Country fact-sheet

CENTRE FOR ECONOMIC STRATEGY

A Strategic Economic Dialogue: Poland–Ukraine Fact Sheet

Poland is a key trading partner for Ukraine, ranking 1st for exports and 2nd for imports, with Ukraine accounting for 4% of Poland's extra-EU service imports. The Ukrainian diaspora in Poland numbers about 1.64 million (78% of all foreigners), and over 29,000 Ukrainian-owned companies are registered there. Major Polish investors in Ukraine include Cersanit, Barlinek, Fakro, LPP Group, KredoBank, and PZU, while Ukrainian firms such as Metinvest, Ferrexpo, Kernel, and ViOil lead exports to Poland in steel, iron ore, and agri-food.

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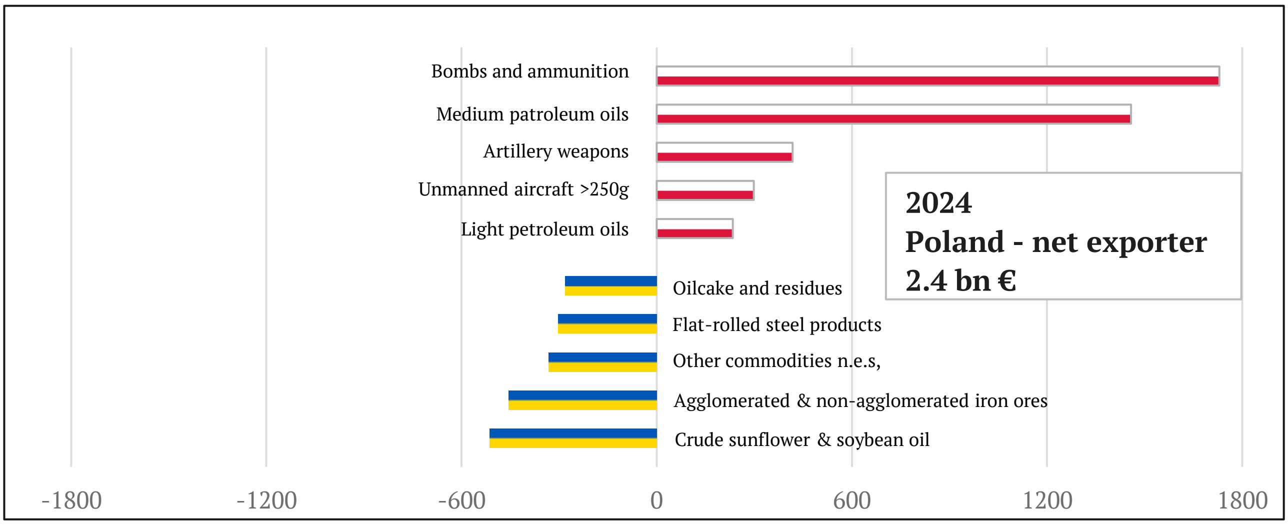
FREE MOVEMENT OF GOODS

Before the full-scale invasion, Ukraine's exports to Poland were dominated by flat-rolled steel (17%) and iron ores, both agglomerated and non-agglomerated (12%). War and occupation sharply reduced these flows, making Ukraine a net importer. Flat-rolled steel remains a key export, but its share fell to 6%, with values nearly halving to €302.2 million. Iron ore exports performed better: their share declined to 10%, but export values dropped only 8% between 2021 and 2024, with Ukraine still supplying about 95% of Poland's total imports of these ores. Since the invasion, crude sunflower and soybean oil have taken the lead, now accounting for 11% of exports to Poland (up from 6% in 2021). Their export value nearly doubled, rising by €251.6 million between 2021 and 2024.

