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E- Newsletter

**Trade & Investment Promotion Section
Embassy of the Republic of Poland in London**

**No. 6
December / February 2009 - 2010**

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Bolesław Gryzel

It is my pleasure to present you the **first edition of our e – newsletter in 2010!**

For this copy we have prepared a very interesting set of articles – Lublin City profile, a discussion with the representatives of KGHM Letia about investments in Technology Parks and many more.

Our friends from the Warsaw Stock Exchange prepared an interesting article regarding the IPO's market.

This edition is going to be also the start of our cooperation with the Ministry of Treasury of the Republic of Poland. In the following editions of this e-newsletter we will present expert information regarding the privatization process in Poland.

Besides that we present you the usual coverage of our events, macroeconomic data and many more!

I wish you a pleasant time reading this month's edition of our e - newsletter.

Bolesław Gryzel
First Councillor
Head of Trade & Investment Promotion Section
Embassy of the Republic of Poland in London

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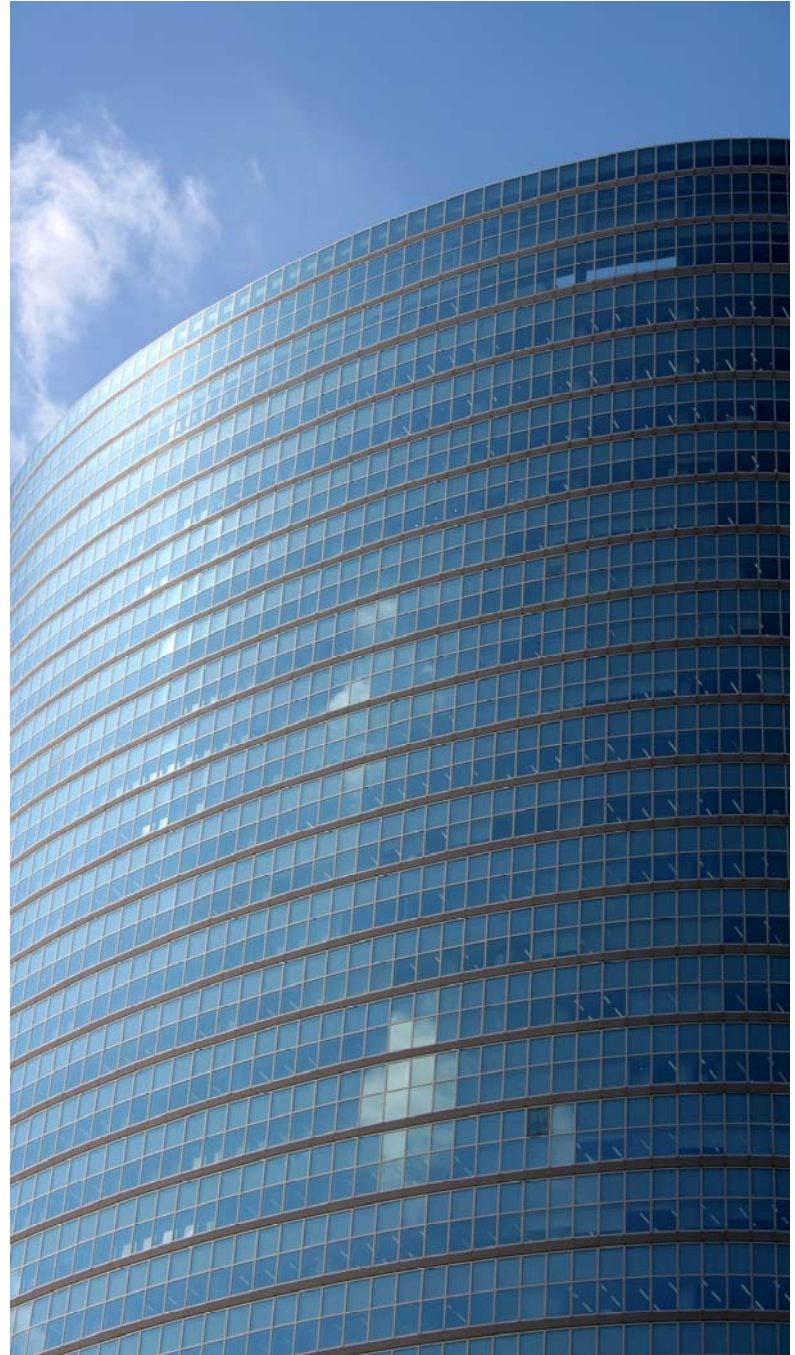
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News

University of Life Sciences in Lublin to receive EU support

20-01-2010



University of Life Sciences in the mid-eastern city of Lublin is to receive PLN 80 million from the Operation Programme - Development of Eastern Poland for the construction of Innovation and Implementation Centre for New Technologies in Agricultural Engineering. The Centre will be opened in 2013.

