Warsaw School of Economics

REGIONAL INVESTMENT ATTRACTIVENESS 2014

Lesser Poland Voivodship

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Invest in Poland
POLISH INFORMATION AND FOREIGN INVESTMENT AGENCY

Polska

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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).

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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.

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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 the Lesser Poland 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 LESSER POLAND (MAŁOPOLSKIE) VOIVODSHIP

Lesser Poland voivodship is situated in central-southern Poland and borders Slovakia. It is an important region for Polish tourism because of its attractive mountain areas in the south of the voivodship (the Tatra mountains and the Podhale) as well as numerous cultural monuments. Cracow, a former capital of Poland, now its second largest city, plays a particular role for Lesser Poland and for the economy of entire Poland. Lesser Poland stands out in terms of a very high density of population, which is chiefly due to the land fragmentation.

The advantages of the voivodship are:

- a convenient location in terms of communication: a main transit corridor from Western Europe to the Ukraine (A4 highway), convenient train connection (the European transport corridor TINA III runs through the region); international airport in Kraków-Balice (the second largest airport in Poland); six road border crossings and one railway border crossing in Leluchów,
- big R&D potential of the higher education institutions and research establishments of Cracow among which scientific establishments ranked by the Ministry of Science and Higher Education in the highest category constitute a numerous group,
- substantial human resources, both low-qualified workers with low wage expectations and well-qualified specialists,
- great tourist attractions, in particular UNESCO World Heritage sites deserve a note: The Old Town in Cracow, Auschwitz-Birkenau, German Nazi Concentration and Extermination Camp (1940-1945), Wieliczka Salt Mine, the Mannerist Architectural and Park Landscape Complex and Pilgrimage Park in Kalwaria Zebrzydowska, wooden churches of southern Lesser Poland in Binarowa, Blizne, Lipnica Murowana, Sękowa) and natural conditions of mountain areas and Carpathian Foothills,
- investment incentives for investors offered in special economic zones.

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

Table 1. General characteristics of the economy of Lesser Poland voivodship

Feature	Lesser Poland voivodship	Poland	Share [%]
Market Potential			
GDP per capita 2012 (PLN/person)	35163.6	41439.1	-
Population (persons) on 31 December 2013	3360581	38495659	8.7%
Human Resources Potential			
Higher education institutions graduates (persons) in 2013	53988	454986	11.9%
Secondary schools graduates (persons) in 2013	26649	271333	9.8%
Number of employed persons in 2013	1315	15568	8.4%
Structure of employed persons in 2013	agriculture 11.9% industry 31.4% services 56.7%	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	2986.2	79942.6	3.7%
Capital of companies (PLN n) in 2012	13148.5	206992.3	6.4%
Special Economic Zones (SEZs) in the voivodship*			
– **Katowice** – **Kraków** – **Mielec**			
Distinguishing investment attractiveness ratings PAI _2 and RAI (class A, B and C)			
Potential investment attractiveness PAI_2	National economy class B Capital-intensive industry class B Labour-intensive industry class B Trade class C Tourism class B Education class C		
Real investment attractiveness RAI	Industry class C Tourism class C Professional, scientific and technical activities class A		
Counties and communes distinguished according to the Potential Attractiveness Index for the national economy (PAI1_GN)			
Counties	Class A	city of Kraków, city of Tarnów, city of Nowy Sącz	
	Class B	Myślenice, Wieliczka, Oświęcim, Olkusz	
Communes	Class A	Kraków (u), Oświęcim (u), Gorlice (u), Limanowa (u), Bochnia (u), Tarnów (u), Nowy Sącz (u), Bukowno (u), Mszana Dolna (u), Sucha Beskidzka (u), Zielonki	

		(r), Zabierzów (r), Wielka Wieś (r), Mogilany (r), Kłaj (r), Bolesław (r), Tarnów (r), Klucze (r), Niepołomice (u-r), Myślenice (u-r), Olkusz (u-r), Skawina (u-r), Wieliczka (u-r), Kęty (u-r), Zator (u-r), Andrychów (u-r), Alwernia (u-r), Dobczyce (u-r), Wadowice (u-r), Chrzanów (u-r), Świątniki Górne (u-r), Krynica-Zdrój (u-r), Trzebinia (u-r), Brzeszcze (u-r)
	Class B	Zakopane (u), Grybów (u), Nowy Targ (u), Jordanów (u), Siepraw (r), Liszki (r), Michałowice (r), Łapanów (r), Przeciszów (r), Sękowa (r), Osiek (r), Trzciana (r), Dębno (r), Tymbark (r), Bochnia (r), Skrzyszów (r), Żegocina (r), Kocmyrzów-Luborzyca (r), Polanka Wielka (r), Pcim (r), Spytkowice (r), Jerzmanowice-Przeginia (r), Oświęcim (r), Chełmiec (r), Rzezawa (r), Krzeszowice (u-r), Wolbrom (u-r), Libiąż (u-r), Chełmek (u-r), Brzesko (u-r), Piwniczna-Zdrój (u-r), Muszyna (u-r), Sułkowice (u-r), Skała (u-r), Nowy Wiśnicz (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 3360581 (as of 2013), which is 8.7% of the population of Poland. The age structure in the voivodship in 2013 was as follows: 19.2% of the population at pre-productive age, 63.1% at productive age and 17.7% 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 32 higher education institutions in which there are 189609 students studying, which makes up 12.2% of all students in Poland. Moreover, 10.4% of the secondary school students in the voivodship attend vocational schools and 9.4% attend technical schools.

