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Outward FDI from Poland and its policy context

by
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During the transition toward a market economy, for many years Poland's outward foreign direct investment (OFDI) was small and limited to trade-supporting activities in key export markets. It took off and started growing rapidly only five or six years ago, when the Polish private sector had matured enough to start generating home-grown multinational enterprises (MNEs). Some state-owned enterprises (SOEs) began also investing abroad, sometimes with the Government's encouragement. By contrast, in terms of private companies, Poland adopted a laissez-faire policy, leaving the emergence and expansion of private MNEs to market forces. In addition, Poland became a source and a transit country for large cross-border flows of funds among units of foreign and Polish firms, classified as FDI flows, artificially inflating OFDI. In the first year of the worldwide financial and economic crisis (2008) OFDI flows declined rather modestly to start growing again in 2009 and 2010 due to a relatively good performance of the Polish economy during the crisis.

Trends and developments

Poland is, in absolute terms, the largest source of outward FDI among the new European Union (EU) members, with an OFDI stock of nearly US$ 30 billion in 2009 (annex table 1). While being the largest country among the EU newcomers, Poland misses however the leading position, becoming an average or even below average performer among these economies when OFDI is compared to the size of its economy or its population. For example, Hungary, with an outward FDI stock much smaller than that of Poland, in 2008 had a ratio of OFDI stock to GDP three times higher (13% versus 4.3%). Other comparator economies such as the Czech Republic, Estonia and Slovenia were also ahead of Poland in regard to this ratio.[1]

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[1] Magdolna Sass and Kalman Kalotay, "Hungary. Outward FDI and its policy context, 2010", pp. 115-116, in Karl P. Sauvant, Thomas Jost, Ken Davies, and Ana-Maria Poveda-Garces, eds., *Inward and*

Most OFDI stock (93%) has emerged since 2005. In the early 1990s, in the initial phase of the transition to a market economy and similarly to other countries in transition, Poland relied on inward FDI (IFDI) to realize one of the key tasks of transition: creating and strengthening the private sector. IFDI took the form of cross-border acquisitions related to privatizations in such industries as telecommunications, banking and, partly, power generation, as well as greenfield FDI projects in a wide range of industries.[2] At the same time, private Polish firms were emerging, although it took time until they could expand abroad via FDI. Companies that have remained under the control of the state were mostly commercialized, and some of them also started investing abroad, often encouraged by their owner.

As a result of the emergence and rapid growth of OFDI, not only IFDI but also outward FDI started contributing to the internationalization of the Polish economy through international production. Although the ratio of OFDI stock to IFDI stock is small (14% in 2009)[3] and will remain so for many years to come, the ratio of OFDI stock to GDP has increased from close to zero ten years ago to 7% in 2009.[4]

Country-level developments

Poland's OFDI took off and started growing rapidly only five or six years ago.[5] During 1994-2003, annual average FDI outflows were less than US$ 100 million, fluctuating between negative US$90 million in 2001 and US$ 316 million in 1998. Outflows were concentrated in trade-supporting activities such as trading and marketing, finance, logistics, and transportation in key export markets in Europe. Flows then jumped to an annual average of US$ 4.8 billion during 2004-2009, reaching a peak in 2006, when they totaled more than US$ 9 billion.[6] In 2006, the largest Polish oil distributing and processing state-owned company, PKN Orlen, purchased a refinery in Mozejki (Lithuania). This was by far the largest Polish FDI project ever.[7]

Outward FDI Country Profiles (New York: Vale Columbia Center on Sustainable International Investment, 2011), available free at: http://www.vcc.columbia.edu/files/vale/content/Profile_eBook_PDF_2_11.pdf.

[2] Nowadays, foreign firms form an important part of the Polish economy, accounting for some 40% of the assets and sales of all enterprises in the country. They are interested mainly in the Polish market and/or are exporting from Poland. Few of them undertake FDI from Poland on behalf of their parents (see Zbigniew Zimny, "Poland: Inward FDI and its policy context, 2010" in Sauvant et al., op. cit., p. 185.

