

Warsaw School of Economics



# REGIONAL INVESTMENT ATTRACTIVENESS 2016

## Lublin Voivodship

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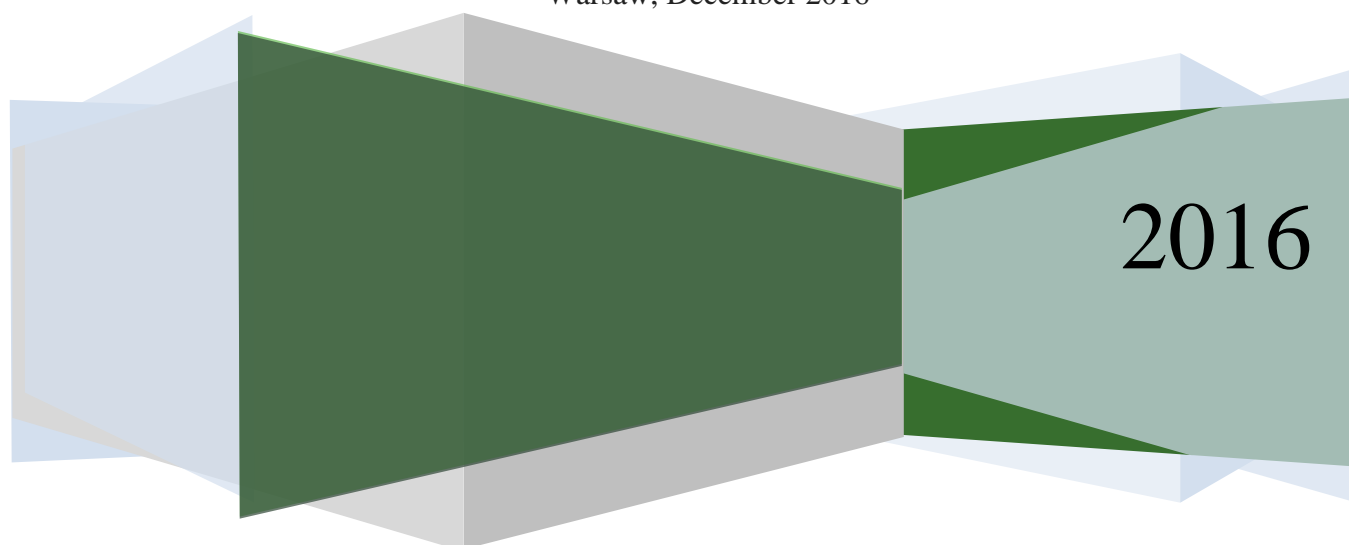
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### Polish Information and Foreign Investment Agency

works to increase inflow of investments to Poland, development of Polish foreign investments and intensification of Polish export.

Supporting entrepreneurs, the Agency assists in overcoming administrative and legal procedures related to specific projects. PAIiIZ helps, among others, in developing legal solutions, finding a suitable location, reliable partners and suppliers.

PAIiIZ implements programs dedicated for expansion in promising markets: Go China, Go Africa, Go Arctic, Go India, Go ASEAN and Go Iran. In direct support of Polish companies on the site, the Agency successfully launches foreign branches.

Detailed information about the services offered by PAIiIZ are available at: [www.paiz.gov.pl](http://www.paiz.gov.pl)

## INTRODUCTION

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

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

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

In the third part of the report the main business environment institutions in the voivodship are presented, taking into consideration kinds of support which they offer to investors. This part also includes information on location of the Special Economic Zones (SEZs) in the voivodship and information on the results of their activities.

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

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

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

Potential investment attractiveness indices in their simplified version (PAI1) measure the location-specific advantages of regions. They are calculated for territorial units of various levels of statistical division of the country (communes – Polish: *gmina*, counties – Polish: *powiat*, subregions, voivodships/regions). These indices refer to the whole national economy and to the selected sections: C – manufacturing industry, G – trade and repair, I – accommodation and catering, M – professional, scientific and technical services. These sections are the core of the national economy.

Besides, some indices are calculated only for the voivodship, on the basis of characteristics available only on the regional or macroregional level which allows evaluating their investment attractiveness in a much broader context. These are PAI2 indices, which are calculated both from a general point of view and with reference to the above mentioned sections of the economy.

What is more, ranks of real investment attractiveness, which relates to the inflow of capital (in the form of investments) and the effects of investments considered from a point of view of productivity and returns on the outlays made, are used in this report. Real investment attractiveness can be calculated for voivodships, based on the statistical data available on the regional level.

The measurements in use are subject to annual review thanks to consulting them with foreign investor assistance institutions and direct contact to territorial self-government units as well as organizations of entrepreneurs. A description of methodological approach to measuring investment attractiveness of Polish regions, counties and communes can be found online on the website of the Institute of Enterprise at the Warsaw School of Economics (<http://kolegia.sgh.waw.pl/pl/KNoP/struktura/IP/struktura/ZOB/>), as well as in numerous scientific publications and expert opinions.

