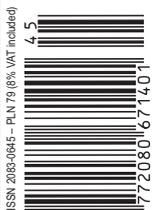


Investing in Poland

- * voivodships
- * special economic zones
- * technology parks

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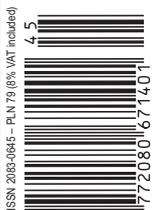
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On the right path



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

Each year, at the Warsaw Business Journal Group, we publish the Investing in Poland annual (this year being the sixth edition). We do it because we believe that Poland is a great place for investment for numerous reasons listed below. We publish this annual for anyone who is interested in investing here and is looking for some additional information and for those on the fence about doing so. We hope that with all the data and analysis we will be able to convince you that Poland is the right place to be.

When it comes to the economy, 2014 can be divided into two halves. During the first one, every economist was constantly upgrading Polish GDP growth forecasts, but when they reached a 3.5 percent threshold, the crisis in Ukraine prompted everyone to revise their estimates. With Poland exporting nearly 10 percent of its goods and services to Russia and Ukraine, the situation in the east has had a significant impact on the country's economy. This, along with other factors like deflation, sovereign debt, has made economists and even the ministry of economy slash their earlier forecasts. Currently, the government estimates that this year's GDP will grow by 3.3 percent, while next year, it will reach a 3.5 percent growth. While those figures are not as good as the ones quoted at the beginning of the year, they're still far better than the 1.6 percent growth observed in 2013.

But not only recent macroeconomic figures are working in Poland's favor. The biggest CEE economy has always been an attractive place for foreign investments; it has a big internal market

with strong demand and solid consumption. Its central location, perfect for logistics investment, prompted Amazon to move its hub here, even though the company doesn't have a Polish version of their store yet. Competitive wages and a highly-skilled labor force are always something the investors are looking for as well.

Poland has also benefited greatly from joining the EU. In the 2007-2013 financial framework the country received €68 billion, while in the current 2014-2020 budget Warsaw will receive €105.8 billion. This makes Poland the biggest EU fund beneficiary among all the member states.

So far, Poland has stood out among its CEE peers in terms of foreign direct investments (FDI). According to UNCTAD's Internet database, foreign direct investments inflow to Poland totaled some \$94.9 billion between 2006 and 2011 and was the highest in the region, with the Czech Republic ranking second with some \$36.8 billion in FDI.

On the following pages, you'll find the whole picture of the Polish investment landscape. Full profiles of Poland's 16 voivodships and its major cities with the most crucial information regarding local infrastructure and contact information. We also profile all of the Poland's Special Economic Zones and list all of Poland's major technology parks.

What's 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, responsible for a number of Poland's most-trusted English-language publications and our partners, who helped us with their knowledge and experience.

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Hertz

THE GOLDEN AGE of foreign investment in Poland

This year, we celebrate a special moment in Polish history and in **the history of investing in Poland**



● ● ● ●
**Stawomir
Majman
President of
the Polish
Information
and Foreign
Investment
Agency**

Twenty-five years ago, Poland started on the path of a peaceful process of political and economic transformation. Just a few years later, in 1996, the country became a full member of the OECD and in 1999, it joined NATO. Ten years ago, in 2004, Poland became a Member State of the European Union. By reaching these milestones, Poland improved its international credibility. Now, we are a part of an independent, democratic world and a free-market country with great interest among investors.

Stability and consistency are the traits that attract investors to Poland. Whatever the political constellation throughout these 25 years, all governments have shared the same strategy of open doors to foreign capital. This strategy has turned out to be a great success. The value of foreign direct investment in Poland has grown from \$109 million in 1990 to the impressive \$250 billion that we are seeing now. Poland has become the undisputed number one investment location in Central and Eastern Europe, and also a major foreign investment player in Europe.

In the recent EY "European Attractiveness survey," the country was defined as the "investment magnet" of the region by overtaking the Czech Republic, Romania, Hungary, Ukraine and Turkey and leaving all neighbors far behind. Moreover, in this year's AHK - German Chambers of Commerce report, Poland has maintained the leading position in the CEE region for the second time in a row. Poland also competes with major European powers. According to the latest UNCTAD survey, the country is the fifth most attractive destination for foreign investments in Europe and sixth in terms of the total value of FDI. In some cases, such as BPO investments, Poland plays on the global level. Since a few years ago, Kraków has been placed by Tholon's among the world's top ten outsourcing destinations.

There is no doubt that the position of Poland as one of the European front-runners of investment attractiveness rankings will be strong and long-lasting as investors operating in Poland are satisfied with doing business here. A significant number of companies who have been in Poland for a long period of time, have made a decision to reinvest their capital in the country. Reinvestment rate is another crucial index of a country's attractiveness. Poland has one of the highest rates of reinvestment in the EU. For instance, 80 percent of German investment projects consummated in Poland are reinvestments. Forty-one percent of FDI projects supported by PAIIZ between 2010-2013 derive from reinvested capital. Their total value has reached €2.3 billion. It is also worth mentioning that according to surveys provided in recent months to foreign investors from the US, France and Germany, they not only consider reinvesting money in Poland, but they also encourage other companies from their countries to establish business here. Thus, Poland's image as an investment safe haven is spreading all over Europe.

The engine of growth

For two decades, foreign companies have played one of the most significant roles in shaping the economic success of Poland, especially in helping Poland on its way to a knowledge-based economy. Also, thanks to foreign capital, Poland has developed a sector specialization.

For the last two decades, PAIIZ has observed a significant shift in the profile of incoming foreign investors to Poland. Twenty years ago, the country attracted mainly investors representing a typical production profile. The economic and social development supported by foreign capital and the inflow of technology and know-how have impacted the growing interest of investors and resulted in the establishment of more sophisticated projects in Poland. Now, the country is a local hub of advanced services such as BPO, R&D and ICT and an industrial production center of highly engineered components for automotive and aviation industries and yacht manufacturing. The trend towards service projects is reflected in the portfolio of investments supported by the Agency. About 60 percent of PAIIZ investment projects represent the service sector and about 30 percent are generated by the production industry. From the perspective of the Polish economy, both types of projects are important. A number of new jobs generated by the service sector is two times bigger than employment generated by the production sector. On the other hand, high-tech factories and plants invest more money in Poland than companies providing various types of services.

Investment golden age

Not only foreign investors, but also foreign newspapers, appreciate Polish attractiveness and admire the achievements of the Polish economy. Just a few months ago, *the Economist* wrote about the "Golden Age of Poland" and the currently strong condition of the Polish economy. This is a fact. In terms of investments, this is a very special moment in the history of FDI in the country – the time of the most spectacular projects of the decade. At the beginning of 2014, PAIIZ together with Volkswagen successfully completed the biggest, in terms of value, investment project of the last ten years. It is also expected to be the most significant investment of the year in terms of the number of new jobs created. Under the €800 million agreement, Volkswagen will establish a van production facility near Poznań. Moreover, last year Amazon completed, together with PAIIZ, the biggest foreign investment project of the last decade in terms of new job creation. The American giant has already started employing staff and plans to create up to 9,000 new jobs in its three new fulfilment centers located near Poznań and Wrocław. Thanks to such investments, the number of new jobs created with the support of PAIIZ in 2013 reached 13,862. Which is an increase of almost 90 percent year-on-year! That result allowed Poland to gain the third position in Europe for new job creation in 2013, trailing only Great Britain and France. It is also worth adding, that an average foreign investment in Poland delivers about 130 new jobs to our country.

The Polish Information and Foreign Investment Agency has had the honor of assisting foreign investors as they contribute to the growth of the Polish economy by supporting, most importantly, projects vital to the nation. PAIIZ hopes that foreign companies will take part in the creation of a new chapter of the Polish economic story – the high-tech reindustrialization of Poland. It is worth to be here. Poland has a lot to offer: excellent quality of human capital, great location and well-tailored investment incentives along with public assistance including the access to an impressive €82.5 billion fund under the EU 2014-2020 budget.



POLAND'S investment climate

Despite rising labor costs, **Poland continues to be an attractive investment destination**, mainly due to its favorable macroeconomic outlook, as well as growing productivity and rapidly developing infrastructure



● ● ● ●
Beata Tylman,
Director,
State Aid
Team at PwC

Mateusz Walewski,
Senior
Economist
at PwC

According to Eurostat data, Poland's GDP grew by 1.7 percent in 2013, which was one of the highest growth rates among EU countries. The expected growth rate of 3 to 3.5 percent in 2014 once again makes Poland one of the growth leaders in the EU.

Despite an unfavorable global situation, Poland's economic development forecasts are optimistic. According to the International Monetary Fund, Poland will grow at an average annual pace of 3.5 percent between 2015 and 2019, while the average rate for the European Union is seen at 1.8 percent. This means Poland will keep its position as a growth leader also in the coming years.

Fiscal and monetary policy

Poland's economic indicators and forecasts continue to be optimistic despite the continuing crisis. They are the product of the country's favorable investment climate and responsible macroeco-

omic policy. The primary goal of the fiscal policy is keeping public debt below the constitutional limit of 60 percent which is achieved through a gradual reduction of the budget deficit. In 2013, public debt in Poland stood at 57 percent, which is significantly below the EU average of 87 percent. Meanwhile, the budget deficit decreased to 4.3 percent in 2013 compared to 7.8 percent in 2010.

The policy of the central bank, careful and often criticized for being too conservative, does not limit the economy's growth potential. The GDP growth figures attest to that. On the other hand, it does foster macroeconomic stability, as evidenced by the very low inflation (0.8 percent in 2013) and the improving current account balance, which in 2013 reached a record low deficit level in the history of the Polish market economy – 1.8 percent of the GDP. Importantly, the drop in the current account deficit is not the result of lower economic activity in the country, but largely due to continually growing exports, which in 2013 increased by 5.9 percent.

Growth factors

Several factors contribute to the unquestionable competitiveness of the Polish economy, including unlimited access to European markets for manufacturers in Poland. The labor costs in Poland, despite a marked growth trend, are still significantly lower than in Western European countries. More importantly, the increase in labor costs follows growth in labor productivity, which helps

maintain a high level of competitiveness of the Polish workforce. Another important factor that has helped Poland remain competitive is the floating exchange rate. Before 2008, the exchange rate stood at EUR/PLN 3.20. As of September 2014, it is around EUR/PLN 4.16. It is hard to overestimate the impact of these changes on companies manufacturing in Poland and their competitiveness on the European market.

It is also important to remember that Poland, apart from export competitiveness, offers a large and developing internal market for potential investors, which sets it apart from other Central and Eastern European countries. The ratio of exports to the domestic demand in Poland is at some 50 percent, while in countries such as the Czech Republic, Slovakia and Hungary, it exceeds 75 percent.

The good condition of the financial sector is also an important stabilizing factor for the economic environment. Polish banks have proven resistant to the financial crisis. Polish companies and households have a far lower level of indebtedness compared to the average debt levels in the EU. This will enable Polish banks to increase their credit activity as the global sentiment improves.

Poland has long been seen as a country with very weak infrastructure for transport and telecommunications. The highway network and broadband internet accessibility are far below the EU average. However, the influx of capital between 2007 and 2013 from the EU has allowed a rapid development of the express road network. Over the course of seven years (2007-2013), as much as 1,500 km of new highways and express roads were built, which increased their total length by 150 percent.

Poland is not without problems which make doing business here more difficult. The inefficiency of the court system and the changeable and complicated tax law are the main causes of Poland's relatively low position in the World Bank's Doing Business ranking. The situation may improve however. Simplifying the tax law is one of the main goals on the Ministry of Finance's agenda.

Still, the obvious institutional weaknesses cannot undermine Poland's favorable investment climate entirely. Strong macroeconomic foundations, a competitive and flexible labor market, combined with a large and growing internal market, stability of the financial sector and a rapidly developing infrastructure make Poland an attractive investment destination. What makes it even

more interesting is the significant public support that investors can count on.

Public support for investors

Poland's investment attractiveness is increased by the various forms of subsidies and tax incentives available to investors. As the biggest beneficiary of the EU cohesion policy, the country will receive over €82 billion in 2014-2020. The funds will be distributed through central as well as 16 regional programs, targeting specific needs of each of the country's voivodships. Sizable funds will be earmarked for entrepreneur support. The main types of projects that can count on financial support will be research and development, including piloting and demonstration programs, the development and creation of R&D centers, projects involving the commercialization of innovations resulting from R&D projects, investments in the development of small and medium-sized enterprises as well as investments promoting environmental protection. The first competitions are expected in the first half of 2015.

Apart from the above incentives, Poland has 14 special economic zones which provide tax exemptions for new investment projects. SEZs offer land that the investor can purchase, while larger projects can also extend to private land chosen by the investor. The level of tax exemptions hinges on the enterprise's qualified costs and stands between 15 and 70 percent depending on the investment location and the enterprise's size.

While carrying out an investment project, entrepreneurs can also apply for property tax exemptions, which are granted by the local municipality. This form of investment support is contingent on whether the Municipality Council in the specific location has adopted a relevant resolution. However, the various sources of financial support are cumulative and their total cannot exceed maximum thresholds allowed by relevant provisions.

It's worth mentioning that Poland also offers government grants. In case of major investments (of at least PLN 500 million and creating 500 new jobs or at least PLN 750 million and 200 jobs) and investments carried out in priority sectors, that is automotive, home appliances and electronics, aviation, biotechnology, agriculture and food processing, modern services, as well as R&D; the investor can receive non-repayable financial contributions of between PLN 3,200 and PLN 15,600 for each new job created and/or between 2 percent and 12.5 percent of the investment's qualified costs (e.g. of structures and machines). The final size of the grant depends on the assessment of the project's specific parameters.

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● ● ● ●
Hubert Sommerrey,
Managing Partner,
Sommerrey & Furmaga
Kancelaria Radców Prawnych
Spółka partnerska

State-of-the-art technologies enter almost every domain of life, including the operations of law firms. The efficient functioning of a company, law firm included, requires the skill of using technological advances and a departure from the traditional image of a lawyer sitting

at a huge desk covered with piles of documents.

The possibilities offered by IT can be successfully applied in such a seemingly “analogue” discipline as the lawyer’s profession. This is perfectly demonstrated by the example of Sommerrey & Furmaga, where we implement innovative technological solutions which enhance the day-to-day operations of our law firm along with collaboration with our partners, irrespective of their seat.

One of the solutions favourably influencing the operations of a modern law firm includes a Documents Management System (DMS). Documents are assigned to individual court cases, bear numbers and have indicated specifications, which facilitate the search process. Thanks to this system, both a law firm employee working in the office on an everyday basis, and a partner having an office in a different city, have access to the documents, directly from their computers. This solution, supplemented with certified electronic signatures, allows digital document and correspondence flow among partners to be faster and less expensive than through conventional post.

Thanks to IT solutions, in departure from the concept of permanent teams, it is possible to provide comprehensive customer service in collaboration with accountancy firms, tax advisors or other law firms from different cities. Project management and client payment management software is very helpful in this respect. Each project has its own manager who uses the system in order to select the project team and assign tasks, supervise the deadlines and costs, and run his own and his team’s work hours log, which constitutes the basis for settling the project with the client. With telecommunication solutions, the team members do not need to be present in one place. The most important aspect is that the partners do not need to invest in the information infrastructure. The only requirement is a computer with an Internet connection, adequately configured and connected to the server, granting our partners access to the legal information system. Those tools lead to the improved operational efficiency of the law firm.

A modern law firm has to operate just like any other company. The adoption of diverse IT solutions, which facilitate work and collaboration with other law firms on a partnership basis, result in tangible benefits. Assignments are completed in a shorter time, partners receive complete tools for teleworking and supervision of an assignment’s implementation. The costs for the law firm and its partners are substantially lower. The most important fact is that a partnership among entities providing legal services allows the complex handling of even the largest clients of trans-regional scope.

We should not be afraid to invest in innovation. It is worth it.



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TRENDBOOK

P O L A N D

In this year's Trendbook, we've selected eight trends which, for various reasons, identify sectors worth looking at in the upcoming months.

We start with defense, as with the current geopolitical situation in the east of Poland and last year's decision by the government to increase military spending to 2 percent of GDP, the sector has become very important. A number of the biggest international arms producers are in the running for many multi-million zloty contracts. Most of them either have or are planning investments in Poland as it increases their chances for winning the tenders.

Next up is IT, which has a long tradition in Poland. From dial-up modems to LTE networks, the country has come a long way. Homegrown talent is being snapped up by international giants. Polish start-ups are getting a foothold in Silicon Valley. More and more Polish companies are going global. This is definitely a sector worth looking at.

For years, the BPO sector has been thriving in Poland, since the country has a virtually unlimited pool of highly-qualified workers who speak various languages and could work for companies of their western counterparts. But the BPO sector has been a double-edged sword, as most of the jobs have been low-level without much potential for advancement and career building. Some were starting to call Poland "Europe's India," where thousands of young people work in call centers. This is starting to change as more cities are making efforts to attract innovative and high-tech investments, including R&D and financial services.

Just like with last year's edition, we take a look at the energy sector. In 2013, we had a look at coal and how it will stay the dominant source of energy for years to come. Since this has not changed

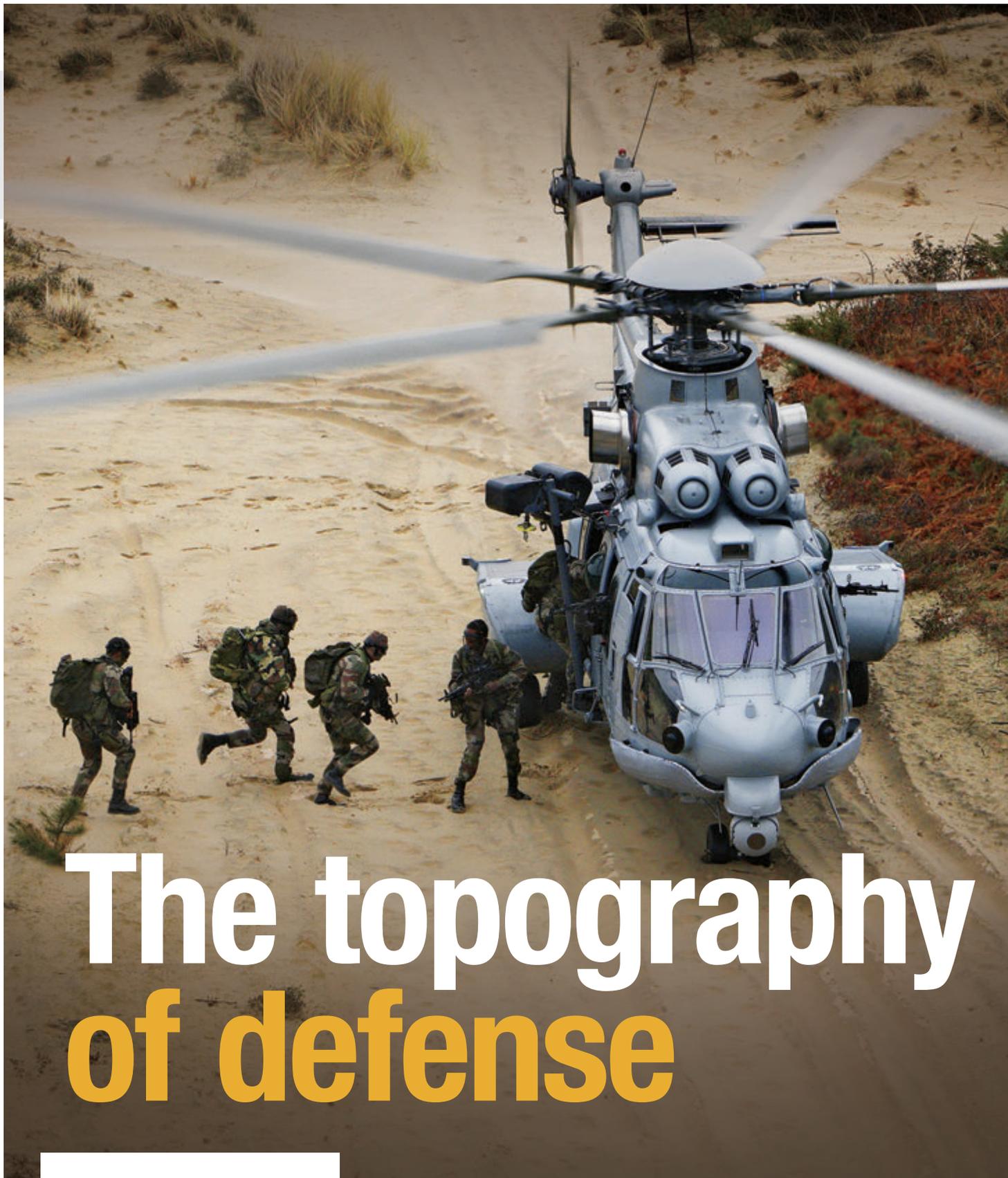
over the course of the last 12 months, we decided that instead of repeating last year's story, we should take a look at the other spectrum of the energy mix – renewables. Solar and wind energy has been dismissed by many in Poland as an alternative to fossil fuel because of its high cost. But with the EU's push to curb CO2 emissions and various subsidies for renewable energy, it might be a profitable alternative.

The real estate sector continues to recover from the crisis it suffered a few years ago. The office and retail sectors are recording continuous growth, while the logistics sector is booming with huge warehouses being constructed for such worldwide giants as Amazon.

Connected with the real estate sector is infrastructure. The first huge wave of such investments ended with the Euro 2012 football championship, where a number roads, highways, stadiums, railroads and other schemes have been completed. But with another tranche of EU funds coming our way and the Polish government pumping state-money (through the Polskie Inwestycje Rozwojowe SPV) into various infrastructure projects, more and more such projects will be developed in the near future.

The Polish chemical industry has also gone a long way in the last 25 years. The biggest Polish companies have consolidated their efforts and thanks to this they have a significant amount of funds available for investments, both domestically and internationally. With the right partner, the sector has great potential to become a European powerhouse.

These are only a few sectors that are worth looking at. That's why we've prepared a thorough analysis of all of them hoping that they will help you make the best-informed decision about your business in Poland. The possibilities are endless.



The topography of defense

Charting Poland's major defense tenders, cooperation with foreign producers and consolidation of its defense industry

BY MATTHEW CZAJA

Once more this year, the sleepy town of Kielce hosted Central and Eastern Europe's largest defence industry expo. Among the visitors, 500 companies and representatives of 30 nations were present. The Polish Ministry of Defence's investment plans have taken center stage in Kielce. Large tenders for helicopters, missile defense systems or submarines have prompted many producers to

Poland's former membership in the Warsaw Pact has left it with a legacy of heavy-industry manufacturing facilities, which have either re-structured operations or simply closed up shop. This is not necessarily the case with defense sector plants – many of these are operational and competing for foreign contracts. Maciej Ługowski, a writer with *Armia* monthly said, "Polish-built military equipment

However valuable it may be, the Polish defense industry has been operating in a disorganized and dispersed manner, until now. Under the guise of a united Polish Armament Group (PZG), about forty companies will come together and operate under one umbrella. This is bound to streamline R&D and strengthen Polish manufacturers' chances for foreign contracts. It remains to be seen how the new group will manage to coordinate so many different companies' finances and administration departments.

as well as the development of the Polish defense industry and education. We are interested in Polish firms having a stake in this, in Polonization of a given product and the transfer of technology," exclaimed Mroczek.

Bronisław Komorowski, the Polish president, supports the idea but wishes to provide the army with the newest technology (drones, cyber weapons and satellite espionage). The ministry, however, would rather focus on trusted hardware. Either way, the consolidation, as it did in other countries, will result in coordinated defense research, development and production. Currently, each company entering the group has its own financial structures and often overlapped on existing development and tender offers. If they manage to tie loose ends together, the group may be an attractive player on the market.

Helicopter Made in Poland?

In last year's Investing in Poland we talked about the Polish Aviation Valley, a region in the southeast of the country, home to many aircraft and avionics manufacturing plants. Companies with many years of tradition in avionics are host to investors like Sikorski Aircraft, August Westland, Avio, Airbus, Goodrich, Hamilton Sundstrand, Hispano-Suiza, MTU Aero Engines, Pratt & Whitney and VAC aero.

Funds are secured

The Polish government is working legislatively to increase military spending up to 2 percent of the GDP, which is relatively high for a European country. The new law gives more flexibility to the budget - the percentage is calculated as an average over the years, so the authorities can spend more when needed. Currently, the state is obliged to spend 1.95 percent of the GDP each year on defense. "The budget increase will help us reach our modernization goals for certain projects by the 2022 deadline," said Czesław Mroczek, Secretary of State in the Ministry of National Defence.

The Polish Ministry of Defence does not wish to spend the money on a fixed program, but includes it in the army modernization budget. "The goal of modernization of the armed forces is the delivery of modern armaments to the military,

show their wares. On the other hand, instability beyond Poland's eastern borders has motivated the country's leadership to increase military spending and speed up the purchase of new equipment.

is considered to be good-to-average quality, but relatively inexpensive," which makes it a catch for countries who want to strengthen their corps but not pay an arm and a leg for it.



"The consolidation will result in coordinated defense research, development and production."



The Polish government is counting on a successful merger of defense industry firms







“Polish-built military equipment is considered to be good-to-average quality, but relatively inexpensive”

Maciej Ługowski talks about the strength of the Polish avionics industry, “Poland still manufactures the ‘Sokół’ helicopter, a modern machine used for military, transport and medicine purposes. Furthermore, Polish factories produce Pratt & Whitney engine parts, fuselage or doors for Airbus commercial planes.”

This brings us to the two major helicopter tenders currently on the table. The first tender is for 70 multi-role machines worth \$3 billion and the main contestants in the tender are Sikorsky’s S-70i Black Hawk, Airbus’ Eurocopter EC725 Caracal and Agusta Westland AW149.

Besides the large multi-role helicopter contract, a new contract has been drawn up for attack helicopters. Attack helicopter candidates for the Polish Armed Forces include AgustaWestland AW129 Mangusta, its Turkish version T-129 ATAK, the newest version of Boeing’s Apache – AH-64E Guardian, and Airbus’ Tiger.

Airbus Group is not yet producing its helicopters in Poland, but a recent press release has claimed that the European industry giant is offering Poland a joint-venture. “The industrial presence of Airbus in Poland started in 2001 through the acquisition of PZL Okęcie. This facility is a leading manu-

facturer of aerostructures for the group,” said Sebastian Magadzio, President of Airbus in Poland. “The big procurement programs can act as a catalyst for our further development in Poland, but we are interested in organic growth,” Magadzio continued, also mentioning technology transfer to Poland as a benefit of Airbus’ offer. “Airbus was born through a combination of four different defense industries: French, German, Spanish and British. So the transfer of technology is in our DNA.”

The Italian-owned Agusta Westland is the owner of PZL-Świdnik which manufactures the AW149, the Sokół and avionics to a number of clients in the defense and commercial sectors. It employs 3,500 workers in its plant near Lublin. The AW149 is an attractive new model, but at the same time it is untried, pointed out Ługowski.

“Sikorsky’s Black Hawk is produced in Mielec and has 60 years of experience in helicopter development and continuous modernization. But, the question remains, how long will it serve?” Ługowski thus summed up the top competitors in the tenders. Sold by the Polish Industrial Development Agency in 2007, Sikorsky’s PZL-Mielec plant also produces other models for parent United Technologies.



Świdnik build AW 149 is one of the helicopters of interest of the Ministry of Defence

PLN 7.5 billion

THE VALUE OF A NAVAL TENDER FOR THREE SUBMARINES

Down the road

The Polish Navy is also searching for new partners. A naval tender for three submarines is set to cost about PLN 7.5 billion. In the running for the submarine contract were originally French DCNS, Spanish Navantia, German ThyssenKrupp Marine Systems GmbH and

Swedish Kockums in consortium with the government agency Forsvarets Materielverk.

The ministry is in “technical dialogue” with foreign shipyards. Although some question the need for a submarine purchase by Poland, both President Komorowski and the opposition leader Jarosław Kaczyński are



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Naval tenders call for the latest technology

in favor of increasing naval capability. The naval modernization program aims to launch two submarines by 2022 and a third by 2030.

Leading candidates for the contract are the French DCNS and German ThyssenKrupp. Politically for Poland, the German option is more attractive. Germany is Poland's biggest trade partner. Such a contract offers ongoing investments, as repairs, servicing, and rearmament are necessary down the road. Guided missiles will be part of the contract.

A worldwide naval giant from France is not resting though. Executive Vice President at DCNS Alain Fougeron spoke to us at the Kielce Expo, "DCNS is in talks with the Polish Ministry of Defence for a broad scope of services. This includes modernization of equipment, corvettes, patrol vessels and submarines. We believe that Poland should be a partner in the naval defense industry and

not only a customer."

DCNS has signed an agreement with the Mars Fund, a subsidiary of the Polish Armament Group that is in charge of shipyards. The deal will ensure that the French submarines are built, at least in part, in Poland. Other maintenance work will also take place in the Nauta shipyard in Gdynia.

"Poland will have complete autonomy in the subs' maintenance. This is a long term investment," continued Fougeron. "The cruise missile technology [that is part of the project] will be an important deterrent for Poland."

Summary

All things considered, the Polish Ministry of Defence is very keen on tying Polish defense spending with its own industry. The above mentioned contracts are just the tip of the iceberg. An integrated missile defense system is also waiting in the queue. On the home side, the new PZG group should consolidate existing industry firms into a well-oiled machine.

The Ministry of Defence's modernization plan is programmed to last 10 years. Some parts of it have already been completed, such as the purchase of 119 Leopard 2 tanks. While other European nations are cutting military spending, Poland has increased its spending in this area and hopes to have a modern military after the modernization program is completed.

GRAPHENE TO BE UTILIZED BY POLAND'S ARMED FORCES

Polish scientists have been searching for an application for graphene, a nanotechnology invention attributed to Polish academia. The development of graphene-based products may be possible with patronage from the defense industry. Indeed, the newly consolidated Polish Armament Group (PZG) has purchased a 51 percent stake in Nano Carbon, a company commercially producing graphene. Mining

giant KGHM owns the remainder of shares in Nano Carbon.

The military has already begun research on the potential uses of the material, including graphene-covered "nano-goggles," gas masks, combat helmets and armored fighting vehicles. Graphene is a one-dimensional hexagonal carbon structure, extremely thin and light but very sturdy and durable.

IGNORANCE breeds uncertainty



●●●●
**Michał
Zgajewski**
Director
of Sales
Department
Atende

In the light of various industry publications on outsourcing, from time to time a question comes to mind: is IT outsourcing a concept understood by all? To people within the industry, it surely is, but what about the rest of the market? To me, IT outsourcing is

the taking over of a part or the entirety of a client's IT operations, so that the company can focus on its core business, achieving at the same time a competitive advantage. But this is not necessarily clear to all clients.

My doubts are confirmed by the results of the latest TELKO Trendy 2014 report, which show that only 40 percent of Polish companies, mainly Warsaw-based firms, use IT outsourcing. Most often, they take advantage of outsourcing for servicing and maintenance of equipment, server management and LAN administration. What strikes the reader the most is the respondents' answers regarding IT outsourcing benefits. Although 20 percent of them pointed to convenience and 14 percent – security, the overwhelming majority – 40 percent of people surveyed – answered with: "I don't know, it's hard for me to say." Considering the wave of articles about IT outsourcing appearing in the media lately, as well as their authors' continuous reminders of the benefits, risks, and development possibilities; a question comes up: how is such ignorance possible?

From my own experience, I know that marketing and sales departments emphasize not just the technical aspects, but also the

business side of things when preparing an offer. More and more firms are paraphrasing the benefits so that the client will understand what he or she is buying and what they will get in return. We realize that not everyone is a technical expert and not everyone knows such terms as: "colocation," "scalability" or "SLA."

According to my observations, IT departments are developing organizational structures increasingly vigorously, thus becoming a meaningful unit in establishing a company's business model. The last CIO 2013 study, carried out globally by Deloitte, shows that over 42 percent of companies' finances are spent on change management and development. In Poland, the share of these expenses is just 30 percent. On the other hand, the remaining 15 percent is spent on transformation of business activity and reorganization. Specifically, the financial sector, which spends more money on these activities, oftentimes focusing on reorganization of its operational model, is very active. As much as 88 percent of surveyed companies answered that for them the priority is responding to new business needs, and in turn, digital strategy support through new technologies, such as mobile applications, cloud computing, social media or analytics. In the case where organizations see the need for development and business model transition, the process should be made simple for them, not only through the offer of modern IT solutions such as outsourcing, but also by explaining its substance, pointing to the benefits and offering the possibility to test new solutions before a final decision is made. If spoken or written language does not reach the target audience, then an educational approach that allows personal contact with the technology may be the answer. I am willing to make a bet that such an approach will convince even the biggest traditionalists.

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Polish IT coming of age – more megabytes than microbits

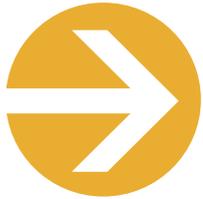
A little-known history of computer science, solid academic centers and blossoming start-ups: **something is brewing in the Polish IT sector**

BY JOHN BEAUCHAMP

The introduction by then Poland's only telecoms operator, Telekomunikacja Polska, of its nationwide access number in April 1996 heralded a new era for the internet in Poland. Many Poles still remember the number – 020-2122 – which gave mind-boggling, hitherto unparalleled, speeds of up to 56 kbps, with many opting to set up their first email addresses with Poland's first free providers.

Yet while the internet came to be marked as a turning point for bringing IT to the masses, computers and computer science have been around in Poland for a lot longer. In fact, the first experimental computer – the GAM-1 – was constructed in 1950, and by 1958, Poland had its first universal computer, the XYZ. Of course, much like their counterparts across the world at the time, these machines were the size of a walk-in closet.

Spring forward to modern-day Poland and the story has developed beyond recognition. According to figures from Poland's Central Statistical Office, in 2012, 73 percent of Polish households had one computer or more, while 70.5 percent of Polish homes had access to the internet, with the number of households able to connect to broadband internet at 67 percent. In Great Britain, by comparison, 80 percent of homes had internet access in 2012, as revealed by figures from the UK's Office for National Statistics.



“What is needed to achieve success as a programmer: a good education, diligence and the will to widen your competencies.”

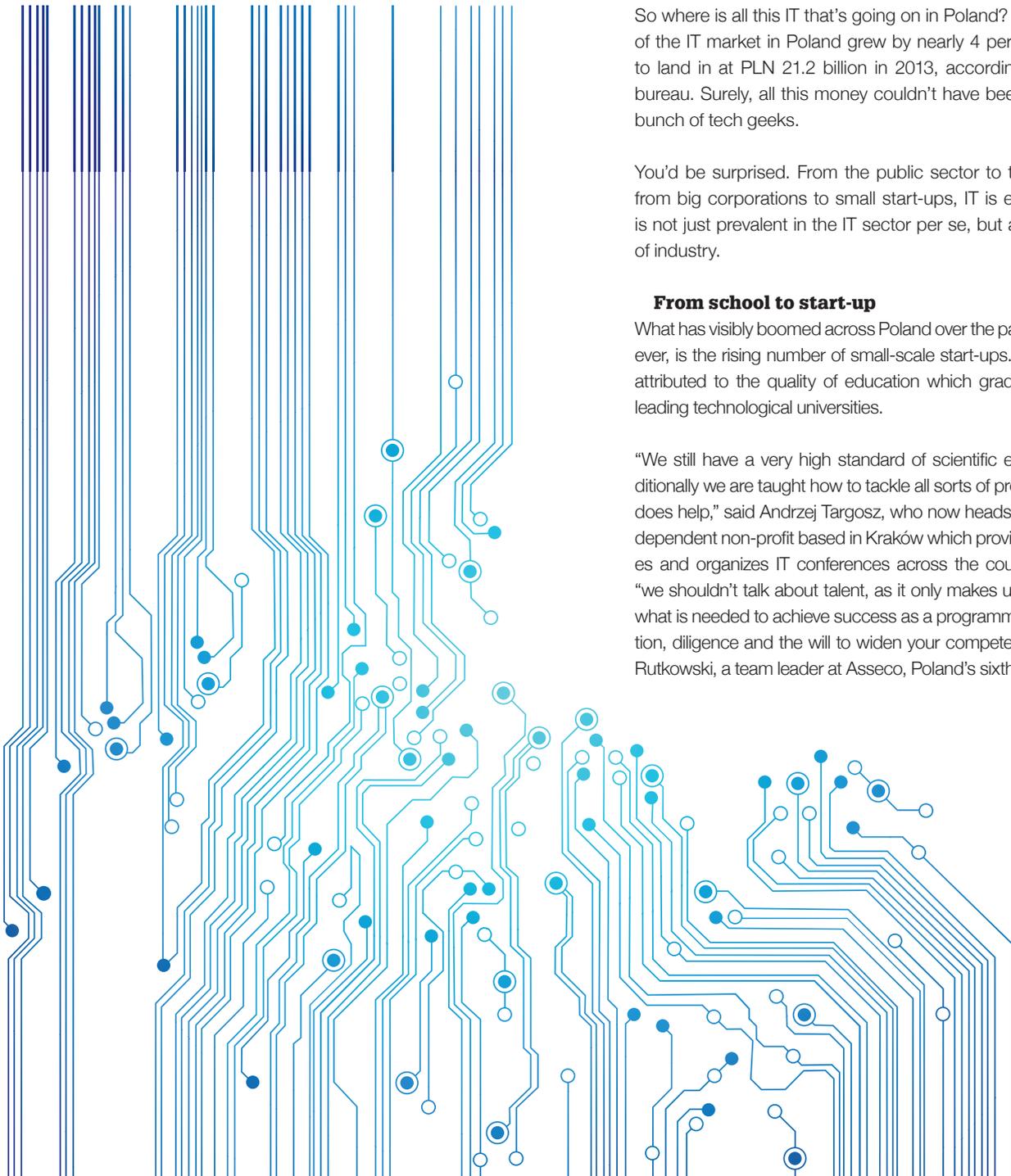
So where is all this IT that's going on in Poland? After all, the value of the IT market in Poland grew by nearly 4 percent year-on-year to land in at PLN 21.2 billion in 2013, according to DiS analysis bureau. Surely, all this money couldn't have been generated by a bunch of tech geeks.

You'd be surprised. From the public sector to the private sector, from big corporations to small start-ups, IT is everywhere, and it is not just prevalent in the IT sector per se, but across all spheres of industry.

From school to start-up

What has visibly boomed across Poland over the past few years, however, is the rising number of small-scale start-ups. This is commonly attributed to the quality of education which graduates obtain from leading technological universities.

“We still have a very high standard of scientific education, and additionally we are taught how to tackle all sorts of problems – this really does help,” said Andrzej Targosz, who now heads up Proidea, an independent non-profit based in Kraków which provides training courses and organizes IT conferences across the country. Furthermore, “we shouldn't talk about talent, as it only makes up a few percent of what is needed to achieve success as a programmer: a good education, diligence and the will to widen your competencies,” said Jakub Rutkowski, a team leader at Asseco, Poland's sixth-largest IT firm.





Many cities across Poland now host at least one academic institution which caters to budding IT workers. “I believe we have a group of very good universities at world-class level,” said Rutkowski, adding that “academic establishments in Warsaw take the lead, but also Wrocław, Kraków, Gdańsk, Poznań and Łódź also have very good technical universities, and you can see that cooperation with local business also spurs on development of academic centers.”

“The start-up scene in Poland is explosive right now,” said Ramon Tancinco, Senior Manager, Strategy, IT, Operations and Business Development in the CEE region and Russia at Cisco Systems, “and what is amazing is the combination of both grass-roots with organized initiatives. On the grass roots side, every year I learn about more start-ups who go to Silicon Valley to immerse themselves in the entrepreneurial culture and many of them are even returning with venture capital funding, never easy when the market of ideas is global.”

In 2013, the start-up Estimote, which found an innovative application for retail tagging, managed to receive \$3.1 million in funding “from some of the most well-known VCs in [Silicon] Valley,” Tancinco said, adding that “they are adding jobs in Poland and in the US, a huge win-win across two continents.”

Foreign capital

Poland is fast becoming a destination for foreign IT investments. Cisco, of course, is one of the major players, but a number of global tech firms are also firmly positioned in the country. Google is a big player in three cities across Poland – Warsaw, Wrocław and Kraków – while HP, Microsoft, Dell, Motorola and many other big corporations prop Poland up as a major destination.

“In addition to hosting such companies as Cisco, Google, IBM, Akamai, and Oracle, in 2013, Kraków also welcomed a GE Healthcare IT and a Samsung R&D center,” said Tancinco.



“Consolidation is unavoidable, it will happen first across certain sectors, and then we’ll see the merging of companies working in different areas.”

“Foreign investors are beginning to spend money in Poland, and we are providing wide-ranging schooling on the matter,” said Targosz. “This process is ongoing, but you can already see the positive effects. We have a lot of firms in Poland, but their quality is not up to scratch yet. What is interesting is that the most promising companies are SMEs which have not been tainted by ‘conservative business,’” he adds.

Elbow room

There is always room for more activity, however. “I think that investments by foreign companies in the IT market in Poland are still lagging. There are big foreign players present which have branch offices scattered worldwide, and there’s no possibility to leave out the biggest country in the CEE region,” said Rutkowski, who laments that “foreign companies prefer to pick up the best programming talent and ship them off to head office instead of setting up shop in Poland.”

Rutkowski blames barriers, such as red tape, as a major reason foreign companies put off investing in Poland.

Nevertheless, “it is not simply a question of multinationals but the development of the entire ecosystem,” said Cisco’s Tancinco.

The country still lags far behind the rest of the EU. In 2013, the European Commission’s Innovation Union Scoreboard placed Poland 24th out of the EU’s then 27 countries, beating only Latvia, Romania and Bulgaria.

What next?

“The Polish market is at a stage of construction through acquisitions, with dominating companies buying out smaller firms in

order to get more market traction and new clients, and this can be clearly seen since 2000,” Rutkowski said.

“However, we are approaching the next stage, which will see the incorporation of companies dependent on the [market] dominators in each capital group,” he adds, saying that “in order to survive as independent entities, Polish companies must cut operating costs and raise the bar on productivity through unifying internal processes.”

“Consolidation is unavoidable,” said Andrzej Targosz. “It will happen first across certain sectors, and then we’ll see the merging of companies working in different areas. In five years’ time, we’ll have large firms and a whole array of satellites, which will be bought up at the moment they mature.”

“I will admit that I am bullish on Polish IT over the next two decades, but my bullishness is founded on a steely-eyed focus on several fundamentals,” said Tancinco. “First of all, the fact that multinationals continue to flock to Poland, despite the fact that there are cheaper places in the world to operate, means that Poland is regarded as a location where quality trumps cost.”

“Secondly, if I look at both the number of start-ups and venture capital funds which have emerged like proverbial mushrooms after the rain in the last four years, I believe that it is simply a matter of a few years before Poland experiences its first Skype moment,” said Tancinco, referring to when Estonia was put on the map after the success of Skype, an internet communicator.

Poland’s IT industry may still have to wait to see a global breakthrough, but with the right climate in place and certain barriers which will eventually be crossed, the future is bright, even if for some it is something of an unknown.



BPO -

Getting a foothold

Poland has long enjoyed its position as the top outsourcing destination in Europe. Where is the BPO sector headed now and can it drive growth in emerging office markets?

BY BEATA SOCHA

The business services industry has been Poland's greatest economic driver over the past years. It is one of the reasons why the country did not experience negative growth during the recent crisis and continues to be a major motor of the economy. Nearly 20,000 new jobs were created in the sector over the past year. Between early 2012 and April 2014, employment in outsourcing increased by more than 50 percent, from 83,000 to 128,000, according to a recent report by the Association of Business Service Leaders.

Forecasts remain very encouraging. Given that the average annual growth in the BPO sector in the last decade has been at 20 percent, it is reasonable to expect employment in the industry to reach between 150,000 and 170,000 by the end of next year and to continue growing beyond 2015. "I think we can potentially get to 200,000 jobs over the next three to five years," said Jacek Levernes, co-founder and president of the ABSL in Poland and board member of HP for EMEA.

Cutting overheads

Shared service centers (SSCs) are still the dominant form of outsourcing to Poland. There are already 160 SSC centers across the country, altogether employing 45,000 people. Poland also has 100 BPO centers and almost 120 R&D centers. The fourth most common service being outsourced to Poland is IT, with nearly 80 ITO centers.

Firms looking for savings in Poland span across all sectors. The more competitive the industry, the more important shaving off a few percent of the overheads is.

"If you look at the history of shared services, outsourcing and offshoring, it started with IT companies, like HP and IBM. Then FMCG companies came, like Coca Cola and Procter and Gamble. Why FMCG? Because their margins were very thin and they were



470

NUMBER OF SERVICE CENTERS
IN POLAND WITH FOREIGN CAPITAL

87%

NUMBER OF CENTERS
WHICH EXPANDED THEIR
SCOPE OF SERVICES OFFERED

128,000

THE NUMBER OF PEOPLE
EMPLOYED IN BUSINESS SERVICE OUTSOURCING
AS OF APRIL 2014, ACCORDING TO ABSL

looking to save money," Levernes explained.

It seems that pharma, faced with a recent onslaught of competition from generic drug producers, is the next big thing in the outsourcing business. "Before, their margins were so large that saving 2-3 percent of the P&L didn't mean much. Now it's starting to mean something, so much so that companies like Merck, Bayer are starting to look into this," Levernes added.

Last year, Bayer moved its finance and accounting SSC, servicing over 20 European countries, to Gdańsk. Recently, another German pharma giant, Merck, decided to open an HR center in Wrocław, initially employing a few dozen people. The company said it will continue its recruitment process into 2015.

Moving up the chain

Although call centers, HR and accounting services still seem to be the top three services that companies are likely to outsource, there is currently a visible increase in higher-level services being transferred to Polish centers. "Probably, there's scope for Poland



"The constant influx of talented, educated people moving from smaller to larger cities keeps labor costs competitive."

to grab more R&D, with a bit of government help and the right direction," said Alan Colquhoun, head of DTZ for the CEE region.

There is also another major sector that Poland would gladly tap into – fund management. "There are a lot of people who have developed their skills working on lower-level financial services and this experience can be used for fund management. And there is a lot of potential in that route, but it would require legal changes to ensure tax transparency," said Tomasz Trzósło, managing director of JLL in Poland.

These changes could create up to 100,000 new workplaces over the next 3-7 years. "We are currently working together with the Economic Council and the Ministry of Finance on ways to change regulations so that we can start competing with Ireland and Luxembourg in the fund management industry, which offers as many as 400,000 jobs in these two countries," said Jacek Levernes from ASBL.

A cornered market

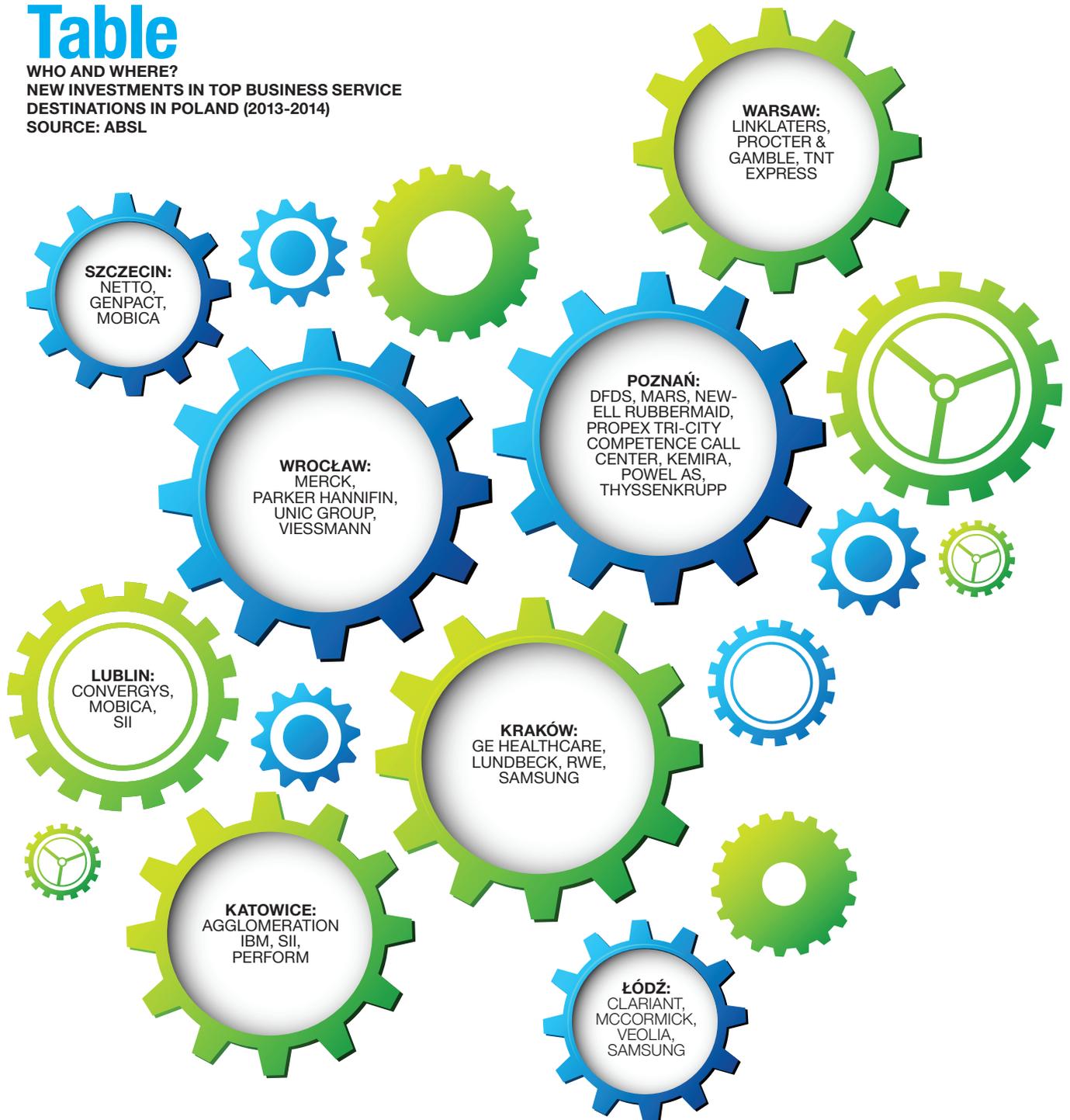
Poland's position as Europe's no. 1 outsourcing destination results not only from lower labor costs and a high supply of skilled workforce, but also from its size, which guarantees stable costs over a longer period. "Poland is too big of a country for the wage levels to change rapidly," said JLL's Trzósło.

"Although there continues to be wage pressure, the constant influx of talented, educated people moving from smaller to larger cities keeps labor costs competitive," he added.

The top ten outsourcing cities in Poland (Kraków, Warsaw, Wrocław, the Tri-City, Łódź, the Katowice agglomeration, Poznań, Bydgoszcz, Szczecin and Lublin) have thus far dominated the market, with 95 percent of all BPO/SSC employment located there. International business service companies have leased over 220,000 sqm of office space in 2013, the majority of which was located in Poland's regional cities. "Altogether, outside the capital the share of total demand of BPOs/ITOs/SSCs/R&Ds amounted to about 50 percent," the ABSL report said.

Table

WHO AND WHERE?
NEW INVESTMENTS IN TOP BUSINESS SERVICE
DESTINATIONS IN POLAND (2013-2014)
SOURCE: ABSL



INTERVIEW

● ● ● ●
**Leszek
Kurycyn,
Randstad
Professionals
Operations
Director**

The quest for the right talents

Knowing the labor market is key – trends in employment and human resources

This year we are seeing a decline in unemployment in Poland. Is there a noticeable difference in the length of the recruitment process or the pool of applicants? Is it safe to say that employers still have the upper hand in the labor market?

Yes and no. It depends on the industry, the level of education or qualifications. Independent of socio-economic trends, a qualified worker will have higher bargaining power. IT, engineering and finance are classically strong employment sectors. What's more, a qualified manual laborer is also highly sought after. Our production sector is doing very well. In the south of Poland, the automotive industry, for example, is very developed and this region is sometimes lacking skilled laborers for its production plants.

In this case, which industries have the largest unemployment?

I would say the largest problem is the entry of young people onto the market. A young engineer will enter the job market relatively fast. On the other hand, humanities graduates have a lower chance of finding a job. Good command of foreign languages is definitely an asset for young people. English plus another foreign language give the candidate a good chance of finding a job in the



BPO/SSC sector. It's a good way to get your foot in the door in the job market.

What is the employee turnover in this sector?

Usually, in a BPO center, workforce rotation can be seen after three years. There are a few reasons for this. After a couple of years, not everyone may have the opportunity to develop. Simply, there is a limited number of team leader positions. There are also external factors, the BPO/SSC sector has grown all around Poland. So, many young employees may seek to relocate to a different city relatively early in their career.

How important is familiarity with the local labor market for an investor opening up a BPO/SSC?

This is incredibly important. We are no longer talking about a selection between countries, but a selection between cities. The decision is no longer between Poland or Romania, but between Kraków and Cluj, or between Warsaw and Bucharest. Such is the level of comparison and, of course, the brunt of the analysis is

looking at the availability of an able workforce. Investors are also looking for forecasts.

Randstad provides data from which a future scenario can be pictured: number of universities, foreign-language speakers, etc. Importantly, our clients include not only BPO/SSC centers, but also production facilities. Hence some companies are interested in the availability of nearby natural resources.

Is there a risk of labor force depletion due to the presence of many investors at once in large markets like Wrocław or Kraków? How can investors avoid such risks?

We are lucky to be in a large country. Despite unfavorable statistics, we are in good shape regarding the labor force. Our main goal is matching need with supply. The educational reforms are not keeping up with market developments. It's visible that business is increasingly more involved with academic centers. Every such initiative is a step in the right direction.

I would even advocate cooperation with institutions of secondary education in order to give some forethought to young people's decisions regarding their field of study. Mathematics, and analytical abilities are highly sought after in the job market. The implementation of math as a mandatory exam subject at the sec-

ondary education level is definitely a plus. Regardless of whether someone is a marketer, salesperson, an engineer or designer, they should all have very good analytical skills.

What is the role of social media in positioning an employer? Is there an increased awareness among employees regarding the quality or reputation of an employer?

Does the employee know a lot about the employer? Yes and no. Some market participants do gather a lot of information regarding an employer from the internet, including experience of existing or past employees. Some of this information may be just gossip and untrue, but it, nonetheless, reaches the candidates.

On the other hand, we meet some new employees who are

absolutely surprised when they start their job. They may have had some kind of opinion about their future employer, based on the brand for example; and yet, when they start work, they're convictions are turned upside down. This is the same for corporate environments as well as small firms. In any case, we always encourage people to prepare themselves diligently for an interview.

How important are generational differences in the recruitment process? What are younger recruits looking for?

Indeed, there is a difference in expectations and a difference in the approach to the idea of work. The generation bearing witness to the transition to a free market economy in 1989 was highly involved in the "catching up" in terms of work. Their eagerness to work was very high. The break from their parents' generation, who labored under communism, was profoundly visible.

Currently, we have the first signs of a prosperity generation which treats work in a different manner. For this group of people, work is not a valued commodity in and of itself, but rather is a balanced part of a complex life experience. Private and social life is increasingly important.

Young people seem to be more integrated with each other in workplaces, which is a positive trait, because there is a higher feeling of affiliation with one's workplace. Although, it seems that this younger generation is less intrinsically motivated in the work itself. Personal goals seem to take precedence and 100 percent effort is no longer a given. The classical social motivation for work is no longer valid, but rather solidarity and fairness are more important to the new generation of workers. They have more demands.

Is it difficult to keep talented workers? How can an employer keep their workers?

Once a year, we give away the Randstad Awards, which single out the most attractive employers. We research what comprises attractiveness to employees. In turn, this allows us to advise companies on the best strategy to draw employees to their business and then to keep them. Financial stability of a company, interesting projects, ability to develop, attractive salaries – which tend to be less important in times of crisis – are all important factors.

Do workers have higher salary demands these days?

According to statistics, salaries are rising indeed. Annual raises are becoming more of a norm. The pressure for salary raises is there, as workers have noticed that the crisis is passing. Of course, some employers are still not able to answer the call for higher salaries, but on the whole we expect salaries to increase in the nearest future.



“The brunt of the analysis is looking at the availability of an able workforce. Investors are also looking for forecasts.”



Green Poland - necessity or utopia?

The question whether renewable energy can be efficiently acquired in Poland is one of great importance.

The perspective of a tense geopolitical situation, an uncertain Russian gas flow, together with European Union regulations make alternative energy sources seem an increasingly attractive replacement for aging conventional power plants. On the other hand, Poland's infrastructure and resources are based mostly on "dirty" energy and a potential shift would mean significant costs. What's the future of Polish energy and the possibilities behind its resources?

BY ŁUKASZ BARTOSZCZE

Although the World Bank's research reports place the Polish economy in the fastest growth tier, it is also among the least carbon-efficient ones. However, researchers say that the transition to a low-emission economy is possible at reasonable costs. "The implementation of the full abatement package will reduce incomes modestly, costing an average

of one percent of GDP each year through 2030," Erika Joergensen and Leszek Kasek wrote in the Transition to a low-emissions economy report, meaning that only "€10-15 per ton of carbon burned is needed to reduce the country's emissions by a third."

EU directives have obliged Poland to expand its renew-

able energy production to 15 percent of its entire output by 2020. Current renewables production is estimated at a mere 11 percent of the entire energy supply and, despite recent increases in renewable energy share (Poland is second in sales of solar collector installations among European countries), the situation is not likely to change fast.

Unbalanced control

Polish regulations concerning green energy are based on an idea that worked smoothly in the first decade of the 21st century – green certificates (GC), given for every MWh of green energy emitted. A company had to cover a given amount of their energy production with green certificates or pay a €60-70 fine for each that was missing.

The system was simple and effective, with the four biggest players in Poland (that also own the distribution network) forced to invest more in renewable energy sources or to support smaller, independent green energy companies. Most importantly, nearly all renewable energy projects were heavily financed by government aid.

