CBI MARKET SURVEY

THE STATIONERY, OFFICE AND SCHOOL SUPPLIES MARKET IN POLAND

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Introduction

This CBI market survey gives exporters in developing countries information on some main developments in the stationery[1] market in Poland. The information is complementary to the information provided in the CBI market survey *'The stationery, office and school supplies market in the EU' (2006)* which covers the EU in general. That survey also contains an overview and explanation of the selected products dealt with, some general remarks on the statistics used as well as information on other available documents for this sector. It can be downloaded from http://www.cbi.nl/marketinfo

1. Market description: consumption and production

Consumption

- The total consumption of stationery in 2005 in Poland amounted to € 483.7 million at Manufacturing Selling Prices[2] (excl. Greeting Cards and Cases & Satchels[3]).
- The Polish market accounts for 3% of the total stationery consumption of the reviewed countries[4]. Compared to the other researched markets, Poland was one of the small stationery markets in Europe in 2005.
- Between 2004 and 2005, total stationery consumption increased by 4%.
- Polish consumption of stationery products is forecast to grow by about 2.5% annually up to 2008.
- In 2005, Office furniture was the largest product group in the Polish stationery market, accounting for about 43% of the market and € 210.4 million at MSP. The next largest segment was Paper-based items with 17% of the total Polish stationery market, worth € 82.3 million. In third place by market share were Writing & Drawing Instruments and Storage & Filling products with 15.6% and 10.7% of the total Polish market and a value of about € 75.3 and € 51.8 million each. Presentation & Planning materials and Office & Desk Accessories were the smallest segments with relative shares of 7.8% and 5.4% and values of consumption respectively, € 37.8 and € 26.1 million at MSP.

Production

- In absolute value the estimated total production of Polish stationery for 2004 was € 316 million (including Cases & Satchels and Greeting cards).
- In 2004, Poland accounted for 1% of the stationery production of the reviewed countries, based on Eurostat statistics, which made it one of the smallest producers in the EU.
- In comparison to previous years, overall production is increasing at a moderate pace.
- According to MPA International, real GDP growth is predicted to see modest acceleration to 4.4% in 2006 and then further improvement in the following two years, with growth of just over 5%, which should impact positively on stationery consumption and production.

[1] Please, note that with 'stationery' in the whole survey, it is meant 'stationery, office and school supplies'.
[2] MSP (Manufacturing Selling Prices) – The price at which manufacturers sell products to resellers or direct to users.
[3] Consumption information is given for all mentioned product groups except for the segments Greeting Cards and Cases & Satchels. The research agencies used in this report are not gathering information for those two product groups. Separate information for them would be given later in the text.
[4] The reviewed countries are: France, Germany, Italy, The Netherlands, Spain, UK, Austria, Belgium, Cyprus, Czech Rep., Denmark, Finland, Greece, Hungary, Ireland, Poland, Portugal, Sweden.

Trends

- General trends in EU stationery consumption are given in Chapter 4 of the CBI market survey *'The stationery, office and school supplies market in the EU' (2006).* In this document, attention has been paid only to country-specific consumption trends.
- According to MPA International, service industry employment in Poland has been increasing since 2002, and is expected to continue to do so in future, driving forward demand for office products.
- High unemployment remains a problem in Poland, preventing an increase in the purchasing power of the inhabitants. Luxury stationery items have only a small share of the market in Poland. Private label and non-branded goods are popular in the Central European region (especially in the newly-admitted EU countries).

Opportunities and threats

- According to Datamonitor, one of the major trends in all of the countries of the last EU enlargement is the very low (almost zero) savings rate amongst the population and the overall expectations of a brighter future. The Polish people are, therefore, less reluctant to spend than their neighbours from Western Europe. This is one of the explanations for the higher growth rates in this country amongst private stationery users.
- According to the Euro Area forecast, the investment opportunities and the real rate of return for companies in the newly-admitted EU countries are much higher, which could be another explanation for the high Polish stationery consumption in the professional segment. This seems to be an opportunity for exporters from the developing countries, as this market is not mature, certainly not saturated and, what is more, it is further expected to grow.
- Another opportunity is the recent strengthening of the Polish Zloty against all major currencies, which should make imports cheap and exports expensive in terms of local currency (MPA International).

