

Why invest in Poland?

POLAND 2026 – STRATEGIC GATEWAY FOR GROWTH AND INNOVATION



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EXECUTIVE SUMMARY

Poland enters 2026 as one of Europe's most resilient and fastest-growing economies, combining **macroeconomic stability, NATO-level security, large-scale infrastructure transformation**, and one of the EU's most attractive investment incentive systems. Once perceived primarily as a cost-efficient manufacturing base, Poland is now evolving into a **high-efficiency, innovation-driven strategic hub for energy, logistics, defence, advanced manufacturing, and R&D**.

Scandinavia's position as **the third-largest investor group in Poland** sends a strong market signal: Poland has become a core – rather than peripheral – destination for long-term European capital.

1. Strategic location & geopolitical importance

Poland occupies a **central position in Northern-Central Europe**, making it a natural hub for logistics, energy transmission, defence cooperation, and nearshoring.

- ❖ Borders 7 countries directly and provides maritime access via the Baltic Sea to key Scandinavian and Northern European markets, including Sweden, Denmark, Finland, and Norway.
- ❖ Since 2022, Poland has become a **critical logistical backbone for NATO and EU operations**, including military and humanitarian support to Ukraine.
- ❖ Major North-South and East-West transport corridors intersect in Poland, strengthening its role as a **continental gateway**.

Strategic relevance has shifted from regional to pan-European.

2. Macroeconomic strength & growth outlook (2025–2026)

Economic scale

- ❖ **6th largest economy in the EU**
- ❖ **Consumer demand: ~37.4 million population**
- ❖ **Top 20 economy globally (PPP-adjusted)**
- ❖ Poland has been **invited to participate in the G20 Summit framework in 2026**, reflecting its rising systemic importance

GDP growth

❖ Poland has recorded **25 consecutive years of positive GDP growth**, including during:

- ♦ the 2008-2009 global financial crisis
- ♦ the COVID-19 pandemic

❖ GDP growth forecasts (IMF)

- ♦ **2025**: 3.2%
- ♦ **2026**: 3.1% significantly above the EU average (~1.1–1.3%)

Poland ranked among the **three fastest-growing EU economies in 2025**.

Alongside Turkey and Lithuania, Poland is among only three countries whose projected growth is expected to exceed the global average of 2.9%.

Inflation & monetary environment (IMF)

- ❖ Inflation forecast for 2025: ~ **3.8%**
- ❖ Inflation forecast for 2026: ~ **2.8%**
- ❖ Expected policy rate cuts toward **4.0%**, reducing the cost of capital for new investments
- ❖ Unemployment: 3.2% (Eurostat)

3. Political & institutional stability

❖ **EU member since 2004**

❖ **NATO member for over 25 years**

❖ Stable democratic institutions, with a system of checks and balances

❖ The president and government represent different political camps, but **broad cross-party consensus exists** on:

- ♦ defence spending
- ♦ infrastructure development
- ♦ energy security
- ♦ EU and NATO alignment

This ensures **continuity of strategic projects regardless of electoral cycles**.

4. Security & defence

- ❖ Poland has the **3rd largest military in NATO**, after the United States and Turkey
- ❖ **Defence spending: ~4.7% of GDP** (highest in NATO in relative terms)
- ❖ Rapid modernization of land, air, missile defence, and logistics capabilities

For investors, this translates into:

❖ **Exceptional national security**

❖ Strong growth in **defence, dual-use technologies, cybersecurity, and advanced manufacturing**

5. Labour market & Human Capital

- ❖ Highly educated workforce with strong engineering, IT, medical, and technical competencies
- ❖ Competitive labour costs compared to Western Europe
- ❖ Increasing role of the **foreign workforce** (e.g. the Philippines, Colombia, Ukraine), supporting:
 - ♦ demographic challenges
 - ♦ scalability of industrial and service operations
- ❖ Rapid adoption of **automation, AI, and digitalisation** to offset ageing population trends

6. Infrastructure transformation – Poland as the logistics gateway to the EU

- ❖ Poland's central location and extensive infrastructure upgrades make it a **strategic logistics hub** for Europe.
 - ❖ **Roads & rail**: hundreds of kilometres of new motorways and modern freight corridors connect Poland to EU and Asian markets, with heavy investment to increase rail capacity and transport security.
 - ❖ **High standards**: facilities and networks meet Western European quality benchmarks, supporting efficient supply chains and nearshoring strategies.
- Poland's logistics ecosystem reduces costs, shortens lead times, and creates long-term opportunities in e-commerce, manufacturing, and industrial real estate.

