

CENTRE FOR REGIONAL
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Lubusz voivodship

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Introduction

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

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

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

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

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

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

Lubusz (*Lubuskie*) voivodship is situated in central-western Poland. It borders Germany, which facilitates international economic cooperation. Fourteen border crossings and the membership of the Pro Europe Viadrina Euroregion and Spree-Neisse-Bober Euroregion create good conditions for economic cooperation. The main socio-economic and administrative centres are Gorzów Wielkopolski, the seat of governmental administration, and Zielona Góra, the seat of self-governmental authorities.

The advantages of the voivodship include:

- a highly beneficial geopolitical location at the Western border, which allows to access attractive sales markets of Germany and other Western Europe countries,
- a beneficial location on an international traffic route, i.e. pan-European corridor East-West, which enables access to the foreign markets,
- a very well-developed regional communications network – both roads and railways, well-developed near-border infrastructure,
- a well-developed network of water transport (the Oder system enables to ship by barges from Lower Silesia to the port complex of Szczecin-Świnoujście and through the Oder-Spree and Oder-Havel channels Lower Silesia is connected to the system of inland waterways of Western Europe),
- very good access to the Internet (in this respect the voivodship belongs to the highest rated regions in Poland),
- voivodship's activity in Euroregions; what particularly distinguishes the Lubusz Land is the transborder location of international Viadrina University offering among others the following courses of study: management, international management, economics, international business administration, German law, German-Polish law, cultural studies,
- a high forest cover, tourist attractions (especially Muskauer Park in Łęknica commune, a UNESCO World Heritage site) as well as numerous lakes, all conducive to the development of tourism,
- good conditions of the development of industry thanks to the presence of higher education institutions offering technical courses of studies¹ and attractive investment offers from special economic zones.

The general characteristics of the Lubusz voivodship are presented in Table 1.

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

Table 1. General characteristics of the economy of Lubusz voivodship

Feature	Lubusz voivodship	Poland	Share [%]
Market potential			
GDP per capita 2010. (PLN/person)	31,348	37,096	-
Population (persons) on 31 December 2012	1,023,317	38,533,299	2.7
Human Resources Potential			
Higher education institutions graduates (persons) in 2012	6,691	484,999	1.4
Secondary schools graduates (persons) in 2012	10,906	421,317	2.6
Number of employed persons on 31 December 2012	324,565	13,911,203	2.3
Structure of employed persons 2012	agriculture 11.1% industry 32.1% services 56.8%	agriculture 17.1% industry 27.4% services%	
Investment outlays and capital of companies with foreign capital participation in the voivodship			
Investment outlays (PLN m) in 2011	805.6	73,704.4	1.1
Capital of companies (PLN m) in 2011	1,949	194,160.6	1
Special economic zones (SEZs) in the voivodship*			
– Kostrzyn-Słubice SEZ, subzones in: gm. Bytom Odrzański, gm. Czerwieńsk, gm. Dobiegniew, gm. Gubin, gm. Kargowa, gm. Kożuchów, gm. Lubsko, gm. Międzyrzecz, gm. Rzepin, gm. Skwierzyna, gm. Słubice, gm. Sulęcín, gm. Zielona Góra, m. Gorzów Wielkopolski, m. Gubin, m. Kostrzyn nad Odrą, m. Nowa Sól, m. Zielona Góra – Wałbrzych SEZ, subzones in: gm. Szprotawa			
Distinguishing investment attractiveness ratings PAI_2 and RAI (class A, B and C)			
Potential investment attractiveness PAI_2		Tourism Class C	
Real investment attractiveness RAI		National economy Class B Industry Class C Science and technical professional activity Class C	
Counties and communes distinguished according to the Potential Attractiveness Index for the national economy (PAII_GN)			
Counties	Class A	Gorzów Wielkopolski, Zielona Góra,	
	Class B		
Communes	Class A	Kostrzyn nad Odrą (1), Słubice (3), Gorzów Wielkopolski (1), Gubin (1), Nowa Sól (1), Lubrza (2), Żagań (1), Łęknica (1), Żary (1), Zielona Góra (1),	
	Class B	Kłodawa (2), Witnica (3), Międzyrzecz (3), Skwierzyna (3), Świebódzin (3), Zbąszynek (3), Babimost (3), Sulechów (3), Zielona Góra (2), Wschowa (3),	

Source: Authors' own calculations.

* On the above list and further in the report *gm.* is a Polish abbreviation for *gmina* – commune and *m.* is an abbreviation for *miasto* – city. If there is information *city* following the name of the county, it indicates a commune which has a status of a city and carries out county's tasks is mentioned (a city county). Otherwise the counties include more than one commune (land counties).

Additional information: (1) – urban commune, (2) – rural commune, (3) – urban-rural commune.

In 2010 Lubusz voivodship made a contribution of 2.2 % to the GDP of Poland. Calculated per capita, it amounted to PLN 31,348, with the average for Poland of PLN 37,096. With this result the voivodship takes the 9th place in the country. The GDP growth rate in the voivodship in the years 2003-2010 amounted to 164.4% while the average for Poland amounted to 168%. In comparison with the whole country the structure of employment in the voivodship is characterised by a relatively high share of the service sector (56.8%) whereas a share of the agricultural and industrial sectors are respectively 11.1% and 32.1% (Central Statistical Office, Regional Data Bank 2013).

The registered unemployment rate in the voivodship amounted to 15.3% in August 2013, compared to 13% in Poland. The average monthly gross wages and salaries in enterprises sector in the first half-year of 2013 amounted to PLN 3185.2, which is 84.5% of the average for Poland.

The number of inhabitants of the voivodship amounts to 1,023,317 (as of 2013), which is 2.7% of the population of Poland. The age structure in the voivodship in 2012 was as follows: 18.6% of the population at pre-productive age, 64.9% at productive age and 16.5% at post-productive age (for Poland it was 18.3%, 63.9% and 17.8% respectively). The registered unemployment rate in the voivodship amounted to 12.9% in August 2013, compared to 13% in Poland. The average monthly gross wages and salaries in enterprises sector in the first half-year of 2013 amounted to PLN 3185.2, which is 84.5% of the average for Poland.

The main potential for human capital creation in the voivodship lies in 8 higher education institutions in which there are 21 thousand students studying, which makes up 1.3% of all students in Poland. Moreover, 1.3% of the secondary school students in the voivodship attend vocational schools and 2.9% attend technical schools.

The voivodship's strategic sectors mentioned in the strategy of regional development include above all: wood pulp and paper, wood, electronic, food, glass, construction ceramics, machines and biotechnology.

Preferential conditions of conducting business activities are offered in the voivodship i.a. in the following special economic zones:

- Kostrzyn-Słubice SEZ, subzones in: gm. Bytom Odrzański, gm. Czerwieńsk, gm. Dobiegniew, gm. Gubin, gm. Kargowa, gm. Koźuchów, gm. Lubsko, gm. Międzyrzecz, gm. Rzepin, gm. Skwierzyna, gm. Słubice, gm. Sulęcín, gm. Zielona Góra, m. Gorzów Wielkopolski, m. Gubin, m. Kostrzyn nad Odrą, m. Nowa Sól, m. Zielona Góra,
- SSE Wałbrzych, subzone: gm. Szprotawa.

