

2011

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Development

**Innovative administration for  
innovative enterprises**

Warsaw, April, 2011

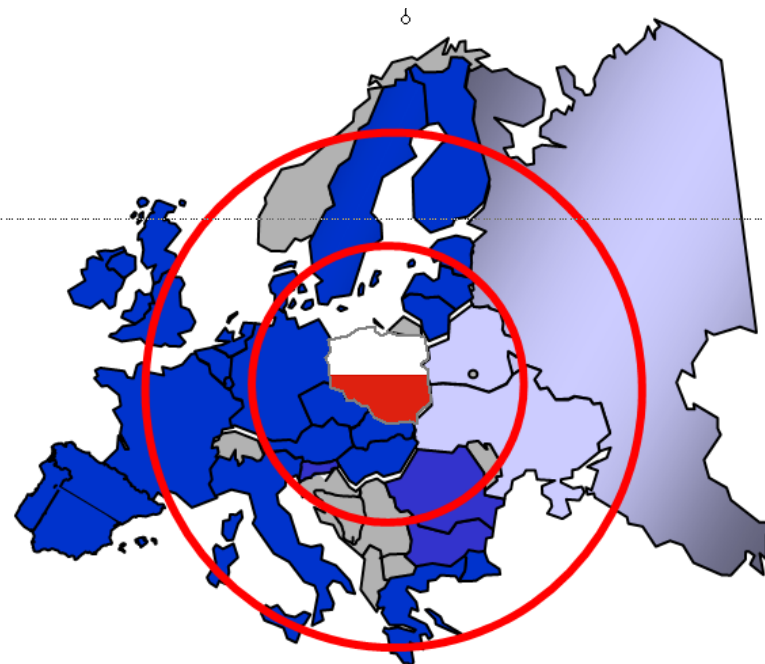
# Major facts about Poland



## Poland - basic facts and figures



Capital city	Warsaw 1.7m citizens (Warsaw agglomeration: <b>2.5m citizens</b> )
Membership	<b>EU, NATO, OECD, WTO, Schengen Zone</b>



Poland and the EU	<ul style="list-style-type: none"> <li>• <b>The 5<sup>th</sup> largest country in the EU</b> in terms of the area (312 000 sq. km)</li> <li>• <b>The 6<sup>th</sup> in the EU-</b> in terms of population (ca. 38 m)</li> <li>• <b>The 6<sup>th</sup> in in the EU</b> terms of GDP (USD 725.2 bn, PPP)</li> </ul>
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## Poland as a major FDI recipient in the region:

Poland attracted ca. USD 11.5 billion in 2009, the highest amount among 12 new EU states.

## According to UNCTAD the key factors attracting FDI to Poland are:

- rapidly expanding domestic market
- size of the domestic market
- flexible & skilled labour force
- high quality/cost ratio



## Poland's strengths

### Poland's main strengths against global competitors:

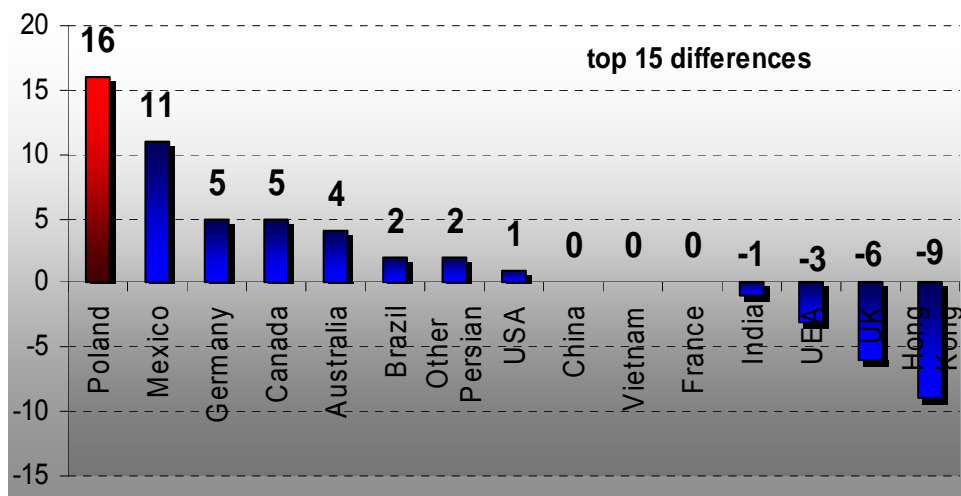
- **Growth** of the market,
- Size of the **local market**,
- **Access to** regional markets,
- Cooperation with suppliers and business partners,
- **Investment incentives system**,
- **Stable investment environment**.



Poland is **11<sup>th</sup> most attractive** investment location in the world

## Poland as seen by AT Kearney

- Poland – the biggest rise in comparison to the previous edition (2007); **2. place in Europe**, 6. place in the world.
- 50% companies postpone investment projects due to the crisis.

