



**Flanders**  
State of the Art



**NEW TECHNOLOGIES**  
**(IOT, MOBILE APPS, FINTECH)**

**IN POLAND**

**FLANDERS INVESTMENT & TRADE MARKET SURVEY**



# NEW TECHNOLOGIES IN POLAND (IoT, mobile apps, Fintech)

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## I General information

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Poland is strategically located between Western Europe and Russia. Significant advantage is also an access to the Baltic Sea.

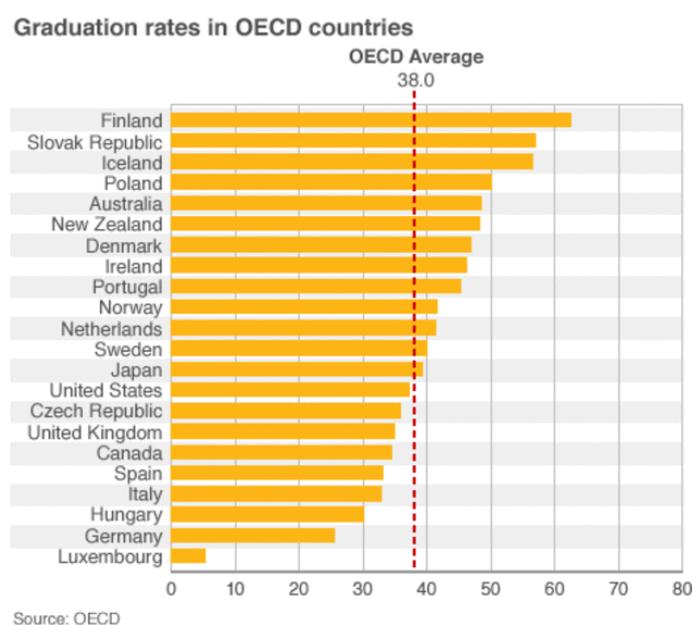
This contributes to that fact that, in spite of an economic transformation which in Poland began barely 25 years ago, now it is one of the largest economies in Europe.

Accession to the European Union in 2004 had a considerable influence over Poland's development. Poland turned to the open European market and his export rose. Relative low costs of products and advantageous geographic location made export easier.

The current success of Poland's products is undisputed, and for sure it is not the end. Polish market is shifting toward growing economies.

One of the biggest Polish advantages is its level of education. In this country is a wide range of highly educated workers. According to the 'Economist Intelligence Unit', about 22% of Poland's population aged 24 and above has university education. Interesting is the fact, that since the 1990s, many of Polish students have been taking part in programs such as Erasmus, what surely has an influence over improving its foreign-language acquaintance. Interestingly, Poland is now **ranked sixth in the world in English proficiency**. Moreover, according to the report 'Poland 2025: Europe's new growth engine', Poland has one of the lowest cost of labor in Europe and its level is markedly lower than the average level in Europe.

To prove the high level of Polish education, it is worth to present the graph, where we can see that Polish graduation rates in Poland is higher than the average rate among OECD.



Estimated percentages of 2008 cohort which will complete first-time academic degrees, out of 26 OECD countries, plus Australia figure for 2007.

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## II IT in Poland – general market overview

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The IT market is the newest, but also the most buoyant market in the country. According to the latest analysis, if the pace of growth isn't changed, in few years Poland will take over the **second place in East-Central Europe** (after Russia).

According to the report, which was worked out by PMR, already now in the IT sector in Poland are roughly 400.000 workers employed. Moreover, Poland's IT jobs market ranks highest in new job creation. Interestingly, small enterprises make up 90% of Polish IT business.

As has been said, education is one of the most significant trumps in Poland and it applies also the IT sector.

In foreign countries, our **educational background and qualifications** of Polish IT specialists are really appreciated. Each year graduate about 15.000 students in IT faculties. For example in 2014 there were almost **70.000 students** of information and communication technologies at different universities. In Poland there are **19 universities and 25 IT colleges**, to which belong and come in the highest positions:

- 1) AGH University of Science and Technology
- 2) Warsaw University of Technology
- 3) Wroclaw University of Science and Technology
- 4) Poznan University of and Technology
- 5) University of Warsaw

This factor translate into international achievements and success. Polish specialists often outstrip foreign IT specialists, regard to the quality of provided service and creativity of computer specialists. It is mirrored in the first places in international contests as Imagine Cup, Code Jam or Central European Programming Contest.