2. Region's rank in terms of investment attractiveness in Poland and in the European Union

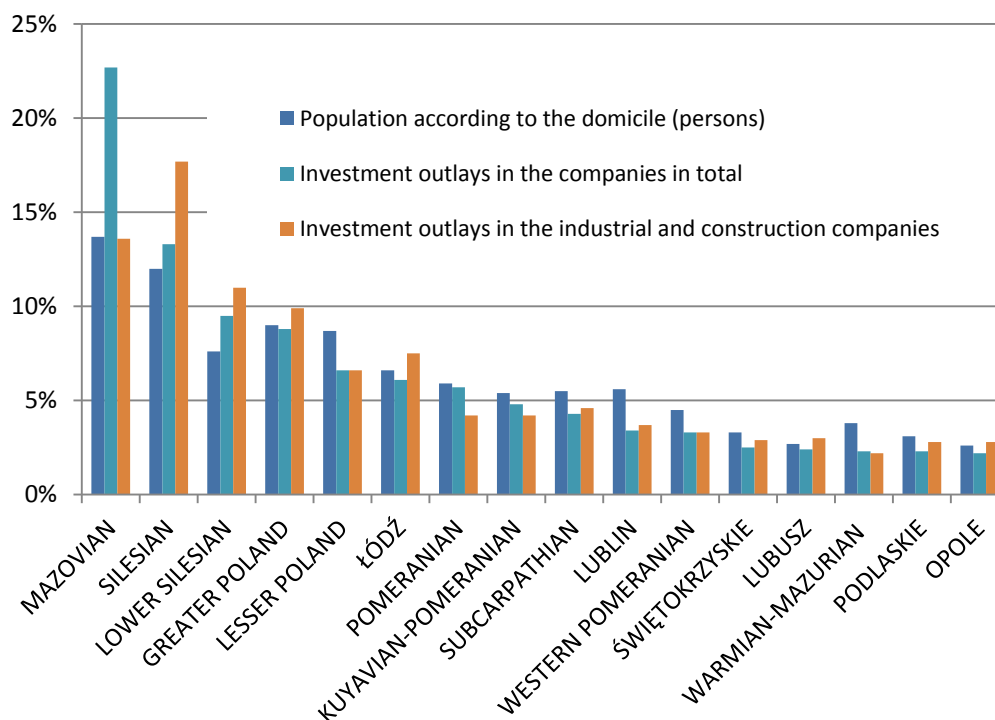
Lubusz voivodship is characterised by an overall investment attractiveness level slightly below the average level for the whole country, which is indicated by its rank (Class D) according to the main potential investment attractiveness index for the whole national economy PAI 2_GN (see Exhibit 1 in the Appendix). However, the rank's results are better when it comes to investments in tourism and gastronomy (Class C). Basing on less complex indicators, not so much concentrated on human capital and R&D sector (PAI1 indicators) also the investment attractiveness for trade and repair (PAI1_G: Class B) and tourism and gastronomy (PAI1_I: Class C) can be positively evaluated.²

Investment attractiveness can also be evaluated on the basis of indices of real investment attractiveness (RAI), which are based on microclimates such as: return on tangible assets, labour productivity, self-financing of self-government territorial units and investment outlays. Investment attractiveness can also be determined on the basis of indices of real investment attractiveness (RAI), based on such microclimates as: returns on tangible assets, labour productivity, self-financing of self-government territorial units and investment outlays. The region ranked rather high when it comes to the national economy level (RAI_GN - Class B). Also the investment attractiveness for business services sector was assessed positively (RAI_M – Class C) – see Exhibit 2 in the Appendix.

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

² Section C – manufacturing industry, section G – trade and repair, section I – hotels and restaurants, section M – professional, scientific and technical activities. Methodological description of calculation of investment attractiveness of Polish regions, counties and communes can be found on the website of Institute of Entrepreneurship, Collegium of Business and Administration, Warsaw School of Economics: <http://kolegia.sgh.waw.pl/pl/KNoP/struktura/IP/publikacje>

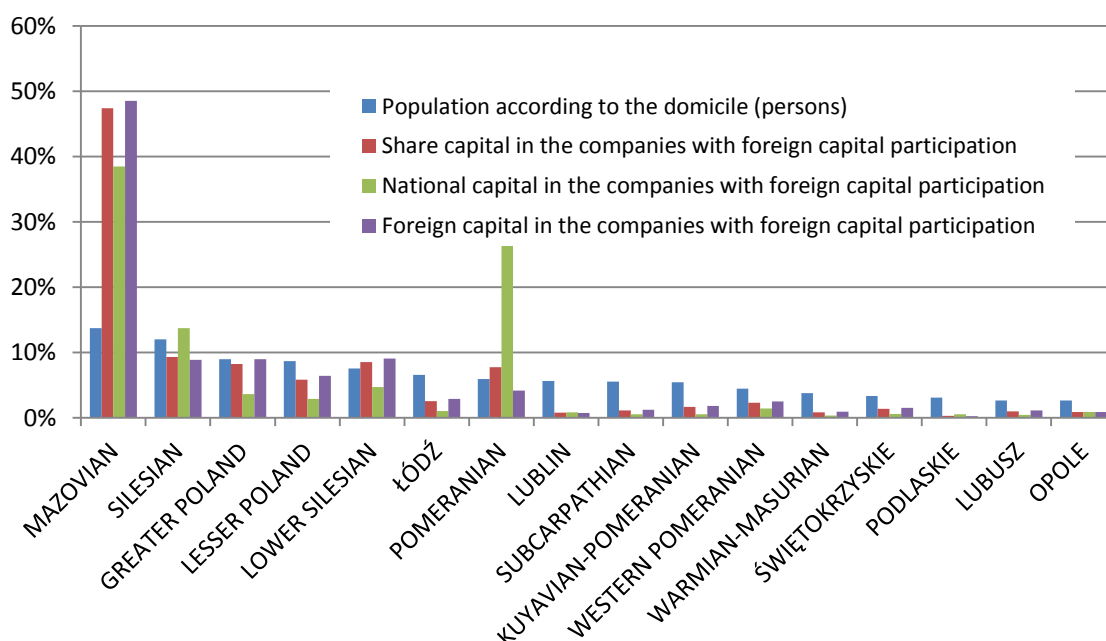
Chart 1. Regional structure of investment outlays in the companies in 2011 in comparison with the share in the country's population



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

Source: Authors on the basis of the Local Data Bank (downloaded 13 November 2013).

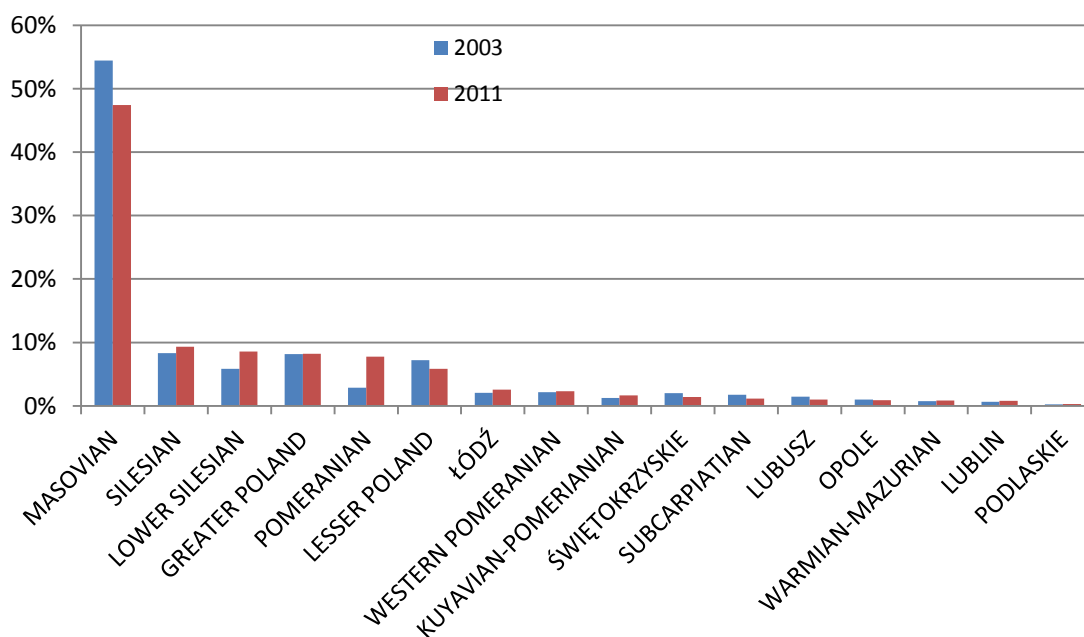
In 2011 Lubusz voivodship took the 13th place in Poland in terms of investment outlays made by the companies (a share of 2.4% in the national investment outlays). It is similar to the region's share in the national population which amounts to 2.7%. An analysis of the data concerning accumulated capital in the companies with foreign capital participation leads to the conclusion that the advantage of location at the border and industry traditions have not been taken yet - see Chart 2.

Chart 2. Regional structure of capital in the companies with foreign capital participation in comparison with a share in population

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

Source: Authors on the basis of the Local Data Bank (downloaded 13 November 2013).

