

Challenges and Successes for Canadian Investors

This report, prepared for the Embassy of Canada to Poland by the Polish Canadian Chamber of Commerce (PCCC), explores the investment climate in Poland from a Canadian perspective. Drawing on the experiences of Canadian investors, it offers insights on how to succeed in investing in Poland and highlights the numerous successes that Canadian companies have achieved there. The report addresses the nuances of expanding into Poland, providing guidance on navigating and mitigating challenges and unforeseen hindrances to business development. It aims to prepare future Canadian investors for a prosperous expansion into the lucrative Polish market.



Executive Summary

Poland's prime location in Central Europe, its robust economy, skilled workforce, and modern, world-class infrastructure make it a magnet for Canadian investors. In 2024, bilateral trade between Canada and Poland soared to CAD \$4.4 billion, thanks to the provisional application of the Canada-European Union Comprehensive Economic and Trade Agreement (CETA). Canadian companies are thriving across various sectors such as energy, defense and agriculture.

Success stories are plentiful. For example, Circle K's swift growth in retail in Poland, CGI's crucial contributions to national security, and McCain's remarkable sustainability efforts in agriculture. These examples highlight the vast potential for Canadian businesses to thrive in Poland.

However, some obstacles and hinderances to business do exist. While these challenges are not pervasive, they can arise in specific contexts and require careful navigation. This report discusses the challenges faced by some Canadian investors, emphasizing the need to gain an understanding of the motivations of state-owned entities, navigate complex domestic and EU regulations, and establish strong local partnerships. Cases like Europort Inc.'s ongoing dispute with the Port Authority of Gdańsk and challenges encountered by some energy and natural resources exploration companies highlight the importance of building insights into the local ways and means of getting things done, as well as strategic planning and adaptability.

Interviews with Canadian investors reveal that while Poland offers lucrative market opportunities, it also presents unique challenges that require careful navigation. The Trade Commissioner Service (TCS) at the Canadian Embassy in Warsaw is a key resource, providing market intelligence, strategic connections, and advocacy efforts.

This report equips future Canadian investors with the basic insights needed for successful expansion into Poland's promising market. By leveraging the support from the TCS and the PCCC, Canadian companies can maximize their growth potential while establishing a strong and lasting presence in Poland.

Poland: A Strategic Investment Destination

Strategically located in the heart of Europe and on the Baltic Sea with extensive port facilities, Poland serves as a crucial gateway for market access across the EU and beyond, facilitating both East-West and North-South trade thanks to the road, rail, sea and air routes that intersect the country. Continuous investments in infrastructure have significantly enhanced its logistical capabilities, solidifying Poland's status as a vital regional economic and logistics hub.

The country's dynamic growth trajectory has attracted global investors, including those from Canada. In 2024, bilateral trade between Canada and Poland reached CAD \$4.4 billion, up from \$3.8 billion in 2023, driven by the provisional application of the Canada-European Union Comprehensive Economic and Trade Agreement (CETA). Canadian exports to Poland amounted to \$0.9 billion, while imports from Poland were \$3.5 billion. Furthermore, Canadian direct investment in Poland increased from \$1.556 billion in 2023 to \$1.639 billion in 2024. Recognizing growing opportunities, Canadian firms continue to expand their investments in Poland. This sustained growth reflects the strong economic ties between the two countries, with numerous Canadian companies contributing significantly to job creation and economic development in Poland.

The aforementioned statistics indicate a strong positive trend of Canadian companies investing in Poland. However, statistics alone do not capture the entire scope of the investment climate in Poland experienced by Canadian companies. This report does not seek to reiterate published economic statistics pertaining to the dynamically developing and successful bilateral trade between Poland and Canada, but rather highlight some individual business experiences that Canadian companies encountered in Poland. By examining both the many successes and the relatively few investments that experienced unique challenges and nuanced hinderances, an accurate and meaningful reflection of the investment climate in Poland faced by Canadian investors can be properly represented.

Hence, at the request of the Canadian Embassy in Warsaw, the Polish-Canadian Chamber of Commerce (PCCC) sought input from its members and conducted interviews with a number of Canadian investors in Poland to better understand their particular business experiences. These discussions revealed that Canadian investors are generally pleased with their investments and plan to expand their operations in Poland, although some have experienced significant challenges in a few isolated instances over the years. By analyzing these experiences, solutions can be identified, and guidance offered to help investors navigate unexpected challenges and make well-informed decisions.

