



DEVELOPMENT
OF EASTERN POLAND
NATIONAL COHESION STRATEGY

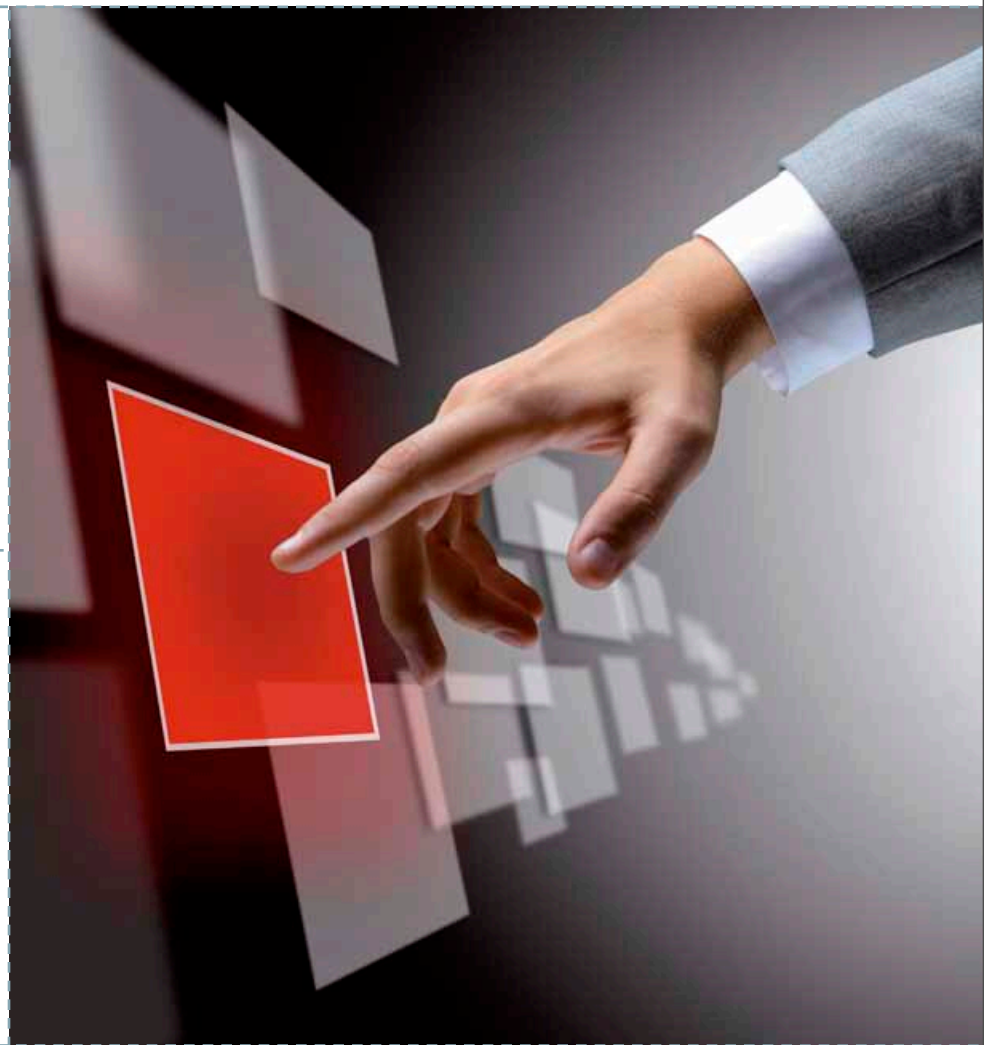


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Eastern Poland

Macroregion open
to investments





Eastern Poland in Europe



Area: 99 037 km²

- 31.7% of the Polish area
- 2.3% of the EU area



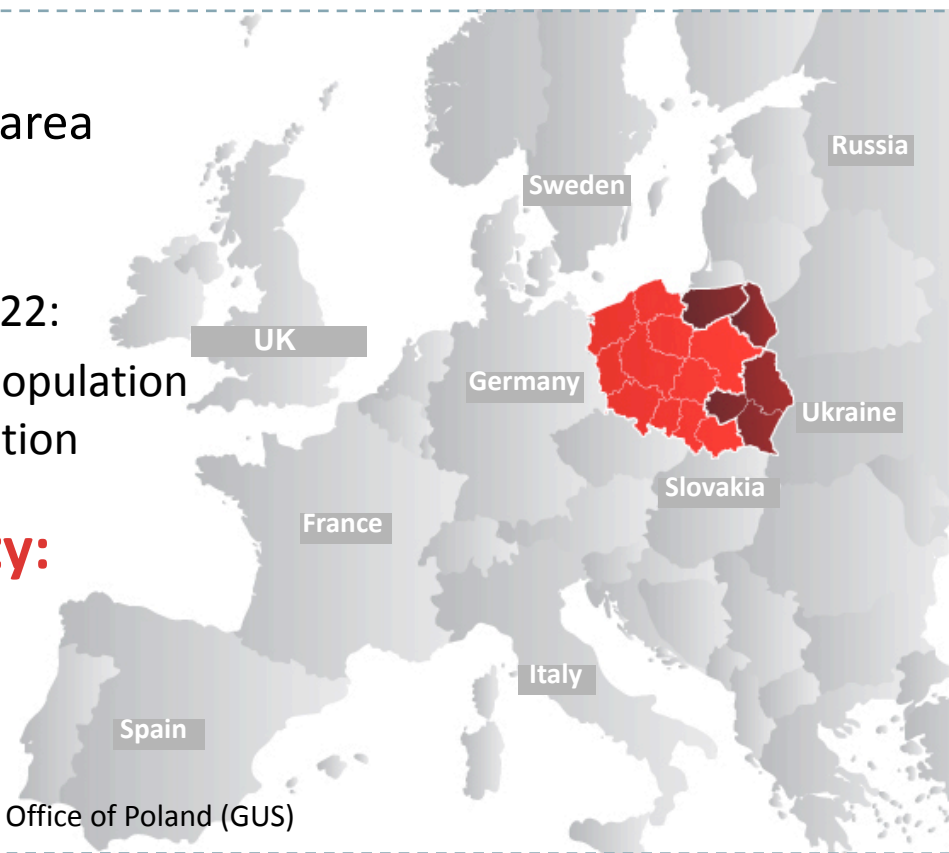
Population: 8 224 722:

- 21.34% of the Polish population
- 1.6% of the EU population



Population density:

- 71.04 people/km²



As of 30 June 2012 Source: Central Statistical Office of Poland (GUS)



Eastern Poland



■ 5 Voivodeships:

- Warmińsko-Mazurskie
- Podlaskie
- Lubelskie
- Świętokrzyskie
- Podkarpackie

■ Territorial potential:

- 101 poviats
- 709 gminas
- 212 cities
- 16 644 rural localities

As of 30 June 2012, Source: Central Statistical Office of Poland (GUS)

Olsztyn



Regional
Capitals of
**Eastern
Poland**



Rzeszów

Lublin



Białystok



Kielce





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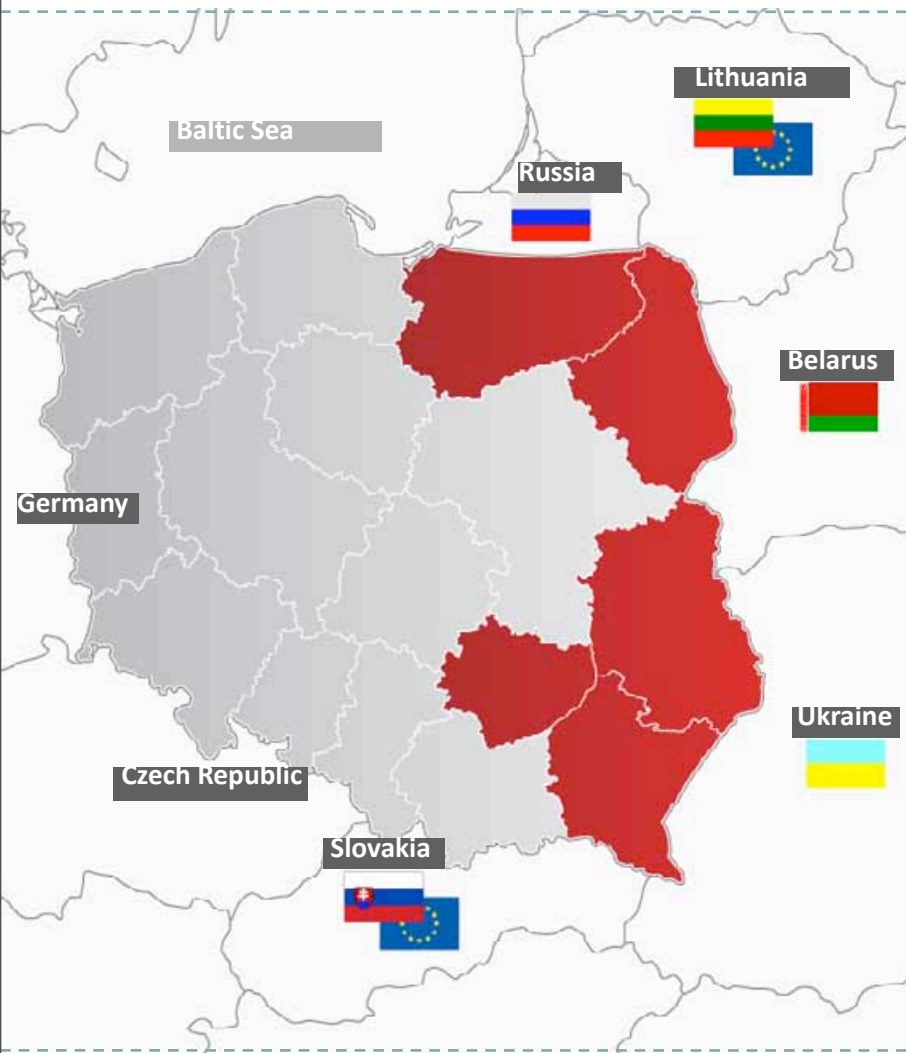


