

# Foreign Direct Investment attractiveness analysis for the automotive sector in the Opolskie Voivodeship



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# Introduction

- The automotive industry is the second largest sector in terms of turnover in Poland
- Polish factories are among the most modern in Europe. The division of General Motors Manufacturing Poland located in Gliwice was the winner of the internal GM prize for best factory in terms of quality production facility in the Europe Group (GM “Boss” Kettering Award)
- Productivity in the automotive industry is nearly twice more than the average for Polish industry. An average employee in the automotive industry generates revenue of PLN 610 000 per year, whereas in Polish industry, the average revenue generated per employee is PLN 348 000
- 75% of the companies in the automotive industry in Poland was planning to undertake new investments in 2011, and one third of them had predicted an increase in employment

Poland has some of the best conditions in the world for the automotive industry, which is confirmed by a study conducted in 2010 by PAIiZ and published in the report “Automotive Industry in Poland”. The report is based on Business Monitor International

Country	Scoring (no. of points) max. 100
Germany	69.8
United Kingdom	68.4
France	64.5
Italy	64.2
Poland	61.1

# The main car manufacturers in Europe 1/2



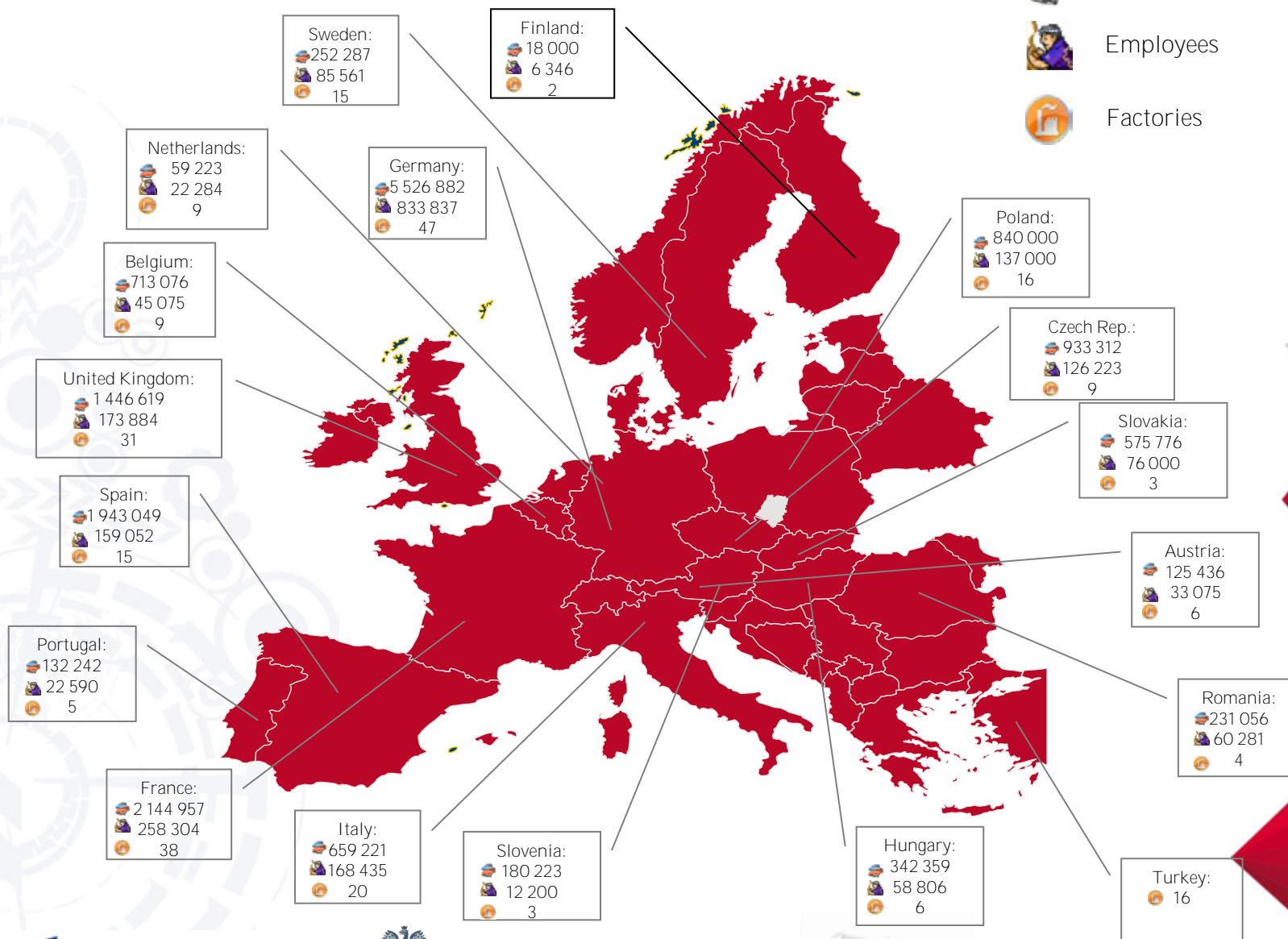
Car production



Employees



Factories



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## The main car manufacturers in Europe 2/2

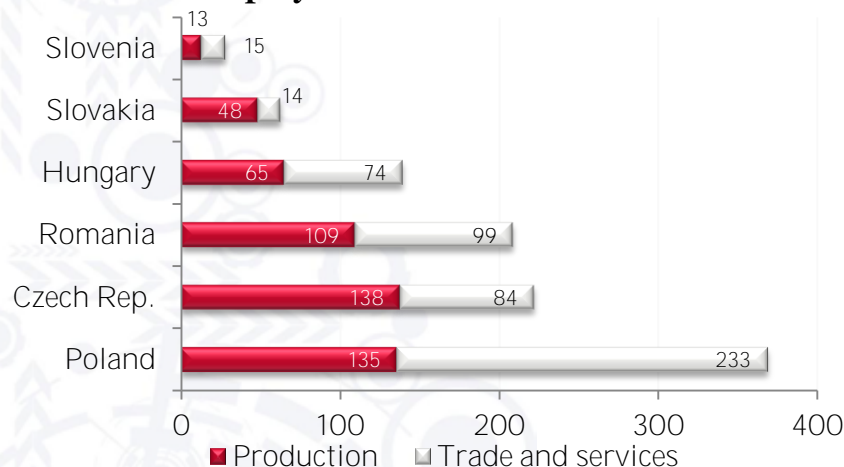
Poland is the second largest car manufacturer in Eastern Europe, after the Czech Republic

Approximately 40% of the car and engine factories in the region are located in Poland.

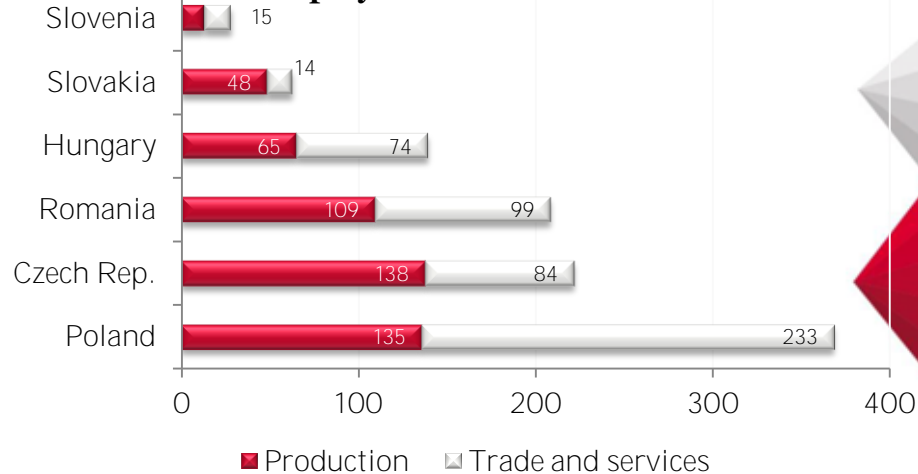
More than 90 percent of Polish automotive production is destined for external markets

Eurostat data cited in the *Report of the automotive industry - 2011* show that in Central and Eastern Europe the Polish automotive industry generates the largest total revenues and employs the highest number of employees

