



DEVELOPMENT
OF EASTERN POLAND
NATIONAL COHESION STRATEGY



EUROPEAN UNION
EUROPEAN REGIONAL
DEVELOPMENT FUND



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

Logistic sector in Eastern Poland

■ size and structure ■ development centres ■ success story ■ sector potential ■

Logistic sector in Eastern Poland

1. Potential of Eastern Poland

Eastern Poland is a macroregion that covers 31.7% (99,037 km²) of Poland's area and is home to 21.4% (8,238,200 people) of the country's population. It consists of five voivodeships: Lubelskie, Podkarpackie, Podlaskie, Świętokrzyskie and Warmińsko-Mazurskie. Due to its location along Poland's eastern border, this macroregion is particularly unique and attractive to investors. Actually, it is the most eastern part of the European Union which borders directly with Russia, Belarus and Ukraine. Thanks to the excellent geographical location in the trans-border zone and the long-standing close economic relations between the enterprises and local governments from Eastern Poland and the enterprises and local governments from Russia, Ukraine and Belarus, this macroregion may become the platform for cooperation between companies from the European Union and the former Soviet Union countries.

Eastern Poland is a macroregion of young (more than 29% of its population are under 25 years of age) and educated (there are 76 higher education institutions with over 306 thousand students) people. Considering the fact that wages in Eastern Poland are 15% lower compared with other parts of Poland, it is this region that creates excellent climate for investors to set up businesses and make investments. Eastern Poland's investment potential is additionally strengthened by the business infrastructure. There are five Special Economic Zones in this macroregion, which offer income tax exemptions for potential investors. Science and technology parks help promote cooperation between business and scientific circles. Equally important is a system of investment incentives. Investors can count not only on additional funds from government subsidies (so-called multiannual programmes) but also on support available through national and regional operational programmes, and local tax reliefs. Potential investors can also obtain funds under the Operational Programme 'Development of Eastern Poland', which is specifically aimed at the 5 voivodeships of Eastern Poland.

MAP 1 Eastern Poland Voivodeships



Source: Own compilation on the basis of the administrative division of Poland

Due to the region's location, resources, natural conditions and tradition, the particularly strongly in Eastern Poland: BPO, construction, chemical, wood and furniture, renewable energy sources, logistic, aviation, engineering, metallurgical, clothing, food, and business tourism industries.

TABLE 1 The structure of local government in Eastern Poland

Voivodeship:	Lubelskie Voivodeship	Podkarpackie Voivodeship	Podlaskie Voivodeship	Świętokrzyskie Voivodeship	Warmińsko-Mazurskie Voivodeship
poviats	24	25	17	14	21
rural gmina	171	114	82	71	67
urban gmina	42	45	36	31	49
towns with poviat rights	4	4	3	1	2
biggest towns (by population)	Lublin, Chełm, Zamość	Rzeszów, Przemyśl, Stalowa Wola	Białystok, Łomża, Suwałki	Kielce, Ostrowiec Świętokrzyski, Starachowice	Olsztyn, Elbląg, Ełk

Source: Own compilation on the basis of the administrative division of Poland

2. Logistic sector in Poland



The logistics sector is an important section of the Polish economy. Average employment under employment contracts in the entire logistics sector (transport and warehousing) in the first three quarters of 2012 stood at 483,100 – an increase of 2.7% compared to the same period of 2011. The average gross monthly wage of employees employed under employment contracts in the entire sector amounted to PLN 3,434.26 in the first three quarters of 2012 and was 2.7% higher than in the same period of 2011. In the period from January till September 2012, a total of 341.9 million tonnes of cargo were shipped in Poland, that is 2.0% less than in the same period of the previous year. In September this year, 40.4 million tonnes of cargo was transported – a decrease of 1.5% compared to September 2011. A decline in the amount of cargo carried has been reported for all modes of transport except for road transport.

As for passenger transport, 538.6 million passengers were transported in the first three quarters of 2012 – a decrease of 9.0% compared to the same period of 2011. Of that number, 328.1 million passengers were transported by road – a decrease of 16.2%. On the other hand, there has been an increase in the number of passengers transported by air (5.5 million passengers, an increase of 9.2%) and by rail (204.3 million passengers, an increase of 4.8%).

Before the economic slowdown in 2008, Poland had been reporting annual growth figures of 12-14%. The logistics industry was one of the first to be affected by the economic downturn which started in 2008. It was most acutely felt by the Polish transport sector – according to the estimates of the Shipping Companies Association, it shrank by about 40% between autumn 2008 and autumn 2009. Despite these adverse circumstances, since 2010 the logistics sector has been back on a rising tide, with many companies performing better than before the general economic slowdown. This is especially true of the warehousing sector: at the end of the first half of 2012 total warehouse space in Poland amounted to 7.12 million m². From January to September, approx 290,000 m² of modern warehouse space was made available. Thus, Poland's logistics sector is capable of meeting the needs of modern business.

Financial performance of the logistics sector

In 2011, gross profit earned by businesses with a headcount of over 49 people amounted to PLN 1,913.0 million compared to PLN 1,823.1 million in 2010. It was mainly due to the improved financial result on the sale of goods, products and materials. The net profit increased from PLN 1,136.0 million in 2010 to PLN 1,365.3 million in 2011.

3. Logistic sector in Eastern Poland

TABLE 2. Capital expenditure and cumulative value of fixed assets within the logistics infrastructure in Eastern Poland in Q3 2012

Description	Capital expenditure			Gross fixed assets		
	Total (in PLN millions)	Transport, warehousing (in PLN millions)	Transport, warehousing (in %)	Total (in PLN millions)	Transport equipment (in PLN millions)	Transport equipment (in %)
Warmińsko-Mazurskie	769.5	10.1	1.31%	52.9	52.9	6.87%
Podlaskie	822.7	7.9	0.9%	822.7	45.5	5.53%
Lubelskie	2 231.8	159.4	7.14%	2 228.1	179.7	8.06%
Podkarpackie	2 008.0	58.4	2.9%	2 007.4	115.6	5.75%
Świętokrzyskie	1 257.9	28.3	2.24%	1 257.4	77.7	6.17%
Eastern Poland	7 089.9	264.1	3.72%	6 368.5	471.4	7.4%

Source: Own compilation based on: Statistical Bulletins of Voivodeships, Central Statistical Office, Warsaw Q3 2012

3.1. Size, structure and characteristics of the sector

3.1.1. Road infrastructure

The road system in Eastern Poland Macroregion meets the needs of investment and economic activity in terms of capacity, surface strength, and load-bearing capacity of bridges and flyovers (measured by reference to the gross vehicle weight rating of road haulage vehicles). In the Macroregion, there are an average of 116 km of roads per 100 km². These are predominantly gmina (commune) and powiat (district) roads, which account for nearly 86% of all the roads in the region. The voivodeship with the most extensive road network in Eastern Poland is the Świętokrzyskie Voivodeship [table 3].

The existing roads are being modernised to improve their quality. According to the General Directorate for National Roads and Motorways, as at the end of 2012 national roads in Eastern Poland Macroregion

were in good technical condition. The Macroregion has the lowest number of roads in need of urgent repair [table 4].

Modernisation of the road infrastructure in Eastern Poland Macroregion accelerated rapidly upon Poland's accession to the EU. It is expected that the decade of 2011–2020 will see an unprecedented development of the road infrastructure in Eastern Poland and by 2020 it will not be much different from the average EU standard. It will be possible, in the first place, due to the EU assistance programmes (within the framework of the cohesion policy) under which almost PLN 10 billion will be allocated to modernise transport infrastructure in Eastern Poland. The most important programmes utilized to finance the development of road (and other) infrastructure in Eastern Poland Macroregion are: the Infrastructure and Environment Operational Programme, which has been the largest investment programme in Poland to date (more than EUR 11.4 billion allocated to road transport across Poland), the Development of Eastern Poland Operational Programme (EUR 776.9 million allocated to broadly defined transport infrastructure), and Regional Operational Programmes implemented by individual voivodeships in the Macroregion.

So far, the primary objective has been to modernise gmina and powiat roads. However, over the next few years, the network of major arterial roads in the Macroregion is going to be modernised as well. In the spring of 2012 the entire A4 motorway was completed, including its section running through the Podkarpackie Voivodeship up to the border crossing point in Korczowa. In 2015 the last section of A2 motorway between Siedlce and Brest in Belarus is to be completed. In 2015 the last section of A2 motorway between Siedlce and Brest in Belarus is to be completed. In the same year the north-south S19 express road, linking border crossings in Kuźnica Białostocka

TABLE 3. Total public roads in Eastern Poland by road category, as of 31.12.2011

Region	Total	
	In absolute numbers	Per 100 km ²
Warmińsko-Mazurskie	23 081.5	95.4
Podlaskie	25 583.5	126.8
Lubelskie	34 598.6	137.8
Podkarpackie	18 924.4	105.6
Świętokrzyskie	17 105.1	146.3
Eastern Poland	119 293.0	116.0
Poland	412 263.7	131.8

Source: Source: Own compilation based on: Central Statistical Office, Transport and results of operation, 2011

MAP 2. Motorways and express roads in Poland.



Source: <http://pl.wikipedia.org/w/index.php?title=Plik:NowaMapaStan.svg&filetimestamp=20121130182451>

and Barwinek, is to be completed as well. At the same time, other important roads passing through the Macroregion will be put into operation, including express roads S7, S8, S12, S17, S51 and S61. These modern dual carriageways of high quality and capacity will integrate the road system of Eastern Poland Macroregion into the European road system. They will provide fast and easy road access to virtually all countries of

TABLE 4. National roads in need of urgent repair in selected voivodeships, as at the end of 2011.

Region	D-class roads that need urgent repairs
Podlaskie	0.21
Podkarpackie	0.21
Świętokrzyskie	0.13
Lubelskie	0.21
Warmińsko-Mazurskie	0.13
Wielkopolskie	0.25
Kujawsko-Pomorskie	0.26
Małopolskie	0.20
Poland	0.17

Source: General Directorate for National Roads and Motorways, Report on technical condition of asphalt and concrete surface of the national road network at the end of 2011, Warsaw, 2012.

Western and Southern Europe as well as Baltic states (Via Baltica) and other countries of the former Soviet Union. Investing in Eastern Poland's road network is all the more important as over 50% of all the goods transported in Poland are carried by road. [map 2, table 6].

3.1.2. Railway infrastructure

The technical condition of the railway network and infrastructure in Eastern Poland Macroregion does not differ significantly from the national average. The region's railway network is dominated by non-electrified standard gauge lines. The exception is the Świętokrzyskie Voivodeship, where the share of electrified lines expressed in absolute figures exceeds 75% [table. 5].

Although the density of the railway network within the Macroregion is significantly lower than in the western and northern parts of the country, it could be considered quite satisfactory from the point of view of conducting business activity. The network connects virtually all major urban and industrial centres of the Macroregion. Some sections handle only freight traffic. Examples include the following sections: Radzyń Podlaski – Lublin, Włodawa – Chełm, Zamość – Dorohusk, etc. In fact, all these towns have specialised freight stations which enable quick loading and unloading of all types of cargo, including liquid and gaseous fuels, and containers. In general, the largest cities in the Macroregion have more than one freight station; for example, Lublin has the 'Tatary' station where the majority of freight traffic is handled, but there is also a freight station called 'Lublin Towarowy'. Kielce and Białystok have as many as 3 specialised cargo-handling stations each: Kielce Towarowe, Kielce Herbskie and Kielce Białogon, and Białystok Towarowy (services include handling of containers), Białystok Starosielce and Białystok Fabryczny.

Some stations that handle freight traffic (including smaller train holding stations) also have direct connection with fully-operational sidings leading to the nearby industrial plants. One example is Rzeszów Staroniwa station, which handles train traffic bound for the Rzeszów power plant and 'WSK Rzeszów' metallurgical works. With the railway network of sufficient density, transportation of essential raw materials and components needed by businesses, as well as transportation of finished goods and products is significantly facilitated. Goods train traffic can be handled via the existing and newly built railway sidings.

Over the next few years, major railway routes in the Macroregion are going to be modernised. One of the most important projects is the modernisation of line E 74 Warsaw – Białystok – Trakiszki. This line is part of corridor I called Rail Baltica, which connects Helsinki, Tallinn, Riga and Kaunas with

Rail haulage services

Rail haulage services are provided by specialised and experienced companies which maintain and manage railway infrastructure. The three biggest players in this market segment are: DB Schenker Rail Poland, CTL Logistics and PKP Cargo Group, which includes such companies as PKP Cargo Service or Trade Trans.

Warsaw. It is the only railway connection between the Baltic states and Poland, which also offers the possibility to travel to other capital cities such as Prague, Berlin and Vienna. Modernisation of the line will increase the speed of passenger and goods trains to 160 km/h and 120 km/h, respectively. A similar result expected upon completion of the modernisation (carried out in stages) of line E 20 Kunowice – Poznań – Warsaw – Terespol, which is part of the Pan-European Transport Corridor II (East-West) from Berlin to Moscow. The eastern section of this route runs through the northern part of the Lubelskie Voivodeship. Currently, the section from Siedlce to Terespol is being modernised. The third and the biggest modernisation project is

TABLE 5. Railway lines in use in Eastern Poland voivodeships (in km) as of 31.12.2011.

