CENTRE FOR REGIONAL AND LOCAL ANALYSES

REGIONAL INVESTMENT ATTRACTIVENESS 2012

Lubusz voivodship

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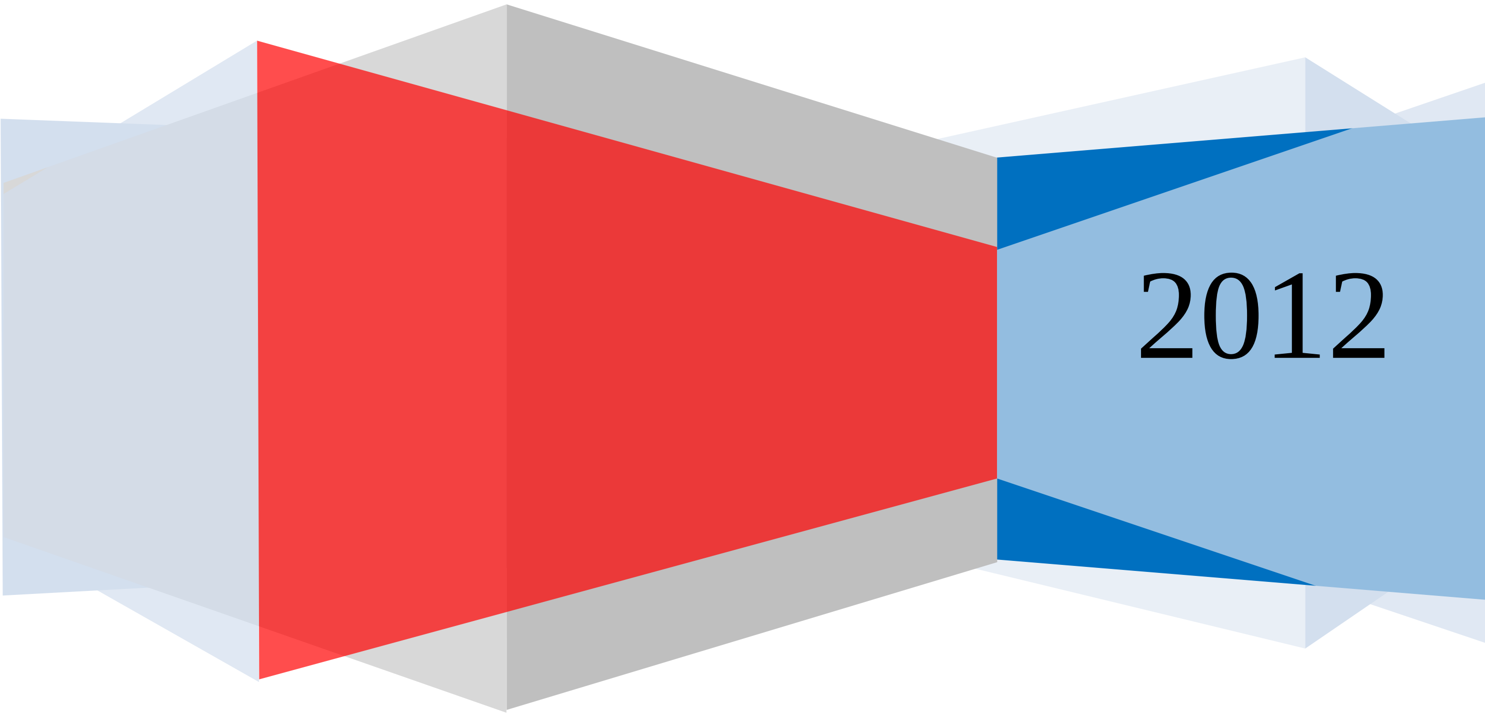

Warszawa, październik 2012

Introduction

This report has been prepared thanks to the application of results of scientific research conducted since 2002 by the Institute of Enterprise, Collegium of Business Administration of the Warsaw School of Economics, under the supervision of Prof. H. Godlewska-Majkowska, Ph.D. All Authors are core members of the team that develops the methodology of calculating regional investment attractiveness in order that important characteristics of regions are captured as closely as possible both in general terms and from a point of view of specificity of a given kind of business activity as well as a size of investment.

Potential investment attractiveness (PAI) indices measure the location-specific advantages of regions. In their simplified version they are calculated for territorial units of various levels of statistical division of the country (gminas/communes, poviats/counties, subregions, voivodships/regions). These are PAI1 indices, which refer to the whole regional/national economy (PAI1_GN) and selected sections: C – manufacturing industry, G – trade and repair, I – tourism and catering, M – professional, scientific and technical services.

Besides, some indices are only calculated for voidoships on the basis of much more characteristics available on the regional or macroregional level. This allows us to evaluate their investment attractiveness in a much broader context. These are PAI2 indices, which are calculated both from a general point of view and with reference to the above mentioned sections of the economy (PAI2_C, PAI2_G, PAI2_I, PAI2_M).

What is more, real investment attractiveness ranks are used in this report, which relates to the inflow of capital (in the form of investments) and the effects of investments considered from a point of view of productivity and returns on the outlays previously made.

The measurements in use are subject to annual review thanks to consulting them with foreign investor assistance institutions and direct contact to territorial self-government units as well as organisations of entrepreneurs. A description of methodological approach to measuring investment attractiveness of Polish regions, counties and communes can be found online on the Web site of the Institute of Enterprise : www.sgh.waw.pl/instytuty/ip, on the Web site of the Centre for Regional and Local Analyses, which cooperates with the Institute of Enterprise: www.caril.edu.pl, as well as in numerous scientific publications and expert opinions.

1. The profile of regional economy of Lubusz (*lubuskie*) voivodship

Lubusz (*Lubuskie*) voivodship is situated in central-western Poland, it borders on Germany, which is an important element facilitating international economic cooperation. Fourteen border crossings and the membership of the Pro Europe Viadrina euroregion and Spree-Neisse-Bober euroregion create good conditions of economic cooperation. The main socio-economic and administrative centres are Gorzów Wielkopolski, the seat of governmental administration, and Zielona Góra, the seat of self-governmental authorities, both being at the same time the most attractive sites for investors.

The advantages of the voivodship include:

- a highly beneficial geopolitical location on a Western border, which allows access to attractive sales markets of Germany and other Western European countries,

- a beneficial location on an international traffic route, i.e. pan-European corridor East-West, which gives access to foreign markets,

- a very well-developed regional communications network in terms of both roads and railways, well-developed near-border infrastructure,

- a well-developed network of water transport (the Oder system enables to ship by barges from Lower Silesia to the port complex of Szczecin-Świnoujście and through the Oder-Spree and Oder-Havel channels Lower Silesia is connected to the system of inland waterways of Western Europe),

- a very good access to the Internet (in this respect the voivodship belongs to the highest rated regions in Poland),

- its activity in euroregions; what particularly distinguishes the Lubus Land is the transborder location of international Viadrina University offering among others the following courses of study: management, international management, economics, international business administration, German law, German-Polish law, cultural studies,

- a high forest cover, tourist attractions (especially Muskauer Park in the gmina of Łęknica, a UNESCO World Heritage site) as well as numerous lakes, all conducive to the development of tourism,

- good conditions of the development of industry thanks to the presence of higher education institutions offering technical courses of studies[1] and attractive investment offers from special economic zones.

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[1] In 2010 according to the rating of the Ministry of Science and Higher Education the Faculty of Mathematics, Computer Science and Econometrics of the University of Zielona Góra occupied the 10th position in Poland among all the best scientific establishments classified in the discipline mathematics and the basics of computer science and was ranked in the high category 2.

