



# Poland as assessed by foreign investors

Forecasts and market attractiveness factors





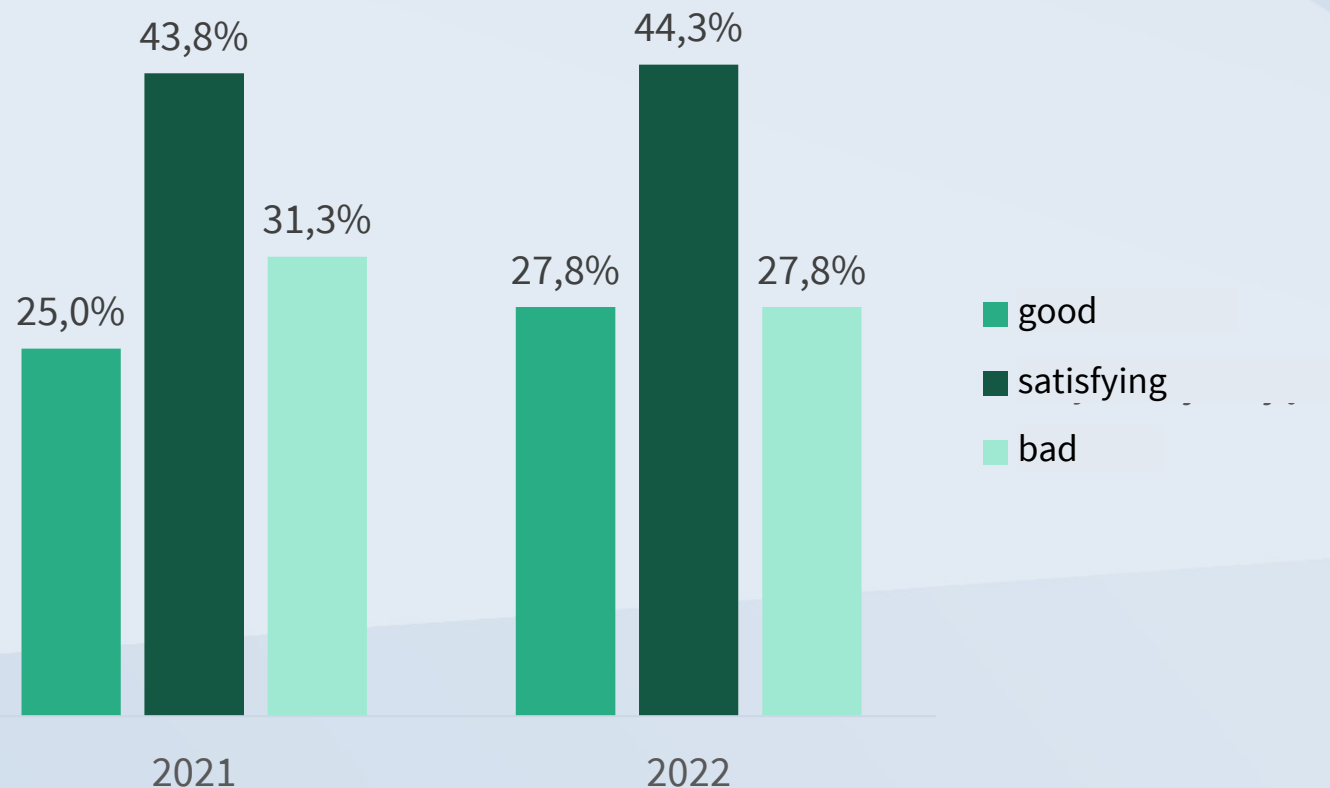


# Forecasts

Economy and companies



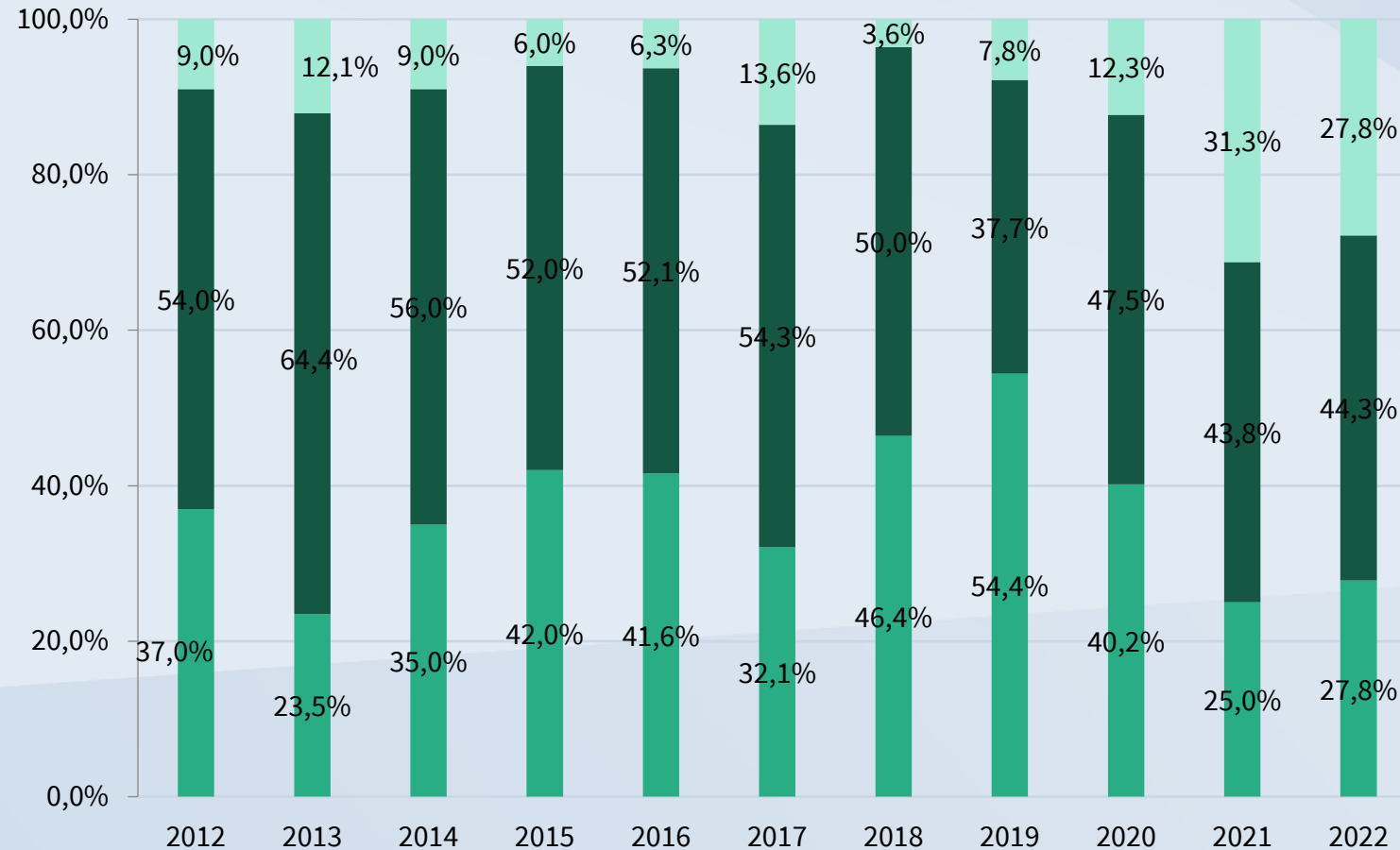
# CONDITION OF THE POLISH ECONOMY



After 2021 a slight decrease in responses defining the economic condition as bad was observed.

In 2021 it amounted to 31.3%, while in 2022 – 27.8%, there was a slight increase in the percentage of responses defining the economic condition as good – an increase by 2.8 p.p.

# CONDITION OF THE POLISH ECONOMY

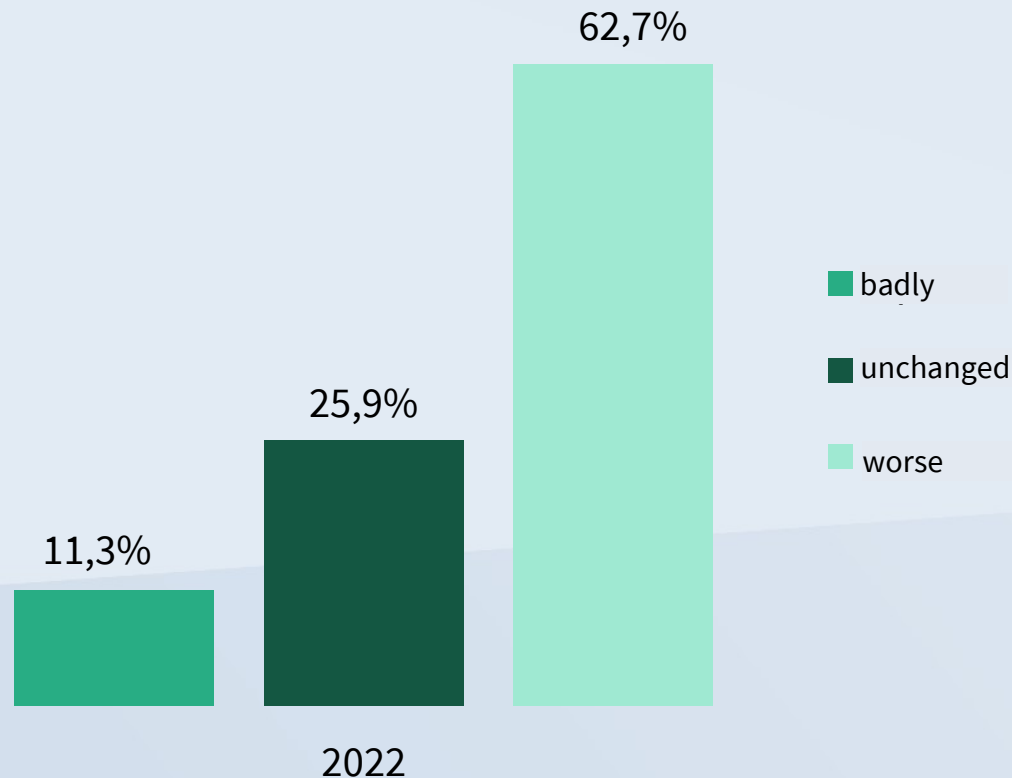


The economic condition of Poland in 2021 was evaluated as the worst since 2012, this trend is continuing in 2022.



