

# ECONOMY

Pomorskie\_Voivodeship

POLAND





# Contents

Basic Information on the Region 02

Pomerania in the Polish Administrative System 05

Cargo and Passenger Transport 06

The Economic Profile of Pomerania 12

20 Labour Market and Education

24 Foreign Investments

26 Incentives for the Investors

# Basic\_Information\_on\_the\_Region

## GEOGRAPHIC LOCATION

- > **Pomorskie (*Pomerania*) is one of 16 voivodeships in Poland** and 3 voivodeships on the Baltic Sea. It neighbours the Scandinavian countries across the sea-border in the north, and the Kaliningrad Circuit of the Russian Federation in the east.
- > Domestically, the region borders on the following voivodeships: zachodniopomorskie (*Western Pomerania*), wielkopolskie (*Greater Poland*), kujawsko-pomorskie (*Kujawy and Pomerania*), and warmińsko-mazurskie (*Warmia and Mazury*). As concerns the size, the voivodeship occupies 18 300 square kilometres and accounts for 5.9% of the country area.

## POPULATION

- > Pomerania has 2.21 million inhabitants, i.e. 5.8% of the Polish population. The average settlement density here is 121 people per 1 square kilometre. In the country-wide perspective, it ranks among medium size voivodeships in terms of both the area, and the population.
- > Nevertheless, the region records the highest population growth rate in Poland—the rate for 2007 was 2.7 per 1000 inhabitants. It also records the top national ratios of internal and external migration. Due to the attributes of its natural environment the voivodeship is perceived one of the most attractive Polish regions to settle down. The foreigners purchasing real property and apartments in the region, constantly growing in number, share the opinion.

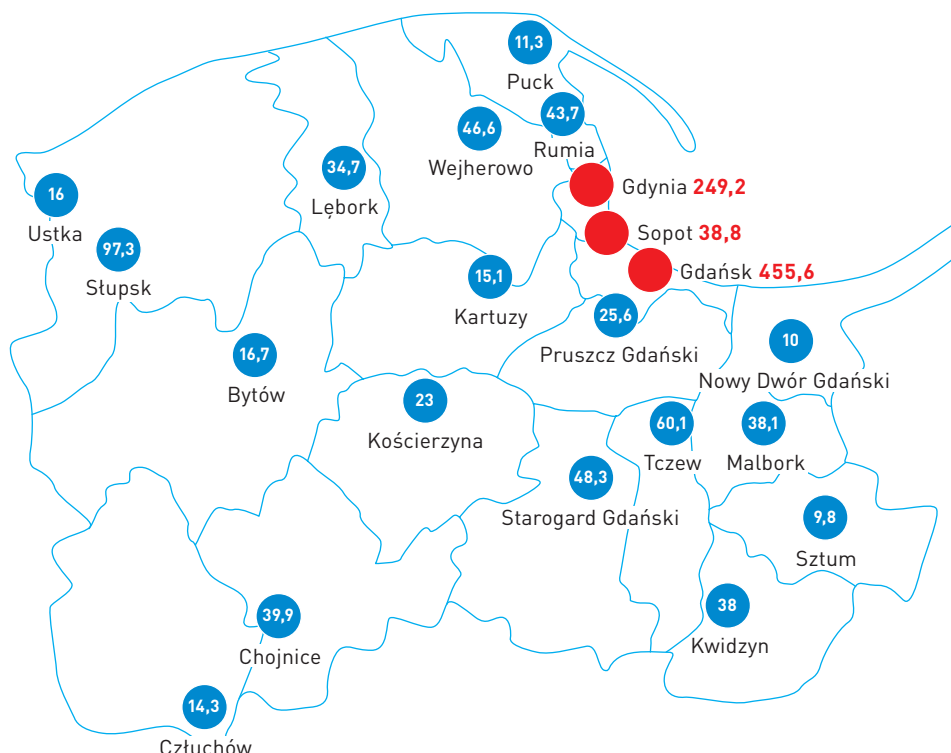
## CITIES AND TOWNS

- > Nearly 67% of Pomerania's population lives in its 42 cities and towns. The Tri-city agglomeration comprising Gdańsk, Sopot, and Gdynia enjoys the unquestioned status of the heart of the region and northern Poland. The cities have naturally developed their functional specialisations. Gdańsk is the capital of the region and its largest city with 455 thousand inhabitants. Gdynia, the second largest city of the voivodeship, stands out in Poland as a symbol of local governance and dynamic economic development. Sopot has the status of a health resort and spa and as such combines the functions of a supra-regional centre of leisure and recreation, and the domicile of businesses operating in the modern services sector. The Tri-city agglomeration forms an area inhabited by 744 thousand in total, which is more than one third of the entire voivodeship population. The agglomeration concentrates the economic potential of the region, it is the main transport hub, a centre of academic life, the heart of industry, and trade, a location of trade fairs, and the seat of foreign consular offices and secretariats of international organisations.
- > Słupsk is the third largest town in the region. With the population of 97.3 thousand, it plays the role of the main urban centre of the western expanse of the voivodeship. Wejherowo, Rumia, Reda and neighbouring areas, on the other hand, form the so-called "Miniature Tri-city" inhabited by almost 112 thousand.
- > Further down the line come the powiat capital towns, all playing an important role in the business and social life of the region. These are, e.g.: Tczew (60.1 thousand inhabitants), Starogard Gdański (48.3 thousand), Chojnice (39.9 thousand), Kwidzyn (38 thousand), and Malbork (38.1 thousand).

Geographic location in Europe



### Biggest cities and poviats capital towns in the Pomorskie Voivodeship (inhabitants in TH)



## NATURAL AND CULTURAL VALUES

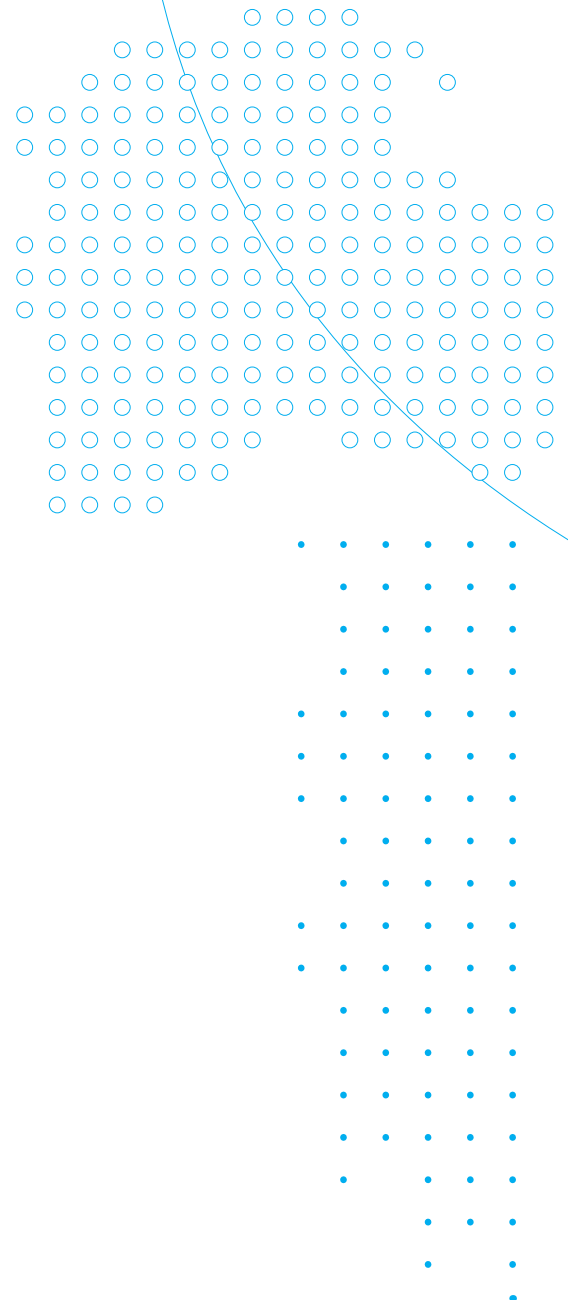
- > The local landscape is highly diverse, from sand dunes and wandering sands in the north, through cliff sections of the sea coast, forest expanses, and numerous lakes, up to the highest glacial hill in the Central European Lowlands (Wieżyca, 328.6 m above sea level). Due to the diversity there are as many as 120 nature reserves in the region, including the Slowinski National Park included in the list of the UNESCO Biosphere Reserve. People desiring to take leisure in nature can indulge in an array of active forms of recreation, from windsurfing and kitesurfing on the Bays of Gdańsk and Puck, through canoeing along the Pomorskie rivers and across its lakes, skiing in the Szymbarskie Hills and down the Wieżyca slopes, to trekking and cycling along numerous tourist tracks.
- > Pomorskie Voivodeship is one of cultural and historical centres of Poland. The millennium-old Gdańsk with its Hanseatic tradition, the track of the Gothic castles which provide a physical illustration of the rich history of the Teutonic Order, the remains of the Mennonite culture in the eastern expanse of the voivodeship, the Kashubian Ethnographical Park, or the Slowinska Village Museum, all give an insight in the history and culture of the land. They also make the Pomorskie Voivodeship one of the most attractive tourist regions in Poland.

