

10 June 2025

# Engines of Polish economic growth

## Concerns and postulates of businesses

### Engines of Polish economic growth. Concerns and postulates of businesses

The main message based on 53 in-depth interviews with business leaders is the following: Poland is a country of economic miracles, but the current sources of growth are being exhausted, and changes are needed at the EU level, the national level, and within companies themselves to build a new Polish growth model.

### About the ING-EEC Report and 53 interviews with business leaders

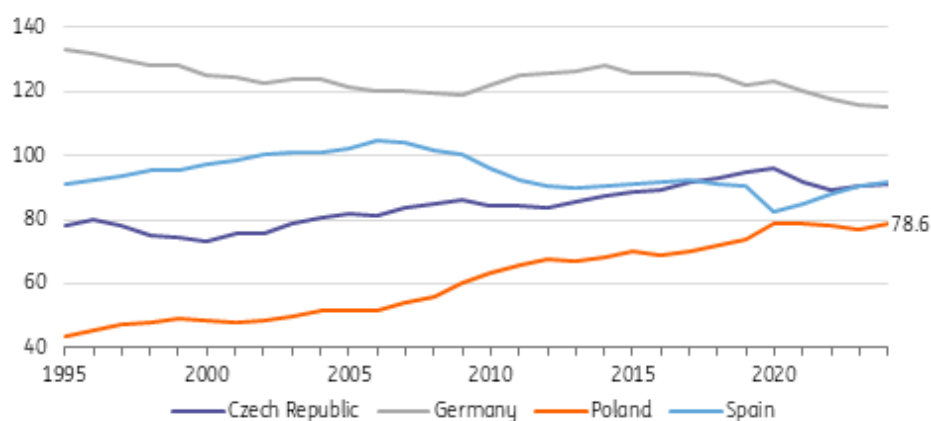
The joint project of ING Bank Śląski and the European Economic Congress (EEC) has been carried out for the fourth consecutive time. The report is based on in-depth interviews with 25 managers, business leaders in Poland, and heads of 3 foreign chambers of commerce (German, Scandinavian, and Italian) – combined with macroeconomic and sectoral analysis by ING economists. Journalists from the PTWP Group portals conducted the interviews inspired by ING Bank Śląski in the first quarter of this year. The full interviews are available in an open format on the WNP.PL portal (all links are available in the full version of the report).

Additionally, the report includes selected interviews from the special anniversary project "25 for 25 WNP.PL." This is a series of interviews with 25 individuals who have contributed significantly to the Polish economy. The entire collection forms a unique information base, consisting of 53 in-depth interviews with business representatives.

### Poland is a country of economic miracles

Poland has achieved impressive economic success in recent decades. Polish GDP per capita has tripled since joining the EU in 2004, and the economy has shown unique resilience during the global financial crisis of 2008-09 and the Covid-19 pandemic of 2020-21. In the mid-1990s, Poland's GDP per capita in terms of purchasing power parity (PPP) was just under 44% of the EU average. In the year of EU accession – 2004 – it was nearly 52% of the EU27 average, and in 2024, it was almost 80% of the EU average. Polish GDP has grown steadily in recent decades, and in per capita terms, it has approached the levels of the Czech Republic and Spain, from which it lagged significantly just two decades ago.

### GDP per capita by PPP (EU27=100)



Source: Eurostat

**Leszek Kąsek**  
Senior Economist  
[leszek.kasek@ing.pl](mailto:leszek.kasek@ing.pl)

**Rafał Benecki**  
Chief Economist  
[rafal.benecki@ing.pl](mailto:rafal.benecki@ing.pl)

Analyses of the sources of Poland's economic success most frequently point to factors such as:

- A large domestic market and strategic location in Europe
- A diversified economy (lack of monocultures)
- EU membership and access to the EU market
- Openness to trade and foreign investment
- Wide access to skilled workers and low labour costs
- Expansion and modernisation of physical infrastructure
- The entrepreneurial spirit of Poles and hard work (a high number of hours worked per year)
- A strong small and medium-sized enterprise (SME) sector
- A healthy banking sector.

