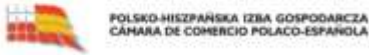




Poland as assessed by foreign investors

Forecasts and market attractiveness factors





Press conference 12.04.2023

Poland as assessed by foreign investors

Forecasts and market attractiveness factors



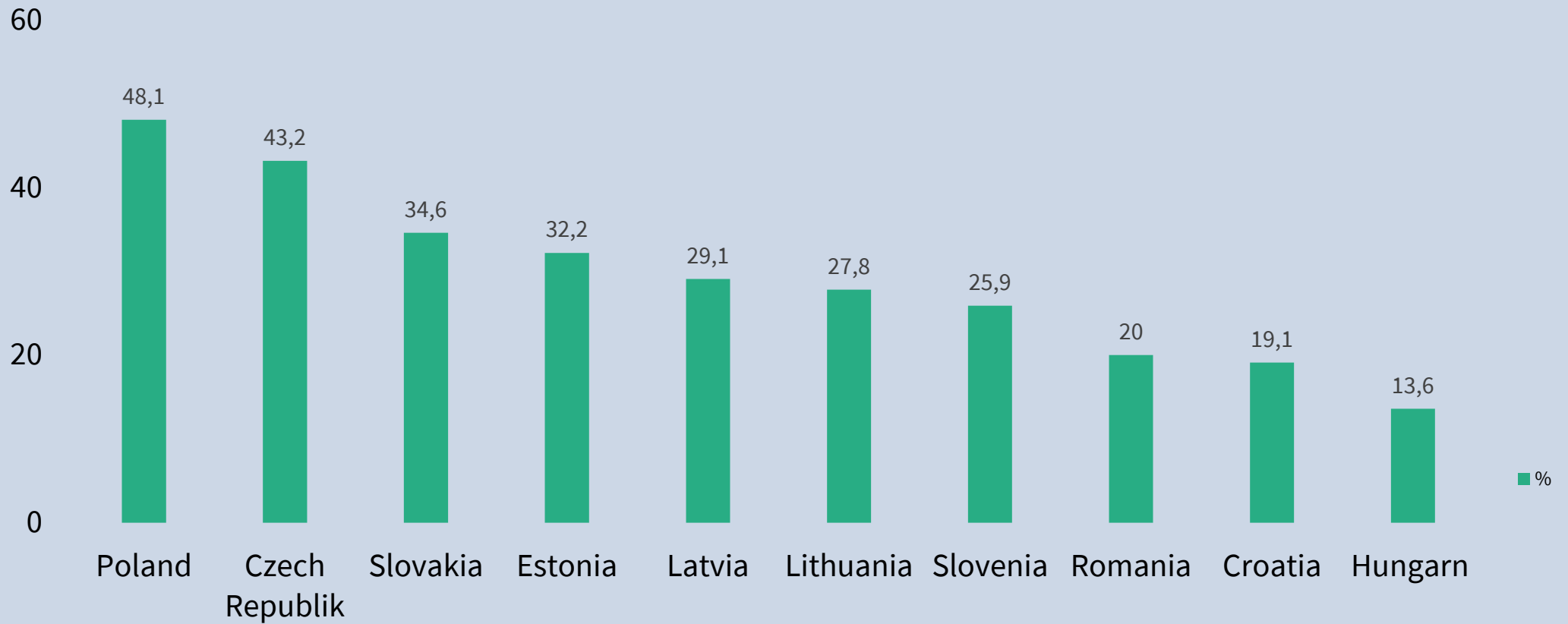


Highlights

Economy and companies



Investment attractiveness



Investment attractiveness – Top 10 countries

	2023	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Poland	1	3	2	3	2	2	2	1	1	1	2
Czech Republic	2	2	3	2	1	1	1	2	2	2	1
Slovakia	3	5	4	4	4	3	3	4	4	4	3
Estonia	4	1	1	1	3	4	4	3	3	3	4
Latvia	5	6	6	6	6	6	6	6	6	7	8
Lithuania	6	7	7	7	7	8	7	7	7	8	9
Slovenia	7	4	5	5	5	5	5	5	5	5	5
Romania	8	9	10	10	9	10	10	10	11	11	10
Croatia	9	8	8	8	8	7	8	8	8	6	6
Hungary	10	10	9	9	10	9	9	9	9	10	13



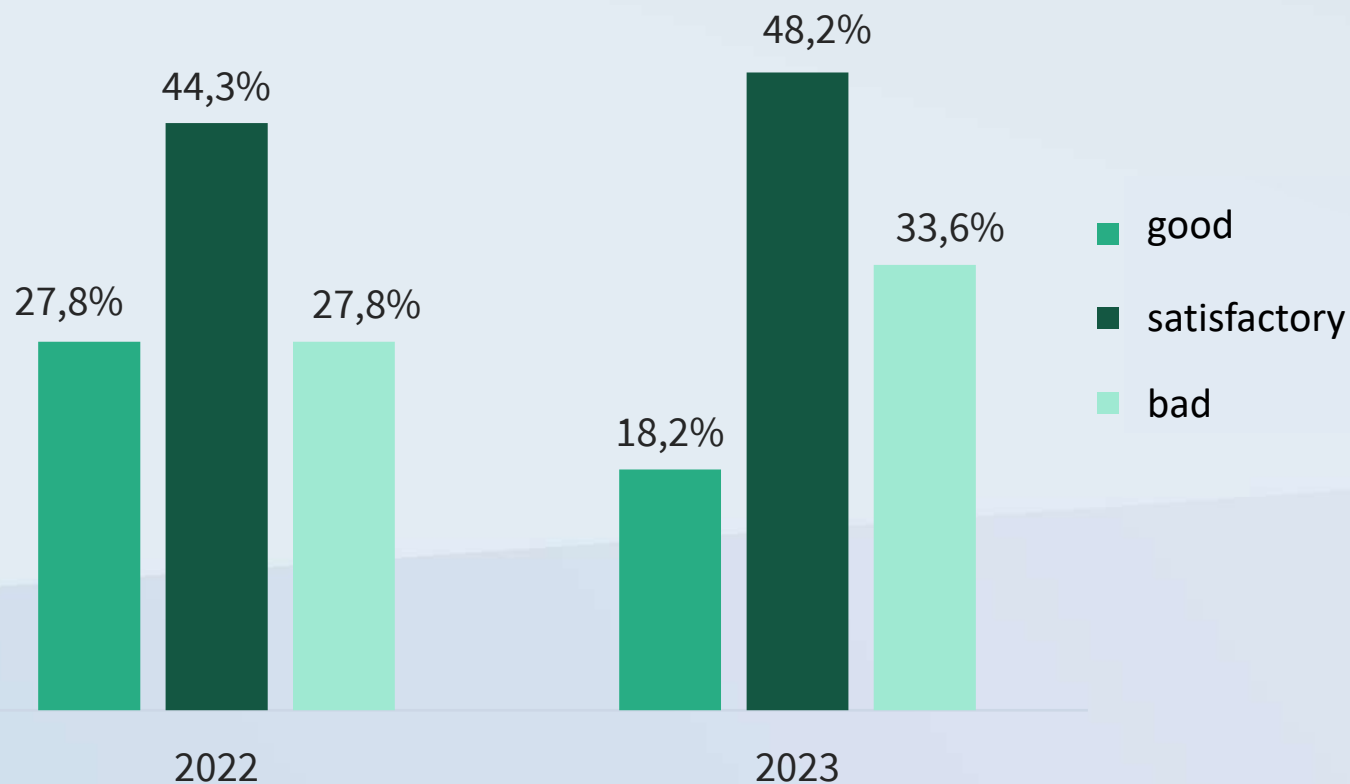


Forecast

Economy and companies

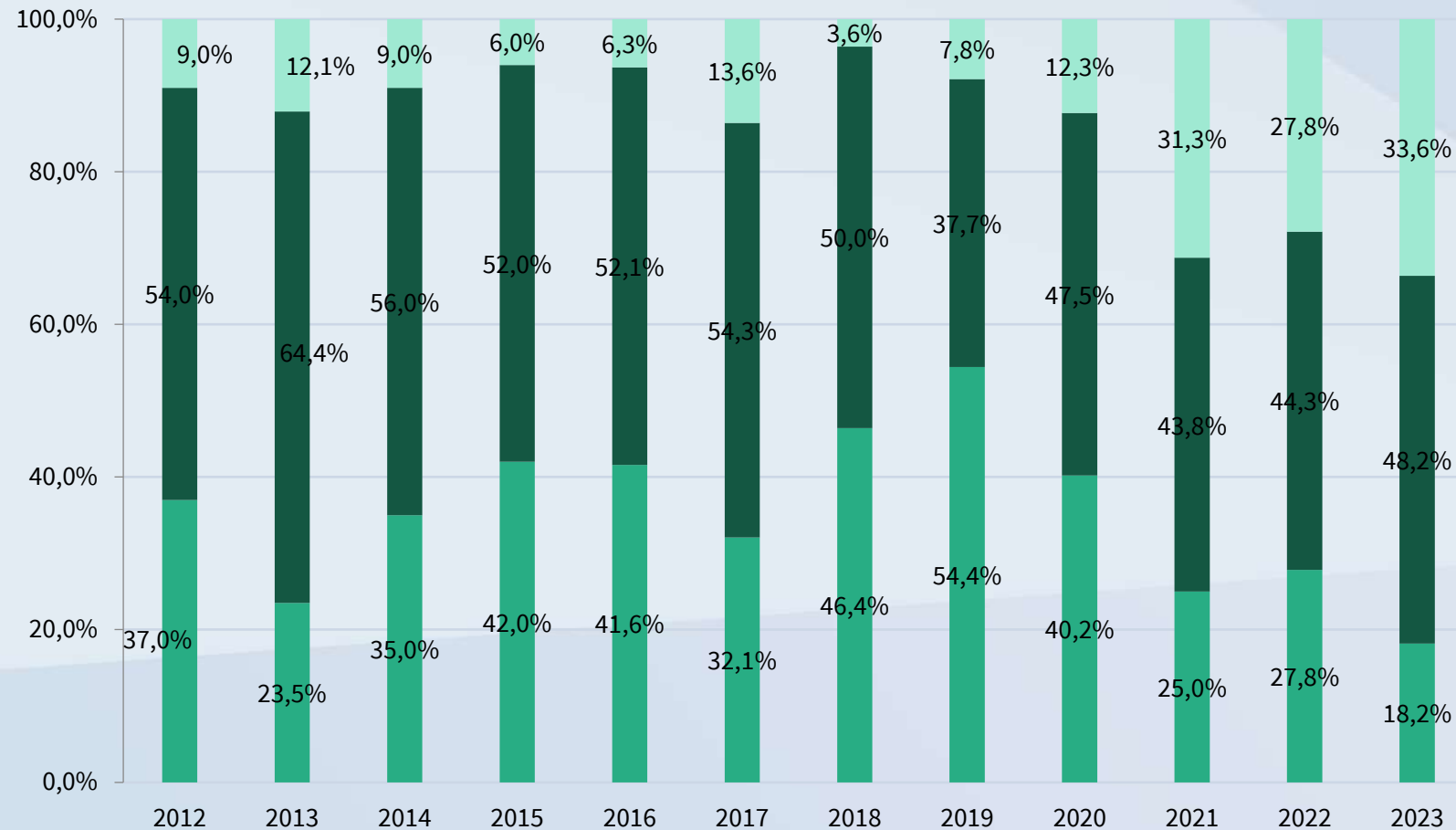


CONDITION OF THE POLISH ECONOMY



After 2022 a significant increase in indications defining the economic condition as bad was observed. In 2022 it amounted to 27.8%, while in 2023 – 33.6%, there was also an increase in the percentage of responses defining the economic condition as satisfactory – an increase by 3.9 p.p.