## CLIMATE

- > Pomerania lies within the zone prevailingly dominated by the maritime climate. Compared to the regions stretching deeper into the continent, it has a narrower 24-hour temperature amplitude, lower temperatures in the summer and higher in the winter, a large number of windy days, and records sea and land breezes. The temperature in the warmest months (July, August) averages plus 19.6°C, whereas the coldest months (January, February) get the temperatures averaging minus 1.4 °C. The total annual rainfall ranges between 529.4 mm (near Gdańsk) to 979 mm (in the Łębork neighbourhood).

# Pomerania\_in\_the\_Polish\_Administrative\_System

- > The Polish administrative system is built on three levels of local government: the *gmina* (*commune*), *powiat* (*county*), and *voivodeship* (*province*).
- > **The commune** is the smallest unit of the local government. There are urban, rural, and mixed urban/rural communes. The authority in them is vested with the commune council (or the equivalent city council), which is the legislative body. The executive function rests with the *wójt* (*village head officer*), *burmistrz* (*mayor*), or *prezydent* (*president*), depending on the 'gmina' size. There are 123 communes in total in the Pomorskie Voivodeship: 25 urban, 17 mixed, and 81 rural.
- > Establishing contacts with representatives of the commune government is of paramount importance for the investors. The reason lies in the fact that land disposal decisions and local spatial environmental plans are made at this level. The commune government is also empowered to set the local economic policy. The decisions made by the commune council members determine how and where investments can be made, and what type of businesses are preferred in the area under their authority.
- > **The powiat** is the second tier unit of the local government. The powiat councils play the legislative function, while the starosts they elect hold the executive powers. The Pomorskie Voivodeship is divided into 20 powiats, including four cities enjoying the powiat rights: Gdańsk, Sopot, Gdynia, and Stupsk.
- > The powiat authorities perform some tasks of the central administration. From the investor's point of view the building supervisory functions are most vital.
- > The local government at the **voivodeship level** is represented by the Voivodeship Marshal (*Marszałek Województwa*) and the Marshal Office he/she heads. The Voivod (*wojewoda*) represents central administration in the region. The responsibility for determining and planning the major lines of economic development in the region rests with the Voivodeship Parliament (*Sejmik Wojewódzki*) (33 MPs). The executive powers are vested in a five-member Voivodeship Board (*Zarząd Województwa*) chaired by the Marshal. The Voivod, in his/her capacity of the local representative of the central government, sees to safeguarding the state's rights and interests in the region. He/she is also in charge of: public safety, selected civic affairs, and representation of the central government. The role of the voivodeship is growing, which is due to such factors as e.g. Poland's accession to the European Union and the consequently implemented regional policy.
- > After the EU accession the voivodeship local governments were put in charge of coordinating the operations connected with implementation of the EU structural funds at the regional level.



# Cargo\_and\_Passenger\_Transport

- > **Favourable geographic location** is a prime attribute of the Pomorskie region which lies on the crossing of two pan-European transport routes of paramount importance for the transit traffic:
  - > Corridor IA (Helsinki—Tallin—Riga—Kaliningrad—Gdańsk), a branch off Corridor I (Helsinki—Tallinn—Riga—Kaunas—Warsaw),
  - > Corridor VI (Gdańsk—Katowice—Żylna), linking Scandinavia to Central and Eastern Europe and the Mediterranean countries.
- > Poland's accession to the European Union and the ensuing access to the European funds have made it possible to implement numerous projects aimed at increasing the region's accessibility and improving the existing transport infrastructure.

## ROADS

- > The main road project in the region is the construction of the **A1 motorway** in the course of the E75 international road, from the Tri-city to the border pass in Gorzyczki. The building works in the Pomorskie Voivodeship have already been completed. The work front has now moved to the other sections. The entire project is to be finalised in the year 2011.
- > National roads Nos. 7 and 6 are equally important for Pomerania. **National road No. 7** from Żukowo near Gdańsk, across Warsaw, and down to the Slovak border in Chyžne, forms a section of the E77 international road and of the E28 route (from Gdańsk to Elbląg East). By the year 2011 national road No. 7 is to be upgraded to the standard of a double carriageway. Other vital projects include the **Kashubian Route**. The goal of this venture is to improve access to the Tri-city agglomeration from the west (now **national road No. 6**). The Kashubian Route, forming a section of the S6 express road in the Via Hanseatica corridor (Hamburg—Tri-city—Sankt Petersburg) will enable travellers driving in the Gdańsk-Szczecin direction encircle Gdynia and the so-called Kashubian Small Tri-city (Wejherowo, Reda, Rumia).
- > The major road projects in the Tri-city itself include:
  - > **the Gdańsk Southern Ring-Road**, which will link national road No. 7 (S7) to the Tri-city Ring-Road (S6) and the A1 motorway, thus moving the transit traffic outside the city of Gdańsk,
  - > **the Sucharski Route**, which will link the Port of Gdańsk to the existing network of national and international roads via the Gdańsk Southern Ring-Road; the route will also solve a bulk of the transport problems within the port and move the heavy traffic heading east and south of Gdańsk out of the city's historic centre and residential estates,
  - > **the Karczemki junction** (to be built in the final stage of the E-W Route project), which will eliminate the bottleneck on the main road leaving Gdańsk towards Kashubia one of the most popular tourist destinations in Poland (national road No. 7) and link the city centre to the Tri-city Ring-Road,
  - > **the Słowacki Route** (construction of the lower stretch of the already existing street), which will facilitate the traffic flow between centre of Gdańsk and the airport in Rębiechowo.
- > Gdynia closed the year 2008 with the completion of the city's key roads: the Pink Road being an alternative to the Diametral Route which forms the main traffic artery of the Tri-city, and the Kwiatkowski Route plus Janek Wiśniewski Street, both facilitating access to the Port of Gdynia.



> EVER SINCE THE YEAR 2000  
THE GDAŃSK AIRPORT HAS  
RECORDED A STEADY ANNUAL  
INCREASE IN THE NUMBER OF  
PASSENGERS AND THE VOLUME  
OF CARGO SERVICED



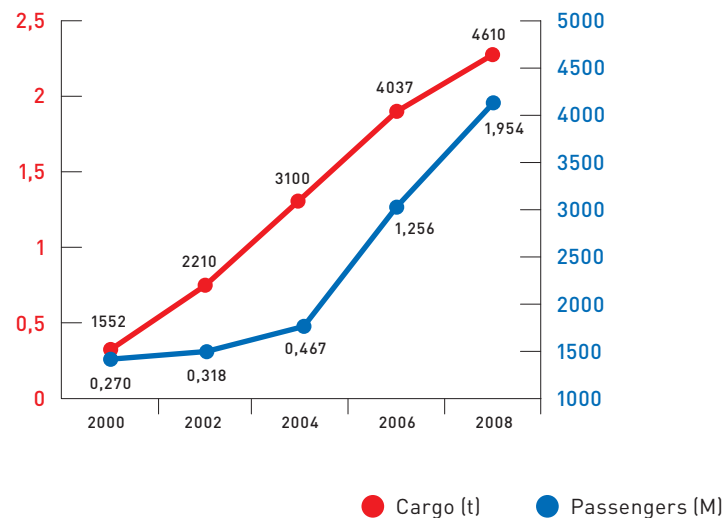
## RAILWAY

- > The railway network of the Pomorskie Voivodeship offers highly convenient cargo transport, including any goods shipped in. The local lines complement four railway arteries of importance for the international traffic: from the Tri-city to the German border (via Szczecin), from Gdańsk to the Czech and Slovak borders (via Warsaw and Kraków), from Gdańsk to the south-western border (via Bydgoszcz, Łódź, and Katowice), and from Gdańsk to Kaliningrad (via Olsztyn) or Belarus (via Białystok).
- > The E65 railway line from Gdynia to Warsaw is the site of the currently pursued revamp project. The works will involve partial replacement of the tracks and traction, and construction of collision-free rail and road crossings. The investment will shorten the travelling time for both passenger and cargo traffic. The project is scheduled for completion in the second half of the year 2011.

