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Report Highlights:

Poland's hotel, restaurant, and institution (HRI) markets were valued at upwards of $7.0 billion in 2018. The number of Polish catering establishments in 2018 reached roughly 70,000 units. International chains are strongly positioned in the quick service segment. In 2018, 2,600 hotels operated in Poland, a two-percent increase over 2017. In 2018, Poland imported $26 billion of food, agricultural, and related products, of which $481 million was sourced from the United States. U.S. products with strong HRI sales potential in Poland include fish and seafood, wine, distilled spirits, tree nuts, dry fruit, and innovated food ingredient products.

Market Fact Sheet: Poland

Executive Summary

Poland is the largest market for food and beverages in Central and Eastern Europe. With nearly 40 million consumers, Poland is an attractive export market for U.S. products. Its 2018 gross domestic product (GDP) grew by 5.1 percent, driven largely by strong domestic demand. In 2018, Poland imported upwards of $26 billion in food and agriculture. U.S. imports of these products were $481 million. U.S. products with strong sales potential in Poland include fish and seafood, wine, tree nuts, dried fruit, highly processed and functional ingredients.

Imports of Consumer-Oriented Products

2018 Polish consumer-oriented food imports reached $13 billion, with U.S. imports valued at $164 million. Polish consumers appreciate diversity and imports seek to meet those demands and to compensate for seasonal production.

Food Processing Industry

Poland's food processing industry is the largest in Eastern Europe and the seventh largest in the European Union (EU). In 2018, food processing accounted for seven percent of Poland's $585 billion GDP. Key sectors are meat, dairy, beverage, confectionary, bakery, and processed horticulture. Danone, Heinz, Unilever, Mondelez, Nestle and others have expanded their Polish operations.

Food Retail Industry

Food retail in Poland has transformed rapidly and is a dynamic economic driver. The retail sector is diverse and ranges from small family-run stores to medium-sized stores, to large distribution centers.

SWOT Analysis	
Strengths	**Weaknesses**
Central Europe's most populous country with domestic consumer market of nearly 40 million people.	U.S. products face high transportation costs versus European competitors.
Opportunities	**Threats**
Market niches exist in food ingredient categories – dried fruit, nuts, and functional foods.	Foreign investments in Polish food processing industry result in local production of high quality products.

Quick Facts CY 2018

Imports of Consumer-Oriented Products $13 billion *(*U.S. imports $164 million)

List of Top 10 Growth Products in Poland

1) Wine 2) Whiskies
3) Alaska pollock 4) Sockeye salmon
5) Pet food 6) Cranberries
7) Almonds 8) Pistachios
9) Pacific salmon 10) Prunes

Top Hotel Chains operating in Poland include Accor/Orbis, Hilton Hotels & Resorts, Marriott International, Best Western, Louvre Hotels Group

Top Food Service operators in Poland include McDonald's, KFC, Pizza Hut, Burger King, Starbucks

GDP/Population
Population *(million)*: 38
GDP *(billion USD)*: 585
GDP per capita *(USD)*: 15,424

Sources: Polish Statistical Office, World Bank, Trade Data Monitor, The Economist

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SECTION I. MARKET SUMMARY

Industry experts estimate that Poland's total 2018 HRI market was valued at over $7.0 billion, including nearly 70,000 catering establishments (permanent and seasonal). International chains are widely present in the quick service segment. Home delivery is an important and growing trend in consumer foodservice in Poland, with online ordering and home delivery growing particularly fast.

A strategic location in the middle of Europe and growing investments in the HRI sector make Poland a competitive destination for regional business conferences, banquets, trade shows, and other business and culture events. In 2018 over 2,600 hotels operated in Poland, offering accommodations in over 131,000 rooms, a two percent increase over 2017.

