European Investment Bank

Poland

Overview

EIB INVESTMENT SURVEY

2022

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EIB Investment Survey Country Overview 2022: Poland

About the EIB Investment Survey (EIBIS)

The EIB Group Survey on Investment, which has been administered since 2016, is a unique, annual survey of some 13 000 firms. It covers firms in all European Union Member States and also includes a sample of firms in the United States.

The survey collects data on firm characteristics and performance, past investment activities and future plans, sources of finance, financing issues and other challenges that businesses face, such as climate change and digital transformation. The EIBIS, which uses a stratified sampling methodology, is representative across all 27 EU Members States and the United States, as well as across four classes of firm size (micro to large) and four main economic sectors (manufacturing, construction, services and infrastructure). The survey is designed to build a panel of observations, supporting the analysis of time-series data. Observations can also be linked back to data on firm balance sheets and profit and loss statements. The EIBIS was developed by the EIB Economics Department. It is managed by the department with the support of Ipsos MORI.

About this publication

These reports provide an overview of data collected for the 27 EU Member States and the United States. They are intended to provide a snapshot of the data. For the purpose of these publications, data are weighted by value-added to better reflect the contribution of different firms to economic output. Contact: eibis@eib.org.

Download the findings of the EIB Investment Survey for each EU country or explore the data portal at www.eib.org/eibis.

About the Economics Department of the EIB

The mission of the EIB Economics Department is to provide economic analyses and studies to support the Bank in its operations and in the definition of its positioning, strategy and policy. The department and its team of 40 economists is headed by Debora Revoltella, director of economics.

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About Ipsos Public Affairs

Ipsos Public Affairs works closely with national governments, local public services and the not-for-profit sector, as well as international and supranational organisations. Its around 200 research staff in London and Brussels focus on public service and policy issues. Its research makes a difference for decision makers and communities.

For further information on the EIB's activities, please consult our website, www.eib.org. You can also contact our InfoDesk, info@eib.org.

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EIBIS 2022 – Poland Overview

KEY RESULTS

Investment Dynamics and Focus
EIBIS 2022 shows that on average, at the time of interviews (April-July 2022), Polish firms were exiting from COVID-19 in a relatively good shape. Yet, on balance, they had a more conservative investment outlook. As in four previous waves of EIBIS, over three-quarters of Polish firms (78%) made investments in their business in 2021. This could change as the net balance of firms expecting to increase rather than decrease investment has fallen sharply since EIBIS 2021 (from 24% to 2%) and is now much lower than the EU average (20%).

Investment Needs and Priorities
Polish firms do not perceive major investment gaps with the proportion believing they invested the right amount over the past three years (80%) similar to both EIBIS 2021 (76%) and the EU average (80%). Replacement (32%) and new product/service development (27%) are reported to be the main investment priorities for Polish firms over the next three years.

Covid-19 Impact
Two in five Polish firms were negatively impacted by COVID-19, but 35% expected to recover to at least 2019 sales levels in 2022. 43% of firms in Poland did not experience a sales drop in 2020-2021 (above the EU average of 33%) and the majority (67%) were expecting higher sales in 2022 than pre-pandemic.

Policy support for Polish firms was significant with approximately six in ten (59%) receiving some form of financial support as a response to COVID-19. This is the same as the EU average.

Firms' Transformation, Innovation and Digitalisation
Possibly helped by the support received, six in ten Polish firms (57%) have taken at least one action in response to COVID-19. The figure is higher than EIBIS 2021 (48%) but remains below the EU average (57% vs. 63%). The most often cited area of action or investment is to become more digital (46%). This is below the EU average (53%) but represents a large increase from EIBIS 2021 (35%).

Two-thirds (66%) of Polish firms are using at least one advanced digital technology, which marks an increase from EIBIS 2021 (53%). Relative to other EU firms, Polish businesses have been slower to exploit the Internet of Things or 3D printing. The period of repeated shocks has not held Polish firms' back from innovating. Over two-fifths (44%) have developed or introduced new products, processes or services as part of their investment activities. This is higher than EIBIS 2021 (39%) and the current EU average (34%).

International Trade
Although lower than the EU average (87%), eight in ten Polish firms (81%) are facing disruptions associated with international trade. This rises to 86% among Poland's exporters and importers. Approximately 70% of Polish firms are impacted by COVID-19, the war in Ukraine or both. Two-thirds (66%) of Polish firms are taking action to mitigate the impact of these international trade disruptions, which is more so than in the EU (57%).

EIBIS 2022 – Poland Overview

Drivers and Constraints
In contrast to last year's generally positive investment outlook, Polish firms are now deeply pessimistic about the investment conditions for the next 12 months. On each of the five measures Poland's score is at or close to ~~an~~ historic low. Economic climate expectations are extremely negative in net terms (declining from -6% to -76%). The availability of external finance has also reversed its trend (declining from +4% to -34%) as have expectations for availability of internal finance (declining from +3% to -27%).

The most frequently mentioned long-term barriers to investment in Poland are uncertainty about the future (93%), energy costs (91%) and the availability of skilled staff (85%). Energy costs have become a barrier for an increasing number of firms over the past year (91% vs. 80% in EIBIS 2021).

Investment Finance
The share of financially constrained firms in Poland (8.4%) is a little higher than EIBIS 2021 (7.8%) and the EU average (6.2%). The reason for Polish firms' financial constraint is most likely to be rejection of the loan application (4.3%). The data point to external finance becoming harder to access for Polish firms. Over half (51%) of those that invested in the last financial year, financed at least some of that investment through external finance. This is above the EU average (45%) but lower than EIBIS 2021 (60%).

Climate Change and Energy Efficiency
Around half (48%) the firms in Poland report that weather events have an impact on their business. Polish firms are less inclined than those across the EU to have already developed or invested in measures to build resilience to the physical risks in their company caused by climate change (27% vs. 32%).

Polish firms are more than twice as likely to consider the transition to stricter climate standards and regulations as a risk (40%) rather than an opportunity (17%) over the next five years. In line with the EU average, 90% of Polish firms are taking at least one action to reduce Greenhouse Gas (GHG) Emissions (88% in the EU). While 40% set and monitor targets for their own GHG emissions.

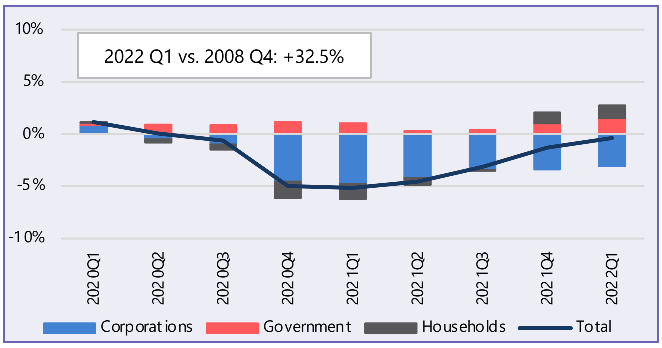
Looking at investment to tackle the impact of weather events and reduce carbon emissions, half (51%) of Poland's firms have already invested and a similar number are planning to invest in the next three years (54%). This places Poland close to the EU average but is being driven far more by large firms rather than SMEs.

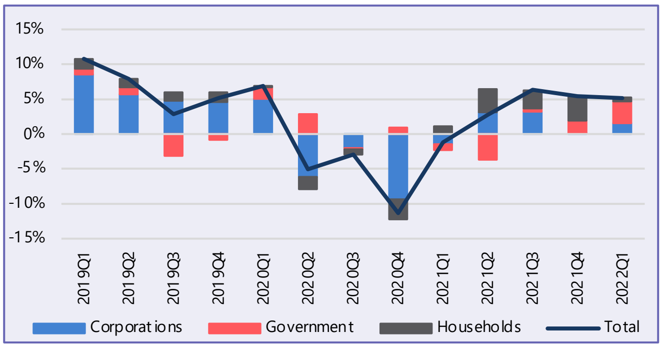
Firm Management, Gender Balance and Employment
Almost half the firms in Poland (49%) use a strategic monitoring system that compares the business's current performance against a series of key performance indicators. This is similar to both the EU (51%) and US (44%) averages. More Polish firms are striving for gender balance within their business (67%) than are those across the EU (58%) or in the US (62%).

Investment dynamics and focus

INVESTMENT DYNAMICS BY INSTITUTIONAL SECTOR

- The first pandemic year took a heavy tool on investment landscape in Poland. After a modestly positive start in Q1, investments contracted sharply in Q4 by more than 11% y-o-y, bringing the cumulative 2020 investment to the level nearly 5% lower than in 2019. This drop was predominantly driven by the contraction in corporate and in household investment. Government investment showed a small yet continuously positive contribution to the investment level throughout 2020.
- After the difficult 2020, it took a more than a year for investment to recover. The overall investment nearly reached the pre-pandemic level only in Q1 2022 (but still -0.4% relative to 2019). This recovery materialized on the back of supportive government and household capital expenditures. Despite modest pickup, corporate investment in Q1 2022 remained some 3% below their 2019 levels.

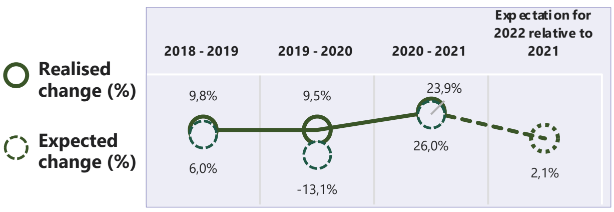




The LHS chart shows the evolution of total gross fixed capital formation (GFCF) by institutional sector, in real terms and non seasonally nor calendar adjusted. The nominal GFCF source data was transformed into four-quarter sums and deflated using the implicit deflator for total GFCF (2015=100 euro). The four-quarter sum of total GFCF in 2019Q4 is normalised to 0.
The RHS chart shows the y-o-y % change in total real GFCF by institutional sector. The implicit deflator for total GFCF (2015=100 euro) was used for deflating the nominal GFCF source data.
Source: Eurostat, authors' own calculations.

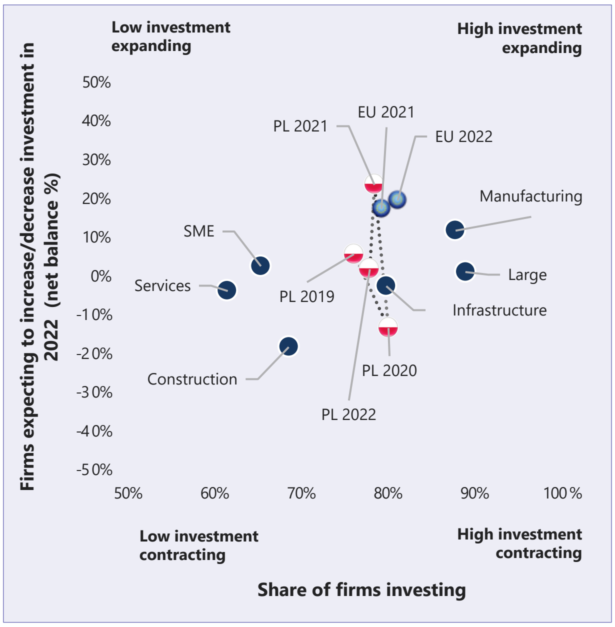
INVESTMENT CYCLE AND EVOLUTION OF INVESTMENT EXPECTATIONS

- As in the four previous waves of EIBIS, over three-quarters of Polish firms (78%) report making investments in their business in 2021. But the net balance expecting to increase rather than decrease investment has fallen sharply since EIBIS 2021 (from 24% to 2%). While the investment outlook is higher than at the start of the pandemic (-13%) it is much lower than the EU average (20%).
- A higher proportion of large firms than SMEs invested but future expectations are similarly low. The manufacturing sector has the largest proportion of investing firms and is the only sector where, on balance, more firms expect investment to increase rather than decrease. Relatively few construction firms are currently investing and far more expect investment to decrease than increase.



