

# The Wałbrzych Special Economic Zone



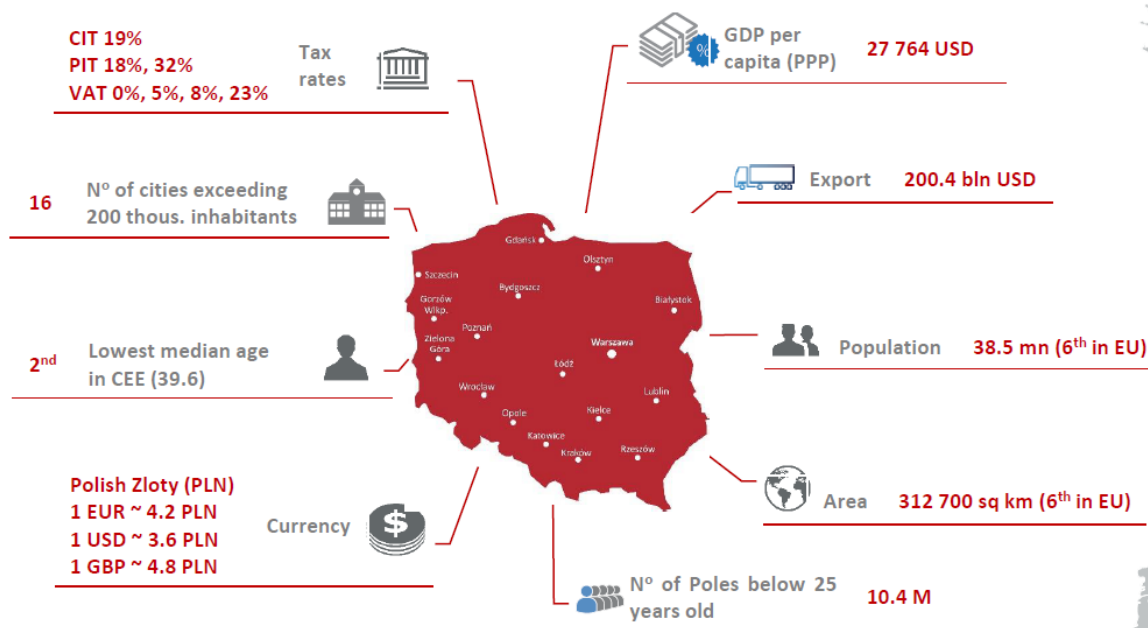
**THE BEST PLACE TO INVEST IN EUROPE**



# WHY POLAND?



## Strategic location in the heart of Europe



Source: National Bank of Poland, October 2017

## RDP – translating education into innovation

- 24 mn people aged 49 and less (64%)
- Almost 1.35 mn students (2016/2017)
- More than 364 000 graduates (2016)
- Over 65 000 foreign students from 156 countries (5.15% of all students, 11% y-o-y increase)
- More than 90% of students speak foreign languages
- Population with higher education: 25% in society, 37% of working population
- 438 higher education institutions:
  - 19 universities
  - 25 technical universities
  - 72 academies of economics
- 728 different majors taught
- Growing number of science students – 24%



No. of students (thousands)

- 201 >
- 151 – 200
- 101 – 150
- 51 – 100
- 50 <

Source: GDP annual growth rates, Eurostat, March 2017

### Start in Poland

- The biggest programme dedicated to start-ups in CEE
- Programme consists of capital instruments and acceleration programs
- PDF will allocate **PLN 2.8 bn** for Start In Poland and the platform of VC companies

### Vocational education

- Creation of a new model of cooperation between schools and entrepreneurs to support the development of Industry 4.0.

