



# Invest in Pomerania



Ladies and Gentlemen,

Development of foreign investments in Pomorskie Voivodeship is a key element of economic policy of our region.

Pomerania is one the most developed regions in Poland. Its attractiveness comes from i.a. favorable geographic location, the largest seaports in the Baltic Sea, expanding international airport and constantly improving, supported by European funds inflow, road network infrastructure.

Pomorskie Voivodeship consistently widens its investment offer targeted at foreign companies. Therefore, investors are awaited by fully equipped investment plots, attractive office space, institutions dedicated to investors assistance and beneficial system of domestic and regional investment incentives.

Companies interested in investing in Pomerania will also find here a highly qualified human resources. In Pomerania there are over 30 higher education institutions and lots of technical and vocational schools, which guarantee constant availability of suitably skilled employees. On the other hand, Pomerania intrigues visitors with its over a thousand-year old cultural and historical heritage. Due to its unquestionable touristic values and scenic landscapes, as well as rich cultural and recreational offer, Pomorskie Voivodeship has been a leader of quality of life rankings in Poland for many years.

Investment attractiveness of Pomerania has already been appreciated by many foreign investors. I am fully convinced that their recommendations and information, presented in our publication, will encourage you to consider our region while searching for new business opportunities.

Welcome to Pomerania!

Mieczysław Struk  
Marshal of Pomorskie Voivodeship



Dear Ladies and Gentlemen,

I am pleased to present you with the latest edition of our publication on the economy of Pomorskie Voivodeship, issued by Pomerania Development Agency Co. (PDA Co.).

Since 2004, due to an agreement between The Board of Pomorskie Voivodeship and Polish Information and Foreign Investment Agency (PAIILZ), Investor Assistance Centre in PDA Co. has served as a regional representative of PAIILZ. Our experience, skills and constantly rising standards of services guarantee professional assistance in all kinds of investment projects.

We are mainly engaged in providing database of investment offers in Pomorskie Voivodeship, organization of investors' visits to the region and preparing information materials and reports on regional economy and society (including promotional materials on economic profile of Pomerania). We are also a primary source of information on the regional economy prepared according to individual investor's needs.

The publication, which you hold in front of you, presents i.a. the latest statistics of the regional economy. It describes also key economical sectors for future development of Pomerania. These sectors were identified in "Analysis of investment attractiveness of Pomorskie Voivodeship", a research conducted by PDA Co. in cooperation with PricewaterhouseCoopers and The Gdansk Institute for Market Economy.

I believe that reading this report will allow you to appreciate the economic potential of Pomorskie Voivodeship and will encourage you to take an interest in investment opportunities in our region.

Łukasz Żelewski  
President of the Board  
Pomerania Development Agency Co.



- > **ADVA Optical Networking Ltd.** is a telecommunication and IT company, which has been operating in Pomerania since 2003. We operate in the field of modern technologies so it is especially valuable for us to cooperate with Tri-City's universities which graduates are well prepared to take up work immediately after graduation. Gdańsk and Gdynia has always imposed on foreign language teaching. Pomerania offers a large number of engineers who speak perfect English, which is crucial in our industry. We think that companies have to invest in places where you want to live. Tri-City and Kashubia region is a unique place that acts as a magnet for talented and dynamic people. It is they who create the ADVA Optical Networking in Poland.
  - > [Zbigniew Miotk](#)
  - > [R&D Director ADVA Optical Networking](#)



- > **Arla Global Financial Service Centre** was successfully set up in the Tri-City three years ago. We are extremely pleased with our location, where we benefit from great office facilities and access to highly skilled personnel. It was surprisingly easy to find people with both Danish and Swedish language skills! We started out with 120 employees and after a period of stabilizing our activities we are now prepared for expansion.
  - > [Arne Sorensen](#)
  - > [Director of Arla Global Financial Services Centre Ltd.](#)
  - > [Member of ABSL](#)



- > **Flextronics International Poland Ltd.** in Tczew was founded in 2000. Currently, in the Industrial Park in Tczew there are two manufacturing plants: electronic and mechanical, serving our key clients. At the moment Flextronics in Tczew employ nearly 3000 people from Pomerania.
  - > The neighborhood of Tri-City research centers results in having direct access to qualified personnel, especially technical faculties graduates. Excellent transport links by sea, air and land allow easy contact with customers and suppliers, located all over the world. An important argument for the development of our investment in Pomerania is functioning within the Pomeranian Special Economic Zone in Tczew, which offers favorable tax rules, which reduce the cost of business activity.
    - > [Andrzej Połojko](#)
    - > [General Manager Flextronics International Poland Ltd.](#)



- > **Geoban Co.** has been present on Pomeranian market since 2008. Initially, we employed only 40 people, but just after two months we had 150 employees working in 11 teams of banking services. Currently Geoban Co. is located in the well-connected and modern office buildings of Łużycka Office Park in Gdynia and employs 500 people.
  - > What determined the location of the branch in Pomerania is primarily the availability of young, educated, fluent in foreign languages people who are familiar with computer applications. Attractive from the perspective of employers is also the possibility of cooperation with the Poviast Labour Office in Gdynia in the internship program for graduates of high schools and universities. All of that makes Pomerania a very good location for our business.
    - > [Radostaw Krasowski](#)
    - > [HR Manager, Geoban Co.](#)



- > Pomerania has a rich pool of engineering talent, linguistic skills (mainly in European languages) and provides a very conducive environment for business development. This makes a compelling case for locating our new center in Gdansk. As a company we embarked a number of years ago upon a global strategy that is focused upon bringing the right resources, at the right time, to aid our partners in the development of innovative solutions – something we call Global Delivery. This location offers us the ideal combination of a large resource, a well developed and extensive education system, an increasing focus on high-tech industries as well as easy travel connections; this combined with the geographic situation ensures that Gdansk is well positioned to serve Poland itself, East and West Europe, and link to IBM's other locations.
  - > [Marcin Matacz](#)
  - > [Leader Regional Capability Center, IBM Poland](#)



- > **Intel Lab** in Gdansk is company's biggest research and development center in Europe and one of the most recognized in the world. Being located in Gdansk has a lot of advantages. The Technical University of Gdansk, with which we cooperate very closely, offers very high level of education on IT faculties and is our most important and largest source of human resources. Even 3<sup>rd</sup> or 4<sup>th</sup> year students are offered internships or partial employment
- > The level of education and qualifications of Polish IT engineers are incredibly high which is proven by the fact that our research and development center works on Intel's key projects concerning high technologies which will appear on the market in 3-4 years time or even later.
- > During last 5 years we have doubled the employment and office space what is clear sign of dynamic growth. Currently over 600 people work in our Lab and we plan further increase in the employment in next 12 – 18 months.
  - > [Tomasz Klekowski](#)
  - > [Central Eastern Europe Territory Manager Intel Corp.](#),
  - > [Member of Board Intel Technology Poland](#)



- > **Lufthansa Systems Poland** started in Gdansk in 1998. Currently our company employs over 300 professionals from various fields (IT, aviation, navigation). The main reason for the location of investment in Poland has been access to highly skilled workforce and an attractive cost of doing business. The fact of having many colleges, the airport with international connections, rich hotel base (dynamically expanding especially in recent years) and a very rapid development of the city makes Pomerania an excellent location for our company. In addition, the city of Gdańsk has always encouraged new investments and the business community, which is widely represented in almost all sectors of the economy.
  - > [Adam Wojewódka](#)
  - > [President of the Board of Lufthansa Systems Poland Ltd.](#)



- > From the point of view of **Nordea Bank** – a financial institution which employs more than 500 employees – one of the most important factors related to business operations is human capital. Thus, the presence of Pomerania's universities, which educate high-class specialists in field of economics and management, can not be overestimated.
- > I reckon that local investing conditions profit from a growing number of business support institutions, which specialize in business service, including those which offer the most innovating solutions.
- > Undoubtedly, Pomerania's advantage is inhabitants' high quality of life, which is expressed in their satisfaction with local government services. This proves that region and its authorities pay attention to sustainable and balanced growth, which creates stable business conditions.
  - > [Włodzimierz Kiciński](#)
  - > [President of Board Nordea Bank Polska Co.](#)



- > Our brand is one of our most valuable assets. It attracts talented people and guaranties the production of world-class products. **Rolls – Royce Group** has been present on Pomerania's market for over 10 years. The region offers excellent talent pool for Marine Industry – for both engineering and manufacturing. With this, and in addition with competitive operating cost of the region has resulted to the fact that Rolls – Royce is successfully developing production of deck machinery in Gniez and building a new Service Centre in Gdynia.
  - > [Emmanuel Perrin](#)
  - > [Site Director, President of Rolls-Royce Marine Poland Ltd.](#)

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# Discover location in Central and Eastern Europe

## GEOGRAPHIC LOCATION

- > Pomerania (Pomorskie Voivodeship) is one of 16 voivodeships in Poland and 3 voivodeships on the Baltic Sea. It neighbours the Scandinavian countries across the sea-border in the north, and the Kaliningrad Circuit of the Russian Federation in the east.
- > Domestically, the region borders on the following voivodeships: zachodniopomorskie (Western Pomerania), wielkopolskie (Greater Poland), kujawsko-pomorskie (Kujawy and Pomerania), and warmińsko-mazurskie (Warmia and Mazury). As concerns the size, the voivodeship occupies 18 300 square kilometres and accounts for 5.9% of the country area.

## POPULATION

- > Pomerania has 2.23 million inhabitants, which accounts for 5.8% of the Polish population. The average settlement density here is 121 people per 1 square kilometre. In the country-wide perspective, it ranks among medium size voivodeships in terms of both the area, and the population.
- > Nevertheless, the region records the highest population growth rate in Poland – the rate for 2009 was 3.44 per 1 000 inhabitants. Additionally, the voivodeship is one of the few regions in Poland which are able to attract new inhabitants, what is proven by positive net migration ratio of 1.24 per 1 000 inhabitants. Moreover, due to the attributes of its natural environment, the voivodeship is perceived as one of the most attractive Polish regions to settle down. The foreigners purchasing real property and apartments in the region, constantly growing in number, share the opinion.

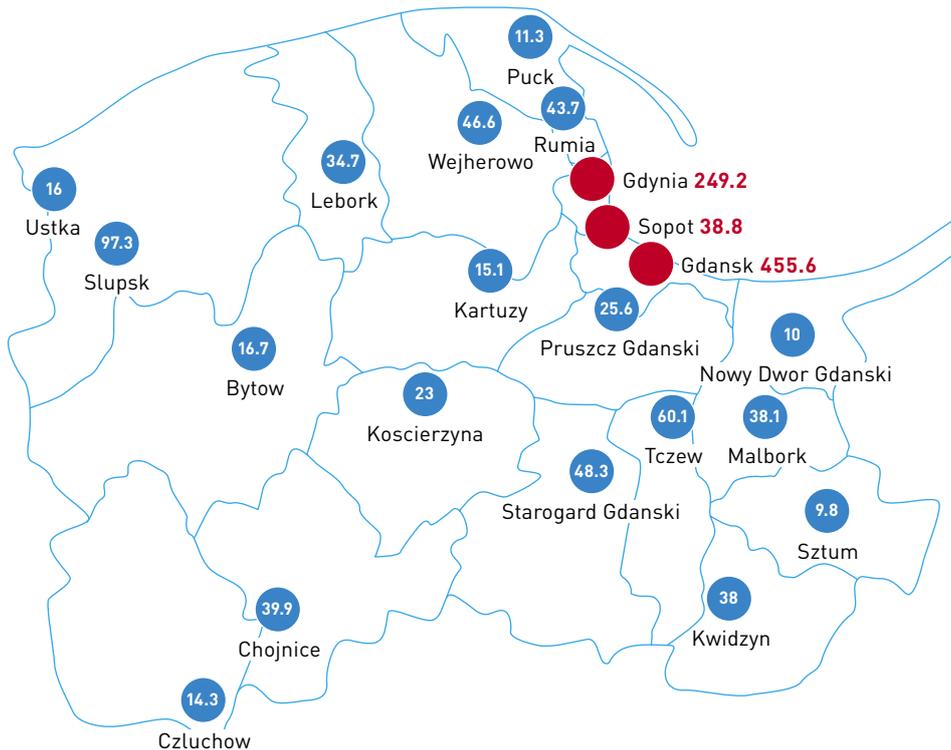
## POMERANIA'S GROWTH ENGINES

- > Strong municipalities are driving force behind Pomerania's growth. Two-thirds of region's population live in 42 cities.
- > The largest concentration of economic potential is located within Tri-City metropolitan area inhabited by 1.2 million people. As much as 60% of the metropolitan population live in 3 major cities: Gdansk, Gdynia, Sopot. Tri-City is the fastest growing area of northern Poland and a significant centre of the Baltic Sea integration process. It plays a role of a vital transport hub linking the north and the west of Europe with the central and southern part of the continent.
- > Apart from Tri-City, there is a number of significant municipalities in the region. Two of them, Slupsk and Tczew stand out as having the most proactive approach towards attracting foreign investors (Scania, Flextronics International, Eaton Trucks, Gemalto, Molex, Tapaflo and others). In terms of population size, the next city is Chojnice, then comes Starogard Gdanski, Wejherowo, Malbork, Kwidzyn (with its largest foreign investor International Paper).

