



Polish Investment
& Trade Agency
PFR Group

Invest in Poland

Investment climate and public aid

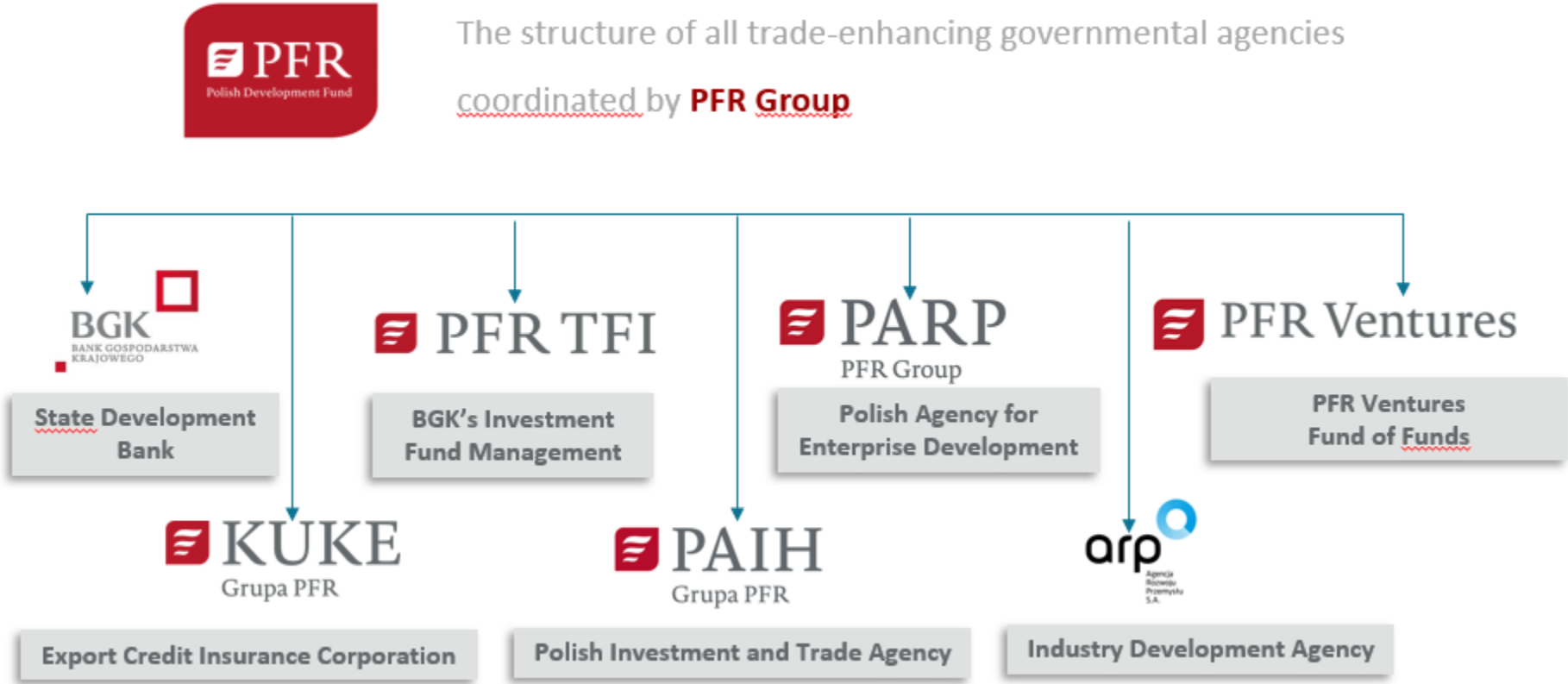
5 February 2021



Polish Development Fund (PFR)

Comprehensive support for trade & investments & entrepreneurship & innovation

PAIH in the Group with the role of supporting companies' expansion and investments



PAIH. All the help investors need, in one place, free of charge.

The **Polish Investment and Trade Agency** (PAIH) is a state-owned organization supporting FDIs in Poland.



Tailor-made
macroeconomic,
HR, legal and
sectoral datapacks



Information about
different forms of
public funding



Location consulting;
online database of
investment plots

Our experienced team with a practical attitude and excellent business acumen will ensure your investment process is as smooth as possible, with the assistance of a dedicated **Project Manager**.



Identification of
potential
partners and
suppliers



Facilitating
contacts with local
and central
government



Organization of
site visits for
prospective
investors



Introduction to start-
ups and technology
providers; organising
B2B meetings



Support in building
partnerships with
R&D institutes and
innovation centres



Follow-up services
post completion of
the project; media
relations aftercare





working with a network of **150+ experts** in the fields of trade and investment, based in Poland and abroad



11 languages spoken: English, Chinese, German, Spanish, Italian, Portuguese, French, Russian, Japanese, Czech, Slovak



950+ offers in a centralised database of investment sites (plots, warehouse & office space)

190

currently active projects

25+

years of service for foreign investors looking to invest in Poland

900+

total projects completed in Poland

25

bn EUR

total estimated finalized projects value, pledged to create over 225 thous. new workplaces.



