

Warsaw School of Economics



REGIONAL INVESTMENT ATTRACTIVENESS 2014

Warmian-Masurian Voivodship

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Polish Information and Foreign Investment Agency (PAIiZ) 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. PAIiZ 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.

PAIiZ 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**, PAIiZ 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 PAIiZ 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 PAIiZ 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 PAIiZ 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 Warmian – Masurian 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 voidships, 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.

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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 WARMIAN-MASURIAN VOIVODSHIP

Warmian-Masurian voivodship is situated in the north-eastern part of Poland and as the only voivodship it borders on the Kaliningrad Oblast (the Russian Federation), which gives huge opportunities of cooperation with the markets of Eastern Europe, including Russia. In the voivodship there are also huge opportunities of developing the manufacture of high-quality food, which is determined by the favourable structure of farm size and the presence of unoccupied production space in agriculture.

The main advantages of the voivodship are:

- favourable natural conditions (lake districts, forests) for the development of tourism,
- agro tourism as well as 'clean' (green) industry using renewable energy,
- the planned A1 and Via Baltica routes that give opportunities to develop very good
- connections in the future,
- in the voivodship there is a sea port in Elbląg, which is located on the Vistula lagoon.

Currently a project of building a shipping canal through the Vistula Spit with the cooperation with the Ukraine, which additionally raises the advantages of the region in terms of transport, there are high ranked scientific establishments and courses of study connected with agriculture and food processing: the Institute of Animal Reproduction and Food Research of the Polish Academy of Sciences in Olsztyn and Warmian-Masurian University in Olsztyn: the Faculty of Animal Bioengineering, the Faculty of Environmental Protection and Fishery, the Faculty of Veterinary Medicine, the Faculty of Environmental Management and Agriculture, the Faculty of Food Sciences, The voivodship's largest cities are Olsztyn and Elbląg. Olsztyn is the main centre of food industry, the manufacture of tires, timber industry and tourism. Elbląg is an important centre of heavy industry and tourism. It is also a sea port.

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

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Table 1. General characteristics of the economy of Warmian-Masurian voivodship

Feature	Warmian – Masurian voivodship	Poland	Share [%]
Market potential			
GDP per capita 2012 (PLN/person)	29780.6	41439.1	-
Population (persons) on 31 December 2013	1446915	38495659	3.8%
Human resources potential			
Higher education institutions graduates (persons) in 2013	12480	454986	2.7%
Secondary schools graduates (persons) in 2013	9625	271333	3.5%
Number of employed persons in 2013	529	15568	3.4%
Structure of employed persons in 2013	agriculture 12.7% industry 30.8% services 56.5%	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	323.2	79942.6	0.4%
Capital of companies (PLN n) in 2012	1666.2	206992.3	0.8%
Special Economic Zones (SEZs) in the voivodship*			
– Suwałki – Warmian-Masurian			
Distinguishing investment attractiveness ratings PAI_2 and RAI (class A, B and C)			
Potential investment attractiveness PAI_2	Tourism (Class C)		
Counties and communes distinguished according to the Potential Attractiveness Index for the national economy (PAI1_GN)			
Counties	Class A	City of Olsztyn, city of Elbląg	
Communes	Class A	Ostróda (u), Działdowo (u), Kętrzyn (u), Szczytno (u), Olsztyn (u), Ełk (u), Mrągowo (u), Iława (u), Bartoszyce (u), Górowo Iławeckie (u), Giżycko (u), Elbląg (u), Lidzbark Warmiński (u), Lubawa (u), Stawiguda (r), Nidzica (u-r)	

	Class B	Nowe Miasto Lubawskie (u), Braniewo (u), Dywity (r), Węgorzewo * (u-r), Gołdap (u-r), Olecko (u-r)
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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 1446915 (as of 2013), which is 3.8% of the population of Poland. The age structure in the voivodship in 2013 was as follows: 19% of the population at pre-productive age, 64.7% at productive age and 16.3% 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 7 higher education institutions in which there are 39397 students studying, which makes up 2.5 % of all students in Poland. Moreover, 4.4% of the secondary school students in the voivodship attend vocational schools and 4.0% attend technical schools.

