21 May 2026

Boosting the potential of Polish companies

ING survey of 30 Polish corporates explores how they can navigate demographic change and intensifying global competition

Poland continues to outperform the EU in headline growth, but potential GDP growth is moderating, reflecting adverse demographics, higher labour costs and intensifying global competition (notably from China). Our survey of 30 Polish corporates points to a clear K-shaped divergence: one group is investing, scaling and expanding internationally, while another remains focused on cost competitiveness, relying on low labour costs and preserving the status quo. We foresee structural changes forthcoming with the former group taking over workers from the latter.

ING's five-year joint series with the EEC (European Economic Congress, in Katowice) has established the adverse conditions facing Polish companies. In this year's report (full version in Polish here: https://ekonomiczny.ing.pl/publikacja/868505), we focus on how to strengthen the growth potential of Polish companies in the context of far-reaching demographic changes (an internal structural trend) and under intense pressure from foreign competition (an external structural trend).

As in previous years, the report combines the perspectives from ING macroeconomists and Polish business leaders. Our qualitative research this year was based on 30 in-depth interviews, including 22 representatives of companies from various industries and eight representatives of industry organisations, which is a new approach. Journalists from the PTWP Group portals conducted these interviews in the first quarter of this year – based on a questionnaire developed in cooperation with economists of ING Bank Śląski. Full interviews are available in Polish, with exact links in the report.

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Potential GDP growth in Poland is slowing as real convergence advances

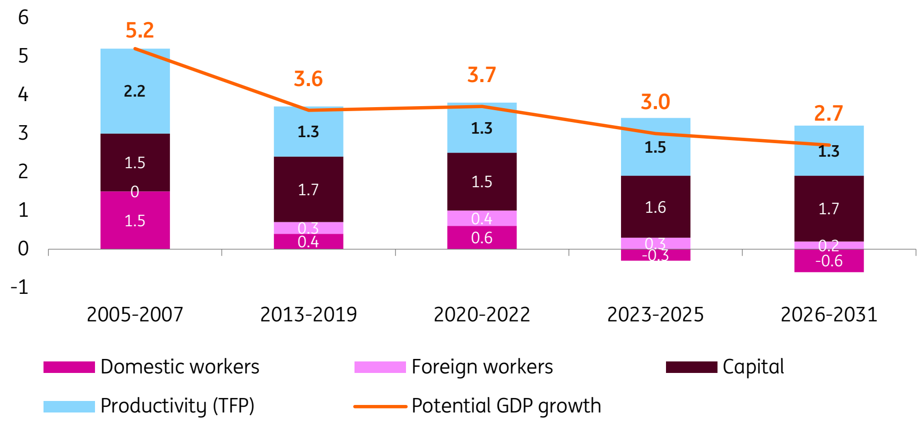
Poland's GDP growth is set to slow as real convergence advances and structural constraints emerge. It is to fall from the impressive above-5% per annum in mid-2000s to nearly 4% in early 2020, to below 3% in the late 2020s. In the traditional long-term decomposition, further convergence of real incomes is forecast.

- Labour
- Capital/investment
- Productivity (total factor productivity - TFP).

Regarding the labour component, Poland's great advantage lies in its human capital – well-educated, highly motivated, and working longer than the EU average. However, just as the demographic dividend explained part of Poland's economic miracle in recent decades, so too will deteriorating demographics weaken GDP growth in the coming years. The IMF estimates that in the two decades since joining the EU in 2004, around one-fifth of Poland's GDP growth has been attributable to the labour factor. This growth was largely based on cheap (relatively low wages), readily available labour (entry into the market by the demographic boom generation).

But over the next five years, the decline in the number of domestic workers will subtract an average of 0.6 percentage points from the annual rate of GDP growth, with the inflow of migrants compensating for only 0.2 percentage points. Demographic trends in Poland are alarming. The fertility rate in Poland, at 1.1, is currently the lowest in Europe, while for the population to grow, this rate must be above 2.1. Therefore, mobilising labour resources in Poland, including the participation of migrants as well as the return of Poles to the country, will be important for GDP growth.