Opportunities for Canadian investors in Poland span various sectors, including but not limited to energy, defense, information technology and communication, agriculture and food, consulting, natural resources, and education. Many Canadian companies have successfully expanded and are thriving, leveraging opportunities to achieve significant growth. Building on both global and local partnerships, Canadian companies are maximizing their growth potential in Poland. The dynamic Polish market offers a favorable environment for innovation and development, supported by a skilled workforce and robust infrastructure.

Success Stories of Canadian Companies in Poland

Several Canadian companies have successfully expanded into the Polish market. For instance, the well-known Canadian convenience and gas station chain, Circle K, has experienced considerable growth in the Polish market, operating over 380 stores nationwide while competing with PKN Orlen and BP, the nation's largest fuel retailers.

Canada's consulting and IT expertise have found a thriving market in Poland, as demonstrated by the successes of CGI which employs over 350 high skilled workers in Poland. In 2023, CGI was selected to design, build, implement, and support the next-generation Central Energy Market Information System (CSIRE) for Polskie Sieci Elektroenergetyczne (PSE), Poland's national electricity transmission system operator. Additionally, CGI's installation of systems for HIMARS and Patriot missile systems has significantly bolstered Poland's national security. CGI, however, is not the only Canadian company thriving in Poland's defense industry.

L3 Harris, for instance, has established a final assembly facility in Katowice for Canadian-made WESCAM Electro-Optical/Infra-Red imaging systems. Another significant player, Pratt & Whitney, strongly representing the Canadian aerospace / defence sector has over 5,000 employees across multiple facilities and offices in Poland, further strengthening its global outreach through its Polish operations.

In the food and agricultural sector, Canadian giant McCain, known for its frozen potato products, has a considerable presence in Poland. McCain is not only enjoying commercial success in the Polish market, but also achieving remarkable sustainability efforts. By promoting regenerative agriculture, McCain provides comprehensive support to farmers, and aims to implement these practices across all of its potato acreage globally by 2030.

These examples are taken from an extensive list of Canadian ventures in Poland, showcasing the proven potential of the Polish investment market across a diverse range of sectors and industries. However, challenges and obstacles do arise, as in all business ventures. In Poland, these hurdles may be more subtle than those experienced in Canada, the U.S., or Western Europe. Patience and persistence are required to navigate Poland's unique business culture, which has a complex history that requires focused due diligence to understand the local political and regulatory environment. Furthermore, the influence of state-owned enterprises and cultural nuances all contribute to a distinctive business climate that can result in unforeseen hindrances to business development. Hence, a local presence, expertise and knowledge are crucial to mitigate the aforementioned hurdles.

Even successful Canadian firms with an already-established presence in other Central and Eastern European (CEE) countries can encounter unforeseen hurdles that stifle their ability to reach their full potential in Poland.

Such was the case for a Canadian clean energy company specializing in solar energy generation. It noted a distinct business environment in Poland compared to other countries in the region. This experience presented nuanced and unforeseen challenges, such as navigating complex labor dynamics, regulatory intricacies, and occasional operational disruptions, which were not anticipated based on the company's existing regional operations.

Challenges: Insights from Canadian Investors

For the purposes of this report, the Polish Canadian Chamber of Commerce conducted interviews with several Canadian firms to understand their experiences in establishing or maintaining their investments in Poland. While most firms reported positive outcomes, a very small number encountered some challenges. Their collective and individual insights reveal invaluable perspectives on the unexpected challenges that can arise when investing in Poland. These insights will hopefully shed some light and clarity on various unique aspects of the Polish market.

One such notable case was Europort Inc., which secured a 25-year renewable lease in 1995 with the Port Authority of Gdańsk (ZMPG) to build and operate a deep-water grain terminal. Europort Invested around USD 34 million (CAD 40 million) in the construction of silos, storage, and infrastructure improvements. However, in 2002, the new management of the state-owned Port of Gdańsk Authority (ZMPG) unexpectedly opposed the project and successfully took steps to seize Europort assets, possibly due to liquidity challenges of the Canadian investor as well as the influence of local political or business interests.

Despite numerous efforts to engage with relevant government bodies over the past two decades to arrive at a settlement, as of Q2 2025 the issues surrounding this project remain unresolved. This case dates back several decades, yet the lessons learned remain relevant today. During the challenging period following the fall of the Soviet Union and before Poland entered the European Union, major economic reorganizations were underway. This was an isolated and unique situation, reflecting the complexities of that transitional era. In many critical industries in Poland, state-owned entities are key stakeholders that wield significant influence. These stakeholders play a crucial role in shaping the dynamics of their respective sectors.