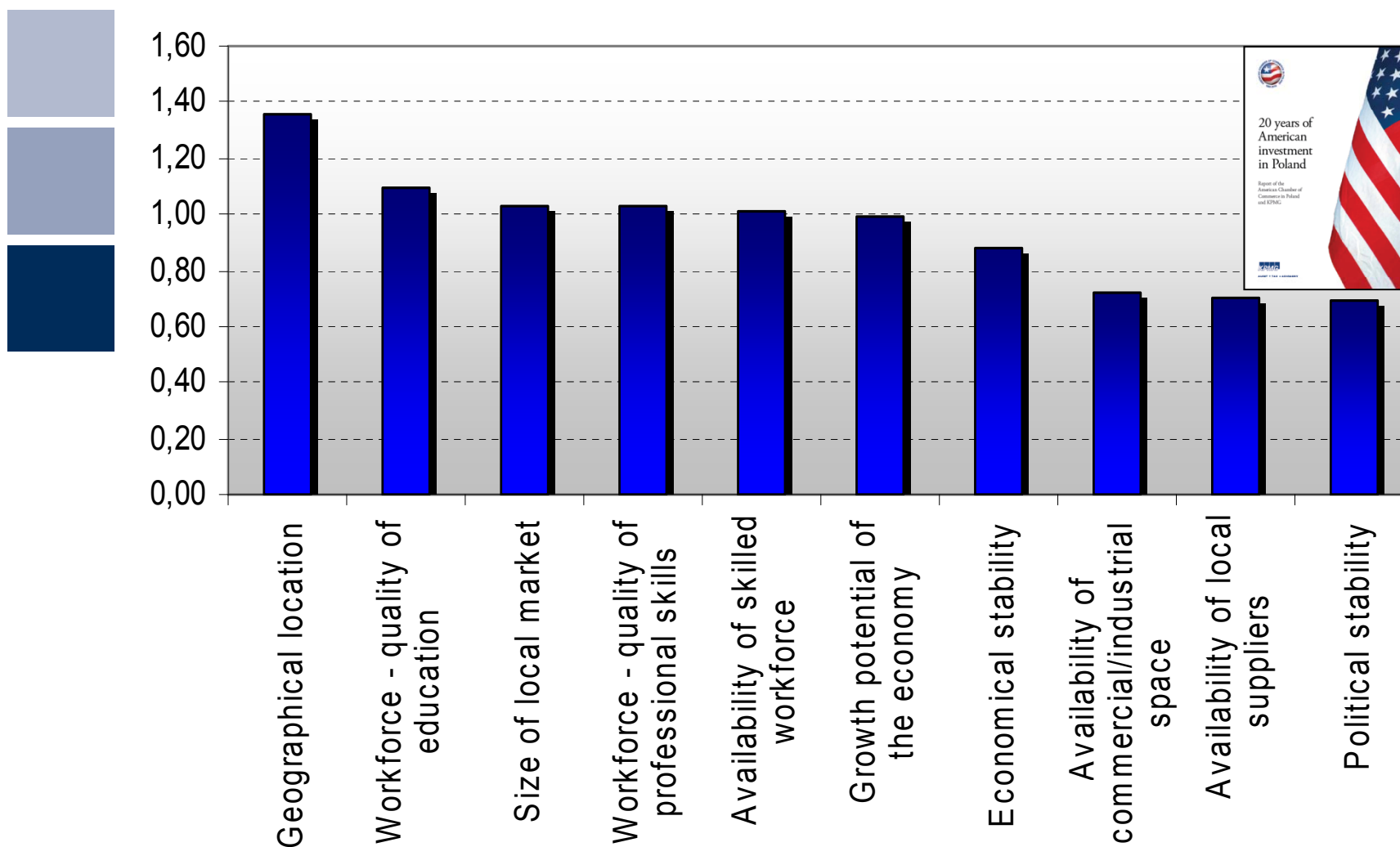


Country	2010 rank	2007 rank	Difference
China	1	1	0
USA	2	3	1
India	3	2	-1
Brazil	4	6	2
Germany	5	10	5
<b>Poland</b>	<b>6</b>	<b>22</b>	<b>16</b>
Australia	7	11	4
Mexico	8	19	11
Canada	9	14	5
UK	10	4	-6
UEA	11	8	-3
Vietnam	12	12	0
France	13	13	0
Hong Kong	14	5	-9
Other Persian Gulf countries	15	17	2

