

**POLISH INFORMATION
AND FOREIGN INVESTMENT AGENCY**

Investment opportunities in Poland

Foreign Investment Department

Rafał Szajewski

Berlin, April 24, 2014





Poland - Key Facts



Area:	312 700 sq km – 6th in European Union
Population:	38,5 million – 6th in European Union
Currency:	Polish Zloty (1 USD ~ 3.0 PLN, 1 EUR ~ 4.2 PLN)
GDP:	USD 802 billion (PPP, 2012) – IMF USD 840 billion (PPP, 2013) – <i>IMF estimates</i>
GDP per capita:	USD 21,310 (PPP, 2012) – IMF USD 22,373 (PPP, 2013) – <i>IMF estimates</i>
GDP growth:	1.6% (2009), 3.9% (2010), 4.5% (2011), 1.9% (2012), 1.6% (2013, <i>prelim. data</i>), 2.9% (2014, <i>EC forecast</i>)
Membership:	EU, NATO, OECD, WTO, Schengen Zone



Value proposition

Location & economic fundamentals

- strategic location in continental Europe
- part of trans-European transportation corridor
- stable economic situation
- rapidly growing internal market

Attractive labor market

- young, well-educated workforce
- ca 11% of university students in the EU
- 453 universities & high education schools
- language proficiency
- increasing labour productivity

Appealing investment incentives

- tax exemptions in 14 Special Economic Zones
- local tax reliefs
- government grants
- EU grants