[3] UNCTAD, *World Investment Report 2001: Investing in A Low-carbon Economy* (New York and Geneva: United Nations, 2010), p. 172.

[4] Katarzyna Blanke-Ławniczak, "Rola polskich inwestycji bezpośrednich za granicą w internacjonalizacji polskich przedsiębiorstw w latach 1990-2007" (Poznan: Poznań University of Economics, 2010), Ph.D. thesis, pp. 150-167.

[5] Narodowy Bank Polski, Departament Statystyki, "Polskie inwestycje bezpośrednie za granicą w latach 1996-2002" (Warszawa, luty, 2009).

[6] For the detailed analysis of Polish OFDI during 2003-2006, see K. Blanke-Ławniczak, "Outward FDI's from Central-East European economies in transition: Case Poland", in W. M. Grudzewski, I. Hejduk and S. Trzcieliński, eds., *Organizations in Changing Environment: Current Problems, Concepts and Methods of Management*,(Madison: IEA Press, 2007), pp. 128-141.

[7] In 2006, PKN Orlen acquired 53.7% of the shares of *Mazeiku Nafta* from a bankrupt Russian firm *Yukos International UK BV* for US$ 1.5 billion and an additional 30.66% from the Government of Lithuania for US$ 852 million (Ministerstwo Gospodarki, Departament Analiz i Prognoz "Polskie Inwestycje Bezpośrednie 2006/2007", mimeo. (Warszawa, marzec, 2008), p. 16.

The rapid growth of Polish OFDI flows and, consequently, the country's OFDI stock, reflects two phenomena. First, the emergence of Polish public and private MNEs, initially domestic firms, which have become competitive enough to seek opportunities abroad -- not only in exporting but also in undertaking the production of goods and/or services in countries other than their own (see the section on corporate players). Second, intra-corporate flows of funds among units of MNEs (including Polish MNEs) in some economies are undertaken for tax and regulatory reasons.

Parts of these flows are called "capital in transit". They have occurred in Poland since 2005 and were listed separately in the FDI data for some years. Not representing an economic activity,[8] they distort both inward and outward FDI of the country concerned. During 2005-2007, capital in transit represented 40% to 47% of Poland's FDI outflows. In 2006, the share of Special Purpose Units (SPUs) in Poland's OFDI stock was 36%.[9] This would suggest that less than two-thirds of Poland's outward FDI represent international production of MNEs (i.e. "genuine" FDI).

Yet a closer look at the industry and geographical composition of OFDI stock suggests that the share of genuine FDI in total OFDI stock is even less, between one third and one half of the OFDI stock, for two reasons. First, as regards the industry composition of the outward stock, the category of "services non-classified elsewhere" (activities that do not fit the standard classification of industries) accounts for nearly two thirds of the total outward stock in 2006-2008 (see annex table 3 for 2008), resulting, most likely, from the transfers of funds.[10] Secondly, as regards the geographical composition of OFDI stock, 60% of it is located in five economies (the first three of them are top destinations of Polish FDI): Switzerland (US$ 6.7 billion), Luxembourg (US$ 5.9 billion), The Netherlands (US$ 2.3 billion), the United Kingdom (US$ 1.3 billion), and Cyprus (over US$ 0.8 billion).[11] These economies are known for being sources and destinations of intra-corporate fund transfers for tax and regulatory reasons (ease of establishing and doing business). High Polish FDI is not

[8] Foreign affiliates in Poland, established to channel these flows, are called "Special Purpose Units" (SPUs). They have minimal or no employment and do not produce anything; rather, they merely transfer capital among units of an MNE (often a financial group) located in different countries or undertake other (unspecified) financial operations on their behalf. The characteristic feature of this capital is that it arrives in a host country of transit (and, satisfying statistical concepts, is registered there as inward FDI flow) and, in the same year, it is invested by an SPU in another country (and, satisfying statistical concepts, is registered as outward FDI flows).

[9] Ibid., p. 13, and Narodowy Bank Polski, Departament Statystyki, "Polskie inwestycje bezpośrednie za granicą w 2007 roku" (Warszawa: grudzien, 2008), p. 11.

