CENTRE FOR REGIONAL
AND LOCAL ANALYSES

REGIONAL INVESTMENT ATTRACTIVENESS 2013

Świętokrzyskie voivodship

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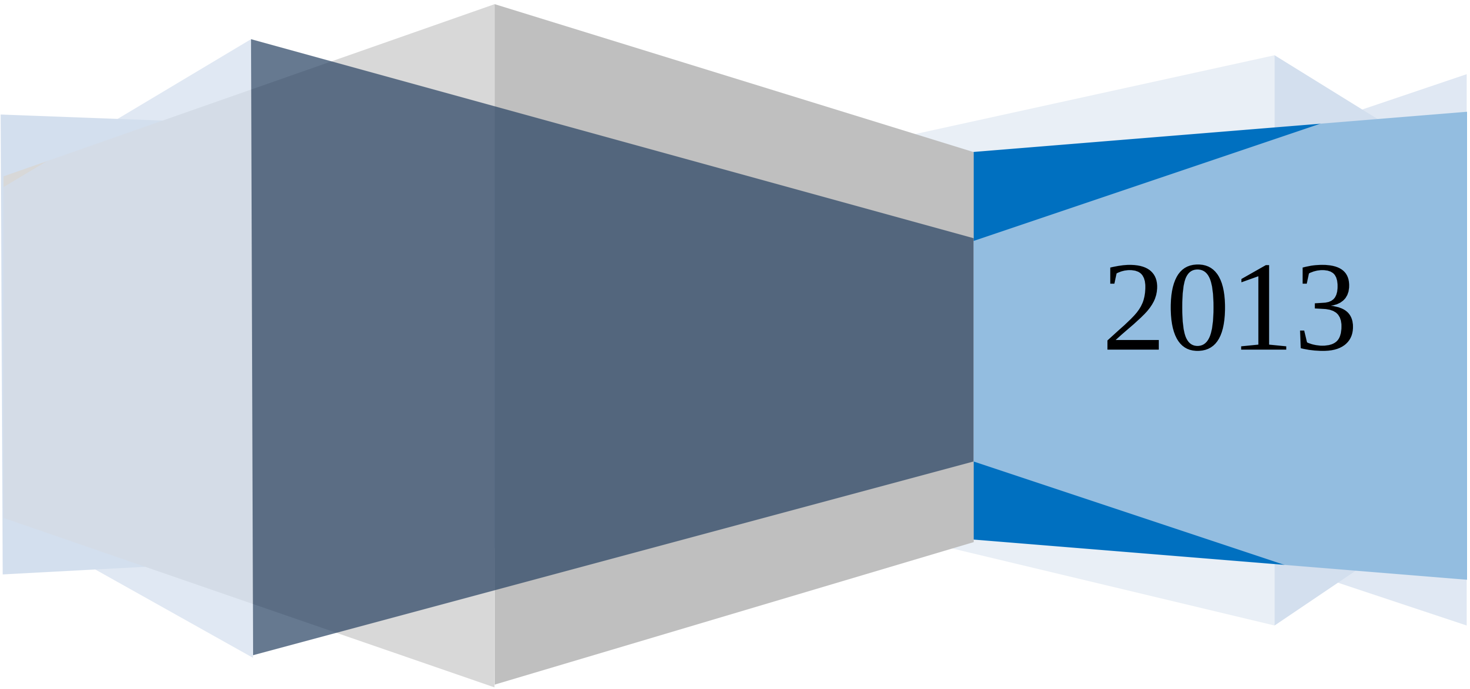


Introduction

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 Świętokrzyskie voivodship

Świętokrzyskie voivodship is situated in the central part of Poland near large urban agglomerations: Kraków, Warszawa and Łódź. Grasslands occupy 650,200 ha (55,6% of the total area), the farming of cattle, horses and poultry prevails. A characteristic element is the Świętokrzyskie Mountains (literally: the Holy Cross Mountains), which lie in the centre of the Kielce Highlands, which in turn influences the development of tourism.

The main advantages of the voivodship are:

- two state universities: the Kielce University of Technology and the Jan Kochanowski University of Humanities and Sciences in Kielce, the part of which is the Faculty of Health Sciences ranked in the highest category 1 by the Ministry of Science and Higher Education,
- favourable conditions for the development of tourism (the Świętokrzyskie Mountains),
- natural resources – deposits of natural resources used in the construction industry (the area of the Świętokrzyskie Mountains), sulphur (near Busko-Zdrój and Grzybów) and mineral waters (Busko-Zdrój, the water called Buskowianka), sulphuric waters (Busko-Zdrój),
- favourable conditions for the development of food industry,
- rich mineral springs of therapeutically waters and a well-developed base of treatment facilities and sanatoria, recreation establishments, hotels and guest houses,
- the presence of quite well-developed branches of industry – smelting industry represented by Celsa Ostrowiec Steelworks (Ostrowiec Świętokrzyski), manufacture of metallic products (Skarżysko-Kamienna), manufacture of machinery and equipment (Starachowice), manufacture of construction materials (Kielce), manufacture of ceramics, founding industry (Stąporków, Końskie), power industry (Połaniec).

The general characteristics of the region are presented in Table 1.

Table 1. General characteristics of the economy of Świętokrzyskie voivodship

<table>
<tr><th colspan="2">Feature</th><th>Świętokrzyskie voivodship</th><th>Poland</th><th>Share [%]</th></tr>
<tr><td colspan="5">Market Potential</td></tr>
<tr><td colspan="2">GDP per capita 2010. (PLN/person)</td><td>28,134</td><td>37,096</td><td>-</td></tr>
<tr><td colspan="2">Population (persons) on 31 December 2012</td><td>1,273,995</td><td>38,533,299</td><td>3.3</td></tr>
<tr><td colspan="5">Human Resources Potential</td></tr>
<tr><td colspan="2">Higher education institutions graduates (persons) in 2012</td><td>13,991</td><td>484,999</td><td>2.9</td></tr>
<tr><td colspan="2">Secondary schools graduates (persons) in 2012</td><td>15,978</td><td>421,317</td><td>3.8</td></tr>
<tr><td colspan="2">Number of employed persons on 31 December 2012</td><td>462,764</td><td>13,911,203</td><td>3.3</td></tr>
<tr><td colspan="2">Structure of employed persons 2012</td><td>agriculture 32.4%
industry 23.7%
services 43.9%</td><td colspan="2">agriculture 17.1%
industry 27.4%
services 55.5%</td></tr>
<tr><td colspan="5">Investment outlays and capital of companies with foreign capital participation in the voivodship</td></tr>
<tr><td colspan="2">Investment outlays (PLN m) in 2011</td><td>1,035.7</td><td>73,704.4</td><td>1.4</td></tr>
<tr><td colspan="2">Capital of companies (PLN m) in 2011</td><td>2,683</td><td>194,160.6</td><td>1.4</td></tr>
<tr><td colspan="5">Special economic zones (SEZs) in the voivodship*</td></tr>
<tr><td colspan="5">– Starachowice SEZ, subzone: gm. Końskie, gm. Morawica, gm. Piekoszów, gm. Sędziszów, gm. Stąporków, gm. Suchedniów, m, Kielce, m, Ostrowiec Świętokrzyski, m, Skarżysko-Kamienna, m, Starachowice
– Tarnobrzeg SEZ, subzone: gm. Połaniec, gm. Staszów, gm. Tuczępy</td></tr>
<tr><td colspan="5">Distinguishing investment attractiveness ratings PAI _2 and RAI (class A, B and C)</td></tr>
<tr><td colspan="3">Potential investment attractiveness PAI_2</td><td colspan="2"></td></tr>
<tr><td colspan="3">Real investment attractiveness RAI</td><td colspan="2"></td></tr>
<tr><td colspan="5">Counties and communes distinguished according to the Potential Attractiveness Index for the national economy (PAI1_GN)</td></tr>
<tr><td rowspan="2">Counties</td><td>Class A</td><td colspan="3">Kielce</td></tr>
<tr><td>Class B</td><td colspan="3"></td></tr>
<tr><td rowspan="2">Communes</td><td>Class A</td><td colspan="3">Sitkówka-Nowiny (2), Ostrowiec Świętokrzyski (1), Skarżysko-Kamienna (1), Starachowice (1), Kielce (1), Sandomierz (1), Połaniec (3)</td></tr>
<tr><td>Class B</td><td colspan="3">Miedziana Góra (2), Morawica (2), Strawczyn (2), Solec-Zdrój (2), Ożarów (3), Staszów (3)</td></tr>
</table>

