

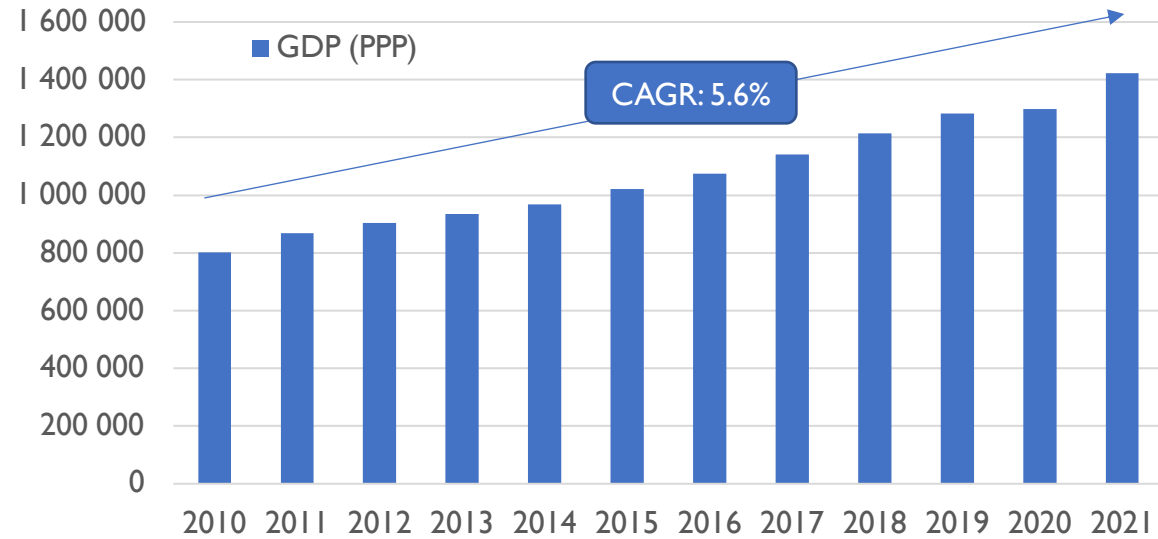


Food & beverages sector in Poland – basic data

*Eliza Przeździecka (D.Sc.)
AmCham, Chief Economist*

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ECONOMIC TRENDS, 2010-2021 (USD)



Source: OECD.Stat

5.4% Unemployment rate (Q1'2022)




PLN 6,338 (\$1,508) average monthly gross salary in enterprises (Q1'2022)

1.6 million students (22% in STEM)

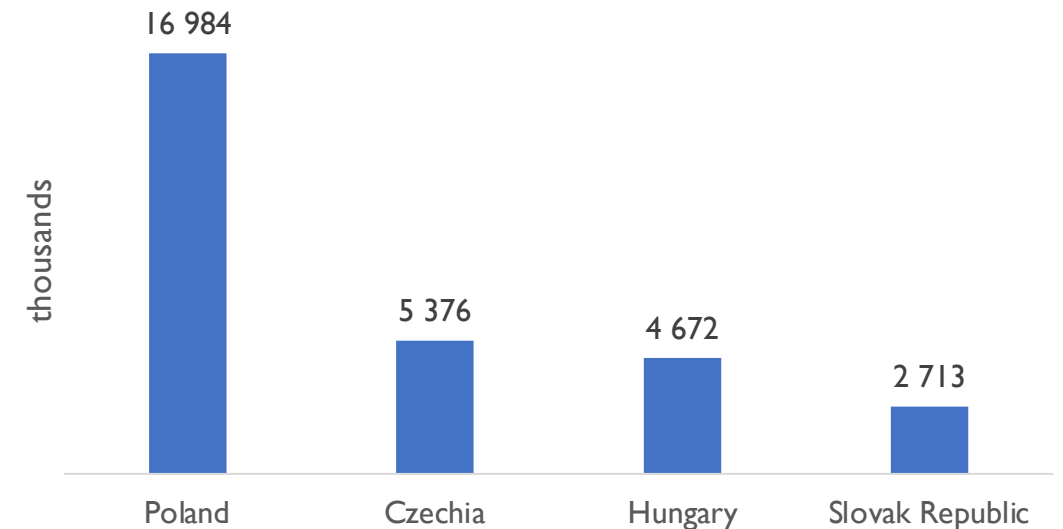
37,500 graduates in engineering per year

