

## Poland top CEE destination for FDI: Government Agency



Poland is the top destination for foreign direct investment (FDI) in Central and Eastern Europe (CEE), according to the Polish Information and Foreign Investment Agency (PAIiIZ).

Iwona Chojnowska-Haponik, a director at the government-run agency, says there are 26,000 foreign-owned companies in Poland. The figure accounts for almost 17 percent of all businesses in the country, not including micro-enterprises. At the end of 2014, cumulative foreign direct investment in Poland exceeded \$208 million, according to Chojnowska-Haponik. In 2014 alone, the country attracted \$11 million in FDI, four times more than a year earlier.

Data cited by Chojnowska-Haponik shows that reinvested profits account for 67 percent of all foreign capital invested in Poland. “ Businesses that operate in Poland invest a lot rather than take their profits out of the country, says Chojnowska-Haponik. They seek to strengthen their presence here by investing in what they have been doing so far or trying to make their mark in other areas such as shared service centers and research and development projects.”

Chojnowska-Haponik announced the data while presenting a report marking 25 years since U.S. conglomerate 3M began operating in Poland. With almost 2,900 employees in this country and over 6,000 local businesses as partners, 3M is a perfect example of a foreign company that keenly reinvests its profits in Poland, according to the report, which was compiled by consulting company Deloitte.

The report shows that 3M generated over zł.766 million in value added in Poland last year. The company has had a particularly strong impact on Polish enterprises through professional and business services, according to the report.

Sebastian Arana, managing director of 3M Poland, said during the presentation that 3M has invested \$500 million in the country over the past 25 years. He added that Poland was the company’s key business destination in this part of Europe. Our business here is sustainable and has developed along with the Polish economy, said Arana. Ever since our first production facility opened in 1991, we have been reinvesting our money in different areas. As a result, we are now one of the best foreign investors in Poland and one of 20 most important U.S. exporters in the country’s post-communist history.”

3M’s operations in Poland include not only production, but also research and development. The company’s R&D center in the southwestern city of Wrocław employs 60 engineers and its Innovation Center there has attracted more than 5,000 visits from businessmen, public figures, scientists and college students since it opened three years ago. This year, 3M brought one more project to Poland, a shared services center serving 52 countries in the Europe, Middle East and Africa (EMEA) region.

Andrzej Jacaszek, vice-president of the Pracodawcy RP Employers Association and vice-

president of the Polish branch of the ICAN Institute for corporate learning, says research and development projects have a stimulating impact on the economy. Companies that understand this are more likely to succeed on the market, Jacaszek said during the presentation.

The Polish Information and Foreign Investment Agency's Chojnowska-Haponik also spoke about employment as a crucial aspect of the presence of foreign enterprises in Poland. The 26,000 foreign-owned companies in Poland give jobs to around 1.75 million people, or 32.6 percent of all those who work in enterprises other than financial and insurance companies, said Chojnowska-Haponik. She added that workforce productivity in foreign-owned companies was 37 percent better and average salaries 40 percent higher than in companies exclusively relying on domestic capital.

Source: Polish Press Agency