CENTRE FOR REGIONAL AND LOCAL ANALYSES

REGIONAL INVESTMENT ATTRACTIVENESS 2012

Świętokrzyskie voivodship

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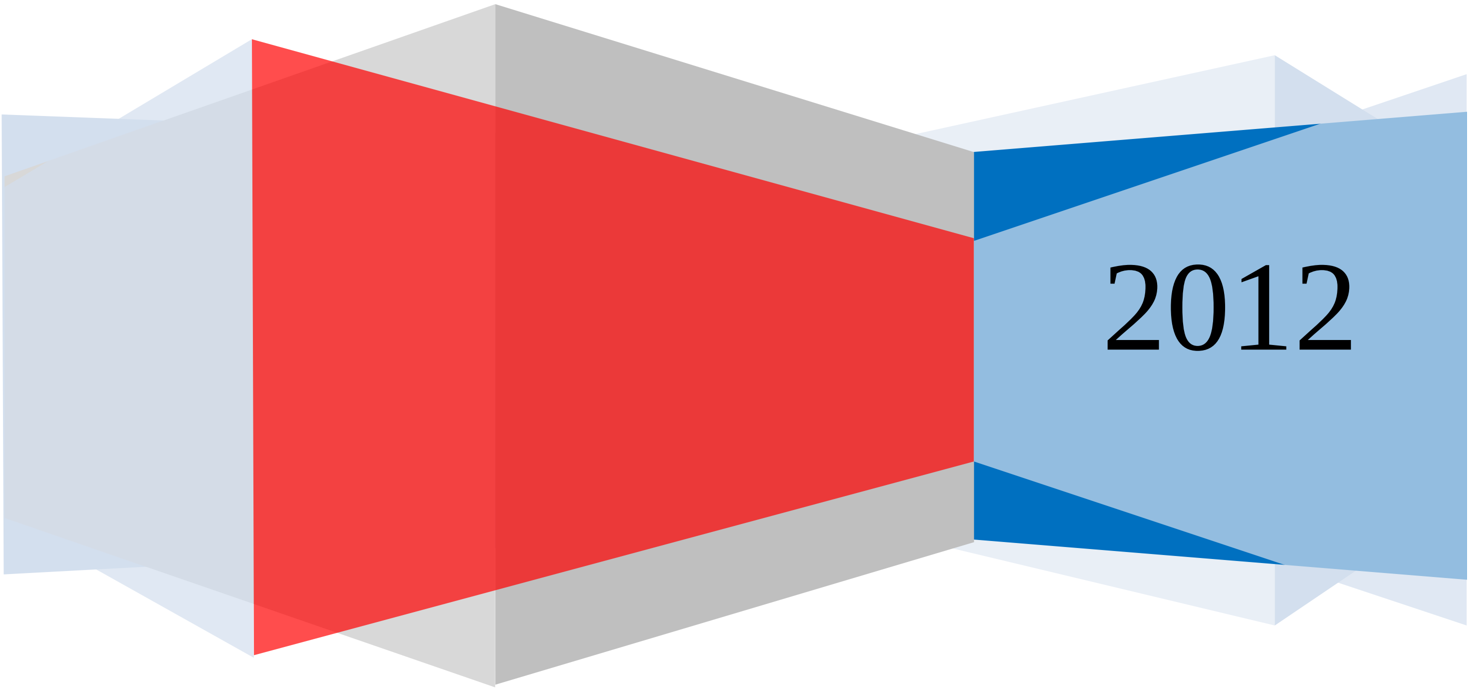


Warsaw, October 2012

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 Świętokrzyskie voivodship

Świętokrzyskie voivodship is situated in the central part of Poland near large urban agglomerations: Cracow, Warsaw and Łódź. Grasslands occupy 650 200 ha (55,6% of the total area), the farming of cattle, horses and poultry prevails. A characteristic element is the Świętokrzyskie Mountains (literally: the Holy Cross Mountains), which lie in the centre of the Kielce Highlands, which in turn influences the development of tourism.

The main advantages of the voivodship are:

- two state universities: the Świętokrzyska University of Technology in Kielce and the Jan Kochanowski University of Humanities and Sciences in Kielce, the part of which is the Faculty of Health Sciences ranked in the highest category 1 by the Ministry of Science and Higher Education,
- favourable conditions for the development of rural tourism, especially agritourism (the Świętokrzyskie Mountains),
- natural resources – deposits of natural resources used in the construction industry (the area of the Świętokrzyskie Mountains), sulphur (near Busko-Zdrój and Grzybów) and mineral waters (Busko-Zdrój, the water called Buskowianka), sulphuric waters (Busko-Zdrój),
- a high real investment attractiveness rank for industry,
- favourable conditions for the development of food industry,
- rich mineral springs of therapeutical waters and a well-developed base of treatment facilities and sanatoria, recreation establishments, hotels and bed&breakfast,
- the presence of quite well-developed branches of industry – smelting industry represented by Celsa Ostrowiec Steelworks (Ostrowiec Świętokrzyski), the manufacture of metallic products (Skarżysko-Kamienna), the manufacture of machinery and equipment (Starachowice), the manufacture of construction materials (Kielce), the manufacture of ceramics, founding industry (Stąporków, Końskie), power industry (Połaniec).

