



Development of Chemical Industry in Poland



**1991-2016 25 YEARS OF THE ASSOCIATION
OF THE CHEMICAL AND PHARMACEUTICAL
INDUSTRY OF THE SLOVAK REPUBLIC**

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President of the Board
Polish Chamber of Chemical Industry

Agenda

- **PIP – general information**
- **Chemical Industry in Poland**
- **Development of Chemical Industry in Poland**
- **Perspectives and challenges**
- **Summary**

PIPC – general information



POLISH CHAMBER
OF CHEMICAL INDUSTRY



Status and Activity

- The Employers' Organization founded in **1988**
- PIPC is the organization representing the economic and social interest of the chemical industry in Poland in contacts with the administration authorities and international organizations.

132 Members (covering over 60 000 employees directly in sector), including:

The largest producers of chemical, refining and petrochemical sector
Transport and distribution companies
Representation of the foreign companies
Engineering offices, consulting companies
R&D institutes, etc.

11 Internal Commissions (working groups)
6 PIPC's and EU projects





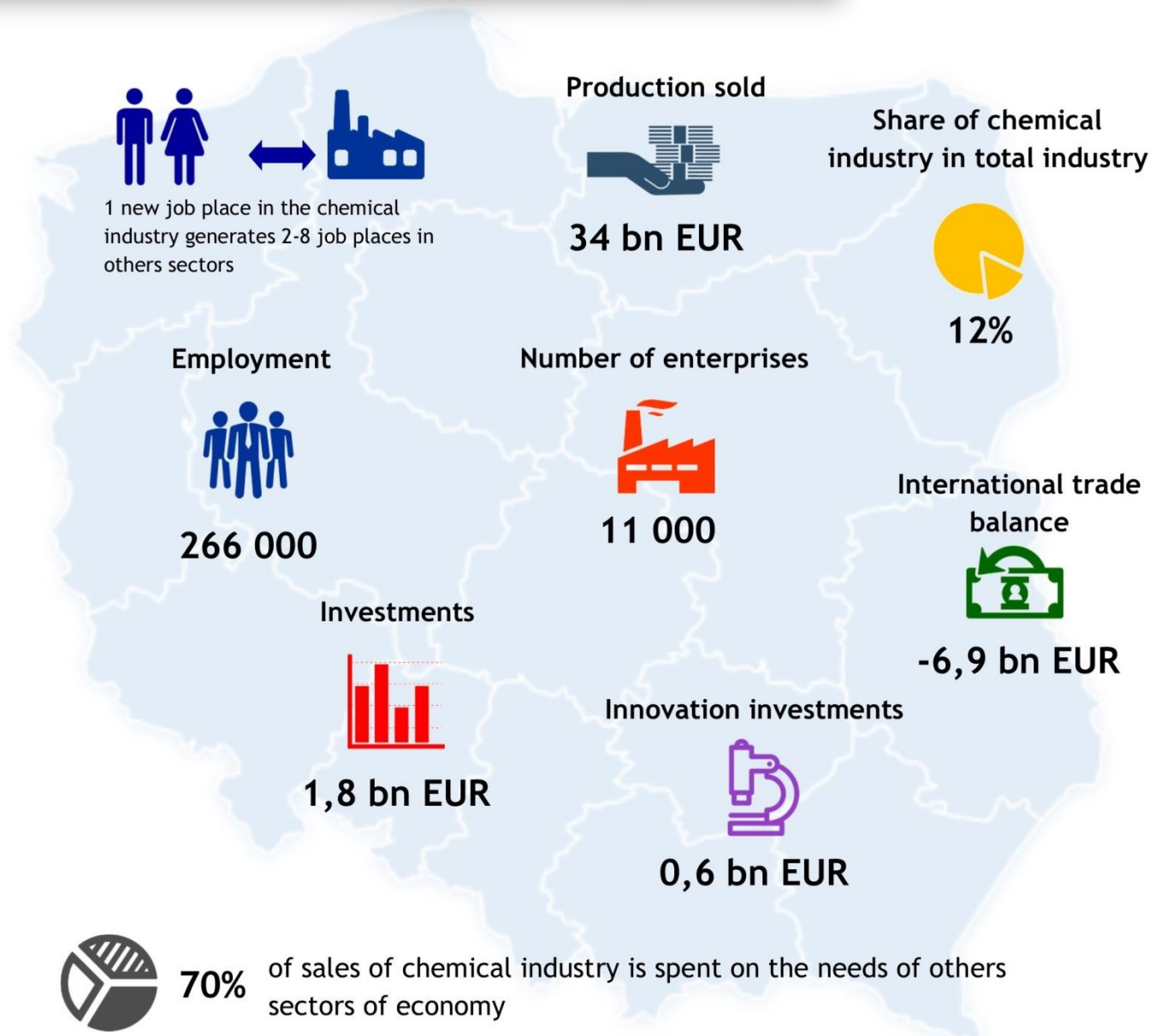
Chemical Industry in Poland



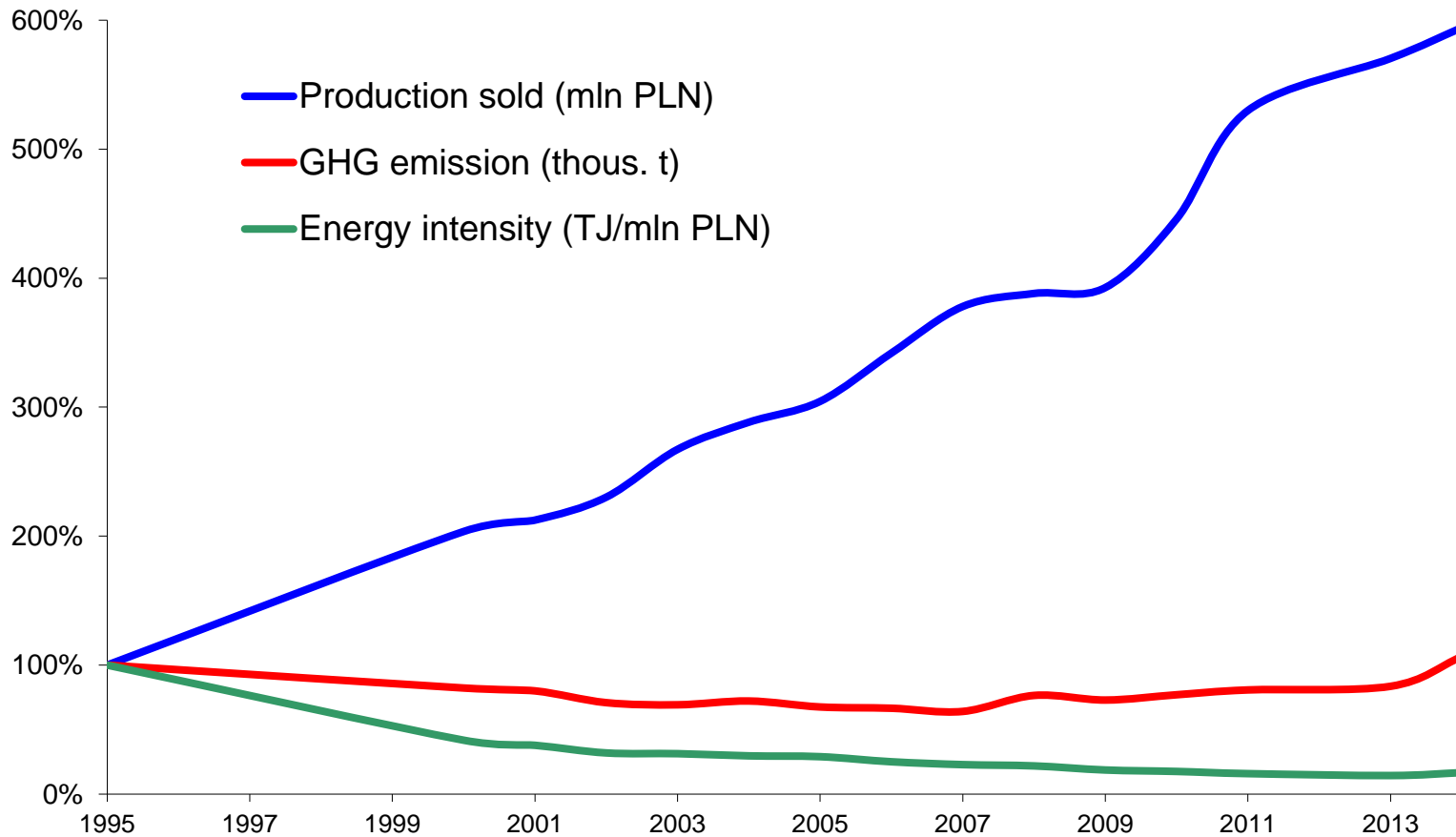
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Chemical Industry in Poland (2015)



