

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



# Sector of non-metallic mineral products in Eastern Poland

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



# Sector of non-metallic mineral products in Eastern Poland



# 1. Potential of Eastern Poland

Eastern Poland is a macroregion that covers 31.7% (99,037 km<sup>2</sup>) 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. Sector of non-metallic mineral products in Poland

Poland is a country rich in mineral resources necessary for the development of the non-metallic sector. There are deposits of glass sand, kaolin, sand, sandstone, clay, limestone, marlstone and gypsum. The distribution and number of raw material deposits are diverse. The consequence of the uneven distribution of resources in the country is the uneven distribution of cement, glass and ceramics industries [Table 2].

The rich deposits of minerals used for the production of building materials encourage investments in the sector of non-metallic mineral products in Eastern Poland. Large deposits of various minerals can be found in the Świętokrzyskie Voivodeship. In terms of size and diversity of resources and the mining output, the Świętokrzyskie Voivodeship is one of the leaders in the country. Basic natural resources of the region include non-metallic minerals, which have enabled the development of building materials production. The deposits of gypsum stone found in Świętokrzyskie region are among the richest in Europe [Table 3].

The limestone deposits of the Świętokrzyskie Voivodeship are of particular importance. They are used mainly in lime and cement industry. The region has lime mines with the largest output in the country: Ostrówka (4.1 million tonnes) and Trzuskawica (3.4 million tonnes). The mine in Bukowa comes fourth with an output of 1.6 million tonnes.

The second place in the country in the extraction of lime belongs to the mine in Gliniany-Duranów (4.1 million tons), which supplies this mineral to the cement plant in Ożarów.



The Podkarpackie Voivodeship is very rich in mineral resources. In the southern mountainous part of the voivodeship the following raw materials are extracted: sandstone, limestone, gypsum (including alabaster gypsum), ceramic clay, sand (including glass sands), and gravel. Currently, of the greatest economic significance are the deposits of fossil fuels (natural gas and crude oil) and rock material (natural aggregate, construction ceramics clays and sandstones).

TABLE 2. Distribution of major resources used in the non-metallic mineral products sector in Poland.

Resource	Location of deposits
glass sand	sands and sandstones for production of glass sand are present in ten voivodeships: Dolnośląskie (region of Boleśławiec), Lubelskie, Lubuskie, Łódzkie (region of Tomaszów Mazowiecki), Mazowieckie, Podkarpackie, Pomorskie, Świętokrzyskie, Wielkopolskie and Zachodniopomorskie
ceramic clay	ceramic clay deposits are found mainly in the Lower Silesia (Boleśławiec clay) and in the Świętokrzyskie Voivodeship
refractory clays	the largest mined deposit of refractory clay is located in the Dolnośląskie Voivodeship (Rusko-Jaroszów), and the second largest in the Mazowieckie Voivodeship (Kryzmanówka), other deposits are not mined
clayey materials for construction ceramics	deposits are distributed throughout the country, but generally Southern Poland is richer in this raw material
sands and gravels	highly sought-after natural thick aggregate is distributed unequally in the country, the central region has low deposits of the materials, whereas the distribution of sand deposits in Poland is quite uniform, only the southern voivodeships might be deficient in them
silica sand for production of cellular concrete, sand and lime brick	distribution of deposits is fairly uniform throughout the country (except for the Carpathian Mountains, where there is a shortage of suitable deposits of quartz sand)
dolomites	most of the deposits of pure dolomite are found in the Śląskie, Dolnośląskie and Małopolskie Voivodeships
gypsum	gypsum deposits of economic importance are mainly located along the northern border of the Przedkarpackie Depression (especially in the Valley of Nida – Świętokrzyskie Voivodeship), gypsum is mined in Borków-Chwałowice and Leszcze
limestone and marlstone for the cement and lime industry	raw materials for cement and lime production are found mainly in southern and central Poland
kaolins	in Poland kaolin deposits are located in the Dolnośląskie Voivodeship (Strzegom, Strzelin, Izerskie Mountains)

Source: Own compilation based on data of Geological Institute

TABLE 3. Deposits and mining of selected non-metallic minerals in Poland and in the Świętokrzyskie Voivodeship.

Mineral group	Poland		Świętokrzyskie voivodeship	
	Number of identified deposits	Number of actively mined deposits	Number of actively mined deposits	Mining output in 2010 (in thou. tonnes)
limestone for lime industry	116	16	10	11 381
limestone and marls for cement industry	71	16	3	6 986
gypsum	15	5	2	931
refractory quartzite	18	1	-	-
stoneware clay	22	5	1	18
glass sands	31	7	-	-
moulding sands	76	8	-	-
sulphur	18	4	1	517

Source: National Geological Institute [www.pgi.gov.pl](http://www.pgi.gov.pl), 2011

Also in the Lublin region there are large deposits of building minerals such as limestone, marlstone, chalk, clay, and glass and construction sands. As a result, the cement and building materials industries can develop, based on local deposits of raw materials.

## 2.1. Glass Industry

Poland is one of the largest manufacturers of glass in Europe. Polish glassworks produce about 3 million tonnes of glass per year. According to the data of the Central Statistical Office (CSO), the sold production of glass and glass products in the first quarter of 2012 amounted to PLN 4 463.7 m. Although the volume was slightly lower than in the previous year, it demonstrates a 2.5% growth in the sold production, a significant increase of flint glass and glazing units as well as a slight increase in domestic glass manufacture. In the 3rd quarter of 2012 production growth trend persisted, similarly to the first half of the year, which the information regarding production in July and August indicates [table 4].

Poland, with raw materials of good quality, suitable human resources, its central location and unsaturated market, offers a great potential for the development of glass industry. Polish glass industry is highly profitable – the profitability for the last few years exceeded

8%, and in the first half of 2010 glass industry reported a 5-percent increase (after a significant drop to 2.7% in 2009).