The registered unemployment rate in the voivodship amounted to 10% 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 3614.9, which is 124.8% of the average for Poland.

In 2012 Lesser Poland voivodship made a contribution of 7.4 % to the GDP of Poland. Calculated per capita, it amounted to PLN 35163.6 with the average for Poland PLN 41439.1. With this result the voivodship takes the second place in the country. The GDP growth rate in the voivodship in the years 2003-2012 amounted to 192% while the average for Poland amounted to 189.2%.

The structure of employment in the voivodship is characterised by a relatively high share of the service sector (56.7%) whereas a share of the agricultural and industrial sectors are respectively 11.9% and 31.4% (Central Statistical Office, Local Data Bank 2014).

In the structure of voivodship's trade important role is played by: manufacture of food products (16% of sold production of the whole voivodship's industry at the end of 2013), manufacture of metal products (8%), manufacture of electric appliances (6%), manufacture of rubber and plastic products (5%) and manufacture of metals (5%).

Traditions of breeding animals made Lesser Poland an important manufacturer of leather and leather products when compared to the whole country (19% of country's sold production at the end of 2013). The voivodship also distinguished itself as a manufacturer of metals (9%) and metal products (9%), electric appliances (9%) and clothing (7%).

When it comes to most of the above-mentioned sectors, the voivodship improved its competitive position within the last three years (measured by its share in the country's sold production) [2]. It applies to the following sectors:

- manufacture of food products,
- manufacture of metal products,
- manufacture of leather and leather products,
- manufacture of fabricated metal products (except machinery and equipment),
- manufacture of computers, electronic and optical products,
- manufacture of machinery and appliances,
- manufacture of textiles.

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: education, higher education and science, information society, research and development, high-tech sector, tourism and culture.

For the entrepreneurs willing to invest in Lesser Poland voivodship the list of the high potential sectors may be a good hint. The list was prepared by the Polish Information and Foreign Investment Agency in cooperation with the Lesser Poland voivodship self-government, based on the observations on investments inflows to the voivodship. The high potential sectors on the list include:

- biotechnology and life sciences,
- sustainable energy,
- ICT/BPO/SSC,
- chemistry,
- metals and metal products,
- electrotechnical and machine industry,
- creative industries, including free-time industry.

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

- Katowice SEZ, in subzones: Myślenice (u-r),

[2] Calculations based on the Statistic Bulletin of the Lesser Poland Voivodship from the 1st quarter of 2014 and Statistical Bulletin, I quarter of 2014, www.stat.gov.pl (10 November 2014).

– Kraków SEZ, in subzones: Andrychów (u-r), Bochnia (u), Bochnia (r), Bukowno (u), Chełmek (u-r), Chrzanów (u-r), Czorsztyn (r), Dąbrowa Tarnowska (u-r), Dobczyce (u-r), Gdów (r), Kraków (u), Limanowa (u), Niepołomice (u-r), Nowy Sącz (u), Oświęcim (u), Skawina (u-r), Słomniki (u-r), Tarnów (u), Trzebinia (u-r), Wolbrom (u-r), Zabierzów (r), Zator (u-r),
– **SSE** Mielec, in subzone Gorlice (u).

In the all above-mentioned locations investors can benefit from tax allowances amounting to 35% - 55%, depending on the enterprise size – more information can be found on http://www.paiz.gov.pl/investment_support/investment_incentives_in_SEZ.

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

Lesser Poland voivodship is characterised by a high level of overall investment attractiveness, which is indicated by the high rank according to the main potential investment attractiveness indices calculated for the national economy (class B), trade and repair (class C) and tourism (class B).

Also the economic effects of investments measured by the real investment attractiveness indices confirm this conclusion for professional, scientific and technical activities (class A) and industry and tourism (both sections ranked class C).

The capital inflows to the voivodship are also high, when compared to other Polish voivodships. In 2012 Lesser Poland region took the 6th place in Poland in terms of accumulated share capital in the companies with foreign capital participation (an 6.4% share of its total value in all voivodships).

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.[3] 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.

[3] 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 relatively low class of investment attractiveness (class E), compared to the EU regions, taking 211st place of 270 regions, for whom the indices were calculated. Lesser Poland voivodship has a competitive advantage, when it comes to human capital microclimate, ranked class C.

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

- **in the United Kingdom:** Lincolnshire;
- **in Bulgaria:** Severoiztochen, Yugoiztochen, Severen tsentralen, Yuzhen tsentralen, Severozapaden;
- **in the Czech Republic:** Severozápad;
- **in Greece:** Kentriki Makedonia, Kriti, Notio Aigaio, Thessalia, Ipeiros, Dytiki Ellada, Sterea Ellada, Ionia Nisia, Dytiki Makedonia, Voreio Aigaio, Peloponnisos, Anatoliki Makedonia, Thraki;
- **in Spain:** Castilla-La Mancha, Región de Murcia, Extremadura;
- **in Portugal:** Algarve, Norte, Alentejo, Região Autónoma dos Açores, Centro;
- **in Romania:** Vest, Nord-Vest, Centru, Sud-Est, Nord-Est, Sud-Vest Oltenia, Sud - Muntenia;
- **in Slovakia:** Západné Slovensko, Stredné Slovensko, Východné Slovensko;
- **in Hungary:** Nyugat-Dunántúl, Közép-Dunántúl, Dél-Dunántúl, Észak-Magyarország, Dél-Alföld, Észak-Alföld;
- **in Italy:** Umbria (NUTS 2006), Molise, Sardegna, Sicilia, Puglia, Calabria, Basilicata

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2. 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.

