

IP

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INVEST PARK INFO



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MINISTER OF LABOR AND SOCIAL POLICY

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Let's get to know each other...

... although it is already the fifth issue of the Wałbrzych Special Economic Zone's quarterly, our suggestion is still topical. Because things are changing all the time. Each morning, we wake up in a different world. I dare say – in a better world. Why this optimism?

Let me just quote some reasons from the end of the year at the WSEZ "INVEST-PARK". We have issued another 65 permits (a record number) to new investors who will use public aid. New plants in the zone have begun production – **BAMA, POLARIS, DBP EKO, PASTA FOOD, RONAL, MANDO**. We have finished the construction of four modern production floors for companies. Entrepreneurs who have put their trust in us and conduct business activity in the zone initially promised to create 25,000 jobs –

OVERVIEW OF EVENTS AND DEADLINES

Decision time!

2015 is an election year in Poland – in May, we will choose the president, and in October – a new parliament.

Remember about the rules

In 2015, many legal regulations will change in Poland. As far as tax law is concerned, there will be changes concerning company tax, e.g. the possibility of paying the tax in countries with a lower tax rate using local subsidiaries. In labor law, it will be easier for new employees to undergo initial medical examinations if they already underwent the examination in the previous place of work, provided the conditions were similar. Most improvements in building law concern single-family housing, but companies may be interested in the new list of types of real estate for which a use permit will not be required anymore – it will be enough to notify the appropriate office (e.g.



in the case of car washes, garages, warehouses and storage areas, etc.). Also, consumer law will be more advantageous to consumers (easier return of goods and obtaining a refund, simplified procedures of terminating an agreement, ban on hidden charges). Since ignorance of the law is dangerous, we write more about the new rules on pages 28–29 of this issue of "IPI".



and they have actually created more than 39,000. Each day brings new meetings with potential investors, which means that there will be more jobs so that an ever greater number of families will live with dignity... (we hope that the WSEZ firms will generate at least 1,200 new jobs next year).

I have more such arguments that confirm that the world is changing for the better. You can find them in this issue of "INVEST-PARK INFO".

I wish for you and me to continue getting to know the best of each other so that in three months' time we could again talk about what has changed for the better... what we have changed for the better. ■

✦ **JOLANTA CIANCARA, Managing Editor**

Jolanta Cianciana has held numerous positions in journalism, from field reporter to programming director and managing director. She has taught Public Relations, Protocol and Etiquette, and Journalism at universities and in various training institutions. She has also worked in business (creating and implementing marketing strategies) and self-government administration (managing human resources, supervising EU programs). Currently she is Director of the Communications Department in the WSEZ.



CHANGES IN LOCAL GOVERNMENTS

The WSEZ "INVEST-PARK", the manager of the special zone, closely cooperates with the local and regional authorities. After the November elections, we welcomed 18 new mayors and gmina administrators in the Dolnośląskie Province (Świdnica, Dzierżoniów, Jelcz-Laskowice, Kudowa, Oława, Twardogóra and Bielawa), in Wielkopolskie (Rawicz, Krotoszyn, Kalisz, Jarocin, Leszno) and in Opolskie (Opole, Nysa and Namysłów).

Moreover, the composition of provincial managements where the zone functions has changed, although the ruling coalition stays the same (Civic Platform and PSL). **GRZEGORZ SAWICKI**, who managed the WSEZ branch office in Opole, will now be member of the Opolskie Provincial Management (we write more about "our" local government members on page 30). Among the mayors cooperating with the WSEZ "INVEST-PARK", two of them were elected to perform this function for the fourth time: **RAFAŁ DUTKIEWICZ**, Mayor of Wrocław, and **PIOTR ROMAN**, Mayor of Bolesławiec, both of them known for their pro-business approach.

Quote of the issue

It is our responsibility to complete the genuine Economic Monetary Union. I take this task very seriously. And we must remember that our common currency, the Euro, is our advantage, not our disadvantage.

DONALD TUSK, President of the European Council

Visit our new office

We will soon open a new WSEZ "INVEST-PARK" branch office in Września. Looking for tenants for the Września Economic Activity Zone is currently one of our company's top priorities.

The WEAZ is a model area for investors.

We are currently building modern infrastructure there (roads, parking lots, access to utilities, fire systems, office and storage areas). Our third branch office (after Kłodzko and Opole) will make it easier for the investors to contact the WSEZ "INVEST-PARK".

We will announce its opening date on our website

www.invest-park.com.pl

Wiser choice!

We are changing the vocational education system in Poland so that employers could find good workers more easily, and the employees – good work. We will not succeed without cooperation between companies and vocational schools. For this reason, the Ministry of Economy has asked the companies managing special zones to participate in the implementation of one of the most important modernizing tasks in the nearest future – to adapt vocational education to the needs of the economy. If your company is interested in cooperating with vocational schools to find the right employees more easily in the future, please write to us at

szkolnictwozawodowe@invest-park.com.pl

Moreover, in March we will be holding a conference on dual education system.

www.invest-park.com even more useful

In the new year, entrepreneurs will be able to use our new portal. It will help to choose the best site for investment, explain how to apply for public aid and other benefits offered by "INVEST-PARK" (after all, being one of the most investor-friendly zones in the world brings responsibility). Thinking about "our" investors, who already have a permit to operate in the WSEZ, we have created a special secure platform for cooperation. In January, all of you should receive the platform access codes. And from December, you can also watch our work on YouTube – just follow Wałbrzyska Specjalna Strefa Ekonomiczna "INVEST-PARK".

New land is being prepared

We hope that you will soon find information about new land covered by the zone on www.invest-park.com.pl. We have submitted an application to the Ministry of Economy to include new areas in Książ Wielkopolski, Niemodlin, Kościan, Oleśnica, Jelcz-Laskowice, Wrocław, Skarbimierz, Strzelin, Lewin Brzeski and Dąbrowa. If we are successful, there will be more attractive sites for investors who want to create jobs and use public aid in the form of tax exemptions.

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**BARBARA KAŚNIKOWSKA,
PRESIDENT OF THE BOARD OF WSEZ "INVEST-PARK"**

The Polish economy is doing quite well and, in spite of the negative forecasts from Brussels, our GDP this year has grown by 3.2%. The growth rate has a direct influence on the situation in the labor market.

According to a report of the Central Statistical Office, the unemployment rate during the last 12 months has decreased by 14%, and the position of young people is also improving. It confirms that the situation of our economy is good – as we know, it is usually young and inexperienced graduates who are the first to lose work in tough times, but they are also among the first ones to be employed when conditions improve. What is more, the demand for employees is rising. More than half of companies declare that they will hire low- and mid-ranking employees in the nearest future.

At this point, a new phenomenon appears, previously unknown in the Polish job market: lack of manpower. I do not mean a lack of skilled workers with the necessary qualifications – this problem has been diagnosed, described, and appropriate remedial measures

have been taken: the school year 2014/2015 is a year of vocational education, special economic zones in Poland have become involved in projects aimed at adapting the schools' curricula to the needs of companies functioning in the zones, and huge funds will be allocated to market-driven education within the

BABARA KAŚNIKOWSKA

She graduated from the Warsaw School of Economics and for many years she was responsible for the coordination of EU programs aimed at Small and Medium Enterprises (SMEs), and she initiated the creation of the National System of Services for SMEs. As an expert of the European Commission, she was involved in programs stimulating entrepreneurship and regional development. The United Nations Development Program drew on her expertise while evaluating actions that supported business and women in Bulgaria. She arrived in Lower Silesia in 2008 to head an institution that supported Lower Silesian companies, and later to become director of the largest department of the Lower Silesian Marshal's Office in charge of the Regional Operational Program.

2014 was a record year for special economic zones in Poland

**INVESTORS'
DECISIONS
SPEAK
VOLUMES**

According to KPMG's report, the amount of capital expenditure incurred by companies in the fourteen special economic zones in Poland may exceed 100 billion zlotys before the end of the year.

EMPLOYEES WANTED



so-called new EU financial framework. What I mean is lack of people willing to work. This shortage is visible especially in manufacturing industry.

Demography? We are already at a point when the number of young people entering the working age is decreasing, although the full effects of the declining birth rate will be more noticeable in the future. It seems, however, that emigration poses a greater challenge at the moment. As many as 2.1 million Poles live and work abroad. The migration of young and well-educated people is becoming a real threat to stable growth of Poland's economy.

Little wonder, then, that domestic entrepreneurs are ever more willing to employ foreigners. According to Eurostat, we are already

ranked second among EU states in terms of the number of job and residence permits granted to non-EU nationals. Poland is becoming more and more attractive to the inhabitants of Ukraine, Russia, Belarus and Vietnam. There are already more than 120 thousand of them in our country, and this number is constantly growing.

In the Wałbrzych Special Economic Zone companies, foreigners are mostly employed as managers. However, there have already been some cases of hiring Ukrainians to work in production. Although this phenomenon is still marginal, it confirms the general trend. Like it or not, labor migrations have become a permanent element of social and economic changes in the world. ■

2014 AT WSEZ "INVEST-PARK" IN NUMBERS:

- Creating **five thousand** new jobs and incurring capital expenditure in the amount of **5.2 billion zlotys** – these are the declarations of investors who received permits to conduct business in the WSEZ in 2014
- The total number of employees of the Wałbrzych zone companies has exceeded **39,000** (compared to **25,000** as declared by the investors in permit applications)
- In total, companies in the WSEZ "INVEST-PARK" have invested more than **17.9 billion zlotys**
- In 2014, the Wałbrzych zone acquired **480 ha** of land (in Września, Wielkopolskie Province, Nowa Ruda, Dolnośląskie Province, and **12 other subzones**). Moreover, **three new subzones** have been created (in Kobierzyce, Dolnośląskie, and Otmuchów and Grodków, Opolskie)
- The WSEZ "INVEST-PARK" has built **four** production floors for rent for SMEs (in Kłodzko, Bolesławiec, Wałbrzych and Nowa Ruda)

After 20 years of functioning, special economic zones are still an efficient tool of helping companies and, consequently – of creating jobs.

According to the forecasts of the management boards of all the Polish zones, the total number of people employed by companies in the zones will reach 287,000 at the end of the year. The predicted capital expenditure in 2014 will increase by 7.5% on the previous year, which has been the best result in the last five years. Between January and June, 438 permits to operate in special economic zones were

issued, including almost 15% of them in the Wałbrzych Zone.

KPMG, an auditing and consulting company, conducted its survey among 284 companies functioning in Polish zones. As many as 86% of them consider their zone to be good or very good.

The Wałbrzych Special Economic Zone "INVEST-PARK" received the highest score for cooperation between the managing company and the tenants. Investor-support services and cooperation with the zone's management were rated at 4.23 on a five-point scale, and infrastructure (roads, motorways, railroads, land development) – at 4.08. ■



CALENDAR

■ The government's report on the Social Insurance Institution was ready. Its results, however, would be kept secret.

■ US Federal Reserve ended its quantitative easing program in late October. At the same time, it kept the base rate unchanged. The markets were prepared for it – the dollar appreciated against the euro.

■ The National Bank of Poland approved its group layoffs program. Five hundred people will lose jobs.

■ The Monetary Policy Council cut interest rates by 50 bps. The main reference rate fell from 2.5% to 2%, an all-time low.

■ 54.7% of commercial banks' profits earned in 2013 were spent on dividends, and the remaining part was retained by the banks. Thus the shareholders earned 7.5 billion zlotys.

■ French economist Jean Tirole was awarded the Nobel Prize in Economic Sciences for his works that cast more light on how governments can regulate large companies dominating the market.

■ Leaders of 28 member states agreed that by 2030 the EU will have cut greenhouse gas emissions by at least 40% compared to 1990.



■ According to InfoDług report on overdue debt, prepared by BIG InfoMonitor and ZBP, the total amount of outstanding liabilities stood at 41.55 billion zlotys. The most indebted individual owed 115 million zlotys.

■ The World Bank published a ranking on the ease of doing business by private companies in 189 countries. Poland was ranked 32nd, which means that our business climate had significantly improved.

