

SPECIAL DOUBLE EDITION
27TH ECONOMIC FORUM

IN THE CURRENT ISSUE

Partner of the 27th Economic Forum
in Krynica-Zdrój

From the Publisher



Krzysztof Drynda,

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Special Economic Zone

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Special Economic Zone

Twenty years of experience in building relations with foreign investors at the Wałbrzych zone means that we know what entrepreneurs need. We are constantly doing our best to improve the quality of our services and assistance offered to investors.

Our personal experience strengthens our conviction that foreign entrepreneurs attach particular importance to the high level of company culture, diligence and education of Polish employees,

which translates into a growing number of research and development projects.

Innovativeness is among our greatest priorities. In practice it is achieved by building an ecosystem surrounding the zone, which shapes the relations between public, business and academic entities. We have every reason to set ambitious goals for us and mark our presence in the international arena. The effects of twenty years of hard work have provided us with a stable foundation for fulfilling these aims.



The Wałbrzych Special Economic Zone "INVEST-PARK" is an area offering preferential conditions to investors in south-western Poland. Locating a business operation within the WSEZ makes the investor eligible for tax exemptions and a number of other forms of support from the company managing the zone.

ANNIVERSARY

WSSE "INVEST-PARK"



3,800
ha of land



58
subzones



200
companies



50,000
jobs



€5.8 billion
of capital expenditure



SEPTEMBER 2017 NO. 3/13

We listen closely to investors' needs

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Pologne



WSSE INFO - Magazine of the
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PARTNER OF THE 27TH ECONOMIC FORUM



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5-7 SEPTEMBER 2017

We listen closely TO INVESTORS' NEEDS

Foreign investors appreciate our integrated and professional set of instruments, both financial and advisory. The quality of services offered by us encourages them to carry out ambitious and innovative projects in Poland - interview with Tadeusz Kościński, Deputy Minister of Development.

WSSE INFO: It has been twenty years since special economic zones were established in Poland. At the beginning of their functioning in the mid-1990s, the economic challenges were completely different than today. Have the zones passed the test? What is their role in the Responsible Development Plan?

TADEUSZ KOŚCIŃSKI: When they were established over twenty years ago, special economic zones had to face a very difficult task – combat structural unemployment, which was very high and still growing, reaching 40% in some areas. With the benefit of hindsight we could say that in spite of insufficient means, the zones did rise to the challenge. Their greatest asset was people – entrepreneurs who used the available forms of support and started business activity, which contributed

to increased employment and regional development. After twenty years we see that in order for a region to sustainably grow, economic zones can no longer be just vehicles for receiving income tax exemptions. The economic situation of the country and its regions has changed. Some problems remain, but there are also new challenges to overcome. This is why special economic zones should become a tool for a consistent investment policy aimed at intelligently and effectively attracting and supporting investors in the region. Only then will the zones be smoothly integrated into the national economic policy as presented in the Responsible Development Strategy. We would like to make the support instruments more available to Polish entrepreneurs. It does not mean that foreign firms will not be fairly treated – it is necessary to create conditions

devoid of artificial barriers that have so far prevented Polish companies from receiving public aid. Thus investment projects will be analyzed not only in terms of capital expenditure and the number of generated jobs, but also whether they involve transfers of technology to the regions and to Poland. We will strongly support projects which will lead to the establishment of R&D centers, cooperation between business and academia, and generation of well-paid jobs for specialists.

Last year, almost 140 foreign companies decided to invest in Poland. The zones are one of the incentives for investors, but tax exemptions and government grants are not the only magnet for international business. What sets Poland apart from other European locations?

Poland is gradually joining the ranks of innovation leaders – this is one of the principal aims we have set. The implementation of the Responsible Development Strategy includes a number of actions intended to create a business-friendly climate in Poland. What I mean in particular is the Business Constitution and the steadily growing number of solutions that facilitate doing business. All these initiatives address postulates put forward by entrepreneurs, which proves that we are able to carefully listen to the needs expressed by foreign investors. They appreciate our integrated and professional set of instruments, both financial and advisory. The quality of services offered by us encourages investors to carry out ambitious and innovative projects in Poland. Poland's attractiveness is also influenced by the active role of local administration and business environment institutions. We also maintain a good climate for investing, we are economically stable and we offer access to a pool of well-educated employees. These are just some of the factors that enable us to win the competition with other Central European states.

The government and your ministry stress the importance of the quality of jobs generated by investors. New projects should involve new technologies, which marks a departure from an economic model based on assembling in favor of innovative solutions. This "new qual-

ity" is exemplified by the construction of a Daimler factory in the Jawor subzone of the Wałbrzych Special Economic Zone. What makes this project special? Is it the beginning of a new investment trend?

Daimler AG's investment in a plant producing petrol and diesel engines is unique on a European scale. It confirms that the car industry is becoming an innovation hub for the Polish economy. It is also a good example of a capital-intensive project which results in the creation of high-value-added jobs and which economically activates a part of Lower Silesia. I



have no doubt that the German corporation's investment will act as a catalyst for further foreign investment in Poland. Suffice it to mention just a few projects that we have managed to attract in the last months: LG Chem, Toyota, or Xeos, a joint venture of GE Aviation and Lufthansa

“ We will strongly support projects which will lead to the establishment of R&D centers, cooperation between business and academia, and generation of well-paid jobs for specialists.

Technik. All these investment projects make Poland's economy even more competitive on a global scale. Due to the transfer of know-how, they also contribute to the development of firms with Polish capital.

The development of industry is accompanied by the development of infrastructure, especially transport. Daimler's decision shows that a global corporation does not necessarily have to base its activities in a large agglomeration. By providing adequate access by road or rail, it is possible to establish cooperation with suppliers and academics and quickly reach foreign markets. How would you describe Poland's attractiveness against this background?

Significant investment in road and rail network in the next few years will make it possible to “open up” new places on Poland's map of investment. Areas that have previously been excluded due to inadequate transport infrastructure will become attractive destinations for investors. We already see their increased interest, especially in eastern Poland. At a time of fast-changing trends, geographical location is one of the chief factors

determining the investment attractiveness of any country. Due to its location, Poland may be an attractive destination for European firms that need to quickly react to the changing market trends. As a result of its size, Poland offers the advantage of being able to cater to different needs of investors, who consider different criteria while selecting the investment site.

Poland boasts a large number of IT specialists and engineers. How can this potential be used for the benefit of the Polish economy and how to encourage Polish and foreign companies to invest in innovative project in the so-called industry 4.0?

Poland is known all over the world for the high level of IT education, and for this reason many international companies are situating R&D centers here. Domestic firms are also strengthening their position by creating R&D centers and hiring young graduates of technical schools. There are currently 1.5 million students in Poland, and a quarter of them are pursuing science and IT education. This proportion has been steadily growing and this trend is expected to continue in the next few years. It largely stems from the rich offer of Polish universities and their increasing openness to cooperation with business. Foreign investors are aware of it while making the decision to open their branches in Poland, where they have access to highly qualified and young employees. We support projects which are based on advanced processes requiring the involvement of highly-qualified specialists, in which the investor is ready to cooperate with higher education institutions. Those ventures in which there is a real transfer of knowledge between the partners are most desirable. It is undoubtedly important for us to help universities adapt their offer to market needs, particularly in the IT sector, which we consider to be a priority for us. The coordination of support for pro-development investment projects is ensured by the Polish Development Fund, which offers assistance to young entrepreneurs at the beginning of their professional careers in the form of venture capital mechanisms. Tech start-ups need mentorship of bigger partners. This solution, based on state-owned companies, is used in the government's program Start in Poland, which is the biggest accelerator in Central and Eastern Europe. Moreover, the Industrial

Transformation Team at the Ministry of Development is involved in the preparation of The Green Book on the Polish Platform “Industry 4.0” and the documents needed to launch it. The platform will serve the role of a national integrator responsible for the digital transformation of Poland’s industry.

Apart from skilled engineers, investors also need access to people with practical skills. These needs are addressed by the changes in the educational system. Can the system be reformed by the introduction of professional schools, participation of entrepreneurs in the educational process and the active involvement of special economic zones?

The changes introduced in vocational education have been received very positively by employers and students alike. The changing economic reality, in particular in the labor market, forces us to constantly adapt education to employers’ needs. As a result, we have recently

” Poland is gradually joining the ranks of innovation leaders – this is one of the principal aims we have set.

announced in the Wałbrzych Special Economic Zone that we have decided to support the new educational policies in vocational schooling. The reform proposed by the Ministry of National Education is based on solidifying the position of entrepreneurs in the new model of education. Active participation of special economic zones in the educational process will contribute to solving problems with finding the right personnel, which is faced by some companies. It can also become another incentive affecting investors’ decisions about conducting projects in Poland.

Lifting the sanctions on Iran has opened up new cooperation opportunities for Poland. The establishment of posts in Vietnam and Indonesia and the strengthening of relations with China and India

means that we are looking for markets to expand outside the European Union. What can cooperation with the Middle and Far East lead to? Will it translate into a greater number of Asian investment projects in Poland?

We are constantly looking for new growth opportunities for Polish entrepreneurs. We create a favorable climate for doing business, also in places which are far away from Poland. Although the broadly-defined Asian market is not an easy destination, it offers huge perspectives. We are building a network of Trade Offices in order to open these markets to Polish products. We have noticed a significant increase of Asian investors’ interest in our market. In 2016 alone, it translated into a number of investment projects in Poland carried out by companies such as LG Chem (Korea), Toyota (Japan), Mabuchi Motor (Japan), Tex Year (Taiwan), Hongbo Clean Energy (China) or Everbright (China). Moreover, in October 2016 we finalized the agreement with Taiwan on avoiding double taxation. The successful conclusion of this agreement will bring tangible benefits to investors in both countries, especially in terms of attracting Taiwanese investments based on high technology. Lifting the sanctions on the Iranian market has also brought new opportunities for Polish entrepreneurs, in particular those operating in the food and agricultural industry, mining, construction, IT, machines production or textile manufacturing. ■



In the photo from the left: Frank Deiss – Deputy President, Production Powertrain Mercedes-Benz Cars, Rolf Nickel – Ambassador of the Federal Republic of Germany to Poland, Mateusz Morawiecki – Deputy Prime Minister, Minister of Development and Finance, Markus Schafer – Member of the Board of Mercedes-Benz Cars in charge of production and supply chain management, Andreas Schenkel – President of the Board of Mercedes-Benz Manufacturing Poland, Elżbieta Witek – Head of the Political Cabinet of the Prime Minister, and Rainer Ruess, Deputy President of Mercedes-Benz Car, Head of Production Planning.