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 Świętokrzyskie voivodship made a contribution of 2.5 % to the GDP of Poland. Calculated per capita, it amounted to PLN 28,134 with the average for Poland PLN 37,096. With this result the voivodship takes the second place in the country. The GDP growth rate in the voivodship in the years 2003-2010 amounted to 159.8% 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 (43.9%) whereas shares of the agricultural and industrial sectors are respectively 32.4% and 23.7% (Central Statistical Office, Regional Data Bank 2013).

The number of inhabitants of the voivodship amounts to 1,273,995 (as of 2013), which is 3.3% of the population of Poland. The age structure in the voivodship in 2012 was as follows: 17.6% of the population at pre-productive age, 63.2% at productive age and 19.2% 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 15.6% 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 3210.4, which is 85.1% of the average for Poland.

The main potential for human capital creation in the voivodship lies in 15 higher education institutions in which there are 39 thousand students studying, which makes up 2.3% of all students in Poland. Moreover, 3.1% of the secondary school students in the voivodship attend vocational schools and 3.9% attend technical schools.

The voivodship's strategic sectors mentioned in the strategy of regional development include above all: electro-machinery industry, automotive industry, electronics, agri-food industry, construction materials industry, construction, mining of mineral resources.

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

- Starachowice SEZ, subzone: gm. Końskie, gm. Morawica, gm. Piekoszów, gm. Sędziszów, gm. Stąporków, gm. Suchedniów, m, Kielce, m, Ostrowiec Świętokrzyski, m, Skarżysko-Kamienna, m, Starachowice,
- Tarnobrzeg SEZ, subzone: gm. Połaniec, gm. Staszów, gm. Tuczępy.

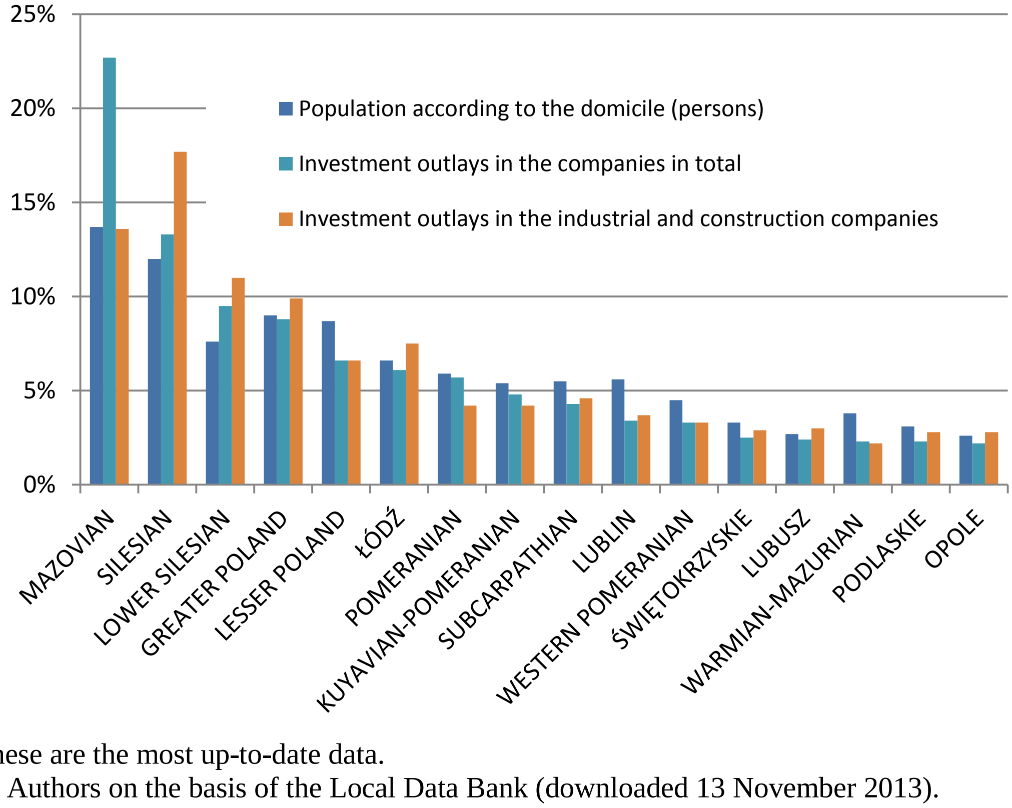
2. Region's rank in terms of investment attractiveness in Poland and in the European Union

Świętokrzyskie voivodship is characterised by a low level of overall investment attractiveness, which is indicated by its rank (class F) according to the main potential investment attractiveness index calculated for the whole regional economy PAI 2_GN (see Chart 1 in the Appendix). The region's ranks for the sections of national economy are also low.[1]

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. Also concerning these indices, the region was below average.