Canadian energy companies operating in Poland have cited similar observations regarding state-owned entities, and suggest that any investors, especially in critical industries should seek to understand their motivations and interests. Furthermore, regulations in these sectors can be complex and require deep understanding to comply with local legal frameworks successfully and efficiently. In addition, some companies noted communication challenges in recent years with local authorities and regulatory bodies, such as non-responsiveness and significant delays, which have also impacted business development.

One Canadian firm began with exploring opportunities within Poland's energy sector, focusing on underutilized resources such as natural gas, oil, and hydrogen, and is now in operation with its first major gas field. The company's efforts aim to leverage advanced Canadian technologies to maximize resource extraction and utilization, reflecting the growing interest of Canadian companies in Poland's energy market. These efforts are expected to significantly contribute to Poland's energy independence and economic growth.

Critical and strategic sectors in Poland are heavily influenced by state actors. These entities can exhibit monopolistic and protectionist tendencies, creating a challenging investment climate. For example, restrictions on access to geological data in the example above could have created significant non-tariff barriers for foreign investors, limiting their ability to make informed decisions and effectively compete in the market. However, in the case mentioned above, these restrictions were successfully overcome, demonstrating the feasibility of navigating such challenges. This

testament to successful navigation underscores the importance of understanding the unique dynamics and regulatory environment within Poland's strategic sectors.

Also in the natural resources sector, a Canadian firm was drawn to Poland's unexplored deposits of silver and copper, investing approximately CAD 140 million in exploration, and thereby becoming the largest foreign mining exploration project in Poland. During the past 15 years, the company has encountered challenges, including disputes with the Polish government over permits, with allegations that the government revoked the company's permits and reallocated them to a state-backed entity. These conflicts led to court cases and even international arbitration. Additionally, the company has faced uncertainty regarding the viability of its project due to negative public relations campaigns and an unconventional tax on copper and silver imposed in 2014. However, through strategic advocacy and effective stakeholder engagement, the company successfully navigated these challenges. While the mineral tax remains in place for now, the firm remains optimistic about the evolving regulatory landscape and continues to view the Polish market as a highly promising area for long-term development.

The healthcare industry in Poland has also attracted substantial Canadian investment. A Canadian investor established a state-of-the-art hospital in Żywiec in 2020, with a total investment of \$85 million, including a \$35 million loan from the Polish national development bank, BGK. However, regulatory unpredictability within the Polish healthcare sector has complicated operational planning and financial settlements. Furthermore, there has been a notable lack of understanding and support from Polish administrative bodies regarding the Public-Private Partnership (PPP) model under which the hospital was built. While challenges have seriously strained the hospital's financial position at various times, the hospital continues to maintain its operations and deliver medical services at the highest possible standard.

Canadian firms are encouraged to leverage advocacy support offered by the Trade Commissioner Service to foster crucial relationships with key authorities and stakeholders.

The Role of the Trade Commissioner Service (TCS)

The growing presence of Canadian investors demonstrate that Poland is a prosperous and lucrative business destination for Canadian companies. There are over 50 Canadian companies operating across Poland through both foreign direct investment and large capital presence, these companies have collectively created over 15,000 jobs and continue to generate economic growth and cooperation. However, nuanced challenges such as the influence of Polish state-owned entities do arise and require strategic planning and adaptability to navigate effectively. While most Canadian ventures establishing a presence in Poland have been smooth, a few cases have highlighted the challenges that can arise. Establishing robust local partnerships and engaging with experienced legal, financial, and public relations and communications advisors who are well-versed in the Polish market can provide valuable insights and facilitate smooth navigation through regulatory and bureaucratic processes.

Canadian investors considering expansion into Poland are strongly advised to contact the Trade Commissioner Service (TCS) in Warsaw. Its dedicated team brings a wealth of expertise across a

diverse range of sectors, including aerospace and defense, automotive, energy, mining, infrastructure, agriculture, information and communication technology, clean energy, science and technology, education, cultural industries, and forestry, among others.

By partnering with the TCS, investors can benefit from a comprehensive range of knowledge and insights into the Polish market. Additionally, the Embassy of Canada can provide a list of local service providers to qualified TCS clients. The TCS team provides tailored support and strategic advice, helping businesses navigate the nuanced complexities of expanding into Poland. Their deep understanding of local market dynamics and regulatory environments ensures that investors are well prepared to make informed decisions and capitalize on new opportunities.