Closer to the investor

The construction of the Mercedes-Benz engine factory in the Wałbrzych Special Economic Zone has begun. In order to reach potential investors more efficiently, the WSEZ has decided to open a branch office in Jawor.

"This site is particularly attractive to investors who use the newest technologies, whose plants are not simply assembling facilities, but places where innovation economics becomes a fact," **Elżbieta Witek**, head of PM **Beata Szydło's** political cabinet, said during the opening ceremony.

The WSEZ branch office is located in close proximity of the Lower Silesian Economic Activity Zone, which offers around 320 ha of land to investors wanting to apply for tax exemptions.

"The Daimler investment would not have happened without the huge involvement of the government," emphasized



"SITUATED NEAR THE A4 MOTORWAY, JAWOR IS A PRIME DESTINATION FOR INVESTORS.

ITS ATTRACTIVENESS IS ADDITIONALLY INCREASED BY THE PROXIMITY OF THE S3 EXPRESSWAY, WHICH WILL BE POLAND'S FIRST ROAD CONNECTING THE NORTH WITH THE SOUTH, ALL THE WAY TO THE BORDER WITH THE CZECH REPUBLIC. THESE ADVANTAGES UNDOUBTEDLY HAVE A POSITIVE INFLUENCE ON THE ECONOMIC DEVELOPMENT OF THE REGION AND POLAND." – EMPHASIZED MINISTER ELŻBIETA WITEK



Maciej Badora, President of the Wałbrzych zone. "The newly opened office contributes to building a positive business atmosphere in Jawor and the entire Lower Silesian Economic Activity Zone," he added.

"Opening the branch office means that global standards in investor care have been introduced to Jawor. It will be a place where tenants can count on comprehensive assistance of the zone and government," said



Krzysztof Senger, Deputy President of the Polish Investment and Trade Agency.

The construction of the first Mercedes-Benz engine factory in Poland was officially inaugurated during the ceremony of laying the cornerstone. The facility will make four-cylinder gasoline engines and diesel engines for Mercedes-Benz passenger cars. Production is scheduled to begin at the end of 2019. ■

A portrait of Dr. Andreas Schenkel, a man with light brown hair and blue eyes, smiling. He is wearing a dark suit, a white shirt, and a red tie. The background is a blurred industrial setting with large windows.

We use

THE POTENTIAL

We want the Jawor plant to be a benchmark for the sector and a starting point for further development in the automobile industry – Dr. Andreas Schenkel, President of the Board of Mercedes-Benz Manufacturing Poland, on the decision to locate the factory in Lower Silesia

WSSE INFO: Seven sites were considered as possible locations for Mercedes' new factory. Which aspects were decisive in selecting Jawor and the Lower Silesian Economic Activity Zone as the first production site of Mercedes-Benz Cars in Poland?

DR. ANDREAS SCHENKEL: Our investment here is part of Mercedes-Benz's global strategy of increased passenger car sales. 2016 was the fourth record year in a row for Mercedes-Benz in Poland and Mercedes-Benz has increased sales in Poland by more than 40% in comparison with the previous year. We're on our way to a good result in 2017 as well. Daimler AG's selection of sites for new factories is based on key criteria such as location, dimensions of the parcel, existing infrastructure, logistics, the ability to establish a network of partner companies and sub-suppliers, the availability of a properly trained workforce, as well as support from national and local authorities. In this context, Jawor's location in Lower Silesia was our best choice – we see a tremendous amount of potential here. Additionally, the proximity to the Kölledda "sister-factory" in Thuringia, Germany, will allow close cooperation between the two plants.

Preparing this type of an investment project requires many months of analyses, negotiations and decision making. The success of these efforts depended in large part on a positive investment environment and the support of Polish partners. What are your impressions of the work that went into this project? Did the process match your expectations?

Poland is a country full of potential and it has a great deal to offer to foreign investors. Poland's biggest advantages are the macroeconomic factors, a well-developed workforce as well as material resources. Also, the environment for business activities continues to get better every year. That's evidenced not only by international rankings such as the World Bank's Doing Business 2017, but can also be seen in the regional and local governments' positive attitude and the engagement of institutions supporting foreign investors. In a project as complex and complicated as ours, even the optimization of

its size and shape and obtaining the necessary permits can be a challenge. In Poland, however, we were able to find partners who were fully prepared to take on these types of challenges and were determined to find the optimal solutions for everyone involved. Thanks to the local government's willing attitude and the efforts of the special economic zone staff, the project's preparatory work was conducted in a very positive and highly professional manner.

You have been at Daimler for more than two decades. Prior to becoming the CEO of Mercedes-Benz Manufacturing Poland you worked at the Untertürkheim plant near Stuttgart. What does this new role mean for you?

I began my career at the then DaimlerChrysler AG in 1996, as a management trainee at the Untertürkheim engine plant near Stuttgart. Since then, I have held various management positions within the production organization of Mercedes-Benz Cars. Prior to becoming the CEO of Mercedes-Benz Manufacturing Poland I was in charge of chassis produc-

Poland is a country full of potential and it has a great deal to offer to foreign investors.

tion planning at the Untertürkheim factory. Since the engine plant in Jawor will be the company's first site in Poland, I am grateful that my supervisors entrusted me with such a fascinating challenge. We are always guided by our "The best or nothing" motto and I know that making it a reality here will require not only enthusiasm but also plenty of hard work – which I will do my best to accomplish.

The investment in the Jawor facility is expected to exceed 500 million euros. The factory will not simply be an engine assembly plant but will incorporate the latest manufacturing technologies associated with what's been called the fourth industrial evolution. Could you explain this concept?

The Mercedes factory will utilize most up-to-date technologies which will ensure safe, effective and environmentally conscious production of engines. We want the Jawor plant to be a benchmark for the sector and a starting point for further development in the automobile industry. The Jawor factory will manufacture technologically advanced four cylinder gasoline and diesel engines for cars across the company's entire range: from the smallest A-Class to the S-Class limousines.

The plant will employ approximately 500 workers and the recruitment process is due to begin late in 2017. What types of specialists will you be looking to hire?

We are looking to hire engineers and other university graduates as well as production-line workers. At this point we have completed the first stage of establishing our new company's structures: assembling a local human resources team. We are currently recruiting candidates for our financial and legal services teams. We will seek to fill the remaining positions at the end of 2017 and in 2018. All employment opportunities are posted in the "Careers"/"Kariera" section of the Jawor plant's website www.mercedes-benz-jawor.com.pl. Anyone interested in employment at our company can learn about the recruitment plans and find current job openings.

The factory's operations will require not only employees but also products and services. Can you estimate the plant's impact on the local and national economy and on the development of new relationships with suppliers and sub-suppliers?

Poland's workforce is one of the main factors driving the country's ability to attract foreign investments. The highly skilled, productive and loyal Polish labor force was a significant factor in our decision to locate our plant here. Our experiences with production facilities around the world prove that these kinds of investments substantially contribute to a region's economic growth by stimulating entrepreneurship, creating new and sought-after employment opportunities and driving the local population's professional development. The plant in Jawor is expected to directly create about 500 jobs. It can be estimated that each one of these positions will generate additional jobs in the region – at supplier and sub-supplier companies as well as with service providers. At this point, we are creating our local human resources team. Our investment will also have a positive impact on the job market through our investment in human capital. We anticipate that highly-skilled employees from our German plants

will provide job training programs for our future Polish workforce. We want to share our technological innovation, organization and modern management methods and know-how. This will have a positive impact on the productivity of the local economy. We can also expect that our project will provide the spark for developing relationship networks among domestic suppliers and sub-suppliers. That's a very important element of creating a complete economic value chain and improving the quality of goods and services on the market.

The demand for these skills means not only looking for the right employees on the job market but also calls for involvement in the training of potential future employees so that school graduates have the skills to meet your company's needs. Is Mercedes planning to become involved with local schools and perhaps apply the German dual education system experience in Poland?

In addition to ongoing recruitment efforts we are taking part in discussions with local government authorities and the relevant institutions regarding our recruitment needs and our future employees' professional profiles, competences and skills. We are also discussing our future educational efforts targeting the region's pupils and teachers. An important part of these discussions is the organization and development of a local vocational education system and ensuring that graduates of the county's schools have the skills and abilities which reflect the evolving needs of the local job market, as characterized by new investments

“ As we've said all along, we want to actively participate in the life of our local community.

like ours. However, creating a detailed plan for our educational efforts in the region requires additional time and further discussions with our local partners – so I'd like to ask you for some more patience. I can assure you that we will continue to provide you with thorough and up-to-date information on this subject.

Daimler is a prime example of embracing the concept of corporate social responsibility (CSR). While the construction of the factory is still in its early stages -



The plant is being built in the Lower Silesian Economic Activity Zone, which is covered by the WSEZ

Mercedes has already been involved in local initiatives such as the Christmas market and an exhibition about the company's past and future. To what extent does the company plan to involve itself in the region's community and cultural life?

As we've said all along, we want to actively participate in the life of our local community. Our "Welcome to the Mercedes-Benz family" project includes numerous efforts designed to develop close and direct relationships with the region's residents – even before the factory's opening and the launch of production. One of the campaign's elements was the inauguration of the "Jawor – A new chapter in the history of Mercedes Benz" multimedia exhibition which introduced local residents to our company's 130-year tradition of innovation and technological achievement. While we invite everyone to visit the Mercedes-Benz Museum in Stuttgart, the exhibition in Jawor was our company's first event of its kind in the world. That's why we're so happy that the exhibition drew more than 200 visitors on its first weekend. We hope that the presentation will become Jawor's venue for exploring and discussing the history of science and technology – a subject that is somewhat neglected in school curricula. I would be very proud if our exhibition inspires pupils to further develop their technical abilities and one day perhaps pursue a career at our factory.

Mercedes has launched a portal dedicated to its investment in Jawor. What are the website's goals and target audience?

