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Poland

Retail Food Sector

Annual

2008

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Report Highlights:
Poland's food retailing sector continues to modernize as consumer incomes grow much faster in real terms than the rest of Europe (18-20% annually) for many of Poland's 38.6 million people. Hypermarkets increased from 276 in 2003 to 295 in 2006, while sales in discount stores are to increase over 20% during the next four years. Consumers with money are spending it on better lifestyles like higher quality foods. Sometimes U.S. sales are hampered by stiff Polish and EU competition, stringent food ingredient regulations, and costly terms of business to get product onto large retailers' shelves. Further development of the retail sector could be limited by recently introduced regulations concerning permits for building and mandatory holiday closures. There are opportunities as outlined in Section IV, "Best Prospects" for high quality U.S. foods such as pears, pistachios, ice cream, wines, bourbon, lobsters and others have entered the Polish market over the last year.

Includes PSD Changes: No
Includes Trade Matrix: No
Annual Report
Warsaw [PL1]
[PL]

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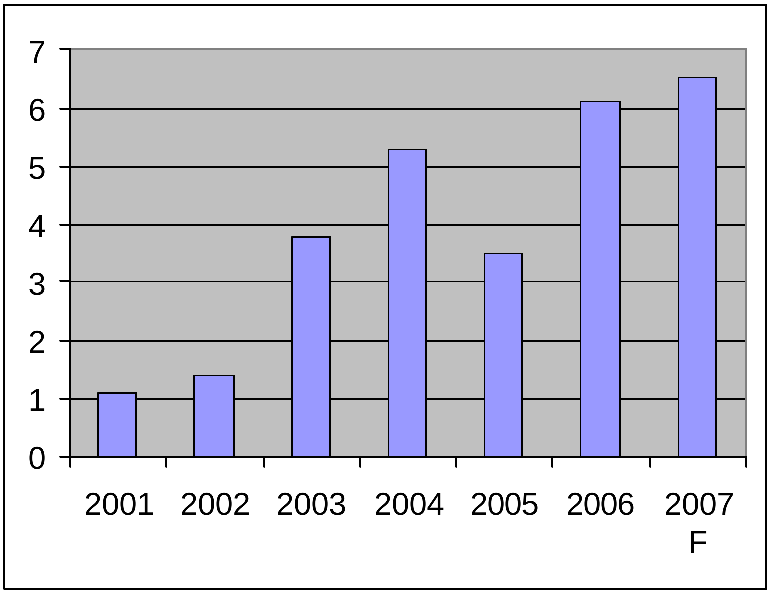
SECTION I. MARKET SUMMARY

General Information

Since the late 1990s the Polish economy grew rapidly. In 2006, GDP grew by 6.1 percent as compared with 3.5 in 2005.

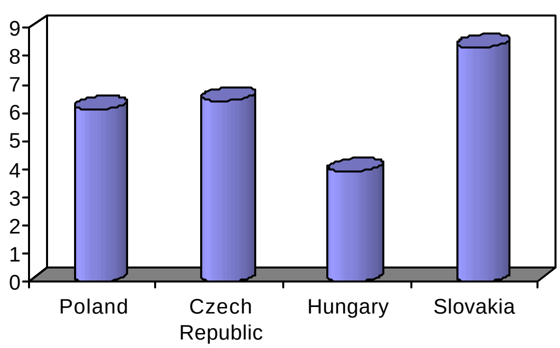
Chart 1. GDP growth in 2001-2007 (%)



Source: Main Statistical Service (GUS)

Economists forecast that GDP should grow by at least 6.5 percent in 2007. Poland's GDP per capita amounted to $13,700 in 2005 and increased to $14,800 in 2006.

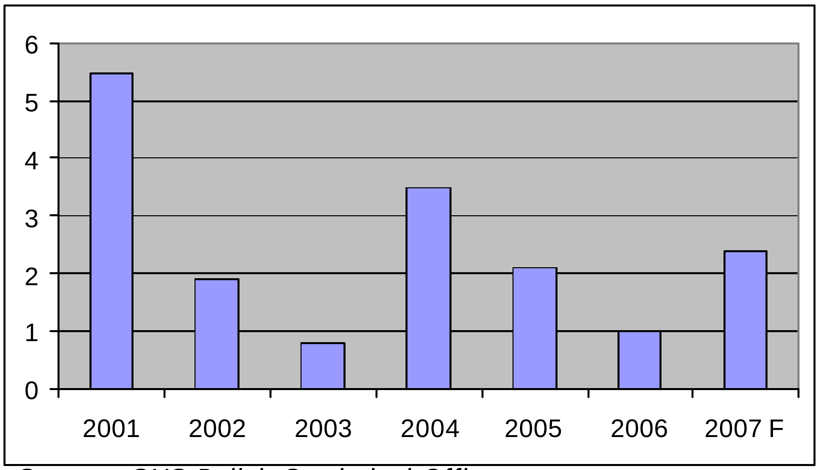
Chart 2. GDP level in Poland in 2006 compared to neighboring countries in (%)



Source: Main Statistical Service (GUS)

Consumer price inflation has been dropping during the last several years. Average annual inflation in 2006 was 1 percent (5.5% in 2001). According to the Polish Statistical Office's (GUS) forecast, in 2007 CPI will increase to 2.3 percent.

Chart 3. Average annual inflation in 2001-2007



Source: GUS Polish Statistical Office

Unemployment has fallen steadily from 2001. According to the Polish Statistical Office (GUS) the unemployment rate reached 12 percent in 2007, and is expected to decrease further in the coming years. It will drop below 11 percent at the end of 2008 as the effect of the increase in economic activities connected with organization of Euro 2012 (European football cup games championship to be organized in Poland and Ukraine) and further employment migration of Poles into other EU countries (mainly UK, Ireland, Spain and Germany).

The transformation of the Polish economy into a free market has resulted in significant development of retail trade since the late 1990s. Dynamic changes in the domestic market have occurred, resulting in increased competition in both the production and trade sectors. The number of retail outlets in Poland totaled 395,458 in 2006, a 2.5 percent increase versus 2005, and as compared with 448,000 in 2003. In 2006, there were about 110,000 other retail outlets such as small kiosks, stands, stalls, etc. Polish companies trading in food products fear competition as foreign competitors from inside the EU (mainly French and German) enter the market. Foreign capital and new standards of distribution and trade have not only shown Polish retailers new ways of operating their businesses but also challenged them to create their own methods to attract and retain customers. Polish retail trade companies also realize that they cannot ignore globalization. They have begun concentrating and consolidating processes to strengthen their market position; for example there is the continuous consolidation process of the Emperia Holding.

Compared to Western Europe, the Polish retail trade is still very much fragmented due to the nature of Poland's demographic structure, where 38 percent (15 million people) of the Polish population live in rural areas, in scattered villages.

Retail Trade

Current Challenges

Poland's retail sector has been developing rapidly over the last fifteen years. Operating in this sector is far more challenging than just having to face regular open market competition. This sector was swept up in a populist campaign initiated by members of the Polish Parliament (the 5th term October 19, 2005- November 4, 2007). Even though members of the previous Parliament who supported two new populist regulations were not reelected; these regulations hamper retail trade and still remain in force.

The first regulation in question (approved by Parliament on August 24, 2007) pertains to regulations prohibiting trade in retail outlets on certain holidays. The new regulation concerns the following holidays: All Saints day, Polish Independence day, Christmas, New Year, Easter, Labor Day, Constitution Day, Whit Sunday and Assumption Day. November 1, 2007, (All Saints Day) was the first day when new regulations concerning "ban on trade during certain holidays" approved by Parliament of the 5th Term was enforced and all of the hypermarkets/supermarkets/medium stores remained closed.

Retail trade operators are very concerned with this regulation as in previous years they had record sales on most of the days listed above. Many Polish consumers used to plan major shopping for holidays and many retail trade centers promoted special events and promotions well ahead of these holidays and managed to attract great crowds. The current Parliament is not saying it plans to change the regulation; this regulation is likely to remain in enforce for an extended period of time. This situation is likely to reduce annual sales of the retail sector although sector experts noted that increase purchases noted prior to November 1, 2007, compensated for part of the losses resulting from the obligatory shut down.

The second regulation in question pertains to a law approved by the Polish Parliament on May 11, 2007, concerning limits on creation and approval of already existing shopping centers/hypermarkets with sales area of above 400 square meters (4,305 square feet). This regulation involves almost all shopping centers already operating or to be constructed in the future. The regulation prescribes that special approval would be needed from local authorities to build a new shop/center. This regulation is considered by sector experts to be extremely harmful for the current operations of the retail sector, as well as stimulating local corruption. This view is shared by the current Government and Parliament and hence this particular regulation is likely to be amended in early 2008.

