

# Poland economic model a business attractor

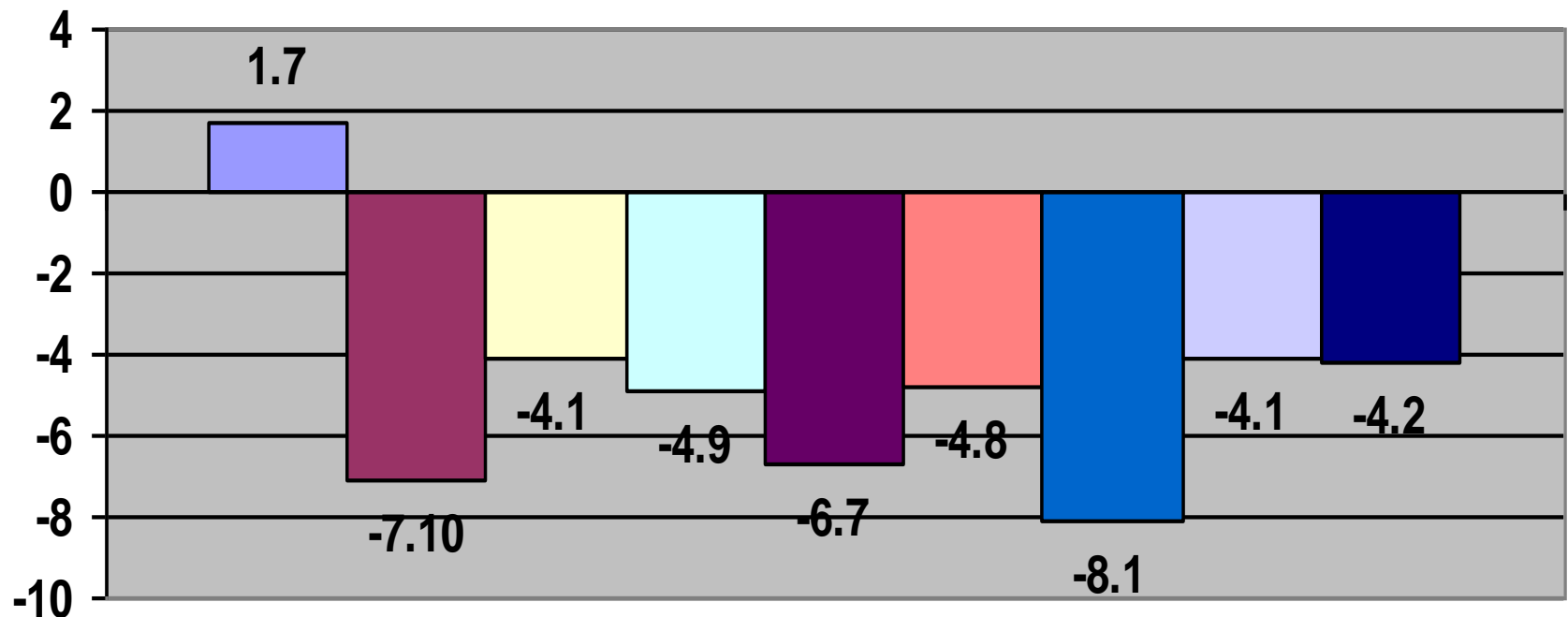
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*Bucharest*





**WHY POLAND?**

***In 2009 all EU-27 Member States, except Poland, have ended the year with negative growth, compared with the previous year.***



