



Successful Together!

25 years of Polish-American Business Relations

Report by the American Chamber of Commerce in Poland
and KPMG in Poland

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Letter from Deputy Prime Minister and Minister of Economy Janusz Piechociński

Deputy Prime Minister
Janusz Piechociński

Warsaw, July 23, 2014

Mr. Józef Wancer
Chairman of Board of Directors
American Chamber of Commerce
in Poland



Please accept my heartfelt congratulations on the occasion of 25 years of American investments in Poland and an anniversary of the American Chamber of Commerce in Poland, which has played an important role in tightening business relations between the United States of America and Poland.

American investors brought more than capital and know-how to Poland: they also presented a modern business model which our local entrepreneurs could relate to. What I am most glad to admit is American companies' growing interest in innovative investments, research & development centers, business centers, IT services, the automotive and aircraft industries, and high technologies, all of which are promising for the future.

The face of Poland's economy during the last 25 years has changed significantly. Part of the credit for the achievements goes to U.S. investors who supported Poland's economic transition after 1989. The transition from a centrally planned to a market-driven economy was enabled by decisive steps in the economic and regulatory sphere. The entrepreneurial spirit and creativity of Poles, as well as strong interest among investors who chose and recommended our country as a business destination propelled the growth of the Polish market. Today, the status of our country is reflected not only in various rankings and reports assessing the investment potential of various countries but, first and foremost, in the array of companies which decide to pursue their projects here.

Poland's opening to the world, its active involvement in international organizations (WTO, NATO and OECD), as well as the EU integration process, have had a positive impact on many aspects of our social and economic life.

Throughout the last quarter of a century, Poland experienced a constant increase in its GDP. However, what came as a real litmus test of the strength and stability of our economy was the recent stormy period on global markets. Today, Poland is an important player in Europe. We are 6th among EU economies in terms of nominal GDP, outperformed only by Germany, France, UK, Italy and Spain. We have attained strong dominance among countries of our region.

We have also witnessed systematic growth of accumulated value of foreign direct investments. By the end of 2013, foreign companies had invested nearly USD 255.6 billion in Poland.

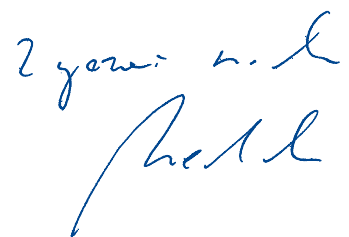


FDI became a factor which supported economic growth, efficiency, technology diffusion, manufacturing and export of processed goods. According to the National Bank of Poland, U.S. companies have invested nearly USD 11 billion in Poland. We see ever more companies with American capital in our country. In 2012 alone there were nearly 800 such companies, with major global corporations representing a significant share of that figure. Our attractiveness as a country is reflected in re-investments as well as new projects implemented by U.S. companies. We stand out in the region in terms of the number of American greenfield projects.

Polish companies increasingly decide to expand into the U.S. market. The value of Polish FDI on that market has already reached USD 2 billion. Particular interest in the American market has been observed among IT companies, and American consumers welcome the innovativeness and creativity of Polish enterprises.

Let me also emphasize that the trade agreement being negotiated between the European Union and the USA, entitled Transatlantic Trade and Investment Partnership (TTIP), offers an enormous opportunity to boost trade, capital engagement and employment on both sides of the Atlantic.

The Polish-American business cooperation has been evolving dynamically, branching out in many directions, and providing a solid foundation for further joint efforts in existing and new areas. We extend our thanks for the efforts taken to date and hope to strengthen our relations further.



Letter from U.S. Ambassador to Poland Mr. Stephen Mull



It is my pleasure to greet you as the US Ambassador to Poland and the Honorary Chairman of the American Chamber of Commerce in Poland. I salute the American Chamber on 25 years of successfully connecting American and Poland businesses with the goal of developing new trade and investment opportunities.

In the years since Poland emerged as a free nation, business has played a vital role in the transformation of the nation. American business in particular has contributed to creating a modern free market economy in ways that could only have been dreamed of previously. U.S. capital investments began early and in the years since American business has continually reinvested in Poland and its people. In some areas, American investment set the stage for the growth of the whole industry. For instance, the success of back office processing centers by U.S. companies spawned a whole industry of shared service centers in Poland that now is considered one of the best in the world.

The highly skilled jobs created by those early pioneering companies contributed to the economic stability of the region, drawing new investment and creating a safe platform for reinvestment. American Chamber Member companies continue to reinvest in Poland, with many facilities such as logistic, production and design centers opening in just the last year.

As with any anniversary, it is good to look back and celebrate our success, but also to look forward at what is to come. Poland is now the 6th largest market in Europe with an economy that continues to expand. The Transatlantic Trade and Investment Partnership currently under negotiation has the potential to play a key role in boosting growth by streamlining and harmonizing the web of regulatory standards that inhibit trade and investment flows.

The role of AmCham as a platform for dialogue with both American and Polish governments in building relations and improving the business environment in Poland remains critically important. AmCham's mission to exchange best practice ideas, provide a forum for discussion, debate and when necessary to represent members on policy issues will continue to be vital for the growth of the economy and the economic security that brings.

In closing, I salute the American Chamber of Commerce in Poland on 25 successful years and wish continued success and prosperity in the future.

A handwritten signature in blue ink that reads "Stephen D. Mull".

Stephen D. Mull
U.S. Ambassador to Poland



Introduction

The presence of American investors in Poland in the last quarter of a century has contributed to our country's economic growth. U.S. investments not only involve the inflow of capital, but also state-of-the-art technologies, valuable know-how and expertise. In future, through the Transatlantic Trade and Investment Partnership (TTIP), economic cooperation between Poland and the USA is likely to become even closer.

This year we have witnessed a special, 25th anniversary of the first partially free elections in the history of post-war Poland and the 238th anniversary of the U.S. Declaration of Independence. We also approach 25 years since the founding of the American Chamber of Commerce in Poland (AmCham), an organization of American entrepreneurs operating on the Polish market. On this occasion, AmCham and KPMG in Poland have jointly prepared this publication to present a summary picture of U.S. investments in Poland to date.

This report aims to present the contribution made by American investors to Poland's economic growth. The focus is on showing American investments and reinvestments in selected sectors of Poland's economy. The report also presents the scale of Polish investments in the USA, Polish-American commercial cooperation and an overview of studies on the potential outcomes of TTIP.

We extend our thanks to all organizations, companies and individuals who have contributed to this report. We do hope it will encourage discussions on the significance of foreign investments for Poland's economic growth.



A blue ink signature of Joseph Wancer, written in a cursive style.

Joseph Wancer
Chairman
American Chamber of
Commerce in Poland



A blue ink signature of Stacy Ligas, written in a cursive style.

Stacy Ligas
Partner
KPMG in Poland

Executive Summary

Poland is the major target for U.S. investments in **Central and Eastern Europe**

The United States has invested nearly USD 2.5 trillion across Europe, of which at least USD 29 billion came to Central and Eastern Europe. The biggest recipient of American investments in CEE is Poland where the value of direct investments in 2012 was USD 14 billion (according to BEA data).

The actual value of U.S. investments in Poland approaches **PLN 91 billion**

According to official statistics, which only cover investments made by U.S.-based companies, the accumulated U.S. investments in Poland exceeded PLN 33 billion in 2012. However, a significant proportion of American companies make their investments indirectly, i.e. via non- U.S.- based holding companies. KPMG estimates that the actual figure of American investments in Poland, including the indirect ones via third countries, approaches PLN 91 billion.

78% of American investments in Poland are in the services sector

In 2012, the accumulated FDI in this sector amounted to nearly PLN 26 billion, which represented 78% of total direct American investments. The greatest value was recorded for American investments in finance and insurance (over PLN 18 billion in 2012) as well as wholesale and retail trade (over PLN 4 billion in 2012).

In the industrial sector, American investors focus mostly on the **automotive industry**

Poland has attracted investments from over 20 major international automotive manufacturers from the United States. Nearly all manufacturers from this industry made significant and numerous reinvestments in Poland. According to KPMG in Poland estimates, automotive manufacturers employ over 45,000 people in Poland and generate over PLN 30 billion in revenues per annum.

69% of the surveyed companies made reinvestments in Poland

The majority of companies with American capital first entered Poland in the early 1990s and made reinvestments in the last decade. According to KPMG estimates, more than two thirds of American companies made reinvestments in Poland, e.g. opened another branch, a manufacturing plant, or a business or R&D center.



Companies with American capital employ approx. **200,000 people** in Poland

This makes American investors one of the most important employer groups. The average pay of a person employed in an American-owned company was nearly USD 2,000, or 1.7 times more than the average pay in Poland's.

1 in 3 business centers and R&D centers with foreign capital in Poland are American investments

In 2014 Poland had as many as 156 business and R&D centers with U.S. capital, out of the total of 470 centers with foreign capital. American centers employed over 46,000 people.

Polish companies have invested **PLN 6.3 billion** in the USA

While the total value of Polish investments in the USA is relatively low, their dynamic is growing since 2010, with Polish companies clearly expanding their presence in the USA.

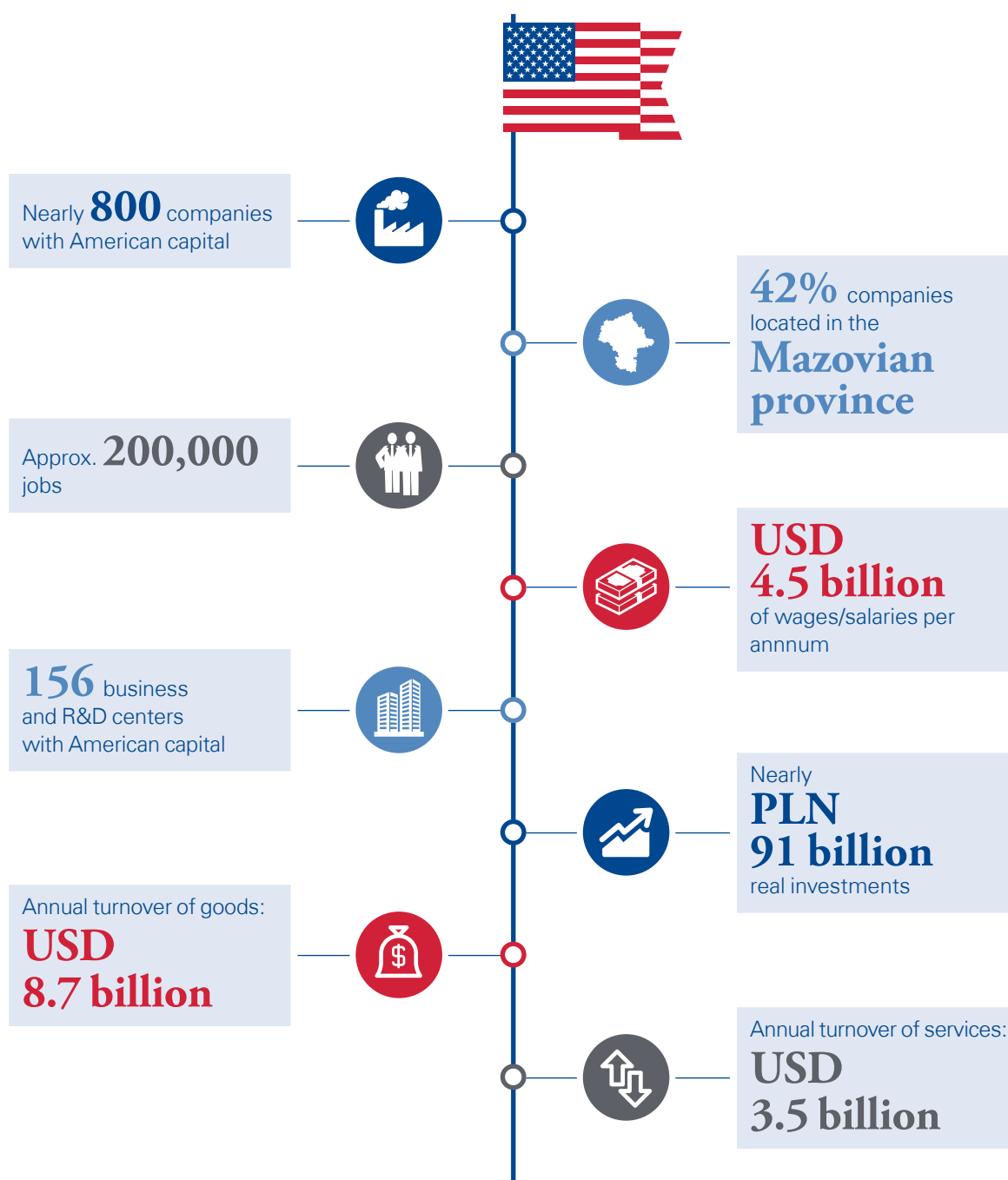
The United States is an important **non-European** trade partner for Poland

The USA is the most important non-European market for Polish goods: in 2013, Poland exported USD 4.5 billion worth of goods to the USA. The United States is also the second largest (after China) non-European supplier of goods to Poland: in 2013, American exports to Poland totaled USD 5.5 billion. Despite a considerable geographic distance between Poland and the USA, the latter is also an important partner in the exchange of services. In 2012, the USA was the third largest supplier of services to Poland and the fifth largest buyer of services.

The Transatlantic Trade and Investment Partnership (TTIP) is an opportunity for a win-win deal

TTIP aims to liberalize trade between EU countries and the USA, and such an initiative would drive the trade volume between its parties. Research has shown that the entry of TTIP into force is likely to offer both parties tangible benefits, such as an increased GDP, higher employment and a higher average pay.

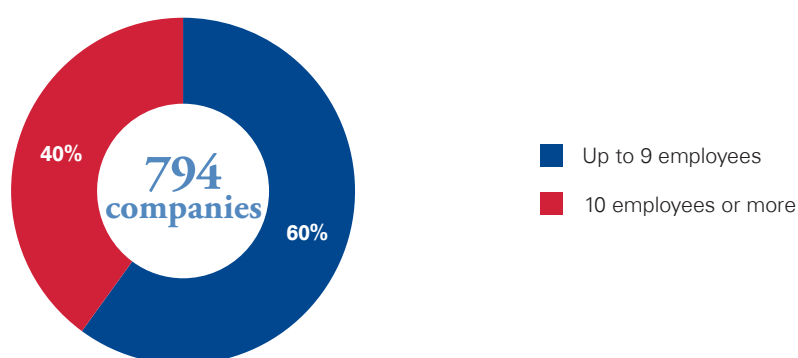
Contribution of the United States to Poland's economic growth



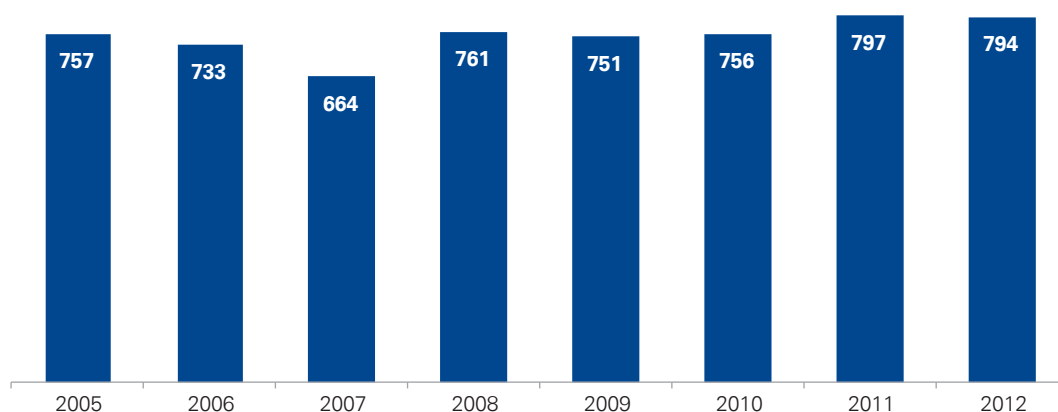
Companies with American capital are among the most important foreign employer groups in Poland, offering much higher pay than the national average.

The majority of American companies in Poland came here in the 1990s. Since 2005, the number of companies with American capital operating in Poland has remained relatively stable. A significant decline of American presence in Poland was recorded only in 2007. In 2012, there were already nearly 800 companies with American capital in Poland, of which 60% were micro-companies (employing up to 9 people).

The structure of companies with American capital in Poland



The number of companies with American capital in Poland



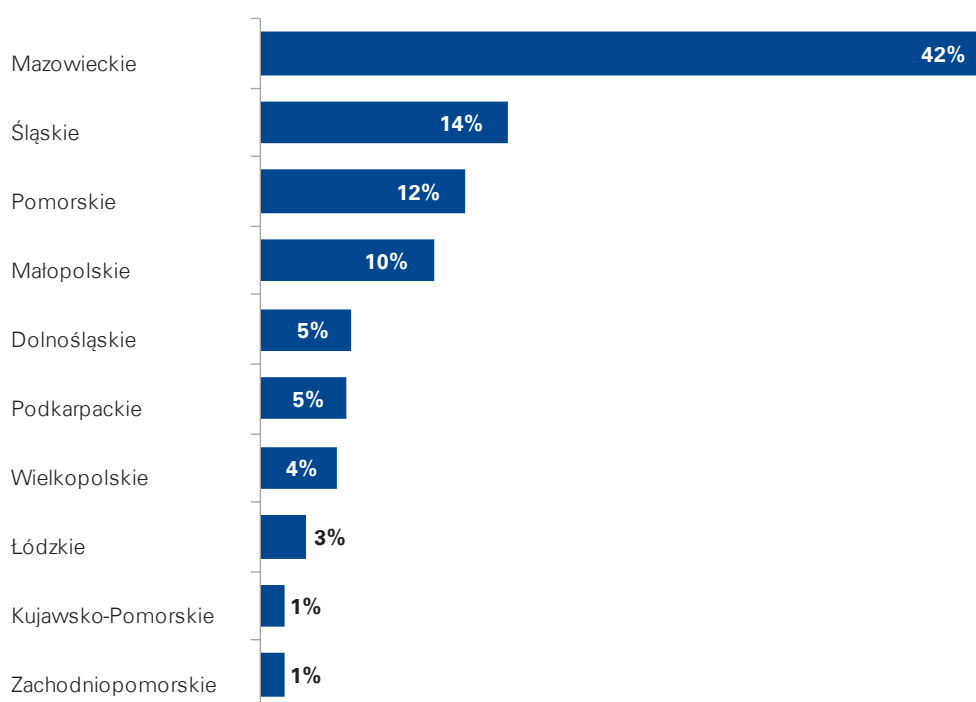
Source: Analysis by KPMG in Poland based on GUS data

Entrepreneurs from the United States favor the Mazovian province: this is where approximately 42% of companies are located¹.

Although the number of companies has remained stable in recent years, employment figures in companies with American capital have gone up. This shows that those investors constantly expand their business operations in Poland, reinvest and, as a result, employ more people. The United States is among the most important foreign employers in Poland: in 2011 companies with American capital (including financial institutions) employed nearly 200,000 people.

Half of those employed in U.S. companies in Poland work in the industrial sector. Nearly a third have found jobs in services and slightly over a tenth work in trade.

Locations of American companies, by province



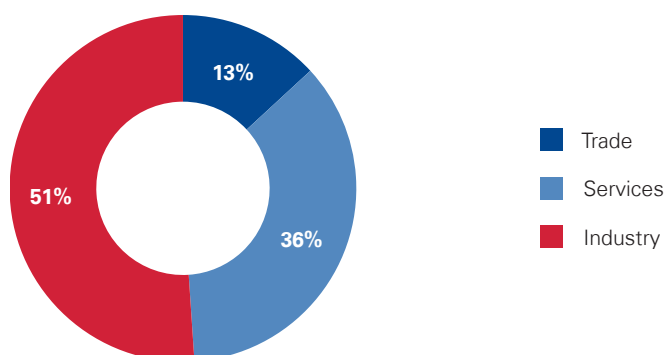
Each of the other provinces represents less than 1%. The chart includes 356 largest companies owned by global American business groups. Calculations based on companies' total assets.

Source: Analysis by KPMG in Poland based on Amadeus data.

¹ Calculations based on largest companies' total assets.



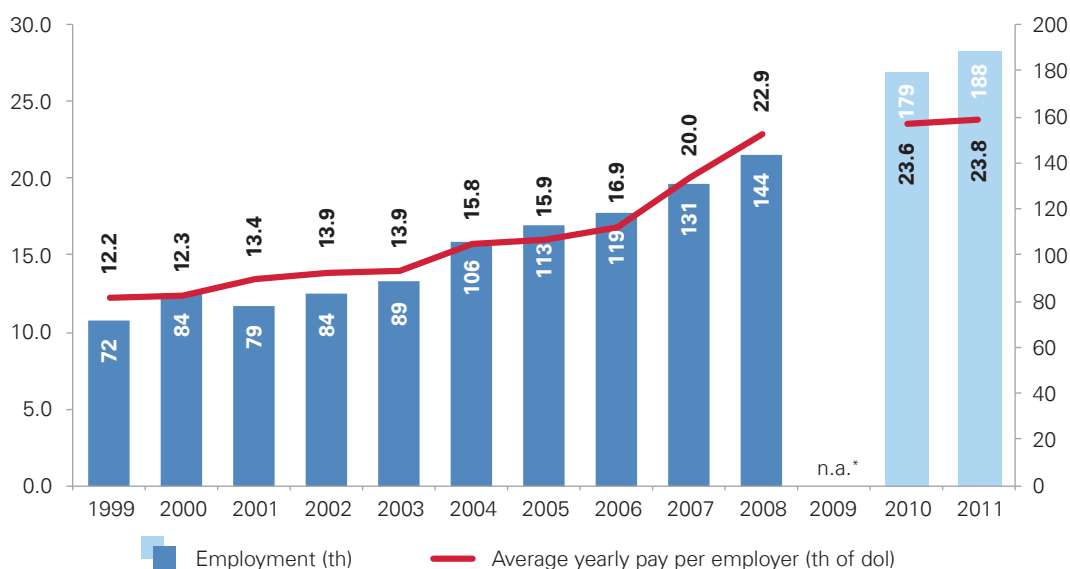
Employment structure in American companies operating in Poland



The chart includes 375 companies operating in Poland owned by global American business groups.
Source: KPMG in Poland analysis based on Amadeus and Factiva databases

In 2011 the average monthly pay earned by employees of American companies located in Poland approached USD 2,000, which is 1.7 times more than the average pay in Poland's national economy. However, it should be pointed out that the average pay in Poland covers all enterprises, even very small ones, where pay is lowest. Meanwhile, small businesses with American capital represent only 60% of the total, which is why those values should not be directly compared. A particularly high increase in pay in companies with American capital was recorded in 2003-2008: during that period wages and salaries rose by an average of nearly 11% per annum.