1000 km radius
250 m people

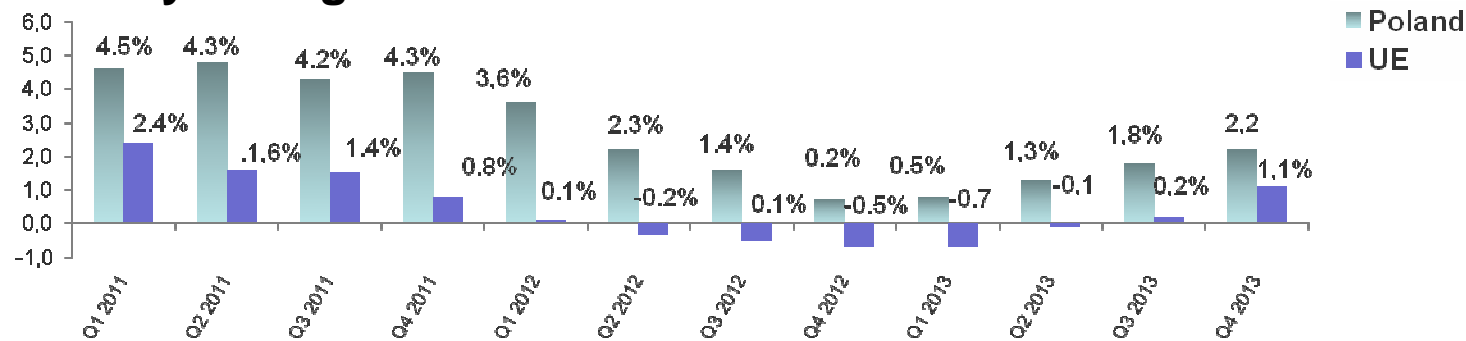


2000 km radius
550 m people

Stable economic situation

- **GDP growth in 2013: 1.6% in Poland vs. 0.1% in EU**

- **Quarterly GDP growth in Poland vs. EU**



- **Inflation**

Inflation (Feb. 2014)	Yearly basis	Monthly basis
EU	0.8%	0.3%
Poland	0.7%	0.2%

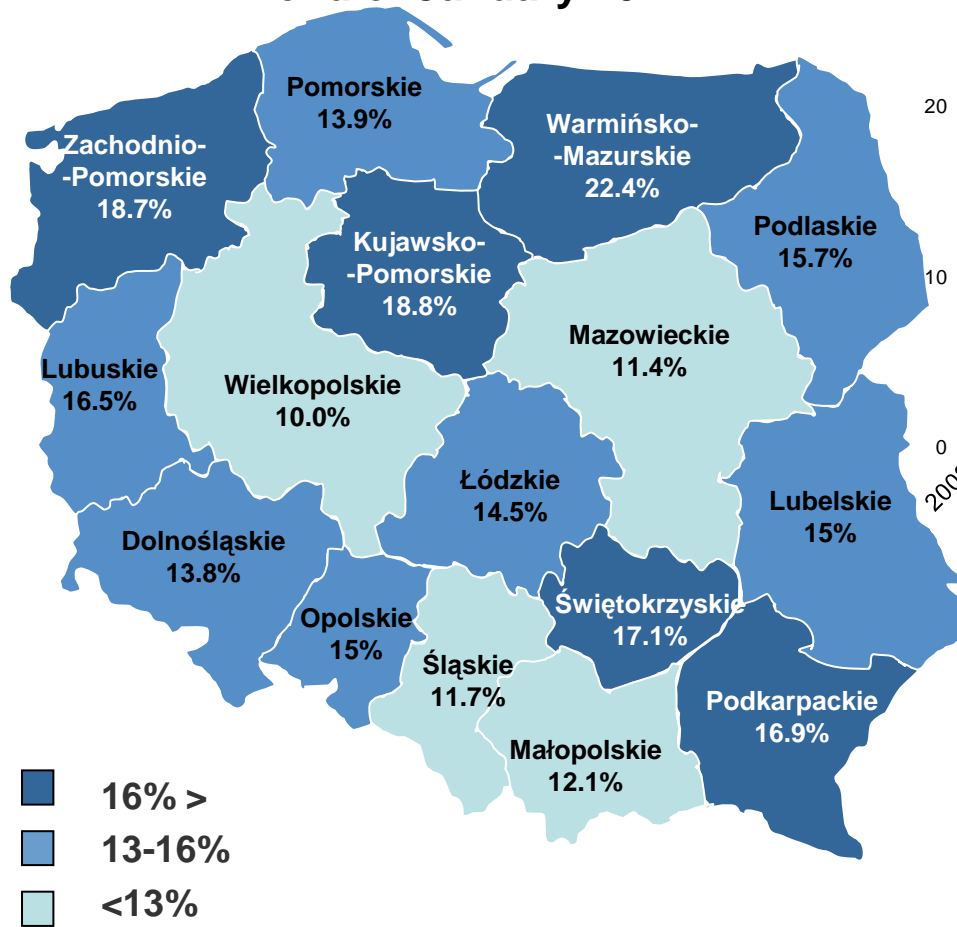
- **Main drivers of economic growth:**

- net exports
- domestic demand
- investments

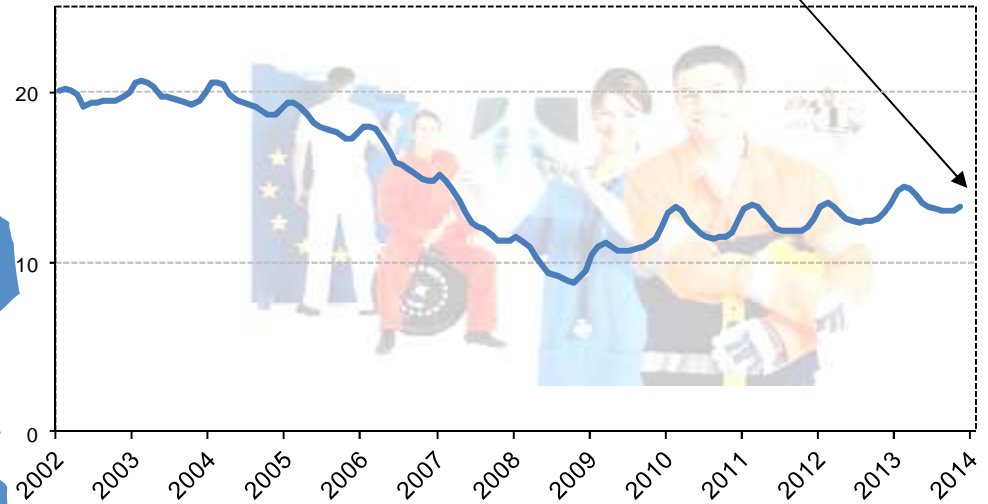


Unemployment rate

Unemployment breakdown in Poland
end of January 2014



02/2014: 13.9%
2,255,900

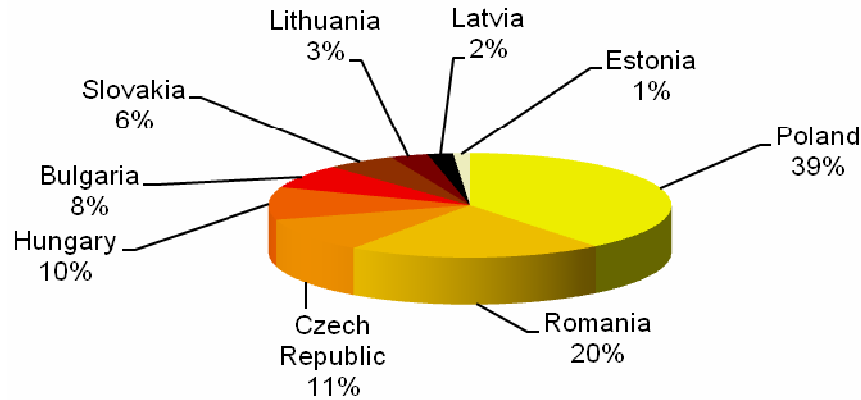


Eurostat: Poland 9.7% vs EU 10.6%
(as of February 2014)

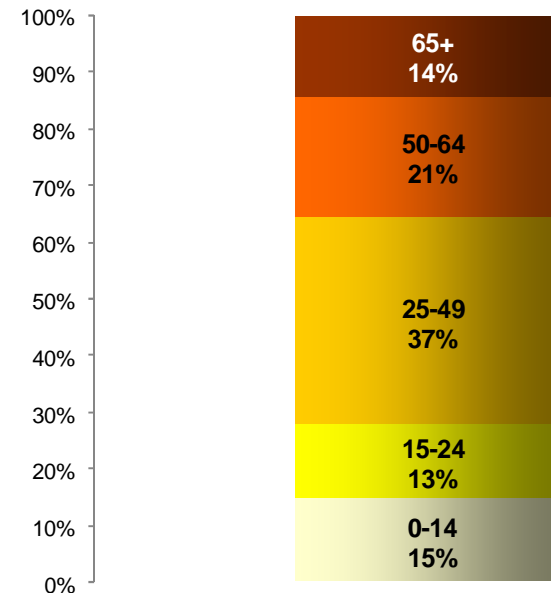
Year	Unemployed	Unemployed with higher education
2003	3,175,670	140,240 (4.4%)
2013	2,157,883	258,820 (12%)

