

CENTRE FOR REGIONAL
AND LOCAL ANALYSES

REGIONAL INVESTMENT ATTRACTIVENESS 2013

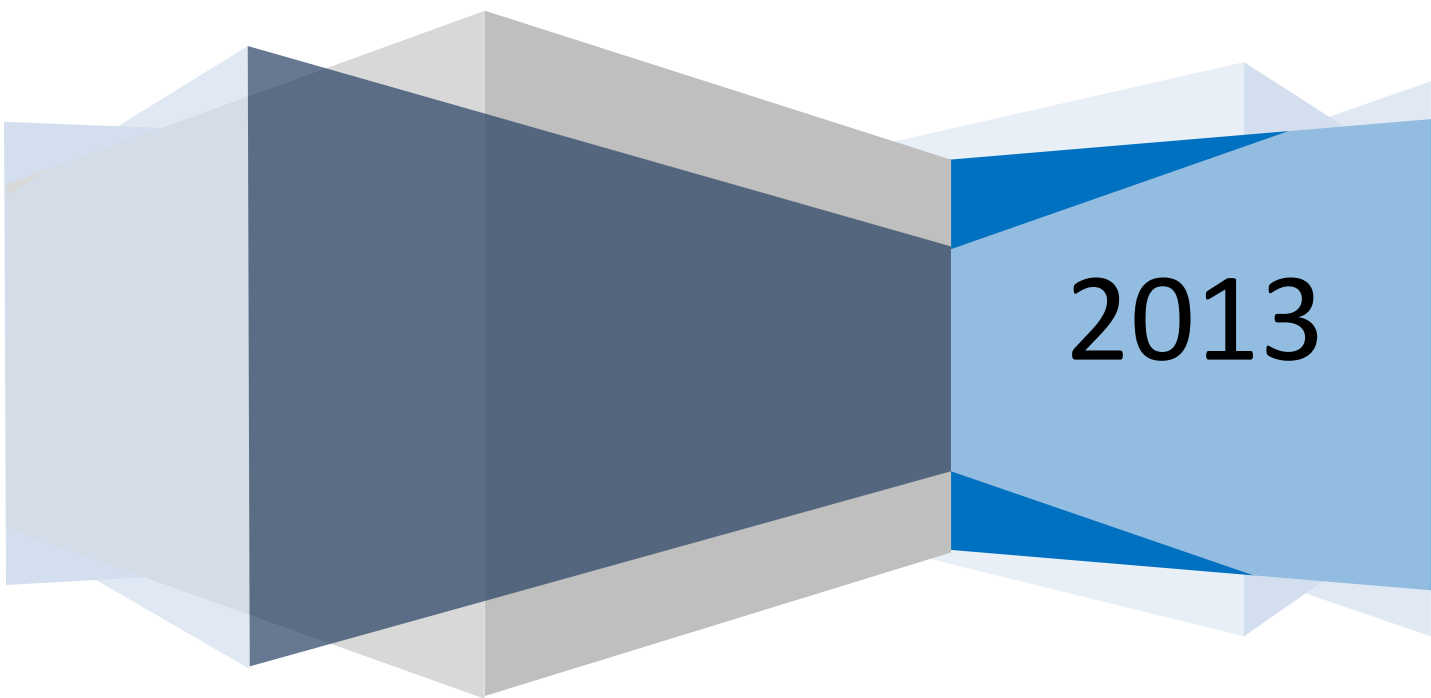
Podlaskie voivodship

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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 Podlaskie voivodship

Podlaskie voivodship is situated in north-eastern Poland. It borders on Lithuania and Belarus. It is a mainly agricultural region with dynamically developing food sector, chiefly food processing (milk, meat, poultry, cereals processing) and the following sectors: light industry, timber industry, construction and the manufacture of machinery and equipment.

The main advantages of the voivodship are:

- its location in the centre of Europe and in the European Union, which plays a principal role both in local transport and in the network of international transport,
 - many express roads in the voivodship of which the most important are the routes: Berlin-Warsaw-Grodno-Sankt Petersburg and Warsaw-Helsinki (part of Via Baltica express road, which connects Baltic countries with Western Europe),
 - big area of grasslands that creates good conditions of farming of cattle, mainly dairy cattle, which influences the voivodship leading position on the market,
 - an opportunity of creating local biogas facilities and production of renewable energy connected with favourable conditions for animal husbandry,
 - voivodship's human capital is built by the largest universities in the region, i.e.:
 - the University of Białystok – the main courses of study: computer science, biology, chemistry, economics, physics, mathematics, environmental protection, law, sociology, East-Slavonic philology,
 - the Białystok University of Technology – the main courses of study: architecture and urban studies, industrial automatics, construction, electronics and telecommunications, electrical engineering, computer science, environmental protection engineering, mechanics and machine design, production management,
- The following universities highly ranked (category I) by the Ministry of Science and Higher Education:
- Medical University in Białystok; Faculty of Medicine with the Stomatology Department and Faculty of Pharmacy with Laboratory Medicine Department,
 - University of Białystok; Faculty of Health Sciences and Faculty of Physics
- low labour costs accompanied by relatively high labour productivity,
 - relatively high innovativeness in comparison to the level of economic development,
 - four national parks in the region: the Białowieża National Park (a UNESCO World Heritage site), the Biebrza National Park, the Narew National Park, the Wigry National Park.

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

Table 1. General characteristics of the economy of Podlaskie voivodship

Feature	Podlaskie voivodship	Poland	Share [%]
Market Potential			
GDP per capita 2010. (PLN)	26,985	37,096	-
Population (persons) on 31 December 2012	1,198,690	38,533,299	3.1
Human Resources Potential			
Higher education institutions	14,662	484,999	3.0

graduates (persons) in 2012			
Secondary schools graduates (persons) in 2012	14,772	421,317	3.5
Number of employed persons on 31 December 2012	403,128	13,911,203	2.9
Structure of employed persons 2012	agriculture 31.4% industry 20.6% services 48.0%	agriculture 17.1% industry 27.4% services 55.5%	
Investment outlays and capital of companies with foreign capital participation in the voivodship			
Investment outlays (PLN m) in 2011	1,017.6	73,704.4	1.4
Capital of companies (PLN m) in 2011	582.3	194,160.6	0.3
Special economic zones (SEZs) in the voivodship*			
– Suwałki SEZ, subzone: m. Białystok, m. Grajewo, m. Suwałki, gm. Suwałki – Tarnobrzeg SEZ, subzone: gm. Łapy			
Distinguishing investment attractiveness ratings PAI_2 and RAI (class A, B and C)			
Potential investment attractiveness PAI_2			
Real investment attractiveness RAI			
Counties and communes distinguished according to the Potential Attractiveness Index for the national economy (PAI1_GN)			
Counties	Class A	Białystok, Łomża	
	Class B	Suwałki	
Communes	Class A	Białystok (1), Brańsk (1), Hajnówka (1), Siemiatycze (1), Wysokie Mazowieckie (1), Zambrów (1), Łomża (1), Sejny (1), Suwałki (1)	
	Class B	Choroszcz (3), Juchnowiec Kościelny (2), Łapy (3), Supraśl (3), Wasilków (3), Bielsk Podlaski (1), Augustów (1), Grajewo (1)	

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 Podlaskie voivodship made a contribution of 2.3 % to the GDP of Poland. Calculated per capita, it amounted to PLN 26,895 with the average for Poland PLN 37,096. With this result the voivodship takes the 14th place in the country. The GDP growth rate in the voivodship in the years 2003-2010 amounted to 159% 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 low share of the service sector (48%) whereas a share of the agricultural and industrial sectors are respectively 31.4% and 20.6% (Central Statistical Office, Regional Data Bank 2013).