Top countries – new potential investors



Belarus (32)



USA (29)



Poland (16)



South Korea (14)



Japan (14)



China (13)

Top sectors – new potential investors



BSS (44)



eMobility (20)



Automotive (19)



R&D (18)



Food (11)









Medical (8)









Currently

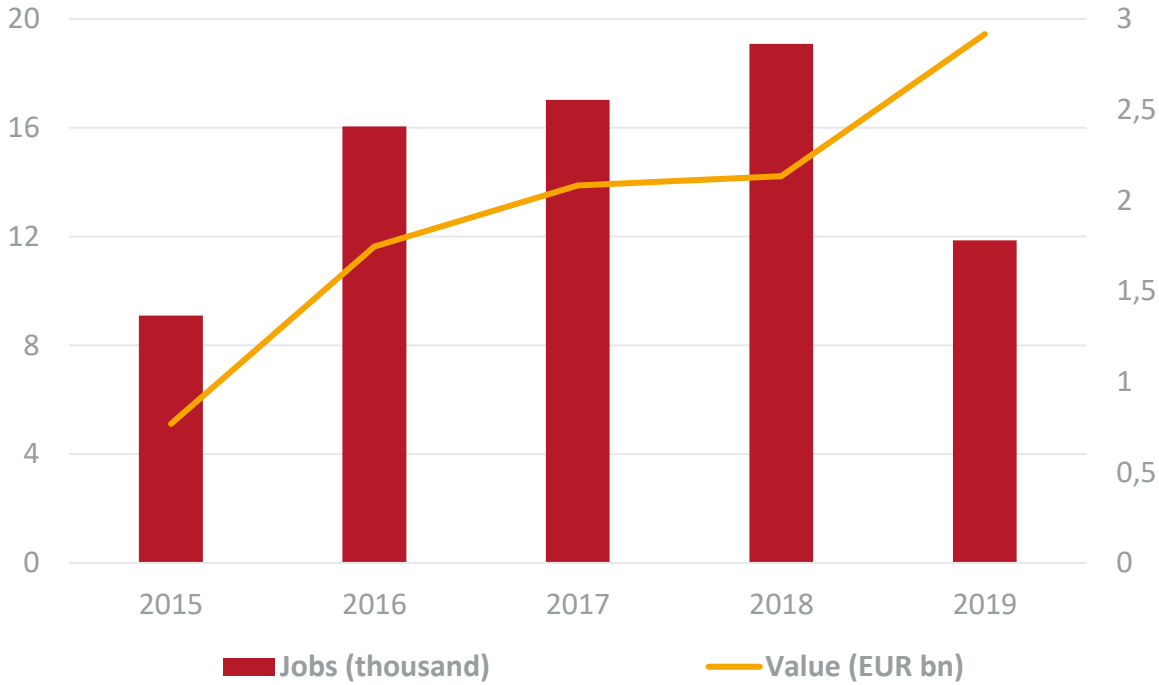
Top Countries

	Belarus (32)
	USA (29)
	Poland (16)
	South Korea (14)
	Japan (14)
	China (13)

Top Sectors

	BSS (44)
	Electromobility (20)
	Automotive (19)
	R&D (18)
	Food Processing (11)
	Medical (8)

Investment value and number of workplaces created 2015-19



As of November 2020, PAIH is assisting in **190** projects of a declared value of **EUR 9,5 bn**, with total declared employment of **41 thous.** persons.



PAIH – Attracting foreign investments from around the world

Hundreds of foreign investors served over more than 25 years

Manufacturing and logistics



BSS and R&D



Poland – your place to invest

Basic information



Polish Investment
& Trade Agency
PFR Group



5th most populous country in the EU
(38,4 mn inhabitants)
Largest country in CEE



15 cities exceeding 200k inhabitants



USD 1,35 tn total GDP (PPP)



0,7% budget deficit
46% debt-to-GDP ratio



USD 33 890 GDP per capita (PPP)



USD 86,4 bn
total value added in manufacturing



USD 265 bn total exports value



USD 13,2 bn FDI inflow



<20% contribution of exports to GDP



USD 237 bn inward FDI stock
40% of GDP



Currency:
Polish Złoty (PLN)
1 EUR ~ 4,4 PLN
1 USD ~ 3,8 PLN




Tax rates:
CIT 19% (base rate), 9%, 5%
VAT 23% (base rate), 8%, 5%, 0%
PIT 17%, 32%




Poland in the post-COVID world

Stability and quick rebound prospects

 Before COVID, Poland was already **EU leader in capital inbound investment** (*fDi Report, 2020*)