'Realised change' is the share of firms who invested more minus those who invested less; 'Expected change' is the share of firms who expect(ed) to invest more minus those who expect(ed) to invest less.

Base for expected and realised change: All firms



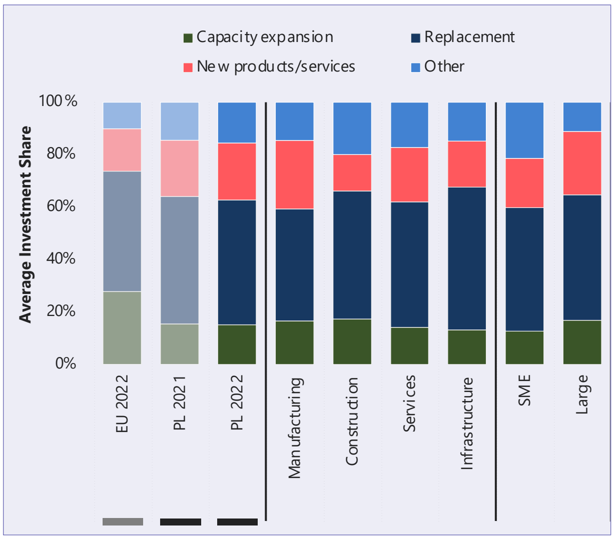
Share of firms investing shows the percentage of firms with investment per employee greater than EUR 500.

Base for share of firms investing: All firms (excluding don't know/refused responses)

Investment dynamics and focus

PURPOSE OF INVESTMENT IN LAST FINANCIAL YEAR (% of firms' investment)

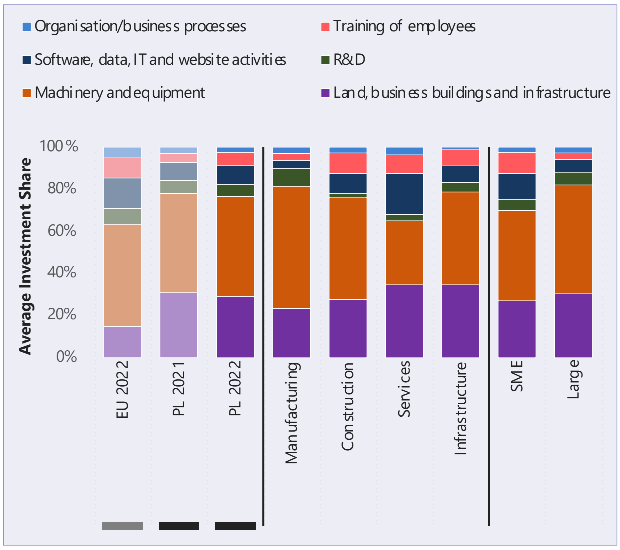
- Polish firms' investment priorities show little change from EIBIS 2021. They were directing almost half of their investment to replacement (48%), with more focus on developing new products/ services (22%) than capacity expansion (15%).
- Capital expansion investment in Poland was almost half the EU average (15% vs. 28%) while investment in new products/services was above the EU norm (22% vs. 16%).
- Manufacturers appear to have had the greatest focus on new product/service development, with 26% share in total investment. The investment focus of Poland's SMEs and large firms looks quite similar, with replacement taking a major share.



Q. What proportion of total investment was for (a) replacing capacity (including existing buildings, machinery, equipment, IT) (b) expanding capacity for existing products/services (c) developing or introducing new products, processes, services?

Base: All firms who have invested in the last financial year (excluding don't know/ refused responses)

INVESTMENT AREAS



- Investment areas for Poland's firms changed little from EIBIS 2021, with the largest share focussed on machinery and equipment (48%). Nearly a third (29%) was related to land/property, which is double the EU average (15%). The proportion of total investment related to IT (9%) was below the EU average (15%).
- Manufacturers were directing a larger proportion of investment (58%) than other sectors towards machinery and equipment. Those operating in services and infrastructure have given a relatively higher priority to land/property (35% in both sectors).
- Only 3% of large firms' investment was focussed on employee training. Among SMEs it is 10%.

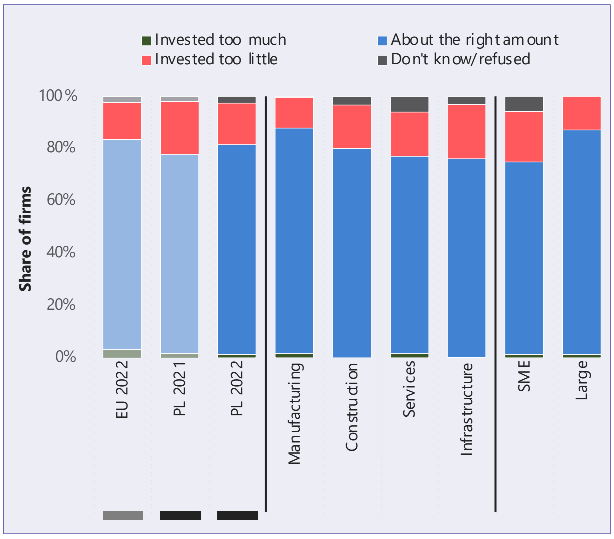
Q. In the last financial year, how much did your business invest in each of the following with the intention of maintaining or increasing your company's future earnings?

Base: All firms who have invested in the last financial year (excluding don't know/refused responses)

Investment needs and priorities

PERCEIVED INVESTMENT GAP

- Polish firms do not perceive major investment gaps, with the proportion believing they invested the right amount over the past three years (80%) similar to both EIBIS 2021 (76%) and the EU average (80%).
- Infrastructure firms (21%) are the most likely to say they have invested too little, while the manufacturers are the least likely (12%).
- SMEs (19%) appear more likely than large firms (13%) to say they invested too little.

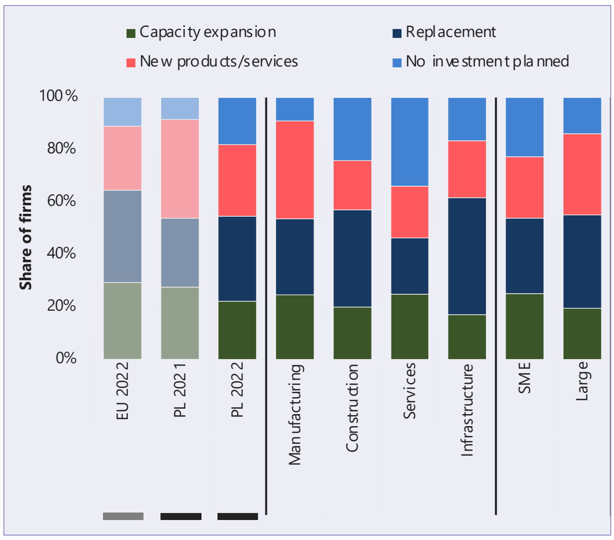


Q. Looking back at your investment over the last 3 years, was it too much, too little, or about the right amount?

Base: All firms (excluding 'Company didn't exist three years ago' responses)

FUTURE INVESTMENT PRIORITIES

- Replacement (32%) and new product/service development (27%) are reported to be the main investment priorities for Polish firms over the next three years.
- Compared to EIBIS 2021 (38%), there is less focus on new product development (27%) with a large increase in the number of firms with no reported investment plans (from 8% to 18%).
- The priority for capacity expansion is below the EU as a whole (22% vs. 29%) and the proportion of firms with no planned investment is higher (18% vs. 11%).
- Manufacturers (37%) will prioritize new product development over other areas, while replacement is a central focus of infrastructure sector (45%). A third of service firms (34%) report no investment planned.
- More SMEs (23%) than large firms (14%) report no investment planned for the next three years.

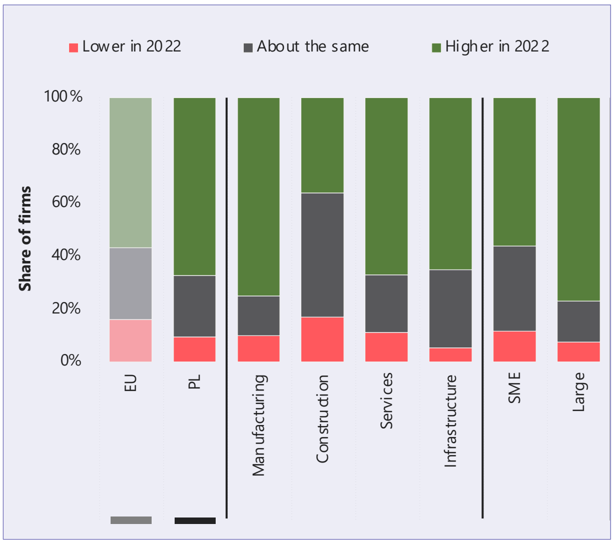


Q. Looking ahead to the next three years, which is your investment priority (a) replacing capacity (including existing buildings, machinery, equipment, IT) (b) expanding capacity for existing products/services (c) developing or introducing new products, processes, services?

Base: All firms (excluding don't know/refused responses)

Impact of COVID-19

IMPACT OF COVID-19 ON SALES OR TURNOVER BY END OF 2022 COMPARED TO 2019



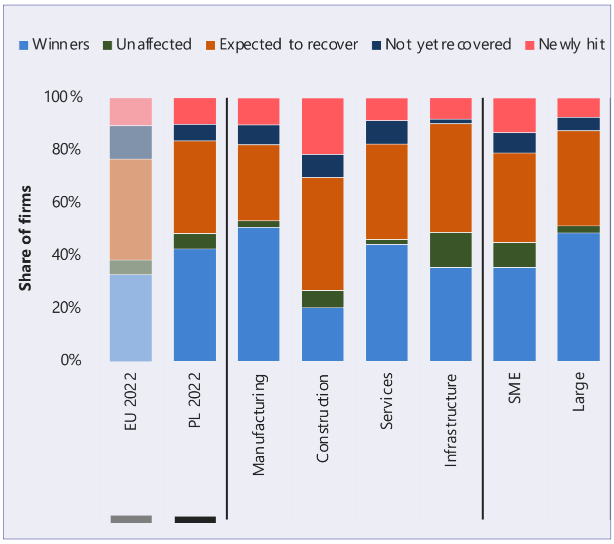
- Two-thirds (67%) of Poland's firms expected 2022 sales to be above pre-COVID levels. Fewer than 10% expected them to be lower. This is more positive than the general EU outlook, where 57% predicted increasing sales and 16% anticipated a fall.
- Manufacturers were the most optimistic with 75% expecting sales to be higher in 2022 than in 2019. Construction firms had a more cautious outlook. Only 36% expected higher turnover and 17% foresaw a drop in sales.
- Large firms were more optimistic than SMEs. Over three-quarters (77%) expected sales to be higher than in 2019, compared to 56% of SMEs.

