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Poland

Food Service - Hotel Restaurant Institutional

Overview Report

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Report Highlights: Although there are challenges facing the U.S. exporter in light of Poland's EU membership, U.S. exporters should certainly explore opportunities in Poland. Poland is one of a limited number of EU Member States that achieved positive GDP growth in 2010, if you sell to one of its 27 member states your business should be advertising and promoting its products in Poland. America is highly regarded in this region and products displaying their American heritage with a flag or geographic emphasis are popular. Poland's HRI sectors are growing and offer sales opportunities for U.S. suppliers of a wide array and input. Many consumer ready and high value food products, such as baking ingredients, seafood, wine and spirits, pet food, almonds, pistachios, sunflower seeds, protein isolates, grapefruit and cranberries are popular. Exporters are advised to carefully ascertain the market access to the EU for their product.

Post:
Warsaw

Executive Summary:

Section I. The HRI Market Description

Poland, with a population of almost 39 million, where consumers spend about 25 percent of their income on food and beverages, is a significant market for diverse food products offered by the hotel, restaurant and institutional food sector (HRI). Revenues from food catering sector alone were valued in Poland at about $2.4 billion in 2010.

In larger cities which house about 30 percent of Poland's population, the number of two or more-income households is high (about 54 percent of all households). Warsaw, the capital, boasts a variety of low-cost eateries and high-end restaurants and its consumer's tastes are becoming similar to those in Western Europe and the United States. Mediterranean, French, Italian, Middle Eastern and Asian cuisines are becoming more popular and more visible in local neighborhoods as well as high traffic areas. New smaller ethnic group restaurants such as Georgian or restaurants serving typical Polish fare from specific regions of Poland are also increasing in popularity. It is now considered trendy to know celebrity chefs, and individual meetings and cooking sessions with VIP's are being arranged in hotels and restaurants.

The number of hotels in Poland increased from 924 recorded in the year 2000 to 1,796 recorded in 2010. During the period 2007 – 2011 alone, 426 new hotels were built in Poland and construction of around 250 – 260 more is planned during the next 3-5 years. The majority of future investments will concentrate on 2-3 stars hotels (60% of all planned construction). The number of hotel rooms in Poland increased from 50,000 in the year 2000 to 90,000 in 2010.

In 2010 the Polish hotel market has continued to grow, mainly due to continued increase in international tourists and businessmen, and also due to the fact that the Poles themselves have been travelling more and staying at hotels in areas of Poland that cater to recreational activities. The fact that Poland is one of the two hosts (the other being Ukraine) of the European Soccer Championship in 2012 will influence the luxury class hotel sector, and hence the dynamic growth should continue in the larger cities of Poland. The growth in this sector could last for 2 or even 4 years after the event. It is estimated that around 12 million additional visitors will use hotel services in the period of 2012 – 2015, compared with an increase of 660,000 people in 2009. The average occupancy rate in Poland in 2010 was 55.4%, as compared with 52.4% achieved in 2009.The average room price in Poland in 2010 was reported at USD 72.

The market concerning restaurants, fast foods, cafeterias and bars was valued at USD 5 billion in 2010, this is a 7 percent increase compared to 2008. Poles spend over 5 percent of their discretionary budget in restaurants. One fourth of the polish population dined out in a restaurant, bar or pub at least once in every 2 months during 2010. On average 20 percent of the polish population spends USD 25/month and 10 percent USD 60/month on eating out per month. The number of restaurants in Poland increased from 8,519 in 2000 to 13,874 in 2010. The most stimulating changes occurring in the Polish economy, supporting development of this sector are; increasing salaries, change of dietary habits, changes in life styles requiring longer working hours, an increasing number of singles and expansion of shopping centers and malls.

Hotel and restaurant experts predict that close to 400 restaurants and bars will be opened in the next five years. Coffee bars and coffee houses offer the best profits and their numbers increased by 18 percent during 2010. The key placers include petrol station cafes e.g. Stop Cafe. Starbucks is also present on the Polish market since 2009.

Poles like to visit fast-food restaurants, and most international chains already have a presence in Poland. Pizzerias are also gaining in popularity with over 350 outlets already operating in larger cities.