Potential GDP growth in Poland and its decomposition, in %, annual average

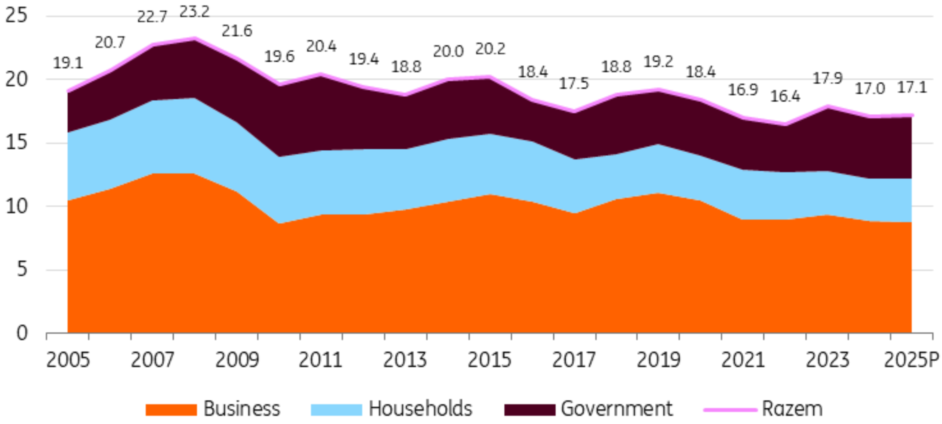


Source: International Monetary Fund (2026).

Tensions in the labour market can be alleviated by stimulating investment and boosting productivity, including in automation, robotics, and the skilful use of AI. These factors will contribute to improving productivity in Poland. As Nobel laureate Paul Krugman put it: *Productivity isn't everything, but in the long run it is almost everything.*

For a decade, the investment rate in Poland has been on a downward trend, mainly due to declining corporate investment, although public investment (including infrastructure, defence, energy) has remained elevated. However, investment in new technologies has been undertaken by Polish companies only on a small scale. Despite decent domestic resources (IT specialists, participation in the development of OpenAI, a Polish language AI model), the implementation of new technologies still follows a model of cheap services for global firms, rather than actively developing home-grown IT products.

Investment rate by institutional sector, as % of GDP

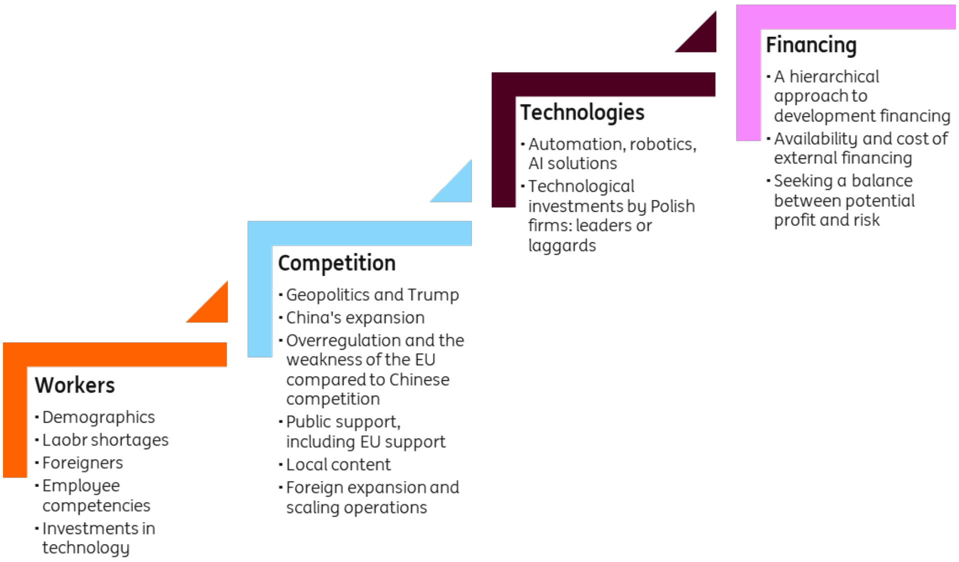


Source: Eurostat, ING Bank Śląski estimates.

Improvements in productivity in Poland will also be possible because of workers' reallocation between sectors. Compared with the EU average, we have an above-average level of employment in SMEs and significantly less in large companies, although the latter are set to attract more employees.

The report was structured along the four key factors which can strengthen business potential in Poland: workers, competition, technologies, and financing.

Key factors to strengthen business potential



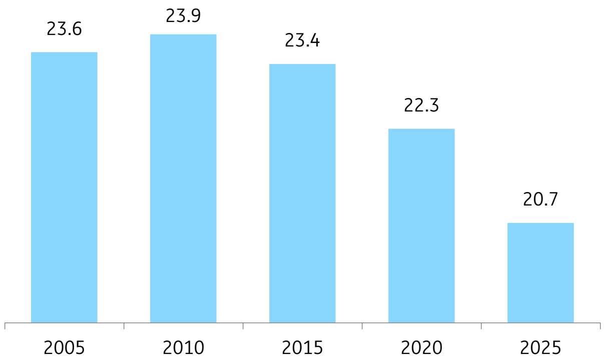
Source: ING Bank Śląski.