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

## 1. THE PROFILE OF REGIONAL ECONOMY OF LUBLIN VOIVODSHIP

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

**Moreover, the advantages of the voivodship are:**

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

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

**Table 1. General characteristics of the economy of Lublin voivodship**

Feature	Lublin voivodship	Poland	Share [%]
Market Potential			
GDP per capita 2014 (PLN/person)	31 170	44 686	-
Population (persons) on 31 December 2015	2 139 726	38 437 239	5.6%
Human Resources Potential			
Higher education institutions graduates (persons) in 2015	22 700	394 987	5.7%
Secondary schools graduates (persons) in 2015	17 332	284 187	6.1%
Number of employed persons in 2015 (in thousands)	1 026	16 084	6.4%
Structure of employed persons in 2015	agriculture sector 22.0% industry sector 23.1% services sector 54.9%	11.5% 30.5% 58.0%	
Investment outlays and capital of companies with foreign capital participation in the voivodship			
Investment outlays (PLN mln) in 2014	808.0	78 823.1	1.0%
Capital of companies (PLN mln) in 2014	1 719.7	215 594.8	0.8%
Special Economic Zones (SEZs) in the voivodship*			
– Mielec – Starachowice – Tarnobrzeg			
Counties and communes distinguished according to the Potential Attractiveness Index for the national economy (PAI1_GN)			
Counties	Class A	city of Chełm, city of Lublin, city of Zamość	
	Class B	Łęczna, city of Biała Podlaska	
Communes	Class A	Biała Podlaska (u), Biłgoraj (u), Chełm (u), Kraśnik (u), Lubartów (u), Lublin (u), Łęczna (u-r), Łuków (u), Poniatoła (u-r), Puchaczów (r), Puławy (u), Radzyń Podlaski (u), Rejowiec Fabryczny (u), Świdnik (u), Terespol (u), Tomaszów Lubelski (u), Włodawa (u), Wólka (r), Zamość (u)	
	Class B	Dęblin (u), Hrubieszów (u), Janów Lubelski (u-r), Jastków (r), Kazimierz Dolny (u-r), Krasnostaw (u), Lubartów (r), Międzyrzec Podlaski (u), Niemce (r), Opole Lubelskie (u-r), Stoczek Łukowski (u)	

Additional information: (u) – urban commune, (r) – rural commune, (u-r) – urban-rural commune.

PAI – potential investment attractiveness, RAI – real investment attractiveness

\* For more information see Table 4 in the Appendix, Source: Authors' own calculations

The number of inhabitants of the voivodship amounts to 2 139 726 (as of 2015), which is 5.6% of the population of Poland. The age structure in the voivodship in 2015 was as follows: 17.9% of the population at pre-productive age, 62.1% at productive age and 20% at post-productive age (for Poland it was 18%, 62% and 20% respectively).

The main potential for human capital creation in the voivodship lies in 18 higher education institutions in which there are 78 000 students studying, which makes up 5.6% of all students in Poland.

According to a report prepared by the Committee for Evaluation of Research (KEJNA) for the Ministry of Science and Higher Education in the Lublin Voivodship 9 faculties of universities have received scientific category A; 28 faculties received a category - B; and 3 faculties category - C. It is also worth mentioning that 10 colleges had not received any category awarded by KEJN. Detailed information can be found in Appendix (Table 5).

In addition, 7.5% of the secondary school students in the voivodship attend vocational schools and 31.2% attend technical schools.

The registered unemployment rate in the voivodship amounted to 10.2% in August 2015, compared to 8.5%<sup>2</sup> in Poland. The average monthly gross wages and salaries in enterprises sector in the first half-year of 2016 amounted to PLN 3 676.40, which is 95% of the average for Poland.

In 2014 Lublin voivodship made a contribution of 3.9% to the GDP of Poland. Calculated per capita, it amounted to PLN 31 170 with the average for Poland PLN 44 686. With this result the voivodship takes the 16th place in the country. The GDP growth rate in the voivodship in the years 2004-2014 amounted to 178% while the average for Poland amounted to 181%.

In comparison with the whole country the structure of employment in the voivodship is characterised by a share of service sector at the level of 54.49% whereas a share of the agricultural and industrial sectors are respectively 22% and 23.1% (Central Statistical Office, Local Data Bank 2016).

The voivodship's specialization is manufacture of food products (21% of sold production of the whole voivodship's industry at the end of 2015). Among other industries can be distinguished the production of metal products (6%), manufacture of machinery and equipment (5%), as well as the production of motor vehicles, trailers and semi-trailers,

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<sup>2</sup> The unemployed and the unemployment rate according to voivodship, sub-regions and counties (as of the end of August 2016). Central Statistical Office.

beverages, and, the production of furniture (by 4-5%). The region is the main manufacturer of beverages (7% of sold production of the whole voivodship's industry at the end of 2015)<sup>3</sup>.

The information on sectors that are found as strategic by the region's authorities can be important for the investors. The voivodship's strategic sectors mentioned in the strategy of regional development include above all: agri-food, energy, engineering, logistics, BPO and tourism sector.

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

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

In the all above-mentioned locations investors can benefit from tax allowances amounting to 50% - 70%, depending on the enterprise size – more information can be found on [http://www.paiz.gov.pl/investment\\_support/investment\\_incentives\\_in\\_SEZ](http://www.paiz.gov.pl/investment_support/investment_incentives_in_SEZ).

## 2. REGION'S RANK IN TERMS OF INVESTMENT ATTRACTIVENESS IN POLAND AND IN THE EUROPEAN UNION

Lublin voivodship is characterised by the relatively low investment attractiveness. In the years 2003-2013 its market share measured with the value of foreign capital in the above mentioned companies rose from 0.59% to 0.74% which means a slight increase of the voivodship's competitive position.

Based on the methodology prepared by the team of the Enterprise Institute while conducting statutory research in Collegium of Business Administration at the Warsaw School of Economics, calculations of European regions' investment attractiveness have been made for two years. They are based on measurements of attractiveness of human resources, market and innovativeness.<sup>4</sup> However, due to different methodology of research and variables taken

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<sup>3</sup> Calculations based on Statistical Bulletin of the voivodship from the first quarter of 2016 and the Bulletin of Statistics, the first quarter of 2016 [www.stat.gov.pl](http://www.stat.gov.pl) (26/10/2016).