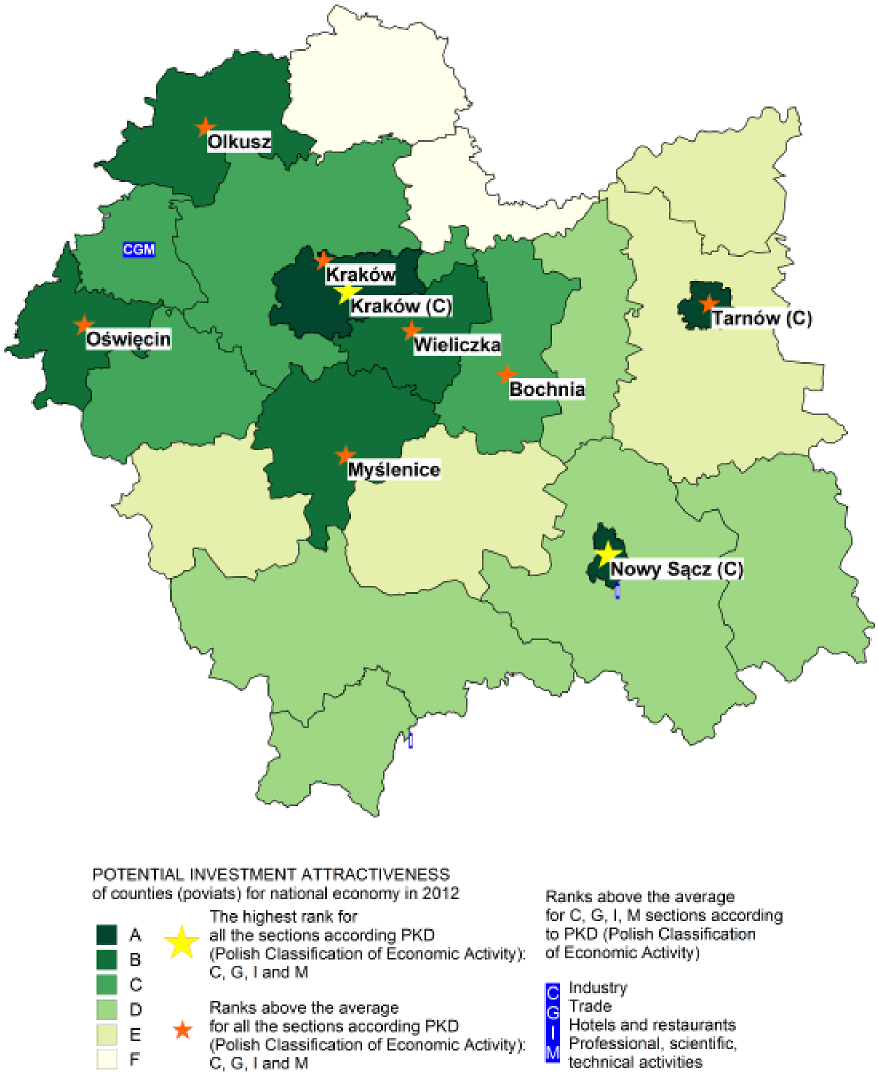
Market conditions informs on market absorptive power that means the number of potential customers and indirectly on their wealth that means ability to buy goods and services.
Environment conditions were rated as they are a basic factor influencing tourism development and citizens' life quality.

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 Kraków and Nowy Sącz (**distinguished with a golden star**) and land counties Bochnia, Kraków, Myślenice, Olkusz, Oświęcim, Wieliczka as well as city county Kraków (**distinguished with an orange star**).

