

DOING BUSINESS IN MAŁOPOLSKA

Guidebook for investors



POLAND INVITES INVESTORS



MAŁOPOLSKA

A PERFECT REGION FOR INVESTMENTS

3.4 MILLION

POPULATION (2020)

1.5 MILLION

ECONOMICALLY ACTIVE
POPULATION

15,183 SQ KM

TOTAL AREA
OF THE REGION

7.5%

GDP GROWTH
IN 2019 (CURRENT
PRICES)

61/ 22/ 182

NUMBER OF
CITIES/ DISTRICTS/
COMMUNES

8.1%

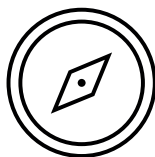
REGION'S SHARE
IN THE POLISH GDP
(2019)

**EUR 9,800/
PLN 44,500**

GDP PER CAPITA (2019)

**9.8 BILLION EUR/
44.7 BILLION PLN**

EXPORT OF FOOD
AND SERVICES (2019)



11,2%

INDUSTRIAL OUTPUT GROWTH (DECEMBER 2020)

In December 2020, the industrial output in Poland increased by 11.2%, compared to its value for last December.

It is one of the highest growth values in the past 10 years.

FOREWORD

Małopolska is a region situated in southern Poland, placed since many years at the forefront of the provinces which are most attractive for both Polish and foreign investors. High rate of economic growth, numerous business support institutions, favourable transport infrastructure – these are just some of the reasons why global companies have decided to invest right here. In addition, the investment potential of the region has been recognised in prestigious European competitions.

The historical city of Kraków, in which the modern business services sector is developing dynamically, is an unquestionable leader of Małopolska. The ecosystem of universities, research institutions and global corporations sets the scene for development of startups and technologies, distinguishing Kraków from other cities in Europe and worldwide.

Moreover, Kraków is one of the most prominent Polish academic centres with highly qualified specialists.

The Jagiellonian University and the AGH University of Science and Technology are the top universities in Poland as recognized in the PERSPEKTYWY, the most prestigious ranking of the Polish universities.

This guidebook will present the benefits of investing in Małopolska. Both foreign and domestic entrepreneurs will find here crucial information about the region and how to run a business in Poland.

Team
of the Business in Małopolska Centre



Business in Małopolska

WHY MAŁOPOLSKA?

There are many reasons why it is worth choosing Małopolska. Here are 10 of them:

- **LEADING REGION IN TERMS OF ECONOMIC GROWTH IN POLAND**
second highest increase of the regional GDP in the years 2014-2018
- **5TH REGION IN POLAND IN TERMS OF INDUSTRY**
industrial sale value in 2019 was EUR 25.5 billion/ PLN 116 billion
- **HIGH VALUE OF EXPORT**
EUR 9.8 billion/ PLN 44.7 billion – value of export of Małopolska
- **MOST INNOVATIVE REGION IN POLAND**
the highest average share of innovative enterprises in the total number of enterprises – 19.3%
- **HIGH AVAILABILITY OF FUNDS FOR BUSINESS**
over 14,000 SMEs received support, and another 2,000 SMEs plan to benefit from this support
- **ENGINEERING, MANAGERIAL STAFF AND THE BEST SPECIALISTS**
 - high percentage of employees with higher education and people with foreign language skills
 - 1.4 million economically active people with 30% of the employees with higher education
- **HIGH-QUALITY HIGHER EDUCATION**
40,000 university graduates, in science, technology, engineering or math (STEM) majors in 2019
- **FAVOURABLE BUSINESS INFRASTRUCTURE**
1.5 million sq m of office space, a wide warehouse offer, transport accessibility:
 - the A4 highway (672 km)
 - main transit corridor from Western Europe to Ukraine – CORRIDOR III
 - largest regional airport in Poland: Kraków Airport
- **HIGH LEVEL OF LIFE SATISFACTION**
 - first place as to the life satisfaction regarding the place of residence measured by provinces: 86% (Poland: 80%)
 - rich cultural, commercial and educational offer, also in English
- **NUMEROUS BUSINESS SUPPORT ORGANISATIONS**
PLN 4.9 billion – value of declared financial outlays based on 118 support decisions issued by the Kraków Technology Park since 2018 (under the Polish Investment Zone)

AWARDS FOR MAŁOPOLSKA

- **MAŁOPOLSKA TOOK 1ST PLACE**
in the prestigious international competition RegioStars 2016
- **MAŁOPOLSKA RANKED AT 6TH POSITION**
with respect to the strategy of direct foreign investment attraction 'European Cities and Regions of the Future 2018/2019' FDI Intelligence
- **LEADING POSITION OF THE REGION**
in the ranking of educational potential, according to the survey by BEAS [Business Environment Assessment Study] (2021)
- **KRAKÓW IS PLACED 10TH**
in the global ranking of the most business-friendly cities (the fDi Tier 2 Cities of the Future 2020/21 ranking)
- **KRAKÓW IS PLACED AT 20TH POSITION**
in the world in the prestigious ranking of most attractive cities for international business services Tholons Services Globalization City Index 2021
- **KRAKÓW – THE LARGEST BUSINESS SERVICE CENTRE IN POLAND ACCORDING TO THE ABSL REPORT (MODERN BUSINESS SERVICES SECTOR IN POLAND)**
 - the highest number of newly created jobs in the service sector (in the years 2018-2019)
 - the highest number of employees in the BPO, SSC, IT and R&D service centres

COMPANIES THAT INVESTED IN MAŁOPOLSKA:

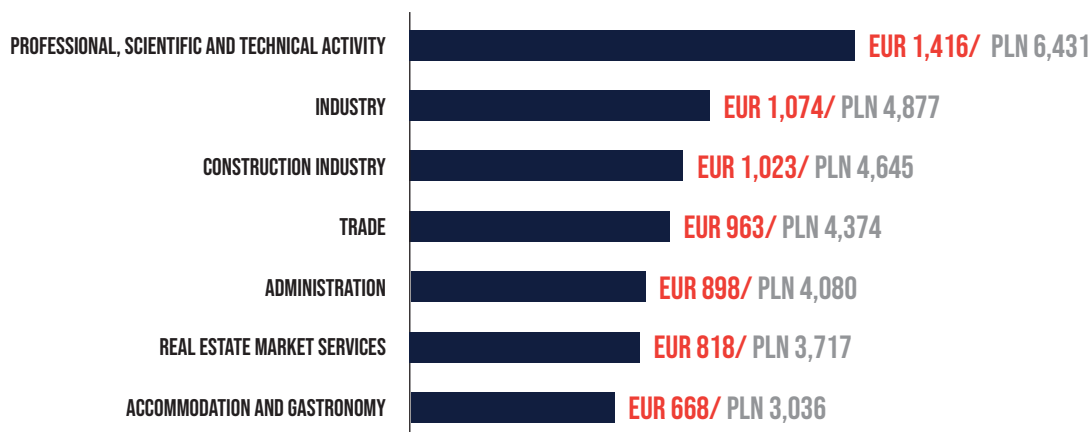
						
						
						
						

HUMAN CAPITAL IN MAŁOPOLSKA

One of the most important assets of Małopolska is the potential of its labour market:

- nearly 2.1 million residents (62% of the province's population) are people of working age, of which approximately 1.4 million are economically active (working or actively seeking work);
- it is predicted accordingly to the population growth forecast by the Central Statistical Office of Poland (GUS) that the number of population in Małopolska will be constantly increasing until 2035;
- Małopolska is considered by foreigners as an attractive place for working; in 2019 alone, over 39,000 work permits were issued to foreigners;
- salary level in the industry sector in Małopolska is on par with the average basic salary calculated for the whole country; the average salary in Małopolska is lower than in Mazovian or Silesia regions.