Figure 1. Trade balance in goods between Poland and Ukraine by top product groups (€ mln)



Source: ITC Trademap

Ukraine's main exporters of steel and ore include **Metinvest Group**, which supplies flat-rolled steel and iron ore to Poland via ports and rail, accounting for nearly 1.9 million tonnes in 2023 despite the war. In iron ore, **Ferrexpo** and other mining companies remain key suppliers, with Ukraine exporting 3.49 million tonnes to Poland in the first eight months of 2024. In agriculture, oilseed producers such as Kernel, ViOil, Creative Group, and S&M Agroholding drive the surge in sunflower and soybean oil exports, with Kernel alone being one of the world's largest exporters. Together, these industrial and agribusiness giants underpin Ukraine's shifting export structure to Poland, from wartime disruptions in steel and ore to growing strength in agri-food trade.

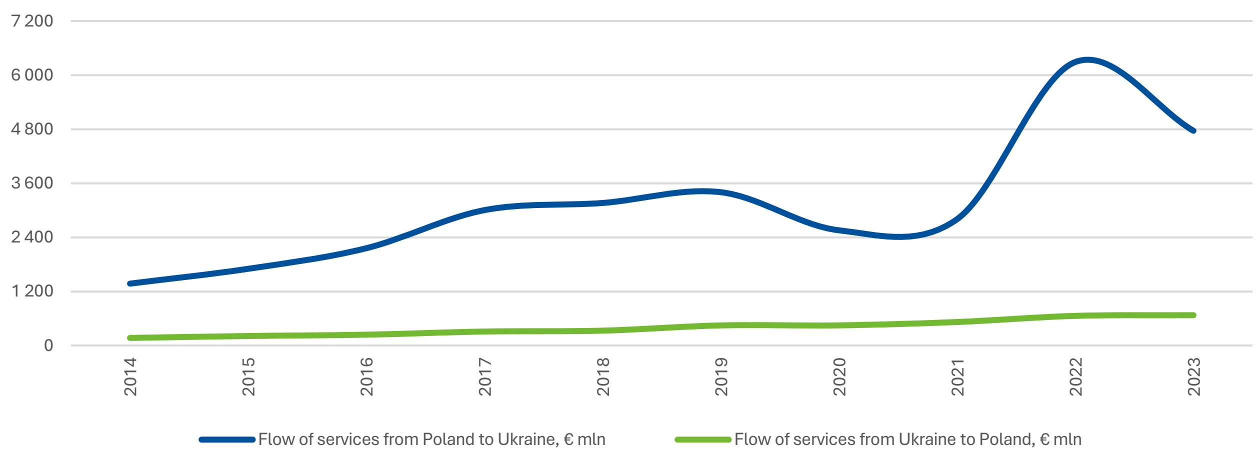
Before the full-scale invasion, Poland's exports to Ukraine were dominated by motor cars (3% of total exports), coke and semi-coke (2%), and NPK mineral fertilisers (2%). Since the invasion, the focus has shifted to war-related goods. By 2024, bombs and ammunition accounted for 13% of Polish exports to Ukraine, a 645-fold increase since 2021 (+€1.7 bn), supplying 96% of Ukraine's global imports of these items. Medium petroleum oils also surged, representing 11% of exports (71-fold increase; +€1.4 bn). Other new war-related exports include artillery weapons (3%) and unmanned aircraft (2%), which were not exported to Ukraine before 2022. Overall, Ukraine and Poland are closely linked through military trade.

Poland's war-related exports to Ukraine are supplied by several key domestic enterprises. WB Group provides unmanned aerial vehicles, including Warmate loitering munitions and FlyEye reconnaissance drones. Huta Stalowa Wola (HSW) delivers artillery systems and UMO exported small-caliber ammunition from Swiss suppliers to Ukraine, while PZL Sędziszów and PZL Defence provide UAVs. The state-owned Polish Armaments Group (PGZ) has scaled up production of 155mm artillery shells, investing $662 million in 2024 to meet both national and Ukrainian demand. Together, these companies underpin Poland's dominant position as Ukraine's supplier of bombs, artillery, unmanned aircraft, and other critical wartime materials.

FREE MOVEMENT OF SERVICES

Poland–Ukraine trade in services skyrocketed in 2022, largely driven by wartime demand, with notable favour for Poland. Poland is among Ukraine's top 5 service trade partners, while Ukraine ranks in the top 6 for Poland; however, its share is around 4% of Poland's extra-EU service imports. Poland has recorded a growing trade surplus in services with Ukraine since 2014, peaking at €5,632.4 million in 2022 and declining to €4,091 million in 2023.

