USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

Voluntary _ Public

Date: 4/4/2016

GAIN Report Number:

Poland

Post: Warsaw

Food Service – Hotel Restaurant Institutional Sector

Report Categories:

Food Service - Hotel Restaurant Institutional

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Report Highlights:

Poland's Hotel, Restaurant and Institution (HRI) market was worth nearly U.S. $6 billion in 2014. The number of catering establishments (permanent and seasonal) in Poland in 2014 is estimated at over 65,500, of which 35 percent were bars, 33 percent catering outlets, 26 percent restaurants and 6 percent cafeterias. International chains have a very strong position in the quick service segment. A strategic location in the middle of Europe and growing investments in the HRI sector make Poland an ideal host for business conferences, banquets, trade shows and other business and culture events. In 2014 2,459 hotels operated in Poland; offering accommodations in 122,000 rooms. Products from the U.S. that have good sales potential within the HRI Sector include: nuts, wine and distilled spirits, fish and seafood products, dry fruit as well as ingredients with innovative characteristics.

General Information:
SECTION I. MARKET SUMMARY

Polish Hotel, Restaurant and Institution (HRI) sector is highly fragmented, but can be divided into the commercial and institutional food service markets. Commercial food service market includes hotels, restaurants, quick service and take-away outlets, bars, cafeterias, coffee shops. The institutional food service market comprises of hospitals, universities, nursing homes and cafeterias.
Poland's HRI market was worth nearly U.S. $6 billion in 2014. The number of catering establishments (permanent and seasonal) in Poland in 2014 is estimated at over 65,500, of which 35 percent were bars, 33 percent catering outlets, 25 percent restaurants and 7 percent cafeterias.

Table 1. Number of Food Service Establishments

Specification	**2005**	**2011**	**2012**	**2013**	**2014**
Number of catering establishments *(as of 31 XII 2014)*	92,072	67,356	68,753	66,966	65,508
Restaurants	9,716	15,287	15,883	16,966	16,473
Bars	40,834	25,866	26,383	24,931	23,634
Cafeterias	6,950	4,271	4,292	4,072	4,014
Food stands	34,572	21,932	22,195	21,761	21,387

Source: Concise Statistical yearbook of Poland 2015

According to HRI industry statistical data, due to financial reasons and tradition, one third of Poland's population still prefer to prepare their meals at home. Out of the total population of over 38 million, 15 percent of Poles eat "out" on regular bases, with over 8 percent of Poles regularly visiting coffee/tea outlets. As much as 63 percent of Poles report never purchasing hot beverages outside their homes.

According to a recent report (multiple answers survey) of "Rynek Gastronomiczny w Polsce 2015" when eating out Poles prefer to choose:

- Pizza places (54 percent)
- Restaurants – Polish, Italian and Chinese/Vietnamese cuisine (48 percent)
- Quick service outlets – McDonald's/KFC/Burger King (39 percent)
- Bars/pubs with snacks (21 percent)
- Kebab outlets (21 percent)
- Dumpling or pancake places (17 percent)
- Work/school cafeterias (13 percent)
- Sushi bars (8 percent)
- Hotel restaurants (5 percent)
- Burger places (5 percent)
- Food trucks (5 percent)
- Sandwich places (4 percent)
- Toast places (4 percent)

In terms of quick service sales, which are mainly driven by the younger population, Asian food has become a new market leader overtaking Italian food. New food trends also gaining ground in Poland are vegetarian and vegan cuisines. Fair Trade products are also becoming more and more popular, especially in larger cities.

Polish HRI industry sources indicate that over 52 percent of surveyed clients reported that on average their check for eating out in 2014 amounted to PLN 23 (U.S. $5.8); while 21 percent of the responders reported spending PLN 35 (U.S. $8.9) per transaction.

Food bloggers are becoming an important component of the Polish HRI scene, they are developing into opinion leaders and their judgements are having an increasing impact on the perception of foodservice and foodservice brands.

A strategic location in the middle of Europe and growing investments in the HRI sector make Poland an ideal host for business conferences, banquets, trade shows and other business and culture events. Over 61 percent of meetings and events are organized in hotels. According to Poland's Convention Bureau in 2014 Poland hosted more than 18,000 events at hotels. Over 8,400,000 hotel nights were sold to meeting participants; approximately 23 percent of the total accommodations provided in 2014 in Poland. At the same time hotel catering sales amounted to over PLN 485 million (mln) (U.S. $124 mln). Further details pertaining to Poland's hotel, congress and trade fair activities can be obtained from "Poland Meeting and Events Industry Report 2015" prepared by the Poland Convention Bureau.

Tourist traffic in Poland surpassed 15 million visitors in 2014. The growth in this sector should continue for the next couple of years, increasing on average by 400,000 each year.

The number of hotels in Poland is constantly growing. In 2014 2,459 hotels operated in Poland; offering accommodations in 122,000 rooms. A majority of the hotels operate within the 3 star sector with 44 share in terms of hotel rooms. A 27[t] percent market share is captured by 2 star hotels; while 4 star hotels hold 26 a percent share in terms of number of hotel rooms. The 5 star hotel category remains the smallest market niche in Poland, with 61 hotels operating within this sector in 2014. Hotel chain operators account for 12 percent market share of the total hotel sector in Poland.

The share of so called "green hotels" (hotels using eco-friendly solutions) in Poland is gradually increasing. Polish customers and tourists visiting Poland are becoming more and more aware of environmental issues, so certified outlets should definitely gain a competitive advantage in the future.