Region	Standard gauge		Electrified In absolute numbers
	In absolute numbers	Per 100 km ²	
Warmińsko-Mazurskie	1 238	5.1	492
Podlaskie	763	3.8	222
Lubelskie	1 041	4.1	409
Podkarpackie	978	5.5	355
Świętokrzyskie	721	6.2	553
Eastern Poland	4 741	4.92	2 031
Poland	20 089	6.4	11 916

Source: Own compilation based on: Central Statistical Office, Transport – results of operation 2011 and CSO, Voivodeships by area as of 31.12.2011

the complete modernisation of line E 30, which is part of the Pan-European Transport Corridor III connecting Dresden (Germany), Wrocław, Katowice, Kraków (Poland) and Lvov (Ukraine).

3.1.3. Cargo handling terminals – Eastern speciality

Particular importance of Eastern Poland Macrореgion for the efficiency of the country's logistics system lies in the fact that it borders on the former





TABLE 6. Public express roads and motorways in Eastern Poland as of 31.12.2011

Region	Express roads
Warmińsko-Mazurskie	71.6
Podlaskie	-
Lubelskie	4.2
Podkarpackie	-
Świętokrzyskie	54.1
Eastern Poland	129.9
Poland	737.5

Source: Own compilation based on: Central Statistical Office, Transport – results of operation 2011.

USSR states, where broad-gauge tracks (1 520 mm) – so-called Russian gauge tracks – are used. The break-of-gauge makes it virtually impossible (with some exceptions) to transport goods directly by rail deep into the country. The only means to overcome this obstacle is cargo handling terminals of different types and sizes, where it is possible to quickly unload cargo from broad-gauge wagons to European gauge wagons or all types of road vehicles. The Macroregion has a few dozens of such facilities of various sizes and specialisations. They handle a large portion of trade between Poland (and Europe) and the countries of the former Soviet Union. The largest terminals are located near major rail border crossings, such as Kuźnica Białostocka, Małaszewicze – Brest, Medyka, Dorohusk – Jagodin, Hrebenne – Rava Ruska, etc. Cargo-handling terminals are also located at the largest freight stations in close proximity to the border. Examples include the Chełm Wschodni station, where, in addition to 4 handling ramps with 16 standard-gauge (1 435 mm) tracks, there are also 2 handling ramps with five broad-gauge tracks. One of the largest and most modern terminals is the railport in Medyka opened in 2007. The facility can handle up to 600 000 tonnes of cargo a year. The railport has a total warehouse space of 4 000 m² and a storage yard of 23 000 m². Specialisation of individual terminals allows for efficient and safe handling – both vertical and horizontal – of bulk materials, liquid fuels and gas (most of the cargo volume handled), as well as containers, wood and general cargo.

Of particular importance to the development of the logistics sector is the railway line No. 65 called LHS (Linia Hutnicza Szerokotorowa – Broad-Gauge Metallurgy Line), which runs through 3 voivodeships of the Macroregion and connects the border crossing in Hrubieszów with the railway station in Sławków (30 km away from Katowice). The LHS line has a direct connection (via the Ukrainian railway network) with the Trans-Siberian Railway and thereby with the Ukrainian and Russian railway systems. Thus, it is possible to create a Pan-European land transport corridor from Europe to Asia. Along the 395 km long line there are a dozen or so large specialised cargo handling ter-

TABLE 7. Total modern warehouse space in Eastern Poland

Description	Modern warehouse space (in ,000 m ²)		
	2007	2008	2009
Warmińsko-Mazurskie	2	2	2
Podlaskie	0	0	0
Lubelskie	17.8	17.8	17.8
Podkarpackie	4.5	20	20
Świętokrzyskie	0	15	15
Eastern Poland	24.3	54.8	54.8
Poland	4547.6	6716.2	7803.3

Source: Logistics in Poland. Report 2009, Poznań 2010, (ed.) I. Fechner, G. Szyszka, Institute of Logistics and Warehousing, Poznań 2010

minals, which further facilitate intermodal transport in southern Poland and make it cheaper. The largest ones include Zamość – Boratycze, Szczeczeszyn – Brody Małe, Biłgoraj, Sędziszów and Sławków.

Other broad-gauge lines are of lesser importance, mainly due to their short length and the competition from major terminals located in the immediate vicinity of border crossings. In their proximity there are mainly smaller terminals, specialised in handling gas and petroleum products, e.g. the logistics facility of Chemikals company in Siedlisko (at the Russian border) and the Naftobaza fuel depot in Zabłotczyzna (near the border with Belarus).

3.1.4. Warehouse infrastructure

At the end of 2011 approx. 370,000 m² of warehouses were under construction – twice square footage under construction at the same period of previous year, while resources reached 7 million m². The largest warehousing markets in Poland are still: Warsaw, Upper Silesia, Poznań, Central Poland and Wrocław, which accumulate approx. 93% of the resources. Thanks to ever improving road infrastructure, the following regions undergo dynamic development: the area of Tricity, Kraków, Rzeszów, Toruń and Szczecin. It is forecasted that in the nearest years new warehousing parks will be created in the largest cities of eastern Poland in which developers' activity has not been observed recently due to poor infrastructure and limited demand.

According to CBRE, a leading world consulting company in the real estate sector, the Polish market of warehousing surfaces is re-embarking on the growth path in 2012. The proof of that is the volume of warehousing surface commissioned for use in the 1st quarter of that year, amounting to 215 000 m², which constitutes 60% of the surface commissioned for use in the entire 2011 [table 7].

In Eastern Poland Macroregion, the most important facilities are those owned by individual companies. Leading companies in the Macroregion are involved in large investment projects whose aim is to expand warehouse space. Examples include the production and warehousing facility of 32,000 m² in Rzeszów constructed for Zelmer, a Polish tycoon in the manufacture of household appliances. There are also plans to continue expansion of modern warehouse space for rent in Eastern Poland. According to experts from Cushman & Wakefield, the majority of new facilities are to be situated in Lublin and Rzeszów and their vicinity. An example is the new warehouse complex in the Mielec Euro-Park in Felin – one of the poviats of Lublin. The facility of 14,100 m² has 24 docks and 12 doors; storage height: 10 m, minimum module space: 2 350 m².

There are several companies in the Macroregion which offer warehouse space for rent of various types, sizes and purposes. These are mostly enterprises

TABLE 8. Selected logistic operators operating throughout Poland

Company	Website
CAT LC Polska	www.groupecat.pl
Dar tom Sp. z o.o.	www.dar.tom.com.pl
DB Schenker Poland	www.schenker.pl
Delta Trans	www.deltatrans.pl
Diera	www.diera.pl
DHL Polska	www.dpd.com.pl
FM Logistic Poland	www.pl.fmlogistic.com
Frans Maas Polska Sp. z o.o.	www.frans-maas-polska.polandtrade.pl
Gefco Polska	www.pl.gefco.net
Hellmann Worldwide Logistics Polska	www.hellmann.pl
PEKAES S.A.	www.pekaes.com.pl
Raben Polska Sp. z o.o.	www.raben.com.pl
TNT Express Worldwide (Poland) Sp. z o.o.	www.tnt.com/express/pl_pl/site/home.html

Source: Own compilation based on company websites

that have free space at their own warehouses. It often means that the warehouses are equipped with special loading and handling equipment (such as gantry cranes with a load capacity of several tonnes) and are conveniently located close to transportation routes or industrial poviats. The gross rental fee for 1 m² of warehouse space in the Macroregion ranges from PLN 10 to PLN 18/m².

3.1.5. Logistics outsourcing – offer

Businesses may use the services of specialised operators which provide outsourcing of comprehensive logistics services, supply chain management, etc. The Polish TFL sector is quite advanced in this respect as there are tens of large- and medium-sized operators (most of them with foreign shareholding) specialising in transportation, forwarding (both domestic and international) and warehouse services. With the necessary facilities and expertise, such companies are able to provide the standard of service that satisfies the needs of modern business. In addition to basic TFL services, the companies also offer repacking, co-manufacturing and other value added services related to inward processing of goods. An example here is the Raben Group which offers the following services in Poland and many other European countries: contract logistics, warehousing (485 000 m² of A-class warehouse space), international road transport (general cargo shipment, LCL and FCL freight), domestic distribution, comprehensive logistics services for fresh produce (from 2°C to 60°C) as well as sea and air forwarding [table 8].

3.1.6. Services for foreign trade enterprises

Eastern Poland Macroregion constitutes the eastern border of the Schengen area and the European Economic Area (EEA). Therefore, additional needs arise for a proper handling of the movement of goods across borders with Russia, Ukraine and Belarus.

TABLE 9. Number of bonded warehouses, duty-free zones, duty-free warehouses and temporary storage warehouses in Q1-Q2 2012.

Customs chamber	Number of bonded warehouses	Number of free zones and free warehouses	Number of temporary storage warehouses
Biała Podlaska	51	1	41
Białystok	18	0	1
Kielce	11	0	0
Olsztyn	11	1	3
Przemyśl	43	1	40
Polska Wschodnia	146	2	70
Polska	542	16	372

Source: Statistical Bulletin of the Customs Service for Q1-Q2 2012, Ministry of Finance

A vital role in the support of foreign trade is played by specialised customs agencies, whose number in Eastern Poland Macroregion runs into tens. These agencies offer a range of specialist services, including in particular: customs clearance of export, import and transit cargoes, completing TIR carnets and CMR notes, issuing additional documents such as certificates of origin or EUR.1 movement certificates, consultancy, applications and appeals in customs matters, permanent cooperation with warehouses and bonded warehouses, and assistance in transport arrangements. Their operations are supported by a

relatively dense network of state and private bonded warehouses [table 9].

3.1.7. Transport services

In Eastern Poland, there are many companies providing transport services. The voivodeships located along Poland's eastern border are also the eastern border of the EU. They border on Slovakia, Ukraine, Belarus, Lithuania and the Kaliningrad Oblast (Russia). Therefore, the demand for international transport services is huge [table 10].

Rail transport companies are planning new projects in Eastern Poland Macroregion. For example, PKP LHS is going to expand its terminals in the Lubelskie Voivodeship (Szczepieszyn) and in the Podkarpackie Voivodeship (Wola Baranowska).

3.1.8. Transport system

3.1.8.1. Lorry transport

Nearly 20% of the total number of lorries in Poland are registered in Eastern Poland Macroregion. The smallest number of lorries can be found in the Podlaskie Voivodeship (2.7%) and the Warmińsko-Mazurskie Voivodeship (3.3%), while the largest – in the Lubelskie Voivodeship (over 5%).

TABLE 10. Selection of transport service businesses

Voivodeships	Enterprise	Range of activities	Internet address
podlaskie	Adampol S.A.	international	http://www.adampolsa.com.pl/
podlaskie	Bilax Sp. z o.o.	international	http://www.bilax.pl/
podlaskie	Bojar	international	http://www.bojar.pl/
podlaskie	Logistyka Podlasie	domestic	http://www.logistykapodlasie.pl
podlaskie	Pronar Sp. z o.o.	domestic	http://www.pronar.pl/
warmińsko-mazurskie	Sped Trans Olsztyn	international	http://www.spedtrans.net/
warmińsko-mazurskie	Warmińsko-Mazurskie Centrum Logistyczne Lemar Logistics	domestic	http://www.logistyka.olsztyn.pl/
warmińsko-mazurskie	Wekta	international	http://www.wekta.pl/
warmińsko-mazurskie	MBK Bogusław Kamiński	international	http://www.mbk-transpor t.pl/
warmińsko-mazurskie	Eureka Sp. z o.o.	international	http://www.eureka-trans.pl/
świętokrzyskie	Rob-Trans	international	http://www.robtrans.pl/
świętokrzyskie	Trans-Serwis	international	http://www.trans-serwis.com/
świętokrzyskie	Elpologistyka Sp. z o.o.	international	http://www.elpologistyka.pl/
świętokrzyskie	JuPiter	international	http://www.jupiter-przeprowadzki.pl/
świętokrzyskie	Magpol	international	http://www.magpol.net/
lubelskie	California Trailer Sp. z o.o.	international	http://www.c-t.pl/
lubelskie	Export-Import Tomasz Prokopiuk	international	http://www.prokopiuk.pl/
lubelskie	Kociuk&Magier Sp. z o.o.	international	http://www.k-m.pl/
lubelskie	OCM Logistic Sp. z o.o.	international	http://www.ocmlogistics.com/
lubelskie	Galaauto Sp. z o.o.	international	http://www.galaauto.pl/
podkarpackie	Omega Pilzno Godawski&Godawski Sp. z o.o.	international	http://www.omega-pilzno.com.pl/
podkarpackie	Transsped Sp. z o. o.	international	http://www.transsped.net.pl/
podkarpackie	Krys Trans Sped Sp. z o.o.	international	http://www.krystranssped.com.pl/
podkarpackie	Rod-Trans Sp. z o.o.	international	http://www.rodtrans.eu/
podkarpackie	Alta-Trans	international	http://www.alta-trans.pl/pl/

Source: Own compilation

However, it is not only the number of lorries that matters but also their load capacity [table 12]. The most common type of lorries in Eastern Poland Macroregion – as well as in Poland as a whole – are those with a small load capacity of less than 1 tonne. The highest percentage of lorries with a capacity of 5 and more tonnes can be found in the Podlaskie Voivodeship. These vehicles account for 7.75% of the total number of lorries in the voivodeship. In Eastern Poland Macroregion the percentage of such vehicles is higher than for the whole country: 6.96% vs. 6.7% respectively, which is mainly due to the fact that Eastern Poland is a trans-border region.

