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MARKET ACCESS SECRETARIAT
Global Analysis Report

Consumer Profile

Poland

January 2017

EXECUTIVE SUMMARY

- Poland is one of Europe's largest and fastest-growing economies. Real GDP per capita is set to increase by over 6000 dollars a year (from a 2015 basis) between 2015 and 2030.

- Poland's health and wellness sector is the seventh largest in Europe. All categories have grown over the last five years and are forecasted to grow through 2020.

- Natural food is very important to Polish consumers. Naturally healthy foods accounted for 48.3% of the Health and Wellness sector in 2015. Furthermore, Polish consumers favour fresh fruits and vegetables over packaged and processed products. Organic foods benefit from positive perceptions and are growing in importance, but they still represent a small portion (1.6% in 2015) of the Health and Wellness sector.

- Polish consumers are leading increasingly busy lives, creating a need for convenient and ready-to-eat food. Healthy and affordable options are likely to exhibit a high potential for growth.

- Traditional and origin foods are highly valued in Polish society for a variety of reasons. Consumers are often willing to pay a premium for foods that are tied to specific geographies and heritages, and they generally perceive these foods as healthier and better-tasting.

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KEY DEMOGRAPHIC INDICATORS

According to Euromonitor International (2016), 40% of Poles lived in rural areas in 2015. As such, the Polish population is more rural than Eastern Europe (32% rural in 2015), and is significantly more rural than Europe as a whole (26% rural in 2015). According to Euromonitor International's forecast, the population of Poland is expected to decrease by 1.197 million individuals from 2015 to 2030. The rural population is expected to decline more quickly than the urban population (with a net loss of 979.7 thousand individuals versus 217.8 thousand for urban areas).

Poland Urban versus Rural Population 2005-2030 ('000) Historic/Forecast

	2005	2010	2015	2020F	2025F	2030F
TOTAL	**38,293.8**	**38,487.3**	**38,478.6**	***38,218.0***	***37,836.3***	***37,281.2***
Urban Population	23,543.9	23,473.4	23,216.4	*23,033.9*	*22,978.6*	*22,998.6*
Rural Population	14,750.0	15,014.0	15,262.3	*15,184.1*	*14,857.7*	*14,282.6*
Urban Population %	61%	61%	60%	*60%*	*61%*	*62%*
Rural Population %	39%	39%	40%	*40%*	*39%*	*38%*

Source: *Euromonitor International/UN Statistics 2016. F=Forecast*

The only Polish city with a population over one million people is Warsaw. It is 2.3 times larger than the next largest city, Krakow. Lodz was formerly Poland's second-largest city, but its population has declined since 2005 while Krakow's has remained more stable. While several of the 10 largest Polish cities have experienced population declines in the last 10 years, growth is forecasted for all 10 of these cities over the next 15 years.

Poland's Major Urban Population Centres 2005-2030 ('000) Historic/Forecast

City	2005	2010	2015	2020F	2025F	2030F
Warsaw	1,700.2	1,716.7	1,744.0	*1,777.8*	*1,813.4*	*1,848.1*
Krakow	759.6	754.9	757.9	*767.4*	*779.7*	*792.9*
Lodz	769.4	740.5	729.3	*730.1*	*736.9*	*746.4*
Wroclaw	636.7	632.4	636.2	*644.8*	*655.6*	*666.9*
Poznan	570.4	553.8	548.2	*550.4*	*556.5*	*564.3*
Gdansk	458.2	456.2	460.1	*467.1*	*475.3*	*483.7*
Szczecin	411.4	406.1	406.9	*411.5*	*417.9*	*424.7*
Bydgoszcz	367.2	356.6	353.3	*354.9*	*358.9*	*363.9*
Lublin	354.8	350.0	350.3	*354.0*	*359.3*	*365.1*
Katowice	318.7	307.1	302.4	*302.7*	*305.4*	*309.4*

Source: *Euromonitor International/UN Statistics 2016. F=Forecast*

In 2015, the median age of the Polish population, 39.4 years, was three years younger than the median age of citizens of the entire European Union (EU). The population is expected to age more rapidly than that of the entire EU, such that in 2030 the median age of both Poland and the EU is forecasted to be 45.8 years (Euromonitor International, 2016).