The number of inhabitants of the voivodship amounts to 1,198,690 (as of 2013), which is 3.1% of the population of Poland. The age structure in the voivodship in 2012 was as follows: 18.2% of the population at pre-productive age, 63.7% at productive age and 18.1% 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 14.5% 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 3202.2, which is 84.9% of the average for Poland.

The main potential for human capital creation in the voivodship lies in 18 higher education institutions in which there are 47 thousand students studying, which makes up 2.8% of all students in Poland. Moreover, 2.2% of the secondary school students in the voivodship attend vocational schools and 3.5% attend technical schools.

The voivodship's strategic sectors mentioned in the strategy of regional development include above all: food industry, machinery industry, timber industry and furniture industry, tourism.

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

- Suwałki SEZ, subzone: m. Białystok, m. Grajewo, m. Suwałki, gm. Suwałki,
- Tarnobrzeg SEZ, subzone: gm. Łapy.

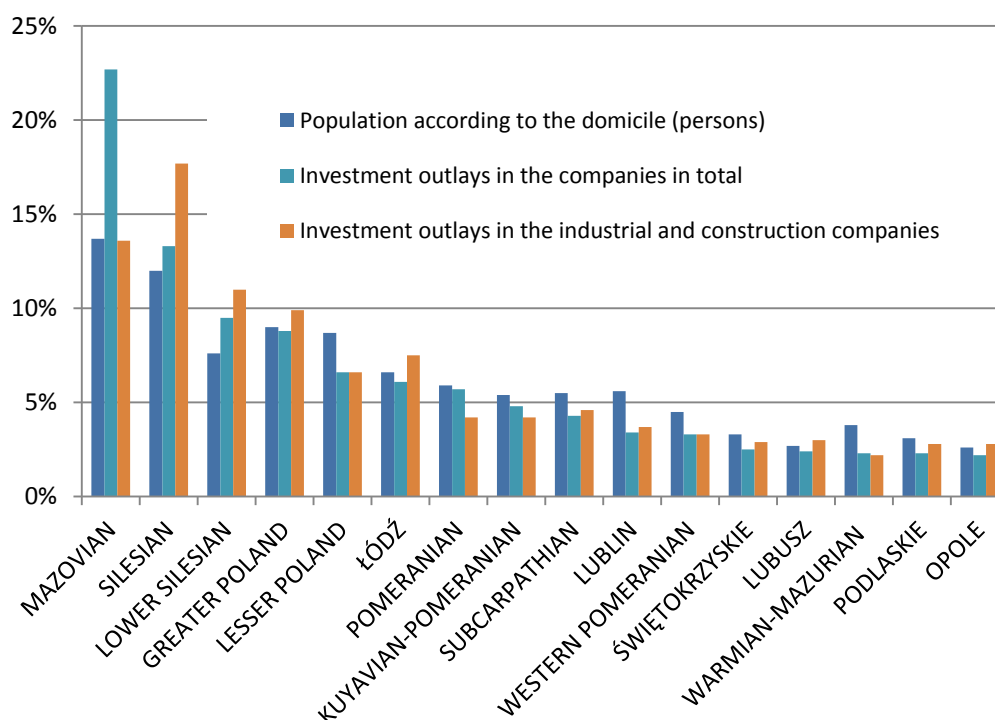
2. Region's rank in terms of investment attractiveness in Poland and in the European Union

Podlaskie voivodship is characterised by a relatively low level of overall investment attractiveness, which is indicated by its rank (class E) according to the main potential investment attractiveness index calculated for the whole regional economy PAI 2_GN.¹ The voivodship was for the first time ranked C when it comes to labour-intensive industry and professional, science and technical activities which is connected to increasing localization advantages of the region.

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. The region was ranked low in terms of RAI indices. However, it should be noticed that in comparison to the previous year, the region moved to Class D when it comes to investment attractiveness in hotels and restaurants.

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

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



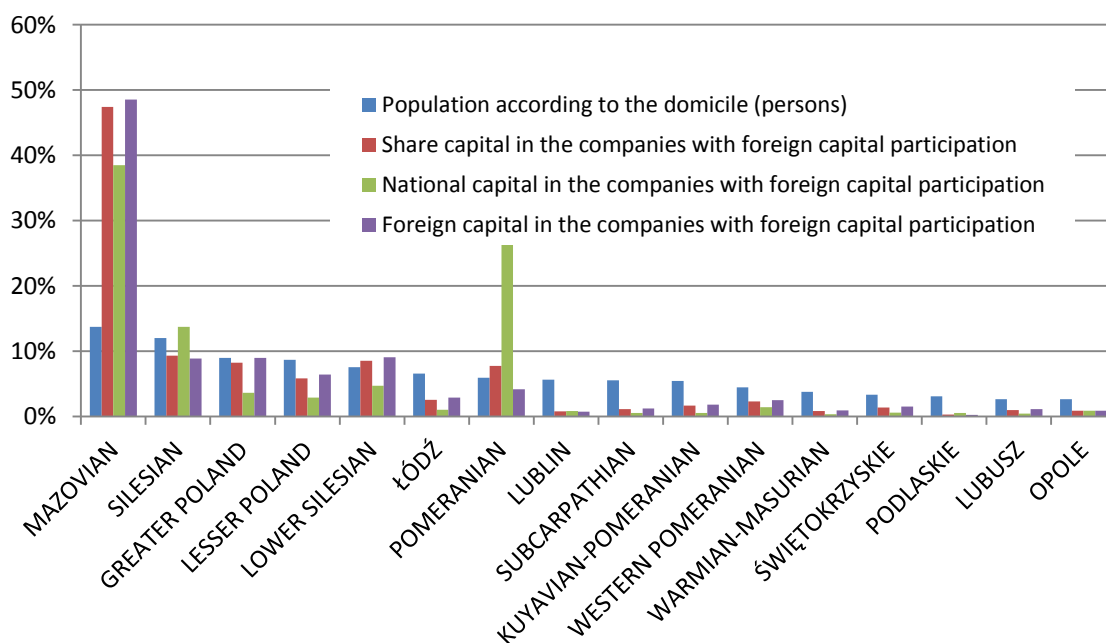
Note: these are the most up-to-date data.