Human resources availability

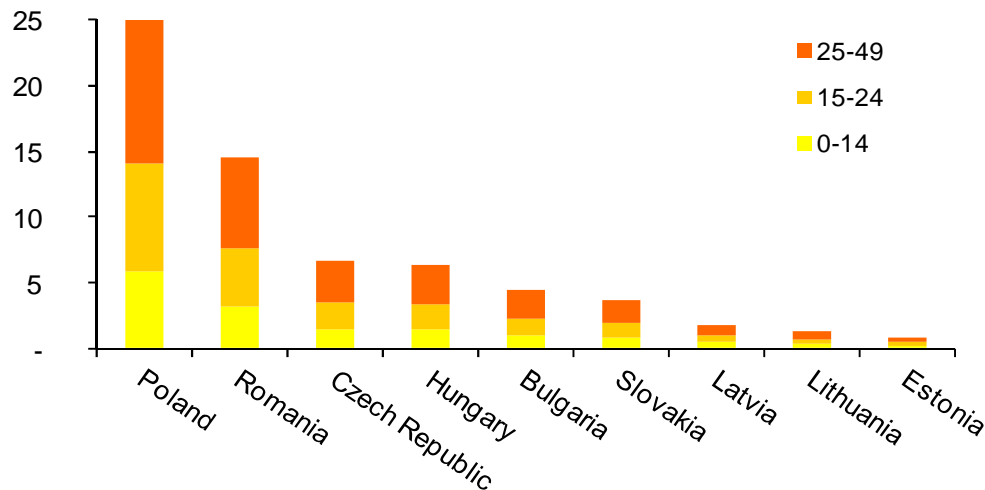
Population of CEE countries (%)



Population by age classes in Poland (%)



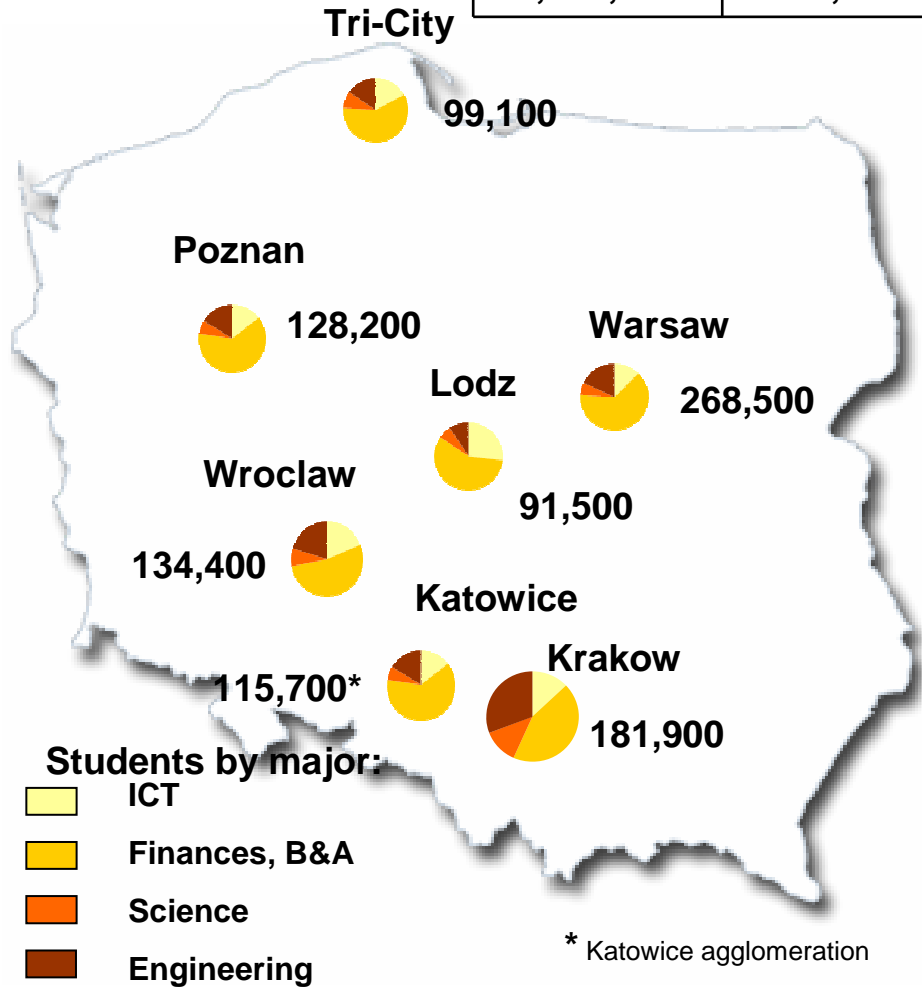
Population by age classes CEE countries (mn)



- Poland is the **6th** largest country in the EU in terms of population
- Poland is the biggest country among CEE members of the EU
- More than **64%** of population is younger than 49 years old
- 10.7 m** Poles are less than **25 years old**