 **14%** year-to-year increase in the number of FDI projects (2019)

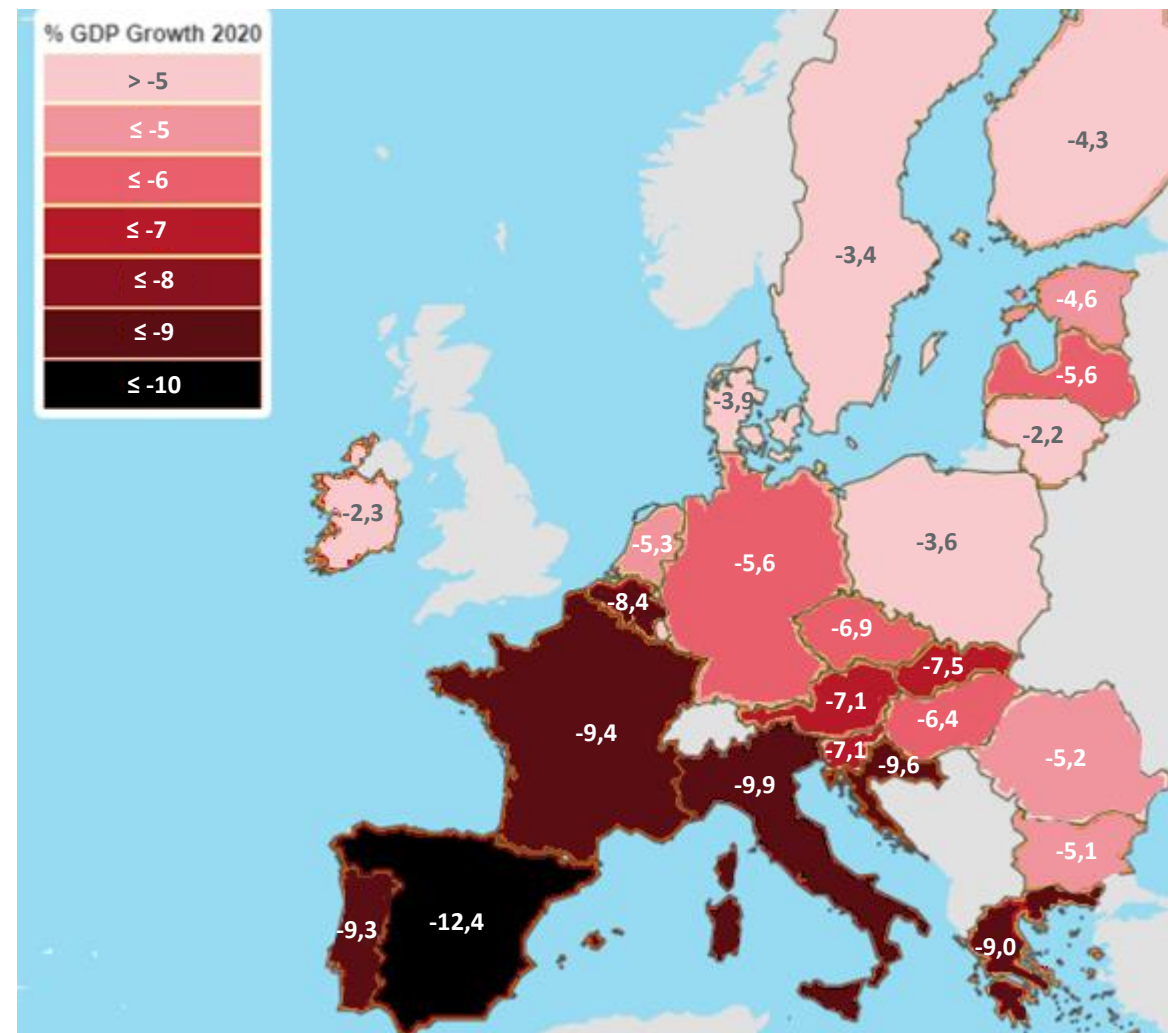
 **Growth y/y in the number of completed FDI projects** (Jan-Apr 2020) despite the crisis – top in the world (*fDi Intelligence*)

 **Highest growth rate in the OECD** between 1990 and 2019

Post-COVID forecasts (EU Commission):

 One of the **smallest real GDP declines in the EU** (-3,6%)

 Projected **rebound** near 2019 levels **already in 2021**




Projected real GDP change 2019-2020, European Commission, Autumn 2020



Strategic location in the heart of Europe


Easy access to both Eastern and Western markets

 **4** Pan European Corridors  **35** intermodal terminals (6 sea, 29 land)

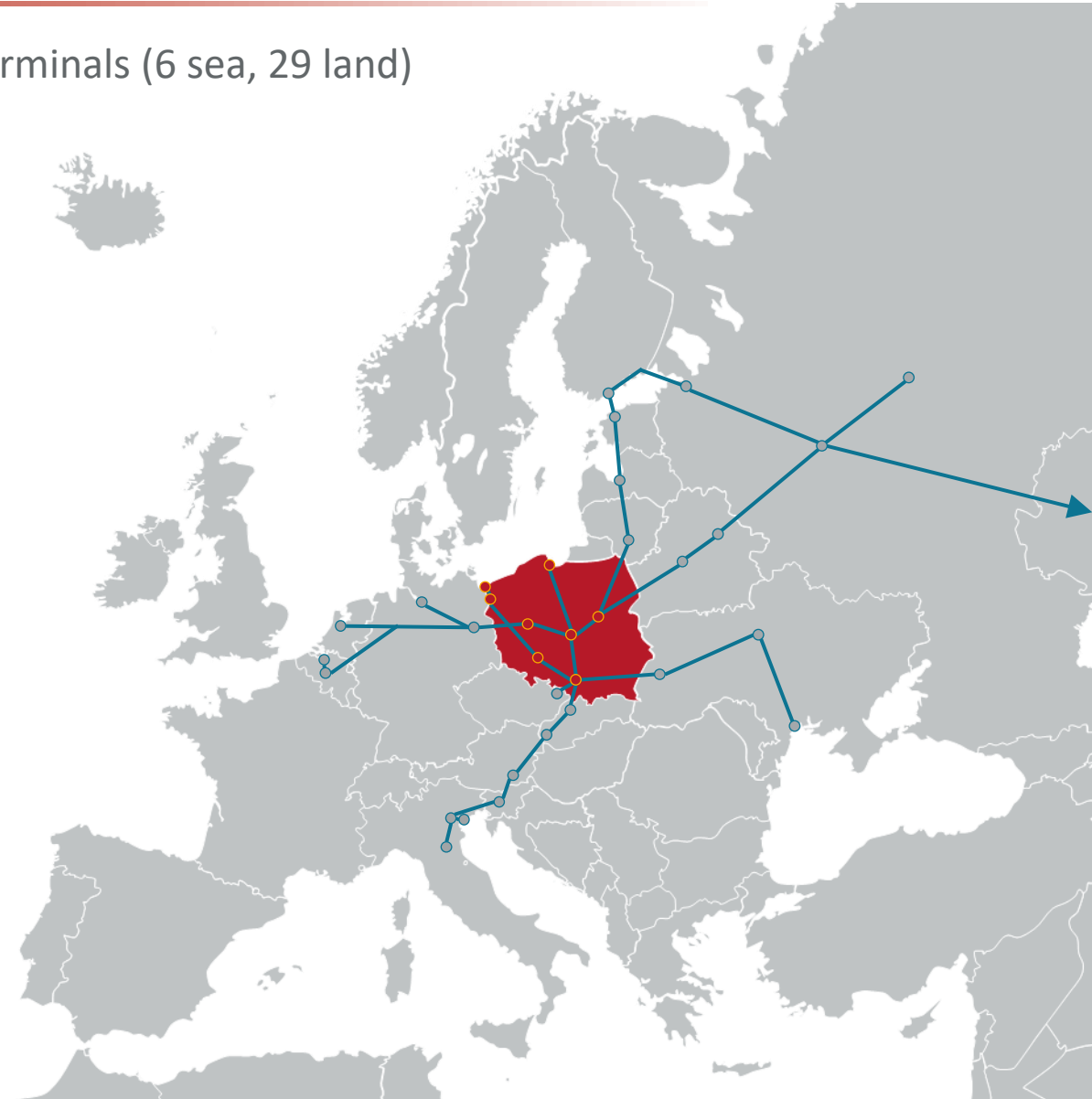
-  **2** Trans-European Transport Network projects (road/rail)
- Baltic-Adriatic Corridor
 - North Sea-Baltic Corridor

