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1.

Dear Ladies and Gentlemen

Małopolskie Voivodeship, Małopolska Regional Development Agency and – above all – all those involved in the Małopolska Business Centre projects cordially invite you to contact us and take advantage of our services. In our everyday work we provide information on the Małopolskie economic potential. We prepare offers for investors, for entrepreneurs seeking local business partners, suppliers or opportunities for action both at national and regional markets.

We are able to organize your visit to Kraków and Małopolska, meetings with regional authorities, Małopolskie municipalities and entrepreneurs easily. We are in possession of data on the most important promotional and information events - we often take part and also organize those (Annual Business in Małopolska Meeting, Małopolska Investment Forum).

Cooperation with us means access to: the largest database of investment offers (real estate, Economic Activity Zones), offer of the Special Economic Zone (Kraków Technology Park) and data on EU funds for 2014-2020. Each year we manage to connect about 1000 companies interested in export cooperation and activities outside the borders of our country.

We have completed projects funded by the European Union under the Małopolska Regional Operational Programme, we participate in events, fairs and conferences around the world.

We cooperate within a friendly network of institutions in most countries of Western Europe, Central and Eastern Europe, Asia and the Middle East. Our latest project „Business in

Małopolska - Partnership Network" (2013-2015) is a new group of economic partners: Baltic International Academy in Riga, Latvia, the Foundation for Science and Technology for Small and Medium-Sized Enterprises „Victoria" from Kaliningrad in Russia and Lviv Chamber of Industry - Commerce in Ukraine. This opens up a whole new perspective of activities, creating sustainable and effective methods of information exchange, tracking current market phenomena and meeting wonderful people - managers, animators of regional development, and experts in the field of international trade.

The information contained in „Małopolska Business Guide Book" is just an introduction, an invitation to meet us and to analyze the benefits of activity on the Polish market and cooperation with Polish enterprises. We hope that the few details contained herein shall wake your interest and that we will meet to discuss the possible plans, projects and initiatives.

After the discussion, we would like to invite you to enjoy the wonderful offer of restaurants in Kraków, to visit the Polish Tatra Mountains or the oldest in Europe - Wieliczka Salt Mine.

Even the best prepared business draft always involves risk and uncertainty - on our part, we can guarantee an excellent atmosphere of teamwork, kindness and the belief that together - we will always be closer to the goal.

The Business in Małopolska Team, Kraków 2014



2. MAŁOPOLSKA - WAY WE ARE, WAY WE WANT TO BE.

Małopolska is one of 16 Polish regions arising from the administrative reform of 1999. It is located in the southern part of Poland and borders with the Republic of Slovakia (982 km of border). The capital of the region is Kraków (758 thousand inhabitants). The remaining large cities include Tarnów (118 thousand), Nowy Sącz (85 thousand), Oświęcim (43 thousand), Chrzanów (40 thousand), Nowy Targ (33 thousand) and Zakopane (27 thousand).

2.1. Greatest advantages of the region

- strong academic and R & D centre, based on 34 higher education institutions in the region
- one of the most attractive tourist destinations in Europe and worldwide (Kraków, Wieliczka, Tatry, Wadowice, Oświęcim ...) attracting nearly 10 million visitors per year
- location on the transit routes in the directions of East (Ukraine), West (Germany), South (Slovakia, Czech Republic) and North (Northern Poland, Baltic Sea)
- investment infrastructure (special economic zone, economic activity zones, investor service institutions)
- high economic culture, entrepreneurship and openness to international contacts.

2.2. Basic data

- Małopolska population is about 3 337.5 thousand people (8.7% of the Polish population)
- area of 15190 km² (5% of the country)

- population density of 220 persons per km² (Poland: 122/ km²)
- GDP of approximately 470 EUR / person
- rate of unemployment in 2012 - 2013 was approximately 12.5%, in Kraków 6 - 6.5%.
- average gross salary is PLN 3260
- there are 343.4 thousand entities operating in Małopolska (4th position in Poland)
- there are 3244 companies with foreign capital operating in Małopolska, employing approximately 7% of all employees in the region
- the FDI value in the years 1989 - 2012 was about USD 15 billion.

2.3. Małopolska Regional Operational Programme 2014-2020

The role of the regions in the management of EU funds is going to increase in the period 2014-2020. The share of Structural Funds (European Regional Development Fund and European Social Fund), which are managed at the regional level shall increase significantly. An amount of almost EUR 2.4 billion will be at the disposal of Małopolska (2nd position in Poland). Distribution of funds is as follows:

Type of activity	Amount of the EU funds (EUR million)
Road network	300
Railway network	120
Revitalization of urban areas	230
Modernization of rural areas	50
Modernisation of health infrastructure	30
Protection of heritage, culture, promotion of the region	100
Use of renewable energy sources	120
Lowering emissions	120
Urban transport system	80
Development of innovation and new technologies	305
Economic Activity Zones	160
Development of SMEs	120
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3. CONDUCTING BUSINESS IN POLAND (MAŁOPOLSKA)

Regulations on conduct of business in the Polish Republic are included in the laws and implementing regulations. The most important laws governing business activity in Poland include:

Act of 2 July 2004 - Freedom of business activity

Act of 15 September 2000 - Code of Commercial Companies

Act of 23 April 1964 - Civil Code

Act of 26 April 1974 - Labour Code

Act of 20 August 1997 - National Court Register

The texts of laws can be found in the Internet System of Legal Acts of the Parliament of the Republic of Poland: <http://isap.sejm.gov.pl/>

3.1. Types of companies

Polish law creates the conditions for making business in various forms. The factor that may determine the choice of legal form is the amount of the share capital (in the case of a limited liability company or joint stock company), the volume of cash contributions (for general or limited partnership company), the scope of the formalities associated with starting a business and the liability of the shareholders and governing bodies of the economic entity.

Types of companies

One-man business - does not have a legal personality, the founder is a natural person who is an entrepreneur, there is

no requirement of a minimum capital; owner of the company is responsible for the liabilities of the company both with the company's and his own property.

Civil partnership (s. c.) - regulated in the Civil Code, does not have legal personality and there is no requirement of a minimum capital. The entrepreneur does not constitute the company. It's the shareholders, who are responsible for the liabilities of the company jointly and severally, without limitation - with all their assets. Each of the founders has to register the company in the register of economic activities, and then – conclude the company agreement in a written form. Each of the partners has the right to represent the company.

General partnership (s.j.) - regulated by the Commercial Companies Code, does not have legal personality, but it does have the legal capacity - may acquire rights and obligations in its own name, may also sue and be sued, there is no requirement to hold initial capital. Each of the partners is responsible for the liabilities of the company without limitation with his whole property - jointly with other partners and with the company. Each of the partners has the right to represent the company, which may also be represented by a commercial proxy.

Limited Partnership (s.k.) - regulated by the Commercial Companies Code; designed to conduct the company under own name, has no legal personality, but it may, acquire rights, property, real estate and other property rights, sue and be sued as well as incur obligations in its own name; there is no obligation to hold initial capital excluding the mandatory sum of a limited partnership, which should be paid by the limited partner of the capital. The responsibility for the liabilities of the company is incurred by at least one partner with his whole

property - without limitation (general partner); the responsibility of the second partner is limited to the amount of the sum of the partnership paid (limited partner). The company is represented by the general partners, the limited partner may only represent the company as a proxy.