Chart 1. General characteristics of the economy of Świętokrzyskie voivodship

Feature	Świętokrzyskie voivodship	Poland	Share [%]
Market Potential			
GDP per capita (PLN/person) in 2009	27,333	35,210	-
Population (persons) on 30 December 2011	1,278,116	38,538,447	3.3
Human Resources Potential			
Higher education institutions graduates (persons) in 2011	14,144	492,646	2.9

Secondary schools graduates (persons) in 2011	15,827	421,724	3.8
Number of employed persons on 31 December 2011	462,764	13,911,203	3.3%
Structure of employed persons in 2011	agriculture 24.2% industry 29.5% services 46.3%	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	720.4	61,600.3	1.2
Capital of companies (PLN mln) in 2010	2,819.8	188,812.4	1.5
Special economic zones (SEZs) in the voivodship			
- The Tarnobrzeg SEZ, subzones: Połaniec. Staszów, Tuczępy - The Starachowice SEZ, subzones: Końskie, Morawica, Sędziszów, Stąporków, Suchedniów, Ostrowiec Świętokrzyski (city), Skarżysko-Kamienna (city), Starachowice (city), Kielce (city), Piekoszów			
Investment attractiveness			
Potential investment attractiveness (location-specific advantages evaluation)			
Real investment attractiveness (economic effects evaluation)			
Poviats and gminas distinguished according to the Potential Attractiveness Index for the national economy			
Poviats	Class A	Kielce (city)	
	Class B		
Gminas**	Class A	Kielce (1), Starachowice (1), Ostrowiec Świętokrzyski (1), Skarżysko-Kamienna (1), Sitkówka-Nowiny (2), Połaniec (3)	
	Class B	Sandomierz (1), Ożarów (3), Strawczyn (2), Zagnańsk (2), Miedziana Góra (2)	

In 2009 Świętokrzyskie voivodship made a contribution of 2.6% to the GDP of Poland. . Calculated per capita, it amounted to PLN 27.333 with the average for Poland PLN 35,210. With this result the voivodship occupies the twelveth place in the country. The GDP growth rate in the period 2003-2009 amounted to 155.9% while the national average reached 168.5%.

In comparison with the whole country the structure of employment in the voivodship is characterized by a relatively low share of the service sector (46,3%) whereas a share of the agricultural and industrial sectors is respectively 24.2% and 29.5% (CSO, RDB 2012).

The number of inhabitants of the voivodship amounts to 1,278,116 (as of 2011), which makes up 3.3% of the population of Poland. The age structure of the voivodship in 2010 was as follows: 14.4% of the population at pre-reproductive age, 67.3% at reproductive age and 18.3% 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[1]. The average gross monthly remuneration in enterprises sector in the first six months of 2012 amounted to PLN 3,137.3, which is 85.1% of average remuneration in Poland.

The main potential for human capital creation in the voivodship is constituted by 15 higher education institutions in which 42.3 thousand students study, which makes up2.4% of all students Poland-wide. Moreover 4.1 % of pupils of secondary schools attend technikum schools and 3.1% vocational schools.

The voivodship's strategic sectors mentioned in the strategy of regional development include above all: the manufacture of electrical machinery, automobile industry, metallurgy, electronics, precision mechanics, food industry, the manufacture of construction materials, construction and the extraction of mineral resources.

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

- Tarnobrzeska SSE (Tarnobrzeg special economic zone), subzones: Połaniec. Staszów, Tuczępy,

- Starachowicka SSE (Starachowice special economic zone), subzones: Końskie, Morawica, Sędziszów, Stąporków, Suchedniów, the city of Ostrowiec Świętokrzyski, the city of Skarżysko-Kamienna, the city of Starachowice, the city of Kielce, the city of Piekoszów.

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

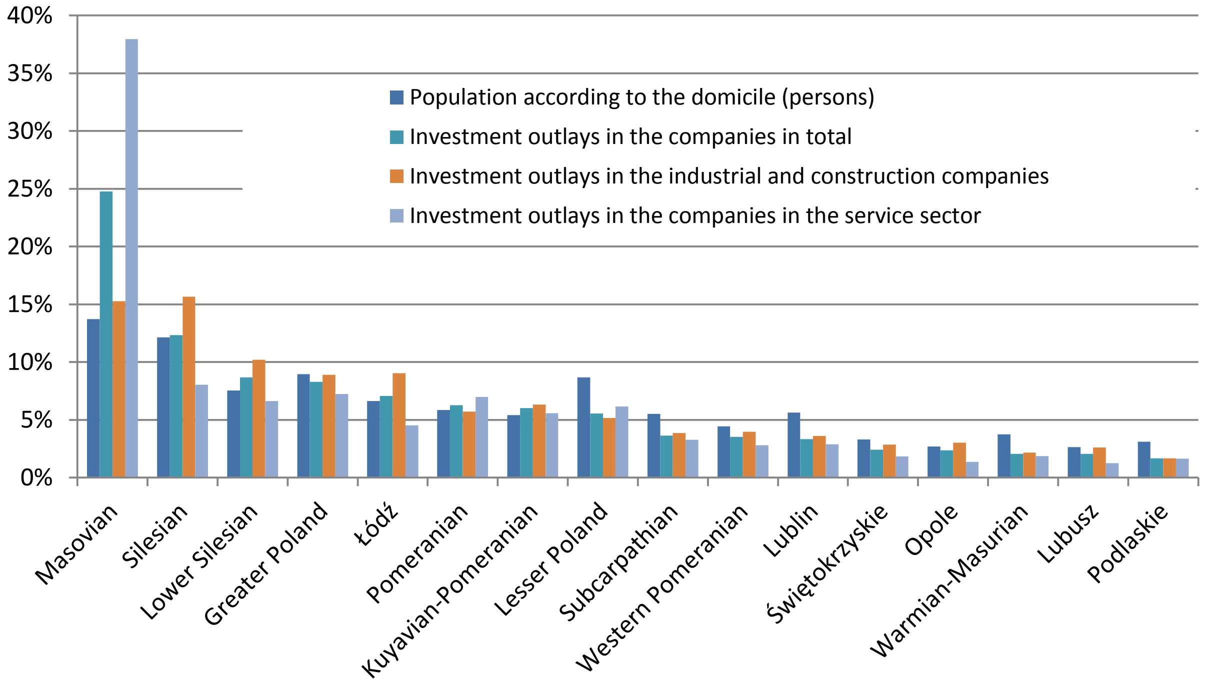
Świętokrzyskie voivodship is characterised by a rather low level of universal investment attractiveness, which manifests itself in its rank (Class E) according to the main potential investment attractiveness index for the whole national economy PAI 2_GN. Investment attractiveness rank applied to the considered economy sections is not favourable either.

The investment attractiveness can also be defined on the basis of indices of real investment attractiveness (RAI), based on such microclimates as: tangible assets productivity, labour productivity, JST self-financing and investment outlays. Also in terms of these measurements the region was among the lowest ranked in Class E (RAI_GN, RAI_G) or Class F (RAI_C, RAI_I i RAI_M).