While the voivodship's share in population of Poland is 2.7%, the value of capital invested in the companies with foreign capital participation is only 1% of the national level. In the years 2003-2011 its market share measured with the value of foreign capital in the above mentioned companies slightly decreased from 1.45% to 1% (see Chart 3).

Chart 3. Regional competitive rank in terms of investments with foreign capital participation according to the value of share capital in the companies with foreign capital participation in 2003 and 2011 (% of total value for Poland)

Source: Authors on the basis of the Local Data Bank (downloaded 13 November 2013).

A chance for the voivodship might be investment sites thoroughly prepared by self-government territorial units, taking opportunities of localization advantages and using new forms of transborder cooperation.

Lubusz voivodship is concerned as a potential business localization in comparison with the other European regions. When it comes to innovativeness, market and human capital factors, the voivodship took the 237th place of 270 regions in the EU and was ranked Class E – see Table 2 in the Appendix. Lubusz voivodship has competitive advantage when it comes to human capital, ranked class A.

Although its position in the ranking is not very high, the voivodship can compete with the following lower-ranked regions: **in Italy:** Calabria, Basilicata; **in Slovakia:** Západné Slovensko, Stredné Slovensko, Východné Slovensko; **in Greece:** Voreio Aigaio, Ipeiros, Dytiki Ellada, Anatoliki Makedonia, Thraki, Sterea Ellada, Dytiki Makedonia, Peloponnisos; **in Portugal:** Norte, Alentejo, Região Autónoma dos Açores and Centro (PT); **in Hungary:** Észak-Magyarország, Dél-Alföld; Észak-Alföld; **in Spain:** Extremadura; **in Bulgaria:** Severoiztochen, Severen tsentralen, Yugoiztochen, Yuzhen tsentralen and Severozapaden; **in Romania:** Vest, Nord-Vest, Centru, Sud-Est, Sud-Vest Oltenia, Nord-Est and Sud – Muntenia.

3. Internal diversification of regional investment attractiveness

Counties

The following counties are considered the most attractive in Lubusz voivodship: Gorzów Wielkopolski, Zielona Góra – See Table 2.

Table 2. Potential investment attractiveness of counties of Lubusz voivodship for the national economy and selected sections

County	PAII_GN	PAII_GN	PAII_C	PAII_G	PAII_I	PAII_M
Zielona Góra (city)	0.341	A	A	A	A	A
Gorzów Wielkopolski (city)	0.321	A	A	A	A	A
Świebodzin	0.259	C	C	C	A	C
Gorzów Wielkopolski	0.256	C	C	B	B	C
Zielona Góra	0.243	C	C	C	B	C

Source: Authors' own calculations.

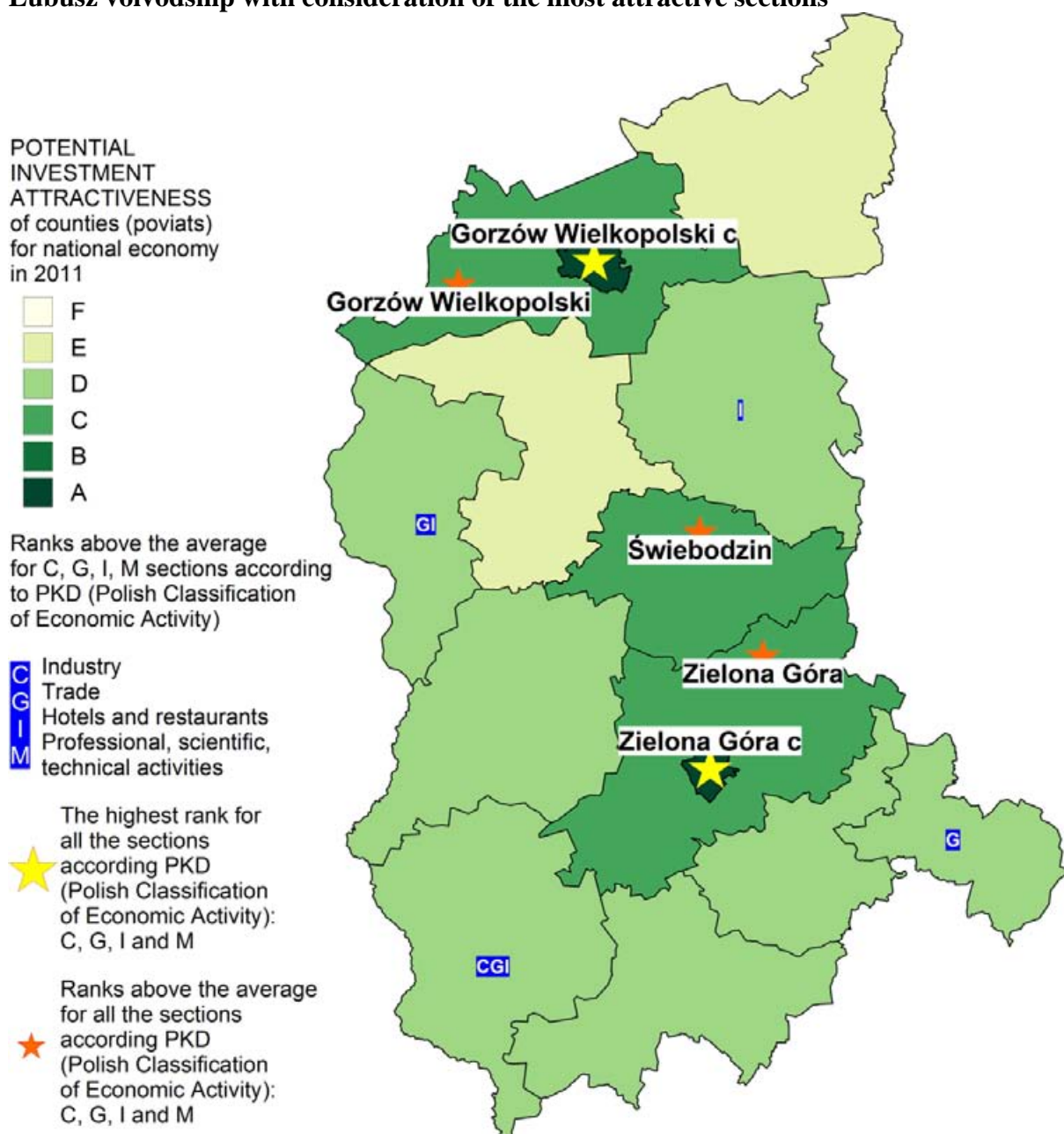
The counties mentioned above are characterized (excluding Świebodzin, Zielona Góra and Zielona Góra) by very high and investment attractiveness. The following city counties should be distinguished: Zielona Góra and Gorzów Wielkopolski as these units were ranked class A in their potential investment attractiveness for all sections of the national economy analysed in this research.

In reference to the sections mentioned below the following counties should be additionally distinguished (all of them are land counties):

- Świebodzin, Gorzów Wielkopolski, Zielona Góra, Żary (Class C) for section C,
- Świebodzin, Zielona Góra, Wschowa (Class C) for section G,
- Żary, Międzyrzecz (Class C) for section I and Świebodzin, Gorzów Wielkopolski, Zielona Góra for section M.

Synthetic evaluation of potential investment attractiveness of counties of Lubusz voivodship is presented in Chart 4.

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



Note: "C" stands for city county.

Source: Authors' own materials.

Communes

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

Table 3. Potential investment attractiveness of communes of Lubusz voivodship for the national economy and selected sections

Commune	PAI1_GN	PAI1_GN	PAI1_C	PAI1_G	PAI1_I	PAI1_M
Zielona Góra (1)	0.271	A	A	A	A	A
Gorzów Wielkopolski (1)	0.262	A	A	A	B	A
Gubin (1)	0.261	A	A		C	A
Nowa Sól (1)	0.249	A	A	A	D	A
Żary (1)	0.247	A	A	A	A	A
Kostrzyn nad Odrą (1)	0.240	A	A	A	A	A
Lubrza (2)	0.237	A	A	A	A	C
Żagań (1)	0.234	A	A	A	B	A
Łęknica (1)	0.223	A	A	A	A	C
Słubice (3)	0.218	A	A	A	A	A
Babimost (3)	0.213	B	B	A	A	B
Sulechów (3)	0.213	B	B	B	A	A
Świebodzin (3)	0.210	B	B	B	B	B
Zbąszynek (3)	0.209	B	B	B	B	B
Kłodawa (2)	0.206	B	B	B	A	A
Skwierzyna (3)	0.202	B	B	C	C	B
Międzyrzecz (3)	0.201	B	B	C	C	B
Wschowa (3)	0.201	B	B	B	D	B
Zielona Góra (2)	0.199	B	B	C	A	B
Witnica (3)	0.198	B	B	C	B	C

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

Source: Authors' own calculations.

