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Inward FDI in Poland and its policy context

by
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By 2009, Poland had attracted the highest inward foreign direct investment (IFDI) stock (US$ 182 billion) among the new members of the European Union (EU) from Central and Eastern Europe. Its FDI inflows increased considerably after the country's accession to the EU. They fell during the crisis, but rather modestly, remaining at higher levels than in other countries of the region. The combination of a competitive and constantly improving policy framework for FDI and investment in general, the best GDP growth performance among the Organisation for Economic Co-operation and Development (OECD) countries in 2009 and favorable projections for 2010 and 2011 augurs well for the recovery of IFDI in Poland. In fact, there are signs of strong recovery already in the first quarter of 2010, with FDI inflows over two times higher than during the same period of the previous year.

Trends and developments

Country-level developments

With an IFDI stock of US$ 182 billion in 2009 (annex table 1), Poland is, in absolute terms, by far the largest host country among new EU member countries from Central and Eastern Europe.[1] The Czech Republic comes next with a stock of US$ 122 billion and Hungary third (US$ 100 billion). During 2000–2009, Poland received the largest FDI inflows in the region in all years but two, reaching a record of US$ 23 billion in 2007 (annex table 2). After the accession to the EU, annual average inflows into Poland nearly

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[1] These countries include, apart from Poland, Bulgaria, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Romania, Slovakia, and Slovenia. They compete for FDI, especially export-oriented FDI, benefiting from free access to the EU market.

tripled from US$ 6 billion during 2000–2003 to over US$ 16 billion during 2004–2008. Having reached a peak in 2007, IFDI flows declined during the subsequent crisis, to US$ 17 billion in 2008 and US$ 12 billion in 2009 (annex table 2).

During 2000–2008, the composition of Polish IFDI flows improved, reflecting the growing attractiveness of Poland as a business location. During 2000–2003, inflows consisted predominantly of equity capital, with some loans of parent corporations to their Polish affiliates and negative reinvested earnings. Since 2004, in every year but 2008, reinvested earnings were strongly positive, accounting for 30% of total FDI inflows while the share of equity capital fell to 45%. Foreign investors started reaping increasing benefits, as indicated by the surge in dividends transferred from affiliates to parent companies, which amounted to nearly US$ 12 billion in 2008.[2]

Services accounted for 68% of Poland's IFDI stock in 2008 (up from 60% in 2000), with trading and financial services as the largest industries, each accounting for 17–18% of the total stock, followed by other business services (9%) and real estate services (8%) (annex table 3). Telecommunications and power generation have also attracted significant foreign investments. IFDI in the primary sector is minimal. In manufacturing (accounting for 31% of IFDI stock in 2008), the largest industries for FDI include food, metal products and motor vehicles (each 7—8% of the total stock).

Nearly all IFDI in Poland originates from developed countries and, among them, predominantly from the EU-15, accounting for over 82% of the total stock in 2008 (annex table 4). The four largest home countries in 2008 (similarly to 2000, although in a different order) were the Netherlands (holding 19% of the stock), Germany (16%), France (11%), and the United States (6%).[3] Between 2000 and 2008, the top four increased their IFDI stock by 280%, but their share in the total stock fell from 65% to 52%, because firms from many other countries invested vigorously in Poland during the 2000s. These included several West European countries, each holding by 2008 a stock of FDI between US$ 3 billion and US$ 5 billion (Ireland, Switzerland, Denmark, Spain) and US$ 5–8 billion (Belgium, Austria, Italy, the UK, Sweden). Significant new home countries also include Japan, increasing its stock to US$ 1.3 billion in 2008.[4] More than 60% of the US$ 5 billion FDI stock from developing economies is registered in Caribbean tax heavens. Only the Republic of Korea (US$ 1 billion) and China (US$ 300 million) are visible as increasingly significant developing home countries, undertaking "genuine" FDI.

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[2] The ratio of transfers from affiliates (including dividends and income on credit) to FDI inflows rose from 28% during 2000–2004 to 54% during 2005–2008. In 2008, transfers and FDI inflows were almost equal. See Narodowy Bank Polski (NBP), *Zagraniczne inwestycje bezpośrednie w Polsce w 2008 roku* (Warszawa: NBP, 2009) and for the years 2000–2007. These are annual publications of the National Bank of Poland on FDI in Poland (in Polish, with English subtitles in the tables).