[10] In 2009, "other non-classified services" were reported to be US$ 6.1 billion, down from an average of over US$ 13 billion during 2006-2008. The "missing" balance was transferred in that year to "banking", "other financial services" and "other business services", in an apparent attempt to assign it to industries. As a result, FDI stock in these industries "increased" drastically between 2008 and 2009, from US$ 0.8 billion to US$ 6.5 billion in banking and other financial services, and from US$ 0.3 billion to US$ 5.7 billion in other business services; see
NPB 2010, op. cit., pp. 48-49; and NBP, Departament Statystyki, "Polskie inwestycje bezpośrednie za granicą w 2008 roku", Aneks statystyczny (Warszawa: październik, 2009), pp. 48-49.

[11] Narodowy Bank Polski (NBP), Departament Statystyki, "Polskie inwestycje bezpośrednie za granicą w 2009 roku", Aneks statystyczny (Warszawa: wrzesień, 2010), pp. 34-39.

supported by information about FDI projects in these economies.[12] Nor is it confirmed by the inward FDI data of these economies.[13]

Without these economies the geographical composition of the Polish OFDI stock (annex table 4) becomes similar to that predicted by standard theory on OFDI and the internationalization of firms:[14] the largest destination of Polish FDI are its neighbors in Central and Eastern Europe (including members and non-members of the European Union), with an OFDI stock of over US$ 5.3 billion, followed by the remaining Western European members of the EU (US$ 3.8 billion), with Germany, Belgium and France in the lead.

Coming back to the sectoral composition of Poland's outward FDI stock, services are the largest sector (also after subtracting non-classified services), with business and real estate services the largest categories (US$ 2 billion in 2008), followed by financial services (US $ 1.1 billion). OFDI in manufacturing is steadily growing (from US$ 100 million in 2000 to US$ 2 billion in 2008 and 4.3 billion in 2009, annex table 3), originating from small and medium-sized Polish companies. Most large manufacturing companies are foreign-owned, but they do not undertake any significant FDI from Poland.

The corporate players

Annex tables 5 and 6 suggest that major Polish MNEs include a couple of SOEs in the petroleum (PKN Orlen) and gas industries (PGNiG), as well as banking (PKO BP). PKN Orlen has become the largest Polish MNE through the purchase of the Mozejki refinery in Lithuania, as noted earlier. PGNiG made some investments in the Czech Republic, Egypt, Libya, and Norway, and PKO BP purchased a bank in Ukraine. As mentioned earlier, private Polish firms were established in increasing numbers during the transition process. Some of these firms, after the successful initial expansion in the domestic market, started their international expansion through exports and FDI, becoming MNEs.

Key players include:[15]

- Asseco Poland, the largest software company in Central and Eastern Europe, and number eight on the list of the largest software vendors in Europe, with

[12] The Ministry of the Economy verified this with Polish embassies in these countries in preparation of a report on OFDI (Ministerstwo Gospodarki, Warszawa, 2008).
[13] E.g., in 2006, Dutch data indicated a Polish FDI stock of US$ 21 million and those of the United Kingdom US$ 171 million (Ministerstwo Gospodarki, 2008, p. 23.).
[14] For a review of some of these theories by Polish authors, see R. Ławniczak and K. Blanke-Ławniczak, "Reverse globalization: the new phenomenon in the world economy of 21st century", in D. Kopycińska, ed., *Economic Challenges of Contemporary World* (Szczecin: University of Szczecin, Microeconomics Department, 2010), pp. 21-35.
[15] For other key players, see Instytut Badań Rynku, Konsumpcji i Koniunktur (IBRKK), Warsaw "Survey on Polish multinationals finds geographic concentration and industrial diversity", Warsaw and New York, March 31, 2011, available free at:
http://ibrkk.pl/id/109/Projekt_Emerging_Market_Global_Players or
http://www.vcc.columbia.edu/files/vale/documents/Poland_3_2011_4.pdf

sales of over US$ 970 million and employment of 8,500 (out of which 3,500 abroad) in 2009.[16]

