

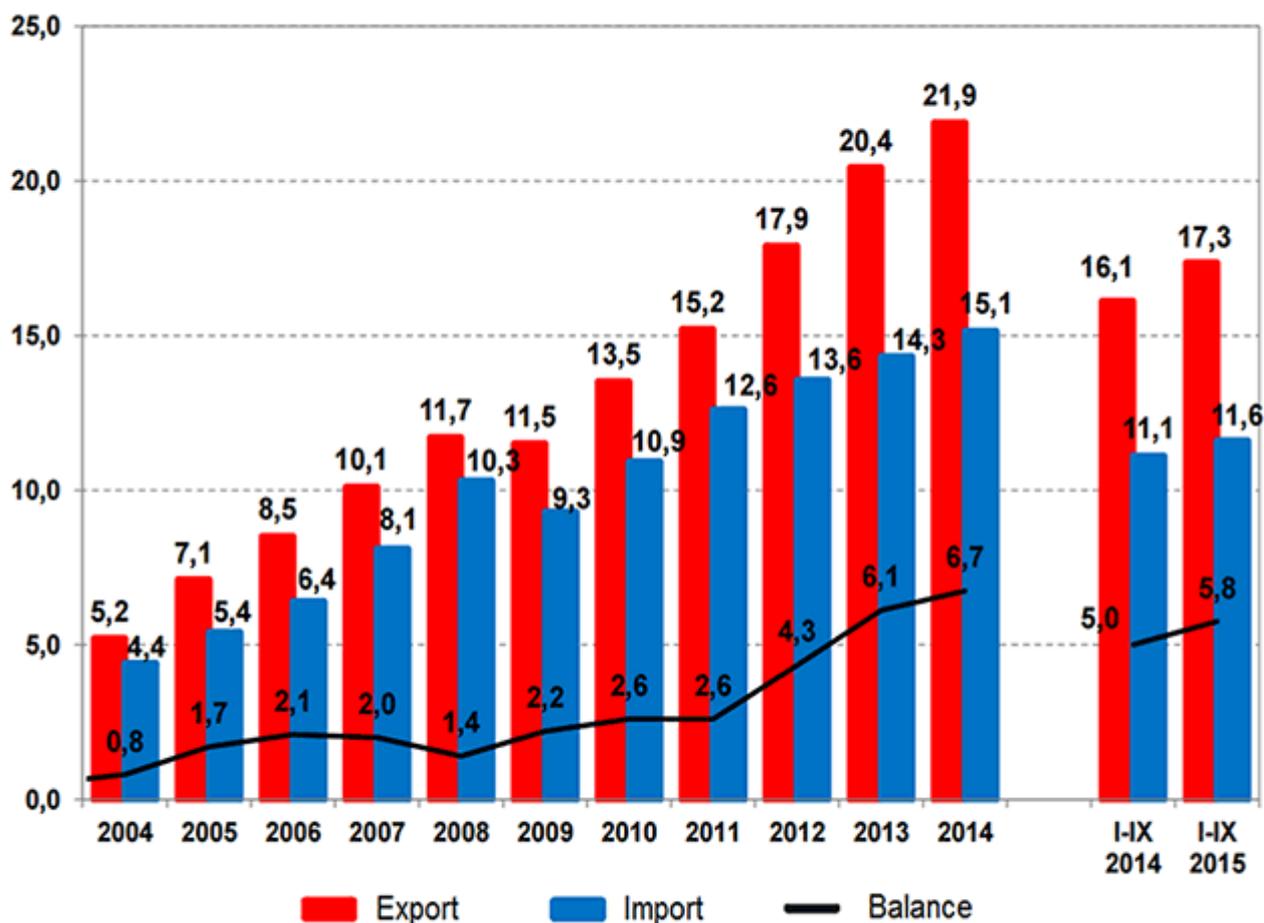
Food processing

The Polish food sector with its centuries-old tradition is one of the most important and fastest-growing branches of the Polish economy reaching far beyond the borders of Poland. It employs about 15% of the work-force in industry. The value of sold production of food industry amounts to over 45 billion EUR.

Moreover, Poland boasts the fourth largest area of arable land in the EU, large resource base and a long-standing tradition in the food processing industry. Besides, Poland is the 6th largest consumer market in Europe with an estimated population of over 38.5 million people.

Food exports have been one of the main drivers of the sector since Poland's EU accession, supplying over 500 million consumers in the EU. The European Single Market accounted for almost 80% of Poland's food exports in 2014.

Food-related exports/imports (bn EUR)



Source: Central Statistical Office, 2015

Poland is the leading producer of fruits (apple, raspberry, black currant, bilberry), meat (poultry and pork), milk, dairy products and agaricus in Europe. Polish food processing industry is known for its diversity manufacturing not only food but also alcohol and tobacco products. Furthermore, Polish food processing market comprises over 14,700 companies and this number is constantly growing. Most of them, about 80%, are SME's employing less than 50 people.

Since the early 90s many international companies like Danone, Heinz, Unilever, Mondelez or Nestle entered the polish market and set up their operations. Moreover, constant inflow of greenfield projects indicates that Poland is an attractive and business friendly location for investments. Examples of recent greenfield investment projects include the Nestle's PetCurina factory near Wrocław and Heinz's center of excellence of white sauces in Pudliszki.

According to the last available data from the Polish central bank the food industry is one of the main sectors targeted by foreign investors in Poland. The current stock of investments in the food industry amounts to 14 billion USD - 19% of total manufacturing FDI to Poland.

Poland is also the place where many well-known companies and brands have their roots. Some examples of Polish firms within food processing industry are Mlekovita and Mlepol, dairy products manufacturers, Maspex, manufacturer of juices, nectars, pasta, cereals or Hortex, manufacturer of juices. Furthermore, brands such as Wyborowa, Sobieski (spirit), Tymbark (juice), Grycan (ice-cream), Wedel (chocolate), Sokołów and Pudliszki (sauces and ketchup), Kujawski (oil) and Winiary (spices and different kinds of instant food products) were established here.

In July 2014 the food sector was included in the list of priority sectors for the Polish government. Therefore, food processing companies planning to expand their business or establish new production facilities may apply for government cash grants. Last but not least, the companies may benefit from the Corporate Income Tax (CIT) exemption within one of the 14 Special Economic Zones in Poland.

Strengths of Polish food sector:

- Centuries-old tradition,
- High quality of products,
- Qualified workforce,
- R&D potential and strong education base (both vocational and higher)
- Well-developed suppliers network,
- Competitive costs of production,





Food industry associations



Polish Federation
of Food Industry



The Polish Association
of Juice Producers



Association of Polish
dairy manufacturers



Union of producers
and employers
of meat industry



The Polish Association
of the Chocolate
and Confectionery producers



National association
of dairy cooperatives



Association „Polish meat”
(producers and manufacturers
from the meat industry)

Source: PAIIZ Compilation 2015