[3] Luxembourg emerged in 2008 as one of largest home countries, with a stock of US$ 14 billion, and a share in the total IFDI stock equal to 9%. But most of FDI registered in Luxembourg originates from MNEs of other countries, choosing to channel funds to their affiliates through Luxembourg for tax reasons. Since 2006, funds called "capital in transit" have flown through Poland (much of them from Luxembourg and the Netherlands). These funds are registered as inward FDI flows. But in the same year, they have been typically "invested" in other countries, giving rise to FDI outflows from Poland.

[4] Narodowy Bank Polski (NBP), *Zagraniczne inwestycje bezpośrednie w Polsce w 2008 roku* (Warszawa: NBP, 2009).

The corporate players

The list of the largest 20 foreign affiliates in Poland reflects the importance of the corresponding industries in FDI (annex table 5). Metro Group (Germany), dealing in retail trading and featuring several chains of supermarkets, home, electric and electronic appliances leads the list (with sales of nearly US$ 14 billion in 2008), followed by the largest telecommunication company Telekomunikacja Polska (Telecom France) (US$ 11 billion) and Fiat (Italy), with sales of US$ 7.6. The list also features three multinational enterprises (MNEs) in the automotive industry (in addition to Fiat, Volkswagen, Toyota and Delphi), three banks and six trading companies (in addition to Metro Group).

Cross-border acquisitions were quite important in the 1990s[5] when Poland implemented a large privatization program involving, among others, banks, a couple of power generating firms and manufacturing firms. During the 2000s, privatizations became less important, and cross-border purchases shifted toward Polish private companies that had emerged during the transition process and, sometimes, toward foreign affiliates changing hands among foreign investors (annex table 6). The revival of the privatization program by the current government has added momentum to cross-border M&As.

The growing stock of IFDI in Poland has been accompanied by a growing role of foreign affiliates in the Polish economy, from 16% in 1995, to 34% in 2000 and around 40% in recent years, according to a transnationalisation index that calculates averaged shares of foreign affiliates in all firms in Poland for the following measures: employment, total sales and export sales, investment in fixed assets, value of fixed and current assets and equity and liabilities.[6] With increasing weight, foreign affiliates have made several positive contributions to the Polish economy:[7]

- The labor and capital productivity of foreign affiliates are higher than that of domestic firms by, respectively, 80% and 40%,[8] raising the productivity of the entire economy.
- Foreign affiliates in tradable goods and services exhibit a much higher export orientation than domestic firms: the share of exports in the revenues of the former was 26% in 2008 versus 7% for the latter.[9] The export propensity of foreign affiliates is increasing (in 2000 it was 16%) while that of domestic firms remains stagnant. Consequently, FDI is a driving force of Polish exports, accounting for over 63% of goods exports in 2007 (up from 50% in 2000).
- Foreign affiliates have improved the composition of exports (and that of manufacturing), shifting it toward medium-high and high technology goods (mainly to the former).

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[5] The ratio of M&A sales to FDI inflows was 35% during 1991–1995 and 46% during 1996–2000 (calculated from UNCTAD's FDI/TNC data base).

[6] Institute for Market, Consumption and Business Cycles Research (IMCBCR), *Foreign Investment in Poland: Annual Report* (Warszawa: IMCBCR, 2009), pp. 182-83.

[7] If not otherwise indicated, sources of data in this section include annual publications of the Central Statistical Office on *Economic Activity of Entities with Foreign Capital* and those of the Institute for Market, Consumption and Business Cycles Research (IMCBCR) on *Foreign Investment in Poland.*

[8] Labor productivity is measured as sales per employee and capital productivity as sales per unit of fixed assets.

[9] The export propensity of manufacturing affiliates is much higher, at 50%. Manufacturing generates over 80% of Polish exports.

