



POLISH INVESTMENT ZONE

LEGAL AND ORGANIZATIONAL CHANGES

Poland | 2018



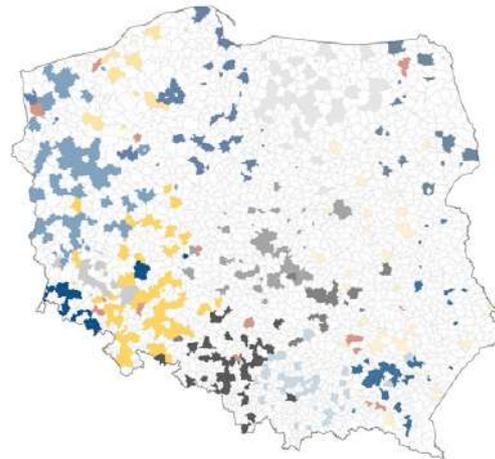
INTRODUCTION

Poland adopted the New Investment Support Act in June 2018. The new law intends to expand the area offering tax incentives up to almost 100% of Poland's investment space. This is a diametrical change in relation to the old legislation which allowed Special Economic Zones only at 0.08% of Polish territory. The New Investment Support Act provides that all the areas allocated for business activities in Poland will be turned into a single investment zone. After the two decades during which the law ceased to keep pace with the dynamically developing economic situation of this country, the Ministry of Entrepreneurship and Technology decided to meet the expectations half-way by modifying the rules of the Special Economic Zones so as they meet the evolving economic trends. The new regulations, which have cancelled local limitations, will provide incentives to both Polish and international investors, especially those who are small and medium-sized.

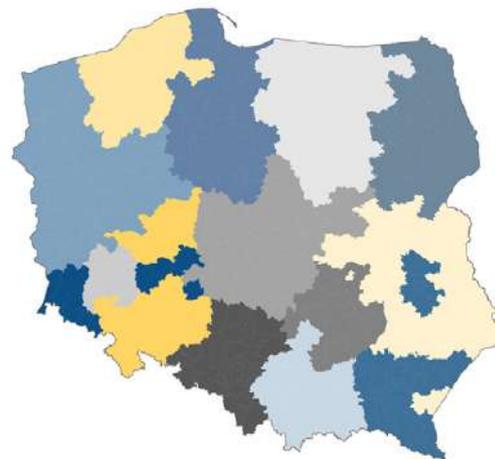
What has changed? What is the new procedure of getting into the Zone? What are the benefits of running a business inside the Zone? Do investors face any new challenges? Answers to the above questions are given further in this document. This report was written in collaboration between Colliers International, EY and the Polish Investment and Trade Agency.

We would also like to thank the Special Economic Zones for their involvement and readiness to share their knowledge with us.

WE INVITE YOU TO READ!



Special Economic Zones 2017



Polish Investment Zone 2018



Source: Colliers International, The Polish Investment and Trade Agency

CONTENTS

04

**POLISH INVESTMENT ZONE
– THE BEGINNINGS**

08

**PROCEDURE FOR OBTAINING
SUPPORT FOR INVESTMENTS
– CHANGES IN THE ACT, LAW
AND TAX**

18

**ADVANTAGES AND CHALLENGES
OF OPERATION IN AN SEZ**

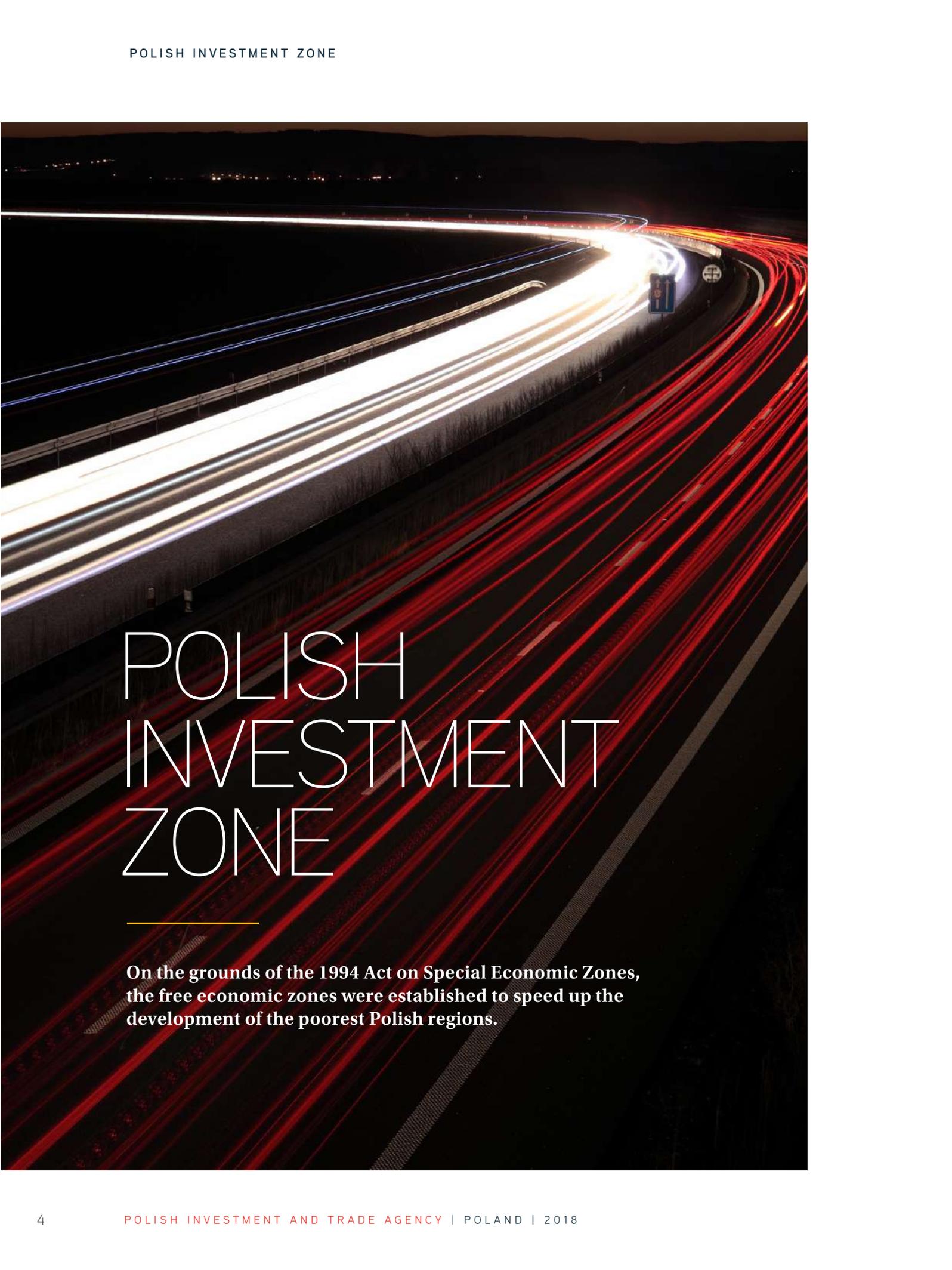
20

**POLISH INVESTMENT ZONE
– AREAS PRESENTATION**

51

CONTACTS

KAMIENNA GÓRA SEZMB	22
KATOWICE SEZ	24
KOSTRZYŃ-SŁUBICE SEZ	26
KRAKÓW TECHNOLOGY PARK	28
LEGNICA SEZ	30
ŁÓDŹ SEZ	32
EURO-PARK MIELEC	34
POMERANIAN SEZ	36
SŁUPSK SEZ	38
"STARACHOWICE" SEZ	40
SUWAŁKI SEZ	42
TSEZ EURO-PARK WISŁOSAN	44
WAŁBRZYSKA SEZ „INVEST-PARK”	46
WARMIA-MAZURY SEZ	48



POLISH INVESTMENT ZONE

On the grounds of the 1994 Act on Special Economic Zones, the free economic zones were established to speed up the development of the poorest Polish regions.

On the grounds of the 1994 Act on Special Economic Zones, the free economic zones were established to speed up the development of the poorest Polish regions. This was done by way of stimulating the development of selected sectors, supporting the emergence of new technologies, and by rolling them out in the national economy. The development line chosen over twenty years ago was expected to boost exports, strengthen the competitive advantage of manufactured products and services rendered. Another aim was to more efficiently use the available industrial assets, business infrastructures, and unused natural resources while respecting the rules of ecological sustainability.¹ It is important to note that the Special Economic Zones were introduced at a time when the economic environment was very much different from what we see today. At that time, the priority of Polish economy was to attract capital and provide new jobs. Under the legislation as it was on December 31, 2017, the total area of the Special Economic Zones could not be any larger than 25 thousand hectares (i.e. 250 km²) and they were to operate until the end of 2026.

The Special Economic Zones have proved to be a powerful tool of stimulating business development. In the years 1995-2017, the Zones provided more than 350,000 permanent jobs and attracted capital worth over PLN 120 billion. More than 2,000 companies started operation in the 14 Zones. The highest investment outlays were reported over the recent 17 years in: the Wałbrzych Special Economic Zone, the Katowice Special Economic Zone, and the Łódź Special Economic Zone but the lowest investment was recorded in the Starachowice Economic Zone and the Słupsk Special Economic Zone. Most of the new job openings in the same period were seen in the Katowice, Wałbrzych, and Mielec Special Economic Zones, while the least – in the Słupsk and Starachowice Zones.

IMPULSE FOR CHANGE

As time went on and experience amassed, the provisions of the Act on Special Economic Zones aroused an ardent debate. The local government and entrepreneurs, especially the domestic ones, were raising the problem of unequal treatment caused by the presence of geographical criterion in the process of granting Zone-specific privileges. Moreover, the lack of linkage between the legal regulations and the state's economic policy invited polarisation and saturation effects. Special Economic Zones located in the economically better developed regions drew higher interest of entrepreneurs and this additionally spurred their growth. Meanwhile, the poorer parts of this country which were supposed to benefit from economic incentives, managed to attract less

business projects or projects with smaller capital and generating lower employment. This is why they were developing at a much lower pace.

When adopted, the Responsible Development Strategy provided an impulse to modify the then legislation and stimulated various pro-enterprise measures. It should be noted that the priority areas included in the Responsible Development Strategy, apart from international expansion and development of SMEs, also territorially sustainable development with special stress on the Special Economic Zones.²

The Polish Investment Zone introduced in June 2017 gave an impulse to building a tool which has taken the form of the New Investment Support Act. Adopted by the Polish Sejm (Parliament) in May 2018, this new regulation actually met-halfway the expectations of entrepreneurs and today it is not the geographical factor but the value added to local and national economy which determines the operations running within the Special Economic Zones. In its assumptions, this tool also envisages equalising the development opportunities of municipalities, especially those less developed, and it opens new prospects for Polish businessmen who are ready to take risks accompanying investment. In particular, it motivates small and medium-sized business to take new challenges.

AMENDMENT

First, the law-maker has given the businessmen more flexibility in choosing locations for their investment projects. For instance, companies attached to sites in which they have operated for years can also receive support now. Moreover, since business has been allowed to make smaller investments, local companies are getting better access to Zone privileges in areas of lower investment potentials. It is worthwhile to note that little less than 50% of companies operating in the Zones are family businesses altogether commanding an investment capital of about 20% of all the investment outlays made. These data show that the proportion of Polish companies is lower in relation to the proportion of foreign businesses. One of the intentions of the new regulation is to adjust the law governing public support to the potential of Polish companies 96% of which are small and medium-sized enterprises. Improving the economic condition of SMEs is extremely important because of the role they play in national economy. The SME sector employs as much as 70% of people working for the whole private sector and it generates about two-thirds of the gross domestic product.

The New Investment Support Act strengthens Poland's position in the competition for foreign

¹ Act on Special Economic Zones adopted on October 20, 1994 (Journal of Laws No. 123, item 600, with subsequent amendments), Art. 3.

² Responsible Development Strategy, page 1

investments coming to the region. Poland's main rivals here are the Czech Republic, Slovakia, and Hungary which attract international investors by granting them income tax exemptions on their entire territories (except for the most developed areas around their capital cities). The Polish solution makes this country significantly more attractive to foreign investors who consider moving their businesses to one of the countries of this region. As the entrepreneurs and local government authorities have postulated for years, the New Investment Support Act is likely to lift most barriers standing in the way of obtaining public support via the Special Economic Zones. More support goes to areas with higher unemployment, small and medium-sized towns, and rural areas. Micro, small, and medium-sized enterprises have now a better chance to win support than before. The decision which grants support to an investment project (instead of the former permission to operate within a Special Economic Zone) will speed up the process of motivating companies and making investment decisions in all municipalities which are active investment-wise, especially on private land.

