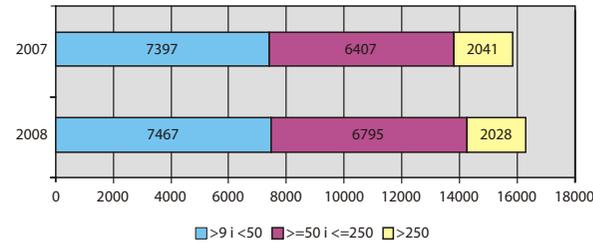


Exporters-Importers

A majority of the total number of small and medium businesses in Poland operate on the domestic market. 7.9% of them are involved in exports, however SMEs constitute as much as 87.5% of all the 16,300 enterprises to conduct export activities.

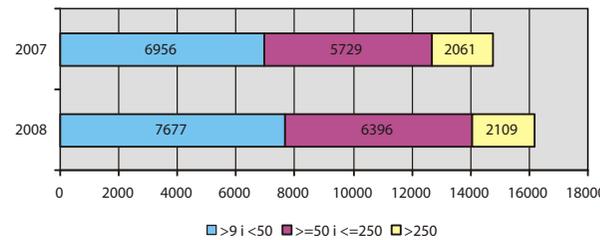
Table 3. Number of exporters in 2007-2008



Source: Central Statistical Office, compiled by PARP (PONTINFO database)

The total number of import companies exceeds 16,000, of which small and medium-sized enterprises make over 87%. In general, import activities are conducted by 7.8% of SMEs. The proportions of entities involved in export and import activities are therefore very balanced.

Table 4. Number of importers in 2007-2008



Source: Central Statistical Office, compiled by PARP (PONTINFO database)

The small and medium exporters operate mostly in the industrial processing sector (nearly 45% of small and 70% of medium-sized companies). On the other hand, 44% of small importers pursue activities in the lines of wholesale trade and retail, car and motorcycle repairs, personal and household goods as well as commission trade.

* This leaflet was prepared on the basis of PARP publication "Report on the Condition of the Small and Medium-Sized Enterprise Sector in Poland in 2007-2008" published in 2009, and data of Central Statistical Office compiled for PARP.



The Polish Agency For Enterprise Development (PARP) is a governmental agency reporting to the Minister of Economy. It was established under the Act of 9 November 2000. The aim of the Agency's operations is to implement programmes for economic development supporting innovation and research activities amongst small and medium-sized enterprises, regional development, increase in exports, job creation, human resources development and the use of new technologies. In the 2007-2013 financial perspective the Agency is responsible for implementing three Operational Programmes: **Innovative Economy, Human Capital and Development of Eastern Poland.**

PARP carries out numerous projects the aim of which is to promote innovative projects as well as the implementation of modern technologies by small and medium-sized enterprises. With this goal in mind PARP runs an internet portal relating to the innovation issues www.pi.gov.pl and organizes the **Polish Product of the Future** competition on an annual basis. SME's representatives can also participate in the periodic meetings in the framework of the **Innovative Enterprises' Club.**

The objective of the educational portal **PARP Academy** is to facilitate access to business knowledge in the form of e-learning among the micro-, small- and medium-sized enterprises. PARP is a partner organisation of the **Enterprise Europe Network**, which offers information about the European law and conducting economic activity in the Single Market to entrepreneurs.

PARP is the initiator of the **National SMEs Service Network (KSU), National Innovation Centres (KSI)** and the **Consultation Centres.** These institutions offer advice, information, training and financial services free of charge or at preferential rates. The PARP's regional partners in the process of implementation of selected activities are **Regional Financing Institutions (RFIs).**

Small and Medium-Sized Enterprise Sector in Poland

Why SMEs?

Microenterprises and small and medium-sized enterprises (SMEs) play a key role in the European economy. Human skills, entrepreneurial talents and innovation, as well as most of the employment within the Polish market are concentrated in these companies. For these reasons, support for the development of the SME sector and strengthening its competitive position are the key areas of activity of the Polish Agency for Enterprise Development.