Potential and real investment attractiveness was reflected in the decisions of investors on capital flows. 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



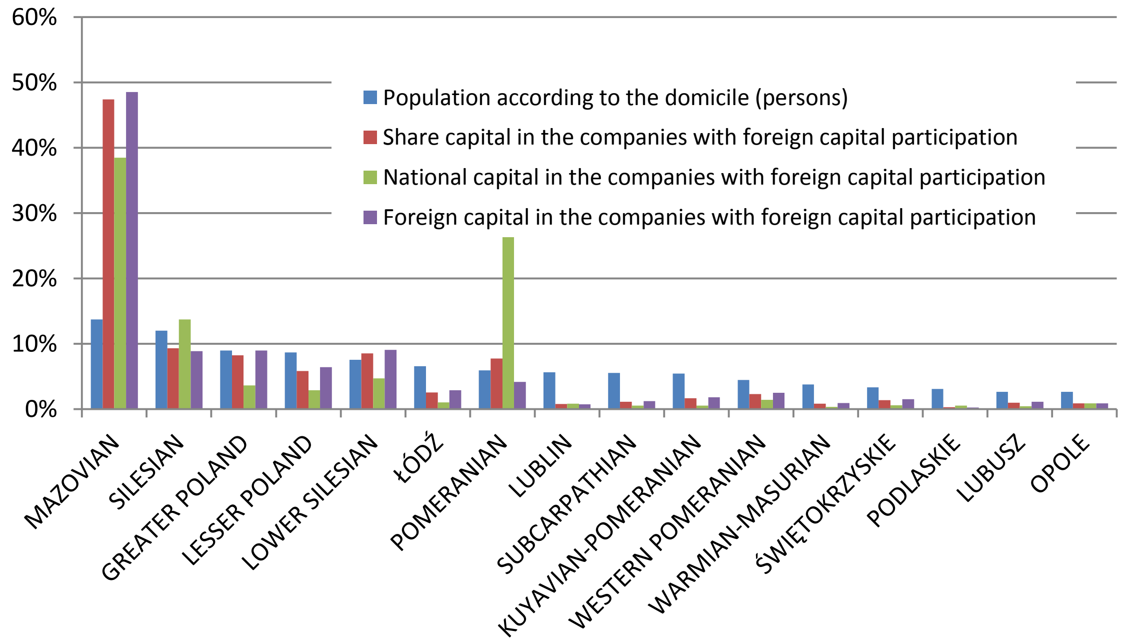
Note: these are the most up-to-date data.
Source: Authors on the basis of the Local Data Bank (downloaded 13 November 2013).

[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 Świętokrzyskie region took the 12th place in Poland in terms of accumulated share capital in the companies with foreign capital participation (a 2.5% share of its total value in all voivodships). This share is smaller than the expected share based on region's demographic potential (the voivodship's share in the population of Poland amounts to 3.3%). The voivodship has better results when it comes to outlays in industrial and construction companies (2.9%). When it comes to services, big underinvestment can be observed which indicates that the investors do not appreciate the voivodship's market potential, especially when it comes to tourism and tourism-like activities.

The same conclusion can be drawn from analysis of value of capital in the companies with foreign capital participation – see Chart 2.

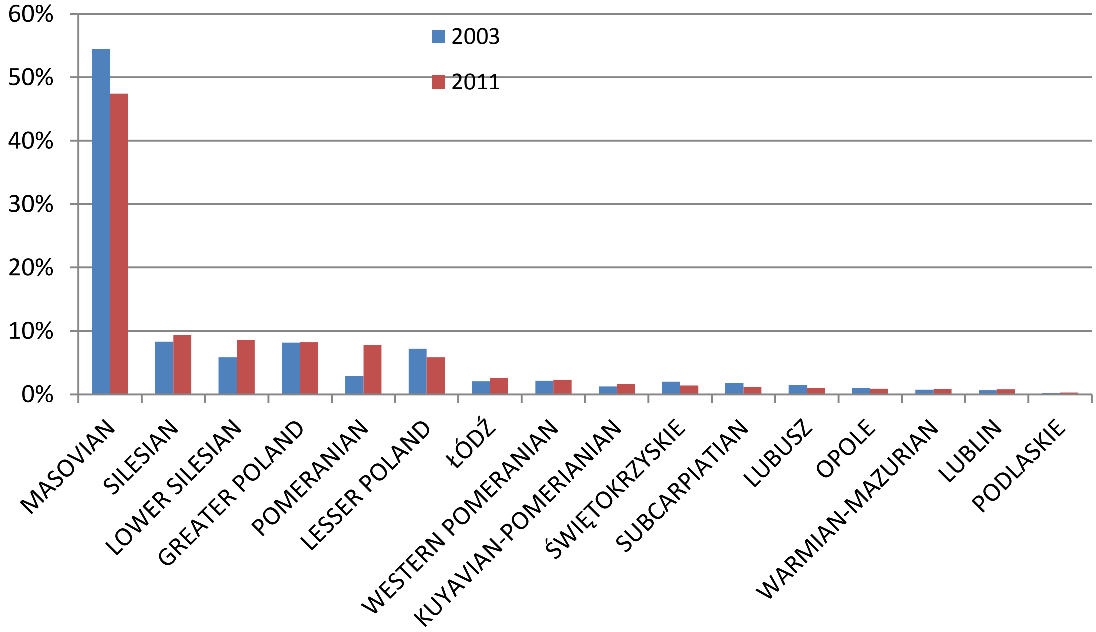
Chart 2. Regional structure of capital in the companies with foreign capital participation in comparison with a share in population



Note: These are the most up-to-date data.
Source: Authors on the basis of the Local Data Bank (downloaded 13 November 2013).

While the voivodship's share in country's population amounts to 3.3%, the value of share capital in companies with foreign capital participation in all the analysed sectors only amounts to 1.4% of the national level (0.6% for domestic capital and 1.5% for foreign capital). In the years 2003-2011 the competitive position on the foreign direct investments market slightly decreased as its share in the total value of share capital of companies with foreign capital participation in Poland – from 1.99% to 1.38% - 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).

The same situation applies to the other regions of Eastern Poland, considered by the investors little attractive. An opportunity for the voivodship might be investment sites thoroughly prepared by self-government territorial units, utilizing location's advantages of the units of high investment attractiveness, especially for medium enterprises from industry and services.

Świętokrzyskie 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 253rd place of 270 regions in the EU and was ranked Class F – see Table 2 in the Appendix.

The 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 Slovakia**: Stredné Slovensko, Východné Slovensko; **in Portugal**: Norte, Alentejo, Região Autónoma dos Açores and Centro (PT); **in Italy**: Puglia, Basilicata, Calabria; **in Greece**: Peloponnisos; **in Romania**: Vest, Nord-Vest, Centru, Sud-Est, Sud-Vest Oltenia, Nord-Est and Sud - Muntenia; **in Hungary**: Dél-Alföld; Észak-Alföld; **in Bulgaria**: Severen tsentralen, Yugoiztochen, Yuzhen tsentralen and Severozapaden.

3. Internal diversification of regional investment attractiveness

Counties

The Kielce county can be considered the most attractive in Świętokrzyskie voivodship – see Table 2.

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

County	PAI1_GN	PAI1_GN	PAI1_C	PAI1_G	PAI1_I	PAI1_M
Kielce	0.325	A	A	A	B	A
Skarżysko-Kamienna	0.244	C	C	D	E	D
Ostrowiec Świętokrzyski	0.233	D	D	D	E	D
Staszów	0.230	D	D	D	E	D
Starachowice	0.219	D	D	E	E	D

Source: Authors' own calculations.