■ Poland

■ Romania

■ Czech Republic

■ Bulgaria

■ Hungary

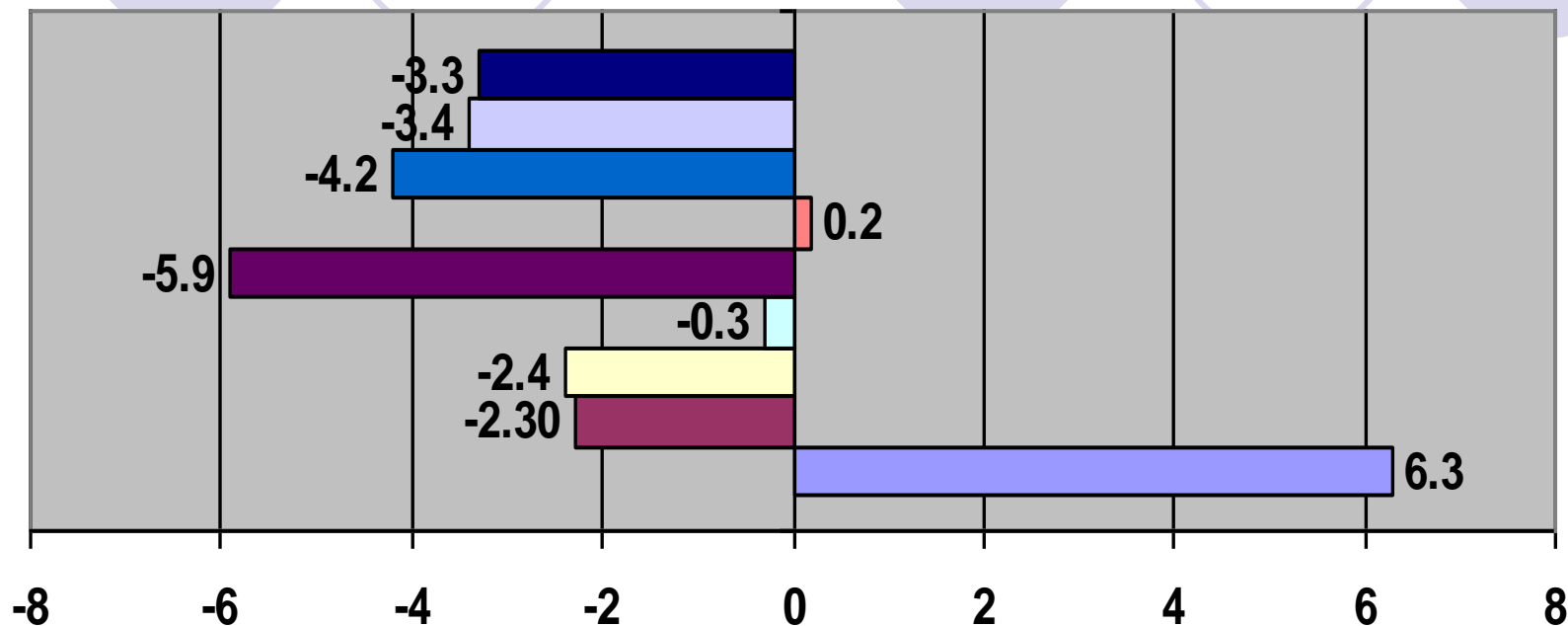
■ Slovakia

■ Slovenia

■ Euro zone

■ UE-27

# ***Relative change in real GDP in 2010***



Poland

Romania

Czech Republic

Bulgaria

Hungary

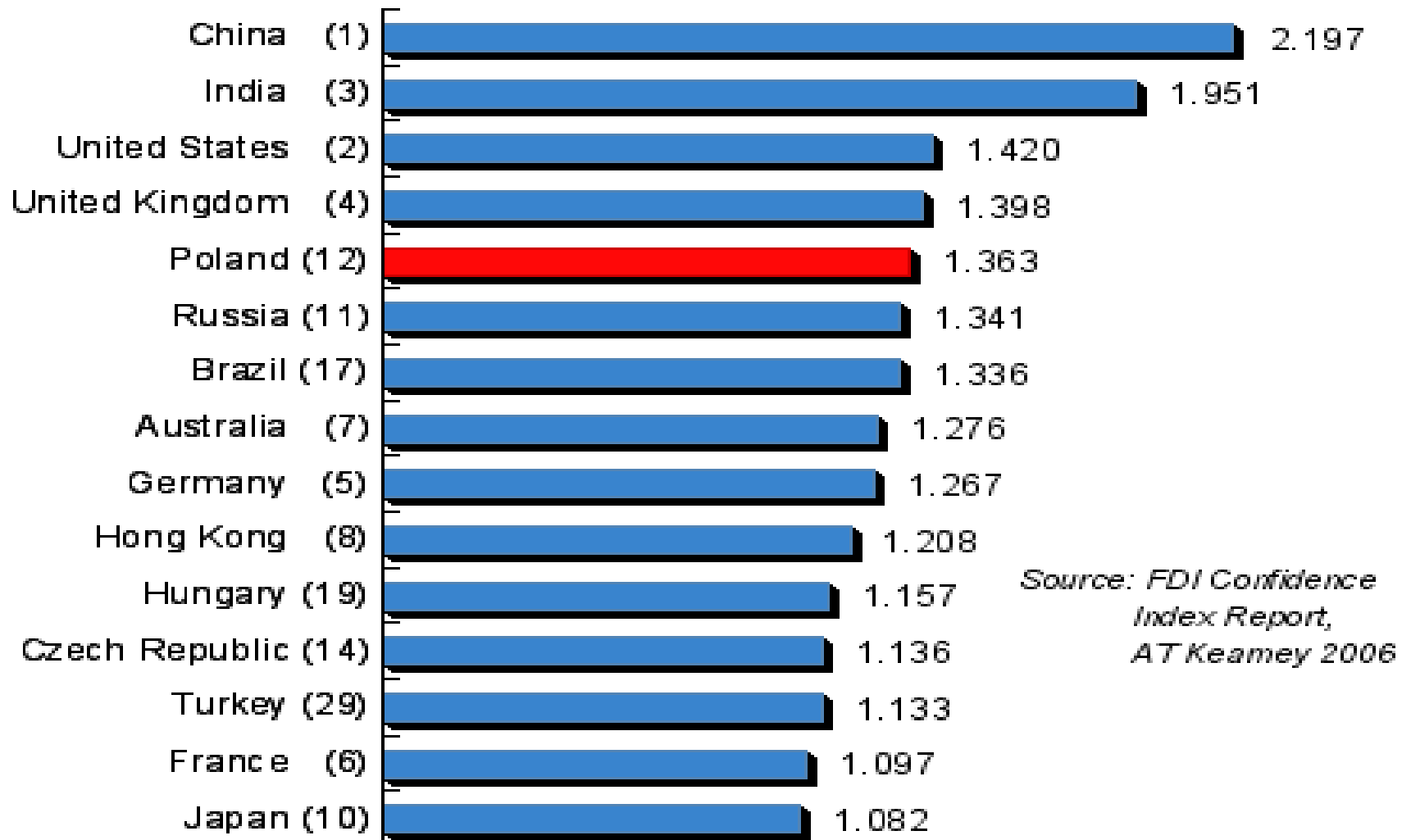