Employment and average pay in companies with American capital operating in Poland



*In 2009 the methodology of BEA was changed, since that time the data covers also financial sector
Źródło: KPMG in Poland analysis based on BEA data

In 2011, the total pay received by workers of companies with American capital in Poland reached nearly USD 4.5 billion. The vast majority of that figure ended up in the national budget, via income tax, or consumption of goods and services.

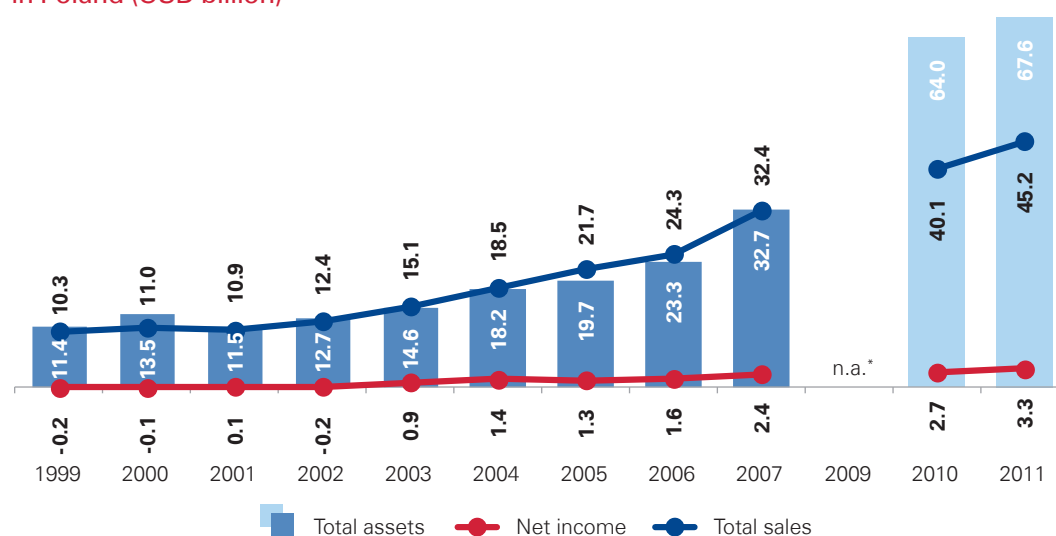


The data covers full-time and part-time workers and includes the financial sector.

Source: KPMG in Poland analysis based on BEA data

2003 can be considered a breakthrough year for the analyzed companies because they saw a considerable improvement of aggregate financial performance among companies with American capital: since that time it has been positive and growing steadily. There has also been an increase in business assets and sales revenues, which additionally proves that U.S. investors operating in Poland expand their operations and reinvest here, thus generating tangible benefits.

Revenues, net income and assets of companies with American capital operating in Poland (USD billion)



* In 2009 the BEA methodology was changed. Since that year, data have also included the financial sector.

Source: KPMG in Poland analysis based on BEA data





Jarosław Kroc

President of Management Board, Accenture



Poles have a great sense of responsibility, emphasis on quality and self-discipline which guides their work behavior, leading them to produce high-quality work consistently. We are a nation of great aspirations,

willing to make up for the opportunities lost in times of the communist regime. Poles are hungry for success and ready to go to great lengths to achieve their goals. They welcome and appreciate the opportunities, which they have now that Poland is a part of the European Union and want to make the best use of them.

In my opinion, the quality that distinguishes Polish employees from other nations is certainly their high level of education that is growing very fast from year to year. Following the regime change, many people from the young generation decided to pursue higher education to acquire the skills needed to build a knowledge-based economy. Another undeniable advantage are their good foreign language skills. It is partly due to the strong focus on foreign language teaching at schools and partly to a growing number of people who gained their professional experience abroad. Polish employees are also very conscientious and admirably persistent in attaining their goals.

It should also be noted that Polish employees care deeply about corporate business responsibility and the welfare of local communities, which proves that the set of values they follow in their everyday life translates into their professional creed as well.

I, and probably all the other employers, perceive Poles as incredibly conscientious, highly effective and reliable employees who remain focused on attaining their goals - a truly invaluable asset for employers whom they bring measurable benefits.

Organizations supporting Polish-American cooperation

The contribution made by the United States to Poland's economy goes beyond investments and the presence of foreign employers. Poland is also a place where many organizations support Polish-American business relations, education and civil society development.

Examples of Polish-American organizations

Organization	Head office	Mission	Year of starting operations in Poland
American School of Warsaw	Warsaw	children and youth education in English	1953
Polish-U.S. Fulbright Commission	Warsaw	promoting Polish-American academic and cultural exchange	1959
Habitat for Humanity	Warsaw	assistance in building and refurbishing homes for poor families	1990
Foundation for Polish Science	Warsaw	support for Polish science	1991
4-H	Warsaw	education of children and youth	1993
American Friends of Warsaw	Warsaw	promoting Polish-American friendship	1993
Toastmasters	various towns in Poland	education in leadership skills and public speaking	1994
Polish-American Management Center	Łódź	MBA program, managerial education	1995
Kronenberg Foundation (Citigroup)	Warsaw	education for economics and cultural heritage	1996
United Way Polska	Warsaw	support for communities in dire straits (sick and disabled, poor, elderly)	1996
Copernicus Foundation	n.a.	educational and cultural activities	1998
Junior Achievement Foundation	Warsaw	economic education of children and youth	1999
Polish-American Freedom Foundation	Warsaw	promoting the ideas of civil society, democracy and free market economy and sharing experience of systemic transition	2000
American Institute for Foreign Study, an office in Poland	Warsaw	organizing educational, professional and travel exchange between countries	2000



Organization	Head office	Mission	Year of starting operations in Poland
Community of Democracies	Warsaw	promoting democracy	2000
Association for Polish American Cooperation (APAC)	Warsaw	promoting Polish-American collaboration and support for student exchange programs between University of Warsaw and Northeastern Illinois University in Chicago	2001
Ronald McDonald Foundation	Warsaw	support and help to children with diseases	2002
Chartered Financial Analysts	Warsaw	a professional organization of certified financial analysts	2004
Salvation Army	Warsaw	Christian organization providing aid in local communities	2005
The Yale Club of Poland	Warsaw	an organization of Polish alumni	2007
Enactus	Warsaw	promoting collaboration between business and academic circles and students, promoting entrepreneurship and occupational activation	2009
Gdynia Business Week	Gdynia	education for entrepreneurship	2009
TechSoup	Warsaw	delivering technology and expertise that enhance NGO's service to local communities	2009
Vital Voices	Warsaw	running a mentoring program for women	2010
Atlantic Council	Wrocław	promoting Transatlantic collaboration	2010
The Kościuszko Foundation	Warsaw	activities in the area of education and culture	2011
The German Marshall Fund of the United States	Warsaw	promoting Transatlantic collaboration	2011
Jan Karski Educational Foundation	Warsaw	promoting the values professed by Jan Karski: courage, responsibility, righteousness	2012
Columbia Club of Poland	Warsaw	an organization of Polish alumni	2012
Stanford Club	Warsaw	an organization of Polish alumni	2012
Big Brothers Big Sisters of Poland	Warsaw	providing at-risk children with strong mentoring relationships	2014
Global Education Leadership - Poland Internship	Warsaw	promoting international education and human collaboration, organizing summer traineeships	n.a.
Harvard Club of Poland	Warsaw	an organization of Polish alumni	n.a.
University of Chicago Alumni Society	n.a.	an organization of Polish alumni	n.a.
Chartered Institute of Management Accountants	Warsaw	an organization of management accounting professionals	n.a.

Source: KPMG in Poland analysis based on desk research



Małgorzata Krasowska

Director, Polish-U.S. Fulbright Commission



In Poland, the J.W. Fulbright governmental academic exchange program started in 1959. To date, it has supported nearly 4,000 scholars. Those who came to Poland were mostly specialists in American studies, linguistics, political science, history, communication and education, economics and business. By teaching at Polish universities during communist times, they helped Poles open their minds to different ways of thinking and to free-market ideas. The program continued and was not suspended even during martial law. At present, approximately 40 Americans come to Poland each year, from a broad variety of fields. Their contribution to academic and student life at Polish universities, and the promotion of American standards and self-confidence has undoubtedly made a strong impact on Polish students and scholars, and their further careers.

The benefits of the program are unique. Participants are dealing with the best specialists, exchanging experience and brushing up their foreign language skills, while also gaining experience in international collaboration. Sometimes, such joint work leads to a scientific discovery, a research article, a grant for further research, development of a patent or a new research program, or to application of innovative solutions in the economy. Fulbright supports all fields of research. This year, our scholars will focus on dementia and Alzheimer's disease, methods of depression treatment during extended stay in the dark, and assessment of the quality of shale gas deposits found in Poland. The results may be directly applicable in Poland's economy and we very much hope for that.

Many Polish political and business leaders are Fulbright alumni, among them prime ministers M. Belka, G. Kołodko, W. Cimoszewicz; former mayor of Warsaw M. Świąćicki, Member of European Parliament D. Hübner, CEO C. Stypułkowski and CEO H. Bochniarz. Their business and political activities go back to the times of the alumni's stay in the USA under a Fulbright scholarship. One other Fulbright alumnus attained huge success in management and in developing a new formula of higher education: Prof. A. Koźmiński, the founder of the Kozminski University, currently serving as its president.



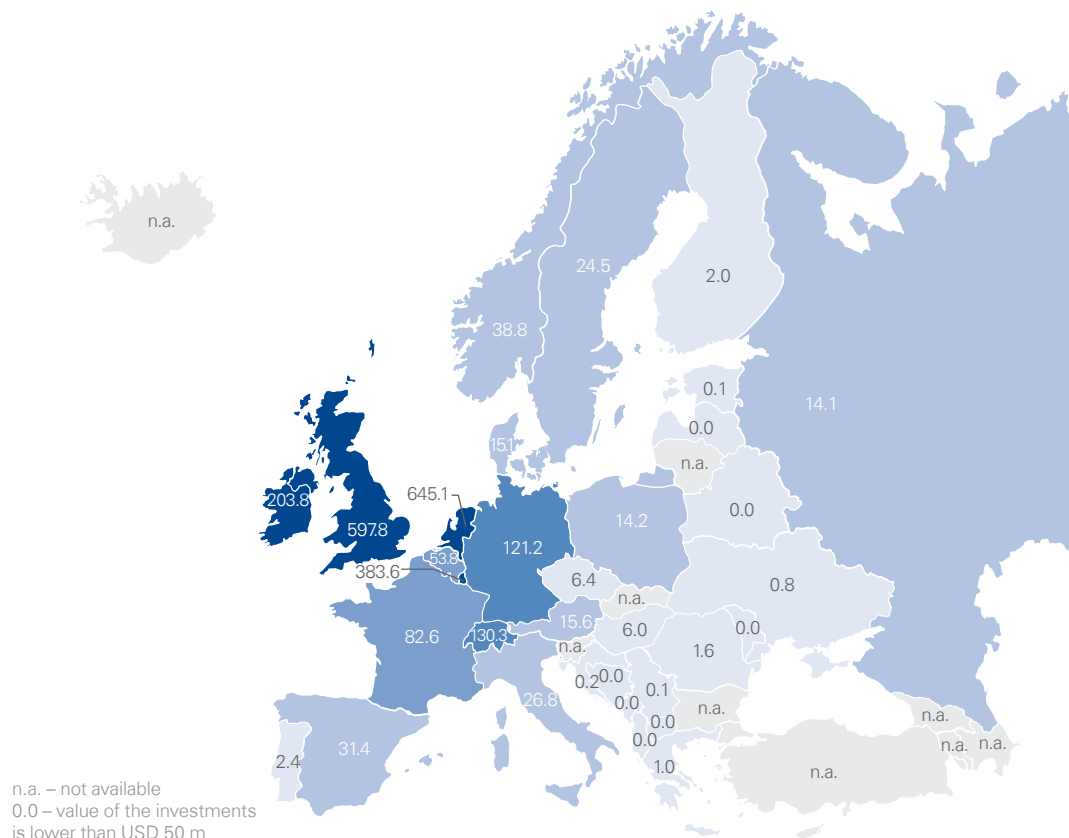
American investments in Poland

In 2012 the stock value of American investments in Europe reached nearly USD 2.5 trillion. Poland is currently the key destination for U.S. investments in Central and Eastern Europe. KPMG estimates that the actual total value of U.S. investments in Poland exceeds PLN 90 billion.

In Europe, the United States has made the largest investments in the Netherlands (USD 645 billion), the United Kingdom (USD 598 billion) and Luxembourg (USD 384 billion). The value of U.S. foreign direct investments in Poland in 2012 exceeded USD 14 billion and a comparable figure of U.S. investments was recorded for countries such as Denmark and Austria.

Poland is the leader in Central and Eastern Europe in terms of the total figure of American investments. A similar value of investments was recorded only in Russia. American investments in the Czech Republic and Hungary exceeded USD 6 billion whereas other countries of the region attracted very low levels and only a handful of companies.

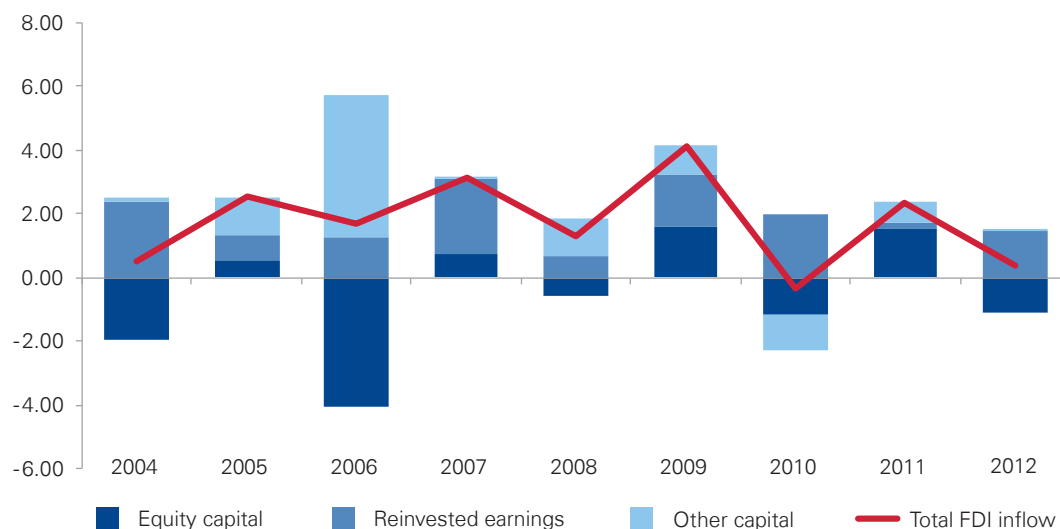
American foreign direct investments in Europe (2012, USD billion)



Data for some countries are unavailable because a specific figure would disclose an investment made by a single company.
Source: KPMG in Poland analysis based on BEA data

The inflow of American capital to Poland has fluctuated considerably. In 2012, it totaled nearly PLN 400 million, most of which were reinvested earnings.

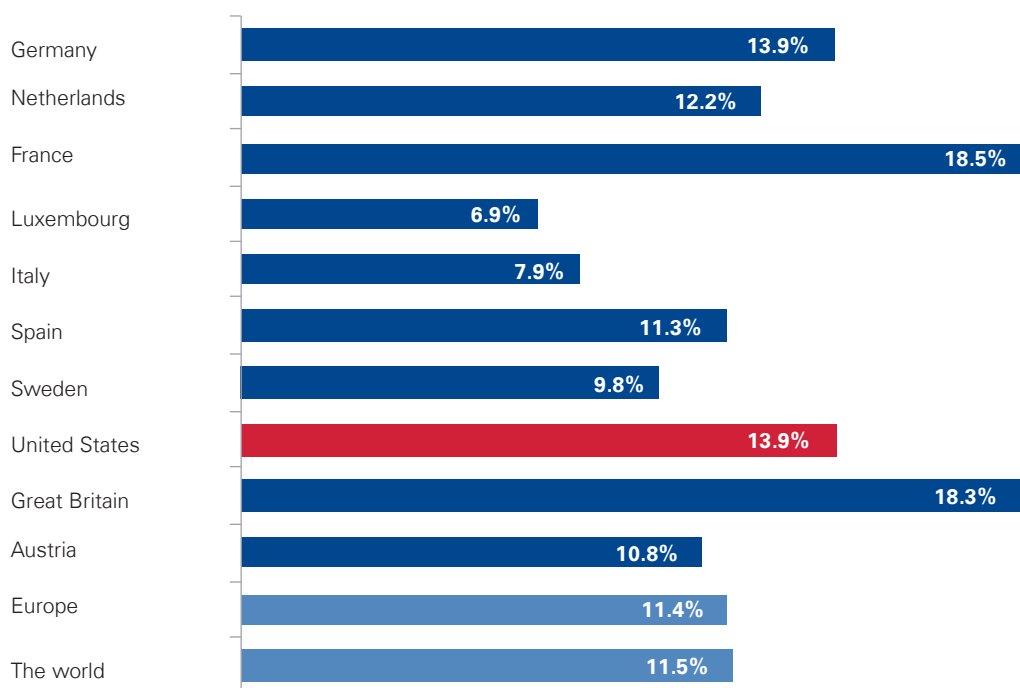
Inflow of American direct investment in Poland (PLN bln)



Source: KPMG in Poland analysis based on NBP data

In 2012, American investors generated a return of over PLN 3 billion on their capital invested in Poland. Among ten major foreign investors in Poland the rates of return on capital ranged from 6.9% (Luxembourg) to 18.5% (France). The United States attained a rate of return equal to 13.9%, i.e. more than the average for investors from around the world or from Europe.

Return on equity for the largest foreign investors in Poland (2012)

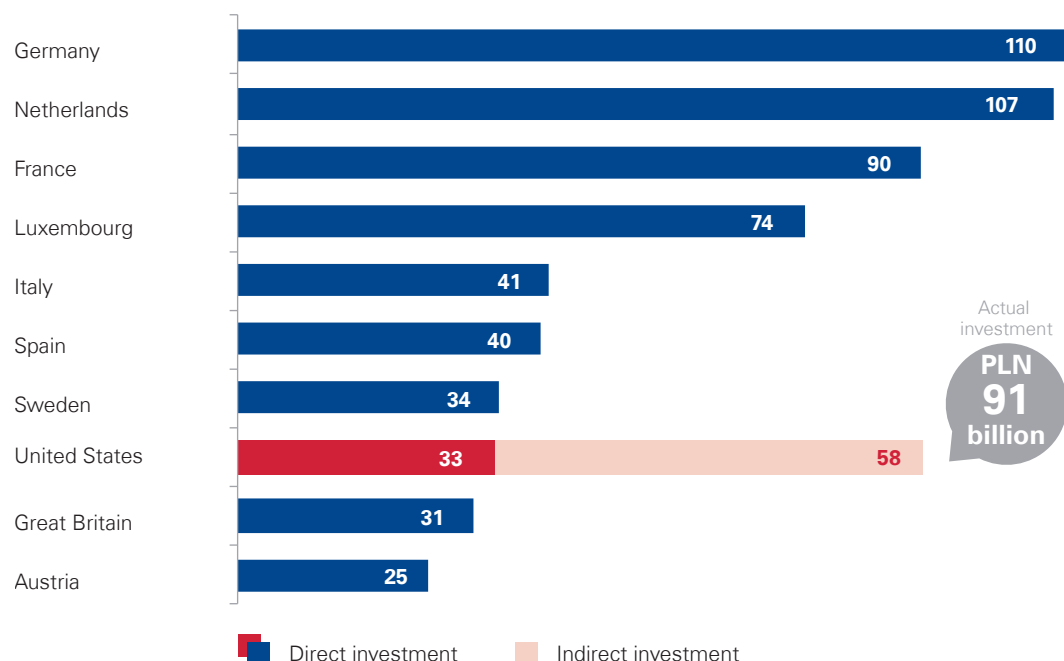


Source: KPMG in Poland analysis based on NBP data



In 2012, the United States was the 8th largest foreign investor in Poland. The accumulated value of American investments in Poland in 2012 exceeded PLN 33 billion, which signifies a nearly two-fold increase in comparison with 2004. The majority of U.S. investments are shareholdings in companies and reinvested profits.

Ten largest foreign investors in Poland (2012, PLN billion)

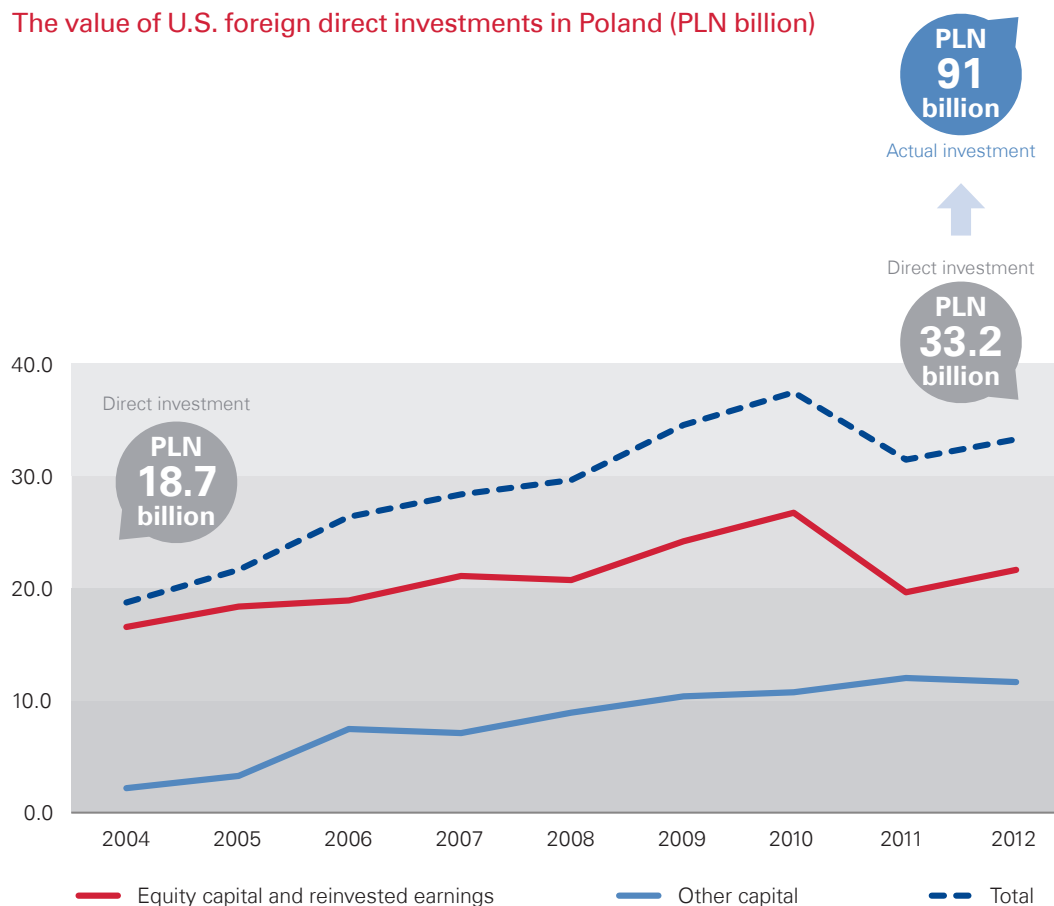


Source: KPMG in Poland analysis based on NBP data

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It should be noted that the data reported by the National Bank of Poland (NBP) cover only investments made directly by U.S.-based investors, not including indirect investments, i.e. ones made by U.S.-owned companies registered outside the USA, mainly in the Netherlands and Luxembourg.

