Business Services in Katowice & the Katowice Agglomeration

KATOWICE
for a change

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for a change

Report prepared for Katowice City Hall
by the Association of Business Service Leaders (ABSL)

in cooperation with JLL and Randstad

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Why Katowice?

Katowice is a rapidly growing city of 300,000 inhabitants located in southern Poland, and is the most important center of the almost 2 million-strong Katowice Agglomeration* and of the Metropolis** of more than 2.2 million inhabitants. The city is an important academic, cultural and economic center, offering a high quality of life and a modern economy in which business services play an important part. Periodically, Katowice hosts the European Economic Congress – the largest business event in this part of Europe. With qualified human resources, research and development facilities, an advantageous location and extraordinary character, Katowice and the Katowice Agglomeration are a perfect place to develop business process outsourcing centers (BPO), shared services centers (SSC), IT centers, and research and development centers (R&D). This is confirmed by dozens of success stories of investors from the industry.

Photo: Shuttestock

FIGURE 1
KEY INFORMATION ON KATOWICE AND THE KATOWICE AGGLOMERATION AS AN ATTRACTIVE LOCATION FOR BUSINESS SERVICES

5th largest location in Poland in terms of employment in the business services sector (20,000 people) and of the number of BPO, SSC, IT, R&D centers (92 in total).

Mature, stable development of the business services sector

1/3 of the business process outsourcing centers (BPOs), shared service centers (SSCs), IT centers and research & development (R&D) centers operating in the Katowice Agglomeration have been in the region for more than 10 years, which confirms investors' satisfaction with their choice. Because business centers have been operating in the area for a long period, a large pool of experienced senior managers has also developed. It is worth adding, though, that since 2012, more than 30 new centers have been established, and the majority of the jobs in the industry were also created during that time. The Katowice business services sector, then, features rapid growth supported by robust partnerships between companies from that sector and the commercial real estate sector, recruitment firms, city authorities, colleges and universities, and other business environment institutions.

5th largest office market in Poland (after Warsaw, Kraków, Wrocław and the Tri-City).

A stable economy and a consistently-implemented strategy for developing as one of the most important economic centers in Poland

A proven location for conducting business on a large scale: 10 international investors employing more than 500 people in their business services centers.

BPO, SSC, IT and R&D services centers success stories

In recent years, a large majority of business service centers have expanded both the scope and sophistication of their activities. These two aspects have also been accompanied by an increase in employment.

Support for investors

Katowice City Hall offers the support of its Investors Assistance Department, which provides comprehensive assistance at every stage of a project, and professional post-investment services.

25,000 graduates annually

The number of graduates from universities and colleges in the Katowice Agglomeration, including a significant talent pool with a business services profile (with particular emphasis on information and communications technologies).

Cost competitiveness

Operating and personnel expenses are lower than in Poland's largest business services locations (Kraków, Warsaw, and Wrocław).

12 Fortune Global 500 investors.

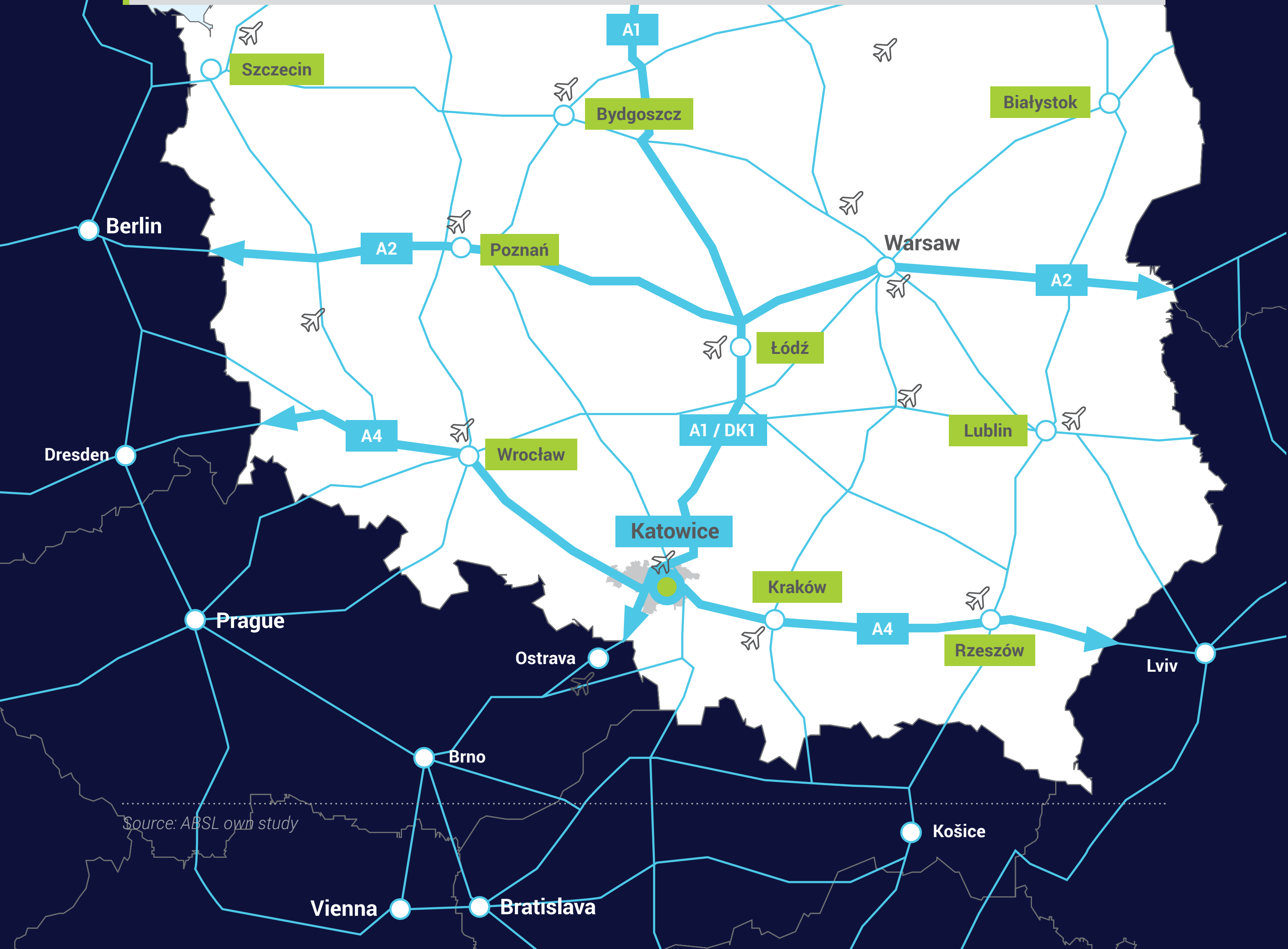
2nd place in Poland
Katowice position in the "Polish Cities of the Future 2017/18" ranking (fDi Intelligence, Financial Times) in the FDI strategy category.

5th place in Europe
Katowice position in the "European Cities and Regions of the Future 2016/17" ranking (fDi Intelligence, Financial Times) in the FDI strategy category (among large European cities).

* In the report, the name "Katowice Agglomeration" refers to 14 neighboring cities in the Katowice conurbation.
** A metropolitan association created within the area of the Katowice conurbation.

Source: ABSL own study

FIGURE 2
LOCATION OF KATOWICE AND THE KATOWICE AGGLOMERATION



Source: ABSL own study

TABLE 1
DISTANCES AND ANTICIPATED TRAVEL TIMES TO SELECTED CITIES

	Distance from Katowice	Travel time		
		By car	By train	By plane
Warsaw	290 km	3h00min	2h25min	0h50min
Berlin	515 km	5h00min	7h15min*	3h30min*
Vienna	385 km	4h00min	4h26min	3h10min*
Frankfurt am Main	902 km	8h20min	12h13min*	1h35min

* with stopover

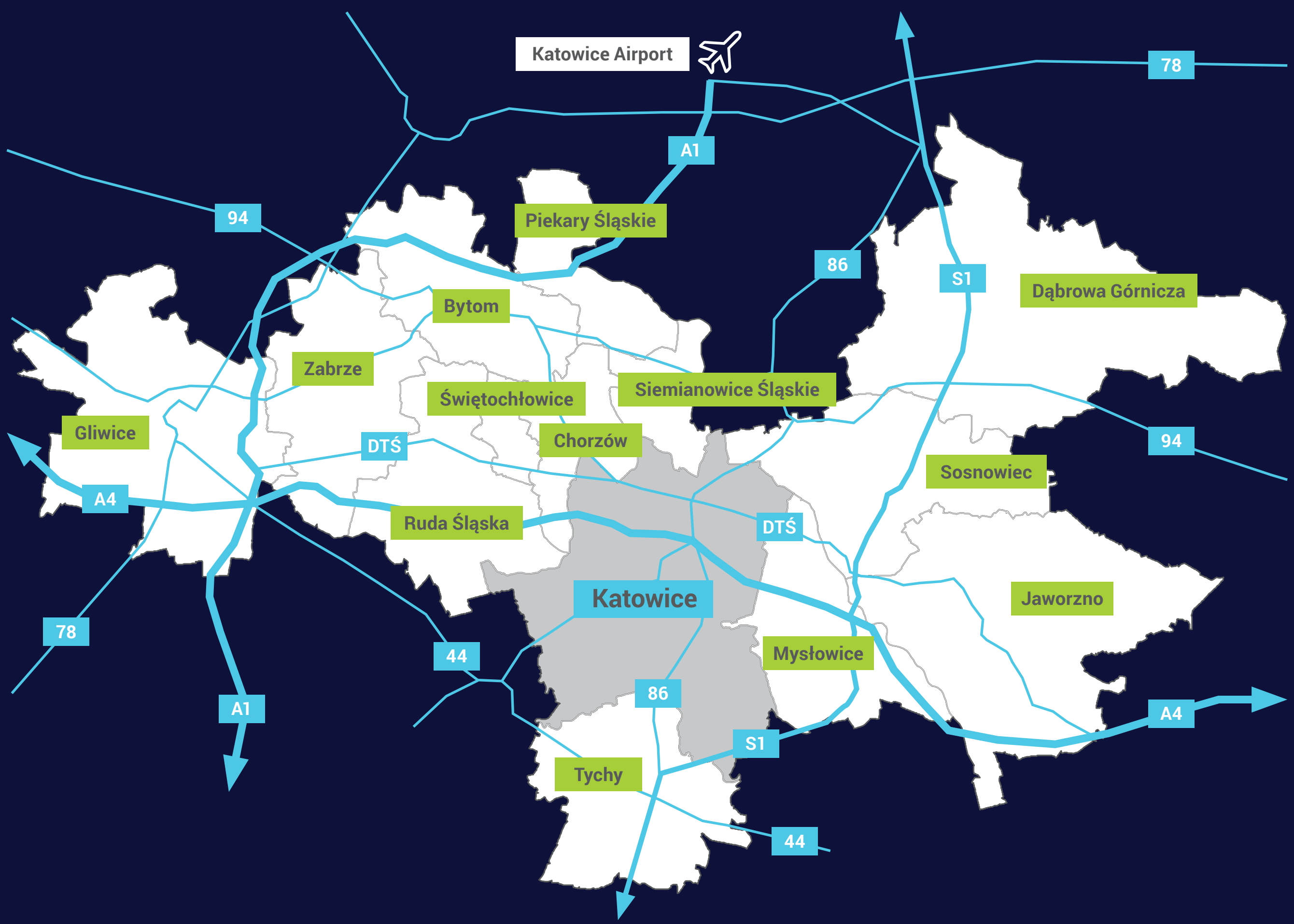
Source: Google Maps, Deutsche Bahn, Google Flights

According to the TomTom Traffic Index, the Katowice Agglomeration has a very low traffic congestion indicator in comparison with other large cities in Poland and elsewhere in Europe.

Source: https://www.tomtom.com/en_gb/trafficindex/

The Katowice Agglomeration is located in southern Poland, at the crossroads of important European road and rail routes. It features excellent transportation access, including a well-developed road network (the A1, A4 motorways, the S1 expressway, and the Silesian Intercity Road (so-called DTŚ) connecting the largest cities in the Agglomeration). Its convenient location makes it easy to get to Warsaw by car or train. Katowice Airport (KTW) provides access to important hubs (inc. Frankfurt am Main and Dubai) and to a number of capitals (inc. London, Stockholm, Oslo, Dublin, and Kiev). The airport is Poland's fourth largest by number of passengers served. Katowice also boasts quick access to such international airports as Kraków Airport and Ostrava Airport (each within a radius of about 100 km). It is worth noting that investments in transportation infrastructure are ensuring that the city's accessibility is increasing year by year.

FIGURE 3
MAP OF THE KATOWICE AGGLOMERATION



Source: ABSL own study

FIGURE 4
AIR TRANSPORTATION – KATOWICE AIRPORT (KTW)

Distance from the airport to the city center	**30** km
Number of countries served (within the network of scheduled connections)	**18**
Number of air connections (within the network of scheduled connections)	**42**
Total number of passengers	**3.2 million** (2016) **3.8 million** (forecast for 2017)
Airlines providing scheduled connections	**LOT Polish Airlines, Lufthansa, Ryanair, Transavia.com and Wizzair**

Number of direct flights operated per week to selected destinations and flight times:

Warsaw (WAW): 27 (0h50min)
London (LTN, STN): 23 in all (2h25min-2h30min)
Frankfurt am Main (FRA): 19 (1h35min)
Amsterdam (AMS): 3 (1h55min)

