Warsaw School of Economics

REGIONAL INVESTMENT ATTRACTIVENESS 2014

Lublin Voivodship

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Invest in Poland
POLISH INFORMATION AND FOREIGN INVESTMENT AGENCY

Polska

Polish Information and Foreign Investment Agency (PAIiIZ) is a governmental institution and has been servicing investors since 1992. Its mission is to create a positive image of Poland in the world and increase the inflow of foreign direct investments by encouraging international companies to invest in Poland. PAIiIZ is a useful partner for foreign entrepreneurs entering the Polish market. The Agency guides investors through all the essential administrative and legal procedures that involve a project. It also provides rapid access to complex information relating to legal and business matters regarding investments. Moreover, it helps in finding the appropriate partners and suppliers together with new locations.

PAIiIZ provides free of charge professional advisory services for investors, including:

- investment site selection in Poland,
- tailor-made investors visits to Poland,
- information on legal and economic environment,
- information on available investment incentives,
- facilitating contacts with central and local authorities,
- identification of suppliers and contractors,
- care of existing investors (support of reinvestments in Poland).

Besides the **OECD National Contact Point**, PAIiIZ also maintains an Information Point for companies which are interested in European Funds. All of the Agency's activities are supported by the **Regional Investor Assistance Centres**. Thanks to the training and ongoing support of the Agency, the Centres provide complex professional services for investors at voivodship level.

On the website **www.paiz.gov.pl** an investor can find all the necessary information concerning key facts about Poland, Polish economy, legal regulations in Poland and detailed information which could be useful for any company wanting to set up a business in Poland.

Since 2011 China – Poland Economic Cooperation Centre operates in PAIiIZ as a "one-stop shop" providing comprehensive information on investment opportunities in Poland and offering support for Chinese companies during the investment process. The Centre is responsible for: promotion of Poland as a location for FDI, identifying sources of foreign direct investment, supporting the missions and delegations from China, preparing analysis & information, maintaining regular contact with Chinese companies operating in Poland, Go China Project. More information you can find on: **www.gochina.gov.pl.**

Also since 2013 PAIiIZ is implementing the **"Go Africa"** program. Its aim is to encourage Polish entrepreneurs to enter the African markets and to promote Poland in Africa. Therefore PAIiIZ is organizing: fact finding missions to African countries, participation of Polish entrepreneurs in fairs, conferences, seminars and workshops both in Poland and in Africa. Furthermore the Agency is preparing publications on African markets. More information you can find on: **www.goafrica.gov.pl.**

INTRODUCTION

The report has been prepared to order of the Polish Information and Foreign Investment Agency and is the next edition of the regional investment attractiveness reports. The reports have been published since 2008. They are the result of scientific research conducted since 2002 under the supervision of H. Godlewska-Majkowska, Ph.D., university professor of the Warsaw School of Economics, in the Institute of Enterprise, Collegium of Business Administration of the Warsaw School of Economics. All the authors are the core members of a team that develops methodology of calculating regional investment attractiveness.

The report consists of a few parts. The first part includes the synthetic presentation of the voivodship's economy, including social-economic potential of the voivodship and the level of economic development as well as economy structure. The most important socio-economic data, including information on investment attractiveness, is presented in a table. The first part of the report also presents the position of the voivodship compared to other Polish and European Union regions, paying special attention to the most important industries and high potential sectors.

The second part of the report presents internal diversification of voivodship's investment attractiveness at the levels of counties (Polish: *county*) and communes (Polish: *gmina*). The results of the investment attractiveness calculations for Lublin voivodship's territorial units can be compared to the other territorial units from all of the Polish regions as the calculations have been made for all of them.

In the third part of the report the main business environment institutions in the voivodship are presented, taking into consideration kinds of support which they offer to investors. This part also includes information on location of the Special Economic Zones (SEZs) in the voivodship and information on the results of their activities. The third part of the report is completed by the presentation of the results of the 'A' Commune ranking. The ranking made it possible to point out such communes that are not only attractive for potential investors but also offer them well-prepared information on the Internet.

The report is completed with the Appendix including tables with comparisons of investment attractiveness indices for voivodship's counties and communes. There is also some more detailed information in the Appendix concerning effects of functioning of the Special Economic Zones in the region.

There are two approaches to the investment attractiveness presented in this work. One of them is **potential investment attractiveness**, defined as a set of regional location advantages that influence achieving investors' goals (such as costs of running a business, sales revenues, net return on investment and investment's competitiveness).

Another approach is **real investment attractiveness**, defined as region's ability to create investor's satisfaction and influence absorption of financial and physical capital in form of investments. They can be measured by effectiveness of capital spending.[1]

Potential investment attractiveness indices in their simplified version (PAI1) measure the location-specific advantages of regions. 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 indices refer to the whole national economy and to the selected sections: C – manufacturing industry, G – trade and repair, I – tourism and catering, M – professional, scientific and technical services. These sections are the core of the national economy.

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.

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. Real investment attractiveness can be calculated for voivodships, based on the statistical data available on the regional level.

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 Institute of Enterprise at the Warsaw School of Economics (**http://kolegia.sgh.waw.pl/pl/KNoP/struktura/IP/struktura/ZOB/**), as well as in numerous scientific publications and expert opinions.

1. More information on this topic can be found in: *Atrakcyjność inwestycyjna regionów Polski jako źródło przedsiębiorczych przewag konkurencyjnych*, H. Godlewska-Majkowska (ed.), Studia i Analizy Instytutu Przedsiębiorstwa, Oficyna Wydawnicza SGH, Warszawa 2012; H. Godlewska-Majkowska, *Polish regions and their investment attractiveness in the EU*, in: POLAND Competitiveness Report 2013. National and Regional Dimensions, M. Weresa (ed.), Oficyna Wydawnicza SGH, Warsaw 2013, pp 299-316.

