Warsaw School of Economics

REGIONAL INVESTMENT ATTRACTIVENESS 2014

Subcarpathian Voivodship

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Invest in Poland
POLISH INFORMATION AND
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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 the Subcarpathian 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 SUBCARPATHIAN VOIVODSHIP

Subcarpathian voivodship is located on the south-eastern Poland. It borders with Slovakia (in the south) and Ukraine (in the east). The region if famous because of mining: such as sulphur, crude oil and natural gas, as well as minerals: gypsum, sandstone and limestone mined to date in the active modern mines. The main sectors are: agriculture, industry, mining, food, pharmaceutical, aerospace and information technology.

The main advantages of the region are:

- developing aviation industry,
- very well developed pharmaceutical industry, information technology and food processing,
- establishing Subcarpathian Science and Technology Park in Rzeszów,
- good transport connections: an international airport, the A4 motorway, running through the county main transport corridors TINA network,
- mining raw materials such as sulphur, oil and gas, minerals that are mined mainly in the mountainous southern part: sandstone, limestone, gypsum (including gypsum alabaster), ceramic clays, sands (including glass sands) and gravel, and peat, mineral and geothermal,
- large tracts of state forests make a significant supplier of wood and offer the possibility of using wood biomass for renewable energy production,
- availability of highly trained personnel and technical management especially in the aerospace, electrical engineering, chemical (Rzeszów University of Technology and is the largest technical university south-eastern Polish, with the only training centre in the country's civil aviation pilots).

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

Table 1. General characteristics of the economy of Subcarpathian voivodship

<table>
<tr><th colspan="2">Feature</th><th>Subcarpathian voivodship</th><th>Poland</th><th>Share [%]</th></tr>
<tr><td colspan="5">Market potential</td></tr>
<tr><td colspan="2">GDP per capita 2012 (PLN/person)</td><td>27713.9</td><td>41439.1</td><td>-</td></tr>
<tr><td colspan="2">Population (persons) on 31 December 2013</td><td>2129294</td><td>38495659</td><td>5.5%</td></tr>
<tr><td colspan="5">Human resources potential</td></tr>
<tr><td colspan="2">Higher education institutions graduates (persons) in 2013</td><td>20524</td><td>454986</td><td>4.5%</td></tr>
<tr><td colspan="2">Secondary schools graduates (persons) in 2013</td><td>17549</td><td>271333</td><td>6.5%</td></tr>
<tr><td colspan="2">Number of employed persons in 2013</td><td>800</td><td>15568</td><td>5.1%</td></tr>
<tr><td colspan="2">Structure of employed persons in 2013</td><td>agriculture 17.9%
industry 30.3%
service 51.8%</td><td colspan="2">12.0%
30.5%
57.5%</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 2012</td><td>3726.4</td><td>79942.6</td><td>4.7%</td></tr>
<tr><td colspan="2">Capital of companies (PLN n) in 2012</td><td>2463.9</td><td>206992.3</td><td>1.2%</td></tr>
<tr><td colspan="5">Special Economic Zones (SEZs) in the voivodship*</td></tr>
<tr><td colspan="5">– Kraków
– Kraków/ Mielec
– Mielec
– Tarnobrzeg</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">City of Rzeszów, city of Krosno, city of Przemyśl, city of Tarnobrzeg</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">Rzeszów (u), Krosno (u), Mielec (u), Jasło (u), Łańcut (u), Sanok (u), Dębica (u), Tarnobrzeg (u), Przemyśl (u), Przeworsk (u), Jarosław (u), Stalowa Wola (u), Leżajsk (u), Lubaczów (u), Krościenko Wyżne (r), Trzebownisko (r), Dębica (r), Nisko (u-r)</td></tr>
<tr><td>Class B</td><td colspan="3">Radymno (u), Solina (r), Krasne (r), Ostrów (r), Gorzyce (r), Medyka (r), Boguchwała (u-r), Głogów Małopolski (u-r), Nowa Dęba (u-r), Ropczyce (u-r), Dukla (u-r)</td></tr>
</table>

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 2129294 (as of 2013), which is 5.5% of the population of Poland. The age structure in the voivodship in 2013 was as follows: 19.1% of the population at pre-productive age, 63.7% at productive age and 17.2% 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 15 higher education institutions in which there are 62731 students studying, which makes up 4.1% of all students in Poland. Moreover, 5.9% of the secondary school students in the voivodship attend vocational schools and 6.7% attend technical schools.

The registered unemployment rate in the voivodship amounted to 14.2% 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 3231.1, which is 85.7% of the average for Poland.

In 2012 Subcarpathian voivodship made a contribution of 3.7% to the GDP of Poland. Calculated per capita, it amounted to PLN 27713.9 with the average for Poland PLN 41439.1. With this result the voivodship takes the 16th place in the country. The GDP growth rate in the voivodship in the years 2003-2012 amounted to 180.0% 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 the service sector at the level of 51.8% whereas a share of the agricultural and industrial sectors are respectively 17,9% and 30.3% (Central Statistical Office, Local Data Bank 2014).