 Belt & Road connection to Chengdu (**New Silk Road**)

-  Rapidly developing internal highway infrastructure
- **5th longest highway network** in Europe
 - **1 220 km** of motorways & expressways under construction

-  Central-Eastern European Air Travel Hub
- **49,4 million passengers** in 2019
 - **13** airports with regular European flights
 - **4** airports serving major intercontinental routes

-  Access to sea freight transport
- **4** large seaports
 - **93,9 mn tons** cargo turnover in 2019
 - **Deepwater Container Terminal** in Gdańsk

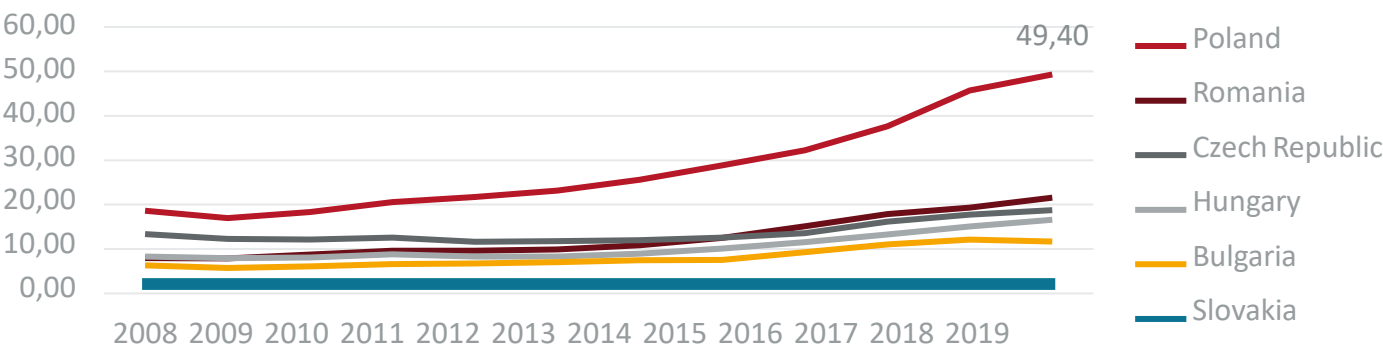


Airport infrastructure

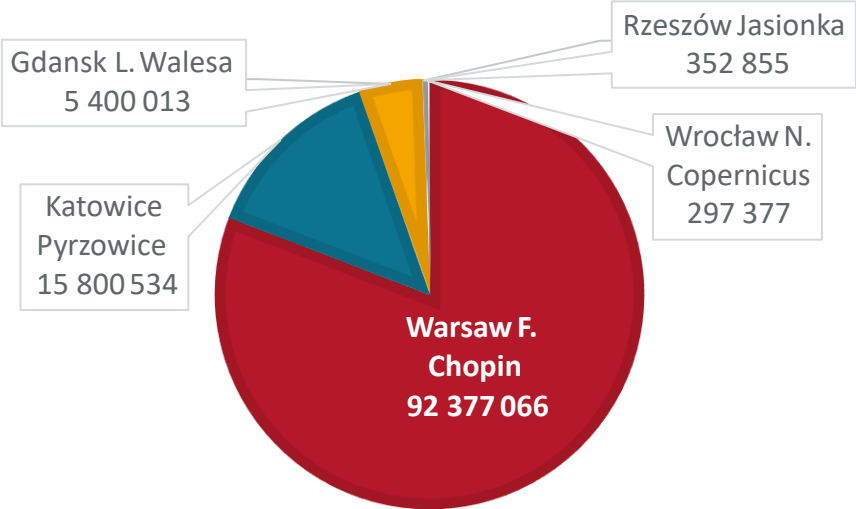
CEE's largest hub



Passengers served by CEE airports (mn)



Top 5 airports with annual cargo on board served in 2018



Human Resources in Poland

Largest country in Central Eastern Europe



63% of the population is under 50 years of age
9,8 mn Poles under the age of 25



6,1% unemployment rate
1 026 470 unemployed nation-wide



Largest inflow of foreign workforce in the EU
Over **630 000** first residence permits issued for employment (2018)