The registered unemployment rate in the voivodship amounted to 18.4% in August 2014, compared to 11.7% in Poland.² The average monthly gross wages and salaries in enterprises sector in the first half-year of 2014 amounted to PLN 3144.6, which is 83.4% of the average for Poland.

In 2012 Warmian-Masurian voivodship made a contribution of 2.7% to the GDP of Poland. Calculated per capita, it amounted to PLN 29780.6 with the average for Poland PLN 41439.1. With this result the voivodship takes the 10th place in the country. The GDP growth rate in the voivodship in the years 2003-2012 amounted to 173.3% while the average for Poland amounted to 189.2%.

In comparison with the whole country the structure of employment in the voivodship is characterized by a share of the service sector at the level of 56.5% whereas a share of the agricultural and industrial sectors are respectively 12.7% and 30.8% (Central Statistical Office, Local Data Bank 2014).

Warmian and Masurian voivodship is specialized in the production of food. In 2013 the food industry accounted for as much as 38% of the value of sold production of industry in whole Podlasie. Noteworthy industries are also: furniture (10%), products of wood and cork, except furniture, with the production of articles of straw and plaiting materials (5%) and metal products (6%).

Warmian and Masurian voivodship is an important producer of furniture (10% of the national value of production sold in 2013). Moreover reaches about 5-percent share in the domestic production of food and wood products.

² Unemployed and unemployment rate by voivodships, sub-regions and counties (as of the end of August 2012). GUS.

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 metal products,
- manufacture of clothes,
- 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: agri-food industry, furniture, tourism, sports equipment and rubber products.

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

The high potential sectors on the list include:

- food and agriculture,
- wood,
- tourism,
- rubber products,
- renewable energy.

Investments of this kind can be located on preferential conditions in the specially prepared places in the Special Economic Zone: **Suwałki, Warmian-Masurian, in subzones:**

- **SEZ Suwałki, subzones:** Elk (u), Gołdap (u-r),
- **SEZ Warmian-Masurian, subzones:** Barczewo (u-r), Bartoszyce (u), Bartoszyce (r), Biskupiec (u-r), Dobrze Miasto (u-r), Elbląg (u), Iława (u), Iłowo-Osada (r), Kętrzyn (u), Kurzętnik (r), Lidzbark Warmiński (u), Morąg (u-r), Mrągowo (u), Nidzica (u-r), Nowe Miasto Lubawskie (u), Olecko (u-r), Olsztyn (u), Olsztynek (u-r), Orzysz (u-r), Ostróda (u), Pasłęk (u-r), Piecki (r), Pisz (u-r), Szczytno (r), Wielbark (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

Warmia and Mazury is the region with high growth potential, especially for areas requiring a high quality environment. This is reflected in the high attractiveness for tourism and catering (Class C). This may be particularly attractive for eco-innovative investments.

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

Among all the EU regions Warmian-Masurian voivodship is taking 231th place of 270 regions for whom the indices were calculated. However the region is really close to get to higher class of investment attractiveness. The strength of the region is human capital (Class A), which has been classified into 18 position among all surveyed regions.

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:

- **Bulgarian:** Severoiztochen, Yugoiztochen, Severen tsentralen, Yuzhen tsentralen, Severozapaden;
- **Greek:** Kriti, Notio Aigaio, Thessalia, Ipeiros, Dytiki Ellada, Sterea Ellada, Ionia Nisia, Dytiki Makedonia, Voreio Aigaio, Peloponnisos, Anatoliki Makedonia, Thraki;
- **Spanish:** Extremadura;
- **Portuguese:** Alentejo, Região Autónoma dos Açores, Centro;
- **Romanian:** Vest, Nord-Vest, Centru, Sud-Est, Nord-Est, Sud-Vest Oltenia, Sud – Muntenia;
- **Hungarian:** Észak-Magyarország, Dél-Alföld, Észak-Alföld;
- **Italian:** Sardegna, Sicilia, Puglia, Calabria, Basilicata.