Q. Compared to 2019, do you expect your sales or turnover in 2022 to be higher, lower or about the same?

Base: All firms (excluding don't know/refused responses)

IMPACT ON FIRMS' SALES OR TURNOVER AND EXPECTED RECOVERY

- Two in five (41%) of Polish firms were negatively impacted by COVID-19. Nevertheless, 35% expected to recover in 2022 by coming back to at least their 2019 sales levels.
- 43% of firms can be described as COVID-19 'winners' i.e. firms which did not experience a sales drop in 2020-21 and expected higher sales in 2022 than pre-pandemic. This is above the EU average (33%).
- Around half of manufacturers (51%) and services firms (45%) never had negative sales, with positive expectations for 2022. This share is much lower among construction firms (21%).
- More large firms (49%) than SMEs (36%) never saw a decline in sales and expected that sales in 2022 would exceed the 2019 levels. One in ten SMEs (9%) have been unaffected by the pandemic while only 3% of large firms saw no impact.



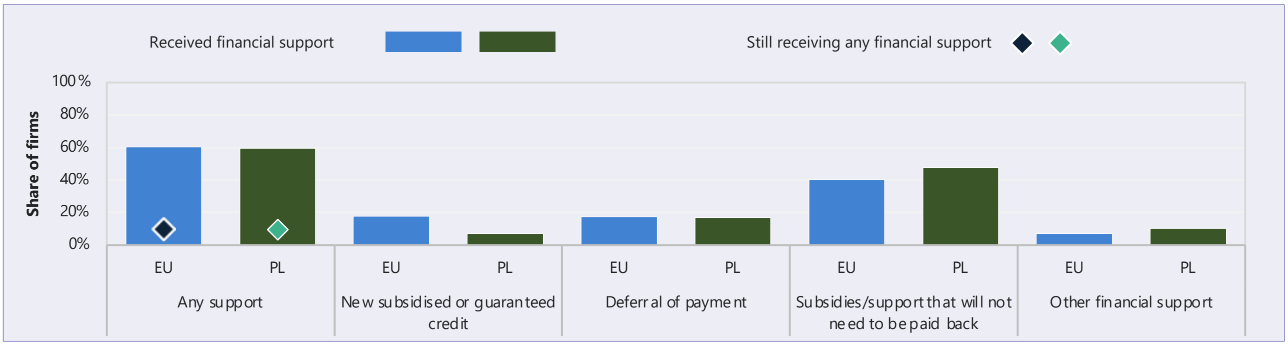
Q. Compared to 2019, before the pandemic started, did your companies sales and turnover in 2020 decline, increase or stay the same?
Q. Compared to 2020, did your companies sales and turnover in 2021 decline, increase or stay the same?
Q. Compared to 2019, do you expect your sales or turnover in 2022 to be higher, lower or about the same?

Base: All firms (excluding don't know/refused responses)

Impact of COVID-19

FINANCIAL SUPPORT RECEIVED IN RESPONSE TO COVID-19

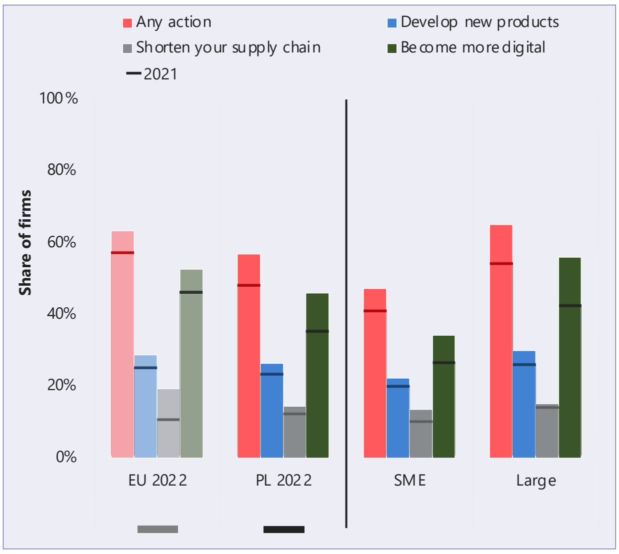
- Around six in ten Polish firms (59%) received some form of financial support as a response to COVID-19, which is the same as the EU average.
- The most frequent type of financial support received by Polish firms is subsidies/support that will not need to be paid back (48%). This is far higher than any other form of support received by Polish firms and above the EU average (40%).
- Very few firms in Poland received new subsidised or a guaranteed credit (7%). This compares to an EU average of 18%.
- Reflecting the average across the EU, one in ten Polish firms (10%) are still receiving COVID-related financial support.



Q. Since the start of the pandemic, have you received any financial support?
Q. Are you still receiving (any of) this financial support?

Base: All firms (excluding don't know/refused responses)

ACTIONS AS A RESULT OF COVID-19



- Approximately six in ten (57%) Polish firms now say they have taken at least one action in response to COVID-19. The figure is higher than EIBIS 2021 (48%) but remains below the EU average (57% vs. 63%).
- The most often cited area of action or investment is to become more digital, as reported by 46% of Polish firms. This is below the EU average (53%) but represents a large increase from EIBIS 2021 (35%).
- Large firms are far more likely than SMEs to have taken action (65% vs. 47%). While 56% of large firms have taken steps to become more digital, such as moving to online service provision, only a third SMEs have done so (34%).

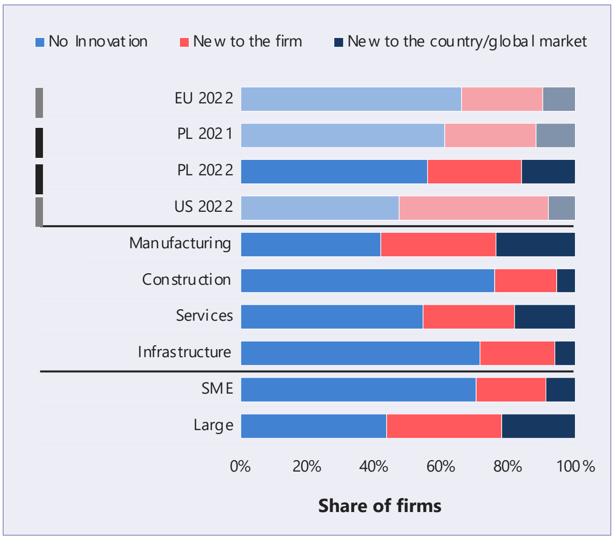
Q. As a response to the COVID-19 pandemic, have you taken any actions or made investments to...?

Base: All firms (excluding don't know/refused responses)

Innovation activities

INNOVATION ACTIVITY

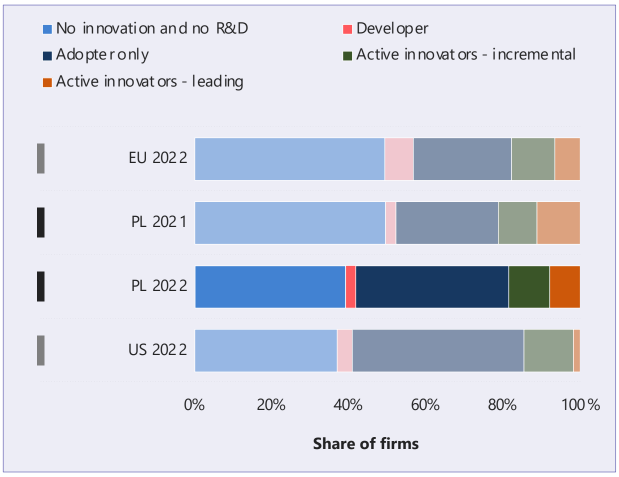
- Over two-fifths (44%) of Polish firms developed or introduced new products, processes or services as part of their investment activities. This is higher than EIBIS 2021 (39%) and the current EU average (34%), but lower than in the US (53%).
- In EIBIS 2022, 16% of Polish firms report the development/ introduction of products, processes or services that were new to either the country or global market. The proportion in the manufacturing sector (24%) is four times that for construction or infrastructure firms (both 6%).
- Innovation was more common within Poland's large firms (56%) than among SMEs (30%).



Q. What proportion of total investment was for developing or introducing new products, processes, services?
Q. Were the products, processes or services new to the company, new to the country, new to the global market?

Base: All firms (excluding don't know/refused responses)

INNOVATION PROFILE



- Almost two in ten Polish firms (19%) are active innovators, i.e. firms that invested significantly in research and development and introduced a new product, process or service. This is unchanged from EIBIS 2021 (21%) and matches the EU average (18%).
- As in EIBIS 2021, Poland's active innovators are equally divided between those that are incremental innovators and leading innovators (11% and 8%, respectively).
- Two-fifths of Polish firms (39%) did not innovate or invest in R&D in 2021, which is close to the US figure (37%) and lower than both EIBIS 2021 and the EU average (both 49%).

Q. What proportion of total investment was for developing or introducing new products, processes, services?
Q. Were the products, processes or services new to the company, new to the country, new to the global market?
Q. In the last financial year, how much did your business invest in Research and Development (including the acquisition of intellectual property) with the intention of maintaining or increasing your company's future earnings?

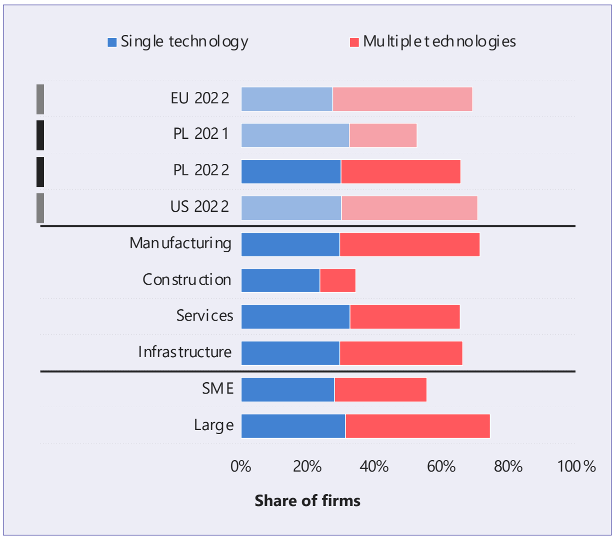
Base: All firms (excluding don't know/refused responses)

The 'No innovation and no R&D' group comprises firms that did not introduce any new products, processes or services in the last financial year. The 'Adopter only' introduced new products, processes or services but without undertaking any of their own research and development effort. 'Developers' are firms that did not introduce new products, processes or services but allocated a significant part of their investment activities to research and development. 'Incremental' and 'Leading innovators' have introduced new products, processes and services and also invested in research and development activities. The two profiles differ in terms of the novelty of the new products, processes or services. For incremental innovators these are 'new to the firm'; for leading innovators' these are new to the country/world'.

Innovation activities

USE OF ADVANCED DIGITAL TECHNOLOGIES

- Two-thirds (66%) of Polish firms are using at least one advanced digital technology. Having increased since EIBIS 2021 (53%), Poland now nearly matches the EU average (69%).
- Construction has the lowest share of firms using digital technologies (34% vs. 65% or above in other sectors). Only 11% of construction firms utilise multiple digital technologies.
- Large firms (43%) are more likely than SMEs (27%) to implement multiple technologies.
- Relative to other EU firms, Polish businesses have been slower to exploit the Internet of Things or 3D printing.



EIBIS 2022
Q. To what extent, if at all, are each of the following digital technologies used within your business? Please say if you do not use the technology within your business?

EIBIS 2021
Q. Can you tell me for each of the following digital technologies if you have heard about them, not heard about them, implemented them in parts of your business, or whether your entire business is organised around them?

