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VALE COLUMBIA CENTER
ON SUSTAINABLE INTERNATIONAL INVESTMENT
A JOINT CENTER OF COLUMBIA LAW SCHOOL AND THE EARTH INSTITUTE AT COLUMBIA UNIVERSITY

Survey on Polish multinationals finds geographic concentration and industrial diversity

Report dated March 31, 2011

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Warsaw and New York, March 31, 2011:

The Institute for Market, Consumption and Business Cycles Research (IBRKK), Poland, and the Vale Columbia Center on Sustainable International Investment (VCC), a joint undertaking of the Columbia Law School and the Earth Institute at Columbia University in New York, are releasing the results of a survey on outward investors today.[1] The survey is part of a broader research project[2] focused on the rapid global expansion of multinational enterprises from emerging markets. The present survey, conducted in 2010, covers the period 2007-2009.

Highlights

The 19 leading Polish multinationals[3] ranked by their foreign assets (see table 1 below) show slightly above USD 10 billion in foreign assets, USD 17 billion in foreign sales[4] and more than 14,000 employees abroad. Nearly two-thirds of the foreign assets in table 1 belong to the top-ranked Polish multinational, PKN Orlen, which is also number one in foreign sales and foreign employment. The level of internationalization varies among the firms listed, but the Transnationality Index (see column headed 'TNI' in annex table 1) does not surpass 50% for any of them.

The top 19[5] include some state-controlled[6] firms as well as many more private ones. All but one are also listed on the stock market. Judged by the value of assets held abroad, their overseas investments have gone primarily into mining, exploring and refining natural resources, and then into

[1] The survey was conducted and this report prepared by Ewa Kaliszuk, Head of European Integration Department, and Agata Wancio, Research Fellow, at the Institute for Market, Consumption and Business Cycles Research. The authors would like to thank Marzenna Błaszczuk-Zawiła and Janusz Chojna from the IBRKK for their useful comments on the report.
[2] Called the 'Emerging Market Global Players (EMGP) Project'.
[3] Note that financial firms are excluded from the ranking by the methodology of the EMGP project.
[4] For roughly half the firms, total foreign sales include exports – definitely for seven firms and possibly for two more. It has not proved possible to estimate the share of exports in the *total* value of the foreign sales of the top 19.
[5] As not all companies contacted responded to the survey, the 19 multinationals ranked in table 1 below cannot be said to be *the* largest Polish multinationals in terms of foreign assets. Nonetheless, they are certainly *among* the largest and, as is customary in this project, are referred to in the report as the 'top 19'.
[6] Although the state has only a minority stake in three of the five firms that have *some* state ownership (see the 'Status' column in table 1), this is in fact a controlling stake, as the remaining shares are fairly widely dispersed.

chemicals, into software and IT services, and into pharmaceuticals. Among other industries strongly represented in the ranking are metals and metal products as well as building materials.

Most Polish investment abroad has gone into Europe. The most preferred locations have been neighboring countries, mainly Germany, the Czech Republic, Slovakia, Lithuania and Ukraine. Out of the total of 275 foreign affiliates, 242 have been established in Europe (annex figure 2) – more precisely, in the EU, EFTA and CIS countries, and in the Western Balkans. East Asia comes next (with 13 affiliates), followed by the Middle East (9 affiliates). Although an increasing number of Polish investors have recently become interested in exploring new, more distant, regions, most Polish multinationals remain regional rather than global players.

Table 1. Poland: The top 19 non-financial outward investors, 2009 (USD million)[a]

Rank	**Company**	**Main industry**	**Status** (% of state ownership)	**Foreign assets**
1	Polski Koncern Naftowy Orlen SA (PKN Orlen SA)	Mining, exploration, refining of crude petroleum and natural gas	Listed (24.78%)	6,599
2	Polskie Górnictwo Naftowe i Gazownictwo SA (PGNiG SA)	Exploration, exploitation, storage and distribution of natural gas	Listed (72.94%)	917[b]
3	Asseco Poland SA	Software and IT services	Listed	624
4	Synthos SA	Chemicals	Listed	517
5	Ciech SA	Chemicals	Listed (36.68%)	486
6	LOTOS SA	Exploitation, refining and distribution of oil-based products	Listed (53.19%)	367
7	Bioton SA	Pharmaceuticals	Listed	296
8	Złomrex SA	Metallurgy	Unlisted	181
9	AB SA[c]	IT services and distribution of related products	Listed	109
10	Selena FM SA	Building materials	Listed	98
11	Comarch SA	Software and IT services	Listed	51
12	Mercor SA	Building materials	Listed	47
13	Boryszew SA	Metal, chemical and plastic products	Listed	34
14	Grupa Kęty SA	Metal products	Listed	23
15	Decora SA	Building materials	Listed	19
16	Fabryka Farb i Lakierów Śnieżka SA	Building materials	Listed	12
17	KGHM Polska Miedź SA	Mining of non-ferrous metal ores and production of metals	Listed (41.79%[d])	8
18	Relpol SA	Electromagnetic products	Listed	4
19	Aplisens SA	Testing and measurement equipment	Listed	1
Total				**10,392**

Source: IBRKK-VCC research on leading Polish multinationals, 2010.

[a] The exchange rate used is the rate reported by the IMF as of December 31, 2009: USD 1 = PLN 2.8503.
[b] PGNiG's foreign assets may be somewhat understated here, as the assets of its branches (as against those of its subsidiaries) have not been included, given the lack of data on the value of these assets. However, the share of PGNiG's branch assets in the Group's total foreign assets is estimated to be small. By the end of 2009, PGNiG had established several branches abroad but employed only some 50 workers in them. The most important branch is located in Pakistan.

[c] In the case of AB SA, data cover the period from July 01, 2009 to June 30, 2010, which corresponds to the company's fiscal year. Its foreign assets are thus reported as of June 30, 2010.
[d] On January 8, 2010, a further 10% of shares were sold by the State Treasury to qualified investors, so the state share now stands at 31.79%.

Profile of the top 19

Major drivers

The search for new markets was indicated by the majority of Polish companies as the most important driver for investing abroad, although access to natural resources was the crucial determinant for firms in the natural resources sector. The benefits of economies of scale and lower production costs (mainly labor costs) were also mentioned as additional motives. Only a few firms were focused on the acquisition of strategic assets abroad, such as brand names, knowledge and innovation capacity. Bioton may serve as an example.

High concentration

At the end of 2009, the company at the top of the list (PKN Orlen) held 63% of total foreign assets controlled by the 19 companies ranked in table 1. The next two positions in the ranking accounted for 9% and 6% respectively, so the top 3 firms controlled 78% of assets. The top 2 (72%) represent the oil and gas industry, indicating a high concentration of assets in terms of industry distribution.

Modest size

Polish multinationals generally lag behind their counterparts from other emerging markets in terms of foreign assets. Among countries participating in the EMGP project, only Slovenian firms held on average smaller assets abroad than Polish ones. Admittedly, the largest Polish investor held USD 6.6 billion in assets abroad at the end of 2009, but no other company held more than USD 1 billion. The situation looks better when it comes to total assets. The top Polish investors were, on average, larger than the firms listed in the most recent Hungarian, Slovenian, Argentine and Israeli rankings in their total assets, but in turn several times smaller than the Chinese, Korean, Mexican and Russian firms. A comparative analysis of foreign sales and employment leads to a similar conclusion, although the difference is smallest in foreign sales. Even so, only PKN Orlen recorded foreign sales exceeding USD 10 billion in 2009 and employed a significant number of workers abroad (over 7,000) – see annex table 1.

Ownership

Five of the 19 firms have a significant state stake in them, although only two – PGNiG (73%) and LOTOS (53%) – are majority-owned by the state. LOTOS is in the process of privatization, however, and investors have been invited to submit offers for the state-owned block of shares.

Status

Eighteen of the 19 companies are listed on the Warsaw Stock Exchange (WSE). The exception is Złomrex. A few of them are also listed on foreign stock exchanges (annex table 3). Since acquiring a German software company and changing its name from SoftM to Comarch Software und Beratung AG, Comarch has been listed on the Frankfurt Stock Exchange. The global depositary receipts

(GDRs) of PKN Orlen have been listed on the London Stock Exchange since 1999. In addition, futures contracts on copper produced by KGHM (not stock in the company) can be traded on the London Metal Exchange and the Shanghai Future Exchange.