Slovakia

Slovenia

Euro zone

UE-27

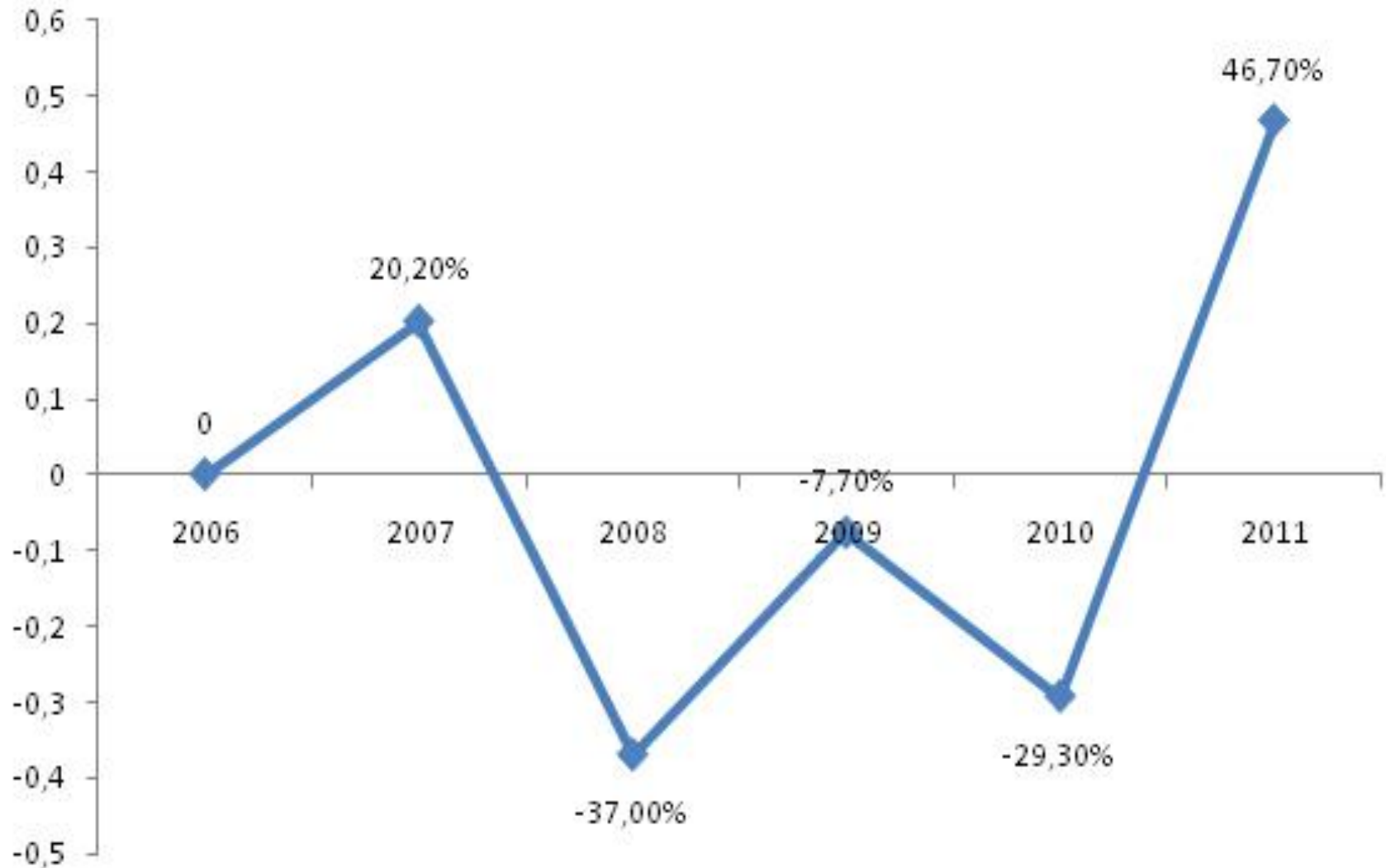
## FDI Confidence Index



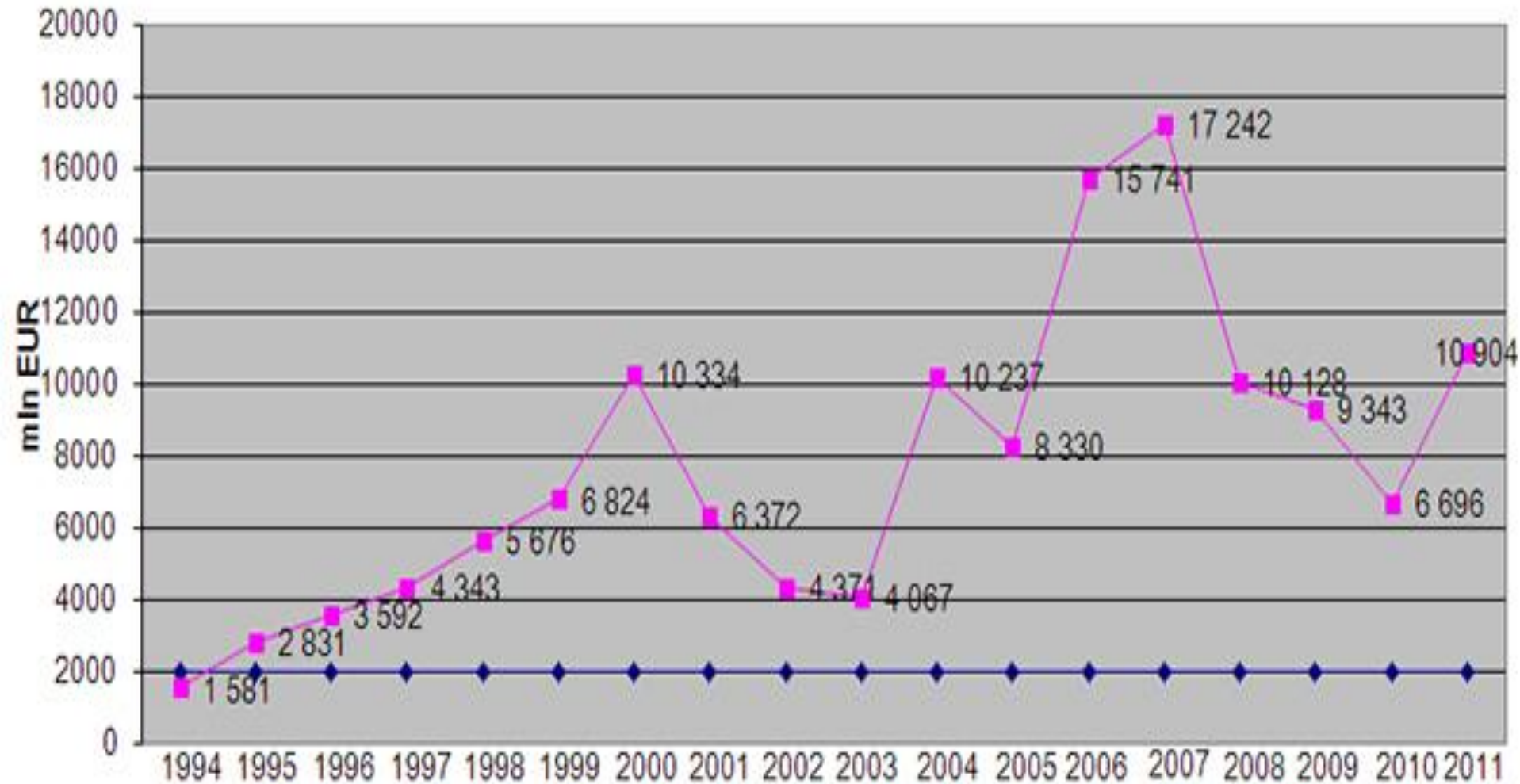
*Source: FDI Confidence  
Index Report,  
AT Kearney 2006*

Confidence level on a 0-3 scale.  
Numbers in parenthesis signify last years' position.

