts expect increased possibilities for growth as the effects of unexpected events gradually fade away.



In terms of GDP, according to the latest Regional Economic Prospects report from the European Bank for Reconstruction and Development (EBRD), the Polish economy is anticipated to experience a total modest growth of 0.6 percent this year. There's a projection for GDP growth to accelerate in 2024, reaching 2.7 percent.

Furthermore, despite the prevailing negative trends of this year, several factors have counterbalanced these effects like the advancements in labor productivity. This increase has bolstered the country's competitiveness in comparison to other advanced European and emerging market counterparts.

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The country has become a regional hub for technology. In the recent Emerging Europe IT Competitiveness Index, Poland secured the third position among 23 regional countries, outpaced solely by Estonia and Lithuania, and notably led the region in terms of talent.



Significantly, global automotive players are expanding their operations within Poland. For instance, Mercedes-Benz is investing in a new 1.3 billion euro factory in Jawor, dedicated to producing electric vans, marking a significant milestone for the company.

On the other front, Polish enterprises are extending their reach globally. State-owned energy giant PKN Orlen has a substantial presence across northern Europe, while brands like CCC, CMYK, and Reserved are widely recognized in European high streets and malls.

Regarding energy, although the country maintains its coal mining plans, constituting a considerable portion of its electricity generation, there's a commitment to transition to 75 percent electricity from alternative sources by 2040, despite the reliance on coal until 2049.

While lacking a nuclear power station, recent agreements signal Poland's exploration of constructing both traditional nuclear power plants and a series of small modular reactors.



In Poland, agriculture engages 9% of the working population, contributing approximately 2.2% to the GDP. The nation dedicates more than 60% of its land to farming, ensuring considerable self-sufficiency in food production. In 2021, the cultivated area reached 10.9 million hectares, focusing on crops like rye, potatoes, beetroot, wheat, and dairy products. Livestock farming includes pig and sheep breeding. The country's natural resources encompass coal, sulfur, copper, lead, and zinc. The Polish Agricultural Market Agency (ARR) reports roughly 1.5 million small family farms, most under 9 hectares, with an average agricultural land area per farm around 11.1 hectares. Approximately 20,000 farms use organic farming methods.

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The industrial sector contributes 27.9% to the GDP, employing 32% of the workforce. Manufacturing, valued at 17% of the GDP, encompasses machine manufacturing, telecommunications, environmental, transportation, construction, industrial food processing, and IT. While traditional industries like steel and shipbuilding have declined, the Polish automotive industry, primarily export-oriented, faced challenges during the 2008 economic crisis and struggled further during the recent pandemic due to chip shortages. Nevertheless, the country has diversified its manufacturing, focusing on electrical appliances and clothing. 2021 data from Statistics Poland indicates a 23% year-on-year increase in the value of industrial product sales, with the gas sector notably growing by 115%.



The tertiary sector constitutes 56.9% of the GDP, engaging about 59% of the working population. This sector has experienced notable growth, particularly in financial services, logistics, IT, and tourism. The tourism sector, especially, saw a rapid recovery post-COVID restrictions, recording a significant surge in overnight stays in the first half of 2022. The banking sector comprises 30 commercial banks, with 8 controlled by the State Treasury, accounting for 41.1% of the sector's total assets, alongside 511 cooperative banks and 37 credit institution branches.

Poland's contemporary business services industry comprises more than 1,800 facilities dedicated to business process outsourcing (BPO), shared services (SSC/GBS), and information technology (IT) as well as research and development (R&D). Notably, approximately 50% of new investments are directed towards IT services, contributing significantly to the expansion of highly specialized services.

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Poland's primary exports include motor vehicles, parts, and accessories, electric batteries, seats, other furniture, and video displays. These exports are predominantly shipped to Germany, Czechia, France, the United Kingdom, and Italy.

Poland's major imports consist of cars, crude petroleum, motor vehicles (parts and accessories), broadcasting equipment, and packaged medicaments. These imports primarily originate from Germany, China, the Netherlands, Italy, and Czechia.



The country's macroeconomic stability makes it an attractive investment destination, supported by strong public finances that allow for long-term investment strategies. Poland's economic steadiness and predictability distinguish it as a prudent choice for investment. Notably, it was the sole European nation to sidestep the financial crisis, maintaining a better debt-to-GDP ratio than the EU average.

Poland proves to be a country experiencing economic growth, dynamic within an environment particularly conducive to investments and commercial dealings. To gain a clear understanding of our potential or existing partners in Poland, it's essential to rely on expert and reliable business information providers. SkyMinder, through CRIF Sp Zoo, offers the best commercial insights into all Polish companies.



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All SkyMinder Full Reports on Poland are online and updated and they include the following information (if available at local sources):

- Complete company identification details (address, phone, fax, etc.)
- Company registration details: registration number, company id, fiscal code, and any information that can be retrieved at the local registry.
- Directors and company structure: board of directors, shareholders and related companies
- Financials: balance sheet and profit and loss (if companies are obliged to disclose).
- Credit rating and suggested credit limit
- Negative information on the company and payments if available
- Number of employees
- Activity details: sector and industry of the company

On SkyMinder it is possible to order other types of reports depending on your specific needs:

- Slim Report which include synthetic information about the company credit situation.

- Verification Report focusing on the shareholding structure of a company
- Compliance Check Report and Extended Check Report: through SkyMinder you can access the Lexis Nexis Risk Solutions platform and check if a business partner is involved in financial crimes, bribery, corruption and money laundering actions.
- Patent Due Diligence Report: a report with an in-depth analysis of the patents owned by a company.
- Cyber Risk Report: thanks to the test performed to a company website and related domains and emails, you can understand in advance if a partner or potential partner is vulnerable to a cyber-attack.
- Official company document from local company registries and LEI documents from the Legal Entity Identifier database

SkyMinder offers also the fastest delivery times, by ensuring the most accurate and updated reports in a few working days. The reports are complete, updated and easy to read. Thanks to SkyMinder full reports and the expertise of CRIF Sp Zoo it is possible to establish safe and profitable business partnership with all Polish companies.

Sources: https://www.paih.gov.pl/en/why_poland/economic_stability_and_a_strong_economy/;
<https://international.groupecreditagricole.com/>; <https://economic-research.bnpparibas.com/>

<https://www.ebrd.com/>