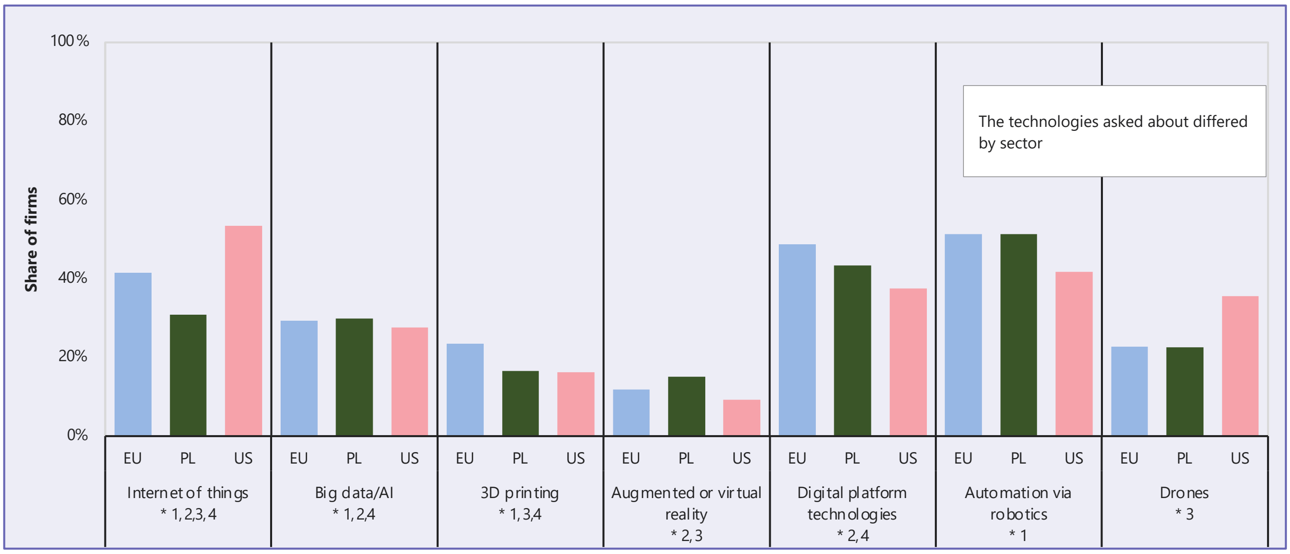
Base: All firms (excluding don't know/refused responses)

Please note: question wording changed between 2021 and 2022, comparisons between the two waves should not be made.

Reported shares combine used the technology 'in parts of business' and 'entire business organised around it'

Single technology is where firms have used one of the technologies asked about. Multiple technologies is where firms have used more than one of the technologies asked about

ADVANCED DIGITAL TECHNOLOGIES



*** Sector: 1 = Asked of Manufacturing firms, 2 = Asked of Services firms, 3 = Asked of Construction firms, 4 = Asked of Infrastructure firms**

Reported shares combine used the technology 'in parts of business' and 'entire business organised around it'

Q. To what extent, if at all, are each of the following digital technologies used within your business? Please say if you do not use the technology within your business?

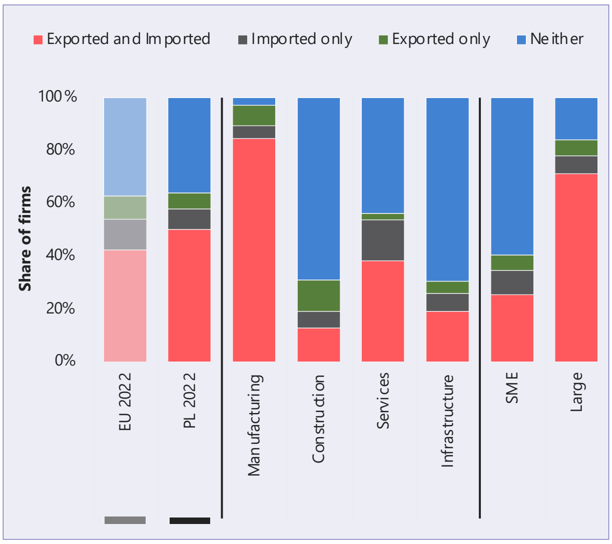
Please note: question wording changed between 2021 and 2022, comparisons between the two waves should not be made.

Base: All firms (excluding don't know/refused responses);
Sample size PL: Manufacturing (141); Construction (77); Services (106); Infrastructure (154).

International trade

ENGAGEMENT IN INTERNATIONAL TRADE

- As is the case across the EU, 64% of Polish firms are involved with international trade. Half (50%) of Poland's firms are both exporters and importers.
- While almost all Polish manufacturers say they are engaged in international trade (97%), seven in ten construction and infrastructure firms are not (both 69%).
- In Poland twice as many large firms (84%) as SMEs (41%) are trading internationally. Three-quarters (77%) of large firms can be described exporters.

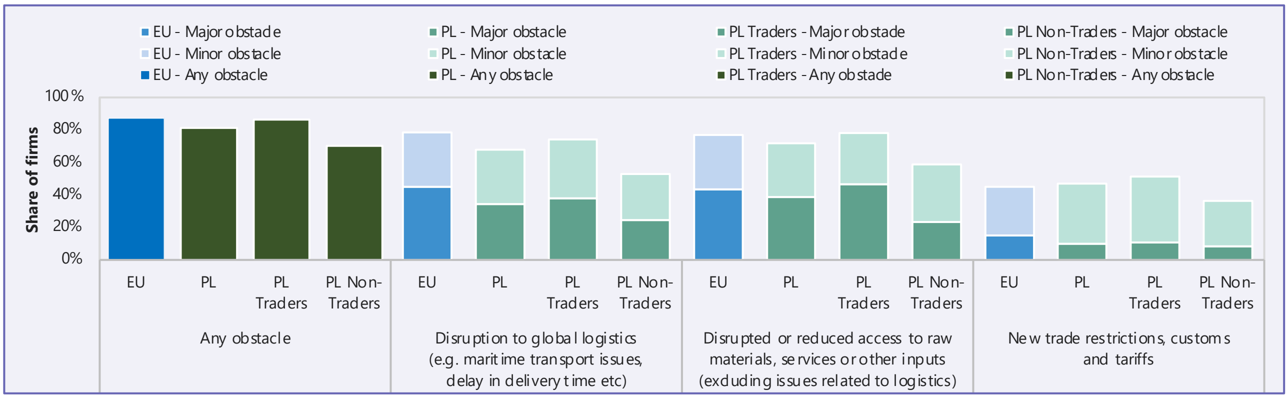


Q. In 2021, did your company export or import goods and/or services?

Base: All firms (excluding don't know/refused responses)

DISRUPTIONS RELATED TO INTERNATIONAL TRADE

- Although lower than the EU average (87%), eight in ten Polish firms (81%) are facing disruptions associated with international trade. This rises to 86% among Poland's exporters and importers.
- Reduced access to raw materials, services or other inputs (72%) is the main obstacle for Polish firms. It is a major obstacle for almost half of Poland's international traders (47%).
- Compared to the EU as a whole (78%), disrupted global logistics is less of an obstacle for Polish firms (68%).
- A half of traders (51%) and non-traders (36%) report trade restrictions, customs and tariffs as an obstacle to their business activities.



Any obstacle combines 'minor' and 'major' obstacles into one category

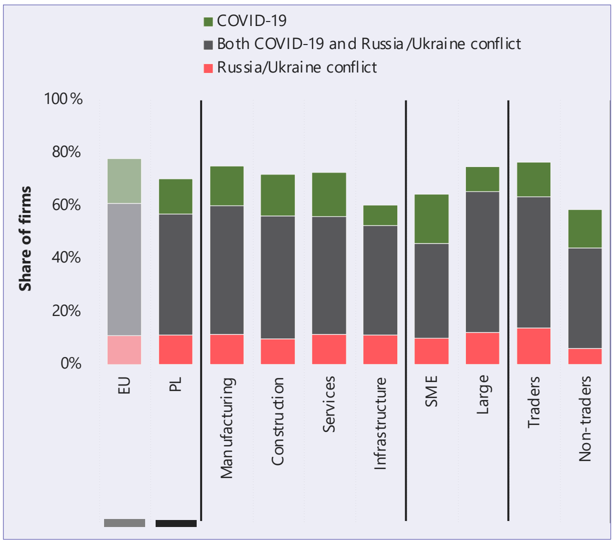
Q. Since 2021, did any of the following present an obstacle to your business's activities?

Base: "Any obstacle" - All firms (excluding those who said don't know/refused/not applicable responses to all three international trade obstacles)
Base: Individual obstacles - All firms (excluding those who said don't know/refused/not applicable)

International trade

EXTERNAL FACTORS IMPACTING INTERNATIONAL TRADE

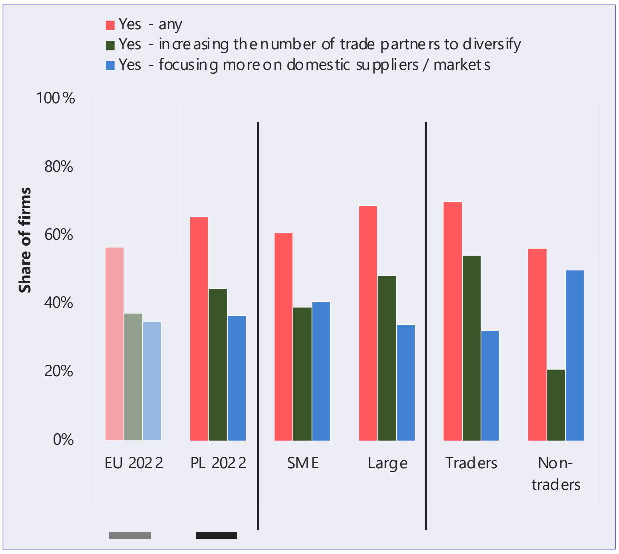
- Approximately 70% of Polish firms are impacted by at least one of the external factors disrupting international trade and are equally as likely to have been effected by COVID-19 as by the war in Ukraine.
- Just under half (46%) of Polish firms are impacted by both the war in Ukraine and COVID-19. As stand-alone events, these have been felt by Polish firms to the same extent as businesses across the EU.
- The infrastructure sector has the lowest share of firms impacted by the international obstacles mentioned (60%).
- More large firms (75%) than SMEs (64%) are impacted by one or both of COVID-19 and the war. Similarly, more traders (77%) than non-traders (59%) feel the effects of these events.



Q. You have just said that you experienced {an obstacle/obstacles} to your business activities since 2021. Did Covid-19 and/or the Russia-Ukraine conflict, including the sanctions imposed by the International community, contribute to this in anyway?

Base: All firms (excluding don't know/refused responses)

ACTIONS TO MITIGATE INTERNATIONAL TRADE DISRUPTIONS



- Around two-thirds (66%) of Polish firms are taking action to mitigate the impact of the international trade disruptions, which is more than in the EU (57%).
- More Polish firms are increasing the number of trade partners to diversify than reported across the EU (45% vs. 37%).
- Large firms (69%) and traders (70%) are more likely than SMEs (61%) or non-traders (56%) to be taking action to mitigate the impact of international trade disruptions.
- A majority of traders (54%) are increasing or diversifying their trading partners while half of Poland's non-traders (50%) have focussed on domestic suppliers/markets.

