

Voluntary Report – Voluntary - Public Distribution

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Report Name: Retail Operators in Poland Implement Value Added Tax Reductions

Country: Poland

Post: Warsaw

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Report Highlights:

Retail chains operating in Poland have adapted the Polish Parliament's regulations reducing the Value Added Tax (VAT) on food. Beginning February 1, 2022, the Polish Parliament implemented a zero VAT rate for all foodstuffs that had previously been subject to a five percent VAT. The reduced zero VAT rate applies to such food products as meat and fish and their products, dairy products, nuts, vegetables and fruit, cereals, products of the milling industry, cereal preparations and bakery products, some drinks, e.g., containing at least 20 percent fruit or vegetable juice, milk drinks, and the so-called plant milk. The reduced VAT rate applies until July 31, 2022.

Retail chains operating in Poland are adapting to the Polish Parliament's regulations temporarily reducing the VAT on food. Beginning February 1, 2022, the Polish Parliament lowered the VAT rate to zero for all foodstuffs that had previously been subject to the five percent VAT rate. The reduced zero VAT rate applies to such food products as meat and fish and their products, dairy products, nuts, vegetables and fruit, cereals, products of the milling industry, cereal preparations and bakery products, some drinks, e.g., containing at least 20 percent fruit or vegetable juice, milk drinks, and the so-called plant milk. The reduced VAT rate applies until July 31, 2022.

Retail operators in Poland immediately implemented price reductions reflecting the VAT reduction. On February 1, 2022, the [Biedronka Chain](#) lowered prices on over 3,000 products, [Lidl Polska](#) and [Aldi Polska](#) announced price reductions for 2,000 products, and the [Stokrotka](#) retail chain lowered the prices of 12,000 food items.



Picture 1: Biedronka chain's banner advertising the VAT reduction for over 3,000 items.



Picture 2: New price tag featuring zero VAT rate for U.S. almonds at a Biedronka store.



Picture 3: New price tag featuring zero VAT rate for U.S. peanuts at a Lidl store.

The VAT reduction in food is one of multiple temporary VAT reductions the Polish government hopes will help lightened the burden of inflation on consumers.

“Food prices in Poland have increased significantly over the last quarter, by an average of around 8.6 percent, but if we look at the shelves, we will see that some categories have increased significantly more. We are talking about increases of 20, 30, or even 70 percent ”- commented Andrzej Gantner, Vice President and General Director of the Polish Federation of Food Producers. “That is why I think that the Government’s initiative to reduce five percent VAT on select food products to zero is a good idea. Even in ethical terms, with prices rising so quickly, such a gesture of state to remove certain fiscal burdens is well perceived.”

At the same time, the Polish Government issued several statements that it will monitor all commercial operators to ensure that the proposed reduction is passed on to end consumers and that companies failing to do so will face severe penalties.

For additional information regarding the Polish market, U.S. exporters can contact:

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Attachments:

No Attachments.