- Maspex Wadowice Group, one of the largest food industry companies in Central and Eastern Europe, specializing in beverages, with sales of US$ 853 million and employment of 5,000 in 2009. Foreign sales are 40% of total sales and include exports to some 50 countries as well as foreign production.[17]
- BIOTON, a pharmaceutical company, has capitalized in its domestic and foreign expansion on the production and domestic and foreign sales of recombinant human insulin. Sales of the company were nearly US$ 96 million in 2009. The company has established several foreign affiliates through cross-border acquisitions in a number of countries (Russia, Singapore, Kazakhstan, Ukraine, China, Switzerland, Italy, and, most recently, Israel, among others).[18]
- Barlinek, a wood industry company producing floorboard, veneer, pellets, skirting board, is one of the world's largest suppliers of triple layer wooden floors. The company has production plants in Ukraine and Romania (a new production facility is under construction in Russia) and marketing affiliates in Norway, Germany and Russia.[19]
- FAKRO, established in 1991, has grown rapidly in the past decade, to become the world's second largest producer of roof windows, with a 15% share in the global market. FAKRO has 12 distribution foreign affiliates (in the United States, the United Kingdom, France, Spain, Germany, Austria, the Netherlands, Hungary, Russia, Ukraine, Slovakia, and China) and 12 foreign manufacturing affiliates (out of which seven are in Europe and one each in Russia and China).[20]

Effects of the global crisis

As in many economies, Polish OFDI flows were lower during the worldwide financial and economic crisis of 2008-2009 than in the pre-crisis year (2007). But the decrease was not drastic and the annual levels of outflows were quite resilient, ranging between US$ 4.6 billion in 2008 and US$ 4.7 billion in 2010, and US$ 5.1 billion in 2009, compared to US$ 5.7 billion in the pre-crisis year. [21] Positive (though fluctuating) FDI outflows have increased the international production of Polish MNEs, as measured by the OFDI stock, from some US$ 20 billion in 2007, to US$ 23 billion in 2008 and nearly US$ 30 billion in 2009 (annex table 1).

The increase of OFDI stock in 2008 is mainly due to FDI growth in destinations of intra-MNE fund transfers (the United Kingdom, Luxembourg, The Netherlands as

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[16] http://www.truffle100.com/2010/ranking.php; and http://www.asseco.pl/en

[17] http://www.maspex.com.pl/en/. For more on Maspex, see Katarzyna Blanke-Ławniczak, "Marketing dynamics and management excellence: the source of successful internationalization of food processing company from transition economy (Case: Maspex Poland)", *Journal of International Food and Agribusiness Marketing,* vol. 21, issue 2 (April 2009), pp. 134-148.

[18] "Consolidated Financial Statement as at 31 December 2009", p. 29, available at: http://www.bioton.pl/en/investor/investor/report_details/791.

[19] http://relacje.barlinek.com.pl/en/For_investors/Groups_strategy.html.

[20] http://www.fakro.com/.

[21] Source: the website of the National Bank of Poland: http://www.nbp.pl/home.aspx?f=/statystyka/bilans_platniczy/bilansplatniczy_r.html, retrieved May 1st, 2011.

well as Switzerland and Cyprus), where OFDI stock rose by more than 20%. In destinations representing genuine FDI, notably in the transition economies of Europe and the EU members from Western Europe (excluding the three countries mentioned above), OFDI stock stagnated. In 2009, OFDI grew in all groups of economies (by 30%), but stagnated or fell in some significant host economies such as the United States, Sweden, China, Singapore, and Belarus.[22]

The positive record of OFDI during the crisis can be attributed, mainly, to a relatively good economic performance. At the height of the crisis in 2009, Poland was the only European OECD member country with real GDP growth (1.7%), while in 2010 the economy grew at 3.8%, one of the best performances among OECD countries. Projections for 2011 and 2012 (4.2% in each year) put Poland again among the fastest growing OECD countries [23]

The policy scene

Most Polish OFDI is located in Europe and governed by EU and OECD FDI rules and treaties. By 2010, Poland had signed 63 bilateral investment treaties (BITs), of which 60 are in force, and 89 double-taxation treaties (DTTs). They cover all important host economies for Polish FDI. Among three non-ratified BITs, there is one with Russia, a significant host economy for Polish FDI (hosting US$ 0.8 billion, almost one third of Poland's OFDI stock in 2009).