PLN 2 600 (EUR 590) minimum monthly wage
PLN 5 020 (EUR 1 140) average monthly wage in manufacturing

Population by province



Well educated workforce

Translating education into innovation



- 20** universities
- 28** technical universities
- 37** economic universities
- 34** state vocational higher schools
- 200+** private higher education institutions



- 1,29M** students (2018/2019)
 - 300k** engineering students
 - 250k** economic students



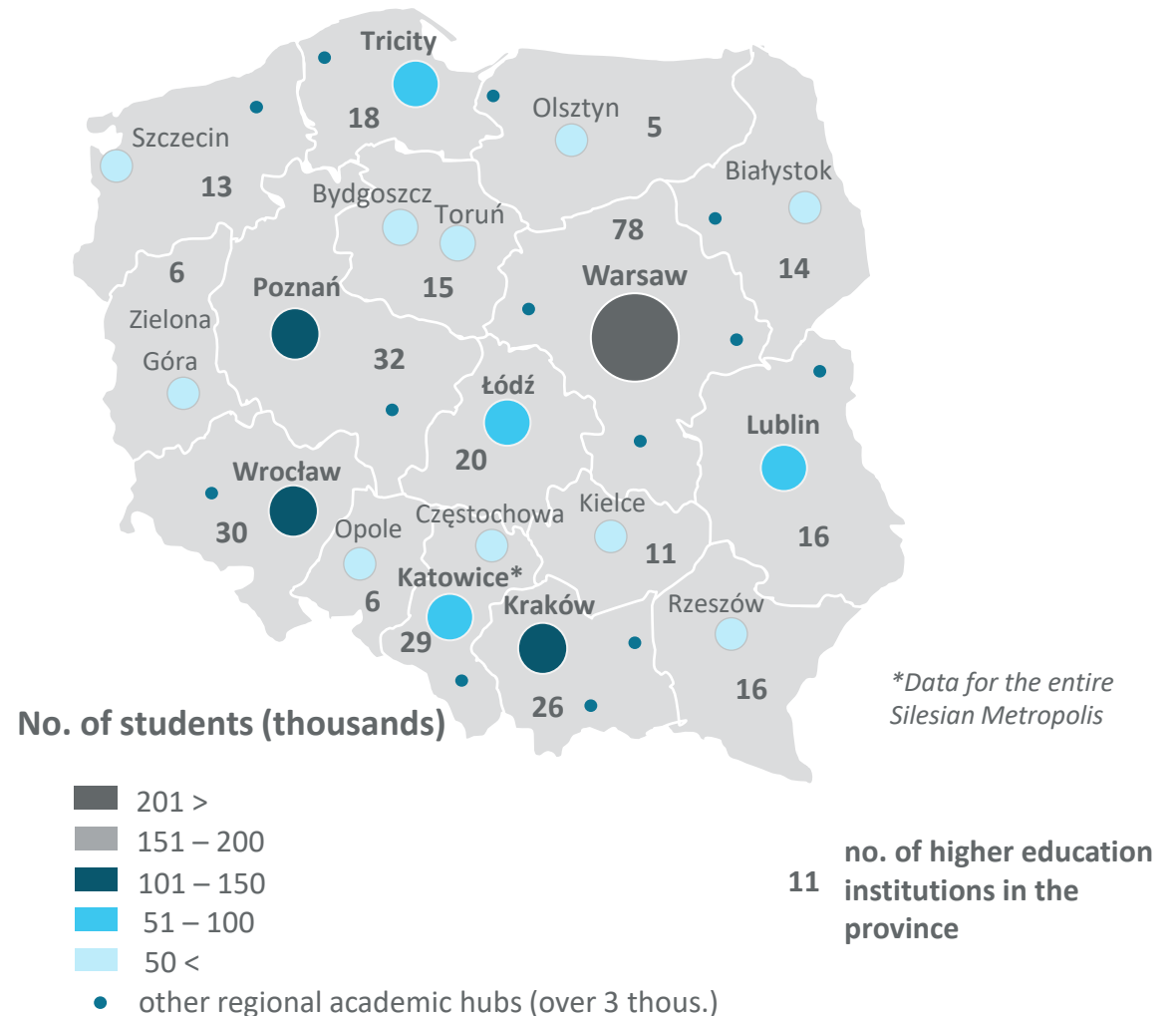
Over **78 000** foreign students (2018/19):
7,6% y-o-y increase



Population with higher education: **35%** of
the working population



11th in Europe and **1st** in CEE
in the EF English Proficiency Index



Key industries in Poland

A mature economic environment



Automotive and electromobility

- **210 000** employed
- **10,5%** total share in manufacturing
- **1000+** automotive companies
- EU's **e-mobility hub**



Aerospace

- **40 000** employed
- **140** aviation companies
- strong **aviation clusters**



Business Services Sector

- **307 000** employed
- **1 400** BSS centers
- **43%** employment growth in the past 4 years