Apart from the goods transport sector, there is also a well-developed passenger transport sector in Eastern Poland Macroregion [table 13].



3.1.8.2. Bus transport

Against the background of the country as a whole, bus transport in Eastern Poland Macroregion is well developed. It is dominated by suburban and regional services. Due to their specific geographical location, eastern voivodeships also have many international bus connections. The highest number of such connections can be found in the Lubelskie Voivodeship (68% of the total number of connections in Eastern Poland Macroregion). Urban lines are best developed in the Świętokrzyskie Voivodeship – 20% of connections, which represents 58% of all connections in Eastern Poland [table 14].

TABLE 11. Number of lorries in Eastern Poland vs. entire Poland, as at 31.12.2011.

Region	Number of lorries	% of total
Warmińsko-Mazurskie	91 045	3.32
Podlaskie	75 250	2.71
Lubelskie	140 810	5.08
Podkarpackie	133 338	4.81
Świętokrzyskie	111 792	4.04
Eastern Poland	552 231	19.95
Poland	2 767 035	100.00

Source: Own compilation based on: Central Statistical Office, Transport results of operation, 2011

TABLE 12. Number of lorries in Eastern Poland by load capacity groups, as at 31.12.2011

Region	By load capacity groups in kg								
	0-999	1000-1499	1500-2999	3000-3499	3500-4999	5000-6999	7000-9999	10000-14999	from 15000
Warmińsko-Mazurskie	52 348	19 120	5 303	762	1 921	5 272	2 630	2 682	1 007
Podlaskie	40 184	18 468	4 780	575	1 322	4 156	2 446	2 450	896
Lubelskie	77 797	33 139	9 595	1 104	2 310	7 512	4 371	3 561	1 421
Podkarpackie	73 952	29 311	9 421	1 100	2 805	7 423	4 226	3 643	1 457
Świętokrzyskie	56 437	29 276	7 948	1 070	2 238	7 622	3 381	2 641	1 181
Eastern Poland	300 718	129 314	37 045	4 611	10 596	31 982	17 054	14 977	5 962
Poland	1 595 522	665 097	196 021	25 251	54 461	150 749	83 463	72 865	32 330

Source: Own compilation based on: Central Statistical Office, Transport results of operation, 2011

TABLE 13. Regular bus transport lines in Eastern Poland in 2011.

Region	Domestic lines										International lines	
	Total		Long-distance		Regional		Suburban		Urban			
	Number	[in km]	Number	[in km]	Number	[in km]	Number	[in km]	Number	[in km]	Number	[in km]
Warmińsko-Mazurskie	853	56 653	67	21 079	234	16 762	546	18 785	6	27	7	10 321
Podlaskie	805	47 345	38	12 771	190	14 945	567	19 548	10	81	15	21 442
Lubelskie	1 482	84 417	67	22 992	282	25 392	1 133	36 033	-	-	72	169 061
Podkarpackie	985	45 874	35	12 308	105	8 174	844	25 385	1	7	14	15 036
Świętokrzyskie	861	41 991	39	12 608	117	10 295	701	19 068	4	20	2	3 264
Eastern Poland	4 986	276 280	246	81 758	928	75 569	3 791	118 819	21	135	110	219 124
Poland	18 522	947 663	715	251 424	3 052	246 291	14 525	447 234	230	2714	201	360 920

Source: Own compilation based on: Central Statistical Office, Transport results of operation, 2011

TABLE 14. Urban transport network in Eastern Poland as at 31.12.2011 in kilometres.

Region	Number of transport services	
	Bus	Tram
Warmińsko-Mazurskie	1 493	42
Podlaskie	1 122	-
Lubelskie	1 708	-
Podkarpackie	3 221	-
Świętokrzyskie	2 216	-
Eastern Poland	9 760	42
Poland	50 886	2 216

Source: Own compilation based on: Central Statistical Office, Transport results of operation, 2011

TABLE 15. Number of buses crossing external borders of the European Union and travelling within the territory of Poland in 2011.

Region	Total	No. of buses crossing the border, owned by			
		Polish citizens		Foreigners	
		From Poland	To Poland	From Poland	To Poland
Warmińsko-Mazurskie	31 148	10 814	10 759	4 672	4 903
Podlaskie	8 609	372	340	4 046	3 851
Lubelskie	61 005	8 042	7 901	22 799	22 263
Podkarpackie	32 265	3 215	3 141	13 357	12 552

Source: Own compilation based on: Central Statistical Office, Transport results of operation, 2011.

TABLE 16. Number of cars and motorcycles crossing the external borders of the European Union and travelling within the territory of Poland in 2011.

Region	Total	No. of vehicles crossing the border, owned by			
		Polish citizens		Foreigners	
		From Poland	To Poland	From Poland	To Poland
Warmińsko-Mazurskie	1 321 111	397 596	419 843	244 686	258 986
Podlaskie	1 858 665	78 615	75 435	826 444	878 171
Lubelskie	3 603 666	516 318	520 211	1 251 359	1 315 778
Podkarpackie	2 199 144	473 860	477 603	634 468	613 213

Source: Own compilation based on: Central Statistical Office, Transport results of operation, 2011.

TABLE 17. Number of lorries and tractors crossing the external borders of the European Union within the territory of Poland in 2011.

Region	Total	No. of vehicles crossing the border, owned by			
		Polish citizens		Foreigners	
		From Poland	To Poland	From Poland	To Poland
Warmińsko-Mazurskie	155 432	18 322	18 542	53 648	64 920
Podlaskie	420 203	125 081	43 147	113 858	138 117
Lubelskie	866 200	138 133	101 070	241 928	385 069
Podkarpackie	262 600	33 286	27 523	92 603	109 188

Source: Own compilation based on: Central Statistical Office, Transport results of operation, 2011.

Eastern Poland Macroregion has 9.3 thousand km of bus lines, which accounts for 18.5% of the total figure for Poland. Bus transport network is best developed in Podkarpackie and Świętokrzyskie Voivodeships, and worst in Podlaskie Voivodeship. There is also tram service in Warmińsko-Mazurskie Voivodeship.

Warmińsko-Mazurskie, Podlaskie, Lubelskie and Podkarpackie Voivodeships constitute the eastern border of the European Union, and therefore their authorities are responsible for controlling the cross-border movement of goods and people to and from the EU. The most important voivodeship in terms of bus transport is Lubelskie Voivodeship with the following border crossing points for pedestrians and vehicles: Dorohusk – Jagodzin, Hrebenne – Rawa-Ruska, Sławatycze – Damachava, Terespol – Brest and Zosin – Ustilug. In 2009, more than 50 000 buses and over 3.2 million cars and motorcycles crossed the border at these points (except for Sławatycze – Damachava crossing point which does not clear buses) [tables 15 and 16].

In the case of lorries and tractor units, a significant proportion of traffic is handled by border crossing points in Lubelskie and Podlaskie Voivodeships. The border can be crossed at the following points: Bobrowniki – Bierestowica and Kuźnica – Bruzgi [table 17].

3.1.8.3. Rail transport

The rail transport in both Eastern Poland Macroregion and Poland as a whole is highly liberalised. It is evidenced by the fact that in December 2011 there were more than 100 carriers operating on the market.

A major advantage of Eastern Poland Macroregion is its geographical location. The status of a border region favours the movement of goods, and thereby the railway transport sector. The most active provider of rail transport services is PKP Cargo. On 31 December 2011 PKP Cargo had 65 453 railway cars at its disposal. Additionally, approx. 4 thousand railway cars not owned by the company were operated [table 18].

3.1.8.4. Air transport

There are two operating airports in Eastern Poland: the airport in Rzeszów-Jasionka. In the 1970s, airport in Rzeszów-Jasionka became an international airport and at the same time an alternate aerodrome for Warsaw Okęcie airport. At present, the airport serves flights to and from Barcelona Girona, Birmingham, Bristol, Dublin, East Midlands, Frankfurt, London Luton and Stansted Manchester, Warsaw.

Despite the overall decrease in the amount of cargo transported in Poland due to the economic crisis,

Rzeszów-Jasionka airport recorded an increase of 8.16% in cargo flows.

For the time being, the airport has one passenger terminal (construction of the second terminal began in 2006). The runway is 3 200 m long and 45 m wide, and is suitable for wide-body aircraft. There are two taxiways measuring 24 x 400 m and 23 x 160 m respectively. The aprons are built of concrete (11 600 m²) and asphalt concrete (5 330 m²). There is also an apron for non-scheduled flights (4 950 m²) and a paved access road (2 km long and 5.5 m wide).

TABLE 18. Rail border crossings in the Eastern Poland voivodeships

Region	Number of rail border crossing points	
	For passengers	Freight
Warmińsko-Mazurskie	1	3
Podlaskie	2	2
Lubelskie	4	3
Podkarpackie	2	2

Source: Own compilation based on: www.strazgraniczna.pl.



MAP 3. Road, rail, air and water border crossing points in Eastern Poland Macroregion



There are three cargo terminals at the airport: cargo terminal 1 has a total area of 102 m², cargo terminal 2 – 136.9 m², and cargo terminal 3 (which is a cold storage container) – 33.95 m².

After 15 months of construction work, on 8 May 2012 passenger service was transferred to New Passenger Terminal.

There are plans to be build two more airports in Eastern Poland. One is to be located in Sanniki, ap-

prox. 20 km away from Białystok, and the other in Obice, approx. 25 km away from Kielce.

The airport in Sanniki with a 2 450 m x 60 m runway is to serve medium- and short-distance flights, both domestic and international. The projected annual capacity of the airport is 340 000 passengers.

The airport in Kielce is planned as an international airport with a runway that will be 2 800 metres long and 60 m wide. The annual capacity of the airport is projected to amount to 500 000 passengers in the first stage of its operation and is expected to grow to 4.5 million passengers in the final stage.

3.1.8.5. Inland transport

Inland water transport has long been used in Poland and is firmly based on a network that has been developed for centuries. In 2006, the total length of waterways was 3 660 km, including 334 km of navigable canals and 259 km of lakes. The network should be expanded to include such important waterways as the section of the Vistula River between Bydgoszcz and Zakroczym and sections of the Bug and Narew rivers up to Terespol. As a result, it would be possible to integrate the domestic waterway system with the system of the Commonwealth of Independent States, and to restore West-East-West transport by inland waters.

3.2. Success story

Adampol

The company was established in 1990, and its headquarters are located in Zaścianki near Białystok. Owing to its rapid growth, the company went public already in 1996. Adampol is engaged primarily in the transport of cars, vans and pickup trucks. The company has its own handling yards and repair shops. Cargo is transported using car transporters and special wagons. The company uses state-of-the-art solutions such as a VIN-based monitoring system.

Barter S.A.

The company's core business is import, sales and distribution of propane, butane and propane-butane mix. Liquefied petroleum gas (LPG) is imported from the best refineries in Russia and Central Europe. Barter S.A. is also one of the key importers of hard coal from Russia and Kazakhstan as well as an importer and distributor of fertilizers. The company has its own handling terminal in Sokółka, which is mainly used for the handling, storage and distribution of LPG, coal and mineral fertilizers. The terminal is so designed as to enable transloading of cargo from broad-gauge wagons to standard-gauge wagons and road vehicles. With a revenue of PLN 2.015 billion, in 2011 Barter S.A. was ranked 161st among the 500 largest Polish companies in the prestigious ranking of Polityka weekly.

TABLE 19. Transport of cargo at Rzeszów-Jasionka airport vs. entire Poland in 2008–2009

Airport	Cargo in tonnes	
	2008	2009
Rzeszów-Jasionka	515	557
Polska – total	80 255	73 982

Source: Logistic in Poland, Report 2009, Poznań 2010



3.3. Sector growth potential

Due to their trans-border character, Eastern Poland voivodeships are an ideal location for forwarding depots, especially modern warehouses.

Although the road network in eastern voivodeships is considerably less developed than in the rest of Poland, its condition is good. There is great demand for new roads, especially express roads and motorways.

TABLE 20 Passenger traffic at selected airports in 2009–2011.