### Coding skills and digital schools

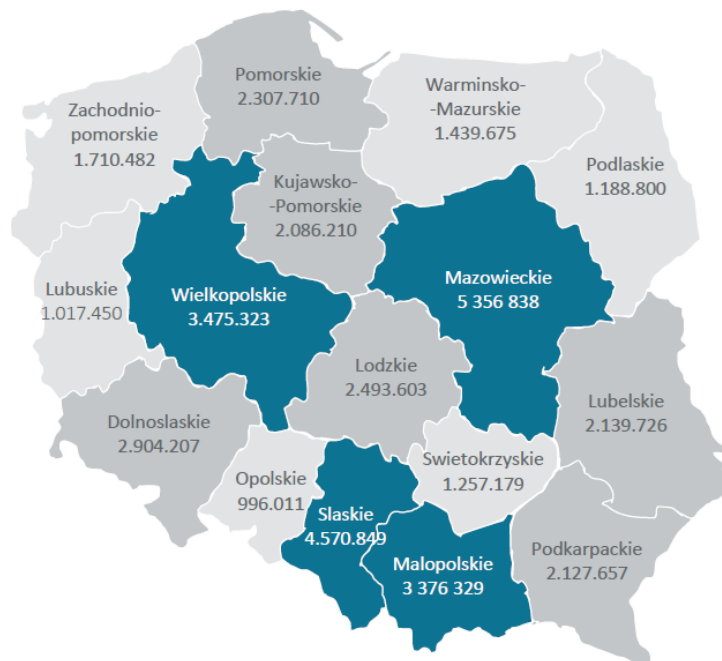
- Introduction of obligatory coding lessons in public schools and the programme of building a broadband network for all schools

### Universities for future

- Split between academic and vocational universities, greater autonomy level, PhD path revised, simplification of a legal framework and increase in allocation of financial resources

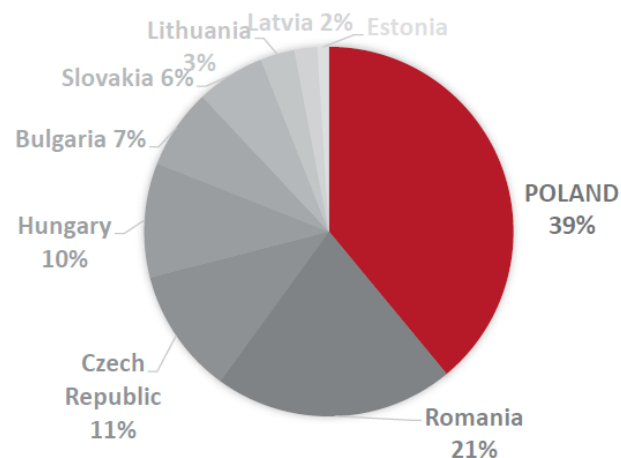
## Human Resources – Population in Numbers

- ~ Poland is the **biggest country** among CEE members of the EU
- ~ **64%** of population is younger than 49 years of age
- ~ **10.4 m** Poles are less than 25 years old
- ~ Second lowest median age in CEE – **39.6 y/o**