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

¹ 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>

In 2011 Podlaskie region took the 15th place when it comes to investment outlays in the companies with foreign capital participation (2.3% share of its total value in all voivodships). It is not much compared with the region's 3.1% share in country's population. This concerns both the outlays in industry and construction as in services and indicates that the investors underestimate this region. This conclusion can also be drawn from analysing regional structure of capital in the companies with foreign capital participation – see Chart 2.

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



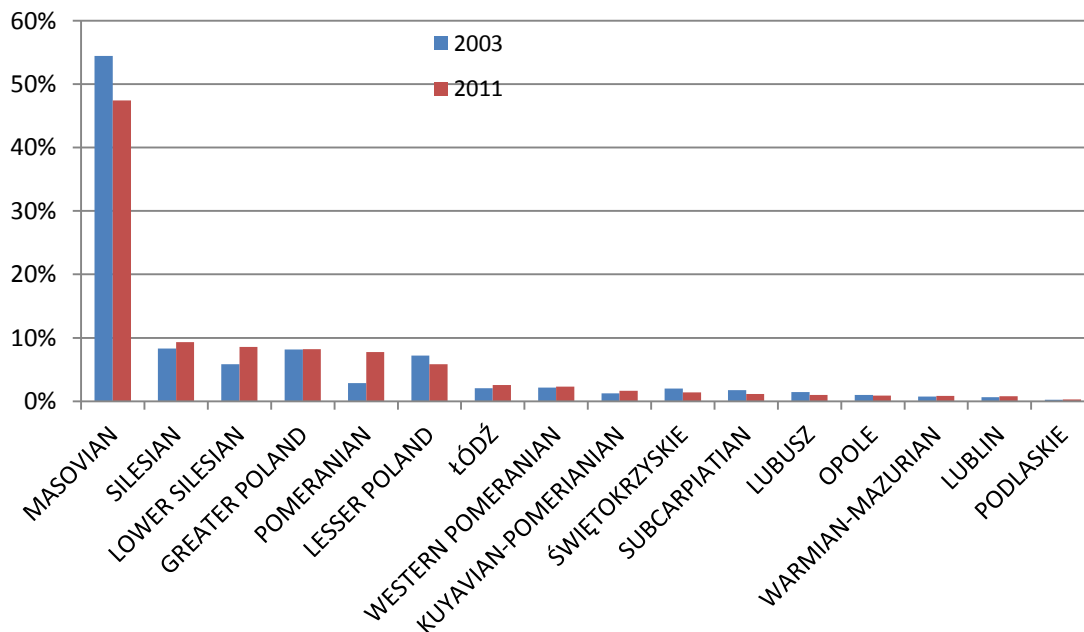
Note: These are the most up-to-date data.

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

According to the above Chart, Podlaskie voivodship is not competitive on the foreign investments market as its share in share capital in the companies with foreign capital participation in 2011 amounted to 0.3%.

In the years 2003-2011 the voivodship's position on the foreign direct investment market slightly increased as its share rose from 0.22% to 0.30%.

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).

Also the other regions of East Poland are in the similar situation and also are considered not too attractive by the investors.

An opportunity for Podlaskie voivodship might be investment sites thoroughly prepared by self-government territorial units, utilizing location's advantages. It applies especially to the units that are characterized by high investment attractiveness, especially for the medium enterprises from industry and services sectors.

Podlaskie 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 241st place of 270 regions in the EU and was ranked Class F – see Table 2 in the Appendix.

Podlaskie voivodship has competitive advantage when it comes to human capital, ranked class B. Despite its low rank it still can compete with lower ranked regions such as: **in Hungary:** Észak-Magyarország, Dél-Alföld; Észak-Alföld; **in Greece:** Peloponnisos; **in Italy:** Calabria, Basilicata; **in Spain:** Region de Murcia; **in Bulgaria:** Severoiztochen, Severen tsentralen, Yugoiztochen, Yuzhen tsentralen and Severozapaden; **in Slovakia:** Stredné Slovensko, Východné Slovensko; **in Portugal:** Norte, Alentejo, Região Autónoma dos Açores and Centro (PT); **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 Podlaskie voivodship: Białystok, Łomża, Suwałki – see Table 2.

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

County	PAI1_G N	PAI1_G N	PAI1_C	PAI1_G	PAI1_I	PAI1_M
Białystok	0.349	A	A	A	A	A
Łomża	0.311	A	A	A	B	A
Suwałki	0.278	B	B	B	B	A

Source: Authors' own calculations.

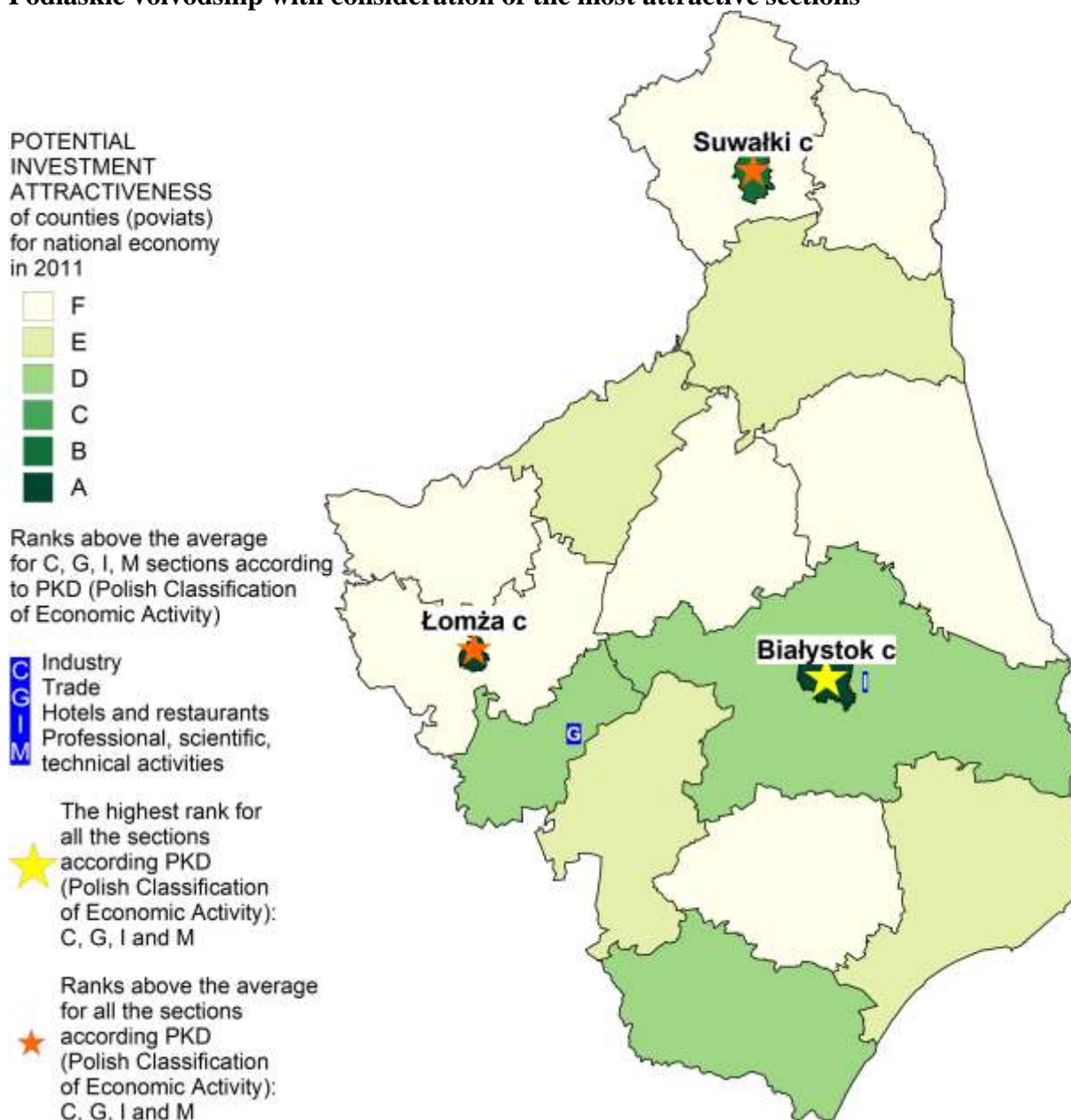
Białystok (city) should be distinguished as it was ranked Class A in all the analysed sections of the national economy.

