Poland

Polish Chamber of Chemical Industry

<table>
<thead>
<tr>
<th>Number of companies</th>
<th>Turnover</th>
<th>Direct employees</th>
<th>National contact</th>
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<tbody>
<tr>
<td>&gt; 11,000</td>
<td>€62,15 billion</td>
<td>315,000</td>
<td>Tomasz Zielinski, Ph.D., Eng. President of The Board <a href="mailto:tomasz.zielinski@pipc.org.pl">tomasz.zielinski@pipc.org.pl</a></td>
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R&D investment

€0.7 billion

CHEMICAL INDUSTRY SNAPSHOT

A heavyweight industry

The chemical industry has a very high position among industrial sectors of the Polish economy. Share of chemical industry in total industry is 17%. The Polish chemical industry is developing dynamically and considering growth rate is second among the world’s largest economies.

The last decade shows that the chemical segment is one of the fastest growing areas of the Polish economy. The average annual growth rate of sold production of the chemical segment in 2009-2018 amounted to 7.3% compared to 6.4% increase in sold production of industrial processing in the corresponding period.

In 2018, production sold of the chemical industry, including manufacture of coke and refined petroleum products, pharmaceuticals, rubber and plastics, amounted 62.15 billion EUR. Compared to value in 2017 it has increased about 15%.
Production of the chemical industry in Poland is dispersed. Manufacturing plants of the largest domestic producers are located throughout the country. In order to reduce transport costs and increase competitiveness, processing plants are often located close to the companies manufacturing chemicals in primary forms.

**A massive employer**

In 2018, the chemical industry was the third largest employer in Poland – employed 315,000 people, which represents 12% of total employment in the entire Polish industry. It is more than in industry sectors such like automotive, furniture or mining.

**A trade deficit**

Foreign trade plays a very important role in the chemical industry in Poland. A large part of raw materials and semi-finished products is imported for processing and consumption or for export abroad. In 2017, was noted a significant increase in the favorable trade balance of chemical processing. It increased as 42% compared to the previous year.

At the same time, the unfavorable trade balance of mass chemistry decreased, which proves that use of semi-finished products manufactured in the country increased significantly.

Still Poland has a longstanding trade deficit in chemicals: in 2018 it was 7.7 billion EUR. The biggest deficit occurs in massive chemistry.

**HOW ARE WE DOING?**

The chemical industry, like other sectors of the economy, is shaped by global trends. The most important factors determining these changes are directions of new regulatory solutions and current changes in consumer behavior. The most important trends shaping the chemical industry include regulations, ecology, customization, geopolitics, new business models, industry 4.0 and innovation.

**Strengths**

- High resource and energy efficiency, especially in manufacturing fertilizers and petrochemicals
- Well-educated and efficient labour force
- Good supplier and customer relations
- Good industrial R&D centres, university and technical university infrastructure
- Safety expertise

**Weaknesses**

- High energy prices compared to nearby countries
- Heat and power sourced from hard coal and lignite, with a big environmental impact
- Heavy reliance upon imported raw materials
Heavy reliance upon gas imported from Russia: gas pipelines are still being modernised and connected to LNG import facilities. However, the level of diversification of gas supplies increases year to year.

Poor rail infrastructure and high rail transport costs

**OUR CONTRIBUTION TO A COMPETITIVE EUROPE**

**INVESTMENTS**

In the coming years, enterprises plan to allocate the largest investment outlays for adaptation to environmental regulations as well as modernization and replacement investments. Polish Chemistry needs greater transparency and predictability of regulatory solutions as well as increased availability of financial support instruments for dynamic growth of innovations.

From 2012 to 2017, investment outlays in the Polish chemical industry recorded a steady increase until they reached 3.08 billion EUR. In turn, in 2018, according to estimates from the previous year, investment expenditure decreased by as much as 18.8%. However, it should be taken into account that these are estimates and may change.

The chemical industry is constantly taking measures to reduce its impact on the environment. It is an integral part of the process of change and development of the sector. For plants, it is not only the modernization of installations, recognition and monitoring of threats or increasing efficiency, but also the improvement of safety in the production and distribution of chemical substances, as well as the implementation of modern, innovative, pro-environmental technologies.

One of the most important directions of pro-environmental investment are activities related to the protection of air and climate, which is directed at 85% of all ecological investments.

**SUSTAINABLE DEVELOPMENT AND CSR**

Polish chemical industry companies undertake number of activities aimed at implementing the main pillars of the Sustainable Development policy.

It is a series of initiatives aims to environmental protection, job development, employee safety and support for local communities. Activities which are taken by representatives of Polish Chemistry enable the achievement of 17 Sustainable Development Goals and 169 tasks, which were included in the UN Resolution “2030 Agenda for Sustainable Development” signed in September 2015 by 193 countries. Poland was one of them. The goals were officially introduced in 2016 and replaced the Millennium Development Goals, which were to be achieved by 2015.

The implementation of activities of the 2030 Agenda is one of the elements of the stable development and growth of Polish Chemistry.
http://www.chemlandscape.cefic.org/country/poland/