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

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

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)

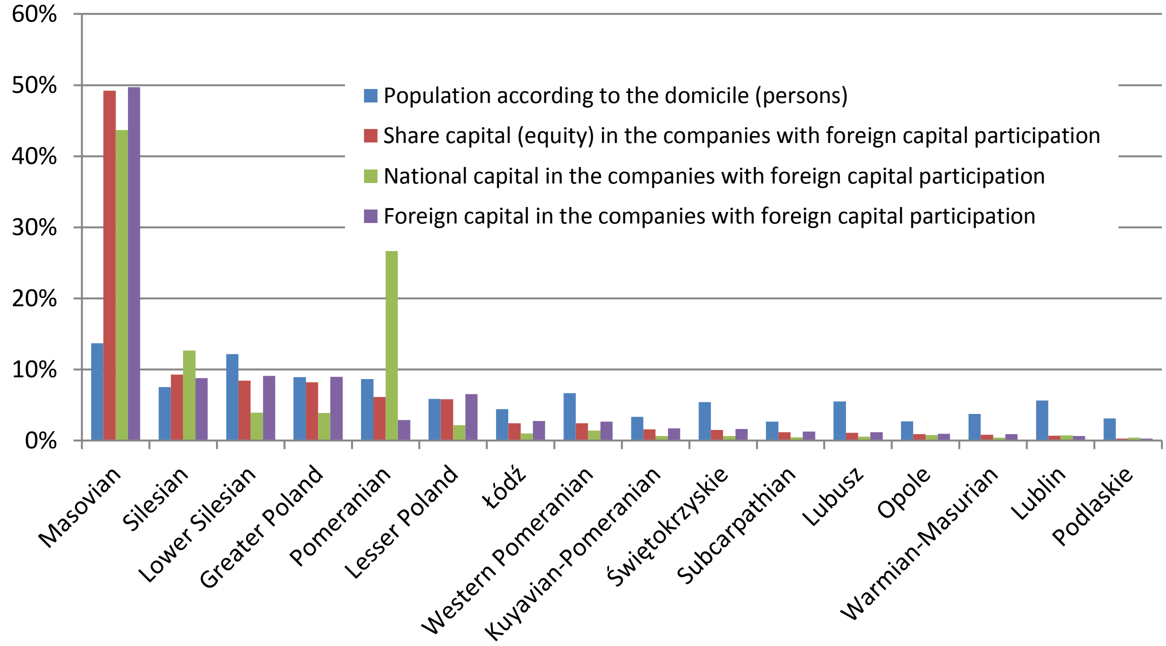


Note: these are the most up-to-date data.
Source: Authors on the basis of the Local Data Bank (downloaded 23.10.2012)

Świętokrzyskie region ranked twelfth in 2010 in Poland when it comes to investment outlays in companies (2.4% of its total value in all voivodships). This result is lower than expected, considering the demographic potential of the region (its share in country's population equals 3%). Świętokrzyskie region has better results when outlays in construction and industrial companies are considered (2.9%). Service companies are highly underinvested (1.8%). This points out that the economic potential of this region is underestimated by the investors, particularly in the fields of tourism and paratouristic activity.

An analysis of the size of accumulated capital in the companies with foreign capital participation leads to the same conclusion – 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)

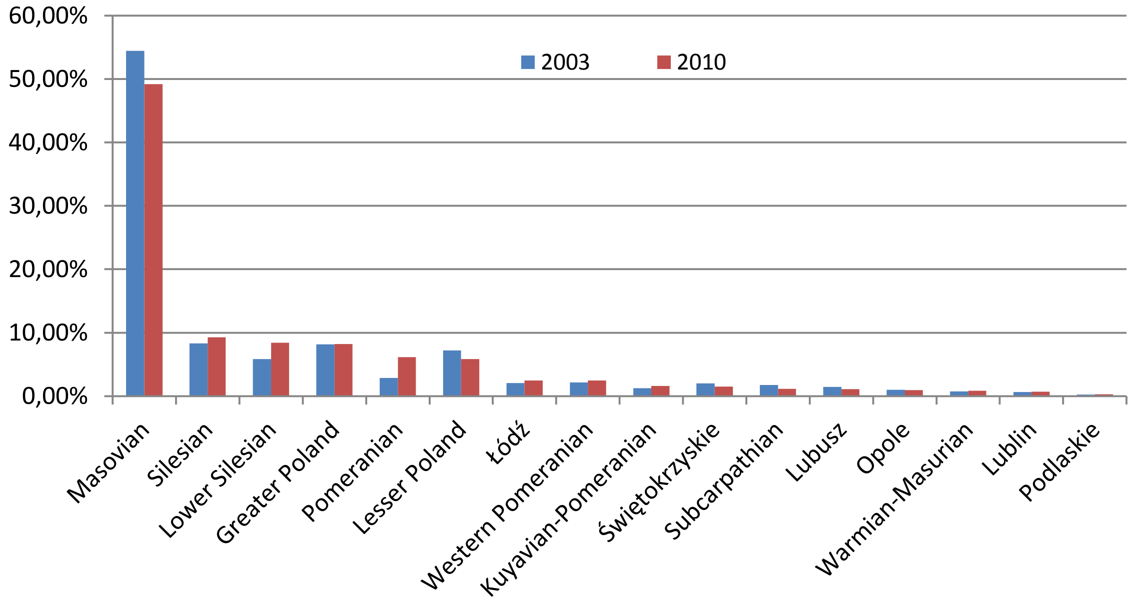


Note: these are the most up-to-date data.

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

Although Świętokrzyskie voivodship's share in the country's population reaches 3.3%, the participation of share capital in the companies with foreign capital in all sections taken into analysis is merely 1.5% of its national level, national - 0.63% and foreign - 1.63%. In the years 2003-2010 competitive rank on the direct foreign investments market worsened slightly, which can be seen in the decrease of voivodship's share in the national value of share capital of companies with foreign capital participation from 2% to 1.5% - 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)

In the analyzed period also the competitive position measured by the voivodship's share in the number of employees of entities with foreign capital participation decreased from 1.7% to 1.2%. This indicates that the voivodship didn't make use of its cost-driven advantages and demographic potential.