Chart 1. General characteristics of the economy of Lubusz voivodship

Feature	Lubusz voivodship	Poland	Share [%]
Market Potential			
GDP per capita (PLN/person) in 2009	30,068	35,210	-
Population (persons) on 31 Decembre 2011	1,023,158	38,538,447	2.7
Human Resources Potential			
Higher education institutions graduates (persons) in 2011	6,896	492,646	1.4
Secondary schools graduates (persons) in 2011	10,314	421,724	2.4
Number of employed persons on 31 December 2011	324,565	13,911,203	2.3%
Structure of employed persons in 2011	agriculture 7.6% industry 34.9% services 57.5%	agriculture 12.7% industry 30.6% services 56.7%	
Investment outlays and capital of companies with foreign capital participation in the voivodship			
Investment outlays (PLN mln) in 2010	813.6	61,600.3	1.3
Capital of companies (PLN mln) in 2010	2,027.5	188,812.4	1.1
Special economic zones (SEZs) in the voivodship			
- The Wałbrzych SEZ, subzone Szprotawa - The Kostrzyn-Słubice SEZ: subzones: Bytom Odrzański, Czerwieńsk, Dobiegniew, Gorzów Wielkopolski (city), Gubin (city), Gubin, Kargowa, Kostrzyn nad Odrą (city), Kożuchów, Lubsko, Międzyrzecz, Nowa Sól (city), Rzepin, Skwierzyna, Słubice, Sulęcin, Zielona Góra (city), Zielona Góra			
Investment attractiveness			
Potential investment attractiveness (location-specific advantages evaluation)	Tourism class C		
Real investment attractiveness (economic effects evaluation)			
Poviats and gminas distinguished according to the Potential Attractiveness Index for the national economy			
Poviats	Class A	Gorzów Wielkopolski (city), Zielona Góra (city)	
	Class B		
Gminas**	Class A	Zielona Góra (1), Gorzów Wielkopolski (1), Gubin (1), Nowa Sól (1), Żary (1), Kostrzyn nad Odrą (1), Żagań (1), Lubrza (2), Łęknica (1), Słubice (3)	
	Class B	Sulechów (3), Babimost (3), Świebodzin (3), Kłodawa (2), Zbąszynek (3), Lubsko (3), Wschowa (3), Witnica (3), Skwierzyna (3), Zielona Góra (2), Bytom Odrzański (3)	

In 2009 Lubusz voivodship made a contribution of 2.3% to the GDP of Poland. Calculated per capita, it amounted to PLN 30.068 with the average for Poland PLN 35,210. With this result the voivodship occupies the ninth place in the country The GDP growth rate in the period 2003-2009 amounted to 157.7% while the national average reached 168.5%. In comparison with the whole country the structure of employment in the voivodship is characterised by a relatively high share of the service sector (57.5%) whereas a share of the agricultural and industrial sectors is respectively 7.6% and 34.9% (CSO, RDB 2012).

The number of inhabitants of the voivodship amounts to 1.023.158 (as of 2011), which makes up 2.7% of the population of Poland. The age structure of Lubusz voivodship was in 2010 as follows: 15.4% of the population at pre-reproductive age, 69.4% at reproductive age and 15.2% at post-reproductive age (for Poland, respectively, 15.1%, 68.1% and 16.8%). The registered unemployment rate in the voivodship in August 2012 was 14.9%, compared to 12.4% in Poland[2]. The average gross monthly remuneration w enterprises sector in September 2010 amounted to PLN 3,068.5, which is 83.2% of the average remuneration in Poland.

The main potential for human capital creation in the voivodship is constituted by 8 higher education institutions in which 23.9 thousand students study, which makes up 1.4% of all students Poland-wide. In this voivodship 3% of pupils of secondary schools attend basic vocational schools and 2.9% attend technical secondary schools.

Preferential conditions of conducting business activities are offered in this voivodship i.a. by the following 2 special economic zone (in Polish: Specjalne Strefy Ekonomiczne, hence abbreviation SSE):

- Kostrzyńsko-Słubicka SSE (Kostrzyń-Słubice special economic zone), subzone: Bytom Odrzański, Czerwieńsk, Dobiegniew, the city of Gorzów Wielkopolski, the city of Gubin, Gubin, Kargowa, the city of Kostrzyn nad Odrą, Kożuchów, Lubsko, Międzyrzecz, the city of Nowa Sól, Rzepin, Skwierzyna, Słubice, Sulęcin, the city of Zielona Góra, Zielona Góra,

- Wałbrzyska SSE (Wałbrzych special economic zone), subzone Szprotawa.

[2] The unemployment rate in voivodships, subregions and poviats in August 2012 is based on the data of Central Statistical Office.

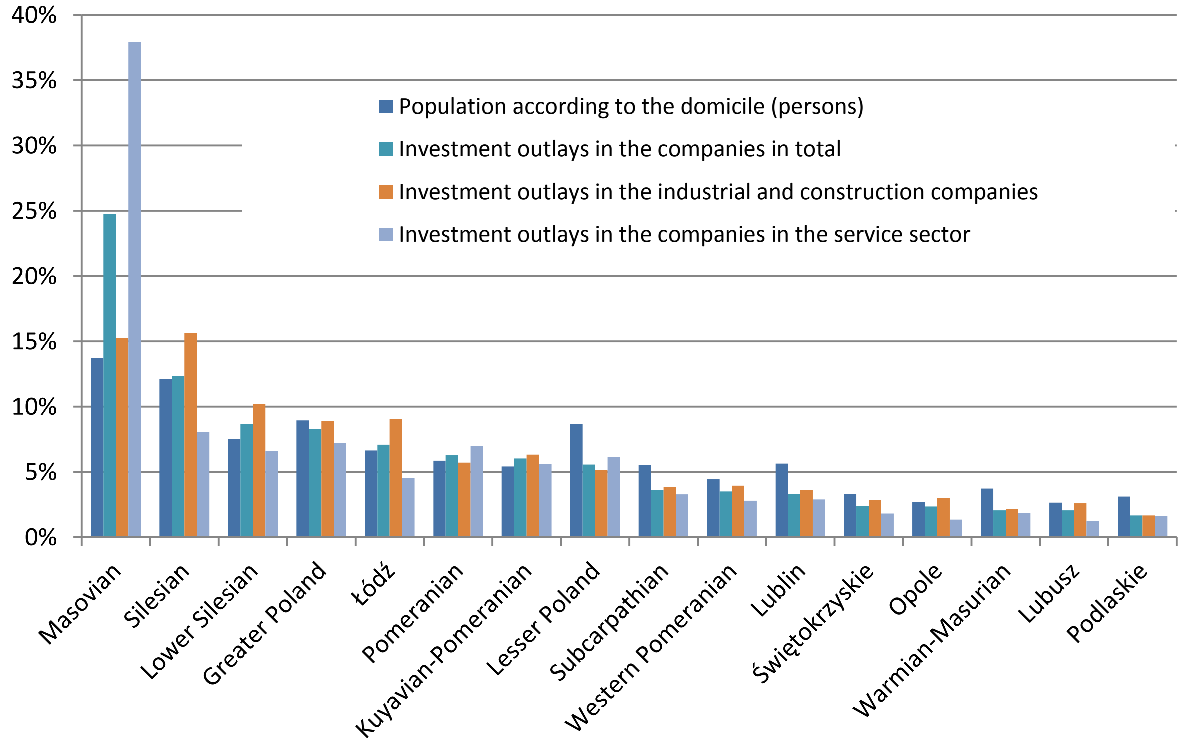
2. Region's rank in terms of investment attractiveness in Poland

Lubusz voivodship is characterised by a universal investment attractiveness level slightly below an average level for the whole country, which manifests itself in its rank (Class D) according to the main potential investment attractiveness index for the whole national economy PAI 2_GN (see Exhibit 1 in the Appendix). However, looking at PAI1_GN the voivodship's image is more favourable (Class C), which indicates a cost-driven competitive advantage of the region. It is visible in such sections like industry (PAI1_C – class C), trade and repairs (PAI_G: class C); tourism and catering (PAI1_I: class B), as well as in professional, scientific and technical activities (PAI1_M: class C). [3]

Investment attractiveness can also be determined on the basis of indices of real investment attractiveness (RAI), based on such microclimates as: returns on tangible assets, labour productivity, self-financing of self-government territorial units and investment outlays. The region ranked rather low in terms of RAI indices (Class E for most sections, only RAI_I and RAI_M were classified as Class D) – see Exhibit 2 in the Appendix.

Potential and real investment attractiveness in reflected in the decisions of investors on business location. This is shown in Exhibit 1.