Geographic location in Europe

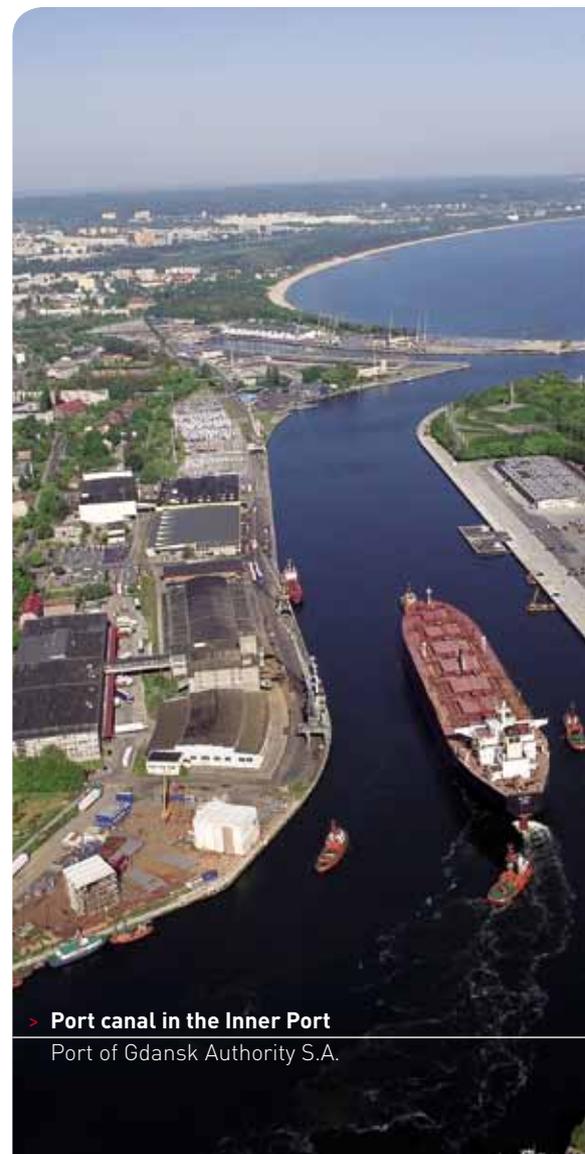


**Biggest cities and poviats capital towns in Pomerania**  
(inhabitants in thou.)



## MACROECONOMIC CONDITION OF THE REGION

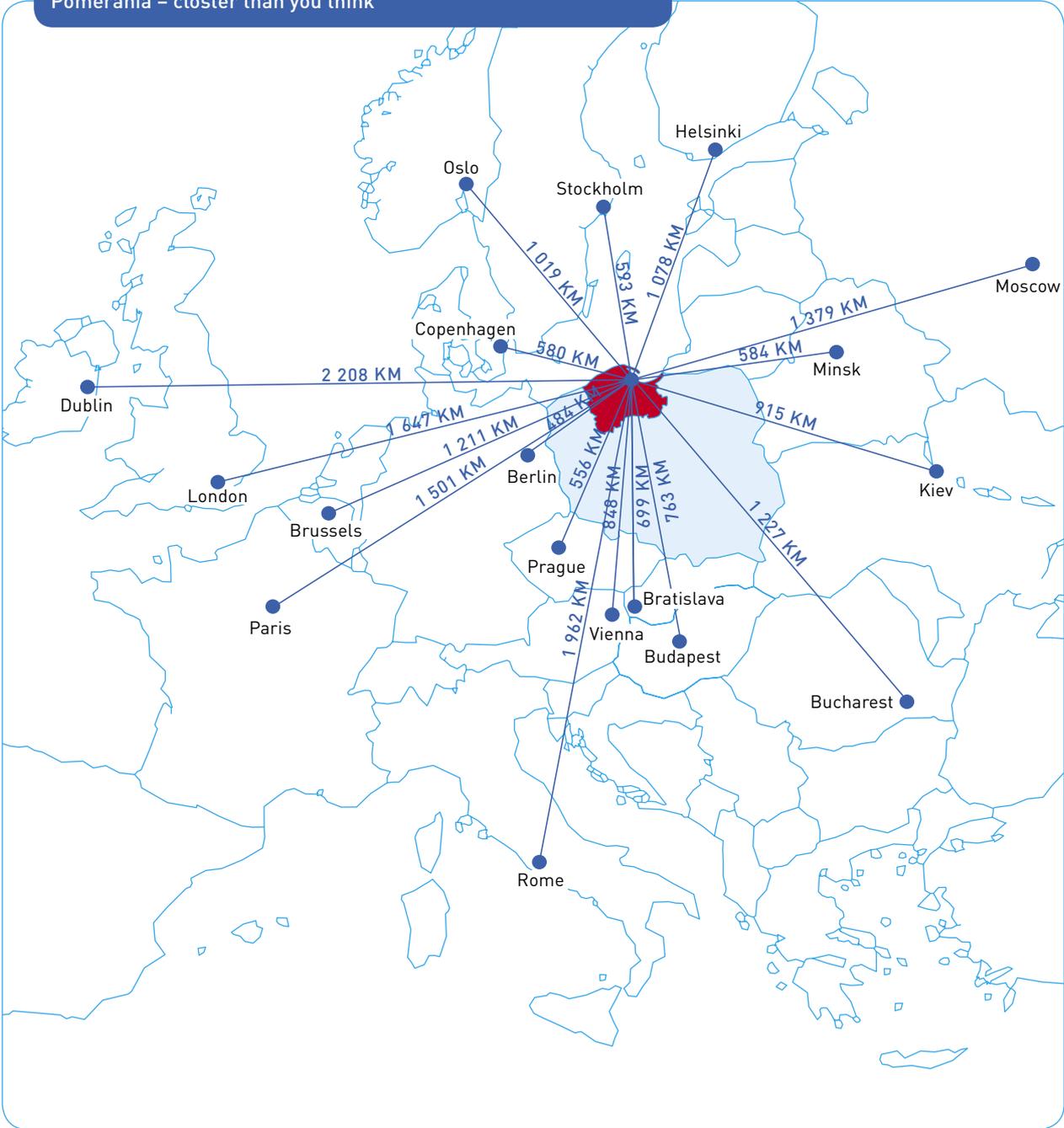
- > Pomerania is one of fastest developing regions in Poland. At the end of 2008, the value of regional GDP exceeded EUR 18.1 billion, which accounts for 5.5% of Poland's GDP.
- > Pomerania is one of the key regional consumption markets in Poland. Total value of the market measured by gross disposable income is about EUR 11.6 billion, which gives Pomerania the 7<sup>th</sup> place in Poland ratings (data 2008). Gross disposable income per capita was EUR 5 245, which was 96.6 % of Poland's average.
- > It is worth noting that after Poland's entry to the EU, the region's market has been growing at the fastest rate in Poland (with the average annual growth rate of 6.9). Regional export statistics also show positive impact of the EU accession. Between 2004 and 2008 the value of goods and services traded abroad by Pomerania based entrepreneurs rose by about 50% (from EUR 4.78 to EUR 7.5 billion). Due to high competitiveness of regional businesses, Pomeranian economy is one of the most globally integrated regional economies in Poland. In addition, exports account for 43% of the regional GDP, which emphasizes the importance of foreign trade for the regional economy.
- > Year 2009 brought also 25% increase in investments, when compared to last year. The nominal value of investment has increased by almost EUR 1 billion (from 3.6 to 4.5), which makes Pomerania the best region in Poland in this regard.



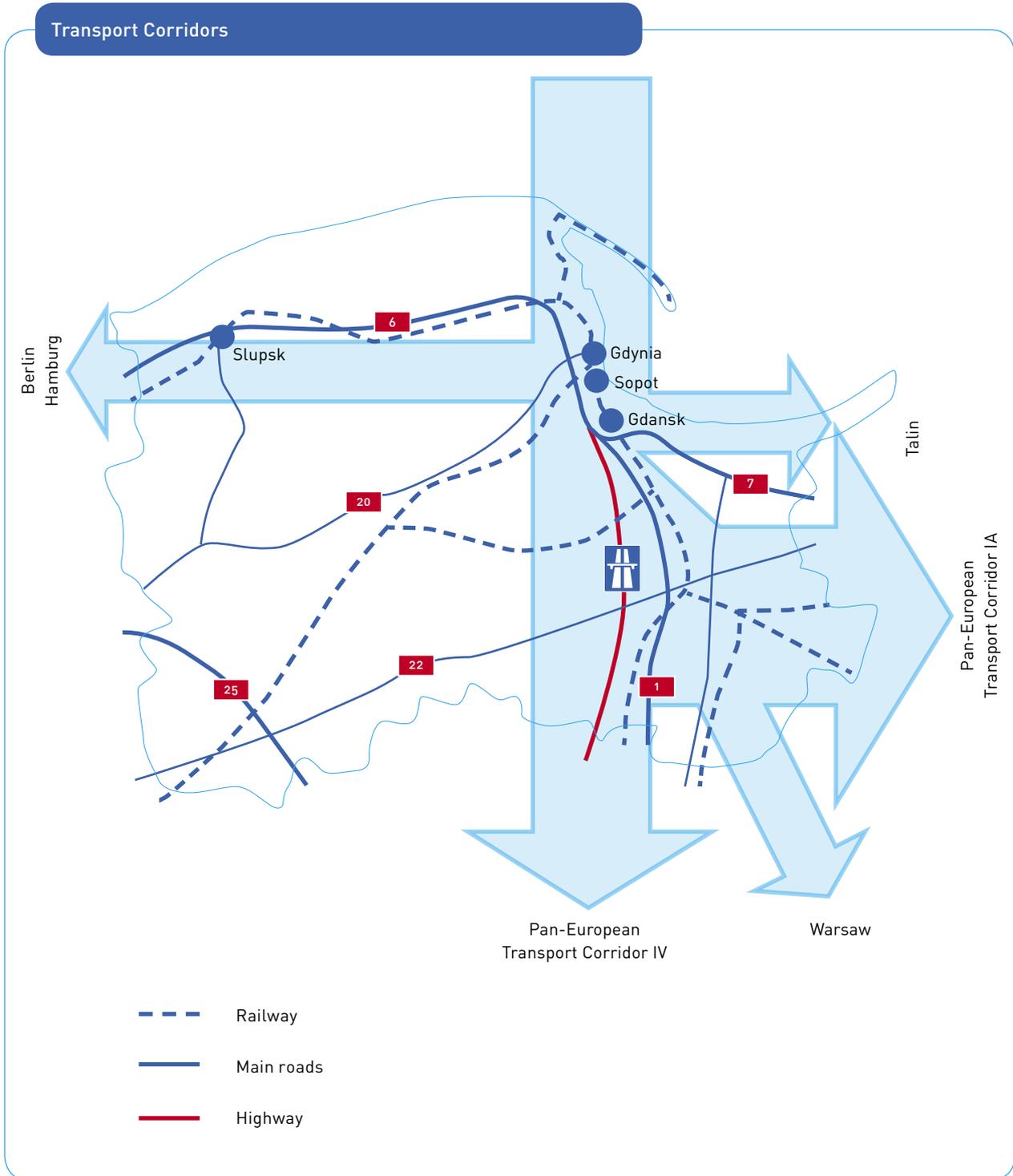
> **Port canal in the Inner Port**  
Port of Gdansk Authority S.A.

# Gateway to European Union and Central and Eastern Europe

Pomerania – closter than you think

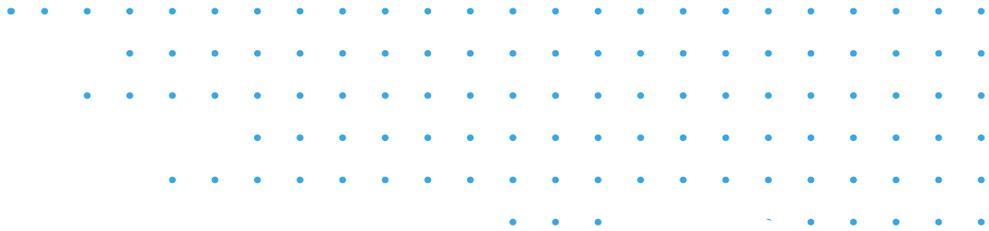


- > Favourable geographic location is a prime attribute of the Pomerania which lies on the crossing of two Pan-European transport routes of paramount importance for the transit traffic:
- > **Corridor IA** (Helsinki—Tallin—Riga—Kaliningrad—Gdansk), a branch off Corridor I (Helsinki—Tallinn—Riga—Kaunas—Warsaw),
- > **Corridor VI** (Gdansk—Katowice—Zylina), linking Scandinavia to Central and Eastern Europe and the Mediterranean countries.
- > Poland's accession to the European Union and the ensuing access to the European funds have made it possible to implement numerous projects aimed at increasing the region's accessibility and improving the existing transport infrastructure.





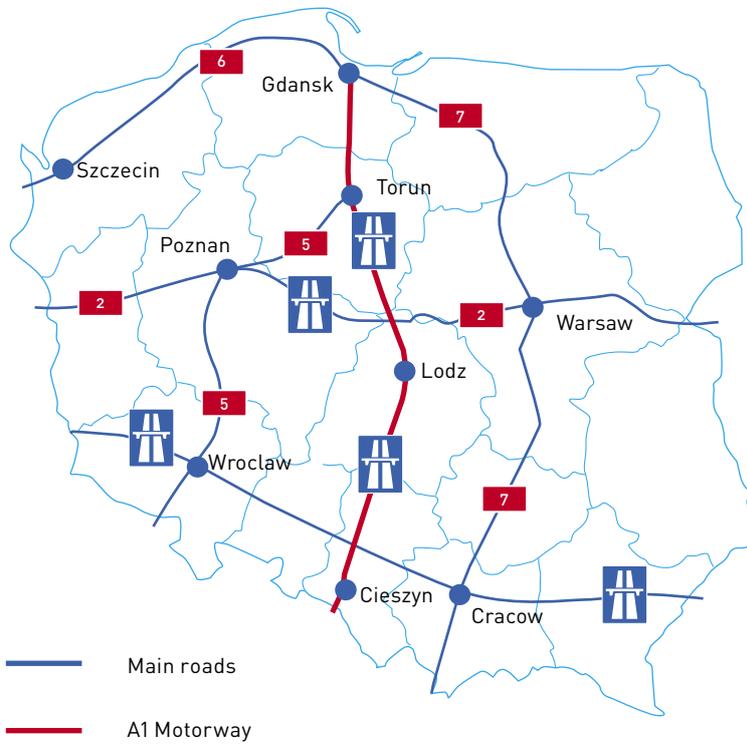
> **Port of Gdansk – bird’s-eye view**  
Port of Gdansk Authority S.A.



## ROADS

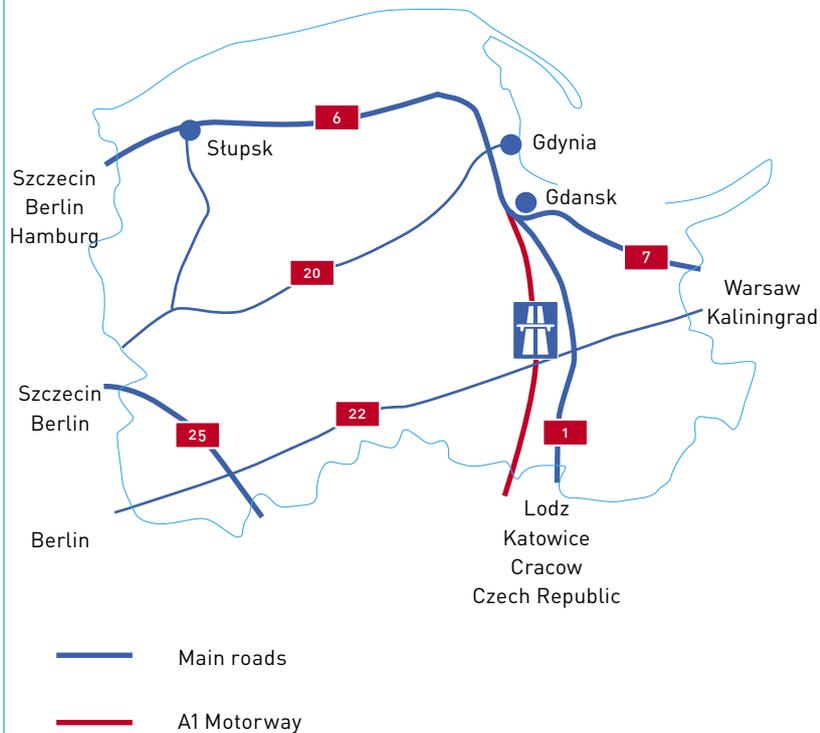
- > The A1 motorway, which will be the shortest road from Scandinavia down to south of the continent and onwards towards the East, has strategic importance for the development of Pomerania.
- > National roads no. 7 (Gdansk – Warsaw – Cracow) and no. 6 (Gdynia – Szczecin) are equally important for the region. To improve access to the Tri-City agglomeration, national road no. 7 is under upgrade to a double carriageway.
- > The region is witnessing construction boom in transport infrastructure resulting from both an inflow of EU grants as well as preparations in Gdansk to co-host Euro 2012 – European Football Cup. All the infrastructure projects are aimed at both upgrading region's internal transport links and improving region's accessibility.