30% of CEE GDP - Poland is the largest country in the CEE

TOP FOREIGN INVESTORS BY COUNTRIES

-  1. Germany
-  2. US
-  3. United Kingdom

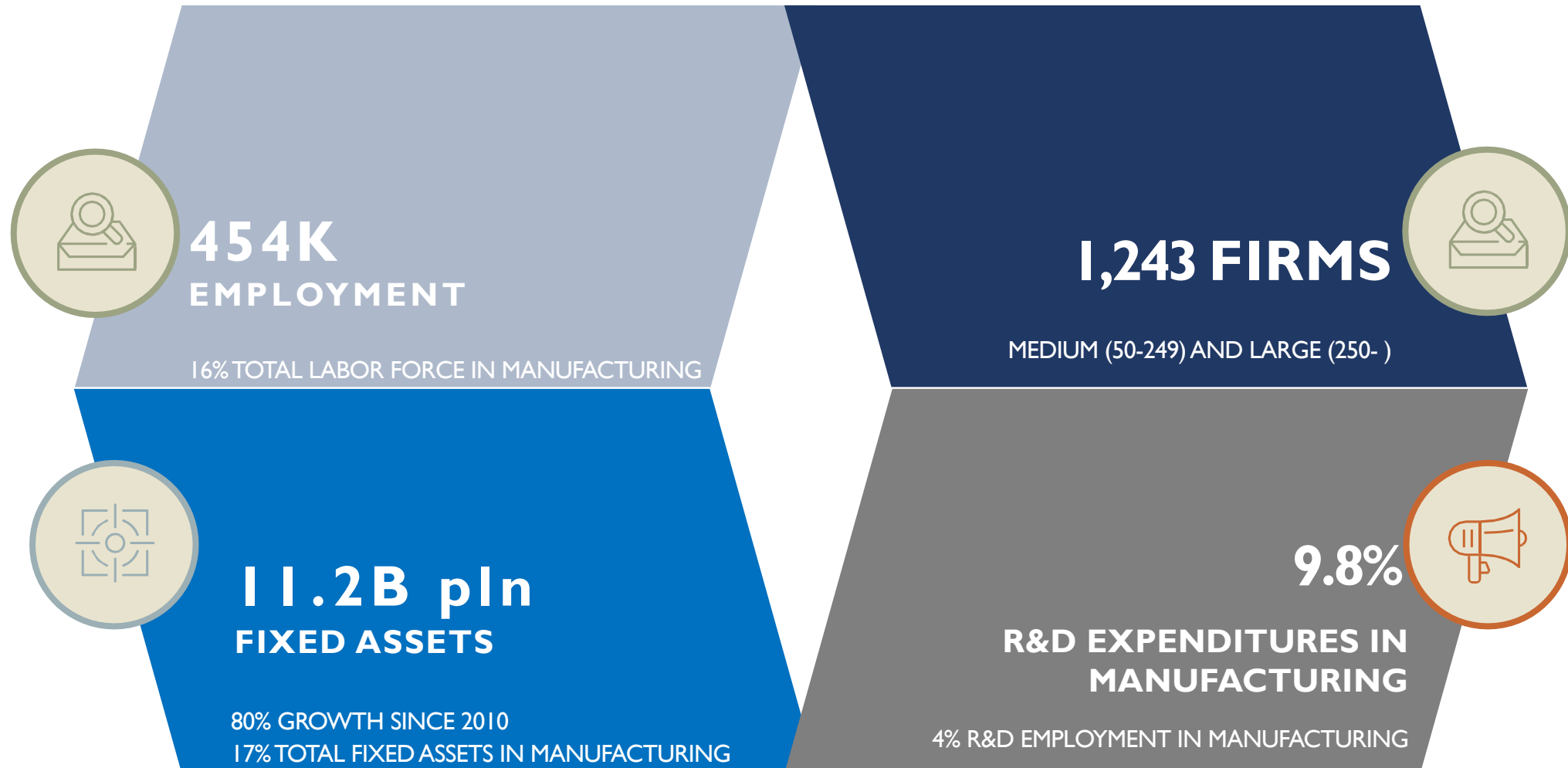
LABOR FORCE, 2020



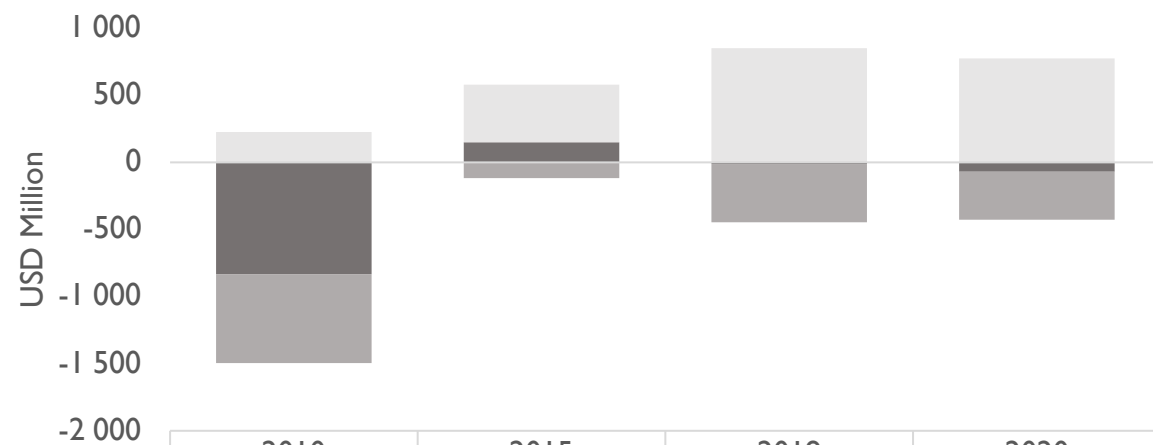
Source: OECD.Stat

FOOD SECTOR IN POLAND

FINANCIAL DATA / ECONOMIC POTENTIAL



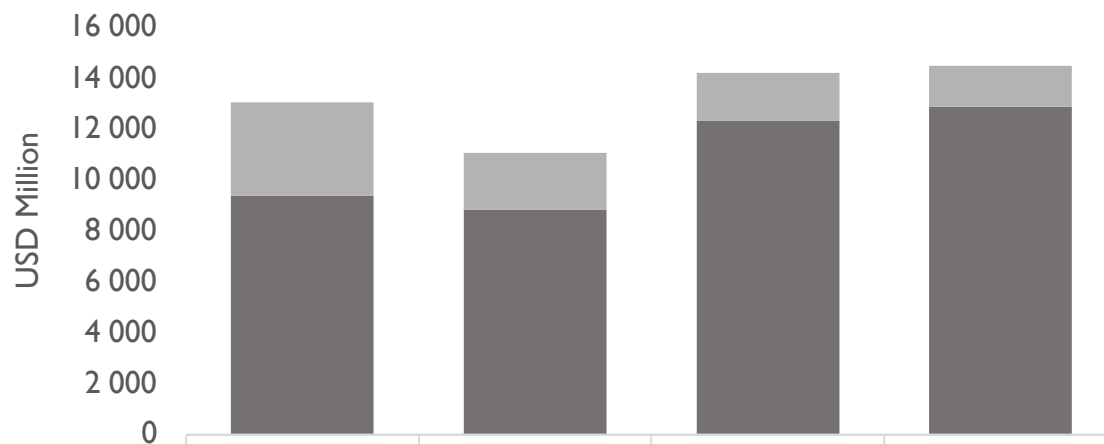
FDI inflows in Poland in 2020, Food products, beverages and tobacco products



	2010	2015	2019	2020
Reinvestment of earnings	227,4	431,9	851,2	775,8
Debt instruments	- 659,6	- 115,7	- 433,8	- 353,5
Equity	- 834,1	148,9	- 11,8	- 71,9

FOREIGN INVESTORS IN THE SECTOR

FDI inward position at the end of 2020, Food products, beverages and tobacco products



	2010	2015	2019	2020
Debt instruments	3 655,7	2 237,7	1 867,2	1 612,4
Equity	9 404,2	8 841,3	12 350,1	12 900,8