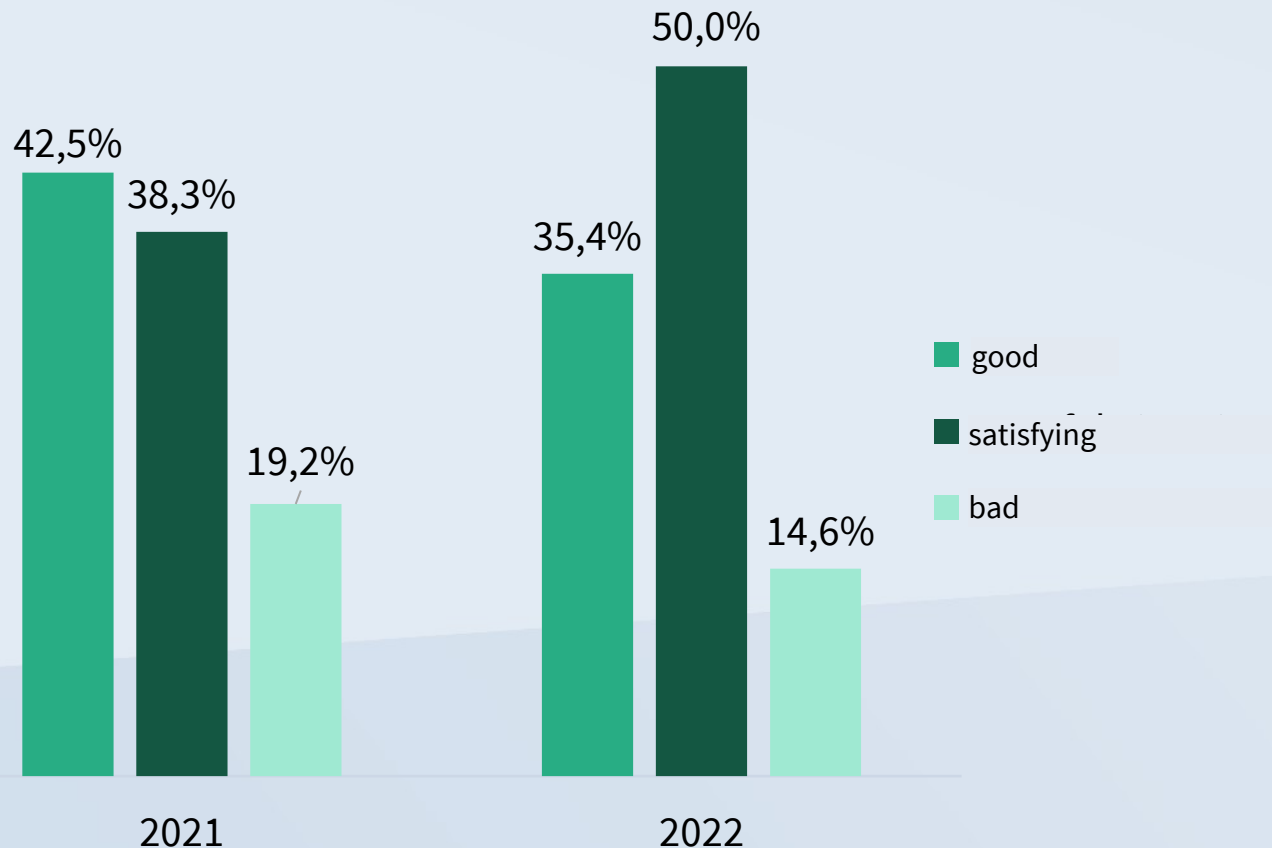
# CONDITION OF THE POLISH ECONOMY

as compared to the previous year



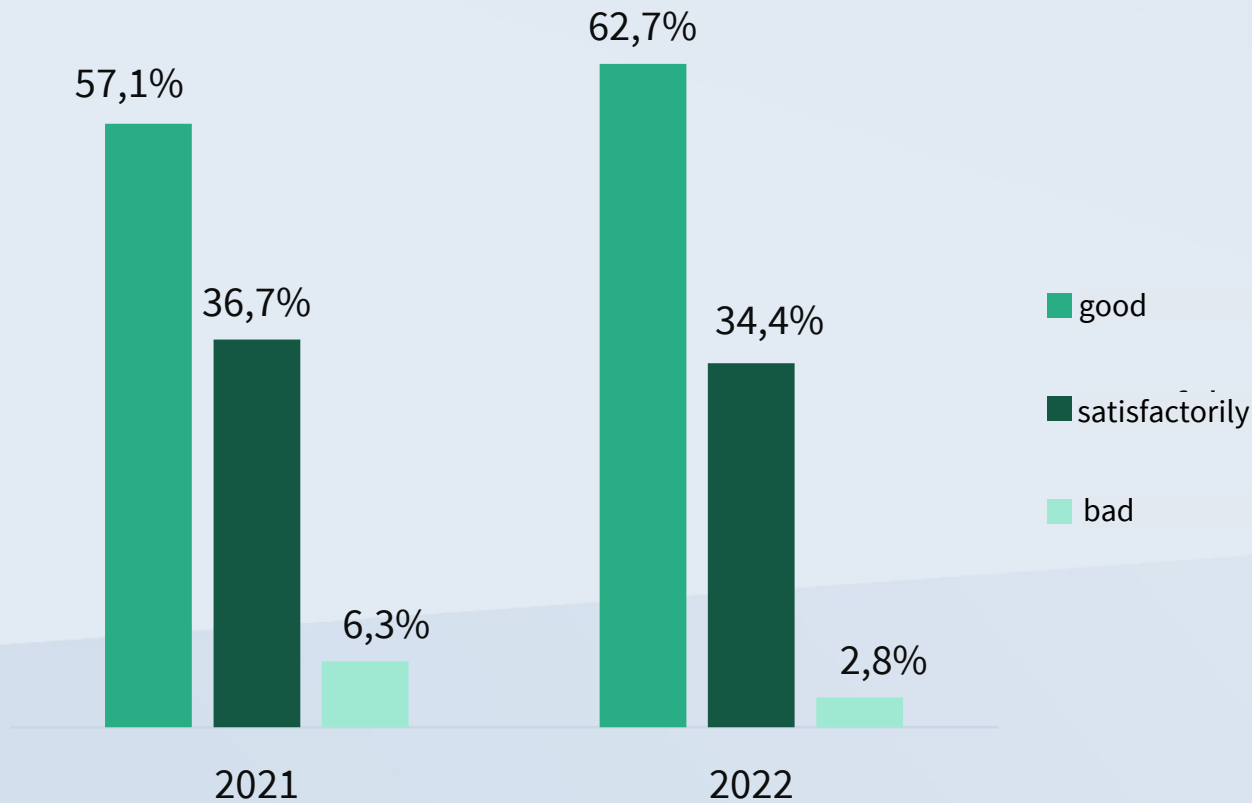
The previously discussed status quo is also confirmed by opinions of respondents who were asked to compare the economic condition today with the condition in the previous year. It turns out that most respondents confirmed that the situation was worse than in the previous year – as many as 62.7% responses. Every fourth respondent defined the economic condition as unchanged. Every ninth respondent concluded that the economic condition was better.

# THE ECONOMIC CONDITION OF INDUSTRY



In 2022, respondents were much more likely to describe the economic situation of their industry as satisfactory - an increase of 11.7 p.p., while the proportion of indications describing the situation as good decreased by 7.1 p.p. and as bad - by 4.6 p.p.

# THE COMPANY'S BUSINESS CONDITION

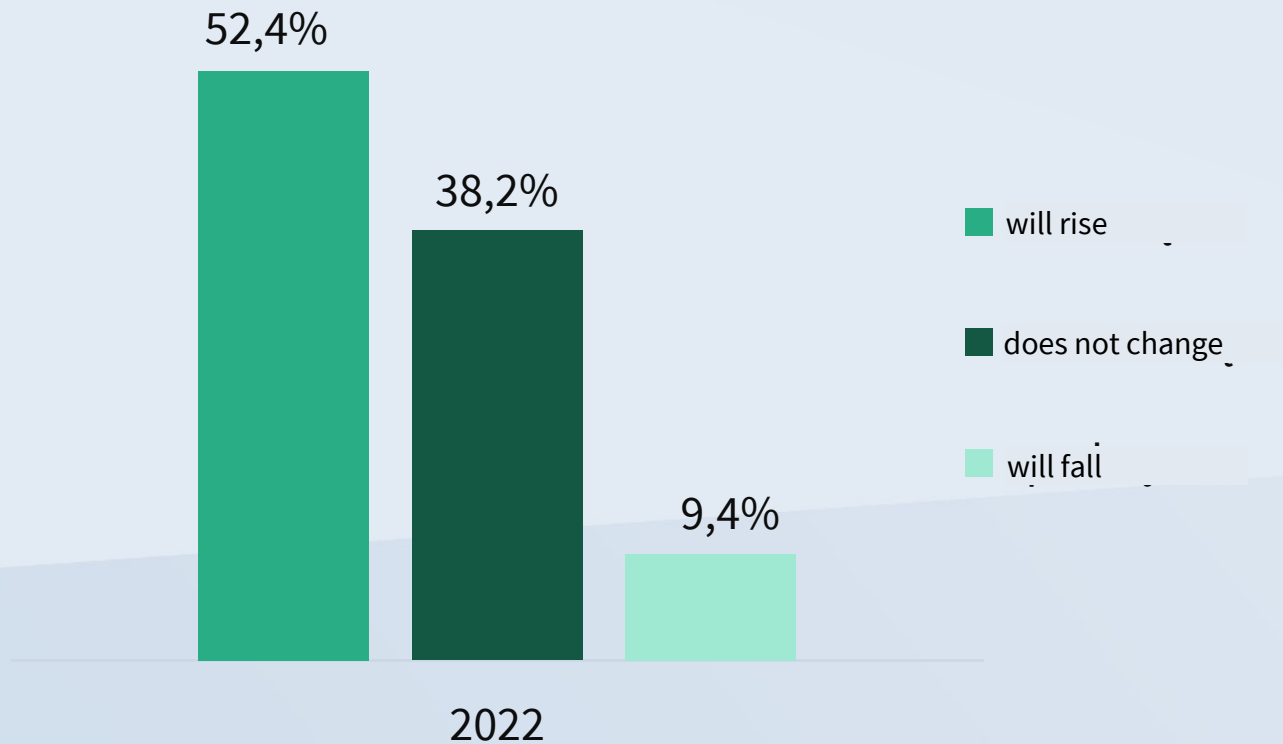


The majority of respondents in both 2021 and 2022 rated their company's business condition as good, with 57.1% and 62.7% of indications respectively. The company's business condition was rated as bad by 6.3% of respondents in 2021 and 2.8% of respondents in 2022.



