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Food Service - Hotel Restaurant Institutional

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Food Service - Hotel Restaurant Institutional

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Report Highlights:

Post sources estimate that Poland's hotel, restaurant, and institutional (HRI) sectors were valued at over $7 billion in 2017, a six-percent increase over 2016. The number of Polish catering businesses reached over 70,000 in 2017. International chains are well established in the quick-service segment. Poland's strategic location in the middle of Europe, and its affordable and high-quality hospitality and culinary options make it an increasingly popular destination for international conferences, banquets, trade shows, and related activities. In 2017, 2,540 hotels operated in Poland, a three-percent increase over 2016. Total 2017 food, beverage, and agricultural imports were valued at $22 billion, of which $422 million was sourced from the United States. U.S. products have strong potential in the Polish HRI market, particularly fish and seafood, tree and groundnuts, wine, distilled spirits, dried fruit, and innovative food processing ingredients.

Market Fact Sheet: Poland

Executive Summary

Poland is the largest market for food and beverages in Central and Eastern Europe. With its population of nearly 40 million people, it constitutes an attractive market for U.S. food and agricultural products. Poland's 2017 real gross domestic product (GDP) increased by 4.6 percent, driven largely by increasing domestic demand. In 2017, Poland imported upwards of $22 billion in food, beverage, agricultural, and fish and seafood products. U.S. imports of these products were $422 million.

Consumer-Oriented Products

Total 2017 Polish imports of consumer-oriented food products were valued at $11 billion, with over 80 percent originating from other European Union (EU) suppliers. U.S. imports of these products were $148 million.

Food Processing Industry

Poland has the largest agro-food industry in Central and Eastern Europe and the 7th largest in the EU. Food processing comprises about 24 percent of Poland's total industrial production, includes over 33,000 companies, and generates about six percent of its gross domestic product (GDP). The biggest sectors in value terms are meat, dairy, beverages, confectionary baking, and processed horticulture.

Food Service Industry

Poland's HRI sectors generated over $7 billion in 2017. The number of catering businesses is estimated at over 70,108 establishments. International chains have a very strong position in the quick service segment. A strategic location in the middle of Europe and growing investments in the HRI sector make Poland an ideal host for business conferences, banquets, trade shows and other business and culture events. In 2017 2,540 hotels operated in Poland; offering accommodations in 130,081 rooms, a 3 percent increase versus 2016.

Food Retail Industry

The retail sector is diverse and ranges from small family-operated stores, through medium-sized stores to large distribution centers compared with those found in the United States. Major international retail operators are present on the Polish market including: Tesco, Carrefour, Auchan, Lidl, E. Leclerc, Netto as well as Poland-specific Biedronka.

Quick Facts CY 2017

Food and Agricultural Products Imports: $22 billion
Food and Agricultural Products Exports: $32 billion

Consumer-oriented products Imports: $11 billion
Consumer-oriented products Exports: $21 billion

List of Top 10 Growth Import Products

1. Wine
2. Sockeye salmon
3. Whiskey
4. Alaska pollock
5. Cranberries
6. Almonds
7. Animal Feed Preparations
8. Soybean Oilcake
9. Pacific salmon
10. Fermented Beverages incl. cider

Top Hotel Chains operating in Poland include: Accor/Orbis, Hilton Hotels & Resorts, Marriott International, Best Western, Louvre Hotels Group

Top Food Service operators in Poland include: McDonald's, KFC, Pizza Hut, Burger King, Starbucks

Top Food Service trends:

- Rising incomes support dining out
- Demand for healthier dishes
- Demand for plant-based dishes
- Demand for high quality, innovative dishes

GDP/Population

Population (millions):	38.5
GDP (billions USD)	471,364
GDP per capita (USD):	12,372

Source: Euromonitor International, Global Trade Atlas, Polish Statistical Office, FAS/Warsaw Estimates

General Information:

SECTION I. MARKET SUMMARY

Poland's HRI market was valued at over $7 billion in 2017. The Polish restaurant industry benefits from demographic and economic trends, including an increasing number of single households, higher levels of disposable income, and low unemployment. During 2011-2017, household incomes increased by 10 percent. Government of Poland (GOP) social-safety net initiatives, such as the Family 500+ Program, also provides additional income to millions of families. In 2017, rising consumer spending contributed toward an increase in the minimum wage, which grew from PLN 1,850 ($544) in 2016 to PLN 2,000 ($588) in 2017. In 2017 real GDP growth reached 4.6 percent and was driven largely by increasing domestic demand. 2018 real GDP growth is expected to decline slightly to 4.2 percent.