Figure 2. International trade in services between Poland and Ukraine, EUR mln



Source: CES calculations and visualisation based on Eurostat, International trade in services (since 2010)

The surge in 2022 was largely due to Poland's role as Ukraine's primary EU logistics and ICT hub during the war. Russia's blockade of Ukrainian ports redirected trade flows through Polish land corridors, sharply increasing demand for transport and rail services. At the same time, Poland's telecom and IT sectors expanded exports to Ukraine to support digital infrastructure and business operations displaced by the war. The decline in 2023 to €4,091 million reflects the partial normalisation of trade routes via the Danube and Black Sea corridors and a recovery in Ukraine's own IT and business process outsourcing services, while Poland continued to benefit from its established position as a key service provider.

FREE MOVEMENT OF PERSONS

Before the war, Poland had the EU's largest Ukrainian-born community (651.2 thousand residents). Following the full-scale invasion, 992.5 thousand Ukrainians received temporary protection. By June 2025, app. 1,643.7 thousand Ukrainians were legally residing in Poland, accounting for 78% of all foreigners in the country. Most are children (46%), followed by working-age women (36%), with men accounting for 14% and the elderly for 3% of those granted protection. Among Ukrainian refugees, 67% are employed, 73% hold higher education, and 60% report being able to afford good living conditions. In contrast, the Polish community in Ukraine remains relatively small – around 145 thousand people as of 2021.

FREE MOVEMENT OF CAPITAL

Poland plays a pivotal role in Ukraine's economy, with 3,635 companies operating on Polish capital as of February 2024. More than half of them are concentrated in the Lviv region (1,116) and Kyiv (1,016), while their combined authorised capital exceeds €363 million. At least €67.8 million of this total represents the 25% share held by Polish companies and individual residents, underscoring their business influence on the Ukrainian economy. About **31% of the Polish companies in Ukraine are involved in wholesale and retail trade**, while **17% are engaged in manufacturing**. By the end of 2022, Polish investments accounted for 2% of Ukraine's wholesale and retail trade and 4.1% of its manufacturing industry. Over 8% of companies focus on professional, scientific, and technical activities. About 7% of companies operate in the administrative and support services sector. Overall, Polish investments accounted for 5.4% of FDI in Ukraine's financial sector by the end of 2022.

Major Polish enterprises operating in Ukraine include Cersanit**,** with its sanitary ceramics factory in Zviahel, Barlinek, producing wooden flooring in Vinnytsia, and Fakro**,** a window manufacturer with facilities in the Lviv region. Also, **LPP Group** (Reserved, Cropp, and Sinsay brands) holds about 10% of Ukraine's apparel market.

In the financial services sector, KredoBank (PKO BP) and PZU Ukraine are major players.

Other significant companies include Inter Cars Ukraine (auto parts distribution), Modern Expo (retail equipment, a Ukrainian-Polish JV), and Enzym Group, which operates «Drożdże Lwowskie» brand. Altogether, Polish firms generated more than €1.8 billion in revenues in 2022, making them important contributors to Ukraine's manufacturing and retail sectors.

At the same time, the presence of Ukrainian enterprises in Poland has expanded rapidly since 2022. As of mid-2025, **29,044** Ukrainian-owned companies **are registered in Poland**, accounting for about 6% of all newly established firms. These businesses are strongest in **trade, services, and small manufacturing**, with capital-intensive firms such as Volya Sp. z o.o. (metal products, ~PLN 100 million capital), ServicePack Sp. z o.o. (machinery rental, PLN 42 million), and Baza Poland Sp. z o.o. (wholesale trade, PLN 14 million). Ukrainian food producer Three Bears has also expanded by acquiring Poland's Nordis ice cream plant, while DTEK Group, through its subsidiary DRI, signed a major deal with Columbus Energy to build a 133 MW energy storage facility in southern Poland. Combined, the share capital of

Ukrainian-owned firms in Poland exceeds PLN 7.3 billion (approximately €1.8 billion), underlining their growing role in the Polish and EU markets.