18%

total FDI in manufacturing (no. 1)

340%

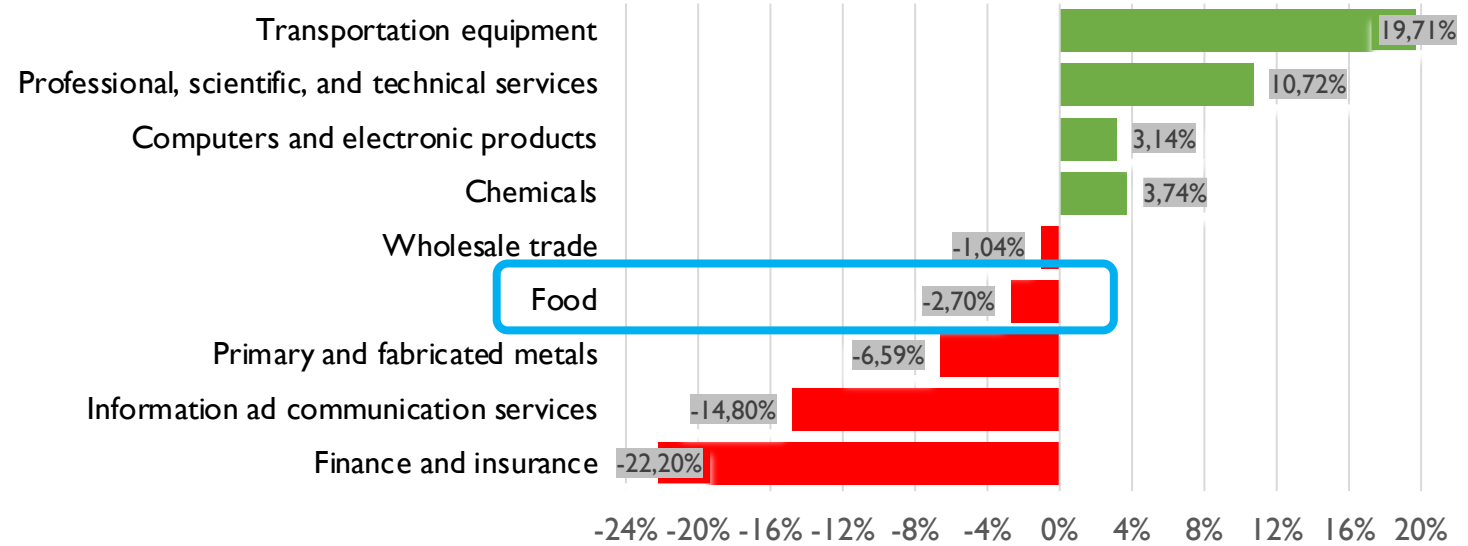
rise of reinvestments in the sector in 2010-2020

11%

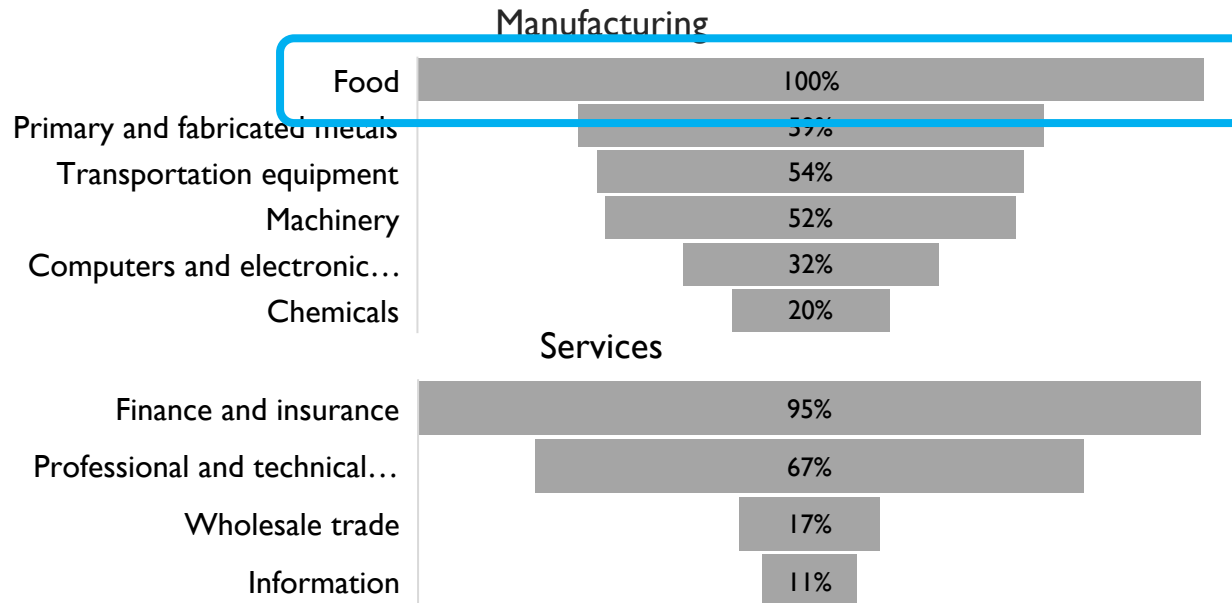
Share of debt in total FDI in the sector