## AIRPORTS

- > Today, the Pomorskie Voivodeship has one commercial passenger airport: the Gdańsk Lech Wałęsa Airport. That civil facility holding all prerequisite licences can handle all types of commercial passenger and cargo traffic, as well as general aviation flights, business flights included. Thanks to its location, the Gdańsk airport can serve a major part of the voivodeship population plus business centres outside the region.
- > The dynamic growth of the passenger traffic handled illustrates well the increasing role of the Gdańsk airport. Ever since the year 2000 the Gdańsk Airport has recorded a steady annual increase in the number of passengers and the volume of cargo serviced. The passenger flow in the year 2000 stood at 270 thousand, whereas in 2008 exceeded 1 954 thousand. A significant increase in the reloaded cargo has also been witnessed in the recent years (1 552 thousand kg in 2000 vs. 4 610 thousand kg in 2008). The studies conducted on commission from the Pomorskie Voivodeship Marshal Office indicate that the passenger traffic per annum can be anticipated to grow to ca. 7.5 million by the year 2020.

**Gdańsk Lech Wałęsa Airport**  
—passenger and cargo traffic in 2000–2008





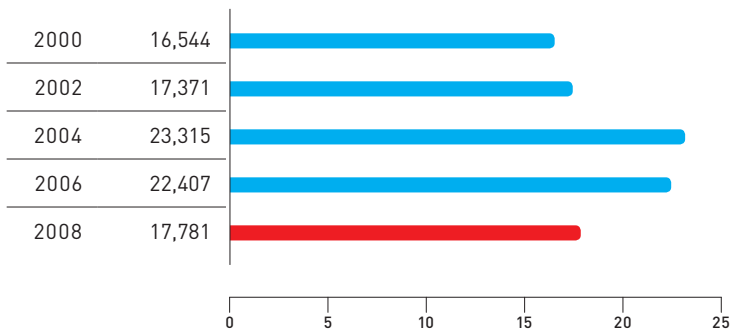
- > In response to the growing needs the airport plans a number of infrastructural investments worth nearly EUR 160 million in total. To that aim it has secured financing from the European Funds—Operational Programme Infrastructure and Environment (OPIE). The project envisages primarily:
  - > construction of the second terminal and the accompanying infrastructure,
  - > modernisation of the existing port infrastructure.
- > The OPIE reserve list includes:
  - > expansion of the cargo terminal,
  - > continued modernisation of the airport infrastructure.
- > Further plans envisage the construction of another airport in Gdynia-Kosakowo to share the landing field with the military base. The airport in Gdynia-Kosakowo is intended to provide an alternative to the Gdańsk airport and handle the bulk of charter and business flights, plus some low-cost lines.

▲ Coal Terminal in the Northern Port.  
Photography: Port of Gdańsk Authority SA

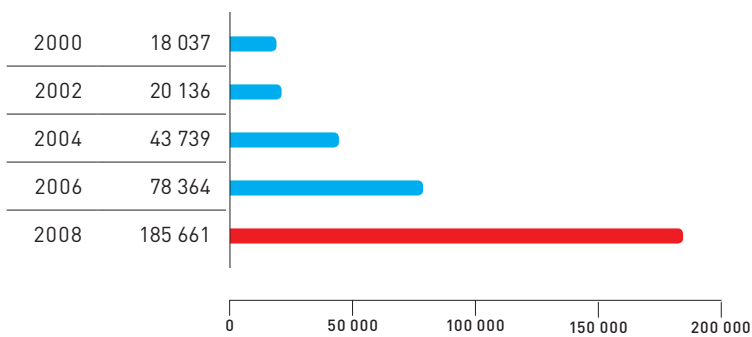
## SEAPORTS

- > The seaports of Gdynia and Gdańsk are the largest harbours in the Baltic Sea region. Together, they handle almost any type of cargo and vessel. The geographic and market location of the Tri-city seaports predestines them to become centres of distribution and logistics focused on the Baltic Sea region and the countries of Central and Eastern Europe. The seaports of Gdańsk and Gdynia are also an important link in the transport chain from the Scandinavian countries to Southern Europe, especially the Adriatic and Black Sea regions.
- > **The Port of Gdańsk** is made up of two basins—the Inner Port stretching along the Dead Vistula and the Port Canal, with a direct outlet to the Bay of Gdańsk. The Inner Port can take vessels up to the maximum draught of 10.2 m and the length of 225 m. The Outer Port stretches out into the sea forming the deepwater Northern Port. This basin can take the largest ships sailing the Baltic Sea (maximum draught of 15 m). The modern deepsea container terminal, DCT, is located in the Northern Port.

Cargo handled in the Port of Gdańsk, 2000–2008 (in M tonnes)

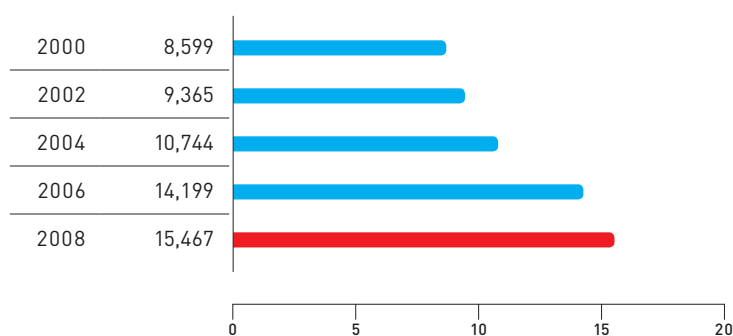


Containers handled in the Port of Gdańsk, 2000–2008 (in TEU)

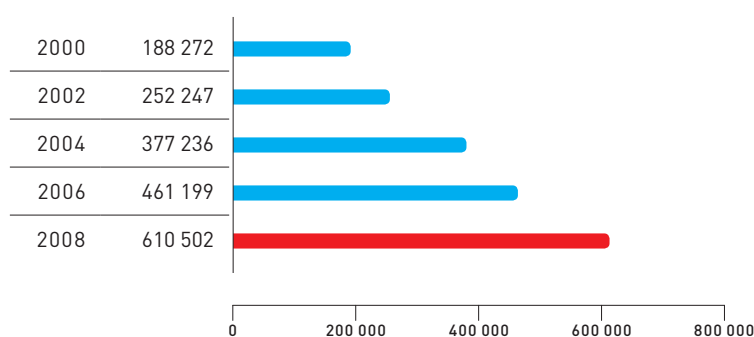


> **The Port of Gdynia** specialises in container handling, which is the core business line of the Baltic Container Terminal (BCT). BCT's present reloading capacity stands at 500 thousand TEU, however investments will increase it to 1 million TEU over the next few years. The Port of Gdynia, too, has bulk and general cargo terminals fitted with modern reloading gear. It leads in servicing passenger ships, and is a ro-ro cargo handling centre, including ferry shipments. Noteworthy, the Port of Gdynia records a steady growth in the flow of all types of cargo.

### Cargo handled in the Port of Gdynia, 2000–2008 (in M tonnes)



### Containers handled in the Port of Gdynia, 2000–2008 (in TEU)



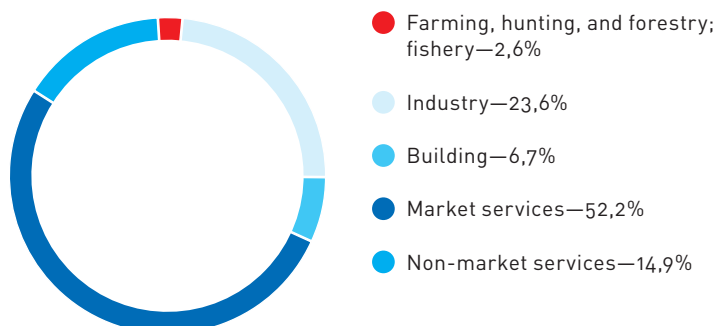
- > The growing volume of the cargo handled, which entails the growing role of the ports of Gdańsk and Gdynia as centres of distribution and transit on the Baltic Sea, puts the management of both entities in the position of the necessity to take up numerous investments. Their goal is to upgrade the ports so as to be able to meet the market demand for cargo handling and ship servicing and create multimodal transport chains. The main project pursued by the Port of Gdańsk consists in development of 210 ha of land in the neighbourhood of the DCT container terminal into the Pomeranian Logistic Centre. Further plans include modernisation of the port's internal road and railway infrastructure, and linking it to the road network which is being upgraded by the City of Gdańsk together with the General Directorate for National Road and Motorways so as to facilitate access to the port.
- > The Port of Gdynia has already gained direct access to the Tri-city Ring Road thanks to the completed Kwiatkowski Route. The current effort focuses on modernisation of the port infrastructure. The ro-ro terminal is to be expanded, and a new ferry terminal to handle passenger traffic erected. Just like Gdańsk, Gdynia too is developing land for its logistic centres in the Western Port (35 ha) and the Eastern Port (30 ha).

