

Institute of World Economics  
Center for Economic and Regional Studies  
Hungarian Academy of Sciences

## Emerging MNCs in Poland in turbulent times of Belt and Road Initiative and Brexit

Agnieszka McCaleb, PhD

East Asian Research Unit  
Warsaw School of Economics



WARSAW SCHOOL OF ECONOMICS

[www.sgh.waw.pl/english](http://www.sgh.waw.pl/english)

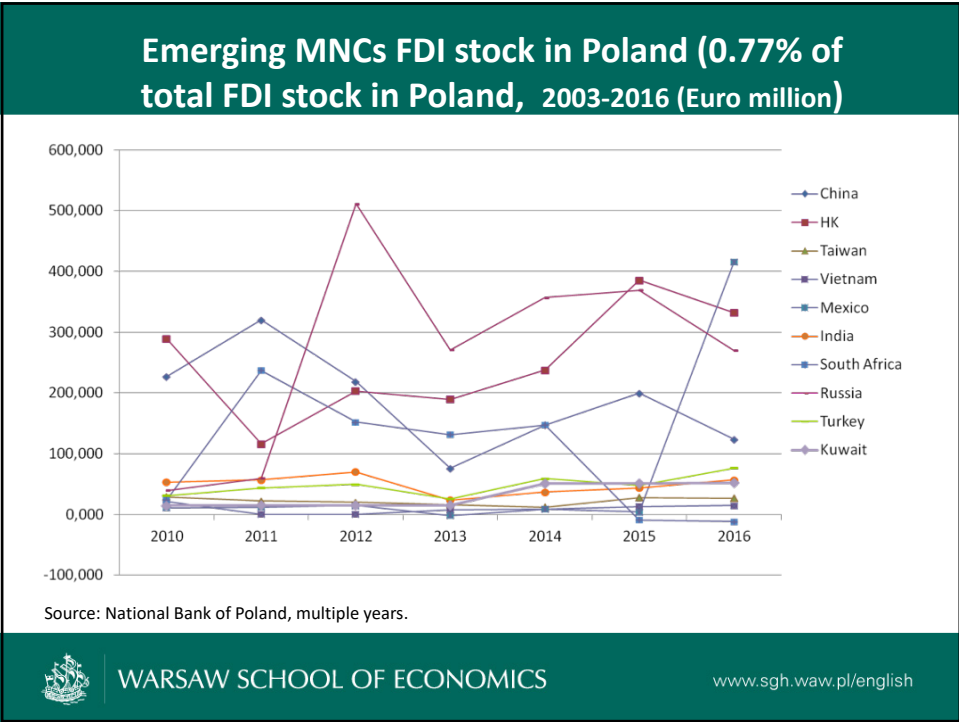
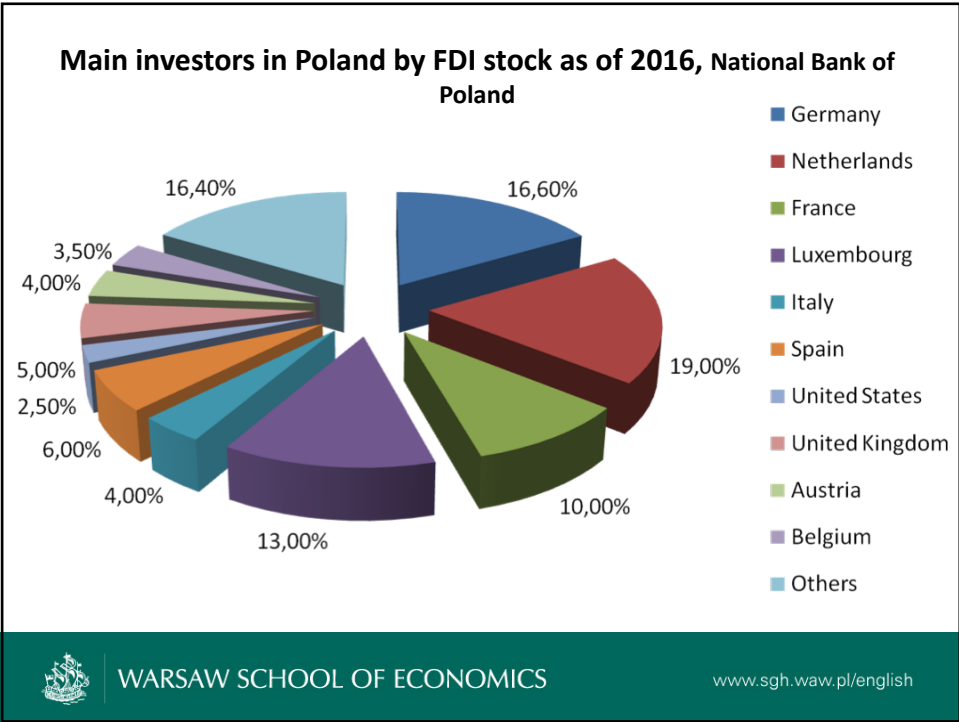
## Outline

- Overview of FDI in Poland
- Selected emerging economies' FDI in Poland
- Chinese EMNCs in Poland
- Prospects under BRI and Brexit



WARSAW SCHOOL OF ECONOMICS

[www.sgh.waw.pl/english](http://www.sgh.waw.pl/english)



**EMNCs brands**




The image displays six logos of Emerging Multinational Corporations (EMNCs) brands. From top-left to bottom-right, they are: CEMEX (with the tagline 'Building the future™'), Infosys, PEPCO, HUAWEI, GIANT, and CLEANIC.