POLAND AS ONE ZONE

The new Investment Support Act is an evolutionary passage from administrative management involving the Council of Ministers to a process of creating Zones by ordinance at the level of project management. So far, the law required the Council of Ministers to define the length of time in which a Zone was to exist. The new regulation turned Poland into a single vast investment area available for an unspecified period of time. Support granting decisions will be valid for 10, 12, or 15 years depending on the level of public support allocated to the given area. Investment projects running in sites which were included in the Zones by the Act of 1994 will get a 15-year support, no matter where the actual property is located. Such is the response

to expectations of entrepreneurs who expected more stability and more predictability of the time periods in which they can use the support offered by the Special Economic Zones.

The new law does not confine the criterion of granting public support to a mere quantitative approach which looks at the minimum investment outlays required in relation to the unemployment rate in a particular county and the size of the company involved but it also looks at qualitative parameters which support sustainable economic development. Furthermore, the decision to grant support may be issued not only for the implementation of new projects but also for a planned expansion of existing businesses, such as, opening a new plant, increasing its production capacity, introduction of new products, or innovation.

This structure of the new law is not just a response to the expectations of business companies and regions of this country. It is also a tool helping to cope with the new challenges facing Polish economy in the second decade of the 21st century.

" THE NEW REGULATION TURNED POLAND INTO A SINGLE VAST INVESTMENT AREA AVAILABLE FOR AN UNSPECIFIED PERIOD OF TIME. "



TOMASZ PISULA

PRESIDENT OF THE BOARD OF THE POLISH
INVESTMENT AND TRADE AGENCY

The Polish Investment Zone which replaces the previous Special Economic Zones is an important instrument supporting the sustainable development of Polish economy. This new tool stimulates the priority areas defined in the Responsible Development Strategy. In the first place, it encourages enterprise and innovatory orientation of businesses, especially those in the SME sector which make the largest group of beneficiaries of the Special Economic Zones. It also stimulates international expansion of Polish business and strengthens Poland's proposal in the competition for the best foreign investment projects.

The support offered by zone is no longer confined to selected sites, as it used to be until recently, but it is now available on the whole Polish territory and goes to the most promising projects. This is why it also supports equal and sustainable development of local Poland. Apart from being free to choose any location for investment, growing companies are eligible for a longer tax relief. This is a strong incentive for companies to expand precisely in places offering them the best potential for successful business.

The Special Economic Zones are a strategic tool in building Poland's competitive investment proposal on the map of Europe. The Polish Investment and Trade Agency uses this tool to attract foreign investment which is most promising in terms of providing new jobs and advanced technologies. Analyzing the value of projects, as much as 80% of industrial investment projects successfully completed by the Agency

in the years 2015-2018 are located in the Special Economic Zones. The qualitative criteria used by the Polish Investment Zone motivate investors to go for projects which provide well-paid jobs, perform export sales, and collaborate with R&D institutions. This solution allows the Agency to attract such investment projects which ensure Poland's long-term growth and economic development.

Thanks to the new Investment Support Act, the Special Economic Zones have become the Polish Investment and Trade Agency's strategic partner at the regional level. The Special Economic Zones have been embedded in the standardised process of investment projects implementation which dramatically improves the efficiency of investor service process. Apart from that, the Zones collaborating with the Polish Investment and Trade Agency and its Foreign Trade Offices will set up a system allowing Polish companies not only to develop at home but also to go ahead with successful expansion abroad.

PROCEDURE FOR OBTAINING SUPPORT FOR INVESTMENTS

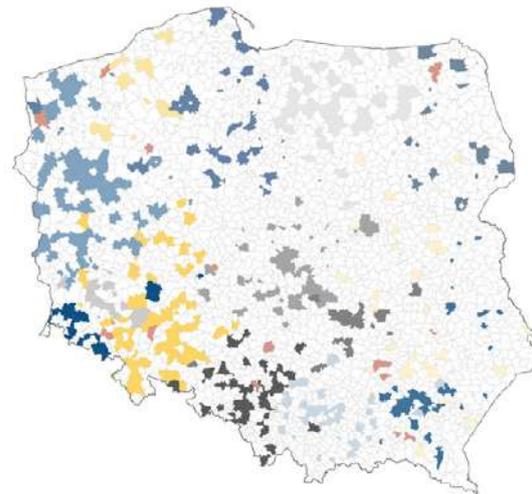
The system of public aid in Poland is currently in the process of important transformation. Polish Government replaced Special Economic Zones (SEZ), which have been operating in Poland for more than 20 years, with new instrument: Polish Investment Zone (PIZ).



In the previous system investors operating in SEZ could benefit from more preferential business conditions, especially income tax exemption provided that their investments were carried out in a location covered by SEZ status. Unlike in a Special Economic Zones, within PIZ there is a possibility to receive a CIT exemption in entire Poland after fulfilling certain criteria - specific for a given location.

SPECIAL ECONOMIC ZONE OVERVIEW

Since the end 1990s, in Poland there were 14 operating Special Economic Zones (Fig.1) and altogether they have covered only 0,08% of Polish territory.



- KAMIENNA GÓRA SEZMB
- KATOWICE SEZ
- KOSTRZYŃ-SŁUBICE SEZ
- KRAKÓW TECHNOLOGY PARK
- LEGNICA SEZ
- ŁÓDŹ SEZ
- EURO-PARK MIELEC
- POMERANIAN SEZ
- SŁUPSK SEZ
- "STARACHOWICE" SEZ
- SUWAŁKI SEZ
- TSEZ EURO-PARK WISŁOSAN
- WAŁBRZYSKA SEZ „INVEST-PARK”
- WARMIA-MAZURY SEZ
- More than one SEZ
- Areas not included to SEZ

Fig. 1: Special Economic Zones, 2017.

The main aims of SEZ were to accelerate the economic development of regions, revitalize industrial properties and infrastructure, initiate new jobs and making Poland competitive in its region. The tax exemption was granted on the basis of SEZ permit issued in the form of administrative decision.

The SEZ permit could be issued for an initial investment project (new investment) involving minimum capital expenditures of EUR 100,000 and creating new jobs.

The initial investment project is defined as an investment in tangible and intangible assets related to:



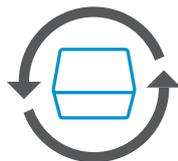
The setting up of a new establishment



The extension of an existing establishment



Diversification of the output of an establishment into products not previously produced in the establishment



A fundamental change in the overall production process of an existing establishment

In Mazowieckie Voivodeship, large enterprises will be granted with support if the project comprises an initial investment for a new business activity.

The SEZ permit had to stipulate the following details of the investment project:

1. Subject of business activity (defined by PKWiU codes - the Polish equivalent of the NACE codes)
2. Conditions that the entrepreneur is required to fulfill, in particular:
 - number of new workplaces to be created by entrepreneur in connection with a new investment within the specified deadline,
 - the value of capital expenditures to be incurred by the entrepreneur within the specified deadline,
 - the deadline for the investment completion.
3. The maximum amount of capital expenditure and two-year labor costs that can be taken into account while determining the maximum amount of state aid.

The SEZ credit may be utilized as a CIT exemption (or PIT for non-legal entities) for income that is generated within the SEZ area and from the business activity listed in the SEZ permit.

Not every business activity could benefit from the SEZ credit – there was a list of activity codes that could not be covered by SEZ permit. Activities not included in the decision should be subject to standard CIT or PIT taxation.

The value of SEZ exemption, that is the amount of CIT or PIT not payable, was calculated as the product of the intensity of regional aid (according to Regional Aid Intensity Map binding at the moment when SEZ permit was issued) and the eligible costs - investment outlays or two-year labor costs of new employees hired in connection with the new investment.

According to the Regional Aid Intensity Map (fig. 3, page 12) for the years 2014-2020 the level of support for large enterprises ranges from 10% to 50%. In case of medium and small enterprises, the level of aid intensity could be increased by additional 10 or 20 percentage points respectively. The SEZ credit was granted until the end of SEZs' existence, i.e. currently until the end of 2026.

POLISH INVESTMENT ZONE OVERVIEW

Recently, Polish government has introduced Polish Investment Zone program. This program is an extension of Special Economic Zones - the tax relief is available for investments in every location in Poland. Poland has fully become an economic zone.

Fig. 2: Types of initial investments

The new programme was introduced by:

1. The Act of 10 May 2018 on supporting new investments (came into force on 30 June 2018).
2. The Regulation of 28 August 2018 of Council of Ministers on public aid granted to entrepreneurs for executing new investment projects (came into force on 5th September 2018).

From the moment of implementing the new law, investors are able to benefit from the income tax exemption for new investments located anywhere in Poland. New concept will ultimately replace SEZ. It provides an opportunity for tax exemption for all investment in Poland over 10, 12 or 15 years given that they fulfil specific entry criteria. Similar to the SEZ credit, the PIZ exemption allows for CIT exemption of income generated by activities covered by a decision on support (defined by the PKWiU

codes) and conducted within the territory specified in this decision.

What remains unchanged and what is new?

The SEZ permits that were issued earlier remain in force. The new regulations apply to previously obtained SEZ permits mainly in the context of combining permits and with decisions on support. Settlement of public support from several decisions on support or SEZ permits in accordance with the regulations take place in the order in which these documents were issued. Support under several decisions / permits should therefore be settled jointly and chronologically. On the other hand pursuant to the new regulations, the settlement of public aid granted to an entrepreneur on the basis of decision on support or SEZ permit applies only to the decision on support or SEZ permit under which

SEZ AND PIZ – DIFFERENCES AND CONVERGENCE

	SEZ	Polish Investment Zone
 Form of support	CIT or PIT exemption	
 Subject of support	Initial investment project	
 Maximum level of support	Up to 50%: of the value of capital expenditures or two-year employment costs (up to 60% for medium enterprises and up to 70% for small enterprises)	
 Maintaining obligation	Maintaining period for the supported investment, created workplaces and purchased fixed assets	
 Form of administrative decision	SEZ permit	Decision on support
 Location	Area covered by SEZ status	Any location in Poland
 Duration of the tax exemption	Till the end of 2026 Over 8 years left	From 10 up to 15 years of CIT exemption depending on investment location
 Evaluation criteria for granting CIT exemption	Quantitative criteria are limited to capex expenditures and newly created jobs. Formal requirement to spend more than EUR 100k	Quantitative (capex expenditures) and qualitative criteria (e.g. R&D activities, creating highly-paid jobs, investments in people) will have to be met

Table 1: Special Economic Zone and Polish Investment Zone comparison

the investment is carried out and business activity is conducted based on this investment.

The new provisions also contain anti-avoidance clause, which will apply to the previously issued SEZ permits as well. According to this clause if the investor performs any activity aimed at tax optimization, he loses the right to exemption from the date when activity was taken and has to repay unpaid tax for the entire period of exemption.

POLISH INVESTMENT ZONE IN DETAILS DECISION ON SUPPORT

The income tax exemption is granted on the basis of decision on support issued by Area Administrator (organ that acted previously as authorities of the relevant SEZ). Decision on support will specify the activities to be performed in the defined territory which qualify for tax exempt income. Activities not included in the decision is subject to standard CIT or PIT taxation.

The decision on support specifies in particular:

1. Duration period of the decision.
2. Subject of business activity (defined by the PKWiU codes).
3. Conditions that the entrepreneur is required to fulfill, in particular:
 - Number of new workplaces to be created by entrepreneur in connection with a new investment within the specified deadline,
 - The value of capital expenditures to be incurred by the entrepreneur within the specified deadline,
 - The deadline for the investment completion,
 - The quantitative and qualitative criteria to which the entrepreneur has committed.

4. The maximum amount of capital expenditure and two-year labor costs that can be taken into account while determining the maximum amount of state aid.
5. The area where the investment will be carried out according to the real estate registration data.

TAX BENEFIT FOR INVESTOR

The level of tax exemption depends on location of the investment and size of the enterprise. It may amount to:

- 10% - 50% for large enterprises,
- 20% - 60% for medium enterprises,
- 30% - 70% for micro and small enterprises.

The level of support for large enterprises according to location of the investment is presented on the map (fig. 3).

However, the level of aid intensity is increased by 20 percentage points for small enterprises and 10 percentage points for medium enterprises.

The small and medium enterprises are defined in Annex no. 1 to Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty: (Table nr. 2)

The value of aid is calculated as a product of the maximum aid intensity, established in accordance to the above map multiplied by the higher value of costs (two-year employment costs of newly created jobs or eligible investment costs) (fig. 4, page 13).