---

*“We were primarily favoured by hard work, demographics, above-average entrepreneurship, access to affordable education, foreign investments, and a diversified GDP structure that is still not solely based on services. These are the most important reasons, but this list does not exhaust all factors and is definitely longer.”*

---

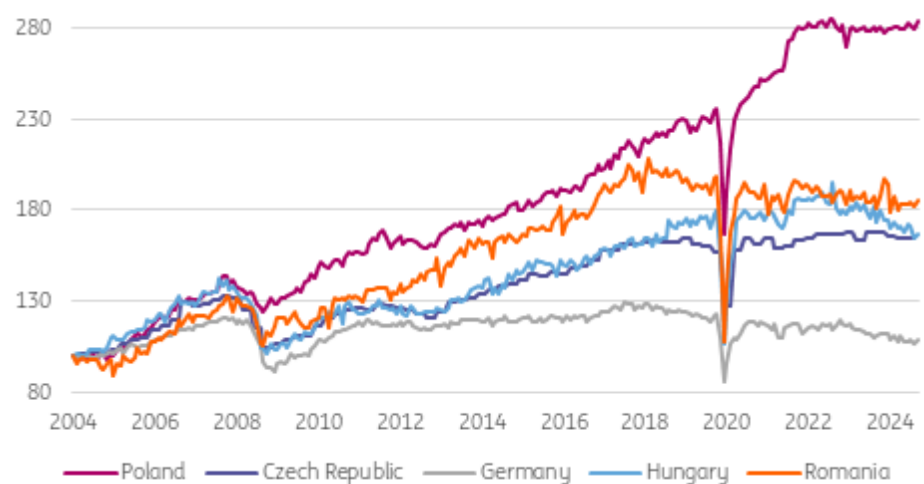
*Tomasz Ciapała, CEO, G8 (retail fashion company)*

### **Continuation of convergence requires changes, as the old growth model is exhausted**

The previous successful model of Polish economic growth, based on low labour costs and export orientation, is becoming exhausted. The European Union (and Poland) are currently under much stronger competitive pressure than in previous decades, as well illustrated by Draghi's report. This is mainly due to the expansion of China, US protectionism, and increased geopolitical uncertainty, with the ongoing Russian war in Ukraine.

A major challenge for Polish companies is the stagnation in Germany, Poland's largest trading partner. However, there are high hopes for the new government of Friedrich Merz and the constitutional changes that have broken away from excessive fiscal conservatism. Our discussions with business representatives indicate that the stagnation of industrial production in Poland and Central Europe is not only a reflection of a similar trend in German industry but a more serious problem.

### **Industrial production in Poland and selected EU countries, 2004=100**



Source: MacroBond.

Polish companies are signalling a significant deterioration in their competitiveness due to the sharp increase in labour costs in recent years, disconnected from productivity. Energy costs have also risen. Additionally, companies have refrained from making major investments for a long time. The stagnation of industry is the delayed effect of all these adverse changes.

---

*“Since the 1990s until recently, manufacturing costs in Poland were relatively low, especially compared to Western Europe. We had not only low labour costs but also attractive electricity prices and fairly low property taxes. All of this together made our country a destination for many foreign investments. However, this trend is coming to an end... In terms of prices and cost levels, we are catching up with Western Europe. For now, we still remain relatively cost-effective, but we are becoming less and less competitive in terms of pricing”*

---

Bartłomiej Dobosz, co-owner, SKB Group

### **If we want everything to stay as it is, everything must change**

Business leaders recognise the need for far-reaching changes at the EU, national, and company levels to build a new model of economic growth in Poland, based on investments, innovations, and higher value-added sectors.

### **Changes at the EU Level**

At the EU level, companies are demanding a level playing field with Asia, a reduction in bureaucracy, and a better balance between the ambitious goals of EU climate policy and ensuring industrial competitiveness.