The green certificate market developed, with larger firms buying GCs from companies that had an overabundance of them. Unfortunately, the system no longer works properly. Co-fueling, burning coal with wood, straw, or peanut shells, usually imported from Asia, in coal-burning plants became a source of GCs for conventional energy producers. Therefore, conventional energy producers have less need for buying certificates and stimulating the development of greener energy. The price of the GCs dropped, as did the amount of money to support green energy projects.

The future, however, does not



look bright. In a recently published energy policy draft, the government has said that it plans to concentrate on coal and reduce renewable energy investments by 40 percent. Therefore a new system is to be introduced: the auctioning system. It would enable funding of projects that are part of the government's strategy only. The system does carry a certain risk – in case of the auction

Deloitte expert, emphasizes the need for stable regulations. "Investors need certain guidelines to acquire funding for their projects. The current lack of stability of the legislative environment drives external financing away. Estimates cannot be precise, and banks are not willing to finance or demand a high interest rate," he said. "On the other hand, investors demand more certainty. Investing several million zloty in a pipeline and the risk of losing an investment through an unsuccessful auction is going to repel investors," Jodłowski added.

Jakub Kasnowski from the Eversheds Warsaw law office further explains, "funds for renewable energy are crucial, because grid parity has not been achieved yet. Renewable energy sources cannot compete with conventional ones. Without support, they are generally unprofitable for investors. An optimistic vision was created in the renewable energy act draft

15 %

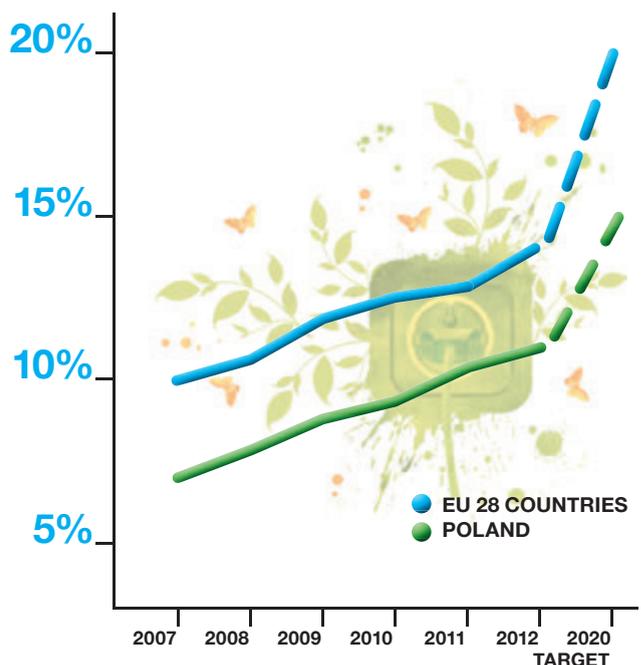
is how much of Poland's energy should come from renewable sources by 2020, in line with EU directives

not providing sufficient funds to the project, the investment does not stand any chance of turning a profit.

What law regulations are needed then for the RE market?
Adam Jodłowski, lawyer and

Renewable energy

SHARE OF RENEWABLE ENERGY IN GROSS FINAL ENERGY CONSUMPTION – POLAND
SOURCE: EUROSTAT





“Mostly sizable investors will succeed in profiting from the new rules.”

released in 2013, but unfortunately the concept changed dramatically, balking hopes and distracting potential investors.”

On the other hand, regarding distribution network access, a less stringent regulatory procedure is desirable. Deregulation would enable more entities to send energy to customers at their own prices, and, in consequence, lower the costs for private investors.

Price is everything

The auctioning system would most probably aim to implement competition, meaning that the criteria will most likely

be based on the price factor, no matter what the energy source will be. If that is the case, experts see on-shore wind energy as the most competitive. Photovoltaic sources are not able to work as many hours during the year as wind-mills.

Furthermore, large farms minimize the average MWh cost. Therefore, mostly sizable investors will succeed in profiting from the new rules. Nonetheless, the market is now experiencing a short-lived rush into renewable energy projects, as future legislation and the new system is still not precisely outlined.

Different auctions are going to be organized for current and future projects, with 17 reference prices for future projects and only one for existing installations. The legislation does not seem to be precise enough to outline the criteria clearly, therefore many investors are sceptical as to the future of Polish renewable energy.

Who may profit?

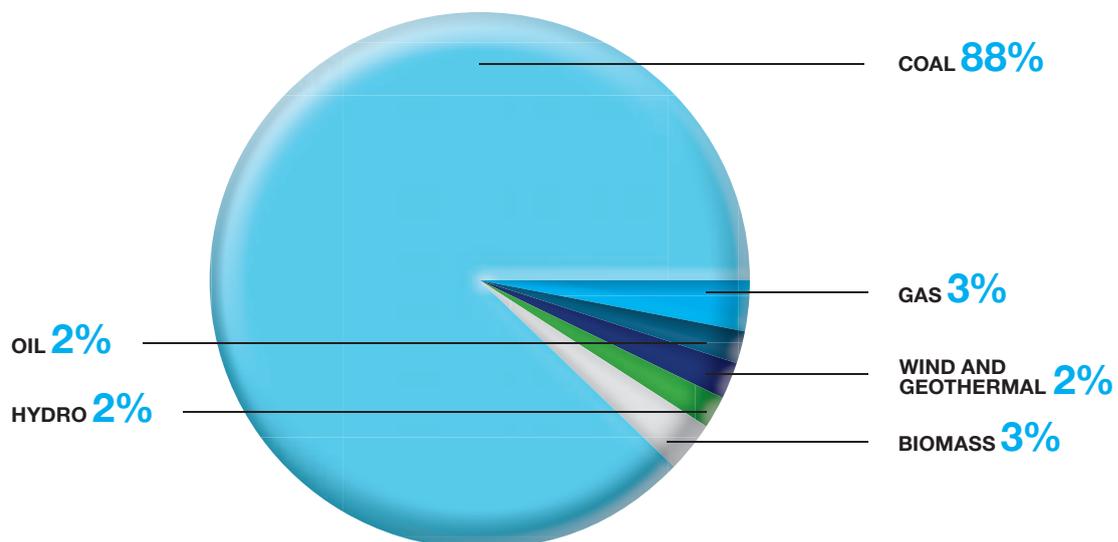
The renewable energy market offers profits especially to those who are already far along with the development of their projects, and in the future it will be most attractive to those with favorable distribution network

access or investors who are able to minimize costs through economies of scale.

There is still much to be done in order to reduce difficulties for smaller investors and enable private capital influx. For now, the energy sector depends mostly on coal and little is done to change this state. Carbon will still dominate the market in the next few years. Only a project drastically changing the profitability of green energy could attract investment. Nonetheless, Poland definitely has got potential to go green.

Poland energy production

SOURCE: POLAND ENERGY REPORT, ENERDATA, JULY 2012





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Office market



● ● ● ●
Karolina
Cwiek,
Research
Analyst,
JLL

Poland has 7.1 million sqm
of modern office space and
another 1.2 million sqm in the
pipeline

With 7.1 million sqm of modern office stock, Poland remains the largest market in the entire Central and Eastern Europe. The history of the Polish office sector started in the capital, which currently represents around 60 percent of the total supply. The other major office hubs established in the late 1990s include Kraków, Wrocław and the Tri-City (comprised of Gdańsk, Gdynia and Sopot) with shares of 8.3 percent, 7.8 percent and 6.8 percent, respectively. Katowice, Poznań and Łódź constitute office markets which are smaller in terms of existing stock, yet very important, with office supply in excess of 260,000 sqm. In addition, the cities of Szczecin and Lublin are considered to be secondary office locations, while a number of medium-sized Polish cities e.g. Rzeszów, Bydgoszcz, Toruń, Olsztyn, Kielce, Opole and Białystok are also emerging, along with the development of modern office space in those markets.

Rising high

Almost 1.2 million sqm of space currently under construction across Poland proves that the Polish office market is also one of the most dynamic and quickly developing in the region. No other country in Central and Eastern Europe is able to offer so many potential locations to corporate investors seeking quality and efficiency in office space operations.

Currently, there is more than 850,000 sqm available in existing office developments, of which 68 percent can be found in Warsaw, followed by the Tri-City (8 percent) and Wrocław (6.5 percent). Another 895,000 sqm will be available in buildings that are currently under construction. Most of the office projects being built in Po-

land are developed in Warsaw, Kraków, Wrocław and the Tri-City. The most significant office additions underway are: Warsaw Spire A,B,C (97,000 sqm), Q22 (50,300 sqm), Gdański Business Centre (45,000 sqm) in Warsaw, Business Garden I A and B (41,000 sqm) in Poznań and Dominikański (35,000 sqm) in Wrocław, as well as Tryton Business House and Alchemia II (21,000 sqm each) in the Tri-City.

H1 2014 saw little change in availability and vacancy, with the current vacancy levels ranging between 13.4 percent in Warsaw and 4.5 percent in Kraków. This translates into more than 250 potential options of 1,000 sqm that will be made available by the end of 2014 in both existing and pipeline developments (of which 155 in Warsaw, 20 in both Wrocław and the Tri-City, 16 in Kraków and 14 in Katowice).

A tenant's market

Warsaw remains the main city in CEE for locating businesses with 633,000 sqm leased in 2013 and 259,000 sqm in H1 2014 (including renegotiations). The gross take-up in other major office hubs in Poland reached 362,000 sqm in 2013 and 203,100 sqm year-to-date, with Kraków increasingly dominating corporate activity.

Rising development activity is in the tenants' favor, who will keep their dominant position across most regional office markets in 2015, including Warsaw, Wrocław, the Tri-City and Poznań. More neutral tenant-landlord relations are expected in Kraków, Katowice and Łódź in the short term.

The active supply pipeline puts prime headline rents under soft downward pressure in most major cities in Poland. Headline rents for prime quality buildings in established office markets range be-

tween €11 and €15 per sqm per month. In new or emerging locations, such rents are even more attractive, ranging between €8 and €13 per sqm per month. The high level of construction activity may result in a further downward trend as we move into 2015, particularly in Warsaw, Wrocław, the Tri-City and Poznań. The pressure is, however, more likely to be seen in more generous incentive levels (usually rent-free periods and contributions towards the fit-out) rather than reductions in headline rents.

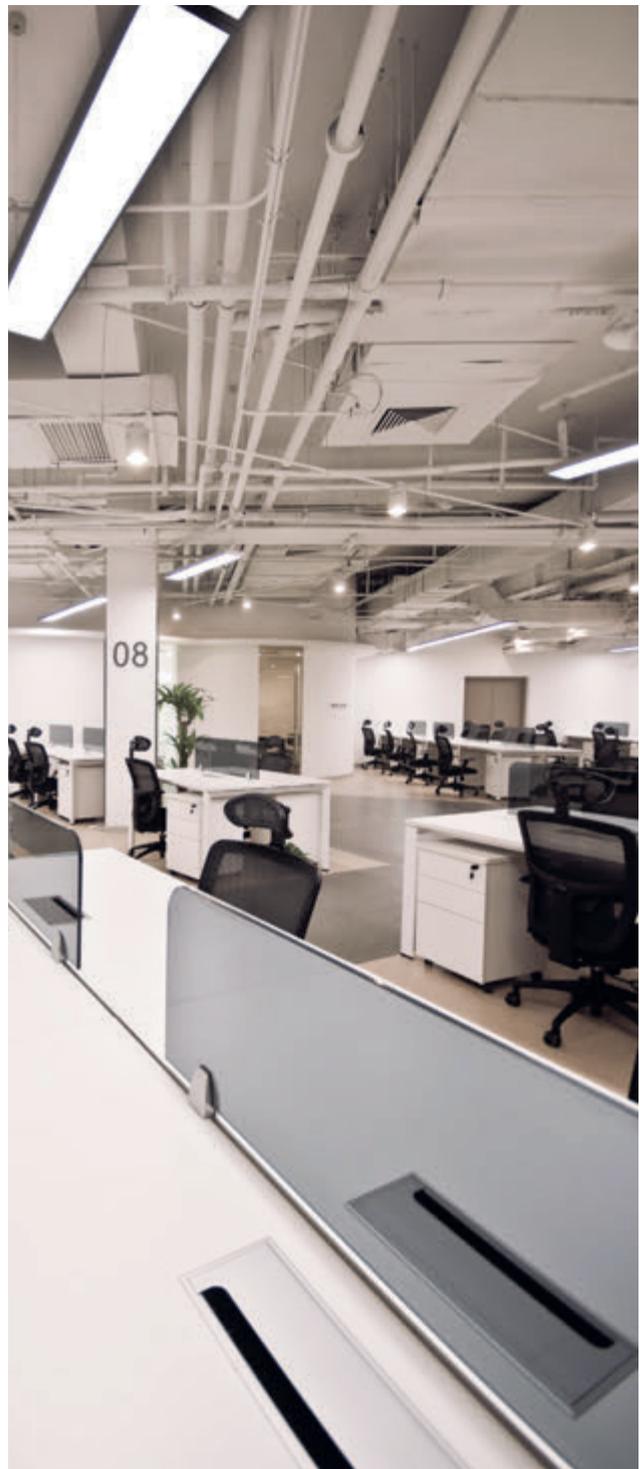


Prime headline

office rents in Poland
Source: JLL, Q2 2014



*Gdańsk, Gdynia and Sopot



Retail market



Joanna Tomczyk,
Junior
Research
Analyst, JLL

Big pipeline

Developer activity remains relatively high – 253,000 sqm of new retail space hit the market in H1 2014, of which approximately 198,000 sqm was delivered to the shopping center sector. As of September 2014, 759,000 sqm of retail stock was under construction across all retail formats, with shopping centers representing the largest share (679,000 sqm in 32 projects, including new schemes and extensions). Major new projects under construction are: Centrum Poznania in Poznań (100,000 sqm), Zielone Arkady in Bydgoszcz (50,000 sqm), Sukcesja in Łódź (45,000 sqm) and Tarasy Zamkowe in Lublin (38,000 sqm). Retail activity is not limited to major agglomerations, as smaller markets are becoming attractive locations for developers as well as retailers. It is also worth noting that extensions of existing shopping centers constitute an important and growing field of retail expansion in Poland. In general, vari-

The Polish retail market – with more than 38 million potential customers – has a leading position in the CEE region encouraging new entrants and investors alike to browse the market in search of new opportunities.

Their confidence in the market is supported by the stable fundamentals of the Polish economy, including a positive GDP growth forecast and increasing spending power.

As of the end of H1 2014, the total retail supply stood at 12.1 million sqm of GLA, consisting of: shopping centers (8.7 million sqm), retail parks (1.3 million sqm), retail warehouses (1.9 million sqm) and outlet centers (163,000 sqm). The shopping center density in Poland currently stands at 226 sqm per 1,000 inhabitants, above the European average of 196 sqm, but still below the Western European average of 260 sqm.

ous types of modernization are becoming increasingly popular and this trend looks set to flourish in the future due to aging properties and changes in the retail market.

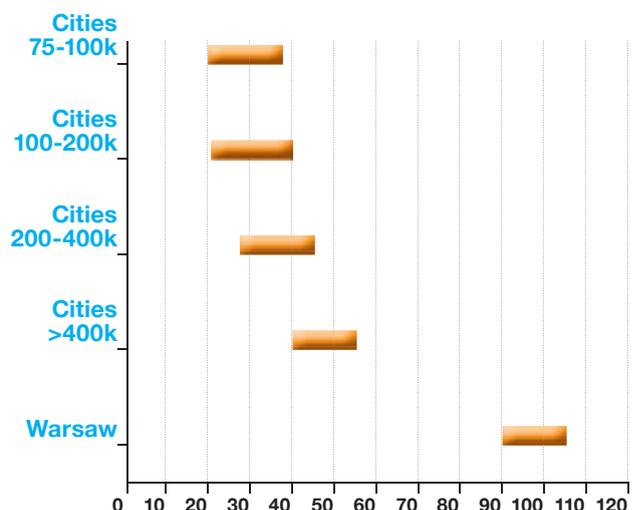
Poland remains on the radar of international retailers, both newcomers and those already established here, who seek development opportunities. In H1 2014, such brands as Adidas NEO, Rage Age Woman and

Olimp Live and Fight, entered the market, while others including Carry, CCC, Reserved, Rossmann, and Zara expanded their stores.

The highest prime monthly rents for a 100 sqm-unit shop in the fashion category, prominently located in leading shopping centers, can be found in Warsaw and now stand at €90-105/sqm. JLL expects prime rents to remain stable in the short to mid-term.

Prime rents

Source: JLL, Q2 2014



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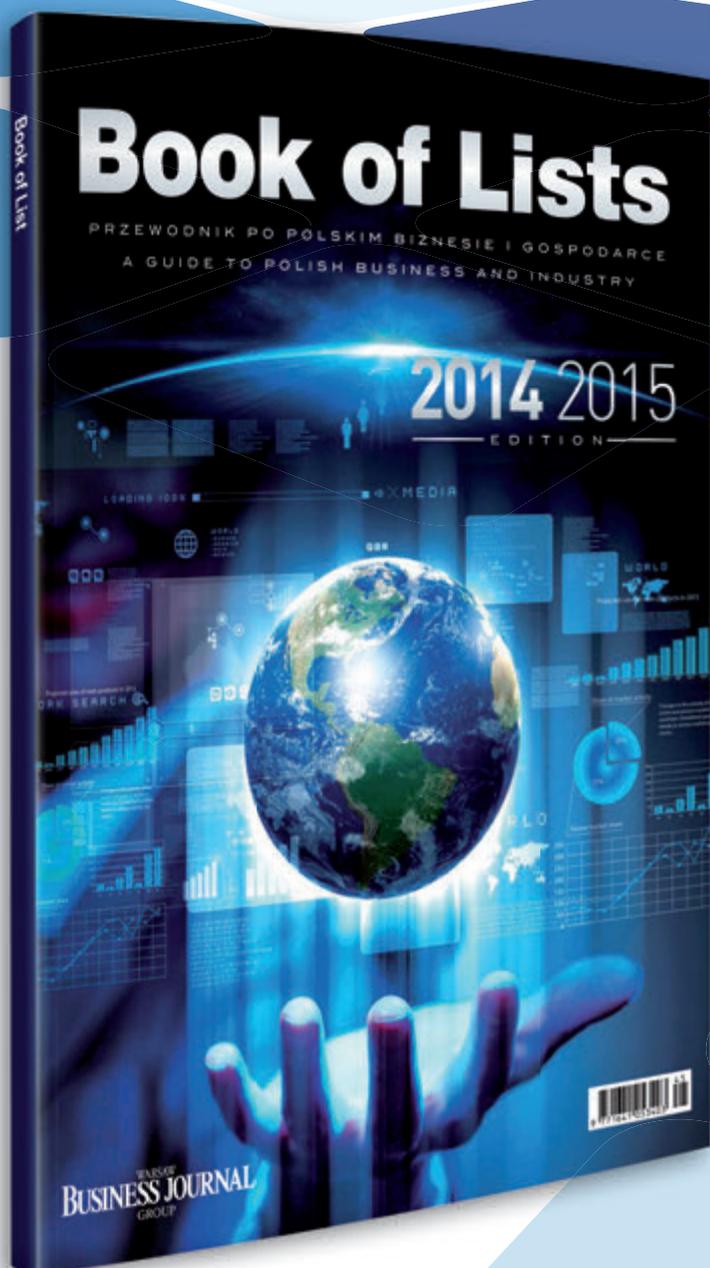
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Poland's highway overhaul

Despite the **huge amounts of money being spent on Polish roads over the past few years**, the country's high-speed road infrastructure is still patchy at best, although the new EU budget for 2014-2020 promises to change this

BY JOHN BEAUCHAMP

Ten years ago, traveling across Poland by car would be the stuff of nightmares. Major east-west routes were single-lane in each direction and invariably rutted, with traffic made that much more dangerous by the presence of juggernauts car-

rying their cargo at breakneck speeds. While admittedly there are still some roads like this in Poland, the situation is now adversely different.

Poland's major road overhaul started in the early 2010s,

when Poland geared up to host the Euro 2012 soccer championships along with Ukraine. Prime Minister Donald Tusk promised hundreds of kilometers of new highways and expressways. With such a tight deadline, it's understandable

that not all the promised roads were in fact completed.

However, the major A2-E30 highway, which links Poland's western border in Świecko (and Berlin) with Warsaw, was completed with under 48 hours



“At the end of 2012, there were 18.8 million registered passenger cars in Poland.”

to go before the first kick-off of the championship, and the A4-E40 highway from Zgorzelec to Kraków was also delivered on time. All that needs to be done now is extend the roads to the borders with Belarus and Ukraine respectively.

But even with all these new highways, the European Commission still lambasted Poland at the end of 2013 by saying that the country's road (and rail) infrastructure still leaves a lot to be desired.

More cars, less investment

Nevertheless, a report released by consultants EY in February this year shows that the infrastructure construction sector in Poland accounted for over 13 percent of Poland's GDP between 2010-2012. Until 2011, it grew much faster than Poland's economy as a whole.

In many ways, the fact that Poland did not suffer as much during the financial crisis is due to the strong position of

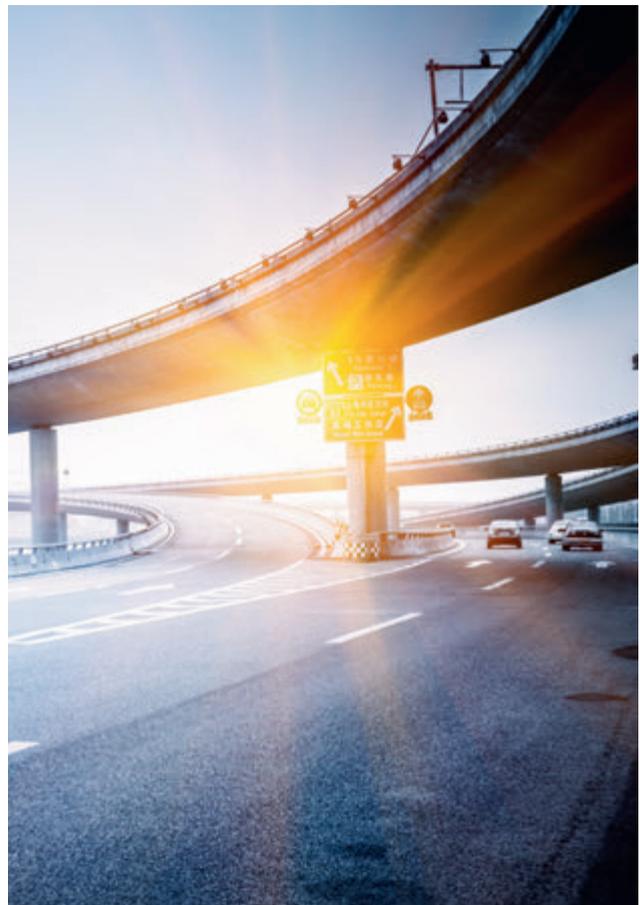
construction firms which were building the infrastructure that the country desperately needs.

“Between 2004-2011, the share of public investments in terms of GDP grew from 3.4 to 5.7 percent,” Marek Rozkrut, EY's chief economist said, adding that, “a considerable portion of these investments were infrastructure projects co-financed by the EU.” Indeed, between 2008 and end-2011 the construction sector grew by 55.4 percent.

Poland's road capacity has also been stretched to the limit, as between 2000-2005 the number of cars increased by 22 percent, and then between 2005-2009 by 33.7 percent. At the end of 2012, there were 18.8 million registered passenger cars in Poland, according to figures from Poland's Central Statistical Office.

EU budget to the rescue

However, good times for the infrastructure sector came to an abrupt end in early 2012.



From the beginning of 2012 to the third quarter of 2013, it dropped by almost 40 per cent. This was accompanied by hundreds of bankruptcies in the sector.

With such a drop in infrastructure investment, it looks as if Poland has lost steam as far as building

roads goes. At the end of 2011, Poland's Directorate for National Roads and Motorways (GDDKiA) branded 42.2 percent of the roads under its remit as unsatisfactory or in poor condition – a combined total of 3,250 kilometers.

However, the EU's new budget for 2014-2020 is expected to change

€73 billion

Poland's share for investments in the 2014-2020 EU budget

all that. Poland is expected to receive €73 billion over the coming years, and while not all of it will be spent on building or

modernizing new roads, a fair chunk will go into carrying out much needed infrastructure investments.





“Spending on new expressways until the end of 2018 is expected to reach as much as PLN 32.1 billion.”

Eyes on the ball

To get the ball rolling, the GD-DKiA announced tenders for the construction of segments of seven new expressways across the country, and spending on new expressways until the end of 2018 is expected to reach as much as PLN 32.1 billion (see box). Furthermore, tenders for the construction of eleven belt roads are to be announced in due course, with PLN 4.7 billion earmarked for the purpose in 2014 and 2015.

However, with the new EU budget comes greater responsibility. All eyes will be on the transparency of the tenders, especially since the European Commission found a high risk of corruption in Poland, as 32 percent of tenders in Poland involved bribery.

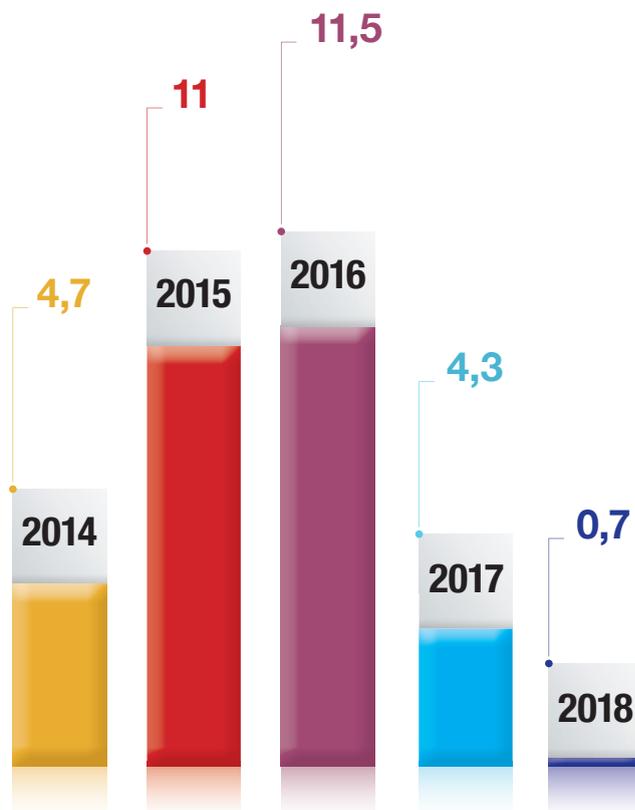
It isn't all bad news, however. Poland's roads are becoming better, and despite the constant grumbling that they could be improved, the highways

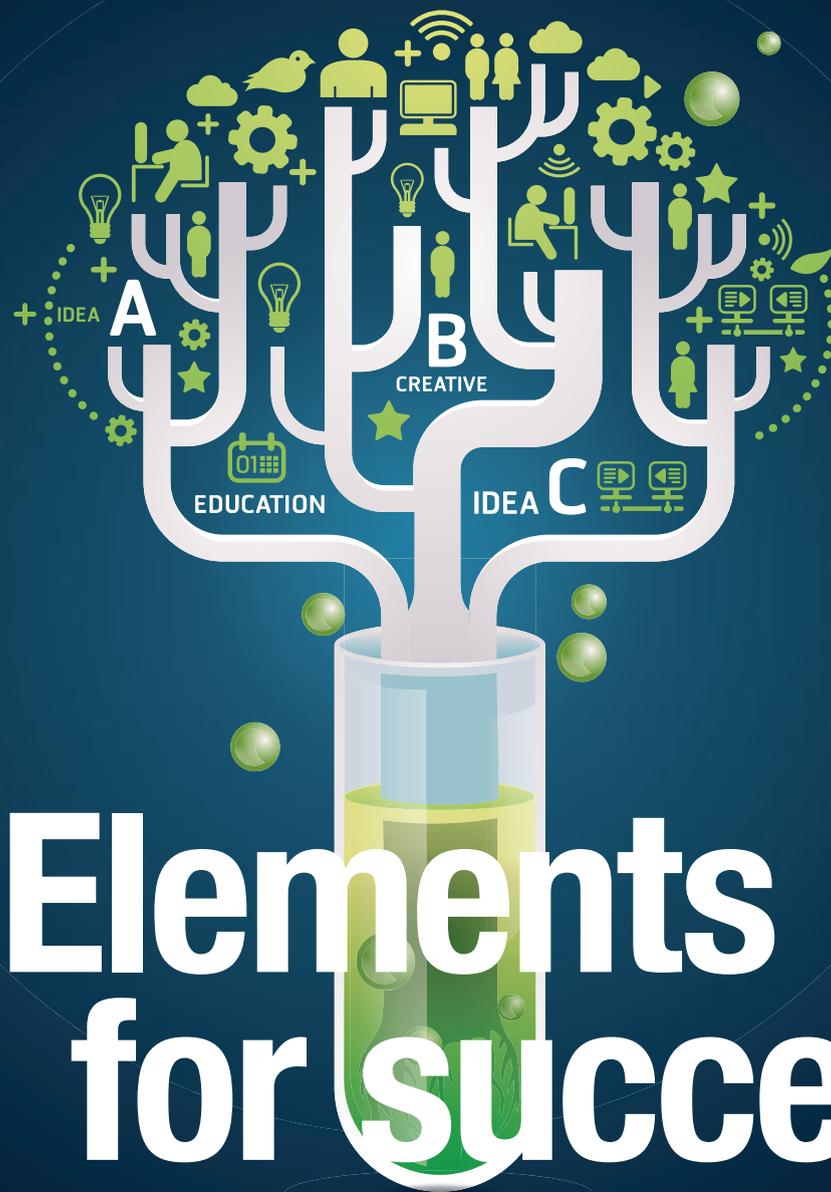
which are built are of the latest spec and conform to the latest regulations, unlike much of the outdated road infrastructure in Western Europe.

Indeed, as a result, Poland's new highways were deemed so good that from the beginning of 2011, Poland became one of a handful of European countries where the speed limit on highways was lifted to 140 kph. Only Germany can beat that.

Planned expenditure

ON POLAND'S EXPRESSWAYS IN 2014-2018
AMOUNT (PLN BILLION)





Elements for success

Poland's chemical industry is back on track for growth. It continues to improve its position globally with the help of strong investment and recent consolidation in the sector

BY KAMILA WAJSZCZUK

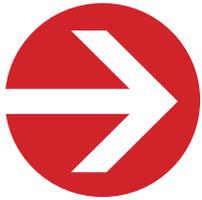
The chemical industry is a key sector in any economy, providing materials for many others, from agriculture to electronics manufacturing. In Poland, it accounts for about 11.4 percent of total sold industrial production, according to data from the Polish Chamber of Chemical Industry (PIPC). With some 70 percent of that production bought by other industries, only a minority is sold on the consumer market.

Though some 11,000 enterprises are involved in chemical manufacturing in Poland, altogether employing about

25,000 workers, it is the biggest industry players, such as Grupa Azoty, Ciech, Synthos and PCC Rokita, that are the most visible. These companies are also the biggest chemical exporters in the country, contributing to one of the highest net export growths sectorwise.

Easy money

Luckily for the industry, it cannot complain about insufficient access to capital. Experts agree that Polish chemical companies continue to spend large sums on investment and that they can count on outside financing. "In my opinion,



“The situation of Polish chemical sector exports improves each year.”

securing financing for new investment projects is easy,” Jaroslaw Myjak, deputy CEO of Poland’s largest bank, PKO BP, said during a debate organized by the Polish Press Agency in April.

Companies may look for financing not only in banks, but also on the stock exchange. “I think that the financial market is prepared for the financing needs of the Polish chemical

sector,” Jacek Socha, deputy chairman at PwC, said during the same discussion.

Major projects currently in the pipeline include a petrochemical unit to be built by Grupa Azoty together with oil firm Grupa Lotos. However, in Socha’s opinion, there is a need for more innovative projects. “R&D expenditures in Poland as a whole equal only twice as much as R&D expenses for BASF alone,” he said.

Leaving the crisis behind

The dynamic growth of the Polish chemical manufacturing sector was throttled in 2008, the year the crisis took hold. Nevertheless, a rebound started in 2010 and now the industry is back on its feet. Tomasz Zieliński, head of the PIPC, stressed that chemical production sales in Poland grew from PLN 123.45 billion in 2011 to PLN 131.40 billion in 2012

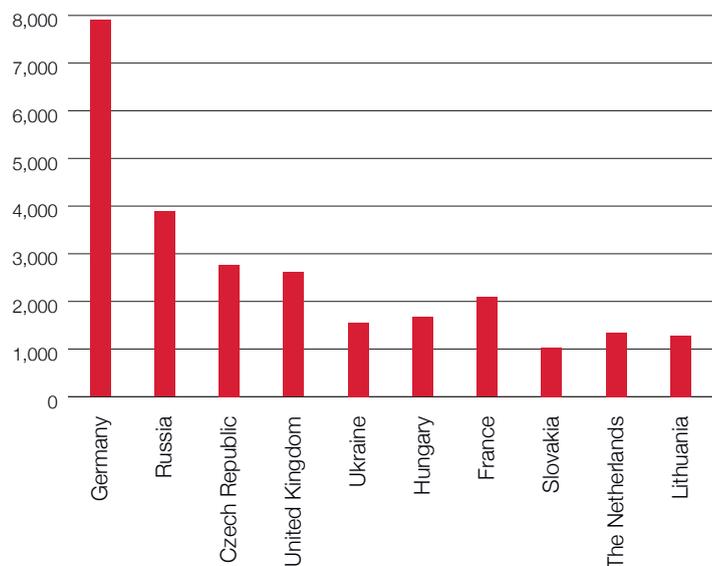
and have grown immensely since 1995, when the business amounted to only PLN 25 billion.

“Favorable factors include M&A activity, especially the consolidation of Grupa Azoty, which created the second-largest chemical producer in Europe, only after Norway’s Yara International,” underlined Zieliński.

“A large business always has better options. A group this size

The buyers

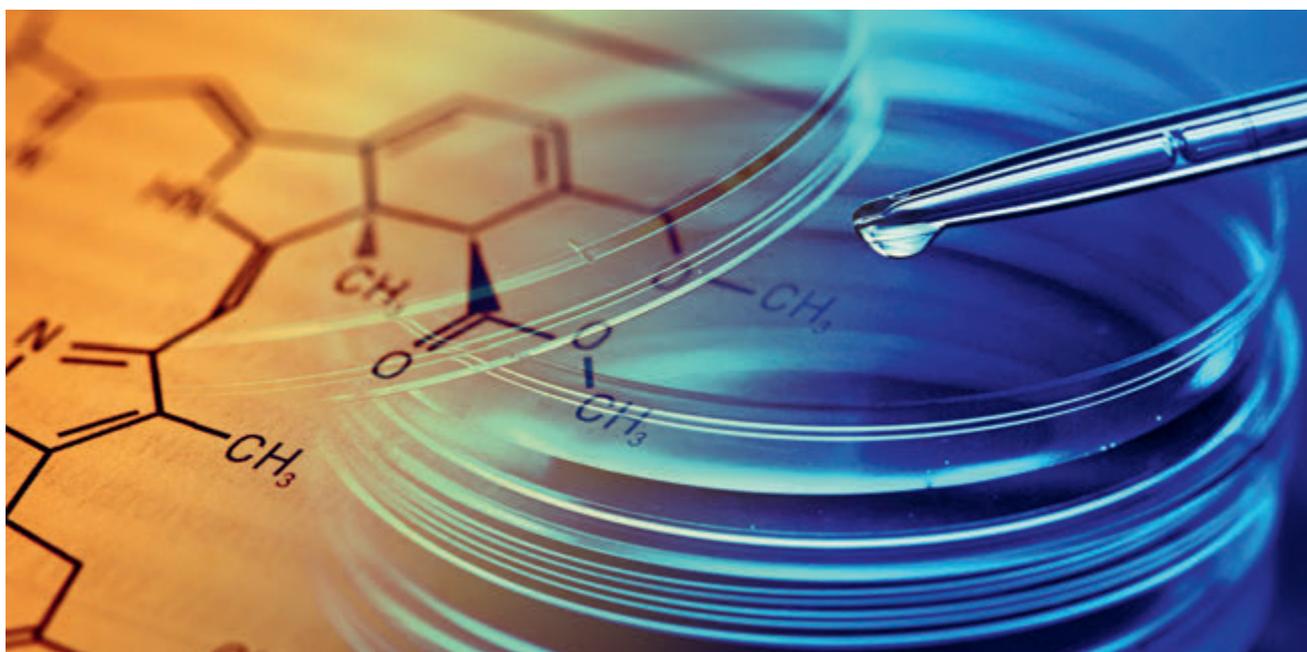
TOP TEN EXPORT DESTINATIONS FOR THE POLISH CHEMICAL SECTOR (2012, PLN BILLION)



What sells

**BIGGEST SEGMENTS OF THE CHEMICAL SECTOR
BY EXPORT VALUE (2012, EUR BILLION)**

10.15	Plastics, synthetic rubber and articles thereof
2.06	Essential oils and related goods
1.89	Pharmaceutical products
1.48	Organic chemicals
1.28	Soaps and detergents



can make cheaper purchases, negotiate better conditions, both in terms of buying and selling. Goods are sold more quickly, they do not stockpile, as sometimes happens with smaller firms," the PIPC president added.

Export engine

Zieliński also stressed that Polish chemicals are appreciated in many countries, saying that "our products are of desirable quality, our technologies are well recognized." Growth is witnessed in many areas.

Chemicals are Poland's second biggest export sector, after electronics and mechanical

machinery. In 2013, Poland exported €20.2 billion in chemical products.

"The situation of Polish chemical sector exports continues to improve each year," Zieliński said. "The balance in the foreign trade of chemicals is still negative, but it's getting better. In 2011, the deficit was €8.32 billion and in 2012 it was reduced to €6.68 billion."

"Petrochemicals and base chemicals have always been a strong segment," Zieliński stated, adding that "the automotive sector is back on track, so chemicals for the automotive segment are also accelerating. There are also

good perspectives for exports in the plastics segment."

International perspective

With most Polish chemical exports heading to EU countries, especially Germany, the economic situation there is crucial. So the future of the sector's foreign sales largely depends on the perspective for recovery in Europe's core markets.

Another big chunk of Polish chemical production is sold to Russia and Ukraine. The recent crisis in Ukraine-Russia relations, which has affected Polish and EU trade with Russia, is thus one of the chal-

lenges that the chemical sector now faces.

This is not the only issue that the sector has to face when it comes to the eastern direction in export, as Zieliński explained. "One of the main threats is connected to an EU introduction of an anti-dumping duty on fertilizers from Russia and that country's actions against it in the World Trade Organization," he said. "Russia also uses dual pricing in natural gas, breaching WTO rules, which also affects the chemical sector."

Another key factor is the currently negotiated Transatlantic



“Our products are of desirable quality, our technologies are well recognized.”

Trade and Investment Partnership (TTIP) agreement, which aims to establish free trade between the EU and the USA. “Earlier, the biggest issue was the possible inflow of goods produced with the help of US shale gas, which could destabilize the EU market. Now, since the Ukraine-Russia issue emerged, the foundations for TTIP may change,” Zieliński said.



CIECH UP FOR GRABS

Ciech was established in 1945 as a chemical export holding, and until 2005, it was fully state-owned. Now the Treasury holds 38.72 percent in the firm and it may soon sell its shares.

In early March, KI Chemistry, a unit of Kulczyk Investments, announced a tender offer for 66 percent in the chemical holding in a deal that may be worth some PLN 102.6 million. The State Treasury has already expressed its willingness to sell shares in the tender.

As the deal still awaits approval from the Office of Competition and Consumer Protection, KI Chemistry

extended the deadline for subscriptions in the tender, originally planned for March 25 – April 25, until May 30.

During its preparation for privatization over the past years, Ciech has evolved from a post-communist giant to a specialized chemical group. It now focuses on manufacturing and selling soda ash, sulfur and organic chemicals. In 2012, it sold its toluene diisocyanate (TDI) production segment to German chemical giant BASF. In early 2013, it agreed to sell phosphorus and chromium compound producer Zakłady Chemiczne Alwernia to Kermas Group.

GLOBAL PRESENCE

Grupa Azoty is not only one of Poland’s largest exporters, it also pursues other activities on various world markets. Among them is a phosphorite project in Senegal.

In late August 2013, the group’s subsidiary Zakłady Chemiczne Police announced the acquisition of 55 percent in Senegalese firm African Investment Group for \$28.85 million. It thus obtained rights to exploration and extraction of phosphorite reserves estimated at 56 million metric tons

and ilmenite reserves estimated at 1.5 million tons.

It plans to extract 400,000 metric tons of phosphorite in Senegal in 2014. Further acquisitions of Senegalese deposits are also possible.

Another market with potential for Grupa Azoty is India. The holding already sells its technology in the country and has business partners among Indian caprolactam producers. Late last year, it admitted to mulling over a new investment, a production plant in the subcontinent.

Zakłady Chemiczne Police acquired
55 percent

in Senegalese African Investment Group



LOGISTICS - Trend or hype?

No one doubts that the warehouse segment is where the money is right now.

With record high pipeline and investment deal volume outstripping office and retail, the sector continues to attract attention. Tenant demand is also nearing pre-crisis levels. Is the growth trend sustainable, though, or has it reached its peak?

BY BEATA SOCHA

Western Poland remains the hottest location for new warehouse developments. There was 853,000 sqm of logistics space under construction across Poland at the end of June 2014, the highest volume since 2008, with the majority being built near Poznań (316,100 sqm) and Wrocław (314,600 sqm). The stock currently under construction will increase Poland's warehouse supply by 10 percent (it now stands at a little over 8 million sqm) and the pipeline might get even bigger in the future.

"Developers are increasingly eager to buy land for warehouse development. A year ago, they would buy land only after they had secured a tenant," said Tomasz Olszewski, head of Industrial Department at JLL. There is also more speculative space being built. At the end of H1 2014, 77,500 sqm of warehouse space under construction (10 percent of the entire pipeline) was not se-

cured by pre-leases, according to JLL data.

West-bound

The two western cities of Poznań and Wrocław are definitely the hot zone, mainly due to greatly improved transport infrastructure and their proximity to the German border, as a lot of goods are being distributed to and from Germany. Out of the total net demand for warehouse space of 527,000 sqm recorded in the first six months of 2014, Poznań accounted for 103,000 sqm and Wrocław for 88,500 sqm, according to JLL.

Warsaw suburbs also continue to attract tenants, with 89,000 sqm of space leased in H1 2014.

"Poznań and Wrocław have been experiencing a real boom over the past year and a half. It started even before Amazon came in," Olszewski said. Last year, the e-commerce giant leased 300,000 sqm in built-to-suit centers, scheduled to be

completed this year near the two cities.

Change in demand

The demand figures for the first half of the year may be quite impressive, with gross take-up reaching 912,000 sqm in H1 2014, 17.2 percent more than in the same period last year and 62 percent more than in H1 2012, according to JLL. But what some would color as a long-term boom, may in fact turn out to be rather incidental.

The spike in demand for warehouse space seen over the past months is at least partially

the product of changes in public support for investments announced in late 2013. Starting July 1, 2014, investors applying for permits in any of Poland's 14 special economic zones can count on far less favorable tax incentives. For example, the maximum level of tax relief in the areas around Poznań and Wrocław fell from some 40 percent to about 25 percent. No wonder then that the changes prompted investors to storm Special Economic Zones and apply for permits *en masse* before July 1.

"We've seen artificially pent-up demand for SEZ investments

853,000 sqm

of logistic space is currently under construction in Poland

Cheap space

Poland continues to have highly competitive rent levels compared to other CEE countries, ranging from a little over €2 per sqm per month for big box sheds in Warsaw suburbs and Central Poland up to €5 per sqm per month in small business units (SBU) located within Warsaw. Relatively low land prices, lower construction costs and competition between developers are some of the factors maintaining rent levels competitive.

before July 1 of this year,” said Olszewski. Over the first six months of 2014, investors pledged to invest PLN 21 billion, 40 percent more in year-on-year terms. In H1 2014, investors obtained 438 permits and said they would create 20,500 new jobs. The figures are expected to drop in the second half of the year. “Now there is little activity in SEZs, new investors are no longer lining up in front of SEZ offices,” he added.

However, developers remain convinced there is still a lot of potential in the warehouse segment. “Poland’s internal demand is at 1 sqm of warehouse space per person, which translates into 40 million sqm in total,” said Robert Dobrzycki, managing partner of Panattoni Europe. He added that, “A lot of demand is also generated by companies shipping goods outside Poland, like Amazon, which will service Western Europe from its Polish centers, as well as production facilities delivering spare parts to German automotive manufacturers.”

Outsource it

Even though industrial space may be less in demand in the coming months, logistics firms and retail chains will more than likely make up for the loss. Nine out of ten largest new leases in H1 2014 were signed by logistics operators and retail chains, according to JLL data. These two sectors have been leasing more and more space over the past years, and nothing indicates the trend should stop.

“The dynamic development of logistics centers built for logistics and retail companies, which have traditionally generated the highest demand for warehouse space, is proof that these assets are in demand,” said Magdalena Szulc, head of SEGRO for the Central European market. “Logistics centers in Poland serve both the domestic market and the entire Central European market. Many Poland-based logistics firms also operate in more remote locations, including Scandinavian and eastern markets,” she added.





“A lot of firms decide against running their own warehouses.”

Logistics operators' demand for warehouse space is definitely increasing. “In the first six months of 2014, logistics firms signed new leases for 254,000 sqm of space (48 percent of the net demand). Meanwhile, their demand in all of 2013 stood at 295,000 sqm,” said Kamil Szymański from Industrial Agency at JLL.

“A lot of firms decide against running their own warehouses. Instead they outsource to companies specializing in warehousing and logistics services, which offer not only space but also machines, people and even specialist computer software,” JLL's Olszewski explained.

Retailers gear up

Meanwhile, retail chains took up 19.3 percent of all the new space leased in H1 2014, which is some 102,000 sqm. The figures are consistent with a long-term growth trend in the amount of warehouse space leased by retail firms. In H1 2013, retail chains leased approximately 72,000 sqm of new space (15 percent of total net take-up), while in the first half of 2012 their share in total net demand was a mere 5 percent.

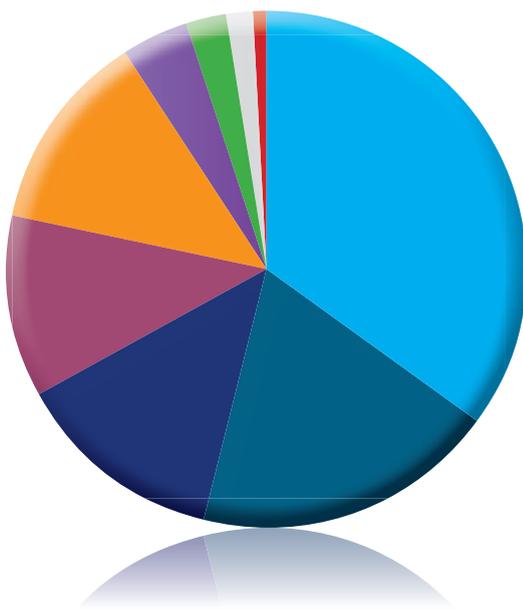
“The increased activity among retail tenants is the product of growing consumer demand for FMCGs as well as the rapidly developing e-commerce sector, which has been fueling changes in the logistics and retail segment for the past few years. We expect that internet shopping will increasingly stimulate demand for modern warehouse space in Poland,” Szulc said.

Olszewski explained the trend saying that “the number of new stores being opened is no longer that high, so retailers are looking for a competitive edge in operational efficiency, delivery times and low costs. We can see that retail chains are gearing up to compete also in this area.”

About 15 percent of all demand came from the e-commerce sector, JLL estimates. The exact size of the sector's demand is difficult to assess, as some of this demand is included in the retail chains category and some falls under logistics operators.

Logistic base

POLAND'S LOGISTICS STOCK (SQM)
SOURCE: CBRE



● WARSAW AREA	2,828,300
● SILESIA	1,517,900
● CENTRAL POLAND	1,068,400
● WROCŁAW	920,500
● POZNAŃ	993,600
● NORTH	338,800
● KRAKÓW	201,500
● EASTERN POLAND	130,100
● SZCZECIN	62,100

INDUSTRIAL real estate



● ● ● ●
**Jan Jakub
Zombirt,
Senior
Research
Analyst, JLL**

After a successful 2013, when the gross demand for industrial facilities across Poland totaled 1.89 million sqm, the market has not displayed any symptoms of deceleration in 2014. In the first half of 2014, gross take-up stood at 912,000 sqm. The strong demand side is now translating into a large development pipeline: more than 811,000 sqm is now in the construction stage across Poland, which indicates that this year the market supply will reach 8.6 million sqm. Once again the market has been primarily driven by logistics operators. In addition, we also see an increasing share of space being designated for fulfillment within the growing e-commerce sector.

The number of speculative projects showed an increase; their share in the total stock being constructed fell as compared to H1 2014, but that can be explained by the large development pipeline. Almost 80,000 sqm is now being delivered without any binding lease agreement, the highest volume since the end of 2009.

Signs of an economic recovery have positively impacted demand for industrial space. New demand totaled 526,000 sqm in H1, which was slightly above the result from the same period of 2013. In addition to new deals, tenants renewed leases for 386,000 sqm, resulting in gross industrial demand in excess of 912,000 sqm at

the end of H1 2014. Assuming that the next two quarters will not experience a major slowdown, a total of 1 million sqm leased to new tenants (net demand) during the whole of 2014 seems realistic.

Once again, the highest demand came from logistics operators, whose new leases totaled more than 254,000 sqm, which is 48 percent of the entire net demand. However, the largest single transaction involved a retail chain for which Goodman will deliver a 40,000 sqm project near Konin. Other notable deals involved Geodis, who secured 22,000 sqm in Distribution Park Wrocław; and Hi Logistics, for whom Prologis is extending its Prologis Park V in Wrocław.

3PL and e-commerce

The growing share of 3PL companies in demand for industrial floor space could be traced back to the beginning of the global economic downturn of 2008. Outsourcing of logistics operations was just one of the austerity measures introduced then by companies representing numerous sectors. It can also be put down to the growing e-commerce market, which fosters demand from logistics operators, freight forwarders and courier companies working on behalf of online retailers.

The retail sector has also been registering a substantial increase in both leased floor space and share in total demand. This generally stems from growing retail sales, but also the increasing number of retail centers across Poland. For the last ten years, shopping center developers have been refocusing their attention from the main agglomerations to Poland's secondary and tertiary cities, which is why retail chains needed to restructure their supply chains and this eventually led to growing warehousing needs.



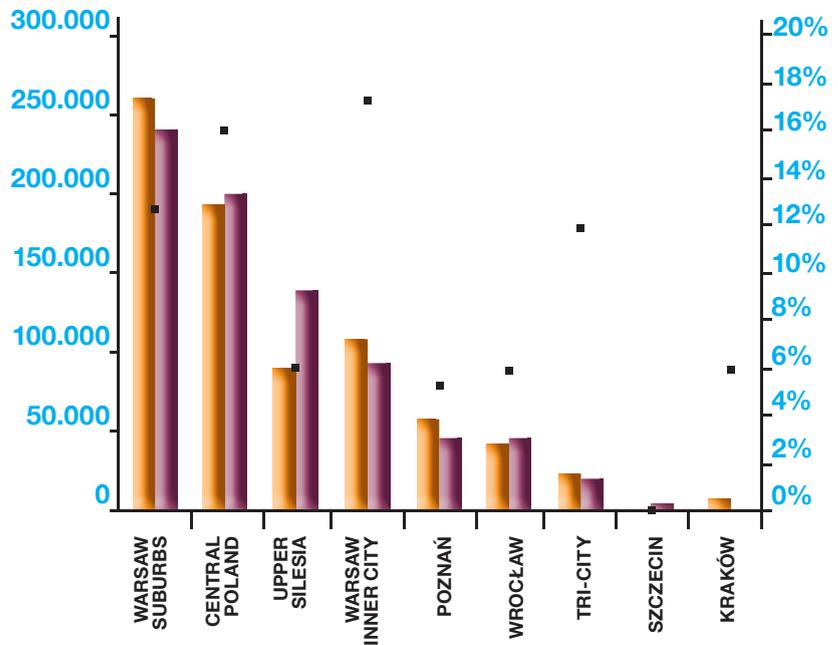


“More than 811,000 sqm is now in the construction stage across Poland.”

Availability of industrial space (sqm)

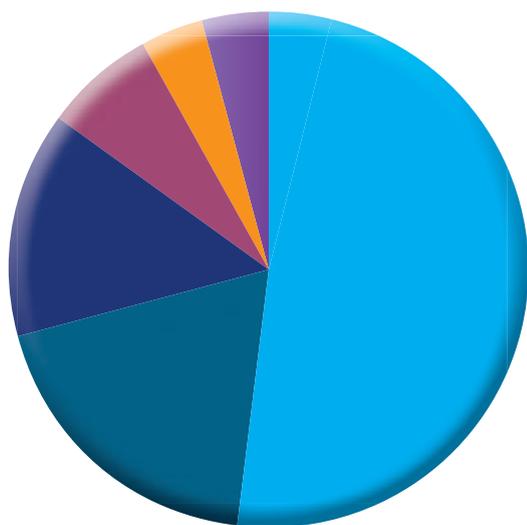
Source: JLL

- VACANCY H1 2013
- VACANCY H1 2014
- VACANCY RATE H1 2014



Net take-up

BY SECTORS IN H1 2014
SOURCE: JLL



- LOGISTICS OPERATORS 48%
- RETAILERS 19%
- OTHER 14%
- ELECTRONICS 6%
- LIGHT MANUFACTURING 4%
- CONSTRUCTION 4%
- AUTOMOTIVE 3%

Since the end of 2011, the vacancy rate registered on the Polish market has ranged between 10 percent and 12 percent. At the end of H1 2014, it stood at 10.5 percent, which was 80 b.p. less than in December 2013. However, regional analysis shows some considerable differences in availability of space on particular sub-markets. Currently, the overall vacant space on the market totals 817,000 sqm. Among the five largest markets, the highest vacancy rate is (as traditionally) found in Central Poland (17.2 percent), where the available floor space totals almost 203,000 sqm.

SHORT 

MEDIUM 

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

This chapter 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.

Every effort has been made to obtain the most current information available at the time of publishing. However, it should be noted that in light of the upcoming local government elections, new marshalls and city mayors will be chosen on November 16, 2014.

Meanwhile, upon the change of the prime minister in September 2014, all voivodes, as representatives of the central government, had to tender their resignations. However, most of them will likely remain in their posts, as is usually the case when a new prime minister from the same political grouping takes over. The next general parliamentary elections, which will involve the appointment of new voivodes, will take place in 2015.





Kujawsko-Pomorskie

VOIVODSHIP



ADMINISTRATION



Voivode: Ewa Mes



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 Sciences

NUMBER OF STUDENTS (2013)

49,494

NUMBER OF GRADUATES (2013)

14,307

LABOR MARKET



POPULATION (Dec. 2013)

2,092,564

WORKING-AGE POPULATION (Dec. 2013)

1,333,169

UNEMPLOYMENT RATE (July 2014)

16.0%

AVERAGE MONTHLY WAGE (July 2014)

PLN 3,379.91

BUSINESS



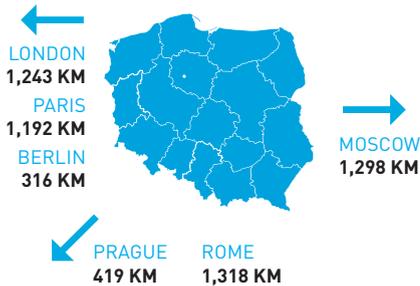
SPECIAL ECONOMIC ZONES

Pomeranian Special Economic Zone

RECENT MAJOR INVESTORS

Castorama, Itella Information, Jabil,
Livingston, MMP Neupack, Solvay,
Unilever

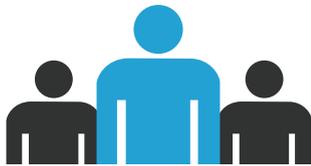
CAPITAL Bydgoszcz



On the right tracks

MAYOR
RAFAL BRUSKI

POPULATION (DEC. 2013)
359,428



WORKING-AGE POPULATION
(DEC. 2012)

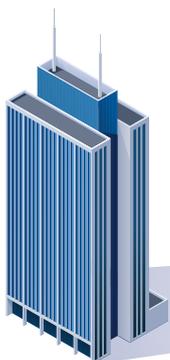
229,244

UNEMPLOYMENT RATE
(JULY 2014)

8.0%

AVERAGE PAY
(DEC. 2013)

PLN 3,589.06



MODERN OFFICE
SPACE
39,000 SQM

OFFICE VACANCY
RATE
24.6%

PRIME HEADLINE
RENTS
€8.50-€10.00

Home to the Voivode of Kujawsko-Pomorskie, Bydgoszcz is a cultural, economic and educational center located in Kujawsko-Pomorskie voivodship, in northcentral Poland. Together with Toruń, Bydgoszcz holds the right to directly impact changes occurring in the voivodship, not only because it is the most rapidly developing city in the region, but also because the main bodies governing the region are located in those two cities.

The city's history begins in the Bronze Age, when the first settlements were established at the location of the current city. Since then, the city effectively used its location near the rivers Brda and Vistula to consolidate its position as the center of trade in the region, especially as an important point on the amber trade trail.

Nowadays, the city is expanding as a business center, with numerous IT companies stationed in Bydgoszcz, not to mention other important players, such as train manufacturer PESA, which are also look-

ing at the city as a perfect place for future investments. Such conclusion can be clearly justified by looking at the number of business parks located in Bydgoszcz.

The city aims to grow even more, with future investments planned to enrich the current business landscape of the city and secure its position as the economic leader of the region.

