

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY  
USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT  
POLICY

Voluntary    Public

**Date:** 3/10/2017

**GAIN Report Number:**

## Poland

**Post:** Warsaw

### Retail Sector

**Report Categories:**

Retail Foods

**Approved By:**

Russ Nicely, Agricultural Attaché

**Prepared By:**

Jolanta Figurska

**Report Highlights:**

The Polish retail sector continues to develop registering 4 percent value growth in 2014 with the total number of stores at over 354,000. Price competition remains the most important factor impacting grocery retailers operating in Poland, with discounters constituting as much as 27 percent by value share in 2014. Hypermarkets and supermarkets, with 73 percent value share, remain the dominate outlets. Poland is the largest country within Central and Eastern Europe. As a country with a population of nearly 40 million people it constitutes an attractive market for agro-food products from the United States. In 2015 Poland imported agricultural and fish products worth U.S. \$20 billion with U.S. sourced imports worth U.S. \$471 million. While the majority of Polish consumers remain price-sensitive, there are a continuously growing number of end customers willing to pay higher prices for products of superior quality. U.S. food exports with best sales potential include: tree nuts, wine, distilled spirits, fish and seafood, dried fruit, sauces, spices and snacks.

**General Information:****SECTION I. MARKET SUMMARY**

During 2015 Poland's economy recovered from the 2012-13 economic slowdown, growing by 3.9 percent thanks to continuously increasing domestic demand. A slight slowdown in real GDP growth to 2.6 percent is expected for 2016. The forecast slowdown 2016-17 will result from unexpected deterioration in economic policies, applied by Poland's new Government, sworn in November 2015, as it tries to deliver on its costly populist election declarations. Policies of the newly elected government sworn in November 2015, could lead to decline in economic growth if the ruling party follows through on promises to provide support for larger families.

*Table 1. Basic Economic Indicators*

|  | 2016 <sup>a</sup> | 2017 <sup>b</sup> | 2018 <sup>b</sup> | 2019 <sup>b</sup> |
|--|-------------------|-------------------|-------------------|-------------------|
| <b>Real GDP growth</b>                                     | 2.8               | 3.2               | 3.0               | 3.0               |
| <b>Unemployment rate (av)</b>                              | 9.0               | 9.2               | 8.9               | 8.9               |
| <b>Consumer price inflation<br/>(av. National measure)</b> | 0.9               | 1.3               | 1.5               | 1.0               |
| <b>Exports of good fob (U.S. \$)</b>                       | 196.4             | 201.7             | 203.1             | 209.3             |
| <b>Imports of goods fob<br/>(U.S. \$)</b>                  | 194.2             | 205.9             | 209.1             | 219.8             |
| <b>Exchange rate Zł:U.S. \$ (av)</b>                       | 3.95              | 4.22              | 4.14              | 4.97              |

Source: Economist Intelligence Unit <sup>a</sup> estimates and <sup>b</sup> forecasts.

In 2015 Poland imported total agricultural and fish products worth U.S. \$20 billion, with imports originating from the United States worth U.S. \$471 million, a 2.25 percent share.

In 2015 Polish imports of consumer oriented food products amounted to U.S. \$9 billion, with imports originating from the United States worth U.S. \$133 million.

Poland's import of fish and seafood products also continues to grow and reached U.S. \$1.7 billion, with U.S. \$55 million (3.2 percent market share) originating from the United States. The first direct import of U.S. cod contributed to this positive result in 2015.

**Table 2. Poland - Imports of agricultural and fish products 2015, in billion U.S. \$**

|  |            |
|--|------------|
| Agricultural Total, total imports                            | 20         |
| Agricultural Total, imports from U.S.A.                      | 0.4 (2.2%) |
| Intermediate Agricultural Products, total imports            | 4.5        |
| Intermediate Agricultural Products, imports from U.S.A.      | 0.1 (2.5%) |
| Consumer-Oriented Agricultural Products, total imports       | 9          |
| Consumer-Oriented Agricultural Products, imports from U.S.A. | 0.1 (1.4%) |
| Fish and Seafood Products, total imports                     | 1.7        |
| Fish and Seafood Products, imports from U.S.A.               | 0.5 (3.2%) |

*Source: Global Trade Atlas*

Poland views the United States positively and U.S. products are considered to be of high quality. Product that has been 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.