Poland's strategic location and affordable, high-quality hospitality options make it an increasingly popular destination for international conferences, banquets, trade shows, and related activities. In 2017, 2,540 Polish hotels offered 130,081 rooms, a three-percent increase over 2016. The number of catering establishments (permanent and seasonal) in 2017 was over 70,000. International chains are well-established in the quick-service segment. Full-service restaurants continue to lead foodservice sales.

Table 1: Basic Economic Indicators

	2017[a]	**2018[b]**	**2019[b]**	**2020[b]**	**2021[b]**	**2022[b]**
Real GDP growth	4.6	4.2	3.4	2.6	3.7	3.3
Unemployment rate (av)	7.3	6.4	6.0	5.7	5.7	5.5
Consumer price inflation (av. National measure)	2.0	1.9	2.0	1.7	1.8	2.1
Exports of good fob (U.S. $)	224.4	243.8	258.5	278.4	299.7	322.0
Imports of goods fob (U.S. $)	223.8	245.9	265.8	287.0	311.2	332.8
Exchange rate PLN:U.S. $ (av)	3.77	3.62	3.63	3.55	3.50	3.35

Source: Economist Intelligence Unit [a] actual and [b] forecasts.

In 2017, total food, beverage, and agricultural imports were valued at $22 billion, with U.S. imports valued at $422 million. HRI-related U.S. products with strong potential include fish and seafood products, tree and groundnuts, wine, distilled spirits, dried fruit, and innovative food processing ingredients.

Polish consumers tend to view the United States positively and consider U.S. products to be high quality. U.S. products are often shipped to third-country EU ports of entry and are re-exported to Poland without tariffs or regulatory requirements, (besides Polish language labeling requirements which are enforced).

Polish consumers are becoming increasingly sophisticated and value more diverse food and beverage products. Although Polish importers often source from other EU countries, they also regularly seek products from outside the EU, including Ukraine, Argentina, and Turkey.

Table 2: Polish 2017 Food, Agricultural and Fish Imports ($ billion)

Agricultural Total, total imports	22
Agricultural Total, imports from United States	0.4 (2.2 percent)
Intermediate Agricultural Products, total imports	4.7
Intermediate Agricultural Products, imports from United States	0.09 (1.9 percent)
Consumer-Oriented Agricultural Products, total imports	11
Consumer-Oriented Agricultural Products, imports from Unites States	0.1 (1.2 percent)
Fish Products, total imports	2
Fish Products, imports from Unites States	0.8 (3.7 percent)

Source: Global Trade Atlas

During 2017, the foodservice industry in Poland continued to develop rapidly. Longer working hours, economic development, and demographic changes continued to spur more frequent outside dining. Online ordering and delivery services also became and increasingly very visible trend in 2017. Portal Pyszne.pl, part of Takeaway.com, leads among online food delivery providers, with PizzaPortal.pl and UBER Eats also ranking high in popularity.

Table 3: Restaurant Categories: Independent versus Chain: Units/Outlets 2017

outlets	Independent	Chained	Total
100% Home Delivery/Takeaway	184.0	68.0	252.0
Cafés/Bars	13,339.0	829.0	14,168.0
Full-Service Restaurants	20,423.0	713.0	21,136.0
Fast Food	9,556.0	8,187.0	17,743.0
Self-Service Cafeterias	6,623.0	122.0	6,745.0
Street Stalls/Kiosks	8,433.0	1,299.0	9,732.0
Pizza Consumer Foodservice	4,386.0	813.0	5,199.0
Consumer Foodservice	58,558.0	11,218.0	69,776.0

Source: Euromonitor

Table 4: Foodservice Sales Growth: Dine-in versus Delivery versus Takeout by % 2012-2017

% value	2012	2013	2014	2015	2016	2017
Drive-Through	0.8	0.9	1.0	1.0	1.0	1.1
Eat-in	82.1	81.0	80.5	79.9	79.6	79.4
Home Delivery	3.9	4.2	4.5	4.8	5.1	5.4
Takeaway	13.2	13.9	14.0	14.3	14.3	14.2
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: Euromonitor