- Foreign affiliates employed over 1.5 million people in 2008 (or 28% of the employment of all enterprises in Poland or 11% of the total employment), compared to over 0.9 million in 2000. Given that during this period most FDI consisted of greenfield projects,[10] most of this increase of over 600,000 can be attributed to job creation. In addition, foreign affiliates pay significantly higher wages. For example, in 2007 the average monthly gross salary in manufacturing foreign affiliates was over 55% higher than that in domestic companies.[11]
- In the past few years, world renowned MNEs such as Bayer, IBM, Microsoft, LG Electronics, and Oracle, to name a few, have chosen Poland as a location for investment in corporate services, including in R&D. According to PAIiIZ,[12] the Polish investment promotion agency, the number of corporate service centers was nearing 50 in 2008, and that of R&D affiliates was close to 45, both with the tendency to grow. R&D affiliates already employ several thousand persons and conduct R&D in informatics, automotive, chemical, food, and aerospace industries.

Effects of the current global crisis

During the crisis, Poland, as other host countries, has experienced lower IFDI flows. However, FDI reductions have not been drastic. In 2009, the decline by about one third, compared to 2008, was less than in comparator countries (annex table 2). In addition, foreign affiliates did not postpone or suspend their investment plans, at least in the first year of the crisis. Their investment expenditures[13] in fixed assets grew by 19% in 2008 – much faster than their annual average growth during 2004–2007 (16%).[14] Given the significance of the aggregated value of the main greenfield projects announced in 2008–2009 (US$ 22 billion, annex table 7), which will be turned into actual investment expenditures in the near future, the strong investment performance of foreign affiliates is likely to continue in the coming years. Moreover, PAIiIZ did not register any significant weakening of investors' interest in new FDI projects. As of March 2010, the agency had been servicing 122 FDI projects worth € 4.5 billions (or roughly US$ 6 billion), potentially creating over 33,000 jobs.[15]

Moreover, FDI inflows seem to be recovering strongly already in 2010. In the first quarter of 2010, they amounted to US$ 4.5 billion, and were more than two times higher than inflows in the same period of 2009. Half of these inflows were reinvested earnings,

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[10] This is indicated by a very low ratio of cross-border acquisitions to total FDI inflows, 4% during 2006–2008 (compared to 17% during 2001–2005). See UNCTAD's FDI/TNC data base.
[11] It was, however, 15% lower than in state-owned companies. Central Statistical Office (CSO), *Statistical Yearbook of Industry* (Warszawa: CSO, 2008), p. 309.
[12] The Polish acronym for the Polish Agency for Information and Foreign Investment.
[13] In current prices and in national currency.
[14] Annual publications of the Central Statistical Office of Poland on *Economic Activity of Entities with Foreign Capital* (in Polish with English subtitles in the tables). The latest one, listed in the references, is: Central Statistical Office (CSO), *Economic Activity of Entities with Foreign Capital in 2008* (Warszawa: CSO, 2009).
[15] Communication from PAIiIZ.

signifying their strong recovery.[16] The revival of the privatization program, implemented during 2008–2011, should support FDI recovery.[17]

This relatively good FDI performance during the crisis can be attributed to the relatively good economic performance during the crisis. The crisis affected Poland relatively mildly. Without any significant stimulus package, Poland was the only OECD country to register GDP growth of 1.7% in 2009. Projections for 2010-2011 are favorable, much better than for most other OECD countries, around 3% for each year.[18] So far, no bank or other financial institution in Poland has been threatened by the financial crisis. Polish public debt has been manageable. Amid the surrounding economic turmoil, Poland has been perceived by investors as an island of stability. As A.T. Kearney put it in its 2010 FDI Confidence Index, "the country's relatively strong performance during the crisis gives investors cause for confidence."[19]

The policy scene

With the beginning of the transition toward a market economy in the early 1990s, Poland declared IFDI as one of the key drivers of economic growth and development. Consequently, the country introduced FDI policies serving this purpose, and turned them into treaty commitments through bilateral investment treaties (BITs), OECD membership (1997), an association agreement with the EU during the 1990s, and full EU membership since 2004. As early as in 1990, Poland had signed a BIT with the United States, a country known for requiring partner countries to adopt above-average commitments regarding FDI policy. As a result, since the beginning of the transition, Poland's FDI policy has incorporated high international standards concerning the entry, treatment and protection of FDI. There are no restrictions on any types of FDI (including on M&As), privatization is generally open to foreign investors and the choice of buyers is based on non-discrimination and guided by economic considerations.