### Road connections (Poland)



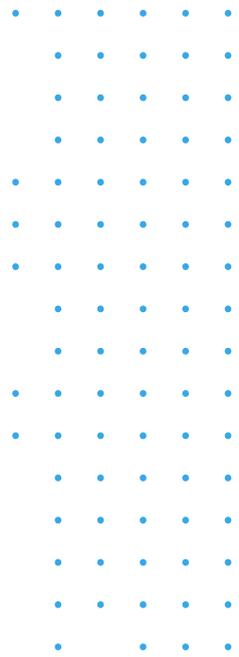
- > The major road projects in Tri-City itself include:
  - > **the Gdansk Southern Ringroad**, which will link national road no. 7 to the Tri-City Ringroad S6 and the A1 motorway, thus moving the transit traffic outside the city of Gdansk,
  - > **the Sucharski Route**, which will link the Port of Gdansk to the existing network of national and international roads via the Gdansk Southern Ringroad; the route will also solve a bulk of the transport problems within the port and move the heavy traffic heading east and south of Gdansk out of the city's historic centre and residential estates,
  - > **the Karczemki junction**, the biggest junction in the Northern Poland, which will eliminate the bottleneck on the main road leaving Gdansk towards Kashubia one of the most popular tourist destinations in Poland and link the city centre to the Tri-City Ringroad,
  - > **the Stowacki Route**, which will facilitate the traffic flow between centre of Gdansk and the airport.

#### Road connections (Pomorskie Voivodeship)

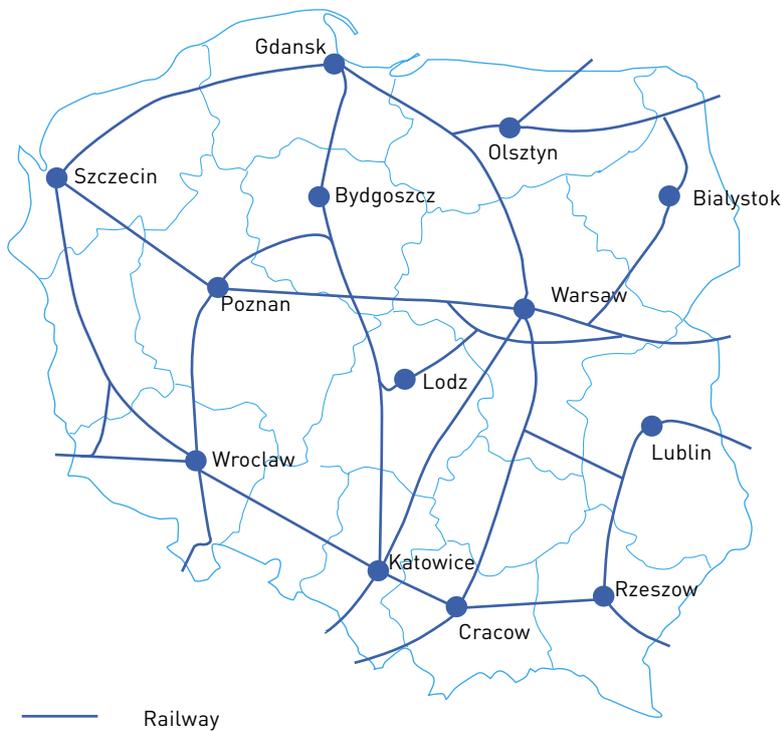


## RAILWAY

- > The railway network of the Pomorskie Voivodeship offers highly convenient cargo transport, including any goods shipped in. The local lines complement four railway arteries of importance for the international traffic: from the Tri-City to the German border (via Szczecin), from Gdansk to the Czech and Slovak borders (via Warsaw and Cracow), from Gdansk to the south-western border (via Bydgoszcz, Lodz, and Katowice), and from Gdansk to Kaliningrad (via Olsztyn) or Belarus (via Bialystok).
- > Such companies as Cargosped Ltd., PCC Cargo Co., PKP CARGO Co. or Deutsche Bahn are present on a Polish railway cargo market.
- > The E65 railway line from Gdynia to Warsaw is the site of the currently pursued revamp project. The works will involve partial replacement of the tracks and traction, and construction of collision-free rail and road crossings. The investment will shorten the travelling time for both passenger and cargo traffic. The project is scheduled for completion in the year 2015.



### Railway connections (Poland)



### International Railway Links

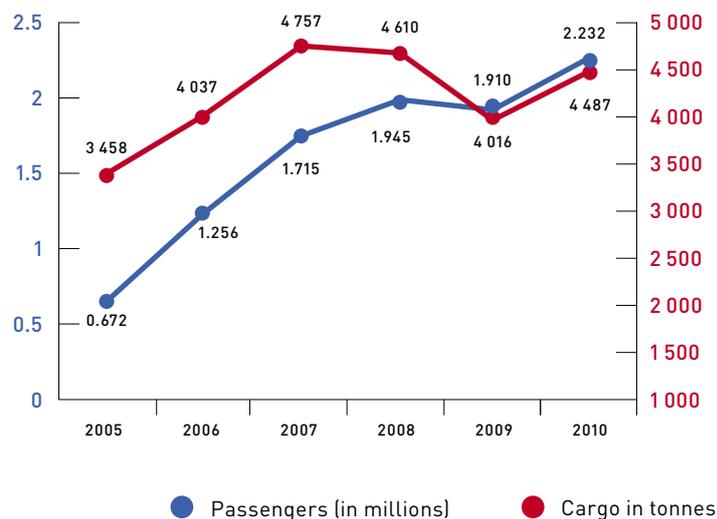
- > **Berlin**
- > Gdynia – Sopot – Gdansk – Szczecin – Berlin (Germany)
- > **Prague**
- > Gdynia – Sopot – Gdansk – Warsaw – Cracow – Prague (Czech Republic)
- > **Kaliningrad**
- > Gdynia – Sopot – Gdansk – Elblag – Olsztyn – Kaliningrad (Russia)



## AIRPORT

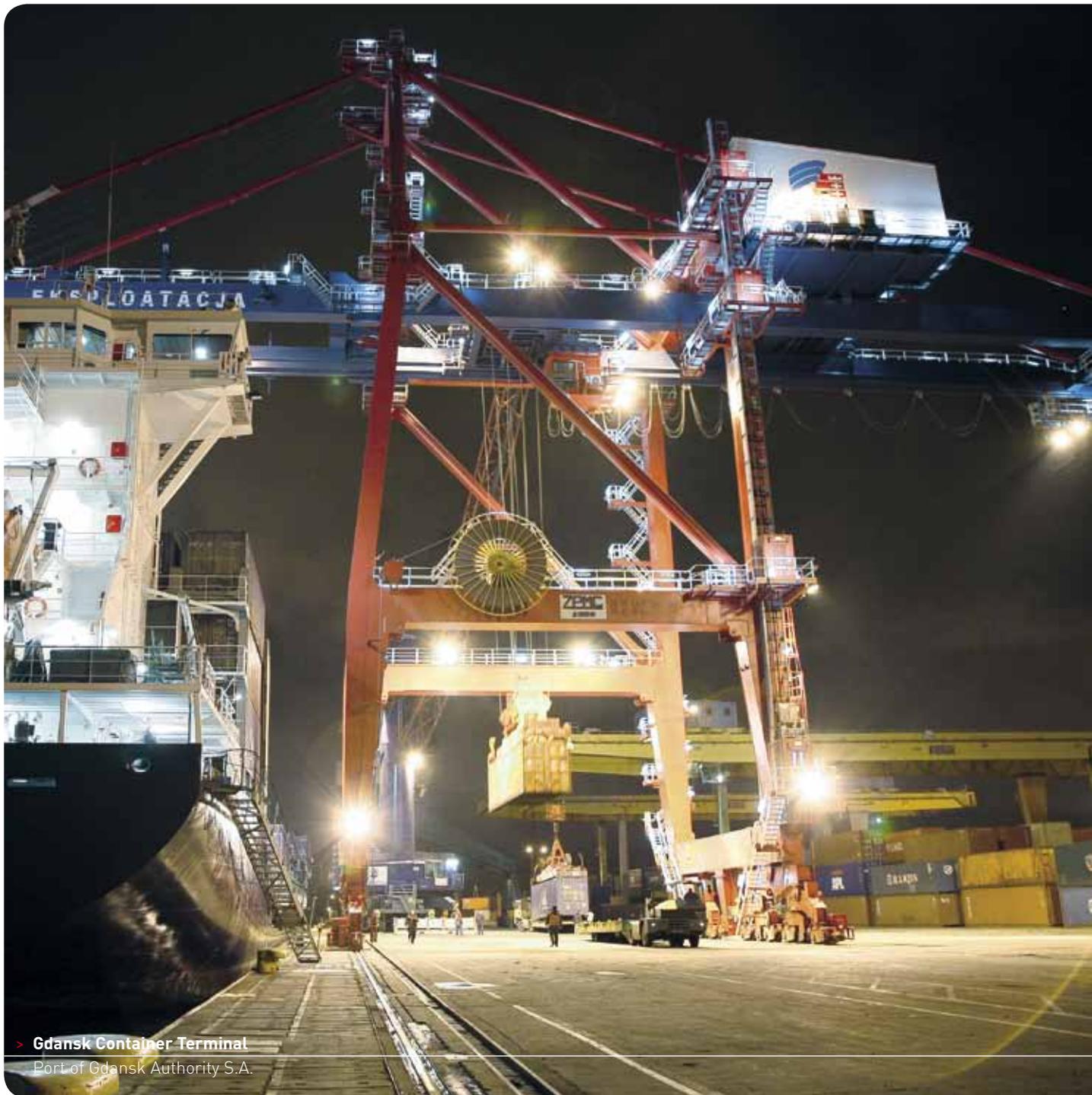
- > The Gdansk Lech Wałęsa International Airport is a civil facility, which holds all prerequisite permits and which can handle all types of commercial passenger and cargo traffic, as well as general aviation flights, including business flights. Thanks to its location, the Gdansk airport can offer its services to major part of the voivodeship's population plus business centres outside the region.
- > More importantly, the Gdansk airport offers the largest number of connections with Nordic cities, comparing to other airports in Poland.
- > The dynamic growth of the passenger traffic handled illustrates well the increasing role of the Gdansk airport. Ever since the year 2000 the Gdansk Airport has recorded a steady annual increase in the number of passengers and the volume of cargo serviced. The passenger flow in the year 2000 stood at 270 thousand, whereas in 2010 exceeded 2.2 million. Ultimately, the airport ranked fourth among Polish airports (behind Warsaw, Cracow and Katowice) and its market share in passenger traffic amounted to c.a. 11%.
- > A significant increase in the reloaded cargo has also been witnessed in the recent years (1 552 thousand kg in 2000 vs. 4 487 thousand kg in 2010). The studies conducted on commission from the Pomorskie Voivodeship Marshal Office indicate that the passenger traffic per annum can be anticipated to grow to ca. 7.5 million by the year 2020.
- > In response to the growing needs the airport plans a number of infrastructural investments worth nearly EUR 160 million in total. To that aim it has secured financing from the European Funds—Operational Programme Infrastructure and Environment (OPIE). The project envisages primarily:
  - > construction of the second terminal and the accompanying infrastructure,
  - > modernisation of the existing airport infrastructure.

Gdansk Lech Wałęsa Airport  
—passenger and cargo traffic in 2005–2010



## Flight connections





> **Gdansk Container Terminal**  
Port of Gdansk Authority S.A.

## SEAPORTS

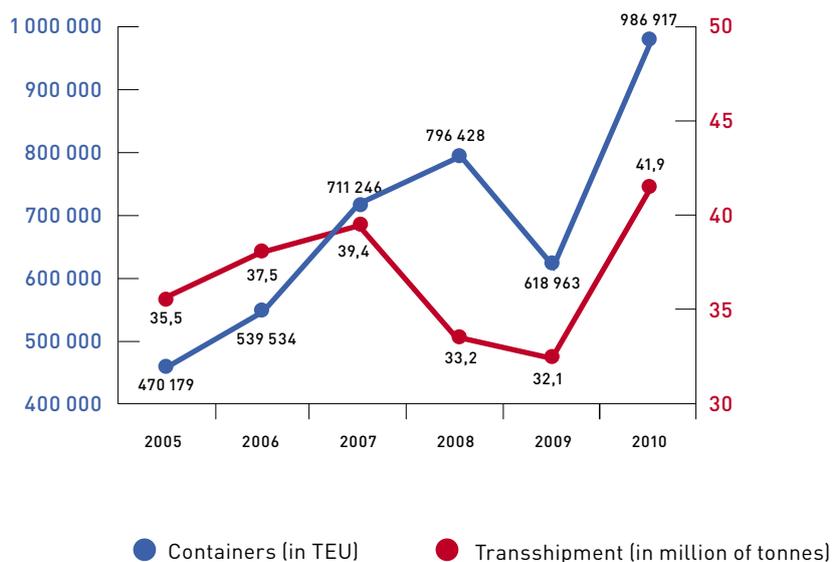
- > Pomerania has two largest seaports in Poland. Increasing transshipment, and as a result rising position of ports in Gdansk and Gdynia as the distribution and transit centres on Baltic Sea, forces the numerous investments in both seaports. They are planned to adjust the ports to rising demand of the market and enable efficient competition with other Baltic ports. Constantly modernized infrastructure allows Pomerania's ports to offer highest quality of services and constructing intermodal transport chains.
- > Both ports offer wide range of services and are able to handle all kinds of cargo. Port of Gdynia has two container terminals (BCT and GCT), two bulk terminals, general cargo terminal and grain terminal. There is also a ferry terminal handling ro-ro and passenger vessels.