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/>

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 county was Olsztyn (golden star),

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

- **distinguished with a golden star:** Elbląg (u), Ełk (u), Giżycko (u), Iława (u), Lidzbark Warmiński (u), Mrągowo (u), Olsztyn (u), Ostróda (u),
- **distinguished with an orange star:** Bartoszyce (u), Działdowo (u), Górowo Iławeckie (u), Kętrzyn (u), Lubawa (u), Nowe Miasto Lubawskie (u), Szczytno (u).

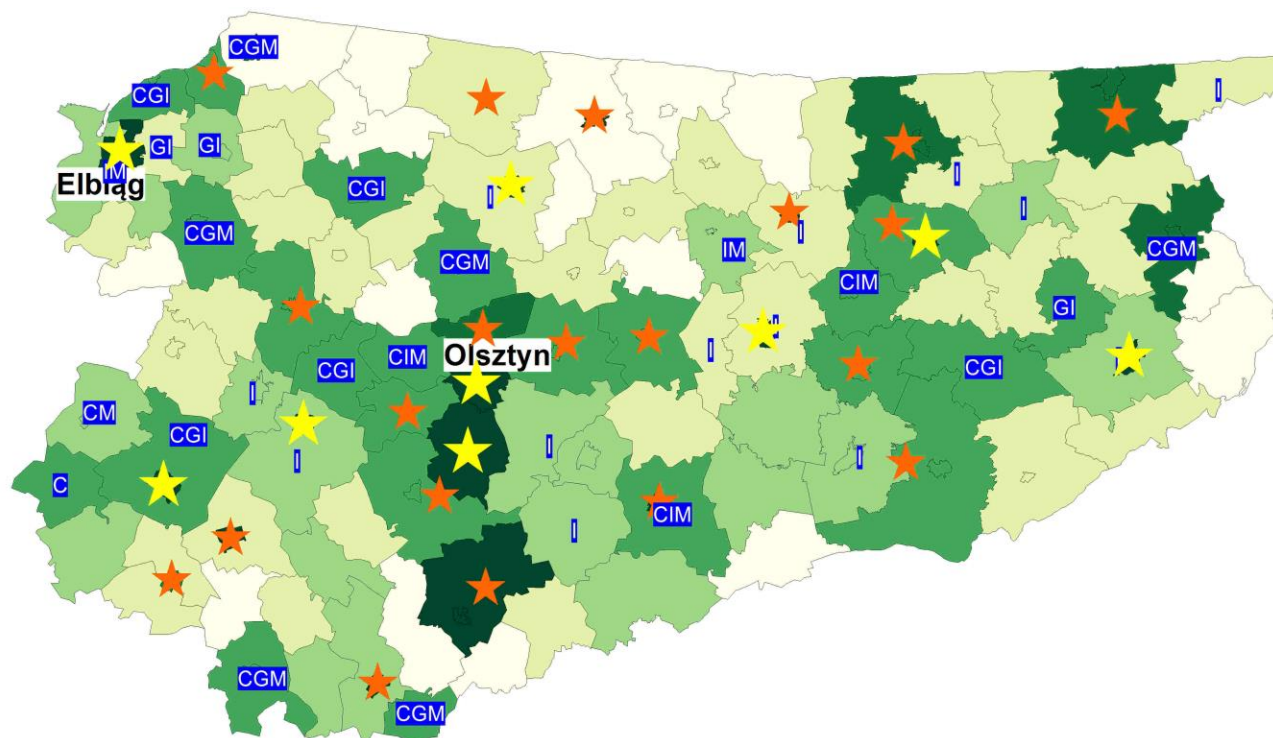
Among rural communes the highest rank communes include:

- **distinguished with a golden star:** Stawiguda (r),
- **distinguished with an orange star:** Dywity (r), Gietrzwałd (r), Giżycko (r).