Source: ABSL own study based on: www.katowice-airport.com and Google Flights

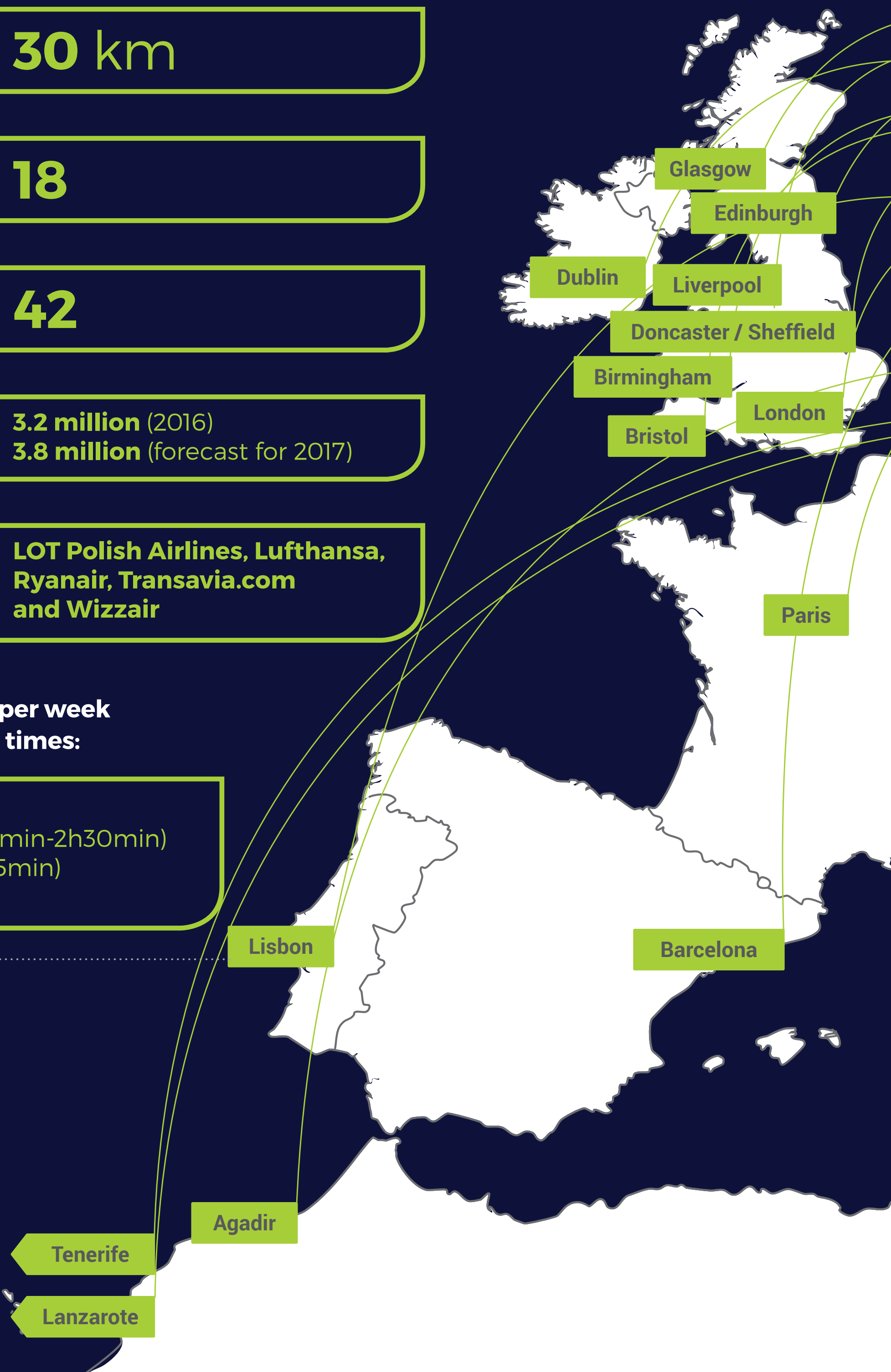
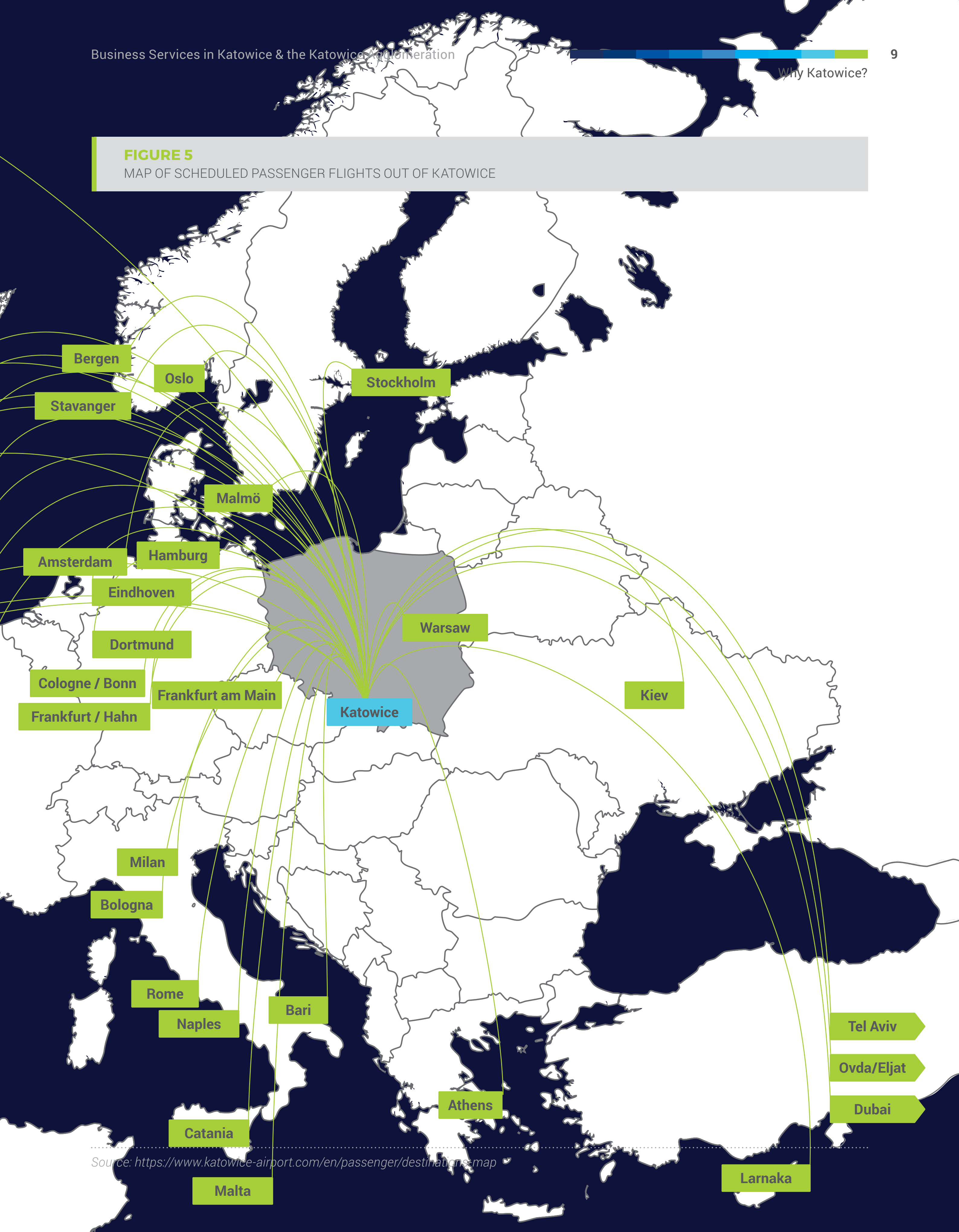


FIGURE 5
MAP OF SCHEDULED PASSENGER FLIGHTS OUT OF KATOWICE



Source: https://www.katowice-airport.com/en/passenger/destinations-map

2

Business services

The Katowice Agglomeration is 5th in Poland and 10th in Central and Eastern Europe in terms of employment in BPO, SSC, IT and R&D centers. To a large extent, Katowice's strong position on the Polish map is due to the development of centers belonging to global corporations that have decided to make investments here. Impressive growth in the number of newly established business services centers has transformed the economic landscape of the Katowice Agglomeration, having a beneficial effect on its reputation as a business location.

It is worth noting that the share of people in the Katowice Agglomeration who are of mobile working-age and employed in this sector is among the lowest in Poland (2.7%). One can still speak, then, of relatively low pressure on the local labor market (in comparison with the country's largest locations). There is room for new centers and for growth in entities already present, which means thousands more new jobs are very likely to be created in the sector in the coming years.

Photo: Katowice City Hall

FIGURE 6
BUSINESS SERVICES SECTOR IN THE KATOWICE AGGLOMERATION

20,000	The number of people employed in the business services sector in Q3 2017.
92	The number of BPO, SSC, IT and R&D centers in the Katowice Agglomeration (Q3 2017). A clear majority of these operate in Katowice. There are 66 foreign capital centers, while the remaining 26 belong to Polish companies.
83	The number of investors (from 20 countries) that have business services centers within the Katowice Agglomeration.
21%	Growth in employment in business services centers in the Katowice Agglomeration from Q1 2016 to Q3 2017. A large majority (71%) of new jobs were generated by centers already in operation that expanded their activities.
7	The number of new business services centers established since the beginning of 2017. Thanks to those investments, more than 1,500 new jobs have been created.
IT	The most important category of services provided by centers in the Katowice Agglomeration. IT generates just over half (51%) of employment in the industry and appears in the service portfolios of more than 3/4 of the centers in the area analyzed. It holds the greatest share among the seven main business services locations in Poland.
23,000+	The number of employees in the sector forecast for 2020, i.e., 15% more than in Q3 2017 (conservative estimate).
100+	The number of BPO, SSC, IT and R&D centers operating in the Katowice Agglomeration forecast for 2020 (conservative estimate).

Source: ABSL own study

About the report

This report presents the most important information on the business services sector in the Katowice Agglomeration*. It also discusses aspects of the local labor market, the office real estate market, the quality of life in the city and forms of cooperation between business services centers and nearby business institutions, and provides information on support for investors from local authorities.

The statistical information on employment in business services centers is current for Q3 2017. Information on the activities of entities analyzed is derived from the latest annual ABSL survey conducted in Q1 2017. The survey was completed by 25 respondents representing business services centers currently employing a total of 12,000 people in the Katowice Agglomeration, i.e., 60% of the total number of employees in the sector in the area analyzed. The information obtained from the survey made it possible to perform a statistical analysis of the current activities of the entities involved (by subject). The content of the report is supplemented by a section based on an analysis of the responses given by representatives of the managerial staff of those business services centers during in-depth interviews in 2016.

In the publication, the industry has been defined broadly to include research & development activities. Each business services center has been assigned to one of the primary types: business process outsourcing center (BPO), shared services center (SSC), information technology center (IT), or research & development center (R&D). Contact centers providing services to external customers were classified as BPOs. Entities providing IT solution outsourcing services (incl. maintaining systems, applications, infrastructure, and technical support) and/or creating and selling (implementing) software for external customers were classified as IT centers. Please note that in the analysis, no account was taken of companies that only provide services domestically in Polish for customers located in Poland. This restriction does not apply to IT and R&D centers that offer software development, which, as a rule, requires the "product" to be developed in English. In the publication, a geographic criterion was applied. Each business services location is treated as a separate unit of analysis if it is located in a different city.

It is worth noting that, in addition to the centers analyzed in this report, there are other entities in the Katowice Agglomeration that focus on serving internal and/or external clients within Poland, in Polish only. In such centers, which were not considered in the report but mainly provide customer services, several thousand people are employed in the area analyzed. Such contacts include the TAURON SSC, the Silesian SSC belonging to Polska Grupa Górnicza, and the SSC of the RUCH Capital Group.

We would like to thank all of the company representatives who took time to complete the ABSL survey or prepare information on investors used in this publication.

* In the report, the name "Katowice Agglomeration" refers to 14 neighboring cities in the Katowice conurbation: Bytom, Chorzów, Dąbrowa Górnicza, Gliwice, Jaworzno, Katowice, Mysłowice, Piekary Śląskie, Ruda Śląska, Siemianowice Śląskie, Sosnowiec, Świętochłowice, Tychy and Zabrze. This name should not be confused with the Metropolis, the metropolitan association created within the area of the Katowice conurbation.

The Katowice Agglomeration is one of the five largest business services locations in Poland (8% of employment in the sector nationally). 92 business services centers are located here, which belong to 83 investors from 20 countries. Apart from Polish investors (23), these are mainly companies from the US (21) and Germany (8), but also from France, the UK, the Netherlands, Sweden, and 12 other countries.

Business services centers in Katowice and the Katowice Agglomeration now employ 20,000 people (Q3 2017). A large majority of those employees (74%) work for entities with foreign capital. Polish companies generate 26% of the jobs in the sector, American companies 20%, French companies 15%, British companies 13%, German companies 12%, Dutch companies 4%, and companies from other countries 10%. A large majority of the business services centers in the Katowice Agglomeration, and almost 3/4 of the total employment in the sector, are located in Katowice itself.

Among the business services centers in the Katowice Agglomeration, there are: 44 IT centers, 22 shared services centers (SSC), 14 research & development centers (R&D), and 12 business process outsourcing centers (BPO). It is worth pointing out that, in the employment structure by type of center, IT centers dominate (51%) over the other types of entities analyzed. The average employment level in business services centers in the Katowice Agglomeration is 219 people (the median is 100 people). It should be added that the 10 largest business services centers in the Katowice Agglomeration (in which more than 500 people work) generate a total of almost 50% of the total employment in the sector.

Considering the companies' plans for development and potential new investments, it can be cautiously anticipated that employment in the industry will reach at least 23,000 by 2020.

ABSL

ABSL Regional Chapter in Katowice

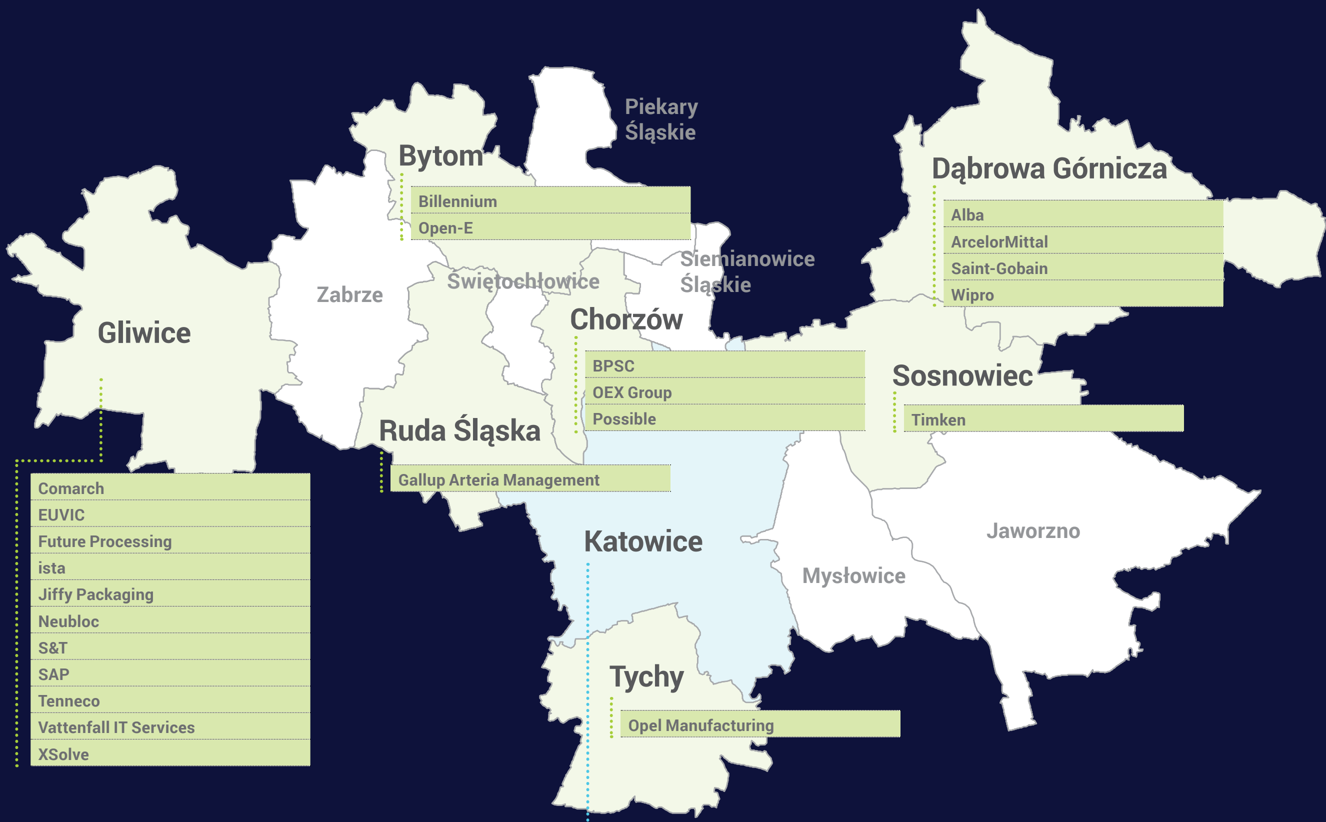
The ABSL Regional Chapter in Katowice is a local action group composed of investors representing the business services sector. Its priorities include supporting the activities of members of the Association, exchanging knowledge and best practice in order to foster an investment-friendly atmosphere, and initiating activities which serve to promote the business services sector within the regions of Upper Silesia and Opole as broadly understood. To this end, the companies which belong to the ABSL Regional Chapter actively cooperate with representatives of Katowice City Hall, city halls within the agglomeration, the Marshal's Office, the Katowice Special Economic Zone, and local academic institutions.

Participants in the ABSL Regional Chapter include:

ArcelorMittal / Capgemini / Cooper Standard / DisplayLink / Future Processing / IBM / ING Services Polska / ista / JLL / Kroll Ontrack / PwC / Randstad / Rockwell Automation / Saint-Gobain / Sopra Steria / Unilever / Wipro / ZF TRW, as well as invited guests representing public administration or the governing bodies of universities.