Source: AT Kearney, 2010

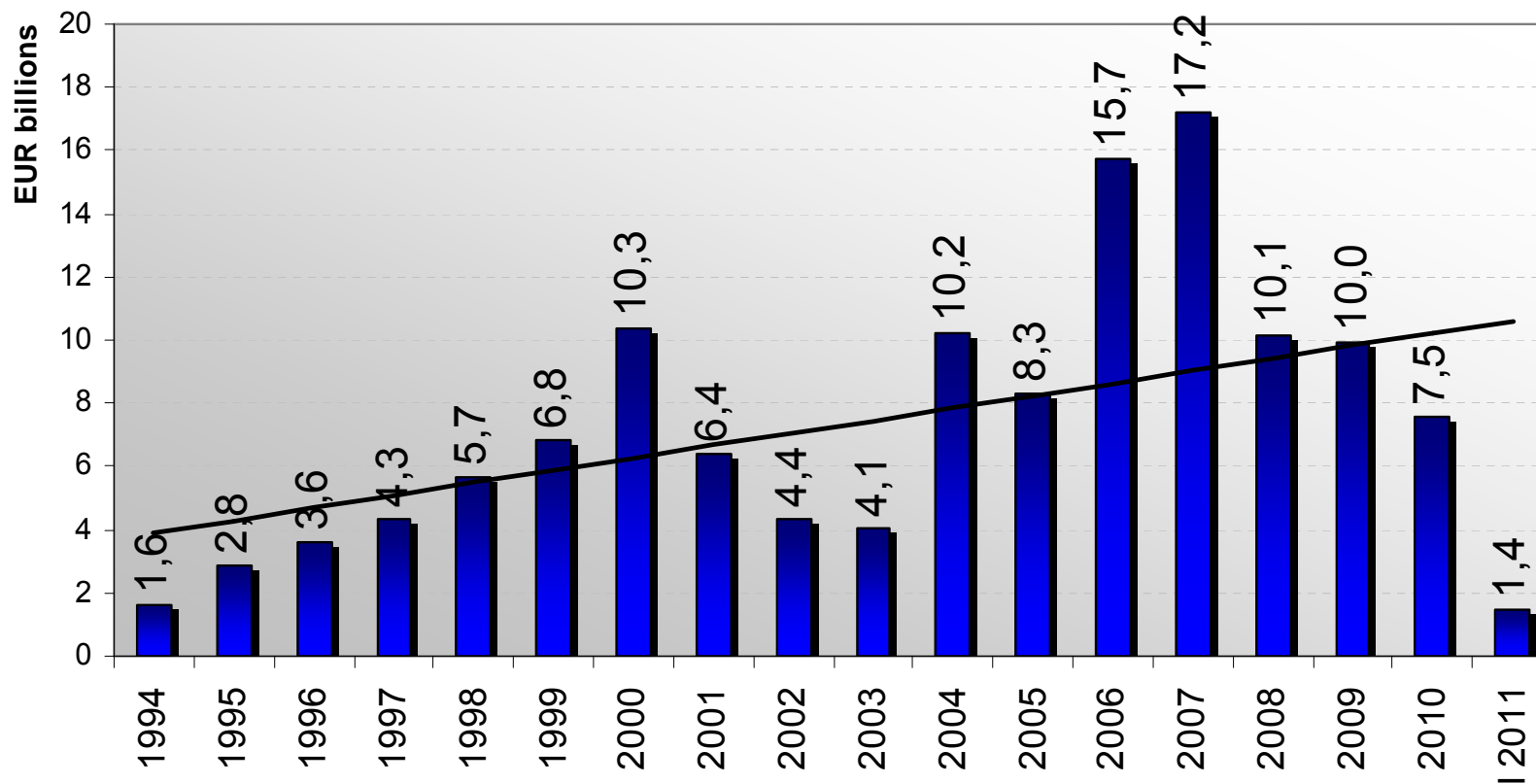
**ATKEARNEY**

## Investment attractiveness of Poland – strengths



Source: AmCham, KPMG 2010

## FDI Flow to Poland – a long term view



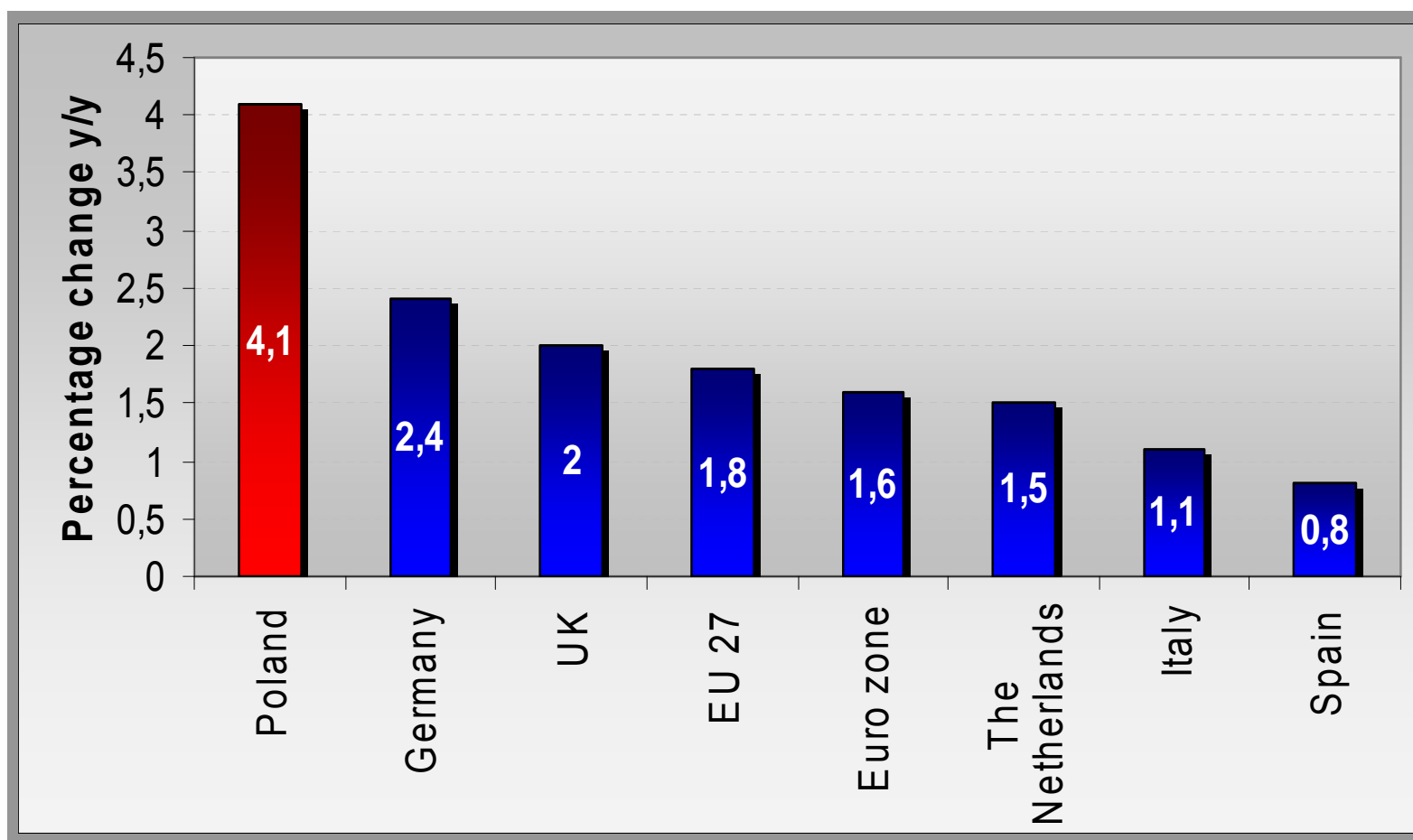
Long term **upwarding trend**.

In 2008 and 2009 FDI flow **at the same level**.

**2010: estimates** (will be changed).

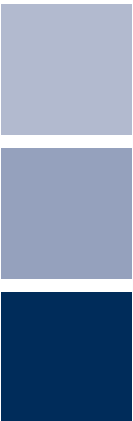


## The future seems bright - GDP forecasts for 2011 are favorable



Source: European Commission, Interim Forecast, March 2011.