The value of U.S. foreign direct investments in Poland (PLN billion)



Source: KPMG in Poland analysis based on NBP data

In order to estimate the actual scale of American investments in Poland (both direct and indirect), we analyzed capital links for medium-sized and large enterprises based on data from commercial databases. Our analysis covered balance sheet data of companies owned by U.S.-based organizations and those which do not have a direct American shareholder but are owned by entities registered in the USA. Our findings have shown that the value of American indirect investments in Poland represents nearly 175% of the FDI from that country. This means that the real value of American investments is much higher than the figures recorded in official statistics and reached PLN 91 billion in 2012.

The value of American investment in Poland (2012, PLN billion)



Source: KPMG in Poland analysis based on NBP data and Amadeus database

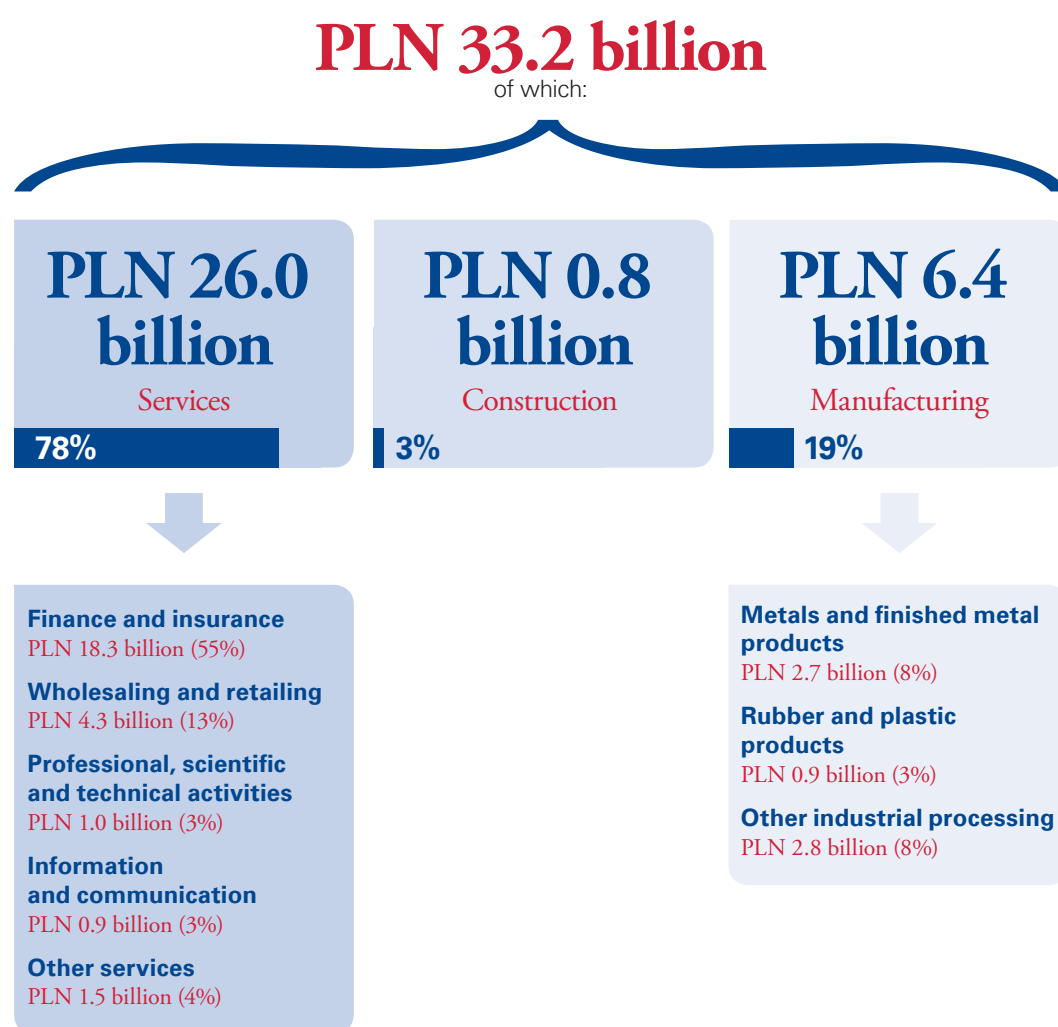


American investors are visible in Poland primarily in the services sector. As regards direct investments, the vast majority (78%) are in the services sector, whereas a fifth (19%) go to the industrial sector, with only 3% in the construction sector.

Finance and insurance are the dominant segments of the services sector: in 2012, the value of accumulated American investments in Poland in this sector exceeded PLN 18 billion, which was equivalent to 55% of American FDI in our country. Wholesaling and retailing was another important type of service, with investments worth PLN 4.3 billion, or 13% of total investments.

The industry which attracted the most American investment was metals and finished metal products: in 2012, the value of investments approached PLN 3 billion, which represented 8% of all investments.

American FDI in Poland by industry (2012, PLN billion)



Source: KPMG in Poland analysis based on NBP data



Joanna Benz

Country Manager, CH2M HILL
AmCham Board Director and Co-Chair of AmCham Manufacturing Committee



A survey conducted by AmCham in Q3 2013 showed that 87% of the surveyed investors plan further investments in Poland within the next three years. Moreover, the AmCham survey indicates that 40–60% of investments made in Poland in 2013 are actually reinvestments.

Many multinational manufacturing companies which took a long time to select the target country and a new location for their investments start their first project in Poland and just a few years later decide to make an extension or to attract other products groups, new branches of the same corporation or their subcontractors or suppliers, often building production hubs. Good examples come from 3M in Wrocław and Mondelēz in Skarbimierz. In many a case, the value of subsequent investments is a multiple of a sum originally declared for investment in Poland. In the last two years, the number of reinvestments and subsequent investments from companies already having a location in Poland exceeded the figure of new investments coming to our country.

Poland's reinvestment potential is not yet fully leveraged. AmCham lobbies for simpler tax regulations and easier business permit procedures for companies reinvesting in Poland, and for a shorter processing time for issuing such permits. Despite the complex paperwork, reinvestments in Poland are profitable for companies which have already established a presence here because of the lower risk versus an attempt to start in a new location and enter a new, unknown market. There is also the possibility to utilize the existing network of suppliers and business partners. The cost of attracting a new investor is lower for central and local authorities in that case. If we develop efficient and simplified permit procedures and more conducive conditions for further investments, we help those companies build further growth potential on our market.

According to the Polish Information and Foreign Investment Agency (PAIIZ), 41% of investors in Poland on average go beyond a single investment. It is also worth stressing that as much as 58% of the value of foreign projects supported by PAIIZ comes from reinvestments.

Companies which see potential in a location, often diversify their investments. For instance, they might start with a manufacturing business, and then open a shared services center or an R&D center. Moreover, many companies which reinvest their funds in Poland plough back sums which are multiples of their original greenfield investment. Such companies include Mondelēz International, 3M, Weyerhaeuser or Procter & Gamble.



Aerospace and defense industry

Examples of American companies operating in the aerospace and defense industry in Poland



Source: KPMG in Poland analysis based on publicly available information (websites, articles)

1 **Boeing International** Warsaw

Representative office in Poland

2 **GE Aviation** Warsaw

Representative office and sales office in Warsaw. Company established Engineering Design Center in Warsaw

3 **Goodrich Krosno, Goodrich Aerospace Poland** Krosno, Tajęcina k. Rzeszowa

System of services for aerospace and defense industry

4 **Hamilton Sundstrand Poland** Rzeszów, Wrocław

The company has its R&D center in Wrocław, where subcomponents and elements of aircraft engines are designed

5 **Lockheed Martin** Warsaw

Representative office in Poland

6 **Meyer Tool Poland** Kalisz

Manufacturing of components for aircraft engines

7 **Pratt&Whitney Kalisz** Kalisz

Manufacturing of parts for aircraft engines

8 **PZL Mielec, Sikorsky Aircraft Group** Mielec

Manufacturing of aircraft, aerostructures and helicopters; an R&D center for the aviation industry is being established at the company

9 **Raytheon International** Warsaw

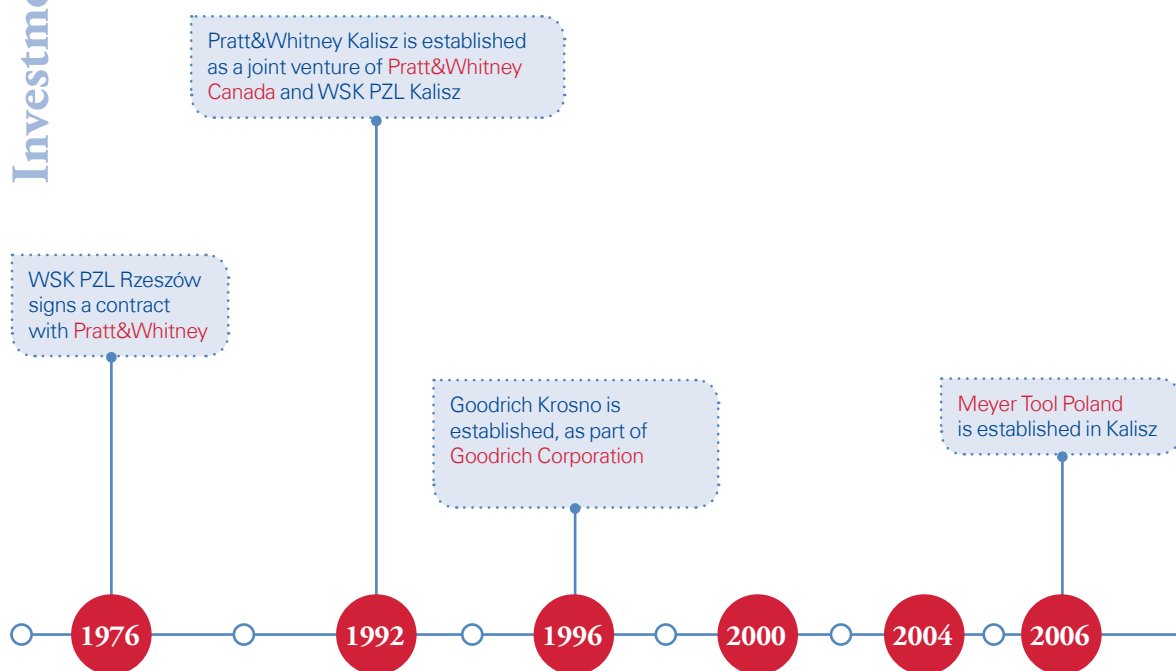
Representative office in Poland

10 **WSK PZL Rzeszów, United Technologies Group** Rzeszów

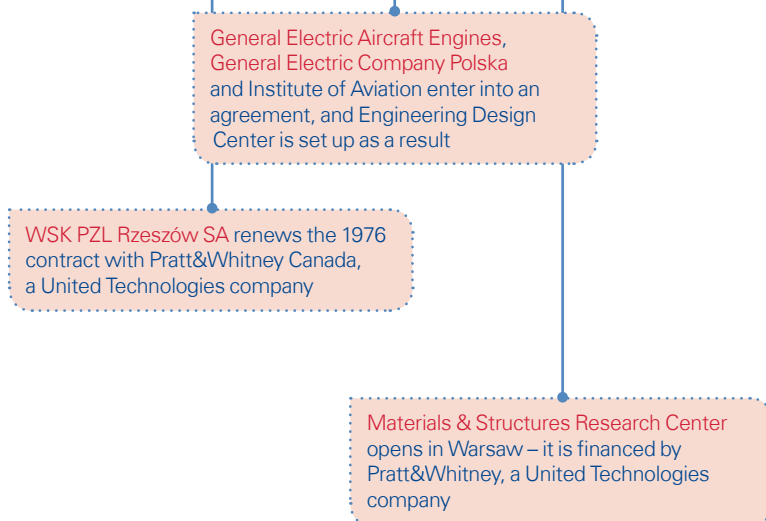
Manufacturing of aerospace components and complete drive units; a project is in progress to establish a R&D center at the company to deal with aerospace drive units

Examples of investments and reinvestments of American companies in Poland

Investments

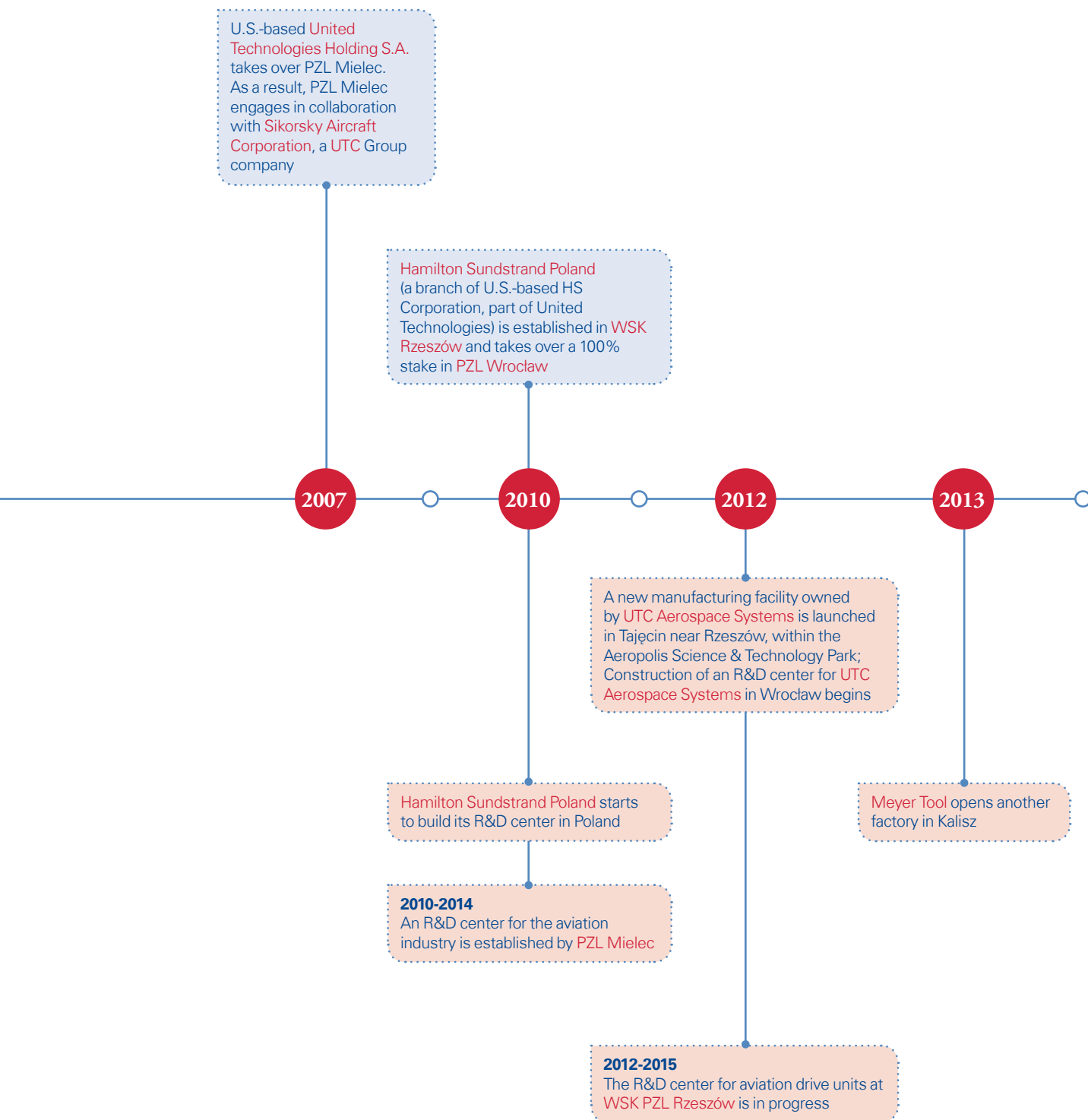


Reinvestments



Source: KPMG in Poland analysis based on publicly available information (websites, articles)





- In 2012, the accumulated value of investments made by companies with American capital in the manufacture of aircraft and spacecraft and related equipment was PLN 123 million, up by 34% versus 2011. This is the value of FDI, i.e. investments made by U.S.-registered companies.
- Investments in the aerospace industry in Poland were made by companies such as Goodrich Corporation, Pratt&Whitney Canada, Sikorsky Aircraft and Aerospace Systems, owned by U.S.-based United Technologies.
- Black Hawk helicopters, manufactured in Poland by Sikorsky Aircraft, were designed by Polish engineer Franciszek Piasecki.
- Direct and indirect American investors operating in the aerospace and defense industries employ at least 8,000 people in Poland.
- Annual revenues generated by companies run by direct and indirect investors in this sector in Poland exceed PLN 2 billion.
- The majority of Polish output from this industry is exported.
- 67% of companies with American capital operating in the aerospace and defense industries have already made reinvestments in Poland.
- There are several R&D centers with American capital (Hamilton Sundstrand in Rzeszów, UTC Aerospace Systems in Wrocław and two other centers under construction) and science centers created by the Institute of Aviation in Warsaw in cooperation with American investors (Engineering Design Center in cooperation with GE and Materials and Structures Laboratory in cooperation with Pratt&Whitney).

Value of an investment based on NBP data. Turnover and employment values are estimates by KPMG.
Source: KPMG in Poland analysis based on data from ABSL, NBP, financial statements and desk research



Pharmaceutical industry and clinical trials

Examples of American companies operating in the pharmaceutical industry and clinical trials in Poland



Source: KPMG in Poland analysis based on publicly available information (websites, articles)

1 Abbott Laboratories, Abbott Products
Warsaw

Sale of pharmaceutical products

2 Amgen, Amgen Biotechnologia
Warsaw

Sale of innovative pharmaceutical products, biotechnology

3 Baxter Polska
Warsaw, Lublin

Production and wholesaling of pharmaceutical products

4 Bristol-Myers Squibb Polska
Warsaw

Biopharmaceuticals, development and production of drugs. The company has a clinical research center for Central and Eastern Europe in Poland

5 Eli Lilly
Warsaw

Sale of modern drugs, clinical trials

6 Gilead Sciences Poland
Warsaw

Sale of pharmaceutical products

7 MSD Polska
Warsaw

Production of drugs and clinical trials; the company operates a Data Management Center of Clinical Research in Poland

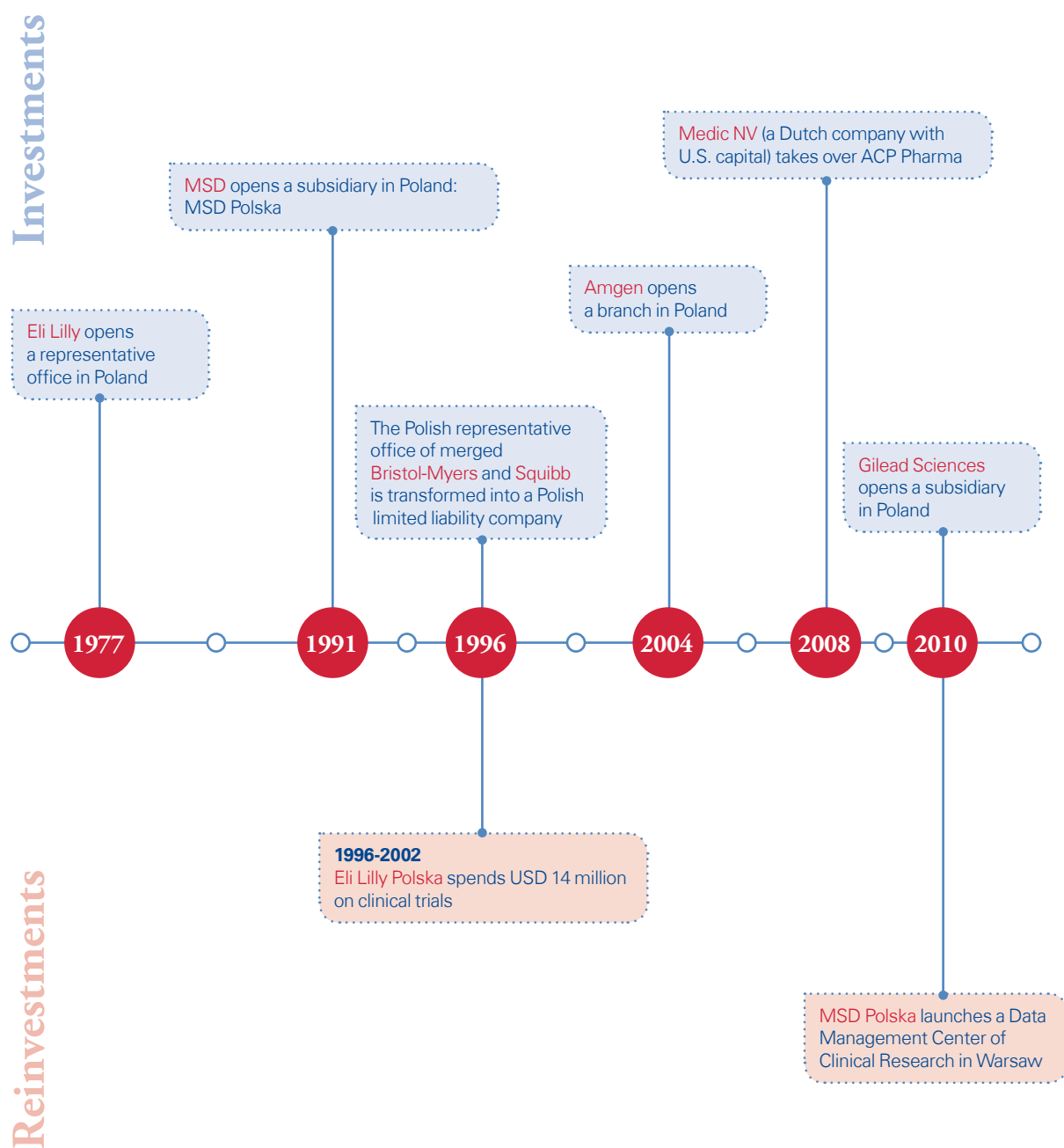
8 Pfizer Polska, Pfizer Trading Polska
Warsaw

Sale of pharmaceutical products

9 Unipharm
Warsaw

Wholesaling and retailing of OTC drugs and dietary supplements; the products are manufactured in the USA

Examples of investments and reinvestments of American companies in Poland



Source: KPMG in Poland analysis based on publicly available information (websites, articles)



- American companies (both direct and indirect investors) operating in the pharmaceutical industry and clinical trials currently employ at least 2,000 people in Poland.
- Annual revenues of companies with American capital which are among direct and indirect investors in this industry are estimated at least at PLN 3 billion.
- The reason behind the disproportion between employment and revenues is the fact that most companies do not develop or manufacture pharmaceuticals in Poland but just sell them.
- The headquarters of pharmaceutical companies with American capital are located in Warsaw.
- 45% of companies with American capital operating in the pharmaceutical industry and clinical trials have made reinvestments in Poland.