Ten Takeaways from Business Leaders

1 Two unfavourable, long-term structural factors – demographics and uneven global competition

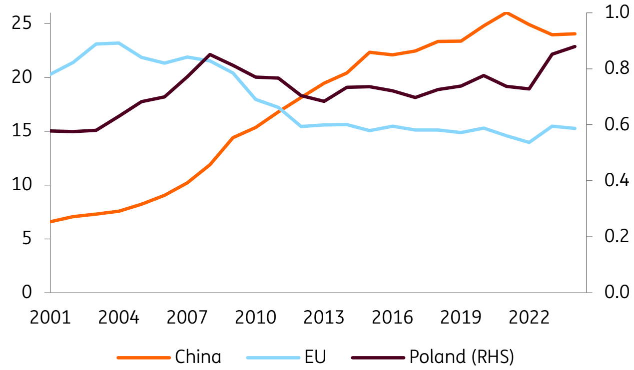
As mentioned above, Poland's growth potential is adversely affected by two long-term structural factors. The first, internal, is the worsening demographic situation and limited labour supply. The second, external, is the increasing pressure of global competition, mainly in industry and above all from China.

Working-age population (19–60/65 years), in millions of people



Source: Eurostat

The share of China, the EU and Poland in the value added of industry and construction worldwide since China joined the WTO in 2001 (%)

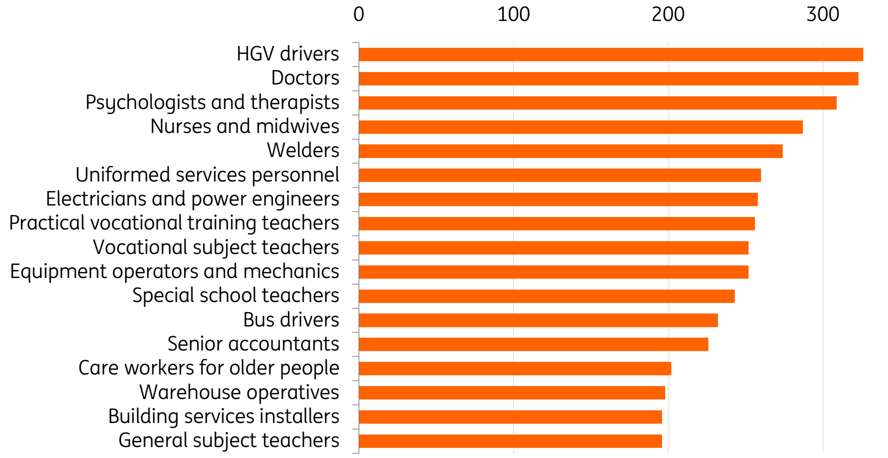


Source: World Development Indicators. Value added in manufacturing in current US$.

Although demographic factors have begun to negatively impact the labour supply in recent years, the worsening situation will become much more apparent over the next 10–20 years, when a particularly large group of current 40- and 50-year-olds will start retiring. The aging of Polish society has been progressing much faster in recent years than in other EU countries.

The emergence of shortages of both skilled workers and such as construction, agriculture and food industry, retail, and certain manufacturing sectors.

Deficit professions. Number of counties with a shortage of workers in 2026 (N='380)



Source: https://barometrzawodow.pl//forecast-card-zip/2026/report_pl/raport_ogolnopolski_2026.pdf

In recent years, Polish companies have been under strong pressure from foreign competition, mainly from Asia and particularly China. At the beginning of the century, Chinese manufacturers were especially prominent in the sector of intermediate and investment goods. In recent years, their presence has also become evident in the consumer goods segment, including household appliances and cars (both electric and combustion). Fair competition conditions stimulate productivity growth, but Chinese competition is viewed in Poland as unfair, as companies there benefit from preferential financing and lower environmental and worker protection standards.

Damian Kaźmierczak, Vice President and Chief Economist, Polish Construction Employers' Association

The limited labour supply in construction is structural. The problem is deepened by unfavourable demographics, the aging workforce, and too few young people entering the field. Several factors contribute to this: weak vocational education, declining prestige of construction jobs, and the demanding nature of the work, which is physically taxing, often performed in difficult weather conditions and on assignments away from home. Additionally, in the coming years, competition for workers may intensify due to a growing military