AVERAGE MONTHLY GROSS WAGES AND SALARIES IN ENTERPRISES SECTOR IN MAŁOPOLSKA (IN 2019):



GROSS MONTHLY SALARY IN THE INDUSTRIAL SECTOR (IN 2020):

- PRODUCTION OPERATOR - EUR 796/ PLN 3,615
- TECHNICIAN - EUR 981/ PLN 4,457
- ENGINEER - EUR 1,339/ PLN 6,083
- PRODUCTION MANAGER - EUR 2,011/ PLN 9,131
- SENIOR PRODUCTION MANAGER - EUR 4,404/ PLN 20,000

BTH Import Stal Sp. z o.o.

LABOUR MARKET IN MAŁOPOLSKA (2020):



3.4 MILLION
POPULATION SIZE



5,3%
UNEMPLOYMENT
RATE



107,800
REGISTERED
UNEMPLOYED PERSONS



2.1 MILLION
WORKING AGE POPULATION



1,123 EUR/ 5,098 PLN
AVERAGE MONTHLY GROSS WAGES AND SALARIES
IN ENTERPRISES SECTOR

In the academic year 2019/2020, there were 8,400 students from abroad studying in Małopolska. There were 15,000 students of post-graduate and PhD programmes.

145,200

STUDENTS IN THE ACADEMIC YEAR 2019/2020 IN MAŁOPOLSKA

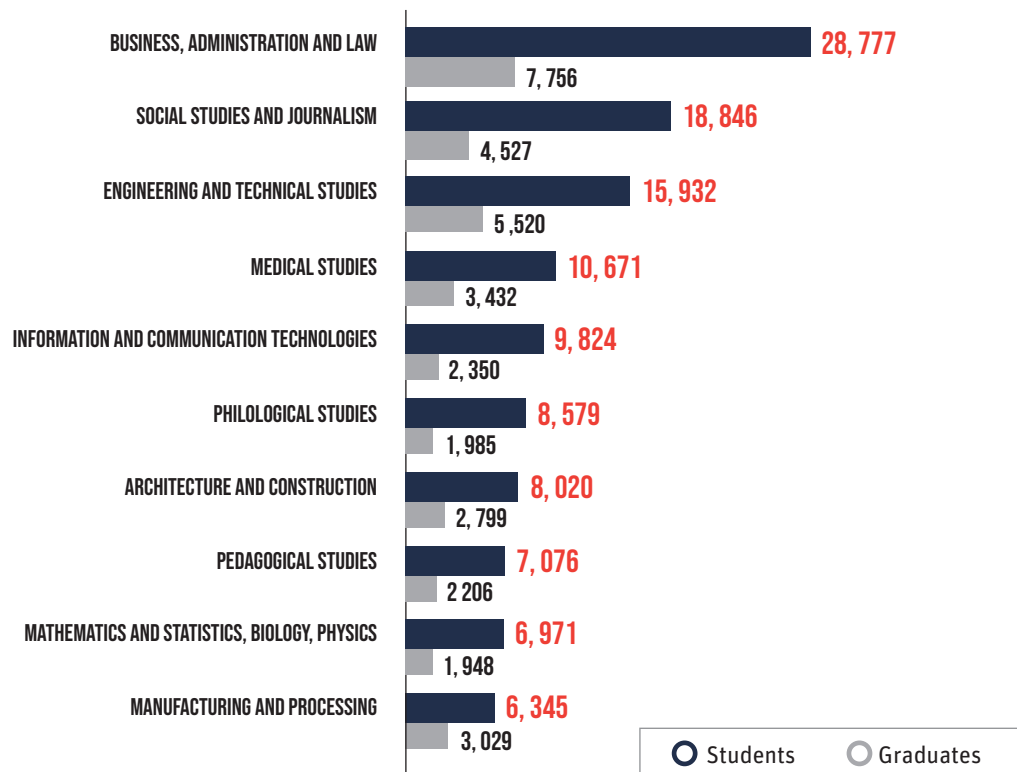


In the academic year 2019/2020, almost half of all the graduates of the universities in Małopolska obtained the Master's degree. Almost one in three of them graduated from technical university.

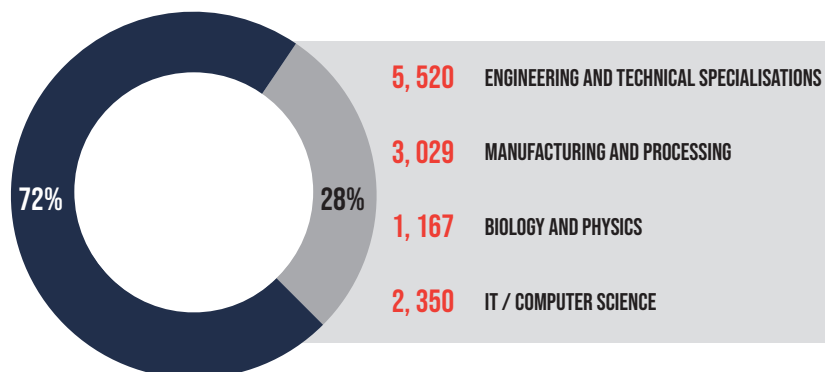
40,700

STUDENTS GRADUATED FROM THE UNIVERSITIES IN MAŁOPOLSKA IN THE ACADEMIC YEAR 2019/2020

NUMBER OF STUDENTS AND GRADUATES OF UNIVERSITIES IN MAŁOPOLSKA IN THE ACADEMIC YEAR 2019/2020 (BY SELECTED TYPE OF STUDIES)



GRADUATES IN THE ACADEMIC YEAR 2019/2020 BY TYPES OF SCIENCE AND TECHNOLOGY STUDIES



Students in Małopolska have the opportunity to choose from 22 universities (as of July 2021, the Polon base), whereas the majority of them study at the Jagiellonian University and the AGH University of Science and Technology in Kraków. As it appears from the statistical data for Małopolska, the number of students who decided to undertake technical studies is increasing every year.

R&D ACTIVITY IN THE REGION

The human potential in the R&D sector, significant on the national level, attracts international corporations and favours the development of knowledge-based business. Kraków is the chosen location for companies providing all types of business services, i.e. BPO (Business Process Outsourcing), SSC (Shared Service Centers), IT, ITO (Information Technology Outsourcing). This favors the appearance of R&D services.