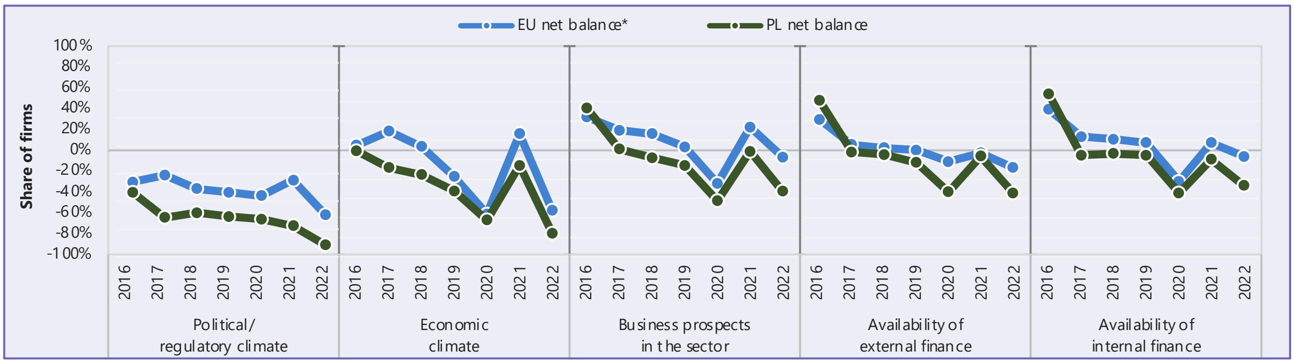
Q. Is your company taking any actions to mitigate the impact of these disruptions?

Base: All firms facing trade disruptions (excluding don't know/refused responses)

Drivers and constraints

SHORT-TERM FIRM OUTLOOK

- In contrast to last year's generally improving investment outlook, Polish firms are now deeply pessimistic about the investment conditions for the next 12 months.
- Economic climate expectations are extremely negative in net terms (declining from -6% to -76%). The availability of external finance has also reversed its trend (declining from +4% to -34%), similarly to the availability of internal finance (declining from +3% to -27%).
- Opinions on business prospects in the sector have declined from +9% to -33%. While the outlook for the political/ regulatory climate has always been negative, in EIBIS 2022 it has fallen to a new low of -61%.
- The downward trend in sentiment for each element of the wider trading environment reflects the data across the EU. In every case though, investment outlook among Polish firms is weaker than the EU average.



Q, Do you think that each of the following will improve, stay the same, or get worse over the next 12 months?

**Net balance is the share of firms seeing improvement minus the share of firms seeing a deterioration*

Base: All firms

SHORT-TERM FIRM OUTLOOK BY SECTOR AND SIZE (net balance, %)

	Political / regulatory climate	Economic climate	Business prospects	External finance	Internal finance
Poland	61%	76%	33%	34%	27%
Manufacturing	68%	80%	32%	32%	19%
Construction	51%	81%	54%	63%	41%
Services	53%	69%	42%	38%	27%
Infrastructure	62%	75%	20%	26%	34%
SME	51%	67%	29%	36%	25%
Large	70%	84%	35%	32%	28%

Please note: green figures are positive, red figures are negative

- Across all different sectors and firm sizes, Poland's firms are consistently far more negative than positive about the political and regulatory climate, economic climate, business prospects and availability of finance.
- For the political and economic climate, the balance of pessimists over optimists is at least 51 percentage points in every sector and for every firm size.
- Construction firms are the most pessimistic about the prospects for their sector (-54%) and both availability of external (-63%) and internal (-41%) finance.
- Large firms are even more pessimistic than SMEs about the macro-economic environment, with equal levels of concern over the availability of finance.

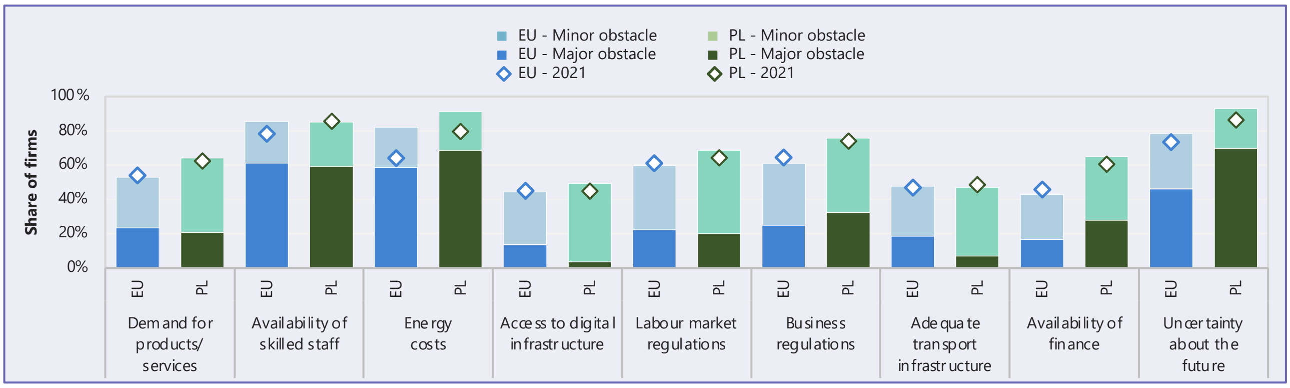
Q. Do you think that each of the following will improve, stay the same, or get worse over the next twelve months?

Base: All firms

Drivers and constraints

LONG-TERM BARRIERS TO INVESTMENT

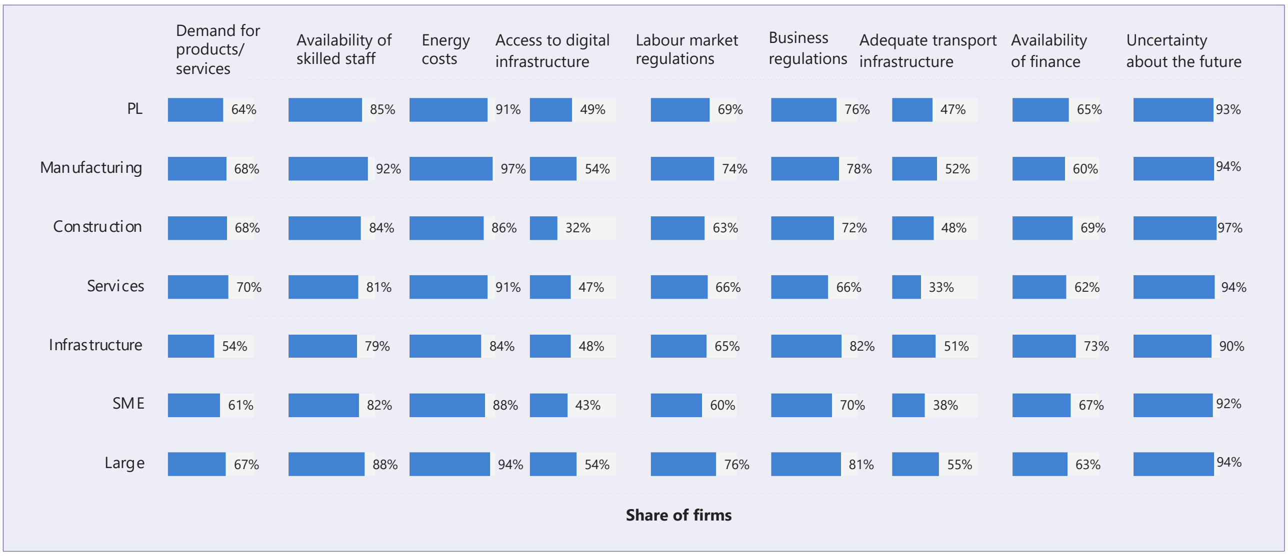
- The most frequently mentioned long-term barriers to investment in Poland are uncertainty about the future (93%), energy costs (91%) and the availability of skilled staff (85%).
- Energy costs have become a barrier for an increasing number of firms over the past year (91% vs. 80% in EIBIS 2021). Apart from this, the number of Polish firms perceiving these areas to be a barrier to their investment activity has remained close to EIBIS 2021.
- Each obstacle is considered a greater obstacle in Poland than it is across the EU, on average. In relative terms, business regulations (76% vs. 61% in the EU) the availability of finance (65% vs. 43%) and future uncertainty (93% vs. 78%) are considered bigger obstacles by Polish firms.



Q. Thinking about your investment activities, to what extent is each of the following an obstacle? Is it a major obstacle, a minor obstacle or not an obstacle at all?

Base: All firms (data not shown for those who said not an obstacle at all/don't know/refused)

LONG-TERM BARRIERS BY SECTOR AND SIZE



Reported shares combine 'minor' and 'major' obstacles into one category

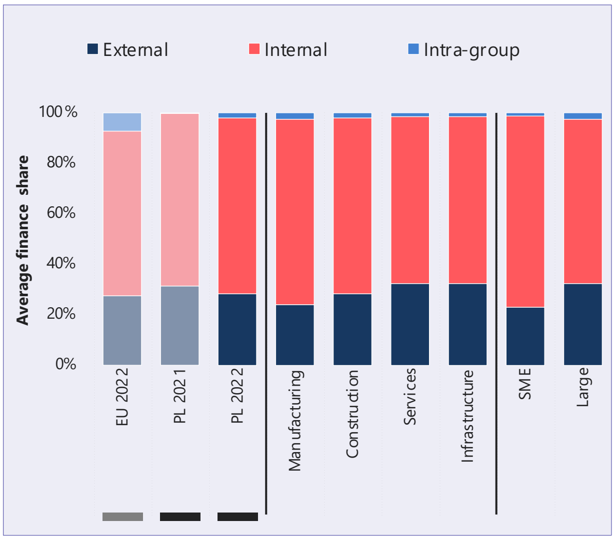
Q. Thinking about your investment activities, to what extent is each of the following an obstacle? Is it a major obstacle, a minor obstacle or not an obstacle at all?

Base: All firms (data not shown for those who said not an obstacle at all/don't know/refused)

Access to finance

SOURCE OF INVESTMENT FINANCE

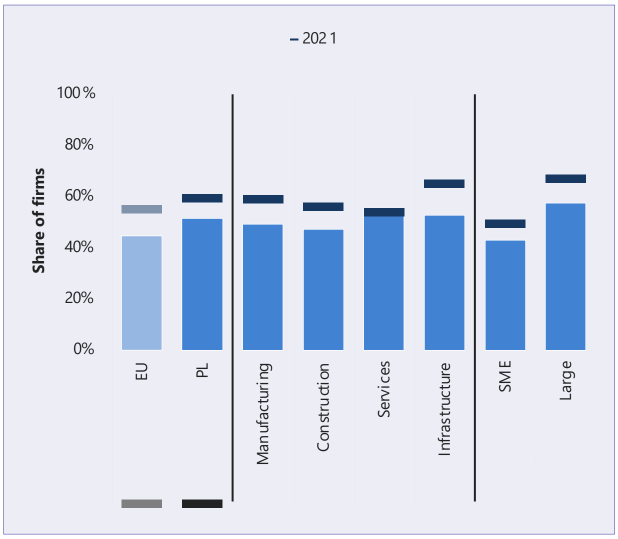
- As in EIBIS 2021 (68%), internal sources account for the largest share of investment finance for Polish firms (70%). Matching the current EU average the proportion of Polish firms' investment that is financed from external sources (28%) remains similar to last year (31%).
- Only 2% of Polish firms' investment was financed from intra-group funds. This is much lower than the EU average (7%).
- External finance accounts for a smaller share of investment finance for manufacturers (24%) than it does for the service sector firms (32%). External sources are also a greater source of finance for large firms (32%) than they are SMEs (23%).