Among urban-rural communes the highest rank communes include:

- **distinguished with an orange star:** Barczewo (u-r), Biskupiec (u-r), Frombork (u-r), Gołdap (u-r), Mikołajki (u-r), Morąg (u-r), Nidzica (u-r), Olsztynek (u-r), Pisz (u-r), Węgorzewo (u-r).

Chart 3. Potential investment attractiveness of counties of Warmian-Masurian voivodship, considering the most attractive sections



POTENTIAL INVESTMENT ATTRACTIVENESS
of communes (gminas) for national economy in 2012

- | | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> A B C D E F | <ul style="list-style-type: none"> The highest rank for all the sections according PKD (Polish Classification of Economic Activity): C, G, I and M Ranks above the average for all the sections according PKD (Polish Classification of Economic Activity): C, G, I and M |
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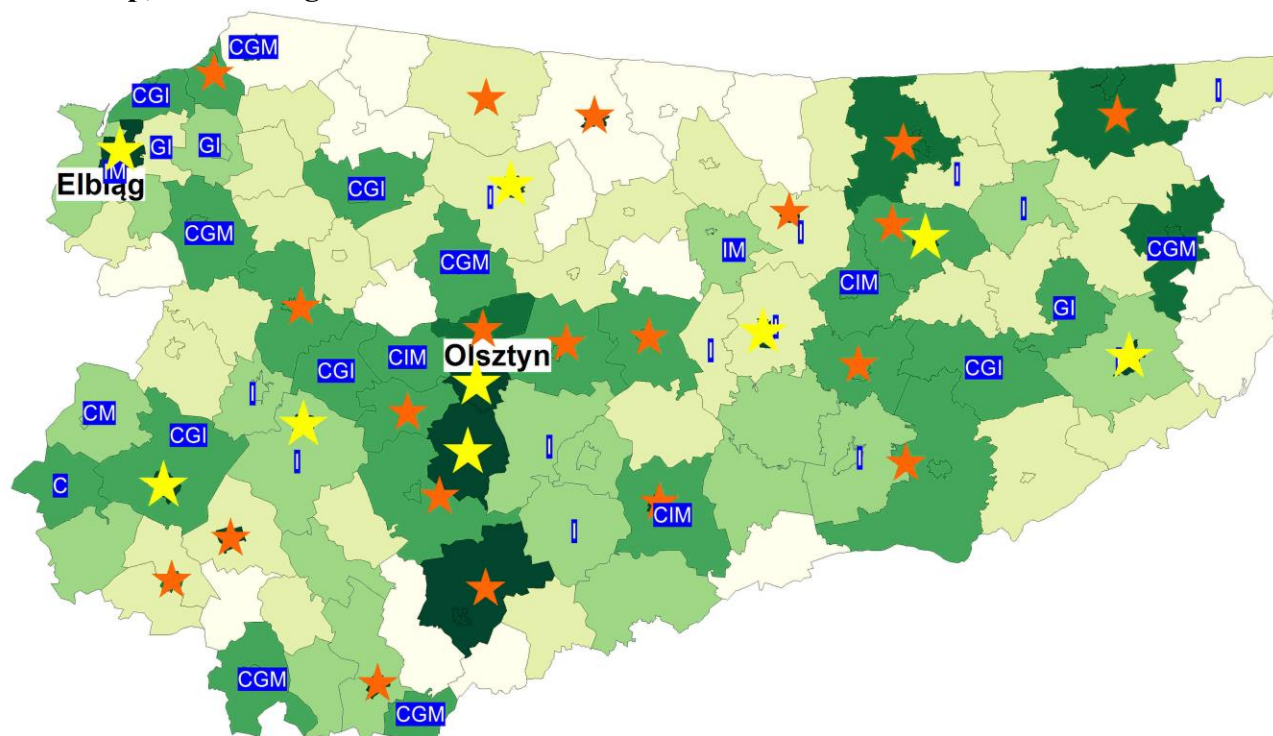
Ranks above the average for C, G, I, M sections according to PKD (Polish Classification of Economic Activity)

C Industry
G Trade
I Hotels and restaurants
M Professional, scientific, technical activities

County distinguished with a golden star:
Olsztyn

Source: Author's own work.

