

INVESTING IN POLAND 2017

FEATURING TRENDBOOK



Strategic Partners:



Industry Partners:



9 772083 064606



INSPIRUJĄCA
przestrzeń
i światło!

RADZIMIR DĘBSKI

Zapraszamy do oglądania wykończonych
i wyposażonych apartamentów w samym sercu Warszawy.

APARTAMENTY COSMOPOLITAN
+48 535 10 10 10
www.apartamentycosmopolitan.pl



TABLE OF CONTENTS:

Foreword	2-11		
From the Editor-in-Chief	2	Lubuskie	54-56
EY	4	Łódzkie	58-59
PZU	6	Małopolskie	60-61
PAIIZ	7	Mazowieckie	62-63
Polish-German Chamber of Industry and Commerce	8	Opolskie	64-65
Italian Chamber of Industry and Commerce in Poland	9	Podkarpackie	66-68
French-Polish Chamber of Industry and Commerce	10	Podlaskie	69-70
Polish Business and Innovation Centers Association	11	Pomorskie	71-72
		Silesia	73-74
		Świętokrzyskie	75-76
		Warmińsko-Mazurskie	77-78
		Wielkopolskie	79-80
		Zachodniopomorskie	81-82
Trendbook Poland	12-43		
Introduction	12		
Chemicals: The basic component industry	14-16		
IT Systems for the defense industry (Partner Feature)	17	Special Economic Zones	84-91
Defense: The PLN 130 bln dilemma	19-21	Industrial and Technology Parks	92-94
Energy: Decarbonization - a must or heresy?	22-25	Partners	95-98
Banking: Taxing times ahead	26-29		
Logistics: In top gear	30-31		
IT: What's blocking the cloud?	32-34		
Real Estate: Big deals, bigger volumes	35-37		
BPO: Millennials - hope for BPO	38-40		
Interview with the Chinese Ambassador	41-43		
Voivodships	44-82		
Introduction	44-45		
Kujawsko-Pomorskie	46-48		
Lower Silesia	50-51		
Lubelskie	52-53		



Valkea Media SA

ul. Elbląska 15/17
01-747 Warsaw, Poland
☎ +48 22 257-7500
📠 +48 22 257-7599
NIP: 525-21-77-350

Valkea WARSAW BUSINESS JOURNAL

Publisher: Morten Lindholm

Editor-in-Chief: Jacek Ciesnowski (jciecnowski@wbj.pl)

Managing Editor: Beata Socha (bsocha@wbj.pl)

Copy Editor: Michael Evans

Art Director: Wiesław Galach

Graphic Designer: Aleksandra Szydło

All photos: Shutterstock, local authorities, Wikimedia, partners and companies

Sales & Marketing Director: Tomasz Pawlak (tpawlak@valkea.com)

Key Accounts: Magdalena Klimiuk, Justyna Lund, Katarzyna Pomierna, Jola Zbieg

PR & Marketing Manager: Anna Augustyniak-Hoffman (aagustyniak@valkea.com)

Print & Distribution Coordinator: Krzysztof Wiliński

INVESTMENTS STILL STRONG DESPITE SLOWDOWN



● ● ● ●
**Jacek
Ciesnowski,
Editor-in-Chief,
Warsaw Business
Journal Group**

This is the 8th edition of the Investing in Poland annual, which we publish to promote Poland as an excellent place for FDIs (foreign direct investments). The biggest CEE economy has faced a few economic challenges lately. GDP projections for 2016 have already been slashed from the initial 3.8 percent to 3.4 percent in the budget draft approved by the Polish parliament. But with the Q3 reading of 2.5 percent and many financial institutions such as the IMF and rating agencies slashing the forecasts even further, the 3.4 percent figure might still be too optimistic.

The value of FDIs in Poland has also dropped, albeit only slightly. In 2015, some PLN 712 billion was invested in Poland, according to Poland's Central Bank, compared to PLN 741 billion in 2014. But despite the dropping value, other figures are quite impressive. According to EY consultancy, Poland was the 5th most attractive investment destination in Europe in 2015, with 23 percent more FDI projects than the year before and with 15,485 workplaces created (3rd in Europe).

As always, we've highlighted selected sectors and industries that we think are driving foreign investments to Poland. Thanks to the country's central location, it's a perfect fit for the logistics sector. The real estate sector is recording record-levels of transactions, and despite recent drawbacks with the helicopter tender, the defense sector is still looking to spend billions in the coming years. The IT, BPO, chemistry and energy sectors are as strong as ever, and even the banking sector, which was hit by legislation (bank tax and the Swiss franc loan conversion), is currently on the brink of a major phase of consolidation.

On the following pages, you'll find a comprehensive picture of the Polish investment landscape. There are full profiles of Poland's 16 voivodships and major cities with the most crucial information regarding local infrastructure and contact information. We also profile all of Poland's Special Economic Zones and list all of Poland's major technology parks. Finally, and probably the most important aspect of this publication, all of the published information and data was gathered and selected by the editorial staff of the Warsaw Business Journal Group, who are responsible for a number of Poland's most trusted English-language publications, in cooperation with our partners, who assisted us with their knowledge and experience.



A good place to start(up) PZU Group as a strategic partner of the Witelo program.

Creation of Polish centres of innovation and investing in the best venture capital funds – these are the basic premises of the **Witelo** program the objective of which is to establish good conditions for development of Polish start-ups. **Big ambitions are supported by equally big budget: PLN 500 million, of which 200 million came from the PZU Group, a proud supporter of Polish entrepreneurship.**



POLAND – A SAFE HARBOR FOR NEW INVESTMENTS




Paweł Tynel,
Partner EY

Investing in Poland should be analyzed through the success stories of thousands of companies that have made new investments in the last 27 years – a new era after the fall of communism. Since 1989, Poland has become a central point of interest to

investors, not only for Central and Eastern Europe, but also for the whole of Europe and the world.

Its large and attractive internal market – with more than 16 cities with over 200,000 inhabitants from which investors can source people for their operations – has become the initial factor for the selection of Poland as a home for new projects.

For those last 27 years, Poland has experienced only growth in terms of GDP. This remarkable achievement, unheard of anywhere else in the world, has not been missed by investors and it has increased the level of confidence and stability.

Confidence is one of the most critical aspects that companies are looking for. In Poland it is understood that by selecting a country, investors are speculating on their own business cases, their own future income, and also on their own careers. We understand how important these decisions are. Therefore, the experiences and recommendations of actual investors are always the best indicators in these discussions.

Poland has been a leader of change in the region for the last 27 years and has also been a leader in attracting investors. At EY we conduct our “EY Attractiveness Survey” annually and this year’s results proved that Poland is still highly regarded by investors. Some 211 new projects, and almost 20,000 jobs have been created, and Poland has reached 5th position in the ranking of all European countries perceived as the best places to make a new investment.

These are some of the reasons why Poland ranks among the top European countries, and on pole position in CEE.

At the same time, we understand that this should not be taken for granted. This competition is like in sport – you are only as good as your last game. New investors are the best examples of Poland’s position on the investor map.

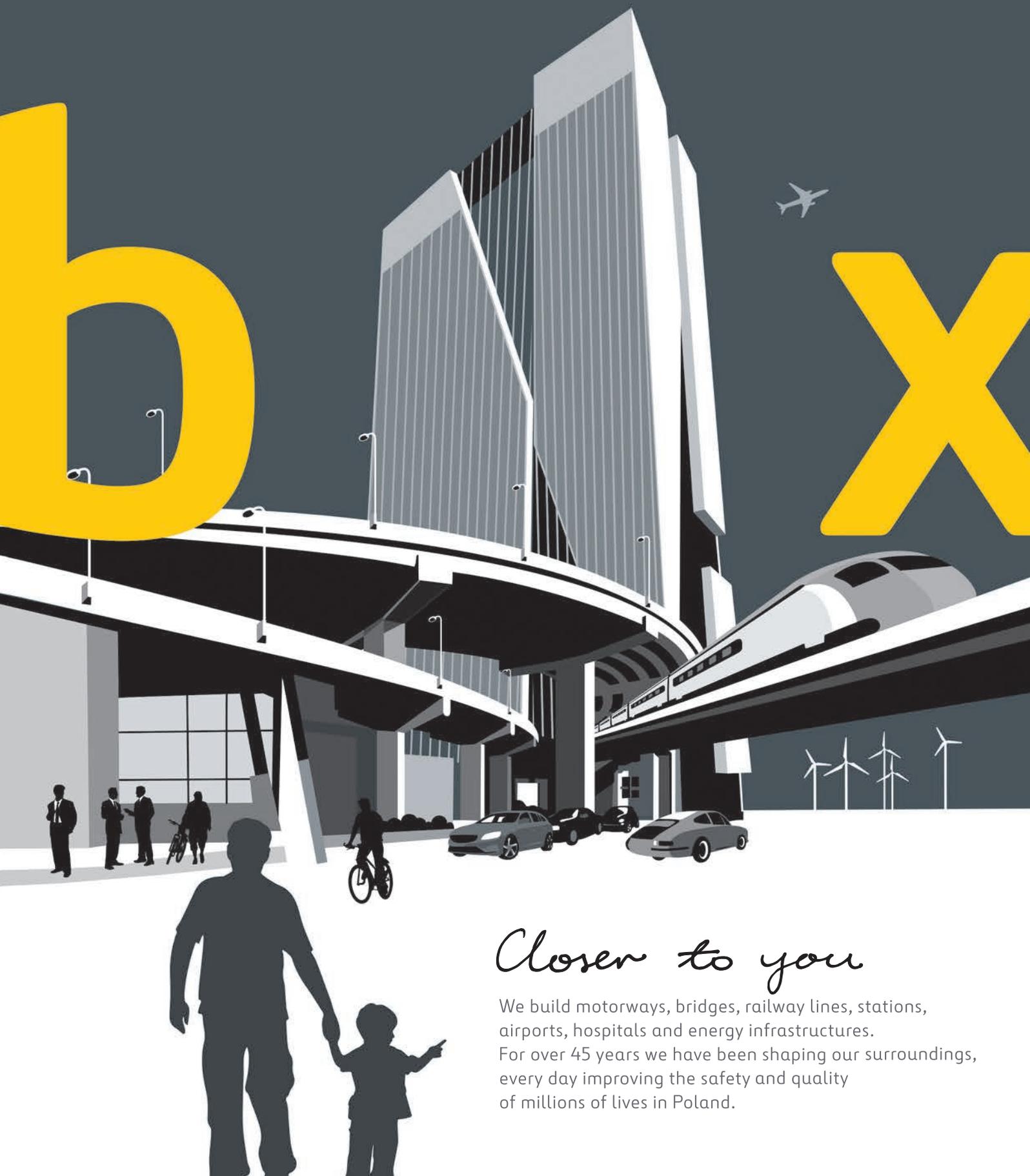
Governments are changing, but one may be clear and confident about one thing – that in Poland there has been, there is, and there will be a government willing to attract new businesses and open for discussion about how to convince you to select Poland.

In the last decade, a lot has been done in terms of infrastructure, accessibility and telecommunications, but nowadays great pressure is placed on the availability of skilled people. There are a lot of activities targeted at supporting technical schools and cooperation between high-schools and business. And this is done in order to help investors find people with the necessary skills and motivation.

I strongly believe that next to the experiences of the last 27 years, our talent pool and availability of people constitute one of Poland’s greatest assets that can be offered to new investors. Undoubtedly, it is a reason for the success and strong presence of SSC/BPO centers in Poland. It has become a critical industry segment for thousands of people employed there.

Nowadays, the world does not offer many opportunities with perfect stability, availability of people, and a good mix of costs. There are always some challenges, but Poland can be perceived as a safe choice and a safe harbor for new investments. Experiences from the most important players on this market – investors – are the best justification and confirmation of this statement.

budimex
sense of creating



Closer to you

We build motorways, bridges, railway lines, stations, airports, hospitals and energy infrastructures. For over 45 years we have been shaping our surroundings, every day improving the safety and quality of millions of lives in Poland.

WITELO FUND – FROM OUR TERRITORY, THAT IS FROM POLAND




**Paweł
Surówka,**
CEO of PZU
Zycie S.A.

In nostra terra, scilicet Polonia – from our territory, that is from Poland. That is how Witelo, a Polish physicist, mathematician, philosopher and optician, described himself. He came from Silesia and

was probably born in Legnica as the son of a Polish mother and a settler from Thuringia around 1230 and he died around 1300. He was one of the most prominent European scientists during the Middle Ages, during which he laid the foundations for associative psychology. In his works he proved that the “eye does not retain any other information besides light, color and apparent size,” while it is the mind that “converts impressions using representations taken from experience.” To frame it differently, one may see the same thing differently, or going one step further, one may see something others do not see. One may be the first to discover slumbering potential.

This is how this medieval scholar from Poland gave the best lesson in business. That is why it was a natural step that he became the patron of the Witelo Fund, an undertaking that is unparalleled across Europe. This project has been forged by PZU and the National Center for Research and Development under the patronage of the Ministry of Science and Higher Education and the Ministry of Development. Through Venture Capital funds, Witelo is to support the pursuit of innovative projects from their early stage of development (start-ups) until they reach operational capabilities and can engage in business expansion. On one hand, this entails the creation of centers to develop innovative technologies in Poland (hubs) with whose assistance start-ups will gain the ability to operate globally. On the other hand, this is linked to investments in the best venture capital funds that will support these hubs through their efforts. The Witelo Fund has officially launched operations and the PZU Group is its first investor, having subscribed for the first series of investment certificates. In the

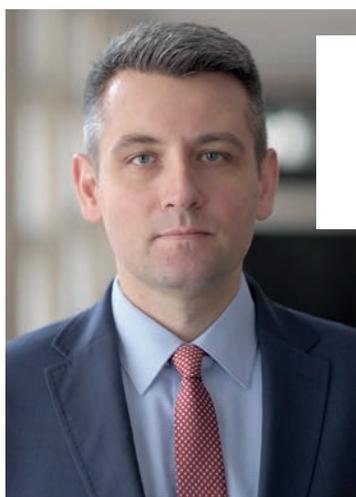
near future this will translate into its first investments. The plan is for this to transpire at the turn of 2016 and 2017.

The creation of this type of hub, however, requires not just capital, but also know-how and relations with leading Polish and international investors whom we would like to invite warmly to join the Witelo Fund. In recent months, we have conversed with more than 100 venture capital funds from Silicon Valley in the US, Germany and Israel. This has made it possible for Polish start-ups to meet with representatives of leading venture capital investors such as Mjolinir Ventures, Team-Vest, Paladin Capital Group and PeriTech during the CYBERSEC conference that took place in Kraków. Ultimately, the Witelo Program will have PLN 500 million at its disposal and the PZU Group intends to invest at least PLN 200 million. It will operate as a closed-end mutual fund investing in privately held assets (FIZAN) managed by TFI PZU. I have no doubt that it is high time Poland became an active participant and beneficiary of the Fourth Industrial Revolution. There is one prerequisite – we must make up for the distance that separates us from the key technology innovation centers operating in Silicon Valley in the US, Israel, Berlin and London. That is the task at hand for the Witelo Fund. It will act as a bridge between scientific centers in Poland, young businesses and the business world. It will subsequently commercialize their landmark ideas with the active participation of leading Polish businesses. It is our ambition for Witelo to become a trampoline for implementing many innovative solutions that will directly contribute to developing the Polish economy. This will make it possible for the industrial revolution to take place along the Vistula River even more rapidly than expected.

The medieval Witelo was the first to promote Poland in the salons of global science. I do not conceal the fact that his accomplishments have inspired us. We would like the Witelo Fund to follow in its patron's footsteps and become Poland's greatest ambassador. Ultimately, we would like for what our eyes see to be seen by the whole world. After all, here – in our territory, i.e. in Poland – is the best venue for investments and carrying out innovative projects.



EUROPEAN SAFE HAVEN FOR INVESTMENTS




Tomasz Pisula,
President of the
Polish Information
and Foreign
Investment Agency

The investment climate in Poland is considered one of the best in Europe, and our investors

agree that deciding on Poland as the place for their business is a wise choice. It is well known in the business world that an investment in Poland means access to a broad market and highly skilled staff.

Investments in Poland have evolved along with the evolution of the Polish economy. Today, companies investing in our country are attracted by the knowledge and the experience of Polish employees. More and more companies that invest capital here, like Mondelez, Nokia and Unit4 in Wrocław or GE Healthcare in Kraków, have decided to implement complex processes and R&D activity in Poland.

Only recently, I participated in the inauguration of three innovative investment projects. One of them is a Lithium-Ion battery production facility for LG Chem near Wrocław, the very first of its kind in Europe. Lee Ung-Beom, president of LG Chem's energy systems division, declared that the company will turn the Polish battery plant into a mecca of battery production for EVs around the world. Another example is the production line of Van Genechten Packaging. This Belgian company owns plants in 10 countries, but it is in Poland where the investor has decided to start one of the largest, and certainly its most modern, production lines. And of course Daimler, which is planning to build a new high-tech engine plant in Jawor. Markus Schaefer, member of the Board of Mercedes, revealed that the company considered seven locations for its factory. However, when Daimler's delegation came back from Jawor they just said three words: "this is it."

Those are only some of the examples from about one week of activity at PAIIZ. But there are more illustrations of how the Polish investment landscape has changed and continues to develop. Currently, the Agency supports 177 projects. Some 70 of them represent the business services sector and 11 are associated with R&D activity.

In Europe's uncertain reality, Poland has again proved to be a safe haven for investors. A few years ago, our country was a refuge for those who suffered because of the global economic crisis. Today, we are the gateway to Europe for companies looking for a new location because of Brexit, the fear of migratory flows, or the wave of terror across the Old Continent.

Poland has a solid and stable economy and friendly investment climate. Our country is still on the rise and offers excellent business conditions. We invite you to invest in Poland and join the Polish business community.

BUILDING BILATERAL TIES




Michael Kern,
CEO and member
of the Board of the
Polish-German
Chamber of Industry
and Commerce
(AHK Poland)

Over 1,500 German investors that took part in the investment attrac-

tiveness ranking of CEE countries in spring 2016 ranked Poland second among its regional competition. Only Czechia earned a better score – 4.1 compared to Poland’s 4.0 points in the 6-point scale. Following Poland were Slovakia and Estonia with 3.9 points each.

In the eyes of German investors, Poland’s main advantages remain: its EU membership, its employees - their skills, qualifications, commitment and productivity, as well as the constantly growing availability and quality of local suppliers. Once a drawback, Poland’s infrastructure has gained better notes every year and is now ranked just outside the TOP 5 factors by German investors.

Motivated by the continuously improving investment environment, 43 percent of the survey interviewees plan to increase employment in Polish units and 36 percent want to increase investment expenditure compared to the previous year. The best indicator of Poland’s strength and the commitment of companies with German capital in Poland is, that 95 percent of them declare that they would still invest in the country if they had to choose again.

Poland is not only a large and attractive sales market for German companies, and not only a meaningful supplier of German industry, but also increasingly a partner in high-tech projects, including: ICT, industrial automation, e-mobility and energy sectors.

Taking over from the US, Poland is looking forward to its role as the Partner Country at HANNOVER MESSE 2017, the world’s biggest industrial fair. Not only because Germany is its largest trading partner, but also because Poland’s industry has made impressive progress concerning volume and innovation.

The German partners have noted and appreciated that fact and are intensifying bilateral ties with Poland. In spring, North Rhine Westphalia opened its first foreign representation in the European Union and the location couldn’t be more telling – Warsaw, near the Polish-German Chamber of Industry and Commerce. As a result, NRW joined the federal state of Bavaria, which AHK Poland has been honored to represent for the last 10 years.

I am convinced that targeted efforts towards the innovative Polish industry and friendly investment environment will pay off in positive investment trends and the transfer of modern technologies in the coming years.

A FLOURISHING ECONOMIC ENVIRONMENT




Elisabetta Caprino,
Secretary General
CCIP

For the year 2016, the growth forecast for Poland's GDP is 3.5 percent. The Polish economy has grown continuously for 23 years, successfully overcoming the global recession, and it will continue to grow in 2017. Polish public debt is among the lowest in the whole of the European Union at 52.5 percent of GDP, the deficit is 2.8 percent, while the unemployment rate is at 7 percent – slightly higher than that of Germany.

In addition to macro-economic data, there are several other factors that make this country very competitive for Italian investments: its strategic position in the middle of Eastern and Western markets, its relatively low electricity price, availability of important facilities for investments, and lower labor costs.

Trade between Italy and Poland amounts to €16.4 billion and has increased by more than 60 percent over the past decade. There are more than 1,300 Italian companies actively operating in Poland.

In any case, despite the current positive economic environment, Italian investors are thinking long-term, when Poland will no longer be able to rely on low-cost labor, EU structural funds will no longer be crucial, and infrastructural delays will be overcome. For these reasons, they are looking forward to the implementation of the new economic program drawn up by vice president Mateusz Morawiecki. The program is aiming to ensure a steady development and strengthening of the industrial sector and giving incentives to sectors based on innovation and R&D. According to

the Government, the multiannual plan should involve PLN 1,000 billion – more than half of Poland's GDP.

The plan offers positive perspectives for Italian investments both in traditional industries such as aerospace, armaments, automotive, shipbuilding, chemistry, and in innovative and dynamic start-ups that can benefit from several advantages.

On the innovation side, the new economic program is stimulating the emergence of a large number of young, dynamic companies. In this context, Italian SMEs with creative and original ideas could take advantage of the flourishing economic situation and enter the Polish market.

As an affirmation of the confidence of Italian investors towards Polish industry, a giant from the defense sector, Leonardo-Finmeccanica, recently declared the launch of a long-term strategic partnership with Polska Grupa Zbrojenionwa aimed at know-how and technological skill exchange, leading to cooperation in the research & development and production fields.



20 YEARS
1996–2016

Camera di Commercio
e dell' Industria Italiana in Polonia
Włoska Izba Handlowo-Przemysłowa w Polsce

POLAND'S GREAT POTENTIAL



Monika Constant,
General Director
French-Polish
Chamber of Industry
and Commerce

Polish-French economic cooperation has been a tradition for more than 20 years. French companies are among the most important foreign investors in our country. Between 2004 and 2013, the cumulative value of French investments has more than doubled, from €8.4 to €19.2 billion. France is also one of the largest foreign employers in Poland. In 2013, 1,378 enterprises with French capital were operating in Poland, employing approximately 250,000 people. Key industries with French capital on the Polish market are: manufacturing, and wholesale and retail trade, as well as information and communication services. It is primarily in these areas that Polish entrepreneurs can count on the support and expertise of experienced French companies, which are often looking for local partners and professionals.

One of the latest examples of a dynamic French investor is Safran, which is continuously developing its position in the US investment-dominated Aviation Valley, using the potential of Podkarpackie voivodship specialists. According to the most recent information, engineers from Sędziszów Małopolski are to build transmission systems for a new generation of Airbus and Boeing LEAP aircraft engines. A new plant is also under construction next to the Safran Transmission Systems Poland factory, which has already been operational for 15 years. The total value of the investment amounts to PLN 160 million. The quality of products from the Podkarpackie voivodship has encouraged Safran to locate another factory dedicated to the production of LEAP engine components in Sędziszów. The new factory will launch in April next year and should eventually employ almost 300 professionals. The French group is also building another new factory in nearby Ropczyce for approximately PLN 200 million, this time in cooperation with Rolls-Royce.

Another example from this year, this time in the field of automated solutions for residential buildings, is Somfy, a company created in 1969 with eight production facilities in different countries. So far, the French company has invested PLN 117 million in Poland and created more than 300 jobs, and is currently preparing another investment worth PLN 90 million. Its goal is to expand the production plant in Niepołomice near Kraków, creating an additional 200 jobs. The production capacity of the existing plant in Niepołomice will be increased through the purchase of new production lines of modern drives and control systems, tailored to the requirements of the smart and environmentally friendly construction sector.

As for the defense sector, it is impossible not to mention Thales. During the International Defence Industry Exhibition in Kielce, representatives of the Polish Armament Group (Polska Grupa Zbrojeniowa), Mesko from Skarżysko and the French company Thales-TDA informed that they had initiated cooperation. Production of modern missiles using inductive electronics and wireless technology will begin in Skarżysko, both for the domestic and the foreign market. This agreement also means that there will be a transfer of technology to Poland.

These are just a few examples of French investors which this year are strengthening their presence on the Polish market, thus impacting the development of the national economy. For over 20 years, the French-Polish Chamber of Commerce has created favorable conditions for further investment, supporting cooperation between the two countries in many different ways. We are convinced that the common future of France and Poland will be built under the symbol of mutual trust and experience exchange. Every day, we do everything in our power to make such a perspective possible. Poland is the largest country in Central and Eastern Europe. Between developed Western economies and major Eastern markets (Russia and Ukraine), it occupies a strategic position on the map of Europe. A stable economy, developing infrastructure and skilled specialists are the main advantages attracting foreign investors and showing the great potential waiting to be utilized.

INSTRUMENTS OF SUPPORT FOR ECONOMIC DEVELOPMENT




Marzena Mażewska,
President
Polish Business and
Innovation Centers
Association in Poland

The mission of a special economic zone is the development of economically poor regions. Industrial parks focus their activity on creating new workplaces by reorganizing

post-industrial and degraded areas. Technology parks are an element of a new direction in economic growth, and a stimulus for innovation.

Rapid technology growth and progressive globalization are serious challenges for the activity of those elements of economic growth that support infrastructure. Initial assumptions, which informed their creation, have changed as time has passed. New challenges, such as the expectations of their role and offer, have caused SEZs and parks to extend their activity by widening the basic operative profile that addresses the needs of enterprises, including start-ups. Although in the traditional concept of industrial parks and zones there is a complex system of investor support (help with preparation to invest, post-investment support, administrative help) and management infrastructure services, it is increasingly common that within their framework, technological parks and incubators are beginning to appear (such as the Pomerania Economic Zone). Equally, business incubators, which have quite a wide formula of embracing firms with technological potential (Czestochowski Industrial-Technology Park, Kedzierzyn-Kozle Industrial Park), are increasing in number. The spectrum of support provided to companies also includes other areas of activity, such as the creation of laboratories, prototyping zones and exhibition spaces.

In recent times, companies have begun to show a growing interest in laboratory and production areas, which is quickly being

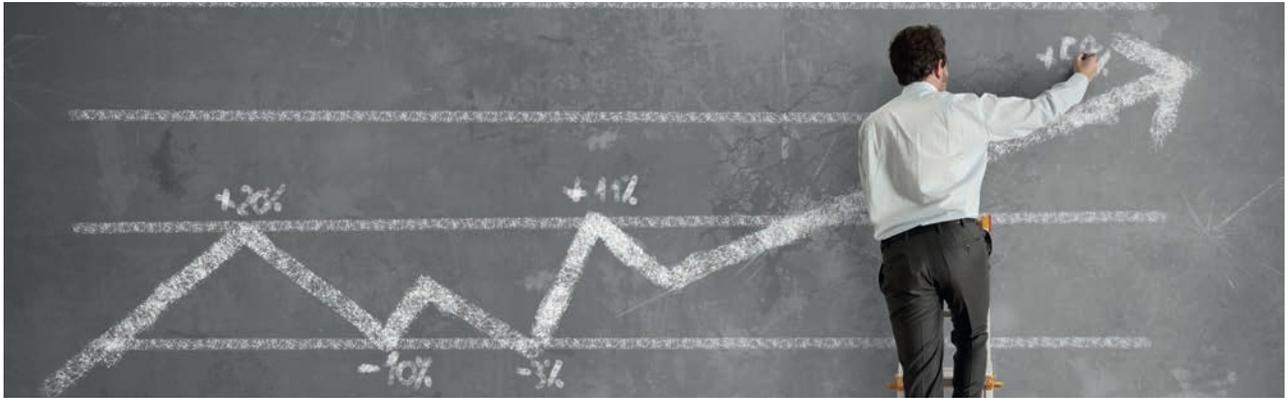
addressed by industrial and technology zones and parks. Given that there are still very few small and medium-sized manufacturing companies in Poland, such initiatives are an essential element of support for the development of regional markets.

Regional authorities are in some way involved in almost every park or zone initiative, and they have a significant impact on the range of the support infrastructure that is visible in many centers. In cooperation with the zones and parks, various initiatives are organized, which activate the local and regional environment that disseminate knowledge in the field of technology and the development of cooperation networks between entrepreneurs.

After more than 20 years of construction and development of business support infrastructure, zones and industrial/technology parks have become an essential element of regional economic policy. The process of consolidating the activities of different types of institutions is not usually carried out as a result of their merging, but by building partnerships between them in selected areas. An example of such a solution is the cooperation of Wrocław Technology Park with regional authorities in relation to the creation of the Park based on the remaining assets of the former National Wagon Factory PAFWAG in Wrocław.