**Employment in the automotive sector in CEE**



**Employment in the automotive sector in CEE**



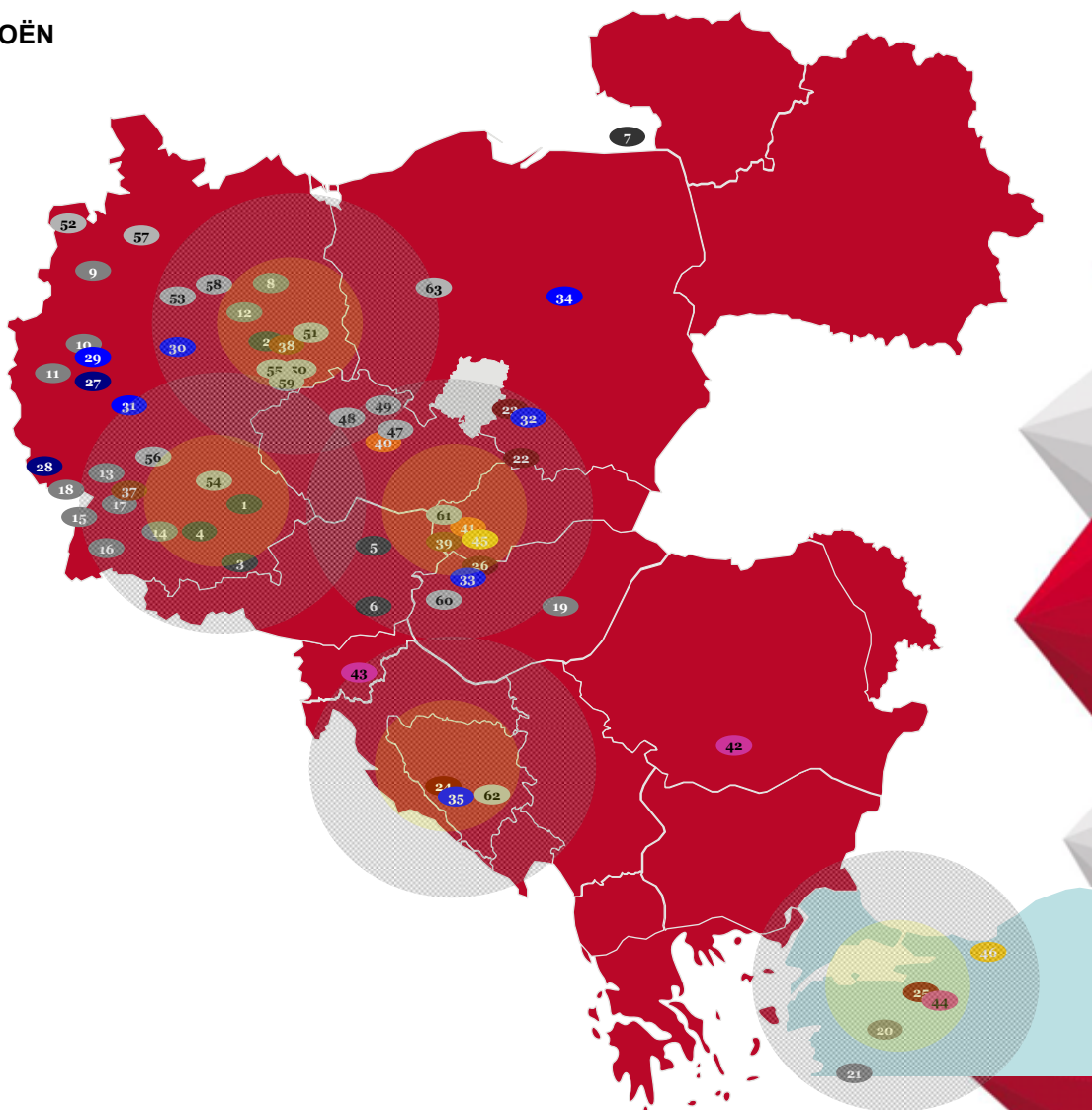
### Largest car manufacturers in Europe:

1. Germany
2. France
3. Spain
4. United Kingdom
5. Czech Republic
6. Poland
7. Belgium
8. Italy



# Location of the largest car factories in the CEE

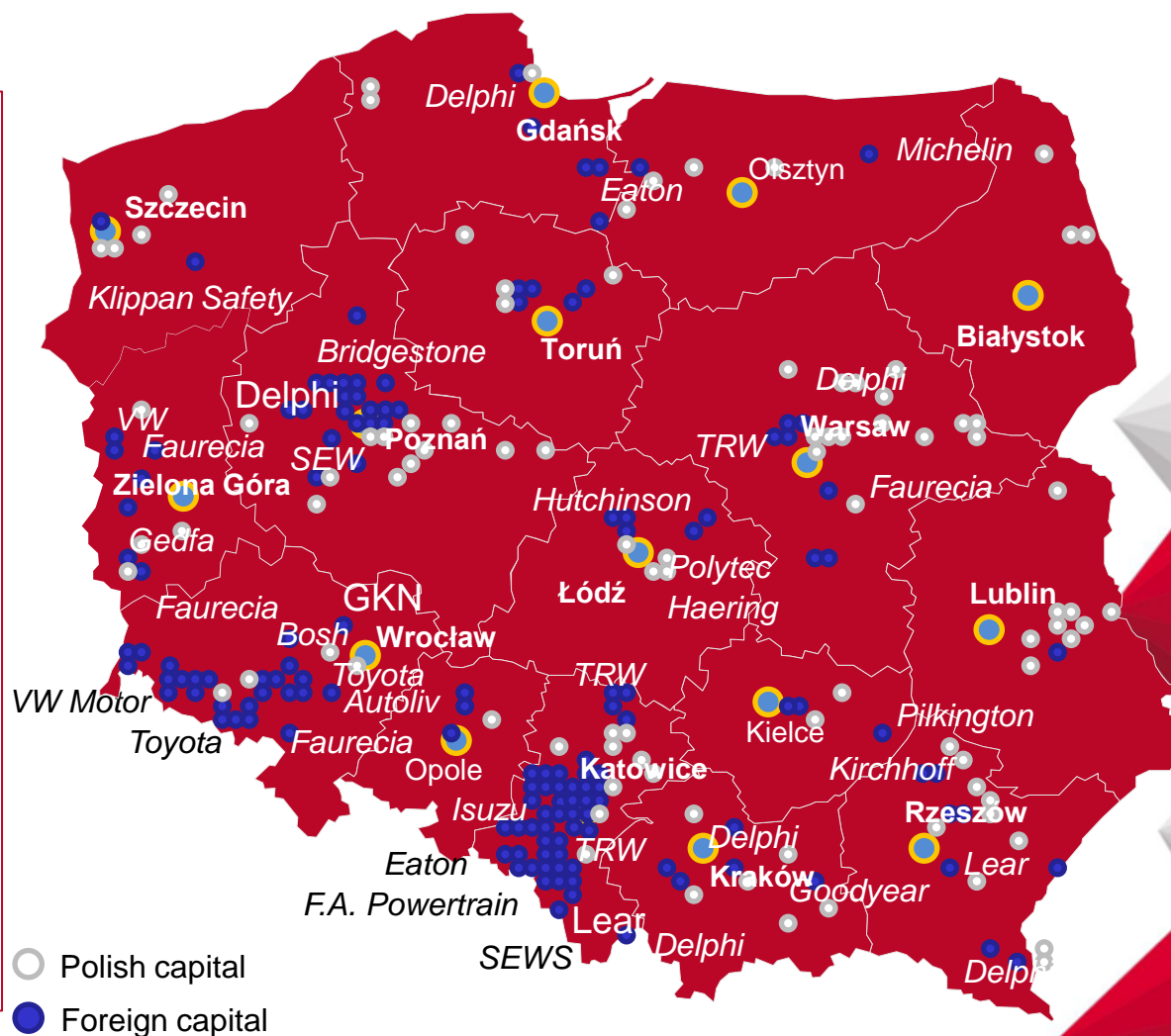
- |                  |                              |
|------------------|------------------------------|
| ● <b>BMW</b>     | ● <b>PSA PEUGEOT CITROËN</b> |
| 1 Dingolfing     | 40 Kolin                     |
| 2 Leipzig        | 41 Trnava                    |
| 3 Munich         | ● <b>RENAULT</b>             |
| 4 Regensburg     | 42 Colibasi                  |
| 5 Steyr          | 43 Novo Mesto                |
| 6 Graz           | 44 Bursa                     |
| 7 Kaliningrad    | ● <b>TOYOTA</b>              |
| ● <b>DAIMLER</b> | 45 Kolin                     |
| 8 Berlin         | 46 Adapazari                 |
| 9 Bremen         | ● <b>VOLKSWAGEN</b>          |
| 10 Dortmund      | 47 Kvasiny                   |
| 11 Düsseldorf    | 48 Mlada Boleslav            |
| 12 Ludwigsfelde  | 49 Vrchlabi                  |
| 13 Mannheim      | 50 Chemnitz                  |
| 14 Neu-Ulm       | 51 Dresden                   |
| 15 Rastatt       | 52 Emden                     |
| 16 Sindelfingen  | 53 Hannover                  |
| 17 Untertürkheim | 54 Ingolstadt                |
| 18 Wörth         | 55 Mosel                     |
| 19 Kecskemet     | 56 Neckarsulm                |
| 20 Aksaray       | 57 Osnabrück                 |
| 21 Hosdere       | 58 Wolfsburg                 |
| ● <b>FIAT</b>    | 59 Zwickau                   |
| 22 Bielsko-Biala | 60 Győr                      |
| 23 Tychy         | 61 Bratislava                |
| 24 Kragujevac    | 62 Sarajevo                  |
| 25 Bursa         | 63 Poznań                    |
| 26 Esztergom     | ● <b>GM</b>                  |
| ● <b>FORD</b>    | 29 Bochum                    |
| 27 Köln          | 30 Eisenach                  |
| 28 Saarlouis     | 31 Rüsselsheim               |
| ● <b>PORSCHE</b> | 32 Gliwice                   |
| 37 Stuttgart     | 33 Esztergom                 |
| 38 Leipzig       | 34 Warsaw                    |
| 39 Bratislava    | 35 Kragujevac                |
|                  | 36 Zaporizhia                |



# Automotive sector production in Poland – spatial arrangement

In Poland the preferred location for Companies in the automotive industry are the Silesian, Lower Silesian and Greater Poland voivodeships