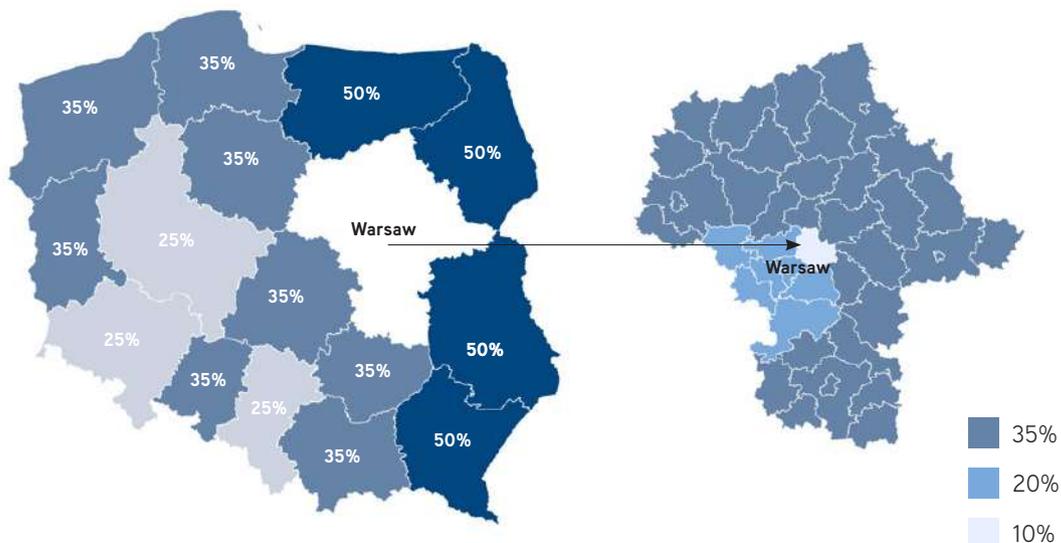


Fig. 3: Regional Aid Intensity Map for 2014-2020

The maximum aid intensity for large investment projects (above EUR 50 million of eligible expenditures) is additionally scaled down and the maximum amount of aid shall be established according to a specific formula (fig.5).

The amount of tax exemption determined in line with the above rules is valid for the definite period of time. This period may equal to 10, 12 or 15 years from the date of decision on support issuance, depending on location of the investment (according to fig. 6 on page 14.).

For investments located in the area covered by the SEZ status, the period of income tax exemption is 15 years.

ENTRY CRITERIA

In order to obtain the support under new scheme the investor is supposed to fulfill number of criteria (in some cases more challenging than before) i.e. both quantitative and qualitative.

Quantitative criteria

Quantitative criteria define the minimum value of investment costs. As investment costs may be deemed capital expenditures or two-year labor costs of newly created work places. The minimum required level of these costs depend on the unemployment rate in the district proper for location of the new investment (in comparison to the average unemployment rate in the country) and the size of the enterprise. The basic level of eligible costs is decreased by:

- 80% for medium enterprises,
- 95% for small enterprises,
- 98% for micro enterprises.

Also for the investments in modern business services (including R&D activity) the basic level is reduced by 95%. The minimal eligible investment costs are presented in the table 3 on page 14.

The modern business services projects are defined in the regulation and include the services:

- related to the release of other software specified in class 58.29 of the PKWiU, excluding licensing services related to the acquisition of rights to use certain computer programs specified in the category 58.29.5 of the PKWiU,
- related to software and consultancy in the field of information technology and related services, specified in section 62 of the PKWiU, excluding originals of computer software specified in the category 62.01.2 of the PKWiU,
- data processing, web site management (hosting) and other services related to ensuring

	Medium company	Small company
Number of employees	< 250	< 50
	AND	AND
Annual turnover	≤ EUR 50m	≤ EUR 10m
	OR	OR
Balance Sheet amount	≤ EUR 43m	≤ EUR 10m

Table 2: Classification to small and medium enterprises

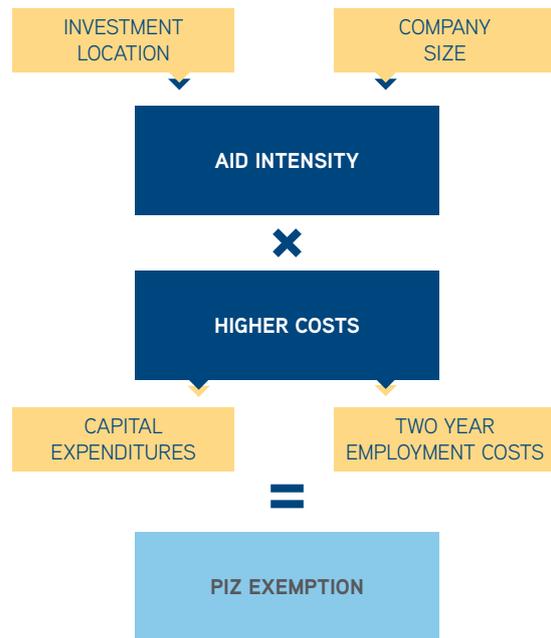


Fig. 4: Aid value calculation

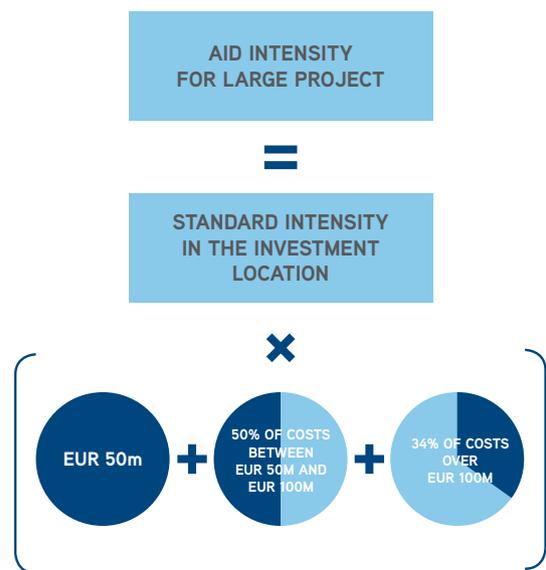


Fig. 5: The maximum aid intensity

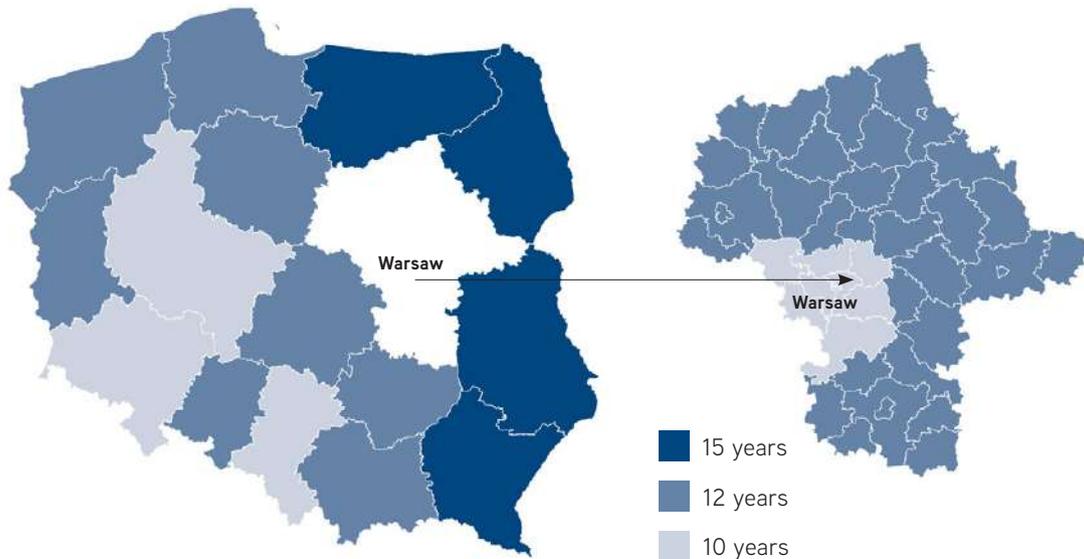


Fig. 5: The period of income tax exemption according to location

- infrastructure for information and computer technologies specified in the category 63.11.1 of the PKWiU,
- financial audit services specified in the category 69.20.1 of the PKWiU,
- accounting and bookkeeping services specified in the category 69.20.2 of the PKWiU,
- head offices and management-related consultancy specified in the section 70 of the PKWiU,
- architectural and engineering as well as technical research and analysis specified in the section 71 of the PKWiU,

- scientific research and development works specified in the section 72 of the PKWiU,
- specialized design services specified in the group 74.1 of the PKWiU,
- consultancy in environmental matters specified in the sub-category 74.90.13 of the PKWiU,
- call centers services specified in the group 82.2 of the PKWiU,
- repair and maintenance of computers and communication equipment services specified in the group 95.1 of the PKWiU.

Unemployment level* in a given district	MINIMUM ELIGIBLE COSTS (PLN M)				
	Industrial project of large enterprises	Modern business services projects	Medium enterprises	Small enterprise	Micro enterprises
≤ 60%	≥ 100	≥ 5	≥ 20	≥ 5	≥ 2
(60%; 100%)	≥ 80	≥ 4	≥ 16	≥ 4	≥ 1,6
(100%; 130%)	≥ 60	≥ 3	≥ 12	≥ 3	≥ 1,2
(130%; 160%)	≥ 40	≥ 2	≥ 8	≥ 2	≥ 0,8
(160%; 200%)	≥ 20	≥ 1	≥ 4	≥ 1	≥ 0,4
(200%; 250%)	≥ 15	≥ 0,75	≥ 3	≥ 0,75	≥ 0,3
> 250%	≥ 10	≥ 0,5	≥ 2	≥ 0,5	≥ 0,2
Cities losing its socio-economic functions and communes bordering with these cities	≥ 10	≥ 0,5	≥ 2	≥ 0,5	≥ 0,2

* rate in a district where investment will be located, as a fraction of average unemployment rate in Poland

Table 3: The minimum required level of eligible costs

Qualitative criteria

The qualitative criteria differs according to the type of investment (slightly different criteria for industrial and service investments). In both cases criteria are divided into two groups:

- sustainable economic development and
- sustainable social development

Each of group has five criteria, each of them for 1 point. The maximum amount of points is 10. The required minimum depends on investment location as it is presented in *fig. 7*, but it is necessary to score at least 1 point in each group: the qualitative criteria are presented in *the table 4 on page 16*.

ELIGIBLE BUSINESS ACTIVITIES

Similar to SEZ, certain activities are not allowed to take advantage over PIZ. However, the new regulation has introduced possibility to receive the support for the following service activities that were not allowed in SEZ:

- other online content (PKWiU 58.19.2),
- head offices and management-related consultancy (PKWiU 70),

- architectural and engineering as well as technical research and analysis (PKWiU 71),
- specialized design services (PKWiU 74.1),
- consultancy in environmental matters (PKWiU 74.90.13).

OBLIGATIONS OF INVESTORS

The main obligations of investors results from the decision on support. However, some additional obligations result from the EC regulation on regional aid. *The Table 5* summarizes the main obligations of investors.

SUMMARY

The new legislation, mainly due to elimination of territory restriction, should both encourage current investors to reinvest in Poland as well as attract new foreign investors. The aid may be granted for both production and service investments. In terms of service projects the scope of activities that may benefit from tax exemption has been extended. The investments involving services that are classified as modern business services or R&D may take

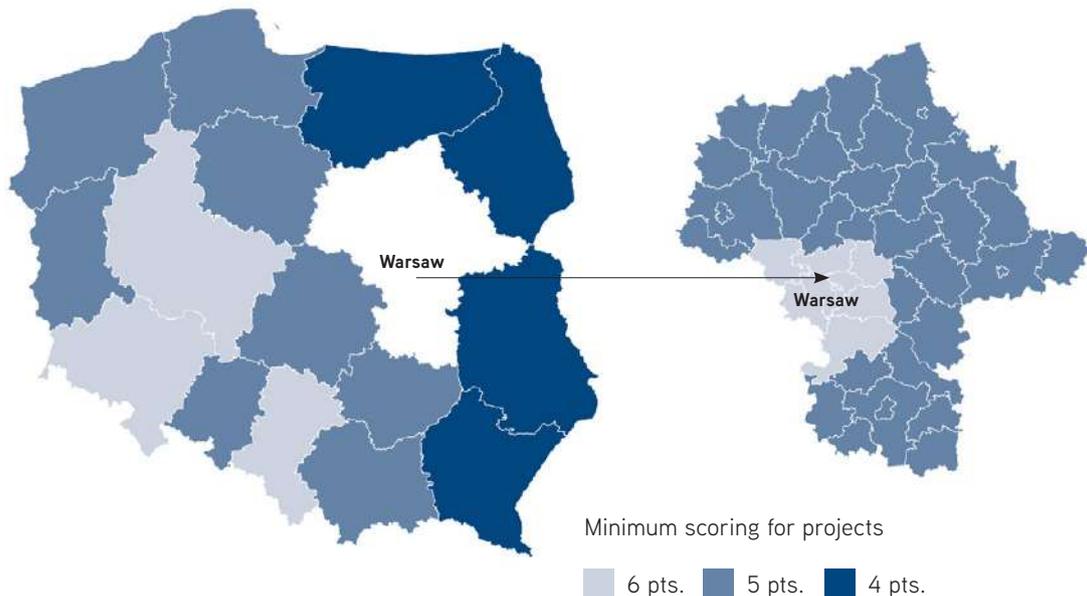


Fig. 6: Minimum required scoring for project in particular locations

	Industrial Investments	Service Investments
SUSTAINABLE ECONOMIC DEVELOPMENT		
1	Consistency of the investment with the current national development policy (priority sectors)	
2	Adequate level of exports of products or services	
3	Conducting R&D activities	
4	Participation in Key National Clusters	Creation of a modern business services center with a range extending beyond the territory of Poland
5	Possession of status of micro, small and medium – sized enterprises	
SUSTAINABLE SOCIAL DEVELOPMENT		
6	Creation of specialized jobs in order to conduct business activities covered by new investment and offered stable employment	Creation of high-paid specialized jobs and offered stable employment
7	Running a business with a low negative impact on the environment	
8	Location of investments in medium-sized cities losing socio-economic functions or communes bordering on those cities or districts with an unemployment rate > 160% of the average	
9	Predefined forms of cooperation with industry schools specialized in the given industry and supporting employees in constant development, acquiring education and professional qualifications	
10	Taking actions in the area of the employee assistance programme	

Table 4: Comparison of qualitative criteria for Industrial Investment and Service Investment

advantage of significantly lower quantity criteria. The same refers to micro, small and medium enterprises. In the new system of support the process of applying for tax exemption should be more standardized in the entire Poland. On the other hand investors will have more obligations: not only the amount of capex, number of workplaces and deadlines specified in decision on support and maintenance period of the investment (as it used to be in SEZ) but also the quantitative criteria.