7. Mega projects 2030–2040: Structural growth drivers

Energy transition

- ❖ **2 nuclear power plants planned by 2036**
- ❖ **Large-scale offshore wind farms in the Baltic Sea (2030–2040)**
- ❖ **Grid modernisation and energy storage investments**

Transport & logistics

Central Communication Port (CPK):

- ❖ aviation, rail, and logistics hub
- ❖ implementation phase: **2026–2032**
- ❖ **High-speed rail network** by 2032
- ❖ Expansion of **seaports**: Świnoujście, Gdańsk, Gdynia

Defence & security

- ❖ Continued military expansion and domestic defence industry development through 2030+

These projects create **multi-decade opportunities** for construction, engineering, energy, finance, logistics, and technology providers.

8. Investment incentives & tax environment

Polish Investment Zone (PSI)

- ❖ The entire country qualifies as a Special Economic Zone

❖ Corporate Income Tax (CIT) exemption:

- 15%–50% of eligible costs (large enterprises)
- Up to **70%** for SMEs

❖ Valid for **10, 12, or 15 years**

❖ Eligible costs include:

- land and construction
- machinery and equipment
- IP and licenses

• **two-year labour costs for new employees**

Advanced tax instruments

- ❖ **R&D tax relief:** up to a **200% deduction** of eligible R&D costs
- ❖ **IP Box:** 5% CIT on income from intellectual property
- ❖ **Estonian CIT:** 0% tax on retained earnings; reduced effective tax on dividends

This combination places Poland among the **most competitive tax jurisdictions for innovation-driven investment in the EU**.

9. Key Investment Sectors in Poland – strategic context for investors

Energy transition & clean energy

Poland is entering a decisive phase of energy transformation. Historically dependent on coal, the country is now implementing one of the most capital-intensive energy transition programmes in Europe. This shift is driven simultaneously by EU climate policy, security-of-supply considerations, and the need for long-term price stability for industry.

The investment pipeline is defined by **two nuclear power plants planned by 2036**, which will provide stable baseload capacity, and **large-scale offshore wind development in the Baltic Sea between 2030 and 2040**. These projects are complemented by extensive **grid modernisation and energy storage investments**, which are necessary to **integrate renewable capacity and stabilise the system**.

For investors, this creates **multi-decade demand visibility** across construction, EPC services, component manufacturing, ports, logistics, and financing. The scale of public involvement and EU co-financing significantly reduces execution and regulatory risk, while enabling attractive risk-adjusted returns for private capital.

Advanced manufacturing & industrial automation

Manufacturing has long been a pillar of the Polish economy. Today, Poland is the **fifth-largest manufacturing economy in the EU**, supplying components and finished products to Western European value chains. However, unlike many mature industrial economies, Poland remains **relatively under-robotised**, particularly outside large multinational plants.

At the same time, the labour market has tightened structurally. **Labour shortages and rising wage pressure** are no longer cyclical but persistent, forcing companies to rethink production models. As a result, automation and Industry 4.0 solutions are rapidly moving from optional upgrades to strategic necessities – even for small and medium-sized enterprises.

This dynamic creates a sizeable and still underpenetrated market for investors in industrial automation, robotics, smart machinery, and production software. Government incentives under the Polish Investment Zone and generous R&D tax relief further enhance project economics and shorten payback periods.

Automotive, e-mobility & battery ecosystem

Poland has become a central node in the European automotive ecosystem, supported by a dense network of Tier 1 and Tier 2 suppliers and close integration with German OEMs. In recent years, this position has been reinforced by the transition towards electric mobility.

Flagship investments illustrate this shift. **Mercedes-Benz has invested over €1.3 billion** in Jawor, creating the world's first factory dedicated exclusively to electric vans. In parallel, **Umicore and Volkswagen PowerCo are investing approximately €1.7 billion** in EV battery cathode materials, positioning Poland as a critical link in Europe's emerging battery value chain.

For investors, the automotive sector in Poland is no longer about cost arbitrage alone. It is increasingly driven by **nearshoring, supply-chain resilience, and proximity to end markets**, supported by strong logistics infrastructure and export efficiency.