- > Port of Gdansk offers 2 container terminals (DCT and GTK), coal terminal, 2 ferry terminals handling both ro-ro and passenger vessels and 8 other terminals handling all kinds of cargo including: bulk cargo, chemicals, grain, coal, steel, wood, oil and all petroleum products, scrap metal, LPG and other gases.
- > The management of Gdansk seaport together with Belgian transshipment operator Sea Invest and the world steel giant the Arcelor Mittal company will build worth EUR 40 mln coal transshipment base. The main advantage of the terminal is to be the ability of receiving coal (until now Gdansk's port was only able to send it), which opens new business opportunities for Gdansk. In the future a hub may be created here, which will supply Polish power plants with the coal. What is more, the new terminal will improve the handling of iron ore and aggregates.
- > One of the largest investments in the ports of Pomerania and also in Polish oil logistics will be the construction of the base for handling of liquid fuels. The investment which value is estimated at about EUR 260 million, will provide services that were not previously available in Poland (first of all transshipment of oil and fuels using any logistics configuration of ship, rail, road tankers). The attractiveness of investment is very high especially that in is to be the only undertaking of this type in the Baltic Sea region.
- > Gdynia Port Authority is investing in the dredging, development of port infrastructure for logistics and to handle ro-ro ships as well as modernization of road and railway infrastructure. The long term investment plan is mostly financed from own resources. These investments are aimed at increasing the competitiveness of the Port of Gdynia in the Baltic Sea region. The results of those investments will increase the share of intermodal transport in general cargo traffic by adapting the ro-ro terminal for rail transport.
- > In January 2010, Pomerania gained a direct connection with Asia. AE10 container service launched by the container transport tycoon Maersk Line has expanded to Gdansk. Until that moment Gdansk was only a feeder port handling cargo from Asia coming from German ports. The container terminal DCT (Deepwater Container Terminal) handles the Post-Panamax vessels up to 8 000 TEU of capacity. This is possible thanks to the quay with a depth of 15 meters. Port of Gdansk is thus able to handle the largest ships, which can enter the Baltic Sea.



> **Port canal in the Inner Port**  
Port of Gdansk Authority S.A.

Containers and cargo handling in ports of Pomerania in 2005-2010



# Highly qualified and motivated employees

- > A favorable demographic condition is a major advantage of Pomorskie Voivodeship. Pomerania distinguishes itself by a high proportion of working-age and pre-working-age population (64.5% and 20.3% respectively, all together the region comes 4<sup>th</sup> in Poland, behind warminko-mazurskie, lubuskie and wielkopolskie). Additionally, according to IBnGR forecasts, population in working age will decrease more slowly comparing to the national average.
- > Thus, due to advantageous demographic condition, total labor force amounted to 843 thousands, at the end of 2009. Moreover, availability of employees takes positive impact from a positive net migration balance with all other voivodeships, which demonstrates a relative Pomerania's advantage in attracting human capital. At the end of 2009, general net migration balance was at 1.49 immigrants per a thousand of inhabitants (3rd position in Poland, behind małopolskie and opolskie).
- > According to professional activity research, number of employees in Pomorskie Voivodeship amounted to 789 thousands (at the end of 2009). More than a half of employees population is engaged in service sector with wholesale, retail and motor vehicles repair as a primary sector of activity (10.4% of employees population). Other service sectors of special significance for regional labor market are: education, administration, public health care and social assistance, transport, warehousing, finance and insurance.



- > The industrial sector employs ca. 33% of workers in Pomerania. The major industries are: food processing, metal products fabrication, transport equipment production and manufacture of computers, electronics and optical products.
- > Unemployment rate in Pomorskie Voivodeship remains at slightly lower level than in the rest of Poland. At the end of November 2010, it amounted to 12.2%, which represents a number of 100 thousand unemployed persons (unemployment rate in Poland – 12.3%).
- > Unemployment is highly diversified within the region. Therefore, Tri-City, the regional centre of economic activity, has the lowest unemployment rate (Sopot – 3.6%, Gdynia – 5.2%, Gdansk – 5.2%), whereas the highest level of unemployment is in Nowy Dwor, Czluchow and Malbork poviats (respectively 26.4%, 22.6% and 22.0%).
- > For potential investors one of a major advantages of Pomerania is a stable access to qualified and specialized human capital. In Pomerania, there are 31 higher education institutions, which educate more than 105 thousands of students (7<sup>th</sup> position in Poland, behind mazowieckie, malopolskie, slaskie, dolnoslaskie, wielkopolskie i lodzkie). In 2008, 23 thousands of people graduated from universities of Pomerania.
- > The largest academy in the region is University of Gdansk, whereas Technical University of Gdansk, the oldest academy in Pomerania, comes second. Both academies educate specialists in the field of IT technologies. Among the leading studies are, inter alia, informatics and econometrics, automation and robotics or electronics and telecommunication.
- > Furthermore, also University of Gdansk offers other studies related to industries of future. Among them such studies as bioinformatics (macrospecialization opened in academic year 2010/2011) and biotechnology (which won a second place in a national biotechnology studies ranking, behind University of Warsaw). It is worth mentioning, that Faculty of Biotechnology is maintained in cooperation with Medical University of Gdansk, where students are educated in the field of

#### Main studies courses in Pomorskie Voivodeship in 2009

	STUDENTS	GRADUATES
Economics and Administration	25 419	5 731
Teaching	12 144	4 242
Social science	13 209	3 854
Humanities	6 181	1 606
Public services	6 712	1 486
Engineering	11 498	1 295
Medical	6 833	1 242
Physical	2 758	670
Information	4 187	667
Architecture and Construction	4 329	519
Biological	1 677	513
Legal	2 699	350
Mathematics and Statistics	1 343	287
Transport services	1 487	277
Artistic	1 582	221
Environment protection	1 434	149
Journalism	583	97
Production and processing	1 165	85
Social care	136	50
Security and safety	430	0

molecular biotechnology and molecular diagnosis in medicine, flora and environment protection. Such cooperation guarantees the highest quality of education.

- > Technical University of Gdansk offers lots of technical specialties. As the most important such studies as energetics, marine and civil engineering, mechanics, mechatronics and many others should be mentioned.
- > An employee pool for main sectors of economy are also other academies: Maritime Academy, Navy Academy – which educates top-class engineers in the field of maritime sector, and Medical University of Gdansk, Physical Education and Sport Academy and numerous private schools.
- > Regional universities offer unique specialisations in Poland. One of the key ones is Scandinavian Studies at Gdansk University providing courses in Swedish, Danish, Norwegian and Icelandic. In the future, a course in Finish will be launched. As soon as the next year, Gdansk university will open new specialisation - sinology. As a result, Pomerania will become one of the only five cities in Poland educating students in Chinese department.
- > The region also offers a great number of schools providing training for technically skilled workers in many trades such as fitters, electricians, mechanics and cnc machine operators.
- > A growing number of people have a good command of English. Studying English starts at primary school. A study of at least one foreign language is a compulsory element in Polish curriculum, with English being the most popular choice.

## EMPLOYEMENT COSTS

- > In Q3 of 2010, average salary in Pomerania region was about 3 447.73 PLN (890 EUR, the exchange rate 1 euro - 3 866 PLN), putting it on the third position behind the region of mazowieckie and slaskie in salary rankings in Poland.

### Language pool

English
German
Spanish
French
Russian
Norwegian
Swedish
Finish
Danish
Dutch
Italian
Portuguese
Slovakian
Czech
Ukrainian
Japanese
Chinese
Romanian
Serbian
Croatian
Bosnian
Arabic
Urdu
Hindi

# Fast developing sectors in Pomerania's economy

## ENERGY SECTOR

- > Energy sector in Pomerania offers investors many opportunities for business development. Increasing demand for final energy (up to 2030 electricity consumption in Poland will grow to 217.4 TWh from the current 128.7) guarantees repayment of capital expenditure on infrastructure and transmission manufacturing.
- > Although Pomerania is the area of deficit in the generation of electricity (about 70% of energy consumed in the region comes from other regions), it offers large human resources. The energy sector employs about 13 000 people, and the Pomeranian universities educate many specialists in this field.

### University graduates in the field of energetics

FACULTY	NUMBER OF GRADUATES IN 2009 R
Technical engineering	1 295
Manufacturing and processing	85
Environmental Protection	149
IT	667
Physics	670
Mathematics and statistics	287

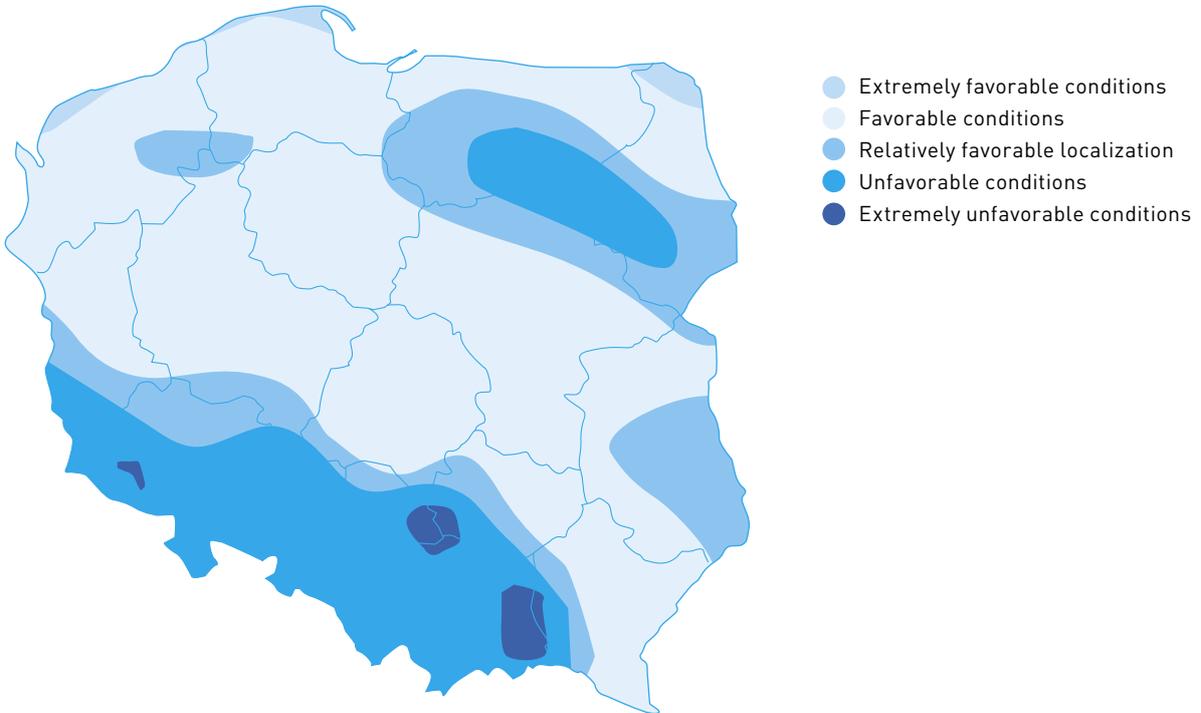
### Graduates of technical schools

PROFESSION	NUMBER OF GRADUATES IN 2009 R
Electrician	100
IT technician	1 072
Mechanics technician	616
Electronics fitter	80
mechatronics technician	67

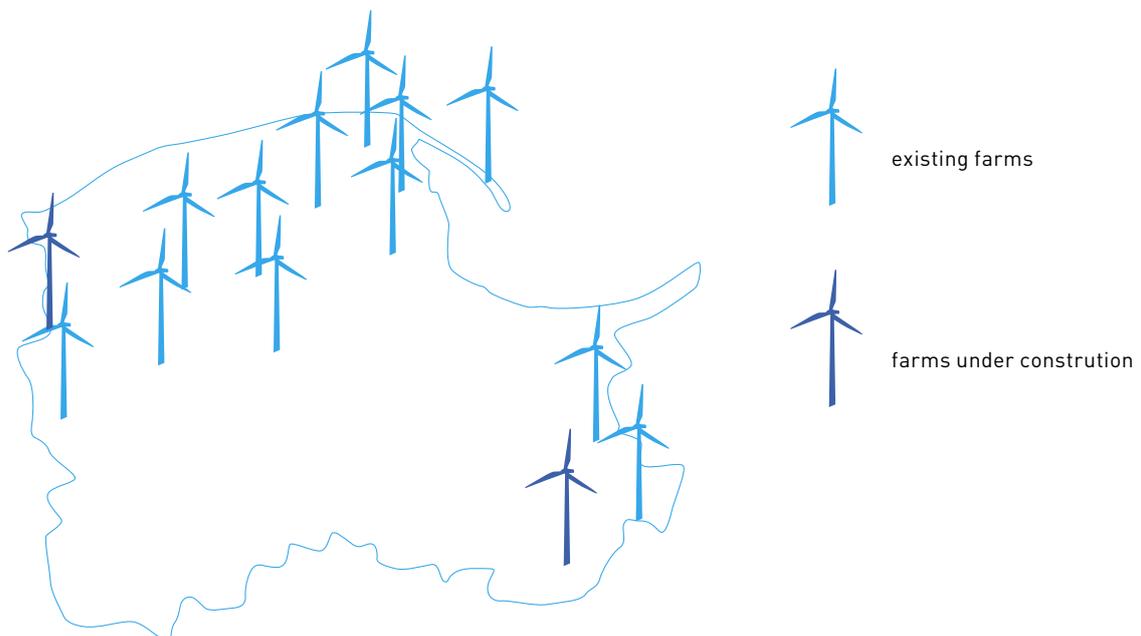
- > The ambition of Pomerania, is to maintain its leading position in energy production from renewable sources. Currently, the largest energy company Energa Group Co. (the 18<sup>th</sup> place on the list of largest companies in Poland, second place in Pomerania) produces the most "clean" energy due to an extensive network of hydroelectric power plants (45). Total power of RES (renewable energy sources), which Energa joined to its distribution network amounted to 822 MW. The company also has a 15% market share of sold electricity, which gives it the fourth place in Poland.

> However, in spite of efforts of Energa Group, the wind farms segment in Pomerania is still characterized by a low degree of saturation. The total capacity of installed wind-using power plants in Pomerania was 130 MW in 2010, so the segment has still a lot of untapped growth potential, especially since the region is characterized by excellent wind conditions compared to the rest of the country.