## 2.2. Ceramics industry

Ceramics industry in Poland is mainly connected with the production of household items (sanitary ceramics including ceramic tiles and artistic ceramics), fire-resistant materials and technical ceramics. Production of artistic ceramics in Poland has a very long tradition. Production of porcelain or china tableware and kitchenware in Poland in 2011 reached 26.6 thous. t. The situation on the market for ceramic tiles is improving very rapidly, as in recent years production in this sector has been thoroughly modernized.

## 2.3. Cement and lime industry

Thanks extensive technical modernization carried out among others by international companies investing in Poland, Polish cement industry currently ranks among the most modern in Europe and even in the world.

TABLE 4. Production and selected product range of the glass industry.

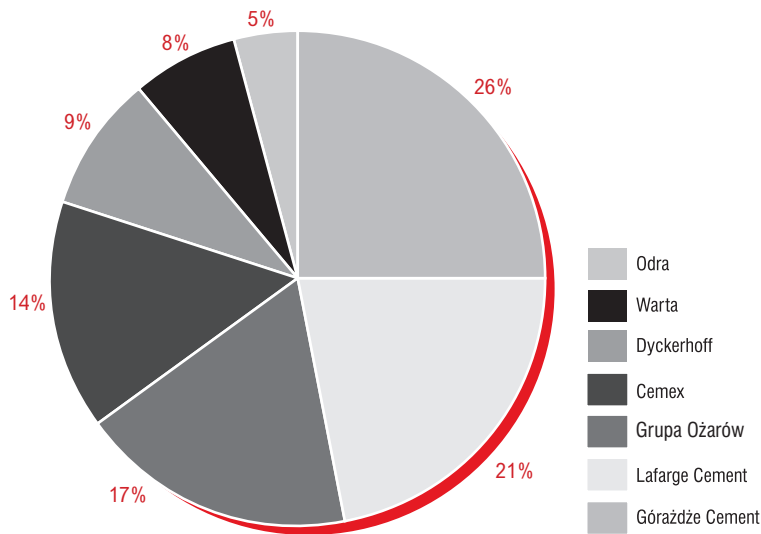
	2008	2009	2010	2011	I-VI 2012
Sold production of glass and glass products in m PLN at current prices (>49 people)	7 365.9	6949.4	8 086.9	8 634.9	4 463.7
Flint glass and surface stained glass or polished plate glass in thou. m <sup>2</sup>	73 622	65 810	86 922	95 869	110.5*
Double glazed panes in thou. m <sup>2</sup>	15 071	13 769	13 388	13 856	99.5*
Multi glazed panes in thou. m <sup>2</sup>	439	681	1011	1393	138.0*
Wine glasses and glasses in thou. pcs.	121 465	98 237	109 407	92 332	101.0*

Source: Central Statistical Office, Manufacture of industrial products;

All the quantitative data until 2011 include the production of plants with more than 9 employees

\* production increase in the first half of 2012 with more than 49 employees

CHART 1. Groups producing cement and their share of cement sales on the Polish market in 2009.



Source: Cement industry in numbers 2012, Cement Manufacturers Association

Cement plants produce predominantly for the domestic market (97.3%). In their forecasts for the coming years, experts predict an even larger increase in the demand for cement in Poland. According to the projections of the Gdańsk Institute for Market Economics, in 2011 the domestic market used 16.6 million, and in 2015 – more than 20 million tonnes of cement.

Total cement production in 2011 reached 18.6 million tons. Cement sales also increased from 15.4 million tons in 2010 to 18.7 million tons in 2011 (data of the Polish Cement Association). The cement industry in Poland is now represented by 12 cement plants and one milling plant [chart 1].

Lime industry, like cement industry, is concentrated mainly in the south of the country, where limestone and marlstone deposits are quite common. Unlike cement industry, however, lime industry is represented by a large number of small businesses. Lime industry is most developed in the Opolskie Voivodeship as well as in the Małopolskie, Śląskie and Lubuskie Voivodeships.

According to CSO data, total sold production of manufacture of non-metallic products in the period of January-November 2012 amounted to PLN 40 778.9 million. In this period enterprises operating in this sector employed an average of 112 thousand people, and the average wages were PLN 3 677.41.





### 3. Sector of non-metallic mineral products in Eastern Poland

#### 3.1. Size and structure of the sector

The industry of non-metallic mineral products has been steadily expanding in Eastern Poland since 2005. In 2011, sold production of the non-metallic mineral products sector in Eastern Poland reached PLN 8.7 billion, of which over 62% was generated in the Świętokrzyskie Voivodeship.

The increase in production in the non-metallic sector is accompanied by an increase in employment. At the end of 2011 the sector employed an average of 25 000 employees, that is 6.8% of the total number of people employed in industry.

The main branch of the non-metallic mineral products sector is the construction materials industry. Major centres of this industry are located near the sources of raw materials (except for factories producing prefabricated elements). Therefore, the construction materials industry has developed mainly in the Podkarpackie and Świętokrzyskie Voivodeships, where the resources of non-metallic minerals are larger than in other areas of the country.

#### 3.2. Description of the sector and major development centres

The sector of non-metallic mineral products is growing fastest in the Świętokrzyskie Voivodeship. In 2011 the sector accounted for 28.8% of sold industrial production. The industries dependent on local resources of non-metallic minerals include: lime and gypsum industry (Lhoist Bukowa Sp. z o.o., Zakłady Przemysłu Wapienniczego Trzuskawica S.A., Alpol Gips Sp. z

o.o., Lafarge Gips Sp. z o.o.), cement industry (Dyckerhoff Polska Sp. z o.o., Lafarge Cement Polska S.A.), fine ceramics industry (Zakłady Porcelany Ćmielów Sp. z o.o., Fabryka Porcelany AS), and glass industry (Pilkington Polska Sp. z o.o., Pilkington Automotive Poland Sp. z o.o., Huta Szkła Ślawa, Kama Vitrum Huta Szkła Sp. z o.o.). In the region of Kielce and in the south-western part of the Świętokrzyskie Voivodeship there is a high concentration of minerals mines and plants processing rock material, including limestone for the cement and lime industry. The cement industry is also well-developed in the north-eastern part of the voivodeship. In the south of the voivodeship there are numerous brickyards and other construction materials plants. Natural gypsum is mined in the Świętokrzyskie Voivodeship from two deposits located in the Nida River region (the only operating gypsum mines in Poland). Gypsum from these mines is used by the Lafarge Gips Sp. z o.o. gypsum board production plant in Leszcze – one of the most modern ones in Europe.