KEY CONTACTS

Bydgoszcz Regional Development Agency
investin.bydgoszcz.eu
ul. Mennica 6
85-112 Bydgoszcz
Tel. +48 52 585-8823
Fax +48 52 585-8878
barr@barr.pl





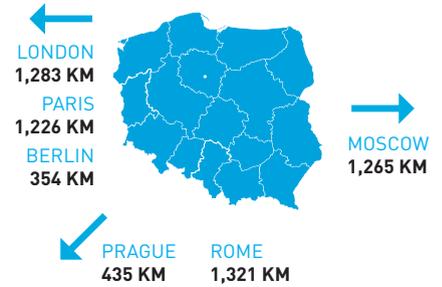
CAPITAL
Toruń



KEY CONTACTS

Entrepreneurs and Investors Bureau

boi.torun.pl
ul. Waty gen. Sikorskiego 10
87-100 Toruń
boi@um.torun.pl



MAYOR
MICHAŁ ZALESKI

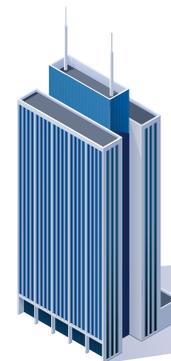
POPULATION (DEC. 2013)
203,447



WORKING-AGE POPULATION
(DEC. 2012)
132,841

UNEMPLOYMENT RATE
(JULY 2014)
9.1%

AVERAGE PAY
(DEC. 2013)
PLN 3,719.69



MODERN OFFICE SPACE
45,700 SQM

OFFICE VACANCY RATE
11.8%

PRIME HEADLINE RENTS
€9.00-€11.00

SOURCE: JLL

City where the Earth moved

Located on the banks of the Vistula river, Toruń enchants with its unique synergy of beautiful historical edifice and dynamic development of modern districts. Splitting the governing functions of the voivodship between Toruń and Bydgoszcz, the voivodship marshall's seat is in Toruń. The history of the city starts as early as the 10th century. From there on, the city flourished due to its role as a center of trade and education.

During the middle ages, Toruń was home to Nicolaus Copernicus, the world-famous astronomer who "stopped the Sun and moved the Earth," debunking the theory that the Earth is the center of the universe.

The Old Town, already appreciated by UNESCO and included on the World Heritage List, never ceases to amaze tourists with its antique architecture. The citizens of Toruń do not remain passive, organizing numerous festivals and cultural events in the city's Old Town.

Toruń is well-known for its trademark "pierniki" a special kind of a gingerbread cookie. Their reputation is firmly established by legends and traditions, as well as their specific recipe.

The city is moving forward, using EU subsidies to enhance the development of infrastructure, especially focusing on the city's most important industry-tourism.

Other major cities

CITY	POPULATION	WORKING-AGE POPULATION	UNEMPLOYMENT
Włocławek	114,885	74,012	18.7%
Grudziądz	97,676	62,430	17.2%
Inowrocław	75,001	49,320	21.8%*

*LOCAL COUNTY DATA



Kujawsko-Pomorskie

Foreign Direct Investment Welcome



WHY KUJAWSKO-POMORSKIE REGION IS ATTRACTIVE FOR INVESTORS?

About our Region:

- Located in north-central Poland
- Home to Bydgoszcz-Toruń Metropolitan Area (BiT City) with a population of 750 000 aspiring to become one of the most competitive regions in the country
- Abundance of tourist attractions – Old Town complex in Toruń listed on UNESCO's World Heritage List (since 1997) Bydgoszcz – revitalised Brda river banks, the Mill Island and river marina, Slavic settlement in Biskupin Tuchola Forest, Brodnica Lake District, Ciechocinek and Inowrocław – health resorts famous for their water towers, the largest facilities of its kind in Europe

An investor friendly approach:

- Over 250 sites for greenfield and brownfield projects
- 4 industrial parks in Grudziądz, Świecie, Solec Kujawski, 2 industrial-technology Parks in Bydgoszcz and Włocławek and Technology Park with Technology Transfer Centre in Toruń
- 13 sub-zones of the Pomeranian Special Economic Zone
- High concentration of companies - leaders in their respective fields
- Easy access to qualified work force (collaboration possible with colleges and vocational schools)
- Well-developed educational infrastructure (junior high schools and high schools) and academic centres: Nicolaus Copernicus University, Collegium Medicum (NCU), Kazimierz Wielki University, University of Life Sciences and Technology
- Large work force resources
- Low labour cost
- Multiple business support instruments at state, regional and local levels
- Local government of Kujawsko-Pomorskie supports entrepreneurship by financing investment projects, modern technology, brands promotion and improving areas designated for development
- Real estate tax exemptions, possibility of purchasing or renting real estate in industrial and technology parks or communes at a very competitive price
- Income tax exemptions within the Special Economic Zone

Major foreign investors in Kujawsko-Pomorskie:

Nestle, ThyssenKrupp, Nordzucker, Unilever, Cargill, Lafarge, Alcatel – Lucent, Atos, Bonduelle, Mondy, Livingston International, Orkla, Raben, Bunge, Lidl, Neupack, Opus Capita, Panattoni, DHL, Raben.

Investment and export support:

Kujawsko-Pomorskie Investors and Exporters Service Centre operates within the network of Investors and Exporters Service Centres within the Innovative Economy 6.2.1. Operational Programme. Thanks to funds available from this source and close co-operation with the Investment and Trade Promotion Departments of Polish embassies in various countries as well as with the Ministry of Economy the region is able to support companies investing here efficiently. The local certified Investor's Assistance Centre is a regional partner of Polish Information and Foreign Investment Agency.

Major and developing economy sectors:

Food processing, IT, BPO/SSC, chemicals, plastics, electro-machinery, wood, paper, renewable energy sources, tourism.

Transportation:

- A-1 motorway running across the region is an important part of the European transport network connecting Scandinavia with southern Europe
- Expressways: S-10 linking Szczecin and Warsaw via Bydgoszcz and Toruń, S-5 from Grudziądz via Bydgoszcz to Poznań and Wrocław
- International Bydgoszcz Airport with cargo terminal
- International waterways E70 and E40



Fot. arch. Bydgoszcz Industrial and Technological Park



Fot. arch. Cereal Partners Poland Toruń Pacific



Fot. arch. HF Werk Chelmno



Fot. arch. Industrial Park in Solec Kujawski



Detailed information on investment opportunities in the region is available in three languages: English, German and Polish - on the Investor's Assistance Centre's website:

www.coi.kujawsko-pomorskie.pl

Contact us: Centrum Obsługi Inwestora (Investor's Assistance Centre), Urząd Marszałkowski Województwa Kujawsko-Pomorskiego, pl. Teatralny 2, 87-100 Toruń, Polska, tel. +48 56 62 18 319, fax.: +48 56 62 18 264

e-mail: coi@kujawsko-pomorskie.pl



KUJAWSKO-POMORSKIE
VOIVODESHIP

EUROPEAN UNION
EUROPEAN REGIONAL
DEVELOPMENT FUND



My region in Europe



Lower Silesia VOIVODSHIP



ADMINISTRATION



Voivode: Tomasz Smolarz



Marshall: Cezary Przybylski

KEY CONTACTS

**Lower Silesia Agency for Economic
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 (2013)

107,476

NUMBER OF GRADUATES (2013)

28,011

LABOR MARKET



POPULATION (Dec. 2013)

2,909,997

WORKING-AGE POPULATION (Dec. 2013)

1,867,285

UNEMPLOYMENT RATE (July 2014)

11.5%

AVERAGE MONTHLY WAGE (July 2014)

PLN 3,934.54

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

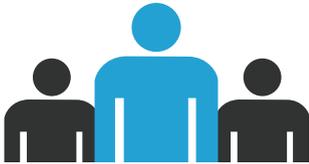
Amazon, BASF, Colgate-Palmolive,
Daicel Safety Systems Europe, Faurecia,
GKN Driveline, Pittsburgh Glass Works,
Scania, SRG Global,
SteriPack Medical, Wabco

CAPITAL Wrocław



MAYOR
RAFAŁ DUTKIEWICZ

POPULATION (DEC. 2013)
632,067



WORKING-AGE POPULATION
(DEC. 2012)

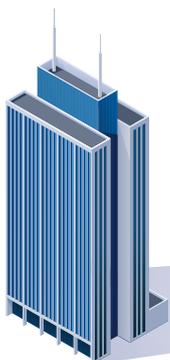
406,420

UNEMPLOYMENT RATE
(JULY 2014)

5.0%

AVERAGE PAY
(DEC. 2013)

PLN 4,129.56



MODERN OFFICE
SPACE
550,000 SQM

OFFICE VACANCY
RATE
10.0%

PRIME HEADLINE
RENTS
€14.00-€15.00



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

Hotbed of innovation

The City of Wrocław has one of the most turbulent histories of Poland's regional capitals. Over the centuries, it has changed its allegiance numerous times, being ruled at some point in history by the Prussians, Austrians, Germans, Czechs, French and even the Hungarians. Wrocław encompasses 12 islands cross-cut by the Odra river. They are linked by a network of old and new bridges.

As part of Germany, Breslau (German for Wrocław) suffered enormous destruction during World War II. It surrendered on May 6, 1945, four days after the fall of Berlin.

As part of the post-war resolutions of major

Other major cities

CITY	POPULATION	WORKING-AGE POPULATION	UNEMPLOYMENT
Wrocław	632,067	406,420	5.0%
Wrocław	117,926	76,313	14.0%
Legnica	101,992	66,252	9.6%
Jelenia Góra	81,985	52,552	7.4%
Lubin	74,053	48,286	9.7%*

*LOCAL COUNTY DATA

powers, the city became part of Poland in 1945 together with Silesia and Pomerania, lands collectively known as the Recovered Territories – such as Lviv and Vilnius, were repatriated to Wrocław. Hence, the city is known for its nomadic student population and open populace.

Currently, it's the capital of the Lower Silesia voivodship. It has a vibrant business environment with such companies as Siemens, Bosch, Nokia Solutions and Networks, Volvo, HP, IBM, Google, Opera Software, QAD, Bombardier Transportation, DeLaval, Whirlpool Corporation all having branches there.



Lower Silesia VOIVODSHIP



ADMINISTRATION



Voivode: Tomasz Smolarz



Marshall: Cezary Przybylski

KEY CONTACTS

**Lower Silesia Agency for Economic
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 (2013)

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LABOR MARKET



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UNEMPLOYMENT RATE (July 2014)

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AVERAGE MONTHLY WAGE (July 2014)

PLN 3,934.54

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

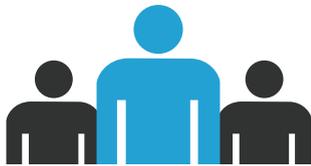
Amazon, BASF, Colgate-Palmolive,
Daicel Safety Systems Europe, Faurecia,
GKN Driveline, Pittsburgh Glass Works,
Scania, SRG Global,
SteriPack Medical, Wabco

CAPITAL
Wrocław



MAYOR
RAFAŁ DUTKIEWICZ

POPULATION (DEC. 2013)
632,067



WORKING-AGE POPULATION
(DEC. 2012)

406,420

UNEMPLOYMENT RATE
(JULY 2014)

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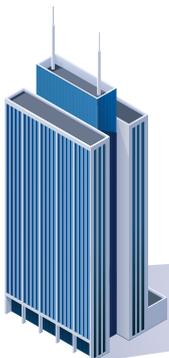
AVERAGE PAY
(DEC. 2013)

PLN 4,129.56

MODERN OFFICE
SPACE
550,000 SQM

OFFICE VACANCY
RATE
10.0%

PRIME HEADLINE
RENTS
€14.00-€15.00



SOURCE: KNIGHT FRANK, JLL



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

Hotbed of innovation

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As part of the post-war resolutions of major

Other major cities

CITY	POPULATION	WORKING-AGE POPULATION	UNEMPLOYMENT
Wrocław	632,067	406,420	5.0%
Łódź	660,000	380,000	8.0%
Katowice	290,000	180,000	6.0%
Warsaw	1,700,000	1,000,000	7.0%
Cracow	320,000	200,000	6.0%
Białystok	290,000	180,000	6.0%
Gdańsk	350,000	220,000	6.0%
Wrocław	632,067	406,420	5.0%
Legnica	101,992	66,252	9.6%
Jelenia Góra	81,985	52,552	7.4%
Lubin	74,053	48,286	9.7%*

*LOCAL COUNTY DATA

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Lubelskie

VOIVODSHIP



ADMINISTRATION



Voivode: Wojciech Wilk



Marshal: Sławomir Sosnowski

KEY CONTACTS

Lubelskie Marshall's Office
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invest.lubelskie.pl
ul. Stefczyka 3
20-151 Lublin
Tel. +48 81 537-1621
coi@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 (2013)

59,390

NUMBER OF GRADUATES (2013)

17,282

LABOR MARKET



POPULATION (Dec. 2013)

2,156,150

WORKING-AGE POPULATION (Dec. 2013)

1,352,470

UNEMPLOYMENT RATE (July 2014)

12.8%

AVERAGE MONTHLY WAGE (July 2014)

PLN 3,376.23

BUSINESS



SPECIAL ECONOMIC ZONES

EURO-PARK MIELEC Special
Economic Zone
Starachowice Special Economic Zone
Tarnobrzeg Special Economic Zone
EURO-PARK WISŁOSAN

RECENT MAJOR INVESTORS

AugustaWestland, ABM Greiffenberger,
Aliplast, Genpact, Jeronimo Martins
Holding, Roto Frank



Puławy, a city in the north-western part of the Lublin Province, has its place not only in our nation's history, but also in the minds of many Poles. For a long time, the heritage of the Enlightenment, including the famous, monumental palace and park complex, was the highlight of the city. The chemical industry has rapidly developed since 1960, when the Zakłady Azotowe Puławy plant was established. However, Puławy has never assumed the role of a predominantly industrial city. Zakłady Azotowe and the Czartoryski Park are the foundations upon which the brand of the city has been fostered. Today, many diverse initiatives are being pursued in Puławy, including those in the fields of tourism, culture, sports and recreation, and industry, benefiting largely from the effective use of EU funds.

We have created conditions for even faster development in several domains in recent years, which influences the possibilities offered by the city to investors. Two investments are of particular importance. The first one involves the tourism potential of the Kazimierz Dolny – Puławy – Janowiec triangle, notably its valuable location on the banks of the Vistula. In the framework of this project, a part of the Puławy embankment has been revitalised, including a new waterfront promenade, and a suitable infrastructure for inland navigation has been developed, including a river port serving tourist and recreational functions. Similar improvements have been carried out in Kazimierz Dolny and Janowiec. The other investment project is the development of the Puławski Park Naukowo-Technologiczny (Puławy Science and Technology Park), an instrument for the city's economic competitiveness enhancement, implementation of state-of-the-art technological solutions, and knowledge and capital management. Both projects, consistently developed, prove the multidirectional development of Puławy.

The recent years have seen a host of improvements and initiatives, noticed and appreciated both by the inhabitants and the visitors. The motto that guides them, "with people in mind", is not just an empty slogan. We use EU funds skilfully to modernise squares, pavements and roads, not only making the city more beautiful, but also more liveable. We care about the constant development of sport in Puławy, and about improving its quality – hence the redevelopment of the MOSiR stadium with the accompanying facilities. Today it is a modern, state-of-the-art structure with a full potential of professional services.

Apart from the development of river tourism, biking and walking trails are being developed. Tourism, sports and scientific traditions do not exhaust Puławy's potential. The city of such a great historic heritage is proud of its rich cultural life. Literature, music and dance festivals, as well as cyclical events of a national and international scope are its best examples, while highlighting the modern nature of the city.

We are convinced that it is impossible to create an investor-friendly place without its complex upgrading. The development of sciences and technologies, to which Puławy have contributed considerably, would not allow us to effectively take advantage of the city's potential without carrying concurrent projects serving its inhabitants. This is the only way to create adequate conditions for investment. We believe – and our belief is supported both by numerous awards and distinctions, and the opinions of the inhabitants and visitors – that the city of Puławy meets those requirements.

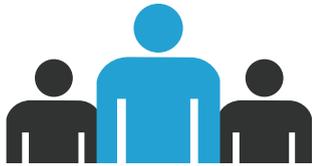
Welcome to Puławy.
Janusz Grobel
Mayor of Puławy



CAPITAL
Lublin

MAYOR
KRZYSZTOF ŻUK

POPULATION (DEC. 2013)
343,598



WORKING-AGE POPULATION
(DEC. 2012)

223,582

UNEMPLOYMENT RATE
(JULY 2014)

9.2%

AVERAGE PAY
(DEC. 2013)

PLN 3,820.91



MODERN OFFICE
SPACE

90,000 SQM

OFFICE VACANCY
RATE

18.0%

PRIME HEADLINE
RENTS

€11.00-€12.00

SOURCE: KNIGHT FRANK, JLL

**KEY CONTACTS**

**Strategy and Investor
Assistance Department**

lublin.eu

Pl. Litewski 1

20-080 Lublin

Tel. +48 81 466-2500

Fax +48 81 466-2501

inwestorzy@lublin.eu

Closing the gap

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 to the late 12th century. Legend has it that Julius Caesar's sisters 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.

Lublin is also the biggest city in Poland east of the Vistula River, which in the past caused much trouble for its inhabitants, as it was constantly attacked by various aggressors, from Lithuanians to Mongo-

lians, who completely razed the city in 1241.

Mostly due to EU funds, modern-day Lublin has been closing the gap with more developed cities in western Poland. It boasts five universities and in December 2012, a new airport was opened near the city.

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 over the last several years.

Other major cities

CITY	POPULATION	WORKING-AGE POPULATION	UNEMPLOYMENT
Chelm	65,481	43,398	16.6%
Zamość	65,255	43,260	14.6%
Biała Podlaska	57,658	38,773	16.1%
Puławy	49,100	29,842	9.9%*
Świdnik	40,225	25,832	14.8%*

*LOCAL COUNTY DATA



Lubuskie

VOIVODSHIP



ADMINISTRATION



Voivode: Jerzy OstroUCH



Marshall: Elżbieta Polak

KEY CONTACTS

**Investor Assistance Center of
Lubuskie Voivodship**
coi-lubuskie.pl
ul. Podgórna 7
65-057 Zielona Góra
Tel. +48 68 456-5531
coi@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 (2013)

59,390

NUMBER OF GRADUATES (2013)

17,282

LABOR MARKET



POPULATION (Dec. 2013)

1,021,470

WORKING-AGE POPULATION (Dec. 2013)

657,450

UNEMPLOYMENT RATE (July 2014)

13.3%

AVERAGE MONTHLY WAGE (July 2014)

PLN 3,342.95

BUSINESS



SPECIAL ECONOMIC ZONES

Kostrzyn-Słubice Special Economic Zone
Wałbrzych Special Economic Zone

RECENT MAJOR INVESTORS

Ahrens Textil, Arctic Paper,
Brinkhaus, Gedia, Faurecia,
High Tech Mechatronics,
HMP Heidenhain-Microprint,
ICT Poland, L&Bee, Podravka,
Steihoff, Swedwood

CAPITAL
Zielona Góra**KEY CONTACTS****Zielona Góra City Hall
Entrepreneurship and
Municipal Economy
Department**

biznes.zielonagora.pl
ul. Podgórna 22
65-424 Zielona Góra
Tel. +48 68 456-4316
Fax +48 68 456-4855
investor@um.zielona-gora.pl

Wine country

Situated among gently rolling hills and thick forest, "Green Mountain," or Zielona Góra (*German Grünberg*) is quite unique for a regional city. It originated in the 13th century as a way station along the east-west trade route between Poznań and Lusatia. Like Wrocław, the city had been under Polish, Bohemian and German influence throughout much of its history. Its population once Protestant then Catholic has left many monuments to its diverse past.

In the beginning of the industrial revolution, Zielona Góra had a vibrant textile industry, which was revived in the 20th century. Since 1852, an annual Wine Festival has celebrated the local grape

harvest and given publicity to the local wine-making tradition, one of the few such crafts in Poland.

Since 1999, Zielona Góra is one of two main cities in the Lubuskie Voivodeship, serving as the seat of the Voivodeship Council. Located just sixty kilometers from the German border, Zielona Góra is a regional education and industry center, with the IT industry making inroads in the last few years. It is home to a the University of Zielona Góra, and a highly successful Speedway motorcycle racing team, Falubaz.

Other major cities

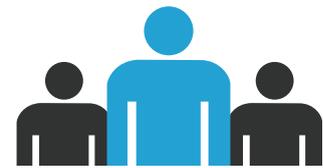
CITY	POPULATION	WORKING-AGE POPULATION	UNEMPLOYMENT
Nowa Sól	39,721	25,367	21.8%*
Żary	38,856	25,151	14.0%*

*LOCAL COUNTY DATA



MAYOR
JANUSZ KUBICKI

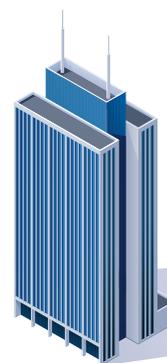
POPULATION (DEC. 2013)
118,405



WORKING-AGE POPULATION
(DEC. 2012)
76,584

UNEMPLOYMENT RATE
(JULY 2014)
7.2%

AVERAGE PAY
(DEC. 2013)
PLN 3,363.53



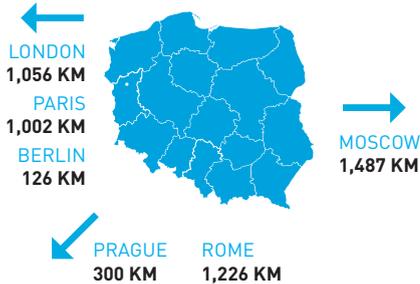
MODERN OFFICE
SPACE
20,000 SQM

OFFICE VACANCY
RATE
20.0%

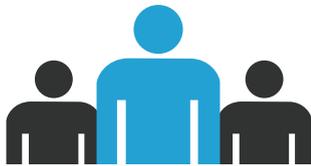
PRIME HEADLINE
RENTS
€5.00-€10.00

SOURCE: KNIGHT FRANK

CAPITAL
Gorzów Wielkopolski



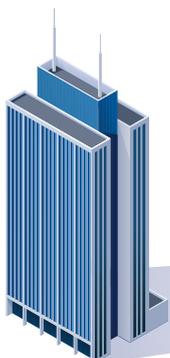
MAYOR
TADEUSZ JĘDRZEJCZAK
POPULATION (DEC. 2013)
124,344



WORKING-AGE POPULATION
(DEC. 2012)
80,741

UNEMPLOYMENT RATE
(JULY 2014)
6.8%

AVERAGE PAY
(DEC. 2013)
PLN 3,313.03



MODERN OFFICE
SPACE
Not available

OFFICE VACANCY
RATE
Not available

PRIME HEADLINE
RENTS
Not available



KEY CONTACTS

**City Hall Investor
Assistance Office**
gorzow.pl
ul. Kombatantów 34
66-400 Gorzów Wielkopolski
Tel. +48 95 735-5875
boi@um.gorzow.pl

Charming city with vibrant past

Gorzów Wielkopolski, a charming city established in western Poland, for years remained an essential part of the Polish realm. As the first chronicles report, the first settlements in the area were established in the 10th century to secure an important strategic point – the Warta river. It is home to the Voivode, while the Voivodship Council, headed by the Voivodship Marshall, is seated in Zielona Góra.

Its crucial location caused the city to be the scene of a fight for domination between Poles, Germans, and Czechs, especially during medieval times, when the Hussite army attacked. Not so many years ago, Gorzów once again became known, when after the brutal pacification

of workers' protests at the Ursus factory in 1981, the citizens actively cooperated in the "Solidarność" movement to show their need for independence from the communist regime.

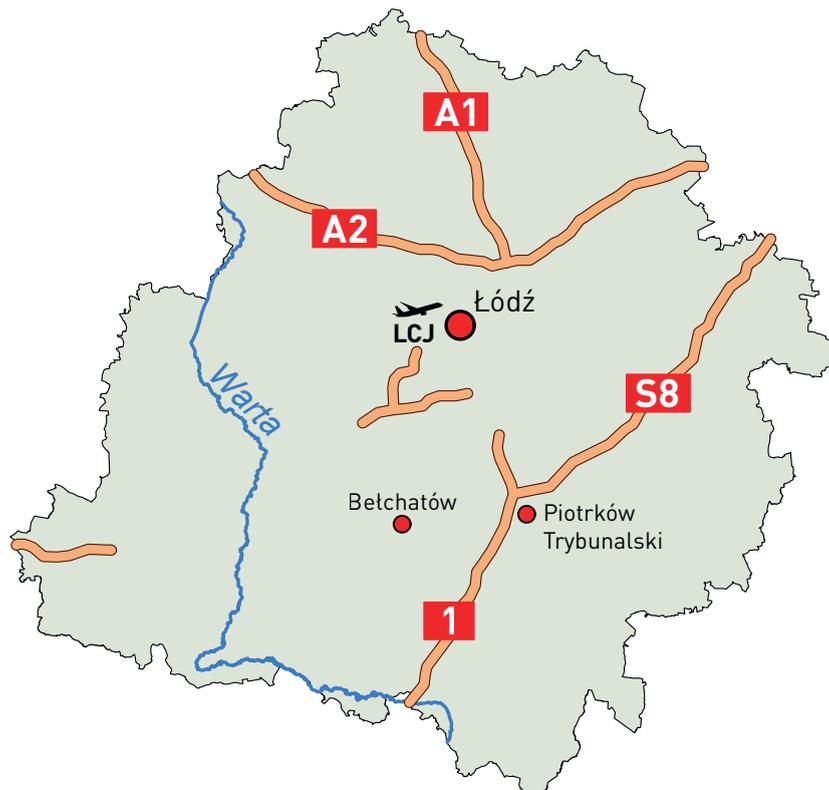
Today, the city is experiencing a time of constant expansion. New companies are deciding to settle in Gorzów, infrastructural improvements are constantly made and culture is blossoming through jazz clubs that enrich the city's landscape with their subtle sounds.

The popularity of sports in Gorzów cannot be denied. Whether it's speedway motor-bike racing, basketball or water sports, the city cultivates its long tradition of sporting event participation with top-level successes.



Łódzkie

VOIVODSHIP



ADMINISTRATION



Voivode: Jolanta Chetmińska



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 (2013)

72,044

NUMBER OF GRADUATES (2013)

17,765

LABOR MARKET



POPULATION (Dec. 2013)

2,513,093

WORKING-AGE POPULATION (Dec. 2013)

1,568,769

UNEMPLOYMENT RATE (July 2014)

12.6%

AVERAGE MONTHLY WAGE (July 2014)

PLN 3,626.15

BUSINESS



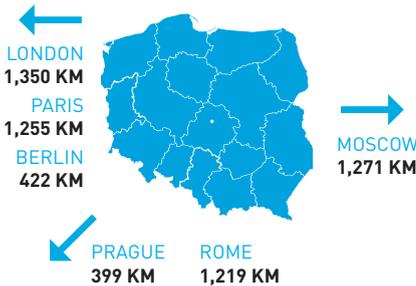
SPECIAL ECONOMIC ZONES

Łódź Special Economic Zone
"Starachowice" Special Economic Zone

RECENT MAJOR INVESTORS

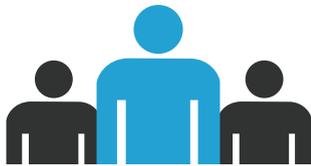
ABB, BSH Bosh und Siemens
Hausgeräte, Citi Handlowy, Clariant
Group, Elfa Group, Fuji Seal, Hutchinson,
Infosys, MP Production, Rena, Sandoz

CAPITAL
Łódź



MAYOR
HANNA ZDANOWSKA

POPULATION (DEC. 2013)
711,332



WORKING-AGE POPULATION
(DEC. 2012)

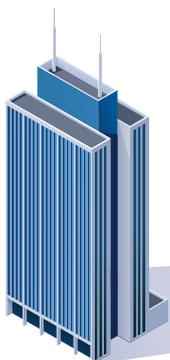
449,072

UNEMPLOYMENT RATE
(JULY 2014)

11.6%

AVERAGE PAY
(DEC. 2013)

PLN 3,710.91



MODERN OFFICE
SPACE
305,000 SQM

OFFICE VACANCY
RATE
12%

PRIME HEADLINE
RENTS
€11.50-€12.50



KEY CONTACTS

Investor Relations Office

invest.lodz.pl
ul. Piotrkowska 104a
90-926 Łódź
zoi_2@uml.lodz.pl

Tel. +48 42 638-5939
Tel. +48 42 638-5940

Post-industrial revolution

The name of the city means "boat." Legend has it that the first resident came here in a boat via a stream. They used the boat as a roof for the first settlement in what was to become Łódź.

It was not until the mid-nineteenth century that Łódź started to resemble the city that it is today. The industrial revolution and trade with businesses in the Russian Empire prompted the development of what the city would become most famous for – the textile industry.

Today, Łódź is Poland's third-largest city in terms of population and fourth in terms of area. When it was officially

recognized as a settlement by King Władysław Jagietto in 1423, it was given an area of approximately 6.7 square kilometers. It now covers an area over forty times that size.

Modern-day Łódź is a post-industrial city, which is growing to become an outsourcing hub, a goal supported by city authorities. This includes renovation of old industrial complexes and promotion of Łódź as a city of creative people, with events such as the Łódź Fashion Week.

Businesses currently based in or around Łódź include Procter & Gamble (Gillette factory), ABB, Dell, Adamed Pharma and Bosch-Siemens.

Other major cities

CITY	POPULATION	WORKING-AGE POPULATION	UNEMPLOYMENT
Piotrków Trybunalski	75,903	48,049	12.0%
Belchatów	59,565	42,711	11.6%*

*LOCAL COUNTY DATA



Małopolskie

VOIVODSHIP



ADMINISTRATION



Voivode: Jerzy Miller



Marshall: Marek Sowa

KEY CONTACTS

Business in Małopolska Centre
businessinmalopolska.pl

ul. prof. Życzkowskiego 14
31-864 Kraków
Tel. +48 12 620-9140
Fax +48 12 620-9166

contact@businessinmalopolska.com

HIGHER EDUCATION



NUMBER OF INSTITUTIONS

33

MAJOR UNIVERSITIES

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

NUMBER OF STUDENTS (2013)

155,923

NUMBER OF GRADUATES (2013)

43,087

LABOR MARKET



POPULATION (Dec. 2013)

3,360,581

WORKING-AGE POPULATION (Dec. 2013)

2,120,442

UNEMPLOYMENT RATE (July 2014)

10.2%

AVERAGE MONTHLY WAGE (July 2014)

PLN 3,660.02

BUSINESS



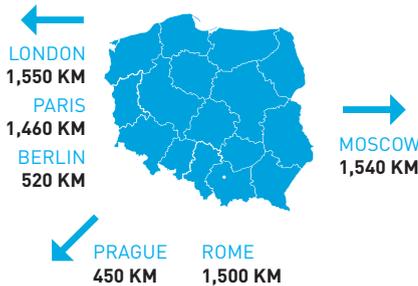
SPECIAL ECONOMIC ZONES

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

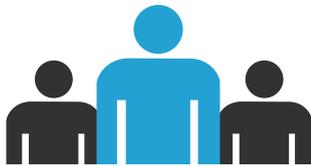
RECENT MAJOR INVESTORS

Akamai, Austria Card, Brown Brothers
Harriman, Carestream, Cisco, Dan Cake,
Deutsche Bank, Euroclear, Heineken,
Herbalife, Pharma Cosmetics/Fagron,
Premier Farnell, PerkinElmer, Roma
Food, SGL Carbon, Somfy, Valeo,
Woodward

CAPITAL
Kraków



MAYOR
JACEK MAJCHROWSKI
POPULATION (DEC. 2013)
758,992



WORKING-AGE POPULATION
(DEC. 2012)

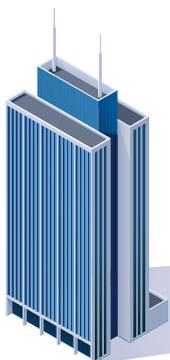
485,549

UNEMPLOYMENT RATE
(JULY 2014)

5.6%

AVERAGE PAY
(DEC. 2013)

PLN 3,997.80



MODERN OFFICE
SPACE
620,000 SQM

OFFICE VACANCY
RATE
3.4%

PRIME HEADLINE
RENTS
€13.50-€14.50

SOURCE: KNIGHT FRANK, JLL



KEY CONTACTS

Municipality of Kraków
Press Office
krakow.pl
Pl. Wszystkich Świętych 3-4
31-004 Kraków
Tel.: +48 12 616-6052
Fax: +48 12 616-6056

Rich past, bright future

Kraków is one of the oldest settlements in Poland. Its history dates back to the Stone Age, when a settlement on Wawel Hill was established. According to legend, the city was founded by the mythical prince Krakus who is credited with building Wawel Castle and slaying the Wawel Dragon. The legend further states that his daughter, the princess Wanda, committed suicide when she was forced to marry a German leader.

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 it was moved from

Gniezno) and kept that role until 1596, when the seat of power was moved to Warsaw.

The city lost its momentum after Poland's capital was moved to Warsaw. Alas, it took a big part in the Polish independence movement during the partitions of Poland. Although the Kościuszko Insurrection and the Kraków Uprising failed, these events paved the way for the city to achieve relative independence. Between 1815 and 1846, it became the Free City of Kraków and many great Poles moved there, including Jan Matejko, Stanisław Wyspiański or Jan Kasprzowicz.

Nowadays, Kraków is a vibrant city, the second biggest in Poland, with offshoring and IT as one of the main sectors of specialization.

Other major cities

CITY	POPULATION	WORKING-AGE POPULATION	UNEMPLOYMENT
Tarnów	112,120	71,851	9.4%
Nowy Sącz	83,943	53,437	9.9%
Oświęcim	39,664	24,424	11.3%*

*LOCAL COUNTY DATA



Mazowieckie

VOIVODSHIP



ADMINISTRATION



Voivode: Jacek Kozłowski



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
Fax +48 22 843-8331
coie@armsa.pl

HIGHER EDUCATION



NUMBER OF INSTITUTIONS

105

MAJOR UNIVERSITIES

University of Warsaw,
Warsaw School of Economics,
Warsaw University of Technology

NUMBER OF STUDENTS (2013)

190,312

NUMBER OF GRADUATES (2013)

47,740

LABOR MARKET



POPULATION (Dec. 2013)

5,316,840

WORKING-AGE POPULATION (Dec. 2013)

3,319,937

UNEMPLOYMENT RATE (July 2014)

10.2%

AVERAGE MONTHLY WAGE (July 2014)

PLN 4,817.70

BUSINESS



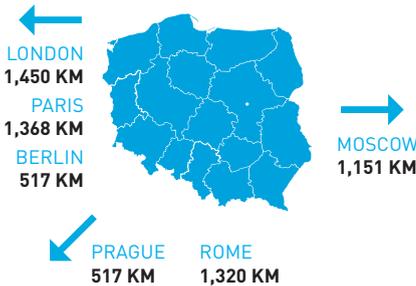
SPECIAL ECONOMIC ZONES

Tarnobrzeg Special Economic Zone
"EURO-PARK WIŚŁOSAN"
Warmia-Mazury Special Economic Zone
"STARACHOWICE" Special Economic Zone
Łódź Special Economic Zone
Suwałki Special Economic Zone

RECENT MAJOR INVESTORS

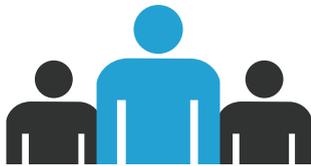
Faurecia, General Electric,
LG Electronics,
Skanska, Stora Enso

CAPITAL
Warsaw



MAYOR
HANNA GRONKIEWICZ-WALTZ

POPULATION (DEC. 2013)
1,724,404



WORKING-AGE POPULATION
(DEC. 2013)

1,061,842

UNEMPLOYMENT RATE
(JULY 2014)

4.5%

AVERAGE PAY
(DEC. 2013)

PLN 5,226.05

MODERN OFFICE
SPACE

4,300,000 SQM

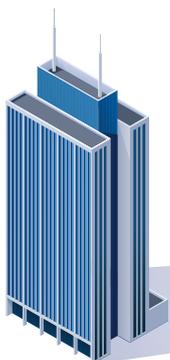
OFFICE VACANCY
RATE

13.25%

PRIME HEADLINE
RENTS

Central
€16.00-€26.00

Non-central
€14.50-€14.75



KEY CONTACTS

**Smolna Entrepreneurship
Center**

firma.um.warszawa.pl

ul. Smolna 4

00-375 Warsaw

Tel. +48 22 443-0756

Poland's beating heart

The capital city of Poland and the country's biggest city with a population exceeding 1.7 million citizens, Warsaw has always had its place among the most recognizable cities in Europe. Thanks to numerous classical monuments erected in the 18th century, Warsaw used to be called the "Paris of the East."

Despite its size, it's a relatively young city. Its beginnings date back to the 13th century. The city's name stems from Warcisław, the knight, 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. However, the history of Warsaw hasn't always been a bed of roses. As a result of World War II, up to 85 percent of the city was destroyed. In 1939, Warsaw was home to the biggest number of Jews in Europe. Hardly any of Warsaw's Jews survived the holocaust. Major monuments have been erected and Jewish history tours are organized year-round.

After the war, the capital city was effectively rebuilt, including the rebuilding of entire historical sections of the city (e.g. the Old Town). Recently, it has become one of the most developed cities in East-Central Europe and a center of global and domestic businesses.

Other major cities

CITY	POPULATION	WORKING-AGE POPULATION	UNEMPLOYMENT
Radom	218,466	138,086	21.2%
Płock	122,815	77,537	11.7%
Siedlce	76,347	48,446	10.7%

*LOCAL COUNTY DATA



Opolskie

VOIVODSHIP



ADMINISTRATION



Voivode: Ryszard Wilczyński



Marshal: Andrzej Buła

KEY CONTACTS

Investor and Exporter Assistance Centre
 investinopolskie.pl
 ul. Spychalskiego 1a
 45-716 Opole
 Tel. +48 77 403-3607
 Fax +48 77 403-3609
 invest@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 (2013)

24,994

NUMBER OF GRADUATES (2013)

8,663

LABOR MARKET



POPULATION (Dec. 2013)

1,004,416

WORKING-AGE POPULATION (Dec. 2013)

650,157

UNEMPLOYMENT RATE (July 2014)

12.5%

AVERAGE MONTHLY WAGE (July 2014)

PLN 3,574.22

BUSINESS



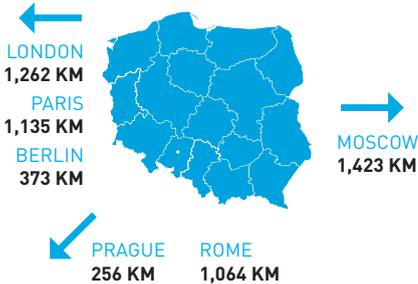
SPECIAL ECONOMIC ZONES

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

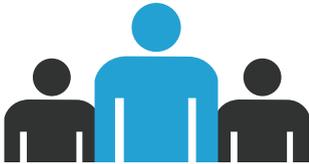
RECENT MAJOR INVESTORS

Donaldson Company, HeidelbergCement, Heerema Fabrication Group, IFM Ecolink, Kamex, Keiper (Johnson Controls), Mondelēz International, Marcegaglia, Neo Plus Technology, Metsa Tissue, Pasta Food Company, Pearl Stream, Schattdecor, Selt

CAPITAL **Opole**



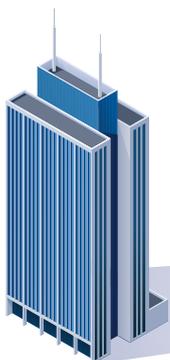
MAYOR
RYSZARD ZEMBACZYŃSKI
POPULATION (DEC. 2013)
120,146



WORKING-AGE POPULATION
(DEC. 2012)
79,106

UNEMPLOYMENT RATE
(JULY 2014)
6.4%

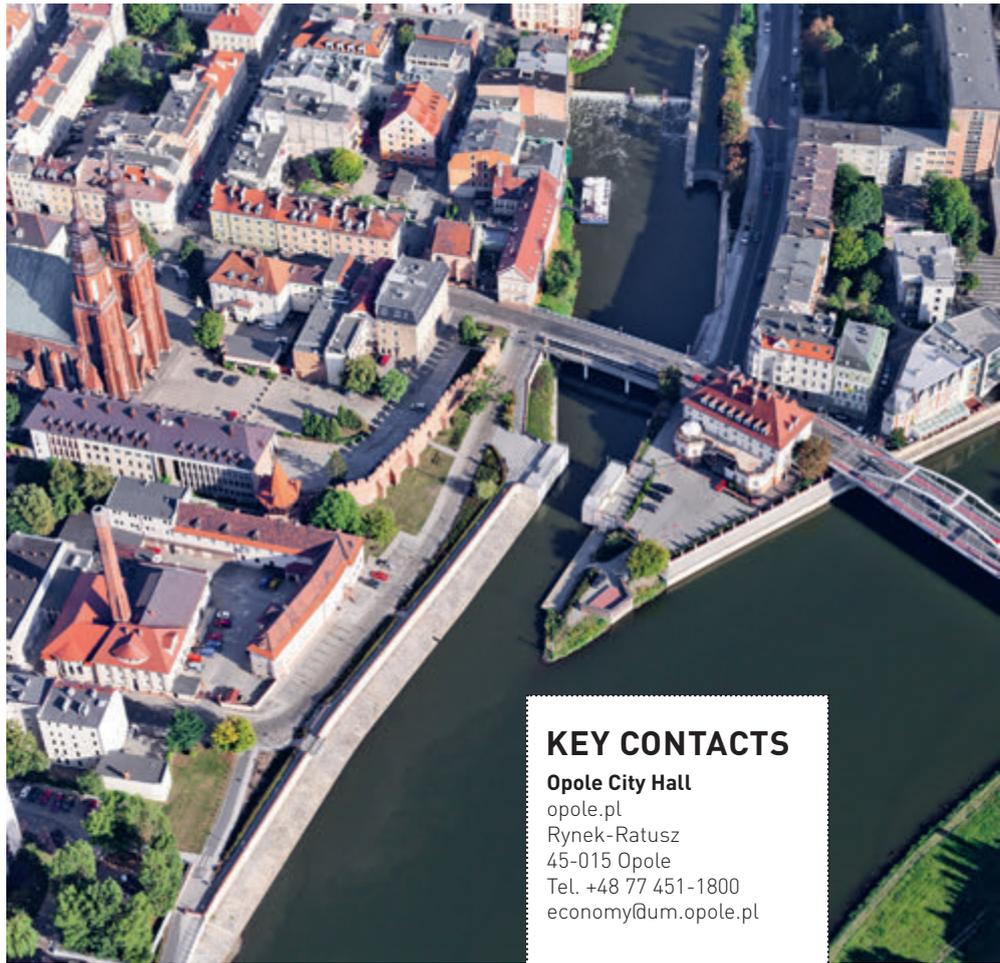
AVERAGE PAY
(DEC. 2013)
PLN 3,872.66



MODERN OFFICE
SPACE
24,400 SQM

OFFICE VACANCY
RATE
4.6%

PRIME HEADLINE
RENTS
€8.00-€10.00



KEY CONTACTS

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

All the right notes

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 the Second World War, 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 today's tourist with splendid architecture. Furthermore, the area around Opole is home to a significant German-speaking minority to this day.

The city's name is widely recognized around Poland for the National Polish Song Festival, which gathers young Polish artists and gives the audience an opportunity to meet future stars. This festival, however, is not the only that is organized in the city. The Jazz Rock Meeting, the International Percussion Festival and many more give a wide spectrum of the cultural life in the city.

Opole is the first city in Poland in terms of acquiring European Union donations per citizen. Such huge donations have helped in development of the city's infrastructure, renovation of the Old Town and modernization of the city's museums.

Other major cities

CITY	POPULATION	WORKING-AGE POPULATION	UNEMPLOYMENT
Kędzierzyn-Koźle	63,194	40,618	12.7%*
Nysa	44,899	29,124	17.5%*

*LOCAL COUNTY DATA



Podkarpackie VOIVODSHIP



ADMINISTRATION



Voivode: Małgorzata
Chomycz-Śmigiełska



Marshal: 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 (2013)

45,470

NUMBER OF GRADUATES (2013)

14,027

LABOR MARKET



POPULATION (Dec. 2013)

2,129,294

WORKING-AGE POPULATION (Dec. 2013)

1,355,579

UNEMPLOYMENT RATE (July 2014)

14.7%

AVERAGE MONTHLY WAGE (July 2014)

PLN 3,263.27

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

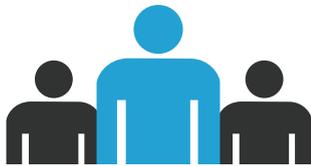
BorgWarner, Guangxi LiuGong
Machinery, Heli-one, Husqvarna, Lear,
McBride, MTU Aero Engines, Owens
Illinois, Pilkington, Pratt & Whitney,
Sikorsky Aircraft Corporation, TRI, United
Technologies, Valeant Pharmaceuticals
International, Zelmer

CAPITAL Rzeszów



MAYOR
TADEUSZ FERENC

POPULATION (DEC. 2013)
183,108



WORKING-AGE POPULATION
(DEC. 2012)

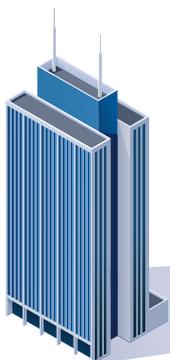
119,322

UNEMPLOYMENT RATE
(JULY 2014)

14.7%

AVERAGE PAY
(DEC. 2013)

PLN 3,859.86

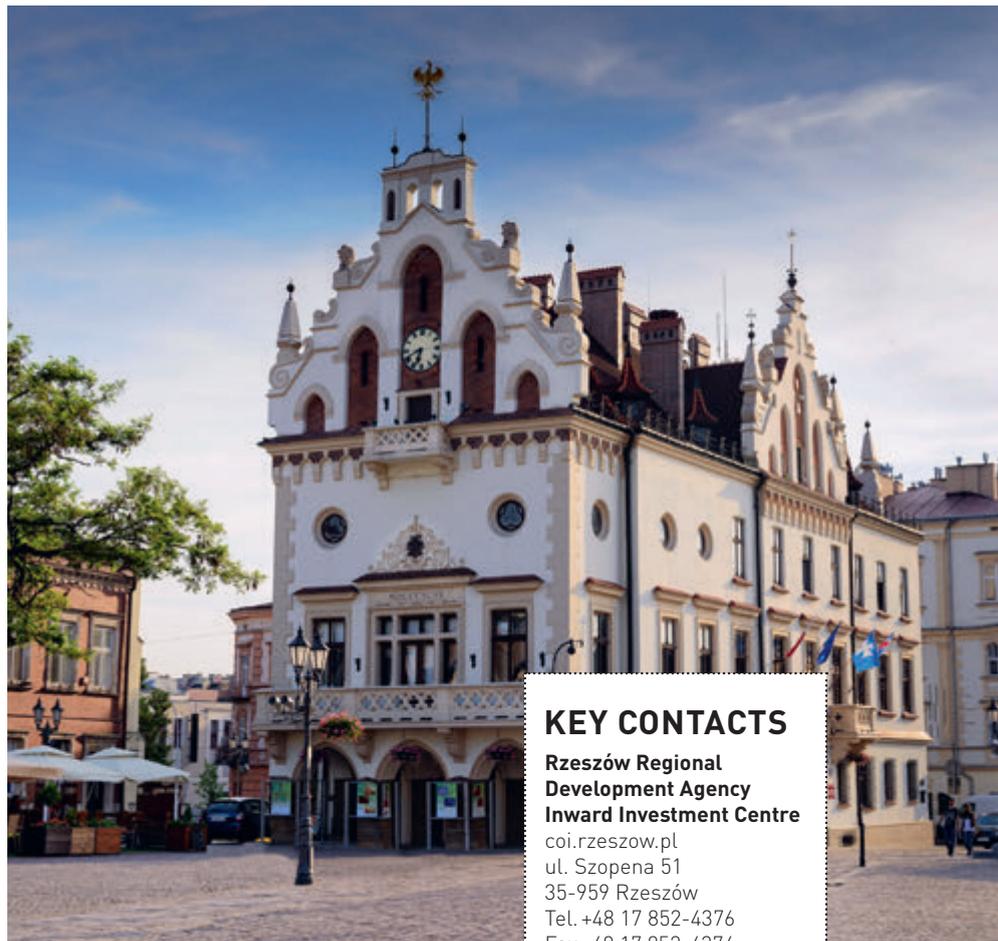


MODERN OFFICE
SPACE
71,600 SQM

OFFICE VACANCY
RATE
13.4%

PRIME HEADLINE
RENTS
€9.00-€12.00

SOURCE: JLL



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

Aviation capital

Rzeszów is the biggest agglomeration in the southeastern Poland, with a population exceeding 180,000. It is located in the Sandomierz Basin and Central Beskidian Piedmont, with beautiful rolling hills to its south.

Established in 1354, when king Casimir III the Great, gave new privileges and a town charter to the city. Shortly after, Rzeszów underwent significant transformation. New buildings, including churches, a monastery, a town hall and even a castle, were built.

The development of the city was brought to a halt by World War II. Incar-

ceration of the clergy, deportation of Jews were just some of the results of the war.

Today, Rzeszów is an industrial city, famous for production of household appliances, textiles, furniture and telecommunications, but the most developed area is aviation and pharmaceuticals. Rzeszów lies in Aviation Valley and produces, among others, fighter jet engines.

The architectural style of Rzeszów derives mainly from 19th and 20th centuries and corresponds to classicism, but other styles, such as Gothic Revival or Art Deco, are also visible.

Other major cities

CITY	POPULATION	WORKING-AGE POPULATION	UNEMPLOYMENT
Stalowa Wola	63,692	42,358	12.7%*
Przemysł	63,638	40,755	16.6%
Mielec	61,096	40,129	11.2%*
Krosno	47,223	30,198	7.7%*

*LOCAL COUNTY DATA



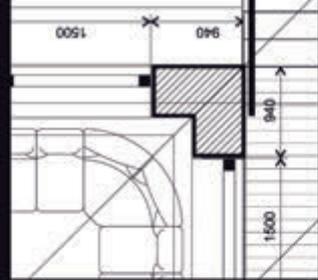
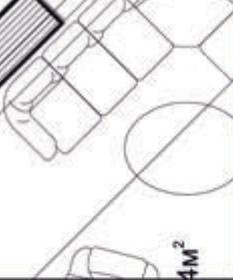
Krosno Market Square

KROSNO
TAKING OFF!

- **Variety of innovative industries, major centre of ultra-light aircraft and aviation subassemblies production**
- **Krosno Subzone of the EURO-PARK MIELEC Special Economic Zone**
 - ✓ 36 ha located close to the trunk road no. 28 (28.5 ha available); 60 km (1h) to A4 motorway; 75 km (1.15 h) to Rzeszów International Airport
 - ✓ Sites with direct access to the local airport in Krosno
 - ✓ Full infrastructure/ public facilities available
 - ✓ Sites covered with the local spatial development plan
 - ✓ No ecological restrictions
- **Low costs of running a business**
 - ✓ Income tax exemptions within the Special Economic Zone
 - ✓ Real property tax exemptions
 - ✓ Attractive property prices
 - ✓ Competitive labour costs
- **Human capital**
 - ✓ The highest level of engineering education, state-of-the-art technological laboratories
 - ✓ Ambitious, creative young people
 - ✓ Skilled, diligent workers

Krosno City Hall
ul. Lwowska 28 A
38-400 Krosno
Tel. +48 13 47 43 219
Fax +48 13 43 62 865
e-mail: rm@um.krosno.pl

www.krosno.pl



2015

WINDOWS OF OPPORTUNITY

Since 2003 CEEQA has played a vital role working with market leading organisations and commercial real estate professionals to highlight the achievements and opportunities of the New Europe market place to the international investment arena in association with the Financial Times. The story has just begun.

CEEQA @ mapic

Insight Summit & Cocktail Reception
Call for award entries

20TH NOVEMBER, CANNES

In partnership with Mapic

CEEQA @ mipim

Insight Summit & New Europe Breakfast

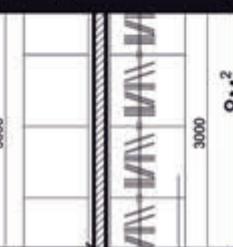
11TH MARCH, CANNES

In partnership with Mipim

CEEQA Gala

The sector's flagship annual event

14TH APRIL, WARSAW





Podlaskie

VOIVODSHIP



ADMINISTRATION



Voivode: Maciej Żywno



Marshall: Jarostaw Zygmunt Dworzański

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 (2013)

34,072

NUMBER OF GRADUATES (2013)

9,991

LABOR MARKET



POPULATION (Dec. 2013)

1,194,965

WORKING-AGE POPULATION (Dec. 2013)

759,614

UNEMPLOYMENT RATE (July 2014)

13.4%

AVERAGE MONTHLY WAGE (July 2014)

PLN 3,358.76

BUSINESS



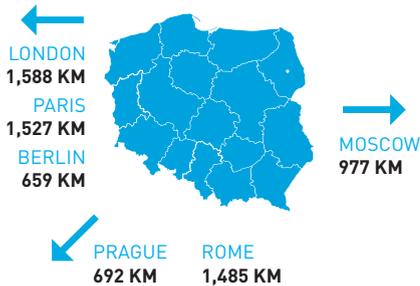
SPECIAL ECONOMIC ZONES

Suwałki Special Economic Zone
Tarnobrzeg Special Economic Zone

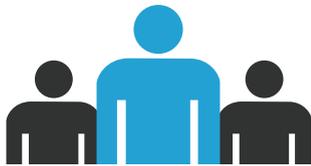
RECENT MAJOR INVESTORS

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

CAPITAL Białystok



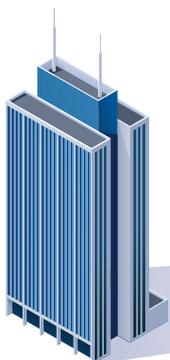
MAYOR
TADEUSZ TRUSKOLASKI
POPULATION (DEC. 2013)
295,282



WORKING-AGE POPULATION
(DEC. 2012)
193,523

UNEMPLOYMENT RATE
(JULY 2014)
12.7%

AVERAGE PAY
(DEC. 2013)
PLN 3,627.02



MODERN OFFICE
SPACE
41,600 SQM

OFFICE VACANCY
RATE
4.3%

PRIME HEADLINE
RENTS
€8.00-€10.00



KEY CONTACTS

Department of Strategy and
Development,
Investor Assistance Office
bialystok.pl
ul. Stonimska 1
15-950 Białystok
Tel. +48 85 869-6119
Fax +48 85 869-6211
dsrf@um.bialystok.pl

Eastern stronghold

Being the biggest and the most populated city in the northeastern part of Poland, Białystok gathers within its gates numerous attractions and buildings of historical heritage. It lies in the picturesque region of Podlasie. Literally, the city's name means "white slope."

First written mention of the city's existence appeared in 1426. Initially, it was only a crossroads connecting several villages, but with time it transformed into a thriving city. Buildings such as churches or taverns initiated the growth of the city, with a gothic renaissance castle of the Branicki family being the icing on the cake.

In 1939, Białystok served as the headquarters to Polish communists who later came to power in 1945. In 1941, Białystok was invaded by the Nazi army and a Jewish ghetto was established. Three years later, the citizens attempted to liberate the city from the hands of the occupying forces, but it ended in severe demolition of the city's structures. In the aftermath of the Second World War, Białystok was rebuilt, but it never regained its previous appearance and character.

Białystok is the birthplace of numerous widely-known personalities, e.g. Ludwik Zamenhof – the inventor of the international language Esperanto, the actress Izabella Scorupco, or football players Tomasz Frankowski and Wojciech Kowalewski.