## **Poland is much less affected by the crisis than neighbouring countries**

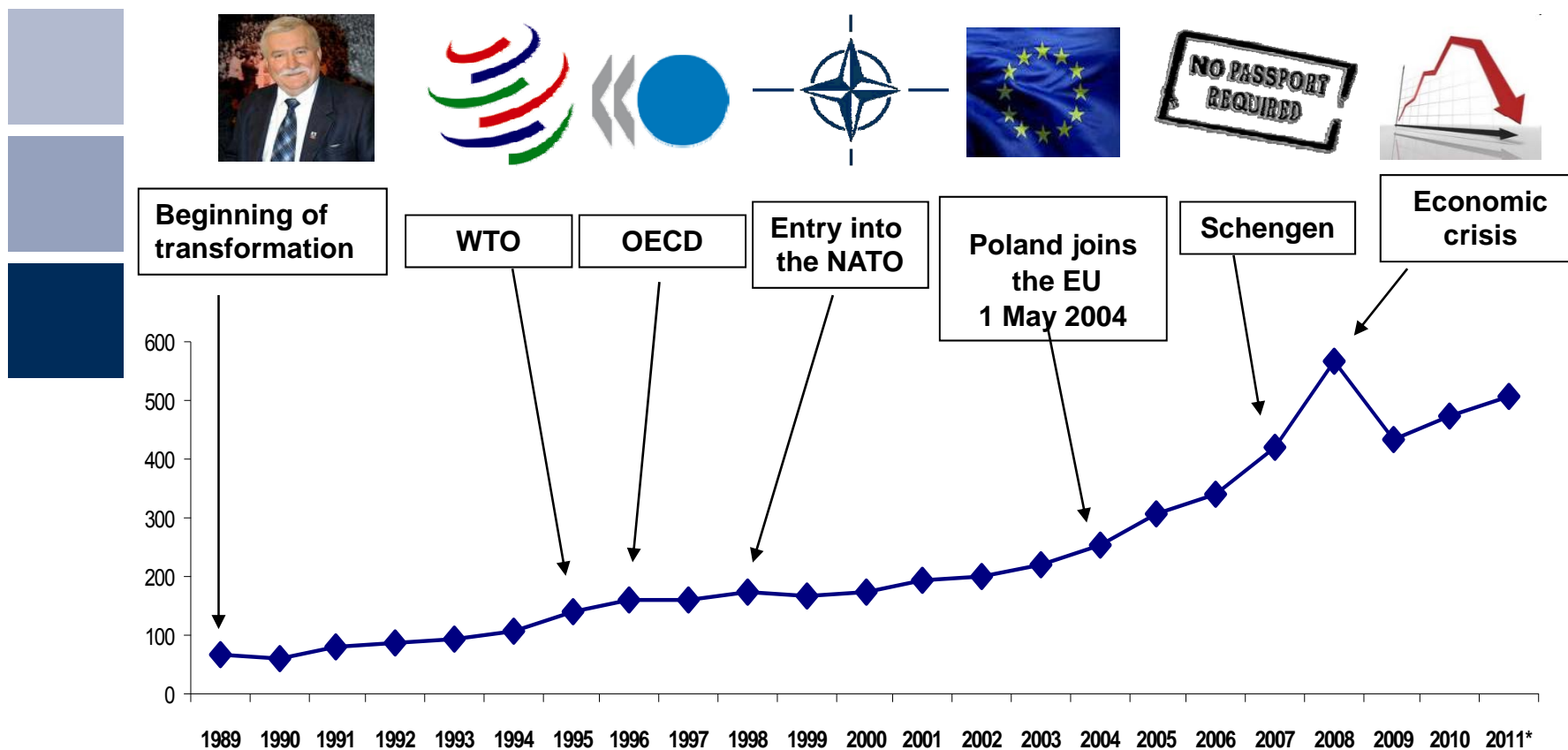
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1. Stricter banks' credit policies before crisis compared to other countries
  2. No dynamic growth of foreign debt as in other countries
  3. Financial instruments far less sophisticated as in the other countries
  4. Smaller influence of stock market on the economy than in the other countries
  5. Falling natural resources' prices
  6. Huge internal market



## Poland in the investor's perspective

- Poland offers diversity of manufactured goods ranging from agricultural products through automotive components and cars to helicopters and phased array radars.
- Wide range of **investment incentives**: Special Economic Zones, Industrial and Technology Parks, Incubators, Clusters, EU funds available within national and regional operational programmes.
  - FDI inflow to Poland:
    - in 2009 amounted to EUR 9,8 bn,
    - In 2010 amounted to EUR 7,5 bn,
- Poland's major trade partners: Germany, Russia, France, Hungary, Ukraine, Spain and China.

## Stable and fast economic growth (GDP in bln USD)



\* GDP in 2011 - International Monetary Fund estimates

Source: Ministry of Economy, International Monetary Found, World Economic Outlook Database, Central Statistical Office

## Current economic situation in Poland

Economic slowdown rather than crisis.

In 2009 Poland was the only European country with positive GDP growth.

	2009	2010
<b>GDP growth</b>	1.8%	3.8%
<b>Individual consumption</b>	2.3%	3.2%
<b>Inflation</b>	3.5%	2.6%
<b>Unemployment</b>	11.9%	12.3%
<b>Retail sales</b>	3.2%	6.1%

## Signs of economic recovery

- Rise in the number of the employed by 1.3% (up to 8.3m persons),
- Average monthly gross wages and salaries rose by 3.9% (amounted to ca CNY 6,612)
  - in private sector (3,5% rise, up to c. CNY 6,105),
- The highest growth in wages and salaries in sections: agriculture, forestry and fishing, education, water supply and waste management,
- Rise in the buying power by 1.2%,
- The high growth of retail sales (6.7%, the highest growth among other EU countries; the EU average - 0,8%)\*.

*Source: CSO, data as of 30 June 2010 in comparison to the same period of the previous year,*

*\* Eurostat data, August 2010*

- According to the European Commission Poland together with Germany would be the fastest growing economies in the EU in 2010 – both 3.4% GDP growth, while 1.8% in the UE,
- Inflation in Poland in 2010 – 2,6%, while in the EU – 1.8%,
- According to the Statebudget Bill for 2011 the estimates for main economic indicators in 2011 are as follows:
  - GDP change: 3.5%,
  - Individual consumption: 3.1%,
  - Inflation: 2.3%,
  - Unemployment rate: 9.9%.

## Reasons for good economic situation

- **Stable situation in the Polish banking sector**, among other factors:
  - the index of credits to deposits at the **safe level**, low share of credits denominated in foreign currencies in all credits;
  - **low level of households and entrepreneurs liabilities** within the banking sector (Polish entrepreneurs finance their activities and investment projects mainly with their own resources);
- **Stable financial situation of entrepreneurs.**
- **Internal demand stimulated by the EU funds**
  - ca. **EUR 86 bn** support available within EU cofinanced programs in financial perspective 2007 -2013,
  - **EUR 89 bn** – the value of granted support (all project costs) to the beneficiaries\*