Chart 4. Potential investment attractiveness of communes of Warmian-Masurian voivodship, considering the most attractive sections.



POTENTIAL INVESTMENT ATTRACTIVENESS
of communes (gminas) for national economy in 2012

- | | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> A B C D E F | <ul style="list-style-type: none"> The highest rank for all the sections according PKD (Polish Classification of Economic Activity): C, G, I and M Ranks above the average for all the sections according PKD (Polish Classification of Economic Activity): C, G, I and M |
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Ranks above the average for C, G, I, M sections according to PKD (Polish Classification of Economic Activity)

C Industry
G Trade
I Hotels and restaurants
M Professional, scientific, technical activities

Communes distinguished with a golden star:

Elbląg (u), Elk (u), Giżycko (u), Iława (u), Lidzbark Warmiński (u), Mrągowo (u), Olsztyn (u), Ostróda (u), Stawiguda (r)

Source: Author's own work.

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.

3.1. BUSINESS SUPPORTING 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 Warmian-Masurian voivodship such centre is:

Investor Assistance Centre operating within the structure
of **Warmian - Masurian Regional Development Agency**
www.investinwarmiaandmazury.pl



Warmian-Masurian 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:

Warmian-Masurian Chamber of Craft and Entrepreneurship in Olsztyn (izbarzem.olsztyn.pl)

The Chamber is an organization of economic self-crafts and small and medium enterprises. The mission of the Chamber is to prepare well-trained staff for crafts and small businesses, partnerships supporting SME development, improvement and development of professional skills of employees of SMEs, improving the competitiveness of SMEs by providing them with a comprehensive range of high quality services. The offer includes: representing the interests of crafts from the public administration, government and international institutions, to promote the craft of Warmia and Mazury, instructional support, advice and information, broadcasting apprentice and master skills in the profession, training services.

Scientific and Technological Park in Olsztyn (<http://opnt.olsztyn.pl/>)

The park consists of three functional parts: the Technology Park (office buildings and office and conference for companies with an established position in the market), Business Incubator (place of business for the newly established, innovative companies and support their development), and the Centre for Technology Transfer (office and laboratory facilities for scientific research into new technologies, their use and implementation). Park offer also includes business consulting and "Virtual Office" service.

Technology Park in Elblag (<http://www.ept.umelblag.pl>)

The main task of Technology Park in Elblag is to guarantee good conditions for making business, investment and research. Modern technological complex gives entrepreneurs the opportunity to lease investment areas and office space, as well as the use of infrastructure and consulting services, technology transfer and assistance in obtaining funds (including EU funds). The park is located Business Centre, Development and Innovation posing favourable conditions for the development of innovative activity, which houses the Centre for Research - Development providing services for companies (Centre of Environmental Quality, Centre of Metal, Wood Technology Centre and Furniture, Information Technology Transfer Centre). Park is part of the area within the Warmia-Mazury SEZ.

Science and Technology Park in Elk (<http://www.technopark.elk.pl/>)

The offer of the Park includes: rental of office space (including the possibility of renting office hours), workshops, exhibition halls - conference, as well as training, counselling, legal advice. The park offers a fully developed investment areas that are included in the sub-zone area of the Suwałki Special Economic Zone in Elk. The Park Business Incubator and Technology Incubator. Preferences in the selection of companies carrying out their activities in the Science and Technology Park in Elk are directed to companies operating in sectors that offer innovative and technologically advanced products or services.