CONDITION OF THE POLISH ECONOMY



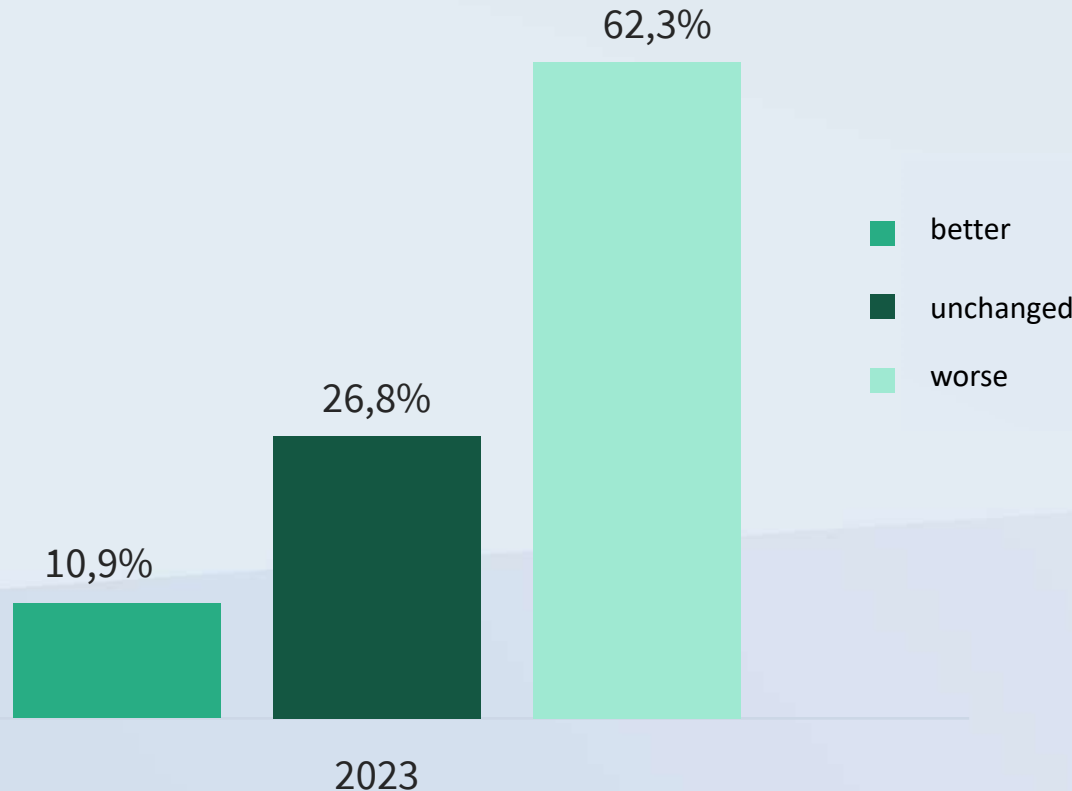
The economic condition of Poland in 2023 was evaluated as the worst since 2012.

- badly
- satisfactory
- well



CONDITION OF THE POLISH ECONOMY

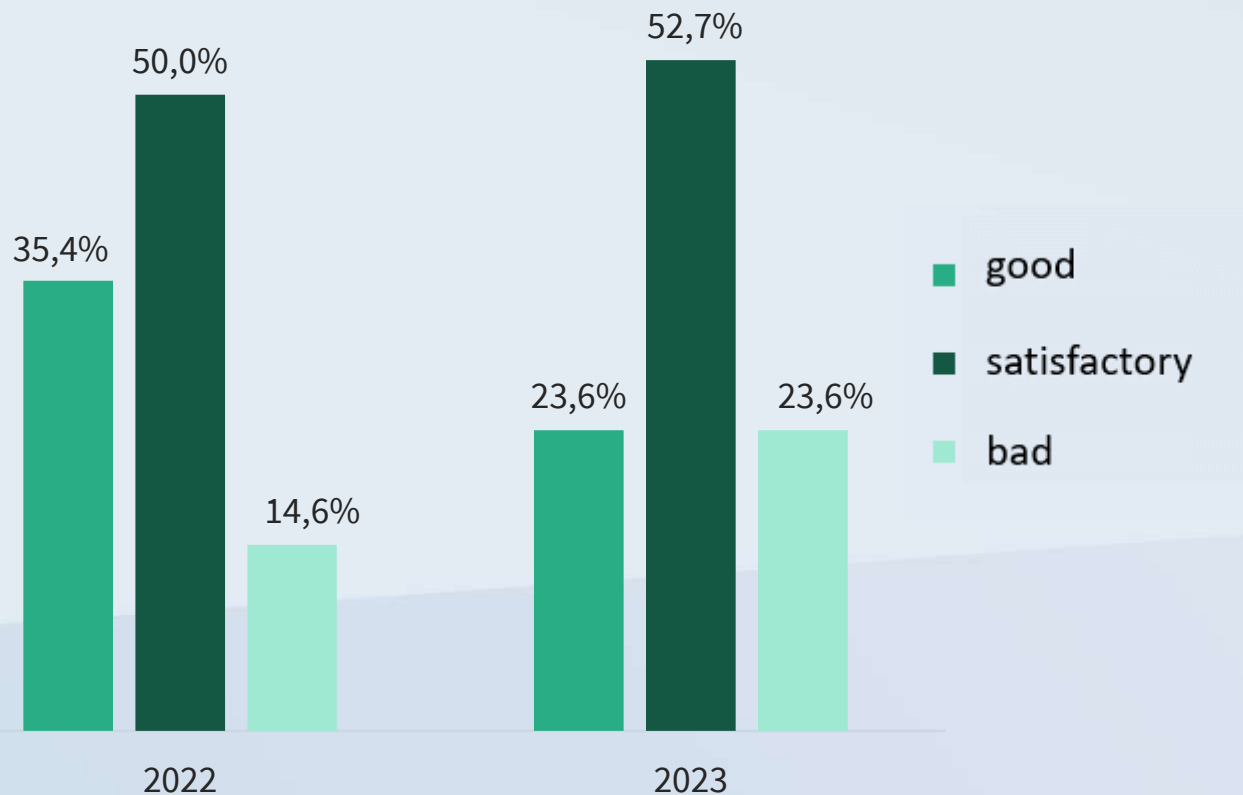
as compared to the previous year



The previously discussed status quo is also confirmed by opinions of the 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 is worse than in the previous year – as many as 62.3% responses. More than one in four respondents defined the economic condition as unchanged. One in 11 concluded that the economic condition is better.



THE ECONOMIC CONDITION OF INDUSTRY

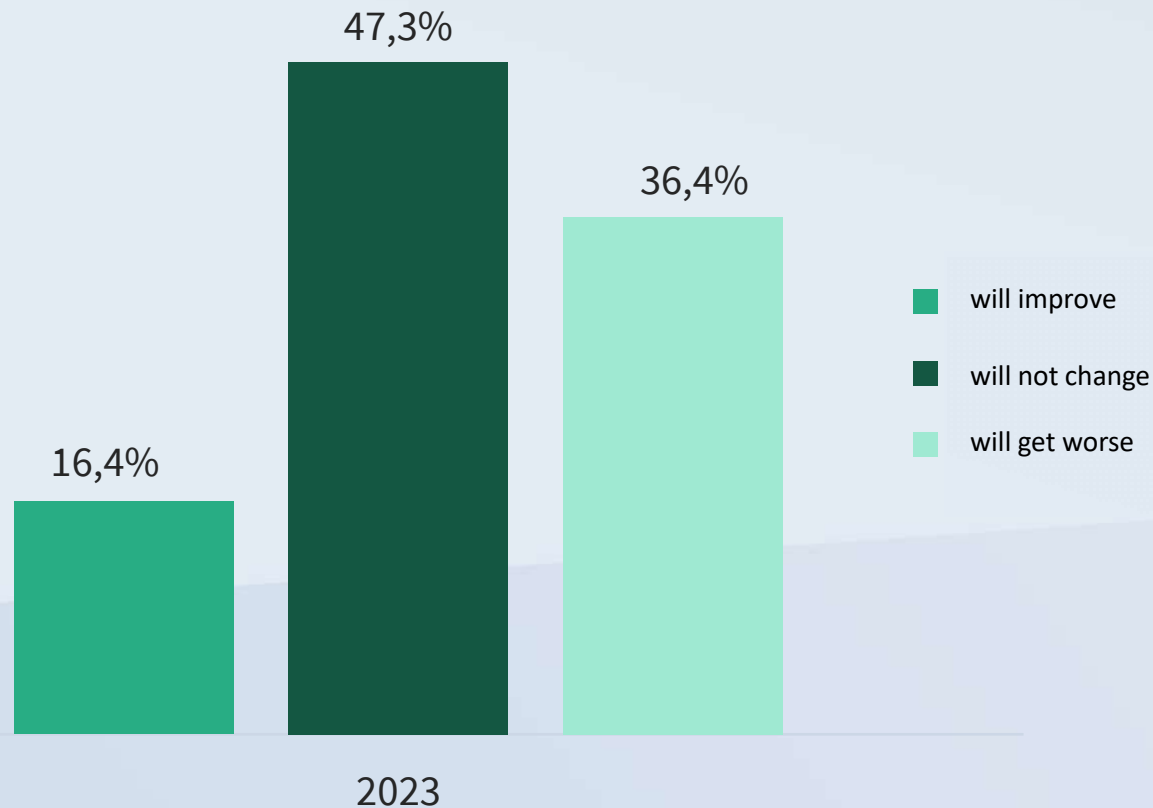


In 2023, respondents were more likely to describe the economic situation of their industry as satisfactory – an increase by 2.7 p.p., while the proportion of indications describing the situation as good decreased significantly – by 11.8 p.p. There was also a significant increase in the percentage of the respondents describing the situation of their industry as bad – an increase by 9.0 p.p.



THE ECONOMIC CONDITION OF INDUSTRY

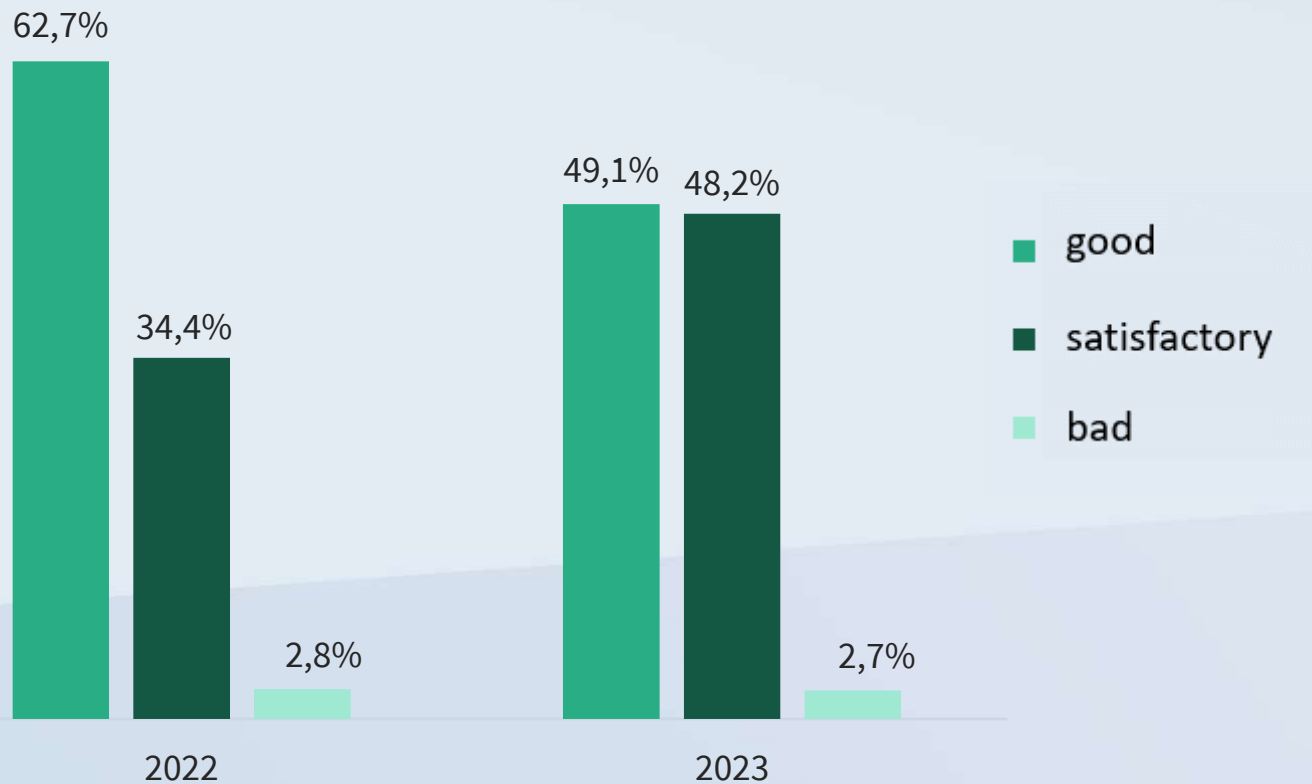
as compared with the previous year



Almost half of the respondents said that the situation of their industry in the current year will not change compared to the previous year.

On the other hand, more than one in three expect the situation in the industry to deteriorate – 36.4%.