Company limited by shares - regulated in the Code of Commercial Companies; partnership is designed to conduct the company under own name, does not have a legal personality - may, however, in its own name, acquire rights, including ownership of property and other property rights, incur obligations, sue and be sued, the minimum share capital is PLN 50 thousand. At least one of the partners is responsible towards creditors without limitations (general partner) and at least one partner is a shareholder who is not liable for the obligations of the company. The company is represented by the general partners, the shareholder may only represent the company as a proxy. In the case where the number of shareholders exceeds twenty-five people – the establishment of the supervisory board is required.

Professional Partnership (s.p.) - regulated by the Commercial Companies Code, may be established in order to exercise a liberal profession by the shareholders in a company engaged in the company under own name, does not have a legal personality - can have legal capacity to acquire rights and obligations in its own name, as well as sue and be sued; no requirements according to the minimum initial capital. Professional Partnership may be established by two individuals that must hold permissions for the performance of professional (for example: lawyer, architect, doctor). Partner is not liable for the obligations of the company arising in connection with the performance of professional services by the other partners in the company. Each of partners is liable without limitation, jointly with other partners and with the company (in the alternative), with his whole property for the liabilities of the company not directly linked to the performance of professional services by the individual partners. Each partner has the right to represent the company, unless the partnership agreement provides otherwise. Partners of a partnership may appoint a board of directors.

Limited liability company (z o.o.) - regulated by the Code of Commercial Companies, is a legal person and is responsible for the obligations with all its assets, without limitation, the minimum share capital is PLN 5 thousand. Limited liability company cannot be established solely by another single limited liability company. Partners are not responsible for the liabilities of the company, they only bare the risk to the value of the contributions made to the company. The highest authority of the company is the shareholders' meeting. The company is represented by the management (consisting of at least one member) under the terms of the partnership agreement. In limited liability companies, in which the share capital exceeds PLN 500 000, and which consist of more, than 25 partners

– a supervisory board or an audit committee need to be established. Agreement the Company shall be in the form of a notary deed.

Joint Stock Company (S.A.) - regulated by the Code of Commercial Companies, is a legal person and is responsible for the obligations with all its assets, without limitation, the minimum share capital is PLN 100 thousand. It may be founded by one or more persons. It may not be established solely by another single-shareholder limited liability company. Shareholders are not liable for the obligations of the company – they bear the risk up to the value of the shares of the company possessed. The highest authority of the company is the shareholders' meeting. The company is represented by the management (consisting of at least one member) under the terms of the Articles of Association. Articles of Association of the Company shall be in the form of a notarial deed. A joint stock company Leeds to have a Supervisory Board established.

Foreign persons from EU Member States and Member States of the European Free Trade Association (EFTA) and the citizens of other countries who have received permission to settle in the territory of Poland, permit for tolerated stay, refugee status granted in Poland or are under temporary protection on its territory can operate in all legal forms adopted in the Polish legal system. Other foreigners may operate only in the form of limited partnership, company limited by shares, limited liability or joint stock company.

3.2. Setting up a company - procedure

The procedure for setting up business depends on the form of doing business. The formalities can be completed in electronic or traditional way.

3.2.1. Procedure for business registration by individuals

In order for an individual to register a company, the following are required:

- proof of identity (for example: identity card, passport)
- data on the residential address, and if the activity is to be performed outside the place of residence – a correct business address and a lease agreement or other document confirming the right to occupy an apartment, in which the activities will be conducted
- data on the accounting office - when wishing to use one
- type of activity specified with the number of Polish Classification of Activities ("PCA")
- name of the company
- bank account number

Registration procedure:

- a. filling the application for entry in the register - an application on the CEIDG website <https://prod.ceidg.gov.pl>. The above application constitutes:
 - an application for entry into the National Register of Economic Entities (for statistical number)
 - identification or the update application to the tax office (in order to obtain a tax identification number)
 - a statement on the selection of personal tax form on individuals
 - notification or change of notification on contribution payer to the Social Insurance Institution (ZUS)
 - statement of continuing social insurance for farmers

If the person starting business activity does not have a Tax Identification Number (NIP) and the statistical number (REGON) – those will automatically be granted at this stage.

- b. submitting an application in the CEIDG system:
 - electronically – it is required to obtain the so-called "trusted profile" on the <http://epuap.gov.pl> website, which allows for electronic contact with the authorities or obtaining an electronic signature (e-signature requires an additional charge)
 - traditionally - submitting an application at the office of the municipality or city in which the activity will be conducted
 - mixed – an application will be submitted electronically, and the signed personally at the office of the municipality
- c. submission of documents in the Social Insurance Institution - a request to CEIDG also constitutes social security contributions payer's application submitting. The paperwork needs to contain information on the person or persons insured. For this purpose it is best to visit the Social Insurance Institution in person.
- d. submission of the relevant documents and statements to the Tax Office, including the VAT-R form and - depending on the practice followed by the tax office: information on the choice of tax returns, filing and billing. The application submitted to CEIDG includes only declarations on issues related to the income tax law.
- e. opening a bank account and manufacturing of a stamps - bank account is necessary for business operations. The legislature requires the entrepreneur to keep a company's bank account, for example with regard to the settlement of Social Insurance Institution or revenue.

3.2.2. Procedure for business registration in the form of commercial law company

All commercial law companies are created at the moment of entry into the National Court Register. Only limited liability

company (z o.o.) and joint-stock company (S.A) may operate for some time without registration on the basis of contract or articles of association only. The application for entry includes special forms determined in the Regulation of the Minister of Justice. Those are available on the website of the Ministry of Justice - www.ms.gov.pl - and in the registration courts.

Each application needs to include:

- an agreement or articles of association
- signatures of the persons authorized to represent the company or a proxy authenticated by a notary or filed before a judge or court employee authorized
- proof of payment for the entry in the National Court register, which is PLN 500 (unless the entry is paid using court fee stamps)
- proof of payment for the notice of entry of the company in the Court and Economic Monitor (PLN 100)

Registration court issues a decision on the entry of the company to register within 14 days from the date of application.

Along with the application for entry in the commercial register, the applicant shall also submit:

- an application for entry (change in the entry) to the REGON register
- notification of the social security contributions payer or its change
- identification (update) application for tax identification number together with indicating the competent tax office head, under the pain of application return

The registration court shall send the above requests and applications submitted, respectively, to the competent authority of the statistical and tax office. On the other hand, after receiving information on the assignment of the NIP number to the company, the court shall send the notification (update) of social contribution payer to the proper Social Insurance Institution field unit.

An exception in the binding force of the one-stop procedure are the applications submitted online. Applicant is required to send applications and notifications to the tax office, statistical office, Social Insurance Institution in person, by electronic means.