Companies such as ABB, Akamai, Aptiv (formerly Delphi), Cisco, IBM, Motorola, Jacobs, Ericsson, Lockheed Martin, Grupa Azoty S.A., EC Grupa and Fideltronik have chosen to locate their R&D investments in Kraków and Małopolska.

Małopolska ranks:

1ST PLACE IN POLAND

- in terms of the value of the GERD/GDP and BERD/GDP indicators; Małopolska is the only region in Poland where the R&D expenses exceed 2% of GDP.

2ND PLACE IN POLAND

- in terms of total expenditure on R&D activity;
- in terms of amount of expenditure carried out on R&D activity in the business enterprise sector - this indicates good condition and investment activity of this sector;
- in terms of the gross value of R&D equipment;
- in terms of the number of entities in possession of R&D equipment, which confirms that there are necessary facilities in the region to conduct researches there;
- in terms of the number of employees in the R&D sector.

2.16% - GERD/ GDP

TOTAL EXPENDITURE ON R&D ACTIVITY
IN RELATION TO GDP

1.66% - BERD/ GDP

EXPENDITURE OF BUSINESS ENTERPRISE
SECTOR ON R&D ACTIVITY IN RELATION TO GDP

EUR 903 MILLION/

PLN 4.1 BILLION

TOTAL EXPENDITURE ON R&D ACTIVITY

EUR 484 MILLION/

PLN 2.2 BILLION

BUSINESS ENTERPRISE SECTOR EXPENDITURE
ON R&D ACTIVITY

EUR 506 MILLION/

PLN 2.3 BILLION

GROSS VALUE OF SCIENTIFIC AND RESEARCH
EQUIPMENT

180 ENTITIES

IN THE REGION WITH SCIENTIFIC
AND RESEARCH EQUIPMENT



81%

OF R&D STAFF ARE RESEARCHERS,
13,3% TECHNICIANS AND EQUIVALENT
EMPLOYEES, 5,7% OTHER STAFF



27%

OF EXPENDITURES IS INCURRED
ON NATURAL SCIENCES (EUR 242
MILLION/ PLN 1.1 BILLION)



35,200

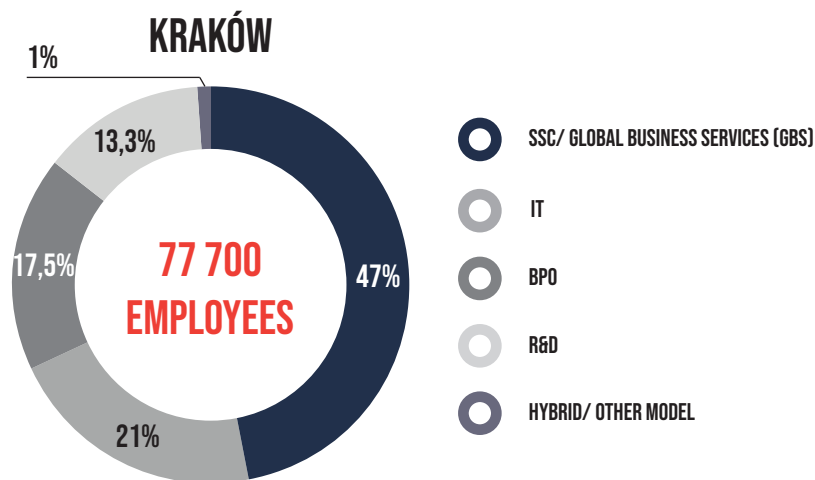
NUMBER OF R&D EMPLOYEES IN
MAŁOPOLSKA, WHICH REPRESENTS
13% OF R&D STAFF IN POLAND

MODERN BUSINESS SERVICES IN KRAKÓW

Over 300,000 employees are employed with Polish and foreign BPO, SSC/GBS, IT and R&D service centres in Poland. Kraków remains unchangingly the leading city among the eleven largest business service centres in terms of:

- employment rate in business service centres;
- availability of talent pools and highly qualified personnel;
- overall assessment of the centre as a place to run business in.

EMPLOYMENT STRUCTURE IN SERVICES CENTRES IN KRAKÓW BY TYPE OF CENTRE (ACCORDING TO THE DOMINANT ACTIVITY PROFILE)



77,700

NUMBER OF EMPLOYEES EMPLOYED IN BPO, SSC/GBS, IT, R&D SERVICE CENTRES THAT PROVIDE SERVICES IN FOREIGN LANGUAGES

41

NUMBER OF BPO, SSC/GBS, IT, R&D SERVICE CENTRES EMPLOYING AT LEAST 500 PEOPLE

10,9%

COMPOUND ANNUAL GROWTH RATE (CAGR) IN THE SECTOR IN THE YEARS 2016-2020

234

NUMBER OF BPO, SSC/GBS, IT, R&D SERVICE CENTRES (FIRST QUARTER OF 2020)

ABB / ACCENTURE OPERATIONS / ALK-ABELLÓ / AMWAY BUSINESS CENTRE EUROPE / AON / APTIV / ARROW SERVICES / BROWN BROTHERS HARRIMAN / CAPGEMINI BUSINESS SERVICES / CAPGEMINI CLOUD INFRASTRUCTURE SERVICES / CAPITA / EUROCLEAR BANK / GENPACT / GLOBALLOGIC / HAYS POLAND CENTRE OF EXCELLENCE / HEINEKEN GLOBAL SHARED SERVICES / HITACHI VANTARA / HSBC SERVICE DELIVERY / IBM BTO / IBM SOFTWARE LAB / INNOGY / INTIVE / IT KONTRAKT / JACOBS / LUFTHANSA GLOBAL BUSINESS SERVICES / LUXOFT / MAJOREL / MOTOROLA SOLUTIONS SYSTEMS / PMI SCE / QVC POLAND GLOBAL SERVICES / RELATIVITY / SABRE / SHELL / SII / SPYROSOFT / STATE STREET BANK INTERNATIONAL / TELEPERFORMANCE POLSKA / TIETO / TTEC EUROPE / TYRENS / UBS BUSINESS SOLUTIONS POLAND / WIPRO

KRAKÓW - THE CITY OF STARTUPS

Universities, students, branches of global corporations and research institutes – this is an excellent ecosystem for the flourishing of startups and technologies that stand out not only in Poland.