1. The profile of regional economy of Lublin voivodship

Lublin voivodship is situated in central-eastern Poland. It stands out in terms of exceptionally favourable conditions for the development of food industry because of the agricultural character of the most part of the voivodship and very high specialisation in cultivation of industrial plants, fruit and vegetables. The cleanness of natural environment, multiculturalism and tourist values (in particular The Old Town in Zamość, a UNESCO World Heritage site, the Polesie and Roztocze National Parks as well as 16 landscape parks) create good conditions for the development of tourism (including agritourism) and regional products manufacturing (including ecological food).

Moreover, the advantages of the voivodship are:

- its favourable location on an international traffic route, i.e. pan-European corridor East-West, which makes foreign market accessible, including the ones of Ukraine and Belarus,
- relatively low labour costs (wages and salaries amounting to 87.9% of the national average) and at the same time access to well-qualified human resources in the cities of the region,
- big R&D potential thanks to an important role of academic establishments of Lublin in the Polish science and higher education. In 2010 the Ministry of Science and Higher Education ranked among the best scientific establishments in Poland the following ones: Fertilisers Research Institute in Puławy, National Veterinary Research Institute in Puławy, the Faculty of Humanities, the Faculty of Social Sciences and the Faculty of Law, Canon Law and Administration of the John Paul II Catholic University of Lublin, the Faculty of Law and Administration of the Maria Curie-Skłodowska University of Lublin, the Witold Chodźko Institute of Agricultural Institute in Law, the Pharmaceutical Faculty with Medical Analytics Division of the Medical University of Lublin as well as the Institute for Central-Eastern Europe in Lublin,
- industrial traditions, in particular in reference to transport, machine, chemical and food industries,
- predestination to the development of BPO by virtue of access to well-qualified human resources and their low wage expectations.

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

Table 1. General characteristics of the economy of Lublin voivodship

Feature	Lublin voivodship	Poland	Share [%]
Market Potential			
GDP per capita 2012 (PLN/person)	28374.6	41439.1	-
Population (persons) on 31 December 2013	2156150	38495659	5.6%
Human Resources Potential			
Higher education institutions graduates (persons) in 2013	27326	454986	6.0%
Secondary schools graduates (persons) in 2013	17420	271333	6.4%
Number of employed persons in 2013	958	15568	6.2%
Structure of employed persons in 2013	agriculture 26.5% industry 21.8% services 51.7%	12.0% 30.5% 57.5%	
Investment outlays and capital of companies with foreign capital participation in the voivodship			
Investment outlays (PLN m) in 2012	520.4	79942.6	0.7%
Capital of companies (PLN n) in 2012	1526.0	206992.3	0.7%
Special Economic Zones (SEZs) in the voivodship[*]			
– **Mielec** – **Starachowice** – **Tarnobrzeg**			
Counties and communes distinguished according to the Potential Attractiveness Index for the national economy (PAI1_GN)			
Counties	Class A	city of Zamość, city of Lublin, city of Chełm, city of Biała Podlaska	
	Class B	Łęczna	
Communes	Class A	Zamość (u), Świdnik (u), Lublin (u), Chełm (u), Kraśnik (u), Lubartów (u), Puławy (u), Tomaszów Lubelski (u), Łuków (u), Radzyń Podlaski (u), Biała Podlaska (u), Włodawa (u), Biłgoraj (u), Rejowiec Fabryczny (u), Międzyrzec Podlaski (u), Puchaczów (r), Łęczna (u-r)	
	Class B	Stoczek Łukowski (u), Krasnystaw (u), Terespol (u), Dęblin (u), Hrubieszów (u), Wólka (r), Lubartów (r), Niemce (r), Jastków (r), Poniatowa (u-r), Janów Lubelski (u-r), Parczew (u-r), Kazimierz Dolny (u-r)	

Additional information: (u) – urban commune, (r) – rural commune, (u-r) – urban-rural commune.
PAI – potential investment attractiveness, RAI – real investment attractiveness

* For more information see Table 3 in the Appendix.
Source: Authors' own calculations

The number of inhabitants of the voivodship amounts to 2156150 (as of 2013), which is 5.6% of the population of Poland. The age structure in the voivodship in 2013 was as follows:18.4% of the population at pre-productive age, 62.7% at productive age and 18.9% at post-productive age (for Poland it was 18.2%, 63.4% and 18.4% respectively).

The main potential for human capital creation in the voivodship lies in 19 higher education institutions in which there are 85876 students studying, which makes up 5.5% of all students in Poland. Moreover, 4.8% of the secondary school students in the voivodship attend vocational schools and 5.7% attend technical schools.

The registered unemployment rate in the voivodship amounted to 12.6% in August 2014, compared to 11.7% in Poland. The average monthly gross wages and salaries in enterprises sector in the first half-year of 2014 amounted to PLN 3379.0, which is 87.3% of the average for Poland.

In 2012 Lublin voivodship made a contribution of 3.8 % to the GDP of Poland. Calculated per capita, it amounted to PLN 28374.6with the average for Poland PLN 41439.1. With this result the voivodship takes the 15th place in the country. The GDP growth rate in the voivodship in the years 2003-2012 amounted to 178.9% while the average for Poland amounted to 189.2%.

In comparison with the whole country the structure of employment in the voivodship is characterised by a share of service sector at the level of 51.7% whereas a share of the agricultural and industrial sectors are respectively 26.5% and 21.8% (Central Statistical Office, Local Data Bank 2014).