3.3. Taxes in business

The tax system in Poland consists of several types of taxes, of which the most important in economic activity include:

personal income tax (PIT) - tax regulated by the Act of 26 July 1991 on income tax on individuals. Tax levied on all types of

income earned by individuals, with the exception of income excluded or exempt from tax under the Act on PIT. The income taxable is the excess of revenue over costs, which the PIT Act recognizes as tax-deductible. Taxable income is reduced also by other types of spending (like social security contributions). Taxpayers pay PIT by two rates - 18% or 32%, depending on the amount of the income earned. In addition to a progressive scale, the taxpayers running business activity have the option to select taxation by the linear rate of 19%. In addition, certain types of income are taxed at individual rates assigned to them;

corporate income tax (CIT) - the tax regulated by the Act of 15 February 1992 on corporate income tax. Tax levied on all types of income earned by legal persons, with the exception of income excluded or exempt from tax under the Act on CIT. The income taxable is the excess of revenue over costs, which the CIT Act recognizes as tax-deductible. Taxpayers pay corporate income tax at the flat rate of 19%. In addition, certain types of income are taxed individually according to their assigned rates;

Value Added Tax (VAT) - a tax regulated by the Act of 11 March 2004 on tax on goods and services. VAT is a general tax levied in connection with the performance of activities referred to in the VAT Act, such as: supply of goods or provision of services. The basic VAT rate is 23% and is levied on most goods and services. There are also reduced rates of 5% and 8%. Part of the activities is, however, exempt from VAT: such as financial services is subject to the rate of 0%;

tax on civil law transactions - tax regulated by the Act of 9 September 2000, the tax on civil law transactions. Is imposed on activities such as sale, loan or share capital increase;

property tax - one of the types of local taxes regulated by the Act of 12 January 1991 on local taxes and fees. It is levied on land, buildings or their parts and structures associated with running a business;

excise tax - a tax regulated by the Act of 6 December 2008 on excise duty. Excise duty is a tax paid by a one-step - so for example by manufacturers or importers of excise goods (such as energy products, alcoholic beverages and tobacco products).

Form of business taxation with the income tax, is dependent on the type of business activity:

- One-man business - PIT
- Civil partnership - PIT or CIT, depending on who is a partner - each partner is taxed separately
- General partnership - PIT or CIT, shareholders of the company are taxed individually

- Limited liability partnership - PIT or CIT, each partner is taxed separately
- Company limited by shares - PIT or CIT, each partner is taxed separately
- Professional partnership- PIT or CIT, shareholders of the company are taxed individually
- Limited liability company – CIT
- Joint stock company - CIT

Taxation of business with other types of taxes such as VAT, is independent of the nature of the business. In such case, the entrepreneurs are taxed on the basis of certain events giving rise to the tax obligation for example, as a result of the provision of services or delivery of goods.

3.4. Elements of labour law

The primary source of labour law in Poland is the Labour Code. It contains the most important regulations concerning the rights and obligations of workers and employers, labour contracts, working time and health and safety at work. The Labour Code also applies to foreign employers operating in Poland and employ workers in our country.

3.4.1. Contracts of employment

The employment contract may be concluded between the employer and the employee, who is at least 18 years old. By way of exception - after the fulfilment of the conditions laid down by the specific rules – a contract of employment may also be concluded with an employee of 16-18 years of age. The employment contract may be concluded:

- for an indefinite period
- for a definite period
- for a trial period (it cannot exceed 3 months)
- for substitution (for the duration of the absence of the employee absent)
- for the duration of a particular job
- to perform seasonal work

The employment contract shall be concluded in written form. Conclusion of an employment contract in a form other than in writing does not affect its validity, however, the employer should confirm in writing the type of work and its conditions no later than on the date of commencement of work. Each contract of employment should obligatory contain the nature of the work and the fact of the remuneration of the employee.

The employment contracts for a specified period, generally resolve themselves automatically when the period they were concluded for passes. An employment contract can also be

terminated by mutual agreement or by its termination by either party, depending on the circumstances - with a period of notice or without.

In the case of inclusion of provisions inconsistent with the provisions of the labour law in the employment contract - they are automatically replaced by the relevant provisions of the Labour Code.

3.4.2. Other forms of employment

Other popular forms of cooperation are commission contract and contract for specific work (commitment to the implementation of a precisely specified work). These are civil contracts, and therefore the provisions of the Labour Code (for example in the field of employee benefits) are not applicable. Both the commission contract and contract for specific work are regulated by the Civil Code. No social security contributions are paid in relation to the contract for specific work.

3.4.3. Provisions related to the cost of social security benefits

The employer is the payer of social security contributions of employees, and also he is obligated to report them to social security.

Also a person performing work under an agency contract, service contract or other agreement for the provision of services, to which the provisions relating to the commission contract and contract for specific work apply in accordance with the Civil Code - shall also be regarded an employee.

The employer, as the payer is required to pay contributions for social insurance: retirement, disability, sickness and accident, health insurance, as well as the Labour Fund and Guaranteed Employee Benefits Fund. Financing of these contributions is carried out exclusively by the employer, with employer's measures only, with employee's measures only or partly by the employer and partly by the employee (depending on the type of contributions). The basis of contribution rates shall be the revenue received by the employee from employment.

3.4.4. Basic information on regulations under the Labour Law

Periods of notice

The Labour Code contains comprehensive rules concerning notice periods of employment contracts and the situations where their keeping is mandatory.

In the case of contracts concluded for an indefinite period of notice is:

- 2 weeks if the employee has been employed for less than 6 months
- 1 month if the employee has been employed for at least 6 months

- 3 months if the employee has been employed for at least 3 years.

In the case of contracts concluded for a trial period these periods are as follows:

- 3 working days, if a trial period does not exceed two weeks
- 1 week, if the trial period is longer than 2 weeks
- 2 weeks if the trial period is 3 months

Contracts concluded for a fixed term of over 6 months can be solved with a two-week notice if the contract provides for such a possibility.

In certain cases, both the employer and the employee may terminate the employment contract without notice. For employers, such permission shall be due to the circumstances arising from the fault of the employee or circumstances beyond his control, such as: serious violation of the basic work duties, loss of privileges necessary to perform work for the post (fault of the employee), inability to work (lasting longer than the permissible period of incapacity specified in the Labour Code), and (in certain cases) if the employee's unexcused absence time work exceeds one month.

Termination of the employment contract should always be made in writing. The employer is also required to give each employee a certificate of work.

Czas pracy

In accordance with the provisions of the Labour Code, working time should not as a rule exceed 8 hours per day and 40 hours within a five-day week (over the settlement period, the length of which does not exceed four months). In certain cases, it is acceptable for an employee to work overtime.

Working in overtime is permitted in cases of: a rescue operation to protect human life or health, the protection of property or the environment or removal of failure, specific needs of the employer (and in this case, overtime may not exceed the number of 150 per year).

Weekly working time, including overtime, shall not exceed an average of 48 hours in the adopted settlement period, which means that within a week, as a rule – 8 hours of overtime are allowed. This principle does not apply, however, in relation to working time of „managing employees” - so for example, managers and chief accountants. When determining the appropriate working time of employees, one should also bear in mind, that an employee is entitled to an uninterrupted daily rest of at least 11 hours, and 35 hours of uninterrupted weekly rest.