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What makes **Eastern Poland** different?

- EU's and the Schengen area's eastern border
- Advantageous prospects for road infrastructure development
- Highly-skilled and young labour force
- Attractive labour costs
- Favourable conditions for tourism development



Strategic **location**

Eastern Poland borders with:

- Russia – 212 km
- Lithuania – 104 km
- Belarus – 418 km
- Ukraine – 535 km
- Slovakia – 134 km

Since 21 December 2007 Poland's borders with Slovakia and Lithuania have become the internal borders of the Schengen area.

Border crossings

There are 38 active border crossings in Eastern Poland:



16 road border crossings (Gronowo, Bezledy, Gołdap, Kuźnica, Bobrowniki, Białowieża, Połowce, Kukuryki, Terespol, Sławatycze, Dorohusk, Zosin, Hrebenne, Korczowa, Medyka and Krościenko)



14 railway border crossings (Braniewo, Głomno, Skandawa, Kuźnica, Zubki, Siemianówka, Czeremcha, Terespol, Dorohusk, Hrubieszów, Hrebenne, Werchrata, Przemyśl and Krościenko)



5 air border crossings (Szymany k. Szczytna, Świdnik, Rzeszów-Jasionka, Mielec and Kielce)

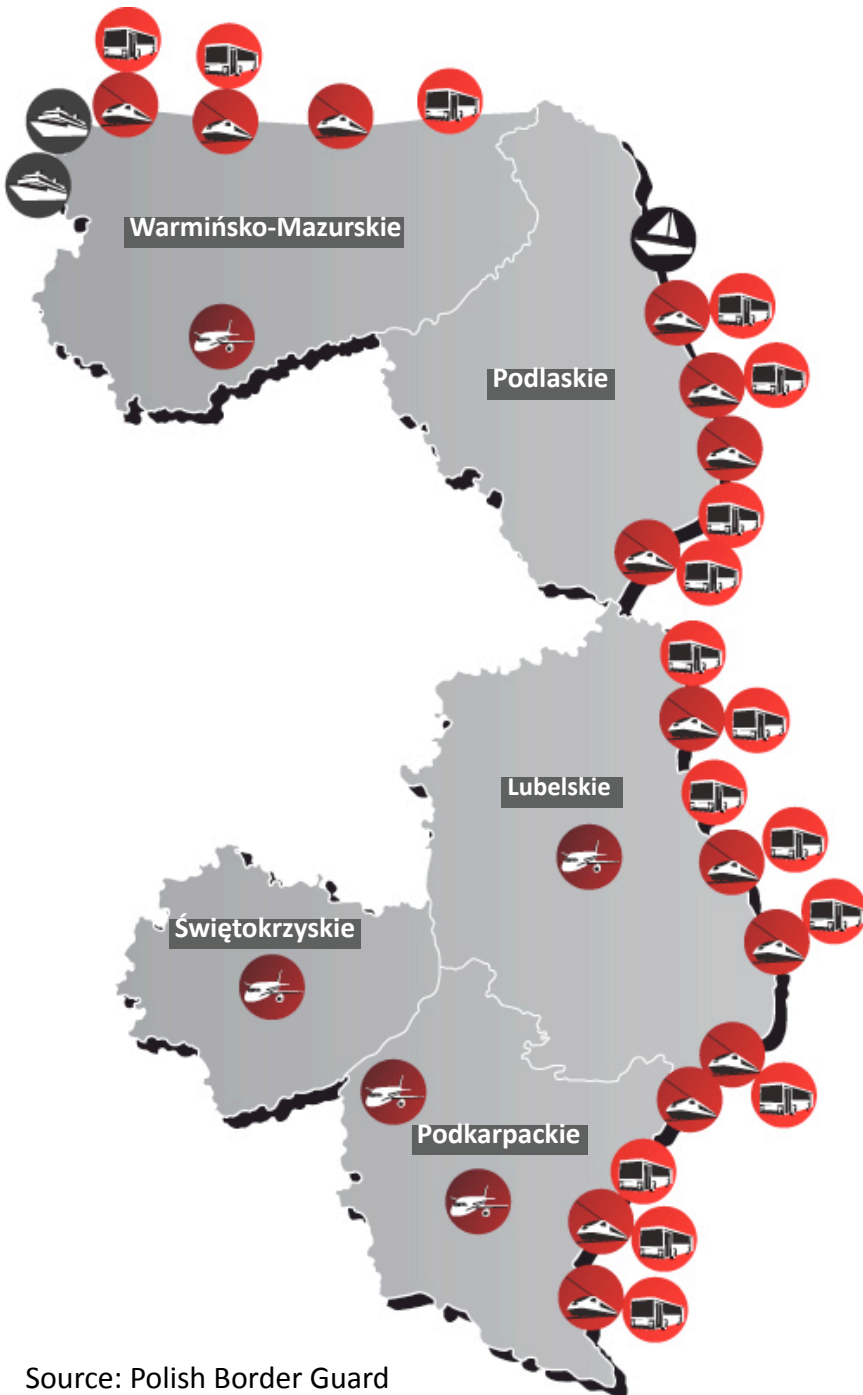


2 sea border crossings (Elbląg and Frombork)



1 river border crossings (Rudawka)

Source: Official Journal of the Republic of Poland "Monitor Polski" of 2008, No. 97, item 854