Other regions of eastern Poland, considered unattractive by the investors, are in a similar situation. Świętokrzyskie voivodship's chance can be investment terrains thoroughly prepared by appropriate units of local government, which have particularly high investment attractiveness, especially for medium industrial and service companies.

3. Internal diversification of regional investment attractiveness

Poviats (counties)

The following poviat is considered most attractive in Świętokrzyskie voivodship: the city of Kielce - see Chart 2.

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

Poviat	PAI1_GN	PAI1_GN	PAI1_C	PAI1_G	PAI1_I	PAI1_M
The city of Kielce	0,343	A	A	A	B	A
skarżyski	0,269	C	B	C	E	D

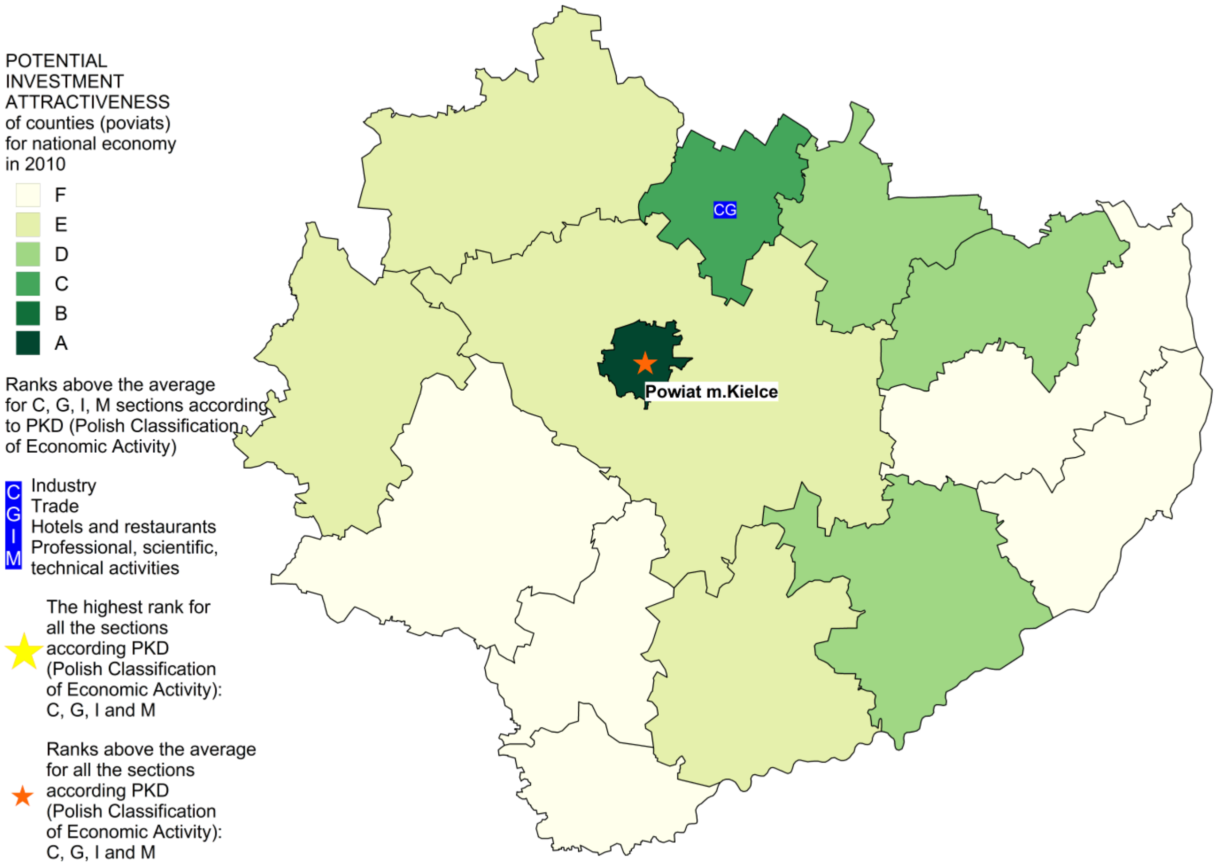
Source: Authors' own materials.

Poviat of the city of Kielce is unit which 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 skarżyński poviat should be additionally distinguished as (Class C) for the section G.

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

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



Source: Authors' own materials.

<u>Gminas (counties)</u>

Like poviats, gminas are also very much diversified in terms of investment attractiveness. The highest ranked gminas are: Kielce (1), Starachowice (1), Ostrowiec Świętokrzyski (1), Skarżysko-Kamienna (1), Sitkówka-Nowiny (2), Połaniec (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 Świętokrzyskie voivodship for the national economy and selected sections

Gmina	PAI1_GN	PAI1_GN	PAI1_C	PAI1_G	PAI1_I	PAI1_M
Kielce (1)	0,260	A	A	A	A	A
Starachowice (1)	0,246	A	A	A	B	A
Ostrowiec Świętokrzyski (1)	0,242	A	A	A	C	A
Skarżysko-Kamienna (1)	0,233	A	A	A	C	A
Sitkówka-Nowiny (2)	0,232	A	A	A	A	C
Połaniec (3)	0,225	A	A	B	A	B

(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: Sandomierz (1), Ożarów (3), Strawczyn (2), Zagnańsk (2), Miedziana Góra (2). 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:

- Bieliny (2), Końskie (3), Kunów (3), Łączna (2), Suchedniów (3), Brody (2), Wąchock (3), Busko-Zdrój (3), Solec-Zdrój (2), Małogoszcz (3), Sędziszów (3), Bogoria (2), Staszów (3) – for section C,