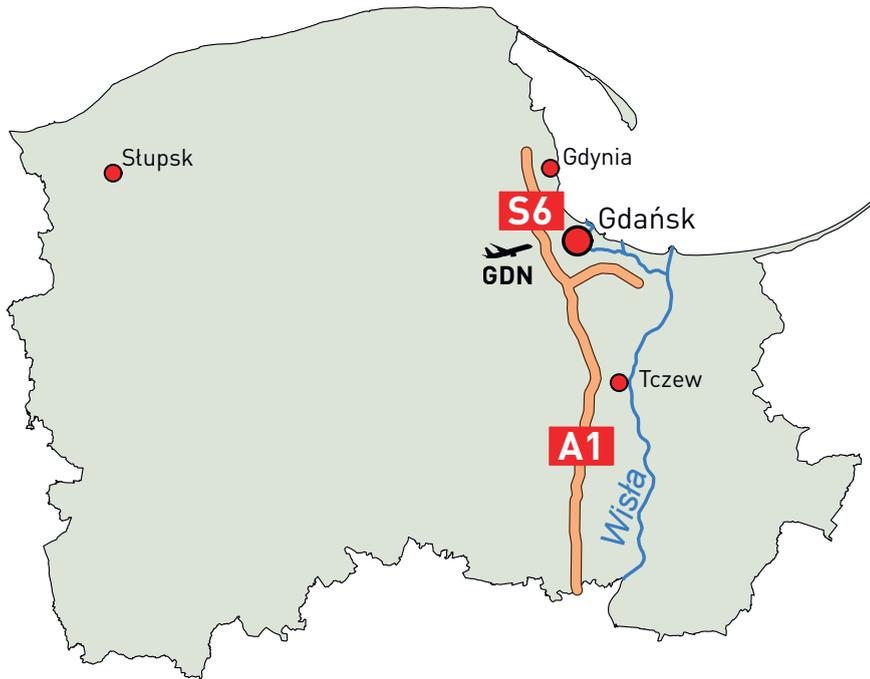
Other major cities

CITY	POPULATION	WORKING-AGE POPULATION	UNEMPLOYMENT
Suwałki	69,317	45,911	10.8%
Łomża	62,711	42,312	15.1%



Pomorskie

VOIVODSHIP



ADMINISTRATION



Voivode: Ryszard Stachurski



Marshall: Mieczysław Struk

KEY CONTACTS

Invest in Pomerania
investinpomerania.pl
ul. Arkońska 6
80-387 Gdańsk
Tel. +48 58 323-3256
Fax +48 58 301-1341

HIGHER EDUCATION



NUMBER OF INSTITUTIONS

28

MAJOR UNIVERSITIES

Gdańsk University of Technology,
University of Gdańsk

NUMBER OF STUDENTS (2013)

75,667

NUMBER OF GRADUATES (2013)

19,809

LABOR MARKET



POPULATION (Dec. 2013)

2,295,811

WORKING-AGE POPULATION (Dec. 2013)

1,454,944

UNEMPLOYMENT RATE (July 2014)

11.5%

AVERAGE MONTHLY WAGE (July 2014)

PLN 3,999.43

BUSINESS



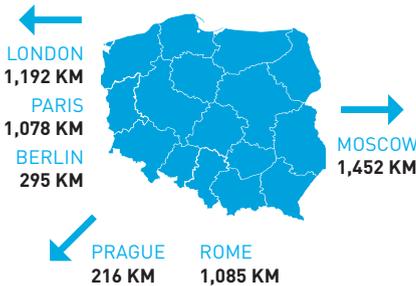
SPECIAL ECONOMIC ZONES

Pomeranian Special Economic Zone
Stupsk Special Economic Zone

RECENT MAJOR INVESTORS

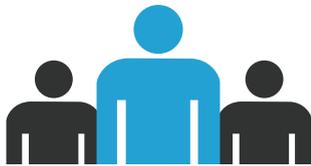
Alteams, Bayer, DB Schenker,
International Paper and Green World
Resources, Metsa Group, Nation-E,
TURAZ, WNS

CAPITAL
Gdańsk



MAYOR
PAWEŁ ADAMOWICZ

POPULATION (DEC. 2013)
461,531



WORKING-AGE POPULATION
(DEC. 2012)

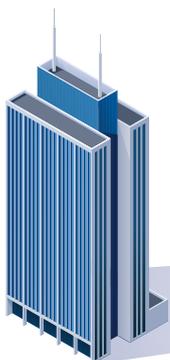
291,824

UNEMPLOYMENT RATE
(JULY 2014)

6.0%

AVERAGE PAY
(DEC. 2013)

PLN 4,562.66



MODERN OFFICE
SPACE
460,000 SQM

OFFICE VACANCY
RATE
14.0%

PRIME HEADLINE
RENTS
€12.75-€13.50

SOURCE: JLL



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

Sea of opportunity

Thanks to its location on the shores of the Baltic Sea, Gdańsk has always played a prominent role in Polish history. Its history dates back to the 7th century when it was a fishing settlement. The city was founded somewhere between 970-980 by the first ruler of Poland, Mieszko, who wanted to control the Vistula River delta. Officially, 997 is used as the city's founding date. It's first mentioned by its name in 999 in "Vita prima Sancti Adalberti," a document depicting the life and death of St. Adalbert, Poland's first saint.

Over the centuries, the city was wedged between two nations; Poland, which wanted stable access to the Baltic Sea and Germany, which wanted to expand further to the west. However, because of

its economic position as one of the most important regional grain trade outposts, it enjoyed significant autonomy, even briefly becoming a free city during the Napoleonic Wars and again after World War I.

Because of its large German influence and the fact that the city was incorporated into German territory at various periods of its existence, its German name, Danzig, has been widely popularized over the years and to this day it's still occasionally used in the international media.

During the communist era, the city became a cradle of anti-government opposition and the birthplace of the Solidarity movement. Currently, Gdańsk is a part of the Tri-City metropolitan area, along with Gdynia and Sopot.

Other major cities

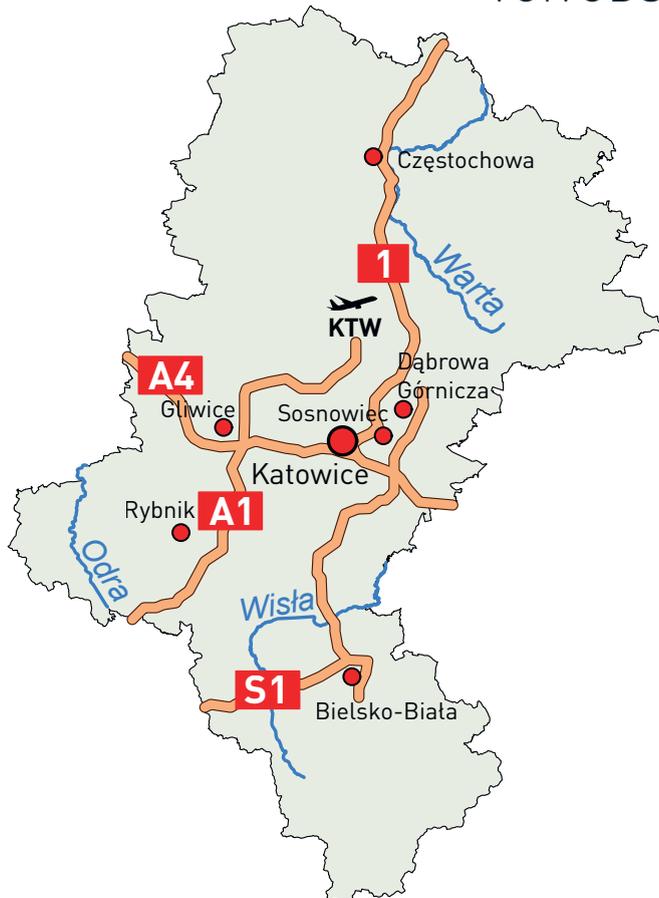
CITY	POPULATION	WORKING-AGE POPULATION	UNEMPLOYMENT
Gdynia	248,042	155,787	6.0%
Stupsk	93,936	60,996	10.9%
Tczew	60,610	38,609	11.8%*

*LOCAL COUNTY DATA



Silesia

VOIVODSHIP



ADMINISTRATION



Voivode: Piotr Litwa



Marshal: Mirosław Sekuła

KEY CONTACTS

Silesian Investor and Exporter Assistance Center
invest.slaskie.pl
ul. Ligonja 46
40-037 Katowice
info@invest-in-silesia.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 (2013)

106,904

NUMBER OF GRADUATES (2013)

30,213

LABOR MARKET



POPULATION (Dec. 2013)

4,599,447

WORKING-AGE POPULATION (Dec. 2013)

2,934,496

UNEMPLOYMENT RATE (July 2014)

10.0%

AVERAGE MONTHLY WAGE (July 2014)

PLN 4,141.89

BUSINESS



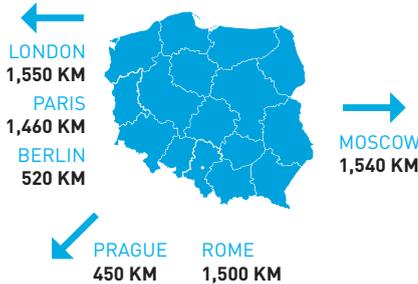
SPECIAL ECONOMIC ZONES

Katowice Special Economic Zone

RECENT MAJOR INVESTORS

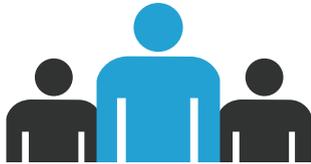
BMZ, Capgemini, Denso, Foseco,
FPG, Fortum, General Motors, IBM,
ING, ISD, Mapei, Mecalux,
Nexteer, Oracle, PwC,
Rockwell Automation, Skanska,
SKF, Steria, Stölzle, TPA Horwath,
TRW, Vlasenroot, Yamazaki Mazak

CAPITAL **Katowice**



MAYOR
PIOTR USZOK

POPULATION (DEC. 2013)
304,362



WORKING-AGE POPULATION
(DEC. 2013)

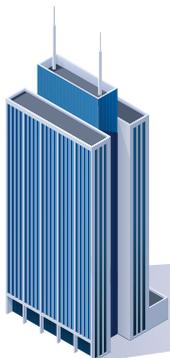
196,063

UNEMPLOYMENT RATE
(JULY 2012)

5.0%

AVERAGE PAY
(DEC. 2013)

PLN 5,270.37

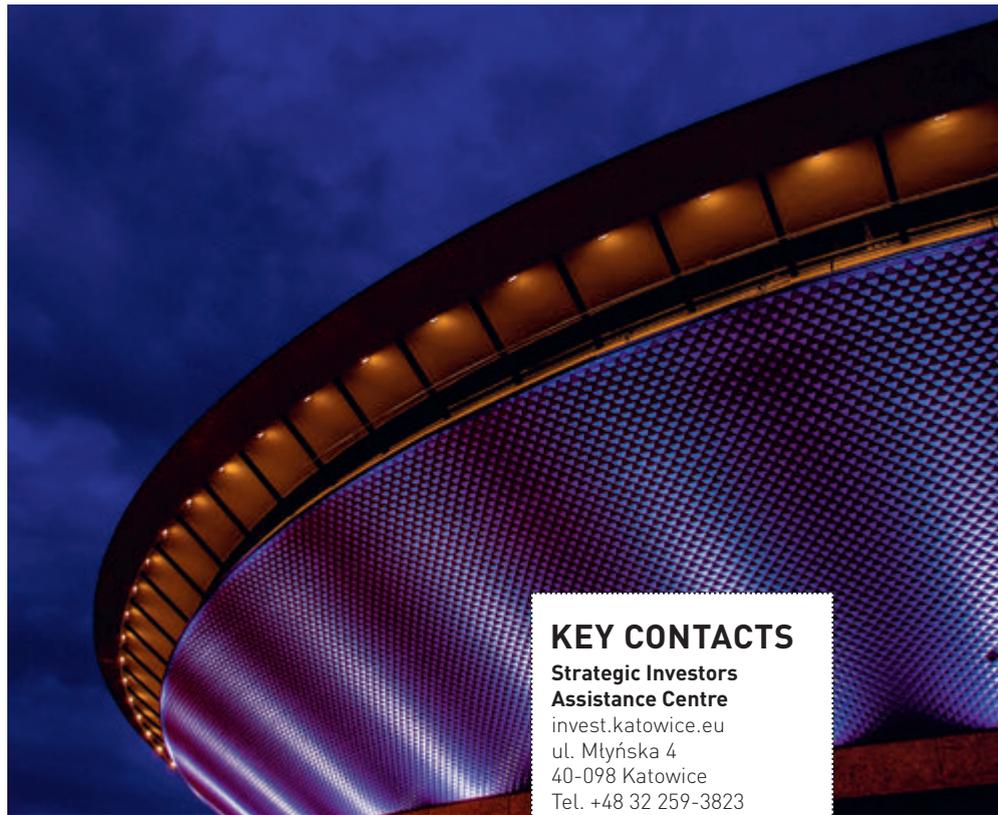


MODERN OFFICE
SPACE
280,000 SQM

OFFICE VACANCY
RATE
7.0%

PRIME HEADLINE
RENTS
€712.50-€3.75

SOURCE: KNIGHT FRANK, JLLT



KEY CONTACTS

**Strategic Investors
Assistance Centre**
invest.katowice.eu
ul. Młyńska 4
40-098 Katowice
Tel. +48 32 259-3823
Fax +48 32 259-7812
pkis@katowice.eu

City with **tortured history**

Long considered the historic capital of Polish heavy industry and mining, Katowice has a relatively short but hectic history. The first mention of its name dates back to 1598.

After incorporation into Prussia in the late 18th century, it became known as Kattowitz. Its expansion started in the mid 19th century upon connection to the Upper Silesian Railway. Soon after, it gained municipal rights.

Upon the proclamation of Poland's independence in 1920, the Polish nation in 1920, it was not known whether Katowice would be Polish. The region's population was fairly evenly divided between Poles and Germans. Plebiscites and three Sile-

sian uprisings finally pushed the region towards Warsaw.

For years, the Silesian region was a key industrial producer, home to many coal mines and some of the most modern steel mills in Europe. For a short period between 1953-1956, the city was renamed by the communists as Stalingród.

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 is undergoing a major renovation.

Other major cities

CITY	POPULATION	WORKING-AGE POPULATION	UNEMPLOYMENT
Częstochowa	232,318	149,460	11.9%
Sosnowiec	211,275	138,918	13.6%
Gliwice	185,450	120,248	6.9%
Bielsko-Biała	173,699	109,546	5.5%
Rybnik	140,173	91,794	7.2%
Dąbrowa Górnicza	123,994	82,645	11.4%

*LOCAL COUNTY DATA



Świętokrzyskie

VOIVODSHIP



ADMINISTRATION



Voivode: Bożentyna Patka-Koruba



Marshall: Adam Jarubas

KEY CONTACTS

Investors and Exporters Service Centre

swietokrzyskie.coie.gov.pl
ul. Sienkiewicza 63
25-002 Kielce
Tel. +48 41 365-8181

HIGHER EDUCATION



NUMBER OF INSTITUTIONS

15

MAJOR UNIVERSITIES

Jan Kochanowski University,
Kielce University of Technology

NUMBER OF STUDENTS (2013)

22,748

NUMBER OF GRADUATES (2013)

7,229

LABOR MARKET



POPULATION (Dec. 2013)

1,268,239

WORKING-AGE POPULATION (Dec. 2013)

797,885

UNEMPLOYMENT RATE (July 2014)

14.6%

AVERAGE MONTHLY WAGE (July 2014)

PLN 3,381.95

BUSINESS



SPECIAL ECONOMIC ZONES

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

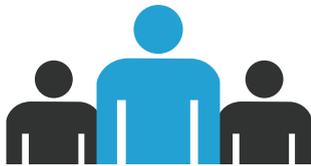
RECENT MAJOR INVESTORS

AS Energy, Foster Wheeler,
GDF SUEZ

CAPITAL Kielce



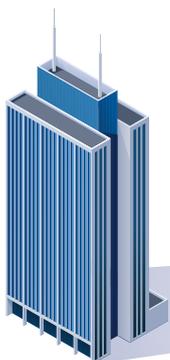
MAYOR
WOJCIECH LUBAWSKI
POPULATION (DEC. 2013)
199,870



WORKING-AGE POPULATION
(DEC. 2012)
127,913

UNEMPLOYMENT RATE
(JULY 2012)
10.1%

AVERAGE PAY
(DEC. 2013)
PLN 3,597.04



MODERN OFFICE
SPACE
52,700 SQM
OFFICE VACANCY
RATE
6.7%

PRIME HEADLINE
RENTS
€9.50-€11.00

SOURCE: JLL



KEY CONTACTS

Investor Assistance Center
invest.kielce.pl
ul. Strycharska 6
25-659 Kielce
Tel. +48 41 367-6557
Fax +48 41 367-6552
coi@um.kielce.pl

Mixture of past and future

A legend that tells the story of the creation of Kielce connects its name to the fangs (*Polish kiel*) of an animal, which were found here by Polish prince Mieszko during a hunt in the local forest. Surrounded by picturesque hillsides, Kielce remains one of the most vibrant centers of the Świętokrzyskie voivodship.

During its long history, Kielce based its industry on ore processing of copper, iron and lead, as well as marble production. Currently, the city has expanded into different branches, including prop-

erty development, building materials and food processing. Kielce's center presents a magnetizing mix of aged churches, renovated palaces and a beautiful market, that together form the unique character of the city.

As a city with over 113 sport clubs and associations, Kielce is definitely encouraging its citizens to participate in sport activities. From boxing and American football clubs to handball and karate associations, the choice for every resident is really huge. A top tier football club, Korona, holds matches in a modern stadium.

Other major cities

CITY	POPULATION	WORKING-AGE POPULATION	UNEMPLOYMENT
Ostrowiec Świętokrzyski	72,277	46,832	19.7%*
Starachowice	51,158	32,438	16.6%*

*LOCAL COUNTY DATA



Warmińsko-Mazurskie

VOIVODSHIP

ADMINISTRATION



Voivode: Marian Podziewski



Marshal: Jacek Protas

KEY CONTACTS

Investors and Exporters' Service Centre

invest.warmia.mazury.pl
Pl. Bema 3
10-516 Olsztyn
Tel. +48 89 521-9195
Fax +48 89 521-9179
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 (2013)

32,547

NUMBER OF GRADUATES (2013)

9,177

LABOR MARKET



POPULATION (Dec. 2013)

1,446,915

WORKING-AGE POPULATION (Dec. 2013)

935,744

UNEMPLOYMENT RATE (July 2014)

18.6%

AVERAGE MONTHLY WAGE (July 2014)

PLN 3,216.34

BUSINESS



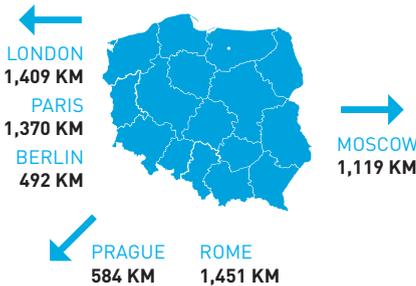
SPECIAL ECONOMIC ZONES

Suwałki Special Economic Zone
Warmia-Mazury Special Economic Zone

RECENT MAJOR INVESTORS

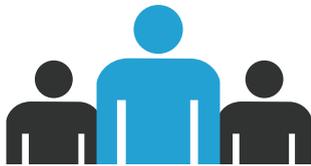
Alstom, Heinz-Glas, IKEA,
Michelin, Philips Lighting,
Smithfield Foods

CAPITAL
Olsztyn



MAYOR
PIOTR GRZYMOWICZ

POPULATION (DEC. 2013)
174,675



WORKING-AGE POPULATION
(DEC. 2012)

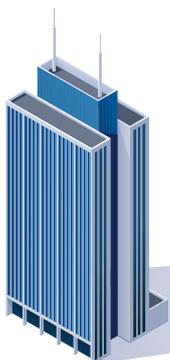
114,934

UNEMPLOYMENT RATE
(JULY 2014)

7.3%

AVERAGE PAY
(DEC. 2013)

PLN 3,795.30



MODERN OFFICE
SPACE
31,500 SQM

OFFICE VACANCY
RATE
13.8%

PRIME HEADLINE
RENTS
€10.00-€11.50

SOURCE: JLL



KEY CONTACTS

Olsztyn City Hall
olsztyn.eu
Pl. Jana Pawła II 1
10-101 Olsztyn
Tel. +48 89 527-3111
Fax +48 89 535-1558

All along the watchtower

Located in the beautiful and picturesque region of the Masurian lake district, Olsztyn attracts a significant number of tourists both from Poland and abroad. First reports of the city come from 1334, when Henryk von Luter built a wooden watchtower and named it Allenstein. In the same year, in place of the watchtower, construction of a castle was started. Nineteen years later, after the city grew and gained town privileges, the name turned into Holstin and eventually Olsztyn. In the 14th century, a gothic church was build. It remains one of the most famous examples of brick gothic churches in Poland.

For several years in the 15th and 16th centuries, Olsztyn's citizens fought against

the Teutonic Knights, with mixed results. In the 17th century, Olsztyn developed mainly thanks to merchants on the Kaliningrad-Warsaw trade route. Craftsmanship played a significant role in the development of the city.

In 1945, the city was occupied and burned by the Red Army. As a result, almost 40 percent of the city was destroyed. After the war, Olsztyn has turned into a lively and prosperous city. Several sectors of industry developed, e.g. rubber, timber or machine manufacture. The famous French tire producer, Michelin, has its factory in Olsztyn. American Citi Group has set up a BPO center here as well.

Other major cities

CITY	POPULATION	WORKING-AGE POPULATION	UNEMPLOYMENT
Elbląg	122,899	80,430	15.9%
Ełk	59,790	39,380	22.8%*

*LOCAL COUNTY DATA



Wielkopolskie

VOIVODSHIP



ADMINISTRATION



Voivode: Piotr Florek



Marshal: 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 (2013)

107,556

NUMBER OF GRADUATES (2013)

29,338

LABOR MARKET



POPULATION (Dec. 2013)

3,467,016

WORKING-AGE POPULATION (Dec. 2013)

2,206,381

UNEMPLOYMENT RATE (July 2014)

8.2%

AVERAGE MONTHLY WAGE (July 2014)

PLN 3,593.95

BUSINESS



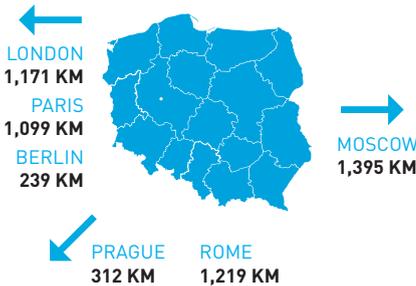
SPECIAL ECONOMIC ZONES

Kamienna Góra Special
Economic Zone
Kostrzyn-Stubice Special
Economic Zone
Łódź Special Economic Zone
Pomeranian Special Economic Zone
Wątrzych Special
Economic Zone

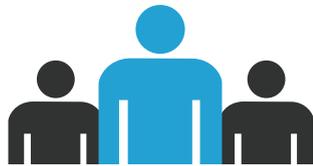
RECENT MAJOR INVESTORS

Amazon, Bridgestone, Carl Zeiss, Detica
BAE Systems, EXIDE, GlaxoSmithKline,
HolidayCheck, Itella, Rule Financial,
Samsung, Savvis, Sii, Unilever

CAPITAL
Poznań



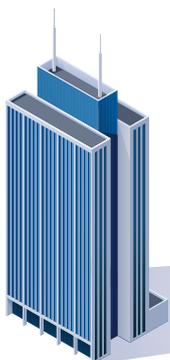
MAYOR
RYSZARD GROBELNY
POPULATION (DEC. 2013)
548,028



WORKING-AGE POPULATION
(DEC. 2012)
352,652

UNEMPLOYMENT RATE
(JULY 2014)
3.5%

AVERAGE PAY
(DEC. 2013)
PLN 4,256.82



MODERN OFFICE
SPACE
290,000 SQM

OFFICE VACANCY
RATE
13.5%

PRIME HEADLINE
RENTS
€14.00-€15.00



KEY CONTACTS

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

City of know-how

Poznań, Poland's 5th most populated city, has both tradition and modern development, branding itself as "The City of know-how." The first settlement on the site was created during the 4th millennium BC. In the 7th century, a borough was built to guard the strategic position on the bank of the Warta river. Historians still argue whether Poznań was the city where Mieszko, Poland's first ruler, was baptized, thus officially establishing Christianity in his realm.

For years, Poznań maintained its status as a center of the region. Mercantile trails crossing the area contributed to increased wealth of the city, enabling the citizens to enrich the city with impressive archi-

itecture. After Poland lost independence in the Partitions of Poland (1772-1918), Poznań played an important role as a center of Polish culture in the region.

Today, Poznań experiences swift growth that contributes to the changing outlook of the city. The Universities of Poznań educate over 135,000 students, providing education to both Polish and international students. Many residents celebrate frequent wins of the city's first tier football club Lech Poznań.

The infrastructure of the city is well-developed with numerous railway stations and an international airport. Poznań's International Fairground is home to numerous expos year-round.

Other major cities

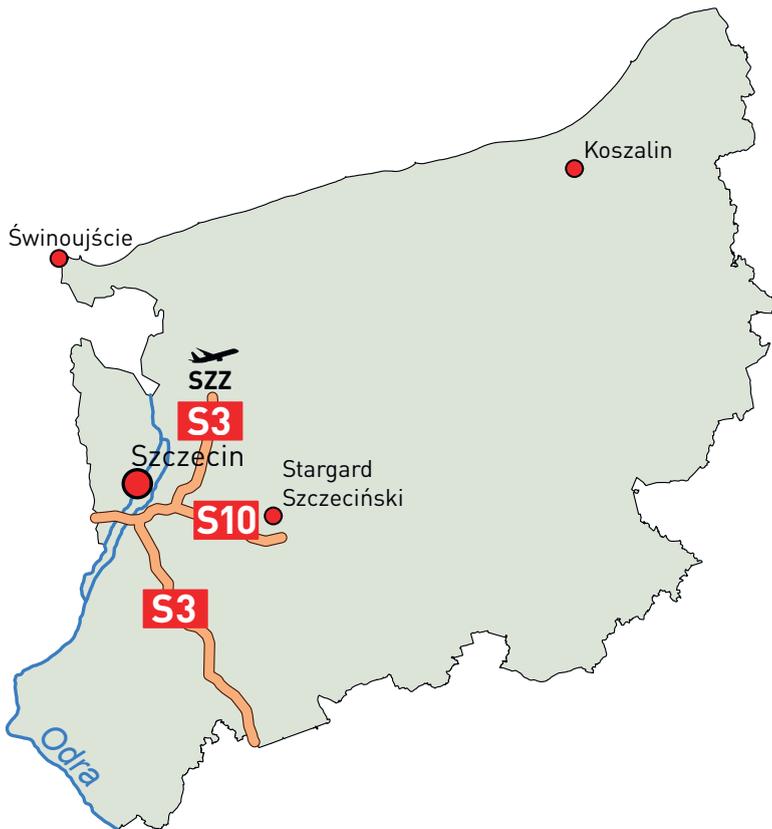
CITY	POPULATION	WORKING-AGE POPULATION	UNEMPLOYMENT
Kalisz	103,997	64,872	6.8%
Konin	77,224	49,626	12.8
Piła	74,609	48,575	10.8%*

*LOCAL COUNTY DATA



Zachodniopomorskie

VOIVODSHIP



ADMINISTRATION



Voivode: Marek Tałasiewicz



Marshal: Olgierd Geblewicz

KEY CONTACTS

Marshal's Office of the West Pomeranian Region Investors' Assistance Center

iac.wzp.pl
ul. Korsarzy 34
70-540 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 (2013)

48,031

NUMBER OF GRADUATES (2013)

12,028

LABOR MARKET



POPULATION (Dec. 2013)

1,718,861

WORKING-AGE POPULATION (Dec. 2013)

1,107,824

UNEMPLOYMENT RATE (July 2014)

15.3%

AVERAGE MONTHLY WAGE (July 2014)

PLN 3,597.66

BUSINESS

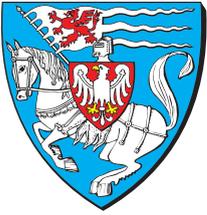


SPECIAL ECONOMIC ZONES

Stupsk Special Economic Zone
Kostrzyn-Stubice Special
Economic Zone
Pomeranian Special Economic Zone
EURO-PARK MIELEC Special
Economic Zone

RECENT MAJOR INVESTORS

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



Koszalin

an attractive place to invest in



Koszalin is a dynamically developing economic center, located in the north-west part of Poland, on the **Jamno Lake**, which is connected with the Baltic Sea. The city offers attractive investment plots of land designated for the construction of hotels and for services, trade, production, recreational, sports and gastronomic purposes

„Koszalin Subzone” SłupskSEZ investment assets

- **Perfect location and transport accesibility** in the vicinity of national routes No 6 (Szczecin - Gdańsk) and No 11 (Kołobrzeg – Poznań – Górny Śląsk) near planed motorways no S6 and no S11 junction.
- **Full technical infrastructure:** water, rain, sewage, electrical energy and natural gas (large capacity). In implementation project co-financed from RPO WZ 2007-2013 valued: 79,8 mln zł (EU funds co-financing: 39,9 mln zł)
- **Zoning in local spatial development plan:** industrial production, logistic & arehouse centers. No investment obstacles. Allowed built-up area: up to 75%, max. height up to 25 m.
- **Plots division according to investor’s needs** which means large savings. Min. plot area from 0,4 ha.
- **Friendly climate and numerous international contacts** permanent contact with investor till launching plant.
- **Preferences and tax incentives.**
- **Well qualified future staff and low work costs.**
- **Investment process assistance.**
- **Professional and efficient investor service.**



The city of Koszalin offers *attractive investment lands equipped with utilities of approximately 51 hectares* located in the **"Koszalin" Subzone of the Słupsk Special Economic Zone (SSSE)** under attractive conditions. The lands are designated for the building of production plants and logistics centers as well as for BPO investments.

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 (up to 200 thousand Euro)*.



Źródło: www.google.pl

WELCOME TO KOSZALIN

More information is available at www.koszalin.pl and www.inwestycje.koszalin.pl

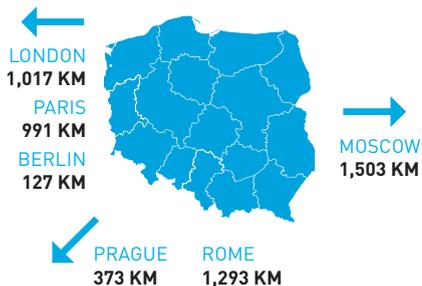
Contact
MUNICIPALITY OF KOSZALIN
75-007 Koszalin PL, Rynek Staromiejski 6-7

Piotr Jedliński
Mayor of Koszalin
Phone : (+48) 94-348-86-03, Fax : (+48) 94-348-86-25
@: piotrjedlinski@um.man.koszalin.pl

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

Investors in Subzone Koszalin:

- Rotho – Switzerland
- Nordglass – Poland
- Jeronimo Martins Polska - Portugal
- Elfa Manufacturing Poland – Sweden
- Jakob Hatteland Computer – Norway
- PHU ROMEX Roman Wasilewski – Poland
- Fabryka Flag LINEA – Poland
- Produx Retail Technology - Poland
- AJCON – Denmark
- Q4Glass ABJ Investors – Poland
- Espan. – Denmark
- Bałtyk Trans Spedition Paweł Sominka – Poland
- Romex – Poland
- Przedsiębiorstwo Robót Inżynieryjnych i Budowlanych Infrabud - Poland
- Surimet – Poland
- „BartosZ” Hydraulika Siłowa Bartosz Lipiński – Poland
- Termprojekt Spółka cywilna D. Sulima, S. Hirny – Poland
- ClownPolska – Poland
- Recyklon – Poland

CAPITAL
Szczecin

MAYOR
PIOTR KRZYSZEK

POPULATION (DEC. 2012)
408,172



WORKING-AGE POPULATION
(DEC. 2012)

262,469

UNEMPLOYMENT RATE
(JULY 2014)

9.8%

AVERAGE PAY
(DEC. 2013)

PLN 4,029.51

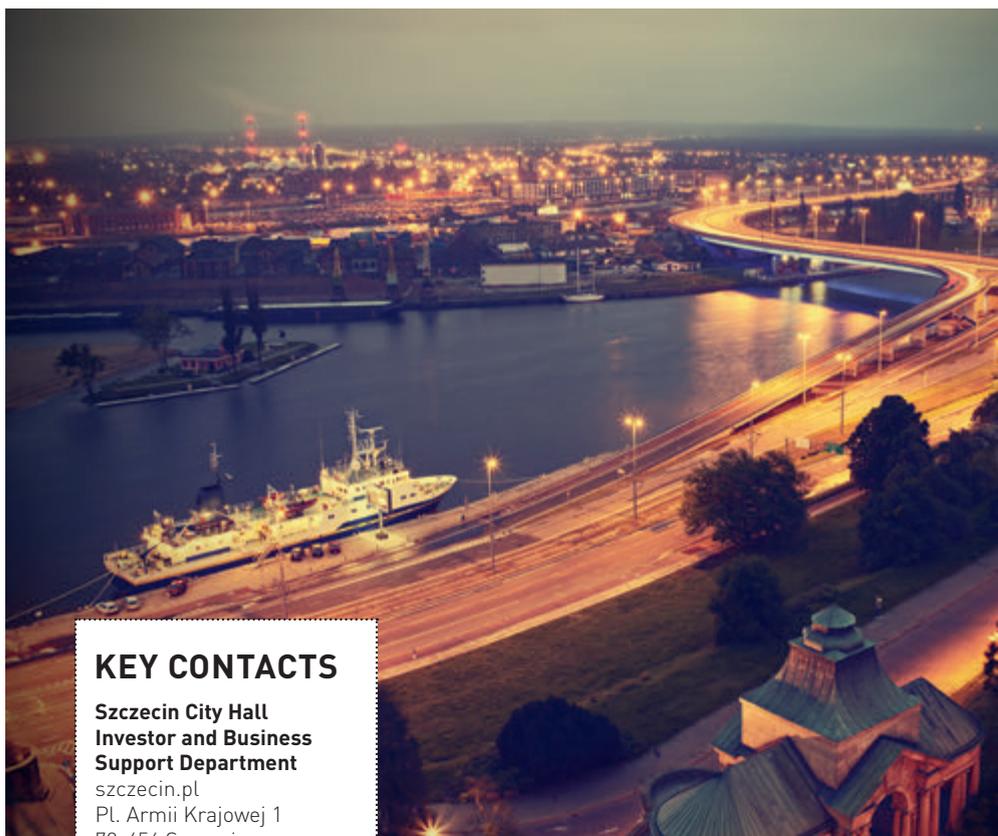


MODERN OFFICE
SPACE
100,000 SQM

OFFICE VACANCY
RATE
15.0%

PRIME HEADLINE
RENTS
€11.50-€13.00

SOURCE: KNIGHT FRANK JLL

**KEY CONTACTS**

**Szczecin City Hall
Investor and Business
Support Department**

szczecin.pl
Pl. Armii Krajowej 1
70-456 Szczecin
Tel. +48 91 424-5819
Fax +48 91 424-5820
investor@um.szczecin.pl

Between mainland and sea

Szczecin is Poland's seventh-largest city, located in the northwestern corner of the country. The city is a major marine port, thanks in part to 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, later expanded under Slavic rulers.

In 1181 it became part of the German Empire with the settlement formally becoming a city in 1243. Most of its further history, under the name of Stettin,

was associated with Germany. Stettin's beautiful urban street plan has been compared to Parisian boulevards.

Today, Szczecin focuses on its role as a transportation hub, conveniently located on the crossroads of major European routes and close to the sea. This has proved an advantage both in terms of industry and tourism. Szczecin is the host of an annual tall ships festival.

Businesses currently based in and around Szczecin include sea transportation companies Unity Line and Polska Żegluga Morska, the Gryfia shipyard, chemical plant Police and wind turbine firm KK-Electronic.

Other major cities

CITY	POPULATION	WORKING-AGE POPULATION	UNEMPLOYMENT
Koszalin	109,170	69,972	10.8%
Stargard Szczeciński	69,328	45,497	18.1%*
Świnoujście	41,371	26,920	5.9%

*LOCAL COUNTY DATA

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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, encompassing a total of 16,143.47 hectares. This year, their lifespan has been extended to 2026 (from 2020). Some 200 ha were added to their territory this year alone.

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.

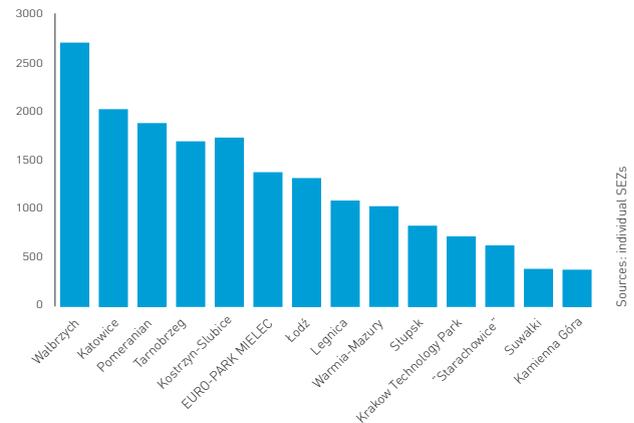
Companies investing in SEZs can count on numerous incentives, including tax breaks. According to the Economy Ministry's calculations, investors in Polish SEZs saved over zł.4.9 billion in tax breaks between 2007 and 2010. From their inception through the end of 2010, companies invested a total of more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

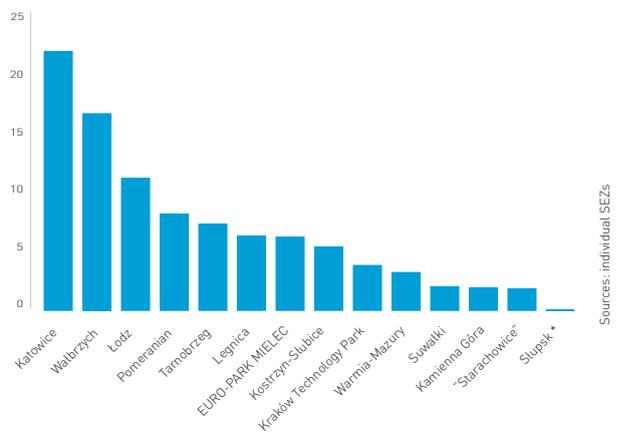
At the same time, regardless of their dominant industries or geographic locations, all of Poland's special economic zones remain open to a wide range of investments.

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



*Słupsk SEZ did not disclose the data

Sources: individual SEZs

Sources: individual SEZs



Tarnobrzeg Special Economic Zone - good climate for your investments



Next project to be implemented by Industrial Development Agency in Podkarpacie province

New production hall in Stalowa Wola sub-zone - under construction (6700m²)

Tax preferences and public aid

Welcome to TSEZ



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: 1,362 ha (465 ha available)

Dominant industries: automotive, aviation, metals, wood processing

Total number of new workplaces: 23,823

Total value of investments: PLN 6.2 bln

Top investors in terms of value:

Polskie Zakłady Lotnicze (US), aviation
 MTU Aero Engines Polska (Germany), aviation
 BorgWarner Turbo & Emissions Systems (US), automotive
 Lear Corporation (US), automotive
 Kirchhoff Polska (Germany), automotive

Contact:

europark.com.pl
 ul. Partyzantów 25
 39-300 Mielec
 Tel. +48 17 788-7236
 Fax +48 17 788-7769
 europark@europark.com.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: 367.14 ha (131.40 ha available)

Dominant industries: automotive, metal, paper, printing

Total number of new workplaces: 4,855

Total value of investments: PLN 1.89 bln

Top investors in terms of value:

BDN Sp. z o.o. Sp. K.(Germany), printing
 Tbai Poland (Japan), automotive
 Takata Parts Polska (Japan), automotive
 Polcolorit (Poland), ceramics
 Dr Schneider Automotive Polska (Germany), automotive
 Wepa Professional Piechowice (Germany), paper

Contact:

ssemp.pl
 58-400 Kamienna Góra
 Tel. +48 75 645-2030
 Fax +48 75 744-2017
 strefa@ssemp.pl

SPECIAL ECONOMIC ZONE EURO-PARK MIELEC



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- ▶ HIGH-QUALIFIED ENGINEERS AND PROFESSIONAL STAFF
- ▶ **20 YEARS OF EXPERIENCE IN ASSISTING INVESTORS**
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industrial land for project development



production buildings and office space



new production halls built by the IDA
to rent, to buy, to lease



**Industrial Development Agency
Branch Office in Mielec**

Partyzantów 25 Street 39-300 Mielec
tel. (+48 17) 788 72 36, fax (+48 17) 788 77 69
e-mail: europark@europark.com.pl

www.arp.com.pl
www.europark.com.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: 2,005 ha (1.300 ha available)

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

Total number of new workplaces: 53,000

Total value of investments: PLN 22 bln

Top investors in terms of value:

General Motors Manufacturing Poland (US), automotive

Fiat GM Powertrain Polska (Italy), automotive

NGK Ceramics Polska (Japan), automotive

Nexteer Automotive Poland (US), automotive

Duda Bis (Poland), food processing

Brembo Poland (Italy), automotive

Isuzu Motors Polska (Japan), automotive

Guardian Częstochowa (US), glass

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: 1.715 ha (841 ha available)

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

Total number of new workplaces: 24,508

Total value of investments: PLN 5.38 bln

Top investors in terms of value:

ICT Poland (Italy), paper

Faurecia Gorzów (France), automotive

TPV Displays Polska (China), electronics

Arctic Paper Kostrzyn (Sweden), paper

Barlinek Inwestycje (Poland), wood

Volkswagen Poznań (Germany), automotive

Contact:

kssse.com.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

Dominant industries: automotive, BPO, IT

Total number of new workplaces: 17,000

Total value of investments: PLN 3.8 bln

Top investors in terms of value:

Comarch (Poland), IT

RR Donnelley Europe (US), printing

MAN Truck & Bus (Germany), automotive

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: 1,071 ha (880 ha available)

Dominant industries: automotive

Total number of new workplaces: WND

Total value of investments: PLN 6.3 bln

Top investors in terms of value:

Volkswagen Motor Polska (Germany), automotive

Sitech (Germany), automotive

Winkelman (Germany), metal

BASF (Germany), chemical

Contact:

lsse.eu

ul. Św. Maksymiliana Kolbe 14

59-220 Legnica

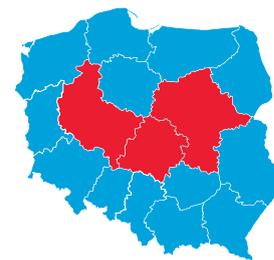
Tel. +48 76 727-7470

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: 1.302 ha

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

Total number of new workplaces: 29,000

Total value of investments: PLN 11.2 bln

Top investors in terms of value:

- Dell Products Poland (US), IT
- Gillette Poland International (US), consumer goods
- Procter & Gamble (US), consumer goods
- Indesit (Italy), white goods

Contact:

sse.lodz.pl
ul. Tymienieckiego 22/24
90-349 Łódź
Tel. +48 42 676-2753
Fax +48 42 676-2755
ingo@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: 1.863 ha (660.2 ha available)

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

Total number of new workplaces: 16,033

Total value of investments: PLN 8.18 bln

Top investors in terms of value:

- Bridgestone Stargard (Japan), automotive
- Cargotec Poland (Finland), metals
- Flextronics International Poland (Singapore), electronics
- International Paper (US), paper
- Jabil Circuit Poland (US), electronics
- Lafarge Cement (France), construction
- Mondi Świecie (Poland), paper
- Solvay Advanced Silicas Poland (Belgium), paper
- Weyerhaeuser Poland (US), timber

Contact:

strefa.gda.pl
ul. Władysława IV 9
81-703 Sopot
Tel. +48 58 555-9700
Fax +48 58 555-9711
invest@strefa.gde.pl

LODZ SPECIAL ECONOMIC ZONE - THE LEADER OF INTEGRATED SERVICES AND SOLUTIONS FOR BUSINESS



PERFECT LOCATION

SITUATED IN THE VERY CENTRE OF POLAND AND EUROPE: MOTORWAY INTERSECTION A1 (E75 HELSINKI - ATHENS) AND A2 (E30 BERLIN - MOSCOW)



ATTRACTIVE INVESTMENT SITES

LODZ SEZ COVERS THE AREAS FROM 0,5 TO 32 HA LOCATED IN THE CITIES, NEXT TO MAIN TRANSPORT LINKS AS WELL AS IN THE SUBURBS OF THE LODZ REGION



COMPLEX CARGO

THE CITY OF LODZ OFFERS EXPRESS RAIL CARGO WITH REGULAR CONNECTIONS TO CHINA AND INTERNATIONAL AIRPORT WITH CARGO CONNECTIONS



ZONE OF EDUCATION

LODZ SEZ SUPPORTS UNIVERSITY AND VOCATIONAL (IN DUAL SYSTEM) EDUCATION AND IS THE PARTNER OF THE BRITISH INTERNATIONAL SCHOOL OF THE UNIVERSITY OF LODZ



PROFESSIONAL TEAM

EVERY INVESTOR RECEIVES FROM LODZ SEZ'S TEAM INVESTMENT AND POST-INVESTMENT CARE

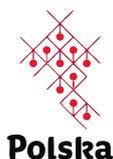


AWARDS

HIGH LEVEL OF INVESTORS' SERVICE WAS APPRECIATED BY NUMEROUS AWARDS, AMONG OTHERS: fDi IPA INNOVATION AWARDS 2013, fDi GLOBAL FREE ZONES OF THE FUTURE 2012/2013 (3rd PLACE IN EUROPE)



LODZ
SPECIAL
ECONOMIC
ZONE



Polska

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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: 816 ha (535 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: WND

Total value of investments: WND

Top investors in terms of value:

- Kronospan Polska (Austria), wood manufacturing
- Paula-Trans (Poland), logistics, warehousing
- Nordglass II (Poland), glass
- Q4Glass, ABJ Investors (Poland), glass manufacturing
- Kapena (Italy), automotive
- Jeronimo Martins Polska (Portugal), logistics, warehousing
- Ozen Plus (Poland), charcoal and production of ecological heat
- Przetwórstwo Rybne "Łosoś" (Poland), fish processing
- Albatros Aluminium (Poland), metals

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: 613 ha (218 ha available)

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

Total number of new workplaces: 6,263

Total value of investments: PLN 1.8 bln

Top investors in terms of value:

- RR Donnelley Starachowice (US), printing
- MAN Truck & Bus (Germany), automotive
- Air Liquide Polska (France), chemicals
- Grupa Azoty (Poland), chemicals
- Kaye Aluminium Opole (Spain), metals

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: 375.6 ha (91 ha available)

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

Total number of new workplaces: 6,030

Total value of investments: PLN 2.0 bln

Top investors in terms of value:

Pfleiderer (Germany), wood and construction materials

Rockwool Polska (Denmark), construction materials

Porta KMI (Poland), construction materials

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: 1,677.2 ha (522.6 ha available)

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

Total number of new workplaces: 18,706

Total value of investments: PLN 7.3 bln

Top investors in terms of value:

LG Philips LCD (South Korea), electronics

LG Electronics (South Korea), electronics

Heesung Electronics Poland (South Korea), electronics

Uniwheels Production Poland (Germany), automotive

UPM Raflatac Polska (Finland), paper and timber

Pilkington Automotive Poland (UK), automotive

Contact:

tsse.pl

ul. Zakładowa 30

39-400 Tarnobrzeg

Tel. +48 15 822-9999

Fax +48 15 823-4708

biuro@tsse.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: 2.684 ha (1,060 ha available)

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

Total number of new workplaces: 36,000

Total value of investments: PLN 16.7 bln

Top investors in terms of value:

Electrolux Poland (Sweden), white goods

Toyota Motor Manufacturing Poland (Japan), automotive

Mondelez Polska Production (US), food

3M (US), plastic

Mando Corporation Poland (South Korea), automotive

Polaris Poland (US), automotive

Contact:

invest-park.com.pl

ul. Uczniowska 16

58-306 Wałbrzych

Tel. +48 664 91 64

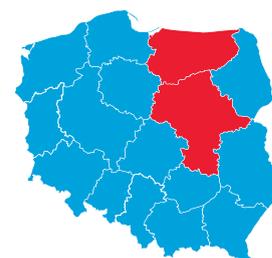
Fax +48 664 91 62

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: 1,014.9 ha (340 ha available)

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

Total number of new workplaces: 7,923

Total value of investments: PLN 3.2 bln

Top investors in terms of value:

Michelin (France), tire manufacturing

LG Electronics (South Korea), electronics

Swedwood Poland (Sweden), wood processing

Bauer (Germany), printing

Contact:

wmsse.com.pl

ul. Kasprowicza 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.

A lineup of innovative companies based in parks and a description of technology park specializations are listed in the latest edition of the Book of Lists 2014/2015.

Book of Lists

A Guide to Polish Business & Industry



STOWARZYSZENIE ORGANIZATORÓW
OŚRODKÓW INNOWACJI
I PRZEDSIĘBIORCZOŚCI W POLSCE

AEROPOLIS Podkarpackie Science and Technology Park

Dominant sectors:
production/IT

Contact:

aeropolis.com.pl
ul. Szopena 51,
35-084 Rzeszów
Tel. +48 17 867-6206

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:

arr.czestochowa.pl
Al. Najświętszej Maryi
Panny 24/8,
42-202 Częstochowa
Tel. +48 34 360-5688

.....

Data Techno Park

Dominant sectors: IT, law,
healthcare

Contact:

parkmedyczny.pl
ul. Kutnowska 1-3,
53-135 Wrocław
Tel. +48 71 750-4620

.....

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. Stanisława Szulimy 1,
82-300 Elbląg
Tel. +48 55 239-3467

Ełk Science and Technology Park

Dominant sectors:
production

Contact:

technopark.elk.pl
ul. Podmiejska 5,
19-300 Ełk
Tel. +48 87 732-6163

.....

EUREKA Technology Park

Dominant sectors:
mixed

Contact:

www.eureka-tp.pl
ul. Innowatorów 8,
62-070 Dopiewo
k. Poznania
Tel. +48 61 224-0000

.....

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 73-96117

Interior Technology Park

Dominant sectors: produc-
tion, 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:

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

.....

Kielce Technology Park

Dominant sectors:
production/IT

Contact:

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

.....

Kraków Technology Park

Dominant sectors: IT

Contact:

kpt.krakow.pl
ul. Prof. Michała
Życzkowskiego 14,
31-864 Kraków
Tel. +48 12 640-1940

Life Science Park

Dominant sectors:
medical and pharmaceutical
production/research

Contact:

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

.....

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

.....

Olsztyn Science and Technology Park

Dominant sectors: WND

Contact:

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

.....

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

.....

MMC Brainville Technology Park

Dominant sectors: WND

Contact:

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

.....

Opole Science and Technology Park

Dominant sectors: WND

Contact:

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

.....

Lower Silesian Tech- nology Park "T-Park"

Dominant sectors:
mixed

Contact:

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

.....

Nickel Technology Park Poznań

Dominant sectors: IT/
production and material
services

Contact:

ntpp.pl
ul. Krzemowa 1
62-002 Złotniki
Tel. +48 61 658-6499

.....

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

.....

Lublin Science and Technology Park

Dominant sectors: WND

Contact:

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

.....

Nobel Tower Center of Advanced Technologies

Dominant sectors:
medicine

Contact:

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

.....

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 Technopark

Dominant sectors: IT

Contact:

www.spnt.pl
ul. Niemierzyńska 17A
71-441 Szczecin
Tel. +48 91 852-2911

.....

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 r. 406
61-441 Poznań
Tel. +48 61 673-4543

.....

Puławy Science and Technology Park

Dominant sectors: produc-
tion/research and develop-
ment

Contact:

ppnt.pulawy.pl
Mościckiego 1
24-110 Puławy
Tel. +48 81 464-6316

.....

Regional Industry Park in Świdnik

Dominant sectors: produc-
tion/whole trade

Contact:

park.swidnik.pl
Al. Lotników Polskich 1
21-045 Świdnik
Tel. +48 81 722-6022

.....

Science and Technol- ogy park in Koszalin

Dominant sectors: geodeti-
cal services

Contact:

technologpark.pl
ul. Raclawicka 15-17
75-620 Koszalin
Tel. +48 94 347-8417

Science and Tech- nology Park of the University of Zielona Góra

Dominant sectors: WND

Contact:

www.pnt.uz.zgora.pl
ul. Syrkiewicza 6
66-002 Nowy Kisielin
Tel. +48 68 327-0382

.....

Silesian Industry and Technology Park

Dominant sectors: IT/pro-
duction

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

.....

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/re-
search and development

Contact:

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

Toruń Technology Park

Dominant sectors: IT, elec-
tronic sector

Contact:

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

Wrocław Technology Park

Dominant sectors: IT/re-
search and development

Contact:

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



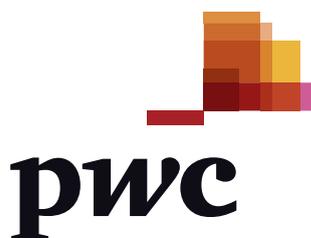
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www.zamek-gniew.pl

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How can PwC help your company?

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Moreover, we help optimize state aid. Our help encompasses drawing up all essential applications with the required attachments. We also provide support in the negotiation process. At PwC, we measure our success

by yours. Every day our more than 168,000 people in 158 countries go to work to help our clients succeed. PwC in Poland has a successful record of cooperation with the largest local and international businesses and government institutions. We are committed to serving as a force for integrity, good sense and wise solutions to the problems facing businesses and the capital markets today. Transparency and good standards of corporate governance – both in our clients' businesses and in our own – are central to our ability to achieve those objectives. And we aim to continue to achieve them from our position of strength and professional leadership.

Contact:

pwc.com/pl

Al. Armii Ludowej 14, 00-638 Warsaw

☎ +48 22 746-4000

☎ +48 22 742-4040

@pwcpoland@pl.pwc.com



Invest in Poland

POLISH INFORMATION AND
FOREIGN INVESTMENT AGENCY

The Polish Information and Foreign Investment Agency (PAIIZ) has been servicing investors for over 20 years. Its mission is to create a positive image of Poland in the world and increase the inflow of foreign direct investment by encouraging international companies to invest in Poland. The Agency offers foreign entrepreneurs: quick access to information regarding the economic and legal investment environment, assistance in finding a convenient investment location, help in obtaining investment

incentives, guidance through all of the necessary administrative and legal procedures and advice in each phase of the investment process.

Contact:

paiz.gov.pl

ul. Bagatela 12, 00-585 Warsaw

☎ +48 22 334-9875

☎ +48 22 334-9889

@post@paiz.gov.pl or @invest@paiz.gov.pl

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800 consultants and support staff and we operate through a network of nearly 100 branches located in major cities.

Contact:

randstad.pl/pracodawca

Al. Jerozolimskie 134, 02-305 Warszawa

☎ +48 22 274-1000

☎ +48 22 274-1001

@firma@randstad.pl



JLL (NYSE: JLL) is a professional services and investment management firm offering specialized real estate services to clients seeking increased value by owning, occupying and investing in real estate. With annual revenue of \$4.0 billion, JLL has more than 200 corporate offices and operates in 75 countries worldwide. On behalf of its clients, the firm provides management and real estate outsourcing services for a property portfolio of 280 million sqm worldwide and completed \$99 billion in sales, acquisitions and finance transactions in 2013. Its investment manage-

ment business, LaSalle Investment Management, has \$48 billion of real estate assets under management. JLL is the brand name of Jones Lang LaSalle Incorporated.

Contact:

jll.pl

ul. Królewska 16, 00-103 Warszawa

☎ +48 22 318-0000

☎ +48 22 318-0099

@warsaw.office@eu.jll.com



Atende S.A. (formerly known as ATM Systemy Informatyczne S.A.) is one of Poland's largest IT company with over 20 years of experience. The Company specializes in four main domains: ICT system integration, technical infrastructure integration, IT outsourcing and services based on technological platforms offered in cloud computing. Together with six subsidiaries Atende forms a capital group. Atende debuted on the Warsaw Stock Exchange on May 28th,

2012. More information:

Contact:

atende.pl

ul. Ostrobramska 86, 04-163 Warszawa

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Burmistrz, Prezydent, Sottys – Mayor

While the English word “mayor” describes the elected head of any city or town, regardless of its size, Polish makes a distinction. A mayor of an urban area like Warsaw or Kraków has a prezydent, while a mid-sized town will have a burmistrz. Villages are headed by a sottys.

Dzielnica – District

Cities are divided into districts (dzielnice) and neighborhoods (osiedla). In major cities like Warsaw, each district has its own administrative entities which deal with certain administrative and bureaucratic matters.

Gmina – Municipality

The municipality is the smallest administrative division in Poland. There are three types of municipalities: urban municipalities (gmina miejska), which consist of one city or town; urban-rural municipalities (gmina miejsko-wiejska), which consist of a town and its surrounding villages; and rural municipalities (gmina wiejska), which consist of just villages. A municipality can be headed by a prezydent, burmistrz or wójt (head of a rural municipality).

Kodeks pracy – Labor Code

The Labor Code is the legislation that regulates employment conditions in Poland and is a key document for employers in Poland. It dates from 1974, but has been amended many times in the post-communist period.

Kodeks spółek handlowych – Commercial Companies Code

The Commercial Companies Code is the legislation that regulates the legal forms in which entities may conduct economic activities. It also regulates the manner of the day-to-day functioning, restructuring and the liquidation of companies.

Krajowy Rejestr Sądowy (KRS) – National Court Register

The KRS is a public register run by the Ministry of Justice. It comprises three different registers: a register of entrepreneurs; a register of associations, voluntary and professional organizations, foundations and public institutions of social service; and a bankruptcy register. All new businesses must register with the KRS.

Marszałek województwa – Voivodship Marshal

The voivodship marshal is one of the two heads of a voivodship. He or she heads the executive board of the voivodship and is elected by the Voivodship Council (Sejmik Województwa). Among other things, the voivodship marshal has the power to act in individual matters and within matters of public administration.

Numer Identyfikacji Podatkowej (NIP) – Tax Identification Number

A NIP is a 10-digit identifier which allows tax to be paid. All economic entities must possess one. It is assigned by the Tax Office.

Państwowa Inspekcja Pracy – National Labor Inspectorate

The National Labor Inspectorate supervises and inspects the obedience of labor law in Poland. It is subordinate to Parliament. Among other powers, the Inspectorate has the right to conduct inspections of all employers and of entrepreneurs who are not technically employers but “have natural persons perform work for their benefit.”

Powszechny Elektroniczny System Ewidencji Ludności (PESEL) – Universal Electronic System for Registration of the Population

A PESEL number is the equivalent of a REGON number for physical persons. It is an 11-digit statistical identifier which conveys four pieces of information: birth date, personal identification number, gender and a “control digit.”

Powiat – County

Counties (powiaty) are the second largest administrative division in Poland, smaller than voivodships and larger than gminas. Important towns and cities function as separate counties and are not subdivided into gminas. These are informally called city counties (powiaty grodzkie) or formally called “towns with the rights of a county” (miasta na prawach powiatu). Other counties are called land counties (powiaty ziemskie).

Each county has a popularly elected council (rada powiatu) which handles legislation. In turn, the county council elects a county president (starosta), who holds local executive power. The county president heads the county offices (starostwo). In city counties, however, the aforementioned offices do not exist on their own. Their authority is instead held by the city council (rada miasta), the mayor and the city authorities (urząd miasta).

Rejestr Gospodarki Narodowej (REGON) – Register of the National Economy

A REGON number is a nine-digit statistical identifier for businesses issued by the Central Statistical Office (Główny Urząd Statystyczny, GUS). A 14-digit REGON number is issued to local entities whose main branches are located elsewhere in Poland.

Umowa o dzieło – Contract for specific work

A contract for specific work is primarily attractive for employers because the tax and insurance contributions are lower than with an employment contract. The key difference between this and an umowa zlecenia is that it is usually for the performance of one specific task, such as that of a craftsman.

Umowa o pracę – Employment Contract

The “standard” type of a contract for the performance of work in Poland is an employment contract. All types of employment contracts require the employer to bear significant tax and social security contributions.

Umowa zlecenia – Contract of mandate

This is a popular form of independent contractor (non-employment) agreement. Whether an umowa zlecenia is suitable depends on the type of project or work, but it may serve for a longer period of time and involve repetition.