Table 5: Polish Food-service Sector Advantages and Challenges

Advantages	Challenges
Central Europe's most populous country with a domestic consumer market of nearly 40 million people.	U.S. products face high transportation costs as compared to many European competitors.
A strategic location within a dense, major international market offering re-export potential.	The EU's complicated system of product registration can delay or even prevent new-to-market products from entering the Polish market.
Transshipment from other EU countries of import now possible with Poland's EU integration.	Poland's EU membership puts U.S. products at a competitive disadvantage versus duty-free access for the other 27 EU Member States.
Market niches exist in food ingredient categories - i.e. dried fruit, nuts, baking mixes, functional foods and organic components.	Despite rising incomes, Polish consumers are still price sensitive when purchasing food and beverage products in at least 75 percent or more of their retail food purchases.
Polish consumers associate U.S. products with good quality.	Foreign investment in the Polish food processing industry results in local production of many high quality products that were previously imported.
Economic growth has been rising and growing Polish middle class is eager to try new products.	While market access for some U.S. products are not affected by EU trade barriers, some goods (e.g. poultry, beef, fresh horticultural products, etc.) are limited due to EU SPS restrictions.

Please refer to our GAIN reports section for additional information and reports on the Polish market.

SECTION II. ROAD MAP FOR MARKET ENTRY

Most HRI establishments do not import directly and rely on local importers and wholesalers. In these segments, introducing new products largely depends on dedicated importers and distributors.

- 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;
- 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; and
- Importers also have their own distribution networks.

Attending European trade fairs such as ANUGA, SIAL and Food Ingredients Europe, as well as visiting Polish HRI trade fairs including HORECA/GASTROFOOD, Eurogastro World Hotel, and Chef's Congress are useful for reaching key decision makers and learning about the Polish market.

Company Profiles

Polish consumers regularly dine out at quick-service, other chain restaurants, the full spectrum of independent restaurants, and more often at food trucks. Breakfast markets and seasonal establishments in tourist destinations are also popular.

Table 6: Chain Restaurant Market Share: 2013-2017

% By Value	**2013**	**2014**	**2015**	**2016**	**2017**
McDonald's Corp	35.6	35.5	35.4	35	34.4
Yum! Brands Inc	14.7	14.2	14.1	14	14.1
PKN Orlen SA	6.5	7	7.1	7.1	7.1
Restaurant Brands International Inc	-	2.1	2.3	2.7	2.9
British Petroleum Co Plc, The	2.7	2.8	2.8	2.8	2.8
Da Grasso Sp zoo	3.2	2.9	2.5	2.5	2.6
Sfinks Polska SA	2.6	2.4	2.4	2.2	2.5
Royal Dutch Shell Plc	2	2.2	2.1	2	1.9
Cukiernia Sowa sp j	2	2	2	1.8	1.8
Telepizza Group SAU	2.1	1.9	1.9	1.8	1.8
Inter Ikea Systems BV	1.4	1.5	1.7	1.8	1.8
Whitbread Plc	1.8	1.5	1.4	1.5	1.5
Starbucks Corp	1.1	1	1.1	1.3	1.4
Grupa Lotos SA	1.4	1.6	1.6	1.5	1.4
Doctor's Associates Inc	1.4	1.3	1.3	1.4	1.4
Lodziarnie Firmowe Sp zoo SKA	1.2	1.2	1.2	1.2	1.2
Zabka Polska Sp zoo	0.6	0.9	1	1.1	1.1
Alimentation Couche-Tard Inc	1.8	1.5	1.4	1.2	1.1
PPHU Wojtex	1.6	1.5	1.4	1.2	1.1
Green Coffee Sp zoo	0.2	0.4	0.6	0.8	1
More Sp zoo	0.2	0.4	0.6	0.6	0.8
Dominium SA	1	1	0.9	0.9	0.8
Multi Ice Radoslaw Charubin	0.4	0.6	0.7	0.8	0.7
Sweet Gallery sc	0	0.1	0.4	0.5	0.7
Domino's Pizza Inc	0.2	0.3	0.3	0.5	0.6
Others	14.4	12.2	11.9	11.8	11.5
Total	100	100	100	100	100

Source: Euromonitor International

SECTION III. COMPETITION

In 2017, consumer-oriented food imports were valued at over $11 billion, with $148 million originating from the United States. Domestic and products from other EU countries (which make up 50 percent of food imports) compete with U.S. products in Poland. Rapid development in Poland's food-processing industry has led to more variety and higher-quality domestic products. Even some iconic American brands are produced in Poland**.** Many Polish consumers prefer Polish products over imported ones and retail chains often advertise Polish products to increase sales.