According to report "Polska na Talerzu 2015" ("*Poland on a plate 2015*") published by Macro Cash and Carry over 59 percent of surveyed HRI professionals rated the catering sector as having growth potential, and nearly 70 percent of them declare a desire to introduce new trends in operated outlets. Over 66 percent of catering outlet owners declared an increase in turnover compared to 2013 year, with another 33 percent achieving similar results.

The Polish catering market in recent years has changed, with new and older restaurants increasingly willing to change, working on the quality of their offerings and services. New trends constantly appear on the market among which development of the Street Food sector is very noticeable.

Street Food Poland Organization reports that: "The average amount that customers spend at the premises, is proof of the growing popularity of relatively cheap and fast dishes. It is also consistent with the increasing popularity of meals prepared at a specific time of the day - in this case mainly lunch, where the growth of the category Street Food constitutes a global trend."

Representatives of the restaurant sector easily characterize customer expectations. According to respondents of report "Polska na Talerzu 2015" (Report "Poland on a plate 2015"), consumers choose premises based primarily on the quality of dishes (73 percent) as well as prices (70 percent).

Over 32 percent of owners of eateries admit that, based on consumer demand, they make major changes in the menu several times in a year. This approach offers opportunity for new products or ingredients to enter the menus of many Polish restaurants.

Statistics on Poland's institutional food service market (hospitals, universities, nursing homes and cafeterias) are extremely limited. While their total number is reported by the Polish Statistical office as being just over 4,000, not much further information is available as in most cases these are small (8 or less persons) or family run businesses and Polish enterprises are obligated to provide reporting on enterprises employing 9 persons or more. This sector is extremely price sensitive and mostly bases its catering offerings on local staple foods.

Table 2. Basic Economic Indicators

Poland	**2015[a]**	**2016[b]**	**2017[b]**	**2018[b]**	**2019[b]**	**2020[b]**
Real GDP growth	3.2	2.8	2.8	3.2	2.9	2.9
Unemployment rate (av)	11.1	10.6	10.1	9.7	9.2	8.7
Consumer price inflation (av. National measure)	-0.9	1.8	2.6	2.3	1.9	2.1
Exports of good fob (U.S. $)	170.4	176.4	194.2	218	241.9	266.1
Imports of goods fob (U.S. $)	161.9	173.3	195.5	219.1	245.9	272.1
Exchange rate Zl:U.S. $ (av)	3.78	4.05	3.89	3.64	3.47	3.4

Source: Economist Intelligence Unit [a] estimates and [b]forecasts.

In 2014 Poland imported agricultural and fish products worth U.S. $24 billion with imports worth U.S. $456 million originating from the United States, a 2 percent share.

In 2014 Polish imports of consumer oriented food products amounted to U.S. $10 billion; with imports worth U.S. $136 million originating from the United States, up from U.S. $127 million for 2013. Polish imports of consumer oriented food products in 2015 are forecast to increase by 20 percent.

Poland's import of fish and seafood products also continues to grow and reached U.S. $2 billion, with U.S. $49 million (2.3 percent market share) originating from the United States.

Table 3. Poland - Imports of agricultural and fish products 2014, in billion U.S. $

Agricultural Total, total imports	24

Agricultural Total, imports from U.S.A.	0.4 (2%)
Intermediate Agricultural Products, total imports	5.5
Intermediate Agricultural Products, imports from U.S.A.	0.1 (2%)
Consumer-Oriented Agricultural Products, total imports	10
Consumer-Oriented Agricultural Products, imports from U.S.A.	0.1 (1.3%)
Fish and Seafood Products, total imports	2
Fish and Seafood Products, imports from U.S.A.	0.04 (2.3%)

Source: Global Trade Atlas

Poland views the United States positively and U.S. products are considered to be of high quality. Product imported into the EU can be transported to Poland without additional tariffs and without meeting additional regulatory requirements aside from required labeling in Polish language.
HRI sector operators are increasingly interested in importing ingredients such as: nuts, fish and seafood products, wine and distilled spirits, dry fruit as well as advanced food additives.
Poland's 38 million consumers constitute the single largest market for food and beverages within the Central and Eastern Europe region. Annual disposable income in Poland continues to grow, yet constitutes just over 40 percent of that recorded in countries in the western part of the European Union.

Table 4. Consumer expenditures and Annual Disposable income

Poland	**2013**	**2014**	**2015**
Consumer Expenditure (U.S. $ million)	318	327	334
Annual Gross Income (U.S. $ million)	428	443	455
Annual Disposable Income (U.S. $ million)	321	331	340

Source: Euromonitor 2015

Over 61 percent of Poland's population lives in urban areas. The median age, 38 years, is rising. A trend towards smaller families is becoming more apparent in Poland's 13 million households, with an average household size of 3 people. The typical Polish family eats together at meal times. Poland's GDP per capita increased from U.S. $13,829 in 2013 to U.S. $14,422 in 2014 according to World Bank data.

Over the past five years per capita consumption of processed food products remains stable. Products such as wine, animal fats, sugar, fruit and vegetables noted a slight increase in per capita consumption in 2014.