Employment in food sector has been decreasing among US-owned firms in Poland.

EMPLOYMENT CHANGE BY SECTOR, CAGR 2010-2020



U.S. DIRECT INVESTMENT POSITION IN POLAND, % IN CEE, 2020



All US investments in food sector located in the CEE region is based in Poland.

Trends in food and beverages sector 2005-2020, mln pln

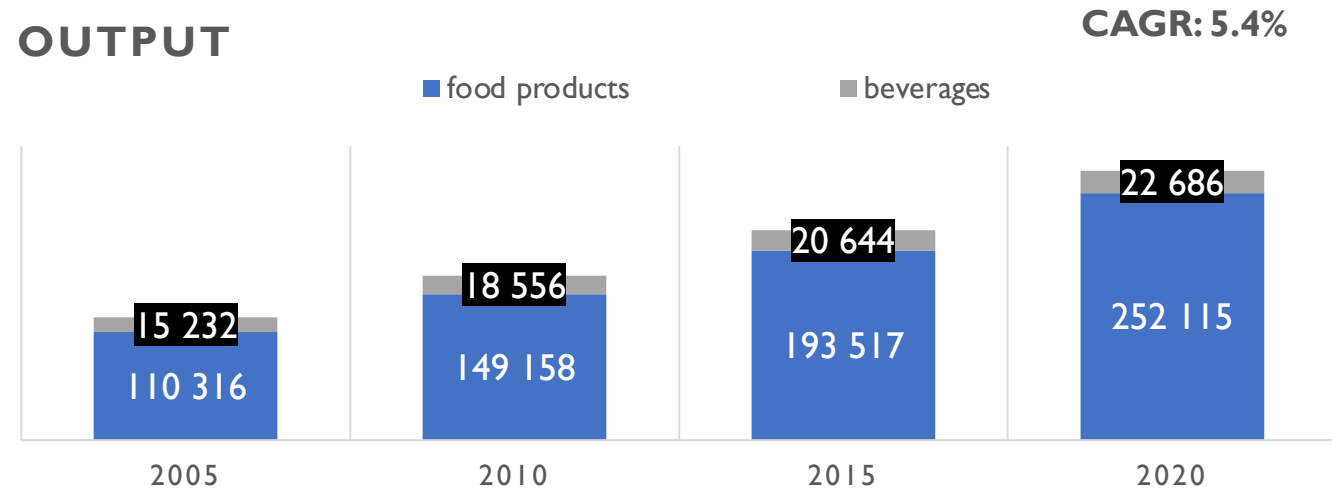
FOOD&BEVERAGES IN MANUFACTURING:

↓ 21% (2005)
20% (2020)

