

Circular business opportunities in Poland

Prospects for Dutch entrepreneurs



Commissioned by:



Netherlands Enterprise Agency

Since the transition to democracy Poland has attracted significant foreign funds inflow



This time the whole world needs a transition – a circular one



Although Poland's circular transition is lagging, the momentum for this process is visible and significant drivers are already present

Circular material use
rate in 2019

Circular material use
2010-2019 change

EU average

11,8%



EU

11,2%

Poland

9,8%



Poland

-9,3%



Regulatory push
towards circularity



Circular activities
gain momentum



Companies prioritize cost
reduction – resource use as well



Financial incentives support circularity /
Grants, subsidies, loans

Dutch entrepreneurs could harness these positive circumstances as well as relative differences to establish successful businesses

High-skill sectors prioritization

Dutch economy is relatively more service-oriented



Polish economy still dependent on its historical heritage (higher importance of industry, agriculture and manufacturing)

Agriculture is relatively inefficient

Dutch activities and technologies match
Polish resources supply in the sectors with
the most potential for successful
circular businesses

Dutch priorities:



Biomass
and food



Plastics



The
manufacturing
industry



Construction
sector



Consumer
goods



Energy

Poland

Europe's future
food production
and processing
hub



The country has the **fourth-largest** area of arable land in the European Union.



200 million EU citizens live within 1,000 kilometres of Poland's borders.



A sizeable portion of the country is less industrialized, which could be a terrific starting point for production of eco-friendly and organic foods.

Sustainable biogas production could follow agricultural development

According to some estimates,
the current installed capacity
is only **16%** of current capacity

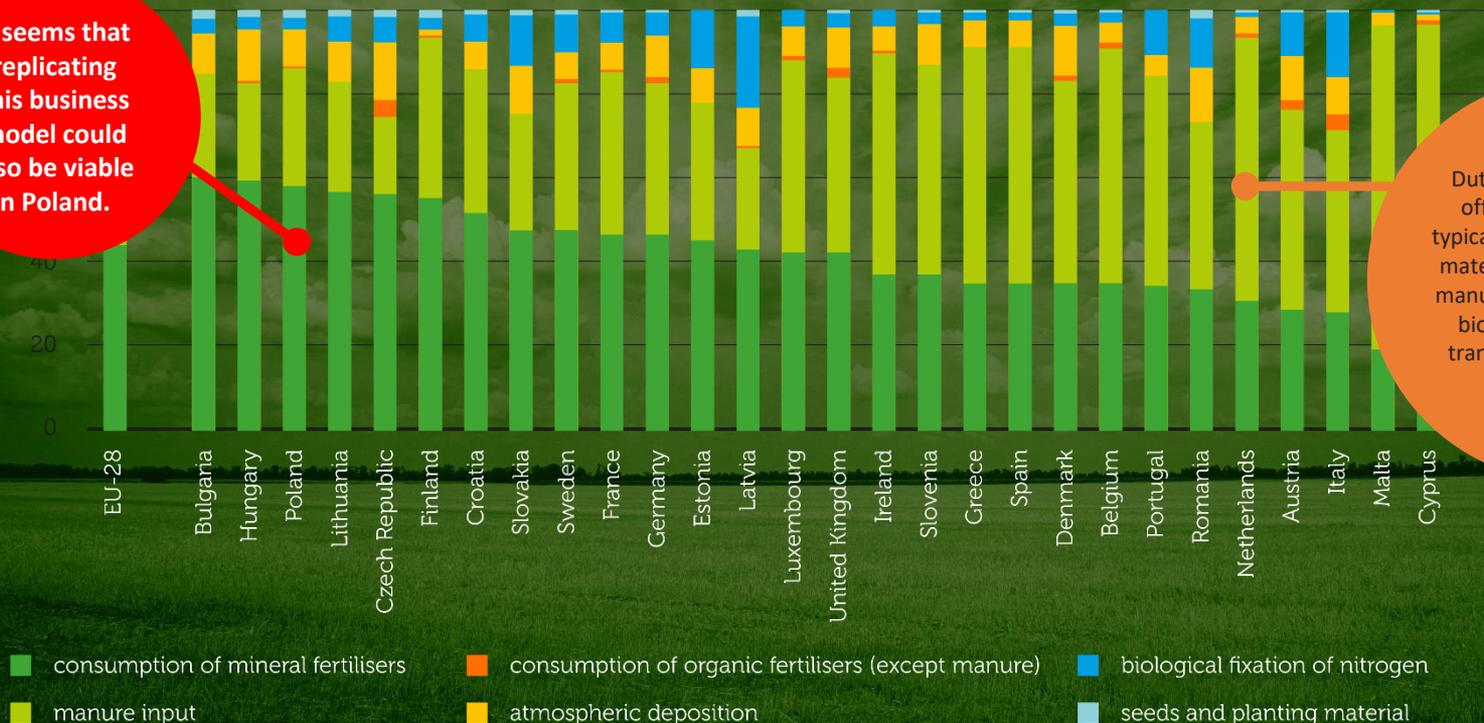
Additionally, there are no known plants
that upgrade

biogas  biomethane

Sustainable soil management, including organic fertilization is needed

It seems that replicating this business model could also be viable in Poland.

Dutch companies already offer organic fertilizers, typically using secondary raw materials, including chicken manure, compost, sugar and biofuel by-products and transform them into high-quality fertilizer.



Cooperation and consulting are indispensable for more sustainable farming



Poland's agriculture and food industry is skewed toward low value-added produce.



Additional infrastructure is needed.



Cooperation on improving quality, scaling supply for processing activities is possible thanks to vertical integration and clustering.