The concrete and prefabricated concrete elements plants in Lublin (Prefabrykaty Faelbud Sp. z o.o., Elektrobet Sp.j., Lafarge Kruszywa and Beton Sp. z o.o., Wytwórnia Betonu Lublin), Lubartów (Solbet Lubartów S.A., Zakład Produkcji Materiałów Budowlanych Betax) and many other towns of the region (e.g. Przedsiębiorstwo Przemysłu Betonów Prefabet in Puławy, Spółdzielnia Żelbet in Międzyrzecze Podlaskie, Zakład Wapienno-Piaskowy Megola Sp.j. in Hedwiżyn, Kraśnickie Przedsiębiorstwo Budowlane in Krosno).

TABLE 4. Major companies of the glass industry operating in the Podkarpackie Voivodeship.

Location	Company	Scope of activity
Mielec	Sanglass S.A.	Production of glass panes
Jasło	Huta Szkła w Jaśle S.A. Grupa Kapitałowa Krosno	Forming and working of glass panes
Dębica	Dexpol Sp.j.	Forming and working of glass panes
Krosno	Glasmark Sp. z o.o.	Production and processing of glass
Krosno	Villa Glass Studio Sp. z o.o.	Production and processing of glass
Brzozów	Huta Szkła Gospodarczego Kama	Production of blown glass
Krosno	Huta Szkła Józefina	Production of blown glass
Sanok	Huta Szkła Justyna Sp.j.	Production of blown glass
Krosno	Makora Krośnierska Huta Szkła Sp. z o.o.	Production of blown glass
Krosno	Krośnierskie Huty Szkła Krosno S.A.	Production of blown glass
Jarosław	O-I Produkcja Polska S.A.	Production of blown glass
Przemyśl	Huta Szkła Lucyna	Production of blown glass
Krosno	Krosglass S.A.	Production of glass fibre

Source: Own compilation based on data obtained from the companies.

TABLE 5. Main centres of non-metallic mineral products industry in Eastern Poland.

Industry	Manufactured goods	Main centres
Glass industry	flat glass, industrial glass, glass packaging, glass fibre, technical glass	Sandomierz (industrial glass), Jarosław i Krosno (industrial glass and glass packaging)
Ceramic industry	artistic ceramics (porcelain, faience, vitreous and semi-vitreous products), structural ceramics (bricks, hollow blocks, roof tiles, ceramic tiles), sanitary ceramics, industrial ceramics (electroceramics, refractories)	Końskie, Krasnystaw (sanitary ceramics), Ćmielów (tableware and decorative ceramics), Boguchwała (electroceramics), bricks are produced by small brickyards scattered throughout Eastern Poland
Cement industry	cement	Małogoszcz, Nowiny, Chełm, Ożarów
Lime industry	lime	Sitkówka, Bukowa
Gypsum industry	gypsum, gypsum boards	Leszcze
Concrete industry	prefabricated concrete elements	production plants are mainly located near large cities

Source: Own compilation based on data obtained from the Polish Geological institute.

Glass industry develops mainly in the Podkarpackie Voivodeship: there is a large number of companies operating in the glass industry, e.g. Krośnieńskie Huty Szkła S.A. (Krosno Glassworks), Huta Szkła Józefina (Józefina Glassworks), as well as other smaller factories that manufacture artistic glassware, decorate glass products or produce Christmas decorations. The largest concentration of such plants can be found near Krosno, which is the biggest glass industry centre in Poland. The tradition of glass making in this area dates back to the early 20th century [table 4].

The biggest glass manufacturer in the voivodeship and in Poland is Krośnieńskie Huty Szkła S.A. (Krosno Glassworks) – a company with an extensive experience (established in 1923) in the manufacture of manually and mechanically formed glass products. It has its own Design Centre, which is a global trendsetter in industrial design. High quality of the products has been confirmed by prestigious awards and diplomas, such as gold medals at the Poznań International Fair and the Promotional Emblem “Poland Now” (“Teraz Polska”). Over 90% of manual production and 60% of mechanical production is exported to over 60 countries. Krosno S.A. Glassworks was one of the first five companies to be listed on the Warsaw Stock Exchange in 1991. Although it has been declared bankrupt, the company continues its production activity. In 2004 the glass fibre department was separated from the Glassworks and a new company was established – Krosnolux S.A.

In the Warmińsko-Mazurskie and Podlaskie Voivodeships, the industry of non-metallic mineral products is less important because these regions do not have large resources of minerals. The minerals that are mined in Podlasie and Warmia and Masuria are common minerals, and most of them are used

as raw material by the construction materials industry – natural aggregates, gravel, clay minerals and quartz sand are used in the production of lime-and-sand bricks and cellular concrete. The largest enterprises of the non-metallic sector based in the Podlaskie Voivodeship are: Zakład Ceramiki Budowlanej Lewkowo Sp. z o.o., ABW Superbruk s.c., Fadam-Bud Sp. z o.o., Przedsiębiorstwo Wielobranżowe Rak-Bud, and Biaglass Huta Szkła in Białystok [table 5].

### 3.3. Success story

#### Lhoist Group, Belgium

Formally, the group began its activity in Poland in 1996 when it established Lhoist Poland Sp. z o.o. company based in Krakow and formed a joint venture with the State Treasury based in Bukowa. From that moment the Group started production in Poland. Under the agreement with the State Treasury, the Group undertook to invest PLN 66.5 million in Bukowa. Not only did Lhoist fulfil this obligation, but it invested a much higher amount. At that time the company built a Pfeiffer roller mill, an automatic palletizing line, and a lump lime crushing, sorting and storage system. It also built and modernized silos, a shaft furnace dedusting system, and a goods dispatch system.