Marcin Nowak
Head of Global Distributed Smart Services, Delivery Centre Director Eastern Europe, Capgemini
Head of ABSL Silesia

FIGURE 7
SELECTED INVESTORS WITH BUSINESS SERVICES CENTERS IN THE KATOWICE AGGLOMERATION



Accenture	Eurofins	Knauf	Sapiens International Corporation
ADB	EUVIC	Kotrak	Sii
Altium	Groupon	Kroll Ontrack	SGS
Arvato Polska	Guardian	Mentor Graphics	SMS Metallurgy
Asseco	HireRight	Neubloc	Sopra Steria
Barona	IBM	NGA Human Resources	Sygnity
Bombardier	ING Services Polska	Onwelo	Teleperformance
Capgemini	intive	Oracle	TMF Group
Diebold Nixdorf	ista	Perform Group	Unilever
Cyclad	itelligence	PwC	Vattenfall IT Services
DisplayLink	IT Kontrakt	relayr (Proximetry Poland)	Webanywhere
Dunlop Conveyor Belting	JCommerce	Rockwell Automation	ZETO Katowice

LARGEST EMPLOYERS IN THE BUSINESS SERVICES SECTOR IN KATOWICE:

Capgemini
Cloud Infrastructure Services

IBM
IBM Client Innovation Center

PwC
PwC Service Delivery Center

Source: ABSL own study

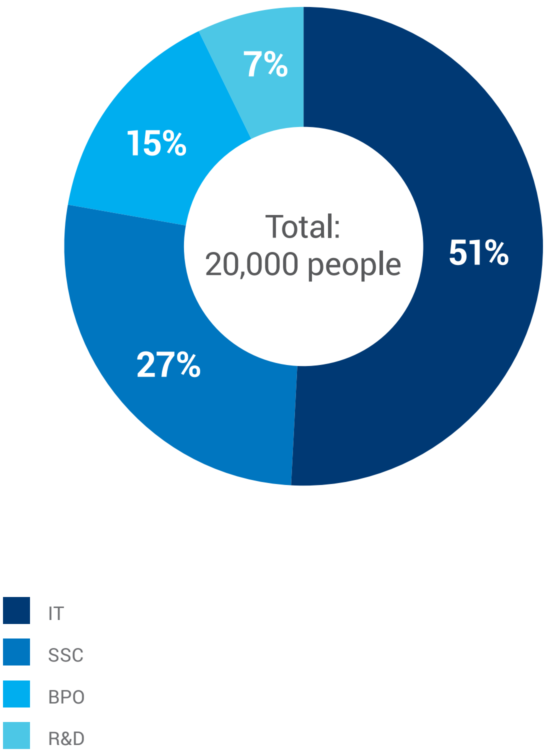
TABLE 2
SELECTED INVESTORS HAVING BUSINESS SERVICES CENTERS IN KATOWICE

Company	Type of center	Year activities began	Parent company headquarters location	Employment level	Activities profile
Accenture	IT	2017		<100	Services relating to information technology, including software development and system integration.
Altium	IT	2016		<100	Software development for designing key subassem-blies of electronic equipment.
Arvato Polska	BPO	2017		<100	Accounting services (mainly processing and analyzing accounting data concerning payments) and telephone services for customers from the telecommunications industry.
Capgemini	IT / BPO	2006		>1500	IT Center: services within the scope of remote technical support, IT infrastructure management and data security and protection. BPO Center: services within the scope of finance and accounting, banking operations, customer service, supply management and human resources management.
Diebold Nixdorf	R&D	2011		250-500	Design and development of applications for payment systems and security technologies.
DisplayLink	R&D	2008		<100	Creation and development of DisplayLink software.
Eurofins	SSC	2016, 2017		100-250	GSC Competence Center: services within the scope of global purchasing, group reporting and control, and IT recruitment. SSC Center: financial and accounting services.
Groupon	SSC	2017		<100	Processes related to serving customers from Europe, the Middle East, Africa, Asia and North America.
Guardian	SSC	2017		<100	Financial and accounting processes; serving the distribution network, communication processes and design work of Guardian Glass.
HireRight	BPO	2004		250-500	Services within the scope of background screening (analysis and verification of candidate data).
IBM	IT	2013		>1500	Services supporting solutions for the 'hybrid cloud', mobile services, big data, business analysis, digital security, and cognitive solutions based on IBM Watson technology.
ING Services Polska	IT	2003		500-1000	IT services for entities from the ING Group worldwide: hosting system resources, services for remote IT resources management, software services, and services related to IT security.
itelligence	IT	2010		<100	Outsourcing IT services, SAP consulting, application support.
JCommerce	IT	2005		250-500	Outsourcing IT services.
Knauf	IT	2017		<100	Development and maintenance of systems, procedu-res and applications assisting business processes in the production and distribution of Knauf products worldwide.

Company	Type of center	Year activities began	Parent company headquarters location	Employment level	Activities profile
Kroll Ontrack	R&D	2001		100-250	Creation and development of software supporting big data management.
Mentor Graphics	R&D / SSC	2005, 2012		250-500	R&D Center: developing software for the design and production of modern electronic equipment (EDA – Electronic Design Automation). SSC Center: financial and accounting services.
NGA Human Resources	BPO	2007		250-500	Services relating to staff and payroll outsourcing, HR advice, and IT system integration for HR.
Onwelo	IT	2017		<100	Creation, development and maintenance services for software, project management, business analysis within the scope of solutions for: the financial market, pharmaceuticals, FMCG, energy and telecommunications.
Perform Group	IT	2011		100-250	Creation and development of software.
relayr (Proximetry Poland)	R&D	2006		<100	Creation and development of software in the area of the Internet of Things (IoT).
PwC	SSC	2009		>1500	Support services for financial audit departments, tax advice, and staffing, accounting and purchasing services for PwC companies.
Rockwell Automation	SSC	2006		250-500	Global Financial Operations Department: financial and accounting services for branches of the company worldwide. R&D Department: development, design and testing of applications and equipment, services within the scope of solutions relating to cyber security.
Sapiens International Corporation	IT	2016		100-250	IT services within the scope of software development.
SGS	SSC	2014		<100	Back-office services for branches of the company.
Sii	IT	2014		100-250	IT services.
Sopra Steria	IT	2007		500-1000	IT services within the scope of infrastructure management and software development.
TMF Group	BPO	2000		<100	Financial and accounting services, payroll.
Unilever	SSC	2008		500-1000	Transportation logistics, central planning, customer service, data management and financial services for branches of the company throughout Europe.
Webanywhere	R&D	2012		<100	Creation and development of software within the scope of e-learning solutions, education management systems and virtual learning environments.

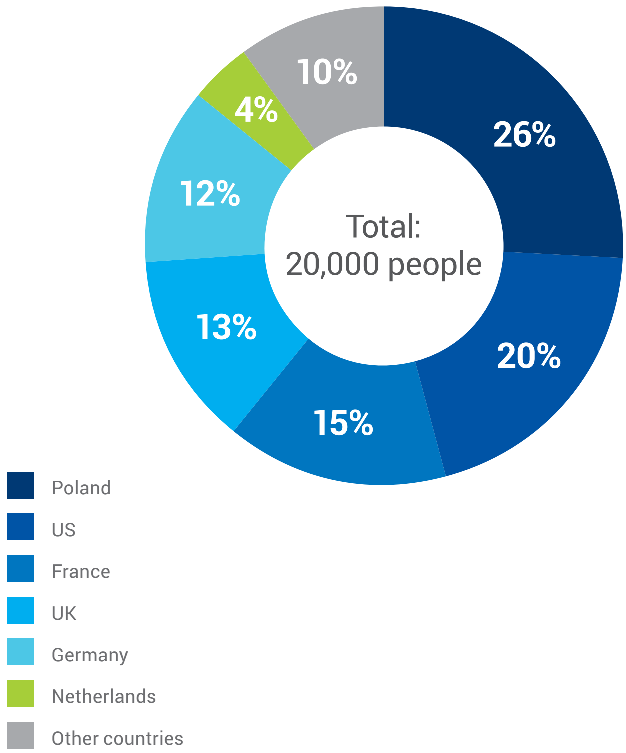
Source: ABSL own study based on various sources, including the websites of companies

FIGURE 8
EMPLOYMENT STRUCTURE OF BUSINESS SERVICES CENTERS IN THE KATOWICE AGGLOMERATION BY TYPE OF CENTER



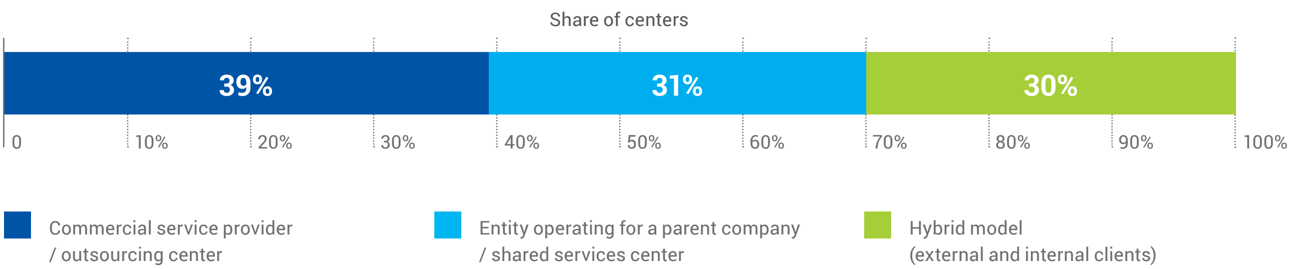
Source: ABSL own study

FIGURE 9
EMPLOYMENT STRUCTURE OF BUSINESS SERVICES CENTERS IN THE KATOWICE AGGLOMERATION BY PARENT COMPANY HEADQUARTERS LOCATION



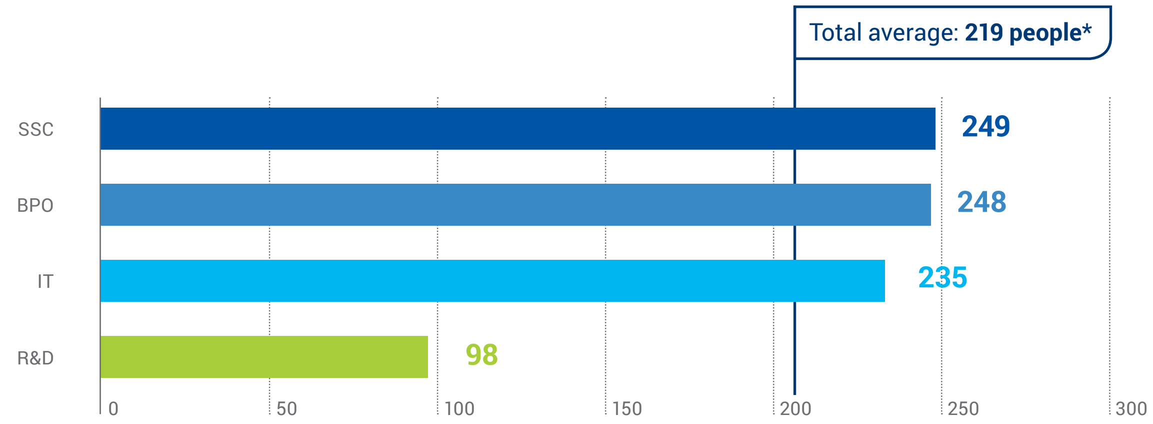
Source: ABSL own study

FIGURE 10
STRUCTURE OF EMPLOYMENT AT BUSINESS SERVICES CENTERS IN THE KATOWICE AGGLOMERATION BY TYPE OF ORGANIZATION



Source: ABSL own study

FIGURE 11
AVERAGE EMPLOYMENT BY TYPE OF SERVICES CENTER

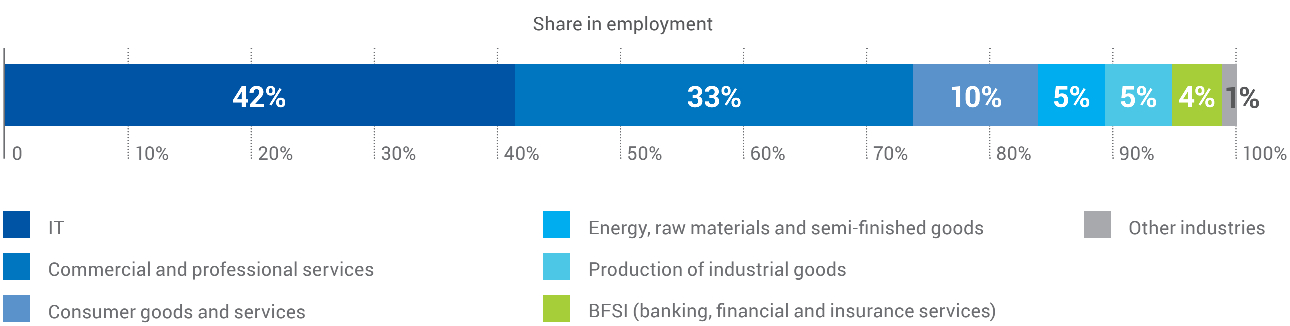


* Median: 100 people

Source: ABSL own study

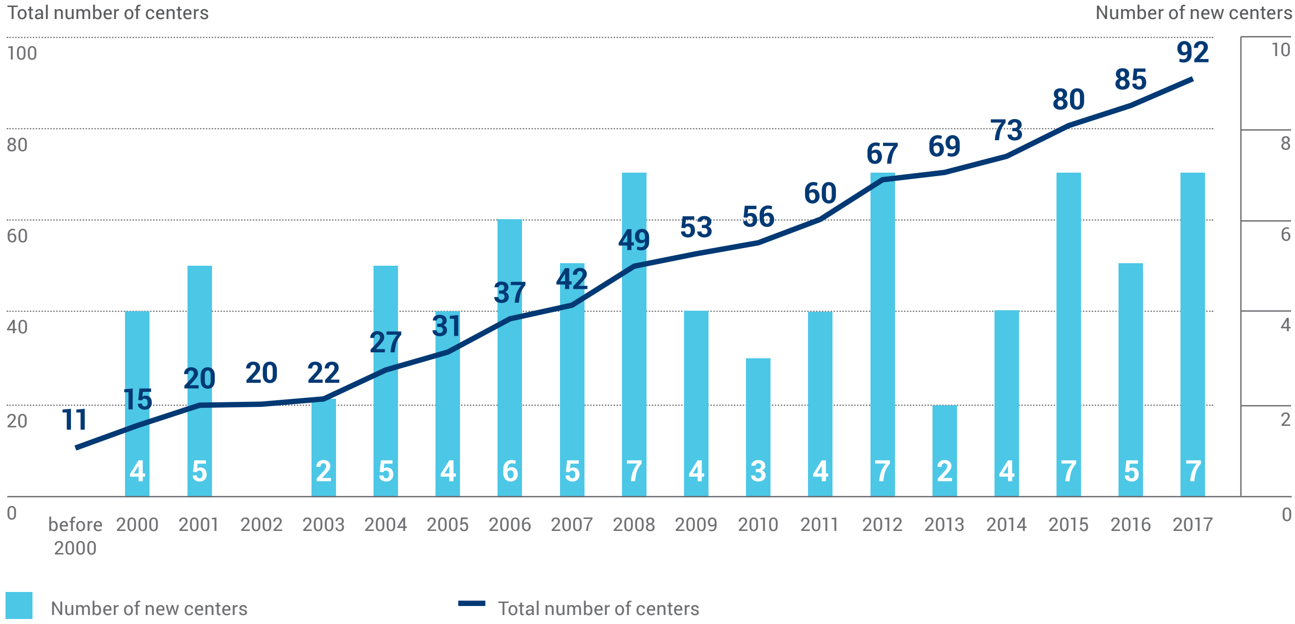
An analysis of the employment structure in the sector by industry of the parent company of each business services center demonstrates that the majority of jobs were created by the IT industry (42%) and the commercial and professional services sector (33%). The third industry in terms of share in the employment structure of the business services sector in the Katowice Agglomeration is consumer goods and services (10%). All other sectors combined represent a 15% share of the employment structure.