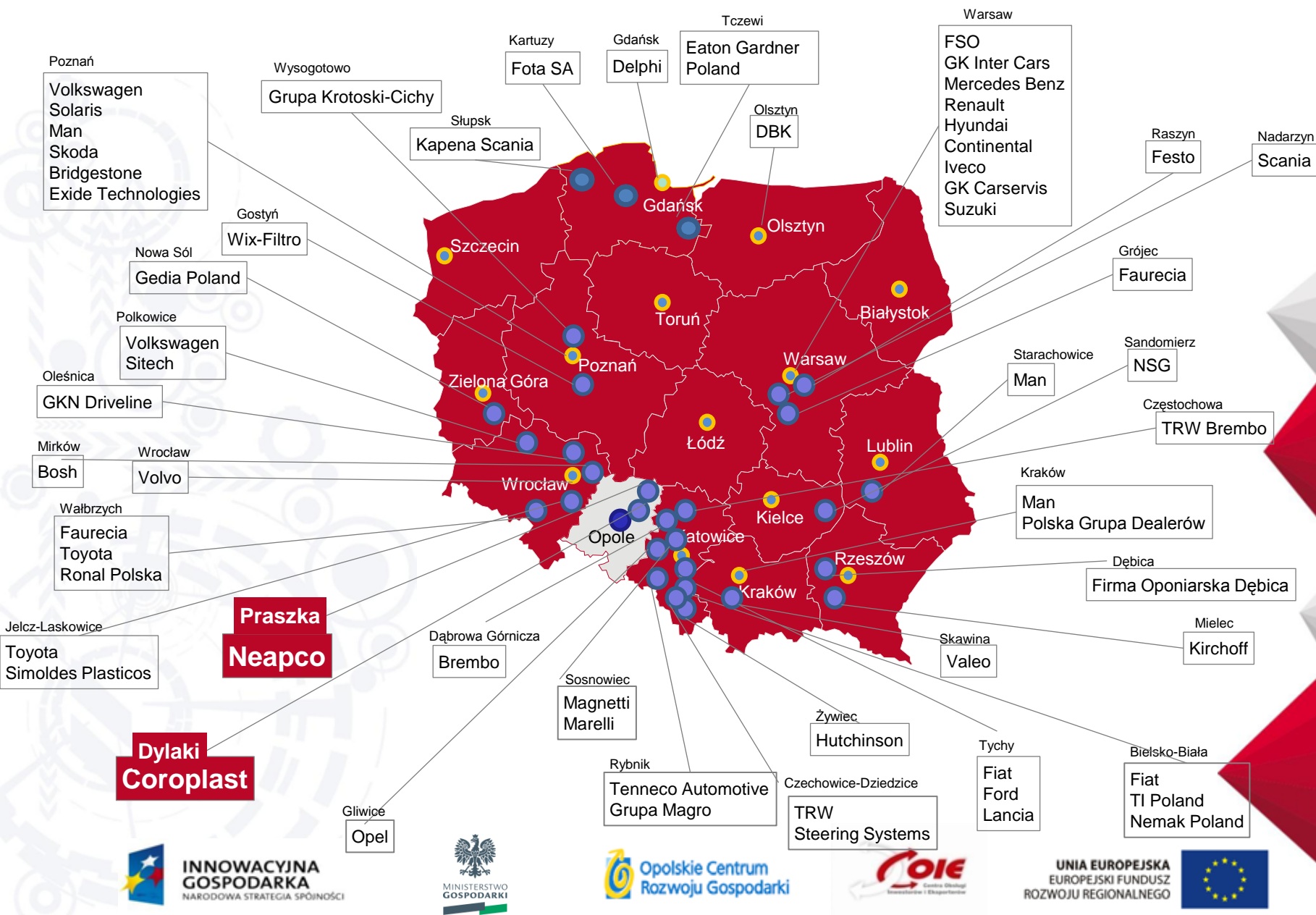
Among the factors determining the location of plants in these provinces are first and foremost the availability of markets (Western Europe), the proximity of highly qualified workers, the proximity to transportation and well developed infrastructure, the proximity to suppliers and vendors



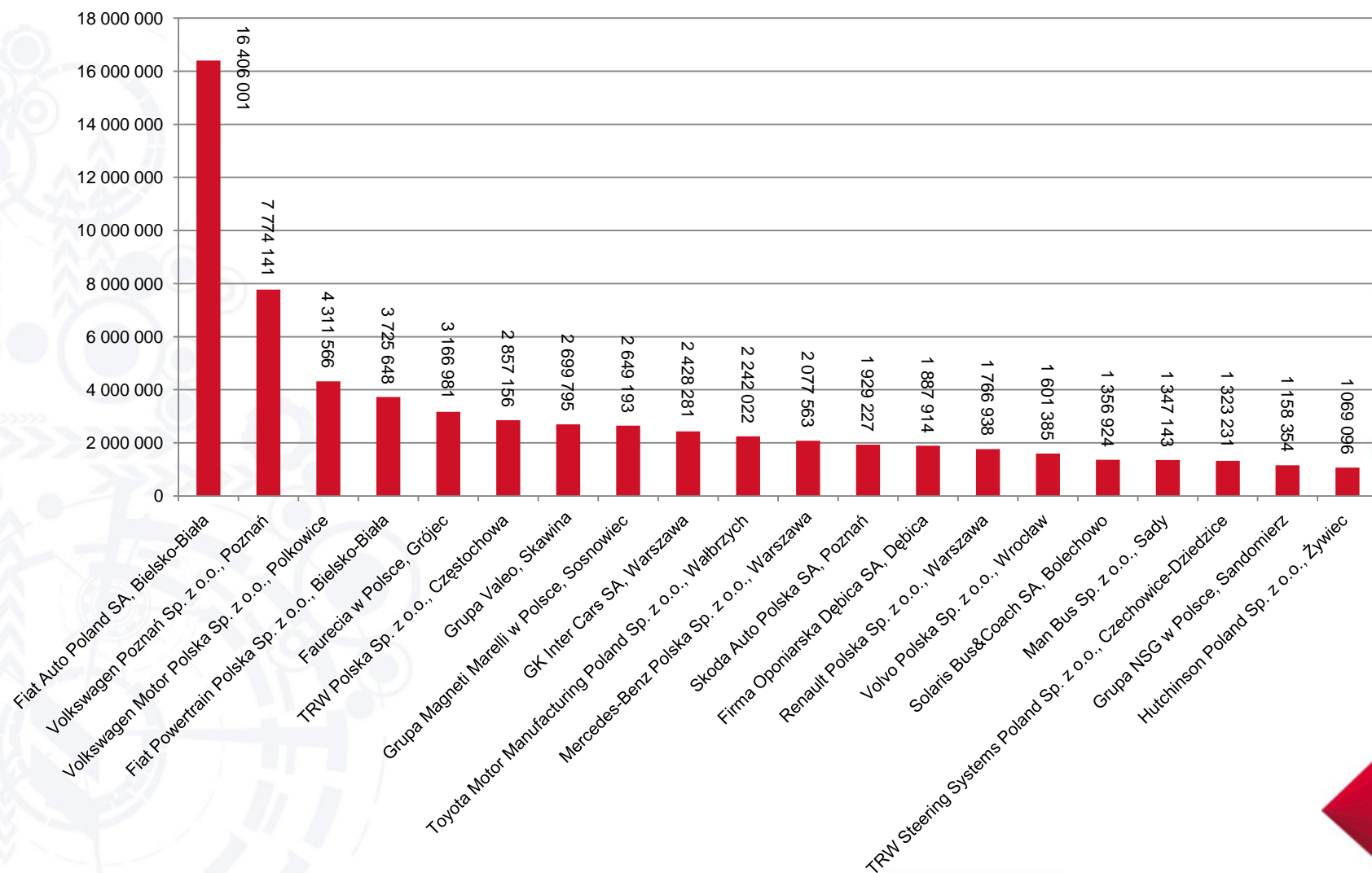
Source: PIM, 2011



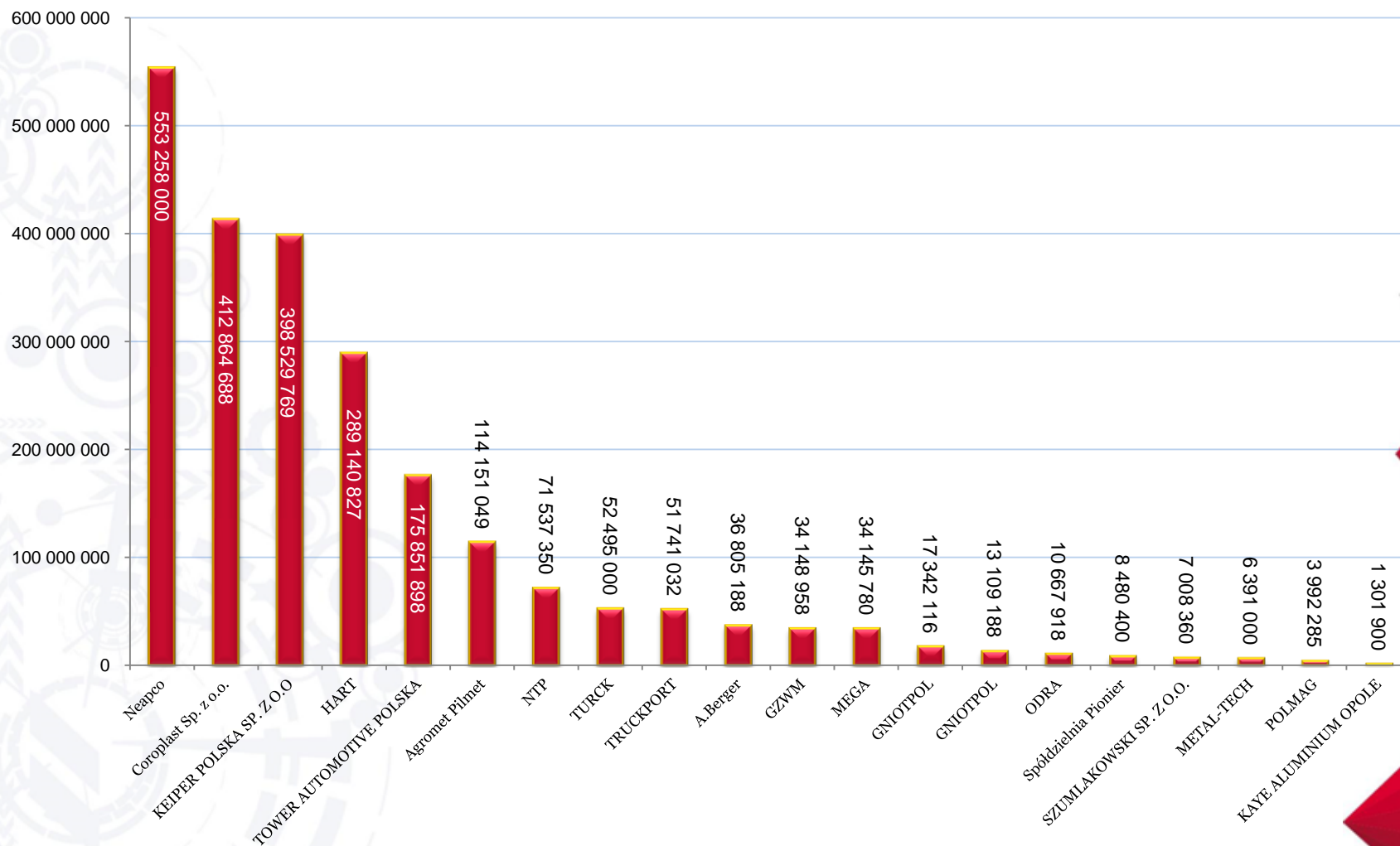
# The largest automotive companies in Poland