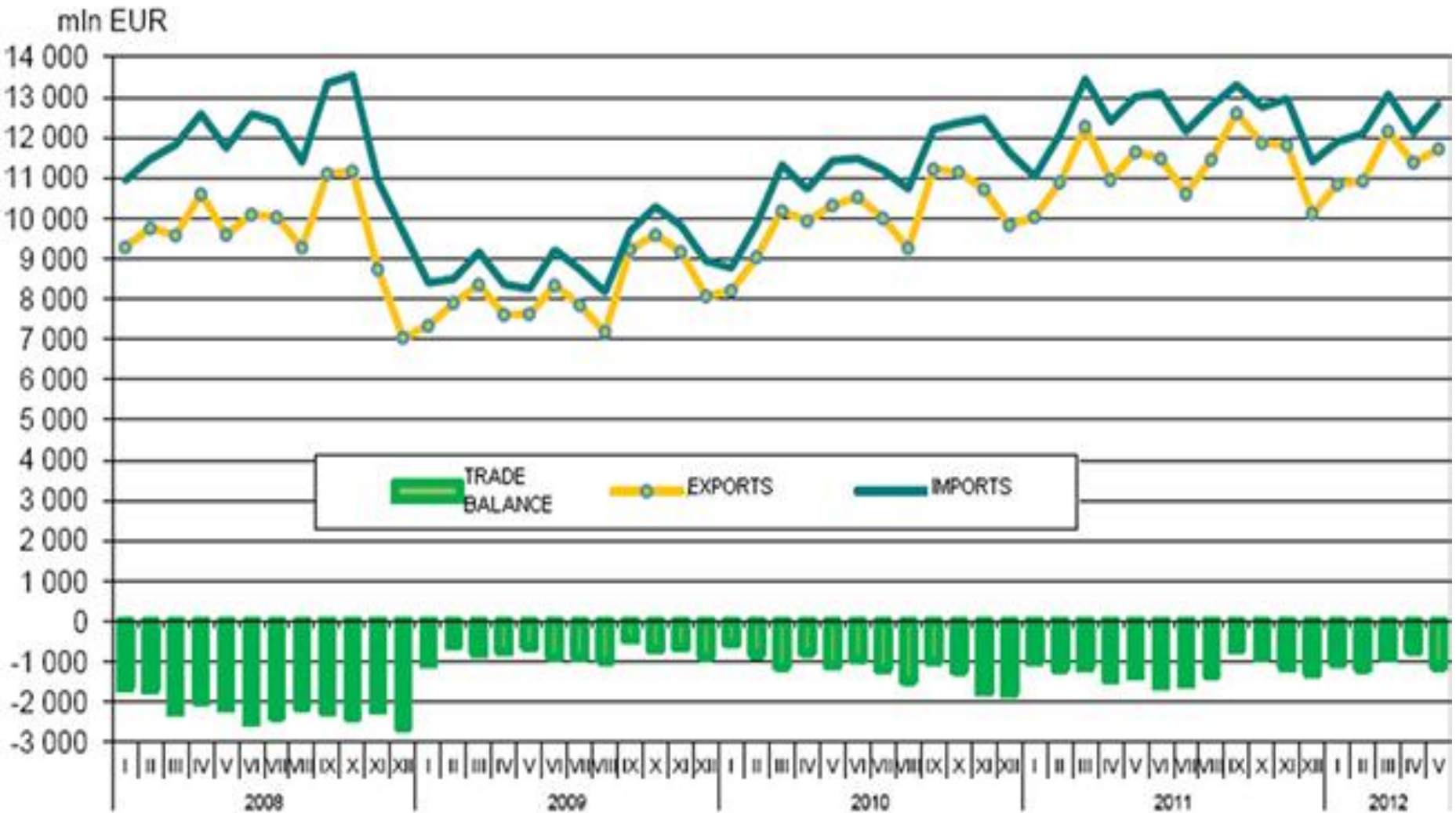
# Percentage changes y/y in FDI inflow to Poland in the years 2006-2011



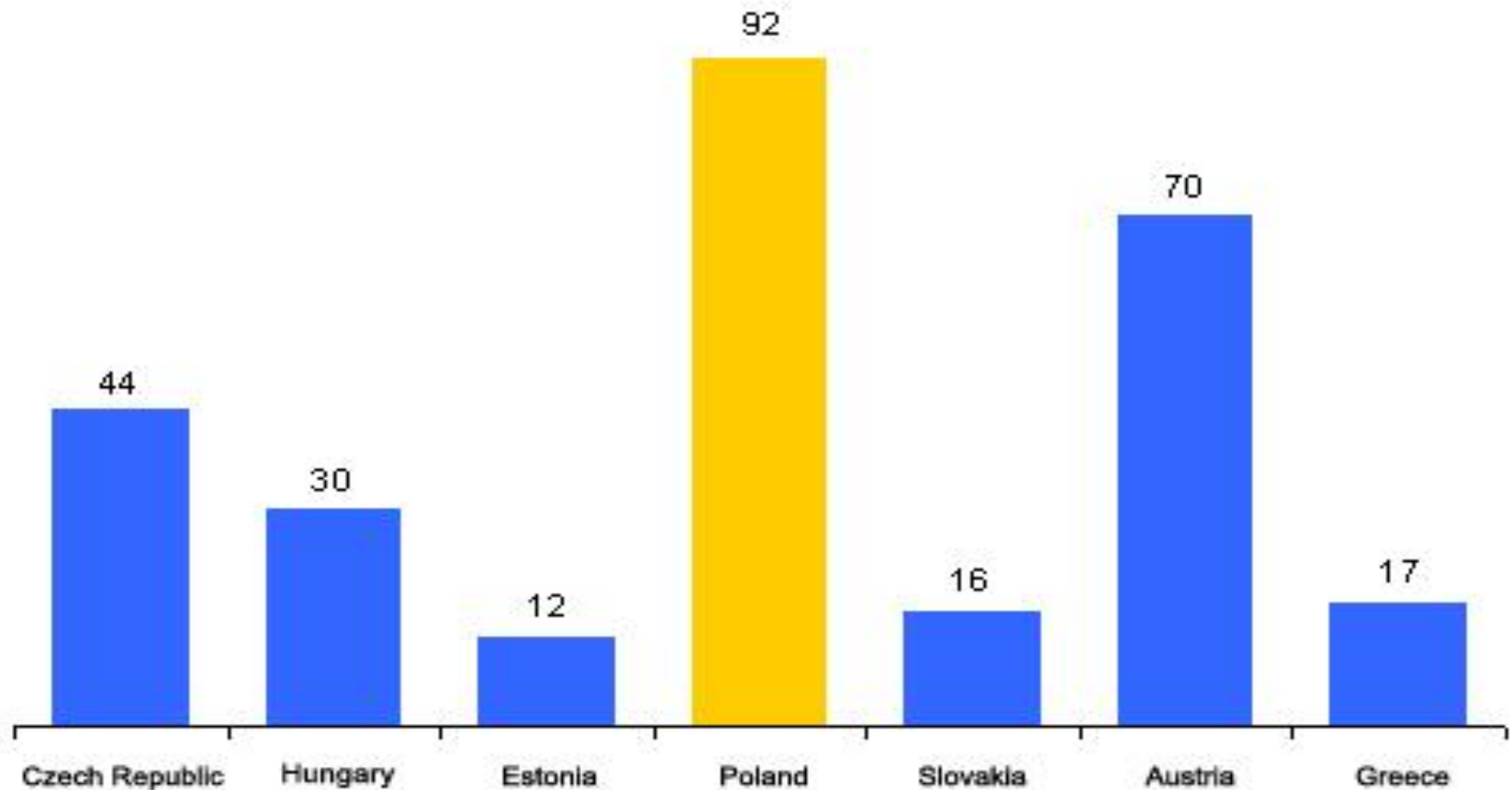
# Foreign direct investments (FDI) inflow to Poland (1994-2011)