Airport	Rzeszów			Total Poland		
	2009	2010	2011	2009	2010	2011
PAX operations (departures and arrivals)	4 247	4 863	5 226	238 117	241 036	246 679

Source: Analysis of aviation transport market in Poland in 2011, Civil Aviation Office, Air Transport Market Department, Warsaw 2012.



Their construction should further boost the attractiveness of the logistics sector in the region.

Railway infrastructure is being constantly modernised. The primary objective of investment projects is to integrate Polish rail transport system with that of the European Union, in terms of both technical standards and interoperability of railway lines. In the railway transport sector it is particularly important to provide cross-border services, in particular to non-EU countries.

The air logistics sector is growing every year. So far air traffic has only been handled by the Rzeszów airport, but now there is also a new airport in Lublin-Świdnik. Completion of the new airport project will definitely increase the region's attractiveness in terms of logistics services.

3.4. Development prospects

Eastern Poland Macroregion constitutes the eastern frontier of the European Union and the European Economic Area, and the chances are that this will not change for many years to come. This means that there good prospects here for a further growth of the broadly-defined logistics sector, in particular the handling and warehousing infrastructure. This process will be facilitated by the ongoing modernisation of rail and road routes. The logistics sector can already feel the positive effect of the largest projects implemented in Eastern Poland Macroregion. One of the most remarkable examples is the new IKEA plant manufacturing wood-based panels in the gmina of Orla in Podlaskie Voivodeship at a cost of EUR 340 million. As raw materials are expected to be imported from Belarus, transport routes linking Orla with the border crossing point in Połowce are already being modernised.

TABLE 21. Structure of passenger traffic at the airport in Rzeszów vs. the entire Poland

Passengers		Rzeszów							Total Poland						
		2000	2005	2007	2008	2009	2010	2011	2000	2005	2007	2008	2009	2010	2011
arrivals	from domestic airports	2 048	33 941	47 734	42 845	39 645	44 674	53 974	519 337	868 164	1 050 278	958 499	1 008 476	984 841	1 137 957
	from foreign airports	2 029	12 400	92 504	116 180	147 709	179 243	189 720	2 344 921	4 861 860	8 467 175	9 395 732	8 495 410	9 234 901	9 689 842
departures	to national airports	2 457	36 299	46 143	43 807	4 1427	4 6220	55 197	517 217	837 751	1 063 969	964 626	1 000 594	992 079	1 134 242
	to foreign airports	2 063	11 328	93 616	120 310	153 670	184 100	192 434	2 360 387	4 946 296	8 546 513	9 397 847	8 586 232	9 335 840	9 803 830

Source: Transport Activity Results in 2011, Warsaw 2012.

4. Investment incentives – state aid

In accordance with the map of the regional state aid, investors embarking on new ventures in Eastern Poland may count on the highest possible level of support that can be obtained from the European Union. They can receive, from various sources, support equal to 50% of the new project's eligible costs (in the case of SMEs, the support may be increased up to 70% and 60% respectively).

Poland offers an attractive system of investment incentives designed to back up new investments in the regions. It consists primarily of the following:

- income tax exemption in Special Economic Zones;
- property tax exemption;
- targeted subsidies from the state budget;
- financial grants from the EU structural funds.

All these forms of investment incentives are linked, as a rule, with granting state aid in the form of regional investment aid.

4.1. Regional investment aid

Regional investment aid is allocated to the so-called **initial investment** consisting in an investment in tangible and intangible assets related to:

- establishment of a new enterprise;
- expansion of an existing enterprise;
- diversification of production through introduction of new, additional products;
- substantial change in the production process of an existing enterprise.

Tangible assets – include land, buildings, structures and equipment.

Intangible assets – assets related to transfer of technologies by way of acquisition of patent rights, licenses, know-how or unpatented technical knowledge. Replacement investment is not considered a new investment.

Regional investment aid is calculated in two ways:

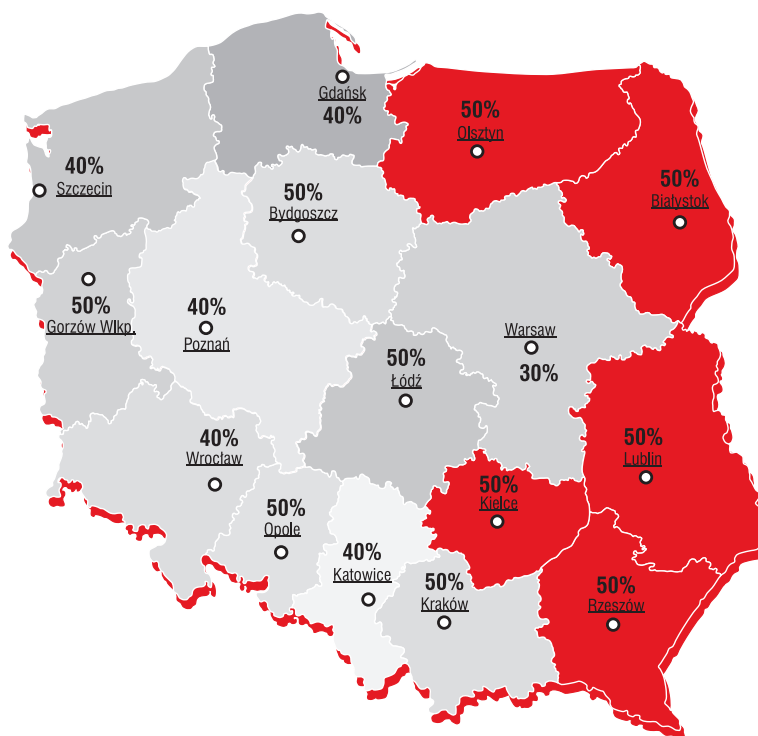
- by reference to capital expenditure incurred
- or by reference to two-year employment costs for newly created jobs (gross salary costs and the costs of social security contributions).

Creation of new jobs – means the net employment growth at the enterprise, compared with the average figure from the previous 12 months.

4.2. Incentive effect

Eligibility of regional aid depends on the so-called **incentive effect**. Aid is considered to have an incentive effect if, before work on the investment project has started, the beneficiary submits an application for the aid and, in the case of aid

MAP 4. Regional aid map for 2007–2013



Source: Own study based on the MRD's data, 2010

granted to large enterprises, it must be demonstrated that the aid will result in:

- material increase in the size, scope or the total amount spent by the beneficiary on the project;
- material increase in the speed of completion of the project.

The incentive effect is also fulfilled if, in the absence of the aid, the project would not have been completed in this particular regio (e.g. in a country other than Poland).

4.3. Rules on state aid

Maximum eligible regional aid per one investment project is the product of its intensity in the region (see the regional aid map) and eligible costs: capital expenditure or two-year employment costs – if aid is granted for creation of new jobs [map 4].

In the case of large investment projects (if eligible costs exceed EUR 50 million), the mechanism is

applied to limit the maximum eligible regional aid, according to the formula:

$$\text{maximum amount of aid} = R \times (50 + 0.50B + 0.34C),$$

where: **R** – aid intensity in accordance with the regional aid map; **B** – eligible costs between EUR 50 and 100 million; **C** – eligible costs above EUR 100 million.

For the period of 2007–2013, the following are the costs eligible for regional aid:

- expenditure on land, buildings and structures and machinery/equipment;
- in the case of SMEs, the costs of preparatory studies and consultancy services related to the investment (up to 50% of all actually incurred costs);
- costs associated with the acquisition of assets other than land, buildings/structures, covered by rental or lease in the form of a finance lease (for at least 5 or 3 years in the case of SMEs) with the purchase commitment upon the expiry of the lease or rental;
- costs of investments in intangible assets, on the provision that in the case of large enterprises, they are taken into account up to 50% of total eligible expenditure.

In the case of projects implemented by large enterprises, new assets should be acquired.

An entrepreneur receiving regional aid (regardless of its form) must ensure sustainability of the project to which the aid was allocated. This implies an obligation to maintain the investment project for at least 5 years, and in the case of small and medium-sized enterprises (further also referred to as SME's) for at

least 3 years after the project completion. Where the aid is provided in connection with creation of new jobs as a result of a new investment, then such jobs must be maintained for at least 5 years (or 3 years in the case of SME's), from the date of creation. New jobs should be created within 3 years of the investment completion.

4.4. EU structural funds

For the years 2007–2013 Poland has been granted approximately EUR 67.3 billion under the Cohesion Policy of the European Union. In other words, in the above-mentioned programming period, Poland is the biggest beneficiary of all EU member states.

The amount has been distributed among 5 National Operational Programmes:

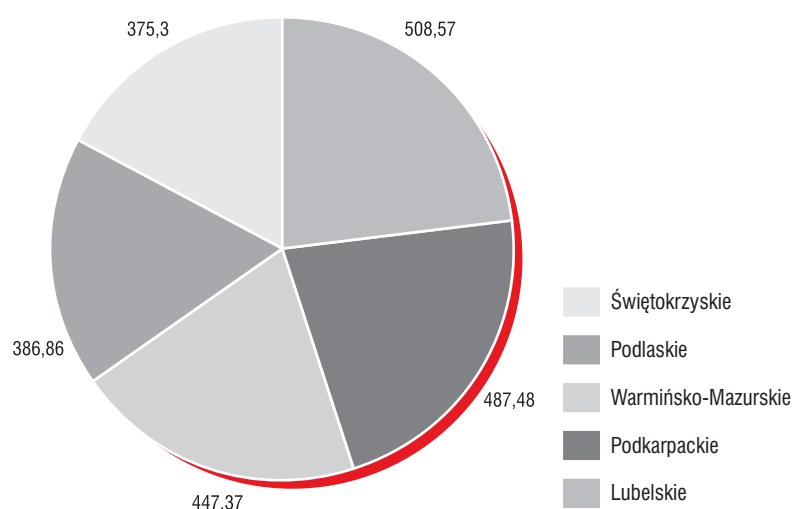
- Infrastructure and Environment – 41.9% of the total funds (EUR 27.9 billion);
- Human Capital – 14.6% of the total funds (EUR 9.7 billion);
- Innovative Economy – 12.4% of the total funds (EUR 8.3 billion);
- Development of Eastern Poland – 3.4% of the total funds (EUR 2.3 billion);
- Technical Assistance – 0.8% of the total funds (EUR 0.5 billion).

The funds granted to Poland under the EU Cohesion Policy have also been distributed among 16 Regional Operational Programmes (ROPs) – 24.9% of the total funds (EUR 16.6 billion) and the Programme of the Objective 'European Territorial Cooperation' (EUR 0.7 billion).

4.5. Programmes targeted exclusively at Eastern Poland

The Development of Eastern Poland Operational Programme (DEP OP) aims at accelerating the pace of social and economic development of 5 voivodeships of Eastern Poland through stimulation of knowledge-based economy, improvement of access to broadband Internet, development of selected metropolitan functions of voivodeship cities, improvement of railway infrastructure and development of tourism [chart 1].

CHART 1. Total amount (in EUR million) broken down by individual voivodeships within the ROP framework



Source: European Commission

5. Structural funds of the European Union for 2007–2013

Within the framework of funds allocated for the implementation of the European Union regional policy in Poland during 2007–2013 (realized by 2015) direct investment aid is available to entrepreneurs under:

1. Innovative Economy Operational Programme (all-Poland programme).
2. Development of Eastern Poland Operational Programme (5 voivodeships of Eastern Poland).
3. Regional Operational Programmes of individual Voivodeships: the Warmińsko-Mazurskie, Podlaskie, Lubelskie, Świętokrzyskie and Podkarpackie.
4. Human Capital Operational Programme (all-Poland and individual voivodeships).
5. Rural Development Programme.

5.1. Innovative Economy Operational Programme (IE OP)

IE OP Measure 1.4 Support for goal-oriented projects

Beneficiaries: businesses planning the research to invent new products (services) or improve the existing ones.

Supported projects: preparation of the documents necessary to market new products (services).

Intensity and amount of support:

For large enterprises:

- grants for industry-related research – up to 50% of eligible expenditure;
- grant for development work – up to 25% of eligible expenditure.

For other enterprises:

- grants for industry-related research – up to 70% of eligible expenditure;
- grant for development work – up to 45% of eligible expenditure;
- amount of co-financing – up to **EUR 5 million**;
- total amount of the project up to **EUR 50 million**.

Institution: Polish Agency for Enterprise Development (www.parp.gov.pl).

IE OP Measure 4.1 Support for the implementation of the outcome of R&D work

Beneficiaries: enterprises continuing R&D work which already received support under Measure 1.4 of the Programme in the form of implementations.

Supported projects: practical application of the outcome of research work at the enterprise so as to im-

prove the existing products or introduce new products (goods or services).

Intensity and amount of support:

- micro-sized and small enterprises – up to 70%;
- medium-sized enterprises – up to 60%;
- large enterprises – up to 50%;
- project amount – up to **EUR 50 million**;
- amount of support – up to **PLN 20 million**.

Institution: Polish Agency for Enterprise Development (www.parp.gov.pl).