# The\_Economic\_Profile\_of\_Pomerania

## MACROECONOMIC SITUATION IN THE VOIVODESHIP

- > The gross domestic product (GDP) generated by the Pomorskie Voivodeship in 2006 amounted to PLN 60.250 billion, which places the region on the seventh position in the country. In the years 2000–2006 the average annual GDP growth rate in Pomerania stood at 6.2% and exceeded the national level.
- > The 2006 average GDP per head in the Pomorskie Voivodeship was PLN 27 373, which gives the fifth position in Poland.

Structure of the gross added value, 2006 (CSO, 2008)



- > Over 50% of the voivodeship's GDP is generated by the Tri-city (Gdańsk—Gdynia—Sopot). In figures for 2006, this amounted to the total of PLN 30.365 billion. In terms of GDP per head the Tri-city comes fifth among all Polish sub-regions with the ratio standing at PLN 40 491.

## MAJOR TRADES

- > The economic potential of the region is founded on traditional industries on the one hand (shipbuilding, oil refining, food products, machines, furniture, and tourism), and the developing trades on the other hand (information technology, electronics, and biotechnology). The region builds its developmental perspectives on the latter.

#### Entities of the national economy by employment, 2008 (CSO data)

NUMBER OF EMPLOYEES	NUMBER OF BUSINESS ENTITIES
0-9	228 597
10-49	9 796
50-249	1 843
250-999	220
1000 and more	40

- > **Shipbuilding continues to be the leading industry of Pomerania** and the largest employer, and is represented by building yards, repair yards, and the cooperating companies whose offers go beyond the industry to include services available to other trades.
- > The Pomorskie Voivodeship accounts for the major part of the Polish shipbuilding. In the year 2008 the yards of the Pomorskie Voivodeship built 16 vessels (mainly car and container carriers), which represented 80% of the entire Polish ship production. The order book of the Pomorskie yards at the end of November 2008 consisted of 46 vessels (72% of all orders placed with the Polish shipbuilders).
- > The largest shipbuilding company in terms of income on sales (both regionally and nationally) is the Repair Capital Group headed by the Gdańsk Ship Repair Yard.
- > The Repair Group offers services consisting of repairs, conversions, and new, fully fitted ships. The new build line is located in the Northern Yard which specialises in building vessels to the designs developed by its own design office. The vessels are tailored to the shipowners' individual needs and typically represent niche builds generally outside the scope offered by the yards in Asia (e.g. boats for the excavation industry). The Northern Yard also builds passenger boats, passenger and car carriers, gas carriers, container carriers, and multipurpose vessels.
- > The group is made up of 28 enterprises pursuing business lines closely related to shipbuilding: from the Northern Yard which builds various types of vessels, through the Famos Ship Furniture Factory, or Hydroster—both manufacturers of ship fixtures, up to IT-REM which specialises e.g. in IT solutions for the maritime trade.

#### Largest businesses of the shipbuilding industry in the Pomorskie Voivodeship, 2007 (List 2000, Rzeczpospolita, October/November 2008)

COMPANY	INCOME ON SALES (IN TH)	NET PROFIT/LOSS (IN TH)	EMPLOYMENT
Gdańska Stocznia Remontowa SA GK, Gdańsk	1 794 941	51 572	4 981
Stocznia Gdynia SA, Gdynia	1 040 987	bd	4 413
Stocznia Gdańsk SA, Gdańsk	308 823	- 237 640	2 651



- > Gdynia Shipyard SA falls into the opposite extreme (in terms of the net financial result). Despite its production potential, own design and construction office, and the marketing and trade resources, the yard continues to incur huge losses (which is the result of unprofitable contracts signed several years ago when the dollar stood much higher. The situation is aggravated by the outstanding debt and interest thereon).
- > The Gdynia shipyard has so far offered container carriers (TEU 1100 to 5000), product and chemical carriers, tankers, bulk cargo carriers, multipurpose vessels, LPG carriers, ro-ro car carriers, and ships of the ro-pax type. At the moment privatisation process of the Gdynia Shipyard SA is in progress.
- > Gdańsk Shipyard SA underwent privatisation in 2007. Donbas Industrial Association (ISD) has become its strategic investor and the major shareholder. Quoting after the world shipbuilding market analysis and the projections for the nearest years (the analysis was conducted by McKinsey), the Gdańsk Shipyard SA is to base its production on three pillars:
  1. building ships of the offshore type to service oil rigs,
  2. manufacturing wind power station towers,
  3. constructing various steel structures (e.g. bridges and viaducts).
- > Apart from the giants, there are many other shipyards operating in the region. Their special area is building modern yachts and boats. A vast majority of their production (about 90%) is exported.
- > **Pomerania would not be the same without oil refining.** The trade is represented by the largest enterprise in the region and one of the largest companies in Poland—the LOTOS SA Capital Group. LOTOS deals with oil extraction and processing, and trading in oil products. The Group employs over 5000 people. Its 2008 consolidated income added up to PLN 13.316 billion (and was up 24% compared to 2007). The year was closed with a negative operating result, however that was the effect of excessive valuation of the stock which the refineries are obliged to keep under the law. Were it not for the fact, LOTOS would have recorded an estimate operating income of over PLN 470 million (nearly 47% up from the year 2007).
- > The improving results do not end the list of good news. The LOTOS Group is currently pursuing the largest investment project in Central and Eastern Europe, called 'Programme 10+'. The project will equip the Gdańsk refinery with a number of new, technologically advanced installations which will enable improving the effectiveness of manufacturing the oil products sought for in the domestic and foreign markets. The project will also increase the country's energy security.
- > Today, the refinery in Gdańsk belonging to the LOTOS Group processes 6 million tonne of crude oil per annum. The strategy up to the year 2012 envisages increasing in the processed oil volume to 10.5 million tonne per year. Gaining direct access to oil fields abroad is to assist it in reaching the goal.



- > The Gdańsk refinery of the LOTOS Group has been ranked the best refinery in Central and Eastern Europe of the year 2008 (World Refining Association)
- > LOTOS takes the eighteenth position on the list of '500 Largest Companies of Central and Eastern Europe 2008' (Rzeczpospolita and Deloitte)
- > LOTOS ranks among the best firms of the energy sector world wide on the list of the 'Top 250 Global Energy Companies 2008' (Platts and Standard & Poor's)



- > Another sector of high economic significance for the region (and the country) and, most importantly, a sector facing good developmental perspectives, is the **building industry**. The construction and erection projects completed in the Pomorskie Voivodeship in 2007 amounted to PLN 3.9 billion, which was more than 30% higher than the result achieved the year before. Works related to the construction of motorways, double carriageways, streets, and other roads had the largest share in the output (PLN 710.4 million). Semi-detached houses and multi-family blocks come second (PLN 688.3 million), and industrial and warehousing structures third (PLN 537.2 million).

Building and erection output by type of structures, 2008  
(CSO, Building in the Pomorskie Voivodeship in 2008)

STRUCTURES	OUTPUT VOLUME (IN PLN M)
Housing	884,4
Hotels and tourist accommodation	64,6
Offices	180,0
Shopping and service malls	379,8
Industrial and warehousing facilities	537,2
Motorways, double carriageways, streets, and other roads	710,4

Largest companies of the building industry  
in the Pomorskie Voivodeship  
(List 2000, Rzeczpospolita, October/November 2008)

COMPANY	INCOME (IN PLN TH)	NET PROFIT (IN PLN TH)
Wakoz Sp. z o.o., Luzino	294 759	29 721
NDI SA GK, Sopot	294 417	4 429
Grupa Inwestycyjna Hossa SA GK, Gdynia	234 540	25 464
Allcon SA, Gdynia	167 508	6 111
PB Inpro Sp. z o.o., Gdańsk	161 301	23 742

- > The **food industry** has a traditionally strong position in the voivodeship economy. The trade generates about 11% of Pomerania’s industrial production sold and employs 20 thousand people.
- > The largest share in the regional sales achieved in food processing has for several years remained with the fish processing line. The income of the sub-sector accounts for over 28% of the local sector’s entire sale. Meat processing comes second with a 24% share in the sector’s sale and is followed by oil and fat production, which generates 11% of the sector’s turnover.