Basic economic indicators for Poland are as follows:

	POLAND			
	2009	2010	2011f	2012f
Population, mln	38.2	38.3	38.3	38.3
Nominal GDP, PLN bn	1,343.4	1415.4	1549.8	1613.1
GDP per capita, US $	12,262	12,294	14,302	15,167
Real GDP growth, % change y-o-y	1.6	3.8	4.6	3.5
Budget balance % of GDP	(7.3)	(7.8)	(6.2)	(4.3)
Consumer prices % y-o-y, eop	3.5	3.1	3.4	2.5
Exchange rate PLN/US$, eop (Nov. 2011)	3.05	2.96	2.79	2.74
Exchange rate PLN/EUR, eop (Nov. 2011)	3.87	3.96	3.99	3.67
Goods Imports, EUR bn	107.2	131.0	151.8	171.6
Goods Exports EUR bn	101.8	122.4	138.3	156.6
Balance of Trade in Goods, EUR bn	(5.4)	(8.6)	(13.5)	(15.0)
Current account, % of GDP	(3.6)	(4.5)	(5.5)	(5.4)
Foreign reserves ex gold, US$ bn	75.9	88.8	99.7	102.7
Total external debt stock, % of GDP	59.9	67.7	65.6	69.4

Source: Emerging Europe Monitor: Central Europe and Baltics, Macroeconomic Forecast Poland

Hotels in Poland

Number of Hotels by star rating in largest cities in 2010

City	5*	4*	3*	2*	1*	Not categorized yet
Lodz	0	1	10	9	2	1
Warsaw	11	9	19	13	8	2
Cracow	10	17	68	23	3	5
Katowice	1	3	3	4	2	2
Poznan	2	6	24	12	3	0
Szczecin	0	4	7	3	5	0
Wroclaw	4	8	22	4	2	0
Gdansk	3	5	10	5	0	1

Source: Polish National Statistics Office

Hotel's by Largest Cities

Number of Food Service Establishments

- Restaurant and Catering Sector in Poland

Gastronomy				
Specification	**2000**	**2005**	**2009**	**2010**
Number of food service facilities (as of the day 11\31\2011)	84,342	92,072	75,378	71,679
Public sector	3,320	2,398	1,616	1,527
Private sector	81,022	89,674	73,762	70,152
Restaurants	8,519	9,716	13,501	13,874
Bars	36,436	40,834	30,519	28,696
Cafeterias	7,010	6,950	4,373	4,433
Other food services	32,377	34,572	26,985	24,676

Source: Polish Statistical Office 2011

Gastronomy			
Categories	**2009**	**2010**	**2009-2010**

Value of the market (PLN Mln)	6,874	6,747	(1.9)
Food service chains	1,019	1,117	9.6
Independent gastronomical facilities	5,855	5,630	(3.8)
Home delivery/takeaway	46	49	4.0
Coffee houses/bars	1,867	1,727	(7.5)
Restaurants	2,027	1 955	(3.5)
Fast food	1,452	1,527	5.1
Self-service canteens	994	981	(1.3)
Street food services	488	509	4.3
Pizzerias	619	622	0.5

Source: Euromonitor International

Advantages and Challenges of the Polish Market for U.S. Exporters

\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-exports potential.	Complicated system of product registration in some cases delaying or even preventing products from entering the Polish market that are new to the EU.
Transshipment from other EU countries of import now possible with Poland's EU integration.	Poland's EU Accession puts United States products at a competitive disadvantage versus EU-27 duty-free EU internally traded products.
A very productive, young, and skilled labor force therefore, good potential for finding trading partners and favorable conditions for establishing joint ventures.	Despite rising incomes, Polish consumers indicate that price is still the primary purchasing factor for food and beverage products in at least 75 percent or more of their retail food purchases.
Polish consumers associate United States products with good quality.	Food recalls in the EU have had a negative impact on Polish consumer views of imported products, and GMO issues hamper imports of United States products.
Market niches exist in consumer ready food products - i.e. dried fruits, nuts, wine and distilled spirits, and microwavable products.	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	While the export of some U.S. goods has been encouraged by EU trade regulations, some goods, namely poultry and beef, remain limited due to EU sanitary restrictions.