In terms of benefit the most valuable advantage is significantly longer period of tax exemption. It concerns especially investments located within SEZ area or region with highest (50%) aid intensity, where exemption period is 15 years and almost doubles the period that were granted within SEZ recently (8,5 years). Considering new investment, entrepreneur should thoroughly analyze the considered location of the investment, as it determines:

Obligation	Small and medium investors	Large investors
Not starting investment* before decision on support is issued	✓	✓
Not performing the relocation** of activity from other EEA country	✓	✓
Incurring declared value of capital expenditures within declared deadline	✓	✓
Maintaining ownership of the purchased assets (capital expenditures)	3 years	5 years
Creating declared number of new workplaces within declared deadline	✓	✓
Maintaining created workplaces	3 years	5 years
Maintaining investment in the region	3 years	5 years

Table 5. Main obligations of investors

* Start of works means the earlier of either the start of construction works related to the investment, or the first legally binding commitment to order equipment or any other commitment that makes the investment irreversible. Buying land and preparatory works such as obtaining permits and conducting feasibility studies are not considered start of works.

** "Relocation" means a transfer of the same or similar activity or part thereof from an establishment in one European Economic Area (EEA) country (initial establishment) to the establishment in which the aided investment takes place in another contracting party to the EEA country (aided establishment). In order to receive public aid the company must sign the confirmation that it has not carried out a relocation in the 2 years preceding the application for aid and guarantee that it will not do so up to a period of 2 years after the investment for which aid is requested is completed. If relocation of activity in the context of new project occurs as defined above, the public aid has to be notified to the European Commission or cannot be granted.

- minimum required value of eligible investment costs under the quantitative assessment
- number of required points within qualitative evaluation
- maximum aid intensity and the amount of available tax exemption
- period of tax exemption

year. Investor applies for a decision on support to an Area Administrator, i.e. organ that used to be SEZ authorities for the relevant region. As a rule, the application process should not take longer than 30 days from submitting the application. However, the term may be changed in case of need for delivering additional documents for the application.

There are no application rounds – application for tax exemption can be submitted any time during the

BENEFITS AND CHALLENGES

Investors who want to use the regional support offered as part of the Polish Investment Zone point to the economic factor as a key benefit.

PUBLIC SUPPORT

The community law of the European Union, in principle, does not allow the member-states to offer public support (Treaty on the Functioning of the European Union) meaning that it may harm competition on the common market. But it allows public support to be granted to selected regions of the country, if it meets the criteria of preferential support to the less developed areas.

Before joining the European Union, Poland had to adjust its regional support rules to the guidelines from the European Commission (EC). These rules required compliance between tax exemptions inside the Special

Economic Zones and the respective EU standard – the level of income tax relief was limited down to the maximum acceptable support going to a particular area. Except for some rare cases, support granted by the state each time requires the European Commission's consent. One of such exceptions is support given to companies in the Special Economic Zones which helps the Zones (currently Polish Investment Zone) to operate in a more efficient way.

BENEFITS

Investors who want to use the regional support offered as part of the Polish Investment Zone point to the

economic factor as a key benefit: the opportunity to get an income tax exemption. Public support granted in this form is a chief incentive to place investment projects in sites covered by the Special Economic Zones and, under the new law, it means the possibility to invest in almost any place across Poland. There are also a number of other privileges available to investors, especially if they make their investments in the area of the former Special Economic Zone, among them:

- Purchase of land property destined for investment. Property owned (or managed) by Special Economic Zones is often ready for investment projects, that is, it guarantees legal and planning security, access to technical infrastructures and utilities.
- Exemption from property tax in some municipalities (local law). If the local authorities choose to adopt a law on property tax relief, the relief is valid on the area of the whole municipality. Solutions of this type are more frequent in areas managed by Special Economic Zones usually owing to collaboration between local authorities and the Zones.
- Extended income tax exemption period in sited covered by Special Economic Zones on previous principles. Under the new law, the income tax exemption can be granted to entrepreneurs for a period of 10, 12, or 15 years. All investment projects located within the existing Special Economic Zones are eligible for a 15-year tax exemption.
- Possibility to combine the income tax exemption, which is the main benefit from operating within a Special Economic Zone, with other support forms, such as, the government's investment grants, subsidies from county job exchanges, and EU funds. The complementary character of the available incentives permits to maximize the basket of public support.
- Possibility to use the existing technical and scientific research background offered by the Special Economic zones in cooperation with local authorities. This includes, among other things, renting office space, laboratories, and the use of machinery to train workers.
- Possibility to collaborate with other companies investing in the same Zone. Managements of the particular Special Economic Zones provide conditions for establishing new business relations. These relations may help to create group purchasing organisations (purchase of energy) or to organise joint transportation of workers.
- Another desirable aspect of the formation of clusters inside Special Economic Zones is the common access to the ecosystem serving the production companies of similar profiles, e.g. better coverage of the site by recruitment companies, suppliers, machinery maintenance services, firms certifying production, etc.
- Special Economic Zone managements also share their knowledge and offer assistance to companies in their daily operation within the Polish Investment Zone.

CHALLENGES

While there are a multitude of reasons for starting a business within a Special Economic Zone, it is good to remember that such a decision also involves certain risks that should be considered before the commencement of project implementation and that respective precautions should be taken.

The main challenges identified by beneficiaries of Special Economic Zones include stronger competition for the work force. Barriers preventing (qualified and unqualified workers) from changing the employer do not practically exist in the case of production companies operating within the same site: they can very easily compare wages offered by the particular employers and changing the place of work does not involve any problems with commuting, modifying employees' daily agendas, etc. While a new entrant in a Special Economic Zone always enjoys certain recruitment synergies in the start-up phase, the incumbent investors who want to retain their work force must keep increasing wages and improve the work quality by, among other measures, offering additional non-financial benefits.

The fact that Special Economic Zones often cooperate with local authorities is certainly an advantage of those sites but the division between obligations and jurisdiction of the particular entities involved is not always precisely defined, which may invite disputes over new infrastructural investments inside the Zones, such as, for instance, a relocation of a bus stop (competence of municipal authorities) to another place down a Zone's internal road. In order to ensure a proper functioning of the Zone, all the management bodies involved must be willing to cooperate and accept compromise.

While the management boards of the Special Economic Zone verify each investment in terms of compliance with the local law, and at the same time try to anticipate the possible effects of a given investment, in some cases a dispute arises between the neighbouring companies, e.g. regarding logistics (trucks blocking internal roads), planning (location of individual external factory elements, such as retention reservoirs, pumping stations, garbage dumps, etc.) or environmental hazards (emissions from the plant). As in most disputes with neighbours, good intentions of the involved parties and eagerness to solve problems usually play an important role.

POLISH INVESTMENT ZONE

AREAS PRESENTATION





KAMIENNA GÓRA SEZ

BASIC INFORMATION



Total area	540.8 ha
Available area	300.7 ha
Maximum area of plot	116.4 ha
Average area of plot	18.8 ha
Office space	1,063 m ²
Average rent per month (Net)	33 PLN/m ²

SELECTED LARGEST INVESTORS (BY INVESTMENT EXPENDITURE)



Manufacturing	Bauer Print Wykroty Takata Parts Polska Dr. Schumacher
---------------	--

SEZ RESULTS FROM THE BEGINNING OF THE ACTIVITY



Investment value (according to valid permits)	PLN 2.6 billion
Number of investors (according to valid permits)	45
Number of permits issued	126
New created jobs (according to valid permits)	6,647
Maintained jobs (according to valid permits)	928

SELECTED LARGEST INVESTORS (BY NUMBER OF EMPLOYEES)



Manufacturing	Toyota Boshoku Poland Dr. Schumacher Takata Parts Polska
---------------	--

LEADING SECTORS IN THE SEZ



METAL PROCESSING
PLASTICS
NON-METAL RAW MATERIALS
PRODUCTS OF RUBBER

INVESTMENT OPPORTUNITIES



Opportunity of BTS investment	✓
Plans for preparing new investment areas.	✓
Possibility to buy land without obtaining a decision about support	✓

Source: Special Economic Zone for Medium Business S.A. in Kamienna Góra, as on 30.06.2018.



TADEUSZ RYCHARSKI

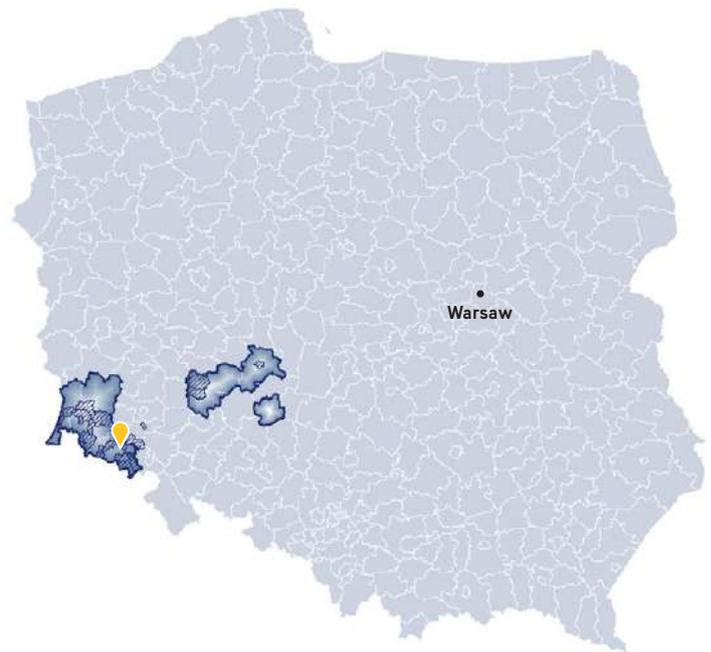
PRESIDENT OF SPECIAL ECONOMIC ZONE
FOR MEDIUM BUSINESS S.A.

WHAT ARE THE KEY ADVANTAGES OF AREAS HELD BY THE ZONE? WHAT ARE THE ZONE'S PLANS FOR DEVELOPMENT?

The biggest advantage of the Kamienna Góra Special Economic Zone is its location close to the Czech and German borders. The Zone is part of a sub-region that is highly attractive to investment. The Zone's development plans provide for an intensification of investment projects in its area thanks to the completion of the construction of the S3 express road.

DID THE ZONE OFFER SUPER- STANDARD INCENTIVES TO INVESTORS IN THE PAST OR DOES IT DO SO NOW?

The Kamienna Góra Special Economic Zone offers the experience and knowledge of its professional crews along with assistance to interested entities at any phase of investment project implementation. On top of that, the Kamienna Góra Special Economic Zone is the only Zone in Poland which offers Japanese investors the translation of its official website into the Japanese language.



Location of investment areas within the Kamienna Góra SEZ

-  2017 - the municipalities where the SEZ areas were located
-  2018 - The Polish Investment Zone area which is managed by the SEZ
-  Headquarters (Kamienna Góra)

KATOWICE SEZ

BASIC INFORMATION



Total area	2,614 ha
Available area	949 ha
Maximum area of plot	108 ha
Average area of plot	3-10 ha
Office space (lease)	2,787 m ²
Office space average rent per month (Net)	11-17.7 EUR/m ²
Industrial space (lease)	25,000 m ²

SELECTED LARGEST INVESTORS (BY INVESTMENT EXPENDITURE)



Manufacturing	Opel Manufacturing Poland NGK Ceramics Brembo Poland
Office	Sopra Steria Polska Aiut

SEZ RESULTS FROM THE BEGINNING OF THE ACTIVITY



Investment value (according to valid permits)	PLN 33.5 billion
Number of investors (according to valid permits)	356
Number of permits issued	583
New created jobs (according to valid permits)	42,678
Maintained jobs (according to valid permits)	33,048

SELECTED LARGEST INVESTORS (BY NUMBER OF EMPLOYEES)



Manufacturing	TRW Polska Opel Manufacturing Poland NGK Ceramics
Office	Sopra Steria Polska

LEADING SECTORS IN THE SEZ



AUTOMOTIVE
GLASSWARE
METAL PROCESSING
CONSTRUCTION

INVESTMENT OPPORTUNITIES



Opportunity of BTS investment	✓
Plans for preparing new investment areas.	✗
Possibility to buy land without obtaining a decision about support	✓

Source: Katowice Special Economic Zone S.A., as on 30.06.2018.



