

# DOING BUSINESS IN MAŁOPOLSKA

Guidebook for investors



# POLAND INVITES INVESTORS



## MAŁOPOLSKA

A PERFECT REGION FOR INVESTMENTS

**3.4 MLN**

POPULATION (2021)

**1.5 MLN**

ECONOMICALLY ACTIVE  
POPULATION

**15,183 SQ M**

TOTAL AREA  
OF THE REGION

**1.7%**

GDP GROWTH  
IN 2020 (CURRENT  
PRICES)

**61/22/182**

NUMBER OF CITIES/  
DISTRICTS/  
COMMUNES

**8.1%**

REGION'S SHARE  
IN THE POLISH GDP  
(2020)

**EUR 12,100/**

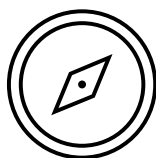
**PLN 55,400**

GDP PER CAPITA (2020)

**EUR 9.8 BILLION/**

**PLN 44.7 BILLION**

EXPORT OF FOOD  
AND SERVICES (2019)



**14.8%**

INDUSTRIAL OUTPUT GROWTH (2021)

In 2021, the industrial output in Poland increased by 14.8%, compared to its value for December 2021.

In terms of the rate of industrial production increase, Poland is at the forefront of the EU.



# FOREWORD

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

The historic city of Kraków, in which the modern business services sector is developing dynamically, is an unquestionable leader of Małopolska.

The ecosystem of universities, research institutes and global corporations also creates excellent conditions for the development of startups and technologies that distinguish Kraków in Europe and worldwide.

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

The high quality of education offered by the Jagiellonian University and the AGH University of Science and Technology is appreciated by the most important Polish and international rankings of universities.

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

Team  
of the Business in Małopolska Centre



CENTRE  
Business in Małopolska



# WHY MAŁOPOLSKA?

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

## **ENGINEERING, MANAGERIAL STAFF AND THE BEST SPECIALISTS**

- high percentage of employees with higher education and people with foreign language skills
- 1.5 million economically active people with 30% of the employees with higher education

## **HIGH-QUALITY HIGHER EDUCATION**

37,000 university graduates, of which 15,500 majors in science, technology, engineering or math (STEM) in 2020

## **FAVOURABLE BUSINESS INFRASTRUCTURE**

1.6 million sq m of office space, a wide warehouse offer, transport accessibility:

- the A4 highway (672 km)
- main transit corridor from Western Europe to Ukraine – CORRIDOR III
- largest regional airport in Poland: Kraków Airport

## **HIGH LEVEL OF LIFE SATISFACTION**

- first place as to the life satisfaction regarding the place of residence measured by provinces: 86% (Poland: 80%)
- rich cultural, commercial and educational offer, also in English

## **MOST INNOVATIVE REGION IN POLAND**

the highest average share of innovative enterprises in the total number of enterprises – 37.9% (2020)

## **HIGH AVAILABILITY OF FUNDS FOR BUSINESS**

under the Regional Program European Funds for Małopolska for 2021-2027, the amount of co-financing support will exceed EUR 140 million

## **AVAILABLE BUSINESS SUPPORT**

PLN 7 billion – value of declared investment outlays based on 178 support decisions issued by the Krakow Technology Park in years 2018 – September 2022 (the Polish Investment Zone)

## **LEADING REGION IN TERMS OF ECONOMIC GROWTH IN POLAND**

second highest increase of the regional GDP in the years 2014-2018

## **5<sup>TH</sup> REGION IN POLAND IN TERMS OF INDUSTRY**

industrial sale value in 2020 was amounted to EUR 24.5 billion/PLN 112.9 billion

## **HIGH VALUE OF EXPORT**

EUR 9.8 billion/PLN 44.7 billion – value of export of Małopolska in 2019

# AWARDS FOR MAŁOPOLSKA

## KRAKÓW RANKED 1<sup>ST</sup>

in the nationwide ranking „Business-friendly cities 2021” conducted by Forbes magazine (among cities with population from 300 thousand to 999 thousand)

## KRAKÓW RANKED 1<sup>ST</sup>

in the ranking of the most business-friendly cities (2021) in the prestigious Tholonos Services Globalization City Index 2022