Section II. Road Map for Market Entry

A. Entry

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.

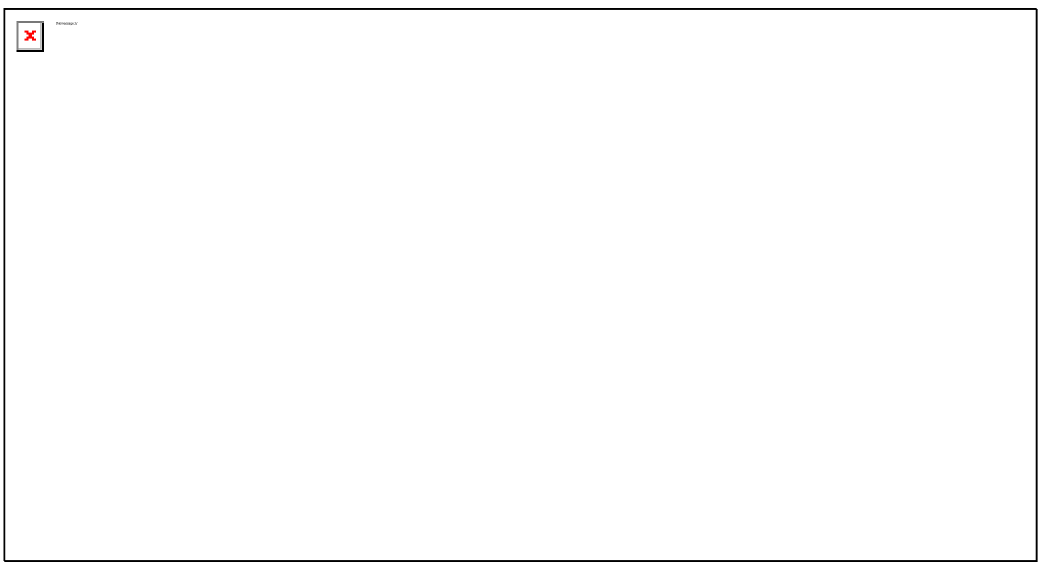
II. Some of the largest organizations in the food service sector (mainly hotel chains) have their own supply units.

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 barrier.

B. Market Structure

Distribution Flow



C. Sub-Sector Profiles

Top 10 Revenue Generating Hotels in Poland in 2010

HOTEL NAME	CITY	CHAIN	NUMBER OF	
			Rooms	***Beds***
Marriott	Warsaw	Marriott Lodging	522	612
Sheraton	Warsaw	ITT Sheraton	350	470

Radisson Blu Sobieski	Warsaw	Radisson	429	800
Forum Nowotel- Accord	Warsaw	Accor	733	1158
Sofitel Victoria	Warsaw	Accor	341	453
Holiday Inn	Warsaw	Accor	336	498
Le Royal Meridian Bristol	Warsaw	Le Meridian	206	400
Poznan	Poznan	Accor	369	571
Mercure	Warsaw	Accor	250	361
Radisson SAS	Szczecin	Radisson	311	431
Hilton	Warsaw	Hilton Hotels	314	412
Campanile	Warsaw	Louvre Hotels	345	481
Hotel 500	Warsaw	J.W. Construction Holding SA	182	254
Rialto	Warsaw	Preferred Hotels	354	420
Hyatt Regency	Warsaw	Hyatt Regency Hotels	388	496

Hotel and Resort Company Profiles in 2010

Company Name & Sub-Sector Type	**Outlet Name, Type & Number of Outlets**	**Location**	**Purchasing Agent(s)**
Accor, hotels with restaurants	Hotels - 63, hotel restaurants-60	National	Direct; Importers, Local suppliers
Gromada, hotels with restaurants	Hotels - 17, hotel restaurants-17	National	Direct; Importers, Local suppliers
Qubus, hotels with restaurants	Hotels - 12, hotel restaurants-12	South-West of Poland	Direct; Importers, Local suppliers
Louvre Hotels, hotels with restaurants	Hotels - 10, hotel restaurants-8	Warsaw, Kraków, Poznań, Lublin, Szczecin, Katowice, Wrocław, Łódź	Direct; Importers, Local suppliers
Best Western International, hotels with restaurants	Hotels -5 , hotel Restaurants-5	Białowieża, Białystok, Kraków, Ożarów Mazowiecki, Wrocław	Direct; Importers, Local suppliers
Radisson SAS, hotels with restaurants	Hotels - 5, hotel restaurants-7	Warsaw, Szczecin, Kraków, Wrocław	Direct; Importers, Local suppliers
Starwood, hotels with restaurants	Hotel - 6, hotel restaurants -13	Warsaw, Kraków, Poznań, Sopot,	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 10 Chains operating in Poland within the food catering sector