Foreign affiliates and geographic distribution

The top 19 have 275 affiliates in 50 countries, mainly in Europe – 88% (Annex figure 2)[7]. The most popular locations have been neighboring countries, as follows: Germany (33 affiliates), the Czech Republic (30), Slovakia (21), Ukraine (17) and Lithuania (16). Asseco Poland, in the IT business, has established the largest number of foreign affiliates: 62. Except for one, all of them are located in Europe (mainly in Central and South-Eastern Europe and German-speaking countries). In general, Polish multinationals have the highest Regionality Index[8] (average 75%) in Western and Central Europe (called 'Other Europe' in annex table 2, which provides the Regionality Index). In Eastern Europe & Central Asia, the average drops to 13% (annex table 2) and does not exceed 5% in any of the other regions. In East Asia and the Middle East only 13 and 9 affiliates, respectively, have been established. However, a rising interest in locating foreign affiliates in these regions can be observed. Bioton, for example, has established four affiliates in East Asia since 2005. The number of foreign affiliates in the Americas, South Asia and Developed Asia-Pacific is not higher than five in each region. The only region without any affiliate was Sub-Saharan Africa.[9]

Principal industries

There is considerable diversity among the industries the ranked companies operate in, although in terms of the assets represented, the oil and gas industry dominates. Other industries include chemicals, metals, software and IT services, and building materials. (For a breakdown of assets by industry, see annex figure 1.) Mining, exploration and refining account for 80% foreign assets and four firms on the list represent this industry.[10] Four companies produce building materials, each of them operating in quite a different segment – paints and varnishes (FFiL Śnieżka), finishing materials and interior decorations (Decora), construction chemicals (Selena FM), and fire protection systems (Mercor). The manufacture of metal products and IT services are represented by three companies each, followed by chemicals (2), pharmaceuticals (1), precision instruments (1) and electromagnetic equipment (1). A few other Polish companies known to be quite large multinationals (and not included in the list because of a lack of sufficient data) have invested overseas in other industries, especially in food & beverages and in the furniture & wood industries (see box 1 below).

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[7] The high number of affiliates in comparison with relatively low value of foreign assets suggests that significant numbers of affiliates might be distribution-oriented entities. Furthermore, some foreign affiliates were established in countries having beneficial financial and tax regulations in order to invest in third countries and do not engage in any operational activities.

[8] The Regionality Index is calculated by dividing the number of a firm's foreign affiliates in a particular region of the world by its total number of foreign affiliates and multiplying the result by 100.

[9] KGHM Polska Miedź had in fact established an affiliate in the Democratic Republic of Congo in 1999. However, the project ended in failure and, in 2009, the company applied for voluntary liquidation of the affiliate in the local court.

[10] Although KGHM Polska Miedź operates in both the mining of metal ores and the manufacture of metals, it is treated as a mining company in this report, as its outward operations are focused mainly on geological examinations and copper deposit exploration. KGHM's metal manufacturing takes place in Poland.

Box 1. The important role of food & beverages and wood & furniture industries

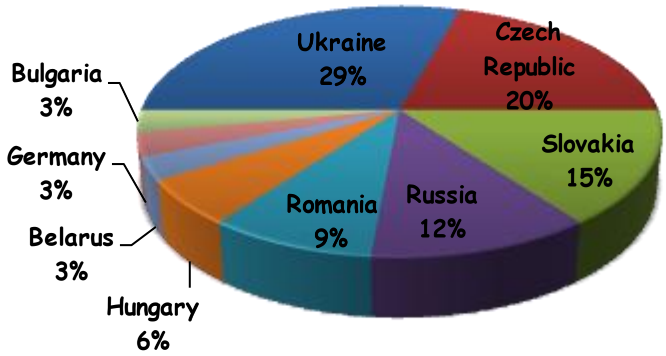
Besides industries represented by the 19 multinationals in table 1, there are also some other industries in which Polish multinationals have significant overseas operations These, unfortunately, could not be included in the list because data on their foreign assets were not available. However, according to the National Bank of Poland, firms in the food & beverages and furniture & wood industries had undertaken almost 46% of all Polish FDI in the manufacturing sector accumulated by the end of 2009. The share of Polish outward investment in the food & beverages industry in the total FDI outflows from Poland increased from 8% in 2008 to nearly 25% in 2009. By the end of 2009, the five largest investors in the food industry had established over 30 foreign affiliates in nine European countries (see box figure 1.1). All of them are only regional players but their position in Central-Eastern Europe is quite strong. While PKM Duda has carried out a few greenfield projects in Ukraine, the others have stuck to M&A transactions. Since the Maspex Wadowice Group employs the largest number of workers (over 5,000) and has the majority of its production plants abroad, it can be reasonably inferred that the Group is the largest Polish firm in terms of foreign assets among those listed in table 1.1. Maspex is often mentioned as one of the largest Polish companies not yet listed on the WSE. A typical example of a traditional family business is the Mokate Group, established in 1990 by the Mokrysz family. Despite considerable growth and expansion abroad, the company is not interested either in attracting investors or in listing on the Stock Exchange.

Box table 1.1. Polish multinationals from the food & beverages industry, number of foreign affiliates, 2009

Name	Market segment	No. of foreign affiliates
Maspex Wadowice Group	Production of beverages and pasta	12
Polski Koncern Mięsny Duda SA	Production of red meat	8
Mokate Group	Production of coffee, cappuccino and tea	5
Kamis SA	Production of seasoning and mustard	5
Mispol SA	Production of tinned meat, pâté, pet food	4

Source: Company websites.

Box figure 1.1. Country-wide distribution of foreign affiliates of the Polish multinationals from food & beverages industry, 2009



Source: Company websites.

In the wood and furniture industry, the largest outward investors are Barlinek SA, Nowy Styl Group, Black Red White, Forte SA, Vox Group, and Kler SA. Their foreign affiliates in Western Europe are distribution-oriented, while those in Eastern Europe (Russia, Ukraine and Belarus) are manufacturing operations. Such an organizational structure enables companies to cut the costs of transport, raw materials (energy, wood) and labor, while avoiding high tariffs on furniture and other wood products. A typical example of tariff-jumping investment is a plant built in Ukraine by the Nowy Styl Group in order to avoid paying high customs duties imposed on imports in Russia, the key market for the company's furniture. The company was founded in 1992 as a team of seven persons and offered only three types of seating chairs. In less than 20 years, it has become a leading European producer of office furniture. At the end of 2009, it had 12 foreign affiliates with over 2,000 employees, mainly in Ukraine. A spectacular event in its global expansion was the establishment of a joint-venture company with a South African partner in order to submit a tender to supply sports seats for the FIFA World Cup in 2010. The company has produced and installed 40,000 chairs in the grandstands of the Mbombela Stadium in Nelspruit and a further 64,000 in the Green Point Stadium in Cape Town.

Source: IBRKK-VCC research on leading Polish multinationals, 2010.

Distribution by region and industry

As noted earlier, Polish affiliates in all industries are located primarily in Western, Southern and Central Europe. The largest concentration of affiliates in these parts of Europe is in IT services (87%). Eastern Europe & Central Asia is the second preferred location, especially for affiliates producing building materials. The most internationalized industries in terms of the number of regions in which affiliates operate are chemicals and pharmaceuticals. The main reason for establishing affiliates in the oil, gas and mineral industry in the Middle East has, of course, been the abundance of natural resources in the region.

Transnationality Index (TNI)

As data on foreign employment were available for only 15 of the top 19, the TNI could be properly calculated only for them. (Annex table 1 shows the TNI for all 19, with that for the four firms without foreign employment data being shown in parentheses.) On average, sales were the most internationalized component and employment the least. While the TNI for Polish multinationals varies a lot, it is generally lower than that for multinationals from other emerging markets. The highest rank (among the 15 with foreign employment data) was recorded for Synthos (47%), followed by Selena FM (44%), and PKN Orlen and Mercor (both 42%). A few companies had an extremely low TNI, not reaching even 10%. These were mainly companies undertaking exploratory and mining activities abroad.

Location of head offices

The distribution of Polish multinationals' head offices is fairly widespread – see annex figure 4. Warsaw has the largest number (four) but the domination of a single city is not as strong as in many other emerging markets. Apart from Warsaw, the head offices are mostly located along the line starting in Żary on the west and passing through southwest Poland, ending in Rzeszów, near the border with Ukraine. There are also two firms with their head offices in Gdańsk, on the Baltic Sea.