---

*“Regulatory institutions put a lot of energy into checking the operations of every local entrepreneur, such as their employment conditions, how they attach labels, and mark goods. Every irregularity is severely punished, while goods entering Poland, mainly from Asia, are not subject to any control. Let me give a simple example. EU regulations strictly define the length of strings in the hoods of sweatshirts we produce. Meanwhile, clothes or toys without any certifications, which may pose a real threat to the health and life of users, enter our market from Asia. No one even controls this sale, which does not reflect well on our bureaucracy.”*

---

Marek Piechocki, co-founder and CEO, LPP (retail trade)

---

*“In the current difficult economic situation, the ambitious environmental goals and the timeline for their implementation need to be re-evaluated to avoid losing competitiveness (as the European Commission has announced).”*

---

Lars Gutheil, Director, Polish-German Chamber of Commerce and Industry AHK

### Changes in National Policies

At the national level, companies are advocating for the deregulation of the economy, addressing the demographic problem, including developing a smart migration policy, improving the quality of education, and improving the functioning of public administration.

---

*“An important aspect to pay attention to is migration policy. Poland should create a more coherent and long-term system for attracting skilled workers from abroad.”*

---

*Karolina Czekaj, Director, Adamed Pharma (pharmaceutical industry)*

Business leaders we spoke with demand the creation of a development strategy for Poland. There is a need for an analysis of comparative advantages, the identification of economic priorities, and strategic sectors that could become growth engines. Without a strategic plan, there is nothing to consistently adhere to, leading to developmental drift and focusing only on current issues.

Regarding deregulation, our interlocutors see the over-regulation of the economy and its measurable costs at all stages of creating, interpreting, implementing, and enforcing the law. The burden of excessive regulations concerns law-making at the EU level and maintaining a level playing field with the rest of the world, particularly with China. The problem extends to the process of law-making at the national level, its interpretation by officials, enforcement, administrative and tax proceedings, and finally, the pursuit of rights before the courts.

---

*“Today, we are bound by regulations that cost more and more; we employ more and more people to serve the state, not business. And we increasingly have to litigate with the state, which should support us, not harm us (...) In Poland, the problem is not only the law itself but primarily its interpretation. Instead of the spirit of the law, only its letter applies, often not fitting the actual economic conditions.”*

---

*Ryszard Florek, CEO, Fakro [roof windows producer]*

---

*“Another area is the right of entrepreneurs to the courts, and here the Polish judiciary also requires urgent repair. Let me give an example from my own backyard. Some time ago, we concluded a business dispute with a settlement that lasted 13 years! During this time, not even a first-instance judgment was issued. Perhaps this is an idea for exercising the right to a court through amnesia because the parties may simply forget what they were litigating about.”*

---

*Krzysztof Pawiński, co-founder, Maspex (food industry)*

### Changes at the Company Level

At the company level, it is necessary to increase investments in technology and create conditions for scaling up businesses. The Polish economy is characterised by an over-representation of small and medium-sized enterprises (SMEs), which have fewer investment opportunities, are less likely to expand abroad, and are more sceptical about

digitisation, robotisation, or the implementation of AI solutions than large companies. With such an economic structure, the process of catching up with richer countries will be difficult. Meanwhile, politicians still want to direct a lot of aid to the SME sector. A change in proportions and greater support for scaling up businesses is needed.

---

*“Poland is gradually losing its advantage resulting from low production costs. Now, companies operating at a medium or low level of technological advancement dominate; there is a lack of large high-tech companies. The dominance of the SME sector can be problematic for the Polish economy (...) In Poland, the capital market is still weaker than in other leading EU countries.”*

---

*Elisabetta Caprino, Managing Director, Italian Chamber of Commerce and Industry*

Polish companies feel the weaknesses of the Polish financial system and capital market. International comparisons show that at this stage of economic convergence, "financial deepening" could play a significant positive role. Meanwhile, Poland has a poorly developed venture capital, private equity, corporate debt sector, and the stock exchange plays too small a role. The availability of financing forms with a greater appetite for risk could stimulate innovation. Meanwhile, we are at the bottom of the European league in terms of innovation.