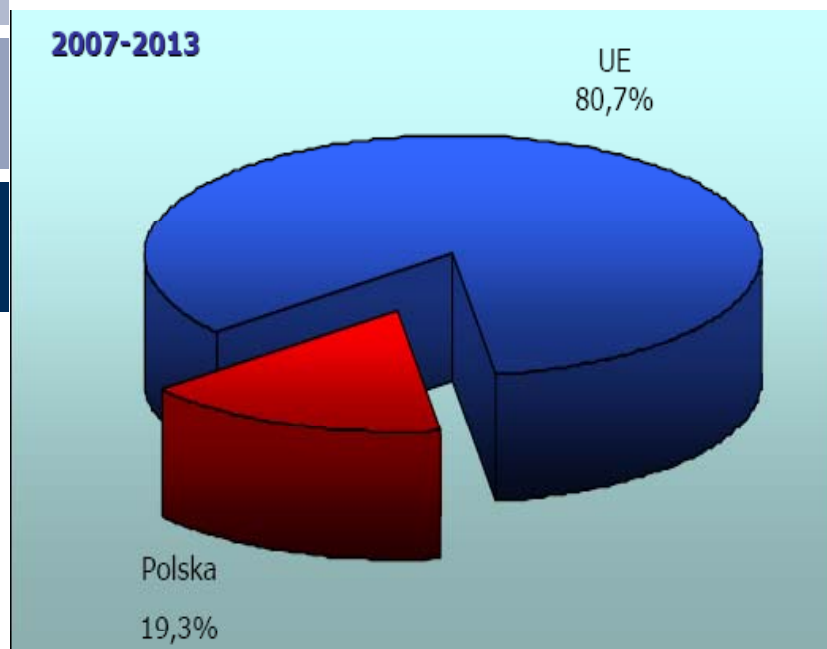
\* source: Ministry of Regional Development, data as of 3rd October 2010, the number is a cumulative value from the beginning of present financial perspective 2007-2013



## Entrepreneurship in Poland

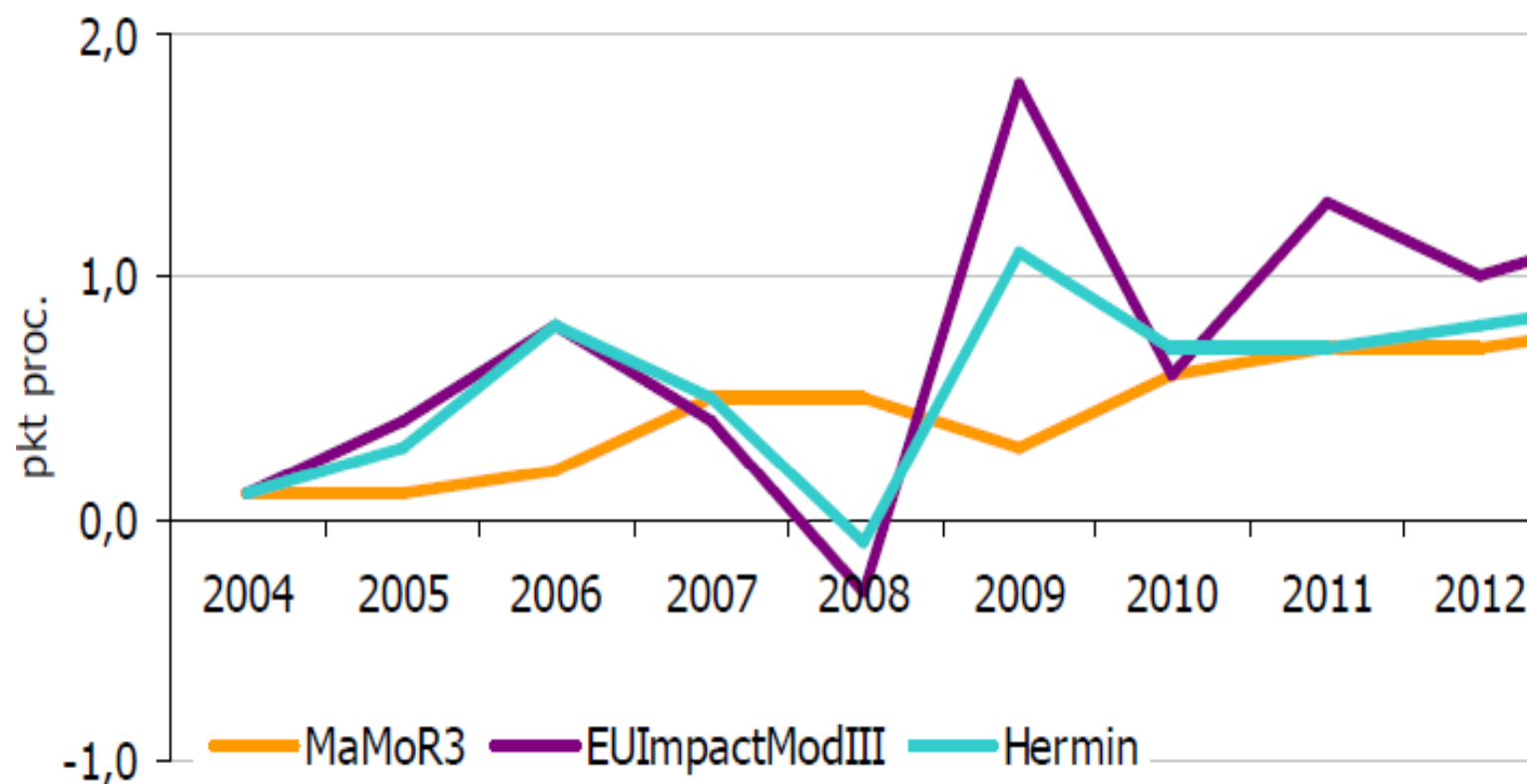
- **3.8 m registered enterprises;**
- **1.86 m active** enterprises (1.78 m – microenterprises);
- Small enterprises constitute **99%** of total number of enterprises;
- SMEs' share in Polish GDP – ca. 47%
  - **44% of GDP created by microenterprises;**
- SMEs' share in total number of workplaces created by companies – ca. 70%;
- Majority of enterprises operate in the following **sections**: trade and repairs (32% of all active enterprises), real estate, renting and business (16%), construction (12%) and industry (11%);
- The fastest growing branches: health and social work, construction as well as other community, social and personal service activities.