Value of an investment based on NBP data. Turnover and employment values are estimates by KPMG.
Source: KPMG in Poland analysis based on data from ABSL, NBP, financial statements and desk research



Marcin Hańczaruk

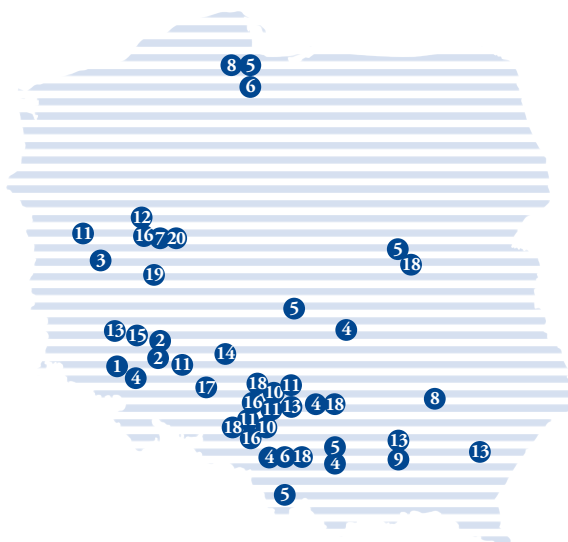
General Director, Amgen Biotechnologia



Poland is undoubtedly an attractive investment destination, for many reasons. Above all, with 38 million residents, it is one of the largest populations in Europe. Those are also prospective customers and users of services. After a period of economic stagnation under the past political regime, and despite considerable revival in subsequent years, Poland still has quite a few areas where it needs to catch up with other countries, and this is why it still represents business potential. In comparison with other countries, the manufacturing costs are lower here, the prices of land plots for manufacturing plants are still attractive (except major cities). Add to that the enormous intellectual potential among young, well-educated people. In the context of necessary changes and improvements, certainly the tax system needs some further work: it needs to be simplified, more predictable and appealing. In fact, this applies to the entire legislative process. Law-making in Poland is still an area where improvement is needed. Reduction of bureaucratic barriers and simplification of administrative procedures are other areas to tackle. And, finally, let me mention two other areas: dialogue with public administration and institutions should be improved, and public-private partnership should be utilized more heavily as it generates multiple benefits in other countries but has been marginalized in Poland.

Automotive industry

Examples of American companies operating in the automotive industry



Source: KPMG in Poland analysis based on publicly available information (websites, articles)

1 **American Axle Manufacturing** Świdnica

Manufacturing of elements for propulsion systems

2 **Autoliv** Oława, Jelcz-Laskowice

Manufacturing of elements for security systems

3 **BorgWarner** Jesionka

Manufacturing of turbochargers; research & development activity

4 **Cooper Standard** Bielsko-Biała, Dzierżoniów, Myślenice, Piotrków Trybunalski, Częstochowa

Manufacturing of gaskets, wires, body and suspension parts

5 **Delphi** Jeleśnia, Błonie, Ostrów Wielkopolski, Gdańsk, Cracow

Manufacturing of electric bundles, power systems, absorbers, heat exchangers, switches; A technology center in Cracow

6 **Eaton** Bielsko-Biała, Tczew

Manufacturing of engine valves, tappets and valve rocker arms, compressions, gear boxes; an engineering center in Tczew

7 **Exide Technologies** Poznań

Manufacturing of batteries

8 **Federal Mogul** Gorzyce, Gdańsk

Manufacturing of pistons for combustion engines and bearings

9 **Firma Oponiarska Dębica, grupa Goodyear** Dębica

Manufacturing of tires for motor vehicles

10 **General Motors Manufacturing Poland** Gliwice, Tychy

Manufacturing of Opel passenger vehicles and Diesel engines

11 **Johnson Controls** Bieruń, Siemianowice Śląskie, Skarbimierz, Świebodzin, Żory

Manufacturing of car seats and their parts, manufacturing of switches and steering panels

12 **Kimball Electronics** Tarnowo Podgórne

Manufacturing of electronic sub-assemblies



13 Lear Corporation
Tychy, Jarosław, Mielec, Legnickie Pole
 Manufacturing of elements of car seats and electric bundles; R&D activity

14 Neapco
Praszka
 Manufacturing of half-shafts

15 Pittsburgh Glass Works
Środa Śląska
 Manufacturing of car panes

16 Tenneco
Poznań, Rybnik, Gliwice
 Manufacturing of exhaust control systems and shock absorbers; engineering centers

17 Tower Automotive
Opole
 Processing of metal elements

18 TRW
Czechowice-Dziedzice, Częstochowa, Gliwice, Pruszków, Bielsko-Biała
 Manufacturing of elements for security systems, suspension and steering systems; running an engineering, financial and procurement center

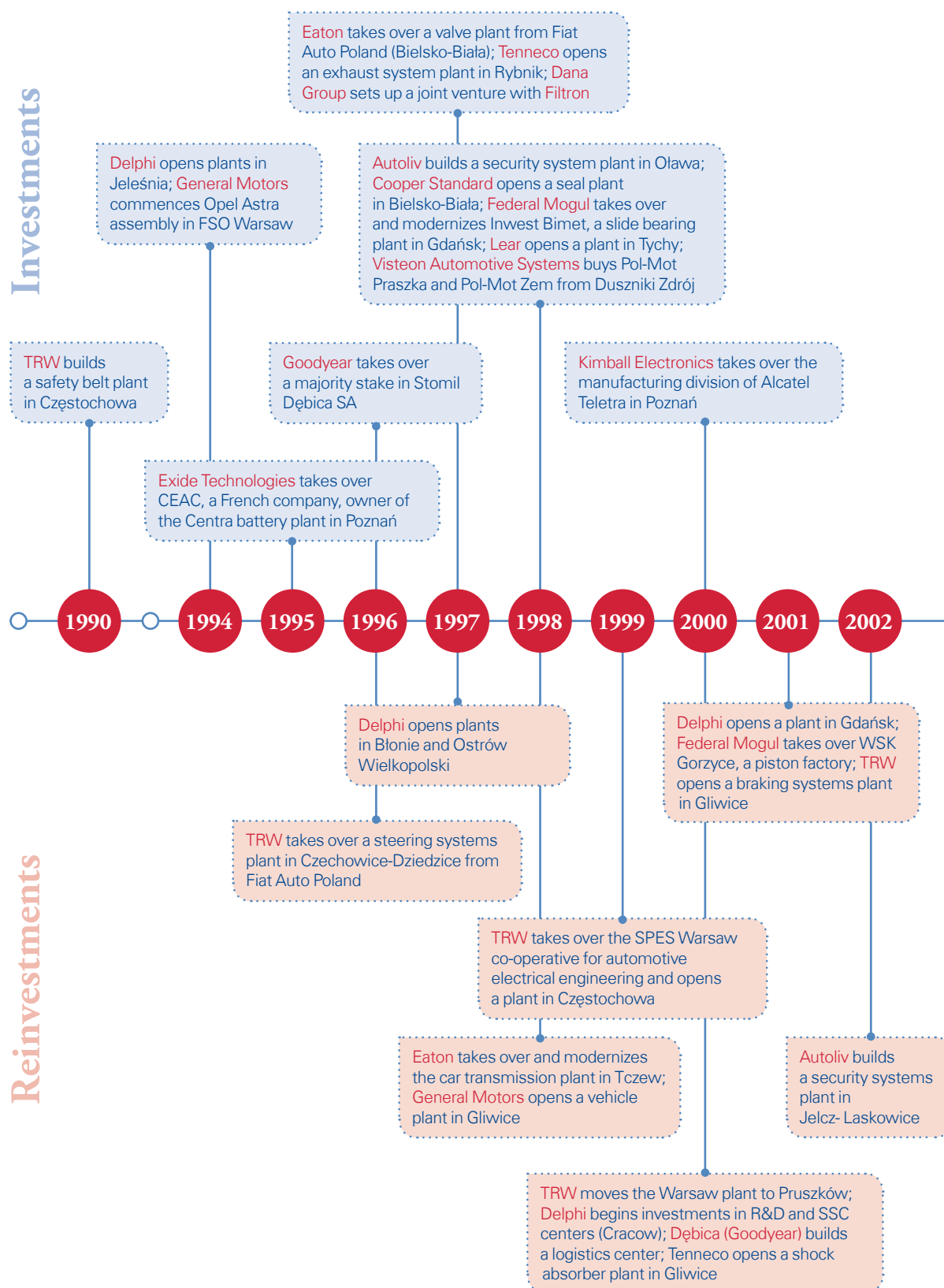
19 WIX-FILTRON, grupa Affinia
Gostyń
 Manufacturing of automotive filters

20 Visteon
Jasin
 Manufacturing of interior details

- American automotive manufacturers are an immensely important employer, not only for the Polish automotive industry but for the industrial sector as a whole. In total, they employ over 45,000 people and reach over PLN 30 billion in annual revenues.
- Poland has attracted investments from over 20 major multinational automotive manufacturers originating from the USA. Among them is one maker of vehicles, General Motors, while the remaining companies produce automotive subcomponents, parts and accessories.
- As many as 2/3 of American Top 100 global OEM parts suppliers listed in Automotive News (2013) have their manufacturing plants in Poland.
- Nearly all automotive manufacturers from the USA made numerous and significant reinvestments in Poland, both in the extension/upgrading of their plants and in new manufacturing facilities. Individual cases of liquidation/sale of plants by American manufacturers were mostly driven by financial difficulties at the global level.
- Many American automotive companies (incl. Delphi, Lear Corporation, Tenneco and TRW) did not only bring their manufacturing capacities to Poland but also located their R&D centers and/or shared services centers here. This shows that the selection of Poland was not driven only by low labor costs and availability of public aid but also by the quality of engineering workforce.

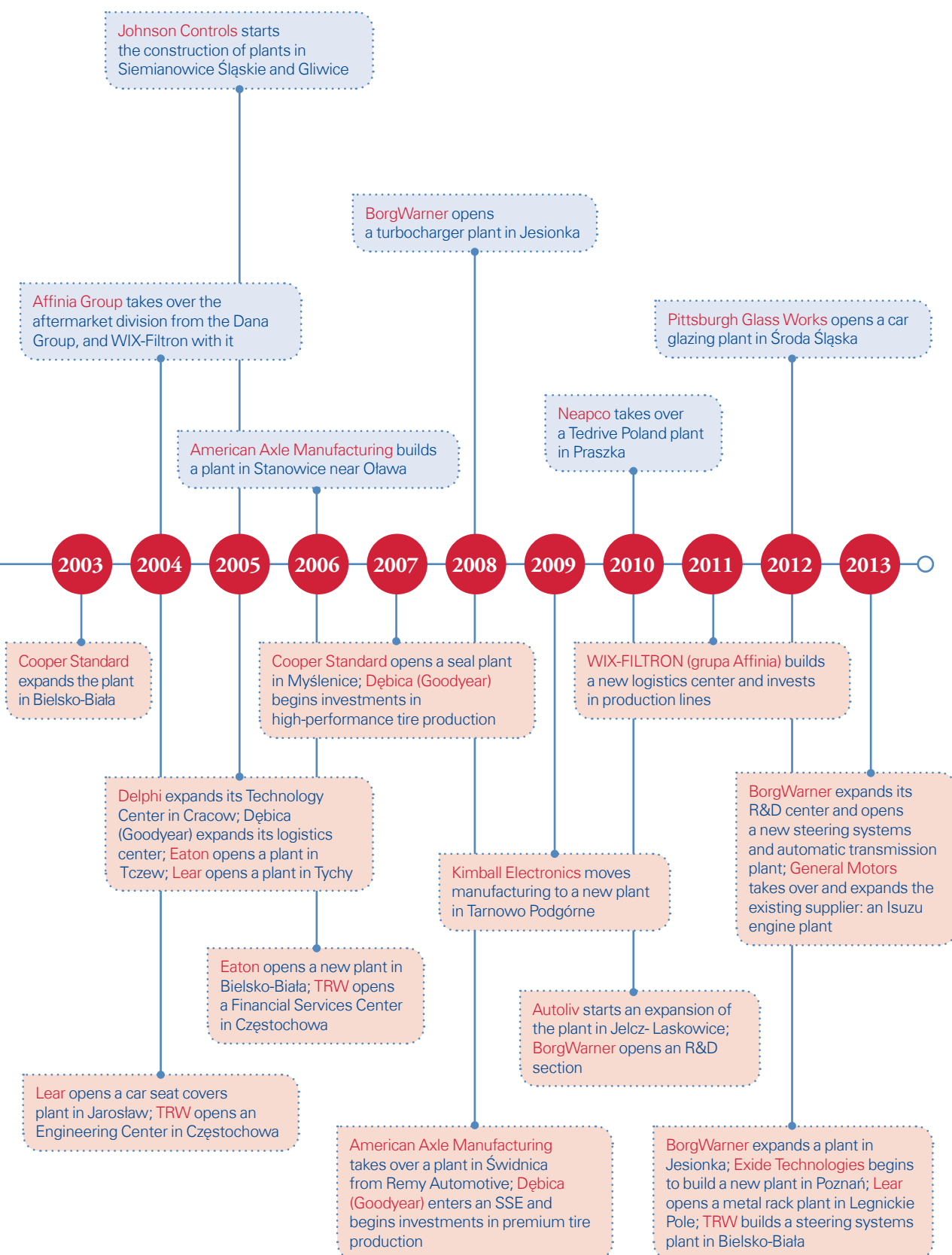
KPMG in Poland analysis based on NBP data. Turnover and employment values are estimates by KPMG.
 Source: Analysis by KPMG in Poland based on data from ABSL, NBP, financial statements and desk research

Examples of investments and reinvestments of American companies in Poland



Source: KPMG in Poland analysis based on publicly available information (websites, articles)







Adam Korpak

Managing Director, GM Manufacturing Poland

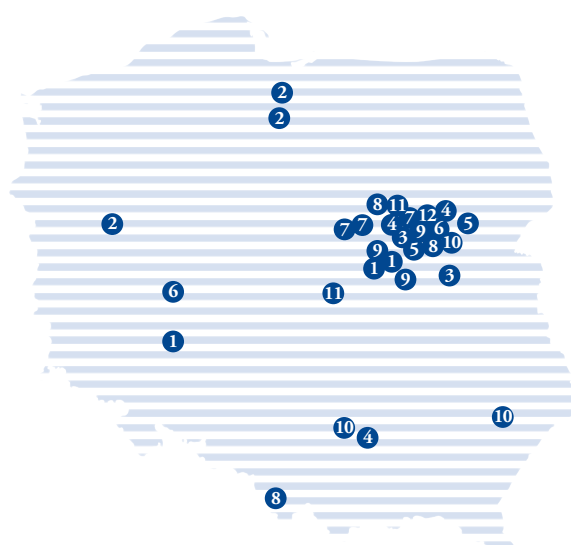


General Motors was the first foreign investor in the Gliwice subzone of the Katowice Special Economic Zone. As a pioneer of American investments in Poland, we were fortunate and honored to offer jobs in the Gliwice Opel factory to two thousand workers, at that time mostly coming from the Silesian heavy industry, then undergoing a serious structural crisis. Our first employees turned out to be particularly responsible, conscientious and precise. In a short time, they learnt how to launch production and how to produce modern passenger vehicles. All along, they demonstrated willingness to learn, adaptive skills and the ambition to transform the Gliwice plant into the corporation's best factory in Europe. Within fifteen years of its history, the plant saw subsequent Opel models being launched and the same commitment to quality and the ability to work to tight deadlines and budgets. Subsequent launches in the history of the plant were made on time, without exceeding the budget. As a result, the Gliwice plant became one of the two exclusive producers of the new Opel Astra model, which was a cornerstone of our future success in Europe. This would not have been possible without another characteristic of our staff, namely the ability to innovate and to remain ingenious while adhering to the strictest technology regimes. It is not without reason that the Gliwice plant is the best training ground for quality management engineers and process engineers who support GM in its various plants, from Spain to Uzbekistan. Our staff are also involved in R&D and the training of young workforce. They also support students and schools of technology under traineeship programs. Last but not least, we must not forget about our staff's participation in charitable programs for the local community. Taken together, these elements build a very special atmosphere which is so highly appreciated by GM and confirmed by its ever growing investments Poland.



Consumer goods

Examples of American companies operating in the consumer goods sector

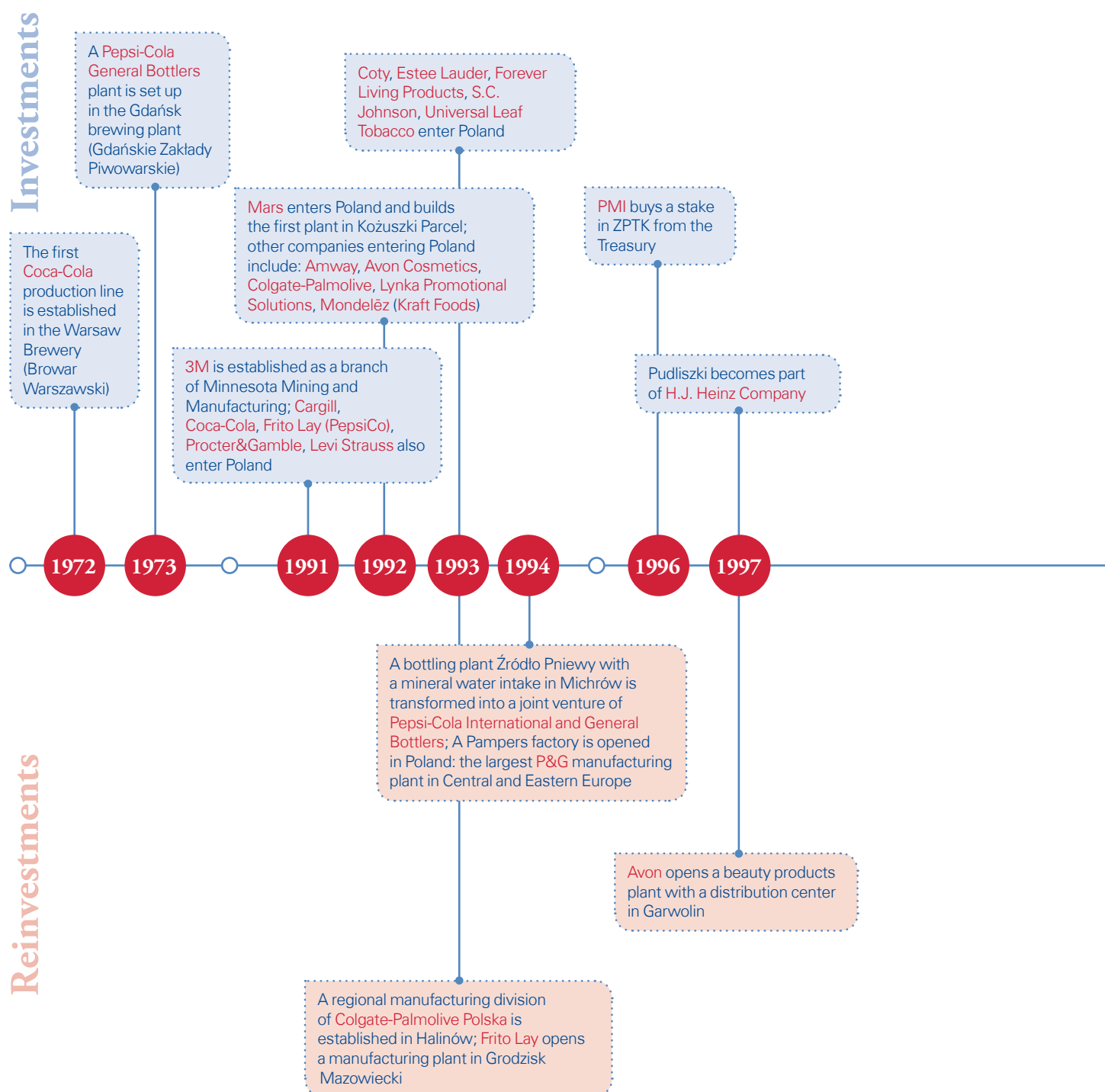


Source: KPMG in Poland analysis based on publicly available information (websites, articles)

- 1 3M Poland**
Kajetany, Wrocław, Janinów
A wide range of products, incl. office supplies, security products, telecoms, promotional goods. The company has a global manufacturing hub in Wrocław
- 2 ADM Poland**
Górki, Szamotuły, Malbork
Manufacturing and distribution of edible oil
- 3 AVON Cosmetics Polska**
Warsaw, Garwolin
Manufacturing and sale of beauty products. The company has a financial services center and an R&D center in Garwolin
- 4 Coca-Cola Poland**
Warsaw, Radzymin, Staniątki
Manufacturing and distribution of soft drinks

- 5 Colgate-Palmolive Poland**
Warsaw, Halinów
Manufacturing of toiletries, cleaners and household goods. In Warsaw, the company operates the Colgate Business Services Center supporting all European operations
- 6 HJ Heinz**
Warsaw, Pudliszki
Manufacturing and sale of ketchup and sauces
- 7 MARS Polska**
Warsaw, Janaszówek, Kożuski-Parcel
Manufacturing and sale of savory snacks, sweets, soft drinks and pet food
- 8 Mondelēz Polska**
Warsaw, Płońsk, Cieszyn
Manufacturing and sale of sweets and coffee
- 9 PepsiCo Poland**
Warsaw, Grodzisk Mazowiecki, Michrów
Manufacturing and sale of savory snacks, sweets and soft drinks
- 10 Philip Morris Polska**
Warsaw, Cracow, Leżajsk
Manufacturing and distribution of tobacco products. The company has an SSC center in Cracow (PMI Service Center Europe)
- 11 Procter&Gamble Polska**
Warsaw, Łódź
Manufacturing of toiletries, household chemicals and household goods
- 12 SC Johnson**
Warsaw
Sale of cleaners and household chemicals