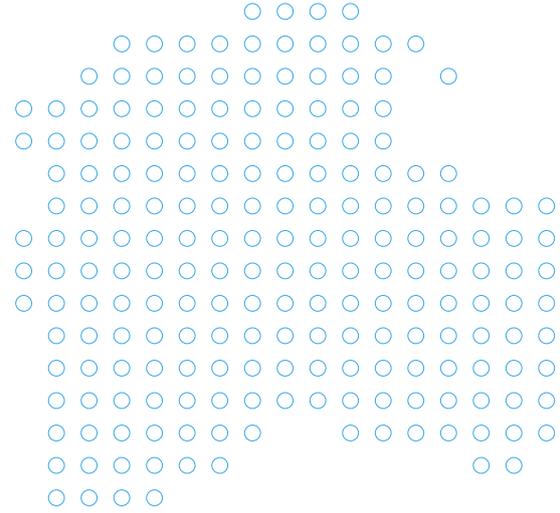
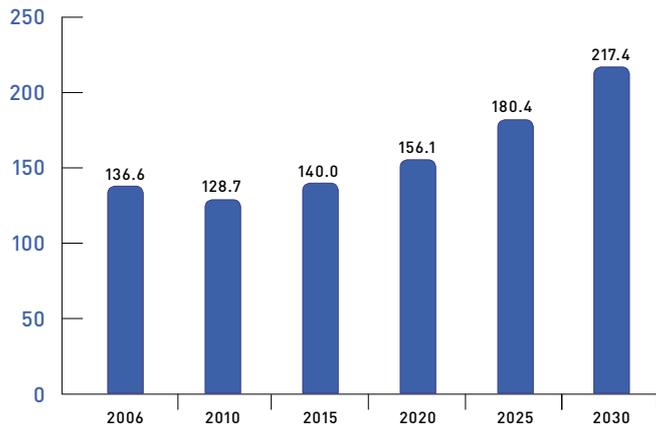
#### Wind conditions in Poland



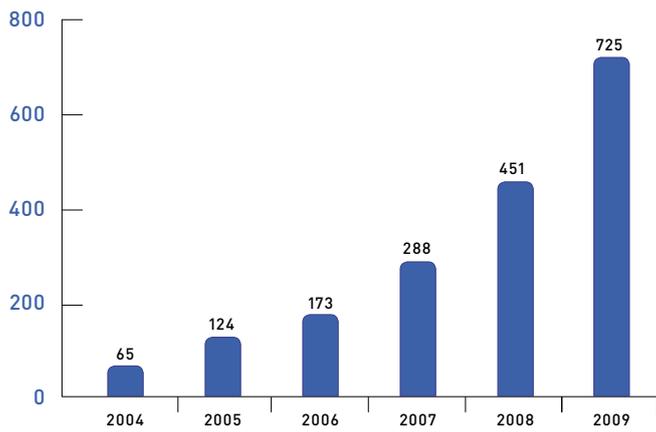
#### Location of windfarms in Pomerania



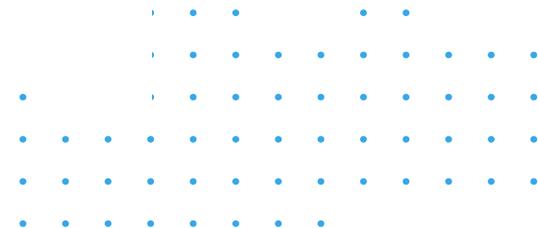
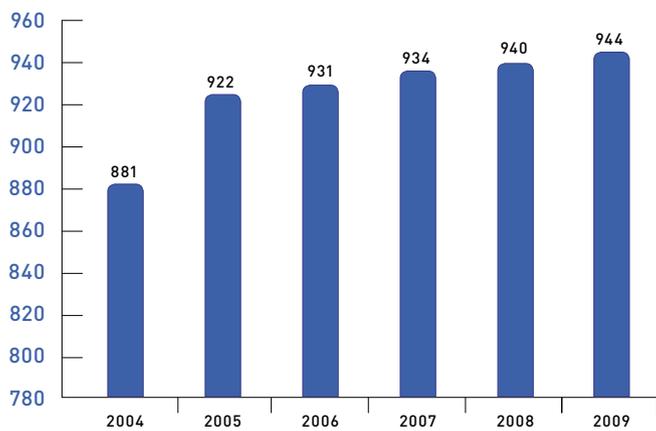
### Forecast of domestic demand for electricity (TWh)



### The installed capacity of wind turbines in 2004-2009 (MW)



### The installed capacity of hydropower plants in 2004-2009 (MW)



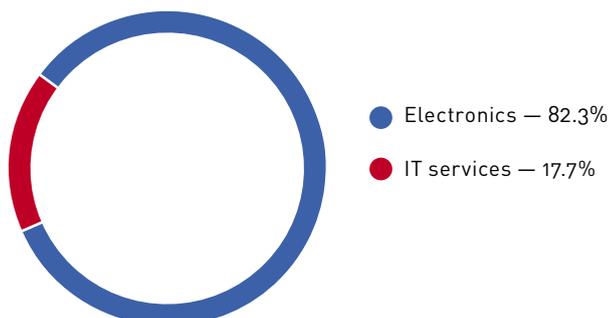
## ICT SECTOR

- > Pomeranian ICT cluster integrates business and research partners in joint operations with the support of regional and business environment and in cooperation with other global ICT partners. Total employment in this sector is around 20 thousand people. This gives the region a high 5<sup>th</sup> position after voivodships: mazowieckie, dolnoslaskie, slaskie, malopolskie. Over 4 thousand entities operate in Pomerania in the ICT sector. The value of sold production of pomeranian cluster in 2008 amounted to approximately EUR 1.6 billion, which accounted for 6% of region's sold production.
- > Pomeranian ICT cluster consists of several major sub-sectors:
  - > 1. the broad electronics industry producing both finished products and electronic components,
  - > 2. services sector (development of software and its features, services of systems maintenance, processing of databases, etc.),
  - > 3. telecommunications services sector.
- > Pomeranian ICT companies are small but dynamic and fast developing entities. They specialize in innovative products and successfully compete on Polish and foreign markets.
- > Among the prominent companies in the Pomeranian ITC sector, IVO Software undoubtedly should be mentioned. The company is a developer and manufacturer of IVONA TTS, which leaves far behind the products of such giants as Microsoft. IVO Software operates in the Pomeranian Science and Technology Park in Gdynia.
- > Another indigenous company which stands out on Pomeranian and national market is Blue Media from Sopot. The company offers a wide range of advanced solutions for the banking sector. For years Blue Media has been steadily building its brand, so that at the moment it is one of the leading companies in ICT sector in Poland. Jury award of "Polish Internet " competition in the category of "the best company in 2010 with the field of IT and the Internet" is the confirmation of its high position.
- > The values of the region are also appreciated by foreign investors. Giant of the IT market - Intel decided to locate its research and development centre in Gdansk,. It works on projects related to advanced technologies. The source of human resources for an ever-increasing employment centre is the Gdansk University of Technology.
- > All of these companies employ the personnel educated at Tri-City universities. In addition to the Technical University of Gdansk and Gdansk University an invaluable source of human resources is the Polish-Japanese Institute of Information Technology, which educates students in the fields of computing and graphics.
- > Broadband Internet Access
  - > The Tri-City offers easy access to broadband Internet. Built up steadily since 1992, Academic Computing (TASK) is entirely based of fiber optic transmission medium and encompasses the entire Tri-City. It connects local networks, used by about 30 thousand PCs, workstations and servers, enabling the work of tens of thousands of users.

### Major companies of ITC sector:

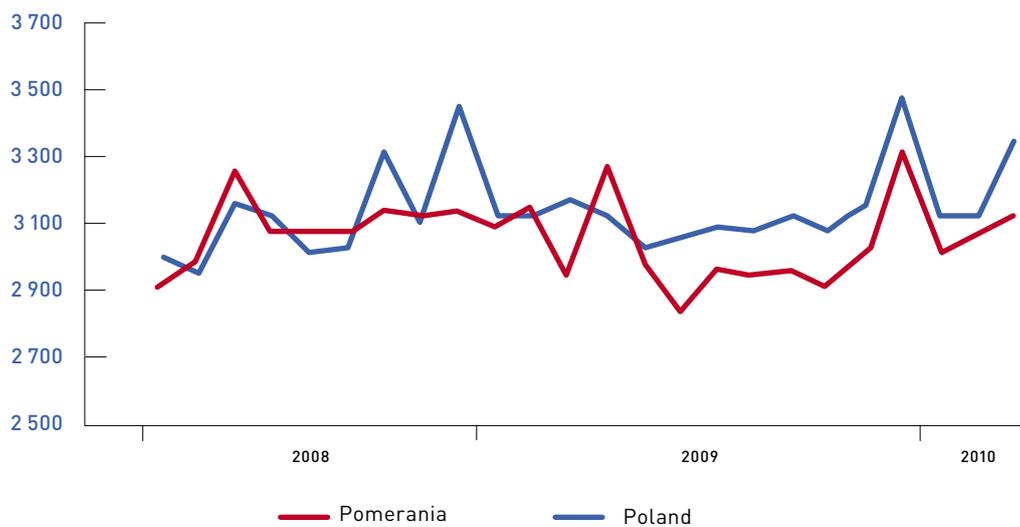
Intel Technology Poland (R&D centre)
IBM
Axiom
Kainos software
Zensar Technologies (R&D centre)
Lufthansa Systems
Fineos Investment
Jeppesen by Boeing
Speednet Sp. z o.o.
CTM
Enamor
Telemobile
Thomson - Reuters
FreecoNet
Elan
OKE Software and Communication
SeveNet
SII
Playsoft
Goyello
Kainos
NComputing
Fineos
Nevion

### Export of Pomeranian ICT cluster



Export of products and services in ICT sector reached almost EUR 1.1 billion. ICT cluster is responsible for around 1/6 of export value of the whole Pomerania

### Wages in computer, electronics and optic equipment production – Pomerania compared to Poland



- > TASK connects more than 120 of the available network nodes transferring data at speeds from 10 Mb/s to 10 Gb/s with a core network based on the 10 Gigabit Ethernet (10 Gb/s) and ATM (622 Mb/s) technologies.
- > The possibility, execution time and cost of connecting fiber is set individually with the operator but it should be noted that all Class A office buildings currently available in the Tri-City are equipped with such a link.

## BPO/SSC SECTOR

- > Presently there are over 20 outsourcing centres, which employs about 11 thousands people. Tri-City centres mostly specialize in financial and IT processes (including R&D, software and IT applications development). In terms of number of BPO/SSC centres, Tri-City ranks 7<sup>th</sup> behind Warsaw, Cracow, Wroclaw, Lodz, Poznan and Katowice. In respect of intensity of competition it is arguable that Tri-City is a relatively friendlier option for investor than cities with larger number of BPO/SSC centres.
- > Tri-City, as a location for BPO/SSC centres, has already been recognized by well known global brands. Ranking, prepared by Colliers International, listed Tri-City among “Great Five” of Polish cities which are in the scope of interest of new investment projects in the sector. A.T. Kearney found Gdańsk among 5 cities in Poland and 15 in Central and Eastern Europe, which have extensive experience in the BPO / SSC.
- > High positions of Gdansk and Gdynia in rankings are reflected by implemented investment projects. In Tri-City such giants has opened its centres as: Intel Technology Poland, IBM, Thomson-Reuters, Sony Pictures Entertainment or Lufthansa. Large centres have also been opened by other companies: Arla Foods, Acxiom, Geoban, Nordea, First Data, Zensar Technologies, Jeppesen, Fineos Investment or Kainos Software.
- > Among advantages of Tri-City in attracting BPO/SSC investments availability of employees truly stands out. In comparison with other Polish cities, Tri-City has a relatively large pool of human capital (over 100 thousands students, 750 thousands inhabitants in three central cities: Gdansk, Gdynia and Sopot), including a significant share of experienced workers. Supply of experienced specialists is especially high in IT sector.
- > It is worth noting that universities of Pomerania represents a high level of close-collaborate with investors and are engaged in organizing competence

### Key data for BPO/SSC sector

Pomerania Population	2.23 mln	
Tri-City Population	about 750 000	
Number of students	105 806	
Unemployment rate	12.20%	
Most popular non-wage bonuses:		
	Healthcare	
	Trips and integration meetings	
	Theater and cinema tickets	
	Meals co-financing	
Supply of modern office space		
	Existing buildings	315 800 m <sup>2</sup>
	Under construction	45 000 m <sup>2</sup>
	Rent	12-15 EUR/m <sup>2</sup>
	Service costs	3-4 EUR/m <sup>2</sup>

training programs tailored to the investors' needs. Example of such activities is the financial-banking program of Thomson Reuters at the University of Gdansk.

- > Pomerania's employees, beside of high competences, excellent skills and experience, are also characterized by good knowledge of foreign languages. Moreover, the specific feature of the region is the high number of people with the knowledge of less popular foreign languages, especially Scandinavian, which makes Pomerania unique comparing to the rest of Poland.
- > Availability of modern office space is steadily growing, as subsequent projects are completed. Moreover, the growth is positively stimulated by a favorable approach of local government towards investments in shared service centres.
- > Furthermore, Poland and Pomerania offers BPO/SSC investors significant financial benefits due to 30-40% lower operational costs (comparing to Western Europe and USA). On the other hand, cultural proximity with markets of developed countries reduces the risk of communication misunderstandings.

## TRANSPORT SHIPPING LOGISTICS SERVICES (TSL)

- > Pomerania is an integral part of Trans-European Transport Network (TEN-T), which consists of the most important Pan-European Transport Corridors. The network embraces all modes of transport: road, railroad, air and maritime.
- > Accordingly, two Pan-European Transport Corridors run across the region. IV Corridor links Scandinavia and Southern Europe via Katowice, whereas IA Corridor links Pomerania and Baltic States (Lithuania, Estonia and Latvia).
- > It is worth noting, that Pomerania not only offers high class connections with European countries, but an efficient link between Pomerania and global transport hubs is also available. Ports of Pomerania serves major maritime transport directions, including Shanghai, Northern and Southern Americas and the most important European ports, such as Rotterdam or Hamburg. On the other hand, a connection with global air transport network is provided by International Airport in Gdansk via four the largest European airports: Frankfurt, Munich, Helsinki, Rome and Barcelona.
- > Beside transport infrastructure, Pomerania offers well developed logistic base. Ports of Pomerania offer numerous terminals which are able to serve all types of cargo. Additionally, one deepwater container terminal (DCT Gdansk), which is able to serve vessels of Post-Panamax type, operates in Port of Gdansk. DCT is considered to be the most modern container terminal in Baltic Sea region.

- > Transport infrastructure in Pomerania embraced by TEN-T:
  - > A1 motorway
  - > E65 railroad
  - > Port of Gdynia
  - > Port of Gdansk
  - > Gdansk airport
- > Future investment projects in infrastructure within TEN-T and Pomerania:
  - > Rail Baltica – railroad connection between Pomerania and Baltic States
  - > Via Hanseatica – Hamburg-Riga via Pomerania

### Major suppliers of warehouse space in Pomerania

Prologis	91 000 m <sup>2</sup>
Warehouse Centre Hutnicza	12 000 m <sup>2</sup>
Logistic Centre Gdansk-Kowale	11 000 m <sup>2</sup>
Logistic Centre Pruszcz Gdanski	10 000 m <sup>2</sup>
Logistic Centre Kowale	8 000 m <sup>2</sup>
<b>NEW INVESTMENT PROJECTS</b>	
Panattoni Park Gdansk	48 000 m <sup>2</sup>
Pomeranian Logistic Centre	700 000 m <sup>2</sup>
SEGRO	46 000 m <sup>2</sup>
Tulipan Park Gdansk	46 000 m <sup>2</sup>
Diamond Business Park (AIG/Lincoln)	45 000 m <sup>2</sup>

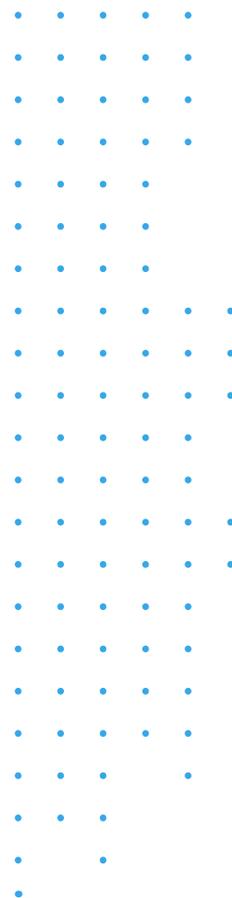
### Secondary school graduates with transport sector competences (as of 2009/2010)

PROFESSION	NUMBER OF STUDENTS	NUMBER OF GRADUATES
Car mechanic	996	586
Mechanic	663	616
Automotive technician	352	11
Logistics technician	314	167
Electrical technician	237	158
Car tinman	187	
Vehicle electro-mechanic	150	83
Shipping technician	106	124
Other	89	92
Total	3 094	1 837

### University graduates in transport related field of studies

	2007	2008	2009
<b>Transport Services</b>			
Students	1 432	1 495	1 487
Graduates	250	252	277
<b>Engineering</b>			
Students	10 224	11 099	11 498
Graduates	1 485	1 521	1 295
<b>Economy and Administration</b>			
Students	22 838	24 783	25 419
Graduates	4 347	5 331	5 731

- > In the vicinity of ports, large logistic centres are localized. Pomeranian warehouse space market is dominated by ProLogis, global leading developer, however, last year other global corporations, Goodman and Panattoni, entered the market with a new projects, including Pomeranian Logistic Centre in direct proximity of Port of Gdansk.
- > Moreover, Pomerania offers significant human resources. Universities of Pomerania educate high-class specialists in field of transport and logistics. Especially University of Gdansk, Technical University of Gdansk and Maritime Academy provide extensive degree programs in foreign trade, logistics, shipping and ports operations. Furthermore, secondary schools in Pomerania educate mid-level specialists, which are a core labor force for TSL enterprises.