DR JANUSZ MICHAŁEK

PRESIDENT OF KATOWICE
SPECIAL ECONOMIC ZONE S.A.

DOES THE ZONE HAVE CLUSTERS OF INVESTORS REPRESENTING THE SAME INDUSTRY?

Yes, there is an automotive cluster called Silesia Automotive & Advanced Manufacturing (SA&AM) which currently comprises over 100 entities, in this 90 automotive and advanced technology companies, 9 R&D units, and 3 business-related institutions. The cluster is a platform for co-operation which allows companies to optimise their business-to-business and science-to-business operations. It carries out its mission in two fields: Innovation and Co-operation, and Labour Market and Education. The cluster's mission in the field of Innovation and Co-operation is done by an effective combination of engineering concepts with the latest technologies and techniques which permit to improve manufacturing processes, increase productivity, optimise the use of resources, minimise waste and losses and, as a result, to ensure a competitive position of the companies on international arena. The cluster's mission in the field of Labour Market and Education consists in building and maintaining the competitive human resource advantage of employers by way of developing and implementing systemic solutions relying on the co-operational potential between employers, employees, and the educational market.

DO CUSTOMERS FROM SELECTED SECTORS DOMINATE IN THE SUB-ZONE? DOES IT HAVE A SPECIFIC OPERATION PROFILE?

Automotive customers dominate as they represent about 60% of the total investment made. The Zone now has 78 automotive companies which have altogether invested more than PLN 20 billion so far and employ the total of 35 thousand people.



Location of investment areas within the Katowice SEZ

-  2017 - the municipalities where the SEZ areas were located
-  2018 - The Polish Investment Zone area which is managed by the SEZ
-  Headquarters (Katowice)

IS THE NEW LAW EQUAL TO NEW OPPORTUNITIES FOR INDUSTRIAL DEVELOPERS?

It certainly is. The new law has made public support available in all places across Poland and developers no longer have to do construction only inside the Zones, if they want to attract investors with extra incentives. Certainly, the developer's business as such is not eligible for public support but investors who are going to rent facilities from developers and meet the criteria will be eligible for a "yes" decision and for the resulting tax relief wherever in Poland their business is located.

KOSTRZYŃ-SŁUBICE SEZ

BASIC INFORMATION



Total area	2,201 ha
Available area	903 ha
Maximum area of plot	61 ha
Average area of plot	5 ha

SEZ RESULTS FROM THE BEGINNING OF THE ACTIVITY



Investment value (according to valid permits)	PLN 7.7 billion
Number of investors (according to valid permits)	130
Number of permits issued	342
New created jobs (according to valid permits)	18,917
Maintained jobs (according to valid permits)	14,254

LEADING SECTORS IN THE SEZ



AUTOMOTIVE
WOOD
PAPERMAKING

SELECTED LARGEST INVESTORS (BY INVESTMENT EXPENDITURE)



Manufacturing	Grupa Homanit Volkswagen Poznań ICT Poland Faurecia Barlinek Amica Wronki
---------------	--

SELECTED LARGEST INVESTORS (BY NUMBER OF EMPLOYEES)



Manufacturing	Grupa Homanit Volkswagen Poznań ICT Poland Faurecia Barlinek Amica Wronki
---------------	--

INVESTMENT OPPORTUNITIES



Opportunity of BTS investment	✓
Plans for preparing new investment areas.	✓
Possibility to buy land without obtaining a decision about support	✓

Source: Kostrzyn-Słubice Special Economic Zone S.A., as on 30.06.2018.



KRZYSZTOF KIELEC

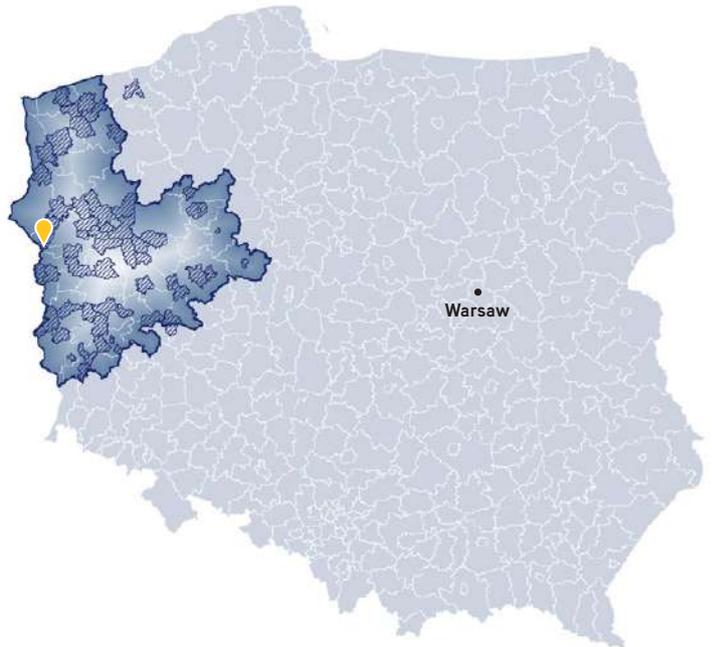
PRESIDENT OF KOSTRZYN-SŁUBICE
SPECIAL ECONOMIC ZONE S.A.

CAN AN INTERESTED INVESTOR SECURE FOR HIMSELF SOME AREA FOR A SPECIFIED PERIOD OF TIME? WHAT IS THE RESPECTIVE PROCEDURE?

We can sign a one-month rental agreement with such an investor to allow him to apply for conditions of utility connection and/or do a legal analysis of the property. The investor may also choose property reservation but this requires setting a reservation price.

CAN THE REQUIRED INVESTMENT OUTLAYS (QUANTITATIVE CRITERION) BE A BARRIER TO INVESTORS?

Not for the new investors (greenfield projects), that is for sure. Every voivodeship has a county or town with very easy quantitative criteria. This is the intention: to invigorate the less-developed places. It may be a bit of a problem for re-investment but this is the location-related risk and it is beyond our control. These criteria are much lower for the small and medium-sized businesses. Big companies usually invest much more and higher criteria in their locations will, perhaps, motivate big business to go ahead with innovative and capital-intensive investment, such as, investment in R&D, where the criterion is by 95% lower. Under the new law, any business can find its way to getting support.



Location of investment areas within the Kostrzyn-Słubice SEZ

-  2017 - the municipalities where the SEZ areas were located
-  2018 - The Polish Investment Zone area which is managed by the SEZ
-  Headquarters (Kostrzyn)

KRAKÓW TECHNOLOGY PARK

BASIC INFORMATION



Total area	950 ha
Available area	300 ha
Maximum area of plot	34 ha
Average area of plot	3 ha
Office space (lease)	20,000 m ²
Average rent per month (Net)	12- 16 EUR/m ²

SELECTED LARGEST INVESTORS (BY INVESTMENT EXPENDITURE)



Manufacturing	Valeo
Office	Shell

SEZ RESULTS FROM THE BEGINNING OF THE ACTIVITY



Investment value (according to valid permits)	PLN 5.9 billion
Number of investors (according to valid permits)	150
Number of permits issued	262
New created jobs (according to valid permits)	15,292
Maintained jobs (according to valid permits)	13,842

SELECTED LARGEST INVESTORS (BY NUMBER OF EMPLOYEES)



Manufacturing	Valeo
Office	Shell

LEADING SECTORS IN THE SEZ



IT
BPO/SSC
AUTOMOTIVE
CHEMICALS

INVESTMENT OPPORTUNITIES



Opportunity of BTS investment	✓
Plans for preparing new investment areas.	✓
Possibility to buy land without obtaining a decision about support	✓

Source: Kraków Technology Park sp. z o.o., as on 30.06.2018.



MAŁGORZATA POPLAWSKA

VICE-PRESIDENT OF KRAKÓW
TECHNOLOGY PARK SP. Z O.O.

WHAT ARE THE KEY ADVANTAGES OF THE AREAS HELD BY THE ZONE? WHAT ARE THE ZONE'S PLANS FOR DEVELOPMENT?

The greatest advantage of the area under our management is its good roads (the A4 Motorway and S7 road in the near future) access to highly qualified workers, very strong academic community, and many business-related institutions. We are planning to attract investment projects involving advanced-technologies, especially IT, automotive, and life-science, as well as to strengthen synergies between the community of start-ups and investors present in the Zone by their participation in projects carried out by the Kraków Technology Park, such as, the KPT Scale up accelerator. We are also planning to put more stress on internationalisation (e.g. one more project for the IT industry) and on pro-exports support.

WHICH COMPANIES/INDUSTRIES WILL GET PREFERENTIAL TERMS OF GETTING A ZONE PERMIT?

No industry gets preferential terms. Anyone who meets the criteria will get a support decision on the same terms which are set forth in the law. The law provides for some preference connected with the place of investment (122 medium-sized towns which are losing their social and economic functions – in the area managed by the KPT, these towns are Chrzanów, Gorlice, Nowy Sącz, Nowy Targ, Tarnów, Zakopane and Jędrzejów) and with the size of the entrepreneur (higher public support is offered to SMEs).



Location of investment areas within the Kraków Technology Park SEZ

-  2017 - the municipalities where the SEZ areas were located
-  2018 - The Polish Investment Zone area which is managed by the SEZ
-  Headquarters (Kraków)

LEGNICA SSE

BASIC INFORMATION



Total area	1,340 ha
Available area	800 ha
Maximum area of plot	105 ha
Average area of plot	10 ha

SEZ RESULTS FROM THE BEGINNING OF THE ACTIVITY



Investment value (according to valid permits)	PLN 5.5 billion
Number of investors (according to valid permits)	52
Number of permits issued	170
New created jobs (according to valid permits)	9,344
Maintained jobs (according to valid permits)	5,893

LEADING SECTORS IN THE SEZ



AUTOMOTIVE
LOGISTICS

SELECTED LARGEST INVESTORS (BY INVESTMENT EXPENDITURE)



Manufacturing Volkswagen
Winkelmann
BASF

SELECTED LARGEST INVESTORS (BY NUMBER OF EMPLOYEES)



Manufacturing Volkswagen Motor Polska
Voss Automotive
Sanden Manufacturing Poland
Sitech

INVESTMENT OPPORTUNITIES



Opportunity of BTS investment	✓
Plans for preparing new investment areas.	✓
Possibility to buy land without obtaining a decision about support	✓

Source: Legnica Special Economic Zone S.A., as on 30.06.2018.



WITOLD LECH IDCZAK

PRESIDENT OF LEGNICA
SPECIAL ECONOMIC ZONE S.A.

WHAT ARE THE ZONE'S PLANS FOR DEVELOPMENT? ARE THERE ANY PLANS TO ADD NEW LAND TO THE ZONE?

The Legnica Special Economic Zone is now in the process of incorporating 150 hectares located in Legnica and Głogów. The land in Legnica used to serve as an airfield (around 120 hectares) and the land in Głogów is between the existing Zone and the Głogów Copper Smelter. These are interesting locations which increase the Zone's investment potential.

DO CUSTOMERS FROM SELECTED SECTORS DOMINATE IN THE SUB-ZONE? DOES IT HAVE A CERTAIN OPERATION PROFILE?

The Legnica Special Economic Zone tries to attract companies representing different industries. Right now we have companies involved in food production, metalworking, as well as the plastics, chemical, automotive, and aviation industries. But the automotive industry dominates. Automotive manufacturing and assembling companies make up over 60% of the businesses operating here.