Official language and the nationality of management

The official language of all 19 companies is Polish. However, some firms also prepare their financial reports, presentations and other materials in English, mainly because they have foreign shareholders. In PKN Orlen, general meetings and presentations of financial outcomes are also translated into English. All 19 Polish multinationals are led by Polish CEOs. The boards of directors are also composed entirely of Poles.

Top mergers and acquisitions

The largest Polish cross-border M&A transactions between 2007 and 2009 were undertaken by companies from our list. Six out of the 10 deals listed in annex table 4 were completed in 2007, the remaining four in 2008, and none in 2009. The largest investment was made by Synthos, which acquired a 100% stake in a Czech chemical company (Kaucuk AS) for USD 252 million. The second largest outward M&A was the acquisition of the German soda producer Sodawerk Holding Staßfurt GmbH by Ciech for almost USD 108 million. Both were undertaken in 2007. The value of the other M&A transactions ranged from USD 35 to USD 75 million.

Top greenfield announcements

Unlike M&As, only one outward greenfield transaction (the second largest) among the eight listed in annex table 5 was undertaken – or rather announced – by a firm from our list. This represented the 2007 plan by PKN Orlen to invest in Azerbaijani oilfields. So far, however, the project has not been launched and the plan may have been abandoned. In fact, not many of the investment projects announced in 2007-2009 have actually been realized. Some were cancelled, others postponed. For example, Barlinek (annex table 5) bought some land in Tcherepovtse (Russia), where it planned to put up a floorboard factory, but the crisis-related economic slowdown in Russia forced it to suspend construction indefinitely. However, at least two projects listed in annex table 5 seem to have been implemented. Morpol's new smoked salmon plant in France is now under construction, while Can-Pack has already begun the production of beverage cans in India.

Changes in foreign assets, sales and employment

There were no significant changes in the value of either total or foreign assets between 2007 and 2009. Both declined by not quite 10% in 2008 but recovered in 2009, as shown in table 2 below. The direction and scale of changes in foreign assets varied across industries and firms. Firms operating in the metal industry have been most seriously affected by the crisis, mainly due to a sharp decline in demand for steel and other metal products in the automotive and construction industries. An extremely steep drop in the value of foreign assets between 2008 and 2009 occurred in the case of KGHM, as a consequence of its withdrawal from its large investment project in the Congo, mentioned earlier. Still, the largest negative influence on the foreign assets of the top 19 was exercised by a relatively large decline in the foreign assets of the top-ranked firm, PKN Orlen, mainly as a result of the depreciation of its assets in the Mozhejki refinery in Lithuania.

Table 2. Snapshot of the top 19 Polish multinationals, 2007-2009 (USD million and number of employees)

Variable	**2007**	**2008**	**2009**	**% change, 2007-2009**
Assets				
Foreign	10,793	9,872	10,392	-3.7
Total	46,868	43,220	46,626	-0.5
Share of foreign in total (%)	23.0	22.8	22.3	
Sales				
Foreign	17,628	19,992	17,399	-1.3
Total	46,303	50,915	47,114	1.8
Share of foreign in total (%)	38.1	39.3	36.9	
Employment				
Foreign[a]	-	-	-	-
Total[b]	118,172	122,182	120,583	2.0
Share of foreign in total (%)	-	-	-	-

Source: IBRKK-VCC research on leading Polish multinationals, 2010.
[a] Data on foreign employment were unavailable for four firms. See annex table 1 for 2009 data on foreign employment in the other 15 firms.
[b] These figures do not include employment in Złomrex, as data were unavailable.

However, despite the global crisis, over half of the top 19 have increased their assets abroad. The best example of foreign expansion through FDI is Asseco Poland, which tripled its assets abroad between 2007 and 2009, and climbed four places on the list.

As in assets, there were no significant changes in the value of sales, although, unlike assets, both foreign and total sales went up rather than down in 2008, before reverting in 2009 to figures close to those for 2007. Total employment increased somewhat in 2008 and then decreased slightly in 2009, resulting in a 2% growth in total employment over the period of 2007-2009.

The big picture

Poland is a leading foreign investor among the new member states of the European Union, in terms of the value of its investment abroad. However, the amount of Polish capital invested abroad is still modest in comparison with the investments of Western European countries as well as emerging markets such as Mexico or Malaysia. To some extent, this can be explained by a lack of experience in overseas activities during the communist period. This inexperience has hindered the process of internationalization of Polish firms, which are still mainly at the exporting stage, with only a small group that has already shifted to the internationalization of production through FDI.

Poland has always been a net recipient of FDI (see annex figure 5). In the period from 1990 to 2000, FDI inflows grew much faster than OFDI, reaching USD 9.5 billion in 2000. The value of outward FDI *stock* from Poland reached USD 6 billion by the end of 2000, which amounted to only 5% of inward FDI stock in 2000. The vast majority of foreign affiliates were established after 2000, when FDI outflows started to grow more dynamically. However, annual FDI outflows from Poland have never surpassed amount of USD 9 billion. The highest value of USD 8.9 billion was reached in 2006, but this growth resulted mainly from investment by special-purpose entities and was simply 'capital in transit'. The largest contribution to outward FDI from Poland was made by the single high-value transaction finalized by PKN Orlen in 2006, when it acquired the Lithuanian refinery in Mozhejki (currently ORLEN Lietuva) for USD 2.8 billion. This accounted for 30% of total Polish outward FDI in 2006. Although in 2007 the value of FDI outflows was much lower than in 2006 (USD 4.5 billion), Polish multinationals carried out numerous outward M&A transactions in that year.

The real stagnation in M&A transactions came with the global financial and economic crisis, which has not left Polish multinationals unaffected. Even though Poland's GDP growth was positive during the crisis, an economic slowdown in many European countries (decline in demand and problems with financial liquidity) resulted in a significant decline in outward investment in 2008 (a fall of 16% over 2007), although there was much variation across industries and markets. Whereas IT companies increased foreign sales and acquired new assets abroad, the foreign affiliates of metal groups recorded losses, especially in emerging markets such as Russia, Ukraine and Romania. Taking into account a marked recovery in 2009, and several relatively large outward M&As undertaken by Polish multinationals in 2010 (including transactions by firms from our list), a significant growth in their assets abroad and some changes in the ranking might be expected in the future.

The lion's share of Polish investment abroad has been in the services sector (60% at the end of 2009), led by financial intermediation and business services. Among the largest financial investors there are, *inter alia*, the PKO BP Capital Group and the Polish Insurance Group PZU, investing mainly in Eastern Europe. In manufacturing, food & beverages industry occupies the leading position, followed by chemicals; coke and refined petroleum products; metals and metal products;

wood, paper and products made of them; and motor vehicles, in that order. The share of mining and quarrying, if treated separately from refining, is quite modest.

So far, the majority of Polish firms investing abroad, like their counterparts from Central Europe, have been regional players. Over 80% of Polish investment abroad goes into Europe, mainly into neighboring countries. This high concentration on the European market may result partly from the geographical location of Poland – right in the heart of Europe. This strategic location enables Polish firms to carry out various types of FDI strategies in close neighborhoods. Countries located east of Poland have been chosen by investors seeking lower production costs, and those west of it by firms interested mainly in acquiring strategic assets. Nonetheless, the significance of East, South and Southeast Asia as a destination for Polish FDI is on the rise. Investors from Poland seem to perceive in particular advantages in the Indian market.