Thanks to the high quality of lime deposits and state-of-the-art technology, the plant produces lime of supreme quality, which is sold both in Poland and abroad. The Lhoist plant in Bukowa produces the following range of products: quicklime in pieces, powdered quicklime, hydrated lime, limestone dust, sorbents, agricultural lime, limestone and limestone aggregate.

#### Lafarge, Francja

Present in 78 countries all around the world, Lafarge (France) is a world leader in the production of construction materials. The company has existed on the Polish market since 1995. At first it operated in the cement sector, and then in 1997 and 1998 it expanded its activity to other areas: aggregates, concrete and plaster. By the end of 2008 Lafarge invested in Poland more than PLN 2 billion and it currently occupies a leading position in four industries: cement, aggregates, concrete and plaster.

### Specificity of glass industry

The large number of glass industry enterprises that operate in the Macroregion and the wide diversity of their activities provide potential investors with ample opportunities of business cooperation.

Lafarge Cement has two production plants, which are among the largest employers in their respective regions. The production capacity of both plants is more than 4 million tonnes of cement per year. Cementownia Małogoszcz (Małogoszcz Cement Plant) is one of the largest production plants in Eastern Poland. It is equipped with three dry process lines for the manufacture of clinker and five cement production lines. The cement plant uses its own resources of Jurassic limestone and marls extracted in a nearby quarry. In the plant there are 14 silos with a capacity of 5 thousand tonnes each, and a flyash storage silo with a capacity of 800 tonnes.

The plant is equipped with a modern packaging and palletizing system, bulk cement loading terminals for trucks and railway wagons, and a state-of-the-art dedusting system. The range of cements produced by the Cement Plant in Małogoszcz covers a wide selection of Portland cements with mineral additives and metallurgical cement.

Lafarge Beton specializes in the production of high-quality ready-mixed concrete for construction and road engineering industries. In Eastern Poland there are concrete plants in Mielec, Dębica, Lublin, Krosno, Rzeszów and Kielce. Lafarge Beton is a founding member of the Polish Association of Ready-Mixed Concrete Producers, which since 1999 has been bringing together companies that produce concrete mixes. Furthermore, most Lafarge plants are happy to hold "Good Concrete" ("Dobry Beton") quality certificates awarded by the Association. The Company has three production facilities, including a plant in Leszcze (Świętokrzyskie Voivodeship), which belongs to the most modern and largest of its kind in Europe.

### NSG Group, Japan

The international NSG Group Japan is represented in Poland by three glass production and processing companies. Two of them – Pilkington Automotive Sp. z o.o. and Pilkington Poland Sp. z o.o., operate in Eastern Poland in the automotive and construction sectors.

The company Pilkington Automotive Poland Sp. z o.o. was founded in 1997. In 1998 the company took over from Pilkington Sandoglass the production of car windshields. After a period of investment, which was aimed to broaden the range of products with tempered side and rear windows and increase the production of windshields, in 1999 it began production in a new factory. Today the factory produces laminated and tempered windshields, employing over a thousand employees. Already in the third year of its operation, the company became the best factory of the Group in Europe, reaching the highest standards of productivity and product quality. Currently, the factory, as one of the plants integrated within the Automotive Group, is a leader in many areas of the Group's activities. Pilkington Automotive Poland produces and supplies components to major car manufacturers such as Fiat, GM, Ford, Volkswagen, Mercedes and PSA Group. The company is a provider



of a full set of windows for the Car of the Year 2004 – Fiat Panda, produced in Tychy.

In 2004, Pilkington Automotive Poland expanded its scope of business to include wholesale of car windshields in the spare parts aftermarket through a merger with Pilkington AGR Poland. As a result, the company now offers a large selection of brand car, truck and bus windows, which are produced in different factories of the NSG Group all over the world. Of great importance for the company were the years 2004–2007, when large-scale investments were made: new production lines were installed to start production of heated windshields, laminated side windows and windshields of complex modern shapes.

Pilkington Poland Sp. z o.o. is one of the largest producers of flat glass and laminated glass. The most important date in the company's history has undoubtedly been June 1995, when the production of float glass was launched. The glass is manufactured using the float method patented by Pilkington, which is now the world's newest glass making technology. It enables the production of flat glass of high quality used in construction industry (building glazing, laminated and tempered glass) and automotive industry as well as in the production of furniture and household goods.

In 1998 the company started producing large sheets of laminated glass for the construction industry, and it is still the only manufacturer of such glass in Poland. At present, the company is investing in the extension of the IT Department which is responsible for global management of computer systems and internal customer service. Today Pilkington Poland has a 30% share of the Polish glass market. In addition, the company sells its products in Ukraine, Slovakia, Belarus, Lithuania, Hungary, the Czech Republic, Sweden and Finland [Table 6]. In September 2012 the company completed another project in Poland – a new plant was built in Chmielów, commune of Nowe Dębe, at a cost of PLN 450 million. 500 new jobs were created.

### 3.4. Clusters, organisations and supporting associations

Several cluster initiatives are being developed in Eastern Poland, which have a positive effect on the development of the sector of non-metallic mineral products. In 2010 the Construction Cluster "Innovator" ("Innowator" in Polish) was established for the Świętokrzyski and Podkarpacki regions.

The members of this cluster cooperate to develop mechanisms that enable and facilitate access to knowledge, transfer and implementation of the latest technologies, and to reduce the costs of operation by improving the exchange of information between enterprises. The main aim of the construction cluster is to enable communication between construction companies, exchange experiences, and link enterprises together in order to carry out major construction projects. Growing construction industry creates great opportunities for the development of the non-metallic sector, as large construction companies are crucial for the development of manufacturers of building components or finishing materials.