EDUTECH, BIG DATA, INTERNET OF THINGS (IOT) AND MARKETECH ARE THE MOST COMMON INDUSTRIES in which startups operate in the Małopolska region

ARTIFICIAL INTELLIGENCE AND MACHINE LEARNING, INDUSTRY 4.0, BUSINESS INTELLIGENCE are next in terms of popularity

65% OF ALL POLISH STARTUPS ARE LOCALISED IN 5 HUBS: Warsaw, Wrocław, Kraków, Lublin and the Tricity

APPROX. 10% OF POLISH STARTUPS are based in Kraków

40% OF STARTUPS THAT HAVE RAISED FUNDS IN THE AMOUNT OF MORE THAN 2.3 MILLION EUR/ 10 MILLION PLN come from Małopolska

AS MANY AS 24% OF STARTUPS THAT OBTAINED FINANCING found it thanks to the help of national accelerators

117 MILLION EUR/ 500 MILLION PLN - FUNDS RAISED IN 2017 BY 8 LEADING STARTUPS IN THE REGION, employing approximately 800 people

13 UNIVERSITY INCUBATORS support the commercialisation of research

600 TECHNOLOGY EVENTS ARE ORGANISED ANNUALLY for startups in Małopolska

The strong position of Kraków among other large cities is primarily due to the fact that the most efficient mentors, investors and organisations supporting the startup ecosystem operate here, e.g.: Kraków Technology Park, #StartUP Małopolska, Hub:raum, Supporting Foundation #omgkrk, The Kraków as a City of Startups Foundation.

SELECTED STARTUPS FROM THE REGION:

AUTENTI[®]

BRAINLY

callpage

codewise

ELMODIS

estimote

SALESmanago
marketing automation

SYNERISE

INVESTMENT INCENTIVES FOR ENTREPRENEURS

Poland offers a broad range of investment incentives for entrepreneurs:

POLISH INVESTMENT ZONE

income tax break

R&D TAX BREAK

REAL ESTATE TAX EXEMPTION

INVESTMENT SUPPORT PROGRAMME (PWI) GOVERNMENTAL GRANTS

(employment, investments)

IP BOX

preferential rate of PIT/CIT

EUROPEAN FUNDS

POLISH INVESTMENT ZONE - AN INCOME TAX BREAK FOR NEW INVESTMENT PROJECTS

1. Who makes the decision about granting this income tax break?

The administrative decision ('Support Decision') in that matter is issued by the Krakow Technology Park (KPT) in the Małopolska Region and the Jędrzejowski County, on behalf of the Minister responsible for the economy.

www.kpt.krakow.pl

2. What kind of investment project qualifies for this tax break?

This tax break can be granted to businesses that carry out new investment projects, such as:



setting-up
of a new facility



increasing the
production capacity



launching
new products



fundamental change
in the overall
production process

This tax break is also available to the enterprise due to acquisition of assets of an enterprise which has closed or would have closed had it not been purchased.

3. What is the amount of tax break?

The level of the public aid (corporate and personal income tax breaks), within the area in which Krakow Technology Park operates, amounts to**:

40%* for large enterprises

50%* for medium-sized
enterprises

60%* for small and micro-
sized enterprises

* Capital expenditures incurred; as of January 1st, 2022, these new rates of public aid will apply according to the 'Guidelines on regional state aid for 2022-2027', adopted by the European Commission.

**Until January 1st, 2022, the rates of public aid will amount to: 35% for large enterprises, 45% for medium-sized enterprises, 55% for small and micro-enterprises (pursuant to the 'Guidelines on regional State aid for 2022-2027', adopted by the European Commission).

4. Where can the investment be located?

Investment can be placed in every location, either privately or publicly owned.

5. How long is the tax break granted for?

The time for using public aid is the same for every company, and amounts to:

12 YEARS from the day of receiving the Support Decision

15 YEARS in the area previously designated as a special economic zone (SEZ)

6. What investment projects can this public aid be granted for?

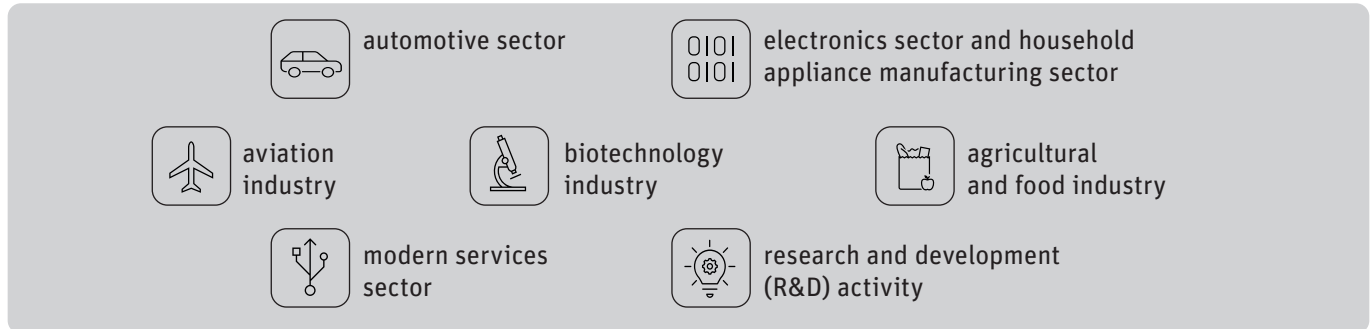
- all businesses from the traditional industries, with the exception of entities producing among others: alcohol, tobacco products, steel, electric energy and gas;
- certain companies from the services sector, including: IT services, research and development in natural and technical sciences, bookkeeping and book control, accounting services (with the exception of tax statements), research and technical analyses services, call centre services, architectural and engineering services.

This public aid is not available to companies that are active in e.g. retail and wholesale, construction works.

INVESTMENT SUPPORT PROGRAMME (PWI) GOVERNMENTAL GRANTS (EMPLOYMENT, INVESTMENTS)

Investors can benefit from governmental grants financed from ‘Programme for supporting investments of major importance to the Polish economy for years 2011-2030’ (employment grant and investment grant).

Application for grants can be submitted by entrepreneurs planning to invest in the following priority sectors:



R&D TAX BREAK

The research and development tax break allows all entrepreneurs conducting research activities to achieve financial gains, irrespective of the type of industry they operate in.

The research and development tax break is currently the most accessible support form for enterprises conducting research and development activities which are seeking funds for new investments. It entitles payers of corporate income tax and personal income tax to deduct 100% of eligible costs from tax base.

It is possible for companies to use 200% of certain costs incurred for research and development activities:

- by recognising it firstly as tax deductible cost (100%);
- then by deducting 100% of this cost from the tax base already calculated, in case of research and development centres it is allowed to deduct up to 150%.

Conditions to receive R&D tax break: conducting R&D activities; incurring eligible costs; proper accounting of eligible costs.



IP BOX – PREFERENTIAL RATE OF PIT/CIT

IP Box is a tax incentive for those who invest in innovations which supplements the R&D tax break. It introduces a preferential 5% tax rate of qualified income from eligible intellectual property rights (instead of 19% tax rate).

REAL ESTATE TAX EXEMPTION

Entrepreneurs can receive real estate tax exemption through the commune council resolution. The real estate tax is levied on land, buildings or parts thereof, structures or parts thereof used for the purpose of business activity.

2% of structure's value – this is the maximal annual tax rate for entrepreneurs (structure's value to be calculated pursuant to Art. 4.1.3 and 4.3-7 of the Act on taxes and local fees).