Consolidation Process

Consolidation continued among the foreign retail chains operating in Poland during 2005-2006 with Tesco (through purchase of Leader Price), Carrefour (purchase of Ahold) and Metro/Real (purchase of Geant) gaining a stronger positions on the Polish market. Major Polish enterprises also continued the integration process with Eldorado and Boss joining to create the Emperia Holding (comprising companies operating within BOS, Eldorado and DLS). The Polish chain with the longest history dating back to the socialist times, Spolem, also initiated a process of consolidation.

Table 1. Latest consolidating transactions within retail chains operating in Poland during 2005-2006

Year of transaction	*Selling Company/Country of Origin*	*Chain*	*Number of stores*	*Purchaser/Country of Origin*
2005	Ahold (The Netherlands)	Hypernova	2	Carrefour (France)
2005	Ahold (The Netherlands)	Hypernova	1	Real (Germany)
2005	Julius Melin (Austria)	Julius Meinl	9	Tesco (UK)
2006	Casino (France)	Geant	19	Real (Germany)
2006	Casino (France)	Leader Price	145	Tesco (UK)
2006	Ahold (The Netherlands)	Hypernova	15	Carrefour (France)
2006	Ahold (The Netherlands)	Albert	179	Carrefour (France)

Source: HANDEL Magazine, GFK Statistics

Table 2. Top 10 Retailers on the Polish Market in 2006

TOP 10 RETAILERS OPERATING ON THE POLISH MARKET in 2006			
Nr.	**Company Name**	**Number of shops**	**Net sales profits 2006 in $ mln**
1	METRO		$4,147
	Macro Cash& Carry	25	$2,897
	Real	49	$1,250
2	Jeronimo Martins Dystrybucja		$2,767
	Biedronki	905	$2,767
3	TESCO		$2,721
	Tesco	247	$2,575
	Savia	31	$146
4	Carrefour		$2,200
	Carrefour	41	$1,604
	Champion	84	$596
5	Auchan		$2,042
	Auchan	20	$1,896
	Elea	14	$146
6	Ruch	10,000	$1,688
7	Eldorado/Emperia	154	$1,667
8	Schwarz Group		$1,583
	Lidl	237	$1,042
	Kaufland	89	$542
9	Eurocash	N/A	$1,350
10	Tengelman		$646
	Plus Discount	199	$646

* Estimates
Source: Handel magazine

Table 3. Number of shops according to ownership.

Years	Number of shops according to ownership		
	National	Foreign	Mixed
2001	445212	3250	877
2004	363696	4324	782
2005	377756	5385	860
2006	388709	5878	871
	Percent in overall store number		
2001	99.1	0.7	0.2
2004	98.3	1.2	0.5
2005	98.4	1.4	0.2
2006	98.3	1.5	0.2
2006/2005 in %	102.9	109.2	101.3

SOURCE: Polish Statistical Office GUS

Retail sales in 2006 amounted to USD $191 billion dollars increasing almost 10 percent, from 2005. Retail trade represented 18.5 percent of Poland's GDP in 2006. Non-food products sales are estimated to represent as much as 63 percent of total retail sales.

Statistics indicate that more shoppers are turning to hyper markets in place of smaller traditional markets. In 2005 the number of people who shopped at hypermarkets more than once a week doubled compared to 2000 (from 19% to 40%). Further increases are expected to occur within the next five years. The average purchase in 2006 at a hypermarket, is estimated at PLN 190 = $77.00 (PLN 230 in Warsaw, PLN 185 in Gdansk, PLN 150-190 outside of major cities). On the other hand, the average value of the transaction in traditional shops has dropped 18 percent. This decrease has mainly affected shops located in areas inhabited by fewer than 10,000 people.

The retail trade was the first sector of the Polish economy to be almost entirely privatized at the beginning of the transformation period. At present there are only a few state/cooperative companies and they represent only about 0.3 percent of the total number of shops.

Despite the trend toward increasing use of hypermarkets, the Polish market is still dominated by shops with trading area below 100 square meters (1,076 square feet), which in 2006 constituted as much as 94 percent of total retail outlets. However during the last decade traditional retail business (shops with an area smaller than 300 square meters – 3,229 square feet) have noted continuous decrease in sales results. The fast moving consumer goods market has been stabilizing, and strong competition has surfaced within modern distribution channels (mostly with international investment from France and Germany). The latter is taking place at the expense of traditional distribution channels whose financial situation is worsening.

Table 4. ***Number of food stores operating in Poland 2001-2006***

Year	2001		2004		2005		2006	
Type of store	**Number of stores**	**structure in %**	**Number of stores**	**structure in %**	**Number of stores**	**structure in %**	**Number of stores**	**structure in %**
Total number of food stores, including:	173907	100	138302	100	143474	100	145790	100
general food	145934	83.9	112301	81.2	116097	80.9	120455	82.6
fruit-vegetable	5251	3	4778	3.5	5224	3.6	4451	3.1
Meat	14714	8.5	12456	9	13073	9.1	12002	8.3
Fish	1572	0.9	1053	0.8	1106	0.8	942	0.6
Bakeries	4101	2.4	5446	3.9	5520	3.9	5430	3.7
alcoholic beverages	2335	1.3	2268	1.6	2454	1.7	2510	1.7

Source: Polish Statistical Yearbook 2005, 2006

Table 5. ***Structure of retail sales in Poland in 1995-2005 by % (current prices)***

Description	**1995**	**2000**	**2004**	**2005**
TOTAL	**100**	**100**	**100**	**100**
Fruits and vegetables	2.2	2.1	2.5	2.4
Meat and processed meats	6.9	5.9	6.0	6.0
Fish and fish products	1.3	1.1	1.0	1.0
Alcoholic beverages	8.1	6.5	6.5	6.5
Non-alcoholic beverages and other food items	10.2	10.6	8.7	8.1
Milk, cheese, and eggs	2.6	2.9	3.3	3.5
Bread and processed cereals	3.7	3.3	3.4	3.4
Sugar and confectionery	6.5	5.0	4.0	3.8
Coffee, tea, and Cocoa	1.9	1.4	1.5	1.6
Other non-food	56.6	61.2	63.1	63.7

Source: Polish Statistical Yearbook 2006

About 75 percent of shops are located in urban areas, which has been the case for the last five years. As the market becomes more saturated and as a result of market consolidation (e.g. creation of “Carrefour Express” shops as a result of purchase of Ahold/Albert stores) international retail operators are bound to move outside of major metropolitan areas. Due to the lack of capital, weak financial situation, and low profitability, Polish companies have lost the initial battle for access to the food retail market in the early nineties. However, over the last ten years there has been a more active approach towards regaining lost positions. Nonetheless, given their greater access to capital, foreign companies are expected to play a particularly significant role in trade development during the coming years. The fact that 98 percent of retail companies have no more than two shops is further evidence of the dispersed structure of the trade.

The growth in a number of super and hypermarkets continues. In 2006, 276 foreign and 17 Polish hypermarkets were operating, a 12 percent increase over 2005. Supermarkets increased by 11 percent versus 2005 (561 foreign and 855 Polish). In 2006 only a slight, 1 percent, increase was noted in discounter stores sector (1,596).

Table 6. ***Companies by number of shops owned***

Specification	**2003**	**2004**	**2005**
Total	**404,286**	**324,845**	**336,628**
up to 2 shops	398,681	319,240	330,758
3-10 shops	4,551	4,559	4,792
11-20 shops	740	710	716
21-50 shops	264	265	270
51-100 shops	35	50	66
101-200 shops	10	15	20
Over 200 shops	5	6	6

Source: Polish Statistical Yearbook 2006

Delicatessen Chains

The Polish market is the development of modern delicatessen chains. Alma Market and Bomi delicatessen chains are opening new outlets every year and are a first choice for high-end consumers. Alma Market (based in Krakow) is one of the few companies importing high-end food and it is interested in certain U.S. products such as processed nuts (almonds) and dried fruit (prunes).

Structure of retail Food stores in 2005-2006

In 2006 the food retail network in Poland included about 120,600 shops, a 2 percent increase over 2005. However, the total number of shops selling different types of food (including hypermarkets, supermarkets, convenience stores, discount stores, gas stations, kiosks) increased by 2.5 percent and amounted to 395,458.

Open-air markets continue to play a significant role in the Polish retail sector. In 2006, there were 2,230 permanent markets where about 130,000 regular points of sale were registered. This indicates that a considerable portion of domestic revenue is generated in these markets. The scope of activities has not changed for many years. Over 80 percent of the markets are retail; the remainder is operated by wholesale traders. The majority of goods sold in the markets are supplied by local producers, except for fruits and vegetables, many of which are imported.

Private label

In 2006, food products sold within the private label category amounted to 13.5 percent of overall sales recorded in retail outlets. In the early nineties retailers operating in Poland introduced private label products by offering customers low prices and relatively low quality. A typical private label price level is still about 30 to 60 percent lower than their brand equivalent prices, mainly due to savings on advertising, promotion and discounting for large quantities of such products. Consumers' interest in these lower priced products and private label goods has increased in the last three years. The rivalry with brand names now includes both lower prices and high quality. In 2006, Tesco ("Tesco –Quality for you" "Tesco – Jakosc dla Ciebie") and Carrefour made a first attempt to introduce a higher priced private label lines in their stores. According to retailers in Poland most of the goods sold under private label are produced by Polish companies. These include firms from all production segments - small and medium firms, but also the biggest Polish food processors. Overall it is estimated that 500 companies in Poland manufacture products sold by large stores under their own brands.