Table 5. Poland - CONSUMPTION OF SELECTED CONSUMER GOODS PER CAPITA

Consumer goods	Unit of measure	2012	2013	2014

	(kg) kilogram (l) liter			
Grain of 4 cereals				
(in terms of processed products)	Kg	108	108	106
Potatoes	Kg	111	102	101
Vegetables	Kg	103	102	104
Fruit	Kg	46.0	46.0	47.0
Meat and edible offal	Kg	71.0	67.5	73.6
of which meat:	Kg	67.3	63.8	69.5
Beef	Kg	1.6	1.5	1.6
pork	Kg	39.2	35.5	39.1
Poultry	Kg	26.1	26.5	28.2
Animal edible fats	Kg	6.0	5.1	5.5
Butter	Kg	4.1	4.1	4.2
Cow's milk	L	193	206	205
Chicken eggs	Units	140	148	155
Sugar	Kg	42.5	41.9	44.3
Vodkas, liqueurs, other alcoholic beverages in terms of 100% alcohol	L	3.0	3.6	3.2
Wine and honey wine	L	5.9	5.8	6.3
Beer from malt	L	99.2	97.7	98.9

Source: Euromonitor

Table 6. Poland Production of selected products of the Polish food industry [a]

Goods	**Units of measure 000 tons/**	**Production sold on the Polish market**		**2013=100**

	000 hl			
		2013	2014	
Raw meat from animals for slaughter	t	1920	2038	106.2
of which meat:				
Pork	t	1814	1898	104.6
Beef and veal	t	105	140	133.3
Poultry meat	t	1497	1528	102
Variety meat products from poultry	t	235	208	88.5
Meat and variety meat products from animals for slaughter[b]	t	897	869	96.9
Frozen sea fish	t	271	247	91.2
Margarine and spreads[c] (excluding liquid margarine)	t	342	341	99.7
Butter and dairy spreads	t	153	157	103.1
Cheese and curd	t	674	657	97.5
of which:				
Rennet ripening cheese	t	244	243	99.4
Processed (melted) cheese	t	45.2	38.4	85
Wheat flour	t	2207	2222	100.7
Sugar	t	1612	1708	105.9
Chocolate (including white)[d]	t	216	248	114.6
Pasta	t	217	207	95.3
Vodkas, liqueurs, other alcoholic beverages in terms of 100%	hl	1433	1104	77.1
of which pure vodka	hl	1063	810	76.2
Wine and honey wine	hl	2272	2335	102.8
of which grape wine	hl	1224	1256	102.6
Beer from malt	hl	37751	38095	100.9
Mineral waters and soft drinks	hl	59601	61049	102.4
of which natural mineral waters	hl	17810	20829	117

Source: Euromonitor

a Quantity of products produced domestically (data for economic entities employing more than 9 persons), minus their exports and plus their imports corrected by the balance of changes of stocks at producers (data for economic entities employing more than 49 persons).

b Including: canned food, cured meat products and other products.

c Reduced and low fat.

d Including sweet and chocolate goods.

Table 7. Advantages and challenges for American products in the Polish market.

Advantages	Challenges
Central and Eastern Europe's most populous country with a domestic consumer market of nearly 40 million people.	U.S. products face high transportation costs as compared to many European competitors.

A strategic location within a dense, major international market offering re-export potential.	Complicated system of product registration in some cases delaying or even preventing products from entering the Polish market that are new to the EU.
Transshipment from other EU countries of import now possible with Poland's EU integration.	Poland's EU Accession puts United States products at a competitive disadvantage versus EU-28 duty-free internally traded products.
Rapidly developing HRI sector and popularity of international hotel chains such as Hilton, Marriott, Sofitel, Novotel offer great potential for introduction of products such as high end fish and seafood as well as wine.	Despite rising incomes, Polish consumers indicate that price is still the primary purchasing factor for food and beverage products in at least 75 percent or more of their retail food purchases.
Polish consumers associate United States products with good quality.	Food recalls in the EU have had a negative impact on Polish consumers' views of imported products, and GMO issues hamper imports of United States products.
Market niches exist in food ingredient categories - i.e. dried fruit, nuts and other innovation, functional foods especially with health benefits.	Foreign investment in the Polish food processing industry results in local production of many high quality products that were previously imported.
Economic growth has been rising and the growing Polish middle class is eager to try new products.	While the export of some U.S. goods has been encouraged by EU trade regulations, some goods, namely poultry and beef, are limited due to EU sanitary restrictions.

SECTION II. ROAD MAP FOR MARKET ENTRY

A. Entry Strategy

The Polish market offers good opportunities for U.S. exporters of competitive products or ingredients with innovative characteristics. Purchasing by hotels, restaurants, and institutions (HRI) is fragmented and competitive. Companies usually do not import directly, except for items purchased in large quantities. The majority of HRI operators prefer to buy from specialized importers or wholesalers importing food and beverages. Specialized importers have appropriate knowledge of importing requirements, such as certificates, labeling and packaging. Importers in most cases handle all shipping, customs clearance and warehousing procedures necessary to provide nationwide distribution.

Another important supplier for the HRI sector is Cash & Carry (C&C) wholesale operators. These are large stores carrying food and non-food products. They sell to smaller retailers, restaurants as well as other food service operators. C&C stores offer a variety of products at competitive prices. In order to conduct purchases at C&C stores business customers have to obtain a membership.

U.S. exporters should analyze Polish and EU food law regulations in order to meet all necessary requirements. Detailed information on EU/Polish regulations can be obtained through analyzing USDA/FAS GAIN Reports: EU 28 Food and Agricultural Import Regulations and Poland Food and Agricultural Import Regulations available via the link GAIN Reports

U.S. exporters who are already exporting to other European Union countries in most cases meet most of the requirements for exporting to Poland.