The process of Polish multinationals' expansion, especially in such distant (both geographically and culturally) markets as Asia or South America could be accelerated by many-sided support from the government and other public institutions. However, the Polish government has not yet formulated any 'go global' type of strategy to support investment abroad. In its opinion, the best way to increase the presence of Polish firms on the global market is to improve the innovativeness of Polish products; thus state support should be focused on tools to achieve this goal. Nevertheless, the Ministry of Economy has established two initiatives aimed at supporting Polish entrepreneurs directly in the internationalization process: Trade and Investment Promotion Sections (TIPSs) operating within Polish embassies and consulates abroad and the Network of Investor and Exporter Assistance Centres (IEACs)[11]. The activity of the TIPSs covers the promotion instruments at two levels – on a macro scale, the promotion of economic cooperation and, on a micro scale, the promotion of Polish enterprises. TIPSs do not grant financial support. IEACs are meant to facilitate access to comprehensive, high-quality and free information services required to plan, organize and implement exports and/or outward investment. In general, Polish investment policy is focused on attracting FDI than promoting Polish investment abroad. There is also no financial support to facilitate foreign operations except for political risk insurance guaranteed by the State Treasury and provided by the Export Credit Insurance Corporation Joint Stock Company (KUKE SA). Polish Information and Foreign Investment Agency (PAIiIZ), which has promoting Polish investment abroad within its mandate, focuses on providing information and services for foreign entities interested in investing in Poland. On the other hand, it should be noted that there are no restrictions on capital outflows from Poland. All in all, official policy towards outward investment may be characterized as basically hands-off – no obstacles and no incentives.

As the inadequacy of measures supporting outward investment constitutes a serious obstacle to overseas expansion for Polish investors, particularly for small and medium-sized enterprises (SMEs), there is a need to develop such measures, drawing on the experience of many countries pursuing successful 'go global' polices. Otherwise, most Polish firms will be latecomers on the global market. The entry into force of the Lisbon Treaty on December 1, 2009 has made possible a more active and coordinated approach to outward investment promotion at the EU level, although the Treaty under does not propose any changes to investment promotion competences[12].

[11] Ministry of Economy, Support Instruments Department, *Instruments for Internationalization of Business Activity,* Warsaw, 2010,

[12] Under the Lisbon Treaty, the EU received exclusive competence over foreign direct investment, which has shifted the competence to negotiate bilateral investment treaties with non-EU states from member states to the Union.

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Emerging Markets Global Players Project

This report on Polish multinationals was prepared in the framework of the Emerging Markets Global Players (EMGP) project, a collaborative effort led by the Vale Columbia Center. It brings together researchers on FDI from leading institutions in emerging markets to generate annual reports on leading multinationals in each participating country. Reports on 12 countries have been published so far (several on some of them): Argentina, Brazil, China, Hungary, India, Israel, Korea, Mexico, Poland, Russia, Slovenia and Turkey. For further information, visit: http://www.vcc.columbia.edu/content/emerging-market-global-players.

Institute for Market, Consumption and Business Cycles Research

The Institute for Market, Consumption and Business Cycles Research is a leading economic research institute located in Warsaw. Its research focuses on global economic trends, along with their implications for the Polish economy; sectoral analyses and forecasts; and the development of multilateral and regional integration processes, with special attention to integration within the European Union and its consequences for Poland. The Institute's research areas also include FDI and the internationalization of Polish enterprises. Since 1990, the Institute has been publishing annual reports on inward FDI in Poland and, since 2006, also reports on Poland's outward investment. The Institute provides analyses and recommendations to the Polish Government, government agencies, and companies and their associations (such as the Club of Exporters and the chambers of commerce). For more information on the Institute's activities and publications, visit: http://www.ibrkk.pl

Vale Columbia Center on Sustainable International Investment

The Vale Columbia Center on Sustainable International Investment, headed by Karl P. Sauvant, is a joint Columbia Law School – Earth Institute venture at Columbia University. It seeks to be a leader on issues related to FDI in the global economy, paying special attention to the sustainability aspect of this investment. The Center focuses on the analysis and teaching of the implications of FDI for public policy and international investment law. Its objectives are to analyze important topical policy-oriented issues related to FDI, develop and disseminate practical approaches and solutions, and provide students with a challenging learning environment. For more information, see http://www.vcc.columbia.edu.

Annex table 1. Poland: The top 19 multinationals: Key variables, 2009 (USD million[a] and number of employees)

Rank by foreign assets	Company	Assets		Sales		Employment		TNI[c] (%)	No. of foreign affiliates	No. of host countries
		Foreign	Total	Foreign[b]	Total	Foreign	Total			
1	PKN Orlen SA	6,599	17,247	12,953	23,832	7,483	22,535	42	29	8
2	PGNiG SA	917	10,905	0	6,768	46	31,393	3	8	7
3	Asseco Poland SA	624	2,005	492	1,070	3,185	8,099	39	62	23
4	Synthos SA	517	1,034	498	913	804	2,200	47	4	1
5	Ciech SA	486	1,412	684	1,293	1,352	6,972	36	16	9
6	LOTOS SA	367	5,285	668	5,024	19	4,994	7	5	4
7	Bioton SA	296	563	47	100	n.d.	1,040	(50)	22	15
8	Złomrex SA	181	552	346	691	n.d.	n.d.	(41)	19	11
9	AB SA	109	277	582	1,011	n.d.	266	(48)	5	2
10	Selena FM SA	98	186	119	228	291	1,092	44	23	16
11	Comarch SA	51	314	112	256	505	3,326	25	19	12
12	Mercor SA	47	189	66	155	340	583	42	7	5
13	Boryszew SA	34	717	73	807	16	3,396	5	12	8
14	Grupa Kęty SA	23	452	114	390	190	2,785	14	12	8
15	Decora SA	19	93	53	101	n.d.	985	(37)	10	10
16	FFiL Śnieżka SA	12	110	59	185	439	1,032	28	4	3
17	KGHM Polska Miedź SA	8	5,227	522	4,252	3	28,884	4	3	3
18	Relpol SA	4	32	8	23	298	761	29	10	9
19	Aplisens SA	1	26	4	16	32	240	15	5	4
Total (average for TNI)		**10,392**	**46,626**	**17,399**	**47,114**	**14,663**	**120,583**	**(24)**	**275**	**50**

Source: IBRKK-VCC research on leading Polish multinationals, 2010.

[a] The exchange rate used is the rate reported by the IMF as of December 31, 2009: USD 1 = PLN 2.8503.

[b] Data on foreign sales are not fully comparable and should be interpreted with caution because, as noted in footnote 4 in the main report, for some companies, foreign sales include exports.

[c] The Transnationality Index (TNI) is calculated as the average of the following three ratios: foreign assets to total assets, foreign sales to total sales, and foreign employment to total employment. It is expressed as a percentage. The TNI for four firms is calculated without foreign employment data and shown in parentheses.

Annex table 2. Poland: The top 19 multinationals, Regionality Index[a] (%), 2009

Rank	Company	Other Europe	Eastern Europe & Central Asia	East Asia & the Pacific	Middle East & North Africa	Latin America & the Caribbean	South Asia	North America	Developed Asia-Pacific	No. of foreign affiliates
1	PKN Orlen SA	100								23
2	PGNiG SA	25	13		63					4
3	Asseco Poland SA	92	6		2					62
4	Synthos SA	100								29
5	Ciech SA	88		6		6				19
6	LOTOS SA	80				20				12
7	Bioton SA	45	14	18	5		14		5	5
8	Złomrex SA	95		5						16
9	AB SA	100								5
10	Selena FM SA	52	22	17		4		4		12
11	Comarch SA	68	11	5	5	5		5		4
12	Mercor SA	86	14							8
13	Boryszew SA	75		17		8				19
14	Grupa Kęty SA	50	42		8					10
15	Decora SA	70	30							10
16	FFiL Śnieżka SA	25	75							22
17	KGHM Polska Miedź SA	100								5
18	Relpol SA	60	40							3
19	Aplisens SA	20	80							7
Average (total for last column)		**75**	**13**	**5**	**3**	**2**	**1**	**1**		**275**

Source: IBRKK-VCC research on leading Polish multinationals, 2010.

[a] The Regionality Index is calculated by dividing the number of a firm's foreign affiliates in a particular region of the world by its total number of foreign affiliates and multiplying the result by 100. One region specified by the project – Sub-Saharan Africa – is not included in the table as there were no Polish affiliates in it.

Annex table 3. Poland: The top 19 multinationals: Stock exchange listings, 2009

Company	**Domestic**	**Foreign**
PKN Orlen SA	Warsaw	London (LSE)
PGNiG SA	Warsaw	*none*
Asseco Poland SA	Warsaw	*none*
Synthos SA	Warsaw	*none*
Ciech SA	Warsaw	*none*
LOTOS SA	Warsaw	*none*
Bioton SA	Warsaw	*none*
Złomrex SA	*none*	*none*
AB SA	Warsaw	*none*
Selena FM SA	Warsaw	*none*
Comarch SA	Warsaw	Frankfurt (FSE)
Mercor SA	Warsaw	*none*
Boryszew SA	Warsaw	*none*
Grupa Kęty SA	Warsaw	*none*
Decora SA	Warsaw	*none*
FFiL Śnieżka SA	Warsaw	*none*
KGHM Polska Miedź SA	Warsaw	London (LME)[a], Shanghai (SHFE)[a]
Relpol SA	Warsaw	*none*
Aplisens SA	Warsaw	*none*

Source: IBRKK-VCC research on leading Polish multinationals, 2010.

