

Introduction

Poland is a Country of Vast Opportunities for Foreign Investors

Chapter I

Support from the European Union Means Profits for Business

Chapter II

Euro 2012: an Opportunity for Major Investments

Chapter III

Planned Investments in Poland's Biggest Cities

Chapter IV

Roads as a Key to the Development of Polish Economy

Chapter V

Modern Railway Will Connect Poles

Chapter VI

Environmental Protection – One of the Priorities

Chapter VII

New Technologies Will Change Business

Chapter VIII

Investment Incentives or What Poland Offers to Entrepreneurs

Contact Details

Contacts to Selected Offices



Poland is a Country of Vast Opportunities for Foreign Investors

Introduction

After 1989, Poland entered a new phase of its development. In order to meet the demands of modern times, it had to face the burden inherited from the previous epoch including, amongst other things, massive foreign debt and a neglected infrastructure. It was clear to successive Polish governments that the country's future depended greatly on solving these problems.

Despite the great progress made after the overthrow of communism, Poland has still a lot of ground to make up. Thanks to the historical opportunity offered by EU membership, the years to come may see a reduction in the distance between Poland and the most developed countries of Europe. Billions of Euro will

Foreign investment
in Poland in 2006
EUR 11 billion

be allocated to investment projects that will lay the foundations for further development in the coming years, and most of this money will be directed into the hands of private entrepreneurs. It means that in almost every sector, business representatives will find a niche for

their activities. This immense potential hidden in one of the largest countries in the European Union is still there to be utilised. This is true of both domestic entrepreneurs and foreign investors. Money invested in Poland secures

a return in the following years. The country's economy is growing faster than in other EU countries.

The perspective after more than ten years shows that Poland has already been a success. It has become a place friendly to inves-

tors and its inhabitants, and a country which is politically stable and attractive in economic terms. In 1989, almost 70 percent of employees worked in state-owned enterprises while now, according to OECD data, this rate has dropped to below 2 percent.

In recent years, Poland has changed beyond recognition. In 1989, inflation reached 600 percent per annum and was the highest in Europe, whilst in 2006 it dropped to 1 percent and was the lowest in the European Union. During that time, it became possible to reform the economy and shift to a free mar-

ket that can better adapt to the challenges of modern times. The Poland of today is a modern and dynamically developing country. It is a Member State of the European Union and its economy is closely tied to the economies of Western Europe. The costs of labour are con-

siderably lower than in other EU countries and the qualifications and productivity of Polish employees increased in 2006 by more than 12 percent. Poland is also a country with excellent specialists and about 2 million nationals are students in higher education.

However, a considerable amount of work still remains to be done in order to catch up, particularly concerning infrastructure. This backlog of work needs to be thought about as tasks to be performed and not as barriers. Poland has too few suitable roads and that is why it focuses on the development of a mod-

ern transport network. No other country on the continent is planning road capital projects on a similar scale. Good conditions are being created for the functioning of schools of higher education and centres of science and technology. Many Polish regions do not have

heavy industry so they attempt to use their other advantages, such as natural attractions, that are often unique throughout the world.

On almost each platform of development, Poland has relations with investors from all over the world. Because of that, for several years now it has been considered as one of the most attractive countries in terms of investment profitability. In 2006, foreign firms invested more than EUR 11 billion in the country (data from the Polish Information and Foreign Investment Agency, PAIIZ). Thanks to this money, Poland can develop faster.

Welcome to Poland!

Almost **2 million**
Poles study at
schools of higher
education



Support from the European Union Means Profits for Business

Chapter I

Over the coming six years, Poland has a chance to receive about EUR 100 billion from the European Union's budget. Out of this amount, EUR 67 billion will be allocated to equalizing development differences between Poland and the more developed regions of Europe. Considering the differences in the value of money, this is more than the UK and France received under the post-war Marshall Plan. If we add to this amount – which is astronomic

in itself – our own funds, foreign investment and loans taken from international financial institutions, Poland has a chance to accomplish the greatest civilisational leap in its history. If everything goes as planned, over several years to come, it may catch up economically with the countries of the “old” Union, and over as little as three decades, it may take a permanent place amongst the most developed countries of our continent.

Rondo 1 Office Building in Warsaw



Condition of the economy, fast growth

Owing to the economic reforms after 1989 and the favourable business climate in world markets, the Polish economy is one of the most promising economic zones in Europe. The region's political stability and membership in the European Union increasingly help our country utilize its location in the centre of the continent. About 250 million consumers live

within at radius of 1,000 km from Warsaw, and almost all the trade between the countries of Western Europe and the states of the former Soviet Union goes via Poland.

As regards the Gross Domestic Product (GDP), Poland is ranked 24th in the world. Many more developed states of the old Union are ahead of us but we are catching up very quickly: the growth of the Polish GDP is twice as high as that in Western Europe and in 2006

talled approximately PLN 342 billion. Poland's most important trading partners are Germany and other countries of the EU, although Polish brands are more and more visible in the states of the former Soviet Union and in Asia as well.

Amongst the exports, products from the following industries occupy a leading place: foods, automotives, furniture, plastics and natural resources such as coal, metal ores and wood. Poland is also exporting more and

more technologically advanced products and thanks to investments in special economic zones, over the course of several years may become a European leading force in the production of household appliances, computer screens, TV sets, car parts or electronic sub-assemblies.

■ Great achievements, great plans

The prospects for the Polish economy are demonstrated also by the level of education of its labour force. Polish society is the youngest in Europe; half of Poland's inhabitants are less than 35 years of age, and more than one third are less than 25 years' old. It means that in Poland there are about 20 million young, lively, modern and educated people. More than 45 percent of young people (aged between 20 and 24 years) are studying at one of 427 higher education institutions in the country. This is a figure which is more than 10 percent higher than the figures for Germany, The Netherlands or the United States. The high level of educa-

it reached 5.8 percent per annum. There are many indications that the tendency can be maintained in the coming years. Pay levels are also increasing year on year.

Polish companies compete effectively in foreign markets and our products find purchasers throughout the world. Since 2000, exports have been growing faster than the level of imports. In 2006, Polish exports increased in value almost twenty times and to-

Possible support
for Poland from
EU
EUR 100
billion



Capital projects in the centre of Warsaw

tion is also demonstrated through the command of languages: 44 percent of Poles know at least one, and every third Pole is capable of communicating in three foreign languages. The knowledge of English is common among young people, and 80 percent of students of secondary general schools learn a second foreign language.

For these reasons, Poland keeps attracting sustained interest from foreign investors.

In 2006, the value of investments reached more than EUR 11 billion. At the same time, Poland receives a broad inflow of EU funds for structural, development and infrastructural projects. This is Poland's opportunity for further change. Without external capital, it would not be possible to carry out capital projects of key importance for the country. In order to rationally utilise EU support, in November 2006, the Polish Government adopted the

draft “National Strategic Frame of Reference” (NSFR), also known as the “National Cohesion Strategy” (NCS). The document, approved by the EC in May 2007, sets the strategic directions for Poland’s development and identifies the priority areas for investment for the period 2007 – 2013. This is the scheme for the implementation of key projects.

According to the NCS concepts, projects co-financed from EU funds will total for the pe-

riod 2007 – 2013 approx. EUR 85.6 billion of which approx. EUR 67.3 billion will come from the European Union’s budget, whilst national public funds (including the state budget) will account for EUR 12 billion, and approx. EUR 6.4 billion will be committed by private entrepreneurs.

Such a record inflow of capital is a great opportunity for Poland which must not be wasted.

rial dimensions. These directions correspond to the EU’s guidelines for all 27 Member States which face similar challenges.

■ EU Funds

Devising one common strategy to comprise all desirable directions of development will also facilitate the absorption of resources from the three European Union’s Funds: the European Regional Development Fund (ERDF), the European Social Fund (ESF) and the Cohesion Fund (CF). The money from these sources will be distributed under five National Operational Programmes (OP), sixteen Regional Operational Programmes (ROP) and the Programmes of the European Territorial Cooperation Objective. The ROP’s have been prepared by the local self-governments of the individual voivodships and concern the needs of the regions. The objectives and tasks of the five national Operational Programmes are described in the following pages.