In planning the construction of our new facility in Jawor, one of our priorities was establishing a platform for providing the local community with information about the project. That's the original idea behind the dedicated website. One of our primary goals was to create a service which would grow and evolve along with the factory. Also, we wanted to establish a single source of information about all of our business, cultural and community activities and efforts for the region's residents, local organizations and media. As I've mentioned earlier, an important element of the website is the "Career" section which will list all of our job openings. Additionally, it will also be the place to learn interesting facts about the facility as well as current information about Mercedes-Benz's ongoing activities. ■



Wałbrzych Special Economic Zone

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Kompleksowe wsparcie inwestorów

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– JOIN THE BEST!**

**ZAUFAŁO NAM PONAD 200 FIRM
– DOŁĄCZ DO NAJLEPSZYCH!**

IN THE PHOTO:

THE FIRST PHASE OF THE CONSTRUCTION OF THE MERCEDES-BENZ ENGINE FACTORY
IN THE WAŁBRZYCH SPECIAL ECONOMIC ZONE IN JAWOR.

AROUND 300 HA OF LAND IS AVAILABLE TO INVESTORS IN ITS DIRECT PROXIMITY

NA ZDJĘCIU:

PIERWSZA FAZA BUDOWY FABRYKI SILNIKÓW MERCEDES-BENZ W PODSTREFIE JAWOR.

W BEZPOŚREDNIEJ BLISKOŚCI ZNAJDUJE SIĘ OKOŁO 300 HA DOSTĘPNEGO TERENU INWESTYCYJNEGO

A man with short grey hair and a beard, wearing a dark blue suit, white shirt, and red patterned tie, stands with his arms crossed in front of a modern building with large glass windows. The building has a mix of blue and brown tones. The sky is clear and blue.

Professional *means* comprehensive

TEXT: Michał Szukała, Deputy President of the Wałbrzych Special Economic Zone

A rich offer of land and tax exemptions for investors are not the only advantages of doing business in the Wałbrzych zone. Our reliability has been tested by foreign partners in the last 20 years of coordinating investment processes and supporting the tenants.

THE INVESTMENT PROCESS does not begin at the moment of “digging the first spade” for the construction of a new plant. This stage is preceded by many studies and analyses, negotiations, contracts preparations and obtaining the necessary permits. This procedure may seem daunting, particularly for foreign investors who are not experienced in navigating their way through Polish legal regulations.

OVER THE TWO DECADES of its functioning, the Wałbrzych zone has helped almost 100 large compa-

nies with foreign capital, such as international automotive corporations and household names connected with the production of domestic goods and food. It means that we have gathered the necessary experience in supervising big investment projects, which entail the involvement of expert teams appointed by the investor, our zone, local self-governments, the Ministry of Development and the Polish Investment and Trade Agency. When so many parties are involved in a big project, reaching agreement can take months. Keeping the deadlines is possible only when each player is fully committed to the project. Our effectiveness stems from the knowledge of regulations, good contact with self-government units and utility providers, and the ability to find the best service providers. Whenever it is necessary, we help in project coordination by acting as an intermediary between the investor and the external entities at all stages of the process.

INVESTMENTS IN THE WSEZ



The Wałbrzych zone received the commendation of the fDi Magazine for its comprehensive and high-quality services to entrepreneurs

100



**LARGE
foreign tenants**



170



**investment
PROJECTS**



**€5.2
BILLION**



**of capital
EXPENDITURE**

THE COMPANY MANAGING THE WSEZ HAS ALSO PLAYED A CRUCIAL ROLE in the work connected with the establishment of entire investment complexes, known as Economic Activity Zones. These areas are dedicated to a strategic investor as well as its potential partners and suppliers. Currently we manage two such zones. The first one is the Września Economic Activity Zone in Wielkopolskie Province, where Volkswagen's factory is located. The other one is created in the gminas of Jawor and Męcinka, where the construction of a Mercedes-Benz plant has begun. Both zones are characterized by excellent location, access to utilities and, first and foremost – the proximity of the German motorization giants.

IMPORTANTLY, WE ALSO SUPPORT our tenants after the construction of their plants has finished. We offer assistance in finding skilled workers and reliable

business partners. We organize training sessions, conferences and trade fairs. Companies which function within the zone can also join a cluster or a bulk purchase group, which decreases their utility bills. We do our best to quickly react to the tenants' needs and help them overcome any barriers which they may encounter.

THUS OUR SERVICE does not come down to selling plots of land. The quality and comprehensive character of our support is appreciated both by entrepreneurs and by international reports. It is an important element in the incentive package offered to foreign companies, which significantly increases Poland's attractiveness. ■



Growing in harmony with the environment

***Eiji Takeichi**, President of Toyota Motor Manufacturing Poland in Wałbrzych and Jelcz-Laskowice, on new investment projects and the functioning of the Japanese corporation in Poland.*

WSSE INFO: This year marks the 15th anniversary of launching production by Toyota Motor Manufacturing Poland in Wałbrzych. This is one of Toyota's largest factories producing car parts outside Japan. Has the decision to locate the factory in Wałbrzych met your expectations? With the benefit of hindsight, was it the right decision?

EIJI TAKEICHI: The greatest asset of any manufacturing facility is its workers, and the plant in Wałbrzych is known for its high quality of work. The employees are highly skilled and

diligent. This is exactly the kind of people who are needed in industrial production. I also notice similarities between Polish and Japanese culture, which is an additional advantage. Based on these observations, I believe that this factory can potentially become one of Toyota's largest manufacturing facilities in the world. Toyota Motor Manufacturing Poland was set up in 1999, and as early as 2002 we launched the production of first car subassemblies – five-gear manual transmissions. Soon afterwards we expanded the range of manufactured parts. In 2005 a decision was made to make 1.0-liter engines and compatible transmissions. In 2008, the



After the merger of the factories in Wałbrzych and Jelcz-Laskowice, TMMP has become one of Toyota's largest centers producing car components outside Japan.

factory started to produce another type of manual transmissions, with six gears. In 2018 we are going to begin the production of transmissions for hybrid vehicles. This brief overview shows that Toyota is increasingly committed to its presence in the region. Of course, production volumes depend on market demand, but our steady growth proves that the decision to locate our facility in Poland was correct.

You have mentioned that the factory in Wałbrzych is planning to increase its volume of production. Toyota has also decided to introduce the production of a new type of engine in Jelcz-Laskowice. What factors influenced these decisions?

Toyota's production and sales strategy is based on the principle that if a particular kind of vehicle is in high demand in a given region, we try to locate factories where its components are made as closely as possible. So far in Poland we have been producing manual gearboxes, petrol engines and diesel engines in Jelcz-Laskowice. These products addressed the needs of the European market. Nowadays Toyota is planning to increase the sales of hybrid vehicles in this part of the world. As a result, we are launching the production of the new TNGA engines and hybrid transmissions. We follow three main principles when making the decision about choosing the location. First we look at how stable the environment is, in particular in terms of sociopolitical condi-

tions. We want to be certain that they are stable enough to invest and begin production. Then we analyze whether there is access to employees with the right skills – we take into account both their qualifications and the model of relationship between employees and employers. Finally we check if it is possible to set up a competitive plant or assembly lines. We perceive competitiveness not only from the angle of low production costs, but also in terms of occupational safety, efficiency and quality. Once these factors have been analyzed, the company makes the decision about launching new projects. The local factories have met our expectations. The history of Toyota in Poland also proves that it is possible to successfully cooperate with the local self-government, which is another factor influencing our decisions.

Will Toyota's new projects involve the use of innovative processes and technologies?

The technology behind hybrid transmissions and their production originated in Japan. The first foreign factory where these subassemblies are made was opened in China. Thus Poland will be the third country where these units will be produced. The history of Toyota's hybrid drives is relatively long. A lot of time was needed before the company perfected the product, tested it in practice and launched it. We wanted to be certain that it would be an important advantage of our company. We believe that hybrid technology can

be linked with plug-in hybrid vehicles and alternative solutions, fuel cell vehicles. I think that by introducing our innovative technologies to Poland we do the groundwork for their future development and implementation of other solutions that will address the challenges faced by the car industry.

Starting in 2018, TMMP's factory in Wałbrzych will also perform research functions. What will they focus on?

Launching the production of subassemblies for hybrid vehicles is connected with the necessity of training engineers who will be responsible for quality. Although the components will be initially imported from Japan, in the long term we would like to base production on the so-called localization, i.e. using local suppliers of elements needed in the manufacturing process. In order to do so, we must train personnel who would possess the required knowledge of the market, be capable of performing quality checks and able to inform the suppliers about how to make elements meeting our expectations. This is the only way that will enable us to rely on local producers.

The expansion of factories is connected with the need to train not only engineers, but also workers on the shop floor. For many years you have been cooperating with local technical schools. What is Toyota's role in the process of supporting education?

One of the main elements of Toyota's strategy is growing in harmony with the environment. The company and its sur-

roundings affect each other. Supporting schools by Toyota is primarily aimed at increasing the level of teaching technical knowledge. Consequently, we provide equipment to educational institutions – for example, at the very beginning of our presence in Wałbrzych we donated a professional CNC cutting machine to a local school, and later we provided it with models of engines and gearboxes as well as two test cars. We also run a program of apprenticeships and work training at our facility. This is how we contribute to the development of the region, and I believe it is mutually beneficial. By supporting education we have more competent workers. These workers influence the stability of the region and, as I said, this aspect is vitally important when we decide where to locate another investment project.

For many years Toyota has been actively involved in CSR initiatives. What benefits does the company derive from actions addressed to the local community?

The principles of doing business in a responsible way are identical with the Toyota Way, which has been an element of the company's DNA since its early days. Therefore, as I have just said, one of Toyota's principles is developing hand in hand with the local community. We are most active in those spheres where we can share our expertise – environmental protection, road safety or technical education. We also conduct an annual survey of local people's preferences regarding which spheres of life should be supported by local companies. This is another reason why we are involved in social and educational projects as well as initiatives promoting sport and a healthy lifestyle. ■

Examples of Toyota's actions in the region

• Toyota Fund – Ideas that Change Our World

Grants for non-profit organizations conducting small-scale revitalization projects

• ZielonyWałbrzych.pl

An internet portal for the inhabitants of Wałbrzych with information about the environment and pro-environmental solutions for the home

• PoMOC z Toyoty – support for volunteers

Grants for Toyota employees wishing to carry out projects in their local communities

• Safe Driver

Program improving the driving skills of local people, a competition and social campaigns

• TOYOTA Basket League

Year-long basketball competition for primary and middle school students

• TOYOTA Half-marathon Wałbrzych

Co-organization of the half-marathon

Support of local sports clubs and cultural institutions.

Toyota Motor Manufacturing Poland factory in the Wałbrzych subzone





View of the old seat of the WSEZ,
currently blocked by the Cersanit factory

These were the beginnings

The first company that decided to invest in the construction of a factory was the Japanese corporation Takata. Soon afterwards, other investors followed from Japan, Germany, France, as well as domestic firms.