Examples of investments and reinvestments of American companies in Poland

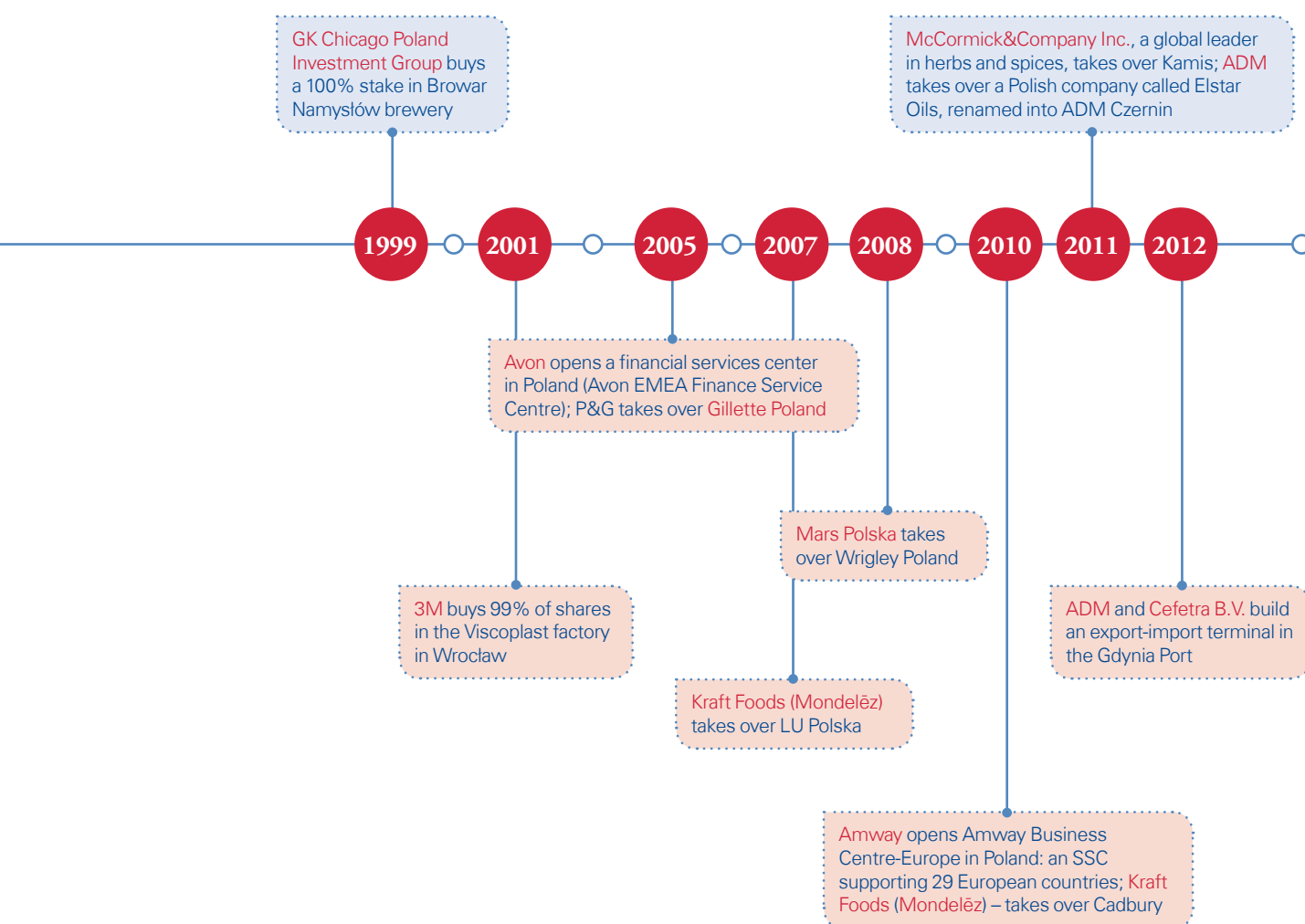


Source: KPMG in Poland analysis based on publicly available information (websites, articles)



- In 2012, the accumulated American FDI in Poland in the manufacturing of foods, beverages and tobacco amounted to PLN 739 million, and reached PLN 4.3 billion in wholesaling and retailing.
- The largest number of American companies from the consumer goods industry came to Poland in 1990–1993.
- The majority of American players from this industry are major corporations which first opened their representative offices here and then developed a manufacturing function, either through acquisitions or by building new plants in Poland.
- Direct and indirect American investors in the consumer goods industry employ at least 26,000 people in Poland and their annual revenues are estimated at least at PLN 28 billion.
- Poland has attracted investments from approx. 30 American companies from the consumer goods industry, of which 64% made reinvestments here.
- U.S. companies operating in this industry often open shared services centers in Poland: to date, as many as 8 companies have taken this step.

Value of an investment based on NBP data. Turnover and employment values are estimates by KPMG.
Source: KPMG in Poland analysis based on data from ABSL, NBP, financial statements and desk research





Marek Kapuściński

General Manager & Vice President, Procter & Gamble Central Europe,
AmCham Board Director



P&G, an iconic US company, launched its first brands in Poland in 1991. In 1994, the Company opened its first manufacturing plant in Poland: the Targówek Pampers plant. It was one of the first foreign investments by a multinational company, thereby greatly helping the economic transformation and sending an important signal to other investors.

20 years later, the country has become a key hub for P&G, both in terms of serving the consumers, as well as manufacturing and service operations. P&G has invested over 4 billion PLN, employs 3500 people and operates 8 business units in Poland, including a Central European sales office, a global P&G IT center, a European planning service center and one of the largest P&G manufacturing facilities in the world. In terms of the number of P&G employees and number of P&G plants, Poland ranks in the global top 10.

Poland is an attractive place for P&G to invest. First, the country offers an excellent talent pool with numerous well-educated graduates who – for a “built-from-within” company such as P&G – are absolutely crucial. In fact, there are now more Poles working in P&G structures worldwide than P&G expats working in Poland. Second, the welcoming and cooperative approach of Polish authorities, especially the Ministry of Economy, Polish Information and Foreign Investment Agency and Łódź Special Economic Zone. Third, Poland enjoys an excellent geographic location which, combined with EU membership as well as economic, political and legal stability, allows P&G to manufacture and ship the output to over 100 countries worldwide.





Anna Jakubowski

Operations Director in Poland and Baltics,
Coca-Cola Poland Services



For over 42 years of its presence in Poland, Coca-Cola has witnessed significant transformation during Poland's post-Communist transition, with Poland regaining its freedom and the possibility to create its own economic future, leading to Poland's succession to EU-membership in 2004. Coca-Cola is proud to have witnessed these changes and play a role in contributing to the economic growth and social transformation in Poland.

Thanks to a highly educated and skilled workforce, a stable political environment, the hunger for innovation, a spirit of entrepreneurship, and perhaps most importantly the strong will and determination of the people, Poland has succeeded in becoming an important player in the region. Celebrating 25 years of democracy, Poland is one of the healthiest economies and remains one of the fastest growing within the EU, thanks to among other elements a confidence in Poland, its people and its potential leading to a continued positive influx of foreign investment.

I am deeply honored to be of Polish heritage, with both my parents of Polish origin. It is a delight to return to Poland after 15 years, having worked here for 5 years through to 1998. I have been positively struck by the progress of the country on every level; the creation of a robust infrastructure, the evolution of services available, the high quality of products and experiences – and of course the peoples hunger and desire to continue to learn and succeed. It is thanks to the spirit of Poles; their hard work ethic, their adaptability and their perseverance, that this country has achieved so much, in such a short period of time. Poles have a lot to be proud of. People often ask me what it is like to be back, in a word; wonderful! I can't wait to see the magic which awaits us over the next 25 years!



Zoltán Novák

Managing Director Mondeľz Polska S.A.



Mondeľz Polska, for many years known as Kraft Foods and being a part of the American group present in 165 countries world-wide, commenced its business selling Jacobs coffee in 1992.

For more than 20 years our company managed to grow more than twentyfold to currently enjoy a leading position on the market of coffee, chocolate and branded biscuits in Poland.

Milka, Jacobs, Delicje, Oreo, Łakotki, Prince Polo, Maxwell House, Alpen Gold – those brands are recognized by all Poles. We launched many famous American iconic brands in Poland, for example Oreo, but thanks to acquisitions and large investments in Polish production plants such as the Cieszyn-based Olza, the company managed to excellently develop local brands, e.g. Prince Polo.

As a leading domestic coffee and confectionary producer, we are proud of the scale of our investments in Poland - 3300 employees, 7 production plants and fresh ideas for introducing innovations. Mondeľz Polska's investments are now focused around the Skarbimierz Chocolate plant, where we announced to create approx. 200 new jobs by 2015. So far, only in Lower Silesia, Mondeľz invested approx. \$250m in the last 5 years.

All of that would not be possible without good co-operation with local authorities fostering the most favorable climate for investments.

We expect the government, especially the Ministry of Economy, the Polish Information and Foreign Investment Agency and the Wałbrzych Special Economic Zone to continue with its even more pro-business and pro-reform agenda, and foster the infrastructure's fast development. We also expect even more direct collaboration with local authorities in the area of ensuring proper infrastructure for investments and improving the security of road traffic. The above is crucial for the co-operation network involving investors and suppliers of services and materials which is established in connection with the investment projects.



Other industrial goods

Examples of American companies operating in other industrial goods



Source: KPMG in Poland analysis based on publicly available information (websites, articles)

1 **Air Products** Zawiercie

Production and distribution of technical gases and related equipment and services for industrial, medical and academic clients

2 **Ball Packaging Europe Radomsko, Ball Trading Poland** Radomsko, Warsaw

Manufacturing of beverage cans for the European market

3 **Can-Pack Group** Cracow

Manufacturing of metal packaging for the industrial manufacturing sector

4 **Corning Optical Communications Polska** Stryków pod Łodzią

Manufacturing of fiber optic cables and telecom equipment. The company has an R&D center

5 **CMC Poland** Zawiercie

Manufacturing of reinforcing bars and wire mesh

6 **GE International, GE Power Controls** Warsaw, Bielsko-Biała, Kłodzko, Łódź, Cracow

Power sector, transport, medicine, security systems and water treatment. A wide array of products plus corporate and consumer financial services. The company has an Engineering Design Center and an IT Center for the Healthcare Section in Cracow

7 **Guardian Częstochowa** Częstochowa

Glassworks producing float glass

8 **International Paper** Kwidzyn, Cracow, Warsaw

Manufacturing of paper, paperboard and packaging. The company has an SSC in Cracow

9 **Jabil Circuit Poland, Jabil Assembly, Jabil Global Services Poland** Kwidzyn, Bydgoszcz

Manufacturing of computers and electronics and repair of equipment

10 **Otis** Warsaw

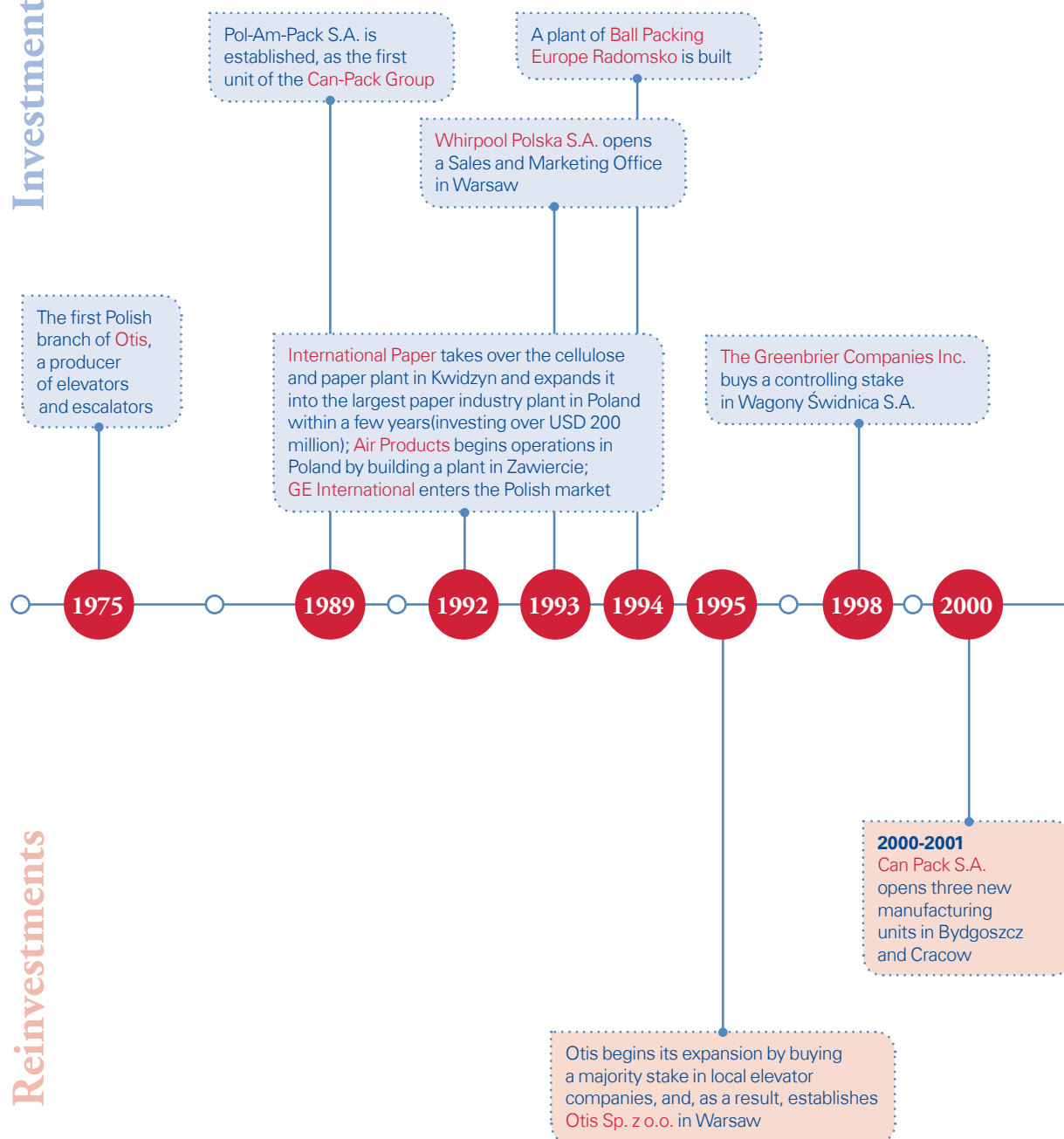
Manufacturing of elevators, stairs, moving walkways and other horizontal transport systems

11 **Whirlpool Polska** Wrocław

Manufacturing of household appliances

Examples of investments and reinvestments of American companies in Poland

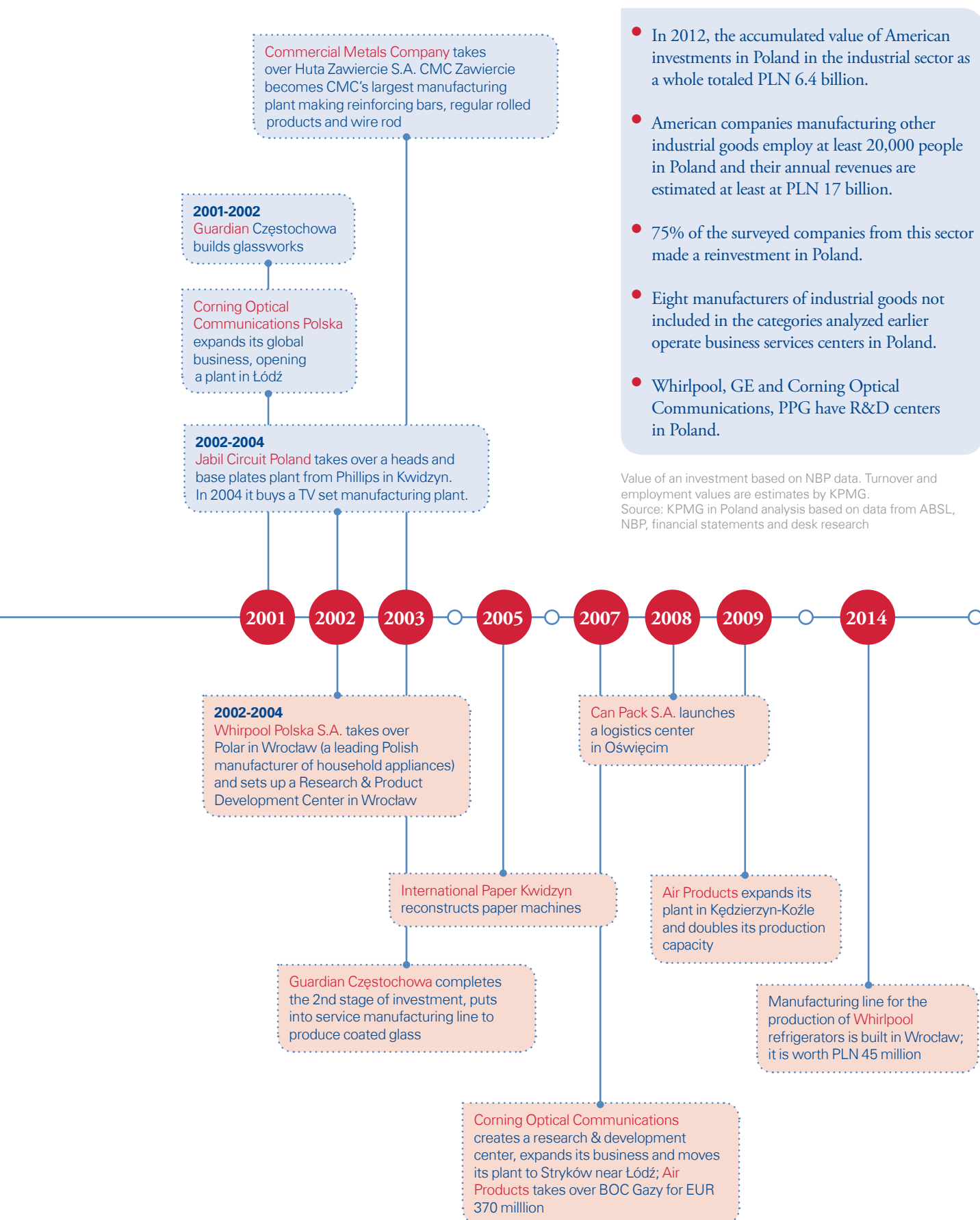
Investments



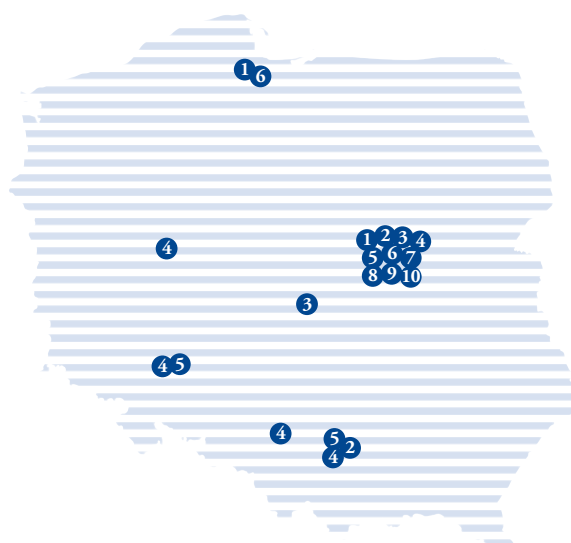
Source: KPMG in Poland analysis based on publicly available information (websites, articles)

The graph shows industrial goods except automotive, pharmaceutical, consumer goods, aerospace and defense sectors.





Examples of American companies operating in ICT



Source: KPMG in Poland analysis based on publicly available information (websites, articles)

1 **Axiom Polska** Warsaw, Gdańsk

Sale of products and services based on data, analysis and software. The company operates shared services centers in Warsaw and Gdańsk

2 **Cisco Systems Poland** Warsaw, Cracow

Distribution of IT solutions, organization of training and examinations. The company has its Global Support Center in Cracow

3 **Dell** Warsaw, Łódź

Manufacturing of computers and peripherals; business to business services

4 **IBM Polska** Warsaw, Katowice, Poznań, Wrocław, Cracow

Provision of IT infrastructure and advisory services, IT and training services. The company has a BPO center in Cracow

5 **Google Polska Sp. z o.o.** Warsaw, Cracow, Wrocław

Internet-based business. The company has two engineering offices in Poland (Cracow, Warsaw) and an Innovation Center (Wrocław)

6 **Intel Poland Developments, Intel Technology Poland** Warsaw, Gdańsk

Provision of technologies for computers and machinery. The company has an R&D center in Gdańsk

7 **Microsoft Sp. z o.o.** Warsaw

Provision of operating systems and software. The company has innovation centers in Poznań and Łódź

8 **Oracle Polska** Warsaw

Provision of software, IT infrastructure and business-to-business services

9 **UPC Polska** Warsaw

Provision of TV, Internet and telephone services

10 **Xerox Polska** Warsaw

Manufacturing and distribution of printers, support services for printing and back offices processes. The company has a BPO/SSC center in Poland





Patrycja Gołos

Director for Corporate Affairs and Public Policy, UPC Polska
Co-Chair, AmCham Digital Economy Committee

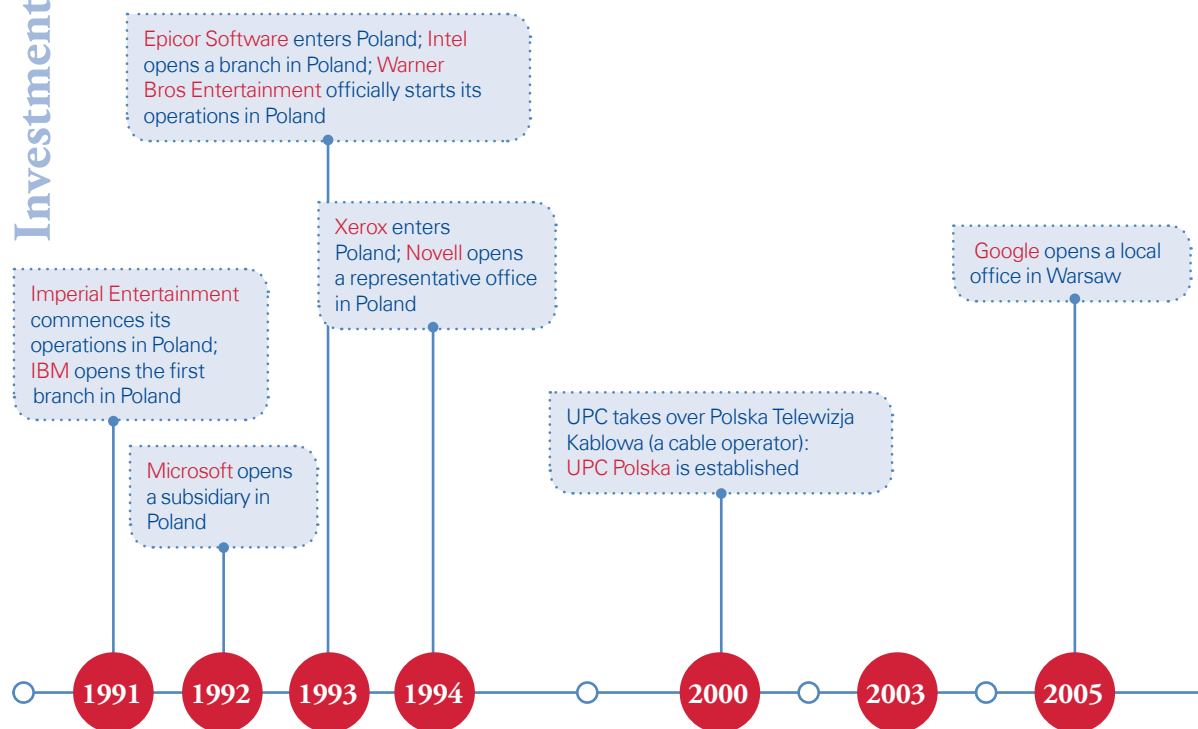


Poland is the largest and most important market in Central and Eastern Europe for Liberty Global, the parent company of UPC Polska. Our operations on the Polish market confirm the leading role of cable operators in pursuing the goals of the European Digital Agenda: thanks to millions invested in infrastructure development and modernization, we set trends on the market of broadband Internet and modern digital services, now covering 2.5 million households in Poland. While Poland is undoubtedly a CEE leader in attracting foreign capital, foreign investors see a number of areas which constrain the inflow of FDI. The regulatory framework plays a key role as it could facilitate long-term investments in digital economy and address the challenges of global competition.