THE COMPANY'S BUSINESS CONDITION

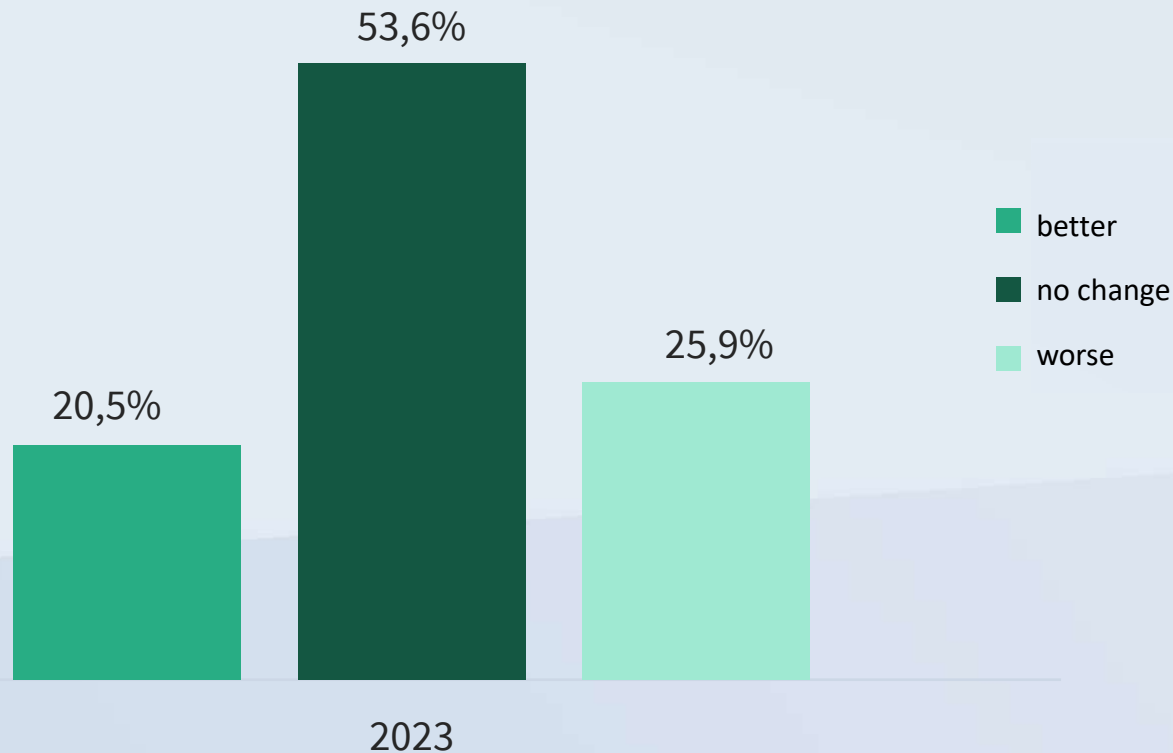


Respondents were significantly less likely than in 2022 to describe their company's business condition as good – a decrease by 13.6 p.p., but more likely to describe it as satisfactory – an increase by 13.8 p.p.



THE COMPANY'S BUSINESS CONDITION

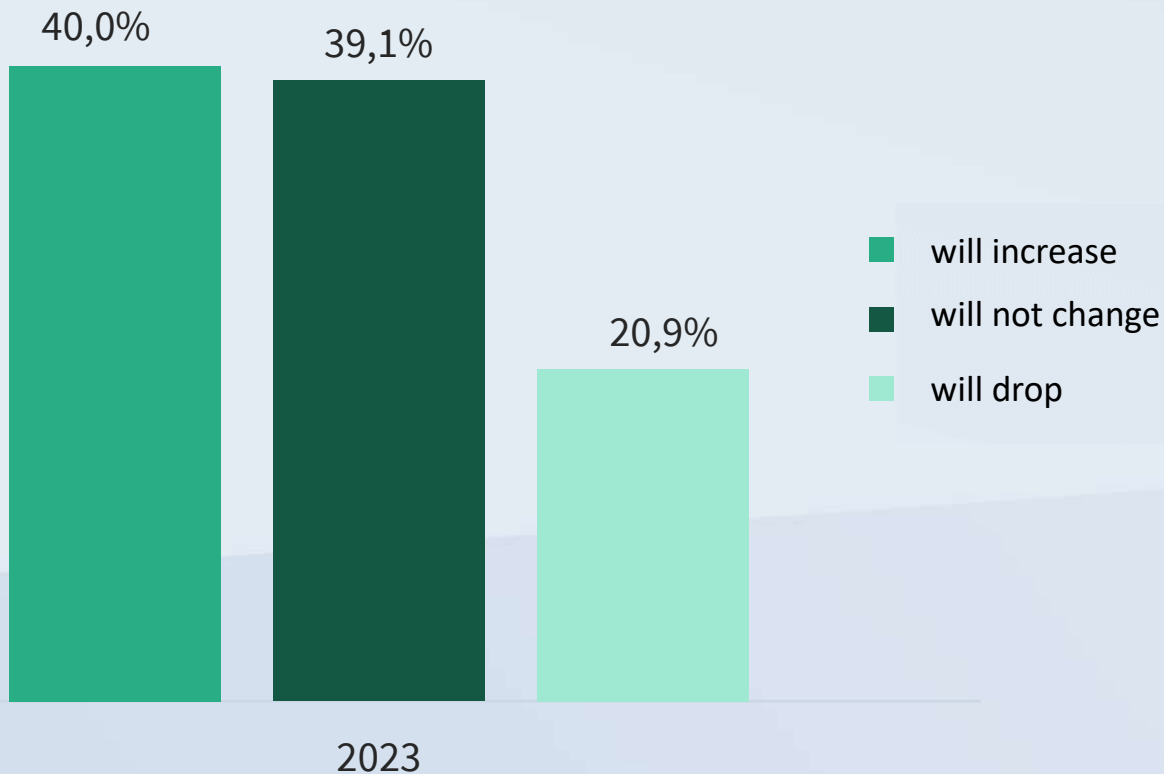
as compared to the previous year



More than half of the respondents considered the company's business condition to be unchanged from the previous year – 53.6% of indications.

COMPANY TURNOVER

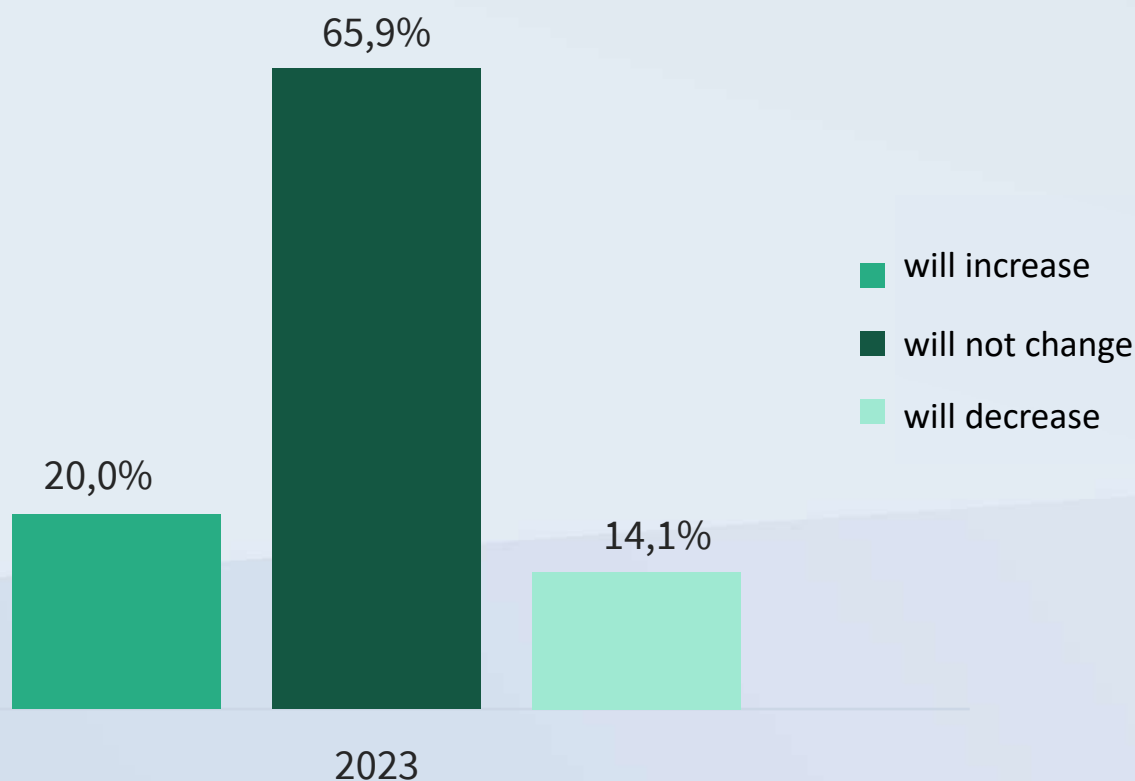
as compared to the previous year



2/5 of the respondents anticipate that, compared to the previous year, the turnover in the company will increase – 40.0% of indications. On the other hand, 39.1% of the respondents expect the level of turnover to remain at a similar level.

EXPORT EARNINGS IN THE COMPANY

as compared to the previous year

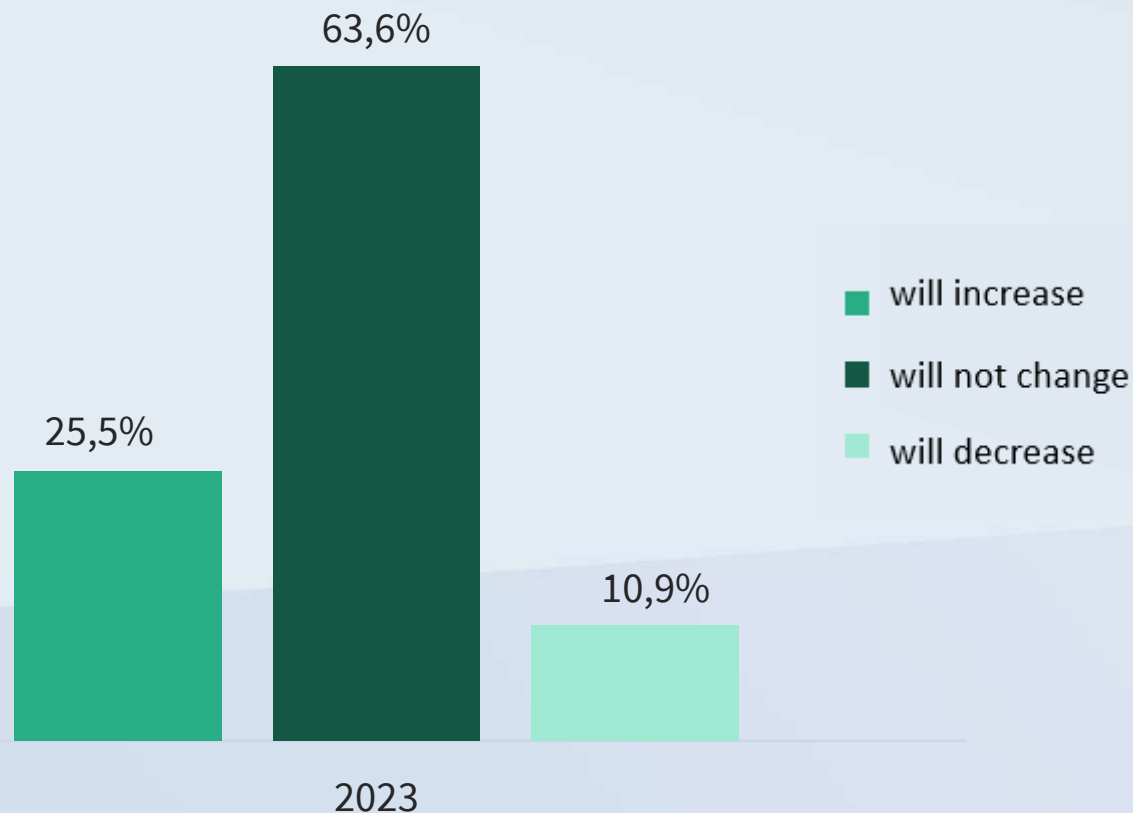


2/3 of the respondents admitted that they expected their company's export earnings to be at the same level as last year. An increase in these earnings is anticipated by every fifth respondent.