Annual disposable income in Poland continues to grow, yet constitutes just over 40 percent of that recorded in the western countries of the European Union.

**Table 3. Consumer expenditures and Annual Disposable income**

| <b>Poland</b>                              |             |             |             |
|--|-------------|-------------|-------------|
|  | <b>2013</b> | <b>2014</b> | <b>2015</b> |
| Consumer Expenditure (U.S. \$ million)     | 31<br>8     | 32<br>7     | 33<br>4     |
| Annual Gross Income (U.S. \$ million)      | 42<br>8     | 44<br>3     | 45<br>5     |
| Annual Disposable Income (U.S. \$ million) | 32<br>1     | 33<br>1     | 34<br>0     |

*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 and households buy food stocks for only a few days at a time. Poland's GDP at Purchasing Power Parity per capita increased from U.S. \$26,017 in 2015 to U.S. \$27,802 in 2016 according to Economist Intelligence Unit 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 4. Poland - Consumption of selected consumer goods per capita**

| Consumer goods   | Unit of measure | 2013     | 2014     |
|--|-----------------|----------|----------|
| Grain of 4 cereals   |                 |          |          |
| (in terms of processed products)                             | kg              | 10<br>8  | 10<br>6  |
| Potatoes   | kg              | 10<br>2  | 10<br>1  |
| Vegetables   | kg              | 10<br>2  | 10<br>4  |
| Fruit  | kg              | 46<br>.0 | 47<br>.0 |
| Meat and edible offal  | kg              | 67<br>.5 | 73<br>.6 |
| of which meat:   | kg              | 63<br>.8 | 69<br>.5 |
| Beef   | kg              | 1.<br>5  | 1.<br>6  |
| pork   | kg              | 35<br>.5 | 39<br>.1 |
| Poultry  | kg              | 26<br>.5 | 28<br>.2 |
| Animal edible fats   | kg              | 5.<br>1  | 5.<br>5  |
| Butter   | kg              | 4.<br>1  | 4.<br>2  |
| Cow's milk   | l               | 20<br>6  | 20<br>5  |
| Hen eggs   | units           | 14<br>8  | 15<br>5  |
| Sugar  | kg              | 41<br>.9 | 44<br>.3 |
| Vodkas, liqueurs, other alcoholic beverages in terms of 100% | l               | 3.<br>6  | 3.<br>2  |
| Wine and honey wine  | l               | 5.<br>8  | 6.<br>3  |
| Beer from malt   | l               | 97<br>.7 | 98<br>.9 |

*Source: Euromonitor*

Poland's 38 million consumers constitute the single largest market for food and beverages within the Central Eastern Europe region. Based on Euromonitor data in 2014 grocery retailers registered 4 percent current value growth reaching PLN 195 billion (U.S. \$52 billion), with total number of stores remaining at over 354,000. Hypermarkets and supermarkets, with 73 percent value share, remain the dominating categories; while discounters constituted 27 percent of value share in 2014.

**Table 5. Poland – Data on Internal Trade in 2014**

| <b>Specification</b>                               | <b>2014</b> |
|--|-------------|
| <b>Sales area of shops in thous. m<sup>2</sup></b> | 34964       |
| of which:  |             |
| Department stores                                  | 330         |
| Trade stores                                       | 227         |
| Supermarkets                                       | 4960        |
| Hypermarkets                                       | 3802        |
| <b>Total number of shops<sup>b</sup></b>           | 354775      |
| of which:  |             |
| Department stores                                  | 66          |
| Trade stores                                       | 217         |
| Supermarkets                                       | 6509        |
| Hypermarkets                                       | 593         |
| Petrol stations                                    | 8905        |
| <b>Population per 1 shop<sup>b</sup></b>           | 108         |
| <b>Total number of marketplaces</b>                | 8939        |
| <b>Number of permanent marketplaces</b>            | 2210        |
| <b>Number of seasonal marketplaces</b>             | 6729        |

Source: Poland Internal Market 2014, Report by Polish Statistical Office

The current market share division is expected to continue as traditional grocery retailers are forecast to lose market share through 2019. Within the 2014-2019 period Modern Grocery Retailers are forecast to grow some 27 percent, while Traditional Grocery Retailers are forecast to decline by over 8 percent.