## KRAKÓW RANKED 1<sup>ST</sup>

in the category of large business-friendly cities and is ranked 2<sup>nd</sup> in the human capital and lifestyle category in the fDi European Cities and Regions of the Future 2022/23

## KRAKÓW RANKED 10<sup>TH</sup>

in the global ranking of the most business-friendly cities (the fDi Tier 2 Cities of the Future 2021/22 ranking)

## LEADING POSITION OF THE REGION

in the ranking of educational potential, according to the survey by BEAS (Business Environment Assessment Study 2021)

## KRAKÓW – THE LARGEST BUSINESS SERVICE CENTRE IN POLAND ACCORDING TO THE ABSL REPORT (MODERN BUSINESS SERVICES SECTOR IN POLAND)

- the highest number of newly created jobs in the service sector (in the years 2018-2019)
- the highest number of people employed in BPO, SSC, IT and R&D service centers in Poland

## COMPANIES THAT INVESTED IN MAŁOPOLSKA:

# HUMAN CAPITAL IN MAŁOPOLSKA

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

- 2.1 million residents (62% of the province's population) are people of working age, of which approximately 1.5 million are economically active (working or actively seeking work);
- it is predicted accordingly to the population growth forecast by the Central Statistical Office of Poland (GUS) that the number of population in Małopolska will be constantly increasing until 2035;
- Małopolska is considered by foreigners as an attractive place for working; in 2021 alone, over 42.000 work permits were issued to foreigners.

Salary level in the industry sector in Małopolska is on par with the average basic salary calculated for the whole country. The average salary in Małopolska is lower than in Mazovian or Silesia regions.

**EUR 1,128/PLN 5,153**

Average monthly gross salary in industry in 2020



BTH Import Stal Sp. z o.o.

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

- PRODUCTION OPERATOR - EUR 791/PLN 3,615
- TECHNICIAN - EUR 975/PLN 4,457
- ENGINEER - EUR 1,331/PLN 6,083
- PRODUCTION MANAGER - EUR 2,000/PLN 9,131
- SENIOR PRODUCTION MANAGER - EUR 4,379/PLN 20,000

## LABOUR MARKET IN MAŁOPOLSKA (2021):



**3.4 MILLION**  
POPULATION SIZE



**4.5%**  
UNEMPLOYMENT  
RATE



**69,900**  
REGISTERED  
UNEMPLOYED PERSONS



**2.1 MILLION**  
WORKING AGE POPULATION



**EUR 1,476/PLN 6,741**  
AVERAGE MONTHLY GROSS WAGES AND SALARIES  
IN ENTERPRISES SECTOR

Students from Małopolska study at 24 universities (as of September 2022, Polon base). The most popular are the Jagiellonian University and the AGH University of Science and Technology in Kraków.

Two universities in Małopolska have been distinguished in the prestigious Shanghai ranking of „1000 best universities in the world”:

- Jagiellonian University (401-500 place)
- AGH University of Science and Technology in Kraków (601-700 place)

In the academic year 2020/2021, there were 8,000 students from abroad studying in Małopolska. There were 15,000 students of post-graduate and PhD programmes.



In the academic year 2020/2021, almost half of all the graduates of the universities in Małopolska obtained the Master's degree. Almost one in three of them graduated from technical university.