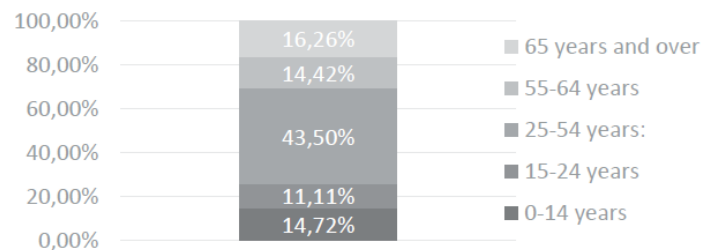


Source: Central Statistical Office of Poland

Population of CEE



Population in Poland by age

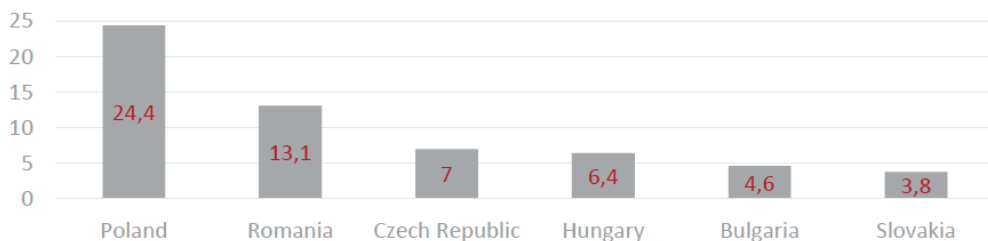


## Vast pool of young labor force

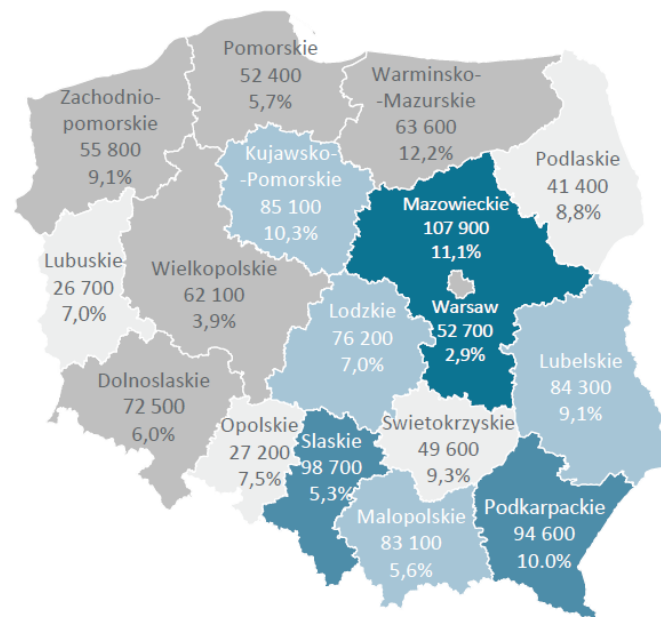
Unemployment rate: 6,9% (1 133 700)



People of age 15-64 (Q1 2017)



Registered unemployed and unemployment rates by regions



Source: Eurostat & Central Statistical Office, January 2018

## Business friendly labour law regulations

- Vacation days per year

10 years of work experience<sup>1</sup>



20 days

26 days

- National holidays per year: 13 days

- Max working hours – average 5 days in a week as a standard working time



per day – 8

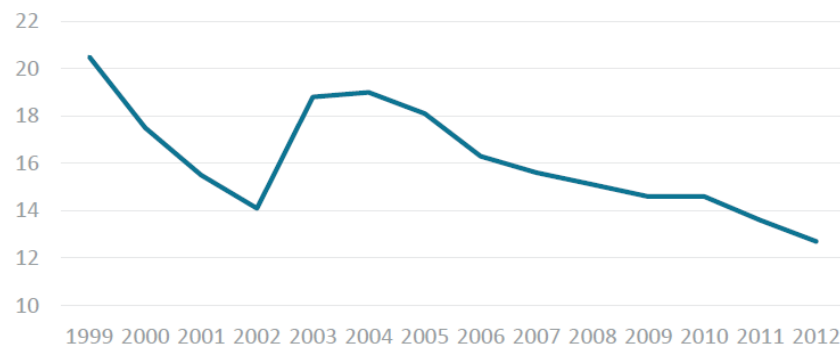
per week – 40

per month – 160 – 176




overtime cannot exceed 150 hours per employee in a given calendar year (unless collective bargaining agreement stipulated differently)

- Surcharges on overtime – 50%
- Surcharges on **Saturday** or **Sunday** – 100%
- Surcharges on national holidays – 100%
- Night shift overtime – 100% + 20% of the minimum salary (2000 PLN)

### Trade Union participation (%) - Poland



### Notice periods

-  **2 weeks'** notice period, < 6 months (inc. 3 month trial period)
-  **1 month** notice period, 6 - 36 months
-  **3 months'** notice period > 36 months

1. Depending on its level, education time is partially accounted for work experience  
Source: OECD, 2017



## Why Poland?



### Highly skilled and young labor force

25 million inhabitants under age of 50

Healthy unemployment level of 7.4%



### Big internal market

6th biggest country in the EU (area, population)