---

*“Private investments require the existence of large Polish private capital, which is only now becoming available; it took us a while to accumulate it... We also need to effectively encourage foreign private funds to enter Poland. And there are no formal restrictions. It remains to promote our country as a stable market for long-term investments in innovation. I would also like to emphasise the issue of keeping key technologies in Polish hands, but that is another topic.”*

---

*Grzegorz Brona, CEO, Creotech Instruments (IT company)*

In the context of increased geopolitical risks and the Russian war in Ukraine, a significant opportunity for the influx of new investments and innovations to Poland may be the increase in investments in the defence industry in Europe. The goal of economic policy should be to prepare conditions so that this diffusion occurs this time. Defence investments cannot rely on outsourcing outside the EU, which gives Polish companies great opportunities to become the backbone of the defence industry in Western Europe.

---

*“Defence spending is currently boosting industry abroad. These expenditures would be "productive" for our economy if the bulk of army procurement orders remained in the country. But this is not the case, partly because tank production in Korea is cheaper than here. Additionally, Polish industrial structures are neither able to absorb the amounts that the Polish budget has been spending on armaments for the past three years, nor can they develop as quickly as these expenditures are increasing. Therefore, the "production substance" must first be built.”*

---

*Radosław Koelner, CEO, Rawlplug (manufacturing company)*

### Changes at the Company Level

Polish companies see the need for changes towards a new model based on higher value-added sectors and innovations. Business representatives are aware that a technological shift in the economy is necessary, with increasing competition based on quality rather than price. With hopes for positive changes in EU and national policies, the response to negative demographic trends is investments in labour-saving technologies – automation, robotisation, or the implementation of artificial intelligence (AI) solutions. Better business-academia cooperation, as well as cooperation with foreign countries and attracting foreign direct investments that bring technological progress, are needed.

---

*“Globally, in the IT sector, we need to move towards more advanced and complex services... Simple tasks will be “cut out” by artificial intelligence. The right path remains high specialisation. And here in Poland, it is expensive, but still cheaper than in the richest countries of Western Europe, where there is also a shortage of programmers. We see a niche there to which we direct our services.”*

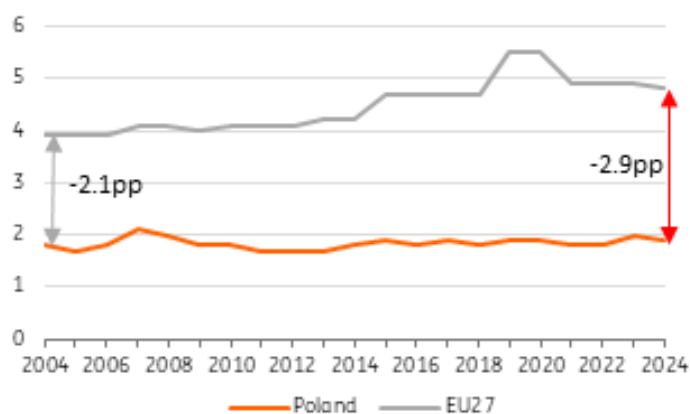
---

Konrad Świrski, CEO, Transition Technologies (IT company)

### Innovation in the Economy

The starting point in terms of economic innovation shows a large room for improvement. Poland significantly lags behind the EU average in terms of investments in ICT equipment and intellectual property products. Over the past two decades, this gap has widened by about half. In 2024, Poland spent about 2% of GDP on these purposes, while the EU average was 5% of GDP.

#### Investments in ICT equipment and intellectual property products (% of GDP)



Source: Eurostat, ING calculations.

In general, many factors can stimulate private investment, and deregulation is a necessary condition for this. Some companies mentioned in interviews that as they reach the next peak in development, they must necessarily get rid of the heavy stones in their backpacks. These stones are unjustified bureaucratic burdens. Companies also call for greater legal stability and partnership between the public and private sectors, as well as building social capital to facilitate the diffusion of technological progress to the business sector.