<sup>4</sup> More on this topic: *Atrakcyjność inwestycyjna regionów Polski na tle Unii Europejskiej*, edited by H. Godlewska-Majkowska, Oficyna Wydawnicza SGH, Warsaw 2014 and <http://kolegia.sgh.waw.pl/pl/KNoP/struktura/IP/struktura/ZOB/>



into account in Poland and EU, results of research are incomparable. This is because not all data are available for voivodships, communes and counties, e.g. not all regions collect current information about the infrastructure.

Based on the above-mentioned indices it can be stated that the voivodship is characterized by a low class of investment attractiveness (class E), compared to the EU regions, taking 233th place of 273 regions for whom the indices were calculated. Compared to last year voivodship level improved by one class of investment attractiveness. Lublin voivodship has a competitive advantage, when it comes to human capital microclimate, ranked class A.

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

- **in Belgium:** Prov. Luxembourg;
- **in Great Britain:** Lincolnshire, Cornwall and Isles of Scilly;
- **in Bulgaria:** Severozapaden, Severen tsentralen, Severoiztochen, Yugoiztochen, Yuzhen tsentralen;
- **in Greece:** Anatoliki Makedonia Thraki, Dytiki Makedonia, Ipeiros, Ionia Nisia, Dytiki Ellada, Sterea Ellada, Peloponnisos, Voreio Aigaio, Notio Aigaio;
- **in Spain:** Castilla-La Mancha, Extremadura;
- **in The Netherlands:** Zeeland;
- **in Portugal:** Centro, Alentejo;
- **in Romania:** Nord-Vest, Centru, Nord-Est, Sud-Est, Sud - Muntenia, Sud-Vest Oltenia;
- **in Hungary:** Dél-Dunántúl, Dél-Alföld;
- **in Italy:** Molise, Puglia, Basilicata, Calabria, Sicilia, Sardegna;

### 3. INTERNAL DIVERSIFICATION OF REGIONAL INVESTMENT ATTRACTIVENESS

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

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

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

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

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

The composite assessment of all the above-mentioned elements in particular counties or communes shows spatial differentiation of investment attractiveness in the voivodship. What is more, calculations for particular sectors of economy are presented such as industry, trade and modern services connected with professional, scientific and technical activities are presented (Chart 1 and Chart 2). The distinguished locations presented on the map are marked with stars that indicate highest marks for the above-mentioned areas of conducting business.

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

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

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

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

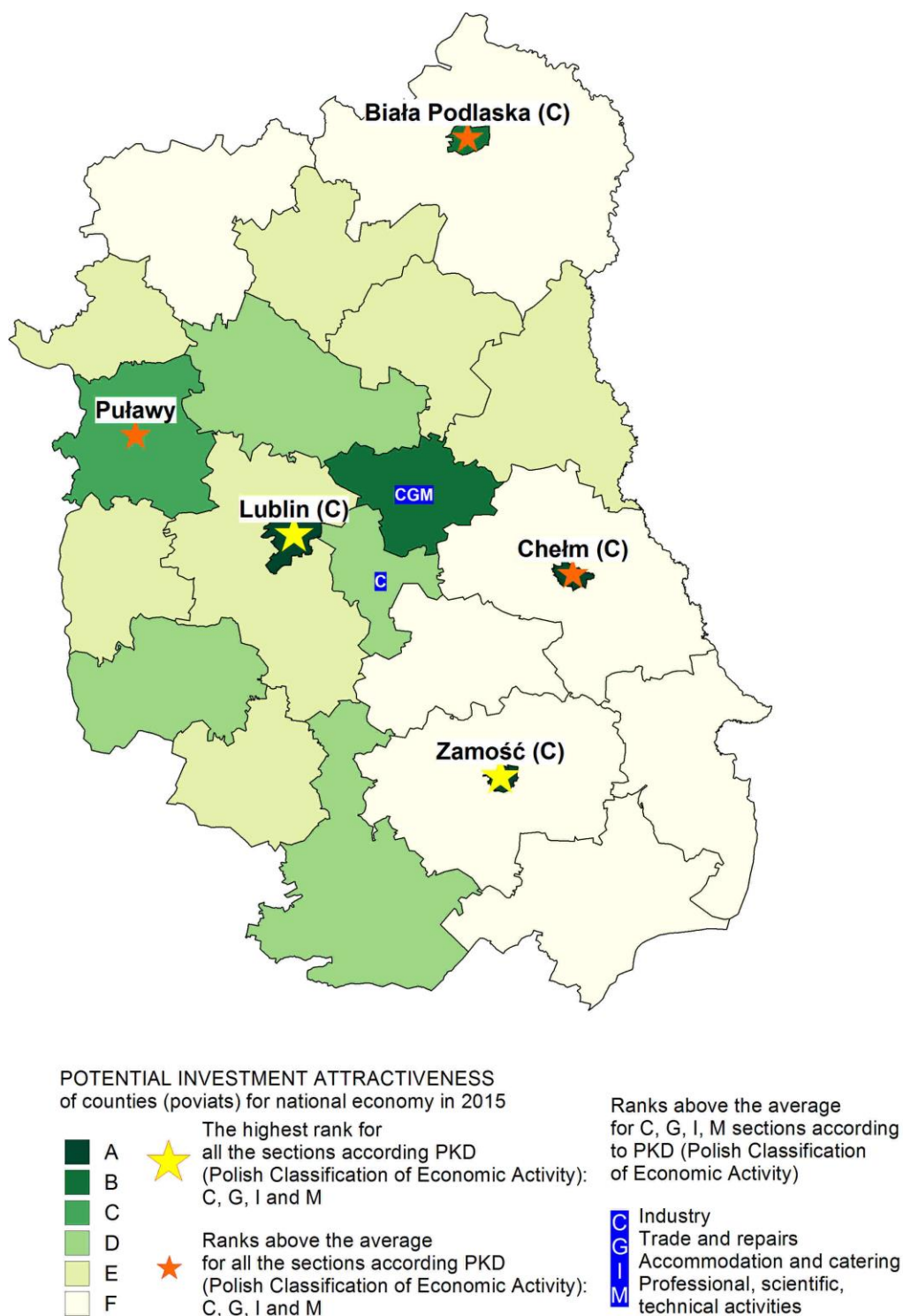
**Among rural communes** the highest rank communes include:

- **orange star communes:** Jastków (r), Końskowola (r), Lubartów (r), Niedrzewica Duża (r), Niemce (r), Puchaczów (r), Puławy (r), Wólka (r).

**Among urban-rural communes** the highest rank communes include:

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

**Chart 1. Potential investment attractiveness of counties of Lublin voivodship, considering the most attractive sections**

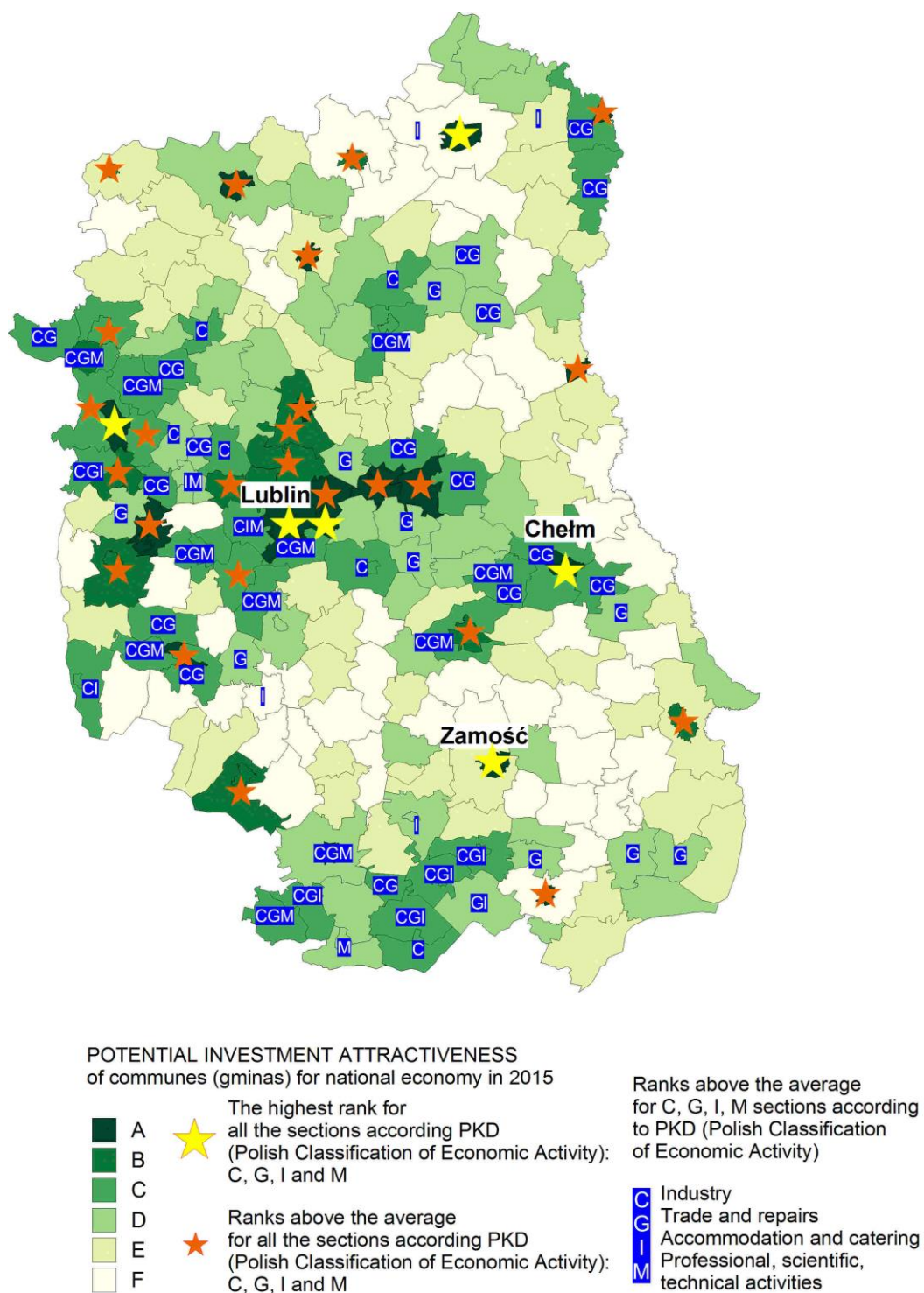


**Golden star counties:**

Lublin, Zamość

Source: Authors' own work.