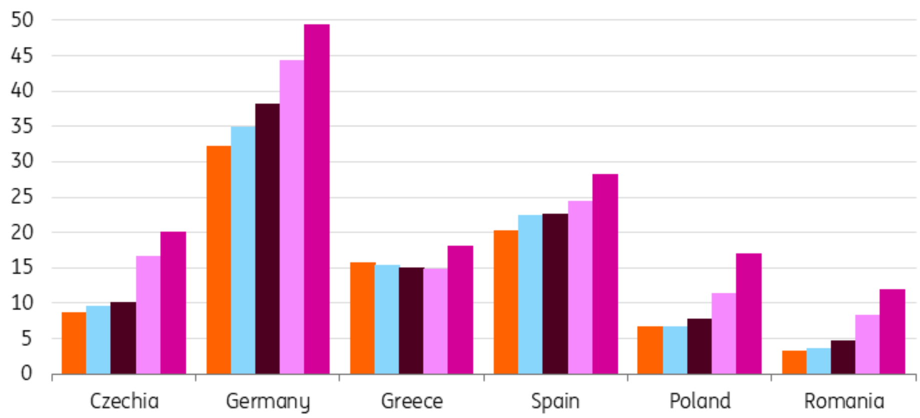
2 Creative response of companies to demographic trends and limited labour supply

It is encouraging that Polish companies have shifted from a defensive to a creative stance in mobilising workers. Companies complain less about shortages of workers or expensive labour and instead seek solutions and alternatives. These include hiring foreigners, mainly from Ukraine, but also from long-distance locations. The situation varies across sectors. Small companies, especially in construction and industry, have specialised in recruiting foreign workers. Polish firms also seem overly creative in maintaining the status quo, which is a growth model based on cheap labour, and are even able to recruit employees from South America or South-East Asia.

Stefan Życzkowski, founder, co-owner, ASTOR [engineering company]

As for manufacturing plants seeking larger groups of employees than we do, we observe the practice of hiring workers from Far Eastern countries or South America. It's a bit like leasing - workers are hired for half a year, then a new batch is brought in, using specialised employment agencies that issue invoices, for example, in Cyprus.

Labour costs include employee wages plus taxes minus subsidies



Source: Eurostat. Labor costs include employee wages plus taxes minus subsidies.

But there is also a second group of companies in which the surge in labour costs has triggered a developmental impulse. Innovative enterprises, including those in the business services or some branches of industry, are quick to adapt to rising labour costs. They focus on more advanced projects that require greater specialisation and qualifications. In industry, they implement technologies that boost productivity, which enables them to increase their margins. As a result, Polish business service firms are moving up the global value chains and delivering more advanced services than, for example, India.

Stanisław Tański, President, ABB Poland

Paradoxically, a shortage of personnel forces companies to adapt and can be a driver of positive change, especially in environments where development, growth, and competitiveness matter. The lack of specialists is a key factor that encourages investment decisions in automation, digitisation, and new technologies; it pushes companies to seek and develop new business models that, by offsetting workforce shortages, increase productivity and foster progress within enterprises.

And some Polish manufacturing companies declare that they can compete with producers from China, and in the future, also from Ukraine.

Interestingly, our interviews reveal higher employment of foreigners than available statistical data suggests, which may challenge the thesis of exceptional productivity growth in Poland in recent years. On the other hand, the potential outflow of Ukrainians after the Russian war is not such a threat, because Polish entities can simply recruit workers from other directions.

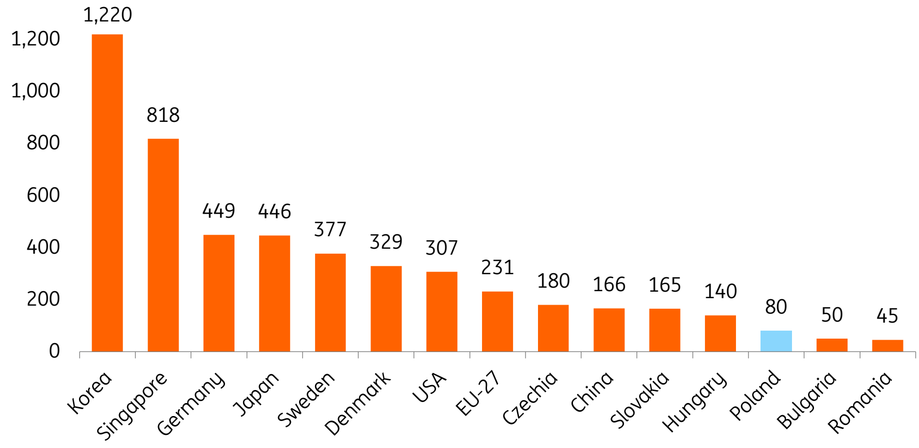
Dariusz Grzeszczak, President, Erbud [construction company]

Relying on workers from poorer countries on a large scale is not yet a "covered topic." Certainly, in a decade, if - as all indications suggest - the trend of "underemployment" intensifies, the only solution will be prefabrication. A medium-sized housing estate, which today needs from a dozen to several dozen highly qualified people for one and a half to two years, in modular technology requires only a few supervisors and production hall operators with lower qualifications. And that's for half a year.