# COMPANY TURNOVER

## as compared to the previous year

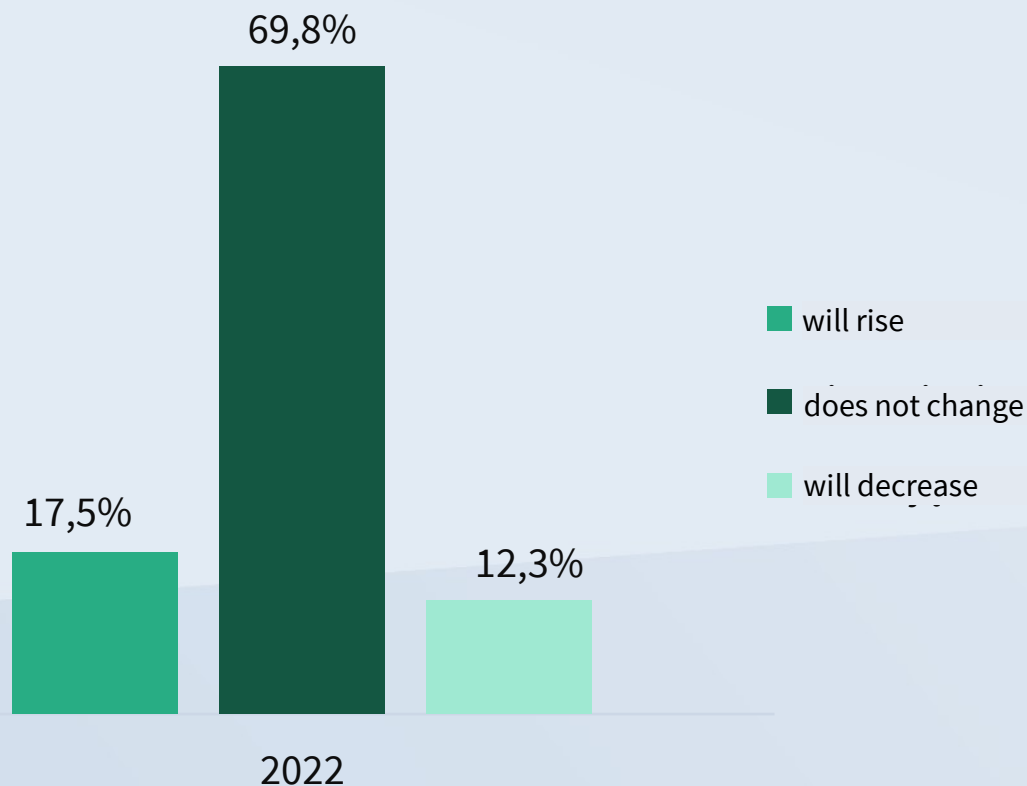


More than half of the respondents anticipated that, compared to the previous year, the turnover in the company would increase - 52.4% of indications. On the other hand, 38.2% of respondents expect the level of turnover to remain at a similar level.



# EXPORT EARNINGS IN THE COMPANY

as compared to the previous year

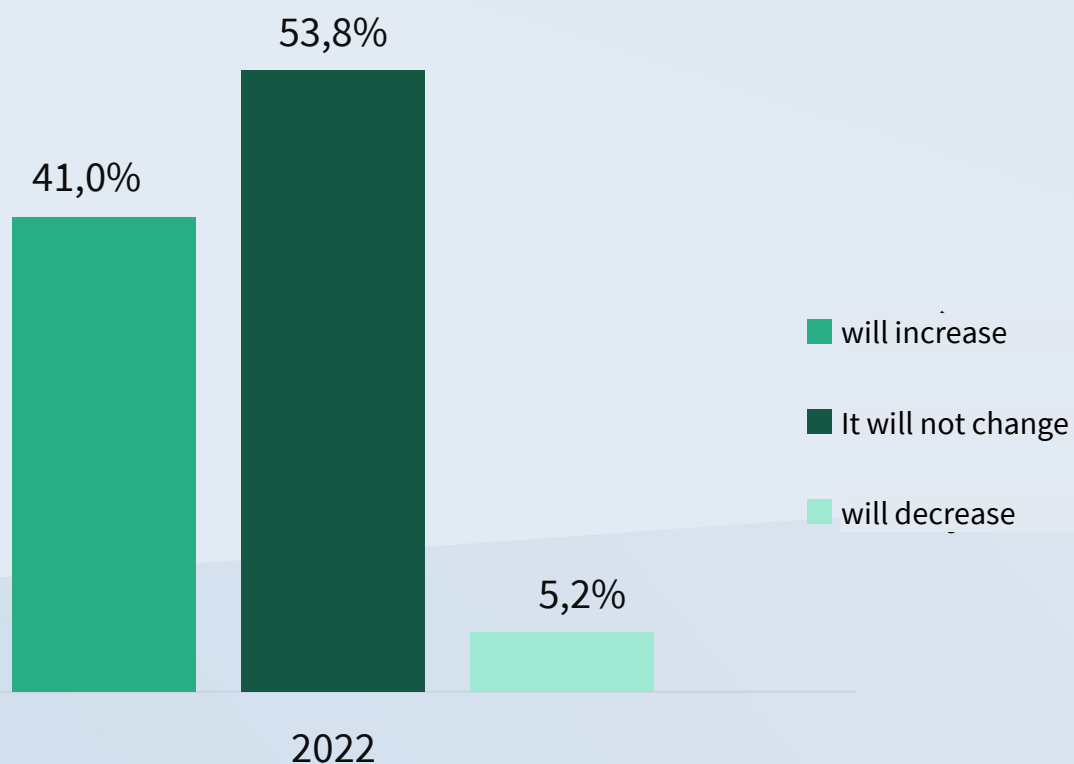


7 out of 10 respondents admitted that they expected their company's export earnings to be at the same level as last year. An increase in these earnings is anticipated by 17.5% of respondents.



# EMPLOYEE NUMBER

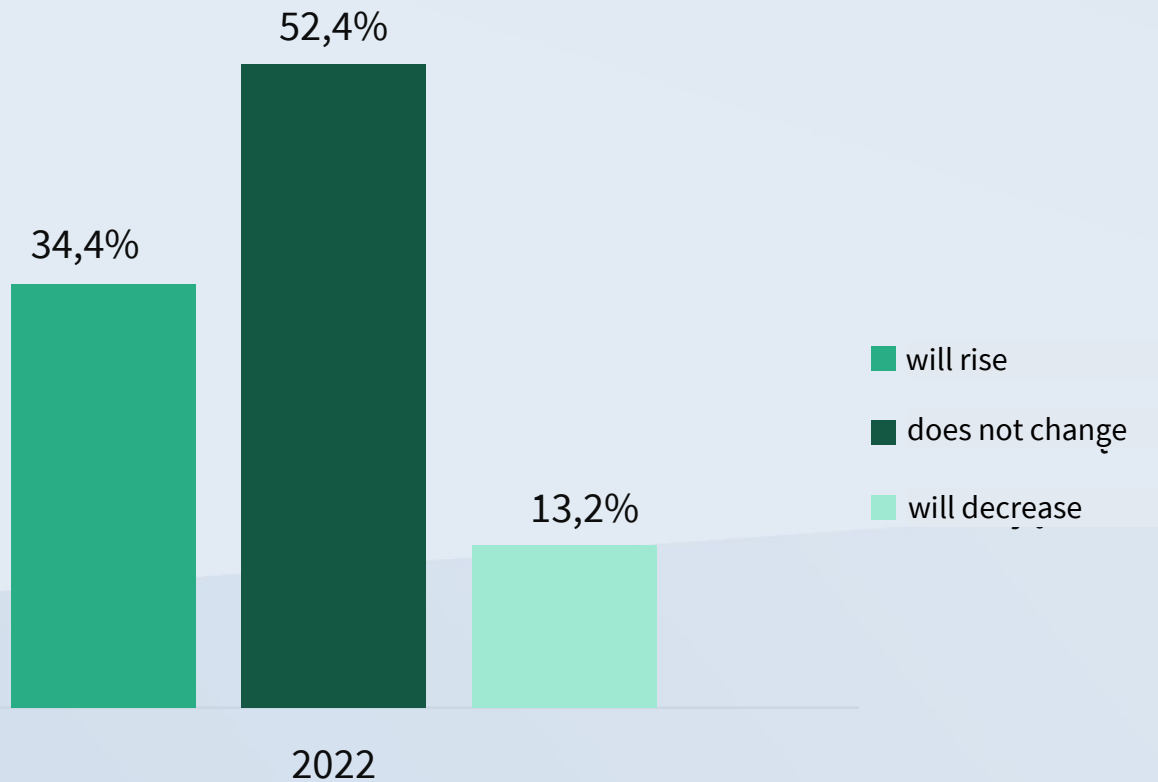
## as compared to the previous year



More than half of the respondents said that the number of employees would not change as compared to the previous year's level. In turn, more than 2/5 of the companies surveyed expect an increase in the number of employees - 41.0%. In every 20th company taking part in the survey, the number of employees is likely to decrease - 5.2%.