Chain	**Number of Outlets**		
	2008	**2009**	**2010**
Stop Café & Stop Café Bistro	435	572	600
McDonald's	213	223	244

Da Grasso	160	177	204
Wild Bean Cafe	151	201	202
Telepizza	100	109	120
KFC	87	101	99
Sphinx	52	55	63
Dominium Pizza	52	55	63
Coffee Heaven	52	60	63
Pizza Hut	43	50	49

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) (70)	National	Direct; Importers, Local Suppliers
Impel Catering, institutional catering	Impel Food Service (CS) (28)	National	Direct; Importers, Local Suppliers
Eurest Poland, institutional catering	Eurest Food Service (CS) (28)	National	Direct; Importers, Local Suppliers
Dussmann Poland, institutional catering	Dussmann Food Service (20)	National	Direct; Importers, Local Suppliers
LOT Food Service Sp. Zo.o., institutional catering	“LOT” Polish Airlines (CS) (29)	Warsaw, Gdansk, Krakow	Direct; Importers, Local Suppliers
WARS, institutional catering	Restaurant & bars in trains (CS)	National	Direct; Importers, Local Suppliers

Foreign Companies Invested in the Hotel and Restaurant Sector

No.	Investor Name	Country of Registration	Country of Origin	Activities	Comments
1.	Accor SA	France	France	Hotels and restaurants	40,5% stake in Orbis S.A.
2.	McDonald	USA	USA	Hotels and restaurants	Mc Donald's Polska Sp. z o. o. – Warsaw
3.	Bau Holding Strabag AG	Austria	Austria	Construction, Hotels and restaurants	Strabag Sp. z o. o. 80% stake in Hotele Warszawskie "Syrena"
4.	Louvre Hotels SAS	France	France	Hotels and restaurants	Hotele G.E. Polska Sp. z o. o. - Main office in

					Warsaw. Hotels in Warsaw,
5.	Trusthouse Forte	United Kingdom	United Kingdom	Hotels and restaurants	Le Royal Meridien Bristol Sp. z o. o.
6.	BRC Holding Developments	USA	USA	Hotels and restaurants	Radisson SAS Centrum Hotel – Warsaw
7.	Sheraton Warsaw Cooperation	USA	USA	Hotels and restaurants	Sheraton Warsaw Hotel Sp. z o. o. – Warsaw
8.	Cosmar S. r. l.	Italy	Italy	Hotels and restaurants	Cosmar Polska Sp. z o. o. - Hyatt Regency Warsaw Hotel
9.	Am-Rest Holding N.V.	The Netherlands	USA	Hotels and restaurants	American Restaurants Sp. z o. o. - Office in Wrocław, Pizza Hut & KFC brands
10.	Qubus Hotel System	Norway	Norway	Hotels and restaurants	Qubus Hotel Management - Zielona Góra, Qubus Hotel Sp. z o. o. - Gliwice, Gorzów Wikp., Głogów. Legnica, Wałbrzych, Wrocław, Zielona Góra, Złotoryja
11.	Porr International/ Chopin	Austria	Austria	Hotels and restaurants	Porr Polska S.A. - Warsaw, Porr International AG - Warsaw, Chopin Sp. z o. o. - Kraków
12.	Min Hoong Development Co.	China	China	Hotels and restaurants	Min Hoong Development Co. Pte. Ltd. Poland Sp. z o. o. – Sopot
13.	International Fast Food Corporation	USA	USA	Hotels and restaurants	International Fast Food Polska Sp. z o. o. – Warsaw
14.	Intersnack Knabber Gebaeck GmbH & Co. K.G.	Austria	Austria	Hotels and restaurants	Syrena International Sp. z o. o. – Warsaw
15.	TelePizza S.A.	Spain	Spain	Hotels and restaurants	Telepizza Poland Sp. z o. o. – Warsaw
16.	Rogner GmbH	Germany	Germany	Hotels and	Hotel Jan III Sobieski