**Chart 2. Potential investment attractiveness of communes of Lublin voivodship, considering the most attractive sections**



**Golden star communes:**

Biała Podlaska (u), Chełm (u), Lublin (u), Puławy (u), Świdnik (u), Zamość (u)

Source: Authors' own work

## 4. VOIVODSHIP'S INSTITUTIONAL SUPPORT FOR INVESTORS AND ENTREPRENEURS

The development of business supporting institutions in a region is a vital component of its investment attractiveness. The institutions that support entrepreneurship, pro-investment solutions, research commercialization and enterprises' innovativeness are of special importance.

### 4.1. BUSINESS ENVIRONMENT INSTITUTIONS

Among business environment institutions (excluding R&D institutions) that influence region's economic development are: chambers of commerce, associations, business incubators, technology parks, technology transfer centres, consulting centres, financial institutions and development agencies.<sup>5</sup>

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

In Lublin voivodship such centre is:

the **Investor Assistance Centre** operating within  
Marshal Office of Lublin Voivodship  
[www.invest.lubelskie.pl](http://www.invest.lubelskie.pl)



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

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

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<sup>5</sup> Information included in this part of the report refer to the end of 2015.



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

**These institutions are among others:**

**Regional Economic Chamber in Lublin (*Regionalna Izba Gospodarcza w Lublinie*)**  
(<http://www.rig.lublin.pl/>)

The chamber is an organization of economic self-government. The chamber's offer includes i.a.: legalization of certificates of origin, issuing certificates of origin of goods (from March 2015.), proof of authenticity of documents, training services, translation services, bank of economic offers (domestic and foreign offers of buying, selling and starting a cooperation), preparing reports on financial condition of Polish and foreign companies (business information agency), promotion and advertising. The chamber organizes promotion programmes and competitions for the companies from Lublin voivodship such as Wojewódzki Lider Biznesu and Wojewódzki Lider Smaku. Regional Chamber of Commerce is also a Regional Tourism Board (Industry Branch RIG) associating over twenty companies.

**Lublin Chamber of Crafts in Lublin (*Lubelska Izba Rzemieślnicza w Lublinie*)**  
(<http://www.lir.com.pl/>)

The chamber is an organization of economic self-government. Its members are guilds and craftsmen who are not members of guilds. Its aim are: supporting economic development of crafts, representing its members and craftsmen towards public administration and other organizations and institutions. The chamber also offers its members trainings and advisory and organizes examinations and issues journeyman certificates and master craftsman's certificates of few dozen professions (baker, confectioner, cook, hairdresser, carpenter, car mechanic, builder, butcher, electromechanical engineer, chimneysweeper, jeweller, roofer, smith, tailor etc.). On the Chamber's website is a database of companies, allows users to search companies according to different criteria. One of the primary tasks of the Chamber is promoting and initiating and providing comprehensive assistance in organizing a craft organization and craft enterprises from the Lublin voivodship in clusters.

**Business Centre Club – Lublin Chamber ([www.bcc.org.pl](http://www.bcc.org.pl))**

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

to represent high standards of ethical principles of the Code of trade and act in accordance with the idea of corporate social responsibility.

**Lublin Park of Science and Technology (*Lubelski Park Naukowo-Technologiczny*)**  
(<http://lpnt.pl>)

The park was set up in aim to facilitate flows of knowledge between scientific units and entrepreneurs. It offers office and laboratory space and conference and training rooms. The park also offers consulting on setting up and development of companies, technology transfer and making R&D results into technology innovations. In the Lublin Park of Science there is a Technology Incubator Technology. Park has exhibition space and auditorium conference room. LPNT offers rental of office and laboratory space, virtual office services, as well as services in support of innovation (innovation consulting services, brokerage, study visits).

**Puławy Technology Park (*Puławski Park Naukowo-Technologiczny*)**  
([www.ppnt.pulawy.pl](http://www.ppnt.pulawy.pl))

The park offers modern real estate for conducting business based on modern technology. With the creation of the Park it is possible to achieve the following goals: the influx of Puławy direct investment (green - field) caused by the availability of investment areas, diversification of the structure of the local economy through the development of SMEs operating in different industries, attracting Puławy investments are characterized by innovation, competitiveness and knowledge-based, revival of cooperation between institutions scientific - research with the business sector to further improve the transfer of innovations to the business sector, and consequently the development of technology companies. It is a place of cooperation of R&D development, universities and companies on research on modern technologies and products and their transfer to production. Within the park there are operating units such as: Technology Incubator, Technology Centre (office and laboratory space, production and services space that facilitate support new technology transfer to business units), Entrepreneurship Centre (space for organizing conferences, trainings, business meetings for companies from the park and for the other companies). The park offers advisory services, information, training and virtual office services.

**Lublin Agency for Supporting Entrepreneurship in Lublin (*Lubelska Agencja Wsparcia Przedsiębiorczości w Lublinie*)** (<http://www.lawp.lubelskie.pl/>)

It was set up to realize tasks connected with Priority Axes I and II of the Regional Operational Programme of Lublin Voivodship for the years 2007-2013. There is an information point operating within the Agency, offering services for micro-, small and medium enterprises.

## **4.2. SPECIAL ECONOMIC ZONES IN THE VOIVODSHIP – EFFECTS**

There are 3 special economic zones (SEZs) in Lublin voivodship: Mielec SEZ, Starachowice SEZ and Tarnobrzeg SEZ. At the end of 2015 the areas of the SEZs were parts of 11 cities

and 7 communes (in Kraśnik there are 2 Special Economic Zones: Mielec SEZ and Tarnobrzeg SEZ) – see Chart 3.