The voivodship's specialization is manufacture of food products (24% of sold production of the whole voivodship's industry at the end of 2013). The other important industries are only manufacture of beverages (5%), manufacture of machinery and appliances and manufacture of metal products (4% each).

The region is the main manufacturer of beverages (% of sold production of the whole voivodship's industry at the end of 2013).
When it comes to most of the above-mentioned sectors, the voivodship improved or maintained its competitive position within the last three years (measured by its share in the country's sold production). It applies to the following sectors:

- manufacture of food products,
- manufacture of machinery and appliances,
- manufacture of paper and paper products,
- printing and reproduction of recorded media,
- manufacture of pharmaceutical products.

The information on sectors that are found as strategic by the region's authorities can be important for the investors. The voivodship's strategic sectors mentioned in the strategy of regional development include above all: electronic, electromachinery, chemical and food sectors.

Investments of this kind can be located on preferential conditions in the specially prepared places in the Special Economic Zones: **Mielec SEZ, Starachowice SEZ, Tarnobrzeg SEZ in the following subzones:**

- **Mielec SEZ, subzones**: Lubartów (u), Lublin (u), Radzyń Podlaski (u), Zamość (u),
- **Starachowice SEZ, subzones:** Puławy (u),
- **Tarnobrzeg SEZ, subzones:** Horodło (r), Janów Lubelski (u-r), Kraśnik (u), Łuków (u), Łuków (r), Poniatowa (u-r), Ryki (u-r), Tomaszów Lubelski (u), Tomaszów Lubelski (r).

In the all above-mentioned locations investors can benefit from tax allowances amounting to 50% - 70%, depending on the enterprise size – more information can be found on http://www.paiz.gov.pl/investment_support/investment_incentives_in_SEZ.

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

Lublin voivodship is characterised by the relatively low investment attractiveness. In the years 2003-2011 its market share measured with the value of foreign capital in the above mentioned companies rose from 0.64% to 0.7% which means a slight increase of the voivodship's competitive position.

Based on the methodology prepared by the team of the Enterprise Institute while conducting statutory research in Collegium of Business Administration at the Warsaw School of Economics, calculations of European regions' investment attractiveness have been made for two years. They are based on measurements of attractiveness of human resources, market and innovativeness.[2] However, due to different methodology of research and variables taken into account in Poland and EU, results of research are incomparable This is because not all data are available for voivodships, communes and counties, e.g. not all regions collect current information about the infrastructure.

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[2] More on this topic: *Atrakcyjność inwestycyjna regionów Polski na tle Unii Europejskiej*, edited by H. Godlewska-Majkowska, Oficyna Wydawnicza SGH, Warsaw 2014 and **http://kolegia.sgh.waw.pl/pl/KNoP/struktura/IP/struktura/ZOB/**

Based on the above-mentioned indices it can be stated that the voivodship is characterized by a low class of investment attractiveness (class F), compared to the EU regions, taking 236th place of 270 regions for whom the indices were calculated. However, compared to the previous year, the voivodship increased its position by 15 places. Lublin voivodship has a competitive advantage, when it comes to human capital microclimate, ranked class B.

It is worth mentioning that the voivodship is more attractive than EU regions such as:

- **in Bulgaria:** Yugoiztochen, Severen tsentralen, Yuzhen tsentralen, Severozapaden;
- **in Greece:** Kriti, Notio Aigaio, Thessalia, Ipeiros, Dytiki Ellada, Sterea Ellada, Ionia Nisia, Dytiki Makedonia, Voreio Aigaio, Peloponnisos, Anatoliki Makedonia, Thraki;
- **in Spain:** Extremadura;
- **in Portugal:** Alentejo, Região Autónoma dos Açores, Centro;
- **in Romania:** Vest, Nord-Vest, Centru, Sud-Est, Nord-Est, Sud-Vest Oltenia, Sud - Muntenia;
- **in Hungary:** Észak-Magyarország, Dél-Alföld, Észak-Alföld;
- **in Italy:** Puglia, Calabria, Basilicata.

3. Internal diversification of regional investment attractiveness

Investment attractiveness of the particular administrative units in the voivodship is the result of how investors assess conditions of conducting business that are important for them. These conditions include labour market, technical infrastructure, market and natural conditions.

Labour market assessment gives investor the information on opportunities to recruit the right employees for their companies and labour surpluses or shortages, which indirectly influences costs of hiring workers.

Technical infrastructure assessment allows entrepreneurs to plan their investments that need preparing of investment plot equipped with the basic technical elements such as water, gas and electric installations and environment protection equipment such as sewage farms.

Social infrastructure is rated as equipment of a place where the investment is to be located with facilities influencing citizens’ life quality and human resources development. These facilities provide the citizens with access to education, healthcare, sports and recreation facilities or information technologies such as Internet.

Market conditions informs on market absorptive power that means the number of potential customers and indirectly on their wealth that means ability to buy goods and services.