In this connection, Polish IT sector seems to be really encouraging for foreign investors to locate in Poland their capital. And indeed it does. According to estimations of Polish Information and Foreign Investment Agency, about 70% of major IT companies in Poland belong to foreign capital, including the largest global concerns like Microsoft, HP and Oracle. They have their subsidiaries in almost all the largest Polish cities. This is of course crucial consideration in IT market growth.

According to the report 'Information technology sector in Poland' investors in Poland may rely on various forms of support. They are called regional aid. Support instruments include non-refundable grants from the state budget and from the EU funds, also exemptions from CIT in Special Economic Zones and from local taxes are available.

The grants are available under governmental '**Programme for encouraging the investments of key importance for Polish economy in 2011–2020**'. Payments are dependent on the agreement between the investor and the Ministry of Economy.

**Special Economic Zones** are selected areas where economic activity may be performed under favorable conditions, which offer attractive investment locations. Of course they are equipped with essential technical infrastructure. Entrepreneurs setting their business in SEZ can benefit from income and real estate tax exemptions. They also provide support in legal and administrative procedures related to the implementation of the projects.

Incentives for entrepreneurs are available also on the local level for example through setting up tax and local fees exemptions.

All of these factors contribute to the fact that to the fastest growing sectors of IT in Poland are: primarily games and when we talk about technologies, the most significant are '3D printing' and 'Mobile – platforms and apps'.

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## III Fintech

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One of the newest branches in IT sector is Fintech.

Regarding definition, it is 'usually applied to the segment of the technology startup scene that is disrupting sectors such as mobile payments, money transfers, loans, fundraising and even asset management'.

In a simplified way, it's about new financial technologies, which let pilfer business from banks by not banking companies. Instead of going to the branch of the bank, now it is possible to use an online platform which let connect lenders and borrowers. Moreover, instead of transferring an advance payment for abroad holidays with bank's help, which charges a high commission, it is obviously much cheaper to use services which are offered by companies specialized in abroad transfers. This examples show, how big possibilities for small companies in this branch. According to a report from Accenture, global investment in Fintech has skyrocketed from 930\$ million back in 2008 over 12\$ billion by the beginning of 2015. Simultaneously, Europe experienced the highest growth rate. It increases in 2014 to 1,48 \$ billion.

Probably, this growth will continue in the coming years, because of reworking of financial regulations, new innovations and current customer behavior.

Despite the fact that the Polish Fintech ecosystem is still quite young, there have already been some interesting developments. To one of the most noteworthy start-ups belong:

1) **ZenCard**

It turns a payment card into a loyalty and reward card. This is a real-time loyalty redemption platform that allows retailers to develop targeted offers based on customer purchase behavior profiles and support non-monetary rewards. This idea isn't appreciated only in Poland, because ZenCard was one of the 12 startups from the V4 region, which participated in the startups competition in Silicon Valley. To highlight its success, it can't be here omitted that they recently have raised 2 million euro in funding.

2) **Atsora**

It provides strategic management and entrepreneurial tools for financial institutions, as well as small and medium-sized enterprises. Their flagship product, Momentum, is an integrated online and mobile application used for planning business models that monitors cash flow and growth based on financial data. Users can easily share selected information with the bank in order to get tailor-made offers and real-time support.

3) **Azimo**

It is a low-cost, fast and safe way to send money around the world. Azimo allows migrant workers to make fast, simple low cost money transfers to their family members in over one hundred countries. They operate online and help customers save 85% of what they had to pay banks or online money transfer companies.

4) **PricePanorama**

It is a system of monitoring and analyzing the prices and availability of products on the internet using a SaaS model. Their main goal is to give the opportunity to build a consistent pricing policy

and to find markets abroad, where entrepreneurs can start business through competitive pricing and cost structure.

#### 5) VoicePin

It provides an invasive way to verify your identity, through voice. This service has been accredited by international biometric organizations. VoicePin has already been implemented in some major banks and businesses in Poland, such as ING Bank and Tauron Energy. The applications can verify permission to enter a house and even some IoT applications involving voice commands.

As it can be seen, even though the Polish Fintech space is quite young, it has already gained some accolades internationally. With the rising popularity of the Fintech sector, we can expect more from these and other up and coming Polish Fintech start-ups.