IE OP Measure 4.2 Stimulating R&D activities of enterprises and support in the area of industrial design

Beneficiaries: small and medium-sized enterprises which conduct business activity and have their registered location, and – in the case of entrepreneurs being natural persons – the place of residence in the territory of the Republic of Poland.

Supported projects: development of R&D activity of enterprises, support in the area of development of an industrial design or a utility model and implementation thereof in the production process.

Amount of support:

- in the area of design:
 - investment-related part – **PLN 21 million**;
 - training-related part – **PLN 1 million**;
 - consultancy-related part – **PLN 600 000**;
 - entrepreneurs in the road transport sector – **EUR 100 000**.
- in the area of increasing the R&D potential:
 - investment-related part – **PLN 1.4 million**;
 - training-related part – **PLN 100 000**;
 - consultancy-related part – **PLN 100 000**.

Institution: Polish Agency for Enterprise Development (www.parp.gov.pl).

IE OP 4.3 Technology Credit

Beneficiaries: micro-, small and medium-sized enterprises planning the implementation of own or acquired new technology and commencement of production of new or considerably improved goods, processes or services created with the use of this technology.

Supported projects: investments in implementation of new technologies by granting technology credit to the SMEs, with an option of partial repayment from the Technological Credit in the form of technological bonus.

Amount of support:

- technological bonus – max. up to **PLN 4 million**.

Institution: Bank Gospodarstwa Krajowego (www.bgk.com.pl).

IE OP Measure 4.4 New investment of a high innovation potential

Beneficiaries: manufacturing and service enterprises carrying out new investments and necessary related consulting and training projects, including the acquisition of innovative technological solutions.

Amount of support:

- minimum amount of support – **PLN 2.4 million**;
- maximum amount of the project – **EUR 50 million**;
- maximum amount of support:
 - investment-related part – **PLN 40 million**;
 - consultancy-related part – **PLN 1 million**;
 - training-related part – **PLN 1 million**;

Institution: Polish Agency for Enterprise Development (www.parp.gov.pl).

IE OP 4.5 Support for investment of considerable importance to the economy

IE OP 4.5.1 Support for investment in the production sector

Support for: new investments of an innovative nature involving purchase or implementation of a technological solution which has been applied in the world for a period of no more than 3 years or whose sales volume throughout the world as regards products or services based on the technology in a given industry does not exceed 15%, and which meets all the following conditions: eligible expenditure of no less than PLN 160 million, and net increase in jobs of no less than 150 persons.

Intensity of support:

- up to 30% of eligible expenditure.

IE OP 4.5.2 Support for investment in the modern services sector

Supported projects: new investments involving purchase of fixed assets and intangible assets and net increase in jobs of no less than 100 persons, leading to an establishment or expansion of:

- shared service centres (e.g. finance, accounting, HR management, administration, banking and insurance resources, market research);
- IT centres (e.g. software development, application testing, network design and implementation, product optimization, database management).

Intensity of support:

- up to 30% of eligible expenditure.

IE OP 4.5.2 Support for investment in the modern services sector (R&D projects)

Supported projects: new investments related to a commencement or development of R&D activity by organisational units or organisationally separated units starting or developing their activity, involving purchase of fixed assets and intangible assets, and net increase in jobs of no less than 10 persons of R&D staff, leading to an establishment or expansion of R&D centres (e.g. engineering services centres, quality centres)

Intensity and amount of support:

- minimum amount of eligible expenditure – **from PLN 2 million**;
- investment-related part – max. 70% of eligible expenditure;
- training-related part – up to 45% of eligible expenditure, but no more than **PLN 1 million**;
- consultancy-related part – up to 50% of eligible expenditure, but no more than **PLN 600 000**.

Institution: Ministry of Economy (www.mg.gov.pl).

IE OP 5.1 Support for development of co-operative relations of supra-regional importance

Beneficiaries: legal persons managing a co-operative relation.

Supported projects: joint ventures of groups of entities aimed at preparation of a joint product or service of an innovative nature and their marketing.

Amount of support:

- investment-related part – **PLN 20 million**;
- consultancy-related part – **PLN 400 000**;
- training-related part – **PLN 1 million**;
- market expansion – **PLN 600 000**.

Institution: Polish Agency for Enterprise Development (www.parp.gov.pl).

IE OP 5.3 Support for innovation centres

Beneficiaries: Highly specialized business environment institutions providing services with a high market and technology potential, including entities managing science and technology parks, technology incubators, advanced technology centres, productivity centres and other centres providing specialist services for entrepreneurs, in particular for SMEs.

Supported projects: consultancy related to the preparation of the centre's development strategy considering specific needs of entrepreneurs; consultancy and promotion brought about by the centre's development strategy; investments relating to the centre's development strategy in terms of extension or modernization of existing technical infrastructure; promotional activities resulting from the centre's development strategy aimed at promotion of services provided by pro-innovation business environment institutions locally, regionally and internationally.

Minimum amount of the project: PLN 40 million.

Institution: Polish Agency for Enterprise Development (www.parp.gov.pl).

IE OP 5.4 Management of intellectual property

Beneficiaries: SMEs (for projects 1 and 2); business environment institutions (project 3).

Supported projects:

- covering the costs incurred to obtain industrial property protection;
- support for entrepreneurs covering the costs of the proceedings related to invalidation of a patent,

protection right on a utility design or a registration right or a decision on expiration of a patent, protection right on a utility design or a registration right;

- projects related to dissemination of knowledge about profits resulting from protection of intellectual property in enterprises.

Amount of support:

- obtainment of industrial property protection – from **PLN 2 000 to PLN 400 000**;
- enforcement of the protection of an industrial property right – from **PLN 2 000 to PLN 400 000**;
- dissemination of intellectual property knowledge – from **PLN 200 000 to PLN 2 million**.

Institution: Polish Agency for Enterprise Development (www.parp.gov.pl).

IE OP 6.1 Passport to Export

Beneficiaries: small and medium-sized enterprises (SMEs).

Supported projects: a package of services for entrepreneurs consisting of: consultancy services, search for and selection of business partners on the target market, participation in trade fairs and exhibition events as an exhibitor, participation in business missions, obtainment of documents necessary to export products.

Amount and intensity of support:

- elaboration of Export Development Plan – up to **PLN 10 000**;
- implementation of Export Development Plan – up to **PLN 200 000** and up to **50%** of total eligible expenditure.

Institution: Polish Agency for Enterprise Development (www.parp.gov.pl).

IE OP 8.1 Support for business activity in the field of electronic commerce

Beneficiaries: micro-sized and small enterprises conducting business activity for no longer than 1 year since the day of registration and share-holding companies in the process of formation.

Supported projects: implementation of individual projects of the beneficiaries intended to provide services in the electronic form and, possibly, create digital products necessary for the provision of such services; the services will be co-financed for a period of 24 months from the project start date specified in the agreement on the co-financing.

Amount of support:

- support for business activity in the area of electronic commerce – up to 80% of the project's eligible expenditure – from **PLN 20 000 to PLN 1 million**.

Institution: Polish Agency for Enterprise Development (www.parp.gov.pl).

IE OP 8.2 Support for the implementation of electronic business of the B2B type

Supported projects: projects of technical (IT) and organizational nature, leading to implementation of business processes in the electronic form, involving three or



more co-operating enterprises; the project will be provided with co-financing for a maximum period of 24 months

Amount of support: from **PLN 20 000 to PLN 2 million**.

IE OP 8.4 Providing access to the Internet at the “last mile” stage

Beneficiaries: micro-, small and medium-sized enterprises, non-governmental non-profit organizations.

Supported projects: development and maintenance of a dedicated data communications infrastructure, created between the nearest or the most effective Internet distribution point and the target group (on the area of a single commune more than one project of this type may be implemented).

Minimum amount of support: PLN 30 000 .

Institution: Implementing Authority for European Programmes (www.wvpe.gov.pl).

5.2. Development of Eastern Poland Operational Programme

DEP OP 1.3 Support for innovations

Beneficiaries: higher education establishments, research units, territorial self-government units, unions and associations, institutions supporting innovation development in the region, entrepreneurs, regional/local development agencies and foundations, non-governmental organizations.

Supported projects:

- construction and other construction works and equipment for research institutions along with employment of qualified research staff;
- construction and other construction works and putting into operation of industrial parks, technology parks and incubators (e.g. technological) along with equipment for their laboratories and employment of qualified research staff;
- construction and other construction works and putting into operation excellence centres and technology transfer centres;

- developing infrastructure for research and development units at enterprises along with employment of qualified research staff;
- preparation of investment sites so as to enable setting up of production and modern service zones (e.g. logistic centres, machinery parks, technology parks, incubators, etc.) – comprehensive preparation of land for investment along with construction of internal roads, connecting such roads with the existing communications system and providing utilities.

Eligible costs: minimum PLN 4 million.

Intensity of support: up to 90%.

Institution: Polish Agency for Enterprise Development (www.parp.gov.pl).

5.3. Regional Operational Programmes of Eastern Poland Voivodeships

Regional Operational Programme of the Warmińsko-Mazurskie Voivodeship

WM ROP 1.1.6 Support for new investments for large enterprises

Beneficiaries: large enterprises employing more than 250 employees.

Supported projects: support for new investments as regards:

- **process innovation** – using production methods that are innovative in the region;
- **product innovation** – delivering new or considerably improved goods and services;
- **organisational innovation** – changes in the enterprise's organization.

Innovative solutions are being promoted, i.e. the ones that have not been used in the region before.

Amount of support:

- from PLN 300 000 to PLN 4 million (up to 50% of eligible costs);
- amount of the project: up to PLN 8 million.

Institution: Warmińsko-Mazurska Agencja Rozwoju Regionalnego S.A. in Olsztyn (www.wmarr.olsztyn.pl).

WM ROP 1.1.7 Investment subsidies for micro-enterprises and the SME sector in the field of innovation and new technologies

Beneficiaries: micro-, small and medium-sized enterprises.

Supported projects: implementation of state-of-the-art solutions into production and distribution processes, and into the enterprise organization; creation of new and modern products by the enterprise; construction or reconstruction of infrastructure, as well as purchase of equipment that will enable to use modern technologies and machinery in the production process.

Intensity and amount of support:

- subsidy of to **50%** of the project's eligible costs;
- amount of the project: up to **PLN 8 million**;
- amount of support: from **PLN 20 000** to **PLN 2 million**.

Institution: Warmińsko-Mazurska Agencja Rozwoju Regionalnego S.A. in Olsztyn (www.wmarr.olsztyn.pl).

WM ROP 1.1.9 Other investments in enterprises

Beneficiaries: micro-, small and medium-sized enterprises.

Supported projects: projects stimulating growth of enterprise competitiveness; subsidies for development investments; investments resulting in creation of new jobs or contributing to the retention of existing ones.

Intensity and amount of support:

- amount of support – from **PLN 10 000** to **PLN 1.5 million**;
- amount of co-financing – **up to 50%**.

Institution: Warmińsko-Mazurska Agencja Rozwoju Regionalnego S.A. in Olsztyn (www.wmarr.olsztyn.pl).

Regional Operational Programme of the Podlaskie Voivodeship

PV ROP 1.4.1 Micro-enterprises

ROP 1.4.2 Small and medium-sized enterprises

Beneficiaries: priority will be given to solutions that foster savings on raw materials and energy and reduce emissions of harmful substances into the environment. The funds can be used to purchase machinery and equipment or licenses, patents, etc. Aid can be granted only to a new investment (in fixed and intangible assets) in connection with: establishment of a new enterprise, expansion of the existing enterprise, diversification of the enterprise's production by introduction of new, additional products or substantial change in the production process of the existing enterprise.

Intensity and amount of support:

maximum level of co-financing:

- up to **70%** for micro-sized and small enterprises;



- up to **60%** for medium-sized enterprises;
- up to **50%** for enterprises operating in the transport sector;
- up to **50%** for enterprises in the case of de minimis aid.

Maximum amount of co-financing:

- for small and medium-sized enterprises – **PLN 4 million**;
- micro-enterprises – **PLN 500 000**.

Minimum/maximum amount of support:

- micro-enterprises – min. amount of the project **PLN 30 000**;
- small and medium-sized enterprises – min. amount of the project – **PLN 100 000**.

Maximum amount of eligible expenditure – no limitation.

Institution: Office of the Marshal of the Podlaskie Voivodeship (www.wrotapodlasia.pl).

Regional Operational Programme of the Lubelskie Voivodeship

LV ROP 1.1 Subsidies for start-up micro-enterprises

Beneficiaries: the objective is to increase the investment capacity of start-up micro-enterprises implementing projects in the Lubelskie Voivodeship.

Intensity and amount of support: maximum share of EU funds in the project's eligible expenditure is 70%. Minimum amount of the project – **PLN 143 000**. Maximum amount of the project – **PLN 8 million**. Minimum amount of support – **PLN 21.5 thousand**. Maximum amount of support – **PLN 310 000**.

For projects with eligible expenditure exceeding **PLN 1 million**, the maximum amount of aid is **PLN 500 000**.