■ BNP Paribas Group will purchase 88.98% of Bank BGŻ's shares. After the transaction, Bank BGŻ BNP Paribas will be the 7th largest bank in Poland.

■ In this year, there will be almost 880 thousand wealthy people (with annual income of more than 85 thousand zlotys). This number is expected to exceed one million in 2016. Comparing to other EU countries, the worth of an average Pole's possessions – a little over \$22,000 – situates us only on 23rd place.

■ The Civic Platform (PO), the Polish People's Party (PSL) and the Democratic Left Alliance (SLD) voted against the privatization of state forests. The Law and Justice party (PiS) deemed this solution insufficient and demanded greater guarantees.

■ Banca Monte dei Paschi di Siena, considered to be the oldest existing bank in the world, was up for sale. The reason was financial problems.

■ Deflation still continued. According to the Central Statistical Office, year on year prices fell by 0.6%.

ILONA ANTONISZYN-KLIK, DEPUTY MINISTER OF ECONOMY

Do you know that a Polish polar station operates in Spitsbergen on the Hornsund Fjord? It is situated on the Svalbard Archipelago in the middle of the Arctic, and is among the leading research centers in the world.

ON ARCTIC CONQUESTS AND EU CASH

Our station is used by both Polish scientists and well-established global research centers (NASA, WMO, etc.). This model research platform carries out international programs, including "Global Change", which is considered top priority by the Strasbourg-based European Science Foundation and the European Commission. Even if we devoted the entire issue of "IPI" to describe all the achievements of the Polish Polar Station in Hornsund, it would still be too little. In the last 10 years, the number of academic publications connected with Spitsbergen that have been co-authored by Polish scientists has exceeded 1,000, and a third of them have been published in Master Journal List journals.

However, our activity in Spitsbergen has an economic dimension, too. The interest in exploiting the riches of the Arctic has markedly grown in recent years, and it is on the agenda of top-level talks ever more often. Poland is considered to be the most active observer state in the Arctic Council*. We are actively involved in the working groups, and we want to participate in the Arctic Council program aimed at facilitating business contacts and improving the conditions of economic activity in the Arctic.

ON THE RISE: INNOVATIVENESS AND CREATIVITY

The strong position of our science and research undoubtedly favors our political and economic efforts. I am sure that you will hear about the Arctic many times in the future; now I have only mentioned this subject because it creates the right context for my next topic: I have some good news for entrepreneurs, at least for those of you who realize that an era of Poland's competitiveness based on low labor costs is coming to an end. Now the challenge is to come up with sources of competitive advantage that do not result from low costs. Personally, I believe that we could base our economy on innovativeness and creativity, and our Arctic experiences successfully confirm it.

WE SUPPORT R&D INFRASTRUCTURE

And now the good news: the Ministry of Economy will support companies investing in R&D infrastructure. As I am writing these words, the Intelligent Development Operational Program (ID OP) for the years 2014–2020, which will be used to allocate EU funds, is being negotiated with the EU. What we already know, however, is that the Ministry's support will be granted to both SMEs and large companies willing



ILONA ANTONISZYN-KLIK

She was awarded scholarship by the Hans Böckler Foundation for young talented PhD students. She was president of the Women's Committee at the Provincial Commission for Community Dialogue. She received MA in Economics from the European University Viadrina. She completed postgraduate studies at the Diplomatic Academy in Vienna. She also studied at the École nationale d'administration in Paris. From 2008 to 2010 she worked at the Lower Silesian Marshal Office, first as Deputy Director of the Regional Development Department and later as Deputy Director at the Department of the European Structural Funds and the Reconstruction and Development Program. From 8 June 2010 she was Deputy Voivode of Lower Silesia. On 24 November 2011 she was appointed to the position of the Undersecretary of State in the Ministry of Economy. Her hobbies are running and dog trekking.

to create or develop R&D infrastructure. We will subsidize investment in machines and equipment, new technologies and other necessary infrastructure for creation of innovative products and services. The projects will probably be evaluated on the basis of research schedules, which a company plans to undertake. Of course, granting support will also depend on many other factors, e.g. the number of employees involved in the company's R&D. I would also like to encourage those of you who are interested in applying for the subsidies to have another look at KIS (Krajowe Inteligentne Specyfikacje), a document detailing 18 "intelligent specializations" connected with different social and economic areas that are considered crucial for Poland's development. It can be downloaded from the Ministry's website (www.mg.gov.pl). All the R&D infrastructure investment projects which the Ministry will support must be congruent with this document. This is why it is a good idea to think about your investment plans from this perspective.

OPPORTUNITY FOR ALL ENTREPRENEURS

This support instrument will be available to all entrepreneurs, including those functioning in special economic zones. Under the previous Financial Framework for the years 2007–2013, companies from the zones could already use subsidies, e.g. for creating R&D centers (action 4.5.2. of the Innovative Economy Operational Program). Companies based in special economic zones made up 11% of all the beneficiaries that received support to create R&D centers.

I am under no illusions, however: even the best support instruments, the cleverest programs and politicians and officials' appeals will be of little use unless you – entrepreneurs – make an effort and take the risk to become innovative. Only then does the economy have a chance. So I wish you many good ideas and determination to implement them. ■

* The Arctic Council, set up in 1996, is an institution that has the biggest influence on matters connected with the Arctic. It consists of eight member states: Denmark, Finland, Iceland, Canada, Norway, Russia, Sweden and the USA. Poland is among the first four countries (alongside Holland, Germany and the UK) that received the status of permanent observers in the Arctic Council. This group was later joined by France and Spain, and in May 2013 – by China, South Korea, India, Singapore and Italy (editor's note).

CALENDAR



■ According to PwC's report "Global Economic Survey 2014", every fifth Polish entrepreneur (21%) had experienced corruption in the 24 months prior to the research, and more than twice this number of companies (43%) expected to experience such cases in the next two years.

■ In the EU, 97% of all the investments in R&D are made by companies located in just ten countries, the European Commission's newest report revealed. The first three of them are the UK, Germany and France.

■ The Monetary Policy Council decided to keep the main reference rate unchanged at 2% year on year, the lombard rate still stood at 3%, the NBP deposit rate – at 1%, and the rediscount rate – at 2.25%.

WHAT AWAITS US IN 2015?



■ Lithuania has met all the Maastricht criteria and will join the Eurozone on 1 January.

■ From 1 January 2015, it will be obligatory to use fiscal cash registers to record the sale of perfumes and eau de toilettes as well as the sale of recorded or blank digital and non-digital data carriers. Fiscal cash registers will also be obligatory for car repair shops, tire fitters, car inspection stations, doctors, dentists, tax advisors, lawyers (except for notaries), hairdressers and beauty parlors.

■ The 7th edition of the European Economic Congress, the largest business conference in Central Europe, will be held in Katowice on 20–22 April 2015.

■ Bank Gospodarstwa Krajowego, the Polish development bank, and Polskie Inwestycje Rozwojowe SA (an equity investor and mezzanine financing provider for infrastructure projects) have agreed to launch the Local Government Infrastructure Fund (FIS), which will enable local governments to co-finance investment projects undertaken within the new 2014–2020 EU Financial Framework. The FIS will have a capital of 600 million zlotys to spend on infrastructure projects, with each contribution ranging from 10 to 120 million zlotys.

■ Home Broker has asked developers about their plans for 2015. More than half of them are not planning to change prices, every fourth of them is considering a raise, and every fifth will definitely increase prices.

■ In 2015, interchange fees in Poland will go down – to 0.3% for credit cards and 0.2% for debit cards.

■ The analysts of Union Investment TFI think that the rate of return on investments in companies constituting the Warsaw Stock Exchange Index (WIG) will reach 10%.

■ According to Manpower Group's report, in 2015 employment will grow in all the regions and in 7 out of 10 sectors under analysis. The best forecasts are for manufacturing, retail and wholesale trade.

New rules of public aid that came into force on 1 July 2014 have now been implemented

INVESTING IN A SPECIAL ECONOMIC ZONE?

On 12 November, the Council of Ministers adopted the changes to the Ordinance on public aid granted to entrepreneurs operating on the basis of a permit allowing them to conduct business activity within special economic zones. **The changes concerned, among others, the definitions of a new investment, a large investment project, and the procedures of notifying the European Commission. However, it was the change of subsidy levels for new projects that most importantly affected entrepreneurs.**

The amount of public aid is calculated as a percentage of eligible costs connected with the new investment project (e.g. purchase of land, equipment, intangible assets, rent of property, etc.) or with creating new jobs (gross amount of labor costs of newly-hired employees in the first two years, including the statutory insurance).

Here we present examples of the amounts of tax exemption eligible to entrepreneurs.

↔ ANNA ZIARKO

The author is the main specialist of the WSEZ "INVEST-PARK" and an experienced consultant on public aid.
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Size of enterprise	Lubuskie and Opolskie
large	up to 35%
medium	up to 45%
small and micro	up to 55%

Example 1

A small enterprise wants to make an investment in Nysa (Opolskie Province). It is planning to purchase land and the necessary machines, and to build a production floor. The cost of the investment is estimated at 800,000 zlotys. What will be the amount of public aid in the form of income tax exemption? In Opolskie Province, public aid intensity amounts to 55% of the eligible costs. Thus the amount of public aid in the form of unpaid tax is calculated as follows:

$$\begin{aligned} &\text{Total cost of a new investment project} \times \text{aid intensity} \\ &= 800\,000 \text{ PLN} \times 55\% = 440\,000 \text{ PLN} \end{aligned}$$

The income tax rate of 19% means that the amount of non-taxable income is:

$$440\,000 \text{ PLN} / 19\% = 2\,315\,789.47 \text{ PLN}$$

Example 2

A medium-sized company is planning to purchase land in the Września Economic Activity Zone (Wielkopolskie Province), build a production floor, purchase a patent and an innovative processing line. The cost of the investment is 5.2 million zlotys. Aid intensity for medium-sized enterprises in this province is 35%, so the maximum amount of public aid is calculated as follows:

$$\begin{aligned} &\text{Total cost of a new investment project} \times \text{aid intensity} \\ &= 5\,200\,000 \text{ PLN} \times 35\% = 1\,820\,000 \text{ PLN} \end{aligned}$$

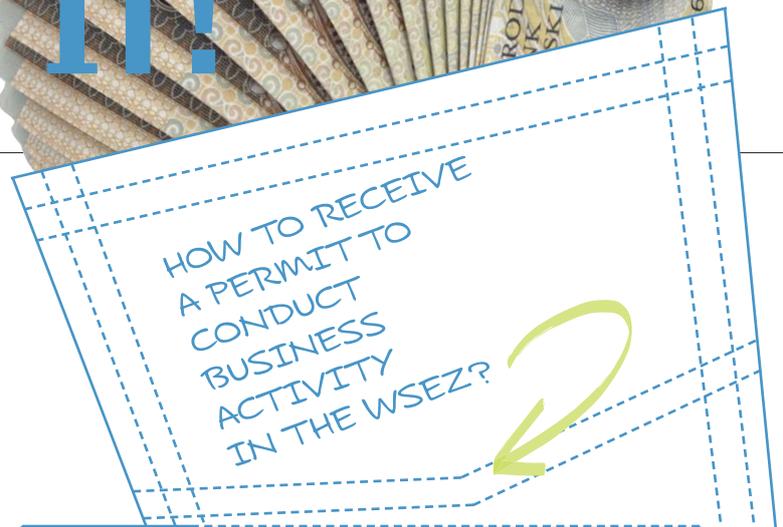
The income tax rate of 19% means that the amount of non-taxable income is:

$$1\,820\,000 \text{ PLN} / 19\% = 9\,578\,947.37 \text{ PLN}$$

SPECIAL IT'S WORTH IT!