**WARSAW SCHOOL OF ECONOMICS**
[www.sgh.waw.pl/english](http://www.sgh.waw.pl/english)

**Emerging MNCs in Poland: characteristics, Amadeus database**

	No of subsidiaries	Locations of top 10 EMNCs	Largest EMNC's operating revenue, th eur, 2016
China	112	Poznan, Tychy, Krakow, Warsaw (4)	575,322 (TVP)
HK	81	Mostly Warsaw	258,818 (Huawei, Fabryka Lozysk)
Taiwan	26	Wroclaw, Poznan, Warszawa (2), Lodz, Szczecin	63,843 (Asplex)
Russia	61	Warsaw (4), Krakow, Gdansk, Bialystok	1,007, 525 (CEDC)
Mexico	10	Warsaw (7)	227,697 (Cemex)
South Africa	102	Poznan (4), Szczecin, Krakow, Warsaw, Kielce, Lubartow, Wroclaw	482,396 (Pepco)
India	58	Poznan, Lodz, Warsaw, Wroclaw	87,684 (PKC Group)
Turkey	46	Warsaw (6), Lodz, Katowice	183,065 (Beko)


**WARSAW SCHOOL OF ECONOMICS**
[www.sgh.waw.pl/english](http://www.sgh.waw.pl/english)

### Emerging MNCs in Poland: characteristics (2), Amadeus database

	Main entry period	Industries represented by top EMNCs	Investment route
China	2005-2007; 2012;2016	Electronics (LCD TVs), telecommunications, heavy machinery, automotive parts, scanners for transportation, banking, printing	CN-HK-KY-PL; CN-NL-PL; CN-LU-NL-CH-PL
Taiwan	2006-2008	Electronics, manufacturing of bronze products, bikes,	TW-PL, TW-NL-NO-PL, TW-DE-PL
Russia	2007-2009	Alcoholic beverages, gaslines services, wholesale of gas, coal; transport, reloading of freight, trading building materials, cosmetic hygiene skin products	RU-VG-BM-US-PL; RU-CH-PL; RU-FR-PL; RU-AT-DE-PL



WARSAW SCHOOL OF ECONOMICS

[www.sgh.waw.pl/english](http://www.sgh.waw.pl/english)

### Emerging MNCs in Poland: characteristics (3), Amadeus database

	Main entry period	Industries represented by top EMNCs	Investment route
Mexico	2007	Cement production, casting of metals, finance and insurance, hotels	MX-ES-GB-PL; MX-ES-PL; MX-NL-CL-PL
South Africa	2007; 2011-2015	Departments stores, food-stuffs, finance and insurance, medical activities, wholesale electronics, real estate, bread, transport, web portals	ZA-PL; ZA-NL-PL
India	2006-2009, 2012-2014	Electrical equip. for motor vehicles, plastic (packing) products, <b>accounting services</b> , <b>business consulting</b> , cement production, textiles wholesale, <b>computer programming services</b> , <b>publishing of games</b> , wholesale of vehicle parts	IN-PL



WARSAW SCHOOL OF ECONOMICS

[www.sgh.waw.pl/english](http://www.sgh.waw.pl/english)

### Motivations of EMNCs for FDI in Poland

- Market seeking – whole of the EU market
  - Avoidance of EU import duties or antidumping duties (Hongbo, electronics)
  - Following the key global client (Dalian Talent)
- Strategic-asset seeking – increase of M&As since 2012
  - Access to R&D activities (BWI, Hongbo)



### Indian EMNCs from BPO sector in Poland

- Tata Consultancy Services (Warsaw)
- Infosys BPO (acquisition from Philips center in Lodz),
- HCL Technologies (Kraków),
- Wipro (Wrocław),
- MphasiS (Wrocław),
- ZenSar Technologies (Gdańsk)
- ❖ ArcelorMittal -11 000 employees in 6 branches



## Chinese large FDI in Poland

### 2016

- China Three Gorges Corporation took over from Portuguese EDP Renováveis wind farms, estimated value of 289 mln EUR
- China Everbright acquired Polish firm Novago for app. 116.8 mln USD, processing of commune waste, recycling, production of alternative fuels
- Hongbo Opto-Electronics Technology (greenfield) produces street lights, tunnel lights (IKEA), 100 EUR mln.

### 2012-2013

- Liu Gong Machinery – acquired Polish SOE Huta Stalowa Wola
- Tri-Ring Group - acquired Polish SOE Fabryka Łozysk Toczyńskich



WARSAW SCHOOL OF ECONOMICS

[www.sgh.waw.pl/english](http://www.sgh.waw.pl/english)



Industry	Company
Food processing	Shuanghui International
Electronics	TCL, Digital View, Suzhou Victory Precision, Chung Hong Electronics
Electro-machinery	Nuctech, Liugong
Automotive	Beijing West Industry (BWI) Group, Tri Ring Group, Nexteer
Goods distribution	GD Poland, LightInTheBox
IT	ZTE, Huawei
Construction	Minmetals Construction, Shanghai Construction, China CNR Corporation (CNR), CIIC Group, China National Electric Equipment Corporation, Shanghai Electric Group
Paper, printing	Dong Guang, Yuncheng, Haoneng Packing
Real Estate	Min Hoong Development, Sino Frontier Properties Ltd.
Pharmaceuticals	Zhongxin Pharma
Services	Bank of China, Industrial and Commercial Bank of China (ICBC), Yingke Law Firm, Dacheng Law Offices

## Prospects under BRI and Brexit

### BRI

- Transportation, logistics, distribution investment
- Regional cooperation



Thank you!