The aim of public administration should be to create conditions for innovation, and, as a result, companies which make investments in Poland could engage in more effective competition with global players which are currently making unconstrained expansion. In particular, this applies to the digital economy. Essential preconditions for further growth of investments and the economy at large include permanent dialogue and collaboration between business and public administration, an ongoing analysis of dynamic market trends and a broader understanding of the market among regulators and decision-makers. Another crucial issue is to prioritize the digital economy as a driving force for other sectors, and to deregulate the market wherever possible. Moreover, consolidation should be recognized as a major factor facilitating innovation and driving further investments.

Examples of investments and reinvestments of American companies in Poland

Investments



Reinvestments

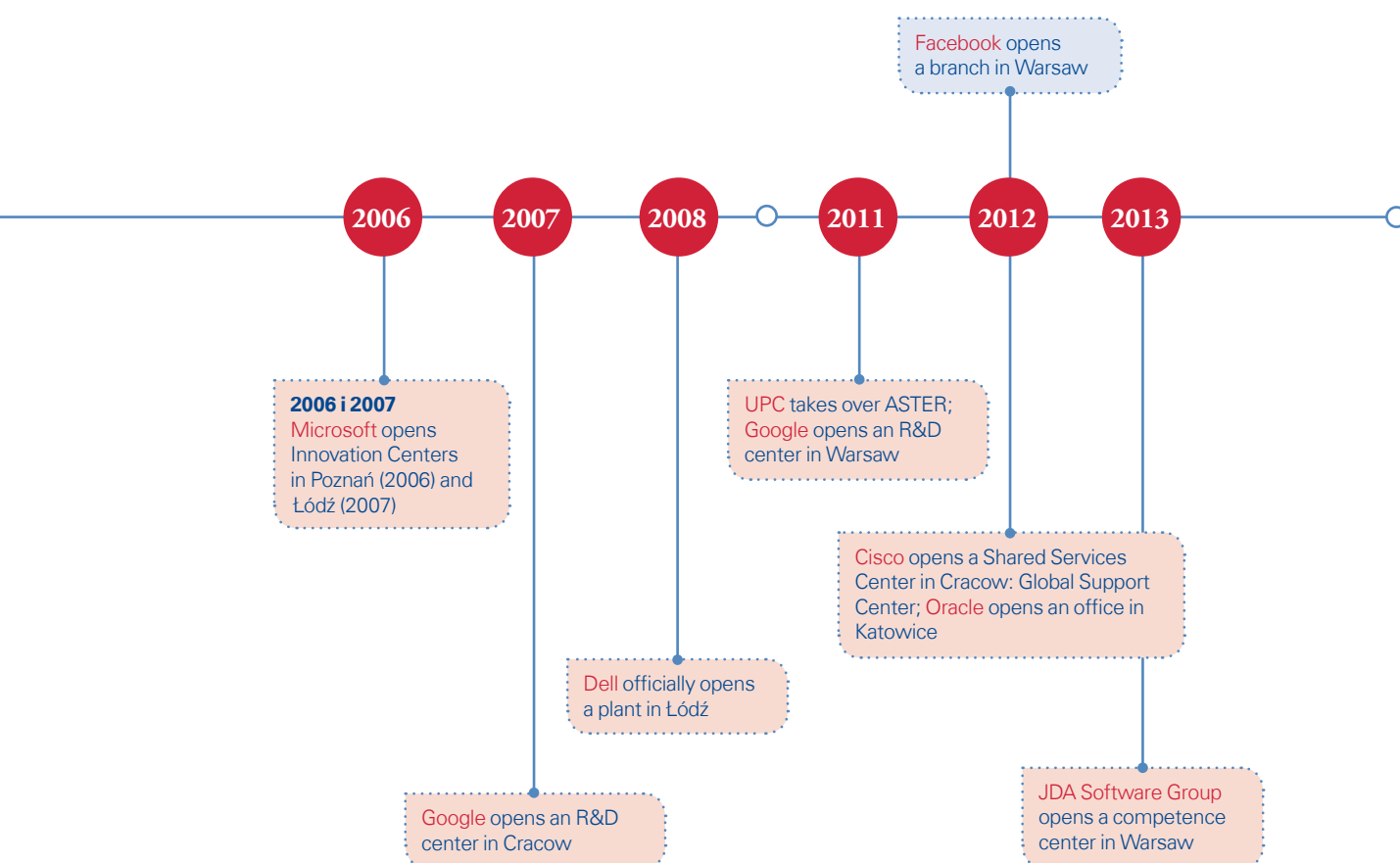
IBM opens the IBM Innovation Center in Poland

Source: KPMG in Poland analysis based on publicly available information (websites, articles)



- In 2012, the accumulated American FDI in the information and communications sector in Poland totaled PLN 0.9 billion.
- Poland attracted investments from over 30 American companies in the ICT sector, not counting enterprises offering only typical BPO services.
- 63% of American companies (direct and indirect investors) operating in this industry made a reinvestment in Poland.
- Direct and indirect American investors in the ICT sector employ over 8,000 people in Poland, and their revenues reach a figure of at least PLN 6 billion per annum.
- Nine of the analyzed companies have a BPO/SSC center in Poland and seven have an R&D center (enterprises offering only typical BPO services have not been included).

Value of an investment based on NBP data. Turnover and employment values are estimates by KPMG.
Source: KPMG in Poland analysis based on data from ABSL, NBP, financial statements and desk research





Jolanta Jaworska

Governmental Programs Leader IBM, IBM Polska
Co-Chair of AmCham Human Resources Management Committee



As a globally integrated company, IBM leads in high-value creation and services delivery driven by our strategy of doing the right tasks, with the right skills, in the right places. Our facilities in Warsaw, Krakow, Gdansk,

Wroclaw, and new in Katowice in Poland will further augment our globally integrated delivery network, providing clients with differentiated solutions to help them innovate and transform their businesses. Our strategy and the role of Poland within it, is an example of how we at IBM are working to combine the benefits and needs of globalization within the needs of a local market. Poland is offering the services business a wide labor market of skilled, creative, culturally fit professionals in a moderate regulatory environment.

The key factors for us during the assessment process of potential locations of our R&D and professional service delivery centers in Poland were highly educated and experienced professionals, language skills, economic and political stability with friendly regulatory environment as well as quality of infrastructure, especially availability of office facilities nearby the airport. The conducive environment and maturity of Polish market are other strengths for our operations here. As companies, irrespective of nationality, are operating in a dynamically changing global market of countries competing for investors, each country, including Poland, should closely cooperate with business to better understand and meet their expectations especially in areas of education and regulatory environment.

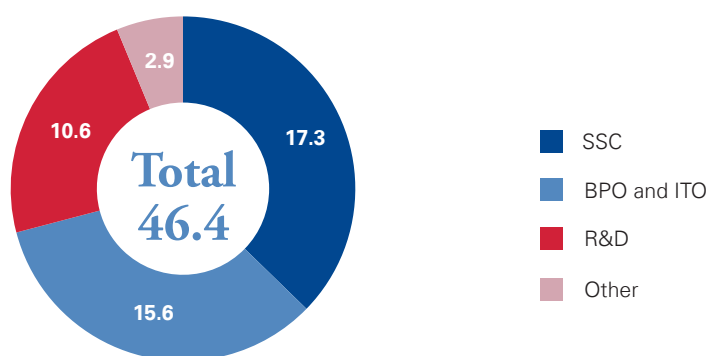


Business services centers and R&D centers

The United States is currently the largest foreign investor in the business services sector in Poland. According to ABSL data, a total of 156 business services centers and R&D centers with American capital operated here in 2014, employing a total of 46,400 people.

The highest employment figure (17,300) was recorded for shared service centers (SSC): it represents nearly 40% of total SSC employment in Poland. The second largest employment figure was recorded for American BPO and ITO centers, employing 15,600 people i.e. 28% of total employment in those industries.

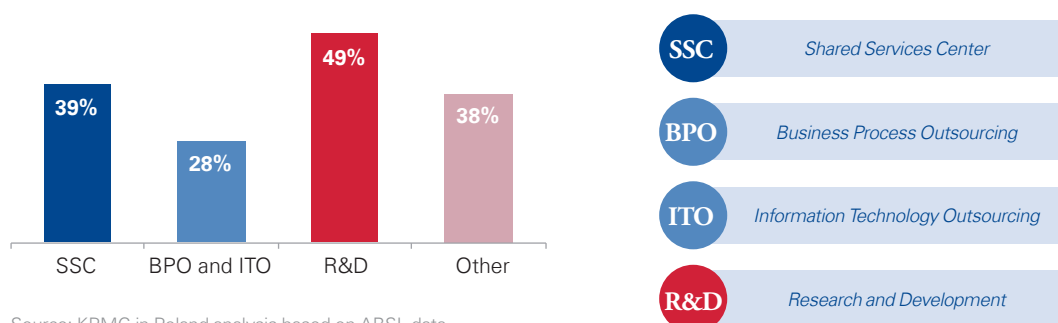
Employment structure in centers with American capital in Poland ('000, April 2014)



Source: KPMG in Poland analysis based on ABSL data

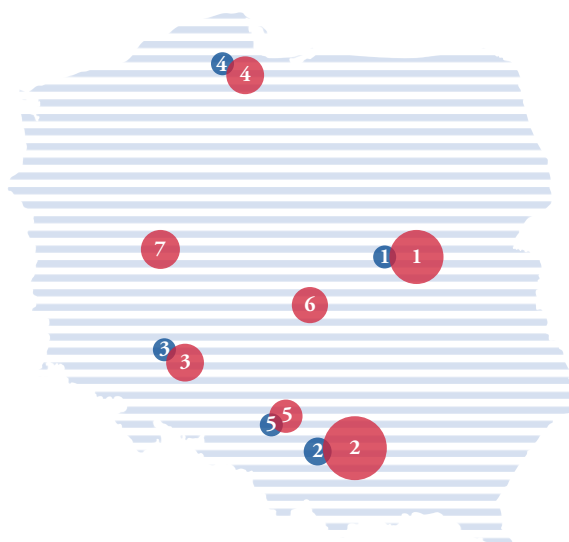
R&D centers with American capital employ a total of 10,600 people which represents nearly a half of the personnel employed in all foreign-owned R&D centers in Poland. This is another proof that the inflow of American capital to Poland was accompanied by the inflow of innovation, know-how and expertise.

Employment in American centers versus employment in all services centers with foreign capital in Poland, by type of center (% , April 2014)



Source: KPMG in Poland analysis based on ABSL data

Major clusters of business centers and R&D centers with American capital in Poland



1 Warsaw

GE, Oracle, SAS Institute, Symantec, Gtech

2 Cracow

Apriso, Delphi, Google, IBM, Motorola Solutions, Antenna Software, Sabre

3 Wrocław

Google, PPG, UTC Aerospace Systems, Wabco, Whirlpool

4 Trójmiasto

Jeppesen (Boeing), Compuware, Intel, Ncomputing, Synopsys, UTC Fire&Security

5 Aglomeracja katowicka

DisplayLink, Kroll Ontrack, Mentor Graphics, Tenneco

1 Warsaw

Accenture, Acxiom, ADP Polska, AVON, CBRE, Citigroup, Coca-Cola, Colgate Palmolive, Elavon, Esselte, Goldman Sachs, Hewlett Packard, IBM, JDA Software, Jones Lang LaSalle, Korn/Ferry International, Lionbridge, Mercer, Procter & Gamble, R.R. Donnelley, Sitel, Xerox Business Services

2 Cracow

Accenture, Akamai, Amway, Aon Hewitt, Brown Brothers Harriman (BBH), CH2M Hill, Chatham Financial, Cisco, ECOLAB, EPAM Systems, FMC Technologies, Hays, IBM, iLoop Mobile, International Paper, Motorola Solutions, Oracle, Perkin Elmer, Philip Morris International, R.R. Donnelley, Robobat, Sabre, State Street Corporation, Xerox Business Services

3 Wrocław

ACN Communications, Becton Dickinson, BNY Mellon, EY, Hewlett Packard, IBM, McKinsey, Parker Hannifin, PNC Global Services, QAD, UPS

4 Trójmiasto

Acxiom, EPAM Systems, First Data Global Services, BPH (General Electric), IBM, OIE Support, PPG, Sony Pictures Entertainment, Thomson Reuters, Willis

5 Aglomeracja katowicka

General Motors, Hire Right, IBM, Mentor Graphics, Neubloc, Oracle, Pregis, Rockwell Automation, Webanywhere

6 Łódź

Accenture, AgreeYa Mobility, BMS Bankruptcy Management Solutions, Citigroup, General Electric, Hewlett Packard, McCormick, Xerox Business Services

7 Poznań

CenturyLink, Ciber, EXIDE Technologies, Franklin Templeton, Kennametal, Mars, McKinsey, Mentor Graphics, Newell Rubbermaid, Owens-Illinois, PROPEX

Dark blue show R&D centers, red show other centers.
Source: KPMG in Poland analysis based on ABSL data





Jacek Levernes

President of ABSL, Vice President HP Europe, Middle East and Africa (EMEA), GBS



Poland has a number of strengths which have attracted many American investors from progressive business services providers, such as HP, Google, IBM, Goldman Sachs, P&G, State Street and GE.

Our country is a leader in FDI, as indicated in many prestigious, international rankings. According to this year's report by Gartner, Poland is currently the most attractive destination for locating new service centers in the EMEA region (Europe, the Middle East, and Africa). Also, Everest considers Poland the most mature European destination for business services FDI in Europe. The excellent investment climate of the country is the result of several important factors, including an extremely well-developed labor market. Poland offers a well-educated, sophisticated, dedicated work force able to successfully deal with the most advanced and diverse business processes. Compared with other Central European countries, only Poland offers as many as 11 investment locations with over 300,000 residents, all featuring extensive, modern facilities and state of the art office infrastructure. Due to economic stability, positive GDP growth, and cultural proximity to such countries as the United States, it is easy to see why service centers in Poland have become major strategic assets for many international corporations operating in Europe.

The largest American investors in Poland

	Investor	Company	Revenue (PLN thousand)	Year	Location
1	GENERAL MOTORS COMPANY	GENERAL MOTORS MANUFACTURING POLAND SP. Z O.O.	7 243 684	2012	GLIWICE
		GENERAL MOTORS POWERTRAIN POLAND SP. Z O.O.	1 532 670	2012	TYCHY
		GENERAL MOTORS POLAND SP. Z O.O.	1 180 840	2012	WARSAW
		CHEVROLET POLAND SP. Z O.O.	428 946	2012	WARSAW
2	PHILIP MORRIS INTERNATIONAL INC.	PHILIP MORRIS POLSKA DISTRIBUTION SP. Z O.O.	8 648 035	2012	CRACOW
		PHILIP MORRIS POLSKA S.A.	462 445	2012	CRACOW
		PMI SERVICE CENTER EUROPE SP. Z O.O.	278 641	2012	CRACOW
		PHILIP MORRIS POLSKA TOBACCO SP. Z O.O.	123 161	2012	CRACOW
3	TRW AUTOMOTIVE HOLDINGS CORP.	TRW POLSKA SP. Z O.O.	2 480 786	2012	CZĘSTOCHOWA
		TRW STEERING SYSTEMS POLAND SP. Z O.O.	1 133 730	2011	CZECZOWICE-DZIEDZICE
		TRW BRAKING SYSTEMS POLSKA SP. Z O.O.	507 653	2012	GLIWICE
4	COMMERCIAL METALS CO	CMC POLAND SP. Z O.O.	2 956 000	2012	ZAWIERCIE
		CMC CENTROZLOM SP. Z O.O.	533 611	2012	KATOWICE
		CMC POLAND S.A.	329 259	2010	ZAWIERCIE
		SCRAPENA S.A.	252 650	2012	HERBY
5	DESCENDANTS OF THE FOUNDING CARGILL & MACMILLAN FAMILIES	CARGILL (POLSKA) SP. Z O.O.	2 857 971	2012	WARSAW
		CARGILL POLAND SP. Z O.O.	1 155 000	2012	WARSAW
		CARGILL HOLDING POLSKA SP. Z O.O.	-	2012	WARSAW
6	Mondelēz INTERNATIONAL, INC.	Mondelēz POLSKA S.A.	1 749 364	2012	WARSAW
		CADBURY SP. Z O.O.	929 110	2009	WARSAW
		Mondelēz POLSKA PRODUCTION SP. Z O.O.	604 501	2011	WARSAW
		LU POLSKA S.A.	439 100	2012	WARSAW

Groups with a global American owner have been shown.

Source: KPMG in Poland analysis based on danych z bazy Amadeus



The largest American investors in Poland

	Investor	Company	Revenue (PLN thousand)	Year	Location
7	F&P HOLDINGS INC	CAN - PACK S.A.	3 018 000	2012	CRACOW
		CAN-PACK FOOD AND INDUSTRIAL PACKAGING SP. Z O.O.	342 970	2012	DĘBICA
		POL - AM - PACK S.A.	204 975	2012	CRACOW
		CAN-PACK METAL CLOSURES SP. Z O.O.	95 830	2012	CRACOW
		CP RE SP. Z O.O.	28 392	2012	CRACOW
8	AVON PRODUCTS INC	AVON OPERATIONS POLSKA SP. Z O.O.	2 509 320	2012	GARWOLIN
		AVON COSMETICS POLSKA SP. Z O.O.	842 023	2012	WARSAW
9	UNITED TECHNOLOGIES CORPORATION	PZL - RZESZOW S.A. WYTWORNIA SPRZETU KOMUNIKACYJNEGO	1 129 785	2012	RZESZÓW
		POLSKIE ZAKŁADY LOTNICZE SP. Z O.O.	868 999	2012	MIELEC
		CARRIER CHŁODNICTWO POLSKA SP. Z O.O.	289 180	2012	WARSAW
		HAMILTON SUNDSTRAND POLAND SP. Z O.O.	232 957	2012	RZESZÓW
		GOODRICH AEROSPACE POLAND SP. Z O.O.	200 404	2012	KROSNO
		GOODRICH KROSNO SP. Z O.O.	161 592	2010	KROSNO
		UTC CCS MANUFACTURING POLSKA SP. Z O.O.	154 544	2012	ROPCHYCE
		OTIS SP. Z O.O.	139 366	2012	WARSAW
		PZL-WROCLAW SP. Z O.O. W LIKWIDACJI	108 764	2010	WROCLAW
		CARRIER POLSKA SP. Z O.O.	86 361	2011	WARSAW
		HS WROCLAW SP. Z O.O.	69 180	2012	WROCLAW
		UTC FIRE & SECURITY SP. Z O.O.	57 366	2012	GDAŃSK
		HS POLAND HOLDINGS SP. Z O.O.	177	2012	WROCLAW

Groups with a global American owner have been shown.

Source: KPMG in Poland analysis based on danych z bazy Amadeus

The largest American investors in Poland

	Investor	Company	Revenue (PLN thousand)	Year	Location
10	GENERAL ELECTRIC COMPANY	GE POWER CONTROLS SP. Z O.O.	411 316	2012	BIELSKO-BIAŁA
		GE POWER CONTROLS POLSKA SP. Z O.O.	259 354	2012	KŁODZKO
		GE MEDICAL SYSTEMS POLSKA SP. Z O.O.	255 069	2012	WARSAW
		GREEN HOLDINGS SP. Z O.O.	-	2012	WARSAW
		BPH TOWARZYSTWO FUNDUSZY INWESTYCYJNYCH S.A.	89 226	2012	WARSAW
		GE REAL ESTATE HOLDING SP. Z O.O.	25 462	2012	WARSAW
		GE INVESTMENTS POLAND SP. Z O.O.	97	2012	GDAŃSK
		BANK BPH S.A.	2 192 024	2013	WARSAW
11	GOODYEAR TIRE & RUBBER CO	FIRMA OPONIARSKA DEBICA S.A.	1 987 070	2013	DĘBICA
		GOODYEAR DUNLOP TIRES POLSKA SP. Z O.O.	973 828	2012	WARSAW
12	CITIGROUP	CITIBANK INTERNATIONAL PLC (ODDZIAŁ W POLSCE)	313 964	2012	WARSAW
		CITIBANK EUROPE PLC (ODDZIAŁ W POLSCE)	-	2011	WARSAW
		BANK HANDLOWY W WARSZAWIE S.A.	2 465 880	2013	WARSAW
13	INTERNATIONAL PAPER CO	INTERNATIONAL PAPER KWIDZYN SP. Z O.O.	2 529 629	2012	KWIDZYN
		INTERNATIONAL PAPER (POLAND) HOLDING SP. Z O.O.	-	2012	KWIDZYN
		INTERNATIONAL PAPER POLSKA SP. Z O.O.	127 032	2012	CRACOW
		TOR-PAL SP. Z O.O. PPH	84 265	2012	KWIDZYN
14	ARCHER-DANIELS-MIDLAND COMPANY	ADM CZERNIN S.A.	969 606	2012	GORKI
		ADM MALBORK S.A.	658 437	2012	MALBORK
		ALFRED C. TOEPFER INTERNATIONAL (POLAND) SP. Z O.O.	611 491	2012	WARSAW
		ADM DIRECT POLSKA SP. Z O.O.	385 453	2012	SZAMOTUŁY

Groups with a global American owner have been shown.