# Revenues on sales in the largest companies in the automotive industry in Poland; in PLN thousands, 2010



# Revenues on sales in the largest companies in the automotive industry in Opole in PLN, 2009



# The structure of the automotive market in Poland

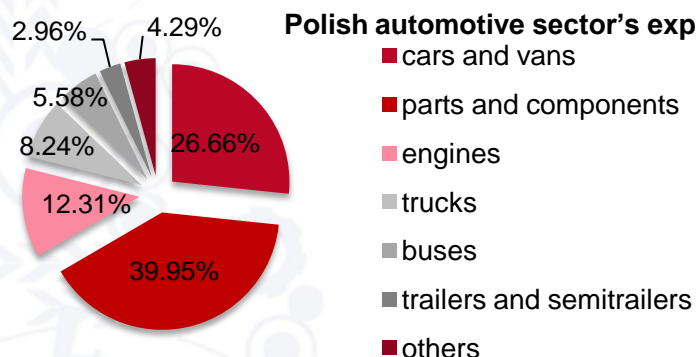
Poland mainly produces cars, including Opel Astra III and IV, the Fiat Panda and 500, Lancia Ypsilon or Ford Ka

Another important sub-sector is the production of engines and car parts, used mainly in the production of vehicles in other factories

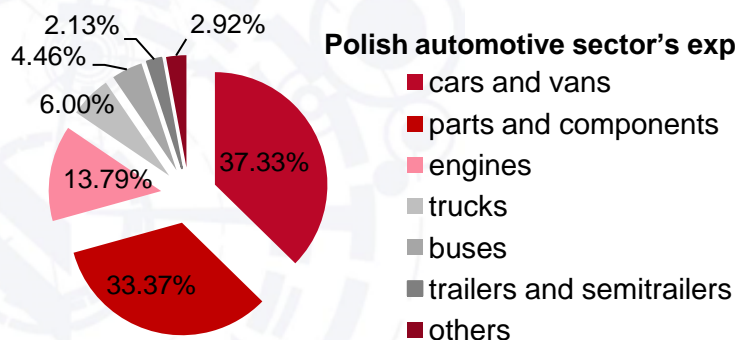
## Key foreign direct investment in the automotive sector in Poland

Company	Capital expenditure; EUR million	Total employment
Fiat Auto Poland S.A.	1 800	4 173
Toyota	740	2 000
Volkswagen Poznań Sp. z o.o.	729	5 889
General Motors Manufacturing Poland	650	2 700
Fiat-GM Powertrain	400	1 416
Delphi Automotive Systems	303	6 898
Faurecia	200	1 314
Ispol-IMG Holdings	154	430
Eaton Corporation	100	613
Lear Corporation	65	1 500
<b>TOTAL</b>	<b>5 141</b>	<b>26 933</b>

**Polish automotive sector's export; August 2010**



**Polish automotive sector's export; August 2009**



# The biggest players in the automotive sector in the Opolskie Voivodeship

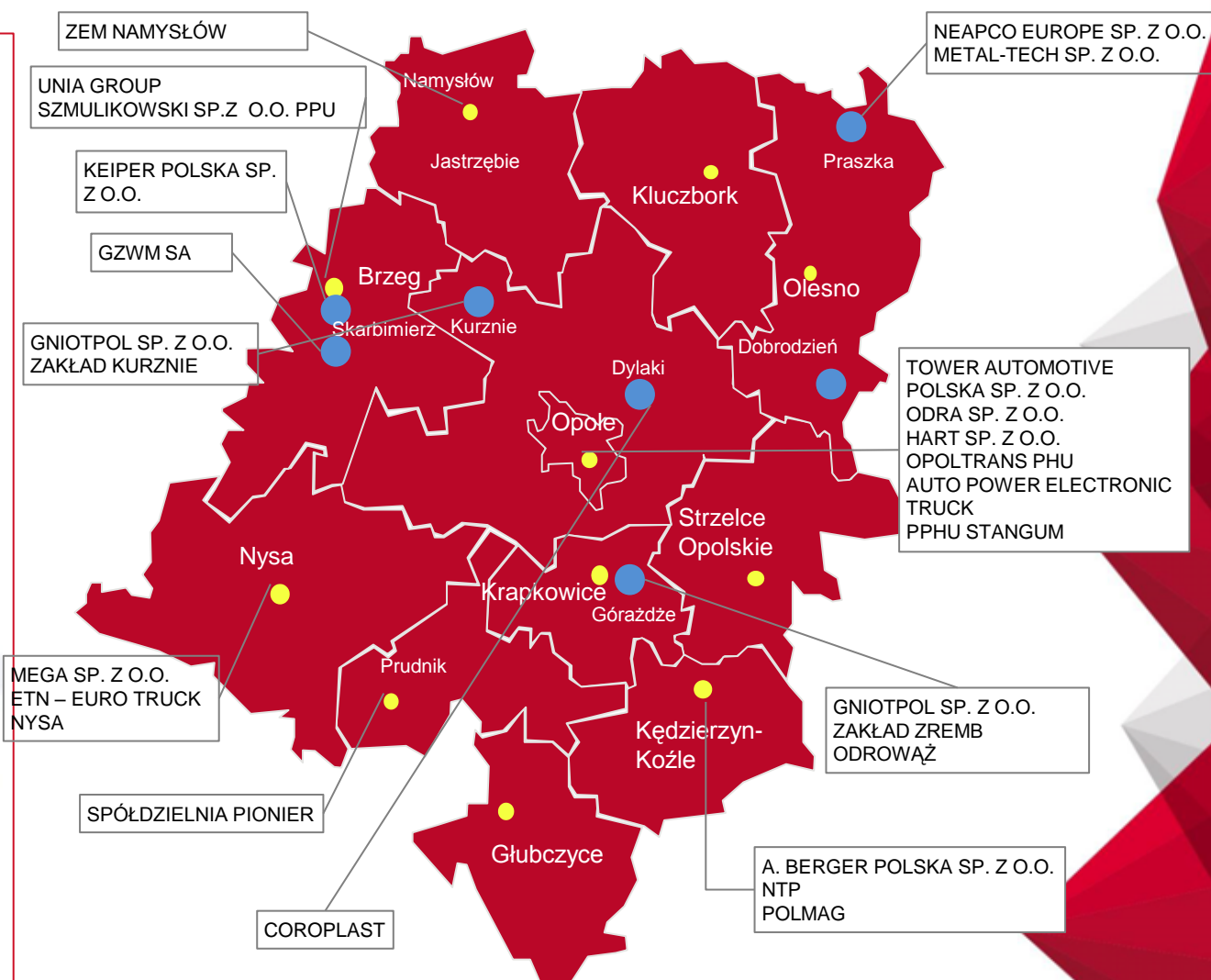
In the Opolskie Voivodeship 26 entities in the automotive industry were identified (excluding service companies)

Production in the automotive region in 2008 amounted to approximately PLN 2.5 billion

The percentage share of the automotive industry in the country's industrial production is similar to the Opolskie Voivodeship. In the former case it amounts to 9.51% and in the latter to 8.66%

