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# Poland

# HRI Food Service Sector

# Annual

# 2006

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**Report Highlights:**
Poland, with a population of nearly 39 million, where consumers spend about 28 percent of their income on food and beverages, is a significant market for diverse food products.

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

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**Executive Summary**

Poland, with a population of almost 39 million, where consumers spend about 28 percent of their income on food and beverages, is a significant market for diverse food products. Retail and hotel and restaurant food and beverages sales were valued at about $43 billion in 2003, about 16 percent more than in 2001. However, the percentage of income spent in restaurants and the overall food service sector, has remained constant at only 6-8 percent of total expenditure on food.

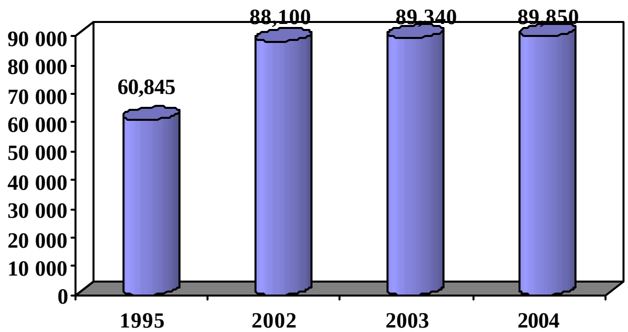
Traditionally, Poles prefer to dine at home rather than in restaurants. Low incomes and relatively high prices in restaurants have limited growth in this sector. Prices in restaurants and food service establishments in the early 1990s increased much faster than retail prices for food.

Today the variety and sheer number of restaurants reflects the changing demographics in Poland. In the past, primarily foreigners or Polish government officials frequented restaurants. Weddings were the only special occasion when families dined in restaurants which were mainly located in hotels.

This is no longer the case, particularly in large cities where about 30 percent of the population lives. The number of two or more-income households in urban areas is high (about 56 percent of all households). Warsaw, for instance, boasts a variety of low-cost eateries and high-end restaurants. Consumer tastes are becoming similar to those in Western Europe and the United States. Mediterranean, French, Middle Eastern and Asian cuisines are becoming more popular and more available in local neighborhoods as well as high traffic areas.

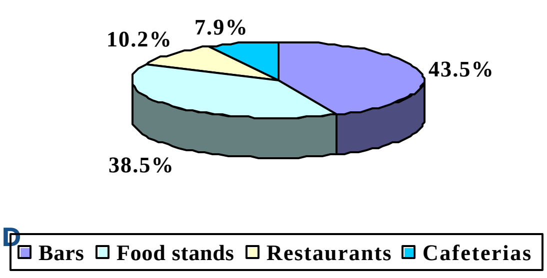
**I. THE HRI MARKET DESCRIPTION**

*Number of Food Service Establishments 1995,2002, 2003, and 2004 (permanent and seasonal)*




*Source: Central Statistical Office (GUS)*

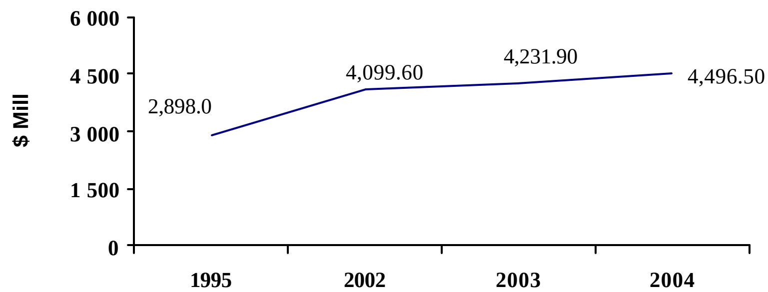
*Types of Food Service Establishments*



*Source: GUS*

Total revenues earned in the food service sector including catering, commodity sales, and other activities increased rapidly during the 1990s (2000 revenues were 120 percent higher than in 1995), and remained stable at $4.2-4.5 billion during 2003-2004.