Location of investmet areas within the Legnica SEZ

-  2017 - the municipalities where the SEZ areas were located
-  2018 - The Polish Investment Zone area which is managed by the SEZ
-  Headquarters (Legnica)

ŁÓDŹ SSE

BASIC INFORMATION



Total area	1,755 ha
Available area	631 ha
Maximum area of plot	203 ha
Average area of plot	2-5 ha
Office space (lease)	32,552 m ²
Average rent per month (Net)	115 - 132 EUR/m ²
Industrial space (lease)	26,673 m ²
Average rent per month (Net)	2.6 - 3.2 EUR/m ²

SEZ RESULTS FROM THE BEGINNING OF THE ACTIVITY



Investment value (according to valid permits)	PLN 13.7 billion
Number of investors (according to valid permits)	140
Number of permits issued	343
New created jobs (according to valid permits)	25,430
Maintained jobs (according to valid permits)	34,052

LEADING SECTORS IN THE SEZ



HOUSEHOLD APPLIANCES,
INNOVATIVE BUSINESS SERVICES/IT
PHARMACEUTICS & COSMETICS
FOOD
PLASTICS

SELECTED LARGEST INVESTORS (BY INVESTMENT EXPENDITURE)



Manufacturing	Euroglas Polska, UMA Investments, Indesit Company Polska, Gillette Poland International, Ceramika Paradyż, Medana Pharma, Union Industries Polska, Grupa Ceramika Tubądzin, Miele Technika
Office	Ericsson, Fujitsu Technology Solutions, Infosys Poland, Bluerank

SELECTED LARGEST INVESTORS (BY NUMBER OF EMPLOYEES)



Manufacturing	Indesit Company Polska, Haering Polska, Hutchinson Poland, WIELTON, HTL-STEFA, BSH Sprzęt Gospodarstwa Domowego
Office	Infosys Poland Fujitsu Technology Solutions Ericsson

INVESTMENT OPPORTUNITIES



Opportunity of BTS investment	✓	
Plans for preparing new investment areas.	✓	
Possibility to buy land without obtaining a decision about support	✗	As a rule, no. Each project is considered individually.

Source: Łódź Special Economic Zone S.A., as on 30.06.2018.



MAREK MICHALIK

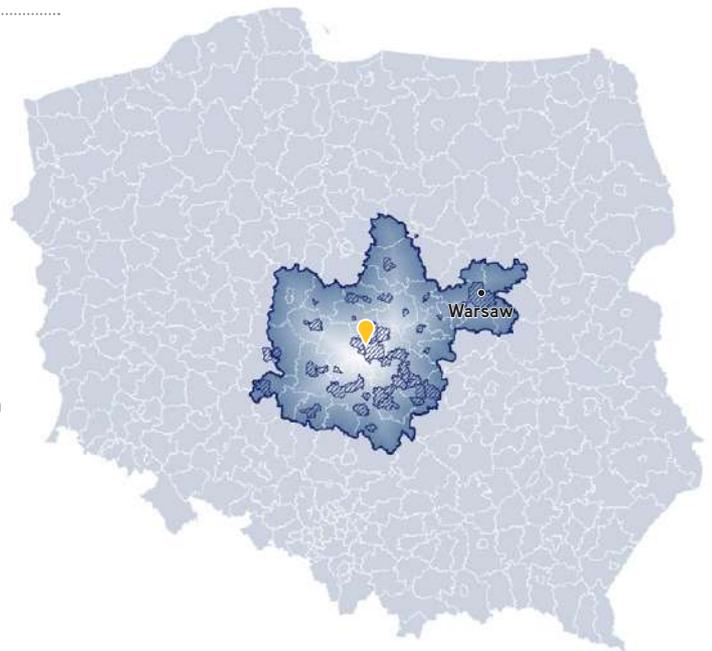
PRESIDENT OF ŁÓDŹ
SPECIAL ECONOMIC ZONE S.A.

WHAT ARE THE GREATEST ADVANTAGES OF THE ZONE'S AREAS? WHAT ARE THE ZONE'S DEVELOPMENT PLANS?

The Łódź Special Economic Zone covers areas located in central Poland. The closeness of the A1 and A2 motorways' intersection makes the areas easily accessible and gives them high logistics potential. The presence of large academic hubs, such as Warsaw and Łódź, guarantees to investors easy access to highly qualified staff. The Łódź zone offers to its clients many interesting projects reaching beyond the framework of regional support. These include the Startup Spark project, an innovative start-up support model aimed at combining the potential of new creative entrepreneurs with the infrastructure, experience and resources of large corporations, and the Strefa Rozwoju project designed to increase the competence and qualifications of employees of micro-, small- and medium-sized businesses. The most recent project implemented within the zone is the Automatics and Robotics Technical College to be launched in September 2019. This will be a modern educational institution applying innovative solutions and fully cooperating with businesses (both in the dual and module systems).

IS THE NEW LAW EQUAL TO NEW OPPORTUNITIES FOR INDUSTRIAL DEVELOPERS?

Yes, it is. Since the new law allows investing in any location, developers may also offer their properties



Location of investment areas within the Łódź SEZ

-  2017 - the municipalities where the SEZ areas were located
-  2018 - The Polish Investment Zone area which is managed by the SEZ
-  Headquarters (Łódź)

as ones eligible for investment support. The law which was in force until mid-2018 did not practically permit any support on a developer's (private) land. The procedure of including private land in the Zones required investors to make very high investment outlays and to provide many new jobs. That process took a long time, much effort, and did not guarantee success.

EURO-PARK MIELEC

BASIC INFORMATION



Total area	1,724 ha
Available area	388 ha
Maximum area of plot	20 ha
Average area of plot	2 ha
Office space (lease)	2,300 m ²
Average rent per month (Net)	10-50 PLN/m ²
Industrial space (lease)	28,000 m ²
Average rent per month (Net)	15-25 PLN/m ²

SELECTED LARGEST INVESTORS (BY INVESTMENT EXPENDITURE)



Manufacturing	Kronospan Mielec MTU Aero Engines Polska BORGWARNER POLAND Goodrich Aerospace Poland
---------------	---

SEZ RESULTS FROM THE BEGINNING OF THE ACTIVITY



Investment value	PLN 11.5 billion
Number of investors	393
Number of permits issued	449
New created jobs (according to valid permits)	21,227
Maintained jobs	24,982

SELECTED LARGEST INVESTORS (BY NUMBER OF EMPLOYEES)



Manufacturing	Pratt&Whitney Rzeszów Lear Corporation Poland II KIRCHHOFF POLSKA Polskie Zakłady Lotnicze BURY
---------------	--

LEADING SECTORS IN THE SEZ



AVIATION
AUTOMOTIVE
PLASTICS

INVESTMENT OPPORTUNITIES



Opportunity of BTS investment	✓
Plans for preparing new investment areas.	✓
Possibility to buy land without obtaining a decision about support	✓

Source: Industrial Development Agency Branch Office in Mielec, as on 30.06.2018.



KRZYSZTOF ŚLĘZAK

DIRECTOR OF INDUSTRIAL DEVELOPMENT AGENCY, BRANCH OFFICE IN MIELEC, WHICH MANAGES SEZ EURO-PARK MIELEC

DOES THE ZONE HELP INVESTORS IN RECRUITING WORKERS? DOES IT COLLABORATE WITH SCHOOLS/ UNIVERSITIES?

One of the tasks given to the management is to collaborate with schools in promoting vocational education. The Industrial Development Agency (ARP S.A.) takes part in many projects intended to activate the labour market. It provides a "link" between education institutions and investors. The Zone management supports initiatives like "Mielec believes in professionals," an initiative implemented by the Centre for Teacher Practical and Continuing Training in Mielec in order to improve the quality of vocational training and adjust it to the labour market needs by which it will also ensure higher employment of vocational school-leavers. The managing body was also a co-organiser of a project kick-off conference.

DOES THE ZONE SUPPORT YOUNG ENTREPRENEURS AND NEW TECHNOLOGIES?

As regards supporting innovative solutions for the economy, the Industrial Development Agency actively works in the field of technology transfer using, among other things, the Internet service "Technology Transfer Platform." Users registered on this platform can publish their innovative resources, needs, and have access to the data base of technologies and experts. Its smart system helps to match technology providers with its receivers.

The management also carries out a project called "Open Innovation Network" which started last year. Its purpose is to build open innovation networks by way of stimulating technology transfers among the innovative environment and the sector of micro,



Location of investment areas within the SEZ EURO-PARK Mielec

-  2017 - the municipalities where the SEZ areas were located
-  2018 - The Polish Investment Zone area which is managed by the SEZ
-  Headquarters (Mielec)

small, and medium-sized businesses. This project also offers re-financing of the cost of purchasing intangible assets such as patents, licences, know-how, and trade designs.

It should also be stressed that public support offered by the Agency to entrepreneurs is not meant only for well-established companies. Anyone who meets the criteria defined by the New Investment Support Act can win a public support decision and enjoy income tax relief.

POMERANIAN SEZ

BASIC INFORMATION



Total area	2,246 ha
Available area	739.8 ha
Maximum area of plot	367 ha
Average area of plot	5-10 ha
Office space	28,000 m ²
Office space (lease)	1,042 m ²
Average rent per month (Net)	55 PLN/m ²
Industrial space	6,000 m ²

SELECTED LARGEST INVESTORS (BY INVESTMENT EXPENDITURE)



Manufacturing	Bridgestone Stargard Cargotec Poland Flextronics International Poland International Paper Kwidzyn PDH Polska (Grupa Azoty) Plastica Zakłady Farmaceutyczne Polpharma
---------------	--

SEZ RESULTS FROM THE BEGINNING OF THE ACTIVITY



Investment value (according to valid permits)	PLN 10.7 billion
Number of investors (according to valid permits)	126
Number of permits issued	185
New created jobs (according to valid permits)	15,592
Maintained jobs (according to valid permits)	10,946

SELECTED LARGEST INVESTORS (BY NUMBER OF EMPLOYEES)



Manufacturing	Flextronics International Poland Jabil Circuit Poland Zakłady Farmaceutyczne Polpharma
---------------	--

LEADING SECTORS IN THE SEZ



PAPERMAKING
PRODUCTS OF RUBBER AND PLASTICS
CHEMICALS
PHARMACEUTICS

INVESTMENT OPPORTUNITIES



Opportunity of BTS investment	✗	No, but each project is considered individual.
Plans for preparing new investment areas.	✓	
Possibility to buy land without obtaining a decision about support	✓	

Source: Pomeranian Special Economic Zone sp. z o.o., as on 30.06.2018.



PAWEŁ LULEWICZ

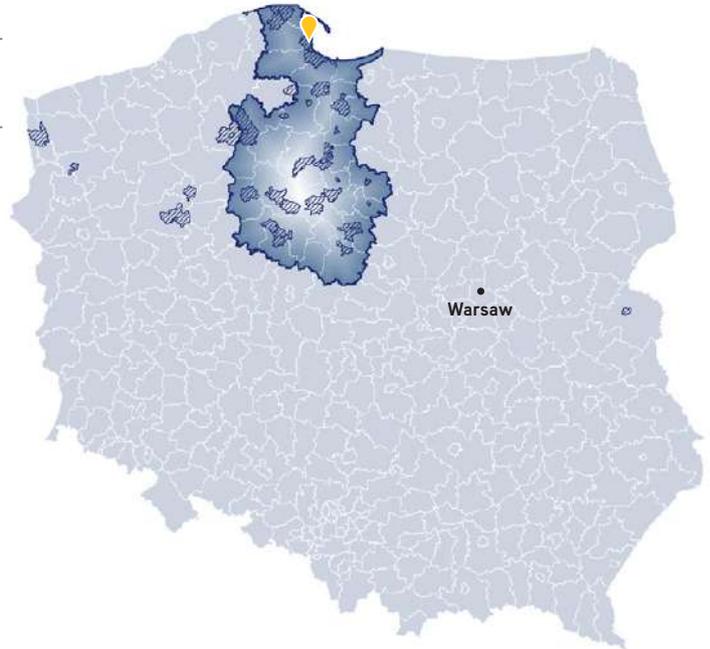
VICE-PRESIDENT OF POMERANIAN
SPECIAL ECONOMIC ZONE SP. Z O.O.

HOW WILL THE NEW TERRITORIAL DIVISION IMPACT THE ZONE FUNCTIONING?

The PSEZ currently manages the area of 226 municipalities in the Kujawsko-Pomorskie Voivodeship and the eastern part of the Pomeranian Voivodeship. One of the key tasks of the area managing company is to help entrepreneurs in carrying out their projects and advise them in choosing a site, a labour market, and in finding a convenient source of financing. The Zone allocates a guardian to an investor whereby the former is responsible for assisting the latter in his work on the new project from the moment of his registration up to the moment of obtaining a support decision which opens way to a tax relief. Moreover, we introduce new services for entrepreneurs in line with the idea of a one stop shop. The investor must meet the quantitative criteria relevant for the particular site, that is he must declare a minimum level of planned investment outlays. The investment project must also score enough points from the qualitative criteria which are intended to generate the investor's extra commitments to local economic development and to improving the skills of the newly-hired workers.

CAN THE REQUIRED INVESTMENT OUTLAYS (QUANTITATIVE CRITERION) BE A BARRIER TO INVESTORS?

Quite conversely, the new rules make income tax exemption available to a larger number of SMEs whose capitals have so far been too slim to get them into the Zones. Any company may now apply for support but the system gives preference to small, medium-sized, and micro businesses but also to big corporations ready to come up with large-scale investment projects. The minimum criteria of



Location of investment areas within the Pomeranian SEZ

-  2017 - the municipalities where the SEZ areas were located
-  2018 - The Polish Investment Zone area which is managed by the SEZ
-  Headquarters (Sopot)

investment costs have been differentiated according to the size of the company and the unemployment rate in the given county. The duration of income tax exemption may vary from 10 to 15 years, depending on the local economic situation. This period ranges from 12 to 15 years in the area where the Pomeranian Zone is located. As regards big companies, the minimum value of investment linked to local unemployment rates is between PLN 10 million (in counties with highest unemployment) and PLN 100 million (in the lowest-unemployment counties). In areas where unemployment is high – the minimum required value of investment outlays is much lower.

