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KPMG IN POLAND

20 years of Special Economic Zones in Poland

A Guide to SEZs

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POLISH INFORMATION AND
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Contents

1	Foreword	5
2	Introduction	7
3	Poland as an investment destination	9
	3.1 Why Poland?	9
	3.2 Sources of support for entrepreneurs	11
4	Special economic zones in Poland	15
	4.1 What are special economic zones?	15
	4.2 Legal acts regulating the operation of SEZs in Poland	16
5	Incentives and exemptions for investors in special economic zones	19
	5.1 Income tax exemption	19
	5.2 Eligible expenditures of a new SEZ investment	21
	5.3 Real estate tax exemption	21
	5.4 Obtaining a SEZ permit	21
6	Profiles of special economic zones operating in Poland	23
	6.1 Kamienna Góra Special Economic Zone for Medium Business	24
	6.2 Katowice Special Economic Zone	26
	6.3 Kostrzyń-Słubice Special Economic Zone	28
	6.4 Legnica Special Economic Zone	30
	6.5 Łódź Special Economic Zone	32
	6.6 Pomeranian Special Economic Zone	34
	6.7 Słupsk Special Economic Zone	36
	6.8 Special Economic Zone Euro-Park Mielec	38
	6.9 Kraków Technology Park Special Economic Zone	40
	6.10 „Starachowice” Special Economic Zone	42
	6.11 Suwałki Special Economic Zone	44
	6.12 Tarnobrzeg Special Economic Zone	46
	6.13 Wałbrzych Special Economic Zone	48
	6.14 Warmia-Mazury Special Economic Zone	50
7	20 years of Special Economic Zones in Poland	53
8	Methodology	57

” Billions of zlotys, thousands of jobs, Polish and foreign capital operating hand in hand – this is the result of two decades of special economic zones in Poland.

1

Foreword

'20 years of SEZs' Special Economic Zones: Putting the wind in the sails

It was with great pleasure that I welcomed the initiative to prepare a new guide to special economic zones in Poland. I am convinced that the guide drawn up by KPMG will prove to be a useful source of information for investors looking to commence business activity within a SEZ.

Nearly two decades ago Poland embarked on the path to democratic transformation, opening its doors to foreign capital and offering opportunities to Polish entrepreneurs as well. Exactly 20 years ago the Parliament adopted the act establishing special economic zones. Soon afterwards, this turned out to be a highly effective tool to support Polish and foreign investments.

Today, we know that special economic zones have evolved into an instrument which helps to boost the appeal of regions as investment destinations. This, in turn, translates into economic recovery and reduced unemployment. After two decades of SEZs in Poland we can say that they have become a flywheel of change and modernisation for the country's economy.

While many associate SEZs with large multinational corporations, in reality the majority of their investors are small and medium companies. Contrary to stereotypes, Polish entrepreneurs really thrive in SEZs. Nearly 20% of the capital invested in the zones in 2013 originated from Poland, 15% from Germany and 12% from the USA. Therefore, special economic zones are not simply a place where companies get tax exemptions and foreign players receive incentives, but they are also an excellent way to support local businesses.

Concentration of companies operating in closely related sectors became a natural starting point for business clusters. Many SEZs have developed a specialisation in specific industries. The Legnica and Katowice SEZs have a prevailing component from the automotive industry, the Mielec SEZ houses the Aviation Valley, and the Pomeranian SEZ hosts an ICT cluster. In turn, the Wałbrzych SEZ is a preferred choice for producers of household appliances whereas the furniture sector is growing in the Warmia-Mazury Special Economic Zone.

Science & technology parks are becoming an important element in the Polish business landscape. Operating at the interface of business and research, they are instrumental in diffusing state-of-the-art technologies, supporting growth and creating new jobs. Collaboration between a science & technology park and a SEZ reflects a natural symbiosis between their actors.

Last year, the Polish government took a quantum leap in its efforts to address the needs of the business community, and extended the zones' period of operation by another six years, until 2026. Today, we are about to see an amended version of the act on special economic zones. Experts assert that the new provisions will most likely attract new projects and boost the appeal of Polish regions further.

Billions of zlotys, thousands of jobs, Polish and foreign capital operating hand in hand – this is the result of two decades of special economic zones in Poland. We are about to commence the new 2014-2020 Multiannual Financial Framework in the EU, where Poland has received a sizeable sum of EUR 82.5 billion. Let us make the most of this opportunity!



Sławomir Majman
President of the Polish Information
and Foreign Investment Agency



2

Introduction

This year will mark 20 years since the adoption of the Act on Special Economic Zones (SEZs) in Poland. Under conditions of global competition, the zones remain one of the key tools for boosting Poland's appeal and ensuring the further growth of our economy. Towards the end of 2013 the total value of capital invested in all the 14 SEZs in Poland reached PLN 93.1 billion, and by the end of 2014 it may exceed PLN 100 billion. According to the forecasts of SEZ management board members the number of jobs within special economic zones will exceed 287 thousand by the end of this year. It is important to remember that those figures do not include indirect effects that fall beyond official statistics.

The importance of SEZs is indicated by many factors, including the second extension of their period of operation which took place last year. This time, the extension was by 6 years. Undoubtedly, this will attract more entrepreneurs wishing to take advantage of the preferential terms of business offered by special economic zones in Poland.

This guide has been prepared for companies which consider investing in a SEZ. Apart from a description of available incentives and reliefs it contains essential information on each of the 14 zones operating in Poland. Moreover, this guide presents the results of a survey conducted among investors operating within SEZs. Survey participants provided a general assessment of their respective zones and rated specific aspects such as accessibility of workforce, the quality of infrastructure as well as assistance and extra services offered to investors by the management of the SEZs.

We do hope that the information contained in this guide will help investors to select those zones which will provide optimal conditions for their investments.

We extend our thanks to the Polish Ministry of Economy, the Polish Information and Foreign Investment Agency, the boards of all the 14 SEZ and investors who took part in our survey.



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3

Poland as an investment destination

3.1 Why Poland?

Poland continues to be one of the most attractive investment destinations in Europe. Dynamic economic growth, a well-educated workforce, numerous investment incentives and its location in the heart of Europe attract companies from around the world and turn Poland into a country which is perceived as a worthwhile business destination.



Poland's population of over 38 million people represents an attractive market, still not saturated in many segments of products and services. Fast growth of purchasing power and, consequently, of household consumption, offers excellent prospects to many industries. Importantly, recent years have proven that the success of Poland's economy is based on stable and sustainable foundations. Poland is the only EU member state which showed economic growth year after year during the most recent international economic crisis. Forecasts for the coming years are also optimistic. According to the European Commission, GDP growth in Poland will reach 3.0% in 2014 and 2.8% in 2015, which will be one of the best results across the entire EU.



Another advantage of Poland is its central location in Europe, at the crossroads of transcontinental transport routes. The proximity of the largest EU economies (notably Germany) and easy access to markets located beyond the eastern borders of the EU are particularly important for investors who open their production facilities with exports in mind. They can take advantage of an increasingly modern infrastructure of roads, railways, airports and harbours, dynamically expanding in recent years.



Investors from around the world are also attracted by Poland's young and well-educated workforce and competitive labour costs. Each year, the number of university graduates reaches nearly half a million. Young Poles outperform their peers from many other European countries in terms of foreign language skills. The high competences of Polish workforce are demonstrated, for instance, by the fact that international companies have gone beyond opening manufacturing plants and increasingly locate their R&D centres and shared services centres here.



Political stability and full integration with the EU ensure safe operating conditions for investors. Another factor that boosts Poland's appeal is the availability of European funding and other investment incentives under which entrepreneurs may, for instance, receive grants for the creation of new jobs or for research and development activities. The friendly investment climate also stems from government policies focused on creating conducive conditions for business and promoting foreign investors as important partners on the path towards a modern economy. The central government as well as local governments actively collaborate with investors in order to modernise and expand various sectors of the economy, notably the manufacturing industry (incl. high tech), transport, IT and environment-related sectors.



Poland has a number of specialised government agencies which provide active support to investors at all stages of the investment process. For instance, they help to establish contacts with potential business partners, advise when choosing the best location for a new investment and provide legal advice or information about available sources of state aid. Agencies responsible for comprehensive investor services include the Ministry of Economy, the Polish Information and Foreign Investment Agency (PALIIZ), the network of Regional Investor Assistance Centres, the National Centre for Research and Development (NCBR), the Polish Agency for Enterprise Development (PARP) and numerous other institutions at the central and local level. Support for investors also comes through a wide network of industry and trade chambers which represent enterprises from specific industries or – in the case of bilateral chambers – countries.



Poland's appeal is also confirmed by rankings that present the best business and investment destinations. According to the UNCTAD report entitled 'World Investment Prospect Survey (2013-2015)' Poland is the third choice in the EU and the first choice in Central and Eastern Europe (CEE) for multinational corporations choosing their investment destinations. In Bloomberg's 'Best Countries for Business 2014' ranking, Poland holds the first position among CEE countries and takes the 26th position worldwide.



3.2 Sources of support for entrepreneurs

Poland is a beneficiary of considerable EU funds which have allowed it to establish a broad system of support for business. The numerous investment incentives and sources of state aid are available also for investors operating within special economic zones.

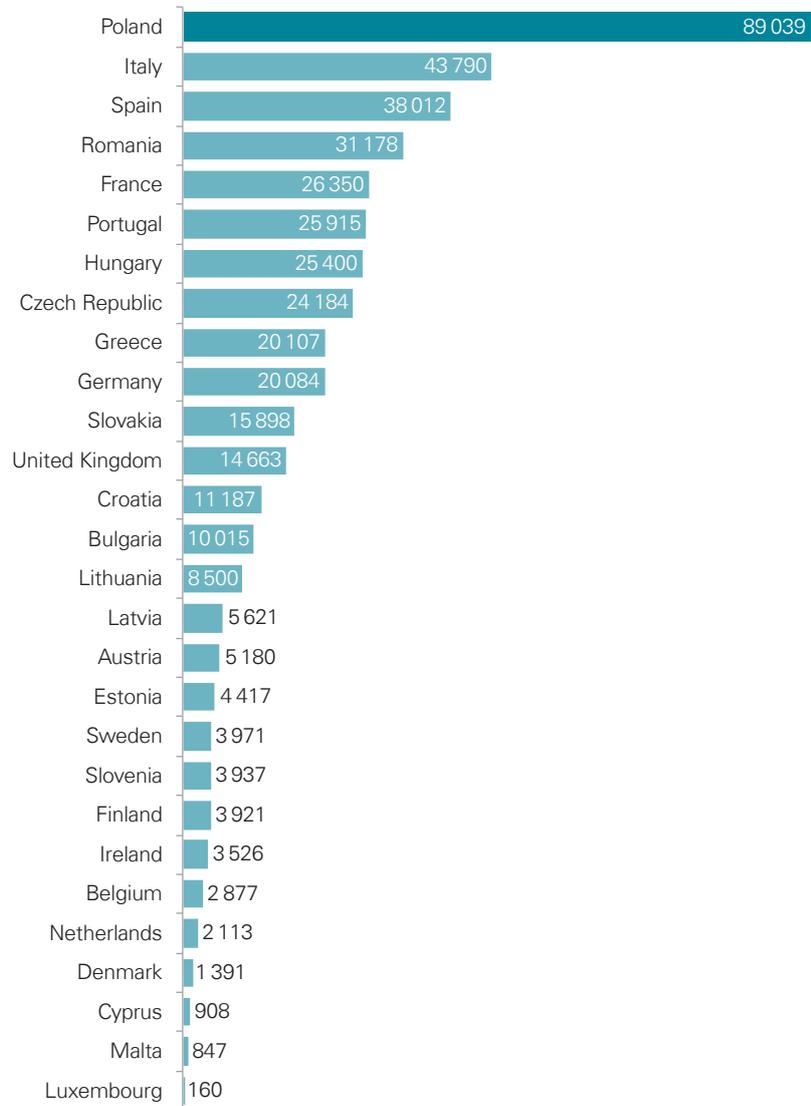
In 2014–2020 Poland will receive EUR 82.5 billion under the EU cohesion policy. Those funds will allow to implement 6 domestic and 16 regional operational programmes. Moreover, Poland will receive funds under the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund, which will enable the country to implement programmes targeted at the agricultural sector and the fisheries sector.

When looking for business financing opportunities it is also important to remember about national sources which are available, for instance, from the National Centre for Research and Development, the National Fund for Environmental Protection and Water Management or the Ministry of Economy.

This broad catalogue of support instruments offers numerous investment incentives to entrepreneurs. Support is available, inter alia, for:

- investments into fixed assets and into the creation of new jobs,
- research and development activities,
- activities related to environmental protection (e.g. support for investments in renewable energy sources),
- training,
- acquisition of a new technology.

Total allocation of European Structural and Investment Funds (ESIF) for 2014–2020 (EUR million, current prices)



Source: KPMG in Poland based on European Commission data

Investment incentives granted to entrepreneurs must be in line with both domestic and EU legislation concerning the provision of state aid which define the rules of combining aid from various sources, maximum support levels, beneficiary categories and detailed criteria to be met when applying for assistance.

Support is possible both at the investment stage of the project, and after its completion, during the operational stage.

Support for the implementation of a new investment

One example of an important state aid instrument at the investment stage is the 'Programme for the support of investments of particular significance to the Polish economy for 2011–2020' (*Program wspierania inwestycji o istotnym znaczeniu dla gospodarki polskiej na lata 2011–2020*).

Assistance in the form of a subsidy is granted to entrepreneurs who undertake investments in the so-called priority sectors (automotive, electronics and manufacturing of household appliances, aviation, biotechnology, agriculture and food). Investments in other manufacturing sectors also qualify for aid provided they are worth at least PLN 750 million (qualified costs) and create a minimum of 200 new jobs or are worth at least PLN 500 million and create a minimum of 500 new jobs. The Programme is also available for entrepreneurs conducting investments in the sector of modern services and the R&D sector.

The Programme provides for the following possibilities to support investments:

- costs of creating new jobs – the size of support depends on the project rating and can be up to PLN 15,600 per one job created.
- eligible costs of a new investment – the size of support depends on the project rating and may be up to 7.5% of eligible costs of the investment (in the case of R&D projects up to 10% of eligible costs of the investment may be supported).

The total amount of support for investments involving the start of a new business and/or diversification of an existing business may not exceed the thresholds defined as the maximum intensity of regional state aid multiplied by the total eligible costs of the investment. The amount of aid depends on the location of the investment and must be in line with the so-called regional aid map.