■ OP Infrastructure and Environment aims to improve the attractiveness of investment in

Poles who know
at least one
foreign language

44 percent

■ What we want to achieve

The overall objective of the projects provided for in the NCS, is to maintain the high rate of economic development through initiatives which support the enhancement of competitiveness of the regions and enterprises, as well as growth in employment and creation of a higher number of attractive jobs. At the same time, the programme provides for increased cohesion within social, economic and territo-

Poland and its regions. The principal means by which to attain this objective is to support the development of technical infrastructure with a parallel protection and improvement of the state of the natural environment. Under this Programme, many Polish administrative units of all levels will finance the construction of the most important projects concerning the extension of the transport network, energy infrastructure or development of higher education.

■ OP Innovative Economy is a programme whose overall objective is to create conditions in Poland for the development of a knowledge-based economy. It comprises measures for the development of modern technologies and centres of science and technology as well as infrastructure connected with the point of contact between business and science. The Programme also aims to support the development in Poland of an information society.

■ OP Human Capital is focused on better utilisation of human resource potential, leading to the growth in employability and adaptability of both Polish entrepreneurs and their employees. It is to fund, amongst others, measures designed to reintegrate people currently excluded from the labour market. One of the Programme's objectives is also to support measures adapting the Polish system of education to the challenges of the coming

Operational Programmes under the “National Cohesion Strategy”

Name	Funding	Percentage of total funds	Amount (EUR billion)
Operational Programme Infrastructure and Environment	ERDF and ESF	41.90	27.9
Operational Programme Innovative Economy	ERDF	12.40	8.3
Operational Programme Human Capital	ESF	14.60	9.7
16 Regional Operational Programmes	ERDF	24.90	16.6
Operational Programme Development of Eastern Poland	ERDF	3.40	2.3
Operational Programme Technical Assistance	ERDF	0.80	0.5
Programmes of European Territorial Cooperation Objective	ERDF	—	0.7

Source: Structural Funds Portal at www.funduszestrukturalne.gov.pl

decades and the changing demands of the labour market.

■ OP Development of Eastern Poland aims at facilitating the extension of transport and urban infrastructure in regions along the eastern border of the European Union, and, as a result, the development of a knowledge-based economy. This OP will be used by the following voivodships: Lubelskie, Podkarpackie, Podlaskie, Świętokrzyskie and Warmińsko-Mazurskie.

Main objectives of the “National Cohesion Strategy”

- I Improved quality of functioning of public institutions
- II Improved quality of the human capital
- III Construction and modernisation of technical and social infrastructure affecting directly the ease of economic operations and the standard of living of the inhabitants
- IV Enhanced competitiveness and innovativeness of the enterprises operating in Poland, and in particular the services and production sectors
- V Increased competitiveness of Polish regions and equalizing their opportunities in the contemporary world
- VI Equalizing development opportunities and supporting structural changes in rural areas

■ A separate category of EU projects comprises the Programmes of the European Territorial Cooperation Objective. They are designed to support the promotion and implementation of international projects to integrate the societies and economies of the different countries of the European Union.

■ Benefits

The inflow of European funds will have an impact on Poland’s macroeconomic indicators such as the level and rate of growth of the GDP and the situation in the Polish labour market. This is confirmed by expert opinions from independent research centres commissioned

by the Ministry of Regional Development in December 2006. In the opinion of independent analysts from the Wrocław Regional Development Agency (WARR) and the Institute for Market Research (IBnGR), during the first years the impact of EU funds on the GDP level will be small (0.1 percent according to IBnGR and 0.2 percent in the WARR report, respectively), but it will be increasing over time.

The greatest difference will be noted in 2013 when the Gross Domestic Product should be 7.1 percent (IBnGR) or 11.7 percent (WARR) higher, than if the concepts of the “National Cohesion Strategy” were not implemented”.

Where to find information

Structural Funds Portal	www.funduszestrukturalne.gov.pl	—
Ministry of Economy	www.mg.gov.pl	+48 22 693 50 00
Polish Agency for Enterprise Development	www.parp.gov.pl	+48 22 432 80 80
Polish Information and Foreign Investment Agency	www.paiz.gov.pl	+48 801800099
Export Promotion Portal	www.eksporter.gov.pl	—
Polish Chamber of Commerce	www.kig.pl	+48 22 630 96 00
Programme of the Improvement of the Competitiveness of Enterprises	www.konkurencyjnosc.gov.pl	+48 22 461 39 31



Euro 2012:

an Opportunity for Major Investments

Chapter II

In April 2007, the Fédération Internationale de Football Association chose Poland and Ukraine to organise the European Football Championship 2012. After the Olympic Games and the World Cup, this is the biggest regular sports event in the world. It may become one of the drivers for the development of both the whole country and its individual regions. In order to carry it out efficiently, it is necessary to build not only the sports infrastructure but also roads, hotels, railway connections and airports.

These projects will yield benefits for Poland not only during the football games themselves but long after they are over as well. The organization of the Championship is a great opportunity for a genuine civilisation-

al leap. Poland intends to use it well. A lot will depend on the efforts of the relevant Polish local self-governments which have already started preparations to receive thousands of football fans.

The 2006 World Cup increased Germany's Gross National Product by an additional 0.5 percentage points. In addition, the preparations for the Euro 2008 finals in Austria and Switzerland created an additional 10,000 jobs.

More than a **million football fans** will visit Poland during

Profitable sport

For many years now, sports events of a similar format yield huge benefits to its organisers. During the European Football Championship in 2004, Portugal was visited by more than 1.1 million tourists. Thanks to them, the country earned revenues in excess of EUR 800 million.

Poland can count on even greater benefits. The scale of the project is hard to compare with any other project in its history to date. During the championship Poland and Ukraine will be visited by more than a million supporters, according to the estimates of experts. The revenues from the tickets form just a small

proportion of the profits to be generated by the games' hosts. It is estimated that at Polish hotels, stadium box offices, shops and restaurants, football fans will leave more than a billion Euro. Most projects connected with the preparation of the European Football Championship have to be developed anyway, but Euro 2012 will considerably accelerate their completion. This concerns mainly infrastructural projects. The timely commissioning of all structures is a matter of prestige not only for the whole country but individual enterprises involved in the preparations for the event as well.

Concept of the Baltic Arena stadium in Gdańsk



ing EURO 2012

■ Roads, railway lines and stadiums

The cost of all projects connected with the organisation of the football championship are hard to approximate at the moment. According to experts' estimates, these are going to be tens of billions of Euro. Under governmental

plans, almost a thousand kilometres of new motorways are to be constructed. The last section of the A-4 motorway will connect the country's western border to Ukraine, while the A-1 motorway will connect Gdańsk, Gdynia, Sopot (called the "TriCity") and Łódź, Silesia and the Czech Republic. Plans include the

completion of the last section of the A-2 road connecting Poznań with Warsaw and the east of the country. Express roads will also be constructed, especially in the eastern regions of Poland. A new road network will connect Poland's largest cities. Thanks to this, football supporters will find it easier to reach the sta-

diums. The capital projects will also contribute significantly to reducing the costs of business operations, improve the standard of living of the inhabitants and accelerate the development of regions.

Central authorities and local self-governments are also planning to re-build eight airports. According to the Ministry of Transport, almost EUR 400 million will be allocated for this purpose by Brussels. An additional EUR 370 million, under the ROP, will be contributed by local self-governments. Railway transport will undergo a similar revolutionary change.

Throughout the country, more than fifteen hundred kilometres of modern railway lines will be constructed along the main routes. The PKP PLK company which manages the railway infrastructure in Poland, is planning to spend, by 2013, for this purpose approx. EUR 6.2 billion of which EUR 4.8 billion will come from EU funds (data from the Ministry of Transport). Thanks to the modernisation of railway subgrades and infrastructure, it will also be possible to launch express trains travelling at speeds of up to 230 km per hour. The PKP Intercity company is plan-

ning to launch such connections between Warsaw and Gdańsk, Krakow, Poznań, Łódź and Przemyśl. Thanks to the rebuilding of the connection between Warsaw and the TriCity, the journey from Poland's capital city to the seaside will be reduced from four and a half hours to about three.