Since years, Poland has a viable Investment Promotion Agency, PAIiIZ. It also grants incentives (guided by the EU rules on state-subsidies) to greenfield investment projects in manufacturing and corporate services. Projects located in special economic zones are granted tax holidays or tax reductions. In addition, investment grants can be given to FDI projects in six industries of particular importance to the national economy[20] and to projects in other branches that exceed a certain size of employment or investment value. The total value of aid is capped at 15% of an investment's value for projects located in

[16] Communications from the National Bank of Poland on the balance of payments in January, February and March 2010; and Polish Information and Foreign Investment Agency, *Newsletter*, May 20, 2010, number 175.

[17] The government plans to privatize 802 firms for an estimated value of 30 billion of Polish zlotys (or close to US$ 10 billion). Privatization sales were over US$ 2 billion in 2009 and nearly US$ 2 billion in the first four months of 2010. The plan for 2010 is to reach US $ 8 billion of revenues (see the website of the Polish Ministry of Treasury www.msp.gov.pl). Of course, not all privatized firms have been or will be sold to foreign investors. But press reports indicate quite strong interest and participation of MNEs in the program, which will, most likely, add a few billions of dollars to FDI inflows into Poland.

[18] *The Economist*, June 5 – 11, 2010, p. 97.

[19] A.T. Kearney, *Investing in a Rebound: The 2010 A.T. Kearney FDI Confidence Index* (Vienna, Virginia, USA: A.T. Kearney, 2010), p. 17.

[20] Including automobiles, aviation, biotechnology, IT and electronics, business process outsourcing, and R&D. See PAIiIZ and PricewaterhouseCoopers, *Why Poland?* (Warsaw: PAIiIZ, 2010), pp. 15–16.

special economic zones and at 30% for others.[21] Real estate tax exemptions are also available to investors.

As of June 1, 2009, Poland had 59 BITs and 85 double taxation agreements.[22] As an EU member, it does not conclude bilateral trade or economic partnership agreements, but is a party to agreements concluded by the EU on behalf of member countries.

As in other countries, there have been investment disputes in Poland, though not too many, often involving state-owned enterprises. The most prominent dispute involved the largest state-controlled insurance company (Polish Insurance Company), and Eureko (Netherlands); it was settled amicably in 2009, when the Polish Government paid compensation for a broken promise to sell the insurance company PZU's majority shares to Eureko.[23]

Having had since years high standards of entry, treatment and protection of foreign investors, Poland has focused its efforts on improving the general investment climate for all investors. In one notable change also affecting foreign investors, the corporate tax rate was lowered in 2004 to 19% (from 40% prior to 1997 and 30% later on). Other efforts aimed at improving overall conditions of doing business have been rather slow-moving. Poland occupies a rather low position in a 2010 World Bank's ranking[24] of countries in this regard, being 72nd among 183 countries. Among the new EU members from Central and Eastern Europe, only the Czech Republic had a lower rank (74th). Poland ranks especially low on construction permits (163rd position) and the general tax burden (151).

This low position, indicative of several bureaucratic and regulatory hurdles to investment, coupled with poor transportation infrastructure (and in particular slow progress in building highways connecting the country to the West European highway system), explains why Poland, although the largest host country in the region in terms of the absolute size of FDI stock and/or flows, does no perform so impressively when the size of FDI is related to the size of the country. In 2008, in terms of the FDI stock as a percentage of GDP, Poland was ninth among ten new member countries of the EU from the region, and it was eighth in terms of FDI stock per capita. Poland's ranking is similarly low when its record FDI inflows in 2007 are related to its gross domestic product and the size of its population.[25] Needless to say, Poland still has a large room for improving its investment climate, including its FDI climate. If it does so vigorously, it may utilize better its FDI potential, which is much higher than its actual FDI performance.

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[21] Ibid., p. 16. For example, Dell, which in 2009 started to expand its existing facility in Łódź into a computer assembly factory, has received a grant of 55 million Euro (or close to US$ 70 million), an equivalent to a quarter of the value of the investment. See *Rzeczpospolita*, September 24, 2009.