Wojewoda – Voivode

The voivode is one of the two heads of a voivodship. He or she is appointed by the Council of Ministers and acts as its (and the Treasury’s) representative in the voivodship. Among other things, the voivode has the power to act in matters of legal oversight concerning local government authorities.

Województwo – Voivodship

Voivodships are the largest administrative divisions in Poland. Each voivodship has a popularly elected Voivodship Council (sejmik województwa) which holds four-year terms. The number of councilors on each voivodship council varies by voivodship. There are 16 voivodships in Poland today, the outcome of a 1999 reform. Between 1975 and 1998 Poland comprised 49 voivodships.



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On the right path



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

Each year, at the Warsaw Business Journal Group, we publish the Investing in Poland annual (this year being the sixth edition). We do it because we believe that Poland is a great place for investment for numerous reasons listed below. We publish this annual for anyone who is interested in investing here and is looking for some additional information and for those on the fence about doing so. We hope that with all the data and analysis we will be able to convince you that Poland is the right place to be.

When it comes to the economy, 2014 can be divided into two halves. During the first one, every economist was constantly upgrading Polish GDP growth forecasts, but when they reached a 3.5 percent threshold, the crisis in Ukraine prompted everyone to revise their estimates. With Poland exporting nearly 10 percent of its goods and services to Russia and Ukraine, the situation in the east has had a significant impact on the country's economy. This, along with other factors like deflation, sovereign debt, has made economists and even the ministry of economy slash their earlier forecasts. Currently, the government estimates that this year's GDP will grow by 3.3 percent, while next year, it will reach a 3.5 percent growth. While those figures are not as good as the ones quoted at the beginning of the year, they're still far better than the 1.6 percent growth observed in 2013.

But not only recent macroeconomic figures are working in Poland's favor. The biggest CEE economy has always been an attractive place for foreign investments; it has a big internal market

with strong demand and solid consumption. Its central location, perfect for logistics investment, prompted Amazon to move its hub here, even though the company doesn't have a Polish version of their store yet. Competitive wages and a highly-skilled labor force are always something the investors are looking for as well.

Poland has also benefited greatly from joining the EU. In the 2007-2013 financial framework the country received €68 billion, while in the current 2014-2020 budget Warsaw will receive €105.8 billion. This makes Poland the biggest EU fund beneficiary among all the member states.

So far, Poland has stood out among its CEE peers in terms of foreign direct investments (FDI). According to UNCTAD's Internet database, foreign direct investments inflow to Poland totaled some \$94.9 billion between 2006 and 2011 and was the highest in the region, with the Czech Republic ranking second with some \$36.8 billion in FDI.

On the following pages, you'll find the whole picture of the Polish investment landscape. Full profiles of Poland's 16 voivodships and its major cities with the most crucial information regarding local infrastructure and contact information. We also profile all of the Poland's Special Economic Zones and list all of Poland's major technology parks.

What's 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, responsible for a number of Poland's most-trusted English-language publications and our partners, who helped us with their knowledge and experience.

THE GOLDEN AGE of foreign investment in Poland

This year, we celebrate a special moment in Polish history and in **the history of investing in Poland**



● ● ● ●
**Stawomir
Majman
President of
the Polish
Information
and Foreign
Investment
Agency**

Twenty-five years ago, Poland started on the path of a peaceful process of political and economic transformation. Just a few years later, in 1996, the country became a full member of the OECD and in 1999, it joined NATO. Ten years ago, in 2004, Poland became a Member State of the European Union. By reaching these milestones, Poland improved its international credibility. Now, we are a part of an independent, democratic world and a free-market country with great interest among investors.

Stability and consistency are the traits that attract investors to Poland. Whatever the political constellation throughout these 25 years, all governments have shared the same strategy of open doors to foreign capital. This strategy has turned out to be a great success. The value of foreign direct investment in Poland has grown from \$109 million in 1990 to the impressive \$250 billion that we are seeing now. Poland has become the undisputed number one investment location in Central and Eastern Europe, and also a major foreign investment player in Europe.

In the recent EY "European Attractiveness survey," the country was defined as the "investment magnet" of the region by overtaking the Czech Republic, Romania, Hungary, Ukraine and Turkey and leaving all neighbors far behind. Moreover, in this year's AHK - German Chambers of Commerce report, Poland has maintained the leading position in the CEE region for the second time in a row. Poland also competes with major European powers. According to the latest UNCTAD survey, the country is the fifth most attractive destination for foreign investments in Europe and sixth in terms of the total value of FDI. In some cases, such as BPO investments, Poland plays on the global level. Since a few years ago, Kraków has been placed by Tholon's among the world's top ten outsourcing destinations.

There is no doubt that the position of Poland as one of the European front-runners of investment attractiveness rankings will be strong and long-lasting as investors operating in Poland are satisfied with doing business here. A significant number of companies who have been in Poland for a long period of time, have made a decision to reinvest their capital in the country. Reinvestment rate is another crucial index of a country's attractiveness. Poland has one of the highest rates of reinvestment in the EU. For instance, 80 percent of German investment projects consummated in Poland are reinvestments. Forty-one percent of FDI projects supported by PAIIZ between 2010-2013 derive from reinvested capital. Their total value has reached €2.3 billion. It is also worth mentioning that according to surveys provided in recent months to foreign investors from the US, France and Germany, they not only consider reinvesting money in Poland, but they also encourage other companies from their countries to establish business here. Thus, Poland's image as an investment safe haven is spreading all over Europe.

The engine of growth

For two decades, foreign companies have played one of the most significant roles in shaping the economic success of Poland, especially in helping Poland on its way to a knowledge-based economy. Also, thanks to foreign capital, Poland has developed a sector specialization.

For the last two decades, PAIIZ has observed a significant shift in the profile of incoming foreign investors to Poland. Twenty years ago, the country attracted mainly investors representing a typical production profile. The economic and social development supported by foreign capital and the inflow of technology and know-how have impacted the growing interest of investors and resulted in the establishment of more sophisticated projects in Poland. Now, the country is a local hub of advanced services such as BPO, R&D and ICT and an industrial production center of highly engineered components for automotive and aviation industries and yacht manufacturing. The trend towards service projects is reflected in the portfolio of investments supported by the Agency. About 60 percent of PAIIZ investment projects represent the service sector and about 30 percent are generated by the production industry. From the perspective of the Polish economy, both types of projects are important. A number of new jobs generated by the service sector is two times bigger than employment generated by the production sector. On the other hand, high-tech factories and plants invest more money in Poland than companies providing various types of services.

Investment golden age

Not only foreign investors, but also foreign newspapers, appreciate Polish attractiveness and admire the achievements of the Polish economy. Just a few months ago, *the Economist* wrote about the "Golden Age of Poland" and the currently strong condition of the Polish economy. This is a fact. In terms of investments, this is a very special moment in the history of FDI in the country – the time of the most spectacular projects of the decade. At the beginning of 2014, PAIIZ together with Volkswagen successfully completed the biggest, in terms of value, investment project of the last ten years. It is also expected to be the most significant investment of the year in terms of the number of new jobs created. Under the €800 million agreement, Volkswagen will establish a van production facility near Poznań. Moreover, last year Amazon completed, together with PAIIZ, the biggest foreign investment project of the last decade in terms of new job creation. The American giant has already started employing staff and plans to create up to 9,000 new jobs in its three new fulfilment centers located near Poznań and Wrocław. Thanks to such investments, the number of new jobs created with the support of PAIIZ in 2013 reached 13,862. Which is an increase of almost 90 percent year-on-year! That result allowed Poland to gain the third position in Europe for new job creation in 2013, trailing only Great Britain and France. It is also worth adding, that an average foreign investment in Poland delivers about 130 new jobs to our country.

The Polish Information and Foreign Investment Agency has had the honor of assisting foreign investors as they contribute to the growth of the Polish economy by supporting, most importantly, projects vital to the nation. PAIIZ hopes that foreign companies will take part in the creation of a new chapter of the Polish economic story – the high-tech reindustrialization of Poland. It is worth to be here. Poland has a lot to offer: excellent quality of human capital, great location and well-tailored investment incentives along with public assistance including the access to an impressive €82.5 billion fund under the EU 2014-2020 budget.



POLAND'S investment climate

Despite rising labor costs, **Poland continues to be an attractive investment destination**, mainly due to its favorable macroeconomic outlook, as well as growing productivity and rapidly developing infrastructure



● ● ● ●
Beata Tylman,
Director,
State Aid
Team at PwC

Mateusz Walewski,
Senior
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at PwC

According to Eurostat data, Poland's GDP grew by 1.7 percent in 2013, which was one of the highest growth rates among EU countries. The expected growth rate of 3 to 3.5 percent in 2014 once again makes Poland one of the growth leaders in the EU.

Despite an unfavorable global situation, Poland's economic development forecasts are optimistic. According to the International Monetary Fund, Poland will grow at an average annual pace of 3.5 percent between 2015 and 2019, while the average rate for the European Union is seen at 1.8 percent. This means Poland will keep its position as a growth leader also in the coming years.

Fiscal and monetary policy

Poland's economic indicators and forecasts continue to be optimistic despite the continuing crisis. They are the product of the country's favorable investment climate and responsible macroeco-

nomical policy. The primary goal of the fiscal policy is keeping public debt below the constitutional limit of 60 percent which is achieved through a gradual reduction of the budget deficit. In 2013, public debt in Poland stood at 57 percent, which is significantly below the EU average of 87 percent. Meanwhile, the budget deficit decreased to 4.3 percent in 2013 compared to 7.8 percent in 2010.

The policy of the central bank, careful and often criticized for being too conservative, does not limit the economy's growth potential. The GDP growth figures attest to that. On the other hand, it does foster macroeconomic stability, as evidenced by the very low inflation (0.8 percent in 2013) and the improving current account balance, which in 2013 reached a record low deficit level in the history of the Polish market economy – 1.8 percent of the GDP. Importantly, the drop in the current account deficit is not the result of lower economic activity in the country, but largely due to continually growing exports, which in 2013 increased by 5.9 percent.

Growth factors

Several factors contribute to the unquestionable competitiveness of the Polish economy, including unlimited access to European markets for manufacturers in Poland. The labor costs in Poland, despite a marked growth trend, are still significantly lower than in Western European countries. More importantly, the increase in labor costs follows growth in labor productivity, which helps

maintain a high level of competitiveness of the Polish workforce. Another important factor that has helped Poland remain competitive is the floating exchange rate. Before 2008, the exchange rate stood at EUR/PLN 3.20. As of September 2014, it is around EUR/PLN 4.16. It is hard to overestimate the impact of these changes on companies manufacturing in Poland and their competitiveness on the European market.

It is also important to remember that Poland, apart from export competitiveness, offers a large and developing internal market for potential investors, which sets it apart from other Central and Eastern European countries. The ratio of exports to the domestic demand in Poland is at some 50 percent, while in countries such as the Czech Republic, Slovakia and Hungary, it exceeds 75 percent.

The good condition of the financial sector is also an important stabilizing factor for the economic environment. Polish banks have proven resistant to the financial crisis. Polish companies and households have a far lower level of indebtedness compared to the average debt levels in the EU. This will enable Polish banks to increase their credit activity as the global sentiment improves.

Poland has long been seen as a country with very weak infrastructure for transport and telecommunications. The highway network and broadband internet accessibility are far below the EU average. However, the influx of capital between 2007 and 2013 from the EU has allowed a rapid development of the express road network. Over the course of seven years (2007-2013), as much as 1,500 km of new highways and express roads were built, which increased their total length by 150 percent.

Poland is not without problems which make doing business here more difficult. The inefficiency of the court system and the changeable and complicated tax law are the main causes of Poland's relatively low position in the World Bank's Doing Business ranking. The situation may improve however. Simplifying the tax law is one of the main goals on the Ministry of Finance's agenda.

Still, the obvious institutional weaknesses cannot undermine Poland's favorable investment climate entirely. Strong macroeconomic foundations, a competitive and flexible labor market, combined with a large and growing internal market, stability of the financial sector and a rapidly developing infrastructure make Poland an attractive investment destination. What makes it even

more interesting is the significant public support that investors can count on.

Public support for investors

Poland's investment attractiveness is increased by the various forms of subsidies and tax incentives available to investors. As the biggest beneficiary of the EU cohesion policy, the country will receive over €82 billion in 2014-2020. The funds will be distributed through central as well as 16 regional programs, targeting specific needs of each of the country's voivodships. Sizable funds will be earmarked for entrepreneur support. The main types of projects that can count on financial support will be research and development, including piloting and demonstration programs, the development and creation of R&D centers, projects involving the commercialization of innovations resulting from R&D projects, investments in the development of small and medium-sized enterprises as well as investments promoting environmental protection. The first competitions are expected in the first half of 2015.

Apart from the above incentives, Poland has 14 special economic zones which provide tax exemptions for new investment projects. SEZs offer land that the investor can purchase, while larger projects can also extend to private land chosen by the investor. The level of tax exemptions hinges on the enterprise's qualified costs and stands between 15 and 70 percent depending on the investment location and the enterprise's size.

While carrying out an investment project, entrepreneurs can also apply for property tax exemptions, which are granted by the local municipality. This form of investment support is contingent on whether the Municipality Council in the specific location has adopted a relevant resolution. However, the various sources of financial support are cumulative and their total cannot exceed maximum thresholds allowed by relevant provisions.

It's worth mentioning that Poland also offers government grants. In case of major investments (of at least PLN 500 million and creating 500 new jobs or at least PLN 750 million and 200 jobs) and investments carried out in priority sectors, that is automotive, home appliances and electronics, aviation, biotechnology, agriculture and food processing, modern services, as well as R&D; the investor can receive non-repayable financial contributions of between PLN 3,200 and PLN 15,600 for each new job created and/or between 2 percent and 12.5 percent of the investment's qualified costs (e.g. of structures and machines). The final size of the grant depends on the assessment of the project's specific parameters.

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● ● ● ●
Hubert Sommerrey,
Managing Partner,
Sommerrey & Furmaga
Kancelaria Radców Prawnych
Spółka partnerska

State-of-the-art technologies enter almost every domain of life, including the operations of law firms. The efficient functioning of a company, law firm included, requires the skill of using technological advances and a departure from the traditional image of a lawyer sitting

at a huge desk covered with piles of documents.

The possibilities offered by IT can be successfully applied in such a seemingly “analogue” discipline as the lawyer’s profession. This is perfectly demonstrated by the example of Sommerrey & Furmaga, where we implement innovative technological solutions which enhance the day-to-day operations of our law firm along with collaboration with our partners, irrespective of their seat.

One of the solutions favourably influencing the operations of a modern law firm includes a Documents Management System (DMS). Documents are assigned to individual court cases, bear numbers and have indicated specifications, which facilitate the search process. Thanks to this system, both a law firm employee working in the office on an everyday basis, and a partner having an office in a different city, have access to the documents, directly from their computers. This solution, supplemented with certified electronic signatures, allows digital document and correspondence flow among partners to be faster and less expensive than through conventional post.

Thanks to IT solutions, in departure from the concept of permanent teams, it is possible to provide comprehensive customer service in collaboration with accountancy firms, tax advisors or other law firms from different cities. Project management and client payment management software is very helpful in this respect. Each project has its own manager who uses the system in order to select the project team and assign tasks, supervise the deadlines and costs, and run his own and his team’s work hours log, which constitutes the basis for settling the project with the client. With telecommunication solutions, the team members do not need to be present in one place. The most important aspect is that the partners do not need to invest in the information infrastructure. The only requirement is a computer with an Internet connection, adequately configured and connected to the server, granting our partners access to the legal information system. Those tools lead to the improved operational efficiency of the law firm.

A modern law firm has to operate just like any other company. The adoption of diverse IT solutions, which facilitate work and collaboration with other law firms on a partnership basis, result in tangible benefits. Assignments are completed in a shorter time, partners receive complete tools for teleworking and supervision of an assignment’s implementation. The costs for the law firm and its partners are substantially lower. The most important fact is that a partnership among entities providing legal services allows the complex handling of even the largest clients of trans-regional scope.

We should not be afraid to invest in innovation. It is worth it.



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TRENDBOOK

P O L A N D

In this year's Trendbook, we've selected eight trends which, for various reasons, identify sectors worth looking at in the upcoming months.

We start with defense, as with the current geopolitical situation in the east of Poland and last year's decision by the government to increase military spending to 2 percent of GDP, the sector has become very important. A number of the biggest international arms producers are in the running for many multi-million zloty contracts. Most of them either have or are planning investments in Poland as it increases their chances for winning the tenders.

Next up is IT, which has a long tradition in Poland. From dial-up modems to LTE networks, the country has come a long way. Homegrown talent is being snapped up by international giants. Polish start-ups are getting a foothold in Silicon Valley. More and more Polish companies are going global. This is definitely a sector worth looking at.

For years, the BPO sector has been thriving in Poland, since the country has a virtually unlimited pool of highly-qualified workers who speak various languages and could work for companies of their western counterparts. But the BPO sector has been a double-edged sword, as most of the jobs have been low-level without much potential for advancement and career building. Some were starting to call Poland "Europe's India," where thousands of young people work in call centers. This is starting to change as more cities are making efforts to attract innovative and high-tech investments, including R&D and financial services.

Just like with last year's edition, we take a look at the energy sector. In 2013, we had a look at coal and how it will stay the dominant source of energy for years to come. Since this has not changed

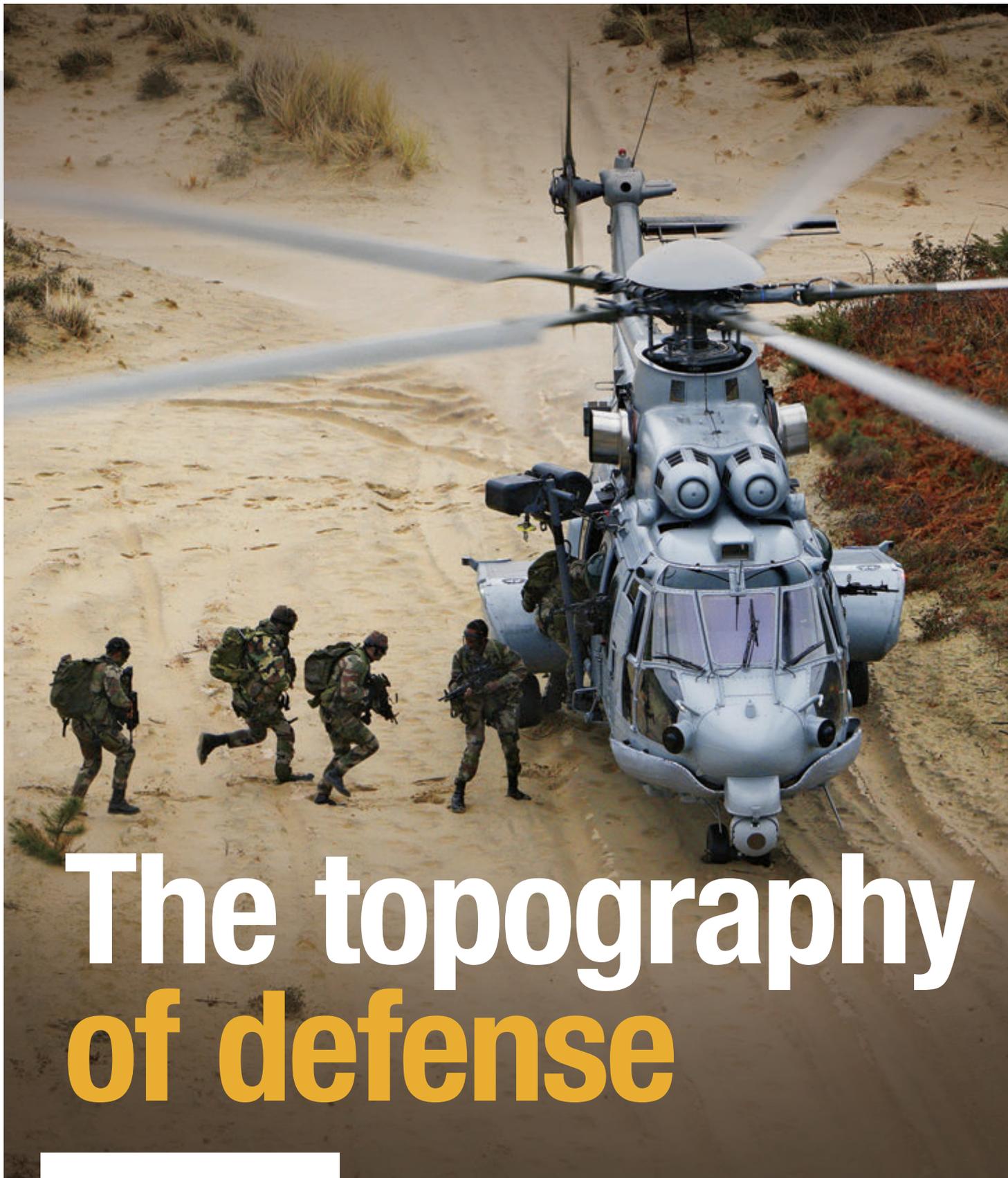
over the course of the last 12 months, we decided that instead of repeating last year's story, we should take a look at the other spectrum of the energy mix – renewables. Solar and wind energy has been dismissed by many in Poland as an alternative to fossil fuel because of its high cost. But with the EU's push to curb CO2 emissions and various subsidies for renewable energy, it might be a profitable alternative.

The real estate sector continues to recover from the crisis it suffered a few years ago. The office and retail sectors are recording continuous growth, while the logistics sector is booming with huge warehouses being constructed for such worldwide giants as Amazon.

Connected with the real estate sector is infrastructure. The first huge wave of such investments ended with the Euro 2012 football championship, where a number roads, highways, stadiums, railroads and other schemes have been completed. But with another tranche of EU funds coming our way and the Polish government pumping state-money (through the Polskie Inwestycje Rozwojowe SPV) into various infrastructure projects, more and more such projects will be developed in the near future.

The Polish chemical industry has also gone a long way in the last 25 years. The biggest Polish companies have consolidated their efforts and thanks to this they have a significant amount of funds available for investments, both domestically and internationally. With the right partner, the sector has great potential to become a European powerhouse.

These are only a few sectors that are worth looking at. That's why we've prepared a thorough analysis of all of them hoping that they will help you make the best-informed decision about your business in Poland. The possibilities are endless.



The topography of defense

Charting Poland's major defense tenders, cooperation with foreign producers and consolidation of its defense industry

BY MATTHEW CZAJA

Once more this year, the sleepy town of Kielce hosted Central and Eastern Europe's largest defence industry expo. Among the visitors, 500 companies and representatives of 30 nations were present. The Polish Ministry of Defence's investment plans have taken center stage in Kielce. Large tenders for helicopters, missile defense systems or submarines have prompted many producers to

Poland's former membership in the Warsaw Pact has left it with a legacy of heavy-industry manufacturing facilities, which have either re-structured operations or simply closed up shop. This is not necessarily the case with defense sector plants – many of these are operational and competing for foreign contracts. Maciej Ługowski, a writer with *Armia* monthly said, "Polish-built military equipment

However valuable it may be, the Polish defense industry has been operating in a disorganized and dispersed manner, until now. Under the guise of a united Polish Armament Group (PZG), about forty companies will come together and operate under one umbrella. This is bound to streamline R&D and strengthen Polish manufacturers' chances for foreign contracts. It remains to be seen how the new group will manage to coordinate so many different companies' finances and administration departments.

as well as the development of the Polish defense industry and education. We are interested in Polish firms having a stake in this, in Polonization of a given product and the transfer of technology," exclaimed Mroczek.

Bronisław Komorowski, the Polish president, supports the idea but wishes to provide the army with the newest technology (drones, cyber weapons and satellite espionage). The ministry, however, would rather focus on trusted hardware. Either way, the consolidation, as it did in other countries, will result in coordinated defense research, development and production. Currently, each company entering the group has its own financial structures and often overlapped on existing development and tender offers. If they manage to tie loose ends together, the group may be an attractive player on the market.

Helicopter Made in Poland?

In last year's Investing in Poland we talked about the Polish Aviation Valley, a region in the southeast of the country, home to many aircraft and avionics manufacturing plants. Companies with many years of tradition in avionics are host to investors like Sikorski Aircraft, August Westland, Avio, Airbus, Goodrich, Hamilton Sundstrand, Hispano-Suiza, MTU Aero Engines, Pratt & Whitney and VAC aero.

Funds are secured

The Polish government is working legislatively to increase military spending up to 2 percent of the GDP, which is relatively high for a European country. The new law gives more flexibility to the budget - the percentage is calculated as an average over the years, so the authorities can spend more when needed. Currently, the state is obliged to spend 1.95 percent of the GDP each year on defense. "The budget increase will help us reach our modernization goals for certain projects by the 2022 deadline," said Czesław Mroczek, Secretary of State in the Ministry of National Defence.

The Polish Ministry of Defence does not wish to spend the money on a fixed program, but includes it in the army modernization budget. "The goal of modernization of the armed forces is the delivery of modern armaments to the military,

show their wares. On the other hand, instability beyond Poland's eastern borders has motivated the country's leadership to increase military spending and speed up the purchase of new equipment.

is considered to be good-to-average quality, but relatively inexpensive," which makes it a catch for countries who want to strengthen their corps but not pay an arm and a leg for it.



"The consolidation will result in coordinated defense research, development and production."



The Polish government is counting on a successful merger of defense industry firms



“Polish-built military equipment is considered to be good-to-average quality, but relatively inexpensive”

Maciej Ługowski talks about the strength of the Polish avionics industry, “Poland still manufactures the ‘Sokół’ helicopter, a modern machine used for military, transport and medicine purposes. Furthermore, Polish factories produce Pratt & Whitney engine parts, fuselage or doors for Airbus commercial planes.”

This brings us to the two major helicopter tenders currently on the table. The first tender is for 70 multi-role machines worth \$3 billion and the main contestants in the tender are Sikorsky’s S-70i Black Hawk, Airbus’ Eurocopter EC725 Caracal and Agusta Westland AW149.

Besides the large multi-role helicopter contract, a new contract has been drawn up for attack helicopters. Attack helicopter candidates for the Polish Armed Forces include AgustaWestland AW129 Mangusta, its Turkish version T-129 ATAK, the newest version of Boeing’s Apache – AH-64E Guardian, and Airbus’ Tiger.

Airbus Group is not yet producing its helicopters in Poland, but a recent press release has claimed that the European industry giant is offering Poland a joint-venture. “The industrial presence of Airbus in Poland started in 2001 through the acquisition of PZL Okęcie. This facility is a leading manu-

facturer of aerostructures for the group,” said Sebastian Magadzio, President of Airbus in Poland. “The big procurement programs can act as a catalyst for our further development in Poland, but we are interested in organic growth,” Magadzio continued, also mentioning technology transfer to Poland as a benefit of Airbus’ offer. “Airbus was born through a combination of four different defense industries: French, German, Spanish and British. So the transfer of technology is in our DNA.”

The Italian-owned Agusta Westland is the owner of PZL-Świdnik which manufactures the AW149, the Sokół and avionics to a number of clients in the defense and commercial sectors. It employs 3,500 workers in its plant near Lublin. The AW149 is an attractive new model, but at the same time it is untried, pointed out Ługowski.

“Sikorsky’s Black Hawk is produced in Mielec and has 60 years of experience in helicopter development and continuous modernization. But, the question remains, how long will it serve?” Ługowski thus summed up the top competitors in the tenders. Sold by the Polish Industrial Development Agency in 2007, Sikorsky’s PZL-Mielec plant also produces other models for parent United Technologies.



Świdnik build AW 149 is one of the helicopters of interest of the Ministry of Defence

PLN 7.5 billion

THE VALUE OF A NAVAL TENDER FOR THREE SUBMARINES

Down the road

The Polish Navy is also searching for new partners. A naval tender for three submarines is set to cost about PLN 7.5 billion. In the running for the submarine contract were originally French DCNS, Spanish Navantia, German ThyssenKrupp Marine Systems GmbH and

Swedish Kockums in consortium with the government agency Forsvarets Materialverk.

The ministry is in “technical dialogue” with foreign shipyards. Although some question the need for a submarine purchase by Poland, both President Komorowski and the opposition leader Jarosław Kaczyński are



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Naval tenders call for the latest technology

in favor of increasing naval capability. The naval modernization program aims to launch two submarines by 2022 and a third by 2030.

Leading candidates for the contract are the French DCNS and German ThyssenKrupp. Politically for Poland, the German option is more attractive. Germany is Poland's biggest trade partner. Such a contract offers ongoing investments, as repairs, servicing, and rearmament are necessary down the road. Guided missiles will be part of the contract.

A worldwide naval giant from France is not resting though. Executive Vice President at DCNS Alain Fougeron spoke to us at the Kielce Expo, "DCNS is in talks with the Polish Ministry of Defence for a broad scope of services. This includes modernization of equipment, corvettes, patrol vessels and submarines. We believe that Poland should be a partner in the naval defense industry and

not only a customer."

DCNS has signed an agreement with the Mars Fund, a subsidiary of the Polish Armament Group that is in charge of shipyards. The deal will ensure that the French submarines are built, at least in part, in Poland. Other maintenance work will also take place in the Nauta shipyard in Gdynia.

"Poland will have complete autonomy in the subs' maintenance. This is a long term investment," continued Fougeron. "The cruise missile technology [that is part of the project] will be an important deterrent for Poland."

Summary

All things considered, the Polish Ministry of Defence is very keen on tying Polish defense spending with its own industry. The above mentioned contracts are just the tip of the iceberg. An integrated missile defense system is also waiting in the queue. On the home side, the new PZG group should consolidate existing industry firms into a well-oiled machine.

The Ministry of Defence's modernization plan is programmed to last 10 years. Some parts of it have already been completed, such as the purchase of 119 Leopard 2 tanks. While other European nations are cutting military spending, Poland has increased its spending in this area and hopes to have a modern military after the modernization program is completed.

GRAPHENE TO BE UTILIZED BY POLAND'S ARMED FORCES

Polish scientists have been searching for an application for graphene, a nanotechnology invention attributed to Polish academia. The development of graphene-based products may be possible with patronage from the defense industry. Indeed, the newly consolidated Polish Armament Group (PZG) has purchased a 51 percent stake in Nano Carbon, a company commercially producing graphene. Mining

giant KGHM owns the remainder of shares in Nano Carbon.

The military has already begun research on the potential uses of the material, including graphene-covered "nano-goggles," gas masks, combat helmets and armored fighting vehicles. Graphene is a one-dimensional hexagonal carbon structure, extremely thin and light but very sturdy and durable.

IGNORANCE breeds uncertainty



●●●●
**Michał
Zgajewski**
Director
of Sales
Department
Atende

In the light of various industry publications on outsourcing, from time to time a question comes to mind: is IT outsourcing a concept understood by all? To people within the industry, it surely is, but what about the rest of the market? To me, IT outsourcing is

the taking over of a part or the entirety of a client's IT operations, so that the company can focus on its core business, achieving at the same time a competitive advantage. But this is not necessarily clear to all clients.

My doubts are confirmed by the results of the latest TELKO Trendy 2014 report, which show that only 40 percent of Polish companies, mainly Warsaw-based firms, use IT outsourcing. Most often, they take advantage of outsourcing for servicing and maintenance of equipment, server management and LAN administration. What strikes the reader the most is the respondents' answers regarding IT outsourcing benefits. Although 20 percent of them pointed to convenience and 14 percent – security, the overwhelming majority – 40 percent of people surveyed – answered with: "I don't know, it's hard for me to say." Considering the wave of articles about IT outsourcing appearing in the media lately, as well as their authors' continuous reminders of the benefits, risks, and development possibilities; a question comes up: how is such ignorance possible?

From my own experience, I know that marketing and sales departments emphasize not just the technical aspects, but also the

business side of things when preparing an offer. More and more firms are paraphrasing the benefits so that the client will understand what he or she is buying and what they will get in return. We realize that not everyone is a technical expert and not everyone knows such terms as: "colocation," "scalability" or "SLA."

According to my observations, IT departments are developing organizational structures increasingly vigorously, thus becoming a meaningful unit in establishing a company's business model. The last CIO 2013 study, carried out globally by Deloitte, shows that over 42 percent of companies' finances are spent on change management and development. In Poland, the share of these expenses is just 30 percent. On the other hand, the remaining 15 percent is spent on transformation of business activity and reorganization. Specifically, the financial sector, which spends more money on these activities, oftentimes focusing on reorganization of its operational model, is very active. As much as 88 percent of surveyed companies answered that for them the priority is responding to new business needs, and in turn, digital strategy support through new technologies, such as mobile applications, cloud computing, social media or analytics. In the case where organizations see the need for development and business model transition, the process should be made simple for them, not only through the offer of modern IT solutions such as outsourcing, but also by explaining its substance, pointing to the benefits and offering the possibility to test new solutions before a final decision is made. If spoken or written language does not reach the target audience, then an educational approach that allows personal contact with the technology may be the answer. I am willing to make a bet that such an approach will convince even the biggest traditionalists.

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Polish IT coming of age – more megabytes than microbits

A little-known history of computer science, solid academic centers and blossoming start-ups: **something is brewing in the Polish IT sector**

BY JOHN BEAUCHAMP

The introduction by then Poland's only telecoms operator, Telekomunikacja Polska, of its nationwide access number in April 1996 heralded a new era for the internet in Poland. Many Poles still remember the number – 020-2122 – which gave mind-boggling, hitherto unparalleled, speeds of up to 56 kbps, with many opting to set up their first email addresses with Poland's first free providers.

Yet while the internet came to be marked as a turning point for bringing IT to the masses, computers and computer science have been around in Poland for a lot longer. In fact, the first experimental computer – the GAM-1 – was constructed in 1950, and by 1958, Poland had its first universal computer, the XYZ. Of course, much like their counterparts across the world at the time, these machines were the size of a walk-in closet.

Spring forward to modern-day Poland and the story has developed beyond recognition. According to figures from Poland's Central Statistical Office, in 2012, 73 percent of Polish households had one computer or more, while 70.5 percent of Polish homes had access to the internet, with the number of households able to connect to broadband internet at 67 percent. In Great Britain, by comparison, 80 percent of homes had internet access in 2012, as revealed by figures from the UK's Office for National Statistics.



“What is needed to achieve success as a programmer: a good education, diligence and the will to widen your competencies.”

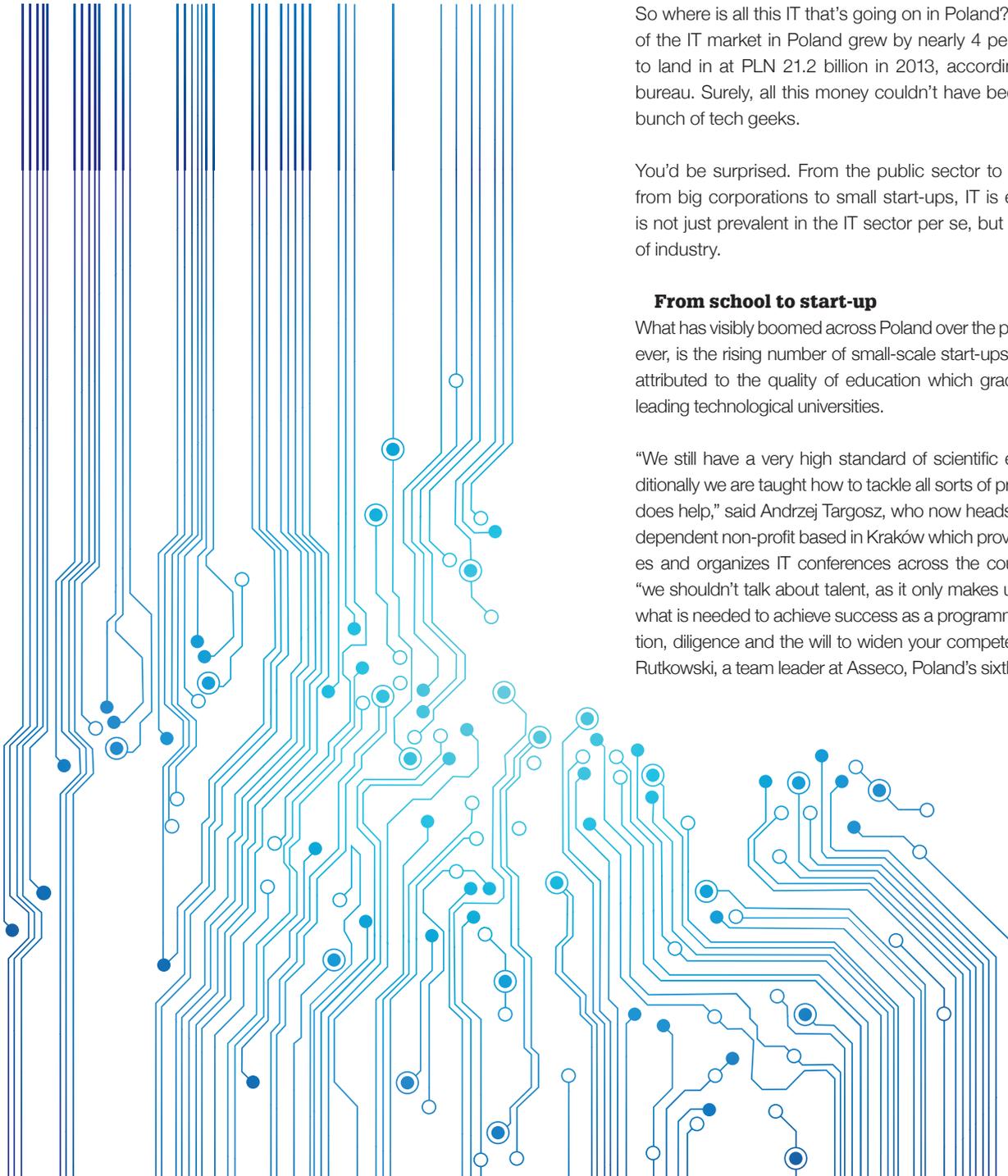
So where is all this IT that's going on in Poland? After all, the value of the IT market in Poland grew by nearly 4 percent year-on-year to land in at PLN 21.2 billion in 2013, according to DiS analysis bureau. Surely, all this money couldn't have been generated by a bunch of tech geeks.

You'd be surprised. From the public sector to the private sector, from big corporations to small start-ups, IT is everywhere, and it is not just prevalent in the IT sector per se, but across all spheres of industry.

From school to start-up

What has visibly boomed across Poland over the past few years, however, is the rising number of small-scale start-ups. This is commonly attributed to the quality of education which graduates obtain from leading technological universities.

“We still have a very high standard of scientific education, and additionally we are taught how to tackle all sorts of problems – this really does help,” said Andrzej Targosz, who now heads up Proidea, an independent non-profit based in Kraków which provides training courses and organizes IT conferences across the country. Furthermore, “we shouldn't talk about talent, as it only makes up a few percent of what is needed to achieve success as a programmer: a good education, diligence and the will to widen your competencies,” said Jakub Rutkowski, a team leader at Asseco, Poland's sixth-largest IT firm.





Many cities across Poland now host at least one academic institution which caters to budding IT workers. “I believe we have a group of very good universities at world-class level,” said Rutkowski, adding that “academic establishments in Warsaw take the lead, but also Wrocław, Kraków, Gdańsk, Poznań and Łódź also have very good technical universities, and you can see that cooperation with local business also spurs on development of academic centers.”

“The start-up scene in Poland is explosive right now,” said Ramon Tancinco, Senior Manager, Strategy, IT, Operations and Business Development in the CEE region and Russia at Cisco Systems, “and what is amazing is the combination of both grass-roots with organized initiatives. On the grass roots side, every year I learn about more start-ups who go to Silicon Valley to immerse themselves in the entrepreneurial culture and many of them are even returning with venture capital funding, never easy when the market of ideas is global.”

In 2013, the start-up Estimote, which found an innovative application for retail tagging, managed to receive \$3.1 million in funding “from some of the most well-known VCs in [Silicon] Valley,” Tancinco said, adding that “they are adding jobs in Poland and in the US, a huge win-win across two continents.”

Foreign capital

Poland is fast becoming a destination for foreign IT investments. Cisco, of course, is one of the major players, but a number of global tech firms are also firmly positioned in the country. Google is a big player in three cities across Poland – Warsaw, Wrocław and Kraków – while HP, Microsoft, Dell, Motorola and many other big corporations prop Poland up as a major destination.

“In addition to hosting such companies as Cisco, Google, IBM, Akamai, and Oracle, in 2013, Kraków also welcomed a GE Healthcare IT and a Samsung R&D center,” said Tancinco.



“Consolidation is unavoidable, it will happen first across certain sectors, and then we’ll see the merging of companies working in different areas.”

“Foreign investors are beginning to spend money in Poland, and we are providing wide-ranging schooling on the matter,” said Targosz. “This process is ongoing, but you can already see the positive effects. We have a lot of firms in Poland, but their quality is not up to scratch yet. What is interesting is that the most promising companies are SMEs which have not been tainted by ‘conservative business,’” he adds.

Elbow room

There is always room for more activity, however. “I think that investments by foreign companies in the IT market in Poland are still lagging. There are big foreign players present which have branch offices scattered worldwide, and there’s no possibility to leave out the biggest country in the CEE region,” said Rutkowski, who laments that “foreign companies prefer to pick up the best programming talent and ship them off to head office instead of setting up shop in Poland.”

Rutkowski blames barriers, such as red tape, as a major reason foreign companies put off investing in Poland.

Nevertheless, “it is not simply a question of multinationals but the development of the entire ecosystem,” said Cisco’s Tancinco.

The country still lags far behind the rest of the EU. In 2013, the European Commission’s Innovation Union Scoreboard placed Poland 24th out of the EU’s then 27 countries, beating only Latvia, Romania and Bulgaria.

What next?

“The Polish market is at a stage of construction through acquisitions, with dominating companies buying out smaller firms in

order to get more market traction and new clients, and this can be clearly seen since 2000,” Rutkowski said.

“However, we are approaching the next stage, which will see the incorporation of companies dependent on the [market] dominators in each capital group,” he adds, saying that “in order to survive as independent entities, Polish companies must cut operating costs and raise the bar on productivity through unifying internal processes.”

“Consolidation is unavoidable,” said Andrzej Targosz. “It will happen first across certain sectors, and then we’ll see the merging of companies working in different areas. In five years’ time, we’ll have large firms and a whole array of satellites, which will be bought up at the moment they mature.”

“I will admit that I am bullish on Polish IT over the next two decades, but my bullishness is founded on a steely-eyed focus on several fundamentals,” said Tancinco. “First of all, the fact that multinationals continue to flock to Poland, despite the fact that there are cheaper places in the world to operate, means that Poland is regarded as a location where quality trumps cost.”

“Secondly, if I look at both the number of start-ups and venture capital funds which have emerged like proverbial mushrooms after the rain in the last four years, I believe that it is simply a matter of a few years before Poland experiences its first Skype moment,” said Tancinco, referring to when Estonia was put on the map after the success of Skype, an internet communicator.

Poland’s IT industry may still have to wait to see a global breakthrough, but with the right climate in place and certain barriers which will eventually be crossed, the future is bright, even if for some it is something of an unknown.



BPO -

Getting a foothold

Poland has long enjoyed its position as the top outsourcing destination in Europe. Where is the BPO sector headed now and can it drive growth in emerging office markets?

BY BEATA SOCHA

The business services industry has been Poland's greatest economic driver over the past years. It is one of the reasons why the country did not experience negative growth during the recent crisis and continues to be a major motor of the economy. Nearly 20,000 new jobs were created in the sector over the past year. Between early 2012 and April 2014, employment in outsourcing increased by more than 50 percent, from 83,000 to 128,000, according to a recent report by the Association of Business Service Leaders.

Forecasts remain very encouraging. Given that the average annual growth in the BPO sector in the last decade has been at 20 percent, it is reasonable to expect employment in the industry to reach between 150,000 and 170,000 by the end of next year and to continue growing beyond 2015. "I think we can potentially get to 200,000 jobs over the next three to five years," said Jacek Levernes, co-founder and president of the ABSL in Poland and board member of HP for EMEA.

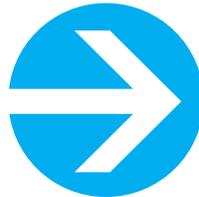
Cutting overheads

Shared service centers (SSCs) are still the dominant form of outsourcing to Poland. There are already 160 SSC centers across the country, altogether employing 45,000 people. Poland also has 100 BPO centers and almost 120 R&D centers. The fourth most common service being outsourced to Poland is IT, with nearly 80 ITO centers.

Firms looking for savings in Poland span across all sectors. The more competitive the industry, the more important shaving off a few percent of the overheads is.

"If you look at the history of shared services, outsourcing and offshoring, it started with IT companies, like HP and IBM. Then FMCG companies came, like Coca Cola and Procter and Gamble. Why FMCG? Because their margins were very thin and they were





“The constant influx of talented, educated people moving from smaller to larger cities keeps labor costs competitive.”

470

NUMBER OF SERVICE CENTERS
IN POLAND WITH FOREIGN CAPITAL

87%

NUMBER OF CENTERS
WHICH EXPANDED THEIR
SCOPE OF SERVICES OFFERED

128,000

THE NUMBER OF PEOPLE
EMPLOYED IN BUSINESS SERVICE OUTSOURCING
AS OF APRIL 2014, ACCORDING TO ABSL

looking to save money,” Levernes explained.

It seems that pharma, faced with a recent onslaught of competition from generic drug producers, is the next big thing in the outsourcing business. “Before, their margins were so large that saving 2-3 percent of the P&L didn’t mean much. Now it’s starting to mean something, so much so that companies like Merck, Bayer are starting to look into this,” Levernes added.

Last year, Bayer moved its finance and accounting SSC, servicing over 20 European countries, to Gdańsk. Recently, another German pharma giant, Merck, decided to open an HR center in Wrocław, initially employing a few dozen people. The company said it will continue its recruitment process into 2015.

Moving up the chain

Although call centers, HR and accounting services still seem to be the top three services that companies are likely to outsource, there is currently a visible increase in higher-level services being transferred to Polish centers. “Probably, there’s scope for Poland

to grab more R&D, with a bit of government help and the right direction,” said Alan Colquhoun, head of DTZ for the CEE region.

There is also another major sector that Poland would gladly tap into – fund management. “There are a lot of people who have developed their skills working on lower-level financial services and this experience can be used for fund management. And there is a lot of potential in that route, but it would require legal changes to ensure tax transparency,” said Tomasz Trzósło, managing director of JLL in Poland.

These changes could create up to 100,000 new workplaces over the next 3-7 years. “We are currently working together with the Economic Council and the Ministry of Finance on ways to change regulations so that we can start competing with Ireland and Luxembourg in the fund management industry, which offers as many as 400,000 jobs in these two countries,” said Jacek Levernes from ASBL.

A cornered market

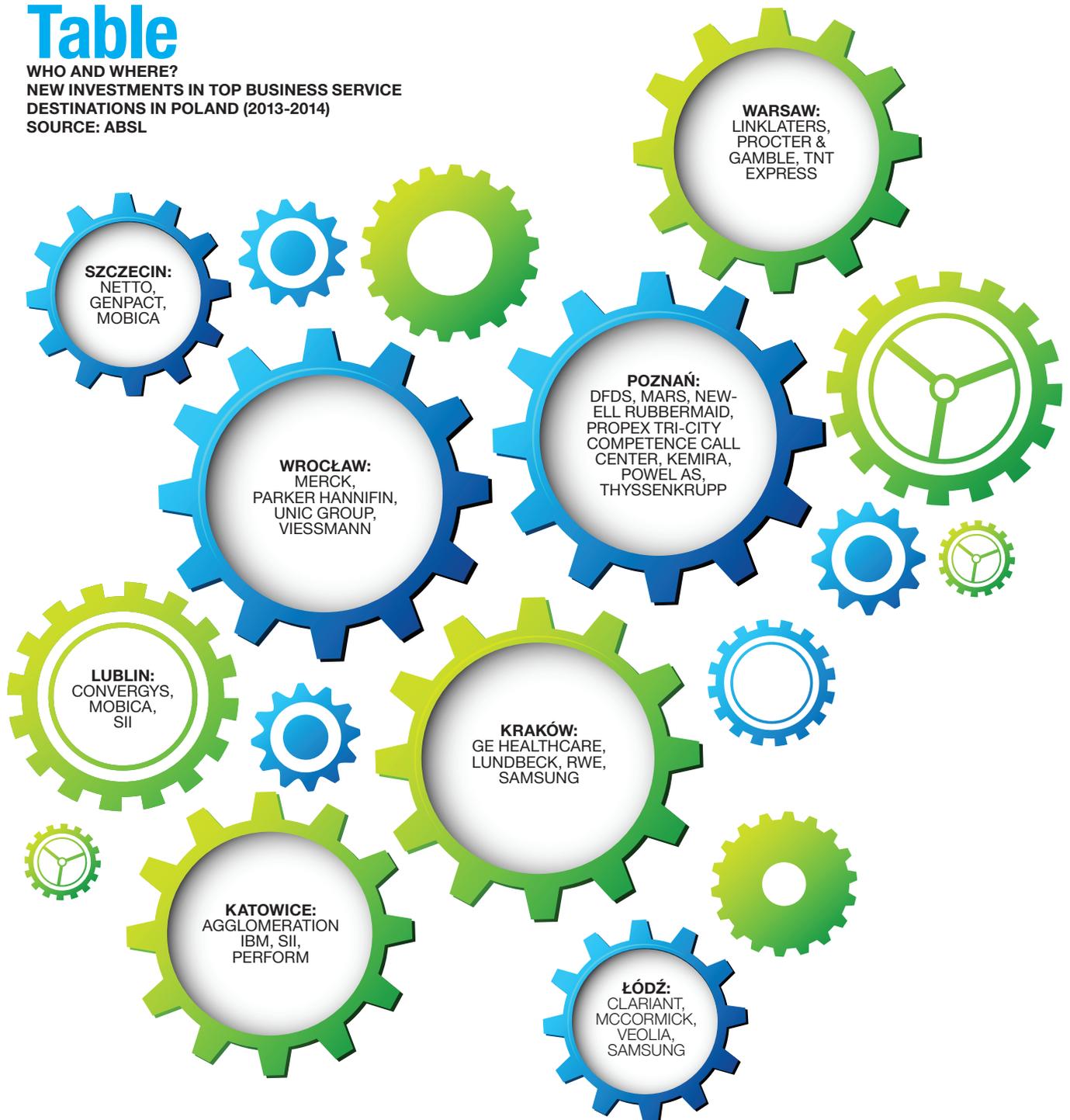
Poland’s position as Europe’s no. 1 outsourcing destination results not only from lower labor costs and a high supply of skilled workforce, but also from its size, which guarantees stable costs over a longer period. “Poland is too big of a country for the wage levels to change rapidly,” said JLL’s Trzósło.

“Although there continues to be wage pressure, the constant influx of talented, educated people moving from smaller to larger cities keeps labor costs competitive,” he added.

The top ten outsourcing cities in Poland (Kraków, Warsaw, Wrocław, the Tri-City, Łódź, the Katowice agglomeration, Poznań, Bydgoszcz, Szczecin and Lublin) have thus far dominated the market, with 95 percent of all BPO/SSC employment located there. International business service companies have leased over 220,000 sqm of office space in 2013, the majority of which was located in Poland’s regional cities. “Altogether, outside the capital the share of total demand of BPOs/ITOs/SSCs/R&Ds amounted to about 50 percent,” the ABSL report said.

Table

WHO AND WHERE?
NEW INVESTMENTS IN TOP BUSINESS SERVICE
DESTINATIONS IN POLAND (2013-2014)
SOURCE: ABSL



INTERVIEW

● ● ● ●
**Leszek
Kurcyn,
Randstad
Professionals
Operations
Director**

The quest for the right talents

Knowing the labor market is key – trends in employment and human resources

This year we are seeing a decline in unemployment in Poland. Is there a noticeable difference in the length of the recruitment process or the pool of applicants? Is it safe to say that employers still have the upper hand in the labor market?

Yes and no. It depends on the industry, the level of education or qualifications. Independent of socio-economic trends, a qualified worker will have higher bargaining power. IT, engineering and finance are classically strong employment sectors. What's more, a qualified manual laborer is also highly sought after. Our production sector is doing very well. In the south of Poland, the automotive industry, for example, is very developed and this region is sometimes lacking skilled laborers for its production plants.

In this case, which industries have the largest unemployment?

I would say the largest problem is the entry of young people onto the market. A young engineer will enter the job market relatively fast. On the other hand, humanities graduates have a lower chance of finding a job. Good command of foreign languages is definitely an asset for young people. English plus another foreign language give the candidate a good chance of finding a job in the



BPO/SSC sector. It's a good way to get your foot in the door in the job market.

What is the employee turnover in this sector?

Usually, in a BPO center, workforce rotation can be seen after three years. There are a few reasons for this. After a couple of years, not everyone may have the opportunity to develop. Simply, there is a limited number of team leader positions. There are also external factors, the BPO/SSC sector has grown all around Poland. So, many young employees may seek to relocate to a different city relatively early in their career.

How important is familiarity with the local labor market for an investor opening up a BPO/SSC?

This is incredibly important. We are no longer talking about a selection between countries, but a selection between cities. The decision is no longer between Poland or Romania, but between Kraków and Cluj, or between Warsaw and Bucharest. Such is the level of comparison and, of course, the brunt of the analysis is

looking at the availability of an able workforce. Investors are also looking for forecasts.

Randstad provides data from which a future scenario can be pictured: number of universities, foreign-language speakers, etc. Importantly, our clients include not only BPO/SSC centers, but also production facilities. Hence some companies are interested in the availability of nearby natural resources.

Is there a risk of labor force depletion due to the presence of many investors at once in large markets like Wrocław or Kraków? How can investors avoid such risks?

We are lucky to be in a large country. Despite unfavorable statistics, we are in good shape regarding the labor force. Our main goal is matching need with supply. The educational reforms are not keeping up with market developments. It's visible that business is increasingly more involved with academic centers. Every such initiative is a step in the right direction.

I would even advocate cooperation with institutions of secondary education in order to give some forethought to young people's decisions regarding their field of study. Mathematics, and analytical abilities are highly sought after in the job market. The implementation of math as a mandatory exam subject at the sec-

ondary education level is definitely a plus. Regardless of whether someone is a marketer, salesperson, an engineer or designer, they should all have very good analytical skills.

What is the role of social media in positioning an employer? Is there an increased awareness among employees regarding the quality or reputation of an employer?

Does the employee know a lot about the employer? Yes and no. Some market participants do gather a lot of information regarding an employer from the internet, including experience of existing or past employees. Some of this information may be just gossip and untrue, but it, nonetheless, reaches the candidates.

On the other hand, we meet some new employees who are

absolutely surprised when they start their job. They may have had some kind of opinion about their future employer, based on the brand for example; and yet, when they start work, they're convictions are turned upside down. This is the same for corporate environments as well as small firms. In any case, we always encourage people to prepare themselves diligently for an interview.

How important are generational differences in the recruitment process? What are younger recruits looking for?

Indeed, there is a difference in expectations and a difference in the approach to the idea of work. The generation bearing witness to the transition to a free market economy in 1989 was highly involved in the "catching up" in terms of work. Their eagerness to work was very high. The break from their parents' generation, who labored under communism, was profoundly visible.

Currently, we have the first signs of a prosperity generation which treats work in a different manner. For this group of people, work is not a valued commodity in and of itself, but rather is a balanced part of a complex life experience. Private and social life is increasingly important.

Young people seem to be more integrated with each other in workplaces, which is a positive trait, because there is a higher feeling of affiliation with one's workplace. Although, it seems that this younger generation is less intrinsically motivated in the work itself. Personal goals seem to take precedence and 100 percent effort is no longer a given. The classical social motivation for work is no longer valid, but rather solidarity and fairness are more important to the new generation of workers. They have more demands.

Is it difficult to keep talented workers? How can an employer keep their workers?

Once a year, we give away the Randstad Awards, which single out the most attractive employers. We research what comprises attractiveness to employees. In turn, this allows us to advise companies on the best strategy to draw employees to their business and then to keep them. Financial stability of a company, interesting projects, ability to develop, attractive salaries – which tend to be less important in times of crisis – are all important factors.

Do workers have higher salary demands these days?

According to statistics, salaries are rising indeed. Annual raises are becoming more of a norm. The pressure for salary raises is there, as workers have noticed that the crisis is passing. Of course, some employers are still not able to answer the call for higher salaries, but on the whole we expect salaries to increase in the nearest future.



“The brunt of the analysis is looking at the availability of an able workforce. Investors are also looking for forecasts.”

The question whether renewable energy can be efficiently acquired in Poland is one of great importance.

The perspective of a tense geopolitical situation, an uncertain Russian gas flow, together with European Union regulations make alternative energy sources seem an increasingly attractive replacement for aging conventional power plants. On the other hand, Poland's infrastructure and resources are based mostly on "dirty" energy and a potential shift would mean significant costs. What's the future of Polish energy and the possibilities behind its resources?

BY ŁUKASZ BARTOSZCZE

Although the World Bank's research reports place the Polish economy in the fastest growth tier, it is also among the least carbon-efficient ones. However, researchers say that the transition to a low-emission economy is possible at reasonable costs. "The implementation of the full abatement package will reduce incomes modestly, costing an average

of one percent of GDP each year through 2030," Erika Jørgensen and Leszek Kasek wrote in the Transition to a low-emissions economy report, meaning that only "€10-15 per ton of carbon burned is needed to reduce the country's emissions by a third."

EU directives have obliged Poland to expand its renew-

able energy production to 15 percent of its entire output by 2020. Current renewables production is estimated at a mere 11 percent of the entire energy supply and, despite recent increases in renewable energy share (Poland is second in sales of solar collector installations among European countries), the situation is not likely to change fast.

Unbalanced control

Polish regulations concerning green energy are based on an idea that worked smoothly in the first decade of the 21st century – green certificates (GC), given for every MWh of green energy emitted. A company had to cover a given amount of their energy production with green certificates or pay a €60-70 fine for each that was missing.