Exhibit 1. Regional structure of investment outlays in the companies in 2010 in comparison with the share in the population (percentage of country's population)

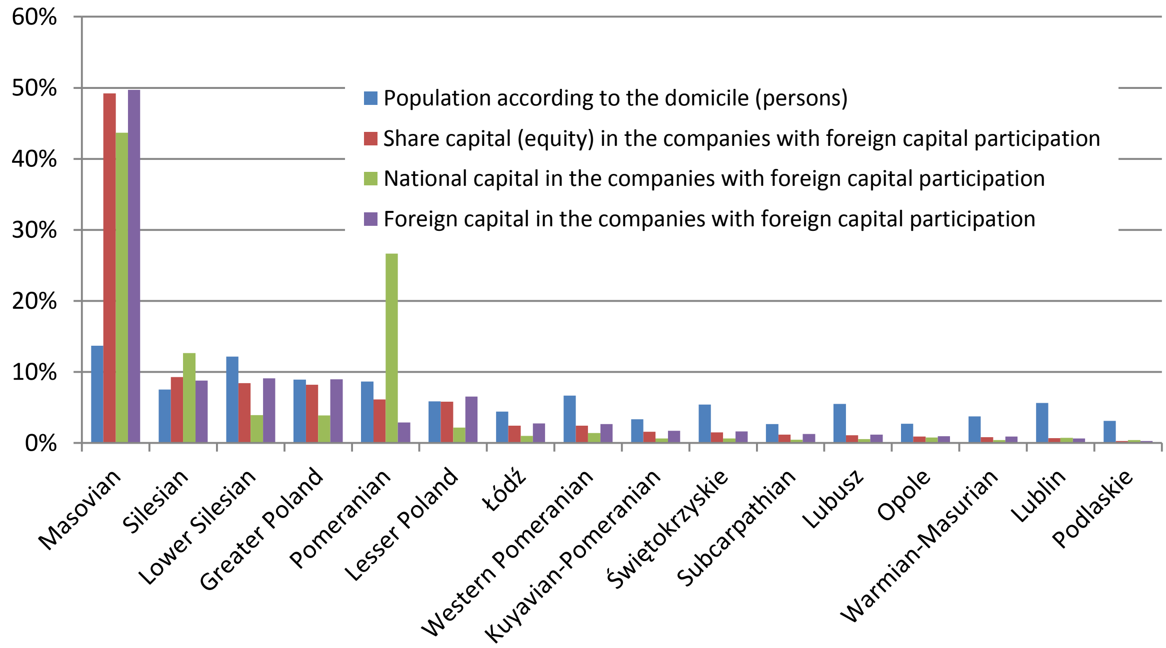


Note: these are the most up-to-date data.
Source: Authors on the basis of the Local Data Bank (downloaded 23.10.2012)

[3] Section C –manufacturing industry, section G – trade and repair, section I – hotels and restaurants, section M- professional, scientific and technical activities. A description of methodological approach to measuring investment attractiveness of Poland's regions, poviats and gminas can be found on the Web site: http: //www.investmazovia.com/metodyka.html

In 2009 Lubusz voivodship took the fifteenth place in Poland in terms of investment outlays made by the companies (a share of 2% in the national investment outlays). It is scarce given region's share in the national population amounts to 3%. It is even more explicit in the services, in case of which the share in investments outlays was just 1%. These phenomenon can be explained by peripheral location of the region on Polish market. Nevertheless, the proximity of the boarder and membership in Euroregions create an opportunity to attract foreign investments. An analysis of the data concerning accumulated capital in the companies with foreign capital participation leads to the conclusion that this opportunity has not been used yet - see Exhibit 2.

Exhibit 2. Regional structure of capital in the companies with foreign capital participation in comparison with a share in population (% national population)

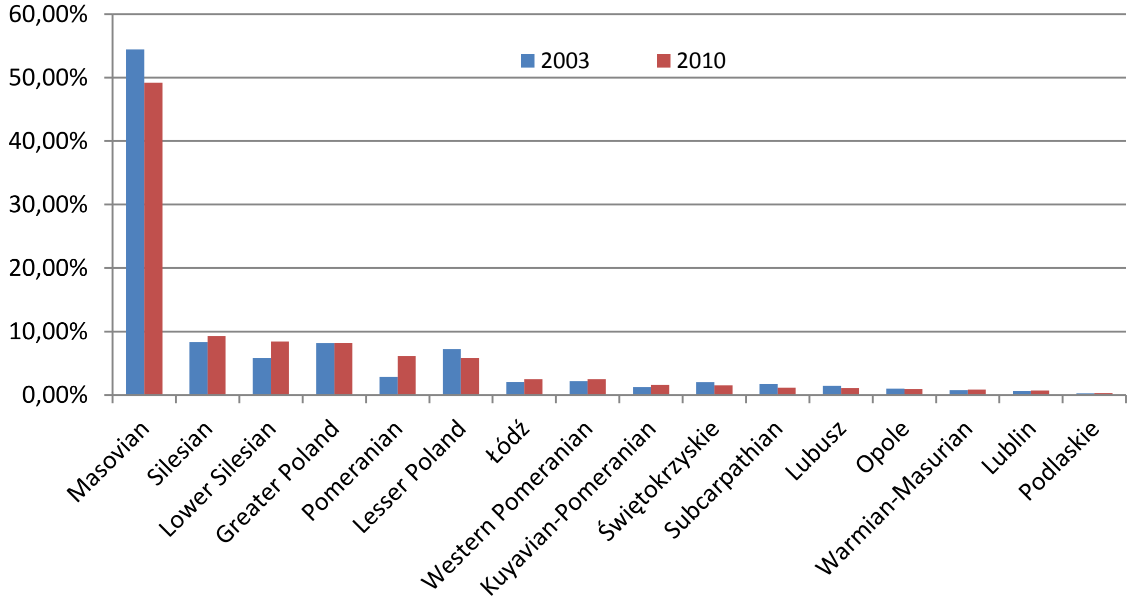


Note: these are the most up-to-date data.

Source: Authors on the basis of the Local Data Bank (downloaded 23.10.2012)

While the share of this region in the country's population reaches the level of 3%, the value of the capital in companies with foreign capital in all analyzed sections represent only 1% of the national level. Between 2003 and 2010 region's poor competitive rank on the foreign direct investment market slightly decreased from 1,4 to 1,1% - see Exhibit 3.

Exhibit 3. Regional competitive rank in terms of investments with foreign capital participation according to the value of share capital of the companies with foreign capital participation in 2003 and 2010 (percentage of national representation)



Source: Authors on the basis of the Local Data Bank (downloaded 23.10.2012)

An opportunity for Lubusz voivodship lies in neatly prepared investment offers. Self-government units of Lubusz voivodship should seek opportunities in careful preparation of offers of investment areas in accordance with their location-specific advantages.

3. Internal diversification of regional investment attractiveness

Poviats (counties)

The following poviats are considered most attractive in Lubusz voivodship: the city of Gorzów Wielkopolski, the city of Zielona Góra, - see Chart 2.

Chart 2. Potential investment attractiveness of poviats of Lubusz voivodship for the national economy and selected sections

Poviat	PAI1_GN	PAI1_GN	PAI1_C	PAI1_G	PAI1_I	PAI1_M
The city of Zielona Góra	0,371	A	A	A	A	A
The city of Gorzów Wielkopolski	0,348	A	A	A	A	A
gorzowski	0,267	C	C	B	C	D
świebodziński	0,264	C	D	D	B	D

Source: Authors' own materials.