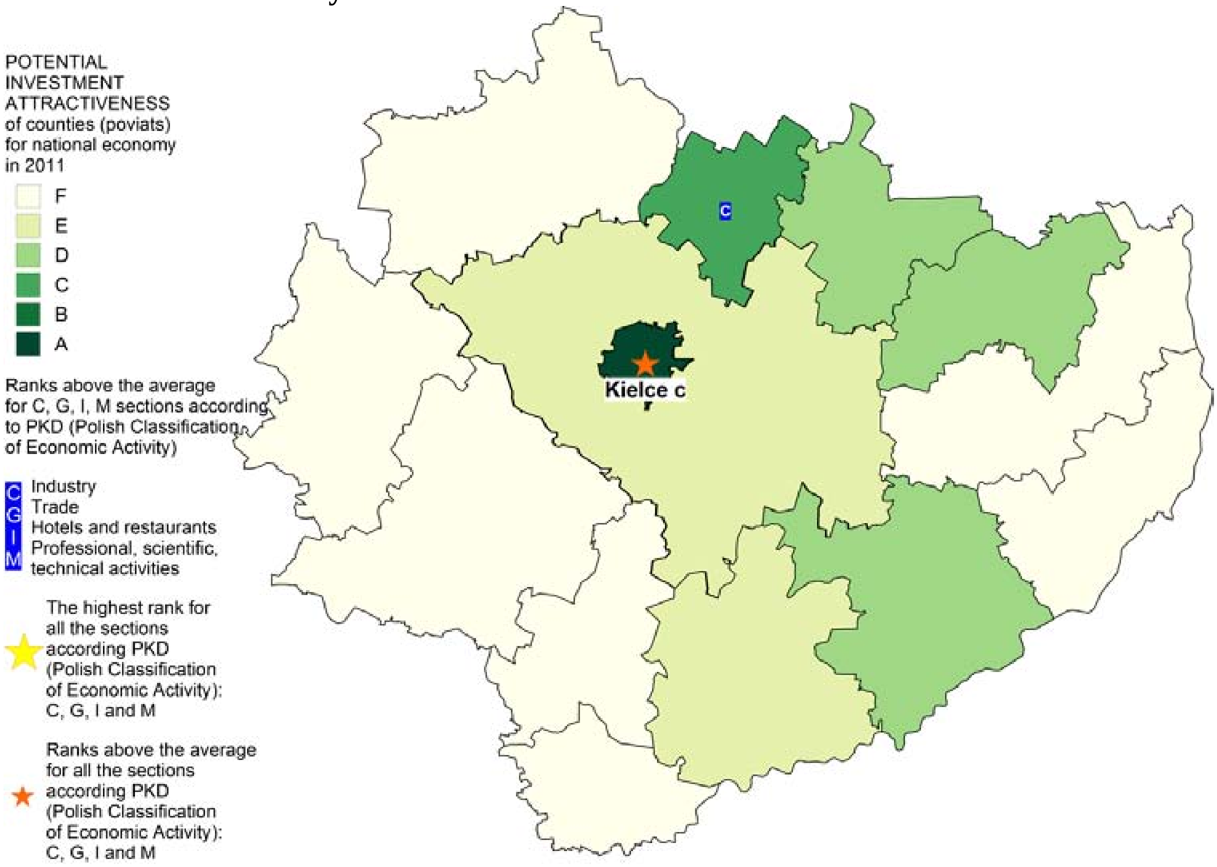
Kielce county should be distinguished as this unit was ranked class A in potential investment attractiveness for sections of national economy, industry, trade and professional activities and class B for tourism.

In reference to the sections mentioned below the following counties should be additionally distinguished:

- Skarżysko-Kamienna (Class C) for section C.
- Skarżysko-Kamienna, Ostrowiec Świętokrzyski, Staszów, Kielce, Sandomierz (Class D) for section G,
- Kielce (Class D) for section I.
- Skarżysko-Kamienna, Ostrowiec Świętokrzyski, Staszów, Starachowice for section M.

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

Chart 4. Potential investment attractiveness of counties of Świętokrzyskie voivodship for the national economy and selected sections



Source: Authors' own materials.
Note: "c" stands for city county.

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Communes

Like counties, the Świętokrzyskie communes are also very much diversified in terms of investment attractiveness. The highest ranked communes are: Sitkówka-Nowiny (2), Ostrowiec Świętokrzyski (1), Skarżysko-Kamienna (1), Starachowice (1), Kielce (1), Sandomierz (1), Połaniec (3). 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 Świętokrzyskie voivodship for the national economy and selected sections

Commune	PAI1_GN	PAI1_GN	PAI1_C	PAI1_G	PAI1_I	PAI1_M
Kielce (1)	0.252	A	A	A	A	A
Starachowice (1)	0.241	A	A	A	C	A
Ostrowiec Świętokrzyski (1)	0.238	A	A	A	C	A
Połaniec (3)	0.234	A	A	A	B	B
Sitkówka-Nowiny (2)	0.234	A	A	A	A	B
Skarżysko-Kamienna (1)	0.227	A	A	A	C	A
Sandomierz (1)	0.218	A	A	A	C	A
Strawczyn (2)	0.205	B	B	A	B	C
Morawica (2)	0.203	B	B	A	A	C
Miedziana Góra (2)	0.201	B	B	B	B	B
Staszów (3)	0.200	B	B	C	D	B
Solec-Zdrój (2)	0.200	B	B	C	B	D
Ożarów (3)	0.199	B	B	C	C	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: Miedziana Góra (2). Morawica (2). Strawczyn (2). Solec-Zdrój (2). Ożarów (3). Staszów (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: Lubsza (2). Bierawa (2). Olesno (3). Niemodlin (3). Ozimek (3). Zawadzkie (3) – see Table 3 in the Appendix.