The system was simple and effective, with the four biggest players in Poland (that also own the distribution network) forced to invest more in renewable energy sources or to support smaller, independent green energy companies. Most importantly, nearly all renewable energy projects were heavily financed by government aid.

The green certificate market developed, with larger firms buying GCs from companies that had an overabundance of them. Unfortunately, the system no longer works properly. Co-fueling, burning coal with wood, straw, or peanut shells, usually imported from Asia, in coal-burning plants became a source of GCs for conventional energy producers. Therefore, conventional energy producers have less need for buying certificates and stimulating the development of greener energy. The price of the GCs dropped, as did the amount of money to support green energy projects.

The future, however, does not



look bright. In a recently published energy policy draft, the government has said that it plans to concentrate on coal and reduce renewable energy investments by 40 percent. Therefore a new system is to be introduced: the auctioning system. It would enable funding of projects that are part of the government's strategy only. The system does carry a certain risk – in case of the auction

Deloitte expert, emphasizes the need for stable regulations. "Investors need certain guidelines to acquire funding for their projects. The current lack of stability of the legislative environment drives external financing away. Estimates cannot be precise, and banks are not willing to finance or demand a high interest rate," he said. "On the other hand, investors demand more certainty. Investing several million zloty in a pipeline and the risk of losing an investment through an unsuccessful auction is going to repel investors," Jodłowski added.

Jakub Kasnowski from the Eversheds Warsaw law office further explains, "funds for renewable energy are crucial, because grid parity has not been achieved yet. Renewable energy sources cannot compete with conventional ones. Without support, they are generally unprofitable for investors. An optimistic vision was created in the renewable energy act draft

15 %

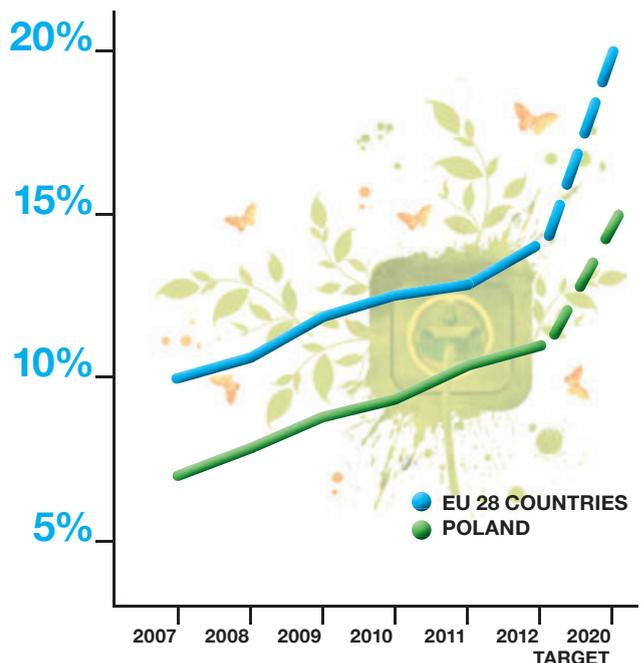
is how much of Poland's energy should come from renewable sources by 2020, in line with EU directives

not providing sufficient funds to the project, the investment does not stand any chance of turning a profit.

What law regulations are needed then for the RE market? Adam Jodłowski, lawyer and

Renewable energy

SHARE OF RENEWABLE ENERGY IN GROSS FINAL ENERGY CONSUMPTION – POLAND
SOURCE: EUROSTAT





“Mostly sizable investors will succeed in profiting from the new rules.”

released in 2013, but unfortunately the concept changed dramatically, balking hopes and distracting potential investors.”

On the other hand, regarding distribution network access, a less stringent regulatory procedure is desirable. Deregulation would enable more entities to send energy to customers at their own prices, and, in consequence, lower the costs for private investors.

Price is everything

The auctioning system would most probably aim to implement competition, meaning that the criteria will most likely

be based on the price factor, no matter what the energy source will be. If that is the case, experts see on-shore wind energy as the most competitive. Photovoltaic sources are not able to work as many hours during the year as wind-mills.

Furthermore, large farms minimize the average MWh cost. Therefore, mostly sizable investors will succeed in profiting from the new rules. Nonetheless, the market is now experiencing a short-lived rush into renewable energy projects, as future legislation and the new system is still not precisely outlined.

Different auctions are going to be organized for current and future projects, with 17 reference prices for future projects and only one for existing installations. The legislation does not seem to be precise enough to outline the criteria clearly, therefore many investors are sceptical as to the future of Polish renewable energy.

Who may profit?

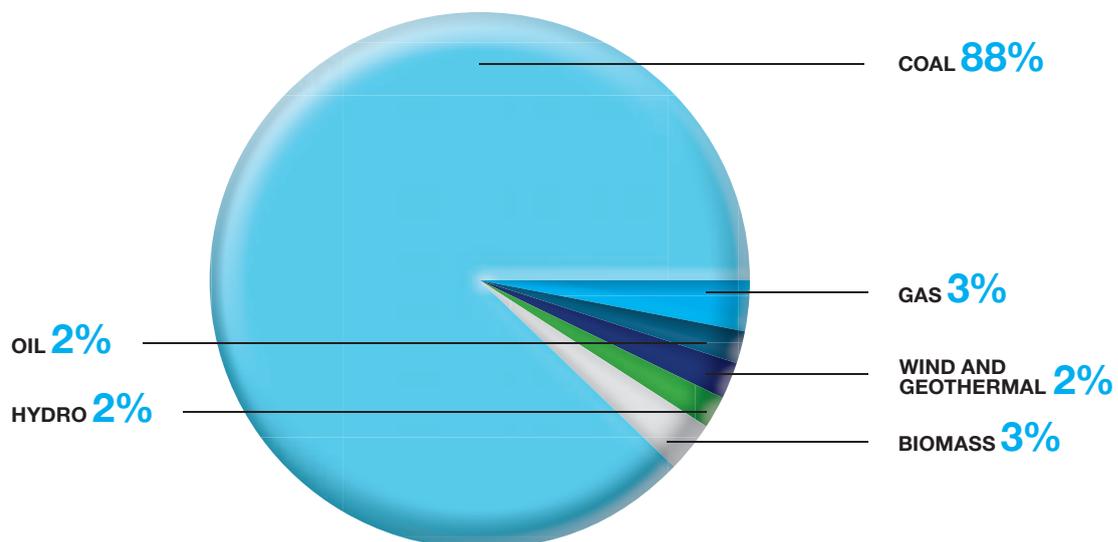
The renewable energy market offers profits especially to those who are already far along with the development of their projects, and in the future it will be most attractive to those with favorable distribution network

access or investors who are able to minimize costs through economies of scale.

There is still much to be done in order to reduce difficulties for smaller investors and enable private capital influx. For now, the energy sector depends mostly on coal and little is done to change this state. Carbon will still dominate the market in the next few years. Only a project drastically changing the profitability of green energy could attract investment. Nonetheless, Poland definitely has got potential to go green.

Poland energy production

SOURCE: POLAND ENERGY REPORT, ENERDATA, JULY 2012



Office market



● ● ● ●
Karolina
Cwiek,
Research
Analyst,
JLL

Poland has 7.1 million sqm
of modern office space and
another 1.2 million sqm in the
pipeline

With 7.1 million sqm of modern office stock, Poland remains the largest market in the entire Central and Eastern Europe. The history of the Polish office sector started in the capital, which currently represents around 60 percent of the total supply. The other major office hubs established in the late 1990s include Kraków, Wrocław and the Tri-City (comprised of Gdańsk, Gdynia and Sopot) with shares of 8.3 percent, 7.8 percent and 6.8 percent, respectively. Katowice, Poznań and Łódź constitute office markets which are smaller in terms of existing stock, yet very important, with office supply in excess of 260,000 sqm. In addition, the cities of Szczecin and Lublin are considered to be secondary office locations, while a number of medium-sized Polish cities e.g. Rzeszów, Bydgoszcz, Toruń, Olsztyn, Kielce, Opole and Białystok are also emerging, along with the development of modern office space in those markets.

Rising high

Almost 1.2 million sqm of space currently under construction across Poland proves that the Polish office market is also one of the most dynamic and quickly developing in the region. No other country in Central and Eastern Europe is able to offer so many potential locations to corporate investors seeking quality and efficiency in office space operations.

Currently, there is more than 850,000 sqm available in existing office developments, of which 68 percent can be found in Warsaw, followed by the Tri-City (8 percent) and Wrocław (6.5 percent). Another 895,000 sqm will be available in buildings that are currently under construction. Most of the office projects being built in Po-

land are developed in Warsaw, Kraków, Wrocław and the Tri-City. The most significant office additions underway are: Warsaw Spire A,B,C (97,000 sqm), Q22 (50,300 sqm), Gdański Business Centre (45,000 sqm) in Warsaw, Business Garden I A and B (41,000 sqm) in Poznań and Dominikański (35,000 sqm) in Wrocław, as well as Tryton Business House and Alchemia II (21,000 sqm each) in the Tri-City.

H1 2014 saw little change in availability and vacancy, with the current vacancy levels ranging between 13.4 percent in Warsaw and 4.5 percent in Kraków. This translates into more than 250 potential options of 1,000 sqm that will be made available by the end of 2014 in both existing and pipeline developments (of which 155 in Warsaw, 20 in both Wrocław and the Tri-City, 16 in Kraków and 14 in Katowice).

A tenant's market

Warsaw remains the main city in CEE for locating businesses with 633,000 sqm leased in 2013 and 259,000 sqm in H1 2014 (including renegotiations). The gross take-up in other major office hubs in Poland reached 362,000 sqm in 2013 and 203,100 sqm year-to-date, with Kraków increasingly dominating corporate activity.

Rising development activity is in the tenants' favor, who will keep their dominant position across most regional office markets in 2015, including Warsaw, Wrocław, the Tri-City and Poznań. More neutral tenant-landlord relations are expected in Kraków, Katowice and Łódź in the short term.

The active supply pipeline puts prime headline rents under soft downward pressure in most major cities in Poland. Headline rents for prime quality buildings in established office markets range be-

tween €11 and €15 per sqm per month. In new or emerging locations, such rents are even more attractive, ranging between €8 and €13 per sqm per month. The high level of construction activity may result in a further downward trend as we move into 2015, particularly in Warsaw, Wrocław, the Tri-City and Poznań. The pressure is, however, more likely to be seen in more generous incentive levels (usually rent-free periods and contributions towards the fit-out) rather than reductions in headline rents.



Prime headline

office rents in Poland
Source: JLL, Q2 2014



*Gdańsk, Gdynia and Sopot



Retail market



Joanna Tomczyk,
Junior
Research
Analyst, JLL

Big pipeline

Developer activity remains relatively high – 253,000 sqm of new retail space hit the market in H1 2014, of which approximately 198,000 sqm was delivered to the shopping center sector. As of September 2014, 759,000 sqm of retail stock was under construction across all retail formats, with shopping centers representing the largest share (679,000 sqm in 32 projects, including new schemes and extensions). Major new projects under construction are: Centrum Posnania in Poznań (100,000 sqm), Zielone Arkady in Bydgoszcz (50,000 sqm), Sukcesja in Łódź (45,000 sqm) and Tarasy Zamkowe in Lublin (38,000 sqm). Retail activity is not limited to major agglomerations, as smaller markets are becoming attractive locations for developers as well as retailers. It is also worth noting that extensions of existing shopping centers constitute an important and growing field of retail expansion in Poland. In general, vari-

The Polish retail market – with more than 38 million potential customers – has a leading position in the CEE region encouraging new entrants and investors alike to browse the market in search of new opportunities.

Their confidence in the market is supported by the stable fundamentals of the Polish economy, including a positive GDP growth forecast and increasing spending power.

As of the end of H1 2014, the total retail supply stood at 12.1 million sqm of GLA, consisting of: shopping centers (8.7 million sqm), retail parks (1.3 million sqm), retail warehouses (1.9 million sqm) and outlet centers (163,000 sqm). The shopping center density in Poland currently stands at 226 sqm per 1,000 inhabitants, above the European average of 196 sqm, but still below the Western European average of 260 sqm.

ous types of modernization are becoming increasingly popular and this trend looks set to flourish in the future due to aging properties and changes in the retail market.

Poland remains on the radar of international retailers, both newcomers and those already established here, who seek development opportunities. In H1 2014, such brands as Adidas NEO, Rage Age Woman and

Olimp Live and Fight, entered the market, while others including Carry, CCC, Reserved, Rossmann, and Zara expanded their stores.

The highest prime monthly rents for a 100 sqm-unit shop in the fashion category, prominently located in leading shopping centers, can be found in Warsaw and now stand at €90-105/sqm. JLL expects prime rents to remain stable in the short to mid-term.

Prime rents

Source: JLL, Q2 2014



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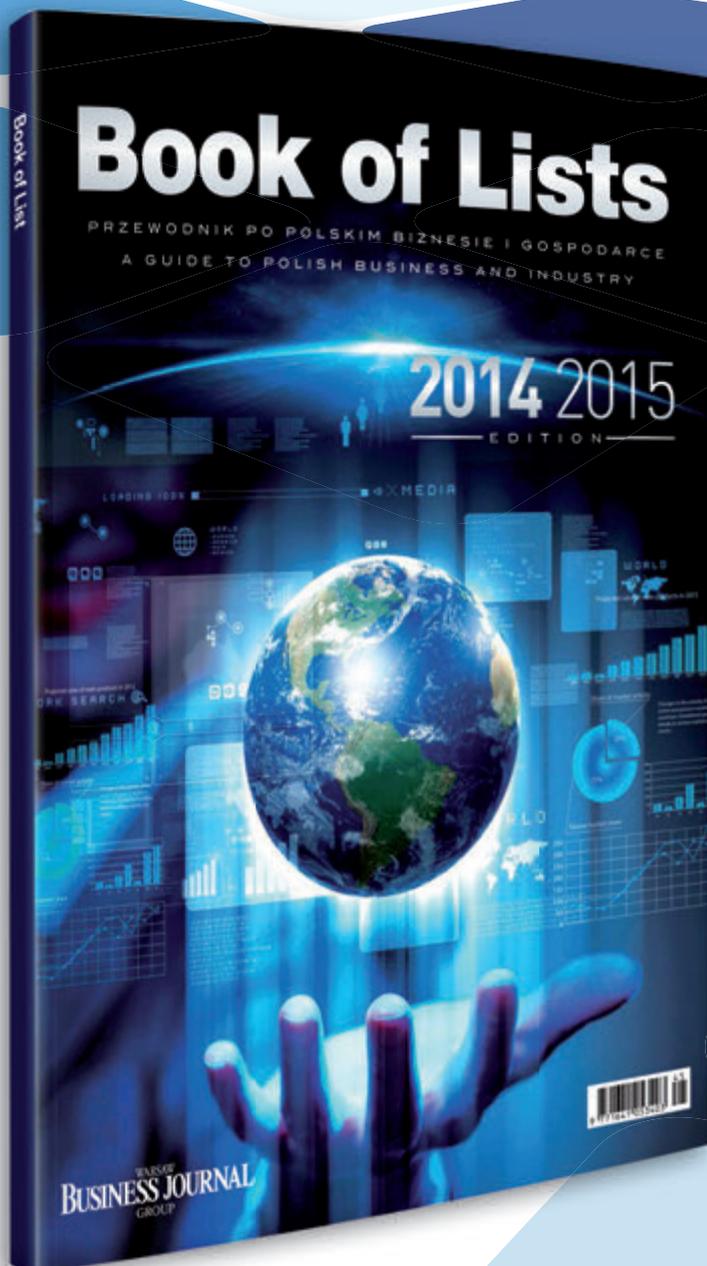
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Poland's highway overhaul

Despite the **huge amounts of money being spent on Polish roads over the past few years**, the country's high-speed road infrastructure is still patchy at best, although the new EU budget for 2014-2020 promises to change this

BY JOHN BEAUCHAMP

Ten years ago, traveling across Poland by car would be the stuff of nightmares. Major east-west routes were single-lane in each direction and invariably rutted, with traffic made that much more dangerous by the presence of juggernauts car-

rying their cargo at breakneck speeds. While admittedly there are still some roads like this in Poland, the situation is now adversely different.

Poland's major road overhaul started in the early 2010s,

when Poland geared up to host the Euro 2012 soccer championships along with Ukraine. Prime Minister Donald Tusk promised hundreds of kilometers of new highways and expressways. With such a tight deadline, it's understandable

that not all the promised roads were in fact completed.

However, the major A2-E30 highway, which links Poland's western border in Świecko (and Berlin) with Warsaw, was completed with under 48 hours



“At the end of 2012, there were 18.8 million registered passenger cars in Poland.”

to go before the first kick-off of the championship, and the A4-E40 highway from Zgorzelec to Kraków was also delivered on time. All that needs to be done now is extend the roads to the borders with Belarus and Ukraine respectively.

But even with all these new highways, the European Commission still lambasted Poland at the end of 2013 by saying that the country's road (and rail) infrastructure still leaves a lot to be desired.

More cars, less investment

Nevertheless, a report released by consultants EY in February this year shows that the infrastructure construction sector in Poland accounted for over 13 percent of Poland's GDP between 2010-2012. Until 2011, it grew much faster than Poland's economy as a whole.

In many ways, the fact that Poland did not suffer as much during the financial crisis is due to the strong position of

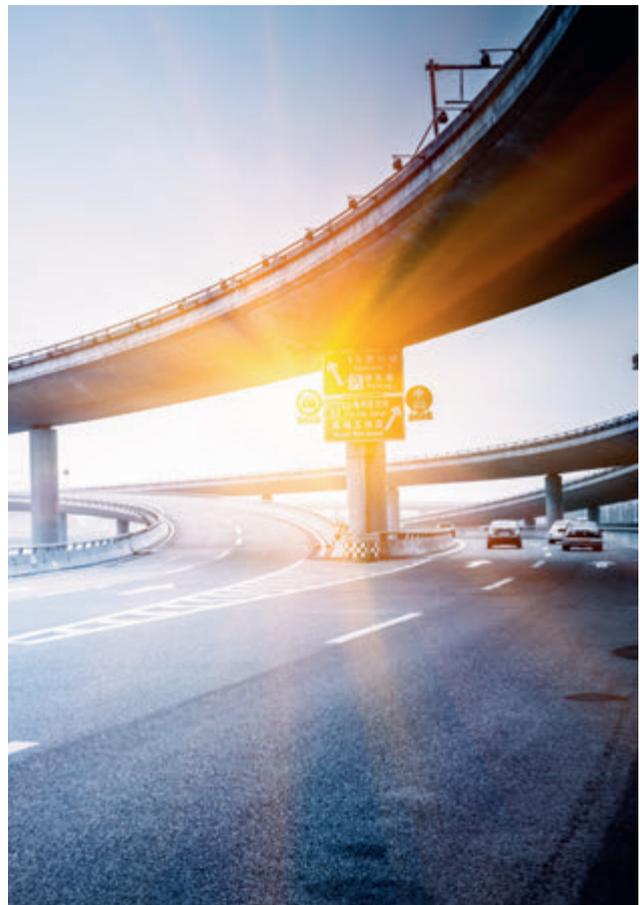
construction firms which were building the infrastructure that the country desperately needs.

“Between 2004-2011, the share of public investments in terms of GDP grew from 3.4 to 5.7 percent,” Marek Rozkrut, EY's chief economist said, adding that, “a considerable portion of these investments were infrastructure projects co-financed by the EU.” Indeed, between 2008 and end-2011 the construction sector grew by 55.4 percent.

Poland's road capacity has also been stretched to the limit, as between 2000-2005 the number of cars increased by 22 percent, and then between 2005-2009 by 33.7 percent. At the end of 2012, there were 18.8 million registered passenger cars in Poland, according to figures from Poland's Central Statistical Office.

EU budget to the rescue

However, good times for the infrastructure sector came to an abrupt end in early 2012.



From the beginning of 2012 to the third quarter of 2013, it dropped by almost 40 per cent. This was accompanied by hundreds of bankruptcies in the sector.

With such a drop in infrastructure investment, it looks as if Poland has lost steam as far as building

roads goes. At the end of 2011, Poland's Directorate for National Roads and Motorways (GDDKiA) branded 42.2 percent of the roads under its remit as unsatisfactory or in poor condition – a combined total of 3,250 kilometers.

However, the EU's new budget for 2014-2020 is expected to change

€73 billion

Poland's share for investments in the 2014-2020 EU budget

all that. Poland is expected to receive €73 billion over the coming years, and while not all of it will be spent on building or

modernizing new roads, a fair chunk will go into carrying out much needed infrastructure investments.





“Spending on new expressways until the end of 2018 is expected to reach as much as PLN 32.1 billion.”

Eyes on the ball

To get the ball rolling, the GD-DKiA announced tenders for the construction of segments of seven new expressways across the country, and spending on new expressways until the end of 2018 is expected to reach as much as PLN 32.1 billion (see box). Furthermore, tenders for the construction of eleven belt roads are to be announced in due course, with PLN 4.7 billion earmarked for the purpose in 2014 and 2015.

However, with the new EU budget comes greater responsibility. All eyes will be on the transparency of the tenders, especially since the European Commission found a high risk of corruption in Poland, as 32 percent of tenders in Poland involved bribery.

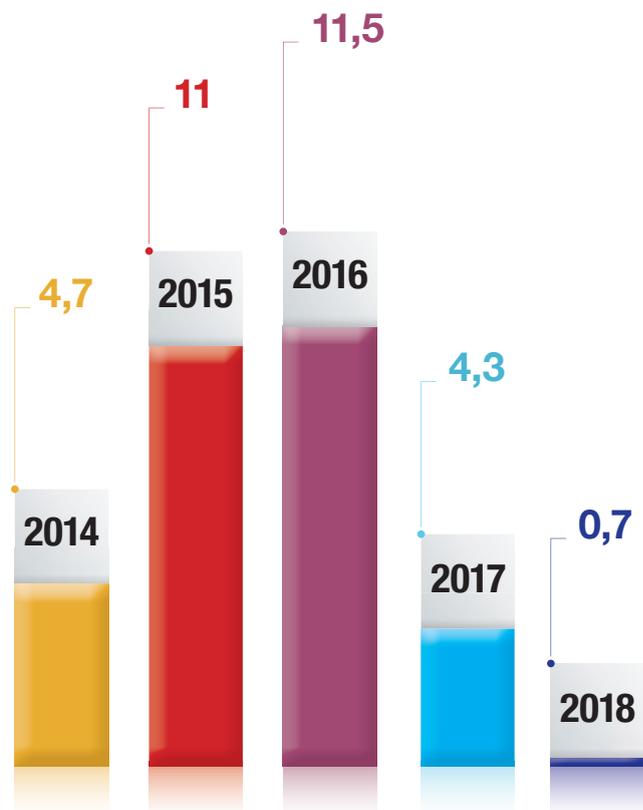
It isn't all bad news, however. Poland's roads are becoming better, and despite the constant grumbling that they could be improved, the highways

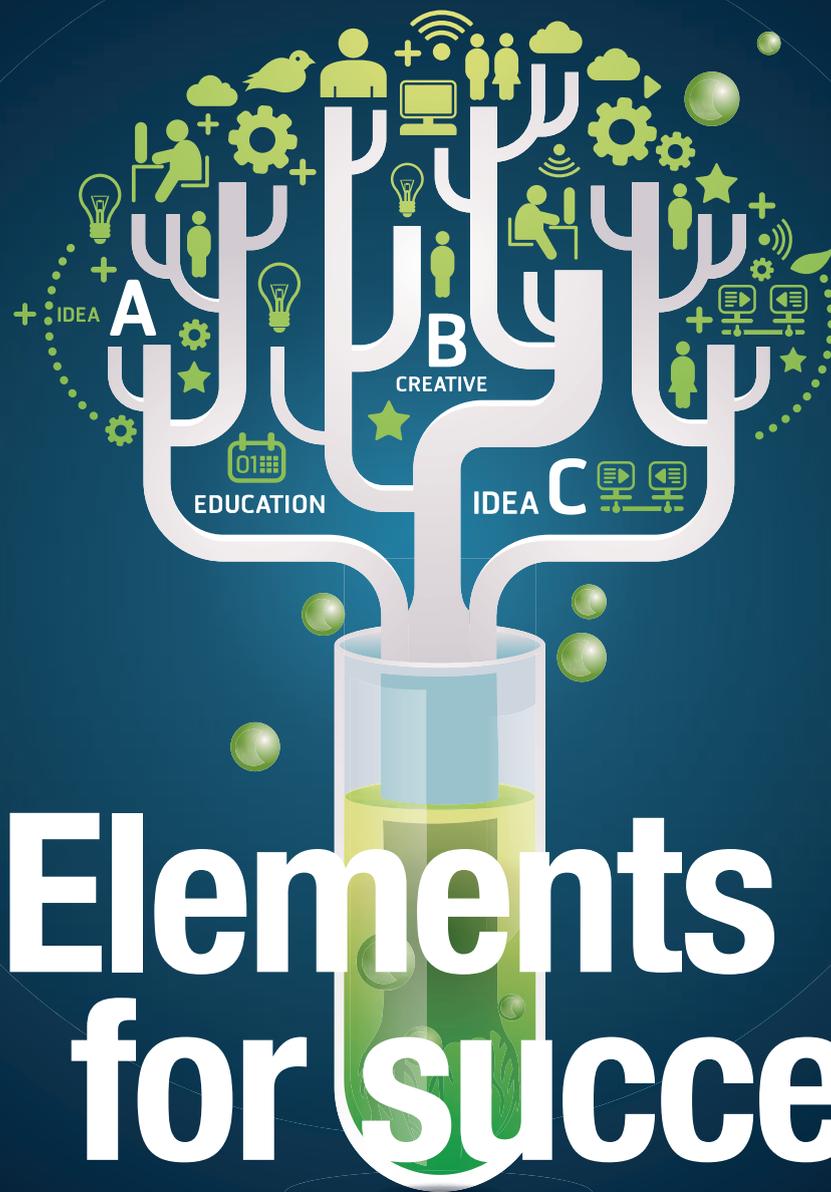
which are built are of the latest spec and conform to the latest regulations, unlike much of the outdated road infrastructure in Western Europe.

Indeed, as a result, Poland's new highways were deemed so good that from the beginning of 2011, Poland became one of a handful of European countries where the speed limit on highways was lifted to 140 kph. Only Germany can beat that.

Planned expenditure

ON POLAND'S EXPRESSWAYS IN 2014-2018
AMOUNT (PLN BILLION)





Elements for success

Poland's chemical industry is back on track for growth. It continues to improve its position globally with the help of strong investment and recent consolidation in the sector

BY KAMILA WAJSZCZUK

The chemical industry is a key sector in any economy, providing materials for many others, from agriculture to electronics manufacturing. In Poland, it accounts for about 11.4 percent of total sold industrial production, according to data from the Polish Chamber of Chemical Industry (PIPC). With some 70 percent of that production bought by other industries, only a minority is sold on the consumer market.

Though some 11,000 enterprises are involved in chemical manufacturing in Poland, altogether employing about

25,000 workers, it is the biggest industry players, such as Grupa Azoty, Ciech, Synthos and PCC Rokita, that are the most visible. These companies are also the biggest chemical exporters in the country, contributing to one of the highest net export growths sectorwise.

Easy money

Luckily for the industry, it cannot complain about insufficient access to capital. Experts agree that Polish chemical companies continue to spend large sums on investment and that they can count on outside financing. "In my opinion,



“The situation of Polish chemical sector exports improves each year.”

securing financing for new investment projects is easy,” Jaroslaw Myjak, deputy CEO of Poland’s largest bank, PKO BP, said during a debate organized by the Polish Press Agency in April.

Companies may look for financing not only in banks, but also on the stock exchange. “I think that the financial market is prepared for the financing needs of the Polish chemical

sector,” Jacek Socha, deputy chairman at PwC, said during the same discussion.

Major projects currently in the pipeline include a petrochemical unit to be built by Grupa Azoty together with oil firm Grupa Lotos. However, in Socha’s opinion, there is a need for more innovative projects. “R&D expenditures in Poland as a whole equal only twice as much as R&D expenses for BASF alone,” he said.

Leaving the crisis behind

The dynamic growth of the Polish chemical manufacturing sector was throttled in 2008, the year the crisis took hold. Nevertheless, a rebound started in 2010 and now the industry is back on its feet. Tomasz Zieliński, head of the PIPC, stressed that chemical production sales in Poland grew from PLN 123.45 billion in 2011 to PLN 131.40 billion in 2012

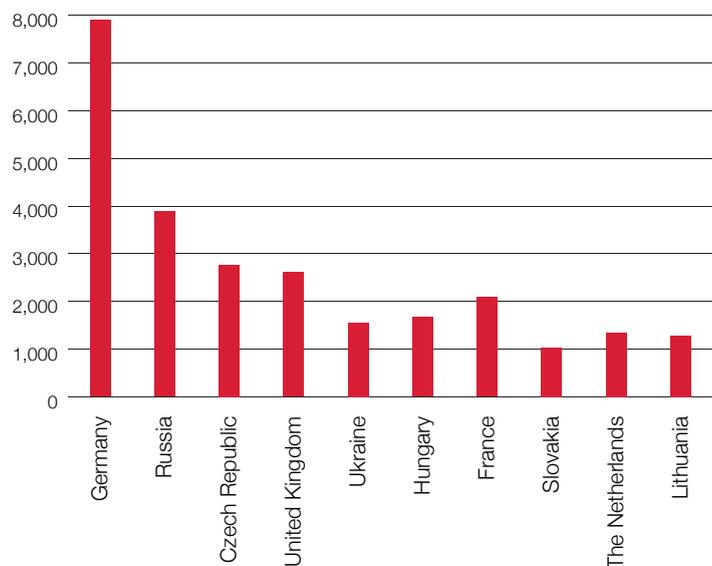
and have grown immensely since 1995, when the business amounted to only PLN 25 billion.

“Favorable factors include M&A activity, especially the consolidation of Grupa Azoty, which created the second-largest chemical producer in Europe, only after Norway’s Yara International,” underlined Zieliński.

“A large business always has better options. A group this size

The buyers

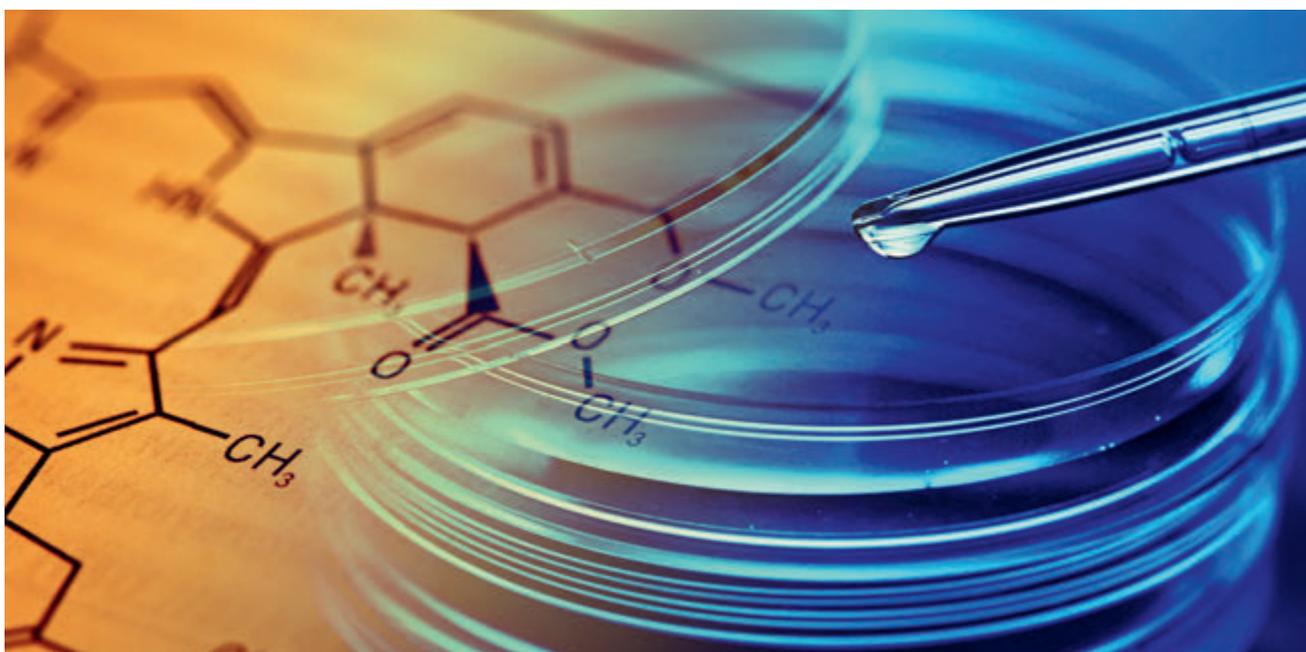
TOP TEN EXPORT DESTINATIONS FOR THE POLISH CHEMICAL SECTOR (2012, PLN BILLION)



What sells

**BIGGEST SEGMENTS OF THE CHEMICAL SECTOR
BY EXPORT VALUE (2012, EUR BILLION)**

10.15	Plastics, synthetic rubber and articles thereof
2.06	Essential oils and related goods
1.89	Pharmaceutical products
1.48	Organic chemicals
1.28	Soaps and detergents



can make cheaper purchases, negotiate better conditions, both in terms of buying and selling. Goods are sold more quickly, they do not stockpile, as sometimes happens with smaller firms," the PIPC president added.

Export engine

Zieliński also stressed that Polish chemicals are appreciated in many countries, saying that "our products are of desirable quality, our technologies are well recognized." Growth is witnessed in many areas.

Chemicals are Poland's second biggest export sector, after electronics and mechanical

machinery. In 2013, Poland exported €20.2 billion in chemical products.

"The situation of Polish chemical sector exports continues to improve each year," Zieliński said. "The balance in the foreign trade of chemicals is still negative, but it's getting better. In 2011, the deficit was €8.32 billion and in 2012 it was reduced to €6.68 billion."

"Petrochemicals and base chemicals have always been a strong segment," Zieliński stated, adding that "the automotive sector is back on track, so chemicals for the automotive segment are also accelerating. There are also

good perspectives for exports in the plastics segment."

International perspective

With most Polish chemical exports heading to EU countries, especially Germany, the economic situation there is crucial. So the future of the sector's foreign sales largely depends on the perspective for recovery in Europe's core markets.

Another big chunk of Polish chemical production is sold to Russia and Ukraine. The recent crisis in Ukraine-Russia relations, which has affected Polish and EU trade with Russia, is thus one of the chal-

lenges that the chemical sector now faces.

This is not the only issue that the sector has to face when it comes to the eastern direction in export, as Zieliński explained. "One of the main threats is connected to an EU introduction of an anti-dumping duty on fertilizers from Russia and that country's actions against it in the World Trade Organization," he said. "Russia also uses dual pricing in natural gas, breaching WTO rules, which also affects the chemical sector."

Another key factor is the currently negotiated Transatlantic



“Our products are of desirable quality, our technologies are well recognized.”

Trade and Investment Partnership (TTIP) agreement, which aims to establish free trade between the EU and the USA. “Earlier, the biggest issue was the possible inflow of goods produced with the help of US shale gas, which could destabilize the EU market. Now, since the Ukraine-Russia issue emerged, the foundations for TTIP may change,” Zieliński said.



CIECH UP FOR GRABS

Ciech was established in 1945 as a chemical export holding, and until 2005, it was fully state-owned. Now the Treasury holds 38.72 percent in the firm and it may soon sell its shares.

In early March, KI Chemistry, a unit of Kulczyk Investments, announced a tender offer for 66 percent in the chemical holding in a deal that may be worth some PLN 102.6 million. The State Treasury has already expressed its willingness to sell shares in the tender.

As the deal still awaits approval from the Office of Competition and Consumer Protection, KI Chemistry

extended the deadline for subscriptions in the tender, originally planned for March 25 – April 25, until May 30.

During its preparation for privatization over the past years, Ciech has evolved from a post-communist giant to a specialized chemical group. It now focuses on manufacturing and selling soda ash, sulfur and organic chemicals. In 2012, it sold its toluene diisocyanate (TDI) production segment to German chemical giant BASF. In early 2013, it agreed to sell phosphorus and chromium compound producer Zakłady Chemiczne Alwernia to Kermas Group.

GLOBAL PRESENCE

Grupa Azoty is not only one of Poland’s largest exporters, it also pursues other activities on various world markets. Among them is a phosphorite project in Senegal.

In late August 2013, the group’s subsidiary Zakłady Chemiczne Police announced the acquisition of 55 percent in Senegalese firm African Investment Group for \$28.85 million. It thus obtained rights to exploration and extraction of phosphorite reserves estimated at 56 million metric tons

and ilmenite reserves estimated at 1.5 million tons.

It plans to extract 400,000 metric tons of phosphorite in Senegal in 2014. Further acquisitions of Senegalese deposits are also possible.

Another market with potential for Grupa Azoty is India. The holding already sells its technology in the country and has business partners among Indian caprolactam producers. Late last year, it admitted to mulling over a new investment, a production plant in the subcontinent.

Zakłady Chemiczne Police acquired
55 percent

in Senegalese African Investment Group

No one doubts that the warehouse segment is where the money is right now.

With record high pipeline and investment deal volume outstripping office and retail, the sector continues to attract attention. Tenant demand is also nearing pre-crisis levels. Is the growth trend sustainable, though, or has it reached its peak?

BY BEATA SOCHA

Western Poland remains the hottest location for new warehouse developments. There was 853,000 sqm of logistics space under construction across Poland at the end of June 2014, the highest volume since 2008, with the majority being built near Poznań (316,100 sqm) and Wrocław (314,600 sqm). The stock currently under construction will increase Poland's warehouse supply by 10 percent (it now stands at a little over 8 million sqm) and the pipeline might get even bigger in the future.

"Developers are increasingly eager to buy land for warehouse development. A year ago, they would buy land only after they had secured a tenant," said Tomasz Olszewski, head of Industrial Department at JLL. There is also more speculative space being built. At the end of H1 2014, 77,500 sqm of warehouse space under construction (10 percent of the entire pipeline) was not se-

cured by pre-leases, according to JLL data.

West-bound

The two western cities of Poznań and Wrocław are definitely the hot zone, mainly due to greatly improved transport infrastructure and their proximity to the German border, as a lot of goods are being distributed to and from Germany. Out of the total net demand for warehouse space of 527,000 sqm recorded in the first six months of 2014, Poznań accounted for 103,000 sqm and Wrocław for 88,500 sqm, according to JLL.

Warsaw suburbs also continue to attract tenants, with 89,000 sqm of space leased in H1 2014.

"Poznań and Wrocław have been experiencing a real boom over the past year and a half. It started even before Amazon came in," Olszewski said. Last year, the e-commerce giant leased 300,000 sqm in built-to-suit centers, scheduled to be

completed this year near the two cities.

Change in demand

The demand figures for the first half of the year may be quite impressive, with gross take-up reaching 912,000 sqm in H1 2014, 17.2 percent more than in the same period last year and 62 percent more than in H1 2012, according to JLL. But what some would color as a long-term boom, may in fact turn out to be rather incidental.

The spike in demand for warehouse space seen over the past months is at least partially

the product of changes in public support for investments announced in late 2013. Starting July 1, 2014, investors applying for permits in any of Poland's 14 special economic zones can count on far less favorable tax incentives. For example, the maximum level of tax relief in the areas around Poznań and Wrocław fell from some 40 percent to about 25 percent. No wonder then that the changes prompted investors to storm Special Economic Zones and apply for permits *en masse* before July 1.

"We've seen artificially pent-up demand for SEZ investments

853,000 sqm

of logistic space is currently under construction in Poland

Cheap space

Poland continues to have highly competitive rent levels compared to other CEE countries, ranging from a little over €2 per sqm per month for big box sheds in Warsaw suburbs and Central Poland up to €5 per sqm per month in small business units (SBU) located within Warsaw. Relatively low land prices, lower construction costs and competition between developers are some of the factors maintaining rent levels competitive.

before July 1 of this year,” said Olszewski. Over the first six months of 2014, investors pledged to invest PLN 21 billion, 40 percent more in year-on-year terms. In H1 2014, investors obtained 438 permits and said they would create 20,500 new jobs. The figures are expected to drop in the second half of the year. “Now there is little activity in SEZs, new investors are no longer lining up in front of SEZ offices,” he added.

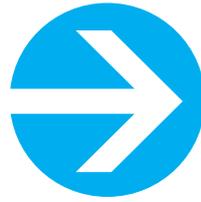
However, developers remain convinced there is still a lot of potential in the warehouse segment. “Poland’s internal demand is at 1 sqm of warehouse space per person, which translates into 40 million sqm in total,” said Robert Dobrzycki, managing partner of Panattoni Europe. He added that, “A lot of demand is also generated by companies shipping goods outside Poland, like Amazon, which will service Western Europe from its Polish centers, as well as production facilities delivering spare parts to German automotive manufacturers.”

Outsource it

Even though industrial space may be less in demand in the coming months, logistics firms and retail chains will more than likely make up for the loss. Nine out of ten largest new leases in H1 2014 were signed by logistics operators and retail chains, according to JLL data. These two sectors have been leasing more and more space over the past years, and nothing indicates the trend should stop.

“The dynamic development of logistics centers built for logistics and retail companies, which have traditionally generated the highest demand for warehouse space, is proof that these assets are in demand,” said Magdalena Szulc, head of SEGRO for the Central European market. “Logistics centers in Poland serve both the domestic market and the entire Central European market. Many Poland-based logistics firms also operate in more remote locations, including Scandinavian and eastern markets,” she added.





“A lot of firms decide against running their own warehouses.”

Logistics operators' demand for warehouse space is definitely increasing. “In the first six months of 2014, logistics firms signed new leases for 254,000 sqm of space (48 percent of the net demand). Meanwhile, their demand in all of 2013 stood at 295,000 sqm,” said Kamil Szymański from Industrial Agency at JLL.

“A lot of firms decide against running their own warehouses. Instead they outsource to companies specializing in warehousing and logistics services, which offer not only space but also machines, people and even specialist computer software,” JLL's Olszewski explained.

Retailers gear up

Meanwhile, retail chains took up 19.3 percent of all the new space leased in H1 2014, which is some 102,000 sqm. The figures are consistent with a long-term growth trend in the amount of warehouse space leased by retail firms. In H1 2013, retail chains leased approximately 72,000 sqm of new space (15 percent of total net take-up), while in the first half of 2012 their share in total net demand was a mere 5 percent.

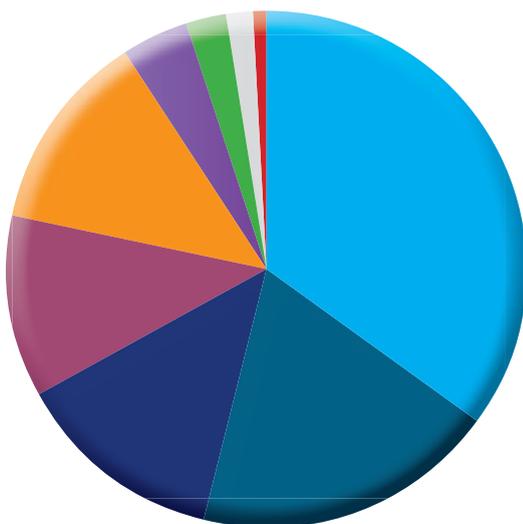
“The increased activity among retail tenants is the product of growing consumer demand for FMCGs as well as the rapidly developing e-commerce sector, which has been fueling changes in the logistics and retail segment for the past few years. We expect that internet shopping will increasingly stimulate demand for modern warehouse space in Poland,” Szulc said.

Olszewski explained the trend saying that “the number of new stores being opened is no longer that high, so retailers are looking for a competitive edge in operational efficiency, delivery times and low costs. We can see that retail chains are gearing up to compete also in this area.”

About 15 percent of all demand came from the e-commerce sector, JLL estimates. The exact size of the sector's demand is difficult to assess, as some of this demand is included in the retail chains category and some falls under logistics operators.

Logistic base

POLAND'S LOGISTICS STOCK (SQM)
SOURCE: CBRE



● WARSAW AREA	2,828,300
● SILESIA	1,517,900
● CENTRAL POLAND	1,068,400
● WROCŁAW	920,500
● POZNAŃ	993,600
● NORTH	338,800
● KRAKÓW	201,500
● EASTERN POLAND	130,100
● SZCZECIN	62,100

INDUSTRIAL real estate



● ● ● ●
**Jan Jakub
Zombirt,
Senior
Research
Analyst, JLL**

After a successful 2013, when the gross demand for industrial facilities across Poland totaled 1.89 million sqm, the market has not displayed any symptoms of deceleration in 2014. In the first half of 2014, gross take-up stood at 912,000 sqm. The strong demand side is now translating into a large development pipeline: more than 811,000 sqm is now in the construction stage across Poland, which indicates that this year the market supply will reach 8.6 million sqm. Once again the market has been primarily driven by logistics operators. In addition, we also see an increasing share of space being designated for fulfillment within the growing e-commerce sector.

The number of speculative projects showed an increase; their share in the total stock being constructed fell as compared to H1 2014, but that can be explained by the large development pipeline. Almost 80,000 sqm is now being delivered without any binding lease agreement, the highest volume since the end of 2009.

Signs of an economic recovery have positively impacted demand for industrial space. New demand totaled 526,000 sqm in H1, which was slightly above the result from the same period of 2013. In addition to new deals, tenants renewed leases for 386,000 sqm, resulting in gross industrial demand in excess of 912,000 sqm at

the end of H1 2014. Assuming that the next two quarters will not experience a major slowdown, a total of 1 million sqm leased to new tenants (net demand) during the whole of 2014 seems realistic.

Once again, the highest demand came from logistics operators, whose new leases totaled more than 254,000 sqm, which is 48 percent of the entire net demand. However, the largest single transaction involved a retail chain for which Goodman will deliver a 40,000 sqm project near Konin. Other notable deals involved Geodis, who secured 22,000 sqm in Distribution Park Wrocław; and Hi Logistics, for whom Prologis is extending its Prologis Park V in Wrocław.

3PL and e-commerce

The growing share of 3PL companies in demand for industrial floor space could be traced back to the beginning of the global economic downturn of 2008. Outsourcing of logistics operations was just one of the austerity measures introduced then by companies representing numerous sectors. It can also be put down to the growing e-commerce market, which fosters demand from logistics operators, freight forwarders and courier companies working on behalf of online retailers.

The retail sector has also been registering a substantial increase in both leased floor space and share in total demand. This generally stems from growing retail sales, but also the increasing number of retail centers across Poland. For the last ten years, shopping center developers have been refocusing their attention from the main agglomerations to Poland's secondary and tertiary cities, which is why retail chains needed to restructure their supply chains and this eventually led to growing warehousing needs.



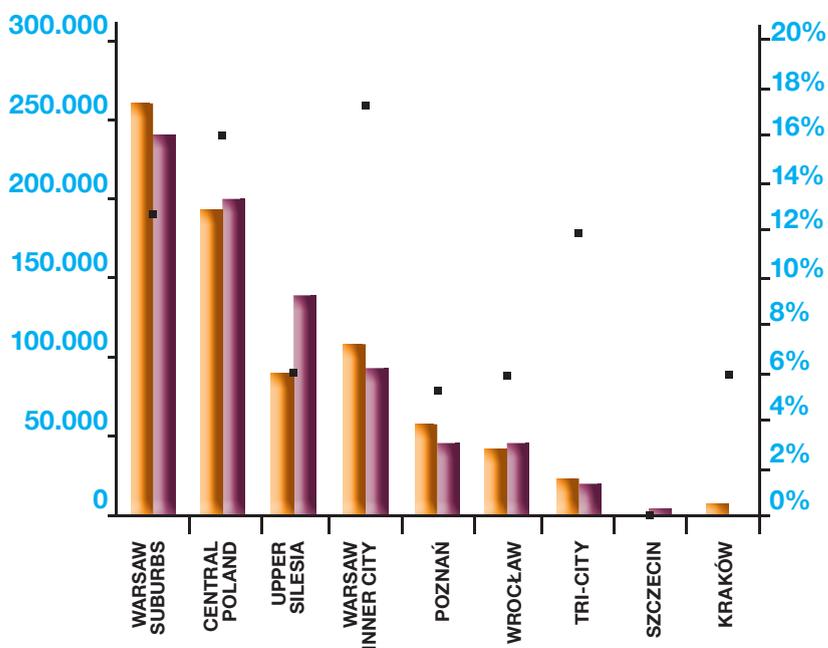


“More than 811,000 sqm is now in the construction stage across Poland.”

Availability of industrial space (sqm)

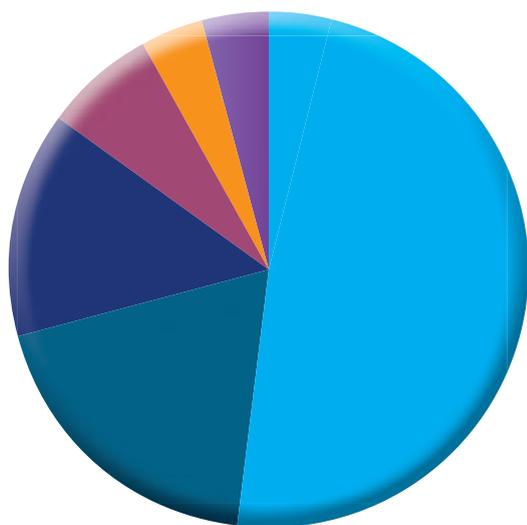
Source: JLL

- VACANCY H1 2013
- VACANCY H1 2014
- VACANCY RATE H1 2014



Net take-up

BY SECTORS IN H1 2014
SOURCE: JLL



● LOGISTICS OPERATORS	48%
● RETAILERS	19%
● OTHER	14%
● ELECTRONICS	6%
● LIGHT MANUFACTURING	4%
● CONSTRUCTION	4%
● AUTOMOTIVE	3%

Since the end of 2011, the vacancy rate registered on the Polish market has ranged between 10 percent and 12 percent. At the end of H1 2014, it stood at 10.5 percent, which was 80 b.p. less than in December 2013. However, regional analysis shows some considerable differences in availability of space on particular sub-markets. Currently, the overall vacant space on the market totals 817,000 sqm. Among the five largest markets, the highest vacancy rate is (as traditionally) found in Central Poland (17.2 percent), where the available floor space totals almost 203,000 sqm.

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

This chapter 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.

Every effort has been made to obtain the most current information available at the time of publishing. However, it should be noted that in light of the upcoming local government elections, new marshalls and city mayors will be chosen on November 16, 2014.

Meanwhile, upon the change of the prime minister in September 2014, all voivodes, as representatives of the central government, had to tender their resignations. However, most of them will likely remain in their posts, as is usually the case when a new prime minister from the same political grouping takes over. The next general parliamentary elections, which will involve the appointment of new voivodes, will take place in 2015.





Kujawsko-Pomorskie

VOIVODSHIP



ADMINISTRATION



Voivode: Ewa Mes



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 Sciences

NUMBER OF STUDENTS (2013)

49,494

NUMBER OF GRADUATES (2013)

14,307

LABOR MARKET



POPULATION (Dec. 2013)

2,092,564

WORKING-AGE POPULATION (Dec. 2013)

1,333,169

UNEMPLOYMENT RATE (July 2014)

16.0%

AVERAGE MONTHLY WAGE (July 2014)

PLN 3,379.91

BUSINESS



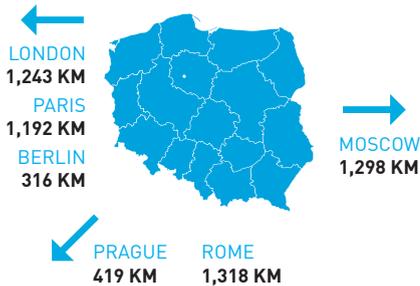
SPECIAL ECONOMIC ZONES

Pomeranian Special Economic Zone

RECENT MAJOR INVESTORS

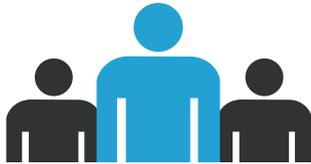
Castorama, Itella Information, Jabil,
Livingston, MMP Neupack, Solvay,
Unilever

CAPITAL
Bydgoszcz



MAYOR
RAFAL BRUSKI

POPULATION (DEC. 2013)
359,428



WORKING-AGE POPULATION
(DEC. 2012)

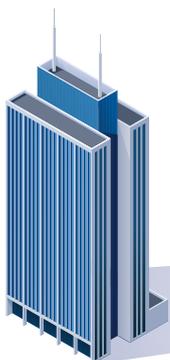
229,244

UNEMPLOYMENT RATE
(JULY 2014)

8.0%

AVERAGE PAY
(DEC. 2013)

PLN 3,589.06



MODERN OFFICE
SPACE
39,000 SQM

OFFICE VACANCY
RATE
24.6%

PRIME HEADLINE
RENTS
€8.50-€10.00

On the right tracks

Home to the Voivode of Kujawsko-Pomorskie, Bydgoszcz is a cultural, economic and educational center located in Kujawsko-Pomorskie voivodship, in northcentral Poland. Together with Toruń, Bydgoszcz holds the right to directly impact changes occurring in the voivodship, not only because it is the most rapidly developing city in the region, but also because the main bodies governing the region are located in those two cities.

The city's history begins in the Bronze Age, when the first settlements were established at the location of the current city. Since then, the city effectively used its location near the rivers Brda and Vistula to consolidate its position as the center of trade in the region, especially as an important point on the amber trade trail.

Nowadays, the city is expanding as a business center, with numerous IT companies stationed in Bydgoszcz, not to mention other important players, such as train manufacturer PESA, which are also look-

ing at the city as a perfect place for future investments. Such conclusion can be clearly justified by looking at the number of business parks located in Bydgoszcz.

The city aims to grow even more, with future investments planned to enrich the current business landscape of the city and secure its position as the economic leader of the region.

KEY CONTACTS

Bydgoszcz Regional Development Agency
investin.bydgoszcz.eu
ul. Mennica 6
85-112 Bydgoszcz
Tel. +48 52 585-8823
Fax +48 52 585-8878
barr@barr.pl





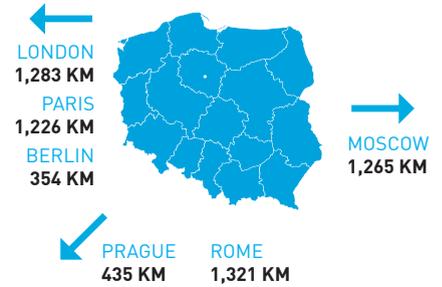
CAPITAL
Toruń



KEY CONTACTS

Entrepreneurs and Investors Bureau

boi.torun.pl
ul. Waty gen. Sikorskiego 10
87-100 Toruń
boi@um.torun.pl



MAYOR
MICHAŁ ZALESKI

POPULATION (DEC. 2013)
203,447



WORKING-AGE POPULATION
(DEC. 2012)
132,841

UNEMPLOYMENT RATE
(JULY 2014)
9.1%

AVERAGE PAY
(DEC. 2013)
PLN 3,719.69

City where the Earth moved

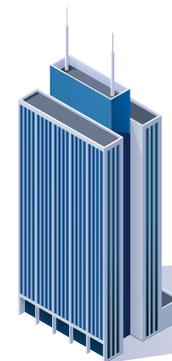
Located on the banks of the Vistula river, Toruń enchants with its unique synergy of beautiful historical edifice and dynamic development of modern districts. Splitting the governing functions of the voivodship between Toruń and Bydgoszcz, the voivodship marshall's seat is in Toruń. The history of the city starts as early as the 10th century. From there on, the city flourished due to its role as a center of trade and education.

During the middle ages, Toruń was home to Nicolaus Copernicus, the world-famous astronomer who "stopped the Sun and moved the Earth," debunking the theory that the Earth is the center of the universe.

The Old Town, already appreciated by UNESCO and included on the World Heritage List, never ceases to amaze tourists with its antique architecture. The citizens of Toruń do not remain passive, organizing numerous festivals and cultural events in the city's Old Town.

Toruń is well-known for its trademark "pierniki" a special kind of a gingerbread cookie. Their reputation is firmly established by legends and traditions, as well as their specific recipe.

The city is moving forward, using EU subsidies to enhance the development of infrastructure, especially focusing on the city's most important industry-tourism.



MODERN OFFICE SPACE
45,700 SQM

OFFICE VACANCY RATE
11.8%

PRIME HEADLINE RENTS
€9.00-€11.00

SOURCE: JLL

Other major cities

CITY	POPULATION	WORKING-AGE POPULATION	UNEMPLOYMENT
Wrocław	114,885	74,012	18.7%
Grudziądz	97,676	62,430	17.2%
Inowrocław	75,001	49,320	21.8%*

*LOCAL COUNTY DATA



Kujawsko-Pomorskie

Foreign Direct Investment Welcome



WHY KUJAWSKO-POMORSKIE REGION IS ATTRACTIVE FOR INVESTORS?

About our Region:

- Located in north-central Poland
- Home to Bydgoszcz-Toruń Metropolitan Area (BiT City) with a population of 750 000 aspiring to become one of the most competitive regions in the country
- Abundance of tourist attractions – Old Town complex in Torun listed on UNESCO's World Heritage List (since 1997) Bydgoszcz – revitalised Brda river banks, the Mill Island and river marina, Slavic settlement in Biskupin Tuchola Forest, Brodnica Lake District, Ciechocinek and Inowrocław – health resorts famous for their water towers, the largest facilities of its kind in Europe

An investor friendly approach:

- Over 250 sites for greenfield and brownfield projects
- 4 industrial parks in Grudziądz, Świecie, Solec Kujawski, 2 industrial-technology Parks in Bydgoszcz and Włocławek and Technology Park with Technology Transfer Centre in Toruń
- 13 sub-zones of the Pomeranian Special Economic Zone
- High concentration of companies - leaders in their respective fields
- Easy access to qualified work force (collaboration possible with colleges and vocational schools)
- Well-developed educational infrastructure (junior high schools and high schools) and academic centres: Nicolaus Copernicus University, Collegium Medicum (NCU), Kazimierz Wielki University, University of Life Sciences and Technology
- Large work force resources
- Low labour cost
- Multiple business support instruments at state, regional and local levels
- Local government of Kujawsko-Pomorskie supports entrepreneurship by financing investment projects, modern technology, brands promotion and improving areas designated for development
- Real estate tax exemptions, possibility of purchasing or renting real estate in industrial and technology parks or communes at a very competitive price
- Income tax exemptions within the Special Economic Zone

Major foreign investors in Kujawsko-Pomorskie:

Nestle, ThyssenKrupp, Nordzucker, Unilever, Cargill, Lafarge, Alcatel – Lucent, Atos, Bonduelle, Mondi, Livingston International, Orkla, Raben, Bunge, Lidl, Neupack, Opus Capita, Panattoni, DHL, Raben.