Important industry sectors in the voivodship are: manufacture of rubber and plastic products (14% of the value of sold production in whole voivodship at the end of 2013), the production of motor vehicles, trailers and semi-trailers, with the exception of motorcycles (12%), manufacture of other transport equipment (11%), manufacture of food products (9%), manufacture of fabricated metal products, except machinery and equipment (9%), manufacture of products of wood and cork, except furniture, with the production of articles of straw and plaiting materials (8%).

The region is the leading manufacturer of aviation equipment on a national scale, which is reflected in a 24% share of the region in the national value of sold production of "manufacture of other transport equipment". Subcarpathian voivodship is also an important manufacturer of products of wood and cork, except furniture (10% of the national value of sold production in 2013), as well as rubber and plastic products (8%).

When it comes to the 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) [2].

It applies to the following sectors:

- manufacture of motor vehicles, trailers and semi-trailers, excluding motorcycles,
- manufacture of other transport equipment,
- manufacture of fabricated metal products, except machinery and equipment,
- metal production,
- food production,
- manufacture of other non-metallic mineral 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: aviation industry, electrical machinery, agri-food, chemical, tourism.

For the entrepreneurs willing to invest in Subcarpathian 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 Subcarpathian voivodship self-government, based on the observations on investments inflows to the voivodship.

The high potential sectors on the list include:

- aviation industry,
- informatics,
- foundry.

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

- **SSE** Kraków subzones: Boguchwała (u-r),
- **SSE** Kraków/ Mielec subzones: Krosno (u),
- **SSE** Mielec subzones: Dębica (u), Dębica (r), Głogów Małopolski (u-r), Jarosław (u), Jarosław (r), Kolbuszowa (u-r), Leżajsk (u), Leżajsk (r), Lubaczów (u), Łańcut (u), Mielec (u), Ostrów (r), Radymno (r), Ropczyce (u-r), Rzeszów (u), Sanok (u), Sędziszów Małopolski (u-r), Trzebownisko (r), Zagórz (u-r),

[2] Calculations based on the Statistic Bulletin of the Subcarpathian Voivodship from the 1st quarter of 2014 and Statistical Bulletin, I quarter of 2014, www.stat.gov.pl (10 November 2014). A change of 0.25 percentage point was considered as maintaining competitive position.

- **SSE** Tarnobrzeg subzones: Gorzyce (r), Jasło (u), Jasło (r), Jedlicze (u-r), Nisko (u-r), Nowa Dęba (u-r), Orły (r), Przemyśl (u), Rymanów (u-r), Stalowa Wola (u), Tarnobrzeg (u).

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

Subcarpathian voivodship is one of the regions with high development potential associated with the growing aviation sector. The region has increased its investment attractiveness.

Based on the methodology prepared by the team of the Institute of Enterprise 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]

Based on the above-mentioned indices it can be stated that the voivodship is taking 244th place of 270 regions (in comparison with other EU regions, NUTS2), for whom the indices were calculated. The voivodship is characterized by very low class of investment attractiveness (class F) However, compared to the previous year, the voivodship increased its position by 8 places. Subcarpathian voivodship has a competitive advantage, when it comes to human capital microclimate, ranked class C.

Due to different methodology of research and variables taken into account for regions in Poland only and regions in the EU, the results of research are incomparable. This is because not all data are available for all the regions, e.g. data on infrastructure.

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

- **in Bulgaria:** 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 Portugal:** Região Autónoma dos Açores, Centro;

[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/

- **in Romania:** Nord-Vest, Centru, Sud-Est, Nord-Est, Sud-Vest Oltenia, Sud - Muntenia;
- **in Hungary:** Dél-Alföld, Észak-Alföld;
- **in Italy:** Calabria, Basilica.

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.