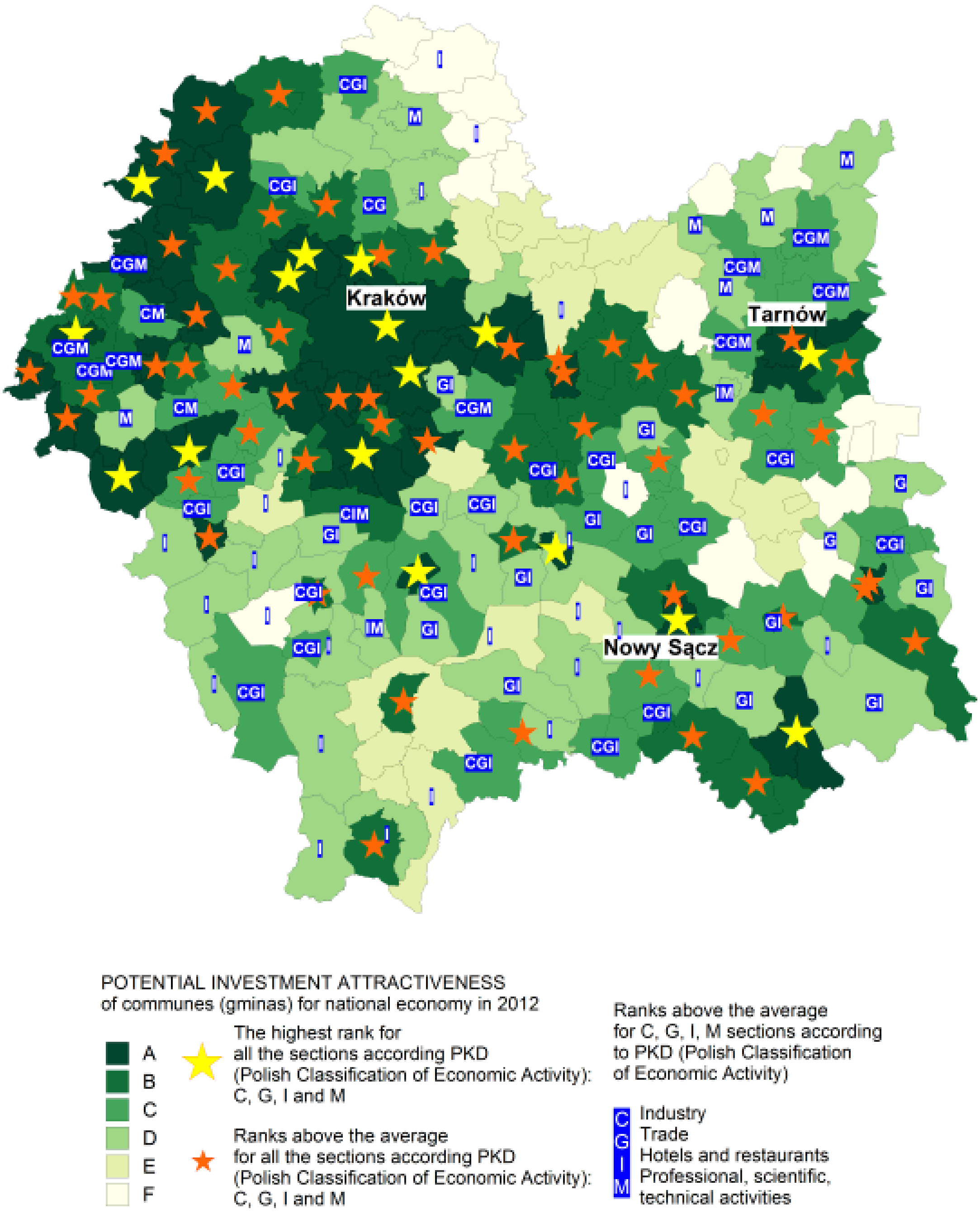
Chart 3. Potential investment attractiveness of counties of Lesser Poland voivodship, considering the most attractive sections



Golden star counties:
Kraków, Nowy Sącz

Source: Authors' own work.

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



Golden star communes:

Andrychów (u-r), Bukowno (u), Kraków (u), Krynica-Zdrój (u-r), Limanowa (u), Mszana Dolna (u), Myślenice (u-r), Niepołomice (u-r), Nowy Sącz (u), Olkusz (u-r), Oświęcim (u), Tarnów (r), Wadowice (u-r), Wieliczka (u-r), Wielka Wieś (r), Zabierzów (r), Zielonki (r)

Source: Authors' own work

Among urban communes the highest rank communes include:

- **golden star communes:** Bukowno (u), Kraków (u), Limanowa (u), Mszana Dolna (u), Nowy Sącz (u), Oświęcim (u),
- **orange star communes**: Bochnia (u), Gorlice (u), Grybów (u), Jordanów (u), Nowy Targ (u), Sucha Beskidzka (u), Tarnów (u), Zakopane (u).

Among rural communes the highest rank communes include:

- **golden star communes:** Tarnów (r), Wielka Wieś (r), Zabierzów (r), Zielonki (r),
- **orange star communes**: Bochnia (r), Bolesław (r), Brzeźnica (r), Chełmiec (r), Czorsztyn (r), Dębno (r), Gorlice (r), Jerzmanowice-Przeginia (r), Kamionka Wielka (r), Klucze (r), Kłaj (r), Kocmyrzów-Luborzyca (r), Liszki (r), Lubień (r), Łapanów (r), Michałowice (r), Mogilany (r), Mucharz (r), Osiek (r), Pleśna (r), Rzezawa (r), Sękowa (r), Siepraw (r), Skrzyszów (r), Spytkowice (r), Tymbark (r) Żegocina (r).

Among urban-rural communes the highest rank communes include:

- **golden star communes:** Andrychów (u-r), Krynica-Zdrój (u-r), Myślenice (u-r), Niepołomice (u-r), Olkusz (u-r), Wadowice (u-r), Wieliczka (u-r),
- **orange star communes**: Alwernia (u-r), Brzesko (u-r), Brzeszcze (u-r), Chełmek (u-r), Czchów (u-r), Dobczyce (u-r), Kalwaria Zebrzydowska (u-r), Kęty (u-r), Krzeszowice (u-r), Libiąż (u-r), Muszyna (u-r), Nowy Wiśnicz (u-r), Piwniczna-Zdrój (u-r), Skała (u-r), Skawina (u-r), Stary Sącz (u-r), Sułkowice (u-r), Świątniki Górne (u-r), Trzebinia (u-r), Tuchów (u-r), Wolbrom (u-r), Zator (u-r).

3. 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.