Attractive communes are also the class B communes according to the PAI1_GN index. Among these communes are: Kłodawa (2), Witnica (3), Międzyrzecz (3), Skwierzyna (3), Świebodzin (3), Zbąszynek (3), Babimost (3), Sulechów (3), Zielona Góra (2), Wschowa (3). The location-specific advantages are also universal for these communes, which makes them attractive for all kinds of business activity concerned in this research. However, this characteristic cannot be found in all of the communes that belong to Class C. Only a few Class C communes fulfil this condition: Brzozów (3), Korczyna (2), Lesko (3), Strzyżów (3), Czarna (2), Ulanów (3), Pysznica (2) – see Table 3 in the Appendix.

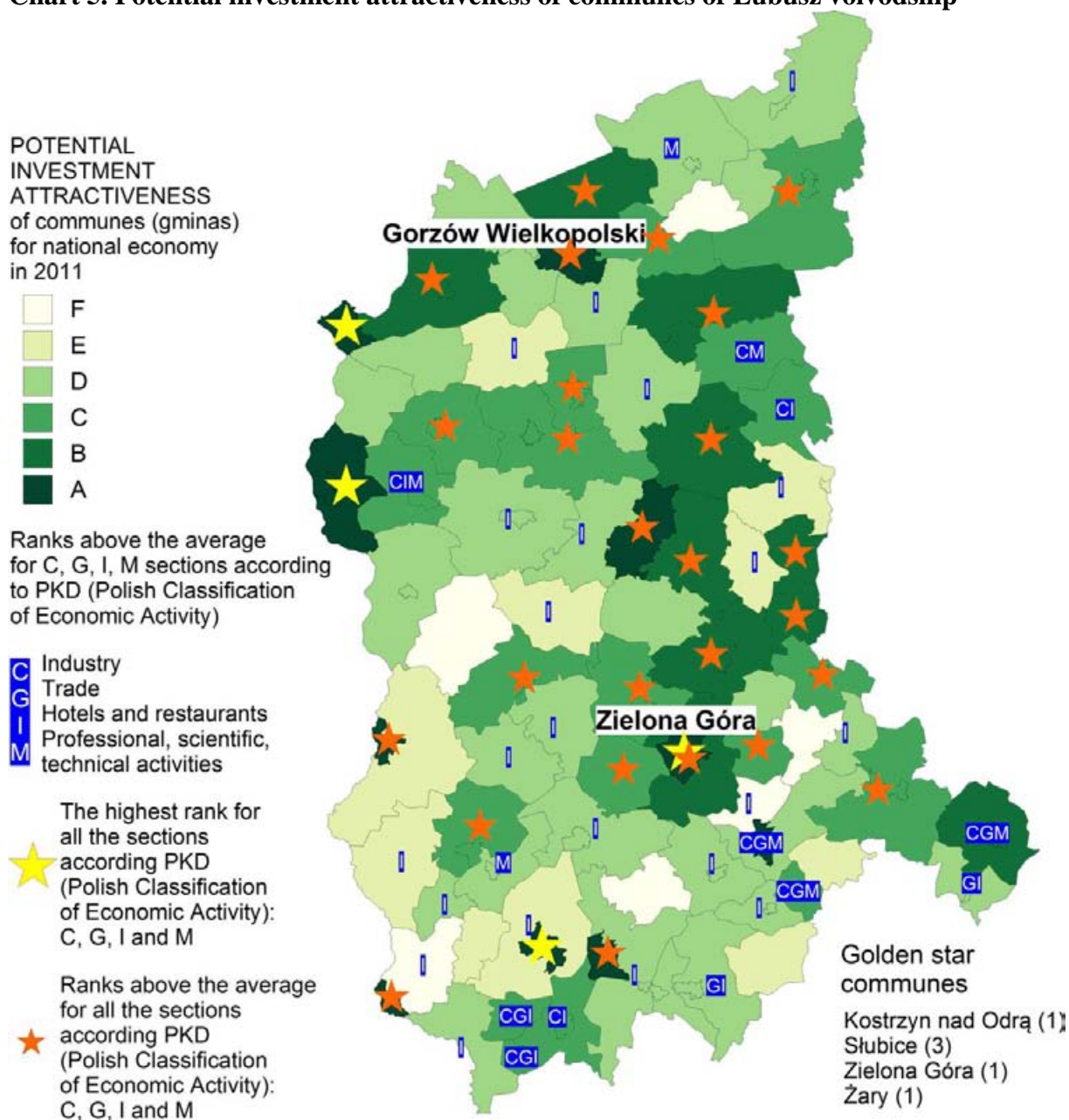
In reference to the particular sections taken into consideration in this research the following communes of Class C should be distinguished:

- Santok (2), Przytoczna (2), Pszczew (2), Ośno Lubuskie (3), Rzepin (3), Drezdenko (3), Lubniewice (3), Sulęcín (3), Krosno Odrzańskie (3), Bytom Odrzański (3), Czerwieńsk (3), Kargowa (3), Świdnica (2), Zabór (2), Gozdnicza (1), Iłowa (3), Wymiarki (2), Lubsko (3), Sława (3) - for section C,
- Santok (2), Witnica (3), Międzyrzecz (3), Skwierzyna (3), Ośno Lubuskie (3), Drezdenko (3), Lubniewice (3), Sulęcín (3), Krosno Odrzańskie (3), Bytom Odrzański (3), Czerwieńsk (3), Kargowa (3), Świdnica (2), Zabór (2), Zielona Góra (2), Szprotawa (3), Wymiarki (2), Lubsko (3), Sława (3), Szlichtyngowa (3) - for section G,
- Deszczno (2), Santok (2), Bledzew (2), Międzyrzecz (3), Skwierzyna (3), Dobiegniew (3), Drezdenko (3), Krzeszyce (2), Gubin (1), Bytnica (2), Dąbie (2), Krosno Odrzańskie (3),

- Kolsko (2), Kozuchów (3), Nowe Miasteczko (3), Otyń (2), Szczaniec (2), Kargowa (3), Nowogród Bobrzański (3), Szprotawa (3), Wymiarki (2), Żagań (2), Brody (2), Lubsko (3), Przewóz (2), Żary (2), Szlichtyngowa (3) - for section I,
- Santok (2), Witnica (3), Przytoczna (2), Ośno Lubuskie (3), Rzepin (3), Drezdenko (3), Strzelce Krajeńskie (3), Lubniewice (3), Sulęcín (3), Krosno Odrzańskie (3), Bytom Odrzański (3), Lubrza (2), Czerwieńsk (3), Zabór (2), Łęknica (1), Jasień (3), Sława (3) - for section M.

Synthetic evaluation of potential investment attractiveness of communes of Lubusz voivodship is presented in Chart 5.