For overtime work, an employee is entitled to additional remuneration - depending on the circumstances, amounting to 50% or 100% of the basic salary.

Sundays and holidays (as defined in special regulations) are non-working days. Work in these days, however, is allowed in certain cases (work in the catering, hotel establishments or shift work). For such work, an employee is entitled to a day off at another time or an addition to salary.

Remuneration for work

Remuneration for work shall be set between the employer and the employee. It should correspond to the type of work and qualifications of the employee. An employer who employs at least 20 employees who are not covered by a collective labour agreement, should determine the conditions of remuneration for work in the conditions of remuneration.

From 1 January 2014, the amount of the minimum wage is PLN 1680 (gross). The amount of the employee's salary during his first year of employment may not be lower than 80% of the minimum wage, so in 2014 it has to be at least PLN 1,344 (gross).

Remuneration shall be paid at least once a month, in a constant and predetermined period of time.

Annual leave

An employee is entitled to an annual, continuous leave, which right cannot be waived, in the dimension of 20 days (in the case of an employee employed for less than 10 years) or 26 days (in the case of an employee employed for at least 10 years). An employee who started working for the first time, becomes entitled to leave in a calendar year in which he started to work - in the amount of 1/12 of the leave available to him after working for a year – at the end of each month.

At the request of the employee – the leave may be divided into parts. In this case, however, at least one part of the leave should be not less than 14 consecutive calendar days.

3.4.5. Employment of foreigners

Principles of employment of foreigners in Poland differ depending on whether the person is a citizen of the European Union or countries outside the group. Citizens of the EU, the European Economic Area (EEA) and Switzerland are not required to obtain a work permit. Other foreigners must obtain permission (unless they are subject to exemption from this requirement provided for in specific regulations).

The procedure for obtaining a work permit

The work permit is issued by the province governor at the written request of the party entrusting the performance of the work to a foreigner. Before applying to the governor, the prospective employer should first report the job vacancy to the appropriate labour office, which shall check whether a

person suitable for the post may be found among the local unemployed or in a recruitment procedure conducted by the employer.

The next step is the issuance of a promise on a work permit by the governor. It is annexed to the application for a visa, on which the foreigner will apply in connection with the arrival to Poland in order to take up employment.

Governor issues the permit after the legalization of stay of a foreigner. The permit is issued for a specified period.

It should also be noted that in certain cases, in addition to the work permit it is also required to obtain appropriate residence visa (Schengen visa or domestic) by the foreigner.

Work carried out by a foreigner without a work permit is illegal and punishable in relation to both employer and employee.

Citizens of the EU and those countries with which the EU has concluded an agreement on the free movement of employees, are in principle free to take employment in Poland.

3.5. The support system for SMEs

Companies conducting or starting a business in Małopolska may apply for different types of investment incentives, such as subsidies from EU funds, grants from national funds, tax exemptions, and preferential tax incentives for the purchase of new technologies. Investment incentives are subject to both national and EU business support rules that define, among others, maximum level of support and the detailed terms and conditions.

Grants from EU funds

The EU financial perspective for 2014-2020 provides for the implementation of national and trans-regional operational programmes:

- **Intelligent Development Operational Programme 2014-2020** - for innovation, scientific research and its links with the sphere of enterprise.
- **Infrastructure and Environment 2014-2020 Operational Programme** - for a low-carbon economy, environment protection, combating and adapting to climate change, transport and energy security.
- **Knowledge, Education, Development Operational Programme** - for the development of competencies and skills, social inclusion and good governance.
- **Digital Poland** - the aim of the program is to create conditions for the widespread use of digital technologies so that they could stimulate the economy.
- **Program for the development of rural areas.**

- **Program for the development of marine and fishing.**
- **Eastern Poland Operational Programme.**
- **Programmes for the European territorial cooperation** (cross-regional programmes).

Key information on the EU funds for entrepreneurs are (in English) at:

http://www.funduszeuropejskie.gov.pl/english/Strony/Euro-pean_Funds.aspx

Grants from national funding

In order to increase the competitiveness of the Polish economy and encourage entrepreneurs to undertake innovative activities, the Council of Ministers adopted a program to promote the investments of significant importance for the Polish economy for 2011-2020. The program supports direct investments primarily in high-technology sectors.

Support shall be granted in the form of grants, on the basis of an agreement concluded between the Ministry of Economy and the investor. One can apply for support due to:

- the cost of creating new jobs (up to PLN 15 600 per job)
- the eligible costs of the new investment (up to 7.5% of the eligible costs of the investment).

Support may be granted to entrepreneurs planning to invest in the sectors of automotive, electronics, aerospace, biotechnology, modern services, and research and development activities.

The support may also be provided for the so-called significant investments/projects in other sectors, with a minimum of PLN 750 million of eligible costs and creating at least 200 new jobs, or with a minimum of PLN 500 million of eligible costs and creating at least 500 new jobs (the so-called significant investments/projects).

To apply for **support for the creation of new workplaces**:

- Implementation of new production investment in priority sectors, resulting in the creation of at least 250 new jobs with minimum total eligible investment costs PLN 40 million,
- Implementation of a substantial new investment,
- Implementation of a new investment in the modern service sector, creating at least 250 new jobs, with minimal investment fixed assets (excluding lease) in the amount of PLN 1.5 million,
- Implementation of a new investment in research and development, creating at least 35 new jobs for people with

higher education, with a minimum total investment costs of PLN 1.5 million.

To apply for support for the new investment:

- Implementation of a new investment in priority sectors with the costs of the new investment eligible for the support of at least PLN 160 million and creating at least 50 new jobs,
- Implementation of a new significant investment ;
- Realisation of investment in the research and development with eligible investment costs of at least PLN 10 million and creating at least 35 jobs for people with higher education.

Special Economic Zones

A Special Economic Zone (SEZ) is an area where manufacturing and modern services activity may be carried out under the terms of the Act.

Preferential conditions for business in the territory of the SEZ enable those to benefit from state aid. It shall be granted either in the form of exemption from income tax as well as exemption from property tax. Exemption from income tax means that in the period from the date of the permit obtaining, until the end of regional help or until the end of SEZ functioning – the entrepreneurs do not pay income tax on income earned in respect of activities carried out in the SEZ.

The amount of aid granted in the form of exemption from income tax is limited by the amount of costs eligible for the support and the maximum aid intensity calculated for a specific area (50% of eligible costs in the Małopolska region, and since 01.07.2014 - 35% of eligible costs). The basis for determining costs eligible for aid are the costs of a new investment or the value of two-year labour costs of newly employed workers. Regional aid for activities in the SEZ may also be granted in the form of exemption from property tax.

In order to operate in the SEZ and be eligible for use of the above preferential conditions it is necessary to obtain a permit to operate in the SEZ.

Special Economic Zones will operate in Poland to 2026.



4. BASIC DATA ON FOREIGN TRADE IN POLAND - EU - OTHER COUNTRIES

4.1. Export volume

According to preliminary data of the Central Statistical Office, in the first half of 2013, exports of goods from Poland reached a value of nearly EUR 87 billion and increased by 6.2 percent compared to the level in 2012.