# CAPITAL EXPENDITURE

## as compared to the previous year



In more than half of the companies, capital expenditures are forecast to remain at the same level, while in more than a third - to increase. Investment expenditures will decrease in 13.2% of the surveyed enterprises.

# INCREASE IN AVERAGE SALARY

On average, the companies surveyed anticipate a 7.6 per cent increase in the average salary, with a 5 per cent increase being the most frequently indicated. In some companies, no growth is expected, while in others it is expected to be as high as 80 per cent.

7.6%

Mean

5%

Dominant

0%

Minimum

80%

Maximum



# Attractiveness of Poland

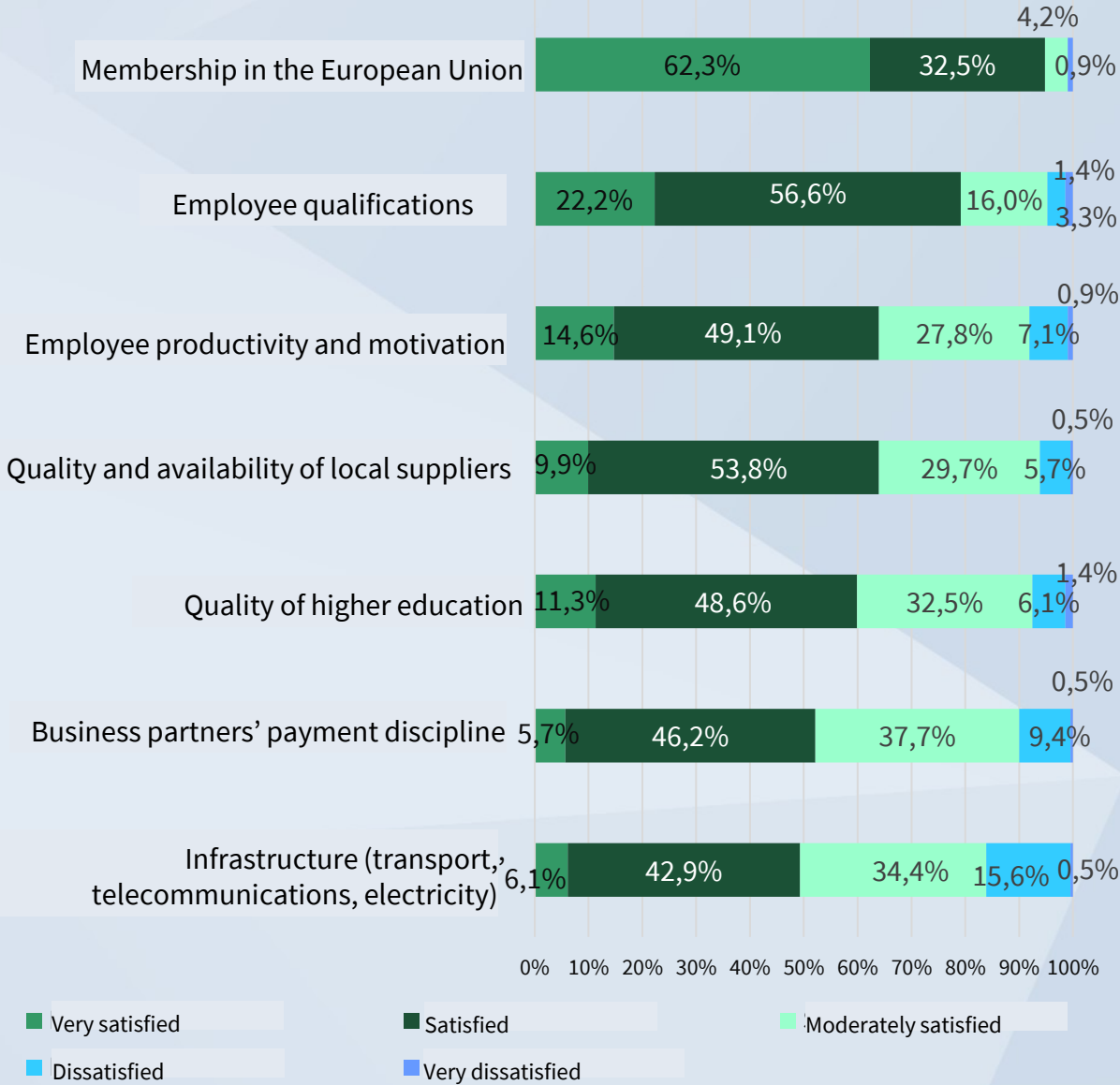
Market attractiveness factors





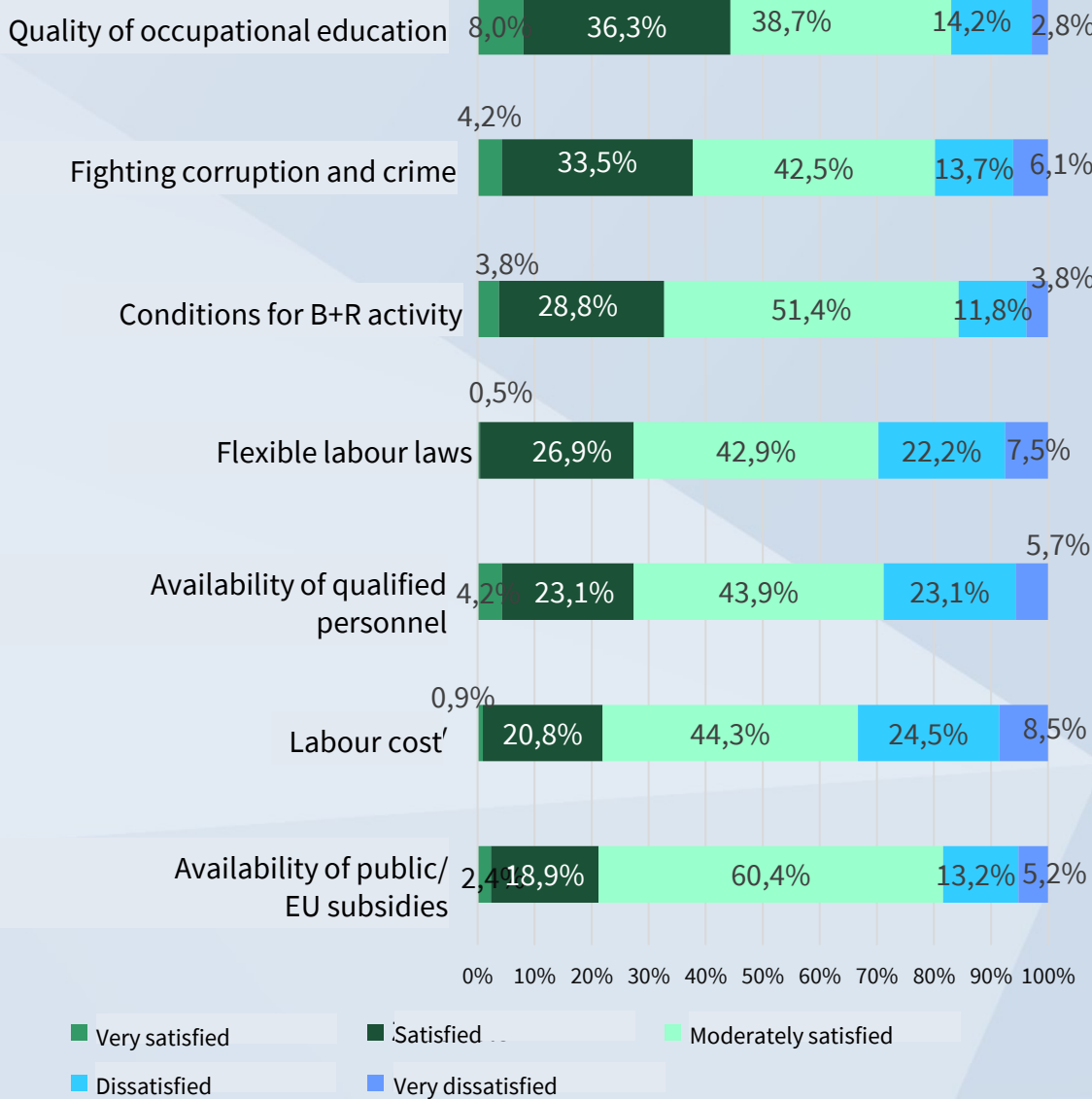
# Factors influencing the attractiveness of doing business

Respondents were asked to what extent they were satisfied with particular factors influencing the attractiveness of doing business in Poland. The highest number of opinions indicating satisfaction was recorded for membership of the European Union. A total of 94.8% of positive evaluations were recorded. Employee qualifications were ranked second and employee productivity and motivation – third.