				restaurants	Sp. z o. o. – Warsaw
17.	Pan Smak Pizza Inc.	Canada	Canada	Hotels and restaurants	Pizzerie Pan Smak Sp. z o. o. - Pizza resturants
18.	Scanpol International ApS	Denmark	Denmark	Hotels and restaurants	Hotel New Skanpol Sp. z o. o. – Kołobrzeg
19.	Marriott	USA	USA	Hotels and restaurants	Hotel Marriott – Warsaw
20.	Ceneu Pizza BV	The Netherlands	The Netherlands	Hotels and restaurants	Pizza Express Polska Sp. z o. o. – Piaseczno
21.	Kochloeffel GmbH	Germany	Germany	Hotels and restaurants	Kochleoffel Polska Sp. z o. o. – Katowice
22.	Sodexho Alliance	France	France	Hotels and restaurants	Sodexho Polska Sp. z o. o. – Warsaw
23.	Best Eastern Plaza Hotels International	Luxembourg	Luxembourg	Hotels and restaurants	22% stake in Best Eastern-Plaza Hotels S.A. - Office in Warsaw, HP Park - Poznań, Olsztyn, HP Park Plaza - Wrocław
24.	Compass Group International B.V.	United Kingdom	United Kingdom	Hotels and restaurants	100%stakes in Eurest Poland Sp. z o.o. - Warszawa

III. Competition

IV. Best Product Prospects

A. Products which have best sales potential:

- Seafood: salmon, butterfish, herring, mackerel, black cod
- Alcoholic beverages: Wine, Whiskey/Bourbon, Vodkas
- Fruit (dried): Raisins, Prunes, Cranberries
- Fruit (fresh): Grapefruit
- Nuts: Almonds, Pistachios, Ground nuts
- Food processing ingredients:
  (protein isolates, high quality spices and mixes (tex-mex), vegetable fat for process)
- Food ingredients for the HRI food service sector (sunflower seeds, certain spices and mixes)

Import statistics can be found in the report Appendix.

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. More and more polish families own microwave ovens nowadays, so microwaveable and ready-to-eat food products also have good potential, particularly in larger urban areas, and among institutional food services, e.g., schools, hospitals and nurseries.

V. Key Contacts and Further Information

One of the goals of the Foreign Agricultural Service (FAS) office in Warsaw is to assist in the market development and promotion of U.S. food and agricultural products in Poland and the Baltic States. There are a wide variety of ways in which to approach these markets and many key contacts such as importers, distributors, and retailers. Please contact FAS Warsaw if you would like additional information on any of these markets if your company is interested in selling U.S. food and beverage products to this region.

Staff contacts for marketing:
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Jolanta Figurska, Marketing Specialist

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Web page: http://poland.usembassy.gov/poland/agric.html

Author Defined:

U.S. Exports of Agriculture, Fish & Forestry Products To "Poland"
CY 2004 - 2010
(In Thousands Of Dollars)

Export Market: "Poland"