Successive Polish governments have been neutral regarding OFDI or Polish MNEs. Consequently, private Polish MNEs are a product of market forces and *laissez-faire* policy, without any government intervention or support. The Ministry of the Economy noted in the only report on OFDI by a government agency that "all activities of Polish enterprises related to investment abroad result in the overwhelming majority from their very own initiative. Polish firms are able to identify, select and use alone their chances to grow and develop through FDI. It does not mean, however, that they do not need encouragement and support from adequate state institutions."[24] Possible or existing forms of such a support are not mentioned, because there are hardly any, as regards OFDI.[25]

Government involvement could be found in at least some foreign investments by SOEs. The biggest FDI project so far, the purchase of the Mozejki refinery in Lithuania by PKN ORLEN (mentioned earlier) —in spite of the claims of the former management that it was a transaction based purely on business considerations— was

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[22] NPB 2010, ibid., pp. 34-37; and NBP 2009, ibid., pp. 34-39.
[23] Economic forecast in *The Economist*, February 12· 2011, p. 97, and June 4, 2011, p. 105.
[24] Ministerstwo Gospodarki, Departament Analiz i Prognoz „Polskie Inwestycje Bezpośrednie 2006/2007", mimeo (Warszawa, marzec 2008), p. 3.
[25] A KPMG publication asked the surveyed firms about assistance of various institutions (private institutions such as consultancy firms and banks and government agencies including Polish embassies and consulates) as regards their foreign expansion (not distinguishing the forms of this expansion such as exports or FDI). Almost half of the respondents did not use any assistance. Around 30% used the services of business chambers and embassies and consulates, and 20% of business consultancy firms. Only 9% turned for assistance to government agencies other than consulates and embassies. Among the firms that used assistance, more than half of them assessed it negatively, because of excessive bureaucracy and the low quality of information (for further discussion see KPMG and Invest in Poland, *Ekspansja międzynarodowa polskich przedsiębiorstw produkcyjnych* (Warszawa, 2010), pp. 40-41).

actively encouraged and discussed at political levels with Lithuanian counterparts by the Polish Presidency. Investments of PGNiG, the gas giant, have also been encouraged as a means to diversify the sources of gas imports. Quite recently the Government has been suspected of pursuing a policy of creating "national champions". First, it openly supported the (failed) acquisition of a foreign affiliate (BZ WBK) of an Irish transnational bank by a state-owned bank, PKO BP. Secondly, it chose to try to "privatize" a regional energy concern, Energa, by selling it to another SOE, PGE (Polish Energy Group), in spite of the warning from the competition authority that the transaction will significantly reduce competition in the energy market. Thirdly, these attempts have been related to the fact that Government advisors openly talk about the need to protect the remaining large Polish SOEs[26] (other large firms are typically foreign affiliates). Thus it remains to be seen whether these firms will become the future vibrant Polish MNEs.

Conclusion

At the beginning of the 21st century, Polish firms hardly engaged in the foreign production of goods and services, limiting OFDI to supporting only trading activities. Poland's OFDI stock ballooned ten times, from only US$ 3 billion in 2004 to US$ 30 billion in 2009, reflecting the emergence of Polish MNEs, both public and private, and the continued investment in the activities supporting ever growing exports of Poland as well as an increasing involvement of Poland in the transfers of intra-corporate funds for tax and other reasons.