Source: KPMG in Poland analysis based on danych z bazy Amadeus



The largest American investors in Poland

	Investor	Company	Revenue (PLN thousand)	Year	Location
15	PROCTER & GAMBLE CO	PROCTER AND GAMBLE DS POLSKA SP. Z O.O.	937 775	2013	WARSAW
		PROCTER & GAMBLE OPERATIONS POLSKA SP. Z O.O.	438 820	2013	WARSAW
		GILLETTE POLAND INTERNATIONAL SP. Z O.O.	315 093	2011	ŁÓDŹ
		PROCTER & GAMBLE POLSKA SP. Z O.O.	267 282	2013	WARSAW
		GILLETTE POLAND S.A.	44 397	2012	WARSAW
16	JOHNSON CONTROLS INC	JOHNSON CONTROLS INTERNATIONAL SP. Z O.O.	1 143 855	2012	WARSAW
		JOHNSON CONTROLS SIEMIANOWICE SP. Z O.O.	691 869	2012	SIEMIANOWICE ŚLĄSKIE
		JOHNSON CONTROLS FOAM SP. Z O.O.	69 655	2012	ŻORY
17	PEPSICO INC	PEPSI - COLA GENERAL BOTTLERS POLAND SP. Z O.O.	1 102 957	2012	WARSAW
		PEPSICO CONSULTING POLSKA SP. Z O.O.	47 965	2012	WARSAW
		FRITO LAY POLAND SP. Z O.O.	614 020	2010	GRODZISK MAZOWIECKI
		FRITO LAY SP. Z O.O.	138 113	2012	WARSAW
18	3M COMPANY	3M POLAND SP. Z O.O.	1 096 842	2012	KAJETANY
		3M WROCLAW SP. Z O.O.	684 747	2012	WROCLAW
19	WHIRLPOOL CORP	WHIRLPOOL POLSKA S.A.	1 712 119	2012	WROCLAW
20	INTERNATIONAL BUSINESS MACHINES CORP	IBM POLSKA SP. Z O.O.	1 138 000	2011	WARSAW
		IBM GLOBAL SERVICES DELIVERY CENTRE POLSKA SP. Z O.O.	296 823	2012	WROCLAW
		IBM BTO BUSINESS CONSULTING SERVICES SP. Z O.O.	157 472	2012	CRACOW
		IBM POLSKA BUSINESS SERVICES SP. Z O.O.	107 371	2012	WARSAW

Groups with a global American owner have been shown.

Source: KPMG in Poland analysis based on danych z bazy Amadeus

The largest American investors in Poland

	Investor	Company	Revenue (PLN thousand)	Year	Location
21	HEWLETT-PACKARD COMPANY	HEWLETT PACKARD POLSKA SP. Z O.O.	1 321 842	2012	WARSAW
		HP GLOBAL BUSINESS CENTER SP. Z O.O.	320 794	2013	WROCLAW
22	UNITED PARCEL SERVICE INC	UPS POLSKA SP. Z O.O.	1 577 480	2012	WARSAW
23	TECH DATA CORP	TECH DATA POLSKA SP. Z O.O.	1 571 955	2011	WARSAW
24	MARS INTERNATIONAL INC	MARS POLSKA SP. Z O.O.	1 553 137	2012	SOCHACZEW
25	R. R. DONNELLEY & SONS COMPANY	R.R. DONNELLEY EUROPE SP. Z O.O.	1 054 000	2012	CRACOW
		R.R. DONNELLEY POLAND SP. Z O.O.	343 568	2010	CRACOW
		R.R. DONNELLEY STARACHOWICE SP. Z O.O.	125 310	2012	STARACHOWICE
		RRD STARACHOWICE SP. Z O.O.	298	2011	STARACHOWICE
26	LEAR CORP	LEAR CORPORATION POLAND II SP. Z O.O.	1 398 707	2012	TYCHY
27	FORD MOTOR CO	FORD POLSKA SP. Z O.O.	1 244 835	2012	WARSAW
		FCE CREDIT POLSKA S.A.	122	2012	WARSAW
28	DENALI HOLDINGS, INC.	DELL SP. Z O.O.	1 139 416	2011	WARSAW
		DELL PRODUCTS (POLAND) SP. Z O.O.	178 874	2012	ŁÓDŹ
29	MCDONALD'S CORPORATION	MCDONALD'S POLSKA SP. Z O.O.	1 079 594	2012	WARSAW
30	UGI CORP	AMERIGAS POLSKA SP. Z O.O.	980 836	2013	WARSAW
		FLAGA GAZ POLSKA SP. Z O.O.	68 293	2009	WARSAW
31	HAVI GROUP LIMITED PARTNERSHIP	HAVI LOGISTICS SP. Z O.O.	1 032 266	2012	WARSAW

Groups with a global American owner have been shown.

Source: KPMG in Poland analysis based on danych z bazy Amadeus



Among the 100 largest American companies 56 operate in Poland

	Corporation	The presence in Poland		Corporation	The presence in Poland
1	Wall Mart	×	51	Pfizer	✓
2	Exxon Mobil	✓	52	Lowe's Companies	×
3	Chevron	✓	53	Intel Corporation	✓
4	Berkshire Hathaway	✓	54	Energy Transfer Equity, L.P.	×
5	Apple	✓	55	Cisco Systems, Inc.	✓
6	Phillips 66	✓	56	Enterprise Products Partners L.P.	×
7	General Motors	✓	57	Aetna Inc.	×
8	Ford Motor	✓	58	The Coca-Cola Company	✓
9	General Electric	✓	59	Lockheed Martin Corporation	✓
10	Valero Energy	×	60	Best Buy Co., Inc.	×
11	AT&T	✓	61	The Walt Disney Company	✓
12	CVS Caremark	×	62	CHS Inc.	×
13	Fannie Mae	×	63	Sysco Corporation	×
14	UnitedHealth Group	×	64	FedEx Corporation	✓
15	McKesson	×	65	Merck & Co., Inc.	✓
16	Verizon Communications	✓	66	INTL FCStone Inc.	×
17	Hewlett-Packard	✓	67	Safeway Inc.	×
18	J.P. Morgan Chase & Co.	✓	68	Johnson Controls, Inc.	✓
19	Costco Wholesale	×	69	Ingram Micro Inc.	✓
20	Express Scripts Holding	×	70	Plains GP Holdings, L.P.	×
21	Bank of America	✓	71	World Fuel Services Corporation	×
22	Cardinal Health	✓	72	Prudential Financial, Inc.	✓
23	International Business Machines	✓	73	Humana Inc.	×
24	Kroger	×	74	The Goldman Sachs Group, Inc.	✓
25	Marathon Petroleum	✓	75	Tesoro Corporation	×
26	Citigroup	✓	76	Liberty Mutual Holding Company Inc.	✓
27	Archer Daniels Midland	✓	77	Honeywell International Inc.	✓
28	AmerisourceBergen	✓	78	United Continental Holdings, Inc.	×
29	Wells Fargo	×	79	HCA Holdings, Inc.	×
30	Boeing	✓	80	Deere & Company	✓
31	Procter & Gamble	✓	81	Delta Air Lines, Inc.	×
32	Freddie Mac	×	82	Oracle Corporation	✓
33	Home Depot	✓	83	Morgan Stanley	✓
34	Microsoft	✓	84	Hess Corporation	×
35	Amazon.com	✓	85	Twenty-First Century Fox, Inc.	×
36	Target	×	86	E.I. du Pont de Nemours and Company	✓
37	Walgreen Co.	×	87	Sears Holdings Corporation	×
38	WellPoint	×	88	New York Life Insurance Company	×
39	Johnson & Johnson	✓	89	Mondelēz International, Inc.	✓
40	American International Group	✓	90	American Express Company	✓
41	State Farm Insurance Cos.	×	91	Nationwide Mutual Insurance Co.	×
42	MetLife	✓	92	The Allstate Corporation	×
43	PepsiCo	✓	93	Tyson Foods, Inc.	×
44	Comcast	✓	94	Supervalu Inc.	×
45	United Technologies	✓	95	TIAA-CREF	×
46	Google	✓	96	Massachusetts Mutual Life Insurance Company	×
47	ConocoPhillips	✓	97	CIGNA Corporation	×
48	Dow Chemical	✓	98	DIRECTV	×
49	Caterpillar	✓	99	General Dynamics Corporation	×
50	United Parcel Service	✓	100	Philip Morris International Inc.	✓

✓ – present; × – absent

Source: KPMG in Poland analysis based on Fortune 500

American investment projects completed by PAIiZ in 2013

	Company	Sector	Location	Investment value (million EUR)	Jobs created
1	Amazon EU	Logistics	Warsaw	40	6000
2	IBM	ICT	Lębork	6.5	2000
3	Hewlett-Packard	BPO	Warsaw	1.9	567
4	Procter&Gamble	BPO	Opole	2	500
5	Polaris Industries	Automotive	Radom	28.5	357
6	BBH	BPO	Poznań	1	300
7	Borg Warner	Automotive	Gliwice	5	120
8	MARS	Foods	Katowice	60	100
9	AVON SSC	BPO	Włocławek	0.1	98
10	COLGATE-PALMOLIVE Manufacturing (Poland)	Chemicals	Jasionka	25	80
11	JDA Software	ICT	Niepołomice	0.1	50
12	Borg Warner	R&D	Cracow	20	30
13	General Motors	Automotive	Wrocław	95	10
14	confidential	R&D	Skawina, Chrzanów		
15	confidential	Machinery	Łódź		
16	confidential	BPO	Gdańsk		
	Total			320	10512

Source: KPMG in Poland analysis based on PAIiZ data

”

Nearly half of all American investment projects supported by PAIiZ are business centers or R&D centers.





Sławomir Majman

President, PAIIZ (Polish Information and Foreign Investment Agency)



Poland is a paragon of stability and reasonable economic policy. American companies appreciate the safe business environment, and this drives so many of them to bring subsequent projects to Poland.

The percentage of reinvestments among companies with American capital is very high.

Americans are among the key foreign investors in Poland. They top the list of projects supported by PAIIZ. At present, we are working on 42 American investments which may create nearly 7,000 new jobs.

Investors from the USA have broken many records. It was Americans who implemented the largest projects in terms of jobs and capital figures. Amazon will employ 6,000 people and General Motors Manufacturing Poland will invest EUR 120 million.

Investments are not only about capital injection and new jobs but also about the flow of know-how and technology. Investments are also a way to learn about business culture and economic progress. We have learnt a lot from Americans, who are among our main foreign investors in Poland. Present in many branches of Poland's economy, they have helped us achieve a high rate of technological growth. Of particular importance is our collaboration in the field of innovation but there are also other promising sectors, such as research & development, automotive, foods and pharmaceuticals.

Polish investments in the United States

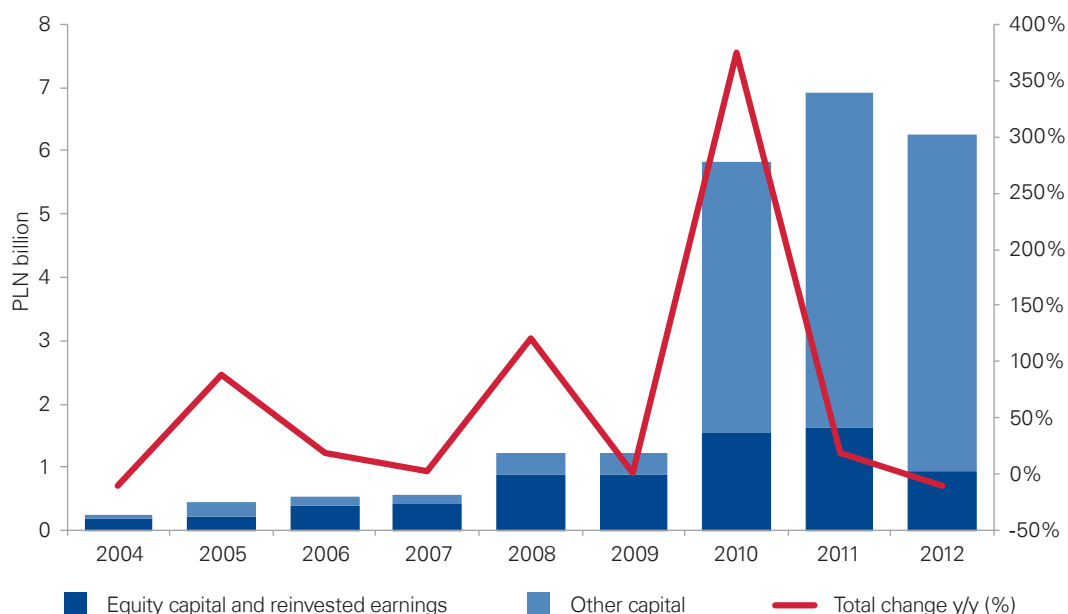
During the past 20 years, Poland has evolved from a target country of foreign investments into an investor. While the figures describing Polish investments in the United States are relatively low, they have remained at a much higher level since 2010.

In 2012, Polish investments in the USA totaled PLN 6.3 billion, representing 90% of Polish investments in the region of North and Central America. In recent years, 'other capital' accounted for the largest share of investments.

The last few years have also seen increased expansion of Polish companies on the U.S. market. According to data collected by the Polish embassy in Washington, at least 40 Polish companies are currently running their operations in the USA. A significant proportion of organizations which decided to invest in the USA are from the IT and high technology sectors. When choosing a location, Polish companies prefer, above all, California, Florida, New York, Georgia and Illinois.

In recent years, the fastest growth was recorded for 'other capital', i.e. Polish companies' receivables from loans, credits and debt securities.

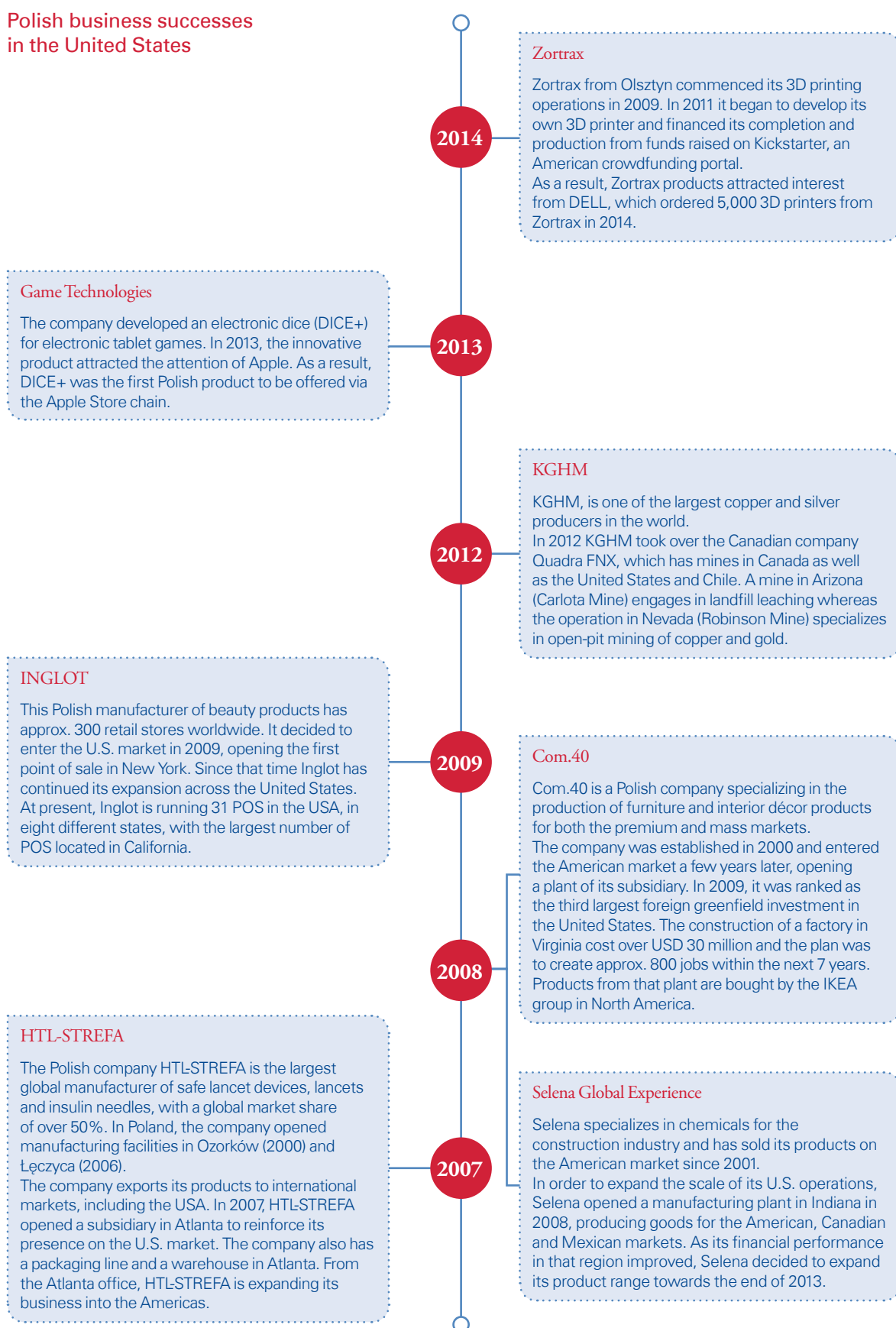
Accumulated Polish investments in the United States (PLN billion)



Source: KPMG in Poland analysis based on NBP data



Polish business successes in the United States



Source: KPMG in Poland analysis based on desk research



Agnieszka E. Szymańska

Vice-President for Sales and Marketing, HTL-STREFA S.A.



The success of the Polish company HTL-STREFA S.A. started off in the United States. We skipped the stage of local market expansion and immediately engaged into exporting. At that time, our products were too innovative for the Polish market.

In November 2000 the 'Needlestick Safety and Prevention Act' was signed in the United States, which meant that the market for our products exploded. Immediate implementation of that regulation meant that medical personnel in the USA started using only safe lancet devices to prevent hospital-induced infections. Worth noting is that the European Union did not introduce such a recommendation until May 2013.

The United States is the most absorbent market for innovative products. It was the USA that experienced dynamic growth and breakthrough innovations in medical diagnostics. Such solutions stand the chance of revolutionizing the industry, which is why our presence in the USA is vital. When innovating, we always focus on the U.S. market first, and only then expand onto other regions.



Presence of Polish companies in the United States

Company name	Location in the USA	Key industry
AmRest Holding (AmRest - La Tagliatella)	Georgia	Fast food and casual dining
Artifex Mundi (Artifex Mundi Ltd)	California	Production of adventure games
BL Stream (BL Stream, Inc.)	California	Software development
City Interactive (City Interactive Inc.)	New York	Production of computer games (in the USA: sales office)
Comarch (Branch of Comarch Inc in Chicago)	Illinois	Development of software and other IT solutions
Com.40/ Comforty Limited Sp. z o.o. (Spółka Com.40 – EBI LLC)	Virginia	Production of furniture and mattresses
ComAngle Entertainment (ComAngle Entertainment)	Delaware	Production of games
„Doti” Manufaktura Draży Czekoladowych (DOTI US, INC)	Georgia	Production of chocolate-coated fruit and nuts (in the USA: sale of products)
Drutex (ECO Windows, L.L.C.)	Nevada	Production of PVC windows and doors (in the USA: sales office)
Enfoglob (Enfoglob/ Enformatic, Inc.)	Florida	Software development
Estimote (Estimote)	California	Hardware manufacturing
Fakro Sp. z o.o. (Fakro America L.L.C.)	Illinois	Manufacturing of roof windows (in the USA: sales office)
Fido Intelligence Sp. z o.o. (Fido Intelligence)	California	Technology solutions converting speech to computer-readable code
Globlotto (Globlotto LLC)	California	An intermediary platform for national lottery distribution
HTL-STREFA S.A. (HTL-STREFA, Inc.)	Georgia	Manufacturing of lancet devices, lancets and insulin needles (in the USA: sales and distribution)
Inglot Sp. z o.o. (Inglot)	Florida, Illinois, California, Massachusetts, Nevada, New Jersey, New York, Washington	Manufacturing and distribution of cosmetics (in the USA: points of sale)
InteliWISE (InteliWISE)	California	Software development
KGHM Polska Miedź S.A. (KGHM International)	Arizona, Nevada	Copper mining and production
Korona S.A. (Korona)	Virginia	Manufacturing of candles
Krośnieńskie Huty Szkła „KROSNO” S.A. (Sterling Cut Glass Co. Inc.)	Kentucky	Manufacturing of hollow glass
LGBS Polska (LGBS Software)	New York	IT solutions for business
LOT Cargo (LOT Cargo)	New York, Illinois	Air freight
Mobica (Mobica US, Inc.)	California	Software development

Source: KPMG in Poland analysis based on data from the Polish embassy in Washington, the Trade and Investment Promotion Department

Presence of Polish companies in the United States

Company name	Location in the USA	Key industry
Morpol S.A. (Morpol America Inc.)	Florida	Salmon processing and sales (in the USA: sales office)
PCC Exol (PCC Chemax)	South Carolina	Production of surface-active agents
Pharmena SA (Pharmena North America)	Massachusetts	Clinical trials
Ptak SA (Ptak)	Florida	Development of commercial facilities and display arrangements for enterprises (in the USA: real estate and hospitality business)
RADWAG Wagi Elektroniczne (RADWAG USA L.L.C.)	Florida	Manufacturing of electronic scales (in the USA: distribution of products)
Robotics Inventions (Robotics Inventions)	California (Silicon Valley)	Designing of mobile robots
Selena S.A. (Selena USA, Inc.)	Michigan	Manufacturing of construction chemicals
TELE-FONIKA Kable Sp. Z o.o. S.K.A (TF Cable Americas)	Illinois	Production of cables and wires (in the USA: distribution of products)
T Komp (T Komp LLC)	California	Software development
Tonightapp (Tonightapp)	California	A mobile app
Transition Technologies (Transition Technologies USA Inc.)	Pennsylvania	IT solutions
TZMO SA (TZMO USA, Inc.)	Georgia	Manufacturing of hygienic, cosmetic and medical products
UXPIN (UXPIN)	California	Software development

Source: KPMG in Poland analysis based on data from the Polish embassy in Washington, the Trade and Investment Promotion Department



Polish successes in contests across the United States

University Rover Challenge

Poles are famous for designing Mars rovers, presented during a robotics contest organized by The Mars Society. The contest has been held annually since 2007 in a Utah desert. Students from the Białystok University of Technology came third in the 2010 contest and won the contest in 2011, 2013 and 2014.

Students from other Polish universities also attained successes there. In 2013, a team from the Wrocław University of Technology came second and in 2014 students from the Rzeszów University of Technology won the third prize.

Top Coder

Poles regularly achieve successes in the most prestigious international competition for programmers – Top Coder which is organized by the American company of the same name. In 2013 a Pole won in one of the competition's four categories and in previous years Poles took places on the podium numerous times. In the ranking of countries Poland takes the second place, being outstripped only by China, and the University of Warsaw is ranked as one of the best universities.

Google Online Marketing Challenge

In 2012 a team of students from the Warsaw School of Economics won a contest for the best marketing strategy based on Google Adwords, outperforming 11,000 participants from 86 countries. They were the first ever team from Europe to become the Global Winner. The Polish students visited the Google headquarters in Mountain View and received in-kind prizes. In 2009–2011 Polish contestants won the European round of the same contest.

Intel International Science and Engineering Fair

In 2014 a high school student from Piotrków Trybunalski, Joanna Jurek, received an award for her project presenting a cancer treatment method which saves inner bodily organs. She outperformed approx. 1,500 young researchers from around the world.

SAE Aero Design East & West

Students from Polish technical universities often take part in lifting airplane construction contests organized by Lockheed Martin, with an impressive track record. Students from the Wrocław University of Technology won the contest in 2014, and those representing the Warsaw University of Technology won in 2010 and took the second place in 2009.