Table 7. The most popular private labels in Poland are:

Private label	Store chain	Retailer (country)
Biedronka	Biedronka	Jeronimo Martins (Portugal)
TiP Tanie i Pewne	Real	Metro AG (Germany)
Aro	Makro Cash&Carry	Metro AG (Germany)
Tesco Korzystny Zakup	Tesco, Hit	Tesco (Great Britain)

Source GfK Polonia research

According to customer surveys about 40 percent of shoppers care about the brand and more than one third of them buy private label products "often" or "very often". The majority of customers in favor of private labels buy them in discount stores (76.4%) or in hypermarkets (13.5%). Polish retailers purchase goods mainly from local producers and wholesalers. Companies with foreign capital purchase from local producers as well as import private label products from their European branches.

Expected Changes

The next five years will see very dynamic structural changes in retail trade. Hypermarket, supermarket, and discount chains will become the leaders in food products retail. Supermarkets and discount shops are predicted to develop quicker than other shops. On the other hand, this development will be limited to a certain extent by new regulations, which are either already in force or planned to be implemented. Among these are restrictions concerning location of super and hypermarkets (as discussed in Section I).

The following changes are expected in the retail trade:

- Increased importance of large-area trade outlets in the structure and revenue of the retail trade; with continued mergers and buy-outs among large chains;
- Increased importance of companies owning chains of stores, with continued integration among small and medium companies;
- A decreasing number of specialized shops which represent 5% of the total number of shops (a decrease from 27,973 in 2001 to 25,335 in 2006). These shops will either be closed, or will enlarge their product lines with new items.
- Corner and Mom & Pop Shops located in large cities will continue to close, because of increasing competition from super, hypermarkets and service sectors (e.g. Banks, which present higher rent offers).
- An increasing number of small shops continue to be opened in rural areas. Those small shops are bound to face competition from foreign chains introducing smaller shop formats e.g. Carrefour Express outside of central urban areas.
- Continued considerable importance of traditional retail trade channels in small cities and rural areas;
- Increasing importance of private label goods.

Import Conditions

Overall, Poland's agro-food imports in 2006 amounted to $9.946 mln as compared with $8.391 mln in 2005. Poland's import of consumer oriented agricultural goods in 2006 amounted to $4.424 mln as compared to $3.732 mln in 2005.

Official exports of agro-food products from the United States were valued at $ 116 million (1.1% share in total Poland's import), as compared with $98 mln in 2005. Direct export of consumer oriented agricultural products from the United States amounted to $32 mln (0.8% share in Polish imports of consumer oriented agriculture). Highest export levels were noted in the following commodities: frozen fish (salmon), tree nuts (almonds), pet food, wine, distilled spirits, fresh fruit (grapefruit). Due to customs-free borders and economic integration, this value under-reports U.S. goods available in Poland. Poland imports hormone-free beef through Spain, distilled spirits through the UK, lobsters through Frankfurt airways, and pet food through Germany. About $55 million in beef and poultry is transshipped to nations further east through Poland, landing at Gdynia.

Table 8. Import of some food products in 2006

Description	Total imports of agri-food products by Poland ($)	Imports from the USA * ($)	Share of US imports in total imports (%)	Main Foreign Competitors
Frozen Fish (0303)	162,344,157	7,979,856	4.92	Russia, Netherlands, Norway, Denmark, Germany
Frozen Fish Fillets (0304)	320,940,769	10,872,208	3.39	China, Norway, Iceland, Argentina
Almonds (080212)	19,162,870	3,150,028	17	Spain, Greece
Pistachios (080250)	10,295,598	110,803	1.08	Iran
Peanuts (1202)	32,018,329	0 (direct imports)	2	China, Argentina, Brazil
Prunes (081320)	13,451,886	2,261,489	17	Chile, Argentina
Raisins (080620)	20,418,708	703,325	4	Iran, Turkey, Greece
Wine (2204)	133,981,977	1,811,999	2	Bulgaria, France, Chile, Argentina, Australia
Alcohol Beverages (2208)	93,946,861	2,160,372	2.5	UK, Finland, Sweden, Germany
Fresh Fruit Grapefruit (080540)	24,349,144	678,150	3	Turkey, Spain, Cyprus, Israel

* **PLEASE NOTE**: The above statistics report on direct U.S. exports to Poland of agro-food products from the United States. Products, which are transshipped via other EU countries to Poland, are in most cases not included. In case of wine the actual amount of EU transshipments amounts to as much as 25 percent of the imports or USD 250,000. Similar situation concerns products such as dried fruit and nuts, grapefruit, distilled spirits etc. Hence when considering the importance of Polish market for U.S. products the above note should be taken into consideration.

In recent years some categories of exported US products are not growing significantly due to the rapid development of local production and extensive foreign investments in food processing and the food production sector. Foreign direct investment in Poland in 2006 was $16.2 billion with 82.7 percent of the flow of direct investments coming from the EU countries. A list of companies that have invested in the agri-food industry is included in the report in Attachment A. Table I. It is worth highlighting that companies involved in retail trade form a strong group among the top 30 foreign investors and are leaders. This refers to Metro, Tesco, Carrefour and Auchan.

Please note: After Poland's EU accession, Polish imports are subject to EU regulations. In some cases this improved access for U.S. products because tariffs were decreased, such as for wine, bourbon, grapefruit, dried fruit and nuts. It also harmonized many food import regulations EU-wide. In some cases exports of products which were major U.S. commodity exports to Poland, such as poultry and beef were eliminated entirely due to EU rules. Detailed information regarding export procedures applicable in the EU can be found at: http://www.useu.be/agri/usda.html

Additional information on Poland specific regulations can be found in Report – Food and Agricultural Standards Report for Poland - PL 7045 at: http://www.fas.usda.gov/gainfiles/200707/146291869.pdf

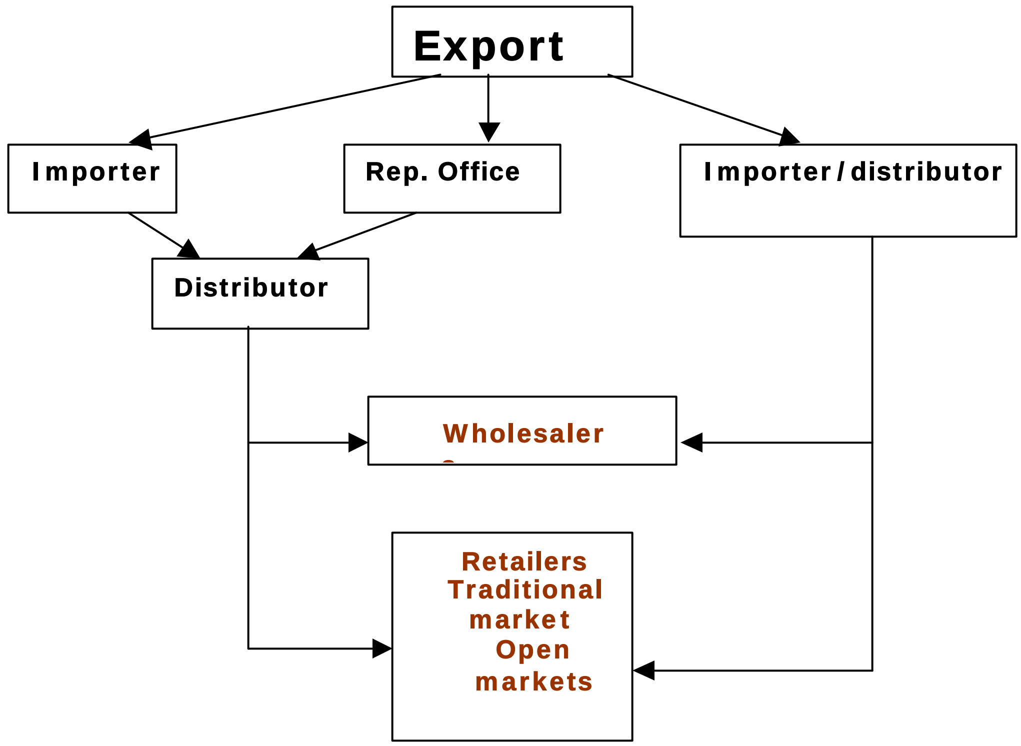
Please note that after Poland's EU accession, the EU's external custom tariffs now apply for imports by Poland. Detailed information on the current customs tariff applicable in the EU are available at http://europa.eu.int/comm/taxation_customs/dds/cgi-bin/tarchap?Lang=EN

Advantages and Challenges facing US products in Poland

Advantages	Challenges
Population of 38.6 million people; increasing number of those who can afford high-quality food products.	Rapid development of local production (supported by foreign, and in many cases American, investments) has significantly reduced demand for imported products.
The growing retail industry and the growing demand for more sophisticated and diversified products.	Importers, retailers, and consumers lack awareness of American brands. Polish consumers prefer to purchase products manufactured in Poland.
Experienced and increasingly reliable importers.	Imported products are more expensive due to transportation costs, high tariffs, and short period of payment.
Opportunity for different kinds of market promotion with retailer participation.	Registration process is slow, can be expensive; Polish language labels are required.
Currently weakening U.S. $ versus Polish zloty currency (Jan 9, 2008 exchange rate = 2.46 zloty/$1 versus Jan 2003 rate of 4.04 zloty/$1).	Third-country competition is significant, especially from western Europe countries. Poland has joined the EU, which results in the same restrictions as those in other countries belonging to the European Union including biotechnology and traceability requirements.
American food products are considered to be of good quality.	Farmers have a significant influence on government policy concerning import regulations.