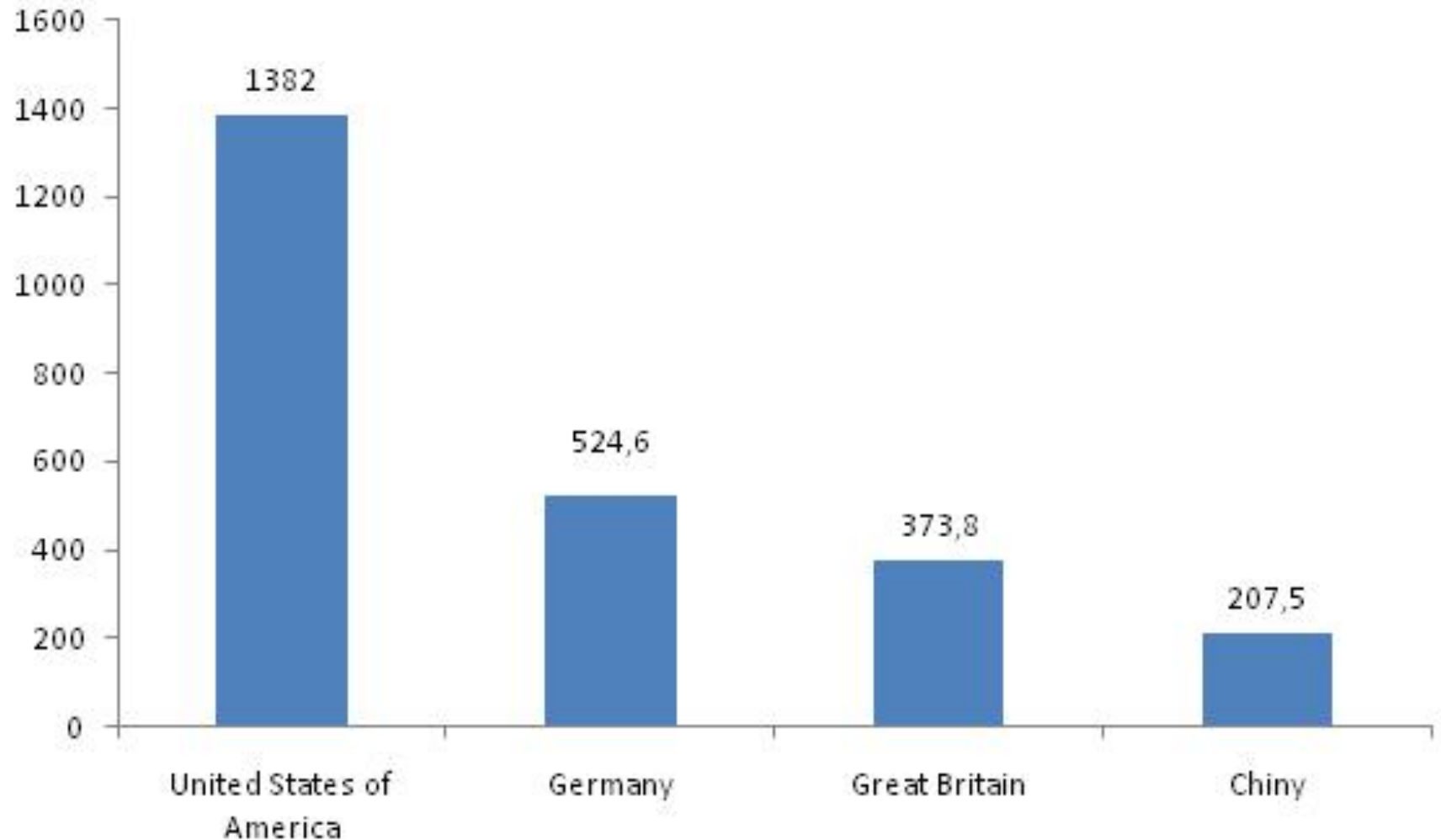
# Poland's foreign trade volumes



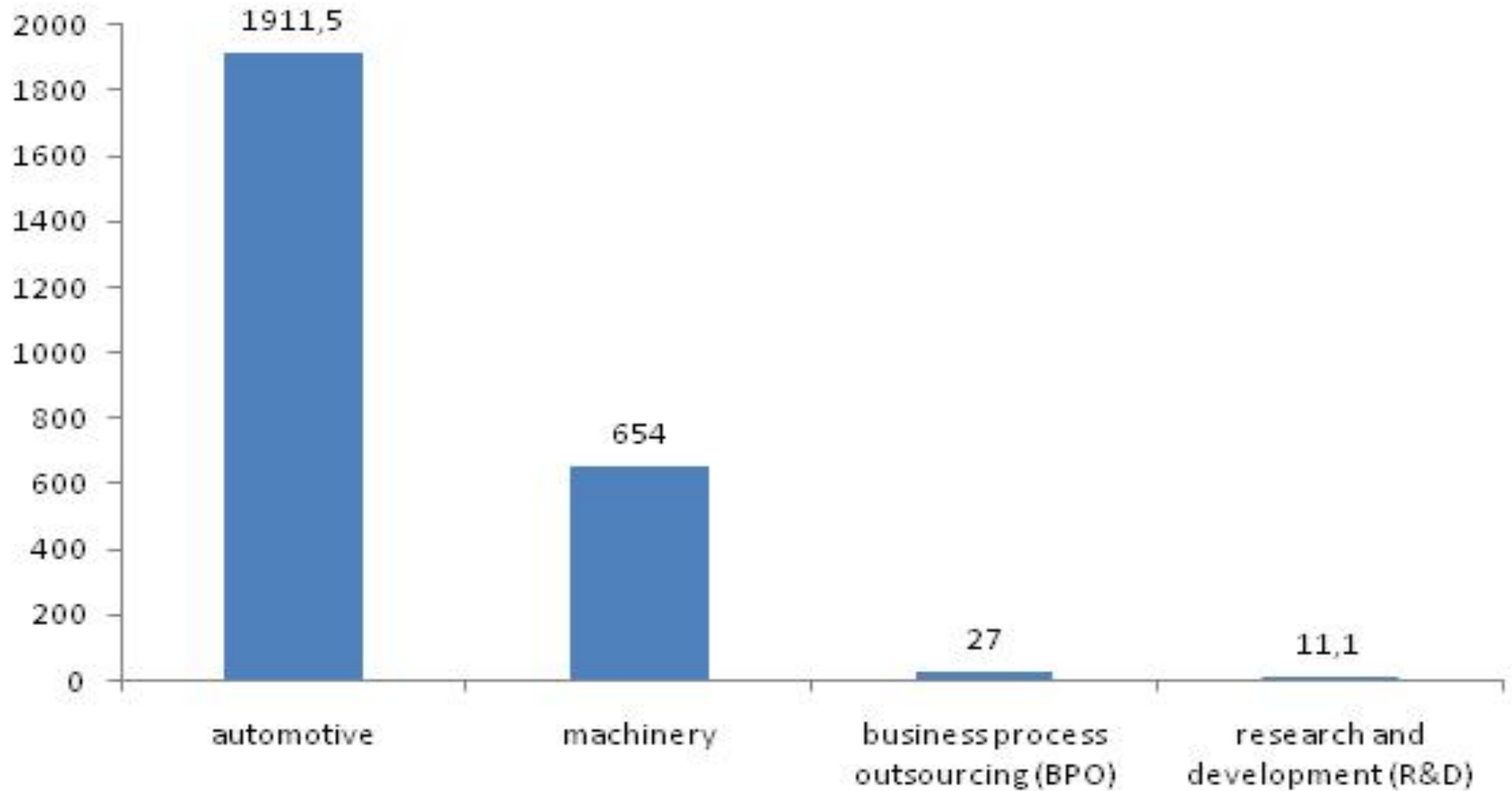
# FDI in selected European countries in 2010 (USD bln)