The new facility will have specialist laboratories which will meet the needs of several university's departments including Department of Applied Mathematics, Landscape Architecture and Management in Agricultural Engineering.

The investment will jointly require PLN 90 million. The project is the second investment realised by the University thanks to EU funds allocated in the framework of the Operational Programme - Development of Eastern Poland.

An agreement concerning the financing of the University's Central Laboratory was signed in March 2009.

(Polish Agency for Enterprise Development)

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McKinsey & Company opens a Knowledge Research and Development Centre in Wrocław

14-01-2010



McKinsey&Company confirmed its plans to open a Knowledge Research and Development Centre in Wrocław.

The centre will be 4th facility of the kind in the McKinsey Knowledge Centre network. From 35 to even 100 jobs for highly-qualified analysts may be created in the facility. The Centre will start operating this year.

The centre will recruit employees from graduates of, among others, higher education establishments located in Wrocław as well as experienced specialists in a variety of fields.

All the employees will receive training in data search and analysis as well as in individual function fields (e.g. pharmaceuticals and health care, telecommunications, transport and logistics, automotive issues, operational activities, consumer goods).

- The centre will provide services for McKinsey consultants and specialists in Europe and on other continents. - says Jacek Poświata, Managing Director of McKinsey&Company in Poland.

- The McKinsey investment confirms the fact that people constitute the greatest advantage of Poland. Thanks to educated, competent staff we are Europe's business services centre. The dynamic development of McKinsey in Poland also confirms the favourable climate the country created for investors. I congratulate the company on their choice and hope it will develop new successful projects - said Sławomir Majman, PAIIZ President.

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McKinsey & Company, Inc. is an international management consulting company. McKinsey has over 90 offices in 50 countries.

In Poland the company was established in 1993. Polish McKinsey consultants work in international teams, advising clients both at home and abroad, from the Czech Republic through Germany, France, USA, Australia, South Africa and Dubai. McKinsey advises the leaders of the economy, including insurance companies and banks, telecommunications companies, energy companies, petroleum and consumer goods manufacturers and the public sector.

(UM Wrocław/McKinsey/PAlilZ)

Windmills over coal

2010-01-29

What happens if a major brown coal deposit becomes exhausted? According to experts, renewable energy options are endless. „Why not an ecological strip mine?“, Dariusz Orlikowski, President of the Adamów SA Brown Coal Mine asks in the following remarks for ‘Polish Market’.

Ongoing debates around the EU’s climate package as well as the need to diversify in-house energy sources have inspired management at the Adamów mine to turn towards renewable energy. Useful in this move will be Adamów’s situation on post-industrial terrain and adequate infrastructure including transformer/switching stations and transfer lines.

The terrain Adamów’s future wind farms are to stand on consists of exhausted outcrops recultivated with the use of soil removed during mining. The area has been revived both technologically and biologically (with the application of a pioneer alfalfa crop). Such post-industrial land often develops into farmland of even better quality than original land, which is important in this case as we plan to use the open areas between the wind farms to produce bio-mass for a planned bio-gas plant that will supply local farmers. Both the wind farms and the plant will be located in a Communal Energy Park, a joint project by our company and local authorities in Przykona.

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Each year we recultivate about 120 hectares in strip-mine outcrops in Władysławów, Koźmin i Adamów. Some of the regained terrain is turned into farmland, some into forestland, and some is used for water storage. There are water reservoirs in Bogdałów, Przykona and Janiszew, two are under construction in Koźmin and Władysławów. The reservoirs help regulate local water, which is crucial for plant and animal life as well as tourism and leisure in a region with no major water resources.

In a joint project with the Energa corporation we also plan to erect a wind farm on some of our post-industrial terrain in the Przykona commune. This farm's target capacity is about 80 MW, the first stage foresees the startup of 40 MW in late 2012. There are also possibilities of expanding the farm to include private-owned land and outcrops in Władysławów and Koźmin.