Investment support is also possible from EU funding, for instance via the 'Intelligent Development' Operational Programme under which companies may obtain support for the development and expansion of their R&D infrastructure through investments in research apparatus, equipment and technologies used to create innovative products and services. Aid is also available from the 'Infrastructure and Environment' Operational Programme that supports investments aiming to build a sustainable and competitive economy which effectively utilises resources.

Financial support for operational activity

Opportunities to obtain support related to the implementation of investment projects go hand in hand with a broad array of financial support instruments for operational activity.

A significant role is played by programmes targeted at enterprises which engage into R&D. Support for such types of activity is granted from national sources as well as from EU funds implemented at the national level (e.g. Operational Programme 'Intelligent Development') and the European level (e.g. 'Horizon 2020').

The intensity of financial support ranges between 25% and 100% of eligible

project costs, depending on the type of work conducted and the size of enterprises which apply for aid. Support is available for micro-enterprises, small, medium-sized and large enterprises which implement projects on the territory of the Republic of Poland. Eligible costs in R&D projects are those related to project implementation, including:

- remuneration to research staff and technical staff directly engaged in project implementation,
- cost of depreciation of tools, devices and research apparatus,
- costs of external services (e.g. analyses, expert opinions) related to the project.

'Horizon 2020', with a budget of nearly EUR 80 billion, is the largest programme in research and innovation in Europe. Support is concentrated on two major types of activities:

- research and innovation projects involving new knowledge or research on the feasibility of a new technology, products, processes, services or solutions,
- innovation projects involving development of plans and systems or designs of new, modified or improved products, processes or services.

Entrepreneurs who undertake projects with a positive environmental impact can also apply for financial support. As in the case of R&D activities, support for such projects is granted from national sources as well as EU funds. The amount and type of financial support (subsidy or loan) depend on the source of support.

The most important areas where financial support is provided include:

- protection and sustainable management of water resources,
- rational waste management and protection of soil surface,
- protection of the atmosphere,
- protection of biodiversity and functions of ecosystems.

Support for training programmes aimed at improving the qualifications of staff is obtainable in the amount of max. 70% of eligible costs. Support for this purpose is provided under regional operational programmes prepared for 2014–2020.

The above list is not a closed catalogue of activities which are eligible for support from public funds. Entrepreneurs may obtain financial aid also for other aspects of their operational activity, such as entering a new market, participation in fairs, networking or development of e-commerce.





4

Special economic zones in Poland

4.1 What are special economic zones?

Special economic zones in Poland were established primarily in order to accelerate regional economic growth, utilise greyfield infrastructure and assets and create new jobs. The zones attract both Polish and foreign investors.

A special economic zone (SEZ) is a separated and uninhabited part of a country's territory where business activity may be conducted under preferential terms within the framework of state aid provided by the country (for instance, in the form of income tax exemptions). In order for investors to qualify for state aid, they must obtain a permit to operate in a SEZ.

The first special economic zone in Poland was the Mielec SEZ, established in 1995. All other Polish SEZs were founded in the second half of the 1990s. Overall, a total of 15 zones commenced their operations during those years, while the number of currently operating zones is 14.

Initially, the existence of most zones was supposed to end in either 2016 or in 2017. However, their period of operation was later extended twice. In 2013 the

Council of Ministers issued regulations which state that all SEZs in Poland will be active until 31 December 2026.

The zones, which have been in operation in Poland for 20 years, have attracted billions of zlotys in investments and created jobs for a few hundred thousand people. There is more than state aid that attracts companies from Poland and from around the world. Investors also appreciate the quality of infrastructure and dense transport network, the availability of a well-educated workforce, the zones' advantageous geographic locations as well as favourable attitudes and active support from central and local government bodies.

The geographical borders of the SEZs are not permanent. When necessary new plots are incorporated whereas those which turn out to have low appeal for investors are excluded. In this way, the zones are systematically expanded. At the end of 2004, the total area of all SEZs amounted to about 6,500 ha, whereas towards the end of 2013 it was as large as 16,200 ha, and nearly 61% of that land was occupied (either by investors or infrastructure).

4.2 Legal acts regulating the operation of SEZs in Poland

The operation of special economic zones in Poland is regulated by legal acts of various ranks containing, on the one hand, joint rules and principles for all the special economic zones and, on the other, individual regulations pertaining to specific SEZs. Moreover, of particular importance for the operation of SEZs is the current legislation regulating allowable state aid.

Essential legal acts regulating the operation of SEZs include, in particular:

Act of 20 October 1994 on Special Economic Zones (consolidated text: Dz.U. – Official Journal of 2007, No. 42, item 274, as amended), defining the rules and mode of establishing special economic zones in the territory of the Republic of Poland, of managing such zones and defining specific rules and terms of running business in such zones, including, in particular, an exemption from PIT (personal income tax) or, respectively, CIT (corporate income tax) for entrepreneurs running a business within a SEZ

Act of 30 May 2008 amending the Act on Special Economic Zones (Dz.U. – Official Journal of 2008, No. 118, item 746, as amended)

Regulation of the Council of Ministers of 10 December 2008 regarding detailed criteria to be met by lands to be incorporated into a special economic zone which are owned by, or under perpetual usufruct of, entities other than managing entities of special economic zones, the State Treasury, a local government unit or a municipal union (Dz.U. – Official Journal of 2008, No. 224, item 1477, as amended)

Regulation of the Council of Ministers of 10 December 2008 regarding state aid to be granted to entrepreneurs operating under a permit for running a business in special economic zones (Dz.U. – Official Journal of 2008, No. 232, item 1548). This document defines the details of business activities conducted in SEZ, e.g. types of businesses for which a permit is issued, conditions under which state aid may be provided to entrepreneurs, and conditions under which expenditures may be considered as eligible expenses

Moreover, dedicated regulations were issued for each of the 14 SEZs – the most important ones of them are listed below:

Regulations of the Council of Ministers of 15 December 2008 regarding the specific special economic zones (Dz.U. – Official Journal of 2008, No. 232, items 1549-1562, as amended). Those regulations contain, among others, a description of the borders of each zone, they specify the period of operation for each zone and define the managing entity

Regulations of the Minister of Economy of 2 July 2009 vesting individual SEZs with the right to issue business permits within the special economic zone and to control compliance with the terms of such permits (Dz.U. – Official Journal of 2009, No. 112, items 922 to 934 and No. 113, item 941)

Regulations of the Minister of Economy of 2009 defining the development plans for individual SEZs

2013 saw two changes in legislation which had a significant effect on the functioning of SEZs:

Firstly, the period of operation for SEZs in Poland was extended from 2020 to 2026. On 23 July 2013 the Council of Ministers issued 14 regulations introducing amendments to the respective regulations regarding each individual SEZ (Dz.U. – Official Journal of 2013, items 968 to 981). Those acts came into force on 11 September 2013. The period of operation was extended by 6 years in order to boost the appeal of Poland as an investment destination and to create opportunities to utilise those lands within the SEZs which had not been utilised by that date.

Secondly, the rules of providing state aid to entrepreneurs operating in a SEZ changed as of 1 July 2014 when new provisions came into force under the Commission Regulation (EU) No. 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty as well as the Guidelines on national regional aid for the period 2014–2020. This change coincided with the introduction of a new regional aid map for 2014–2020 under the Regulation of the Council of Ministers of 30 June 2014 defining the regional aid map for 2014–2020 (Dz.U. – Official Journal of 2014, item 878). Those provisions of law will remain in force until 1 January 2021.

These amendments significantly changed the legal framework of SEZ investments.

The extension of the zones' period of operation means that the prospect of another 13 years opens up for entrepreneurs who would like to invest in a SEZ for the first time as well as for those who would like to continue their business. Moreover, the government's decision opens the possibility of shifting zone borders (the creation of subzones), which

has partially occurred already (on 20 May 2014 the Council of Ministers issued a total of five regulations expanding the territorial borders of some SEZs).

Based on the new regional aid map, the maximum size of state aid provided after 1 July 2014 was reduced in the entire territory of Poland except for four voivodships in eastern Poland (Warmińsko-Mazurskie, Podlaskie, Lubelskie and Podkarpackie), where the limit of 50% eligible investment expenses still applies. In six voivodships the limit was reduced from 50% to 35% (Łódzkie, Lubuskie, Kujawsko-Pomorskie, Małopolskie, Opolskie and Świętokrzyskie), in two voivodships it was decreased from 40% to 35% (Pomorskie and Zachodniopomorskie) and in three others – from 40% to 25% (Wielkopolskie, Śląskie and Dolnośląskie). In the case of Mazowieckie a decision was made to delineate five areas as the level of advancement in the areas around the country's capital is much higher than in peripheral areas of the Mazowieckie voivodship.

State aid at the levels which applied before the changes is currently available only to those businesses which obtained their SEZ permits before 1 July 2014.

Moreover, on 7 October 2014 the Council of Ministers amended the regulation of 2008 regarding the criteria to be met by some land plots in order to be incorporated into a special economic zone.

The document introduces less stringent criteria for land, such as private land plots owned by entrepreneurs, to be incorporated into a special economic zone. The document provides for less stringent requirements concerning the minimum number of new jobs created and the minimum capital expenditures incurred (for poviats with an unemployment rate equal to, or lower than, the country's average, the thresholds were reduced by 20%, and for other poviats the

respective thresholds were reduced by 30%). These changes will be relevant mostly for small and medium-sized enterprises implementing smaller-scale investments. The reduced thresholds will apply between 1 November 2014 and 31 December 2016.

Proposed amendments to the Act on Special Economic Zones

On 7 October 2014 the Council of Ministers also adopted draft amendments to the Act on Special Economic Zones and certain other acts of law. The amendments comprise numerous issues related to the operation of special economic zones. However, the following proposed changes will prove to be most important from the perspective of entrepreneurs:

- defining the conditions for submitting a request to declare a SEZ business permit expired, and introducing the possibility to withdraw a SEZ business permit upon an entrepreneur's request;
- introducing regulations concerning the refund of state aid as well as application for state aid;
- providing a more precise definition of the notion of 'state aid' and streamlining the principles under which enterprises are to be audited;
- introducing the possibility for large enterprises to submit an early application to the Minister of Economy – this pertains to entrepreneurs who plan their investments on lands not yet incorporated into a SEZ as of the application date;
- introducing uniform rules for amending business permits, regardless of issuance date.

The draft amended act has been sent to the Parliament for further legislative work.



5

Incentives and exemptions for investors in special economic zones

5.1 Income tax exemption

The main benefit resulting from investing in special economic zones is the possibility of tax relief, which involves the exemption from income tax described in Article 17.1.34 of the Act on Corporate Income Tax, as well as in Article 21.1.63a of the Act on Personal Income Tax. Pursuant to the abovementioned rules, the exemption refers to income which is generated from business activity run within the territory of a SEZ on the basis of a permit.

Consequently the taxpayer's income may be exempt from income tax under the rules described if the following conditions will be jointly fulfilled:

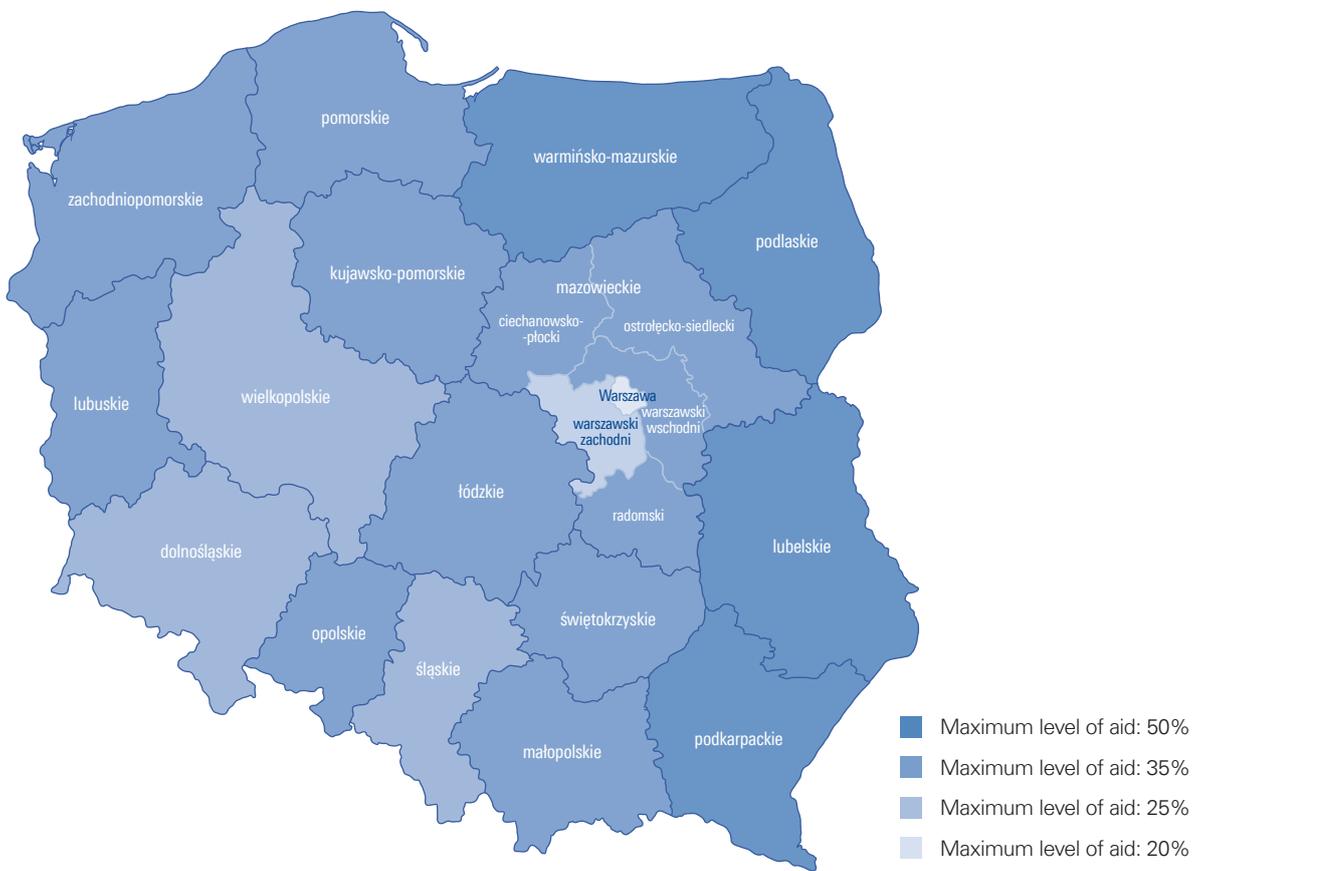
- income must be generated from business activity run within the territory of a SEZ and
- income must be generated on the basis of a SEZ permit, in which specific kinds of activities are classified, as a rule, in accordance with the Polish Classification of Goods and Services (PKWiU).