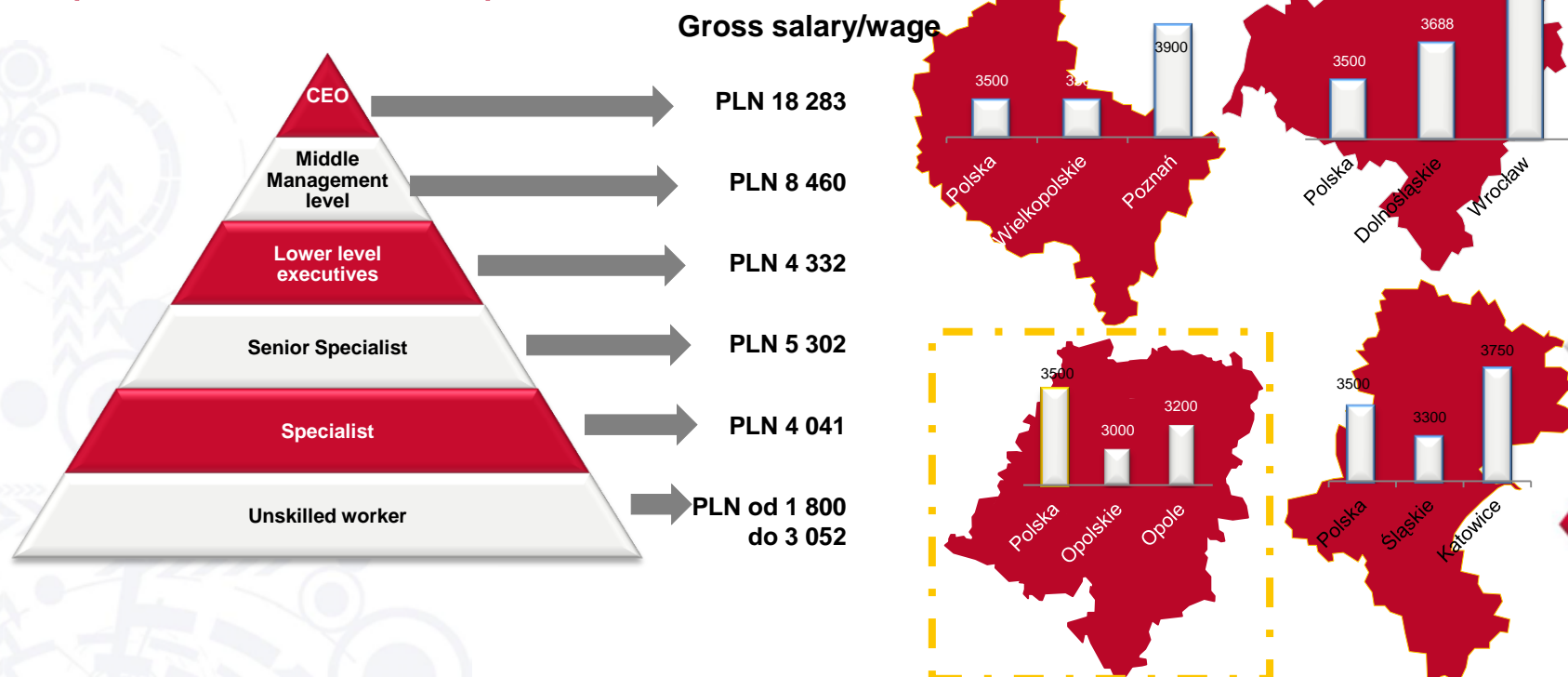
According to the Statistical Office in Opole, the capital expenditure of companies in the automotive sector amounted to PLN 29 866 000 in 2009.

In 2009, the production of automotive-related industries, amounted to over PLN 300 000 000.





# Average monthly gross wages/salaries in the automotive sector in the Opolskie Voivodeship



The automotive sector currently employs approximately 8,000 people in the Opolskie Voivodeship

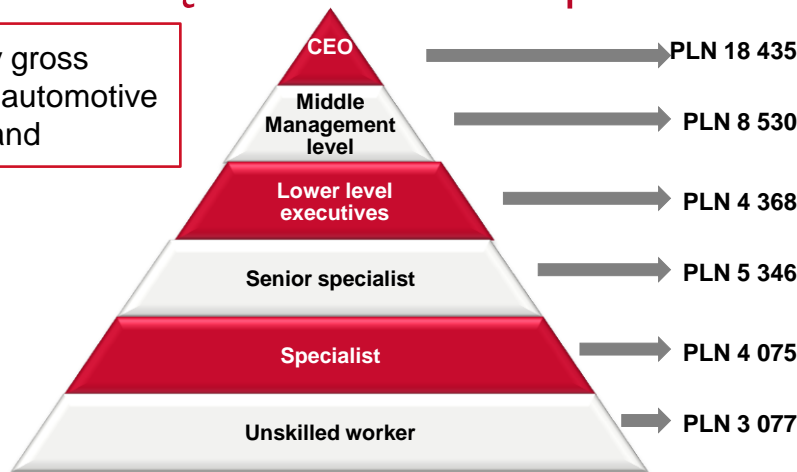
The largest employers in the region are Coroplast, Neapco Europe, NTP, Opoltrans, HART, and Keiper Poland

The study, "National Compensation Study 2010" showed that the average wage/salary in the Opole region was 14% lower than that for the whole of Poland. Among the neighbouring voivodeships, only Łódź had similar results

The largest companies in the automotive industry in these voivodeship are paying unskilled workers the lowest gross wages (from PLN 1 800 to PLN 2 500). These wages are supplemented by compensation for overtime and any bonuses to a level oscillating around PLN 3 000

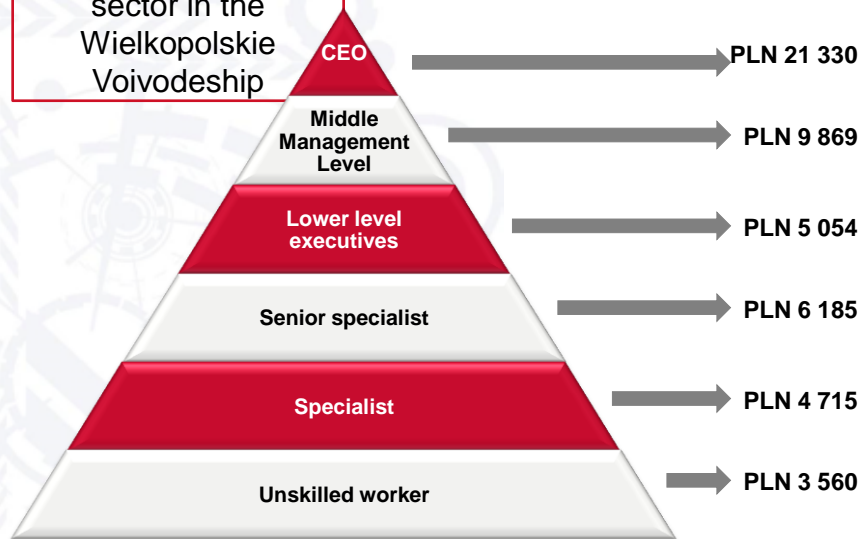
# Average monthly gross wages/salaries in the automotive sector in Poland in the Dolnośląskie and Wielkopolskie Voivodeships.

Average monthly gross wages/salaries in the automotive sector in Poland

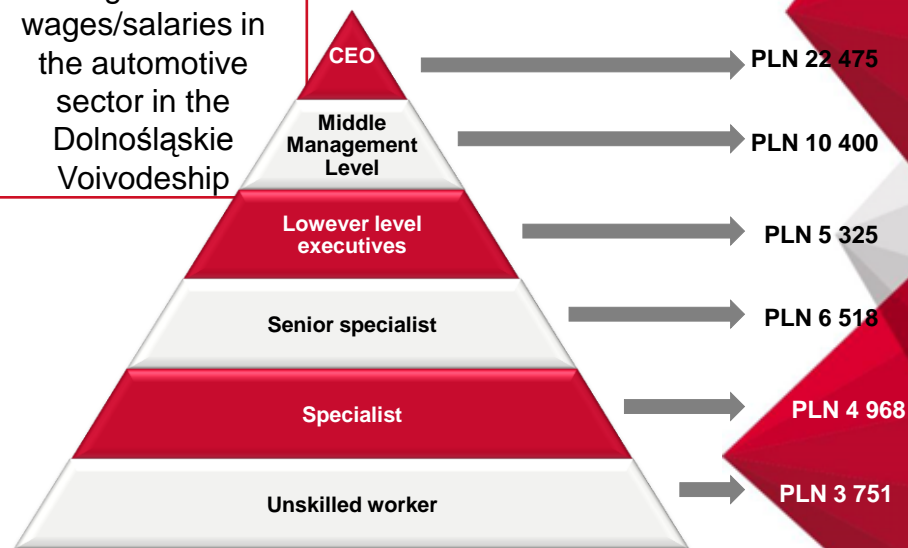


The wages of unskilled workers (manufacturing), in the Opolskie Voivodeship are lower than the average in the industry in Poland and neighbouring provinces. Also, the average wage/salary for other positions in the Opolskie Voivodeship are the lowest among the analyzed regions.

Average monthly gross wages/salaries in the automotive sector in the Wielkopolskie Voivodeship



Average monthly gross wages/salaries in the automotive sector in the Dolnośląskie Voivodeship