Public funds, private profit

The Championship is also a great opportunity for the development of Polish enterprises. Hundreds of firms will be involved in both

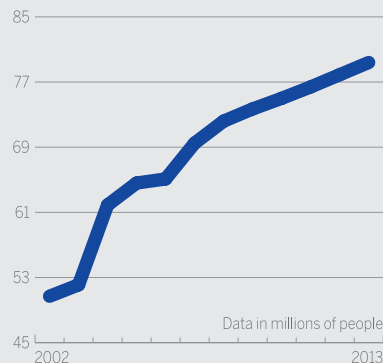
Cities and stadiums – hosts of Euro 2012

City	Stadium	Capacity	Club	Opening date*	Matches
Warsaw	National Stadium	70 000	—	2011	opening, group matches, quarter final, semi-final
Gdańsk	Baltic Arena	44 000	Lechia Gdańsk	2011	group matches, quarter final
Poznań	City Stadium	46 500	Lech Poznań	2008	group matches
Wrocław	Maślice Stadium	50 000	Śląsk Wrocław	2010	group matches
Chorzów	Silesian Stadium	60 000	Ruch Chorzów	2010	group matches
Kraków	Wisła Stadium	33 000	Wisła Kraków	2010	group matches

*planned dates

the construction of the infrastructure necessary for the organisation of the games and in providing services to tourists, ranging from: manufacturers of building materials through transport and forwarding companies and ICT service providers to press coverage of the Championship and distributors of drinks

Foreigners incoming to Poland as per border crossings



Source: Central Statistical Office (GUS),
forecast by the Institute of Tourism

places where the Euro 2012 matches will be played but also the whole of the country. Many supporters will come to Poland for the first but certainly not the last time. In the coming years, about 180 hotels with 21,000 beds will be built near the stadiums. Tens of thousands of football fans and journalists will be staying at hotels, eating in restaurants and travelling around our country for almost a month. Such a tourist boom may continue for many years after the final whistle. This is also a great opportunity for foreign investors. Owing to Poland's membership of the EU, they can partici-

the games are over. In Portugal, one year after hosting Euro 2004, tourist traffic increased by another 100 percent.

An opportunity for cities

Thanks to the mobilisation of local self-governments and central authorities, it will be possible to implement much more quickly many plans which were originally scheduled to run for several decades. Like national investments, most local projects will also yield benefits to Poles over the coming years.

and beverages. The preparation of Poland for Euro 2012 will engage almost all branches of the economy. The cities where the matches will be played are already major points on the tourist map of Poland. However, the European Championship Finals will decisively contribute to the promotion worldwide of not only the

pate in the preparations for Euro 2012 on a par with Polish entrepreneurs. The funds invested today will generate profits for many years to come. Such opportunities are not too frequent in business. Services to Euro 2012 guests can provide jobs to as many as 100,000 people, most of whom will keep their posts also after

Where to find information

Ministry of Regional Development	www.mrr.gov.pl/euro2012	+48 22 461 30 00
Ministry of Sport and Tourism	www.msport.gov.pl	+48 22 244 31 42
UEFA Euro 2012	www.msport.gov.pl/euro	—
Polish Football Association	www.pzpn.pl	+48 22 551 22 00



Planned Investment

in Poland's Biggest Cities

Chapter III

A dozen or so metropolitan areas determine the strength of the Polish economy which is increasingly based on knowledge and services and not on agriculture or production. It is in cities that the major academic centres are located and it is the cities which generate most of the Gross Domestic Product (GDP).

Polish metropolises gather about half of all jobs in the enterprise sector. Twelve of Poland's biggest cities generate almost three quarters of corporate tax revenues and gather about 70 percent of all foreign owned companies.

The development of the whole country is inseparably connected with the development of its major cities.

■ Cities as the driver of the economy

For more than forty years after World War II, the irrational, centrally controlled system of a planned economy restricted the development of Polish cities. As a result of the difficulties in engaging in private business operations, the percentage of the working population employed in the service sector, which drives the development of cities, was unnaturally low. Consequently, in terms of living standards, Polish metropolises were becoming more and more distant from the cities of Western Europe.

Everything changed with the collapse of the communist system in 1989. The introduction of free market rules and accompanying economic development eliminated all restrictions blocking the activity of Polish cities. At the same time, the consistent administrative reforms made it possible to reconstruct local self-governments.

Local authorities today have great influence not only on the planning of city development but also the spending of money raised from local taxes. Polish metropolises have by and large utilised this opportunity.

Currently, 61.3 percent of Poles reside in cities and according to official data, more than one fourth of all citizens live in one of the five biggest urban complexes of Katowice (2.8 million inhabitants), Warsaw (2.7 m), Krakow (1.4 m), Łódź (1.2 m) and Gdańsk (1.1 m).

■ What the money will be spent on

It is not feasible to set one strategy for all metropolises in Poland because each city faces different challenges. For some city organisms, the greatest problem is the low standard of living of its residents, de-population or unemployment, whilst for others it is the threat of rapid demographic growth, high prices of land or the overburdening of public services or the transport network. The only guarantee of further development which is common for all cities is to continually make them attrac-

tive places in which to live and invest. It is affected by an incalculable number of factors, the four most important of which – transport, ease of access to the urban infrastructure and services, the natural environment and cultural affairs – are common for all EU agglomerations.

This is the
percentage of
Poles residing in
towns and cities

61.3 percent

This is reflected in the priorities of the “National Cohesion Strategy” and thus also in the method of distribution of investment resources, originating either from the state

budget or European Union Funds. Investment supporting the development of any of these areas in Polish cities, occupies a prominent place amongst projects pursued under the five national Operational Programmes, through which European Funds support Poland’s development. Additionally, investment projects which contribute directly to improving the standard of living in Polish cities take an important place amongst projects carried out under the sixteen Regional Operational Programmes (ROP) developed by the voivodship self-governments.

A vast portion of the projects to be implemented over the coming years under any of these Programmes concern Polish metropolises. Some of them will have a direct impact on the attractiveness of the cities of greatest significance. Others will improve the competitiveness of urban centres indirectly through the development of their immediate hinterland. The list of major projects to be carried out under the ROP’s contains more than a hundred items. Projects of almost all the cate-

gories can be found there: from the extension of schools and university libraries, through the construction of roads, ring-roads, modernization of railway tracks, investment in environmental protection, support for entrepreneurship, to the development of a broadband ICT network.

residents are on the list of key projects of the OP Infrastructure and Environment. Amongst these, the most important are the modernization of the waste neutralisation plant and the construction of a sewage treatment plant.

Described below are selected projects proposed by local authorities to be listed

projects include plans for the construction of the regional tram link connecting the city of Łódź to Zgierz and Pabianice, as well as a fast railway link connecting Łódź with Warsaw. Revitalisation of the city centre is also planned. The works will consume about PLN 132 million, more than three quarters of which

■ What cities will build

In the period 2007 – 2013, Warsaw itself is to spend more than PLN 10 billion on capital projects (City Hall data). The projects for the coming years include predominately those connected with roads and transport, and in particular: construction of the 2nd underground line, the Północny (North) Bridge, a new tram line to Tarchomin and the N-S express road. In turn, the Warsaw Technology Park will help the capital city to develop its knowledge-based economy. Investment to improve the standard of living of Warsaw

amongst individual key projects under the ROP. An interesting transport project is planned by the two main cities in the Kujawsko-Pomorskie Voivodship: Bydgoszcz and Toruń. They are only several tens of kilometres from each other and so far no attempts have been made to combine them into one agglomeration. This may change after the construction of the BiT City – a fast urban railway link. This project will help reduce car traffic between both cities.

The most important investment plans for Łódź concern an increase in the city's role at the regional and national levels. The largest

will be covered from EU Funds. Kraków is investing mainly in the foundation of its success to-date, namely culture and tourism. The list of priority projects for the city's development includes revalorization of the Home Army Museum, the former Krakow Stronghold, construction of the Tadeusz Kantor Museum and the Małopolski Garden of Arts. Kraków is also developing Poland's largest Museum of Aviation and the Krakow Opera.

Wrocław is planning to significantly improve the standard of living of its residents. The most important projects include both a

Cost of
renovation of the
centre of Łódź

PLN 132
million

concept for improving the quality of water in the city and thorough modernisation of the fast tram link slicing through the very heart of the historical city centre from north to south. An integrated system of rail transport is to cover also a newly constructed network of urban and agglomeration railway, to significantly improve its already considerable potential.

Wrocław is also planning to set up a public system of spatial information to improve the functioning of local self-government administration.