From the beginning, foreign investors represent a group of high significance in economic zones that contribute to the development of economically weak areas. Also, among the residents of technology parks, the number of firms in which the owners or shareholders are foreign has increased. This tendency has appeared in the last three years, which means that it is not only Polish start-ups that are reaching for foreign markets, and investing in Poland is attracting the attention of small innovative firms.





TRENDBOOK

P O L A N D

As always, we've highlighted selected sectors and industries that we think are driving foreign investments to Poland. Thanks to the country's central location, it's a perfect fit for the logistics sector. The real estate sector is recording record-levels of transactions, and despite recent drawbacks with the helicopter tender, the defense sector is still looking to spend billions in the coming years. The IT and BPO sectors are as strong as ever, and even the banking sector, which was hit by legislation (bank tax and the Swiss franc loan conversion), is currently on the brink of a major phase of consolidation.

The chemistry sector has been the backbone of Polish industry for decades and with strong Polish companies (Grupa Azoty, Ciech) and many foreign firms (BASF, DOW) it is one of the most innovative in Europe and getting stronger each year. In terms of energy, due to recent developments in legislation which made investments in renewables rather difficult to profit from, the business is turning back to coal, which, despite its many drawbacks, continues to be the dominant force in the country's energy mix.



We're everywhere

Warsaw Business Journal's Observer brings readers the stories, companies, personalities and successes that are driving Poland forward and creating the Polish market.

NFM

NIVETTE FLEET MANAGEMENT

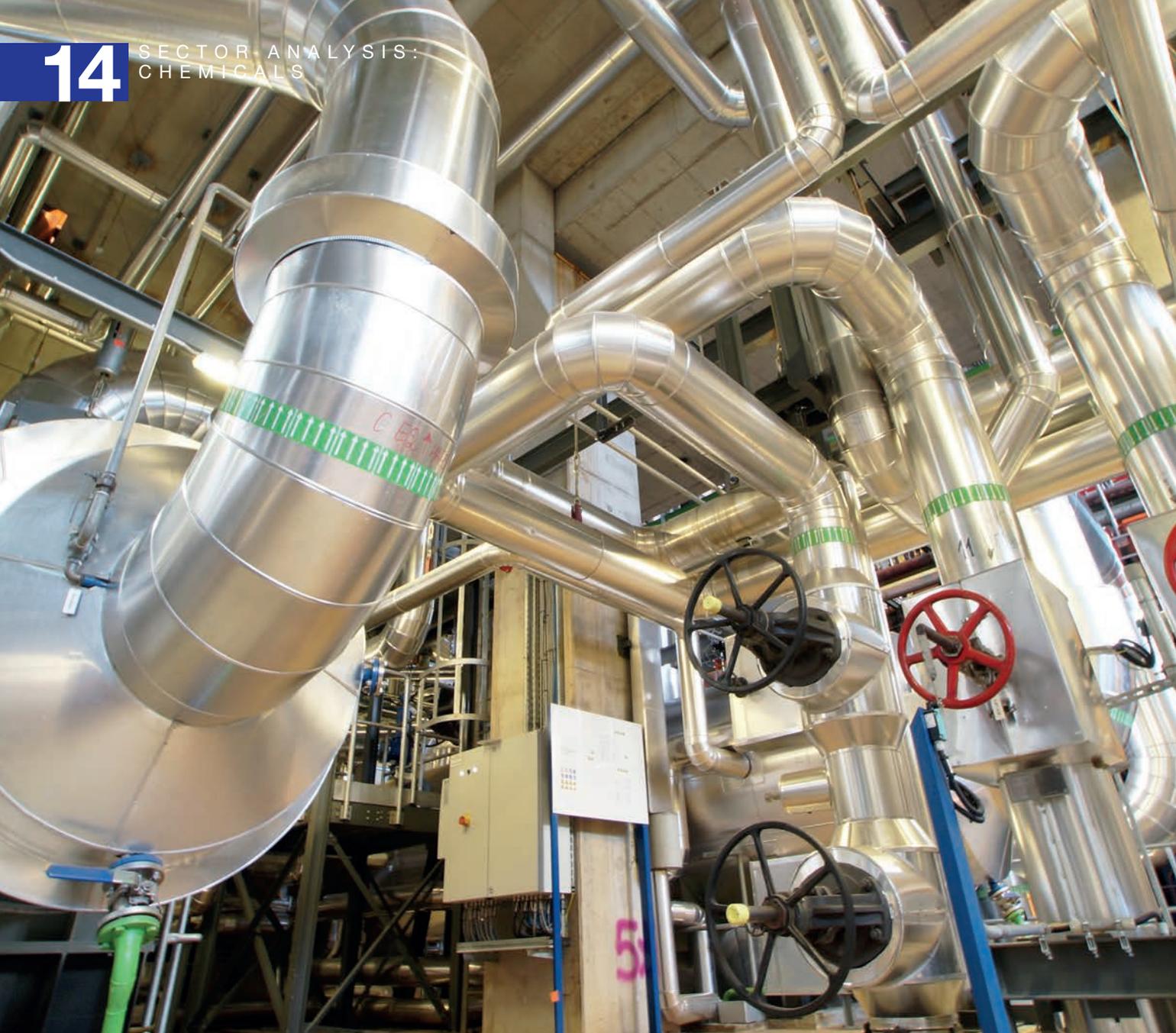
LEASING AND CAR FLEET MANAGEMENT

- ✓ FLEET AND MOBILITY STRATEGY
- ✓ VEHICLE ACQUISITION
- ✓ MAINTENANCE AND REPAIR MANAGEMENT
- ✓ COMPREHENSIVE ASSISTANCE WITH RELIEF VEHICLE SOLUTIONS
- ✓ AND MANY OTHER SERVICES

+48 22 517 93 83

INFO@NFM.COM.PL

WWW.NFM.COM.PL



The basic component industry

BY KAMILA WAJSZCZUK

Poland's chemical sector made a significant leap last year and is preparing for further growth fueled by considerable investment. Before it catches up with its biggest competitors, it will have to face many challenges – from strict environmental standards to innovation



The chemical industry in Poland has been continuously growing for more than 20 years and 2015 has proven to be an exceptionally good year. “The value of sold chemical production has been growing continuously since 1995. In 2015 it increased by slightly more than 5 percent y/y to PLN 144 billion from PLN 137 billion in 2014. This is significant growth – of PLN 7 billion y/y, while in previous years annual growth was at around PLN 3 billion,” said Tomasz Zieliński, president of the board of the Polish Chamber of Chemical Industry (PIPC).

This good condition is also visible as an increase in employment numbers, up by some 12,000 jobs to around 266,000 in 2015, a growth of 4.7 percent, according to the PIPC. The highest growth in the number of employees can be observed in small and medium-sized enterprises, especially in the plastics segment.

Another factor is the improvement of the foreign trade balance, even though it is still in deficit. “In 2014 the deficit deepened to some extent due to the situation on East European markets – Russia and Ukraine. That situation influenced the trade policies of many companies significantly, especially smaller ones. In 2015 the trend was reversed. The deficit is now at PLN 25.7 billion and more than 6 percent lower than in 2014. Both exports and imports grew last year,” Zieliński explained.

While it could be assumed that the improvement of the foreign trade balance is connected to changes on currency markets, PIPC experts have verified that that is not the case – the trade balance has improved in terms of volume. Nevertheless, it is hard to say whether the positive trend will be continued in the coming years.

In many segments of the chemical sector the trade policy is to react quickly and move to new markets with higher margins, and if margins are better on individual domestic markets, the goods stay in Poland. “Often, businesses prefer to buy cheaper goods abroad. This is one of the problems we have – for example the Russian market provides cheaper goods produced without high

Quest for materials

Even though the situation is now improving, Poland is likely to continue recording a foreign trade deficit in chemicals for many years to come. One of the reasons is the absence of easily accessible, reasonably priced raw materials such as crude oil and natural gas. “There are many product groups that we cannot manufacture and have to import, largely due to the absence of some raw materials in the country and the dependence on their import. This includes crude oil, where we are practically fully dependent. A similar situation can be observed in terms of natural gas,” the expert added.

One example of such a product is methanol, the basis for many other chemical products with a market of some 0.5 million metric tons used annually in Poland and no manufacturing in the country, because the main raw material required to produce methanol is expensive natural gas.

Another leap ahead?

Another signal of the sector’s good performance is the ongoing increase in investment. According to PIPC data, there was a rise in capital expenditures of almost 14 percent y/y to about PLN 7.5 billion in 2015.

High capex is especially visible in Poland’s largest chemical companies. The market leader – Grupa Azoty – is in the midst of a PLN 7 billion investment program involving 68 projects, which is now subject to verification, but unlikely to be significantly cut. Privately-owned Synthos has not declared any long-term investment plans, but in 2016 the company plans to invest a total of PLN 500 million following a capex of PLN 577 million in the previous year. It has already spent €80 million on the acquisition of European expanded polystyrene producer INEOS Styrenics. It expects the takeover to increase its styrene processing capacity to more than 600 tons annually. In Zieliński’s opinion, the industry has solid ground for further growth. “We are still a developing sector with a lot of potential. The consumption of chemicals per



“The chemical industry is crucial for the Polish economy. **Chemicals are Poland’s second biggest export**, after electronics and mechanical machinery.”

capita calculated in euros is still almost twice as low as in the most developed markets (€550 per capita in Poland, €1,400 in Germany). In plastics the situation is similar, however consumption is growing and Poland has climbed to sixth place in Europe in this category. When we look at the level of development and the size of the plastics segment, we can say it could still be better,” he said.

The path to growth may include a number of obstacles though. The chemical sector is very sensitive to many regulation issues, especially in terms of environmental protection. This includes a large package of environmental issues – from climate issues such as CO₂ emissions to domestic regulations on matters such as water access. The sector’s high level of complexity means that it is prone to additional costs stemming from such regulations. “We make attempts to protect ourselves from negative financial consequences of regulation policies, both in the EU and domestically. Addressing these challenges is now our biggest problem,” Zieliński explained. Another major issue is access to raw materials. “First of all, it’s important to have diversification in opportunities. This is more realistic in the case of natural gas – the gas market could be liberalized, which could lead to a decline in prices,” he added.

What chemical companies are looking forward to is the planned expansion of Poland’s natural gas pipeline network and the development of what may be called a regional gas trading hub. Plans include the expansion of the newly opened LNG terminal or the construction of a floating storage regasification unit, either of which could help the country diversify its imports of the fuel.

Road to development

One of the biggest challenges any sector has to face is innovation. “Looking at the chemical sector in Western Europe, we also have a technology gap to cover, especially in developing innovation,” Zieliński said.

In cooperation with the National Centre for Research and Development (NCBR) the PIPC has launched the INNOCHEM program, financed from within the current EU-fund scheme, and aimed at supporting chemical innovation. The first competition as part of the program was carried out this year and a second competition is now being prepared to start at the end of this year.

While all major players include research and development as part of their strategies, Synthos stands out by having launched its own public quest for innovation – the Synthos Chemical Award competition for scientists working in the field of chemistry. The company is offering a PLN 1 million prize to the winner, due to be announced for the first time in February 2017. “We see that the sector needs many supporting mechanisms in this area, first of all on the part of public administration, both through

Key sector data for 2015

Foreign trade balance: PLN -25.7 billion

Sold production value: PLN 144 billion

Employment: 266,000

Capital expenditures: PLN 7.5 billion

Source: PIPC estimates

rational policies, regulation and legislation, and through defending and strengthening the competitive position of companies. Finally, through mechanisms that support innovation, such as sector programs,” Zieliński commented.

In terms of innovation, chemical companies may be divided into two groups: those that improve products and those that improve or introduce new processes. “In this aspect, the sector differs from the rest of the economy, especially the base chemicals segment, where almost 15 percent of businesses have introduced a new product since 2012. In the case of plastics producers the share is 10 percent. The situation is much better in the case of production process or technology innovation – the shares are 22 percent and 15 percent respectively,” said Zieliński.

Innovation in chemical companies is usually directed at the development of production processes, and technologies – this was also visible in entries to the INNOCHEM competition. “Developing new products requires higher risk and higher expenditures. New technologies are also important in view of stricter regulations – sometimes we cannot look for cheaper materials or energy so we look to cut costs on the processing side, in energy efficiency and so on. When older production assets are replaced, the replacements are fitted with modern, innovative technologies,” the PIPC president said.

The situation could still be better, he added. “The main driver in the sector comes from large tonnage companies and most important from the point of view of innovation is the need to develop specialty products, which may be produced in lower quantities but with higher margins. Analysis has shown that Poland – and Europe in general – should follow this direction,” he stressed. Zieliński also believes that chemical businesses should enhance cooperation with scientific institutions. “In our opinion, innovation should be a regular mechanism, run on an everyday basis. But because we are lagging behind, we should carry out innovative processes quickly and continue to develop products and processes we already have. At this stage, it would be much more difficult if not for the support of the government,” he said.

ERP/PLM IT SYSTEMS FOR THE DEFENSE INDUSTRY



Przemysław Kosek
Special Projects
Director
S&T Services Polska
Sp. z o.o.

For the last year, the Polish Defense Industry has been undergoing substantial and fundamental changes. Emerging challenges must be properly addressed. Among them, the most important is how to satisfy the growing

needs of the Polish Armed Forces and, simultaneously, how to improve business efficiency.

The Polish Armament Group (a key player in defense manufacturing in Poland) has recently announced some key business operational goals. These are:

1. Clear financial control and management at group level
2. Coordination of the business activities of the particular companies within the Group (to avoid internal competition)
3. Improved cooperation of defense manufacturing companies, with their specializations preserved.

The last goal means that manufacturers are expected to manage a broad and complex supply and cooperation network, which supports the very specific nature of the products they build and their long life cycle after they are delivered (military products usually have a longer lifetime than non-military ones and should have a high modernization capacity). It is important to note that such cooperation starts at the preliminary design level (supported by CAD/CAE tools and solutions) and lasts until the life cycle of the manufactured product finishes (supported by ERP and PLM systems).

Design and development cooperation requires control of the multi-domain design processes, including mechanical, electrical, electronics, software and simulation data and managing that data from a single secure source. The quality of the data should be validated and the completeness of design data should be secured before release to manufacturing. The situation becomes even more complex if the companies use different CAD/CAE software (or even different ver-

sions of the same software), so the danger of costly mistakes can arise. Moreover, it is not sufficient to manage just “simple” data, “blueprints” and quantity, but the contractor needs to uphold quality and contractual requirements imposed by a military customer. To confuse the situation even more, one should keep in mind that nowadays it’s not uncommon to have several projects with deadlines that might conflict and delay each other. This situation, unless properly managed, could even jeopardize national security. One is expected to find a way to manage the entire enterprise in a way to minimize those conflicts and to secure deliveries and subsequent support on time, and on budget.

Careful consideration of all these issues (any many others not mentioned here) leads to the conclusion that the only solution is a proven and properly implemented ERP/PLM (Enterprise Resources Management/Product Lifecycle Management) IT system with multi-project management capabilities built into the core feature set of the system in a way that makes those capabilities intrinsic to the manufacturing process. Such a system makes it possible to run multiple projects under tight cost constraints and schedule controls, while maintaining contractual and military regulatory compliance within a single enterprise view (i.e. as requested by the Group).

The ERP/PLM solution addresses the needs, constraints and requirements of this network and provides efficient management of the cooperation. As a result, mechanical, electronics, software and simulation data, as well as documents and bills of materials (BOMs) are managed and shared in a single and secure environment. Standardized workflows and processes can be extended to suppliers and subcontractors. Therefore, a combination of the ERP solution and PLM system can provide full management for a military product’s lifecycle – from the concept/design stage to the final scrapping after many years.

And last, but not least, a highly experienced ERP/PLM implementation partner is strongly recommended, there is no room for experiments here. S&T has an unparalleled knowledge and experience in the successful implementation of such solutions, based on INFOR ERP LN and Siemens Teamcenter PLM software, in key Polish defense industry companies.



s&t

WE INSPIRE

to develop

**PRODUCTION
FULL CONTROL
SECURITY
DEVELOPMENT**

s&t
IT Systems

S&T Services Polska possesses unique and longstanding experience in completing IT projects that support the operations and development of Polish defense industry:

- **Management systems for arms sector companies (Infor LN Software – a global standard for the industry)**
- **Systems that support the design and construction, as well as technology- and production-related work in the arms industry (Siemens NX, Siemens Teamcenter software)**
- **Systems that support Product Lifecycle Management in the arms industry**
- **Solution that supports the product identification standard in accordance with the Polish Ministry of Defense requirements / GS1 system**
- **ICT infrastructure that meets the highest security demands**

www.snt.pl



The PLN 130 billion dilemma

On one hand, experts are saying that it is not enough and we need to be spending more. On the other, so far Poland has only spent a portion of the funds earmarked for this objective

BY JACEK CIESNOWSKI



When, a few years ago, the Polish government announced the new army modernization plan worth PLN 130 billion, arms producers worldwide immediately saw dollar signs. With recent geopolitical changes in the region, the need to increase spending is socially accepted and justified. According to a recent survey by the Boston Consulting Group, 24 percent of Poles feel that conventional war is a valid threat, while 26 percent are afraid of hybrid war. Only 27 percent of respondents think that Poland is prepared for military conflict. In such an environment it's a big surprise that Poland is lagging behind when it comes to actual spending. The biggest tender to date, for helicopters, even though it was decided in 2015, is still being negotiated and looks like the tender process will be issued again.

Still, many, including the current leadership, have called for an even bigger increase in spending and are labeling the current plan as insufficient and chaotic. "We combined all the different plans together, for choppers, tanks, missile defense systems and others. We added up the figures and the result was PLN 130 billion," said Krzysztof Krystowski, the President of the Board and the Managing Director of PZL-Świdnik.

Too many cooks

Despite all of that, the Polish Army can't even spend all the funds they currently have. In the first three years of the current modernization plan, only 70 percent of the earmarked budget was allocated. And that's only providing that the expenses for 2016 are fully covered. The reasons for such a delay are multiple. First and foremost it's bureaucracy and a lack of manpower. "The French Agency responsible for buying military equipment has 1,500 workers, the Polish one has only 400," said Wojciech Pawluszko, an expert from the Lesław A. Paga Foundation. The same conclusions were presented in the recent report "Strat-

egy of the Polish defense industry," compiled by the National Centre for Strategic Studies. "The number of administrative organs involved in acquiring military equipment makes managing and coordination very difficult," the report read, mentioning a staggering 15 bodies that can be involved in the process. On top of that, the whole process takes ages, each step of the tender procedure can take up to 18 months according to Polish law and with the seat of the minister of defense changing hands every 18 months on average, the delays can be even longer. Another fault of the system is the lack of a coherent, well-thought out plan on what the army actually needs. Very often the description of the equipment in the tender looks like a patchwork of ideas from different departments, often impossible to fulfill. "I understand that the army might have different needs when it comes to equipment. They can write it down in the tender process, but you can't order producers to include every single thing in the finished product. We have to prioritize and the army should choose a producer which can implement most of the things. Sometimes it's impossible to have everything," said Krystowski.

Past burdens

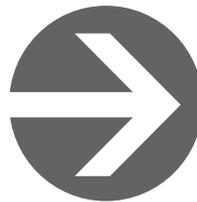
While many things have changed in Poland since the fall of communism, the defense sector is still dragging its feet. Until 1989 Poland mass produced various military equipment, mostly based on Soviet Union licenses. The bulk of production was sold to other member states of the Warsaw Pact. In 1987 there were as many as 250,000 people employed in the sector. The restructurization process continues to this day. Currently, the biggest state-owned defense group Polska Grupa Zbrojeniowa (PGZ) encompasses 64 companies with 20,000 employees, which seems too big for such small demand.



"The French Agency responsible for buying military equipment has 1,500 workers, the Polish one has only 400."

Innovate and create

The sector is one of the last few that still remains in Polish hands, whether state or privately owned. It also allows for some state protectionism and security against foreign takeover. This all makes it a perfect candidate to boost the whole economy. Unfortunately one key component is missing – technology. Only 2 percent of R&D military projects are implemented. There's a lack of funds earmarked for investment in innovative technologies, and there is no long-term cooperation with universities. On top of that there is significant bureaucracy involved which hampers R&D. The process from concept to execution in this sector takes years. This deters many investors from entering the industry and keeps spending on R&D below 1 percent of GDP. All of this marginalizes Polish companies. Even though they receive preferential treatment in tenders, they don't even participate in them, because there are no Polish-made planes, tanks or submarines. The answer to this might be offset (arrangements in which the seller of a product or service agrees to buy products or services from its client as an inducement). But with limited innovations, it's often difficult for Polish companies to bring anything else to the table but servicing, refurbishing or assembling services. Transfer of technology, as part of the offset agreement, will be hard to enforce, making such agree-



ments more of a marketing tool rather than a crucial boost to the military sector.

After the fall of communism, the country was left with huge production facilities, but no products and markets for them, as all countries in the Eastern bloc wanted to obtain more modern weapons from the West. After Poland joined NATO, the Polish Army had no other choice but to replace outdated Soviet equipment with that which met Alliance standards.

This is a unique point in Polish history, Warsaw has money, ambitious plans and high demand. Now it's time to reform the aspects that stand in the way, and the road to modernization can become an open highway.





Decarbonization – a must or heresy?

Poland didn't use the opportunity to tap into elevated coal prices on the world markets to increase the effectiveness of coal extraction. Instead of reinvesting the profits, they were consumed. Now the mining sector generates huge losses and remains a headache for the government, which is pushing to make it profitable again



On April 26, 2016, representatives of mines, power companies, banks, financial institutions and unions signed an agreement to establish new coal entity Polska Grupa Górnicza (PGG) in yet another bid to heal the Polish mining sector. The new company emerged in the place of the now defunct Kompania Węglowa (KW), which would have gone bankrupt if it wasn't for the last-minute accord. The state-owned, biggest coal producer in Europe recorded a loss of approximately PLN 700 million in 2014 and around PLN 1 billion the following year. With 15 mines in its portfolio, only three were profitable, and the biggest laggard, the Brzeszcze mine, generated losses of PLN 247 per ton.

Prior to establishing the new entity, the four worst performing pits were handed over to state-owned mining restructuring company (SRK) to later be shut and the 11 remaining mines formed PGG. The idea behind the new project is that twelve investors will recapitalize the coal group to the amount of PLN 2.42 billion, with Polish state-owned power firms PGE, Energa and PGNiG contributing the most - PLN 500 million each in fresh capital for a stake of 17.1 percent. And banks (Alior Bank, Bank BGŻ BNP Paribas, BGK, BZ WBK, and PKO BP), along with state-owned Węglokoks declared the acquisition of new PGG bonds worth PLN 1.37 billion, as a result of the refinancing of the current KW bond program. After the agreement was reached, Energy Minister Krzysztof Tchórzewski declared that mines will increase productivity and effectiveness of coal extraction, making PGG "the best coal enterprise in Europe." But the minister's optimism is based on thin premises.

Poland is based on coal

For many, many years the sentence "Poland is based on coal" has been repeated like a mantra, becoming a kind of common wisdom. The truth is that 85 percent of energy in Poland is produced from coal, but the other truth is that the sector recorded nearly a PLN 2 billion net

loss last year and there are no signs that the trend will turn around any time soon. Poland's dependency on coal has historical roots. Accelerated industrialization after the World War II required increased coal extraction, which reached its peak in the 1970s and 80s, when Poland became the fifth biggest coal producer in the world. Exports of the fossil fuel allowed the communist party to receive much needed foreign currency from the West. The scale of operations was so enormous that the authorities had to offer wide-scale social benefits and privileges to entice workers to come to the Silesia region, Poland's coal heartland. At that time, miners were the apple of the eye of the ruling party. However, within a decade after the fall of communism, demand for coal fell by 40 percent as many heavy industry plants were shut.

Between 1998 and 2002, when the government, led by Jerzy Buzek, undertook the biggest restructuring effort in recent history, around 100,000 miners were laid-off. In total, the number of coal miners working in the industry fell from 400,000 at the beginning of the 1990s to 140,000 in 2002 and further to around 100,000 in 2015. Despite the decreasing number of underground workers, overstaffing and low productivity have become main features of the sector, negatively affecting its profitability.

But there are also other reasons for the poor results: deposits that were easily accessible have already been extracted, geological conditions are difficult, mines are underinvested and characterized by low effectiveness. On top of that, miners and administrative staff have enjoyed unreasonable benefits, including a thirteenth and even a fourteenth salary, bonuses for miner's day, transport cost refunds, a coal allowance worth a few thousand zlotys a year, vouchers for food and others. Top management have been politically nominated, with salaries not corresponding to financial results.

However, the major factor making coal extraction in Poland unprofitable is the low prices on world markets. Poland's deep mines compete with open pit mines in Australia, the US, Kazakhstan and elsewhere, where extraction costs are much lower. In Russia, the cost of producing a ton of coal may be as low as \$25, whereas in some Polish mines, it amounts to more than \$100 per ton. Although 90 percent of demand is satisfied with domestic production, Poland is a net importer of coal, which means it imports more than it exports. Janusz Steinhoff, former minister of the economy and the man responsible for the sector reorganization in Buzek's government, admitted that "not only falling coal prices led to this situation, but also a lack of any motivation to carry out the restructuring process, making empty promises and ignoring economics by the previous government."

Nonetheless, in the last couple of years, the mining sector in Poland had been bringing in profits as prices on the world markets were very high. In 2011, Polish mines earned PLN 3 billion, but the profits were consumed and spent on higher salaries instead of being reinvested to increase effectiveness. With China's slowdown and Australia's growing extraction, such price hikes are unlikely to occur again. Additionally,



“the conservative Law and Justice government has passed a law banning construction of wind farms close to dwellings and hiking property taxes for wind farm owners, with the unspoken aim of stifling the industry.”

Western countries and the US are decreasing their dependency on coal, selling surpluses on international markets. And falling oil prices have further dragged down the prices of coal, which declined from the all-time high of nearly \$140 in January 2011 to the unprecedented low of \$48.6 in January 2016.

“Decarbonization is heresy”

“If a country has 90 percent of European coal deposits, if the energy sector is based in a decisive way on coal, then speaking of decarbonization is heresy and has an anti-state character,” said President Andrzej Duda, referring to Poland’s energy security and economic calculation. There is widespread belief that energy from coal is the cheapest, which is generally true, but the case of Poland is more complex as the final price of one MWh doesn’t show hidden costs. Over the past 25 years, the state has financially supported the mining sector through direct and indirect subsidies, including financial transfers, canceling outstanding debt against central and local government, subsidizing social security contributions and internalizing externalities. According to a report by Greenpeace, the bulk of direct subsidies were channeled into the mining sector in the 1990s prior to Poland joining the EU. It was at that time when the most comprehensive restructuring plans were carried out. In the last couple of years however, due to EU law, this form of public aid was limited to R&D, downsizing workforces and environmental recultivation. Despite that, the state still finances the sector with abundant cash flows. For every zloty paid into the ZUS social security scheme by a miner, the state adds another PLN 0.8. Considering that miners retire early (aged 48 on average) and the chances that they will reach retirement age are 1/3 greater than in the case of an average man, the hidden value of subsidies to the social security scheme amounts to 152 percent, Greenpeace said.

Overall, the total value of public aid to the mining sector and coal-based electricity generation amounted to around PLN 160 billion between 1990 and 2012, Greenpeace estimated. In comparison, the state supported energy production from renewables with the sum of PLN 19 billion in the period 2005-2012, of which PLN 7.4 billion was earmarked for co-firing biomass, which indirectly supports the coal sector, and PLN 4.7 billion went to old hydroelectric power stations. Only PLN 6.9 billion was spent on wind farms and other new generation renewables. This won’t change anytime soon as Energy Minister Krzysztof Tchórzewski recently declared that “because of the renewable energy madness we are reducing our GDP growth.” In the meantime, the conservative Law and Justice government has passed a law banning construction of wind farms close to dwellings and hiking property taxes for wind farm owners, with the unspoken aim of stifling the industry.

With Poland’s deposits, coal should provide energy security for at least the next 20 years. But it’s time to think of other sources. “Poland should differentiate its energy mix. Considering lack of investments in the coal sector, we will be coal importers in the future,” Steinhoff said. Despite that, he is not a supporter of moving away from coal. The issue of profitability should be solved by far-reaching restructurization and the problem of CO2 emissions should be tackled by upgrading infrastructure. “Why eliminate one of the sources of energy? The only reasonable way of reducing CO2 emission in Poland is increasing the effectiveness of coal combustion. We have outdated power plants and there is huge space for modernization,” Steinhoff claimed. Nonetheless, upgrading infrastructure is a costly undertaking and with capital involvement in the coal group, energy companies may have trouble financing it, if the PGG project turns out to be a flop.

Will it work this time?