4.2. Main goods and directions of export

Among the major markets of EU countries, the export level has increased to the **Slovak** market - by 8.8 percent, **Hungarian** - by 9.1 percent, **Swedish** - by 6.2 percent and **Belgian** - by 7.6 percent.

As for the other developed markets - exports to the **United States** (24.9 percent), **Norway** (45.3 percent) and **Japan** (o 23,6 proc.) rapidly increased.

The best result by commodity exports was visible in the agri-food sector - an increase of 13.6 percent (up to EUR 10.9 billion) and chemical - by 8.4 percent (up to EUR 12.4 billion). The value of exports of electromechanical goods amounted to nearly EUR 34.2 billion, an increase of 6.1 percent compared to the previous year.

The trend lasted for faster growth in exports to the emerging and less developed markets (by 17.3% to nearly EUR 13.7 billion) than to the developed markets (by 3.7% to EUR 60.5 billion). Exports to the European Union has increased in the first half of 2013 by 1.9% (to EUR 55.1 billion), but it was slower for the euro zone - 1.1 percent (up to EUR 37.6 billion) than in other EU markets (growth at 3.5%, to EUR 17.5 billion).

Exports to the CIS countries markets increased by 12.7% (EUR 7.2 billion), including to Russia by 12.8% (over EUR 3.9 billion), Ukraine by 10.9% (up to EUR 2 billion) and to Belarus by 19.6% (approx. EUR 0.8 billion).

Among the EU markets, the exchange with the euro zone markets was significantly less developed: exports increased by 1.1% (to EUR 37.6 billion), while imports decreased by 4.1% (to EUR 33.5 billion). On the other hand, exports to other EU markets increased by 3.5% (to EUR 17.5 billion) and imports to those has decreased by 0.7% to EUR 9.5 billion. Among the EU markets, the fastest increase was noticed in export to:

- Bulgaria by 48,2%, to EUR 328 million
- Latvia by 23,2%, to EUR 572 million
- Greece by 19,6%, to EUR 247 million
- Finland by 9,1%, to EUR 563 million
- Slovakia by 8,4%, to EUR 1,9 billion

The exports of finished food products (by 9.7% to nearly EUR 4.2 billion) and live animals and animal products (by 9.6% to EUR 3 billion) increased faster than total exports. In the field of chemical industry products - exports increased by 7.9% (over EUR 10.6 billion, 14.3% of total exports).

4.3. Regulations on trade exchange

TRADE AND SERVICES IN THE EUROPEAN UNION

With the Polish accession to the European Union, Poland has become a part of the so-called EU single market. Features of the EU market are as follows:

- no customs controls are performed at the borders of the Member States, because of free movement of goods between the countries of the Union (with the exceptions of which include the respect of public morals, public order and safety considerations, health and life of humans, animals or plants, protection of national treasures of artistic, historic or archaeological value and the protection of commercial and industrial property) Lack of customs control means that no non-tariff barriers apply, such as: quotas, anti-dumping duties, also the SAD document is no longer valid (remains valid in trade with non-EU countries)
- irrespective of which Member State is the recipient of the goods, the goods shall be subject to equal requirements in terms of technical requirements, such as: each product invested in a single market of the European Union must comply with the relevant requirements for safety and quality. the manufacturer or importer is responsible for possible defect of the product
- conducting business is dependent on having a tax identification number, also a registration of business in the competent tax office is required
- in trade between EU countries – the concept of export was replaced by the concept of intra-Community supply and the concept of import was replaced by the concept of intra-Community acquisition. Since 1 May 2004 exports and imports represent trade with countries outside the European Union (Russia, the United States, etc.).

Principles of international trade in services are governed by the General Agreement on Trade in Services (General Agreement on Trade in Services - GATS).

EXPORT

Customs Union, which includes Poland, together with the other EU Member States means:

- The abolition of customs duties at internal borders between EU Member States

- Validity of the same tariffs on goods imported from outside the EU
- The application of the same rules of origin for products imported from outside the EU
- The application of the same rules of origin for products – a common definition of customs value applies

All goods **leaving the customs territory of the EU** through the customs territory of Poland is subject to customs supervision and subject to a customs procedure, during which SAD export declarations (Single Administrative Document - Single Administrative Document) and other necessary export documents are used. Export of goods to other countries is governed by import regulations of these countries.

Simplification of customs

Since 2008- regulations apply, allowing the functioning of the institution of „Authorized Economic Operator” (AEO - Authorised Economic Operator). The AEO status granted in one EU Member State is recognized throughout the Community. Thanks to the AEO, traders can benefit from facilitations with regard to customs controls relating to security and safety and / or from simplifications provided under the customs rules.

Accordance with rule of free export, the Community shall not apply quantitative barriers to export of goods outside the EU. Only exceptionally, in specific situations - restrictions on exports are established, which may take the form of:

- export ban
- export permits (*authorisations*) and export license
- Entrepreneur statistical surveillance (including carriers, freight forwarders or customs agents) having a certificate

EORI system

The creation of the EORI European identification system (Economic Operators' Registration and Identification), including participants in the exchange of goods throughout the EU, provides the customs administrations of the Member States with current information about the entities involved in customs activities. EORI is designed to speed up formalities and customs operations by entities involved in customs activities.

Registration in Poland

In Poland, the entrepreneur can register in the EORI system (Economic Operators' Registration and Identification) as follows:

- by submitting or sending an email request for registration (in writing)
- in person by the applicant or by a representative of the applicant (authorized)

- at the customs offices or branches in Poland
- before or during the first customs operation

4.4. Promoting exports in the European Union and Poland

Promoting EU export can take place at the EU level through direct export subsidies or at national level.

Direct export subsidies

In Poland, the official export credit support is implemented in the following forms:

- government loans, including granted under the terms of *tyed aid*
- export credits granted by the Bank of National Economy
- interest rate subsidies, export credits at fixed interest rates provided by the Bank of National Economy
- export credit insurance carried by the Export Credit Insurance Corporation S.A. (KUKE)

Forms of export support applied at the national level

Other direct and indirect forms of export support remain within the competence of Member States. The Polish system of export financial support instruments includes:

- export credit insurance
- subsidies to interest on export credits
- guarantees for export oriented projects
- under the Government Export Financial Promoting Program, the National Economy Bank grants loans foreign buyers to finance export contracts for the purchase of Polish goods and services (directly or through the purchaser's bank). The funds from the loans are paid directly to domestic exporters and the foreign buyers repay the loans after the delivery of goods / services

Support of **informational, promotional and educational activities** includes:

- co-financing of away missions
- co-financing of the arrival of foreign importers to trade fairs
- training at the Academy of Foreign Trade
- co-financing the costs of obtaining product certificate
- information and inquiry support of exporters
- using the help of Polish economic and trade delegations abroad

Conditions of access to third markets are available in the databases of:

- Market Access Database – <http://madb.europa.eu/madb/indexPubli.htm>
- Exports promotion portal – www.eksporter.gov.pl

In case of industrial goods most of the imports is carried out under the terms of the duty-free, due to the extensive system of preferences (issued to trade partners unilaterally, bilaterally or within multilateral agreements) and the custom suspension system. Since 2009, quantitative restrictions on imports apply only to imports of textiles and clothing from Belarus (quota restrictions), North Korea (quota restrictions), Uzbekistan (license supervision) and steel products from Russia and Kazakhstan - steel products are also subject to single-check based import supervision system (from all directions except for imports from Russia and Kazakhstan).