The number of citizens in the 15-64 range will fall from 69.8% in 2015 to 63.6% in 2030, during which time the population over 65 years of age is expected to grow from 15.4% to 23%, according to Euromonitor International's forecast (2016).

Polish Population by Age Group 2005-2030 (‘000) Historic/Forecast

	2005	2010	2015	2020F	2025F	2030F
Population: National Estimates	38,293.8	38,487.3	38,478.6	*38,218.0*	*37,836.3*	*37,281.2*
0-4	1,771.7	1,977.4	1,936.1	*1,786.8*	*1,692.6*	*1,542.0*
5-9	2,049.2	1,807.3	2,021.4	*1,952.7*	*1,791.1*	*1,698.1*
10-14	2,540.5	2,048.4	1,806.6	*2,015.3*	*1,944.9*	*1,783.3*
15-19	2,985.3	2,537.1	2,038.5	*1,797.9*	*2,007.3*	*1,936.5*
20-24	3,306.7	2,947.7	2,522.3	*2,026.8*	*1,791.1*	*1,998.8*
25-29	3,087.4	3,275.3	2,929.1	*2,508.4*	*2,021.5*	*1,788.1*
30-34	2,679.1	3,089.4	3,252.4	*2,909.1*	*2,498.0*	*2,016.2*
35-39	2,379.3	2,669.9	3,062.1	*3,221.0*	*2,886.3*	*2,480.3*
40-44	2,599.6	2,361.6	2,636.6	*3,022.9*	*3,185.5*	*2,856.4*
45-49	3,113.7	2,560.5	2,319.4	*2,590.8*	*2,978.0*	*3,141.7*
50-54	2,957.9	3,039.1	2,490.8	*2,260.6*	*2,535.8*	*2,920.9*
55-59	2,275.8	2,841.5	2,915.6	*2,396.9*	*2,189.6*	*2,467.2*
60-64	1,515.6	2,145.0	2,673.7	*2,758.6*	*2,287.1*	*2,105.1*
65-69	1,564.4	1,386.5	1,969.1	*2,475.9*	*2,579.4*	*2,159.4*
70-74	1,415.6	1,374.2	1,228.7	*1,769.4*	*2,245.1*	*2,363.7*
75-79	1,082.1	1,159.3	1,147.2	*1,041.4*	*1,520.4*	*1,946.7*
80+	970.0	1,267.4	1,529.0	*1,683.5*	*1,682.7*	*2,076.9*
Median Age	36.5	37.8	39.4	*41.4*	*43.5*	*45.8*

Source: *Euromonitor International/ UN Statistics 2016. F=Forecast*

Poland’s Demographic Trends

	2005	2010	2015	2020F	2025F	2030F
Birth Rates per '000	9.5	10.7	9.6	*9.3*	*8.6*	*8.0*
Live Births (‘000)	364.4	413.3	369.3	*354.1*	*324.2*	*296.9*
Death Rates per '000	9.6	9.8	10.3	*10.6*	*10.7*	*11.1*
Natural Change ('000)	-3.9	34.8	-25.6	*-48.9*	*-81.7*	*-117.2*
Rate of Natural Change	-0.1	0.9	-0.7	*-1.3*	*-2.2*	*-3.2*
Net Migration ('000)	27.1	7.7	-15.7	*-15.4*	*-15.0*	*-14.3*
Rate of Net Migration	0.7	0.2	-0.4	*-0.4*	*-0.4*	*-0.4*
Fertility Rates	1.2	1.4	1.3	*1.3*	*1.3*	*1.3*
Age at Childbirth	28.2	28.8	29.3	*30.4*	*31.1*	*32.9*

Source: *Euromonitor International/UN Statistics 2016. F=Forecast*

At 1.3 children per women in 2015, the fertility rate in Poland is below the average European Union rate of 1.6, and it is well below the replacement rate of 2.1 children per women (Euromonitor International, 2016). Additionally, negative net migration (despite Europe’s refugee crisis) is further diminishing the population. As such, the Polish population is forecasted to decline steadily between 2015 and 2030. Poland’s fertility rate is the lowest of all Eastern European members of the EU.