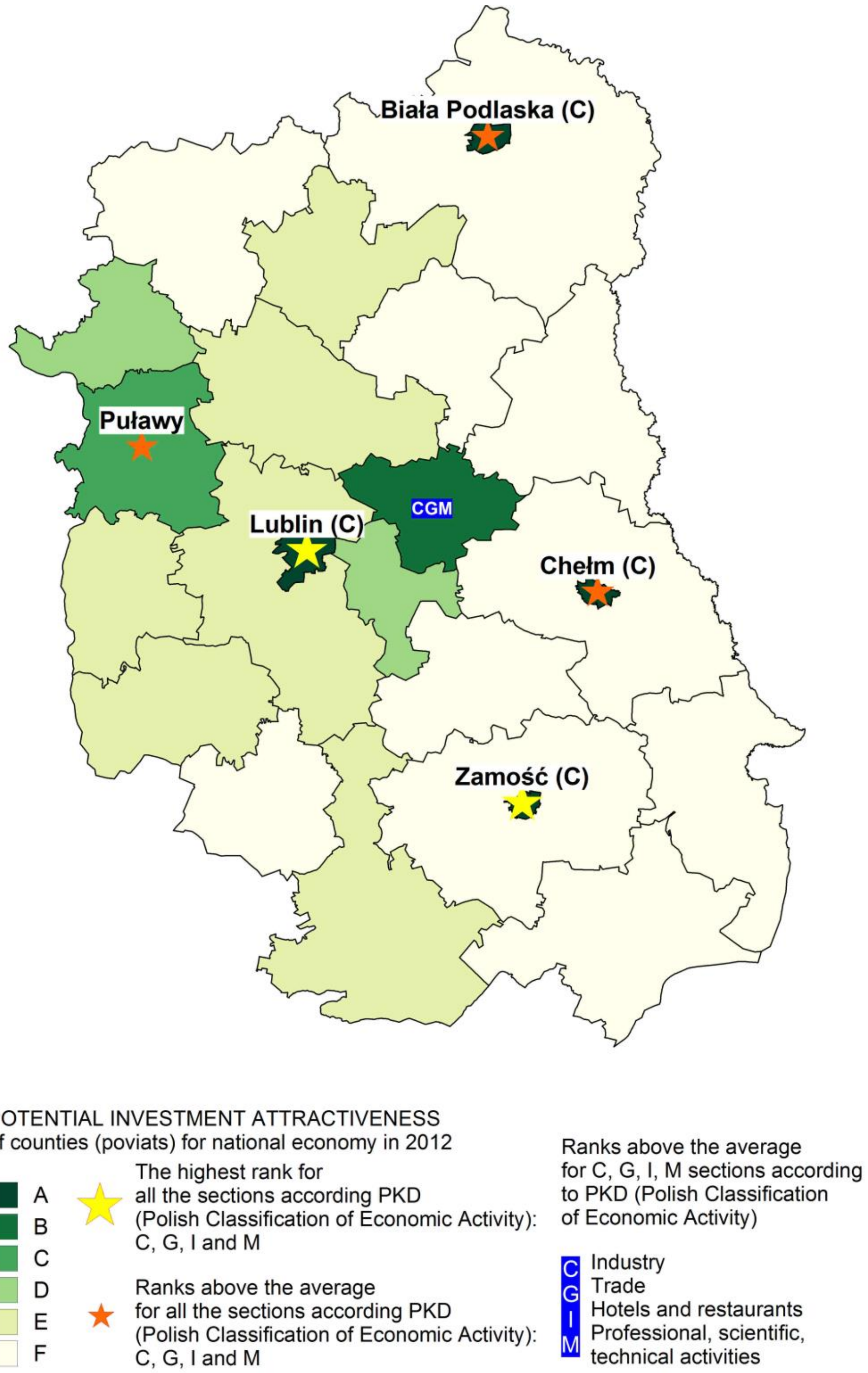
Environment conditions were rated as they are a basic factor influencing tourism development and citizens' life quality.

The composite assessment of all the above-mentioned elements in particular counties or communes shows spatial differentiation of investment attractiveness in the voivodship. What is more, calculations for particular sectors of economy are presented such as industry, trade and modern services connected with professional, scientific and technical activities are presented (Chart 3 and Chart 4). The distinguished locations presented on the map are marked with stars that indicate highest marks for the above-mentioned areas of conducting business.

An **orange star** means that a county or a commune was rated above average in all the sections analysed (national economy, industry, trade, tourism and professional services) and the **golden star** is the highest distinction and means that all the rated sections in a particular commune or county were ranked at the highest level.

When it comes to counties, the highest ranked city counties were the city of Lublin and the city of Zamość (distinguished with a golden star), land county Puławy and city counties: Biała Podlaska and Chełm.

Chart 3. Potential investment attractiveness of counties of Lublin voivodship, considering the most attractive sections