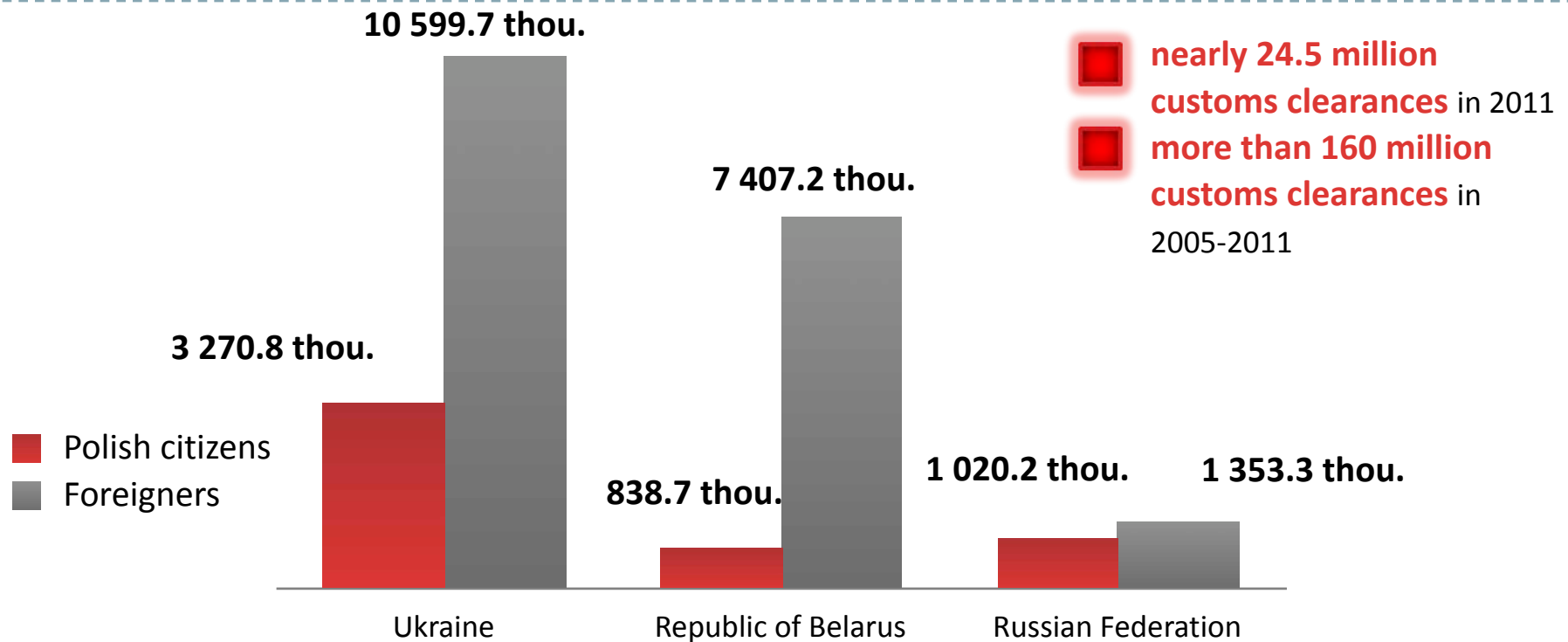


Source: Polish Border Guard



Project co-financed from the European Regional Development Fund within the Operational Programme Development of Eastern Poland 2007-2013

Border traffic



Data: based on passports from 2011 Source: Ministry of Finance



Infrastructure



International roads

- **E30** Cork (Ireland) – Warsaw – Terespol – Omsk (Russia)
- **E40** Berlin – Kraków – Medyka – Kiev
- **E67** Prague – Warsaw – Budzisko – Helsinki
- **E77** Pskov (Russia) – Elbląg – Kielce – Chyżne – Budapest
- **E371** Warsaw – Barwinek – Košice
- **E372** Warsaw – Hrebenne – Lviv

Railroads

- **E20** Kunowice – Poznań – Warsaw – Terespol
- **E26** Warsaw – Białystok – Kuźnica Białostocka
- **E30** Kraków – Dębica – Rzeszów – Przemyśl – Medyka
- **E65** Gdynia – Warsaw – Włoszczowa – Zebrzydowice
- **E75** Warszawa – Białystok – Trakiszki

Infrastructure

Newly built section of national road No. 8



**DEVELOPMENT
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Eastern Poland
MACROREGION MACROFUTURES

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Favourable prospects for infrastructure development



Planned road and railway investment projects

Rail Baltica – rail connection with the Baltic States

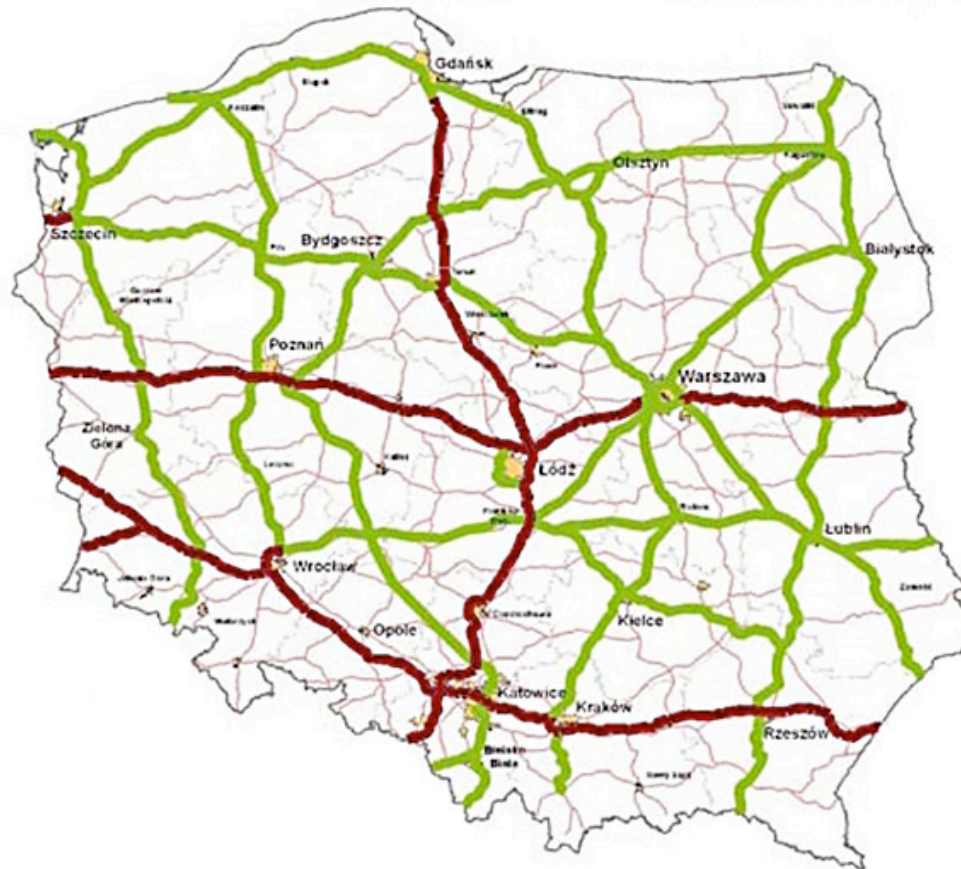
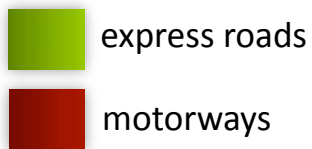
Via Baltica – road connection (border with Lithuania – Suwałki – Łomża – Warsaw)

Via Carpatia – road connection (border with Belarus – Białystok – Lublin – Rzeszów – border with Slovakia)

Investment projects

Motorways and express roads in Poland in 2033

Legend



Source: W. Kuryłowicz, Vision of transport infrastructure and transport network development until 2033 (<http://www.mrr.gov.pl/>)