3 However, the key method for increasing productivity is investment in technology

As Polish firms generally show excessive caution in investment decisions, reluctance toward external financing, robotisation density has even slowed down in the recent years, and AI adoption is the slowest in the EU. As a result, their low innovation persists and this also becomes a barrier to expansion. In this respect, our study brings pessimistic conclusions - for example, the pace of robotisation has slowed in the recent years, and Polish businesses are at the bottom of EU statistics when it comes to adopting AI technologies. The same is true when comparing innovation levels or the use of external financing.

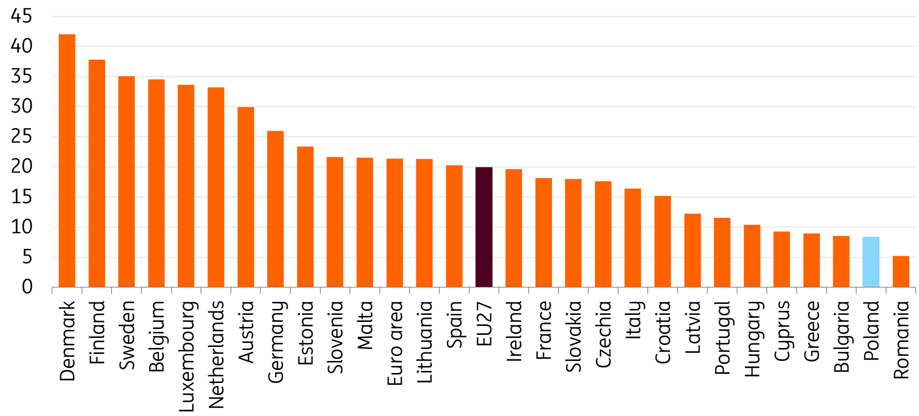
Industrial automation level – number of robots per 10,000 employees, 2024



Source: International Federation of Robotics – World Robotics Report 2024

Implementing AI requires a digital audit and streamlining processes within the company, and the profitability of investment projects increases when scaling up activities is planned, including through international expansion.

Artificial intelligence usage in enterprises in EU countries, 2025 (%)



Source: Eurostat – ICT usage in enterprises, 2025. Percentage of companies using at least one AI technology.

Janusz Dziurzyński, President, Association of Business Service Leaders (ABSL)

At the same time, the sector is intensely investing in automation and artificial intelligence. These technologies may not necessarily replace employees, but they do change the employment structure. There is less demand for simple transactional processes, while the need for specialists able to manage processes, analyse data, and implement technological solutions is growing (...)

In the coming years, the most promising areas will be related to IT, artificial intelligence, data analysis, cybersecurity, digital transformation, as well as advanced financial and consulting services.

Based on the facts, we get the impression that Polish businesses are more effective at recruiting employees, including foreigners, than investing in automation, robotics, or AI. The potential and needs for such investments differ across sectors (construction focuses on recruiting workers, business services quickly automate, and in industry, approaches vary between branches).

4 Unequal competition with China and demands for support from the EU and national policies.

Chinese competition surprised Polish companies with the speed of its impact on markets, its reach, and its quality. After the pandemic, suppliers from Asia began to compete fiercely with the EU and the US in the consumer goods segment, such as cars (not only electric), consumer electronics, household appliances (in the latter sector their EU's market share is very high and amounts to over 50%). Donald Trump's tariff policy additionally encourages companies from China to look for alternative markets.

Bartłomiej Kras, Vice President of Impact Clean Power Technology

[Rising labour costs] cause decreased competitiveness and are a huge threat for us. The increase in labour costs obviously affects the price of the product. Comparing it to our most dangerous competition from the Far East: labour costs, but also energy costs and obligations related to European legislation are our biggest burdens (...).

Europe spent years outsourcing technology, processes, and production to China for economic reasons. And today it wakes up, seeing that it cannot buy a component, and the end product is not only cheaper but technologically comparable, and sometimes even better. This is a very negative phenomenon. Europe slept through China's development, which is most visible in the automotive industry, but also consumer electronics and high technologies.

The weakness of the EU in facing Chinese competition is largely due to the burden of policies and practices at the EU level; Chinese companies experience less bureaucratic burden and milder environmental and social standards and can also count on government subsidies when expanding abroad.

Sebastian Szymanek, President, Polpharma Group [pharmaceutical company]

Many years ago, China made a strategic decision to monopolise the production of active pharmaceutical ingredients (API) – and achieved a huge advantage in this area. Today, they are also investing in innovation: over 40% of clinical trials worldwide now take place in China. The second key competitor for Europe is India, which is intensively developing API production and seeking to become independent from China, while increasing its presence in Europe through acquisitions and the development of the finished medicines market.