In its new definition of microenterprises and small and medium-sized enterprises, the European Commission classifies them as businesses which employ less than 250 people, with annual turnover not exceeding EUR 50 million, and/or their total annual balance not exceeding EUR 43 million (Commission Regulation No 800/2008, effective from August 6, 2008).

The significance and influence of SMEs in Poland are determined by their total number above all. Their range of activities is typically rather small, just as their impact on the environment in which they operate, however, those companies constitute nearly 100% of all the enterprises in our country

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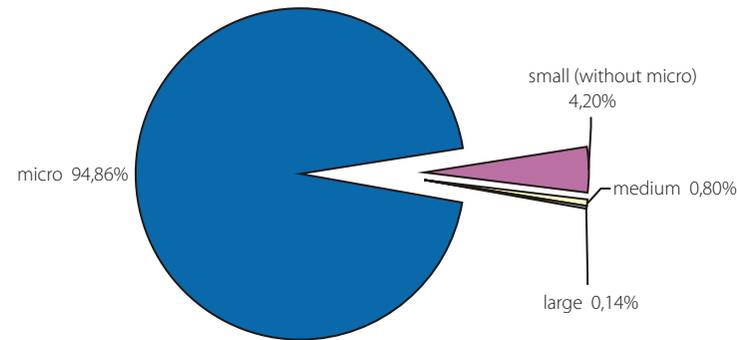
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From among 3.8 million of registered enterprises in Poland – 3.6 million are microenterprises, i.e. enterprises which employ up to nine people. The remaining group of 200,000 enterprises consists of small enterprises (150,000), medium-sized enterprises (30,000) and large enterprises (slightly over 5,000).

Of all the registered entities some 47% are actually operating. The most of them are large and medium-sized enterprises. Microenterprises make over 47% of the operating enterprises.

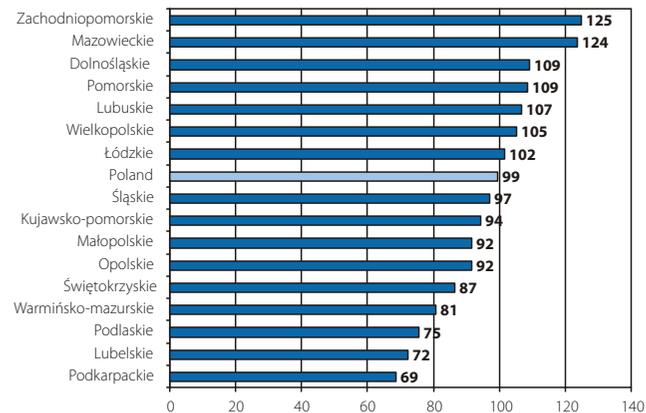
Chart 1. Structure of enterprise sector in Poland (REGON)



Source: Central Statistical Office, compiled by PARP

The region with the largest number of enterprises per 1,000 inhabitants is Zachodniopomorskie voivodeship in the north-west of Poland.

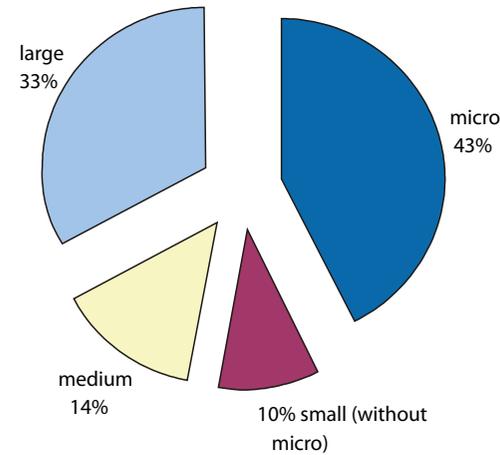
Table 1. Number of SMEs per 1,000 inhabitants in Poland in 2007 – by regions



Source: Central Statistical Office, compiled by PARP

Small and medium businesses generate nearly 48% of the gross domestic product (GDP), a majority of which (30% of GDP) is produced by microenterprises. Trade and industrial companies have the biggest share in creating GDP.