Investment projects

Aviation infrastructure



Lublin-Świdnik



Kielce-Obice

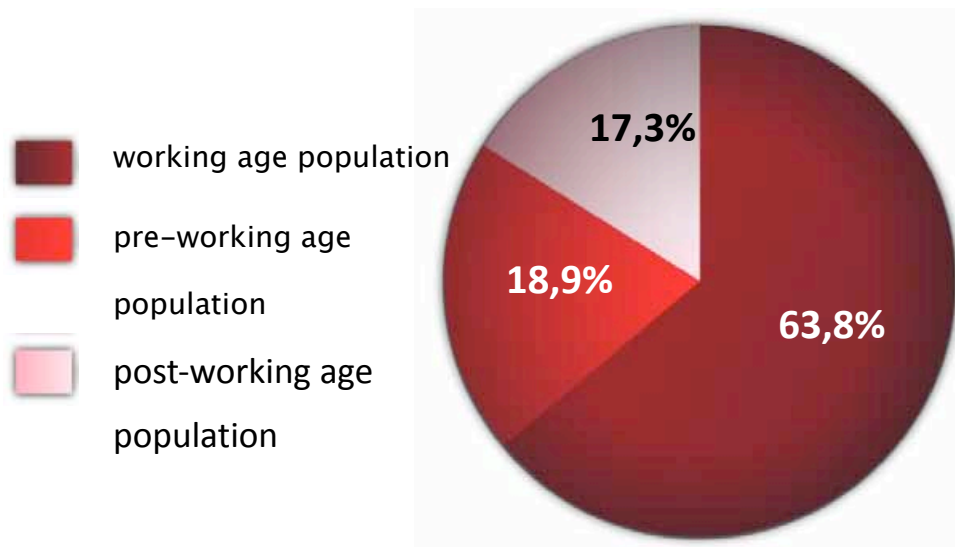


Białystok-Saniki

Expansion of the existing airports
and construction
of new ones

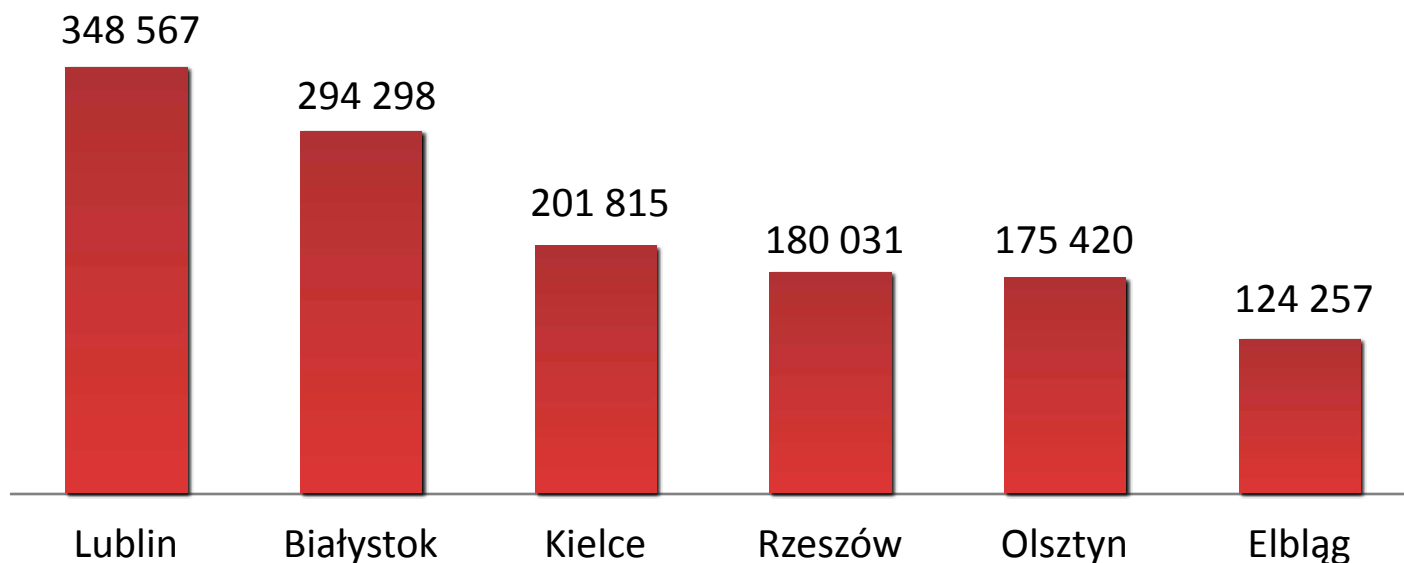
Young society

Investment asset of Eastern Poland



As of 30 June 2012 Source: Central Statistical Office of Poland (GUS)

Cities of Eastern Poland with more than 100 000 inhabitants



As of 31.03.2011 Source: Central Statistical Office of Poland (GUS)

Cultural diversity of **Eastern Poland**



**Ethnically and culturally
diverse population.**

Inhabitants include
Belorussians,
Lithuanians, Ukrainians,
Russians, Slovaks,
Romani people, Tatars
and Jews.



Modern universities, professional personnel

- **16 schools of higher education** in Eastern Poland among the Top 100 in the Ranking of Higher Education Schools 2010 (“Perspektywy” education portal and “Rzeczpospolita” daily)
- by 2013, the macroregion universities will have completed investment projects worth more than **PLN 1.74 billion (26 projects)** financed by the **European Regional Development Fund**
- Lublin among the **8 largest** academic centres in Poland

Master's graduates

in Eastern Poland by school types

SCHOOL TYPE	LUBELSKIE	PODLASKIE	PODKARPACKIE	ŚWIĘTOKRZYSKIE	WARMIŃSKO-MAZURSKIE
Universities	13 421	4 474	7 553	5 044	8 386
Technical universities	2 186	3 174	3 886	2 017	-
Medical universities	1 603	1 084	-	-	-
Non-public schools of higher education	11 818	5 529	7 675	7 015	5 590
Overall	29 028	14 261	19 114	14 076	13 976



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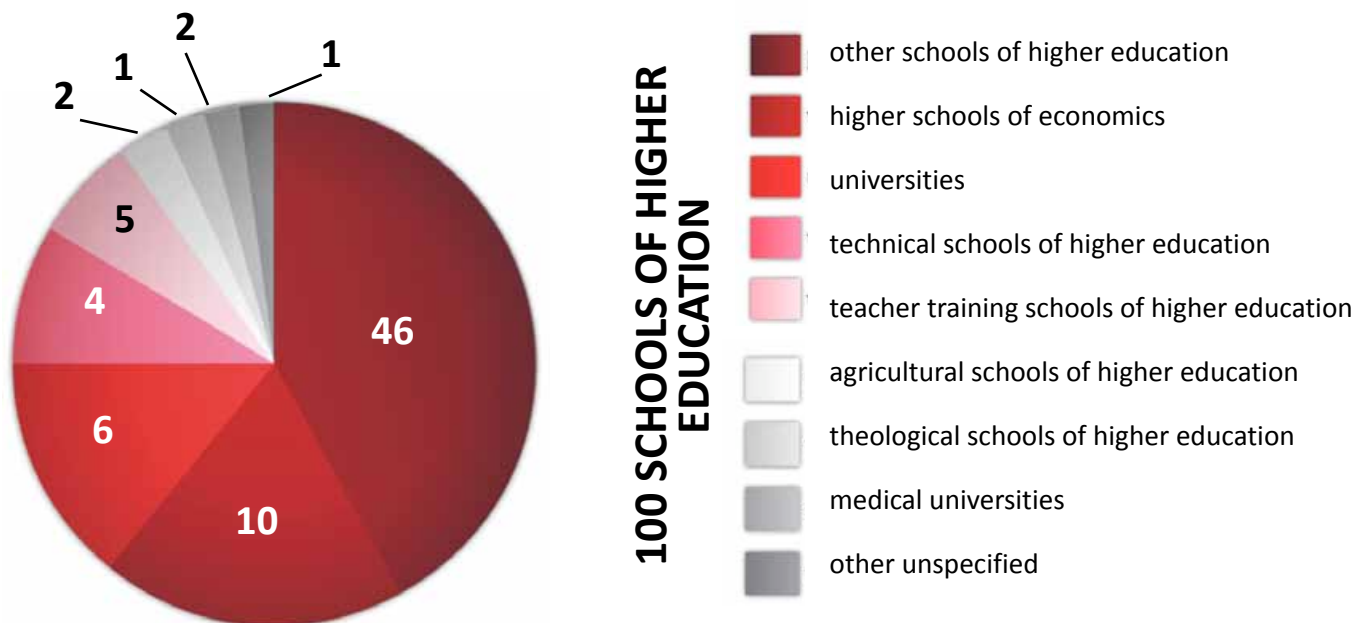


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Schools of higher education in Eastern Poland

by type in 2011



Source: Central Statistical Office of Poland (GUS)

Command of foreign languages in Eastern Poland

Cities	Total score* out of 135
Wrocław	122
Warsaw	106
Kraków	106
Poznań	77
LUBLIN	74
Bydgoszcz	67
Łódź	63
Katowice	48
Szczecin	45
Gdańsk	37

* based on the weighted average, where the weight is the number of participants in a language test

European School for Correspondence Courses (ESKK) regional ranking of foreign language competence (8 699 questionnaires, 2009); tabulated tests in languages: **English, German, French, Spanish and Italian**

according to the Public Opinion Research Center (**CBOS**) survey (August 2009) – one in three Poles (**32%**) knows one foreign language, one in 9 (**11%**) – two foreign languages, and only few (**3%**) – three foreign languages

Voivodeship	Total score* out of 216
Mazowieckie	207
Łódzkie	180
Dolnośląskie	165
Małopolskie	163
ŚWIĘTOKRZYSKIE	162
Pomorskie	130
Wielkopolskie	125
Śląskie	109
LUBELSKIE	98
PODLASKIE	98
Kujawsko-Pomorskie	91
Zachodniopomorskie	88
Podkarpackie	76
Lubuskie	59
Opolskie	47
Warmińsko-Mazurskie	40

* based on the weighted average, where the weight is the number of participants in the language test



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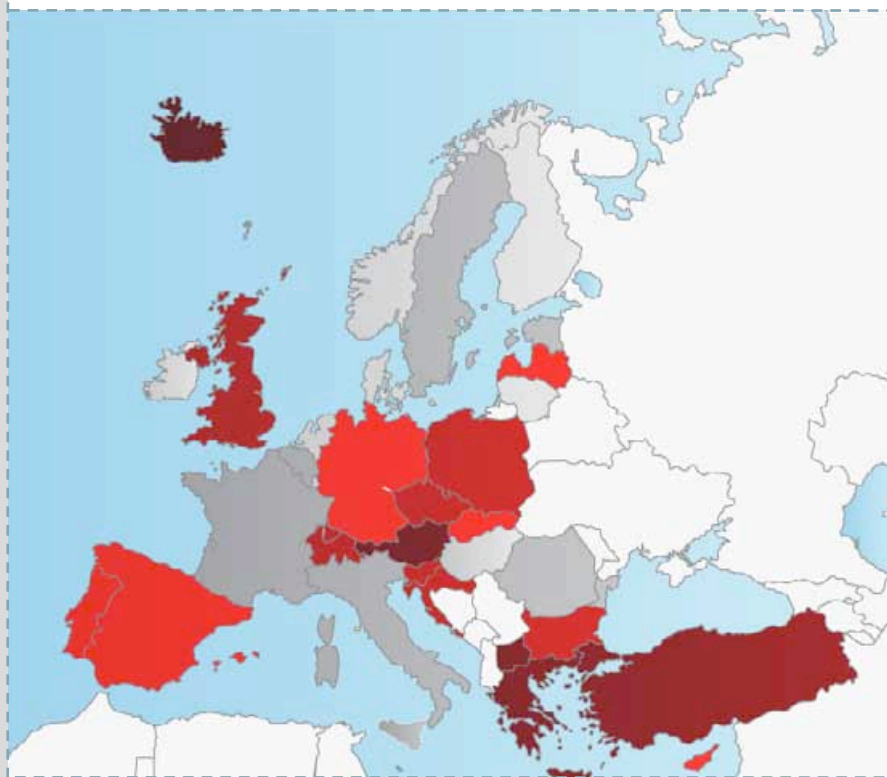