EMPLOYEE NUMBER

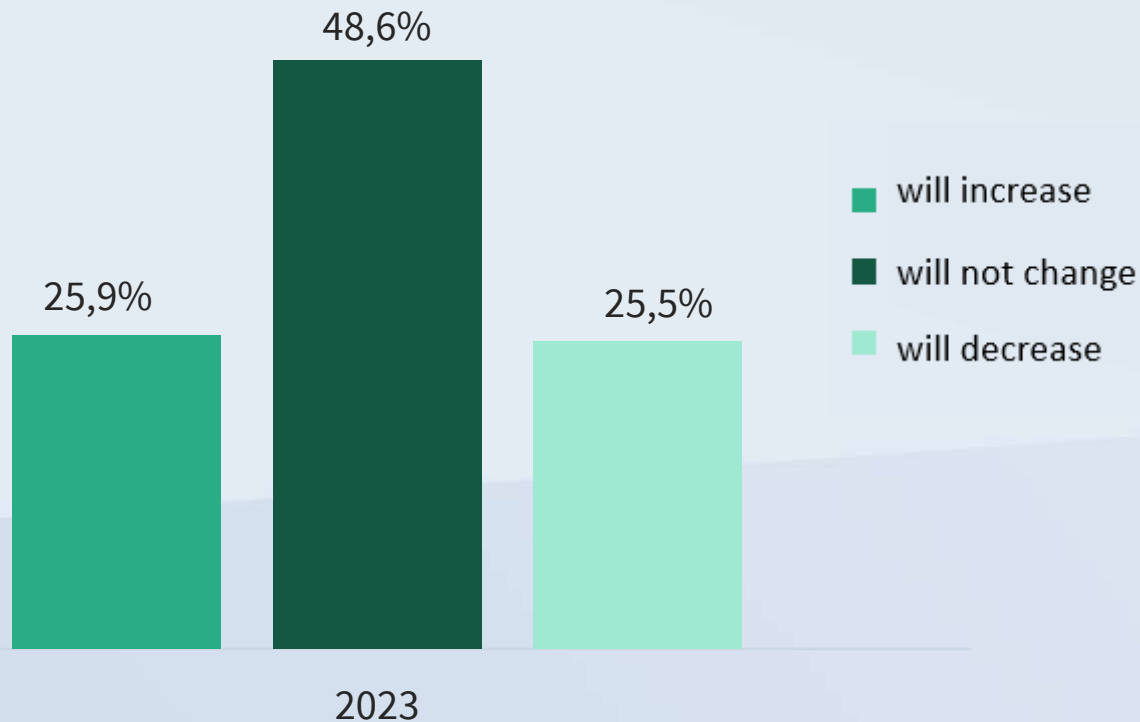
as compared to the previous year



Almost 2/3 of the respondents said that the number of employees will not change as compared to the previous year's level. In turn, more than 1/4 of the companies surveyed expect an increase in the number of employees – 25.5%. In every ninth company taking part in the survey, the number of employees is likely to decrease – 10.9%.

CAPITAL EXPENDITURE

as compared to the previous year



In almost half of the companies, capital expenditures are forecast to remain at the same level, while in more than 1/4 – to increase. Investment expenditures will decrease in one in four companies surveyed.



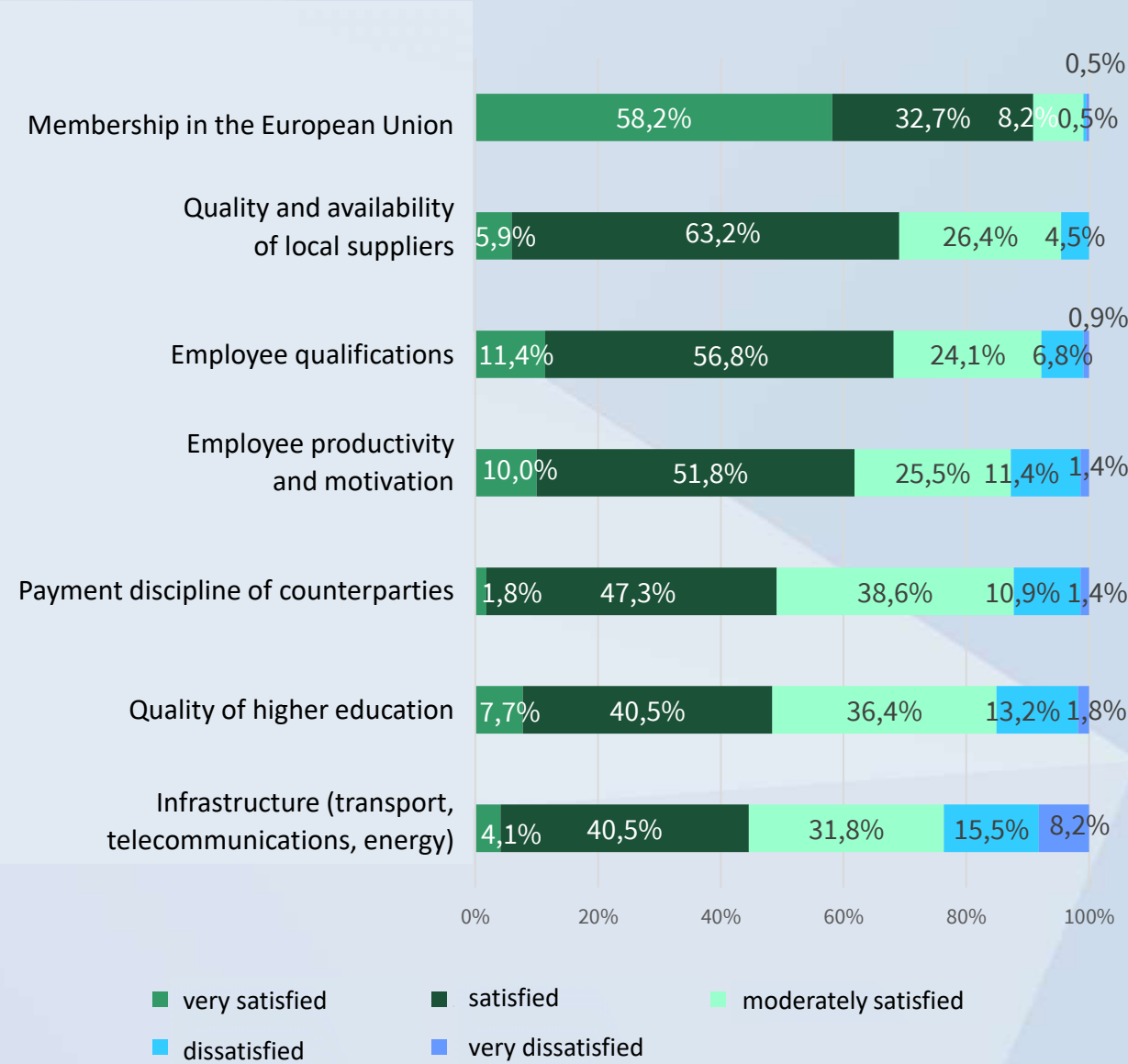
Attractiveness of Poland

Market attractiveness factors



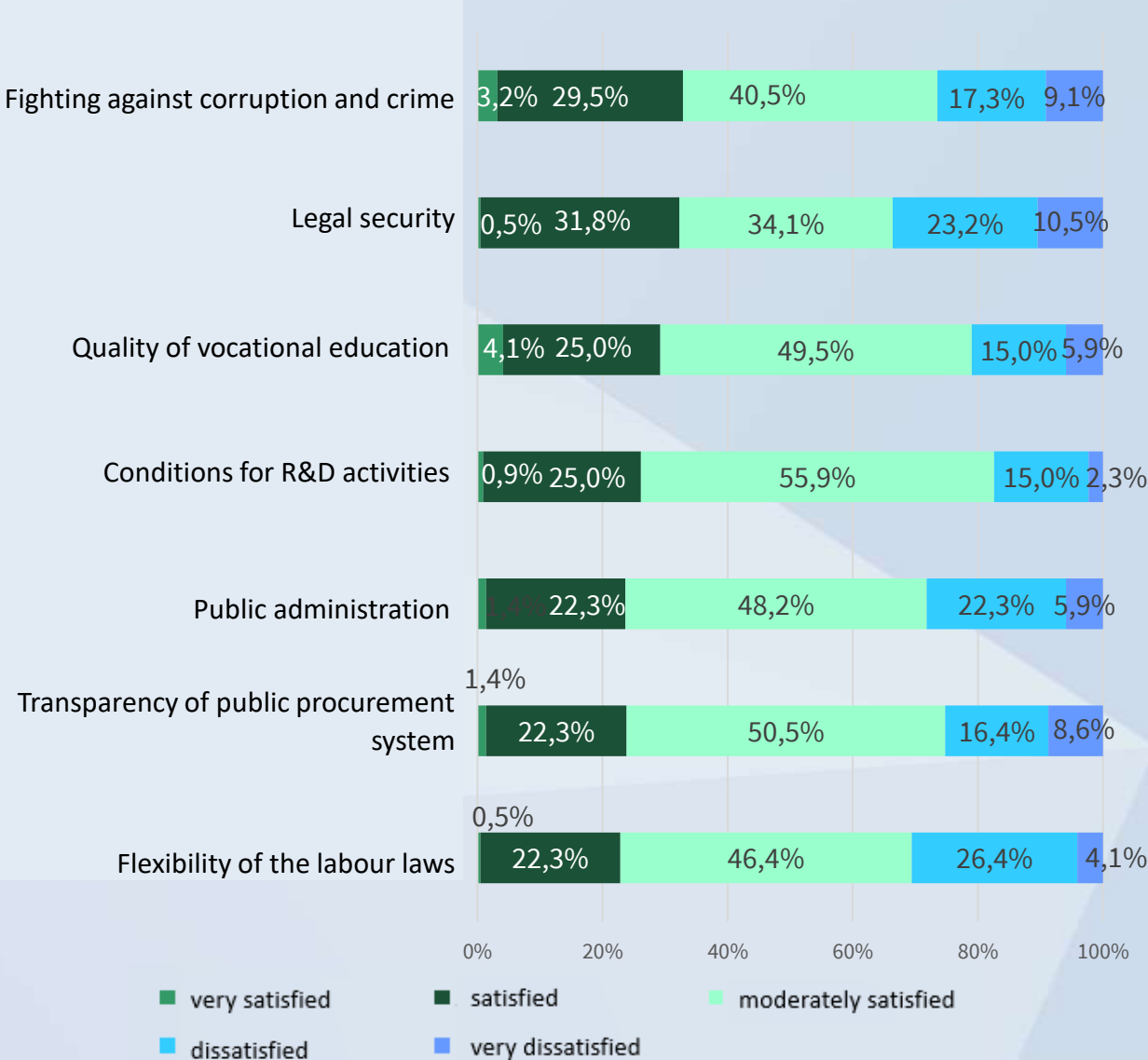
Factors influencing the attractiveness of doing business

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 when it came to membership in the European Union. A total of 99% of positive evaluations were recorded. The second best were quality and availability of local suppliers, and the third – qualifications of staff.



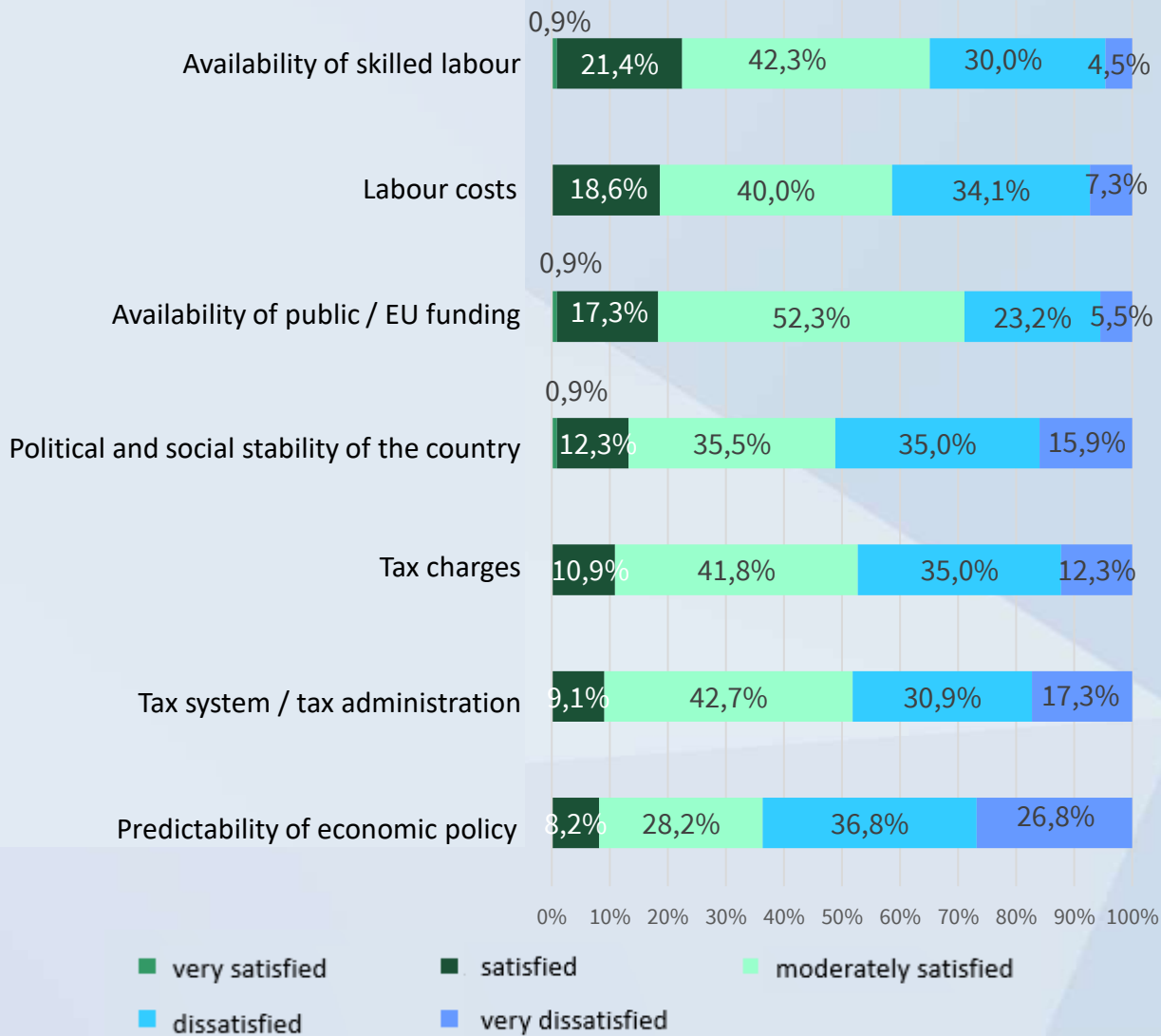
Factors influencing the attractiveness of doing business

According to the respondents, fighting against corruption and crime, legal security, quality of vocational training and other factors shown in the chart ranked worse.