FIGURE 12
EMPLOYMENT STRUCTURE OF BUSINESS SERVICES CENTERS IN THE KATOWICE AGGLOMERATION BY PARENT COMPANY INDUSTRY



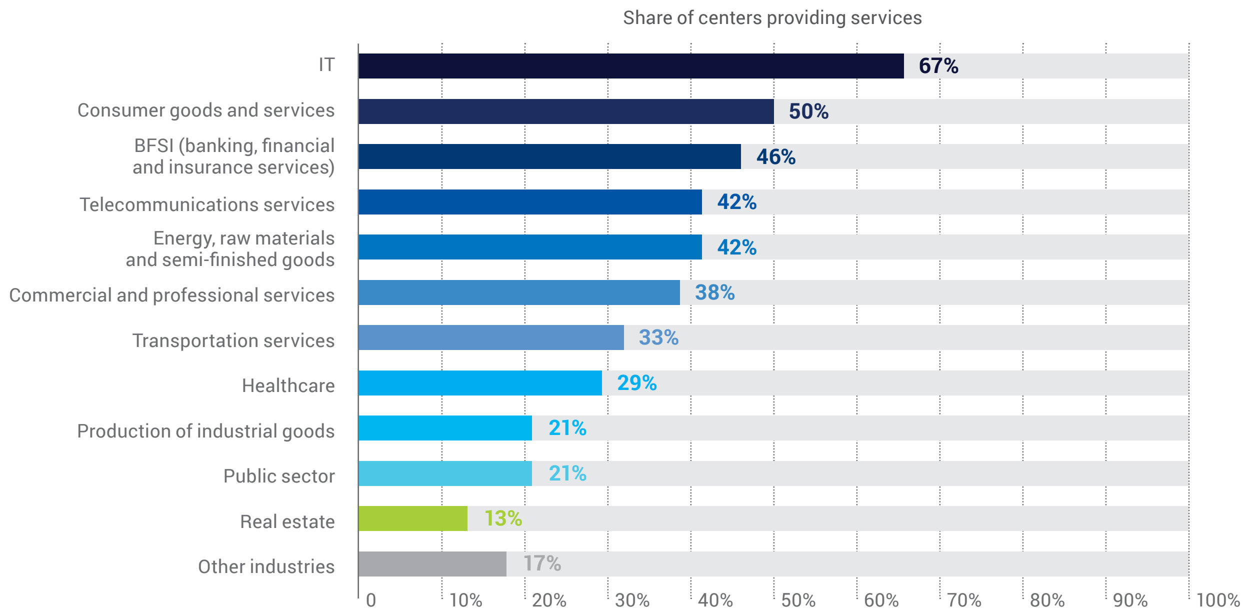
Source: ABSL own study

FIGURE 13
BUSINESS SERVICES CENTERS IN THE KATOWICE AGGLOMERATION BY YEAR ACTIVITIES COMMENCED



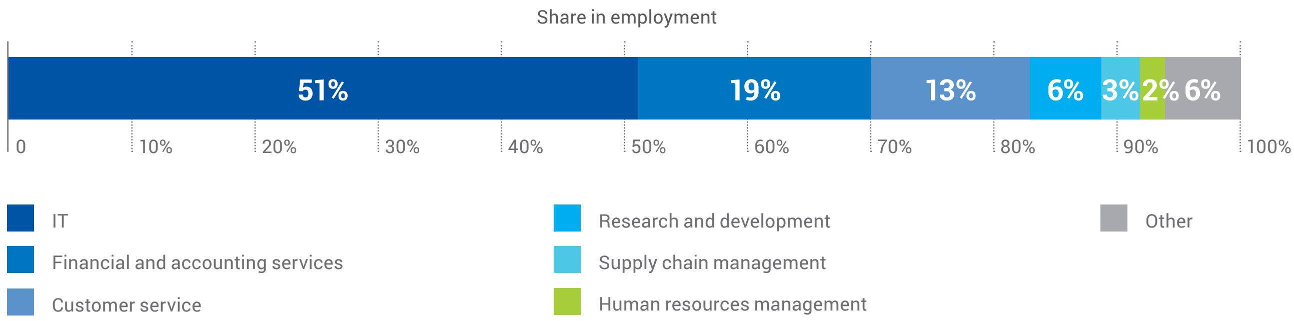
Source: ABSL own study

FIGURE 14
INDUSTRY STRUCTURE OF COMPANIES (EXTERNAL AND INTERNAL CUSTOMERS) SUPPORTED BY BUSINESS SERVICES CENTERS LOCATED IN THE KATOWICE AGGLOMERATION



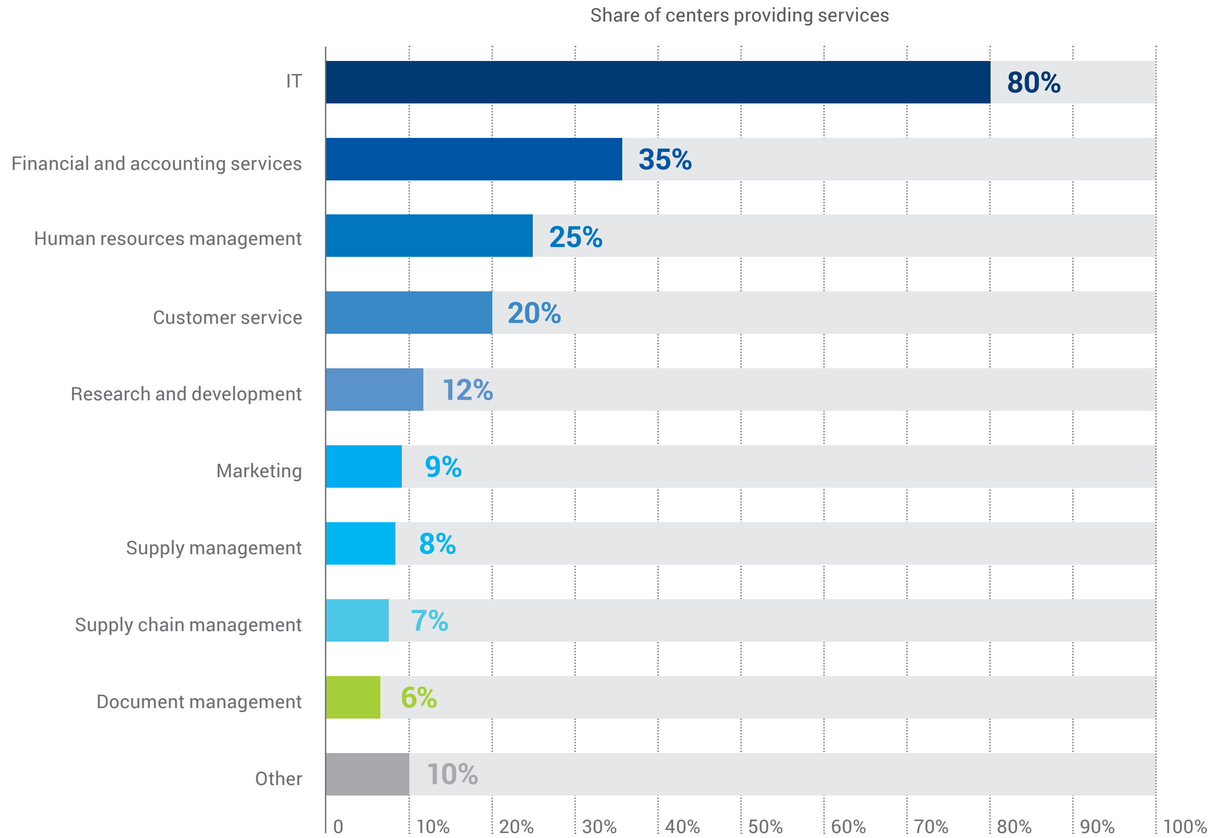
Source: ABSL own study based on responses from investors with business services centers in the Katowice Agglomeration (N = 25 companies)

FIGURE 15
EMPLOYMENT STRUCTURE OF BUSINESS SERVICES CENTERS BY PROCESS CATEGORIES SUPPORTED



Source: ABSL own study

FIGURE 16
PROCESS CATEGORIES SUPPORTED BY BUSINESS SERVICES CENTERS IN THE KATOWICE AGGLOMERATION



Source: ABSL own study

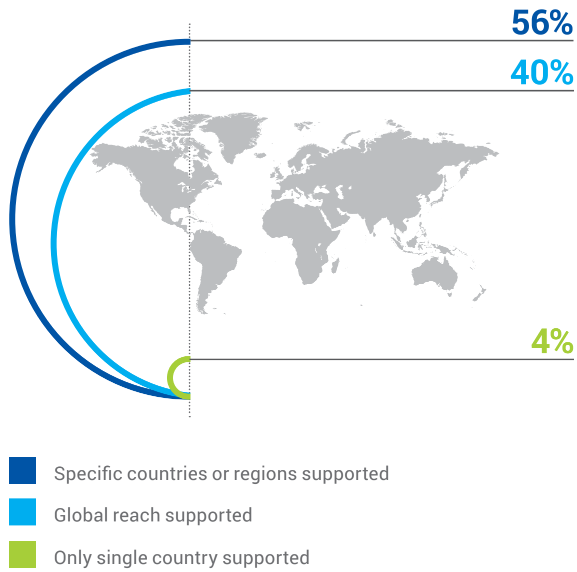
Geographic scope of services delivered

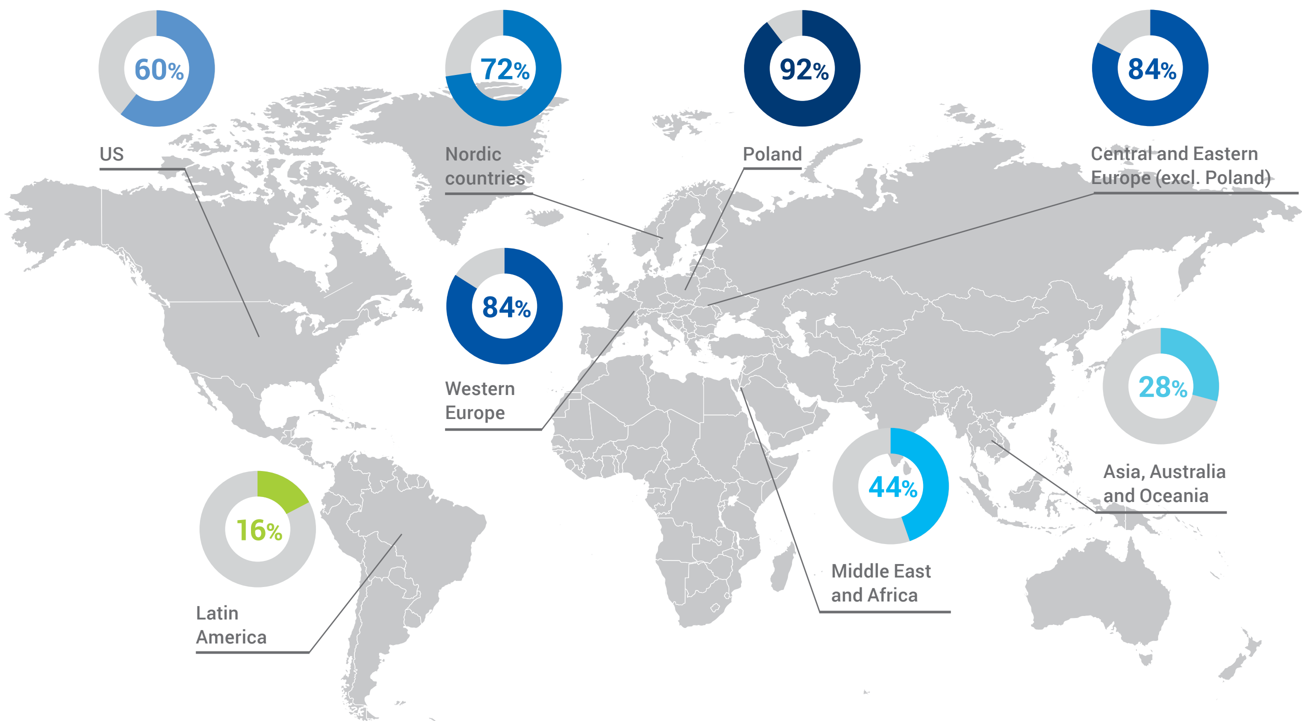
FIGURE 17
GEOGRAPHIC SCOPE OF SERVICES DELIVERED BY BUSINESS CENTERS IN THE KATOWICE AGGLOMERATION

Centers in the Katowice Agglomeration provide services for companies from various parts of the world. The largest number of centers focus on serving customers in Western Europe and Poland.

Main countries supported by centers in the Katowice Agglomeration

1. Germany **2.** UK **3.** US

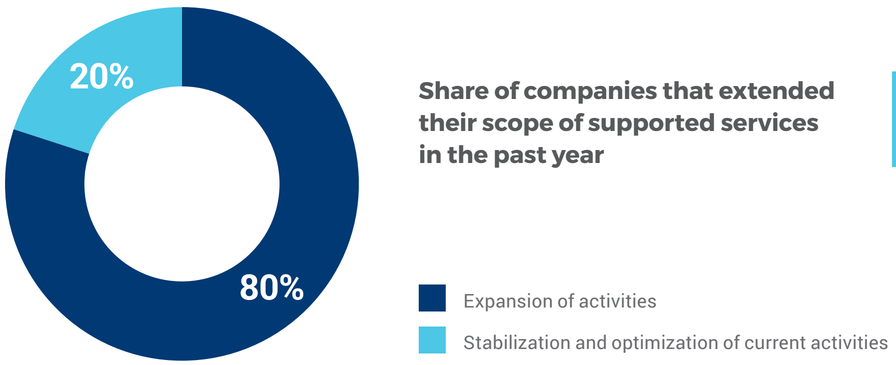




Source: ABSL own study based on responses from investors with business services centers in the Katowice Agglomeration (N = 25 companies)

Companies' plans concerning their operations

FIGURE 18
BUSINESS SERVICES CENTERS' PLANS TO EXPAND THEIR OPERATIONS WITHIN THE COMING YEAR



Share of companies that extended their scope of supported services in the past year

92%

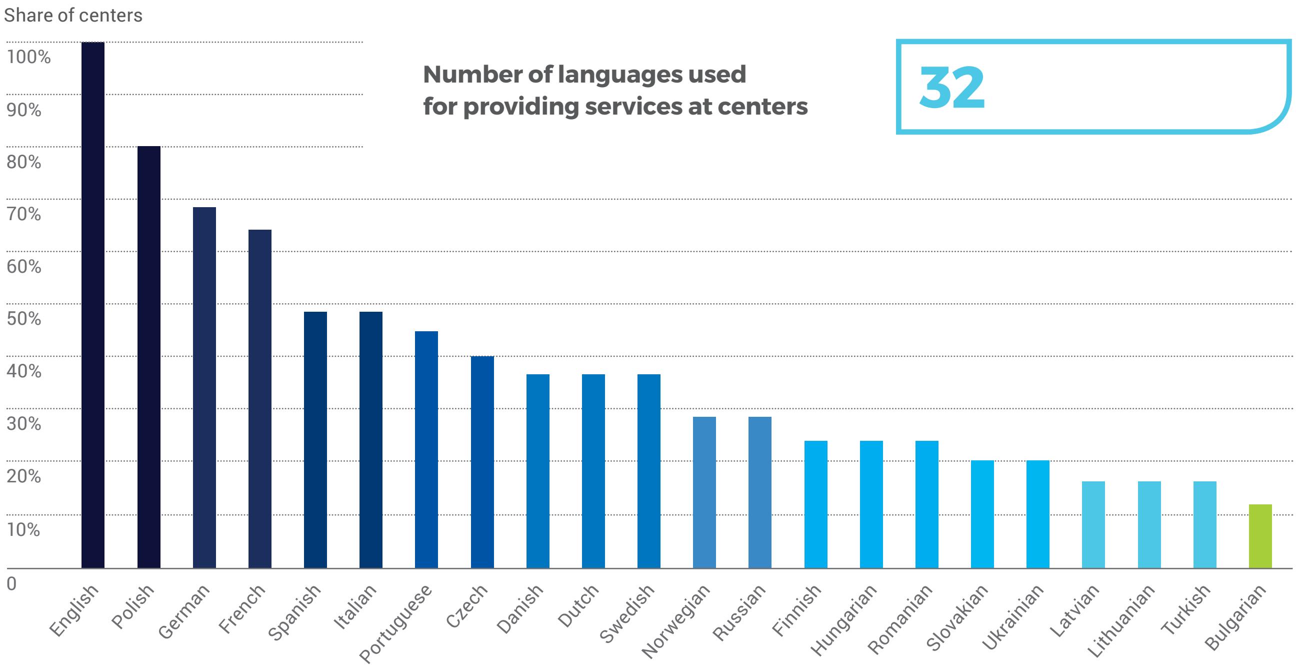
Source: ABSL own study based on responses from investors having business services centers in the Katowice Agglomeration (N = 25 companies)

Languages used at business services centers

FIGURE 19
LANGUAGES USED AT BUSINESS SERVICES CENTERS

Number of languages used for providing services at centers

32



Note: other languages not listed in the table include Arabic, Belarusian, Chinese, Croatian, Estonian, Greek, Hebrew, Serbian, Slovenian and Japanese.