Conditions that favour the operations of the 'Innovator' cluster:

- availability of experienced staff,
- favourable climate and conditions for the growth of companies operating in the construction sector,
- possibility of mergers or joint-ventures with well-known construction companies,
- presence of international holding companies from the construction sector, such as: Skanska AB (Sweden), Epstein (USA), Ferrovial (Spain), Accio-

na (Spain), Apollo-Rida Poland (USA), Bau Holding Strabag AG (Austria), BEG S.A. and Eiffage Construction (France).

#### Końskie-Opoczno Ceramics Cluster

The Macroregion Eastern Poland is rich in deposits of minerals used in the manufacture of ceramic products. A characteristic element of the economy of this region is, therefore, the concentration of companies of the ceramics industry, which are concentrated in the cluster called Grono Ceramiczne Końskie-Opoczno (Końskie-Opoczno Ceramics Cluster). The area around Opoczno is rich in deposits of raw materials used in the manufacture of ceramic products. A characteristic element of the economy of this region is therefore a large number of companies operating in the ceramics industry. There are as many as eleven manufacturers of ceramic tiles in the region (out of 20 in the entire country). These are: Opoczno S.A., Ceramika Paradyż, Ceramika Iza, Ceramika Gres, Ceramika Końskie, Cerkolor, Cerrol, Ceramika Nowa Gala, Ceramika Color, Unikat, and Cerart. They make up a ceramics cluster called Grono Ceramiczne Końskie-Opoczno. The development of the cluster is also stimulated by a large number of wholesalers selling tiles and tiling materials and accessories such as adhesives, grouts, tools, etc.

Furthermore, the development of the non-metallic mineral products sector in Eastern Poland is supported by numerous all-Poland organisations.

#### Cement Producers Association

It was established in 1990 and brings together the managers of cement and lime companies and other firms that cooperate with them, as well as legal

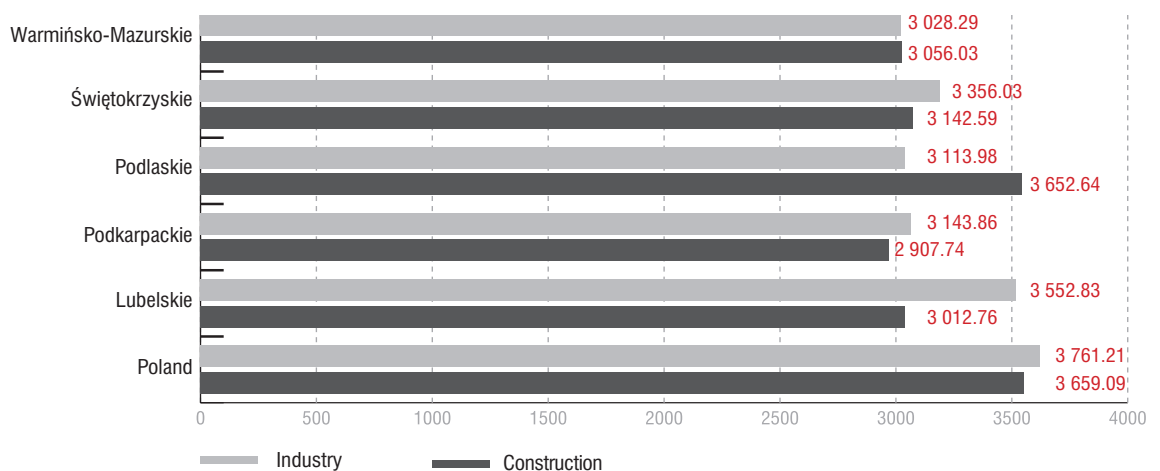
TABLE 6. Selected foreign investors operating in Macroregion Eastern Poland

Investor	Company	Localisation	Country	Activity Profile
NSG Group	Pilkington Automotive Poland Sp. z o.o.	Sandomierz	Japan	Production of glass
	Pilkington Polska Sp. z o.o.	Sandomierz		
Owens Illinois Inc.	O-I Polska S.A.	Jarosław	USA	Production of glass
Heinz Glas Group	Heinz Glass Działdowo Sp. z o.o.	Działdowo	Germany	Production of glass packaging
Lafarge Group	Lafarge Cement S.A. Cementownia Małogoszcz	Małogoszcz	France	Production of construction materials
	Lafarge Gips Zakład Produkcyjny Płyt Gipsowo-Kartonowych	Leszcze		Production of construction materials
	Lafarge Kruszywa i Beton Sp. z o.o. Wytwórnia Betonu Lublin	Lublin		Production of concrete mass
Buzzi Unicem Group	Dyckerhoff Polska Sp. z o.o.	Sitkówka-Nowiny	Germany	Productions of construction materials
Lhoist Group	Lhoist Bukowa Sp. z o.o.	Bukowa	Belgium	Productions of construction materials
CRH Consortium	Grupa Ożarów S.A.	Ożarów	Ireland	Production of cement
	Grupa Ożarów S.A. Zakład Cementownia Rejowiec	Rejowiec Fabryczny		
	ZPW Trzuskawica S.A.	Sitkówka-Nowiny		
Cemex Consortium	Cemex Polska Sp. z o.o. Zakład Cementownia Chełm	Chełm	Mexico	Production of cement
Leier Polska S.A.	Leier Markowice S.A.	Markowice	Austria	Production of bricks, roof tiles and other ceramic construction materials

Source: Own compilation based on data obtained from the Polish Information and Foreign Investment Agency (PAIIIZ).



CHART 2. Average gross monthly wages and salaries by voivodeship, from January to November 2012 (in PLN)



Source: Own compilation based on data obtained from Voivodeships Statistical Offices

entities: companies operating in the cement and lime sector. The Association represents the interests of the cement and lime industry common to all its members on the national and international forum, before state and local authorities, national and international associations and organizations, and the academic community. The Association has the following objectives: to promote products, improve the efficiency of the lime and cement industry through promotion of modern techniques and technologies, including innovative solutions for the protection of the environment, to facilitate the exchange of experiences and the integration of industry branches through cooperation between members of the Association, to collect statistical information, and to publish specialist literature.

