



**BasellOrlen**  
POLYOLEFINS

**Poland and its investment opportunities**

**Conclusions**



## CEE has an attractive value proposition

- Business environment :
  - ✓ Growing market opportunities - rapidly
    - ✓ GDP all CEE countries nearly as much as China!
  - ✓ Regional CEE GDP growth estimated at 6.2 % in 2004
  - ✓ Migration of customers to CEE
  - ✓ Excellent talent pool – comparative to Western Europe
  - ✓ Favourable business environment – political, legal and regulatory
  - ✓ Competitive cost – e.g. salary gap with WE will remain for long
  - ✓ Compelling export economics to WE and further development opportunities towards the East

## Poland in particular has an attractive value proposition

- Business environment :
  - ✓ GDP represent 45 % of the total GDP of new CEE countries
  - ✓ Profitability of Polish enterprises record high in 2004
  - ✓ Has 51 % of population of the new CEE countries
  - ✓ Inflation under control – 3.5 % (e)
  - ✓ Low labour cost – average \$ 4.40 / hour
  - ✓ Young and reliable democracy – no political fireworks expected
  - ✓ Excellent talent pool – high # students in engineering and manufacturing. R&D inflow on the rise
  - ✓ Geographical proximity and cultural / legal resemblance to WE

## **Poland has an attractive value proposition**

- Financial motivations :
  - ✓ Low nominal CIT @ 19 % - average tax at subsidiary level 18 %
  - ✓ Special economic zones – CIT relieves
  - ✓ Clear and binding tax interpretations
  - ✓ Grants for new investments, expansions, hiring, training, R&D
    - ✓ regional – national – EU structural funds – Communities (Bru)
  - ✓ Cost competitiveness in comparison to WE but even with China

## **Poland has an attractive value proposition**

### ▪ Polyolefins :

- ✓ Relative low consumption yet of PO per capita
- ✓ High import of PO semi finished products
- ✓ PO industry still in the 'earlier part' of its S curve

### **plus**

- ✓ Local sourcing from Basell Orlen Polyolefins and full local service: sales – marketing – tech service – customer and logistics service
- ✓ Strong supply security on monomers from PKN
- ✓ Intensive business integration between BOP and Basell



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**Thank you for your kind attention**

**We are there for any questions!**