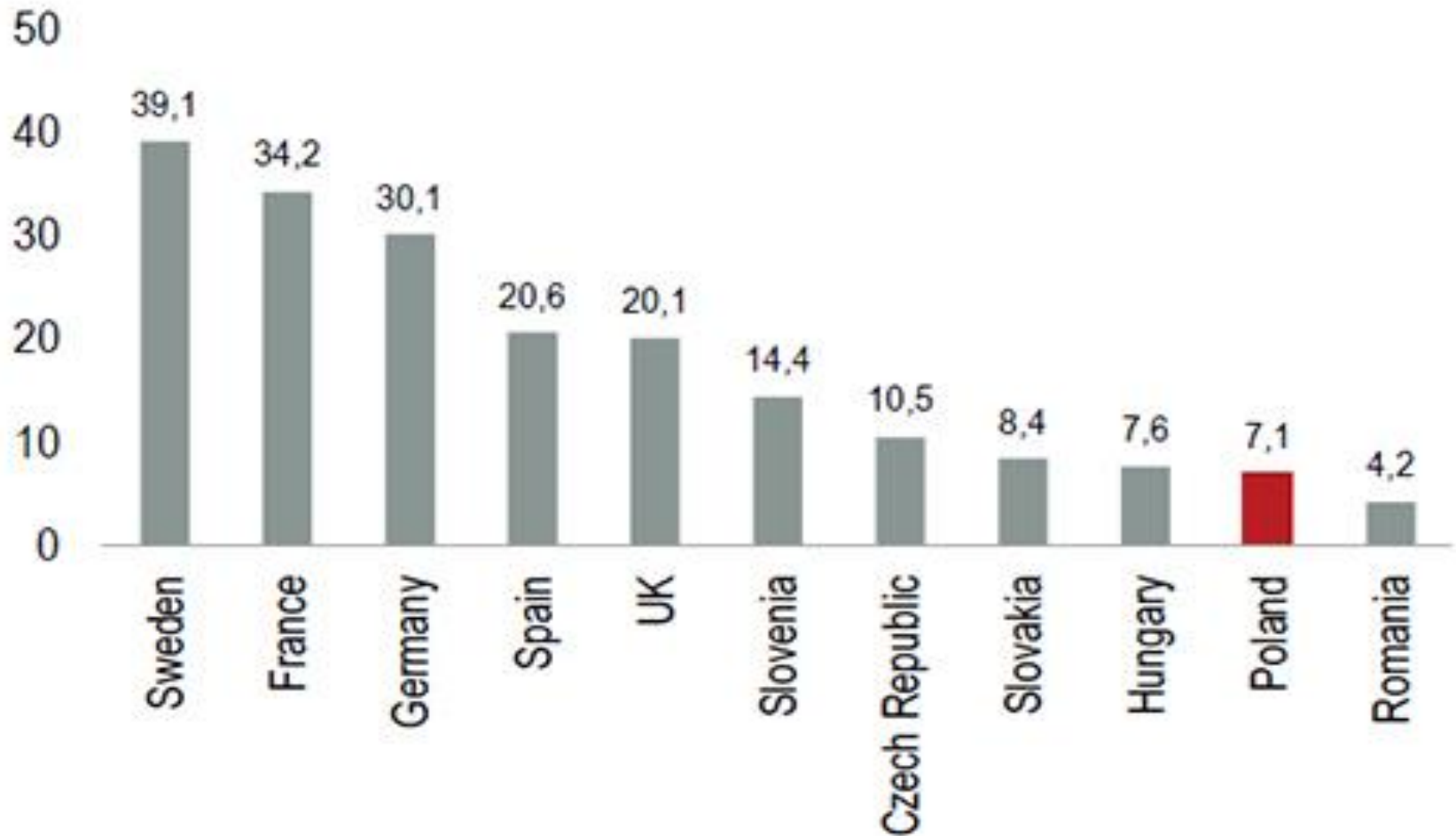
# Countries leading in terms of foreign investment in Poland



# Sectors leading in terms of foreign investment in Poland



# Comparison of hourly total labor cost among some selected European countries (in EUR)

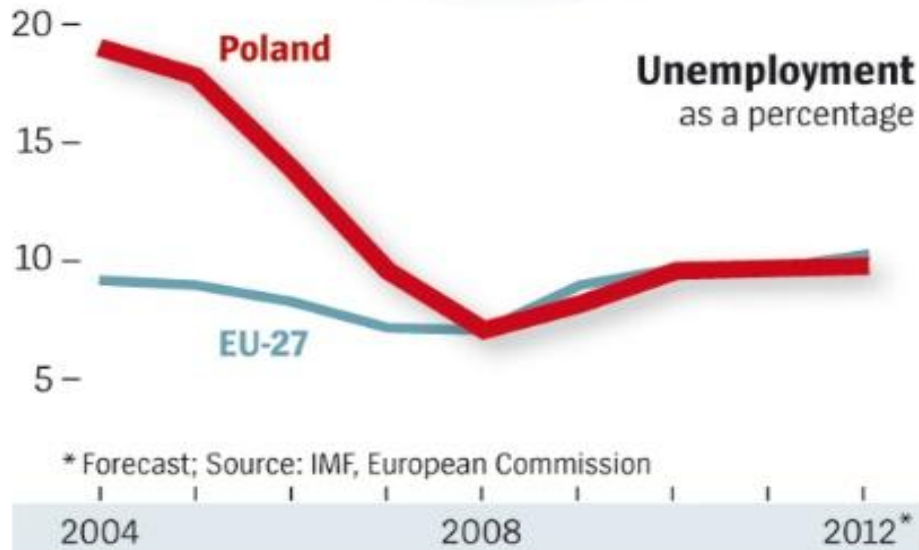
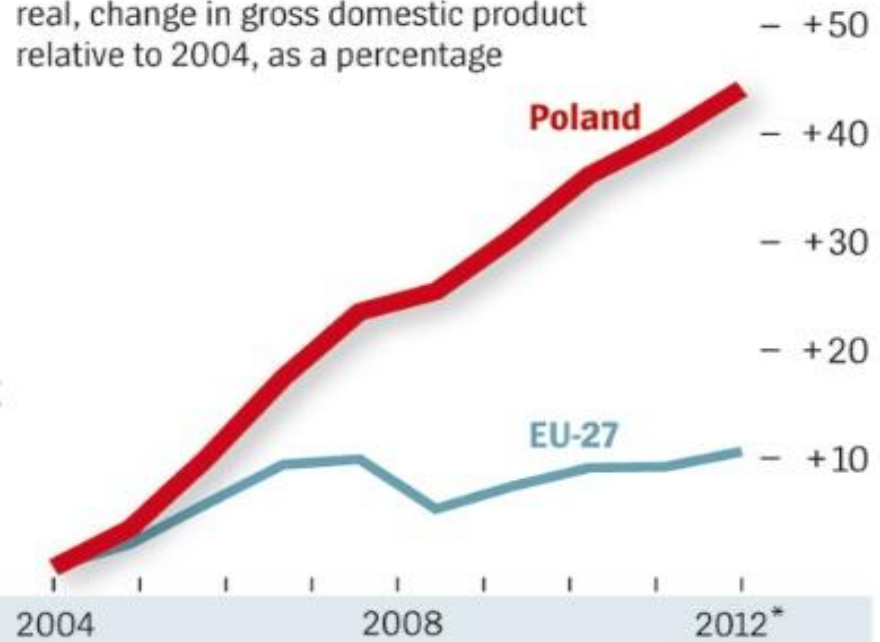