State aid (including income tax exemption) is limited by the amount of eligible expenditures incurred by the investor and the intensity level, which may range from 15% to 70% depending on the area of the project realization and the size of the enterprise. Currently – after 1st July 2014 – the following limits for state aid apply:

- for large enterprises – from 15% to 50% of eligible costs,
- for mid-sized enterprises – from 25% to 60% of eligible costs,
- for small enterprises – from 35% to 70% of eligible costs.

The map below illustrates the maximum levels of state aid for **large enterprises** depending on the location where the investment is being conducted. In order to calculate the maximum level of state aid for **medium-sized and small enterprises**, respectively 10% and 20% should be added to the values presented on the map.

Maximum level of state aid for large enterprises



Source: KPMG in Poland based on information from the Polish Agency for Enterprise Development

5.2 Eligible expenditures of a new SEZ investment

Pursuant to SEZ rules, the state aid granted to the entrepreneur in the form of tax exemption constitutes regional aid due to:

- costs of a new investment, i.e. eligible expenditures or
- creation of new workplaces, i.e. two-year labour costs of newly employed employees.

The investor is entitled to choose the calculation base which is more beneficial for him.

State aid granted due to the costs of a new investment constitutes an amount calculated as the product of maximum intensity of aid and the costs of investment qualifying for aid. As costs (expenditures) qualifying for aid should be understood the costs of an investment decreased by tax on goods and services and excise tax charged, incurred within the territory of a SEZ, during the permit being in force, on tangible and intangible assets.

State aid granted due to the costs of new workplaces constitutes an amount calculated as the product of maximum intensity of aid determined for a given area and two-year labour costs of newly employed employees, covering gross wages costs of such employees increased by obligatory payments connected with the employment, incurred by the entrepreneur starting from the day of employing such employees. This means that in order to determine the amount of state aid due to creation of new workplaces, the number of new employees and two-year labour costs should be taken into account.

5.3 Real estate tax exemption

Regional aid for business activity run within the territory of a SEZ may be also granted in the form of exemption from real estate tax. The exemption is established by a municipal council in the form of a resolution. Before starting his investment, the investor should report the intention of benefiting from this form of state aid to tax authorities.

The amount of state aid and the rules for granting it are determined by the municipal council's decision, however in principle the amount of aid depends on eligible expenditures and the number of new jobs created by the investment. Therefore the possibility of benefiting from real estate tax exemption (and its amount) should be checked while implementing each individual investment project.

In addition, under certain conditions, real estate used to run business activity within the territory of SEZs by investors who have obtained a permit before 1 January 2001 is exempt from real estate tax.

Exemption from real estate tax is often granted as a form of *de minimis* aid, which is exempt from the European Commission notification requirement. *De minimis* aid is considered not to effect trade between Member States and not to distort or threaten to distort competition. For the above reason the total amount of *de minimis* aid granted per Member State to a single enterprise cannot exceed EUR 200 000 over any period of three fiscal years. Specific restrictions apply to enterprises performing road freight transport for hire or reward – in such a case the total amount of *de minimis* aid is limited to EUR 100 000.

5.4 Obtaining a SEZ permit

The procedure of granting permits for running business activity within the territory of a SEZ is carried out in the form of a tender or negotiation initiated with a public invitation.

The tender/negotiation announcement is preceded by the submission of the investor's letter of intent. Afterwards the investor is obliged to purchase the specification of essential conditions of the tender/negotiation. From the announcement of the tender/negotiation the investor has, in general, at least 21 days for the submission of all documents related to the planned investment to SEZ authorities – in particular the offer and the business plan. In case the investor intends to purchase real estate within the permit granting procedure, he is also required to pay a deposit in the appropriate amount on the SEZ's bank account.

After positive finalization of the procedure, the investor receives a permit for running business activity within the territory of the SEZ, which specifies the entrepreneur's main commitments, in particular:

- the number of new jobs to be created by the investor within the new investment,
- the amount of eligible expenditures to be incurred by the investor within the new investment,
- the investment completion date,
- the maximum amount of eligible expenditures and two-year labour costs.



6

Profiles of special economic zones operating in Poland

There are 14 special economic zones currently in operation in Poland. Their investment areas are located around the entire country. If a company decides to invest within a SEZ, this does not only entail the possibility to obtain state aid. Depending on their location, specific SEZs offer various extra benefits to their investors, such as competitive labour costs, a well-developed transport network or the proximity of important markets.

Investors who are interested in commencing their business within a SEZ can refer to the following pages to find essential information about each of the 14 Polish special economic zones, for instance contact details of the zones' managing entities, the location of lands for investments, a brief description of each zone, the number of business permits issued or the accumulated value of investments incurred to date by investors within the different SEZs.

Moreover, this chapter shows average ratings which the SEZs obtained from investors running their businesses within their borders. The companies which took part in the KPMG survey were asked to provide an overall assessment of the operation of their zones on a scale from 1 to 5 (very poor, poor, moderate, good, very good). In the same way, the respondents rated four subcategories related to the conditions of business within their SEZ: infrastructure (e.g. network of roads and motorways, railway network, technical development of lands), business environment (e.g. proximity to logistics

centres, presence of subcontractors, availability of extra services, e.g. legal or financial ones), the quality of collaboration with the management of the SEZ (services provided by the SEZ to support companies operating on its territory, the quality of investor services) and human resources (quality and availability of workforce in the zone and its vicinity).

The survey findings indicate that investors are satisfied with the conditions for business provided by special economic zones in Poland. As many as 86% of the surveyed investors assessed their zone as good or very good. The share of negative opinions was negligible: merely 3%. The average rating for all zones is 4.2. None of the zones received an overall rating below 3.5. When asked whether or not they would recommend their zone to a business partner or contractor, 95% of the surveyed companies said 'yes' or 'definitely yes'.

6.1 Kamienna Góra Special Economic Zone for Medium Business

Managing entity of the SEZ

Specjalna Strefa Ekonomiczna Małej Przedsiębiorczości S.A.

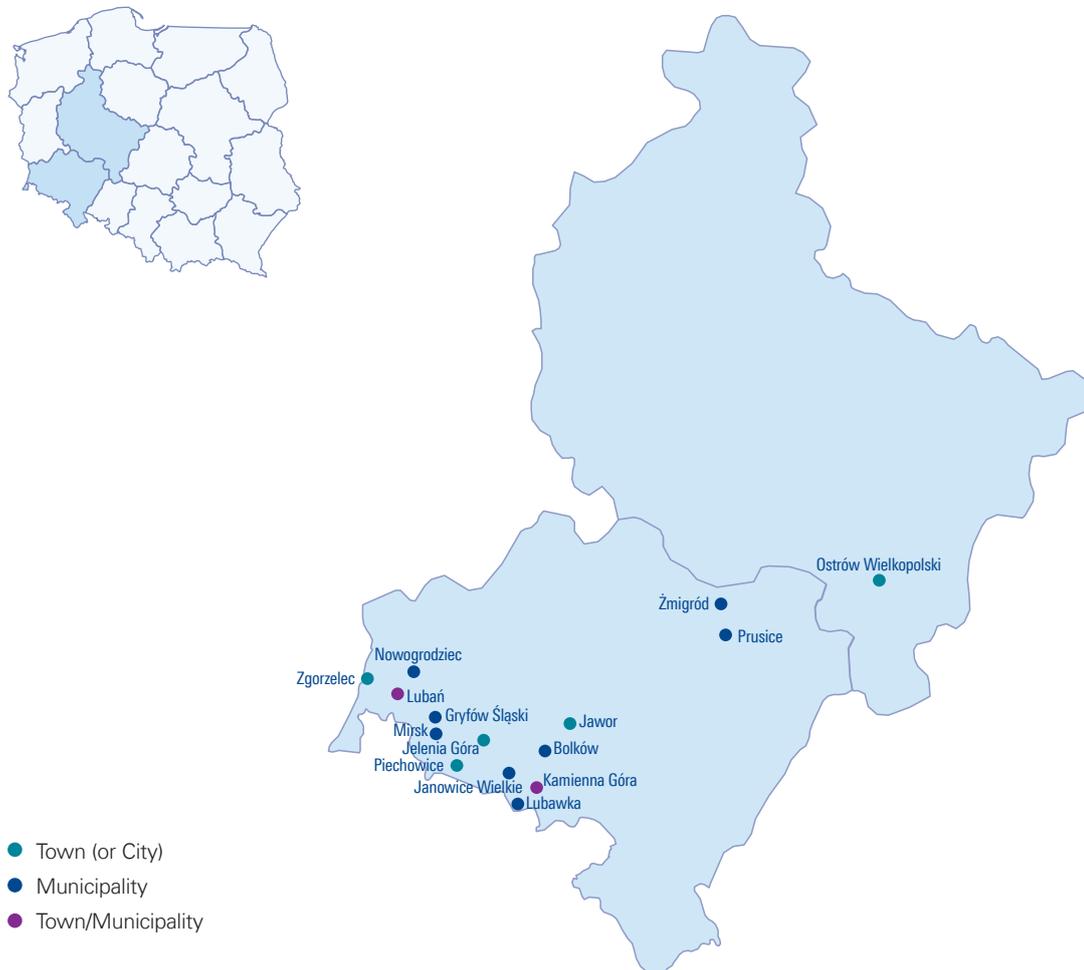
Managing entity contact details

Address: ul. Jana Pawła II 11 A, 58-400 Kamienna Góra
Tel.: +48 (75) 645 20 30
Fax: 48 (75) 744 20 17, 645 20 33
E-mail: strefa@ssemp.pl
Website: www.ssemp.pl

Legal basis for operation of the SEZ

Regulation of the Council of Ministers of 15 December 2008 regarding the Kamienna Góra Special Economic Zone – Dz.U. – Official Journal of 2008, No. 232, item 1549, as amended

Location of the SEZ



The map shows the towns/cities and municipalities where the zone's lands are located

Source: KPMG in Poland based on the Regulation of the Council of Ministers of 15 December 2008 regarding the Kamienna Góra Special Economic Zone

Profile of the SEZ

The seat of the Kamienna Góra Special Economic Zone for Medium Business is located in Kamienna Góra, whereas the geographical coverage of this SEZ includes Lower Silesia and Greater Poland. Both regions are characterised by a well-developed multi-sectoral economy, dynamic growth of small and medium-sized business, high quality of services and a convenient location. Lower Silesia, which borders with the Federal Republic of Germany and the Czech Republic, is located at the crossing of east-west and north-south transport routes. Greater Poland is located at the crossing of important European transport connections, leading from Berlin to Moscow via Poznań and Warsaw, and from Prague to the Baltic coast via Wrocław and Poznań. The regions where the subzones are located are characterised by a particularly dense network of motorways and expressways (e.g. A4, S3, S5). International flight connections are available from airports in Wrocław and Poznań as well as Prague and Dresden. As of December 2013, 206.2 ha of the zone's land were occupied, which constituted 56.2% of its total area.

Selected investors

BDN, Takata Parts Polska, TBAI Polska, SOPP Polska, Dr Schneider Automotive Polska, Autocam Polska, Wepa Professional Piechowice, Weber-Hydraulika, CM3 Polska, Joh. Clouth Composite Technology, Imka, POLCOLORIT, Energomontaż Zachód Wrocław

Key indicators describing the SEZ

Founding year:	1997
End of operation:	31 December 2026
Area of the SEZ in hectares:	413
Geographic coverage (voivodships):	Dolnośląskie, Wielkopolskie
Share capital of the SEZ managing company:	PLN 11,472,200
Total investments by 31 December 2013:	PLN 1,909.1 million
Size of investments in 2013:	PLN 53.0 million
Projected size of investments in 2014:	PLN 290.9 million
Number of valid business permits as of 31 December 2013:	59
Number of business permits issued in 2013:	10
Projected number of business permits to be issued in 2014:	8
Number of jobs in the SEZ as of 31 December 2013:	4,864
Projected number of jobs in the SEZ as of 31 December 2014:	5,300

Source: KPMG in Poland based on the zone's website, the Ministry of Economy report 'Information on the implementation of the Act on Special Economic Zones' and forecasts provided by the zone's management board

Investors' assessment of the SEZ*

Overall assessment of the SEZ

4.10

Assessment of infrastructure



3.60

Assessment of business environment



3.70

Perceived quality of co-operation with the zone's management



3.80

Assessment of workforce



3.10

* Average rating on a scale from 1 to 5 where 5 means 'very good' and 1 means 'very poor'

Source: KPMG in Poland based on a survey conducted among investors operating in the SEZ

6.2 Katowice Special Economic Zone

Managing entity of the SEZ

Katowicka Specjalna Strefa Ekonomiczna S.A.

Managing entity contact details

Address: ul. Wojewódzka 42, 40-026 Katowice

Tel.: +48 (32) 251 07 36, 760 98 38

E-mail: ksse@ksse.com.pl

Website: www.ksse.com.pl

Legal basis for operation of the SEZ

Regulation of the Council of Ministers of 15 December 2008 regarding the Katowice Special Economic Zone – consolidated text: Dz.U. – Official Journal of 2014, item 229, as amended

Location of the SEZ



The map shows the towns/cities and municipalities where the zone's lands are located

Source: KPMG in Poland based on the Regulation of the Council of Ministers of 15 December 2008 regarding the Katowice Special Economic Zone

Profile of the SEZ

The majority of the land within the Katowice Special Economic Zone is concentrated in the Śląskie voivodship but the zone also covers areas in the Opolskie and Małopolskie voivodships. The Katowice SEZ was established to support and accelerate restructuring processes and to create new jobs in the region. Rich industrial traditions in this part of Poland facilitate the implementation of investment projects, especially those with a manufacturing profile. Another advantage lies in the access to highly skilled workforce as the region has numerous comprehensive and technical secondary schools, vocational schools and universities. Moreover, many R&D institutes are located in the region. Most investment territories are located in the vicinity of international transport routes (east-west and north-south) and the hub of two motorways: A1 and A4. The Katowice SEZ turned out to be particularly attractive for investors from the automotive sector and has evolved into one of the centres of this industry in Poland. As of December 2013, 1,114.9 ha of the zone's land were occupied, which constituted 55.6% of its total area.