A total ban on imports may be placed with non-economic reasons (so for security reasons or due to health risks). For similar reasons, specific requirements were established for the importation of certain goods such as: weapons and ammunition, pharmaceuticals, chemicals, and plants and animals threatened with extinction.

Information on applicable duties and non-tariff measures can be found in the daily updated database: **TARIC**. http://ec.europa.eu/taxation_customs/customs/customs_duties/tariff_aspects/customs_tariff/index_en.htm

The European Union attaches great importance to relations with third countries. A series of databases were created in order to facilitate the entrepreneurs in these countries access to the information on the EU market and EU entrepreneurs (including Polish) – access to the information on those countries' markets. They include, among others, basic information on the import conditions: customs, taxation, legislation.

From 1 July 2008, the Ministry of Economy has launched a new website of the Trade and Investment Promotion Sections of Polish Embassies (WPHil). Service, through the integration of individual institutions portals provides information on doing business in countries of office of the Minister of Economy institutions and in Poland.

Trade and Investment Promotion Sections of Polish Embassies have been created to support Polish companies in the process of internationalization. Their mission is also to support foreign companies interested in importing Polish goods and services as well as investments in our country.

<http://polska.trade.gov.pl/en/>

Support instruments in the process of internationalization of the Polish companies include loans and government guarantees, credit insurance, financing from structural funds, funding of publications, certificates and participation in foreign fairs and exhibitions.

Co-funding of the cost of the promotional projects funded by the Ministry of Economy and intended for export promotion takes place within several instruments to promote exports. Those include:

- co-financing of trade promotion projects
- co-financing the costs of obtaining export certificates
- co-financing of costs of promotional publications and the organization of conferences, seminars and promotional events

Governmental Support Program for Export

Under the Government Export Financial Promoting Program by the National Economy Bank grants loans foreign buyers to finance export contracts for the purchase of Polish goods and services. The funds from the loans are paid directly to domestic exporters and the foreign buyers repay the loans after the delivery of goods / services. The National Economy Bank insures the loans granted under Government Export Support Program in Export Credit Insurance Corporation S.A. while making all the required formalities. For instruments requiring the participation of the bank of the buyer, the condition for granting the loan by the National Economy Bank is the availability of limits on financing transactions with the bank. In contrast, loans to finance buyers may be granted directly after an individual assessment of each transaction and the borrower.

The Government Export Support Program provides the following financial instruments to finance the Polish exports: medium-and long-term financing (the period of the loan over 2 years):

- Buyer's credit Kredyt granted via the buyer's bank
- Buyer's credit granted directly to the buyer

Short-term financing (loan period up to 2 years), implemented in the form of:

- Documentary letters of credit postfinancing
- Discounting of receivables from documentary letters of credit

4.4.1. Support for the Network of Investors and Exporters' Service Centres (COIE)

In 2009 a systemic project of the Minister of Economy was approved under the title of: "Network of Investors and Exporters' Service Centres (COIE)" under the Innovative Economy 2007-2013 Operational Programme.

The purpose of the project is to increase the level of internationalization of the Polish companies by providing entrepreneurs with access to comprehensive, high quality and free information services to the extent necessary to plan, organize and implement export and / or investments outside Polish

borders. This objective includes actions to increase the level of foreign investment in Poland by facilitating the access of foreign investors to information on starting a business in Poland and support instruments for the development of entrepreneurship.

The target group covered by the support are COIEs created within the structures of Marshal Offices (POI), or other entities selected by POIs for this task, in accordance with the applicable legal regulations. The final target group of the project includes:

- in the field of the **pro-export** service (including: export and investment activities outside the country): all entrepreneurs representing various industries established in the territory of Poland, in the case of natural persons, having a place of residence on the territory of Poland,
- in the field of the **pro-biz** service (including attracting foreign investors to Poland): all foreign investors interested in doing business in Poland.

Entrepreneurs interested in using information services are able to freely choose the COIE, regardless of the place of business.

4.4.2. Export Credit Interest Subsidies Program (DOKE)

Following the example of the European Union countries and other OECD countries, Poland established a system of subsidies from the state budget to the interest on medium and long term loans with fixed interest rates for export financing (DOKE). Settlements associated with this system are carried by the National Economy Bank. The program of subsidies for interest on export credits at fixed interest rates was launched by the State to support export activity of Polish companies.

The DOKE program consists in granting – from the State Budget, through the National Economy Bank – as the Program's administrator - subsidies **to interest** on specific export credit with fixed interest rate, issued by a domestic bank, a foreign bank or an international financial institution. Subsidies are provided by the mutual settlements between the National Economy Bank and the Bank (granting export credit), which has signed a DOKE agreement.

Depending on the amount of financing costs, the following settlements are carried out:

- when the height of the fixed interest rate of export credit will be lower than the cost of financing, the State Budget - through National Economy Bank – shall transfer the subsidies for fixed interest rate to the crediting bank
- when the height of the fixed interest rate of export credit will be higher than the cost of financing, the crediting bank will be obligated to transfer the surplus, the State Budget - through National Economy Bank

[For more information about the Program DOKE see the website BGK](#)

KUKE - export credit insurance

Export Credit Insurance Corporation S.A. offers financial insurance and guarantees to the Polish entrepreneurs and institutions financing exports of Polish goods and services. It is the only Polish insurer, which has the capability to offer products with guarantees of the State Treasury.

Insurance guarantees facilitate, and often are a precondition of concluding a contract with a foreign partner. It offers a wide range of export contract guarantees for all entrepreneurs who plan to implement an export contract or investment abroad:

- tender guarantee
- advance payment guarantee
- contract performance guarantee
- proper contract performance guarantee

Benefits from guarantees

- guarantees release the entrepreneur from the application of other security for performance of contracts
- in contrast to the bank guarantee, those do not charge the credit line of the exporter
- they increase the credibility of the entrepreneur for the a foreign partner
- in many cases they constitute a condition for the conclusion of the contract
- guarantee conditions have been adapted to international standards
- the contents of the guarantee is negotiated with the beneficiary

Recipients of the guarantee

Insurance guarantees are addressed to all Polish enterprises engaged in economic activities for at least three years.

Subjective scope of the guarantee

The beneficiary of the guarantee may be counterparties from most countries of the world.



Costs

The remuneration for the guarantee is negotiated individually and depends primarily on the type of security used. Rates fluctuate from 1% to 4% of the guarantee amount on an annual basis.

Information on the website of Export Credit Insurance Corporation (KUKE): www.kuke.com.pl

4.4.3. Government loans

Administering institution - Ministry of Finance / Guarantee Department

Polish government export credits are intended to finance the supply from Poland.