Q. What proportion of your investment was financed by each of the following?

Base: All firms who invested in the last financial year (excluding don't know/ refused responses)

USE OF EXTERNAL FINANCE



- Over half (51%) of Polish firms, who invested in the last financial year, financed at least some of their investment through external finance. This is above the EU average (45%) but lower than in EIBIS 2021 (60%).
- The majority of the services (55%) and infrastructure (53%) firms that invested in the last financial year used external finance. The lowest proportion is seen in construction (47%). Except for services, the use of external finance fell in every sector.
- Almost six in ten (57%) large firms accessed external finance for their investment in the last financial year, which is much higher than among SMEs (43%). Both figures represents a drop compared to EIBS 2021 (from 67% and 49%, respectively).

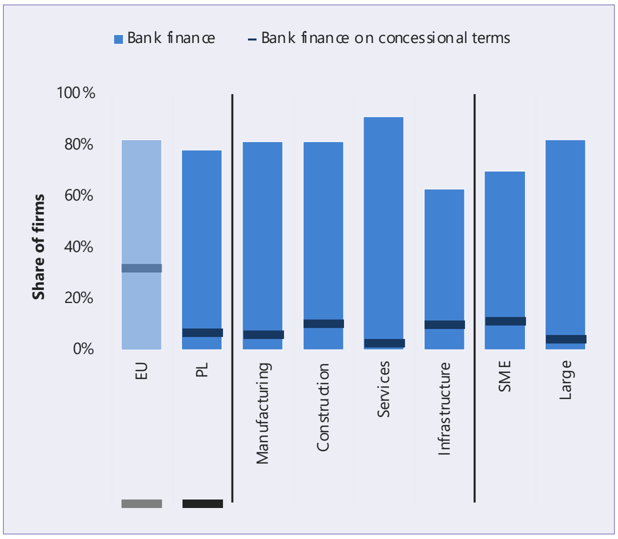
Q. Approximately what proportion of your investment in the last financial year was financed by each of the following

Base: All firms who invested in the last financial year (excluding don't know/ refused responses)

Access to finance

ACCESS TO BANK FINANCE AND CONDITIONS

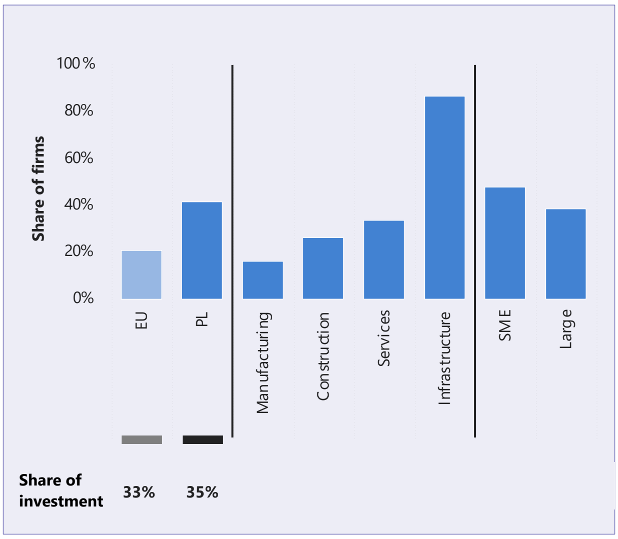
- The proportion of Polish firms using external finance that received bank finance (78%) is similar to the EU average (82%). However, the proportion that received it on concessional terms is much lower (7% vs. 32%).
- Service (91%) firms that used external finance are most likely to have received bank finance, while infrastructure firms report it the least often (63%). In no sector have more than 10% of firms received bank finance on concessional terms.
- While large firms (82%) are more likely than SMEs (70%) to have received bank finance, they are far less likely to obtain it on concessional terms (4% and 11%, respectively).



Q. Which of the following types of external finance did you use for your investment activities in the last financial year?
Q. Was any of the bank finance you received on concessional terms (e.g. subsidised interest rates, longer grace period to make debt payments)?

Base: All firms who used external finance (excluding don't know/refused responses)

SHARE OF FIRMS WITH FINANCE FROM GRANTS



- Four in ten Polish firms using external finance (42%) received grants. This is double the EU average (21%).
- Grants were more readily available to infrastructure firms (87%) than those operating in any other sector, especially so for the manufacturers (16%).
- The proportion of SMEs using external finance and receiving grants is a little higher than for large firms (48% versus 38%).

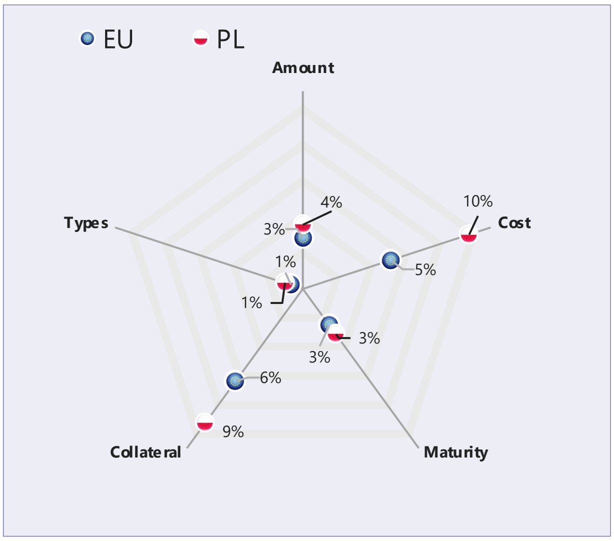
Q. What proportion of your total investment in your last financial year was financed by grants?

Base: All firms using external finance (excluding don't know/refused responses)
Base: All firms that received grants (excluding don't know/refused responses)

Access to finance

DISSATISFACTION WITH EXTERNAL FINANCE RECEIVED (% of firms)

- Only a very small proportion of the Polish firms, who used external finance in the last financial year, are dissatisfied with the conditions received. For none of the criteria did more than 10% of firms say they are dissatisfied.
- Polish firms are most dissatisfied with the cost (10%) and the collateral required (9%). Both figures are higher than the EU average.



Q. How satisfied or dissatisfied are you with …?

Base: All firms who used external finance in the last financial year (excluding don't know/refused responses)

DISSATISFACTION BY SECTOR AND SIZE (% of firms)

	Amount	Cost	Maturity	Collateral	Type
PL	4%	10%	3%	9%	1%
Manufacturing	4%	10%	1%	9%	1%
Construction	2%	16%	0%	11%	2%
Services	0%	7%	10%	15%	0%
Infrastructure	7%	10%	2%	6%	2%
SME	2%	15%	3%	12%	3%
Large	4%	7%	3%	8%	0%

- With just a few exceptions, dissatisfaction levels are low across all sectors and size classes. The highest levels of dissatisfaction are mentioned for cost and collateral requirements.
- Construction firms (16%) express the most dissatisfaction with the cost of external finance, while 15% of service firms are displeased with the collateral required.
- SMEs seem, overall, more dissatisfied than large firms, especially with cost (15% versus 7%) and collateral requirements (12% versus 8%).

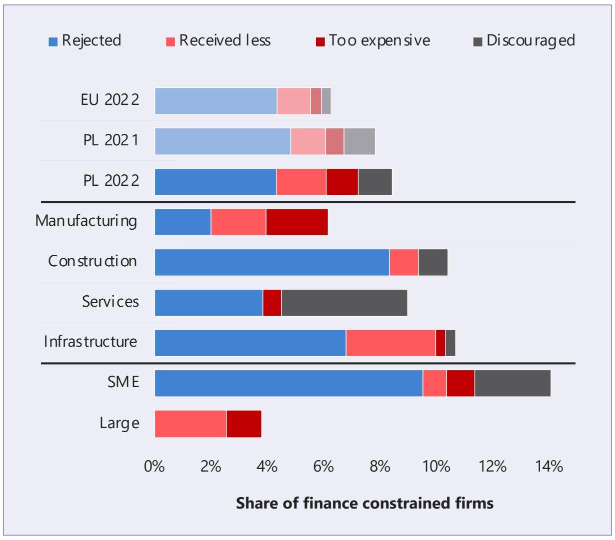
Q. How satisfied or dissatisfied are you with …?

Base: All firms who used external finance in the last financial year (excluding don't know/refused responses)

Access to finance

SHARE OF FINANCE CONSTRAINED FIRMS

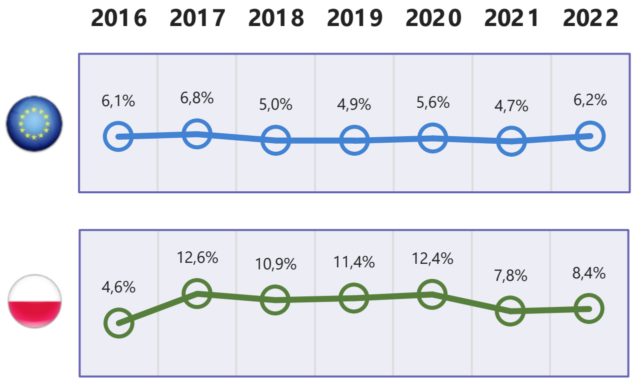
- The share of financially constrained firms in Poland (8.4%) is a little higher than in EIBIS 2021 (7.8%) and the EU average (6.2%). The reason for Polish firms' financial constraint is most likely to be rejection of loan applications (4.3%).
- The highest shares of finance-constrained firms can be found in construction (10.4%) and infrastructure (10.7%) sectors. Compared to the country average, service firms are facing the highest level of discouragement (4.5% vs. 1.2%).
- A far greater proportion of Poland's SMEs (14.0%) than large firms (3.8%) are financial constrained.



Finance constrained firms include: those dissatisfied with the amount of finance obtained (received less), firms that sought external finance but did not receive it (rejected) and those who did not seek external finance because they thought borrowing costs would be too high (too expensive) or they would be turned down (discouraged)

Base: All firms (excluding don't know/refused responses)

FINANCING CONSTRAINTS OVER TIME



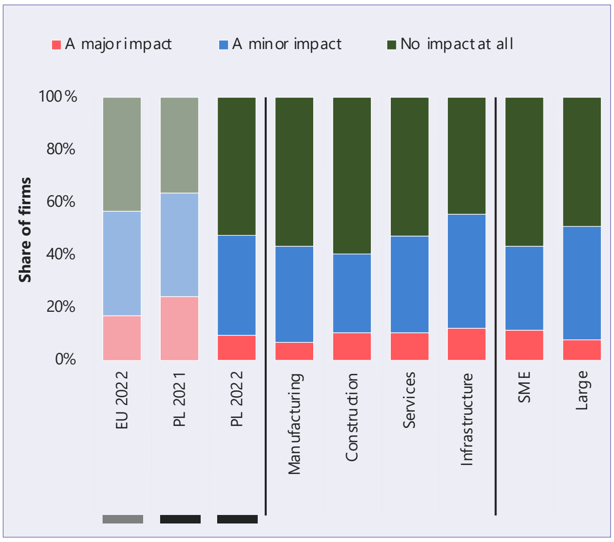
- The proportion of Polish firms who are finance constrained is above that recorded in EIBIS 2021 but still much lower than in any year since 2016.
- As in the previous five waves of the EIBIS, the absolute level of finance constrained firms in Poland remains above the EU average. In relative terms though the Polish figure is now much closer to the EU average.