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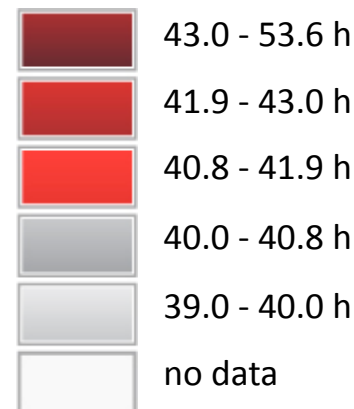


Labour market

Poles, one of the hardest working nations in Europe



Weekly working time of full-time employees in Europe in 2011



Source: EUROSTAT



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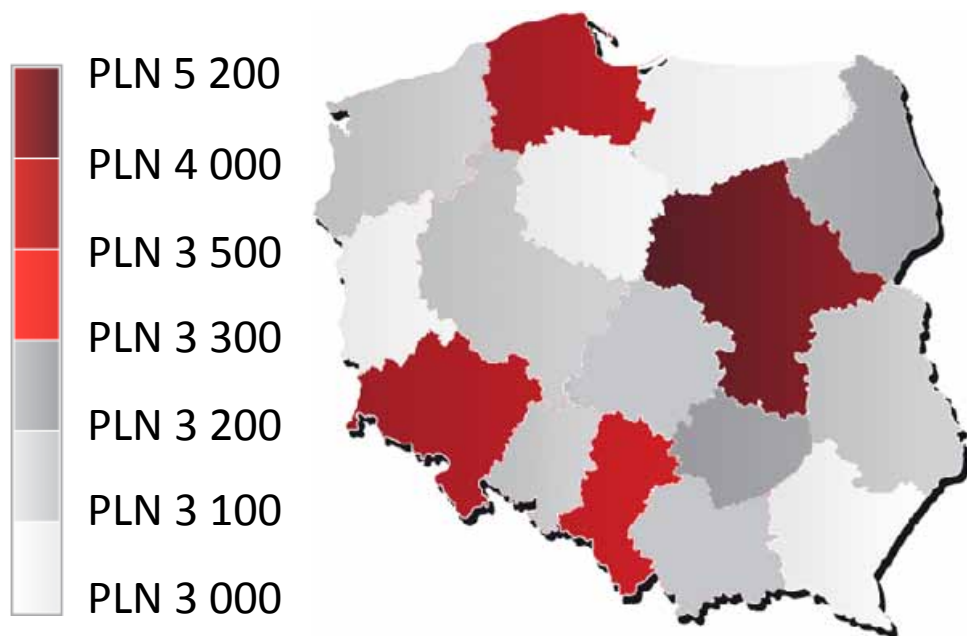


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Labour market potential

Lowest labour costs in the country



Voivodeships with lowest labour costs:

- Podkarpackie Voivodeship
- Lubuskie Voivodeship
- Warmińsko-Mazurskie Voivodeship
- Kujawsko-Pomorskie Voivodeship

As of 31.12.2011 Source: Central Statistical Office of Poland (GUS)

Labour market resources

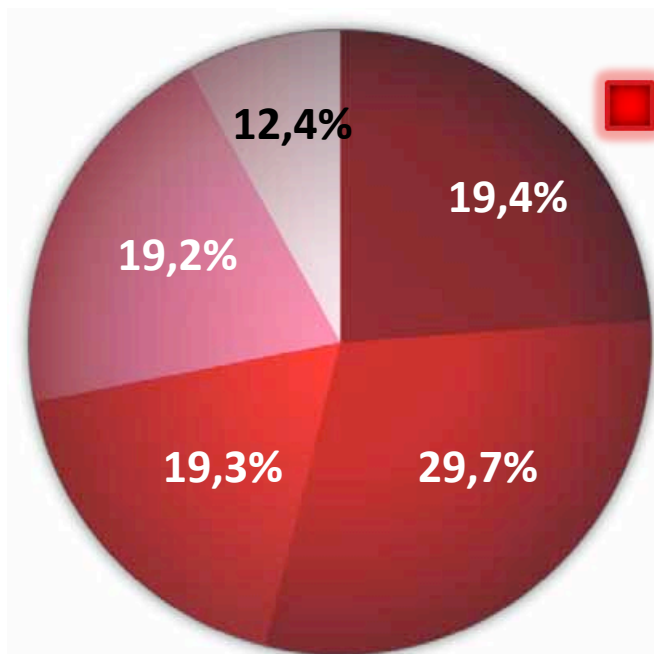
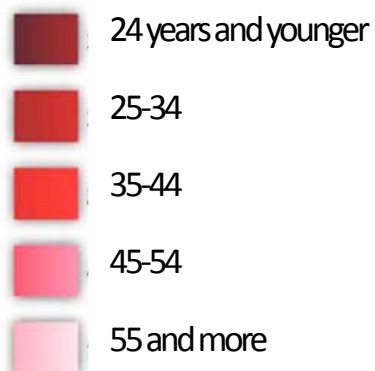
- **relatively high unemployment rate in Voivodeships of Eastern Poland** (the highest in: Warmińsko-Mazurskie, Podkarpackie and Świętokrzyskie Voivodeships)
- **the unemployment increasingly affects women**
(2012: 47.4% – men, 52.6% – women)

Source: Central Statistical Office of Poland (GUS)





Unemployment rate



**Unemployment:
an opportunity
for employers**

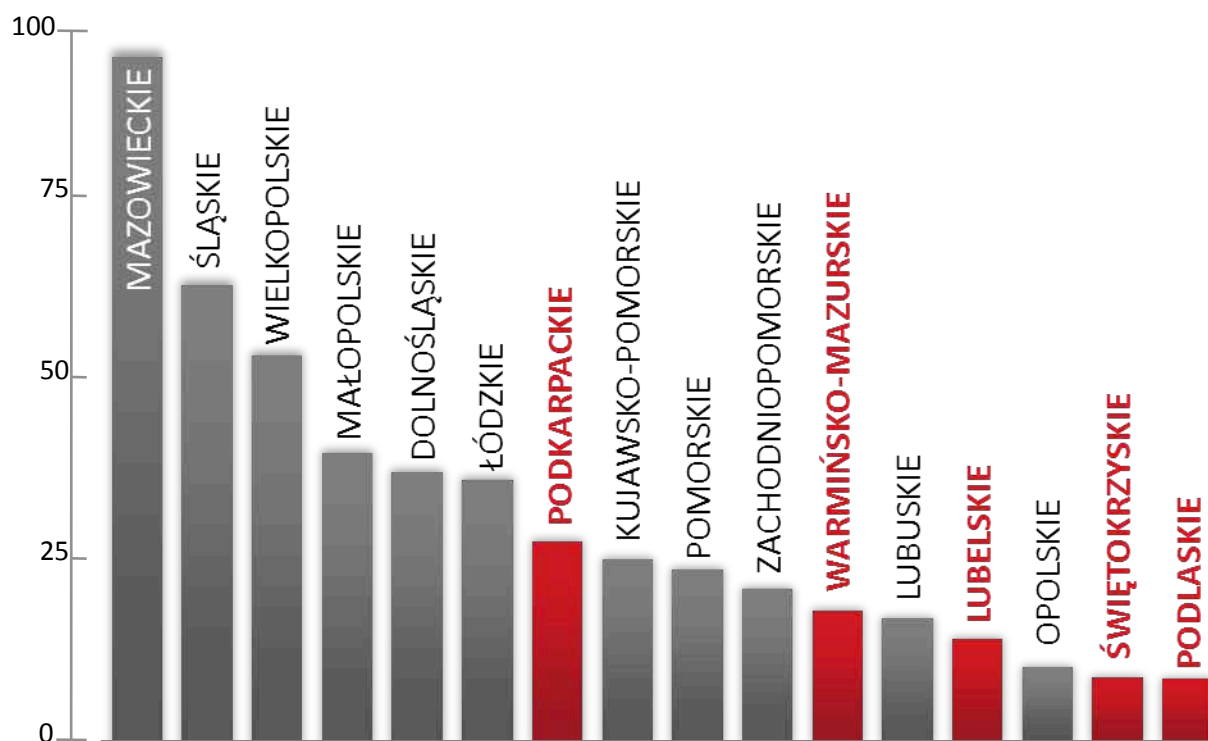
73% of the
unemployed in
Eastern Poland are
mobile age people

As of: 2012, Source: Central Statistical Office of Poland (GUS)

Eastern Poland immune to the crisis



**no significant impact
of the economic crisis
on job destruction in
Eastern Poland**



Jobs destroyed in 2009 (in thou.)