Selected investors

General Motors Manufacturing Polska, General Motors Powertrain Polska, Fiat Powertrain Technologies Polska, NGK Ceramics Polska, Nexteer Automotive Polska, Brembo Polska, Guardian Częstochowa, TRW Braking Systems Polska, Johnson Controls, Saint-Gobain Glass Polska, Eaton Automotive Systems, Tenneco Automotive Eastern Europe

Key indicators describing the SEZ

Founding year:	1996
End of operation:	31 December 2026
Area of the SEZ in hectares:	2,347
Geographic coverage (voivodships):	Opolskie, Śląskie, Małopolskie
Share capital of the SEZ managing company:	PLN 9,176,000
Total investments by 31 December 2013:	PLN 21,109.5 million
Size of investments in 2013:	PLN 1,516.3 million
Projected size of investments in 2014:	PLN 1,000 million
Number of valid business permits as of 31 December 2013:	250
Number of business permits issued in 2013:	28
Projected number of business permits to be issued in 2014:	62
Number of jobs in the SEZ as of 31 December 2013:	52,575
Projected number of jobs in the SEZ as of 31 December 2014:	54,000

Source: KPMG in Poland based on the zone's website, the Ministry of Economy report 'Information on the implementation of the Act on Special Economic Zones' and forecasts provided by the zone's management board

Investors' assessment of the SEZ*

Overall assessment of the SEZ

4.46

Assessment of the infrastructure



4.23

Assessment of business environment



4.27

Perceived quality of co-operation with SEZ management



4.42

Assessment of workforce



4.23

* Average rating on a scale from 1 to 5 where 5 means 'very good' and 1 means 'very poor'

Source: KPMG in Poland based on a survey conducted among investors operating in the SEZ

6.3 Kostrzyn-Słubice Special Economic Zone

Managing entity of the SEZ

Kostrzyńsko-Słubicka Specjalna Strefa Ekonomiczna S.A.

Managing entity contact details

Address: ul. Orła Białego 22, 66-470 Kostrzyn nad Odrą
Tel.: +48 (95) 721 98 00
Fax: +48 (95) 752 41 67
E-mail: info@kssse.pl
Website: www.kssse.pl

Legal basis for operation of the SEZ

Regulation of the Council of Ministers of 15 December 2008 regarding Kostrzyn-Słubice Special Economic Zone – Dz.U. – Official Journal of 2008, No. 232, item 1551, as amended.

Location of the SEZ



The map shows the towns/cities and municipalities where the zone's lands are located
Source: KPMG in Poland based on the Regulation of the Council of Ministers of 15 December 2008 regarding the Kostrzyn-Słubice Special Economic Zone

Profile of the SEZ

The territories of the Kostrzyn-Słubice Special Economic Zone are located in three voivodships: Lubuskie, Wielkopolskie and Zachodniopomorskie, which allows investors to leverage the economic potential of almost all of western Poland. The European transport routes E30 (A2 motorway), E65 (S3 expressway) and E28, a dense network of railways (including many cross-border lines) and the proximity of border crossing points (road and rail) ensure easy access to the territories of the SEZ. An additional facilitating factor is the proximity of passenger and cargo airports in Babimost, Goleniów, Poznań and the German capital, Berlin. There is also access to seaports in Szczecin and Świnoujście, as well as river ports in Berlin and Hamburg. Economic co-operation between this region and neighbouring Germany is thriving, the list of significant partners also includes France, Italy, Czech Republic, the Netherlands and Denmark. As of December 2013, 935.2 ha of the zone's land were occupied, which constituted 59.8% of its total area.

Selected investors

ICT Poland, Faurecia Gorzów, TPV Displays, Arctic Paper Kostrzyn, Barlinek Inwestycje, Volkswagen Poznań, Funai Electric, Europol Meble, AB Foods Polska, Gedia Poland, Amica Wronki, Phoenix Contact Wielkopolska, Alumetal

Key indicators describing the SEZ

Founding year:	1997
End of operation:	31 December 2026
Area of the SEZ in hectares:	1,747
Geographic coverage (voivodships):	Lubuskie, Zachodniopomorskie, Wielkopolskie
Share capital of the SEZ managing company:	PLN 27,184,300
Total investments by 31 December 2013:	PLN 5,312.1 million
Size of investments in 2013:	PLN 593.1 million
Projected size of investments in 2014:	PLN 800 million
Number of valid business permits as of 31 December 2013:	140
Number of business permits issued in 2013:	19
Projected number of business permits to be issued in 2014:	40
Number of jobs in the SEZ as of 31 December 2013:	22,630
Projected number of jobs in the SEZ as of 31 December 2014:	27,000

Source: KPMG in Poland based on the zone's website, the Ministry of Economy report 'Information on the implementation of the Act on Special Economic Zones' and forecasts provided by the zone's management board

Investors' assessment of the SEZ*

Overall assessment of the SEZ

4.41

Assessment of infrastructure



4.06

Assessment of business environment



4.18

Perceived quality of co-operation with the zone's management



4.47

Assessment of workforce



3.65

* Average rating on a scale from 1 to 5 where 5 means 'very good' and 1 means 'very poor'

Source: KPMG in Poland based on a survey conducted among investors operating in the SEZ

6.4 Legnica Special Economic Zone

Managing entity of the SEZ

Legnicka Specjalna Strefa Ekonomiczna S.A.

Managing entity contact details

Address ul. Kolbe 14, 59-220 Legnica

Tel.: +48 (76) 727 74 70

Fax: +48 (76) 727 74 74

E-mail: sekretariat@lsse.eu

Website: www.lsse.eu

Legal basis for operation of the SEZ

Regulation of the Council of Ministers of 15 December 2008 regarding the Legnica Special Economic Zone – consolidated text: Dz.U. – Official Journal of 2014, item 704, as amended

Location of the SEZ



- Town (or City)
- Municipality
- Town/Municipality

The map shows the towns/cities and municipalities where the zone's lands are located

Source: KPMG in Poland based on the Regulation of the Council of Ministers of 15 December 2008 regarding the Legnica Special Economic Zone

Profile of the SEZ

The Legnica Special Economic Zone is located in south-western Poland, in the central part of the Dolnośląskie voivodship. The Legnica region is located in the centre of Europe and, consequently, has convenient transport connections. The A4 and A18 motorways which run in the vicinity connect the European Union with the former USSR countries whereas the international route E65 connects this zone with the northern part of the country and the south of Europe. Additionally, two domestic airports and the international airport in Wrocław are located close to the Legnica Special Economic Zone. Next to the zone are active railway lines with a possibility of connecting sidings. The Legnica SEZ was created as an alternative for the monoculture of the copper industry in the region. One of the key goals behind establishing the zone was to manage derelict land once used by the Soviet army and, moreover, to reduce unemployment and to make effective use of the existing technical infrastructure. As of December 2013, 316.9 ha of the zone's land were occupied, which constituted 29.9% of its total area.

Selected investors

Volkswagen Motor Polska, Pittsburgh Glass Works Poland, BASF Polska, Sitech, Winkelmann, Gates Polska, TBMECA Poland, Faurecia Legnica, Brugman Fabryka Grzejnikow, C+P Systemy Meblowe, Sanden Manufacturing Poland, Voss Automotive Polska, wezi-tec, Lear Corporation Poland II

Key indicators describing the SEZ

Founding year:	1997
End of operation:	31 December 2026
Area of the SEZ in hectares:	1,212
Geographic coverage (voivodships):	Dolnośląskie
Share capital of the SEZ managing company:	PLN 31,596,000
Total investments by 31 December 2013:	PLN 6,302.4 million
Size of investments in 2013:	PLN 818.6 million
Projected size of investments in 2014:	PLN 700.2 million
Number of valid business permits as of 31 December 2013:	65
Number of business permits issued in 2013:	10
Projected number of business permits to be issued in 2014:	22
Number of jobs in the SEZ as of 31 December 2013:	10,237
Projected number of jobs in the SEZ as of 31 December 2014:	11,650

Source: KPMG in Poland based on the zone's website, the Ministry of Economy report 'Information on the implementation of the Act on Special Economic Zones' and forecasts provided by the zone's management board

Investors' assessment of the SEZ*

Overall assessment of the SEZ

4.38

Assessment of infrastructure



3.50

Assessment of business environment



3.75

Perceived quality of co-operation with the zone's management



4.13

Assessment of workforce



3.13

* Average rating on a scale from 1 to 5 where 5 means 'very good' and 1 means 'very poor'

Source: KPMG in Poland based on a survey conducted among investors operating in the SEZ

Profile of the SEZ

The Łódź Special Economic Zone was established to support the region's economic development and to alleviate social and economic consequences arising from the restructuring of the light industry through measures such as new job creation, greater structural diversification of branches and development of modern areas of production and services. The advantages of the Łódź SEZ include the central location of the Łódzkie voivodship in Poland, a market of three million consumers and the presence of numerous R&D centres, notably Łódź, which is home to the Łódź Regional Park of Science and Technology. The region's appeal for investors also stems from the availability of a highly skilled workforce, relatively low labour costs, well-developed technical infrastructure and long-established industrial traditions in the city and the voivodship. The Łódź SEZ is located in the centre of Poland and Europe, at the crossroads of international transport routes: east-west and north-south. The well-developed transport network also includes an international airport with a cargo terminal and a rail container terminal with regular connections to countries such as China (Chengdu, Sichuan province). As of December 2013, 935.8 ha of the zone's land were occupied, which constituted 72.5% of its total area.

Selected investors

Dell Products (Poland), Ericpol, Fujitsu Technology Solutions, Fuji Seal Poland, Infosys BPO Poland, Gillette Poland International, Procter & Gamble Operations Polska, UMA Investments, ABB, BSH Sprzęt Gospodarstwa Domowego, Indesit Company Polska, Printpack Poland, Prowell, Interprint, Amcor Flexibles Reflex, Ceramika Paradyż, Ceramika Tubądzin, Sanitec Koło, HTL Strefa, Medana Pharma, Euroglas Polska, Correct, Wielton, Haering Polska

Key indicators describing the SEZ

Founding year:	1997
End of operation:	31 December 2026
Area of the SEZ in hectares:	1,302
Geographic coverage (voivodships):	Łódzkie, Wielkopolskie, Mazowieckie
Share capital of the SEZ managing company:	PLN 24,927,000
Total investments by 31 December 2013:	PLN 10,815.5 million
Size of investments in 2013:	PLN 835.3 million
Projected size of investments in 2014:	PLN 1,700 million
Number of valid business permits as of 31 December 2013:	173
Number of business permits issued in 2013:	19
Projected number of business permits to be issued in 2014:	40-44
Number of jobs in the SEZ as of 31 December 2013:	28,882
Projected number of jobs in the SEZ as of 31 December 2014:	30,300

Source: KPMG in Poland based on the zone's website, the Ministry of Economy report 'Information on the implementation of the Act on Special Economic Zones' and forecasts provided by the zone's management board

Investors' assessment of the SEZ*

Overall assessment of the SEZ

4.18

Assessment of infrastructure



3.68

Assessment of business environment



4.00

Perceived quality of co-operation with the zone's management



4.32

Assessment of workforce



3.59

* Average rating on a scale from 1 to 5 where 5 means 'very good' and 1 means 'very poor'

Source: KPMG in Poland based on a survey conducted among investors operating in the SEZ

6.6 Pomeranian Special Economic Zone

Managing entity of the SEZ

Pomorska Specjalna Strefa Ekonomiczna Sp. z o.o.

Managing entity contact details

Address: ul. Władysława IV nr 9, 81-703 Sopot

Tel.: +48 (58) 555 97 10

Fax: +48 (58) 555 97 11

E-mail: sekretariat@strefa.gda.pl

Website: www.strefa.gda.pl

Legal basis for operation of the SEZ

Regulation of the Council of Ministers of 15 December 2008 regarding the Pomeranian Special Economic Zone – consolidated text: Dz.U. – Official Journal of 2014, item 234, as amended

Location of the SEZ



- Town (or City)
- Municipality
- Town/Municipality

The map shows the towns/cities and municipalities where the zone's lands are located

Source: KPMG in Poland based on the Regulation of the Council of Ministers of 15 December 2008 regarding the Pomeranian Special Economic Zone

Profile of the SEZ

The Pomeranian Special Economic Zone currently covers twenty-four subzones in northern Poland. The zone creates advantageous conditions for the establishment and further development of innovative enterprises. It manages the Gdańsk Science and Technology Park, which is an incubator of new companies from the biotechnology and high tech industries, and the Baltic Port of New Technologies in Gdynia, a centre of modern technologies supporting entrepreneurship in areas of the former Stocznia Gdynia shipyard. The Pomeranian SEZ pursues its strategy by initiating and co-ordinating the construction of clusters as well as support for the maritime economy. The territories of this SEZ are located in centres with strong industrial traditions. Investors have access to a well-developed transport infrastructure, (marine, rail, road and air). Investment territories are located in the vicinity of the A1 motorway, which is part of the international route E75. All of the territories have a convenient geographical location versus large sea ports in Gdańsk, Gdynia and Szczecin as well as airports in Gdańsk, Bydgoszcz and Szczecin. As of December 2013, 1,032.0 ha of the zone's land were occupied, which constituted 74.8% of its total area.

Selected investors

Bridgestone Stargard, Cargotec Poland, Flextronics International Poland, International Paper Kwidzyn, Jabil Circuit Poland, Gemalto, Lafarge Cement, Mondi Świecie, Plastica, Solvay Advanced Silicas Poland, Weyerhaeuser Poland, Zakłady Farmaceutyczne „POLPHARMA”

Key indicators describing the SEZ

Founding year:	2001 (merger of Tczew SEZ and Żarnowiec SEZ)
End of operation:	31 December 2026
Area of the SEZ in hectares:	1,863
Geographic coverage (voivodships):	Zachodniopomorskie, Pomorskie, Kujawsko-Pomorskie, Wielkopolskie
Share capital of the SEZ managing company:	PLN 255,603,000
Total investments by 31 December 2013:	PLN 7,862.2 million
Size of investments in 2013:	PLN 548.5 million
Projected size of investments in 2014:	PLN 487.8 million
Number of valid business permits as of 31 December 2013:	111
Number of business permits issued in 2013:	23
Projected number of business permits to be issued in 2014:	42
Number of jobs in the SEZ as of 31 December 2013:	15,394
Projected number of jobs in the SEZ as of 31 December 2014:	16,200

Source: KPMG in Poland based on the zone's website, the Ministry of Economy report 'Information on the implementation of the Act on Special Economic Zones' and forecasts provided by the zone's management board

Investors' assessment of the SEZ*

Overall assessment of the SEZ

4.24

Assessment of infrastructure



3.59

Assessment of business environment



3.71

Perceived quality of co-operation with the zone's management



4.06

Assessment of workforce



3.82

* Average rating on a scale from 1 to 5 where 5 means 'very good' and 1 means 'very poor'

Source: KPMG in Poland based on a survey conducted among investors operating in the SEZ

6.7 Słupsk Special Economic Zone

Managing entity of the SEZ

Pomorska Agencja Rozwoju Regionalnego S.A.