*Total Income From the Food Service Sector*




*Advantages of and Challenges to American products on the Polish market*

| *Advantages* | *Challenges* |
|---|---|
| Low labor costs when investing in the food service sector in Poland compared with the fierce competition on world markets; | The trend by major food chains to use mainly materials and semi-products of Polish origin lowers the demand for imported commodities; |
| Growth in personal income and changes in consumption, life, and work standards will support development of food services; | Demographic changes resulting from a drop in the birth rate will decrease the population of the most prominent fast food consumers (i.e. children and young people); |
| Economic growth and development of tourism, from and to Poland, makes western food consumption standards more popular. | Integration with the European Union has made food ingredients from this area easily accessible and has limited the demand for imports from other countries including the USA. |

## II. MARKET STRUCTURE, COMPANY PROFILES & SUB-SECTOR TRENDS

### A. DISTRIBUTION CHANNELS

Entering the Polish market is a challenge for exporters of raw materials intended for the food service sector. The main obstacle is the use of low cost Polish products. Imports are used only when less expensive domestic products are not available.

I. Some companies in the HRI sector purchase imported products directly from importers but in general they buy via wholesalers or local suppliers.

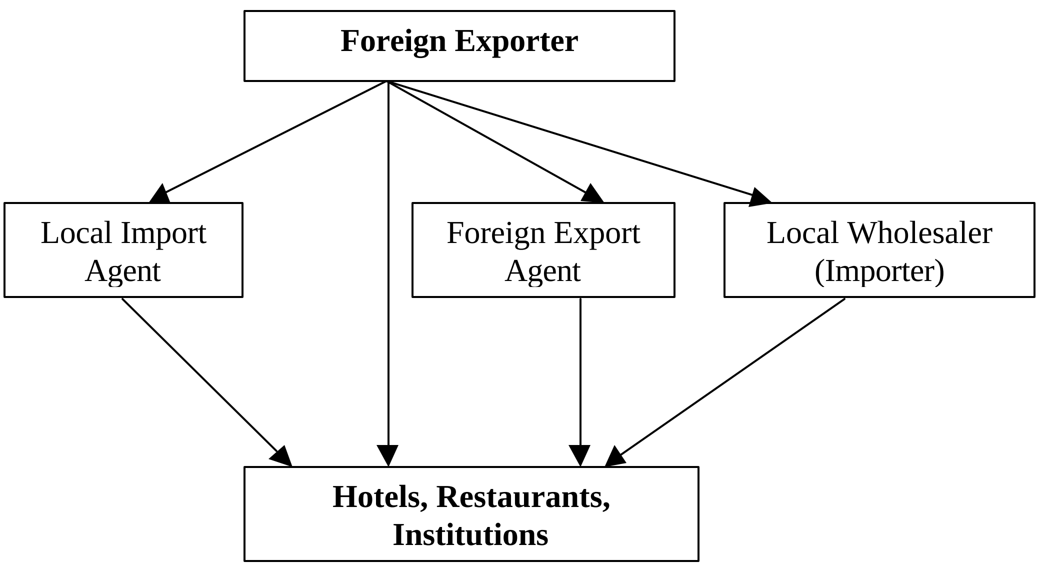
II. Some of the largest organizations in the food service sector (mainly hotel chains) have their own supply units.

III. Local wholesalers and importers import materials, semi-processed products and commodities for other food service firms.

To be successful in Poland exporters must have a local representative or agent and personal contact with Polish businesses. To be competitive exporters must have a thorough knowledge of current laws, the local culture, tax and customs regulations, market structures, local exhibitions and trade fairs, implications of EU accession, and non-tariff barriers.

## B. MARKET STRUCTURE

***Distribution Flow***




***Top 10 Revenue Generating Hotels in Poland 2000 and 2001***

| HOTEL NAME | CITY | CHAIN | NUMBER OF | | AVERAGE ROOM PRICE US$ | OCCUPANCY RATE 2001 (%) | REVENUE US$ M | |
|---|---|---|---|---|---|---|---|---|
| | | | ROOMS | BEDS | | | 2000 | 2001 |
| Marriott | Warsaw | Marriott Lodging | 523 | 1046 | 356 | 56 | 40.7 | 38.1 |
| Sheraton | Warsaw | ITT Sheraton | 352 | 704 | 380 | 60 | 30 | 29.1 |
| Sobieski | Warsaw | Orbis | 418 | 777 | 280 | 58 | 26.9 | 24.8 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Forum | Warsaw | Orbis | 733 | 1310 | 170 | 53 | 25.1 | 24.1 |
| Sofitel Victoria | Warsaw | Orbis | 313 | 530 | 290 | 54 | 20 | 18.2 |
| Holiday Inn | Warsaw | Orbis | 336 | 630 | 240 | 53 | 17.1 | 15.4 |
| Le Royal Meridien Bristol | Warsaw | Le Meridien | 206 | 384 | 400 | 51 | 17.4 | 15.2 |
| Poznan | Poznan | Orbis | 489 | 664 | 120 | 61 | 12.7 | 13.1 |
| Mercure | Warsaw | Accor | 250 | 500 | 230 | 56 | 11.7 | 11.9 |
| Radisson SAS | Szczecin | Radisson | 369 | 738 | 155 | 54 | 10.7 | 11.3 |