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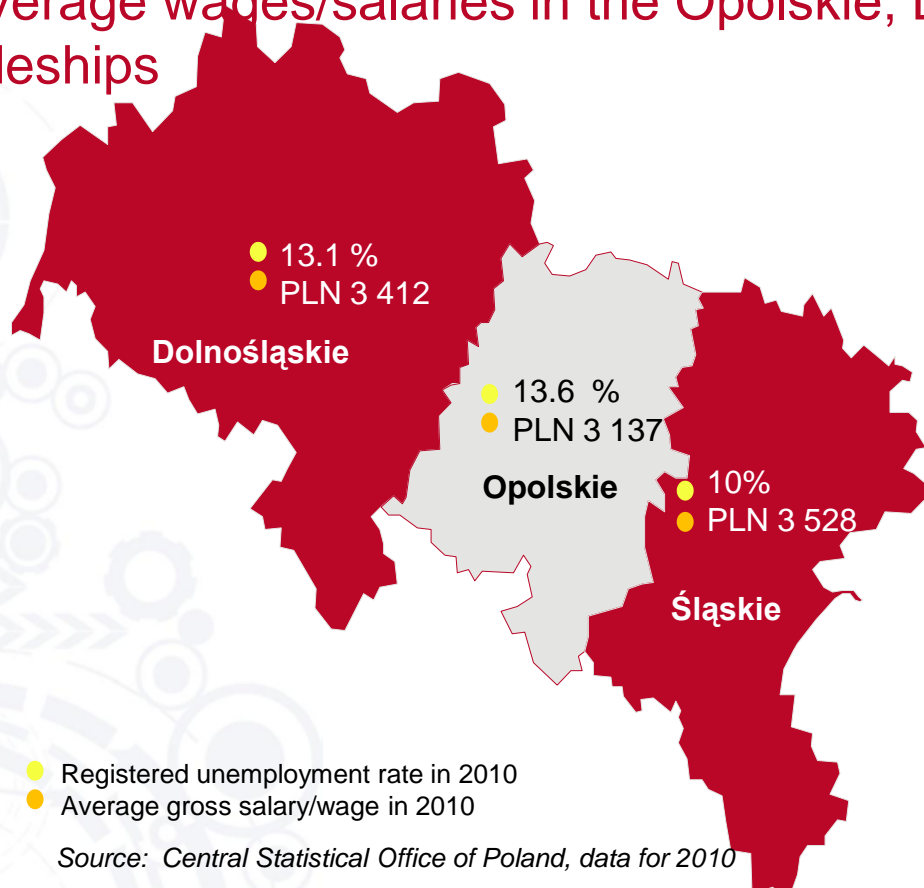
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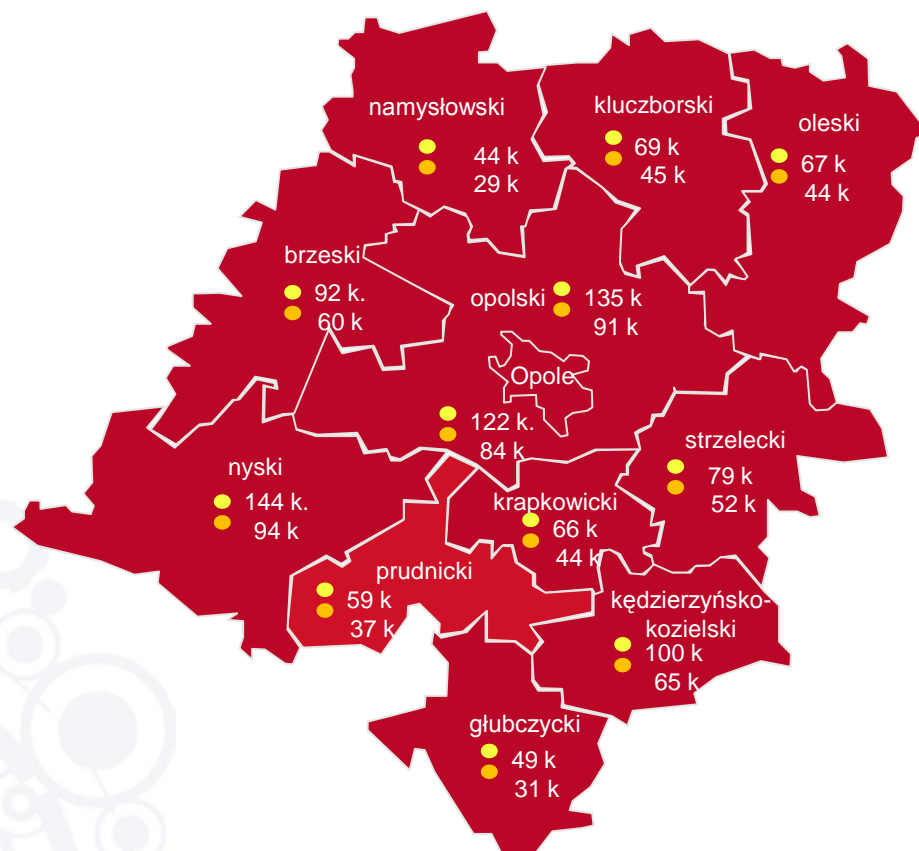
## Percentage of working-age population actively searching for employment and average wages/salaries in the Opolskie, Dolnośląskie and Śląskie voivodeships



In 2010 in the Opolskie Voivodeship, a higher percentage of the working-age population was actively searching for employment compared with the Dolnośląskie and Śląskie voivodeships. Taking wages/salaries into account, the average gross wage/salary in the Opolskie Voivodeship was 8% and 11% lower compared with the Dolnośląskie and Śląskie voivodeships respectively

Source: Główny Urząd Statystyczny, 2011

## Inhabitants of the Opolskie Voivodeship in poviats in thousands (k)

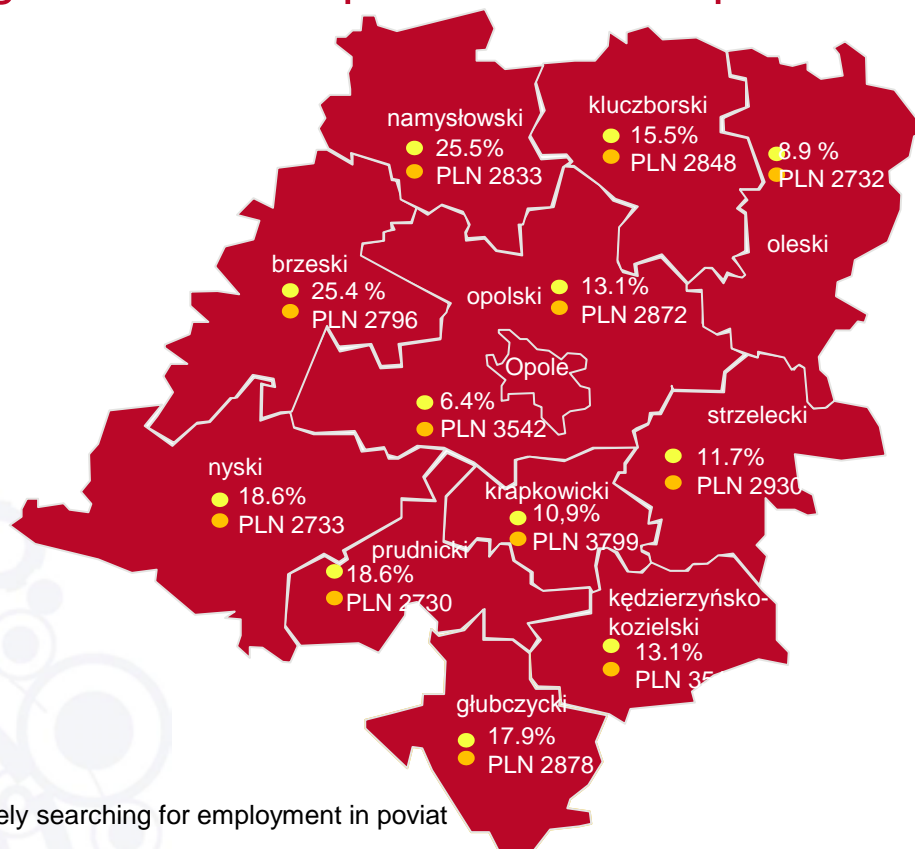


- Inhabitants of poviats
- Working-age population in poviat

Source: Central Statistical Office of Poland, data for 2010

The most populated poviats in the Opolskie Voivodeship are: Nyski, Opolski, the city of Opole and Kędzierzyńsko-Kozielski

## Percentage of the population actively searching for employment and average wages/salaries in poviats in the Opolskie Voivodeship



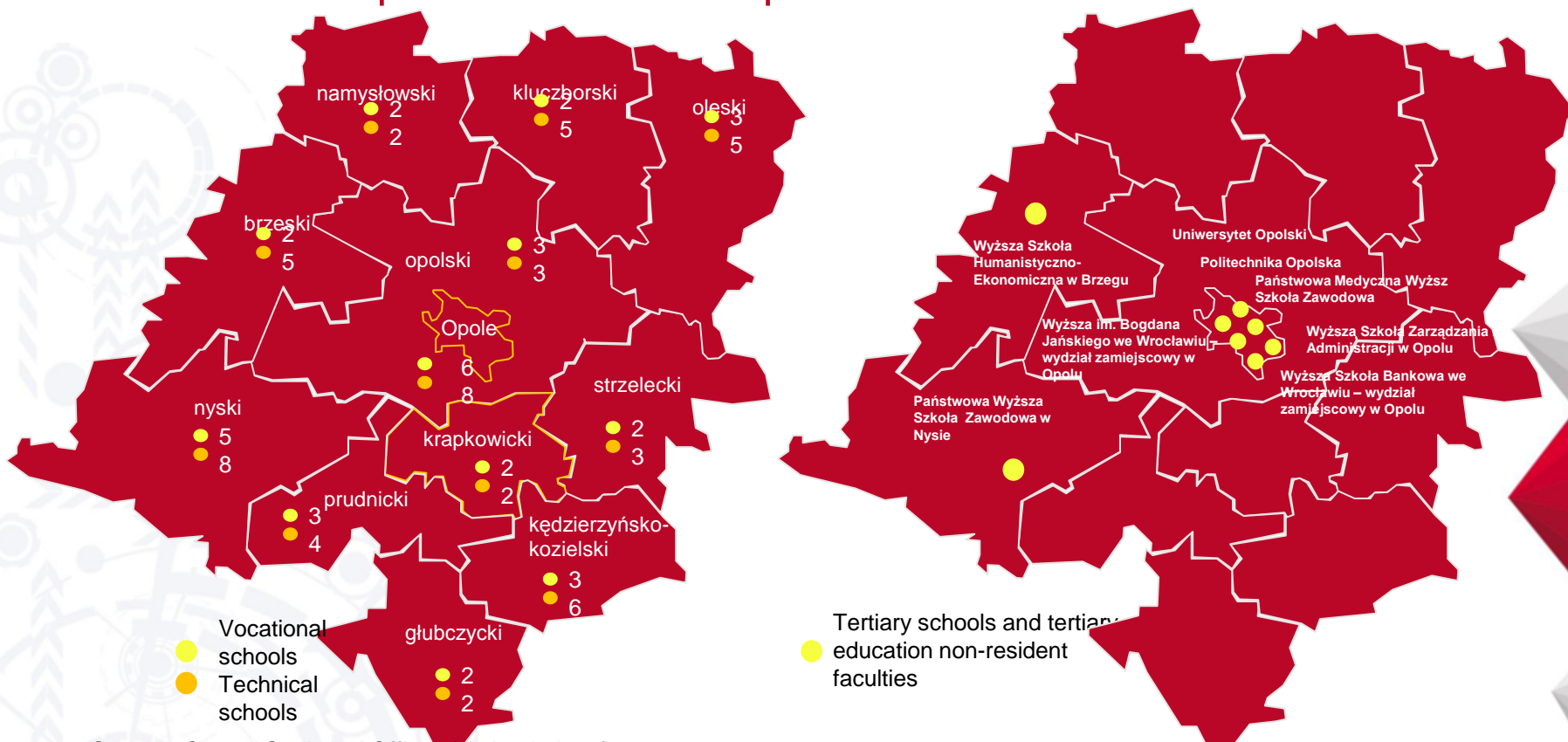
- Percentage of population actively searching for employment in poviat
- Average wage/salary in poviat