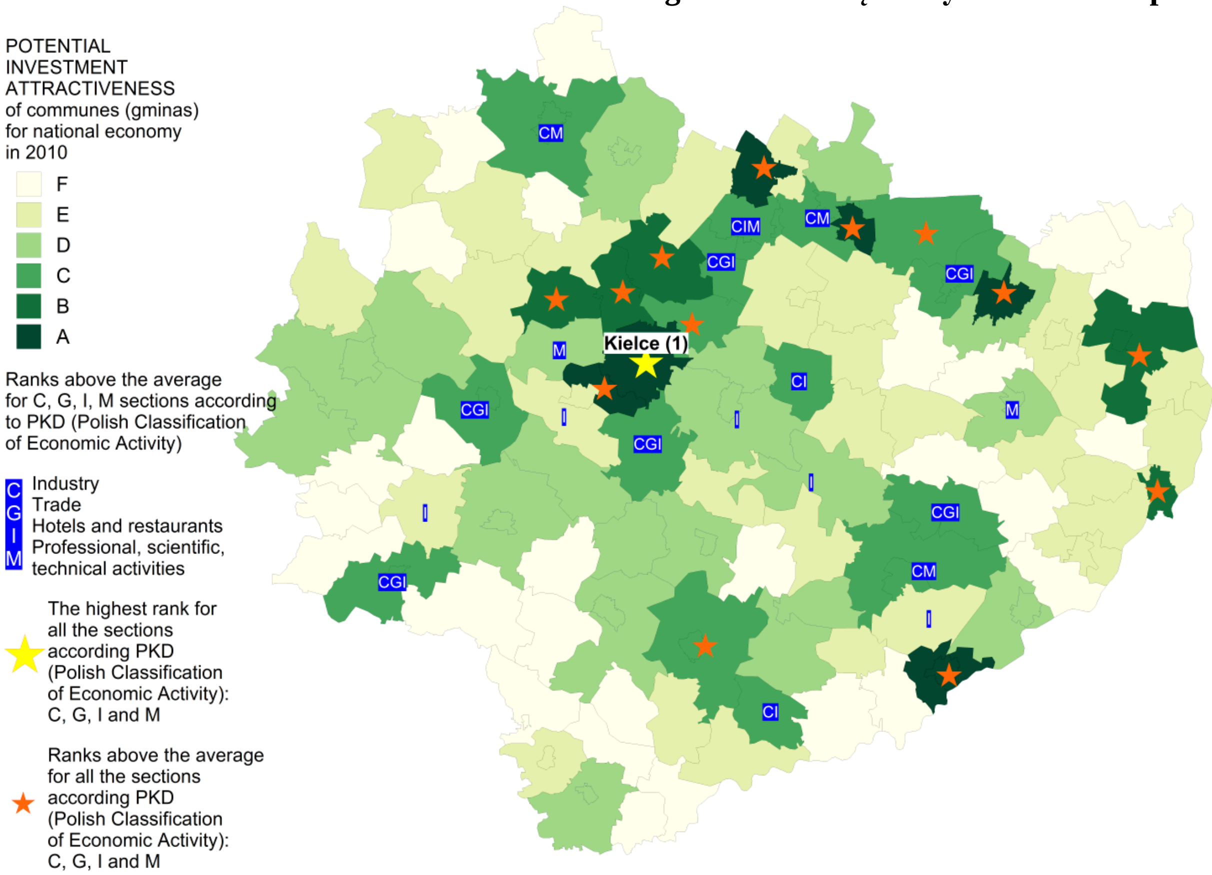
- Masłów (2), Miedziana Góra (2), Kunów (3), Łączna (2), Brody (2), Busko-Zdrój (3), Małogoszcz (3), Sędziszów (3), Ożarów (3), Bogoria (2) - for section G,

- Bieliny (2), Chęciny (3), Daleszyce (3), Miedziana Góra (2), Raków (2), Ostrowiec Świętokrzyski (1), Kunów (3), Skarżysko-Kamienna (1), Suchedniów (3), Brody (2), Busko-Zdrój (3), Solec-Zdrój (2), Nagłowice (2), Sędziszów (3), Ożarów (3), Bogoria (2), Rytwiany (2) - dla sekcji I,

- Masłów (2), Miedziana Góra (2), Piekoszów (2), Sitkówka-Nowiny (2), Strawczyn (2), Zagnańsk (2), Końskie (3), Brody (2), Wąchock (3), Opatów (3) – for section M.

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

Exhibit 5. Potential investment attractiveness of gminas of Świętokrzyskie 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: Kielecki Park Technologiczny, Świętokrzyskie Centrum Innowacji i Transferu Technologii in Kielce, Akademicki Inkubator Przedsiębiorczości (business incubator) in Kielce at the Jan Kochanowski University, Staropolska Izba Przemysłowo-Handlowa in Kielce, Świętokrzyska Agencja Rozwoju Regionu S. A. in Kielce, Ośrodek Promowania i Wspierania Przedsiębiorczości Rolnej w Sandomierzu, Izba Rzemieślników i Przedsiębiorców in Kielce, Koneckie Stowarzyszenie Wspierania Przedsiębiorczości in Końskie, Regionalna Izba Gospodarcza in Starachowice, Starachowicki Inkubator Przedsiębiorstw Sp.z o.o., Dom Doradztwa Biznesowego MM in Kielce, Stowarzyszenie Integracja i Rozwój in Kielce, Fundacja Agencja Rozwoju Regionalnego in Starachowice, Centrum Przedsiębiorczości i Aktywizacji Zawodowej in Ostrowiec Świętokrzyski, Inkubator Przedsiębiorczości in Ostrowiec Świętokrzyski, Regionalne Centrum Naukowo-Technologiczne in Kielce, Bussines Centre Club Loża Świętokrzyska, Akademicki Inkubator Przedsiębiorczości (business incubator) of Wyższa Szkoła Biznesu i Przedsiębiorczości in Ostrowiec Świętokrzyski, Izba Gospodarcza „Grono Targowe Kielce", Świętokrzysko-Podkarpacki Klaster Budowlany INNOWATOR, Wschodni Klaster Odlewniczy KOM-CAST, Klaster Biomasa Świętokrzyska, Klaster ogrodniczo-sadowniczy „Ekologiczna żywność", Grono ceramiczne

Końskie-Opoczno, Klaster Pomidor z Ziemi Sandomierskiej, Klaster Medycyna Polska, Klaster Turystyki i Rozwoju Regionalnego „Słońce Regionu.