Source: Central Statistical Office of Poland (GUS)



Economy of the macroregion

■ 637 776 – business entities

■ 23 811 – public sector

■ 613 965 – private sector

Source: Central Statistical Office of Poland (GUS)

Economic structure of Eastern Poland

Business entities acc. to sections of the Polish

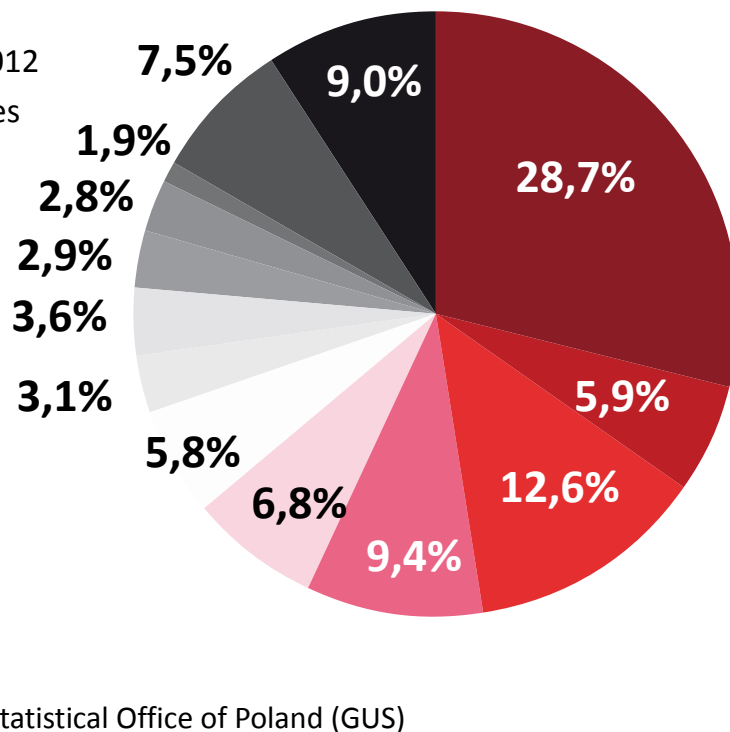
Classification

of Activities in 2012

(% of total entities

registered in

Eastern Poland)



Source: Central Statistical Office of Poland (GUS)

Priority sectors in the economic development of **Eastern Poland**



Food sector

Engineering sector



BPO



Logistics

Metal Sector



Renewable Energy Sources

Priority sectors in the economic development of **Eastern Poland**



Aviation

**Non-metallic mineral
products' sector**



**Wood and paper
and furniture
sectors**



Clothing sector



Construction

Business tourism



Food sector

Eastern Poland – ECOREGION

- 
- **healthy and natural food**, Lublin Region is found to be one of the country's leaders in terms of registered eco-farms – “Dolina Ekologicznej Żywności” (Eco Food Valley)
 - **32% of Poland's agricultural land** is located in Eastern Poland
 - **best class agricultural land** can be found in the Lubelskie Voivodeship
 - **well-known brands** in strategic subs-sectors:
 - **dairy industry** – Mlekpól, Mlekowita, Spomlek and Piątnica
 - **meat industry** – Sokołów, Indykpol, Łmeat Łuków and PMB Białystok

Wood and paper and furniture sectors

- **665 336 ha forests in the Podkarpackie Voivodeship – forest cover 37.6%**
- **harvest focus: hardwood (wood of deciduous trees)**
- **4th exporter of furniture worldwide (after China, Italy and Germany)**
- **paper and cardboard production has maintained an upward trend since 2000**



Sector: **Construction**

- **civil engineering – a driving force of the sector**
- **key sectors:**
 - **road and bridge construction**
 - **power industry construction**
 - **environmental protection construction**
- **recovery in the housing construction in 2011-2012**

Source: PMR

Sector:

Non-metallic mineral products



rich raw material resources:

- Świętokrzyskie Voivodeship
- Podkarpackie Voivodeship
- Lubelskie Voivodeship



13% – sector companies with the foreign capital participation





Metal **sector**

- dominates in the Voivodeships: **Podkarpackie** and **Świętokrzyskie** (the area of traditional industrial districts)
- the sector is dominated by small and medium enterprises
- **biggest plants:** Celsa Huta Ostrowiec Sp. z o.o in Ostrowiec Świętokrzyski, NSK Bearings Polska SA in Kielce

Engineering **sector**

qualified professionals and engineers provided by

- Białystok University of Technology
- University of Warmia and Mazury
- Kielce University of Technology
- Rzeszów University of Technology

Sector: **Business tourism**

tourist attractiveness of Eastern Poland

- Bieszczady Mountains
- Mazury Lake District
- Białowieża Forest

tourist accommodation in 2011 – **1 355** facilities, **63 633** accommodation places



Sector: Aviation



- **90%** of the aviation industry is concentrated in Eastern Poland
- The Polish aerospace industry focuses chiefly on the production of helicopters, ultralight aircraft, small aircraft, gliders, unmanned aircraft, aviation parts and accessories
- Around 90% of the Polish aviation industry's manufacturing plants are members of the Aviation Valley, which has absorbed nearly 80% of all investments in the sector. (see the map)



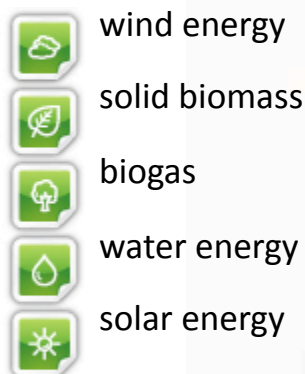
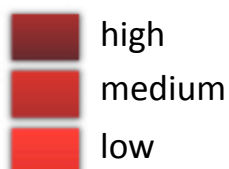
Sector: Renewable Energy Sources



251 power plants in Eastern Poland produce 583 861 MW of power

- 26 biogas fuelled power plants
- 8 biomass fuelled power plants
- 52 wind fuelled power plants
- 165 water fuelled power plants

potential of the renewable energy sources in Eastern Poland



Sector: **Logistics**



- investment asset – **border location**
- investments in the logistic infrastructure –
an opportunity for the sector development
 - **PLN 36 921 m** – investment outlays in 2010
- increase in modern warehouse space
 - one of the largest new investments in the warehousing market was implemented in the Podkarpackie Voivodeship in the first half of 2012 (lease contract for 35 000 m² of warehouses in Chmielów near Tarnobrzeg concluded by Pilkington, glass and glazed unit manufacturer – data of CBRE Poland)
 - development centres: **Rzeszów and Dębica**