Poland’s unemployment rate is lower than that of the European Union as a whole. In 2015, 7.5% of the Polish labour force was unemployed, compared to 9.4% for the EU. However, the youth (15-24 year old) unemployment rate in Poland is similar to that of the EU: 20.7% compared to 20.6% for the EU in 2015. According to Euromonitor International (2016), Poland suffers from brain drain as the result of skilled young workers leaving to work in different countries.

Despite the difficulty young Poles experience in the job market, the Polish economy is growing. Polish GDP per capita increased by 44.9% from 2005 to 2015, and is forecasted to grow by 51.6% from 2015 to 2030. Compared to GDP per capita in the EU, Polish GDP per capita is low, but the gap has closed significantly in the last decade and is forecasted to close even more. Polish GDP per capita was 28.4% of EU GDP per capita in 2005, 38.3% in 2015 and is forecasted to be 46.5% in 2030. Among Eastern European countries, only Slovenia, the Czech Republic, Slovakia and the Baltic States have a higher GDP per capita. The only Eastern member of the European Union to grow more rapidly than Poland on a per-capita basis was Lithuania, at 45.3% (Euromonitor International, 2016).

Polish GDP (US$ mn) and GDP per Capita (US$), fixed 2015 exchange rates

	2005	2010	2015	2020[F]	2025[F]	2030[F]
GDP	325,885.8	410,325.6	474,570.4	*555,091.0*	*627,752.8*	*696,880.6*
GDP per capita	8,510.1	10,661.3	12,333.4	*14,524.3*	*16,591.3*	*18,692.5*

Source: *Euromonitor International/UN Statistics 2016.*

EU GDP per Capita (US$ at fixed 2015 exchange rates)

	2005	2010	2015	2020[F]	2025[F]	2030[F]
GDP per capita	29,907.1	30,962.5	32,194.6	*34,612.2*	*37,286.1*	*40,214.3*

Source: *Euromonitor International/UN Statistics 2016.*

Eastern EU GDP per Capita Growth

Country	2005-2015 growth	2015-2030 growth
Lithuania	45.3%	*89.4%*
Poland	44.9%	*51.6%*
Slovakia	40.6%	*55.7%*
Romania	38.8%	*72.1%*
Bulgaria	34.0%	*70.6%*
Latvia	32.4%	*76.2%*
Estonia	22.5%	*74.2%*
Czech Republic	18.0%	*36.1%*
Hungary	10.2%	*44.6%*
Slovenia	8.3%	*37.1%*
Croatia	3.1%	*42.5%*

Source: *Euromonitor International/UN Statistics 2016. *Growth is total, not CAGR*

FOOD AND BEVERAGE PREFERENCES AND EXPENDITURES

Total consumer expenditure on food grew only slightly between 2010 and 2015. Packaged food, however, grew at a compound annual growth rate (CAGR) of 2.22% over the same period. According to Euromonitor International (2015), this can be largely explained by the improving economic conditions outlined above. Partially, the growth of packaged food reflects the busier lifestyles of modern Poles, who are in many cases willing to pay a premium for convenience. Another aspect explaining the growth of packaged food is the increasing prominence of health and wellness in Polish media and culture.

Poland Historic Annual per Capita Expenditure on Food and Beverages - US$ and CAGR (%)