The trend toward a further emergence and expansion of Polish private MNEs is set to continue, as a growing number of domestic enterprises discover benefits from investing abroad and acquire competitive advantages that allow them to undertake such investments. Annex tables 6 and 7 on cross-border acquisitions by Polish companies during 2007-2009 suggest several new firms are engaging for the first time in international production. *Laissez-faire* policy combined with relatively stable and good economic conditions in recent years, including during the crisis, and a general support by successive governments for competition in the domestic market, have helped Polish firms to expand abroad through both exports and FDI. [27] Whether Poland will adopt a policy to turn SOEs into national champions and, eventually into MNEs, will depend on the outcome of the current debate on the future and limits of further privatizations.

Additional readings

[26]Jan Krzysztof Bielecki. Narodowe ciągoty liberała", in *businessman.pl*, No. 10 (37), pażdziernik 2010, pp. 10-14.

[27]As noted, for example, in the OFDI *Profile* of Chile, a successful country as regards OFDI, "the best policy to support OFDI is perhaps a sound policy to promote stability and competition in national markets" (Carlo Razo and Alvaro Calderon, "Chile's outward FDI and its policy context"' in Sauvant, et al., op. cit., p. 79).

Cieślik, Jerzy, *Internacjonalizacja polskich przedsiębiorstw. Aktualne tendencje – implikacje dla polityki gospodarczej* (Warszawa, Akademia Leona Koźmińskiego, 2010).

Instytut Badań Rynku, Konsumpcji i Koniunktur (IBRKK), „Polskie inwestycje za granicą", Studia i materiały, nr. 87, Warszawa, luty 2009.

Instytut Badań Rynku, Konsumpcji i Koniunktur (IBRKK), „Polskie inwestycje za granicą", Studia i materiały, nr. 90, Warszawa, kwiecień 2010.

Ministerstwo Gospodarki, Departament Analiz i Prognoz „Polskie Inwestycje Bezpośrednie 2006/2007"(Warszawa: marzec 2008), mimeo.

Rosati, Dariusz and Witold Wiliński "Outward foreign direct investment from Poland", in: Marjan Svetlicic and Matija Rojec, eds., *Facilitating Transition by Internationalization: Outward Direct Investment from Central European Economies in Transition* (Ashgate, 2003), pp. 175-204.

Useful websites

National Bank of Poland, http://www.nbp.pl/homen.aspx?f=/en/statystyka/bilansplatniczy.html for balance of payments data (in English) and Poland's OFDI data (only in Polish).

Ministry of the Economy for the only analysis of the OFDI by a government agency, listed above: http://www.mg.gov.pl/NR/rdonlyres/F91B004A-083D-439F-87CB-A964981E4B5F/44283/PBIZ2006fin3p2.pdf

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Statistical Annex

Annex table 1. Poland: outward FDI stock, 2000 and 2004-2009

(US$ billion)

Economy	2000	2004	2005	2006	2007	2008	2009
Poland	1	3	6	14	20	23	30
Memorandum: comparator economies							
Hungary	1	6	8	13	18	20	19
Czech Republic	1	4	4	5	9	13	14
Slovakia	0	1	1	1	2	2	3
Romania	0	0	0	1	1	1	2
Bulgaria	0	0	0	0	1	1	1

Source: UNCTAD's, FDI/TNC data base, available at: http://stats.unctad.org/fdi); NBP, Department Statystyki, „Polskie inwestycje bezpośrednie za granicą ...", Warszawa, various years (Poland); and Magdolna Sass and Kalman Kalotay, "Hungary. Outward FDI and its policy context, 2010" (for Hungary), in Karl P. Sauvant, Thomas Jost, Ken Davies, and Anna-Maria Poveda Garces, eds., *Inward and Outward FDI Country Profiles* (New York: Vale Columbia Center on Sustainable International Investment, 2011), available free at: http://www.vcc.columbia.edu/files/vale/content/Profile_eBook_PDF_2_11.pdf.