Redevelopment of Uczniowska Street
– the main road across the Wałbrzych subzone



Construction of Faurecia factory



Construction of Faurecia factory

The Wałbrzych Special Economic Zone "INVEST-PARK" was established in April 1997. Its creation was necessary due to high unemployment rates in the region, which resulted from the collapse of the mining and porcelain industry. At the beginning the WSEZ covered 250 ha of land in four subzones – Wałbrzych, where the seat of the managing company is located, Dzierżoniów, Nowa Ruda and Kłodzko.

The first company that decided to invest in the construction of a factory was the Japanese corporation Takata. Soon afterwards, other investors followed from Japan, Germany, France, as well as domestic firms that were drawn to the zone not only by tax exemptions, but also because of the comprehensive

assistance and investors services provided by the managing company.

For twenty years the zone has been constantly broadening its offer, providing investors with plots in Dolnośląskie, Opolskie, Wielkopolskie and Lubuskie provinces. Its area has increased fifteen-fold, and the WSEZ has become the largest special economic zone in Poland. It currently comprises 58 subzones in south-western Poland. More than 200 companies have invested here, spending a total of PLN 25 billion and generating around 50,000 jobs. Among them are both local firms and multinational corporations, such as Toyota, Mercedes-Benz, Volkswagen, Ronal, Mondelez, 3M, or Faurecia. Just in the city of Wałbrzych over 7,000 people are working in facilities covered by the zone. ■



Construction of Toyota Motor Manufacturing Poland factory



These were



Construction of NSK Steering Systems plant





Construction of Toyota Motor
Manufacturing Poland Factory



Expansion of Toyota factory in Wałbrzych

the beginnings



View of the old seat of the WSEZ, before and after the construction of the Cersanit factory



HANNOVER

SMART MEANS

Around 200 companies from Poland, alongside government institutions, scientific units and representatives of regions, presented their offer during the 70th edition of Hannover Messe – the largest industrial trade fair in Europe and one of the biggest in the world. This year, Poland was a partner country of this prestigious event. The Wałbrzych Special Economic Zone “INVEST-PARK” was also present in Hannover

“We would like to present Poland as a country actively building its competitive advantage, based on the development of new technologies; Poland which is young, brave, which is changing and has ambitions to equal the best,” said PM Beata Szydło during the opening ceremony.

Poland’s national stand was the venue for presentations by companies and research units which, in keeping with the motto SMART MEANS POLAND, showed a new face of Polish economy. Among the 27 technological solutions made in Poland were: electric vehicles charging devices (Ekonergety-



MESSE - POLAND

ka-Polska), a technology of ultra-fine printing of nanomaterials (XTPL), or production of ultrathin semi-transparent perovskite-based photovoltaic cells (Saule Technologies).

"Poland is the seventh biggest importer of German goods by volume, even more important than Russia," Mateusz Morawiecki, Deputy Prime Minister, said during a conference. "Together with the Czech Republic Poland is more important than China, together with Hungary – than the USA. For our industrial cooperation it is important to know where our competitive advantages lie – what we should invest in



**Mateusz Morawiecki – Deputy Prime Minister,
Minister of Development and Finance**



together so that both sides could benefit," Mr. Morawiecki added.

Eight Polish provinces and five special economic zones, including Poland's largest Wałbrzych Special Economic Zone, presented their offer at the national stand. The WSEZ showed the land available to investors and the benefits for the tenants. In cooperation with ifm ecolink, a company operating in the Opole subzone, and the Fraunhofer Institute it organized the conference "Towards Polish-German Partnership for Innovation."



WSEZ managers and employees at Wałbrzych zone's stand



Scale model made by students of School Complex no. 5 in Wałbrzych – member of the educational cluster “INVEST in EDU”

“We are very happy to be able to participate in this prestigious and important event. It is an opportunity to present Poland’s advantages to foreign investors, including the benefits arising from functioning in its south-western part,” said Maciej Badora, President of the WSEZ.

Among the 5,000 exhibitors there were companies functioning within the WSEZ. Ifm’s two-level stand featured networking and control systems offered by the German company. Sonel, a producer of measurement devices from Świdnica, and Maxpro, a Wałbrzych-based micro-company producing electric rickshaws, were also present. Of course, the giants of the automotive industry functioning in the WSEZ also presented their offer. Volkswagen revealed the new Crafter, which will be produced in the Września subzone near Poznań, while Frank Deiss, Deputy President of Mercedes-Benz Cars, talked about the decision to locate the Daimler engine factory in Jawor.

“We have analyzed around 80 potential locations all over the world. We have chosen Jawor because of the infrastruc-

ture, logistic potential, accessibility by rail and the possibility of finding qualified workers,” Mr. Deiss said during the discussion panel held as part of the Polish-German business summit. ■





Sone S.A. is the biggest manufacturer of measurement instruments for power generation and telecommunications sectors in Central and Eastern Europe.

***Krzysztof Wieczorkowski**, President of the Board, on the position and future plans of the company based in the Świdnica subzone of the WSEZ.*

WSSE INFO: The roots of the company date back to the early 1990s, when Polish economy was in early stages of development after the political transformations. What do you remember about the early days of the company and the way it has come to be where it is today?

Krzysztof Wieczorkowski: Our firm started with just a dozen employees, and we only offered one product – a simple device for fault loop measurement. It is hard to compare this device to anything that we offer today. It was like a scooter in comparison with technologically advanced cars. However, at that time there were neither competing products nor available components. The Polish economy was just beginning to develop. This is when a group of engineers decided to set up a company that would be able to meet the market needs and the growing expectations regarding quality. Today

we employ over 270 people, including 40 staff in R&D centers in Świdnica and Wrocław. Our team consists of engineers, sales representatives and shop floor workers. We export products to countries all over the world, from South America to China. Our distribution network covers 60 countries. Not bad for a rather small company. But it must be emphasized that we make very technologically advanced measurement systems, dedicated for professionals.

This specialist and precise equipment must require a complicated manufacturing process. How has it changed over the years?

Some elements are the same, e.g. soldering or gluing. What did change was the technological process itself. At the beginning it was based on homegrown methods



– today it is automated. But it varies depending on the complexity of production stages, because some actions still need to be made by hand. Since we are not a mass producer, automation of all the processes is not economically viable. Our factory makes some of the most advanced measurement devices in the world. I can openly say that some of them are simply unrivalled. However, perfecting them is a continuous process. The competitors are not asleep, which motivates us to further development – this is how technological advancement works. This is also the reason why we employ so many engineers and constructors.

What has the process of building the Sonel brand looked like? How has a small, local company turned into a well-known and respected producer?

There are just a few major companies in our industry. On the one hand, the beginning was easy – we functioned in the domestic market, where there was no competition at the time. Everybody was interested in production or sales that could scale, so we could grow in our niche. Without the need to compete we managed to develop over a dozen products, and this was the basis for the company's future. It soon turned out that the market was growing and we could produce more. The turning point came in 1999, when we established cooperation with a Russian partner. Due to his quality requirements we had to upgrade our offer. In spite of political turbulences, Russia remains one of our largest

export markets. The next breakthrough was the year 2004, when Poland entered the European Union. It was no longer necessary to apply for separate certificates for each market. Because it was expensive and complicated, before that time foreign markets were practically closed to small companies. After joining the EU we started to sell our products in the German and Austrian markets. It was a milestone. With the right personnel and distribution network, we could expand even more.

Your devices are exported even to China, although it seems impossible to sell foreign electronics there.

China is a huge player and requires equally huge patience in business contact. Only top-quality products can be sold on the Chinese market. We are unable to compete with them on price, as is the case with down-market products. But there is demand for the specialist equipment that we make. Although China is not our largest export destination, it is in the top ten, and sales are steadily growing.

Does that mean that Polish quality and technical thought are appreciated abroad?

For many years Polish firms used to suffer from the stigma of inferior quality. It has been changing slowly but steadily. Today we sell to Germany both under our own brand and as a contractor for other companies. We are perceived as a reliable partner. What helps us is the “made in EU” label, which allows us to function in many foreign markets. Another advantage is that Sonel is a listed company, which adds prestige, greater brand recognition and credibility due to financial transparency. Because of the shareholders' pressure and expectations, we are more motivated to develop. This strategy helped us during economic crises and other turbulences. Since the company has diversified sources of revenue, its position is stable and we have never reported an unprofitable year. ■



PLESZEW

A town open to investors



There are 8 ha of land allocated to business activity in the town and gmina of Pleszew. Investors can also locate their ventures in another 5 ha covered by the Wałbrzych Special Economic Zone. Conducting business activity within the WSEZ makes the investor eligible for public aid in the form of income tax exemptions.

Pleszew is a charming town on the Ner river, in the south of Wielkopolskie Province. It lies 90 km from Poznań, which is the capital of the region, and around 50 km from an interchange with the A2 Motorway. The gmina is inhabited by over thirty thousand people. The town boasts a rich recreational offer and an attractive array of catering and hotel services. With its history going back over 730 years, Pleszew is able to combine tradition and modernity in economy, education, environmental protection, culture and sport.

Pleszew was one of the pioneers in the process of integration with Europe. In the 1990s, the town signed a partnership agreement with Spangenberg in Germany, and soon afterwards it established cooperation with St. Pierre d'Oleron in France, Morlanwelz in Belgium and Westerstede in Germany. Today it is a thoroughly European town.

Pleszew is known for the production of central heating boilers and gardening, especially greenhouse tomatoes. Local craftsmanship is also well developed, with leathercraft and saddlery specialists renowned all over Europe. The town is the seat of a company producing machines for the food industry, which are exported to Asia and America. FAMOT, another Pleszew-based company with German and Japanese capital, makes specialist machine tools used all across the world. The company also operates a training center and a sales outlet from which these machines are sold to Eastern Europe.



CHECK OUT THE
AVAILABILITY OF LAND
FOR INVESTING IN PLESZEW



MAP OF SUBZONES

of the Wałbrzych Special Economic Zone



Check out the interactive
map on the Internet



that later became our partners,” emphasized **Piotr Kuchta** of TechPlast, a plastic processing company.

Business Mixer attracted representatives of companies operating in over twenty different sectors of industry and services from 60 places in ten provinces. There were also entrepreneurs from the Czech Republic. Over 7,000 business cards were exchanged during the event.