** Data for 2002,2003, and 2004 are not available*

***Hotel and Resort Company Profiles***

| **Company Name & Sub-Sector Type** | **Outlet Name, Type & Number of Outlets** | **Location** | **Purchasing Agent(s)** |
|---|---|---|---|
| Orbis, hotels with restaurants | Hotels - 77, hotel restaurants-130 | National | Direct; Importers, Local suppliers |
| Gromada, hotels with restaurants | Hotels - 19, hotel restaurants-21 | National | Direct; Importers, Local suppliers |
| Qubus Hotels, hotels with restaurants | Hotels - 9, hotel restaurants-9 | South-West of Poland | Direct; Importers, Local suppliers |
| Envergure Hotels (H-9) | Hotels - 9, hotel restaurants-9 | Warsaw, Kraków, Poznan, Lublin, Szczecin, Katowice, Wroclaw | Direct; Importers, Local suppliers |
| Best Western International hotels with restaurants | Hotels - 4, hotel Restaurants-4 | National | Direct; Importers, Local suppliers |
| Radisson SAS, hotels with restaurants | Hotels - 4, hotel restaurants-10 | Warsaw, Szczecin, Wroclaw, and Kraków | Direct; Importers, Local suppliers |
| Sheraton, hotels with restaurants | Hotel - 1, hotel restaurants -4 | Warsaw | Direct; Importers, Local suppliers |

Each hotel has at least one large restaurant (usually two) and a snack bar. Often larger hotels have restaurants which specialize in international cuisines (Chinese, Italian, etc.). There are a number of smaller hotels which normally have a café or small restaurant on the premises.

***Top Food Service Chains According to Number of Outlets***

| Chain | OWNER | 2000 | 2001 | 2004 |
|---|---|---|---|---|
| Mc Donald's | Mc Donald's Polska (American capital) | 167 | 200 | 206 |
| | | restaurants | | |
| Pizza Hut/KFC | American-Restaurants (Dutch capital) | 106 | 130 | 126 |
| | | 71 KFC and 55 Pizza Hut restaurants in 2004 | | |
| TelePizza | TelePizza Poland (Spanish capital) | 60 | 72 | 91 |
| | | restaurants | | |
| Sphinx | Sphinx Polska (Polish capital + Enterprise Investors) | n.a. | 24 | 67 |
| | | restaurants | | |
| Pan American Pizza | Pan American Pizza (Polish capital) | - | 2 | 46 |
| | | restaurants, food stands, pubs, and night clubs | | |
| Mr. Hamburger | Mr. Hamburger (Polish capital) | 30 | 35 | 50 |
| | | bars located in the Silesia region | | |
| Da Grasso | Da Grasso (Polish capital) | - | 6 | 53 |
| | | pizza restaurants | | |
| Pizza Dominium | Pizza Dominium (Polish capiral) | n.a. | n.a. | 31 pizza restaurants |
| Pizza Marzano | Pizza Express Polska (international capital) | 6 | 9 | 9 |
| | | pizza restaurants | | |

***Institutional Company Profile***

| COMPANY NAME & SUB-SECTOR TYPE | OUTLET NAME, TYPE & NUMBER OF OUTLETS | LOCATION | PURCHASING AGENT(S) |
|---|---|---|---|
| Sodexho Polska, institutional catering | Sodexho Food Service (CS) (51) | National | Direct; Importers, Local suppliers |
| Impel Catering, institutional catering | Impel Food Service (CS) (100) | National | Direct; Importers, Local suppliers |
| Eurest Poland, institutional catering | Eurest Food Service (CS) (70) | National | Direct; Importers, Local suppliers |
| Dussmann Poland, institutional catering | Dussmann Food Service | National | Direct; Importers, Local suppliers |
| LOT Food service Sp. z o.o., institutional catering | "LOT" Polish Airlines (CS) | National | Direct; Importers, Local supplier |
| WARS , institutional catering | Restaurants & bars in trains (CS) | National | Direct; Importers, Local supplier |