List of Poland's biggest cities

City	Population (2006)	Voivodship	www
Warsaw	1 697 596	mazowieckie	www.um.warszawa.pl
Łódź	767 628	łódzkie	www.uml.lodz.pl
Kraków	757 144	małopolskie	www.krakow.pl
Wrocław	635 932	dolnośląskie	www.wroclaw.pl
Poznań	567 882	wielkopolskie	www.poznan.pl
Gdańsk	458 053	pomorskie	www.gdansk.pl
Szczecin	411 119	zachodniopomorskie	www.szczecin.pl
Bydgoszcz	366 074	kujawsko-pomorskie	www.bydgoszcz.pl
Lublin	354 967	lubelskie	www.um.lublin.pl
Katowice	317 220	śląskie	www.um.katowice.pl
Białystok	294 864	podlaskie	www.bialystok.pl
Gdynia	252 791	pomorskie	www.gdynia.pl
Częstochowa	246 890	śląskie	www.czestochowa.pl
Radom	227 018	mazowieckie	www.radom.pl
Sosnowiec	226 034	śląskie	www.sosnowiec.pl
Kielce	208 193	świętokrzyskie	www.um.kielce.pl
Toruń	208 007	kujawsko-pomorskie	www.torun.pl
Gliwice	199 451	śląskie	www.um.gliwice.pl
Zabrze	191 247	śląskie	www.zabrze.pl
Bytom	187 943	śląskie	www.bytom.pl

Poznań is focusing on advanced technologies: seven out of sixteen projects of strategic importance are connected with information technology. The projects which will be part-fi-

nanced from EU Funds over the coming years include, amongst others, the construction of the Wielkopolskie centre of advanced information technologies.



Roads as a Key to the Development of Polish Economy

Chapter IV

One of the areas in which Poland has the most work to do, is the development of its road network. After 1989, the volume of road transport in our country increased rapidly. Over the past decade, the intensity of traffic grew two fold and the number of cars has reached almost 13 million. At the same time, the road network has remained almost the same.

■ Barriers to overcome

Currently, the total length of roads with the permissible load capacity of 115 kN/axis, which is the general European standard, is 637 km (data from the Ministry of Transport).

This is only 3.5 percent of the total length of the country's road network. The condition of our national roads also leaves a lot to be desired, with only as little as 46 percent of them classified as good. The condition of as much as 26 percent is termed bad. Almost one third

requires repair, and the modernisation of another one third must be addressed within the next few years.

The condition of the roads is one of the greatest barriers to Poland's development. Because most of the transit roads are not suit-

By 2015, **sixty-seven ring roads** will have been constructed

able for heavy traffic, our country cannot utilise the many opportunities offered, amongst others, by its favourable geographical location on the border of the European Union, between Germany and the countries of the former

Soviet Union. The poor condition of the road infrastructure reduces the flow of goods between EU countries and the East and has a negative impact on Poland's trade balance. The condition of the roads also has serious consequences for tourist traffic and the mobility of Polish workers.

Both the central and local governments are continuing to improve the quality of existing roads but the rate of change throughout the country is slow, while the needs are vast. Poland's membership of the European Union and the improving performance of the Polish economy offer an opportunity for rapid acceleration of these works over the coming

six years. Without developing roads we cannot think about the development of the whole country. In order to co-ordinate the road network development, the Government has adopted the integrated "Programme for the Con-

The Świętokrzyski Bridge in Warsaw



struction of National Roads in 2007 – 2015". Together with the supplement thereto setting out the priority directions for the development of the road infrastructure, necessary for the organization of the Euro 2012 European Football Championship, the Programme represents a completely new quality in terms of the history of transport projects. Within the Programme, 1145 km of motorways and 2817 km of express roads, meeting the international standards, are to be constructed by 2015. Almost 2,000 km of already existing roads will be thoroughly re-built and modernised. Besides, 67 ring roads around major urban centres and agglomerations will be built totalling almost half a thousand kilometres.

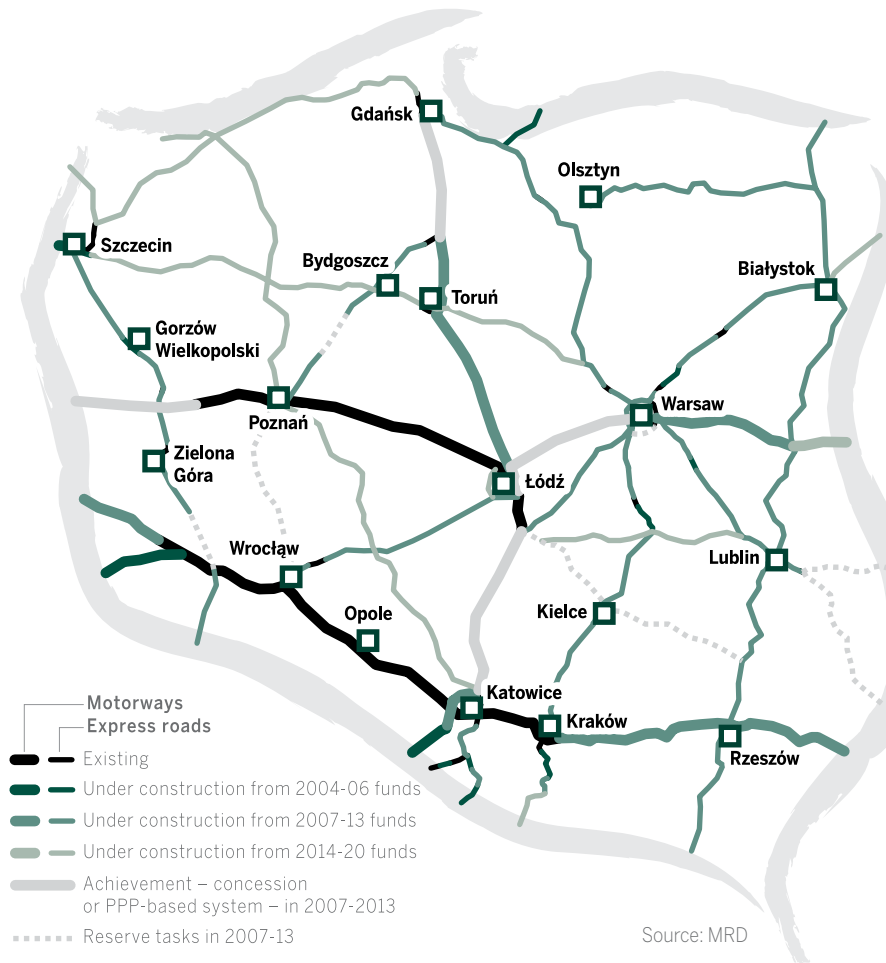
■ Where the money will come from

Poland is planning to redress, in less than 10 years, the backlog in road development accumulated over many decades, when compared with countries where the road infrastructure has been a priority for a long time. It is hard to

compare the scale of this project with any other road construction programme anywhere in the world. Analyses conducted by the Ministry of Transport indicate that the implementation of the "Programme for the Construction of National Roads", together with the purchase of land, preparation of construction engineering and maintenance of the existing network of roads, may consume more than PLN 164 billion.

More than PLN 131 billion is to be spent on the construction of new roads and another PLN 32.5 billion on the repairs of existing routes. The limit of funds from the Polish

Proposed big and key projects concerning the road network under the Operational Programme Infrastructure and Environment



national budget reserved for this purpose is PLN 150 billion. A major portion of the funds will come from the excise duty on liquid fuels and loans which Poland intends to take from international financial institutions and domestic and foreign banks.

Thanks to the public-private partnership, a major portion of the costs will be borne by private companies interested in the construction of motorways under the concession system. However, the most important factor impacting on the feasibility of the Government's plans, relating to the development of the national infrastructure is Poland's membership in the European Union.

Investment in improving the quality of roads will be supported under Operational Programmes. One of them is the Operational Programme Infrastructure and Environment, from which more than EUR 19 billion will be

allocated to the development of the transport network. Projects of this type are also to be carried out under the sixteen Regional Operational Programmes. As reported by the Ministry of Transport, under the ROP, more than EUR 3.7 billion will be spent on supporting transport-related initiatives, from the construction of roads to the purchase of vehicle fleets for public transport. Similar projects are also provided for under the Operational Programme Development for Eastern Poland.

By 2015, in
Poland **1,145 km**
of motorways
and **2,817 km** of
express roads are
to be constructed

■ New motorways

The road network represents a kind of a blood circulation system for both the whole state and its regions. In the "Programme for the Construction of National Roads 2007 – 2015" prepared by the Ministry of Transport, the role of the most important routes is given to the main motorways, which are to connect the country's borders with Poland's biggest cities, and centres of industry and commerce. Their layout largely corresponds to the historical trade routes.