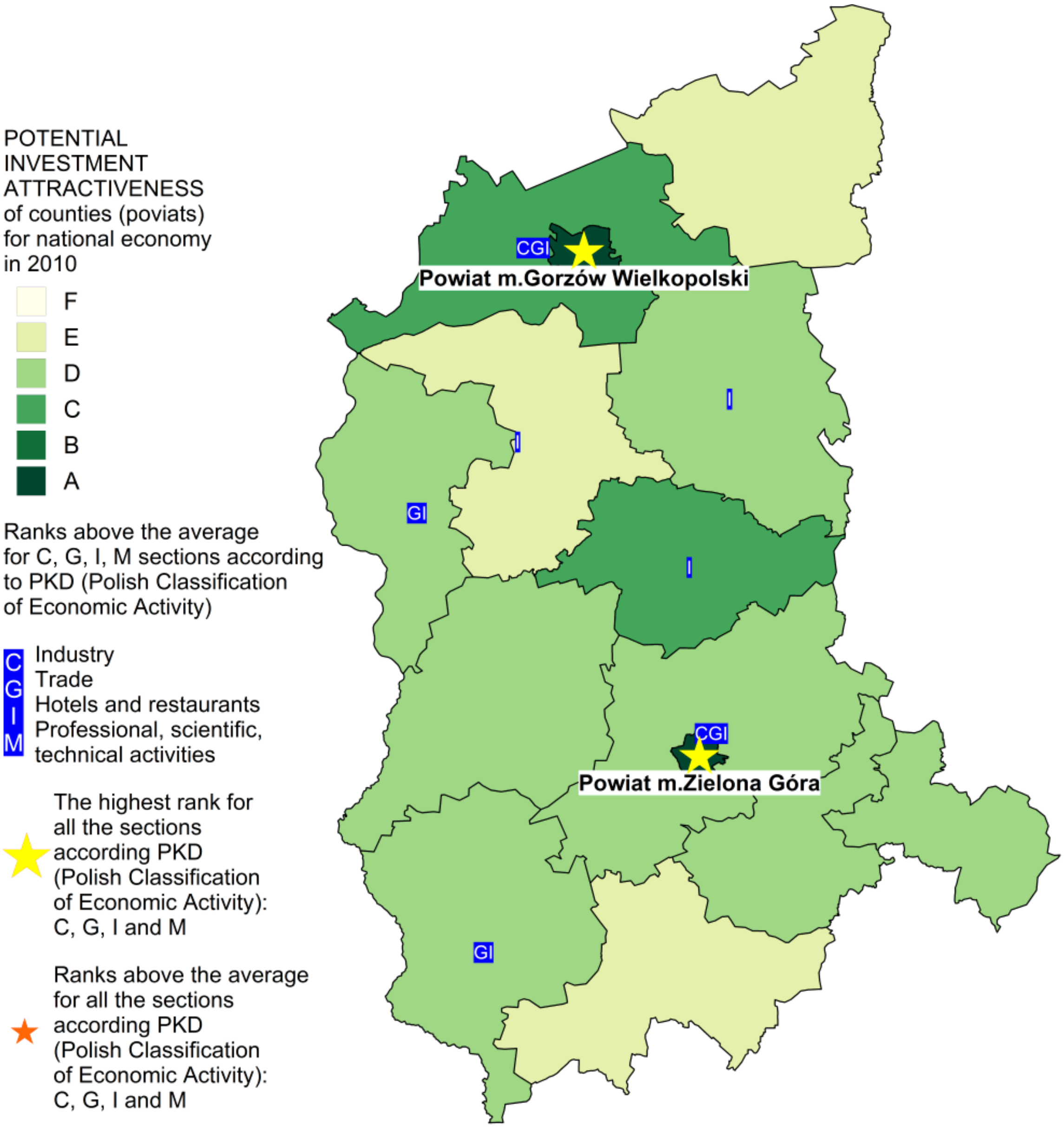
Enumerated poviats, apart from: zielonogórski, świebodziński, słubicki poviats, characterize high investment atractiveness. The following poviats should be distinguished: the cities of Zielona Góra and Gorzów Wielkopolski as these units attained Class A in their potential investment attractiveness for all sections of the national economy under scrutiny in this research.

In reference to the sections mentioned below the following poviats should be additionally distinguished:

- Gorzowski, zielonogórski (Class C) for section C,
- Słubicki, zielonogórski, żarski (Class C) for section G,
- Gorzowski, międzyrzecki sulęciński, zielonogórski, żarski (Class C) for section I.

Synthetic evaluation of potential investment attractiveness of poviats of Lubusz voivodship is presented in Exhibit 4.

Exhibit 4. Spatial diversification of potential investment attractiveness of poviats of Lubusz voivodship with consideration of the most attractive sections



Source: Authors' own materials.

Gminas (communes)

Like poviats, gminas are also very much diversified in terms of investment attractiveness. The highest ranked gminas are: Zielona Góra (1), Gorzów Wielkopolski (1), Gubin (1), Nowa Sól (1), Żary (1), Kostrzyn nad Odrą (1), Żagań (1), Lubrza (2), Łęknica (1), Słubice (3). It is also reflected in their high ranks (Class A or B) for all analysed sections – see Chart 3.

Chart 3. Potential investment attractiveness of gminas of Lubusz voivodship for the national economy and selected sections

Gmina	PAI1_GN	PAI1_GN	PAI1_C	PAI1_G	PAI1_I	PAI1_M
Zielona Góra (1)	0,283	A	A	A	A	A
Gorzów Wielkopolski (1)	0,272	A	A	A	A	A
Gubin (1)	0,265	A	A	A	C	A
Nowa Sól (1)	0,259	A	A	A	B	A
Żary (1)	0,249	A	A	A	A	A
Kostrzyn nad Odrą (1)	0,245	A	A	A	A	A
Żagań (1)	0,238	A	A	A	A	A
Lubrza (2)	0,231	A	A	A	A	C
Łęknica (1)	0,226	A	A	A	A	C
Słubice (3)	0,223	A	A	A	A	A

(1) – urban commune, (2) – rural commune, (3) – rural-urban commune

Source: Authors' own material.

Attractive are also such gminas which belong to Class B according to the PAI1_GN index as: Sulechów (3), Babimost (3), Świebodzin (3), Kłodawa (2), Zbąszynek (3), Lubsko (3), Wschowa (3), Witnica (3), Skwierzyna (3), Zielona Góra (2), Bytom Odrzański (3). The location-specific advantages are also universal in these gminas, which makes them attractiveness for all kinds of business activity in question.

In reference to the sections mentioned below the following gminas of Class C should be distinguished:

- Santok (2), Międzyrzecz (3), Przytoczna (2), Pszczew (2), Trzciel (3), Ośno Lubuskie (3), Rzepin (3), Dobiegniew (3), Drezdenko (3), Lubniewice (3), Sulęcin (3), Bytom Odrzański (3), Kożuchów (3), Nowe Miasteczko (3), Czerwieńsk (3), Kargowa (3), Nowogród Bobrzański (3), Świdnica (2), Zabór (2), Gozdnica (1), Sława (3) – for section C,