[a] These are futures rather than stock exchanges.

Annex table 4. Poland: Top 10 outward M&A transactions, 2007-2009 (USD million)

Date	Acquirer's name	Target firm 's name	Target industry	Target country	% of shares acquired	Value of transaction
07/19/2007	Synthos SA (former Dwory SA)[a]	Kaucuk AS	Industrial inorganic chemicals	Czech Republic	100.0	252.6
12/19/2007	Ciech SA [a]	Sodawerk Holding Staßfurt GmbH	Soda producer	Germany	100.0	107.9
03/09/2007	Bioton SA [a]	BioPartners Holding AG	Pharmaceutical preparations	Switzerland	100.0	75.3
10/11/2007	Cersanit SA	Avtis LLC	Ceramic wall and floor tile	Russian Federation	100.0	63.4
06/26/2008	Agora SA	Trader.com	Advertising	Turkey	100.0	54.4
02/21/2008	Mercor SA [a]	Tecresa Cotalunya Sl	Security systems services	Spain	100.0	51.9
11/21/2007	Ciech SA [a]	Marmor 210. V V GmbH	Soda producer	Germany	100.0	40.7
10/26/2007	AB SA [a]	AT Computer Holding	Business consulting services	Czech Republic	100.0	39.6
01/15/2008	Asseco Poland SA [a]	Matrix42 AG	Software and IT services supplier	Germany	97.5	39.0
03/24/2008	Bioton SA [a]	Nong Investment Ltd	Biological products	Cyprus	n.d.	35.0
Total						**759.7**

Source: Adapted from Thomson ONE Banker. Thomson Reuters. Also draws on company websites.

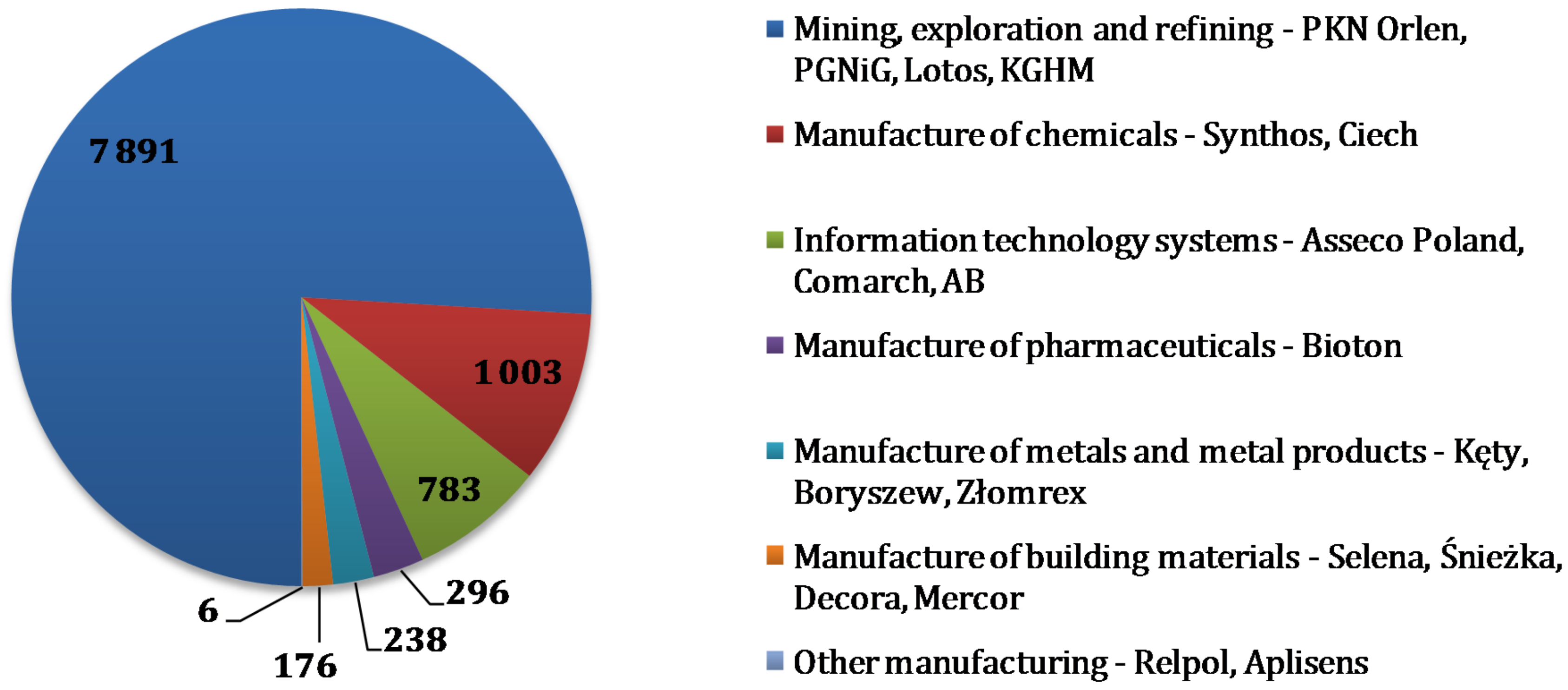
[a] These companies are ranked in the list of the top 19 non-financial outward investors,

Annex table 5. Poland: The top 8 outward greenfield transactions, announced[a], 2007-2009 (USD million)

Date	Company	Destination	Industry	Value of transaction
Dec-07	Polnord	Russia	Real estate	800.0
Nov-07	PKN Orlen[c]	Azerbaijan	Coal, oil and natural gas	589.2[b]
Sep-07	Petrolinvest	Kazakhstan	Coal, oil and natural gas	200.0
Mar-09	Morpol SA	France	Food & tobacco	193.3[b]
Jan-08	Can-Pack Group	India	Metals	192.7
May-08	Barlinek	Russia	Wood products	186.2
Oct-07	Herkules	Romania	Wood products	186.0[b]
Apr-07	Solaris Bus & Coach	India	Automotive OEM	181.8[b]
Total				**1,378.9**