■ A-1 motorway will connect the TriCity on the Baltic coast with Toruń and the traffic interchange in Stryków near Łódź. From there,

it will run farther south through Częstochowa and Silesia to the border with the Czech Republic. This road is the Polish section of the European E-75 road connecting Scandinavia with the capital of Greece – Athens.



The Siekierkowski Bridge in Warsaw

■ A-2 motorway has been under construction since the 1980s. As a target, it will connect the Polish-German border in Świecko with Poznań, Łódź, Warsaw and the border crossing point Kukuryki on Poland's eastern

border with Belarus. This road is part of the European E-30 route from the British Isles through The Netherlands, Germany, Poland and Belarus to Omsk in the western part of Siberia, Russia.

■ A-4 motorway goes along the southern border of Poland. It already connects the Polish-German border with Wrocław, Silesia and Krakow. Another section, to be constructed over the coming five years, will connect the existing part with the capital of Podkarpacie – Rzeszów and the Polish-Ukrainian border crossing point at Korczowa.

This road will become the main traffic route during the European Football Championship Finals, to be organised jointly by Poland and Ukraine in 2012. The motorway is the Polish section of the international E-40 route connecting Calais in France with Ukraine, southern Russia and Kazakhstan.

■ A-6 motorway is the Polish, concluding section of the German A-11 motorway. It connects Szczecin with Berlin and has been in existence since 1936. A thorough modernisation of this road is about to be completed soon.

■ S-8 road will be the external ring road of Wrocław. Its construction will considerably improve traffic along the European E-67 transport corridor connecting Helsinki in Finland with the Czech capital Prague, and will contribute favourably to the standard of living of the inhabitants of Lower Silesia's capital – Wrocław.

This is the
amount allocated
in the state
budget to the
construction and
repairs of roads

PLN 150
billion

■ S-18 road connects the western section of the A-4 road with the German A-13 motorway linking Berlin with Dresden. Currently, existing sections of this road are being modernised. The project should be completed by 2009.

The above-described roads will be the foundation for a network of modern express roads in our country. Its construction will eliminate many barriers which block Poland's economic development and the inflow of foreign capital. The list of projects under the "Programme for the Construction of National Roads 2007 – 2015" includes sections of 13 planned express roads. These are connecting roads such as S-1 (between A1 and Cieszyn

and S-2 (southern ring road for Warsaw), and roads of international importance. This latter category includes the S-3 (along the western border of the country, from Świnoujście via Gorzów and Zielona Góra to the border with the Czech Republic in Lubawka), the S-8 (between the Polish-Lithuanian border and Lower Silesia) and the S-17 (from Warsaw via Zamość to Ukraine).

National roads will also be of importance. These include: the S-5 (connecting the northern section of the A-1 motorway with Poznań and Wrocław), the northern part of the S-7 road (along the section from Gdańsk via Olsztynek to Warsaw) or the S-19 (from Białystok via Lublin to Slovakia).

Where to find information

Ministry of Regional Development	www.mrr.gov.pl	+ 48 22 461 30 00
Ministry of Transport	www.mt.gov.pl	+ 48 22 630 10 00
General Directorate for National Roads and Motorways	www.gddkia.gov.pl	+ 48 22 375 88 88
National Council for Road Safety	www.krbrd.gov.pl	+ 48 22 630 12 55
Chief Inspectorate of Road Transport	www.gitd.home.pl	+ 48 22 630 13 70



Modern Railway

Will Connect Poles

Chapter V

Both in the “National Cohesion Strategy” and in the development plans of the European Union, rail occupies an important place. From 2007–2013, under the OP Infrastructure and Environment, railway projects will be carried out for which – according to the Ministry of Transport (www.mt.gov.pl) – about EUR 4.8 billion has been allocated from the Cohesion Fund. The projects include the development of railway lines, repairs of railway stations and replacement of the rolling stock.

Necessary investments

In 2001, in accordance with EU Directives, the state-owned enterprise Polskie Koleje

Państwowe (Polish State Railways) was split into more than ten separate companies. Each of them has a specific profile of operations, and they all report to PKP SA which exercises supervision over the whole capital group. The restructuring clearly separated the company managing the rail infrastructure from the transport companies. The most important of the companies to have emerged out of the former state-owned monopolist, include PKP Cargo (responsible for cargo transport), PKP Intercity (long-distance and express trains) and PKP Przewozy Regionalne. Most of the railway tracks and rail infrastructure have been taken over by the company Polskie Linie Kolejowe. The Polish railway network is rela-



The railway station in Wrocław

tively well developed and characterised by the high rationality of its spatial layout. However, it is in a poor condition and requires immediate improvement. Data from the company PKP PLK, which manages most of Poland's railway tracks, indicates that as much as 35 per cent of all lines are not suitable for repair and qualify for replacement only. Along more than

Polish agglomerations means their development opportunities are significantly disadvantaged. Underinvestment in the Polish railway network also results in difficulties in integrating our rail with the Trans-European Transport Network developed within the EU's Common Transport Policy.

Thanks to the support from European

Transport Network TEN-T. As in the case of roads, the basic railway network will be formed by four main lines which cut across Poland following the historic transport routes.

Modernisation, supervised by PKP PLK, will include replacement of rails, sleepers and turnouts, construction and modernisation of rail bridges, underground passages and pass-

Railway connections may be **competition** for air transport

9,000 km railway tracks (which is about half of all lines) the speed limit does not exceed 60 km/h. This reduces the competitiveness of the railway compared to road transport. It is only along 2,300 km of railway lines that trains can travel at up to 120 km/h, and a speed of 160 km/h is allowed only on some few sections of tracks in the country.

■ Four lines are fundamental

The lack of fast rail links between the biggest

funds, more than ten major projects will, in Poland, form the backbone of a modern network of rail transport. As a result, a more balanced development of the rail network will be possible in the more immediate future (more at: www.mt.gov.pl).

Most projects concerning investment in rail transport will be financed under the Operational Programme Infrastructure and Environment, in accordance with the priority axis "Environment-friendly Transport", and from the funds available under the Trans-European

es, and rebuilding of communication equipment. Thanks to adjustments in smoothing out bends, it will be possible to increase the speed of passenger trains to 160 km/h, and freight trains to 120 km/h.

■ Connecting agglomerations

The most important line going north to south will be the modernised E-65/CE 65 route connecting Gdynia with Warsaw, Katowice and two border crossing points: in Zwardoń (to

Slovakia) and Zbřidowice (to the Czech Republic). Thanks to the rebuilding of the first section of this line (Warsaw–Gdynia), the journey from the capital city to the seaside will be reduced from more than four and a half hours to about three. The project will consume EUR 1.4 billion (co-financed in 85 percent).

The second strategic north-south railway

Medyka. Thanks to this line, passenger traffic between the Euro 2012 hosting countries will be greatly accelerated. Moreover, this line will facilitate trade between Poland and Ukraine.

The fourth line of strategic importance, whose modernisation is planned for the coming years, is the E-20/CE-20 connection (Warsaw – Poznań). This route is Poland's most

EUR 7 billion: the cost of construction of a high-speed line

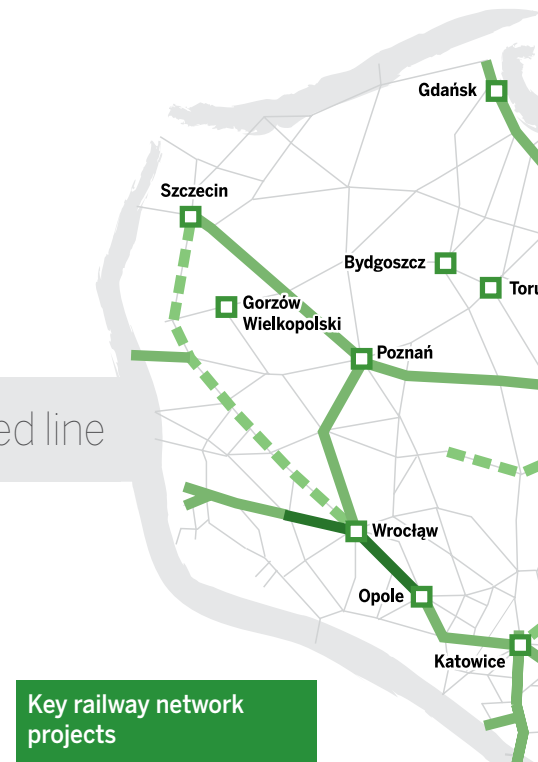
line, is the E-59 route from Wrocław via Poznań and Szczecin to the port in Świnoujście. As a target, the journey from Wrocław to Poznań is to take about 75 minutes. The completion of the repair work is planned for 2014, and the total cost is to be about EUR 1.5 billion.