Investment and export support:

Kujawsko-Pomorskie Investors and Exporters Service Centre operates within the network of Investors and Exporters Service Centres within the Innovative Economy 6.2.1. Operational Programme. Thanks to funds available from this source and close co-operation with the Investment and Trade Promotion Departments of Polish embassies in various countries as well as with the Ministry of Economy the region is able to support companies investing here efficiently. The local certified Investor's Assistance Centre is a regional partner of Polish Information and Foreign Investment Agency.

Major and developing economy sectors:

Food processing, IT, BPO/SSC, chemicals, plastics, electro-machinery, wood, paper, renewable energy sources, tourism.

Transportation:

- A-1 motorway running across the region is an important part of the European transport network connecting Scandinavia with southern Europe
- Expressways: S-10 linking Szczecin and Warsaw via Bydgoszcz and Toruń, S-5 from Grudziądz via Bydgoszcz to Poznań and Wrocław
- International Bydgoszcz Airport with cargo terminal
- International waterways E70 and E40



Fot. arch. Bydgoszcz Industrial and Technological Park



Fot. arch. Cereal Partners Poland Toruń Pacific



Fot. arch. HF Werk Chelmno



Fot. arch. Industrial Park in Solec Kujawski



Detailed information on investment opportunities in the region is available in three languages: English, German and Polish - on the Investor's Assistance Centre's website:

www.coi.kujawsko-pomorskie.pl

Contact us: Centrum Obsługi Inwestora (Investor's Assistance Centre), Urząd Marszałkowski Województwa Kujawsko-Pomorskiego, pl. Teatralny 2, 87-100 Toruń, Polska, tel. +48 56 62 18 319, fax.: +48 56 62 18 264

e-mail: coi@kujawsko-pomorskie.pl



KUJAWSKO-POMORSKIE
VOIVODESHIP

EUROPEAN UNION
EUROPEAN REGIONAL
DEVELOPMENT FUND



My region in Europe



Lower Silesia VOIVODSHIP



ADMINISTRATION



Voivode: Tomasz Smolarz



Marshall: Cezary Przybylski

KEY CONTACTS

**Lower Silesia Agency for Economic
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 (2013)

107,476

NUMBER OF GRADUATES (2013)

28,011

LABOR MARKET



POPULATION (Dec. 2013)

2,909,997

WORKING-AGE POPULATION (Dec. 2013)

1,867,285

UNEMPLOYMENT RATE (July 2014)

11.5%

AVERAGE MONTHLY WAGE (July 2014)

PLN 3,934.54

BUSINESS



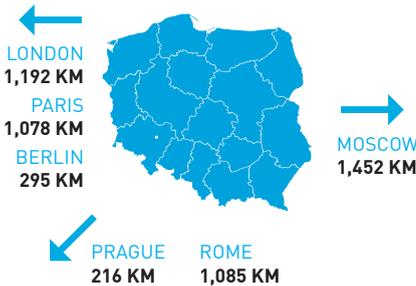
SPECIAL ECONOMIC ZONES

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

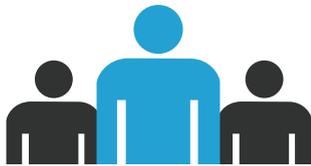
Amazon, BASF, Colgate-Palmolive,
Daicel Safety Systems Europe, Faurecia,
GKN Driveline, Pittsburgh Glass Works,
Scania, SRG Global,
SteriPack Medical, Wabco

CAPITAL
Wrocław



MAYOR
RAFAŁ DUTKIEWICZ

POPULATION (DEC. 2013)
632,067



WORKING-AGE POPULATION
(DEC. 2012)

406,420

UNEMPLOYMENT RATE
(JULY 2014)

5.0%

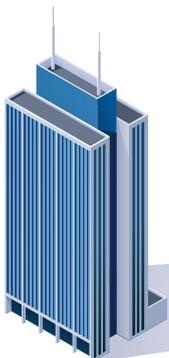
AVERAGE PAY
(DEC. 2013)

PLN 4,129.56

MODERN OFFICE
SPACE
550,000 SQM

OFFICE VACANCY
RATE
10.0%

PRIME HEADLINE
RENTS
€14.00-€15.00



SOURCE: KNIGHT FRANK, JLL



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

Hotbed of innovation

The City of Wrocław has one of the most turbulent histories of Poland's regional capitals. Over the centuries, it has changed its allegiance numerous times, being ruled at some point in history by the Prussians, Austrians, Germans, Czechs, French and even the Hungarians. Wrocław encompasses 12 islands cross-cut by the Odra river. They are linked by a network of old and new bridges.

As part of Germany, Breslau (German for Wrocław) suffered enormous destruction during World War II. It surrendered on May 6, 1945, four days after the fall of Berlin.

As part of the post-war resolutions of major

Other major cities

CITY	POPULATION	WORKING-AGE POPULATION	UNEMPLOYMENT
Wrocław	632,067	406,420	5.0%
Wrocław	117,926	76,313	14.0%
Legnica	101,992	66,252	9.6%
Jelenia Góra	81,985	52,552	7.4%
Lubin	74,053	48,286	9.7%*

*LOCAL COUNTY DATA

powers, the city became part of Poland in 1945 together with Silesia and Pomerania, lands collectively known as the Recovered Territories – such as Lviv and Vilnius, were repatriated to Wrocław. Hence, the city is known for its nomadic student population and open populace.

Currently, it's the capital of the Lower Silesia voivodship. It has a vibrant business environment with such companies as Siemens, Bosch, Nokia Solutions and Networks, Volvo, HP, IBM, Google, Opera Software, QAD, Bombardier Transportation, DeLaval, Whirlpool Corporation all having branches there.



Lower Silesia VOIVODSHIP



ADMINISTRATION



Voivode: Tomasz Smolarz



Marshall: Cezary Przybylski

KEY CONTACTS

**Lower Silesia Agency for Economic
Cooperation
Regional Investor
Assistance Center**
dawg.pl
ul. Kotlarska 42
50-151 Wrocław
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Fax +48 71 344-0285
biuro@dawg.pl

HIGHER EDUCATION



NUMBER OF INSTITUTIONS

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University of Technology

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AVERAGE MONTHLY WAGE (July 2014)

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BUSINESS



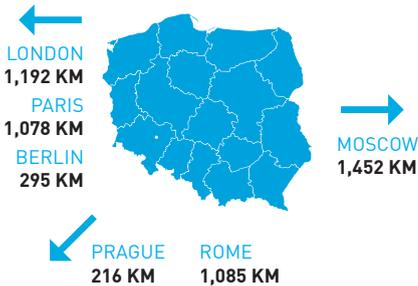
SPECIAL ECONOMIC ZONES

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

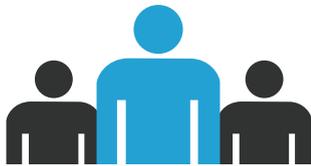
Amazon, BASF, Colgate-Palmolive,
Daicel Safety Systems Europe, Faurecia,
GKN Driveline, Pittsburgh Glass Works,
Scania, SRG Global,
SteriPack Medical, Wabco

CAPITAL
Wrocław



MAYOR
RAFAŁ DUTKIEWICZ

POPULATION (DEC. 2013)
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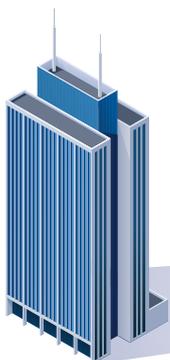
AVERAGE PAY
(DEC. 2013)

PLN 4,129.56

MODERN OFFICE
SPACE
550,000 SQM

OFFICE VACANCY
RATE
10.0%

PRIME HEADLINE
RENTS
€14.00-€15.00



SOURCE: KNIGHT FRANK, JLL



KEY CONTACTS

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Development Agency**

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Pl. Solny 14
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Fax +48 71 783-5311
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As part of the post-war resolutions of major

Other major cities

CITY	POPULATION	WORKING-AGE POPULATION	UNEMPLOYMENT
Wrocław	632,067	406,420	5.0%
Łódź	660,000	380,000	10.0%
Katowice	290,000	180,000	10.0%
Warsaw	1,700,000	1,000,000	10.0%
Bydgoszcz	350,000	200,000	10.0%
Gdańsk	650,000	350,000	10.0%
Wrocław	632,067	406,420	5.0%
Legnica	101,992	66,252	9.6%
Jelenia Góra	81,985	52,552	7.4%
Lubin	74,053	48,286	9.7%*

*LOCAL COUNTY DATA

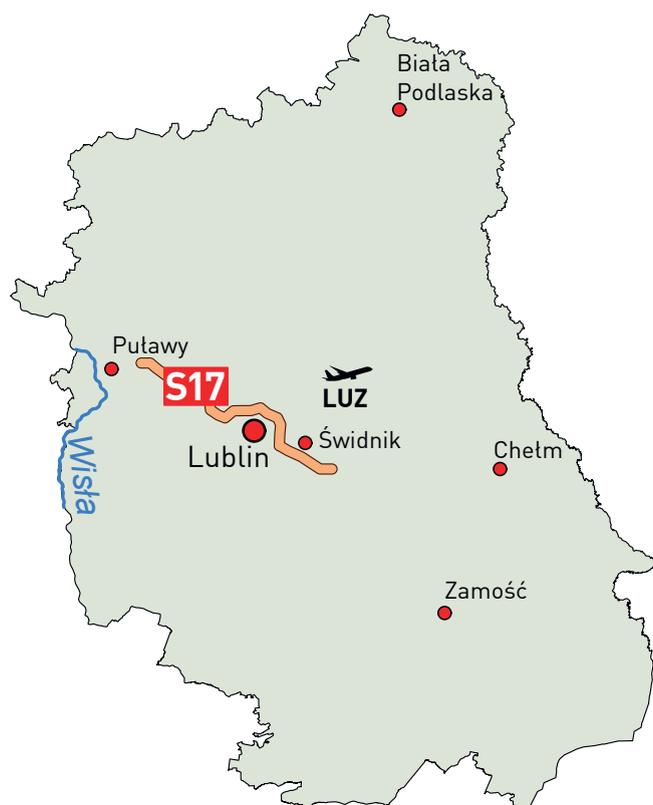
powers, the city became part of Poland in 1945 together with Silesia and Pomerania, lands collectively known as the Recovered Territories – such as Lviv and Vilnius, were repatriated to Wrocław. Hence, the city is known for its nomadic student population and open populace.

Currently, it's the capital of the Lower Silesia voivodship. It has a vibrant business environment with such companies as Siemens, Bosch, Nokia Solutions and Networks, Volvo, HP, IBM, Google, Opera Software, QAD, Bombardier Transportation, DeLaval, Whirlpool Corporation all having branches there.



Lubelskie

VOIVODSHIP



ADMINISTRATION



Voivode: Wojciech Wilk



Marshal: Sławomir Sosnowski

KEY CONTACTS

Lubelskie Marshall's Office
Trade and Investment
Promotion Section
invest.lubelskie.pl
ul. Stefczyka 3
20-151 Lublin
Tel. +48 81 537-1621
coi@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 (2013)

59,390

NUMBER OF GRADUATES (2013)

17,282

LABOR MARKET



POPULATION (Dec. 2013)

2,156,150

WORKING-AGE POPULATION (Dec. 2013)

1,352,470

UNEMPLOYMENT RATE (July 2014)

12.8%

AVERAGE MONTHLY WAGE (July 2014)

PLN 3,376.23

BUSINESS



SPECIAL ECONOMIC ZONES

EURO-PARK MIELEC Special
Economic Zone
Starachowice Special Economic Zone
Tarnobrzeg Special Economic Zone
EURO-PARK WISŁOSAN

RECENT MAJOR INVESTORS

AugustaWestland, ABM Greiffenberger,
Aliplast, Genpact, Jeronimo Martins
Holding, Roto Frank



Puławy, a city in the north-western part of the Lublin Province, has its place not only in our nation's history, but also in the minds of many Poles. For a long time, the heritage of the Enlightenment, including the famous, monumental palace and park complex, was the highlight of the city. The chemical industry has rapidly developed since 1960, when the Zakłady Azotowe Puławy plant was established. However, Puławy has never assumed the role of a predominantly industrial city. Zakłady Azotowe and the Czartoryski Park are the foundations upon which the brand of the city has been fostered. Today, many diverse initiatives are being pursued in Puławy, including those in the fields of tourism, culture, sports and recreation, and industry, benefiting largely from the effective use of EU funds.

We have created conditions for even faster development in several domains in recent years, which influences the possibilities offered by the city to investors. Two investments are of particular importance. The first one involves the tourism potential of the Kazimierz Dolny – Puławy – Janowiec triangle, notably its valuable location on the banks of the Vistula. In the framework of this project, a part of the Puławy embankment has been revitalised, including a new waterfront promenade, and a suitable infrastructure for inland navigation has been developed, including a river port serving tourist and recreational functions. Similar improvements have been carried out in Kazimierz Dolny and Janowiec. The other investment project is the development of the Puławski Park Naukowo-Technologiczny (Puławy Science and Technology Park), an instrument for the city's economic competitiveness enhancement, implementation of state-of-the-art technological solutions, and knowledge and capital management. Both projects, consistently developed, prove the multidirectional development of Puławy.

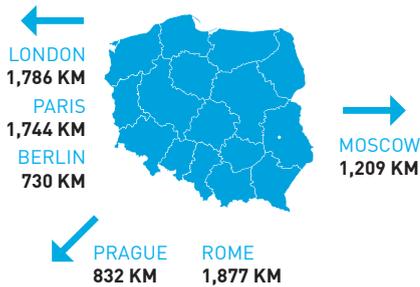
The recent years have seen a host of improvements and initiatives, noticed and appreciated both by the inhabitants and the visitors. The motto that guides them, "with people in mind", is not just an empty slogan. We use EU funds skilfully to modernise squares, pavements and roads, not only making the city more beautiful, but also more liveable. We care about the constant development of sport in Puławy, and about improving its quality – hence the redevelopment of the MOSiR stadium with the accompanying facilities. Today it is a modern, state-of-the-art structure with a full potential of professional services.

Apart from the development of river tourism, biking and walking trails are being developed. Tourism, sports and scientific traditions do not exhaust Puławy's potential. The city of such a great historic heritage is proud of its rich cultural life. Literature, music and dance festivals, as well as cyclical events of a national and international scope are its best examples, while highlighting the modern nature of the city.

We are convinced that it is impossible to create an investor-friendly place without its complex upgrading. The development of sciences and technologies, to which Puławy have contributed considerably, would not allow us to effectively take advantage of the city's potential without carrying concurrent projects serving its inhabitants. This is the only way to create adequate conditions for investment. We believe – and our belief is supported both by numerous awards and distinctions, and the opinions of the inhabitants and visitors – that the city of Puławy meets those requirements.

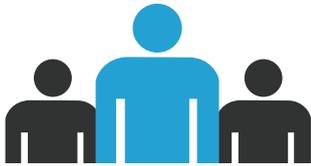
Welcome to Puławy.
Janusz Grobel
Mayor of Puławy



CAPITAL
Lublin

MAYOR
KRZYSZTOF ŻUK

POPULATION (DEC. 2013)
343,598



WORKING-AGE POPULATION
(DEC. 2012)

223,582

UNEMPLOYMENT RATE
(JULY 2014)

9.2%

AVERAGE PAY
(DEC. 2013)

PLN 3,820.91



MODERN OFFICE
SPACE

90,000 SQM

OFFICE VACANCY
RATE

18.0%

PRIME HEADLINE
RENTS

€11.00-€12.00

SOURCE: KNIGHT FRANK, JLL

**KEY CONTACTS****Strategy and Investor
Assistance Department**

lublin.eu
Pl. Litewski 1
20-080 Lublin
Tel. +48 81 466-2500
Fax +48 81 466-2501
inwestorzy@lublin.eu

Closing the gap

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 to the late 12th century. Legend has it that Julius Caesar's sisters 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.

Lublin is also the biggest city in Poland east of the Vistula River, which in the past caused much trouble for its inhabitants, as it was constantly attacked by various aggressors, from Lithuanians to Mongo-

lians, who completely razed the city in 1241.

Mostly due to EU funds, modern-day Lublin has been closing the gap with more developed cities in western Poland. It boasts five universities and in December 2012, a new airport was opened near the city.

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 over the last several years.

Other major cities

CITY	POPULATION	WORKING-AGE POPULATION	UNEMPLOYMENT
Chelm	65,481	43,398	16.6%
Zamość	65,255	43,260	14.6%
Biała Podlaska	57,658	38,773	16.1%
Puławy	49,100	29,842	9.9%*
Świdnik	40,225	25,832	14.8%*

*LOCAL COUNTY DATA



Lubuskie

VOIVODSHIP



ADMINISTRATION



Voivode: Jerzy OstroUCH



Marshall: Elżbieta Polak

KEY CONTACTS

**Investor Assistance Center of
Lubuskie Voivodship**
coi-lubuskie.pl
ul. Podgórna 7
65-057 Zielona Góra
Tel. +48 68 456-5531
coi@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 (2013)

59,390

NUMBER OF GRADUATES (2013)

17,282

LABOR MARKET



POPULATION (Dec. 2013)

1,021,470

WORKING-AGE POPULATION (Dec. 2013)

657,450

UNEMPLOYMENT RATE (July 2014)

13.3%

AVERAGE MONTHLY WAGE (July 2014)

PLN 3,342.95

BUSINESS



SPECIAL ECONOMIC ZONES

Kostrzyn-Słubice Special Economic Zone
Wałbrzych Special Economic Zone

RECENT MAJOR INVESTORS

Ahrens Textil, Arctic Paper,
Brinkhaus, Gedia, Faurecia,
High Tech Mechatronics,
HMP Heidenhain-Microprint,
ICT Poland, L&Bee, Podravka,
Steihoff, Swedwood

CAPITAL
Zielona Góra**KEY CONTACTS**

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

biznes.zielonagora.pl
ul. Podgórna 22
65-424 Zielona Góra
Tel. +48 68 456-4316
Fax +48 68 456-4855
investor@um.zielona-gora.pl

Wine country

Situated among gently rolling hills and thick forest, "Green Mountain," or Zielona Góra (*German Grünberg*) is quite unique for a regional city. It originated in the 13th century as a way station along the east-west trade route between Poznań and Lusatia. Like Wrocław, the city had been under Polish, Bohemian and German influence throughout much of its history. Its population once Protestant then Catholic has left many monuments to its diverse past.

In the beginning of the industrial revolution, Zielona Góra had a vibrant textile industry, which was revived in the 20th century. Since 1852, an annual Wine Festival has celebrated the local grape

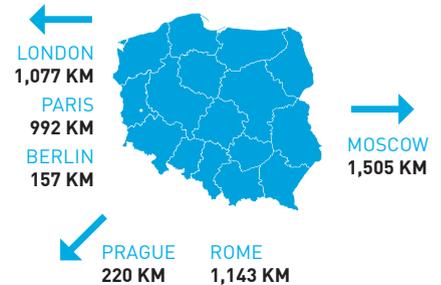
harvest and given publicity to the local wine-making tradition, one of the few such crafts in Poland.

Since 1999, Zielona Góra is one of two main cities in the Lubuskie Voivodeship, serving as the seat of the Voivodeship Council. Located just sixty kilometers from the German border, Zielona Góra is a regional education and industry center, with the IT industry making inroads in the last few years. It is home to the University of Zielona Góra, and a highly successful Speedway motorcycle racing team, Falubaz.

Other major cities

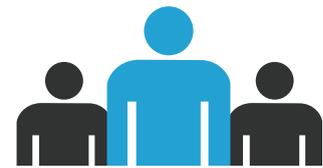
CITY	POPULATION	WORKING-AGE POPULATION	UNEMPLOYMENT
Nowa Sól	39,721	25,367	21.8%*
Żary	38,856	25,151	14.0%*

*LOCAL COUNTY DATA



MAYOR
JANUSZ KUBICKI

POPULATION (DEC. 2013)
118,405



WORKING-AGE POPULATION
(DEC. 2012)

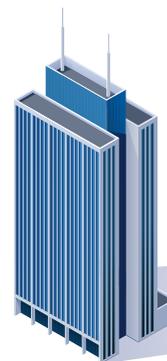
76,584

UNEMPLOYMENT RATE
(JULY 2014)

7.2%

AVERAGE PAY
(DEC. 2013)

PLN 3,363.53



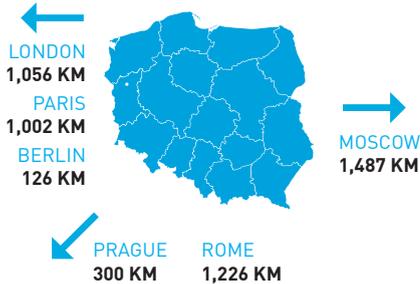
MODERN OFFICE
SPACE
20,000 SQM

OFFICE VACANCY
RATE
20.0%

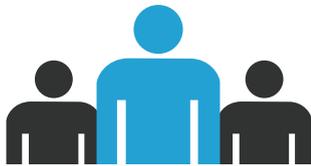
PRIME HEADLINE
RENTS
€5.00-€10.00

SOURCE: KNIGHT FRANK

CAPITAL
Gorzów Wielkopolski



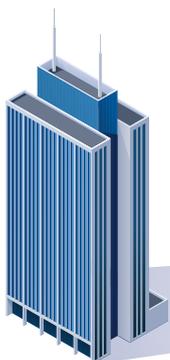
MAYOR
TADEUSZ JĘDRZEJCZAK
POPULATION (DEC. 2013)
124,344



WORKING-AGE POPULATION
(DEC. 2012)
80,741

UNEMPLOYMENT RATE
(JULY 2014)
6.8%

AVERAGE PAY
(DEC. 2013)
PLN 3,313.03



MODERN OFFICE
SPACE
Not available

OFFICE VACANCY
RATE
Not available

PRIME HEADLINE
RENTS
Not available



KEY CONTACTS

**City Hall Investor
Assistance Office**
gorzow.pl
ul. Kombatantów 34
66-400 Gorzów Wielkopolski
Tel. +48 95 735-5875
boi@um.gorzow.pl

Charming city with vibrant past

Gorzów Wielkopolski, a charming city established in western Poland, for years remained an essential part of the Polish realm. As the first chronicles report, the first settlements in the area were established in the 10th century to secure an important strategic point – the Warta river. It is home to the Voivode, while the Voivodship Council, headed by the Voivodship Marshall, is seated in Zielona Góra.

Its crucial location caused the city to be the scene of a fight for domination between Poles, Germans, and Czechs, especially during medieval times, when the Hussite army attacked. Not so many years ago, Gorzów once again became known, when after the brutal pacification

of workers' protests at the Ursus factory in 1981, the citizens actively cooperated in the "Solidarność" movement to show their need for independence from the communist regime.

Today, the city is experiencing a time of constant expansion. New companies are deciding to settle in Gorzów, infrastructural improvements are constantly made and culture is blossoming through jazz clubs that enrich the city's landscape with their subtle sounds.

The popularity of sports in Gorzów cannot be denied. Whether it's speedway motor-bike racing, basketball or water sports, the city cultivates its long tradition of sporting event participation with top-level successes.



Łódzkie

VOIVODSHIP



ADMINISTRATION



Voivode: Jolanta Chetmińska



Marshal: 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 (2013)

72,044

NUMBER OF GRADUATES (2013)

17,765

LABOR MARKET



POPULATION (Dec. 2013)

2,513,093

WORKING-AGE POPULATION (Dec. 2013)

1,568,769

UNEMPLOYMENT RATE (July 2014)

12.6%

AVERAGE MONTHLY WAGE (July 2014)

PLN 3,626.15

BUSINESS



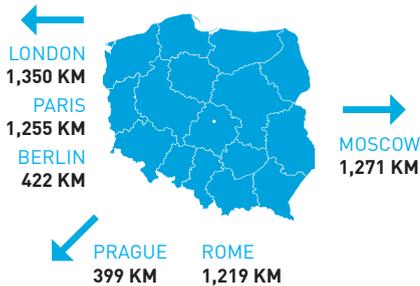
SPECIAL ECONOMIC ZONES

Łódź Special Economic Zone
"Starachowice" Special Economic Zone

RECENT MAJOR INVESTORS

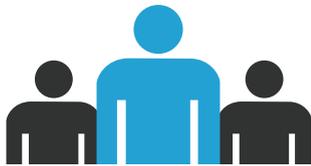
ABB, BSH Bosh und Siemens
Hausgeräte, Citi Handlowy, Clariant
Group, Elfa Group, Fuji Seal, Hutchinson,
Infosys, MP Production, Rena, Sandoz

CAPITAL Łódź



MAYOR
HANNA ZDANOWSKA

POPULATION (DEC. 2013)
711,332



WORKING-AGE POPULATION
(DEC. 2012)

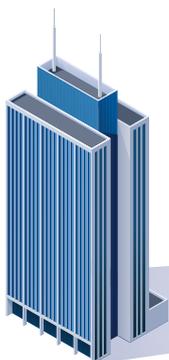
449,072

UNEMPLOYMENT RATE
(JULY 2014)

11.6%

AVERAGE PAY
(DEC. 2013)

PLN 3,710.91



MODERN OFFICE
SPACE
305,000 SQM

OFFICE VACANCY
RATE
12%

PRIME HEADLINE
RENTS
€11.50-€12.50



KEY CONTACTS

Investor Relations Office

invest.lodz.pl
ul. Piotrkowska 104a
90-926 Łódź
zoi_2@uml.lodz.pl

Tel. +48 42 638-5939
Tel. +48 42 638-5940

Post-industrial revolution

The name of the city means "boat." Legend has it that the first resident came here in a boat via a stream. They used the boat as a roof for the first settlement in what was to become Łódź.

It was not until the mid-nineteenth century that Łódź started to resemble the city that it is today. The industrial revolution and trade with businesses in the Russian Empire prompted the development of what the city would become most famous for – the textile industry.

Today, Łódź is Poland's third-largest city in terms of population and fourth in terms of area. When it was officially

recognized as a settlement by King Władysław Jagietto in 1423, it was given an area of approximately 6.7 square kilometers. It now covers an area over forty times that size.

Modern-day Łódź is a post-industrial city, which is growing to become an outsourcing hub, a goal supported by city authorities. This includes renovation of old industrial complexes and promotion of Łódź as a city of creative people, with events such as the Łódź Fashion Week.

Businesses currently based in or around Łódź include Procter & Gamble (Gillette factory), ABB, Dell, Adamed Pharma and Bosch-Siemens.

Other major cities

CITY	POPULATION	WORKING-AGE POPULATION	UNEMPLOYMENT
Piotrków Trybunalski	75,903	48,049	12.0%
Bełchatów	59,565	42,711	11.6%*

*LOCAL COUNTY DATA



Małopolskie

VOIVODSHIP



ADMINISTRATION



Voivode: Jerzy Miller



Marshall: Marek Sowa

KEY CONTACTS

Business in Małopolska Centre
businessinmalopolska.pl

ul. prof. Życzkowskiego 14
31-864 Kraków

Tel. +48 12 620-9140

Fax +48 12 620-9166

contact@businessinmalopolska.com

HIGHER EDUCATION



NUMBER OF INSTITUTIONS

33

MAJOR UNIVERSITIES

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

NUMBER OF STUDENTS (2013)

155,923

NUMBER OF GRADUATES (2013)

43,087

LABOR MARKET



POPULATION (Dec. 2013)

3,360,581

WORKING-AGE POPULATION (Dec. 2013)

2,120,442

UNEMPLOYMENT RATE (July 2014)

10.2%

AVERAGE MONTHLY WAGE (July 2014)

PLN 3,660.02

BUSINESS



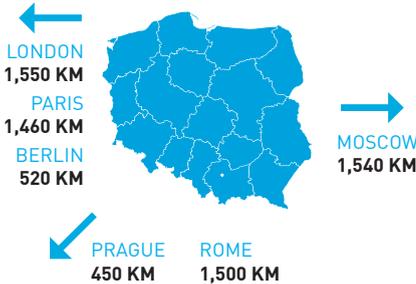
SPECIAL ECONOMIC ZONES

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

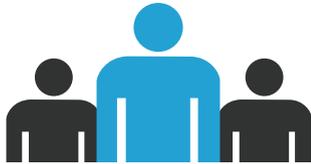
RECENT MAJOR INVESTORS

Akamai, Austria Card, Brown Brothers
Harriman, Carestream, Cisco, Dan Cake,
Deutsche Bank, Euroclear, Heineken,
Herbalife, Pharma Cosmetics/Fagron,
Premier Farnell, PerkinElmer, Roma
Food, SGL Carbon, Somfy, Valeo,
Woodward

CAPITAL
Kraków



MAYOR
JACEK MAJCHROWSKI
POPULATION (DEC. 2013)
758,992



WORKING-AGE POPULATION
(DEC. 2012)

485,549

UNEMPLOYMENT RATE
(JULY 2014)

5.6%

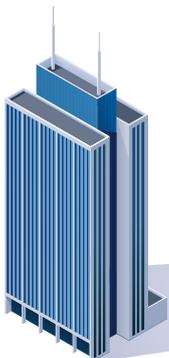
AVERAGE PAY
(DEC. 2013)

PLN 3,997.80

MODERN OFFICE
SPACE
620,000 SQM

OFFICE VACANCY
RATE
3.4%

PRIME HEADLINE
RENTS
€13.50-€14.50



SOURCE: KNIGHT FRANK, JLL



KEY CONTACTS

Municipality of Kraków
Press Office
krakow.pl
Pl. Wszystkich Świętych 3-4
31-004 Kraków
Tel.: +48 12 616-6052
Fax: +48 12 616-6056

Rich past, bright future

Kraków is one of the oldest settlements in Poland. Its history dates back to the Stone Age, when a settlement on Wawel Hill was established. According to legend, the city was founded by the mythical prince Krakus who is credited with building Wawel Castle and slaying the Wawel Dragon. The legend further states that his daughter, the princess Wanda, committed suicide when she was forced to marry a German leader.

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 it was moved from

Gniezno) and kept that role until 1596, when the seat of power was moved to Warsaw.

The city lost its momentum after Poland's capital was moved to Warsaw. Alas, it took a big part in the Polish independence movement during the partitions of Poland. Although the Kościuszko Insurrection and the Kraków Uprising failed, these events paved the way for the city to achieve relative independence. Between 1815 and 1846, it became the Free City of Kraków and many great Poles moved there, including Jan Matejko, Stanisław Wyspiański or Jan Kasprzowicz.

Nowadays, Kraków is a vibrant city, the second biggest in Poland, with offshoring and IT as one of the main sectors of specialization.

Other major cities

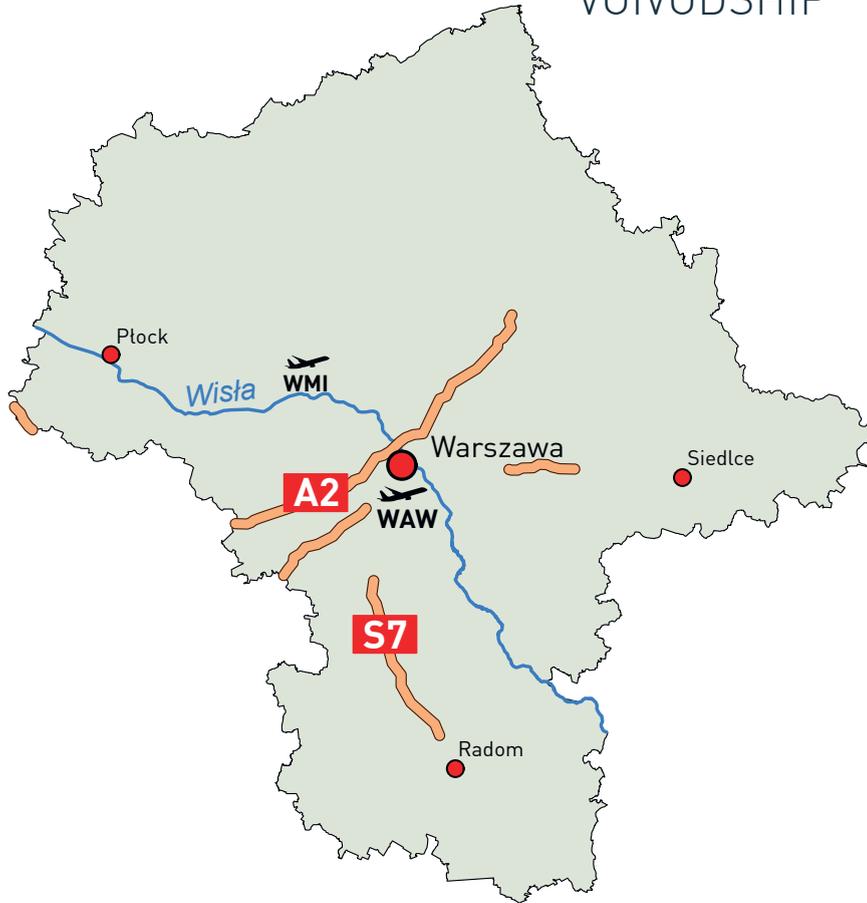
CITY	POPULATION	WORKING-AGE POPULATION	UNEMPLOYMENT
Tarnów	112,120	71,851	9.4%
Nowy Sącz	83,943	53,437	9.9%
Oświęcim	39,664	24,424	11.3%*

*LOCAL COUNTY DATA



Mazowieckie

VOIVODSHIP



ADMINISTRATION



Voivode: Jacek Kozłowski



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
Fax +48 22 843-8331
coie@armsa.pl

HIGHER EDUCATION



NUMBER OF INSTITUTIONS

105

MAJOR UNIVERSITIES

University of Warsaw,
Warsaw School of Economics,
Warsaw University of Technology

NUMBER OF STUDENTS (2013)

190,312

NUMBER OF GRADUATES (2013)

47,740

LABOR MARKET



POPULATION (Dec. 2013)

5,316,840

WORKING-AGE POPULATION (Dec. 2013)

3,319,937

UNEMPLOYMENT RATE (July 2014)

10.2%

AVERAGE MONTHLY WAGE (July 2014)

PLN 4,817.70

BUSINESS



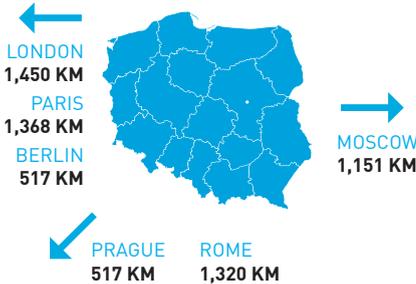
SPECIAL ECONOMIC ZONES

Tarnobrzeg Special Economic Zone
"EURO-PARK WIŚŁOSAN"
Warmia-Mazury Special Economic Zone
"STARACHOWICE" Special Economic Zone
Łódź Special Economic Zone
Suwałki Special Economic Zone

RECENT MAJOR INVESTORS

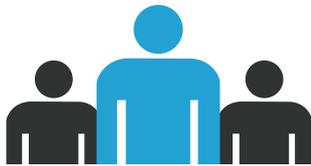
Faurecia, General Electric,
LG Electronics,
Skanska, Stora Enso

CAPITAL
Warsaw



MAYOR
HANNA GRONKIEWICZ-WALTZ

POPULATION (DEC. 2013)
1,724,404



WORKING-AGE POPULATION
(DEC. 2013)

1,061,842

UNEMPLOYMENT RATE
(JULY 2014)

4.5%

AVERAGE PAY
(DEC. 2013)

PLN 5,226.05

MODERN OFFICE
SPACE

4,300,000 SQM

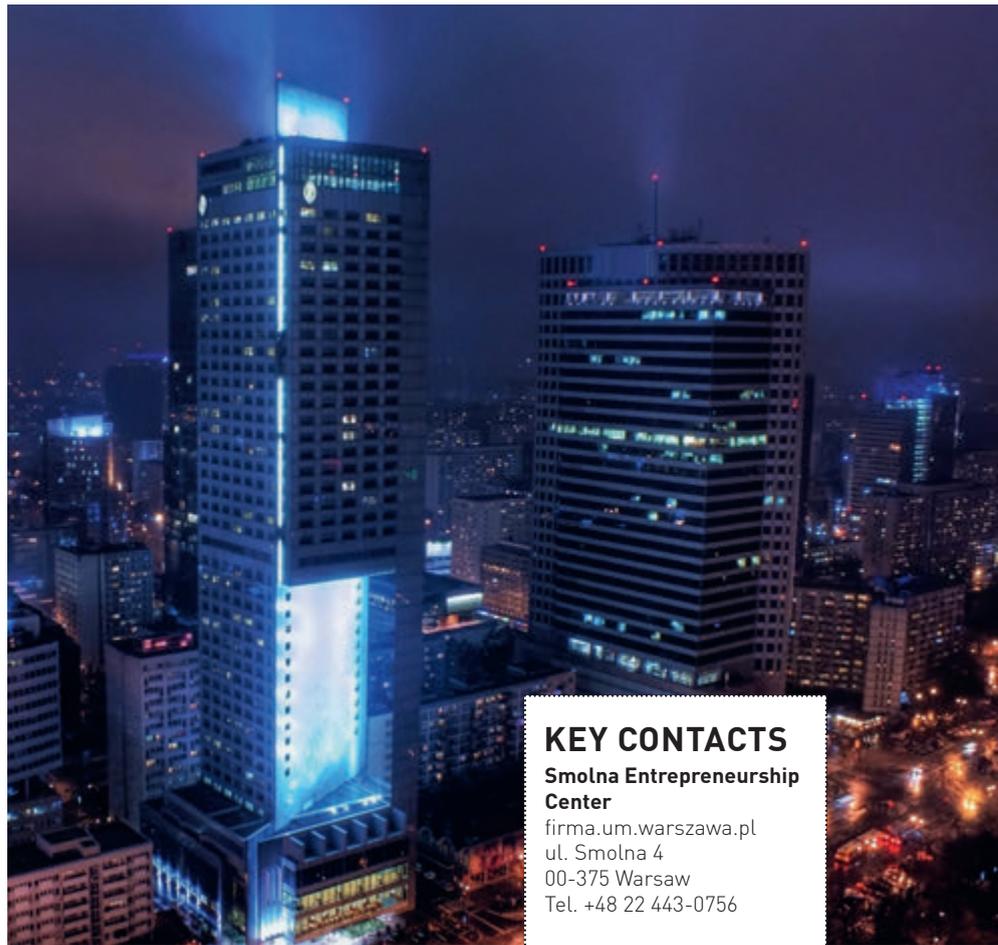
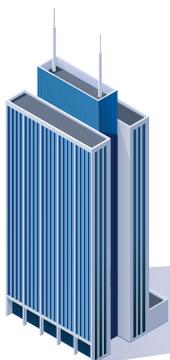
OFFICE VACANCY
RATE

13.25%

PRIME HEADLINE
RENTS

Central
€16.00-€26.00

Non-central
€14.50-€14.75



KEY CONTACTS

**Smolna Entrepreneurship
Center**

firma.um.warszawa.pl

ul. Smolna 4

00-375 Warsaw

Tel. +48 22 443-0756

Poland's beating heart

The capital city of Poland and the country's biggest city with a population exceeding 1.7 million citizens, Warsaw has always had its place among the most recognizable cities in Europe. Thanks to numerous classical monuments erected in the 18th century, Warsaw used to be called the "Paris of the East."

Despite its size, it's a relatively young city. Its beginnings date back to the 13th century. The city's name stems from Warcisław, the knight, 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. However, the history of Warsaw hasn't always been a bed of roses. As a result of World War II, up to 85 percent of the city was destroyed. In 1939, Warsaw was home to the biggest number of Jews in Europe. Hardly any of Warsaw's Jews survived the holocaust. Major monuments have been erected and Jewish history tours are organized year-round.

After the war, the capital city was effectively rebuilt, including the rebuilding of entire historical sections of the city (e.g. the Old Town). Recently, it has become one of the most developed cities in East-Central Europe and a center of global and domestic businesses.

Other major cities

CITY	POPULATION	WORKING-AGE POPULATION	UNEMPLOYMENT
Radom	218,466	138,086	21.2%
Płock	122,815	77,537	11.7%
Siedlce	76,347	48,446	10.7%

*LOCAL COUNTY DATA



Opolskie

VOIVODSHIP



ADMINISTRATION



Voivode: Ryszard Wilczyński



Marshal: Andrzej Buła

KEY CONTACTS

Investor and Exporter Assistance Centre
 investinopolskie.pl
 ul. Spychalskiego 1a
 45-716 Opole
 Tel. +48 77 403-3607
 Fax +48 77 403-3609
 invest@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 (2013)

24,994

NUMBER OF GRADUATES (2013)

8,663

LABOR MARKET



POPULATION (Dec. 2013)

1,004,416

WORKING-AGE POPULATION (Dec. 2013)

650,157

UNEMPLOYMENT RATE (July 2014)

12.5%

AVERAGE MONTHLY WAGE (July 2014)

PLN 3,574.22

BUSINESS



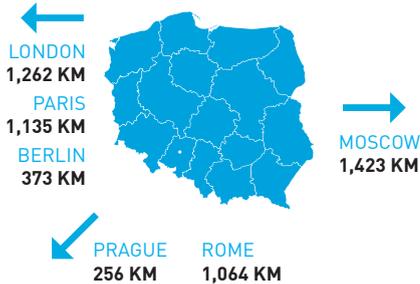
SPECIAL ECONOMIC ZONES

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

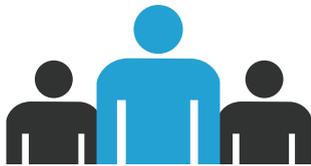
RECENT MAJOR INVESTORS

Donaldson Company, HeidelbergCement, Heerema Fabrication Group, IFM Ecolink, Kamex, Keiper (Johnson Controls), Mondelēz International, Marcegaglia, Neo Plus Technology, Metsa Tissue, Pasta Food Company, Pearl Stream, Schattdecor, Selt

CAPITAL **Opole**



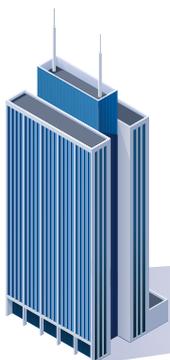
MAYOR
RYSZARD ZEMBACZYŃSKI
POPULATION (DEC. 2013)
120,146



WORKING-AGE POPULATION
(DEC. 2012)
79,106

UNEMPLOYMENT RATE
(JULY 2014)
6.4%

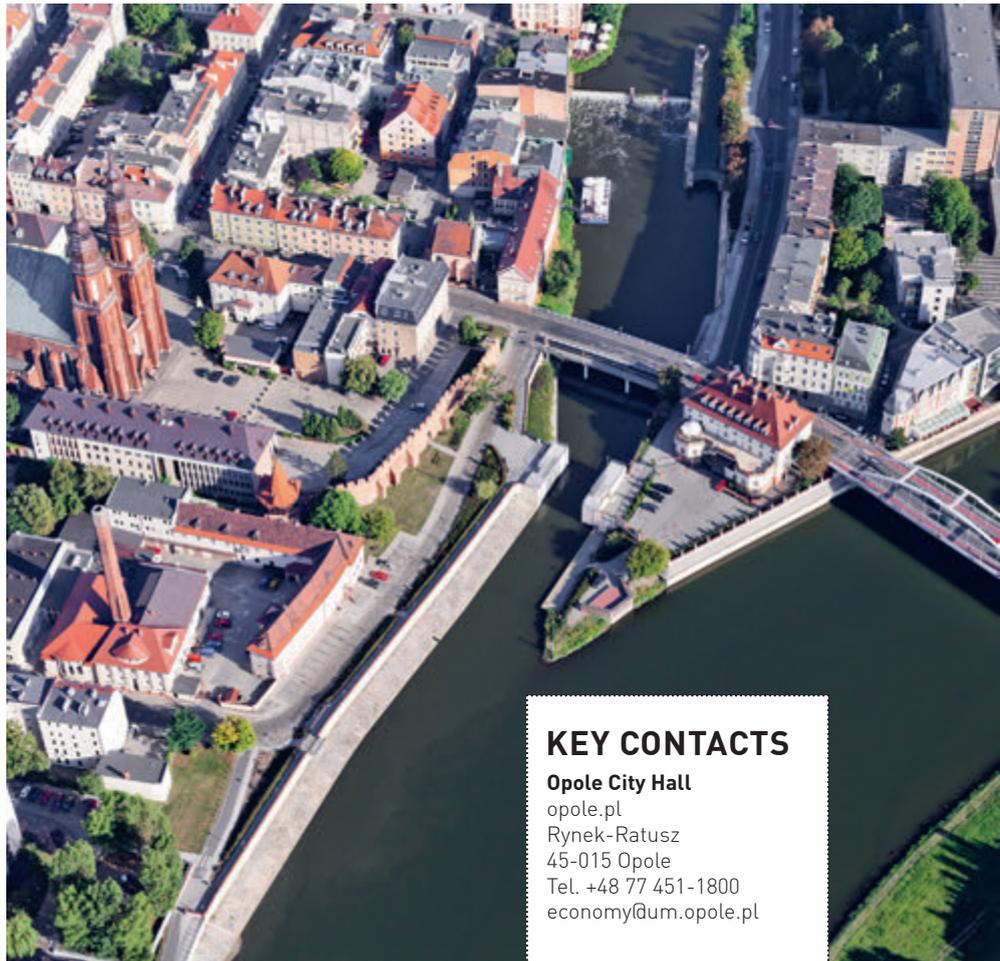
AVERAGE PAY
(DEC. 2013)
PLN 3,872.66



MODERN OFFICE
SPACE
24,400 SQM

OFFICE VACANCY
RATE
4.6%

PRIME HEADLINE
RENTS
€8.00-€10.00



KEY CONTACTS

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

All the right notes

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 the Second World War, 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 today's tourist with splendid architecture. Furthermore, the area around Opole is home to a significant German-speaking minority to this day.

The city's name is widely recognized around Poland for the National Polish Song Festival, which gathers young Polish artists and gives the audience an opportunity to meet future stars. This festival, however, is not the only that is organized in the city. The Jazz Rock Meeting, the International Percussion Festival and many more give a wide spectrum of the cultural life in the city.

Opole is the first city in Poland in terms of acquiring European Union donations per citizen. Such huge donations have helped in development of the city's infrastructure, renovation of the Old Town and modernization of the city's museums.

Other major cities

CITY	POPULATION	WORKING-AGE POPULATION	UNEMPLOYMENT
Kędzierzyn-Koźle	63,194	40,618	12.7%*
Nysa	44,899	29,124	17.5%*

*LOCAL COUNTY DATA



Podkarpackie

VOIVODSHIP



ADMINISTRATION



Voivode: Małgorzata
Chomycz-Śmigiełska



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 (2013)

45,470

NUMBER OF GRADUATES (2013)

14,027

LABOR MARKET



POPULATION (Dec. 2013)

2,129,294

WORKING-AGE POPULATION (Dec. 2013)

1,355,579

UNEMPLOYMENT RATE (July 2014)

14.7%

AVERAGE MONTHLY WAGE (July 2014)

PLN 3,263.27

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

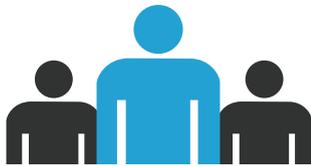
BorgWarner, Guangxi LiuGong
Machinery, Heli-one, Husqvarna, Lear,
McBride, MTU Aero Engines, Owens
Illinois, Pilkington, Pratt & Whitney,
Sikorsky Aircraft Corporation, TRI, United
Technologies, Valeant Pharmaceuticals
International, Zelmer

CAPITAL Rzeszów



MAYOR
TADEUSZ FERENC

POPULATION (DEC. 2013)
183,108



WORKING-AGE POPULATION
(DEC. 2012)

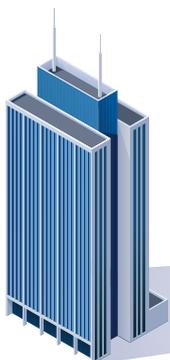
119,322

UNEMPLOYMENT RATE
(JULY 2014)

14.7%

AVERAGE PAY
(DEC. 2013)

PLN 3,859.86

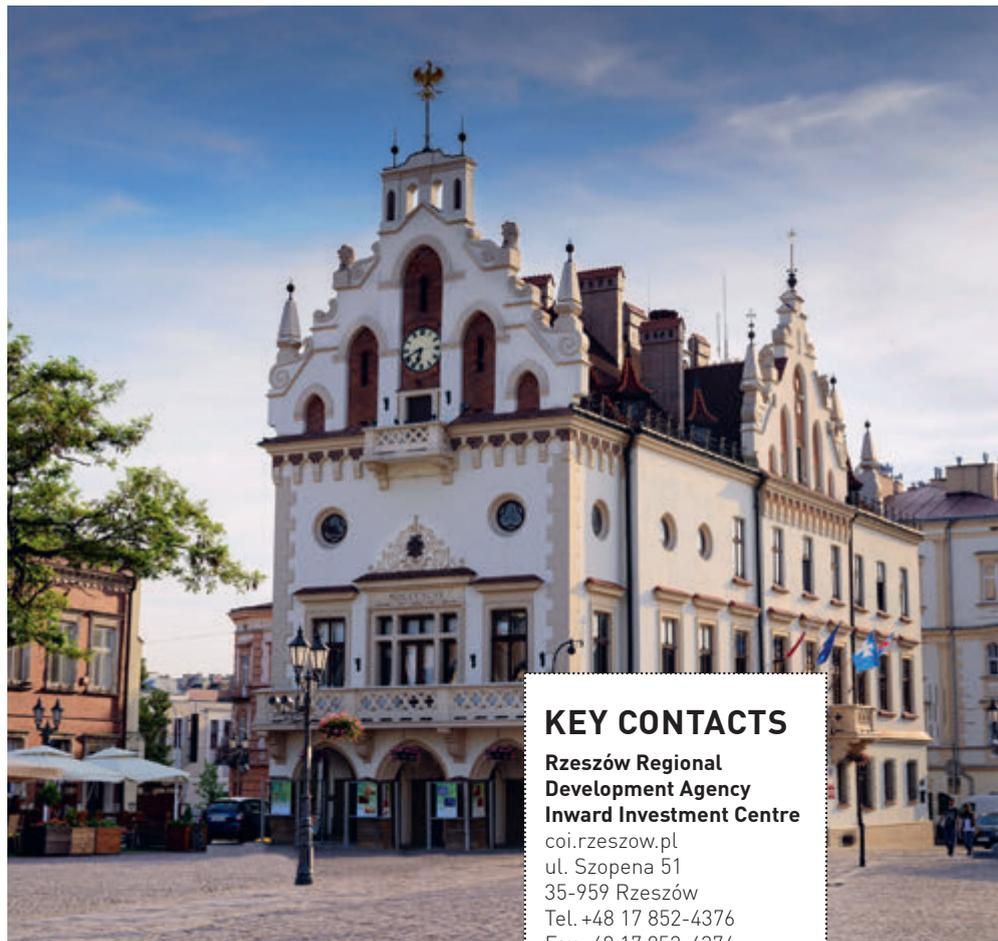


MODERN OFFICE
SPACE
71,600 SQM

OFFICE VACANCY
RATE
13.4%

PRIME HEADLINE
RENTS
€9.00-€12.00

SOURCE: JLL



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

Aviation capital

Rzeszów is the biggest agglomeration in the southeastern Poland, with a population exceeding 180,000. It is located in the Sandomierz Basin and Central Beskidian Piedmont, with beautiful rolling hills to its south.

Established in 1354, when king Casimir III the Great, gave new privileges and a town charter to the city. Shortly after, Rzeszów underwent significant transformation. New buildings, including churches, a monastery, a town hall and even a castle, were built.

The development of the city was brought to a halt by World War II. Incar-

ceration of the clergy, deportation of Jews were just some of the results of the war.

Today, Rzeszów is an industrial city, famous for production of household appliances, textiles, furniture and telecommunications, but the most developed area is aviation and pharmaceuticals. Rzeszów lies in Aviation Valley and produces, among others, fighter jet engines.

The architectural style of Rzeszów derives mainly from 19th and 20th centuries and corresponds to classicism, but other styles, such as Gothic Revival or Art Deco, are also visible.

Other major cities

CITY	POPULATION	WORKING-AGE POPULATION	UNEMPLOYMENT
Stalowa Wola	63,692	42,358	12.7%*
Przemyśl	63,638	40,755	16.6%
Mielec	61,096	40,129	11.2%*
Krosno	47,223	30,198	7.7%*

*LOCAL COUNTY DATA



Podlaskie

VOIVODSHIP



ADMINISTRATION



Voivode: Maciej Żywno



Marshall: Jarostaw Zygmunt Dworzański

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 (2013)

34,072

NUMBER OF GRADUATES (2013)

9,991

LABOR MARKET



POPULATION (Dec. 2013)

1,194,965

WORKING-AGE POPULATION (Dec. 2013)

759,614

UNEMPLOYMENT RATE (July 2014)

13.4%

AVERAGE MONTHLY WAGE (July 2014)

PLN 3,358.76

BUSINESS



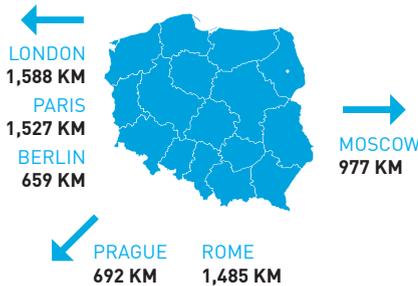
SPECIAL ECONOMIC ZONES

Suwałki Special Economic Zone
Tarnobrzeg Special Economic Zone

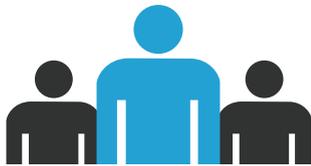
RECENT MAJOR INVESTORS

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

CAPITAL Białystok



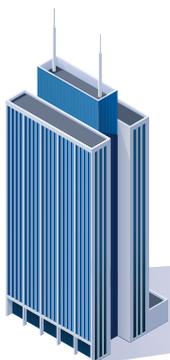
MAYOR
TADEUSZ TRUSKOLASKI
POPULATION (DEC. 2013)
295,282



WORKING-AGE POPULATION
(DEC. 2012)
193,523

UNEMPLOYMENT RATE
(JULY 2014)
12.7%

AVERAGE PAY
(DEC. 2013)
PLN 3,627.02



MODERN OFFICE
SPACE
41,600 SQM

OFFICE VACANCY
RATE
4.3%

PRIME HEADLINE
RENTS
€8.00-€10.00



KEY CONTACTS

Department of Strategy and
Development,
Investor Assistance Office
bialystok.pl
ul. Stonimska 1
15-950 Białystok
Tel. +48 85 869-6119
Fax +48 85 869-6211
dsrf@um.bialystok.pl

Eastern stronghold

Being the biggest and the most populated city in the northeastern part of Poland, Białystok gathers within its gates numerous attractions and buildings of historical heritage. It lies in the picturesque region of Podlasie. Literally, the city's name means "white slope."

First written mention of the city's existence appeared in 1426. Initially, it was only a crossroads connecting several villages, but with time it transformed into a thriving city. Buildings such as churches or taverns initiated the growth of the city, with a gothic renaissance castle of the Branicki family being the icing on the cake.

In 1939, Białystok served as the headquarters to Polish communists who later came to power in 1945. In 1941, Białystok was invaded by the Nazi army and a Jewish ghetto was established. Three years later, the citizens attempted to liberate the city from the hands of the occupying forces, but it ended in severe demolition of the city's structures. In the aftermath of the Second World War, Białystok was rebuilt, but it never regained its previous appearance and character.

Białystok is the birthplace of numerous widely-known personalities, e.g. Ludwik Zamenhof – the inventor of the international language Esperanto, the actress Izabella Scorupco, or football players Tomasz Frankowski and Wojciech Kowalewski.

Other major cities

CITY	POPULATION	WORKING-AGE POPULATION	UNEMPLOYMENT
Suwałki	69,317	45,911	10.8%
Łomża	62,711	42,312	15.1%



Pomorskie

VOIVODSHIP



ADMINISTRATION



Voivode: Ryszard Stachurski



Marshal: Mieczysław Struk

KEY CONTACTS

Invest in Pomerania
investinpomerania.pl
ul. Arkońska 6
80-387 Gdańsk
Tel. +48 58 323-3256
Fax +48 58 301-1341

HIGHER EDUCATION



NUMBER OF INSTITUTIONS

28

MAJOR UNIVERSITIES

Gdańsk University of Technology,
University of Gdańsk

NUMBER OF STUDENTS (2013)

75,667

NUMBER OF GRADUATES (2013)

19,809

LABOR MARKET



POPULATION (Dec. 2013)

2,295,811

WORKING-AGE POPULATION (Dec. 2013)

1,454,944

UNEMPLOYMENT RATE (July 2014)

11.5%

AVERAGE MONTHLY WAGE (July 2014)

PLN 3,999.43

BUSINESS



SPECIAL ECONOMIC ZONES

Pomeranian Special Economic Zone
Stupsk Special Economic Zone

RECENT MAJOR INVESTORS

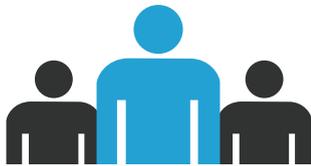
Alteams, Bayer, DB Schenker,
International Paper and Green World
Resources, Metsa Group, Nation-E,
TURAZ, WNS

CAPITAL
Gdańsk



MAYOR
PAWEŁ ADAMOWICZ

POPULATION (DEC. 2013)
461,531



WORKING-AGE POPULATION
(DEC. 2012)

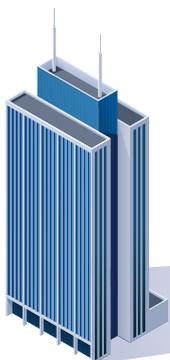
291,824

UNEMPLOYMENT RATE
(JULY 2014)

6.0%

AVERAGE PAY
(DEC. 2013)

PLN 4,562.66



MODERN OFFICE
SPACE
460,000 SQM

OFFICE VACANCY
RATE
14.0%

PRIME HEADLINE
RENTS
€12.75-€13.50

SOURCE: JLL



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

Sea of opportunity

Thanks to its location on the shores of the Baltic Sea, Gdańsk has always played a prominent role in Polish history. Its history dates back to the 7th century when it was a fishing settlement. The city was founded somewhere between 970-980 by the first ruler of Poland, Mieszko, who wanted to control the Vistula River delta. Officially, 997 is used as the city's founding date. It's first mentioned by its name in 999 in "Vita prima Sancti Adalberti," a document depicting the life and death of St. Adalbert, Poland's first saint.