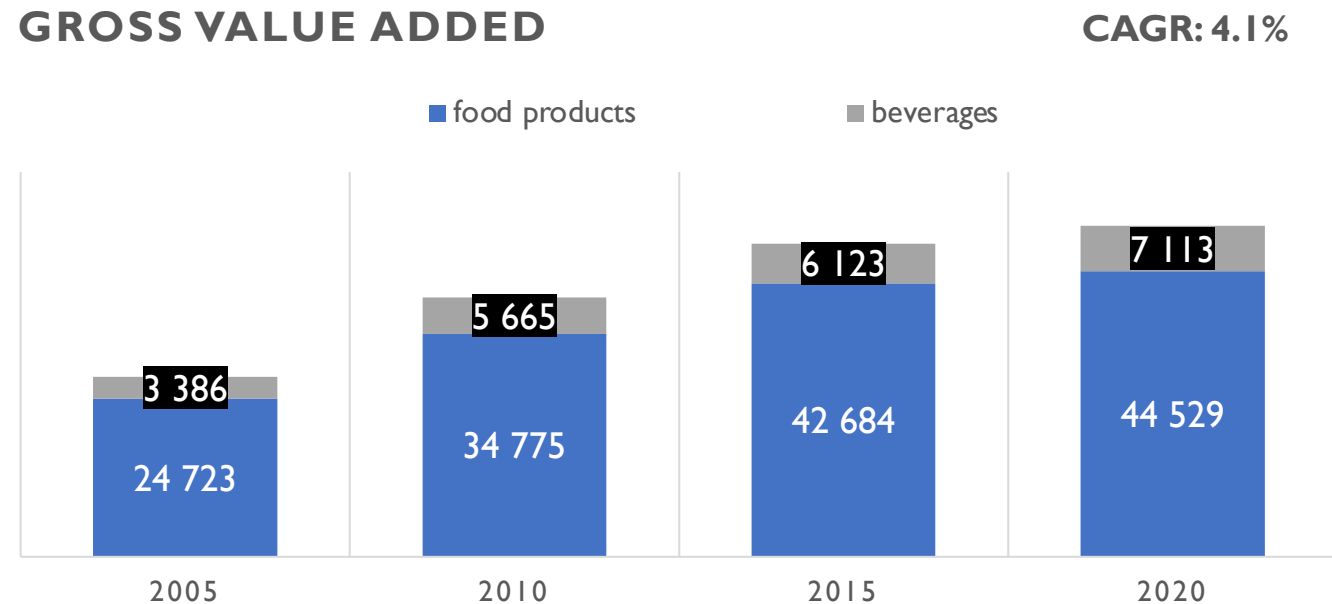
FOOD&BEVERAGES IN MANUFACTURING:

↓ 18% (2005)
14% (2020)