So, how economically viable is the new governmental plan to rescue PGG with money from power utilities? The ministerial optimism expressed in the declaration that it will be the best coal company in





Europe is not equally shared. Think-tank WiseEuropa said in a report that the integration of the energy sector with the mining sector will have negative economic consequences unless it's followed by the closing of consistently unprofitable mines and increasing the effectiveness of the others. It means limiting coal extraction by 40 percent in Poland's three biggest mining companies and reducing the workforce by half by 2018. The report also stated that PGG, in the form that it emerged under the April agreement, has little chance of being profitable. The accord stipulates that only 4,000 out of 32,500 miners will take advantage of the voluntary redundancy program or the early retirement scheme. Head of Solidarity at KW Bogusław Hutek admitted that unions have agreed to suspend the fourteenth salary, but will not allow further redundancies or cuts to other benefits. And if the company generates a profit in 2017, the fourteenth salary could be restored.

Currently, only five out of 11 PGG mines are profitable, or are close to reaching profitability. Without further reorganization, the money from power utilities will be consumed within two years, and the well-performing mines would be forced to cover the losses of the laggards, instead of making necessary re-investments. The government is planning to merge the eleven mines into five, of which two – the most profitable and the highest loss generator – will be standalone entities. According to Maciej Bukowski, head of WiseEuropa, this move is necessary, but it will only work if the mines are categorized according to their profits, with a group of the worst performers destined for closure. As of now, the government has made no declaration regarding shutting down the pits. "Whether the PGG project will succeed is conditioned by determination of politicians and managers' effectiveness. Of course, far-reaching restructuring is needed, which would encompass liquidation of some of the permanently unprofitable mines as nothing indicates that the exports of coal will be profitable in the foreseeable future," Steinhoff admitted. There is also the question of the effect of the plan on the energy companies. Some analysts declare openly that they would transfer the costs of helping the mines onto end-users. According to Krzysztof Kubiszewski from DM Trigon, the price of energy could grow by 11 percent at the Polish Power Exchange, which would translate

to increases of around three percent for private users. Should the restructurization of PGG fail, each household could face covering the unprofitable mines with an annual sum of between PLN 220 and PLN 260, WiseEuropa said. It also added that in the next two decades, the energy companies would have to spend billions of zlotys on modernizing infrastructure to maintain competitiveness. The investment in PGG without its further reorganization could limit investment capabilities of PGE and Energa by PLN 12 billion.

Success conditional on political will

Does coal mining in Poland have a future? The example of the Silesia mine is telling. After being taken over by a Czech company, the mine has started operating 24/7, the number of people working in administration was reduced by half – from 130 to 75, and miners' benefits were reduced. Soon after the acquisition, the mine became profitable, with money being re-invested, not consumed. When it comes to large state-owned companies, the picture is completely different. In heavily indebted Kompania Węglowa, 800 people worked in its headquarters, of which 28 were directors. Top management earned huge salaries, completely at odds with the desperate financial situation of the group. At the other end of the payroll, the situation was equally dysfunctional, with 160 different trade unions vehemently protesting against any changes to miners' benefits. And their salaries are more than decent. Suffice to say that an average miner earns 90 percent more than an average Pole, has an 89 percent higher pension, retires 11.2 year earlier and has 15 different salary bonuses per year. And it's all subsidized by the state budget. Poland could produce coal profitably for the next twenty years or so, but the government needs to have the guts and resoluteness to permanently shut down unprofitable mines and reorganize the sector. This will be politically difficult as miners' unions are the strongest in the country and every move against their benefits is answered with massive protests in Warsaw. However, should the money from power utilities be wasted and consumed, in two year's time PGG would require another cash injection from taxpayers through state-owned companies. And we would be right back to the same situation as we are in today.

Taxing times ahead

New regulations spell challenges for the banking sector in Poland

BY AMALIA LEITNER



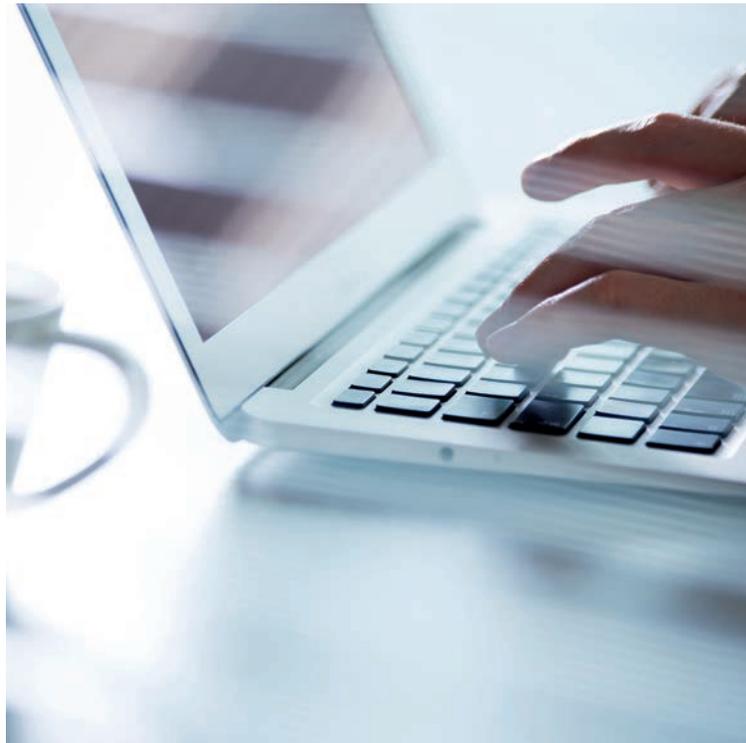
On February 1, 2016 a new banking tax was introduced into the Polish legal system amidst controversy over its legal grounds and economic consequences. The government touted the tax as a means towards achieving budgetary targets and to facilitate ensuring post-crisis “financial stability contribution.” The bill introduced a levy of 0.44 percent annually on assets of selected financial institutions, i.e. domestic banks, consumer loan lending institutions, and insurance companies as well as branches of foreign banks and insurance companies in Poland.

With annual streams estimated at PLN 4.4 billion, the bill introduced by the ruling Law and Justice party was said to provide a source of financing for robust social reforms such as 500+, which involves a payment of PLN 500 for each second and subsequent child in a family, as well as for the first child in low-income families, the lowering of retirement age (to 65 and 60 years of age for men and women respectively) as well as the increase of the non-taxable income amount.

The levy is aimed primarily at foreign banks, in line with the government’s policy of favoring national business. According to the Prime Minister Beata Szydło, as much as 70 percent of the entire banking sector in Poland is comprised of banks with main offices abroad. “Financial corporations should take a hit, as banking services in Poland are among the most expensive in Europe with the highest banking fees and margins. The EU itself has discussed the need for imposing a tax on financial transactions,” she added. The European Financial Transaction Tax has been in the works for years. Originally, it was supposed to be introduced in 2015, but plans for the European tax have been pushed back more than once, due to disagreements between EU Member States. In September 2016, The European Commission once again reaffirmed its goal to complete the tax negotiations by the end of 2016. The flat tax (of 0.01 percent) is expected to raise between €16.4 billion and €43.4 billion. It is also forecast to have an impact on secondary financial products and curb high-frequency trading as well as leveraged derivatives. As many as 17 Member States have decided against waiting for the EU’s bureaucratic processes and have already imposed bank taxes, without any impact studies in particular.

The controversy has not only been sparked by the size of the tax rate (0.02 percent in Germany, 0.105 percent in the UK, 0.25 percent in France, 0.31 percent in Hungary and 0.44 percent in Poland), but also by the taxable base. Bank tax rates imposed on Hungarian banks in 2010 at 0.53 percent resulted in the country’s banking sector shrinking by a quarter, which in turn translated into an economic slowdown.

As opposed to Germany, where liabilities (e.g. deposits and borrowings) are subjected to tax, Polish tax is calculated on assets i.e. cash and equivalents, securities and loans (C&I loans, real estate loans and consumer loans such as credit cards), whereby the



latter typically constitutes over 50 percent of the asset structure, followed by securities, while cash makes up only a fraction. It is worth mentioning that the taxable base may be reduced by the amounts listed in the act, including the value of equity and Polish Treasury bonds (decisive here is the portfolio of treasury bonds held on the respective last day of the month) as well as amounts that were paid for the strengthening of equity capital in fulfillment of regulatory provisions.

Incentives dry up

According to the Polish Financial Supervision Authority (KNF), neither does the tax structure provide incentives to increase the scale of granting loans, nor does it encourage banks to increase deposits. Moreover, coupled with the requirement of providing a 15 percent downpayment on a mortgage outlined in the KNF’s “S” Recommendation (even if 5 percent can be provided through a claim on individual pension account IKE savings, bank account or treasury bonds), the tax could substantially curb the loan activity of Poles.

So far, more than 15 banks have increased their bank charges, mortgage margins and/or interest on SME and consumer loans. Meanwhile, interest on deposits dedicated to either households or enterprises has been lowered in at least 11 banks.

As Zbigniew Jagiełło, President of the Management Board of PKO BP pointed out, each bank whose return on assets is



“Banking services in Poland are among the most expensive in Europe with the highest banking fees and margins.”

below 0.5 percent eats up its own capital, so it will have to change its asset composition by giving up on loans, as they do not provide enough revenue. When starting a relationship with a new client, a bank will have to take the tax into account, which will have to be reflected in the margin, unless the margin is compensated by sources of revenue other than interest. Cezary Stypulkowski, CEO of mBank, adds that some banks will find it difficult to stay afloat, which will make them consider selling their assets.

Franc borrowers go to court

The tax is but one of the impediments the sector is facing. Other challenges for banks operating in Poland include low interest rates, the possible bailout of Swiss franc borrowers, increased Bank Guarantee Fund (BFG) transfers, and contributions to Borrowers' Support Fund.

The government's proposals to lessen the burden of Poland's \$36 billion of foreign-currency mortgages may be the harbinger of an era when the debtors hold more sway than creditors. The Polish government has already presented several proposals of the regulation that would allow borrowers to recover some of the money they paid to banks, but thus far it has not made a final decision. Meanwhile, the court system has become increasingly involved in franc-denominated loans, passing the first unfavorable rulings for banks. In August 2016, a district court in Warsaw ruled that Millennium Bank was to repay one borrower PLN 100,000 due to the fact that the loan contract contained “abusive clauses.” Be it by government bill, or by court decisions, banks with high exposure to foreign-currency mortgages could be facing increasing trouble.

Data-driven executive decisions

On another front, some banks have been undergoing a change of their business model driven by digitization and the implementation of big data solutions. Big data could prove to be an effective tool



not only to manage customer value through cross-selling, to create tailor made offers and to identify those who are about to leave the bank for another lender, but also to make decisions about distribution channels as well as branch location and type. That could lead to a reduction of the number of branches and thus, employment in the sector.

Another challenge is connected with security, which bank clients view as a major threat, according to a PwC report. However, it is not banks that are exposed to the security breaches. "They are some of the better prepared entities of the financial system, as far as fending off potential threats is concerned," the

report said. The increasing sense of insecurity arises from the fact that other financial services, such as internet payment systems and other subcontractors, are far less prepared to face cybercriminals.

So far, there has only been one documented case of hacking bank servers. In 2015, as many as 713 crimes were connected with internet banking (a 22 percent increase year-on-year), 73 of which involved "phishing," where customers were directed to a false bank website, where they entered their login and password.

The fittest will survive

Given the high competition in the market and the fact that Polish customers are not very loyal to their bank (some 57 percent have changed their bank at least once), marketing has been very high on the list of priorities. According to a PwC partner Łukasz Bystrzyński, the costs of bank marketing in Poland makes up 6 percent of operating costs, whereas the European average is at 2-3 percent.

Between the banking tax, the uncertainty over foreign-currency loans, and outside threats, the Polish banking market is becoming an increasingly difficult playground. Some banks have already left (Saxo bank) and new entries are rather unlikely.





In top gear

The warehouse market in Poland has broken several records this year. Despite the historically high demand and all-time low vacancies, however, rents don't seem to be budging and remain among the lowest in Europe

BY BEATA SOCHA

The amount of warehouse space leased over the first six months of 2016 reached a record-breaking half-yearly level of 1,312,000 sqm, according to JLL. Considering that the entire modern warehouse stock in Poland is a little over 10 million sqm, the result is quite impressive. Unsurprisingly, given the record demand, developers remain bullish. "At the end of H1 2016 some 742,000 sqm of warehouse space was under con-

struction, 51 percent of which was being built speculatively, i.e. without existing pre-leases," said Tomasz Olszewski, head of Warehouse and Industrial Department at JLL. "Considering the high developer activity, the market may exceed 11 million sqm of supply by the end of 2016," he added. According to Olszewski, what is driving up the demand for warehouse space is not only steady GDP growth. It is the low rents that

are attracting companies to Poland. "Poland has one of the lowest warehouse rents in Europe." Effective rents in most core locations are between €2 and €3 per sqm per month. The extremely low rents present something of a puzzle. Given the ever increasing demand, as well as historically low vacancies – 6.1 percent as of the end of June, with several local markets having no vacant space whatsoever (including three developing markets: Szczecin, Bydgoszcz/Toruń and Opole), shouldn't there be at least some upward pressure on rent rates? Market players and analysts agree that first and foremost the reason for the low rents is the fierce competition between developers. "With growing demand and low vacancy rates, one might expect rents to go up, yet such trends cannot be observed. Due to the huge potential of the market, developers are confident of creating more warehouse space, thus the competition is growing rapidly," explained Magdalena Szulc, Segro's director for Central Europe. In fact, most of the major developers are present in Poland, and several new ones are looking to enter the market, according to Jan Barbasiewicz, director, Industrial and Logistics Agency, Colliers International. Over the first six months of the year Panattoni was the clear leader in churning out new warehouse and industrial space. The developer had nearly 335,000 sqm in the pipeline in H1 of the year, of which 170,000 sqm was pre-leased.

Checking all boxes

The continually low construction costs are also fueling the supply side of the market, "as well as – contrary to a popular belief – administrative procedures, which are quicker and simpler than in other countries," said Barbasiewicz. A sufficient land bank is also necessary to meet the growing demand. Fortunately, developers have been stockpiling development plots over the past few years in anticipation of the regulatory changes that were enforced this year, which make land trading substantially more difficult. Both arable land and plots at least partially covered by forests now have to go through long and tedious procedures before they can be sold, with government agencies having the final say on whether the sale takes place as well as the preemptive rights to purchase the land. Luckily, developers have been wise enough to secure sufficient land to last them for years. That's why they can offer their clients more options, and at better prices in comparison to CEE and Western European markets. "In the long run, once developers' land plots have been developed, the limited availability will cause rents to increase, particularly in areas that are easily accessible for potential employees. This aspect has long been key in choosing the location," explained Barbasiewicz. In the short and mid-term perspective, however, developers have all they could wish for: clients to build for, cheap materials, plenty of land and ... cheap

money. Poland is seen as a stable and safe bet when it comes to the warehouse sector. The economy has remained buoyant for years, and the country's geographical location makes it a perfect destination both for local and pan-European logistics. Logistics operators alone took up 38.3 percent of all warehouse space contracted in H1 2016, according to JLL. It's the perception of the market as a stable economy with solid growth prospects that makes financiers eager to cough up money for more warehouse development. That, and the continually low interest rates, both in Poland and across Europe. According to JLL's Olszewski, as long as developers have the appetite to build, rents will likely remain low. "And the appetite to build will continue as long as there is capital interested in buying real estate. Only after interest rates go up, will there be a possibility of rent growth," he explained.

Lining up

But developing and leasing is only a part of the equation. Panattoni, as well as several other warehouse developers, operates under the "build-lease-sell" model. They probably wouldn't be so eager to add more space if they didn't have a sure-fire exit option. The final ingredient to the boom the market is experiencing is the "very high demand levels by institutional investors seeking to acquire quality income producing assets in the industrial sector in Poland, which in turn is driving yield compression," said Tom Listowski, partner, head of Industrial and Logistics Agency Poland and CEE Corporate Relations, Cushman & Wakefield. While these factors are aligned, rents will remain stable at the current low levels. However, we are seeing rents going up in some locations with limited space and land availability," he added. Barbasiewicz concurred: "Once a property is leased, there is a line of investors, real estate and pension funds ready to purchase it." Currently, yields for prime warehouse assets stand at 6.75 percent, with further compression forecast, according to JLL. The best, long leased properties are even trading well below 6 percent. The investment volume in the warehouse segment may not have been very high over the past months, with only €261 million worth of warehouse properties changing hands within seven deals (including three portfolio transactions), but that is mainly due to the limited availability of product for sale. The largest transactions over the first six months of the year were: NBGI Portfolio purchased by Hines REIT, Annopol Business Park sold by ECI to Hines REIT and GLL's acquisition of the Amazon Fulfillment Center (in a sale and leaseback deal) in Poznań. All in all, it seems that as long as the economic fundamentals remain strong and low interest rates keep driving capital to the real estate market, the self-perpetuating cycle of high demand, high supply and low rents will continue.



What's blocking the cloud?

While Polish firms produce some of the best cloud-based apps, the country's own SMEs are reluctant to adopt cloud solutions.

Customization costs, legacy software, and regulations are some of the factors that are preventing cloud solutions from spreading in Poland

Poland took first spot in the SaaS Summer Games 2016, in the Most Popular Apps category. The contest, organized by software evaluation firm GetApp, looks at applications working in the cloud in seven individual categories as well as at countries where the vendors of the applications originate.

Apart from the team gold medal, there was another prizewinner among Polish contenders. SalesManago Marketing Automation placed second in the Marketing Automation category, after US-built Autopilot. "The Polish-built software has been praised for its range of capabilities which extends beyond marketing automation to include CRM, email marketing, and more," said the contest organizers.

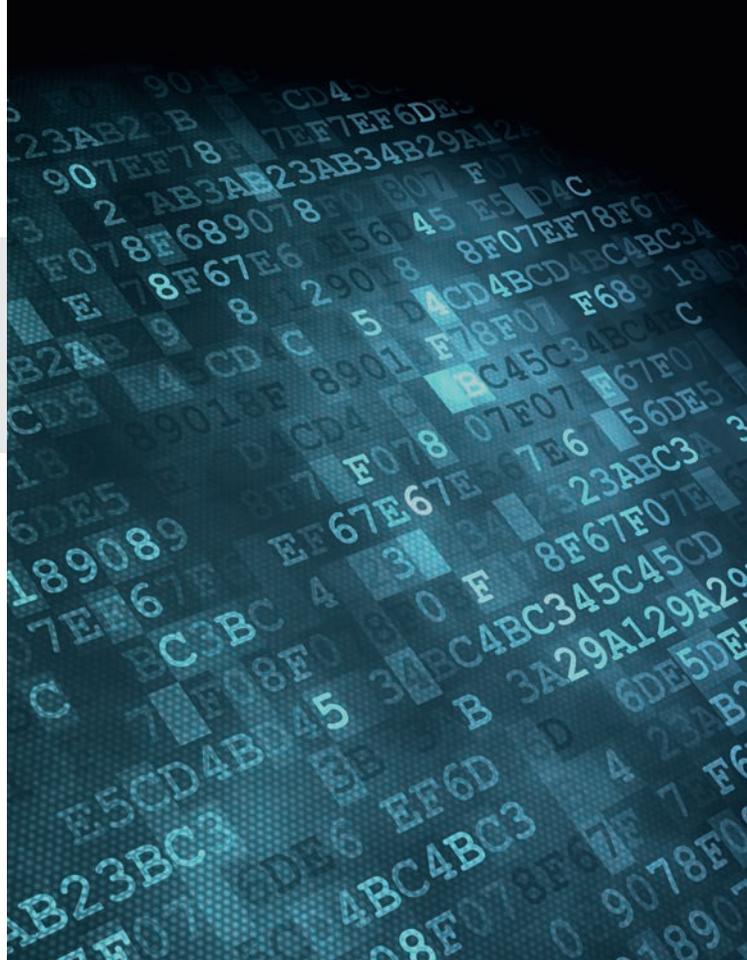
While Poles seem so capable of making high-quality cloud applications, one would think they are equally eager to use the cloud in their own businesses. The truth is, however, that Polish firms are still very reluctant to adopt cloud technologies. In fact, most of the cloud-based software made by Polish start-ups is exported. "A recent poll of 2,400 Polish start-ups shows that 39 percent are dedicated to creating SaaS software, which is a huge portion of the start-up scene, many of them exporting their products to the UK and the US," said Suzie Blaszkiewicz, a researcher for the software evaluation firm GetApp.

The cloud market in Poland is worth PLN 611 million, according to this year's edition of Computerworld TOP200 report. That is less than 1 percent of the entire IT market, which is valued at PLN 105.3 billion, and less than 5 percent of the IT service providers market in Poland, worth PLN 12.8 billion. According to research firm IDC, the cloud's share in the IT services market is around 4 percent.

No wonder the market is so small if only 34 percent of large corporations in Poland use some form of cloud, according to the latest report by research firm IPSOS conducted for Intel. As far as the public cloud is concerned, only 19 percent of large Polish enterprises use it. Still, "over a half of them use some form of private cloud, which means their own infrastructure, which they make available to their employees via secure connections, such as VPN," said Krzysztof Jonak, director at Intel for CEE. It appears that managers do see the need for the cloud and making resources available to their employees, but they would rather not release their data to a third party. "The level of acceptance for public cloud solutions is quite small. We still mostly use private cloud solutions, which means we want to have full control over our data. We are still learning to use the public cloud," Jonak concluded.

Legacy systems and bottlenecks

Why is the cloud not happening in Poland? One of the key reasons is the cost of switching technologies. "To my knowledge,



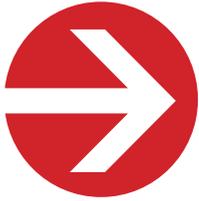
Polish small and medium-sized enterprises are burdened with legacy IT systems. In that area we are lagging behind the rest of Europe, as well as the CEE region," said Ronald Binkofski, CEO of Microsoft Polska during a Cloud Up Poland debate organized by Google Polska and Computerworld. Switching from on-premises infrastructure to cloud solutions is simply too costly. That's why cloud-based solutions are employed mainly by firms building their systems from scratch. "It is young entrepreneurs and start-ups that are the most eager to adopt cloud solutions. They decide to use it from the get-go, particularly the IaaS model," said Piotr Pietrzak, CTO at IBM Polska.

The legacy problem is compounded by the fact that adding another player into the IT infrastructure – the cloud operator – creates bottlenecks between the on-premises and cloud components. "Most large companies operate on the assumption that all of their resources are kept in one data center. That means fast connections, data processing done at night, and terabytes of data moving through the company network. It works because we are located in a single data center. But when we pull one part of the infrastructure and place it outside, we no longer move through a 100 GB optic fiber. We have to make do with far smaller bandwidths," said Krzysztof Dąbrowski, CIO/CTO at mBank. He concluded that cloud solution providers are generally not ready to handle systems comprised of many interconnected components.

Scalability and standardization

Analysts agree that cloud solutions work best for standard purposes. Once a client requires a lot of customization, the cost incentives of a cloud solution decrease. More complex companies usually need more tailor-made solutions, which generates additional costs. Once again, cloud solutions seem to be more suitable for start-ups, which often use the most basic and standard solutions that cloud computing providers offer. They are much cheaper than developing

Polish SMEs are burdened with legacy IT systems. In that area we are lagging behind the rest of Europe, as well as the CEE region



the firm's own solutions. Similarly, cloud computing can be very efficient for businesses that are either growing very quickly, or whose use of IT resources changes from one period to the next. "Upward and downward scalability is an advantage," admitted Dąbrowski. However, if a company uses a similar amount of resources over time, it is often cheaper to maintain its own on-premises infrastructure. After all, cloud providers also have profit margins, and the greater the infrastructure, the bigger the margin gets. "Providers don't offer enough incentives for us," he concluded.

Regulations – good or bad?

Then there is the whole security problem. Finance, banking and telecoms, industries that are at the top of the list of tech innovators and should be leading the way into the cloud, are at the same time some of the most heavily regulated industries in Poland. "Before you get consent to go into the cloud, no one will want to take the risk that in two years' time, his auditors will tell him he made the wrong decision and now he has to switch back to his old IT systems," said Dąbrowski, and added that in these industries, "if you don't get a green light, you have to assume it's red."

And yet, Poland is not so bad when it comes to legal regulations for cloud solutions. Poland was ranked 10th in the latest BSA Global Cloud Computing Scorecard 2016, which ranks 24 countries that account for 80 percent of the global IT market on the basis of how supportive their regulations are of cloud solutions. Compared to the previous edition of the ranking carried out in 2013, Poland moved up two spots thanks to its "impressive gains in both its legal and regulatory framework and information technology (IT) infrastructure," the ranking analysts said. They praised Poland's up-to-date laws for privacy, electronic signatures, electronic commerce, and cybercrime, as well as its comprehensive regime "for the protection of intellectual property, including specific rules for internet service provider (ISP) liability." Where it fell short, however, were some gaps in enforcing its laws and regulations.

Some also point to mental barriers that make Poles distrustful of storing their data in the cloud. The fact that there have been some highly publicized security breaches over the past few years doesn't help matters either. Regulations and trust issues are the two main obstacles to cloud use in Poland, according to Intel's Jonak. "Once legislation becomes clearer and once the trust level in cloud solutions increases, cloud-based solutions will take off in Poland, and other CEE countries," he said. Also, Poles like to "own" things that are essential to their well-being: for instance, unlike in many Western European economies, the majority of Poles prefer to own their home rather than rent. The same could be true for IT resources: keeping your own infrastructure gives you the feeling of being in control. If that's the case, then the cloud should eventually win people over, with its simplicity, scalability and possible greater cost-effectiveness.





Big deals, bigger volumes

With €2 billion worth of deals in H1, the biggest transaction in the market's history, and new sources of capital coming into the country, 2016 is looking to be a very good year for Polish real estate. Even Brexit cannot spoil the pretty picture

BY BEATA SOCHA

In early September, developer HB Reavis made headlines with the sale of its three Warsaw office projects for a total of approximately €300 million, according to market sources. Konstruktor-ska Business Center, featuring 49,500 sqm of space that is fully leased, was acquired by Golden Star Estate. It was the first completed project in the Polish market that HB Reavis has sold. Only a week later the developer announced the sale of two more office schemes, comprising 48,000 sqm within the Gdański Business Center in Warsaw, for €186 million. They were purchased by Savills Investment Management on behalf of a global pension fund. According to Eurobuild CEE, the investor is Malaysian Pension Fund EPF, a new player on the market.

The Slovakian developer's deals have contributed to what is expected to be a very robust year on Poland's real estate investment market. Between January and June, Poland's investment volume totaled a little over €2 billion, 2.5 times more than in the corresponding period of last year, according to CBRE. Analysts expect the value for the entire year to exceed, or at least be on a par with last year's €4.1 billion. Retail transactions accounted for nearly half of the total volume with €1.02 billion in retail assets changing hands between January and June, according to

“While analyzing the impact of Brexit on Central and Eastern European markets, I do not foresee that we will observe any special turbulence anytime soon.”



JLL. Office deals amounted to €786 million and the warehouse segment saw €261 million worth of assets sold. “The full range of investors – from core to opportunistic – is active in the Polish market,” said Agata Sekuła, head of CEE Retail Investment at JLL. She also noted that deals ranging from small individual assets to complex platform transactions were concluded in H1.

Big expectations

Even if 2016 falls short of the €4 billion mark, it will still be the year of the biggest real estate transaction in Poland's history, with South African fund Redefine Properties' acquisition of a 75 percent stake in Echo Investment's commercial platform for nearly €900 million, including retail schemes (77 percent of the portfolio), and office projects. In fact, Echo Investment has been the biggest headliner in the Polish investment market for the past two years. Last year, Luxembourg-based Griffin Real Estate and US investment fund Pimco acquired a 41.55 percent stake in Echo Investment.

Echo's big plans

The Kielce-based developer has more transactions brewing. Its subsidiary, Echo Polska Properties, which it co-owns with Redefine, is planning on buying eight assets by the end of the year from its parent company, including three stages of the O3 Business Campus in Kraków, two phases of the Symetris office complex in Łódź, the third stage of A4 Business Park in Katowice and the Tryton Business Park in Gdańsk. The value of these assets at the end of Q2 2016 stood at nearly €150 million. Once completed and leased, EPP has estimated the portfolio to be worth €254 million. EPP is also going to buy a 70 percent stake in Griffin's major mixed-use project in Warsaw's Wola district, planned to be completed by 2020.

Uncertain times

Undoubtedly, the biggest news for the European investment market this year was Brexit. Investors across the globe, including in Poland, waited with bated breath in the aftermath of the vote. Immediately after Brexit was announced, Polish investment fund REINO Dywidenda Plus suspended its plans of entering the Warsaw Stock Exchange, citing the “uncertain situation.” The company resumed its IPO preparations in September, but having failed to raise the PLN 140 million it needed to purchase the targeted assets (Alchemia in Gdańsk and Malta House in Poznań), it cancelled the offering, citing the lack of necessary legislation for REITs in Poland. “Unfortunately, the uncertainty on the stock market as well as the lack of legal





framework prevailed,” Radosław Świątkowski, president of REINO Dywidenda Plus explained. He added, however, that the company “is planning to return with its offer as soon as the necessary regulations are introduced to the Polish legal system.”