**Table 6. Poland Forecast Grocery Retailers Outlets by Channel: % Unit Growth 2014-2019**

| <b>% unit growth</b>             | <b>2014/15</b> | <b>2014-19<br/>Compound<br/>Annual<br/>Growth Rate</b> | <b>2014/19 Total</b> |
|----------------------------------|----------------|--|----------------------|
| Modern Grocery Retailers         | 3.8            | 5.0  | 27.4                 |
| - Convenience Stores             | 4.8            | 6.4  | 36.2                 |
| - Discounters                    | 4.0            | 5.2  | 29.1                 |
| - Forecourt Retailers            | -0.4           | -0.2   | -1.2                 |
| -- Chained Forecourts            | 1.3            | 1.5  | 7.6                  |
| -- Independent Forecourts        | -4.1           | -3.7   | -17.0                |
| - Hypermarkets                   | 2.2            | 2.5  | 13.4                 |
| - Supermarkets                   | 3.0            | 3.7  | 19.9                 |
| Traditional Grocery Retailers    | 0.8            | -1.7   | -8.4                 |
| - Food/Drink/Tobacco Specialists | -2.2           | -3.1   | -14.7                |
| - Independent Small Grocers      | 2.0            | -1.2   | -5.8                 |
| - Other Grocery Retailers        | -2.8           | -3.0   | -14.2                |
| Grocery Retailers                | 1.7            | 0.1  | 0.7                  |

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

Some of the factors that characterized the Polish retail market in 2014 were strong competition, consolidation and market saturation. This sector is dominated by multinational retail hypermarkets including Tesco (UK), Auchan (France), Carrefour (France) and discounters Lidl (Germany) and Biedronka (Portugal). Major chains face slim margins due to fierce competition. However, in recent years there has also been a trend in consumer preference toward smaller grocery formats, including convenience stores, small grocery retailers and independents.

During 2014 all Polish retail operators increased their competitiveness by offering attractive price levels and sales promotions. Polish consumers are known for their smart shopping behavior, which is reflected in continuous search for attractive prices. As this behavior is accompanied by expectation of good quality of purchased products, the purchase demand tends to be directed at branded products and private label.

Annual disposable income in Poland continues to grow, yet constitutes just over 40 percent of that recorded in countries of Western European Union.

**Table 7. Consumer expenditures and Annual Disposable income**

| <b>Poland</b>                              |             |             |             |
|--|-------------|-------------|-------------|
|  | <b>2013</b> | <b>2014</b> | <b>2015</b> |
| 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 and households buy food stocks for only a few days at a time. 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.

***Tax on retail sales***

As of September 1, 2016, the Polish Government introduced a new law obligating retailers operating on the Polish market to pay an additional tax on retail sales. The new tax imposed on retailers had two application rates: 0.8 percent in case of revenue ranging from 17 million Polish Zloty (U.S. \$4.4 million) per month to 170 million Polish Zloty (U.S. \$44 million) per month and 1.4 percent when sales

exceed 170 million Polish Zloty (U.S. \$ 44 million) per month. Sales under 17 million Polish Zloty (U.S. \$4.4 million) per month were tax-free. Revenue taken into account when calculating the new tax excluded Value Added Tax and sales between businesses.

On September 19, 2016, the European Commission opened an in-depth investigation into Poland's tax on the retail sector requiring Poland to suspend the application of the tax until the Commission concludes its assessment. In reply Poland's Government suspended the implementation of the tax on September 20, 2016 and vowed to press on with some form of a new tax against big supermarkets. On October 14, 2016 Polish Ministry of Finance spokesman announced that the next attempts to introduce retail tax in Poland are postponed till January 1, 2018.