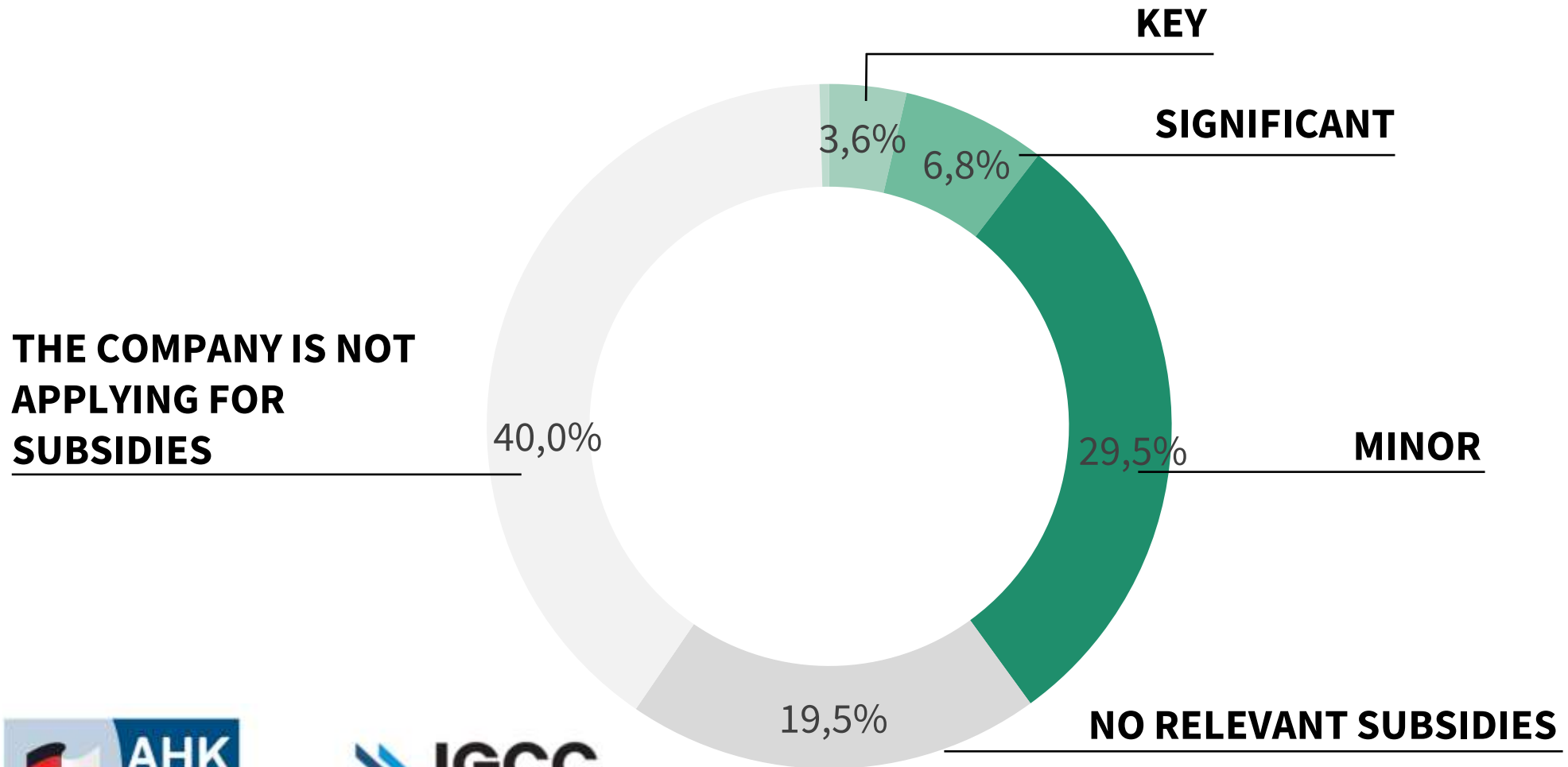


Factors influencing the attractiveness of doing business

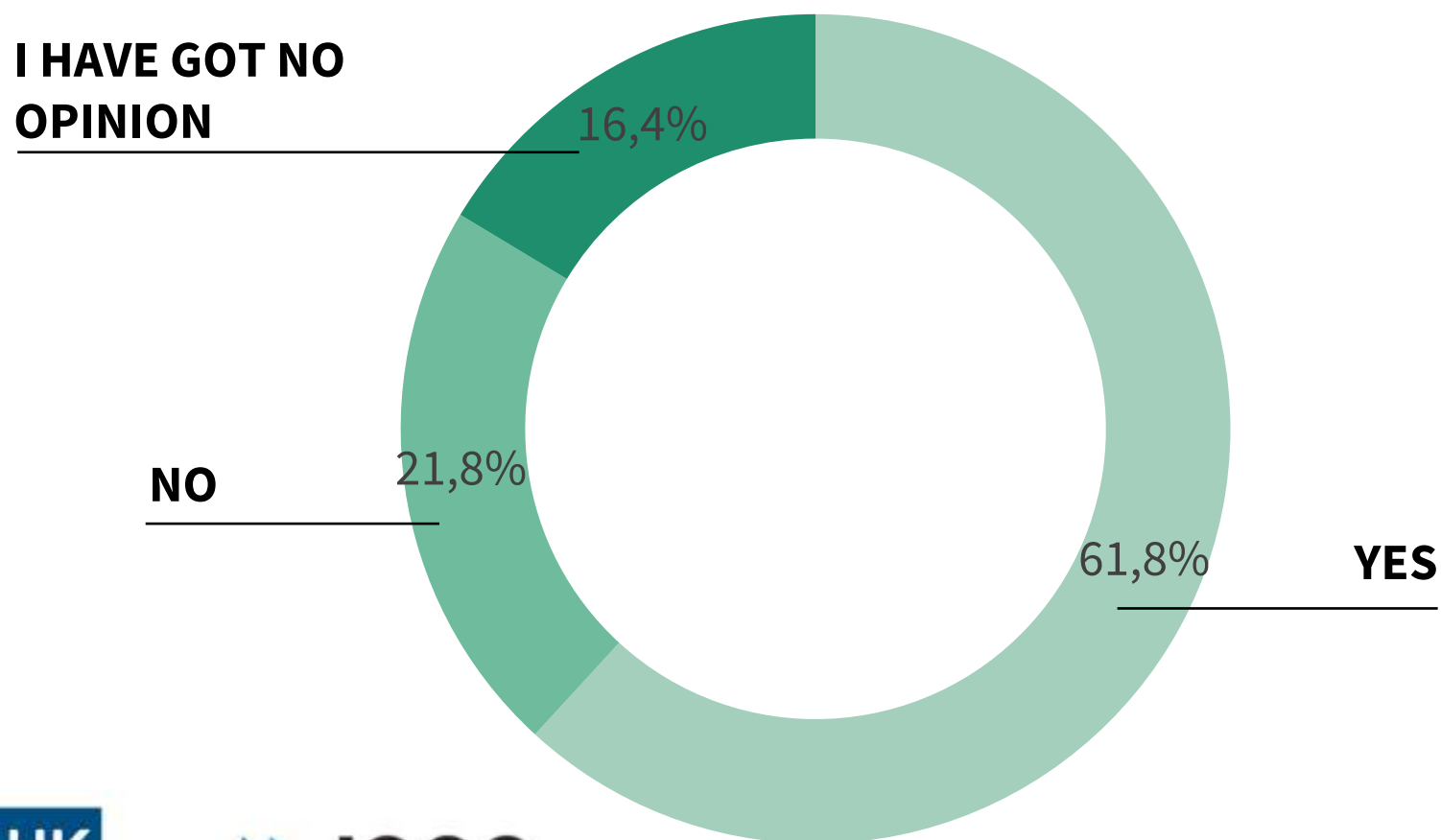
Respondents rated the predictability of economic policy the lowest with 63.6% of negative statements, and the tax system/tax administration with 48.2%. There was also a significant proportion of negative ratings for the tax burden and the political and social stability of the country. Details are shown in the graph.



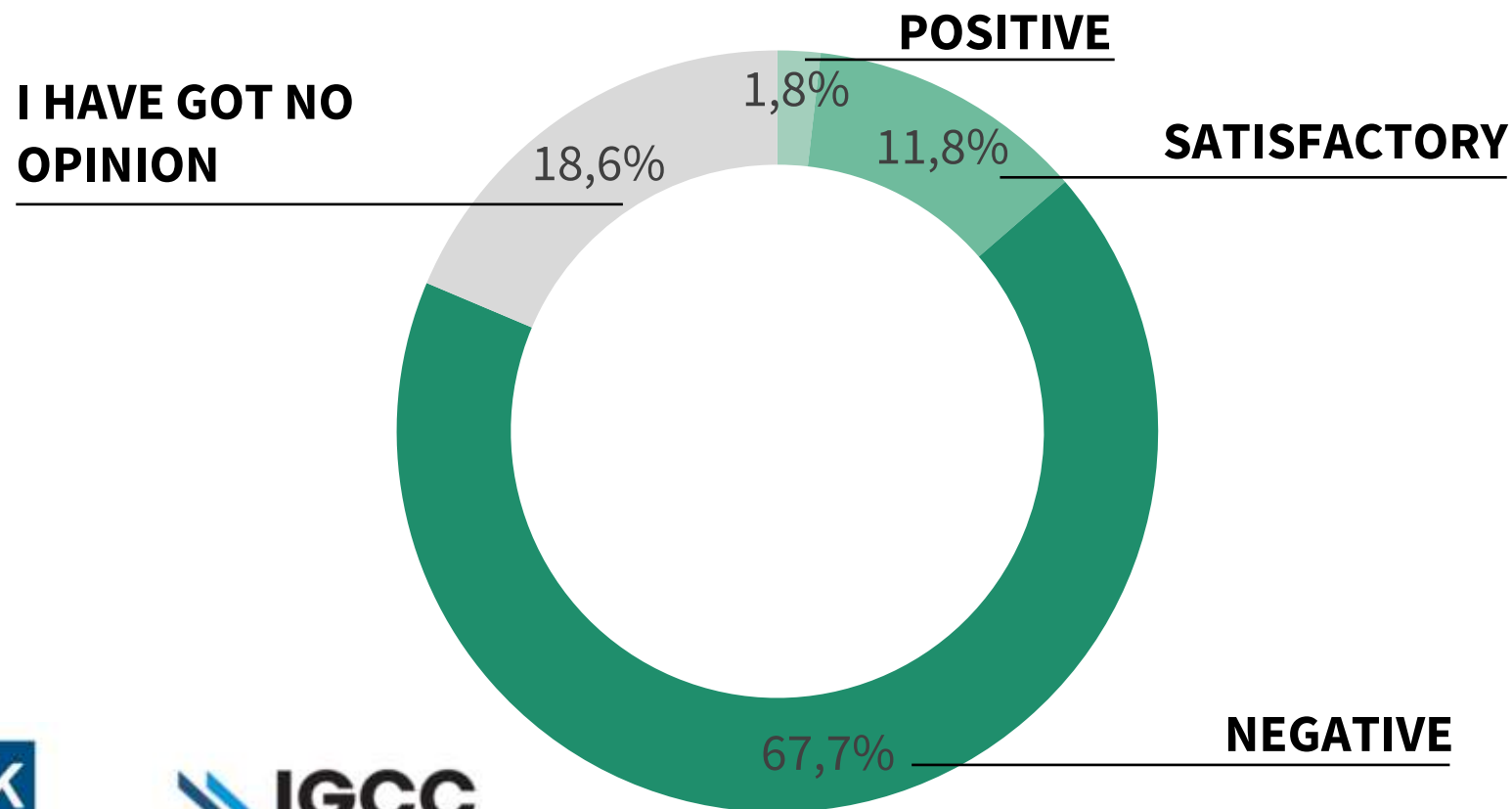
What impact have the EU grants got on investment decisions?