Useful sources

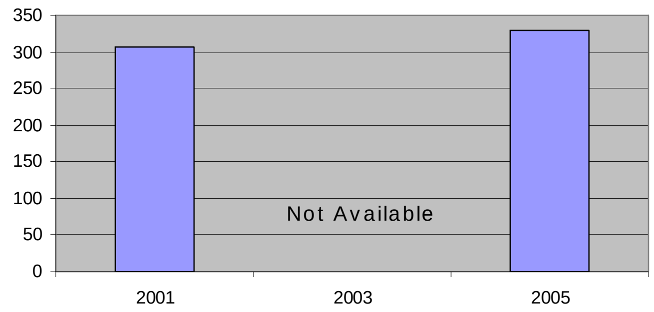
- MPA International - A global consultancy specializing in marketing research and analysis in the office products industry: (http://www.mpainternational.com/)
- Office Products Magazine (http//:www.opi.net)
- Poland's Chamber of Commerce (http://www.chamberofcommerce.pl/)
- Directory for manufacturers, exporters and importers (http://www.bizpoland.com/papparel.htm)
- Esselte is the leading office supplies manufacturer (http://corporate.esselte.com/plPL/Home/default.html)

2. Trade: imports and exports

Imports

- Total imports into Poland in value and volume were respectively € 330[5] (million) and 138 thousand tonnes in 2005.
- In 2005, Poland took 3% of the total EU stationery imports and was one of the smaller importers in the EU.
- Unfortunately, a comparison to previous years cannot be made as the information needed is not available from the Eurostat

Figure 2.1: Import in the Polish stationery market, total imports, by value (€ millions)

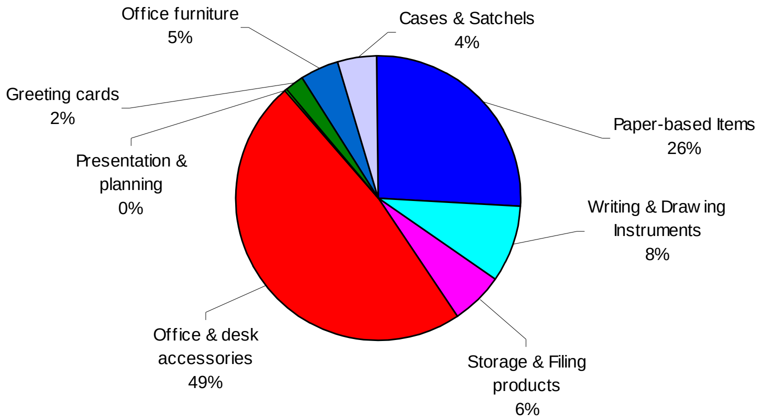


Source: Eurostat database

[5] Including Cases & Satchels and Greeting Cards

database.
- According MPA International, import growth is forecast to accelerate into 2007 especially if imports keep their price competitiveness and if the Polish Zloty continues to appreciate.
- For the year 2005, the percentage of imports into Poland coming from the developing countries was around 14%. A comparison with previous periods cannot be made due to unavailability of information in the Eurostat database.
- Major developing countries suppliers in Poland are: *China (12.1%), India (1.0%), Malaysia (0.11%), Vietnam (0.1%), etc.*
- For the relative size of the product groups in Polish imports see Figure 2.2.