Chart 5. Potential investment attractiveness of communes of Lubusz voivodship



Source: Authors' own materials

4. Voivodship's institutional support for investors and entrepreneurs

The development of business supporting institutions in a region is a vital component of its investment attractiveness. The institutions that support entrepreneurship, pro-investment solutions, research commercialization and enterprises' innovativeness are of special importance. Among the voivodship's business-supporting institutions that influence the voivodship's economic development the following ones should be mentioned (excluding scientific research institutions):

- chambers of commerce: Izba Rzemiosła i Przedsiębiorców in Gorzów Wielkopolski, Lubuskie Zrzeszenie Grup Producentów Rolnych Izba Gospodarcza in Zielona Góra, Izba Rzemieślnicza i Przedsiębiorczości in Zielona Góra, Lubuska Izba Budownictwa in Zielona Góra, Lubuska Okręgowa Izba Inżynierów Budownictwa in Zielona Góra, Lubuska Okręgowa Izba Architektów in Zielona Góra, Zachodnia Izba Przemysłowo-Handlowa in Gorzów Wielkopolski, Łużycka Izba Gospodarcza in Żary, Lubuska Izba Rolnicza in Zielona Góra, Gubińska Izba Gospodarcza,
- associations (including business centres): Centrum Przedsiębiorczości i Transferu Technologii Uniwersytetu Zielonogórskiego, Centrum Biznesu in Zielona Góra, Regionalne Centrum Technologii i Wiedzy INTERIOR Sp. z o.o. in Nowa Sól, Stowarzyszenie Inżynierów i Techników, Mechaników Polskich (SIMP) branch in Gorzów Wielkopolski, Lubuskie Stowarzyszenie Rozwoju Regionalnego in Gorzów Wielkopolski, Zielonogórska Rada Federacji Stowarzyszeń Naukowo – Technicznych NOT in Zielona Góra,
- business incubators: Fundacja „Przedsiębiorczość” in Żary, Akademicki Inkubator Przedsiębiorczości Uniwersytet Zielonogórski, Stowarzyszenie Wspierania Małej Przedsiębiorczości Dobiegniew, Inkubator Przedsiębiorczości - Lubuska Fundacja Zachodnie Centrum Gospodarcze in Gorzów Wielkopolski,
- technology parks, science parks, industrial parks: Lubuski Park Przemysłowo – Technologiczny Sp. z o.o. in Zielona Góra, Park Naukowo-Technologiczny Uniwersytetu Zielonogórskiego in Nowy Kisielin, Park Technologiczny INTERIOR in Nowa Sól,
- consulting centres (including personal consulting and agricultural consulting): Lubuski Ośrodek Doradztwa Rolniczego in Kalsk, Lubuski Ośrodek Innowacji i Wdrożeń Agrotechnicznych in Kalsk, Lubuskie Centrum Szkoleniowo – Doradcze in Zielona Góra,
- financial institutions (guarantee funds): Lubuski Fundusz Pożyczkowy in Zielona Góra, Lubuski Fundusz Poręczeń Kredytowych in Zielona Góra,
- others: Agencja Rozwoju Regionalnego S.A. in Zielona Góra, Żagańska Agencja Rozwoju Lokalnego Sp. z o.o., Lubuska Organizacja Pracodawców in Gorzów Wielkopolski, Organizacja Pracodawców Ziemi Lubuskiej in Zielona Góra, Polsko-Niemieckie Towarzystwo Wspierania Gospodarki S.A. in Gorzów Wielkopolski, Euroregion „PRO EUROPA VIADRINA”, Euroregion „SPREWA-NYSA-BÓBR”, Wojewódzki Zakład Doskonalenia Zawodowego in Gorzów Wielkopolski.

Centre for Entrepreneurship and Technology Transfer of the University of Zielona Góra (*Centrum Przedsiębiorczości i Transferu Technologii Uniwersytetu Zielonogórskiego*) promotes and strengthens cooperation between the research and economic sectors by organising trainings, workshops and conferences for management staff, specialists and employees as well as the personnel of the University. The trainings offer includes i.a.: EU funds, copyrights, IT systems, integrated management systems, total quality management.

The EEN affiliated with the Centre offers free information and services regarding the functioning of the internal European market, in the areas of European law, corporate finance, R&D, public procurement, enhancement of trans-border cooperation (searching business partners, trade missions, negotiations support), innovativeness consulting (commercialisation of research) (www.cptt.uz.zgora.pl/, 29 October 2013)

„Entrepreneurship” Foundation in Żary (*Fundacja „Przedsiębiorczość” w Żarach*) offers training, consulting and financial services aimed at supporting economic undertakings in a local environment. The Foundation runs a Centre for Supporting Entrepreneurship (trainings related to establishing a business) and an Entrepreneurship Development Fund (which finances the development and creation of business aimed at creating permanent jobs). The Foundation houses an Entrepreneurship Incubator which offers office and trade and production space for new companies as well as advice on finance, accounting, management, marketing, corporate law and promotion of newly created businesses and their products. The incubator also aims to support the already operating businesses that have a significant potential for development, qualified staff and interested in running development projects such as new markets expansion, improving sales and customer service, improving management and production quality and raising EU funds. In 2013 an project of NGO incubator was created that should support organizations at their statutory activity, support them at preparing grant applications, and offer office space, coaching and mentoring for the NGO staff (www.fundacja.zary.pl/, 29 October 2013)

Lubuski Industrial and Technology Park (*Lubuski Park Przemysłowo-Technologiczny in Zielona Góra*) in Zielona Góra comprises the Research-Technology Park of Zielonogórski University and and Industrial Park (having a special economic zone status). It should enable research results, new technologies and innovation transfer from science to economy. The area of the park is planned to house production investments, warehouses and services estates. (<http://lppt.pl/>, 29 October 2013)

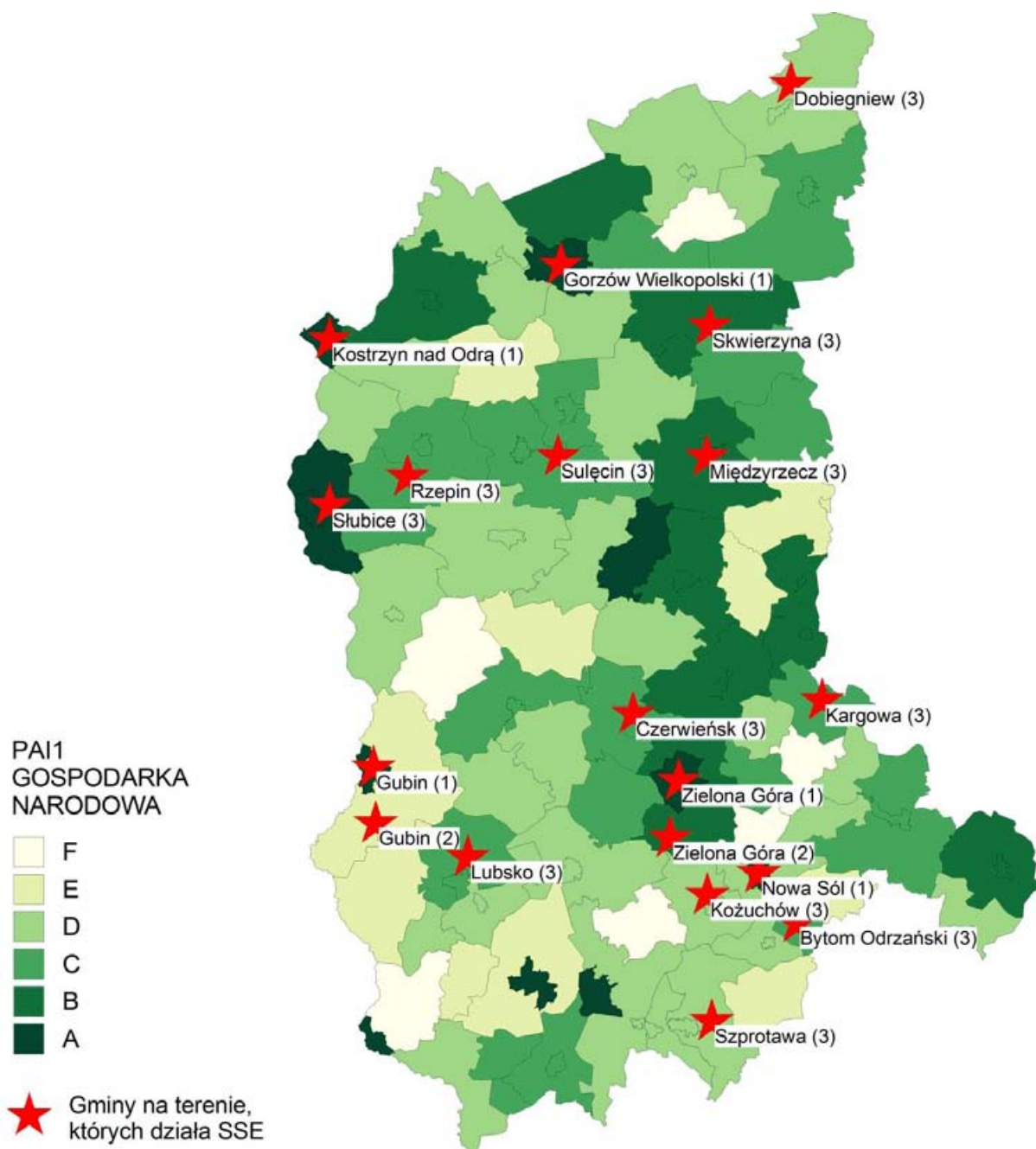
Research-Technology Park of the University of Zielona Góra (*Park Naukowo-Technologiczny Uniwersytetu Zielonogórskiego*) offers training and advice for business employees, research staff of the University as well as commercialisation of research results. The park includes Sustainable Construction and Energy Centre, Innovation Centre “Technologies for Human Health”, IT Technologies Centre, Logistic Centre PNT and Platform to the Benefit of Science and Economy Development. The Park offers an Entrepreneurship Incubator (business incubator) as well, which offers office, production and warehouse space for rent on preferential conditions and rent of conference and training rooms as well as consulting on knowledge commercialization, raising funds for companies development, innovations and promotion, (www.pnt.uz.zgora.pl/, 29 October 2013)