Kielecki Park Technologiczny (Kielce Technology Park) The Park is situated in a SSE and divided into two areas of economic activity – the Technology Incubator and Technology Centre. The Incubator offers support for new businesses, favourable renting conditions as well as business and development services for start-ups and micro-businesses (access to office, consulting and training services). The Centre is an area dedicated to new and already functioning enterprises based on innovative solutions in production and services. The Centre offers production and office-laboratory space and support in the form of contact database, trainings, workshops, conferences, market potential analysis of a project, IT services and advice in the fields of intellectual property, technology commercialisation, strategic planning, innovative product management, implementation of new products and services, external funding and business plan creation. There is a possibility to use a Conference Centre on the premises of the Park. (http://www.technopark.kielce.pl/, 04.10.2012.).

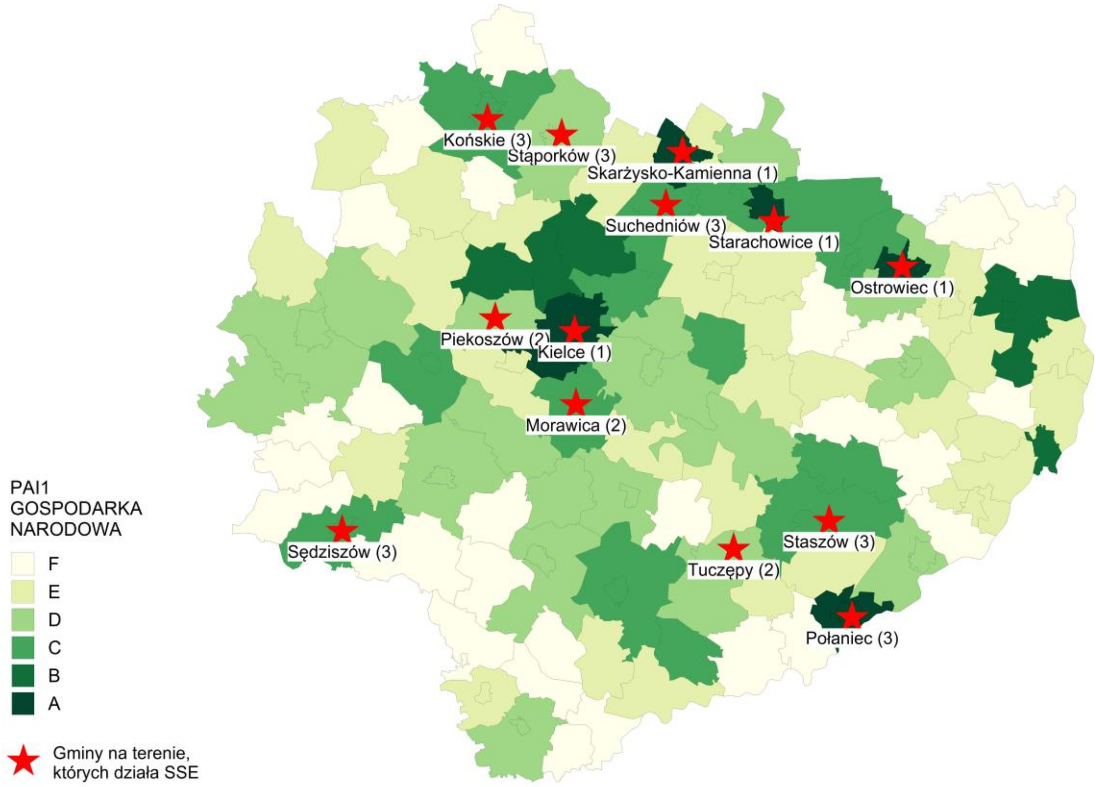
Świętokrzyskie Centrum Innowacji i Transferu Technologii in Kielce (Świętokrzyskie Innovation and Technology Transfer Centre in Kielce) offers consulting services for companies pertaining to acquiring EU and budgetary funding, preparation of application documents, business plans and credit applications. It is also possible to receive more general consultations such as financial analyses, financial forecasts, quality management consulting, security management, environmental security in the production and trade of food and renewable energies usage. The Centre offers pro-innovativeness consulting as well: technological audits, technological requirements analysis, active partner seeking, assistance in negotiations and technology transfer. It also houses an Enterprise Europe Network (EEN), which offers assistance in finding partners for cooperation and technology transfer, trade missions co-financed by European Commission and technology-related assistance. (www.it.kielce.pl/, 04.10.2012.).

Akademicki Inkubator Przedsiębiorczości in Kielce przy Uniwersytecie Jana Kochanowskiego (Academic Entrepreneurship Incubator at Jan Kochanowski Univeristy in Kielce) offers renting space for businesses, accounting services, access to basic office equipment, access to a bank account for start-ups, access to an electronic system of online invoices, assistance in promotion and advertising, a possibility of promotion by means of the Incubator website, legal and tax advice and coaching. The firms in the Incubator are also allowed to make use of additional benefits in the “Benefits 4 Business” package, which include website placement, hosting, postal, marketing, vindication services. The Incubator organises trainings related to starting a business, creating business plans, business development financing, business communication, negotiations, group management, human resources management, shift management, quality management, crisis management, accounting, taxes and corporate law. (http://www.aipkielce.pl/, 04.10.2012.).

Special economic zones in Świętokrzyskie voivodeship – effects

There are two special economic zones (SSE) in Świętokrzyskie voivodeship: Starachowicka and Tarnobrzeska. At the end of 2011 the areas of SSE were part of 4 cities and 9 gminas (communes). (Exhibit 6).

Exhibit 6. The location of SSE in Świętokrzyskie voivodeship



Source: Author's own calculations.