According to the OECD, government loans used to finance the export from Poland can be provided on commercial terms or on a preferential basis in the form of the so-called tied aid. The selected developing countries on the list published by the OECD (depending on the GNI per capita) are entitled to use the loans under tied aid.

The financial terms of the loan under tied aid, such as maturity, interest rate, grace period, provide a minimum of 35% subsidy level. In practice, this means preferential terms compared to the market loans in the form of – among others - lower interest rates, longer grace period and repayment period.

Projects funded under the so-called tied aid are mainly projects in the fields of environmental protection, health, modernization, improvement of work safety, living conditions of the population, rural development and education contribute to improving the situation in the recipient country. Such projects may not have the ability of self-financing or they lack commercial financing.

Government loans under tied aid, in addition to the important role of export support, contribute to increase of the size of the development assistance provided by Poland and constitute an alternative instrument for aid in comparison to direct budget support or grants.

The OECD arrangement does not regulate issues related to government lending to finance defence equipment and agricultural products. In this regard, the creditor country has more freedom to determine the financial terms of the credit granted.

Payments in respect of the execution of contracts shall be made by the State Budget - through the National Economy Bank (authorized to operate intergovernmental loan agreements) directly to the Polish exporters. Payment for Polish company will take place in Polish zlotys at the NBP purchase rate on the date of payment, on the basis of the documents adopted in the contract (irrespective of the currency of the contract), previously approved by the importer and his bank.

4.4.4. SOLVIT - Problem Solving System for EU entrepreneurs

SOLVIT deals with solving specific problems resulting from the incorrect application of Community law by public authorities in the Member States (plus Norway, Liechtenstein and Iceland). If, in connection with the activities pursued by the Member State, or stay in another Member State - administrative authorities of that State had misapplied the principles of Community law, SOLVIT can help to solve this particular dispute.

The system operates in a network of Coordination Centres established in all EU countries, cooperating with each other through an online database in order to find a solution to the present problem in a quick and efficient manner. The purpose of the system is not to replace the existing mechanisms for solving cross-border problems such as judicial proceedings at national or Community level. SOLVIT is an alternative to those. Asserting ones rights through the courts is often very costly and long-lasting. SOLVIT offers the possibility of achieving a rapid solution in many cases: Polish SOLVIT Centre shall transmit a particular complaint to the centre in the country in which the problem occurred. This centre will confirm adoption of the case within a week and then, based on the opinions of experts of this country, will present a final solution within 10 - 14 weeks. The proposed solution is not binding and there is no possibility of its formal challenging.

What problems can be reported to SOLVIT?

- arising from a breach of EU law
- caused by the administration of another Member State
- containing a cross-border element (for example: Polish citizen has problems with French Authority)

Examples of SOLVIT areas of activity:

- market access for products
- access to the services market
- recognition of professional qualifications and diplomas
- social security
- registration of motor vehicles
- border controls

How to report a problem to SOLVIT Centre

- problems may be reported online at: <http://ec.europa.eu/solvit/>
- describe the problem using the form to downloadable on the SOLVIT website (www.solvit.gov.pl) and send it, together with copies of documents relating to the matter by e-mail, post or fax



5. GUIDE TO MAŁOPOLSKA INSTITUTIONS THAT PROMOTE AND SUPPORT ECONOMIC DEVELOPMENT

Business in Małopolska Centre

Business in Małopolska Centre (CeBiM) is an initiative unique in the scale of Poland, the purpose of which is to improve the investor and exporter service and to promote the region.

Business in Małopolska Centre consists of: institution of regional development – Małopolska Agencja Rozwoju Regionalnego S.A., regional government – Województwo Małopolskie and one of the most important institutions supporting foreign direct investment – Krakowski Park Technologiczny Sp. z o.o. and Małopolskie Parki Przemysłowe Sp. z o.o.

CeBiM offers:

- integrated investor services (one-stop-shop);
- system of public support for investment;
- largest base of investment properties in the region;
- database of export enterprises and foreign contractors;

- support for exporters from the region on the basis of own funds and EU funds;
- coordination of promotional activities of an economic nature;
- strengthening the economic image of Małopolska;
- joint participation in projects financed from EU funds;
- presentation of the company in the Małopolska Export Offer catalogue, available for potential business partners online on our website and in multimedia materials;
- placing information about the company's offer in catalogues distributed at international exhibitions, trade fairs and business events;
- assistance in establishing contacts with foreign customers;
- participation in trade missions and business meetings;

www.businessinmalopolska.pl, www.malopolskpartnership.pl

Contact: ul. Prof. Życzkowskiego 14 (formerly al. Jana Pawła II 41 L), 31-864 Kraków

Phone No.: (+48) 12 620 9140,

Fax: (+48) 12 620 9166

E-mail: contact@businessinmalopolska.com

Marshal Office of Małopolskie Voivodeship

Małopolskie Voivodeship creates economic policies acting on the development of the Region. It works for the promotion of Małopolska by conducting information policy, presenting the economic potential of the Voivodeship. The team forming part of the Business Centre in Małopolska supports the service of domestic and foreign investors and also organizes events to promote the economy of Małopolska. Małopolskie Economic Observatory at the Marshal's Office conducts studies on the economic situation in the region

In connection with the Poland membership in the European Union, the main task of international cooperation of the Małopolska Voivodeship is to adjust the level of economic development of the region to conditions of operation in the European Union.

www.malopolskie.pl

Contact: 30-017 Kraków, ul. Raclawicka 56
Phone No.: (+48) 12 630 3107, 12 630 3507,
Fax: (+48) 12 630 3126, E-mail: urzad@malopolska.mw.gov.pl

Department of Economic Development
Phone No.: (+48) 12 630 3444, Fax: (+48) 12 630 3445,
E-mail: rg.sekretariat@malopolska.mw.gov.pl

Team for Business in Małopolska
Phone No.: (+48) 12 63 03 136,
E-mail: muje@malopolska.mw.gov.pl

Małopolska Regional Development Agency S.A.

Małopolska Regional Development Agency - focused on tasks essential to carry out positive changes in the regional environment: restructuring of the economy, land use, use of European programs, collaboration with local government, investment services, support of entrepreneurship, as well as international cooperation and building the image of Małopolska in Europe and the world. The Małopolska Regional Development Agency is a major regional institution operating in the field of EU subsidies for SMEs (as a Regional Financing Institution). The Agency has developed its own instruments financial support to the business sector, is a specialized partner institution for the regional and local governments, non-governmental organizations and representatives of various professional groups, as well as for foreign partners in taking initiatives for development of the Małopolska region.

www.marr.pl

Contact: ul. Kordylewskiego 11, 31-542 Kraków
Małopolska Regional Development Agency S. A. Office
Phone No.: (+48) 12 617 6601 / -00,
Fax: (+48) 12 617 6666, E-mail: marr@marr.pl, biuro@marr.pl

Kraków Technology Park sp z o.o.