After Brexit

When asked about Brexit now, Polish real estate market players and analysts seem to be generally unfazed by probably the most important news in Europe’s recent history. “At the moment there is only speculation and it is in the future when we will be able to say what – if any – impact Brexit has had on the Polish economy. We do hope however that other than some short-term slow-down resulting from investors being cautious, long term activity will not be lowered because of Brexit,” said Tomasz Trzósło, managing director of consultancy JLL Poland.

Naturally, it is the developers who are the most exposed if investors take their cash and go elsewhere. “The commercial real estate industry is considered one of the most vulnerable to the negative effects of Brexit and the related depreciation of the pound as well as the economic and political uncertainty,” admitted Stanisław Frnka, CEO of developer HB Reavis Poland. However, he added that the effects of Brexit might not be negative for CEE markets, as had been the initial sentiment, but in fact

positive. “While analyzing the impact of Brexit on Central and Eastern European markets, I do not foresee that we will observe any special turbulence anytime soon. The UK referendum vote may lead to increased demand for prime assets elsewhere in Europe. It may even benefit the commercial real estate market in Poland,” he added. According to Frnka, neither the UK vote, nor the lowering of Standard&Poor’s and Moody’s ratings for Poland this year will have any major long-term effects. “Without a doubt, the CEE region, specifically Warsaw, remains one of the safest and consequently most favored investment locations. What is more, we are seeing increased interest from new market players, including South African and Asian fund managers.” The developer’s recent sale of three of its projects in Warsaw seem to be in line with that view.

Even the UK real estate market itself could benefit from the country’s exit from the EU. According to some experts, Brexit and the associated depreciation of the pound, may translate into increased interest in British real estate. HB Reavis recently sold its first London project, 33 Central, to Wells Fargo. “Wells Fargo’s decision to purchase, rather than lease 33 Central, as it had been previously planned, demonstrates that significant companies are still willing to invest in the UK market and Brexit does not affect it,” Frnka explained.

Millennials – hope for BPO

As the shortage of skilled employees becomes more acute, employers look for solutions to attract the younger generation, or even replace it

The business services sector in Poland employs some 212,000 people, according to the Association of Business Service Leaders. Estimates say the BPO workforce will increase by 20,000 a year, which means that by 2020 employment in the BPO industry will most likely exceed 300,000. "You need to emphasize that 1,000 jobs in BPO generate another 260 workplaces in industries supporting business services," stressed Paweł Panczyj, managing director at ABSL Polska at the European Economic Congress in Katowice in May. The rapidly expanding BPO sector is creating substantial demand for office space. According to JLL, the business services sector in Poland currently occupies approximately 2 million sqm of modern office space and the number continues to grow. "According to our estimates, the business services sector in Poland might require some 250,000 sqm of new, modern office space each year. This stems from the industry's development and the increase in employment that follows," said Mateusz Polkowski, associate director, Research and Consulting, JLL.

BY BEATA SOCHA





Skill search

The main reason why multinational corporations move their business processes to Poland is the shortage of skilled employees in their countries of origin. "It's people, people and once again people. That's what foreign investors like. Not because they are cheap. It's their skills and efficiency," said Marek Grodziński from Capgemini Polska. However, the shortage of qualified workers is looming over the industry, even in Poland. "Can we maintain a 15-20 percent annual revenue and employment growth in the sector? Certainly, but the employee market is becoming more of a challenge," admitted Iwona Chojnowska-Haponik from foreign investment agency PAIIZ. For years now, one of the areas with the biggest disparity between supply and demand has been the IT sector. It doesn't help that international software giants, like Amazon, have been aggressively pursuing Polish IT specialists offering them positions in their European offices, further contributing to the labor shortage at home.

Primary concern

The growing talent shortage is already felt by companies in the business, but the biggest hit has yet to come. "We have fewer and fewer students in Poland. Only a few years ago, there were 2 million students in Poland, now there are 1.8 million," said Panczyj. The most significant shortages are, again, seen in computer sciences. "The market is growing rapidly, making competition for employees ever fiercer. Meanwhile, the number of computer studies graduates isn't growing," said Rafał Bator,

partner at Enterprise Investors. "It will affect the entire market in the future," he added. And it is not only technical skills that are in short supply. "Foreign languages are becoming a challenge as well, surprisingly, even English," said Panczyj. Attracting young talent has become one of the biggest challenges in Poland, and employers are aware that the new generation they are trying to lure has different expectations from the previous ones. Pay rises and promotions are not as effective incentives for Gen Y employees as they used to be with older generations. "Companies are looking more favorably at work-life balance issues and are trying to adjust their work culture to the expectations of the youngest generation [in their workforce]. International tech firms are in the lead in this area," said Michał Młynarczyk, managing director Hays Poland. "The employee's market is fueling changes in the market as employees are paying increasing attention to work time and to its organization," he added.

All over the place

The shortages in the labor market have started to shift companies' focus from the BPO powerhouses that are Wrocław and Kraków (where unemployment stood at 3.5 percent and 4.5 percent respectively in March 2016, according to statistics office GUS) to less obvious locations. Some of the rising stars on the radar are: Kielce, Rzeszów, Białystok, Lublin, Zielona Góra and Bydgoszcz. "The demand for modern office space from BPO companies is one of the main reasons for the office market growth in regional cities. By 2020, companies from the sector will need approximately 1 million sqm of office space in Poland, particularly in regional cities. That's what makes them so attractive for developers," said Alexander Jurkowsch, member of the management board at Warimpex. "In Łódź, where we are going to build the Ogrodowa Office, vacancies have been some of the lowest among regional cities," he added. A recent BPO investment that made headlines was Deloitte leasing 2,500 sqm of office space for its business service center in the Skyres project in Rzeszów. "We are talking about as many as 50 potential locations. One of the latest new BPO projects was located in Sandomierz," said Panczyj. Each of these locations has a lot to offer potential investors, although some are still largely underdeveloped. "We are increasingly involved in projects in non-obvious locations," concurred Krzysztof Misiak, partner at Cushman & Wakefield. The business services sector has become the major office tenant in cities outside of Warsaw. In 2015, business services companies leased 380,000 sqm of office space outside Warsaw, which accounted for 55 percent of the entire office demand, according to JLL. In Q1 2016, the share of business services centers in overall occupied office space totaled around 67 percent in Kraków, 52 percent in Łódź, 51 percent in Wrocław, 37 percent in Rzeszów and 35 percent in Katowice, according to JLL. In comparison,

business services centers account for only 9 percent of occupied office space in Warsaw. Warsaw, although behind regional cities in attracting BPOs, is still the go-to location for advanced process outsourcing, like R&D. “Investors locate their centers where they can find good employees. These could be talented students as well as people with many years of experience. The latter group is attracting companies investing in advanced services. For them the no. 1 location is currently Warsaw,” said Jacek Levernes, president of ABSL.

Office transformation

With the growing competition for the best specialists, the workplace has become a very important factor in the recruitment processes. According to joint research by JLL and Skanska conducted among employees from the business services sector, up to 65 percent of the specialists questioned say that a modern, spacious office that encourages productive work can tip the scales in favor of one prospective employer over another. “The specific nature of our business clearly determines the expectations we have in relation to office space. In a large part we hire members of Generation Y, people who see their workplace as more than just an office. We expect developers to understand our industry and meet their needs,” said Levernes. Developers are eager to accommodate the changing needs of the industry, which has resulted in the growing popularity of the new approach in

designing offices, called workplace solutions. “A greater number of meeting rooms, space for project work, creative work, working in silence, or space for integration – these solutions are becoming increasingly popular in offices. They can trigger the growth of space leased by business services centers for which conveniently designed, attractively arranged and comfortable offices have become of crucial importance during recruitment processes and help them retain the best specialists. The office has become a vital tool for HR management,” explained Karol Patynowski, associate director, Tenant Representation, JLL.

Why need people at all?

Even the best possible working conditions may not be enough given the growing labor shortages. Some employers are considering implementing more automation into their business models. “We constantly arrive at a dilemma of where to find people to complete the orders we get. Instead of going in circles, why not think of using robots instead?” said Grodziński, and added that Capgemini is already working on automating BPO processes. “We have plans to create a virtual service center with special robots and software automation systems,” he said. But even with growing automation, the business services industry will need more employees and will go a long way to win over the best talent. Offering cool offices and adjusting work culture may be just the beginning of a larger transformation.





China-Poland: New steps in international relations

WBJ Observer spoke with Ambassador Xu Jian about new steps taken in developing relations between China and Poland, plus the international implications of the Chinese initiative to create the Belt Road stretching across the Eurasian continent and Europe aimed at coordinating and galvanizing the economic growth of the countries along the route

INTERVIEW BY EWA BONIECKA

WBJ Observer: The recent visit of Chinese president Xi Jinping to Poland confirms that our countries treat each other as long-lasting and stable strategic partners, how do you assess the value of the agreement to upgrade Chinese-Polish ties and its impact on the whole CEE region?

Xu Jian: The Chinese President Xi Jinping paid a successful state visit to Poland in June. His visit raised our bilateral relations to a “comprehensive strategic partnership,” which has significant meaning for the future. Communication and cooperation between China and Poland will go further, bringing tangible benefits to our nations.

Poland is the largest economy in Central and Eastern Europe (CEE). I believe an upgraded and comprehensive relationship between China and Poland could be a model for relations between China and other CEE Countries.

During that visit, agreements on the development of Chinese-Polish cooperation in various fields were signed. Among those agreements many were in relation to the financial sector. Which one do you consider the most innovative and meaningful for further development in the cooperation between Chinese investors and Polish business?

During President Xi’s visit, China and Poland signed 34 agreements worth a total of €6 billion, including several in relation to financial and investment cooperation. Among them there are agreements on infrastructure investment, Chinese investment in Poland, the cooperation of banks, and bond issuance, etc.

These agreements are quite inclusive, and are potentially good tools to facilitate infrastructure and investment cooperation. We hope both sides can conscientiously carry out these agreements and use them as a “bridge” to reach more investment projects.

The Chinese economy is now the second largest in the world and has enormous export potential, yet there are some discrepancies in dealing with the trade issue between China and some members of the EU. This is mainly due to the imbalance between the amount of exports and imports, and there is also an imbalance between Chinese exports into Poland and our imports into your country, what can be done to deal with this issue?

Poland has been China's largest trade partner in CEE for 11 years in a row. For China, we hope to expand bilateral trade on the principles of equality and mutual benefit. We would like to see more balanced trade through dynamic growth and enlarged two-way investments. We are open to importing more goods, including those from Poland. Now we import \$2 trillion worth of goods each year and this amount is growing. The Chinese market welcomes quality fruit, dairy and other agricultural products from Poland. We also welcome Polish companies to promote their competitive products in China.

Do you view the agreement relating to the cooperation between the Warsaw Stock Exchange and Chinese Haitong Bank and Poland's access to the Asian Bank of Infrastructure Investment as an important move for our two countries, but also one that has an international impact and links to the functioning of the global economy?

The Asian Infrastructure Investment Bank (AIIB) is a multilateral development bank initiated by China with the purpose of improving the economic development of Asia. Poland is the only co-founder from the CEE region.

Both the Chinese and Polish economies have been growing very fast for the past few decades. In 2015, China was still one of the largest and fastest-growing economies with a 6.9 percent growth rate, and it contributed 25 percent to global growth. Poland is the only country in the European Union that has maintained constant and stable growth. We should have confidence that financial cooperation between China and Poland will not only be conducive to our economic development, but also have positive effects on the sluggish global economy.

There is huge interest from Poland concerning the vision of creating the Silk Belt Road beginning in central China and running through Northern Iran, Iraq, Syria, Turkey, Bulgaria, Romania, Czechia, Poland, Germany, and into Italy. When would such a vision be possible to realize, taking into account the enormous economic, and also political demands, involving so many countries? How does China intend to undertake such a gigantic project?

"The Belt and Road is an important move to enhance friendship between countries and promote mutual learning between different civilizations."



The Belt and Road Initiative, which has been put forth by China, focuses on five major goals including policy coordination, facilities connectivity, unimpeded trade, financial integration and people-to-people bonds.

From an economic perspective, the Belt and Road Initiative is aimed at the coordinated development of different regions. Stretching along the Eurasian Continent, the Belt and Road creates tighter links between prospering East Asian economies and the highly developed European economies at either end. This will galvanize the growth of the vast interior of the Eurasian continent. It can also encourage the countries along the route to cooperate in creating growth opportunities and share the fruits of development.

From a cultural perspective, the Belt and Road is an important move to enhance friendship between countries and promote mutual learning between different civilizations. It will promote friendly interaction between countries along the route, and expand practical cooperation in culture, education, arts, science and technology, tourism, health and sport.

So far, more than 70 countries and international organizations along the route, including Poland and other CEE countries, have shown interest in it. It is not a solo performance. It is an initiative of win-win cooperation and common development. China looks forward to working together with Poland and other partners for a shared vision.

One of my law students at Warsaw University is taking part in a program of educational exchange between the University of Warsaw, the Jagiellonian University in Kraków and Beijing University. It illustrates to me the amount of human links developing between China and Poland. Links which affect students, professionals from the energy and agriculture sectors, and some other groups of our society, not only businesspeople dealing with Chinese companies. What field of cooperation would, in your view, have the most lasting meaning in terms of developing strategic relations between China and Poland?

There is a Chinese saying that goes: The key to sound relations between states lies in the affinity between their people. That means





people-to-people exchanges play a fundamental and leading role in bilateral relations.

I am happy to see that, besides the fast-growing trade and economy cooperation, the educational and cultural exchanges between China and Poland have also expanded greatly in recent years. As President Xi described, our people-to-people exchange has grown more diverse in form and richer in content, injecting fresh vigor into our traditional friendship.

To date, Poland has five Confucius Institutes, while Polish-language teaching will soon be available in nine universities in China. At the end of 2015, both nations had over 1,000 students studying in each other's countries. "Happy Chinese New Year in Poland" has been held for six years, while such events as Polish culture season and Polish cultural festival are gaining popularity in China. More than 30 cultural groups run exchange visits annually. The China-Poland Regional Forum has been held successfully for four sessions, providing a platform for sub-national interactions. Also, we now have 27 pairs of sister cities.

During President Xi Jinping's state visit to Poland this June, the two countries signed a series of documents in educational and cultural cooperation, as well as other areas, which serve as a new boost to people-to-people exchanges between China and Poland. Without doubt, this cooperation will have a long-lasting impact on our bilateral relationship in the years to come.

Do you think that now there are regular direct flights between Warsaw and Beijing, the interest and perspectives for enlarging tourist movement between our countries will grow?

Seeing is believing. Tourism is the most natural and effective way to promote exchanges and friendship between different peoples.

With rich tourism resources, both China and Poland are major tourist destinations. In 2015, over 60,000 Chinese people visited Poland, which was an increase of 25.6 percent in comparison to the previous year. It is the fastest growth rate among all foreign visitors to Poland. In the same year, the number of Polish tourists visiting China reached over 75,000. The Polish national tourist agency has set up its branch office in Beijing. This booming tourist cooperation is evidence of the growing mutual interest from both sides.

Taking this into consideration, airlines from both countries aim to enlarge their services in this area. Air China opened direct flights between Beijing and Warsaw in September. LOT is also considering increasing its regular direct flights in the near future. These direct flights will provide a further boost to the tourist industry. I hope more and more Chinese and Polish people will take advantage of this convenience to visit each other.

China recently signed strategic partnerships with the European Union and with several individual members of the EU, but now economic growth in some member states is slowing and the EU is facing various political and economic crises which are affecting its performance. However, Poland, as a member of the European Union, has steady economic growth and is eager to cooperate further with China. So do you think that the strategic partnership between China and Poland can be seen as an effective vehicle for strengthening cooperation between China and the whole of Europe?

The China-Poland relationship and China-EU relations are not parallels, but they are closely integrated with each other.

On one hand, Poland, as the sixth largest economy in the EU, and the China-Poland relationship is an important building block of Chinese-EU relations. Sound and stable China-EU relations provide a good framework for the development of China's relationship with Poland.

On the other hand, being a front-runner in China-EU relations, the comprehensive strategic partnership between China and Poland is an important engine for China's relations with the EU. Located in the heart of Europe, Poland is an important member of the EU and CEE countries. Now, both China and Poland are at a crucial stage of development, working for restructuring, innovation and international outreach. The two sides have a lot in common. Therefore, bilateral cooperation is expanding in all areas, benefiting the two nations greatly and could be a good example of win-win cooperation to other countries in CEE and the EU.

Now, China and the EU are striving for the China-EU partnership for peace, growth, reform and civilization. China attaches great importance to Poland and we hope the country can play an active role in pushing China-EU relations forward.



**WELCOME
TO
POLAND**

Voivodships

A voivodship is the highest-level administrative subdivision in Poland. Reforms enacted in 1999, carved out 16 new voivodships, which replaced the much smaller 49 that had been in place since 1975.

The current units range in area from under 10,000 square kilometers (Opolskie voivodship) to over 35,000 square kilometers (Mazowieckie voivodship) and in population from one million (Opolskie voivodship) to over five million (Mazowieckie voivodship).

Poland's voivodships vary when it comes to their level of development, wages and economic potential. The western side of Poland is better-developed and wealthier and is often referred to as "Poland A," while the poorer eastern regions are referred to as "Poland B."

Both sides have their advantages: the western regions have a more developed infrastructure and more affluent citizens, while the eastern regions offer low-cost labor and often more generous investment incentives than the western voivodships.

Investing in Poland's eastern regions affords investors direct access to foreign markets located to the country's east such as Ukraine and Russia, while investing in the western regions offers access to both the Czech Republic and Germany, Poland's largest trading partner and Europe's strongest economy.

Administrative authority at voivodship level is shared between a centrally-appointed governor, called a voivode; an elected regional voivodship council, called "sejmik;" and an executive chosen by that assembly. The leader of the sejmik is the voivodship marshal. Voivodships are further divided into powiats (counties) and gminas (municipalities).

This section provides an overview of the nation's voivodships and most important cities. Presented within are facts, statistics and descriptions that will help you learn more about regional strengths and weaknesses.



Kujawsko-Pomorskie

VOIVODSHIP



ADMINISTRATION



Voivode: Mikolaj Bogdanowicz



Marshall: Piotr Calbecki

KEY CONTACTS

The Kujawsko-Pomorskie Investor Assistance-Centre

coi.kujawsko-pomorskie.pl
Plac Teatralny 2
87-100 Toruń
coi@kujawsko-pomorskie.pl

HIGHER EDUCATION



NUMBER OF INSTITUTIONS

21

MAJOR UNIVERSITIES

Kazimierz Wielki University
Nicolaus Copernicus University
University of Technology and Life Science

NUMBER OF STUDENTS (2015)

61,801

NUMBER OF GRADUATES (2015):

17,505

LABOR MARKET



POPULATION (Dec. 2015)

2,086,210

WORKING-AGE POPULATION

(Dec. 2015)

1,309,091

UNEMPLOYMENT RATE

(Dec. 2015)

13.2%

AVERAGE MONTHLY WAGE

(Dec. 2015)

PLN 3,540

BUSINESS



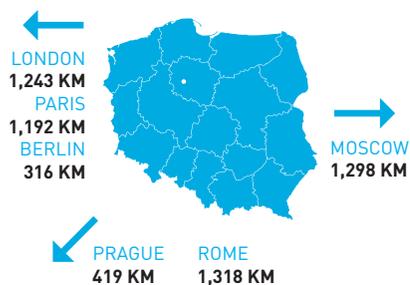
SPECIAL ECONOMIC ZONES

Pomeranian Special Economic Zone

RECENT MAJOR INVESTORS

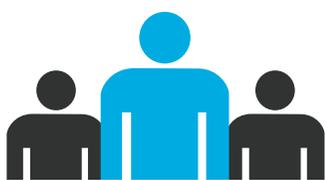
Atos
Itella Information
Livingstone
MMP Neupack
Schoenberger Group

CAPITAL Bydgoszcz



MAYOR
RAFAL BRUSKI

POPULATION (DEC. 2015)
355,645



WORKING-AGE POPULATION
(DEC. 2015)

217,487

UNEMPLOYMENT RATE
(DEC. 2015)

5.4%

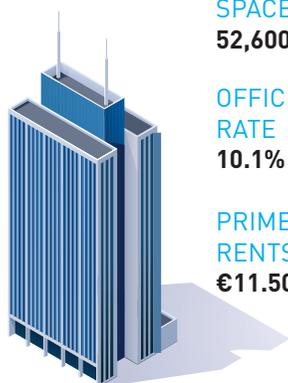
AVERAGE PAY
(DEC. 2015)

PLN 3,850

MODERN OFFICE
SPACE
52,600 SQM

OFFICE VACANCY
RATE
10.1%

PRIME HEADLINE
RENTS
€11.50-€13.00



SOURCE: COLLIERS



Poland's high-water city

Since the first settlement was built during the Bronze Age, the city has utilized its position on the intersection of several major waterways to become a major trade hub. While the two rivers and the Bydgoszcz Canal still play an integral role in the economy, the modern city also has one of the largest and newest industrial and technological parks in the country. IT, electrics, telecommunications, chemicals, and plastics are all growing sectors. With a population of over 350,000, Bydgoszcz is the biggest city in the Kujawsko-Pomorskie voivodship and

the eighth largest city in Poland by population. The city is a major administrative center with the voivode's office located there. It is also one of the fastest developing centers of business, science, culture and sport in the country. The city has received several distinctions and awards such as the Gmina Fair Play award, a title granted by the Institute for Private Enterprise and Democracy. It has also been acknowledged as a city with a lot of potential for shared services centers, including the title of "Rising Star" for the investment environment it provides for BPO companies.

KEY CONTACTS:

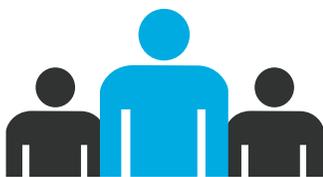
Bydgoszcz Regional Development Agency
barr.pl
ul. Mennica 6
85-112 Bydgoszcz
Tel.: +48 52 585-8823
barr@barr.pl



CAPITAL
Toruń

MAYOR
MICHAŁ ZALESKI

POPULATION (DEC. 2015)
202,591



WORKING-AGE POPULATION
(DEC. 2015)

126,388

UNEMPLOYMENT RATE
(DEC. 2015)

6.0%

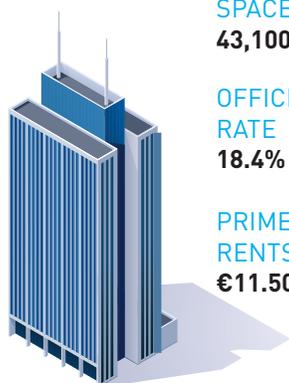
AVERAGE PAY
(DEC. 2015)

PLN 3,990

MODERN OFFICE
SPACE
43,100 SQM

OFFICE VACANCY
RATE
18.4%

PRIME HEADLINE
RENTS
€11.50-€13.00



SOURCE: COLLIERS



Poland's historical heritage

Toruń, a historic city located in north-central Poland, is one of the few cities that escaped being leveled during World War II. Its Gothic architecture attracts over 1.5 million tourists each year, which has led to the city developing a sizable hotel base and commercial services. Its unique combination of Polish and German history has secured the city a place on UNESCO's list of World Cultural and Natural Heritage sites. Toruń has recently seen significant investments in infrastructure, receiving upgrades to its roads, as well as its sports and cultural facilities. Its central location, fast pace of develop-

ment and good connection to Warsaw, Gdańsk, Poznań, Szczecin and other major cities in Poland make Toruń an ideal spot for investment. Apart from attracting a number of BPO/SCC businesses, the city also promotes eco-friendly solutions and technologies. Nowadays, Toruń is also a modern business and administrative center, serving as the seat of the voivodship's marshal.



KEY CONTACTS:

Business Support Centre

torun.direct
ul. Kopernika 4
87-100 Toruń
Tel.: +48 56 621-5620
kontakt@torun.direct

OTHER MAJOR CITIES

CITY	POPULATION	WORKING-AGE POPULATION	UNEMPLOYMENT
Włocławek	112,635	69,664	16.9%
Grudziądz	96,111	59,278	14.2%
Inowrocław	74,087	46,953	17.5%*

*LOCAL COUNTY DATA



At Avis we believe in delivering exceptional service as standard.

You can rely on us.

Avis offer includes:

- Short - term rental,
- Mid-term Avis Flex rental (1-12 months) and Maxi- Rent 12+ rental (12-24 months),
- Long term Full Service Lease (24-48 months),
- Chauffeur drive,
- Van rentals.

Central Booking Office:
Tel. +48 22 572 65 65
Tel. 0 801 120 010
e-mail: reservations@avis.pl

Sales department:
Tel. +48 22 572 65 04
e-mail: sale@avis.pl
www.avislease.pl
www.avis.pl

AVIS[®]

Lower Silesia

VOIVODSHIP



ADMINISTRATION



Voivode: Paweł Hreniak



Marshal: Cezary Przybylski

KEY CONTACTS

**Lower Silesia Agency
for Economics Cooperation
Regional Investor
Assistance Center**

dawg.pl
ul. Kotlarska 42
50-151 Wrocław
Tel. +48 71 344-0286
Fax +48 71 344-0285
biuro@dawg.pl

HIGHER EDUCATION



NUMBER OF INSTITUTIONS

37

MAJOR UNIVERSITIES

Wrocław Medical Academy
Wrocław University
Wrocław University of Economics
Wrocław University of Technology

NUMBER OF STUDENTS (2015)

129,769

NUMBER OF GRADUATES (2015)

34,240

LABOR MARKET



POPULATION (Dec. 2015)

2,904,207

WORKING-AGE POPULATION

(Dec. 2015)

1,823,505

UNEMPLOYMENT RATE

(Dec. 2015)

8.9%

AVERAGE MONTHLY WAGE

(Dec. 2015)

PLN 4,189

BUSINESS



SPECIAL ECONOMIC ZONES

Kamienna Góra Special Economic
Zone for Medium Business
Legnica Special Economic Zone
Wałbrzych Special Economic Zone
"INVEST-PARK"
Tarnobrzeg Special Economic Zone
"EURO-PARK WISŁOSAN"

RECENT MAJOR INVESTORS

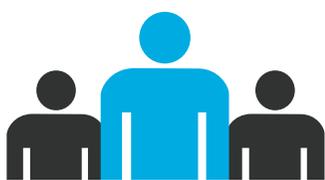
Acturis, Amazon, BASF, BSH
Bosch und Siemens, Catlin, Com-
pal Electronics, Eagle, Franklin
Products, Parker Hannifin, Sitech,
Smart Commerce, VOSS Automotive

CAPITAL Wrocław



MAYOR
RAFAŁ DUTKIEWICZ

POPULATION (DEC. 2015)
635,759



WORKING-AGE POPULATION
(DEC. 2015)

393,121

UNEMPLOYMENT RATE
(DEC. 2015)

3.5%

AVERAGE PAY
(DEC. 2015)

PLN 4,570

MODERN OFFICE
SPACE
757,000 SQM

OFFICE VACANCY
RATE
10.1%

PRIME HEADLINE
RENTS
€12.50-€14.50



Cultural heartland

The history of Lower Silesia, and indeed that of the city of Wrocław, is a fascinating tale of conquest and constant cultural intermingling in the heart of Europe. Ownership has passed between the Czechs, Austrians, Prussians, French, Germans and finally Poles. As part of Germany, Wrocław suffered enormous destruction during World War II. After the war, Poles from the country's eastern territories were repatriated there. The city is one of Poland's major academic centers, with thousands of accomplished and multilingual students graduating each year. Its central location in the heart of Europe, and well developed transit and local road networks facilitate easy and convenient travel and transportation. Wrocław has a strong tradition as a major cultural center, and has hosted a myriad of international events and festivals.

According to the Association of Business Service Leaders, the city has the largest number of R&D centers in Poland. While

the region is an important manufacturing hub for the automotive, electronics and white goods industries, Wrocław is focusing on high-tech industries and specialized services.

The city, Poland's third-largest academic center, is training a large number of accountants, engineers and IT specialists. They, in turn, produce skilled labor for the city's BPO/SSC, IT, finance and accounting, and life science sectors.