First SSE were established in 1997. The enterprises operating in the zones have until 2011 invested 1,2 billion PLN which constitutes 2% of all economic zone capital expenditures in Poland. In the same period the enterprises have created 4,3 thousand jobs, which constitutes 3% 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
Starachowicka SSE, Kielce (1)	Data unavailable		
Starachowicka SSE, Końskie (3)	Non-metallic mineral resources	245	196,3
Starachowicka SSE, Morawica (2)	Final metal products	45	12,7
Starachowicka SSE, Ostrowiec Świętokrzyski (1)	Water, waste recycling	66	3,2
Starachowicka SSE, Piekoszów (2)	Data unavailable		
Tarnobrzeska SSE, Połaniec (3)	Data unavailable		
Starachowicka SSE, Sędziszów (3)	Final metal products	192	76,8
Starachowicka SSE, Skarżysko-Kamienna (1)	Waste treatment and recycling	21	16,4
Starachowicka SSE, Starachowice (1)	Poligraphy, automotive	2.411	667,5
Tarnobrzeska SSE, Staszów (3)	Industrial glass	1.104	37,3
Starachowicka SSE, Stąporków (3)	Non-metallic mineral resources	137	150,1
Starachowicka SSE, Suchedniów (3)	Rubber and synthetic materials	136	21,6
Tarnobrzeska SSE, Tuczępy (2)	Data unavailable		

Source: Authors' own calculations based on PAIiIZ data.

Starachowice have attracted the largest amount of investment, mostly in automotive industry: Man Bus Sp. z o.o. Oddział in Starachowice, Z.P.H. Prodhurt Bis, P.P.H.U. GOSET DUO s.c., Autobox Sp. z o.o., metalowej: Gerda 3 Sp. z o.o., ENVO Sp. z o.o., Gerda 2 Sp. z o.o., Per-Eko Sp. z o.o., Fabryka Śrub i Elementów Złącznych BEA-STAR Sp. z o.o., Loxley Sp. z o.o., Z.P.H.U. MIKRON BIS, PROMET S.A., Prefabryka Sp. z o.o., ZUPH AG-POL, Starpol II Sp. z o.o.

The SSE development plans assume that the voivodeship will attract investors:

- From metal, food-processing, machinery, construction materials, automotive industries aimed at developing a hi-tech cluster by attracting investors cooperating with research facilities and interested in technology transfer into businesses – in Starachowicka SSE.
- From food-processing, machinery, construction materials and automotive industries – in Tarnobrzeska SSE.

‘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 Świętokrzyskie voivodship.

Chart 5. Gmin in Świętokrzyskie voivodship distinguished as ‘A’ Commune

Gmina	Poviat	Audit of Web sites	Audit of e-contact in Polish	Audit of e-contact in English	Sum
Ostrowiec Świętokrzyski (1)	ostrowiecki	9	4	0	**13**

Source: Authors’ own materials.

Ostrowiec Świętokrzyski as the only commune in Świętokrzyskie voivodship received the title of the ‘A’ Commune for posting on its Web site all necessary pieces information to set up business activity. Despite a lack of an answer to e-mails in English, the gminas sent its brief reply in Polish within 2 days and the message contained information on preferential conditions of investing in this gmina and an invitation to a personal visit.

5. Region's strengths and weaknesses

Świętokrzyskie 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 Świętokrzyskie voivodship

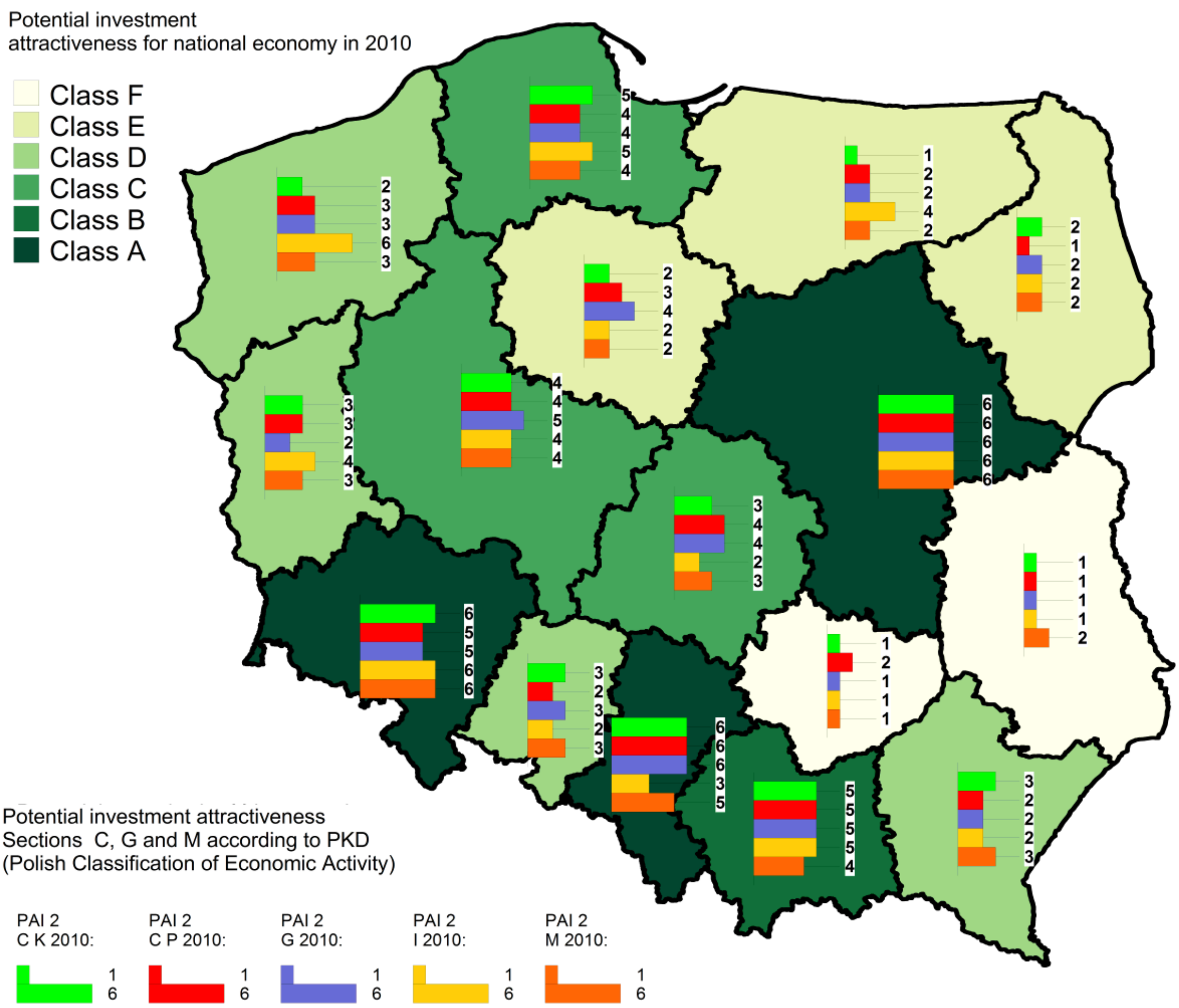
Strengths of the region according to the microclimates by IP SGH	Weaknesses of the region according to the microclimates by IP SGH
National economy	
Returns on tangible assets Class C Profitability of enterprises Class C	Microclimate Human Resources Class F Microclimate Technical Infrastructure Class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

