

# Poland

Amid geopolitical tensions, Poland’s relatively young and skilled workforce and strong domestic consumption should hold its economy in good stead as inflationary pressures recede. Please read on for your two-minute guide to this key market in Emerging EMEA...

## Why we like it:

- A sizeable domestic economy sets Poland apart from other export-dependent central European countries.
- Unique to Poland’s economic heft, is a strong service sector which has attracted ever-more sophisticated business services to the country, allured by the pool of skilled labour, while benefitting from the strong regulatory protection afforded by the EU.
- This has led to superior economic growth over 2018-2023 and positive wage growth – a rarity in Europe.
- While the OECD expects real economic growth to slow to 0.9% in 2023, it is expected to recover to 2.1% in 2024, boosted by EU funds<sup>1</sup>.
- Likewise, having peaked in early 2023, inflation should steadily decline in 2024.

## Key themes:

**NEARSHORING:** As companies relocate production closer to their target markets, Poland is a target destination thanks to skilled labour, EU regulatory alignment and faster end-delivery times.

**SOLID DEMOGRAPHICS:** A rarity in the region, Poland has a young and growing workforce – helped by an influx of more than 1.5 million refugees from the Ukraine.

For these reasons, Poland is one of the most attractive destinations for foreign direct investment globally.

## In short:

While Poland’s proximity to the Ukrainian conflict has cast a shadow over the unique attractions of the country, we believe investors will ultimately refocus on the opportunities which exist in companies that are exposed to a range of secular growth trends—in particular, its unique service-based economy which benefits from solid demographics and nearshoring tailwinds.

<sup>1</sup> Poland projection note OECD Economic Outlook June 2023 by OECD - Issuu  
<sup>2</sup> Sources: CIA World Factbook/IMF

## POLAND IN NUMBERS<sup>2</sup>

Population:

38M

Population as a % of EU:

8.2%

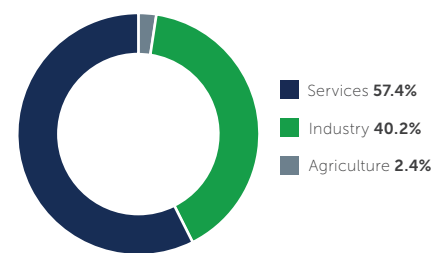
Global ranking by GDP:

22nd

	2022	2023F	2024F
Economic growth (GDP)	5.4%	0.9%	2.1%
Core inflation	9.0%	10.2%	4.9%

Source: OECD Economic Outlook, October 2023. F=forecast.

## ECONOMIC PROFILE



Source: Bloomberg, as of October 2023.

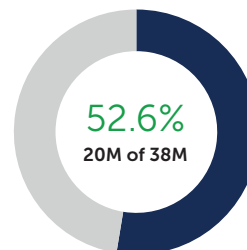
## Companies to watch:

### ALLEGRO

E-commerce platform Allegro is the most popular shopping platform in Poland. Visited by 20 million customers a month it is also one of the largest e-commerce companies in Europe.

Boasting over 290 million products, the company has flourished serving Poland’s largely apartment-living population via a network of pick-up boxes/locker delivery system. In 2022, it acquired MALL Group, the-then biggest e-commerce group in the CEE region, and last-mile delivery expert WE|DO, enabling Allegro to reach tens of millions of customers across the EU.

### MONTHLY CUSTOMERS AS % OF POPULATION



Source: Allegro, October 2023.

### PKO BANK

Poland’s largest bank is also one of its biggest turnarounds thanks to a rock-solid deposit-taking franchise and an environment in which being state-controlled is finally serving as an advantage.

With credit growth expected in the high single digits next year, Poland is destined to become the stand-out banking environment in Europe, with PKO, the market leader, well positioned to capture this growth opportunity.

### CREDIT GROWTH FORECAST

	2023e	2024e	2025e
<b>Eurozone</b>	2.0%	1.7%	2.9%
<b>Poland</b>	1.5%	7.0%	7.0%

Source: Raiffeisen, September 2023

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