Institution: Office of the Marshal of the Lubelskie Voivodeship (www.lubelskie.pl).

LVROP Measure: 1.2 Investment subsidies for micro-enterprises

Beneficiaries: the measure's objective is to improve the competitiveness of micro-enterprises pursuing business activity for more than 2 years and implementing innovative investment projects in the Lubelskie Voivodeship. The objective will be achieved through the support of investment projects related to modernization of micro-enterprises' product portfolio and technologie.

Intensity and amount of support: maximum share of EU funds in the project's eligible expenditure is 70%. Minimum amount of the project – **PLN 42.5 thousand**. Minimum amount of support – **PLN 30 000**. Maximum amount of support – **PLN 700 000**.

For projects with eligible expenditure exceeding **PLN 2 million**, the maximum amount of support is **PLN 1 million**.

Institution: Office of the Marshal of the Lubelskie Voivodeship (www.lubelskie.pl).

LV ROP Measure: 1.3 Investment subsidies for small and medium-sized enterprises

Beneficiaries: Funds may be obtained for projects related to introduction of new or modernization of existing products, implementation of innovative technologies as well as improving organizational and marketing solutions in small and medium-sized enterprises.

Form of support:

The maximum share of EU funds in the project's eligible expenditure:

- for small enterprises – **70%**;
- or medium-sized enterprises – **60%**;

Minimum project value – **PLN 143 000**. Maximum project value – **PLN 8 million**. Minimum amount of aid – **PLN 85 000**. Maximum amount of aid – **PLN 1 million**. For projects with eligible expenditure exceeding **PLN 4 million**, the maximum amount of aid is **PLN 2 million**.

Institution: Office of the Marshal of the Lubelskie Voivodeship (www.lubelskie.pl).

Regional Operational Programme of the Świętokrzyskie Voivodeship

ŚV ROP 1.1 Direct support for the sector of micro-, small and medium-sized enterprises

Beneficiaries: only innovative projects will be supported or projects that will significantly contribute to the growth of employment. The projects must result in increasing the enterprise's competitiveness in the local or regional market.

Intensity and amount of support: maximum subsidy of 50% of the project's eligible costs. In the case of micro-enterprises (with an exception of businesses operating in the transport sector), it is possible to increase the maximum percentage of the subsidy by 20%.

Minimum eligible expenditure – **PLN 20 000** and maximum – **PLN 8 million**. Minimum subsidy – **PLN 10 000**, and maximum subsidy: for micro-enterprises – **PLN 1.5 million**; or small enterprises – **PLN 2.4 million**; for medium-sized enterprises – **PLN 3.999 million**.

Institution: Office of the Marshal of the Świętokrzyskie Voivodeship (www.sejmik.kielce.pl).

Regional Operational Programme of the Podkarpackie Voivodeship

PV ROP 1.1 Scheme B: Direct investment subsidies

Beneficiaries: the funds received can be used for all investments that will improve operations, production and management processes at an enterprise. Possible uses: purchase of patents and new technologies that will increase the enterprise's productivity and competitiveness, also as an accompanying element

of the project – installation of systems and devices to prevent environmental pollution.

Amount of support: minimum amount of support – **PLN 10 000**. Maximum amount of support: micro-sized and small enterprises – **PLN 800 000**; medium-sized enterprises – **PLN 1.2 million**.

The maximum amount of support to SMEs for projects having a higher level of innovation:

- innovative projects using solutions that are used in the country for no longer than 4 years – **PLN 2 million**;
- projects of a high innovation potential using solutions that are used worldwide for no longer than 3 years – up to **PLN 5.6 million**.

Institution: Office of the Marshal of the Podkarpackie Voivodeship (www.si.podkarpackie.pl).

PV ROP 1.3 Regional system of innovation

Beneficiaries: the objective is to create conditions conducive to economic growth and stimulating the region's innovation potential and knowledge transfer. As part of the Programme investors may establish or improve their R&D facilities (e.g. laboratories) or create a network for cooperation between their enterprise(s) and one or more research units in the region.

Amount of support: subsidy of up to 70% of the project's eligible costs.

Maximum amount of support: up to **PLN 30 million**. Maximum amount of the project:

- up to **PLN 400 000** for projects involving purchase of fixed assets for R&D purpose;
- up to **PLN 4 million** for investment projects in the field of R&D infrastructure;
- up to **PLN 40 million** for projects supporting technology parks.

Institution: Office of the Marshal of the Podkarpackie Voivodeship (www.si.podkarpackie.pl).

5.4. Human Capital Operational Programme (all-Poland and individual voivodeships)

HC OP 2.1.1 Development of human capital in enterprises

Beneficiaries: enterprises

Sample projects:

- supra-regional closed projects involving training and consultancy for entrepreneurs based on the enterprises' individual development strategies;
- countrywide open projects involving training and consultancy for entrepreneurs and enterprise staff;
- post-graduate studies for entrepreneurs and enterprise staff.

Minimum amount of the project – PLN 50 000.

Institution: Polish Agency for Enterprise Development (www.parp.gov.pl).

HC OP 4.2 Development of skills of the R&D system staff and increasing awareness of the importance of research to economic growth

Institution: Ministry of Science and Higher Education, Department of Implementation and Innovation.

Beneficiaries: all entities – except for natural persons (not applicable to those conducting business or educational activity under separate regulations).

Sample projects:

- improvement of skills of the R&D system's staff in the area of management of research and development work, and putting the outcome of research into business use, projects related to increasing awareness of the importance of and rules governing research and development work for the economy, as well as of the needs of the R&D sector and the economy in this respect;
- popularization of scientific findings at the tertiary education level.

Minimum amount of the project – PLN 50 000.

HC OP 8.1 Development of staff and enterprises in regions

HC OP 8.1.1 Support for development of professional skills and consultancy services for enterprises

HC OP 8.1.2 Support for adaptation and modernisation processes in regions

Beneficiaries: all entities – except for natural persons.

Sample projects:

Sub-measure 8.1.1

- training and consultancy for managerial staff and employees (in the area of, e.g., management, identification of needs with regard to employees' skills, work organization, management of health and safety at work, flexible forms of work, implementation of environment-friendly production technologies, application of IT and communication technologies in the activity conducted);
- consultancy services for micro-, small and medium-sized enterprises, including self-employed persons, in particular with regard to economics, finance, HR management or accounting;
- training, courses and job counselling addressed to adult working persons who, at their own initiative, are interested in gaining new qualifications or improving the ones they have, and in particular to employed persons having low or obsolete qualifications.

Sub-measure 8.1.2

- assistance in the establishment of local partnerships intended to develop and implement strategies for the forecasting and management of economic changes at the local and voivodeship levels;

- support for employers and employees in the enterprises undergoing adaptation and modernization processes;
- retraining courses and career counselling, with focus on facilitating the choice of a new career and acquisition of new professional skills;
- studies and analyses of development trends and forecasting of economic changes in the region.

Minimum amount of the project – PLN 50 000.

Institution: Regional institutions designated by the voivodeship self-government.

5.5. Rural Development Programme for 2007–2013

Axis 1 Improvement of the competitiveness of the agricultural and forestry sector

Measure 1.2.3 – Increasing the added value of basic agricultural and forestry production

Beneficiaries: the aim of the measure is to increase competitiveness of enterprises in the sector of processing and marketing of agricultural products, conditioned by the increase in added value, production quality, reduction of costs and development of new products, production processes and technologies, as well as improvement of the production conditions taking into account existing or newly introduced standards. The measure is also aimed at strengthening the position of agricultural producer groups in the channel of product sales, as well as ensuring their wider participation in generating added value of agricultural production by supporting investments in the processing of agricultural products.

Amount of support: maximum amount of aid granted during the RDP period to one beneficiary is **PLN 20 million**. The amount of aid granted for the implementation of one project may not be less than **PLN 100 000**.

The maximum level of aid is:

- **25%** of costs of an eligible investment carried out by an enterprise other than SME;
- **40%** of costs of an eligible investment carried out by a SME;
- **50%** of costs of an eligible investment carried out by a SME
 - which procures raw materials under long-term contracts concluded with groups of agricultural producers, fruit and vegetable producer groups granted preliminary recognition or recognized fruit and vegetable producer organizations;
 - which is registered as a group of agricultural producers or their union, a fruit and vegetable producer group granted preliminary recognition or a recognized fruit and vegetable producer organization;
 - which carries out a project on the processing of agricultural products for energy purposes.

Institution: Agency for Restructuring and Modernisation of Agriculture (www.arimr.gov.pl).

Axis 3 Quality of life in rural areas

Measure 3.1.2 – Establishment and development of micro-enterprises

The objective of the measure is to increase economic competitiveness of rural areas, and develop entrepreneurship and the labour market, and consequently, increase employment in rural areas.

The amount of aid granted to the operation may not exceed:

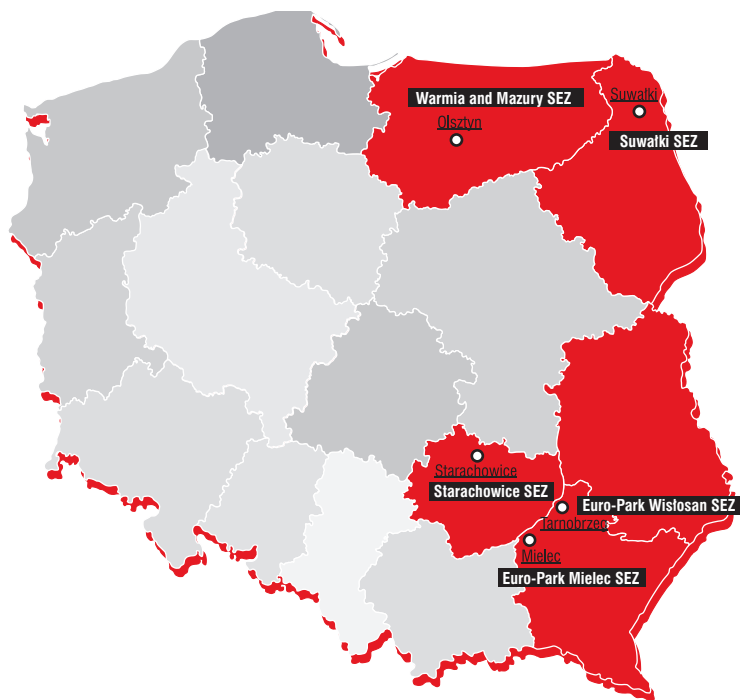
- **PLN 100 000** – if the business plan provides for creation of at least one and less than two jobs (FTE, annual average), which is justified by the material scope of the operation;
- **PLN 200 000** – if the business plan provides for creation of at least two and less than three jobs (FTE, annual average), which is justified by the material scope of the operation;
- **PLN 300 000** – if the business plan provides for creation of at least three jobs (FTE, annual average), which is justified by the material scope of the operation.

Maximum amount of aid granted during the Programme period to one beneficiary may not exceed **PLN 300 000**. Maximum financial aid – **50%** of the operation's eligible costs.



6. Special Economic Zones (SEZs) in Eastern Poland

MAP 5. Special Economic Zones (SEZs) in Eastern Poland



Source: Own study based on SEZs' websites, June 2010

There are 14 Special Economic Zones in Poland, 5 of which are located in Eastern Poland: Mielec, Tarnobrzeg, Warmia and Mazury, Suwałki and Starachowice (actually, the first zone established in Poland in 1995 was located in the Macroregion Eastern Poland – Euro-Park Mielec). The idea behind the creation of the zones was to accelerate regional economic development, to use of post-industrial assets and infrastructure, to create new jobs – especially in regions threatened by structural unemployment and to attract foreign investors to Poland. Based on Poland's arrangements with the European Commission, the zones will operate in the present shape until 2020. The main tool for attracting investors – and a very effective one in the opinion of investors themselves – are tax incentives in the form of CIT exemptions as per the regional aid map, which specifies the maximum amount of support for projects implemented in individual voivodeships in Poland (for Eastern Poland it is 50%, but the SME sector businesses are entitled to recover 70% and 60% of their capital expenditure respectively). The exemption continues in subsequent years, until the entrepreneur recovers 70% and 60% of their capital expenditure respectively). The exemption continues in subsequent years, until the entrepreneur recovers 50% (or 70% or 60%, depending on the size of an investing company) of its capital expenditure. Each zone is divided into sub-zones, so potential investors have an array of locations to choose from. Apart from tax exemptions, investors willing to invest in the zones can expect that they will be offered a site ready for investment purposes, with all necessary utilities in place, and they also can count on assistance in starting the investment project [Map 5].

All special economic zones in Poland taken together occupy the area of 13 336.3 ha, of which 5 zones located in the Macroregion Eastern Poland, stretch over 3 925.51 ha (over 37% of the total land occupied by Polish SEZs). So it is Eastern Poland that offers the largest territorial potential for investors. Most of the zones' investment areas lie within the territory of 5 voivodeships of Eastern Poland (except for approx. 655 ha located in macroregions other than Eastern Poland).