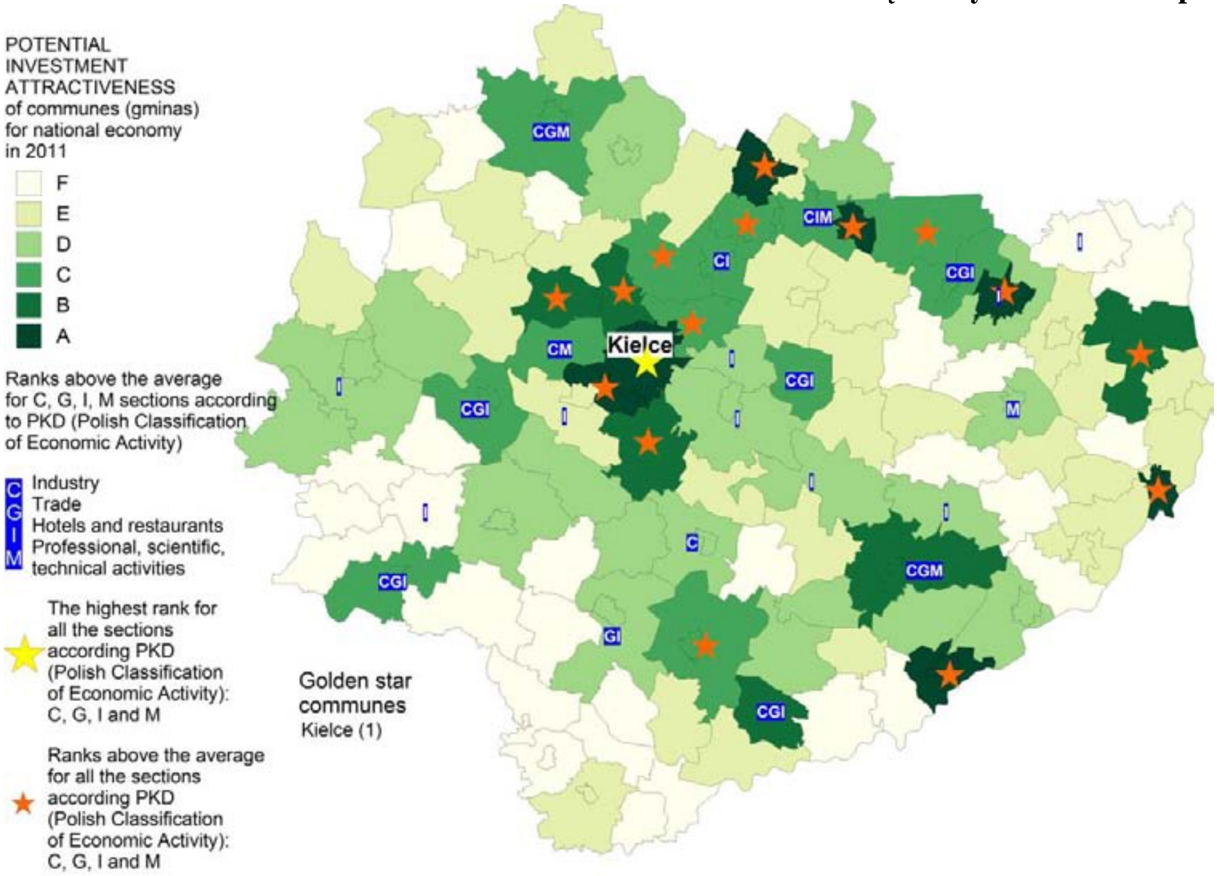
In reference to the particular sections taken into consideration in this research the following communes of Class C should be distinguished:

Bieliny (2). Masłów (2). Piekoszów (2). Końskie (3). Kunów (3). Łączna (2). Suchedniów (3). Brody (2). Wąchock (3). Busko-Zdrój (3). Małogoszcz (3). Sędziszów (3) - for section C.

- Bieliny (2). Masłów (2). Końskie (3). Kunów (3). Suchedniów (3). Brody (2). Busko-Zdrój (3). Solec-Zdrój (2). Małogoszcz (3). Sędziszów (3). Ożarów (3). Pińczów (3). Staszów (3) - for section G.
- Bieliny (2). Chęciny (3). Daleszyce (3). Górno (2). Ostrowiec Świętokrzyski (1). Bałtów (2). Bodzechów (2). Skarżysko-Kamienna (1). Starachowice (1). Brody (2). Wąchock (3). Busko-Zdrój (3). Nagłowice (2). Sędziszów (3). Ożarów (3). Pińczów (3). Sandomierz (1). Bogoria (2). Włoszczowa (3) - for section I.
- Masłów (2). Morawica (2). Piekoszów (2). Strawczyn (2). Zagnańsk (2). Końskie (3). Brody (2). Wąchock (3). Opatów (3). Ożarów (3) - for section M.

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

Chart 5. Potential investment attractiveness of communes of Świętokrzyskie voivodship



Source: Authors' own calculations.

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: Staropolska Izba Przemysłowo-Handlowa in Kielce, Izba Rzemieślników i Przedsiębiorców in Kielce, Regionalna Izba Gospodarcza in Starachowice,
- associations (including business centres): Koneckie Stowarzyszenie Wspierania Przedsiębiorczości, Świętokrzyskie Centrum Fundacji Rozwoju Demokracji Lokalnej in Kielce, Stowarzyszenie Integracja i Rozwój in Kielce,
- business incubators: Akademicki Inkubator Przedsiębiorczości in Kielce, Inkubator Technologiczny przy Kieleckim Parku Technologicznym, Starachowice Inkubator Przedsiębiorstw Sp. z o.o.. Centrum Przedsiębiorczości i Aktywizacji Zawodowej in Ostrowiec Świętokrzyski. Inkubator Przedsiębiorczości in Ostrowiec Świętokrzyski.
- Technology parks, science parks, industrial parks: Kielecki Park Technologiczny, Regionalne Centrum Naukowo-Technologiczne in Chęciny,
- consulting centres (including personal consulting and agricultural consulting): Ośrodek Promowania i Wspierania Przedsiębiorczości Rolnej in Sandomierz, Fundacja Programów Pomocy dla Rolnictwa „FAPA" in Kielce, Centrum Obsługi Inwestora Urzędu Miasta in Kielce,
- financial institutions (guarantee funds): Świętokrzyski Fundusz Poręczeniowy in Kielce,
- others: Świętokrzyskie Centrum Innowacji i Transferu Technologii in Kielce, Świętokrzyska Agencja Rozwoju Regionu S. A. in Kielce, Fundacja Agencja Rozwoju Regionalnego in Starachowice, Targi Kielce.

Końskie Association of Entrepreneurship Support (*Koneckie Stowarzyszenie Wspierania Przedsiębiorczości)* operates a network of offices in Świętokrzyskie voivodship (Końskie, Kielce, Skarżysko-Kamienna, Ostrowiec Świętokrzyski, Starachowice, Staszów), Mazovian voivodship (Szydłowiec, Warszawa, Radom), Łódź voivodship (Piotrków Trybunalski) and Subcarpathian voivodship (Przemyśl, Nisko). The association's offer is aimed at starters, micro-, small and medium enterprises, and unemployed and employed persons and includes financial, training, information and consulting services. The association offers i.a. granting loans (both for the unemployed willing to open own business and for the entrepreneurs willing to develop their company), organizes courses and trainings, consulting services (as financial management, company's strategy and development, accounting and human resources), information services (on starting, running and closing business activity, financing from the EU funds, information on training, consulting and financial consulting). An accounting office is operating within the association, offering accounting and HR services for companies. The association also takes actions for development of local community: support for sportsmen, running projects aimed at development of children and young people and projects for the disabled. (http://kswp.org.pl/. 07 November 2013)

Academic Business Incubator *(Akademicki Inkubator Przedsiębiorczości)* **in Kielce** makes it easier for the young people to start business by offering them an innovative way of running a business as an incubator start-up, without the need to set up own business which significantly reduces costs, bureaucracy and risk taken by the new entrepreneur. The incubator offers offices for firms, full accounting run by the incubator's accounting office, access to basic office equipment, access to a bank account for start-ups, access to an electronic system of online invoices, assistance in promotion and advertising, a possibility of promotion by means of the Incubator website, legal and tax advice and coaching. The firms in the Incubator are also allowed to make use of additional benefits in the "Benefits 4 Business" package, which include website placement, hosting, postal, marketing, vindication services. (http://www.aipkielce.pl/, 7 November 2013)