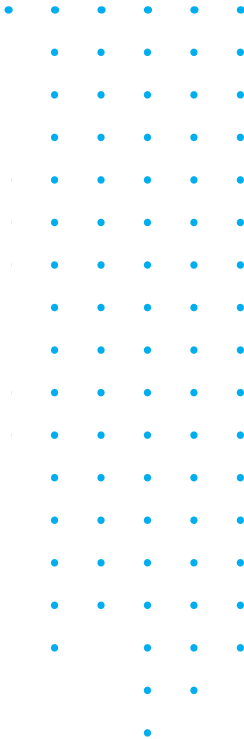
> HIGH TECHNOLOGIES  
REPRESENT THE  
SWIFTEST DEVELOPING  
SECTOR IN THE  
VOIVODESHIP



Largest companies of the food industry  
in the Pomorskie Voivodeship, 2007  
(List 2000, Rzeczpospolita, October/November 2008)

COMPANY	INCOME (IN PLN TH)	NET PROFIT (IN PLN TH)
Graal SA GK, Wejherowo	336 271	14 905
Prime Food Sp. z o. o., Przechlewo	223 028	322
Gdańskie Młyny i Spichlerze Sp. z o. o., Gdańsk	188 322	225
Wilbo SA, Władysławowo	172 635	6 859
Nord Capital Sp. z o.o.	164 084	2 542

- > **High technologies** represent the swiftest developing sector in the voivodeship. Most firms here are small and medium size enterprises. The high-tech sector finds a good human resource base among the graduates of the local schools of higher education, which safeguards its future development. The establishments of tertiary education include: the Gdańsk University of Technology, University of Gdańsk, Maritime Academy, and Polish Naval Academy, all offering studies in the field.
- > The best known companies operating in the trade are: Intel Technology Poland (research centre), Lufthansa Systems Poland (outsourcing centre), IBM (implementation centre), Young Digital Planet (lead manufacturer of educational multimedia), Compuware (lead provider of IT applications for businesses), Zensar (outsourcing centre).
- > **The electronic trade** is represented by e.g.: Flextronics International Poland (supplier of electronic subassemblies), DGT (provider of modern communication systems and comprehensive tele-information solutions), Jabil Circuit Poland (supplier of TV set baseboards), Gemalto (leader in digital security), Platan (lead manufacturer of subscriber telephone exchanges and integrated alarm systems, radio signalling and communication for emergency rescue services), Radmor (the largest Polish manufacturer of mobile radio-communication gear, UKF FM), Satel (manufacturer of modern electronic devices—alarm control panels, sirens, detectors).
- > The high-tech sector further includes the developing **cosmetic and pharmaceutical industry**. To exemplify businesses of the type let us mention but Ziaja and Oceanic. The leaders of the Polish pharmaceutical industry include the local Polpharma SA. Alongside those companies, many smaller businesses are formed dealing in both production, and research connected with biotechnology. The possibility to tap the rich scientific research resources and qualified staff recruited from among the graduates of the Biotechnology Faculty of the Gdańsk University of Technology and the Intercollegiate Faculty of Biotechnology run together by the University of Gdańsk and the Medical University of Gdańsk, is a major support pertaining to the development of businesses implementing innovative projects in the field.
- > **Tourism** occupies a major position in the developmental strategy of the Pomorskie Voivodeship. To quote the estimates of the Institute of Tourism, the Pomorskie Voivodeship hosted about 3.7 million domestic visitors in 2007. Among them, 2 million came for longer stays (min. 4 nights), which puts the voivodeship in the top position in Poland. Their number of foreign visitors in 2007, stood at 1.076 million. The prevailing group was German, then came the Swedish, British, Russians, Norwegians, French, Italian, and Americans.
- > The accommodation base the Pomorskie Voivodeship had to offer in the year 2008 consisted of 216 hotels and 606 other facilities (leisure centres prevailing). The total number of beds amounted to 85.3 thousand, out of which 19.6% were hotel beds.



## FOREIGN TRADE

- > **In the year 2007**, companies of the Pomorskie Voivodeship generated the export totalling EUR 7554.7 million, while import amounted to EUR 8225.4 million. The value of export and import in the voivodeship is steadily growing. Pomerania's 2007 export per capita amounted to USD 4670 and was much above the average all-country ratio.
- > Growing openness is a characteristic feature of the Pomorskie economy, and export is strengthening its position over the local demand in determining the production of the Pomorskie firms. The significance of export for the Pomorskie economy is reflected in the share of export in the total production sold by the voivodeship's industry (54.9% in 2006, which is more than 20% up the 1995 level). The Pomorskie Voivodeship is the leader in Poland in this aspect, and the ratio exceeds the average national level.
- > The voivodeship's share in the national export amounted to 7.5% in 2007 (6.9% of the national import).

**Largest Pomorskie exporters, 2007**  
(Top 100, Polska Dziennik Battycki, 23 June 2008)

COMPANY	EXPORT (IN PLN TH)	SHARE OF INCOME ON SALES (IN %)
Flextronics International Poland Sp. z o.o., Tczew	1 637 000	98,97
Jabil Circuit Poland Sp. z o. o., Kwidzyn	1 376 086	75,24
Gdańska Stocznia Remontowa SA, Gdańsk	1 137 211	91,02
International Paper Kwidzyn SA, Kwidzyn	1 000 000	52,00
Stocznia Gdynia SA	936 000	89,91

- > Ships and boats represent the largest cargo group exported from the Pomorskie Voivodeship. Their share in the 2006 exports was 29.8%. The ratio reflects the region's high specialisation in foreign sales. The second line of export in terms of volume and share in total sales abroad comprises TV and radio sets, sound and picture recording and playing devices and their accessories (13.2%). These goods are classified as products of high technological intensity, which is of particular importance in the perspective of the voivodeship's economic development. As concerns the significance of high-tech products in exports, Pomerania ranks among the all-country leaders. The voivodeship contributes 23% of the national export of high-tech goods. The third export group consists of oil refining products (9.9% of the exports).



Major product groups in the export  
of the Pomorskie Voivodeship, 2006  
(Foreign trade in the Pomorskie Voivodeship in 2000–2006, MidWIG 2008)

PRODUCT GROUP	EXPORT VALUE (IN EUR M)	SHARE IN TOTAL EXPORTS (IN %)
Ships and boats	1 965,4	29,8
TV and radio sets, sound and picture recording and playing devices, and accessories	866,3	13,2
Oil refining products	652,9	9,9
Paper and cardboard	240,1	3,6
Metal structures	200,2	3,0

> Germany is the prime buyer of the Pomerania-manufactured products. 18.6% of the 2006 export from the voivodeship was purchased by that market. Norway, the second largest buyer, purchases 13.8% of the products the region sells abroad, and Sweden accounts for 8.7%.

Major partner-countries in exports from the Pomorskie  
Voivodeship, 2006  
(Foreign trade of the Pomorskie Voivodeship in 2000–2006, MidWIG 2008)

COUNTRY	EXPORT VALUE (IN EUR M)	SHARE IN TOTAL EXPORTS (IN %)
Germany	1 223,9	18,6
Norway	911,3	13,2
Sweden	572,8	8,7
UK	497,5	7,6
the Netherlands	411,7	6,3