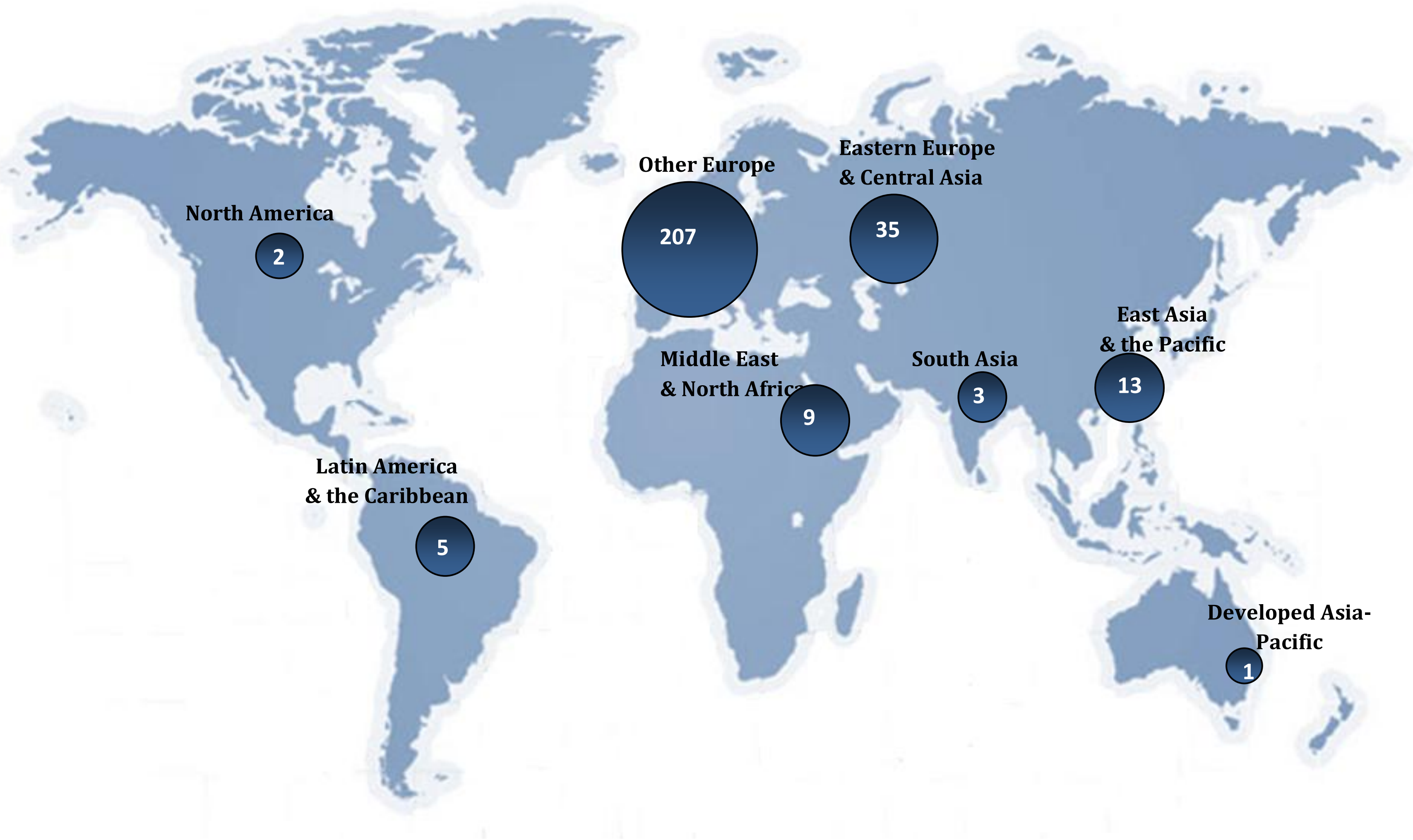
Source: Adapted from fDi Intelligence, a service from the Financial Times Ltd.
[a] A number of these 'announced' transactions have since failed to be completed, as mentioned in the 'Profile of the top 19' in the narrative report. They include the PKN Orlen, Barlinek and Solaris Bus & Coach transactions.
[b] This is an estimated amount.
[c] This is the only company ranked in the list of the top 19 non-financial outward investors.

Annex figure 1. Poland: Breakdown of the foreign assets of the top 19 multinationals, by main industry, 2009



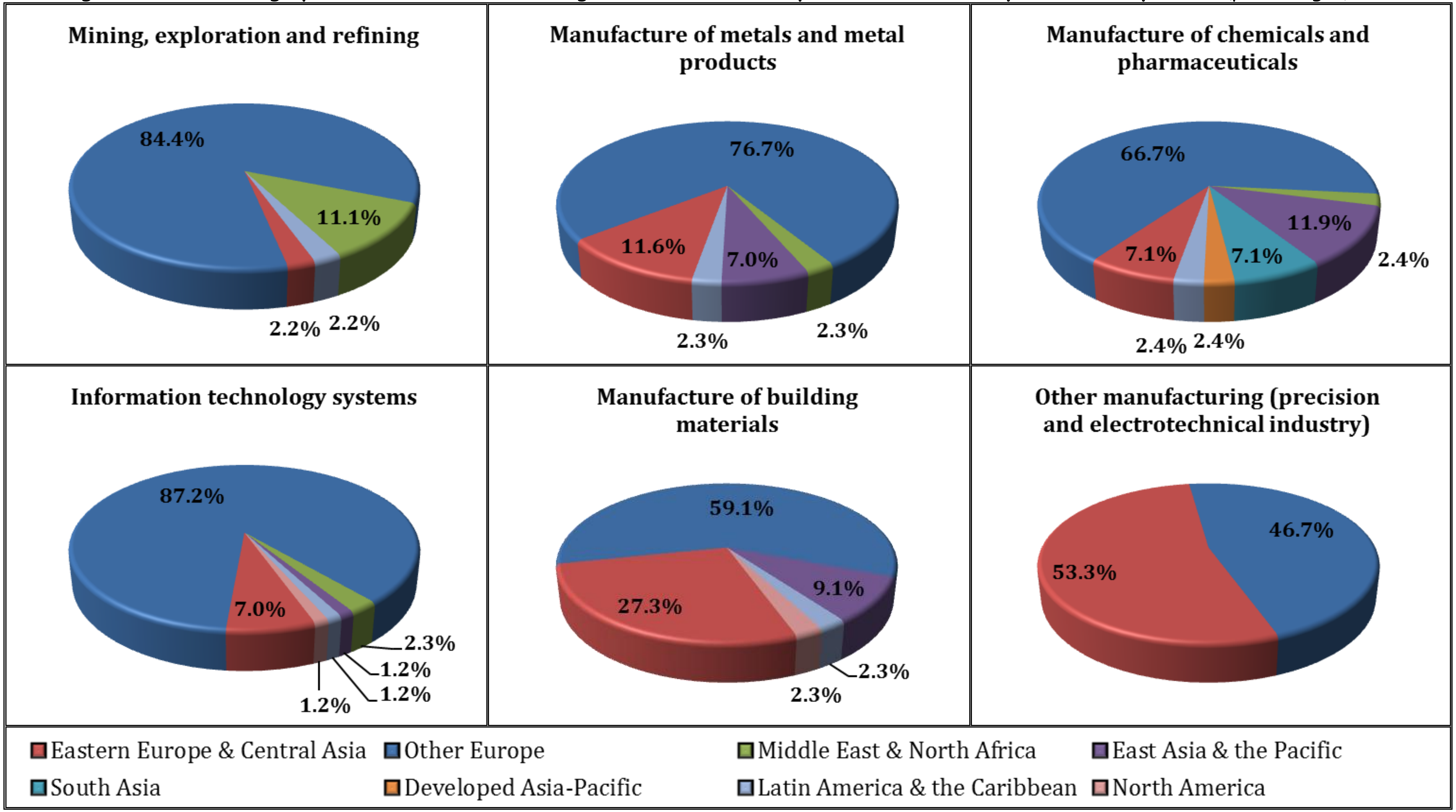
Source: IBRKK-VCC research on leading Polish multinationals, 2010.

Annex figure 2. Poland: Foreign affiliates of the top 19 multinationals by region, 2009 (number of affiliates)



Source: IBRKK-VCC research on leading Polish multinationals, 2010.

Annex figure 3. Poland: Geographic distribution of the foreign affiliates[a] of the top 19 multinationals, by main industry, 2009 (percentages)



Source: IBRKK-VCC research on leading Polish multinationals, 2010.

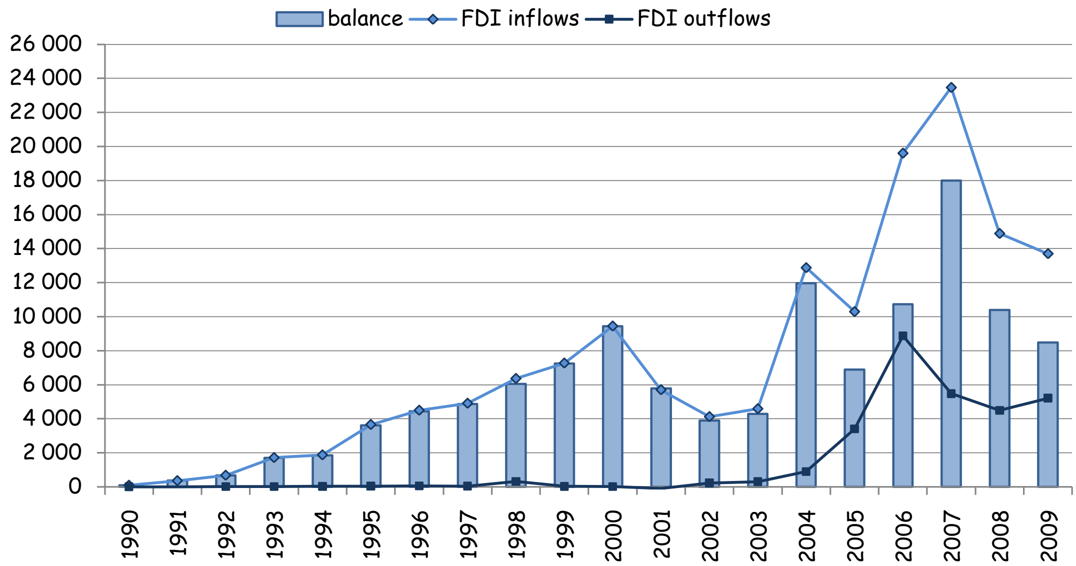
[a] This figure normally provides the geographic breakdown of *assets*, which was not available. The geographic breakdown of *affiliates* is given instead.