#### Multi Glazed unit Manufacturers Association

The Association was founded in 2007. Its main objectives include, among others, taking actions to improve the quality of production and thus to improve the quality of products, representing members before outside control bodies, providing training and advise (improving employees' qualifications), marketing activity (promoting high-quality products such as double-glazed units), obtaining EU funds for the implementation of the Association's objectives, and introduction of a professional quality label. Moreover, the Association performs tests of products, provides members with access to research results crucial for production, and cooperates with suppliers to achieve and maintain optimal business relations.

#### Ready-mixed Concrete Producers Association in Poland

Established in 1999, the Association is an organization of ready-mixed concrete manufacturers and the supporting companies that provide them with raw

materials, technical equipment and technologies. The Association's activities are focused on the promotion of structural concrete and its manufacturers through exhibitions, publications and contacts abroad, determination of standardization and certification criteria, and improvement of the technical and technological standards through internal training. Since 2001, the Association has been a member of the European Ready-Mixed Concrete Organization (ERMCO).

TABLE 7. Schools and students of secondary technical education in Eastern Poland voivodeships in the school year 2011/2012.

Voivodeship	Number of schools	Students	Graduates
<b>Basic Vocational Schools</b>			
Lubelskie	110	10 487	3 738
Podkarpackie	98	12 654	5 006
Podlaskie	50	4 763	1 809
Świętokrzyskie	67	6 650	2 516
Warmińsko-Mazurskie	80	9 566	3 303
<b>Technical Secondary and Supplementary Technical Secondary Schools</b>			
Lubelskie	205	32 332	7 726
Podkarpackie	156	38 112	9 952
Podlaskie	94	20 097	4 953
Świętokrzyskie	127	23 462	6 086
Warmińsko-Mazurskie	129	22 797	5 376
<b>Specialised Secondary Schools</b>			
Lubelskie	29	2 454	560
Podkarpackie	21	1 407	331
Podlaskie	14	753	143
Świętokrzyskie	9	863	202
Warmińsko-Mazurskie	18	965	341

Source: Own compilation based on Central Statistical Office data.

### 3.5. Sector's growth potential

Better availability of natural resources and lower labour costs compared to other parts of Poland encourage investors to move labour-intensive activities to the Macroregion [chart 2].

In the case of Eastern Poland voivodeships, low labour costs are accompanied by high level of human capital development, which is due to the presence of many higher schools in the region. The largest universities that educate future specialists in areas related to the non-metallic sector are: Lublin University of Technology (2 125 graduates in 2010/2011), Białystok University of Technology (3 174 graduates), Rzeszów University of Technology (3 811 graduates) and Kielce University of Technology (2 017 graduates).

Another advantage of the region is the presence in the labour market of well-qualified technical professionals that are sought-after in the sector of non-metallic mineral products [Tables 7 and 8].

### 3.6. Sector development prospects

The prospects for the development of the non-metallic sector depend primarily on the situation in the food, pharmaceutical and cosmetics and perfumery industries, as well as in the construction industry. In Eastern Poland voivodeships, especially Podlaskie and Warmińsko-Mazurskie Voivodeships, food industry is very powerful. For the sector of non-metallic mineral products it is a source of potential demand for glass packaging. The most important consumers of glass packaging are brewing and distilling industries, fruit and vegetable processing industry and pharmaceuticals and cosmetics industry. In addition, the glass packaging sector benefits from the current trends in the field of envi-

ronmental protection. The gradual shift away from plastic packaging that is difficult to recycle and the revival of reusable packaging will help to improve the situation in the glass industry.

Another important factor stimulating the development of the sector is the situation in the construction industry. The building boom in the past few years has contributed to an increase in the production of non-metallic mineral products in Poland. The upward trend in the construction industry continued mainly due to Euro 2012 (building new hotels, sports facilities, roads and railway lines) and a growth in the residential building sector.

An increase in the number of apartments and public buildings that are being handed over for use every year causes an increase in the new-owner demand for ceramics. However, the vast majority of the demand for ceramic tiles and sanitary ceramics – about 70–80% is attributable to replacement demand, which is generated by replacing worn out or damaged materials in connection with the new refurbishment of apartments and buildings.

Another opportunity for the development of the non-metallic sector arises from the growth in the construction of concrete pavement roads. Due to the numerous advantages of such roads, more and more local governments choose this type of pavement in road construction. Over the last 10 years, many sections of local roads in Poland have been repaired in the concrete technology.

It should also be noted that nowadays, the use of concrete is not limited to buildings and infrastructure. In combination with art, technology, design and contractor skills, it can be used to shape the interior of a kitchen or bathroom. Concrete has become a fashionable material as it is easy to mould, colour, texturise and grind.

TABLE 8. Higher education establishments in Eastern Poland which educate future employees of the non-metallic mineral products sector.

Establishment	Main areas of education
Lublin University of Technology	Construction, materials engineering, production management and engineering
Higher School of Management and Administration in Zamość	Construction
State Higher Vocational School in Chełm	Construction
State Higher Vocational School in Biała Podlaska	Construction
Białystok University of Technology	Construction
State Higher School of Information Technology and Entrepreneurship in Łomża	Information technology and automation, Entrepreneurship
State Higher Vocational School in Suwałki	Construction, production management and engineering
Rzeszów University of Technology	Construction, production management and engineering, chemical technology, materials engineering, information technology
University of Rzeszów	materials engineering
State Higher Vocational School in Krosno	Construction, science of commodities
Kielce University of Technology	Construction, production management and engineering
University of Warmia and Mazury in Olsztyn	Construction, processing and chemical engineering
State Higher Vocational School in Elbląg	Construction
State Higher School of Finance and Management in Białystok branch in Elk	Construction

Source: Own compilation based on data obtained from the higher education establishments.