Main academic centers

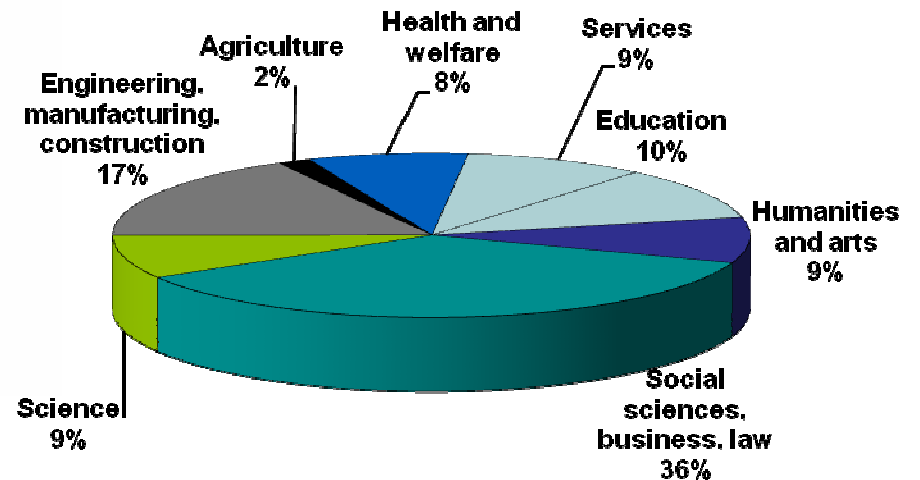
Students	Graduates
1,676,000	485,000



General number of students from chosen majors

	2011	2012
Business & Administration	379 401	350 099
Social sciences	196 987	175 745
Computing	69 971	72 095
Mathematics and statistics	18 128	17 754
Physical sciences	26 275	26 252
Engineering	131 044	139 334
Civil engineering&architecture	81 092	83 431
Manufacturing & processing	63 809	64 042
Humanities	127 640	116 706
TOTAL	1 736 612	1 675 815

The most popular majors





Poland – leader in CEE region

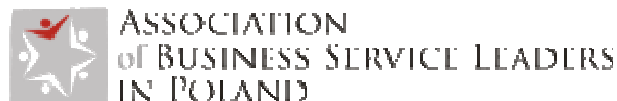
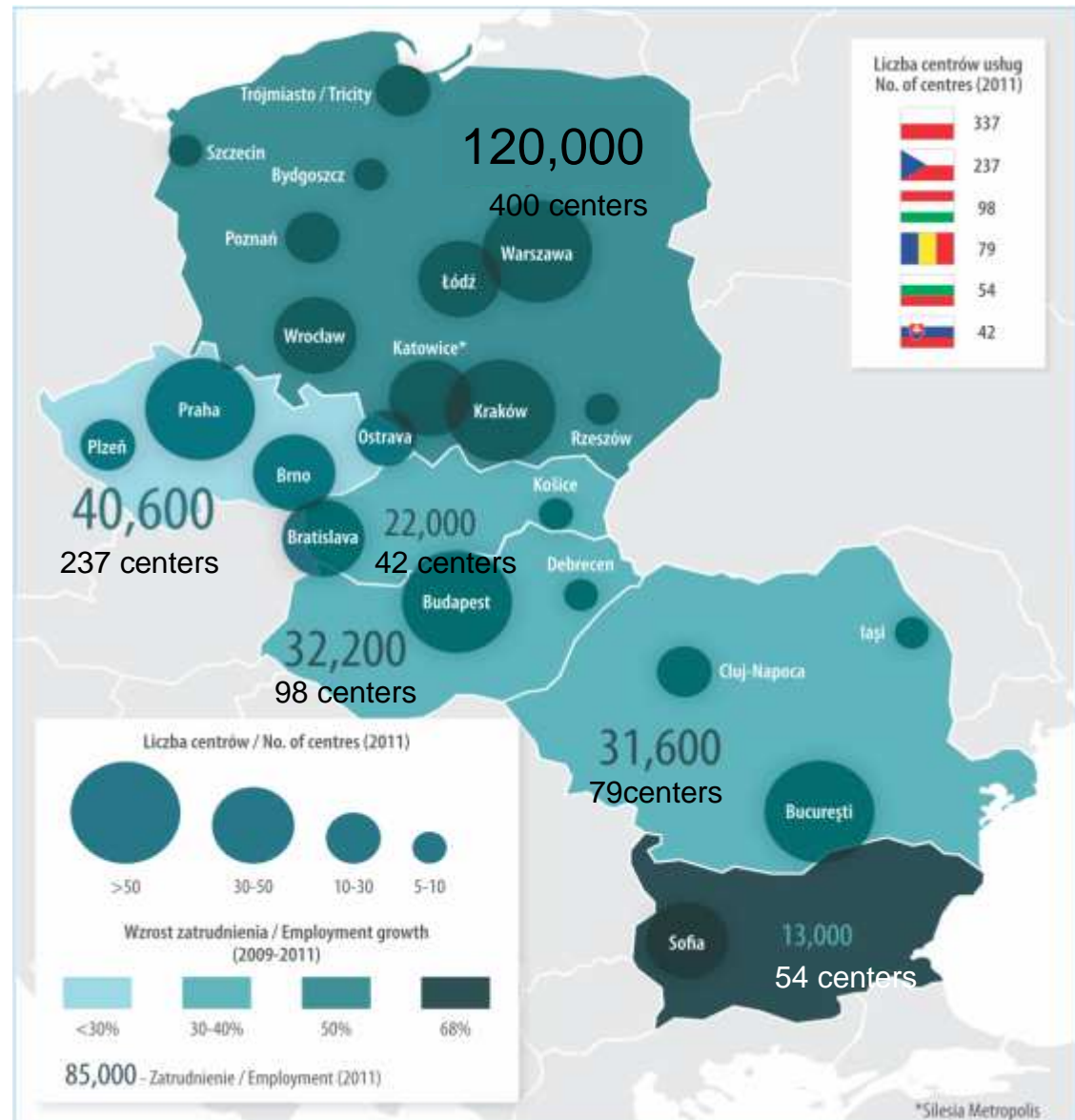
Poland in CEE