Annex figure 4. Poland: Head office locations of the top 19 multinationals, 2009

1	PKN Orlen SA	11	Comarch SA
2	PGNiG SA	12	Boryszew SA
3	Asseco Poland SA	13	Mercor SA
4	Synthos SA	14	Grupa Kęty SA
5	Ciech SA	15	Decora SA
6	LOTOS SA	16	FFiL Śnieżka SA
7	Bioton SA	17	KGHM Polska Miedź SA
8	Złomrex SA	18	Relpol SA
9	AB SA	19	Aplisens SA
10	Selena FM SA		

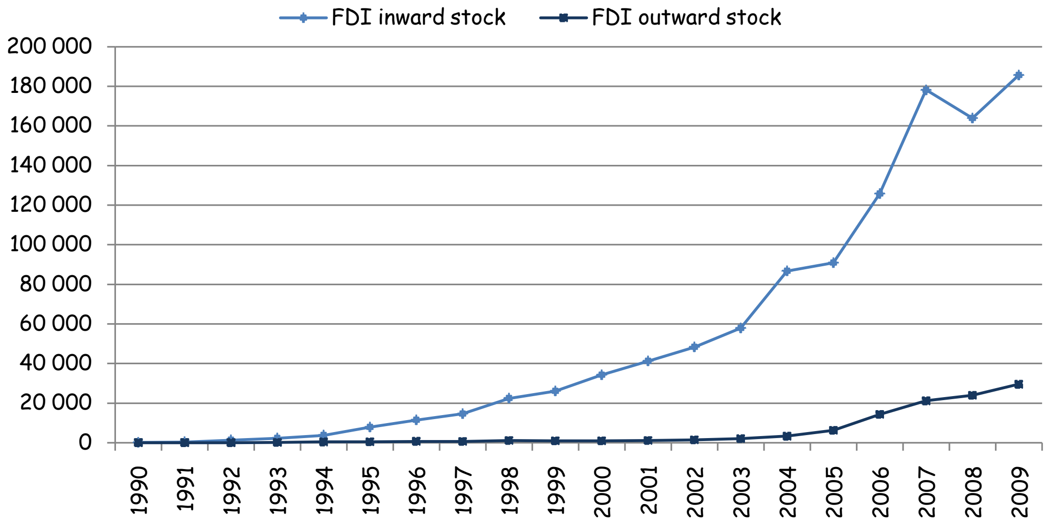
Source: IBRKK-VCC research on leading Polish multinationals, 2010, drawing on company websites.

Annex figure 5. Poland: FDI inflows and outflows, 1990-2009 (USD million)



Source: Adapted from the reports of the National Bank of Poland (NBP).

Annex figure 6. Poland: Inward and outward FDI stock, 1990-2009 (USD million)



Source: Adapted from the reports of the National Bank of Poland (NBP).

Annex II. Brief company profiles (in the order of the ranking)

No.1. Polski Koncern Naftowy Orlen SA
http://www.orlen.pl/EN/

The company was established as a national petroleum company (Polski Koncern Naftowy, PKN) in 1998 by merging two Polish oil refineries - Centrala Produktów Naftowych CPN S.A. and Petrochemia Płock S.A. In 2000, PKN adopted the new trade name – ORLEN, under which is recognized nowadays outside the country. Its first step in the direction of foreign expansion was buying petrol stations in Germany from BP. Since acquiring a controlling stake in Lithuanian Mažeikių Nafta (2006), it has become the largest petroleum group in Central Europe with major operations in Poland, the Czech Republic, Germany, and the Baltic States. In 2009, it was ranked number one in the list of the 500 largest companies in Central and Eastern Europe in terms of sales revenues and as the world's 31st largest oil company in the Fortune Global 500.

No.2. Polskie Górnictwo Naftowe i Gazownictwo SA
http://www.pgnig.pl/

PGNiG was established in 1982 as the state-owned enterprise. In 1996, the PGNiG was transformed into a joint-stock company with the State Treasury holding 100% of the shares. Since 2004 it has been listed on the WSE. The state still owns 72.48% shares but further privatization is in progress. The PGNiG Group, a leader on the domestic market, is the only vertically integrated company in the Polish gas sector. The enterprise's activity covers not only natural gas and crude oil exploration and production but also trade, storage and distribution of natural gas to individual and industrial customers. The PGNiG Group includes PGNiG SA, as the parent company, and more than a dozen production and service companies operating domestically and internationally - in Denmark, Egypt, Kazakhstan, Norway and Pakistan.

No.3. Asseco Poland SA
http://www.asseco.pl/en

Asseco Poland was established in 1991 as COMP Ltd Sp. At first, it was engaged mainly in the production of software for cooperative banks, and later expanded operations to the banking and financial sector, insurance institutions, public administration and industry. In 2004, the company debuted on the WSE. After the acquisition of Slovak ASSET Soft a.s., it was renamed Asseco Poland SA. Having achieved the leading position in Poland, the company is continuing to build IT holdings that operate across Europe – from Spain and Portugal to Scandinavia and the Baltic states. At present, Asseco is the largest IT company listed on the WSE and one of the major software producers in Europe.

No.4. Synthos SA
http://www.synthosgroup.com/

The company is one of the largest Polish chemical companies, founded in 1946 as Factory of Synthetic Fuels in Dwory, Poland. It was privatized in the 1990s and renamed Chemical Factory Dwory SA. In 2004, the company successfully debuted on the WSE. After the acquisition of the Czech firm Kaucuk Kralupy a.s., Dwory changed its name to Synthos SA. So far, the company has established its overseas plants only in the Czech Republic, where it employs almost 50% of its workers. The Group concentrates on manufacturing of three types of products: rubber and synthetic latex, styrene plastics, and vinyl and copolymer dispersions. It is the largest manufacturer of rubber emulsions and third largest manufacturer of polystyrene for foaming applications in Europe.

No.5. Ciech SA
http://www.ciech.com/

Ciech was established in 1945 as the state-owned Chemical Products and Equipment Import-Export Enterprise. In 2005 Ciech was partly privatized and listed on the WSE. Its largest shareholder is the State Treasury (36.7 %) and institutional investors, such as Pioneer Pekao Investment Management and Otwarty Fundusz Emerytalny (Open Pension Fund) PZU "Złota Jesień" In 2006 it finalized the acquisition of two chemical synthesis companies, Organika-Sarzyna and Zachem, and of the first foreign manufacturing company, the Romanian soda plant US Govora. As a result, production capacity of the Ciech Chemical Group almost doubled. The Group is currently one of the leaders in the European chemical market. It comprises more than 30 companies, including 16 located abroad. The main products of the Group are: soda ash (the second largest producer in Europe) and TDI (number 1 on the Polish market), plant protection chemicals and phosphate fertilizers, and other basic chemicals used in the glass, furniture, construction and food industries.

No.6. LOTOS Group SA
http://www.lotos.pl/en/

The LOTOS Group was founded in 2003 as a result of the government's decision to merge the Gdańsk Refinery with Petrobaltic, extracting oil from the Baltic Sea, and the local refineries from southern Poland. The company debuted on the stock market in 2005. Over 53% of its shares are owned by the state and the remaining shares are in free float on the WSE. LOTOS Group is the second largest oil company in Poland, exploiting, processing and distributing oil-based products such as lead-free gasoline, diesel oil, diesel fuel, aviation fuel, engine and industrial oil, asphalt and gases. A nationwide petrol station chain operates under the LOTOS brand. The group consists of approximately 30 direct and indirect subsidiaries, including a few abroad. Through its Norway-based subsidiary, the company is present on the Norwegian Continental Shelf, where it carries out oil exploration and exploitation.