Base: All firms (excluding don't know/refused responses)

Climate change and energy efficiency

IMPACT OF CLIMATE CHANGE – PHYSICAL RISK

- Just under half (48%) of firms in Poland report that weather events are currently having an impact on their business, with 10% reporting them as having a major impact. Both figures are lower than the current EU average (57% and 17%).
- Firms in Poland's infrastructure sector (56%) and large firms (51%) are most likely to report weather events as impacting their business.
- Approximately six in ten construction (60%) and manufacturing firms (57%) said weather events have presented no physical risk to their company.

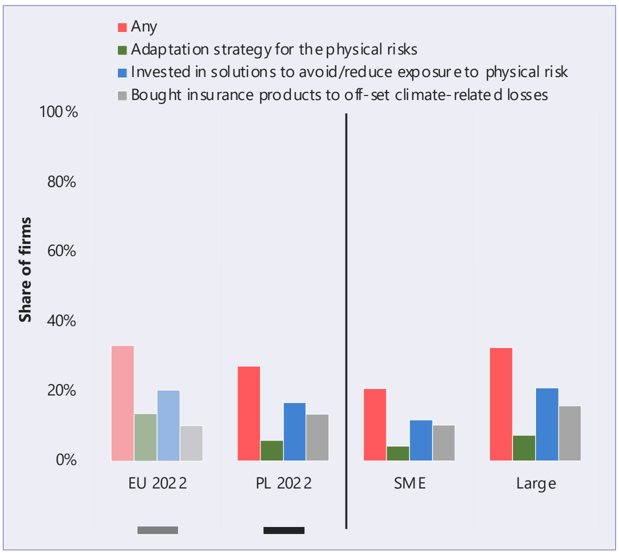


Q. Thinking about the impact of climate change on your company, such as losses due to extreme climate events, including droughts, flooding, wildfires or storms or changes in weather patterns due to progressively increasing temperature and rainfall. What is the impact, also called physical risk, of this on your company?

Base: All firms (excluding don't know/refused responses)

Please note: question wording changed between 2021 and 2022. Comparisons should be treated with caution.

BUILDING RESILIENCE TO PHYSICAL RISK



Q. Has your company developed or invested in any of the following measures to build resilience to the physical risks to your company caused by climate change?

Base: All firms (excluding don't know/refused responses)

- Polish firms are less likely than those across the EU to have already developed or invested in measures to build resilience to the physical risks caused by climate change (27% versus 33% in the EU). They are only half as likely to have developed an adaption strategy (6% versus 14%).
- Large firms are far more likely than SMEs (33% versus. 21%) to have developed or invested in measures to build resilience to physical risks. More than for other actions, large firms invested in solutions to avoid or reduce their exposure to physical risks (21%).

Climate change and energy efficiency

IMPACT OF CLIMATE CHANGE – RISKS ASSOCIATED WITH THE TRANSITION TO A NET ZERO EMISSION ECONOMY OVER THE NEXT FIVE YEARS

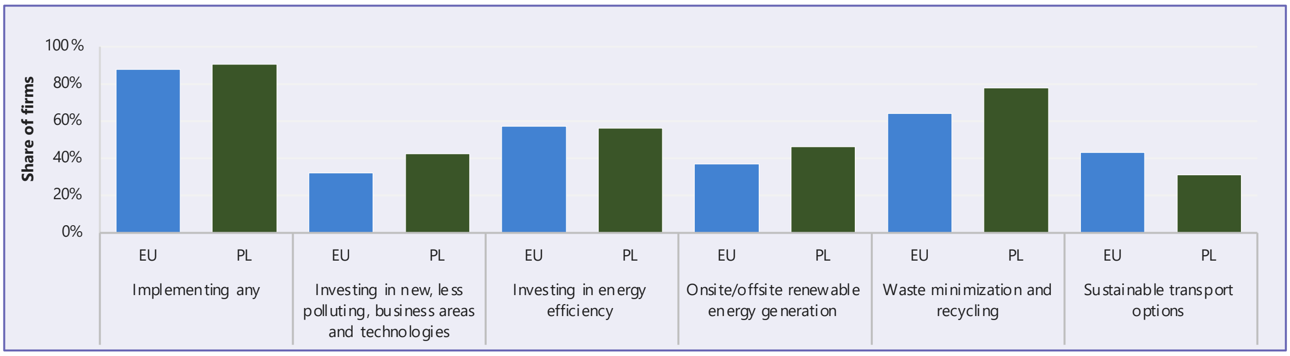
- Polish firms are more than twice as likely to consider the transition to stricter climate standards and regulations as a risk rather than an opportunity over the next five years (40% versus 17%, respectively). The figures are broadly the same as in EIBIS 2021.
- Compared to the overall EU picture, fewer Polish firms regard the transition to stricter climate standards and regulations as an opportunity (17% versus 29% in the EU).
- In every sector, fewer than 20% of firms say climate transition represents an opportunity for their company. Almost half of firms in the infrastructure sector (48%) regard it as a risk.
- Among both SMEs and large firms, the strong balance of sentiment is that transition to stricter climate standards and regulations is a risk rather than an opportunity.

Q. Thinking about your company, what impact do you expect this transition to stricter climate standards and regulations will have on your company over the next five years?

Base: All firms (excluding don't know/refused responses)

ACTIONS TO REDUCE GHG EMISSIONS

- In line with the EU average, 90% of Polish firms are taking at least one action to reduce Greenhouse Gas (GHG) Emissions (88% EU).
- The main actions taken by Polish firms are waste minimization and recycling (78%) and investments in energy efficiency (56%).
- Only with respect to sustainable transport solutions is the proportion of Polish firms taking action to reduce GHGs below the EU average (31% versus 43% in the EU). They are equally as likely to be investing in energy efficiency (56% versus 57% in the EU).
- Polish firms are ahead of the EU average on all other actions. In particular, they are more active with respect to waste minimization and recycling (78% versus 64% in the EU).



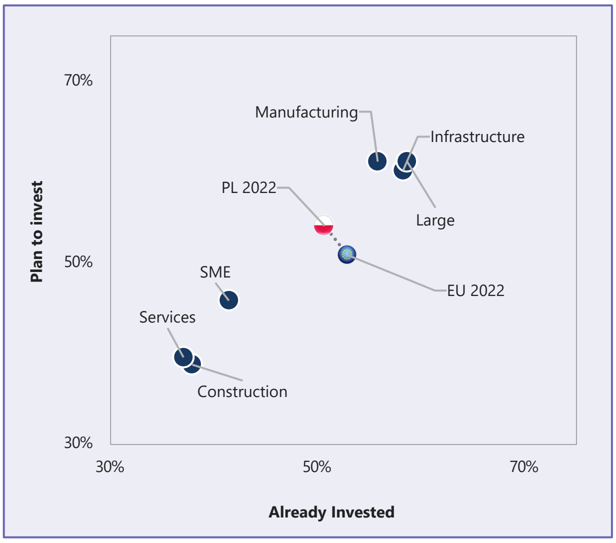
Q. Is your company investing or implementing any of the following, to reduce Greenhouse Gas (GHG) emissions?

Base: All firms (excluding don't know/refused responses)

Climate change and energy efficiency

INVESTMENT PLANS TO TACKLE CLIMATE CHANGE IMPACT

- Half (51%) of Poland's firms have already invested in tackling the impacts of weather events and dealing with the process of reducing carbon emissions. A similar share is planning to invest in the next three years (54%). This reflects the overall picture across the EU.
- Future investment is more likely to be seen within manufacturing (61%) and infrastructure sectors (60%).
- Large firms are the most likely to have already invested (59%), and to have plans to invest over the next three years (61%). SMEs lag far behind on these measures (41% and 46%, respectively).



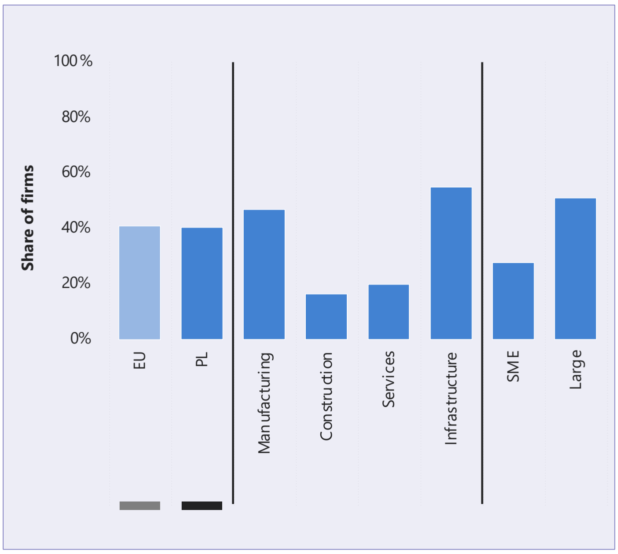
EIBIS 2022
Q. Which of the following applies to your company regarding investments to tackle the impacts of weather events and to help reduce carbon emissions?

EIBIS 2021
Q. Now thinking about investments to tackle the impacts of weather events and to deal with the process of reduction in carbon emissions, which of the following applies?

Base: All firms (excluding don't know/refused responses)

Please note: question change and an additional answer option was included in 2022, this may have influenced the data. Treat comparison to previous waves with caution.

CLIMATE CHANGE TARGETS FOR OWN GREENHOUSE GAS (GHG) EMISSIONS



- Matching the EU average, two-fifths of Polish firms report that they set and monitor targets for their own GHG emissions (41% and 40% in the EU).
- While a high proportion of infrastructure (55%) and manufacturing firms (47%) set and monitor these targets, relatively few construction (16%) or service firms (20%) follow these practices.
- Large firms (51%) are almost twice as likely as SMEs (28%) to be setting and monitoring targets for their own GHG emissions.

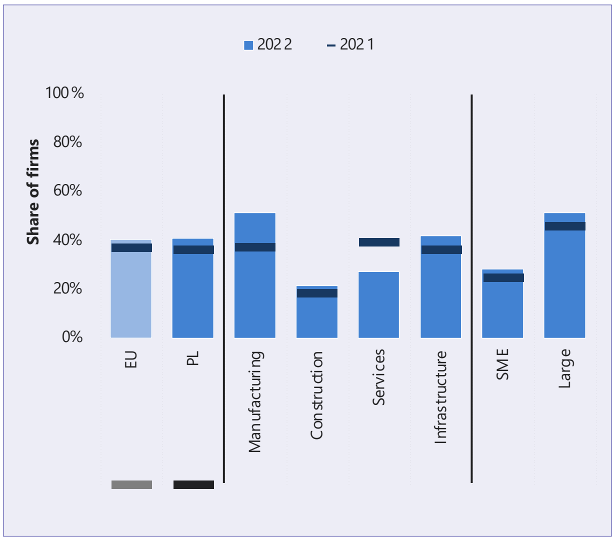
Q. Does your company... set and monitor targets for its own Greenhouse Gas (GHG) emissions

Base: All firms (excluding don't know/refused responses)

Climate change and energy efficiency

SHARE OF FIRMS INVESTING IN MEASURES TO IMPROVE ENERGY EFFICIENCY

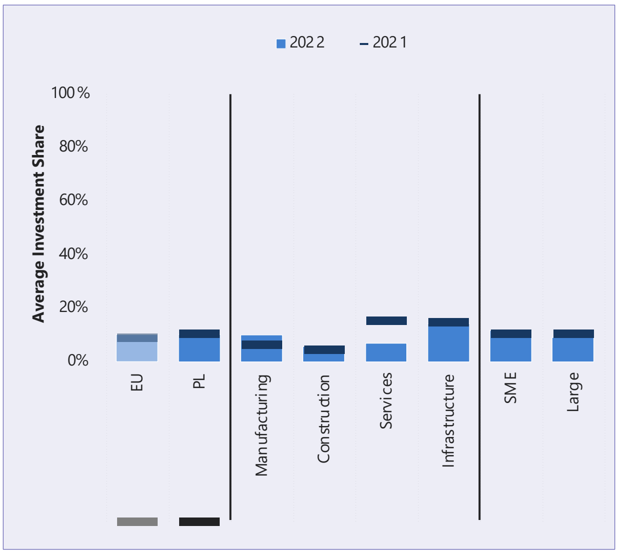
- The share of Polish firms investing in measures to improve energy efficiency in 2021 (41%) is little different than in EIBIS 2021 (36%). The current level matches the average across all EU countries (40%).
- Firms in Poland's manufacturing sector and large firms (both 51%) were the most likely to be investing in energy efficiency. Little more than a fifth of construction firms (21%) currently invest in these measures.
- While there has been an overall increase in the proportion of manufacturing firms investing in energy efficiency (up from 38% to 51%), it has fallen among service sector firms (40% to 27%).