Categories	2010	2011	2012	2013	2014	2015	CAGR* 2010-15
Total consumer expenditure on food	1,052.2	1,092.6	1,123.2	1,129.8	1,101.5	1,072.3	0.38%
Breads and Cereals	204.8	211.4	217.0	210.3	203.6	201.1	-0.36%
Meat	315.2	304.3	332.2	340.1	326.0	316.9	0.11%
Fish and Seafood	38.9	38.9	41.7	40.3	39.0	38.8	-0.05%
Milk, cheese and eggs	157.2	163.0	173.8	179.2	168.4	168.7	1.42%
Oils and fats	60.4	60.7	62.7	60.9	60.1	57.6	-0.94%
Fruit	55.3	64.9	61.6	60.1	58.6	58.5	1.13%
Vegetables	102.3	129.5	104.3	109.4	120.8	109.2	1.31%
Sugar and confectionery	73.1	73.6	80.9	79.9	75.9	73.4	0.08%
Other food	44.9	46.4	49.2	49.5	49.0	48.1	1.39%
Total consumer expenditure on nonalcoholic beverages	108.1	112.9	118.6	116.4	115.4	115.3	1.30%
Coffee, tea and cocoa	44.9	47.3	50.9	49.2	47.6	47.9	1.30%
Mineral waters, soft drinks, fruit and vegetable juices	63.3	65.7	67.7	67.3	67.8	67.4	1.26%
Total consumer expenditure on alcoholic drinks	220.8	229.4	244.1	243.0	236.7	245.5	2.14%
Spirits	88.3	96.4	101.4	103.6	101.5	102.9	3.11%
Wine	33.1	34.2	38.6	38.0	35.2	37.4	2.47%
Beer	99.4	98.9	104.2	101.4	100.0	105.2	1.14%

Source: *Euromonitor International/UN Statistics 2016.*CAGR=Compound Annual Growth Rate*

Fresh fruits, vegetables and bread are still more popular in Poland than packaged products, since they are perceived as being healthier and less artificial than their packaged equivalents (Euromonitor International, 2015). Nonetheless, processed fruit and vegetables grew at a rate of 2.19% CAGR between 2010 and 2015, largely due to the balance of healthiness and convenience that they offer.

Poland Forecast Annual per Capita Expenditure on Food and Beverages - US$ and CAGR (%)

Categories	2016	2017	2018	2019	2020	CAGR* 2016-20
Total consumer expenditure on food	*1,090.6*	*1,131.8*	*1,175.2*	*1,221.3*	*1,266.4*	*3.81%*
Breads and Cereals	*203.9*	*211.4*	*219.9*	*229.7*	*238.4*	*3.99%*
Meat	*323.8*	*336.8*	*349.4*	*362.2*	*375.4*	*3.77%*
Fish and Seafood	*39.4*	*40.8*	*42.4*	*44.2*	*45.8*	*3.83%*
Milk, cheese and eggs	*171.5*	*178.0*	*184.9*	*192.2*	*199.4*	*3.84%*
Oils and fats	*57.4*	*58.3*	*59.4*	*60.7*	*62.2*	*2.03%*
Fruit	*59.9*	*62.5*	*65.2*	*68.0*	*70.7*	*4.23%*
Vegetables	*111.0*	*115.4*	*120.5*	*125.3*	*130.2*	*4.07%*
Sugar and confectionery	*74.4*	*77.0*	*79.8*	*82.7*	*85.7*	*3.60%*
Other food	*49.2*	*51.5*	*53.8*	*56.2*	*58.6*	*4.47%*
Total consumer expenditure on non-alcoholic beverages	*118.8*	*125.0*	*131.4*	*137.9*	*144.1*	*4.95%*
Coffee, tea and cocoa	*49.2*	*51.7*	*54.2*	*56.9*	*59.3*	*4.78%*
Mineral waters, soft drinks, fruit and vegetable juices	*69.6*	*73.3*	*77.2*	*81.1*	*84.8*	*5.06%*
Total consumer expenditure on non-alcoholic drinks	*253.9*	*267.2*	*280.6*	*293.3*	*306.0*	*4.78%*
Spirits	*106.1*	*111.3*	*116.5*	*121.2*	*125.8*	*4.35%*
Wine	*38.7*	*40.7*	*42.9*	*45.0*	*47.0*	*4.98%*
Beer	*109.2*	*115.2*	*121.2*	*127.2*	*133.2*	*5.09%*

Source: *Euromonitor International/UN Statistics 2016.*CAGR=Compound Annual Growth Rate*

HEALTH AND WELLNESS

In Poland, the health and wellness packaged food and beverages segment increased by 3.91% compound annual growth rate between 2010 and 2015. Further growth is anticipated: 5.61% CAGR is expected for the entire health and wellness segment between 2016 and 2020 (Euromonitor International, 2016), with all sectors expected to increase as well.