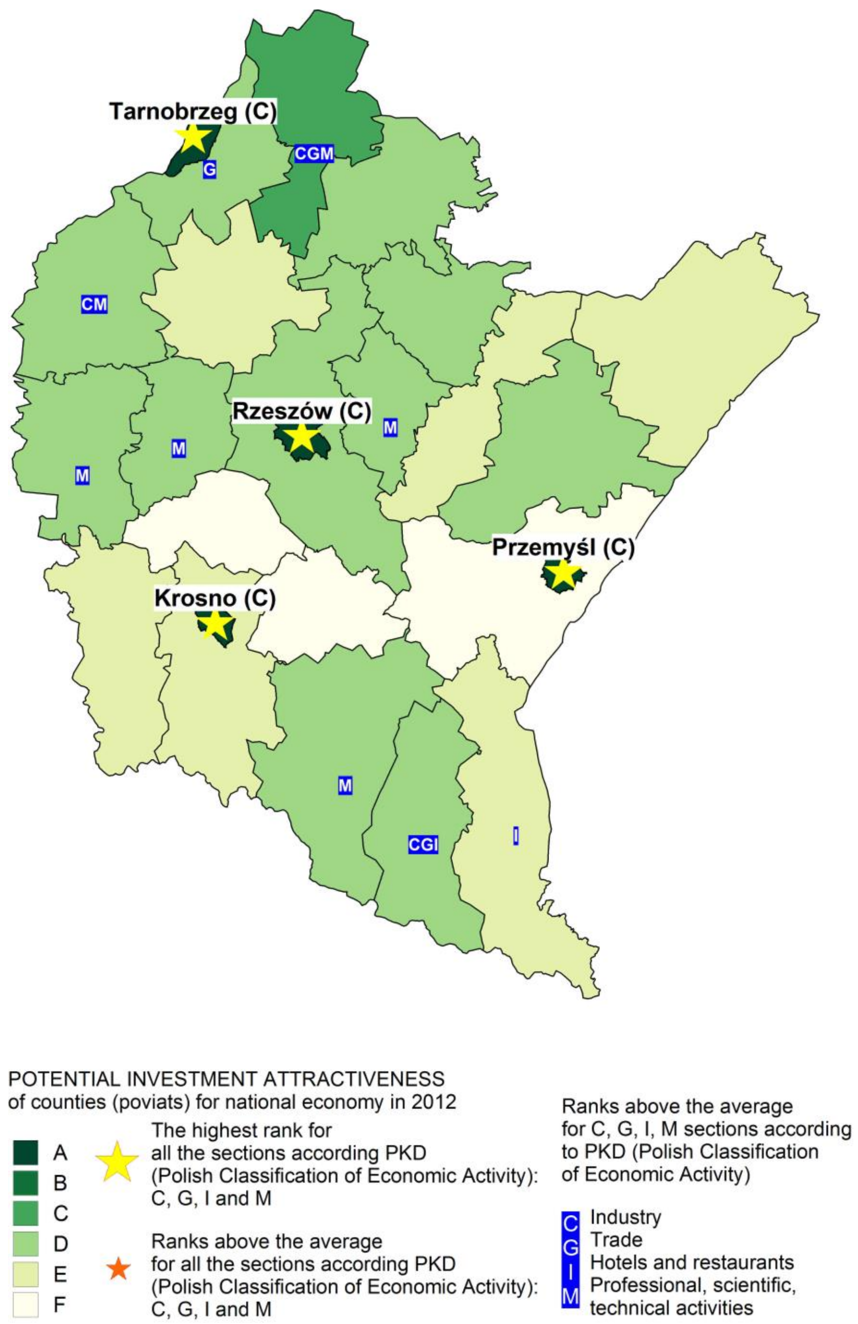
Social infrastructure is rated as equipment of a place where the investment is to be located with facilities influencing citizens' life quality and human resources development. These facilities provide the citizens with access to education, healthcare, sports and recreation facilities or information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

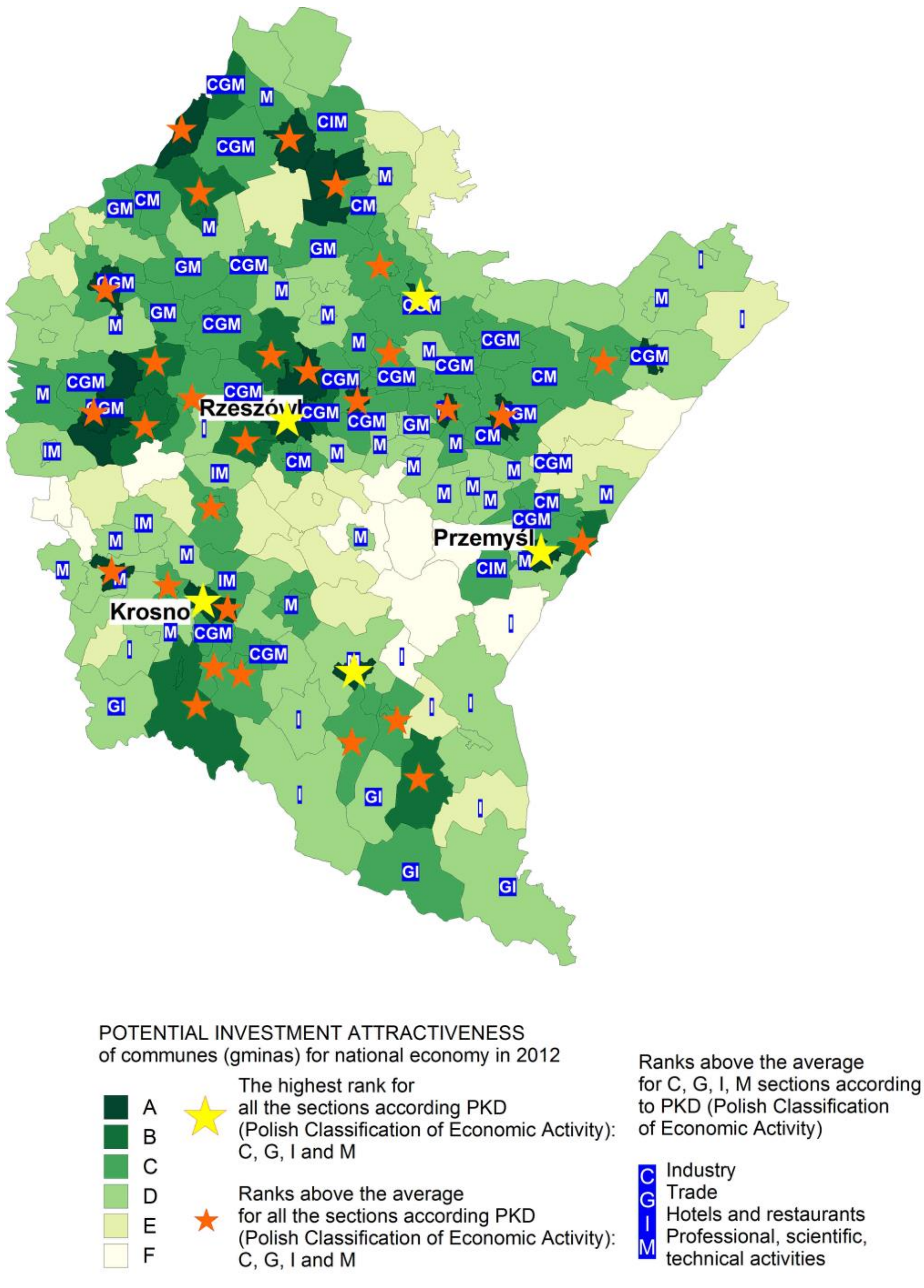
Chart 3. Potential investment attractiveness of counties of Subcarpathian voivodship, considering the most attractive sections