Research & Development

- **170 000** employed
- **40%** employment growth in past 5 years



Food processing

- **391 000** employed
- **11,3%** of Poland's GDP
- **27 bn EUR** exports value

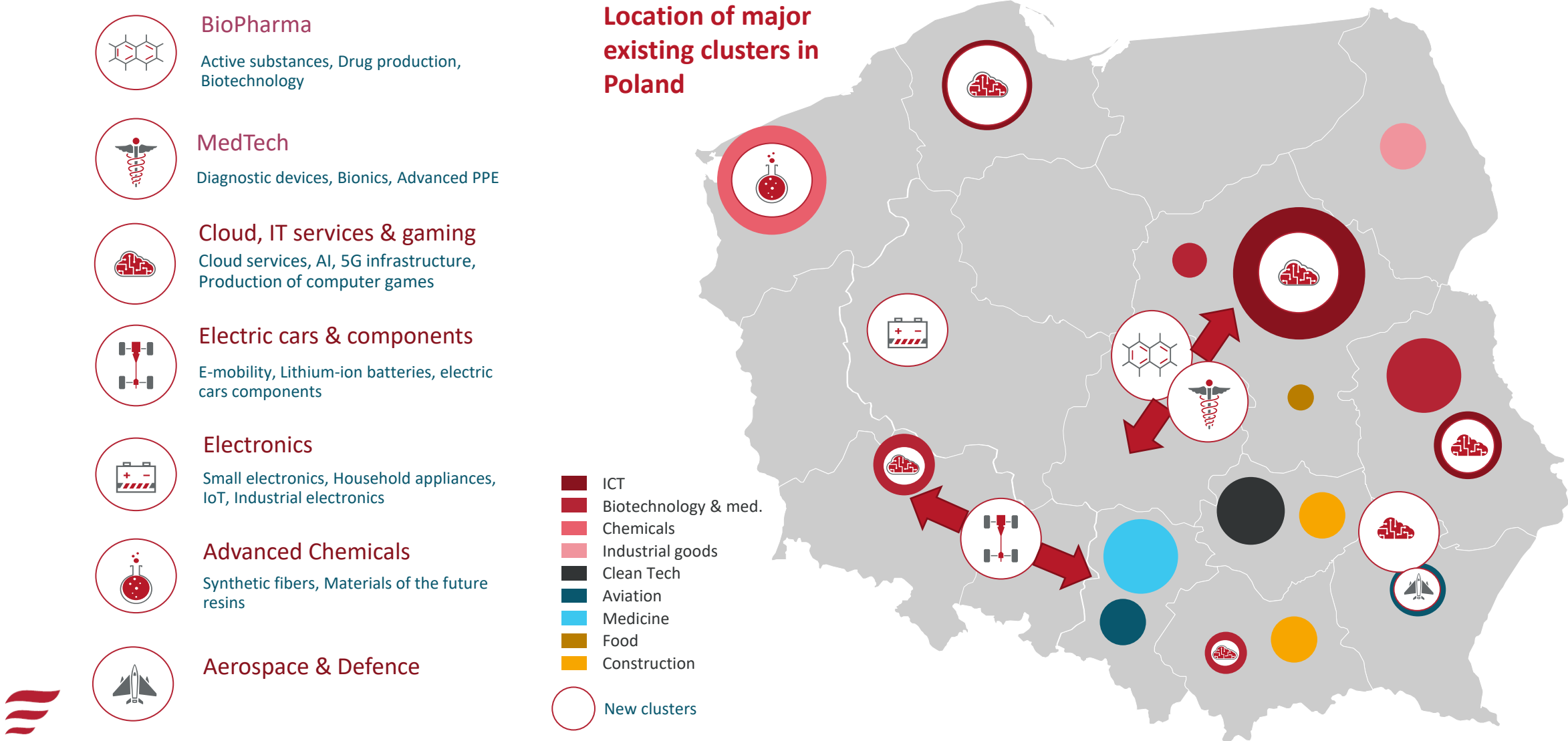


Electronics and white goods

- **100 000** employed
- **14,2 bn EUR** sales value
- **No. 1** producer of large white goods in the EU



Prioritised sectors & clustering potential



Taiwanese Investors in Poland

Untapped investment opportunities for ICT sector

over **3600** employees working in Taiwanese companies in Poland

over **34** Taiwanese companies operating in the Polish market

8 Taiwanese projects assisted by PAIH



Case Study



Start of operations: **2008**

Reinvestment: **2018**
(new distribution center)

CAPEX: **50 mn EUR**

Employment: **~1500 people**

Factory floor: **100 000 sqm**

Product: **LCD TV sets**

Location: **Gorzów Wielkopolski**



Manufacturing:

- 1 TPV Displays Polska**
LCD OLED TV, Gorzów Wielkopolski
- 2 Iron Force Poland**
Automotive – passive safety equipment, Zabrze
- 3 Ferroxcube Polska**
Ceramics - magnetic cores, Skierniewice
- 4 Chung Hong Electronics Poland / USI**
Electronics - MPCBA, PSU, LED, Kobierzyce
- 5 Tex Year Europe**
Hot met adhesives, Gniezno



Logistics / repair center

- 6 Acer - Asplex**
Electronics, Wrocław
- 7 Compal**
Electronics, Łódź
- 8 MSI**
Electronics, Wrocław



Poland. Your place to Invest

Investment incentives - summary

Grants

- ✓ **Strategic** investments
- ✓ **Innovative** investments
- ✓ **R&D** projects
- ✓ **Training**
- ✓ **Decarbonisation**



Tax exemptions

- ✓ **CIT** exemption
- ✓ **RET** exemption



Tax reliefs

- ✓ **R&D** relief
- ✓ **Innovation Box**
- ✓ **Robotisation** relief
- ✓ Other proinnovation reliefs to be implemented



EU funds

- ✓ Poland was the biggest funding beneficiary for the 2014 -2020 financing period – **EUR 82,5 bn**



- **National incentives** offered by the government
- **International incentives** involving international cooperation (eg. Horizon 2020, Norway Grants)