Capital expenditure incurred by investors in all 5 zones of Eastern Poland exceeded PLN 15.75 billion, and created almost 49 000 new jobs. The biggest number of jobs was created by investors in Tarnobrzeg and Mielec zone (23 335 and 11 953 respectively). Due to very attractive investment conditions, the zones attract both Polish and foreign businesses, while the latter actually predominate in the Eastern Poland Macroregion's special economic zones.



6.1. Warmia and Mazury Special Economic Zone

Situated in the north-eastern region of Poland, it covers the total area of **914.5 ha**, of which 302.3 ha available for investment. The area consists of **24 sub-zones** located within the following towns and communes: Barczewo, Bartoszyce, Ciechanów, Dobrze Miasto, Elbląg, Iława, Iłowo, Lidzbark Warmiński, Mława, Morąg, Mrągowo, Nidzica, Nowe Miasto Lubawskie, Olecko, Olsztyn, Olsztynek,

Orzysz, Ostrołęka, Ostróda, Pasłęk, Pisz, Piecki, Szczytno and Wielbark.

As of 30 September 2012, **57 entrepreneurs**, had valid business licenses to conduct business in the zone; capital expenditure amounted to **PLN 3 billion** and **12 067 work places** were created. Two largest enterprises running business activities in the zone are Michelin Polska S.A. and LG Electronics Mława Sp. z o.o.

MAP 6. Warmia and Mazury Special Economic Zone



Warmia and Mazury Special Economic Zone

Registered location: Olsztyn

Voivodeships: Warmińsko-Mazurskie and Mazowieckie

TABLE 22. Major investors in the Warmia and Mazury SEZ

Investor	Country of origin	Sector
Michelin Polska S.A.	France	automotive
LG Electronics Mława Sp. z o.o.	South Korea	electronics
Swedwood Poland Sp. z o.o.	Sweden	wood
Wydawnictwo Bauer Sp. z o.o.	Germany	printing
Wójcik Fabryka Mebli Sp. z o.o.	Poland	furniture
Cetco Poland Sp. z o.o.	Netherlands	construction materials
Fabryka Mebli Szyńska Sp. z o.o.	Poland	furniture
Bruss Polska Sp. z o.o.	Germany	metal
DFM Sp. z o.o.	Poland	furniture
Fabryka Mebli Taranko Aleksander Taranko	Poland	furniture

Source: Own compilation based on databases of the Polish Information and Foreign Investment Agency (PAIIZ)

6.2. Suwałki Special Economic Zone

It is located in the Voivodeships: Podlaskie, Warmińsko-Mazurskie and Mazowieckie. It covers the total area of **342.7662 ha**, of which 106.16 ha available for development, in six sub-zones: Suwałki, Elk, Goldap, Białystok, Grajewo and Małkinia Góra.

As of the end of 2012 there were **69 enterprises** operating in the zone, both Polish and foreign, which created more than **5 700 new jobs** and made capital expenditure of more than **PLN 1.7 billion**.

MAP 7. Suwałki Special Economic Zone



Suwałki Special Economic Zone

Registered location: Suwałki

Voivodeships: Podlaskie, Warmińsko-Mazurskie and Mazowieckie

TABLE 23. Major investors in the Suwałki SEZ

Investor	Country of origin	Sector
Pfleiderer MDF Sp. z o.o.	Germany	wood
Rockwool Polska Sp. z o.o.	Denmark	construction
Porta KMI Polska Sp. z o.o.	Poland	wood
Impress Decor Polska Sp. z o.o.	Austria	printing
Malow Sp. z o. o.	Poland	metal
Mispol S.A.	Poland	food
Iryd Sp. z o.o.	Poland	metal, wood
Aquael Sp. z o.o.	Poland	precision engineering
Cezar D. Niewiński	Poland	plastics
Reckman Sp.j.	Poland	clothing

Source: Own compilation based on databases of the Polish Information and Foreign Investment Agency (PAIIIZ)

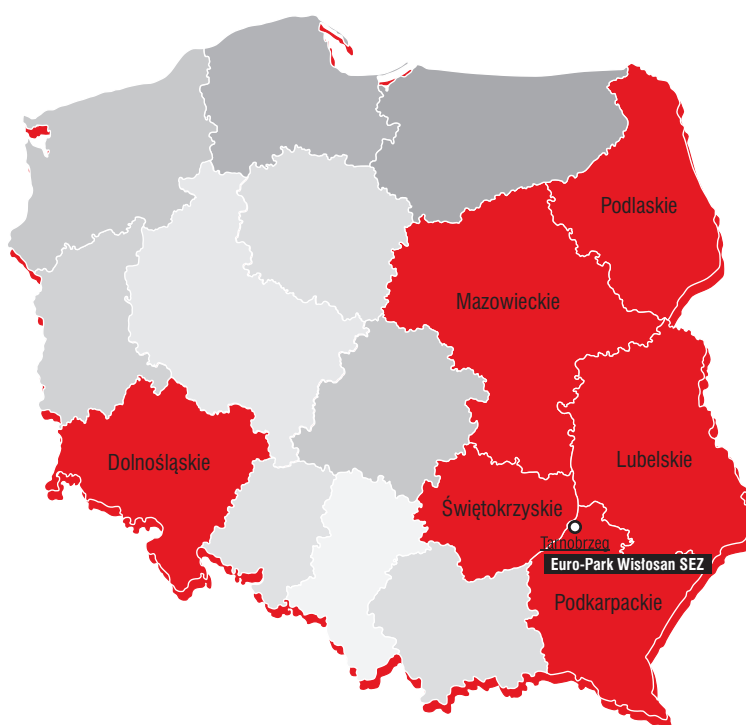
6.3. Tarnobrzeg Special Economic Zone Euro-Park Wisłosan

It has sub-zones in as many as 6 voivodeships, including 4 in Eastern Poland (Podlaskie, Podkarpackie, Świętokrzyskie and Lubelskie) and in Mazowieckie and Dolnośląskie. The total zone area is **1632.31 ha**, of which 535.7 ha available for development in 19 subzones: Tarnobrzeg (149.91 ha), Stalowa Wola (277.35 ha), Nowa Dęba (113.60 ha), Radom (151.55 ha), Staszów (104.12 ha), Jasło (58.06 ha), Wrocław-Kobierzycze (410.68 ha), Przemyśl (81.49 ha), Janów

Lubelski (18.51 ha), Siedlce (65.40 ha), Łuków (40.49 ha), Tomaszów Lubelski (10.56 ha), Węgrów (29.33 ha), Nowe Miasto nad Pilicą (15.13 ha), Kraśnik (23.48 ha), Przasnysz (55.07 ha), Horodło (5.3 ha), Ryki (4.45 ha), Łapy (11.95 ha), Mińsk Mazowiecki (5.78 ha)

As of 30 June 2012, **224 permits** were issued, of which 34 for companies with the foreign capital participation, **28 448 new jobs** were created and capital expenditure exceeded **PLN 7.0 billion**.

MAP 8. Tarnobrzeg Special Economic Zone Euro-Park Wisłosan



Tarnobrzeg Special Economic Zone Euro-Park Wisłosan

Registered location: Tarnobrzeg

Voivodeships: Podkarpackie, Podlaskie, Świętokrzyskie, Lubelskie, Mazowieckie and Dolnośląskie

TABLE 24. Major investors in the Tarnobrzeg SEZ Euro-Park Wisłosan

Investor	Country of origin	Sector
LG Philips LCD Poland Sp. z o.o.	Republic of Korea	production of TVs and LCD monitors
ATS Stahlschmidt&Maiworm Sp. z o.o.	Germany	production of aluminium wheel rims
Sanfarm Sp. z o.o.	Poland	production of pharmaceuticals
LG Electronics Wrocław Sp. z o.o.	Poland	electronics
Heesung Electronics Poland Sp. z o.o.	Republic of Korea	electronics
QuadWinkowski Sp. z o.o.	Poland	printing house, printing services
Toshiba Television Central Europe Sp. z o.o.	Japan	electronics
Alumetal Gorzyce Sp. z o.o.	Poland	metal
Jadar Techmatik S.A.	Poland	production of paving blocks
Zakłady Metalowe Dezamet S.A.	Poland	defence industry

Source: Own compilation based on databases of the Polish Information and Foreign Investment Agency (PAIIIZ)

6.4. Euro-Park Mielec Special Economic Zone

It is located mainly in south-eastern Poland, and covers the total area of **1 246 ha** in 20 subzones, of which 396.5 ha available for development, located in the sub-zones within the following cities/towns and communes: Mielec, Rzeszów, Głogów Małopolski, Trzebownisko, Lublin, Ropczyce, Ostrów, Zamość,

Leżajsk, Jarosław, Laszki, Sanok and Zagórz, Lubaczów, Kolbuszowa, Szczecin, Lubartów and Krosno.

As of 31 December 2012, **231 permits** had been issued to conduct a business activity in the zone, while investors made **capital expenditure of PLN 5.4 billion** and created **over 20 000 new jobs**.

MAP 9. Euro-Park Mielec Special Economic Zone



Euro-Park Mielec Special Economic Zone

Registered location: Mielec

Voivodeships: Podkarpackie, Lubelskie, Małopolskie and Zachodniopomorskie

TABLE 25. Major investors in the Euro-Park Mielec SEZ

Investor	Country of origin	Sector
Polskie Zakłady Lotnicze Mielec Sp. z o.o.	USA	aviation
MTU Aero Engines Polska Sp. z o.o.	Germany	aviation
Borgwarner Turbo Systems Poland Sp. z o.o.	USA	automotive
Lear Corporation Sp. z o.o.	USA	automotive
Kirchhoff Polska Sp. z o.o.	Germany	automotive
Firma Oponiarska Dębica S.A.	USA	automotive
Kronospan Mielec Sp. z o.o.	Austria	wood processing
Ball Packaging Europe Lublin Sp. z o.o.	USA	packaging
Bury Sp. z o.o.	Poland	electronics
BRW Sp. z o.o.	Poland	furniture
Goodrich Aerospace Poland Sp. z o.o.	USA	aviation

Source: Own compilation based on databases of the Polish Information and Foreign Investment Agency (PAIIIZ)

6.5. Starachowice Special Economic Zone

It is located within the Świętokrzyskie Voivodeship, while it also has subzones in the Lubelskie, Mazowieckie, Łódzkie and Opolskie Voivodeship. The zone covers the total area of **612.9 ha**, of which 225.38 ha remaining for development (as at the end of January 2011) in the following sub-zones: Starachowice, Ostrowiec Świętokrzyski, Skarżysko-Kamienna, Końskie, Stąporków, Suchedniów, Morawica, Szydłowiec, Puławy, Ilża, Tułowice, Mniszków, Sędziszów and Kielce.

At the end of Q3 2012, **there were 71 active business licences in the zone, 7 228 new jobs were created**, while investors' capital expenditure amounted to **PLN 1.6 billion**.

MAP 10. Starachowice Special Economic Zone



Starachowice Special Economic Zone
Registered location: Starachowice
Voivodeships: Świętokrzyskie, Lubelskie, Mazowieckie, Łódzkie and Opolskie

TABLE 26. Major investors in the Starachowice SEZ

Investor	Country of origin	Sector
Biella Szydłowiec Sp. z o.o./Biella-Neher AG	Switzerland	office supplies
Cerrad Sp. z o.o.	Poland	ceramic
Cersanit II S.A.	Poland	sanitary ceramic ware
Gerda 2 Sp. z o.o.	Poland	metal
Gerda 3 Sp. z o.o.	Poland	metal
MAN Bus Sp. z o.o./MAN Nutzfahrzeuge Gruppe	Germany	automotive
Orizzonte Polska Sp. z o.o.	International	metal
RR Donnelley Starachowice Sp. z o.o./RR Donnelley	USA	printing
Starpol II Sp. z o.o.	Poland	electrotechnical
Star-Dust Sp. z o.o.	Poland	ceramic
Ceramika Nowa Gala II Sp. z o.o.	Poland	ceramic
Star-Gres Sp. z o.o.	Poland	ceramic
Alpol Gips Sp. z o.o.	Poland	construction materials
Nova Ceramika Sp. z o.o.	Poland	ceramic
Ceramika Końskie Sp. z o.o.	Italy	ceramic
Kaye Aluminium Opole Sp. z o.o.	Spain	metal
Valdi Ceramika Sp. z o.o.	Poland	ceramic
Zakłady Azotowe Puławy S.A.	Poland	chemical
Air Liquide Polska Sp. z o.o.	France	chemical
Fabryka Kotłów Sefako S.A.	Poland	metal

Source: Own compilation based on databases of the Polish Information and Foreign Investment Agency (PAIIZ)

7. Science and Technology and Industrial Parks

There are more than 36 technology parks in Poland – either already operating or at an advanced stage of development. The most resilient group comprises 20 parks. In total they host 523 institutions and 18 science and research units. The parks employ more than 16.5 thousand people. The twenty most dynamic parks cover the area of almost 1.3 thousand ha, of which developed areas account for almost 550 000 m². This figure represents just above 3% of their total area. The largest parks are technology parks located in Kraków, Bełchatów and Płock, and 'Aeropolis' park in the Podkarpacie Region. Their areas equal respectively to: 416 ha, 384 ha, 200.4 ha and 118 ha. They represent 88% of the total area occupied by the twenty most resilient parks. Apart from 'Aeropolis', the group of the 20 largest parks also includes one more park located in the Macroregion Eastern Poland, namely 'Poland- East' Science and Technology Park in Suwałki. It is not as big as 'Aeropolis' though: the park in Podkarpacie covers the area of 118 ha (of which just under 2% is used), and the park in Suwałki covers the area of 8.6 ha (of which 0.55% is used). The park in Podkarpacie is also the biggest in terms of employment: 618 persons compared to 80 persons in the Suwałki Park.

