



# Irish companies target investment opportunities in vibrant Poland

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MORE THAN 100,000 Poles are estimated to be working in Ireland but it hasn't all been one-way traffic since Poland's EU accession in 2004.

Enterprise Ireland says 203 Irish companies are now investing in Poland. They range from AIB, which owns Poland's fifth biggest bank, cement group CRH and Cavan-based Kingspan. Others include large-scale private equity investor Derek Quinlan, property group Menolly Homes; architects Douglas Wallace, and a raft of IT companies including software provider Codec.

In 2006, Irish companies invested some €1.69 billion in Poland while last year's exports from Ireland topped €600 million.

In a short space of time, Poland has become an important market for Irish companies. All are keen to cash in on a young, well educated population of 38 million, GDP growth last year of 6.5 per cent and a burgeoning spirit of entrepreneurship and growing wealth.

Bordered by seven states, Poland is an ideal base for multinationals.

It is the eight biggest country in the EU. Inflation is low at 2.6 per cent, wages are modest by western standards and unemployment at 11 per cent is falling. It will also co-host the Euro 2012 soccer championships with Ukraine.

The government plans to spend more than €400 million building a new national stadium in Warsaw. The opportunities for Irish investors are enormous.

Codec was one of the earliest Irish companies into the Polish market, setting up base in 1995.

"We were maybe a little too early," Radoslaw Kozieja, Codec's Polish country director, told *The Irish Times* in Warsaw last week. "But we were in a good position when the economy began to grow."

Codec's Polish operation now brings in annual revenues of some €4 million. The difficulty, if anything for the company, has been the flight of IT specialists to Ireland and the UK.

"We've suffered a little from the demand from Ireland," Mr Kozieja said, "but some people are starting to come back".

According to Enterprise Ireland,

financial software provider Fineos is planning to establish an outsourcing arm in Poland while Quinlan Private Golub will open regional offices in Gdansk and Krakow this year, which will manage the expansion of Quinlan's Jurys Inns and Yasmin hotel chains.

At a briefing for international media in Warsaw last week, a number of presentations on the growth of the Polish economy and its growth prospects were given.

In response to a question about what economic model, if any, Poland decided to follow in recent years, Adam Zolnowski, deputy director in the advisory department at PricewaterhouseCoopers, was emphatic in his response: "Ireland. That is the model we followed, no question."

When Dell established a base in the Polish city of Lodz last year, about 10 Irish companies, who provide services or products to the multinational, followed it east. They account for up to €100 million in export earnings to Poland.

With Poland trying to model itself on the Celtic Tiger, this could become a growing trend.