Province	Dolnośląskie and Wielkopolskie Province
	up to 25%
	up to 35%
	up to 45%



Example 3

A large enterprise is planning to manufacture car parts in Wrocław (Dolnośląskie Province). It will spend 52.5 million zlotys to purchase land, build a production floor together with an administrative part, and equip it with a processing line and the necessary machines. The company can count on tax reimbursement in the form of income tax exemption of maximum 25% of capital expenditure. Thus the amount of public aid is calculated as follows:

$$\text{Total cost of a new investment project} \times \text{aid intensity} \\ = 52\,500\,000 \text{ PLN} \times 25\% = 13\,125\,000 \text{ PLN}$$

The income tax rate of 19% means that the amount of non-taxable income is:

$$13\,125\,000 \text{ PLN} / 19\% = 69\,078\,947.37 \text{ PLN}$$

Example 4

In Szprotawa (Lubuskie Province), a small company is planning to take on eight new staff in connection with its investment project. It wants to use the cost of the newly-hired employees' labor in the first two years as a basis for the calculations. The company assumes that their average gross salary will amount to 3,000 zlotys per month, and the additional costs connected with statutory insurance – to 622.2 zlotys. Following these assumptions, the total cost of hiring eight new employees will amount to 695,462.40 zlotys in the first two years. In Lubuskie Province, public aid intensity for small companies is 55%, and for this reason the company is eligible for the following income tax exemption:

$$\text{Labor costs in the first two years} \times \text{aid intensity} \\ = 695\,462.4 \text{ PLN} \times 55\% = 382\,504.32 \text{ PLN}$$

The income tax rate of 19% means that the amount of non-taxable income is:

$$382\,504.32 \text{ PLN} / 19\% = 2\,013\,180.63 \text{ PLN}$$

In order to be eligible for tax exemptions and other forms of support resulting from locating a company in a special economic zone, it is necessary to:

1. Contact the Investor Services Department (email: doi@invest-park.com.pl, telephone: **74 664 91 64**). The consultants will answer all your questions concerning the conditions of investing within the Wałbrzych Special Economic Zone, and prepare a list of available plots of land that meet your needs. A list of available plots covered by the zone can also be found at: mapa.invest-park.com.pl.
2. Submit the **Letter of Intent**, which specifies the basic parameters of the investment.
3. Sign a deposit agreement.
4. Announce in national press and on INVEST-PARK's website an invitation to tender/negotiations, whose aim is to select an investor that will receive the permit to conduct economic activity in the WSEZ and (in case of a combined tender) will obtain the rights to a given property.
5. Purchase by the investor of the Terms of Reference of the Tender/Negotiations. This document specifies the requirements concerning the preparation of the offer, the conditions of control, the administration fee, etc.
6. Submit an offer by the investor, in accordance with the Terms of Reference.
7. Conduct a combined tender or negotiations at INVEST-PARK's seat, which leads to either selecting an investor or declaring the tender/negotiations invalid in case of not meeting the requirements specified in the Terms of Reference.
8. After the confirmation of the results of the tender/negotiations by INVEST-PARK's governing bodies, a permit to conduct business activity within the WSEZ is issued.
9. In case of a combined tender – the property can be purchased by the investor.

Read more: legal advice on pp. 28–29

THE AGE OF EMPLOY IS OVER, AN EMPLO MARKET IS NEAR

Conversation with **WŁADYSŁAW KOSINIAK-KAMYSZ,**
Minister of Labor and Social Policy

■ **What are the trends on the labor market?**

– The years 2015–2016 seem to be those crucial years when the center of gravity on the employer's market – employee's market axis will shift towards the latter. It is mostly the result of demographic changes. Because of this, companies will have to get more involved in hiring mature employees. It is them who will constitute the majority of workforce.

■ **What are the current priorities of the Ministry of Labor?**

– In the short term, the main challenge is to change the system and mode of education. We want to focus on dual vocational education, which gives practical skills that employers expect. They want to hire young and well-educated people, but with experience. And it is possible to gain this experience while studying, or in secondary school, but it must be practical. What is more, employers look for people who can work in a team and be part of the team. Brilliant individuals are still appreciated, but building a good team is increasingly more important.

Young people must understand that when they choose a school, they are actually choosing their future jobs. The basic package, which means getting an M.A. or B.A. degree, is not enough anymore. What counts on the job market is work practice and apprenticeship done while studying, working for NGOs or volunteer work.

■ **What are the specific proposals of the Ministry and what are their implications for entrepreneurs?**

– It is crucial to decrease the costs borne by employers who employ young people. The intended measures include shortening the time of waiting for a job offer from the employment agency to four months, employment and relocation vouchers, or exempting employers who employ young people from payments to Labor Fund and Guaranteed Employee Benefits Fund (FGŚP). We have allocated 5.5 billion zlotys to this aim in the next year.

■ **In November, the "early support" program was launched...**

– This program is aimed at students of last years of uniform M.A. and B.A. studies. It will enable the graduates to apply for a loan of up to 75 thousand zlotys with low interest to start a business. The business plan can be prepared while studying, in cooperation with university teachers. This program will be also available to graduates and unemployed people looking for work. It will be also possible to get a loan to take on a new employee.

It creates great opportunity to activate young Poles professionally.

■ **In spite of it all, the unemployment rate of people between 15 and 24 years of age stands at 23%...**

– Not so long ago it was almost 30%, which resulted from the economic crisis. Unemployment among young people increased all across Europe. In some countries, like Spain or Greece, it exceeded 50%. We are doing quite well against this background, especially if we consider that a significant proportion of young people is still in education or in training, and is unable to work full time.

We have succeeded in decreasing the number of young unemployed people by 100 thousand this year, although we are aware that this demographic group will need further support. I am certain that the changes I have mentioned before, the shift towards an employee's market, will help young people to find better jobs in Poland. It will be increasingly harder to find good workers, which will translate into growing salaries. However, preparations for work cannot start after graduation, but at university or even in secondary school.

■ **What about the 50+ group?**

– We have changed the Act on promotion of employment, which includes a special assistance package for older employees (over the age of 50 and over the age of 60). It allows for even 24 months of subsidies for employing older workers. They can also count on support in improving their qualifications or looking for jobs. Creating individual profiles of the unemployed will make it possible to better address their needs. We also continue the "Solidarity of Generations" program, which, after the changes in the retirement age, is aimed at people in their fifties and sixties. Companies willing to employ these people can count on exemptions from payments to the Labor Fund and the Guaranteed Employee Benefits Fund. In addition, there are preferential terms of training for these people. There are different rules of making contributions by companies for the time when they are on sick leave. Let me remind you that in case of an employee over the age of 50, a company pays only for the first 14 days of sick leave, and in other cases – for 33 days. These are tangible benefits for employers who decide to create jobs for older people.

Employers have little choice. "We are aging", and it applies not only to Poland, but to the whole Europe. Companies must adapt to this process. There will be fewer young people entering the job

ERS YEE'S

I am in favor of the indefinite functioning of special economic zones. I think that they fulfill their role very well, and they should become a permanent element of the Polish economy. The zones should exist in all those places where it is necessary to create jobs and, let me emphasize it again: they should function indefinitely



WŁADYSŁAW KOSINIAK-KAMYSZ

Doctor of Medical Sciences, since November 2011 Minister of Labor and Social Policy, since January 2012 Chair of the Trilateral Commission for Socioeconomic Matters, whose members include government representatives as well as national trade unions representatives and members of employers' organizations. He devotes his free time to his wife, Agnieszka, and to his passions, which unvaryingly include history and good books.

market, and firms will have to learn to better use the potential of older employees. It can be profitable for them. Soon, older employees could be the ones to dictate the conditions of employment. Companies' customers will also be older and older. It will be easier for their peers to address their needs than for younger employees.

● What can we expect in 2015?

– It will be crucial to use the available funds well. Economic growth, money from the Labor Fund, better work of employment offices and especially the activeness of Polish entrepreneurs will translate into success on the labor market. There will also be big changes in the labor code. The period of employment on the basis of a fixed-time employment contract will not be allowed to exceed 33 months. Exceeding this period will mean that the contract will automatically become a contract for an indefinite time. Soon, we will be also discussing the bill on support for companies that suffered because of the embargo imposed by Russia.

● And what about the companies functioning in special economic zones? The employment offices here are full of unemployed people, and yet companies have trouble finding the workers. The problem lies in low salaries, and the employers claim that they will remain low as long as the costs of employment are high...

– With the exception of small states, we have some of the lowest labor costs in the EU, and many foreign companies invest here. It is no accident. However, I believe that the time has come for salaries to be more attractive. We can no longer base our competitiveness on cheap labor force. If there are no pay rises, the situation you describe will be ever more frequent in different places.

I am in favor of the indefinite functioning of special economic zones. I think that they fulfill their role very well, and they should become a permanent element of the Polish economy. The zones should exist in all those places where it is necessary to create jobs

and, let me emphasize it again: they should function indefinitely. I hope we will succeed in achieving it. But there will be an ever greater competition for employees, and it will translate into higher salaries. I see no other option here.

● In November, three years have passed since you became Minister of Labor. Please summarize this period briefly.

– We can be proud of a huge increase in spending on families: maternity leaves, child care leaves, access to nurseries and other early care institutions, plus the newest proposal of the big family card and the entire area of elderly citizens care. These decisions are undoubtedly positive, and they make me happy. Of course, we have not been successful everywhere, and there are several areas that must be significantly changed, but we still have nine months ahead of us and I hope we will make these changes.

● Christmas is coming, what are your wishes for entrepreneurs in the zones?

– I wish for the coming year to be at least as good as this one because we have not had an equally good year for several years. I wish for the economic growth to stay at around 3%, or even to exceed this level so that we could sustain our support to entrepreneurs and use the money from the Labor Fund and EU funds to decrease labor costs. In this way, we could support employment as well as foster the development of the Polish economy and entrepreneurship.

● Thank you for the conversation. ■

→ MONIKA KORZEWICZ



From the left: LEIF ÖSTLING, Member of the Board of Volkswagen AG; JENS OCKSEN, President of the Board of Volkswagen Poznań; JANUSZ PIECHOCIŃSKI, Minister of Economy

A milestone for economy



- Laying the foundation stone on 13 November symbolically inaugurated the construction of **Volkswagen's** plant in Września. A time capsule, containing a model of VW Crafter among other things, was placed in the foundations.

The annual production volume of the Września plant is estimated at 85 thousand Crafters. The corporation's capital expenditure will amount to at least 3.3 billion zlotys. The complex of factories will include a welding shop, a paint shop, an assembly room, a logistics center and an administrative area. The welding shop will be equipped with 400 automatic machines, the three-floor paint shop will cover an area of more than 92,000 m², and the production capacity of the assembly shop will be 380 vehicles per day.

"We have concluded that Poland is the best location for our new factory. However, the decision was preceded by a lengthy process of analyses and planning," emphasized LEIF ÖSTLING during the ceremony of laying the foundation stone.

"IPI" has no doubts that the Września Economic Activity Zone, which is described in more detail in this issue, is the best place for business. We keep our fingers crossed for the builders of VW's plants and we are waiting for the first Crafters!!

Centenarian in good shape



- In 2015, **DONALDSON**, a manufacturer of filtration systems, will celebrate its centenary of existence. The company was established in 1915 by FRANK DONALDSON Sr.

Initially, it was a workshop employing three people who produced simple air filters for tractors. Today, Donaldson is a multinational corporation that operates in 44 countries. And it is constantly expanding. A new plant is being built within the Skarbimierz subzone. It is scheduled for completion in 2017.

Happy birthday!

New recruitment

KPM-Meble Kłodzko

- In 1998, after a devastating flood that had wreaked havoc in the city, BRUNO STEINHOFF made the decision to build a recreation furniture plant in a venue previously occupied by a ruined home construction factory in Kłodzko.

A year later, the KPM Meble plant opened. The first group of workers were unemployed miners from nearby mines that had closed down, who were reskilled to work as upholsterers. Today, KPM Meble in Kłodzko has a workforce of 538 people – highly-skilled cutters, seamstresses, constructors and upholsterers. And right now it is conducting another recruitment of upholsterers, seamstresses and carpenters-assemblers.

Reading "IPI" on KPM Meble's sofas is sheer pleasure, so we wish you good luck with looking for skilled employees.



An ultrasafe workplace

• The National Labor Inspectorate has selected employers-organizers of safe work. One of the laureates in the category of big enterprises was the **3M** company.