7.1. Kielce Technology Park

The Kielce Technology Park was created based on the Kielce Technology Incubator established in 2008. Since its inception, the incubator has worked with small and medium-sized enterprises as well as the local self-government. In July 2009, by way of resolution of the Kielce City Council, the entity changed its name to the Kielce Technology Park. The park was created, among others, in order to support newly created in-

novative companies. It is focused on the development of academic enterprise, supporting relationships between science and economy as well as pre-incubation and incubation of enterprises which originate at universities. The park concept assumes operation of two separate organizational units: Technology Incubator (for start-up businesses) and Technological Centre (for companies leaving the Technology Incubator at the expansion stage or for third-party enterprises intending to start business in Kielce).

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7.2. Lublin Science and Technology Park

Lublin Science and Technology Park was established in May 2005. The Park shareholders are: the self-government of Lubelskie Voivodeship and University of Life Sciences in Lublin. The Park with related infrastructure cover the total area of more than 10 000 m².

The mission of Lublin Science and Technology Park is to support the development of Lubelskie Voivodeship through the creation of an institutionalized platform enabling the cooperation of Lublin universities with the business community. The main goal of the establishment is to support projects in which research findings are put into business use so as to improve innovativeness of enterprises in the Lublin region. In 2009, an official opening of the first Park facilities took place. Current tenants include: **Laboratorium Badań Genetycznych Sp. z o.o.** (research on human chromosomes in reproductive failures, detection of genetic defects and susceptibility to various genetic diseases), **Central Apparatus Laboratory of the University of Life Sciences** (conducting certified research and measuring work, including a broad spectrum of physical and chemical measurements, training in lab analysis), **Lubelskie Centrum Konsultingu Sp. z o.o.** (consulting services, business services for SMEs, international trade support, training activities), **VADO Sp. z o.o.** (production of software and specialized data communications systems, development and production of electronic devices, specialist advice), **KTI Konsulting** (consulting and training services in the field of raising third-party financing, in particular grants from the EU structural funds), **Centrum Innowacji i Transferu Technologii Lubelskiego Parku Technologicznego Sp. z o.o.** (post-production, animation and visual effects services for advertising, TV, film and new media projects, production of commercials, music videos and feature-length films).



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7.3. Podkarpackie Science and Technology Park "Aeropolis"

The Park was meant as one of the instruments to improve competitiveness of the economy in the Podkarpackie region by implementing modern technological solutions and management of knowledge and capital resources. The Park (located in Rzeszów on the area of 118 ha), was supposed to provide a platform where innovative scientific ideas are transformed into modern technological solutions to be implemented by economic entities. In May 2003, the self-government of Podkarpackie Voivodeship, the city of Rzeszów, Rzeszowski Powiat, Rzeszów University of Technology and the University of Rzeszów signed an agreement on the establishment of the Podkarpackie Science and Technology Park 'Aeropolis'. The PSTP 'Aeropolis' management was entrusted to Rzeszowska Agencja Rozwoju Regionalnego S.A.

The Park's strategic aims are: activation of brown-fields, creation of investment infrastructure and attracting investors, effective development of available facilities and areas and provision of auxiliary services – mostly for PSTP 'Aeropolis' businesses, increasing competitiveness and innovation of enterprises operating in the voivodeship, development of infrastructure to activate local and regional enterprise, exploiting the potential of the Park's tenants and business engaged in manufacturing of complementary products. Besides, the Park seeks to increase the number of university graduates taking up self-employment (academic pre-incubator), develop technologies and stimulate research activities.

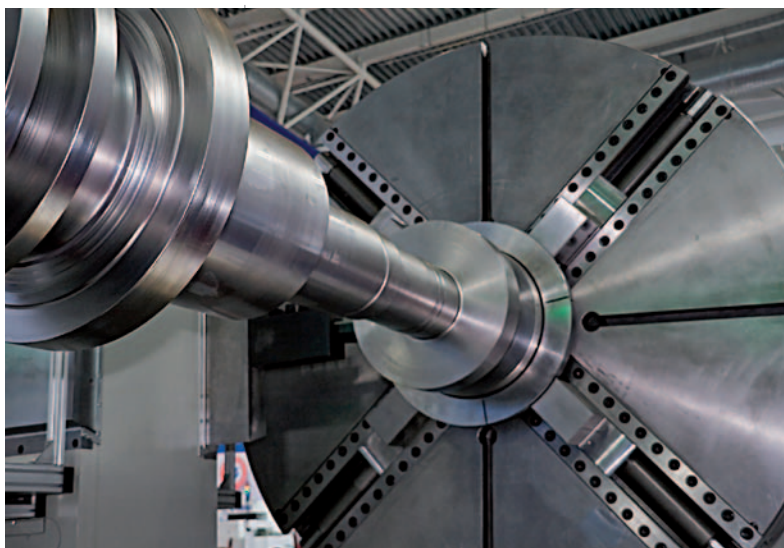
So far, the following companies have invested in the Park: **Opatem S.A.** – a manufacturer and integrator of systems using e-card technologies, **Borg Warner Turbo Systems** – a manufacturer of turbo-compressors, **Ultratech Sp. z o.o.** – a manufacturer of parts and components for the aircraft and automotive industry, **Yanko Sp. z o.o.** – a packaging manufacturer or **MasterProfi Sp. z o.o.** – a manufacturer of professional vacuum cleaners. The largest and the most important investment is the plant of German **MTU Aero Engines**, opened in May 2009 within the Park premises in Jasionka near Rzeszów. The company invested EUR 50 million euro. The plant produces components for aircraft engine turbines. So far the company has employed as many as 200 local inhabitants and ultimately this number is supposed to reach 400.

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7.4. Stare Miasto Industrial Park

In August 2005, the Council of the Commune of Leżajsk adopted a resolution on the establishment of the Industrial Park under the name of Stare Miasto – Park. One year later it signed a contract with the Industry Development Agency (Agencja Rozwoju Przemysłu S.A.) in Warsaw for completion of the comprehensive infrastructure within the Industrial Park and construction of 3 production halls. In 2007, in accordance with the regulation of the Council of Ministers, part of the Park land was granted the status of Special Economic Zone Euro-Park Mielec. Stare Miasto Industrial Park is located within the Commune of Leżajsk, in Stare Miasto (Zone A) and Wierzawice (Zone B) of the total area over 35 ha (the ultimate Park area is planned at 200 ha). Until now, the Park's investors have been mainly Polish companies such as SGS Eko-Projekt Sp. z o.o., Emka Mirosław Klosowski, Iglobud Leżajsk Jerzy Szostak.

Park Przemysłowy Stare Miasto**Wierzawice 874****37-300 Leżajsk****phone/fax: +48 (17) 242 60 94****e-mail: sm-park@sm-park.pl****www.sm-park.pl**



7.5. Mielec Industrial Park

Mielec Industrial Park is an investment area established in March 2005 by the Mielec City Council in order to use the post-restructuring assets of WSK-PZL Mielec. The management of Mielec Industrial Park was entrusted to Agencja Rozwoju Regionalnego "MARR" S.A. based on the agreement with the city of Mielec. About 100 ha of the Park, with complete service infrastructure and ready for new project launches, is located within a special zone, authorizing the willing investors to apply for investment tax credits of Euro-Park Mielec Special Economic Zone in Mielec. Current investors include: **Husqvarna** – a Swedish manufacturer of electrotechnical equipment, **Regom Polska** – a manufacturer of elements for the plumbing, automotive and aircraft industry, **First Company** from Germany – a manufacturer of women's wear, mainly for the German market and **RD Precision** – a manufacturer of aircraft parts and components.

Mielecki Park Technologiczny

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7.6. Puławy Science and Technology Park

The project of Puławy Industrial Park (PIP) was formed in January 2003 as a joint initiative of Zakłady Azotowe Puławy S.A. and the Municipal Commune of Puławy. In April 2003, the Puławy City Council adopted a resolution on joint actions and exemptions from property tax for the PIP investors. Today, the Park's

area equals to 700 ha. About 570 ha is owned directly by Zakłady Azotowe Puławy S.A.; another 99 hectares is a sub-zone of the Special Economic Zone – Starachowice (the area within the competence of the Management Board of SSE Starachowice S.A. and the Management Board of Zakłady Azotowe Puławy S.A.). 130 ha come under administration of the City of Puławy. In 2008, Zakłady Azotowe Puławy S.A., the City of Puławy, Fertilizer Research Institute, Institute of Soil Science and Plant Cultivation, Puławy Enterprise Centre Foundation and representatives of self-government authorities signed a letter of intent concerning transformation of the existing park into the Puławy Science and Technology Park. Current Park investors include: Kozap – railway forwarding and transport, Elza – power engineering lines and machinery, Medical – comprehensive medical services and PIA-ZAP – authorization of production processes.

Puławski Park Przemysłowy

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7.7. "Poland-East" Science and Technology Park

The mission of "Poland-East" Science and Technology Park in Suwałki is to increase the socio-economic cohesion and improve the economic development of the North-Eastern Poland Macroregion and – as a result – of Podlaskie Voivodeship by promoting entrepreneurship fostering technology-based knowledge and by making best use of opportunities for international cooperation. The Park, covering the area of 8.6 ha, opened in 2004. In 2005–2008, parallel to the preparation of infrastructure, the Park managed projects related to the development of new technologies in the region, such as: "Poland-East Science and Technology Park as the loadstar for new innovation technologies for the economic development of the Podlasie region", "Innovative potential of the Suwałki sub-region for the development of new technologies infrastructure and information society" or E-cluster "Healthy Life Valley". In 2012 the Park expanded and a Technology Incubator was created with 4 scientific and research laboratories (located in one building), a hall for logistic and technological processes. There are also plans to create an International Eastern Centre for Innovation.

Partners of the Park include: Warsaw University of Technology, the City of Suwałki, University of Warmia and Mazury, University of Białystok, National Institute of Telecommunications and the State Higher Vocational School in Suwałki.

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7.8. Świdnik Regional Industrial Park

The industrial park was created as a result of property restructuring and business reengineering of PZL-Świdnik S.A. Some of the park area (approx. 50 ha) is located on the company area. The Park is based on the existing production and technology infrastructure, which was separated and excluded from the manufacturing process of PZL-Świdnik S.A. The Industrial Park is meant to attract to Świdnik both large and small investors that would like to start business in this region. The majority of real estate and industrial facilities are already used by newly established businesses or enterprises that simply transferred their activity to the Park area.

Shareholders include: Zakłady PZL-Świdnik S.A., the City of Świdnik, Zakład Narzędziowy in Świdnik, State Treasury and the Powiat of Świdnik. At the moment, 41 companies have based their operations in the Park, employing approx. 1000 people, to mention only a few: SMF Poland – plastic industry, Advanced Technology Centre OBR – construction of machinery and equipment, pneumatic drive control, automation of production processes, Elto – electrical systems in the power engineering sector, ISK Engineering – a supplier of paints, plasters and insulation systems, Arctica BB – insulating materials, composite panels and cold storage doors. The Industrial Park has a very good internal and external communication infrastructure (the road system allowing for access by TIR lorries of unlimited load capacity; the railway siding with unloading ramps plus close proximity to the Świdnik airport, which is going to be modernized and expanded in the future – data based on the development plans of the Lublin region). The company "Port Lotniczy Lublin w Świdniku" may also be joined by the enterprises starting their business in the Park.

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7.9. Industrial Park in Zambrów

Industrial Park in Zambrów opened in January 2006. It was created on the basis of the former Zakłady Przemysłu Bawełnianego Zamtex (Cotton Industry Plant Zamtex), taken over by the State Treasury, and then transferred to the municipal authority of the Town of Zambrów. The project was completed directly by a municipal company – Zarząd Nieruchomościami Sp. z o.o. Once the application for funding from the European Regional Development Fund under the ICE SOP was accepted, the City of Zambrów contributed the real estate to the Company, which was considered as the local authorities' contribution to the project.

The Park is located on the plot of 40 577 m². Its managing authority is Zarząd Nieruchomościami w Zambrowie Sp. z o.o.

Zambrowski Park Przemysłowy – Zarząd Nieruchomościami w Zambrowie Sp. z o.o.

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Published by:
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