Source: Central Statistical Office of Poland (GUS), Cushman&Wakefield

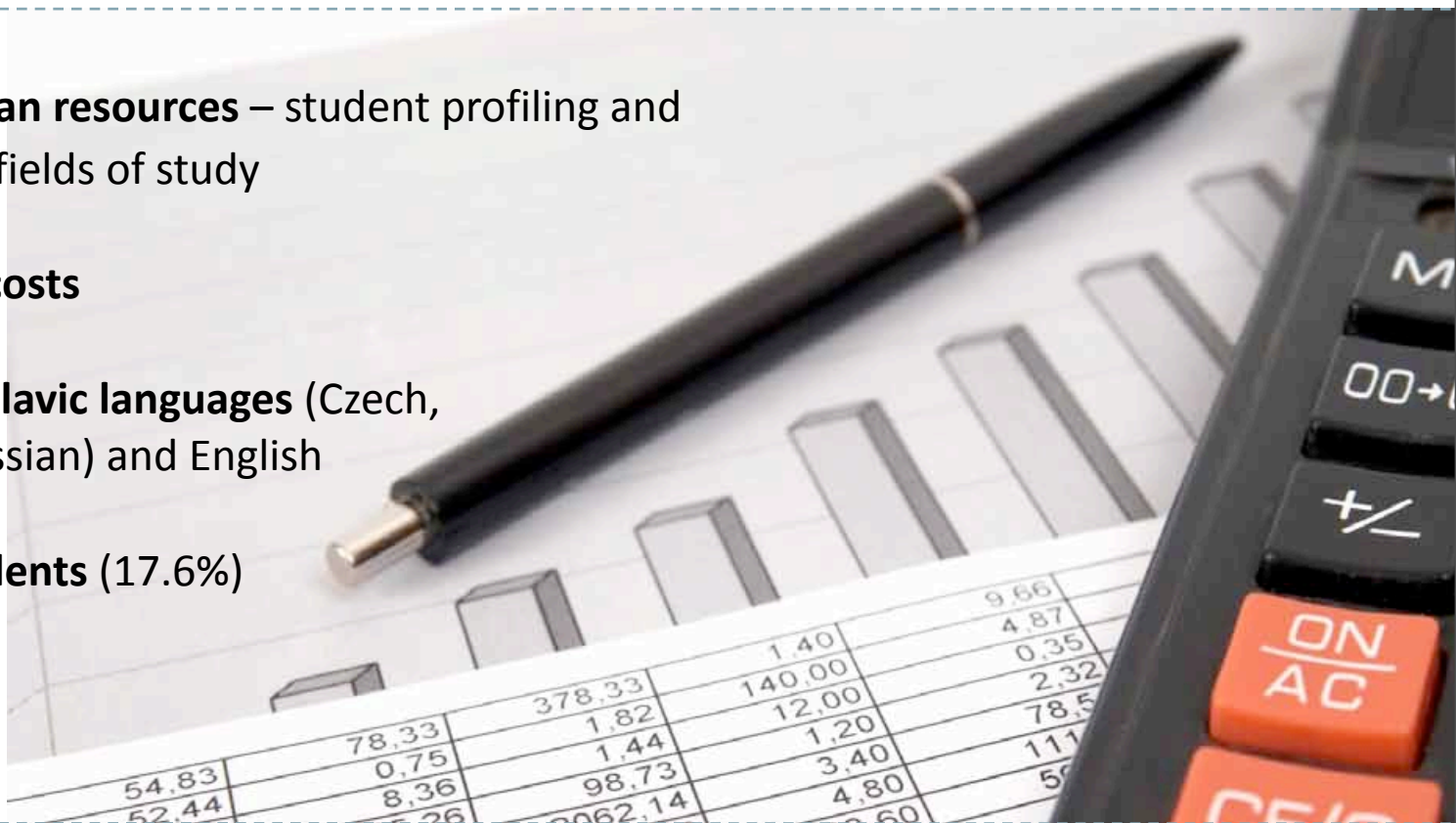
Clothing sector



-  **concentration of the industry** in the Voivodeships:
 - Lubelskie
 - Warmińsko-Mazurskie
 - Podlaskie
-  **Poland's first cluster** in the sector – **Podlachia Lingerie Cluster**
 - output – 3 million pcs/year, 40% for exports
 - **common brand**

Sector: **Business Process Outsourcing**

-  **qualified human resources** – student profiling and new linguistic fields of study
-  **low business costs**
-  **command of Slavic languages** (Czech, Slovak and Russian) and English
-  **306 thou. students** (17.6%)





European Union for the development of Eastern Poland

Development of Eastern Poland Operational Programme (DEP OP) – EUR 2.7 billion



181 contracts

- total value of contracted EU funds:
PLN 7 531 mln
- consumption of funds within
the scope of DEP OP - 69,5 %



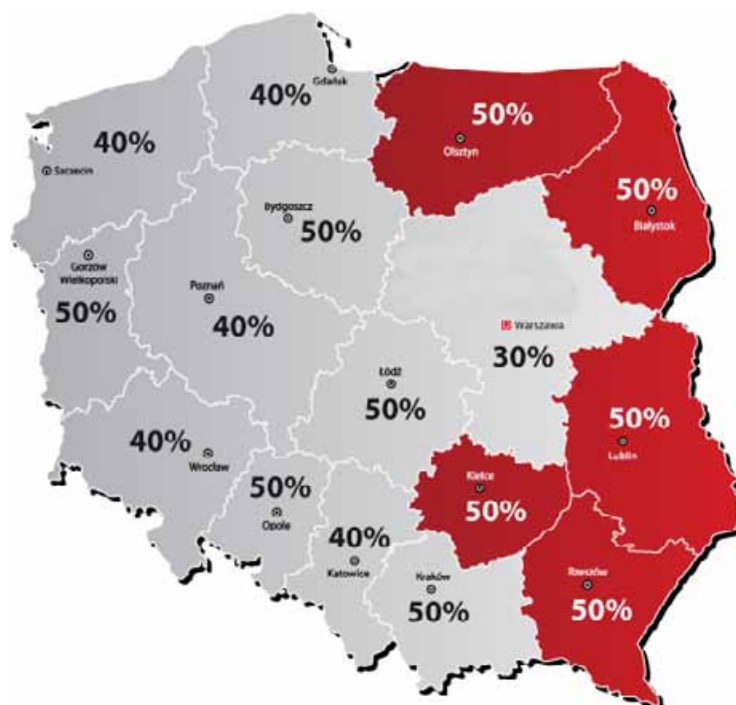
over 22% of projects have been put into
commission to the total amount
of PLN 759 mln

As of: September 2012 Source: Ministry of Regional Development





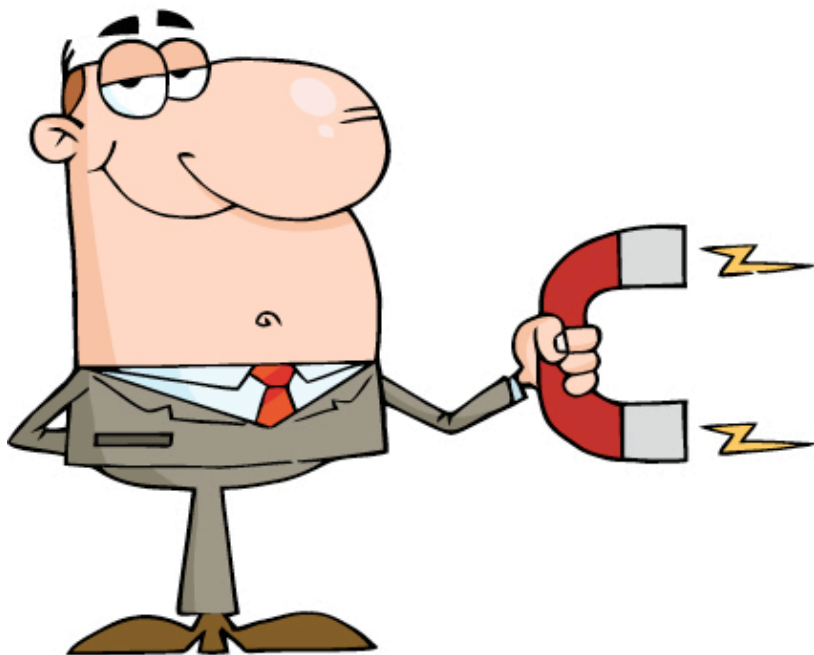
Regional aid map for 2007-2013



- supporting the development of the least favoured regions
- maximum aid intensity in Voivodeships of Eastern Poland – 50%
- aid targeted at projects of up to **EUR 50 million**

Investment incentives

in Special Economic Zones (SEZ's)



-  **SEZ's support new investments and create jobs**
-  **CIT exemptions:**
 - **70%** – small enterprises
 - **60%** – medium enterprises
 - **50%** – large enterprises
-  **minimum costs of a new investment eligible for support – EUR 100,000**