# Labour\_Market\_and\_Education

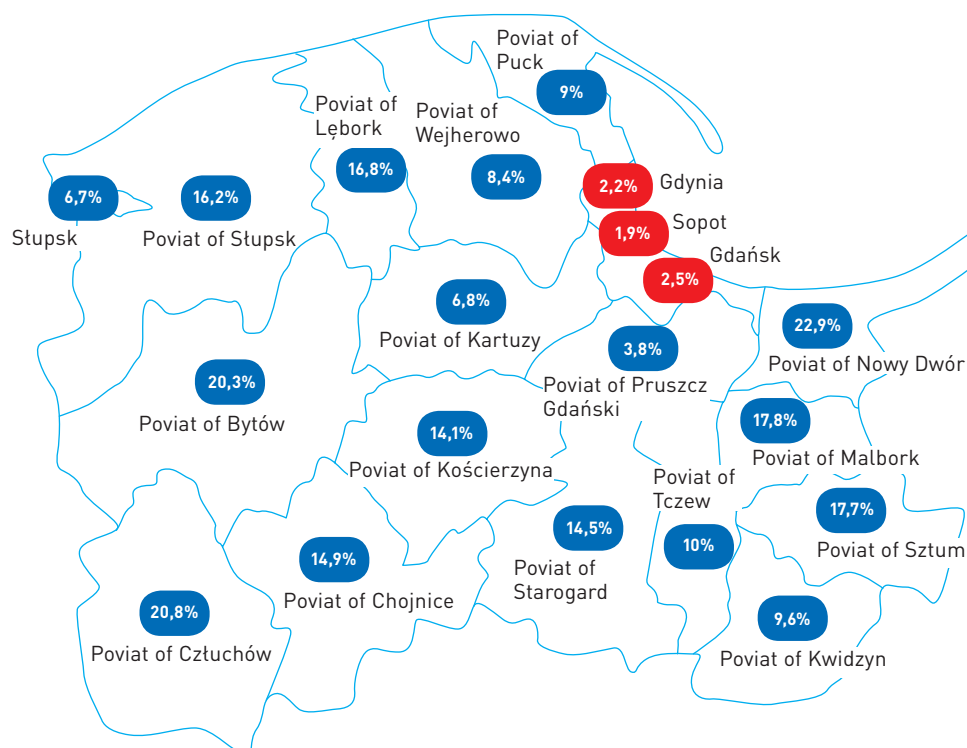
- > The population of the Pomorskie Voivodeship is relatively young—the production age group represents 64.6% of the society, and people in the pre-production age 20.8%. Moreover, the IBnGR (The Gdańsk Institute for Market Economics) demographic projections until 2035 indicate that the population in the production age will be shrinking at a slower pace than the national average. This means that the voivodeship ensures steady and easy access to human capital to both the investors, and the domestic entrepreneurs. The potential employers in Pomerania can find both specialists with university diplomas, and qualified labour. According to the CSO (*Central Statistical Office*) Regional Data Bank, Pomerania has 764 thousand job-holders, most employed in the private sector.
- > The average headcount in the enterprise sector of the Pomorskie Voivodeship is 277 thousand people. Half of them have jobs in the industry, with the major group working in food and beverage production (nearly 7% of all employed). The latter fact again illustrates the importance of the food sector in the voivodeship economy. The steepest increase in the employment level has been reported in machine and device manufacturing (primarily electric gear), building industry, radio, TV, and telecommunication equipment manufacturing, and in real property and business services.

Average employment in the enterprise sector, 2008 (Statistical Bulletin of the Pomorskie Voivodeship, 3. year quarter of 2008, CSO)

SECTOR	NO. OF EMPLOYEES	PERCENT SHARE
Total	277 649	100,0
> Total industry	147 727	53,2
Production of food articles and beverages	19 964	7,2
Production of clothes and fur products	5 381	1,9
Production of timber, products of wood, straw, and wicker	10 607	3,8
Production of chemical goods	3 971	1,4
Production of rubber and plastic goods	8 416	3,0
Production of metal goods	16 255	5,9
Production of machines and equipment	7 232	2,6
Production of electric machines and equipment	3 858	1,4
Production of radio, TV, and telecommunication equipment and devices	9 043	3,3
Production of vehicles, trailers, and semi-trailers	2 996	1,1
Generation and distribution of electricity, gas, and water	15 940	5,7
Other	44 064	15,9
> Building	23 156	8,3
> Trade and repairs	45 697	16,5
> Hotels and restaurants	4 194	1,5
> Transport, warehousing, and communications	20 274	7,3
> Real property and business services	26 910	9,7
> Other	9 691	3,5

- > The unemployment rate in Pomerania has stayed below the national level since October 2007. At the close of 2008, the rate stood at 8.4% and was varied across the region. The Tri-city, where the economic life of the region focuses, unemployment was lowest (in Sopot—1.9%, Gdynia—2.2%, Gdańsk—2.5%). The highest rate, on the other hand, was recorded in the poviats of Nowy Dwór (22.9%), Cztuchów, and Bytów (20.8% and 20.3%, respectively).

#### Unemployment rate by the poviats of the Pomorskie Voivodeship at the close of 2008 (WUP Gdańsk)



- > One of the main advantages the Pomorskie Voivodeship offers to potential investors consists in steady access to educated and specialised labour. Pomerania has 28 schools of higher education with over 100 thousand students. More than 20 thousand graduates left the Pomorskie schools in 2008 alone.
- > The University of Gdańsk is the largest school of higher education in the voivodeship. The Gdańsk University of Technology is the second largest and at the same time the oldest establishment of higher education. Other schools feeding staff to the prime economy sectors include: the Maritime Academy, Polish Naval Academy, Medical University, Academy of Physical Education and Sport, and private establishments of tertiary education.

Graduates of the University of Gdańsk in 2007/2008  
(Education in the Pomorskie Voivodeship in 2007/2008, CSO)

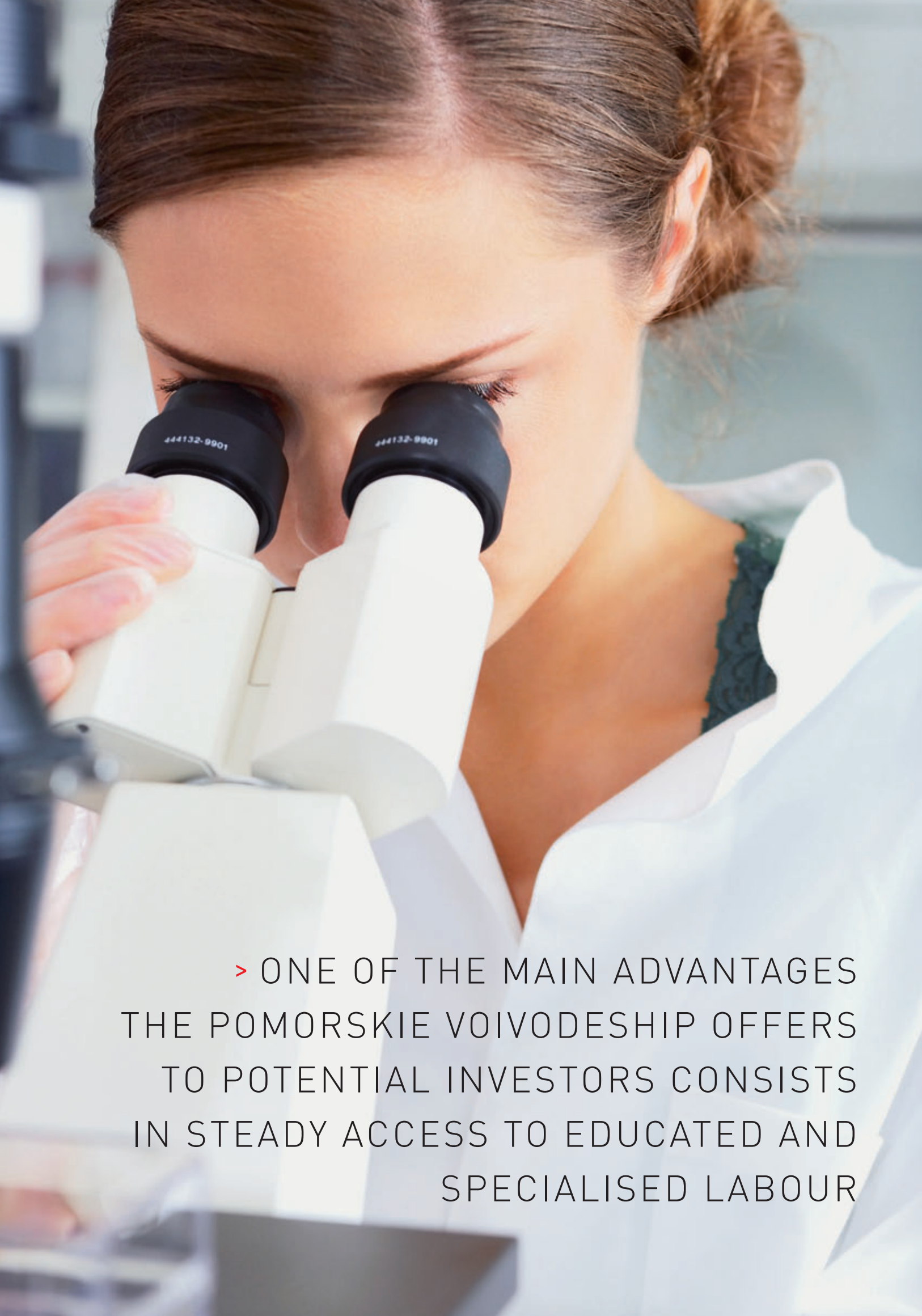
UNIVERSITY OF GDAŃSK	NUMBER OF GRADUATES
Economics	916
Finance and banking	84
Management and marketing	181
Law	383
Administration	596
Information Technology	75
Informatics and Econometrics	160
Biotechnology	62
Environment protection	157
English language	262
German language	111
French language	25
Scandinavian languages	28