Source: ABSL own study based on responses from investors with business services centers in the Katowice Agglomeration (N = 25 companies)

Foreigners employed at business services centers

FIGURE 20
MAJOR COUNTRIES OF ORIGIN OF FOREIGNERS EMPLOYED AT BUSINESS SERVICES CENTERS

Foreigners are employed in the majority of business services centers in the Katowice Agglomeration. It is estimated that they comprise about 5% of the total number of employees in the sector. The country named most frequently as the country of origin of the foreigners employed at business services centers is Ukraine. In almost 1/3 of companies employing foreigners, Ukrainians comprise the largest group of foreigners. The second largest nationality is Spanish, and the third largest French.

1. Ukraine **2.** Spain **3.** France

Source: ABSL own study based on responses from investors with business services centers in the Katowice Agglomeration (N = 25 companies)

FIGURE 21
EMPLOYMENT PROFILE OF BUSINESS SERVICES CENTERS IN THE KATOWICE AGGLOMERATION

Average share of employees with a college degree in business services centers. — **92%**

Share of business services centers where at least 90% of the employees have a university degree. — **67%**

Average share of employees of business services centers employed under an indefinite term employment contract. — **78%**

Share of business services centers that employ at least 90% of their employees under an indefinite term employment contract. — **23%**

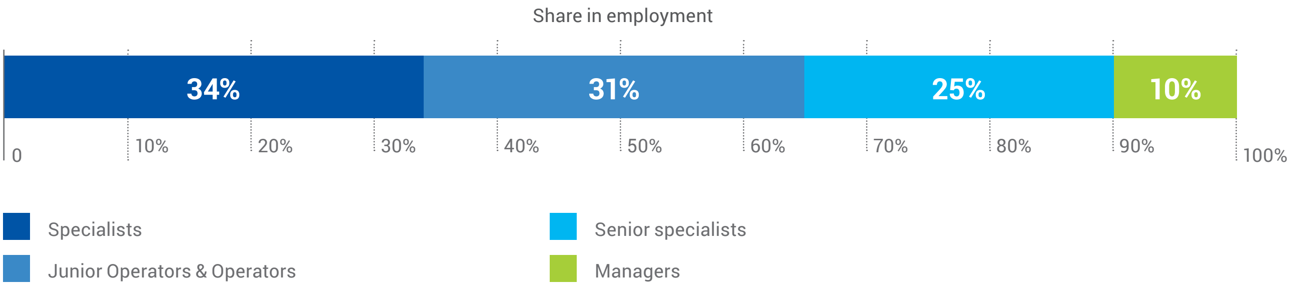
Average share of women in employment structure of business services centers. — **47%**

Average share of women in employment structure as managerial staff of business services centers. — **41%**

Average age of business services center employees. — **32 years**

Source: ABSL own study based on responses from investors with business services centers in the Katowice Agglomeration (N = 25 companies)

FIGURE 22
EMPLOYMENT STRUCTURE AT BUSINESS SERVICES CENTERS IN THE KATOWICE AGGLOMERATION BY POSITION CATEGORY



Source: ABSL own study based on responses from investors with business services centers in the Katowice Agglomeration (N = 25 companies)

FIGURE 23
SKILLS OF EMPLOYEES MOST SOUGHT AFTER ON THE LOCAL JOB MARKET BY BUSINESS SERVICES CENTERS

TOP 1

Language skills

(particularly good command of German and French).

TOP 2

Programming skills

(particularly in JAVA and C++) and other IT skills (incl. knowledge of Linux, AIX, VBA, SAP, digital skills).

TOP 3

Soft skills

(communication, continual development, teamwork, etc.).

Source: ABSL own study based on responses from investors with business services centers in the Katowice Agglomeration (N = 25 companies)

Relations between business services centers and universities

Business services centers operating in the Katowice Agglomeration willingly cooperate with universities. They offer internships and training for students, take part in job fairs, organize open days, workshops and lectures. It is worth noting that, for the centers, cooperation with universities is a way of building students' awareness of the business services sector. Company representatives emphasize that universities increasingly see the need to cooperate with business. They sign cooperation agreements with centers on the organization of internships and training for their students. In this way, students can gain their first professional experience in the industry, while centers obtain future employees.

TABLE 3
EXAMPLES OF COOPERATION BETWEEN BUSINESS SERVICES CENTERS AND UNIVERSITIES IN THE KATOWICE AGGLOMERATION

Company	Sample activities as part of cooperation with universities in the Katowice Agglomeration
Capgemini	» Cooperation with, among others, the University of Silesia, Silesian University of Technology, University of Economics in Katowice, Katowice School of Economics, Silesian School of Management. » Participating in university academic councils. » Organizing internships and training for students. » Organizing training, lectures and industry events. » Case Week – workshops for students organized with the Silesian University of Technology, etc. » Organizing open days, participation in job fairs and career days.
Future Processing	» Cooperation with the Silesian University of Technology and the University of Silesia. » Funding two computer laboratories for those institutions. » Internships, training and seminars for students. » Organizing a series of workshops and lectures entitled “Dobre Praktyki Tworzenia Oprogramowania” [Best Practices in Software Development]. This project is addressed to students of the Silesian University of Technology and the University of Silesia – its goal is to increase students' competence and knowledge in developing software through presentations of the practical aspects of IT. The lecturers are employees of Future Processing, specialists in software engineering. » Organizing the international programming marathon “Deadline 24”. As part of the competition, teams of three compete by solving algorithmic problems for 24 hours. » Preparing and running the course “Tworzenie oprogramowania w zmiennym środowisku biznesowym” [Software Development in a Changing Business Environment] (for IT students of the Silesian University of Technology). The classes cover the issue of software development as a business problem solution, and are aimed at showing students the types of issues they will face in their future professional work.
IBM	» Cooperating with, among others, the Silesian University of Technology, University of Silesia, University of Economics in Katowice, Katowice School of Economics, University of Dąbrowa Górnicza. » Providing software and educational materials to universities for educational and academic purposes. » IBM Open Day, and an Open Day for Disabled Persons. » Teaching program for students: Corporate Readiness Certificate. This project brings the worlds of business and science together. It consists of a series of practical sessions aimed at preparing students for project and team work in large corporations.

Company	Sample activities as part of cooperation with universities in the Katowice Agglomeration
ING Services Polska	» Cooperating with, among others, the University of Silesia, University of Economics in Katowice, Silesian University of Technology. » Organizing meetings for students and graduates aimed at presenting possible forms of cooperation, employment and development within the company, organizing internships and training. » Providing subjects for diploma theses to be taken up by students. » Organizing the Corporate Readiness Certificate program in cooperation with IBM Polska, ING Bank Śląski and the University of Economics in Katowice.
Kroll Ontrack	» Cooperating with the University of Silesia and the Silesian University of Technology. » Running courses at universities on testing, programming – practical skills useful in the IT industry. » Presenting the company's cultural and organizational sides to students and graduates.
PwC	» Cooperating with, among others, the University of Economics in Katowice. » Educational activities (workshops, presentations, meetings with students). » Offering internships and training for students and graduates. » Organizing the nationwide "Grasz o staż" [Internship Challenge] competition in which students solve practical tasks to win a paid internship from among many companies, including from the business services industry. » WEX internship program for first-year students, at the headquarters and local offices of the company. Students have the opportunity to gain their first professional experience, to train and deal with practical issues from various fields, while the company puts the most successful through a simplified recruitment process. » "Experience PwC" competition for seniors and graduates. The competition has a few stages (online testing, case studies) and allows students to tackle actual challenges faced by PwC employees.
Rockwell Automation	» Equipping a new laboratory at the Silesian University of Technology. » Job fairs, information campaigns, lectures for students. » Supporting students in preparing master's theses. » Branding activities – building awareness of the company's brand and of the entire sector among students. » Financing postgraduate studies for employees, e.g. in project management.
Sopra Steria	» Working together with philological faculties (due to the need for French-speaking employees). » Cooperating with the Silesian University of Technology. » Vacation internship program. » "Flex Agreement" for students – the opportunity to fit their work schedule to their university schedule.

Source: ABSL own study based on the websites of each company and university and on information obtained during interviews with business services center representatives

Assessment of the location as a place to do business

In the survey, representatives of business services centers from Katowice (for which the city is the main location of their activities in Poland) were asked for their opinions on the features of Katowice as a business services location. All of the features analyzed obtained a favorable rating, with the highest being the availability of transportation and modern office space (4.5 on a scale from 1 to 5, where 5 is the highest rating).

Scale of 1 to 5, where 5 is the highest possible score

4.5 / 5 pts Availability of transportation (airports, trains)

4.0 / 5 pts Quality of public transportation

4.0 / 5 pts Availability of modern office space

3.9 / 5 pts Cooperation with local authorities

3.7 / 5 pts Cooperation with local universities

3.5 / 5 pts Availability of talent pool/highly qualified staff

7.5 / 10 pts

Overall level of satisfaction with Katowice as a location for operations.
The respondents rated their overall satisfaction with the location as a place to do business at 7.5 on a scale of 1 to 10, where 10 is the highest possible score. In this respect, Katowice is in third place in Poland among large business services locations.

3.3 / 10 pts

Assessment of competition among BPO, SSC, IT and R&D centers on the local labor market.
Katowice companies from the sector assess the level of competition on the local labor market as 3.3 on a scale from 1 to 10, where 1 means very strong competition. This means that competition among centers is perceptible, but should not result in drainage of the available pool of employees. It is worth adding that Katowice is in a group of three large business services locations in Poland (along with Poznań and Warsaw) that, in the opinion of investors, feature the lowest pressure on entities currently operating in the sector.

Source: ABSL own study based on responses from investors for which Katowice is the main location of their activities in Poland

FIGURE 24
THE BUSINESS SERVICES SECTOR IN KATOWICE AGGLOMERATION AND ITS LOCAL ENVIRONMENT

KATOWICE
for a change

City authorities
Investors Assistance Department

BPO, SSC, IT, R&D business services centers

Business Environment Institutions
Industrial and scientific-technological parks, development agencies, entrepreneurship incubators

Commercial real estate industry

Katowice Special Economic Zone

Employees of business services centers

Colleges and universities

Other stakeholders
(including product & service providers for business services centers)

Recruitment firms

Start-ups

Cluster initiatives:
Silesian ICT Cluster
Silesian IT Cluster

Source: ABSL own study

Photo: Tomasz Padło

3

Business image

This part of the report presents the results of an analysis of the responses of representatives of business services centers on how they perceive the Katowice Agglomeration as a place for doing business. Respondents' opinions were gathered during individual in-depth interviews (IDIs) conducted at selected companies*.

* We would like to thank the representatives of Capgemini, Future Processing, ING Services Polska, Kroll Ontrack, Opel Manufacturing, PwC, Rockwell Automation, Saint Gobain and Sopra Steria for taking part in the interviews.

FIGURE 25
MAIN ADVANTAGES OF KATOWICE AS A LOCATION FOR BUSINESS SERVICES CENTERS IN THE OPINION OF INVESTORS

- Availability of qualified staff
- Changes in the city, changes in image
- Good location, convenient transportation
- Collaboration: business – local authorities

Source: ABSL's own study based on interviews with business services center representatives

A city in transformation

FIGURE 26
ASSOCIATIONS OF BUSINESS SERVICES CENTER REPRESENTATIVES CONCERNING KATOWICE

Source: ABSL's own study based on interviews with business services center representatives

Representatives of business services centers operating in Katowice estimate that more than half of their employees commute to work from other cities, mainly those belonging to the Katowice Agglomeration.

According to representatives of business services centers in the Katowice Agglomeration, important benefits of the area are: access to suitably qualified staff, and the high level of employee competence. Respondents added that an important factor determining how such centers function is the close proximity of the cities within the Agglomeration which, thanks to good transport connections, makes it easy to move from one place to another. Employees, then, often live in a city other than the one in which they work.

According to center representatives, another strength of the Katowice Agglomeration is the large number of universities it accommodates, which prepare students in many fields related to the work of business services centers. Especially worthy of note, in the opinion of respondents, is the strong tradition of engineering in the area. Respondents emphasize the high level of engagement at work shown by employees of business services centers. Respondents appreciate employees' ambition and their willingness to take on new professional challenges and work on increasingly advanced projects requiring specialized knowledge and skills.

Company representatives are aware of the positive changes that have taken place in recent years in Katowice. They emphasize the transformation of Katowice into a city that is modern, open for business, and has a high quality of life. In a business context, respondents say that the development of transportation infrastructure and of the office premises market have been very important elements in that transformation. The changes for the better that have been made in Katowice have strengthened the city's image as a place to do business and its further development in many dimensions.

In the opinion of respondents, the investment climate in Katowice is good. Multi-level contacts between companies and Katowice City Hall are conducted in an atmosphere of openness, which enhances the business development of the region.

Center representatives indicate that the pressure on the labor market in the Katowice Agglomeration is less than that in many other business services locations in Poland. They highlight that the challenge they face is obtaining specialists with years of experience. Respondents state that Katowice will continue to grow, taking advantage of its proximity to Kraków (the largest business services location in Poland), providing an attractive alternative for investors.

Center representatives believe that there is room for new investors in the Katowice Agglomeration, and room for further growth among companies already operating there. Katowice, located in the center of the Agglomeration, is perceived by respondents as an integrator of development for the business services sector in the region.

Photo: Katowice City Hall

4

Investors about themselves

Among the dozens of companies that have invested in business services centers in the Katowice Agglomeration, there are a number of globally-recognized entities, leaders in their industry. Moreover, leading Polish suppliers of IT services and business process outsourcing have their head offices here.

A clear majority of existing investors have expanded the scope of their services and increased the number of people they employ. One can speak, then, of many successful investments, some of which are presented in this section (PwC, IBM).

This part of the report also includes testimonials from selected new investors in Katowice whose centers began operating in 2017 (Arvato, Groupon, Accenture). These companies describe the current activities of their branches and their plans for the coming years.

Photo: Shutterstock

IBM Client Innovation Center Wroclaw & Katowice has been operating in Katowice since 2013 (in Wrocław since 2009), providing a wide range of IT services, from operating system management through securing and system security, maintaining and monitoring of IT equipment and software systems, to services for end users.

Employing from nearly 90 countries, IBM is one of the largest employers in the modern business services sector in Katowice. There are many high-class professionals, among others like IT architects, project managers and program managers, information technology service providers for the largest companies in the world, unique technology experts who are being recruited from around the world. Interestingly, in some project specialists work in international virtual teams. It is worth pointing out that a large percentage of IBM employees are women who occupy many managerial positions.

IBM offers its potential employees the development in a wide range of competencies, also indirectly influences bringing new trends in higher education institutions working closely with many of them. Being an international corporation guarantees its employees several benefits and opportunities for growth not only around new technologies. Employees may freely build their professional career paths through choosing from a variety of departments where there is place for IT specialists, managers as well as graduates with non-technical degree, including language specialists.