Key supported areas



R&D



Innovations



Environment



Human resources

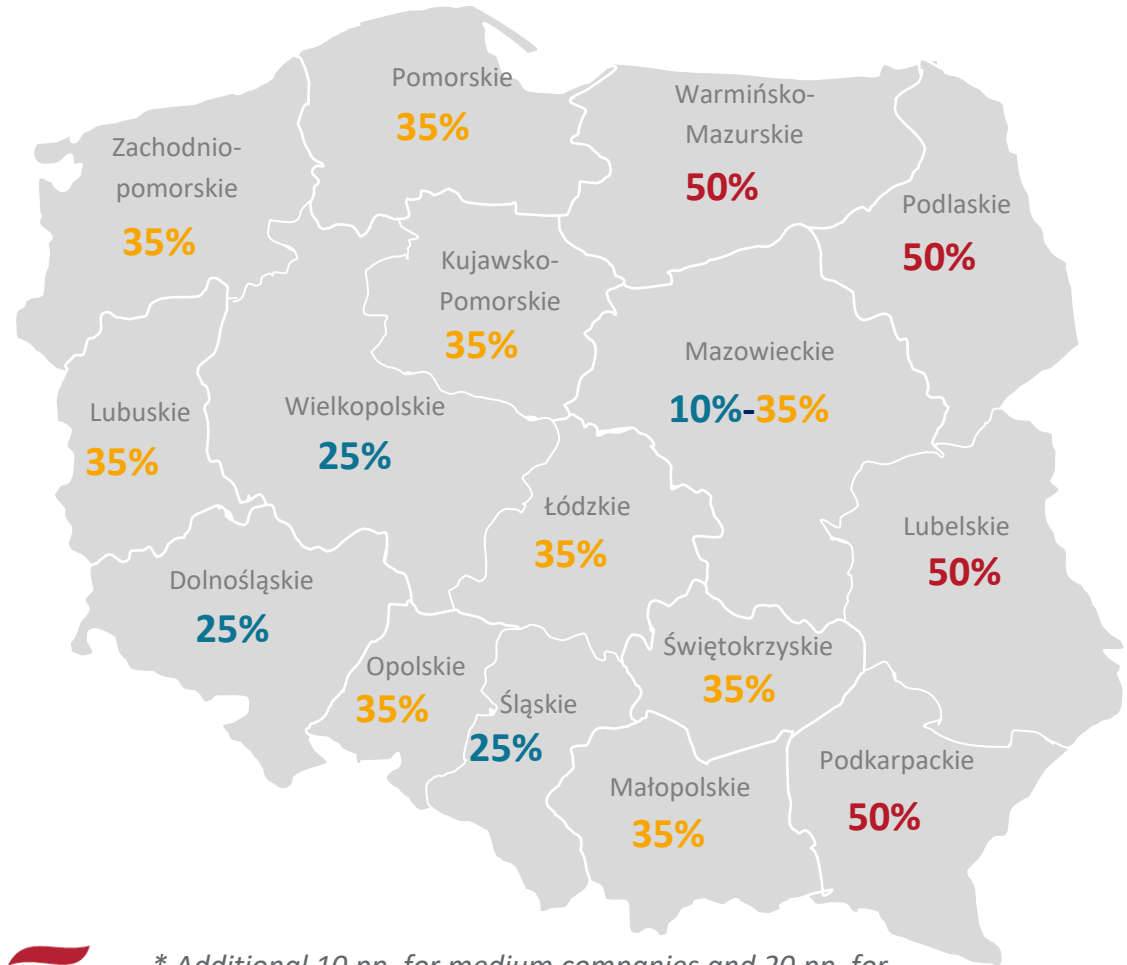


SMEs



Regional public aid package to support new investments

Maximum levels of support for 2014-2022 in different regions in Poland (large companies)*



Note: In order to avoid notification of the public aid granted to the European Commission (additional bureaucratic procedure), the maximum amount of aid cannot exceed the following limits:

Region with max level of support	10%	15%	25%	35%	50%
Max public aid (mn EUR)	7,5	11,25	18,75	26,25	37,5

Incentives available for new investments:

- ☒  CIT exemption, between **10 and 15 years tax free**
 - ☒  **Cash grants** for strategic projects up to 10 or 15% of investment costs
 - ☒  **Real estate tax** exemption for up to 5 years
 - ☒  **Financial and training support** from local employment offices
 - ☒  **EU Funds** available for innovative and R&D projects
- National incentives**
- Local incentives**
- EU Funds**



* Additional 10 pp. for medium companies and 20 pp. for small and micro companies

CIT exemption available in the
all of Poland

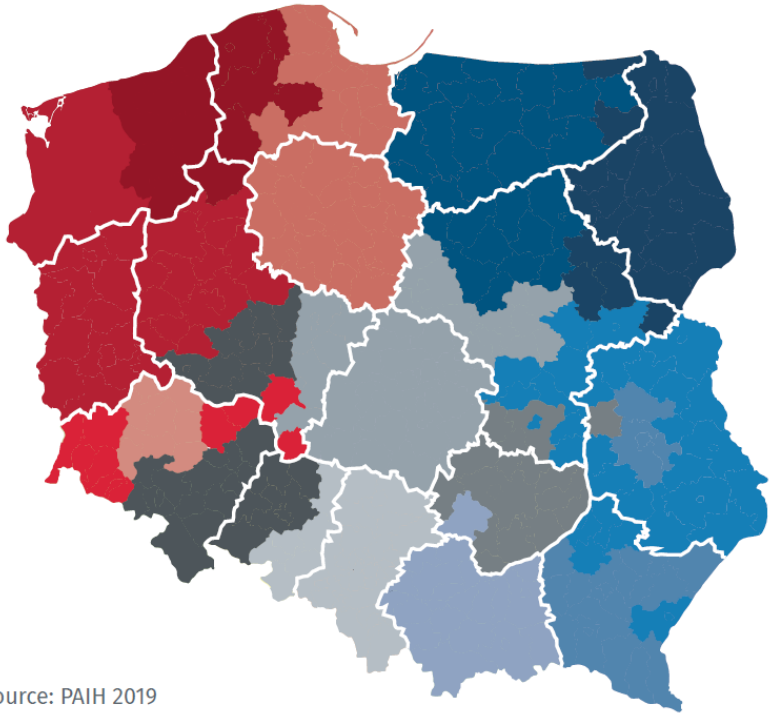
14 Special Economic Zones
responsible for granting CIT exemption based on location