Adamów's future plans also foresee the acquisition of fresh natural resources to fuel the local power plant and our own Adamów plant. With this in mind we are in the course of prospecting. In 2009 we received a prospecting license for the Grochowy-Siąszyce area neighbouring on our existing terrain. The resources there have been initially estimated at around 100 million tons. We selected the prospecting company by tender, and if its efforts prove successful the Adamów mine will be able to look ahead into a secure future.

150th investor in the Łódź SEZ

21.01.2010

On January 21st, 2010 the Łódź Special Economic Zone issued new business activity permissions for six new investors. Among the new investing companies there was the 150th investor who opted for the zone. The company's name is HTL - Strefa.

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This company is a global leader in the production of disposable safety lancets for blood sampling and personal lancets for home use e.g. for diabetics. The owner of the company is a Swedish investment company EQT Partners.



150th investor in the Łódź SEZ (Source: Łódź SEZ)

In the Łódź SEZ HTL-Strefa will install a PLN 40 million worth new, technologically

advanced assembly line for insulin needles production. The project will be implemented in an existing HTL plant which is situated in Ozorków. The investor declared to employ at least 18 new workers. This is the third time HTL Group received a permit to operate in the Zone. To date the company invested a total of PLN 116 million and created 950 jobs in their facilities in Ozorków and Łęczyca.

Business activity permissions were granted also to Korona SA, ITG Solar, Liw Care Technology, Delia Cosmetics Distribution and Eurometal. Korona, one of Europe's largest producers of decorative and scented fragrant candles, will invest PLN 25 million to extend its plant in Wieluń. Due to the new investment, the company will employ at least 90 new employees.

In the Kleszczowa sub zone, ITG Solar will construct a PLN 40 million worth Poland's first production plant for silicon wafer solar cells. The factory will generate 76 workplaces. Also within the Kleszczowa sub zone, Eurometal plans to invest PLN 81.35 million and build a modern aluminum rolling mill. 80 people will find employment in the facility. Detailed information concerning investment plans of Liw Care Technology and Distribution Delia Cosmetics can be found in previous issues of the PAIIZ Newsletter (156 dated January 7th, 2010).

The new investors will jointly invest at least PLN 196.5 million and create over 300 jobs.

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The Łódź Special Economic Zone covers an area of 1182,2413 ha, and spreads within three regions: Łódź, Wielkopolska and Mazowsze. To date in the SEZ's 42 sub zones investors spent about PL

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Events

Christmas Business Mixer 2009

03.12.2010



Photo: Marek Sikora, Your Celebrity Day

On the 3rd of December 2009 friends and business partners joined the Trade & Investment Promotion Section of The Embassy of the Republic of Poland, the British Polish Chamber of Commerce and HSBC for a Christmas Business Mixer.

After a warm welcome by Aleksander Libera, II Secretary, Embassy of the Republic of Poland and Martin Oxley CEO - BPCC networking and business discussions started. The event gathered around 150 guests.

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Grand Opening of the new BPCC office in London

14.01.2010



The New Year has given us some great opportunities to visit our friends. On the 14th January 2010 the new BPCC office in London was officially opened and members joined for a great launch party.

The location of the office ([Vicarage House, Kensington Church Street](#)) was commented on by many of the guests as being more convenient and a better venue than the previous office. With a number of new staff now working in the UK, the office will be a hive of activity and the BPCC looks forward to seeing members there for meetings.

Source: BPCC www.bpcc.org.pl

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Interiors Birmingham Trade Fair 24-27.01.2010



The Trade & Investment Section of the Embassy of the Republic of Poland exhibited at the Interiors Birmingham Furniture. “Interiors” is the UK’s biggest event for the interiors industry and took place from 24-27 January 2010 at the NEC, Birmingham. During the fair representatives of the Section had the opportunity to establish important contacts with wholesalers, sourcing managers etc. from the UK furniture industry. The event was also a great possibility to present the manufacturing opportunities of Poland to a broad audience of sector specialists and experts.

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Macroeconomic data – Poland

- **Poland's economy stronger than analysts' forecasts**

Gross Domestic Product (GDP) in 2009 was higher in real terms by 1.7% compared with 2008, and in 2008, GDP increased by 5.0% (constant prices of the previous year) - the Central Statistical Office has reported on the basis on preliminary estimates.