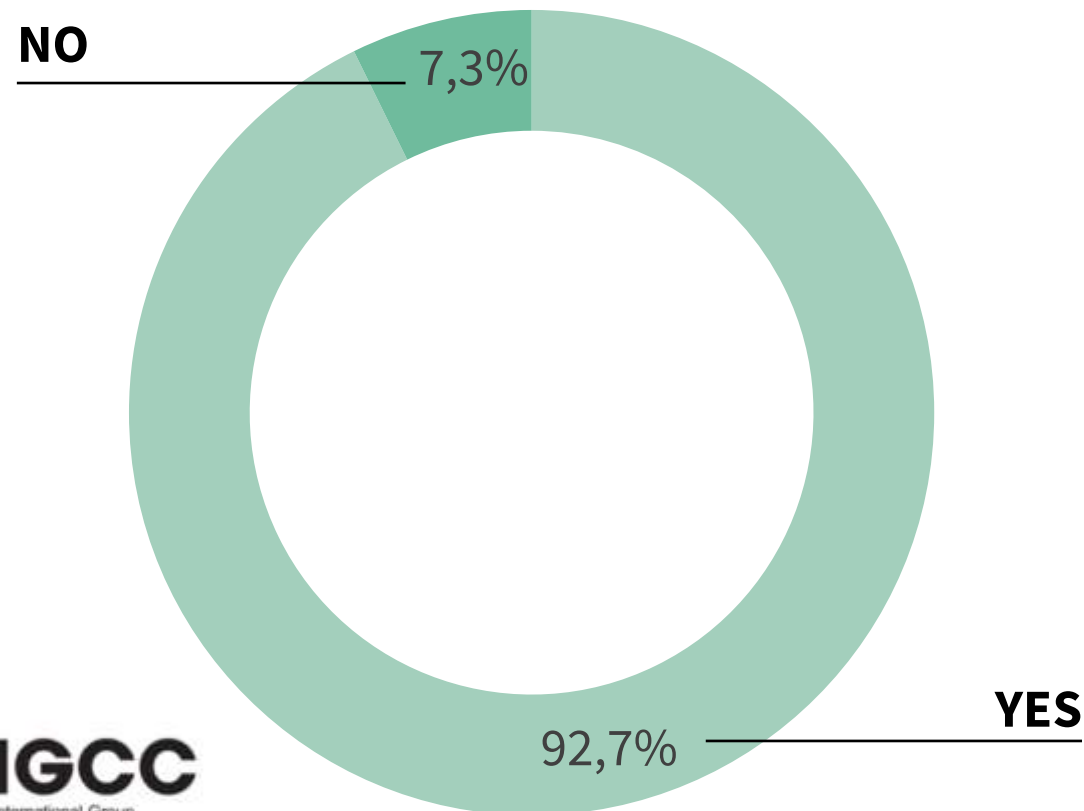
Should Poland join the eurozone?



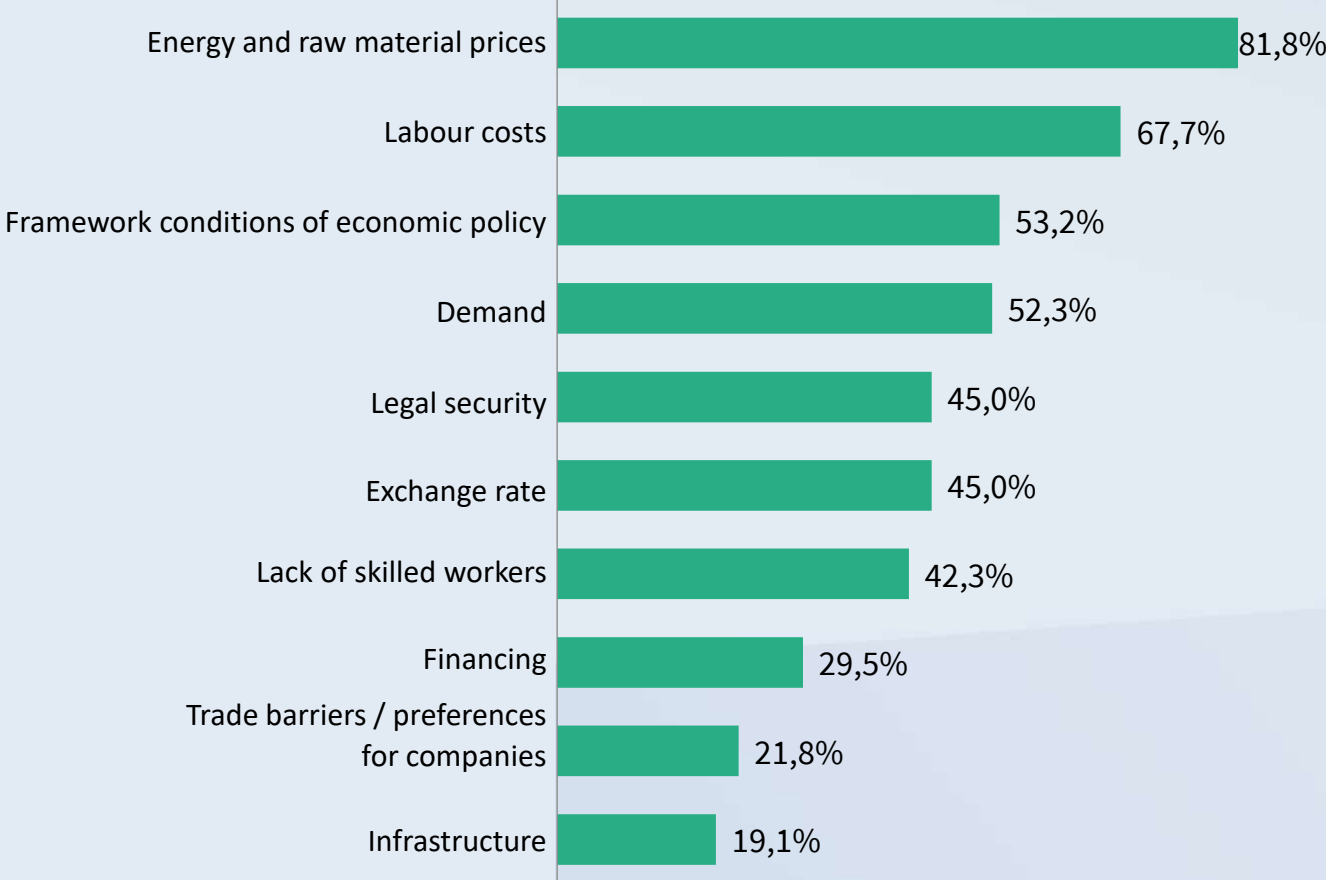
How do you assess the actions of the current government?



Would you choose Poland as a location for your investment again?



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

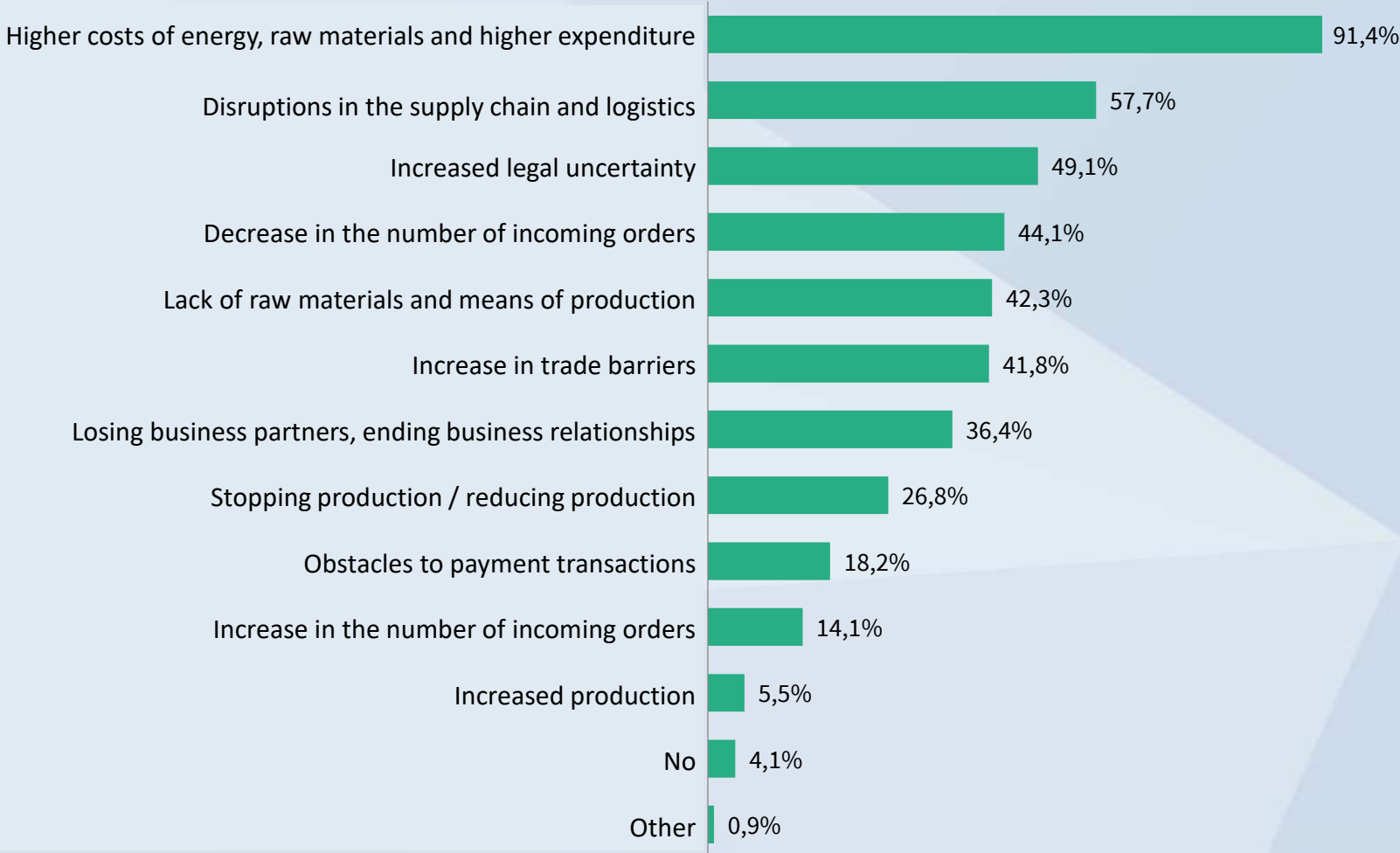


More than 4/5 of the respondents indicated that energy and raw material prices would be the biggest threat to their companies over the coming year. More than 2/3 of the respondents pointed to labour costs (67.7%), more than half – to economic policy framework conditions (53.2%) and/or demand (52.3%).



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

9 out of 10 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 (91.4%), more than half of those surveyed in turn pointed to disruptions in the supply chain and logistics (57.7%), and almost half to increased legal uncertainty (49.1%).



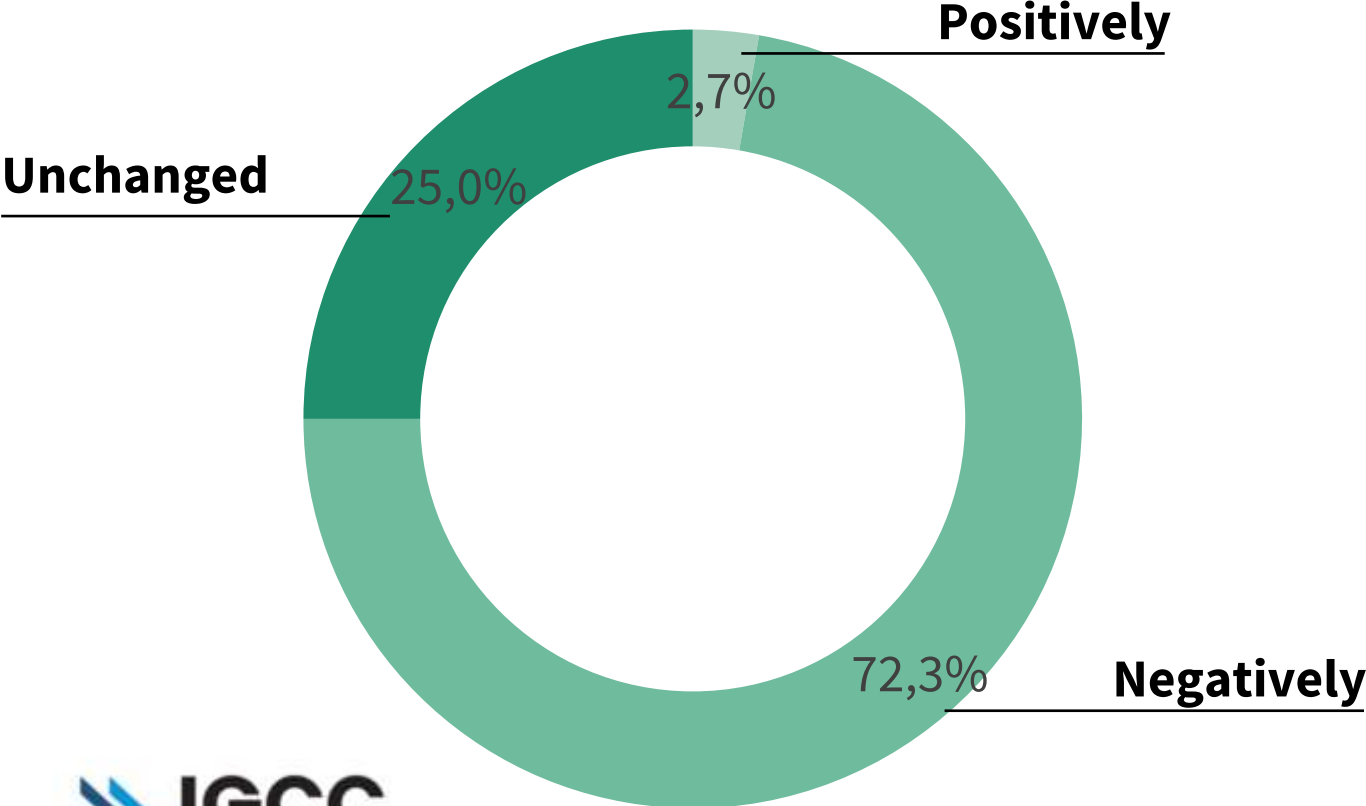
What long-term international changes can be expected?