Golden star counties:
Krosno, Przemyśl, Rzeszów, Tarnobrzeg

Source: Author's own work.

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



Golden star communes:

Krosno (u), Leżajsk (u), Przemyśl (u), Rzeszów (u), Sanok (u)

Source: Author's own work.

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 **distinguished with golden star** cities are: Krosno, Przemyśl, Rzeszów, Tarnobrzeg.

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

- **distinguished with golden star:** Krosno (u), Leżajsk (u), Przemyśl (u), Rzeszów (u), Sanok (u),
- **distinguished with an orange star**: Dębica (u), Jarosław (u), Jasło (u), Łańcut (u), Mielec (u), Przeworsk (u), Stalowa Wola (u), Tarnobrzeg (u).

Among rural communes the highest rank communes include:

- **distinguished with an orange star**: Krościenko Wyżne (r), Medyka (r), Ostrów (r), Solina (r), Trzebownisko (r), Żołynia (r).

Among urban-rural communes the highest rank communes include:

- **distinguished with an orange star**: Boguchwała (u-r), Dukla (u-r), Głogów Małopolski (u-r), Iwonicz-Zdrój (u-r), Jedlicze (u-r), Lesko (u-r), Nisko (u-r), Nowa Dęba (u-r), Nowa Sarzyna (u-r), Oleszyce (u-r), Ropczyce (u-r), Rymanów (u-r), Sędziszów Małopolski (u-r), Strzyżów (u-r), Zagórz (u-r).

4. VOIVODSHIP'S INSTITUTIONAL SUPPORT FOR INVESTORS AND ENTREPRENEURS

The development of business environment 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 Subcarpathian voivodship such centre is:
Investor Assistance Centre operating within the structure of
Rzeszów Regional Development Agency SA
www.coi.rzeszow.pl

Invest
in Podkarpackie

Subcarpathian 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 is 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:

Chamber of Industry and Commerce in Rzeszów ***(www.iph.rzeszow.pl)***
The chamber is an organization offering: information, training, counselling, promotion and marketing, legalization of export documents, the organization of courses, seminars, workshops, training, trade missions, assistance in matching companies, help with finding financing. The chamber also provides advisory services and assistance in preparation of documents for companies applying for grants and funding from the government and the EU.

Subcarpathian Business Club ***(www.pkb.net.pl)***
The club was founded to support and integrate the businesses and Subcarpathian employers. The club organizes joint purchasing groups and builds prestige of Subcarpathian entrepreneurship. Goals of the club are: helping members, co-operating with the authorities in the implementation of projects of importance for the region and the members of the Club, participating in public consultation, preparing expertise and inquiries on matters relating to the business community, organizing and conducting system of advisory and consulting, training, seminars and conferences, conducting information system serving economic contacts, organizing trade missions, meetings and other club events, promotions, banquets and exhibitions. In 2012. GDP Loan Fund was established from own funds of the club.

Business Promotion Centre in Rzeszów ***(www.cpb.rze.pl)***
The Centre supports companies from Subcarpathian voivodship by their promotion. The main goal of the Centre is to help companies in creating a positive image. The Centre offers web development and hosting services - maintenance of websites, file servers and databases.

Science and Technology Park of Podkarpacie - AEROPOLIS ***(www.aeropolis.com.pl)***
It is the first industrial park in Poland, which is to uphold the traditions of aviation. Park offer includes: investment areas, providing office space for rent, production - service, production, and conference rooms, the Academic Pre-incubator and Technology Incubator, support services for businesses located in the Park, networking, business brokerage services and auxiliary assistance in raising funds (including the EU).