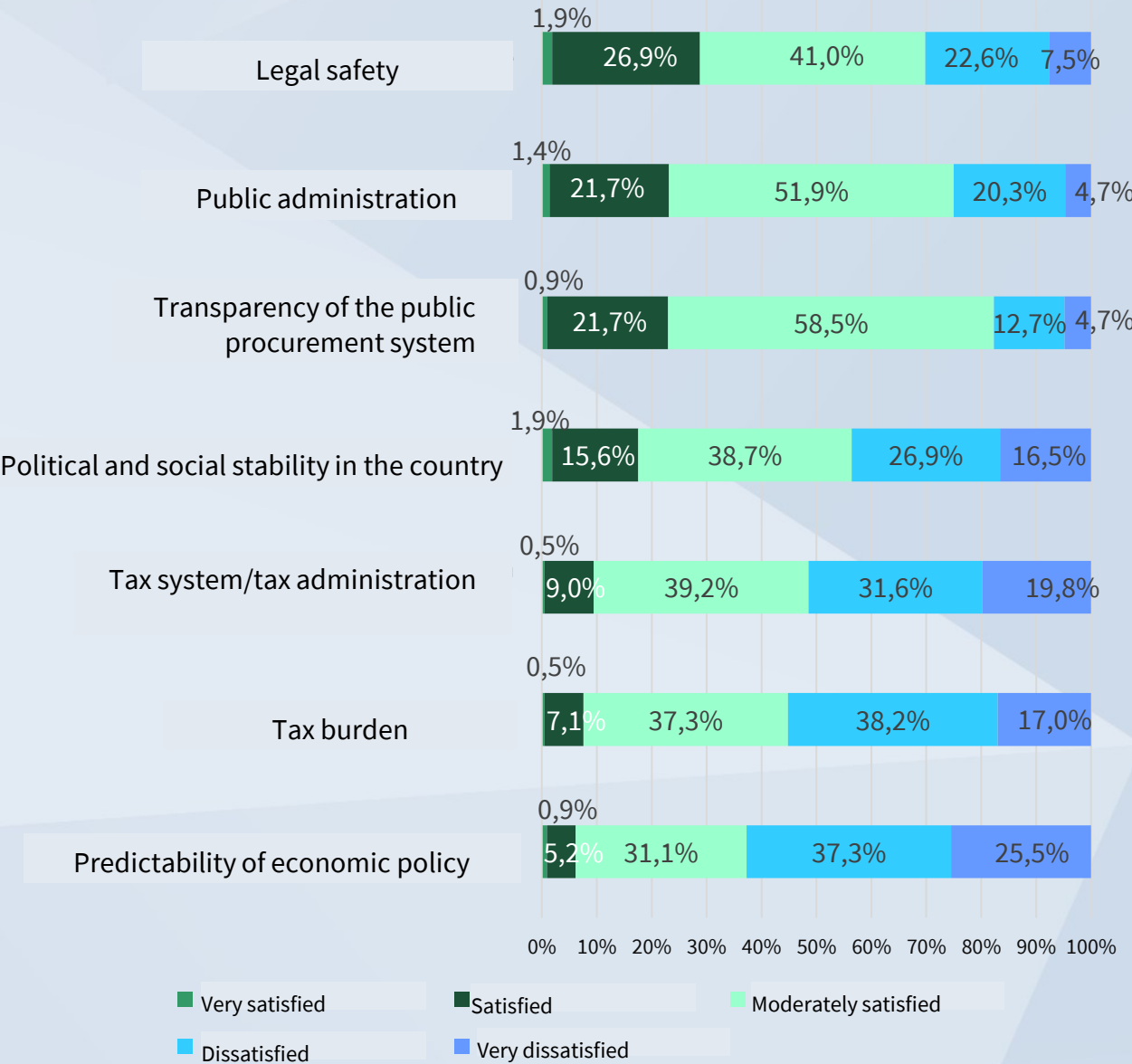
# Factors influencing the attractiveness of doing business

According to respondents, labour costs, the availability of skilled labour, flexibility of the labour laws and other factors shown in the chart fared worse.

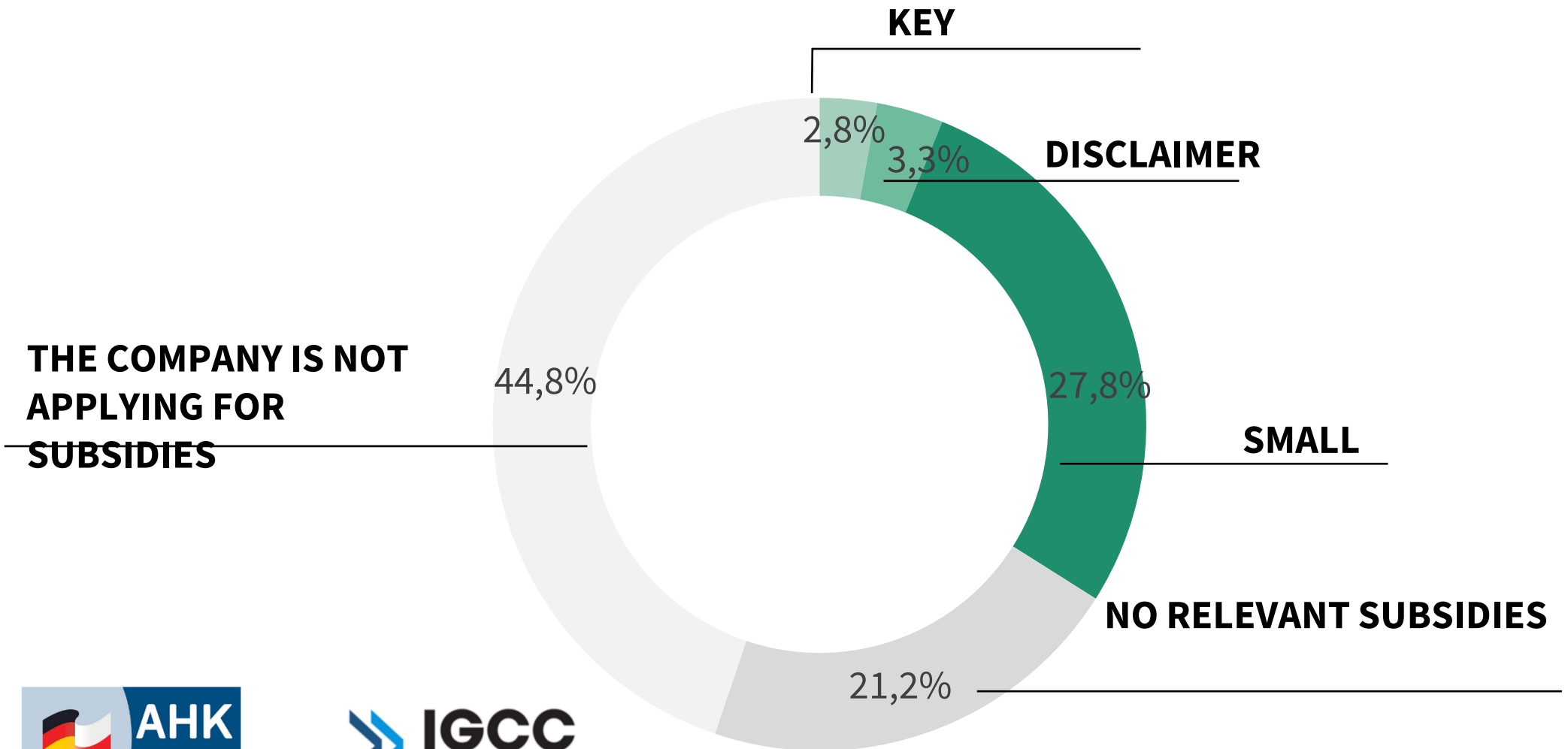


# Factors influencing the attractiveness of doing business

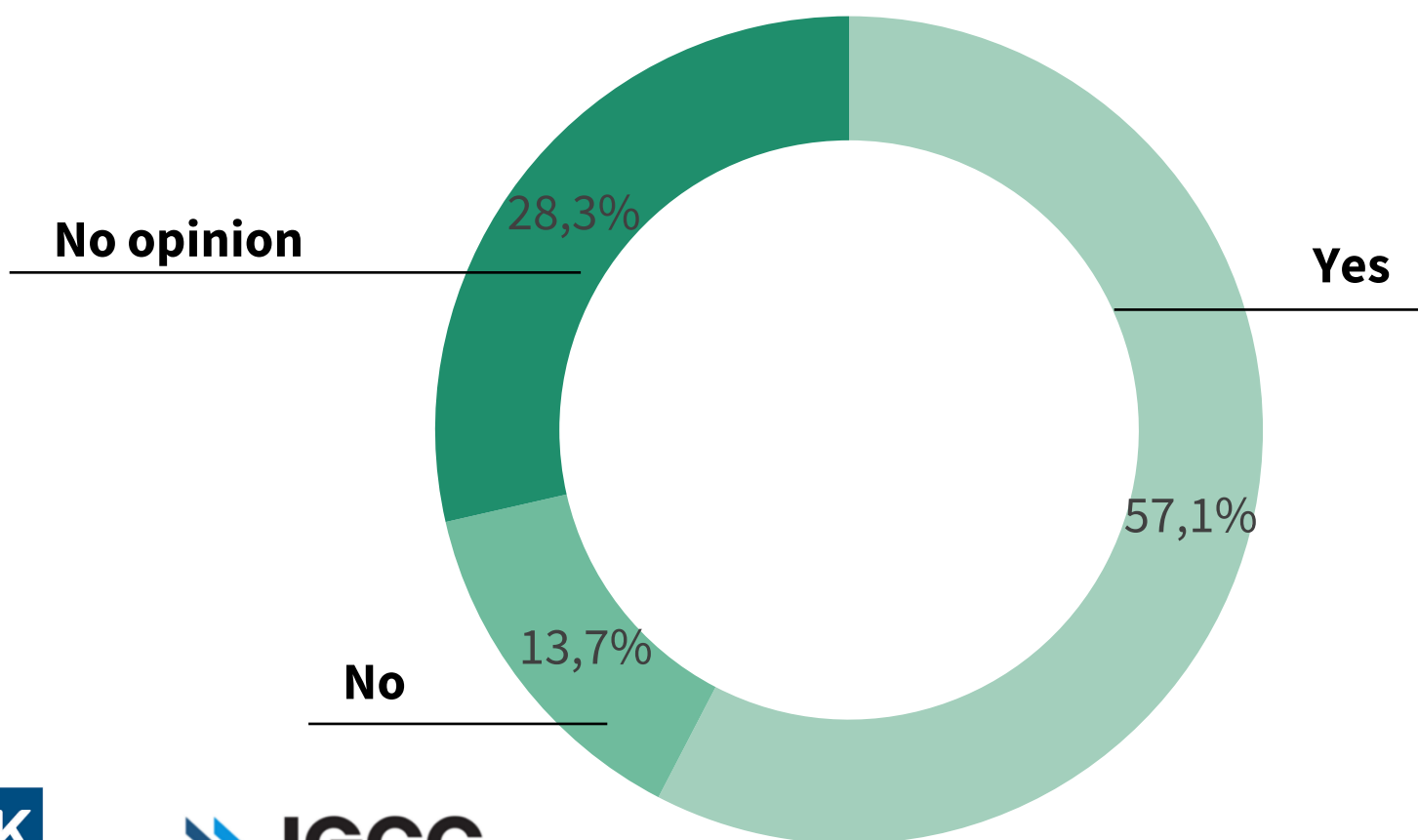
Respondents rated the predictability of economic policy the lowest with 62.8% of negative statements and the tax burden with 55.2%. There was also a significant proportion of negative ratings for the tax system/tax administration and the political and social stability of the country. Details are shown in the graph.