A key example of strategic expansion is UZ Cargo Poland, the freight-forwarding subsidiary of Ukrainian Railways established in Warsaw in 2023. Licensed to operate across EU rail infrastructure, the company provides intermodal "door-to-door" logistics, including container services from Gdańsk/Gdynia to Ukraine. It operates both broad and standard gauge rolling stock and has already executed shipments of petroleum products along the Lithuania–Poland–Ukraine corridor. UZ Cargo Poland is expanding into other EU routes via Romania, Hungary, and Slovakia, strengthening Ukraine's connectivity with European transport networks and aligning operations with EU regulatory standards.

IMPLICATION FOR INTEGRATION POLICY AND STRATEGIC BILATERAL DIALOG

Poland–Ukraine trade and investment ties provide a strong platform for deepening EU integration and bilateral cooperation. The vertically integrated industrial and agribusiness networks—anchored by Ukrainian exporters such as Metinvest, Ferrexpo, Kernel, ViOil, Creative Group, and S&M Agroholding, and Polish investors like Cersanit, Barlinek, Fakro, LPP Group, KredoBank, and PZU—demonstrate supply chains aligned with EU standards in steel, iron ore, and agri-food sectors. These networks offer opportunities to expand co-production in manufacturing, agro-processing, and logistics, while strengthening Ukraine's role as a reliable supplier of raw materials and foodstuffs to Poland and the wider EU.

The wartime surge in Poland's exports to Ukraine highlights both countries' strategic interdependence in defence and energy sectors. Key Polish suppliers such as WB Group, Huta Stalowa Wola (HSW), UMO, PZL Sędziszów, PZL Defence, and PGZ provide critical wartime equipment, demonstrating the potential for structured co-production, technology transfer, and joint R&D within NATO and EU defence frameworks. Ukraine's growing industrial and agribusiness exports to Poland simultaneously underscore the scope for scaling production and investment that meet EU standards.

The Ukrainian diaspora in Poland — comprising 1.64 million, or 78% of all foreigners—acts as a bridge for skills transfer, investment, and cultural integration. With high education and employment levels (73% and 67%, respectively), this population can support vocational training programs, particularly for women, facilitating knowledge transfer in target sectors such as logistics, IT, agro-processing, and manufacturing. Bilateral initiatives could formalize these pathways, enabling Ukrainian professionals to integrate into the EU labor market and participate in reconstruction-driven projects.

Strategically, Poland can function both as a gateway and advocate for Ukraine in the EU single market, leveraging its proximity, sectoral expertise, and institutional influence. Policy efforts should focus on high-value supply chain integration, regulatory alignment, and partnerships with Polish counterparts to bring Ukraine's industrial, agricultural, and services sectors in line with EU standards. Strengthening these frameworks will facilitate Ukraine's economic resilience, deepen bilateral trade with Poland, and accelerate its long-term EU integration.

Policy action should now consolidate these bottom-up linkages into structured cooperation frameworks.

- Strategic alignment. Cross-border clusters should be treated as pre-accession pilots for single-market integration.
- Investment facilitation. Establish blended-finance tools (such as binational cluster funds or risk-sharing facilities) to support co-location, shared R&D, and standards harmonisation in key sectors: metallurgy, machinery, agri-food, and energy.
- Human capital and skills. Promote dual-language vocational and innovation programmes across border regions to align skills with cluster needs and enable circular mobility of qualified workers.
- Logistics integration. Advance the Lviv-Rzeszów and Volyn-Lublin axes as flagship logistics and production corridors within the TEN-T and Solidarity Lanes frameworks, ensuring digital customs and green-corridor standards.

The Centre for Economic Strategy (CES) is an independent centre for state policy research. CES is tasked with supporting reforms in Ukraine to achieve sustainable economic growth in the country. The Centre contributes to the development of Ukraine's economic growth strategy, analyses the most important aspects of public policies, and works to strengthen public support for reforms. It was founded in May 2015.

For more information about CES, please contact our Director of Communications, Viacheslav Nozdrin - viacheslav.nozdrin@ces.org.ua. We also invite you to visit our website.