Industry Park in Mielec ***(www.marr.com.pl)***
The Regional Development Agency (MARR) is responsible for managing the Park. The aim of the Construction of New Technology Incubator In-Tech, along with the expansion of the Industry Park Mielec implemented under Measure I.3. Operational Programme Development of Eastern Polish 2007-2013, project is preparation of land for economic activity through modernization and expansion of the existing technical infrastructure and building new infrastructure necessary for the proper functioning of the Park. In addition, the goal of the project is to provide potential investors with manufacturing and service area to do business.

Industry and Technology Park in Tarnobrzeg ***(www. tppt.tarnobrzeg.pl)***
The main goal of the park is to increase the investment attractiveness of the Subcarpathian region and stimulate local entrepreneurship by providing good conditions for conducting business. The goal is being achieved through increasing innovation of local economy, effective management of post-productive assets and providing infrastructure services and consulting. In the park investors can find three zones, including: industrial zone (production hall) and technology zone (Technology Incubator). In addition, the Park offer includes investment areas. The area of the park is a part of Tarnobrzeg Special Economic Zone called EURO-PARK WISŁOSAN.

Regional Development Agency in Rzeszów ***(www.rarr.rzeszow.pl)***
The aim of the agency is to carry out activities for development of the Subcarpathian voivodship by focusing and mobilizing the potential of local and advisory activities and services in restructuring processes, opening and supporting business ventures, promotion of the region and attract foreign capital. The offer includes: consultancy, training, building design, as well as organization of trade missions. Operates within the Agency Loan Fund. Moreover Agency offers services related to directory listings and technological needs network of technological exchange IRC - Innovation Relay Centres Network (directory contains listings and inquiries made by technology companies, universities, R & D centres and laboratories).

Leading European Funds Information Point in Rzeszów ***(http://www.fundusze.podkarpackie.pl)***
Information Points are coordinated by the Ministry of Regional Development offer information services for assistance in applying for grants, initial help in the settlement of the projects and the possibility of implementing projects in the formula of public-private partnership. Information Points provide free publications on European Funds issued by the Ministry of Regional Development, Marshal or other public institutions, organize briefings, public lectures and workshops on European Funds in Poland and participate in local and regional events to promote European Funds.

Mielec Regional Development Agency ***(www.marr.com.pl)***
The Agency's role is to initiate, organize and support the restructuring and economic development through the integration of Mielec County people and institutions. The offer includes: training, advisory, accounting, financial services (within the Agency operates Loan Fund providing investment and working capital loans to the sector of micro, small and medium-sized enterprises investing in Podkarpacie). In the structures of the Agency work Industry Park, New Technology Incubator, Test and Prototype Laboratory .

Regional Development Agency in Tarnobrzeg ***(www.tarr.pl)***
TARR offer includes: sharing office space to conduct business within the Business Incubator, financial support (Loan Fund), help with applying for financial support from external sources, training, organization of trade missions, association of Polish and foreign partnerships, local government units, assistance for projects in the field of development of investment areas

Tarnobrzeg Industry and Technology Park (Agency is the operator of the Park). Agency gives the opportunity to do business as part of the Academic Business Incubator.