Table 1: Basic Economic Indicators

	2018[a]	2019[b]	2020[b]	2021[b]	2022[b]	2023[b]
Real GDP growth	5.1	3.8	3.3	3.5	3.2	3.0
Consumer price inflation	1.7	1.7	1.8	2.1	2.2	2.1
Unemployment rate (average)	6.1	5.7	5.6	5.5	5.3	5.1
Exports of good fob (U.S. $)	224.4	243.8	258.5	278.4	299.7	322.0
Imports of goods fob (U.S. $)	223.8	245.9	265.8	287.0	311.2	332.8
Exchange rate PLN-USD (average)	3.77	3.62	3.63	3.55	3.50	3.35

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

Over the last seven years, total household incomes increased by nearly 10 percent. In addition to economic growth and higher wages, Government of Poland (GOP) social-safety net initiatives, such as the Family 500+ Program, continue to supplement the incomes of millions of families. In 2017, the GOP increased the monthly minimum wage to Polish zloty (PLN) 2,000 ($588), which further contributed to consumer spending; increases are also planned for 2020 and 2021.

Polish consumers tend to view the United States positively and consider U.S. products to be high quality. U.S. products bound for Poland are often shipped through western European Union (EU) ports of entry and are re-exported to Poland without additional tariffs or regulatory requirements, besides language labeling. For additional demographic and consumer information, please refer to FAS Warsaw's 2018 Exporter Guide.

Table 2: Polish 2018 Food, Agricultural and Fish Imports ($ billion)

Agricultural Total, total imports	26
Agricultural Total, imports from U.S.	0.4 (1.8%)
Consumer-Oriented Agricultural Products, total imports	13
Consumer-Oriented Agricultural Products, imports from U.S.	0.2 (1.5%)
Fish and Seafood Products, total imports	2
Fish and Seafood Products, imports from U.S.	0.7 (3.1%)

Source: Trade Data Monitor

Throughout 2018, consumer foodservices in Poland developed rapidly. Longer working hours and increasingly fast-paced lives drove more-frequent dining out. Online ordering and delivery services became increasingly prominent in 2018 and continue to gain popularity. Portal Pyszne.pl, part of Takeaway.com leads the online ordering segment, with PizzaPortal.pl being next. UBER Eats is also gaining in importance.

Table 3: Units in Consumer Foodservice 2015-2018

	2015	2016	2017	2018
Units	67,902.0	68,571.0	69,134.0	69,534.0

Source: Euromonitor International

Table 4: Consumer Foodservice by Independent vs Chained by Type: Units/Outlets 2018

outlets	Independent	Chained	Total
Cafés/Bars	12,727.0	840.0	13,567.0
Full-Service Restaurants	20,002.0	691.0	20,693.0
Limited-Service Restaurants	9,667.0	8,642.0	18,309.0
Self-Service Cafeterias	6,671.0	175.0	6,846.0
Street Stalls/Kiosks	8,920.0	1,199.0	10,119.0
Consumer Foodservice	57,987.0	11,547.0	69,534.0

Source: Euromonitor International

Table 5: Consumer Foodservice Sales by Segment: % Foodservice Value 2013-2018

% value	2013	2014	2015	2016	2017	2018
Drive-Through	0.9	1.0	1.0	1.0	1.1	1.1
Eat-in	79.7	78.7	77.4	76.8	75.8	75.1
Home Delivery	5.4	6.4	7.4	8.2	9.3	10.1
Takeaway	13.9	14.0	14.1	14.0	13.8	13.7
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: Euromonitor International

Table 6: Advantages and challenges of the Polish Food Service Sector

Advantages	Challenges
Central Europe's most populous country with a 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.	EU product registration can be onerous and cause delays or even prevent new products from entering the Polish market.
Transshipments from other EU members occur regularly.	U.S. products have a competitive disadvantage versus duty-free EU-28 products.
Food ingredient market niches for dried fruit, tree nuts, baking mixes, functional ingredients, and organic offer U.S. shippers strong opportunities.	Despite rising incomes, Polish consumers still list 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.	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 growing Polish middle class is eager to try new products.	While many U.S. food exports are can enter Poland and the EU without difficulty, many other U.S. products are severely restricted due to arbitrary and non-scientific EU sanitary and phytosanitary restrictions and other technical barriers to trade.

Please refer to the GAIN Report website for additional information and reports on the Polish market.