The following tools are also available for U.S. food ingredients exporters in order to successfully enter the Polish market:

- read FAS/Warsaw Attaché Reports: Exporter Guide, Retail Report as well as other reports and sector briefs - all reports can be accessed at Foreign Agricultural Service home page (www.fas.usda.gov – *Data and Analysis* link – *GAIN Reports Category*);

- Contact FAS/Warsaw to discuss method and market entry strategy via e-mail: agwarsaw@fas.usda.gov;

- Contact State Regional Trade Groups (STRG) and U.S. Cooperators (below please find the link for U.S. Cooperator Market Development Program Participants) to obtain market access support such as trade show exhibition and trade mission participation. The State Regional Trade Groups (SRTG) are non-profit trade development organizations which assist U.S. food producers and processors in selling their products overseas. Funding for their operations originates from USDA's Foreign Agricultural Service (FAS), State Departments of Agriculture, as well as private industry resources. These groups coordinate promotional activities in order to increase exports of U.S. food and agricultural products. For further information, please contact the appropriate state regional trade group:

Food Export USA - Northeast Member states: Connecticut, Delaware, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont Email: info@foodexport.org Website: www.foodexportusa.org

Food Export Association of the Midwest USA Member states: Indiana, Illinois, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, Wisconsin Email: info@foodexport.org Website: www.foodexport.org

Southern United States Trade Association Member states: Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, Puerto Rico, South Carolina, Tennessee, Texas, Virginia, West Virginia Email: susta@susta.org Website: www.susta.org

Western U.S. Agricultural Trade Association Member states: Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, Wyoming Email: export@wusata.org Website: www.wusata.org

- **Contact U.S. Cooperator Market Development Program Participants:**

Browse the Directory of Cooperator Organizations

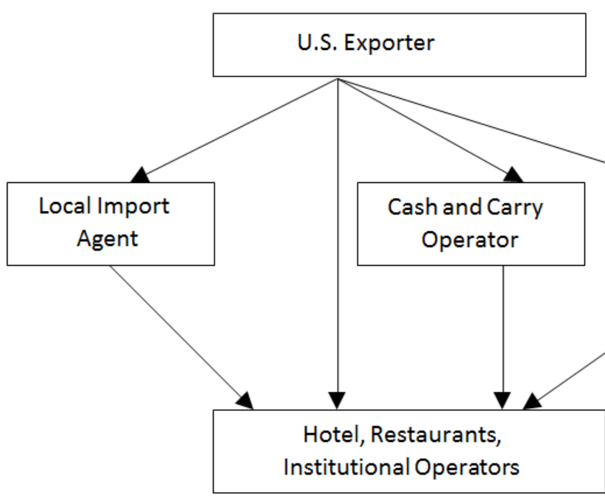
Find a local import agent, importer/wholesaler or a foreign export agent who can further assist with information on import requirements, phytosanitary and sanitary regulations, labeling requirements and market information for the Polish market. Though appropriate representation, all distribution channels – including wholesale, retail, HRI food service, industrial - can be accessed.

Attend a trade show to test the products on the EU/Polish market. Poland has only one large agricultural trade fair – Polagra Food – (please note that during recent years the presence of processed food products has been decreasing versus e.g. packaging machinery or retail shop equipment). Traditionally Polish traders, importers and food processors attend large food products trade shows organized in Germany and France. ANUGA in Germany alternating with SIAL in Paris are the most important food trade shows in Europe and the best places for U.S. exporters to establish contacts with potential business partners in Poland. Europe Food Ingredients Trade Fair (a bi-annual fair held alternatively in Paris, France and Frankfurt, Germany) also offers ideals testing grounds for food processing ingredients. Information about all USDA sponsored trade shows can be accessed at http://www.fas.usda.gov/topics/trade-shows

B. Market Structure

As Poland's HRI Sector is well developed and has access to various food products; in order to successfully enter the Polish market U.S. products need to have a competitive advantage – attractive pricing, high quality or offer innovative characteristics.

Distribution Flow



Poland is a part of the EU single market and customs union. International trade negotiations for all EU members are conducted by the European Commission (EC).

The structure and relative small size of the Polish HRI sector requires only a small number of traders, importers or agents for sourcing products. Only large processors will buy directly from foreign suppliers; often import is also conducted through importers located in other EU Member States, mostly Germany and The Netherlands.

Majority of HRI operators prefer to limit the number of their suppliers to just a few companies. Hence it's important to choose trading partner who already delivers complementary supplies to the HRI sector.

C. Company Profiles

Apart from the leading international operators from HRI sector, many small and medium-sized companies, which serve mostly local markets, operate in Poland.

Table 8. Forecast Full-Service Restaurants by Category: Units/Outlets 2014-2019

Outlets	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**
Asian Full-Service Restaurants	960	973	985	996	1,006	1,015
- Chained Asian Full-Service Restaurants	4	4	4	4	4	4
- Independent Asian Full-Service Restaurants	956	969	981	992	1,002	1,011
European Full-Service Restaurants	3,358	3,449	3,552	3,663	3,783	3,914
- Chained European Full-Service Restaurants	26	27	28	29	30	31
- Independent European Full-Service Restaurants	3,332	3,422	3,524	3,634	3,753	3,883
Latin American Full-Service Restaurants	590	584	589	598	614	632
- Chained Latin American Full-Service Restaurants	-	-	-	-	-	-
- Independent Latin American Full-Service Restaurants	590	584	589	598	614	632
Middle Eastern Full-Service Restaurants	333	332	343	357	375	396
- Chained Middle Eastern Full-Service Restaurants	98	100	103	106	110	115
- Independent Middle Eastern Full-Service Restaurants	235	232	240	251	265	281
North American Full-Service Restaurants	152	162	169	175	179	183
- Chained North American Full-Service Restaurants	26	30	33	36	38	40
- Independent North American Full-Service Restaurants	126	132	136	139	141	143
Pizza Full-Service Restaurants	2,444	2,508	2,579	2,641	2,695	2,744