Lubusz Loan Fund in Zielona Góra (*Lubuski Fundusz Pożyczkowy in Zielona Góra*) grants turnover loans for goods and materials used for production, investment loans and loans for realization of investments financed from the EU funds. The project offers loans for micro-, small and medium enterprises having their seat in Poland and running projects in Lubusz voivodship (maximal loan of PLN 400,000, maximal credit period 84 months). The fund also grants microloans for persons who are planning to start a business and need such support (maximal amount of the loan is PLN 50,000) (<http://www.lfp.region.zgora.pl/>, 29 October 2013)

Regional Development Agency Inc. (*Agencja Rozwoju Regionalnego S.A. in Zielona Góra*) is a centre of the National System of Services for Small and Medium Enterprises and is a Regional Financing Institution for the selected activities of the Regional Operation Programme Innovative Economy. The centre's services include information services, looking for potential business partners in the available databases, and organizing meetings and seminars. The agency also offers trainings and business consultancy as well as consultancy for the public administration, schools, institutions of culture, sport institutions and business support institutions. Lubusz Loan Fund in Zielona Góra is operating within the structures of the agency. (<http://www.region.zgora.pl/>, 29 October 2013)

Special economic zones in Lubusz voivodship - effects

There are 2 special economic zones (SEZs) in Lubusz voivodship: Kostrzyn-Słubice SEZ and Wałbrzych SEZ. At the end of 2012 the areas of the SEZs were parts of 5 cities and 14 communes— see Chart 6.

Chart 6. The location of SEZs in Lubusz voivodship

Note: Red stars indicate communes with SEZ subzones within their areas.

Source: Authors' own calculations.

The first SEZ areas were brought into life in 1997. The investment outlays made by SEZ companies operating in the communes of Lower Silesia by the end of 2012 amounted to PLN 2,7 billion, which made 3% of all investment outlays made in the Polish SEZs. In the same time the SEZ companies in the region created 8.2 thousand new jobs which made 4% of all jobs created in the Polish SEZs (see Table 4).

Table 4. Effects of special economic zone functioning at the end of 2012

SEZ / Subzone	County, Commune	Leading industries (at least 20% share of revenue or employment)	Cumulated capital expenditure in million PLN (end of 2012)	Jobs number (end of 2012)
Kostrzyn-Słubice / Kostrzyn	Gorzów Wielkopolski, Kostrzyn nad Odrą (1)	paper and paper products	1,083.52	2,293
Kostrzyn-Słubice / Międzyrzecz	Międzyrzecz, Międzyrzecz (3)	rubber and plastic products	79.79	279
Kostrzyn-Słubice / Skwierzyna	Międzyrzecz, Skwierzyna (3)	no investors yet		
Kostrzyn-Słubice / Rzepin	Słubice, Rzepin (3)	administration services and business support activities	38.66	186
Kostrzyn-Słubice / Słubice	Słubice, Słubice (3)	wood, wood and cork products, except furniture; articles of straw and plaiting materials, rubber and plastic products,	170.64	525
Kostrzyn-Słubice / Dobiegniew	Strzelce-Drezdenko, Dobiegniew (3)	no investors yet		
Kostrzyn-Słubice / Sulęcín	Sulęcín, Sulęcín (3)	no investors yet		
Kostrzyn-Słubice / Gorzów	Gorzów Wielkopolski (city), Gorzów Wielkopolski (1)	computers, electronic and optical products, motor vehicles (excluding motorcycles), trailers and semi-trailers	721.19	2,915
Kostrzyn-Słubice / Gubin	Krosno Odrzańskie, Gubin (1)	fabricated metal products (except machinery and equipment)	21.21	117
Kostrzyn-Słubice / Gubin	Krosno Odrzańskie, Gubin (2)	food products	13.18	
Kostrzyn-Słubice / Nowa Sól	Nowa Sól, Nowa Sól (1)	motor vehicles (excluding motorcycles), trailers and semi-trailers	560.44	1,389
Kostrzyn-Słubice / Bytom Odrzański	Nowa Sól, Bytom Odrzański (3)	wood, wood and cork products, except furniture; articles of straw and plaiting materials	3.02	11
Kostrzyn-Słubice / Kozuchów	Nowa Sól, Kozuchów (3)	no investors yet		
Kostrzyn-Słubice / Czerwieńsk	Zielona Góra, Czerwieńsk (3)	leather and leather products, storage and support activities for transportation	22.39	50
Kostrzyn-Słubice / Kargowa	Zielona Góra, Kargowa (3)	no investors yet		
Kostrzyn-Słubice / Zielona Góra	Zielona Góra, Zielona Góra (2)	no investors yet		
Wałbrzych / Szprotawa	Żagań, Szprotawa (3)	no investors yet		
Kostrzyn-Słubice / Lubsko	Żary, Lubsko (3)	fabricated metal products (except machinery and equipment)	2.01	1
Kostrzyn-Słubice / Zielona Góra	Zielona Góra (city), Zielona Góra (1)	electrical appliances and non-electrical household appliances	25.77	426

Source: Authors' own calculations based on the Ministry of Economy data.

There is a variety of industries operating in the economic zone. The largest investments have been made in paper industry (ARCTIC PAPER KOSTRZYN S.A., ICT POLAND SP. Z O.O., PPHU UNIPACO S.A., HANKE TISSUE SP. Z O.O., „STENQVIST POLSKA” Sp. z o.o.), in plastic products sector and optical appliances sector in Gorzów Wielkopolski (FAURECIA GORZÓW S.A., YETICO S.A., BriVictory Display Technology (Poland) SP. Z O.O., TPV DISPLAYS POLSKA SP. Z O.O., HMP HEIDENHAIN-MICROPRINT SP. Z O.O.) and automotive sector in Nowa Sól (BCC POLSKA SP. Z O.O., GROCLIN SERVICE SP. Z O.O. FABRYKA TAPICERKI SAMOCHODOWEJ FATSA SP. Z O.O., JOST POLSKA SP. Z O.O., UTESCHENY POLSKA SP. Z O.O., GEDIA POLAND ASSEMBLY SP. Z O.O., NORD NAPĘDY ZAKŁADY PRODUKCYJNE SP. Z O.O., VOIT POLSKA SP. Z O.O., JOST POLSKA SP. Z O.O., GEDIA POLAND ASSEMBLY SP. Z O.O., GEDIA POLAND SP. Z O.O., JOST POLSKA SP. Z O.O.).

The Lubusz voivodship SSE development plan aims at attracting investors from wood, paper, machinery, electro-technical industries in order to create jobs that should utilize the voivodship's resources in these fields. It also aims at creating paper and metal industry clusters in Kostrzyn-Słubice and Wałbrzych SEZs, which should include businesses and research institutions interested in knowledge transfer into the industry.

‘A’ Commune

Student Scientific Organisation for Entrepreneurship and Regional Analyses affiliated to the Institute of Enterprise of the Warsaw School of Economics, has again published the results of its research into the quality of investor assistance offered by the communal authorities.