Source: Central Statistical Office of Poland, data for 2010

In 2010, the average gross wage/salary in the Opolskie Voivodeship amounted PLN 3 137 which is equal to approx. 91% of the average gross wage/salary for Poland. In 2010 in the Opolskie Voivodeship the total number of inhabitants ready to take up employment was estimated at 48 755



# Education system important for the development of the automotive sector in the Opolskie Voivodeship



Source: Central Statistical Office of Poland, data for 2010

The location of vocational and technical schools in the Opolskie Voivodeship is evenly spread since there are at least 2 vocational and 2 technical schools in each poviat. Secondary schools dedicated to educating professionals for work in the automotive sector include the Automotive Technical School in Strzelce Opolskie, a complex of Mechanical Schools in Nysa and a complex of Mechanical Schools in Opole

# Location of Opole and distance from selected cities



Source: Own development

City	Distance from Opole
Wrocław	97 km
Katowice	114 km
Kraków	191 km
Łódź	196 km
Kielce	228 km
Poznań	259 km
Zielona Góra	278 km
Warsaw	314 km
Toruń	326 km
Rzeszów	354 km
Lublin	401 km
Olsztyn	454 km
Gdańsk	499 km
Białystok	511 km
Szczecin	574 km

Thanks to access to the A4 motorway, Wrocław and Katowice are reachable within a little over an hour from Opole

# Distance from selected airports

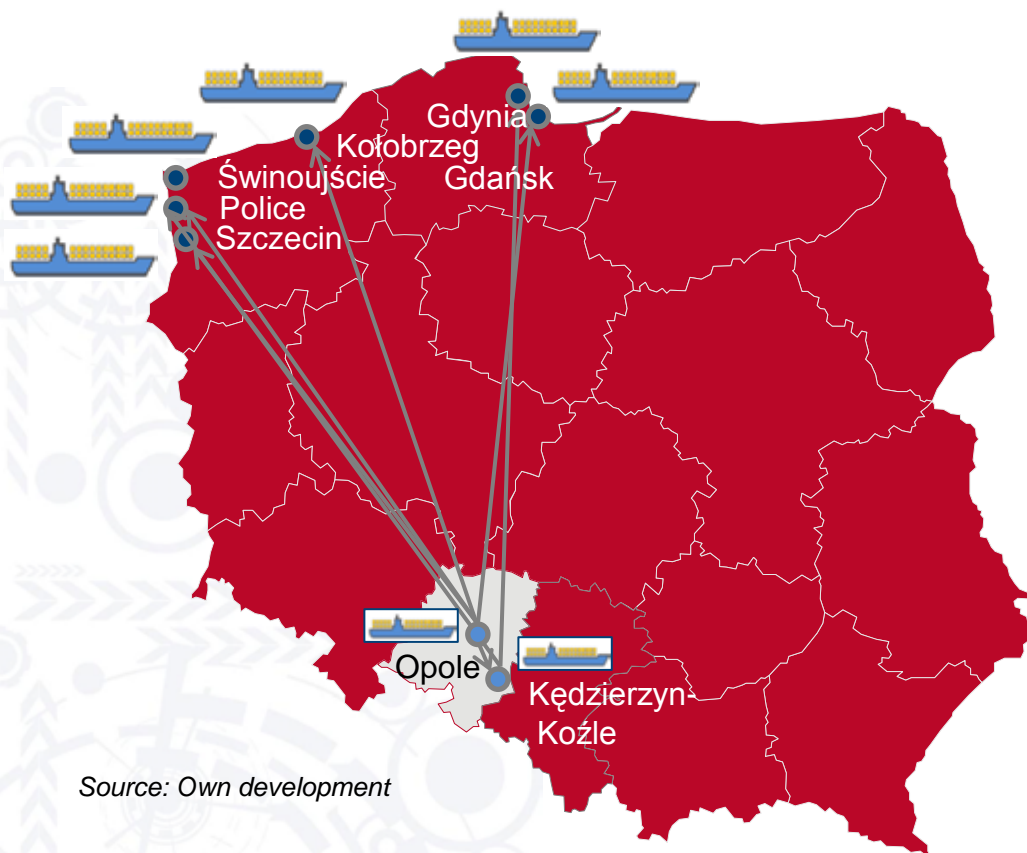


Location	Distance from Opole
Wrocław - Starachowice	103 km
Katowice - Pyrzowice	103 km
Ostrawa - Mošnov	156 km
Kraków - Balice	178 km
Łódź-Lublinek	192 km
Poznań - Ławica	264 km
Warsaw - Okęcie	308 km
Zielona Góra - Babimost	311 km
Bydgoszcz - Szwederowo	332 km
Rzeszów - Jasionka	364 km
Gdańsk - Rębiechowo	502 km
Szczecin - Goleniów	574 km

Source: Own development

International airports and Wrocław and Katowice can be reached within 1.5 hours from Opole. There is a private airport in Kamień Śląski operating charter flights. It is located 26 km from Opole and 8 km from the A4 motorway

## Distance from selected seaports and inland ports

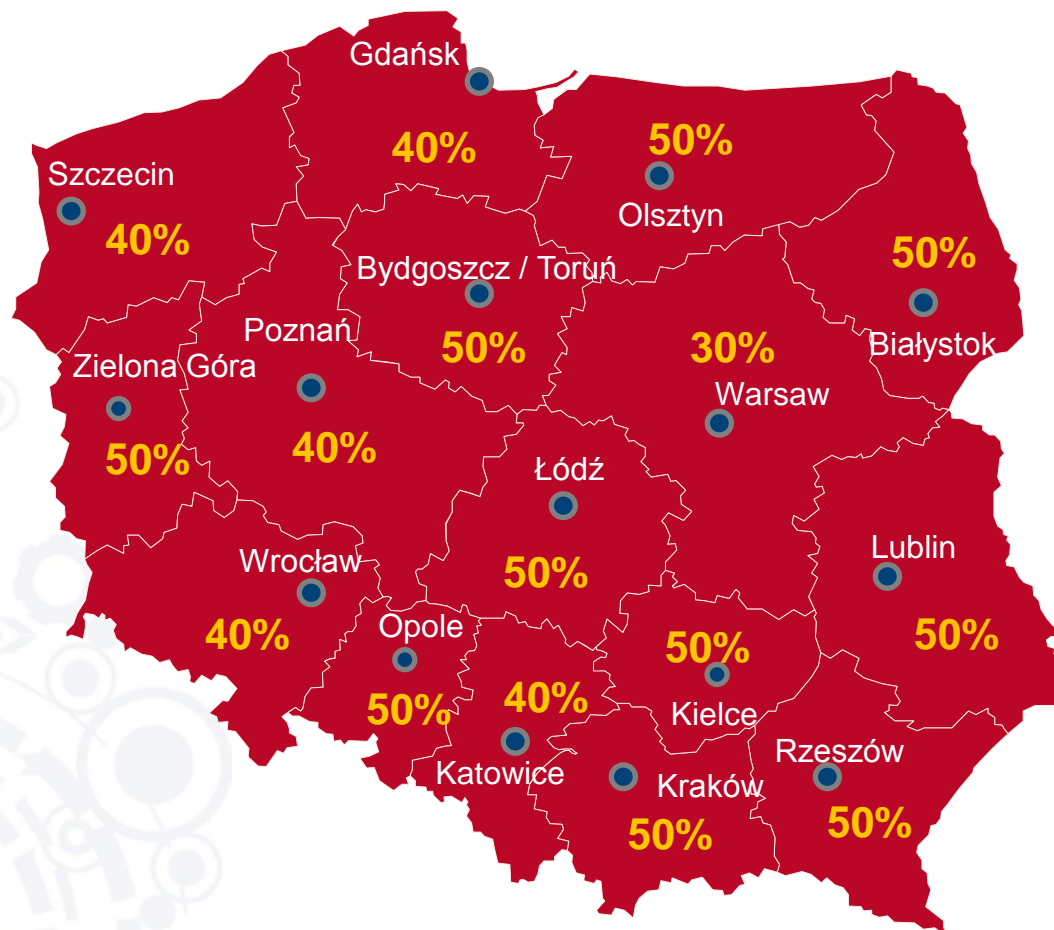


Source: Own development

Location	Distance from Opole
Opole "Metalchem"	Opole
Kędzierzyn-Koźle	54 km
Szczecin	488 km
Police	503 km
Gdańsk	506 km
Gdynia	521 km
Świnoujście	582 km
Kołobrzeg	611 km