"By introducing a number of modernizing solutions aimed at increasing work safety in its facility in Wrocław and in other facilities, 3M fully deserves the distinction," said a representative of the Inspectorate during the gala. How do they do it?

For example, by organizing consultations between managers, work and safety engineers and employees in order to come up with best safety practices.

CONGRATULATIONS!

They make the best ovens, and they can score some goals, too



• Footballers representing the Świdnica-based **ELECTROLUX** came third in the Inter-branch Polish Football Cup, which was held in Międzyzdroje in September. Twenty-seven teams from all over Poland participated in the event. It was yet another success of Electrolux team.

Bravo!



In April, the footballers bearing Electrolux's logo won the 5th COLGATE-PALMOLIVE FUTSAL CUP 2014. They were also the best team of the Żarów festival in June.



Profits for those who produce

• **TURNINGTEC POLSKA** is a subsidiary of a German company from the automotive industry, which is about to begin its operations in Poland. In Bolesławiec, it will produce precise metal parts for the automotive industry.

The company has been the first one to use the opportunity of renting a module in one of the production floors built by the WSEZ "INVEST-PARK".

Turningtec moved into the facility in Bolesławiec in early December, which enabled the company to speed up the beginning of production in Poland.

The company is also planning to erect its own facility on the plot it purchased from "INVEST-PARK" in June 2014. According to the conditions contained in the permit to operate in the zone, Turningtec will invest at least 10 million zlotys and employ 25 people.

Good luck!

Heat processing has begun

• The **HAUCK** heat processing plant, which has recently opened in Dzierżoniów, specializes in thermal processing and coating.



Modern lab equipment, thermal processing furnaces, shaft straightening automated presses and electromagnetic testing equipment – all of it provides the customers, mainly from the automotive industry, with guaranteed top quality. The new facility employs 18 people, and this number will eventually increase by another 40 jobs. The new investment cost at least 15.6 million zlotys. The HAUCK Group is part of the Dutch corporation AALBERTS INDUSTRIES N.V., which employs 12 thousand workers all over the world.

WELCOME TO THE ZONE!

WE WOULD LIKE TO INVITE ALL THE FIRMS IN THE WSEZ TO SEND YOUR CONTRIBUTIONS TO THIS COLUMN.

Write to us at: ipi@invest-park.com.pl



• **PASTA FOOD COMPANY** has begun production in Opole. It will make frozen lasagna to be exported to Central and East European markets, and the managers of the plant estimate that this activity will bring revenues of 250 million zlotys.

The company has announced that it will initially employ 50 staff in its facility, which is among the most modern ones in Europe. This number is ultimately expected to triple. Pasta Food Company was set up by two European leaders in production of ready meals: Stefano Toselli from France and TER BEKE from Belgium.

Lasagna made in Opole: bon appétit!

Regional leader

• **SEGEPO-REFA** has been awarded the Lower Silesian Economic Prize for actions contributing to the development of the region.

SEGEPO-REFA belongs to the French group SEGEPO Composants Mécaniques, which was set up in 1960. The Świebodzice plant, which has functioned since 2002, produces mechanical parts and tools for the electric, automotive and cold-storage industries. The company has invested almost 7.7 million zlotys in the zone, and it employs more than a hundred people.



Congratulations!

The chemical industry in the Wałbrzych Special Economic Zone is represented by 14 companies, five of which belong to the PCC Group

PCC IN BRZEG: SUCCESS AFTER SUCCESS

“We create value through a long-term strategy,” reads PCC’s mission statement, which is an international group of several dozen companies in 16 countries with a workforce of around 2,800 employees.

The PCC Group is active in the chemical industry, the power industry and logistics. It is managed by PCC SE, a holding company with its headquarters in Duisburg, Germany. There are as many as five companies belonging to the PCC Group that function within the

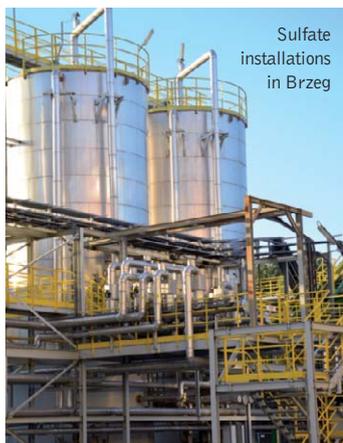
Wałbrzych Special Economic Zone “INVEST-PARK” in Brzeg Dolny: PCC Rokita, PCC Consumer Products Kosmet, PCC MCAA, PCC EXOL and PCC PU.

WHAT DO A JACKET, A MATTRESS AND A CAR HAVE IN COMMON?

Among the products offered by PCC Rokita, one of the largest chemical plants in Poland, there are chlorine and plastics additives that are used in the automotive and furniture industries. The company is also a leading producer of polyols in Central and Eastern Europe.

The application scope of polyols is extremely broad. For instance, polyurethane foams are used in the production of car seats and dashboards. Other products based on these chemical compounds ensure thermal isolation in refrigerated vehicles. Without them, it would be impossible to make sports shoe soles. They are also used in soft floors in playgrounds and sports fields, clothes, domestic appliances or pharmaceuticals.

Rokopola's storage unit in Brzeg



Sulfate installations in Brzeg

PCC Rokita's installation center in Brzeg





Companies belonging to the PCC Group in Brzeg (Dolnośląskie Province) have already invested more than 351 mln zlotys, and the predicted capital expenditure will exceed 414.7 mln zlotys. They employ 1,143 people.

Kosmet's lab

This year, PCC Rokita was ranked 265th in the 500 List – “Rzeczpospolita” daily’s ranking of largest Polish companies, based on their revenues for 2013. In this period, PCC Rokita earned a revenue from sales of 1,100 million zlotys.

SURFACTANTS FOR EVERYBODY

PCC Exol is one of the most technologically advanced producers of surfactants in Central and Eastern Europe. These chemical compounds are common and indispensable in everyday life. For example, they are one of the main ingredients of toothpaste, acting as a foaming agent that improves its cleansing power. When used in dishwashing liquid, surfactants are responsible for removing dirt and fat. After thorough testing and examination, surface active agents can even be used in the production of drugs and ointments, and when added to fabric conditioners, they make the material softer. In

creams, lotions and cosmetic dyes, they serve mainly as emulsifiers – they help to mix fats and water to produce a uniform emulsion. Last but not least, waterproof fabrics are produced using surfactants during a special process of fabric impregnation.

SUPPLIER OF LARGEST SHOPS

PCC Consumer Products Kosmet is a company that offers liquid household detergents, chemicals and cosmetics. It mostly manufactures its goods under private labels of large chain stores, including Biedronka, Tesco, Makro, Auchan, Carrefour, InterMarche and Netto.

Apart from products under private labels, in the last year the company has also significantly developed contract manufacturing, which means production for well-known global corporations. Since 2013, Consumer Products Kosmet has been cooperating with large chain stores from Eastern and Central Europe, and it is gaining recogni-

NEWS FROM THE GROUP



- **PCC Consumer Products Kosmet** has received an award for **the best product of 2013 in the category “personal care and industrial chemicals”**, presented by Jeronimo Martins Polska, owner of Biedronka chain store.

Congratulations!

- **PCC Rokita** has extended its scope of cooperation with Wrocław University of Technology. **In July, an apprenticeship scheme was initiated, which will enable students of the Faculty of Chemistry to become specialists in innovative solutions.** In September, another edition of a scholarship program for MA students of the Faculty of Chemistry was launched.

“IPI” is always willing to promote the efforts of companies that train their future employees!

- **PCC Exol** has become a signatory of **United Nations Global Compact**, a global organization that promotes action for corporate social responsibility and sustainable development. We describe the achievements of PCC footballers on pages 30–31.

We wish you lots of initiatives for the common good!



THE CHEMICAL INDUSTRY

Fourteen chemical and chemical-cosmetic companies function within the Wałbrzych Special Economic Zone. Together they employ more than 2,000 people, and their joint capital expenditure amounts to 1,800 million zlotys.

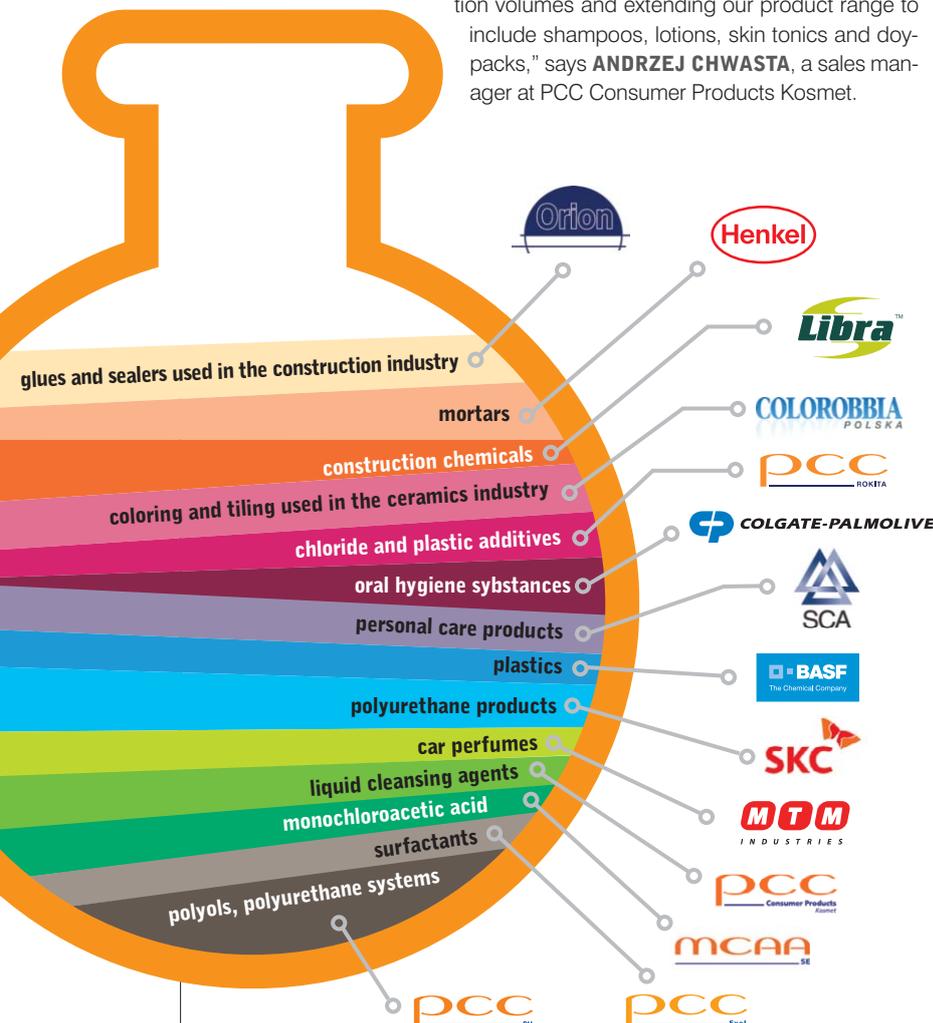


Kosmet's lab

tion among Western chain stores. During the past two years, the company has focused on developing its own ROKO brand of professional chemicals used in commercial cleaning. Also in 2013, it initiated a large project aimed at launching a new range of professional chemicals to be used in food industry (under the ROKO FOODIN brand) and in agriculture (ROKO AGRO). "The company plans to sustain its growth rate in the next few years, which has led to a decision to invest in retrofitting and expanding of the existing facility. Among the main benefits there will be doubling the production volumes and extending our product range to include shampoos, lotions, skin tonics and doypacks," says **ANDRZEJ CHWASTA**, a sales manager at PCC Consumer Products Kosmet.

DO YOU KNOW HOW FOAM IS MADE?

Surfactants, or surface active agents, are substances that remove dirt from a surface – skin, hair, clothes or floors. They lower the surface tension of a liquid in which they are dissolved, which increases its contact with solids. Foam is created when air penetrates water with dissolved surfactants, which results in the emergence of bubbles. Foamability is very important in the extraction of minerals, production of detergents and cream. In the food industry, e.g. in the production of whipped cream. In detergents, foam prevents dirt from forming new deposits during washing or cleaning while bath liquids create foam that slows down the cooling of water.