### ***Retail operations to be closed on Sundays***

After a recent attempt to introduce a new retail tax failed, the Polish retail sector is likely to see further changes as the desire to prohibit retail operations on Sunday's gains more and more supporters.

Over 500,000 Poles signed a petition supporting such a change and the new law is under discussion by the Polish Parliament. The proposed new law was submitted by a Legislative Initiative Committee consisting of labor union "Solidarnosc" (Solidarity) and other social organizations, Catholic organizations, workers and employers' organizations. Describing the basis for the petition, the committee members stress the need for individuals working within Poland's retail sector on Sundays to have time for family life one day in the week. In addition to the submitted proposal, representatives of all major parties within the Poland's Parliament also contributed to the draft law text. As the proposed new law appears to be supported by a majority within the Polish Parliament, it is likely that it will be successfully adopted before the end of 2016.

The current proposal includes numerous exceptions allowing for some trade on Sundays. Sales may be permitted at gas stations, bakeries, convenience stores located at railway stations and airports or at newsstands. Small shops will be permitted to operate provided that sales will be conducted by their owners. The effort envisages establishment of so-called "Trading Sundays" during the year on seven occasions. Additionally, stores are also to be open on the Sundays preceding Christmas and Easter.

The exact economic effect of this change is difficult to determine as many different alternative versions of applications of this law are under consideration. One such proposal envisages stores being closed only on the first Sunday of the month or on the last three Sundays of the month – allowing the Government to evaluate scale of economic costs of full implementation of the proposal.

### ***Trends in food retailing***

The following changes are expected in Polish retail trade:

- Increased importance of large-area trade outlets in the structure and revenue of the retail trade; with continued mergers and buy-outs among large chains;
- Increased importance of companies owning chains of stores, with continued integration among

- small and medium companies;
- A decreasing number of specialized shops which represent just over 5 percent of the total number of shops. These shops will close, or will enlarge their product lines with new items;
  - Corner and Mom & Pop Shops located in large cities will continue to close, because of increasing competition from super/hypermarkets and service sectors (e.g. Banks, which present higher rent offers);
  - An increasing number of small shops continue to be opened in rural areas. Those small shops are bound to face competition from foreign chains introducing smaller shop formats e.g. Carrefour Express outside of central urban areas;
  - Increasing importance of private label goods;
  - Polish consumers will increasingly expect high quality food products, at the same time remaining very price sensitive;
  - Increase of preference for convenience, health (incl. organic as well as “free from ...” products), as well as high end products, among emerging Polish upper class consumers (10 percent of 38 million population) is likely to impact future of food retailing in Poland;
  - Polish consumers, following the European Union tendency, are becoming interested in various ratings and tests conducted by consumer organizations and individual bloggers involved in investigating and comparing goods and services in an unbiased way. Opinions expressed by consumer organizations and bloggers are likely to influence purchasing decisions in Poland.

#### **Advantages and Challenges of the Polish Retail Market for U.S. Exporters**

| Advantages  | Challenges  |
|---|---|
| Central 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. |
| Economic growth has been rising, and with major international food processors having established factories in Poland; this market offers great potential for ingredients from the U.S. e.g. at Cash&Carry stores. | Poland’s EU Membership puts United States products at a competitive disadvantage versus EU-28 duty-free internally traded products.                   |
| Poles travel extensively and bring back home opens to new tastes and knowledge of internationally promoted United States products.  | Retailers operating on the Polish market in most cases do not conduct direct import; extending distribution chain to include an obligatory importer.  |
| Products from the United States enjoy good reputation on the polish market.   | Listing fees required by retailers and funding needed for creation of brand awareness hamper the introduction of new brands from the United States.   |

## ***SECTION II. ROAD MAP FOR MARKET ENTRY***

### ***Entry Strategy***



### **Market Structure**

#### **A. ENTRY STRATEGY- HYPERMARKETS, SUPERMARKETS, DISCOUNT STORES**

The majority of retail chains operating on the Polish market do not conduct direct imports and rely on local importers and wholesalers to obtain products. Retailers such as Alma and Auchan have their own import departments but in many cases still rely on independent importers as a source for niche market products. In this segment, the successful introduction of new products depends to large extent on local representatives, importers, and distributors.