4.2. SPECIAL ECONOMIC ZONES IN THE VOIVODSHIP – EFFECTS

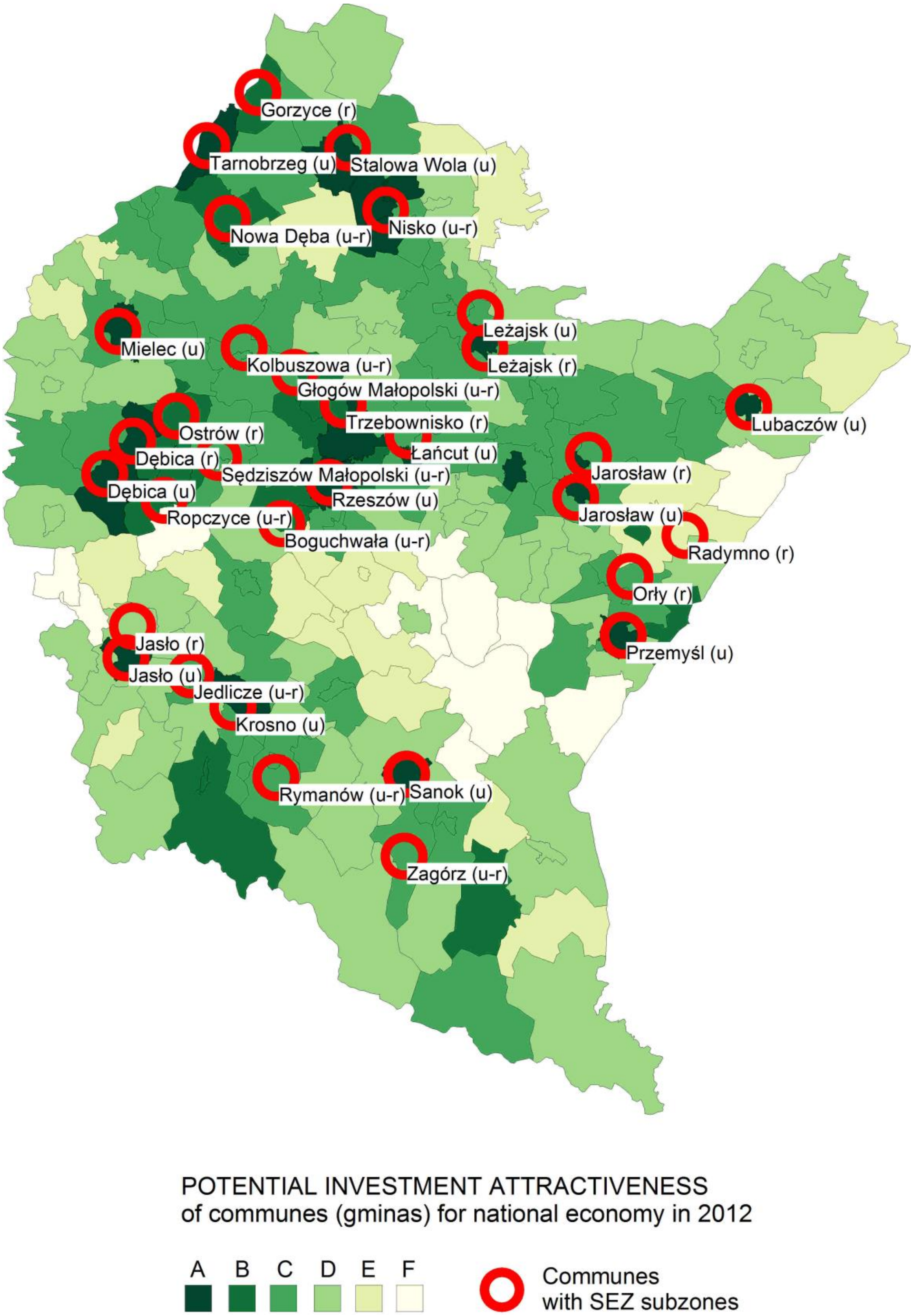
There are three SEZ operating in the Subcarpathian voivodship: Mielec, Tarnobrzeg i Kraków. At the end of 2013 the areas of the SEZ were parts of 13 cities and 19 communes (in Krosno there are 2 SEZ: Kraków i Mielec) – see Chart 5.

The Subcarpathian SEZs were created in 1995. Till the end of 2013 the enterprises operating in the Subcarpathian SEZ's subzones have invested PLN 8 bln in this area which is 9% of all investment outlays in the Polish SEZs. In the same time the enterprises created 25.5 thousand new jobs in the region, which was 13% of all new jobs created in the Polish economic zones - see Table 4 in the Appendix.

Investments of highest value came to Mielec and Stalowa Wola.

The structure of investments in Mielec is dominated by wood and products of wood and cork, except furniture and articles of straw and materials of a kind used for weaving Swedwood Poland Sp. z o.o. and because of the number of operators dominate rubber and plastic products: Plastic Factory COBI SA, Plastwag SA, Polish - Korean PP-H JOONGPOL Sp. z o.o., Ltd. Wojciech Tycner, SAMDEX Sp. z o.o., Temar Sp. z o.o., ZPTSz "PZL - Mielec" Sp. z o.o., fabricated metal products: Alpha Technology Sp. z o.o. Sp. k., BASCO 2 Andrzej Nawrot & Partners. J., Casmet - The Joseph Malecki, DUL MAR Sp.j., Eurotech Sp. z o.o., the company Tarapata Sp. z oo, FPUH Mechanics Lesniak Danuta and Adam, METALPOL Sp. z o.o., Ltd. P & S Sp. z o.o., REGMOT Sp. z o.o., RSM Zakł.Prod. Machinery and Equipment Sp. z o.o., RENNtech Sp. z o.o. SSC Sp. z o.o. Limited Partnership, FPU WALDREX sc, Yasa Motors Poland Sp. z oo, Department of Furniture Accessories Gładysek Sp. j., EC AVIOTECH Sp. o.o (d. Plant Tool PRODREM Sp. z oo), Department of "RPOL" Roman Polit and motor vehicles: King & Fowler Poland Sp. z o.o., Kirchhoff Poland Sp. z oo, Gardner Aerospace - Mielec Company zoo, Remog Poland Sp. z o.o., WAW Mielec Sp. z oo, GALWEX Onions Elvira & Partners Sp.j., Leopard Automobile Mielec Sp. z oo, STAMET - Stanislaw Stachura, Automotive Coachbuilding and Design Sp. z oo Production Plant Kamot-Mielec SA, Lear Corporation Poland II Sp. z o.o., MELEX A & D Tyszkiewicz SJ In Stalowa Wola dominates production of metal and aluminium processing: ATS Stahlschmidt & Maiworm Sp. z o.o., HSW - Department Forge Forging Sp. z o.o., MCS-METAL CLEANING SERVICE Sp. z o.o., Uniwheels Production Poland Sp. z o.o., Eurometal SA, IWAMET Sp. z oo, Ltd. Domostal sc, Department of Mechanical Engineering "TASTA" Sp. z o.o., RAKOCZY STEEL Sp. Public, BAGPAK Poland Sp. z o.o., WOBI STEEL Sp. z o.o.