Managing entity contact details

Address: ul. Obrońców Wybrzeża 2, 76-200 Słupsk

Tel.: +48 (59) 841 28 92, +48 (59) 840 11 74

Fax: +48 (59) 841 32 61

E-mail: office@parr.slupsk.pl

Website: www.sse.slupsk.pl

Legal basis for operation of the SEZ

Regulation of the Council of Ministers of 15 December 2008 regarding the Słupsk Special Economic Zone – consolidated text: Dz.U. – Official Journal of 2013, item 836, as amended

Location of the SEZ



The map shows the towns/cities and municipalities where the zone's lands are located

Source: KPMG in Poland based on the Regulation of the Council of Ministers of 15 December 2008 regarding the Słupsk Special Economic Zone

Profile of the SEZ

The Słupsk SEZ consists of 15 subzones within two voivodships: Pomorskie and Zachodniopomorskie. The advantages of this SEZ include its strategic location between Gdańsk and Szczecin, the proximity of Germany, excellent transport infrastructure, a well-established industrial base including maritime and port infrastructure in Central Pomerania as well as the location of its areas near the cross-roads of main European transport routes. The region has experienced managerial and engineering personnel, particularly in industries such as mechanical engineering, electronics, chemicals, agriculture and food as well as construction. One of the zone's important goals in recent years has been to support the development of innovative technologies. For this reason, the Słupsk Technology Incubator was founded within the zone to support innovative enterprises and offer networking opportunities for business and research. As of December 2013, 257.6 ha of the zone's land were occupied, which constituted 31.3% of its total area.

Selected investors

Przetwórstwo Rybne „ŁOSOŚ”, Kronospan Polska, NordGlass II, Albatros Aluminium, Stako, M&S Okna i Drzwi, Jeronimo Martins Polska, VNH Fabryka Grzejników, Ozen Plus, AJ Fabryka Mebli, Faser-Plast Poland

Key indicators describing the SEZ

Founding year:	1997
End of operation:	31 December 2026
Area of the SEZ in hectares:	817
Geographic coverage (voivodships):	Zachodniopomorskie, Pomorskie
Share capital of the SEZ managing company:	PLN 28,834,600
Total investments by 31 December 2013:	PLN 1,231.9 million
Size of investments in 2013:	PLN 55.6 million
Projected size of investments in 2014:	PLN 63 million
Number of valid business permits as of 31 December 2013:	58
Number of business permits issued in 2013:	14
Projected number of business permits to be issued in 2014:	28
Number of jobs in the SEZ as of 31 December 2013:	3,515
Projected number of jobs in the SEZ as of 31 December 2014:	4,000

Source: KPMG in Poland based on the zone's website, the Ministry of Economy report 'Information on the implementation of the Act on Special Economic Zones' and forecasts provided by the zone's management board

Investors' assessment of the SEZ*

Overall assessment of the SEZ

3.58

Assessment of infrastructure



3.17

Assessment of business environment



3.83

Perceived quality of co-operation with the zone's management



3.67

Assessment of workforce



3.42

* Average rating on a scale from 1 to 5 where 5 means 'very good' and 1 means 'very poor'

Source: KPMG in Poland based on a survey conducted among investors operating in the SEZ

6.8 Special Economic Zone Euro-Park Mielec

Managing entity of the SEZ

Agencja Rozwoju Przemysłu S.A. – Oddział w Mielcu

Managing entity contact details

Address: ul. Partyzantów 25, 39-300 Mielec
Tel.: +48 (17) 788 72 36
Fax: +48 (17) 788 77 69
E-mail: europark@arp.com.pl
Website: www.europark.com.pl

Legal basis for operation of the SEZ

Regulation of the Council of Ministers of 15 December 2008 regarding the Mielec Special Economic Zone – Dz.U. – Official Journal of 2008, No. 232, item 1555, as amended

Location of the SEZ



The map shows the towns/cities and municipalities where the zone's lands are located

Source: KPMG in Poland based on the Regulation of the Council of Ministers of 15 December 2008 regarding the Mielec Special Economic Zone

Profile of the SEZ

The Euro-Park Mielec Special Economic Zone was the first one in Poland, with its beginnings dating back to 1995. Located in the southeastern part of the country, it offers access to emerging markets for goods and services and relatively low costs of business operations. The zone's convenient location enables easy carriage of goods and passengers with various means of transport. The zone lies close to main road transport routes, including the international route E40 (Polish section: A4 motorway) connecting Western Europe with Ukraine. The airport in Mielec provides opportunities for charter flights in passenger transport and cargo traffic, both domestically and internationally. Numerous railway connections enable the transport of goods directly from the SEZ and, moreover, a broad gauge cargo terminal serving Ukraine and Russia is located at a distance of 20–30 km from the zone's areas in Mielec. As of December 2013, 942.2 ha of the zone's land were occupied, which constituted 72.5% of its total area.

Selected investors

Polskie Zakłady Lotnicze, MTU Aero Engines Polska, BorgWarner Poland, Lear Corporation Poland II, Kirchoff Polska, Firma Oponiarska Dębica, Kronospan Mielec, BRW, Goodrich Aerospace Poland, Husqvarna Poland, Hamilton Sundstrand Polska, Zelmer PRO

Key indicators describing the SEZ

Founding year:	1995
End of operation:	31 December 2026
Area of the SEZ in hectares:	1,363
Geographic coverage (voivodships):	Zachodniopomorskie, Śląskie, Małopolskie, Podkarpackie, Lubelskie
Share capital of the SEZ managing company:	PLN 5,040,619,000
Total investments by 31 December 2013:	PLN 6,059.0 million
Size of investments in 2013:	PLN 422.5 million
Projected size of investments in 2014:	PLN 450 million
Number of valid business permits as of 31 December 2013:	183
Number of business permits issued in 2013:	25
Projected number of business permits to be issued in 2014:	42
Number of jobs in the SEZ as of 31 December 2013:	23,562
Projected number of jobs in the SEZ as of 31 December 2014:	26,500

Source: KPMG in Poland based on the zone's website, the Ministry of Economy report 'Information on the implementation of the Act on Special Economic Zones' and forecasts provided by the zone's management board

Investors' assessment of the SEZ*

Overall assessment of the SEZ

4.29

Assessment of infrastructure



3.79

Assessment of business environment



3.83

Perceived quality of co-operation with the zone's management



4.41

Assessment of workforce



3.83

* Average rating on a scale from 1 to 5 where 5 means 'very good' and 1 means 'very poor'

Source: KPMG in Poland based on a survey conducted among investors operating in the SEZ

6.9 Kraków Technology Park Special Economic Zone

Managing entity of the SEZ

Krakowski Park Technologiczny Sp. z o.o.

Managing entity contact details

Address: ul. prof. Michała Życzkowskiego 14, 31-864 Kraków
Tel.: +48 (12) 640 19 40
Fax: +48 (12) 640 19 45
E-mail: biuro@sse.krakow.pl
Website: www.sse.krakow.pl

Legal basis for operation of the SEZ

Regulation of the Council of Ministers of 15 December 2008 regarding the Kraków Special Economic Zone – consolidated text: Dz.U. – Official Journal of 2014, item 714, as amended

Location of the SEZ



The map shows the towns/cities and municipalities where the zone's lands are located

Source: KPMG in Poland based on the Regulation of the Council of Ministers of 15 December 2008 regarding the Kraków Special Economic Zone

Profile of the SEZ

The Kraków Technology Park Special Economic Zone manages investment areas located in two voivodships: Małopolskie and Podkarpackie. The main rationale for establishing the zone was to provide instruments to support the restructuring of the industrial sector in this part of Poland. The SEZ takes some of the credit for the dynamic growth of the high tech sector in Kraków. Apart from inspiring innovative technology companies and enhancing technology transfer, the strategic goals of the Kraków Technology Park include commercialisation of research results achieved by Kraków's universities and research institutions, and the initiation of collaboration between industry and academia. The zone has an excellent transport network: numerous roads, railway lines and the international passenger and cargo airport located in Kraków. As of December 2013, 421.4 ha of the zone's land were occupied, which constituted 67.1% of its total area.

Selected investors

ComArch, RR Donnelley, MAN Trucks, Shell Polska, Grupa Onet.pl, Ericpol, Meiller Polska, HCL Poland, Motorola Solutions Systems Polska, Valeo Autosystemy, Woodward Poland

Key indicators describing the SEZ

Founding year:	1997
End of operation:	31 December 2026
Area of the SEZ in hectares:	708
Geographic coverage (voivodships):	Małopolskie, Podkarpackie
Share capital of the SEZ managing company:	PLN 17,567,000
Total investments by 31 December 2013:	PLN 1,964.4 million
Size of investments in 2013:	PLN 178.1 million
Projected size of investments in 2014:	PLN 178.6 million
Number of valid business permits as of 31 December 2013:	101
Number of business permits issued in 2013:	32
Projected number of business permits to be issued in 2014:	45-50
Number of jobs in the SEZ as of 31 December 2013:	16,779
Projected number of jobs in the SEZ as of 31 December 2014:	19,500

Source: KPMG in Poland based on the zone's website, the Ministry of Economy report 'Information on the implementation of the Act on Special Economic Zones' and forecasts provided by the zone's management board

Investors' assessment of the SEZ*

Overall assessment of the SEZ

3.73

Assessment of infrastructure



3.27

Assessment of business environment



3.60

Perceived quality of co-operation with the zone's management



3.73

Assessment of workforce



3.67

* Average rating on a scale from 1 to 5 where 5 means 'very good' and 1 means 'very poor'

Source: KPMG in Poland based on a survey conducted among investors operating in the SEZ

6.10 “Starachowice” Special Economic Zone

Managing entity of the SEZ

Specjalna Strefa Ekonomiczna „Starachowice” S.A.

Managing entity contact details

Address: ul. Radomska 29, 27-200 Starachowice

Tel.: +48 (41) 275 41 01

Fax: +48 (41) 275 41 02

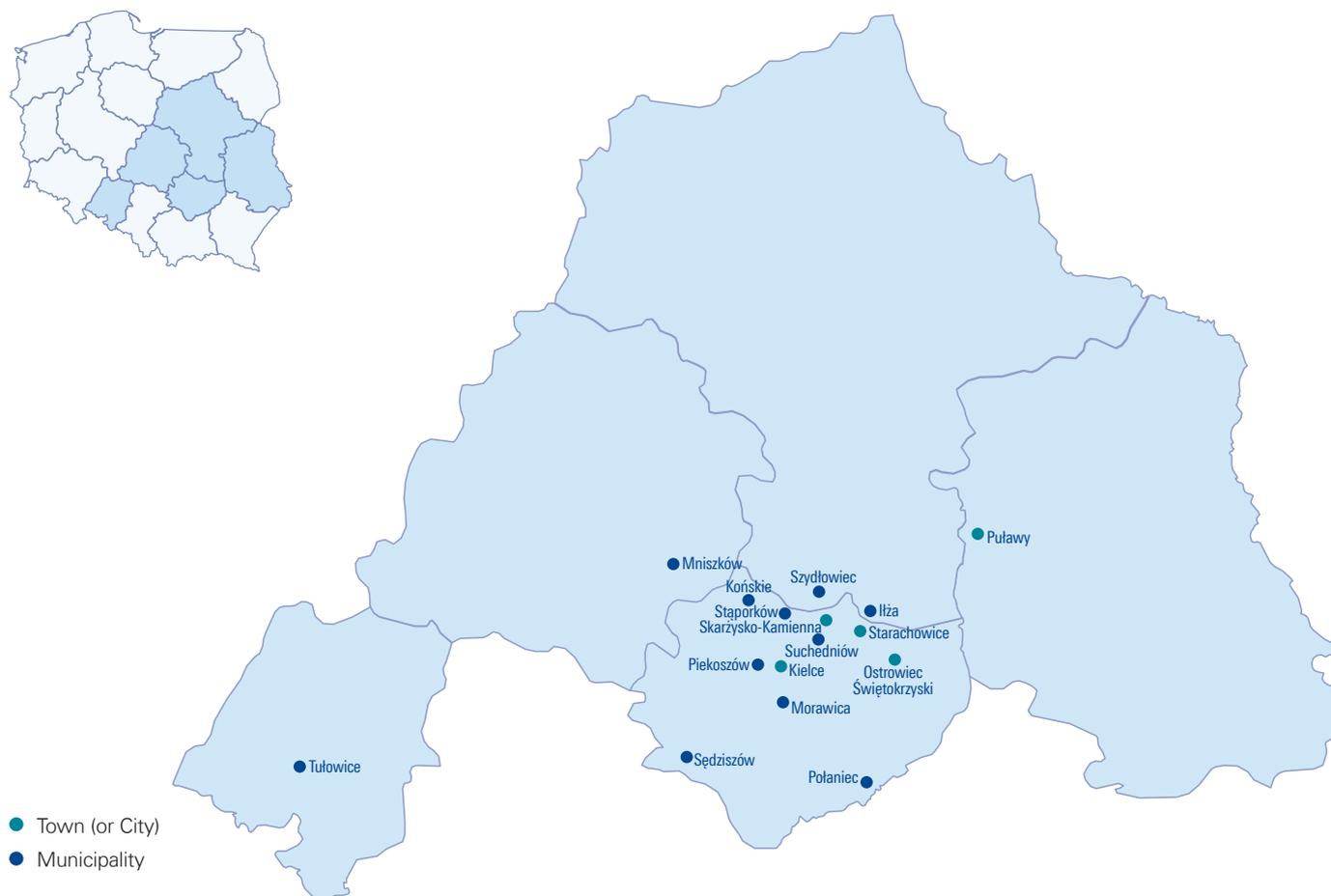
E-mail: sse@sse.com.pl

Website: www.sse.com.pl

Legal basis for operation of the SEZ

Regulation of the Council of Ministers of 15 December 2008 regarding the Starachowice Special Economic Zone – consolidated text: Dz.U. – Official Journal of 2014, item 1248

Location of the SEZ



The map shows the towns/cities and municipalities where the zone's lands are located

Source: KPMG in Poland based on the Regulation of the Council of Ministers of 15 December 2008 regarding the Starachowice Special Economic Zone

Profile of the SEZ

The “Starachowice” Special Economic Zone is located in the central part of Poland. Investment areas offered to investors include those with existing industrial facilities (manufacturing floors, warehouse buildings and office buildings), as well as areas equipped with technical infrastructure but without buildings. The Świętokrzyskie region has a rich tradition in the manufacturing of construction materials and armaments as well as in precision engineering. The Starachowice SEZ was founded to help utilise the existing industrial assets and infrastructure in existing and new manufacturing sectors by stimulating the region’s technical potential and enabling technology transfer. Advantages of this SEZ include strong industrial traditions, availability of skilled personnel, investment plots equipped with the necessary technical infrastructure, good condition of access roads as well as railway stations with long-distance connections and cargo facilities. As of December 2013, 408.1 ha of the zone’s land were occupied, which constituted 66.6% of its total area.