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

- Siemiatycze, Zambrów, Białystok (Class D) for section C,
- Zambrów (Class C) for section G,
- Białystok (Class C) for section I and (Class D) for section M.

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

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



Source: Authors' own materials.

Note: "c" stands for city county.

Communes

Like counties, the communes in Podlaskie region are also very much diversified in terms of investment attractiveness. The highest ranked communes are: Białystok (1), Brańsk (1), Hajnówka (1), Siemiatycze (1), Wysokie Mazowieckie (1), Zambrów (1), Łomża (1), Sejny (1), Suwałki (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 Podlaskie voivodship for the national economy and selected sections

Commune	PAI1_G N	PAI1_G N	PAI1_C	PAI1_G	PAI1_I	PAI1_M
Białystok (1)	0.275	A	A	A	A	A
Wysokie Mazowieckie (1)	0.248	A	A	A	A	A
Brańsk (1)	0.242	A	A	A	B	A
Łomża (1)	0.234	A	A	A	B	A
Sejny (1)	0.230	A	A	A	A	A
Hajnówka (1)	0.227	A	A	A	C	A
Siemiatycze (1)	0.223	A	A	B	B	A
Zambrów (1)	0.222	A	A	A	C	A
Suwałki (1)	0.220	A	B	A	B	A
Wasilków (3)	0.210	B	B	B	A	A
Bielsk Podlaski (1)	0.210	B	A	B	C	A
Supraśl (3)	0.210	B	B	B	B	B
Grajewo (1)	0.207	B	B	B	D	B
Augustów (1)	0.207	B	B	B	B	B
Łapy (3)	0.206	B	B	B	C	B
Juchnowiec Kościelny (2)	0.206	B	B	B	B	B
Choroszcz (3)	0.203	B	B	B	A	C

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

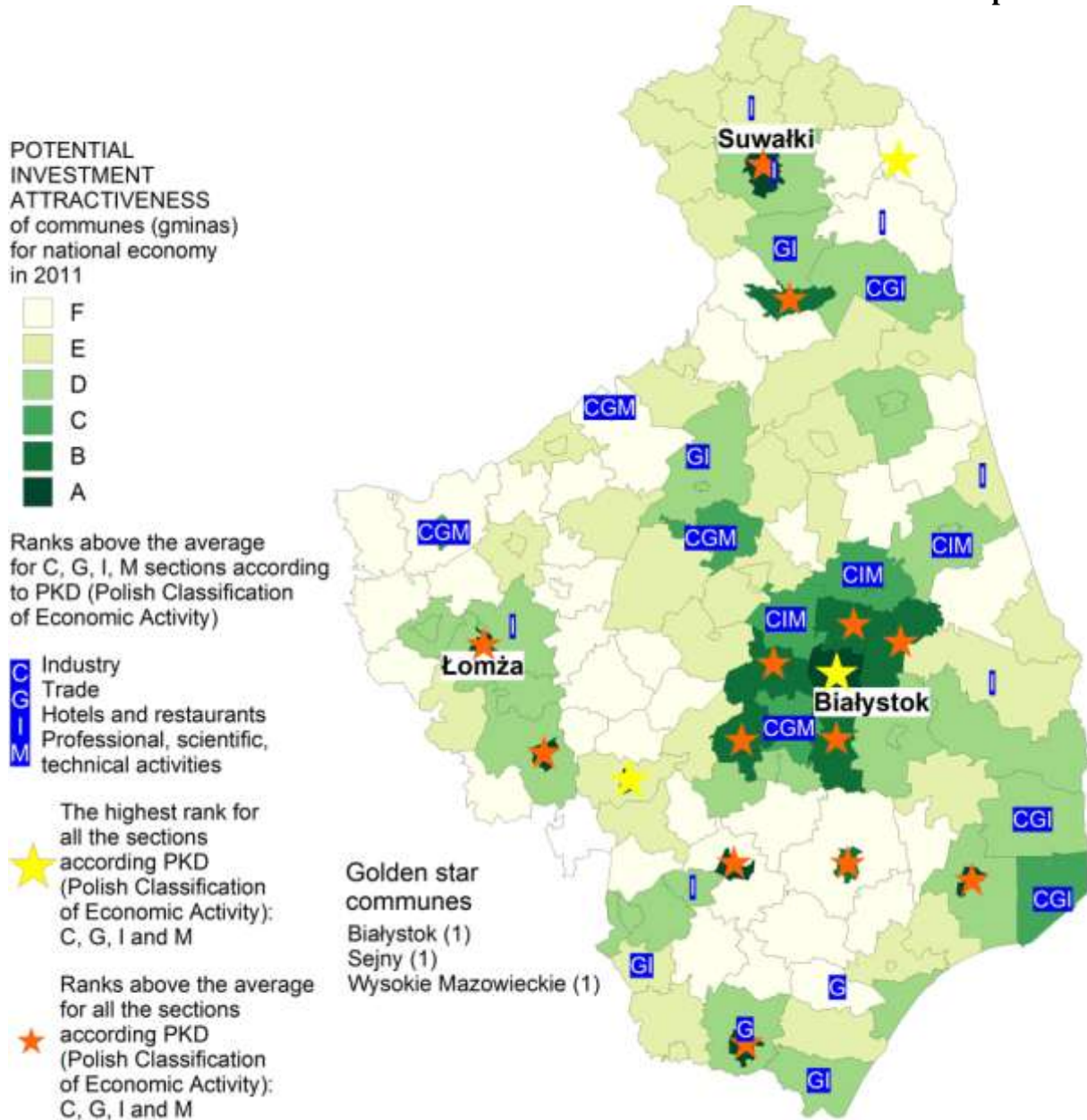
Source: Authors' own calculations.