- Chained Pizza Full-Service Restaurants	555	576	591	604	615	624
- Independent Pizza Full-Service Restaurants	1,889	1,932	1,988	2,037	2,080	2,120
Other Full-Service Restaurants	103	107	111	114	116	117
- Chained Other Full-Service Restaurants	-	-	-	-	-	-
- Independent Other Full-Service Restaurants	103	107	111	114	116	117
Full-Service Restaurants	7,940	8,115	8,328	8,544	8,768	9,001

Source: Euromonitor International from trade associations, trade press, company research, trade interviews, trade sources

Table 9. Forecast Cafés/Bars by Category: Units/Outlets 2014-2019

Outlets	*2014*	*2015*	*2016*	*2017*	*2018*	*2019*
Bars/Pubs	*10,962*	*11,096*	*11,256*	*11,444*	*11,659*	*11,907*
- Chained Bars/Pubs	*93*	*94*	*96*	*99*	*103*	*108*
- Independent Bars/Pubs	*10,869*	*11,002*	*11,160*	*11,345*	*11,556*	*11,799*
Cafés	*10,303*	*10,009*	*9,758*	*9,604*	*9,475*	*9,434*
- Chained Cafés	*87*	*90*	*94*	*99*	*105*	*112*
- Independent Cafés	*10,216*	*9,919*	*9,664*	*9,505*	*9,370*	*9,322*
Juice/Smoothie Bars	-	-	-	-	-	-
- Chained Juice/Smoothie Bars	-	-	-	-	-	-
- Independent Juice/Smoothie Bars	-	-	-	-	-	-
Specialist Coffee Shops	*551*	*573*	*599*	*628*	*661*	*698*
- Chained Specialist Coffee Shops	*462*	*482*	*505*	*530*	*558*	*589*
- Independent Specialist Coffee Shops	*89*	*91*	*94*	*98*	*103*	*109*
Chained Cafés/Bars	*642*	*666*	*695*	*728*	*766*	*809*
Independent Cafés/Bars	*21,174*	*21,012*	*20,918*	*20,948*	*21,029*	*21,230*
Cafés/Bars	*21,816*	*21,678*	*21,613*	*21,676*	*21,795*	*22,039*

Source: Euromonitor International from trade associations, trade press, company research, trade interviews, trade sources

Table 10. Company Shares in Chained Cafés/Bars: % Foodservice Value 2010-2014

% value	*2010*	*2011*	*2012*	*2013*	*2014*
McDonald's Corp	*7.7*	*12.2*	*16.3*	*21.7*	*24.8*
Whitbread Plc	*19.5*	*19.2*	*22.4*	*21.2*	*18.2*
Heineken NV	*17.3*	*15.5*	*11.2*	*10.4*	*9.6*
Lagardère SCA	-	-	*7.4*	*7.0*	*7.2*
Starbucks Corp	*2.2*	*4.0*	*5.6*	*6.2*	*6.4*
Mex Polska SA	-	*0.7*	*2.7*	*4.8*	*5.4*
Green Coffee Sp zoo	*1.9*	*1.9*	*2.3*	*2.9*	*5.4*
A Blikle Sp zoo	*4.7*	*4.3*	*3.9*	*3.5*	*3.6*
Columbus Coffee Ltd	*0.4*	*1.3*	*1.7*	*3.2*	*3.2*
Contel Sp zoo	*6.6*	*6.0*	*3.9*	*3.3*	*3.0*
Global Restaurant Investment Sp zoo	*5.8*	*4.9*	*3.9*	*3.7*	*2.8*
Dominata Sp zoo	*3.2*	*2.8*	*2.1*	*2.4*	*2.4*
Mount Blanc Sp zoo	*1.5*	*1.3*	*1.6*	*2.1*	*2.3*

Lotte Group	-	-	-	-	*2.0*
French Lagardere Group	*4.5*	*4.3*	*1.6*	*1.8*	*1.8*
Krzysztof Drohomirecki Sp zoo	*1.6*	*1.5*	*1.3*	*0.8*	*0.8*
Tizia Spol sro (Sp zoo) Oddzial w Polsce	*0.9*	*0.8*	*0.6*	*0.5*	*0.5*
Chocoffee SA	*0.5*	*0.4*	*0.4*	*0.3*	*0.3*
Hort Café Sp zoo	*1.7*	*1.5*	*1.4*	*0.2*	*0.2*
Ikaria Anna Soljanin	*0.4*	*0.3*	*0.1*	*0.1*	*0.1*
Massimo Zanetti Beverage Group SpA	*0.1*	*0.0*	*0.0*	*0.0*	*0.0*
Coffee Polska SA	-	-	*3.4*	*1.9*	-
Nestlé SA	*7.2*	*6.3*	*3.8*	-	-
PPK Astra Sp zoo	*0.7*	*0.5*	*0.4*	-	-
Ruch SA	*5.0*	*4.1*	-	-	-
NFI Empik Media & Fashion SA	*4.1*	*3.9*	-	-	-
Pijalnie Czekolady Sp zoo	*2.0*	*1.8*	-	-	-
Jireh International Pty Ltd	*0.6*	*0.5*	-	-	-
Coffeeheaven International Plc	-	-	-	-	-
Chairman's Brand Corp	-	-	-	-	-
Total	*100.0*	*100.0*	*100.0*	*100.0*	*100.0*

Source: Euromonitor International from official statistics, trade associations, trade press

Table 11. Forecast Self-Service Cafeterias: Units/Outlets 2014-2019

Outlets	*2014*	*2015*	*2016*	*2017*	*2018*	*2019*
Chained Self-Service Cafeterias	*92*	*94*	*97*	*101*	*106*	*112*
Independent Self-Service Cafeterias	*8,270*	*8,379*	*8,500*	*8,635*	*8,781*	*8,944*
Self-Service Cafeterias	*8,362*	*8,473*	*8,597*	*8,736*	*8,887*	*9,056*