Warmian-Masurian Regional Development Agency (www.wmarr.olsztyn.pl)

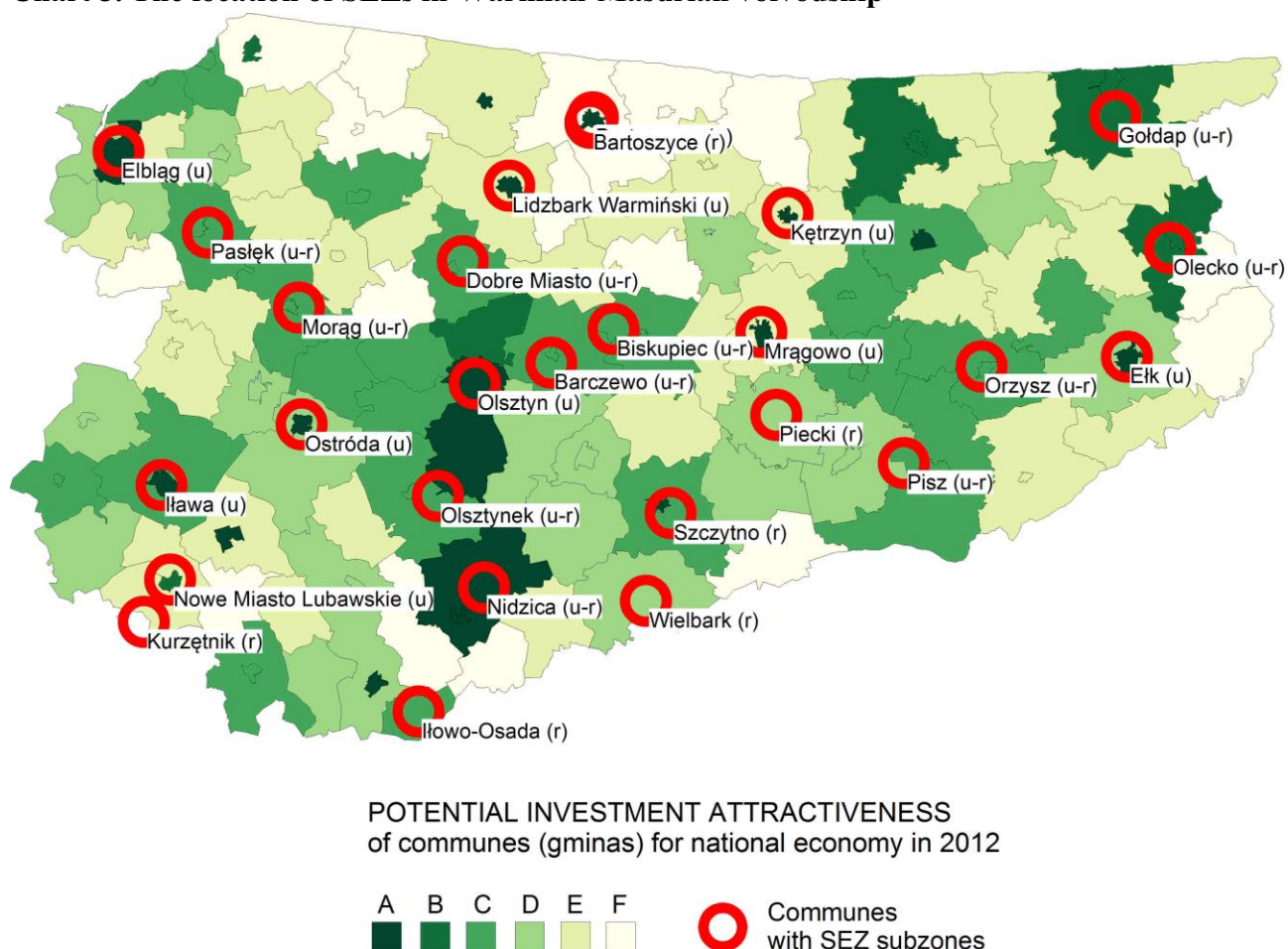
The Agency's mission is to promote the economic development of Warmia and Mazury, in particular by supporting small and medium enterprises. This is accomplished through a variety of activities related to the direct support of enterprises in the form of grants, lending for business development (Regional Loan Fund), consulting services in various forms and scope, organization and implementation of training and information activities. Agency inspires relationships between domestic and foreign entities in the area of business development. Activity of WMARR SA is associated with the handling of EU aid programs. The structure of the Agency's work Warmia and Mazury Investor Assistance Centre and the Centre for the Promotion of Innovation and Implementation in Olsztyn.