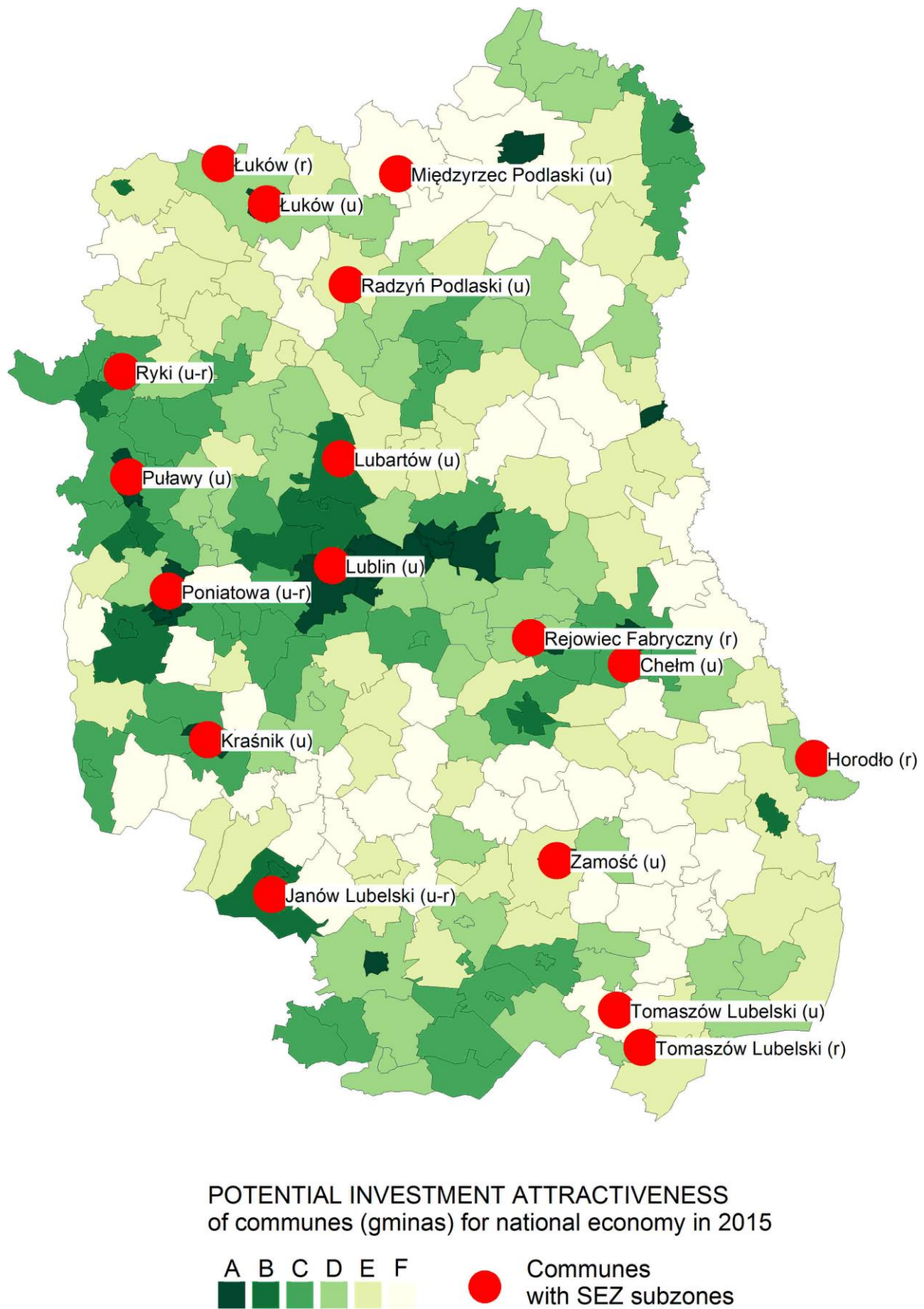
The first zones were established in 2001 Poniatowa, and another ones after 2007. Enterprises operating in other communes by the end of 2015 invested PLN 1 bln, which is 1% of all capital expenditures incurred in the SEZ in Poland. In the same period zone enterprises created or maintained 2.2 thousand. jobs in the region, which is less than 1% of all new jobs in the region.

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

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

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



**Chart 3. The location of SEZs in Lublin voivodship**

Source: Authors' own work.

## APPENDIX

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

Voivodship	PAI1_GN	PAI1_GN	PAI1_C	PAI1_G	PAI1_I	PAI1_M
	National economy	National economy	Industry	Trade and repairs	Accommodation and catering	Professional, scientific and technical activities
<b>Voivodships</b>						
LOWER SILESIAN	0,868	A	A	A	B	B
KUYAVIAN-POMERANIAN	0,556	C	C	E	E	D
LUBLIN	0,131	F	F	F	F	F
LUBUSZ	0,296	E	E	D	D	E
ŁÓDŹ	0,636	C	B	E	E	D
LESSER POLAND	0,759	B	B	A	A	B
MAZOVIAN	1,000	A	A	A	A	A
OPOLE	0,243	E	E	E	F	E
SUBCARPATHIAN	0,314	E	E	D	E	D
PODLASKIE	0,210	E	E	E	D	E
POMERANIAN	0,716	B	C	A	A	B
SILESIAN	0,988	A	A	C	C	A
ŚWIĘTOKRZYSKIE	0,000	F	F	F	F	F
WARMIAN-MASURIAN	0,291	E	E	C	C	D
GREATER POLAND	0,618	C	C	B	D	B
WESTERN POMERANIAN	0,693	B	C	D	A	C

Source: Authors study according to the results of statutory research Collegium of Business Administration, conducted in 2016 under the guidance of H. Godlewska - Majkowska.