Figure 2.2: Import in the Polish stationery market, segmentation by product group, % share, by value, 2005



Source: Eurostat database

Exports
- Total exports from Poland in value and volume were respectively € 313 million and 169 thousand tonnes (including Cases & Satchels and Greeting cards) in 2005.
- In 2005, Poland supplied 3% of the total EU stationery exports and it one of the small exporters in the EU.
- Unfortunately, a comparison to previous years cannot be made due to unavailability of information in the Eurostat database.
- Polish exporters are again gaining market shares, mainly in the countries on its eastern border (Russia and Ukraine) (Datamonitor).

Opportunities and threats
- Poland is a newly-admitted EU country and the standard of living is not as high as in the longer-standing members, but stationery consumption in this country is steadily increasing. The need for imports should further increase (especially for cheaper non-branded goods, as the Polish consumer is price conscious) (MPA International).
- In early 2004 the Polish government adopted an 'informatisation' development plan for the 2004-2006 period. The four main priorities of the plan are:
  - Developing inexpensive broadband Internet access
  - Launching the 'Gateway To Poland' e-government platform
  - Supporting Poland-related content on the Internet
  - Increasing IT education.
- According to MPA International, this will threaten some segments of the stationery sector, namely Writing & Drawing Instruments, Paper-based Items and Cases & Satchels (some of them very important for developing country exporters)..

Useful sources
- EU Expanding Exports Helpdesk - http://export-help.cec.eu.int/
- Eurostat – official statistical office of the EU - http://epp.eurostat.cec.eu.int
- European Commission (http://ec.europa.eu/economy_finance/index_en.htm)
- Trade in Poland (http://www.compiler.fi/tradestation/eastwest/poland/polandassist.html#bizinfo)
- Polish Chamber of Commerce (http://www.chamberofcommerce.pl/)

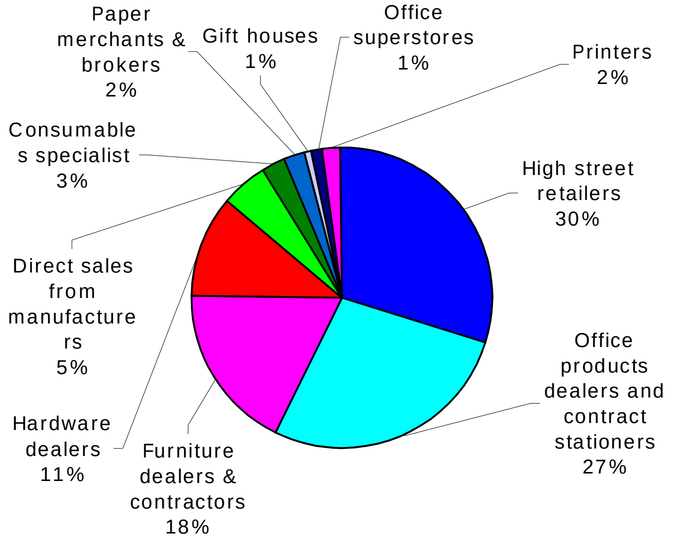
- Polish Business Library (http://www.masterpage.com.pl/business/poland-business-library.html)

3. Trade structure

Traditionally, *exports from the developing countries took place through a set of importers who have then marketed the product to wholesalers, end-users, or retailers*. On the other hand, *exporting on your own generally requires more of the resources of your company than exporting through an agent or importer/wholesaler*. In this chapter, most important distribution and retailing channels are given so that both types of exporters (ones which are using/not using intermediaries) can select the best channel for them.

The Office product dealers and the contract stationers having the biggest share in the distribution structure in Poland. Their future depends on the economic situation and the number of active businesses in the Polish market. This is projected to proliferate over the next few years, due to investment projects from the EU, so the prospects for this channel are quite bright. However, the competitive pressure on this channel is high due to the large number of companies delivering directly to end-users. Nevertheless, the players in this channel are large and well funded, and are in a strong position to compete effectively.
Direct sales from manufacturers are expected to remain stable in the future, as the trend towards single-sourcing is likely to be outweighed by some larger end-users looking to reduce costs by sourcing direct from manufacturers.