 **10 to 15 years CIT-free**
based on location

DURATION OF SUPPORT	Aid intensity	10-25%	35%	50%
	Years of exemption	10	12	15

 **Qualitative criteria**
4 ÷ 6 points out of 10 maximum based on location

 **Quantitative criteria**
Minimal expenditure 10 ÷ 100mn PLN based on location



Name of zone

- Kamiennogórska SSE Małej Przedsiębiorczości
- Katowicka SSE
- Kostryńsko-Słubicka SSE
- Krakowski Park Technologiczny
- Legnicka SSE
- Łódzka SSE
- Pomorska SSE
- Słupska SSE
- SSE "Starachowice"
- SSE Euro-Park Mielec
- Suwałska SSE
- Tarnobrzaska SSE EURO-PARK WISŁOSAN
- Wałbrzyska SSE Invest-Park
- Warmińsko-Mazurska SSE

Source: PAIH 2019



Would your business invest in Poland again?

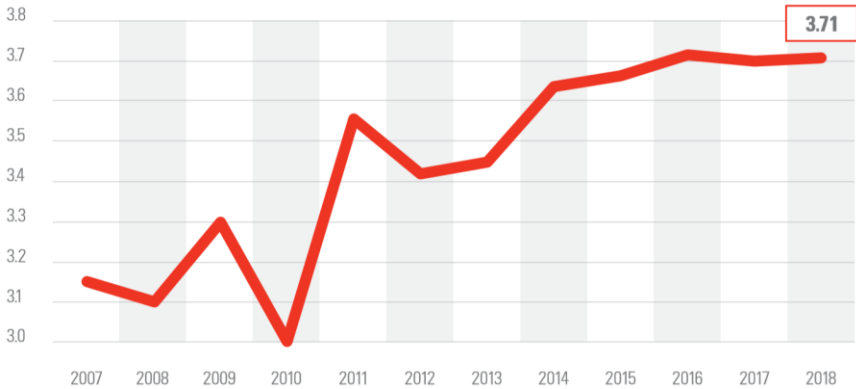


Yes

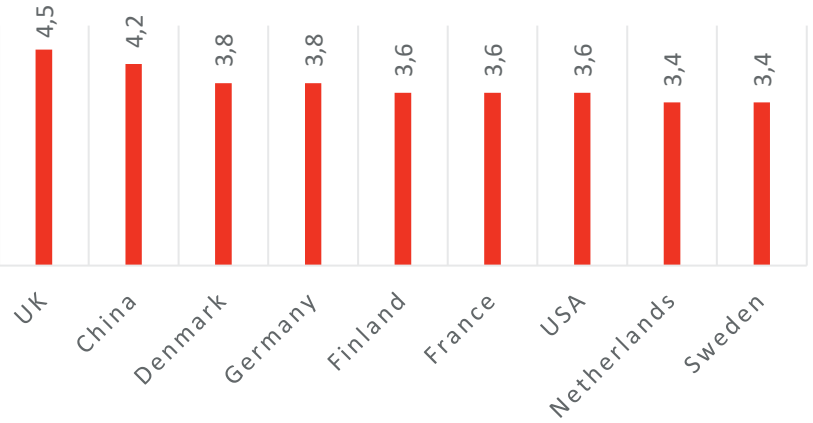
Percentage responses, 2019

The level of satisfaction reported by investors regarding their decision to invest in Poland has remained stable and consistently high since 2016.

Investment climate in Poland



Poland got the highest rating from UK investors, with an average of 4.5 points out of the possible 5 in 2019 survey



Success story

In September 2018, one of the leading global banks registered in the UK, Standard Chartered, opened its global service centre in Warsaw. It operates as an “excellence center”, employing experienced specialists in such areas as financial crime prevention, cybersecurity, human resources management, liquidity and interest rate risk management





Unprecedented growth

*Highest growth rate in the OECD
between 1990 and 2019*

*No recession from 1991
through 2019*



Biggest labour and product market in CEE

*Over **40%** of the region's **total GDP**
and **labour pool***



Transparent

***Regional leader** in the
Transparency International
Corruption Index*



Business-friendly

***40th** in the Doing Business ranking
(**1st** in CEE)
2nd lowest tax wedge for labour costs
in the region – **35,6%**
(below OECD average)*



Stable, robust economy

***Max score** for Macroeconomic
Stability in the Global
Competitiveness Report*



FDI magnet

***EU leader** in foreign
inbound capital investment (2019)*

***Top in EU** in value of
new greenfield projects (2019)*

***One third** of all FDI stock in the region*



Well-developed infrastructure

***1st in CEE** in **Airport Connectivity**
& **Quality of Road Infrastructure**
(Global Competitiveness Report)*



Competitive cities

European Cities of the Future (fDi Intelligence):

***Warsaw: 7th position** (ahead of Berlin and
Stockholm)*

***Kraków: 2nd in EU in Business Friendliness**
among Large Cities*



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