Thanks to the inland waterways and inland port, companies in the Opolskie Voivodeship can use the water transport infrastructure for their transportation activities. The biggest inland port in Poland is located in Kędzierzyn-Koźle with access to the Gliwice Canal and River Oder, which connects the Opolskie Voivodeship to the Baltic Sea

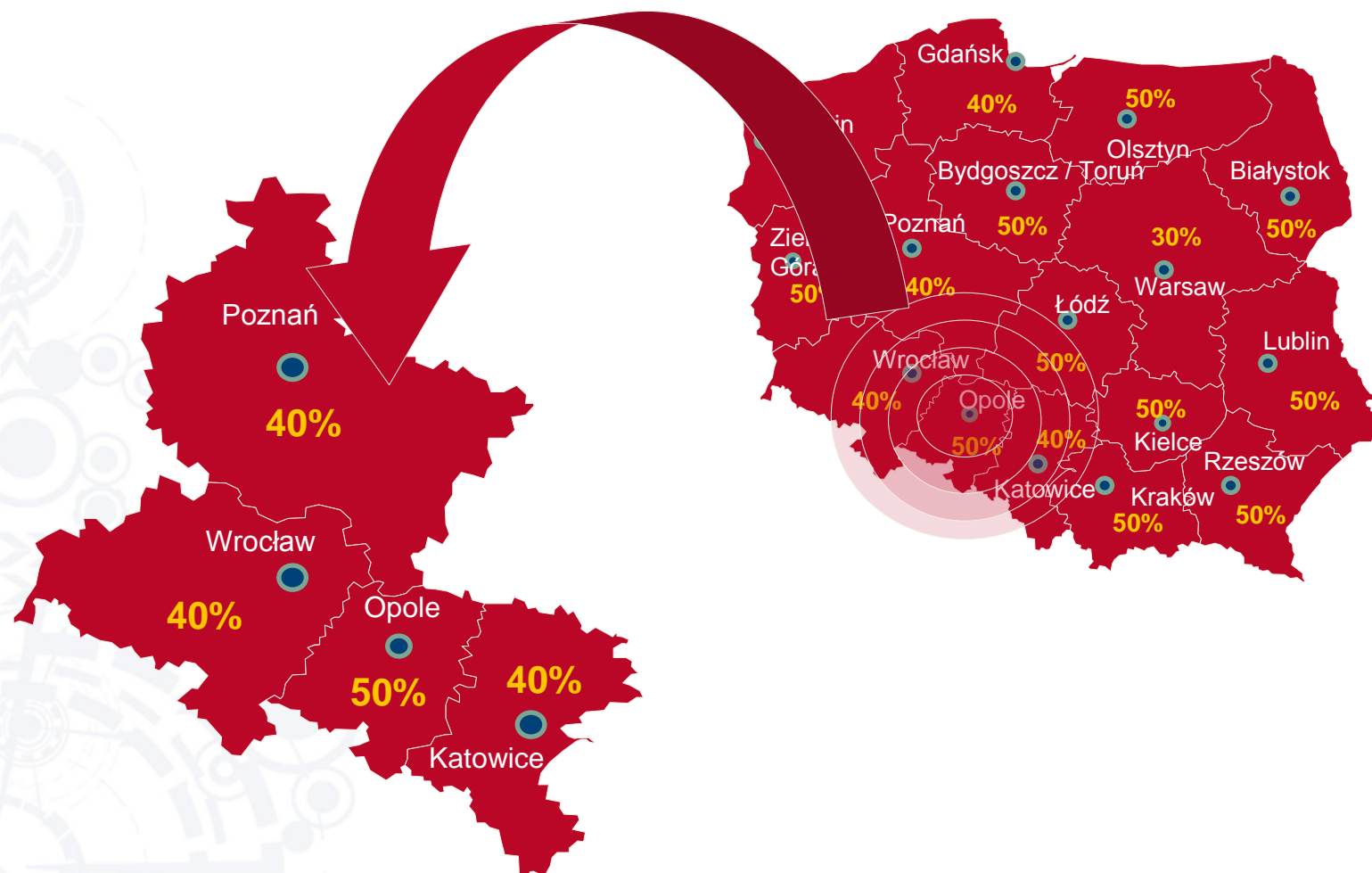
# Regional State Aid Map for 2007-2013



The Opolskie Voivodeship offers the highest possible level of state aid for entrepreneurs among the various Polish regions. The values presented above can be increased by an additional 10% for medium and 20% for micro and small enterprises

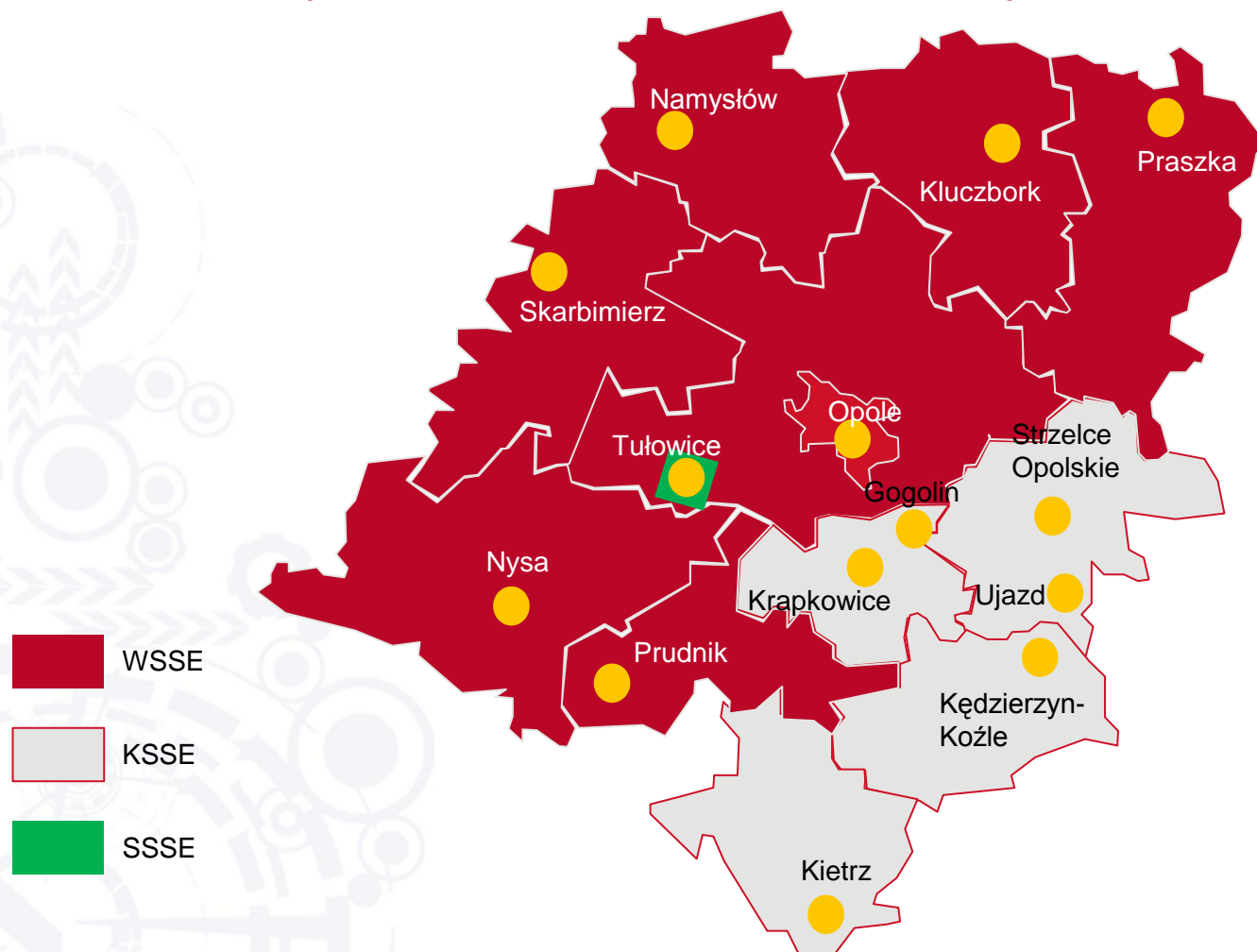


# Regional State Aid Map for 2007-2013



The maximum intensity of state aid for large entrepreneurs in the Opolskie Voivodeship amounts to 50%, which is the key advantage for the neighbouring voivodeships (Dolnośląskie, Śląskie and Wielkopolskie)

## Subzones in special economic zones in the Opolskie Voivodeship



In the Opolskie Voivodeship are the subzones of three special economic zones offering investors over 902 hectares of land for investments. More than 670 hectares of this land is available for development

# Why Opolskie?

- The Opolskie Voivodeship is in a preferential location in terms of its access to the transport infrastructure. The A4 motorway runs through the region, it has active inland ports in Opole and Kedzierzyn-Koźle, with international airports in Wrocław and Katowice, approx. 100 km from the capital of the voivodeship
- The proximity of the largest factories in Central and Eastern Europe, the excellent transport infrastructure linking Opole's major cities that are involved in the automotive sector make it an interesting investment location for highly specialized manufacturers of components and systems for this industry
- The Opolskie Voivodeship has a long tradition associated with the automotive industry, which is beneficial to the available workforce with such education profile and work experience
- The automotive sector in the Opolskie Voivodeship is one of the pillars of the regional economy. Its value is estimated at 8.66% of the whole of the regional economy
- The automotive industry's percentage share in countrywide production is similar to the share of the Opolskie Voivodeship in regional production. In the former case it amounts to 9.51% and in the latter to 8.66%
- The Opolskie Voivodeship distinguishes itself not only in Poland due to having the highest possible level of state aid and volume of available investment areas, but also by having an organized system of services for investors. These qualities were awarded by the Polish Information and Foreign Investment Agency (PALiZ)

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