Chemical sector in Poland is part of solution: growth decoupled and emissions



Employment



266 000

An increase of 4.7%
to 254 000 jobs in 2014.



Production sold value



34 bn EUR

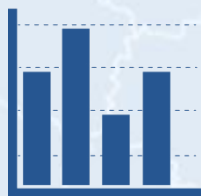


An increase of 5.1% to 32,3 bn EUR in 2014.

Production sold of the chemical industry [bn EUR]



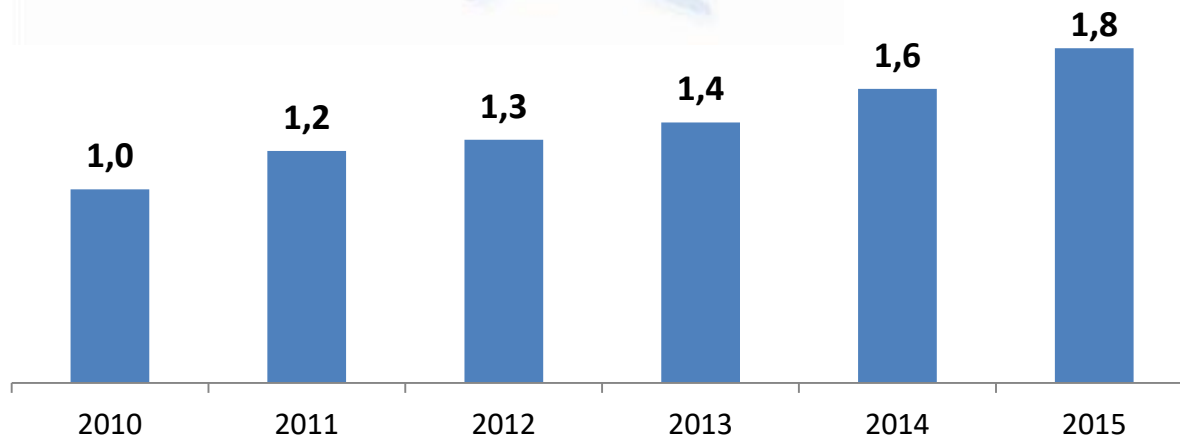
Investments



1,8 bn EUR



An increase of 13.6%
to 1,6 bn EUR in 2014.