Poland's health and wellness segment was the seventh largest in the European Union in 2015, and the largest among Eastern EU countries (Euromonitor, 2016). While it is significantly smaller than the health and wellness segments in the United Kingdom, Germany and France, it is comparable in size to established markets like Sweden's.

Poland Health and Wellness Market – Historic Retail Value – US$ millions (fixed 2015 dollars)

Categories	2010	2011	2012	2013	2014	2015	CAGR* 2010-15
Health and Wellness	4,013.0	4,143.1	4,311.9	4,522.6	4,684.4	4,860.9	3.91%
Better For You (BFY)	914.6	936.7	988.5	1,036.9	1,087.9	1,128.6	4.29%
Food Intolerance	35.3	36.8	39.0	37.2	39.1	40.7	2.89%
Fortified/Functional (FF)	1,030.3	1,075.4	1,128.9	1,196.7	1,227.3	1,268.1	4.24%
Naturally Healthy (NH)	1,980.8	2,038.2	2,095.4	2,186.7	2,259.9	2,347.8	3.46%
Organic	51.9	56.0	60.1	65.0	70.2	75.7	7.84%

Source: *Euromonitor International 2016.*CAGR=Compound Annual Growth Rate*

Poland Health and Wellness Market – Forecast Retail Value – US$ millions (fixed 2015 dollars)

Categories	2016	2017	2018	2019	2020	CAGR* 2016-20
Health and Wellness	*5,092.4*	*5,359.9*	*5,656.9*	*5,982.6*	*6,335.3*	*5.61%*
Better For You (BFY)	*1,180.6*	*1,242.9*	*1,311.8*	*1,385.8*	*1,464.8*	*5.54%*
Food Intolerance	*43.2*	*46.0*	*49.0*	*52.0*	*54.5*	*5.98%*
Fortified/Functional (FF)	*1,327.1*	*1,395.9*	*1,472.8*	*1,557.6*	*1,650.1*	*5.60%*
Naturally Healthy (NH)	*2,459.6*	*2,586.6*	*2,727.7*	*2,884.0*	*3,055.0*	*5.57%*
Organic	*81.8*	*88.5*	*95.6*	*103.1*	*110.9*	*7.91%*

Source: *Euromonitor International/ 2016.*CAGR=Compound Annual Growth Rate*

Natural

In 2015, naturally healthy packaged food and beverages accounted for 48.3% of the health and wellness market, according to Euromonitor International (2016). Growth in this sector has been steady, at 3.46% from 2010 to 2015, and it is expected to nearly match the overall growth of health and wellness products.

According to Mintel's Global New Product Database (GNPD, 2016), out of 9770 products released in Poland between 2011 and 2015 with identified claims, 3629 (37%) featured claims in the "natural" category. This is consistent with Euromonitor International's analysis of Polish Naturally Healthy Packaged Food trends (2015), which found that Polish consumers are demanding less processed and more natural foods. The most prominent claim in the "natural" category, which includes organic goods, is "no additives/preservatives": 2786 total goods featured this claim (GNPD, 2016).

Artisanal goods formed 29.1% of the naturally healthy food market in Poland in 2015, up from 27.1% in 2011 (Euromonitor International, 2016), due in large part to the fact that more than a third of all naturally healthy packaged goods sold in that year were high fibre breads. Breads are predominantly produced by bakeries and local producers.

Fortified/Functional

The largest categories in Fortified/Functional foods are breakfast cereals and dairy. These made up 28.9% and 28.4% of sales in 2015, respectfully (Euromonitor International, 2016). While breakfast cereals are growing (up 1.6% in 2015 with regards to 2014), dairy is declining (down 0.85% from 2014 to 2015), in large part due to the fact that the labels "probiotic" and "prebiotic" have been banned from yogurt. Manufacturers are reacting by listing the actual bacteria cultures used to create their products, but nonetheless probiotic yogurt declined by 3.3% between 2014 and 2015.