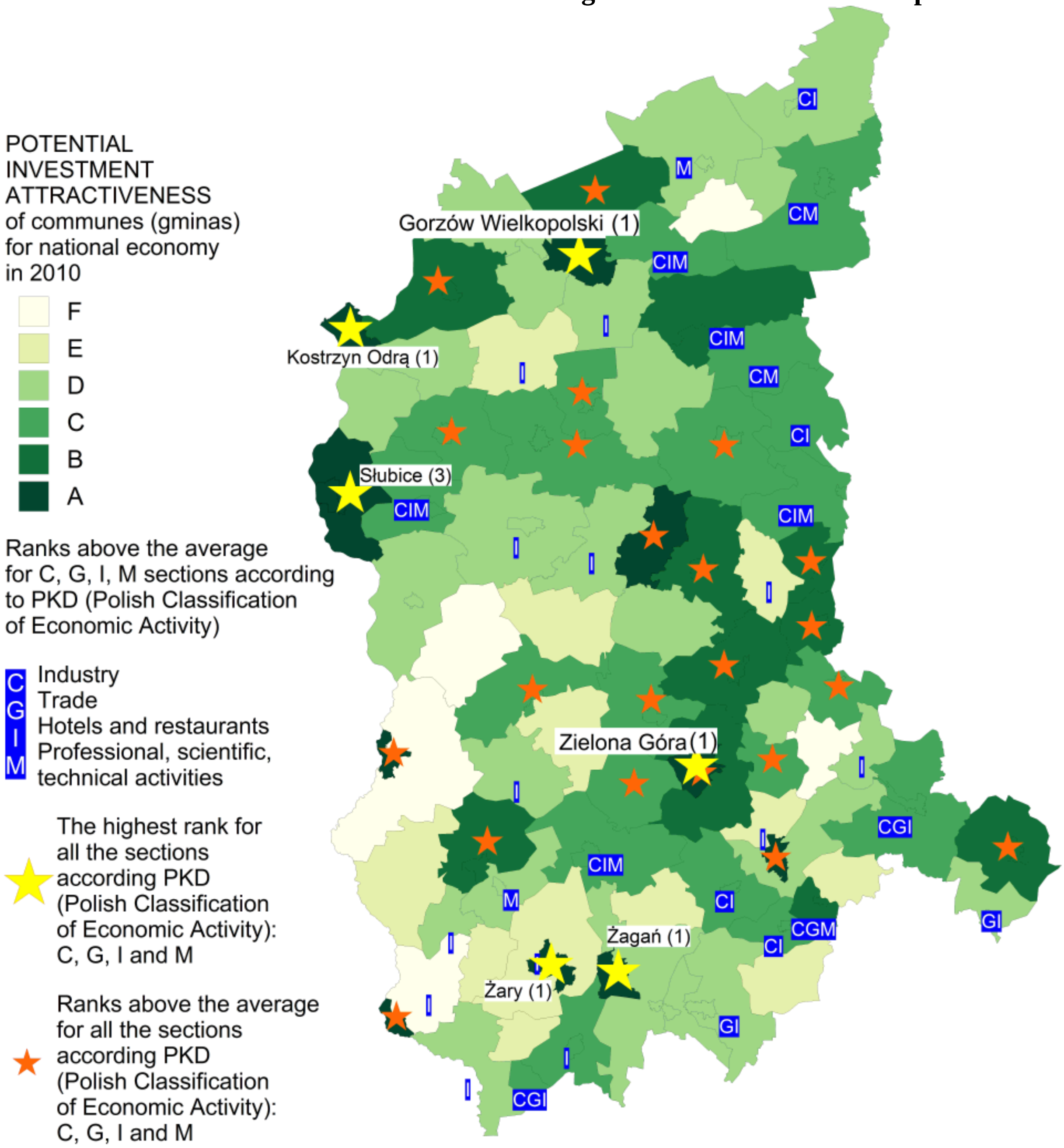
- Witnica (3), Międzyrzecz (3), Ośno Lubuskie (3), Lubniewice (3), Sulęcin (3), Krosno Odrzańskie (3), Bytom Odrzański (3), Zbąszynek (3), Czerwieńsk (3), Kargowa (3), Świdnica (2), Zabór (2), Zielona Góra (2), Szprotawa (3), Lubsko (3), Sława (3), Szlichtyngowa (3), Wschowa (3) - for section G,

- Deszczno (2), Santok (2), Witnica (3), Międzyrzecz (3), Skwierzyna (3), Ośno Lubuskie (3), Lubniewice (3), Sulęcin (3), Gubin (1), Kolsko (2), Kożuchów (3), Otyń (2), Zbąszynek (3), Czerwieńsk (3), Kargowa (3), Nowogród Bobrzański (3), Świdnica (2), Zabór (2), Iłowa (3), Lubsko (3), Przewóz (2), Żary (2), Szlichtyngowa (3), Wschowa (3) – for section I,

- Santok (2), Witnica (3), Przytoczna (2), Trzciel (3), Ośno Lubuskie (3), Rzepin (3), Drezdenko (3), Strzelce Krajeńskie (3), Lubniewice (3), Sulęcin (3), Krosno Odrzańskie (3), Lubrza (2), Czerwieńsk (3), Nowogród Bobrzański (3), Świdnica (2), Zabór (2), Łęknica (1), Jasień (3) – for section M.

Synthetic evaluation of potential investment attractiveness of gminas of Lubusz voivodship is presented in Exhibit 5.

Exhibit 5. Potential investment attractiveness of gminas of Lubusz voivodship



Source: Authors' own materials.

4. Voivodship's institutional support for investors and entrepreneurs

The development of business surrounding in a region is a vital component of its investment attractiveness. The institutions that support entrepreneurship, pro-investment solutions, research commercialization and innovativeness are of special importance. Among the voivodeship's business-supporting institutions one should mention: Lubuski Park Przemysłowo-Technologiczny in Zielona Góra, Park of Science and Technology of the University of Zielona Góra, Centre for Entrepreneurship and Technology Transfer of the University of Zielona Góra in Nowym Kisielin, Fundacja „Przedsiębiorczość" in Żary, Stowarzyszenie Wspierania Małej Przedsiębiorczości with registered office in Dobiegniewo, Izba Rzemiosła i Przedsiębiorców in Gorzów Wielkopolski, Polsko-Niemieckie Towarzystwo Wspierania Gospodarki in Gorzów Wielkopolski, Lubuskie Stowarzyszenie Rozwoju Regionalnego in Gorzów Wielkopolski, Izba Rzemieślnicza i Przedsiębiorczości in Zielona Góra, Euroregion „PRO EUROPA VIADRINA" in Gorzów Wielkopolski, Euroregion „SPREWA-NYSA-BÓBR" w Gubinie, Centrum Biznesu in Zielona Góra, Lubuska Izba Budownictwa in Zielona Góra, Lubuski Fundusz Poręczeń Kredytowych in Zielona Góra, Lubuska Okręgowa Izba Inżynierów Budownictwa in Zielona Góra, Lubuska Okręgowa Izba Architektów in Zielona Góra, Organizacja Pracodawców Ziemi Lubuskiej in Zielona Góra, Agencja Rozwoju Regionalnego S.A. in Zielona Góra, Lubuska Organizacja Pracodawców in Gorzów Wielkopolski, Zachodnia Izba Przemysłowo-Handlowa in Gorzów Wielkopolski, Lubuski Sejmik Gospodarczy in Gorzów Wielkopolski, Akademicki Inkubator Przedsiębiorczości (business incubator) at the University of Zielona Góra, Żagańska Agencja Rozwoju Lokalnego, Łużycka Izba Gospodarcza in Żary, Zachodnie Centrum Konsultingowe Euro Invest sp. z o.o in Gorzów Wielkopolski.

Lubuski Park Przemysłowo-Technologiczny in Zielona Góra (Lubuski Industrial and Technology Park) in Zielona Góra comprises the Research-Technology Park of Zielonogórski University and and Industrial Park (having a special economic zone status). (http://lppt.pl/, 28. 09.2012.).

Park Naukowo-Technologiczny Uniwersytetu Zielonogórskiego (Research-Technology Park of the University of Zielona Góra) offers training and advice for business employees, research staff of the University as well as commercialisation of research results. The Innovativeness Creator Project is aimed at boosting cooperation between the R&D and economic sectors by means of supporting initiatives related to innovative endeavours, promotion of entrepreneurship, improving qualifications of academic and private sector staff, intellectual property management and commercialisation of R&D results. The Logistic Centre supports the newly created Research Centres and laboratories. The Park offers an Entrepreneurship Incubator (business incubator) as well. (www.pnt.uz.zgora.pl/, 28. 09.2012.).

