



BP's impact on the  
economy in

Poland

A report by Oxford Economics  
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Zł1.6  
billion

Gross value added  
contribution supported  
by BP in Poland

BP supported

18,600  
jobs

One in every  
870 in Poland

BP's activity supported

0.09%

of Polish GDP

Zł1.4  
billion

spent with Polish  
businesses

2,100

Polish suppliers of  
goods and services

Zł39  
million

spent on social initiatives  
in Poland since 1996

BP received the most

Desired  
Employer

Award in 2016

Zł1,7  
billion

paid to state budget in  
VAT, excise duty, and  
fuel tax in 2016

BP retail sites serve

450,000  
customers per day

BP has 50% share in

Lotos Air BP

a joint venture with  
Poland's 2nd biggest  
fuel player

# Executive summary

BP has operated in Poland for over a quarter of a century.<sup>1</sup> This section of the report highlights BP's impact on Poland's economy in the 2016 calendar year. The company's impact arises from the operations of BP itself and its subsidiaries.<sup>2</sup> The impact is measured in terms of BP's direct contribution to GDP and jobs, as well as those supported by buying goods and services from local businesses.

For the purposes of this report, the EU27 is defined as the 28 European Union countries less the United Kingdom.

## 2016 economic impact highlights

- Out of all EU27 countries, BP makes the 3rd largest total employment impact in Poland and the 7th largest total GDP impact. Some **11% of the employment** and **3% of the gross value added** that BP supported in EU27 countries in 2016 occurred in Poland.
- Counting direct and supply chain impacts, BP supported an estimated **Zł1.6 billion (€370 million)** gross value added contribution to Polish GDP and **18,600 jobs** in 2016.<sup>3</sup>
- BP's direct activities and its spending with Polish suppliers are estimated to have supported one in every **870 jobs** in Poland in 2016, **0.11%** of all employment in the country.
- An estimated **0.09%** of Polish GDP in 2016 was in some way reliant on BP's activities – whether directly or through BP's purchases from suppliers. That is **Zł1 in every Zł1,150** of GDP created in Poland during the year.
- Of the total, BP's direct operations – including offices and retail outlets – created a **Zł420 million (€96 million) gross value added** contribution to the Polish economy and employed **3,650 people**.
- BP spent **Zł1.4 billion (€314 million)** with about **2,100 Polish suppliers**<sup>4</sup>:
  - **Zł1.2 billion (€273 billion)** on non-capital goods and services, which, combined with BP's worldwide spending, supported an estimated **Zł1 billion (€232 million) gross value added** contribution to Polish GDP and **12,500 jobs**.
  - **Zł180 million (€42 million)** on capital goods, which, combined with BP's worldwide spending, supported an estimated **Zł180 million (€41 million) gross value added** contribution to Polish GDP and **2,400 jobs**.

<sup>1</sup>BP began operating in Poland in 1991.

<sup>2</sup>Including Castrol and Lotos Air BP JV. BP has a 50% stake in Lotos Air BP JV.

<sup>3</sup>Totals in this report may not always be equal to the sum of component parts due to rounding.

<sup>4</sup>This is the number of unique supplier names in BP's procurement database, with an adjustment for duplicates based on a visual examination of a sample of 200 suppliers (e.g., 'ABC Inc' and 'ABC Incorporated' would be considered one firm).

## BP's direct impact

In Poland, BP operates under the brands BP, Castrol, and Lotos Air BP JV. BP runs a network of more than 520 retail sites, markets lubrication products, and supplies fuels to the aviation market. By doing so, the company directly created a Zł420 million (€96 million) gross value added contribution to Polish GDP in 2016 and employed 3,650 people, mainly in the retail business.

## BP's support for local suppliers

BP supported businesses in every region in Poland in 2016. The company spent Zł1.4 billion (€314 million) on capital and non-capital goods and services from about 2,100 Polish suppliers that year. This spending bolstered a wide range of businesses in the country.

Some 86% of BP's spending was with businesses in the Masovian voivodeship (Mazowieckie), while 4% was with suppliers in the Pomeranian voivodeship, and 2% in the Małopolskie voivodeship (Fig. 1).<sup>5</sup> BP spent 1% in each of the following Voivodeships: Łódź (Łódzkie),

Podkarpackie, Świętokrzyskie, Greater Poland (Wielkopolskie), West Pomeranian (Zachodniopomorskie), Lower Silesian (Dolnośląskie), and Opole (Opolskie).

As it rippled through the Polish economy, this spending, as well as BP's worldwide spending, is estimated to have supported a Zł1.2 billion (€273 million) gross value added contribution to the country's GDP and 15,000 jobs.

Poland's wholesale and retail trade sector was by far the biggest beneficiary of BP's supply chain spending (Fig. 2). In 2016, the company supported an estimated Zł450 million (€113 million) gross value added contribution in that sector (38% of BP's total supply chain impact in the country). BP supported a further Zł140 million (€36 million) gross value added contribution in the business services sector (12% of the total), and a Zł91 million (€23 million) gross value added contribution to the financial services sector (8% of the total).

<sup>5</sup>The map and percentages refer to the expenditure in BP's procurement data that is associated with postcodes.