Unlimited access to the EU market of 510 million inhabitants



### Quickly developing infrastructure

Over 1100 km high speed roads under construction

4.4 times more high speed roads than before joining EU



### Academic hub

1.35 million students and

365 thousand graduates each year



### Business friendly environment

1st place in the CEE region –

the most attractive country to establish operations

Katowice SEZ - best free zone in Europe in 2015 and 2016

Poland advanced in Doing Business ranking by 50 positions since 2012



### Attractive incentives system

250 million m<sup>2</sup> of land incorporated in SEZ

Government Grants for strategic projects

50% public aid intensity in Eastern Poland





# Wałbrzych Special Economic Zone





## Special Economic Zone (SEZ)

14 SEZs in Poland

SEZ investor can be exempted from  
corporate income tax,

The Wałbrzych Special Economic Zone  
was established in 1997





# The biggest Special Economic Zone in Poland

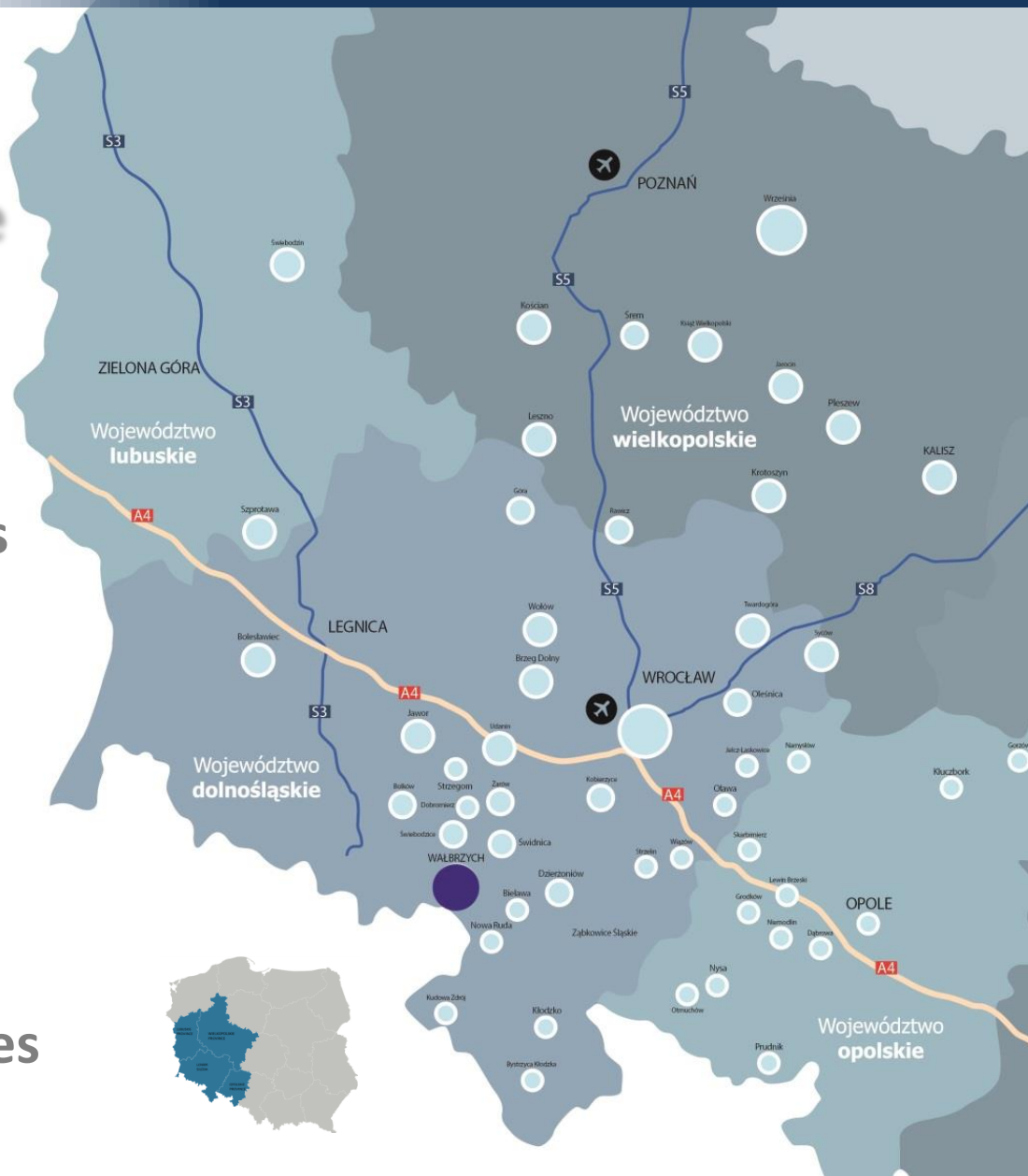
## Currently

58 locations in 4 provinces  
Total area 3,775 ha

Over 1,800 ha  
of investment grounds  
still available

## After law changes

180 locations in 3 provinces





## Wałbrzych Subzone

- 16 investors
- USD 1,4 billion investment value
- 7200 jobs created

**TOYOTA**

**faurecia**  
inspiring mobility

 **Mando**



## Września's Economic Activity Zone (Września Subzone)



VW Crafter  
Factory



Around 100 ha of land is available to investors



## Lower Silesia Economic Activity Zone (Jawor Subzone)



Mercedes-Benz

**Mercedes-Benz  
engine factory  
is being built in  
the WSEZ in Jawor**





Over 210  
INVESTORS

7.6 billion USD  
INVESTMENT VALUE

52 000  
EMPLOYEES



Mercedes-Benz



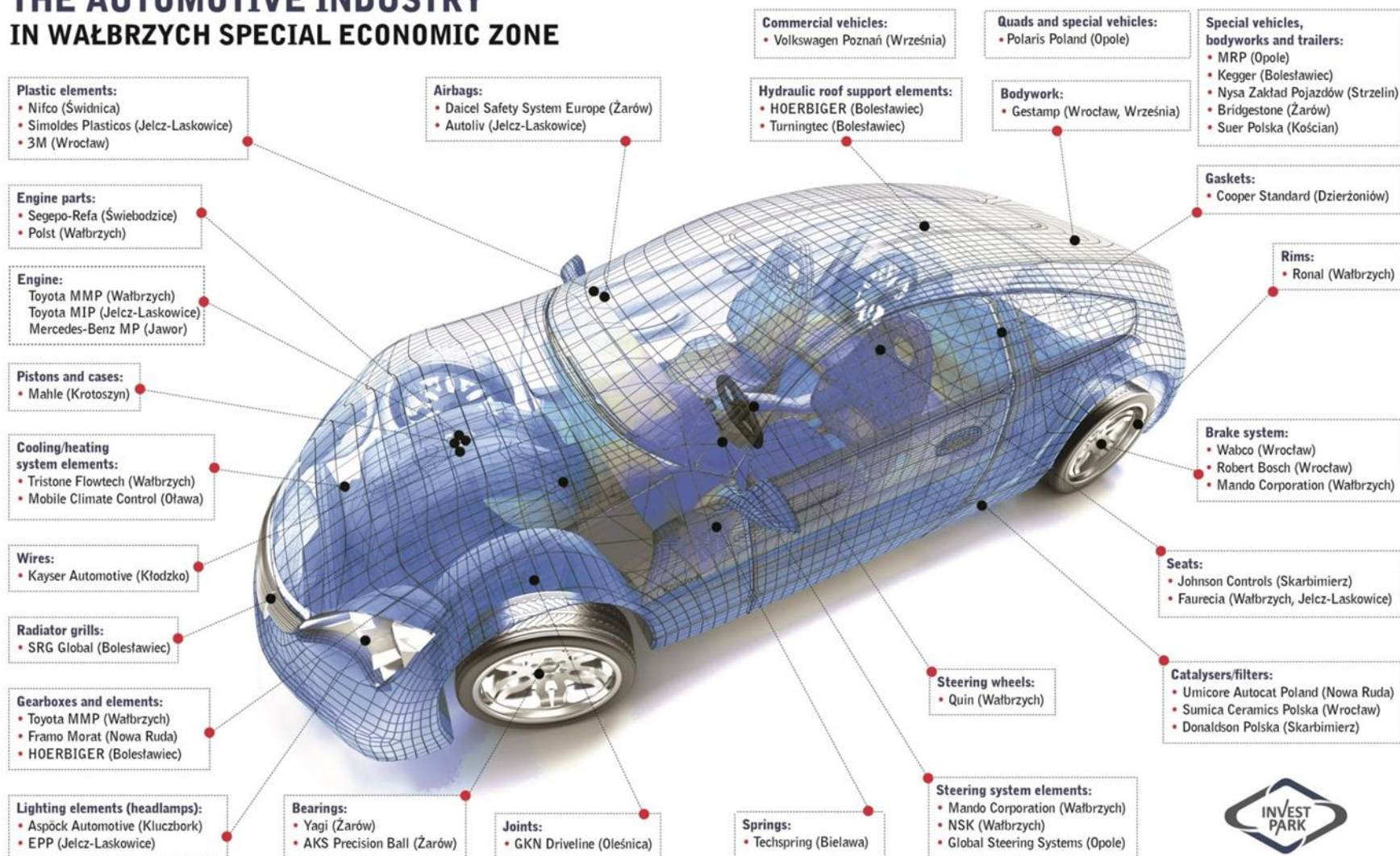
Corporation Poland Sp. z o. o.