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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 Services 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 Lesser Poland voivodship such centre is:

the Investor Services Centre
Business in Małopolska
www.businessinmalopolska.pl

Invest
in Małopolska

Lesser Poland Investor Services 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:

Centre for Innovation, Technology Transfer and University Development at the Jagiellonian University *(Centrum Innowacji, Transferu Technologii i Rozwoju Uniwersytetu na Uniwersytecie Jagiellońskim) (http://www.cittru.uj.edu.pl)*
CITTRU supports activities connected with intellectual property protection and trade, cooperation of science and business and commercialization of scientific research results (e.g. by building cooperation networks of science and business units, help at realization of common research and implementation projects). The centre's offer includes i.a.: help at patenting Jagiellonian University's inventions, creating and promoting of Jagiellonian University's technology offer, seeking for commercial partners and coordination of innovation implementing processes, consulting for inventors, help at raising funds for inventions financing, coordination of ordered research realized at the Jagiellonian University, supporting academic entrepreneurship.

Lesser Poland Agency of Regional Development Plc. ***(Małopolska Agencja Rozwoju Regionalnego S.A.) (www.marr.pl)***
The agency's offer includes i.a.: realization of projects supporting transfer of knowledge and R&D cooperation in the region, financial support for implementation of scientific research results into business, trainings and consulting, raising EU funds services, consulting on exports activities and access to international contact networks, financial support for enterprises (Agency's loans), intermediary at granting donations for proinnovative projects (Regional Financing Institution). The business park operating within the agency offers storage space, production space, logistics services and greenfield investment plots.

City of Kraków Agency of Development ***(Agencja Rozwoju Miasta Kraków) (www.arm.krakow.pl)***
The agency offers its services to territorial self-government units and other municipal legal entities operating on the financial market. One of agency's aims is active seeking for investors. The agency's offer includes i.a.: preparation of feasibility studies, financial engineering, proceedings of applying for EU funds, realization and evaluation of projects, performing tasks of Contract Engineer/ Managing Contractor/ Construction Site Investor, organization of bids for investment realization, consulting on public-private partnership, training services.

Chamber of Industry and Trade in Kraków ***(Izba Przemysłowo - Handlowa w Krakowie) (www.iph.krakow.pl)***
The chamber's mission is representing economic interests of its member companies, especially towards public administration and EU institutions and supporting in increasing competitiveness and innovativeness of economic activity. The chamber's services include i.a.: promotion of companies, preparation of economic information and address lists on order, providing access to databases, catalogues and offers, coupling business partners, providing information on EU aid programmes, organizing seminars and trainings. The chamber also helps at legalizing documents. There is an arbitration court operating at the Chamber that disputes settlements concerning domestic and international business trading.

Kraków Technology Park ***(Krakowski Park Technologiczny sp. z o.o.) (www.sse.krakow.pl)***
Kraków Technology Park has status of a Special Economic Zone. The park' s offer includes i.a. support for enterprises on all levels of development (Technology Incubator), financing of innovative project within park's seed fund, consulting and training services. A new project of the park is building Lesser Poland Information Technology Park that should be the centre of development of new ideas and technologies. Kraków Technology Park is also taking part in Centrum Business in Małopolska initiative that aims at combining best practices and experience when performing services for investors, exporters and region's economic promotion.

Business Centre Club – Lesser Poland 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.

American Chamber of Commerce in Poland (AmCham) Kraków Branch *(www.amcham.pl)*
AmCham members are foreign investors in Poland (over 300 companies from various industries). The chamber supports and promotes interests of its members and creates a platform of cooperation for international investors to discuss and set common goals and exchange information on conducting business in Poland. The long-term AmCham's goal is improvement of investment opportunities and business environment in Poland. The chamber's offer includes promotion of American companies in Poland, including Polish companies into networks of Polish and American enterprises, maintaining contacts with Polish authorities to inform chamber's members on Polish legal rules, promoting of corporate governance and civic attitude, AmCham Kraków and AmCham Katowice cooperate with various subjects (local authorities, SEZs, universities) to the benefit of better investment climate in the region.

British-Polish Chamber of Commerce *(Brytyjsko-Polska Izba Handlowa) (www.bpcc.org.pl)*
The BPCC is an organization working for the benefit of Polish-British economic cooperation. It actively supports creating business partnerships by promotion and marketing activities, organizing events that influence building economic and cultural relations between Poland and Great Britain and promoting best practices in Polish and British culture and economy. BPCC aims at improvement of British business' image in Poland, building relations with government and business unit in Poland and in the United Kingdom to promote bilateral economic relations. The chamber also aims at creating networks and business opportunities, providing information, preferential purchasing plans and other services for the members.

Lesser Poland Entrepreneurship Centre *(Małopolskie Centrum Przedsiębiorczości) (www.mcp.malopolska.pl)*
It is the voivodship's organizational unit of Lesser Poland voivodship to realize tasks connected with its role of Managing Institution for Lesser Poland Regional Operation Programme for the years 2007-2103. The centre's offer also includes training and information services and organization of conferences.