IBM center in Katowice supports many customers, mainly European ones. In addition, besides of investing in software, hardware research and development, IBM has made significant investments in the development of cloud-based solutions, including the most advanced and modern solutions, known as hybrid clouds that are backed up in Katowice rightly. Also in the scope of activities conducted in Katowice there are: mobile services, big data, business analytics, digital security and cognitive solutions based on IBM Watson.

| ***Service Delivery Center***

PwC Service Delivery Center (SDC) was established in late 2009. It has been operating for 8 years in Katowice and for over 1 year in Opole. SDC provides support services for the PwC global network firms in the following areas: assurance (audit), tax, internal firm services ('back office') and others. It delivers services to over 50 countries, mostly in the EMEA region.

Currently SDC employs over 1 600 staff in total and provides services in eight languages working in a diversified international environment. Employees are offered a wide range of development possibilities and a comprehensive training package. SDC employs students as well as graduates and experienced professionals from various backgrounds.

The Center is a part of a global network, Service Delivery Center, which is an important component of PwC global business strategy and customer services optimization.

arvato BERTELSMANN

Arvato Polska is one of the divisions of the international group Bertelsmann, who provides the outsourcing solutions in financial services. The office in Katowice started its activity in April 2017, based on the nearshore strategy in cooperation with the offices in Potsdam, Berlin and Münster.

Arvato currently employs 50 people involved in accounting-related projects (mainly processing and analyzing accounting data for payments) and customer care (service dialog center) in the telecommunications industry. Due to the cooperation with the German client, the employees have the opportunity to use the German language in practice every day.

In December 2017, Arvato expanded its client portfolio and launched a new team (the e-sales industry), employing another 20 people. Taking into account the plans for 2018, the number of employees will continue to grow. Arvato is looking for the candidates with experience in the SSC / BPO industry, as well as graduates and students of last years of philological studies or economics.

The Katowice office is located in the heart of the city, in the Altus office building, in a modern and comfortable office.

The company plans to grow continuously and dynamically and ultimately to employ even 200 specialists.

GROUPON®

The Groupon Shared Services Center – Katowice, which opened in April 2017, is yet another center supporting the best practices, tools and solutions of Groupon's global operations.

The outstanding location and a labor market comprising educated people was instrumental in deciding that the investment would be made in the heart of the Katowice Agglomeration. The main task of the center is to simplify customer and partner service processes as well as to strengthen the effectiveness of business operations, which will translate directly into higher quality services being provided to customers from 10 regional markets: the EMEA, APAC and North America.

The Katowice Groupon team consists of more than 250 staff specializing in customer and trade partner services and in creating sales offers, mainly in English, German and Italian. The working conditions offered allow maximum flexibility among the talented people who form the Groupon team. New employees can expect attractive benefits and a unique working atmosphere that sets this center apart from its competitors in the region. The center has a target of 500 employees.

In July 2017, Accenture opened its second Polish Delivery Center in Katowice. After Łódź, in which the company has had a presence since 2005, Katowice is another center providing customers with comprehensive services relating to technology, including software development and system integration.

The Accenture Delivery Center for Technology in Katowice will be created by a team of highly qualified specialists having a broad range of competences in both traditional and innovative information technologies. The task of the new Delivery Center will be to assist customers in implementing digital changes within their businesses.

Thanks to these Polish specialists and access to Accenture's global resources, and using advanced project management tools and methods, customers of the Accenture Delivery Center in Poland will benefit from unique support crucial to carrying out digital transformations.

"We chose Katowice as the next location for an Accenture Delivery Center to meet our customers' needs and expectations. We see potential here and opportunities for our business to grow," explained Witold Rogowski, Managing Director of the Delivery Center. *"The opening of a new office and the creation of a team of new technology specialists in Katowice reflects our strong commitment to perfecting the services we provide to local customers. Our goal is to use IT solutions to drive their success."*

By the end of 2020, the Accenture Delivery Center in Katowice will employ 500 specialists, with a total of 1,000 employees in Poland.

Photo: Shutterstock

5

Labor market

Katowice is a city of young, educated people who have an excellent command of foreign languages and are ready to take on the challenges employers from the business services sector set for them. At universities in the Katowice Agglomeration, more than 93,000 students are being trained, 2/3 of them in Katowice itself. Every year, the local labor market is packed with graduates who have excellent, varied skills.

Chapter content provider: **Randstad**

Randstad Polska is the largest personnel consulting and temporary staffing agency on the Polish market. By combining passion for people with the power of today's technologies, the company supports people and organizations in realizing their true potential. More at: www.randstad.pl

Photo: Tomasz Padło

FIGURE 27
BASIC DEMOGRAPHIC INFORMATION ON KATOWICE AND THE KATOWICE AGGLOMERATION

	Katowice	Katowice Agglomeration*
Population (total)	297,200	1,866,200
Percentage of women in the overall population	52%	52%
Working age population	179,900	1,142,900
Working and mobile age population (18-44 years)**	108,800	696,400

Note: figures given have been rounded off
* Katowice, Bytom, Chorzów, Dąbrowa Górnicza, Gliwice, Jaworzno, Mysłowice, Piekary Śląskie, Ruda Śląska, Siemianowice Śląskie, Sosnowiec, Świętochłowice, Tychy and Zabrze
** age range contained within the working age bracket and comprising persons who are able to move to a different work position, place of work or re-train

Source: Central Statistical Office of Poland (June 30, 2017)

FIGURE 28
EDUCATIONAL POTENTIAL OF KATOWICE AND THE KATOWICE AGGLOMERATION

	Katowice	Katowice Agglomeration*
Number of university students	52,200	93,900
Number of graduates	13,300	25,500
Number of universities	11	20

Source: Local Data Bank, Central Statistical Office of Poland (bdl.stat.gov.pl): Colleges and universities in the 2016/2017 academic year (graduates: as at the 2015/2016 academic year)

FIGURE 29
NUMBER OF STUDENTS ENROLLED IN EACH OF KATOWICE AGGLOMERATION'S UNIVERSITIES

Universities in Katowice

Students	University
23,100	UNIVERSITY OF SILESIA
10,300	UNIVERSITY OF ECONOMICS IN KATOWICE
9,900	MEDICAL UNIVERSITY OF SILESIA IN KATOWICE
4,700	JERZY KUKUCZKA ACADEMY OF PHYSICAL EDUCATION IN KATOWICE
2,700	KATOWICE SCHOOL OF ECONOMICS
2,400	UNIVERSITY OF OCCUPATIONAL SAFETY MANAGEMENT IN KATOWICE
1,500	SILESIAN SCHOOL OF MEDICINE IN KATOWICE
1,300	KATOWICE SCHOOL OF TECHNOLOGY
900	KAROL SZYMANOWSKI ACADEMY OF MUSIC IN KATOWICE
900	KATOWICE INSTITUTE OF INFORMATION TECHNOLOGIES
600	THE ACADEMY OF FINE ARTS IN KATOWICE

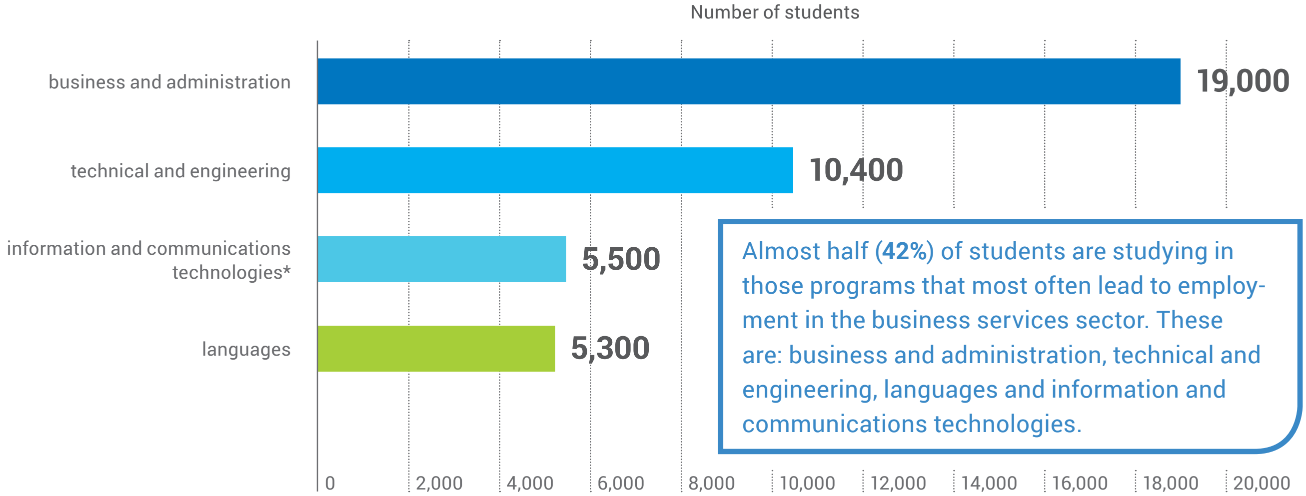
Other universities in the Katowice Agglomeration

Students	University
21,400	SILESIAN UNIVERSITY OF TECHNOLOGY
5,900	UNIVERSITY OF DĄBROWA GÓRNICZA
2,100	HUMANITAS UNIVERSITY IN SOSNOWIEC
1,100	SCHOOL OF STRATEGIC PLANNING IN DĄBROWA GÓRNICZA
400	SCHOOL OF MEDICINE IN SOSNOWIEC
400	KAROL GODULA UPPER SILESIAN ACADEMY OF ENTREPRENEURSHIP IN CHORZOW
300	GLIWICE ACADEMY OF ENTREPRENEURSHIP
70	SCHOOL OF APPLIED SCIENCE IN RUDA ŚLĄSKA
40	THE CARDINAL AUGUST HLOND UNIVERSITY OF EDUCATION IN MYSŁOWICE

Please note: the numerical values given have been rounded up. The figure shows only the headquarters of universities.
The numerical values refer to the total number of students in the mentioned universities (including their affiliates).

Source: Central Statistical Office of Poland (2016)

FIGURE 30
STUDENTS OF LANGUAGES, BUSINESS AND ADMINISTRATION, INFORMATION AND COMMUNICATIONS TECHNOLOGIES AND TECHNICAL AND ENGINEERING FACILITIES IN THE KATOWICE AGGLOMERATION (2016/2017 ACADEMIC YEAR)*



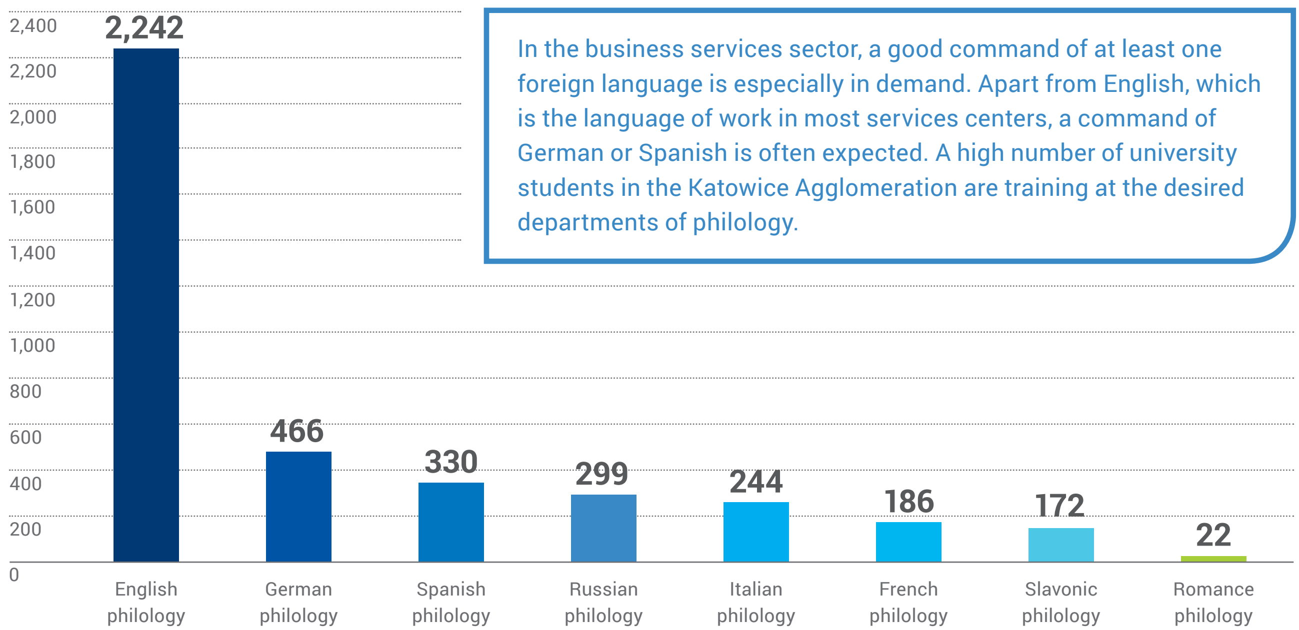
Almost half (**42%**) of students are studying in those programs that most often lead to employment in the business services sector. These are: business and administration, technical and engineering, languages and information and communications technologies.

Note: figures given have been rounded off
* together with a subgroup of interdisciplinary programs and qualifications covering information and communications technologies

Source: Local Data Bank, Central Statistical Office of Poland (bdl.stat.gov.pl), 2016

FIGURE 31
NUMBER OF STUDENTS OF SELECTED PHILOLOGY PROGRAMS IN THE KATOWICE AGGLOMERATION

In the business services sector, a good command of at least one foreign language is especially in demand. Apart from English, which is the language of work in most services centers, a command of German or Spanish is often expected. A high number of university students in the Katowice Agglomeration are training at the desired departments of philology.



Source: Central Statistical Office of Poland: Colleges and universities in the 2016/2017 academic year (graduates: as at the 2015/2016 academic year)

TABLE 4

GROSS MONTHLY SALARY (IN EUR) AT BPO/SSC/IT/R&D CENTERS FOR EMPLOYEES WHO SPEAK ENGLISH

The salary charts were prepared on the basis of conclusions from interviews with candidates and employers and an analysis of recruitment processes dedicated to the business services sector in Poland. In total, recruitment processes conducted by Randstad in Q2 and Q3 2017 were analyzed.