10 out of 23

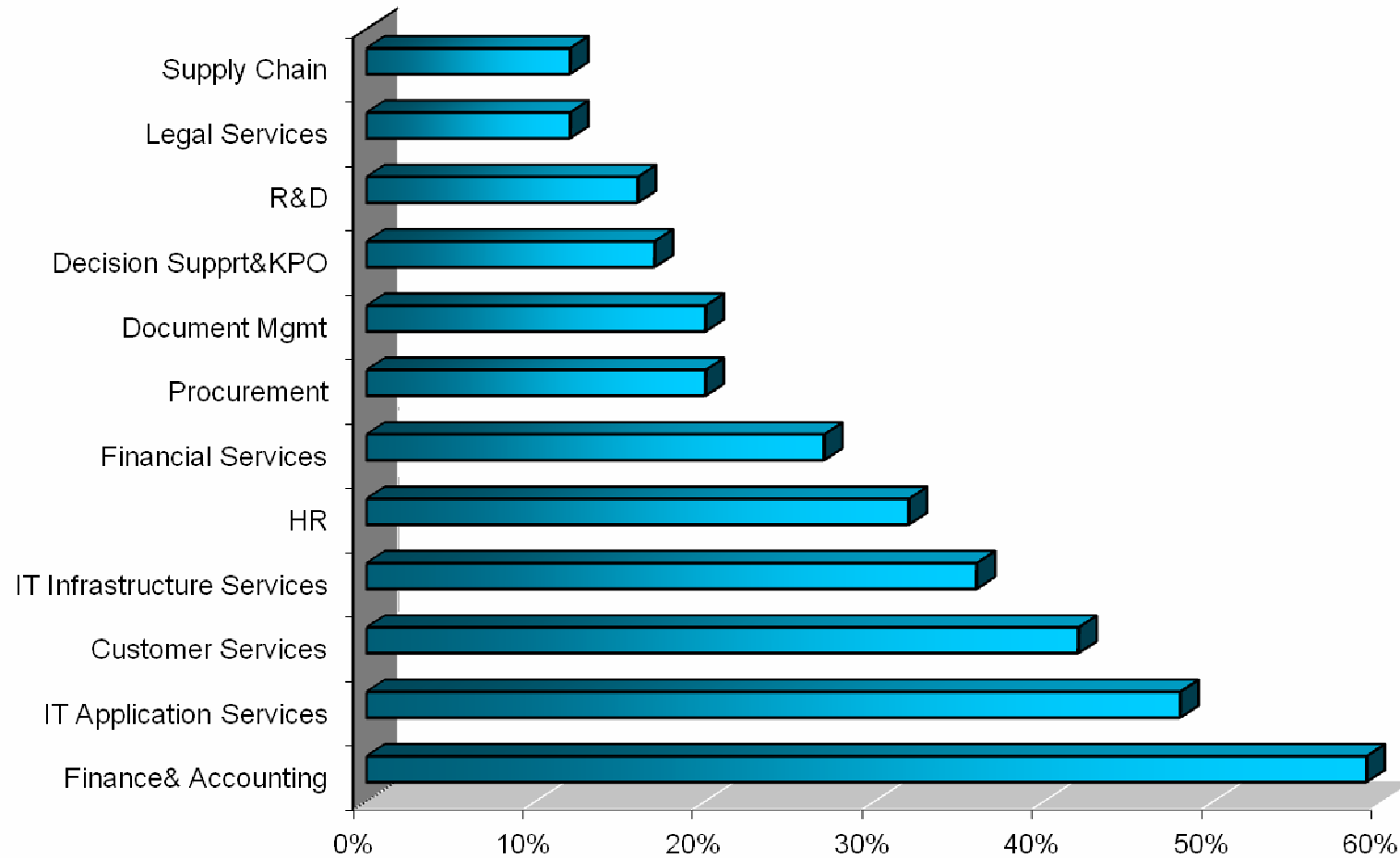
No. of biggest offshoring destinations in CEE which are located in Poland