SECTION II. ROAD MAP FOR MARKET ENTRY

A. Hypermarkets, Supermarkets, Delicatessen and Discount Shops
Entry Strategy



The majority of retailers operating on the Polish market do not conduct direct imports and rely on local importers and wholesalers to obtain products. Success in introducing new products in this segment of the market depends to a large extent on local representative, importer and distributor.

Market structure

- Products may be imported either by an importer or a representative office, which may also be a wholesaler and / or distributor
- The representative office deals only with your product, and so pays much more attention to the promotion, advertising, and marketing activities than an importer who buys many, sometimes even competitive, products.
- Some supermarkets are direct importers (e.g. Alma Delicatessen Chains).
- Importers are distinctly separated into dry goods, refrigerated items, fruits and vegetables, alcohol, etc.
- Importers or representative offices may use nation-wide logistic organizations for the storage and distribution of imported products.
- Importers also have their own distribution networks.

Typical conditions for a supplier when entering foreign retail chains:

- Entry fees (amounting to tens of thousands of Polish zlotys), which are not paid back if the agreement is canceled.
- 30-60 day terms of payment.
- Considerable price discount - about 10% of regular price.
- Obligatory participation in promotional activities, which are held 3-5 times a year and last for 1-3 weeks. This requires another price decrease (of about 5%).
- Obligatory participation in covering the cost of advertising of promoted products.
- Slotting fees ($250-4,500) for placing each type of product on the shelf.
- Fees for the “display area”.
- No opportunity to influence the “shelf price” level.
- Very strict delivery terms (exact date and time frame e.g. March 2, 2008 12:00-14:00).

Table 9. Company Profiles of the most important retail chains in 2006

Retailer Name and Outlet Type	Sales ($) mln	Ownership	No. of Outlets	Location	Purchasing Agent Type
1. METRO	4,147	*Germany*		Nationwide	Direct, importers, wholesalers
Makro Cash and Carry, wholesaler	2,897		25		
Real, hypermarket	1,250		49		
2. JERONIMO MARTINS	2,767	*Portugal*		Nationwide	Direct, importers, wholesalers
Biedronka, Discount	*2,767*		905		
3 TESCO	2,721	*Great Britain*		Nationwide	Direct, importers, wholesalers
Tesco, hypermarket	2,575		247		
Savia, supermarket	146		31		
4. *CARREFOUR*	2,200	*France*		Nationwide	Direct, importers, wholesalers
Carrefour, hypermarket	1,604		41		
Champion, supermarket	596		84		
5. AUCHAN	2,042	*France*		Nationwide	Direct, importers, wholesalers
Auchan, hypermarket	1,896		20		
Elea, supermarket	146		14		

Source: Handel Magazine 2007

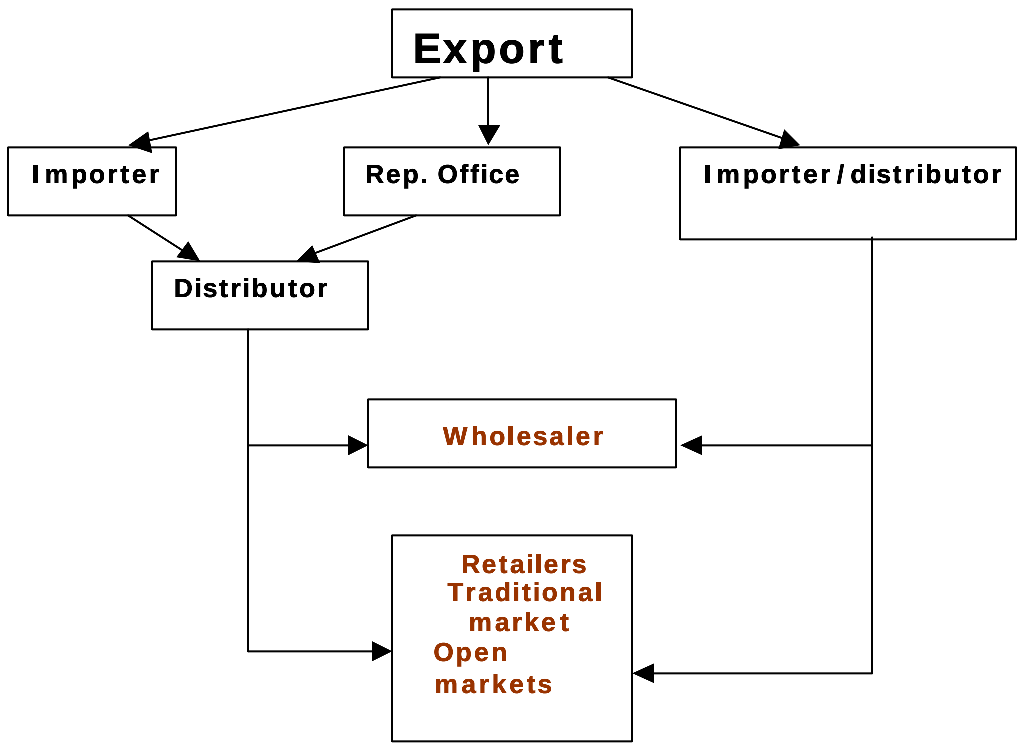
It is important to note that "cash and carry" outlets are becoming more and more popular. Some of these operate solely as wholesale units and only serve retailers. Others sell to individuals but under the condition that a certain quantity of goods is purchased and a member card is obtained.

B. Convenience Stores, Gas Marts, Kiosks

Entry strategy

There are two ways to place new products on shelves depending on the type of product. Either an exporter should use a representative for direct personal contact with the shops or shop managers supply themselves from the wholesalers who may import the products. In this case goods should be available in several regional wholesale units, where smaller wholesalers and retailers collect them. They should also be delivered to the cash and carry outlets.

Market structure



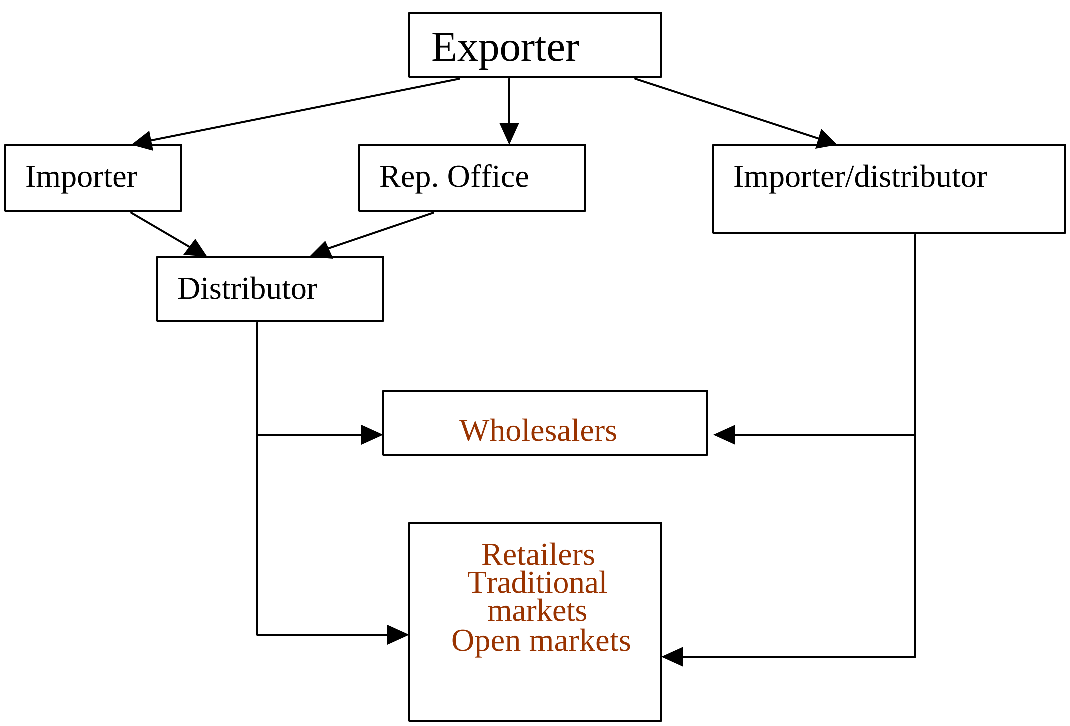
Company Profile – Convenience Stores, Gas Marts, Kiosks

The sector of Polish convenience stores, gas station marts, or kiosks is very fragmented and often each retail outlet has a different owner even when in a chain of gas stations. Ruch, a chain of kiosks, currently consists of over 10,000 outlets and even though newspapers and magazines constitute as much as 80 percent of its offered products, snack and convenience foods are increasing their presence too. This sector usually comprises of small units employing up to 5 people. According to Polish law provisions, business entities employing fewer than 5 people are not obliged to deliver any statistical information. Unfortunately, as a result, there are no data available regarding these units. A significant percentage of gas station marts (about 70%) are held by the Polish refinery Orlen. The remaining part of the market is controlled by a Polish Refinery in northern Poland, as well as foreign companies (e.g. BP, Shell, Statoil, Jet, NESTE etc).