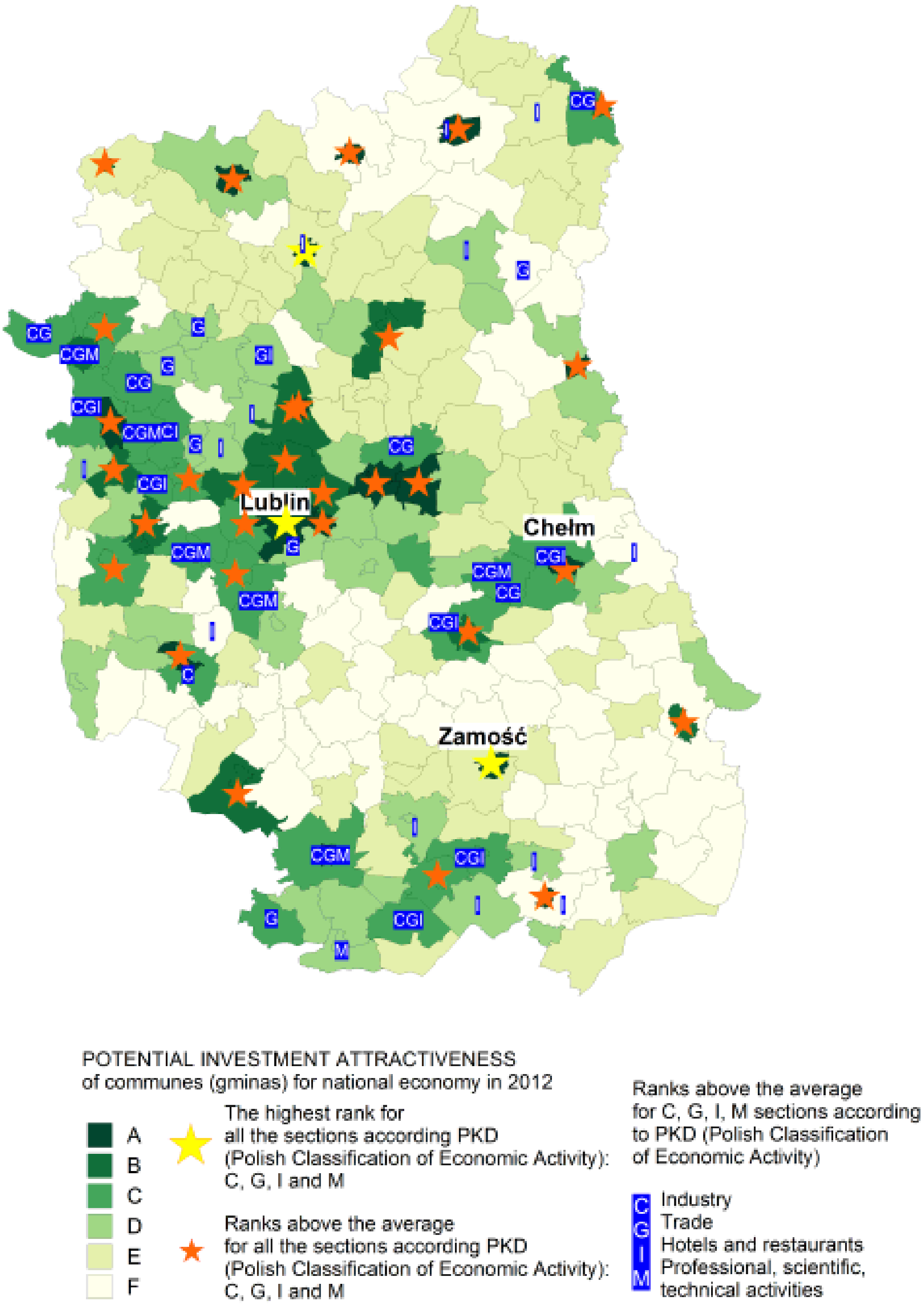


Golden star counties:

Lublin, Zamość

Source: Authors' own work.

Chart 4. Potential investment attractiveness of communes of Lublin voivodship, considering the most attractive sections



Golden star communes:

Lublin (u), Radzyń Podlaski (u), Zamość (m)

Source: Authors' own work

When it comes to urban communes, the highest ranked of them were:

- **distinguished with a golden star:** Lublin (u) Radzyń Podlaski (u) Zamość (u) and
- **distinguished with an orange star**: Biała Podlaska (u), Chełm (u), Hrubieszów (u), Krasnystaw (u), Kraśnik (u), Lubartów (u), Łuków (u), Międzyrzec Podlaski (u), Puławy (u), Stoczek Łukowski (u), Świdnik (u), Terespol (u), Tomaszów Lubelski (u), Włodawa (u).

Among rural communes the highest rank communes include:

- **orange star communes**: Jastków (r), Konopnica (r), Lubartów (r), Niedrzwica Duża (r), Niemce (r), Puchaczów (r), Wólka (r).

Among urban-rural communes the highest rank communes include:

- **orange star communes**: Janów Lubelski (u-r), Józefów (u-r), Kazimierz Dolny (u-r), Łęczna (u-r), Nałęczów (u-r), Opole Lubelskie (u-r), Parczew (u-r), Poniatowa (u-r), Ryki (u-r).

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.

4.1. BUSINESS ENVIRONMENT INSTITUTIONS

Among business environment institutions (excluding R&D institutions) that influence region's economic development are: chambers of commerce, associations, business incubators, technology parks, technology transfer centres, consulting centres, financial institutions and development agencies.

For the investors especially important is a system of regional Investor Assistance Centres set up by the Polish Information and Foreign Investment Agency in consultation with voivodships' marshals to ensure complex services for investors in each voivodship.

In Lublin voivodship such centre is:

the **Investor** Assistance **Centre** operating within
Marshal Office of Lublin Voivodship
www.invest.lubelskie.pl

Lublin Investor Assistance Centre is a partner of the Polish Information and Foreign Investment Agency and a one stop shop: a source of regional information that are useful for investors, legal acts, investment offers and current data on region's economy. The personnel of the centre have qualifications to offer services for investors and are working according to the standards set by the Polish Information and Foreign Direct Investment Agency, which offers it substantive help and trainings.

An important tool supporting investors are the Special Economic Zones, which are described in the further part of this report.

Below some chosen business environment institutions are presented that operate for entrepreneurship development by supporting development of new technologies and cooperation of enterprises.

These institutions are among others:

Regional Economic Chamber in Lublin ***(Regionalna Izba Gospodarcza w Lublinie) (http://www.rig.lublin.pl/)***
The chamber is an organization of economic self-government. The chamber's offer includes i.a.: legalization of certificates of origin, proof of authenticity of documents, training services, translation services, bank of economic offers (domestic and foreign offers of buying, selling and starting a cooperation), preparing reports on financial condition of Polish and foreign companies (business information agency), promotion and advertising. The chamber organizes promotion programmes and competitions for the companies from Lublin voivodship such as Wojewódzki Lider Biznesu and Wojewódzki Lider Smaku.