Logistics, transport & advanced warehousing

Poland's geographic location has always been an advantage; its infrastructure transformation has turned that advantage into a strategic asset. Since EU accession, the country has invested heavily in roads, railways, ports, and logistics parks, reshaping supply chains across Central and Eastern Europe.

Today, Poland offers **34.5 million m² of modern warehouse space**, making it the **second-largest logistics market in Central Europe**. According to JLL, **one in five e-commerce warehouses built in continental Europe is located in Poland**, underscoring its role as a hub for online retail fulfilment.

For investors, this translates into sustained demand for logistics real estate, automated fulfilment centres, intermodal terminals, and value-added logistics services – supported by long-term trends such as e-commerce growth and supply-chain regionalisation.

Business services, IT & R&D

Poland has evolved from a back-office outsourcing location into the **largest and most sophisticated business services hub in Central and Eastern Europe**. The country hosts **over 40% of all outsourcing centres in the region**, spanning BPO, SSC, IT services, and R&D operations.

Crucially, Poland is also the leading **CEE destination for R&D projects**, driven primarily by international software and technology companies. This reflects not only cost competitiveness but also the depth of local talent, strong universities, and a maturing innovation ecosystem.

For investors, this sector offers scalable growth models with relatively low capital intensity, strong margins, and resilience to economic cycles – particularly in IT, digital services, and applied R&D.

IT, space sector, cybersecurity, AI & digital services

Building on its business services base, Poland is transitioning towards higher-value digital activities. Demand is driven by EU-wide digitalisation, cybersecurity requirements, and AI adoption across industry and public services. At the same time, Poland is strengthening its space sector through participation in international space programmes and the development of advanced space technologies.

Poland's large pool of software engineers and data specialists enables rapid scaling of digital platforms and technology development centres. Increasingly, investments are focused not on service delivery alone, but on **technology creation, cloud infrastructure, and AI-driven solutions**, positioning Poland as a regional digital hub.

Medical services, MedTech & life sciences

Poland combines strong engineering capabilities with a large healthcare system and competitive production costs. As a result, the country has become a significant global supplier of medical technologies and now ranks **among the world's top 10 MedTech exporters**.

Investors benefit from a mature manufacturing base, growing innovation in diagnostics and medical devices, and increasing integration with European healthcare value chains. This sector offers both export-driven growth and resilience of domestic demand.

Food processing & Agri-Tech

Food processing is a strategic sector in Poland, supported by a large agricultural base and a strong export orientation. Rising EU quality standards and cost pressures are driving investment in **automation, process optimisation, and product innovation**.

To remain competitive, food producers are upgrading production lines and adopting advanced technologies, creating sustained demand for international equipment suppliers and technology providers. Poland's market scale and export reach make it a natural entry point into the European food industry.

Green building materials & sustainable construction

Infrastructure expansion, mega projects, and tightening environmental regulations are reshaping construction demand in Poland. Investors are increasingly focusing on **low-carbon building materials, energy-**

efficient solutions, and industrialised construction methods, aligned with EU climate policy and public procurement standards.

Gaming & creative technologies

Poland has quietly built one of Europe's strongest gaming ecosystems. Polish studios are globally recognised, and the sector is highly export-oriented, generating revenues primarily from international markets.

For investors, gaming offers exposure to high-margin digital products, scalable intellectual property, and a deep talent pool – often with lower entry costs than in Western Europe.

Closing perspective for investors

What distinguishes Poland is not a single sector, but the **convergence of multiple structurally growing industries**, all supported by:

- ❖ long-term public investment pipelines,
- ❖ strong incentive frameworks,
- ❖ EU and NATO integration,
- ❖ and improving productivity dynamics.

This creates a uniquely balanced investment environment – offering both **scale and resilience**, and positioning Poland as a strategic platform for European growth over the next decade.

CLOSING PERSPECTIVE FOR INVESTORS:

Poland ranked 23rd globally and 7th among emerging markets in the 2024 FDI Confidence Index®, reflecting strong investor confidence in its stable economy and long-term growth potential..

About PNP Law

Peter Nielsen & Partners Law Office Sp.k. is a Polish law firm with strong Scandinavian roots, advising international and domestic investors entering and operating in Poland. We combine legal expertise with a pragmatic, business-focused approach, supporting cross-border projects and long-term value creation. The firm advises over 300 clients from approximately 25 countries across key sectors, including technology, energy, real estate, logistics, and healthcare.

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