Capital expenditures in the
Polish chemical industry
in 2010-2015 [bn EUR]



Perspectives and challenges



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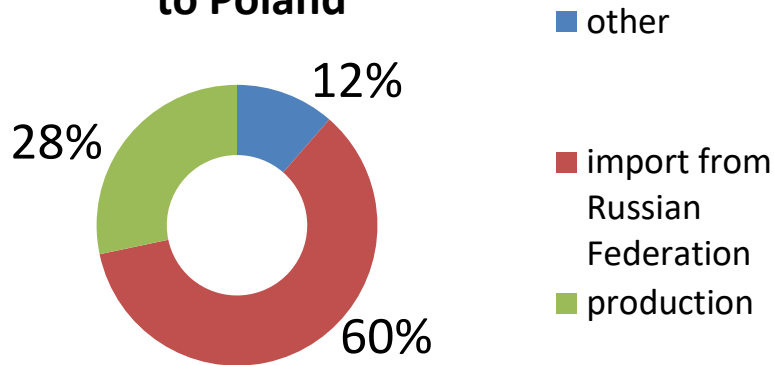
Challenges & Risks

- High and costs of regulations – energy, emissions, environment, etc. (EU and domestic) → like: EU ETS Reform
- EU Industrial policies: trade, energy
- Free Trade Agreements
- EU market protection (taxes)
- Competitiveness
- Feedstock dependences (crude oil, natural gas)
- Image and position of chemical industry

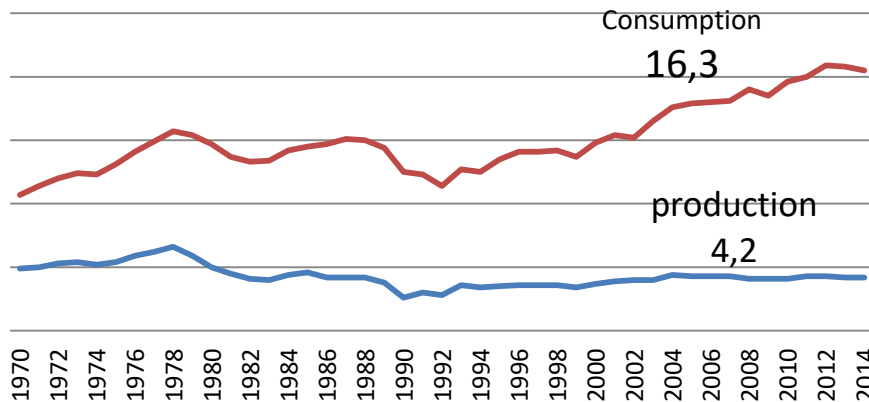
Natural gas

Crude oil

Supplies of natural gas to Poland

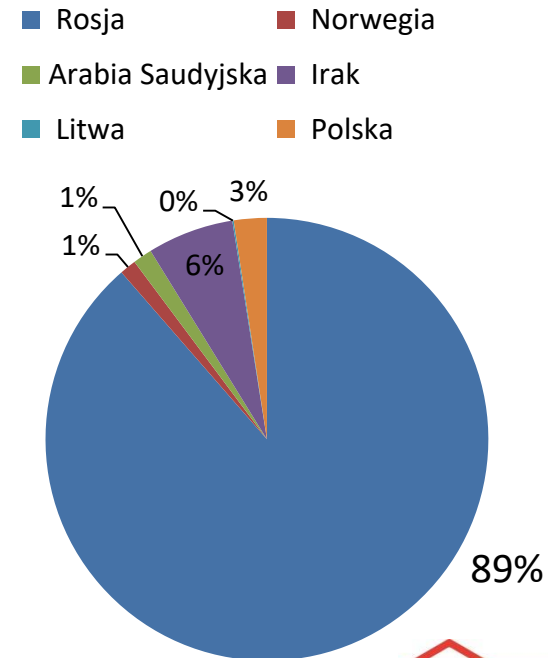


Consumption and production of natural gas in Poland in 1970-2014 [bn m3]