SECTION II. ROAD MAP FOR MARKET ENTRY

Most HRI establishments in Poland do not directly import and rely on local importers and wholesalers to procure products. Successful new-product introductions can depend on local representatives, importers, and distributors.

- Products may be imported either by an importer or a representative office, which may also be a wholesaler and/or a distributor;
- Representative offices typically deal only with exclusive product lines and tend to focus more effort toward promoting, advertising, and marketing than importers, who often buy many and sometimes competing products;
- Importers are distinctly separated into dry goods, refrigerated items, fruits and vegetables, alcoholic beverages, etc.;
- Importers or representative offices may use nation-wide logistics organizations for the storage and distribution of imported products; and
- Many importers have their own distribution networks.

Attending European trade fairs like ANUGA, SIAL, and Food Ingredients Europe, as well as visiting Polish HRI trade fairs like HORECA/GASTROFOOD, Eurogastro World Hotel, and the Warsaw Chef's Congress are good means of reaching key decission makers and learning about the Polish market.

Company Profiles

Polish consumer dine out at chains like McDonald's, KFC, Pizza Hut, as well as independent restaurants and food trucks. Seasonal establishments in open markets and areas populated by tourists are also popular.

Table 7: Company Shares in Chained Consumer Foodservice: % Foodservice Value

% value	2014	2015	2016	2017	2018
McDonald's Corp	35.7	35.6	35.0	34.2	33.6
Yum! Brands Inc	14.3	14.2	14.0	14.3	14.4
PKN Orlen SA	7.1	7.1	7.2	7.5	7.9
Restaurant Brands International Inc	2.1	2.3	2.7	2.8	3.1
British Petroleum Co Plc, The	2.8	2.8	2.8	2.8	2.8
Da Grasso Sp zoo	2.9	2.5	2.6	2.5	2.5
Sfinks Polska SA	2.5	2.4	2.2	2.5	2.4
Grupa Lotos SA	1.6	1.6	1.5	1.7	2.1
Cukiernia Sowa Sp j	2.0	2.0	2.1	2.1	2.0
Royal Dutch Shell Plc	2.2	2.1	2.1	2.0	2.0
Inter Ikea Systems BV	1.5	1.7	1.8	1.8	1.7
Starbucks Corp	1.0	1.1	1.3	1.5	1.6
Coca-Cola Co, The	-	-	-	-	1.5
Zabka Polska Sp zoo	0.9	1.0	1.1	1.2	1.2
Alimentation Couche-Tard Inc	1.5	1.4	1.3	1.2	1.2
Doctor's Associates Inc	1.3	1.3	1.4	1.3	1.2
Lodziarnie Firmowe Sp zoo Sp k	1.2	1.2	1.2	1.2	1.1
PPHU Wojtex	1.6	1.4	1.2	1.1	1.0
Multi Ice Radoslaw Charubin	0.6	0.7	0.8	0.8	0.9
More Sp zoo	0.4	0.6	0.6	0.8	0.9
Telepizza Group SAU	1.9	1.9	1.4	1.1	0.9
Green Coffee Sp zoo	0.4	0.7	0.8	1.0	0.9
Dominium SA	1.0	1.0	0.9	0.8	0.7
Domino's Pizza Inc	0.3	0.3	0.5	0.6	0.6
Mastergrupa Marcin Ciesielski	0.3	0.3	0.3	0.5	0.6

% value	2014	2015	2016	2017	2018
Gruby Benek Sp zoo	0.7	0.7	0.7	0.6	0.6
Sweet Gallery SC	0.1	0.4	0.5	0.5	0.6
Wroclawska Akademia Kulinarna Sp zoo Sp k	-	-	-	-	0.5
Olimp Arena Sp zoo Sp k	0.3	0.4	0.4	0.5	0.5
Mex Polska SA	0.4	0.5	0.5	0.5	0.5
Others	11.5	11.0	11.3	10.6	8.5
Total	100.0	100.0	100.0	100.0	100.0

Source: Euromonitor International

SECTION III. COMPETITION

2018 Polish consumer-oriented food imports reached upwards of $13 billion, with U.S. imports accounting for $164 million. Domestic products and products from other EU countries, which make up 50 percent of food imports, are the main U.S. competitors. The growth of Poland's food processing industry has led to more variety of local-made products. Even iconic American products are produced in Poland**.** It should also be noted that Polish customers tend to prefer Polish products over imported ones**.** Many chains advertise the fact that they offer Polish products to increase sales.