Chart 5. The location of SEZs in Subcarpathian voivodship



Source: Authors' own work.

According to the Subcarpathian SEZ development plan, the voivodship intends to acquire the following kinds of investors:

- contributing to the development of the cluster "Aviation Valley" and the investment of electrical engineering and chemical industry, supporting industry traditions of the region for Kraków SEZ and SEZ Mielec,
- developing traditional industries to the region, especially the chemical, construction materials and electrical engineering, processing of aluminium, for Tarnobrzeg SEZ.

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 5 are situated in Subcarpathian voivodship: Krosno (u), Mielec (u), Rzeszów (u), Ropczyce (r), Dębica (u).

Communes of the Subcarpathian voivodship have good websites that provide information to potential investors about investment areas. All communes responded to the message in Polish. With the exception of Dębica, correspondence in English was very good, including a very good response from the office of the town of Krosno. It's worth mentioning that Krosno was entitled with' A' commune title for the second time.

APPENDIX

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

Voivodship	PAI1_GN National economy	PAI1_GN National economy	PAI1_C Industry	PAI1_G Trade	PAI1_I Hotels and restaurants	PAI1_M 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
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 SUBCARPATHIAN 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 Rzeszów	0.357	A	A	A	A	A
city of Krosno	0.339	A	A	A	A	A
city of Przemyśl	0.314	A	A	A	A	A
city of Tarnobrzeg	0.310	A	A	A	A	A
Stalowa Wola	0.257	C	C	C	D	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 communes of Subcarpathian 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						
Rzeszów (u)	0.263	A	A	A	A	A
Krosno (u)	0.257	A	A	A	A	A
Mielec (u)	0.256	A	A	A	B	A
Jasło (u)	0.253	A	A	A	C	A
Łańcut (u)	0.248	A	A	A	B	A
Sanok (u)	0.248	A	A	A	A	A
Dębica (u)	0.245	A	A	A	B	A
Tarnobrzeg (u)	0.244	A	A	A	B	A
Przemyśl (u)	0.243	A	A	A	A	A
Przeworsk (u)	0.240	A	A	A	B	A
Jarosław (u)	0.238	A	A	A	C	A
Stalowa Wola (u)	0.237	A	A	A	B	A
Leżajsk (u)	0.235	A	A	A	A	A
Lubaczów (u)	0.223	A	A	A	D	A
Radymno (u)	0.219	B	A	B	E	A
Rural communes						
Krościenko Wyżne (r)	0.230	A	A	A	C	A
Trzebownisko (r)	0.225	A	A	B	C	A
Dębica (r)	0.224	A	B	C	D	A
Solina (r)	0.215	B	B	A	A	C
Krasne (r)	0.215	B	B	B	E	A
Ostrów (r)	0.209	B	B	B	C	C
Gorzyce (r)	0.209	B	B	C	E	B
Medyka (r)	0.204	B	B	C	C	B
Miejsce Piastowe (r)	0.200	C	C	C	D	B
Świlcza (r)	0.200	C	C	C	D	A
Żyraków (r)	0.200	C	C	C	E	B

Jarosław (r)	0.199	C	C	C	D	B
Czarna (r)	0.199	C	C	C	E	B
Łańcut (r)	0.198	C	C	C	D	B
Tryńcza (r)	0.196	C	C	C	F	C
Żurawica (r)	0.195	C	C	C	E	B
Grębów (r)	0.194	C	C	C	D	C
Leżajsk (r)	0.193	C	C	C	E	C
Besko (r)	0.193	C	C	C	E	B
Białobrzegi (r)	0.192	C	C	C	E	B
Pawłosiów (r)	0.190	C	C	D	E	B
Dzikowiec (r)	0.189	C	C	C	D	C
Mielec (r)	0.188	C	C	C	D	B
Żołynia (r)	0.187	C	C	C	A	C
Pysznica (r)	0.187	C	C	D	C	C
Zarzecze (r)	0.187	C	D	D	E	B
Orły (r)	0.186	C	C	D	E	B
Wiązownica (r)	0.186	C	C	D	E	C
Czarna (r)	0.185	C	D	D	E	C
Korczyna (r)	0.184	C	D	D	B	C
Niwiska (r)	0.183	C	D	C	E	C
Cisna (r)	0.183	C	D	C	A	D
Przeworsk (r)	0.182	C	D	D	F	C
Cmolas (r)	0.182	C	D	C	E	C
Rakszawa (r)	0.182	C	D	D	E	C
Padew Narodowa (r)	0.182	C	D	C	E	C
Jeżowe (r)	0.182	C	D	C	E	C
Zaleszany (r)	0.182	C	D	D	E	C
Krasiczyn (r)	0.182	C	C	D	A	C
Urban-rural communes						
Nisko (u-r)	0.220	A	A	B	A	B
Boguchwała (u-r)	0.214	B	B	B	C	A
Głogów Małopolski (u-r)	0.213	B	B	B	C	A
Nowa Dęba (u-r)	0.212	B	B	B	C	A
Ropczyce (u-r)	0.211	B	B	C	C	A
Dukla (u-r)	0.207	B	B	B	A	C
Nowa Sarzyna (u-r)	0.199	C	C	B	C	B
Iwonicz-Zdrój (u-r)	0.199	C	C	C	B	B
Jedlicze (u-r)	0.198	C	C	C	C	B
Sędziszów Małopolski (u-r)	0.196	C	C	C	C	B
Lesko (u-r)	0.195	C	C	C	A	C
Rymanów (u-r)	0.194	C	C	C	B	B
Kolbuszowa (u-r)	0.194	C	C	C	E	B
Sieniawa (u-r)	0.189	C	C	C	D	B