400 out of 1,000

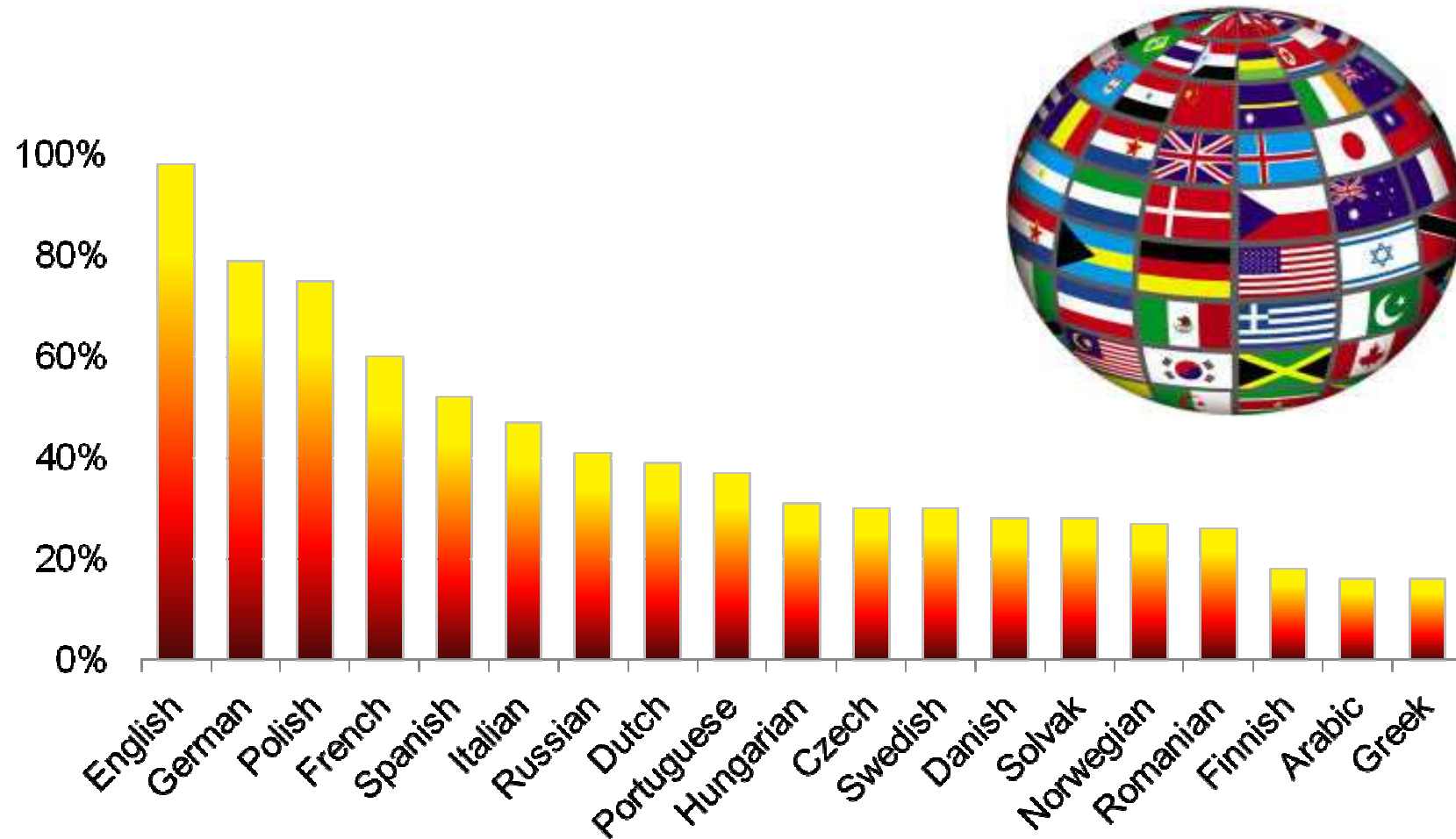
No. of BPO/ITO, SSC and R&D centres in CEE which are located in Poland