Source: Euromonitor International from trade associations, trade press, company research, trade interviews, trade sources

Table 12. Company Shares in Chained Self-Service Cafeterias: % Foodservice Value 2010-2014

% Value	**2010**	**2011**	**2012**	**2013**	**2014**
Olimp Arena Sp zoo Sp k	-	-	-	16.1	28.3
Salad Story Sp zoo Sp komandytowa	7.1	14.3	17.6	22.4	24.1
Green Way SA	26.2	19.0	18.8	14.0	19.1
Inter Ikea Systems BV	6.8	7.1	8.3	9.1	10.9
Vapiano AG	10.8	9.4	9.7	9.4	9.7
Pro-Victus Sp zoo	-	-	-	7.7	7.9
Agapes Restauration SA	30.1	26.8	24.8	21.2	-
Iglotex Wodzislaw Sp zoo	13.4	14.0	11.6	-	-
Multifood STP SA	5.7	9.4	9.2	-	-
Total	100.0	100.0	100.0	100.0	100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources

Table 13. The top 15 Hotel Groups In Poland

	COMPANY NAME	No. of rooms	No. of outlets	LOCATION	Purchasing Agent(s)
1.	**Orbis/Accor** (*Sofitel, Mercure, Novotel, ibis, Orbis hotels*)	11,400	64	National	Direct Importer/ Purchases from local importers
2.	**Hotele Gołębiewski**	2,351	4	Mikołajki, Wisła, Karpacz, Białystok	Direct Importer/ Purchases from local importers
3.	**Hilton Worldwide Hotels** (Hilton, Hilton Garden Inn, Hampton by Hilton)	2,070	11	Warszawa, Gdansk, Krakow, Lodz, Rzeszow, Swinoujscie	Direct Importer/ Purchases from local importers
4.	**Louvre Hotels Group** *(Campanile, Premiere Classe, Golden Tulip)*	1,903	16	National	Direct Importer/ Purchases from local importers
5.	**Best Western** (Best Western, Plus, Premier)	1,891	20	National	Direct Importer/ Purchases from local importers
6.	**Carlson Rezidor** *(Radisson Blu, Park Inn, Rezydent)*	1,830	8	National	Direct Importer/ Purchases from local importers
7.	**Starwood Hotels** *(Sheraton, Westin, Bristol)*	1,518	6	Warsaw, Kraków, Poznań, Sopot, Wroclaw, Szczecin	Direct Importer/ Purchases from local importers
8.	**Qubus Hotels** (Qubus, Alto)	1,516	15	National	Direct Importer/ Purchases from local importers
9.	**WARIMPEX** (Intercontinental, andel's,	1,465	6	National	Direct Importer/

	Angelo, Chopin, Amber)				Purchases from local importers
10.	**Gromada**	1,432	11	National	Direct Importer/ Purchases from local importers
11.	**Intercontinental Hotels Group** *(Intercontinental, Holiday Inn)*	1,184	6	National	Direct Importer/ Purchases from local importers
12.	**WAM Hotel Group**	1,213	16	National	Direct Importer/ Purchases from local importers
13.	**Satoria Group** *(Best Western, RT)*	1,110	7	Warsaw, Kraków	Direct Importer/ Purchases from local importers
14.	**Vienna Hotelmanagement Intercontinental** *(andel's, Angelo, Chopin, Amber)*	1,051	5	Kraków, Łódź, Katowice, Międzyzdroje	Direct Importer/ Purchases from local importers
15.	**Diament**	960	14	Silesia, Wrocław	Direct Importer/ Purchases from local importers

Source: Raport HORECA 2015 publiszed by HOTELERZ

D. Sector Trends

All HRI outlets operating in Poland support their operations with additional promotional activities ranging from:

- daily chef's specials, "happy hours" and promotional coupons or freebees
- transmission of sport events (mostly football matches and winter sports competitions)
- cooking demonstrations
- special occasion dining ranging from Sunday Branches, Easter, St. Valentine's Day, Halloween

and Thanksgiving

Full-service restaurants

- Full-service restaurants remain stable in terms of number of outlets, noting a decline in terms of number of transactions. With sales reaching PLN 8.4 billion (U.S. 2.1 billion) with 7,900 outlets,
- The category is driven mainly by increase of prices as the number of transactions continues to shrink in 2014,
- "North American" full-service restaurants records the highest value sales growth of 28 percent in 2014; mainly due to continued interest in the United States cuisine,
- Sfinks Polska continues to lead in terms of both number of outlets and value sales,
- Number of full-service restaurants is expected to increase reaching 9,000 outlets in 2019.

Cafes/Bar

- Cafés/bars transactions in 2014 amounted to PLN7.2 billion (U.S. $1.8 billion) with over 21,800 outlets
- Specialist coffee shops recorded the highest value growth during 2014 increasing by 9 percent
- Cafés/bars remains a highly fragmented channel

Self-Service Cafeterias

- Self-service cafeterias increased by 1 percent in terms of number of outlets in 2014,
- Demand for convenient solutions stimulates development of self-service cafeterias,
- Chained self-service cafeterias expand rapidly through franchising,
- Number of self-service cafeterias is expected to increase to 9,100 outlets by 2019.

SECTION III. COMPETITION

In 2014 Polish imports of consumer oriented food products amounted to U.S. $10 billion with imports worth U.S. $136 million originating from the United States.