## THE AUTOMOTIVE INDUSTRY IN WAŁBRZYCH SPECIAL ECONOMIC ZONE







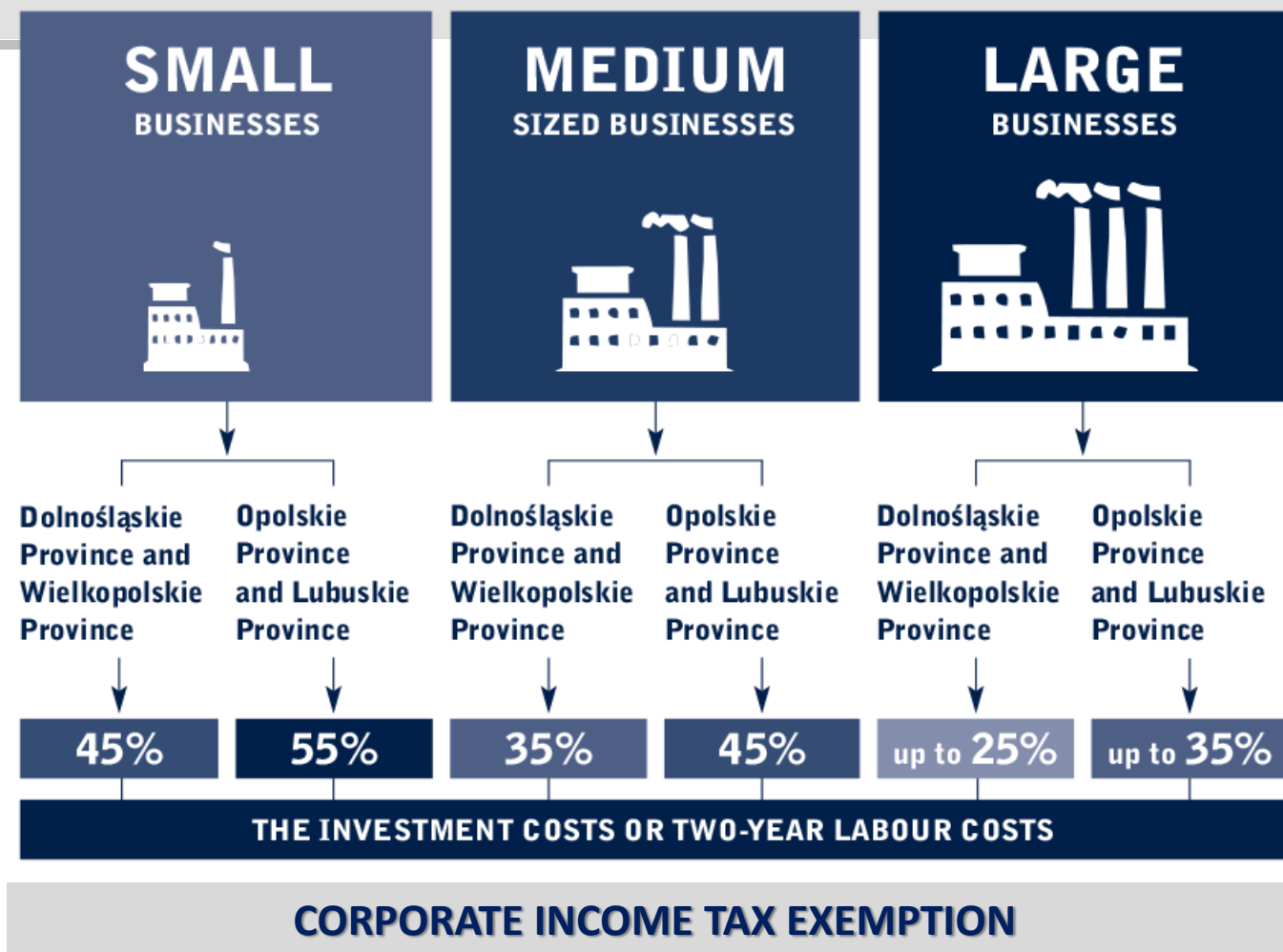
# Wałbrzych Special Economic Zone Benefits