EUROPEAN FUNDS

NATIONAL LEVEL

60% of the funds from the EU Cohesion Policy will go to programmes carried out at the national level.

The European Funds for Infrastructure, Climate and Environment (FEnIKS)

Replacing the Operational Programme Infrastructure and Environment (POIiŚ), this new programme aims at:

- developing low-carbon economy,
- environmental protection, combating and adaptation to climate change,
- supporting investments in the transport sector, and endowing the health service and cultural heritage.

For whom?

- members of the local governments,
- entrepreneurs caring for the infrastructure used for purposes related to environmental protection.

Planned budget:

over EUR 25 billion

The European Funds for Modern Economy (FENG)

As a continuation of two previously existing programmes: the Operational Programme Innovative Economy 2007-2013 (POIG) and the Operational Programme Intelligent Development 2014-2020 (POIR), this new programme will be implemented by carrying out:

- R&D projects,
- innovative projects,
- projects aiming at increasing the competitiveness of the Polish economy.

For whom?

- entrepreneurs, science sector institutions, syndicates and business environment institutions.

Planned budget:

approx. EUR 7.9 billion

The European Funds for Social Development 2021-2027 (FERS)

As a continuation of the Programme Knowledge Education Development (POWER), this new programme aims at:

- improving the labour market situation,
- improving the accessibility for people with special needs,
- providing child care,
- enhancing the quality of education and improvement of abilities,
- developing social integration, services and economy,
- developing health care sector.

For whom?

- local governments, non-governmental organisations,
- social partners, institutions of higher education, schools, entrepreneurs,
- health care centres, parents of children under 3 years,
- disabled people and their families.

Planned budget:

over EUR 4 billion

The European Funds for Digital Development (FERC)

As a continuation of the Programme Digital Poland (POPC), this new programme aims at:

- assuring better access to ultrafast broadband Internet,
- providing advanced e-services, enabling citizens and entrepreneurs to settle formalities using only electronic means of communication,
- assuring cybersecurity within the new dedicated scope of intervention,
- developing the economy based on data and using the latest digital technologies,
- developing the cross-sectoral cooperation to develop digital solutions to social and economic problems,
- supporting the development of advanced digital competences, including in the scope of cybersecurity for local government units (JST) and entrepreneurs.

For whom?

- schools and educational institutions,
- entities of the higher education and science system,
- institutions providing medical treatment,
- transport hubs,
- places where public services are provided,
- cultural institutions, entrepreneurs.

Planned budget:

approx. EUR 2 billion

Technical Support for European Funds

The programme aims at supporting the beneficiaries of the European Funds in the form of:

- trainings for beneficiaries,
- developing the national IT system used for applying for and settling the EU projects,
- information and promotion activities to enhance the level of knowledge about the EU funds in Poland,
- the budget of the programme will be EUR 0.5 billion.

For whom?

- beneficiaries of the European Funds.

Planned budget:

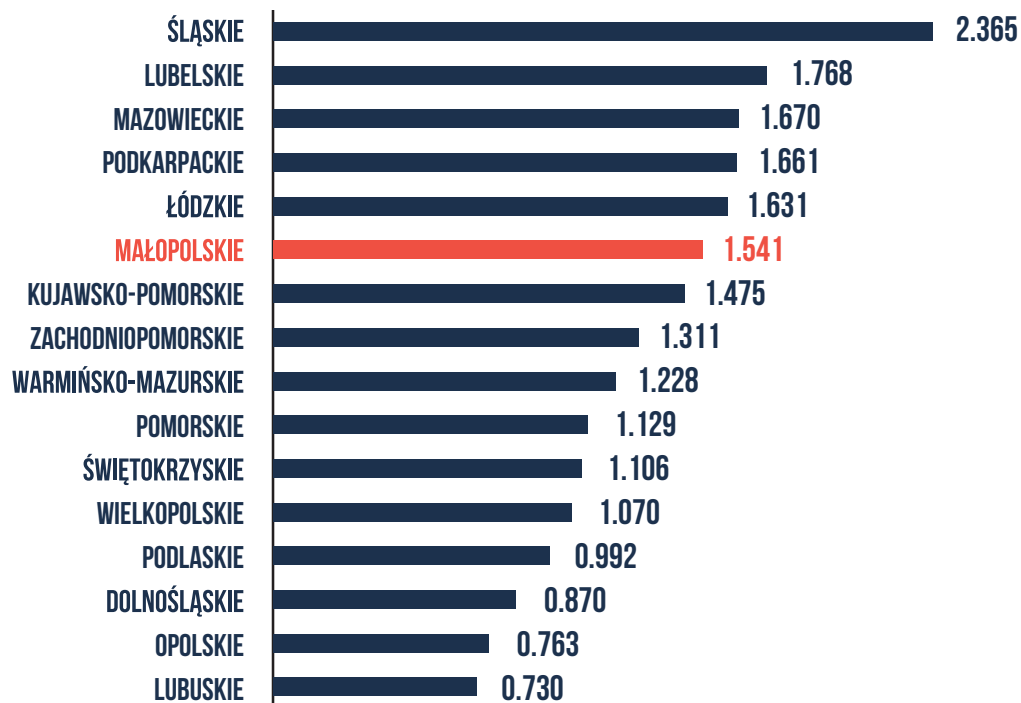
approx. EUR 0.5 billion

REGIONAL LEVEL

40% of funds under the the EU Cohesion Policy will be channelled to the regional programmes, governed by the province marshals.

EUR 1.54 billion – amount of financial support to be received by the region of Małopolska in the years 2021-2027.

AMOUNT OF FINANCIAL SUPPORT GRANTED UNDER THE REGIONAL PROGRAMMES BY REGIONS. AMOUNTS GIVEN IN EUR BILLION.