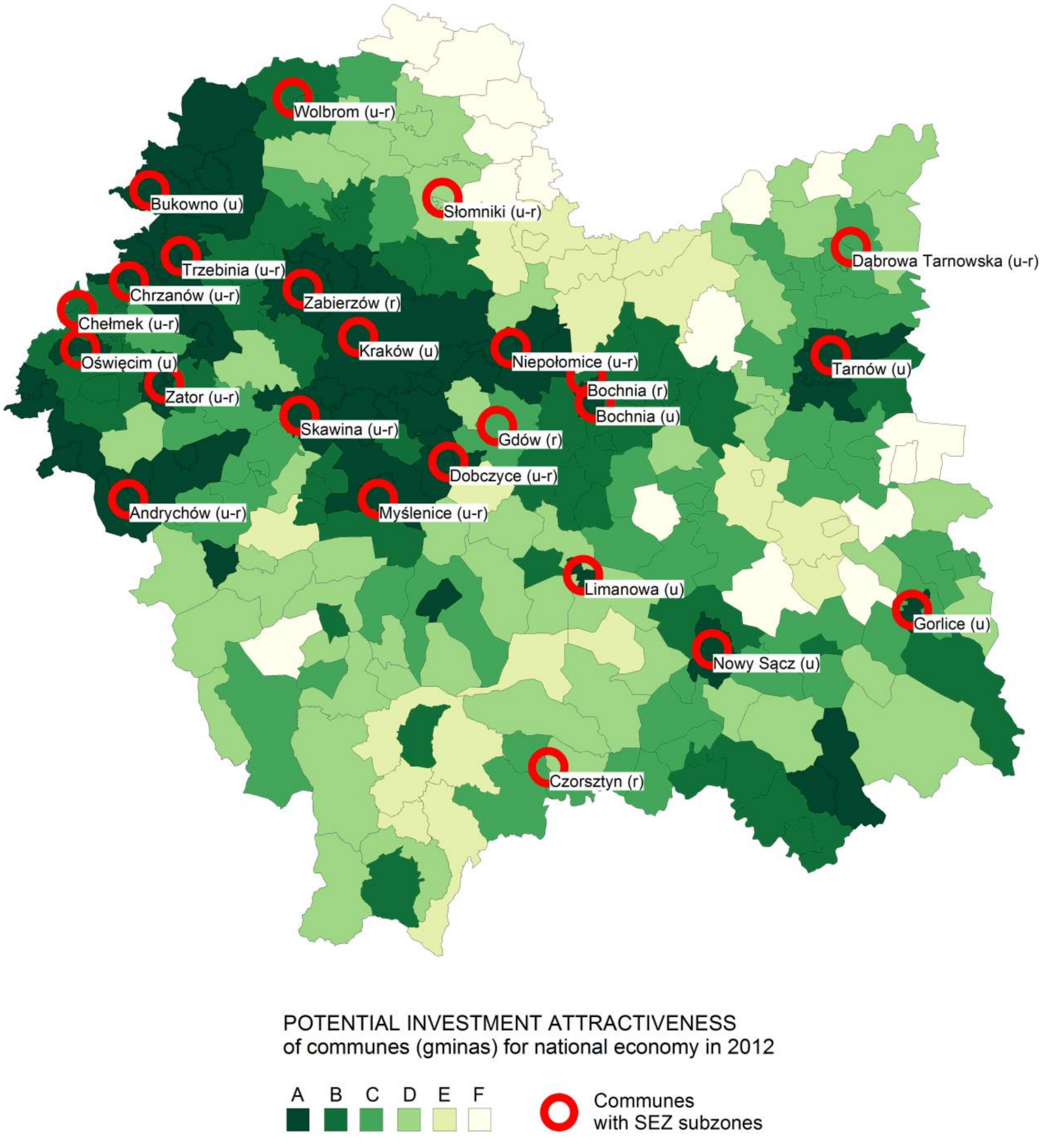
4.2. SPECIAL ECONOMIC ZONES IN THE VOIVODSHIP – EFFECTS

There are 3 special economic zones (SEZs) in Lesser Poland voivodship: Kraków SEZ, Mielec SEZ and Katowice SEZ. At the end of 2013 the areas of the SEZs were parts of 8 cities and 16 communes – see Chart 5.

The first SEZ areas were brought into life in 1996. The investment outlays made by SEZ companies operating in the communes of Lesser Poland by the end of 2012 amounted to PLN 2.1 billion, which made 2% of all investment outlays made in the Polish SEZs. In the same time the SEZ companies in the region created 8.4 thousand new jobs which made 4% of all jobs created in the Polish SEZs (see Table 4 in the Appendix).

The largest investments have been made in Kraków and Niepołomice. The investors in Kraków include: AZ, Al. Sp. z o.o. (Poland, metal constructions), RR Donnelley Poland Sp. z o.o. (USA, printing industry), Polski Asfalt Technic Sp. z o.o. (Sweden, manufacture, non-metallic products), Motorola Polska Electronics Sp. z o.o. (USA, electronics), RR Donnelley Europe Sp. z o.o. (USA, printing industry), Jagiellońskie Centrum Innowacji Sp. z o.o. (Poland, R&D), Grupa Onet.pl S.A. (the Netherlands, software), Ericpol Telecom Sp. z o.o. (Poland, IT), AMK Kraków S.A. (Poland, machines installation, Comarch S.A (Poland, software), Dream Lab Onet.pl Sp. z o.o. (The Netherlands, software), AZ_SOFT Sp. z o.o. (Poland, call centre), Elettric 80 Sp. z o.o. (Italy, software) Capita (Poland) Sp. z o.o. (UK, BPO). The investors in Niepołomice include: MAN Trucks Sp. z o.o. (Germany, automotive industry), Meiiler Polska Sp. z o.o. (Germany, automotive industry), ACP Polska (Germany, automotive industry), Nidec Motors&Actuators (Poland) (Japan, automotive industry), Food Care Sp. z o.o. (food products), Hannecard Polska, Polskie Zakłady Zbożowe „PZZ" in Kraków S.A. (Poland, grain mill products), FoodCare Sp. z o.o. (Poland, beverages), Woodward Poland Sp. z o.o. (USA, electric and electronic appliances).