INVEST-PARK Business Mixer was held at Wrocław Stadium Business Club, which was the main partner of the event. It was held under the patronage of the Industrial Development

Agency, the organizer of the project “The Network of Open Innovation.” ■

NYSA

This is just the beginning



KORDIAN KOLBIARZ

Mayor of Nysa

"The presence of Nysa in the Wałbrzych Special Economic Zone has brought very positive effects. The first subzone is already being fully used by investors. These jobs were much needed in Nysa.

The design documentation for the new areas has already been prepared. We have also submitted to the Marshal Office an application for subsidizing the construction of internal roads on these premises.

Nysa is an excellent destination for investors because apart from the tax exemptions for zone tenants we offer some of the highest property tax exemptions. Most importantly, however, Nysa is a town where many skilled workers live. Around 1,200 of them commute from Nysa to Opole and Wrocław every day, and most of them would gladly find jobs on the spot."



Nysa is one of the largest towns in Opolskie Province, situated in its south-western part. It lies on the picturesque Nysa Lake, near the border with the Czech Republic. For many years the region struggled with high unemployment rates, which at the beginning of the previous decades oscillated at around 25%, and in 2003 exceeded 34%.

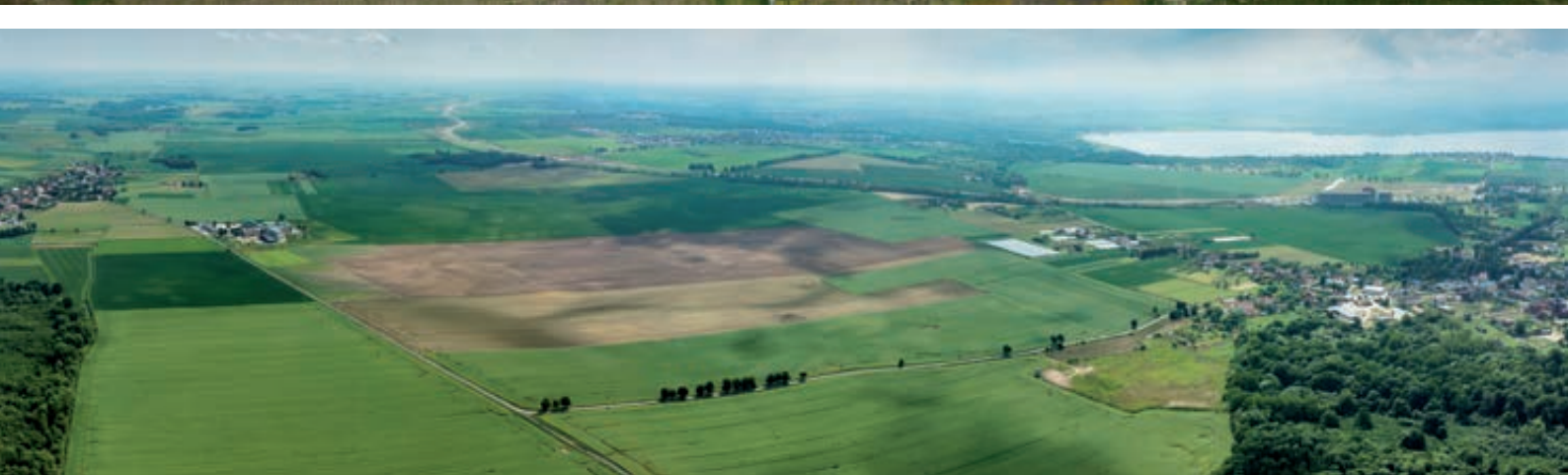
The lack of jobs was crucial for the decision to create the Nysa subzone of the Special Economic Zone "INVEST-PARK" in 2001. Initially the zone covered areas in the south-east of the town. Later, in 2007, it expanded to include land closer to the town center. The role of the local authorities in attracting investors was vital – the gmina invested PLN 10 million in land improvement and construction of internal roads. As a result, Alsecco, a producer of window frames and aluminum elements, decided to locate its plant here in 2010. The company currently owns four production floors and employs over 400 people.

The second investor – Vasco Doors, a manufacturer of doors and doorframes, came two years later. Like Alsecco, this company immediately felt at home in Nysa. In 2014 it began the expansion of the manufacturing facility and today almost 100 people work there.

In 2011 a decision was made to cover 154 ha of land situated to the west of Nysa, near Radzikowice, by the Wałbrzych Zone. It could well turn out to be crucial for the future of the region. Although several smaller plots have already been sold, Nysa is still waiting for big investors.



**CHECK THE AVAILABILITY
OF PLOTS FOR INVESTING
NEAR NYSA**





Delegates of the China Council for the Promotion of International Trade in Wałbrzych

A 120-person delegation of the Hubei province paid a visit to the Wałbrzych Special Economic Zone. The aim was to tighten economic cooperation between the two countries. Talks also concerned the attractiveness of the region to investors and the potential Chinese investment projects in south-western Poland.

The delegation consisted of representatives of the China Council for the Promotion of International Trade, which is the largest and most important agency tasked with the promotion of foreign trade with China. It coordinates the work of 50 regional and 21 industry-specific chambers of commerce. The agency also maintains a network of 17 foreign offices, including one opened in Warsaw in 2016. Its mission is to ensure the optimal conditions for economic cooperation with China.



The Polish-Chinese Krakowiak dance

The delegates had an opportunity to watch a performance of the Jubilat Song and Dance Group from Świdnica, which took place in the courtyard of the Książ Castle. A special program was prepared for the guests from China, which included a dance with flags, a show of traditional Polish dance and a performance of the traditional Chinese song "Mo Li Hua."

The guests also attended a conference devoted to the benefits of investing and functioning in the Wałbrzych zone. They toured the seat of the WSEZ and visited the Wałbrzych sub-zone, where 17 industrial facilities function. ■



SOLGAZ – A SMALL



The year is 2001. The company employs literally a handful of people, but they believe that their idea is good enough to compete in a market dominated by global corporations whose workforce exceeds the number of inhabitants of the town where the production of ceramic gas hobs without flames is about to be launched. Since then, the invention has enabled the Polish company SOLGAZ to win customers' appreciation in many countries of the world.

"It's been an interesting idea from the very beginning. We created a hob that works and looks like an electric one, but is powered by gas. This source of energy is much cheaper," explains **Mieczysław Kaczmarczyk**, without whom SOLGAZ would have ceased to exist a long time ago. "Most people would probably decide to sell their idea to a big corporation. This is the easiest and fastest way to have immediate effects," he adds.

However, SOLGAZ chose to follow a different path – to start production under its own brand and compete with the biggest firms in the industry. The company's rivals have turnovers of billions of dollars, employ thousands of people, including specialists in all fields.

"To say that it is difficult to compete with such companies is to say nothing. But we believed that good ideas would defend themselves," Mr. Kaczmarczyk says.

Production eventually began, but there were no crowds of people waiting for the product launch.

"At first we sold literally a few pieces in a month. Nobody knew that such a solution was available. Chain stores were out of our reach – we were not big enough to be their partner and supplier," explains **Ireneusz Bartnikowski**, President of SOLGAZ.

GIANT OF DOMESTIC GOODS

A modern kitchen featuring a black induction cooktop on a grey countertop. Two white pots are on the cooktop. A glass bottle of yellow oil is on the left. The background is a white subway tile wall.

The success in Poland enabled the company to expand abroad. Quite naturally, the first markets were those where natural gas is a common source of energy.





But the company did not give up and took a bold decision – to sell on the internet, which was far from usual at the time. Selling such expensive equipment by an unknown company seemed to be a recipe for failure. But quality speaks for itself, and customers were willing to take a risk. Soon the solution devised by the company from Świdnica gained recognition. Opinions of satisfied customers helped SOLGAZ to develop and broaden their range of products to include ovens, ven-

tilation hoods and induction cooktops. Each of the products was different than what the competitors offered. So the hoods had sensors that automatically activated the device when cooking was detected, and the ovens had functions such as microwave or steam cooking. The success in Poland enabled the company to expand abroad. Quite naturally, the first markets were those where natural gas is a common source of energy.

“Russians were the first ones to become interested in our products. It is a very big market, and the reaction to flameless gas hobs was enthusiastic,” Mr. Bartnikowski remembers.

Currently SOLGAZ exports products to numerous European countries as well as some more exotic ones. “Many people believe that there is no future for natural gas. In new housing developments there often is no gas connection. We are aware that some customers prefer induction cooktops, which we also produce, but in many places gas remains the basic source of energy for cooking. Our greatest experience is in this field and we are already working on new, unique products. Gas will certainly not disappear from the kitchen in the nearest future,” Mr. Kaczmarczyk assures. ■





WHITE GOODS INDUSTRY MIXER

Over 200 representatives of the domestic appliance industry and associated industries participated in the first edition of White Goods Industry Mixer – Poland's largest meeting of manufacturers of home appliances. The meeting was organized by the Wrocław Agglomeration Development Agency in cooperation with the Wałbrzych Special Economic Zone, and the main partner was Bosetti Global Consulting.

The meeting rooms of Wrocław Municipal Stadium gathered representatives of over 90 companies, including a 70-person strong delegation of Italian entrepreneurs connected with the domestic appliance industry. The main aim was to establish new business contacts, find suppliers and partners, and exchange experiences.

"For several decades Wrocław and the entire region of Lower Silesia has been among the strongest centers of home appliance manufacturing in this part of Europe," said **Dariusz Ostrowski**, President of the Wrocław Agglomeration Development Agency. "The white goods industry, which offers employment to thousands of people in the region, has strategic importance for the city."

In 2016, Polish manufacturers produced 22 million pieces of major appliances, worth almost PLN 17 billion. Lower Silesia is a leading area in terms of the concentration of companies representing this sector, not only in Poland, but across Europe. A majority of domestic appliances manufacturers in Lower Silesia function within the Wałbrzych Special Economic Zone. Their capital expenditure to date has exceeded PLN 1.5 billion, and they employ over 5,000 people.

"Every tenth company operating in the zone represents this branch of industry. It constitutes one of the pillars of our

functioning. Most firms have Italian capital, and for this reason it pleases us that so many of their delegates are taking part in the event," said **Michał Szukała**, Deputy President of the Wałbrzych zone.

There are 18 WSEZ tenants specializing in the production of household appliances, and all of them are based in Lower Silesia. One of the biggest is the BSH corporation, which produces goods for Bosch and Siemens, among others. The construction of the company's two new plants in Wrocław has been in progress since March 2016. So far the German firm has invested over PLN 200 million.