3.2. SPECIAL ECONOMIC ZONES IN THE VOIVODSHIP – EFFECTS

There are two SEZ operating in the voivodship: Warmian-Masurian and Suwałki. At the end of 2013 the areas of the SEZ were parts of 10 cities and 7 communes – see Chart 5.

The first zone areas were established in 1996. Companies operating in the region at the end of 2013 invested a total amount of 2.9 billion PLN, which is 3% of the total capital expenditure in SEZ in Poland. In the same period, companies created 7.4 thousand. new jobs in the region, which accounts for 4% of all new jobs created in the zones (Table. 3 in the Appendix).

The largest investment in terms of the value has been made in Olsztyn by Michelin Poland SA, the tire manufacturer. The region also focused furniture industry: Furniture Factory SZYNAKA sp. Lubawskie in New Town, Furniture Factory Taranko Taranko in Morąg Alexander, Wojcik Furniture Factory Sp. z oo Elbląg, Comfort Collection sp. z o.o in Piecki, SWEDWOOD Poland sp. z o.o in Wielbark.

Chart 5. The location of SEZs in Warmian-Masurian voivodship

Source: Authors' own work.

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

- using natural resources and human resources of the region, projects that contribute to the development of the furniture cluster, as well as implementing innovative manufacturing and service projects, enhancing the competitiveness of the Suwałki SEZ,.
- from the timber, machinery, electronics and biotechnology, that guarantee job creation in areas where the region has a lot of potential human resources and business-related and scientific facilities, supporting the development of beef processing cluster and window frames, and companies interested in innovative knowledge transfer to industry in Warmian-Masurian SEZ.

3.3. 'A' COMMUNE

Student Scientific Organization 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 2 are situated in Warmian-Masurian voivodship: Mrągowo (u), Elbląg (u).

The winning communes in the Warmia and Mazury have excellent websites. A potential investor in twill find free investment areas, zoning plan, applications to the office in the electronic version, or a list of institutions supporting local entrepreneurship. In addition, responses were assessed above average for a message from an investor in the Polish language. In particular Mrągowo encouraged investor to locate investment in commune and as one of the six of communes received the maximum score in this category.

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
POPOLE	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-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 FOR THE NATIONAL ECONOMY AND ITS SELECTED SECTIONS

Counties	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 Olsztyn	0.352	A	A	A	A	A
City of Elbląg	0.316	A	A	A	B	A
Ełk	0.251	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 WARMIAN-MASURIAN 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						
Ostróda (u)	0.285	A	A	A	A	A
Działdowo (u)	0.282	A	A	A	B	A
Kętrzyn (u)	0.278	A	A	A	B	A
Szczytno (u)	0.271	A	A	A	B	A
Olsztyn (u)	0.270	A	A	A	A	A
Elk (u)	0.269	A	A	A	A	A
Mragowo (u)	0.266	A	A	A	A	A
Iława (u)	0.265	A	A	A	A	A
Bartoszyce (u)	0.263	A	A	A	B	A
Górowo Iławeckie (u)	0.257	A	A	A	B	A
Giżycko (u)	0.256	A	A	A	A	A
Elbląg (u)	0.253	A	A	A	A	A
Lidzbark Warmiński (u)	0.249	A	A	A	A	A
Lubawa (u)	0.232	A	A	A	B	A
Nowe Miasto Lubawskie (u)	0.218	B	A	A	B	B
Braniewo (u)	0.211	B	B	B	D	A
Rural communes						
Stawiguda (r)	0.236	A	A	A	A	A
Dywity (r)	0.209	B	B	B	B	A
Gietrzwałd (r)	0.200	C	B	C	A	B
Giżycko (r)	0.195	C	C	C	B	C
Iłowo-Osada (r)	0.194	C	C	C	D	C
Jonkowo (r)	0.189	C	C	D	C	B