### **Market Structure**

- Products may be imported either by an importer or a representative office, which may also be a wholesaler and / or distributor;
- The representative office deals only with your product, and so pays much more attention to the

promotion, advertising, and marketing activities than an importer who buys many, sometimes even competitive, products;

- Some hypermarkets/supermarkets are direct importers (e.g. Auchan, Alma Delicatessen Chain);
- Importers are distinctly separated into dry goods, refrigerated items, fruits and vegetables, alcohol, etc.;
- Importers or representative offices may use nation-wide logistic organizations for the storage and distribution of imported products;
- Importers also have their own distribution networks.

Typical conditions for a supplier when entering retail chains operating on the Polish market:

- Entry fees (amounting to tens of thousands of Polish zlotys), which are not paid back if the agreement is canceled;
- 30-60 day terms of payment;
- Considerable price discount - about 10 percent of regular price;
- Obligatory participation in promotional activities, which are held 3-5 times a year and last for 1-3 weeks.
- Obligatory participation in covering the cost of advertising of promoted products;
- Slotting fees (U.S. \$250-5,000) for placing each type of product on the shelf;
- Fees for the “display area”;
- No opportunity to influence the “shelf price” level;
- Very strict delivery terms (exact date and time frame e.g. March 2, 2016 12:00-14:00).

Supplier contracts may vary from one to another and all clauses depend on negotiations of the interested parties.

### ***Company Profiles***

This sector is dominated by multinational retail hypermarkets incl. [Tesco](#) (UK), [Auchan](#) (France), [Carrefour](#) (France) and discounters [Lidl](#) (Germany) and [Biedronka](#) (Portugal). Major chains face slim margins due to fierce competition.

During 2016 one of the leading Polish retail chains MarcPol (60 stores located nationwide) went out of business. Key store locations of MarcPol stores were in most cases taken over by neighborhood stores operators including chains such as: [Leviatan](#), [Spolem](#) and [Carrefour Express](#).

Leading high end food product chain [Alma](#) experienced major financial difficulties during 2016; and while the company is currently undergoing a restructuring effort, sector experts are of opinion that it may be forced to close its remaining stores in 2017.

Key high end food market player is a Polish retail chain “[Piotr i Pawel](#)” with 143 stores located throughout Poland.

During 2016 [Aldi Nord](#), German discount chain, with over 90 stores located throughout Poland started a major brand promotion in leading locations including Warsaw.

In the coming year's retail industry experts envisage further consolidation within current operators.

**Table 8. Top 10 Retailers on the Polish Market in 2014**

| No. | Operator's Name                 | Store Name                   | Country of Origin                           | Sales revenue in U.S. \$ Billion | Number of Stores |
|-----|---------------------------------|------------------------------|---|----------------------------------|------------------|
| 1   | Jeronimo Martins Dystrybucja SA | Biedronka                    | Portugal                                    | 10.009                           | 2587             |
| 2   | Schwarz-Gruppe                  | Lidl and Kaufland            | Germany                                     | 5.340                            | 729              |
| 3   | Eurocash                        | ABC, IGA, Delikatesy Centrum | Over 40 percent owned by Portuguese Capital | 4.306                            | 3583             |
| 4   | Tesco                           | Tesco                        | United Kingdom                              | 2.844                            | 400              |
| 5   | Leviatan                        | Leviatan                     | Poland                                      | 2.283                            | 2860             |
| 6   | Auchan*                         | Auchan/Real                  | France                                      | 1.945                            | 120              |
| 7   | Carrefour                       | Carrefour                    | France                                      | 1.885                            | 702              |
| 8   | Metro Group.                    | Macro Cash&Carry             | Germany                                     | 1.712                            | 41               |
| 9   | Polomarket                      | Polomarket                   | Poland                                      | 1.311                            | 439              |
| 10  | Zabka                           | Zabka                        | Poland                                      | 1.238                            | 3710             |

\*in 2014 Auchan purchased Real stores from Metro Group – Stores are currently being re branded.