Jakub Bartoszek, President, MAB Robotics [robot producer]

The milk is spilled... In certain segments of our industry, China is already a monopolist - for example, in the production of DC electric motors that use neodymium magnets, characterised by high efficiency. They are used in almost every machine - from robots to cars to tanks. And there are still plenty of areas where we will probably not reverse the Chinese monopoly for years.

In many European industrial sectors, dependence has become very deep. To prevent further weakening of the productive and innovative potential of European companies, effective protective initiatives from the EU will be key. It is necessary to turn the Community's strategic autonomy from something on paper into real actions. The Union can also consider the scale of ambition of climate policy and the pace of emissions reduction in such a way that in a decade or two, the manufacturing base remains on the Continent.

Criticism of excessive EU regulation in our enterprises goes hand in hand with noticing the advantages of adopting the euro and the associated lower interest rates and reduced currency risk. Paradoxically, the same companies that criticize excessive EU regulation also mention the need for lower interest rates, which come with membership in the eurozone.

Przemysław Gostkiewicz, President, Sokołów [meat producer]

In our industry, the situation looks somewhat different than in the durable goods sector. For many years, China was a large consumer of pork and beef and a net importer. But at some point, they changed strategy and focused on self-sufficiency, which resulted in a decline in European exports to China - and this immediately affected prices in Europe. Pork prices fell to their lowest level in many years. This was the result of both increased supply and the aforementioned prohibitive tariffs from China.

The second aspect is the influx of capital. One of the largest pork producers in Europe is now a company with a Chinese owner.

Nonetheless, some Polish companies can withstand competitive pressure, there are also sectors which are protected by special regulations. Defence or cybersecurity are niches where Asian competitors are not active. Also, construction companies have benefited from the verdict of the Court of Justice of the EU.

Janusz Zakręcki, President, PZL Mielec [aircraft producer, owned by Lockheed Martin]

China has no influence on PZL Mielec's operations. We do not feel this competition. In the defence sector, we do not see such threats. It seems to me that this is perhaps the most resistant area of the economy to Chinese influence.

Wojciech Trojanowski, Management Board Member, STRABAG Poland [construction company]

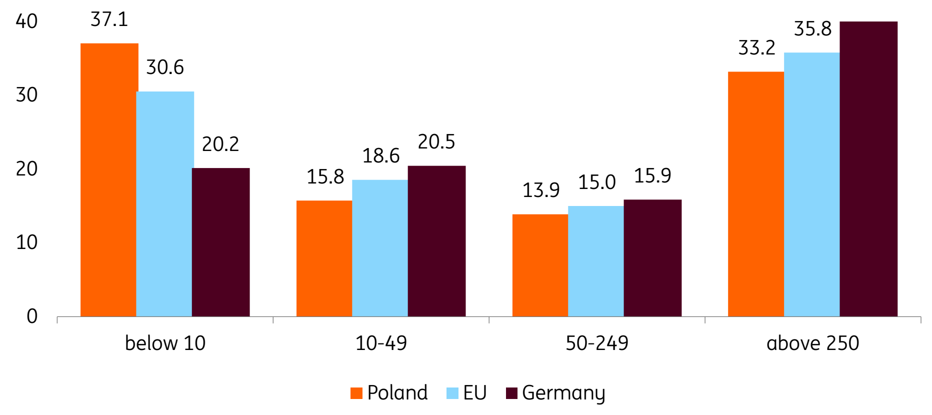
We were pleased with the last year's Court of Justice of the European Union ruling stating that companies from outside the European Union do not necessarily have the right to invoke equal access to EU markets. We see how much this rivalry at the macro scale has accelerated and intensified in recent months.

5 EU's and national policies discourage scaling of operations, including internationalization, by mainly supporting SMEs

The opinions of the business leaders show that, in conditions of limited labour supply, a technological shift in the economy is needed, with a growing emphasis on competing through quality rather than price. There are very few globally scaled enterprises in Poland that could acquire, finance, and develop innovative companies. As a result, Polish startups often seek foreign investors rather than domestic ones.

The structure of enterprises also contributes to the low level of innovation in the Polish economy. The market is dominated by SMEs, which are generally less innovative, mainly due to limited access to financing, as well as fewer opportunities to scale operations or expand into foreign markets. Regulations and public instruments should promote not only small and medium-sized enterprises, but also large companies. This will help change the current structure, which has an exceptionally high share of SMEs.