KEY CONTACTS:

Wrocław Agglomeration Development Agency

araw.pl
Pl. Solny 14
50-062 Wrocław
Tel. +48 71 783-5310
Fax +48 71 783-5311
araw@araw.pl

OTHER MAJOR CITIES

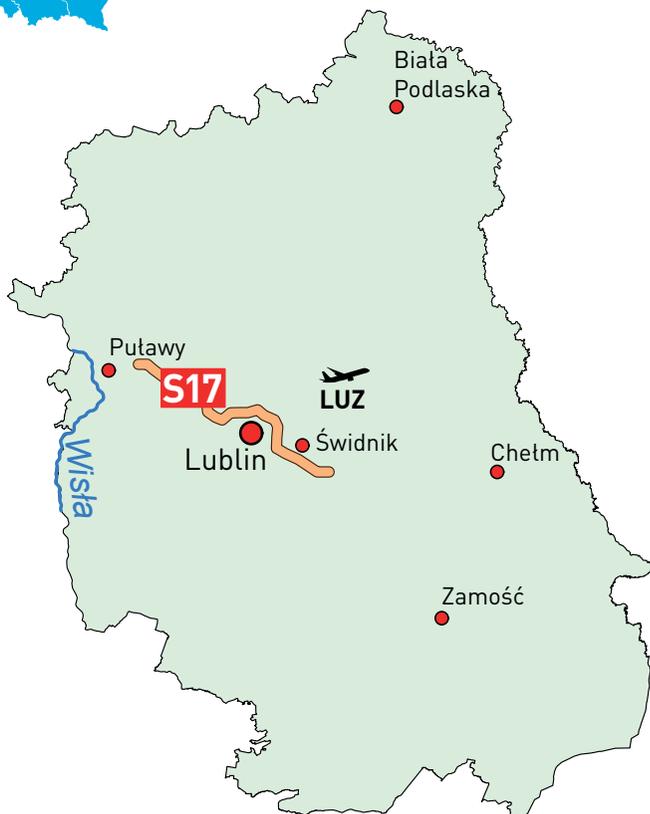
CITY	POPULATION	WORKING-AGE POPULATION	UNEMPLOYMENT
Wałbrzych	115,453	71,364	10.7%
Legnica	100,886	62,999	7.4%
Jelenia Góra	81,010	48,983	5.2%
Lubin	73,210	44,776	6.5%*

*LOCAL COUNTY DATA



Lubelskie

VOIVODSHIP



ADMINISTRATION



Voivode: Przemysław Czarnek



Marshal: Sławomir Sosnowski

KEY CONTACTS

**Marshal's Office of Lubelskie
Voivodship**

**Trade and Investment
Promotion Section**

invest.lubelskie.pl

ul. Grottgera 4

20-029 Lublin

Tel.: +48 81 537-1615

barbara.sokolnicka@lubelskie.pl

HIGHER EDUCATION



NUMBER OF INSTITUTIONS

18

MAJOR UNIVERSITIES

John Paul II Catholic University in Lublin
Maria Curie-Skłodowska University in Lublin
Lublin University of Technology
Medical University of Lublin
University of Life Sciences in Lublin

NUMBER OF STUDENTS (2015)

75,426

NUMBER OF GRADUATES (2015)

21,997

LABOR MARKET



POPULATION (Dec. 2015)

2,139,726

WORKING-AGE POPULATION

(Dec. 2015)

1,328,014

UNEMPLOYMENT RATE

(Dec. 2015)

11.7%

AVERAGE MONTHLY WAGE

(Dec.2015)

PLN 3,699

BUSINESS



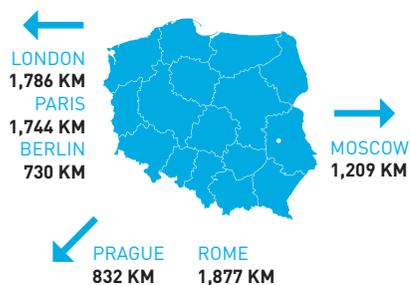
SPECIAL ECONOMIC ZONES

Euro Park Mielec
Special Economic Zone
Starachowice Special Economic Zone
Tarnobrzeg Special Economic Zone
EURO-PARK WISŁOSAN

RECENT MAJOR INVESTORS

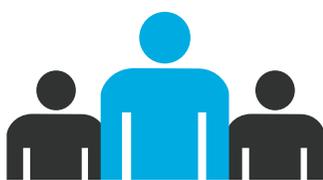
ABM GreiffenBerger
Aliplast
Convergys
Genpact
Roto Frank

CAPITAL Lublin



MAYOR
KRZYSZTOF ŻUK

POPULATION (DEC. 2015)
340,745



WORKING-AGE POPULATION
(DEC. 2015)

209,771

UNEMPLOYMENT RATE
(DEC. 2015)

7.9%

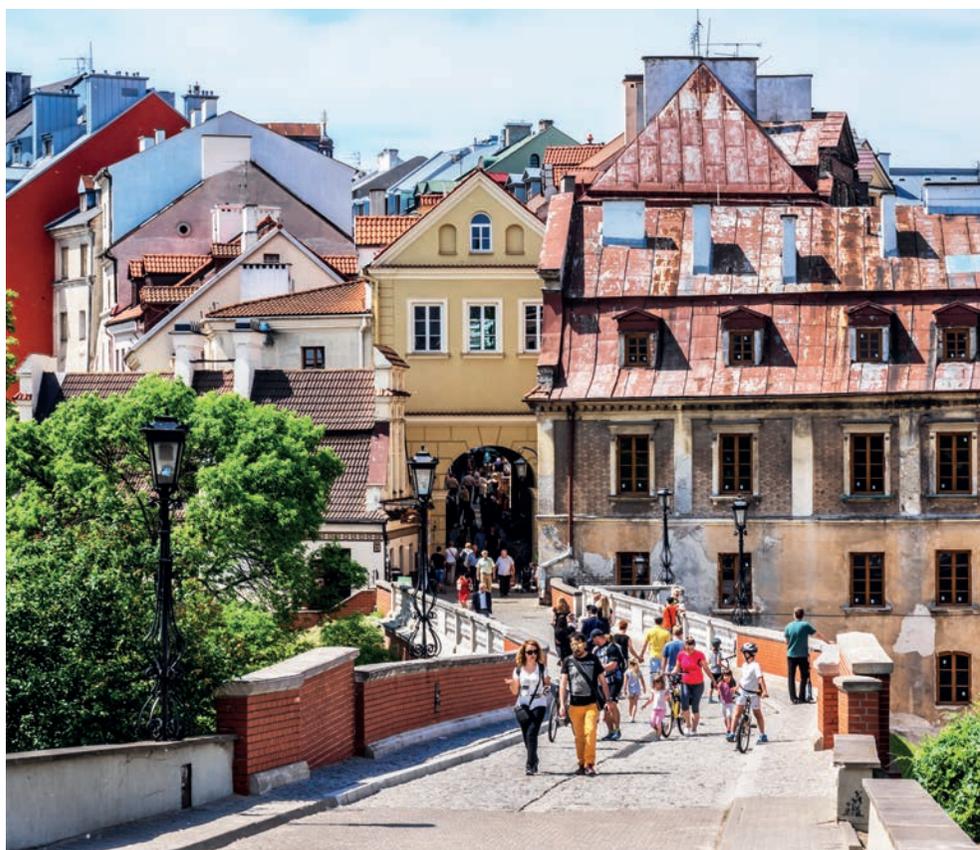
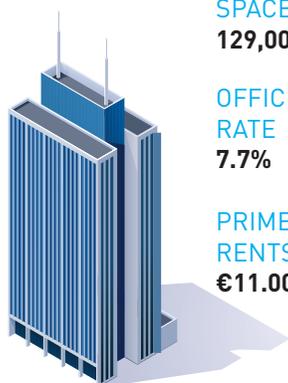
AVERAGE PAY
(DEC. 2015)

PLN 4,060

MODERN OFFICE
SPACE
129,000 SQM

OFFICE VACANCY
RATE
7.7%

PRIME HEADLINE
RENTS
€11.00-€12.50



Eastern gem

Lublin is one of the oldest settlements in Poland, with archeological evidence suggesting that man was present here 3,000 years ago. The first mention of the name Lublin dates back to the late 12th century. Legend has it that Julius Caesar's sister found her way to Polish territory and founded two cities – Lublin and Lubusz – old spellings which reflected her brother's first name at the time.

As the largest city in Poland east of the Vistula River, Lublin has served as one of Poland's prominent municipalities over the centuries.

Nowadays, Lublin attracts tourists from all over Europe, mainly to its historic old town. Today, approximately 35 percent of the

city's population is made up of students. Businesses currently based in and around Lublin include pasta maker Lubella, herb and tea producer Herbapol, and AgustaWestland-owned aviation producer PZL Świdnik. Farm machinery producer Ursus relocated there in recent years.

KEY CONTACTS:

Strategy and Investor Assistance Department

lublin.eu

Plac Litewski 1

20-080 Lublin

Tel.: +48 81 466-2500

inwestorzy@lublin.eu

OTHER MAJOR CITIES

CITY	POPULATION	WORKING-AGE POPULATION	UNEMPLOYMENT
Zamość	64,746	41,219	14.0%
Chetm	63,949	40,766	14.7%
Biała Podlaska	57,389	37,000	13.7%
Puławy	48,526	28,350	8.2%*
Świdnik	39,913	24,488	13.3%*

*LOCAL COUNTY DATA



Lubuskie

VOIVODSHIP



ADMINISTRATION



Voivode: Władysław Dajczak



Marshal: Elżbieta Polak

KEY CONTACTS

Investor Assistance Center of Lubuskie Voivodship

coi-lubuskie.pl
ul. Chrobrego 1-3-5
65-057 Zielona Góra
Tel.: +48 68 456-5425
coie@lubuskie.pl

HIGHER EDUCATION



NUMBER OF INSTITUTIONS

8

MAJOR UNIVERSITIES

Collegium Polonicum
State School of Higher Vocational
Education in Gorzów Wielkopolski
University of Zielona Góra

NUMBER OF STUDENTS (2015)

15,134

NUMBER OF GRADUATES (2015)

4,433

LABOR MARKET



POPULATION (Dec. 2015)

1,018,075

WORKING-AGE POPULATION

(Dec. 2015)

642,638

UNEMPLOYMENT RATE

(Dec. 2015)

10.5%

AVERAGE MONTHLY WAGE

(Dec. 2015)

PLN 3,568

BUSINESS



SPECIAL ECONOMIC ZONES

Kostrzyń-Stubice
Special Economic Zone
Wałbrzych Special Economic Zone

RECENT MAJOR INVESTORS

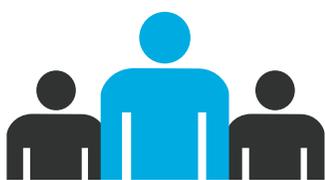
Gedia, Homann Holzwerkstoffe

CAPITAL
Zielona Góra



MAYOR
JANUSZ KUBICKI

POPULATION (DEC. 2015)
138,898



WORKING-AGE POPULATION
(DEC. 2015)

85,614

UNEMPLOYMENT RATE
(DEC. 2015)

6.3%

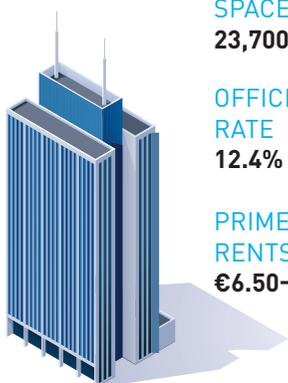
AVERAGE PAY
(DEC. 2015)

PLN 3,732

MODERN OFFICE
SPACE
23,700 SQM

OFFICE VACANCY
RATE
12.4%

PRIME HEADLINE
RENTS
€6.50-€8.00



The city of forests

Since 1999, Zielona Góra has been the co-capital (with Gorzów Wielkopolski) of the Lubuskie voivodship and the seat of the provincial assembly and the province marshal. Located in western Poland, the settlement was granted town rights around 1323. One of the earliest occupations of its inhabitants was wine growing, a tradition still cultivated today. Based on the wine's popularity, the Zielona Góra wine festival has been organized in the city every fall since 1852. Unlike many other cities, Zielona Góra was not destroyed during World War II and after 1945 it became part of the Poznań province. Former German citizens were deported and replaced with Polish settlers from the East. Under communism, the city developed rapidly and turned into an important cultural, industrial and academic center. In the 1960s, the first technical university was opened and in 2001 it merged

with a local higher education entity to become the University of Zielona Góra. In 2005, the Economic Activity Zone was established to develop an extensive investment offer, with the biggest project being the Stelmet timber plant. Rich in green areas, the city is also home to arguably the most recognized nation-wide speedway team, Falubaz – a multiple champion of Poland.

KEY CONTACTS:

**Zielona Góra City Hall
Entrepreneurship
and Municipal Economy
Department**

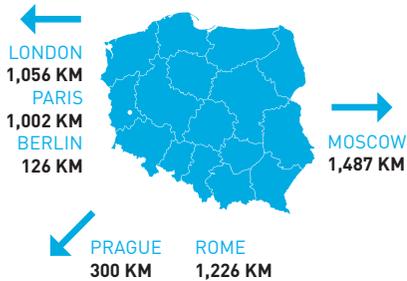
biznes.zielonagora.pl
ul. Podgórna 22
65-454 Zielona Góra
Tel.: +48 68 456-4100
investor@um.zielona-gora.pl

OTHER MAJOR CITIES

CITY	POPULATION	WORKING-AGE POPULATION	UNEMPLOYMENT
Nowa Sól	39,459	24,049	15.6%
Żary	38,197	23,886	5.9%

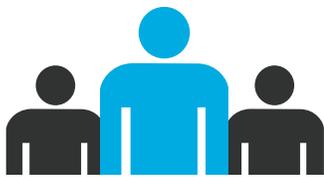
*LOCAL COUNTY DATA

CAPITAL

**Gorzów
Wielkopolski**

MAYOR
JACEK WÓJCICKI

POPULATION (DEC. 2015)
123,911



WORKING-AGE POPULATION
(DEC. 2015)

76,291

UNEMPLOYMENT RATE
(DEC. 2015)

5.1%

AVERAGE PAY
(DEC. 2015)

PLN 3,533

MODERN OFFICE
SPACE
Not available

OFFICE VACANCY
RATE
Not available

PRIME HEADLINE
RENTS
Not available

**Small** great city

Gorzów Wielkopolski is a city in western Poland and the seat of the Lubuskie voivodship. The settlement was set up in the 13th century and for a large part of its history remained under Brandenburgian, Prussian and German rule. After World War II, in accordance with the Potsdam Conference, Landsberg – as it was called in German – became part of Poland and was renamed Gorzów. During communism, the city saw fast economic development and a growth in population. The economic transformation in 1989 resulted in the bankruptcy of large state owned plants, elevated unemployment and economic hardship followed. Like elsewhere in Poland, Gorzów responded to the crisis by opening up to foreign investors. By 1993, Volkswagen had established its car-wiring factory (currently owned by Japanese Sumomito Electric) and became the biggest employer in the city. After Gorzów was included in the

Kostrzyńsko-Stubicka Economic Zone, many new companies began operating in the city, with the largest investment from Taiwanese TPV Displays. The city is very well connected as the S3 expressway provides a fast road connection to Szczecin and Zielona Góra.

KEY CONTACTS:

**City Hall Investor
Assistance Office**
gorzow.pl
ul. Myśliborska 34
66-400 Gorzów Wielkopolski
Tel.: +48 95 735-5966
wob@um.gorzow.pl



Warsaw **insider**



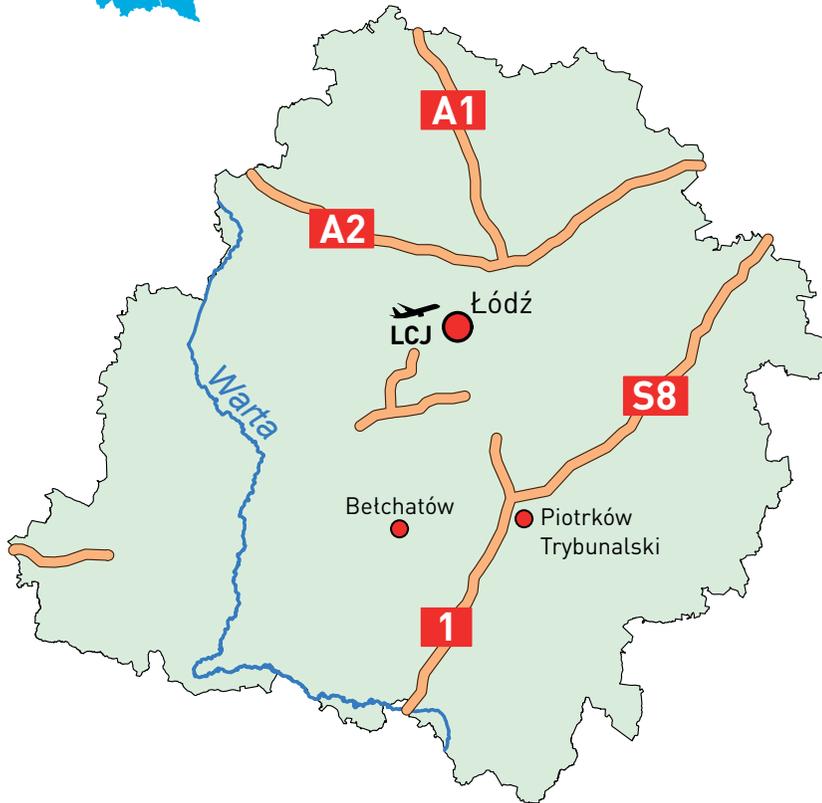
*Filled with news and views covering food, drink,
culture and local interest:
Poland's No. 1 English-language city magazine*

WWW.WARSAWINSIDER.PL
WWW.FACEBOOK.COM/WARSAWINSIDER



Łódzkie

VOIVODSHIP



ADMINISTRATION



Voivode: Zbigniew Rau



Marshall: Witold Stępień

KEY CONTACTS

**Łódzkie Marshall's
Office Department
of Entrepreneurship Investors
and Exporters Service Centre**

biznes.lodzkie.pl
al. Piłsudskiego 8
90-051 Łódź

Tel.: +48 42 663-3000

Tel.: +48 42 663-3380

info@lodzkie.pl

HIGHER EDUCATION



NUMBER OF INSTITUTIONS

29

MAJOR UNIVERSITIES

Medical University of Łódź
National Film School in Łódź
Technical University of Łódź
University of Łódź

NUMBER OF STUDENTS (2015)

89,063

NUMBER OF GRADUATES (2015)

23,223

LABOR MARKET



POPULATION (Dec. 2015)

2,493,603

WORKING-AGE POPULATION

(Dec. 2015)

1,530,471

UNEMPLOYMENT RATE

(Dec 2015)

10.3%

AVERAGE MONTHLY WAGE

(Dec. 2015)

PLN 3,791

BUSINESS



SPECIAL ECONOMIC ZONES

Łódź Special Economic Zone
"Starachowice" Special Economic Zone

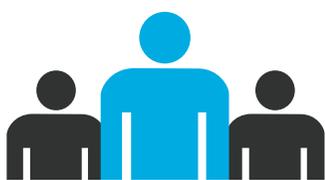
RECENT MAJOR INVESTORS

Arynga, Light in the box, Open R&D,
UGS, Union Industries, UPS

CAPITAL Łódź



MAYOR
HANNA ZDANOWSKA
POPULATION (DEC. 2015)
698,688



WORKING-AGE POPULATION
(DEC. 2015)

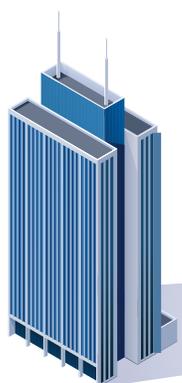
419,804

UNEMPLOYMENT RATE
(DEC. 2015)

9.5%

AVERAGE PAY
(DEC. 2015)

PLN 4,048



MODERN OFFICE
SPACE
347,000 SQM

OFFICE VACANCY
RATE
9.7%

PRIME HEADLINE
RENTS
€12.00-€13.50



Postindustrial wonder

With the rise of the textile industry at the beginning of the 19th century, Łódź, a small settlement of a few hundred inhabitants, experienced rapid growth. It was here where the first steam powered factory in Poland, then a client state to Russia, was launched in 1839. Industrialization, and an influx of migrants from all over Europe, transformed the tiny town into a modern city, with Germans, Jews and Poles constituting the majority of the citizens. The population of Łódź doubled every decade between the 1820s and 1870s and it grew to become the largest textile center in the Russian empire. Dubbed "The promised land," the city saw the making of fabulous fortunes, but it was also a place with huge inequalities and poverty. Its rapid growth was inhibited in the interwar period due to the Great Depression and the loss of access to the Russian market following the Bolshevik revolution. After World War II, Łódź once again grew to become a major industrial center, heavily focused on textile production. The 1989 transformation marked a decline in industry, but the city has encountered

success in many different sectors, from creative businesses to IT companies. The vacuum caused by the decline of the clothes industry was filled with foreign investments, making Łódź one of the leading destinations for firms from the white goods, BPO, and logistics sectors. Benefiting from its central location at the junction of two major highways, its academic centers and relatively cheap, but well-educated labor, Łódź is on a path to regain its past glory. Already fast-developing and rapidly modernizing, the city will receive an additional impulse when the construction of a new city center is completed.

KEY CONTACTS:

Investor Relations Office
invest.lodz.pl
ul. Piotrkowska 104a
90-926 Łódź
boi@uml.lodz.pl
Tel. +48 42 638-5939
Tel. +48 42 638-5940
boi@uml.lodz.pl

OTHER MAJOR CITIES

CITY	POPULATION	WORKING-AGE POPULATION	UNEMPLOYMENT
Piotrków Trybunalski	74,905	45,499	9.3%
Belchatów	58,407	39,787	7.9%

*LOCAL COUNTY DATA



Małopolskie

VOIVODSHIP



ADMINISTRATION



Voivode: Józef Pitech



Marshall: Jacek Krupa

KEY CONTACTS

Business in Małopolska Centre

businessinmalopolska.pl
ul. Podole 60
30-394 Kraków
Tel. +48 12 620-9140
Fax +48 12 620-9166
contact@bussinesinmalopolska.pl

HIGHER EDUCATION



NUMBER OF INSTITUTIONS

33

MAJOR UNIVERSITIES

AGH University of Science and Technology, Jagiellonian University, Kraków University of Economics

NUMBER OF STUDENTS (2015)

175,596

NUMBER OF GRADUATES (2015)

49,986

LABOR MARKET



POPULATION (Dec. 2015)

3,372,618

WORKING-AGE POPULATION

(Dec. 2015)

2,106,080

UNEMPLOYMENT RATE (Dec. 2015)

8.3%

AVERAGE MONTHLY WAGE

(Dec. 2015)

PLN 3,907

BUSINESS



SPECIAL ECONOMIC ZONES

Kraków Technology Park
Special Economic Zone
Katowice Special Economic Zone
EURO-PARK MIELEC
Special Economic Zone

RECENT MAJOR INVESTORS

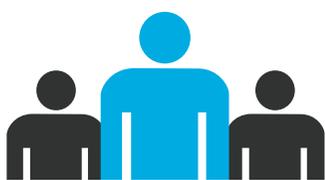
Airline Accounting Center, Rolls Royce, RWE, Samsung

CAPITAL
Kraków



MAYOR
JACEK MAJCHROWSKI

POPULATION (DEC. 2015)
762,448



WORKING-AGE POPULATION
(DEC. 2015)

471,743

UNEMPLOYMENT RATE
(DEC. 2015)

4.4%

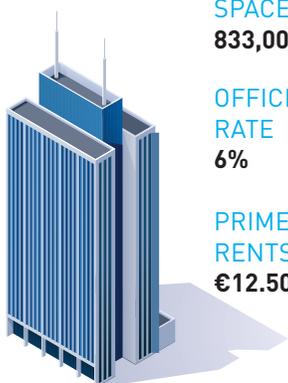
AVERAGE PAY
(DEC. 2015)

PLN 4,431

MODERN OFFICE
SPACE
833,000 SQM

OFFICE VACANCY
RATE
6%

PRIME HEADLINE
RENTS
€12.50-€14.50



SOURCE: CUSHMAN & WAKEFIELD



The city of legends

The first mention of the city dates back to 966, when it was already an important commercial center in what today is southern Poland. In the mid-eleventh century, it became the second Polish capital (after the capital was moved from Gniezno) and kept that role until 1596, when the seat of power was moved to Warsaw.

As one of Poland's oldest cities and the historical seat of power, Kraków boasts a rich history and culture. The historical center, including the Wawel Castle, is a UNESCO listed World Heritage Site. As legend has it, the city was founded by the mythical Prince Krakus, who built Wawel Castle after slaying a great dragon. Overall, splendid examples of medieval, Renaissance, and Baroque architecture still abound in the picturesque city. Kraków's Jagiellonian University is the oldest in Poland and one of the oldest in Europe, and has seen many great students roam its halls, from Copernicus to Pope John Paul II.

Kraków's convenient geographic location, in close proximity to Poland's major cities, as well as several European capitals,

means it is easily accessible by frequent rail and bus connections.

Its reputation as a growing hub for research and development make it an attractive location for both domestic and international companies. High business credibility and a special economic zone with diverse business incentives serve to encourage investment. Several international banks, business associations, and chambers of commerce have branches in the city. It's also one of the strongest BPO hubs in Poland with as many as 50,000 people working in the city's numerous BPO/SSC centers.

KEY CONTACTS:

**Municipality of Kraków
Investors Assistance Office**

krakow.pl
ul. Bracka 1
31-005 Kraków
Tel.: +48 12 616-6002
coi@um.krakow.pl

OTHER MAJOR CITIES

CITY	POPULATION	WORKING-AGE POPULATION	UNEMPLOYMENT
Tarnów	110,381	68,033	8.2%
Nowy Sącz	83,829	52,066	7.6%
Oświęcim	39,057	23,390	11.3%

*LOCAL COUNTY DATA



Mazowieckie

VOIVODSHIP



ADMINISTRATION



Voivode: Zdzisław Sipiera



Marshal: Adam Struzik

KEY CONTACTS

**Mazovia Development Agency
Investor and Exporter Service Centre**

armsa.pl
ul. Świętojerska 9
00-236 Warszawa
Tel.: +48 22 566-4760
biuro@armsa.pl

HIGHER EDUCATION



NUMBER OF INSTITUTIONS

105

MAJOR UNIVERSITIES

University of Warsaw
Warsaw School of Economics
Warsaw University of Technology

NUMBER OF STUDENTS (2015)

261,599

NUMBER OF GRADUATES (2015)

67,485

LABOR MARKET



POPULATION (Dec. 2015)

5,349,114

WORKING-AGE POPULATION (Dec. 2015)

3,282,698

UNEMPLOYMENT RATE (Dec. 2015)

8.5%

AVERAGE MONTHLY WAGE (Dec. 2015)

PLN 5,094

BUSINESS



SPECIAL ECONOMIC ZONES

Tarnobrzeg SEZ "EURO-PARK
WISŁOSAN"

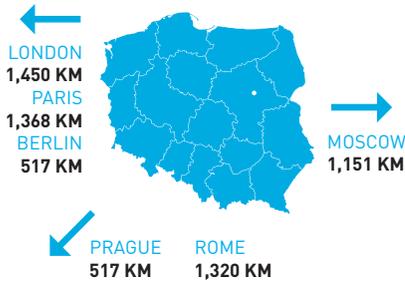
Warmia-Mazury SEZ
"STARACHOWICE" SEZ

Łódź SEZ
Suwałki SEZ

RECENT MAJOR INVESTORS

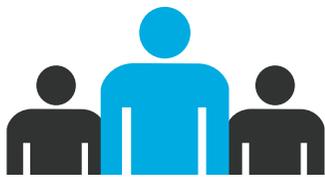
Goldman Sachs, Grand Medical Po-
land, Linklaters, Medtronic, Money-
gram, RBS, Steva Groupe

CAPITAL
Warsaw



MAYOR
HANNA GRONKIEWICZ-WALTZ

POPULATION (DEC. 2015)
1,748,916



WORKING-AGE POPULATION
(DEC. 2015)

1,046,632

UNEMPLOYMENT RATE
(DEC. 2015)

3.3%

AVERAGE PAY
(DEC. 2015)

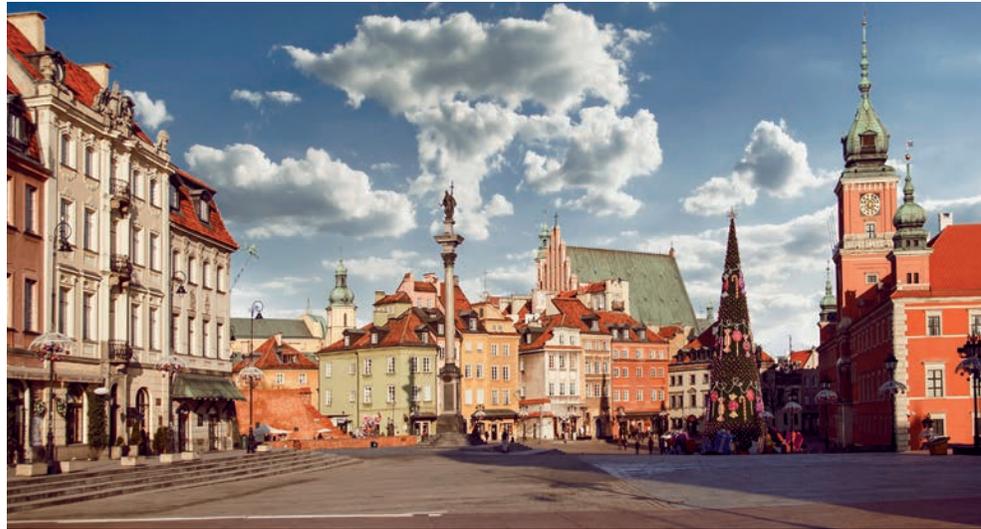
PLN 5,586

MODERN OFFICE
SPACE
4,988,000 SQM

OFFICE VACANCY
RATE
15.4%

PRIME HEADLINE
RENTS

Central
€22.00-€24.00
Non-central
€13.00-€16.50



The beating heart of Poland

Poland's capital is the biggest city in the country and one of the biggest financial and economic centers in the CEE region. Its GDP per capita is three times higher than the country's average, providing investors with a substantial consumer market. Despite its size, it's a relatively young city. Its beginnings were in the 13th century. The city's name stems from the knight Warcislaw, or rather the diminutive Warsz, who was the village's owner. In the 16th century, King Sigismund Vasa moved the capital of Poland from Kraków to Warsaw. This precipitated a major expansion of the provincial town. It remains the capital to this day. Warsaw lies at the intersection of a business and political environment, housing the head offices of the largest national and international companies, as well as diplomatic missions and central state offices. It's also home to the country's largest science and technology center, and the site of various development initiatives across many

sectors. Warsaw's start-up scene is also flourishing with programs such as Innovative Warsaw 2020 poised to support young entrepreneurs. Google has opened a special entrepreneurship campus in Warsaw, the second of its kind in Europe (London is home to the first).