Traditional markets – "Mom and Pop" small independent grocery stores and farmer's markets

Entry strategy
Shops representing traditional markets usually purchase their supplies from wholesale units located close to the shop. Therefore it is important for the entity dealing with the import of goods to have a sufficient distribution system, and access to different wholesalers (including cash and carry) all over the country.

Market structure



Company Profiles – Traditional markets – "Mom and Pop", small independent grocery stores and farmer's markets

There are about 119,000 outlets that may be regarded as traditional markets.
Small retail outlets generally have different owners and there are no chains or franchises. Many of the retail outlets are family-run businesses. These stores are usually modest in size with an average area of 15-25 m^2 (161-269 square feet). Farmer's Markets - vary greatly in size and facilities. In most cases they consist of open air and / or kiosk facilities located in an area of 200-400 m^2 (2,150-4,305 square feet).

SECTION III. Competition

Local production and exporters from the European Union, mainly Germany, France, Italy, Great Britain, Spain, Finland, and the Netherlands (50 percent of total Polish food imports) are the main competitors for American exporters. Dynamic development of Polish producers and foreign investments of international firms in the Polish food industry resulted in an increased offer of high quality products being produced locally. Even such "American" products as chewing gum, Coca-Cola or Pepsi-Cola are produced in Poland. It should also be noted that Polish consumers prefer Polish products to imported products. This obviously influences the shoppers to purchase products made in Poland. Many chains use the fact that they offer Polish goods as an advertising tool to increase sales. In 2003 Tesco started a "Buy Polish products" campaign and since 2006 introduced promotion of Polish goods in the UK.

SECTION IV. BEST PRODUCTS PROSPECTS

U.S. Products Present on the Market, which have Good Sales Potential.

The sales of the following products imported from the United States continue to grow:

- Wine
- Dried Fruit (prunes, raisins)
- Nuts (almonds, peanuts, pistachios)
- Seafood (salmon, butterfish, herring, mackerel, black cod)
- Distilled spirits (bourbon, rum)
- Grapefruit (red ruby)
- Pears
- Food consisting of many ingredients, highly processed, convenient, and i.e. ready-to-cook products (on limited basis),

All of these products are known to Polish consumers. The demand for them changes in line with different phases of development. Many similar products are produced in Poland, with the use of imported ingredients.

Table 10. Products present in the market, which have good sales potential

Product category	***2006 Market size(Volume)***	***2006 Market size in US$***	***2006 Imports***	***5-Yr.Avg. Annual Import Growth***	***Import Tariff Rate***	***Key Constraints Over Market Development***	***Market Attractiveness for USA***
Fish (fresh, chilled, frozen dried, salted, smoked, and others including fish filets) including:	303,000 tons	780,000,000	$760,409,706	57%	0-22%*	Price competition from local and EU producers.	Growing market.
Atlantic salmon and Pacific salmon	3000 tons	$12,000,000	$10,675,114	93%	2%		
Almonds	2,800 tons	$20,000,000	$19,162,870	3%	2-3.5%	Lack of consumer knowledge. Competition from Spanish suppliers.	Growing market, dynamic processing industry growth.
Wine	68 mln L	$150,000,000	$133,000,000	4%	EU tariff*	Strong position of French, Italian, Bulgarian and other New World suppliers.	Good reputation of Californian wines, growing market.
Distilled Spirits	12 mln LPA**	$94,000,000	$94,000,000	20%	EU tariff*	Strong position of local and EU suppliers.	Growing market and continuous high consumption.

* Please refer to EU duty rate database available at http://ec.europa.eu/taxation_customs
** LPA – Liters of Pure Alcohol

SECTION V. POST CONTACT AND FURTHER INFORMATION

If you have any questions or comments regarding this report or need assistance exporting to Poland, please contact the Office of Agricultural Affairs in Warsaw at the following address:
Office of Agricultural Affairs

American Embassy

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Please visit the Foreign Agricultural Service home page (www.fas.gov) for more information about exporting U.S. food products to Poland, including “The Exporter Guide”, “The HRI Food Service Sector Report”, product briefs on the market potential for U.S. wine, dried fruit and nuts, grapefruit. Importer lists are available from our office to exporters of U.S. food products.

For more information on exporting U.S. agricultural products to other countries please visit the Foreign Agricultural Service home page: http://www.fas.usda.gov.

Attachment A

Largest foreign investment projects in Polish food-processing and tobacco Industries (with investments over 1 $ Million in 2006)

It's estimated that in 2006, 82.7 percent of the flow of direct investments came from the EU countries. The funds discussed and located in Poland were supplied mainly by non-residents entities located mainly in: Germany, Gt. Britain, Spain and France. The largest investors from beyond the EU were from non-residents entities coming from Switzerland, South Korea, Japan, The USA and North America.

Investor name	Country of registration	Country of origin	Activities(PKD)	Activities(class)	Comments
Brouwerij Palm NV	Belgium	Belgium	Manufacture of food, drinks and tobacco products;	Manufacture of beverages;	Browar Belgia Sp. z o. o.
Dossche	Belgium	Belgium	Manufacture of food, drinks and tobacco products;	Manufacture of prepared animal feeds;	Dossche Sp. z o. o. - Kalisz
Materne-Confilux S.A.	Belgium	Belgium	Manufacture of food, drinks and tobacco products;	Processing and preserving of fruit and vegetables;	Materne-Polska Sp. z o. o. - Lopatki
Chapman Ice Cream	Canada	Canada	Manufacture of food, drinks and tobacco products;	Manufacture of dairy products;	Chapman Ice Cream Poland Sp. z o. o. - Poznan
Podravka d.d.	Croatia	Croatia	Manufacture of food, drinks and tobacco products;	Manufacture of other food products;	Podravka Polska Sp. z o. o. - Kostrzyn, Podravka International Export Import Sp. z o. o. - Warsaw
Kofola a.s.	Czech Republic	Czech Republic	Manufacture of food, drinks and tobacco products;	Manufacture of beverages;	Kofola Sp. z o. o. - Office in Katowice, Kofola Sp. z o. o. - factory - Factory in Kutno
A.Espersen A/S	Denmark	Denmark	Manufacture of food, drinks and tobacco products;	Processing and preserving of fish and fish products;	Espersen Polska Sp. z o. o. - Koszalin
ARLA FOODS AmbA	Denmark	Denmark	Manufacture of food, drinks and tobacco products;	Manufacture of dairy products;	Arla Foods Sp. z o. o. - Factory in Goscino near Kolobrzeg
Carlsberg Breweries A/S	Denmark	Denmark	Manufacture of food, drinks and tobacco products;	Manufacture of beverages;	Carlsberg Polska S.A. - office in Warsaw, Carlsberg Marketing Polska Sp. z o. o. (Warsaw), Bosman Browar Szczecin S.A. (Szczecin), Slodownia Sierpc Spólka Sp. z o. o. (Sierpc, Mazowieckie Voivodship)
Dan Cake A/ S	Denmark	Denmark	Manufacture of food, drinks and tobacco products;	Manufacture of other food products;	Dan Cake Sp. z o. o. - Chrzanów
Danish Brewery Group A/S	Denmark	Denmark	Manufacture of food, drinks and tobacco products;	Manufacture of beverages;	Faxe Polska Sp. z o. o. Breweries in Koszalin and Jedrzejów- Browary Brok-Strzelec and Perla, Browary Lubelskie
Danish Fast Food	Denmark	Denmark	Manufacture of food, drinks and tobacco products;	Manufacture of other food products;	Dania Fast Food Sp. z o. o. - Warsaw
House of Prince Denmark A/S	Denmark	Denmark	Manufacture of food, drinks and tobacco products;	Manufacture of tobacco products;	Scandinavian Tobacco S.A. - Myslenice
Investeringsfonden for Ostlandene	Denmark	Denmark	Manufacture of food, drinks and tobacco products;	Production, processing and preserving of meat and meat products;	36% stake in Prime Food Sp. z o. o. - Office in Przechlewo
Merrild Café	Denmark	Denmark	Manufacture of food, drinks and tobacco products;	Manufacture of other food products;	Prima S.A. – Poznan