"We have been carrying out our newest investment project for over a year. All work is going to plan. The total cost will be PLN 500 million, and around a thousand people will be employed," said **Konrad Pokutycki**, President of the Board of BSH Sprzęt Gospodarstwa Domowego.

The Swedish company Electrolux owns three production facilities located in the Wałbrzych zone, which employ three thousand people. The factory in Oława produces washing machines, in Świdnica – ovens and cookers, and in Żarów – washing machines. Elica, an Italian manufacturer of air filtration systems and devices, runs a factory making hoods in the Jelcz-Laskowice subzone, which employs several hundred people. SOLGAZ, a Polish producer of innovative domestic appliances, conducts business activity in the Świdnica subzone.

"The meeting was an opportunity to establish cooperation between producers of white goods and companies that could provide components and subassemblies. We have managed to find new potential partners, and I hope it will translate into permanent cooperation in the nearest future," commented **Ireneusz Bartnowski**, President of SOLGAZ. ■

Phot. by Bartosz Mikołajczyk



A BIG LOCOMOTIVE HAS

An exhibition of almost 100 vehicles of rolling stock is presented at the Museum of Industry and Railroad Transport in Jaworzyna Śląska. The collection comprises 40 steam locomotives (produced in Poland, Germany, England and the USA), electric and diesel locomotives, and over 50 carriages and special railroad vehicles. Standing on the railroad one after another, they are more than 2 km long. The rolling stock dates back to the period between the end of the 19th century and the 1970s.

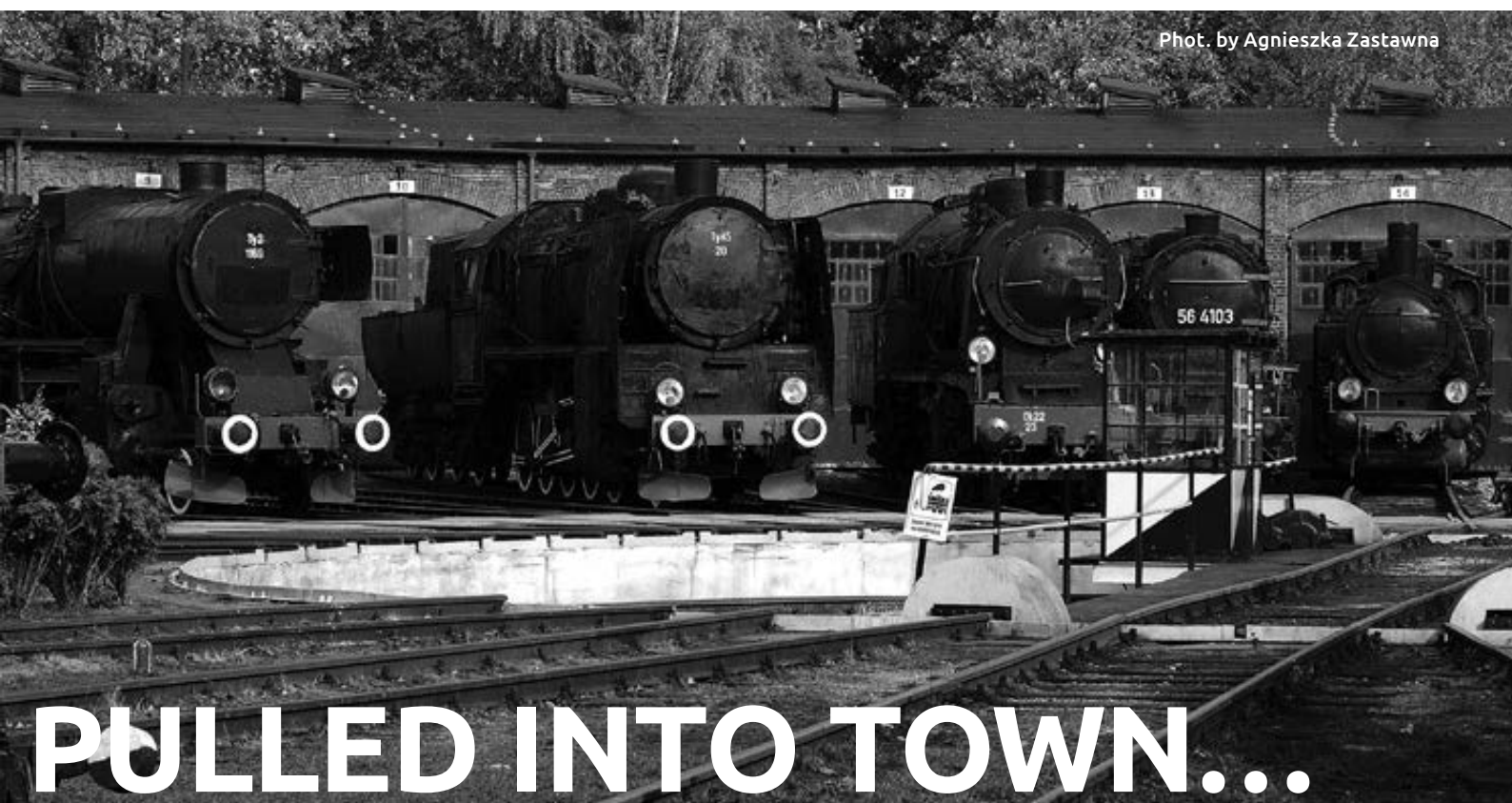
The museum boasts the only functioning standard-gauge steam locomotive in Lower Silesia – the TKT48-18, made in 1951. Its collection also includes railroad equipment, tools and documents. Apart from exhibits connected with railroading, the visitors can see machines and industrial equipment, e.g. the Polish computer ODRA from 1974. A significant part of the collection consists of iconographic, librarian and archival documents connected with the railroad industry and related fields, such as signaling and rail transport safety.

Another part of the exhibition is devoted to the history of motorcycling in Silesia, featuring the pre-war Polish motorcycles Sokół 600 and 1000, among others. There are also old radio sets and radio engineering devices used in railroading.



Phot. by Maciej Mądry

Phot. by Agnieszka Zastawna



PULLED INTO TOWN...



Phot. by Bartosz Mikołajczyk



Phot. by Paweł Chołodniak

Two period carriages contain a permanent exhibition devoted to the role of railroads in the displacements of people after the second world war.

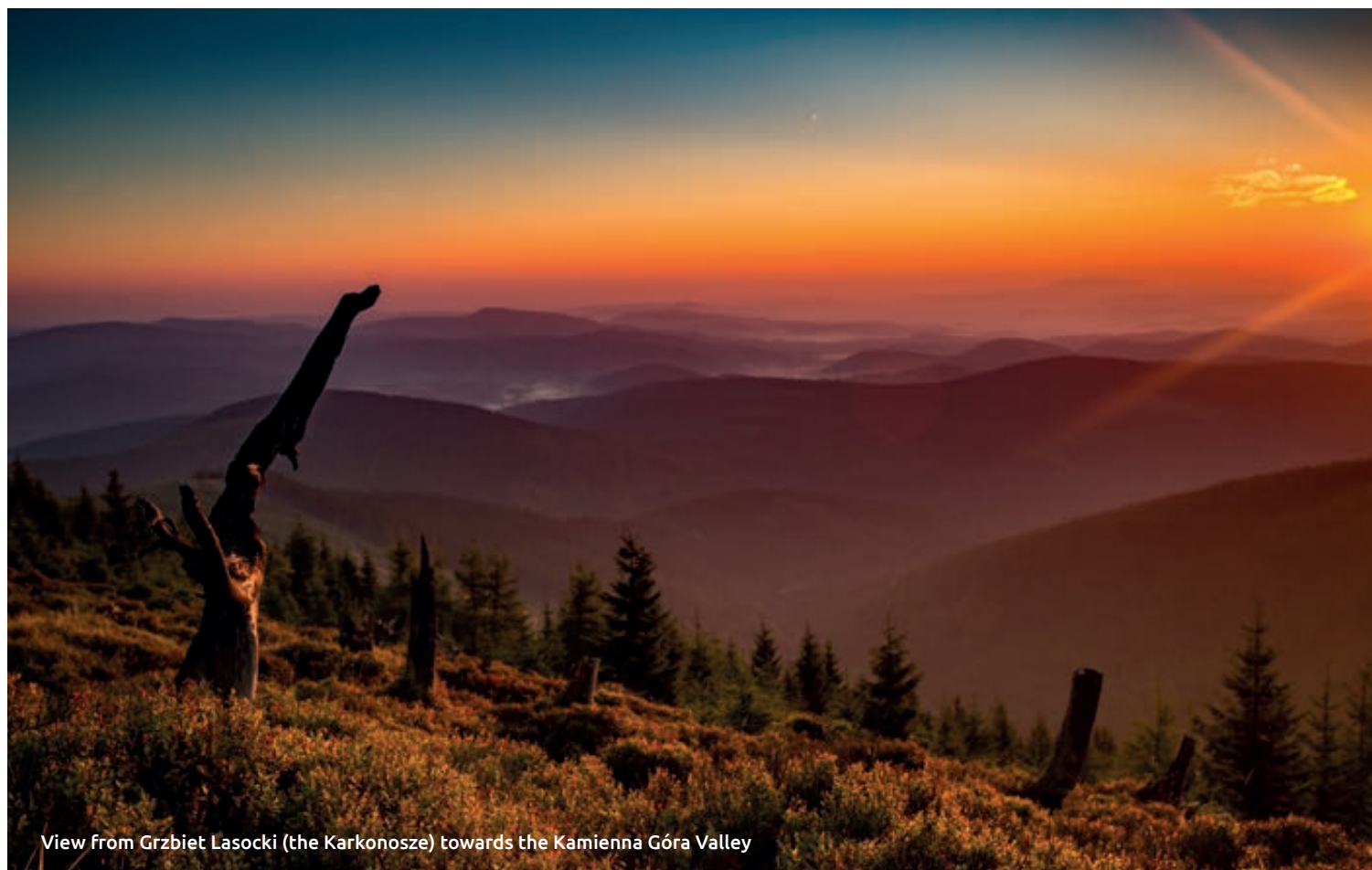
After the modernization of the old railroad infrastructure, a railroad connecting the most important parts of the museum was launched. A train pulled by the Tkt48-18 engine or the 1956 Czechoslovak motor carriage Motorak moves along a siding so that the visitors can see important rail-roading objects, such as a water crane, a coal crane, an oil mill or a service pit. ■



THE KARKONO

Situated in the central part of the West Sudetes, in south-western Poland, the Karkonosze are the biggest and highest mountain range in the entire Sudetes, with their peaks rising over 1,400 meters above sea level. Once known as the Giant Mountains, the Karkonosze stretch over more than 40 km and constitute a natural border between Poland and the Czech Republic. Their highest and most recognizable peak is Śnieżka (1,602 m above sea level), which belongs to the Crown of Polish Mountains.