OUTPUT

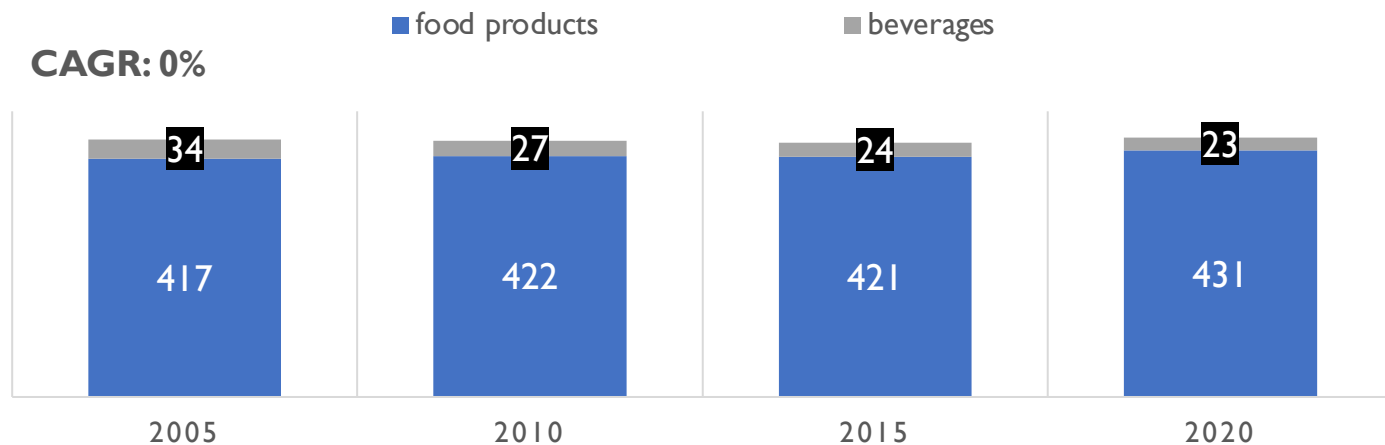


GROSS VALUE ADDED

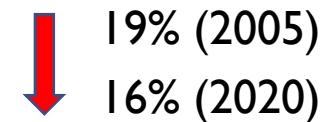


Trends in food and beverages sector 2005 (2010)-2020

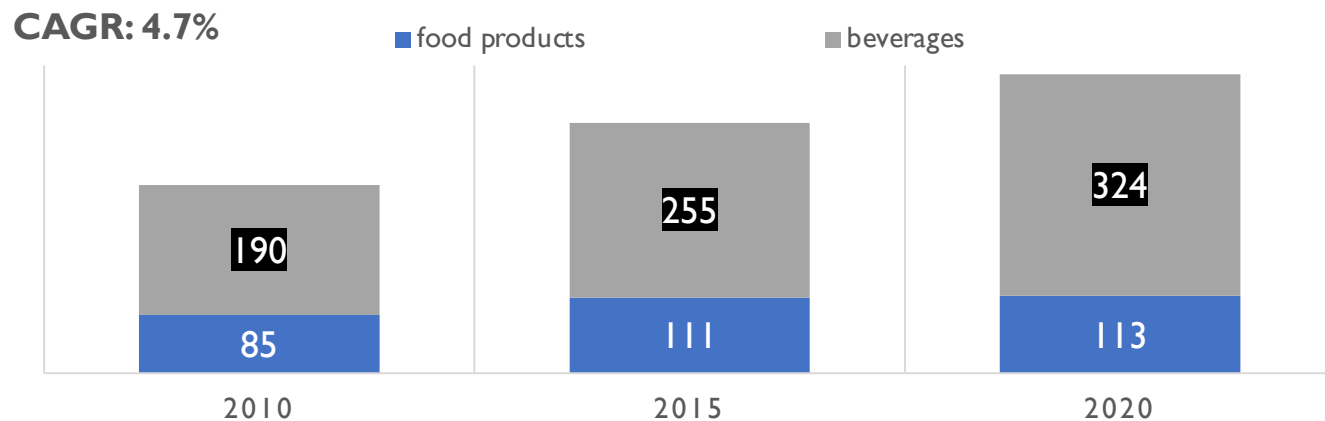
EMPLOYED PERSONS, THOUSANDS



FOOD&BEVERAGES IN MANUFACTURING:



LABOUR PRODUCTIVITY IN INDUSTRY MEASURED BY GROSS VALUE ADDED PER PAID EMPLOYEE, THOUSANDS PLN



INVESTMENT OUTLAYS ON FIXED ASSETS

2020		Total	Buildings and structures	Machinery, technical equipment and tools	Transport equipment	CAGR 2010-2020
Manufacture of food products	mIn PLN	9 666	3 266	5 870	507	7,5%
	%	100	34	61	5	
Manufacture of beverages	mIn PLN	1 521	375	1 103	43	8,4%
	%	100	24	73	3	

**CAGR
(2010-2020)
Manufacturing
average:
8.45%**

2017		Total	Buildings and structures	Machinery, technical equipment and tools	Transport equipment
Manufacture of food products	mIn PLN	8 650	2 301	5 811	500
	%	100	27	67	6
Manufacture of beverages	mIn PLN	974	187	733	53
	%	100	20	75	5

2020/2017	change				
Manufacture of food products	%	12%	42%	1%	0%
Manufacture of beverages	%	56%	101%	50%	-19%

**2017-2020 change
Manufacturing
average:
8.2%**



SUMMARY

The sector was attracting foreign companies, which inflow to the country by **FDI in equity, but they reinvest** their earnings nowadays.

Poland is the only location of **US-owned firms in this sector operating in the CEE** region (investments <\$1M).

Manufacture of **food&beverages delivers 1/5** of total manufacturing production (output) in Poland.

Labor productivity in the sector was increasing annually by 5% last decade, and number of employees was unchanged.

Investments outlays on fixed assets in „Machinery, technical equipment and tools” in the sub-sector of manufacturing of food products stays unchanged since 2017.

Barriers to further growth: costs of energy, materials and commodities, rising wages (inflation spiral), lack of labor force, rising cost of capital, withholding in GFCF.