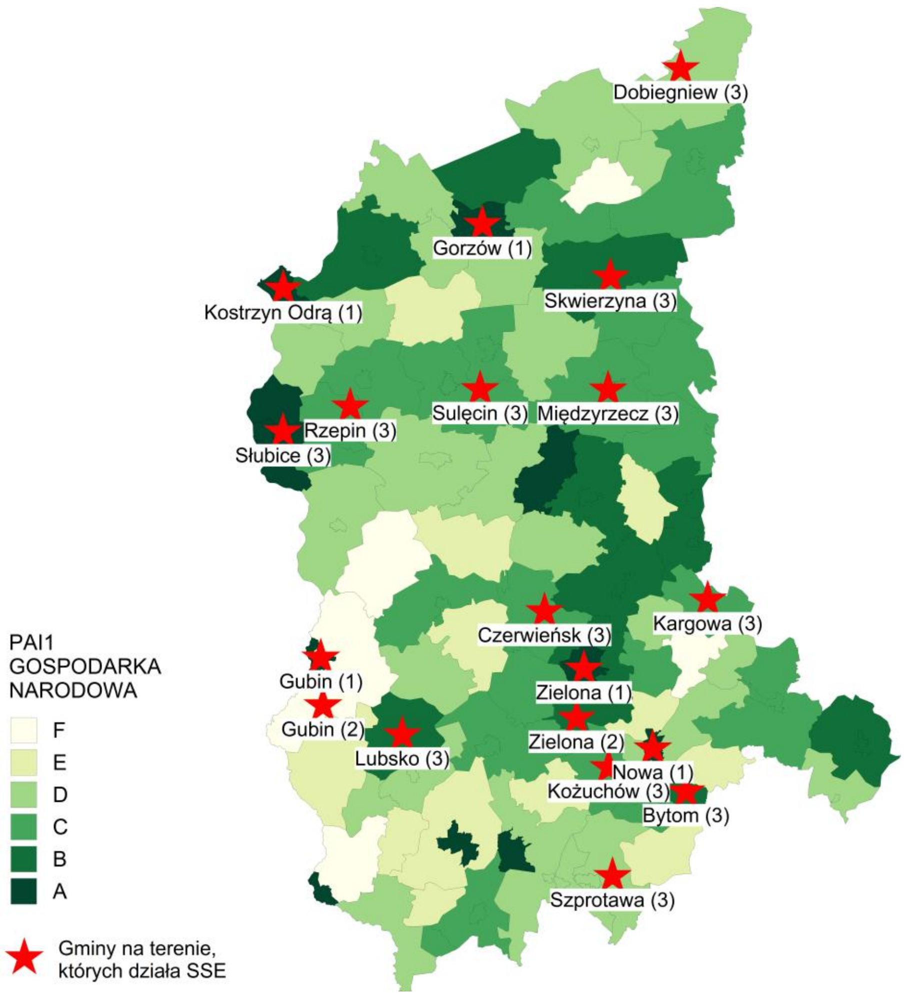
Centrum Przedsiębiorczości i Transferu Technologii Uniwersytetu Zielonogórskiego (Centre for Entrepreneurship and Technology Transfer of the University of Zielona Góra) promotes and strengthens cooperation between the research and economic sectors by organising trainings, workshops and conferences for management staff, specialists and employees as well as the personnel of the University. The EEN affiliated with the Centre offers free information as regards the functioning of the common European law, corporate finance, R&D, public procurement, enhancement of trans-border cooperation (searching business partners, trade missions, negotiations support), innovativeness consulting by means of commercialisation of research. (www.cptt.uz.zgora.pl/, 28. 09.2012.).

Fundacja „Przedsiębiorczość" w Żarach („Entrepreneurship" Foundation in Żary) offers training, consulting and financial services aimed at supporting economic undertakings in a local environment. The Foundation runs a Centre for Supporting Entrepreneurship (trainings related to establishing a business) and an Entrepreneurship Development Fund (which finances the development and creation of business aimed at creating permanent jobs). The Foundation houses an Entrepreneurship Incubator which offers office and production space for new companies as well as advice on financial, accounting, management, marketing, corporate law and promotion of newly created businesses and their products. (www.fundacja.zary.pl/, 28.09.2012.).

Special economic zones in Lubusz voivodeship - effects

There are two special economic zones (SSE) in Lubusz voivodeship: Kostrzyńsko-Słubicka and Wałbrzyska. At the end of 2011 the areas of SSE were part of 5 cities and 4 gminas (counties). (Exhibit 6).

Exhibit 6. The location of SSE in Lubusz voivodeship



Source: Authors' own calculations.

First SSEs were established in 1997. The enterprises operating in the zones have until 2011 invested 2,5 billion PLN which constitutes 3% of all economic zone capital expenditures in Poland. In the same period the enterprises have created 7,7 thousand jobs, which constitutes 4% of all new jobs created in economic zones - cf. Chart 4.

Chart 4. Effects of special economic zone functioning at the end of 2011.

SSE/ Gmina	Leading industries (capital expenditure larger than 20% of overall capital expenditure in the subzone)	New jobs created	Cumulated capital expenditure in million PLN
Kostrzyńsko-Słubicka SSE, Bytom Odrzański (3)	Wood products	9	2,5
Kostrzyńsko-Słubicka SSE, Czerwieńsk (3)	Leather, transport services	26	22,2
Kostrzyńsko-Słubicka SSE, Dobiegniew (3)	Data unavailable		
Kostrzyńsko-Słubicka SSE, Gorzów Wielkopolski (1)	Synthetic materials, optical and electric equipment	2.473	621,9
Kostrzyńsko-Słubicka SSE, Gubin (1)	Metal and basic metal products, food-processing	74	30,6
Kostrzyńsko-Słubicka SSE, Gubin (2)	Data unavailable		
Kostrzyńsko-Słubicka SSE, Kargowa (3)	Data unavailable		
Kostrzyńsko-Słubicka SSE, Kostrzyn nad Odrą (1)	Paper	2.289	1.064,1
Kostrzyńsko-Słubicka SSE, Kożuchów (3)	Data unavailable		
Kostrzyńsko-Słubicka SSE, Lubsko (3)	Metal and basic metal products	1	1,6
Kostrzyńsko-Słubicka SSE, Międzyrzecz (3)	Synthetic materials	238	67,6
Kostrzyńsko-Słubicka SSE, Nowa Sól (1)	Automotive	1.424	507,8
Kostrzyńsko-Słubicka SSE, Rzepin (3)	Real estate services, research	206	36,3
Kostrzyńsko-Słubicka SSE, Skwierzyna (3)	Data unavailable		
Kostrzyńsko-Słubicka SSE, Słubice (3)	Wood products, transport services	541	171,9
Kostrzyńsko-Słubicka SSE, Sulęcin (3)		0	0,0
Wałbrzyska SSE, Szprotawa (3)	Data unavailable		
Kostrzyńsko-Słubicka SSE, Zielona Góra (2)	Data unavailable		
Kostrzyńsko-Słubicka SSE, Zielona Góra (1)	Optical and electric equipment	374	23,4

Source: Authors' own calculations based on PAIiIZ data.

There is a variety of industries operating in the economic zone. The largest investments have been made in paper industry in Kostrzyn (ARCTIC PAPER KOSTRZYN S.A., ICT POLAND SP. Z O.O., PPHU UNIPACO S.A. , HANKE TISSUE SP. Z O.O., „STENQVIST POLSKA" Sp. z o.o.), in synthetic materials industry and production of optical equipment in Gorzów (FAURECIA GORZÓW S.A., YETICO S.A., BriVictory Display Technology (Poland) SP. Z O.O., TPV DISPLAYS POLSKA SP. Z O.O., HMP HEIDENHAIN-MICROPRINT SP. Z O.O.) as well as automotive industry in Nowa Sól (BCC POLSKA SP. Z O.O., GROCLIN SERVICE SP. Z O.O. FABRYKA TAPICERKI SAMOCHODOWEJ FATSA SP. Z O.O., JOST POLSKA SP. Z O.O., UTESCHENY POLSKA SP. Z O.O., GEDIA POLAND ASSEMBLY SP. Z O.O.).

The Lubusz voivodeship SSE development plan aims at attracting investors from wood, paper, machinery, electro-technical industries in order to create jobs that make use of the voivodeship's resources in these fields. It also aims at creating paper and metal industry clusters in KS and W zones, which would include businesses and research institutions interested in knowledge transfer into the industry.

'A' Commune

Student Scientific Organisation for Entrepreneurship and Regional Analyses affiliated to the Institute of Enterprise of the Warsaw School of Economics, has again published the results of its research into the quality of investor assistance given by the communal authorities. The subject of this study of investment attractiveness is: an audit of Web sites and audit of e-contact in Polish and English with communal authorities. The effect of this study is a ranking 'A' Commune, which is thought to distinguish best performing self-government territorial units in terms of the use of means of electronic communication in their assistance. The research is carried out using the mystery client method. In this year's edition all gminas belonging to Class A according to the PAI 2010 index were subject to query.