[22] UNCTAD data base on international investment agreements, available at: www.unctad.org/sections/dite_pcbb/docs/bits.

[23] Other disputes concerned difficulties in obtaining required permits or government actions in heavily regulated sectors. See, US Department of State, *2009 Investment Climate Statement: Poland*, February 2009, http://www.state.gov/e/eeb/rls/othr/ics/2009.

[24] World Bank, *Doing Business*, http://www.doingbusiness.org/ExploreEconomies/?economyid=154.

[25] The ranking was calculated from the FDI/TNC data base of UNCTAD.

Conclusions

Poland, which opened to FDI only in the early 1990s, is rapidly climbing the ladder of the world's significant host countries, reaching the 21st position in 2008 as regards its IFDI stock.[26] FDI inflows reached the record of US$ 23 billion in 2007, but declined during the following crisis, though rather modestly. At the beginning of 2010, FDI inflows began to recover, owing, in addition to continued greenfield FDI and to the revival of the privatization program, to the country's good macroeconomic performance.

All in all, as foreign affiliates in Poland mature and their parent firms reap increasing financial returns on FDI in Poland, the country's benefits from FDI are shifting away from a contribution to net capital inflows toward contributions that include technology, access to international markets, new, more productive and better paid jobs, and, in general, more advanced types of FDI.

Additional readings

Hagemajer, J. and M. Kolasa, "Internationalization and economic performance of enterprises: evidence from firm-level data," Working Paper no. 51 (Warszawa: National Bank of Poland, 2008).

Institute for Market, Consumption and Business Cycles Research (IMCBCR), *Foreign Investment in Poland: Annual Report* (Warszawa: IMCBCR, 2009).

Invest in Poland and JP Weber, *Investor's Guide: Poland. How to do Business* (Warszawa: PAIiIZ, 2009).

Karaszewski, W., *Bezpośrednie inwestycje zagraniczne. Polska na tle świata* (Toruń: Dom Organizatora, 2004).

Kolasa, M., "How does FDI inflow affect productivity of domestic firms? The role of horizontal and vertical spillovers, absorptive capacity and competition," Working Paper no. 42 (Warsaw: National Bank of Poland, 2007).

Michałków, I., *Bezpośrednie inwestycje zagraniczne w Polsce w dobie globalizacji* (Warszawa: Wyższa Szkoła Ekonomiczna, 2003).

PAIiIZ and PricewaterhouseCoopers, *Why Poland?* (Warsaw: PAIiIZ, 2010).

Zorska, A., *Korporacje międzynarodowe w Polsce. Wyzwania w dobie globalizacji i regionalizacji* (Warszawa: Difin, 2002).

[26] UNCTAD, *World Investment Report 2009: Transnational Corporations, Agricultural Production and Development* (New York and Geneva: United Nations, 2009), pp. 251–54.

Useful websites

Information on how to establish firms and do business in Poland, business guides and analytical reports: PAIiIZ (investment promotion agency) (http://www.paiz.gov.pl/pl)

For FDI statistics: National Bank of Poland (http://www.nbp.pl).

For statistics on the activities of foreign affiliates: Central Statistical Office (http://www.stat.gov.pl/gus/index_ENG_HTML.htm).

For the privatization program 2008–2011: Ministry of Treasury (http://www.msp.gov.pl/portal/en).

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The Vale Columbia Center on Sustainable International Investment (VCC), led by Dr. Karl P. Sauvant, is a joint center of Columbia Law School and The Earth Institute at Columbia University. It seeks to be a leader on issues related to foreign direct investment (FDI) in the global economy. VCC focuses on the analysis and teaching of the implications of FDI for public policy and international investment law.

Statistical annex

Annex table 1. Poland: inward FDI stock, 2000, 2008 and 2009

(US$ billion)

Economy	2000	2008	2009
Poland	34	161	182
Memorandum: comparator economies			
Czech Republic	22	114	122
Hungary	23	64	100
Romania	7	72	74
Bulgaria	3	46	51
Slovakia	5	46	50[a]

Source: UNCTAD, *World Investment Report 2009: Transnational Corporations, Agricultural Production and Development* (New York and Geneva: United Nations, 2009), p. 251; and websites of the national banks for 2009.
[a] End of third quarter 2009.