Once again, the Polish economy proved stronger than the forecasts published by the European Commission's in autumn when the Polish GDP was estimated to grow in 2009 by 1.2%. The same growth was forecast by the Ministry of Finance in the Budget Act. (GUS)

- **Industrial production in December 2009**

According to preliminary data published by the Central Statistical Office, sold industrial output was in December 2009 by 7.4% higher than last year and 5.4% lower as compared to November 2009, after eliminating the influence of seasonal factors, industrial production was by 6.2% higher than in the corresponding month of 2008 and was 2.8% lower as compared to November 2009.

The increase in the sold production y-o-y was recorded in 24 (out of 34) branches of industry, including in the production of chemicals and chemical products (27.9%), motor vehicles, trailers and semitrailers (26.0%), paper and paper products (21.7%), rubber and plastic products (18.1%), computers, electronic and optical products (17.5%) and electrical equipment (15.9%). Decline in industrial output y-o-y occurred in 10 sections including pharmaceuticals (11.8%), machinery and equipment (4.3%), metal products (2.6%).

In the period January-December 2009, the sold industrial output was about 3.2% lower compared to the same period in 2008 (GUS)

Ministry of Treasury News



Ministry of Treasury
of the Republic
of Poland

Privatisation in Poland – unique investment opportunities

The Privatisation Plan for the years 2008-2011 (the Plan), adopted by the Polish Government in April 2008, has been underway for almost 2 years and estimates to generate overall revenues of PLN 37 bn (approx GBP 8.15 bn¹). The Plan, which presents unique investment opportunities in Poland, contains proposals for the privatisation of over 800 companies in which the State Treasury holds significant stakes: so far, 202 privatisation projects have been completed and 434 projects are underway. The year 2010 is expected to be the most significant year in the Plan because of the scope of the planned privatisation transactions, as well as anticipated revenues.

The Plan lists participating companies from major economic sectors, such as financial institutions, the power industry, and chemical and petroleum industries, as well as those from other sectors, for example, machine, electronic, metals and food sectors. It also includes trading companies and service units, minority shareholdings (residues) or companies from the NFI (National Investment Fund) Programme. The Plan does not only cover companies which are considered as strategic for the Polish economy i.e. PSE-Operator or Gaz-System.

The Plan is underpinned by measures that the Ministry of Treasury intends to take in order to streamline the ownership transformation process in addition to reducing costs: these measures include a wide range of privatisation options. By considering a number of options, the privatisation process can be customised to accommodate the specific needs and features of a company, as well as the current economic situation. Additionally, continually reviewing the privatisation regulations facilitates the process.

¹ PLN/GBP exchange rate as of 3 February 2010 (Source: National Bank of Poland)

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Responding to the increasing interest of foreign investors in participating in the privatisation process, the Ministry of Treasury launched a website in English (www.msp.gov.pl/en), which is focused on the needs of potential investors and, in the Investor Relations section, interested parties can access general information on their selected company. The website also contains a comprehensive database of profiles of companies intended for privatisation in the near future, or those for which the sales procedure is pending. As new announcements concerning the privatisation process are available, profiles of other companies will be added and updated. The profiles contain essential facts regarding the market in which a specific company operates, a description of their strategic business plan, and current financial data as well as the proposed privatisation schedule and procedure. Additionally, the dedicated Investor Relations section provides the opportunity to explore the various privatisation options, access the latest news concerning the sales of stakes owned by the Treasury or learn more about the specifics of the Plan.



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As well as launching the actual website, the Ministry established an Investor Relations Centre in order to provide information and all necessary help to potential investors who would like to take part in the privatisation process. Potential investors interested in obtaining information on companies intended for privatisation may use an on-line contact form which is accessible on the website, receive information by sending requests to the dedicated e-mail address (investor@msp.gov.pl) or simply by contacting the Centre by telephone. Employees at the Centre are also able to initiate contact between interested parties and the companies themselves, as well as organising meetings to explain the specifics of the privatisation plan to anyone interested in learning more about it.

As already stated, 2010 is a crucial year in the successful implementation of the Plan, both in terms of transactions and revenues. Many milestone privatisation projects will be carried out in 2010, most importantly in the energy, chemical and financial institutions sectors and more details will be provided in the next newsletter. By producing such newsletters, we would like to encourage you to consider joining the process of economic transformation in Poland. Thanks to our central location at the heart of Europe, our developed economy and our reliable and effective monetary and fiscal policies, Poland is an ideal place for capital investments.