Lublin Chamber of Crafts in Lublin ***(Lubelska Izba Rzemieślnicza w Lublinie) (http://www.lir.com.pl/)***
The chamber is an organization of economic self-government. Its members are guilds and craftsmen who are not members of guilds. Its aim are: supporting economic development of crafts, representing its members and craftsmen towards public administration and other organizations and institutions. The chamber also offers its members trainings and advisory and organizes examinations and issues journeyman certificates and master craftsman's certificates of few dozen professions (baker, confectioner, cook, hairdresser, carpenter, car mechanic, builder, butcher, electromechanical engineer, chimneysweeper, jeweller, roofer, smith, tailor etc.).

Business Centre Club – Lublin Chamber ***(www.bcc.org.pl)***
BCC is an organization of entrepreneurs and individual employers. It lobbies for development of free market economy, legal regulations and interests of Polish entrepreneurs. BCC represents interests of employers in numerous bodies lobbying or deciding on relations between employers and employees such as Trójstronna Komisja ds. Społeczno-Gospodarczych, Wojewódzkie Komisje Dialogu Społecznego, Rady Zatrudnienia (in counties and voivodships), Rada Ochrony Pracy, Fundusz Gwarantowanych Świadczeń Socjalnych, Naczelna Rada Zatrudnienia. BCC is an initiator of Dialogue Forum (communication platform for different social groups) and promotes the idea of Corporate Social Responsibility.

Lublin Park of Science and Technology ***(Lubelski Park Naukowo-Technologiczny) (http://lpnt.pl)***
The park was set up in aim to facilitate flows of knowledge between scientific units and entrepreneurs. It offers office and laboratory space and conference and training rooms. The park also offers consulting on setting up and development of companies, technology transfer and making R&D results into technology innovations.

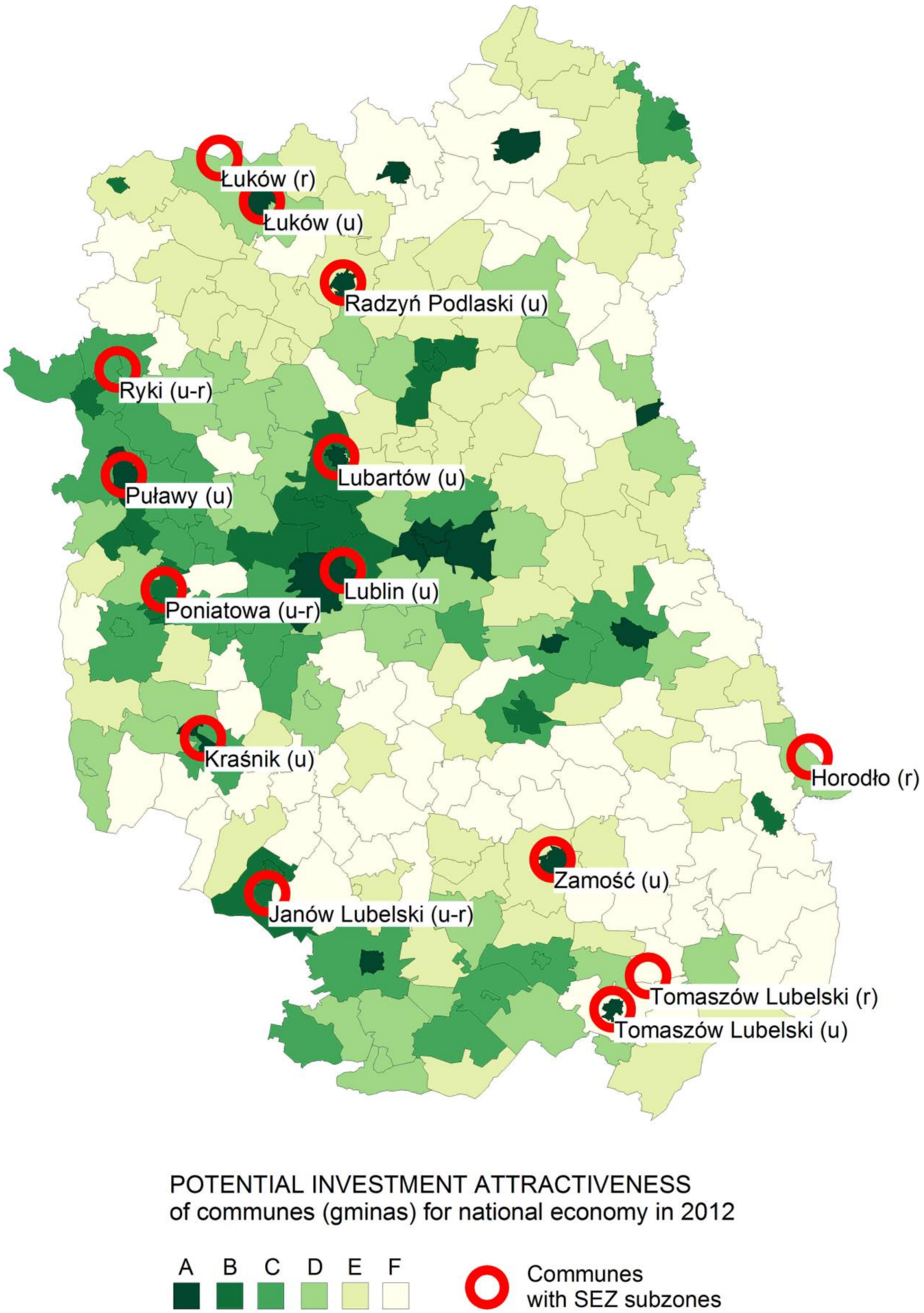
Puławy Technology Park ***(Puławski Park Naukowo-Technologiczny) (www.ppnt.pulawy.pl)***
The park offers modern real estate for conducting business based on modern technology. It is a place of cooperation of R&D development, universities and companies on research on modern technologies and products and their transfer to production. Within the park there are operating i.a. units such as: Technology Incubator, Technology Centre (office and laboratory space, production and services space that facilitate support new technology transfer to business units), Entrepreneurship Centre (space for organizing conferences, trainings, business meetings for companies from the park and for the other companies).