SŁUPSK SEZ

BASIC INFORMATION



Total area	910 ha
Available area	540 ha
Maximum area of plot	180 ha
Average area of plot	1-5 ha
Industrial space	940 m ²
Average rent per month (Net)	15 PLN/m ²
Office space	4,000 m ²
Office space (lease)	1,500 m ²
Average rent per month (Net)	10-30 PLN/m ²

SEZ RESULTS FROM THE BEGINNING OF THE ACTIVITY



Investment value (according to valid permits)	PLN 1.7 billion
Number of investors (according to valid permits)	63
Number of permits issued	159
New created jobs (according to valid permits)	2,360
Maintained jobs (according to valid permits)	4,500

LEADING SECTORS IN THE SEZ



WOOD
 PLASTICS
 FURNITURE
 METAL PROCESSING
 LOGISTICS
 ELECTRONICS
 AUTOMOTIVE
 METAL PROCESSING & MACHINERY

SELECTED LARGEST INVESTORS (BY INVESTMENT EXPENDITURE)



Manufacturing	Kronospan Polska Albatros Aluminium Nordglass Paula Fish Sławomir Gojdz Ozen
Office	Apator Telemetria Kaliop Poland

SELECTED LARGEST INVESTORS (BY NUMBER OF EMPLOYEES)



Manufacturing	Nordglass Paula Fish Sławomir Gojdz Albatros Aluminium Kronospan Polska AJ Fabryka Mebli Elfa Manufacturing Polska
Office	Apator Telemetria Kaliop Poland

INVESTMENT OPPORTUNITIES



Opportunity of BTS investment	✓	The investment must be part of the strategy of a given region.
Plans for preparing new investment areas.	✓	
Possibility to buy land without obtaining a decision about support	✓	

Source: Pomeranian Regional Development Agency S.A., as on 30.06.2018.



MIROSŁAW KAMIŃSKI

PRESIDENT OF POMERANIAN REGIONAL DEVELOPMENT AGENCY S.A., WHICH MANAGES SŁUPSKA SEZ

IS PERMANENT CO-OPERATION WITH COMPANIES CONTINUED AFTER AN INVESTOR ENTERS THE ZONE? IF SO, IN WHICH FIELDS?

PARR S.A. which manages the Słupsk Special Economic Zone performs a variety of activities addressed first of all to entrepreneurs and local authorities. We are in permanent contact with businesses present in the area and we try to reach entrepreneurs operating in the whole central Pomerania. We organise training courses, workshops for specialists, conferences on subjects related to the development of business activities under changing legislation, export opportunities, obtaining external funding, and supporting advanced industries, i.e. automation, robotisation, renewable energy sources, etc. We keep them updated on these activities and on the proposals addressed to the companies.

DOES THE ZONE SUPPORT YOUNG ENTREPRENEURS AND NEW TECHNOLOGIES?

The Słupsk Special Economic Zone has a Słupsk Technology Incubator which serves the start-ups as an incubation and development basis. New and innovative businesses may benefit from preferential rent rates. Apart from that, the incubator is a basis



Location of investment areas within the Słupsk SEZ

-  2017 - the municipalities where the SEZ areas were located
-  2018 - The Polish Investment Zone area which is managed by the SEZ
-  Headquarters (Słupsk)

for building a Centre of Specialist Advisory Services equipped with 3D printers, 3D scanners, drones, thermo visual systems, and the like. The Centre ensures access of Central Pomeranian entrepreneurs to the latest technologies. Our Incubator is a venue of many events, such as the START-IT meetings on the wide range of IT technologies and their applications in business and daily life.

"STARACHOWICE" SEZ

BASIC INFORMATION



Total area	708 ha
Available area	250 ha
Maximum area of plot	71 ha
Average area of plot	1-10 ha
Office space (lease)	2,300 m ²
Average rent per month (Net)	29.8 PLN/m ²

SELECTED LARGEST INVESTORS (BY INVESTMENT EXPENDITURE)



Manufacturing	Man Bus Zakłady Azotowe Puławy Cerrad LSC Communications
---------------	---

SEZ RESULTS FROM THE BEGINNING OF THE ACTIVITY



Investment value (according to valid permits)	PLN 2.7 billion
Number of investors (according to valid permits)	63
Number of permits issued	183
New created jobs (according to valid permits)	4,300 .
Maintained jobs (according to valid permits)	4,600

SELECTED LARGEST INVESTORS (BY NUMBER OF EMPLOYEES)



Manufacturing	Man Bus Sefako MA Polska LSC Communications
---------------	--

LEADING SECTORS IN THE SEZ



METAL PROCESSING & MACHINERY
CERAMIC
CHEMICALS
AUTOMOTIVE

INVESTMENT OPPORTUNITIES



Opportunity of BTS investment	✓
Plans for preparing new investment areas.	✓
Possibility to buy land without obtaining a decision about support	✓

Source: "Starachowice" Special Economic Zone S.A., as on 30.06.2018.



MARCIN PERZ

PRESIDENT OF "STARACHOWICE"
SPECIAL ECONOMIC ZONE S.A.

IS THE ZONE READY TO SPEND EXTRA MONEY TO MEET INVESTOR'S EXPECTATIONS? DOES THE ZONE HELP INVESTORS IN RECRUITING WORKERS AND DOES IT CO-OPERATE WITH SCHOOLS/UNIVERSITIES?

Considering the current situation on the labour market, well skilled and ready to work employees are what employers need most. The "Starachowice" Special Economic Zone S.A. is one of the initiators and founders of the Świętokrzyski Vocational Training Cluster. It includes university-level schools, vocational schools, business companies, business support institutions, local government members, and members of the provincial authorities. The cluster combines the economic, educational, and scientific potentials for the benefit of vocational training and local markets but it also works to improve students' access to apprenticeship in real workplace environments. The cluster also plays host to a number of partner initiatives, such as, for instance, vocational training classes held in partnership with businesses located in Starachowice, Ostrowiec Świętokrzyski and other places. The Zone supports students who are at the same time underage workers by paying for their training in business German and English.

In 2017, the "Starachowice" Special Economic Zone S.A. signed the first in Poland agreement on co-operation with the Świętokrzyska Headquarters of OHP Voluntary Work Corps. It helps young people who try to find a way on the labour market to get



Location of investment areas within the "Starachowice"

-  2017 - the municipalities where the SEZ areas were located
-  2018 - The Polish Investment Zone area which is managed by the SEZ
-  siedziba główna (Starachowice)

jobs in companies of the Zone. The young people are mastering new technologies by working in Zone companies which use the best hardware and software available on the market. The agreement is promoted by the Ministry of Family, Labour and Social Policy as an example to follow everywhere in Poland. The Zone is also a representative public partner for vocational training professions collaborating with the Ministry of National Education on a permanent basis.

SUWAŁKI SEZ

BASIC INFORMATION



Total area	663.9 ha
Available area	212.9 ha
Maximum area of plot	23.7 ha
Average area of plot	1.5 ha
Industrial space	237 m ²

SELECTED LARGEST INVESTORS (BY INVESTMENT EXPENDITURE)



Manufacturing	Tanne Roockwool Polska
---------------	---------------------------

SEZ RESULTS FROM THE BEGINNING OF THE ACTIVITY



Investment value (according to valid permits)	PLN 3.8 billion
Number of investors (according to valid permits)	125
Number of permits issued	267
New created jobs (according to valid permits)	7,006
Maintained jobs (according to valid permits)	3,494

SELECTED LARGEST INVESTORS (BY NUMBER OF EMPLOYEES)



Manufacturing	PRAWDA MALOW PADMA PORTA KMI IRYD
---------------	---

LEADING SECTORS IN THE SEZ



WOOD
PLASTICS
METAL PROCESSING

INVESTMENT OPPORTUNITIES



Opportunity of BTS investment	✓
Plans for preparing new investment areas.	✓
Possibility to buy land without obtaining a decision about support	✓

Source: Suwałki Special Economic Zone S.A., as on 30.06.2018.



LESZEK DEC

PRESIDENT OF SUWAŁKI
SPECIAL ECONOMIC ZONE S.A.

DID THE ZONE OFFER SUPER-STANDARD INCENTIVES TO INVESTORS IN THE PAST OR DOES IT DO SO NOW?

Having in mind the development of enterprise in its area, the Suwałki Special Economic Zone closely cooperates with business-related institutions, clusters, including the key clusters in Poland, co-organises training courses and conferences, engages itself in work on tailoring curriculums to the needs of local business. It takes an active part in exhibition-fairs and missions of various industries to promote and present companies of the Zone and to find partner companies with whom to establish collaboration relations. Collaboration agreements the Zone signs with its counterparts in neighbouring countries (e.g. Grodnoinvest) also promotes the development of businesses operating in the Zone. Apart from attractive investment sites, the Zone also offers buildings and laboratories of the Elk Science and Technology Park. What is more, thanks to friendly local governments in Podlasie, entrepreneurs may also use other forms of support, such as property tax exemption.

CAN THE REQUIRED INVESTMENT OUTLAYS (QUANTITATIVE CRITERION) BE A BARRIER TO INVESTORS?

New investor-supporting instrument provided in the New Investment Support Act attracts high interest among entrepreneurs. Nine entrepreneurs have by now declared a strong intention to carry out their investment projects in the area controlled by the Zone. Seven of these entrepreneurs are planning to invest an estimated total amount of PLN 220



Location of investment areas within the Suwałki SEZ

-  2017 - the municipalities where the SEZ areas were located
-  2018 - The Polish Investment Zone area which is managed by the SEZ
-  Headquarters (Suwałki)

million there. Prospects for creating new jobs are also important – preliminary declarations for over 100 new workplaces have been made. The unemployment rates are highly differentiated in the Zone area which directly translates into different investment outlays the entrepreneurs must make when applying for support. The high unemployment areas are found in the counties of Elk, Kolno and Grajewo but in other counties this rate is well beyond national average. The interest in obtaining public support offered by the decision to support new investment is shown by small and medium-sized business, but also by big companies. The new legal solutions will be an incentive, rather than a barrier to investors.

TSEZ EURO-PARK WISŁOSAN

BASIC INFORMATION



Total area	1,877 ha
Available area	443 ha
Maximum area of plot	30 ha
Average area of plot	32,400 m ²
Industrial space	32,400 m ²
Industrial space (lease)	11,200 m ²
Average rent per month (Net)	16-20 PLN/m ²
Office space (lease)	400 m ²
Average rent per month (Net)	25-29 zł PLN/m ²

SELECTED LARGEST INVESTORS (BY INVESTMENT EXPENDITURE)



Manufacturing	LG Display Poland UPM RAFLATAC POLSKA Pilkington Automotive Poland LG Electronics Wrocław
---------------	--

SEZ RESULTS FROM THE BEGINNING OF THE ACTIVITY



Investment value (according to valid permits)	PLN 8.01 billion
Number of investors (according to valid permits)	142
Number of permits issued	373
New created jobs (according to valid permits)	15,134
Maintained jobs (according to valid permits)	7,041

SELECTED LARGEST INVESTORS (BY NUMBER OF EMPLOYEES)



Manufacturing	Pilkington Automotive Poland QUADWINKOWSKI Federal-Mogul Gorzyce Thoni Alutec
---------------	--

LEADING SECTORS IN THE SEZ



AUTOMOTIVE
METAL PROCESSING
GLASSWARE
MACHINERY
ALUMINIUM

INVESTMENT OPPORTUNITIES



Opportunity of BTS investment	✓
Plans for preparing new investment areas.	✓
Possibility to buy land without obtaining a decision about support	✓

Source: Industrial Development Agency S.A. Branch Office in Tarnobrzeg, as on 30.06.2018.



ADAM KUŚNIERZ

"PRESIDENT OF INDUSTRIAL DEVELOPMENT AGENCY S.A. BRANCH OFFICE IN TARNOBZEG, WHICH MANAGES TSEZ EURO-PARK WISŁOSAN"

WHAT ARE THE KEY ADVANTAGES OF THE AREAS COVERED BY THE ZONE? WHAT ARE THE ZONE'S PLANS FOR DEVELOPMENT?

The investment opportunities offered by the area of the Tarnobrzeg Special Economic Zone EURO-PARK WISŁOSAN include a number of special advantages worth consideration by potential investors choosing a place for their projects:

- it sits on areas with the highest public support in the EU, reaching up to 70% of the investment value,
- shows high territorial differentiation because it includes part of the Mazowieckie, Lubelskie and Podkarpackie Voivodeships podkarpackiego ,
- has good logistic features – the A2 and A4 Motorways plus access to airports in Rzeszów, Lublin and Radom,
- has a strategic cargo railway line running across the Zone from Berlin to Warsaw, to the Polish border, and to Moscow, plus a wide-gauge "Steel Railway Line" carrying direct transport of goods to Ukraine and Russia,
- has access to many border crossings, terminals, logistic bases, etc. which are located in the Zone,
- the Zone area offers a resource of work force with all education levels and skilled in various professions.