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## IV Internet of things

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Internet of Things, in short IoT, which is describing the concept created by Kevin Ashton, is a system where objects equipped with sensors communicate with computers. The scale of the use of IoT solutions is enormous, from miniature apparel's additives, through intelligent household appliances, home and building automation, water resource management and defense systems.

Current prediction is that between 2014 and 2018, market Internet of Things will be **doubled** in Poland. It is estimated that its value will amount **to 3,1 billion \$ in 2018**, what shows great growth possibilities and expectations of this branch.

According to the research company, these figures indicate that in this area we will see very rapid growth. However, there are already companies in Poland today, which are able to make innovative products based on the technology of the Internet of things and they really have money from it.

An example might be a company Cloud Your Car, which overnight became a global company offering a tool for monitoring the movement of vehicles and driver behavior on the road.

The other Polish company Energa, which use IoT's technologies, is filling now the third stage of implementation of smart energy meters. They enable people to pay for actual energy consumption, control the way of its consumption or buy energy in advance, thanks to prepaid services. Moreover, they will enable energy companies to recognize and after that also troubleshoot much faster.

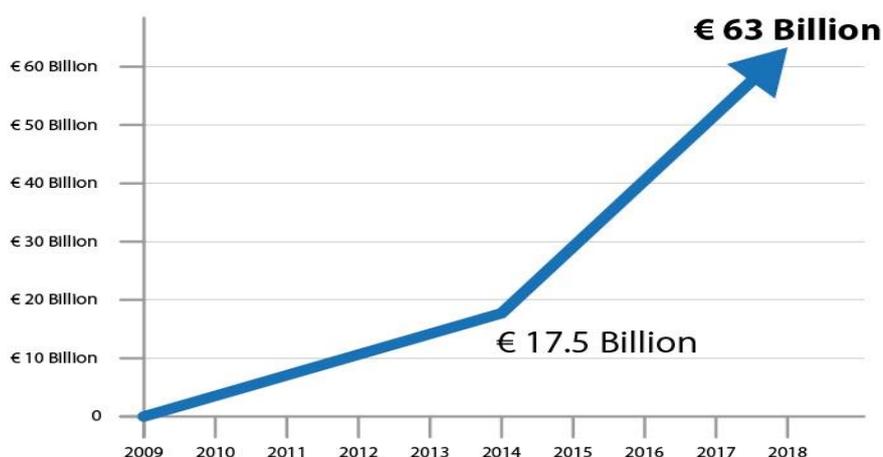
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## V Mobile applications

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Mobile platforms and apps belong to the most dynamic developing trend both in Poland and in the world. In support of it, according to a report prepared for the European Commission, it is estimated that by 2018, in the mobile applications market there will be about 5 million people employed and it revenues will amount to 63 billion euro.

Estimation of revenues in the European Union by 2018:



Source: [http://europa.eu/index\\_en.htm](http://europa.eu/index_en.htm)

Nowadays, mobile phone isn't used only to hold a conversation, which is just the most trivial activity, which we can do using phone. The majority use it to transfer money or answer an email. Also the way of using the network is changing. Instead of 'surfing' the classic public web site using a browser, more and more often we use applications - specialized programs provide access to selected by their 'suppliers functions or content. This process is called 'appification'. Some people believe that it completely revolutionize the network and the way in which we use it in current years - everything will be application. Developers are often the authors of innovative solutions, for example in the field of innovative methods of monetization, effectively using the classic payment, advertising within the application or freemium model in order to maximize revenue.

It widely observed a trend of the migration of services to the application and the gradual replacement of traditional methods of distribution access via smartphone or tablet. Services, which recently gained popularity are for example banking, the purchase of newspapers, books and music, public transport tickets and parking services, maps and navigation or booking airline tickets.

Even the numbers speak for themselves. According to tests, which were carried out by Google, among almost 4 billion people who use mobiles, among those using smartphone, each of them has an average 17 installed applications, but only 8 of them were used within last 30 days.

In Poland also this branch grows really fast, below is presented a summary of 10 most frequently downloaded Polish mobile:

- Jakdojade – tool for passengers of public transport to search connections
- OpenFM – internet radio platform
- Allegro – the biggest transaction platform in Poland
- Yanosik – mobile application connecting radar detector, CB radio and navigation
- CB Radio Chat – voice communicator, similar to CB radio
- NaviExpert – GPS navigation system for mobile phones
- ProgramTV – enable access to current TV guide
- Aerobiczna szóstka Weidera A6W – application containing schedule of abdominal exercises
- Dowcipy XXL – application containing the biggest collection of jokes

- mobileMPK – timetable for the biggest city in Poland

All of them have been downloaded at least **million times**.