## EU structural funds in Poland Financial Perspective 2007 – 2013



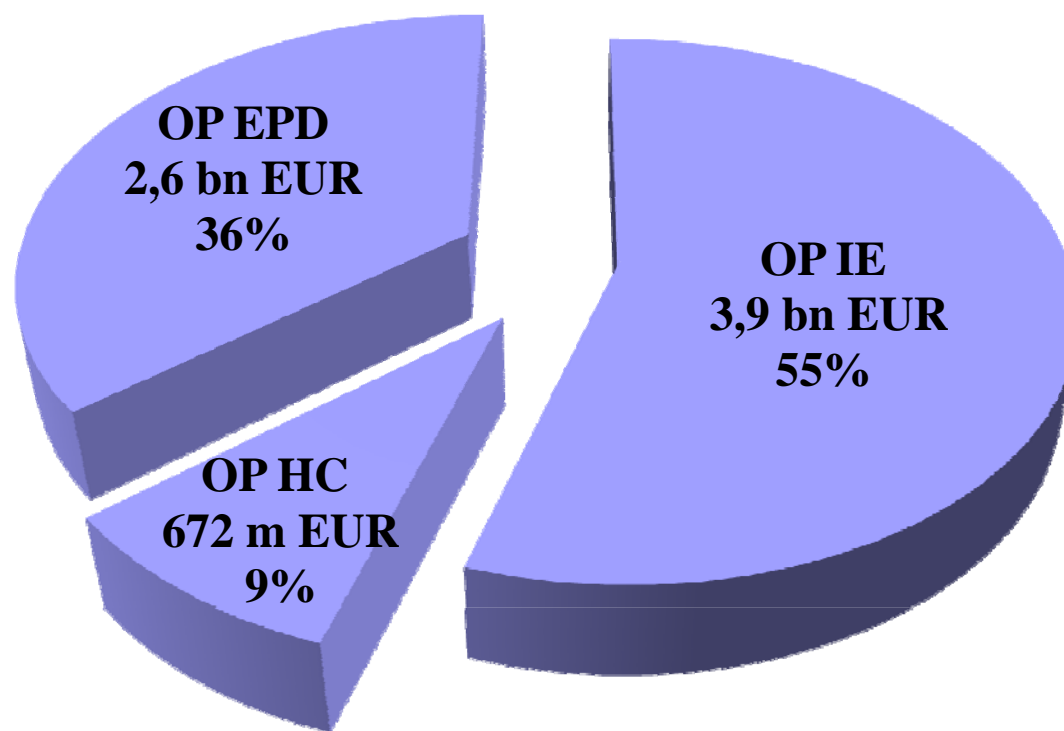
- Poland is **the biggest beneficiary of EU funds** - receives more than 19% of funds allocated for union cohesion policy in years 2007-2013.
- Total amount of funds allocated for the implementation of NSRP in years 2007-2013 amounts to **Euro 85,6 billion** (Euro 67,3 billion of allocation from the EU).
- 60% of funds** is allocated for the implementation of Lisbon strategy.

## Structural Funds influence on GBP



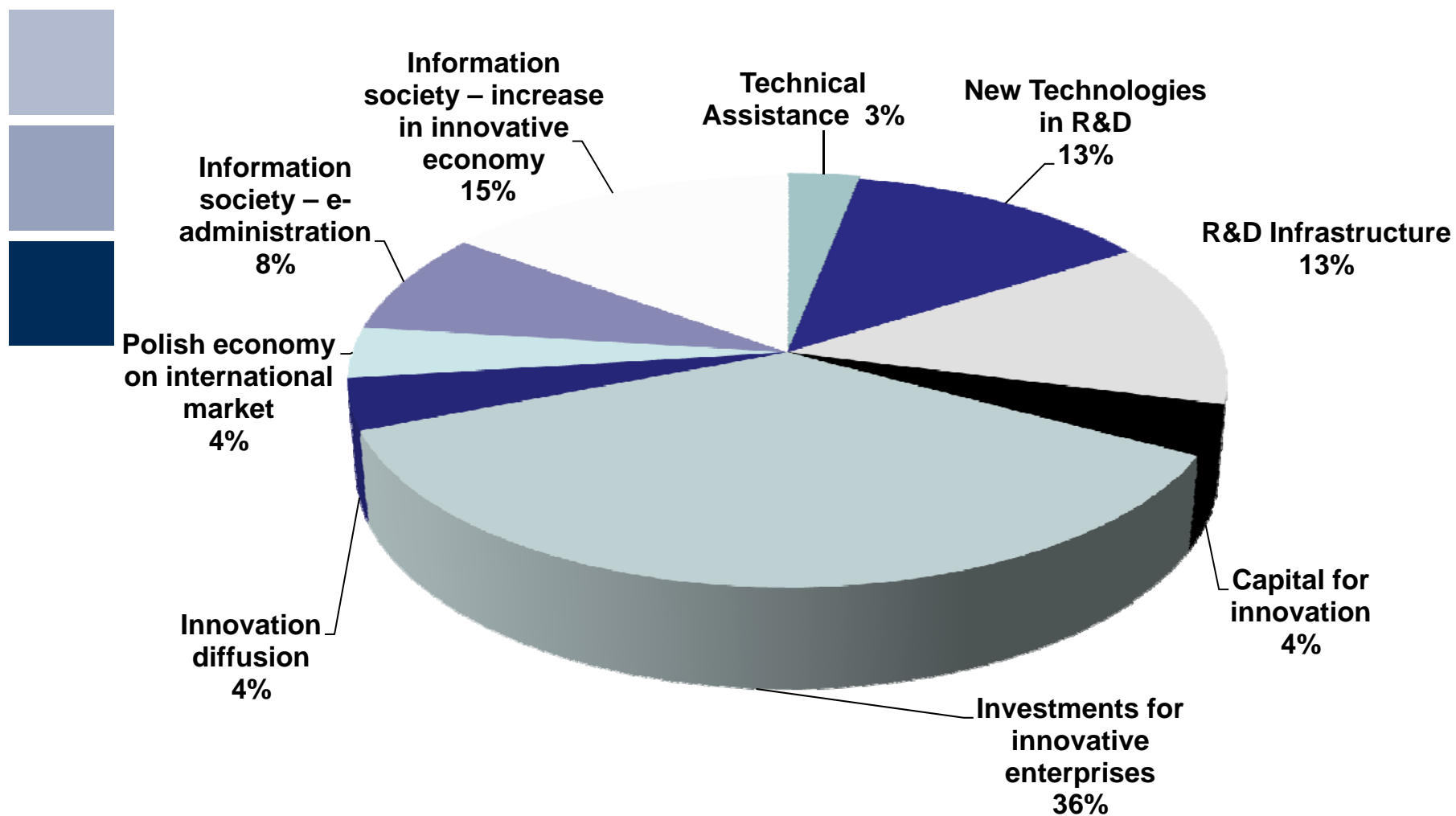
Source: Ministry of Regional Development, 2011.