Attractive communes are also the class B communes according to the PAI1_GN index. Among these communes are: Choroszcz (3), Juchnowiec Kościelny (2), Łapy (3), Supraśl (3), Wasilków (3), Bielsk Podlaski (1), Augustów (1), Grajewo (1). 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: Raciąż (1), Czosnów (2), Radzymin (3), Leszno (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:

- Czarna Białostocka (3), Dobrzyniewo Duże (2), Turośń Kościelna (2), Sokółka (3), Białowieża (2), Narewka (2), Kolno (1), Płaska (2), Mońki (3) - for section C,
- Turośń Kościelna (2), Białowieża (2), Narewka (2), Kolno (1), Milejczyce (2), Perlejewo (2), Siemiatycze (2), Nowinka (2), Goniądz (3) - for section G,
- Dobrzyniewo Duże (2), Gródek (2), Łapy (3), Sokółka (3), Bielsk Podlaski (1), Rudka (2), Hajnówka (1), Narewka (2), Perlejewo (2), Zambrów (1), Goniądz (3), Jeleniewo (2), Suwałki (2) - for section I,
- Choroszcz (3), Czarna Białostocka (3), Dobrzyniewo Duże (2), Turośń Kościelna (2), Sokółka (3), Mońki (3) - for section M.

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

Chart 5. Potential investment attractiveness of communes of Podlaskie 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 Rzemieślnicza i Przedsiębiorczości in Białystok, Polska Izba Gospodarcza Transportu Samochodowego i Spedycji Oddział Podlaski, Izba Przemysłowo – Handlowa in Białystok, Podlaski Klub Biznesu in Białystok, Wschodnie Towarzystwo Gospodarcze in Białystok, Podlaski Związek Pracodawców in Białystok, Zrzeszenie Kupców, Producentów i Usługodawców in Białystok, Regionalny Związek Pracodawców” Nasz Produkt – Nasz Handel” in Białystok, Białostocka Spółdzielnia Kupców „Kawaleryjska”, Podlaski Cech Rzemiosł Różnych i Przedsiębiorczości in Białystok, Łomżyńska Izba Przemysłowo – Handlowa,
- associations (including business centres): Podlaska Fundacja Rozwoju Regionalnego in Białystok, Fundacja Rozwoju Przedsiębiorczości in Suwałki, Stowarzyszenie Euroregion Niemen in Suwałki, Związek Pracodawców Suwalskie Stowarzyszenie Pracodawców, Podlaskie Stowarzyszenie Właścicieli Firm – Klub Kobiet Biznesu in Białystok, Stowarzyszenie Wspierania Edukacji Rynku i Pracy in Łomża, Stowarzyszenie Promocji Przedsiębiorczości in Białystok, Centrum Promocji i Innowacji i Rozwoju in Białystok, Łoża Białostocka Biznes Center Club,
- business incubators: Inkubator Technologiczny przy Parku Naukowo – Technologicznym Polska – Wschód in Suwałki, Akademickie Inkubatory Przedsiębiorczości przy Uniwersytecie Białostockim i Wyższej Szkole Finansów i Zarządzania, Podlaski Inkubator Przedsiębiorczości Społecznej,
- technology parks, science parks, industrial parks: Park Naukowo – Technologiczny Polska – Wschód in Suwałki, Białystok Park Naukowo – Technologiczny, Podlaski Park Przemysłowy Urząd Miejski in Czarna Białostocka, Zambrowski Park Przemysłowy,
- consulting centres (including personal consulting and agricultural consulting): Podlaski Ośrodek Doradztwa Rolniczego in Szepietowo,
- financial institutions (guarantee funds): Podlaski Fundusz Poręczeniowy Sp. z o.o. in Białystok, Fundusz Pożyczkowy Podlaskiej Fundacji Rozwoju Regionalnego in Białystok,
- others: Klaster Otoczenia Instytucji Biznesu, Agencja Rozwoju Regionalnego ARES S.A. in Suwałki, Agencja Rozwoju Regionalnego S.A. in Łomża.

Chamber of Craft (*Izba Rzemieślnicza i Przedsiębiorczości*) **in Białystok** is a social-professional organization of craft of North-East Poland associating 17 guilds and 3 craft cooperatives (it represents almost 3,000 of craft enterprises). The main tasks of the chamber are: representing its members towards public administration, supervision of organization and course of vocational education and examinations (including preparation for journeyman and craftsman exams), qualifications improvement by trainings, social-economic activities to the benefit of crafts, support for the members including consulting on organization, legal, financial and economic activities, creating favourable conditions for local craft. (<http://www.rzemioslo.bialystok.pl/pl/izba.php?m=110>, 04 November 2013)

Podlasie Regional Development Foundation (*Podlaska Fundacja Rozwoju Regionalnego*) **in Białystok**. Within the foundation Enterprise Europe Network is operating that offers free of charge services such as: looking for foreign partners for cooperation, organization of international cooperation meetings and trade missions, technology audits, sending offers and inquiries to foreign companies on customer's demand, giving information on possible sources

of financing economic activities, advisory on EU law and support at making agreements on trade and technologic cooperation. The foundation also helps at setting and running a business (within a Network of Centres for Business Support). The fund also administers a network of buildings (Entrepreneurship Centres) for rent to business units. They can be used as office, trade or service space. The foundation operates a Loan Fund which offers loans to micro-, small and medium enterprises and to people who start a business, grants loan guarantees. The Capital Fund also offers a possibility of acquiring venture capital for investment purposes. (www.pfrr.pl/, 04 November 2013)

Technology and Research Park Poland – East Park (*Naukowo – Technologiczny Polska – Wschód*) in Suwałki offers investment areas with full amenities, especially to innovating businesses operating in the field of advanced technologies – IT systems, telecommunication networks, electronic, material engineering, healthcare technologies and medical engineering, environment protection technologies, renewable energy technologies, automatics, measuring and laboratory equipment and precision mechanics. The park also offers offices and technological processes hall. Also a Conference Hall operates within the park that organizes conferences, business presentations and exhibitions. The Park houses a Technology Incubator aimed at innovating businesses. The incubation process can be applied to persons who plan to start a business, enterprises and physical persons (including spin-offs and spin-outs), micro- and small enterprises. The Incubator offers office, research and production space, access to laboratories, training rooms, expert advice, IT services, legal, tax and EU funding advice. It enables its members to take part in workshop developing managerial skills. (www.park.suwalki.pl/, 04 November 2013).