Source: KPMG in Poland analysis based on desk research



Rafał Wiza

Director, KPMG in Poland



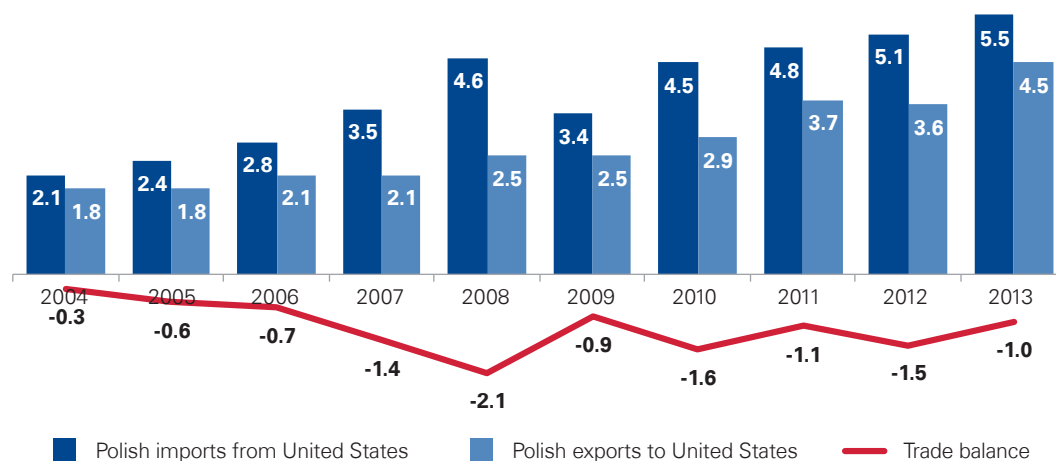
Polish students as well as young educated people have enormous potential which attracts foreign employers. Poles' command of foreign languages has been constantly improving, and young Poles are open to the world and to other people. They are happy to pursue their hobbies, develop skills and broaden their knowledge, which is why they can boast many successes in international contests. Part of the credit also goes to academic centers, some of them operating in smaller Polish towns. For young Poles, foreign investments represent an opportunity not only to find a job but also to achieve personal growth, and gain valuable experience and know-how. In exchange, investors gain access to reliable workforce, with their optimism and fresh ideas.

Polish-American commercial exchange

The United States is among the most important non-European trade partners for Poland. The USA is the second largest non-European supplier of goods to Poland (after China). In 2012, American exports to Poland totaled USD 5.5 billion. The United States is also the most important non-European market for Polish goods: in 2012, Poland exported USD 4.5 billion worth of goods to the USA.

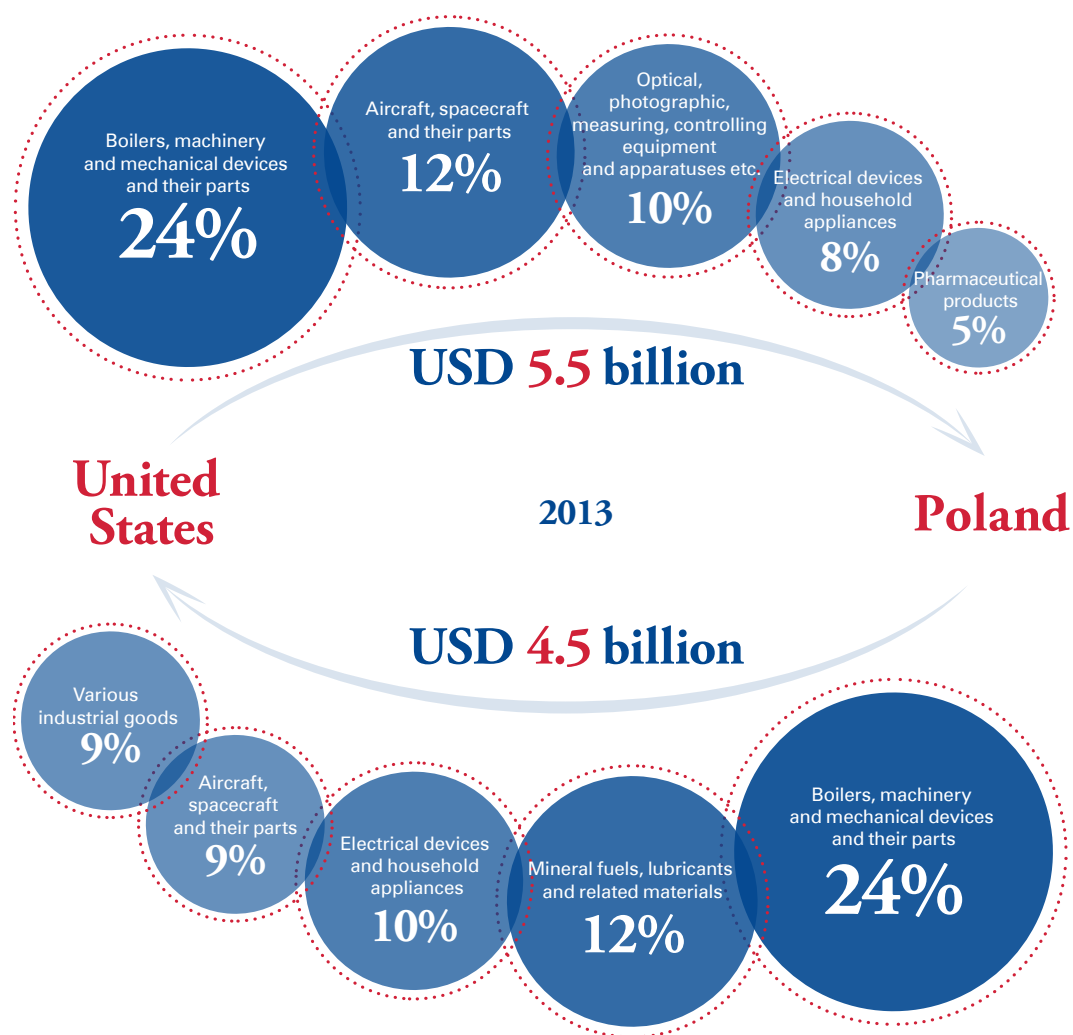
Since Poland's accession to the European Union, Polish goods exported to the USA and exports from the USA have risen steadily. In 2004–2013 both figures grew by a factor of nearly 2.5. A significant decline of Polish imports from the USA was noticed only in 2009. The Polish balance of trade with the United States remains negative.

Polish-U.S. exchange of goods (USD billion)



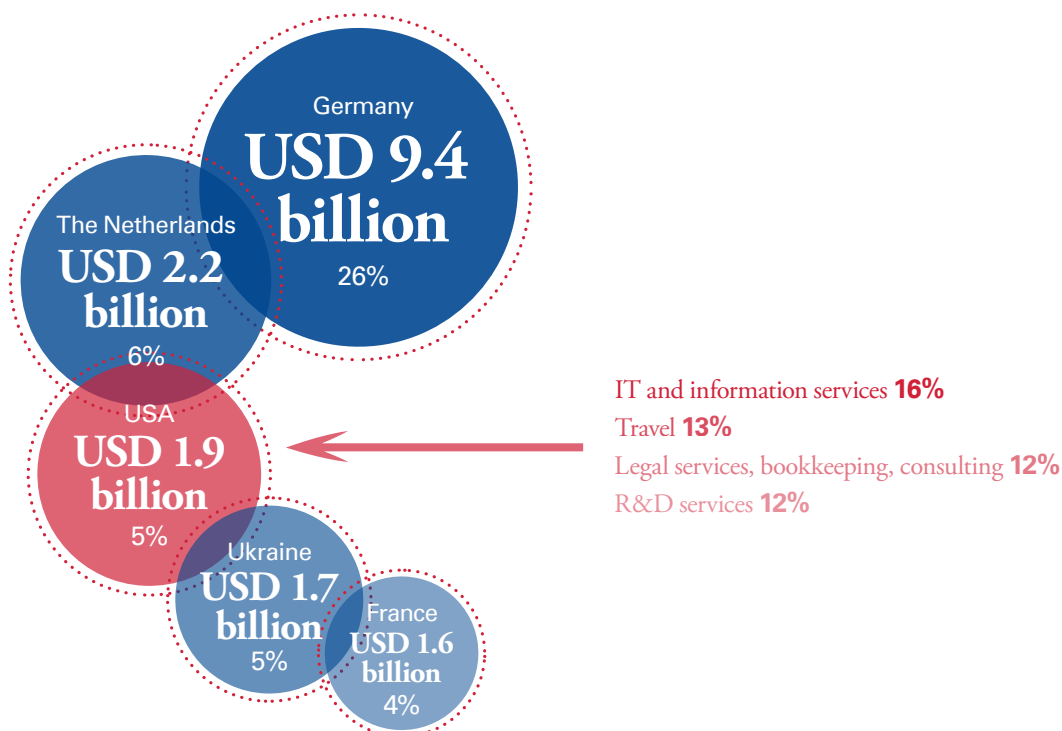
2013 – preliminary data
Source: KPMG in Poland analysis based on GUS data



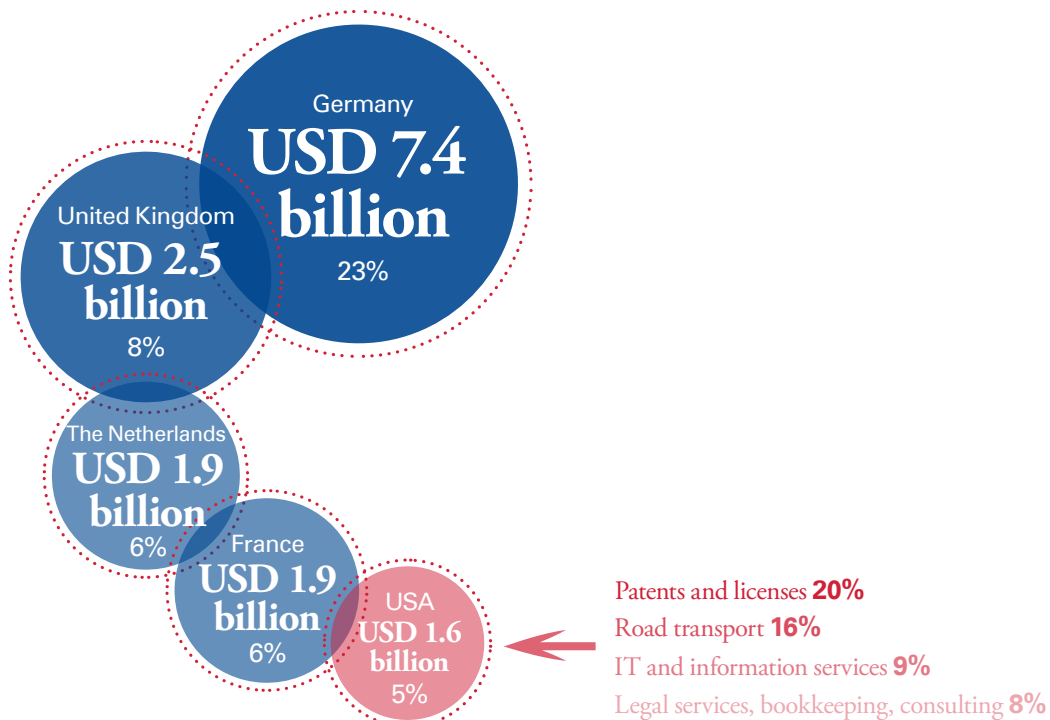


2013 – preliminary data. Five major groups of goods are shown.
Source: KPMG in Poland analysis based on GUS data

Major foreign suppliers of services to the Polish market (2012)



Major buyers of Polish services abroad (2012)



Source: KPMG in Poland analysis based on GUS data

Despite a considerable distance between Poland and the USA, the latter is an important business partner in the exchange of services as well. In 2012, the USA was the third largest provider of services to Poland and the fifth largest buyer. The USA supplies mostly professional services and R&D to Poland and buys mostly patents and licenses.

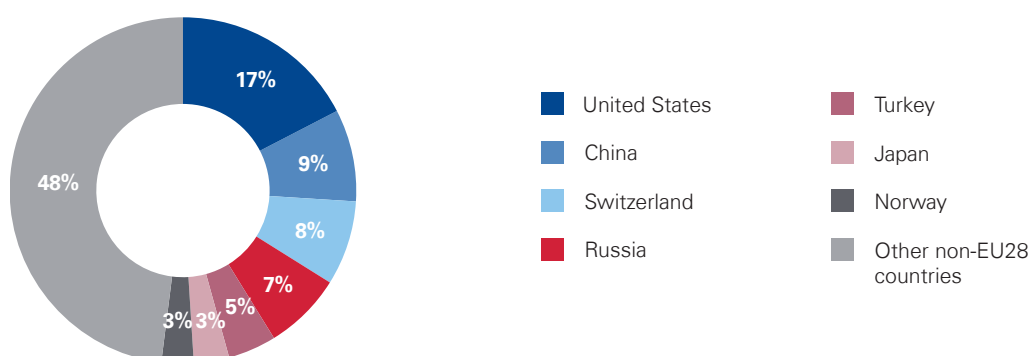


Transatlantic Trade and Investment Partnership (TTIP)

The United States is currently the major economic partner of the European Union. The Transatlantic Trade and Investment Partnership (TTIP) stands a chance of reinforcing business relations between those parties and contributing to tangible benefits on both sides.

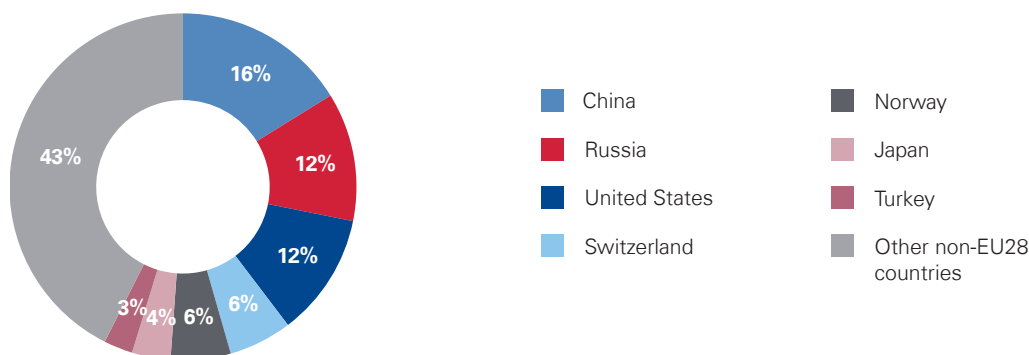
TTIP is a trade agreement between the European Union and the United States and is currently being negotiated (6th round of negotiations was held on July 14-18, 2014). TTIP aims to liberalize trade by eliminating trade barriers (customs duties, regulations etc.) that constrain the exchange of goods and services between EU countries and the USA.

Recipients of EU goods (2012, EU28)



Source: KPMG in Poland analysis based on Eurostat data

Suppliers of goods to the EU (2012, EU28)



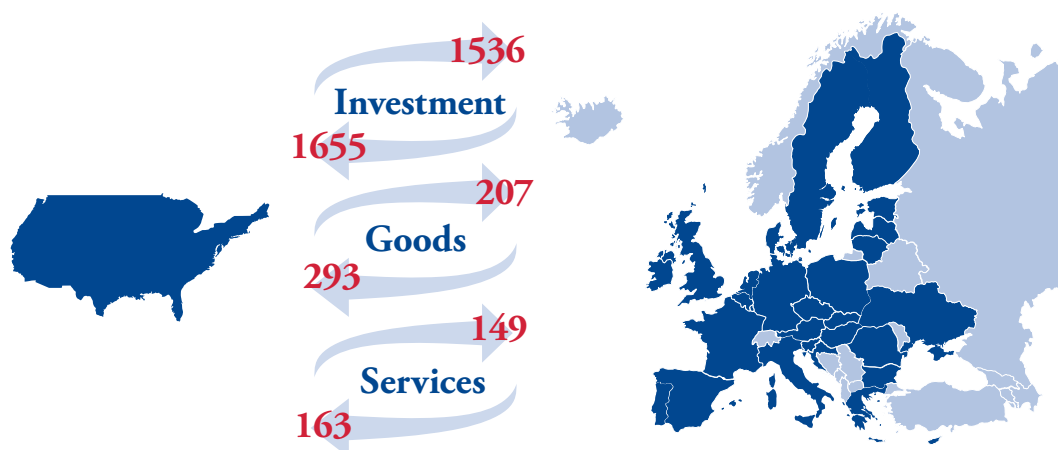
Source: KPMG in Poland analysis based on Eurostat data

The United States is the largest buyer of goods from EU countries (17% of EU28 exports in 2012) and the third largest supplier of goods (12% of EU28 imports in 2012). In 2012, the trade in goods between the USA and the European Union totaled nearly half a trillion euro whereas the respective figure for services was EUR 300 billion.

The USA is also the largest foreign investor in the EU (EUR 1.5 trillion in 2012) and a major recipient of EU investments (EUR 1.7 trillion in 2012).

The Transatlantic Trade and Investment Partnership (TTIP) is expected to drive those figures much higher in future.

Trade and investment exchange between the EU and the USA (2012, EUR billion)



Source: KPMG in Poland analysis based on Eurostat data

The customs tariffs in the European Union and the United States are currently at a similar, low level: in 2012, they stood at, respectively, 5.5% and 3.5%. In the case of the EU, much higher tariffs apply to agricultural production, primarily dairy products, products of animal origin, sugar and confectionery products, cereals as well as fish and fish products.

Numerous studies have shown that the entry of TTIP into force will stimulate the trade exchange between the parties to the Partnership, thus bringing tangible benefits: an increase in GDP, increased employment and higher wages/salaries. The total benefits actually achieved will depend primarily on the degree of liberalization in trade.

² The average tariff rate under the Most Favored Nation clause, based on WTO data. The MFN clause protects against discrimination since it grants privileges to a country which are at least as beneficial as those enjoyed by any other country.





Tony Housh

Senior Counsellor, APCO Worldwide,
AmCham Board Director



It is fitting that after a remarkable twenty five years of a democratic Poland and a reunited Europe, the next great step forward for the transatlantic community is moving closer to realization. TTIP, when finalized and approved, can provide a major long-term impulse to the growth of the American and European economies and benefit of consumers on both sides of the ocean.

The potential benefits of TTIP are well understood by most stakeholders in the discussion, but these benefits will not be realized with a signed treaty approved by the EU member states and the US. For this to happen, the business community must be much more active in advocating for the agreement and the positive change it will bring. Visible and vocal leadership is needed from key opinion leaders, CEOs, policy makers and consumer organizations to make the case for the positive impact TTIP will have for economic growth, job creation and social stability.

The debate at the US and EU level on TTIP has been transparent to a degree not seen before in the formulation of an international treaty. More information than ever before is available to consumers, organizations and member state institutions and agencies. However, there are elements of society and organizations that are actively lobbying against TTIP – and often building fear based on false or selected information. That is why clear, honest and energetic advocacy for economic growth is needed from the business community and our employees.

TTIP is the driver for the next twenty five years and it is critical that opportunity be seized for the benefit of all Europeans and Americans – today and tomorrow.

Examples of studies on the expected effects of TTIP on the USA and EU

The Bertelsmann Foundation study prepared by Ifo

- The analysis was conducted in accordance with two scenarios: elimination of tariff barriers and elimination of tariff barriers with reduction of non-tariff barriers.
- Regardless of the scenario, all EU countries and the USA will gain tangible benefits in the long run, such as a higher real per capita income, increased employment and higher average wages /salaries.
- The study also presents the results for Poland: following the entry of TTIP into force, the real per capita income may rise by an additional 3.37%, with the number of jobs rising by 93,000 and the average pay by 2.75%.
- According to the study, the costs of introducing TTIP will be borne by non-participating countries.

		Possible change	
		minimal	maximal
Real per capita income	Poland	+0.3%	+3.37%
	USA	+0.8%	+13.4%
Number of job places	Poland	+23.5 tys.	+93.3 tys.
	USA	+276.6 tys.	+1.1 mln
Average pay	Poland	+0.69%	+2.75%
	USA	+0.93%	+3.68%

The impact of TTIP is shown in the long term perspective.

Source: KPMG in Poland analysis based on a report entitled 'Transatlantic Trade and Investment Partnership. Who benefits from a free trade deal?'



A European Commission study prepared by the Centre for Economic Policy Research in London

- The analysis was conducted for five scenarios involving trade liberalization: three limited scenarios and two wide-ranging ones.
- The study has shown that the introduction of TTIP will translate into an increase in trade balance and, as a result, also a higher GDP. In 2027, the European Union will have derived greater benefits from TTIP.

		Possible change	
		minimal	maximal
GDP (in EUR bln)	EU	+5.3	+119.2
	USA	+1.9	+94.9
Bilateral trade (in EUR bln)	EU	+4.6	+187.0
	USA	+2.9	+159.1
Total trade (in EUR bln)	EU	+5.8	+220.0
	USA	+5.5	+239.5

The impact of TTIP is shown for 2027.

Source: KPMG in Poland analysis based on a report entitled 'Reducing Transatlantic Barriers to Trade and Investment'.

A CEPII study (Centre d'Etudes Prospectives et d'Informations Internationales)

- The analysis was conducted in five scenarios with differing degrees of liberalization of trade barriers between the United States and the European Union.
- The results show that it is the United States that will record a greater increase in trade exchange with the other party to TTIP.
- The real GDP growth in the USA and EU27 will be similar and rather low. If TTIP does enter into force, the real GDP of those countries will go up, on average, by a maximum of 0.5% more in the long-run versus the scenario of non-introduction of TTIP.

		Possible change	
		minimal	maximal
Bilateral exports (volume)	EU	+0.4%	+3.4%
	USA	+2.1%	+14.5%
Real GDP	EU	+0%	+0.5%
	USA	+0%	+0.5%

The impact of TTIP is shown in the long term perspective.

Source: KPMG in Poland own analysis based on a report entitled 'Transatlantic Trade: Whither Economic Consequences?'

About AmCham and KPMG



The American Chamber of Commerce in Poland (AmCham), founded in 1990, seeks to be the leading voice for international investors in Poland, working together to make Poland a better place for doing business. Through a program of meetings, conferences, publications and discussions, AmCham works towards this goal and demonstrates the positive role that business plays in the development of the country and society. AmCham is a non-profit, apolitical organization with over 300 member companies who represent the largest group of foreign investors in Poland representing over 30 billion USD of investments.

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cutting through complexity

KPMG is a global network of professional firms providing Audit, Tax and Advisory services. It operates in 155 countries and has more than 155,000 people working in member firms around the world. KPMG was one of the first international audit and advisory companies to operate in the Polish market. KPMG in Poland was established in 1990 and currently employs more than 1,200 people in Warsaw, Cracow, Poznań, Wrocław, Gdańsk, Katowice and Łódź. For more information about KPMG in Poland visit www.kpmg.pl