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

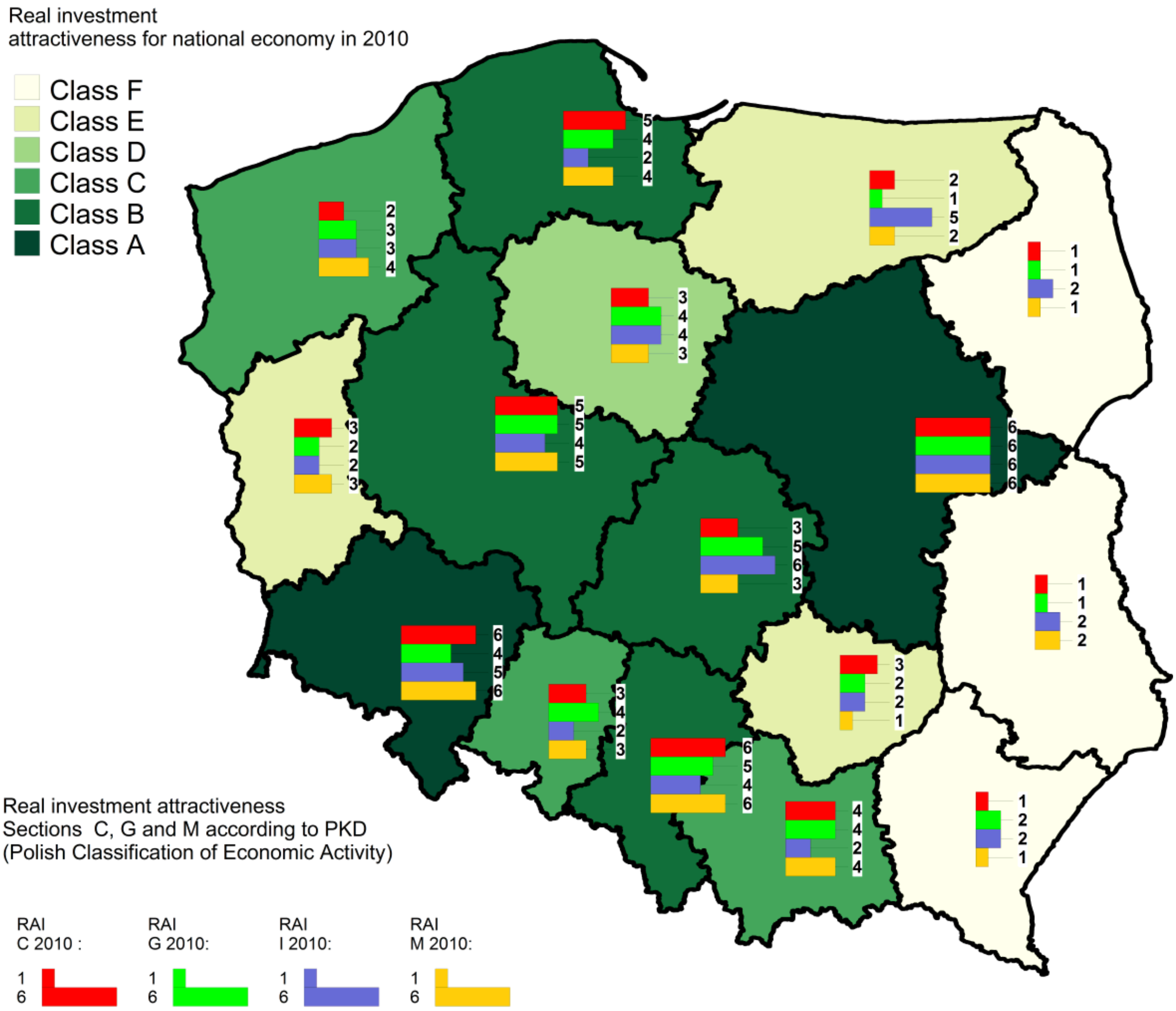
APPENDIX

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 Świętokrzyskie 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 Kielce	0,343	A	A	A	B	A
skarżyski	0,269	C	B	C	E	D
starachowicki	0,255	D	D	D	D	D
ostrowiecki	0,255	D	D	D	D	D
staszowski	0,253	D	D	D	D	D

Source: See Chart 1.

Chart 3. Potential investment attractiveness of gminas of Świętokrzyskie 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
Kielce (1)	0,260	A	A	A	A	A
Starachowice (1)	0,246	A	A	A	B	A
Ostrowiec Świętokrzyski (1)	0,242	A	A	A	C	A
Skarżysko-Kamienna (1)	0,233	A	A	A	C	A
Sitkówka-Nowiny (2)	0,232	A	A	A	A	C
Połaniec (3)	0,225	A	A	B	A	B
Sandomierz (1)	0,218	B	B	A	B	A
Ożarów (3)	0,216	B	B	C	C	B
Strawczyn (2)	0,215	B	B	B	A	C
Zagnańsk (2)	0,213	B	B	B	B	C
Miedziana Góra (2)	0,204	B	B	C	C	C

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).