6 out of 10 respondents considered the increased supplier diversification as a long-term international change to be expected (62.7%). More than half of respondents expect trade relations to end or be limited in some regions (57.7%). In turn, more than half of the respondents indicated an increase in political influence on supply chains (52.3%).

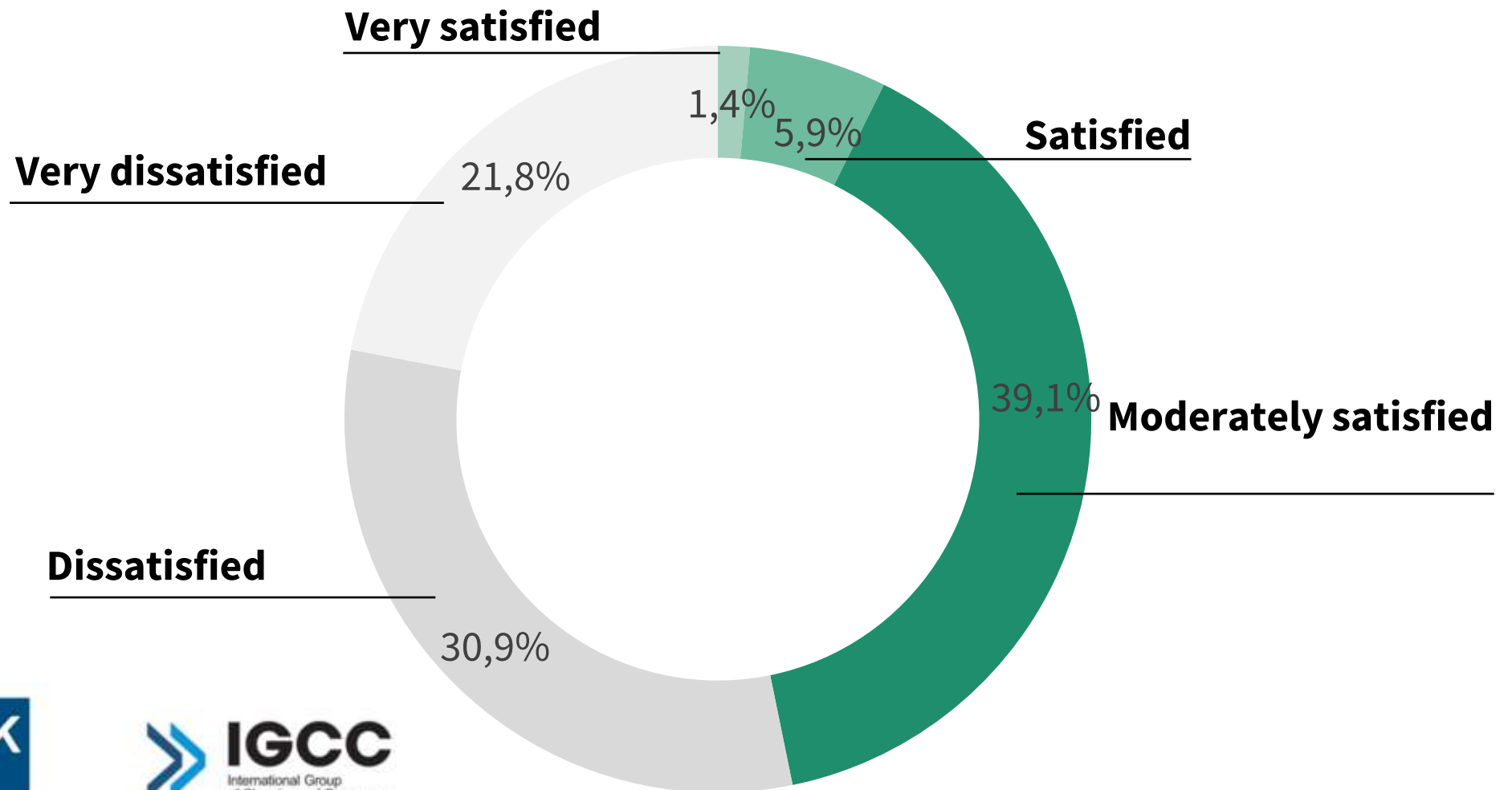
No changes are expected by 6.8% of survey participants.



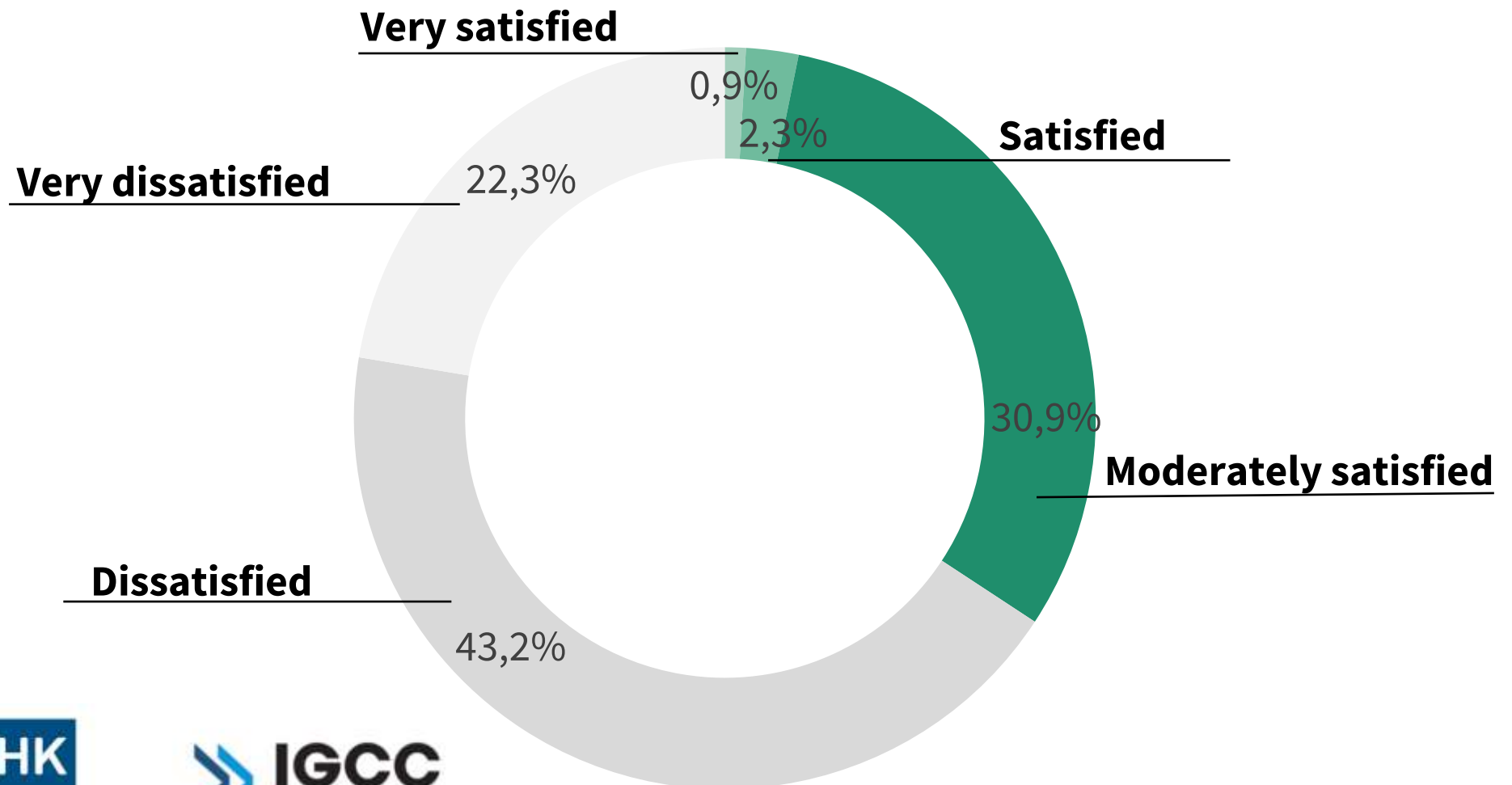
How has the energy crisis, rising energy prices and inflation affected your company's operations?



How do you assess the actions of the government in terms of supporting companies in relation to the energy crisis?



How do you assess the actions of the government to support companies in the context of rising inflation?



Conclusions of the study



Main conclusions of the study

1

The state of the economy in Poland is assessed positively by 66.4% of the surveyed enterprises. There was a significant decrease in the percentage of positive ratings compared to the previous year.

3

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

5

More than 4/5 of the companies forecast an increase or at least maintaining at the same level the volume of export revenues.

2

Nearly half of the entrepreneurs rate their company's business condition well.

4

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

6

One in four companies surveyed is expected to increase the number of employees.



Main conclusions of the study

7

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

9

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

11

More than 3/5 of the companies surveyed believe that Poland should join the eurozone.

8

An average 9.8 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

2/3 of those surveyed have a negative view of the actions of the current government.