Business services – scope of operations

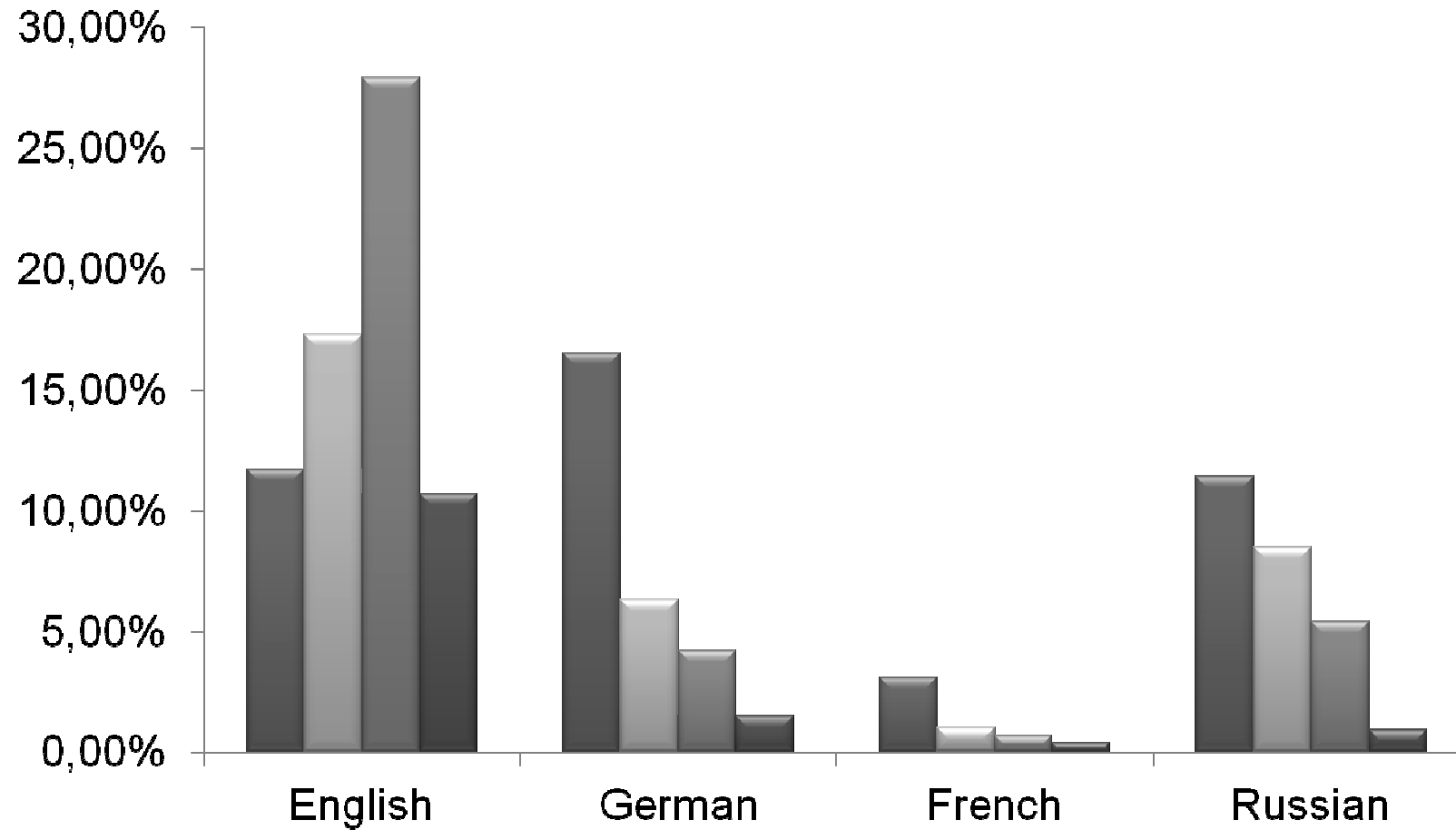


Languages in business centres



Services conducted in the 400 centers are provided in 34 languages

Language proficiency among Polish engineers



Regional state aid in EU – forms of incentives

Tax breaks

- CIT exemption in Special Economic Zone
- CIT relief for acquisition of new technology
- Real estate tax exemption

Cash support

- Government grants
- Cash grants available through EU Funds

The EU budget: present and future financial perspective

2007 – 2013

Total: EUR 975 bn
Poland: EUR 69 bn (7%)



2014 – 2020

Total: EUR 960 bn
Poland: EUR 82.5 bn (8%)

Attractiveness of the Polish ICT sector



„Poland is the **second-most important** recruitment grounds for programmers.”

*Mark Zuckerberg,
Facebook CEO*

...Moreover, every **3rd Microsoft's trainee** is Polish.

Mark Zuckerberg, Facebook
Michał Boni, Ministry of Administration and Digitization

Success of Polish ICT sector (1/2)

Poland is **5th biggest ICT employment market** in Europe

High availability of highly-skilled programmers is a **crucial factor** attracting foreign companies to Poland.

400,000 employees in Polish IT industry

In contrast, the number of right skilled software developers in the Western Europe is decreasing



By the 2020, **only in Poland and Germany** the number of IT professionals will grow among the EU countries

Success of Polish ICT sector (2/2)



Polish IT students won **21 awards** in Microsoft's Image Cup since 2002, including 7 main awards.
In 2013 - **2nd** and **3rd** place



The **2nd** & **3rd** place in Facebook's Hacker Cup 2013 (12,000 participants)



1st place in Google Code Jam 2012



Special Winner Prize in Samsung Application Contest 2011



Polish IT developers win many international IT contests every year

ITO and SSC in IT in Poland



Case study of IBM - supported by PAIiZ

Project supported by the Ministry of Economy and PAIiZ

4 already existing **ICT locations** in Poland: Gdańsk (marketing purpose), Poznań (business support), Kraków (LAB Center launched in 2010), Wrocław (**3,600 FTE's** - in 2014)

August 2013 - launching of the Delivery Centre in Katowice – approx. **2,000 jobs (!)**. The centre provides high-value information technology services covering the full range of hardware and software solutions used by clients headquartered in Europe.

2013, under the **local expansion** programme, the company has opened regional sales offices in Katowice, Wrocław, Kraków, Poznań and Gdańsk.

Cooperation with **Silesian** and **Lower Silesian** academic centers, giving students the opportunity to participate in the development of the most advanced programmes as cloud computing

20 years

of  presence in Poland



Results:

IBM Global Services Delivery Centre in Poland: over 5,500 FTEs in Wrocław and Katowice



Case study of Atos - supported by PALiZ

Project supported by the Ministry of Economy and PALiZ

IT Center in Bydgoszcz - the **strategic European location** for the company's clients worldwide
– up to **1,600 FTS's**

Since 2013 – **up to 1,000 new jobs increase.**
The centre provides application and implementation services offering solutions used by clients headquartered in Europe.