Data source: Planet Retail – August 2015

## B. CONVENIENCE STORES, GAS MARTS, KIOSKS

There are two ways to place new products on shelves depending on the type of product. Either an exporter should use an importer or representative for direct personal contact with the shops, or shop managers supply themselves from the wholesalers who may import the products. In this case goods should be available in several regional wholesale units, where smaller wholesalers and retailers collect them.

### *Company Profiles*

Convenience stores, gas station marts, and kiosks are very fragmented sectors, with each retail outlet often having a different owner even within one chain or a brand due to franchising and licenses. Over the last ten years the traditional kiosk operator Ruch (currently owned by private equity company) gained strong competition in form of over 400 Inmedio and 1 Minute kiosks (Eurocash Company holds over 51 percent of shares). Kiosks/small convenience stores mostly carry newspapers and magazines, snacks, drinks and other convenience products that take up increasingly greater shelf space. This sector consists of small units employing up to 5 people. Since Polish law does not obligate entities employing fewer than 5 people to deliver statistical information, it is difficult to illustrate in detail the market situation.

There are about 6,750 petrol stations in Poland. A majority of these stations also offer gas marts. Polish refinery Orlen is the market leader, holding over 55 percent of the market share. The remainder of the gas station market is controlled by the Polish Refinery Lotos and foreign companies including BP, Shell, Statoil and Lukoil.

Convenience stores in Poland are increasingly popular. Leading players in convenience store and small grocery store sectors include: [Żabka](#), [Spar Polska](#), [Chata Polska](#), [Eko Holding](#), [Chorten](#), [LD Holding](#), [Małpka](#), [Polska Grupa Supermarketów](#), [PSH Nasz Sklep](#), [PHU Topaz](#).

The flagship of the sector, Zabka, has been on the market for over 15 years and now has over 4500 stores operating on a franchising base, with other companies also investing in convenience stores. Carrefour, a hyper and supermarket chain also noticed the trend and opened smaller format stores [Carrefour Express](#) for fast shopping of most basic products integrated into their hypermarkets.

### C. TRADITIONAL MARKETS – “MOM and POP”, SMALL INDEPENDENT GROCERY STORES AND WET MARKETS

There are two ways to place new products on shelves depending on the type of product. Either an exporter should use an importer or representative for direct personal contact with the shops, or shop managers supply themselves from the wholesalers who may import the products. In this case goods should be available in several regional wholesale units, where smaller wholesalers and retailers collect them.

### ***Sub-Sector Profiles***

“Mom and Pop” shops are very common in Poland. They are currently facing growing competition from supermarkets, which are opening in smaller cities and towns. “Mom and Pop” shops are present throughout the county, and are not limited to small towns and villages, being very popular in large Polish cities. Little independent stores often lose the competition with big foreign supermarkets and hypermarkets chains. A Polish Parliament regulation (from August 24<sup>th</sup>, 2007) protects these small independent shops, because only stores run by the owner may work on 13 Polish official holidays, during which time hypermarkets and all larger stores are closed.

Traditional Markets vary significantly in size and facilities. In 2014 there were 2,210 registered regular traditional markets. Additionally there were 6,729 seasonal traditional markets. Usually they consist of open air and/or kiosk facilities in an area of 200-400m<sup>2</sup> (2,150 – 4,305 square feet).

### ***SECTION III. COMPETITION***

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 or Pepsi are produced in Poland. It should also be noted that Polish customers prefer Polish products over imported ones, influencing shoppers to purchase products made in Poland. Many chains advertise the fact that they offer Polish vegetables or other products to increase sales.

In 2015 Polish imports of consumer oriented food products amounted to U.S. \$9 billion with imports worth U.S. \$133 million originating from the United States. The decrease in U.S. imports is attributed to high unfavorable exchange rate of U.S.\$ to Polish Zloty noted throughout 2015.