Selected investors

Biella Szydłowiec/Biella-Neher AG, Cerrad, Cersanit II, Gerda 2, MAN Bus/VW Gruppe, Orizzonte Polska, RRD Starachowice/RR Donnelley, Starpol II, Grupa Ceramika Końskie, Ceramika Nowa Gala II, KAYE ALUMINIUM OPOLE, Grupa Azoty Zakłady Azotowe „Puławy”, Air Liquide Polska, NEBIOLO Polska

Key indicators describing the SEZ

Founding year:	1997
End of operation:	31 December 2026
Area of the SEZ in hectares:	644
Geographic coverage (voivodships):	Opolskie, Świętokrzyskie, Mazowieckie, Łódzkie, Lubelskie
Share capital of the SEZ managing company:	PLN 16,688,700
Total investments by 31 December 2013:	PLN 1,744.8 million
Size of investments in 2013:	PLN 103.6 million
Projected size of investments in 2014:	PLN 90–100 million
Number of valid business permits as of 31 December 2013:	71
Number of business permits issued in 2013:	8
Projected number of business permits to be issued in 2014:	10
Number of jobs in the SEZ as of 31 December 2013:	6,380
Projected number of jobs in the SEZ as of 31 December 2014:	6,500

Source: KPMG in Poland based on the zone’s website, the Ministry of Economy report ‘Information on the implementation of the Act on Special Economic Zones’ and forecasts provided by the zone’s management board

Investors’ assessment of the SEZ*

Overall assessment of the SEZ

4.31

Assessment of infrastructure



3.31

Assessment of business environment



3.38

Perceived quality of co-operation with the zone’s management



4.08

Assessment of workforce



3.31

* Average rating on a scale from 1 to 5 where 5 means ‘very good’ and 1 means ‘very poor’

Source: KPMG in Poland based on a survey conducted among investors operating in the SEZ

6.11 Suwałki Special Economic Zone

Managing entity of the SEZ

Suwałska Specjalna Strefa Ekonomiczna S.A.

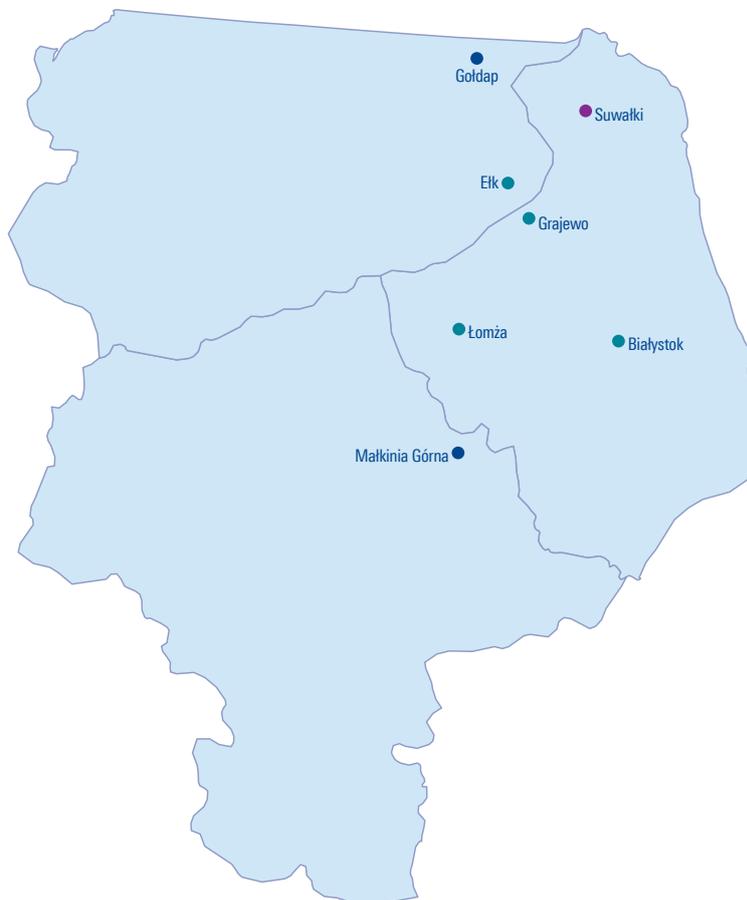
Managing entity contact details

Address: ul. Noniewiczza 49, 16-400 Suwałki,
ul. A. Mickiewicza 15, 19-300 Elk (Subzone Elk)
Tel.: +48 (87) 565 22 17, +48 (87) 610 62 72 (Subzone Elk)
Fax: +48 (87) 565 22 49, +48 (87) 610 33 53 (Subzone Elk)
E-mail: ssse@ssse.com.pl, elk@ssse.com.pl (Subzone Elk)
Website: www.ssse.com.pl

Legal basis for operation of the SEZ

Regulation of the Council of Ministers of 15 December 2008 regarding the Suwałki Special Economic Zone – consolidated text: Dz.U. – Official Journal of 2014, item 1103

Location of the SEZ



- Town (or City)
- Municipality
- Town/Municipality

The map shows the towns/cities and municipalities where the zone's lands are located

Source: KPMG in Poland based on the Regulation of the Council of Ministers of 15 December 2008 regarding the Suwałki Special Economic Zone

Profile of the SEZ

The Suwałki Special Economic Zone comprises seven separate industrial areas (subzones) in towns and municipalities of north-eastern and central Poland: Elk, Goldap, Suwałki, Grajewo, Małkinia Górna, Białystok and Łomża. Polish and international investors can buy investment lands which have full technical infrastructure and allow to start production or service activities under preferential terms. Major advantages of the Suwałki SEZ go beyond the relatively low labour costs in the region and availability of a skilled workforce, and also include the possibility to benefit from the maximum amount of state aid as well the proximity of Russian, Lithuanian and Belarusian borders and markets. Convenient road and railway connections ensure good communications with all regions of Poland and the neighbouring countries. As of December 2013, 266.4 ha of the zone's land were occupied, which constituted 77.7% of its total area.

Selected investors

Porta KMI Poland, Impress Decor Polska, Malow, PADMA ART, Iryd, Pfeleiderer MDF, Aquael, Rockwool Polska, Salag, Bianor, Masterpress, „CEZAR” Przedsiębiorstwo Produkcyjne D. Niewiński

Key indicators describing the SEZ

Founding year:	1996
End of operation:	31 December 2026
Area of the SEZ in hectares:	376
Geographic coverage (voivodships):	Warmińsko-Mazurskie, Mazowieckie, Podlaskie
Share capital of the SEZ managing company:	PLN 19,967,900
Total investments by 31 December 2013:	PLN 1,608.2 million
Size of investments in 2013:	PLN 26.6 million
Projected size of investments in 2014:	PLN 391.8 million
Number of valid business permits as of 31 December 2013:	71
Number of business permits issued in 2013:	11
Projected number of business permits to be issued in 2014:	20
Number of jobs in the SEZ as of 31 December 2013:	5,425
Projected number of jobs in the SEZ as of 31 December 2014:	6,000

Source: KPMG in Poland based on the zone's website, the Ministry of Economy report 'Information on the implementation of the Act on Special Economic Zones' and forecasts provided by the zone's management board

Investors' assessment of the SEZ*

Overall assessment of the SEZ

3.92

Assessment of infrastructure



3.25

Assessment of business environment



3.33

Perceived quality of co-operation with the zone's management



4.17

Assessment of workforce



3.17

* Average rating on a scale from 1 to 5 where 5 means 'very good' and 1 means 'very poor'

Source: KPMG in Poland based on a survey conducted among investors operating in the SEZ

6.12 Tarnobrzeg Special Economic Zone

Managing entity of the SEZ

Agencja Rozwoju Przemysłu S.A. – Oddział w Tarnobrzegu

Managing entity contact details

Address: ul. Zakładowa 30, 39-400 Tarnobrzeg

Tel.: +48 (15) 822 99 99

Fax: +48 (15) 823 47 08

E-mail: biuro@tsse.pl

Website: www.tsse.pl

Legal basis for operation of the SEZ

Regulation of the Council of Ministers of 15 December 2008 regarding the Tarnobrzeg Special Economic Zone – consolidated text: Dz.U. – Official Journal of 2014, item 67, as amended

Location of the SEZ



The map shows the towns/cities and municipalities where the zone's lands are located

Source: KPMG in Poland based on the Regulation of the Council of Ministers of 15 December 2008 regarding the Tarnobrzeg Special Economic Zone

Profile of the SEZ

The Tarnobrzeg Special Economic Zone EURO-PARK WISŁOSAN is located in 21 subzones in six voivodships: Podkarpackie, Świętokrzyskie, Mazowieckie, Lubelskie, Dolnośląskie and Podlaskie. The zone was established with the aim of restructuring major industrial areas in those parts of Poland. Assets available to investors in the zone include investment land (developed in most parts), buildings and technical infrastructure. The advantages of this SEZ include a varied offering in terms of territories, pricing and logistics, a rich selection of new greenfield areas, manufacturing and warehouse facilities, office space as well as a highly appreciated workforce in all industries and specialisations. An important role is also played by the possibility to transport goods quickly, cheaply and directly to the East using the LHS railway connecting Upper Silesia with the Polish-Ukrainian border. As of December 2013, 1,035.3 ha of the zone's land were occupied, which constituted 63.4% of its total area.

Selected investors

LG Display Poland, Uniwheels Production Poland, Sanfarm, LG Electronics Wrocław, Heesung Electronics Poland, Quad/Graphics Europe, Alumetal Gorzyce, Techmatik, Zakłady Metalowe Dezamet, VIGO System, Armatoora, Linde Gaz Polska, Pilkington Automotive Poland, Zbyszko Company

Key indicators describing the SEZ

Founding year:	1997
End of operation:	31 December 2026
Area of the SEZ in hectares:	1,677
Geographic coverage (voivodships):	Dolnośląskie, Podkarpackie, Świętokrzyskie, Lubelskie, Mazowieckie, Podlaskie
Share capital of the SEZ managing company:	PLN 5,040,619,000
Total investments by 31 December 2013:	PLN 7,575.5 million
Size of investments in 2013:	PLN 212.5 million
Projected size of investments in 2014:	PLN 350 million
Number of valid business permits as of 31 December 2013:	151
Number of business permits issued in 2013:	14
Projected number of business permits to be issued in 2014:	44
Number of jobs in the SEZ as of 31 December 2013:	27,230
Projected number of jobs in the SEZ as of 31 December 2014:	27,500

Source: KPMG in Poland based on the zone's website, the Ministry of Economy report 'Information on the implementation of the Act on Special Economic Zones' and forecasts provided by the zone's management board

Investors' assessment of the SEZ*

Overall assessment of the SEZ

4.48

Assessment of infrastructure



3.91

Assessment of business environment



3.83

Perceived quality of co-operation with the zone's management



4.43

Assessment of workforce



3.96

* Average rating on a scale from 1 to 5 where 5 means 'very good' and 1 means 'very poor'

Source: KPMG in Poland based on a survey conducted among investors operating in the SEZ

6.13 Wałbrzych Special Economic Zone

Managing entity of the SEZ

Wałbrzyska Specjalna Strefa Ekonomiczna „INVEST-PARK” sp. z o.o.

Managing entity contact details

Address: ul. Uczniowska 16, 58-306 Wałbrzych

Tel.: +48 (74) 664 91 64

Fax: +48 (74) 664 91 62

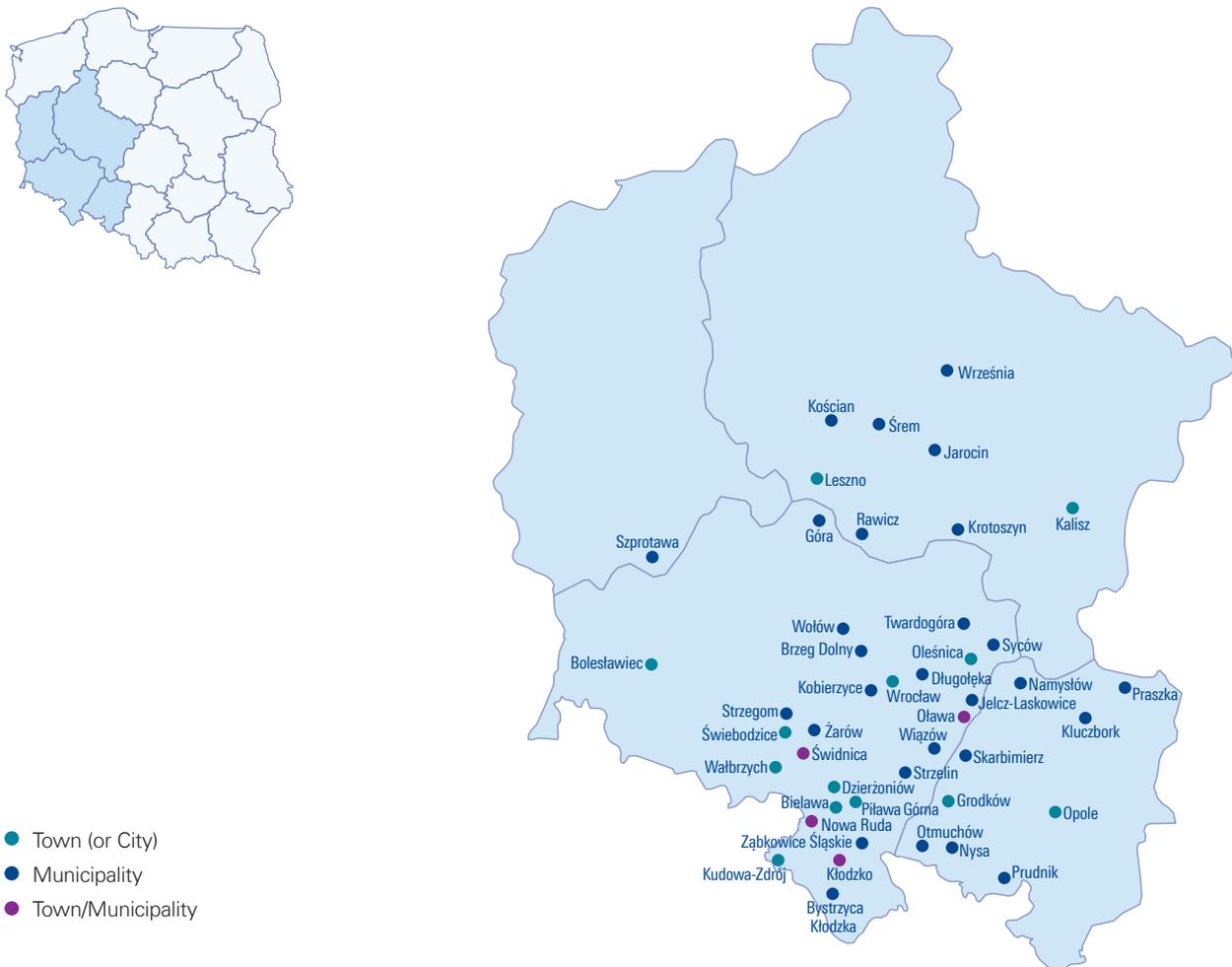
E-mail: invest@invest-park.com.pl

Website: www.invest-park.com.pl

Legal basis for operation of the SEZ

Regulation of the Council of Ministers of 15 December 2008 regarding the Wałbrzych Special Economic Zone – consolidated text: Dz.U. – Official Journal of 2014, item 555, as amended