Annex table 2. Poland: inward FDI flows, 2000-2009

(US$ billion)

Economy	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Poland	9	6	4	5	13	10	20	23	17	12
Memorandum: comparator economies										
Czech Republic	5	6	8	2	5	12	5	10	11	3
Romania	1	1	1	2	6	6	11	10	13	6
Hungary	3	4	3	2	5	8	8	6	7	4
Bulgaria	1	1	1	2	3	4	8	12	9	5
Slovakia	2	2	4	2	3	2	5	3	3	0

Source: UNCTAD's FDI/TNC database for 2000-2008, available at: http://stats.unctad.org/fdi/ and websites of national banks for 2009.

Annex table 3. Poland: distribution of inward FDI stock, by economic sector and industry, 2000, 2008

(US$ billion)

Sector/industry	2000	2008
All sectors/industries	**34**	**163**
Primary	**0.3**	**1.1**
Secondary	**13.2**	**50.6**
Food	2.9	7.8
Metal products	0.7	7.4
Motor vehicles	2.1	6.7
Chemicals	1.4	5.1
Services	**20.5**	**111.3**
Financial	6.8	31.4
Trade	5.7	26.9
Business	1.3	15.1
Real estate	1.1	12.7
Telecommunications	2.3	7.9
Power	0.4	5.9

Source: *Zagraniczne inwestycje bezpośrednie w Polsce w 2008 roku* (Warszawa: National Bank of Poland, 2010); *Zagraniczne inwestycje bezpośrednie w Polsce w 2000 roku* (Warszawa: National Bank of Poland, 2001).

Annex table 4. Poland: geographical distribution of inward FDI stock, 2000, 2008

(US$ billion)

Region/economy	2000	2008
World	**34.2**	**163**
Developed economies	**33.5**	**157**
Europe	30.1	146
European Union - 15	27.1	134
Netherlands	8.4	31.1
Germany	6.5	21.6
France	4.2	17.6
Luxembourg	...	14.1
North America	3.3	10.2
United States	3.2	10
Other developed countries	0.2	0.9
Japan	0.1	1.3
Developing economies	**0.7**	**5.1**
Africa	0	0
Asia and Oceania	0.5	1.9
Rep. of Korea	0.5	1
China	0	0.3
Latin America and Car.	0.1	3.2

Source: *Zagraniczne inwestycje bezpośrednie w Polsce w 2008 roku* (Warszawa: National Bank of Poland, 2010); and *Zagraniczne inwestycje bezpośrednie w Polsce w 2000 roku* (Warszawa: National Bank of Poland, 2001).

Annex table 5. Poland: principal foreign affiliates, ranked by sales,[a] 2008

(US$ million)

Rank	Name of affiliate	Industry	Parent firm and home economy	Sales
1	Metro Group[b]	Trading	Metro Group, Germany	13,753
2	Telekomunikacja Polska[c]	Telecommunications	Telecom, France	10,920
3	Fiat[d]	Automotive	Fiat, Italy	7,634
4	Volkswagen[e]	Automotive	Volkswagen, Germany	5,217
5	Jeronimo Martins	Trading	Jeronimo Martins, Portugal	3,736
6	BP Polska	Trading	BP, United Kingdom	3,652
7	Tesco	Trading	Tesco, United Kingdom	3,362
8	Polska Telefonia Cyfrowa	Telecommunications	T-Mobile, Germany	3,082
9	Carrefour	Trading	Carrefour, France	3,030
10	Bank Pekao	Banking	UniCredit, Italy	2,962
11	Toyota[f]	Automotive and trading	Toyota, Japan	2,423
12	Bank BPH SA GK	Banking	General Electric, USA	2,099
13	Auchan	Trading	Auchan, France	1,992
14	Eurocash	Trading	Politra BV, Netherlands	1,963
15	Shell	Trading	Shell, United Kingdom	1,859
16	Vattenfall	Energy	Vattenfall, Sweden	1,661
17	Saint Gobain	Glass	Saint Gobain, France	1,619
18	Bank Zachodni	Banking	Allied Irish Bank, Ireland	1,613
19	Delphi Poland SA	Automotive	Delphi, USA	1,556
20	Philips Lighting	Lighting equipment	Royal Philips Electronics, Netherlands	1,523

Source: Author's compilation, based on: Rzeczpospolita, *Lista 500*, 29 April 2009; PAIiIZ, *List of Major Foreign Investors in Poland with Comment*, December 2008; and companies' websites.