# What impact do EU grants have on investment decisions?

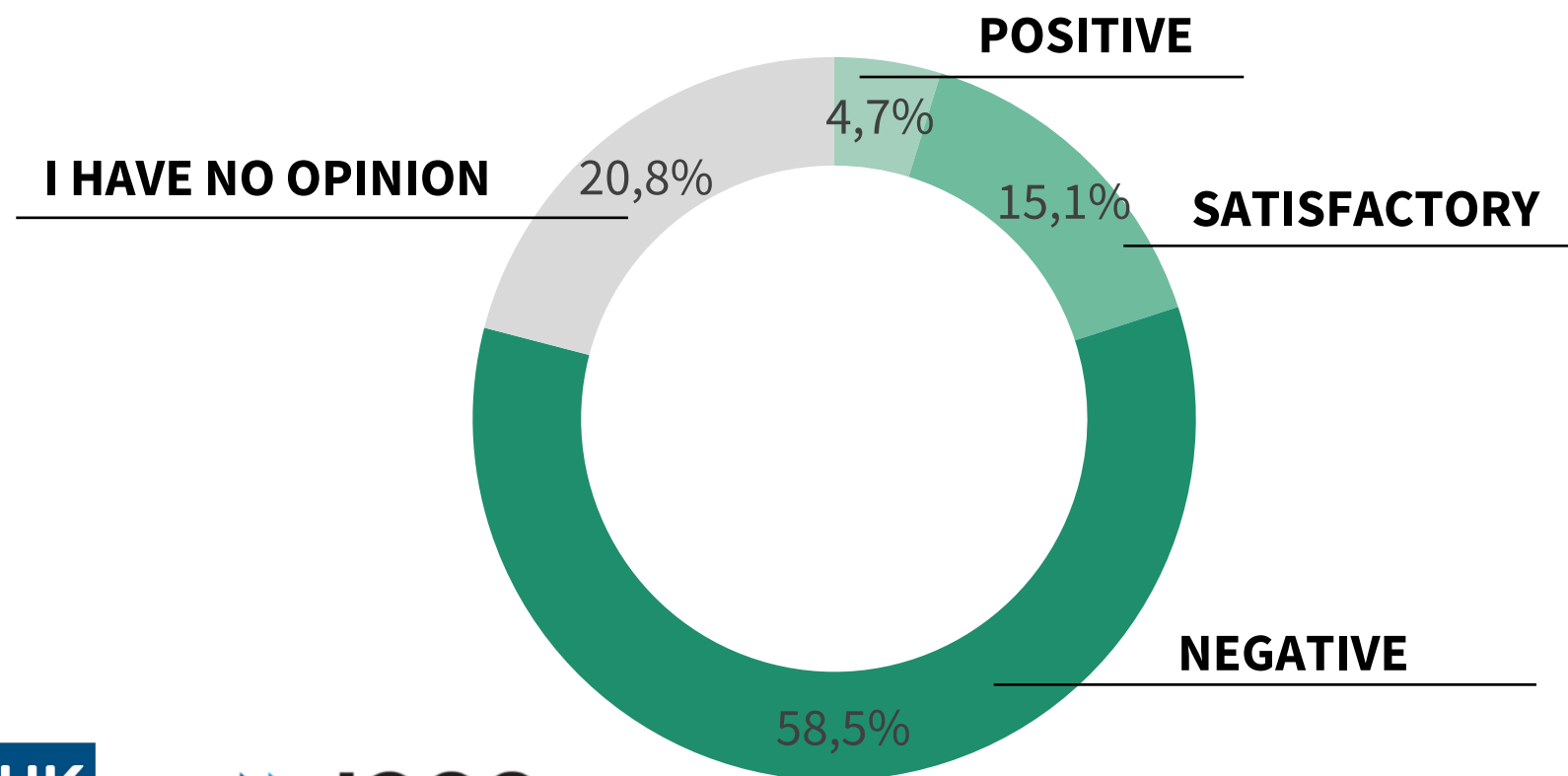


# Should Poland join the euro area?

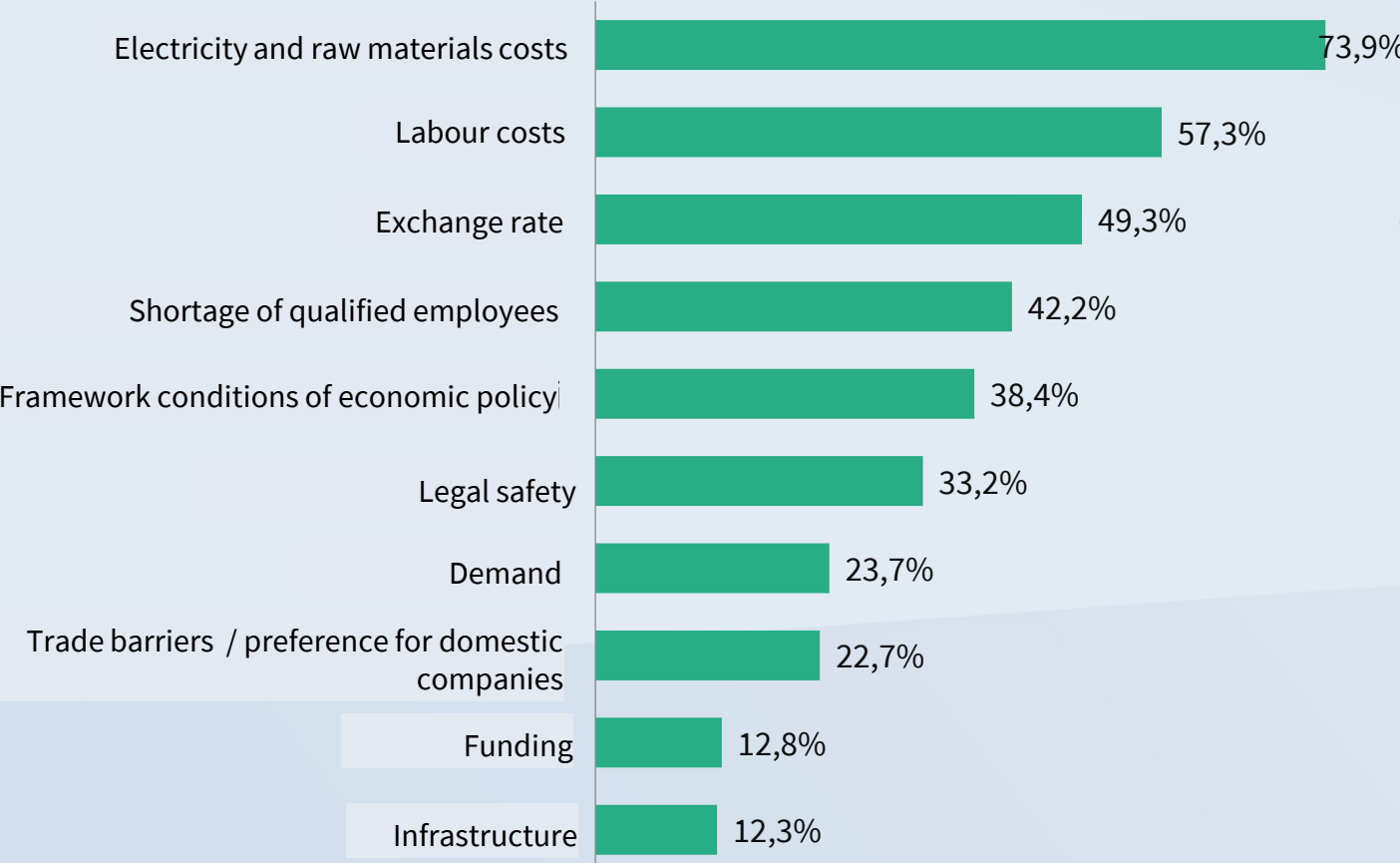




# How do you assess the actions of the current government?



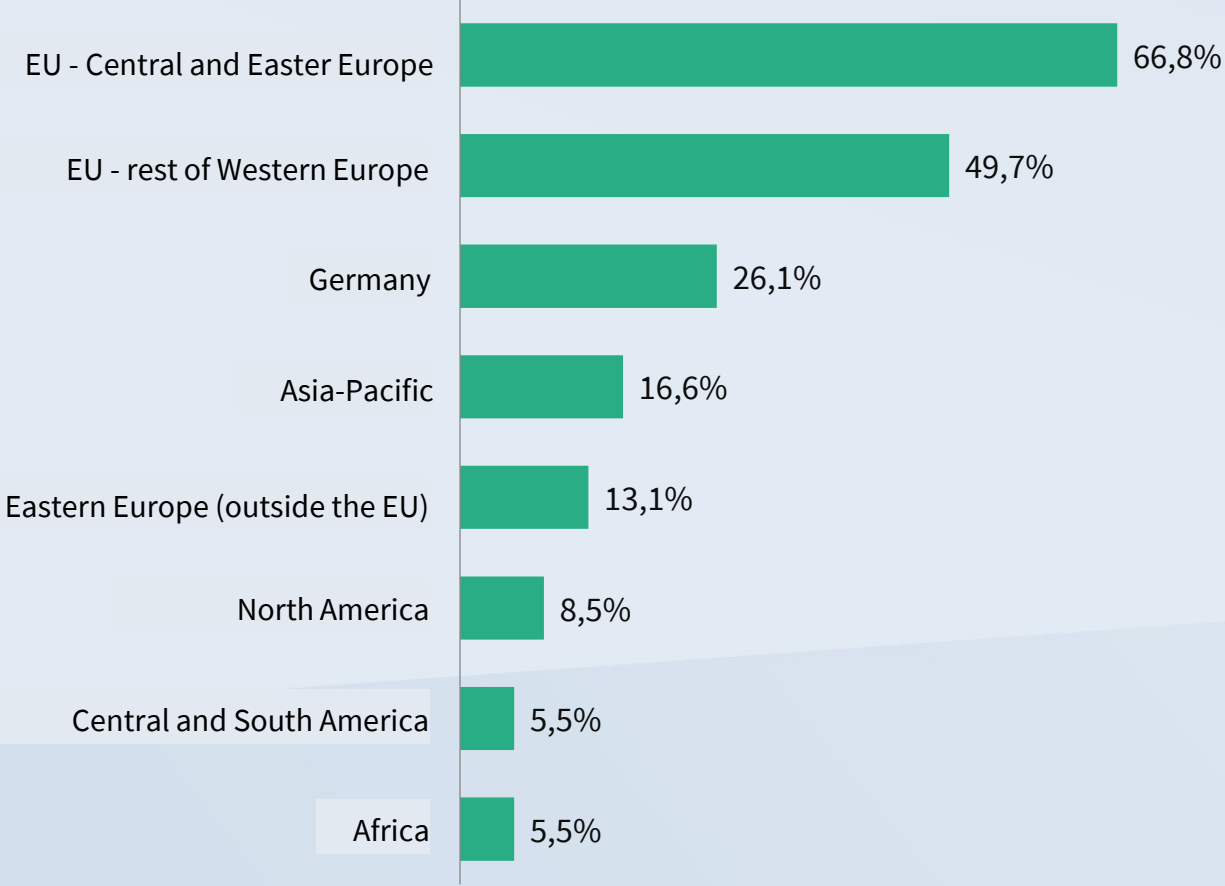
# The biggest threat to the economic development of the company in the next 12 months



Nearly three-quarters of respondents indicated that energy and raw material prices would be the biggest threat to their companies, over the coming year. More than half of the respondents pointed to labour costs (57.3%), less than half to the exchange rate (49.3%), and about 2/5 to the lack of skilled workers (42.2%) and the economic policy framework (38.4%).



# From which regions do you expect new suppliers?

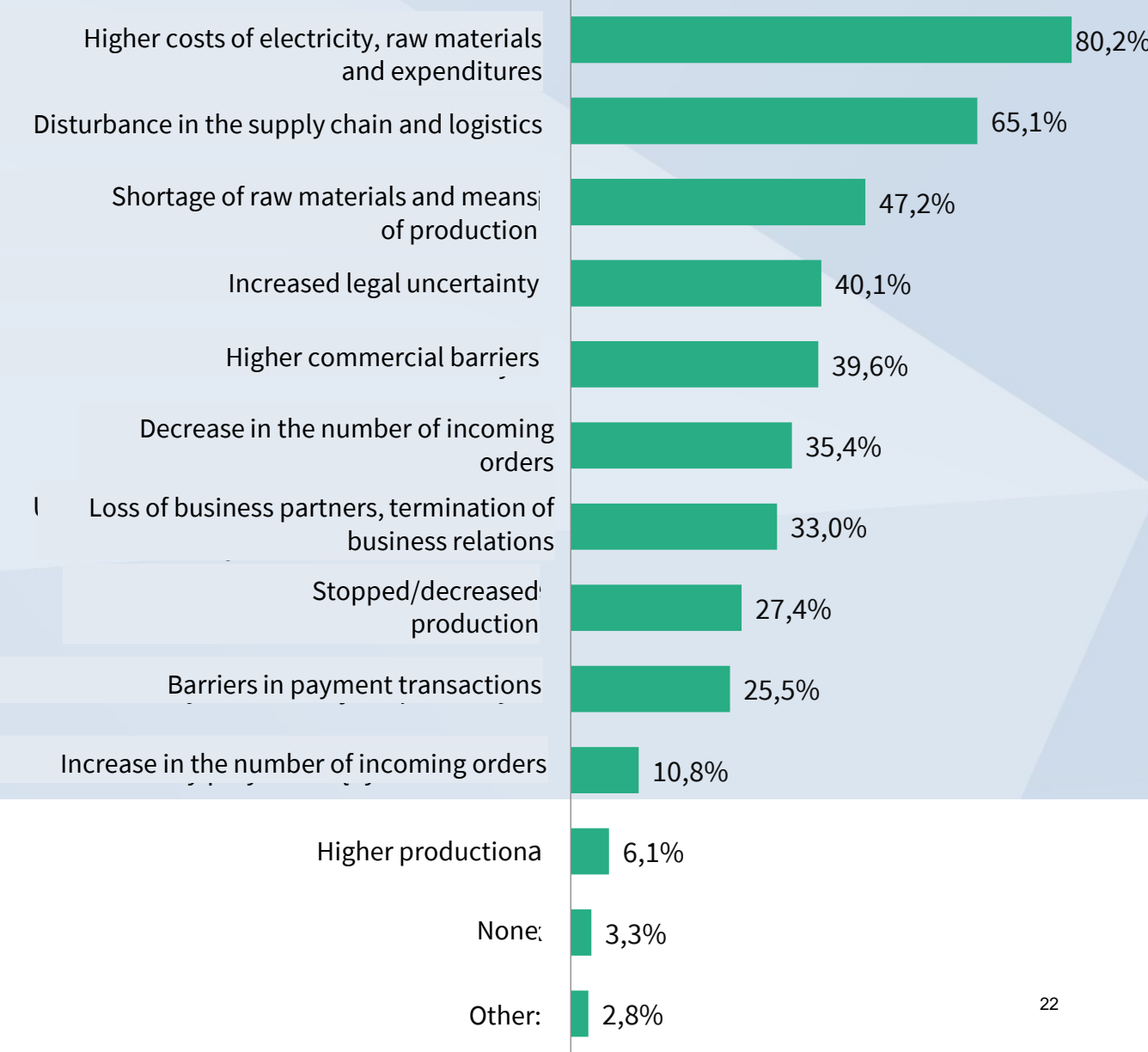


Two-thirds of the respondents expect new suppliers from Central and Eastern European countries (66.8%), almost half, in turn, point to Western European countries (49.7%). New suppliers from Germany are expected by one in four respondents (26.1%).



# What short-term economic consequences do you feel or foresee for your business from Russia's invasion of Ukraine?

4/5 of those surveyed already feel or foresee increased costs of energy, raw materials and inputs for their company as short-term economic consequences resulting from Russia's invasion of Ukraine (80.2%), almost 2/3 of those surveyed in turn pointed to disruptions in the supply chain and logistics (65.1%), and almost half to shortages of raw materials and inputs (47.2%).





# Conclusions of the study





# Main conclusions of the study

1