Table 8: Poland Import of consumer oriented food products

Poland Customs Import Statistics Commodity: Consumer-Oriented Agricultural Total Calendar Year: 2016 - 2018							
Partner Country	**Millions United States Dollars**			**Market Share %**			**% Change**
	2016	**2017**	**2018**	**2016**	**2017**	**2018**	**2018/2017**
World	10,652	12,504	13,571	100.00	100.00	100.00	8.53
United States	144	154	164	1.35	1.23	1.21	6.68

Source: Trade Data Monitor

Table 9: Examples of Import of Consumer Food Products to Poland in 2018

Product category Total Poland's Imports	Main suppliers in percentage	Strengths of Key supply countries	Advantages and Disadvantages of Local Market
Tree Nuts (HS 0801 +0802 +200819) **$327 million**	1. Turkey – 20% 2. Germany – 16% 3. Italy - 11% 4. **U.S. – 10%**	Turkey leads in supply of hazelnuts. Germany is a large re-exporter of nuts. U.S. is the leading supplier of almonds and pistachios.	Domestic production is minimal. Poland produces limited quantities of walnuts and hazelnuts.
Fish & Seafood (HS 03 + HS 16) **$2.0 billion**	1. Norway – 46% 2. Sweden – 11% 3. Germany - 5% **8. U.S. – 3%**	Norway's proximity and promotional efforts compete with other suppliers; U.S. holds strong position as a supplier of Alaska pollock and sockeye salmon.	Poland is world's number one salmon processor.
Wine (2204) **$334 million**	1. Italy – 21% **2. U.S.** – 14% 3. Germany – 13% 4. France – 11%	Italy remains a traditional wine supplier to Polish market. U.S. wines are becoming increasing popular, in part due to successful promotional activities conducted by the industry.	Domestic production is minimal. Poland's dynamic restaurant industry is an ideal partner for U.S. suppliers.
Peanuts (HS 1202) **$91 million**	1. Argentina – 68% 2. Brazil – 19% **3. U.S. – 4%**	Argentina and Brazil are Poland's traditional suppliers; U.S. product is gaining in popularity when price competitive.	No local availability. Product in high demand from Poland's food processing sector.
Dried Prunes (HS 081320) **$24 million**	1. Chile – 72.28% **2. U.S. – 17%** 3. Moldova - 2%	Chile has tariff advantage due to EU-Chile FTA. U.S. product is gaining popularity with local importers.	Limited local production. Mostly used for home cooking as a compote ingredient.
Raisins (HS 080620) **$23 million**	1. Turkey – 39% 2. Chile - 14% 3. Iran – 10% **13. U.S. – 1%**	1-3 Price advantage.	No local availability. Polish snack sector is developing quickly.

Source: Trade Data Monitor

SECTION IV. BEST HIGH-VALUE PRODUCT PROSPECTS

Products in the market that have good sales potential

- Fish and Seafood: salmon, pollock, cod, lobster and other miscellaneous fish products
- Nuts: almonds, peanuts, pecans, pistachios, walnuts
- Wine and distilled spirits
- Highly processed ingredients: protein concentrates dextrin, peptones, enzymes, lecithin
- Dried & Processed Fruit: cranberries, prunes
- Fruit juice concentrates: Cranberry, prune
- Organic products

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

- Hormone-free beef
- High quality spices and mixes (Tex-Mex)
- Ingredients for the natural and healthy foods industry
- Vegetable fats for bakery industry

Products not present because they face significant boundaries

- Food additives not approved by the European Commission

SECTION V. KEY CONTACTS AND FURTHER INFORMATION

For additional information regarding the Polish market please contact:

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Attachments:

No Attachments.