Strzyżów (u-r)	0.189	C	C	C	C	C
Oleszyce (u-r)	0.187	C	C	C	C	B
Baranów Sandomierski (u-r)	0.184	C	C	D	D	C
Zagórz (u-r)	0.183	C	C	C	C	C
Tyczyn (u-r)	0.182	C	C	D	D	B
Rudnik nad Sanem (u-r)	0.182	C	C	D	E	C
Brzozów (u-r)	0.182	C	D	D	D	C

Notice: (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	Dębica (u) Dębica	290,77	200	rubber and plastic products
Mielec	Dębica (r) Dębica	268,21	221	rubber and plastic products
Mielec	Kolbuszowa (u-r) Kolbuszowa	0,00		no leading industry
Mielec	Leżajsk (u)Leżajsk	7,42	15	fabricated metal products, except machinery and equipment, computers, electronic and optical products
Mielec	Leżajsk (r) Leżajsk	2,14	6	products of other non-metallic mineral products, furniture
Mielec	Łańcut (u) Łańcut	0,00		no leading industry
Mielec	Mielec (u)Mielec	3 722,35	14 005	wood and products of wood and cork, except furniture; articles of straw and materials of a kind used for plaiting
Tarnobrzeg	Nisko (u-r) Nisko	60,36	472	fabricated metal products, except machinery and equipment
Mielec	Ropczyce (r) Ostrów	1,03	0	fabricated metal products, except

				machinery and equipment
Mielec	Ropczyce (u-r) Ropczyce	7,24	47	manufacture of other transport equipment
Mielec	Ropczyce (u-r) Sędziszów Małopolski	0,00		no leading industry
Kraków	Rzeszów (r) Boguchwała	1,16	0	machinery and equipment not elsewhere classified
Mielec	Rzeszów (u-r) Głogów Małopolski	297,36	2 011	rubber and plastic products, metals
Mielec	Rzeszów (r) Trzebownisko	809,51	1 528	machinery and equipment not elsewhere classified, motor vehicles (except motorcycles), trailers and semi-trailers, manufacture of other transport equipment
Tarnobrzeg	Stalowa Wola (u)Stalowa Wola	1 237,04	3 316	fabricated metal products, except machinery and equipment, machinery and equipment not elsewhere classified, motor vehicles (except motorcycles), trailers and semi-trailers, motor vehicles (excluding motorcycles),

				trailers and semi-trailers
Tarnobrzeg	Tarnobrzeg (r) Gorzyce	271,47	906	motor vehicles (except motorcycles), trailers and semi-trailers
Tarnobrzeg	Tarnobrzeg (u-r) Nowa Dęba	345,54	782	basic pharmaceutical substances, medicines and other pharmaceutical products
Mielec	City of Rzeszów (u) Rzeszów	62,88	229	manufacture of other transport equipment
Tarnobrzeg	City of Tarnobrzeg (u) Tarnobrzeg	330,59	681	products of other non-metallic mineral products
Mielec	Jarosław (u) Jarosław	0,00		no leading industry
Mielec	Jarosław (r) Jarosław	0,00		no leading industry
Mielec	Jarosław(r) Radymno	0,00		no leading industry
Tarnobrzeg	Jasło (u) Jasło	84,24	439	wood and products of wood and cork, except furniture; articles of straw and materials of a kind used for plaiting, furniture
Tarnobrzeg	Jasło (r) Jasło	0,00		no leading industry

Tarnobrzeg	Krosno (u-r) Jedlicze	33,28	20	coke, briquettes and similar solid fuels manufactured from coal and peat, and refined petroleum products
Tarnobrzeg	Krosno (u-r) Rymanów	28,65	190	wood and products of wood and cork, except furniture; articles of straw and materials of a kind used for plaiting, products of other non-metallic mineral products
Mielec	Lubaczów (u)Lubaczów	11,62	27	machinery and equipment not elsewhere classified
Tarnobrzeg	Przemyśl (r) Orły	0,00		no leading industry
Mielec	Sanok (u)Sanok	22,41	169	wood and products of wood and cork, except furniture; articles of straw and materials of a kind used for plaiting
Mielec	Sanok (u-r) Zagórz	51,68	244	rubber and plastic products, machinery and equipment not elsewhere classified
Kraków/ Mielec	City of Krosno (u)Krosno	41,22	21	rubber and plastic products
Tarnobrzeg	City of .Przemyśl (u)Przemyśl	5,34	22	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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