Product	2004	2005	2006	2007	2008	2009	2010	% Change 2009-10
	Calendar Years (Jan-Dec)							
Bulk Total	4,627	14,463	20,071	30,082	36,963	28,861	20,168	-30.12
Coarse Grains	0	19	0	4,109	0	0	0	-
Rice	385	35	15	34	59	73	269	270.39
Soybeans	0	0	44	0	21	0	0	-
Cotton	0	0	0	42	111	71	3	-95.18
Tobacco	3,232	12,390	18,398	23,528	33,844*	25,514	18,712	-26.66
Pulses	0	0	0	0	0	0	22	-
Peanuts	0	0	0	134	714	282	0	-100.0
Other Bulk Commodities	1,010	2,020	1,614	2,237	2,236	2,922*	1,161	-60.28
Intermediate Total	13,252	16,635	21,133	29,131	40,236	73,652	136,713	85.12
Soybean Meal	0	87	36	134	11,457	48,321	108,875*	125.32
Soybean Oil	0	0	0	0	0	20	13	-37.50
Vegetable Oils (Ex Soybean)	113	453	650	94	149	198	417	110.88
Feeds & Fodders	0	20	140	252	652	382	640	67.64
Live Animals	43	316	247	285	25	176	163	-7.50
Hides & Skins	2,179	3,229	3,649	3,800	2,408	1,554	618	-60.21
Animal Fats	15	253	3	0	0	0	0	-
Planting Seeds	593	746	436	832	2,708	1,203	1,160	-3.54
Sugar, Sweeteners, Bev Bases	410	362	441	374	536	55	61	9.43
Other Intermediate Products	9,899	11,170	15,531	23,359	22,300	21,944	24,767	12.86
Consumer Oriented Total	66,702	52,819	55,809	47,922	68,677	46,648	45,387	-2.70
Snack Foods	1,006	731	332	548	1,599	1,401	1,050	-25.02
Breakfast Cereals	119	53	78	110	142*	0	15	-
Red Meats, FR/CH/FR	19,231*	12,394	8,264	7,094	1,328	3,455	668	-80.68
Red Meats, Prep/Pres.	148	0	96	0	0	0	0	-
Poultry Meat	24,975	21,079	20,527	2,021	2,831	1,881	63	-96.67
Dairy Products	7,872	6,244	6,921	11,536	17,404	9,250	6,245	-32.49
Eggs & Products	155	0	0	66	0	38	231	505.94
Fresh Fruit	588	304	404	514	1,133	1,223	1,151	-5.87
Fresh Vegetables	3	0	0	7	0	0	0	-
Processed Fruit & Vegetables	3,010	2,879	4,220	4,395	7,810	5,667	7,180	26.71
Fruit & Vegetable Juices	81	28	78	280	304	234	365	55.75
Tree Nuts	4,971	4,624	2,540	4,392	3,132	3,367	4,438	31.82
Wine and Beer	333	522	457	1,018	1,063	10,175	14,254	40.09
Nursery Products	59	32	87	91	47	0	17	-
Pet Foods	718	1,041	1,065	1,745	1,395	1,190	942	-20.81
Other Consumer Oriented	3,435	2,887	8,741	13,604	30,689*	8,767	8,769	0.03
Forest Products	4,858	7,389	6,086	9,130	8,768	5,151	5,705	10.77
Logs and Chips	1,004	2,718	3,091	5,582*	3,962	2,938	1,530	-47.92
Hardwood Lumber	696	2,599	1,004	661	1,479	1,034	3,121	201.67
Softwood and Treated Lumber	8	78	0	0	65	48	0	-100.0
Panel Products (Incl Plywood)	2,279	1,571	1,663	2,406	2,508	355	275	-22.48
Other Value-Added Wood Prod	871	423	327	481	765	775	780	0.57
Fish Products	4,870	6,751	13,866	11,932	16,641*	15,615	12,505	-19.92
Salmon Whole or Eviscerated	2,536	1,039	4,485	5,669	6,636	9,849*	9,677	-1.75
Salmon Canned	145	35	335	135	277	0	291	-
Surimi (Fish Paste)	69	0	3	124	394*	237	0	-100.0
Roe & Urchin (Fish Eggs)	0	51	0	200*	0	0	56	-
Other Edible Fish & Seafood	1,820	5,627	9,043	5,783	9,333*	5,529	2,482	-55.11
Agricultural Products	84,581	83,917	97,013	107,135	146,096	149,361	202,268	35.42
Ag, Fish & Forest Prods.	94,309	98,057	116,965	128,196	171,505	170,127	220,479	29.60

Analysis By: Office of Global Analysis/FAS/USDA
Source: U.S. Bureau of the Census Trade Data
Note: * Denote Highest Export Levels Since at Least CY 1970

For More Information Visit The GATS Web Site
At http://www.fas.usda.gov/GATS
Or Email FAS At GATSHelp@fas.usda.gov