The state of the economy in Poland is assessed positively by 72.1% of the surveyed enterprises. There was a slight increase in the percentage of positive ratings compared to the previous year.

3

There has been a decrease in the percentage of indications of a worsening situation in the industry, compared to last year.

5

Almost 9 out of 10 companies forecast an increase or at least maintaining at the same level the volume of export revenues.

2

Nearly two-thirds of entrepreneurs rate their company's business condition well.

4

9 out of 10 companies surveyed forecast an increase or maintenance of turnover at the same level.

6

The number of employees is expected to increase in more than 2/5 of the surveyed companies.



# Main conclusions of the study

7

One in three companies is expected to increase their investment outlays.

9

EU membership, employee qualifications and productivity were among the most important factors influencing the attractiveness of doing business in Poland.

11

More than half of the companies surveyed believe that Poland should join the euro area.

8

An average 5 per cent increase in average wages is expected in the companies surveyed.

10

Respondents are most dissatisfied with the predictability of the economic policy, the tax system and the tax burden.

12

Almost 3/5 of those surveyed have a negative view of the current government's actions.



# Survey methodology

In 2022, another survey was conducted to assess the Polish market by foreign investors operating in Poland.

The survey was conducted among 212 companies representing the following industries: Manufacturing Industry, Construction Industry, Services, Trade, Electricity/Water Supply/Waste Disposal that operate on the Polish market.