Q. What proportion of the total investment in the last financial year was primarily for measures to improve energy efficiency in your organisation?

Base: All firms

AVERAGE SHARE OF INVESTMENT IN MEASURES TO IMPROVE ENERGY EFFICIENCY



- On average, 10% of Polish firms' total investment is now directed towards energy efficiency improvements. This matches EIBIS 2021 and the current EU average (both 10%).
- The share of investment directed towards energy efficiency by infrastructure firms is double that of service sector businesses (14% vs. 7%). Services is the only sector where the level of investment has dropped since EIBIS 2021.
- Poland's SMEs and large firms direct a similar level of investment towards energy efficiency improvements (12% and 9%, respectively).

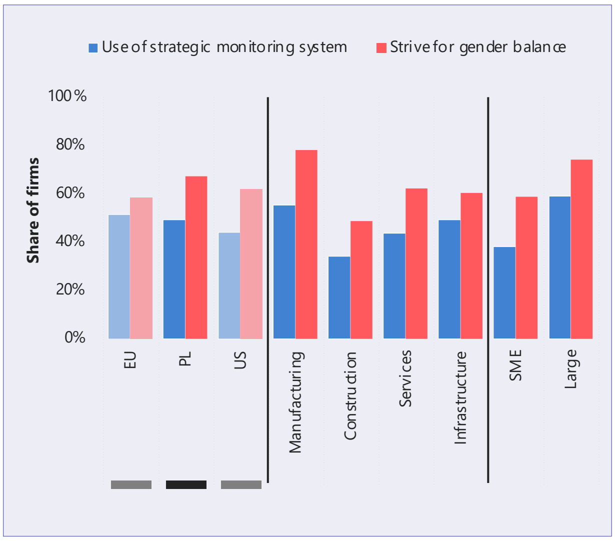
Q. What proportion of the total investment in the last financial year was primarily for measures to improve energy efficiency in your organisation?

Base: All firms who have invested in the last financial year (excluding don't know/refused responses)

Firm management, gender balance and employment

FIRM MANAGEMENT AND GENDER BALANCE

- Almost half (49%) of Polish firms use a strategic monitoring system that compares the firm's current performance against a series of key performance indicators. This is similar to both the EU (51%) and US (44%) averages.
- More Polish firms (67%) are striving for gender balance within their business than reported by firms across the EU (58%) or in the United States (62%), on average.
- The majority of manufacturing firms (56%) use strategic monitoring systems. They are less widely applied in other sectors and large firms (59%) use them more than SMEs (38%).
- With the exception of construction (49%), a majority of firms in every sector and among both SMEs and large firms is striving for gender balance by incorporating it in their company strategy. Three-quarters of manufacturing and large firms are doing this (78% and 74%, respectively).



Q Does your company...?

Base: All firms (excluding don't know/refused responses)

FIRMS WHO HAVE INCREASED EMPLOYEE NUMBERS SINCE 2019

- About a third (34%) of Polish firms have increased their employee numbers since 2019. This is slightly below the EU and US averages (38% and 41%, respectively).
- More large firms than SMEs have increased employee numbers since 2019 (39% versus 29%).

Q. How many people does your company employ either full or part time at all its locations, including yourself?

Q. How many people did your company employ either full or part time at all its locations at the beginning of 2019, before the COVID-19 pandemic?

Base: All firms (excluding don't know/refused/did not exist in 2019 responses)

EIBIS 2022 – Country technical details

SAMPLING TOLERANCES APPLICABLE TO PERCENTAGES AT OR NEAR THESE LEVELS

The final data are based on a sample, rather than the entire population of firms in Poland, so the percentage results are subject to sampling tolerances. These vary with the size of the sample and the percentage figure concerned.

	EU	US	PL	Manufacturing	Construction	Services	Infrastructure	SME	Large	EU vs PL	Manuf vs Constr	SME vs Large
	(12021)	(800)	(483)	(141)	(77)	(106)	(154)	(405)	(78)	(12021 vs 483)	(141 vs 77)	(405 vs 78)
10% or 90%	1.1%	4.1%	3.3%	5.6%	7.2%	6.7%	5.9%	2.6%	5.6%	3.5%	9.1%	6.2%
30% or 70%	1.7%	6.2%	5.0%	8.6%	11.0%	10.2%	9.0%	4.0%	8.6%	5.3%	13.9%	9.5%
50%	1.8%	6.8%	5.5%	9.4%	12.0%	11.1%	9.8%	4.4%	9.4%	5.8%	15.2%	10.4%

GLOSSARY

Investment	A firm is considered to have invested if it spent more than EUR 500 per employee on investment activities with the intention of maintaining or increasing the company's future earnings.
Investment cycle	Based on the expected investment in current financial year compared to last one, and the proportion of firms with a share of investment greater than EUR 500 per employee.
Manufacturing sector	Based on the NACE classification of economic activities: firms in group C (Manufacturing).
Construction sector	Based on the NACE classification of economic activities: firms in group F (Construction).
Services sector	Based on the NACE classification of economic activities: firms in group G (wholesale and retail trade) and group I (accommodation and food Services activities).
Infrastructure sector	Based on the NACE classification of economic activities: firms in groups D and E (utilities), group H (transportation and storage) and group J (information and communication).
SME	Firms with between 5 and 249 employees.
Large firms	Firms with at least 250 employees.

Note: the EIBIS 2022 country overview refers interchangeably to 'the past/last financial year' or to '2021'. Both refer to results collected in EIBIS 2022, where the question is referring to the past financial year, with the majority of the financial year in 2021 in case the financial year is not overlapping with the calendar year 2021.

EIBIS 2022 – Country technical details

The country overview presents selected findings based on telephone interviews with 483 firms in Poland (carried out between April and July 2022).

BASE SIZES *(*Charts with more than one base; due to limited space, only the lowest base is shown)*

Base definition and page reference	EU 2022/2021	US 2022	PL 2022/2021	Manufacturing	Construction	Services	Infrastructure	SME	Large
All firms, p. 3, p.12, p.13, p. 21 (top)	12021/11920	800	483/480	141	77	106	154	405	78
All firms who have invested in the last financial year (excluding don't know/refused responses), p. 4 (top)	9704/9670	668	378/376	117	56	73	127	312	66
All firms who have invested in the last financial year (excluding don't know/refused responses), p. 4 (bottom)	9501/9523	668	381/383	117	62	75	122	319	62
All firms (excluding 'Company didn't exist three years ago' responses), p. 5 (top)	11735/11648	778	463/464	134	75	104	145	387	76
All firms (excluding don't know/refused responses), p. 5 (bottom)	11814/11765	780	471/470	138	74	103	151	395	76
All firms (excluding don't know/refused responses), p. 6 (top)	11810/NA	795	478/NA	139	77	104	153	402	76
All firms (excluding don't know/refused responses), p. 6 (bottom)	11725/NA	784	472/NA	137	76	103	151	397	75
All firms (excluding don't know/refused responses), p. 7 (top)	11945/11857	762	483/472	141	77	106	154	405	78
All firms (excluding don't know/refused responses), p. 7 (bottom)	11989/11891	796	483/477	141	77	106	154	405	78
All firms (excluding don't know/refused responses), p. 8 (top)	11735/11648	778	463/464	134	75	104	145	387	76
All firms (excluding not applicable/don't know/refused responses to all 3 questions), p. 8 (bottom)	8728/8780	615	334/340	104	52	68	105	279	55
All firms (excluding don't know/refused responses), p. 9	11980/NA	800	483/NA	141	77	106	154	405	78
All firms (excluding don't know/refused responses), p. 10 (top)	11975/NA	798	481/NA	141	77	106	152	404	77
All firms (excluding those who said don't know/refused/not applicable responses to all three international trade obstacles) p. 10 (bottom)	11382/NA	790	438/NA	139	68	97	129	363	75
All firms (excluding don't know/refused responses), p. 11 (top)	9339/NA	680	337/NA	119	51	75	91	273	64
All firms facing trade disruptions (excluding don't know/refused responses), p. 11 (bottom)	9265/NA	707	331/NA	119	50	73	88	268	63
All firms who have invested in the last financial year (excluding don't know/refused responses), p. 14	10051/8675	665	417/387	130	66	79	137	342	75
All firms who used external finance (excluding don't know/ refused responses), p. 15 (top)	4107/4059	275	182/197	60	29	30	62	140	42
All firms who used external finance (excluding don't know and refused) p. 15 (bottom)	4155/4100	280	190/202	62	30	32	65	148	42
All firms that received grants (excluding don't know/refused responses) p. 15 (bottom)	925/NA	NA	82/NA	NA	NA	NA	NA	NA	NA
All firms who used external finance in the last financial year (excluding don't know/refused responses) , p. 16	3988/3964	270	182/200	59	29	30	60	141	41
All firms (excluding don't know/refused responses), p. 17	11504/11518	715	464/464	131	77	101	150	388	76
All firms (excluding don't know/refused responses), p. 18 (top)	11911/11849	790	481/479	141	77	105	153	403	78
All firms (excluding don't know/refused responses), p. 18 (bottom)	11909/NA	784	481/NA	140	77	106	153	403	78
All firms (excluding don't know/refused responses), p. 19 (top)	11172/11384	759	454/456	131	75	99	144	386	68
All firms (excluding don't know/refused responses), p. 19 (bottom)	11964/NA	794	483/NA	141	77	106	154	405	78
All firms (excluding don't know/refused responses), p. 20 (top)	11685/NA	763	465/NA	134	75	104	148	391	74
All firms (excluding don't know/refused responses), p. 20 (bottom)	11712/NA	783	463/NA	134	76	105	144	388	75
All firms who have invested in the last financial year (excluding don't know/refused responses), p. 21 (bottom)*	9752/9617	677	398/387	121	63	79	130	330	68
All firms (excluding don't know/refused responses) p. 22 (top)	11696/11616	785	453/437	134	71	100	143	379	74
All firms (excluding don't know/refused/did not exist in 2019 responses) p. 22 (bottom)	11662/11718	783	442/463	129	72	98	139	373	69

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