The subject of this qualitative research of investment attractiveness is evaluation of the websites and evaluation of e-mail contact with communal authorities in two languages: Polish and English. The effect of this research is a ranking ‘A’ Commune, which is thought to distinguish best performing self-government territorial units in terms of the use of means of electronic communication to provide assistance to the customers. The research is carried out with the use of mystery client method. In this year's edition all communes belonging to Class A and B according to the PAI 2011 index were subject to the evaluation.

As a result 90 communes were distinguished, of which 1 is situated in Lubusz Silesian voivodship (see Table 5).

Table 5. Communes in Lubusz voivodship distinguished as ‘A’ Communes

Place in the ranking (for the whole country)	Commune	Evaluation of websites (score)	Evaluation of e-mail contact in Polish (score)	Evaluation of e-mail contact in English (score)	Sum
72	Zielona Góra (1)	11.0	9.0	0.0	20.0

Source: Authors' own materials based on the research.

Zielona Góra was awarded as an “A” Commune because of interesting content of its website which also includes a detailed description of city's investment offer. Although

Zielona Góra did not answer the English e-mail, it sent a model answer to the Polish one. The entrepreneur got the information on business registration process, institutions and programmes supporting entrepreneurship and useful websites.

5. Region's strengths and weaknesses

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

Table 6. Strengths and weaknesses of Lubusz voivodship

Strengths of the region according to the microclimates by the Institute of Enterprise of the Warsaw School of Economics	Weaknesses of the region according to the microclimates by the Institute of Enterprise of the Warsaw School of Economics
National economy	
Microclimate Human Resources Class B Microclimate Social Infrastructure Class C Market Microclimate Class C Self-financing of self-government units Class B Investment outlays Class A	Microclimate Technical Infrastructure Class D Social Microclimate Class D Microclimate Administration/Government Class F Microclimate Innovativeness Class D Productivity of enterprises Class D Returns on tangible assets Class D Profitability of enterprises Class E
Capital-intensive industry	
Microclimate Technical Infrastructure Class B Microclimate Social Infrastructure Class C Social Microclimate Class C Self-financing of self-government units Class B	Microclimate Human Resources Class D Market Microclimate Class D Microclimate Administration/Government Class F Microclimate Innovativeness Class D Returns on tangible assets Class D Productivity of enterprises Class E Investment outlays Class D
Labour-intensive industry	
Microclimate Human Resources Class C Microclimate Social Infrastructure Class C Market Microclimate Class C Self-financing of self-government units Class B	Microclimate Technical Infrastructure Class D Social Microclimate Class E Microclimate Administration/Government Class F Returns on tangible assets Class D Productivity of enterprises Class E Investment outlays Class D
Trade	
Microclimate Human Resources Class A Social Microclimate Class C Self-financing of self-government units Class B	Microclimate Technical Infrastructure Class D Microclimate Social Infrastructure Class D Market Microclimate Class D Microclimate Administration/Government Class E Returns on tangible assets Class F Productivity of enterprises Class F Investment outlays Class D

Tourism	
Microclimate Human ResourcesClass B Microclimate Technical Infrastructure Class A Microclimate Social InfrastructureClass B Social MicroclimateClass B Self-financing of self-government units Class B	Market Microclimate Class D Microclimate Administration/Government Class E Returns on tangible assetsClass D Productivity of enterprises Class D Investment outlays Class D
Professional, scientific and technical activities	
Microclimate Technical Infrastructure Class C Microclimate Social InfrastructureClass C Self-financing of self-government units Class B	Microclimate Human ResourcesClass D Social MicroclimateClass D Market Microclimate Class D Microclimate Administration/Government Class F Microclimate Innovativeness Class D Returns on tangible assetsClass D Productivity of enterprises Class E Investment outlays Class D

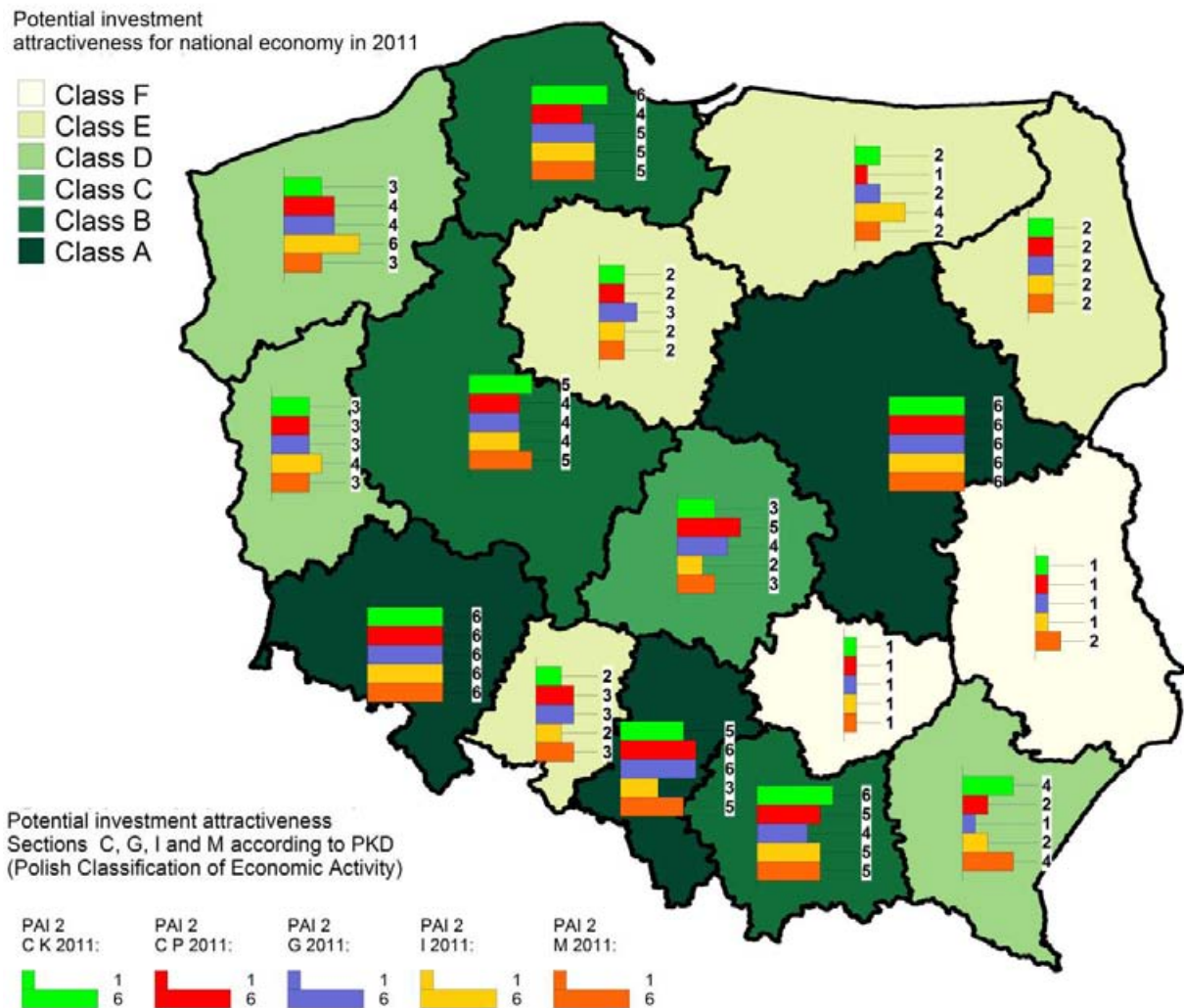
Source: Authors on the basis of the results of research of the Institute of Enterprise of the Warsaw School of Economics.

Summary

The engines of economic development of Lubusz voivodship are the city counties: Gorzów Wielkopolski and Zielona Góra as well as the special economic zones in the region.

Lower Lubusz voivodship has predispositions to **create interregional clusters**, especially in sectors such as: manufacture of textile products, manufacture of chemicals and chemical products, manufacture of motor vehicles (excluding motorcycles), trailers and semi-trailers, software and IT consulting activities and manufacture of other general-purpose machinery.