Over the centuries, the city was wedged between two nations; Poland, which wanted stable access to the Baltic Sea and Germany, which wanted to expand further to the west. However, because of

its economic position as one of the most important regional grain trade outposts, it enjoyed significant autonomy, even briefly becoming a free city during the Napoleonic Wars and again after World War I.

Because of its large German influence and the fact that the city was incorporated into German territory at various periods of its existence, its German name, Danzig, has been widely popularized over the years and to this day it's still occasionally used in the international media.

During the communist era, the city became a cradle of anti-government opposition and the birthplace of the Solidarity movement. Currently, Gdańsk is a part of the Tri-City metropolitan area, along with Gdynia and Sopot.

Other major cities

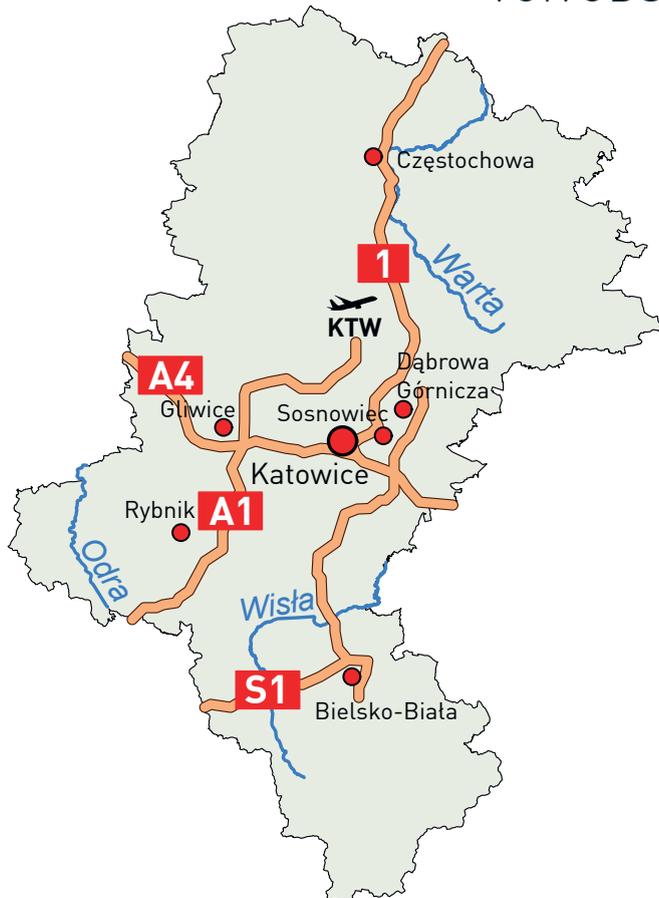
CITY	POPULATION	WORKING-AGE POPULATION	UNEMPLOYMENT
Gdynia	248,042	155,787	6.0%
Stupsk	93,936	60,996	10.9%
Tczew	60,610	38,609	11.8%*

*LOCAL COUNTY DATA



Silesia

VOIVODSHIP



ADMINISTRATION



Voivode: Piotr Litwa



Marshal: Mirosław Sekuła

KEY CONTACTS

Silesian Investor and Exporter Assistance Center
invest.slaskie.pl
ul. Ligonja 46
40-037 Katowice
info@invest-in-silesia.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 (2013)

106,904

NUMBER OF GRADUATES (2013)

30,213

LABOR MARKET



POPULATION (Dec. 2013)

4,599,447

WORKING-AGE POPULATION (Dec. 2013)

2,934,496

UNEMPLOYMENT RATE (July 2014)

10.0%

AVERAGE MONTHLY WAGE (July 2014)

PLN 4,141.89

BUSINESS



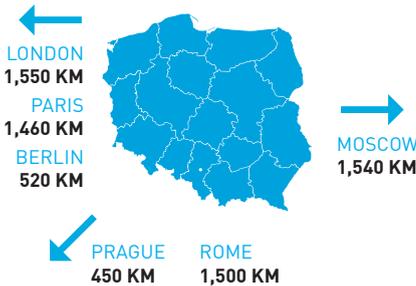
SPECIAL ECONOMIC ZONES

Katowice Special Economic Zone

RECENT MAJOR INVESTORS

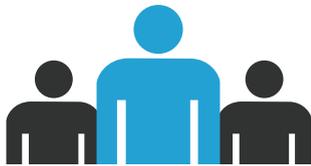
BMZ, Capgemini, Denso, Foseco,
FPG, Fortum, General Motors, IBM,
ING, ISD, Mapei, Mecalux,
Nexteer, Oracle, PwC,
Rockwell Automation, Skanska,
SKF, Steria, Stölzle, TPA Horwath,
TRW, Vlasenroot, Yamazaki Mazak

CAPITAL
Katowice



MAYOR
PIOTR USZOK

POPULATION (DEC. 2013)
304,362



WORKING-AGE POPULATION
(DEC. 2013)

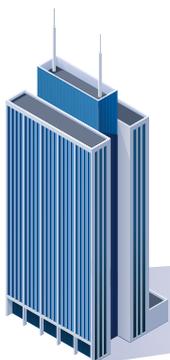
196,063

UNEMPLOYMENT RATE
(JULY 2012)

5.0%

AVERAGE PAY
(DEC. 2013)

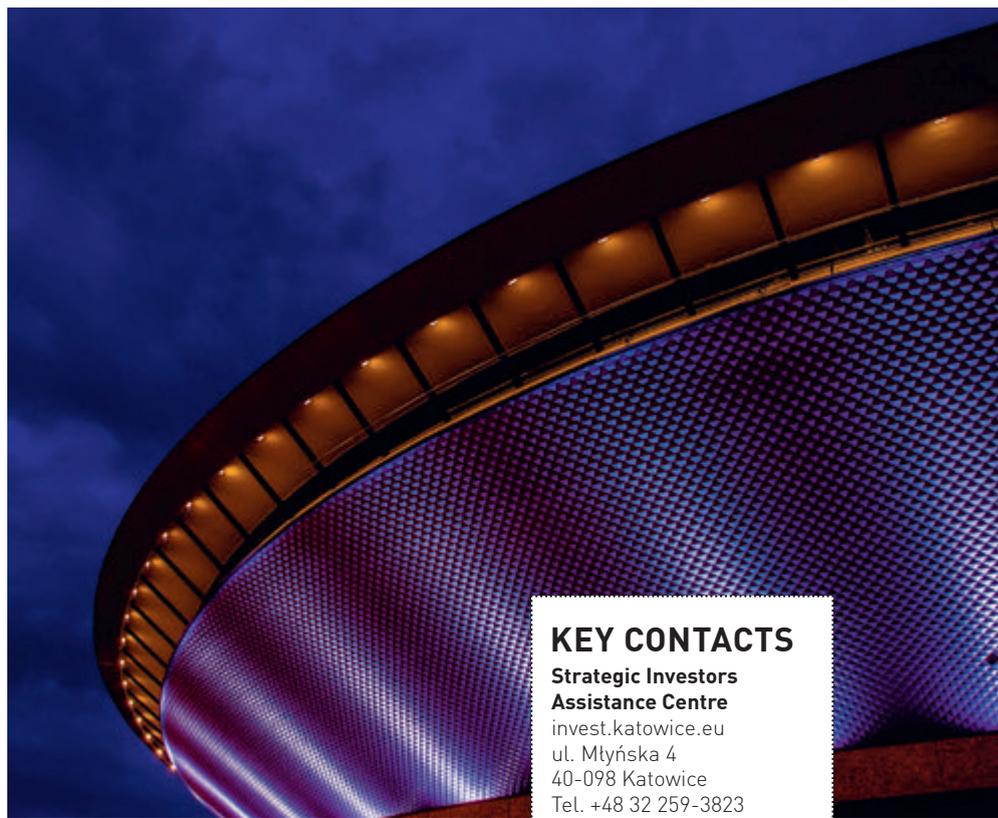
PLN 5,270.37



MODERN OFFICE
SPACE
280,000 SQM

OFFICE VACANCY
RATE
7.0%

PRIME HEADLINE
RENTS
€712.50-€3.75



KEY CONTACTS

**Strategic Investors
Assistance Centre**
invest.katowice.eu
ul. Młyńska 4
40-098 Katowice
Tel. +48 32 259-3823
Fax +48 32 259-7812
pkis@katowice.eu

City with **tortured history**

Long considered the historic capital of Polish heavy industry and mining, Katowice has a relatively short but hectic history. The first mention of its name dates back to 1598.

After incorporation into Prussia in the late 18th century, it became known as Kattowitz. Its expansion started in the mid 19th century upon connection to the Upper Silesian Railway. Soon after, it gained municipal rights.

Upon the proclamation of Poland's independence in 1920, the Polish nation in 1920, it was not known whether Katowice would be Polish. The region's population was fairly evenly divided between Poles and Germans. Plebiscites and three Sile-

sian uprisings finally pushed the region towards Warsaw.

For years, the Silesian region was a key industrial producer, home to many coal mines and some of the most modern steel mills in Europe. For a short period between 1953-1956, the city was renamed by the communists as Stalingród.

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 is undergoing a major renovation.

Other major cities

CITY	POPULATION	WORKING-AGE POPULATION	UNEMPLOYMENT
Częstochowa	232,318	149,460	11.9%
Sosnowiec	211,275	138,918	13.6%
Gliwice	185,450	120,248	6.9%
Bielsko-Biała	173,699	109,546	5.5%
Rybnik	140,173	91,794	7.2%
Dąbrowa Górnicza	123,994	82,645	11.4%

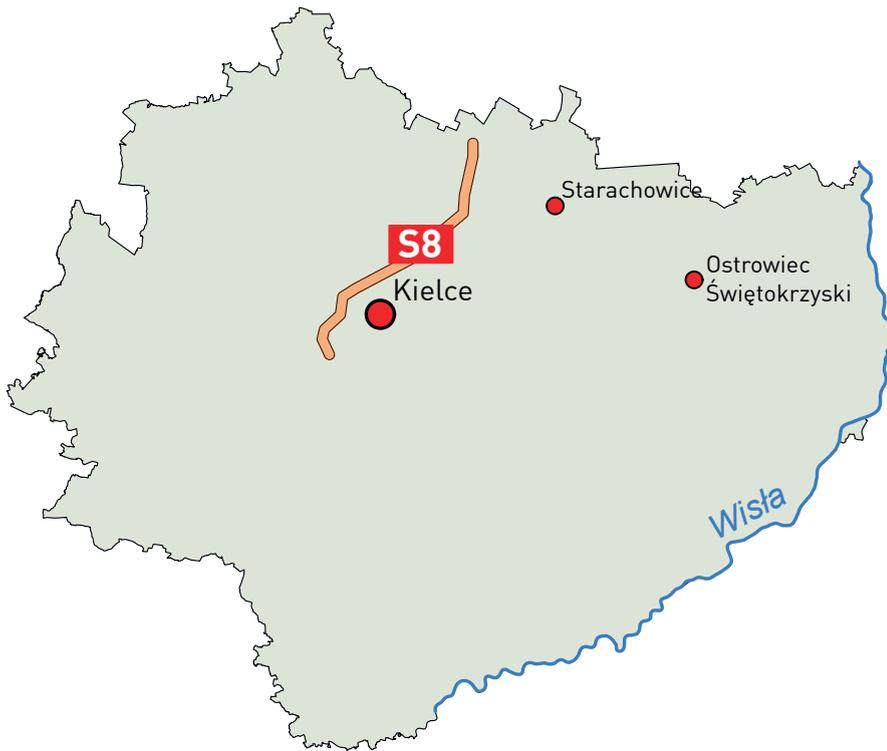
SOURCE: KNIGHT FRANK, JLLT

*LOCAL COUNTY DATA



Świętokrzyskie

VOIVODSHIP



ADMINISTRATION



Voivode: Bożentyna Patka-Koruba



Marshall: Adam Jarubas

KEY CONTACTS

Investors and Exporters Service Centre

swietokrzyskie.coie.gov.pl
ul. Sienkiewicza 63
25-002 Kielce
Tel. +48 41 365-8181

HIGHER EDUCATION



NUMBER OF INSTITUTIONS

15

MAJOR UNIVERSITIES

Jan Kochanowski University,
Kielce University of Technology

NUMBER OF STUDENTS (2013)

22,748

NUMBER OF GRADUATES (2013)

7,229

LABOR MARKET



POPULATION (Dec. 2013)

1,268,239

WORKING-AGE POPULATION (Dec. 2013)

797,885

UNEMPLOYMENT RATE (July 2014)

14.6%

AVERAGE MONTHLY WAGE (July 2014)

PLN 3,381.95

BUSINESS



SPECIAL ECONOMIC ZONES

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

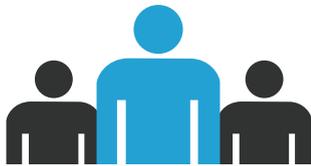
RECENT MAJOR INVESTORS

AS Energy, Foster Wheeler,
GDF SUEZ

CAPITAL Kielce



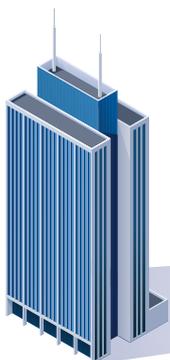
MAYOR
WOJCIECH LUBAWSKI
POPULATION (DEC. 2013)
199,870



WORKING-AGE POPULATION
(DEC. 2012)
127,913

UNEMPLOYMENT RATE
(JULY 2012)
10.1%

AVERAGE PAY
(DEC. 2013)
PLN 3,597.04



MODERN OFFICE
SPACE
52,700 SQM
OFFICE VACANCY
RATE
6.7%

PRIME HEADLINE
RENTS
€9.50-€11.00

SOURCE: JLL



KEY CONTACTS

Investor Assistance Center
invest.kielce.pl
ul. Strycharska 6
25-659 Kielce
Tel. +48 41 367-6557
Fax +48 41 367-6552
coi@um.kielce.pl

Mixture of past and future

A legend that tells the story of the creation of Kielce connects its name to the fangs (*Polish kiel*) of an animal, which were found here by Polish prince Mieszko during a hunt in the local forest. Surrounded by picturesque hillsides, Kielce remains one of the most vibrant centers of the Świętokrzyskie voivodship.

During its long history, Kielce based its industry on ore processing of copper, iron and lead, as well as marble production. Currently, the city has expanded into different branches, including prop-

erty development, building materials and food processing. Kielce's center presents a magnetizing mix of aged churches, renovated palaces and a beautiful market, that together form the unique character of the city.

As a city with over 113 sport clubs and associations, Kielce is definitely encouraging its citizens to participate in sport activities. From boxing and American football clubs to handball and karate associations, the choice for every resident is really huge. A top tier football club, Korona, holds matches in a modern stadium.

Other major cities

CITY	POPULATION	WORKING-AGE POPULATION	UNEMPLOYMENT
Ostrowiec Świętokrzyski	72,277	46,832	19.7%*
Starachowice	51,158	32,438	16.6%*

*LOCAL COUNTY DATA



Warmińsko-Mazurskie

VOIVODSHIP

ADMINISTRATION



Voivode: Marian Podziewski



Marshal: Jacek Protas

KEY CONTACTS

Investors and Exporters' Service Centre

invest.warmia.mazury.pl
Pl. Bema 3
10-516 Olsztyn
Tel. +48 89 521-9195
Fax +48 89 521-9179
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 (2013)

32,547

NUMBER OF GRADUATES (2013)

9,177

LABOR MARKET



POPULATION (Dec. 2013)

1,446,915

WORKING-AGE POPULATION (Dec. 2013)

935,744

UNEMPLOYMENT RATE (July 2014)

18.6%

AVERAGE MONTHLY WAGE (July 2014)

PLN 3,216.34

BUSINESS



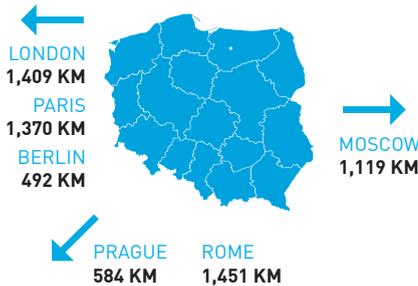
SPECIAL ECONOMIC ZONES

Suwałki Special Economic Zone
Warmia-Mazury Special Economic Zone

RECENT MAJOR INVESTORS

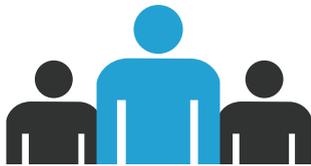
Alstom, Heinz-Glas, IKEA,
Michelin, Philips Lighting,
Smithfield Foods

CAPITAL
Olsztyn



MAYOR
PIOTR GRZYMOWICZ

POPULATION (DEC. 2013)
174,675



WORKING-AGE POPULATION
(DEC. 2012)

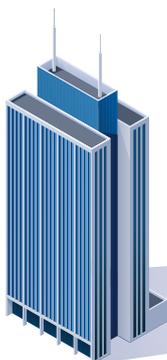
114,934

UNEMPLOYMENT RATE
(JULY 2014)

7.3%

AVERAGE PAY
(DEC. 2013)

PLN 3,795.30



MODERN OFFICE
SPACE
31,500 SQM

OFFICE VACANCY
RATE
13.8%

PRIME HEADLINE
RENTS
€10.00-€11.50

SOURCE: JLL



KEY CONTACTS

Olsztyn City Hall
olsztyn.eu
Pl. Jana Pawła II 1
10-101 Olsztyn
Tel. +48 89 527-3111
Fax +48 89 535-1558

All along the watchtower

Located in the beautiful and picturesque region of the Masurian lake district, Olsztyn attracts a significant number of tourists both from Poland and abroad. First reports of the city come from 1334, when Henryk von Luter built a wooden watchtower and named it Allenstein. In the same year, in place of the watchtower, construction of a castle was started. Nineteen years later, after the city grew and gained town privileges, the name turned into Holstin and eventually Olsztyn. In the 14th century, a gothic church was build. It remains one of the most famous examples of brick gothic churches in Poland.

For several years in the 15th and 16th centuries, Olsztyn's citizens fought against

the Teutonic Knights, with mixed results. In the 17th century, Olsztyn developed mainly thanks to merchants on the Kaliningrad-Warsaw trade route. Craftsmanship played a significant role in the development of the city.

In 1945, the city was occupied and burned by the Red Army. As a result, almost 40 percent of the city was destroyed. After the war, Olsztyn has turned into a lively and prosperous city. Several sectors of industry developed, e.g. rubber, timber or machine manufacture. The famous French tire producer, Michelin, has its factory in Olsztyn. American Citi Group has set up a BPO center here as well.

Other major cities

CITY	POPULATION	WORKING-AGE POPULATION	UNEMPLOYMENT
Elbląg	122,899	80,430	15.9%
Ełk	59,790	39,380	22.8%*

*LOCAL COUNTY DATA



Wielkopolskie

VOIVODSHIP



ADMINISTRATION



Voivode: Piotr Florek



Marshal: 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 (2013)

107,556

NUMBER OF GRADUATES (2013)

29,338

LABOR MARKET



POPULATION (Dec. 2013)

3,467,016

WORKING-AGE POPULATION (Dec. 2013)

2,206,381

UNEMPLOYMENT RATE (July 2014)

8.2%

AVERAGE MONTHLY WAGE (July 2014)

PLN 3,593.95

BUSINESS



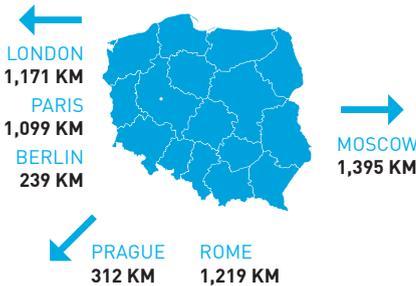
SPECIAL ECONOMIC ZONES

Kamienna Góra Special
Economic Zone
Kostrzyn-Stubice Special
Economic Zone
Łódź Special Economic Zone
Pomeranian Special Economic Zone
Wąbrzych Special
Economic Zone

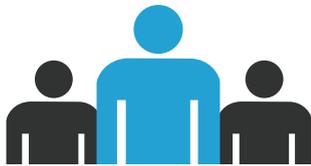
RECENT MAJOR INVESTORS

Amazon, Bridgestone, Carl Zeiss, Detica
BAE Systems, EXIDE, GlaxoSmithKline,
HolidayCheck, Itella, Rule Financial,
Samsung, Savvis, Sii, Unilever

CAPITAL
Poznań



MAYOR
RYSZARD GROBELNY
POPULATION (DEC. 2013)
548,028



WORKING-AGE POPULATION
(DEC. 2012)

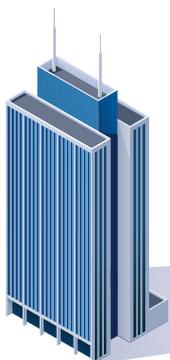
352,652

UNEMPLOYMENT RATE
(JULY 2014)

3.5%

AVERAGE PAY
(DEC. 2013)

PLN 4,256.82



MODERN OFFICE
SPACE
290,000 SQM

OFFICE VACANCY
RATE
13.5%

PRIME HEADLINE
RENTS
€14.00-€15.00



KEY CONTACTS

**Investors Relations
Department**

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

City of know-how

Poznań, Poland's 5th most populated city, has both tradition and modern development, branding itself as "The City of know-how."

The first settlement on the site was created during the 4th millennium BC. In the 7th century, a borough was built to guard the strategic position on the bank of the Warta river. Historians still argue whether Poznań was the city where Mieszko, Poland's first ruler, was baptized, thus officially establishing Christianity in his realm.

For years, Poznań maintained its status as a center of the region. Mercantile trails crossing the area contributed to increased wealth of the city, enabling the citizens to enrich the city with impressive archi-

itecture. After Poland lost independence in the Partitions of Poland (1772-1918), Poznań played an important role as a center of Polish culture in the region.

Today, Poznań experiences swift growth that contributes to the changing outlook of the city. The Universities of Poznań educate over 135,000 students, providing education to both Polish and international students. Many residents celebrate frequent wins of the city's first tier football club Lech Poznań.

The infrastructure of the city is well-developed with numerous railway stations and an international airport. Poznań's International Fairground is home to numerous expos year-round.

Other major cities

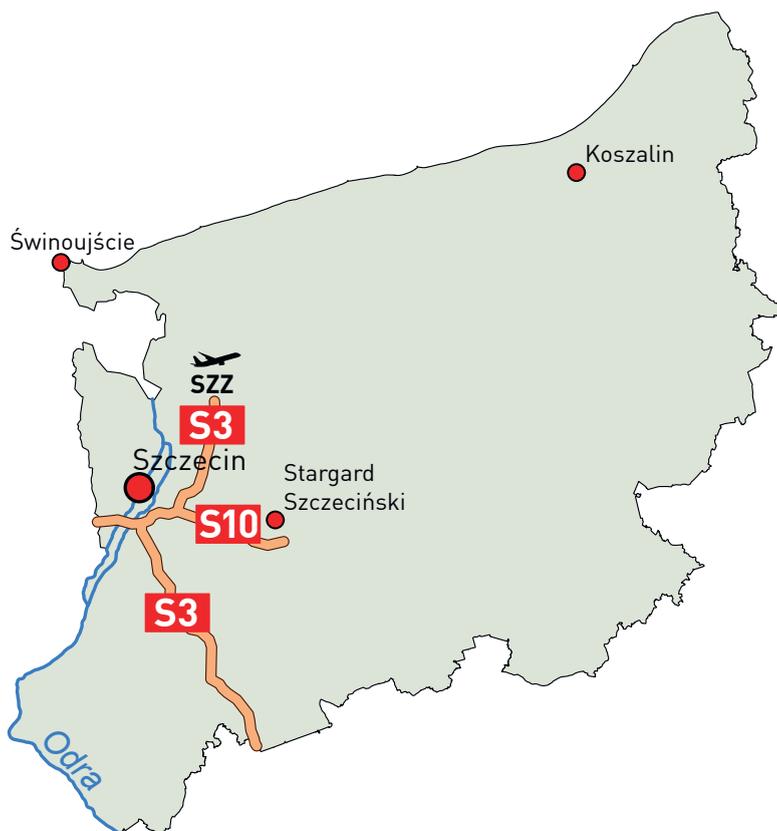
CITY	POPULATION	WORKING-AGE POPULATION	UNEMPLOYMENT
Kalisz	103,997	64,872	6.8%
Konin	77,224	49,626	12.8
Piła	74,609	48,575	10.8%*

*LOCAL COUNTY DATA



Zachodniopomorskie

VOIVODSHIP



ADMINISTRATION



Voivode: Marek Tałasiewicz



Marshal: Olgierd Geblewicz

KEY CONTACTS

Marshal's Office of the West Pomeranian Region Investors' Assistance Center

iac.wzp.pl
ul. Korsarzy 34
70-540 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 (2013)

48,031

NUMBER OF GRADUATES (2013)

12,028

LABOR MARKET



POPULATION (Dec. 2013)

1,718,861

WORKING-AGE POPULATION (Dec. 2013)

1,107,824

UNEMPLOYMENT RATE (July 2014)

15.3%

AVERAGE MONTHLY WAGE (July 2014)

PLN 3,597.66

BUSINESS

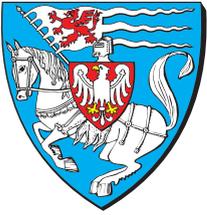


SPECIAL ECONOMIC ZONES

Stupsk Special Economic Zone
Kostrzyn-Stubice Special
Economic Zone
Pomeranian Special Economic Zone
EURO-PARK MIELEC Special
Economic Zone

RECENT MAJOR INVESTORS

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



Koszalin

an attractive place to invest in



Koszalin is a dynamically developing economic center, located in the north-west part of Poland, on the **Jamno Lake**, which is connected with the Baltic Sea. The city offers attractive investment plots of land designated for the construction of hotels and for services, trade, production, recreational, sports and gastronomic purposes

„Koszalin Subzone” SłupskSEZ investment assets

- **Perfect location and transport accessibility** in the vicinity of national routes No 6 (Szczecin - Gdańsk) and No 11 (Kołobrzeg – Poznań – Górny Śląsk) near planned motorways no S6 and no S11 junction.
- **Full technical infrastructure:** water, rain, sewage, electrical energy and natural gas (large capacity). In implementation project co-financed from RPO WZ 2007-2013 valued: 79,8 mln zł (EU funds co-financing: 39,9 mln zł)
- **Zoning in local spatial development plan:** industrial production, logistic & arehouse centers. No investment obstacles. Allowed built-up area: up to 75%, max. height up to 25 m.
- **Plots division according to investor’s needs** which means large savings. Min. plot area from 0,4 ha.
- **Friendly climate and numerous international contacts** permanent contact with investor till launching plant.
- **Preferences and tax incentives.**
- **Well qualified future staff and low work costs.**
- **Investment process assistance.**
- **Professional and efficient investor service.**



The city of Koszalin offers *attractive investment lands equipped with utilities of approximately 51 hectares* located in the **"Koszalin" Subzone of the Słupsk Special Economic Zone (SSSE)** under attractive conditions. The lands are designated for the building of production plants and logistics centers as well as for BPO investments.

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* (up to 200 thousand Euro).



Źródło: www.google.pl

WELCOME TO KOSZALIN

More information is available at www.koszalin.pl and www.inwestycje.koszalin.pl

Contact
MUNICIPALITY OF KOSZALIN
75-007 Koszalin PL, Rynek Staromiejski 6-7

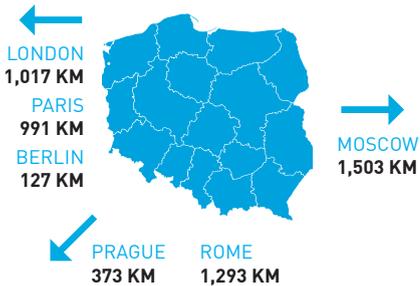
Piotr Jedliński
Mayor of Koszalin
Phone : (+48) 94-348-86-03, Fax : (+48) 94-348-86-25
@: piotrjedlinski@um.man.koszalin.pl

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

Investors in Subzone Koszalin:

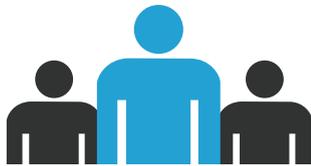
- Rotho – Switzerland
- Nordglass – Poland
- Jeronimo Martins Polska - Portugal
- Elfa Manufacturing Poland – Sweden
- Jakob Hatteland Computer – Norway
- PHU ROMEX Roman Wasilewski – Poland
- Fabryka Flag LINEA – Poland
- Produx Retail Technology - Poland
- AJCON – Denmark
- Q4Glass ABJ Investors – Poland
- Espan. – Denmark
- Bałtyk Trans Spedition Paweł Sominka – Poland
- Romex – Poland
- Przedsiębiorstwo Robót Inżynieryjnych i Budowlanych Infrabud - Poland
- Surimet – Poland
- „BartosZ” Hydraulika Siłowa Bartosz Lipiński – Poland
- Termprojekt Spółka cywilna D. Sulima, S. Hirny – Poland
- ClownPolska – Poland
- Recyklon – Poland

CAPITAL
Szczecin



MAYOR
PIOTR KRZYSZEK

POPULATION (DEC. 2012)
408,172



WORKING-AGE POPULATION
(DEC. 2012)

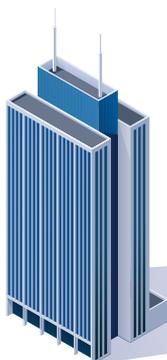
262,469

UNEMPLOYMENT RATE
(JULY 2014)

9.8%

AVERAGE PAY
(DEC. 2013)

PLN 4,029.51

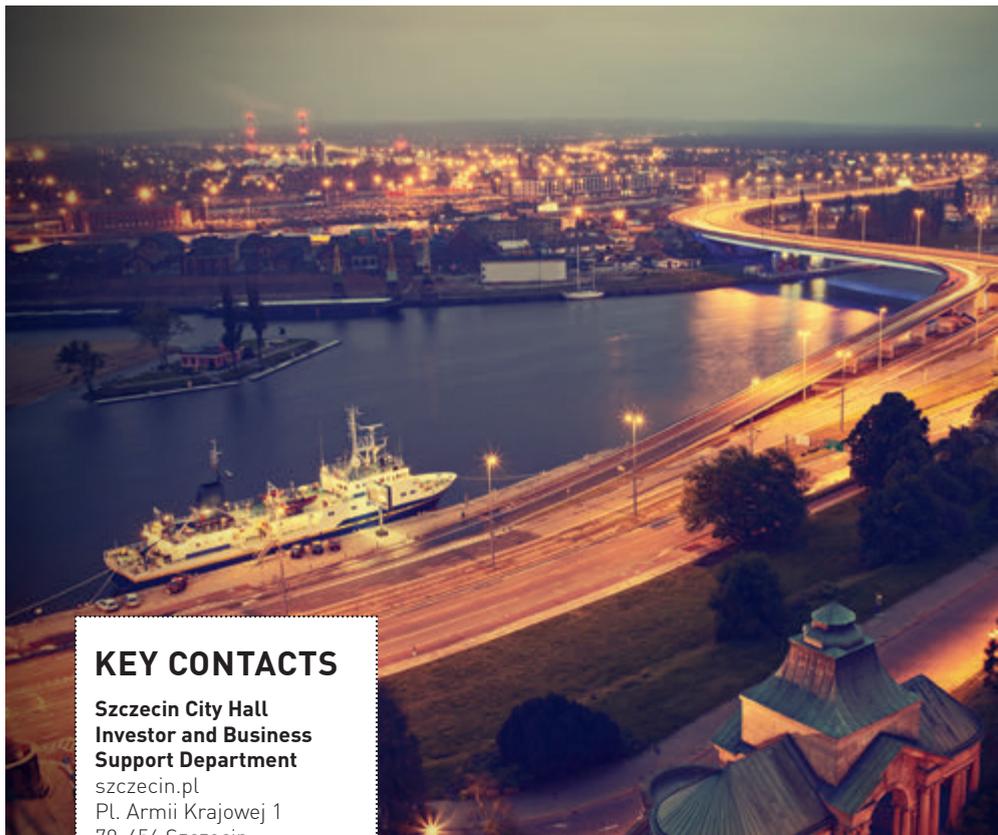


MODERN OFFICE
SPACE
100,000 SQM

OFFICE VACANCY
RATE
15.0%

PRIME HEADLINE
RENTS
€11.50-€13.00

SOURCE: KNIGHT FRANK JLL



KEY CONTACTS

**Szczecin City Hall
Investor and Business
Support Department**
szczecin.pl
Pl. Armii Krajowej 1
70-456 Szczecin
Tel. +48 91 424-5819
Fax +48 91 424-5820
investor@um.szczecin.pl

Between mainland and sea

Szczecin is Poland's seventh-largest city, located in the northwestern corner of the country. The city is a major marine port, thanks in part to 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, later expanded under Slavic rulers.

In 1181 it became part of the German Empire with the settlement formally becoming a city in 1243. Most of its further history, under the name of Stettin,

was associated with Germany. Stettin's beautiful urban street plan has been compared to Parisian boulevards.

Today, Szczecin focuses on its role as a transportation hub, conveniently located on the crossroads of major European routes and close to the sea. This has proved an advantage both in terms of industry and tourism. Szczecin is the host of an annual tall ships festival.

Businesses currently based in and around Szczecin include sea transportation companies Unity Line and Polska Żegluga Morska, the Gryfia shipyard, chemical plant Police and wind turbine firm KK-Electronic.

Other major cities

CITY	POPULATION	WORKING-AGE POPULATION	UNEMPLOYMENT
Koszalin	109,170	69,972	10.8%
Stargard Szczeciński	69,328	45,497	18.1%*
Świnoujście	41,371	26,920	5.9%

*LOCAL COUNTY DATA

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GROUP

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POLISH
BUSINESS NEWS

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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, encompassing a total of 16,143.47 hectares. This year, their lifespan has been extended to 2026 (from 2020). Some 200 ha were added to their territory this year alone.

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.

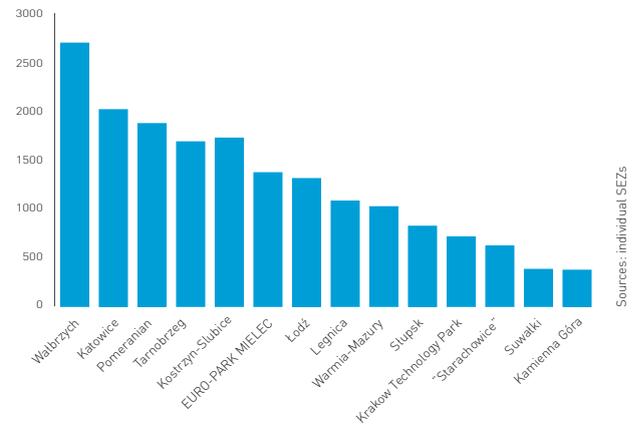
Companies investing in SEZs can count on numerous incentives, including tax breaks. According to the Economy Ministry's calculations, investors in Polish SEZs saved over zł.4.9 billion in tax breaks between 2007 and 2010. From their inception through the end of 2010, companies invested a total of more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

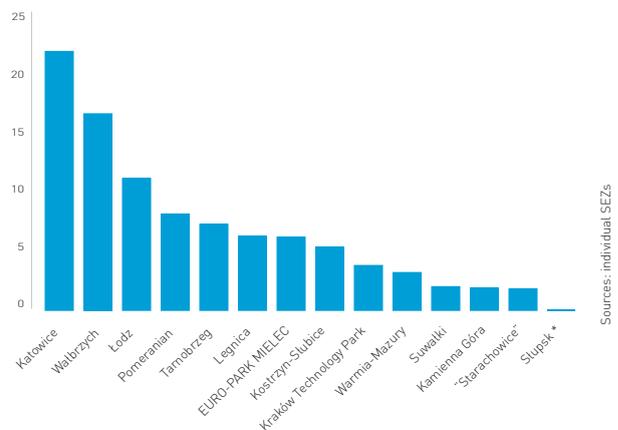
At the same time, regardless of their dominant industries or geographic locations, all of Poland's special economic zones remain open to a wide range of investments.

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



*Słupsk SEZ did not disclose the data

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: 1,362 ha (465 ha available)

Dominant industries: automotive, aviation, metals, wood processing

Total number of new workplaces: 23,823

Total value of investments: PLN 6.2 bln

Top investors in terms of value:

Polskie Zakłady Lotnicze (US), aviation
 MTU Aero Engines Polska (Germany), aviation
 BorgWarner Turbo & Emissions Systems (US), automotive
 Lear Corporation (US), automotive
 Kirchhoff Polska (Germany), automotive

Contact:

europark.com.pl
 ul. Partyzantów 25
 39-300 Mielec
 Tel. +48 17 788-7236
 Fax +48 17 788-7769
 europark@europark.com.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: 367.14 ha (131.40 ha available)

Dominant industries: automotive, metal, paper, printing

Total number of new workplaces: 4,855

Total value of investments: PLN 1.89 bln

Top investors in terms of value:

BDN Sp. z o.o. Sp. K.(Germany), printing
 Tbai Poland (Japan), automotive
 Takata Parts Polska (Japan), automotive
 Polcolorit (Poland), ceramics
 Dr Schneider Automotive Polska (Germany), automotive
 Wepa Professional Piechowice (Germany), paper

Contact:

ssemp.pl
 58-400 Kamienna Góra
 Tel. +48 75 645-2030
 Fax +48 75 744-2017
 strefa@ssemp.pl

SPECIAL ECONOMIC ZONE EURO-PARK MIELEC



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- ▶ **20 YEARS OF EXPERIENCE IN ASSISTING INVESTORS**
- ▶ INCENTIVE PACKAGE – maximum level of public aid in the EU



industrial land for project development



production buildings and office space



new production halls built by the IDA
to rent, to buy, to lease



**Industrial Development Agency
Branch Office in Mielec**

Partyzantów 25 Street 39-300 Mielec
tel. (+48 17) 788 72 36, fax (+48 17) 788 77 69
e-mail: europark@europark.com.pl

www.arp.com.pl
www.europark.com.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: 2,005 ha (1.300 ha available)

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

Total number of new workplaces: 53,000

Total value of investments: PLN 22 bln

Top investors in terms of value:

General Motors Manufacturing Poland (US), automotive

Fiat GM Powertrain Polska (Italy), automotive

NGK Ceramics Polska (Japan), automotive

Nexteer Automotive Poland (US), automotive

Duda Bis (Poland), food processing

Brembo Poland (Italy), automotive

Isuzu Motors Polska (Japan), automotive

Guardian Częstochowa (US), glass

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: 1.715 ha (841 ha available)

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

Total number of new workplaces: 24,508

Total value of investments: PLN 5.38 bln

Top investors in terms of value:

ICT Poland (Italy), paper

Faurecia Gorzów (France), automotive

TPV Displays Polska (China), electronics

Arctic Paper Kostrzyn (Sweden), paper

Barlinek Inwestycje (Poland), wood

Volkswagen Poznań (Germany), automotive

Contact:

kssse.com.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

Dominant industries: automotive, BPO, IT

Total number of new workplaces: 17,000

Total value of investments: PLN 3.8 bln

Top investors in terms of value:

Comarch (Poland), IT

RR Donnelley Europe (US), printing

MAN Truck & Bus (Germany), automotive

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: 1,071 ha (880 ha available)

Dominant industries: automotive

Total number of new workplaces: WND

Total value of investments: PLN 6.3 bln

Top investors in terms of value:

Volkswagen Motor Polska (Germany), automotive

Sitech (Germany), automotive

Winkelman (Germany), metal

BASF (Germany), chemical

Contact:

lsse.eu

ul. Św. Maksymiliana Kolbe 14

59-220 Legnica

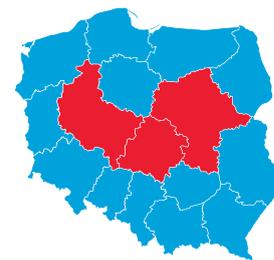
Tel. +48 76 727-7470

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: 1.302 ha

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

Total number of new workplaces: 29,000

Total value of investments: PLN 11.2 bln

Top investors in terms of value:

- Dell Products Poland (US), IT
- Gillette Poland International (US), consumer goods
- Procter & Gamble (US), consumer goods
- Indesit (Italy), white goods

Contact:

sse.lodz.pl
ul. Tymienieckiego 22/24
90-349 Łódź
Tel. +48 42 676-2753
Fax +48 42 676-2755
ingo@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: 1.863 ha (660.2 ha available)

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

Total number of new workplaces: 16,033

Total value of investments: PLN 8.18 bln

Top investors in terms of value:

- Bridgestone Stargard (Japan), automotive
- Cargotec Poland (Finland), metals
- Flextronics International Poland (Singapore), electronics
- International Paper (US), paper
- Jabil Circuit Poland (US), electronics
- Lafarge Cement (France), construction
- Mondi Świecie (Poland), paper
- Solvay Advanced Silicas Poland (Belgium), paper
- Weyerhaeuser Poland (US), timber

Contact:

strefa.gda.pl
ul. Władysława IV 9
81-703 Sopot
Tel. +48 58 555-9700
Fax +48 58 555-9711
invest@strefa.gde.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: 816 ha (535 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: WND

Total value of investments: WND

Top investors in terms of value:

- Kronospan Polska (Austria), wood manufacturing
- Paula-Trans (Poland), logistics, warehousing
- Nordglass II (Poland), glass
- Q4Glass, ABJ Investors (Poland), glass manufacturing
- Kapena (Italy), automotive
- Jeronimo Martins Polska (Portugal), logistics, warehousing
- Ozen Plus (Poland), charcoal and production of ecological heat
- Przetwórstwo Rybne "Łosoś" (Poland), fish processing
- Albatros Aluminium (Poland), metals

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: 613 ha (218 ha available)

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

Total number of new workplaces: 6,263

Total value of investments: PLN 1.8 bln

Top investors in terms of value:

- RR Donnelley Starachowice (US), printing
- MAN Truck & Bus (Germany), automotive
- Air Liquide Polska (France), chemicals
- Grupa Azoty (Poland), chemicals
- Kaye Aluminium Opole (Spain), metals

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: 375.6 ha (91 ha available)

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

Total number of new workplaces: 6,030

Total value of investments: PLN 2.0 bln

Top investors in terms of value:

Pfleiderer (Germany), wood and construction materials

Rockwool Polska (Denmark), construction materials

Porta KMI (Poland), construction materials

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: 1,677.2 ha (522.6 ha available)

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

Total number of new workplaces: 18,706

Total value of investments: PLN 7.3 bln

Top investors in terms of value:

LG Philips LCD (South Korea), electronics

LG Electronics (South Korea), electronics

Heesung Electronics Poland (South Korea), electronics

Uniwheels Production Poland (Germany), automotive

UPM Raflatac Polska (Finland), paper and timber

Pilkington Automotive Poland (UK), automotive

Contact:

tsse.pl

ul. Zakładowa 30

39-400 Tarnobrzeg

Tel. +48 15 822-9999

Fax +48 15 823-4708

biuro@tsse.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: 2.684 ha (1,060 ha available)

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

Total number of new workplaces: 36,000

Total value of investments: PLN 16.7 bln

Top investors in terms of value:

- Electrolux Poland (Sweden), white goods
- Toyota Motor Manufacturing Poland (Japan), automotive
- Mondelez Polska Production (US), food
- 3M (US), plastic
- Mando Corporation Poland (South Korea), automotive
- Polaris Poland (US), automotive

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: 1,014.9 ha (340 ha available)

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

Total number of new workplaces: 7,923

Total value of investments: PLN 3.2 bln

Top investors in terms of value:

- Michelin (France), tire manufacturing
- LG Electronics (South Korea), electronics
- Swedwood Poland (Sweden), wood processing
- Bauer (Germany), printing

Contact:

wmsse.com.pl
ul. Kasprowicza 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.

A lineup of innovative companies based in parks and a description of technology park specializations are listed in the latest edition of the Book of Lists 2014/2015.

Book of Lists

A Guide to Polish Business & Industry



STOWARZYSZENIE ORGANIZATORÓW
OŚRODKÓW INNOWACJI
I PRZEDSIĘBIORCZOŚCI W POLSCE

AEROPOLIS Podkarpackie Science and Technology Park

Dominant sectors:
production/IT

Contact:

aeropolis.com.pl
ul. Szopena 51,
35-084 Rzeszów
Tel. +48 17 867-6206

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:

arr.czystochowa.pl
Al. Najświętszej Maryi
Panny 24/8,
42-202 Częstochowa
Tel. +48 34 360-5688

Data Techno ParkDominant sectors: IT, law,
healthcare**Contact:**

parkmedyczny.pl
ul. Kutnowska 1-3,
53-135 Wrocław
Tel. +48 71 750-4620

EkoPark Technology and Industry Park in Piekary ŚląskieDominant sectors:
production**Contact:**

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

Elbląg Technology ParkDominant sectors: produc-
tion/material services**Contact:**

ept.umelblag.pl
ul. Stanisława Szulimy 1,
82-300 Elbląg
Tel. +48 55 239-3467

Etł Science and Technology ParkDominant sectors:
production**Contact:**

technopark.etł.pl
ul. Podmiejska 5,
19-300 Etł
Tel. +48 87 732-6163

EUREKA Technology ParkDominant sectors:
mixed**Contact:**

www.eureka-tp.pl
ul. Innowatorów 8,
62-070 Dopiewo
k. Poznania
Tel. +48 61 224-0000

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 ParkDominant sectors:
IT/ medical production
and services**Contact:**

gpnt.pl
ul. Trzy Lipy 3,
80-172 Gdańsk
Tel. +48 58 73-96117

Interior Technology ParkDominant sectors: produc-
tion, 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 SADominant sectors:
non-material services/
production**Contact:**

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

Kielce Technology ParkDominant sectors:
production/IT**Contact:**

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

Kraków Technology Park

Dominant sectors: IT

Contact:

kpt.krakow.pl
ul. Prof. Michała
Życzkowskiego 14,
31-864 Kraków
Tel. +48 12 640-1940

Life Science Park

Dominant sectors:
medical and pharmaceutical
production/research

Contact:

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

.....

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

.....

Olsztyn Science and Technology Park

Dominant sectors: WND

Contact:

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

.....

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

.....

MMC Brainville Technology Park

Dominant sectors: WND

Contact:

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

.....

Opole Science and Technology Park

Dominant sectors: WND

Contact:

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

.....

Lower Silesian Tech- nology Park "T-Park"

Dominant sectors:
mixed

Contact:

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

.....

Nickel Technology Park Poznań

Dominant sectors: IT/
production and material
services

Contact:

ntpp.pl
ul. Krzemowa 1
62-002 Złotniki
Tel. +48 61 658-6499

.....

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

.....

Lublin Science and Technology Park

Dominant sectors: WND

Contact:

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

.....

Nobel Tower Center of Advanced Technologies

Dominant sectors:
medicine

Contact:

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

.....

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 Technopark

Dominant sectors: IT

Contact:

www.spnt.pl
ul. Niemierzyńska 17A
71-441 Szczecin
Tel. +48 91 852-2911

.....

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 r. 406
61-441 Poznań
Tel. +48 61 673-4543

.....

Puławy Science and Technology Park

Dominant sectors: produc-
tion/research and develop-
ment

Contact:

ppnt.pulawy.pl
Mościckiego 1
24-110 Puławy
Tel. +48 81 464-6316

.....

Regional Industry Park in Świdnik

Dominant sectors: produc-
tion/whole trade

Contact:

park.swidnik.pl
Al. Lotników Polskich 1
21-045 Świdnik
Tel. +48 81 722-6022

.....

Science and Technol- ogy park in Koszalin

Dominant sectors: geodeti-
cal services

Contact:

technologpark.pl
ul. Raclawicka 15-17
75-620 Koszalin
Tel. +48 94 347-8417

Science and Tech- nology Park of the University of Zielona Góra

Dominant sectors: WND

Contact:

www.pnt.uz.zgora.pl
ul. Syrkiewicza 6
66-002 Nowy Kisielin
Tel. +48 68 327-0382

.....

Silesian Industry and Technology Park

Dominant sectors: IT/pro-
duction

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

.....

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/re-
search and development

Contact:

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

Toruń Technology Park

Dominant sectors: IT, elec-
tronic sector

Contact:

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

Wrocław Technology Park

Dominant sectors: IT/re-
search and development

Contact:

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



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Having developed various investment projects, we have gathered practical experience in the process of choosing an investment. Hence, we are able to answer such questions as: why, where, when and how to set up a production plant. We know how to find credible information and how to evaluate it and apply it in a project. We understand the entire investment process and we facilitate contacts with local authorities. Such knowledge is essential when considering a particular location. We offer our clients various services: from choosing a location, to cost modeling, compiling and supporting business justification, planning an investment, supporting the recruitment process, assisting with the transfer of processes and overall project management.

Moreover, we help optimize state aid. Our help encompasses drawing up all essential applications with the required attachments. We also provide support in the negotiation process. At PwC, we measure our success

by yours. Every day our more than 168,000 people in 158 countries go to work to help our clients succeed. PwC in Poland has a successful record of cooperation with the largest local and international businesses and government institutions. We are committed to serving as a force for integrity, good sense and wise solutions to the problems facing businesses and the capital markets today. Transparency and good standards of corporate governance – both in our clients' businesses and in our own – are central to our ability to achieve those objectives. And we aim to continue to achieve them from our position of strength and professional leadership.

Contact:

pwc.com/pl

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☎ +48 22 742-4040

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Invest in Poland

POLISH INFORMATION AND
FOREIGN INVESTMENT AGENCY

The Polish Information and Foreign Investment Agency (PAIIZ) has been servicing investors for over 20 years. Its mission is to create a positive image of Poland in the world and increase the inflow of foreign direct investment by encouraging international companies to invest in Poland. The Agency offers foreign entrepreneurs: quick access to information regarding the economic and legal investment environment, assistance in finding a convenient investment location, help in obtaining investment

incentives, guidance through all of the necessary administrative and legal procedures and advice in each phase of the investment process.

Contact:

paiz.gov.pl

ul. Bagatela 12, 00-585 Warsaw

☎ +48 22 334-9875

☎ +48 22 334-9889

@post@paiz.gov.pl or @invest@paiz.gov.pl

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800 consultants and support staff and we operate through a network of nearly 100 branches located in major cities.

Contact:

randstad.pl/pracodawca

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☎ +48 22 274-1001

@firma@randstad.pl



JLL (NYSE: JLL) is a professional services and investment management firm offering specialized real estate services to clients seeking increased value by owning, occupying and investing in real estate. With annual revenue of \$4.0 billion, JLL has more than 200 corporate offices and operates in 75 countries worldwide. On behalf of its clients, the firm provides management and real estate outsourcing services for a property portfolio of 280 million sqm worldwide and completed \$99 billion in sales, acquisitions and finance transactions in 2013. Its investment manage-

ment business, LaSalle Investment Management, has \$48 billion of real estate assets under management. JLL is the brand name of Jones Lang LaSalle Incorporated.

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jll.pl

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Atende S.A. (formerly known as ATM Systemy Informatyczne S.A.) is one of Poland's largest IT company with over 20 years of experience. The Company specializes in four main domains: ICT system integration, technical infrastructure integration, IT outsourcing and services based on technological platforms offered in cloud computing. Together with six subsidiaries Atende forms a capital group. Atende debuted on the Warsaw Stock Exchange on May 28th,

2012. More information:

Contact:

atende.pl

ul. Ostrobramska 86, 04-163 Warszawa

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☎ +48 22 295-7447

@kontakt@atende.pl



KANCELARIA RADCÓW PRAWNYCH SPÓŁKA PARTNERSKA

Sommerrey & Furmaga Kancelaria Radców Prawnych Spółka partnerska specializes in advising in strategic matters of family business. Started as little 3-person office in 2011, now we have 15 experienced lawyers and more than 20 regular partners (as tax advisors, lawyers and accountants). Since the beginning we served more than 400 different clients - from individuals to large companies. S&F invests heavily in innovations and thanks to implemented IT

solutions and regular partners, we can provide comprehensive support even for the largest companies.

Contact:

sflegal.pl

ul. Marcelesińska 62/7, 60-354 Poznań

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☎ +48 61 222-3998

@biuro@sflegal.pl

Burmistrz, Prezydent, Sottys – Mayor

While the English word “mayor” describes the elected head of any city or town, regardless of its size, Polish makes a distinction. A mayor of an urban area like Warsaw or Kraków has a prezydent, while a mid-sized town will have a burmistrz. Villages are headed by a sottys.

Dzielnica – District

Cities are divided into districts (dzielnice) and neighborhoods (osiedla). In major cities like Warsaw, each district has its own administrative entities which deal with certain administrative and bureaucratic matters.

Gmina – Municipality

The municipality is the smallest administrative division in Poland. There are three types of municipalities: urban municipalities (gmina miejska), which consist of one city or town; urban-rural municipalities (gmina miejsko-wiejska), which consist of a town and its surrounding villages; and rural municipalities (gmina wiejska), which consist of just villages. A municipality can be headed by a prezydent, burmistrz or wójt (head of a rural municipality).

Kodeks pracy – Labor Code

The Labor Code is the legislation that regulates employment conditions in Poland and is a key document for employers in Poland. It dates from 1974, but has been amended many times in the post-communist period.

Kodeks spółek handlowych – Commercial Companies Code

The Commercial Companies Code is the legislation that regulates the legal forms in which entities may conduct economic activities. It also regulates the manner of the day-to-day functioning, restructuring and the liquidation of companies.

Krajowy Rejestr Sądowy (KRS) – National Court Register

The KRS is a public register run by the Ministry of Justice. It comprises three different registers: a register of entrepreneurs; a register of associations, voluntary and professional organizations, foundations and public institutions of social service; and a bankruptcy register. All new businesses must register with the KRS.

Marszałek województwa – Voivodship Marshal

The voivodship marshal is one of the two heads of a voivodship. He or she heads the executive board of the voivodship and is elected by the Voivodship Council (Sejmik Województwa). Among other things, the voivodship marshal has the power to act in individual matters and within matters of public administration.

Numer Identyfikacji Podatkowej (NIP) – Tax Identification Number

A NIP is a 10-digit identifier which allows tax to be paid. All economic entities must possess one. It is assigned by the Tax Office.

Państwowa Inspekcja Pracy – National Labor Inspectorate

The National Labor Inspectorate supervises and inspects the observance of labor law in Poland. It is subordinate to Parliament. Among other powers, the Inspectorate has the right to conduct inspections of all employers and of entrepreneurs who are not technically employers but “have natural persons perform work for their benefit.”

Powszechny Elektroniczny System Ewidencji Ludności (PESEL) – Universal Electronic System for Registration of the Population

A PESEL number is the equivalent of a REGON number for physical persons. It is an 11-digit statistical identifier which conveys four pieces of information: birth date, personal identification number, gender and a “control digit.”

Powiat – County

Counties (powiaty) are the second largest administrative division in Poland, smaller than voivodships and larger than gminas. Important towns and cities function as separate counties and are not subdivided into gminas. These are informally called city counties (powiaty grodzkie) or formally called “towns with the rights of a county” (miasta na prawach powiatu). Other counties are called land counties (powiaty ziemskie).

Each county has a popularly elected council (rada powiatu) which handles legislation. In turn, the county council elects a county president (starosta), who holds local executive power. The county president heads the county offices (starostwo). In city counties, however, the aforementioned offices do not exist on their own. Their authority is instead held by the city council (rada miasta), the mayor and the city authorities (urząd miasta).

Rejestr Gospodarki Narodowej (REGON) – Register of the National Economy

A REGON number is a nine-digit statistical identifier for businesses issued by the Central Statistical Office (Główny Urząd Statystyczny, GUS). A 14-digit REGON number is issued to local entities whose main branches are located elsewhere in Poland.

Umowa o dzieło – Contract for specific work

A contract for specific work is primarily attractive for employers because the tax and insurance contributions are lower than with an employment contract. The key difference between this and an umowa zlecenia is that it is usually for the performance of one specific task, such as that of a craftsman.

Umowa o pracę – Employment Contract

The “standard” type of a contract for the performance of work in Poland is an employment contract. All types of employment contracts require the employer to bear significant tax and social security contributions.

Umowa zlecenia – Contract of mandate

This is a popular form of independent contractor (non-employment) agreement. Whether an umowa zlecenia is suitable depends on the type of project or work, but it may serve for a longer period of time and involve repetition.

Wojewoda – Voivode

The voivode is one of the two heads of a voivodship. He or she is appointed by the Council of Ministers and acts as its (and the Treasury’s) representative in the voivodship. Among other things, the voivode has the power to act in matters of legal oversight concerning local government authorities.

Województwo – Voivodship

Voivodships are the largest administrative divisions in Poland. Each voivodship has a popularly elected Voivodship Council (sejmik województwa) which holds four-year terms. The number of councilors on each voivodship council varies by voivodship. There are 16 voivodships in Poland today, the outcome of a 1999 reform. Between 1975 and 1998 Poland comprised 49 voivodships.



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