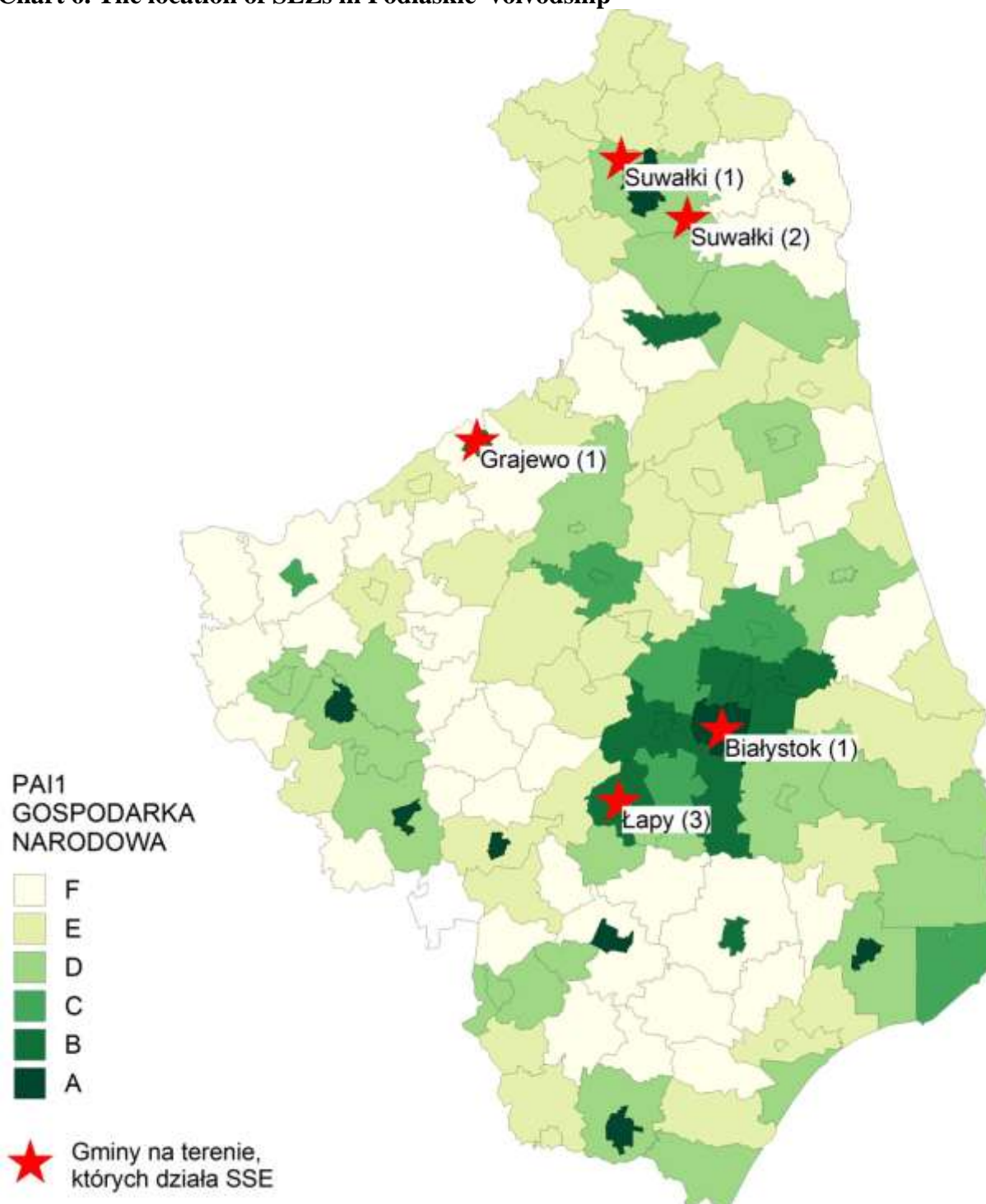
Podlasie Centre of Agriculture Consulting in Szepietowo (*Podlaski Ośrodek Doradztwa Rolniczego*) offers free of charge trainings on initiating and creating organizations of group cooperation of agricultural producers, starting own business, organizing agritourism and ecological farm management. The services offered include: preparing applications and documents for financial aid from the EU funds and other domestic and foreign institutions, fiscal books operation and tax documents preparation, preparing economic analyses to needs of farmers, organizing vocational trainings preparing for vocational exams useful at farming, organizing courses for operators of harvesting combines. The centre's website includes information on plant and animal production, ecology and environment, entrepreneurship and agritourism. The centre operates a library and organizes fairs, exhibitions, competitions. It also offers hotel and training spaces. (<http://www.odr.pl/>, 04 November 2013)

Business Institutions Surrounding Cluster (*Klaster Otoczenia Instytucji Biznesu*) aims at creating and developing new forms of business. The cluster offers training and consulting services, including financial and legal advice, personal counselling and marketing. It also offers IT solutions for enterprises, organizes conferences and seminars. The Centre of Clusters Service and Development takes actions to stimulate business activity in Eastern Poland (it aims at identifying needs, preparing development strategies, incubating cluster initiatives, cluster support, looking for financial sources and helping at project realization and accounting). A wide range of services is connected to diversity of the cluster members that include enterprises, scientific units and associations. (<http://www.biznesklaster.pl/company/33-klaster-instytucji-otoczenia-biznesu/>, 04 November 2013).

Special economic zones in Podlaskie voivodship – effects

There are 2 special economic zones (SEZs) in Podlaskie voivodship: Suwałki SEZ and Tarnobrzeg SEZ. At the end of 2012 the areas of the SEZs were parts of 3 cities and 2 communes – see Chart 6.