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

(US$ million)

Economy	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Poland	16	-90	230	305	955	3,358	9,149	5,664	4,613	5,100
Memorandum: comparator economies										
Hungary	620	368	278	1,644	1,119	2,179	3,874	3,737	1,661	1,740
Czech Republic	43	165	206	206	1,014	-19	1,468	1,620	4,323	1,340
Slovakia	29	65	11	247	-21	150	511	600	258	432
Romania	-13	-16	17	41	70	-31	423	279	274	218
Bulgaria	3	10	27	26	-206	310	177	270	707	-136

Source: UNCTAD's, FDI/TNC data base, available at: http://stats.unctad.org/fdi; NBP, Balance of Payments in millions of USD - net transactions, website of NBP, http://www.nbp.pl/home.aspx?f=/statystyka/bilans_platniczy/bilansplatniczy_kw.html and Sass and Kalotay, op. cit. (for Hungary).

Annex table 3. Poland: sectoral distribution of outward FDI stock, 2000, 2008 and 2009

(US$ million)[a]

Sector/industry	2000	2008	2009
All sectors/industries	**1,017**	**22,520**	**29,557**
Primary	**27**	**41**	**125**
Manufacturing	**113**	**2,019**	**4,255**
Food	2	313	1,699
Chemicals	26	384	630
Refined petroleum	0	152	312
Metal products	11	164	281
Services	**879**	**20,356**	**25,014**
Financial total	452	1,083	6,624
Infrastructure	244	715	977
Trading	150	1,540	1,526
Business services, incl. real estate	10	2,022	9,353
Construction	23	126	423
Non-classified services		14,871	6,111

Source: Data from the National Bank of Poland, various years.

[a] Full references given in the text.

Annex table 4. Geographical distribution of outward FDI stock, 2000-2009

(US$ million)

Country/region	2000	2007	2008	2009
World	**1,017**	**19,369**	**22,520**	**29,557**
Developed economies	**747**	**18,482**	**21,123**	**27,881**
Europe	**639**	**18,248**	**20,690**	**27,421**
Norway	—0.2	477	542	1,096
Switzerland	62	3,893	4,906	6,724
European Union	**404**	**8,607**	**9,900**	**13,243**
Belgium	0,3	45	20	1,182
Czech Republic	33	1,294	1,370	1,520
Germany	72	815	833	1,068
Lithuania	12	1,151	1,030	1,234
Luxembourg	133	4,102	4,734	5,879
Netherlands	7	1,319	1,910	2,306
UK	118	1,145	1,132	1,304
North America	**96**	**237**	**422**	**444**
United States	95	227	411	431
Other developed economies	**12**	**-3**	**11**	**16**
Developing economies	**185**	**770**	**1,259**	**1,663**
Africa	20	131	162	174
Asia and Oceania	156	578	682	902
China	139	180	183	181
India		13	0.1	142
Malaysia		87	0	76
Singapore	6	84	102	113
Latin America	9	61	415	587
Memorandum:				
Transition Europe	76	4,721	4,749	5,343

Source: Data from the National Bank of Poland.

Annex table 5. Poland: main M&A deals, by outward investing firm, 2007-2009[a]

(US$ million)