The Wielki Staw glacial lake and the view of Śnieżka in the morning



View from Grzbiet Lasocki (the Karkonosze) towards the Kamienna Góra Valley

SIZE

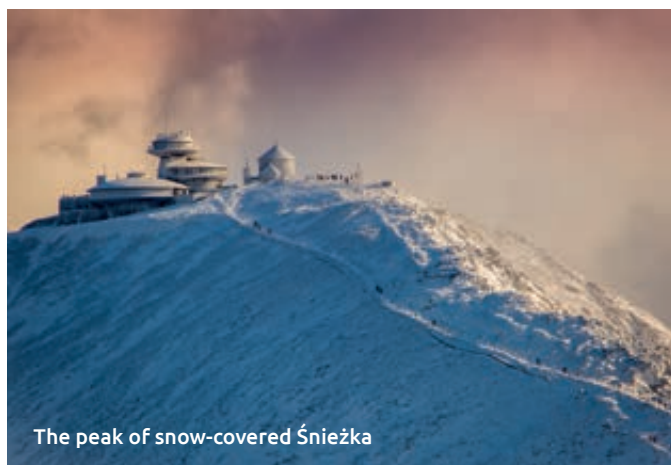
FEEL THE SPIRIT OF THE MOUNTAINS

The Karkonosze mountain range is the most frequently visited place in this part of Poland, attracting tourists from both Poland and abroad. Teeming with many specimens of plants and animals, the area has a well-developed tourist infrastructure.

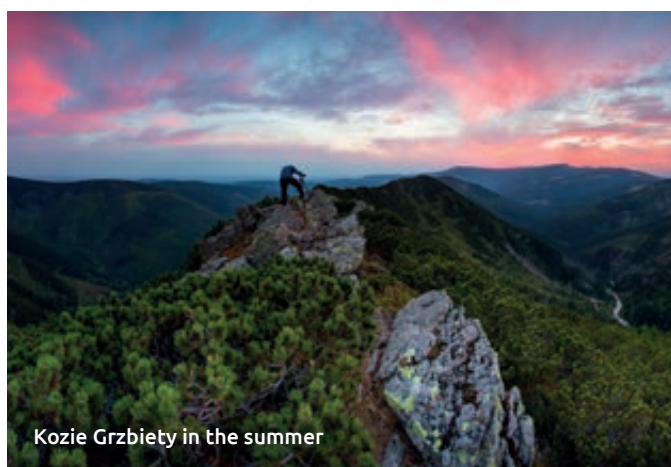
The majestic peaks tempt hikers throughout the year. Śnieżka towers above the surrounding land by over 200 meters, which guarantees unforgettable views in good weather. Since 1880, a meteorological observatory in the characteristic shape of a saucer has been functioning on its top. In its proximity there is an 18th-century Baroque chapel dedicated to St. Laurence. At the foot of the mountain lies Karpacz, the most important resort in the area and an excellent starting point for exploring the region.

The area boasts numerous architectural monuments, including palaces and castles in Chojnik, Wojanów, Łomnica, Staniszków and Mysłakowice. The Karkonosze also offers great conditions for mountain cyclists and hikers as well as enthusiasts of Nordic walking, snowshoeing, cross-country skiing, downhill skiing and even dog sledding. Around the town of Szklarska Poręba alone there are 19 signed cycling routes between 8 and 50 km long, whose total length exceeds 450 km. The town is also the venue for the Bike Festival, which is the biggest event of this kind in this part of Europe.

Photographs by Marcin Jagiellicz



The peak of snow-covered Śnieżka



Kozie Grzbiety in the summer

Whatever our resources of primary energy may be in the future, we must, to be rational, obtain it without consumption of any material.

– Nikola Tesla



RECOVERING COLD ENERGY

Liquefying gases has many advantages and one serious drawback – the liquid must eventually be regasified, which in the case of traditional installations leads to huge losses of energy, and consequently – of money. A Polish company has devised a process that will minimize the problem.

Since 2009, BEST Systemy Grzewcze, a company based in the Świdnica subzone of the WSEZ, has been supplying liquefied natural gas (LNG) using its own cryogenic vehicles. The company also owns regasification plants. Several years ago it decided to focus on recovering cold energy from the gasification of LNG.



"The most commonly used LNG regasification installations are based on evaporation systems that release cold into the atmosphere. This leads to losing huge amounts of energy that was previously needed to liquefy and cool the gas," explains **Mariusz Koba**, President of BEST Systemy Grzewcze.

Gases used in technological process are liquefied for a number of reasons. First, it significantly reduces the volume, which makes it economically viable and safe to transport gas to the ultimate consumers. Second, the process involves removal of impurities. However, liquefaction is an extremely energy-intensive process. Despite many improvements and modifications, large quantities of electric energy used in liquefaction are irreversibly lost as thermal energy.

"In 2012 we launched a prototype cold exchanger. Because it was a test unit, we equipped it with a complex system of monito-



ring, visualizing, measuring and archiving the parameters. The automatic protection systems and algorithms were designed in a way that prevented stoppages in gas supply in case of any breakdowns in the cold recovery system. Our first priority is to ensure the safety of gas supply so that the client's production does not suffer from stoppages. Experience gathered in this way enabled us to construct a second prototype, which was more efficient and innovative. The energy recovered by the cold exchanger is transported to the client by pipelines using glycol, and can be



later used in technological processes or to cool objects down," Mr. Koba explains.

Thanks to the possibility of using energy that previously was lost, the client is able to increase production volumes without the need to invest in expanding the infrastructure.

"Our clients receive added value in the form of the recovered cold energy in the process of using liquid gases. The device can replace one of the traditional evaporation machines, which saves money. After installation our innovative invention provides 1.5-2.0 MWh of energy a day. The annual savings resulting from the decreased consumption of electric energy amount to around PLN 50,000. Provided that several conditions have been met, the investment in purchasing and mounting the exchanger will pay for itself after four years of exploitation. The subsequent years will bring benefits in the form of saved money. The economy speaks for itself, not to mention the financial gains due to improved energy efficiency and the possibility of obtaining white certificates," Mr. Koba adds. ■



OLEŚNICA

Tradition and modernity



MICHAŁ KOŁACIŃSKI

Mayor of Oleśnica

The atmosphere here is unique! Cycling routes and swimming pools are everywhere, and they are very popular. It is simply impossible to be bored in Oleśnica! Visitors and performers from all over the world come to take part in the Oleśnica Festival of Circus and Art (OFCA). Representatives of different countries come to the annual Europe Days while jazz enthusiasts are well familiar with the Oleśnica Jazz Festival. Those who are keen on heavier tunes visit our town during the Oleśnica Rock Festival, which is gaining greater recognition each year. Fans of hip hop music wait impatiently for the AGRAFKA. Oleśnica also organizes a festival of classical music. Let me put it this way: a twenty minute drive from Wrocław will take you to a place which not only boasts a rich cultural and sports offer, but where it is possible to find a moment of respite and make your professional and private plans come true. A high level of education, easy access to kindergartens with some of the highest subsidies for preschool children in Poland, a vast range of allowances and facilities for large families – in Oleśnica, everybody feels at home.



Oleśnica Festival of Circus and Art (OFCA)

For over half a millennium Oleśnica used to be the capital of a duchy, which has become an inherent part of its almost 800-year long history. Today, the aristocratic features of the town are visible not only in its architecture. Oleśnica is still growing and attracting both investors and tourists.

The historical character of Oleśnica is mostly made up of one of the biggest and best preserved castles in Lower Silesia, the Basilica of Saint John the Evangelist, the Market Square and the old town. However, the climate of the town does not come down only to historical monuments – it also includes very well-developed recreational and leisure infrastructure. Numerous parks, kilometers of running and skating routes and ponds offering the possibility of renting boats and kayaks act as a magnet for visitors.

One of Oleśnica's chief assets is its excellent location. Expressway S8 from Wrocław to Warsaw runs through the town, so it takes only 20 minutes to safely reach it from the capital of Lower Silesia, tour the town and use its broad cultural and recreational offer. The attractive location, ease of access and preferential conditions for investors encourage an increasing number of entrepreneurs to situate their business ventures here. GKN Driveline, a provider of drive transmission technologies and components for some of the largest car producers in the world, functions in an area covered by the Wałbrzych Special Economic Zone near Oleśnica. Last year, the company was joined by Alucrom, which specializes in metal processing. There are still almost 45 ha of land available to investors who would like to use the possibility of applying for tax exemptions.



**CHECK THE AVAILABILITY
OF PLOTS FOR INVESTING
NEAR OLEŚNICA**



PAIH

– THE FIRST STEP TO INVEST IN POLAND

Foreign investors, whose interest in Poland has considerably increased in recent years, come across different obstacles, which may be connected with legal aspects, land ownership issues or language barriers. These problems can make the investment process quite lengthy. The assistance of the Polish Investment and Trade Agency (PAIH) makes it much smoother.

The history of the agency goes back to the late 1980s, when the Foreign Investment Agency was established. In 1992 it was transformed into the State Foreign Investment Agency. At that time one of its main tasks was to offer support in setting up joint ventures. Potential partners had to apply to the agency for a permit, but receiving it translated into a three-year income tax exemption. Interestingly, one of the requirements for establishing a joint venture company was to contribute to the share capital an equivalent of 25 million zlotys in a foreign currency, and the foreign partner had to own at least 20% of the company's share capital.

In 1991 the second agency that later merged to create the PAIH was established. The Polish Information Agency was responsible for promoting Poland abroad and helping foreign correspondents in Poland.

In 2003, the Polish Information Agency and the State Foreign Investment Agency merged. The new entity was called the Polish Information and Foreign Investment Agency. The most recent change took place at the beginning of 2017, when it was renamed to the Polish Investment and Trade Agency, which became part of the Polish Development Fund.