## PARP in the Financial Perspective 2007-2013

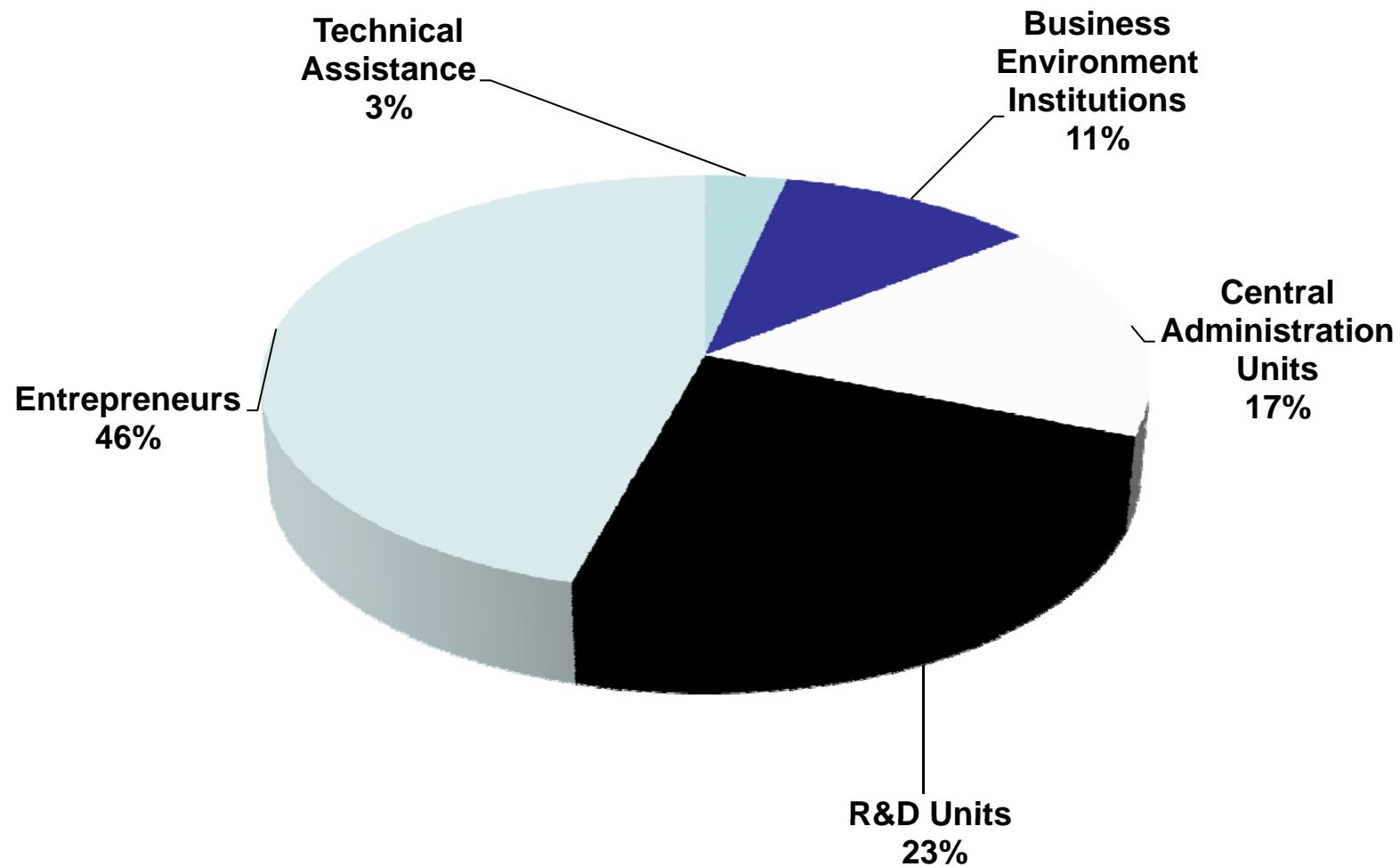


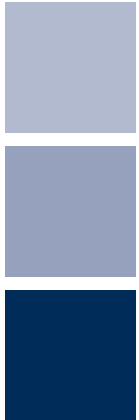
Source: Ministry of Regional Development

## OP IE Priorities



## OP IE Beneficiaries

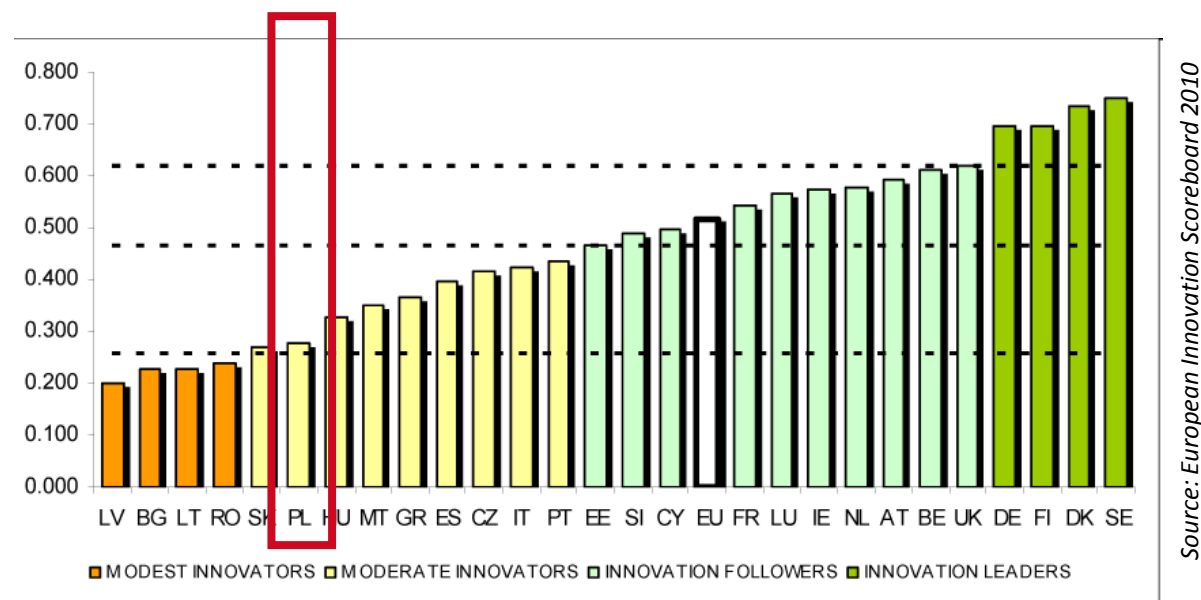




# **Entrepreneurship development and innovations**

# Innovations in Poland

Innovation performance (2010 Summary Innovation Index)



Poland is among the group of **moderate innovators**, with an innovation performance considerably below the EU27 average, but an above average rate of improvement.