Company employment shares by number of employees, %, 2023



Source: Eurostat

Janusz Zakręcki, President, PZL Mielec [aircraft producer, owned by Lockheed Martin]

Many Polish companies, fearing the loss of their small or medium-sized enterprise status - and thus access to substantial grants - deliberately limit their scaling. This phenomenon perpetuates the fragmentation of the economy and makes it harder to build national champions. We need instruments that will reward the growth of both large enterprises and small and medium-sized ones (...)

The greatest impact comes from entities that operate on a global scale.

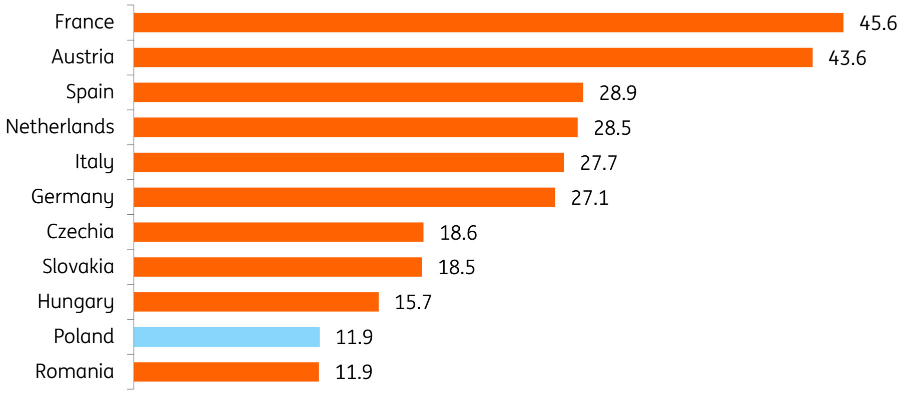
In Poland, the need for a serious modification of public support, including EU support, is an important topic: shifting from SMEs to larger enterprises. In an environment of intensified global competition, it is rather the large companies that can scale up and face the competition. Managers appreciate the efforts of national business support institutions in helping abroad, but they need professional economic diplomacy.

EU and national policies, by promoting the SME sector, probably unintentionally undermine incentives for Polish companies to scale their operations. Instead of supporting development, they encourage limiting activities and restructuring employment to avoid the burdensome status of a large company, which at the very least reduces access to community support.

6 Seeking the golden mean: balancing profit and risk in using external financing for company growth.

In terms of macroeconomic indicators, we are already a developed economy; however, when it comes to financing behaviour, Polish businesses display a very cautious approach characteristic of emerging markets. Poland’s ratio of bank credit in the non-financial enterprise sector of just 12% of GDP is almost four times lower than in France or Austria and two times lower than in Germany or Italy.

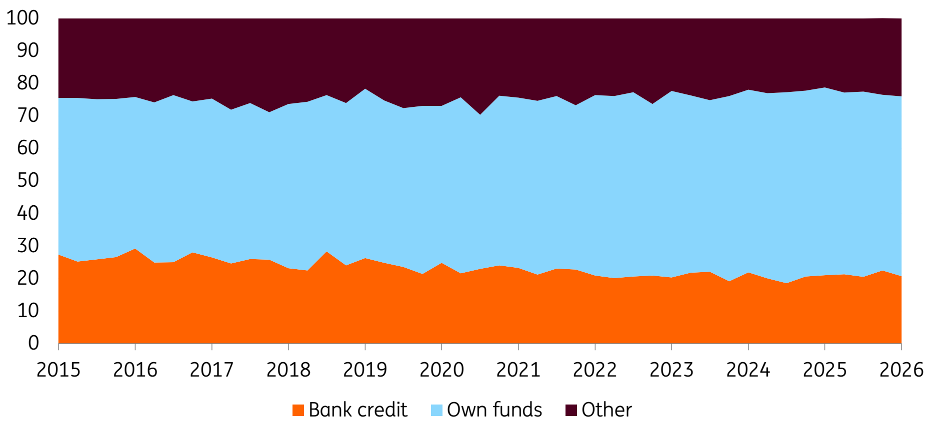
Bank credit of the non-financial enterprise sector, Q2 2025, as a % of GDP



Source: Eurostat, ING estimates.

In recent decades, Polish companies, mainly from the SME sector, have relied heavily on their own resources or public financing, including EU funds. During periods of high availability of free funding from Brussels and amid "black swans" in the global economy, this is a sign of caution. External financing (bank loans, stock market, Venture Capital / Private Equity) was largely avoided - either due to lack of knowledge or unwillingness to take on long-term obligations.

Planned source of financing for new investments, as a % of responses



Source: NBP (2026)

7 Demand problem: deficit of knowledge and trust in reaching to external financing, caution resulting from historical experiences

As mentioned above, smaller companies benefit from grants or preferential public financing. Our interviews suggested that in SMEs, the ownership model prevails, and entrepreneurs want to retain control over the business, while external financing may dilute this control. Some respondents pointed to a lack of knowledge about financial instruments and a historically rooted limited trust between banks and companies. Taking historical experiences and huge global economic and financial turbulences into account, many companies consider cautious debt management to be justified and rational.