Efficiency gain true cooperation is available through:

- modern ICT tools,
- advisory services,
- maintenance of machinery,
- help with obtaining the EU funding.

Dutch entrepreneurs could profit on solar energy rapid development

As of first quarter of 2020, the capacity of photovoltaic installations has recorded an increase of **481.6%** in just two years.

This success was the result of four major events:



Significant decrease in the prices for PV system modules and elements.



Growing electricity prices.



Extensive Polish government programmes supporting small initiatives (e.g. thermo-modernization and My Electricity programmes)



URE auctions for large producers.

Wind energy is crucial in the Polish energy mix, especially offshore energy

- Poland plans to increase its renewable power capacity by **65%** from 2019 to 2024, mostly from wind farms. In 2020 63.7% of all renewable energy in the country was produced using wind.
- The Polish energy system will require **1,000MW** of newly installed wind energy capacity each year to comply with EU targets

Energy distribution and storage is in need of expansion and renovation

Expanding and upgrading Poland's electricity transmission network is a key element to meet its EU goals of increasing renewable energy sources, improving energy efficiency, and integrating its grid into the European transmission networks to a greater extent.



expansion



upgrade

Investments undertaken by distribution system operators for distribution grid:

automation



cyber-security



Poland could make a transition from a European leader in furniture production to a circular furniture frontrunner

Advantages that resulted in Polish furniture producers' success could be used also for the development of circular furniture production. These are:



Favourable location close to both western and eastern markets.



Relatively low production costs, including labor costs for highly-skilled employees.



Strong governmental support for the furniture industry as well as availability of various aid funds.



The proximity to resources of both solid wood and wood-based materials.



The growing domestic market, driven by the growth of the construction sector and the improving purchasing power of the local consumer.

There is still a lot of untapped revitalization potential

As of the end of 2018, more than **1 400** municipalities had a revitalization program (ca. 55% of municipalities in Poland).



This draws interest from companies looking for profit

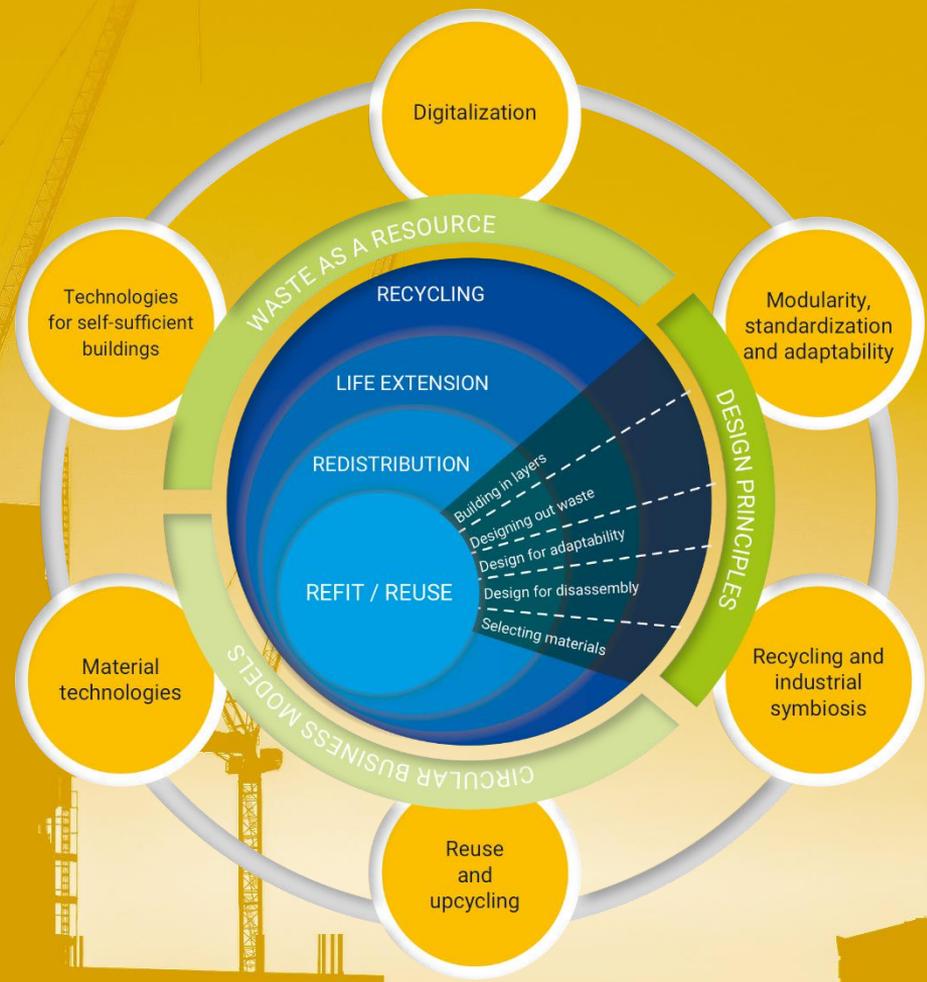


At the same time these companies want or are expected to build using existing resources to the fullest and increasing social cohesion in the cities.

Private entrepreneurs may benefit from:

- revitalization areas occupying whole city blocks,
 - often in prime locations,
 - some of them heritage properties,
- possibility of building new parts and facilities.

Circular innovation in construction is still negligible but imminent in the future, while Dutch architects, experts and technology providers are on the forefront of circular solutions



To develop successful circular businesses there are fundamental problems to be tackled



**Prioritizing
short-term price**



**Insufficient business
environment
development**



**Insufficient research and
development efforts**



**Underestimated
role of information**



**Legal
instability**

Thank you!



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