Schulstad Brod A/S	Denmark	Denmark	Manufacture of food, drinks and tobacco products;	Manufacture of other food products;	Lantmännen Axa Poland Sp. z o. o. – Poznan
Lannen Tehtaat OY	Finland	Finland	Manufacture of food, drinks and tobacco products;	Processing and preserving of fruit and vegetables;	Lannen Polska Sp. z o. o. – Tolkmicko
Raisio Group	Finland	Finland	Manufacture of food, drinks and tobacco products;	Manufacture of vegetable and animal oils and fats;	Raisio Polska Foods Sp. z o. o. - Karczew near Warsaw
Barry Callebaut France S.A.	France	Switzerland	Manufacture of food, drinks and tobacco products;	Manufacture of other food products;	Barry Callebaut Sp. z o. o. – Lódz
Belvedere S.A.	France	France	Manufacture of food, drinks and tobacco products;	Manufacture of beverages;	70% stake in Fabryka Wódek Gdanskich w Stargardzie Gdanskim S.A. - Activity in Starogard Gdanski. Stake in Krakowska Destylarnia Polmos S.A. - Activity in Kraków
Bongrain	France	France	Manufacture of food, drinks and tobacco products;	Manufacture of dairy products;	65% of shares in Mleczarnia Turek
BSN Gervais Danone	France	France	Manufacture of food, drinks and tobacco products;	Manufacture of other food products;	Danone Polska Sp. z o. o. - Office in Warsaw. Manufacturing plants in Warsaw and Bierun, Bakoma S.A. - Warsaw, Bakoma Nova Sp. z o. o. - Kutno, Bakoma Serwis Sp. z o. o.
Bunge Investment France	France	France	Manufacture of food, drinks and tobacco products;	Manufacture of vegetable and animal oils and fats;	Zaklady Tluszczowe Kruszwica S.A. – Kruszwica
L.D.C. S.A.	France	France	Manufacture of food, drinks and tobacco products;	Production, processing and preserving of meat and meat products;	98.9% stake in Drosed S.A. - Office in Siedlce
LACTALIS	France	France	Manufacture of food, drinks and tobacco products;	Manufacture of dairy products;	Lactalis Polska Sp. z o. o. - Warsaw, Polser Sp. z o. o. - Operation of dairies and cheese making in Siemiatycze
Lesaffre Group	France	France	Manufacture of food, drinks and tobacco products;	Manufacture of other food products;	Lesaffre bio-corporation Sp. z o. o. - Wolczyn, Advanced Biotechnologies Corporation Sp. z o. o. - Warsaw, Pomorska Fabryka Drozdzy Polmos S.A. - Tczew
Malteries Soufflet S.A.	France	France	Manufacture of food, drinks and tobacco products;	Manufacture of beverages;	Slodownia Soufflet Polska Sp. z o. o. – Poznan
Michel Marbot	France	France	Manufacture of food, drinks and tobacco products;	Manufacture of other food products;	Danuta S.A. – Malbork
Saint Louis Sucre International S.A.S.	France	France	Manufacture of food, drinks and tobacco products;	Manufacture of other food products;	Slaska Spólka Cukrowa S.A.
Seita	France	France	Manufacture of food, drinks and tobacco products;	Manufacture of tobacco products;	Altadis Polska S.A. – Radom
Bahlsen Beteiligung GmbH	Germany	Germany	Manufacture of food, drinks and tobacco products;	Manufacture of other food products;	Bahlsen Sweet Sp. z o. o. - (formerly Bahlsen Koncentraty Spozywcze S.A.) - Skawina, Bahlsen Sp. z o. o. - Poznan, Bahlsen Sweet Sp. z o. o., Bahlsen Snack - World Sp. z o. o. - Olawa, Tarnowo Podgórne
Bauer Fruchtsaft GmbH	Germany	Germany	Manufacture of food, drinks and tobacco products;	Processing and preserving of fruit and vegetables;	O.K. - Owocowe Koncentraty Sp. z o. o. – Przeworsk
Binder International GmbH	Germany	Germany	Manufacture of food, drinks and tobacco products;	Processing and preserving of fruit and vegetables;	Binder International Warszawa Sp. z o. o. – Warsaw
British American Tobacco GmbH	Germany	United Kingdom/USA	Manufacture of food, drinks and tobacco products;	Manufacture of tobacco products;	British - American Tobacco Polska S.A. – Augustów

Dr August Oetker Nahrungsmittel KG	Germany	Germany	Manufacture of food, drinks and tobacco products;	Manufacture of other food products;	Dr Oetker Srodki Odzywcze Gdansk-Oliwa Sp. z o. o. – Gdansk
Eckes-Granini Int.	Germany	Germany	Manufacture of food, drinks and tobacco products;	Processing and preserving of fruit and vegetables;	Aronia S.A. - Office in Leczyca (Lódzkie Voivodship)
FmB & Co. KG	Germany	Germany	Manufacture of food, drinks and tobacco products;	Manufacture of prepared animal feeds;	SNP Usnice Sp. z o. o. – Usnice
Franz Cordesmeyer	Germany	Germany	Manufacture of food, drinks and tobacco products;	Manufacture of grain mill products, starches and starch products;	Gdanskie Mlyny i Spichlerze Dr Cordesmeyer Sp. z o. o. - Office in Gdansk
Franz Zentis GmbH Co.KO	Germany	Germany	Manufacture of food, drinks and tobacco products;	Processing and preserving of fruit and vegetables;	Zentis Polska Sp. z o. o. - Factory in Zelków near Siedlce
Friedrich Weissheimer Maltzfabrik KG	Germany	Germany	Manufacture of food, drinks and tobacco products;	Manufacture of beverages;	49% in Baltic Malt Sp. z o. o. - Office in Gdansk. Malt production plant in Gdansk
Frosta AG	Germany	Germany	Manufacture of food, drinks and tobacco products;	Processing and preserving of fruit and vegetables;	Frosta Sp. z o. o. - Bydgoszcz, Warsaw
Hans Hoell Fleischwarenfabrik AG, Co KG	Germany	Germany	Manufacture of food, drinks and tobacco products;	Production, processing and preserving of meat and meat products;	Hoell-Pol Zaklad Miesny Sp. z o. o. – Kaszczor
Hemelter Muhle GmbH	Germany	Germany	Manufacture of food, drinks and tobacco products;	Manufacture of grain mill products, starches and starch products;	Gdanskie Mlyny i Spichlerze Dr. Cordesmeyer Ltd. Sp. z o. o. – Gdansk
Henkell&Sohnlein KG	Germany	Germany	Manufacture of food, drinks and tobacco products;	Manufacture of beverages;	Torunskie Piwnice Win Vinpol Sp. z o. o. – Torun
Hochland AG	Germany	Germany	Manufacture of food, drinks and tobacco products;	Manufacture of dairy products;	Hochland Polska Sp. z o. o. – Kazmierz
Hohenstaufen Neunundvierzigste Vermögensverwaltungs GmbH	Germany	Germany	Manufacture of food, drinks and tobacco products;	Processing and preserving of fruit and vegetables;	Mc Cain Poland Sp. z o. o. – Strzelin
Intersnack Knabber Gebaeck GmbH & Co. K.G.	Germany	Germany	Manufacture of food, drinks and tobacco products;	Manufacture of other food products;	Polsnack Sp. z o. o. - Office in Warsaw. Factory in Nysa
Karl Konecke Fleischwarenfabrik GmbH & Co. KG	Germany	Germany	Manufacture of food, drinks and tobacco products;	Production, processing and preserving of meat and meat products;	Konecke Sp. z o. o. – Slubice
Kruger GmbH	Germany	Germany	Manufacture of food, drinks and tobacco products;	Manufacture of other food products;	Kruger Polska Sp. z o. o. - Ostrów Mazowiecka Kruger Polska Handel i Eksport Sp. z o. o. - Warsaw
Lohmann AG	Germany	Germany	Manufacture of food, drinks and tobacco products;	Production, processing and preserving of meat and meat products;	49.04% stake in Drobimex Sp. z o. o. Office in Szczecin
Ludwig Schokolade GmbH & Co. KG	Germany	Germany	Manufacture of food, drinks and tobacco products;	Manufacture of other food products;	Ludwig Czekolada Sp. z o. o. - Tuczno, Wielkopolskie Voivodship
OSI International Holding GmbH	Germany	USA	Manufacture of food, drinks and tobacco products;	Production, processing and preserving of meat and meat products;	Esca Food Solutions Sp. z o. o. – Warsaw
Paul Wesjohann & Co. GmbH	Germany	Germany	Manufacture of food, drinks and tobacco products;	Production, processing and preserving of meat and meat products;	48.63% stake in Drobimex Sp. z o. o. Office in Szczecin
Pfeifer und Langen	Germany	Germany	Manufacture of food, drinks and tobacco products;	Manufacture of other food products;	Pfeifer und Langen Marketing Sp. z o. o. - Plants in Sroda Wlkp., Koscian, Gostyn and Miejska Górka
Raiffeisen HaGe	Germany	Germany	Manufacture of food, drinks and tobacco products;	Manufacture of prepared animal feeds;	Raiffpol Sp. z o. o. – Slupsk