# Wałbrzych Special Economic Zones (WSEZ)

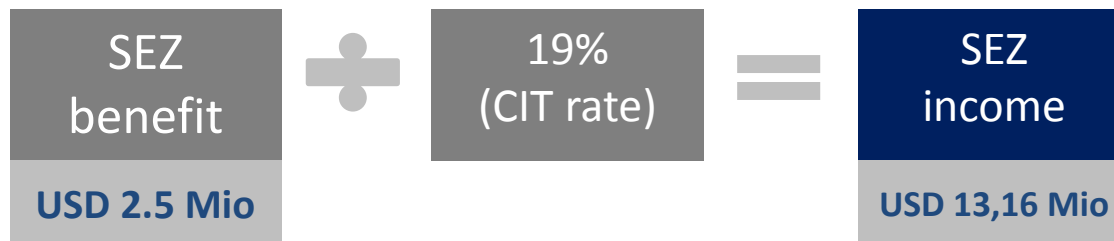
## Public aid



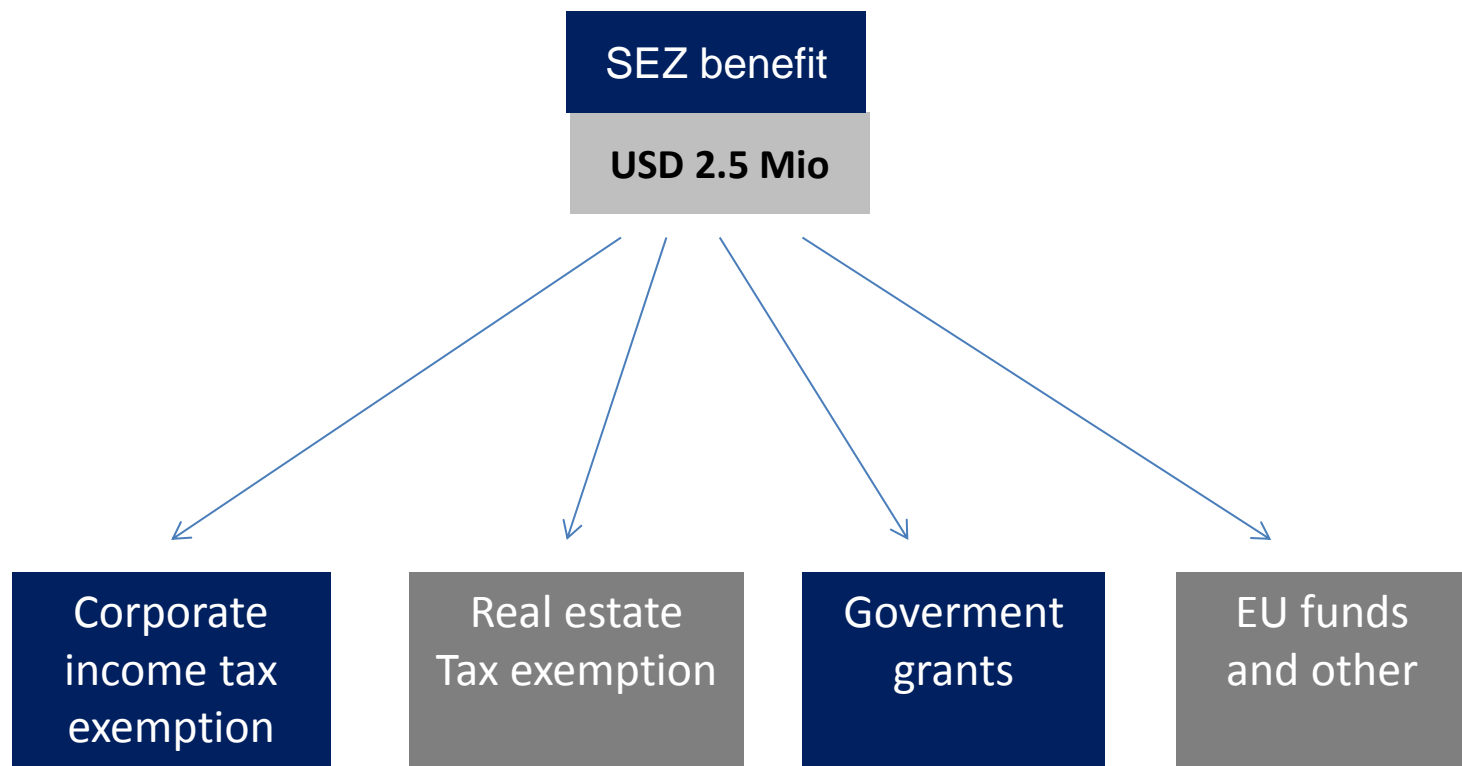


# Wałbrzych Special Economic Zones (WSEZ)

## Public aid



## PUBLIC AID





## COST OF INVESTMENT - ELIGIBLE COSTS

- purchase of land or the perpetual usufruct right,
- purchase or creation tangible assets under the condition that they will be incorporated to company's assets,
- development or modernization of already owned tangible assets,
- obtaining intangible assets related to transfer of technology (patents, licences, know-how, unpatented technical knowledge),
- costs related to rent or lease of lands, buildings and structures under the condition that the rent or lease lasts at least 5 years (large enterprise) or 3 years (SME) from planned date of finishing the initial investment,
- financial leasing of assets other than lands, buildings and structures under the condition that they are bought once the day of rent or lease expires.

# New support scheme

## Key element



### Benefits

Tax exemption and support from SEZ management entity

Tax exemption and free of charge services provided by Managing Entity of the area



### Investment area

25 000 ha  
(0.08% area of the country)

Any location in Poland (public and private land)



### Evaluation criteria

Quantitative criteria (investment expenses, new workplaces) and qualitative criteria for investments located on private land; formal requirement: expenses above EUR 100 000 for public land

Both qualitative and quantitative criteria matched with specific location conditions, must be fulfilled



## Qualitative criteria:

- Sustainable development: by creating high-paid jobs and stable employment, level of export cooperation,
- Structural development: by undertaking investment in areas with a high level of unemployment,
- Scientific development : for example by cooperation with R&D units,