No.7. Bioton SA
http://www.bioton.pl/en

Bioton is a biotechnology company, established in 1989 to manufacture basic pharmaceutical substances. The company started its foreign expansion relatively late, establishing its first affiliate in Russia in 2004. Since then, it been has expanding its activities abroad very quickly. By the end of 2009, Bioton had undertaken several outward M&As, which resulted in the acquisition of a dozen foreign affiliates in over 10 countries, including Italy, Singapore, India, South Korea and Australia. The group produces primarily insulin and generic drugs (mainly antibiotics). It also conducts R&D activities and is expanding its product portfolio. The company is building a factory to produce recombinant insulin in India, which will be sold in Latin America, the Middle East and North Africa.

No.8. Złomrex SA
http://www.zlomrex.pl/

Złomrex was established in 1990 as a small business focused on the purchase of scrap metal. Systematic development allowed it to broaden its scale of activities and become the leader of a group comprising manufacturing plants and distribution entities. At present, Złomrex S.A. is a major producer and distributor of steel and steel products, both in Poland and in Central and Eastern Europe. The Group consists of several dozen entities, including 19 abroad.

No.9. AB SA
http://www.ab.pl/

AB S.A. is one of the largest IT service provider and hardware, software and consumer electronics consumer electronics distributors in the Central-Eastern Europe established in 1993. Five year later the Company attracted a financial investor – the Polish Enterprise Fund – which accelerated its market expansion. In 2006, AB SA made its debut on the WSE. In 2007, it purchased a 100% stake in AT Computer Holding a.s., one of the largest IT service providers and electronic equipment distributors in the Czech Republic and Slovakia. With the acquisition of AT Computer Holding, AB has become the owner of personal computers manufacturer and service provider, AT Compus.

No.10. Selena FM SA
http://www.selenafm.com/

Selena Group was founded in 1992 to produce modern construction chemicals: polyurethane mounting foams and silicone sealants. In a relatively short time it has become a global manufacturer and distributor of a wide range of construction chemicals for professional contractors and home users. Currently, the Group is the world's fourth largest manufacturer of polyurethane foam used for door and window installation. Since 2008 Selena FM shares have been listed on the WSE. The Group comprises 29 companies located in Poland and overseas, including 11 manufacturing plants (six facilities in Poland and plants in Brazil, South Korea, China, the United States and Turkey).

No.11. Comarch SA
http://www.comarch.com/

Comarch was founded in 1993 by Professor Janusz Filipiak from the University of Science and Technology (AGH) in Kraków. He has been the president and, since the Company debuted on the WSE (1999), also the major shareholder. Comarch is a software house and IT services provider that specializes in innovative IT solutions for the telecommunications and financial services industries, public institutions and non-financial enterprises. Its products and solutions cover billing, network management, ERP systems, IT security, CRM and loyalty management, EDI, sales support, electronic communication and business intelligence. The majority of products offered by Comarch are developed in-house. In its R&D centers it employs over 1,000 people. In 2007-2009, expenditure on R&D exceeded USD 90 million. The organizational structure of the Comarch Capital Group comprises a network of subsidiaries located in Poland and abroad, i.e., in Europe, the Americas, the Middle East and East Asia.

No.12. Mercor SA
http://www.mercor.com.pl/

Mercor SA was founded in 1988 as PUH Mercor Sp. z o. o. and started manufacturing fire doors in 1993. It initially concentrated on extending its range of products, supplied mainly on domestic market. At present, the company is the leading manufacturer of smoke exhaust systems and fire partitions in the Polish, Czech and Slovakian markets. Besides manufacturing and distributing passive fire protection systems, the group also provides assembly and maintenance services. Mercor established its first foreign affiliate in the Czech Republic only in 2005 and then several more in other countries, thus developing a sales network in the countries of Central and Eastern Europe. Most of its foreign subsidiaries concentrate on the distribution and assembly of the Group's products. The only production plant acquired by Mercor (2008) is situated in Spain.

No.13. Boryszew SA
http://www.boryszew.com.pl/

The company was established in 1911 as a factory producing art silk. After the Second World War, it was nationalized. Under the communist system, Boryszew was involved in the production of dental and pharmaceutical materials, radiator liquids, brake fluids and later plastics. In 1991, the company was entirely privatized and since 1996 has been listed on the WSE. In 1999 Boryszew gained a strategic investor, Roman Karkosik, who still controls the company (60.63% of shares). Today, the main business lines of Boryszew group include semi-finished products made of non-ferrous metals (aluminum, lead, copper, zinc) and their alloys, car cables for global car manufacturers, ball bearings and chemicals. The Boryszew Group has its foreign affiliates mainly in Western Europe and China. It is currently working on a new acquisition in India.

No.14. Grupa Kęty SA
http://www.grupakety.com/en/

Kety was established in 1950 as Zakłady Metali Lekkich (Light Metals Plant). In 1992, it was transformed into a sole-shareholder company of the State Treasury. Soon afterwards, it was privatized and then floated on the WSE (1996). The company has no dominant shareholder, its shares being held by several cooperating private financial institutions. The main activity of Kęty Group is manufacturing aluminum profiles and processing them into intermediate and final products, which are then used in construction, the automotive industry, transportation and accessories for woodwork.

No.15. Decora SA
http://www.decora.eu

Decora was established in 1994 by a team of four to manufacture ceiling tiles. Within a few years the company expanded to other interior decorating products: ceiling moldings, rosettes, wall insulation and heat reflectors. As Decora started its foreign operations relatively late (in 2005), the majority of its foreign affiliates are distribution-oriented. The only production facility was set up in Belarus to supply the Russian and Ukrainian markets with baseboards. Since 2005 the company has been listed on the WSE.

No.16. Fabryka Farb i Lakierów Śnieżka SA
http://www.sniezka.pl/en/

The history of FFiL Śnieżka dates back to 1984, but it started to operate under the name of "Chemal" S.c. Paints and Varnishes Plant in Brzeźnica in 1990. The high market demand for products manufactured by the plant persuaded the owners to create two further manufacturing subsidiaries – in Lubzina (1993) and Pustków (1994). Production in its first foreign plant started in 2000 in Ukraine and two years later in Belarus. Śnieżka has treated Eastern Europe as a key market. In 2003 shares of "Śnieżka" Paints and Varnishes Plant S.A. appeared on the WSE. The company is planning further expansion in foreign markets and intends to build a new paint factory in Romania.

No.17. KGHM Polska Miedź SA
http://www.kghm.pl/

KGHM was established in 1961 under the name Kombinat Górniczo-Hutniczy Miedzi (Copper Smelting-Mining Combine), as a state enterprise. In 1991 it was transformed into a joint stock company. Since July 1997 its shares have been listed on the WSE. Until 22 December 2009 they were also listed in the form of depositary receipts on the London Stock Exchange. The state holds 31.79% of the stock. Basic operations of the Company are limited to copper ore mining, copper production, and the production of precious metals and other non-ferrous metals. KGHM is the sixth largest producer of electrolytic copper and the second largest silver producer worldwide. The company also owns equity shares in companies involved in diverse activities: health services (MCZ S.A. – 100% of the shares); tourism (Interferie S.A. - 100% of the shares); and telecoms (Telefonia Dialog S.A. – 10%; Polkomtel S.A. – 26% of the shares). As far as overseas operations are concerned, KGHM is interested primarily in the exploration and exploitation of copper ores. After the voluntary liquidation of its Congolese subsidiary, the company is preparing to exploit copper and gold ores from deposits in Canada. The company also has two overseas distribution companies (in Austria and the UK).

No.18. Relpol SA
http://www.relpol.com.pl/en/

Relpol has been operating in the electro-technical industry since 1958. In 1996 it made its debut on the WSE. The company manufactures electromagnetic relays and relay sockets, which are widely used in electric circuit control of various machines and equipment, vehicles, domestic appliances and electronics. Apart from two plants located in Poland, the company possesses two production plants abroad (in Ukraine and Lithuania) and several distribution-oriented affiliates in other European countries.

No.19. Aplisens SA
http://www.aplisens.pl/en/

The company was founded in 1992 by six workers of the Industrial Research Institute for Automation and Measurements PIAP. At that time it concentrated on electronic pressure and differential pressure measurement technology. Today, Aplisens Group has design, production and distribution affiliates in several European countries. It treats the CIS countries as strategic markets, given their demand for investment in modernizing heavy industries in particular.