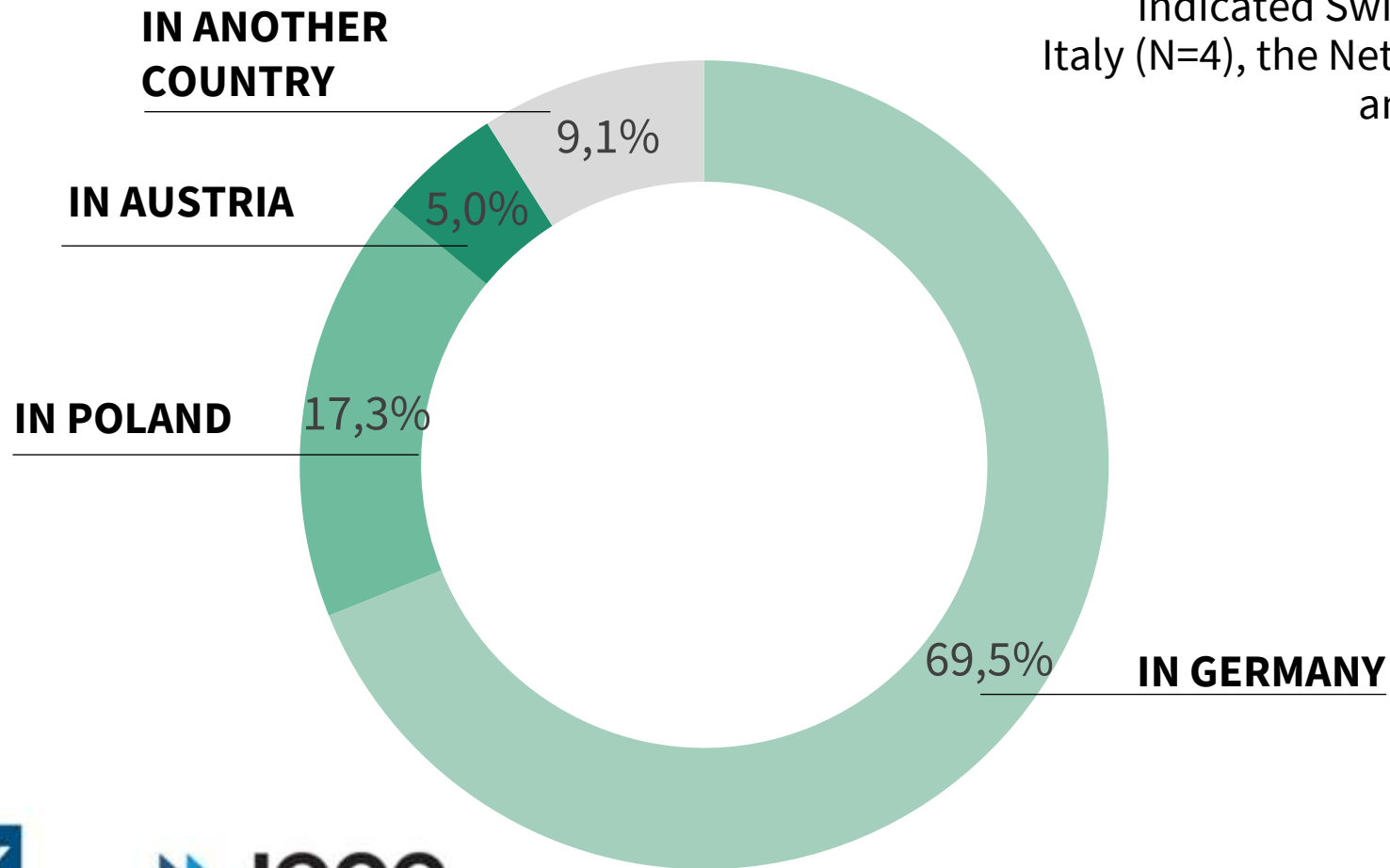




Characteristics of enterprises



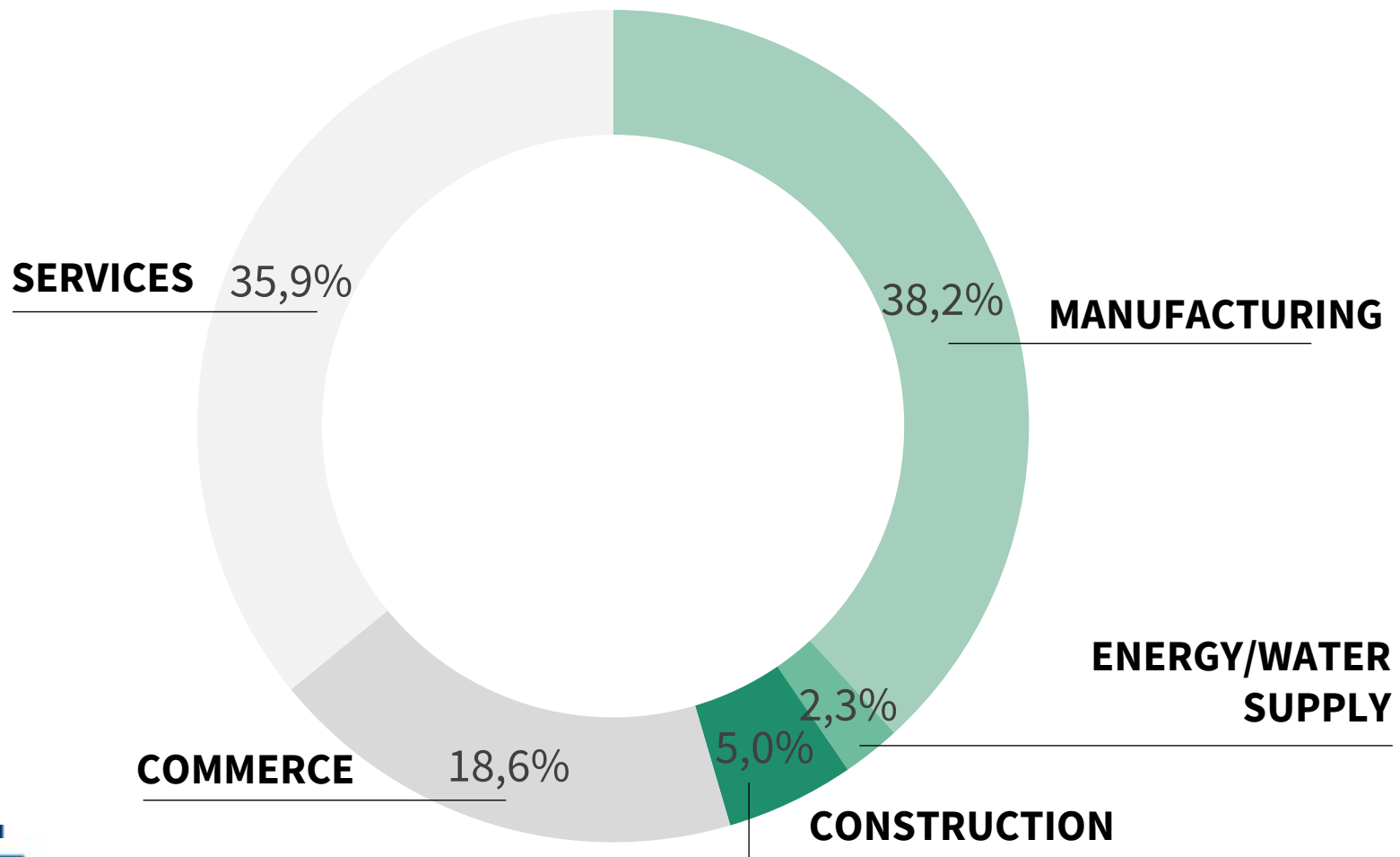
In which country is the majority owner of your company located?



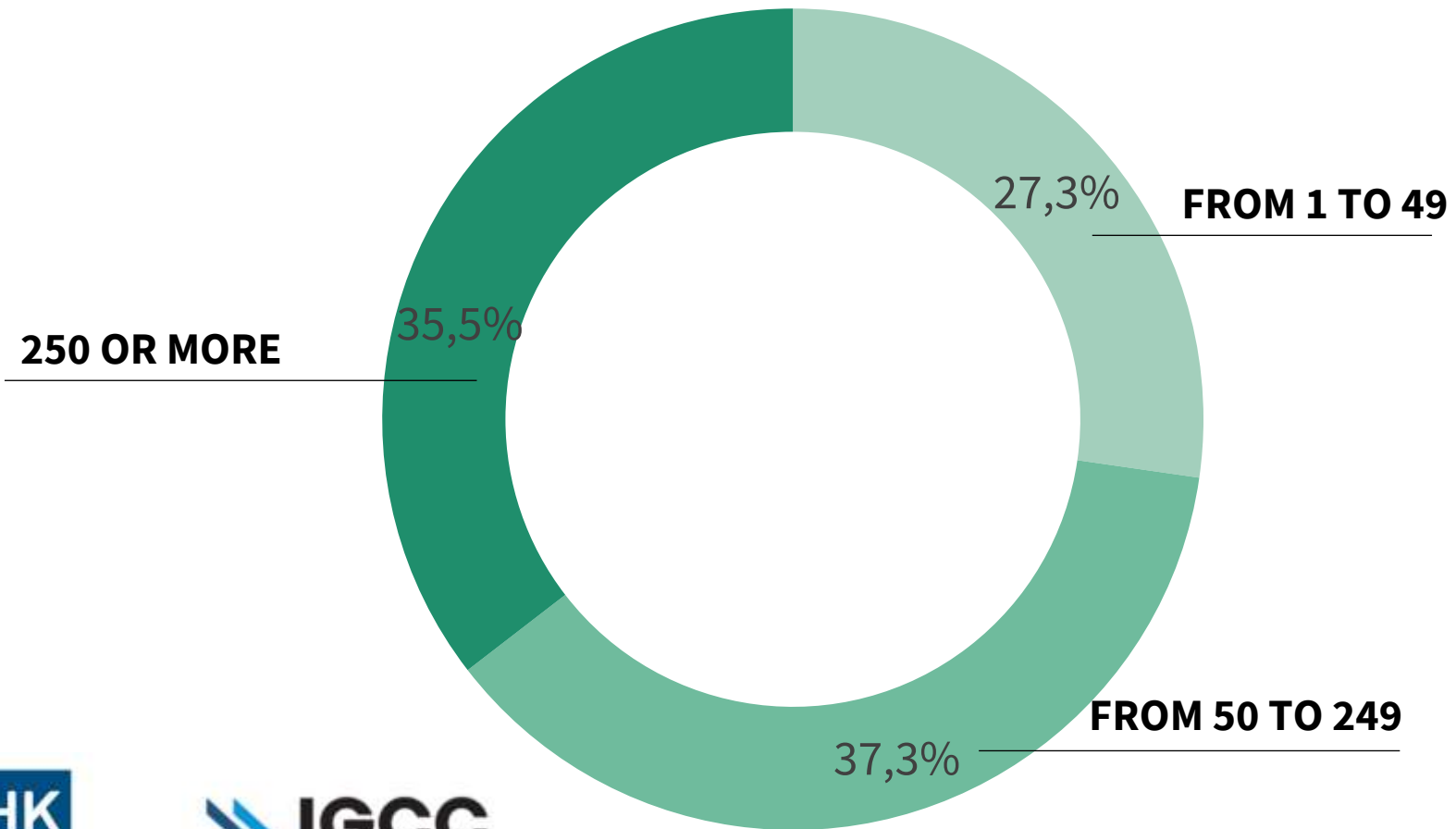
In case of another country, respondents most frequently indicated Switzerland (N=4), Italy (N=4), the Netherlands (N=3) and China (N=2).



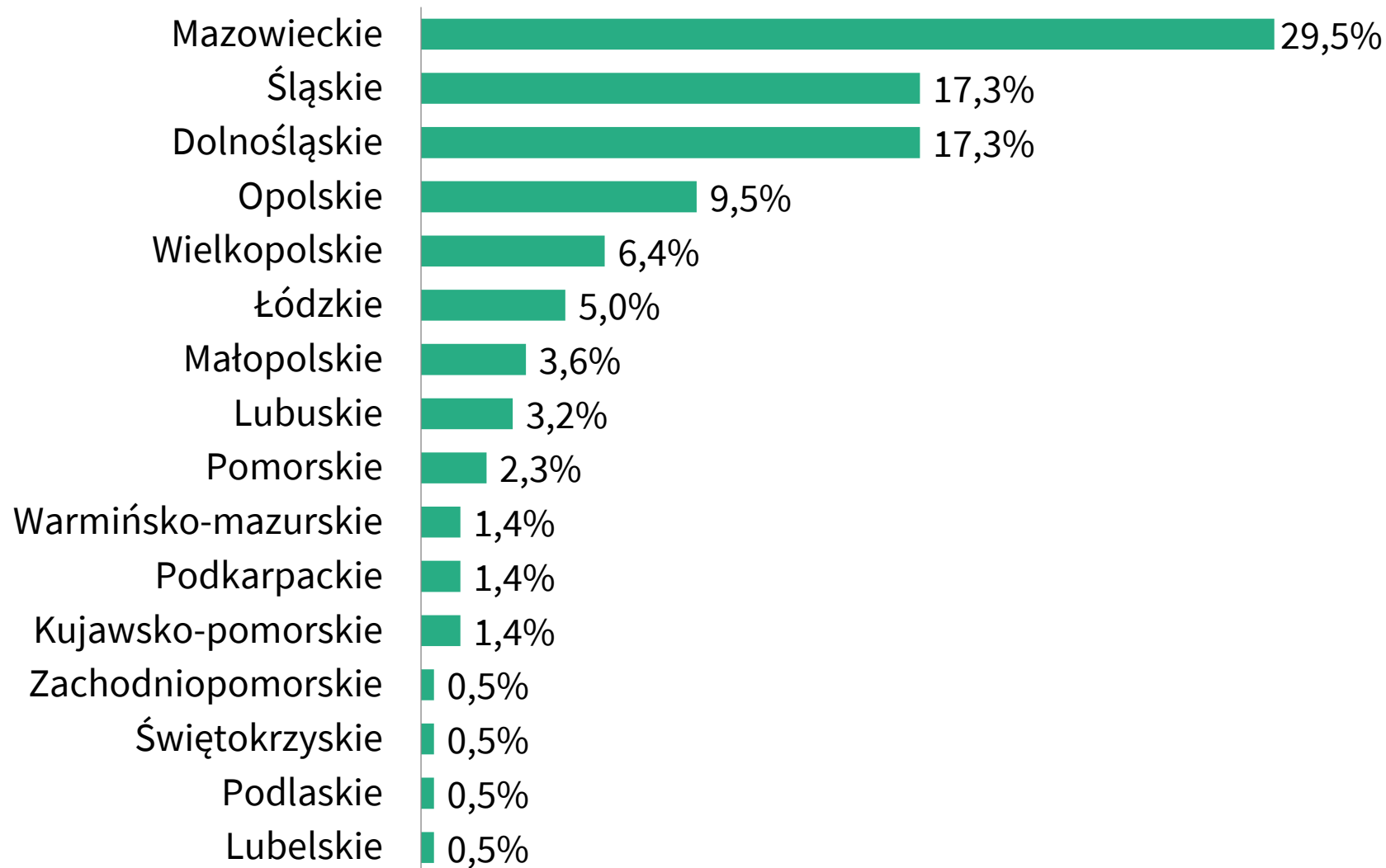
Main scope of activities



Number of employees



Company location



Thank you for your attention