## AUTOMOTIVE INDUSTRY IN POMERANIA

- > Automotive industry plays significant role in Polish economy, as it ranks 2<sup>nd</sup> among all sectors in terms of revenues. Moreover, Poland ranks 5<sup>th</sup> among European countries in terms of conditions for automotive production (behind Germany, United Kingdom, France and Italy). Definitely, the level of modernity of Polish automotive industry positively impacts the strong Polish position.
- > Excellent investing conditions have already attracted numerous foreign investors from automotive sector. Total value of foreign investment reached about EUR 5 billion in the end of 2008. Automotive sector total investment equaled to 13% of all foreign direct investment in Polish industry. The dynamic growth in the sector is possible thanks to numerous road infrastructure projects (financed by European Funds), EURO 2012 preparation process, high economy growth rates over recent years and availability of easy financing.
- > Pomerania has a great chance to become a substantial exporter in terms of automotive, due to its favorable geographic location and efficient maritime transport network. Ports of Gdansk and Gdynia offer a well established connections with a leading automotive clusters in Germany, Italy, France, United Kingdom, Belgium, Finland and Denmark. According to PwC data, more than 171 car production plants operate within the range of Pomeranian ports network. Rising container handling capacity of port terminals (especially DCT Gdansk) creates new transport opportunities, as containers become gradually more important in terms of shipping car components. Moreover, Pomerania's transport infrastructure is under intense extension process, which will result in higher capacity of ports (expansion of DCT and BCT Gdynia) and more efficient road network (due to development of Trans-European Transport Corridors). Furthermore, modernization of the Channel of Kiel will increase the maritime accessibility of Baltic Sea and ports of Pomerania.
- > Automotive sector in Pomerania is represented by a few very well known brands. First of all, Delphi, a global supplier of car components for all brands in the world, has a production site in Gdansk. Currently, car switches produced in Gdansk factory are used in such brands as Ford, BMW, Genral Motors and Renault. Second, Scania invested in Slupsk in a bus production facility, where it manufactures its two leading bus brands. Moreover, components for other Scania's models are produced and send to other assembler sites in Africa and Asia. Third, in Tczew Eaton created a large multifunction site, which consist of two production facilities, engineering centre and several service providers. Forth, British group Gardner placed in Tczew its factory, which supplies components to aerospace and automotive industry. Among its receivers are i.a. Airbus, Alstom, Lockheed Martin, Bombardier, EATON, Rolls Royce, SAAB, TRW Aeronautical System and Volvo Aero.

## Maritime connections with automotive clusters in Europe



- > Automotive market in Poland has showed a steady growth rates for few recent years. In 2009 it was 12.9% and one year earlier it was 8%. Still car is a primary mean of transportation and vehicular transport amounts to 60% of total transport market.

## PHARMACEUTICS AND COSMETICS

- > Investors from pharmaceutical and cosmetics sectors certainly will find Pomerania as favorable location, due to its well developed research infrastructure, important markets access, exceptional human resources and significantly lower costs.
- > Definitely, advantageous location together with steadily improving transport infrastructure creates opportunities for effective supply chain management, including just-in-time strategies. More importantly, Pomerania guarantees an easy access to European Union, Russian and Commonwealth of Independent States markets. On the other hand, the Polish market, which could be reached through Pomerania, is among the most attractive pharmaceuticals markets in Europe, with its large population and a high growth potential in health care expenses.

- > Pomerania benefits from its good research infrastructure, offered by universities, technology parks and numerous subcontractors. Also relatively large corporations present a great research potential.
- > The largest company in the field is Polpharma, which is also the biggest drugs producer in Poland and Eastern Europe. The company specializes in preparations used in cardiology, gastroenterology and neurology. A significant part of Polpharma's portfolio contains also OTC drugs. Moreover, the company conduct many operations in foreign markets through its sales structures in Russia and representative offices in Lithuania, Ukraine, Belarus, Kazakhstan, Vietnam, Azerbaijan and Uzbekistan. Through its subsidiaries the company is engaged in manufacturing

#### Major companies in pharmaceuticals and cosmetics sector

Polpharma	Leading drug producer
Oceanic	Well-recognized antiallergenic cosmetics provider
Ziaja	Producer of pharmaceuticals and high-quality cosmetics based on natural ingredients for face, body and hair care.
Farmix	Skin care and cure cosmetics manufacturer
Synexus	Global leader of clinical trials
A&A Technology	Producer of advanced tools for molecular biology
EURx	Provider of high quality reagents and services to the molecular biology research

pediatric drugs, vitamin preparations in modern forms, dermatological drugs, drugs used in motor organ disorders, dietary supplements, antibiotics.

- > Human resources of Pomerania consist of high-class university graduates who hold substantial skills and knowledge of research processes. The most important sources of human resources are Medical University of Gdansk, Technical University of Gdansk and University of Gdansk. It is worth noting that Pomerania holds a significant cost advantage in terms of clinical trials, due to lower wages in the sector. Pomerania-based companies benefit from 30-40% lower research costs (comparing i.e. with costs in US), although the quality of work is maintained at high-levels.
- > Investors in the sector may also expect support and incentives from local government, as the development of pharmaceuticals, cosmetics, biotechnology production and research is an integral part of strategy of voivodeship's development.

#### Students of natural science in Tri-City

FACULTY	NUMBER OF STUDENTS
Faculty of Chemistry	2 000
Faculty of Mechanics	764
Faculty of Biotechnology	209
Faculty of Pharmaceuticals	912
Medicine	2 510
Faculty of Health Science	1 770

# Traditionally strong sectors

## REFINERY SECTOR

- > The most important of the traditional industries is the refining industry, which is represented by the largest Pomeranian enterprise – Lotos Group (8<sup>th</sup> place on the list of largest companies in Poland). It is the oil company operating in the mining and oil processing as well as distribution and marketing of a wide range of petroleum products. It operates in the wholesale and retail. Through its subsidiaries Petrobaltic and Lotos Norge, the company is also present in the Baltic and the Norwegian continental shelf, where it leads the exploration and extraction of oil.
- > Lotos Group is a national leader on the asphalt, lube oils and paraffins markets. LOTOS Oil has more than 29% of motor oils market in Poland. Lotos Group has nearly 32% share in the domestic oil extraction. Lotos Asphalt is a leader in asphalt bitumen sales in Poland and has nearly 40% of sales of bitumen in Lithuania. Lotos Paraffin is one of Europe's largest producers and distributors of paraffins. Lotos Tank strengthens its position in the captive market of aviation fuels in Poland.
- > Rising efficiency – 10+ Program
  - > In 2010 Lotos Group completed 10 + Programme through which the refinery in Gdansk, has increased the capacity of crude oil from 6 million tons to 10.5 million tons per year. The value of investments was around EURO 1.43 billion, which the company has funded of own funds in 30%, and 70% of bank credit. In addition, the professionally prepared funding process of 10 + Programme was awarded the title of "European Petrochemicals Deal of the Year 2008" granted by the prestigious magazine "Project Finance Magazine" and "Project Finance International" awarded the contract of Lotos Group with the title of "Oil Deal of the Year".

## MARITIME SECTOR

- > After a period of intense restructuring of the maritime sector, especially shipbuilding industry, it continues to be the leading industry of Pomerania and the largest employer in the region. The sector is represented by building yards, repair yards, and the cooperating companies whose offers go beyond the industry to include services available to other trades.
- > There are over 10 000 entities engaged in maritime activity in the whole country. More than half (around 6 000) of them operate in Pomerania. More than 3 900 Pomeranian entities offer construction and repair services for ships and offshore vessels. In the beginning of 2009 those entities employed over 22 000 people. It is estimated that the whole maritime sector in Pomerania gives employment for over 40 000 people.
- > The Pomorskie Voivodeship accounts for the major part of the Polish shipbuilding. In the year 2009 the yards of the Pomorskie Voivodeship built 16 vessels (mainly car and container carriers), which represented 80% of the entire Polish ship production.
- > The potential of Pomerania's maritime sector is being constantly built by numerous shipyards and other entities engaged in shipbuilding, constructing deck machinery and developing high-tech solutions for sea vessels.
- > The largest shipbuilding company in terms of income on sales (both regionally and nationally) is the Repair Capital Group (Remontowa Co.) headed by the Gdansk Ship Repair Yard. The Repair Group offers services consisting of repairs, conversions, and new, fully fitted ships. The group's companies specialize in



building vessels to the designs developed by its own design office. The vessels are tailored to the shipowners' individual needs and typically represent niche builds generally outside the scope offered by the yards in Asia. The group consists of 28 enterprises pursuing business lines closely related to shipbuilding including high-tech companies such as IT-REM which specialises in IT solutions for the maritime trade.

- > Gdansk Shipyard Co. underwent privatisation in 2007. Quoting after the world shipbuilding market analysis and the projections for the nearest years (the analysis was conducted by McKinsey), the Gdansk Shipyard Co. is to base its production on three pillars: building ships of the offshore type to service oil rigs, manufacturing wind power station towers and constructing various steel structures. In 2012 Stocznia Gdansk Co. plans to produce up to 200 towers a year.
- > Offshore and highly specialized vessels are also being produced in other shipyards such as: Crist Co., Odys Stocznia & Co. or Maritim Shipyard Ltd. The Nauta – Shiprepair Yard Co. offers also lengthening of the wide range of floating objects.
- > Apart from the giants, there are many other shipyards operating in the region. Their special area is building modern yachts and boats. A vast majority of their production (about 90%) is exported.

## FOOD INDUSTRY

- > Food industry is one of the most important sectors of Pomerania economy and regional labour market. Due to strong ties between processing of food and beverage with agriculture and fishing, agriculture and fishing need to be taken into account in the sector overview. Food sector generates over 10% of total volume of regional industrial output and employs about 19 000 people. Businesses operating in the food sector that employ more than 9 people reached about 160. A lot more businesses in the sector is of smaller size (employing up to 9 people) As a result, food industry in the region is characterised by a considerable dispersion of economic activity.
- > Fish processing is typical sector of the Pomerania, located in the following poviats: pucki, slupski, leborski. It generates biggest turnover which accounts for 28% of total output in the sector. A slightly lower turnover is recorded by meat processing (24% of the total) and oil and fat processing (11%). Almost 140 businesses operate in fish processing industry in the region, which makes up over the half of the total number of such business in Poland. These are mostly small businesses employing less than 9 people.
- > The region is home to the largest Polish fish processing company, Graal Capital group. The company is the market leader in respect of a range of products and revenues (PLN 447.7 m in 2009). The group consists of 8 subsidiaries.
- > Other large companies in the sector are Iglotex (manufacturing and distribution of frozen food), Mopol (salmon processing) Poldanor (animal feed and pig production) and Wilbo (fish processing).

# Wide business network and infrastructure

- > Pomerania is a region open to the world and leading active international cooperation. Similarly, the Pomeranian companies are one of the most active in Poland and work with many entities and institutions from home and abroad. Each investor can count on the support of many business support organizations. It all makes the positive business climate so important to the operation of any enterprise.

## THE MAIN BUSINESS ORGANIZATIONS

- > In addition to local institutions, Pomeranian companies may also participate in national forms of association, such as ABSL (Association of Business Service Leaders), which brings together representatives of the BPO / SSC sector. Many Pomeranian companies such as: Arla Foods, Geoban, IBM, Thomson Reuters and Sony Pictures Entertainment operate in its structures.
- > In Pomerania, there is also an association of ICT companies, operating under the name "Pomeranian ICT/ ETI Cluster". Its goal is to create favorable conditions for the development of ICT companies in the region by providing knowledge, promoting innovation, stimulating cooperation between companies and institutions as well as realizing the common goals of the association's participants. There are more than 80 companies within the association, including such major companies as: Thomson Reuters, Flextronics International, Vector, Radmor, Telekom-Telmor, Jabil Circuit, DGT, Compuware, Sprint, Kainos Software, Zensar Technologies. Also the Pomeranian Universities such as: University of Gdansk and Gdansk University of Technology take part in the in the association's activity.

## BUSINESS INFRASTRUCTURE

- > Undoubtedly the strength of Pomerania, exactly of the Tri-City is its office infrastructure. Gdansk, Gdynia and Sopot offer more than 300 thousand square meters of modern office space, which is perfect for BPO and SSC companies. Despite its short history, Tri-City market is rapidly growing and is extremely promising. This fact is proven by the subsequent or planned constructions of office buildings and a growing interest from tenants.
- > By the end of 2011 developers would give to use approximately 45 000 m<sup>2</sup> of modern office space. The outlook for next year is equally promising. It can also be confirmed by improving assessment of Gdansk and the whole Tri-City by investors. The capital of Pomerania was, inter alia, in the summary of 31 most attractive destinations in the world (as the only one in Poland), for IT investments (KPMG report, "Exploring the Global Frontiers - The New Emerging Destinations").



> Office building in Port of Gdynia

Marek Trocha

### Tri-City office space market key data Q4 2010

Office space	315 800 m <sup>2</sup>
Vacancy rate	11%
Ready to occupy in 2008	53 500 m <sup>2</sup>
Ready to occupy in 2009	18 900 m <sup>2</sup>
Ready to occupy in 2010	28 500 m <sup>2</sup>
Base rents in prime locations	12-15

### Existing office space

Warsaw	3 382 195 m <sup>2</sup>
Cracow	468 800 m <sup>2</sup>
Wroclaw	389 200 m <sup>2</sup>
Tri-City	315 800 m <sup>2</sup>
Katowice	262 700 m <sup>2</sup>
Poznan	221 800 m <sup>2</sup>
Lodz	214 700 m <sup>2</sup>

## SCIENCE AND TECHNOLOGY PARKS

- > In Pomerania there are also science and technology parks that support innovative projects. Parks offer modern office laboratory and industrial space. Business activity conducted within the parks benefits from attractive costs. Entrepreneurs after locating in the Tri-City parks can count on extensive research infrastructure, recreational space, conference facilities and advice on matters relating to marketing innovative products.
- > There are two science and technology parks currently operating in Pomerania: Gdansk Science and Technology Park and Pomeranian Science and Technology Park in Gdynia.