Schoeller	Germany	Germany	Manufacture of food, drinks and tobacco products;	Manufacture of dairy products;	Schoeller Artykuly Spozywcze Sp. z o. o. - Office in Warsaw. Plant in Namyslów
Sektkellerei Schloss Wachenheim AG	Germany	Germany	Manufacture of food, drinks and tobacco products;	Manufacture of beverages;	Bilograjska Wytwórnia Win Ambra S.A. – Bilgoraj
Südzucker AG	Germany	Germany	Manufacture of food, drinks and tobacco products;	Manufacture of other food products;	Südzucker Polska Sp. z o. o. (Wroclaw), 90.22% stake in Slaska Spólka Cukrowa S.A., 96.33% stake in Cukier Malopolski S.A., 83% stake in Cukrownia Strzyzów S.A., 52.62% stake in Cukrownia Ropczyce S.A.
Tchibo Frisch Rost Kaffee GmbH	Germany	Germany	Manufacture of food, drinks and tobacco products;	Manufacture of other food products;	Tchibo Warsaw Sp. z o. o. – Marki
Zott GmbH&Co KG	Germany	Germany	Manufacture of food, drinks and tobacco products;	Manufacture of dairy products;	Zott Polska Sp. z o. o. – Opole
CC HBC (Coca-Cola Hellenic Bottling Company)	Greece	USA	Manufacture of food, drinks and tobacco products;	Manufacture of beverages;	Coca Cola HBC Polska Sp. z o. o. - Warsaw, Coca-Cola Poland Services Sp. z o. o. - Office in Warsaw. 3 plants in Lódz, Staniatki near Kraków and Radzymin
Chipita	Greece	Greece	Manufacture of food, drinks and tobacco products;	Manufacture of other food products;	Chipita Poland Sp. z o. o. - Warsaw, Chipita Sp. z o. o. - Factory in Tomaszów Mazowiecki
Globus	Hungary	Hungary	Manufacture of food, drinks and tobacco products;	Processing and preserving of fruit and vegetables;	Globus Polska Sp. z o. o. - 3 food freezers in Lipno, Dabrowa Chelminska and Adamowo. Refrigerator in Elk
Hero	International	International	Manufacture of food, drinks and tobacco products;	Manufacture of beverages;	Hero Polska Sp. z o. o. – Plock
Herisson Ltd	Ireland	Canada	Manufacture of food, drinks and tobacco products;	Manufacture of other food products;	Fantasy Foods Sp. z o. o. - Kobylka near Warsaw
Ferrero Group	Italy	Italy	Manufacture of food, drinks and tobacco products;	Manufacture of other food products;	Ferrero Polska Sp. z o. o. – Warsaw
GIF SRL.	Italy	Italy	Manufacture of food, drinks and tobacco products;	Processing and preserving of fruit and vegetables;	Frubella Processing Sp. z o. o. – Bialobrzegi
Indafin Srl	Italy	Italy	Manufacture of food, drinks and tobacco products;	Manufacture of other food products;	Inda Polska Sp. z o. o. – Warsaw
Societe Europeenne De Conserve S.A.	Italy	Italy	Manufacture of food, drinks and tobacco products;	Processing and preserving of fruit and vegetables;	Konserwa Polska Sp. z o. o. – Lódz
Europar-Ven Company Establishment	Lichtenstein	Lichtenstein	Manufacture of food, drinks and tobacco products;	Manufacture of beverages;	Eurovita Sp. z o. o. – Poznan
Terravita Holding Establishment	Lichtenstein	Lichtenstein	Manufacture of food, drinks and tobacco products;	Manufacture of other food products;	15.17% stake in Terravita Sp. z o. o. – Poznan
Orkla Foods A.S.	Norway	Norway	Manufacture of food, drinks and tobacco products;	Processing and preserving of fruit and vegetables;	88% stake in Kotlin Sp. z o. o. - Kotlin Elbro Sp. z o. o. – Warsaw
Rieber and Son ASA	Norway	Norway	Manufacture of food, drinks and tobacco products;	Manufacture of other food products;	Rieber Foods Polska S.A. – Wloclawek
Bagdasarian	Russia	Russia	Manufacture of food, drinks and tobacco products;	Manufacture of other food products;	Sniezka S.A. – Swiebodzice
SABMiller Plc	South Africa	South Africa	Manufacture of food, drinks and tobacco products;	Manufacture of beverages;	Kompania Piwowarska S.A.- Poznan, Kompania Piwowarska S.A.- Bialystok
ABBA Seafood AB	Sweden	Sweden	Manufacture of food, drinks and tobacco products;	Processing and preserving of fish and fish products;	Superfish S.A. – Kolobrzeg

Cloetta Fazer AB	Sweden	Sweden	Manufacture of food, drinks and tobacco products;	Manufacture of other food products;	Cloetta Fazer Polska Sp. z o. o. – Gdansk
POLARICA AB	Sweden	Sweden	Manufacture of food, drinks and tobacco products;	Processing and preserving of fruit and vegetables;	Polfrys Sp. z o. o. - Swidwin (Zachodniopomorskie Voivodeship)
Saturn Nordic Holding AB	Sweden	Denmark	Manufacture of food, drinks and tobacco products;	Production, processing and preserving of meat and meat products;	82.54% stake in SOKOLÓW S.A.
Vin & Spirit AB	Sweden	Sweden	Manufacture of food, drinks and tobacco products;	Manufacture of beverages;	85% stake in Lubuska Wytwórnia Wódek Gatunkowych Polmos - Activity in Zielona Góra
CEREAL PARTNERS WORLWIDE (CPW)	Switzerland	Switzerland	Manufacture of food, drinks and tobacco products;	Manufacture of grain mill products, starches and starch products;	Torun Pacific Sp. z o. o.
Finagrain Compagnie Commerciale Agricole et Financiere	Switzerland	Switzerland	Manufacture of food, drinks and tobacco products;	Processing and preserving of fish and fish products;	ANIMEX - Opolskie Zaklady Drobiarskie S.A.-Opole
Hiestand Holding AG	Switzerland	Switzerland	Manufacture of food, drinks and tobacco products;	Manufacture of other food products;	Hiestand Polska Sp. z o. o. - Grodzisk Mazowiecki, Hiestand Sp. z o. o. - Kraków
Kraft Jacobs Suchard AG	Switzerland	Switzerland	Manufacture of food, drinks and tobacco products;	Manufacture of other food products;	Kraft Foods Polska S.A. - Warsaw, Kraft Polska S.A. - Jankowice, Olza S.A. - Cieszyn,
CEPV	The Netherlands	The Netherlands	Manufacture of food, drinks and tobacco products;	Processing and preserving of fruit and vegetables;	Farm Frites Poland S.A. - Lebork, Farm Frites Poland Dwa Sp. z o. o. - Wielka Wies
CSM NV	The Netherlands	The Netherlands	Manufacture of food, drinks and tobacco products;	Manufacture of other food products;	Leaf Poland Sp. z o. o. - Office in Warsaw. Chewing gum factory in Legionowo near Warsaw
Harbin B.V.	The Netherlands	The Netherlands	Manufacture of food, drinks and tobacco products;	Manufacture of beverages;	30.8% stake in Grupa Zywiec S.A.
Heineken International B.V.	The Netherlands	The Netherlands	Manufacture of food, drinks and tobacco products;	Manufacture of beverages;	Heineken Polska Sp. z o. o. - Warsaw Grupa Zywiec S.A.
Johan van Leendert B.V.	The Netherlands	The Netherlands	Manufacture of food, drinks and tobacco products;	Production, processing and preserving of meat and meat products;	Agro-Bor Louisa Sp. z o. o. – Kostrzyn
Natel Investment BV	The Netherlands	The Netherlands	Manufacture of food, drinks and tobacco products;	Processing and preserving of fish and fish products;	McLean Brothers Poland Sp. z o. o. – Szczecin
Nutreco International B.V.	The Netherlands	The Netherlands	Manufacture of food, drinks and tobacco products;	Manufacture of prepared animal feeds;	Trouw Nutrition Polska Sp. z o. o. - Grodzisk Mazowiecki
Philip Morris Holland B.V.	The Netherlands	The Netherlands	Manufacture of food, drinks and tobacco products;	Manufacture of tobacco products;	99.89% stake in Philip Morris Polska S.A. Office in Kraków. Factories in Kraków and Lezajsk
Polish Bakery Investment BV	The Netherlands	The Netherlands	Manufacture of food, drinks and tobacco products;	Manufacture of other food products;	70% of shares in Elite Polska Sp. z o. o. - Office in Szczecin, Spóldzielnia Produkcji Spozywczej Spolem - Remaining 30% owned
Provimi Holding BV	The Netherlands	The Netherlands	Manufacture of food, drinks and tobacco products;	Manufacture of prepared animal feeds;	Provimi-Rolimpex S.A. - Companies in Osnowo, Bialystok, Dobrzelin, Jaroslaw, Olsztynek, Tworóg - fodder production
Royal Numico N.V.	The Netherlands	The Netherlands	Manufacture of food, drinks and tobacco products;	Manufacture of other food products;	Nutricia Polska Sp. z o. o. - Warsaw and Opole 66% of shares in Okregowa Spóldzielnia Mleczarska - Office in Wegrów (Mazowieckie Voivodship)
Union Caffe Confectionary Group BV	The Netherlands	The Netherlands	Manufacture of food, drinks and tobacco products;	Manufacture of other food products;	Elite Cafe Sp. z o. o. - coffee roasting plant in Tarnowo Podgórne near Poznan