Location of the SEZ



The map shows the towns/cities and municipalities where the zone's lands are located

Source: KPMG in Poland based on the Regulation of the Council of Ministers of 15 December 2008 regarding the Wałbrzych Special Economic Zone

Profile of the SEZ

The Wałbrzych Special Economic Zone “INVEST–PARK” is among the largest industrial zones in Poland. It comprises 44 subzones located in four voivodships of south-western Poland. The investment areas have a convenient geographical location arising, among others, from the proximity of the Czech and German borders. International airports located in the vicinity (Wrocław, Poznań, Katowice) as well as the network of local roads and motorways (A2 and A4) ensure good connections with the subzones as well as major industrial centres in Poland and Europe. The region’s rich industrial traditions, the proximity of academic and scientific centres (general and technical universities in Wrocław, Poznań and Opole), easy access to skilled personnel, competitive labour costs and a well-developed technical infrastructure are among other advantages of this SEZ. As of December 2013, 1355.0 ha of the zone’s land were occupied, which constituted 61.3% of its total area.

Selected investors

Toyota Motor Manufacturing Poland, Toyota Motor Industries Poland, Volkswagen Poznań, Electrolux Poland, Faurecia Wałbrzych, Cersanit III, IBM Global Services Delivery Centre Polska, Bridgestone Diversified Products Poland, NSK Steering Systems Europe, BASF Polska, RONAL Polska, 3M Wrocław, Wabco Polska, Donaldson Polska, GKN Driveline Polska, Colgate Palmolive Manufacturing Poland, Polaris Poland

Key indicators describing the SEZ

Founding year:	1997
End of operation:	31 December 2026
Area of the SEZ in hectares:	2,649
Geographic coverage (voivodships):	Dolnośląskie, Opolskie, Lubuskie, Wielkopolskie
Share capital of the SEZ managing company:	PLN 224,680,000
Total investments by 31 December 2013:	PLN 16,342.8 million
Size of investments in 2013:	PLN 1,743.5 million
Projected size of investments in 2014:	PLN 1,157.2 million
Number of valid business permits as of 31 December 2013:	204
Number of business permits issued in 2013:	27
Projected number of business permits to be issued in 2014:	70
Number of jobs in the SEZ as of 31 December 2013:	36,164
Projected number of jobs in the SEZ as of 31 December 2014:	38,000

Source: KPMG in Poland based on the zone’s website, the Ministry of Economy report ‘Information on the implementation of the Act on Special Economic Zones’ and forecasts provided by the zone’s management board

Investors’ assessment of the SEZ*

Overall assessment of the SEZ

4.27

Assessment of infrastructure



4.08

Assessment of business environment



3.92

Perceived quality of co-operation with the zone’s management



4.23

Assessment of workforce



3.38

* Average rating on a scale from 1 to 5 where 5 means ‘very good’ and 1 means ‘very poor’

Source: KPMG in Poland based on a survey conducted among investors operating in the SEZ

6.14 Warmia-Mazury Special Economic Zone

Managing entity of the SEZ

Warmińsko-Mazurska Specjalna Strefa Ekonomiczna S.A.

Managing entity contact details

Address: ul. Kasprowicza 1, 10-219 Olsztyn

Tel.: +48 (89) 535 02 41

Fax: +48 (89) 535 90 02

E-mail: wmsse@wmsse.com.pl

Website: www.wmsse.com.pl

Legal basis for operation of the SEZ

Regulation of the Council of Ministers of 15 December 2008 regarding the Warmia-Mazury Special Economic Zone – Dz.U. – Official Journal of 2008, No. 232, item 1562, as amended.

Location of the SEZ



- Town (or City)
- Municipality
- Town/Municipality

The map shows the towns/cities and municipalities where the zone's lands are located

Source: KPMG in Poland based on the Regulation of the Council of Ministers of 15 December 2008 regarding the Warmia-Mazury Special Economic Zone

Profile of the SEZ

The Warmia-Mazury Special Economic Zone comprises 29 subzones in the Warmińsko-Mazurskie voivodship and in the northern part of the Mazowieckie voivodship. The areas offered to investors (mostly developed land) are intended for new buildings and structures. The proximity of railway cargo stations ensures convenient transport. Land which fails to attract investors' interest is gradually excluded from the zone. Instead, areas which meet entrepreneurs' expectations are incorporated. The mission of the Warmia-Mazury Special Economic Zone is to attract national and international investors who will create new jobs in areas affected by high unemployment. As this is a dispersed SEZ, it can offer a wide range of suitable investment locations to match investors' expectations. The zone has already attracted not only a large number of companies from Poland but also international investors from France, Germany, Sweden or South Korea. As of December 2013, 646.2 ha of the zone's land were occupied, which constituted 65.6% of its total area.

Selected investors

Bruss Polska, Michelin Polska, LG Electronics Mława, Philips Lightning Poland, Ikea Industry Poland, Drukarnia Bauer, Wójcik Fabryka Mebli, Fabryka Mebli Szynaka, DFM, SM "Mlepol", Polmlek

Key indicators describing the SEZ

Founding year:	1997
End of operation:	31 December 2026
Area of the SEZ in hectares:	1,015
Geographic coverage (voivodships):	Warmińsko-Mazurskie, Mazowieckie
Share capital of the SEZ managing company:	PLN 32,210,500
Total investments by 31 December 2013:	PLN 3,303.8 million
Size of investments in 2013:	PLN 200.8 million
Projected size of investments in 2014:	PLN 200 million
Number of valid business permits as of 31 December 2013:	72
Number of business permits issued in 2013:	13
Projected number of business permits to be issued in 2014:	20
Number of jobs in the SEZ as of 31 December 2013:	13,063
Projected number of jobs in the SEZ as of 31 December 2014:	14,800

Source: KPMG in Poland based on the zone's website, the Ministry of Economy report 'Information on the implementation of the Act on Special Economic Zones' and forecasts provided by the zone's management board

Investors' assessment of the SEZ*

Overall assessment of the SEZ

3.78

Assessment of infrastructure



2.67

Assessment of business environment



3.44

Perceived quality of co-operation with the zone's management



3.44

Assessment of workforce



3.56

* Average rating on a scale from 1 to 5 where 5 means 'very good' and 1 means 'very poor'

Source: KPMG in Poland based on a survey conducted among investors operating in the SEZ



7

20 years of Special Economic Zones in Poland

Twenty years after the adoption of the Act on Special Economic Zones one can assert that they have become an effective tool for attracting investors, creating new jobs and modernising Poland's economy. Towards the end of 2014 the accumulated value of investments in SEZs may exceed PLN 100 billion

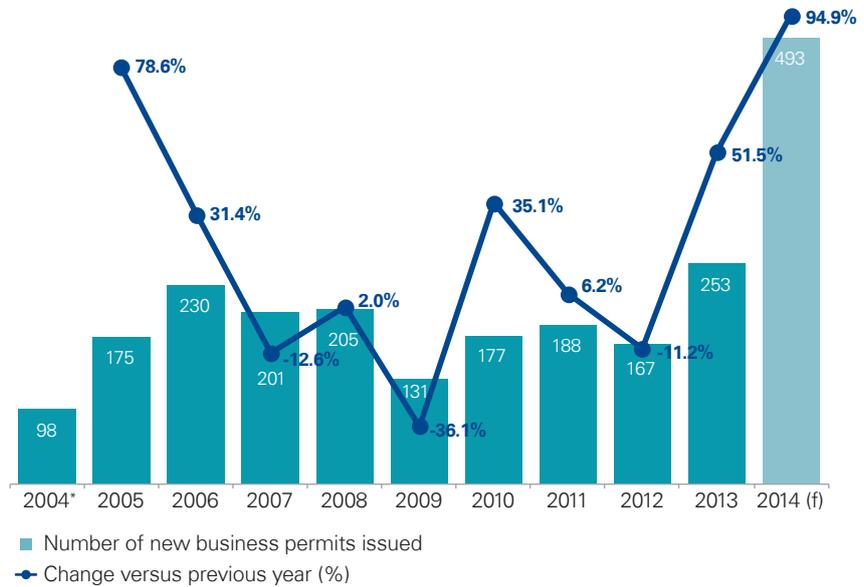
The fact that Poland's economy is among the fastest growing ones across the European Union can also be credited to the existence of special economic zones. As a result of investments within SEZs a few hundred thousand new jobs were created. Structural unemployment was reduced in regions with relatively low level of advancement but also in those parts of the country which were most severely hit by the side effects of the economic transition after the collapse of communism. The existence of SEZs has largely contributed to the revitalisation and development of huge greyfield areas which were lying fallow after a wave of bankruptcies of manufacturing plants in the early 1990s.

Statistics which show the number of newly created jobs and the value of capital expenditures are not sufficient to give a full picture of the positive effects arising from the existence of special economic zones. During the last two decades SEZs became one of the key tools in the effort to build a modern and competitive economy. The advantageous terms of business in SEZs attracted many high tech investors, including global leaders in their respective industries. Their presence creates a huge market for local suppliers, enabling the flow of know-how and growth of innovative, highly specialised branches of the economy in Poland.

Poland's accession to the European Union in 2004 was an important event in the history of its SEZs. Subsequent years brought about fast growth of the zones, which attracted an increasing number of investors, from Poland and other countries. At the end of 2004 the number of SEZ business permits totalled 679 but it leapt to 1,709 at the end of 2013, which means that the growth rate exceeded 150%. The accumulated value of investments within the SEZs during the same period recorded a nearly five-fold growth, from PLN 19.9 billion to PLN 93.1 billion. The number of jobs rose more than three times. At the end of 2004 entrepreneurs holding business permits employed about 74,600 people within the SEZ whereas the respective figure at the end of 2013 was nearly 267,000.

Forecasts provided by management members of the SEZs in Poland suggest that the zones will experience further growth throughout 2014. New business permits in SEZs reached record levels. In the first half of 2014 a total of 438 permits were issued, which is the best result in the history of the Polish SEZs. By the end of the year the number of newly issued permits may go up to 493, which will be almost twice as much as in 2013. It is important to bear in mind that this exceptionally good result is partially related to the new rules constraining the maximum size of state aid, in force since 1 July 2014. Those who obtained a business permit before that date are entitled to state aid under the 'old' rules, and this may have motivated some investors to accelerate investments they planned for the near future. However, even if we make an adjustment for this factor, the number of new business permits in 2014 is nevertheless very impressive.

New business permits in SEZs

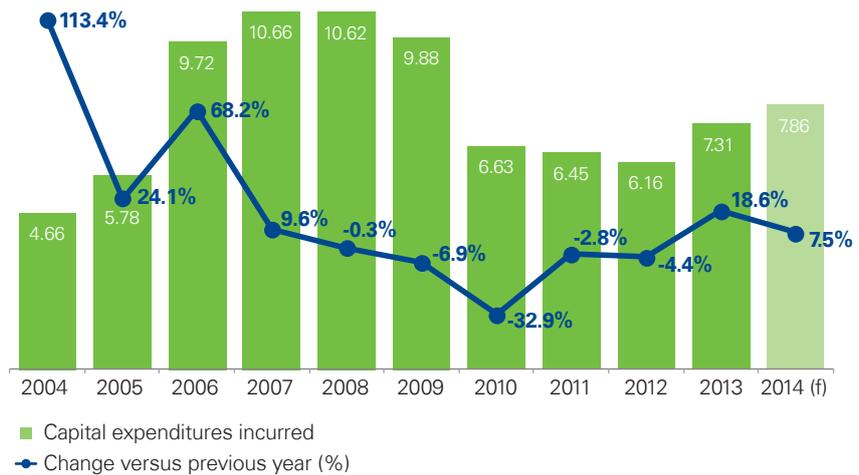


* As no information on the number of business permits issued in 2003 was available, the percentage change for 2004 has not been calculated.