Ława (r)	0.185	C	C	C	C	D
Łukta (r)	0.184	C	C	C	A	D
Stare Juchy (r)	0.183	C	D	C	B	E
Szczytno (r)	0.182	C	C	D	C	C
Urban-rural communes						
Nidzica (u-r)	0.222	A	B	C	C	A
Węgorzewo (u-r)	0.203	B	B	B	B	B
Gołdap (u-r)	0.201	B	B	B	B	C
Olecko (u-r)	0.201	B	C	C	D	B
Pisz (u-r)	0.197	C	C	C	C	B
Frombork (u-r)	0.196	C	C	B	A	C
Moraġ (u-r)	0.195	C	C	C	C	C
Mikołajki (u-r)	0.194	C	C	C	A	C
Olsztynek (u-r)	0.194	C	C	C	C	B
Tolknicko (u-r)	0.192	C	C	B	B	D
Barczewo (u-r)	0.191	C	C	C	B	C
Lidzbark (u-r)	0.191	C	C	C	D	C
Dobre Miasto (u-r)	0.190	C	C	C	D	C
Ryn (u-r)	0.188	C	C	D	C	C
Kisielice (u-r)	0.185	C	C	D	D	D
Orneta (u-r)	0.185	C	C	C	C	D
Pasłġk (u-r)	0.185	C	C	C	D	C
Orzysz (u-r)	0.184	C	C	C	C	D
Biskupiec (u-r)	0.182	C	C	C	C	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)
Warmian-Masurian	Działdowo(r) Iłowo-Osada	0.00		no leading industry
Warmian-Masurian	Elbląg (u-r) Pasłęk	0.00		no leading industry
Warmian-Masurian	Iława u) Iława	2.73	0	products of other non-metallic mineral products
Warmian-Masurian	Nowe Miasto Lubawskie (u) Nowe Miasto Lubawskie	51.50	228	furniture
Warmian-Masurian	Nowe Miasto Lubawskie (r) Kurzętnik	0.00		no leading industry
Warmian-Masurian	Ostróda (u) Ostróda	0.00		no leading industry
Warmian-Masurian	Ostróda (u-r) Morąg	19.23	171	furniture
Warmian-Masurian	City of Elbląg (u) Elbląg	111.76	423	furniture
Warmian-Masurian	Bartoszyce (u) Bartoszyce	57.47	407	products of other non-metallic mineral products, furniture
Warmian-Masurian	Bartoszyce (r) Bartoszyce	0.00		no leading industry
Warmian-	Kętrzyn (u) Kętrzyn	0.00		no leading industry

Masurian				
Warmian-Masurian	Lidzbark Warmiński (u) Lidzbark Warmiński	2.56	7	products of other non-metallic mineral products
Warmian-Masurian	Mrągowo (u) Mrągowo	80.79	293	fabricated metal products, except machinery and equipment
Warmian-Masurian	Mrągowo(r) Piecki	3.25	86	furniture
Warmian-Masurian	Nidzica (u-r) Nidzica	1.81	0	fabricated metal products, except machinery and equipment, furniture
Warmian-Masurian	Olsztyn (u-r) Barczewo	0.00		no leading industry
Warmian-Masurian	Olsztyn(u-r) Biskupiec	0.00		no leading industry
Warmian-Masurian	Olsztyn (u-r) Dobre Miasto	97.60	647	food products, chemicals and chemical products, furniture
Warmian-Masurian	Olsztyn (u-r) Olsztynek	2.92	5	rubber and plastic products
Warmian-Masurian	Szczytno (r) Szczytno	90.86	501	Food products
Warmian-Masurian	Szczytno (r) Wielbark	272.27	1 315	furniture
Warmian-Masurian	City of Olsztyn (u) Olsztyn	1 669.15	1 176	rubber and plastic products
Suwałki	Ełk (u) Ełk	250.87	1 182	fabricated metal products, except machinery and

				equipment
Warmian-Masurian	Olecko (u-r) Olecko	0.00		no leading industry
Warmian-Masurian	Pisz (u-r) Orzysz	0.00		no leading industry
Warmian-Masurian	Pisz (u-r) Pisz	0.00		no leading industry
Suwałki	Gołdap (u-r) Gołdap	144.62	920	paper and paper products, rubber and plastic, 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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