# Rising Star



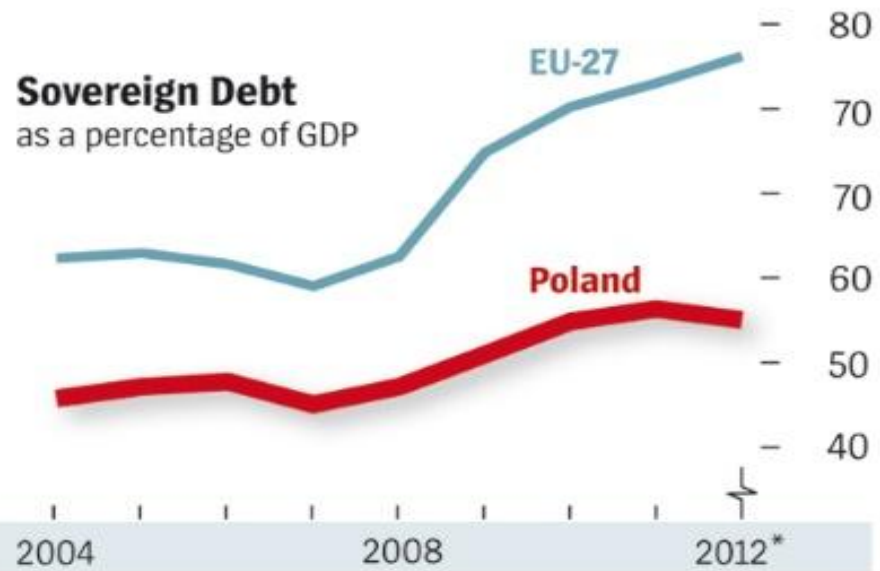
## Economic Output

real, change in gross domestic product relative to 2004, as a percentage



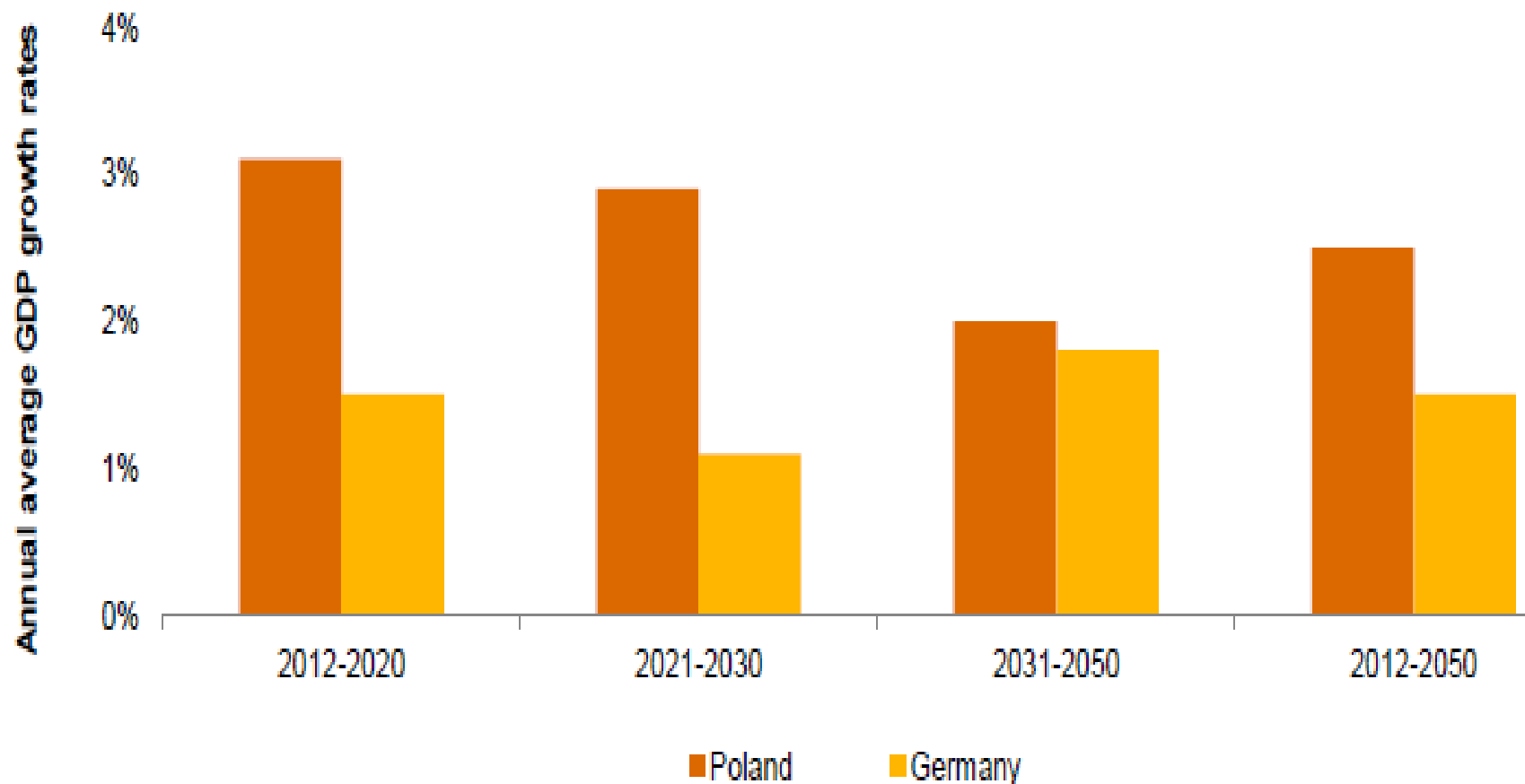
## Sovereign Debt

as a percentage of GDP



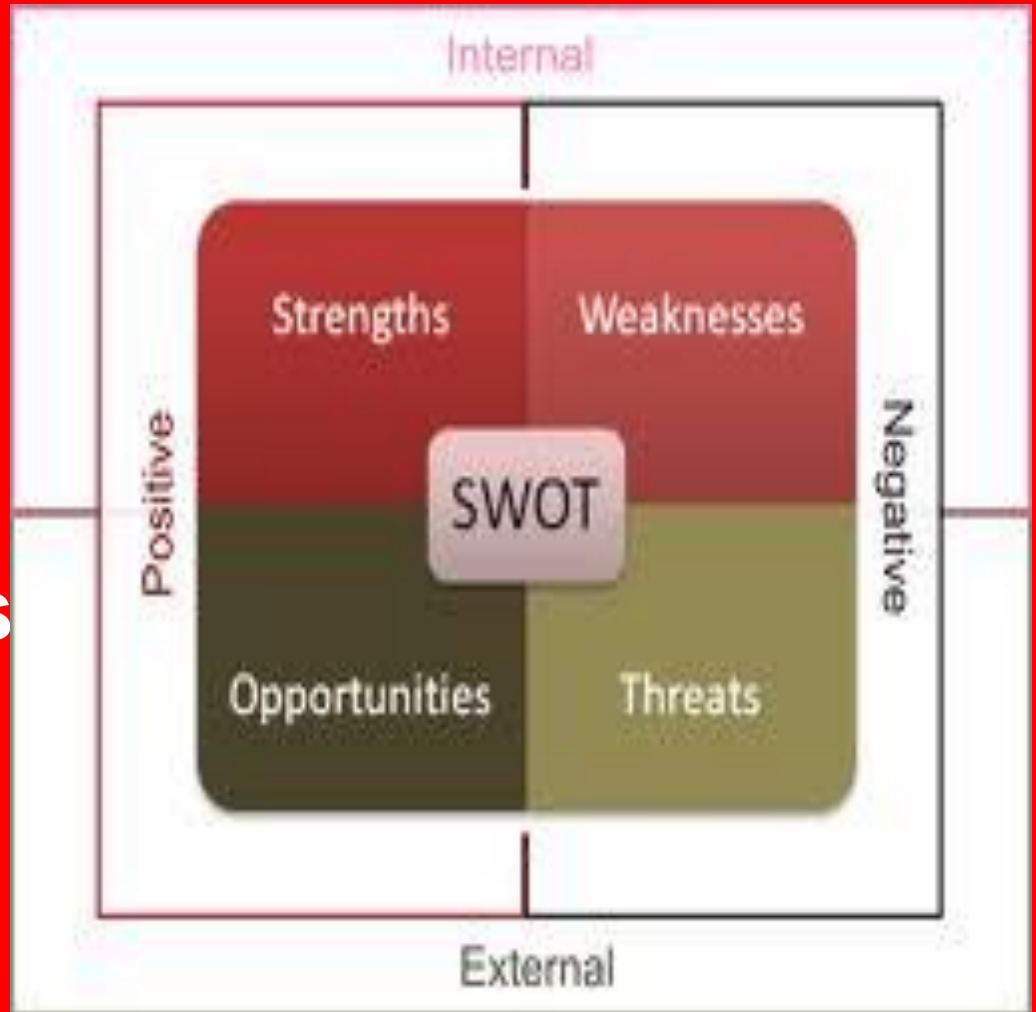
\* Forecast; Source: IMF, European Commission

## *Projected real GDP growth rates for Poland and Germany (% per annum)*



# SWOT Analysis

- **S**trengths
- **W**eaknesses
- **O**pportunities
- **T**hreats



# Strengths of Poland

- Perfect place for investment and business expansion
- High income economy and is the sixth largest in the EU and one of the fastest growing economies in Central Europe
- It is the **only** member country of the European Union to have avoided a decline in GDP
- The Polish economic growth rate is 4 %
- Ranked 21st worldwide in terms of the GDP

# Strengths of Poland

- **Economy components : service sector (cca. 50%), industry: 30.7% and agriculture: 14.8%**
- **Poland's membership in NATO and the EU**
- **Well educated people, skilled labour force**
- **Rich natural resources: coal, sulphur, copper, natural gas, silver, lead, salt, amber, arable land, fishing industry**
- **Low inflation rate, cca. 3 %**
- **Attractive tax system -In Poland corporate tax is 19%**

# Weaknesses of Poland

- Decreasing labour force-only 17 million people are active (working) population out of 38 million people
- Unemployment rate is high
- Decreasing demography
- High level of emigration
- Public debt : 54% of GDP (2010)
- In most cases, Value Added Tax is payable at a rate of 23% (22% in 2010)