F&A: GL	Min	Opt	Max
Junior Accountant (1-2 years' experience)	935	1051	1168
Accountant (2-3 years' experience)	1168	1285	1519
Senior Accountant (over 3 years' experience)	1519	1636	1869
Team Leader (team of 5-15 people)	1869	2570	2804
Manager (team of up to 50 people)	2336	3037	4206

F&A: AP / AR	Min	Opt	Max
Junior Accountant (1-2 years' experience)	818	935	1051
Accountant (2-3 years' experience)	1051	1168	1285
Senior Accountant (over 3 years' experience)	1285	1402	1752
Team Leader (team of 5-15 people)	1869	2103	2804
Manager (team of up to 50 people)	2336	3037	3738

Customer Service	Min	Opt	Max
Junior Specialist (no experience)	701	818	935
Specialist (over 1 year's experience)	981	1168	1285
Team Leader (team of 5-15 people)	1402	1636	1869
Manager (team of up to 50 people)	1869	2103	2570

HR processes	Min	Opt	Max
Junior Specialist (up to 1 year's experience)	818	888	935
Specialist (1-2 years' experience)	935	1051	1285
Senior Specialist (over 2 years' experience)	1168	1402	1869
Junior Payroll Specialist (up to 1 year's experience)	748	818	935
Payroll Specialist (1-3 years' experience)	1051	1168	1285
Senior Payroll Specialist (over 3 years' experience)	1285	1519	1752
Team Leader (team of 5-15 people)	1752	1986	2336
Manager (team of up to 50 people)	1986	2336	3271

IT	Min	Opt	Max
1st Line Support (2 years' experience)	818	935	1285
2nd Line Support (2 years' experience)	935	1168	1636
3rd Line Support (2 years' experience)	1636	1869	2336
IT Administration (3 years' experience)	1402	1869	2336
Network / Security (3 years' experience)	1752	2220	2804
Business / System Analyst (3 years' experience)	1636	2336	2804
Developer (3 years' experience)	1869	2336	3037
Tester (3 years' experience)	1636	2103	2570
Team Leader (team of 5-15 people)	2103	2804	3505
Project Manager (team of up to 50 people)	2336	3271	3972

Procurement / Order Management	Min	Opt	Max
Junior Specialist (up to 1 year's experience)	935	1051	1402
Specialist (1-3 years' experience)	1285	1519	1752
Senior Specialist (over 3 years' experience)	1519	1752	2103
Team Leader (team of 5-15 people)	1986	2336	2804
Manager (team of up to 50 people)	2804	3505	4439

Source: Randstad

TABLE 5
LANGUAGE BONUSES (IN EUR GROSS)

Spread of rates for specialist positions:*	From	To
Russian / Bulgarian / Czech / Hungarian	70	115
Italian / Spanish / Portuguese	140	190
French	140	210
German	165	235
Scandinavian languages / Finnish	235	470

* specialist positions = all positions considered in the salary charts except for managers and team leaders

Source: Randstad

TABLE 6
AVAILABILITY OF POTENTIAL EMPLOYEES BY SPECIALIZATION IN KATOWICE (IN A THREE-MONTH PERIOD)

F&A: GL	10 FTE	20 FTE	50+ FTE
Junior Accountant (1-2 years'experience)	easy	easy	medium
Accountant (2-3 years' experience)	easy	easy	medium
Senior Accountant (over 3 years' experience)	easy	medium	challenging
Team Leader (team of 5-15 people)	easy	medium	challenging
Manager (team of up to 50 people)	easy	medium	challenging
F&A: AP / AR	**10 FTE**	**20 FTE**	**50+ FTE**
Junior Accountant (1-2 years' experience)	easy	easy	easy
Accountant (2-3 years' experience)	easy	easy	medium
Senior Accountant (over 3 years' experience)	easy	easy	challenging
Team Leader (team of 5-15 people)	easy	medium	challenging
Manager (team of up to 50 people)	easy	medium	challenging
Customer Service	**10 FTE**	**20 FTE**	**50+ FTE**
Junior Specialist (no experience)	easy	easy	easy
Specialist (over 1 year's experience)	easy	easy	medium
Team Leader (team of 5-15 people)	easy	medium	medium
Manager (team of up to 50 people)	easy	medium	challenging
HR processes	**10 FTE**	**20 FTE**	**50+ FTE**
Junior Specialist (up to 1 year's experience)	easy	easy	medium
Specialist (1-2 years' experience)	easy	easy	medium
Senior Specialist (over 2 years' experience)	easy	medium	challenging
Junior Payroll Specialist (up to 1 year's experience)	easy	easy	medium
Payroll Specialist (1-3 years' experience)	easy	easy	medium
Senior Payroll Specialist (over 3 years' experience)	easy	medium	challenging
Team Leader (team of 5-15 people)	easy	medium	challenging
Manager (team of up to 50 people)	easy	medium	challenging
IT	**10 FTE**	**20 FTE**	**50+ FTE**
1st Line Support (2 years' experience)	easy	easy	easy
2nd Line Support (2 years' experience)	easy	medium	medium
3rd Line Support (2 years' experience)	easy	medium	challenging
IT Administration (3 years' experience)	easy	easy	medium
Network / Security (3 years' experience)	easy	medium	challenging
Business / System Analyst (3 years' experience)	easy	medium	medium
Developer (3 years' experience)	easy	easy	easy
Tester (3 years' experience)	easy	easy	easy
Team Leader (team of 5-15 people)	easy	medium	challenging
Project Manager (team of up to 50 people)	easy	medium	challenging
Procurement / Order Management	**10 FTE**	**20 FTE**	**50+ FTE**
Junior Specialist (up to 1 year's experience)	easy	easy	medium
Specialist (1-3 years' experience)	easy	easy	medium
Senior Specialist (over 3 years' experience)	easy	medium	challenging
Team Leader (team of 5-15 people)	easy	medium	challenging
Manager (team of up to 50 people)	easy	medium	challenging

Source: Randstad, as at Q3 2017

easy medium challenging

Photo: Tomasz Padło

6

Office market

Katowice is not only the largest city in the Katowice Agglomeration but also the largest office hub in the region. With an office stock amounting to 460,600 sq m, it is the fifth largest regional market in Poland (after Warsaw, Kraków, Wrocław and the Tri-City). The city is continuing its steady performance from the last year along with strengthening its position as an established market for the entities from the business services sector. The supply of modern office space in other cities of the wider Katowice Agglomeration is quite limited. Currently approx. 10,000 sq m is under construction and a further 32,000 sq m is planned.

Chapter content provider: JLL

JLL is a leading professional services firm that specializes in real estate and investment management. At year-end 2016, JLL had nearly 300 corporate offices, operations in over 80 countries and a global workforce of more than 77,000.
More at: www.jll.pl

FIGURE 32
OFFICE MARKET IN NUMBERS

460,600 sq m	Existing office space in Katowice.
70%	Increase in the amount of office space in the last five years.
16,000 sq m	Office space that will be delivered in 2017.
28,900 sq m	Office space under construction.
12.0-14.0 €	Monthly rents per sq m for the best locations in Katowice.
54,150 sq m	Existing office space that remains vacant.
33	No. of office buildings of less than five years old in Katowice.
41%	Percentage of office space in the Katowice Agglomeration occupied by the business services sector.
29	No. of lease agreements signed in Q1-Q3 2017.
24,100 sq m	Office space leased in Q1-Q3 2017.

Source: JLL, Q3 2017

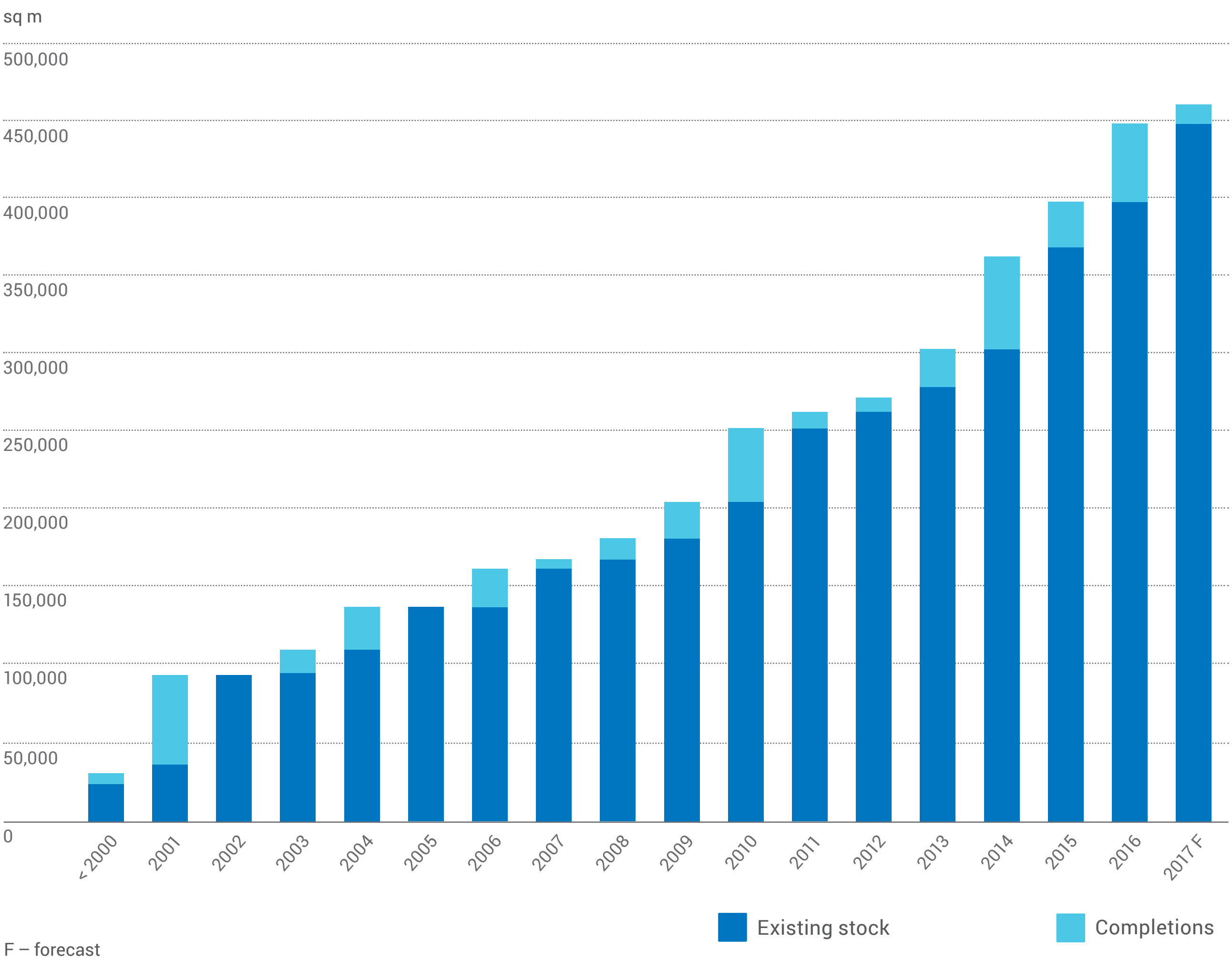
Development activity in Katowice

More than 50% of existing modern office stock in Katowice is less than seven years old, so the office market in the city is “young”. This also proves that since 2010, Katowice has gained not only the confidence of developers but, more importantly, also that of potential tenants. Some of the biggest office parks completed in the last seven years include: A4 Business Park I&II&III, Francuska Office Centre A&B or Silesia Business Park A&B&C.

Katowice is currently well prepared to meet the needs of new companies starting their operations in the city, and to provide expansion possibilities for developing enterprises, and therefore continuously looking for more office space for the purposes of further business expansion. The city offers a number of office locations, including areas such as the two major office hubs: City Center and A4 Motorway vicinity.

Major buildings in City Center include ING Bank Śląski I&II (approx. 34,000 sq m in total), Katowice Business Point (17,000 sq m),

FIGURE 33
OFFICE STOCK AND COMPLETIONS IN KATOWICE



F – forecast

Source: JLL, Q3 2017

Altus (15,200 sq m), Silesia Star I&II (25,100 sq m), Nowe Katowickie Centrum Biznesu (13,000 sq m) and Silesia Business Park A&B&C (10,700 sq m each). Further development of the area is expected in the next 2 to 3 years.

A4 Motorway vicinity: the second largest office district is located between Graniczna, Francuska, Mikołowska and Powstańców Śląskich Streets. The area provides convenient access to the motorway and is reasonably close to the city centre. This location is attracting new office investments.

Developer activity in Q3 2017 was relatively low (almost 28,900 sq m, all available for potential tenants). Two projects currently under construction are: .KTW I (18,100 sq m) and Silesia Business Park D (10,700 sq m).

Furthermore, other office projects are in the planning stage: an office development at Grundmanna street (45,000 sq m), .KTW (phase II, about 39,900 sq m), Grand Central (19,200 sq m) and GPP Business Park IV (7,500 sq m) to name just a few.

Demand for office space

Katowice continues to see healthy occupier demand levels, coming from foreign investors who have chosen to operate in the Katowice Special Economic Zone and from companies in the business services sector. In 2016, 58% of all signed deals were represented by companies from the business services sector.

Demand in 2016 reached 40,900 sq m. Approximately 86% of it came from new deals (35,000 sq m), including pre-let agreements for 11,700 sq m. Expansions constituted a further 4,000 sq m, while the remaining 1,900 sq m were lease renewals. The largest transactions in 2016 included two pre-lets: for 7,400 sq m by Rockwell Automation in A4 Business Park III and for 3,500 sq m by Biuro Projektowania Systemów Cyfrowych (BPSC) in Brema.

The first three quarters of 2017 witnessed rather moderate occupiers' activity on the office market in Katowice, as total demand reached almost 24,100 sq m, out of which more than 50% constituted new deals in existing buildings. Q3 2017 was so far the best quarter in terms of the signed deals volume – approx. 10,000 sq m. The largest transactions signed in Q1-Q3 2017 included a new deal for 2,300 sq m by Groupon in Supersam, a new deal for 2,250 sq m by Perform Media Poland in Grabowa 1 office building, a renewal for 2,070 sq m by confidential tenant in Millenium Plaza and an expansion by a PwC by 2,000 sq m in Silesia Business Park.

The city features a sizeable amount of high quality immediately available office space, meeting the requirements of the business services sector. Nevertheless, tenants looking for larger office units – 1,000-1,500 sq m or more – have to take into account that such space is not available immediately. The office modules located in existing buildings request up to 6 months to commence all the necessary fit-out works and the first of the currently constructed projects, according to the developer's declarations, will be delivered no sooner than Q2 2018.

In Q3 2017, existing buildings provided around 54,150 sq m of immediate available space for rent, which corresponds to an 11.8% vacancy rate for the city and comparing to the year end it is a 2.6 p.p. decrease in rate. 68% of available office space in Katowice is to be found in the buildings completed after 2010. A further 28,900 sq m is available in two developments currently under construction, providing additional leasing possibilities.

Rents

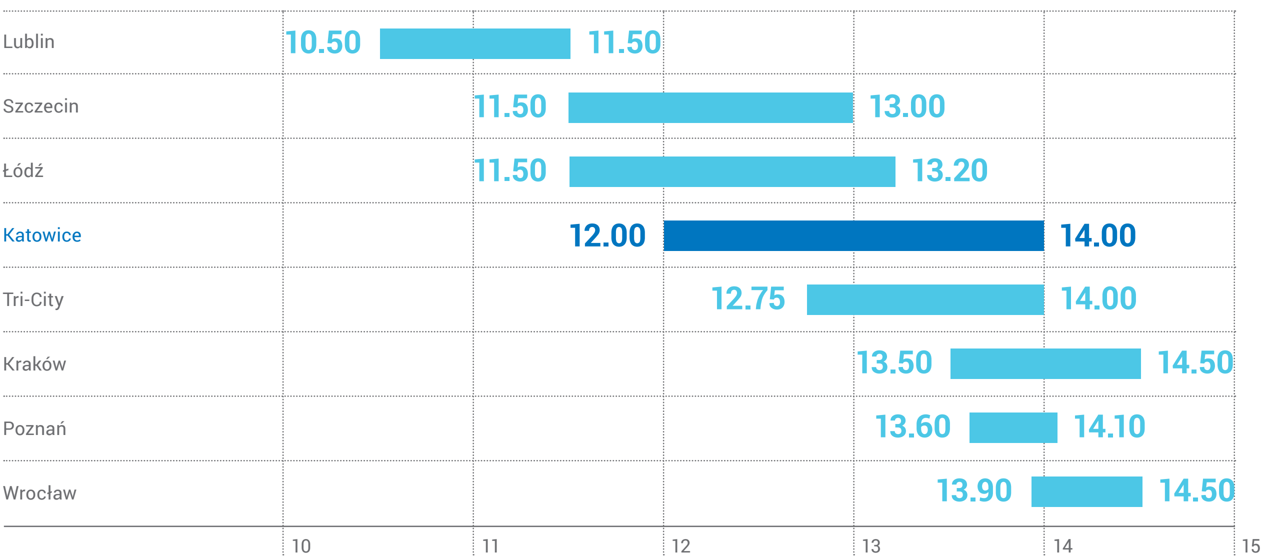
Prime headline rents in Katowice were static between 2015 and H1 2017 and ranged between €12.50 and €13.5 / sq m / month. In Q3 2017, however, there were slight corrections to the upper and lower bands and, currently, rents for the best office developments oscillate between €12.0 – €14.0 / sq m / month. The outlook for the remaining quarter of 2017 and beginning of 2018 is positive with no further rental corrections anticipated. The downward pressures may be applicable to effective rents.

It is worth mentioning that prime rents in the city are lower than those found in other major cities in Poland (like Kraków, Wrocław or Poznań), which is beneficial for potential tenants.