Its ever-changing landscape has been further enriched in recent months by the addition of Warsaw Spire and Q22 office high rises, with several more in the pipeline.

KEY CONTACTS:

Smolna Entrepreneurship
firma.um.warszawa.pl
ul. Smolna 4
00-375 Warsaw
Tel. +48 22 443-0756
centrum.przedsiębiorczosci@
um.warszawa.pl

OTHER MAJOR CITIES

CITY	POPULATION	WORKING-AGE POPULATION	UNEMPLOYMENT
Radom	215,653	133,827	18.4%
Plock	121,468	74,692	10.3%*
Siedlce	77,072	47,187	7.9%

*LOCAL COUNTY DATA



Opolskie

VOIVODSHIP



ADMINISTRATION



Voivode: Adrian Czubak



Marshal: Andrzej Buta

KEY CONTACTS

Investor and Exporter Assistance Center

coi.opolskie.pl
ul. Krakowska 38
45-075 Opole
Tel.: +48 77 403-3645
biuro@ocrg.opolskie.pl

HIGHER EDUCATION



NUMBER OF INSTITUTIONS

6

MAJOR UNIVERSITIES

Academy of Management and Administration
College of Humanities and Economy in Brzeg
Opole University, Opole University of Technology
Public Medical Vocational College in Opole

NUMBER OF STUDENTS (2015)

22,946

NUMBER OF GRADUATES (201)

7,776

LABOR MARKET



POPULATION (Dec. 2015)

996,011

WORKING-AGE POPULATION

(Dec. 2015)

635,551

UNEMPLOYMENT RATE

(Dec. 2015)

10.3%

AVERAGE MONTHLY WAGE

(Dec. 2015)

PLN 3,793

BUSINESS



SPECIAL ECONOMIC ZONES

Wałbrzych Special Economic Zone
Katowice Special Economic Zone
"STARACHOWICE"
Special Economic Zone

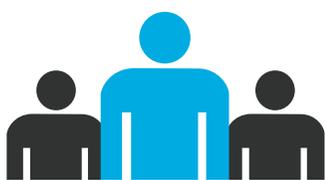
RECENT MAJOR INVESTORS

Global Steering Systems, Poligak,
Tube Tec Rohrverformungstechnik,
Wipak

CAPITAL Opole



MAYOR
ARKADIUSZ WIŚNIEWSKI
POPULATION (DEC. 2015)
118,938



WORKING-AGE POPULATION
(DEC. 2015)
73,773

UNEMPLOYMENT RATE
(DEC. 2015)
5.3%

AVERAGE PAY
(DEC. 2015)
PLN 4,225

MODERN OFFICE
SPACE
23,100 SQM

OFFICE VACANCY
RATE
15.5%

PRIME HEADLINE
RENTS
€7.00-€9.50



SOURCE: COLLIERS



A city on song

The name Opole comes from the old Slavic word meaning the smallest governmental unit. As the capital of the Opolskie voivodship, Opole is the central city of the region, providing workplaces, education and research facilities. Opole was a rich town in Silesia. Consequently, it has experienced many memorable moments that form the city's entangled history. From the 1241 Mongolian invasion to World War II, Opole seldom experienced peace. It was plagued by intrigues, sieges and annexations. In spite of this, the city was able to gather enough money to impress modern tourists with splendid architecture. Furthermore, the area around Opole is still home to a significant German-speaking minority. Opole's National Polish Song Festival is a prominent annual attraction not only for the city, but also for the rest of Poland. Millions tune in to watch musical performances by the country's

rising stars. Many of Poland's most prominent singers began their careers at the festival. The most frequent investments in the city are in the metal, food production, construction, and outsourcing sectors. Current investors in these sectors include Nutricia, Zott, Energomet, Kamex, Remak and Caggemini. Opole is also Poland's leading city in terms of EU funds: money from these funds have helped the city renovate its old town, modernize its infrastructure, and it continues to bolster the city's development.

KEY CONTACTS:

Opole City Hall
opole.pl
Rynek Ratusz
45-015 Opole
Tel.: +48 77 451-1800
economy@um.opole.pl

OTHER MAJOR CITIES

CITY	POPULATION	WORKING-AGE POPULATION	UNEMPLOYMENT
Kędzierzyn-Koźle	62,193	38,949	12.7%
Nysa	44,419	27,597	17.5%

*LOCAL COUNTY DATA



Podkarpackie

VOIVODSHIP



ADMINISTRATION



Voivode: Ewa Leniart



Marshall: Władysław Ortyl

KEY CONTACTS

**Rzeszów Regional
Development Agency
Inward Investment Centre**

coi.rzeszow.pl
ul. Szopena 51
35-959 Rzeszów
Tel. +48 17 852-4376
Fax +48 17 852-4374
coi@rarr.rzeszow.pl

HIGHER EDUCATION



NUMBER OF INSTITUTIONS

15

MAJOR UNIVERSITIES

Rzeszów University of Technology,
School of Law and Public
Administration in Rzeszów,
University of Information Technology
and Management,
University of Rzeszów

NUMBER OF STUDENTS (2015)

54,086

NUMBER OF GRADUATES (2015)

17,973

LABOR MARKET



POPULATION (Dec. 2015)

2,127,657

WORKING-AGE POPULATION

(Dec. 2015)

1,345,402

UNEMPLOYMENT RATE

(Dec. 2015)

13.3%

AVERAGE MONTHLY WAGE

(Dec. 2015)

PLN 3,528

BUSINESS



SPECIAL ECONOMIC ZONES

EURO-PARK MIELEC Special
Economic Zone
Kraków Technology Park Special
Economic Zone
Tarnobrzeg Special Economic Zone
"EURO-PARK WISŁOSAN"

RECENT MAJOR INVESTORS

IKEA Industries, JiangSu LanTian
Aerospace Industrial Park
Management, Kirchhoff, MTU Aero
Engines



**TARNOBRZEG SPECIAL
ECONOMIC ZONE
EURO-PARK Wistosan**

Industrial Development Agency in Warsaw
Branch Office in Tarnobrzeg
Tarnobrzeg Special Economic Zone
EURO-PARK WISŁOSAN
30 Zakładowa St., 39-400 Tarnobrzeg
e-mail: biuro@arp.pl
tel. 15 822 99 99,
www.tsse.arp.pl

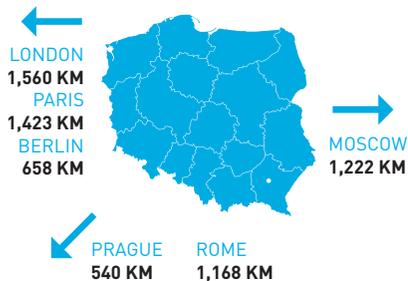
Special attributes for investors:

- Greenfields - plots from 0,5 ha to 100 ha with complete infrastructure
- Brownfields - production areas from 1.000 m² to 7.000 m²
- Build to suit projects in attractive locations in Poland
- High skilled employees in many branches and sectors
- The highest public aid for investors in Europe - up to 70% of the invested capital

- Network of suppliers in variety of manufacturing areas
- Comprehensive investor assistance
- Activities supporting staff training for TSEZ investors

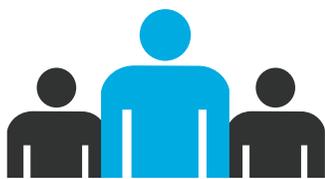
Our achievements:

- 300 granted permits for investors
- 27 000 new job places
- 8 bln PLN for investment projects
- 480 ha of developed plots in the Zone
- 50 investors with foreign capital

CAPITAL
Rzeszów

MAYOR
TADEUSZ FERENC

POPULATION (DEC. 2015)
187,027



WORKING-AGE POPULATION
(DEC. 2015)

117,746

UNEMPLOYMENT RATE
(DEC. 2015)

7.3%

AVERAGE PAY
(DEC. 2015)

PLN 4,232

MODERN OFFICE
SPACE
66,000 SQM

OFFICE VACANCY
RATE
7.8%

HEADLINE
RENTS
€8.00-€10.50

**Tech firms** and planes

Rzeszów, located in southeast Poland, is the capital of the Podkarpackie voivodship and the seat of Rzeszów County. It was granted a town charter in 1354. Having been invaded a number of times by Tatars, Vlachs, and Swedes during the Deluge, the city has burnt down several times over the centuries. However, thanks to its favorable location at the intersection of major east-west routes, it has always managed to recover. Rzeszów now has over 187,000 residents, and has maintained its average population growth rate of 1,500 a year since 2000. The city has positioned itself as an IT powerhouse, with Poland's largest IT company Asseco headquartered in the city, together with a number of other software houses. The area around Rzeszów is also home to a large cluster of companies in the aerospace and aviation industry, altogether forming the so-called "Aviation Valley," which includes Vac Aero International, MacBraid, UTC Aerospace Systems, BorgWarner Turbosystems and MTU Aero Engine. The city has been active in procuring European financing for investment. In the 2007-2013 EU financial framework, it ranked second (after Gdańsk) in investments per capita carried out with EU funding, which

amounted to PLN 21,100.

In 2016, the A4 highway was completed providing a connection with both Germany and Ukraine. The S19 expressway, which is nearing completion, will offer a north-south route, connecting the city with Lublin and Białystok, as well as leading to the Slovakian border in the South, and up to Belarus in the North.

Rzeszów features an international airport – Rzeszów-Jasionka, which services 13,000 takeoffs and landings a year. The number of passengers travelling to and from the airport has increased by 15 percent annually on average since 2007, and in 2015 reached nearly 650,000.

KEY CONTACTS:

**Rzeszów Regional
Development Agency
Inward Investment Centre**
coi.rzeszow.pl
ul. Szopena 51
35-959 Rzeszów
Tel. +48 17 852-4376
Fax +48 17 852-4374
coi@rarr.rzeszow.pl

OTHER MAJOR CITIES

CITY	POPULATION	WORKING-AGE POPULATION	UNEMPLOYMENT
Stalowa Wola	62,636	39,661	14.9%*
Przemysł	62,485	38,777	9.2%*
Mielec	60,827	38,312	10.8%*
Krosno	46,934	28,679	5.9%

*LOCAL COUNTY DATA



Podlaskie

VOIVODSHIP



ADMINISTRATION



Voivode: Bohdan Józef Paszkowski



Marshal: Jerzy Leszczyński

KEY CONTACTS

Investor Assistance Centre

coi.wrotapodlasia.pl
ul. Poleska 89
15-874 Białystok
Tel. +48 85 665-4495
Fax +48 85 665-4440
coi@wrotapodlasia.pl

HIGHER EDUCATION



NUMBER OF INSTITUTIONS

18

MAJOR UNIVERSITIES

Białystok Technical University,
Medical University of Białystok,
University of Białystok

NUMBER OF STUDENTS (2015)

36,249

NUMBER OF GRADUATES (2015)

11,030

LABOR MARKET



POPULATION (Dec. 2015)

1,118,800

WORKING-AGE POPULATION

(Dec. 2015)
750,360

UNEMPLOYMENT RATE (Dec. 2015)

12%

AVERAGE MONTHLY WAGE

(Dec. 2015)

PLN 3,647

BUSINESS

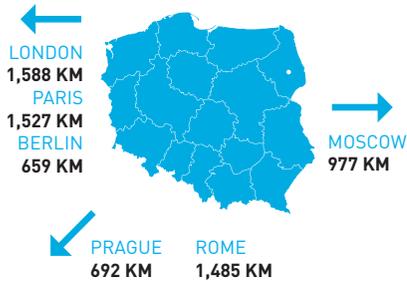


SPECIAL ECONOMIC ZONES

Suwałki Special Economic Zone
Tarnobrzeg Special Economic Zone

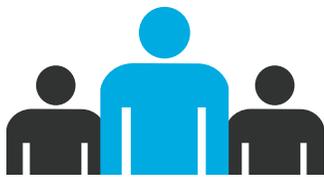
RECENT MAJOR INVESTORS

Altrad, British American Tobacco,
IKEA, Mecom Press, Nibe,
Nordstjernan, Pfeleiderer,
Pilkington, SABMiller Group,
Standard Motor Products

CAPITAL
Białystok

MAYOR
TADEUSZ TRUSKOLASKI

POPULATION (DEC. 2015)
296,310



WORKING-AGE POPULATION
(DEC. 2015)

188,588

UNEMPLOYMENT RATE
(DEC. 2015)

10.5%

AVERAGE PAY
(DEC. 2015)

PLN 3,845

MODERN OFFICE
SPACE
39,300 SQM

OFFICE VACANCY
RATE
13%

HEADLINE
RENTS
€8.50-€10.00



Rising spirits

Białystok, the capital of the Podlaskie voivodship, is Poland's largest city in the northeastern part of the country, located close to four national borders: with Russia, Lithuania, Belarus, and Ukraine. Granted town charter in 1692, the town was the residence of several aristocratic families, including the Branicki and Lubomirski families. Many of the architectural gems they left behind have been restored to their former glory, including the baroque-style Branicki Palace, one of the city's top tourist destinations.

Throughout the 19th and 20th centuries, the city was a major hub for light industry, which led to its rapid growth. However, after the transformation many of the factories faced financial problems and subsequently went under. Still, the city is an important industrial center, with electronics and metallurgy, wood processing, construction, glass and textile manufacturing located there. It also features the largest vodka distillery in Poland. However, over the past two decades Białystok has been refocusing its economy on the BPO and IT industries.

The city's population has remained stable over the past two decades, increasing by some 10,000 since 2010 to nearly 260,000 in 2015, which is mainly due to the influx from neighboring municipalities and smaller towns. Białystok has one of the

highest population densities of 2,893 residents per square km, which is second only to Warsaw among Poland's major cities. It is the cultural and educational hub of the region, producing around 9,000 university graduates a year, two-thirds of which are women.

The city is located on the S8 expressway, connecting Białystok in the northeast with Wrocław in the southwest of the country. The route should be completed by the end of 2018. Another expressway under construction – the S19 – will connect it with Lublin and Rzeszów, two major Polish cities in eastern Poland, and further south with Slovakia, as part of the Via Carpathia route.

The city ranked first in the quality of life category in the 2016 city ranking prepared by weekly *Wprost*.

KEY CONTACTS:

**Department of Strategy
and Development,
Investor Assistance Office**

bialystok.pl
ul. Stonimska 1
15-950 Białystok
Tel. +48 85 879-7979

OTHER MAJOR CITIES

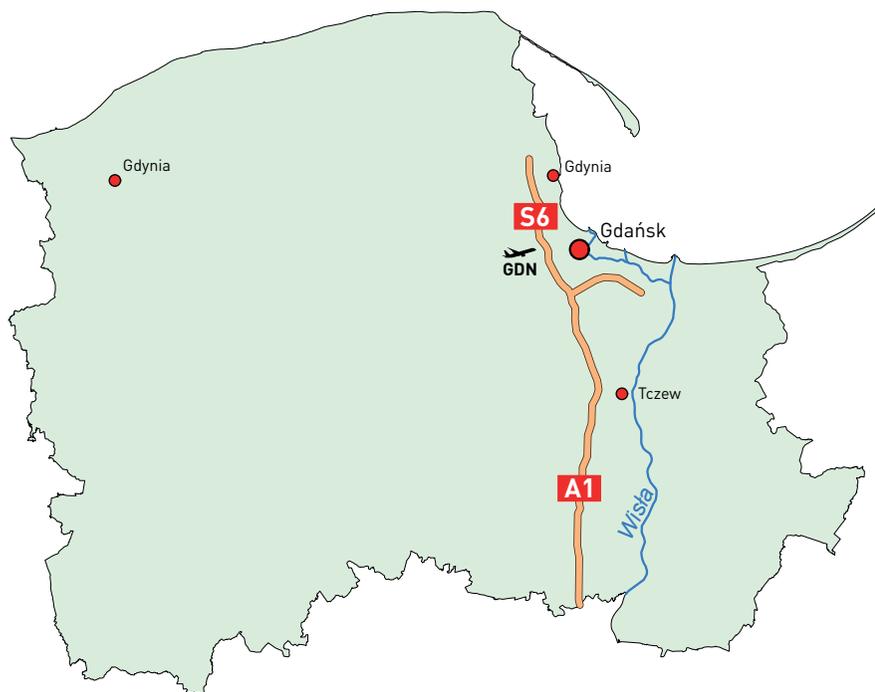
CITY	POPULATION	WORKING-AGE POPULATION	UNEMPLOYMENT
Suwałki	69,543	45,167	8.5%
Łomża	62,716	40,775	13.4%

*LOCAL COUNTY DATA



Pomorskie

VOIVODSHIP



ADMINISTRATION



Voivode: Dariusz Drelich



Marshal: Mieczysław Struk

KEY CONTACTS

Invest in Pomerania
investinpomerania.pl
ul. Grunwaldzka 472 D
80-309 Gdańsk
Tel. +48 58 323-3256
Fax +48 58 301-1200

HIGHER EDUCATION



NUMBER OF INSTITUTIONS

28

MAJOR UNIVERSITIES

Gdańsk University of Technology
University of Gdańsk

NUMBER OF STUDENTS (2015)

90,031

NUMBER OF GRADUATES (2015)

23,132

LABOR MARKET



POPULATION (Dec. 2015)

2,307,710

WORKING-AGE POPULATION

(Dec. 2015)

1,436,214

UNEMPLOYMENT RATE

(Dec. 2015)

9.1%

AVERAGE MONTHLY WAGE

(Dec. 2015)

PLN 4,132

BUSINESS



SPECIAL ECONOMIC ZONES

Pomeranian Special Economic Zone
Słupsk Special Economic Zone

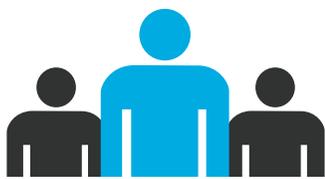
RECENT MAJOR INVESTORS

Jeppesen, Luxoft, Marine Harvest VAP
Europe, State Street, Wadakyu Europe

CAPITAL
Gdańsk

MAYOR
PAWEŁ ADAMOWICZ

POPULATION (DEC. 2015)
462,996



WORKING-AGE POPULATION
(DEC. 2015)

281,839

UNEMPLOYMENT RATE
(DEC. 2015)

4.0%

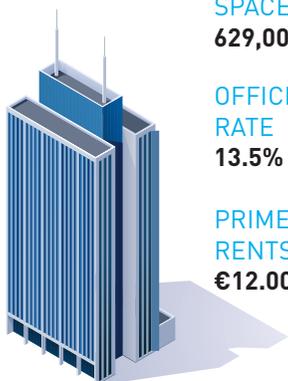
AVERAGE PAY
(DEC. 2015)

PLN 4,992

MODERN OFFICE
SPACE
629,000 SQM

OFFICE VACANCY
RATE
13.5%

PRIME HEADLINE
RENTS
€12.00-€13.50



Poland's door to the high seas

Gdańsk's strategic location on the shores of the Baltic Sea has contributed to its prominent role throughout centuries of Polish history. Founded in the late 10th century, the city was a hotbed of trade, fishing, and craft guilds. Its favorable geographic positioning, as well as flourishing industries, made it a point of contention between Poland and Germany. However, because of its strong economic position, the city enjoyed significant autonomy, briefly becoming a free city during the Napoleonic Wars, and again after World War I. Modern day Gdańsk still utilizes its strategic location at the crossroads of European land and sea trade. The capital of the Pomeranian voivodship has become an important venue for various international meetings of politicians, business people, researchers and artists. It also offers a wide variety of business associations, and institutions such as the Gdańsk Entrepreneur Service Center. Along with the neighboring cities of Gdynia and Sopot, Gdańsk makes

up the Tri-City metropolitan area. Gdańsk witnessed rapid infrastructural development as it strove to prepare for the Euro 2012 soccer championships. The recently completed second terminal of the Lech Wałęsa Airport has helped increase passenger traffic to an estimated 2.9 million per year. The PGE Arena and Amber Expo center have in turn improved the city's capacity to host events, fairs and conferences.

KEY CONTACTS:

**Gdańsk Economic
Development Agency**
investgda.pl
ul. Żaglowa 11
80-560 Gdańsk
Tel.: +48 58 722-0300
Fax +48 58 746-3399
office@investgda.pl

OTHER MAJOR CITIES

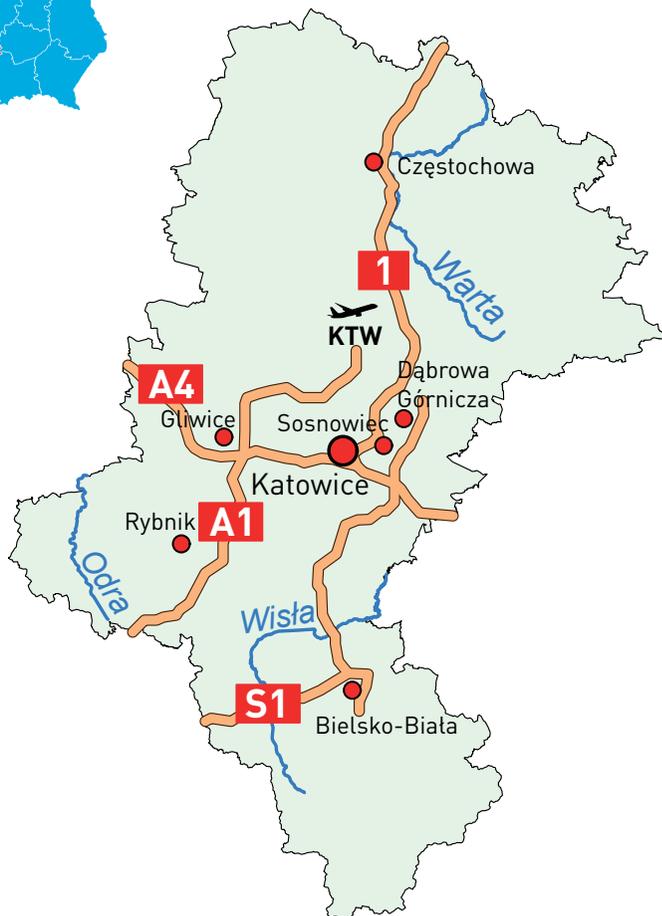
CITY	POPULATION	WORKING-AGE POPULATION	UNEMPLOYMENT
Gdynia	247,329	149,112	4.9%
Słupsk	92,170	56,897	7.9%
Tczew	59,972	36,950	8.9%*

*LOCAL COUNTY DATA



Silesia

VOIVODSHIP



ADMINISTRATION



Voivode: Jarosław Wieczorek



Marshall: Wojciech Saluga

KEY CONTACTS

Silesian Investor and Exporter Assistance Center

invest.slaskie.pl
ul. Ligonja 46
40-037 Katowice
annarogowska@slaskie.pl

HIGHER EDUCATION



NUMBER OF INSTITUTIONS

45

MAJOR UNIVERSITIES

Academy of Fine Arts in Katowice, Academy of Physical Education in Katowice, Częstochowa University of Technology, Medical University of Silesia, Silesian University

NUMBER OF STUDENTS (2015)

118,936

NUMBER OF GRADUATES (2015)

36,692

LABOR MARKET



POPULATION (Dec. 2015)

4,570,849

WORKING-AGE POPULATION (Dec. 2015)

2,858,648

UNEMPLOYMENT RATE (Dec. 2015)

8.2%

AVERAGE MONTHLY WAGE (Dec. 2015)

PLN 4,221

BUSINESS

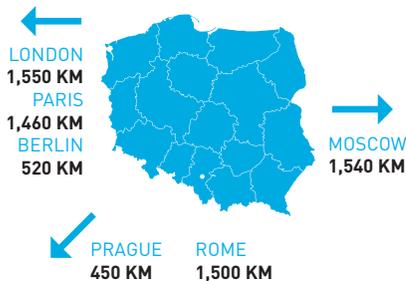


SPECIAL ECONOMIC ZONES

Katowice Special Economic Zone

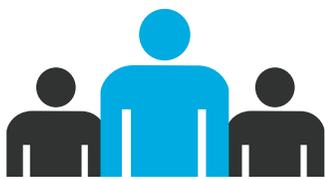
RECENT MAJOR INVESTORS

Ajinomoto Jawo, Daedong System, Fiuka Polska, General Motors Manufacturing, Hanil E - Hwa Automotive Poland, Plastic Omnium, Teleperformance, TRW Steering System, Woobo Tech

CAPITAL
Katowice

MAYOR
MARCIN KRUPA

POPULATION (DEC. 2015)
299,012



WORKING-AGE POPULATION
(DEC. 2015)

185,081

UNEMPLOYMENT RATE
(DEC. 2015)

3.8%

AVERAGE PAY
(DEC. 2015)

PLN 5,262

MODERN OFFICE
SPACE
398,000 SQM

OFFICE VACANCY
RATE
14.30%

PRIME HEADLINE
RENTS
€12.00-€13.75

**Working** wonders

From the 16th century until the end of World War I Katowice was an important industrial city under Prussian, and later German, control. When Upper Silesia was awarded to Poland as part of the Treaty of Versailles, German Kattowitz became Polish Katowice. Then, in 1953, to commemorate the death of Joseph Stalin, the city was renamed Stalinogród by contemporaneous Polish authorities. The previous and current name was restored in 1956. After the fall of communism, many of the mines and local industries were closed. Currently, more than 70 percent of Katowice's residents work in the services sector, which is experiencing a revival. Some mines are still operational, other sectors of industry are reinventing themselves and the city center has undergone a major renovation. The city currently boasts 64 service centers owned by 57 investors from 10 countries. Foreign investors in Katowice include ArcelorMittal, Bombardier,

Ericsson, ING, IBM, PwC, Oracle, and Perform Media. Economic indicators only reinforce Katowice's accomplishments: the unemployment rate is the lowest in Poland, while the per capita GDP is the highest nationwide.