Lublin Agency for Supporting Entrepreneurship in Lublin ***(Lubelska Agencja Wspierania Przedsiębiorczości w Lublinie) (http://www.lawp.lubelskie.pl/)***
It was set up to realize tasks connected with Priority Axes I and II of the Regional Operational Programme of Lublin Voivodship for the years 2007-2013. There is an information point operating within the Agency, offering services for micro-, small and medium enterprises.

4.2. SPECIAL ECONOMIC ZONES IN THE VOIVODSHIP – EFFECTS

There are 3 special economic zones (SEZs) in Lublin voivodship: Mielec SEZ, Starachowice SEZ and Tarnobrzeg SEZ. At the end of 2013 the areas of the SEZs were parts of 8 cities and 6 communes – see Chart 5.

Chart 5. The location of SEZs in Lublin voivodship



Source: Authors' own work.

The first SEZ areas were brought into life in 2001 in Poniatowa, and the next ones in 2007. The investment outlays made by SEZ companies operating in the communes of Lublin voivodship by the end of 2013 amounted to PLN 758 million, which made 1% of all investment outlays made in the Polish SEZs. In the same time the SEZ companies in the region created 648 new jobs which is less than 1% of all jobs created in the Polish SEZs (see Table 3 in the Appendix).

The largest investments in voivodship's SEZs have been completed in Puławy within the area of Zakłady Azotowe PUŁAWY S.A. (nitrogen works). The new investment in chemical industry were taken up by Zakłady Azotowe Puławy and Inwestycje Air Liquide, manufacturer of industrial and medical materials. In the Lublin zone the leading investments include metalwork production (ALIPLAST Sp. z o.o., Ball Packaging Europe Lublin Sp. z o.o., DAEWON EUROPE Sp. z o.o., MPC Metal Sp. z o.o., MW LUBLIN Sp. z o.o., Verano Ryszard Miazga), and in Zamość – wood products (GRUPA PEP-BIOMASA ENERGETYCZNA WSCHÓD Sp. z o.o.).

According to the SEZs development plans, the voivodship intends to acquire the following kinds of investors:

- investors who would utilize the working force and capital of the closed automobile industry, ceramic and construction industries (thanks to the common resource pool) and investors in biotechnology and hi-tech services because of the presence of an important academic centre – in Mielec SEZ,
- investors that would make use of areas left by the state agricultural enterprises by utilising the local resource pool for ceramic, wood and construction material industries - in SEZs Tarnobrzeg and Starachowice.

4.3. '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 (using *mystery client* method). 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 2012 index were subject to evaluation.

As a result 59 communes were distinguished, of which 3 are situated in Lublin voivodship: Chełm (u), Biała Podlaska (u), Janów Lubelski (r). The best of them was Chełm. Its greatest advantage was rating of electronic correspondence both in Polish and English. The other two communes have good internet websites and answered the e-mail from a potential Polish investor very well. Biała Podlaska was distinguished with ‘A’ Commune title once again this year.

APPENDIX

Table 1. POTENTIAL INVESTMENT ATTRACTIVENESS OF POLISH VOIVODSHIPS FOR THE NATIONAL ECONOMY AND ITS SELECTED SECTIONS

Voivodship	PAI1_GN	PAI1_GN	PAI1_C	PAI1_G	PAI1_I	PAI1_M
	National economy	**National economy**	**Industry**	**Trade**	**Hotels and restaurants**	**Proffesional, scientific and technical activities**
Voivodships						
LOWER SILESIAN	0.39	A	A	A	B	A
KUYAVIAN-POMERANIAN	0.29	C	C	E	D	D
LUBLIN	0.17	F	F	F	F	F
LUBUSZ	0.23	E	E	D	C	D
ŁÓDŹ	0.29	C	C	D	E	D
LESSER POLAND	0.32	C	C	B	B	C
MAZOVIAN	0.40	A	A	A	A	A
OPOLE	0.22	E	E	D	E	D
SUB-CARPATHIAN	0.23	E	E	E	E	D
PODLASKIE	0.20	F	F	F	E	E
POMERANIAN	0.34	B	C	B	A	B
SILESIAN	0.41	A	A	B	C	A
ŚWIĘTOKRZYSKIE	0.16	F	F	F	F	F
WARMIAN-MAZURIAN	0.24	E	E	C	C	E
GREATER POLAND	0.31	C	C	C	D	B
WESTERN POMERANIAN	0.34	B	B	B	A	B

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 COUNTIES OF LUBLIN VOIVODSHIP FOR THE NATIONAL ECONOMY AND SELECTED SECTIONS

County	PAI1_GN	PAI1_GN	PAI1_C	PAI1_G	PAI1_I	PAI1_M
	National economy	**National economy**	**Industry**	**Trade**	**Hotels and restaurants**	**Professional, scientific and technical activity**
Counties						
city of Zamość	0.355	A	A	A	A	A
city of Lublin	0.347	A	A	A	A	A
city of Chełm	0.317	A	A	A	C	A
city of Biała Podlaska	0.303	A	A	B	B	A
Łęczna	0.269	B	B	C	D	C
Puławy	0.262	C	C	C	C	C

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

Table 3. POTENTIAL INVESTMENT ATTRACTIVENESS OF COUNTIES OF LUBLIN VOIVODSHIP FOR THE NATIONAL ECONOMY AND SELECTED SECTIONS