***Table 9. Poland Import of consumer oriented food products (U.S. \$ Millions)***

| Partner Country | Millions United States Dollars |       |      | % Share |        |        |
|-----------------|--------------------------------|-------|------|---------|--------|--------|
|                 | 2013                           | 2014  | 2015 | 2013    | 2014   | 2015   |
| World           | 9969                           | 10438 | 9364 | 100.00  | 100.00 | 100.00 |
| United States   | 128                            | 136   | 133  | 1.28    | 1.30   | 1.43   |

*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 or Pepsi are

produced in Poland. It should also be noted that Polish customers prefer Polish products over imported ones, influencing shoppers to purchase products made in Poland. Many chains advertise the fact that they offer Polish vegetables or other products to increase sales.

**Table 10. Examples of import of consumer food products and ingredients to Poland in 2015.**

| <b>Product Category</b> | <b>HS code</b> | <b>Total imports of agri-food products by Poland (U.S. \$ million)</b> | <b>Direct imports from the USA (U.S. \$ million)</b> | <b>Share of US imports in total imports (%)</b> | <b>Main Foreign competitors</b>                                       | <b>Strengths of Key Supply Countries</b>  | <b>Advantages and disadvantages of Local Suppliers</b>     |
|-------------------------|----------------|--|--|---|---|---|--|
| Frozen Fish             | 0303           | 182  | 4  | 2.02  | 1.Norway, 2.Russia, 3.The Netherlands, 4. Faoroe Islands, 5.Denmark   | 1-3.Distance, availability and regional products. 4-5.Price/quality.  | Developed fish processing industry.                        |
| Fish Fillets            | 0304           | 564  | 55   | 9.75  | 1.China, 2.Norway, 3.Germany, 4.Iceland, 5.Chile, 6.Russia. 7.Denmark | 1.5Price/quality. 2,3,4,6,7. Distance, availability and regional products.  | Developed fish processing industry.                        |
| Almonds                 | 080212         | 49   | 21   | 44  | 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 | 26  | 1  | 2.19 | 1.Turkey,<br>2.Iran,<br>3.Chile,<br>4.Germany<br>5.Uzbekistan    | 1.2.3.5.<br>Price/quality.<br>4.Traditional re-exporter.                                     | No local production due to unfavorable climate conditions.                               |
| Prunes                | 081320 | 28  | 6  | 22   | 1.Chile,<br>2.Germany,<br>3.Moldova,<br>4.Serbia,<br>5.Argentina | 1.5.Price/quality.<br>2. Traditional re-exporter.<br>3.4. availability of regional products. | Local production of different type of prune – not competing with imported varieties.     |
| Peanuts               | 1202   | 59  | 5  | 8    | 1.Argentina, 2.Brazil,<br>3.Nicaragua, 4.China                   | 1.2.3.4.<br>Price/quality.   | No local production due to unfavorable climate conditions.                               |
| Cranberries           | 200893 | 19  | 12 | 63   | 1.Chile,<br>2.Germany,<br>3.Canada                               | 1.3.<br>Price/quality.<br>2. Traditional re-exporter.  | Local production of different type of cranberry – not competing with imported varieties. |
| Wine                  | 2204   | 237 | 33 | 14   | 1.Italy,<br>2.Germany,<br>3.France,<br>4.Spain                   | Distance, availability and regional products.  | Limited local production due to unfavorable climate conditions.                          |
| Alcohol Beverages     | 2208   | 214 | 31 | 14   | 1.UK, 2. Finland,<br>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***

Category A: Products Present in the Market That Have Good Sales Potential

- Tree nuts
- Wine
- Alcoholic beverages
- Dried fruit
- Snack foods
- Cranberries and cranberry products

Category B: Products Not Present In Significant Quantities but Which Have Good Sales Potential

- High quality beef (hormone free)
- Health food, organic food
- Seafood and seafood products
- Innovative sauces, condiments and confectionary products

Category C: Products Not Present Because They Face Significant Barriers

- Poultry (non-tariff barrier)
- Processed food with GMO ingredients (non-tariff barrier)

#### ***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:  
American Embassy  
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](http://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”, “Food Processing 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.