Windjammer Investments B.V.	The Netherlands	The Netherlands	Manufacture of food, drinks and tobacco products;	Manufacture of beverages;	Kompania Piwowarska S.A. - Poznan
Zeelandia International Holding B.V.	The Netherlands	The Netherlands	Manufacture of food, drinks and tobacco products;	Manufacture of other food products;	Zeelandia Sp. z o. o. - Tarnowo Podgórne
British Sugar Overseas (BSO) Ltd.	United Kingdom	United Kingdom	Manufacture of food, drinks and tobacco products;	Manufacture of other food products;	BSO Polska Sp. z o. o. (British Sugar Overseas) - Warsaw, 68% stake in Sugarpol - Activity in Torun, 53.46% stake in Cukrownia Glinojeck S.A., Cukrownia Pelplin S.A., Cukrownia Guzów S.A., Sugar Tor Sp. z o. o., Sugarpol
Cadbury	United Kingdom	United Kingdom	Manufacture of food, drinks and tobacco products;	Manufacture of other food products;	Cadbury Wedel Sp. z o. o. - Bielany Wroclawskie Cadbury Wedel - Warsaw
Caribbean Distillers Corporation Ltd.	United Kingdom	United Kingdom	Manufacture of food, drinks and tobacco products;	Manufacture of beverages;	85% stake in Polmos Lancut S.A. Office in Lancut
Gallaher Group Plc	United Kingdom	United Kingdom	Manufacture of food, drinks and tobacco products;	Manufacture of tobacco products;	Gallaher Polska Sp. z o. o. - Office in Warsaw. Factory in Gostkowice (Lódzkie Voivodeship)
Gerber Foods Holdings Ltd	United Kingdom	United Kingdom	Manufacture of food, drinks and tobacco products;	Processing and preserving of fruit and vegetables;	EMIG Sp. z o. o. - Office in Warsaw. Factory in Mogielnica
Imperial Tobacco Plc	United Kingdom	United Kingdom	Manufacture of food, drinks and tobacco products;	Manufacture of tobacco products;	96.4% stake in Imperial Tobacco S.A. (Jankowice near Tarnowo Podgórne)
Uniq plc	United Kingdom	United Kingdom	Manufacture of food, drinks and tobacco products;	Processing and preserving of fish and fish products;	Lisner Sp. z o. o. – Poznan
United Biscuits Investments	United Kingdom	United Kingdom	Manufacture of food, drinks and tobacco products;	Manufacture of other food products;	Zaklady Przemyslu Cukierniczego SAN S.A. – Jaroslaw
Cargill Inc.	USA	USA	Manufacture of food, drinks and tobacco products;	Manufacture of prepared animal feeds;	Cargill Polska Sp. z o. o. - Office in Warsaw, Cargill Polska Sp. z o. o. - factory - Bielany Wroclawskie
Corey Durling	USA	USA	Manufacture of food, drinks and tobacco products;	Manufacture of dairy products;	Bona Sp. z o. o. – Zlotów
CPIG (Chicago Poland Investment Group) LLC	USA	USA	Manufacture of food, drinks and tobacco products;	Manufacture of beverages;	Browar Namyslów Sp. z o. o. – Namyslów
Gerber Finance Company	USA	USA	Manufacture of food, drinks and tobacco products;	Processing and preserving of fruit and vegetables;	Alima - Gerber S.A. - Rzeszów, Warsaw
H.J. Heinz Company	USA	USA	Manufacture of food, drinks and tobacco products;	Processing and preserving of fruit and vegetables;	H.J. Heinz Polska S.A. – Pudliszki
McLane International Inc.	USA	USA	Manufacture of food, drinks and tobacco products;	Processing and preserving of fish and fish products;	McLane Polska Sp. z o. o. – Blonie
Millenium Import LLC	USA	USA	Manufacture of food, drinks and tobacco products;	Manufacture of beverages;	Polmos Zyrardów Sp. z o. o. – Zyrardów
Peacock Corporation	USA	USA	Manufacture of food, drinks and tobacco products;	Manufacture of beverages;	65% stake in Podlaska Wytwórnia Wódek Polmos S.A. – Siedlce
PepsiCo	USA	USA	Manufacture of food, drinks and tobacco products;	Manufacture of beverages;	PepsiCo General Bottlers Poland Sp. z o. o. - Bottling plants in Lódz, Bialystok, Gdansk, Kraków, Poznan, Szczecin, Wroclaw, Zywiec and Pniewy. Salted snacks factory in Grodzisk Mazowiecki. Sale of "Delicja" confectionery to Danone

Smithfield Foods	USA	USA	Manufacture of food, drinks and tobacco products;	Production, processing and preserving of meat and meat products;	Animex - Krakowskie Zaklady Pierzarskie Sp. z o.o. - Kraków, ANIMEX Grupa Drobiarska Sp. z o.o. - Suwalki, Animex Sp. z o. o. - Warsaw, Animex-Pasze Sp. z o.o. - Zamosc, Contipasz S.A. - Grodków, Grupa Animex S.A. - Ostróda, Ilawskie Zaklady Drobiarskie EKODRÓB S.A. - Ilawa, SF Holding - Warsaw, Zaklady Miesne Agryf S.A. - Szczecin, Zaklady Miesne Animex S.A. - Starachowice, Zaklady Miesne Mazury w Elku Spólka z o.o. – Elk
Wm. Wrigley Jr. Company	USA	USA	Manufacture of food, drinks and tobacco products;	Manufacture of other food products;	99.96% stake in Wrigley Poland Sp. z o. o. - Office in Poznan
Pernod Ricard S.A	France	France	Manufacture of food, drinks and tobacco products; manufacture of food, drinks and tobacco products;	Processing and preserving of fruit and vegetables; manufacture of beverages;	85% stake in Wyborowa S.A., Agros Holding S. A.
Nestlé S.A.	Switzerland	Switzerland	Manufacture of food, drinks and tobacco products; Manufacture of food, drinks and tobacco products;	Manufacture of other food products; Manufacture of beverages;	Nestlé Polska S.A. - Warsaw, Kalisz, Poznan. 50% stake in Naleczowianka Sp. z o. o. - office in Naleczów
Mars Inc.	USA	USA	Manufacture of food, drinks and tobacco products; Manufacture of food, drinks and tobacco products;	Manufacture of prepared animal feeds; manufacture of other food products;	Master Foods Polska Sp. z o. o. – Sochaczew
Marga B.V	The Netherlands	The Netherlands	Manufacture of food, drinks and tobacco products; Manufacture of chemicals and chemical products;	Manufacture of vegetable and animal oils and fats; Processing and preserving of fish and fish products; Manufacture of soap and detergents, cleaning and polishing preparations, perfumes and toilet preparations;	Unilever Polska S.A. - Office in Warsaw. Manufacturing plants in Bydgoszcz, Banino near Gdansk, Katowice and Poznan
CEDC (Central European Distribution Corporation)	USA	USA	Manufacture of food, drinks and tobacco products; Wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods;	Manufacture of beverages; Wholesale of food, beverages and tobacco;	Carey Agri International Poland Sp. z o. o. - Warsaw, 61% stake in Polmos Bialystok S.A., PWW Sp. z o. o. - Warsaw, MTC Sp. z o. o. - Bialystok, PHA Sp. z o. o. - Zielona Góra
Fortrade Financing SPA	Italy	Italy	Manufacture of food, drinks and tobacco products; financial intermediation;	Production, processing and preserving of meat and meat products; other financial intermediation;	Fortrade Financing Warsaw Sp. z o. o., FIM Tower - Warsaw, Fortrade Leasing S.A. - Katowice, Zaklady Miesne PFM Stanislawów, Dolina Lak Sp. z o. o. - Malaszewicze, "Dolina Lak - Dystrybucja" Sp. z o. o. - Malaszewicze (Lubelskie Voivodship), PFM Sochocin

Source.- Polish Information and Foreign Investment Agency 2007