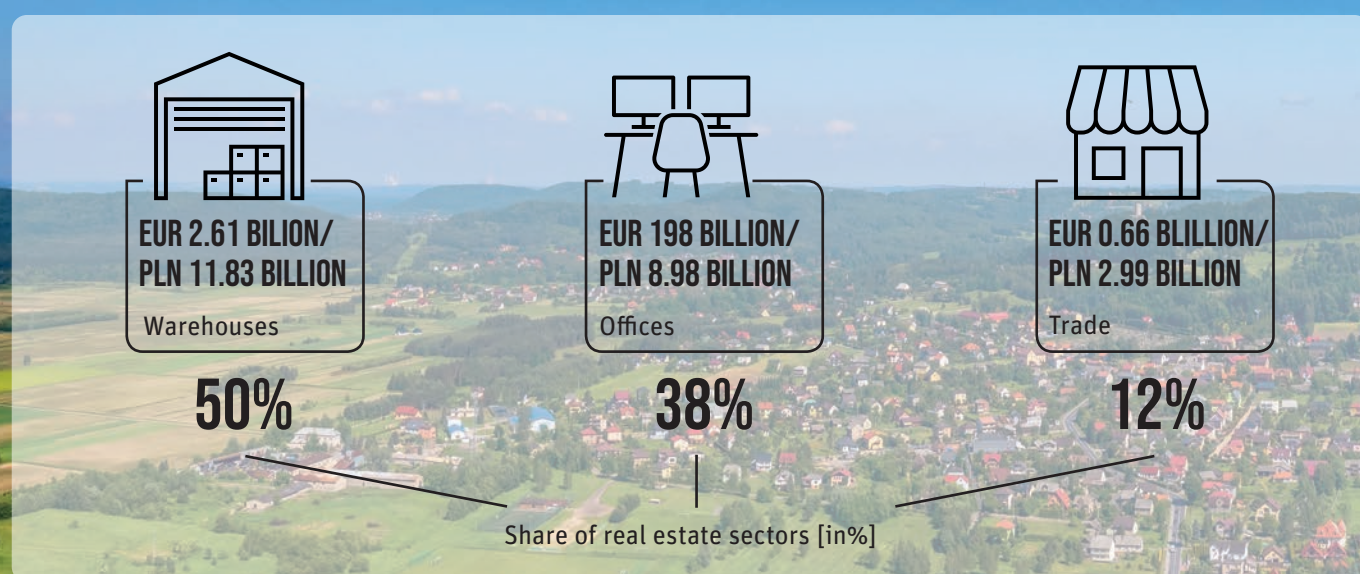


LOCATION OF INVESTMENTS

INVESTMENT PROPERTY MARKET IN POLAND

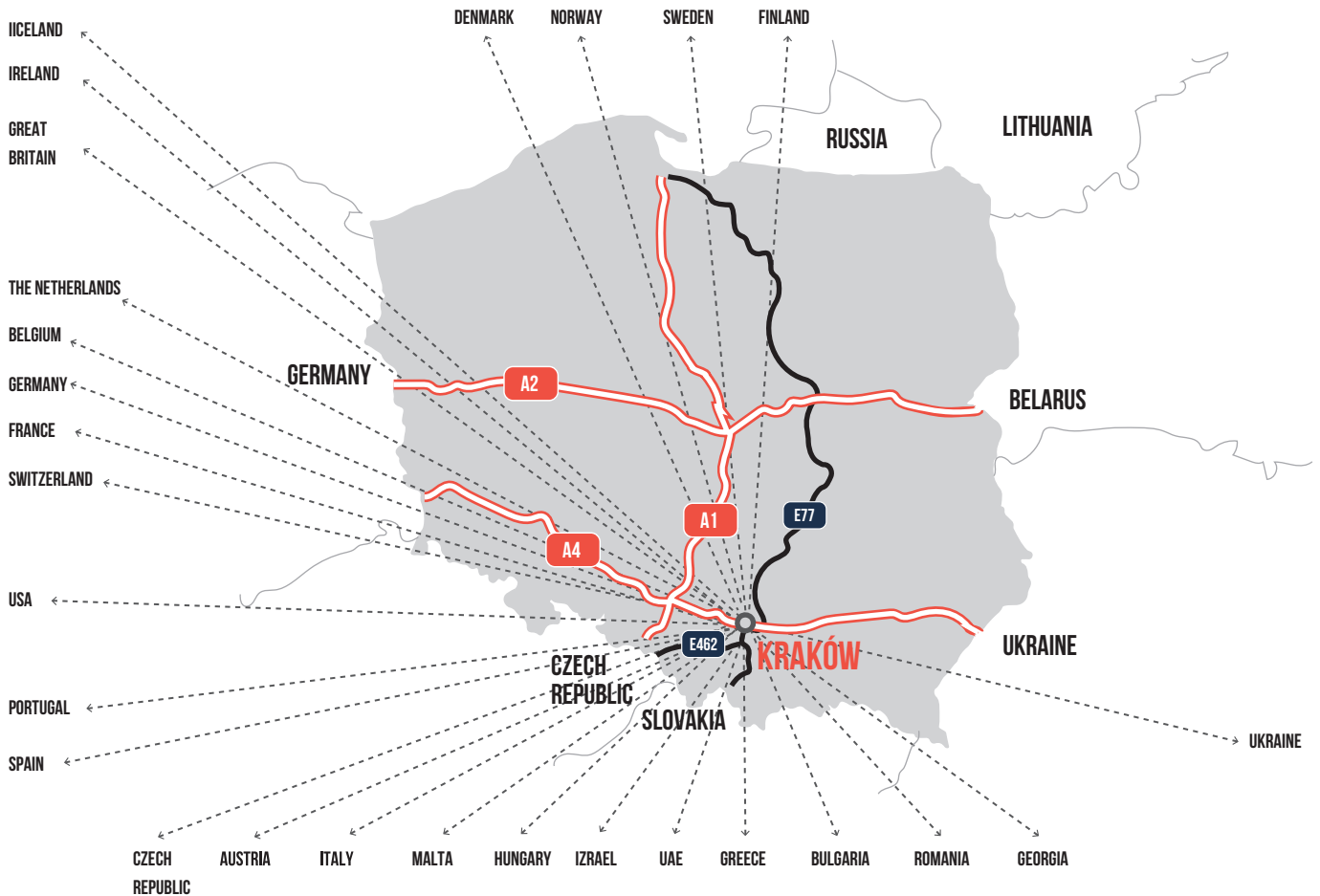
EUR 5.29 billion – value of the investment transactions concluded in 2020 on the commercial real estate market in Poland, whereby warehouses represent as much as 50% of the value.

The highest value of the warehouse share ever shall be attributed to the investors' reaction to the developing e-commerce market, which is thriving even better during the COVID-19 pandemic, and to the changing market segments.



ACCESS TO MAŁOPOLSKA IN TERMS OF TRANSPORTATION

ROAD INFRASTRUCTURE AND FLIGHTS CONNECTIONS



- east-west (the A4 highway + national road no. 94 – fast connection with Katowice, Rzeszów and with the Ukrainian border) – part of the international road E40
- north-south (national road no. 7 – connecting Kraków with the agglomeration of Tricity, Warsaw and Kielce) – part of the international road E77
- national roads in the region: 967.6 km
- provincial roads in the region: 1,374.2 km
- scheduled to be commissioned in the region: 156 km of expressways



Kraków Airport: 150 regular flights connections, 32 countries, 8.4 million passengers per year airport with Cargo terminal and PKP (Polish State Railways) Cargo station – respectively 15 and 10 km from the city centre of Kraków

OFFICE SPACE MARKET IN KRAKÓW

Kraków as the leading market in terms of the office space in the region.