The technological development of Małopolska, entrepreneurship, promotion of innovation and new technologies, creating a positive climate for business, and finally, support for aca-

demical projects - are some of the main activities of the Kraków Technology Park, which significantly contributes to strengthening the capacity of the entire region. Kraków Technology Park manages the Małopolska Special Economic Zone (up to 2026).

www.sse.krakow.pl

Contact: ul. Prof. Życzkowskiego 14, 31-864 Kraków
Phone No.: (+48) 12 640 1940, Fax: (+48) 12 640 1945,
E-mail: biuro@sse.krakow.pl

Małopolskie Industrial Parks

Małopolskie Industrial Parks Company was founded in 2005 by the Małopolskie Voivodeship and the Kraków Technology Park to initiate, support and promote the economic development of Małopolska. Company performs its tasks by locating new business ventures in the region, the acquisition of investment areas, providing advisory services, as well as the creation and management of investment zones and industrial parks.

www.mpp.krakow.pl

Contact: 31-133 Kraków, ul. Dunajewskiego 1/3
Phone No.: (+48) 12 426 2186, Fax: (+48) 12 426 2185,
E-mail: biuro@mpp.krakow.pl

Małopolska Voivodeship Office

The Małopolska Voivodeship Office carries out tasks of government administration in the voivodeship. The Office, within its competence, manages – among others - matters related to foreigners, their stay in Poland and employment. On the website of the Voivodeship Office and at the institution itself – one can not only find information on the course of the procedure, but also the forms required, the legal basis and others. In addition, the website contains instructions for residence and employment of foreigners in several languages, including Russian and Ukrainian.

www.malopolska.uw.gov.pl

Contact: ul. Basztowa 22, 31-156 Kraków
Phone No.: (+48) 12 392 1527, 39-21-200,
Fax: (+48) 12 422 7208, E-mail: urzad@malopolska.uw.gov.pl
Department of Civil Affairs and Foreigners
Contact: ul. Przy Rondzie 6, floor I, room 104 31-547 Kraków
Phone No.: (+48) 12 422 3105

Kraków City Office

Kraków is the administrative centre Województwa Małopolskiego, as well as a cross-regional scientific and economic centre. The city is the seat of international banks, associations supporting business operations, and chambers of commerce (including the British-Polish Chamber of Commerce, American Chamber of Commerce, Kraków Merchant Congregation or Industrial and Commercial Chamber). Its position is confirmed by high credit ratings.

Department of City Development / Investor Service Centre

The tasks of the Department include, among others, strategic planning of city development, conduct of analyzes and monitoring of data, coordination of revitalization programs; coordination of the process of public consultation in the Municipality of Kraków, information and substantive service for domestic and foreign investors, promotion of economic and investment of the city, promotion of entrepreneurship and economic development of the city.

www.krakow.pl

Contact: Pl. Wszystkich Świętych 3-4, 31-004 Kraków
Phone No's: (+48) 12 616 1200, (+48) 12 616 1207,
Fax: (+48) 12 616 1721

Industrial and Commercial Chamber in Kraków

Industrial and Commercial Chamber in Kraków promotes its member companies in the country and abroad, and represents their economic interests before the authorities of the state administration. The Chamber supports activities in improving competitiveness, innovation - smart technologies and the promotion of economic activities.

www.iph.krakow.pl

Contact: ul. Floriańska 3, 31-019 Kraków
Phone No's: (+48) 12 428 9250,
Fax: (+48) 12 428 92-61,
E-mail: biuro@iph.krakow.pl

IN THE REGION:

Chrzanów Chamber of Commerce

Established in 2001, brings together operators from the region of the District of Chrzanów. Since the very beginning of its existence, it undertakes activity for the development of entrepreneurship in different organizational forms, collects and disseminates information about the business networking, provides operators with help in problems solving.

www.chrzanowskaizba.pl

Contact: ul. Grunwaldzka 5, 32-500 Chrzanów
Phone No's: (+48) 32 754 1565,
Mobile: (+48) 604 442 242,
E-mail: biuro@chrzanowskaizba.pl

Tarnów Chamber of Commerce

Tarnów Chamber of Commerce operates in its present form - as Economic Autonomy - since 1992. It is a voluntary association of operators from the region of the former province of Tarnów. The Chamber includes in particular small and medium-sized companies engaged in business activities in the sphere of production, trade and services. **The tasks of the Chamber include**, in particular: representing the interests of member companies and promoting the regional economy of

Tarnów; vocational training through the organization of training courses, dissemination of business information; associating entities; business intelligence; issuing catalogues, fairs, competitions and business missions organization; integration of members of the Chamber, shaping and dissemination of ethics in business.

www.chamber-tarnow.com.pl

Contact: ul. Słoneczna 32/9, 33 - 100 Tarnów
Phone No's: (+48) 14 621 5796, (+48) 14 627 5083,
E-mail: iph@chamber-tarnow.com.pl

Nowy Sącz Chamber of Commerce

Nowy Sącz Chamber of Commerce in Nowy Sącz was established at the initiative of enterprises in the region of Nowy Sącz. It is a nationwide economic self, bringing together national companies from various sectors of the economy. The objectives of the Chamber include full and broad integration of the economic environment in the conditions of a free market economy. The contacts the Chamber of Commerce with Polish and foreign organizations of a similar nature activities is of particular importance for its operation.

www.siq.org.pl

Contact: ul. Zielona 27, 33-300 Nowy Sącz
Phone No's: (+48) 18 449 9164, 18 449 9165,
E-mail: biuro@sig.org.pl



6. EXAMPLES OF MAŁOPOLSKA ECONOMIC EXPANSION

FAKRO

The Fakro company is the second manufacturer of roof windows in the world, has three factories in Ukraine (Lviv, among others). The company manufactures metal components and woodwork and takes care of final assembly of roof windows. It employs 570 people. Fakro Company invests in Ukraine with a view to the Russian market. The duty on the Fakro products delivered from Poland to Russia is 20%. Russia does not charge customs duty on goods manufactured in Ukraine. Currently, more than 70 percent of Fakro products produced in Ukraine just goes to Russia.

COMARCH

In 2004, when a subsidiary of Comarch Group in Kiev was registered, nobody planned that the Ukrainian base of Comarch will become the gateway to activities in many countries of the East. In 2005, a Comarch branch in Lviv was established. It employs the graduates of the Lviv Polytechnic. Comarch has

located call centre and assistance supporting Ukraine, Russia and Kazakhstan in the western part of the country. Comarch investment in Lviv currently consists of 80 people and provides further development.

Comarch began operations in Russia in 2004, and in Ukraine in 2005. The first foreign project of Comarch ECOD Platform was winning a license to provide EDI services in Russia. Currently, Comarch ECOD Platform is used by networks that are international and regional market leaders (such as Metro, Auchan, Real, Okey, Lenta, Fozyy, Furshet, Kviza, Mosmart). The platform has over 8000 users in both countries.

MASPEX

In many countries, such as Romania, Bulgaria, Czech Republic, Slovakia, Hungary, the Baltic States, the Balkans, Russia and Ukraine, the Maspex Wadowice Group's products occupy leading positions on the market. Foreign branches include: in Russia - Maspex Kaliningrad Sp. z o.o., Maspex Vostok Sp.z o.o., Mark IV Sp.z o.o. and in Ukraine - Maspex Ukraine LLC, Tymbaruk Ukraina LLC.

Publisher:

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