## 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:

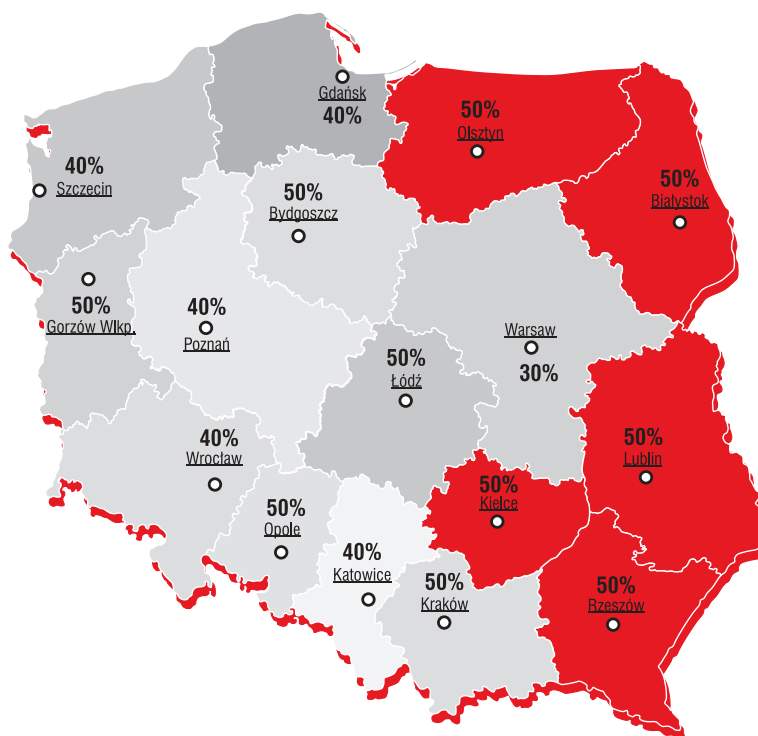
- by reference to capital expenditure incurred
- or by reference to two-year employment costs for newly created jobs (gross salary costs and the costs of social security contributions).

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 2. Regional aid map for 2007–2013



Source: Own compilation 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 region (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 2].

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:

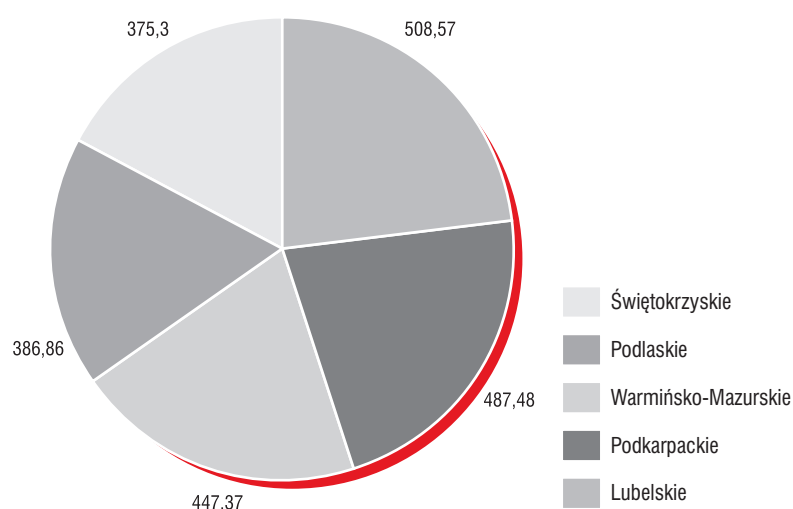
- Infrastructure and Environment – 41.9% of the total funds (EUR 27.9 billion);
- Human Capital – 14.6% of the total funds (EUR 9.7 billion);
- Innovative Economy – 12.4% of the total funds (EUR 8.3 billion);
- Development of Eastern Poland – 3.4% of the total funds (EUR 2.3 billion);
- Technical Assistance – 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 3].

CHART 3. 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](http://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](http://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](http://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](http://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](http://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](http://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](http://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](http://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](http://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](http://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](http://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.wwpe.gov.pl](http://www.wwpe.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](http://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](http://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](http://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](http://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](http://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](http://www.lubelskie.pl)).

#### LVRP 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](http://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](http://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](http://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](http://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](http://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](http://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](http://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:**

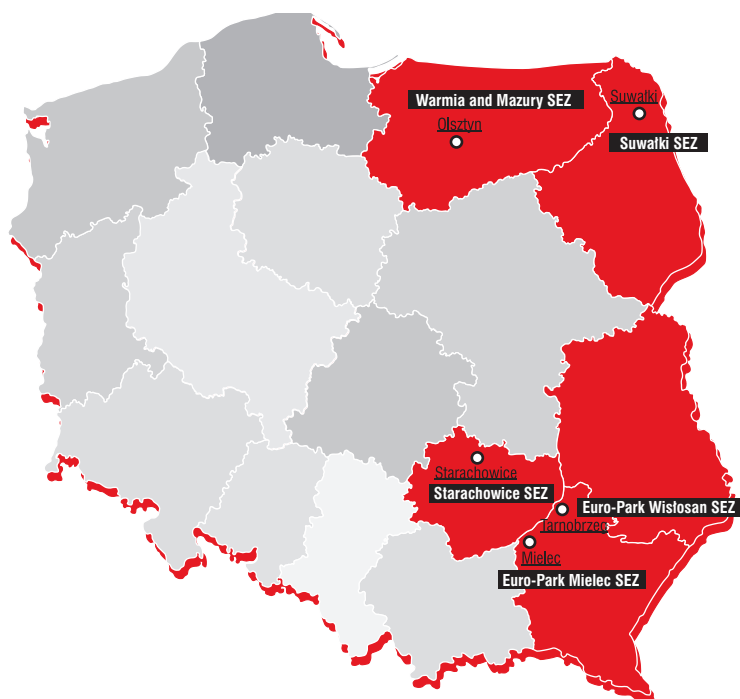
- **PLN 100 000** – if the business plan provides for creation of at least one and less than two jobs (FTE, annual average), which is justified by the material scope of the operation;
- **PLN 200 000** – if the business plan provides for creation of at least two and less than three jobs (FTE, annual 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 3. Special Economic Zones (SEZs) in Eastern Poland



Source: Own compilation 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 3].