Chart 5. The location of SEZs in Lesser Poland voivodship



Source: Authors' own work.

The Kraków SEZ development plan aims at attracting investors from biotechnology, pharmaceutical, advanced R&D services sectors to the city of Cracow and its agglomeration. The other areas are to attract investments in production industries – automotive, chemical, construction, food-processing and related to logistics centres. Other economic zones would welcome investments aimed at utilising their local potential.

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 8 are situated in Lesser Poland voivodship: Oświęcim (u), Tarnów (u), Trzebinia (r), Libiąż (r), Michałowice (u-r), Rzezawa (u-r), Wielka Wieś (u-r), Krynica-Zdrój (r). From the distinguished communes Oświęcim and Tarnów gave model answers both to Polish and English e-mails. Oświęcim also has a great Internet website. The other communes have very good Internet websites and answered very well to Polish e-mails. Four communes: Oświęcim, Tarnów, Trzebinia and Wielka Wieś maintained their ‘A’ Commune title 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**	**Professional, 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
SUBCARPATHIAN	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-MASURIAN	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 Lower Silesian 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 Kraków	0.358	A	A	A	A	A
city of Tarnów	0.322	A	A	A	B	A
city of Nowy Sącz	0.313	A	A	A	A	A
Myślenice	0.285	B	B	C	C	C
Wieliczka	0.282	B	B	B	B	B
Oświęcim	0.272	B	B	B	B	C
Olkusz *	0.270	B	B	B	C	C
Kraków	0.266	C	B	C	B	C
Chrzanów	0.263	C	B	C	D	C
Bochnia	0.261	C	C	C	C	C
Wadowice	0.242	C	D	D	D	D

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 Lower Silesian voivodship for the national economy and selected sections

Commune	PAI1_GN	PAI1_GN	PAI1_C	PAI1_G	PAI1_I	PAI1_M
Urban communes						
Kraków (u)	0.282	A	A	A	A	A
Oświęcim (u)	0.265	A	A	A	A	A
Gorlice (u)	0.261	A	A	A	B	A
Limanowa (u)	0.257	A	A	A	A	A
Bochnia (u)	0.256	A	A	A	B	A
Tarnów (u)	0.255	A	A	A	C	A
Nowy Sącz (u)	0.250	A	A	A	A	A
Bukowno (u)	0.243	A	A	A	A	A
Mszana Dolna (u)	0.227	A	A	A	A	A
Sucha Beskidzka (u)	0.221	A	A	A	A	B
Zakopane (u)	0.218	B	A	A	A	B
Grybów (u)	0.217	B	B	A	B	C
Nowy Targ (u)	0.212	B	B	B	A	B
Jordanów (u)	0.211	B	B	B	A	C
Rural communes						
Zielonki (r)	0.253	A	A	A	A	A
Zabierzów (r)	0.250	A	A	A	A	A
Wielka Wieś (r)	0.250	A	A	A	A	A
Mogilany (r)	0.234	A	A	A	B	A
Kłaj (r)	0.227	A	A	A	B	A
Bolesław (r)	0.226	A	A	A	B	B
Tarnów (r)	0.226	A	A	A	A	A
Klucze (r)	0.221	A	A	A	B	B
Siepraw (r)	0.219	B	B	B	B	B
Liszki (r)	0.218	B	B	B	A	B
Michałowice (r)	0.218	B	B	B	B	B
Łapanów (r)	0.217	B	B	A	A	C
Przeciszów (r)	0.214	B	B	B	D	C
Sękowa (r)	0.212	B	B	A	A	C
Osiek (r)	0.211	B	B	B	C	B
Trzciana (r)	0.210	B	B	B	A	D
Dębno (r)	0.209	B	B	B	C	B
Tymbark (r)	0.209	B	B	B	B	C
Bochnia (r)	0.209	B	B	B	A	B
Skrzyszów (r)	0.207	B	B	B	B	C
Żegocina (r)	0.206	B	C	C	B	B
Kocmyrzów-Luborzyca (r)	0.205	B	B	C	B	B
Polanka Wielka (r)	0.205	B	B	B	D	C
Pcim (r)	0.204	B	B	D	B	C
Spytkowice (r)	0.203	B	B	C	C	C