[a] To the extent possible, foreign affiliates include a consolidated list of firms owned by individual MNEs, even if they are registered in Poland as separate companies. The list excludes affiliates, in which foreign shareholdings exceed 10%, when these affiliates are controlled by local investors. Sales of banks include revenues from interests, fees, commissions, shares, and other securities and gains from financial operations.

[b] Consolidated affiliates, including companies listed separately on the list of the top 500 largest firms: Makro Group, Makro Cash and Carry, Real, and Media Saturn Holding.

[c] Including also PTK Centertel, a mobile telephone affiliate owned by Telekomunkacja Polska.

[d] Including Fiat Auto Poland (an assembly plant) and two auto component plants: Fiat GM Powertrain (a joint venture of Fiat and General Motors) and Magneti Marelli.

[e] Includes an assembly plant in Poznan and an engine factory in Polkowice.

[f] Includes component factories in Walbrzych and Leg and a trading affiliate of Toyota, Toyota Motor Poland.

Annex table 6. Poland: main M&A deals, by inward investing firm, ranked by value (completed transactions), 2007-2009

Year	Target company	Acquiring company	Home economy	Shares acquired (%)	Transaction value (US$ million)
2009	TC Debica	Goodyear Luxembourg Tires SA	Luxembourg	100	99
2009	Multimedia Polska SA	M2 Investments Ltd	United Kingdom	32	58
2009	Bukowa Gora SA	PCC SE	Germany	90	7
2009	Kredyt Bank SA	Investor Group	Belgium	5	61
2009	ICM Polska SP Zoo	Undisclosed Acquiror	Unknown	52	35
2009	Pol-Aqua SA	Dragados SA	Spain	66	165
2009	Poldrim Sp Zoo	Carpathian PLC	Isle of Man	100	9
2009	DT SPV15-Office Bldg	Deka Immobilien Invest GmbH	Germany	100	161
2009	Drumet SA	Penta Investments sro	Czech Republic	100	38
2009	Bankier.pl SA	MIH Allegro BV	Netherlands	83	20
2009	Sephora Polska Sp zoo	Sephora SA	France	24	16
2009	EMO-FARM Sp zoo	Valeant Pharm Intl Inc	United States	100	28
2009	Kakadu Sp zoo	Arx Equity Capital	Czech Republic	…	13
2009	Zara Polska Sp zoo	Industria de Diseno Textil SA	Spain	100	33
2009	The Polish Re	Fairfax Financial Holdings Ltd	Canada	100	72
2008	Grupa Energetyczna ENEA SA	Vattenfall AB	Sweden	19	608
2008	LC Corp Sky Tower Sp zoo	LC Corp BV	Netherlands	…	43
2008	Polkomtel SA	Vodafone Group PLC	United Kingdom	24	255
2008	GE Real Estate Central Europe-	Union Investment Real Estate	Germany	100	129
2008	Orbis SA	Accor SA	France	50	47
2008	Marynarska Business Park	DEGI	Germany	100	246
2008	Warsaw Office Tower	Wiener Stadtische	Austria	100	108
2008	Grodziskie Zaklady	Richter Gedeon Nyrt	Hungary	100	43
2008	Bioton SA	Polaris Finance	Netherlands	10	88
2008	Europa Eagle-Shopping Centers	Balmain European Property	United Kingdom	100	80
2008	Krakow hotel	Warimpex Finanz- und	Austria	100	46
2008	Conforama SA-Polish Operations	Leroy Merlin SA	France	100	67