Cooperation with **technical universities in Bydgoszcz**, giving students the opportunity to participate in the development of the most advanced programmes

Reasons for selecting Bydgoszcz: access to well-educated labour force, lower labour costs comparing to other Polish cities, modern office space, enthusiastic attitude of the regional authorities and assistance offered by them for the investor

Results:

Atos IT Service Centre in Poland: over 1,700 FTEs in Bydgoszcz

17 years

of **Atos** presence in Poland



Case study of Luxoft - supported by PAIIZ

2010 - first inquiry from the company

Detailed packages of information about several potential locations in Poland including Krakow

One location visit only to Krakow – meetings with business partners

2010 - launching of the software centre in **Kraków - 200 jobs** provides application and product development services

Next stage of analysis for the expansion purpose

Selection of Wroclaw for **the second IT centre** – approx. 40 jobs – the company applied for EU Funds

PAIIZ provides further market information towards next Polish locations – Łódź and Tricity potentially

3 years

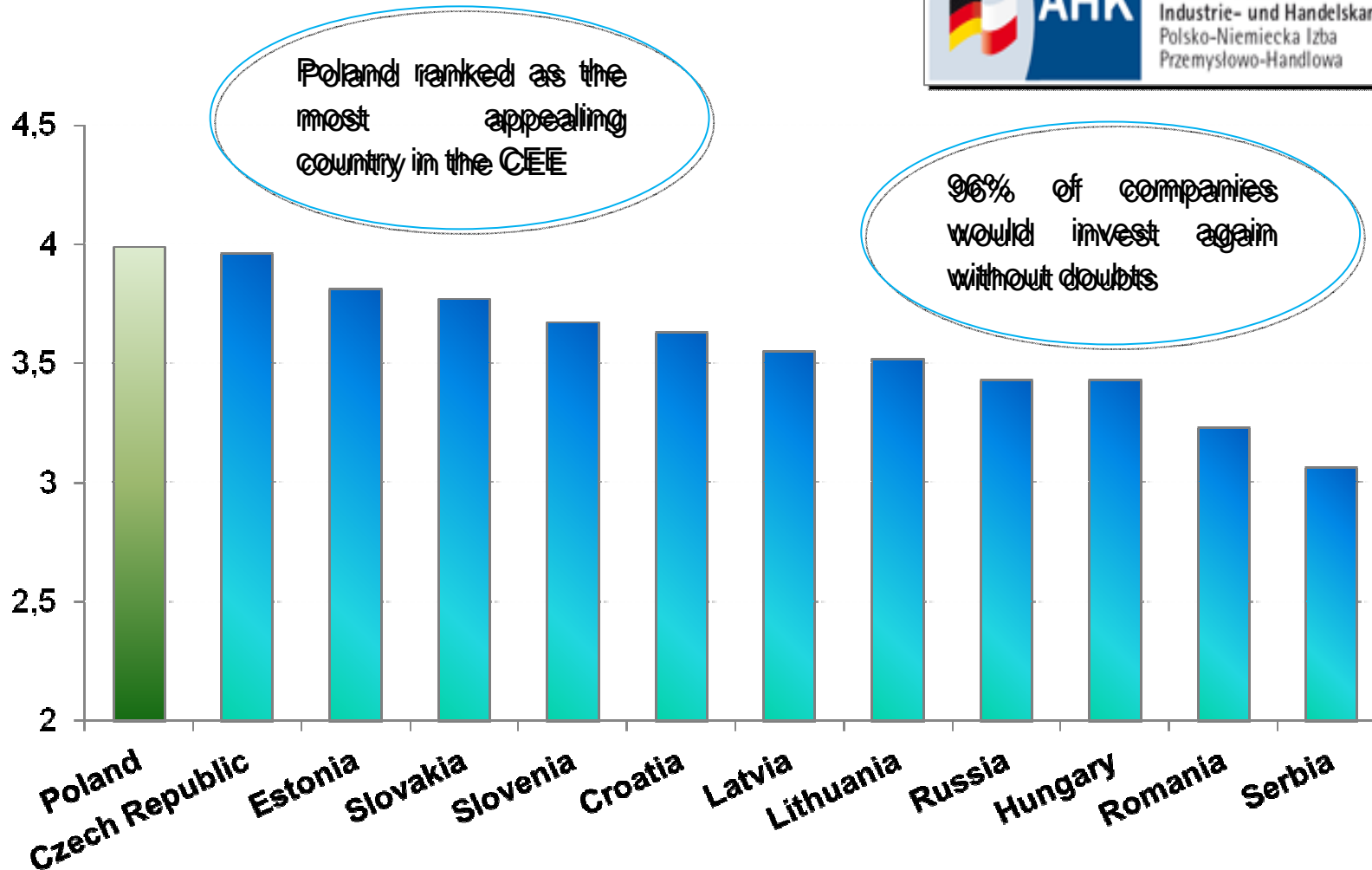
of  presence in Poland



Results:

Software Centres – up to 400 FTEs in Kraków & Wrocław and plans for further expansion in Tricity

Investment attractiveness of the CEE region



Scale: 1 - 6 (very attractive)

Active projects serviced by PALiZ

As of April 2014, PALiZ assisted 152 potential investments:

- Value of investment: EUR 3.38 bn
- Number of new work places: 31.6 thousand
- Main sectors:
 - BSS + ICT (36)
 - automotive (30)
 - R&D (11)
 - aviation (10)
- Major countries-investors:
 - USA (39)
 - Germany (29)
 - United Kingdom (10)
 - France (10)





Thank you for your attention

Rafał Szajewski

Team Lead, Business Services

Polish Information and Foreign Investment Agency (PAIIZ)

rafal.szajewski@paiz.gov.pl

phone: +48 600 400 860

00-585 Warszawa, 12 Bagatela St.

www.paiz.gov.pl