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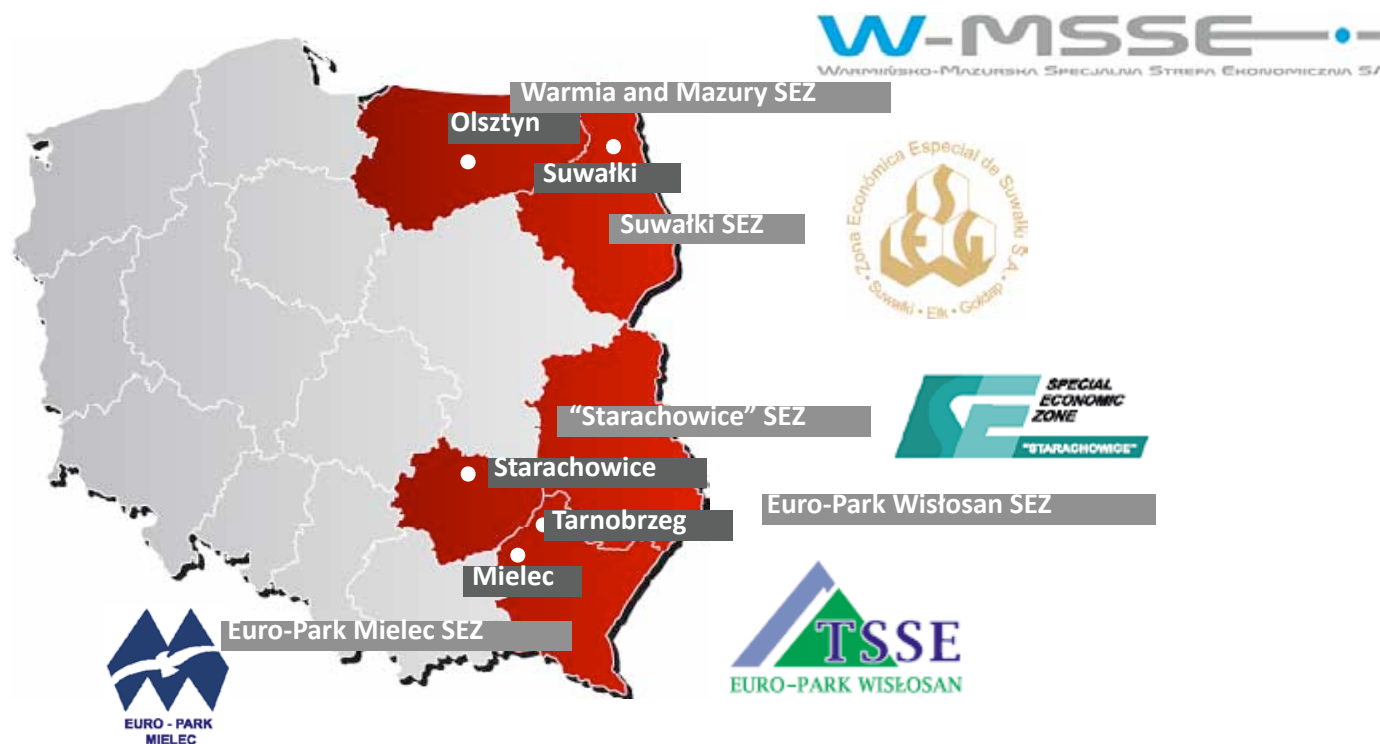


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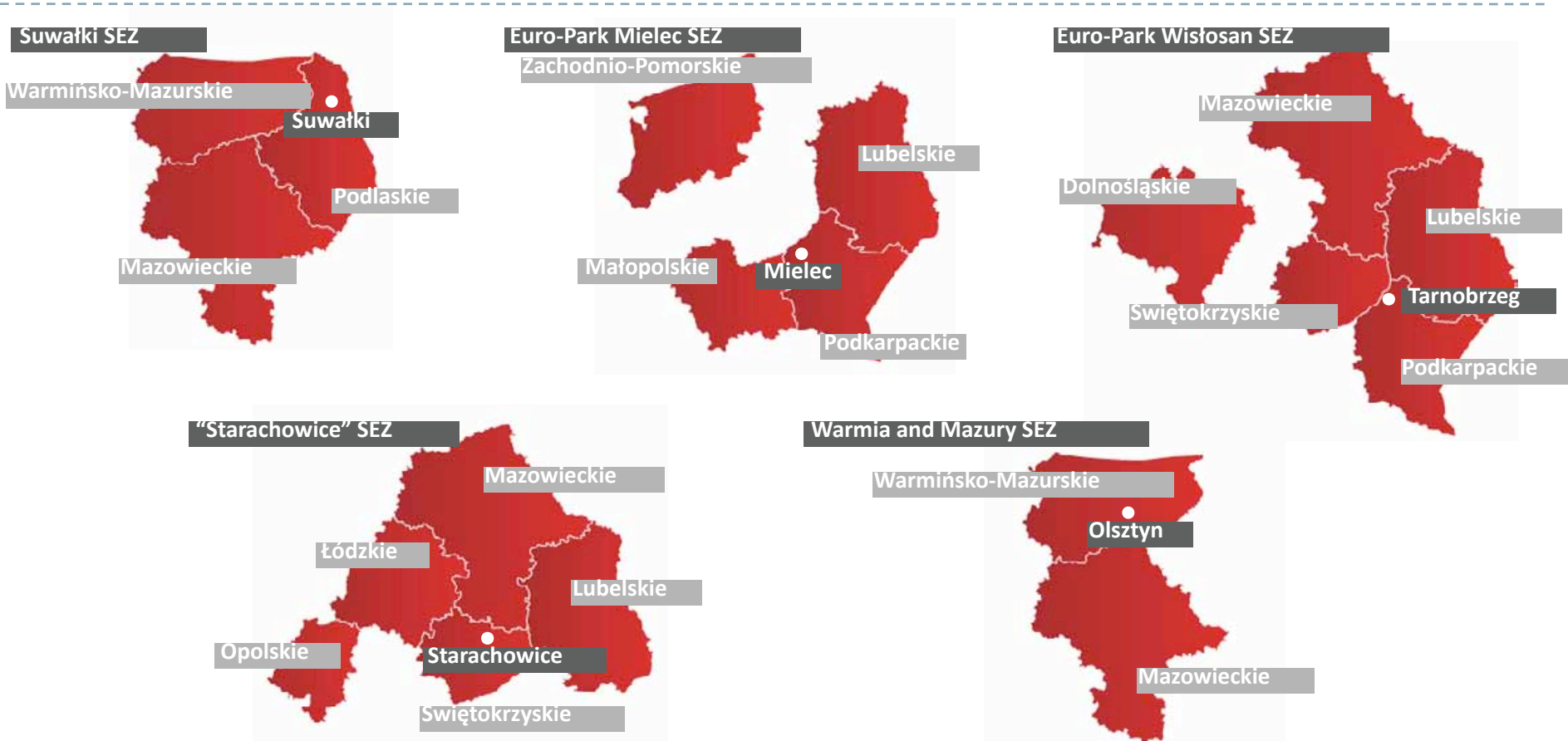


Eastern Poland

Location of Special Economic Zones



Geographical range of Special Economic Zones in Eastern Poland



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Investment potential of SEZ's in Eastern Poland

ZONE	AREA	FREE AREA	PERMITS	INVESTMENTS	INFORMATION
Suwałki SEZ	342.7 ha	106.2 ha	61	PLN 1.5 billion	www.ssse.com.pl
Tarnobrzeg SEZ Euro-Park Wisłosan	1632 ha	535.7 ha	200	PLN 7 billion	www.tsse.pl
Euro-Park Mielec SEZ	1246 ha	396.5 ha	225	PLN 5.3 billion	www.europark.com.pl
“Starachowice” SEZ	612.9 ha	232.3 ha	71	PLN 1.6 billion	www.sse.com.pl
Warmia and Mazury SEZ	914 ha	185.8 ha	59	PLN 3 billion	www.wmsse.com.pl

SEZ focus

Dominant economic sectors

Suwałki SEZ



Euro-Park Mielec SEZ



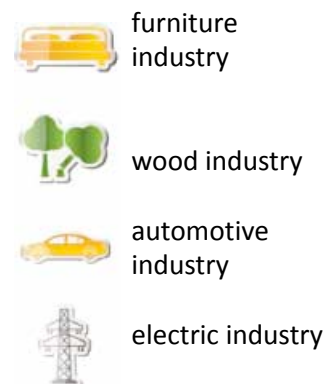
Euro-Park Wisłosan SEZ



"Starachowice" SEZ



Warmia and Mazury SEZ



Investors in Eastern Polish SEZ's

TOSHIBA
Leading Innovation >>>

thoni
ALUTEC



MEDIA GROUP



HEESUNG ELECTRONICS POLAND

SIEMENS

PZLmielec
A Sikorsky Company



GOODRICH

RR DONNELLEY

kronosspan
MIELEC

impress



Biella

Swedwood

KIRCHHOFF
POLSKA



Ball Packaging Europe



LG
Life's Good



ACCOR
The spirit of smiles

AIR LIQUIDE



PHILIPS

CATERPILLAR®



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Eastern Poland Macroregion open to **YOUR** investments

**Polska Agencja Informacji
i Inwestycji Zagranicznych SA**

ul. Bagatela 12

00-585 Warszawa

phone: + 48 22 334 98 00

fax: + 48 22 334 98 86

e-mail: invest@paiz.gov.pl

www.paiz.gov.pl

<http://whyeasternpoland.eu/>