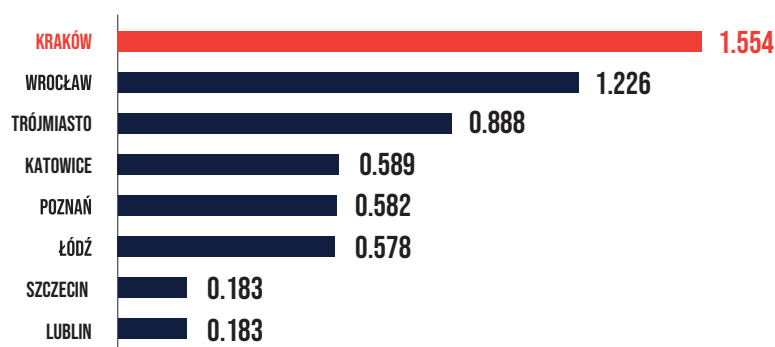
1.5 MILLION SQ M
OFFICE SPACE IN
KRAKÓW

140,000 SQ M
Newly delivered office space in Krakow (2020)

266,700 SQ M
The largest office space projects accomplished in 2020 in Krakow:

- Unity Centre (29.6 K sq m),
- HighFive third stage (23.5 K sq m),
- Podium Park B (15.7 K sq m).

MODERN OFFICE SPACE RESOURCES IN THE EIGHT LARGEST OFFICE MARKETS IN POLAND (AT THE END OF THE FOURTH QUARTER OF 2020)
IN MILLION SQ M



5,79 million sq m - total amount of modern office spaces of eight regional markets (fourth quarter of 2020).

393 300 sq m - the total amount of space delivered in 2020, the most of which in:

- Kraków (approx. 140 700 sq m),
- Katowice (61 300 sq m),
- Tricity (60 300 sq m).

WAREHOUSE MARKET IN MAŁOPOLSKA

The Małopolska region has very high warehouse potential, because of already existing warehouse space and warehouse space under construction. In Kraków and its surrounding area there are 17 warehouse parks, e.g.

- Goodman Kraków Airport Logistic Center
- Panattoni Park Kraków II
- Panattoni Park Kraków III
- MARR Business Park
- 7R Park Kraków I, II, III, IV

It is worth investing and locating warehouses in Małopolska region because of Małopolska advantageous location due to, among others, roads facilitating easy access to any place in Poland and Europe.

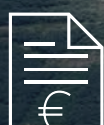
Warehouse space in Małopolska (as of December 2020):

56,000 SQ M
Total warehouse space

53,000 SQ M
Warehouse space under construction

4,4%
Vacancy rate

GENERAL RENTAL CONDITIONS:



3.6 - 4.9
Contract rent
€/sq m/month



9.0 - 10.0
Office rent
€/sq m/month



1,0 - 1,2
Service charges
€/sq m/month

GREENFIELD INVESTMENT AREAS IN THE REGION



1209

offers of investment areas in Poland

108

offers located in the province of Małopolska



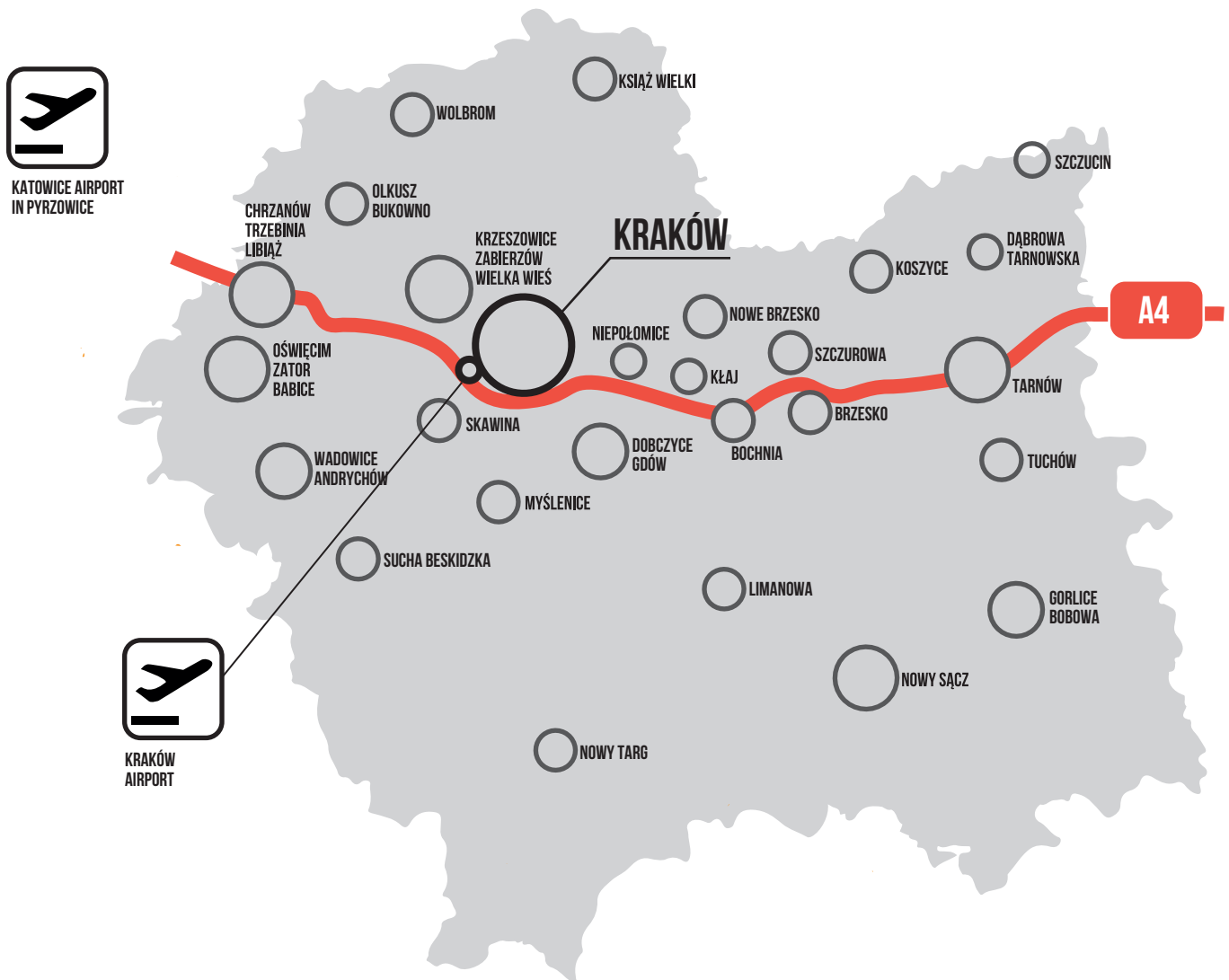
According to the Greenfield Database kept by The Polish Investment and Trade Agency (Polska Agencja Inwestycji i Handlu): baza.paih.gov.pl

BUSINESS ACTIVITY ZONES (SAG)

Business Activity Zones (SAG) – plots well prepared for investment-related purposes, which meet the need of potential investors. They are created most often by local government authorities.

These plots are located within zoning plans that allow production and/or services activities; they have internal roads and utilities connections ready.