Large ventures listed among individual key projects under the OP Infrastructure and Environment include also the modernisation of the E-30/CE-30 railway line from Zgorzelec on the border with Germany via Wrocław, Kraków and Przemyśl to the border crossing point in

important section of the international line connecting Berlin with Moscow. Its adaptation to the requirements of modern rail traffic will be of importance not only for the economy of Poland but that of the whole EU as well.

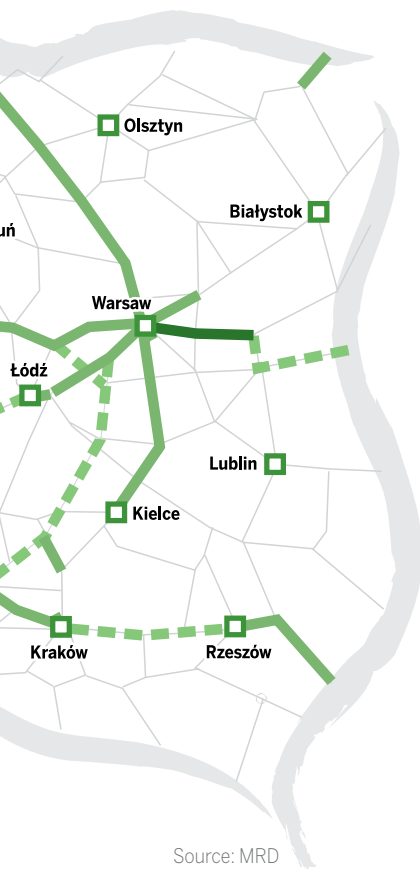
Plans for the future

These four lines are not the only sections of the Polish railway network which will be adapted in the near future to meet the highest contemporary standards. For a year now,



Key railway network projects

- EU-funded projects 2001-2006
- - - Reserve tasks
- Planned EU-funded projects 2007-2013
- Other railway lines



Source: MRD

work has been progressing on thoroughly rebuilding the line between Poland's two biggest cities: Warsaw and Łódź. Both cities are less than 130 km from each other but to-date they have been developing separately, because of the lack of good road and railway connections. The existing railway line is in a very poor condition and along some sections trains have to even slow down to 30 km/h. The fastest trains cover this distance in more than two hours. After the works have been completed, this time will be shortened by half. Over a longer term perspective, it will also be possible to redevelop the Warsaw – Łódź route to adapt it to the standards of a modern, super-fast railway.

Work on the concept of a high-speed line, being the Polish equivalent of the French TGV, Spanish AVE or the Eurostar line under the

English Channel, has been going on for several years. This is going to be a route from Warsaw to Łódź and Kalisz, and from there, along two lines to Wrocław and Poznań. Trains would go along separate tracks at speeds reaching even 350 km/h and such a route would connect four of the biggest Polish cities. It would be a perfect alternative to air transport.

In addition, instead of the current five hours, the journey from Warsaw to Wrocław would take slightly more than one and a half hours. At the same time, the route would follow the European tendency to separate the transport of passengers and goods. By 2012, design work and preparation of the land necessary to construct a high-speed line should be completed. According to the initial estimates, the project cost will be in excess of EUR 7 billion.

Where to find information

Polish State Railways	www.pkp.pl	+ 48 22 474 91 01
PKP Polish Railways Company – Capital Project Planning Office	www.plk-sa.pl	+ 48 22 473 29 03
Office for Railway Transport	www.utk.gov.pl	+ 48 22 630 18 30
Railway Scientific and Technical Centre	www.cntk.pl	+ 48 22 473 13 00



Environmental Protection

– One of the Priorities

Chapter VI

Over the coming years, Poland can obtain about EUR 4.7 billion from the Operational Programme Infrastructure and Environment, for environmental projects. Thanks to the combination in one planning document of the development of the country's infrastructure and environmental projects, Poland will avoid a conflict between the need for economic development and the protection of nature.

We have values to protect

In terms of the number of species and natural values, Poland's natural environment is unique and is amongst the richest on the continent. Uneven urban development and the agricul-

tural character of a considerable part of the country have led to the preservation, until the present day, of many unique eco-systems. Poland is one of the few countries in Europe, with extensive forest complexes inhabited by a large number of animal species that became extinct elsewhere many years ago. The Białowieża

Primeval Forest, which is on the UNESCO list of World Heritage, is the last primeval forest on the continent which has remained almost unchanged since ancient times. Also unique





European bison in the Białowieża National Park

river valleys have been preserved in our country, and the Vistula is the last large European river whose bed remains unregulated. More than 10 million hectares of land are covered by various types of protection. This is almost one third of the country's surface. Twenty-three national parks occupy an area of 314,500 hectares. Nature is protected also in 1,368 nature reserves scattered all over the country, in 120 landscape parks and on 448 protected landscape areas. In addition to these forms of nature protection, Poland also respects the protection of valuable areas under the European Union-wide network of protected areas Natura 2000. Poland has long attached great importance to the protection of nature. Tradi-

tions of institutional protection of nature date back to the 16th century with the-then rulers prohibiting the hunting of European bison in the Białowieża Primeval Forest. A lot has

been achieved over the past twenty years as concerns the elimination of the impact of our economy on the environment. Poland is a party to many international agreements concerning, amongst others, reduction of greenhouse emissions and exhaust gases and the use of renewable energy sources.

Environment-friendly channels

A serious obstacle though is the immense backwardness of Polish cities in terms of the management of waste and sewage treatment. However, thanks to European Funds, it will be possible to make up ground also in this area.

Of the list of key projects submitted to the Operational Programme Infrastructure and Environment, the most important are plans for investments relating to the facilitation of the national water and sewage management.

The applications for co-financing in this category include projects concerning the construction of water supply and sewage discharge systems and water treatment plants in

Investment in environmental protection

- Key projects in water and sewage management in accordance with the National Programme for Municipal Sewage Treatment
- Comprehensive projects in municipal waste management



cities, communes and poviats all over Poland. Funds for this purpose are being applied for by great numbers of local self-governments from all over the country. The construction of water

supply systems and sewage treatment plants on such a scale will have a major impact on the standard of living of Poland's inhabitants. Improved purity of waters will also have a great effect on the economy, in particular the competitiveness of enterprises whose operations are clearly dependent on the condition of the natural environment. This is true above all of firms in the agricultural and tourist sectors.

Investment plans cover also the protection of the purity of water reservoirs and water courses in areas attractive for tourists. For instance, one of Poland's best known resorts, Sopot, has applied for almost EUR 40 million to improve the organisation of water and sewage management in its area. The aim of

this project is to protect the coastline waters of the Bay of Gdańsk which attracts hundreds of thousands of tourists every year. Local self-governments and NGOs have also applied

for funds for, amongst others, the protection of water in the Poprad River valley, the Biebrza River basin and the area of the central Oder River.

Considerable amounts under the same Operational Programme will be allocated to projects concerning waste management. Even though households in Poland generate less waste than those in more developed countries of the European Union, in terms of recycling and disposal of waste, Poland still has a lot to do. Several tens of local self-government bodies have applied for funds for developing waste management systems or the construction of plants for thermal neutralisation of waste.

Several hundred million euros from this pool of money will be spent on the reclamation of land destroyed by mining or military use.

■ Environmental protection can bring profits

Also business will share in the financing of environmental projects. Even though almost 95 percent of energy is generated in Poland from coal, the use of renewable energy sources is continuously increasing thanks to private investors.

In Ostrów Wielkopolski, a heat plant is constructing a unit for generating heat from waste from the nearby wood processing fac-

tory. In northern Wielkopolska, a power plant will soon be constructed which will use, as its fuel, production waste from a distillery. Within the Special Economic Zone in Kostrzyn, a bio-ethanol plant is being established.

In Toruń, the city authorities have reached an agreement with a local energy supplier, concerning the implementation of the programme "Zero emissions for the Old Town". Currently, more than 60 percent of buildings within the heritage Old Town burn coal or coke. The company will part-finance the replacement of the heating systems and equipment and will gain several tens of thousands of regular clients whilst the city rids itself of a distressing problem.