**Table 2. POTENTIAL INVESTMENT ATTRACTIVENESS OF COUNTIES OF LUBLIN VOIVODSHIP FOR THE NATIONAL ECONOMY AND SELECTED SECTIONS**

County	PAI1_GN	PAI1_GN	PAI1_C	PAI1_G	PAI1_I	PAI1_M
	National economy	National economy	Industry	Trade and repairs	Accommodation and catering	Professional, scientific and technical activity
city of Zamość	0,307	A	A	A	A	A
city of Lublin	0,307	A	A	A	A	A
city of Chełm	0,280	A	A	A	C	A
city of Biała Podlaska	0,258	B	B	B	B	A
Łęczyca	0,241	B	B	C	D	C
Puławy	0,235	C	B	C	C	C

Source: Authors on the basis of the results of statutory research carried out in Collegium of Business Administration under the guidance of H. Godlewska-Majkowska in 2016.

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

	PAII_GN	PAII_GN	PAII_C	PAII_G	PAII_I	PAII_M
Commune	National economy	National economy	Industry	Trade and repairs	Accommodation and catering	Professional, scientific and technical activity
<b>Urban communes</b>						
Świdnik (u)	0,225	A	A	A	A	A
Zamość (u)	0,224	A	A	A	A	A
Lublin (u)	0,223	A	A	A	A	A
Kraśnik (u)	0,223	A	A	A	C	A
Lubartów (u)	0,213	A	A	A	C	A
Chełm (u)	0,210	A	A	A	A	A
Puławy (u)	0,207	A	A	A	A	A
Tomaszów Lubelski (u)	0,200	A	A	A	B	A
Łuków (u)	0,199	A	A	A	C	A
Biłgoraj (u)	0,195	A	A	A	D	A
Radzyń Podlaski (u)	0,193	A	A	A	C	A
Biała Podlaska (u)	0,186	A	A	A	A	A
Rejowiec Fabryczny (u)	0,186	A	A	A	D	B
Terespol (u)	0,180	A	A	B	B	C
Włodawa (u)	0,178	A	A	A	C	A
Stoczek Łukowski (u)	0,172	B	A	A	A	B
Międzyrzec Podlaski (u)	0,171	B	B	A	C	B
Krasnystaw (u)	0,171	B	B	B	B	A
Dęblin (u)	0,165	B	B	B	D	B
Hrubieszów (u)	0,164	B	B	C	B	C
<b>Rural communes</b>						
Puchaczów (r)	0,193	A	A	A	B	B
Wólka (r)	0,177	A	A	B	C	B
Jastków (r)	0,169	B	B	B	A	C
Lubartów (r)	0,164	B	B	B	B	C
Niemce (r)	0,159	B	B	C	B	C
Chełm (r)	0,158	C	B	C	D	D
Końskowola (r)	0,158	C	B	C	C	C
Żyrzyn (r)	0,157	C	C	C	D	C
Krasnystaw (r)	0,155	C	C	B	D	C
Kodeń (r)	0,155	C	C	C	D	D
Urzędów (r)	0,154	C	C	C	D	D
Obsza (r)	0,153	C	C	D	D	E

Potok Górny (r)	0,153	C	C	B	D	C
Kraśnik (r)	0,153	C	C	C	D	D
Puławy (r)	0,152	C	C	C	C	C
Konopnica (r)	0,151	C	C	D	B	C
Łukowa (r)	0,151	C	C	C	C	D
Strzyżewice (r)	0,150	C	C	C	D	C
Głusk (r)	0,150	C	C	C	E	B
Terespol (r)	0,150	C	C	C	E	D
Janowiec (r)	0,150	C	C	C	C	D
Dzierzkowice (r)	0,149	C	C	C	D	C
Garbów (r)	0,148	C	C	D	D	E
Biszcza (r)	0,148	C	C	C	C	D
Ludwin (r)	0,146	C	C	B	D	D
Kamień (r)	0,146	C	C	C	D	D
Niedrzwica Duża (r)	0,146	C	C	C	B	C
Jeziorzany (r)	0,146	C	C	D	E	E
Stężyca (r)	0,146	C	C	C	D	D
Baranów (r)	0,145	C	C	C	D	D
Aleksandrów (r)	0,145	C	C	C	E	D
Rejowiec (r)	0,145	C	C	C	D	D
Wąwolnica (r)	0,144	C	C	C	D	D
Cyców (r)	0,144	C	C	C	D	D
<b>Urban-rural communes</b>						
Łęczna (m-w)	0,203	A	A	A	C	A
Poniatowa (m-w)	0,177	A	A	A	C	B
Janów Lubelski (m-w)	0,170	B	B	B	A	C
Kazimierz Dolny (m-w)	0,165	B	B	B	A	C
Opole Lubelskie (m-w)	0,160	B	B	C	C	C
Parczew (m-w)	0,157	C	C	B	D	C
Ryki (m-w)	0,154	C	C	B	B	C
Krasnobród (m-w)	0,150	C	C	C	B	D
Bełżyce (m-w)	0,150	C	C	C	D	C
Józefów (m-w)	0,145	C	C	C	C	D
Annopol (m-w)	0,144	C	C	D	C	E
Piaski (m-w)	0,143	C	C	D	D	E

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

Source: As for Table 1.

Note: All the indices in the report have been calculated on the basis on the most up-to-date data from the Local Data Bank (LDB), 2016.