Figure 3.1: Distribution of Stationery in Poland, segmentation by format, % share, by value, forecasts 2005



Source: MPA International

From the retailing, High-street retailers are the ones with greatest impact and coverage of the market. They are expected to keep their hold of the market and even increase it marginally up to the end of the decade. For the rest, all the retail channels are expected to keep their share of the market and fluctuations of + / - 1% are only expected by the end of the decade.

Websites with interesting information on the trade structure of Poland are:
MPA International - A global consultancy specializing in marketing research and analysis in the office products industry: (http://www.mpainternational.com/)
Office Products International Magazine (http://www.opi.net/index.asp?)
Polish Chamber of Commerce (http://www.chamberofcommerce.pl/)
Websites of important players in Poland are:
Tesco (available also in Poland) (http://www.tesco.com/)
Esselte is the leading office supplies manufacturer (http://corporate.esselte.com/plPL/Home/default.html)
Office1 Superstore (http://www.office1.pl/)

4. Prices

Price is an important selling factor, especially in the lower segments of the stationery market, whereas in the higher segments (higher added value) factors like quality and fashion are more important than price. In the lower segments of the stationery market, retailers have little room

to manipulate prices because competition is very fierce and margins are low[6].
For examples of prices see for more information *'The stationery, office and school supplies market in the EU' (2006) Chapter 9 'Prices'* and the web addresses provided under '*Useful sources'* of this chapter.
As far as up-to-date information about prices is concerned, below are mentioned some useful techniques for finding relevant information on prices:

- the CBI survey Guide for Market Research has a wide variety of good advice on how to use the internet for doing research;
- in general, one should always at least search for information in trade journals, at exhibitions, from competitors, potential and existing customers, exporters in your own country that sell products in the same market
- Other sources of price information are the local producers. Below are some examples of the important producers and suppliers in Poland:
  Business Directory in Poland (http://www.bizpoland.com/)
  Esselte is the leading office supplies manufacturer (http://corporate.esselte.com/plPL/Home/default.html)
  Office1 Superstore (http://www.office1.pl/)

5. Market access requirements

- Manufacturers in developing countries should be aware of the market access requirements of their trading partners and the country government. Requirements are demanded through legislation and through labels, codes and management systems. These requirements are based on environmental, consumer health and safety and social concerns.
- For more information go to 'Search CBI database' at http://www.cbi.nl/marketinfo A detailed overview of important packaging, marking and labelling aspects which are valid for all EU countries or for groups of EU countries as well as of more information about the countries to which tariffs apply, can be found in the CBI market survey *'The stationery, office and school supplies market in the EU' (2006).* More information about packaging can be found as well in the web site of ITC Export packaging: http://www.intracen.org/ep/packaging/packit.htm. The VAT in Poland is currently 22%.

Important sites:
Taric database at http://europa.eu.int/comm/taxation_customs/index_en.htm
European Union (http://europe.eu.int/)
European Committee for Standardization (http://www.cenorm.be)
European Committee for Standardization (CEN) and http://www.iso.org/

6. Business practices

- Trade shows in Poland (http://www.biztradeshows.com/poland/)
- Poland Exhibitions, Conferences & Trade Shows (http://www.eventseye.com/fairs/event_l551.html)
- For trade press and related articles: Office Products International Magazine (http://www.opi.net/index.asp?)
- Other sites for finding business partners: The Business Portal for Poland (http://www.polishmarket.com/)
- Polish Business Chamber Library (information on many important topics) (http://www.chamberofcommerce.pl/exportto.html)

For more information on trade practices and culture in Poland as well as the business etiquette in the country, check:(http://www.executiveplanet.com/business-etiquette/Poland.html)

This survey was compiled for CBI by DCT BV. in collaboration with Ms. Y.Netto

[6] Please, note that information about import price developments in the Polish market is not available.