Commune	PAI1_GN	PAI1_GN	PAI1_C	PAI1_G	PAI1_I	PAI1_M
	National economy	National economy	Industry	Trade	Hotels and restaurants	Professional, scientific and technical activity
Urban communes						
Zamość (u)	0.277	A	A	A	A	A
Świdnik (u)	0.276	A	A	A	B	A
Lublin (u)	0.270	A	A	A	A	A
Chełm (u)	0.261	A	A	A	B	A
Kraśnik (u)	0.255	A	A	A	C	A
Lubartów (u)	0.252	A	A	A	C	A
Puławy (u)	0.252	A	A	A	B	A
Tomaszów Lubelski (u)	0.248	A	A	A	C	A
Łuków (u)	0.247	A	A	A	C	A
Radzyń Podlaski (u)	0.239	A	A	A	A	A
Biała Podlaska (u)	0.236	A	A	A	B	A
Włodawa (u)	0.230	A	A	A	B	A
Biłgoraj (u)	0.230	A	A	A	D	A
Rejowiec Fabryczny (u)	0.227	A	A	A	D	A
Międzyrzec Podlaski (u)	0.221	A	A	A	C	B
Stoczek Łukowski (u)	0.218	B	B	A	B	B
Krasnystaw (u)	0.217	B	B	A	C	A
Terespol (u)	0.216	B	B	B	B	B
Dęblin (u)	0.212	B	B	B	D	B
Hrubieszów (u)	0.211	B	B	B	C	B
Rural communes						
Puchaczów (r)	0.244	A	A	A	B	B
Wólka (r)	0.215	B	B	B	B	B
Lubartów (r)	0.206	B	B	B	B	C
Niemce (r)	0.204	B	B	B	B	C
Jastków (r)	0.202	B	B	C	A	C
Krasnystaw (r)	0.195	C	C	C	C	D
Terespol (r)	0.194	C	C	C	E	D
Końskowola (r)	0.192	C	C	C	D	C
Niedrzwica Duża (r)	0.192	C	C	C	B	C
Konopnica (r)	0.190	C	C	C	B	C
Łukowa (r)	0.189	C	C	C	C	D

Puławy (r)	0.189	C	C	C	C	D
Ludwin (r)	0.188	C	C	C	D	D
Kraśnik (r)	0.187	C	C	D	D	D
Rejowiec * (r)	0.187	C	C	C	D	D
Trawniki (r)	0.186	C	D	D	D	D
Stężyca (r)	0.185	C	C	C	D	D
Chełm (r)	0.183	C	C	C	A	D
Strzyżewice (r)	0.183	C	C	C	D	C
Wąwolnica (r)	0.183	C	C	C	C	D
Żyrzyn (r)	0.183	C	C	C	D	D
Potok Górny (r)	0.183	C	D	C	E	D
Biłgoraj (r)	0.182	C	D	D	D	D
Kurów (r)	0.182	C	C	D	C	D
Urban-rural communes						
Łęczna (u-r)	0.245	A	A	A	B	A
Poniatowa (u-r)	0.219	B	B	B	C	B
Janów Lubelski (u-r)	0.213	B	B	B	A	B
Parczew (u-r)	0.205	B	B	B	C	C
Kazimierz Dolny (u-r)	0.204	B	B	B	A	C
Ryki (u-r)	0.199	C	B	C	C	C
Opole Lubelskie (u-r)	0.198	C	C	C	C	C
Bełżyce (u-r)	0.198	C	C	C	D	C
Krasnobród (u-r)	0.192	C	C	C	B	D
Nałęczów (u-r)	0.191	C	C	C	B	B
Józefów (u-r)	0.189	C	C	C	C	C

(u) – urban commune, (r) – rural commune, (u-r) – urban-rural commune

Source: As for Table 1.

Note: All the indices in the report have been calculated on the basis on the most up-to-date data from the Local Data Bank (LDB), 2014.

Table 4. Effects of special economic zones functioning at the end of 2013

SEZ	County, commune	Cumulated capital expenditure in million PLN (end of 2013)	New jobs number (end of 2013)	Leading industries (at least 20% share of revenue or employment)
Mielec	Radzyń Podlaski (u) Radzyń Podlaski	0.00		no leading industry
Tarnobrzeg	Hrubieszów (r) Horodło	0.00		no leading industry
Tarnobrzeg	Tomaszów Lubelski (u) Tomaszów Lubelski	0.00		no leading industry
Tarnobrzeg	Tomaszów Lubelski (r) Tomaszów Lubelski	0.00		no leading industry
Mielec	city of Zamość (u) Zamość	34.28	55	wood, wood and cork products, except furniture; articles of straw and plaiting materials
Tarnobrzeg	Janów Lubelski (u-r) Janów Lubelski	0.00		no leading industry
Tarnobrzeg	Kraśnik (u) Kraśnik	0.00		no leading industry
Mielec	Lubartów (u) Lubartów	5.22	2	other non-metallic mineral products
Tarnobrzeg	Łuków (u) Łuków	3.10	27	machinery and equipment n.e.c.
Tarnobrzeg	Łuków (r) Łuków	0.00		no leading industry
Tarnobrzeg	Opole Lubelskie (u-r) Poniatowa	0.00		no leading industry
Starachowice	Puławy (u) Puławy	428.38	85	chemicals and chemical products
Tarnobrzeg	Ryki (u-r) Ryki	0.00		no leading industry
Mielec	city of Lublin (u) Lublin	287.81	479	fabricated metal products (except machinery and

	equipment)

Source: Authors' own calculations based on the Ministry of Economy data. Notice: (u) – city commune, (u-r) urban-rural commune, (r) rural commune.

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