Graduates of the Gdańsk University of Technology in 2007/2008  
(Education in the Pomorskie Voivodeship in 2007/2008, CSO)

GDAŃSK UNIVERSITY OF TECHNOLOGY	NUMBER OF GRADUATES
Management and marketing	497
Information technology	195
Automatics and Robotics	70
Biotechnology	72
Electronics and telecommunication	192
Electro-technology	151
Mechanics and machine building	233
Ocean engineering	153
Chemical technology	66
Material engineering	96
Building	332
Architecture and urban planning	158
Environmental engineering	65

- > There are also numerous other schools in the Pomorskie Voivodeship, offering vocational qualifications to labourers in an array of branches and special areas (fitters, electricians, mechanics, NC machine tool operators).
- > A growing number of people can speak foreign languages. Teaching languages begins as early as in the prime school. The curricula include compulsory courses in at least one foreign language, typically English.



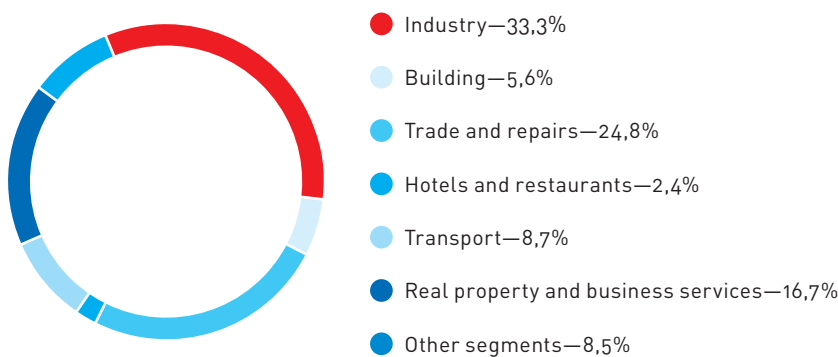
A close-up photograph of a woman with brown hair tied back, wearing a white lab coat over a dark green top. She is looking through the eyepieces of a white and black microscope. The eyepieces have the number '44132-9901' printed on them. The background is blurred, showing what appears to be a laboratory setting.

> ONE OF THE MAIN ADVANTAGES  
THE POMORSKIE VOIVODESHIP OFFERS  
TO POTENTIAL INVESTORS CONSISTS  
IN STEADY ACCESS TO EDUCATED AND  
SPECIALISED LABOUR

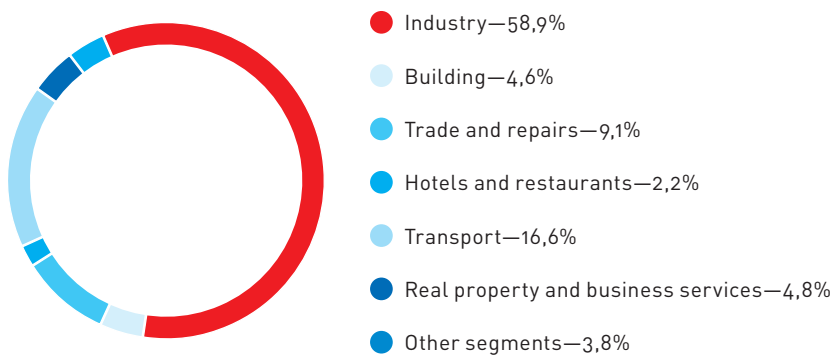
# Foreign\_Investments

- > Out of all businesses operating in the Pomorskie Voivodeship at the end of 2006, 1127 had foreign capital engaged in their equities. Businesses employing up to 9 people constituted the largest group (58.4%). Entities having more than 250 staff accounted for 4.6% of such businesses.
- > Businesses with foreign equity participation employed over 63 thousand people in total. Out of the number, 72.2% worked for industrial enterprises, 8.5% for businesses dealing in trade and repairs, 7% for entities providing real property and business services, and 4.5% for transport firms.

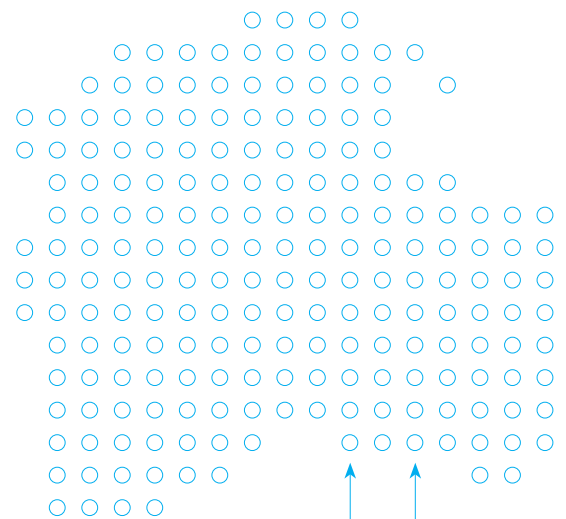
Entities with foreign equity participation by trades, 2006  
—the number



Entities with foreign equity participation by size of foreign engagement, 2006



- > The companies which have invested their capital in the Pomorskie Voivodeship come from all over the world. Quoting after CSO (*Central Statistical Office*), out of 60 domicile countries of the shareholders in the businesses located in the Pomorskie Voivodeship in the year 2006 most capital came from Germany (24.1%), the Netherlands (19.5%), Austria (9.2%), Denmark (8.7%), and France (8%).
- > The largest single investments are prevalingly made by the American capital, to name e.g. Flextronics International Poland in Tczew, or the International Paper Kwidzyn SA, as well as Intel Technology Poland in Gdańsk, and Jabil Circuit Poland in Kwidzyn (which acquired Philips Consumer Electronics Industries Poland).
- > The American capital is further represented in an increasing number of companies. To date, the Tri-city has been selected for their seats by GE Money Bank, Reuters-Thomson (which has created one of its five global operating centres here), Compuware, First Data, and Axiom.
- > The German capital is most prominent in terms of both the number of businesses, and the size of the capital invested. In terms of trades, it is present prevalingly in the food industry (Dr. Oetker, Baltic Malt), furniture (GFM Klose, Flair), electronics (Moeller Electric, Johann Krause Polska), and trade (Metro Group).
- > Companies from the Netherlands are equally prominent investors. To give example, it is enough to name e.g. Unilever Polska, Farm Frites Poland, or Smurfit Kappa Polska.
- > The French are particularly visible in the Pomorskie utilities—Dalkia Termika, EDF, and Saur Neptun Gdańsk.
- > A known Nordea financial group from Scandinavia has also established its base in the region. The Scandinavians, too, have invested in the automotive sector (Scania), and construction (Skanska and NCC). Arla Foods from Denmark launched its accounting centre in Gdańsk in 2008.
- > Port operations and yacht building belong to the industries of particular interest to foreign investors in Pomerania. The ports of the Tri-city have already attracted investments from e.g. ICTS from the Philippines (Baltic Container Terminal), Hutchison Port Holdings (Gdynia Container Terminal), and Deepwater Container Terminal Gdańsk. As for yacht-building, let us name e.g. Damen Shipyards Gdynia, or HTEP Sunreef Yachts Polska.