## FOREIGN INVESTORS

- > In 2008, 1 216 companies with foreign capital operated in Pomerania. These entities employed a total of 67.9 thousand people which makes over 9% of jobs in the region. At the same time the investing capital (foreign basic capital) reached the level of over EURO 3 billion.
- > The structure of employment in companies with foreign capital in the region is dominated by jobs in the industry. In 2008 they accounted to two thirds of all jobs created by such companies.

### Companies with foreign capital by the number of employees in Pomerania in 2008

#### ENTITIES BY THE NUMBER OF EMPLOYEES

up to 9 people		from 10 to 49 people		from 50 to 249 people		250 and more people	
entities	employed	entities	employed	entities	employed	entities	employed
731	2 204	255	5 761	177	19 321	53	40 604

## Selected foreign investors in Pomerania

COUNTRY	COMPANY	SECTOR
	Rolls Royce Marine Poland	maritime production
	DCT Gdansk	maritime
	Zensar Technologies Limited	IT
	Fineos	IT
	Kainos	IT
	Geoban	accounting and finance
	Baltic Container Terminal	maritime
	Gdynia Container Terminal	maritime
	Sea Invest Poland	maritime
	Suruga Seiki	elektromachinery



> Office building of DNV, Luzicka Office Park  
Michał Kacprowicz

# Pomerania – a good place to live

## POMERANIA – REGION OF DIVERSIFIED LANDSCAPES AND CULTURES

- > Pomerania region is a unique place which benefits mostly from its coastal location and cultural diversity.
- > The metropolitan area of Tri-City has everything that makes a place good to live: social infrastructure with high quality of education, good medical care, efficient public transport and endless ways to relax and unwind.
- > High quality of life in Tri-City has been reflected in top places occupied by Gdynia and Gdansk in 'the most friendly cities to live' survey published by the Przekrój magazine – leading Polish weekly. Among 26 surveyed cities Gdynia was named the best and Gdansk was ranked the third.
- > **Citizens and tourists admire coast of Pomerania** with its wide sandy beaches, picturesque cliffs, wandering dunes and the longest wooden pier in Europe. Woods and lakes of Kaszuby and Kociewie, fields of Żuławy with Mennonite architecture, the trail of Teutonic Gothic castles and numerous rivers known to all canoeists of Europe, that is just some of the attractions waiting in Pomerania.
- > More than one thousand years old Gdańsk, multicultural Hanseatic port and dynamically developing Gdynia, the jewel of modernistic architecture and the capital of Polish yachting, illustrate fully the changing history of Europe and Poland.

## FEEL LIKE AT HOME

- > Foreigners coming to the region to both work and relax can also fully benefit from the high standard of living offered by the city. The region's supply of international schools definitely helps to maintain their comfort.
- > There are two high schools in Gdansk and Gdynia that participate in The International Baccalaureate Diploma Programme (IBDP). This educational system provides an internationally accepted qualification for entry into higher education, and is recognised by universities worldwide. All courses are taught in English (apart from foreign languages). Only nine schools in Poland have been accredited as IB schools.
- > Gdynia has French kindergarten and primary school no 13 run by Association of French Residents Abroad. There is also British International School in Gdansk, where students take GCSE and A-level examination. Another education facility is International School of Gdansk run by Gdansk Foundation for Education, which has 20 years of experience in education.

## SEA OF POSSIBILITIES FOR ACTIVE PEOPLE

- > Pomerania offers many possibilities for sport enthusiasts. The Sea and the region's natural environment provide perfect setting for different types of sports.

## WATER SPORTS

- > Hel Peninsula is considered Polish Mecca for surfers and windsurfers. No other region in Poland can offer such possibilities. Pomerania is also attracting increasing numbers of yachting enthusiasts due to continuous efforts made by city councils to improve yachting marinas and harbours in the region.



- > Geographical structure of origin of foreign investors in the region differs from the national structure. It is true that both the province and the country has a dominant level of German and Dutch investments. Difference can be seen, however, in the entrepreneurs from Scandinavia. This applies to both Denmark and Sweden - countries whose representatives use the premium of neighborhood. The structure is further characterized by significant numbers of investments from the US.

### Selected foreign investors in Pomerania

COUNTRY	COMPANY	SECTOR
	Lufthansa Systems Poland	IT
	Ergo Hestia	insurance
	Dr. Oetker	food processing
	Multimedia Polska	ICT
	Smurfit Kappa Polska	paper packaging production
	Curver Poland	plastic production
	Nordea Bank Polska	banking
	Scania Production Słupsk	automotive
	Relacom	ICT
	Skanska	construction
	Jysk	retailing
	Prime Food	food processing
	Arla	accounting and finance
	International Paper Kwidzyn	paper production
	Jabil Circuit Poland	electronics
	Jabil Assembly Poland	electronics
	Flextronics International Poland	electronics
	Eaton	automotive
	Delphi Poland	automotive
	Thomson Reuters	information / analytical services
	Compuware	IT
	Intel Technology Poland	IT
	IBM	IT
	Axiom	IT
	First Data	accounting and finance
	ProLogis	warehousing
	Panattoni	warehousing
	Coca Cola	food processing
	Sony Pictures	IT and finance
	EDF	utilities
	Saur Neptun Gdansk	utilities
	Lacroix Electronics	electronics

## TRI-CITY- A BIKE FRIENDLY CITY

- > Tri-City along with its vast Tri-City Landscape Park is also a paradise for cyclists. The three cities alone have as much as 220 km of cycling paths.

## GOLF

- > Golf fans can enjoy two professional golf courts, including one in Postołowo ranked the best in Poland by the magazine 'Golf Digest'.

## SKI AND SEA

- > Pomerania region gives also possibility to do winter sports. Seven ski slopes, including one in Tri-City (Sopot) provide a nice opportunity for weekend ski break.

## REGION'S RICH CULTURAL SCENE

- > Gdansk is running for the title of European Capital of Culture 2016. Under the slogan 'Freedom of culture, culture of freedom', the city is offering many new unique cultural events. The region also prides itself on its well known cultural events held every year.
- > The largest musical event is Heineken Open'er Festival, which has won the prize of Best Major Festival for the second year running at the European Festival Awards 2010.
- > Gdynia also hosts the biggest event in Polish film industry i.e. Polish Feature Film Festival. On its part, Gdansk also attracts people passionate about theatre and Shakespeare with its International Shakespeare Festival.
- > A spectacular re-enactment of siege of Malbork castle provides an excellent entertainment for those interested in history. This outdoor event attracts about 120 000 people every year.

## HOUSING

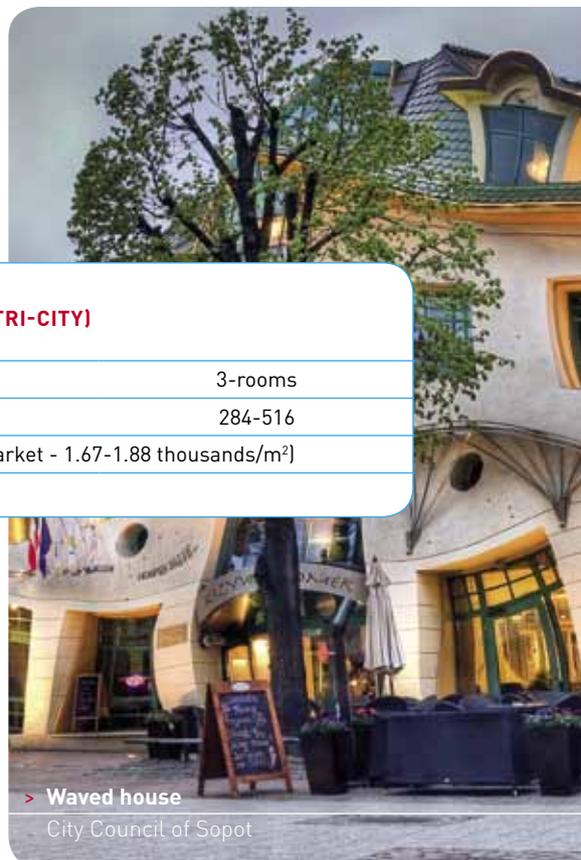
- > Tri-City offers a wide range of reasonably priced accommodation to suit everybody's needs. The region's housing resources are growing at fast rate. In terms of an increase in housing volume the region is ranked no 2 in Poland.

### Housing market - key data

	NOVEMBER 2010		
	RENTALS (IN TRI-CITY)		
	1-room	2-rooms	3-rooms
	EUR 181-305	220-490	284-516
Purchase property prices	EUR 1.54-1.62 thousands/m <sup>2</sup> (secondary market - 1.67-1.88 thousands/m <sup>2</sup> )		



> **Cutty Sark in Gdynia**  
Damian Trawicki



> **Waved house**  
City Council of Sopot

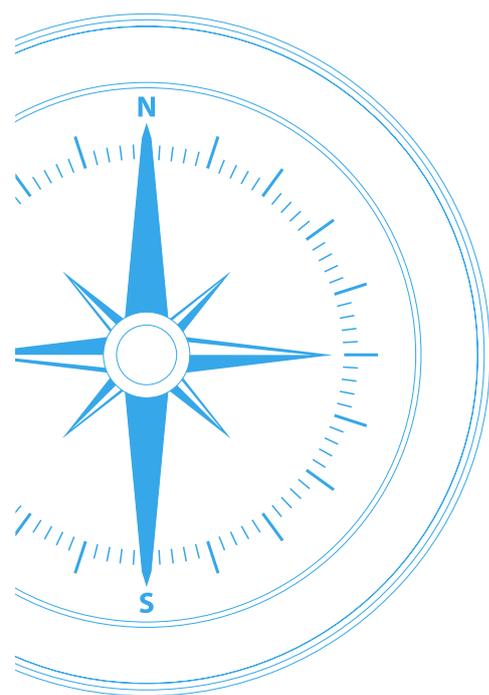
# Targeted and well proved support for investors

## INVEST IN POMERANIA INVESTOR ASSISTANCE CENTRE — YOUR FIRST STEP

- > When considering the investment in Pomerania your first steps should be targeted to the Investor Assistance Centre. You will be offered wide range of services ranging from all essential data concerning investment advantages prepared by well qualified staff through organization of your business visit and meeting in the region to the support which will be provided after the investment process.
- > The Investor Assistance Centre - IAC operating within the structures of Pomerania Development Agency Co. has been successfully providing comprehensive information services for investors, since its establishment in 2004. Multilingual personnel not only deliver information, but provide direct assistance, throughout the entire investment process. Satisfied investors, who have chosen Pomeranian Voivodeship, are the proof of the significant virtues of the region, as an ideal location for business.
- > Investor Assistance Centre operates on non-profit basis. All investors interested in locating their activity in our region are offered the wide range of services:
  - > preparing information materials and reports related to regional economy and society,
  - > informing about legal framework of conducting business activity in Poland as well as about available incentives and support,
  - > providing database of all available investment sites, building and offices in the region,
  - > matching foreign entrepreneurs with potential regional business partners,
  - > organizing visits to the region for foreign investors,
  - > supporting the co-operation with local authorities,
  - > providing after investment care for investors who have decided to locate their activity in Pomerania.

## INVESTINPOMERANIA.PL - LEARN MORE ABOUT THE REGION'S ECONOMY

- > In order to facilitate the making of the most profitable investment decisions, the Investor Assistance Centre has created a web portal: [www.investinpomerania.pl](http://www.investinpomerania.pl) which is a systematically updated instrument, supplying investors with comprehensive data concerning the Pomeranian region. The multilingual version of the portal contains the reports on Pomerania's economy, office and industrial space market and investments offers from the region.
- > The macroeconomic data, investment offers, reports on specific branches as well as descriptions of most current economic events are essential to make the right investment decision.



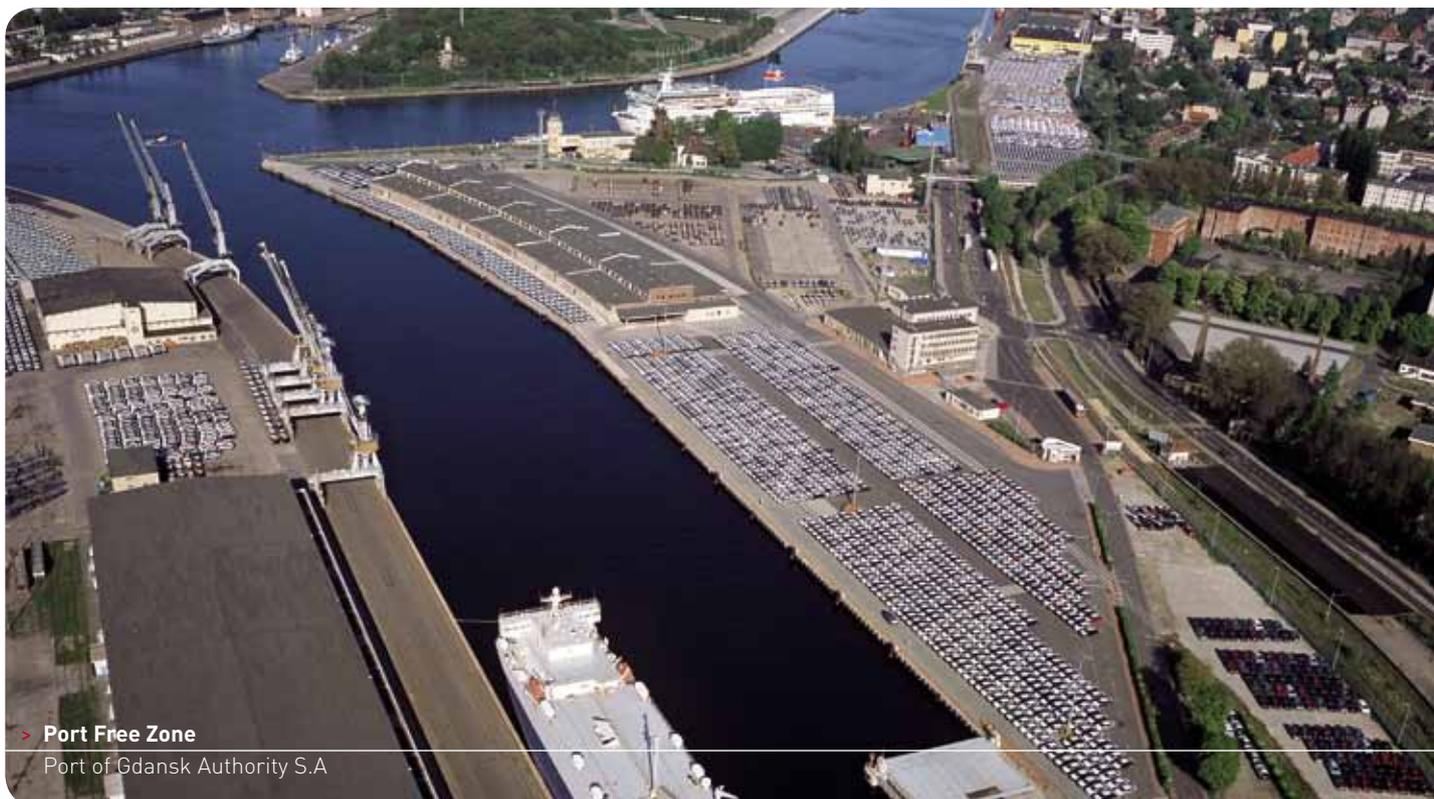
## THE SUPPORT YOU CAN EXPECT

### 1. GOVERNMENTAL GRANTS AND EU FUNDS

- > Thanks to its access to European Union Poland including Pomerania can offer to potential investors support form EU funds. What is more enterprises can benefit from governmental grants This form of support is targeted for entrepreneurs planning investments in the following priority sectors – automotive, electronics, aviation, modern services, research and development and biotechnology. It is provided in the form of a grant on the basis of a bilateral agreement concluded between the Minister of Economy and the investor, pursuant to the Council of Ministers’ resolution on the establishment of a multi-annual programme of support for the completion of the investment.