Better For You

Better For You (BFY) packaged food and beverages were the third largest health and wellness sector in 2015. A majority (72.4%) of BFY packaged food in 2015 was "reduced-fat" and most of the "reduced fat" packaged food sold was in the dairy subsector. "Reduced sugar" rounds out the category. From the perspective of beverages, 90.7% were "reduced sugar" in 2015 and the rest were "reduced caffeine".

Stevia, which was authorized for human consumption in Poland and the rest of the European Union in 2011, is an increasingly popular sugar substitute. Its healthy and natural properties are being widely advertised, and major international companies such as Coca Cola are increasingly using it in their new products (Euromonitor International, 2016).

In 2015, the largest Better For You packaged food brands in Poland, by market share, were SM Mlekpol (13.1%), Wrigley Poland (11.8%) and Jeronimo Martins Polska (9.7%) (Euromonitor International, 2016).

Organic

According to Bryła (2016), organic foods are simultaneously perceived as expensive and of high quality in Poland. In a sample of 1000 consumers, 82.1% either agreed or strongly agreed that organic food is more expensive, while only 51.2% of consumers indicated that they accept the higher price. On the other hand, a majority of Polish consumers agreed or strongly agreed that, compared to their conventional counterparts, organic foods are healthier (80.3%), more environmentally friendly (78.5%), most trustworthy (72.4%), of better quality (71.4%), subject to more strict controls (70.6%), produced in more traditional ways (68%), more authentic (66.1%) and tastier (62.5%).

The organic sector is the second-smallest sector in the health and wellness segment, after food intolerance. According to Euromonitor International data (2016), the organic market was less than 1.6% of the total Health and Wellness market in 2015. However, it is also the fastest growing health and wellness sector. The compound annual growth rate for the organic sector between 2010 and 2015 amounted to 7.84%. Over the next 5 years, this fast growth rate is expected to hold steady, with Euromonitor International's forecast predicting 7.91% CAGR through 2020. According to Mintel's GNPD (2016), out of 17,782 new products and reformulations launched between 2011 and 2015, only 480 had identified organic claims. This data, combined with the positive overall impression that Polish consumers have of organic goods, suggests that there is room in the Polish market for new lower-cost organic goods.

CONSUMER TRENDS

Place of Origin

One interesting facet of the Polish food market is the importance of origin foods. Origin foods often emphasize specific geographic locations (terroirs) in order to communicate authenticity and cultural heritage, and they are often prepared according to specific methods. According to Bryła (2015), 94.6% of respondents in a survey of 1000 consumers reported that they purchased origin foods, with 11.9% claiming to purchase them very often and 29.9% claiming to purchase them rather often. Origin foods shared many positive perceptions with organic foods, including taste, healthiness, quality, authenticity, trustworthiness and environmental friendliness. The primary reason why Polish consumers in the survey chose to purchase origin foods was traditionality: 67.9% of consumers wanted to purchase origin goods because they were “rooted in the history of the area of origin and local diet” and 58% of them wanted to purchase them because of territorial links to the place of origin (Bryła, 2015). Polish consumers were overwhelmingly willing (81.5%) to accept higher prices for traditional goods. At the same time, a majority of respondents indicated that they did not think traditional goods were better-advertised than nontraditional ones.

In a survey conducted with a small group of university students in the Eastern city Bialystok, Siemieniako et al (2011) determined that regional identities are more important to Polish consumers than national ones, owing in part to Poland’s history of partition between neighbouring European states. Siemieniako et al conducted a study with ten beer drinkers and asked them about their attitudes concerning local and national brands. They found that students were likely to strongly favour local beer brands, especially those which emphasized regional symbols in their marketing and which touted their support of their place of origin. One research participant indicated that the only students in Bialystok who purchased Lomza beer, produced in the city of the same name, were people from Lomza. Regional rivalries were reflected by beer consumption patterns. While it is important to recognize that the study was restricted to beer, and that certain factors may make beer consumption unique (such as football sponsorships increasing rivalries), the attitudes revealed in the study nonetheless indicate the importance of regional identity in marketing.