As a result 70 gminas have been distinguished; this includes 1 gmina situated in Lubusz voivodship.

Chart 5. Gmina in Lubusz voivodship distinguished as the 'A' Commune

Gmina	Poviat	Audit of Web sites	Audit of e-contact in Polish	Audit of e-contact in English	Sum
Sulechów (3)	zielonogórski	8	0	4,5	**12,5**

Source: Authors' own materials.

Sulechów commune obtained the title of the 'A' Commune (as the only one in the Lubusz voivodship) for some interesting content of the Web site which is also available in German. The Web site includes i.a. film coverages of sessions of the city council. Despite a lack of reply to an e-mail in Polish the commune sent a brief reply to an e-mail in English which included contact data and information on preferential conditions for investors in this gmina.

5. Region's strengths and weaknesses

Lubusz voivodship has its unique character and clear specificity which influences its strengths and weaknesses. If divided according to the main factors of location and location conditions classified into microclimates composing potential and real investment attractiveness, they can be grouped into strengths (microclimates ranking A, B or C) and weaknesses (microclimates ranking D, E or F) – see Chart 6.

Chart 6. Strengths and weaknesses of Lubusz voivodship

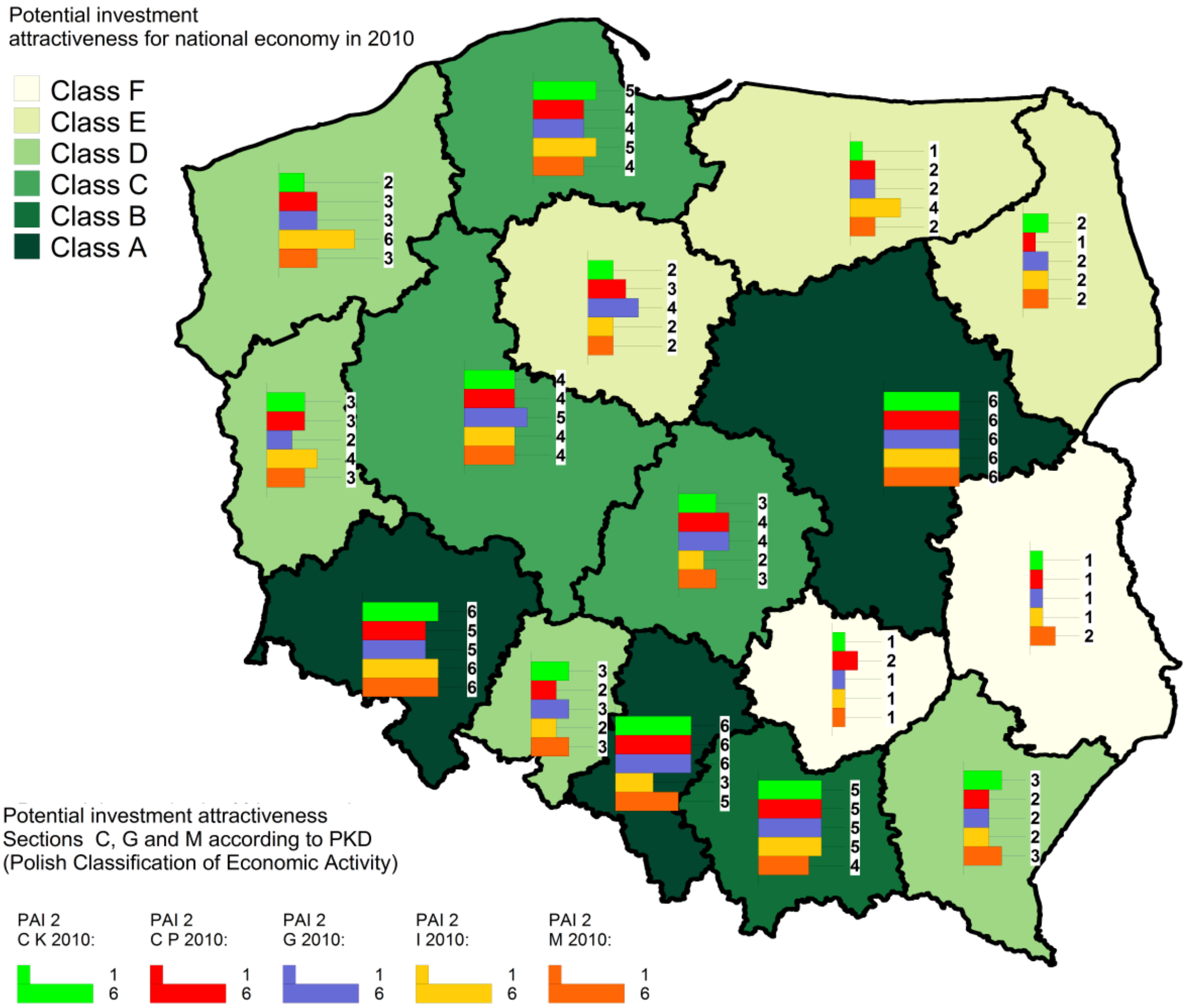
Strengths of the region according to the microclimates by IP SGH	Weaknesses of the region according to the microclimates by IP SGH
National economy	
Microclimate Social Infrastructure Class C Microclimate Market Class C Microclimate Administration/Governance Class C Microclimate Innovativeness Class C	Microclimate Human Resources Class D Microclimate Technical Infrastructure Class D Microclimate Social Capital Class E Labour productivity in enterprises Class D Returns on tangible assets Class E Profitability of enterprises Class D Self-financing of self-government units Class E Investment outlays Class D
Capital intensive industry	
Microclimate Technical Infrastructure Class B Microclimate Social Infrastructure Class C Microclimate Innovativeness Class C Returns on tangible assets Class C Investment outlays Class C	Microclimate Human Resources Class D Microclimate Social Capital Class D Microclimate Market Class D Microclimate Administration/Governance Class E Labour productivity in enterprises Class E Self-financing of self-government units Class E
Labour intensive industry	
Microclimate Human Resources Class B Microclimate Social Infrastructure Class B Returns on tangible assets Class C Investment outlays Class C	Microclimate Technical Infrastructure Class D Microclimate Social Capital Class F Microclimate Market Class D Microclimate Administration/Governance Class F Labour productivity in enterprises Class D Self-financing of self-government units Class E
Trade	
Microclimate Human Resources Class A	Microclimate Technical Infrastructure Class E Microclimate Social Infrastructure Class E Microclimate Social Capital Class E Microclimate Market Class D Microclimate Administration/Governance Class E Returns on tangible assets Class E Labour productivity in enterprises Class F

	Self-financing of self-government units Class E Investment outlays Class D
Tourism	
Microclimate Human Resources Class C Microclimate Technical Infrastructure Class B Microclimate Social Infrastructure Class C Microclimate Administration/Governance Class C Investment outlays Class C	Microclimate Social Capital Class D Microclimate Market Class D Returns on tangible assets Class E Labour productivity in enterprises Class E Self-financing of self-government units Class E
Professional, scientific and technical activities	
Microclimate Social Infrastructure Class C Microclimate Innovativeness Class C Returns on tangible assets Class C Investment outlays Class B	Microclimate Human Resources Class E Microclimate Technical Infrastructure Class D Microclimate Social Capital Class E Microclimate Market Class D Microclimate Administration/Governance Class D Labour productivity in enterprises Class D Self-financing of self-government units Class E

Source: Authors on the basis of the results of research of the Institute of Enterprise of the Warsaw School of Economics (IP SGH).