Contact:

Investor Relations Centre
Ministry of Treasury
E-mail: investor@msp.gov.pl
Phone: /+48 22/ 695 90 01
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Warsaw Stock Exchange News



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WSE – Leading in Europe in Terms of IPOs Number in 2009

The Warsaw Stock Exchange is in the first place among European stock exchanges in terms of the number of newly listed companies in 2009, according to the latest IPO Watch Europe report prepared by PwC. The first time in its history, the Warsaw bourse takes the top position.

“The Polish capital market becomes one of the barometers and instruments of European economy development. Large transactions carried out through the Warsaw Stock Exchange, both as initial and secondary public offerings, support that statement” – Ludwik Sobolewski, WSE President, comments the recent PwC report.

According to the latest IPO Watch Europe report prepared by PricewaterhouseCoopers (PwC), Warsaw is in the top position in terms of the number of IPOs not only in the CEE region, but also compared to such established exchanges as NYSE-Euronext, Nasdaq-OMX or Deutsche Boerse. The WSE already occupied high, runner-up, positions in 2008 and 2007 but it is the first time in its history that the Warsaw bourse is in the top spot in the IPO Watch report. In terms of the IPOs value in 2009, the WSE is the third largest exchange in Europe.

The WSE’s high position regarding primary market activity is a result of both a large value of shares subscribed by investors and a high number of new listings. The PwC report has been compiled for years following the same methodology. The fact that the WSE has been advancing systematically in recent years towards the top position in European rankings proves how effective, significant and recession-proof the WSE is as a mechanism of raising equity.

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Table no. 1 – IPO Number and value on European bourses.
(regulated and alternative markets, source: PwC)

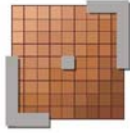
European IPO Market in 2008			European IPO Market in 2009		
Exchange	Number of IPOs	IPOs Value (mln €)	Exchange	Number of IPOs	IPOs Value (mln €)
LSE	99	8,884	WSE	38	1 594
WSE	91	2,502	NYSE Euronext	36	1 908
NYSE Euronext	65	2,501	LSE	25	1 660
Nasdaq OMX	26	208	Luksemburg	20	1 296
Luxembourg	20	314	Nasdaq OMX	11	66
Oslo Børs	13	63	Borsa Italiana	6	137
Deutsche Boerse	12	330	Deutsche Boerse	5	53
Borsa Italiana	6	129	SIX Swiss Exchange	4	-
SIX Swiss Exchange	6	424	BME	3	19
Irish SE	1	-	Oslo Børs	2	91
BME	1	292	Athens SE	1	10
Wiener Boerse	-	-	Irish SE	-	-
Athens SE	-	-	Wiener Boerse	-	-

WSE's high position in 2009 is a result, among others, of the PGE (Polska Grupa Energetyczna) offering (first listing: Nov. 6) which was the largest IPO in Europe in the fourth quarter.

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From a professional perspective: Investing in Technology Parks in Poland



KGHM LETIA

**Interview with Lidia Ciesielska - President and
Piotr Urbaniak – Vice-president of the
Technology Park KGHM LETIA.**



Photo: Lidia Ciesielska – President KGHM Letia

“Our aim is to offer high quality infrastructure and support facilities for innovation and technology development. We have developed partnerships between industries, business service providers and universities/applied research institutes

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to guarantee access to relevant business services and technologies” says Lidia Ciesielska – President of the Technology Park KGHM LETIA.

What makes us special?

- Perfect location in the heart of Europe
- Lower costs of employment, land for investment as well as rent of office space than in most big cities such as Wrocław, Poznań, Gdańsk or Cracow.
- Possibilities to cooperate with KGHM Polska Miedz Capital Group (copper mining and smelting conglomerate).
- Legnica is a city with a large number of well qualified staff. There are more than 12 thousand students in Legnica Colleges of Higher Education.
- Close vicinity to Wrocław allow access to highly qualified specialists (Wrocław University of Technology, Wrocław University of Economics, Wrocław Medical University, University of Wrocław)
- Concessions and reliefs: e.g. exemption from tax for legal persons and property tax concessions

Who we are?

The major shareholder of KGHM LETIA is KGHM Polska Miedz. Other shareholder include Wrocław University of Technology and Marshal's Office of Lower Silesia. KGHM Polska Miedz S.A. is one of the largest Polish exporters and the 6th-largest producer of copper and the 2nd-largest producer of silver in the world. Other products of KGHM include gold, lead, sulphuric acid and rock salt. KGHM Polska Miedz S.A. owns shares in 21 entities, operating in various production and service-related areas. The Company employs over 28 thousand people in the Group and it is largest employer in Lower Silesia.