- Too expensive to employ labour force

*Employer*

14.66-23.38%

*Employee*

13.71%

# Opportunities of Poland

- Polish law is rather favorable to foreign entrepreneurs-investment incentives in 14 Special Economic Zones
- High level of FDI Inflow (13.9 bil.-2006, 8 bil.-2009)
- Favourable localisation, in the centre of Europe
- Significant market of 38 million consumers
- According to an Ernst & Young report, Poland ranks 7th in the World in terms of investment attractiveness
- Main industries: machine building, iron and steel, coal mining, chemicals, shipbuilding, food processing, glass, beverages, textiles

# Opportunities of Poland

- **Agriculture: Poland is the leading EU producer of potatoes and rye**
- **Major trade partners-Germany, Russia, U.K., France, Hungary, Ukraine, Spain and China**
- **Potential for tourism**
- **National Bank discount rate 3.75%**
- **The possibility to benefit from the EU structural funds (\$ 68 billion in EU structural adjustment and cohesion funds from 2007 to 2013).**

# Threats of Poland

- **Natural disasters-floods**
- **Contagion risk**
- **Inefficient commercial court system**
- **Rigid labor code**
- **Bureaucracy**



## Progress achieved during the implementation of EU funds in 2007-2012. Comparison Romania-Poland

Indicators	Poland	Romania
Available budget 2007-2013 (EUR billion)	67,2	23,5
Available budget per capita (EUR)	1743	1102
Contracted grants 2007-2013 (EUR billion)	55,9	16,4
Contracting ratio (in %)	83%	70%
Paid grants 2007-2013 (EUR billion)	32,7	2,8
Payment ratio (in %)	49%	12%

Multumesc! Dziękuję ! Thanks!