Table 7: Consumer-oriented Food Imports by Value ($ Millions)

Partner Country	**Millions United States Dollars**			**% Share**		
	2015	**2016**	**2017**	**2015**	**2016**	**2017**
World	9,777	9,700	11,497	100.00	100.00	100.00
United States	132	133	148	1.35	1.38	1.28

Source: Global Trade Atlas

Table 8: Examples of Imported of Products to Poland in 2017.

Product Category	**HS Code**	**Total Food and Ag Imports ($ million)**	**Direct imports from U.S. ($ million)**	**U.S. imports in total imports (%)**	**Main Foreign Competitors**	**Strengths of Main Foreign Competitors**	**Advantages and disadvantages of Local Suppliers**
Frozen Fish	0303	287	44	16	1.Russia, 2.Norway, 3. The Netherlands, 4. Denmark	1, 2, & 3. Distance, availability and regional products. 4 & 5. Price/quality.	Developed fish processing industry. Poland is world's number one salmon processor.
Fish Fillets	0304	582	35	7	1.Norway, 2.China, 3.Germany, 4.Iceland, 5.Chile, 6.Russia, 7.Denmark	1 & 5 Price/quality. 2, 3, 4, 6, 7 Distance, availability and regional products.	Developed fish processing industry.
Almonds	080212	42	16	38	1.Spain, 2.Germany, 3.Australia	1. Distance and regional products. 2. Traditional	No local production due to unfavorable climate conditions.

						re-exporter. 3. Flexibility of suppliers – aiming to gain new market.	
Dried Grapes, Raisins	080620	25	0.5	2	1.Turkey, 2.Chile, 3.Iran, 4.Germany 5.Uzbekistan	1, 2, 3, & 5 Price/quality. 4. Traditional re-exporter.	No local production due to climatic conditions.
Prunes	081320	21	2.3	11	1.Chile, 2.Germany, 3.Moldova, 4.Serbia, 5.Argentina	1 & 5 Price/quality. 2. Traditional re-exporter. 3 & 4 availability of regional products.	Local production of different type of prune – not competing with imported varieties.
Peanuts	1202	89	2.7	3	1.Argentina, 2.Brazil, 3.Nicaragua, 4.China	1,2, 3, & 4 Price/quality.	No local production due to unfavorable climate conditions.
Cranberries	200893	25	17	68	1.Chile, 2.Germany, 3.Canada	1 & 3 Price/quality. 2. Traditional re-exporter.	Local production of different type of cranberry – not competing with imported varieties.
Wine	2204	291	42	15	1.Italy, 2.Germany, 3.France, 4.Spain	Distance, availability and regional products.	Limited local production due to unfavorable climate conditions.
Alcohol Beverage	2208	287	29	10	1. UK, 2. Finland,	Distance, availability	Developed local production indus

s					3.Germany	and regional products.	try – e.g. vodka production.

Source: Global Trade Atlas Data

SECTION IV. BEST HIGH-VALUE PRODUCT PROSPECTS

Products in the market that have good sales potential

- Fish and Seafood: salmon, pollock, cod, lobster and other miscellaneous fish products
- Ground and Tree Nuts: almonds, peanuts, pecans, pistachios, walnuts
- Wine and distilled spirits
- Highly processed ingredients: protein concentrates dextrin, peptones, enzymes, lecithin
- Dried & Processed Fruit: cranberries, prunes
- Fruit juice concentrates: Cranberry, prune
- Organic products

Products not present in significant quantities, but which have good sales potential

- Hormone-free beef
- High quality spices and mixes (Tex-Mex)
- Ingredients for the natural and healthy foods industry
- Vegetable fats for bakery industry

Products not present because they face significant boundaries

- Food additives not approved by the European Commission

SECTION V. KEY CONTACTS AND FURTHER INFORMATION

For additional information regarding the Polish market please contact:

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