BUSINESS ACTIVITY ZONES IN MAŁOPOLSKA



Interactive map of investment areas in Małopolska (PL/ EN) – plots, warehouses, offices:

mapy.businessinmalopolska.pl

FORMS OF BUSINESS ACTIVITY IN POLAND

PROCESS OF SETTING UP A BUSINESS ACTIVITY IN POLAND

Entrepreneurs in Poland have many forms of business activity to choose from.



POLISH TAX SYSTEM

The tax system in Poland falls within the competence of two types of bodies:

government authorities (CIT – 19%, PIT – 17% / 32%, VAT – 23% / 8% / 5%, flat tax – 19%, excise duty, tax on civil law transactions)

local government authorities (real property tax, vehicle excise duty)

WORKERS

FORMS OF EMPLOYMENT IN POLAND

The Polish labour market offers flexible forms of employment, including: employment contract, service contract, contract for specific work, B2B contract.

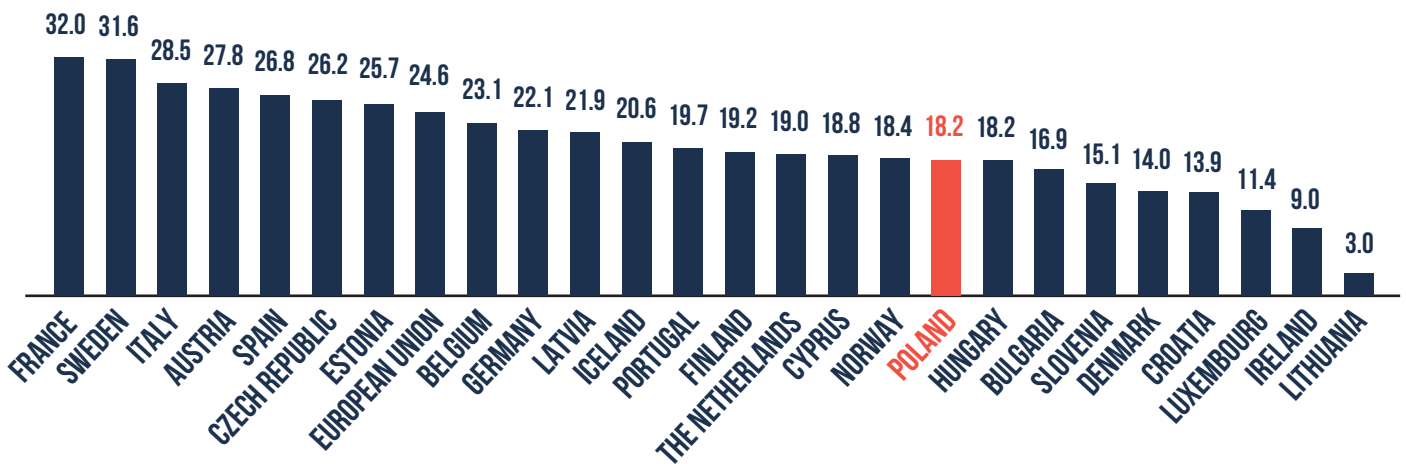
616,63 EUR/ 2 800,00 PLN GROSS

Minimum wage in Poland in 2021

740,18 EUR/ 3 361,00 PLN

Total employment cost on the basis of an employment contract with minimum wage

PERCENTAGE SHARE OF NON-WAGE COSTS (INSURANCES) IN THE TOTAL EMPLOYMENT COST (FOR SELECTED EUROPEAN COUNTRIES)



EMPLOYING WORKERS FROM OUTSIDE THE EU

Stages of employment in case of workers from outside the EU:

The employer carries out a so-called labour market test, which means that they check (in the district job centre) if there are any registered unemployed people on the local job market who could be employed, since unemployed citizens of Poland take precedence over foreigners. This procedure is not required if the job which is going to be carried out by a foreigner is on the list of understaffed professions.

The employer submits an application for issuing a work permit for the foreigner to the regional governor. The decision on work permit can be issued no sooner than after 60 days from submitting the application, due to the necessity to verify the foreigner, regarding to potential danger to the country's safety.

After obtaining the permit, the employer forwards one copy to the employed foreigner, who will later receive a work visa on the basis of this permit.

The employer prepares the contract (also in a language spoken by the foreigner).

After concluding the contract, the employer registers the foreigner in the Social Insurance Institution for insurance purposes.



Headquarters of Krakow Technology Park

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- #OMGKRK. (2017). Raport: Startupowy Kraków 2017
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YOUR PARTNERS IN BUSINESS



BUSINESS IN MAŁOPOLSKA CENTRE

Business in Małopolska Centre (CeBiM) is a regional equivalent and a partner of Polska Agencja Inwestycji i Handlu (the Polish Investment and Trade Agency). In the CeBiM office every entrepreneur can get comprehensive information on rules of doing business, procedures, sources of financing of investments available both in the country and in the region, assistance given to investors and exporters by local and regional government authorities and business environment institutions. 'The one-stop-shop' system implemented by the founders of CeBiM (Krakow Technology Park, Małopolska Regional Development Agency and province of Małopolska) guarantees that every entrepreneur in Małopolska can count on professional and reliable service. The experts working at the Business in Małopolska Centre will successfully guide your company through the investment process, advise on export issues and contact you with the relevant institutions responsible for specific processes.

www.businessinmalopolska.pl



KRAKOW TECHNOLOGY PARK

The Krakow Technology Park is the most comprehensive one-stop-shop for business in Poland. As a business environment institution, together with entrepreneurs, scientists and members of local government authorities, it creates a space for the development of the Małopolska's economy. The Krakow Technology Park has initiated the Business in Małopolska Centre (CeBiM). The established ecosystem includes around 350 companies for which there are created the best operating conditions day by day. It has a full range of tools to help business and sales grow. The Krakow Technology Park manages the Polish Investment Zone – it grants tax exemptions and inspires entrepreneurs to make new investments. In addition, it promotes the economic offer of the province of Małopolska, as well as prepares local government authorities to contact the investors. In the Krakow Technology Park office buildings, small and medium-sized enterprises will find space and technical facilities for their development. For the last 20 years, the Krakow Technology Park has been helping companies grow faster.

www.kpt.krakow.pl



MAŁOPOLSKA REGIONAL DEVELOPMENT AGENCY

Małopolska Regional Development Agency is a leading regional institution for regional development; one of the most serious partners of central institutions and regional government in shaping the innovative development policy of the region. Małopolska Regional Development Agency specialises in business services, providing comprehensive know-how and modern financial solutions. It provides services in the field of obtaining EU funds and helps to invest effectively in Małopolska.

www.marr.pl



MARSHAL'S OFFICE OF THE PROVINCE OF MAŁOPOLSKA

The Marshal's Office of the province of Małopolska undertakes a number of initiatives, exceeding the standards commonly applicable in Polish public administration. The work of the selected departments of the Office include for instance management of Regional Operational Programmes and European funds, as well as, in cooperation with the local government authorities competent for economy and business environment institutions, implementing activities aimed at economic activation and development of entrepreneurship in the province.

www.malopolska.pl

Prepared by:



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