A 250-MILLION INSTALLATION

PCC MCAA is conducting work connected with the construction of a new facility producing monochloroacetic acid (MCAA). The newly implemented technology will enable the company to produce top quality MCAA to be used in products requiring ultra clean components. Due to the production scale and cutting edge technologies, PCC MCAA will become one of the world leaders in the production of MCAA.

Monochloroacetic acid derivatives are used in many industries, for instance in the food industry, in thickening agents, cosmetics (e.g. in shampoos or personal care products) or in artificial dyes and pigments. It is also used by manufacturers of drugs, painkillers and vitamin B6. Monochloroacetic acid is also a commonly used compound in the drilling industry, where its derivatives are utilized in water binding compounds, e.g. when drilling for shale gas.

The new installation has been one of the largest investment projects in the chemical industry in Poland in recent years, and its total cost is set to exceed 250 million zlotys. At present, work connected with the construction of a storage building has almost finished and the most important equipment is being mounted. Within the next few months, the company is planning to finish the construction of the remaining part of the production facility. The installation is expected to become operational in mid- 2015. ■

➔ **MONIKA KORZEWICZ**

WSEZ “INVEST-PARK” 2014/2015



NUMBER OF INVESTORS:

172

TOTAL EMPLOYMENT:

39,000

CAPITAL EXPENDITURE:

PLN 18 billion

LARGE COMPANIES:

98 (57%)

INVESTED

PLN 16.4 billion

i.e. 92% of investments made within the WSEZ

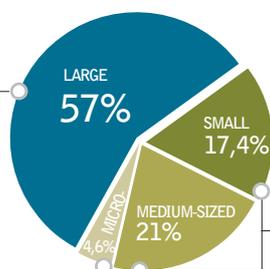


EMPLOY

35,036

WORKERS,

i.e. 90% of all the people working in the zone



SMALL AND MEDIUM SIZED COMPANIES:

74 (43%)

INVESTED

PLN 1.5 billion

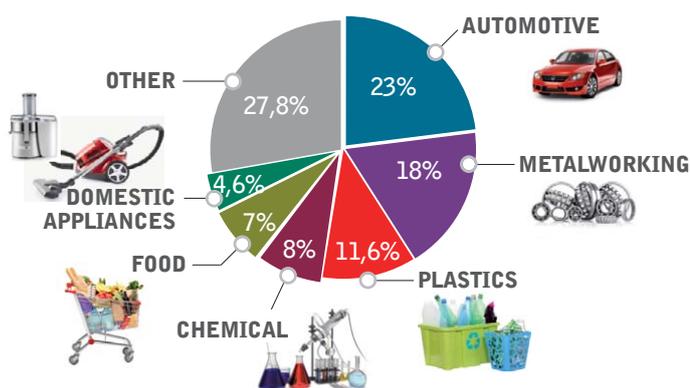
EMPLOY

4,004

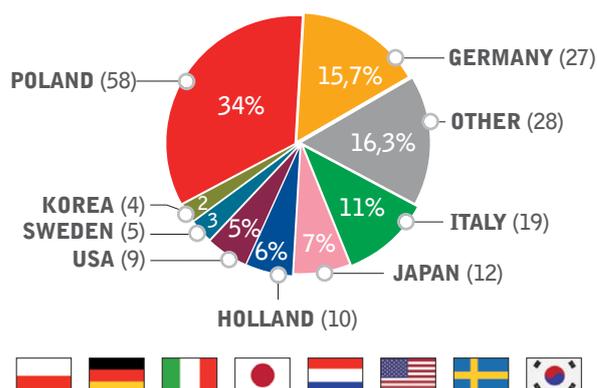
WORKERS



WSEZ INDUSTRIES:



ORIGIN OF THE WSEZ COMPANIES CAPITAL:



WAŁBRZYCH SPECIAL ECONOMIC ZONE “INVEST-PARK” COVERS 2,649 ha OF LAND IN 44 SUBZONES IN SOUTH-WESTERN POLAND:

DOLNOŚLĄSKIE: 26 subzones • 130 companies • PLN 13.63 billion of capital expenditure • 31,851 jobs

WIELKOPOLSKIE: 8 subzones • 23 companies • PLN 2 billion of capital expenditure • 4,326 jobs

OPOLSKIE: 9 subzones • 24 companies • PLN 2.17 billion of capital expenditure • 2,863 jobs

LUBUSKIE: 1 subzone • 2 potential investors • PLN 130 million of declared capital expenditure • 150 declared jobs

In Poland, the biggest number of couples tie the knot at the turn of the year. Many of them put on their

A GOLDEN

From next year, customers of the Opole-based PZ Stelmach will be able to design their own wedding rings – not only from gold. The company is about to launch its own e-designer of jewelry.



PZ Stelmach is
a manufacturer
of top-quality jewelry
and custom-made
jewelry

FAMILY



In 2013, PZ Stelmach's production facility and office were relocated to 22 Północna Street in Opole, within the WSEZ

It's the latest fashion. Today, more and more customers want to have their own unique design of rings," says **LEON STELMACH**, founder of PZ Stelmach from Opole. "We have seen this solution in the West, and we have asked our IT specialists to come up with an e-designer that will allow the customer to choose not only the width and color of the alloy to be used, but also the ring's texture, stones to be embedded in it and the engraving. It will be accessible by computer or tablet and eventually – even by phone."

Paradoxically, then, a company that is able to produce a hundred identical rings within one hour using numerical control machines, is now returning to traditional jewelry and offering a unique product. And this makes it unparalleled among the competitors.

CLASSIC JEWELRY

Today, the wedding rings market is all about individuality. PZ Stelmach has been successfully operating in it since 1979, on an ever greater scale. "There used to be clear differences between regions in Poland. In the east, customers preferred richly adorned designs, which were in low demand several hundred kilometers away. These differences are much less visible today because chain stores shape Polish people's tastes through the promotion of products from their catalogues. What is more, Poles travel freely to other countries and see what is in right now," adds **MARCIN STELMACH**, one of Leon's sons and president of the company.

And today it is classic that is "in" – simple patterns, inconspicuous finishing. If the ring is ornamented, it is usually a small stone rather than several clearly visible colorful alloys. "If we were to examine the statistics concerning the materials, yellow gold is king in Poland. Wedding rings made from palladium or platinum, which are becoming increasingly popular in Western Europe, are still a rarity," continues Marcin Stelmach. In spite of it, PZ Stelmach's offer includes more than a dozen alloys to pick and choose, which the company – unlike its competitors – mostly produces by itself in its modern facility in Północna Street in Opole, within the Wałbrzych Special Economic Zone.

WEDDING RINGS FROM THE LAB

"The problem with nickel-alloy white gold is that it must meet EU's strict requirements concerning the nickel content and its impact on humans," Leon Stelmach emphasises. The whiteness of this precious yellow metal is achieved by mixing it with other elements – palladium, manganese or nickel, which precipitates palladium, manganese or nickel gold. "In order to meet the EU norms, we have to run tests to establish the proportion of nickel in gold. For this reason, we have created our lab. It is the only professional and certified research facility of this kind in Poland. We

The beginnings of the goldsmithing tradition in the Stelmach family date back to 1919, when Leon Stelmach's grandfather graduated from the Royal Art School in Zakopane, where he studied figural sculpture and goldsmithing. Leon Stelmach did an apprenticeship at his grandfather's company, but he insisted on becoming a teacher. However, having received his first salary as a teacher, he realized he could earn as much working at his grandfather's shop over a weekend. "At that time, my grandfather took orders for jewelry twice a year – on 6 January and 6 July, and the queues would begin to form even three days earlier," Leon Stelmach remembers. In 1979, when Marcin was born, Leon set up a company in Opole that specialized in the production of gold and silver jewelry. He later moved his small workshop from Ozimska Street to Plac Piłsudskiego. The company still exists in this venue in the center of Opole, and since 1989 it has also had a facility producing wedding rings on the outskirts of the city.

The company's logo is a rose, which was the idea of a graphic designer who prepared its first professional catalogue. The current president of the company is Marcin Stelmach while his father Leon and brother Wojciech sit on the board. Wojciech Stelmach is in charge of marketing and looking for new customers.

In 2013, the company's production facility was relocated to the Wałbrzych Special Economic Zone "INVEST-PARK" in Opole.



All wedding rings are round, without beginning or end, and thus they symbolize infinite and eternal love.

issue certificates for any alloys that contain nickel," Leon Stelmach continues. In order to test the impact of nickel on humans, it is soaked in artificial human sweat for two weeks at Stelmach's lab, and later sent to a company associated with Wrocław University of Technology to further test the samples. "The EU imposes huge penalties for failing to meet these norms. If we didn't have the certificates, it could turn out to be disastrous for us, and that's why we have created the lab," Leon Stelmach explains.

GROWTH AND TRADITION

PZ Stelmach's relocation to Północna Street, whose metric area is over ten times larger than that of the previous seat (the company grew from 200 m² to 2,500 m²), provided a new impulse for growth. The gray and composite façade of the new seat looks stylish and impressive, as befits a jewelry producer. The administrative part is upstairs, and below, behind a security gate – the laboratory-production area. The work is in full swing. At the electroplating shop, silver models of wedding rings are being made, which imitate those more precious ones. Lab technicians are subjecting the silver rings to electroplating processing.

"Thanks to this, shops don't have to store large quantities of gold, and losses in case of theft are much smaller," Leon Stelmach explains. In another room, CNC machines are precisely cutting off mass-produced rings from gold and silver tubes. Behind the glass, employees sitting in a row are

stooped over rings. Several rooms further, the rings are shining in the hands of quality controllers. As Leon Stelmach jokingly remarks, this is the least liked department of all.

How much of the craftsmanship that we usually associate with jewelry is left in the company? Contrary to appearances – very much. Not only Leon Stelmach completed all the levels of initiation into the intricacies of goldsmithery. He planned the same career path for his son Marcin, who additionally obtained a technical degree. In spite of being equipped with state-of-the-art CNC machines, PZ Stelmach also employs apprentice and master goldsmiths.

"We cannot base our business solely on technology. It is our philosophy that there must be a goldsmith with factual knowledge," Leon Stelmach emphasises. "Many of our employees have gained qualifications working for us. Some of them did an apprenticeship after completing primary education, and they have been working here ever since. It is impossible to offer such a wide range of products, including many custom-made ones, without broad professional knowledge," he notices. Marcin Stelmach adds: "The automation of the production process makes it possible for us to fulfill big companies' orders. Production must flow smoothly."

WITH EU SUPPORT

The Stelmach family's craft-based business took the plunge when they purchased modern machines in Germany, a global



PZ Stelmach specializes in the production of wedding rings. Apart from manual processing, the company uses state-of-the-art machining tools based on CNC technology

leader in goldsmithery. They still remember their first trip to buy a machine from Benzinger (another family business), the largest producer of precision machines in Europe.

"We wanted to buy a second-hand machine tool, but one that would be technologically advanced," Leon Stelmach remembers. "To which one of the owners replied that if we decide to buy the model we'd been thinking about, we would be one step behind the competitors, and he offered a new machine that would enable us to overtake them. We said that we were a poor company from Poland and we couldn't afford such horrendous prices. They were surprised because they'd heard that Poland was receiving big money from the EU to develop entrepreneurship. And it was them who obliged us to write the first application for EU subsidies, and they promised that their machine would hugely boost our development. Every last word of it was true," Leon Stelmach remembers.

Today this Opole-based company has succeeded in implementing several EU projects, one of which concerned the construction of a lab and an R&D center at the new facility. As a result, students come to PZ Stelmach to further their education

while PhD candidates from Opole as well as from Wrocław University of Technology and the AGH University of Science and Technology in Katowice cooperate with the company to prepare their dissertations and reports. The Stelmachs set German producers as their role models. "We've used their experience to come up with our original alloys that reflect the expectations of the market. At the beginning of next year, we will receive an entire production line from Germany, and we will be able to produce a whole array of alloys, including those based on platinum," Marcin Stelmach explains.