Kielce Technology Park *(Kielecki Park Technologiczny)* is situated in a SEZ and divided into two areas of economic activity – Technology Incubator and Technology Centre. The Incubator offers support for new businesses, favourable renting conditions as well as business and development services for start-ups and micro-businesses (access to office, consulting and training services). The Centre is an area dedicated to new and already functioning enterprises based on innovative solutions in production and services. Within the park also a Virtual Incubator is operating which offers online services and joins the companies to the database of residents. Technology Centre offers innovative technology solutions both for the already operating companies and for companies starting their activity. The Centre offers production and office-laboratory space and support in the form of contact database, trainings, workshops, conferences, market potential analysis of a project, IT services and advice in the fields of intellectual property, technology commercialisation, strategic planning, innovative product management, implementation of new products and services, external funding and business plan creation. There is a possibility to use a Conference Centre on the premises of the Park. (http://www.technopark.kielce.pl/, 7 November 2013)

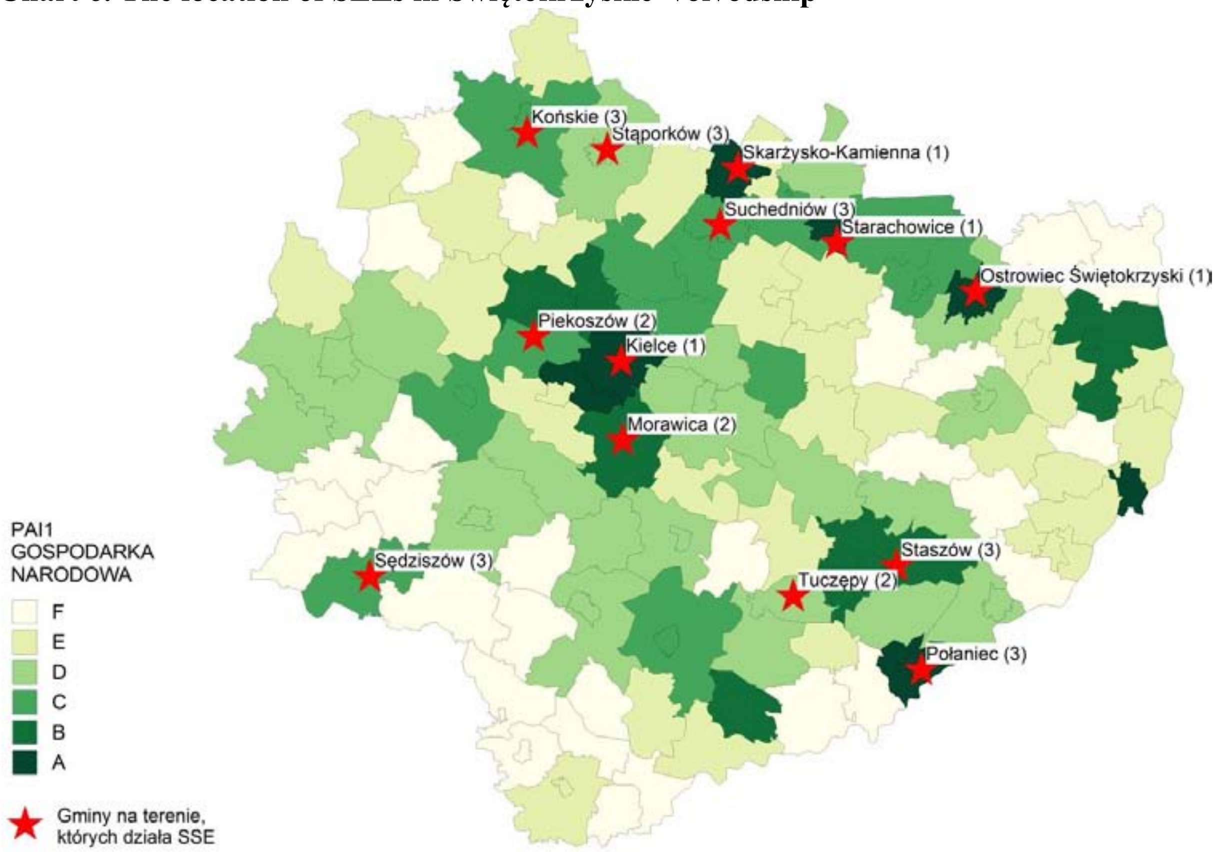
Centre of Promotion and Support of Agricultural Entrepreneurship in Sandomierz *(Ośrodek Promowania i Wspierania Przedsiębiorczości Rolnej w Sandomierzu)* offers training, consulting, information and financial services for micro-, small and medium enterprises, persons starting a business or interested in raising their qualifications, small NGOs and non-formal groups, local self-governments and farmers and villagers. The offer for micro-, small and medium enterprises, persons starting a business includes loans for starting a small business or developing an existing business (Centre's Loan Fund), free of charge information services and trainings (on starting and running a business, on getting financial support from public funds), consulting services (including preparing financial and economic analyses of projects, feasibility studies of investment projects, preparing applications for UE funds and aid programmes, preparing market strategies), taking part in training-consulting projects (supporting development of entrepreneurship and social activity). The centre offers the farmers possibility of taking part in information-education projects on use of aid funds for the development of rural areas and entrepreneurship in the rural areas based on natural resources and cultural traditions of the region) and aiming at increasing commitment to public life and social initiatives. (http://opiwpr.org.pl/index.php/pl/, 7 November 2013)

Świętokrzyskie Innovation and Technology Transfer Centre in Kielce *(Świętokrzyskie Centrum Innowacji i Transferu Technologii w Kielcach)* offers training and consulting services. It is a member of national cooperation networks such as National System of Services, National Innovations Network, a network of Regional and Sectorial Contact Points of the EU Research Programmes or Enterprise Europe Network. Many services are offered free of charge. The offer for MSEs includes consulting and advisory for companies pertaining to acquiring EU and budgetary funding, preparation of application documents, business plans and credit applications. It is also possible to receive more general consultations such as financial analyses, financial forecasts, quality management consulting, safety and hygiene of work, environmental security in the production and trade of food (HACCP) and use of renewable energy sources. The Centre offers pro-innovative consulting as well, such as: technological audits, technological requirements analyses, analyses of innovative needs and potential of the company, active partner seeking (including foreign partners and partners for R&D projects, help and assistance at negotiations and signing contracts for technology transfer (including international technology transfers). The entrepreneurs can also make use of information services (information on available offers of external financing, on companies cooperating the centre, conferences and seminars, available offers of cooperation of science and business, information on cooperation with Polish partners for foreign entrepreneurs), training services (like system management of quality of environment safety, safe food production, looking for funds for investment projects, renewable energy sources. (www.it.kielce.pl/. 7 November 2013)

Special economic zones in voivodship – effects

There are 2 special economic zones (SEZs) in Świętokrzyskie voivodship: Starachowice SEZ and Tarnobrzeg SEZ. At the end of 2012 the areas of the SEZs were parts of 4 cities and 9 communes – see Chart 6.