(f): forecast

Source: KPMG in Poland based on the Ministry of Economy report 'Information on the implementation of the Act on Special Economic Zones' and forecasts provided by SEZ boards

Capital expenditures in SEZs (in PLN billion)



(f): forecast

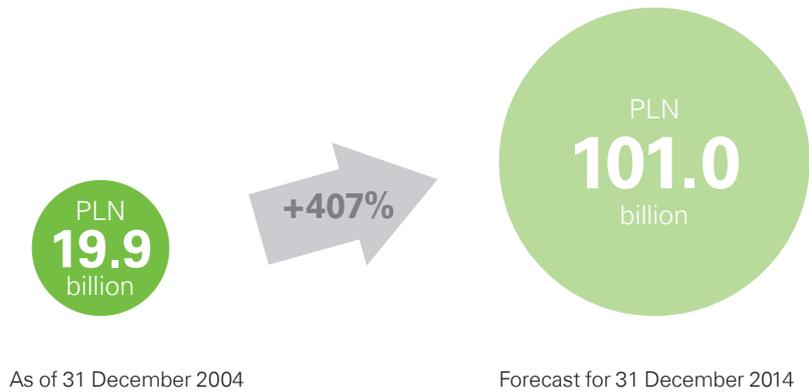
Source: KPMG in Poland based on the Ministry of Economy report 'Information on the implementation of the Act on Special Economic Zones' and forecasts provided by SEZ boards

Also forecasts concerning new capital expenditures to be incurred by entrepreneurs within special economic zones are optimistic. If estimates provided by SEZ management members prove to be accurate, capital expenditures in 2014 will be by 7.5% higher than in the preceding year and will reach PLN 7,860 million. In absolute values, this would be the best result since 2009. The strong performance in 2013–2014 instils hope that the SEZs have managed to reverse the downward trend which persisted from 2008 until 2012. The accumulated value of investments may exceed PLN 100 billion towards the end of 2014.

SEZ management members anticipate not only further growth in investments but also in the number of jobs within SEZs. At the end of 2014 the number of people employed by investors operating under a business permit may exceed 287,000, which would mean a 7.7% increase versus 2013. None of the 14 zones expect negative employment dynamics.

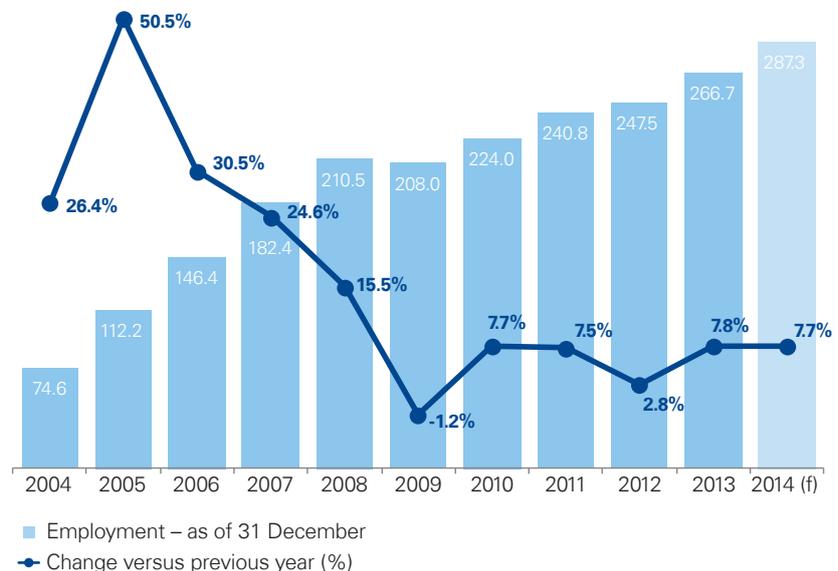
The 2013 performance and optimistic forecasts for 2014 show that companies continue to see SEZs as an attractive destination for placing their investments. Dynamic growth in capital expenditures and employment seems almost certain, especially if we consider the record number of business permits issued in 2014. There are considerable chances that SEZs will be an important factor accelerating growth of the country as a whole and its regions also in future. A very important role may be played by clusters, i.e. concentrations of companies from the same or similar sectors within a particular zone. It is also worth mentioning that most SEZs already have their own business incubators and technology parks or closely co-operate with such centres. It seems that intensified support for innovative enterprises (also small and medium-sized ones) will become an important direction for future development of SEZs in Poland.

Accumulated value of investments in SEZs



Source: KPMG in Poland based on the Ministry of Economy report 'Information on the implementation of the Act on Special Economic Zones' and forecasts provided by SEZ boards

Jobs in SEZs (thousand)



(f): forecast

Source: KPMG in Poland based on the Ministry of Economy report 'Information on the implementation of the Act on Special Economic Zones' and forecasts provided by SEZ boards



8

Methodology

This KPMG guide was prepared on the basis of desk research, a survey with management board members from all of the 14 special economic zones operating in Poland and a survey with investors who run their business within a SEZ.

Desk research

This analysis was based on numerous publications. Of particular importance was data contained in the Ministry of Economy report entitled 'Information on the implementation of the Act on Special Economic Zones' (*Informacja o realizacji ustawy o specjalnych strefach ekonomicznych*), which was used, among others, as a source of information on SEZ performance in 2004–2013. Other important sources included legal acts regulating the operation of SEZs and, in particular, the Act on Special Economic Zones of 20 October 1994 and the Regulations of the Council of Ministers of 15 December 2008 regarding the specific zones. Moreover, this report draws on information from the zones' websites as well as data published by such sources as the European Commission, the Polish Information and Foreign Investment Agency and the Polish Agency for Enterprise Development.

Survey with SEZ management board members

A survey questionnaire was used to collect the SEZs' forecasts for 2014. The survey was completed by members of top management of all the 14 special economic zones in Poland. Their forecasts concerned essential categories reported to the Ministry of Economy, i.e. the number of business permits issued, the size of capital expenditures and employment levels within each zone. The respondents provided forecasts for those categories based on historical data and current trends. The survey was conducted in the third quarter of 2014.

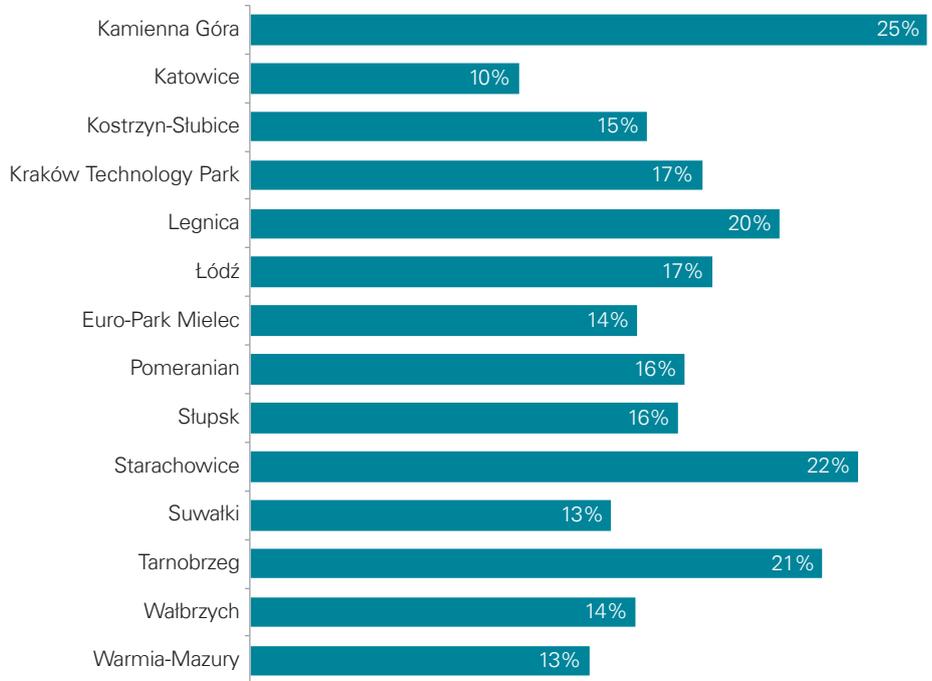
Survey among SEZ investors

This year's edition of the KPMG guide contains not only a description and profile of each of the SEZs in Poland but also information on how each zone is assessed by the investors operating within it.

The study conducted for KPMG by Norstat Polska, an independent research agency, comprised 234 companies. The survey was conducted between August and September 2014 using the CATI methodology (Computer Assisted Telephone Interview). The main consideration for the selection of companies for the sample was to ensure adequate representation for each SEZ. The survey covered at least 10% of investors from each zone.

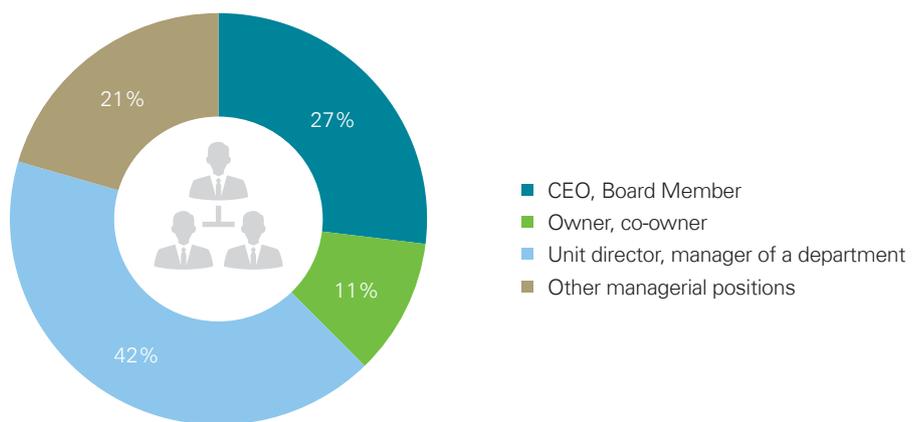
The respondents were members of top management of the surveyed companies. Nearly 40% of the respondents were CEOs, board members, owners or co-owners of companies. Unit directors or managers of departments represented 42% of those surveyed. The remaining proportion of the respondents were holding other managerial positions in their companies. The survey covered large, medium-sized and small enterprises. The largest group (39%) comprised medium-sized businesses, employing 50 to 250 people. The share of small companies, employing under 50 people, was similar (38%). The remaining part of the sample included large enterprises, i.e. those employing over 250 people (23%). The sample included companies with a short history of operation within a SEZ as well as investors who commenced their business a few years ago or more than ten years ago.

Share of investors from each SEZ who took part in the survey



The shares were calculated on the basis of the number of investors as of 30 September 2014
N=234
Source: KPMG in Poland

Respondent structure by position

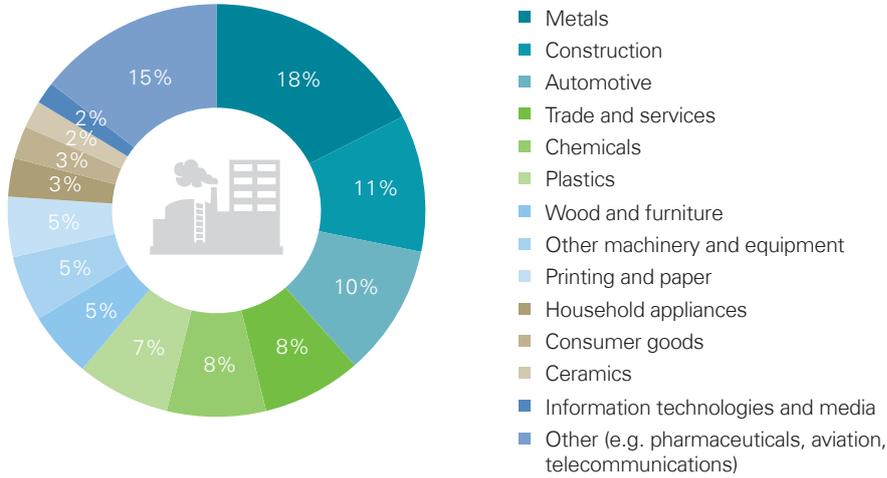


N=234
Source: KPMG in Poland

Companies with the longest SEZ experience (over 7 years) represented 41% of all the surveyed businesses. Nearly a third (30%) have operated within a SEZ from 3 to 7 years. Investors who started their business within a SEZ relatively recently (under 3 years ago) are represented in nearly the same proportion (29%).

From the analytical perspective it is important to consider the structure of investors by business profile. The largest number of respondents represented the following sectors: metal (18%), construction (11%), automotive (10%), trade and services (8%), chemicals (8%) and plastics (7%).

Structure of the surveyed companies by business sector



N=234
 Source: KPMG in Poland



Advisory services offered by KPMG in Poland in the area of investments and business operations in special economic zones

Our Special Economic Zones Group is a team of experienced consultants specialising in taxation, law, accounting and finance. The goal of our team is to help entrepreneurs operating in special economic zones in respect to all aspects of their business activity. We provide advice from the stage when the investment is being placed in a SEZ up until entrepreneurs take advantage of state aid.

We offer advisory services in the following areas:

- Advisory services to help entrepreneurs to select the best location for their investment;
- Advisory services (including legal) to help entrepreneurs in the process of applying for a SEZ business permit;
- Legal advisory and support in the process of incorporating private plots into a SEZ:
 - due diligence analysis of properties,
 - support in the process of buying properties (drawing up purchase/sale contracts and negotiating those contracts with the authorities of the SEZ),
 - support in the process of realising construction projects (drawing up and negotiating contracts for design work, for conducting tenders and choosing a general contractor, investment supervision contracts, construction work contracts),
- Advisory services on splitting businesses into SEZ-based and off-SEZ business operations;
- Advisory services related to the calculation of the applicable tax exemption (available state aid) and related settlements;
- Advisory services on changing the SEZ permit and, in particular, on extending the validity of the permit;
- Tax optimisation involving effectively spaced use of the available state aid and extension of the tax exemption period;
- Representation of entrepreneurs before bodies such as the Head of Tax Office, Director of Tax Chamber, Voivodship Administrative Court, Supreme Administrative Court, Minister of Finance and Minister of Economy;
- Ongoing tax advisory services, including tax opinions, interpretations of tax regulations, reviews of income tax settlements, reviews of expenses eligible under state aid regulations;
- Advisory services and support related to ongoing business activity in all areas of law (civil law, commercial company law, labour law, administrative law) and representation of entrepreneurs before common courts of law and public administration bodies;
- Legal advisory related to the process of financing the acquisition of properties on the territory of a SEZ;
- Legal advisory and representation of non-EU entrepreneurs in the process of obtaining work permits;
- Legal advisory in the area of state aid and representation of entrepreneurs before the European Commission and the Court of Justice of the European Union;
- Advisory services regarding reporting obligations related to business operations in a special economic zone;
- Training sessions on tax and legal issues related to SEZs and on various other legal issues.

Our advisory services to entrepreneurs who apply for a SEZ business permit include, in particular:

- Preparing a letter of intent addressed to the authorities of the special economic zone concerned,
- Developing a business plan,
- Preparing and submitting the investor's offer,
- Preparing other required documents and statements,
- Supporting the entrepreneur throughout negotiations with the authorities of the special economic zone,
- Performing other required activities in connection with the SEZ permit application procedure.

If you are interested in obtaining more details or if you seek our assistance before taking your investment into a special economic zone, please do not hesitate to contact us.