Table 14. Poland Import of consumer oriented food products (U.S. $ Thousands)

Poland (Customs) Import Statistics							
Commodity: Consumer Oriented Agric. Total, Group 32 (2012)							
Year To Date: January – December							
Partner Country	**Million United States Dollars**			**% Share**			**% Change**
	2012	**2013**	**2014**	**2012**	**2013**	**2014**	**2014/2013**
World	8,768	9,969	10,438	100.00	100.00	100.00	4.71
United States	105	127	136	1.21	1.28	1.30	6.45

Source: Global Trade Atlas

Table 15. Poland Export of consumer oriented food products (U.S. $ Thousands)

Poland (Customs) Export Statistics Commodity: Consumer Oriented Agric. Total, Group 32 (2012)							
Year To Date: January - December							
Partner Country	**Million United States Dollars**			**% Share**			**% Change**
	2012	**2013**	**2014**	**2012**	**2013**	**2014**	**2014/2013**
World	15,749	18,241	19,281	100.00	100.00	100.00	5.70
United States	214	208	271	1.36	1.15	1.41	30.08

Source: Global Trade Atlas

Domestic producers and exporters from the European Union (mainly Germany, France, Italy, Great Britain, Spain, Finland, and the Netherlands, which make up 50 percent of total Polish food imports) are the main competitors for American food exporters. Dynamic development of Polish producers and foreign investors in the Polish food industry resulted in an increased variety of high quality product being produced locally. Even classic American products like chewing gum, Coca-Cola and Pepsi are produced in Poland.

***Table 16. Examples of import of consumer food products and ingredients to Poland in 2014*.**

Product Category	HS code	Total imports of agri-food products by Poland (U.S. $ million)	Direct imports from the USA (U.S. $ million)	Share of US imports in total imports (%)	Main Foreign competitors	Strenghts of Key Supply Countries	Advantages and disadvantages of Local Suppliers
Frozen Fish	0303	241	4	1.71	1.Norway, 2.Denmark, 3.United Kingdom, 4.Netherlands, 5.Russia,	1-4.Distance, availability and regional products. 5.Price/quality.	Developed fish processing industry.
Fish Fillets	0304	653	45	6.93	1.China, 2.Germany, 3.Iceland, 4.Russia, 5.Norway, 6.Vietnam, 7.Denmark	1.4.6.Price/quality. 2,3,5,7. Distance, availability and regional products.	Developed fish processing industry.
Almonds	080212	54	18	33.87	1.Spain, 2.Germany, 3.Australia	1.Distance, availability and regional products. 2.Traditional re-exporter. 3. Flexibility of suppliers – aiming to gain new market.	No local production due to unfavorable climate conditions.
Dried Grapes, Raisins	080620	33	3	9.90	1.Iran, 2.Germany, 3.China, 4.Chile, 5.Turkey	1.2.4.5. Price/quality. 2.Traditional re-exporter.	No local production due to unfavorable climate conditions.
Prunes	081320	26	4	19	1.Chile, 2.France, 3.Slovakia, 4.Serbia,	1.5.Price/quality. 2.3.4.Distance, availability and	Local production of different type of

					5.Argentina, 6.Germany	regional products. 6. Traditional re-exporter.	prune – not competing with imported varieties.
Peanuts	1202	65	7	1.17	1.Argentina, 2.Brazil, 3.China	1.2.3.Price/quality.	No local production due to unfavorable climate conditions.
Mucilage & Thickeners	130239	29	2	8.17	1.China, 2.Philippines, 3.Germany, 4.Denmark, 5.Belgium, 6.Spain	1.2. Price/quality. 3.4.5.6. Distance, availability and regional products.	Developed food processing industry.
Cranberries	200893	17	12	70	1.Canada, 2.Germany, 3.Chile	1.3. Price/quality. 2. Traditional re-exporter.	Local production of different type of cranberry – not competing with imported varieties.
Food Preparation	210690	506	26	5.14	1.Germany, 2.France, 3.Netherlands, 4.Italy, 5.Austria	Distance, availability and regional products.	Developed food processing industry.
Wine	2204	269	35	13.35	1.Germany, 2.Italy, 3.France, 4.Spain	Distance, availability and regional products.	Limited local production due to unfavorable climate conditions.
Alcohol Beverages	2208	201	29	14.72	1.Finland, 2.UK, 3.Germany	Distance, availability and regional products.	Developed local production industry – e.g. vodka

							production.

Source: Global Trade Atlas Data

SECTION IV. BEST PRODUCT PROSPECTS

A. Products in the market that have good sales potential

- Fish and Seafood: salmon, lobster and other miscellaneous fish products
- Wines and distilled spirits (*to be added to table below on Friday*)
- Nuts: almonds, peanuts, pecans, pistachios, walnuts
- Highly processed food ingredients
- Dried & Processed Fruit: cranberries, prunes
- Organic products

A. *Table 17.* Products in the market that have good sales potential

Category	2014 Market Size (Volume) in Million MT	2014 Imports (Sales) In U.S. $ Million	5-Yr. Avg. Annual Import Growth	Import Tariff Rate *	Key Constraints Over Market Development	Market Attractiveness for USA
Fish And Seafood Products (HS 03 and 1604-05)	0.50	$2	Growth of 4% per annum	Rages from 2-26% import duty	Competition from established suppliers. Norway and China are price competitive while United States caters to the high end food service sector. A large proportion of imports are destined for the food processing and HRI sector.	Demand for fish and seafood products in Poland is continuously rising. Current per capita consumption is less than 1/3 of that noted in Western Europe. As incomes rise and the development of the food processing and food service continue this will provide opportunities for