***Foreign Companies Invested in the Hotel and Restaurant Sector***

| Investor | CAPITAL INVESTED (MILLIONS OF US$) AS OF DECEMBER 31 2004 | Origin | ACTIVITIES |
|---|---|---|---|
| Accor | 280.0 | France | hotels and motels, with restaurant |
| McDonalds | 148.0 | USA | restaurants |
| Envergure Hotels | 76.1 | France | hotels and restaurants |
| Trusthouse Forte | 60.0 | United Kingdom | hotel with restaurant |
| BRG Holding Developments | 53.7 | USA | hotel with restaurant |
| Sheraton Warsaw Corporation | 45.0 | USA | hotel with restaurant |
| Cosmar S.r.l | 45.0 | Italy | hotel with restaurant |
| Am-Rest Holding | 25.0 | USA | restaurant |
| Qubus Hotel System | 22.3 | Norway | hotel with restaurant |
| Porr International | 20.0 | Austria | hotel |
| Min Hoong Development | 20.0 | China | hotels and motels, with restaurant |
| Intersnack Knabber Gebaeck | 15.0 | Austria | hotels and motels, with restaurant |
| TelePizza | 14.0 | Spain | restaurant |
| Rogner | 13.6 | Germany | hotel with restaurant |
| Pan Smak Pizza | 7.5 | Canada | hotel with restaurant |
| Scanpol International | 6.4 | Denmark | hotel with restaurant |
| Marriott | 5.0 | USA | hotel with restaurant |
| Ceneu Pizza | 3.5 | The Netherlands | restaurant |
| Kochloeffel | 3.0 | Germany | fast food restaurant |
| Sven von der Heyden | 2.6 | Germany | hotels and motels, with restaurant |
| Best Eastern Plaza Hotels International | 2.1 | Luxemburg | hotels and motels, with restaurant |

## III. BEST PRODUCT PROSPECTS

### A. PRODUCTS PRESENT IN THE MARKET WHICH HAVE GOOD SALES POTENTIAL

Wine
Dried Fruit (prunes)
Nuts (almonds, peanuts, pistachios)
Grapefruit (ruby red)
Seafood (salmon, butterfish, herring, mackerel, black cod)
Distilled spirits (bourbon)
Food ingredients for the HRI food service sector (certain spices and mixes)

### B. PRODUCTS NOT PRESENT IN SIGNIFICANT QUANTITIES BUT WHICH HAVE GOOD SALES POTENTIAL

Restaurants and bars that offer international cuisines, such as Italian, Greek, Spanish and Middle Eastern could find success in Poland. American chain restaurants such as TGI Friday and Subway are gradually establishing a presence but not in significant numbers.

There are opportunities to develop restaurants that offer healthy and organic foods. Snacks with low fat or low-sugar content and made with natural ingredients have good sales potential. Restaurants that offer a vegetarian menu may also tap into the growing demand for such food. Microwaveable and ready-to-eat products may also have good potential, particularly for institutional food services (schools, hospitals, nurseries etc.). As only about 300,000 Polish families have microwaves at home, these products would be targeted at institutional food companies who serve the less affluent segment of the population

### C. PRODUCTS NOT PRESENT BECAUSE THEY FACE SIGNIFICANT BARRIERS

Semi-processed goods for microwave, high quality seafood products and processed grains (apart from grains grown in Poland), rice (brown).

## IV. POST CONTACT INFORMATION

If you have any questions or comments regarding this report, or need assistance in exporting to Poland, please contact the Office of Agricultural Affairs in Warsaw, at the following address: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homepage: http://poland.usembassy.gov/poland/agric.html


For more information on exporting U.S. food products to Poland, including "The Exporter's Guide", "The Food Processing Sector Report", "The Retail Food Sector Report", product briefs on the market potential for U.S. fruit, wine and dried fruits and nuts, please visit the Foreign Agricultural Service home page: http://www.fas.usda.gov. Importer lists are also available from our office to exporters of U.S. food products.