The company, with a workforce of more than 60 people, sells its products in bulk to retailers in Poland, Germany, France, Holland, the Czech Republic and Slovakia. ■

➤ HANNA KOZERA

Emerald was considered precious already in the Middle Ages. The Atocha Star is the best-known emerald. It is 400 years old and weighs 15 carats. It is currently part of the Golden Eagle statuette, whose value is put at \$6 million.

The largest diamond in the world is the Great Star of Africa, which decorates the British royal scepter.

The Pink Star is the most expensive diamond in the world. Weighing almost 60 carats, it was found in Africa in 1999 and is worth almost \$60 million.

The most expensive necklace in the world, whose worth is estimated at \$55 million, consists of a 407-carat yellow diamond, found in Africa 50 years ago, and 90 white diamonds.

Poles, Germans and Austrians wear wedding rings on the fourth finger of the right hand while Americans, Brits, Italians and the French – on the fourth finger of the left hand.

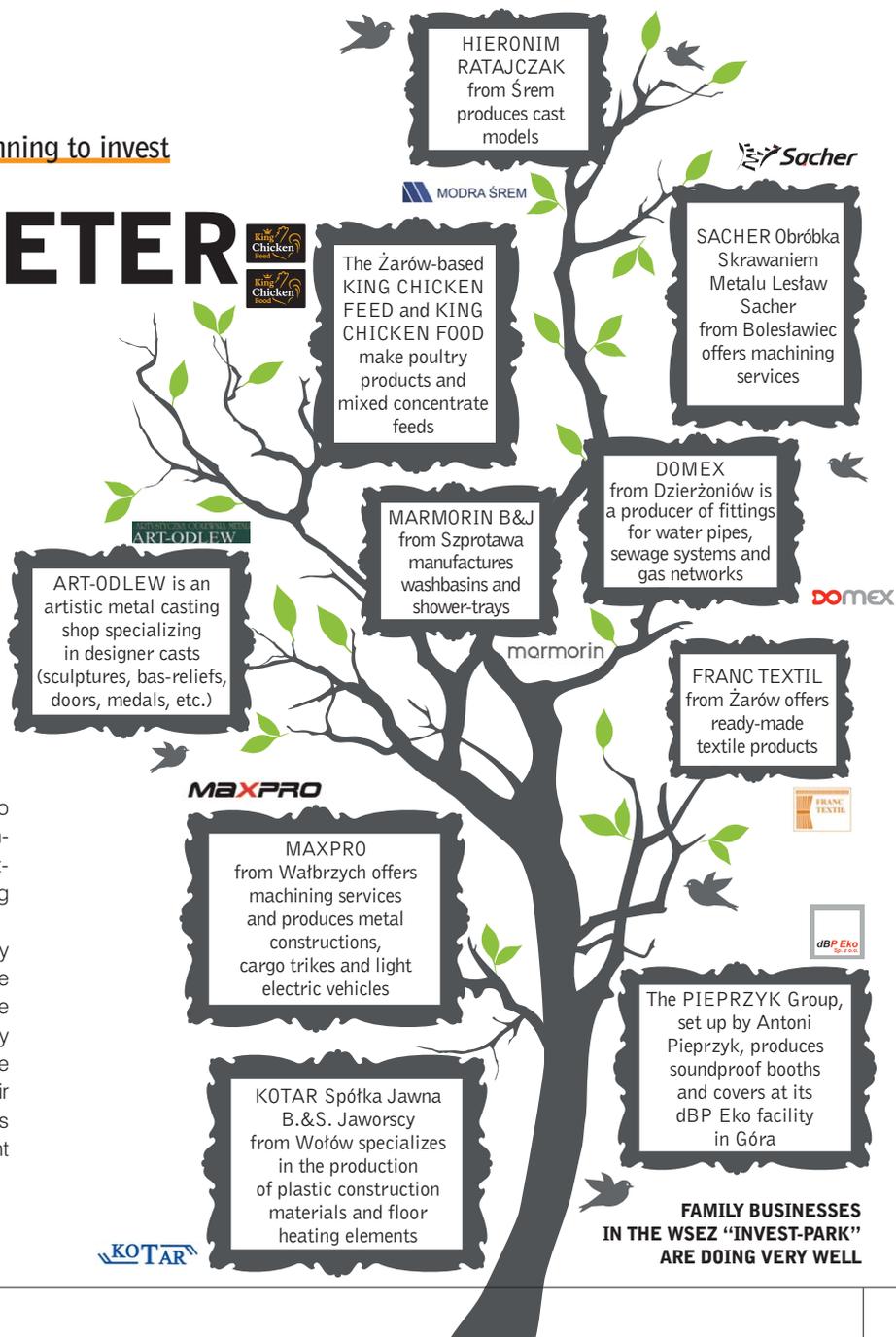


75% of family businesses in Europe are planning to invest

THE BAROMETER IS RISING

European family companies are in good shape and look into the future with optimism. In mid-2014, KPMG analyzed firms in 18 countries: most of them had increased their revenues. What seems to be most important on the eve of the new year is their orientation on investment.

In Poland, 74% of family businesses are willing to make an investment in the next few months, compared to 75% in other countries. The new investments will mostly be connected with their existing activity. According to KPMG's research, 74% of Polish family businesses had not had problems with raising finance in the six months prior to the research. There is one important change noticed by KPMG. Until recently, these companies used to rely on bank credits for their investments; now, they mostly declare using own finance and only after that – credits. It testifies to their intention of remaining independent. If your family company has a good business idea, the Wałbrzych Zone can offer excellent locations in south-western Poland. Join the best!



LET'S GET TO KNOW EACH OTHER: PERSONALITIES IN THE ZONE

■ FREDERIC KOT, DIRECTOR OF JOHNSON CONTROLS IN SKARBIMIERZ



FREDERIC KOT, who was appointed to the position of Director of the Skarbimierz plant on 1 October, has vast experience in the automotive industry in Poland and abroad, especially in the area of Continuous Improvement. He knows organizational culture and work standards in international corporations inside out.

He will surely make excellent use of his knowledge and experience to meet the challenges facing the Skarbimierz facility. In its two facilities in Skarbimierz and Świebodzin, Johnson Controls Polska produces seats and seat components for the automotive industry, especially for BMW, Volvo, Scania and Renault. The plant has functioned in the WSEZ in Skarbimierz since 2008.

■ KRZYSZTOF WRÓBEL, MANAGING DIRECTOR, MEMBER OF THE BOARD OF WEMECO POLAND



Wemeco Poland is a Dutch company that makes metal products. It was set up by Krzysztof Wróbel and owner Richard van Heuven in 2001, and both of them are still leading the company. Mr. Wróbel is in charge of operations, internal process optimization and company organization.

In 2014, Krzysztof Wróbel received the Mayor of Kłodawa Award. He and his company successfully support the gmina and its infrastructure, schools and cultural institutions in Kłodawa. Mr. Wróbel is 40 years old and he comes from Duszniki-Zdrój. He graduated from the Faculty of Management and Production Engineering of Opole University of Technology, and he did a postgraduate course "SME Innovative Manager" at Wrocław University of Economics. He is passionate about photography and high mountain tourism.

ENWAR BETTER THAN TEXAS

Having graduated from the Faculty of Civil Engineering of Wrocław University of Technology, he worked for Rockwool, an international corporation that produces insulation materials, and AmRest, where he built restaurants all over Poland. For a brief time, he used to be connected with real estate development. For the last three years, **TOMASZ GRZESIK** has been a board member of **ENWAR**.



Enwar is a family company which already employs more than 50 people. It makes constructions used in industry and building, and it provides services connected with company logistics, designing and metal processing. In June, the company received a permit to begin economic activity in the WSEZ. Apart from Tomasz Grzesik, two of his close cousins sit on the board.

Mr. Grzesik took his time before deciding to join the family business, but now he knows that it was the best decision he could take, in spite of having to deal with problems that are alien to large corporations. For example, he wanted to apply for an EU subsidy for small companies. He hired an expert to write the application and prepare all the required documents. However, it later turned out that the intake of electronic applications lasted not more than 57 seconds.

PRESIDENT WITHOUT AN OFFICE

The company conducts its activity in **ŚWIDNICA**. The sales department, the construction department and a conference room are situated above the production floor. Mr. Grzesik does not have his own office. Being in charge of sales, he is away on business so often that when he returns to the company, he uses the conference room.

However, it is about to change. A new production floor with an administrative part will have been finished in the WSEZ in Świebodzice by the end of next year.

Enwar will use the new facility to manufacture steel constructions and offer company logistics solutions, in particular



GRZESIK

TOMASZ

machines that are used to transport goods within a company. It will also develop its R&D activity with respect to design and construction of industrial machines. As Mr. Grzesik sees it, development and new technologies can secure the company's future, and for that reason Enwar invests in novel solutions and hires experienced designers and engineers.

THE RECIPE FOR SUCCESS IS TRUST

Over the period of 20 years, Enwar has made a name for itself in the metal processing industry. It is all the more important since it cooperates with well-known corporations, such as **ELECTROLUX, AAM, SKANSKA** or **3M**.

When asked about the greatest challenge the company had to face, Mr. Grzesik quickly mentions the retrofitting of the central railway station in Wrocław.

He considers himself to be a demanding and fair boss, and he thinks that trust should constitute a basis for any relationship in a company because it is indispensable for team building. The effectiveness of this method is best demonstrated by the fact that none of the specialists has ever quit his job in the company – only shop floor employees come and go, as is the case in any other manufacturing company.

RELAXING WALKS

Free time? He does not have much of it, although he is unwilling to say how many hours he works every day. His family under-

stands it, and with his wife they try to share household chores and the time spent with their children.

Being a time consuming activity, any hobby is out of the question. The only pleasure he can afford now is long walks with their dog, a beautiful German shepherd called Casey, who is even allowed to sleep on the couch.

TEXAS MEANS FRIENDLY

His friends and family know him as a great lover of the state of Texas. It all began many years ago, when he was still living with his parents in a small town near Opole. One day, some Americans ventured into their yard. They were looking for their Polish ancestor. Although he was still in secondary school, Tomasz Grzesik knew English well and became their guide and interpreter, which resulted in their friendship, lasting until today. He became fascinated with this American state: from its climate to the open and friendly people to the way economy is run there. The name of the state comes from Caddo, a language spoken by a confederacy of tribes that used to live in the Mississippi river basin. "Tejas" means friendly in their language. And it is friendship that is the motto of this state, which is so close to Mr. Grzesik's heart.

Mr. Grzesik has visited Texas on several occasions, and he regrets that he is unable to live there. Looking from the point of view of a dynamically developing company, he thinks that he must postpone his permanent move to Texas until he retires. Right now, Enwar is his top priority. ■

➔ **MONIKA FILIPOWSKA**

The Special Economic Zone in Otmuchów has recently grown to 17 ha

OTMUCHÓW HUNGRY FOR INVESTORS



A town with centuries-long history, situated in a picturesque spot between Nyskie Lake and Otmuchów Lake on an ancient trade route from the Czech Republic to Poland, famous for its “Summer of Flowers”, now wants to attract not only tourists.

Lnhabited by more than five thousand people, Otmuchów is among the most beautiful towns in the Śląsk Opolski region. It is situated in the south-western part of the region, close to the border with the Czech Republic. The historic Bishops' Castle (which nowadays houses a hotel and a tourist center, run by a company belonging to the gmina) and the Baroque St. Nicolas and Francis Xavier church tower over the low-lying market square. The streets leading to it reflect the characteristic medieval planning (Otmuchów was granted a town charter in 1347). This former duchy of Wrocław bishops retains traces of its



Otmuchów Lake is a retention reservoir, and together with Nyskie Lake and Topola and Kozielno reservoirs, they create the so-called Nysa Kłodzka Cascade

past: the town hall with a sundial that is unique on a regional scale, the Baroque palace which is today used by the local authorities, or the fortifications surrounding the town. The past is also evident in some of the villages near Otmuchów, whose streets follow typical

"Summer of Flowers"
in Otmuchów has been attracting
huge crowds for 42 years



OTMUCHÓW

- Surface of the gmina: **188 km²**
including town surface: **28 km²**
- Population: around **14,000** people
including town population: around **5,100**
- Number of inhabited communities: **39**
- Number of village administrative units: **32**

GERMANY



CZECH
REPUBLIC

SLOVAKIA

UKRAINE

COMPANIES IN THE GMINA:

1,156 business entities, including:

- 545 in the town
- 301 companies in the trade sector and car repair sector
- 218 construction companies
- 101 manufacturing companies

Silesian layout, with well-preserved gabled houses, annuity houses and decorated gates.