<sup>6</sup>We have used BP's procurement database to map the company's spending across the country. The map includes over 80% of BP's total spending in the country; the procurement database does not include postcode or location data for all spending, and that spending cannot be mapped.



Fig. 1

## BP's spending with suppliers in Poland by voivodeship, 2016<sup>6</sup>

BP Spending (Zł Million)



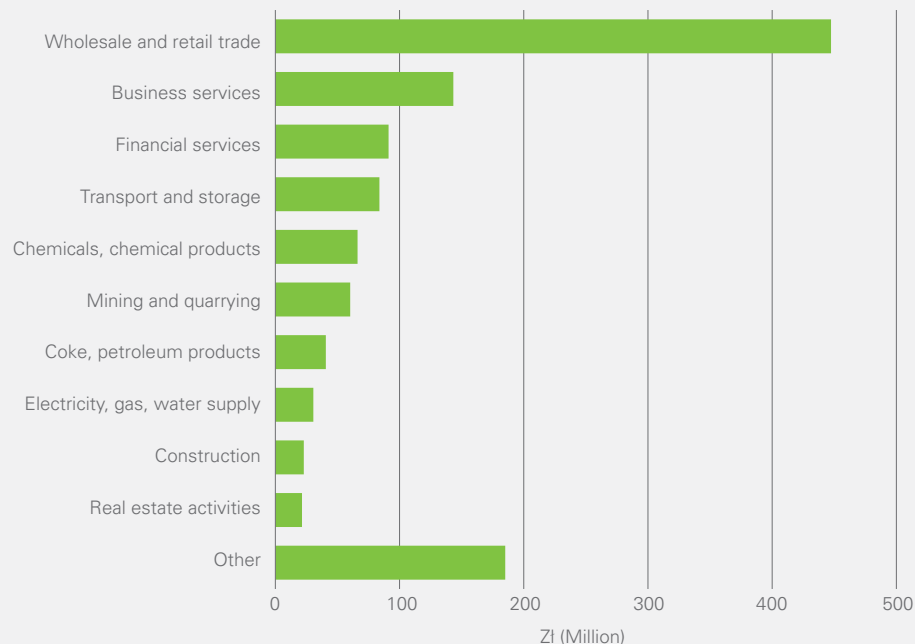
Source: BP

## Summary

Including BP's direct impact and supply chain impact, the company supported an estimated Zł11.6 billion (€370 million) gross value added contribution to Polish GDP and 18,600 jobs (Fig. 3). Some 11% of the employment and 3% of the gross value added that BP supported in EU27 countries in 2016 occurred in Poland. BP therefore made the 3rd largest total employment impact in Poland and the 7th largest total GDP impact.

## Gross value added by industry stimulated by BP's supply chain spending, 2016

Fig. 2



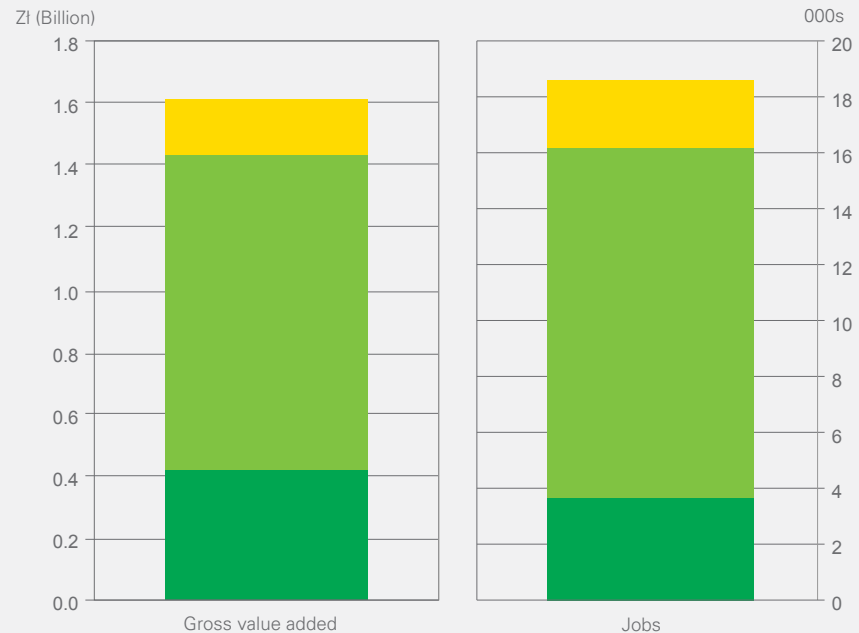
Source: Oxford Economics

BP's activities have an important multiplier impact in Poland. For every Zł100,000 gross value added contribution to GDP that BP generated in Poland at its own operational sites, the company supported another Zł280,000 gross value added elsewhere in the country through its supply chain spending. And for every person BP itself employed in Poland, the company supported another four jobs elsewhere in the country by spending money with local businesses.

## BP's total impact in Poland, 2016

Fig. 3

■ Supply chain capital expenditure  
■ Supply chain operational expenditure  
■ Direct



Source: Oxford Economics

## Contacts, links and further information

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