Chart 6. The location of SEZs in Podlaskie 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 1996 in Suwałki and the next ones in 2005. The investment outlays made by SEZ companies operating in the communes of Podlaskie voivodship by the end of 2012 amounted to PLN 860 million, which made 1% of all investment outlays made in the Polish SEZs. In the same time the SEZ companies in the region created 2.9 thousand new jobs which made 2% 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)
Tanobrzeg / Łapy	Białystok, Łapy (3)	no investors yet		
Suwałki / Białystok	Białystok (city), Białystok (1)	prints and recorded services, rubber and plastic products,	80.70	336
Suwałki / Grajewo	Grajewo, Grajewo (1)	wood, wood and cork products, except furniture; articles of straw and plaiting materials	392.86	153
Suwałki / Suwałki	Suwałki, Suwałki (2)	other non-metallic mineral products	78.77	356
Suwałki / Suwałki	Suwałki (city), Suwałki (1)	wood, wood and cork products, except furniture; articles of straw and plaiting materials, fabricated metal products (except machinery and equipment),	308.24	2,054

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

The Largest investments have been made in Grajewo: PFLEIDERER Sp. z o.o. (Germany, construction) and Suwałki: SIDO Sidorek, Wróblewski Sp. J. (food products), Gasstech Przedsiębiorstwo Produkcyjne Spółka z o. o (metal), Recman Sp. J.(clothing), VTS Plant Sp. z o. o. (machinery), Aquael Sp. z o. o. (precision mechanics, aquaristics).

The SSE development plans to attract investors that would make use of the resource and labour pool of the voivodship e.g. from the agricultural and food-processing, wood and construction industries – in Suwałki SEZ.

‘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 2 are situated in Podlaskie voivodship (see Table 5).

Table 5. Communes in Podlaskie 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
50	Białystok (1)	10.0	9.0	3.0	22.0
88	Hajnówka (1)	8.5	11.0	0.0	19.5

Source: Authors' own calculations.

The city of Białystok and Hajnówka are present in the ranking mainly because of very well-prepared answers to e-mails in Polish. Each e-mail contained exhaustive answers to the questions raised and contained investment offer with an indication of potential source of support for investments.

5. Region's strengths and weaknesses

Podlaskie 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 Podlaskie 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	
Social Microclimate Class C	Microclimate Human Resources Class E Microclimate Technical Infrastructure Class F Microclimate Social Infrastructure Class D Market Microclimate Class E Microclimate Administration/Government Class D Microclimate Innovativeness Class E Productivity of enterprises Class D Returns on tangible assets Class E Profitability of enterprises Class F Self-financing of self-government units Class E Investment outlays Class F
Capital-intensive industry	
Social Microclimate Class C Microclimate Administration/Government Class C	Microclimate Human Resources Class E Microclimate Technical Infrastructure Class E Microclimate Social Infrastructure Class D Market Microclimate Class E Microclimate Innovativeness Class E Returns on tangible assets Class E Productivity of enterprises Class E Self-financing of self-government units Class E Investment outlays Class D
Labour-intensive industry	
Social Microclimate Class B	Microclimate Human Resources Class F Microclimate Technical Infrastructure Class F Microclimate Social Infrastructure Class D Market Microclimate Class E Microclimate Administration/Government Class D Returns on tangible assets Class E Productivity of enterprises Class E Self-financing of self-government units Class E Investment outlays Class D
Trade	
Microclimate Social Infrastructure Class C	Microclimate Human Resources Class F Microclimate Technical Infrastructure Class F Social Microclimate Class D Market Microclimate Class D Microclimate Administration/Government Class D Returns on tangible assets Class D Productivity of enterprises Class E Self-financing of self-government units Class E

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

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

Summary

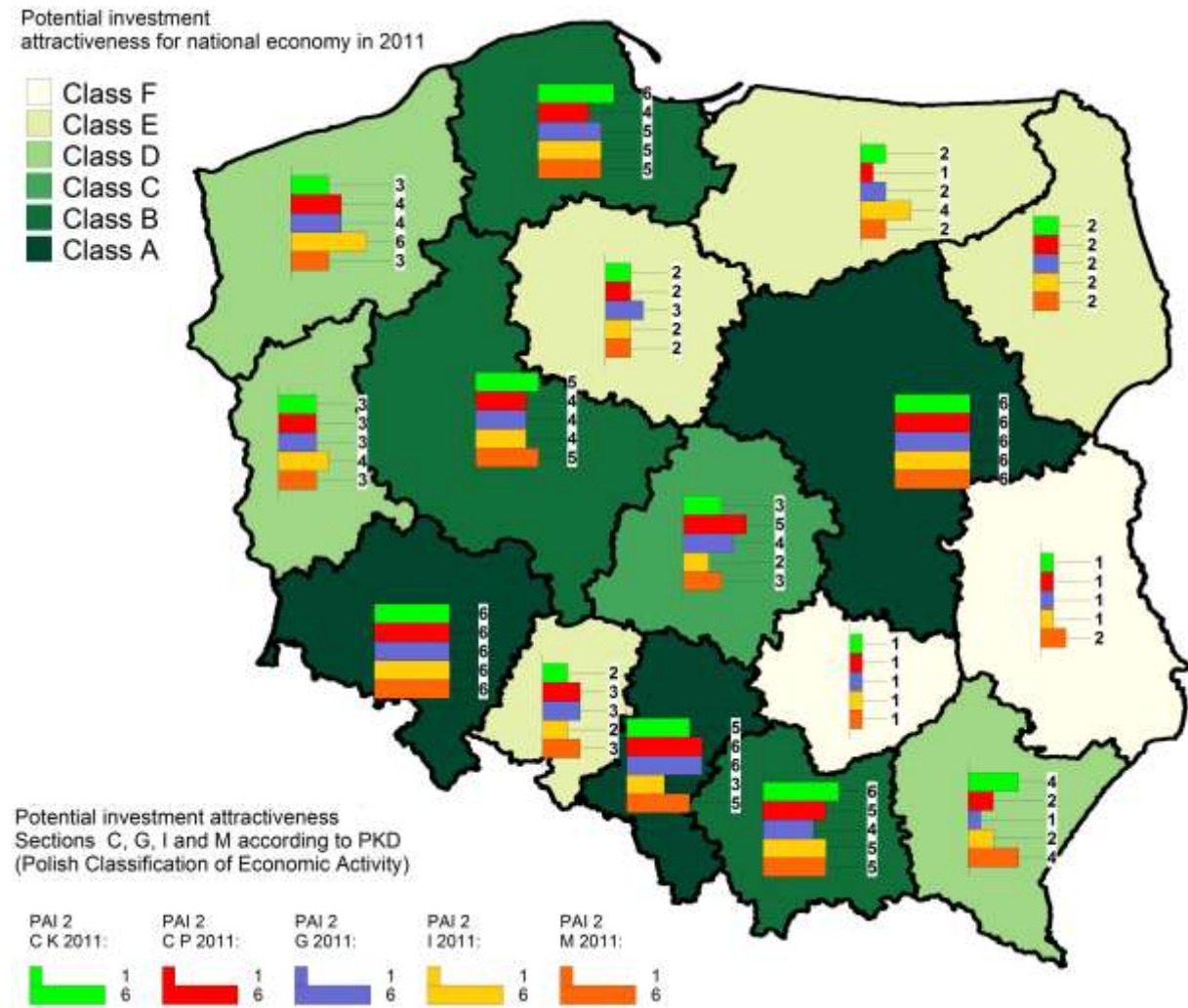
The engines of economic development of Podlaskie voivodship are the city counties: Białystok, Suwałki and Łomża as well as the special economic zones in the region.