## Polish Agency for Enterprise Development (PARP)

Established by the Act of 9 November 2000, **a governmental agency** subordinate to the Minister of Economy.

### The main objectives:

- enterprise development
- application of new techniques
- export development
- creation of new jobs, tackling unemployment
- human resources development
- regional development

### Structure:

- supervisory Board
- CEO, Deputy to CEO (3)
- annual budget (2010): 957.5 m EUR
- budget for 2011: 1,450 m EUR
- no of beneficiaries: 12 thous.
- 24 Units
- more than 500 employees.

PARP in the financial perspective 2007-2013 is involved in implementation of **7.2 bn EUR (8.4% of total NSRF budget) within three OPs**: OP Innovative Economy (EUR 3.9 bn), OP Human Capital (EUR 672 m) and OP Eastern Poland Development (EUR 2.6 bn).

## PARP achievements – 10 years of activity

**Over 12 thousand assistance contracts** amounting to almost PLN 8 billion,

• **Over 500 thousand employees** from over 180 thousand companies participating in the co-financed training sessions and postgraduate studies,

• **Over 1 million** people took advantage of information offer of the National SME Services Network, encompassing over 200 organisations,

• **Over PLN 828 million capitalisation** for regional and local loan and guarantee funds,

• **25 projects awarded and 51 projects honoured** in 12 editions of the Polish Product of the Future competition,

• **400 thousand people** visited the Polish Pavilion during Expo 2008 in Zaragoza,

• **Over 8 million people** visited the Polish Pavilion during Expo 2010 in Shanghai,

• **145 publications** amounting to over half a million copies.

- **Support for innovative activities and implementation and commercialisation of scientific research results**
- **Support for innovative infrastructure development**



#### Enterprises:

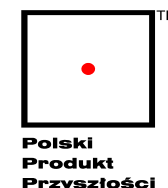
- **grants** for innovative investment projects;
- **grants** for the development of R&D activity of enterprises;
- **SMEs support** for industrial property protection;
- **support** in the area of industrial design;
- **e-economy development** (B2B, B2C projects);
- **development of SMEs** foreign markets expansion
- **innovation voucher.**

#### Business support institutions:

- **support for clusters** and technology parks;
- **support for business** support institutions active in the area of innovation;
- development of **business support institutions networks** providing pro-innovative services;
- support for the **alternative forms of external financing** of the SMEs development (investments funds, bussiness angels).

## Pro-innovative attitudes support

- **Polish Product of the Future Contest** - addressed to innovative entrepreneurs, R&D units, science institutes, experimental institutes, also individual inventors from EU countries;
- **PARP Academy** – educational portal offering free of charge e-learning courses, counselling, tutors;
- **Innovative Enterprises Club** – discussion forum for entrepreneurs;
- **E-commerce Contact Point** – advice support on EU regulations for service providers and customers;
- **Innovation Portal** – [www.pi.gov.pl](http://www.pi.gov.pl);
- **E-business support** – [www.web.gov.pl](http://www.web.gov.pl).



## Innovative on international market

- PARP pays great attention to increasing the innovativeness and competitiveness of Polish economy through

- supporting country's **high-tech companies** on international markets (brokerage events, trade missions, study visits, exchange of cooperation profiles etc.),
- facilitating **technology transfer**,
- promoting cooperation within international **R&D projects**.

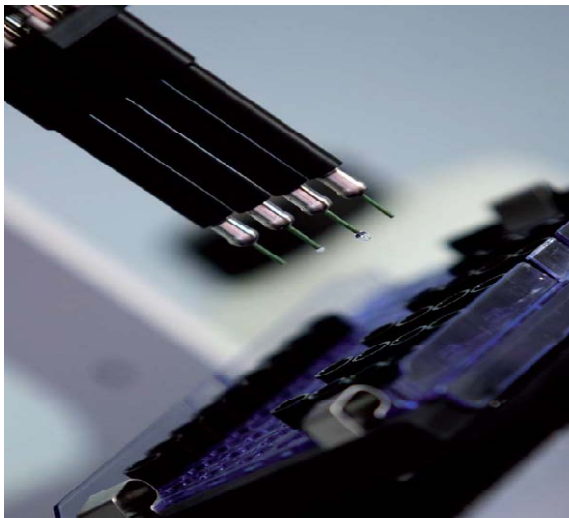
## Support offered within OP Innovative Economy (Selected measures)

Measure	Programme's description	Budget	Deadline for applications submission
Measure 1.4	Support for goal-oriented projects – aiming at the increase of innovativeness of enterprises	EUR 390,3 m	08.04.2011 30.09.2011
Measure 8.1	Support for economic activity as regards electronic economy, aiming at the development of electronic services	EUR 390.6 m	03.06.2011
Measure 8.2	Support for implementation of electronic business - B2B, stimulating the emergence of joint business ventures conducted electronically between companies through the implementation of modern information technologies	EUR 460.8 m	29.04.2011 28.10.2011

## Innovative Economy OP – examples of projects

### Dynaxo company:

- Production of gas ceramic cooktop
- Dynamic Digital Signage - a technology using a remote controlled network of monitors for data transmission, adapted to the recipients of multimedia content



### Centrum Badan DNA

- Innovative genetics
- Test detectors of genetic predispositions towards large intestine cancer and prostate gland cancer



## Innovative Economy OP – examples of projects

### Szwedo Group company:

- Offers unique and peculiar technology with three needles applying, which are working simultaneously and alternately
- Innovative structure of engine drive providing unique working speed of the device (420 strokes per second), uniformity of pricks frequency and precision of needles penetration to skin with different thickness.



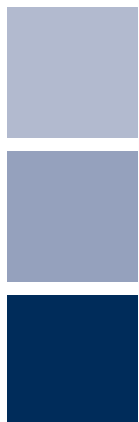
### GaMP company:

- Creation of innovative, reliable solutions in the Business Intelligence (BI) class, Business to Business (B2B), Customer Relationship Management (CRM) and Material Requirements Planning (MRP II)
- Comprehensive services of tele-informatics outsourcing: Network Outsourcing, Disaster Recovery Outsourcing, Application Outsourcing and Desktop Outsourcing.





## PARP beneficiaries



**Thank you for your attention**

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