

POLAND



POPULATION 2016
37 948 020



URBAN POPULATION %
61%



NUMBER OF PASSENGER CARS IN USE
20 723 423



NUMBER OF VEHICLE PER HEAD
(DATA IN 2015) PER 1000 HABITANT
537



TOTAL PASSENGER ROAD TRAVEL
DISTANCE 2016
(MILLION PASSENGER-KILOMETRES)
238 150



ROAD INFRASTRUCTURE
INVESTMENT 2017 €
2 170 794 683

Source of data: World Bank; OECD; Eurostat; OICA; IEA; UN-DE-SA/Population Division; Statistics from Departments of Transport



Jaroslaw Bochenek
Partner, Mazars Poland

How deep thinking can drive Poland's sustainable mobility aspirations?

Poland's reputation as a supply chain hub is underpinned by an educated and cost-effective workforce built up over many years. Can the sector now push on to take advantage of the move towards a more sustainable mobility future? Jaroslaw Bochenek, Partner, Mazars Poland examines the challenges.

Poland's strategic location giving access to the east-west corridor alongside a well-developed road infrastructure has proven to be a winning combination for its automotive industry. A further draw is access to a skilled workforce that remains cost-effective at the Tier 1 and Tier 2 supply chain end. It's why companies such as Toyota, Volkswagen and Fiat Chrysler have chosen Poland as a base for powertrain production, alongside companies producing a wide range of vehicle systems and car components. Importantly, many are longstanding relationships that have been based in Poland for many years.

So can these relationships now be developed into ones which can benefit the move to sustainable mobility solutions in the electric vehicle (EV), smart connectivity and autonomous driving fields? Certainly, recent activity suggests there's an appetite with German global electronics group, ZF, announcing it was to expand its 10-year old manufacturing footprint in Poland with a new engineering centre to support its growth in the advanced safety and automated driving fields.

While such strong relationships are key to developing new investment opportunities in sustainable mobility solutions, other factors supporting such growth rely

on government policy, having a thriving research and development (R&D) sector and a workforce that accommodates the new skills required.

ECONOMIC ZONE MAKEOVER

The success of economic zones set up by the government in the 1990s has certainly played a role in Poland's strength in the automotive industry. While initially set up to help bring employment to towns and cities, legislation was most recently updated in 2014 when an emphasis was placed on companies getting tax breaks to set up clusters with schools and universities to improve and develop technical knowledge for the future workforce. However, the most recent government announcement shows a more mature approach to social and economic development in Poland linking tax incentives for companies wishing to set up operations in Poland with a wider range of factors such as the quality of jobs, including salaries, job specialization and number of jobs created, as well as how sustainable the investment project actually is.

EXPANDING R&D OPPORTUNITIES

With its status as a supply chain hub, it makes sense for companies such as Delphi, Faurecia, Valeo, Wabco and Eaton to have R&D facilities also located in Poland. Embedding R&D into the supply chain ecosystem at

the product conceptualization stage is seen as a way to develop a market leading product and simultaneously control costs. As the move to explore more sustainable mobility solutions gains traction, the ability for the supply chain and R&D to work closely together will be a key differentiator in a highly competitive market. In particular, as the high cost of research into new automotive technologies sees more companies seeking opportunities to collaborate and share platforms in order to decrease costs, Poland's ability to fulfill both location and skills' requirements will be increasingly attractive

BRAIN DRAIN REVERSAL

Poland's previous reputation as a cheap labour base has moved on. Now seen as a location for more complex automotive manufacturing and supply chain functions, the new government emphasis on awarding tax breaks linked to quality of work and salaries paid offers the opportunity to attract higher skilled Polish workers who have migrated abroad for better employment opportunities and higher wages. This will help to give strength and depth to Poland's ability to provide the new skills needed to meet the automotive industry's sustainable mobility requirements.

Of course, challenges remain. Managing the transition from a traditional automotive framework that relies less on the production of vehicle parts and more on software and technical output will continue to have social and economic consequences. Equally, despite showing clear potential as a location for developing and manufacturing state-of-the-art sustainable mobility systems, Poland is way behind other European countries in terms of electric vehicle take-up by consumers. While the car remains a strong status symbol in Poland, it's expected that the take-up for electric vehicles will continue to be slow, with an initial move to a hybrid solution more likely. However, as the government begins to put in place strategies to make electric vehicles more attractive to consumers, we may yet see Poland as not only a location for companies looking to develop sustainable mobility solutions, but a location where such ideals are also shared by the people who live there.