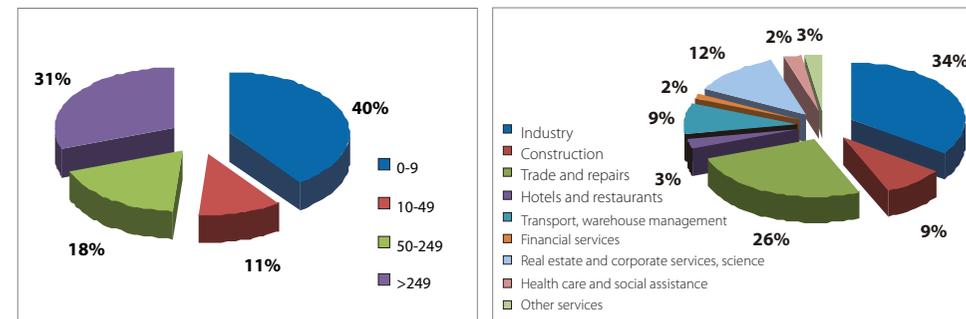
Chart 2. Structure of GDP generated by enterprises in 2007



Source: Central Statistical Office, compiled by PARP

The enterprise sector employs nearly 5.4 million people, and almost 70% of them work in small and medium-sized companies. That stands for 40% of all the people employed in Poland.

Chart 3. Structure of the number of working people in enterprise sector, according to size classes and section of the Polish Classification of Activities (PKD)



Source: PARP's compilation of CSO data

SME and innovation

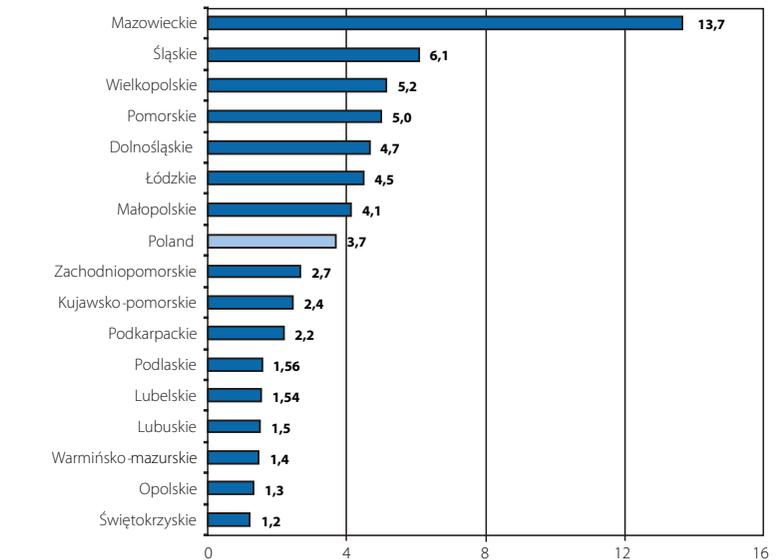
The level of innovativeness of Polish enterprises increases according to their size. Only 14% of small companies conduct innovative activity. In the case of medium-sized enterprises, this percentage is almost three times larger equalling 37%. Of large enterprises, over 60% implement innovative projects. The average is over 23% of companies implementing innovative activities.

Most of innovative projects implemented in the Polish SME sector are process innovations, involving 11% of small and 31% of medium-sized companies.

15% of all the enterprises pursue investment activities. A vast majority of SMEs invest in their companies. These are mostly recovering investments although the percentage of pro-development projects, including innovation projects, increases. The highest growth in capital expenditures is observed in microenterprises (by 29%). Equally active are large enterprises (investment growth by 27%).

The main source of financing of investments made by SMEs are their own funds (over 70%). Only 13% of enterprises use credits and loans for this purpose. Public sources, such as foreign credit, are used by ca. 3% of entrepreneurs.

Table 2. Capital expenditures of enterprises of SME sector in 2007 – by regions (PLN million)



Source: Central Statistical Office, compiled by PARP