Location of investment areas within the TSEZ EURO-PARK WISŁOSAN

-  2017 - the municipalities where the SEZ areas were located
-  2018 - The Polish Investment Zone area which is managed by the SEZ
-  Headquarters (Tarnobrzeg)

HAVE YOU ALREADY HEARD FROM ANY ENTRANTS INTERESTED IN JOINING THE ZONE ON NEW PRINCIPLES?

Right now we are co-operating with a dozen or so companies in the Mazowieckie, Lubelskie, and Podkarpackie Voivodeships on granting them support for their new investment projects. We expect to finish this process by the end of this year.

WAŁBRZYSKA SEZ "INVEST-PARK"

BASIC INFORMATION



Total area	3,774.5 ha
Available area	1,858.6 ha
Maximum area of plot	150 ha
Average area of plot	8 ha
Office space (lease)	6,400 m ²
Average rent per month (Net)	35 PLN/m ²
Industrial space (lease)	13,500 m ²
Average rent per month (Net)	20 PLN/m ²

SELECTED LARGEST INVESTORS (BY INVESTMENT EXPENDITURE)



Manufacturing	Volkswagen Poznań
Office	IBM Global Services Delivery Centre Polska

SEZ RESULTS FROM THE BEGINNING OF THE ACTIVITY



Investment value (according to valid permits)	PLN 22.9 billion
Number of investors (according to valid permits)	219
Number of permits issued	478
New created jobs (according to valid permits)	41,298
Maintained jobs (according to valid permits)	52,154

SELECTED LARGEST INVESTORS (BY NUMBER OF EMPLOYEES)



Manufacturing	Mahle Polska
Office	IBM Global Services Delivery Centre Polska

LEADING SECTORS IN THE SEZ



AUTOMOTIVE
HOUSEHOLD APPLIANCES
PRODUCTS OF PLASTICS
FOOD

INVESTMENT OPPORTUNITIES



Opportunity of BTS investment	✓
Plans for preparing new investment areas.	✓
Possibility to buy land without obtaining a decision about support	✓

Source: Wałbrzych Special Economic Zone "INVEST-PARK" Sp. z o.o., as on 30.06.2018.



MACIEJ BADORA

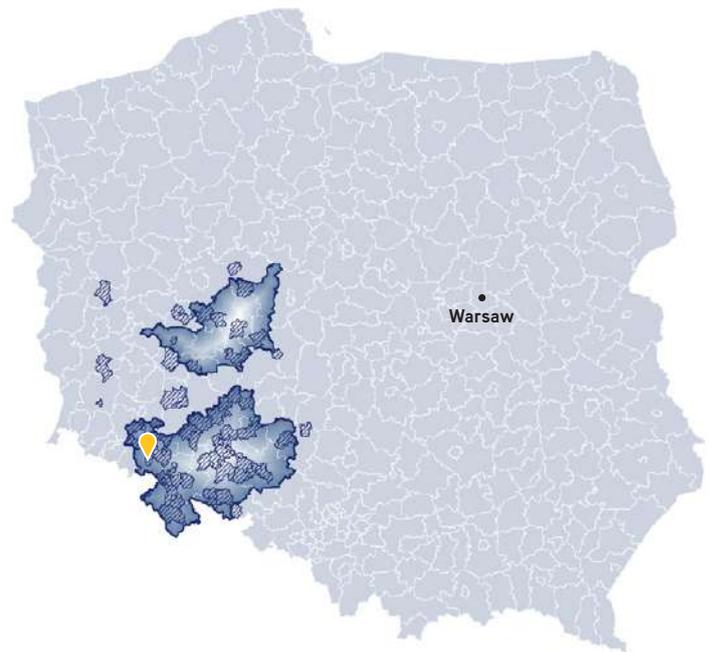
PRESIDENT OF WAŁBRZYCH SPECIAL ECONOMIC ZONE "INVEST-PARK" SP. Z O.O.

HAS THE ORGANISATION OF THE ZONE REQUIRED SPENDING ON MODERNISATION OF ITS TECHNICAL INFRASTRUCTURE? WHO PROVIDES FUNDS FOR SUCH INVESTMENTS?

The management of the Wałbrzych Special Economic Zone "Invest-Park" Ltd. is responsible for the co-ordination and, if necessary, supporting the construction of infrastructures in the Zone area. The technical infrastructure is financed by utility providers, local authorities, and the Zone managing body.

WHAT IS THE COLLABORATION BETWEEN THE INVESTORS AND THE ZONE LIKE?

Comprehensive support to investors is one of the factors improving the investment attractiveness of the Zone. This feature of the company has been recognized and appreciated in international reports. The Wałbrzych Zone has more than 20 years' experience in locating investment projects across south-western Poland. It supports entrepreneurs during project implementation by, among other things, ensuring contact with central and local government administration, and the permit granting authorities. Investors enjoy support also after project completion. In this case, the support consists in



Location of investment areas within the Wałbrzych SEZ "INVEST PARK"

-  2017 - the municipalities where the SEZ areas were located
-  2018 - The Polish Investment Zone area which is managed by the SEZ
-  Headquarters (Wałbrzych)

finding partner companies, suppliers, skilled workers, contacting schools and universities, participation in exhibition-fairs and economic missions. Investors are also offered membership of the education cluster "INVEST in EDU," other industry clusters, and of a group purchasing organisation which pays lower utility bills.

WARMIA – MAZURY SEZ

BASIC INFORMATION



Total area	1,364 ha
Maximum area of plot	41.4 ha
Average area of plot	5 ha

SELECTED LARGEST INVESTORS (BY INVESTMENT EXPENDITURE)



Manufacturing	LG Electronics Mława Egger Biskupiec IKEA Industry Poland ILS CEDROB Paged Sklejka POLMLEK MLEKPOL
---------------	---

SEZ RESULTS FROM THE BEGINNING OF THE ACTIVITY



Investment value (according to valid permits)	PLN 7.2 billion
Number of investors (according to valid permits)	112
Number of permits issued	234
New created jobs (according to valid permits)	12,880

SELECTED LARGEST INVESTORS (BY NUMBER OF EMPLOYEES)



Manufacturing	Michelin Polska LG Electronics Mława Ikea Industry Poland Grupa Meblowa Szynaka Meble Wójcik
---------------	--

LEADING SECTORS IN THE SEZ



PRODUCTS OF RUBBER AND PLASTICS
ELECTRONICS
FURNITURE
FOOD
METAL PROCESSING

INVESTMENT OPPORTUNITIES



Opportunity of BTS investment	✓
Plans for preparing new investment areas.	✓
Possibility to buy land without obtaining a decision about support	✓

Source: Warmia-Mazury Special Economic Zone S.A., as on 30.06.2018.



GRZEGORZ SMOLIŃSKI

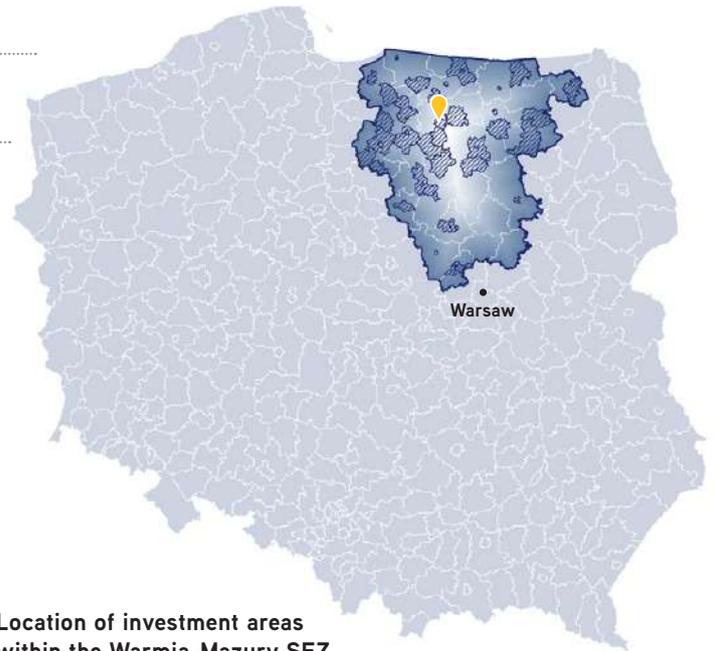
PRESIDENT OF WARMIA-MAZURY
SPECIAL ECONOMIC ZONE S.A.

WHAT KIND OF BENEFITS CAN BE EXPECTED BY AN INVESTOR WHO BUYS LAND WITHIN THE SPECIAL ECONOMIC ZONE THAT ARE DIFFERENT FROM INVESTING ON PRIVATE LAND?

According to the current law, new investment in areas covered by a special economic zone will receive support for 15 years which is the longest possible period of validity of the support decision. The current support instrument differentiates the income tax exemption period into 10, 12, and 15 years, depending on the actual investment location.

HAVE YOU ALREADY, AT THE START OF THE NEW REGULATIONS' FUNCTIONING, HEARD FROM ANY ENTRANTS INTERESTED IN JOINING THE ZONE ON NEW PRINCIPLES?

The law which cancelled the previous rules governing special economic zones in Poland entered into force on June 30, 2018. Since that time, the Management of the Warmia and Mazury Special Economic Zone S.A. and its staff have carried out an active information campaign explaining the opportunities offered by the new law to entrepreneurs and local authorities. This presentation of the new instrument of support to business has produced measureable effects.



Location of investment areas within the Warmia-Mazury SEZ

-  2017 - the municipalities where the SEZ areas were located
-  2018 - The Polish Investment Zone area which is managed by the SEZ
-  Headquarters (Olsztyn)

On September 27, 2018, three support-granting decisions were issued on the grounds of the New Investment Support Act. This is the first support in history granted on the new economic zones principles in the area managed by the Warmia and Mazury Special Economic Zone. The companies which have won the support promised to make investment outlays worth at least PLN 50 million and to employ 75 or more workers.

CONTACTS



DOMINIKA JĘDRAK
Director
Research and Consultancy Services
+48 666 819 242
dominika.jedrak@colliers.com



ŁUKASZ PAŃCZYK
Senior Associate
Industrial and Logistics Agency
+48 882 014 404
lukasz.panczyk@colliers.com



FILIP DELEŻYŃSKI
Associate
Industrial and Logistics Agency
+48 882 014 427
filip.delezynski@colliers.com



PAWEŁ TYNEL
Partner
Grants and Incentives Advisory Services
+48 660 440 169
pawel.tynel@pl.ey.com



AGNIESZKA SKREȚ-BEDNARZ
Manager
Grants and Incentives Advisory Services
+48 510 201 242
agnieszka.skret-bednarz@pl.ey.com



ALICJA SZUMIEC-JURASIŃSKA
Senior Consultant
Grants and Incentives Advisory Services
+48 786 842 167
alicja.szumiec-jurasinska@pl.ey.com

www.ey.com/pl



MIROŚLAW ODZIEMCZYK
The Plenipotentiary of the Management
Board for Cooperation with the Special
Economic Zones
The Department of Economic Development
The Polish Investment and Trade Agency
+48 609 565 061
miroslaw.odziemczyk@paih.gov.pl



MARIA TUMIŁOWICZ
Specialist
The Economic Analysis Division
The Department of Economic Development
The Polish Investment and Trade Agency
+48 22 334 98 43
maria.tumilowicz@paih.gov.pl

ACROSS INDUSTRIAL: YOUR BUSINESS WITH FULL POTENTIAL

YOUR BUSINESS OBJECTIVES

OUR EXPERTISE AND SERVICE

ACROSS Industrial

To achieve success in today's market, your company needs solutions that use its potential, resources and take advantage of all opportunities. The **ACROSS Industrial** platform provides you with full access to all services on the real estate market shaped by your needs – as a tenant in the industrial & logistics sector.

ACROSS Industrial is the sum of our experts' experience, a tailor-made service package and a dedicated multi-skilled advisory team that understands your business – all available for you in one place. Let us help you untap your potential.

Let's Talk Investments



Polish Investment
& Trade Agency
PFR Group

Ready to do business in Poland?

Polish Investment and Trade Agency will guide you through every stage of your investment project.

We offer:

-  Market insight
-  Strategic location advisory
-  Support in establishing business relations with local suppliers and contractors

invest@paih.gov.pl | www.paih.gov.pl

ey.com/pl

Polish Investment Zone - The New Reality

EY Grants and Incentives Advisory Services Team has a unique expertise. We are more than professional advisors.

Find out how EY can assist you in achieving your goals!

The EY logo consists of the letters 'EY' in a bold, white, sans-serif font. A yellow triangle is positioned above the 'Y', pointing downwards towards the letters.

Building a better
working world

POLISH INVESTMENT ZONE

LEGAL AND ORGANIZATIONAL CHANGES

Poland | 2018