The Supreme Court in Warsaw

Where to find information

Ministry of the Environment	www.mos.gov.pl	+ 48 22 579 29 00
National Fund for Environmental Protection and Water Management	www.nfosigw.gov.pl	+ 48 22 459 00 00
European Ecological Natura 2000 Network	www.natura2000.mos.gov.pl/natura2000	+ 48 22 579 29 00
Chief Environmental Protection Inspectorate	www.gios.gov.pl	+ 48 22 579 29 00
National Water Management Board	www.kzgw.gov.pl	+ 48 22 372 02 10
General Directorate of State Forest Administration	www.lp.gov.pl	+ 48 22 825 85 56



New Technologies Will Change Business

Chapter VII

Europe's only chance to maintain its leading position in world trade is scientific development. Poland has opted for a path leading to the development of a knowledge-based economy.

■ Money for scientists

One of Poland's greatest advantages which attracts investors is the highly developed network of about a thousand scientific and research centres. Polish universities and academic centres are renowned throughout the world and provide excellent support for entrepreneurship, which is increasingly dependent on access to specialists and scientists.

The European Union supports innovativeness in its Member States and EU Funds provide an opportunity for the advancement of a knowledge-based economy. The Lisbon Strategy, adopted in 2000, stipulates development directions in this area with the most important recommendation being to increase the total expenditure on development and scientific research to no less than 3 percent GDP.

Parks and incubators

	Value of projects in PLN m	Number
Śląskie	229.8	15
Podkarpackie	88.0	4
Małopolskie	77.9	4
Zachodniopom.	65.8	4
Mazowieckie	54.5	3
Wielkopolskie	47.7	4
Kujawsko-Pom.	37.4	4
Pomorskie	33.9	2
Podlaskie	29.3	3
Łódzkie	27.2	5
Dolnośląskie	17.1	10
Opolskie	8.6	1
Lubuskie	6.3	1
Lubelskie	0.5	1

Thanks to the inflow of resources from EU Funds, and the reasonable strategy adopted in the form of the Operational Programme Innovative Economy, Poland has a chance to make considerable progress in this field. Over the coming five years, science will receive about EUR 3 billion more in funding (data from the Ministry of Regional Development; list of key individual projects). Most of it will come from



the EU's budget. The experience of other EU's countries and Polish cities shows that the role of initiators of development can be successfully performed by local governments.

Thanks to the dissemination of the idea of a knowledge-based economy, local governments have discovered more and more frequently that the proximity of an academic centre pays off, because it favours investment in new technologies.

■ Assistance from local governments

The authorities of Polish cities and voivodships are also creating more and more places where science meets entrepreneurship. Throughout the country, a dozen or so technology parks are being established which follow a similar scheme. Their task is to create

Selected technology parks in Poland

Name	City	Year	www
IN OPERATION			
Poznań Science and Technology Park	Poznań	1995	www.ppnt.poznan.pl
Krakow Technology Park	Kraków	1998	www.sse.krakow.pl
Wrocław Technology Park	Wrocław	1998	www.technologypark.pl
Science and Technology Park of Koszalin University of Technology	Koszalin	1998	www.pnt.tu.koszalin.pl
Szczecin Science and Technology Park	Szczecin	2000	www.spnt.pl
Pomeranian Science and Technology Park	Gdynia	2001	www.ppnt.gdynia.pl
Bełchatów-Kleszczów Industry and Technology Park	Bełchatów	2003	www.ppt.belchatow.pl
LOTOS Technology Park	Czechowice-Dziedzice, Jasło	2005	www.lotospark.pl
Toruń Technology Park	Toruń	2005	www.technopark.org.pl
AT THE STAGE OF ORGANISATION			
Beskidy Technology Park	Bielsko-Biała		www.arrsa.pl
Technopark Gliwice	Gliwice		www.technopark.gliwice.pl
Lublin Science and Technology Park	Lublin		www.lpnt.lublin.pl
Regional Science and Technology Park	Łódź		www.technopark.lodz.pl
Płock Industry and Technology Park	Płock		www.pppt.pl
Nickel Technology Park	Poznań		www.ntpp.pl
Poland-East Science and Technology Park	Suwałki		www.park.suwalki.pl
Podkarpacie Technology Park	Rzeszów		www.rarr.rzeszow.pl
Technology ChemiPark	Brzeg Dolny		www.chemipark.pl
TechnoPort	Warszawa		www.technoport.pl
Opole Science and Technology Park	Opole		www.opnt.po.opole.pl
Gdańsk Science and Technology Park	Gdańsk		www.strefa.gda.pl
Upper Silesian Technological Incubator	Ruda Śląska		www.inkubatorrudzki.pl
Sosnowiec Technology Park	Sosnowiec		www.sosnowiec.pl

an infrastructure in which private companies can co-operate with scientists. Thanks to the locating of such centres in large cities and the provision of funds over the coming years, most of them will be able to attract enterprises interested in research and development (R&D) laboratories and modern research apparatus, as well as having access to well-educated staff. The list of such places includes the technology parks in Warsaw, Toruń, Wrocław, Szczecin, Krakow or Poznań. One of the larg-

companies in clusters enables entrepreneurs to jointly apply for EU grants and order the raw materials and semi-finished goods necessary for production. In Poland, there are about 40 R&D centres belonging to big multinationals. Such centres have been established already by companies such as ABB, Fujitsu, IBM, Volvo, Motorola or Siemens. Development centres have been located in Poland also by companies such as Smith Kline, Faurecia, Lucent Technologies, Philips, Microsoft, and Pratt & Whitney.

Investors can also benefit from the attainments of Polish firms in regions where firms concentrate from similar sectors of the economy. In industrial clusters, companies compete but also co-operate one with another in R&D work. In south-eastern Poland, the Aviation Valley operates, representing an association of several tens of companies from the aviation industry. Similar groups of companies are also being created in the TriCity, and in the Świętokrzyskie region.

Throughout Poland, there are 40 modern research and development centres

est scale projects concerning research and development is the Network of New Technology Firms (AFNT), created jointly by the authorities of the Małopolskie, Śląskie, Opolskie and Dolnośląskie voivodships and the capital cities of those regions. They want to create a network within which companies can order together new research and implement technologies for mass production. Combining

Where to find information

Ministry of Science and Higher Education	www.nauka.gov.pl	+ 48 22 628 88 25
Polish Association of Engineering Associations	www.not.org.pl	+ 48 22 827 39 85
Polish Academy of Sciences	www.pan.pl	+ 48 22 620 49 70
Polish Agency for Enterprise Development	www.parp.gov.pl	+ 48 22 432 80 80
National Atomic Energy Agency	www.paa.gov.pl	+ 48 22 695 98 00
Information Processing Centre	www.opi.org.pl	+ 48 22 351 70 80
National Program Foresight Poland 2020	www.foresight.polska2020.pl	+ 48 22 529 25 20
Innovations Portal	www.pi.gov.pl	+ 48 22 432 80 80
National System of Innovation	www.ksu.parp.gov.pl	+ 48 22 432 80 80



Investment Incentives

or What Poland Offers to Entrepreneurs

Chapter VIII

The efforts of the marketing specialists notwithstanding, the basic criterion for site selection to invest capital is the prospect for profit. The profitability of an investment is influenced by its geographical location, personnel resources, condition of infrastructure, environment, market size, availability of advanced technologies and many other factors. In all these respects, Poland is well placed amongst the other countries of the region.

■ Why Poland

A young, educated and lively society is both a perfect market and excellent personnel support for any project. The standard of living and

level of education of Poles is comparable to the standard of living in the countries of Western Europe. A convenient geographical location at the heart of continental Europe offers easy access to other markets. The importance of Poland in the world, membership of the European Union, NATO and OECD, guarantee that the country will remain politically stable,

any sector. This is evidenced by the success of the enterprises which have already availed themselves of the opportunities offered by Poland. In order to further increase the share of foreign companies in the country's development, a wide range of investment incentives have been devised. Vast resources which will be allocated to development, infrastructure

In Poland, there are 14 Special Economic Zones

secure and trustworthy. Modern business standards, friendly legislation and a business culture create development opportunities in

and human resources over the coming years will make Poland an even more attractive place to locate capital in. In the coming years,

Major foreign investors in 2006

SHARP

Production of electronic equipment
value: **EUR 150 m**
employment: **3,000 people**

Bridgestone

Production of tyres
value: **EUR 200 m**
employment: **759 people**

Sniaice

Production of biofuels
value: **EUR 150 m**
employment: **150 people**

Voit

Production of parts for the automotive industry
value: **EUR 200 m**
employment: **759 people**

Unicorn Chemical LLC

Production of components for biofuels
value: **EUR 48 m**
employment: **100 people**

P&G

Production of hygienic articles
value: **EUR 40 m**
employment: **400 people**

Polimoon Group

Production of tyres
value: **EUR 200 m**
employment: **759 people**

Dell

Production of servers and laptops
value: **EUR 200 m**
employment: **3,000 people**

Indesit

Production of household appliances
value: **EUR 77.7 m**
employment: **1,313 people**

Shell

Service Centre
value: **EUR 6.8 m**
employment: **800 people**

Source: Polish Information and Foreign Investment Agency

Poland will receive from the EU's budget support which will be the highest amongst all new Member States.