Chart 6. The location of SEZs in Świętokrzyskie 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 Świętokrzyskie region by the end of 2012 amounted to PLN 1.1 billon, which made 1% of all investment outlays made in the Polish SEZs. In the same time the SEZ companies in the region created 3.9 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)
Starachowice / Morawica	Kielce, Morawica (2)	fabricated metal products (except machinery and equipment)	14.30	51
Starachowice / Kielce	Kielce, Piekoszów (2)	rubber and plastic products	0.78	
Starachowice / Końskie	Końskie, Końskie (3)	other non-metallic mineral products	221.48	319
Starachowice / Stąporków	Końskie, Stąporków (3)	other non-metallic mineral products	150.14	123
Starachowice / Ostrowiec Św.	Ostrowiec Świętokrzyski, Ostrowiec Świętokrzyski (1)	rubber and plastic products. water in its natural form, water collection, treatment and supply, waste collecting and treatment, recycling	2.76	20
Starachowice / Skarżysko-Kamienna	Skarżysko-Kamienna, Skarżysko-Kamienna (1)	no investors yet		
Starachowice / Suchedniów	Skarżysko-Kamienna, Suchedniów (3)	rubber and plastic products	25.10	167
Starachowice / Starachowice	Starachowice, Starachowice (1)	printing and reproduction of recorded media, motor vehicles (excluding motorcycles), trailers and semi-trailers	616.63	2 163
Starachowice / Kielce	Kielce (city), Kielce (1)	machinery and equipment n.e.c.	0.17	19
Tarnobrzeg / Staszów	Busko-Zdrój, Tuczępy (2)	no investors yet		
Starachowice / Sędziszów	Jędrzejów, Sędziszów (3)	fabricated metal products (except machinery and equipment)	76.84	191
Tarnobrzeg / Połaniec	Staszów, Połaniec (3)	no investors yet		
Tarnobrzeg / Staszów	Staszów, Staszów (3)	other non-metallic mineral products. electrical and non-electrical household appliances.	40.60	890

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

Starachowice have attracted the largest amount of investment, mostly in automotive industry: Man Bus Sp. z o.o. Oddział in Starachowice. Z.P.H. Prodhurt Bis. P.P.H.U. GOSET DUO s.c.. Autobox Sp. z o.o metal industry: Gerda 3 Sp. z o.o.. ENVO Sp. z o.o.. Gerda 2 Sp. z o.o.. Per-Eko Sp. z o.o.. Fabryka Śrub i Elementów Złącznych BEA-STAR Sp. z o.o.. Loxley Sp. z o.o.. Z.P.H.U. MIKRON BIS. PROMET S.A.. Prefabryka Sp. z o.o.. ZUPH AG-POL. Starpol II Sp. z o.o.

The SEZ development plans assume that the voivodship will attract investors:

- from metal, food-processing, machinery, construction materials, automotive industries aimed at developing a hi-tech cluster by attracting investors cooperating with research facilities and interested in technology transfer into business – in Starachowice SEZ.

- from food-processing, machinery, construction materials and automotive industries – in Tarnobrzeg 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 Świętokrzyskie voivodship (see Table 5).

Table 5. Communes in Świętokrzyskie 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
1	Ostrowiec Świętokrzyski (1)	14.0	13.0	9.0	36.0
20	Kielce (1)	13.0	13.0	0.0	26.0

Source: Authors’ own materials based on the research.

Kielce and Ostrowiec Świętokrzyski were distinguished as „A” Communes as they published on their websites all the information necessary to set up a business and gave detailed answers to e-mail enquires in Polish.

5. Region's strengths and weaknesses

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

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

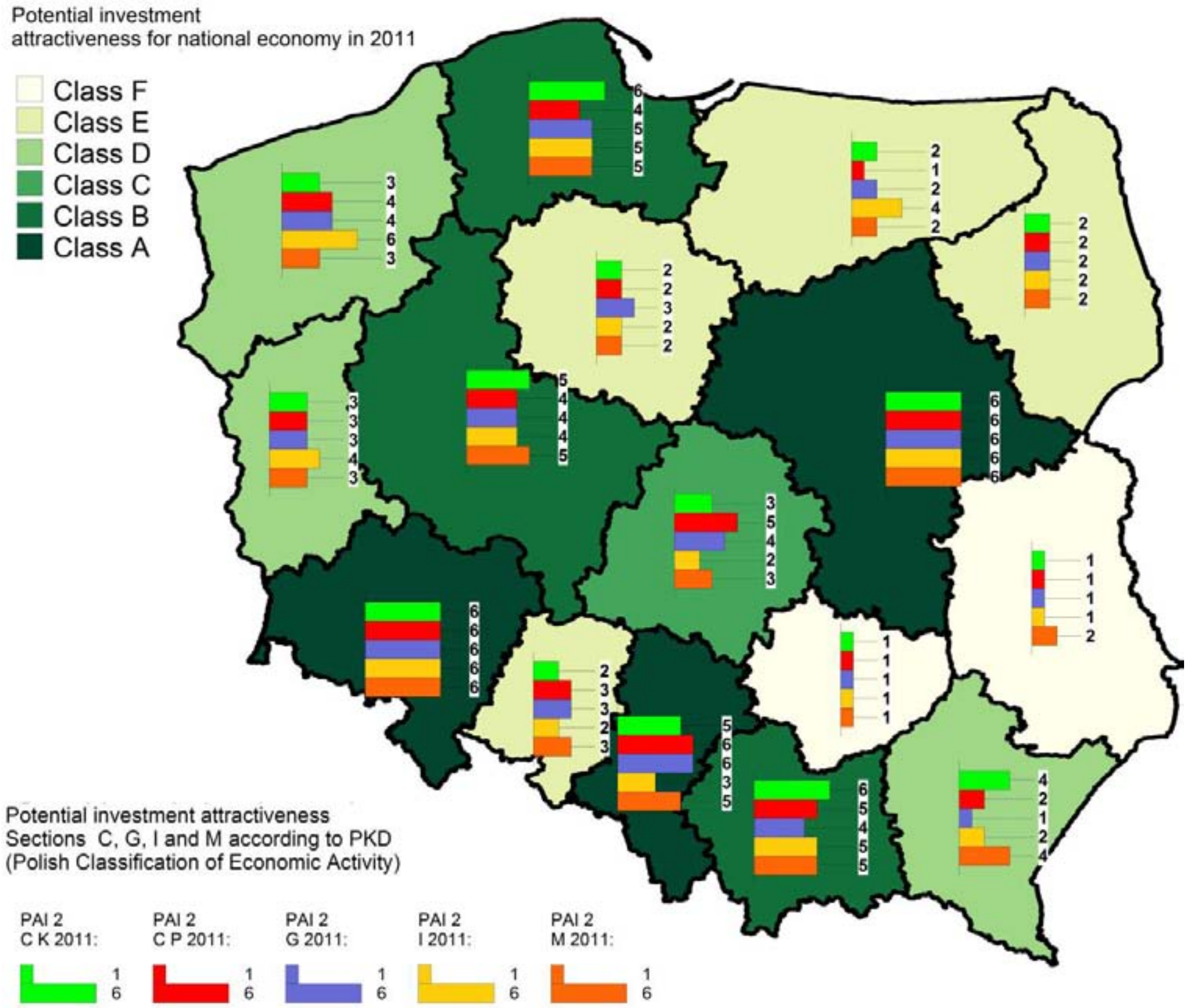
The engines of economic development of Świętokrzyskie voivodship are the city of Kielce and counties: Skarżysko-Kamienna, Ostrowiec Świętokrzyski, Staszów as well as the special economic zones in the region.