The main tasks of the agency include encouraging foreign companies to invest in Poland, providing information about the functioning of companies under Polish law, and assisting in finding the best locations for the investment projects, taking into account the investors' needs concerning the date of launching activity, the size of the plot or the availability of employees. It means that the PAIH looks after investors at all stages of the investment process, advising them how to navigate their way through Polish regulations. The agency also maintains a database of investment locations, which includes property that could be used by the new investors.

The PAIH personnel first establish the needs and expectations of the potential investor. Later, often in cooperation with special economic zones, they present a list of locations and guide the investor through the investment process. They accompany the investor's representatives on visits to potential locations, inform about the available tax exemptions and other forms of public aid, all the way until a new company is incorporated in Poland (which is necessary to receive a permit to conduct business activity in a special economic zone), a land is purchased and the investment project is launched. ■

A professional cyclist, Czesław Lang, is shown in profile, riding a road bike on a paved road. He is wearing a yellow and white cycling jersey with 'LANGTEAM' and 'Tour de Pologne' logos, a white helmet, and sunglasses. The bike is white with 'COLNAGO' written on the frame and 'COSMIC' on the wheels. The background shows a clear blue sky and a grassy hillside.

Czesław Lang, Olympic vice-champion in cycling, two-time medalist of Road World Championship and organizer of Tour de Pologne, on the attractiveness of Polish cycle routes, the benefits of cycling and a healthy lifestyle.

CZESŁAW LANG:

- "LOWER SILESIA

is worth recommending to everybody"

WSSE INFO: In your cycling career you participated in the most prestigious competitions all over the world. From this perspective, how would you describe the attractiveness of Polish cycle routes?

CZESŁAW LANG: It is true, I competed in many places, even as far away as Mexico, but I always felt best in Poland. As a professional cyclist I focused mostly on the race, but it was impossible to ignore the support of the fans. There were thousands of them. Today this number is much higher. The most recent edition of Tour de Pologne was seen by 3.5 million people who came to see the cyclists live. These were people who took a day off, children who came with all their

classmates to see the peloton. It does not surprise me when many cyclists tell me that Tour de Pologne is their favorite race of the season and they look forward to coming back to Poland. The only thing that we lack is high mountains, although there are some legendary spots, such as Ściana Bukowina – the uphill stretch to Gliczarów Górny. Even class cyclists suffer there. You must be in a truly excellent form not to see spots before your eyes when the pace is high. Each year we choose the route in a way that includes fragments for both sprinters and climbers. In this way, the race is both varied and spectacular, which is the essence of road cycling.

What makes southern Poland, and Lower Silesia in particular, special on the map of Polish cycling routes?

As many as seven editions of Tour de Pologne finished on the climb going up to Orlinek near Karpacz. This is where the results of the race were decided, which serves as the best illustration of the cycling potential of Lower Silesia. I think that those who took part in these races still remember how difficult it was to go up that mountain and beat the rivals. Moreover, the landscape of Lower Silesia is varied. The region is suitable both for professional cyclists, as evidenced by the fact that the last four editions of the Polish Cycling Championship were held in Sobótka and Świdnica, and for amateurs with a passion. The mountains near Karpacz or Jelenia Góra offer exciting routes for cycling enthusiasts. These are also beautiful areas for mountain biking. In a nutshell – Lower Silesia is worth recommending to everybody.

Thanks to you as the organizer of Tour de Pologne, some of the best cyclists in the world regularly visit Poland, which is undoubtedly an excellent way of promoting our country. What do foreign cyclists say about Poland?

Poland's attractiveness is best proven by the fact that the competitors want to return here. When Tour de Pologne was included in the elite group of UCI World Tour races, which is dubbed the Cycling Champions League, the best of the best started coming to us. If a cyclist who has visited almost every country in the world, large cities and tiny villages alike, says that Poland is amazing, we should be really proud. There is another thing that makes me very happy – Tour de Pologne is a race which discovers new stars in the world of cycling. Rafał Majka and Michał Kwiatkowski need no introduction; Christopher Froome went on to win Tour de France three times, Peter Sagan is the current world champion. Although the list goes on, all of them began their great careers during Tour de Pologne. This is another reason why the race is magical – everybody fondly remembers their first triumphs.

You are known not only as the organizer of Tour de Pologne, but also as a promoter of cycling. At the risk of sounding banal, what are the advantages of cycling in comparison with jogging, for example, which has been so popular recently?

All my life has been connected with cycling, so I am an expert in matters connected with it. The most important thing is to keep moving. It makes people healthier, more relaxed and cheerful. I still cycle quite a lot given my age and I must say that it is a joy to see big groups of cyclists on the road from Wilanów to Powsin near Warsaw, for example. I'm sometimes under the impression that the peloton of Tour de Pologne is coming at me from the opposite direction. These

people are developing their passion, invest in equipment, think about taking part in competitions. It is impossible not to be happy when I see how cycling has developed in Poland throughout the last few years. Tour de Pologne for Amateurs, which is held on the last day of the event, shows how many people want to race on the road. There is also Mini Tour de Pologne for kids who would like to taste this sport. This is how Rafał Majka, Michał Kwiatkowski or Katarzyna Niewiadoma started. Mountain biking enthusiasts also have a chance to compete in professional races.

What is the influence of a vegan diet on your health? It is stereotypically thought that a sportsperson should eat a lot of meat to have the power and stamina needed to be successful in this discipline.

People used to think that meat, and especially the proteins in it, is irreplaceable. Incredible as it may sound today, as an amateur cyclist I would eat kielbasa, pork chops or even cabbage and meat stew during competitions. When I turned professional and left for Italy, I discovered new eating habits. In my case, veganism resulted from an illness. I still eat proteins, although from different sources. Many plants, especially leguminous ones, can easily replace meat. Let me put it this way – a few years ago I raced against a Frenchman who was confident that my eating habits would make it impossible for me to win. I hope that he changed his mind about them at the finishing line. ■





In the year marking its 20th anniversary of existence, the Wałbrzych Special Economic Zone invited all employees of tenant companies, their families, inhabitants of Wałbrzych and the region to take part in the action ACTIVE WSEZ. Every Saturday throughout the summer holiday, both children and adults could play and exercise under the supervision of instructors. Apart from great fun, the participants could win attractive prizes, including specially prepared t-shirts with the logo of the action.

A SPORTS SUMMER WITH ACTIVE WSEZ

In the year marking its 20th anniversary of existence, the Wałbrzych Special Economic Zone invited all employees of tenant companies, their families, inhabitants of Wałbrzych and the region to take part in the action ACTIVE WSEZ. Every Saturday throughout the summer holiday, both children and adults could play and exercise under the supervision of instructors. Apart from great fun, the participants could win attractive prizes, including specially prepared t-shirts with the logo of the action.

For ten consecutive Saturdays several hundred people played, exercised, spent time together and learnt sport under the supervision of instructors. The activities were divided into five zones. The first one was the Kid Zone, where children between 4 and 8 years of age could play with balloons, balls, skipping ropes or participate


in interesting music games. Older children, between 9 and 13, did exercise with professional sports equipment, such as medicine balls, mattresses or hurdles.

Adults could choose between three zones of activity. The Recreation Zone was intended for people who were just beginning their adventure with sport. The training focused on the basic forms of movement and general exercise. Those who were interested in more fashionable forms of exercise joined the Fitness Zone. Although it was mostly chosen by women, there were also a few men among them. Here, trainers showed forms of exercise that strengthened muscles and burnt the fatty tissue. The fifth zone was intended for active sportspeople who wanted to improve their technical skills. It grouped people who were used to spen-

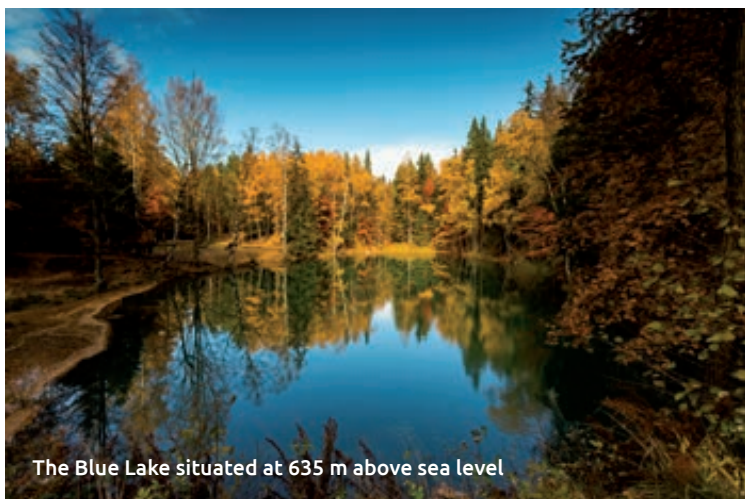


ding their time actively and were fully aware of the huge benefits of exercise for their well-being. The Sport Zone was supervised by Roman Magdziarczyk, a sportsman from Wałbrzych and an Olympic athlete. The whole action was coordinated by Justyna Oleksy, an athlete from Wałbrzych and several-time champion of Poland.

The participants' reaction to this novel form of the zone's jubilee celebration was very positive. Developing good relations between companies and the local community is not only one of the principles of corporate social responsibility – it is also natural for humans to foster friendly interpersonal relations while respecting the natural environment. ■



RUDAWY JANOWICKIE



The Blue Lake situated at 635 m above sea level



Krzyżna Góra (654 m above sea level).
In the distance – the Karkonosze Mountain Range

A ROCKY LAND OF LAKES AND PALACES

Majestic rocky peaks towering over woodlands is a distinctive feature of Rudawy Janowickie. The area situated in the eastern part of the Central Sudetes is an excellent starting point for hikes into the higher sections of the Karkonosze.

Rudawy Janowickie attracts enthusiasts of hiking, horse riding and mountain biking. Many interesting rock formations, such as Sokoliki, Skalny Most, Piec or Starościńskie Skały, make it an excellent destination for rock climbers.

The highest peak of Rudawy Janowickie is Skalnik (945 m above sea level). Just under the wooded peak there is the Mała Ostra viewing deck, which is considered to be one of the best in the entire Sudetes.

Another characteristic feature of the region is the Colorful Lakes, whose unusual colors (purple, light blue and green) result from mining work carried out centuries ago. The area is peppered with architectural monuments – palace and park complexes as well as ruins of castles. It also offers a broad range of eating and accommodation options.

Photographs by Marcin Jagielicz

The viewing deck on Sokolik (642 m above sea level) in the morning

A photographer admiring the sunrise from the Łomnickie Hills

Karpniki castle at night



Karpnickie Ponds in the morning (phot. by Marcin Jagiellicz)