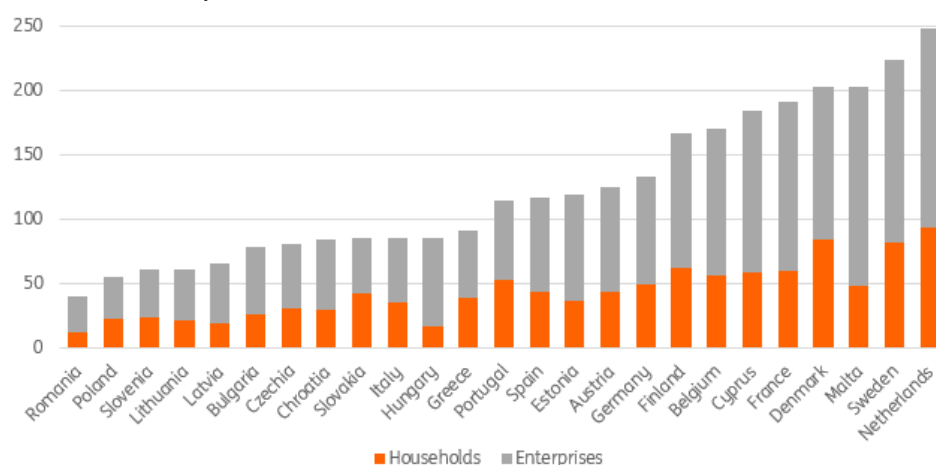
South Korea, Taiwan, Israel, and China are examples of countries where there has been significant diffusion of technology and skills from foreign enterprises to the SME sector. Unfortunately, in Poland, this process has been limited. As a result, it has not been

possible to build large Polish multinational companies or develop dominant economic sectors where Poland has clear competitive advantages.

### The Financial Sector as a Catalyst for Transforming Poland's Growth Model

The financial sector can contribute to the transformation process. The level of leverage in the Polish economy is low, creating room for a significant increase in lending activity. The Polish private sector can also benefit from strengthening the stock exchange, broader access to more risky forms of financing such as venture capital or private equity. A deep financial market is a key success factor in innovative economies, as it ensures the complementarity of available sources of financing and alignment with the needs of companies at different stages of development.

#### Bank loans of the private sector (% of GDP, 2024)



\*Consolidated, Debt to non-financial enterprises, households and non-profit institutions serving households.  
Source: GUS, Eurostat, NBP, ING

*“The Polish banking sector is undoubtedly very flexible and open to cooperation with clients, including offering new products. As for the availability of financing, the key issue is really the złoty and interest rates in złoty. Regarding the stock exchange, unfortunately, in Poland, it does not play the role it could have. I think that fewer and fewer entrepreneurs see the advantages of the stock exchange, while more and more see the problems associated with operating on the stock exchange. Additionally, the significant nationalisation of the stock exchange does not encourage other entities.”*