Robert Stobiński, CEO, Amica [white appliances producer]

Based on predictable financial results and market conditions, we try to manage our debt level. And I think it is quite reasonable to state that other large Polish companies - like Maspex, Selena, or Drutex - similarly take a responsible approach to managing their financial positions.

I am convinced that they also pay attention not to go overboard with external debt and not to expose themselves to repercussions from banks.

Why do companies avoid external financing? The list of reasons they mention is quite long . These include both external motivators, such as:

- **Geopolitical uncertainty and increased risks:** Caution of Polish companies
- **Independence, resilience:** We are in a comfortable situation because we can carry out our plans mainly with our own funds, without the need to resort to external financing.
- **Sense of stability:** In our case, we are developing almost exclusively on the foundation of our own capital. We used external financing at the beginning of our operations, but later we grew using our profits.

Piotr Szlagowski-Budacz, Strategy Director, Qemetica Group [chemical company]

Access to external financing requires professional preparation, a treasury department, know-how in debt management, and well-developed investments. Additionally, there is a high entry threshold in the bond market, which makes these instruments mainly available to larger players.

Banks and investors are ready to finance good projects, but what matters is the competence of the company, not just the willingness to take on debt.

8

Supply side: more price rather than access issue

The understanding of the cautious approach to external financing was motivated by the (high) cost of obtaining capital while simultaneously they experience increased economic or political uncertainty. Access to credit itself was generally not indicated as a barrier to company growth. The lack of problems with access to financing results from the practices of both commercial banks and development financial institutions, such as PFR (Polish Development Fund) or KUKE (Polish Export Credit Agency).

If something, the bottleneck is risk profile of available funding. Poland needs a more developed capital market matching the diversified risk profile of companies, which they experience at different stage of development. Early-stage companies typically rely on business angels and venture capital, reflecting high risk and limited collateral. SMEs are mainly financed by banks, often supported by government guarantees or preferential lending schemes. As companies scale and build a track record, they increasingly access market-based funding, including bank lending, corporate bonds and equity issuance.

9

How to find the golden mean between growth and risk

The opinions of company representatives in our study indicate that Polish companies apply the so-called hierarchical model in managing business development. The relatively low level of debt among Polish companies results from a cautious approach to financing, meaning that own capital and grants are used first, and only later external financing.

Bartłomiej Kras, Vice President of the Management Board, Impact Clean Power Technology

We are very pragmatic when it comes to financing our own capabilities, and we do it very cautiously. This has its pros and cons. On the one hand, it gives a certain financial stability, predictability, and reduces the risk of bankruptcy.

Business leaders are aware, however, that this approach has both advantages and disadvantages. It allows for building stable enterprises that are less susceptible to market fluctuations or increasing financing costs. But - on the other hand - excessive caution can limit the pace of development and the scale of investment. At a time when the Polish model of economic growth must increasingly rely on investments and innovation, and not on cheap labour, Polish business needs to redefine its approach to profit and risk and make greater use of external financing in its further development.

The key is simply to find a balance between maintaining financial security and utilising innovation potential. In our opinion, Polish companies can develop production potential domestically but also fight for a greater share in global markets, including through acquiring foreign entities. Although this cautious attitude has kept the level of debt under control, it limits the ability of Polish companies to scale up their operations. The necessary shift of the Polish growth model toward a more investment- and innovation-driven approach will require greater use of external financing as a lever for development.

10 Resilience to shocks and flexibility in adaptation to changing conditions

In general, Polish companies remain highly resilient to pressure and shocks and adapt flexibly to new conditions. In response to unfavourable demographic trends, they effectively recruit foreign workers, manage the development of their own employees, and invest in technology, although there is still room for greater investment, including through external financing.

They bravely face global competition, although rivalry with Chinese companies is perceived as unequal and they demand protection – through adjustments to EU policies and preferences under so-called local content. At the same time, regulations and public instruments should not solely promote small or medium-sized enterprises, but also large ones, to support scaling up operations, investment and internationalization rather than perpetuating the current structure with a high share of SMEs.

Going forward, the Polish model of economic growth must rely more on investment and innovation, rather than work, which is no longer easily available and cheap. However, to change towards a new growth model, greater openness to external financing is required. A change in this respect in the attitude of enterprises (which invest relatively little but save a lot) and the public sector (which spends much, but struggles with excessive fiscal deficit) is needed. We also see that development institutions in Poland try to address the above challenges and provide a full set of funding, with diversified risk profile.

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