Summary and projections

The relatively large available selection of vacant office space (approx. 54,150 sq m) in Katowice, resulted in revision of the future developers plans, especially for the 2017, as only 16,000 sq m has been delivered that year. The city should enjoy continuous healthy take-up levels of approximately 40,000 sq m, with potential decrease of the vacancy rate in Q4 2017. However in 2018, along with the completion of the two currently commenced projects, the vacancy index may increase. Potential tenants can expect significant incentives from developers/landlords in 2018.

FIGURE 34
PRIME HEADLINE RENTS (€ / SQ M / MONTH)

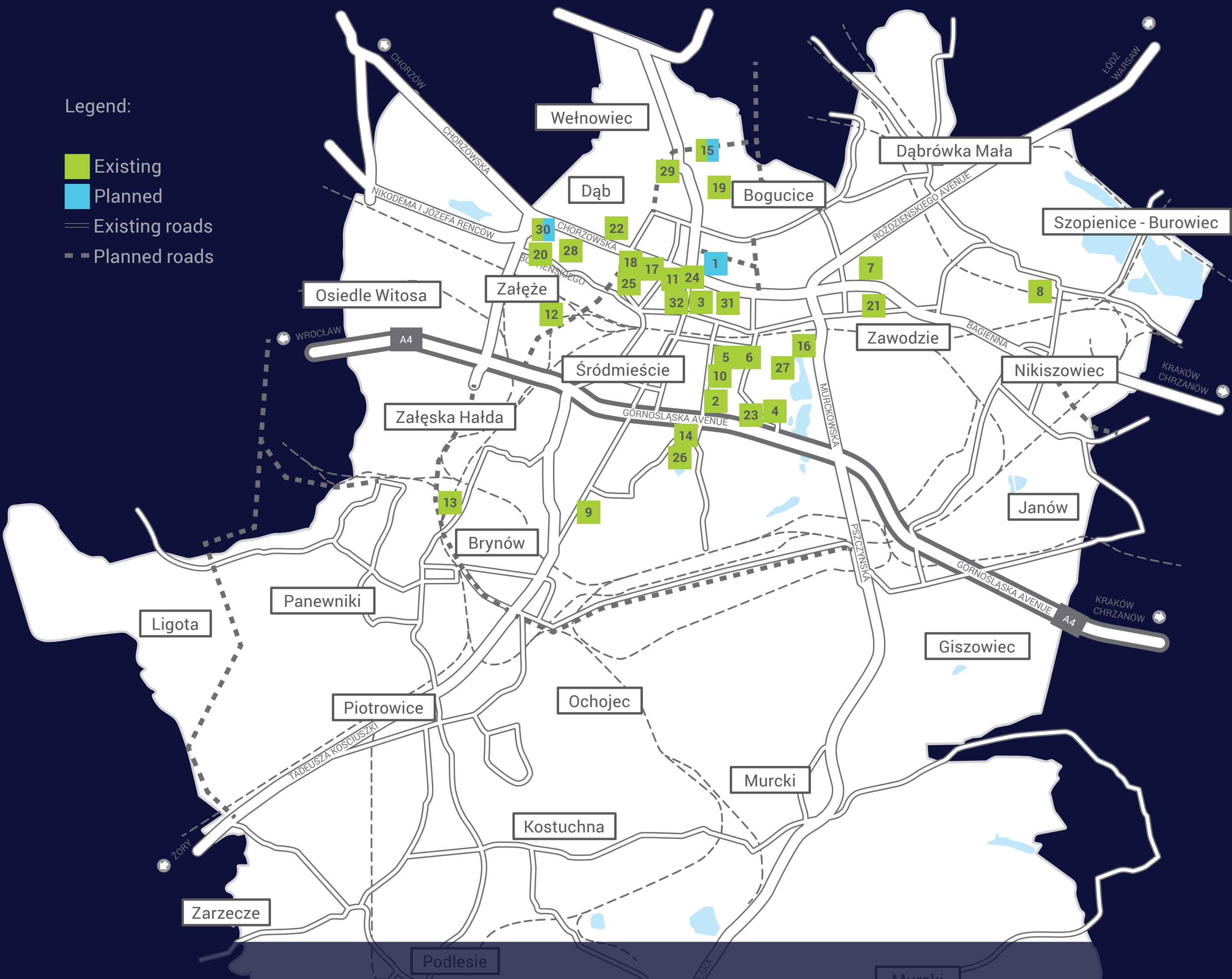


Source: JLL, Q3 2017

FIGURE 35
MAP OF OFFICE DEVELOPMENTS IN KATOWICE

Legend:

- Existing
- Planned
- Existing roads
- Planned roads



1 .KTW I & II
2 A4 Business Park I-III
3 Altus
4 Atrium
5 Bank PKO BP
6 mBank
7 Brema
8 Browar Factory Centrum
9 Brynów Center
10 Francuska Office Centre
11 CitiBank
12 EkoEnergia Silesia
13 Euro-Centrum
14 Francuska 101
15 GPP Business Park I-IV
16 Green Park
17 ING Bank Śląski
18 ING Bank Śląski II
19 Jesionowa Business Point
20 Johna Baildona 66
21 Kamsoft HQ
22 Katowice Business Point
23 Millenium Plaza
24 Nowe Katowickie Centrum Biznesu
25 Opolska 22
26 Plus Centrum
27 Polski Koks Office
28 Rawa Office
29 Emerald Office Center
30 Silesia Business Park A-D
31 Silesia Star I-II
32 Supersam

Source: JLL, III kw. 2017

Photo: Katowice City Hall

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Quality of life and business support

With its broad expanse of green areas, numerous cultural and recreational facilities and balanced development, the Katowice Agglomeration is an attractive place to live. It is worth emphasizing that, in terms of green areas (which cover more than 46% of the city's area), Katowice is No. 1 among Poland's ten largest cities.

The Katowice Agglomeration has a very-well developed business infrastructure. There are 70 hotels in operation, and numerous conference centers hosting international events. Thanks to the incredible transformation it has gone through in recent years, Katowice is now one of Poland's leading cultural and business tourism centers.

FIGURE 36
SELECTED INFORMATION ON CULTURAL FACILITIES AND HOTEL AND CONFERENCE FACILITIES IN KATOWICE AND THE KATOWICE AGGLOMERATION

	Katowice	Katowice Agglomeration
Cinemas	7	22
Museums (incl. branches)	5	30
Theaters	3	9
Art galleries and dealers	11	30
Facilities with conference support	16	66
Categorized hotels	20	70
HOTEL CATEGORY ★★★★★	1	2
HOTEL CATEGORY ★★★★	7	14
HOTEL CATEGORY ★★★	6	35
HOTEL CATEGORY ★★	6	17

Source: ABSL own study based on: GUS (2016), Booking.com (2017)

Katowice: cultural heart of the Agglomeration

Near the Spodek Sports and Entertainment Arena in the center of Katowice, a special area known as the Culture Zone has sprung up. Along with the Spodek, the Culture Zone comprises the International Congress Center, the headquarters of the Polish National Radio Symphony Orchestra (NOSPR), and the Silesian Museum complex.

Every year, hundreds of thousands of visitors from various countries are drawn to Katowice for cultural, entertainment and artistic events. The best-known of these are the Rawa Blues Festival, Tauron Nowa Muzyka Festival, the Silesian Jazz Festival, Mayday, and the OFF Festival.

Katowice has been designated as a UNESCO Creative City of Music.

International Congress Center in Katowice

15,000 users

– that's how many guests the International Conference Center in Katowice (ICC) can host at one time

With 34,000 sq m

ICC houses

35

conference halls of various sizes.

Since May 2016, 300+ events have been held there, including 45 large trade fairs, 84 congresses and conferences, and almost 100 meetings and training courses.

The International Conference Center has been the venue for such events as: the European Economic Congress, 4 Design Days, Intel Extreme Masters, the Tauron Nowa Muzyka Festival, the 7th ABSL Conference, and many more.

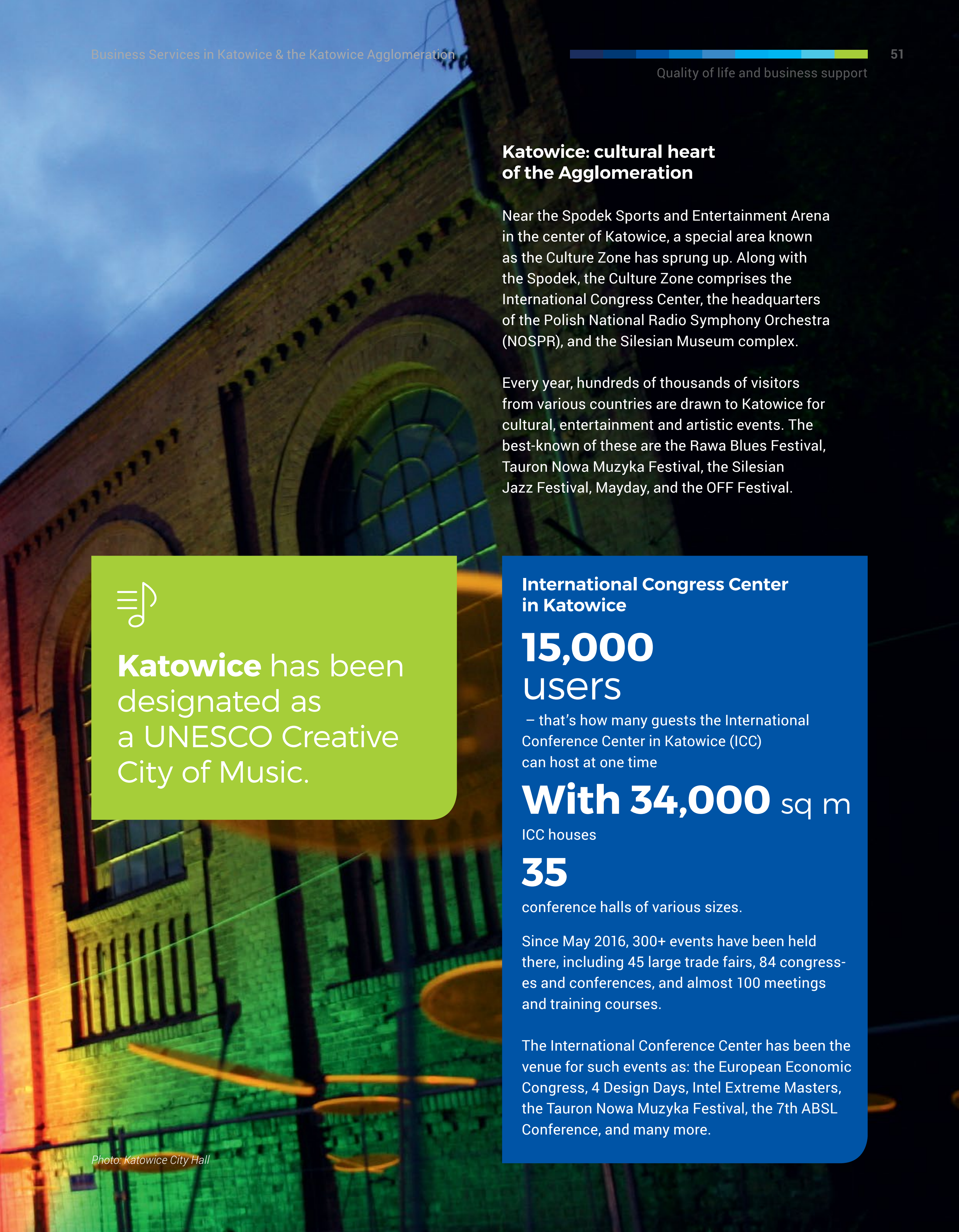

Photo: Katowice City Hall

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Investors support: contact information

Katowice provides an effective local system for supporting investors, cooperating with such bodies as the Polish Investment and Trade Agency, the Katowice Special Economic Zone, business environment institutions, and advisory firms. Investors are given assistance in implementing investment procedures, and also obtain exhaustive information on the development of the business services sector in Katowice. Investors can count on numerous forms of support which facilitate the start-up or growth of business activity. The investor support system is run by the Investors Assistance Department of Katowice City Hall, comprising over a dozen specialists offering comprehensive services during the investment process. www.invest.katowice.eu

Photo: Shutterstock

Forms of assistance for investors

Income tax relief	The Katowice Special Economic Zone, the largest such zone in Poland in terms of investment value and employment, is an appropriate solution for businesses wishing to utilize public assistance in the form of CIT tax relief, calculated on the basis of investment outlays incurred or new jobs created.
Real estate tax relief	Katowice City Hall offers relief from tax on real estate under de minimis assistance, as well as relief from tax on real estate constituting regional investment assistance. Further, within the city of Katowice, a resolution of the Katowice City Council is in force which provides real estate tax relief from tax on buildings and parts thereof built before 1945 situated in the city of Katowice which have had their facades renovated. That resolution is addressed to both natural persons and entities conducting business activity.
Services of the Poviat Labor Office	Katowice offers investors creating new jobs the following forms of support: internships with employers, subsidized jobs, refund of costs of equipping or upgrading work stations, individual training, grants for creating teleworking stations, refund of employer costs incurred for social security contributions for the unemployed, addressed at people up to the age of 30 starting their first job. Costs are covered by the Poviat Labor Office.
Marketing support	Katowice offers assistance in organizing marketing campaign on investments in Katowice which include e.g. outdoor advertisements and on-line ads in social media and the press.
Adaptation of public transportation	In Katowice, it is possible to organize additional bus stops (or bus connections) for the future employees of a strategic investment.
Investors care	Every investor is taken care of by an employee of the Investors Assistance Department. A dedicated project manager provides support from the very outset of the investment process.

Investors Assistance Department of Katowice City Hall

1. Maintaining databases on investment areas in Katowice and providing information on investment conditions in the city, advice for investors and assistance in locating investments (preparing detailed analyses of available staff, costs, and quality of infrastructure).
2. Serving domestic and foreign investors, including conducting negotiations with investors, taking part in preparing necessary documentation, and monitoring investment projects at successive stages, including pro-investment care.
3. Preparing the city's investment offers and organizing meetings between investors and Katowice city officials.
4. Working to attract investors to Katowice in cooperation with: The Polish Investment and Trade Agency, the Katowice Special Economic Zone, the Silesian Investor and Exporter Assistance Center, Polish foreign chambers of commerce, advisory and consultancy firms, and other institutions acting as intermediaries in attracting investors.
5. Providing information on foreign investments in Katowice, organizing information-gathering visits, and creating new forms of assistance for investors.

Contact:
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Katowice City Hall
Rynek 1, 40-003 Katowice

+48 32 25 93 826
oi@katowice.eu
www.invest.katowice.eu

Photo: Shutterstock

POLAND:
COUNTRY OVERVIEW

SELECTED ECONOMIC INDICATORS

GDP Growth

2.9% (2016)
4.2% (2017)*

GDP per capita (2016)

11,200 €

Unemployment rate (10.2017)

6.6%

Inflation (10.2017)

2.1%

PLN/EUR (average)

4.36 (2016)
4.27 (2017)**

PLN/USD (average)

3.94 (2016)
3.82 (2017)**

Poland has the eighth-largest economy in the European Union in terms of nominal GDP (425 billion euros in 2016) and has been a leader in economic growth in the EU in the past ten years. One of the most important branches contributing to the growth of Poland's economy is the business services sector. The industry's impressive growth in recent years enabled Poland to strengthen its standing among the world's most important locations for investments into (BPO, SSC, IT and R&D) business services centers.

Language: Polish

Currency: złoty (PLN)

Number of cities with over 200,000 residents: 11

Accumulated value of foreign investments: 179 billion euros (2016)

POLAND IN INTERNATIONAL ORGANIZATIONS

EU (2004), NATO (1999), OECD (1996), WTO (1995), UN (1945) and others

* National Bank of Poland forecast
** 01.2017-10.2017

Source: Central Statistical Office of Poland, National Bank of Poland, Eurostat www.absl.pl