Wojciech Trojanowski, Board Member, Strabag

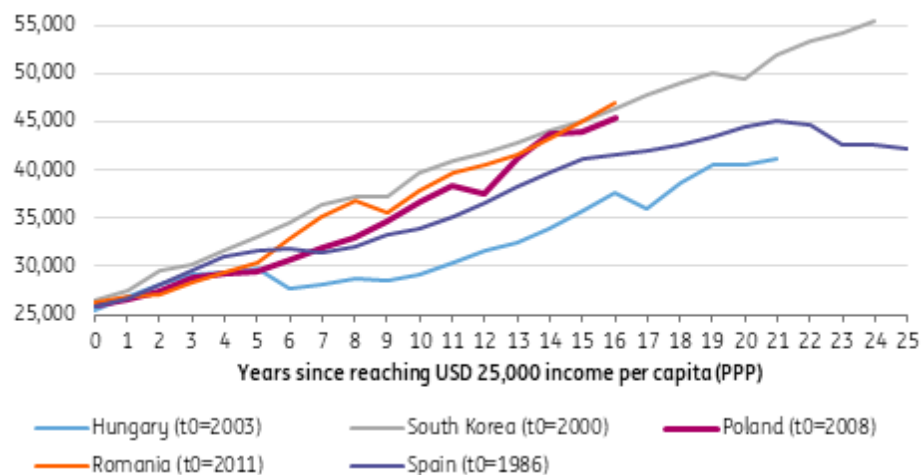
### How to Become the Next South Korea

We see the transition to a new model of Polish economic growth as an urgent task, although this process will take years, perhaps even decades. In the short term, in 2025-26, our economy will rely on "boosters" such as funds from the Recovery and Resilience Facility (KPO) or higher defence spending. It is worth using these to implement structural reforms, including the initiative to deregulate the economy. However, in the long term, in 3-4 years, Polish business must decisively focus on investments and innovations.

Referring to international comparisons: it is worth for the Polish economy to follow the South Korean rather than the Spanish path of further convergence. South Korea is often cited as a country of rapid economic advancement - from a low-income country to one that has managed to avoid the so-called middle-income trap and is now one of the most technologically advanced in the world. This country based its growth model on investments, innovations, exports, and the promotion of large companies. After

surpassing the level of \$25,000 average income per capita - according to purchasing power parity - in 2000, the country remained on a steady path of further convergence. Such success was not achieved, for example, by Spain, where the convergence process was reversed.

#### GDP per capita (PPP) after exceeding 25,000 (in USD from 2021)



Source: IMF Country Report No. 25/6

For over 15 years since surpassing the \$25,000 threshold, Poland has closely followed South Korea's growth path. It is essential to continue this process. The example of South Korea, which continues to develop despite the constant threat from North Korea, shows that real convergence can be maintained under conditions of national security threats. Moreover, the threat of war can be an additional impetus for mobilising domestic savings and building economic potential, including in the defence sector. It is no coincidence that Poland is partly implementing increased defence spending in South Korea.

*“In 25 years, we will be truly strong as a community if we only face the truth and confront our weaknesses. If not, the Koreans, Japanese, or Chinese – humble and hardworking – will outdistance us in every field, both in life and business.”*

*Adam Góral, founder and CEO of Asseco Poland*



## Disclaimer

This publication has been prepared by the Economic and Financial Analysis Division of ING Bank N.V. ("**ING**") solely for information purposes without regard to any particular user's investment objectives, financial situation, or means. ING forms part of ING Group (being for this purpose ING Group N.V. and its subsidiary and affiliated companies). The information in the publication is not an investment recommendation and it is not investment, legal or tax advice or an offer or solicitation to purchase or sell any financial instrument. Reasonable care has been taken to ensure that this publication is not untrue or misleading when published, but ING does not represent that it is accurate or complete. ING does not accept any liability for any direct, indirect or consequential loss arising from any use of this publication. Unless otherwise stated, any views, forecasts, or estimates are solely those of the author(s), as of the date of the publication and are subject to change without notice.

The distribution of this publication may be restricted by law or regulation in different jurisdictions and persons into whose possession this publication comes should inform themselves about, and observe, such restrictions.

Copyright and database rights protection exists in this report and it may not be reproduced, distributed or published by any person for any purpose without the prior express consent of ING. All rights are reserved. ING Bank N.V. is authorised by the Dutch Central Bank and supervised by the European Central Bank (ECB), the Dutch Central Bank (DNB) and the Dutch Authority for the Financial Markets (AFM). ING Bank N.V. is incorporated in the Netherlands (Trade Register no. 33031431 Amsterdam). In the United Kingdom this information is approved and/or communicated by ING Bank N.V., London Branch. ING Bank N.V., London Branch is authorised by the Prudential Regulation Authority and is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. ING Bank N.V., London branch is registered in England (Registration number BR000341) at 8-10 Moorgate, London EC2 6DA. For US Investors: Any person wishing to discuss this report or effect transactions in any security discussed herein should contact ING Financial Markets LLC, which is a member of the NYSE, FINRA and SIPC and part of ING, and which has accepted responsibility for the distribution of this report in the United States under applicable requirements.

Additional information is available on request. For more information about ING Group, please visit <https://www.ing.com>.