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, Szczętyrno 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 4. Warmia and Mazury Special Economic Zone



### Warmia and Mazury Special Economic Zone

Registered location: Olsztyn

Voivodeships: Warmińsko-Mazurskie and Mazowieckie

TABLE 9. 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 Szynaka 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 calculations based on PAliIZ databases

## 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 5. Suwałki Special Economic Zone



### Suwałki Special Economic Zone

Registered location: Suwałki

Voivodeships: Podlaskie, Warmińsko-Mazurskie and Mazowieckie

TABLE 10. 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 calculations based on PAIiZ databases

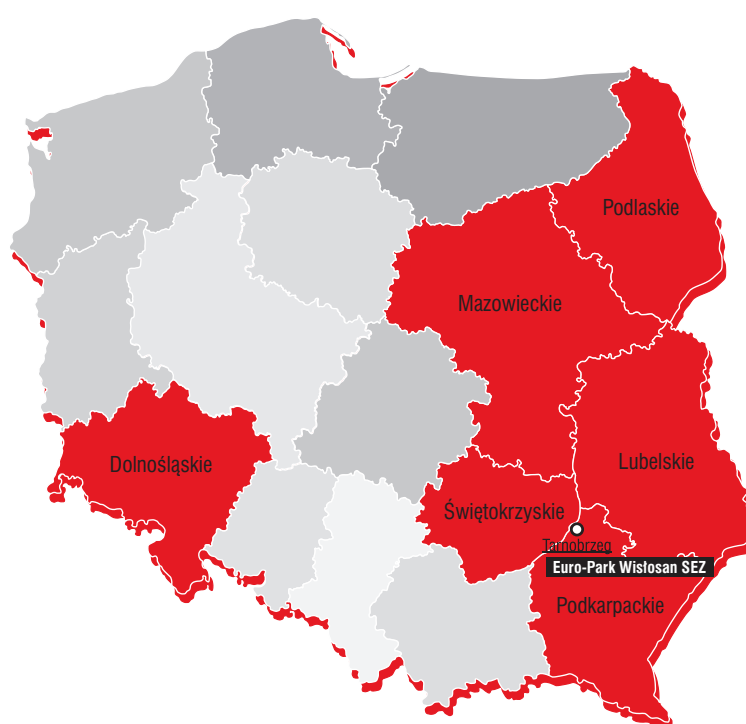
### 6.3. Tarnobrzeg Special Economic Zone Euro-Park Wisłosan

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 6. 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 11. 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 calculations based on PAIIIZ databases

## 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, Trzebownik, 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 7. Euro-Park Mielec Special Economic Zone



### Euro-Park Mielec Special Economic Zone

Registered location: Mielec

Voivodeships: Podkarpackie, Lubelskie, Małopolskie and Zachodniopomorskie

TABLE 12. 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 calculations based on PAIIZ databases



## 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 8. Starachowice Special Economic Zone



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

TABLE 13. 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 calculations based on PAIIIZ databases

## 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 m<sup>2</sup>. 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).

**Kielecki Park Technologiczny**

**ul. Olszewskiego 6**

**25-663 Kielce**

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**phone: +48 (41) 278 72 01**

### 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 m<sup>2</sup>.

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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**e-mail: [biuro@lpnt.pl](mailto:biuro@lpnt.pl)**  
**[www.lpnt.pl](http://www.lpnt.pl)**

### 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.



#### **Podkarpacki Park Naukowo-Technologiczny Aeropolis Management Center**

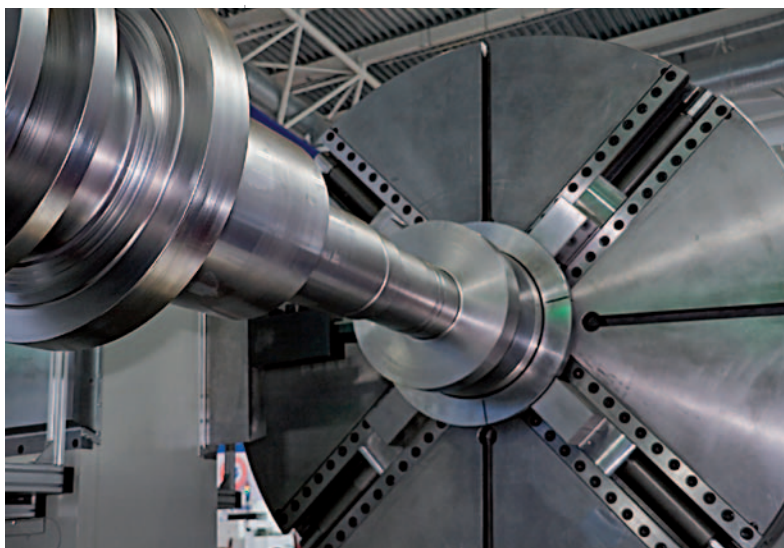
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**Investor Center**  
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**[www.aeropolis.com.pl](http://www.aeropolis.com.pl)**

### 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 Kłosowski, Iglobud Leżajsk Jerzy Szostak.

**Park Przemysłowy Stare Miasto**  
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**[www.sm-park.pl](http://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**

**Agencja Rozwoju Regionalnego MARR S.A.**

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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**

**Zakłady Azotowe Puławy S.A.**

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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 m<sup>2</sup>. Its managing authority is Zarząd Nieruchomościami w Zambrowie Sp. z o.o.

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

**Aleja Wojska Polskiego 27 A****18-300 Zambrów****phone: +48 (86) 271 36 54****fax: +48 (86) 276 12 40****e-mail: znwzambrowie@interia.pl****www.zpp.info.pl**

**Published by:**  
**Polish Information and Foreign Investment Agency**  
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[www.paiz.gov.pl](http://www.paiz.gov.pl)  
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