Nowadays, although still more people use internet system versions, the number of mobile application users is characterized in Poland by much **bigger dynamics**.

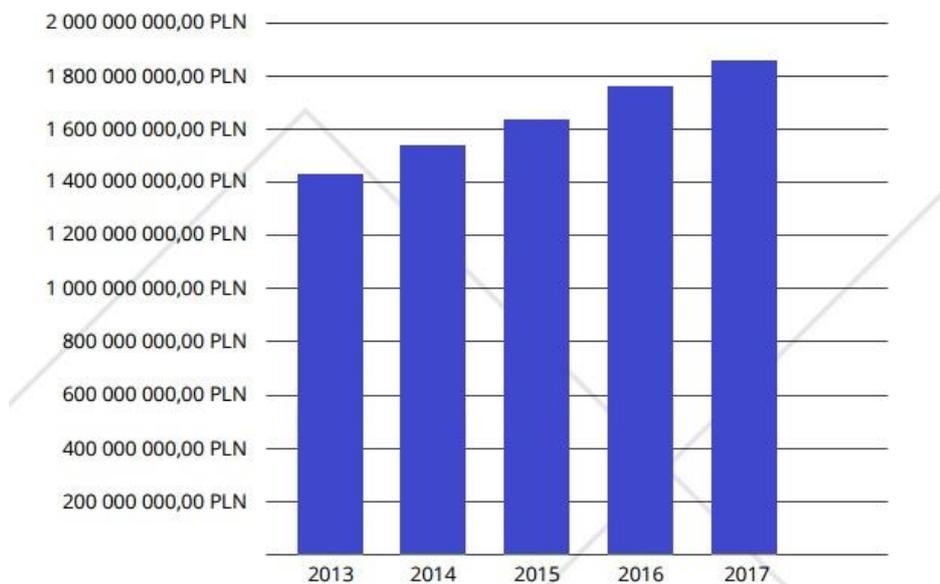
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## VI e-Gaming

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In games sector, Poland is a real power. It has been estimated that in 2015, the worth of this market amount to **1,6 billion PLN (0,4 billion euro)**, what means that Poland takes the **17<sup>th</sup> place in the world** and it's broadly emphasized that Polish games market has excellent perspectives of development and in the short time can become a hallmark.

According to estimations of worth of the Polish games market value (2013-2017), in the next year it will be still growing.



Source: own elaboration based on information from SuperData Research and DFC Intelligence Newzoo reports aggregated in report entitled 'the condition of Polish video game industry 2015', Kraków Technology Park.

In comparison to 2014, in 2015 sales of video games increased by 17%.

It's indispensable to emphasize that our products take the highest places in lists of **bestsellers**.

To the greatest successes belong the premiere of 'The Witcher 3: Wild Hunt' in 2015, which was produced by **CD Projekt Red**. During the first two weeks it has been sold in **4 million copies**, what is record-breaking result in Polish market. However, here it is worth to highlight that most of them has been sold abroad. This one and also the Dying Light, produced by **Techland**, were qualified as two of the ten **best-selling games** in the world during the first half-year in 2015.

However, Polish game market is not going to stop here. There are more companies and developers, which achieved success through their last products. To this group can be classified for example **Bloober Team**, **Vivid Games** and **CD Projekt**. The first one of them also for this year prepared next premieres: 'Observera' 'Scopophobia'.

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## VII Events

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	What?	Where?	When?
1	Trade Fair of IT Solutions, E-commerce and Mobile Devices MobileIT	Cracow	18-19.02.2016
2	Intel Extreme Masters	Katowice	02.-06.03.2016
3	Multigenre Fan Convention Pyrkon	Poznan	08.-10.04.2016
4	infoShare 2016	Gdansk	18.-20.05.2016
5	IT FUTURE EXPO	Warsaw	07.-08.09.2016
6	Poland IT Meeting	Wroclaw	29.-30.09.2016
7	TARGI IT GIGACON TRENDY 2016	Warsaw	29.09.2016

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## VIII Sources of information

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- <http://europa.eu/>
- <http://mamstartup.pl/>
- <http://www.parp.gov.pl/>
- <http://stat.gov.pl/>
- <http://www.pb.pl/>