Świętokrzyskie voivodship has predispositions to **create interregional clusters**, especially in sectors such as: manufacture of food (especially manufacture of dairy products, bakery and farinaceous products), manufacture of clothes, manufacture of electrical appliances, manufacture of motor vehicles (excluding motorcycles), trailers and semi-trailers, manufacture of metal structural products, manufacture of ceramic construction elements, manufacture of tanks, reservoirs and containers of metal

It can also develop **intelligent specializations** in the medium-high-tech sectors, basing on the competitive big and medium-sized companies in the **sectors of medium-high-technologies** like: manufacture of electrical appliances, manufacture of motor vehicles (excluding motorcycles), trailers and semi-trailers and in **sectors of low technology:** manufacture of clothes and manufacture of food. The voivodship is also characterised by competitiveness of small and medium enterprises from the **knowledge-based services sectors**, such as architecture and engineering, technical research and analyses and security and investigation activities.

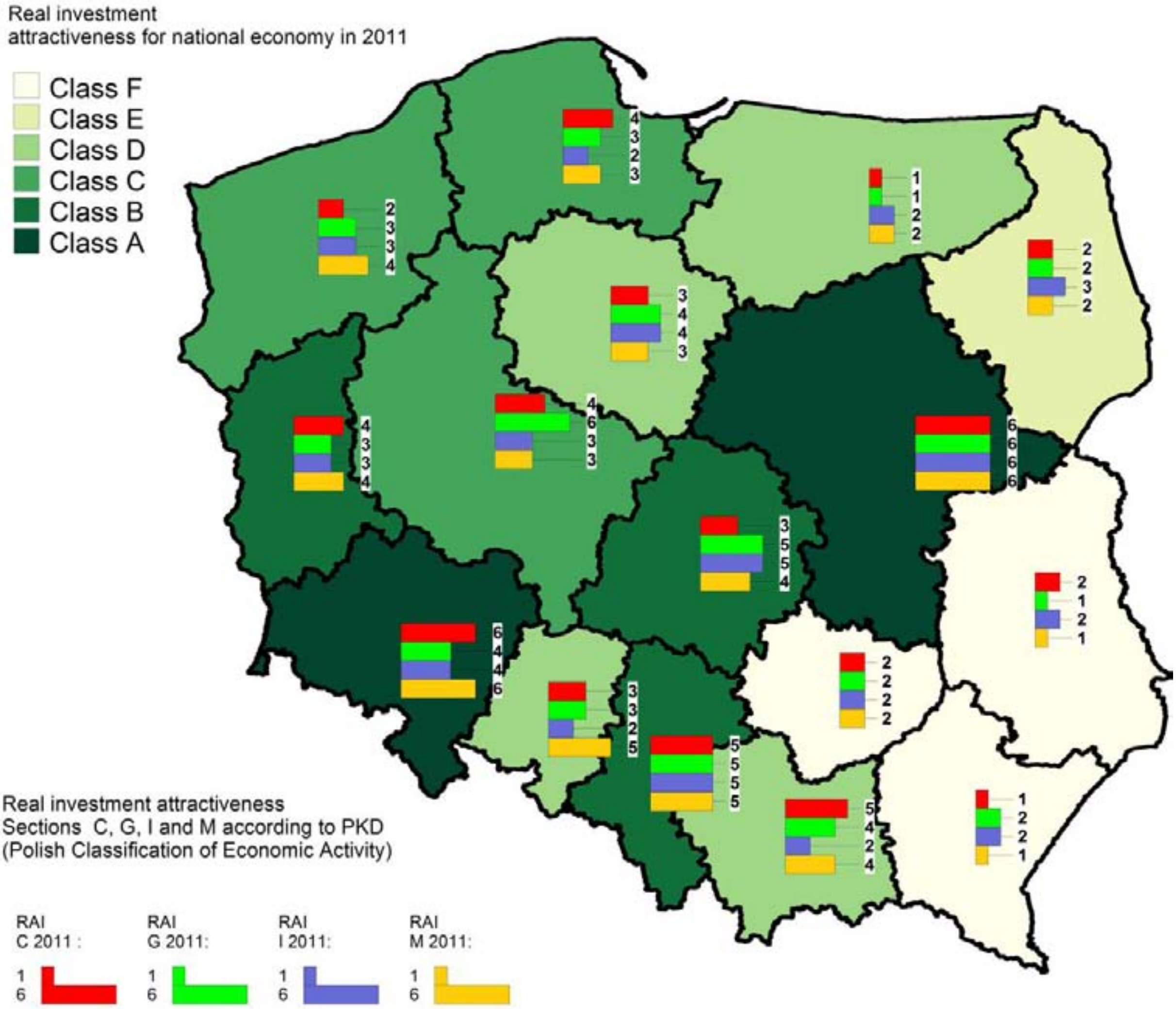
APPENDIX

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.

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Table 1. List of investment attractiveness indices for voivodships

Voivodship	LOWER SILESIAN	KUYAVIAN-POMERANIAN	LUBLIN	LUBUSZ	ŁÓDŹ	LESSER POLAND	MAZIOVIAN	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 Świętokrzyskie 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
Kielce	0.325	A	A	A	B	A
Skarżysko-Kamienna	0.244	C	C	D	E	D
Ostrowiec Świętokrzyski	0.233	D	D	D	E	D
Staszów	0.230	D	D	D	E	D
Starachowice	0.219	D	D	E	E	D

Source: As in Table 1.

Table 4. Potential investment attractiveness of communes of Świętokrzyskie 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
Kunów (3)	0.190	C	C	C	B	D
Brody (2)	0.186	C	C	C	C	C
Łączna (2)	0.186	C	C	D	B	D
Masłów (2)	0.185	C	C	C	A	C
Sędziszów (3)	0.184	C	C	C	C	D
Piekoszów (2)	0.182	C	C	D	D	C
Bieliny (2)	0.182	C	C	C	C	D
Wąchock (3)	0.178	C	C	D	C	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.