Date	Target company	Target economy	Acquiring company	Shares acquired, %	Value
2009	Terminal Systems SA	Spain	Asseco Poland AS	85	6
2009	OOO Kvadro sp zoo	Russia	Selena Co SA	100	1
2009	Raxon Informatica SA	Spain	Asseco Poland AS	55	20
2008	UAB Sintagma	Lithuania	Asseco Poland SA	56	6
2008	Ataxo sro	Czech Republic	Garvest	-	12
2008	Spiele Max AG	Germany	Smyk Sp zoo	100	13
2008	HEILBRONN Maschinenbau GmbH	Germany	Hydrapres SA	100	6
2008	Kofola as	Czech Republic	Hoop SA	100	203
2008	Antegra doo	Serbia	Asseco Poland SA	70	14
2008	Trader.com	Turkey	Agora SA	100	54
2008	VT-Soft Kft	Hungary	Teta SA	86	14
2008	Invia.cz	Czech Republic	MCI Management SA	50	5
2008	Nong Investment Ltd	Cyprus	Bioton SA	-	35
2008	Tricel SA	Luxembourg	Bioton SA	100	23
2008	Tecresa Cotalunya Sl	Spain	Mercor SA	100	52
2008	DianaForest SA	Romania	Barlinek SA	100	33
2008	Arbor Informatika doo	Croatia	Asseco Adria SA	70	16
2008	Logos doo	Croatia	Asseco Adria SA	60	11
2007	AB Dvarcioniu Keramika	Lithuania	Opoczno SA	78	3
2007	HaeMedic AB	Sweden	HTL-Strefa SA	100	33
2007	AT Computer Holding	Czech Republic	AB SA	100	40
2007	Zeljezara Split dd	Croatia	Zlomrex SA	89	2
2007	UAB Limedika	Lithuania	Polska Grupa Farmaceutyczna SA	50	31
2007	Unterland Flexible Packaging	Austria	Mondi Packaging Paper Swiece	100	100
2007	Avtis LLC	Russia	Cersanit SA	100	63
2007	Rosan Agro	Ukraine	Polski Koncern Miesny Duda SA	100	6
2007	Tire Kutsan Oluklu Mukavva	Turkey	Mondi Packaging Paper Swiece	54	106
2007	BioPartners Holding AG	Switzerland	Bioton SA	100	75
2007	RM S HOLDING AS	Czech Republic	Asseco Poland SA	100	26
2007	Voestalpine Stahlhandel GmbH	Austria	Zlomrex SA	100	33
2007	Prikarpattya Bank	Ukraine	Getin Holding SA	82	21
2007	HVB Bank Ukraine AG	Ukraine	Bank Pekao	100	23
2007	Kaucuk AS	Czech Republic	Dwory SA	100	253

Source: Thomson ONE Banker. Thomson Reuters.
a Including Polish firms and foreign affiliates.

Annex table 6. Poland: main greenfield projects, by outward investing firm, 2007-2009[a]

(US$ million)

Date	Company name	Destination economy	Investment	Sector	Business activity
2009	Tauron	Czech Republic	333	Coal, oil and natural gas	Sales, marketing and support
2009	Polskie Gornictwo Naftowe i Gazownictwo SA (PGNiG)	Egypt	333	Coal, oil and natural gas	Sales, marketing and support
2009	Polskie Gornictwo Naftowe i Gazownictwo SA (PGNiG)	Czech Republic	90	Coal, oil and natural gas	Logistics, distribution and transportation
2009	KGHM	Germany	112	Metals	Extraction
2009	Iberia Motor	Ukraine	120	Automotive OEM	Manufacturing
2009	The Outlet Company (TOC)	Russia	133	Real estate	Construction
2009	Morpol SA	France	193	Food and tobacco	Manufacturing
2008	The Outlet Company (TOC)	Ukraine	201	Real estate	Construction
2008	EMC Instytut Medyczny	Ireland	78	Healthcare	Construction
2008	Barlinek	Russia	186	Wood products	Manufacturing
2008	Centrozap	Russia	120	Wood products	Manufacturing
2008	Caelum Development	Romania	936	Real estate	Construction
2008	Polskie Gornictwo Naftowe i Gazownictwo SA (PGNiG)	Libya	108	Coal, oil and natural gas	Extraction
2008	Can-Pack Group	India	193	Metals	Manufacturing
2008	PKN Orlen	Lithuania	100	Coal, oil and natural gas	Logistics, distribution and transportation
2007	Polnord	Russia	800	Real estate	Construction
2007	PKN Orlen	Azerbaijan	589	Coal, oil and natural gas	Extraction
2007	Herkules	Romania	186	Wood products	Manufacturing
2007	Echo Investment	Romania	142	Real estate	Construction
2007	Petrolinvest	Kazakhstan	200	Coal, oil and natural Gas	Extraction
2007	Maspex Wadowice Group	Ukraine	69	Beverages	Manufacturing
2007	Bioton	Russia	96	Pharmaceuticals	Manufacturing
2007	Solaris Bus & Coach	India	182	Automotive OEM	Manufacturing
2007	Barlinek	Russia	85	Wood products	Manufacturing

Source: fDi Intelligence, a service from the Financial Times Ltd.

[a] Including Polish firms and foreign affiliates.