2008	BPH-Branded Branches(200)	GE Money	United States	66	862
2008	Eolica Ceiplowody Sp zoo	Fersa Energias Renovables SA	Spain	100	338
2008	P4 Sp zoo	Investor Group	Cyprus	23	192
2007	Gadu-Gadu SA	Naspers Ltd	South Africa	96	150
2007	Stora Enso Poland SA	Stora Enso Oyj	Finland	94	88
2007	Forum Shopping Centre	Deka Immobilien Invest GmbH	Germany	100	176
2007	Zabka Polska SA	Penta Investments sro	Czech Republic	100	178
2007	Plaza Centers-Shopping Centers	Klepierre SA	France	100	122
2007	Zakopianka	Macquarie CountryWide Trust	Australia	100	83
2007	Turzyn Sp zoo	Macquarie CountryWide Trust	Australia	100	81
2007	PolCard SA	First Data International	United States	100	325
2007	Polmos Lublin SA	Oaktree Capital Management LLC	United States	40	80
2007	BA-CA Real Invest-Real Estate	TMW Pramerica Immobilien GmbH	Germany	100	256
2007	PZL-Mielec	Sikorsky Aircraft Corp	United States	100	84
2007	BOC Gazy Sp zoo-Industrial Gas	Air Products & Chemicals Inc	United States	100	485
2007	NCC Roads Polska Sp zoo	Strabag Oesterreich AG	Austria	100	146
2007	BISE Bank SA	Bank DnB NORD	Denmark	76	185
2007	Ahold Polska Sp zoo	Carrefour SA	France	100	500

Source: Thomson ONE Banker. Thomson Reuters.

Annex table 7. Poland: main greenfield projects, by inward investing firm (announced), 2007-2009

(US$ million)

Date	Investing company	Home economy	Sector	Announced value[a]
2009	IKEA	Sweden	Trading and construction	243
2009	American International Group	USA	Financial services	203
2009	Electricity Supply Board	Ireland	Energy	1400
2009	Asea Brown Boveri	Switzerland	Engines & turbines	221
2009	Dell Computer	USA	Business machines & equipment	277
2009	Mondi Group	UK	Paper, printing & packaging	505
2009	LM GlasFiber	Denmark	Industrial machinery, equipment	202
2009	FX Energy	USA	Energy	300
2009	IKEA	Sweden	Trading and construction	250
2009	Octapharma	Switzerland	Pharmaceuticals	188
2009	Fiat	Italy	Engines	506
2009	IKEA	Sweden	Wood products	522
2009	Cemex	Mexico	Building & construction materials	514
2009	Jeronimo Martins	Portugal	Retail trading, food & tobacco	330
2009	Vattenfall	Sweden	Energy	713
2008	Titan Group	Greece	Energy	449.5
2008	Vattenfall	Sweden	Energy	1090
2008	Toyota Motor	Japan	Automotive components	723
2008	Vattenfall	Sweden	Energy	3500
2008	Electricite de France (EDF)	France	Energy	713.2
2008	RWE	Germany	Energy	2320
2008	Electrolux	Sweden	Household appliances	464.6
2008	State Street	USA	Financial services	1494.5
2008	Lafarge	France	Building & construction materials	550.7
2008	TriGranit	Hungary	Real estate	781.8
2008	Auchan Group (Mulliez Group)	France	Retail trading	1134
2008	Stora Enso	Finland	Paper, printing & packaging	587.82

2008	EFG Group	Switzerland	Financial services	747.2
2008	Anglo American	UK	Paper, printing & packaging	437.66
2008	Prometheus Energy	USA	Energy	449.5
2007	Carlo Tassara	Italy	Financial services	586.84
2007	Fiat	Italy	Automotive OEM	400
2007	Suez	France	Alternative/renewable energy	735.31
2007	Euroglas	Germany	Ceramics & glass	283.55
2007	Suez	France	Energy	2942.3
2007	Schmack Biogas	Germany	Alternative/renewable energy	215.5
2007	Michelin	France	Rubber	342
2007	Anglo American	UK	Paper, printing & packaging	481.94
2007	LG	Korea, Rep. of	Electronic components	1080
2007	Electricity Supply Board (ESB)	Ireland	Energy	713.2
2007	Videocon Industries	India	Consumer electronics	1700
2007	Fiat	Italy	Automotive OEM	340
2007	Cemex	Mexico	Building & construction materials	260.3
2007	Ford	USA	Automotive components	276
2007	Nanette Real Estate Group	Netherlands	Real estate	251

Source: fdi Intelligence, a service from the Financial Times Ltd.
[a] Actual or estimated value of the investment project. Most are actual value.