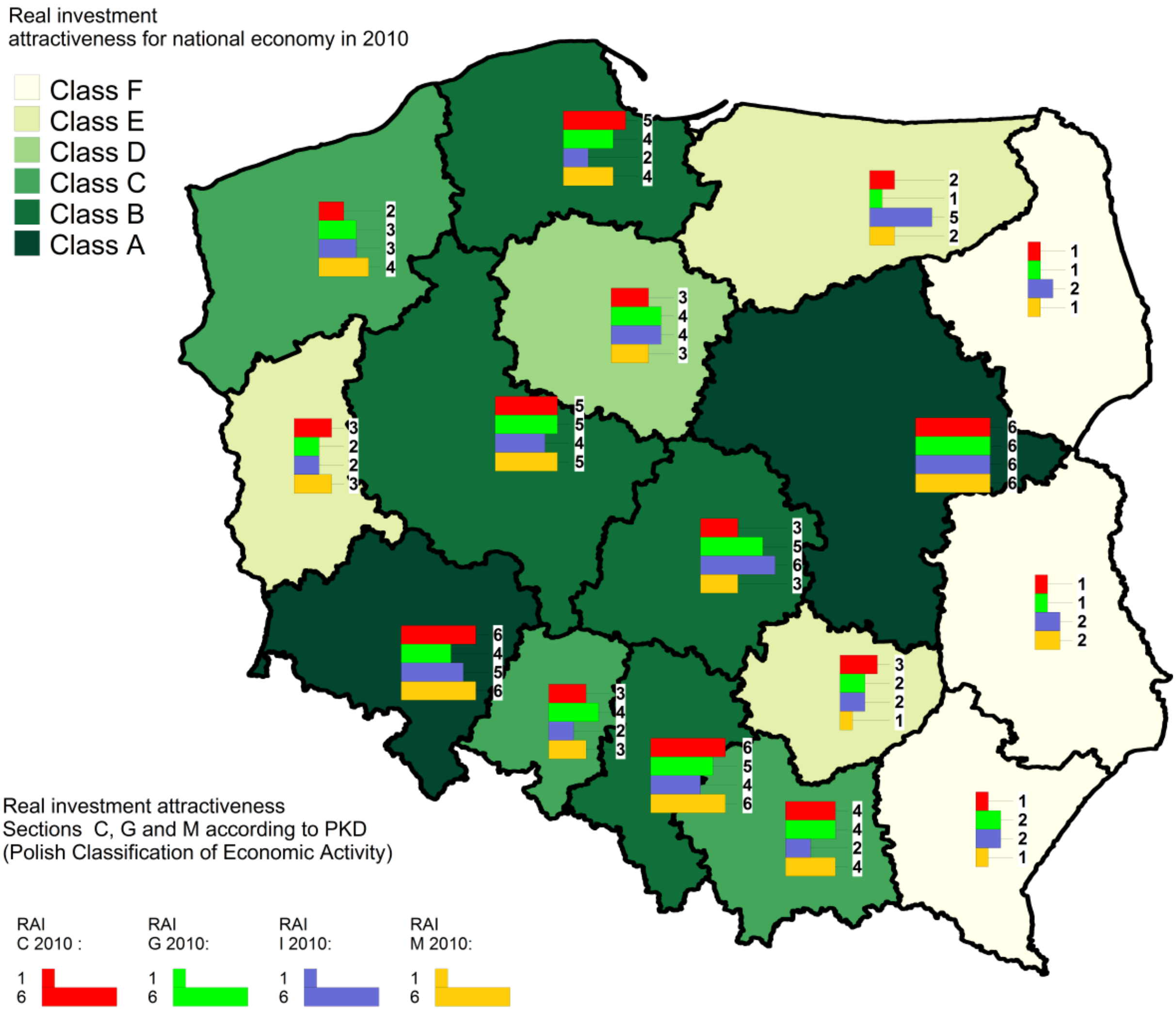
APPENDIX

Exhibit 1. Potential investment attractiveness of Polish voivodship broken down by basic sections of the national economy



Source: Authors' own materials.

Exhibit 2. Real investment attractiveness of Polish voivodship broken down by basic sections of the national economy



Source: Authors' own materials.

Chart 1. List of investment attractiveness indices for voivodships

Voivodship	LOWER SILESIAN	KUYAVIAN-POMERANIAN	LUBLIN	LUBUSZ	ŁÓDŹ	LESSER POLAND	MASOVIAN	OPOLE	SUBCARPATHIAN	PODLASKIE	POMERANIAN	SILESIAN	ŚWIĘTOKRZYSKIE	WARMIAN-MASURIAN	GREATER POLAND	WESTERN POMERANIAN
PAI1 GN	A	E	F	C	D	C	A	E	D	E	B	A	F	D	B	C
PAI2 GN	A	E	F	D	C	B	A	D	D	E	C	A	F	E	C	D
RAI GN	A	D	F	E	B	C	A	C	F	F	B	B	E	E	B	C
PAI1 C	A	D	F	C	C	C	A	D	E	E	B	A	F	E	C	C
PAI2 C KAPITAŁ	A	E	F	D	D	B	A	D	D	E	B	A	F	F	C	E
PAI2 C PRACA	B	D	F	D	C	B	A	E	E	F	C	A	E	E	C	D
RAI C	A	D	F	D	D	C	A	D	F	F	B	A	D	E	B	E
PAI1 G	A	E	F	C	D	B	A	D	E	F	B	A	F	C	C	C
PAI2 G	B	C	F	E	C	B	A	D	E	E	C	A	F	E	B	D
RAI G	C	C	F	E	B	C	A	C	E	F	C	B	E	F	B	D
PAI1 I	B	E	F	B	E	B	A	E	D	E	B	D	F	B	C	A
PAI2 I	A	E	F	C	E	B	A	E	E	E	B	D	F	C	C	A
RAI I	B	C	E	E	A	E	A	E	E	E	E	C	E	B	C	D
PAI1 M	A	E	F	C	D	C	A	D	D	F	B	B	F	D	B	C
PAI2 M	A	E	E	D	D	C	A	D	D	E	C	B	F	E	C	D
RAI M	A	D	E	D	D	C	A	D	F	F	C	A	F	E	B	C

Source: Authors on the basis of the results of statutory research carried out in the Collegium of Business Administration under the guidance of H. Godlewska-Majkowska.

Chart 2. Potential investment attractiveness of poviats of Lubusz voivodship for the national economy and selected sections

Poviats (counties)	PAI1_GN	PAI1_GN_Classes	PAI1_C_Classes	PAI1_G_Classes	PAI1_I_Classes	PAI1_M_Classes
The city of Zielona Góra	0,371	A	A	A	A	A
The city of Gorzów Wielkopolski	0,348	A	A	A	A	A
gorzowski	0,267	C	C	B	C	D
świebodziński	0,264	C	D	D	B	D
nowosolski	0,260	D	D	D	E	D
zielonogórski	0,260	D	C	C	C	D
międzyrzecki	0,256	D	D	E	C	D
żarski	0,254	D	D	C	C	D
słubicki	0,252	D	D	C	B	D

Source: See Chart 1.

Chart 3. Potential investment attractiveness of gminas of Lubusz voivodship for the national economy and selected sections

Gmina (commune)	PAI1_GN	PAI1_GN_classes	PAI1_C_classes	PAI1_G_classes	PAI1_I_classes	PAI1_M_classes
Zielona Góra (1)	0,283	A	A	A	A	A
Gorzów Wielkopolski (1)	0,272	A	A	A	A	A
Gubin (1)	0,265	A	A	A	C	A
Nowa Sól (1)	0,259	A	A	A	B	A
Żary (1)	0,249	A	A	A	A	A
Kostrzyn nad Odrą (1)	0,245	A	A	A	A	A
Żagań (1)	0,238	A	A	A	A	A
Lubrza (2)	0,231	A	A	A	A	C
Łęknica (1)	0,226	A	A	A	A	C
Słubice (3)	0,223	A	A	A	A	A
Sulechów (3)	0,221	B	B	B	A	A
Babimost (3)	0,215	B	B	B	B	B
Świebodzin (3)	0,213	B	B	B	B	A
Kłodawa (2)	0,212	B	B	B	A	A
Zbąszynek (3)	0,208	B	B	C	C	B
Lubsko (3)	0,207	B	B	C	C	B
Wschowa (3)	0,206	B	B	C	C	B
Witnica (3)	0,206	B	B	C	C	C
Skwierzyna (3)	0,205	B	B	D	C	B
Zielona Góra (2)	0,205	B	B	C	A	B
Bytom Odrzański (3)	0,203	B	C	C	D	B

Source: See Chart 1.
Note: all indices in this report have been computed on the basis of the most up-to-date data from the Local Data Bank (2012).