APPENDIX

Chart 1. Potential investment attractiveness of Polish voivodships by basic sections of the national economy

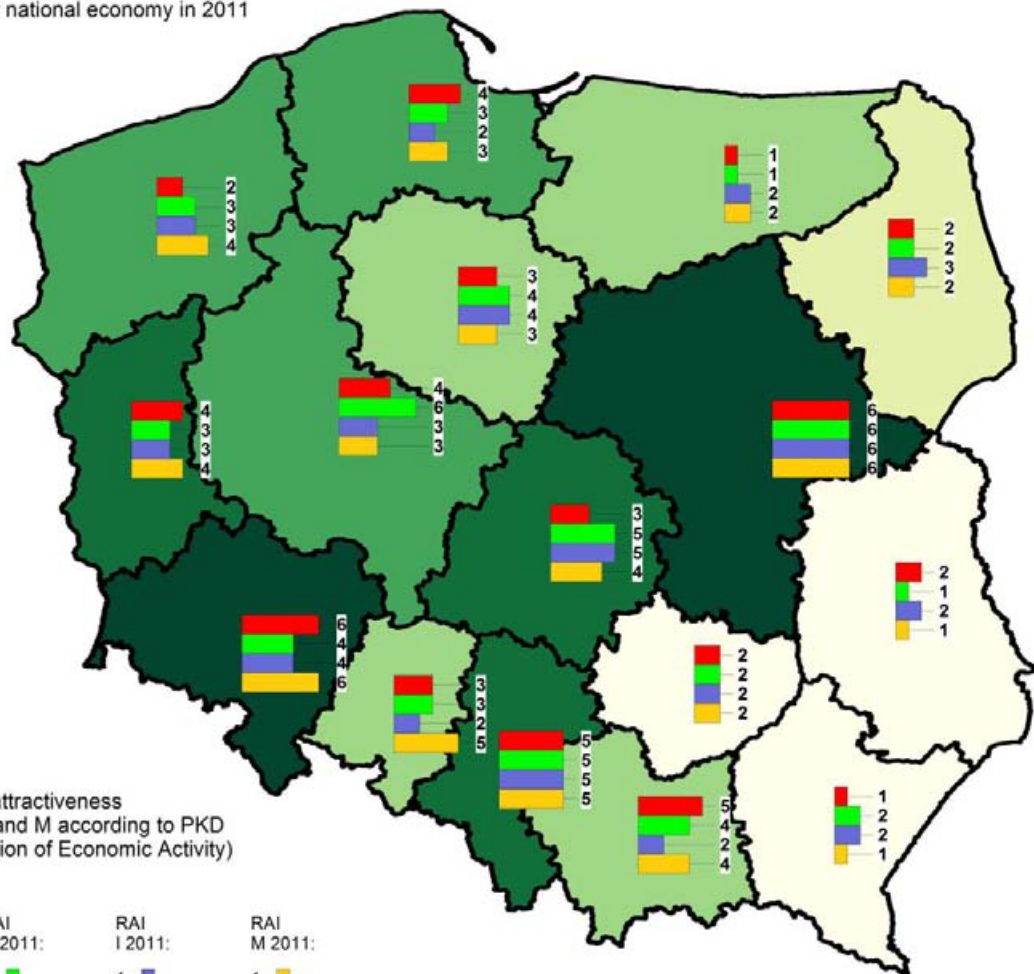
Source: Authors' own materials based on the research.

Chart 2. Real investment attractiveness of Polish voivodships by basic sections of the national economy

Real investment attractiveness for national economy in 2011

- Class F
- Class E
- Class D
- Class C
- Class B
- Class A

Real investment attractiveness
Sections C, G, I and M according to PKD
(Polish Classification of Economic Activity)



Source: Authors' own materials.

Table 1. List of investment attractiveness indices for voivodships

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

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

Table 2. Potential investment attractiveness of Polish voivodships according to the EU potential investment attractiveness index PAI _UE in 2011

	Microclimate Human Capital	Microclimate Market	Microclimate Innovativeness	Composite index
Lower Silesian	B	D	D	D
Kuyavian-Pomeranian	B	E	F	E
Lublin	B	F	E	F
Lubusz	A	F	E	E
Łódź	A	E	E	E
Lesser Poland	C	E	E	E
Mazovian	A	C	B	B
Opole	C	F	E	F
Subcarpathian	C	F	E	F
Podlaskie	B	F	E	F
Pomeranian	B	D	D	D
Silesian	B	D	E	D
Świętokrzyskie	A	F	F	F
Warmian-Masurian	B	F	E	F

Greater Poland	A	E	E	E
Western Pomeranian	C	E	E	E

Source: Authors' own materials based on calculations of H. Godlewska-Majkowska and M. Czernecki, made in the course of statutory research *Investment attractiveness and enterprise localization in the global economy* (the team: H. Godlewska-Majkowska, Ph.D., university professor at the Warsaw School of Economics – head of research, P. Bartoszczuk, Ph.D., P. Zarębski, Ph.D., M. Typa, M.A., M. Czernecki, M.A.).

Table 3. Potential investment attractiveness of counties of Lubusz voivodship for the national economy and selected sections

County	PAI1_GN	PAI1_GN_Classes	PAI1_C_Classes	PAI1_G_Classes	PAI1_I_Classes	PAI1_M_Classes
Zielona Góra (city)	0.341	A	A	A	A	A
Gorzów Wielkopolski (city)	0.321	A	A	A	A	A
Świebodzin	0.259	C	C	C	A	C
Gorzów Wielkopolski	0.256	C	C	B	B	C
Zielona Góra	0.243	C	C	C	B	C

Source: As in Table 1.

Table 4. Potential investment attractiveness of communes of Lubusz voivodship for the national economy and selected sections

Commune	PAI1_GN	PAI1_GN_Classes	PAI1_C_Classes	PAI1_G_Classes	PAI1_I_Classes	PAI1_M_Classes
Zielona Góra (1)	0.271	A	A	A	A	A
Gorzów Wielkopolski (1)	0.262	A	A	A	B	A
Gubin (1)	0.261	A	A	A	C	A
Nowa Sól (1)	0.249	A	A	A	D	A
Żary (1)	0.247	A	A	A	A	A
Kostrzyn nad Odrą (1)	0.240	A	A	A	A	A
Lubrza (2)	0.237	A	A	A	A	C
Żagań (1)	0.234	A	A	A	B	A
Łęknica (1)	0.223	A	A	A	A	C
Słubice (3)	0.218	A	A	A	A	A
Babimost (3)	0.213	B	B	A	A	B
Sulechów (3)	0.213	B	B	B	A	A
Świebodzin (3)	0.210	B	B	B	B	B
Zbąszynek (3)	0.209	B	B	B	B	B
Kłodawa (2)	0.206	B	B	B	A	A
Skwierzyna (3)	0.202	B	B	C	C	B
Międzyrzecz (3)	0.201	B	B	C	C	B
Wschowa (3)	0.201	B	B	B	D	B
Zielona Góra (2)	0.199	B	B	C	A	B
Witnica (3)	0.198	B	B	C	B	C
Lubsko (3)	0.196	C	C	C	C	B
Kargowa (3)	0.195	C	C	C	C	B
Świdnica (2)	0.193	C	C	C	B	B
Bytom Odrzański (3)	0.193	C	C	C	D	C
Czerwieńsk (3)	0.192	C	C	C	B	C
Drezdenko (3)	0.190	C	C	C	C	C

Sława (3)	0.187	C	C	C	B	C
Sulęcín (3)	0.186	C	C	C	B	C
Lubniewice (3)	0.185	C	C	C	B	C
Gozdnica (1)	0.185	C	C	A	B	D
Krosno Odrzańskie (3)	0.185	C	C	C	C	C
Pszczew (2)	0.185	C	C	D	B	D
Santok (2)	0.184	C	C	C	C	C
Zabór (2)	0.181	C	C	C	B	C
Iłowa (3)	0.181	C	C	D	B	D
Rzepin (3)	0.180	C	C	D	A	C
Przytoczna (2)	0.180	C	C	D	D	C
Wymiarki (2)	0.179	C	C	C	C	D
Ośno Lubuskie (3)	0.179	C	C	C	B	C

Source: As in Table 1.

Note: All the indices in the report have been calculated on the basis on the most up-to-date data from the Regional Data Bank (RDB), 2013.