

How to seize the investment opportunities in Poland

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As Miroslav Tym from Dubra & PARTNERS Company stated one month ago, Slovakia, Czech Republic and Poland represent the only three European countries, where banks hold excess liquidity in the hundreds of billions of Czech crowns. Although they lend little and unwillingly now, significant breakthrough is expected prospectively in this regard.

Market with high absorption capacity

Intentions to reconstruct and build-up road infrastructure seem promisingly not only for domestic but mainly for foreigner investors in Poland. Back in September 2007, the Polish government decided to invest 121 billion zloty for this purpose. Although the project presents preparatory measures for the European Football Championship in 2012, its contribution to all sectors of national economy is a broad-based. Infrastructure development is lagging behind until the recently rapidly growing Polish economy, which experienced literally economic miracle from year 2005.

As we wrote in March, a clear Central European leader in the offer of modern industrial sites, was - at least in 2008 - Poland, where they were built-up relatively mostly. 1 283 000 new m² (compared to year 2007 an increase by 17 percentages!) is the number deserving not only respect, but maybe also an inspiration in the analysis, which direction foreign investors would have to step in this country. According to Ferdinand Hlobil, the head of the Central European Department of Industrial Property of Cushman & Wakefield, Polish market, with respect to its size "is still empty and able to absorb large volume of areas". As a result of the global crisis, however, there cannot be expected to overcome the record of recent years.

On the other hand, it is not needed to hide eyes facing the existing negative in Poland. For example, till now rising prices of construction materials caused by strong demand. Chronic shortage of skilled labour, which immigrated to work in western European countries, does not likely facilitate the position of domestic and foreign investors.

TriGranit and Penta - examples of those, who asserted themselves

Convincing example of successful investment in the conditions of the Polish market became the company TriGranit. The third largest developer in Europe carries out huge real estate projects - Polus Bratislava, Millennium Budapest, Esplanada Bucharest and Emonika Ljubljana under the name of the City Center. The feature of these projects is multifunction - a lot of functions with one dominant, which meander around the central shopping complex - Bratislava cinemas, ice rink in Budapest, even the chapel in the project Silesia City Center Katowice in Katowice (image n° 1). Bonarka City Center Krakow (image n° 2) to be completed this year is an example of modern transformation of post-industrial zone to living urban centre with a mixed multifunction.

But also others are acting. The Central European investment group Penta took over the Polish producer of plastic and aluminum windows Rابيةń Company in October 2008, which is now the number two in producing windows in the Poland, Czech, Slovak and Hungarian market. The turnover of the company, which exports to more than 10 countries of the Eastern and the Western Europe, is estimated at 60 millions Euro (1807 billion SKK) this year. Window Rابيةń is already sixth investment of Penta Group in Poland after pharmacies Dr. Max, the betting offices Fortuna, the shopping network Žabka and telecommunications

companies Stream and Mobilking. Its aim is to create the window holding with the widest assortment in the Central Europe.

Operating program CBC PL-SR

Other business opportunities are indicated on the national level. For example, the Polish Ministry of Regional Development after agreed with the Ministry of Construction and Regional Development called in August 2008 for cross-border cooperation program Poland - Slovakia 2007-2013, in which applicants could apply for financial contributions in a total volume of 20 million euro. The object of the program, which relates especially to the Prešov and Žilina district, is to improve cross-border infrastructure oriented to integration, security, accessibility and attractiveness for residents, investors and tourists.

Support in the framework of the cross-border co-operation Poland - Slovakia 2007-2013 has two priority axes:

1. Communication and transport infrastructure

The main objective is to improve territorial cohesion, availability and security (cooperation of rescue services and public policy authorities) of the Poland-Slovakia border area. The specific aim is focused on improving the links in the transport sector (joint planning and better management of transport services) and communication between Polish and Czech parties, supporting investments to modernization of infrastructure of regional or local importance in the border areas in order to create conditions for development business and information society.

Outstanding in this field should be modernization and adaptation of buildings (border guards, customs and passport control) to new features - such as services and investments to regional and local roads, bicycle routes and domestic waterways in the border area.

2. Environmental Infrastructure

The main objective is to improve the environment in the Poland-Slovakia border areas and the specific objective is the improvement of infrastructure of its protection, security against natural disasters (floods, fires and technological threats), the use of renewable energy sources and financing activities to promote biodiversity and environmental protection (including NATURA 2000).

Priorities in this area include:

- Building and modernization of the cross-border infrastructure for the protection of nature and its resources,
- The construction, modernization of sewage treatment plants and landfills of cross-border importance,
- Building the infrastructure to protect against electromagnetic radiation and noise,
- Projects involving air quality improving and afforesting countries,
- Joint planning and better management of environmental services,
- Promoting cooperation between natural guards in the protected areas, purchase of equipment for the cooperation between them.

Details of the discussion meeting

Further discussion meeting of the professional Internet magazine Stavebné fórum.sk titled the Investment Opportunities in Poland will be devoted to investment opportunities and specifics of the Polish market. It will be on Wednesday April 29, 2009 from 02:00pm to 04:30 pm in the Bratislava Apollo Hotel on the Dulo 1 Square. The program will focus on specifics of Polish working mentality and their impact on human resources management, accounting environment, legal status of foreign investors and its difficulties

in entering the Polish market, but also on examples of successful entrepreneurship in this country.

Notified actors - Juraj Baza (accace), Vladislav CHLIPALA (Slovak commercial counselor in Poland), Martin Porázik (accace) and others promise a concentrated package of new information on business opportunities in this relatively large country. The main partners of the event are ASP a.s, bnt - Sovova Chudáčková & Partner Ltd Company and a partner is accace. Among participants in the plenary representatives of the developer private sector (J & T, HB Reavis), counselling sector (CB Richard Ellis), architectural sector (Art of Skin, Architech) and a bank one (ČSOB Insurance company) will not be missing as well as the state sector (the Statistical Office of SR) and the media (SITA).

Illustration photo - TriGranit:

- 1 - Silesia City Center Katowice
- 2 - Bonarka City Center Krakow

05.05.2009 10:26, SF / Juraj Pokorný