KEY CONTACTS:

**Strategic Investors
Assistance Centre**
invest.katowice.eu
ul. Młyńska 4
40-098 Katowice
Tel. +48 32 259-3823
pkis@katowice.eu

OTHER MAJOR CITIES

CITY	POPULATION	WORKING-AGE POPULATION	UNEMPLOYMENT
Częstochowa	227,270	139,722	8.5%
Sosnowiec	206,516	128,479	11.4%
Gliwice	182,969	114,133	5.5%
Bielsko-Biała	172,407	104,028	4.3%
Bytom	170,059	106,548	18.5%
Dąbrowa Górnicza	122,451	77,226	9.1%

*LOCAL COUNTY DATA



Świętokrzyskie

VOIVODSHIP

ADMINISTRATION



Voivode: Agata Wojtysek

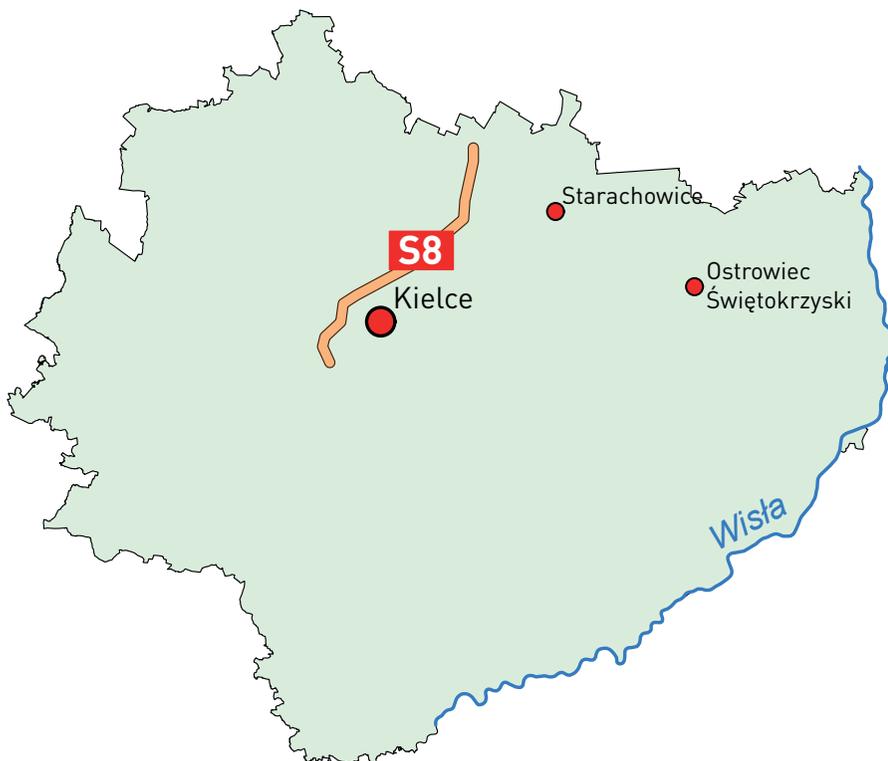


Marshall: Adam Jarubas

KEY CONTACTS

**Investor Assistance
Centre of Świętokrzyskie
Voivodeship**

coi.sejmik.kielce.pl
ul. Sienkiewicza 63
25-002 Kielce
Tel. +48 41 365-8182



HIGHER EDUCATION



NUMBER OF INSTITUTIONS

15

MAJOR UNIVERSITIES

Jan Kochanowski University
Kielce University of Technology

NUMBER OF STUDENTS (2015)

30,109

NUMBER OF GRADUATES (2015)

11,148

LABOR MARKET



POPULATION (Dec. 2015)

1,257,179

WORKING-AGE POPULATION

(Dec. 2015)

780,879

UNEMPLOYMENT RATE

(Dec. 2015)

12.7%

AVERAGE MONTHLY WAGE

(Dec. 2015)

PLN 3,581

BUSINESS

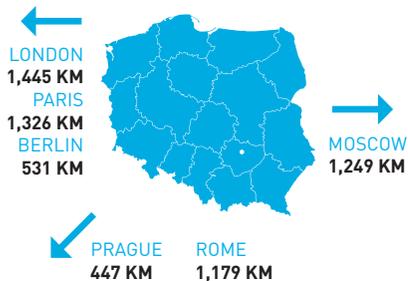


SPECIAL ECONOMIC ZONES

"STARACHOWICE"
Special Economic Zone
Tarnobrzeg Special Economic Zone
"EURO-PARK WISŁOSAN"

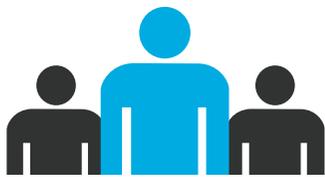
RECENT MAJOR INVESTORS

AS Energy, Foster Wheeler,
GDF SUEZ

CAPITAL
Kielce

MAYOR
WOJCIECH LUBAWSKI

POPULATION (DEC. 2015)
197,724



WORKING-AGE POPULATION
(DEC. 2015)

121,015

UNEMPLOYMENT RATE
(DEC. 2015)

8.8%

AVERAGE PAY
(DEC. 2015)

PLN 3,846

MODERN OFFICE
SPACE
59,500 SQM

OFFICE VACANCY
RATE
9.4%

HEADLINE
RENTS
€8.00-€10.00

**A city** of all trades

Kielce is located at the foot of the Świętokrzyskie Mountains, a convenient location which has made the city a significant commercial, political, and military center in Poland. It is also the academic center of the region, with 11 higher education institutions, and 41,000 students. The city's authorities have shown an increasing willingness to finance initiatives to improve both the quality of life of its citizens, and the business environment for investors. Recent projects include the development of the public transportation system, the modernization of a waste treatment plant, as well as the revitalization of the historic downtown area.

During its long history, Kielce based its industry on ore processing of copper, iron and lead, as well as marble production. The city has expanded into different branches, including property development, building materials and food processing.

One of the city's main attractions is the Kielce Trade Fairs, which draw 200,000

visitors annually. The expositions highlight various industries, including defense, agriculture, and religious articles. The rise in the significance and size of the trade fairs has led to more regional companies getting involved in the market, as well as a cluster of conference organizers and providers of associated services. The exhibitions also facilitate contacts and relationships with foreign entities, helping to build the city's image abroad.

KEY CONTACTS:**Investor Assistance Center**

invest.kielce.pl
ul. Strycharska 6
25-659 Kielce
Tel.: +48 41 367-6571
coi@um.kielce.pl

OTHER MAJOR CITIES

CITY	POPULATION	WORKING-AGE POPULATION	UNEMPLOYMENT
Ostrowiec Świętokrzyski	70,396	43,772	16.7%*
Starachowice	50,174	30,516	12.9%*

*LOCAL COUNTY DATA



Warmińsko-Mazurskie

VOIVODSHIP

ADMINISTRATION



Voivode: Artur Chojecki



Marshal: Gustaw Marek Brzezini

KEY CONTACTS

Investors and Exporters' Service Centre

invest.warmia.mazury.pl
ul. Głowackiego 17
10-447 Olsztyn
Tel. +48 89 512-5190
coie@warmia.mazury.pl



HIGHER EDUCATION



NUMBER OF INSTITUTIONS

8

MAJOR UNIVERSITIES

University of Computer Science and Economics,
University of Warmia and Mazury

NUMBER OF STUDENTS (2015)

29,341

NUMBER OF GRADUATES (2015)

9,115

LABOR MARKET



POPULATION (Dec. 2015)

1,439,675

WORKING-AGE POPULATION (Dec. 2015)

917,403

UNEMPLOYMENT RATE (Dec. 2015)

16.5%

AVERAGE MONTHLY WAGE (Dec. 2015)

PLN 3,495

BUSINESS

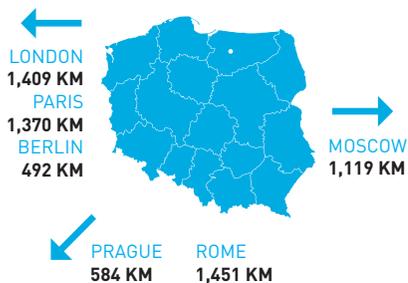


SPECIAL ECONOMIC ZONES

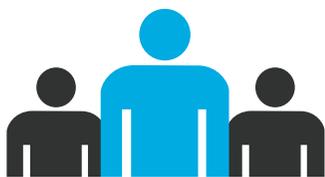
Suwałki Special Economic Zone
Warmia-Mazury Special Economic Zone

RECENT MAJOR INVESTORS

Alstom, Heinz-Glas, IKEA,
Michelin, Philips Lighting,
Smithfield Foods

CAPITAL
Olsztyn

MAYOR
PIOTR GRZYMOWICZ
POPULATION (DEC. 2015)
173,599



WORKING-AGE POPULATION
(DEC. 2015)

109,143

UNEMPLOYMENT RATE
(DEC. 2015)

5.8%

AVERAGE PAY
(DEC. 2015)

PLN 4,104

MODERN OFFICE
SPACE
40,400 SQM

OFFICE VACANCY
RATE
29.7%

PRIME HEADLINE
RENTS
€11.00-€12.50

**The city** amid a thousand lakes

Olsztyn is the capital of the Warmińsko-Mazurskie voivodship located in northeastern Poland. The city has a rich history dating back to the 14th century when Teutonic Knights began the construction of a castle, which gave the settlement its name. Olsztyn is a Polish transliteration of Allenstein, which meant the castle on the Alle river (now Łyna). The most famous resident of the castle was Nicolas Copernicus and it was there where he wrote one of the first works in the history of economic thought. In the 15th century, the settlement came under the rule of Poland and after the defeat of the Teutonic Knights in 1521 it experienced swift development, which came to a halt 200 years later, when the epidemics of bubonic plague and cholera wiped out the population.

After the first partition of Poland, Olsztyn was annexed by Prussia and only returned to Poland after the 1945 Potsdam Agreement redrew the country's borders. Since 1967, the city has boasted a well-known tire factory, Stomil – now owned by Michelin. Companies operating in wood, furniture, food and many other sectors frequently invest here. Olsztyn is one of the few cities that have a positive reading in population growth.

KEY CONTACTS:**Olsztyn City Hall**

olsztyn.eu
Pl. Jana Pawła II 1
10-101 Olsztyn
Tel. +48 89 527-3111 ext. 261
szczyglińska.agnieszka@olsztyn.eu

OTHER MAJOR CITIES

CITY	POPULATION	WORKING-AGE POPULATION	UNEMPLOYMENT
Elbląg	121,412	76,605	12.9%
Ełk	60,621	38,721	16.5%*

*LOCAL COUNTY DATA

Wielkopolskie

VOIVODSHIP



ADMINISTRATION



Voivode: Zbigniew Hoffmann



Marshall: Marek Woźniak

KEY CONTACTS

Wielkopolskie Investor Assistance Centre

investinwielkopolska.pl
Al. Niepodległości 16/18
61-713 Poznań
Tel. +48 61 854-1973
Fax +48 61 851-5395
office@sgipw.wlkp.pl
coi@investinwielkopolska.pl

HIGHER EDUCATION



NUMBER OF INSTITUTIONS

40

MAJOR UNIVERSITIES

Adam Mickiewicz University in Poznań,
Poznań University of Economics,
Poznań University of Life Sciences,
Poznań University of Medical Sciences

NUMBER OF STUDENTS (2015)

140,135

NUMBER OF GRADUATES (2015)

39,739

LABOR MARKET



POPULATION (Dec. 2015)

3,475,323

WORKING-AGE POPULATION

(Dec. 2015)

2,175,703

UNEMPLOYMENT RATE

(Dec. 2015)

6.3%

AVERAGE MONTHLY WAGE

(Dec. 2015)

PLN 3,729

BUSINESS



SPECIAL ECONOMIC ZONES

Kamienna Góra Special Economic Zone
Kostrzyn-Słubice Special Economic Zone
Łódź Special Economic Zone
Pomeranian Special Economic Zone
Wałbrzych Special Economic Zone

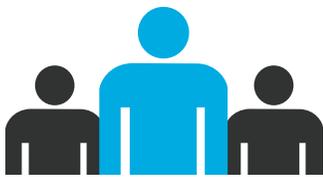
RECENT MAJOR INVESTORS

Amazon, ArjoHuntleigh, Delphi Automotive, DFDS, Grupa Armatura, Mars, Newell Rubbermaid, O-I, Volkswagen

CAPITAL
Poznań

MAYOR
JACEK JAŚKOWIAK

POPULATION (DEC. 2015)
541,561



WORKING-AGE POPULATION
(DEC. 2015)

332,702

UNEMPLOYMENT RATE
(DEC. 2015)

2.4%

AVERAGE PAY
(DEC. 2015)

PLN 4,549

MODERN OFFICE
SPACE
404,000 SQM

OFFICE VACANCY
RATE
13.2%

PRIME HEADLINE
RENTS
€12.50-€14.00

**The cradle** of Poland

Located on the Warta River, halfway between Warsaw and Berlin, Poznań is a half-million strong economic center, and the capital of the Wielkopolskie voivodship. Its history is closely tied to the history of Poland as the city is the area where the Polish state emerged. It was probably here where the ruler of the Polan tribe, Mieszko I, was baptized in 966, an event that marked Poland's incorporation into Christian Europe. Throughout history the city remained a major cultural, economic and political center thanks to its location on the East-West trade route. Poznań is also the location of the 1918 Greater Poland Uprising, the only successful armed bid for independence in Poland.

The city is home to many foreign companies, which are attracted by its location, good transport network and well educated, but relatively cheap workforce. Among the biggest corporations present in Poznań and its vicinity are Volkswagen, Allegro, GlaxoSmithKline, Solaris Bus and Coach, and Kuehne and Nagel.

The city hosts the annual Poznań International Fair, the biggest industrial fair in Poland and foreign investment rates are some of the highest in the country. It maintains its position as one of the strongest economic centers in Poland. The city also offers a wide range of cultural and entertainment events, including the Malta Festival – the biggest theater festival in Poland – and Dancing Poznań with guests from all over the world.

KEY CONTACTS:**Investor Relations
Department**

poznan.pl
Pl. Kolegiacki 17
61-841 Poznań
Tel. +48 61 878-5428
Fax +48 61 878-5500
inwestor@um.poznan.pl

OTHER MAJOR CITIES

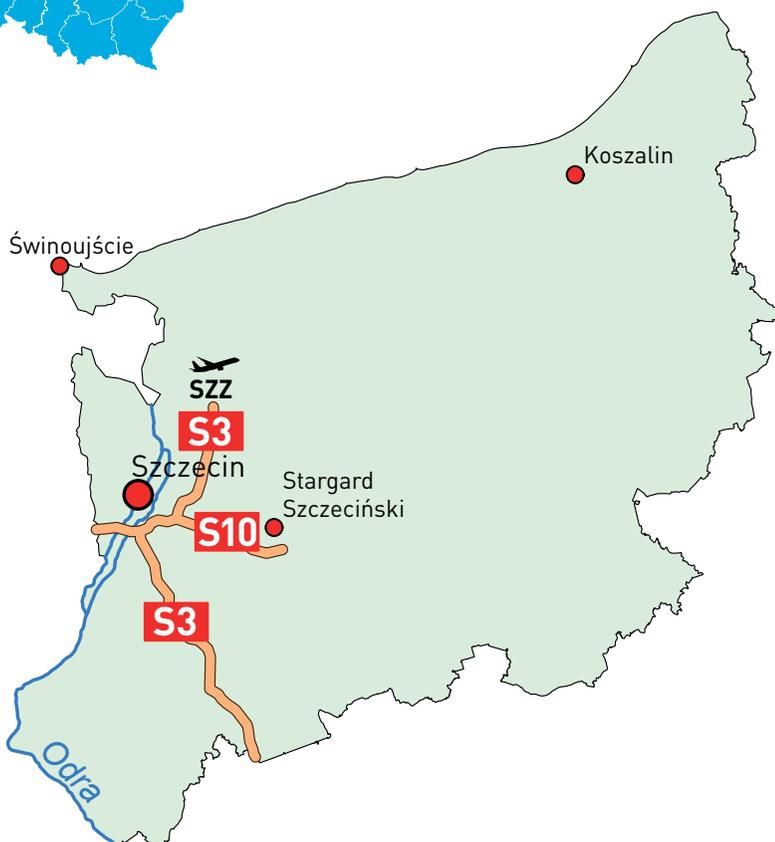
CITY	POPULATION	WORKING-AGE POPULATION	UNEMPLOYMENT
Kalisz	102,575	61,682	5.5%
Konin	75,607	46,679	11.2%
Piła	74,102	46,399	7.4%

*LOCAL COUNTY DATA



Zachodniopomorskie

VOIVODSHIP



ADMINISTRATION



Voivode: Krzysztof Kozłowski



Marshal: Olgierd Geblewicz

KEY CONTACTS

Investors Assistance Center

iac.wzp.pl
Al. Piłsudskiego 42
70-421 Szczecin
Tel. +48 91 446-7105
Fax +48 91 446-7105
coi@wzp.pl

HIGHER EDUCATION



NUMBER OF INSTITUTIONS

20

MAJOR UNIVERSITIES

Koszalin University of Technology
Maritime University of Szczecin
Pomeranian Medical University
University of Szczecin
West Pomeranian Business School

NUMBER OF STUDENTS (2015)

45,205

NUMBER OF GRADUATES (2015)

12,474

LABOR MARKET



POPULATION (Dec. 2015)

1,710,482

WORKING-AGE POPULATION

(Dec. 2015)

1,079,511

UNEMPLOYMENT RATE (Dec. 2015)

13.3%

AVERAGE MONTHLY WAGE

(Dec. 2015)

PLN 3,794

BUSINESS

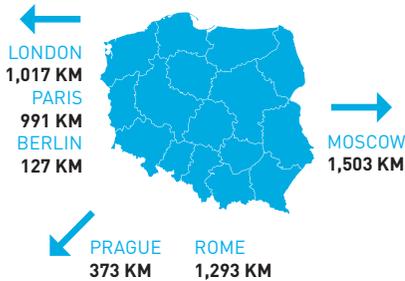


SPECIAL ECONOMIC ZONES

Ślupsk Special Economic Zone
Kostrzyn-Ślubice Special Economic Zone
Łódź Special Economic Zone
Pomeranian Special Economic Zone
EURO-PARK MIELEC Special Economic Zone

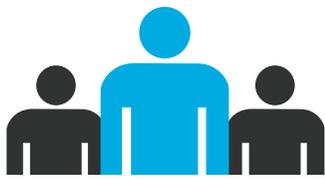
RECENT MAJOR INVESTORS

Backer OBR, Bilfinger, Bridgestone, Cargolec, Colorplast, Espersen, LM Wind Power Blades, Smartguy Group, Tieto, Tognum, Unichains, UniCredit Process & Administration

CAPITAL
Szczecin

MAYOR
PIOTR KRZYSZEK

POPULATION (DEC. 2015)
405,413



WORKING-AGE POPULATION
(DEC. 2015)

250,253

UNEMPLOYMENT RATE
(DEC. 2015)

6.8%

AVERAGE PAY
(DEC. 2015)

PLN 4,382

MODERN OFFICE
SPACE
166,000 SQM

OFFICE VACANCY
RATE
17.7%

PRIME HEADLINE
RENTS
€12.00-€13.50



Between mainland and sea

Despite not being located directly by the Baltic Sea (some 65 kilometers from the coast), the city is one of Poland's major marine ports thanks to being directly situated on the Oder river estuary.

The first settlement in the area of modern-day Szczecin dates back to the 6th century BC and is attributed to the Lusatian Culture. The first documented stronghold was built here in the late 8th century and later expanded under Slavic rulers. For most of its history, Szczecin was known as Stettin, and remained part of the Prussian, and later German Empire until after World War II. After the war, Szczecin began to develop rapidly, predominantly because of the growing importance of its seaport, which was a transfer point for Silesian coal. The city was also famously featured in Winston Churchill's Iron Curtain speech: "From Stettin in the Baltic to Trieste in the Adriatic, an iron curtain has descended across the Continent."

For business strategy, city officials are currently focused on developing the BPO, logistics and renewable energy sectors, particularly wind energy, in addition to its more traditional maritime industries.

KEY CONTACTS:

Investors and Business Support Department
invest.szczecin.eu
Pl. Armii Krajowej 1
70-456 Szczecin
Tel. +48 91 424-5819
Fax +48 91 424-5820
invest@um.szczecin.pl

OTHER MAJOR CITIES

CITY	POPULATION	WORKING-AGE POPULATION	UNEMPLOYMENT
Koszalin	107,981	65,752	8.4%
Stargard Szczeciński	68,564	42,821	12.7%
Świnoujście	41,134	25,772	7.0%

*LOCAL COUNTY DATA



KOSZALIN

- The Excellent choice



Kozsalin is a dynamic economic centre of the Middle Pomerania. There are more than 18,200 businesses here, whereof almost 97% are private firms, including firms with international capital input such as Espersen Polska Sp. z o.o. (Denmark), Royal Greenland Seafood Sp. z o.o. (Denmark), Elfa Manufacturing Poland Sp. z o.o. (Sweden), Rotho Sp. z o.o. (Switzerland), Jeronimo Martins Polska S.A. (Portugal) and Schwarte-Milfor Sp. z o.o. (Germany). NordGlass Sp. z o.o. (Poland), GIPO Sp. z o.o. (Denmark), BerlinerLuft Technik Spółka z o.o. (Germany). **Kozsalin is also an important academic centre.** There are three schools of university standing in the city that provide higher education in technical and liberal arts fields as well as a well developed network of the secondary level schools. Therefore, we can offer **well educated and prepared professional workforce** and a good base for development of such industry in our city.



Contact:

MUNICIPALITY OF KOSZALIN

75-007 Kozsalin PL
Rynek Staromiejski 6-7

Piotr Jedliński
Mayor of Kozsalin
Phone : (+48) 94-348-86-03,
Fax : (+48) 94-348-86-25
@: piotr.jedlinski@um.koszalin.pl

Joanna Piotrkowska-Ciechomska
Mayor's Representative in charge
of Key Investors and Employment
Phone : (+48) 94 348 87 93;
Fax : (+48) 94 348 87 92
@: joanna.piotrkowska@um.koszalin.pl

Advantages of Kozsalin:

The attractive investment sites attractive investment lands equipped with utilities of 59 hectares located in the "Kozsalin" Subzone of the Słupsk Special Economic Zone (SSEZ) at attractive conditions. The lands are designated for the building of production plants and logistics centers as well as for BPO investments.

Perfect location and transport accessibility in the vicinity of national routes No 6 (Szczecin – Gdańsk) and No 11 (Kołobrzeg – Poznań – Góry Śląsk) near planned motorways no S6 and no S11 junction. Expressway S6 connecting Berlin and Gdańsk is under construction. Until 2018 Kozsalin – Sianów bypass will be constructed within that project framework.

Close to the Sea

It is only 6 km to the Baltic Sea in a straight Line. There is also a harbor in Darłowo – 25 km away, and harbor in Kołobrzeg – 36 km away.

Preferences for Investors

An entrepreneur who has been granted the permit for business activity in the zone is exempted from the CIT income tax up to 55%, depending on the size of the company. He is also exempted from the local real estate, lands, buildings and constructions tax by the rule of *de minimis*.

Plots division according to investor's needs which means large savings. Min. plot area from 0,4 ha.

Zoning in local spatial development plan:

industrial production, logistic & warehouse centers. No investment obstacles. Allowed built-up area: up to 75%, max. height up to 25 m.

Friendly climate and permanent contact with investor till launching plant (investment process assistance by representatives of the Municipality).

Well qualified future staff and low work costs.

Assistance in searching for employees.

SPECIAL ECONOMIC ZONES

Since 1994 when the first SEZ was created in Poland, the country has continued to look to these investment areas to boost its economy. So far, 14 such zones have been created. Their lifespan has been extended recently to 2026 (from 2020).

The government explained that extending the time that SEZs will operate was especially important to investors carrying out long-term projects that take several years to break even, for example in the automotive industry. If the zones were to be dissolved in 2020, car manufacturers, for example, would not decide to build their factories in Poland, it said.

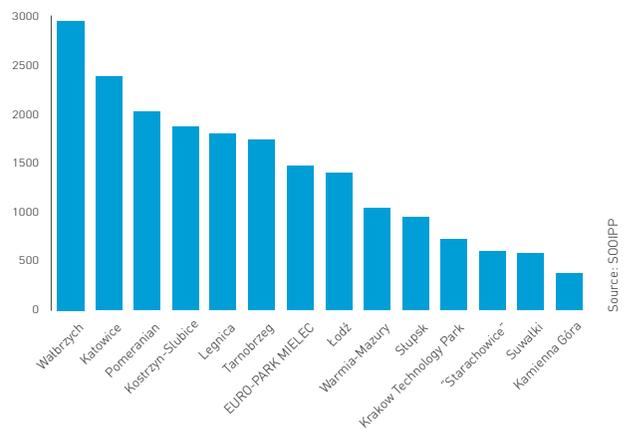
Companies investing in SEZs can count on numerous incentives, including tax breaks. According to the Economy Ministry's calculations, investors in Polish SEZs saved over PLN 4.9 billion in tax breaks between 2007 and 2010. From their inception through the end of 2010, companies invested a total of more than PLN 73 billion and created over 167,000 jobs in the SEZs.

Each SEZ is unique, with its own strengths, weaknesses and particular focus. For example the Kamienna Góra SEZ for Medium Business specializes in servicing SMEs. The Kraków Technology Park deals with innovative services and technologies. Other SEZs are located in particularly attractive areas in terms of lucrative foreign markets to the east or west, or in the case of the Słupsk and Pomeranian Special Economic Zones, proximity to the Baltic Sea.

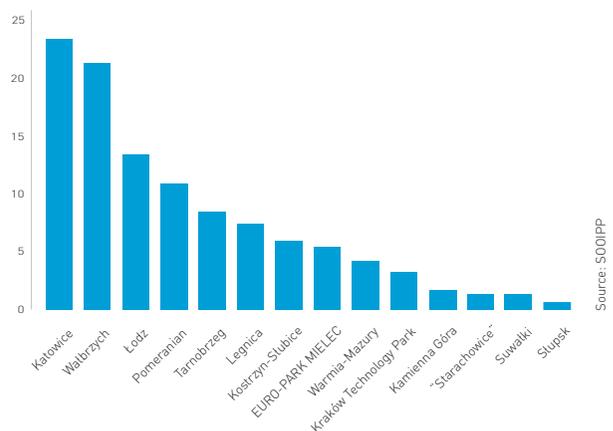
At the same time, regardless of their dominant industries or geographic locations, all of Poland's special economic zones remain open to a wide range of investments.

Investment regulations vary in each SEZ but in general, the investor needs to agree with the specific authorities on how many jobs will be created through the investment and must later fulfill this agreement. The minimum value of an investment to be located in a special economic zone is usually €100,000. Regulations governing investment vary according to each SEZ and the size of the tax breaks available depends on the size of the investing entity and voivodship where the subzone in question resides. For specific details on investment regulations, please see the zones' individual websites, listed in this section.

Polish special economic zones in terms of area (in hectares), latest figures



Polish special economic zones in terms of investment value (in PLN billions), latest figures



EURO-PARK MIELEC Special Economic Zone-

The first economic zone to be created, the EURO-PARK MIELEC Special Economic Zone is located in both the southeast corner of Poland and in the northwest in Zachodniopomorskie voivodship, meaning it has access to both the German and Eastern European markets.

The maximum amount of corporate tax exemption (based on either investment or job creation) is 50 percent of the total expenditures on new investments for large firms, 60 percent for medium-sized firms and 70 percent for small firms.



Year established: 1995

Total area: 1,495 ha (456 ha available)

Dominant industries: automotive, aviation, metals, wood processing

Total number of new workplaces (in 2015): 12,173

Total value of investments (in 2015): PLN 5.3 bln

Contact:

europark.arp.pl

ul. Partyzantów 25

39-300 Mielec

Tel. +48 17 788-7236

Fax +48 17 788-7769

europark@europark.arp.pl

Kamienna Góra Special Economic Zone for Medium Business

The Kamienna Góra Special Economic Zone for Medium Business is not only aimed at attracting SMEs, offering particularly advantageous conditions for operating their business, but it is also open to larger investors.

The zone is primarily located in the Lower Silesia voivodship, with a small presence in the Wielkopolskie voivodship. Its location near the Czech and German borders is a clear asset, as is the presence of well-developed communication and transportation infrastructure near its subzones.



Year established: 1997

Total area: 373.83 ha (150 ha available)

Dominant industries: automotive, metal, paper, printing

Total number of new workplaces (in 2015): 5,967

Total value of investments (in 2015): PLN 2.17 bln

Contact:

ssemp.pl

58-400 Kamienna Góra

Tel. +48 75 645-2030

Fax +48 75 744-2017

strefa@ssemp.pl

Katowice Special Economic Zone

The Katowice Special Economic Zone describes itself as the leader of Poland's SEZs. The 9 million people living within a 100 km radius of Katowice offer huge labor and consumer markets to investors, while the local area also offers some of the best transport links in Poland, including the A4 east-west and the A1 north-south highways. It is also located close to two international airports – Katowice-Pyrzowice and Kraków-Balice.



Year established: 1996

Total area: 2,347 ha (824 ha available)

Dominant industries: automotive, construction, glass, food processing, steel

Total number of new workplaces (in 2015): 44,554

Total value of investments (in 2015): PLN 23.3 bln

Contact:

ksse.com.pl

ul. Wojewódzka 42

40-026 Katowice

Tel. +48 32 251-0736

Fax +48 32 251-3766

ksse@ksse.com.pl

Kostrzyn-Słubice Special Economic Zone

Officials from the Kostrzyn-Słubice Special Economic Zone stress that the key advantages of investing there include its well-educated workforce and location close to the German border. The SEZ has at least one subzone within 90 km of Berlin. Low labor costs and high unemployment are other advantages for investors.

Land in the SEZ is ready for investment, with full technical infrastructure already in place. According to officials, certain subzones provide the possibility of a 100 percent exemption from local taxes in addition to income tax or employment cost reliefs.