Basing on competitiveness of medium and big enterprises, Podlaskie voivodship has predispositions to **create interregional clusters**, especially in sectors such as: manufacture of dairy products, manufacture of furniture, publishing activities, manufacture of machinery for agriculture and forestry, building ships and boats.

It can also develop **intelligent specializations** in the **medium-high-tech sectors**, basing on the competitive big and medium-sized companies, such as: manufacture of machinery and equipment n.e.c., in the medium-low-tech sectors: building ships and boats, in the low-tech-sector: manufacture of furniture.

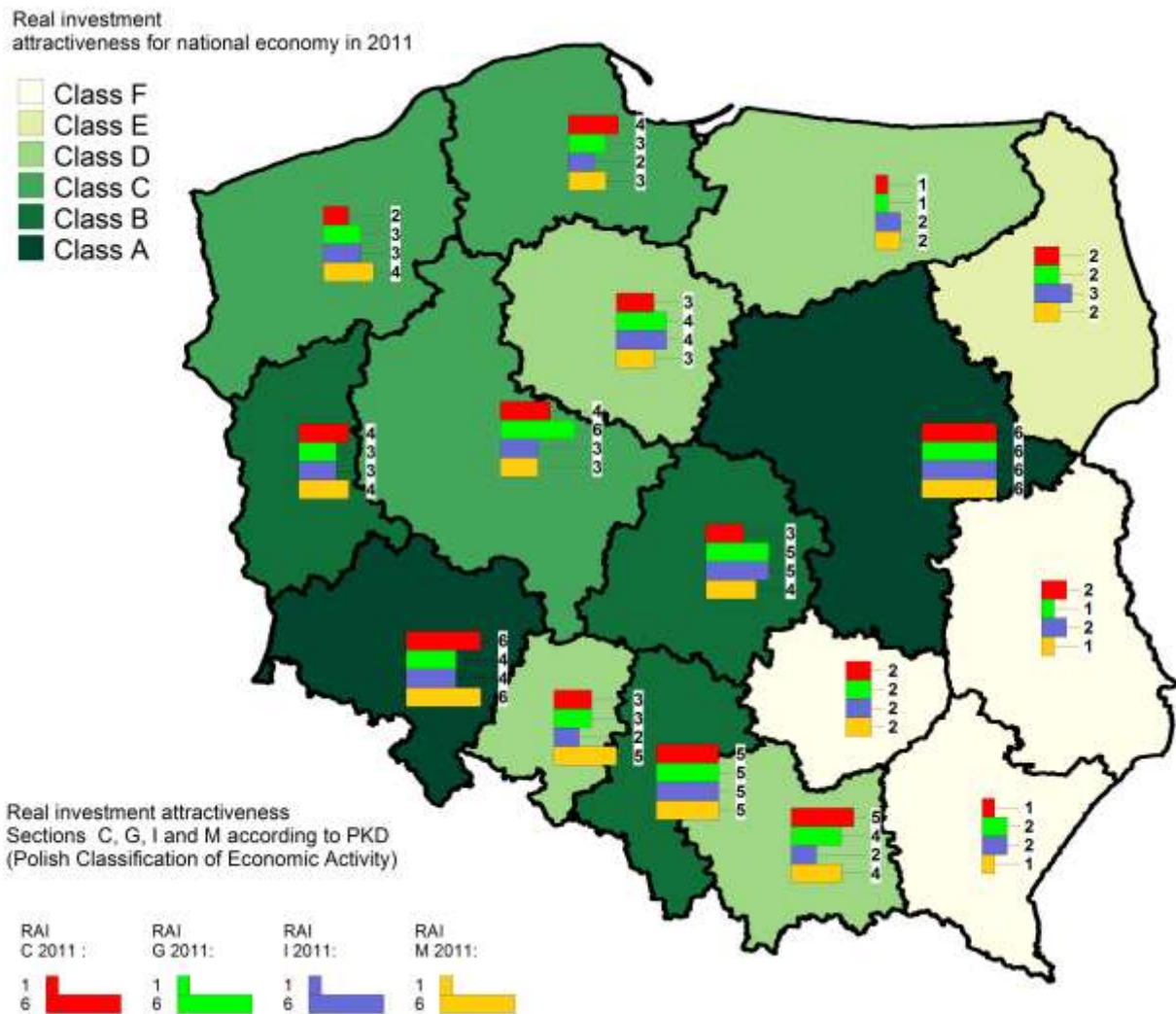
APPENDIX

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



Source: Authors' own materials based on the research.

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 Podlaskie voivodship for the national economy and selected sections

Counties	PAI1_G N	PAI1_G N_classes	PAI1_C _classes	PAI1_G _classes	PAI1_I classes	PAI1_M _classes
Białystok	0.349	A	A	A	A	A
Łomża	0.311	A	A	A	B	A
Suwałki	0.278	B	B	B	B	A
Siemiatycze	0.225	D	D	D	D	E
Zambrów	0.225	D	D	C	D	E
Białystok	0.223	D	D	D	C	D

Source: As in Table 1.

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

Communes	PAI1_G N	PAI1_G N_classes	PAI1_C _classes	PAI1_G _classes	PAI1_I _classes	PAI1_M _classes
Białystok (1)	0.275	A	A	A	A	A
Wysokie Mazowieckie (1)	0.248	A	A	A	A	A
Brańsk (1)	0.242	A	A	A	B	A
Łomża (1)	0.234	A	A	A	B	A
Sejny (1)	0.230	A	A	A	A	A
Hajnówka (1)	0.227	A	A	A	C	A
Siemiatycze (1)	0.223	A	A	B	B	A
Zambrów (1)	0.222	A	A	A	C	A
Suwałki (1)	0.220	A	B	A	B	A
Wasilków (3)	0.210	B	B	B	A	A
Bielsk Podlaski (1)	0.210	B	A	B	C	A
Supraśl (3)	0.210	B	B	B	B	B
Grajewo (1)	0.207	B	B	B	D	B
Augustów (1)	0.207	B	B	B	B	B
Łapy (3)	0.206	B	B	B	C	B
Juchnowiec Kościelny (2)	0.206	B	B	B	B	B
Choroszcz (3)	0.203	B	B	B	A	C
Mońki (3)	0.194	C	C	B	D	C
Kolno (1)	0.191	C	C	C	E	B
Białowieża (2)	0.184	C	C	C	A	D
Turośl Kościelna (2)	0.182	C	C	C	D	C
Dobrzyniewo Duże (2)	0.181	C	C	D	C	C
Czarna Białostocka (3)	0.180	C	C	D	A	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.