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Why Technology Park KGHM Letia in Lower Silesia?



Photo: Piotr Urbaniak – Vice - President KGHM Letia

Most foreign investors agree that there is a good atmosphere for investment in Lower Silesia. **They are satisfied with co-operation with local authorities. Great majority would once again make the same decision of investing in this region. Based on the report: *Assessment of the investment climate in Lower Silesia by foreign direct investors* by the Institute of International Studies of the University of Wrocław).**

Lower Silesia take second place in ranking of investment attractiveness of voivodeship by Polish Information and Foreign Investment Agency (PAIIZ, 2007);

And Legnica is the third biggest city of Lower Silesia, with over 100 000 inhabitants, located near important road and rail hubs. It is an important administrative, cultural and economic centre.

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Within the last 6 years over 20 companies opened their branches and offices in Legnica, employing jointly over 8 000 people.

The government of Legnica is the winner of European Ecological Award (2008). In 2007 the city was also awarded the title of “Patron of Polish Ecology”.

Well educated people

High qualifications of the inhabitants of Lower Silesia are one of the main motors accelerating the development of the region. At present there are over 166 000 students learning in 26 colleges in the region.

In Legnica itself there are over 12 000 students in 6 colleges. The city boasts high rate (10%) of people with higher education.

Specialists of Lower and Middle level also come from Legnica’s upper secondary schools, such as:

1. Universities of Applied Sciences (degree awarding)
 - Engineering management
 - Industrial process control
 - Logistics
 - Labor safety engineering
 - FACULTY OF MANAGEMENT AND PRODUCTION ENGINEERING (II DEGREE STUDIES)
 - Renewable sources power engineering
 - IT technologies in production engineering
 - Administration
 - Automation, robotics, robotics and mechatronics
 - Metallurgy
 - Plastic processing of non-ferrous metals – non-ferrous metals extraction processes engineering
 - Economics
2. Polish Open University which offers a joint UK-Polish managerial degree and postgraduate qualifications.
3. Managers’ School (degree awarding)

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4. Foreign Language Teacher Training College (degree awarding)
5. A Campus of Wrocław Technical University (degree awarding)
6. Higher Theological Seminary of Legnica Diocese (degree awarding)
7. Assembly of Electric-Mechanical Schools
8. Practical Education Center

Who is here already here?

The choice of Lower Silesia for investments by such firms as: 3M, AIB, Electrolux, Google, LG Philips LCD, LG Electronics, Toshiba, Toyota, Volvo, Whirlpool, HP.

Centres BPO/SSC: DeLaval, HP, KPIT Cummins, Volvo, UPS, Google, Opera Software, Siemens, Alstom, PFPC, Nokia Siemens.

Overall 5 800 companies with foreign capital invested in Lower Silesia within the last few years. Leading industries: banking and insurance, automotive industry, food production, machines industry, chemical industry, industry of non-ferrous metals

Leading business areas in Legnica include: electronics, metal processing, textiles, accessories and parts for automotive industry.

Biggest companies in Legnica:

- Winkelmann Ltd. – producer of heating systems and boilers, origin: German, invested capital: USD 84 million, employing: 775 people.
- Gates Polska Ltd. Legnica – producer of transmission belts, origin: American, invested capital USD74 million, employing: 333 people.
- Faurecia Legnica. – producer of isolation elements for car interior, origin: French, invested capital: USD 41 million, employing: 280 people.
- VOSS Automotive Polska Sp. z o.o. – producer of brake parts for automotive industry, origin: German, invested capital: USD 25 million, employing: 209 people.
- Sor Sor Iberica Polska Sp. z o.o., Spain – producer of parts for automotive industry

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- Wezi-Tec Sp. z o.o. – plastic parts for automotive industry, Germany, invested capital: USD 27 million, employing: 150 people.
- Härter Automatyżacja Sp. z o.o. – producer of electronic sub-systems, e.g. for mobile phones, German capital: 28 million, 178 employees.

At present there are 19 companies located in our Technology Park, with employment of 316 people. Avista Media is biggest investor in the KGHM LETIA and provide employment for over hundred staff. The company operates within call centre field. Second biggest investors is KGHM ECOREN. The company works on the special technology of extracting metallic rhenium from ammonium perrhenate has been recently proceeding at full steam.