LEISURE ZONE ALREADY HERE

The situation of Otmuchów between Otmuchów Lake, which was artificially created in the early 20th century, and Nyskie Lake makes it the perfect place for tourists. However, local government members complain that since the flood in 1997, the administrator of the catchment has perceived it only as a retention reservoir and has curbed investments in recreational facilities on the coast. Meanwhile, the town itself boasts a large number of them – for instance Solarium, a renovated recreational and leisure area that has been rewarded in this year's competition for the Best Public Space in Opolskie Province.

For 42 years, the town has been known for its organization of "Summer of Flowers", a promotional event that attracts huge crowds. It is estimated that this year's edition was visited by around 80 thousand guests and 60 exhibitors. Apart from Poles, visitors from the Czech Republic, Germany and Ukraine took a special liking to this festival of flowers.

INDUSTRIAL ZONE TO FOLLOW?

Apart from the developing tourism, which acts as a magnet for crowds of people, members of the local government in Otmuchów would like to return to the industrial traditions in the region, although in a lighter version. They particularly count on companies in the service sector, transportation and agricultural and food processing. In the second half of the 19th century, the largest sugar factory in Upper Silesia functioned in Otmuchów, which survived until 2009, when it was unexpectedly closed down by Südzucker Polska. As a result, 160 people lost work. The authorities have been trying to make potential investors interested in the abandoned area, with no concrete results so far. According to the most recent information, a German company operating in the cosmetic industry is considering Otmuchów among potential venues for investing. If everything goes to plan, the construction of a new manufacturing facility is set to begin next year.

THE FOOD INDUSTRY IS MOST WELCOME

According to statistical data, 1,156 business entities are registered in the gmina, including 545 in the town itself. Having man-

aged to evolve from a local manufacturer of confectionery into a sizeable group of companies, ZPC Otmuchów is undoubtedly a gem among them. It was this company that succeeded in acquiring PWC Odra Brzeg, a well-known company from Opole. Today, Otmuchów Group of Companies, which was set up in 2011, comprises four major companies: ZPC Otmuchów, PWC Odra Brzeg, Jedność and the Wschowa-based Aero Snack, and three supporting companies: Otmuchów Inwestycje, Otmuchów Marketing and Victoria Sweet. Their combined workforce exceeds 1,000 people. Their most important products include chocolate coated jellies, fudge and milk fudge, jellies, bars, salty snacks, filled caramels, chocolate candies, sesame snaps, and its flagship product – halvah. The Group's offer can be found both in corner shops and in chain stores, and some of it is sold under private labels.

Local MPs also hope that the recently discovered mineral springs in Łąka near Otmuchów, at the foot of the Rychlebskie Mountains, will translate into good business. They are looking for an investor willing either to make a deal with the gmina or independently exploit the springs. The authorities have already tested the water at the National Institute of Public Health in Poznań – it has a natural mineral content and is slightly carbonated. The deposits are estimated at 60,000 cubic meters. The inhabitants of Łąka count on jobs for several dozen people as well as on promotion of the village and the region.

A POLITICALLY STABLE ZONE

In the recent election, the dwellers of Otmuchów decided that after four terms of serving as mayor, and before that – as head officer, Jan Woźniak will continue to perform his duties. He promised to increase the number of bus lines, finish the construction of council flats in Maciejowice (which are untypically being built by unemployed people, whose training is financed by the District Employment Office in Nysa) and the nursing home in Sarnowice, build more council flats in Otmuchów, expand the sewage system and attract investors to the local economic subzone. The Otmuchów subzone consists of 17 ha between Otmuchów and Nieradowice, which were covered by the WSEZ "INVEST-PARK" earlier this year. ■

➡ HANNA KOZERA

The Special Economic Zone in Góra measures 13.3 ha of land available to investors

ATTRACTIVE FROM ALL PERSPECTIVES

GÓRA is a county town with a population of 13 thousand people, lying on the road between Wrocław and Poznań, two scientific, economic and cultural powerhouses. It boasts a history as long as these two metropolises – Góra was first mentioned in pope Hadrian IV's bull of 1155, which listed the properties of Wrocław bishops.

MARCIN ANTONICKI, a sapper and paraglider, feels proud of his town. "What does the town look like from up there? It looks more ordered," he laughs and admits that wherever he, or one of his eight colleagues happen to be they do their best to promote Góra. Although there is a thing or two that worries them, Góra has something precious – human kindness.

nificent Lower Silesian forests and their wealth – as does the sawmill in Góra.

INVESTMENT OPPORTUNITIES

What Góra still needs is strategic investors, who would contribute to decreasing the unemployment rate, which stands at almost 27% in the county, and who would stimulate local entrepreneurship. To this end, the local authorities are involved in actions aimed at improving the town's attractiveness to investors.

The local government focuses on acquiring external capital, especially from the EU. More than 35 million zlotys was obtained within the previous financial framework, which was spent on numerous investments in education, culture, sport and public security, and in particular – on improving the technical infrastructure. Work is being conducted to provide the town with double-sided power supply. An equally important task is to improve public transportation, and in the nearest future – to finish the construction of the ring road. What Góra and the subzone need is not just electric energy. "We must have good roads," members of the local government say. They admit that their top priority is to attract external investors: "The town has its own development dynamism. The local businessmen have reached a point they cannot exceed on their own. That's why newcomers would open up a big opportunity for the town." As they emphasize, this opportunity is reflected by risk assessment – if investing in Góra was risky, the subzone would not be developing.

PROFESSIONAL LABOR POOL

When considering investment in Góra, it is worth analyzing the local education. Not only the graduates take



PHOTO:
MARCIN ANTONICKI ARCHIVE

This kindness is confirmed by **CHRISTIAN WOHLGEMUTH**, a Berliner who astonished a group of young inhabitants of Góra last summer – he was going on foot to Jerusalem. "First they asked me what I was doing there. And later they fed me, gave me all the necessary information and some presents – a white-and-red football scarf and a prepaid phone (so that I could call them if I needed help), and finally bid me safe travels. I had never met such people in my life," he wrote on Facebook.

PRODUCTION WITH TRADITIONS

What bothers the inhabitants of Góra? Mostly unemployment, which the gmina has been struggling with for years. They are undoubtedly proud of dairy cooperative Deni, founded in 1900 and known all over the region. Also the Góra-based Runoland boasts a long tradition, whose production facility used to belong to LAS timber processing plant. The company makes use of the mag-



NEWS FROM THE GROUP

- **dBP Eko** launches production. In Góra (Dolnośląskie Province), at a cost of **9 million zlotys**, a new facility for making welded metal and insulation constructions, as well as sound-absorbing booths and cases, was opened. The company's biggest trade partner is Volkswagen AG and German producers of recycling machines. dBP is a Polish company belonging to the **Pieprzyk Group**, functioning in the market for 25 years. It is mostly associated with gas stations, where you can also buy fruit, vegetables and furniture.



pride in General Sylwester Kaliski School Complex, comprising a secondary technical school and a vocational school, which prepares to perform the jobs of car mechanic, mechanical technician, IT technician, brick-layer-plasterer, building technician, economist technician, sales assistant, and since recently – also professions connected with logistics and hotel management.

On the first page of the school's latest prospectus, the inscription "Good job opens many doors" sticks out. Teachers employed at the school fully agree with it – their students learn both in Poland and abroad. In November, as part of the Erasmus+ program, the future economists and hotel managers went to Rimini for a month to improve their linguistic skills and see how people work in other countries.

Project coordinator **KATARZYNA STANISZEWSKA** believes that the biggest benefit of participating in the program for the students is the fact that their skills were evaluated according to the ECVET system – the European Credit system for Vocational Education and Training. This new initiative is intended to make it easier for people to get validation and recognition of work-related skills, and consequently – to promote occupational mobility and lifelong learning.

Góra is much more than good schools, which can provide future investors with professional labor pool. The town boasts impressive monuments and wildlife (in the summer, it is really worth walking along the new tourist routes, going canoeing near the town, or visiting the newly built sports facilities). There are also local enthusiasts, who are willing to make a change, led by Marcin Antonicki: "We have recently broken the record of the biggest number of forward launches – near Częstochowa, we simultaneously launched 163 paragliders. There were lots of TV crews, and in each interview we emphasized that we come from Góra."

Perhaps these interviews will surprisingly succeed in attracting new investors? ■

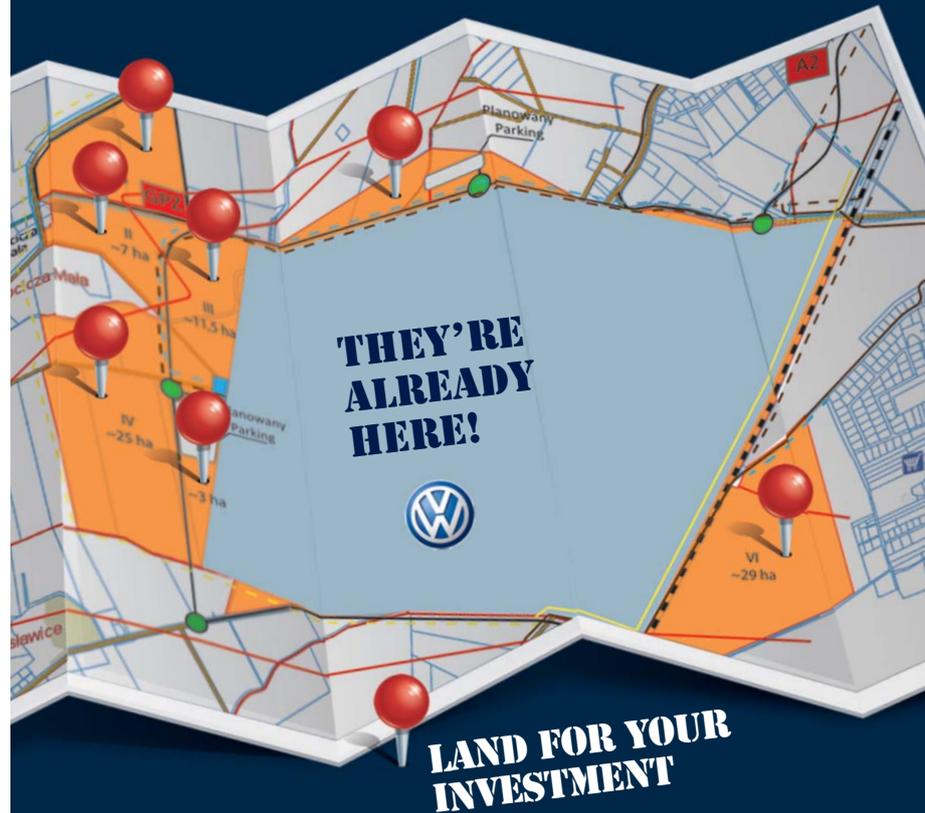
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CHANGES IN THE PERSONAL DATA PROTECTION ACT ON 1 JANUARY

IT'LL BE EASIER,

The Personal Data Protection Act is troublesome for those who deal with it on a daily basis. The complicated rules and their restrictive interpretation make even simple everyday operations "illegal", and the need to protect personal details is often perceived as an unnecessary whim of the lawmakers, which is more of a hindrance and does not bring any added value. Now, the legislators have decided to make life easier for entrepreneurs.

The bill (Sejm paper no. 2606) is intended to facilitate doing business by amending the Personal Data Protection Act, in particular by:

- extending the number of exemptions from the need to register databases,
- simplifying the transfer of data to countries outside the European Economic Area (EEA).