Support to investors

One of the most important instruments supporting foreign entrepreneurs is the network of special economic zones (SEZ). Located in almost all regions of Poland, they facilitate business through a system of tax breaks and extended infrastructure. The income of an entrepreneur, who decides to invest in one of the SEZ's, is exempt from (both corporate and personal income) tax. In addition to fiscal privileges, companies gain access to plots prepared for investment and free assistance

in fulfilling the formalities and pursuing their business operations. Entrepreneurs in the SEZ's can also use subsidies to train their

employees and receive financial support in creating new jobs. In some communes, it is also possible to claim exemption from the property tax.

In Poland, there are 14 special economic zones. They have been located in the north of the country: in Słupsk, Sopot, Suwałki and Olsztyn, in the west: in Kostrzyn, and in central and southern Poland: in Łódź, Legnica, Kamienna Góra, Wałbrzych, Katowice, Krakow, Starchowice, Tarnobrzeg and Mielec.

■ Technology in a park

Entrepreneurs focusing on the innovativeness of their products can also use industry and/or technology parks.

Technology parks are places where the development of science and technology is combined with investment in research from the private sector and the application of the effects of this research in future production and service activities of the sponsoring company.

Whereas, the principal objective of industry and technology parks is to fill with new investment places remaining after companies which were either closed down or restructured. Established with the participation of the commune in which they are located, the

Renowned
international
consulting firms
encourage
**investment
in Poland**

parks offer post-industrial infrastructure that is ready to be used again. The organizational structure and aims of technology parks are

similar although their character is different. These parks also have their specialisations. For instance, the Sosnowiec Science and Technology Park addresses its offer primarily to the pharmaceutical industry, firms manufacturing medical equipment and also to the automotive, machine and chemical industries.

Such a profile of activities results indirectly from the know-how resources generated by the scientific partners in the park, which are three largest schools of higher education in the region: the Medical University of Silesia, the Silesian University of Technology and the University of Silesia. The Krakow Technology Park's ambition is to create in its zone "a ser-

vice valley" or a cluster of companies wishing to engage in activities in the area of information technology. Companies which have lo-

cated their service centres in the Krakow Park include Shell, ACS, Philips Morris, IBM and Cap Gemini.

■ Heaven for investors

The activities of Polish authorities and local governments yield results. In the rankings of renowned external institutions Poland is described as a heaven for investors.

In the Ernst &Young European Attractiveness Survey 2006, Poland was ranked first, ahead of countries such as Germany, Russia or the United Kingdom. And in a report by the consulting company AT Kearney of 2006, Poland occupied fifth place among countries

worthy of investors' trust. Higher rankings were only awarded to China, India, USA and the United Kingdom. Poland also ranks first

Special economic zones (SEZ) in Poland

Name	Telephone	www
Special Economic Zone for Medium Business	+ 48 75 645 15 03	www.ssemp.pl
Katowice SEZ	+ 48 32 251 07 36	www.ksse.com.pl
Kostrzyn-Słubice SEZ	+ 48 95 721 98 00	www.ksse.pl
Krakow Technology Park	+ 48 12 640 19 40	www.sse.krakow.pl
Legnica SEZ	+ 48 76 722 35 70	www.strefa-legnica.com
Łódź SEZ	+ 48 42 676 27 53	www.sse.lodz.pl
Pomeranian SEZ	+ 48 58 555 97 10	www.strefa.gda.pl
Ślupsk SEZ	+ 48 59 841 28 92	www.sse.slupsk.pl
SEZ Euro-Park Mielec	+ 48 17 788 72 36	www.europark.com.pl
Starachowice SEZ	+ 48 41 275 41 01	www.sse.com.pl
Suwałki SEZ	+ 48 87 565 22 17	www.ssse.com.pl
Tarnobrzeg SEZ Europark Wisłosan	+ 48 15 823 47 08	www.tsse.pl
Wałbrzych SEZ	+ 48 74 841 35 00	www.invest-park.com.pl
Warmia-Mazury SEZ	+ 48 89 535 90 02	www.wmsse.com.pl
Industrial Development Agency*	+ 48 22 460 36 00	www.arp.com.pl

*Institution which manages some SEZ

in the world in terms of the availability of locations, cost of land and legal regulations, and fifth in a ranking of convenient locations for

direct investment. The list of similar surveys comprises many items, and Poland is exceedingly well presented in all of them.

Contacts to selected central offices in Poland

Name	www	Telephone
Ministry of Regional Development	www.mrr.gov.pl	+ 48 22 461 30 00
Information and Publicity Department		+ 48 22 461 39 62
Department of the European Union and International Cooperation		+ 48 22 461 39 19
Department of Community Support Framework Coordination and Management		+ 48 22 461 39 40
Managing Department for Competitiveness and Innovation Programmes (OP Innovative Economy)		+ 48 22 461 39 31
Department of Structural Policy Coordination (NSFR)		+ 48 22 461 39 07
Department for Coordination of Infrastructural Programmes (OP Infrastructure and Environment)		+ 48 22 461 39 30
Department for Management of Transport Programme (SOP Transport)		+ 48 22 461 39 45
Department for European Social Fund Management (PO Human Capital)		+ 48 22 501 50 04
Department for Regional Programmes Coordination (Regional Operational Programmes)		+ 48 22 536 73 73
Implementation of Regional Development Programmes Department (Euro 2012)		+ 48 22 536 74 30
Ministry of Economy	www.mg.gov.pl	+ 48 22 693 50 00
Department of European Funds (OP ICE)		+ 48 22 693 51 09
Ministry of Science and Higher Education	www.nauka.gov.pl	+ 48 22 628 88 25
Department of European Funds (OP I&E)		+ 48 22 529 23 03
Department for the Development of Economy		+ 48 22 529 24 62
Ministry of Culture and National Heritage	www.mkidn.gov.pl	+ 48 22 421 01 00
Department of Cultural Strategy and European Funds		+ 48 22 421 03 02
Ministry of Health	www.mz.gov.pl	+ 48 22 634 96 00
Department of Structural Funds and Assistance Programmes		+ 48 22 860 69 00

Name	www	Telephone
Ministry of Labour and Social Policy	www.mps.gov.pl	+ 48 22 661 10 00
Department of Funds		+ 48 22 461 61 99
Department of Implementing the European Social Fund		+ 48 22 693 59 54
Ministry of Finance	www.mf.gov.pl	+ 48 22 694 55 55
International Financial Institutions and Foreign Cooperation Department		+ 48 22 694 56 46
European Union Department		+ 48 22 694 46 03
Department for Certifying and Issuing Declarations on Winding-up of EU Assistance		+ 48 22 694 32 82
Ministry of Sport and Tourism	www.msport.gov.pl	+ 48 22 244 31 42
Department of European Cooperation		+ 48 22 244 31 23
Department of Sports Infrastructure		+ 48 22 244 31 37
Ministry of Transport	www.mt.gov.pl	+ 48 22 630 10 00
Information and Publicity Office		+ 48 22 630 11 22
Department of Investment and Economic Analyses		+ 48 22 630 18 10
Department of Roads and Road Transport		+ 48 22 630 12 40
Railway Department		+ 48 22 630 14 10
Department for Strategic Planning and Transport Policy		+ 48 22 630 12 07
Department of Government Programme for the Construction of Roads and Motorways		+ 48 22 630 17 00
Department of Structural Funds		+ 48 22 630 13 80
Department of Cohesion Fund		+ 48 22 630 17 75
Ministry of the Environment	www.mos.gov.pl	+ 48 22 579 29 00
Department Infrastructure and Environment (OP I&E)		+ 48 22 579 22 19
Department of Environmental Funds		+ 48 22 579 25 73
Department of Waste Management		+ 48 22 579 27 98
Department of Education and Promotion of Sustainable Development		+ 48 22 579 26 61