Who we are looking for?

The main task of Technology Park KGHM LETIA is to create competitive and innovative regional economy through offering favourable conditions for investment. We would like to attract investors from the following sectors: ecology, renewable and alternative sources of energy, information technology and mining industry, logistics, metallurgy and nanotechnologies.



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What can we offer?

Investment sites

The land we offer has a favourable location in terms of communication. It is in a close proximity the A4 Motorway, 90 km to the German border, 80 km to the Czech border. The plots we offer for sale or lease have access to technical and road infrastructure:

1. Excellent location- 6 km from A 4 highway (Wrocław-Zgorzelec), close proximity to Legnica Special Economic Zone (possible cooperation).
2. Access to specialist media through a close proximity to Legnica Smelter:
 - Flat, partially developed and safe area;
 - High and low voltage transmission line available.
 - Access to waste water treatment and industrial waste disposal facility (unsecured);
 - Fire-fighting and chemical safety facilities available;
 - Road and rail access;
 - Gas pipes available;

Apart from attractive land prices we offer assistance in the investment process such as assistance in the investment process, business process outsourcing and Assistance in finding research and business partners.

Office infrastructure

Currently, the Legnica Technology Park offers office space at preferential rates in an office building located directly next to land for investment projects. The Legnica Technology Park offers office space rental, hot desk rental and access to a conference room for professional business meetings or presentations.

In one and a half years, new facilities will be made available for offices, conferences and exhibitions in Letia Business Centre, a complex of office buildings located in the centre of Legnica. Its perfect location designed to cater particularly for small and medium sized enterprises, combined with practical technological solutions and a nearby historic part of Legnica, will make the centre a prestigious place to locate business offices.

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Financial Concessions

On the 26 of November the City Council of Legnica has signed a resolution adopting the regional help programme for support for new investment designed for small and medium entrepreneurs who run businesses in Legnica.

According to the Programme the following fixed kinds properties or civil structures are exempt from property tax for the period of up to five years:

1. land
2. building or their parts
3. building structures or their parts

The above mentioned objects must be directly connected with business activities of small or medium entrepreneurs who introduce new investments or create new workplaces on the territories belonging to the city of Legnica.

“Thanks to the cooperation with the many institutions is able to ensure the access to many entitles and organizations supporting the development of technology and science,” says Piotr Urbaniak Vice-president of the Technology Park KGHM LETIA.

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Regional Focus: City of Lublin



Interview with Mr. Bartosz Sobotka – Head of the Investors' Assistance Office, City of Lublin.



Why Lublin?

Lublin is a city of young, well-educated people, where one inhabitant out of four is a student. It's a place open for business and culture. The most important advantages of the city are:

- strategic location,
- attractive investment offers,
- system of concessions and incentives for investors,
- competitive labour costs
- high receptiveness of the local market and the neighbouring markets of Ukraine and Belarus,
- extension of the transport system – development of the bypass and airport,

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- availability of qualified workforce,
- relatively low costs of living and conducting business activity,
- well-developed institutional and scientific environment
- availability of modern office space,
- positive experience of foreign investors,
- interesting cultural and recreational offer.

2. Does Lublin have a focus in terms of attracting Foreign Investments?

Apart from traditional sectors such as agriculture and food processing, the following economic sectors are a priority for Lublin:

- Technologically advanced production
- Shared service centres,
- Equipment dedicated to energy production, especially from renewable resources,
- Biotechnology.

Relatively low labour costs, a well-developed higher education system and availability of modern office space constitute powerful arguments for foreign investors setting up financial & accounting centres. The region of Lublin is characterized by highly favourable conditions for the development of a new generation power industry based on geothermal resources, coal gasification, solar power and biomass.

3. Three biggest advantages of Lublin?

In my opinion they are:

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-talent pool – 100.000 students; 20.000 graduates – well-educated young people with knowledge of foreign languages,

-competitive labour costs, lower than in other Polish regions

-system of concessions and incentives for investors

4. What kind of help can the City of Lublin offer foreign investors?

The most important form of aid constitute tax exemptions offered by the LUBLIN Sub-zone. This area constitutes an integral part of the EURO-PARK MIELEC Special Economic Zone managed by the Industrial Development Agency, branch in Mielec.