Convenience

As noted above, Euromonitor International (2015) has identified convenience as a major packaged food trend. Mintel GNPD data corroborates Euromonitor’s findings: out of 9770 products with identified claims, 2312 (24%) featured claims in the “convenience” category (2016). The three most common claims were time/speed (721 products), ease of use (683 products) and convenient packaging (588). Note that, as always, there are often several claims on one product and claims within a single category are likely to overlap.

Polish consumers, especially younger ones, are increasingly turning to online shopping. Internet retail sales (for all sectors) increased by 92% in real terms from 2011 to 2015 and mobile sales increased by 449% in the same period (Euromonitor International, 2016). Individuals who purchase food online tend to purchase large quantities. According to a survey from Polskie Radio, reported by Euromonitor International, the typical online shopper is a married woman aged 25-40 with children and a higher level of income. Older consumers are also participating

FOODSERVICE ENVIRONMENT

According to Euromonitor International (2015), the foodservice industry in Poland has experienced significant recent growth due to the increased popularity of food trucks. This has led in turn to an increase in sales of packaged private-label goods, since foodservice providers will seek to minimize their costs. At the same time, Euromonitor notes that a majority of foodservice providers have noted that their primary consideration when selecting a supplier is quality. Therefore, quality-for-cost will be one of the primary selling points for foodservice suppliers.

Junk foods are popular in Poland, but they are facing backlash from consumers. In 2014, members of the Polish parliament (Sejm) overwhelmingly voted in favour of a ban for sales of junk food in kindergartens, primary and secondary school canteens, largely as a reaction to increased childhood obesity, which now stands at 17% (Radio Poland, 2014). Sweets containing more than 10% sugar and instant foods containing more than 0.3% sodium by weight were banned, as were all soft drinks, energy drinks and isotonic drinks (Krakowiak 2014). The advertising of these products was also banned. The regulation came into force on January 1st, 2015 and affected the 2015-2016 academic year. While several entrepreneurs stated that they would be forced to raise prices or close, the ones who were able to adapt started offering wholegrain bread, fresh fruits and vegetables, cold cuts and meat (Radio Poland, 2015). Outside of schools, Polish consumers are increasingly purchasing ready-made salads (15% growth from 2014 to 2015), and their consumption of sweets such as biscuits and confectionery has remained flat or grown only slightly.

CONCLUSION

Poland is the largest Eastern economy in the European Union, both by GDP and population. Despite facing demographic challenges similar to those found in Western Europe, Poland's economy is forecasted to keep growing, and unemployment is expected to stay remarkably low when compared to the entire European Union. It is worth noting that Canadian companies enjoy privileged access to EU markets such as Poland's due to an equivalency agreement signed in 2011 and expanded in 2016. Additionally, the pending ratification of the Comprehensive Economic and Trade Agreement (CETA) will eliminate or reduce most of the remaining tariffs placed on Canadian goods entering the EU market.

Polish consumers value convenience due to their increasingly busy lifestyles. However, they also want to eat healthy, natural and traditional foods. Retailers, foodservice providers and producers can therefore profit by marketing products that reconcile these two needs.

Organic food is still a small market in Poland, but it is growing quickly. Perceptions of higher cost pose unique challenges for organic goods producers, although Polish consumers otherwise have high esteem for organic food and beverages. Affordable organic goods may therefore have high potential in the Polish market.

FOR MORE INFORMATION

International Trade Commissioners can provide Canadian industry with on-the-ground expertise regarding market potential, current conditions and local business contacts, and are an excellent point of contact for export advice.

- **Overview of Trade Commissioner Services in Poland**
  www.tradecommissioner.gc.ca/pl

- **Find a Trade Commissioner**
  www.tradecommissioner.gc.ca/eng/find-trade-contacts.jsp

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Consumer Profile: Poland

Global Analysis Report

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