# Incentives\_for\_the\_Investors

## PUBLIC AID

- > Just like in other countries of the European Union, there are three basic types of public aid in Poland:
  - > regional
  - > horizontal
  - > sectoral
- > **Regional aid**—aid addressed at those regions where the GDP is less than 75% of the average GDP in the European Union. The whole Polish territory is eligible for this type of aid. Financing is available to all sectors, except for agriculture, fishery, mining, transport, automotive industry, shipbuilding, steel industry, and synthetic fibres.
- > **Horizontal aid**—focused on selected goals, irrespective of the geographical region. The prime types of expenditure financed from the horizontal aid scheme are: ad hoc aid to businesses (survival/restructuring), support for small and medium size enterprises, aid for employment and new jobs, for innovation and R&D projects, and for investments related to environment protection.
- > **Sectoral aid**—geared to supporting sensitive sectors and connected with the restructuring of both whole areas of the economy, and individual companies representing: shipbuilding, seafaring, coal mining, iron and steel industry, synthetic fibres, automotive industry, agriculture, and fishery.
- > All public aid programmes addressed at enterprises, which exceed EUR 200 thousand in value must be notified to the European Commission.
- > **De minimis** need not be notified; instead, individual de minimis projects are cumulated over 3 years up to the ceiling of EUR 200 thousand.
- > There are many instruments of support available, provided however that the overall value of the aid must not exceed the maximum intensity of regional aid for the specific region (defined as the percent of the expenditure eligible for aid). The ceiling for the Pomorskie Voivodeship is 40%.
- > The aid intensity levels for micro and small businesses are higher by 20 percent points gross (except for entrepreneurs operating in the transport sector). The level of aid intensity for medium size enterprises is increased by 10 percent points gross (except for entrepreneurs operating in the transport sector). The maximum intensity of regional aid for newly-formed small businesses (with the history shorter than 5 years) is 40%—with respect to the costs incurred over the initial three years following business formation, and 30%—with respect to the costs incurred over the subsequent two years.
- > For large investment projects (i.e. such new investments where the aid-eligible expenditure exceeds the equivalent of EUR 50 million) the maximum aid level is established in accordance with the following formula:

$$I = R \cdot (EU\ 50\ M + 0.5 \cdot B + 0.34 \cdot C)$$

where:

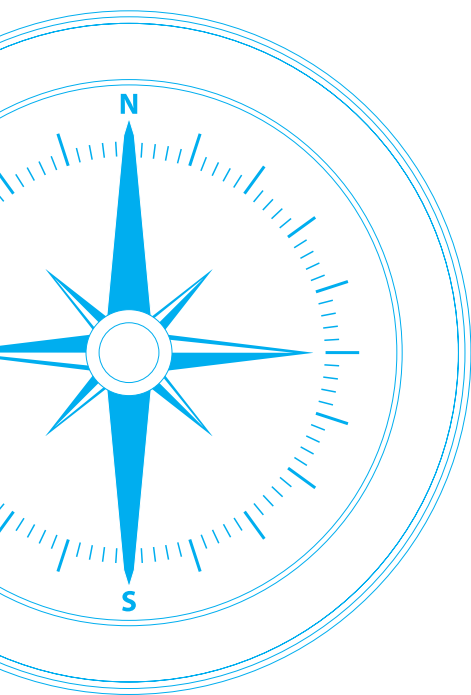
- > I—maximum aid for a large investment project,
- > R—basic aid intensity (40% for the Pomorskie Voivodeship),
- > B—expenditure eligible for financing, in excess of EUR 50 million, however no more than the equivalent of EUR 100 million,
- > C—expenditure eligible for financing, in excess of EUR 100 million.

## SPECIAL ECONOMIC ZONES (SEZ)

- > Special Economic Zones are administratively separated areas in Poland where the investors can launch and conduct business operations on preferable terms. The SEZ estates offer plots of land available for investments, fitted with complete technical infrastructure, plus income tax exemption (PIT or CIT). In addition, investors in SEZs receive free-of-charge aid in going through all formalities related to the investment process.
- > Tax exemption within an SEZ is linked to the size of the investment, or the number of new jobs created. The aggregate of tax exemptions and other forms of aid cannot exceed the regional aid ceiling. The business operations launched through a specific investment must be continued for at least 5 years following the investment completion date (large enterprises) or 3 years (small and medium size enterprises). If support is granted for the creation of new jobs, such jobs must be maintained for at least 5 years following the completion of the investment. The minimum value of the investment eligible for aid in an SEZ is EUR 100 thousand. The voivodeship has two Special Economic Zones—Pomorskie SEZ and Stupsk SEZ.
- > **Pomorskie Special Economic Zone** (PSEZ) comprises 17 investment locations totalling 1220.11 ha in area. All locations are spread over northern Poland: 447.03 ha in the Pomorskie Voivodeship, 603.08 ha in the Kujawsko-Pomorskie Voivodeship and 170 ha in the Zachodniopomorskie Voivodeship. By mid-2008 the investments in PSEZ had added up to PLN 3 307.6 million and created 17 326 jobs. The prevailing industries are: electrical and optical equipment manufacturing, and paper production. The prime investors include: Sharp Manufacturing Poland, Orion Electric Poland, Bridgestone Stargard, Flextronics International Poland, International Paper Kwidzyn, Jabil Circuit Poland, Gemalto, Zakłady Farmaceutyczne "POLPHARMA", Mondi Świecie, Tensho Poland Corporation, and Polpak Papier.
- > **Stupska Special Economic Zone** (SSEZ), managed by the Pomorskie Agency for Regional Development SA, occupies the total area of 401 ha and is made up of 8 investment locations in the Pomorskie, Zachodniopomorskie and Wielkopolskie voivodeships. By mid-2009 the investments in the zone had amounted to PLN 718,4 million and created 2 528 new jobs. The prevailing trades are: timber industry, plastics production and metal goods manufacturing, automotive industry, and transport. The main investors include: "BAJCAR" Bronisław Bajcar, M&S Okna i Drzwi, Przetwórstwo rybne "Łosoś", KAPENA, Kronospan Polska, and NordGlass II.

## LOCAL LEVEL

- > Exemption from real property tax
  - > The entrepreneurs creating new jobs can obtain full or partial exemption from the real property tax. The exemption is of general nature (for all entrepreneurs meeting specific prerequisites), hence can be deemed regional aid (depending on specific legal solutions adopted in the commune resolutions). The exemptions are set forth in resolutions of the Commune Councils.
- > Exemption from vehicle tax
  - > It is possible to obtain full or partial exemption from the vehicle tax. The tax is only charged on trucks and coaches. The exemption is of general nature and since April 2007 has been considered public aid. The exemptions are set forth in resolutions of the Commune Councils.
- > Entrepreneurs can further obtain support (horizontal aid) from the **poviat labour office** to employ the jobless. The aid can take the following forms:
  - > grant for equipping the workplace—the amount specified in the contract, however no higher than 500% of the average gross pay in the national economy (the condition: keeping full time employment at the position for at least 12 months);
  - > reimbursement of the costs incurred on the social insurance contributions which accompany the employment of the referred jobless person—the one-off refund is paid after 12 months of continued employment, in the amount no higher than 300% of the minimum pay on the day the specific person was employed;
  - > intervention jobs—a monthly or bi-monthly refund of a part of the costs the employer incurred on remuneration, awards, and social insurance contributions.



## Pomerania Development Agency Co.

Pomerania Development Agency Co. (Agencja Rozwoju Pomorza SA—ARP SA) launched its activities in 1992. It was formed on the initiative of the voivodeship authorities. It is the strong institution pointing the standards of entrepreneurship support for Pomerania. The Agency is also an important partner for local authorities in the area of creating regional development.

ARP SA has been supporting and assisting Pomeranian entrepreneurs in consuming EU grants for 9 years. At present Agency is implementing EU funds for micro, small and medium size enterprises and business support institutions in Regional Operational Programme for Pomorskie Voivodeship in 2007–2013 and in Operational Programme Innovative Economy.

The Agency realizes new project **Economic Promotion and Information System for Pomorskie Voivodeship**. It's main goal is to systematize all activities on the field of economic promotion of the region in Poland and abroad in the years 2009–2011. The project includes analysis on investment attractiveness of the Pomeranian Region, which will point out sectors crucial for its further development. Condition of regional economy will be examined—its advantages and weaknesses, main sectors and local business environment. Results of the study are to be compared with global economy trends and expectations and experiences of the potential investors. Basing on the analysis, advertising agency will be selected to prepare worldwide marketing campaign of the Region.

The Agency realizes also other projects of great importance for Pomorskie Voivodeship: it manages the Capital Fund which invests in innovative projects, runs the Investor Assistance Centre (Centrum Obsługi Inwestora—COI) and provides professional and comprehensive information, consulting and training services.

High quality of provided services has been proven by many certificates: ISO 9001, KSU, Ministry of Economy certificate and other appropriate accreditations.

---

80-387 Gdańsk, 6/A3 Arkońska St., Poland

phone: +48 58 32 33 100

fax: +48 58 30 11 341

sekretariat@arp.gda.pl

www.arp.gda.pl





> [www.arp.gda.pl](http://www.arp.gda.pl)



**PROGRAM REGIONALNY**  
NARODOWA STRATEGIA SPÓJNOŚCI



**UNIA EUROPEJSKA**  
EUROPEJSKI FUNDUSZ  
ROZWOJU REGIONALNEGO



The Project has been co-financed by the European Union from the European Regional Development Fund