**Table 4. EFFECTS OF SPECIAL ECONOMIC ZONES FUNCTIONING AT THE END OF 2015**

SEZ	County, commune	Cumulated capital expenditure in million PLN	New jobs number	Leading industries (at least 20% share of revenue or employment)
Mielec	Biała Podlaska, Międzyrzec Podlaski (u)	-	-	no leading industry
Mielec	Chełm *, Rejowiec Fabryczny (r)	-	-	no leading industry
Mielec	Lubartów, Lubartów (u)	7	11	products of other non-metallic mineral
Mielec	city of Chełm, Chełm (u)	-	-	no leading industry
Mielec	city of Lublin, Lublin (u)	413	940	fabricated metal products, except machinery and equipment
Mielec	city of Zamość, Zamość (u)	43	97	wood and products of wood and cork, except furniture; articles of straw and materials of a kind used for weaving; fabricated metal products, except machinery and equipment
Mielec	Radzyń Podlaski, Radzyń Podlaski (u)	14	60	other products
Mielec/ Tarnobrzeg	Kraśnik, Kraśnik (u)	2	-	manufacture of other transport equipment
Starachowice	Puławy, Puławy (u)	527	114	chemicals and chemical products
Tarnobrzeg	Hrubieszów, Horodło (r)	-	-	no leading industry
Tarnobrzeg	Janów Lubelski, Janów Lubelski (u-r)	-	-	no leading industry
Tarnobrzeg	Łuków, Łuków (u)	7	27	groceries; machinery and equipment nec
Tarnobrzeg	Łuków , Łuków (r)	-	-	no leading industry
Tarnobrzeg	Opole, Poniatowa (u-r)	-	-	no leading industry
Tarnobrzeg	Ryki, Ryki (u-r)	-	-	no leading industry
Tarnobrzeg	Tomaszów Lubelski, Tomaszów Lubelski (u)	-	-	no leading industry
Tarnobrzeg	Tomaszów Lubelski, Tomaszów Lubelski (r)	-	-	no leading industry

Source: Authors' own calculations based on the Ministry of Economy data.

**Table 5. UNIVERSITIES, FACULTIES AND ITS CATEGORIES**

School name	Ministry of Science and Higher Education Category
The John Paul II Catholic University of Lublin	A – Faculty of Philosophy
	A – Wydział Teologii
	A – Faculty of Social Sciences
	B – Faculty of Humanities
	B – Faculty of Law, Canon Law and Administration
	B – Campus Faculty of Legal and Economic Sciences in Tomaszow Lubelski
	B – Campus Faculty of Law and Economy Sciences in Stalowa Wola
	B – Faculty of Biotechnology and Environment Sciences
	C – Faculty of Mathematics, Computer Science and Landscape Architecture
Lublin Higher School in Ryki	<b>no data</b>
Pope John Paul II State School of Higher Education in Biała Podlaska	C – for the entire school
State Higher Vocational School. Simon Szymonowicz in Zamosc	<b>no data</b>
State Higher Vocational School in Chelm	<b>no data</b>
Lublin University of Technology	A – Faculty of Civil Engineering and Architecture
	A – Faculty of Electrical Engineering and Computer Science
	A – Faculty of Mechanical Engineering
	B – Faculty of Environmental Engineering
	B – Faculty of Fundamentals of Technology
	B – Faculty of Management
Maria Curie-Skłodowska University in Lublin w Lublinie	A – Faculty of Chemistry
	A – Faculty of Arts
	B – Faculty of Humanities
	B – Faculty of Law and Administration
	B – Faculty of Philosophy and Sociology
	B – Faculty of Political Science

	<b>B</b> – Faculty of Pedagogy and Psychology
	<b>B</b> – Faculty of Biology and Biotechnology
	<b>B</b> – Faculty of Earth Sciences and Spatial Management
	<b>B</b> – Faculty of Mathematics, Physics and Computer Science
	<b>B</b> – Faculty of Economics
Medical University in Lublin	<b>A</b> – Faculty of Pharmacy and Division of Laboratory Medicine
	<b>A</b> – II Medical Faculty in English
	<b>B</b> – Faculty of Nursing and Health Sciences
	<b>B</b> – I Medical Faculty in Dentistry
University of Life Sciences in Lublin	<b>A</b> – Faculty of Food Science and Biotechnology
	<b>B</b> – Faculty of Veterinary Medicine
	<b>B</b> – Faculty of Production Engineering
	<b>B</b> – Faculty of Biology and Animal Science
	<b>B</b> – Faculty of Agrobioengineering
	<b>B</b> – Faculty of Horticulture and Landscape Architecture
	<b>C</b> – Faculty of Agricultural Sciences
Higher School of Business and Administration in Łuków	<b>no data</b>
Higher School of Economics and Innovation in Lublin	<b>no data</b>
J. Zamoyski School of Humanities and Economics in Zamosc	<b>no data</b>
School of Social Sciences in Lublin	<b>no data</b>
Polish Air Force Academy	<b>B</b> – Faculty of Aviation
	<b>B</b> – Faculty of National Security and Logistics
High School of Enterprise and Administration in Lublin	<b>no data</b>
Wincentego Pol Higher School of Social and Natural Sciences in Lublin	<b>no data</b>
Higher School of International Relations and Social Communication in Chelm	<b>no data</b>



School of Management and Administration in Zamosc	<b>B</b> – Faculty of Management and Administration
Józef Piłsudski University of Physical Education in Warsaw, Biala Podlaska	<b>B</b> – Faculty of Physical Education and Sport in Biala Podlaska

Source: Authors' own work based on the Official Journal of the Ministry of Science and Higher Education Warsaw, 9 July 2014 .; Item 38; Communication from the Minister of Science and Higher Education of July 4, 2014 year; of scientific terms granted to scientific institutions.

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