Year established: 1997

Total area: 1.868 ha (839 ha available)

Dominant industries: automotive, electronics, paper, metal and wood processing

Total number of new workplaces (in 2015): 18,679

Total value of investments (in 2015): PLN 6.32 bln

Contact:

kssse.pl

ul. Orła Białego 22

66-470 Kostrzyn n. Odrą

Tel. +48 95 721-9800

Fax +48 95 752-4167

info@kssse.pl

Kraków Technology Park Special Economic Zone

The Kraków Technology Park Special Economic Zone operates as both an SEZ and a technology park, supporting innovation and new technology, as well as bringing together scientists, entrepreneurs and investors. The city of Kraków provides it with a strong academic base, with several universities located in the vicinity of the technology park, from which qualified staff can be drawn. Officials say public aid for investors in Kraków Technology Park is the highest in Poland.



Year established: 1997

Total area: 707 ha (165 ha available)

Dominant industries: automotive, BPO, IT

Total number of new workplaces (in 2015):
11,503

Total value of investments (in 2015): PLN 2.94 bln

Contact:

sse.krakow.pl

Al. Jana Pawła II 41 L

31-864 Kraków

Tel. +48 12 640-1940

Fax +48 12 640-1945

biuro@sse.krakow.pl

Legnica Special Economic Zone

The Legnica Special Economic Zone is situated in the southwestern part of Poland, in the Lower Silesia voivodship. It describes itself as a place where businesses can improve their competitiveness, technology and know-how. It also allows them to develop national and international business ties. Investing in the Legnica SEZ also gives firms access to exemptions on income and property tax.

The LSEZ describes itself as a high-quality investment area because it is prepared for business activity, equipped with technical infrastructure, subdivided to suit investor requirements and located in well-connected areas, close to major roads such as the A4 and A18 highways.



Year established: 1997

Total area: 1,763 ha (1,442 ha available)

Dominant industries: automotive

Total number of new workplaces (in 2015):
12,353

Total value of investments (in 2015): PLN 7.59 bln

Contact:

lsse.eu

ul. Św. Maksymiliana Kolbe 14

59-220 Legnica

Tel. +48 76 727-7470

Fax +48 76 727-7476

lsse@lsse.eu

Łódź Special Economic Zone

The Łódź Special Economic Zone describes itself as a conveniently located SEZ with access to a labor market of some 1.6 million people and a consumer market of 3 million. The city of Łódź itself is also an important academic center, producing students with high levels of vocational, secondary and higher education. It is also located in central Poland, providing access to much of the country via the A1 and A2 motorways which run through the region.



Year established: 1997

Total area: 1.339 ha (329 ha available)

Dominant industries: construction materials, packaging, pharmaceuticals, plastics, white goods

Total number of new workplaces (in 2015): 25,958

Total value of investments (in 2015): PLN 13.62 bln

Contact:

sse.lodz.pl

ul. Tymienieckiego 22/24
90-349 Łódź

Tel. +48 42 676-2753

Fax +48 42 676-2755

info@sse.lodz.pl

Pomeranian Special Economic Zone

The Pomeranian Special Economic Zone occupies one of the most beneficial logistics positions in Poland, being located close to Germany and several major Baltic Sea ports. The SEZ cooperates with local authorities, as well as regional economic, scientific and cultural bodies to provide investors with fast, relevant and accurate information, officials say.

The Pomeranian SEZ has delivered two major projects providing laboratory, office, production and warehouse space. The Gdańsk Science and Technology Park was scheduled to be completed in 2013, while the Baltic New Technologies Port in Gdynia opened in January 2013. This space forms part of the SEZ.



Year established: 1997

Total area: 2.040 ha (673 ha available)

Dominant industries: automotive, biopharmaceuticals, construction components, electronics, high-tech electronics assembly, machinery, packaging, paper production

Total number of new workplaces (in 2015): 15,107

Total value of investments (in 2015): PLN 10.62 bln

Contact:

strefa.gda.pl

ul. Władysława IV 9

81-703 Sopot

Tel. +48 58 555-9700

Fax +48 58 555-9711

invest@strefa.gda.pl

Ślupsk Special Economic Zone

Located in the north of Poland, the Ślupsk Special Economic Zone's proximity to the Baltic Sea provides investors with easy access to local ports, shipyards and shipping lanes. An additional bonus is that subzones in the Zachodniopomorskie voivodship border Germany.

In addition to the standard investment incentives, the SEZ has subzones located in industrial parks and boasts partial or total property exemptions. Officials from the SEZ also stress that average construction and labor costs in the region are relatively low.



Year established: 1997

Total area: 899 ha (605 ha available)

Dominant industries: automotive, construction materials, fish and food processing, glass manufacturing, metals, plastic, transport and logistics, warehousing, wood processing

Total number of new workplaces (in 2015): 3,063

Total value of investments (in 2015): PLN 1.49 bln

Contact:

sse.slupsk.pl

ul. Obrońców Wybrzeża 2

76-200 Ślupsk

Tel. +48 59 841-2892

Fax +48 59 841-3261

office@parr.slupsk.pl

“Starachowice” Special Economic Zone

Spread across five different voivodships, the “Starachowice” Special Economic Zone offers investors perhaps the most variety among SEZs in terms of location. Moreover it was ranked as one of the top free zones of the future, according to fDi Magazine’s 2012/2013 report on global economic zones.

The regions’ industrial traditions, fully developed technical infrastructure and the generally low labor costs are added advantages for investing in this SEZ.



Year established: 1997

Total area: 644 ha (207 ha available)

Dominant industries: automotive, ceramics, chemicals and construction chemicals, construction materials, metal and machinery, printing industry

Total number of new workplaces (in 2015): 4,056

Total value of investments (in 2015): PLN 2.13 bln

Contact:

sse.com.pl

ul. Radomska 29

27-200 Starachowice

Tel. +48 41 275-4101

Fax +48 41 275-4102

sse@sse.com.pl

Suwałki Special Economic Zone

With locations in the Podlaskie, Warmińsko-Mazurskie and Mazowieckie voivodships, the Suwałki Special Economic Zone is particularly well-suited for those interested in investing in the Belarusian, Russian or Lithuanian markets. To date, firms in the zone have created almost 6,000 workplaces and invested almost zł.1.8 billion in new production plants. Northeastern Poland's low labor costs and the availability of qualified workers coupled with a helpful local government providing "competitive consulting" add to the incentives for investors. Located in one of Europe's cleanest environments and within close proximity to three major scientific-technology parks, the SEZ also provides investors with significant tax exemptions.



Year established: 1996

Total area: 635 ha (302 ha available)

Dominant industries: construction materials, clothing, electronics, food processing, machinery, metals, plastic, precision mechanics, printing, wood processing

Total number of new workplaces (in 2015): 6,483

Total value of investments (in 2015): PLN 2.07 bln

Contact:

ssse.com.pl

ul. Noniewicza 49

16-400 Suwałki

Tel. +48 87 565-2217

Fax +48 87 565-2449

ssse@ssse.com.pl

Tarnobrzeg Special Economic Zone "EURO-PARK WISŁOSAN"

"EURO-PARK WISŁOSAN" is situated mainly in eastern Poland, offering ample opportunities for investors interested in Belarus, Ukraine, Russia, as well as Poland's own fast-developing eastern markets. At the same time, the zone offers land in the Lower Silesia voivodship, which sits on the Czech and German borders and is home to Wrocław, a major foreign investment hub.

This SEZ provides investors with public aid in the form of tax exemptions covering up to 70 percent of total investment outlays, while it also offers prices which are one of the lowest in Poland, according to officials.



Year established: 1997

Total area: 1,743 ha (474 ha available)

Dominant industries: automotive, aluminum, construction, electronics, metal, paper and timber, printing, chemicals

Total number of new workplaces (in 2015): 19,442

Total value of investments (in 2015): PLN 8.08 bln

Contact:

tsse.arp.pl

ul. Zakładowa 30

39-400 Tarnobrzeg

Tel. +48 15 822-9999

Fax +48 15 823-4708

biuro@tsse.arp.pl

Wałbrzych Special Economic Zone “INVEST-PARK”

Located mainly in the western part of Poland, Wałbrzych SEZ “INVEST-PARK” consists of 41 subzones in the Lower Silesia, as well as in Wielkopolskie, Opolskie and Lubuskie voivodships. It provides investors with easy access to the Austrian, Czech, German and Slovak markets. The A4 highway and airports in Wrocław and Poznań offer a wide range of domestic and international connections. Tax exemptions of up to 70 percent on labor costs are available to investors.



Year established: 1997

Total area: 2.921 ha (1,280 ha available)

Dominant industries: automotive, electronics, engineering, food, white goods

Total number of new workplaces (in 2015):
36,419

Total value of investments (in 2015): PLN 21.73
bln

Contact:

invest-park.com.pl

ul. Uczniowska 16

58-306 Wałbrzych

Tel. +48 664 91 64

Fax +48 664 91 62

invest@invest-park.com.pl

Warmia-Mazury Special Economic Zone

The Warmia-Mazury SEZ offers some of the highest levels of aid in Poland, according to officials. Located in the Mazowieckie and Warmińsko-Mazurskie voivodships, it provides easy access to the Baltic Sea, as well as to Lithuania and the markets of Eastern Europe.

As well as attracting major firms such as Michelin and LG, many small and medium-sized companies from the furniture and construction sectors have also invested in Warmia-Mazury SEZ.



Year established: 1997

Total area: 1,057 ha (289 ha available)

Dominant industries: construction, furniture, electronics, tire manufacturing, wood processing

Total number of new workplaces (in 2015): 9,465

Total value of investments (in 2015): PLN 4.22
bln

Contact:

wmsse.com.pl

ul. Kasprowiczka 1

10-219 Olsztyn

Tel. +48 89 535-0241

Fax +48 89 535-9002

wmsse@wmsse.com.pl

TECHNOLOGY PARKS

Technology parks are the most developed centers of innovation and entrepreneurship, whose main task is to support rising technology firms by providing technical infrastructure as well as giving substantive support.

What differentiates technology parks from one another is first and foremost the target group for offered services. The particular clients' characteristic traits also outline a specific range of the offer. The main services offered to clients of technology parks include: operational space suited to the needs of business and research enterprises; business and administrative services; business support services, such as consulting in all matters concerning financial, marketing, law, patent office, organizational and technological issues, services supporting innovation, services helping secure external financing for companies.

In practice, parks are displaying a large diversity in management and the range of services offered. This is mainly due to the environment in which they function. The regional economic factors, industrial traditions and the cultural entrepreneurship conditions exert significant influence on the manner and range of the parks' functioning. Many parks offer a couple or more specializations in the fields of: IT, energy-efficiency, biotechnology.

All Polish technology parks lead stable cooperation with regional academic centers. Many universities team up with them on a wide array of research projects. Among other things, many technology park firms have received national and international recognition in contests promoting the most active and most innovative companies.

AEROPOLIS Podkarpackie Science and Technology Park

Dominant sectors:
production/IT

Contact:
aeropolis.com.pl
ul. Szopena 51,
35-959 Rzeszów
Tel. +48 17 867-6210

Białystok Science and Technology Park

Dominant sectors:
IT/medicine

Contact:
bpnt.bialystok.pl
ul. Żurawia 71,
15-540 Białystok
Tel. +48 85 733-0052

Bydgoszcz Industry and Technology Park

Dominant sectors:
production/IT

Contact:
bppt.pl
ul. Bogdana
Raczkowskiego 11,
85-862, Bydgoszcz
Tel. +48 52 365-3310

Częstochowa Industry and Technology Park

Dominant sectors: WND

Contact:
czpp.com.pl
Al. Najświętszej Maryi
Panny 24/8,
42-202 Częstochowa
Tel. +48 34 360-5688

EkoPark Technology and Industry Park in Piekary Śląskie

Dominant sectors:
production

Contact:
ekopark.piekary.pl
ul. W. Roździeńskiego 38,
41-949 Piekary Śląskie
Tel. +48 32 289-0484

Elbląg Technology Park

Dominant sectors: produc-
tion/material services

Contact:
ept.umelblag.pl
ul. Sulimy 1,
82-300 Elbląg
Tel. +48 55 239-3467

Elk Science and Technology Park

Dominant sectors:
production

Contact:
technopark.elk.pl
ul. Piłsudskiego 5,
19-300 Elk
Tel. +48 87 732-6302

Euro-Centrum Science and Technology Park

Dominant sectors: WND

Contact:
euro-centrum.com.pl
ul. Ligocka 103
40-568
Katowice
Tel. 32 205-0092

Gdańsk Science and Technology Park

Dominant sectors:
IT/ medical production
and services

Contact:
gpnt.pl
ul. Trzy Lipy 3,
80-172 Gdańsk
Tel. +48 58 739-6114

Interior Technology Park

Dominant sectors:
production, IT, eko-friendly
technology

Contact:

www.parkinterior.pl
ul. Inżynierska 8
67-100 Nowa Sól
Tel. +48 68 411-4400

KGHM LETIA Legnica Technology Park SA

Dominant sectors:
non-material services/
production

Contact:

letia.pl
ul. Rycerska 24,
59-220 Legnica
Tel. +48 76 747-5440

Kielce Technology Park

Dominant sectors:
production/IT

Contact:

technopark.kielce.pl
ul. Olszewskiego 6
25-663 Kielce
Tel. +48 41 278-7200

Kraków Technology Park

Dominant sectors: IT

Contact:

kpt.krakow.pl
ul. Podole 60,
30-394 Kraków
Tel. +48 12 640-1940

Life Science Park

Dominant sectors:
medical and pharmaceuti-
cal production/research

Contact:

www.jci.pl
ul. Bobrzyńskiego 14
30-348 Kraków
Tel. +48 51 308-6206

Lower Silesian Park of Innovation and Science

Dominant sectors:
production/IT

Contact:

dpin.pl
ul. E.Kwiatkowskiego 4
52-326 Wrocław
Tel. +48 71 725-4041

Lower Silesian Technology Park

Dominant sectors:
mixed

Contact:

t-park.pl
ul. Szczawieńska 2
58-310 Szczawno-Zdrój
Tel. +48 74 648-0447

Lublin Science and Technology Park

Dominant sectors: WND

Contact:

lpnt.pl
ul. Dobrzańskiego 3,
20-262 Lublin
Tel. +48 81 534-6100

Łódź Regional Science and Technology Park

Dominant sectors:
IT/research and develop-
ment

Contact:

technopark.lodz.pl
ul. Dubois 114/118
93-465 Łódź
Tel. +48 42 684-4444

MMC Brainville Technology Park

Dominant sectors: WND

Contact:

brainville.pl
ul. Myśliwska 2
33-300 Nowy Sącz
Tel. +48 18 449-9463

Nobel Tower Center of Advanced Technologies

Dominant sectors:
medicine

Contact:

cztpoznan.pl
ul. Piątkowska 161
60-650, Poznań,
Tel. +48 61 842-5425

Olsztyn Science and Technology Park

Dominant sectors: WND

Contact:

parktechnologiczny.olsztyn.
eu
ul. Władysława
Trylińskiego 2
10-683 Olsztyn
Tel. +48 89 612-0500

Opole Science and Technology Park

Dominant sectors: WND

Contact:

opnt.pl
ul. Mikołajczyka 5
45-271 Opole
Tel. +48 607 080 129

Płock Industry and Technology Park SA

Dominant sectors:
production/IT

Contact:

www.pppt.pl
ul. Zglenickiego 42
09-411 Płock
Tel. +48 24 364-0350

Poland-East Science and Technology Park in Suwałki

Dominant sectors: IT/
material services

Contact:

park.suwalki.pl
ul. Innowacyjna 1
16-400 Suwałki
Tel. +48 87 562-8477

Pomerania Science and Technology Park

Dominant sectors: IT/bio-technology/creative industry

Contact:

ppnt.pl
Al. Zwycięstwa 96/98
81-451 Gdynia
Tel. +48 58 735-1140

Poznań Science and Technology Park – Adam Mickiewicz University Foundation

Dominant sectors: IT/research and development

Contact:

ppnt.poznan.pl
ul. Rubież 46
61-612 Poznań
Tel. +48 61 827-9742

Poznań Technology and Industry Park

Dominant sectors: IT/ mixed

Contact:

pptp.pl
ul. 28 Czerwca 1956 nr 406
61-441 Poznań
Tel. +48 61 673-4543

Puławy Science and Technology Park

Dominant sectors: production/research and development

Contact:

ppnt.pulawy.pl
Mościckiego 1
24-100 Puławy
Tel. +48 81 464-6316

Science and Technology Park - University of Zielona Góra

Dominant sectors: IT/research and development

Contact:

www.pnt.uz.zgora.pl
ul. Syrkiewicza 6
68-002 Nowy Kisielin
Tel. +48 68 328-2111

Silesian Industry and Technology Park

Dominant sectors: IT/production

Contact:

sppt.pl
ul. Szyb Walentyny 26
41-700 Ruda Śląska
Tel. +48 32 789-5101

Sosnowiec Science and Technology Park

Dominant sectors: produkcja/ICT

Contact:

spnt.sosnowiec.pl
ul. Wojska Polskiego 8-8A
41-208 Sosnowiec
Tel. +48 32 778-9100

Szczecin Science and Technology Park

Dominant sectors: IT

Contact:

www.spnt.pl
ul. Niemierzyńska 17A
71-412 Szczecin
Tel. +48 91 852-2911

Technology Park

Dominant sectors: WND

Contact:

pt.koszalin.pl
ul. Partyzanów 17
75-411 Koszalin
Tel. +48 94 316-7910

TECHNOPARK GLIWICE Science and Technology Park

Dominant sectors: IT/research and development

Contact:

www.technopark.gliwice.pl
ul. Konarskiego 18C
44-100 Gliwice
Tel. +48 32 335-8500

Toruń Technology Park

Dominant sectors: IT, electronic sector

Contact:

www.technopark.org.pl
ul. Włocławska 167
87-100 Toruń
Tel. +48 56 621-0421

Wrocław Technology Park

Dominant sectors: IT/research and development

Contact:

technologpark.pl
ul. Muchoborska 18
54-424 Wrocław
Tel. +48 71 798-5800

PARTNERS

STRATEGIC PARTNERS



The Polish Information and Foreign Investment Agency (PAIIZ),

helps investors to enter the Polish market and find the best ways to utilize the possibilities available to them. We guide investors through all the essential administrative and legal

procedures that are involved in a project; we also support firms that are already active in Poland. We provide rapid access to complex information relating to legal and business matters regarding investments.

We help in finding the appropriate partners and suppliers, and assist in identifying new locations. PAIIZ also supports Polish companies in their expansion on foreign markets.

PAIIZ's mission is also to create a positive image of Poland across the world, promoting Polish goods and services.

Contact:

paiz.gov.pl

ul. Bagatela 12, 00-585 Warsaw

@ invest@paiz.gov.pl



Building a better working world

EY is a global leader in assurance, tax, transaction and advisory services. The insight and quality services we deliver help build trust and confidence in the capital markets and in economies the world over. We develop outstanding leaders who work to deliver on our promises to all of our stake-

holders. In doing so, we play a critical role in building a better working world for our employees, for our clients and for our communities. Our tax advisors help clients to minimize tax burdens while observing all legal regulations. We offer the following services: International tax; VAT, customs and excise; Corporate profits tax; Personal income tax and payroll – Human Capital; Social security; Investment strategies; Transfer pricing;

Litigation; and Financial Solutions.

The Grants and Incentives Advisory Services Department, co-operating with the Global Incentive Advisor of EY, advises which EU funds are available and helps in the process of applying for financial support; Supports entrepreneurs in negotiations of terms and conditions for public funds granted by institutions of central and self-government administration.

Contact:

ey.com/pl

Rondo ONZ 1

00-124 Warsaw

☎ + 48 22 557-7000

@ ey@pl.ey.com



LEWIATAN

Polish Confederation Lewiatan

is the most influential Polish business organization representing employers' interests in Poland and the EU. It is the only Polish employers' organization with an office in Brussels, an has been in operation since 2001. Lewiatan is also a mem-

ber of Businesseurope, an organization representing European employers' interests [41 business organizations from 35 countries, associating companies which employ 120 million workers].

Lewiatan's aim is to support companies' development. Lewiatan strives for stable economic growth, better legislation, healthy competition, more jobs and reinforced social capital. It associates 4,100 companies, which employ 1,050,000 workers.

Contact:

konfederacjalewiatan.pl

ul. Zbyszka Cybulskiego 3

00-727 Warsaw

☎ +48 22 559-9900

@ lewiatan@konfederacjalewiatan.pl



The Polish Chamber of Commerce of Importers, Exporters and Cooperation

has been representing the interest of Polish and foreign companies from various industries for more than 20 years. The Chamber supports the development of its members

by providing information, consultancy and training concerning all aspects of business activity. Special focus is concentrated on support of the growth of international cooperation, export and import, assistance to domestic and foreign investors as well as

finding business partners in domestically and abroad. The territorial coverage of the Chamber's operations expands to all continents. The Chamber provides comprehensive information on the availability and utilization of European Union funds for entrepreneurs.

Contact:

pcc.org.pl

Plac Wolności 18

61-739 Poznań

☎ +48 61 851-7848

@ izba@pcc.org.pl

Business Centre Club

Business Centre Club was founded at the end of the 20th century, in 1991. BCC is a elite business club and the biggest private employer organization in Poland. BCC affiliates over 2,000 members including entrepreneurs and companies. BCC members, representing almost 250 towns and cities, assemble in 23 regional lodges all over the country. BCC gathers representatives of all business branches, international corporations, financial and insurance institutions, telecoms, the biggest producers in Poland, universities, publishing houses and reputable law firms. BCC also affiliates lawyers, journalists, scientists, physicians, servicemen and students. All

Polish Presidents and Prime Ministers to date have consulted with BCC members. BCC is an international organization, a member of the European Economic and Social Committee, and an opinion-making institution of the European Committee in Brussels.

Contact:

bcc.org.pl

Plac Żelaznej Bramy 10,
00-136 Warsaw

☎ +48 22 625-3037

@ biuro@bcc.org.pl



**Deutsch-Polnische
Industrie- und Handelskammer**
Polsko-Niemiecka Izba
Przemysłowo-Handlowa

The German-Polish Chamber of Commerce, founded in 1995 and now the biggest Chamber of Commerce in Poland (1,000 member companies), supports bilateral business ties and provides a range of services for German and Polish companies. It's first task is to foster the bilateral business partnerships of both countries, in particular: to inform potential investors about opportunities in the neighboring country by publishing key facts, attending trade fairs, organizing more than 200 annual networking

events and accompanying German and Polish investors on visits to Poland/Germany.

Contact:

ahk.pl

ul. Miodowa 14, 00-246 Warszawa

☎ +48 22 531-0500

☎ +48 22 531-0600

@ info@ahk.pl

Regional Offices: Wrocław: wroclaw@ahk.pl,

Poznań: poznan@ahk.pl,

Katowice: katowice@ahk.pl



The British Polish Chamber of Commerce

has been networking and building business relationships in Poland since the early days of the market economy. Today we reach out across Poland and the UK promoting the best of

each country. Our executive team works with you to support your business growth. Partnership and networking is at the very heart of what we do. Whether you are a large global corporation, or a small com-

pany employing a few people, if you're doing business between Poland and the UK, we want to speak with you. In recent years, we have been recognized as the best British Chamber in continental Europe no fewer than four times by COBCOE, a network of over 10,000 businesses in over 30 European countries. Joining us enables you to network and grow your business in Poland, one of Europe's highest growth potential economies.

Contact:

www.bpcc.org.pl

ul. Zielna 37, 00-108 Warsaw

@ info@bpcc.org.pl



The Italian Chamber of Commerce and Industry in Poland (CCIIP) is an

independent associa-

tion of employers operating in the Polish market. The Chamber, founded in 1996, represents Italian investors in Poland. However, membership is also open to Polish capital companies.

On January 27, 2015, by Decree of the Italian Minister of Economic Development, our association was recognized as an official Italian Chamber of Commerce abroad. Our objectives are to promote the Italian system in Poland, support the economic growth of associated companies and represent our members in front of local authorities, Polish and Italian institutions and associations.

Our Chamber is headquartered in Warsaw with a branch in Katowice and it is finalizing a partnership for

Poznań and Wrocław.

Contact:

ul. Pańska 98/9
00-837 Warsaw
☎ +48 22 621-9959
@ sekretariat@cciip.pl

Katowice
ul. Mickiewicza 29
40-085 Katowice
☎ +48 32 207-2316
@ katowice@cciip.pl

Wrocław
ul. Szewska 5
50-053 Wrocław
@ wroclaw@cciip.pl



**POLISH BUSINESS
AND INNOVATION
CENTERS ASSOCIATION**

The Polish Business and Innovation Centers Association in Poland (PBICA) was established

in 1992. At PBICA there are over 150 individual members and supporting members, which represent innovation and entrepreneurship centers as well as other institutions operating in the field of entrepreneurship promotion and regional development. The Association functions as a coordinating and inspiring network for people and organizations supporting entrepreneurship, innovation and regional development. The Association is in permanent working contact with

over 800 innovation and entrepreneurship centers, including a large number of parks and technology incubators, technology transfer centers, business incubators, loan funds, and training and consultancy centers. The Association and its members participate in the functioning of many international organizations supporting the development of entrepreneurship and institutions connected with business.

Contact:

sooipp.org.pl
ul. Rubież 46, 6-612 Poznań
☎ +48 22 465-8416
☎ +48 503-075-167
@ biuro@sooipp.org.pl



The French-Polish Chamber of Commerce and Industry (CCIFP)

is an employers' association bring-

ing together over 460 French and Polish firms. For 22 years CCIFP has been working for the interests of Polish and French investors by acting as a platform for networking and for the exchange of business experiences and best practices between companies.

Last year, CCIFP organized around 100 events such as business mixers, conferences, seminars, meetings with influential politicians and economists, in total gathering nearly 6,000 participants.

Contact:

ccifp.pl
ul. Widok 8, 00-023 Warsaw
☎ +48 22 696-7580
☎ +48 22 696-7590
@ ccifp@ccifp.pl

PARTNERS

INDUSTRY PARTNERS



S&T Services Polska Sp. z o. o. offers services in consulting, designing, and implementing IT systems, outsourcing and

24/7/365 support for customers in the following sectors: public administration, banking and insurance, distribution, education, retail, public services, industry, and scientific research units. In each of these areas, S&T provides teams of highly qualified experts at the stage of preparing offers and suggesting solutions and producers, as well as at the stage of solution implementation and its later maintenance.

By choosing S&T Services Polska as a business partner, our customers can be certain of having selected the most adequate technology and producer, together with access to a broad range of products designed by S&T and its technology partners. S&T Services Polska is a group company of S&T AG, with headquarters in Linz.

Contact:
www.snt.pl

ul. Postępu 21 D, 02-676 Warsaw

☎ +48 22 535-9500

✉ +48 22 535-9597

@ info@snt.pl



Tacit Investment is an experienced investor with a strong capital position, which has been operating on the real estate market in Poland for many years. It is a pioneer on the luxury real estate market in Poland. By creating new product categories and implementing the highest quality projects

in its class, it has set the tone for discussions about the future of the top-class real estate market in Poland. Tacit Investment's flagship project is the apartment building Cosmopolitan Twarda 4, which was completed in 2014, erected in the heart of the capital, adjacent to the peaceful Grzybowski Square. This 44-storey, fully-glazed apartment building brings an element of modernity to a historic space that is famous for such contrast. It is the first investment of this type in Warsaw, thus creating a completely new

category of apartment buildings in Poland. Tacit Investment is also the owner of Park Lane, a unique, cozy residence building for the most demanding customers, situated in a prestigious location in the immediate vicinity of Łazienki Park on ul. Podchorążych. It is a detached eight-storey building with an underground level, with twelve spacious, luxury apartments finished to the highest standards. Tacit Investment's projects include other well-known buildings in Warsaw, such as the Rialto Hotel, the Sinnet exclusive sports and recreation club, the Sound & More recording studio and an office building on ul. Karowa.

Contact:
tacit.com.pl

ul. Twarda 4
00-105 Warsaw

☎ +48 22 213-5000



Grupa PZU is the leader in the insurance market in Poland and one of the largest and fastest-growing financial institutions in Central and Eastern Europe. Grupa PZU currently protects more than 16 million clients in Poland. The company has almost 300 general, life and other per-

sonal insurance products on offer. PZU experts also run pension funds, investment funds and savings programs for companies and individual clients.

Contact:
www.pzu.pl

AL. Jana Pawła II 24, 00-133 Warsaw

☎ +48 22 582-2000

@ kontakt@pzu.pl

INDUSTRIAL & LOGISTICS AGENCY CUSHMAN & WAKEFIELD

Cushman & Wakefield is a leader in the global real estate marketplace, putting the client at the center of everything we do.

We lead the real estate industry with the best talent, the best clients and the best results.

If you are looking for production, logistics or warehouse space in Poland contact us:

Phone: +48 22 820 20 50

E-mail: poland.industrial@cushwake.com

industrial.pl



**CUSHMAN &
WAKEFIELD**

AIRFREIGHT

Kuehne + Nagel, providing global logistics solutions for Your business



SEAFREIGHT



OVERLAND



CONTRACT LOGISTICS



INTEGRATED LOGISTICS

www.kuehne-nagel.pl

KUEHNE+NAGEL