						U.S. suppliers able to compete on both price and quality.
Tree Nuts: almonds, pistachios, walnuts (HS 0801-0802)	35	$1,630	Growth of 10% per annum	Ranges 0-21% import duty	Suppliers from Spain, India and Iran are price competitive while United States caters to the high end food processing and food service sector.	Demand for nuts continues to rise. Current per capita consumption is less than 1/4 of that noted in Western Europe. As Polish food processing sector develops and baking and snacking segments grow Poland will provide opportunities for U.S. suppliers able to compete on both price and quality.
Dried Fruit: including Prunes, Raisins (HS0813,0806)	0.2	$273	Growth of 4% per annum	2.4-9.6% import duty	Traditional suppliers from France and Iran are price competitive while United States exporters cater to the high end food processing and food service sector.	Demand for dried fruit in Poland is continuously rising. As Polish food processing sector develops and baking and snacking segments grow Poland should prove to be an attractive sales market for U.S. suppliers.
Dried Fruit: Sweetened Cranberries (HS200893)	0.5	$18	Growth of 6% per annum	17.6-25.6% import duty	United States is the key supplier holding over	Demand for cranberries in Poland is dynamically

					60 percent of the market share. Canadian product is the key competitor, followed by Chilean supplies, which attract price oriented importers.	rising. As Polish food processing (especially chocolate processors) sector develops and baking and snacking segments grow Poland will provide opportunities for U.S. suppliers.

PLEASE refer to EU's Custom Tariff site at http://ec.europa.eu/taxation_customs/dds2/taric/taric_consultation.jsp in order to obtain details pertaining to individual HS custom codes.

B. **Products not present in significant quantities, but which have good sales potential**

· High quality spices and barbeque sauces
· Beef: Hormone-free beef
· Fruit juice concentrates: Cranberry, prune

B. **Table 18. Products not present in significant quantities, but which have good sales potential**

Category	2014 Market Size (Volume) in Million MT	2014 Imports (Sales) In U.S. $ Million	5-Yr. Avg. Annual Import Growth	Import Tariff Rate	Key Constraints Over Market Development	Market Attractiveness for USA
Coffee, Tea, Mate and Spices 09	0.2	$627	Growth of 1.5% per annum	Ranges from 0-12.5% import duty	While tea and coffee products have established Asia and Africa based suppliers; high quality spices offer niche, yet growing market potential.	Demand for high quality spices will continue to rise with improving incomes and further development of the food service sector. This will provide opportunities for U.S. suppliers able to compete on both price and quality.
Beef: Hormone-free HS0201-	0.4	$22	25% (imports from the US recorded a 40 percent drop	Ranges from 12.8%+176.8 Euro/kg/net	US products face tough competition from European	US hormone free beef eligible for sale in the EU is considered to be of

0204			as compared to 2013. Higher prices for US beef in 2014 made it uncompetitive compared to beef from Argentina, Brazil and Uruguay)	to 12.8%+304. 1 Euro 100/kg/net	Union beef produces (including growing Polish industry), as well as Brazil, Argentina and New Zealand suppliers.	exceptionally good quality. Growing market of high–end restaurants and hotels offers good sales potential for this product.
Fruit juice concentrates: including prune, and cranberry (HS2009)	0.2	$209	Growth of 1% per annum	Ranges from 10.5% to 33.6%+20.6 Euro 100/kg/net	US products face tough competition from European Union suppliers – mostly France as well as Canada (cranberry juice concentrates).	US products are considered to be of superior quality and with proven health benefits. Growing demand within health food sector offers excellent sales opportunities.

*****_PLEASE refer to EU's Custom Tariff site at http://ec.europa.eu/taxation_customs/dds2/taric/taric_consultation.jsp in order to obtain details pertaining to individual HS custom codes._

C. **Products not present because they face significant boundaries**

- Food additives not approved for import by the European Commission.
- Poultry and Beef (production using hormone growth) – not approved for import by the European Commission facing SPS barriers.

SECTION V. POST CONTACT AND FURTHER INFORMATION

One of the goals of the Foreign Agricultural Service (FAS) office in Warsaw is to assist in market development and promotion of U.S. food and agricultural products in Poland. There are a wide variety of ways in which to approach this market and many key contacts such as importers, distributors and retailers. Suppliers of U.S. food products and ingredients can contact FAS Warsaw if additional information regarding selling U.S. food and beverage products to Poland is required.

There are several U.S. commodity groups, called cooperators/regional groups, who partner with FAS to promote U.S. agricultural products in Poland. Those cooperators who are particularly active in Poland include: Wine Institute (California), Cranberry Marketing Committee, California Prune Board, California Walnut Commission and Food Export USA Northeast. The California Wine Institute, Cranberry Marketing Committee, California Walnut Commission and California Prune Board have representatives based in Warsaw.

For additional information regarding the Polish market please contact:

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Foreign Agricultural Service
Al. Ujazdowskie 29/31
00-540 Warsaw, Poland
Phone number: +48 22 504 23 36
E-mail: AgWarsaw@fas.usda.gov
Website: http://polish.poland.usembassy.gov/Poland-pl/agric.html

Please also visit the Foreign Agricultural Service home page (www.fas.usda.gov – *Data and Analysis* link – *GAIN Reports Category*) for more information about exporting U.S. food products to Poland, including “The Exporter Guide”, “The HRI Food Service Sector Report”, product briefs on the market potential for the U.S. wine, dried fruit, nuts and other agricultural products.

For information on exporting U.S agricultural products to other countries please visit the Foreign Agricultural Service home page: http://www.fas.usda.gov – *Countries and regions* link.

End of the Report.