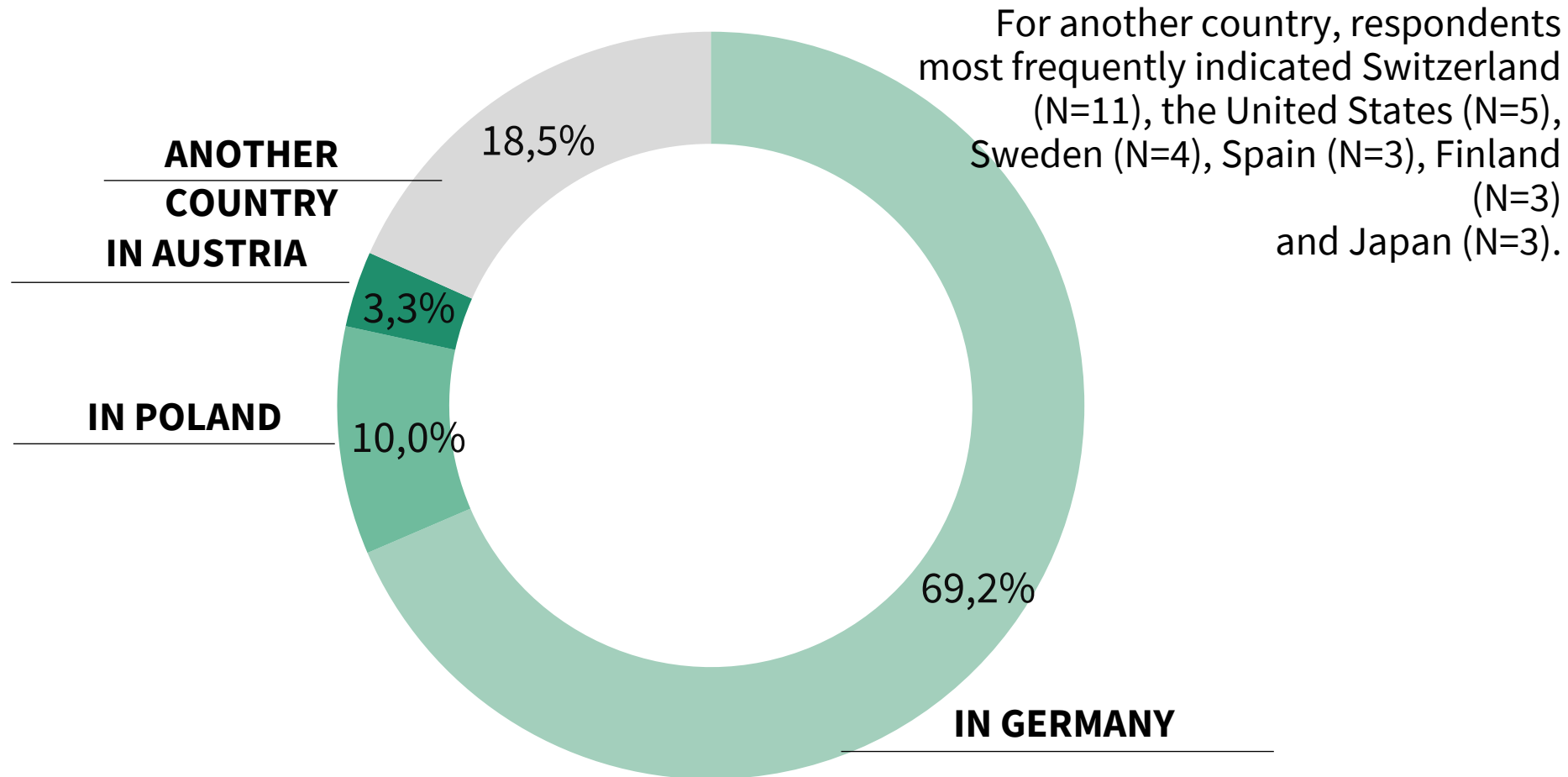




# Characteristics of enterprises

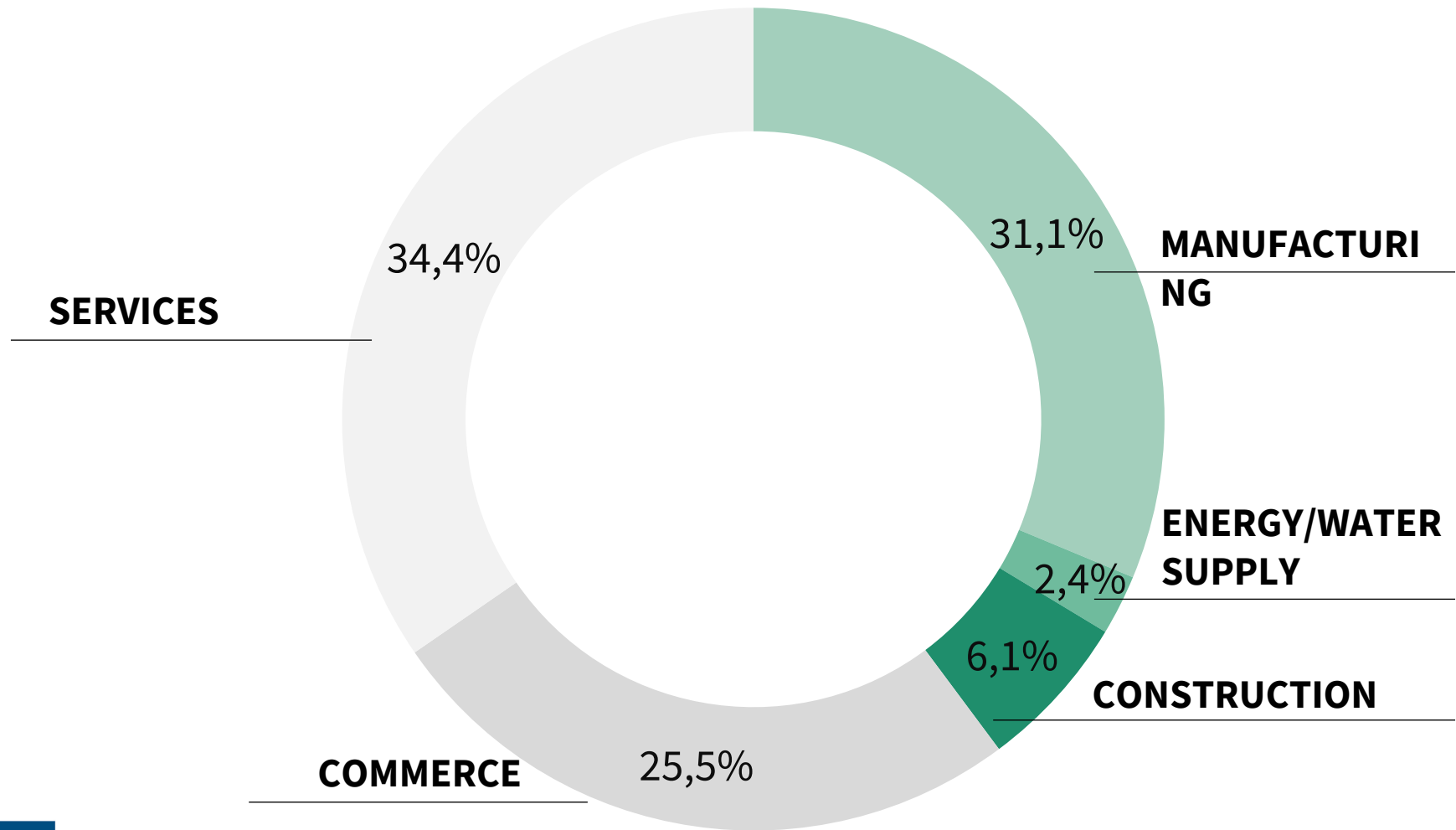


# In which country is the majority owner of your company located?

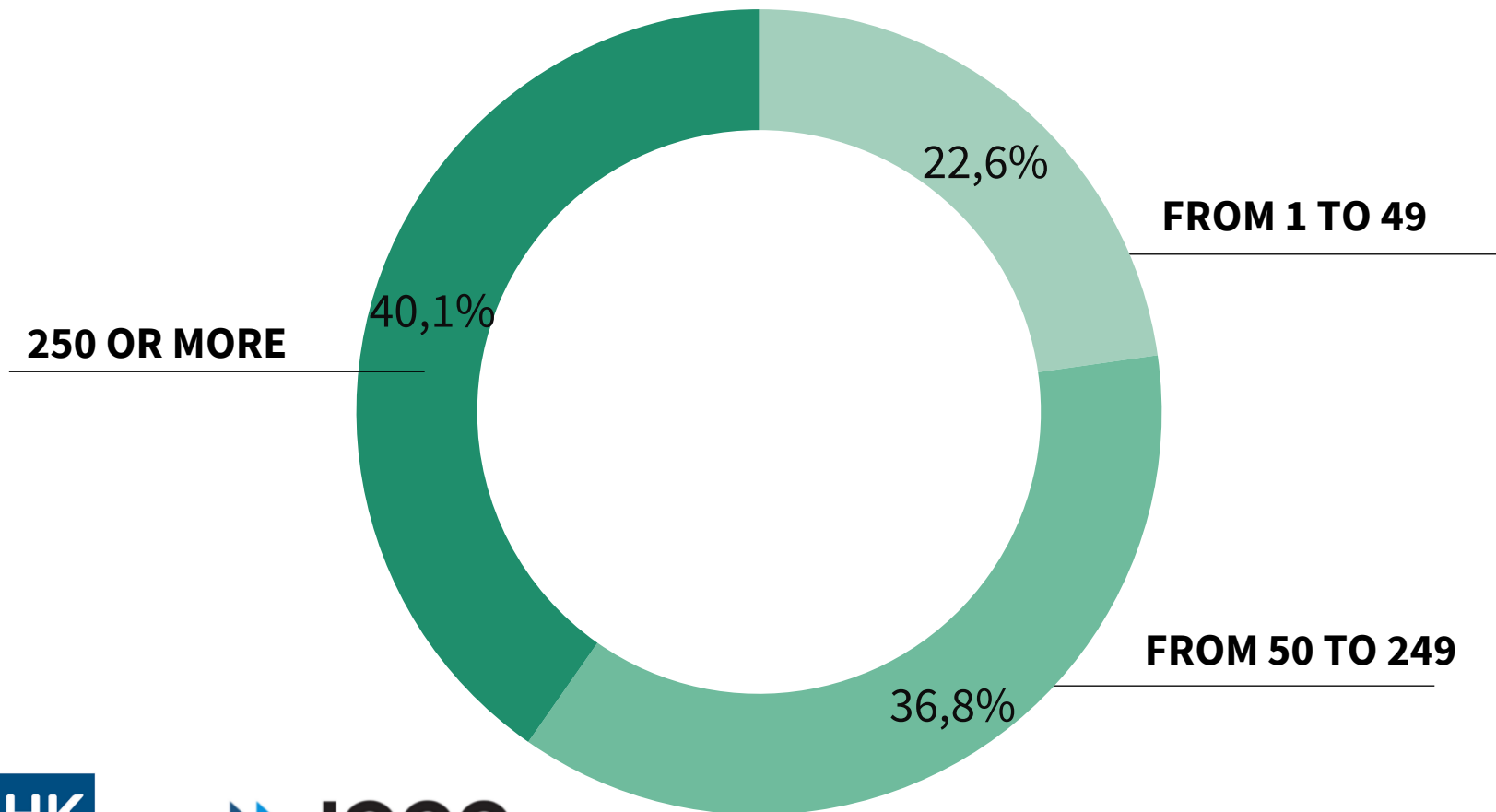




# Main scope of activities



# Number of employees



# Thank you for your attention