The sub-zone includes greenfield areas situated in the south-eastern part of the city (in the vicinity of the planned city ring-road, S-17 express route and the airport). At present, the sub-zone covers 80 hectares of land and sufficient measures have been taken to extend the Sub-zone.

Tax benefits for investors

Having received a permit, an investor starting business activity within the Lublin Sub-zone is entitled to regional aid in the form of corporate income tax exemption on account of:

1. incurred investment outlays,
2. creating new workplaces.

This exemption shall operate until the end of 2020.

Additionally, investors can apply for property tax exemption for a 3-year period.

Exemption from income tax exemption on account of new investment:

- 50 % for large enterprises (employing over 250 people)
- 60 % for medium-sized enterprises (employing 50-249 people)

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- 70 % for small enterprises (employing fewer than 50 people)

And exemption from property tax.

Within the Lublin City Hall operates the Investors Assistance Office which offers complex investor service:

- prepares, distributes and updates investment offers in Lublin on a regular basis,
- organizes and handles meetings of representatives of the local government authorities with investors interested in starting economic activity within the city,
- provides post-investment service - maintains positive relations with investors,
- provides information about concessions and incentives for investors,
- promotes the investment and economic potential of Lublin during investment fairs on the domestic and international market,
- collects statistical data regarding economic and legal conditions for investing and conducting economic activity within the City of Lublin, prepares publications promoting the investment opportunities in Lublin.

Every investor who is interested in Lublin receives a personal investment guide, who provides help throughout the whole process of preparing and carrying out the investment project.

In particular, the following forms of support are given:

- Initial market research (quantity, quality and labour costs by branch; real estate, warehouses and office space available;
- Sites search (preparation of a list of websites which include specific information required by the investor; organization of visits, meetings)
- Staff recruitment (providing help in negotiations with universities, labour offices and employment agencies)

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- Project co-ordination
- Post-investment services

The Labour Office offers additional forms of business support:

- Funds for creating new workplaces;
- Reimbursement of costs of hiring an unemployed worker directed by the labour office;
- Activation of the unemployed: professional training courses, vocational guidance, employment exchange, subsidized employment, unpaid traineeships for the unemployed up to 25 years of age and graduates up to 27 years of age.

5. Interesting case study?

One of the most interesting and valuable investment projects in Lublin in the recent years is the Genpact project. Since 2007 the company representatives had visited the city several times and scrutinized it carefully. We arranged several meetings with Carrier Offices, The Municipal Labour Office and Addeco Employment Agency. Therefore, they had been able to gather a detailed account of the city. Finally, we offered to lease one of the municipal buildings for the recruitment process, where Genpact spent several months developing a new branch office and building a new team. Meanwhile, negotiations were being conducted with a developer, and, after several months, the company had finally found a proper location. Currently, they are really satisfied with the decision of locating the company branch office here in Lublin, where as a shared services centre, it is constantly developing. They also continue to cooperate with the Lublin City Office.

We really hope that other BPO companies will follow and discover Lublin's investment potential.

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6. Economical crisis – what is the impact on Lublin?

The Polish economy is the most crisis-resistant in comparison to other Central European countries. Lublin is said to have financial stability. It is a place yet to be discovered with a great development potential. Labour force, scientific base, strategic location is only some of the features which constitute it.

I am convinced that an increasing number of western companies will locate their business in Lublin, which is constantly improving its infrastructure. Currently, an international airport is being developed in the vicinity of the Lublin Subzone providing fast and comfortable flight connections with many European and Asian countries. What's more, the development of Lublin bypass has just started, which will definitely improve the road transport system.

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7. Besides business – what is the city's development strategy.1

Besides business, there is culture. Lublin, a city of a multi-cultural tradition and a rich history, is a home to many splendid artists and animators. Since 2007, the cultural life has been expanding into new dimensions as numerous undertakings, initiatives and events come about. To add, Lublin is a candidate for the title of the European Capital of Culture 2016.

8. Last words

Welcome to Lublin, which offers a young and well-educated staff, relatively low costs of conducting business activity and it is located in close proximity to the highly receptive Eastern markets.

I would like to invite your participation in the LUB-INVEST 2010 Investment-Economic Forum. The event will be held in Lublin between the 23-25th of June. The most attractive part of the Forum is B2B meetings, during which you can discover the economic and investment potential of Lublin.

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Trade and Investment Promotion Section of the Embassy of the Republic of Poland in London is a point of first contact for potential investors and companies looking for business partners in Poland.

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