Under the old regulations, any database containing personal data (apart from a few exceptions, e.g. employees' data) had to be registered with the Inspector General for Personal Data Protection (GIODO). The bill stipulates that it will no longer be necessary to register databases by those administrators (companies/entrepreneurs) that

have notified the GIODO of the appointment of their Information Security Administrator (ABI). However, this exemption does not extend to databases containing sensitive information (including information about health, biometric information, criminal records or political affiliation). In our opinion, it will work to the benefit of small and medium-sized enterprises in particular.

As far as the transfer of data to countries outside the EEA is concerned, it is currently subject to numerous restrictions. It negatively affects on those groups of companies from outside the EEA that wish to have access to information about their employees or customers. With a few exceptions, under the old regulations each such trans-

fer had to be authorized by the GIODO, who analyzed whether the processing of data was legitimate and authorized their transfer outside the EEA. The new bill assumes that it will no longer be necessary to obtain the GIODO's permission provided the administrator ensures ample protection of an individual's privacy using instruments such as:

1. standard agreements based on EU Model Clauses; or
2. legally binding rules or data protection policies, hereinafter referred to as "binding corporate rules", that have been approved by the GIODO.

Both these institutions are new in the Polish legislation. Standard agreements that

SUPREME ADMINISTRATIVE COURT RULING: PERMITS VALID UNTIL THE END OF SPECIAL ZONES' EXISTENCE

HOW TO SUBMIT AN APPLICATION TO THE MINISTER OF ECONOMY

Entrepreneurs will be able to use public aid as long as the special zones function. **The Supreme Administrative Court (NSA) declared the invalidity of entering the expiry date into permits to conduct business activity within the zones.**

However, it only applies to permits issued after 2001. In its justification of the sentence dated 11 March 2014 (ref. no. II GSK 136/13), the NSA indicated that issuing fixed term permits infringed on the freedom of running business activity, which can only be limited statutorily in the case of important social interest considerations. Moreover it emphasized that decisions issued by administration bodies must be based on binding legal rules that should not be a matter of conjecture. Therefore, a decision can be announced only in case of the existence of a valid legal rule that substantiates it.

In the amendment to the bill on special economic zones, passed in 2000, the regulation concerning the issuance of fixed term permits was removed. It was substituted with a regulation stating that the permits were valid for the entire period of the special zones' existence. Moreover, the NSA emphasized that the act on freedom of economic activity did not include any regulations that would temporarily limit the issuance of permits. Thus the NSA concluded that the legislation in

BUT...

LAWYER'S EXPLANATION

are based on unmodified versions of the clauses approved by the European Commission in 2001, 2004 and 2010 can be relatively easily implemented to facilitate the transfer of data. It is enough for both parties to select standard clauses that are applicable to their situation and include them in their agreement. Of course, the duties resulting from these clauses (e.g. pertaining to data protection) must be executed.

The second instrument, i.e. binding corporate rules (or group/holding policies), regulates the processing of personal data within groups of companies. According to the European Commission, 60 binding corporate rules have been registered in Europe to date, mainly by global corporations. Detailed requirements stipulating what these rules must include can be found in the guidelines of Article 29 Data Protection Working Party. In particular, the rules must include:

- a description of how the data will be processed;
- tools supporting legitimate processing of data (audits, trainings, lodging complaints, etc.);

- a guarantee that the rules are binding (with sanctions for breaching them).

Moreover, the bill imposes new duties. In case of the appointment of an ABI, the database administrator is obliged to notify the GIODO of this fact within 30 days. Previously, there was no such duty.

The new solution entails certain requirements concerning the ABI, who must meet the following conditions:

1. have a full legal capacity and full public rights,
2. have appropriate knowledge,
3. no criminal record for intentional offences/crimes.

Due to the need of having appropriate knowledge, the GIODO recommends appointing lawyers as ABIs.

The ABI will be obliged to keep an internal database registry and file reports with the GIODO, whose contents and deadlines for submission will be specified by the latter. This is the most controversial provision because, as its opponents claim, the ABI will in a way perform the function of a GIODO representative, obliged to identify errors in data processing. Previ-

ously, in order to investigate contraventions, the GIODO had to conduct an inspection. Under the new rules, it will be sufficient for the GIODO to send a request to the ABI, who will then be obliged to prepare a report detailing any potential contraventions. This will undoubtedly make the GIODO's work much easier.

The Sejm has already adopted a resolution to accept the Senate's amendments to the bill, and it has been referred to the President for signature. In all probability, the new law will come into force on 1 January 2015. There is little time to adapt to the new reality. ■



➡ ARKADIUSZ SKROBICH

The author is a legal advisor specializing in corporate law and intellectual property law. He managed the legal department of the Wrocław branch of an international consultancy, he represented clients before the Office for Competition and Consumer

Protection, courts of all instances and arbitration courts. He runs training in financial law for the Polish Financial Supervision Authority, among others.

force after 2001 did not allow for any temporal limitations concerning the issuance of permits. For this reason, including the period of validity in permits issued after 2001 had no legal basis.

The NSA's ruling opened the doors for entrepreneurs to seek the invalidity of provisions concerning the temporal limitations of permits. As a result, those entrepreneurs who wish to prolong the validity period of permits until the end of the functioning of special zones (e.g. because of not having used the entire amount of public aid) should submit an application to the Minister of Economy. The application should include:

- the place and date of making the application,
- the name and address of the company submitting the application,
- the specification of the range of the application, e.g.:

Pursuant to article 156 § 1 item 2 of the Act of 14 June 1960 – Administrative Procedure Code (Journal of Laws from 2013, item 267 as amended), we request to declare the invalidity of permit no. ..., issued on ..., in part concerning the

validity period as specified in item no. ... of the permit in question.

■ justification:

It shall be emphasized that entering the validity period of permit no. ..., issued on ..., had no legal basis. The permit was issued after 1 January 2001, i.e. after the amendment date of the Act on special economic zones of 20 October 1994 (Journal of Laws from 2007, no. 42, item 274 as amended), in a legal situation that did not substantiate the issuance of fixed term permits.

On the day of issuing the permit, i.e. on ..., the Act on special economic zones contained no legal justification for public administration bodies to determine the validity period of a permit to conduct business activity within a special economic zone (i.e. of an administrative decision). Entering the validity period in the permit significantly modified article 19 section 1 of the Act on special economic zones, which stipulates that a permit expires on the day of the end of a special economic zone's functioning, in respect of



➡ ANNA ZIARKO

The author is the main specialist of the WSEZ "INVEST-PARK" and an experienced consultant on public aid.

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the legal consequences of the validity of this permit.

It is necessary to quote the arguments provided by the NSA's ruling (ref. no. II GSK 136/13).

■ conclusion, e.g.:

Pursuant to article 156 § 1 item 2 of the Act of 14 June 1960 – Administrative Procedure Code, a public administration body shall declare the invalidity of a decision that was issued without any legal basis or with material breach of the law. Due to the lack of legal basis for specifying the validity period of the permit issued on ..., we request as in the sentencing part of the judgment.

- signature of authorized representative. ■

HEADS OF THE ZONE'S OFFICES AMONG MEMBERS OF LOCAL GOVERNMENTS

The employees of the WSEZ "INVEST-PARK" are active in many fields – they volunteer in charity actions, work for NGOs and in local governments.

Heads of our branch offices achieved success in the November elections.

► **GRAŻYNA CAL** has been elected to the Regional Assembly of the Dolnośląskie Province for the second time. She will combine work in the local administration with heading INVEST-PARK's branch office in Kłodzko. In the past she worked as deputy mayor and secretary of the gmina of Bardo in charge of implementing EU projects, education, culture, social issues, promotion of tourism and of the gmina. She is an English and German teacher by education, and by vocation – a social activist.



► **GRZEGORZ SAWICKI** was elected member of the Provincial Management of the Opolskie Province, so he had to resign from running our Opole office. Mr. Sawicki graduated from the Higher School of Engineering in Opole and the Agricultural University of Wrocław. He worked as an expert on renewable energy sources, innovative economy and EU funds. He is actively involved in environment protection – it was thanks to his efforts that Turawa Lake was purified. In the Provincial Management, his responsibilities will mostly include social issues – education and culture.



Councillor Cal, Marshal Sawicki
Dear Grażyna and Grzegorz, – "IPI" is counting on your wise decisions for the common good as members of the local governments of both regions.
Good luck!

PLAYING A SONG OF JOY ON DRUMS

The employees of the company managing the Wałbrzych Special Economic Zone "INVEST-PARK" have recently had many reasons to feel proud. The fDi magazine, from the Financial Times group, in its newest ranking "Global Free Zones of the Year 2014" commended the WSEZ "INVEST-PARK" as an investor-friendly zone. We are appreciated for our commitment to support investors at all stages of their contact with the Zone. It has been fDi's yet another commendation – in the previous ranking, we were classified as the fourth best zone in Europe and 22nd in the world, from among 600 special economic zones. Moreover, KPMG, an auditing and consulting firm, prepared a questionnaire for entrepreneurs in Poland, which was used to generate a report on special economic zones. "INVEST-PARK" was highly praised for our investor care – we received a score of 4.23 on a five-point scale. For infrastructure and land development, we were given a score of 4.08, and the average score of the WSEZ was 4.27. We appreciate this result and we have no intention of resting on our laurels.

▼ To thank the employees for the good results, the management board of the WSEZ "INVEST-PARK" organized drumming workshops. They are supposed to make us work even better. Fortunately, no-one went deaf.



OVERVIEW

FOOTBALL IN THE ZONE



◀ In Dzierżoniów, the 1st Zone Football Championship was held. Six teams representing companies based in the Dzierżoniów sub-zone participated in it alongside the WSEZ "INVEST-PARK TEAM" and the representatives of the town of Dzierżoniów. The winner (in the photo) was Harris Calorific International, producer of welding and cutting machines as well as gas and electric control devices.

► The result of the 1st Indoor Football Contest for the WSEZ President's Cup was only decided by a penalty shoot-out. After fierce competition, the team of PCC Rokita from Brzeg Dolny won 3-2. Sixty-eight goals were scored throughout the tournament, two games ended in a draw, and referees showed three red and five yellow cards.

"If I said that by losing with each and every team, we were only being hospitable, I wouldn't be entirely truthful," TOMASZ JAKACKI, Deputy President of the WSEZ "INVEST-PARK", jokingly said. "The truth is that the teams representing companies from the zone displayed excellent football skills. They were simply better than us. However, our defeat will motivate us to train even harder."

OF events

WE VENTURED ABROAD



◀ In Chengdu, China, the 9th EU-China Seminar on Regional Policy was held. The WSEZ "INVEST-PARK" actively participated in all the meetings devoted to discussing economic cooperation and exchange of best practices in regional policy. MAŁGORZATA WŁOCHAL (in the photo), who is in charge of investor care at the Wałbrzych Zone, acquainted managers and officials with the benefits of investing in south-western Poland.

AND FOREIGNERS CAME TO US

▶ Representatives of leading Korean media companies came to Poland to learn more about investment opportunities in this part of the world. The journalists visited the Wałbrzych Special Economic Zone. They stopped off at the Mando Corporation factory in Wałbrzych, whose capital comes from Korea. And they took their time to analyze some data at our company's seat. The conclusions left no room for doubts: this zone is good for investors. In the photo: Maciej Tyszka, who looks after investors at "INVEST-PARK", next to one of our guests. We have also been visited by journalists from Belgium, Luxembourg and France. Judging from what they later wrote, they enjoyed their visit, both to our company and to Faurecia's factory in Wałbrzych.



◀ The 1st Indoor Football Contest for the WSEZ President's Cup was organized for the first time. The teams' registration fee will be spent to support the Youth Social Therapy Center in Wałbrzych. The next edition will be held next year.

The WSEZ "INVEST-PARK" team was led by TOMASZ JAKACKI, the instigator of the zone football championship, deputy president of the company managing the zone, and after working hours – a football fan and president of Górnik Wałbrzych football club.

▼ PCC Rokita rules!