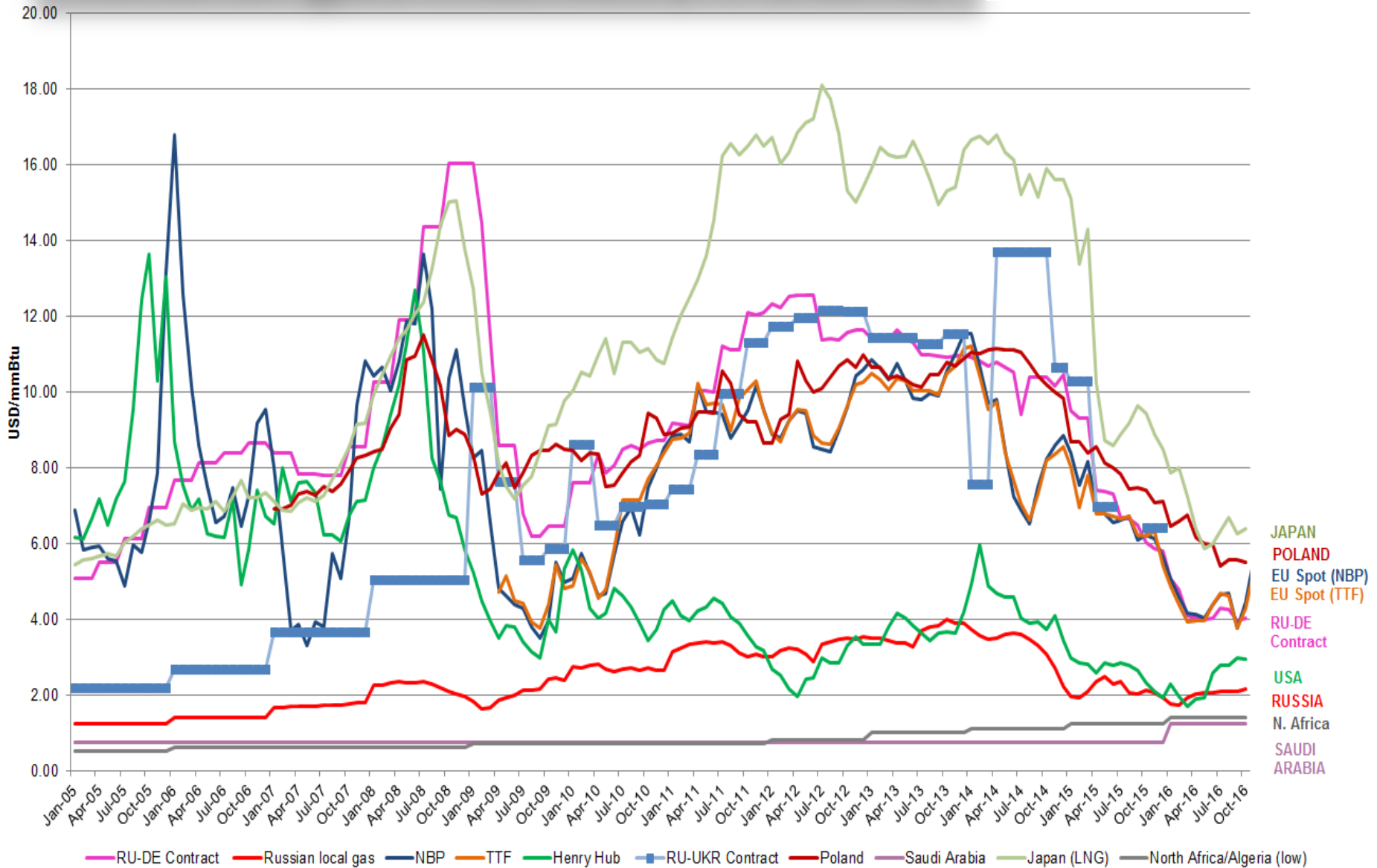


Processing in 2015 – 26,5 mln t
 Processing in 2014 – 24,2 mln t
 9,5% ↑

Supplies of crude oil



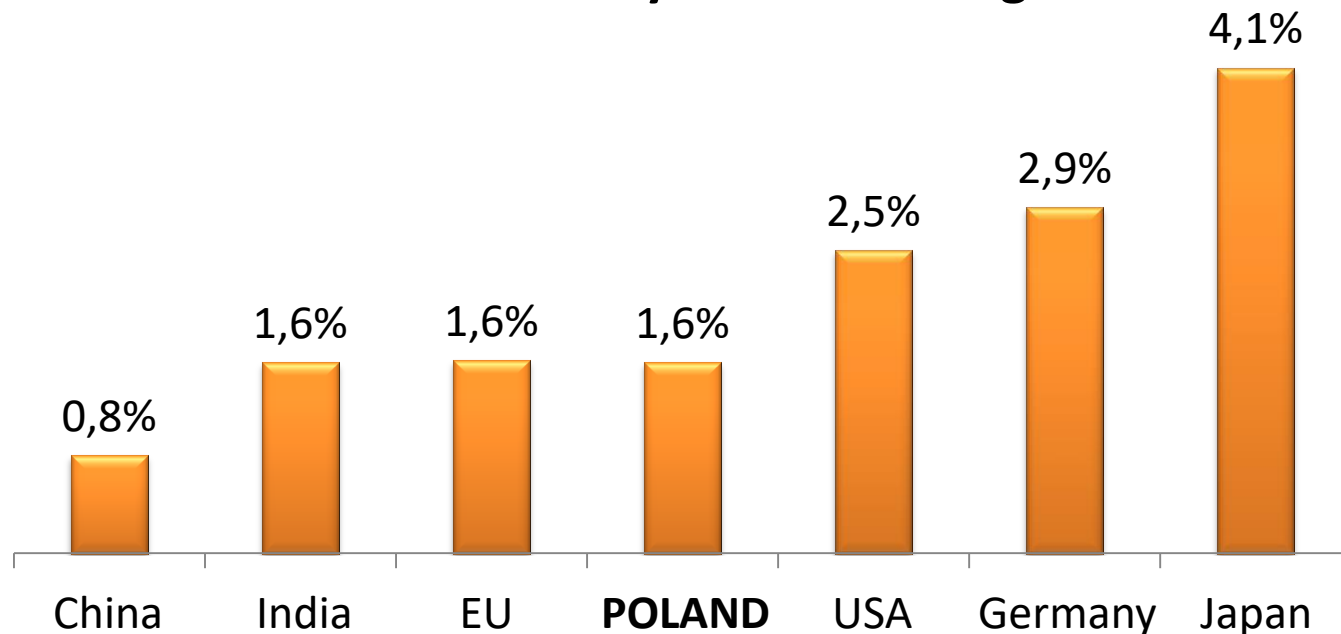
Natural gas market / Poland



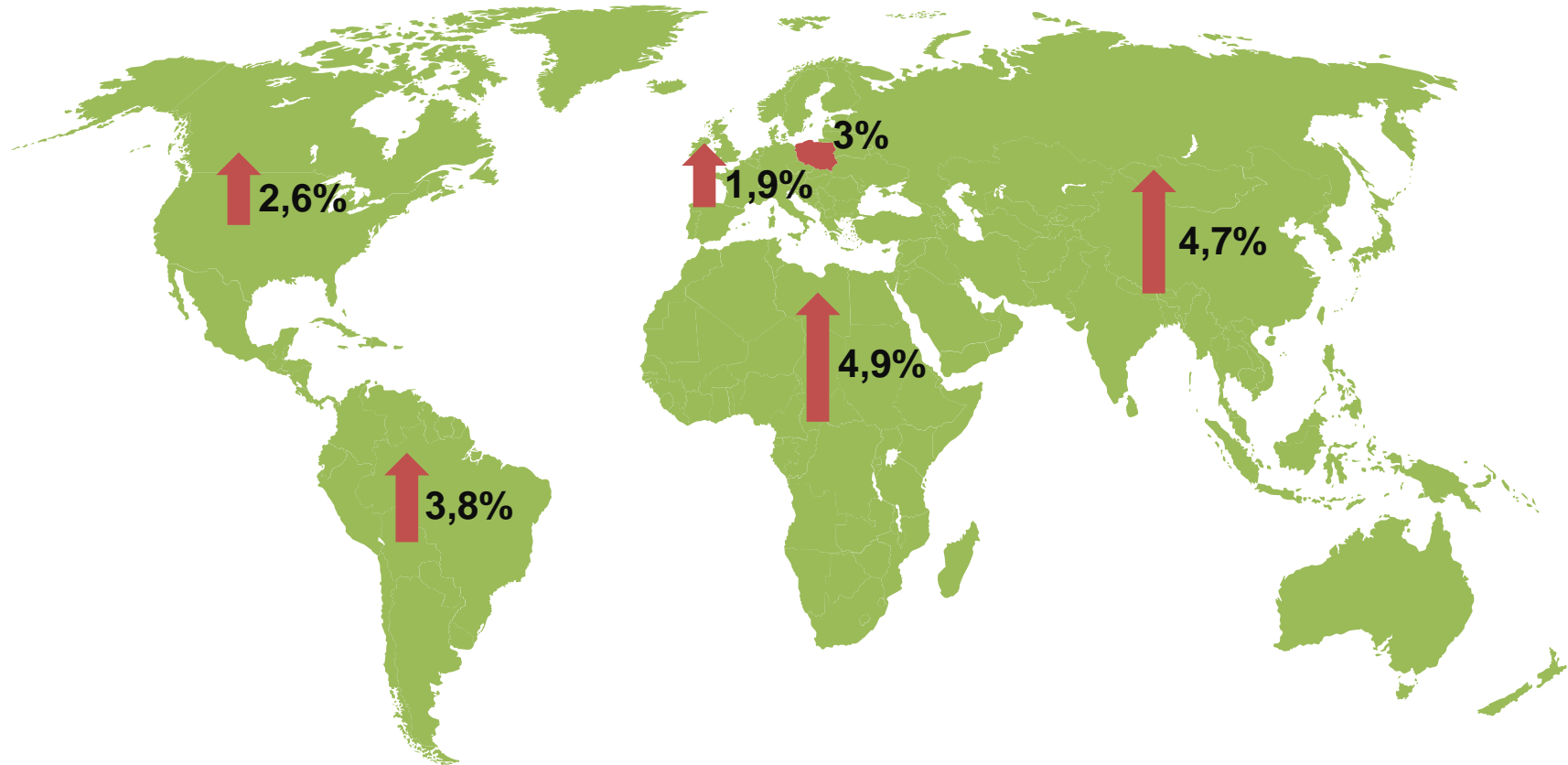
Source: IMF, World Bank, Russian Federal Tariff Service, ICIS Heren EGM, Polish Energy Regulator Office, Ferretcon, internet

✓ The average annual growth of chemical sector in Poland is **7,2%** in 2010-2015, compared to 5,3% of the industry production growth.

The share of expenditure on R&D in total revenues of the chemical industry in selected regions



The projected average annual revenue growth of the chemical market in selected regions of the world during the period 2015-2035



Source: Prognosis of EY based on: Year-End 2015 Chemical Industry Situation and Outlook, American Chemistry Council, Chemicals 2035 – Gearing up for growth Roland Berger, Chemicals in Poland, Marketline Industry Profile



Summary

- Polish chemical industry is still developing sector of economy with a significant potential of investment and innovation improvement
- The business-science cooperation improvement is necessary
- Possibility of reducing negative international trade balance in chemicals
- ‚Friendly‘ regulations – totally needed!

Conclusion:

Protection and improvement of competitiveness of chemical industry:
NECESSARY & NEEDED



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Thank you for your attention