Jerzmanowice-Przeginia (r)	0.203	B	B	B	B	C
Oświęcim (r)	0.203	B	B	C	E	B
Chełmiec (r)	0.202	B	B	C	B	C
Rzezawa (r)	0.201	B	C	C	C	C
Wierzchosławice (r)	0.200	C	C	C	E	B
Spytkowice (r)	0.200	C	C	C	A	D
Mucharz (r)	0.199	C	C	C	B	C
Gdów (r)	0.198	C	C	C	D	C
Lubień (r)	0.197	C	C	C	B	C
Czorsztyn (r)	0.197	C	C	B	A	C
Brzeźnica (r)	0.197	C	C	C	A	C
Kamionka Wielka (r)	0.195	C	C	C	B	C
Gródek nad Dunajcem (r)	0.192	C	C	C	B	D
Łapsze Niżne (r)	0.192	C	C	B	A	D
Lisia Góra (r)	0.191	C	C	C	E	B
Lipnica Murowana (r)	0.190	C	C	C	B	D
Stryszów (r)	0.190	C	C	C	C	D
Jabłonka (r)	0.189	C	C	C	B	D
Rytro (r)	0.188	C	C	C	A	D
Sułoszowa (r)	0.187	C	C	C	C	D
Pleśna (r)	0.186	C	C	C	C	C
Charsznica (r)	0.186	C	C	C	C	E
Gorlice (r)	0.186	C	C	C	C	C
Tomice (r)	0.186	C	C	D	D	C
Zembrzyce (r)	0.185	C	C	C	C	D
Mszana Dolna (r)	0.185	C	C	C	B	D
Gromnik (r)	0.185	C	C	B	B	D
Babice (r)	0.185	C	C	D	D	C
Laskowa (r)	0.184	C	D	C	B	D
Łososina Dolna (r)	0.182	C	D	C	A	D
Iwanowice (r)	0.182	C	C	C	D	D
Grybów (r)	0.182	C	D	C	B	D
Urban-rural communes						
Niepołomice (u-r)	0.253	A	A	A	A	A
Myślenice (u-r)	0.246	A	A	A	A	A
Olkusz (u-r)	0.244	A	A	A	A	A
Skawina (u-r)	0.243	A	A	A	B	A
Wieliczka (u-r)	0.240	A	A	A	A	A
Kęty (u-r)	0.239	A	A	A	B	A
Zator (u-r)	0.238	A	A	A	C	B
Andrychów (u-r)	0.233	A	A	A	A	A
Alwernia (u-r)	0.233	A	A	A	B	A
Dobczyce (u-r)	0.231	A	A	A	B	B
Wadowice (u-r)	0.230	A	A	A	A	A
Chrzanów (u-r)	0.228	A	A	B	D	A

Świątniki Górne (u-r)	0.225	A	A	A	B	B
Krynica-Zdrój (u-r)	0.225	A	A	A	A	A
Trzebinia (u-r)	0.225	A	A	B	B	A
Brzeszcze (u-r)	0.225	A	A	A	C	B
Krzeszowice (u-r)	0.216	B	B	A	B	B
Wolbrom (u-r)	0.213	B	B	B	B	B
Libiąż (u-r)	0.212	B	B	B	C	B
Chełmek (u-r)	0.212	B	B	B	C	B
Brzesko (u-r)	0.209	B	B	B	B	B
Piwniczna-Zdrój (u-r)	0.208	B	B	C	A	C
Muszyna (u-r)	0.204	B	B	C	A	C
Sułkowice (u-r)	0.203	B	B	C	B	C
Skała (u-r)	0.202	B	B	C	C	B
Nowy Wiśnicz (u-r)	0.201	B	B	B	A	C
Dąbrowa Tarnowska (u-r)	0.200	C	C	C	D	B
Kalwaria Zebrzydowska (u-r)	0.196	C	C	C	B	C
Żabno (u-r)	0.195	C	C	C	E	B
Stary Sącz (u-r)	0.194	C	C	C	B	C
Tuchów (u-r)	0.192	C	C	C	C	C
Czchów (u-r)	0.187	C	C	C	C	C
Szczawnica (u-r)	0.184	C	C	C	A	D
Biecz (u-r)	0.184	C	C	C	A	D

(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 (RDB), 2014.

Table 4. Effects of special economic zone 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)
Kraków	Bochnia (u) Bochnia	54.20	0	paper and paper products
Kraków	Bochnia (r) Bochnia	0.00		no leading industry
Kraków	Chrzanów (u-r) Chrzanów	36.24	33	food products
Kraków	Chrzanów (u-r) Trzebinia	0.00		no leading industry
Kraków	Dąbrowa Tarnowska (u-r) Dąbrowa Tarnowska	0.00		no leading industry
Kraków	Kraków (u-r) Skawina	65.29	236	food products, motor vehicles (excluding motorcycles), trailers and semi-trailers
Kraków	Kraków (u-r) Słomniki	0.00		no leading industry
Kraków	Kraków (r) Zabierzów	73.31	3 122	motion picture, video recordings, TV programmes, sound and music recordings production activities, legal, accounting and tax advisory
Kraków	Olkusz (u) Bukowno	0.00		no leading industry
Kraków	Olkusz (u-r) Wolbrom	5.87	1	fabricated metal products (except machinery and equipment)
Kraków	Oświęcim (u) Oświęcim	0.00		no leading industry
Kraków	Oświęcim (u-r) Chełmek	0.00		no leading industry

Kraków	Oświęcim (u-r) Zator	47.84	80	rubber and plastic products, machinery and equipment n.e.c.
Kraków	Wieliczka (r) Gdów	0.00		no leading industry
Kraków	Wieliczka (u-r) Niepołomice	770.35	956	motor vehicles (excluding motorcycles), trailers and semi-trailers
Kraków	city of Tarnów (u) Tarnów	102.15	193	chemicals and chemical products, other non-metallic mineral products
Mielec	Gorlice (u) Gorlice	109.93	270	fabricated metal products (except machinery and equipment)
Kraków	Limanowa (u) Limanowa	0.00		no leading industry
Kraków	Myślenice (u-r) Dobczyce	20.75	37	electrical and non-electrical household appliances
Katowice	Myślenice (u-r) Myślenice	55.43	247	rubber and plastic products, fabricated metal products (except machinery and equipment)
Kraków	Nowy Targ (r) Czorsztyn	0.00		no leading industry
Kraków	Wadowice (u-r) Andrychów	83.98	244	fabricated metal products (except machinery and equipment)
Kraków	city of Nowy Sącz (u) Nowy Sącz	32.86	0	rubber and plastic products
Kraków	city of Kraków (u) Kraków	653.17	3 005	publishing services

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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