- HR development: by supporting employees in gaining education and professional qualifications, by undertaking activities in the field of employee care

## Quantitative criteria:

- Investment expenditure, based on the unemployment rate in the poviat

*(unemployed level based on the data from September 2017)*

# New support scheme

## Duration of benefiting from tax exemption

### Current state



SEZ exist till the end of 2026



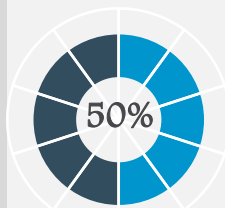
Tax exemption till the end of 2026 at the latest



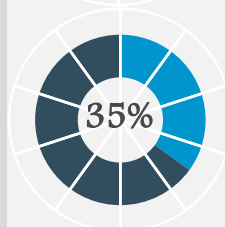
Fixed conditions for already functioning  
investments

### Poland – Investment Zone

Tax incentives:



**15 years** for investments located in the  
areas with public aid intensity from  
35% up to 50%



**12 years** for investments located in the  
areas with public aid intensity from  
25% up to 35%



**10 years** in other locations (public aid  
intensity up to 25%)

Preference for new investments located in the territory  
of current SEZ – **15 years**



# New support scheme

## Decision granting the support (Support Decision)

### Support Decision:

1. Its validity period
2. Subject of the business activity
3. Conditions imposed on the investor concerning in particular:
  - ▶ Employment within the new investment, a specified number of employees for a specified time
  - ▶ Incurring eligible costs of the investment in the determined timeframe
  - ▶ The date of investment completion, after which investment costs incurred by the investor, can not be treated as eligible costs
  - ▶ The maximum level of investment expenditures and two-year employment costs, which may be included in determining the maximum level of public aid
  - ▶ The area, where the investment will be realized along with register data of the real estate

## BENEFITS

### INCOME TAX EXEMPTION

#### COOPERATION PROGRAM

Trainings

HR Manager Club

Cluster - Invest in Edu

B2B meetings

Purchasing group

### SOFT LANDING SERVICES





# The Wałbrzych Special Economic Zone



**We invite you to Poland !**