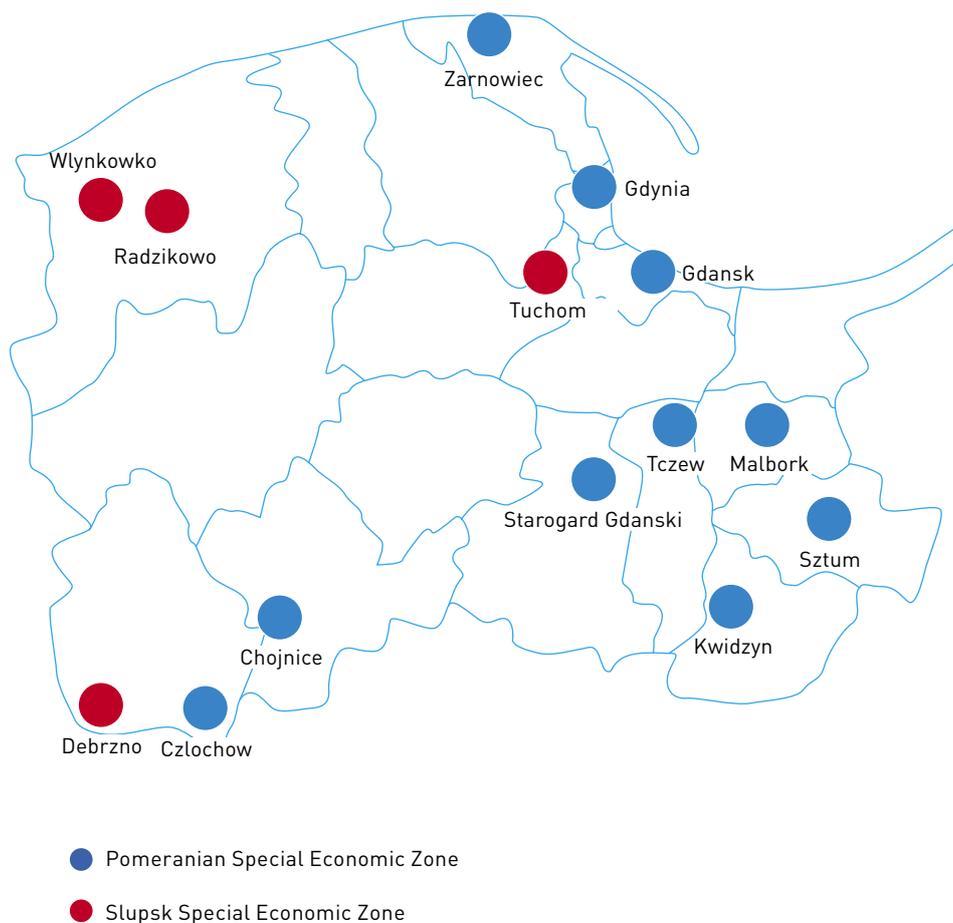
### 2. SPECIAL ECONOMIC ZONES (SEZ)

- > There are two special economic zones in Pomerania – Pomeranian Special Economic Zone and Slupsk Special Economic Zone. Their aim is to create conditions of conducting business activity tailored to investors needs.
- > Special Economic Zones offer:
  - > investment plots equipped in full technical infrastructure,
  - > income tax (PIT or CIT) exemptions
  - > assistance in formal side of investment process,
- > Conditions of support provided by Special Economic Zones:
  - > the size of tax exemption depends on the value of investment or the number of created jobs,
  - > the business must be conducted for at least 5 years from the date of investment (3 years for small and medium enterprises),
  - > the sum of the tax exemption may not exceed the limits under the EU regulations on regional aid,
  - > minimum investment - 100 thousand EUR.



> **Port Free Zone**  
Port of Gdansk Authority S.A

## Special Economic Zones (SEZ)



### 3. LOCAL SUPPORT FOR INVESTMENTS

#### EXEMPTION FROM PROPERTY TAX

- > There is a possibility of total or partial exemption from property tax for businesses that create new jobs. This exemption is general (for all businesses that meet certain criteria) and can be considered as regional aid (depending on the specific legal arrangements contained in the resolution of municipality council). Exemptions are determined by resolution of the municipality council.

#### EXEMPTION FROM AUTOMOBILE TAX

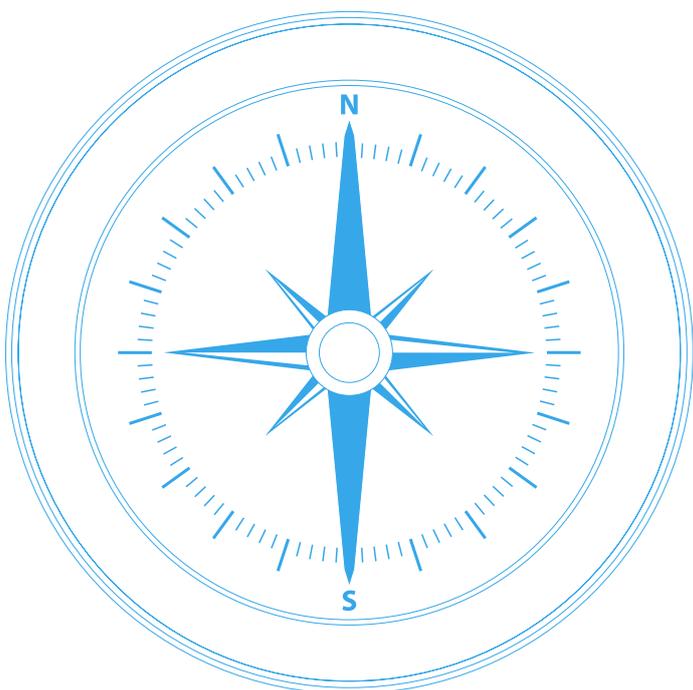
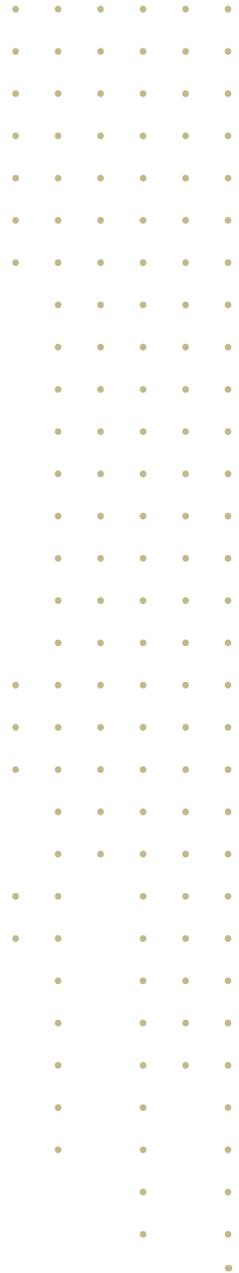
- > There is a possibility of total or partial exemption from the automobile tax. Tax applies only to trucks and buses. The exemption is a general one and since April 2007 is considered as state aid. Exemptions are determined by resolution of the municipality council.

## SUPPORT OF THE DISTRICT LABOUR OFFICE

- > Funding workplace equipment - the amount specified in the contract shall not exceed 500% of the average gross wage in the national economy (condition: employment for at least 12 months full-time employed persons).
- > Reimbursement of costs incurred for paid social insurance contributions in respect of employment of an unemployed person - one-time refund after 12 months of employment in an amount not greater than 300% of minimum wage on the date when the person was employed.
- > Intervention works - a monthly or every two month refund for the employer of part of the costs incurred for salaries, bonuses and social insurance contributions.

## GDANSK SCHOLARSHIP SCHEME

- > Gdansk Scholarship Scheme it is a unique mechanism, available only for investors who wishes to place their foreign operations in Gdansk. The mechanism provides financial assistance for training of students in Poland or abroad for staff of newly established businesses. The grant covers the costs of training, accommodation, travel and living expenses for the period of 6 months (up to EUR 7 800 per person).



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## Pomerania Development Agency Co.

Pomerania Development Agency Co. (Agencja Rozwoju Pomorza S.A.—ARP S.A.) launched its activity in 1992. It was formed on the initiative of the voivodeship authorities. It is the strong institution pointing the standards of entrepreneurship support for Pomerania. The Agency is also an important partner for local authorities in the area of creating regional development.

ARP S.A. has been supporting and assisting Pomeranian entrepreneurs in consuming EU grants for 11 years. At present Agency is implementing EU funds for micro, small and medium size enterprises and business support institutions in Regional Operational Programme for Pomorskie Voivodeship in 2007–2013 and in Operational Programme Innovative Economy.

Since 2009, the Agency has been engaged in implementation of **Economic Promotion and Information System for Pomorskie Voivodeship**. Its main goal is to systematize all activities in the field of economic promotion of the region in Poland and abroad in the years 2009–2012. The project is based on research on investment attractiveness of Pomerania, which was tentatively completed in 2010. The research allowed to identify strengths, weaknesses and leading sectors of regional economy. On the other hand, study assessed the local business environment and provided a strategy for improvements. Results of the study have been compared with global economy, trends and expectations and experiences of the potential investors. Basing on the analysis, worldwide marketing campaign of the region will be prepared.

The Agency realizes also other projects of great importance for Pomorskie Voivodeship: it manages the Capital Fund which invests in innovative projects, runs the Investor Assistance Centre (Centrum Obsługi Inwestora—COI) and provides professional and comprehensive information, consulting and training services.

High quality of provided services has been proven by many certificates: ISO 9001, KSU, Ministry of Economy certificate and other appropriate accreditations.

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City Hall of Sopot

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Port of Gdansk Authority S.A.

Deepwater Container Terminal Gdansk,

Port of Gdansk Authority S.A.

**Design**

Grupa KOMBINAT

Spółka z ograniczoną odpowiedzialnością Sp. k.

**Gdansk, 2011**



# Invest in Pomerania

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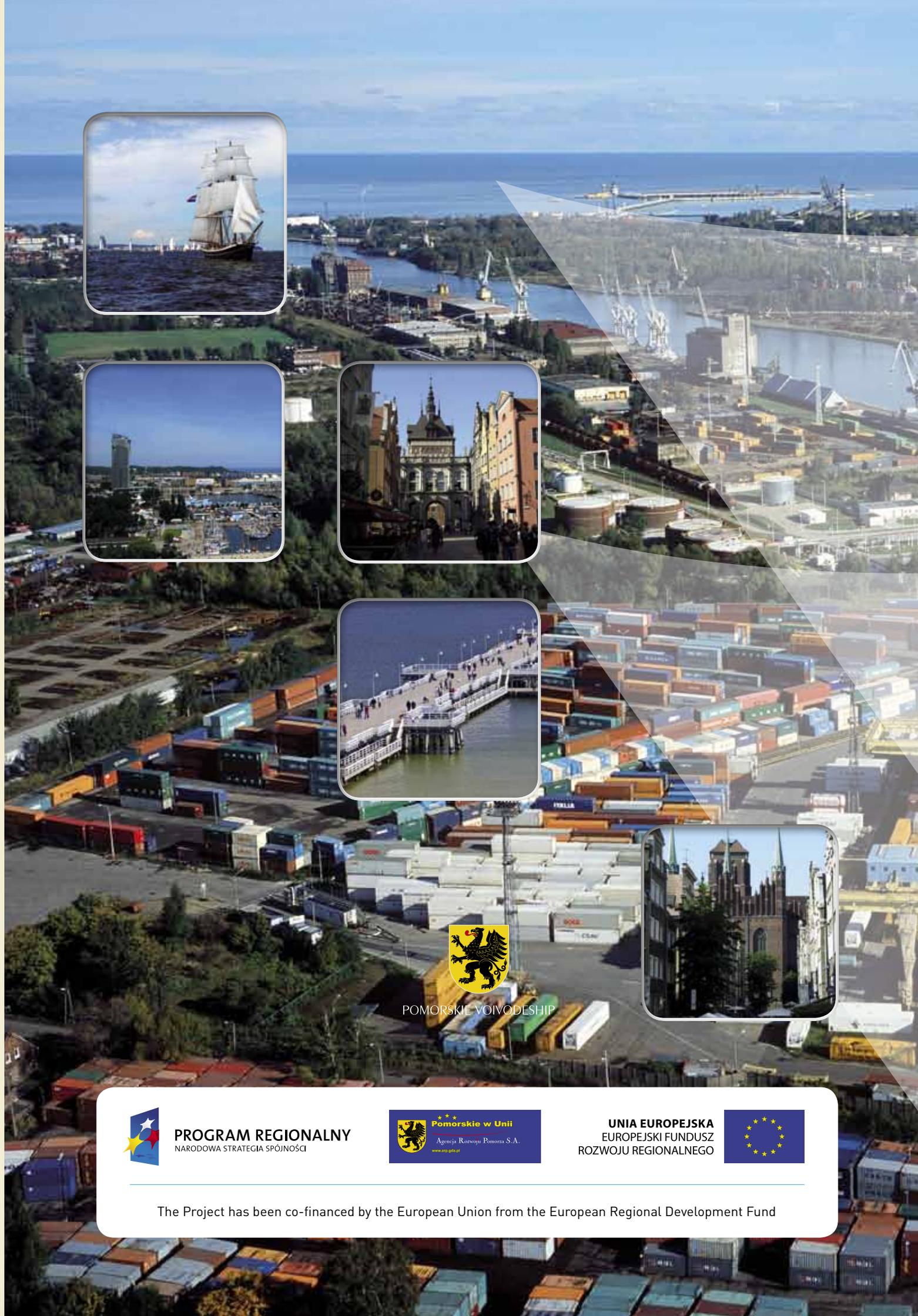
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POMORSKIE VOIVODESHIP



**PROGRAM REGIONALNY**  
NARODOWA STRATEGIA SPÓJNOŚCI



**UNIA EUROPEJSKA**  
EUROPEJSKI FUNDUSZ  
ROZWOJU REGIONALNEGO



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