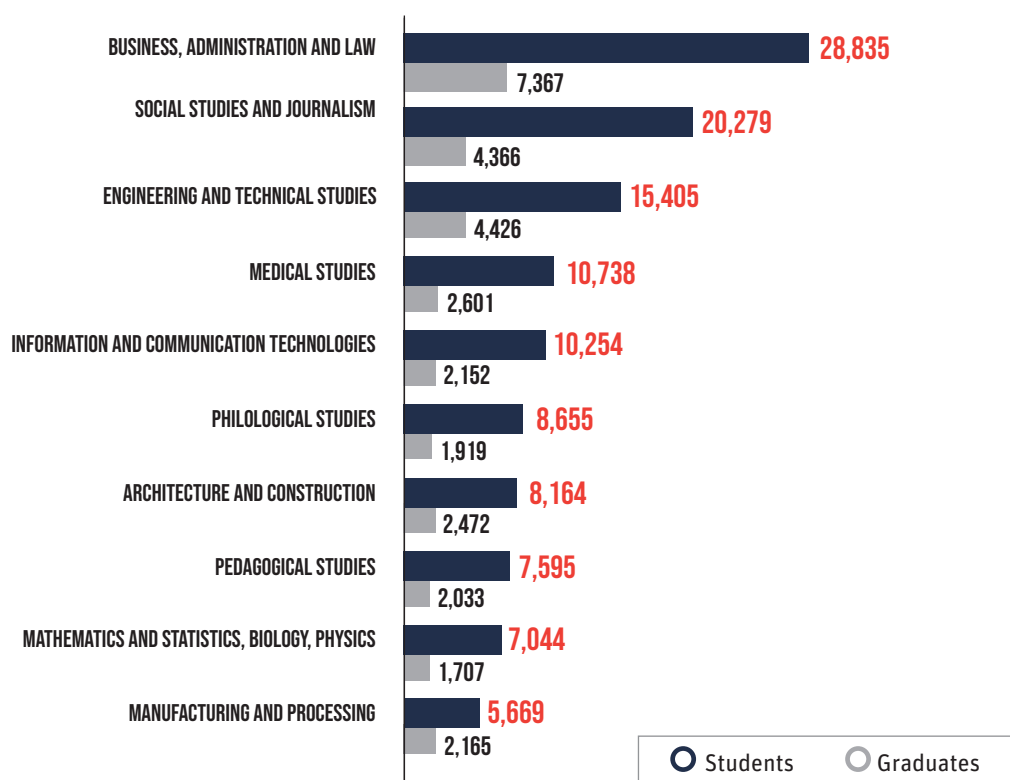
**146,600**

STUDENTS IN THE ACADEMIC  
YEAR 2020/2021  
IN MAŁOPOLSKA

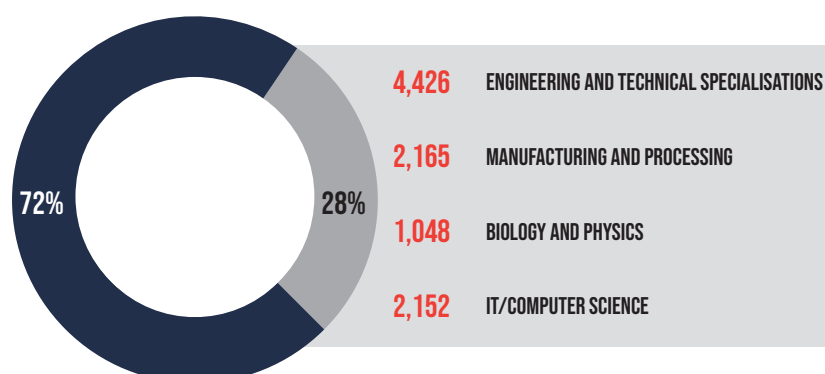
**36,500**

STUDENTS GRADUATED FROM  
THE UNIVERSITIES  
IN MAŁOPOLSKA IN THE  
ACADEMIC YEAR 2020/2021

NUMBER OF STUDENTS AND GRADUATES OF UNIVERSITIES IN MAŁOPOLSKA IN THE ACADEMIC YEAR 2020/2021 (BY SELECTED TYPE OF STUDIES)



GRADUATES IN THE ACADEMIC YEAR 2020/2021 BY TYPES OF SCIENCE AND TECHNOLOGY STUDIES



# R&D ACTIVITY IN THE REGION

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

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

Małopolska ranks:

## 2<sup>ND</sup> IN POLAND

- in terms of total expenditure on R&D activity;
- in terms of amount of expenditure carried out on R&D activity in the business enterprise sector - this indicates good condition and investment activity of this sector;
- in terms of the gross value of R&D equipment;
- in terms of the number of entities in possession of R&D equipment, which confirms that there are necessary facilities in the region to conduct researches there;
- in terms of the number of employees in the R&D sector;
- in terms of the value of the GERD/GDP and BERD/GDP indicators; Małopolska is the second region in Poland where the R&D expenses exceed 2% of GDP.

**2.41% - GERD/GDP**

TOTAL EXPENDITURE ON R&D ACTIVITY  
IN RELATION TO GDP

**1.54% - BERD/GDP**

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

**EUR 1 BILLION /**

**PLN 4.6 BILLION**

TOTAL EXPENDITURE ON R&D ACTIVITY

**EUR 482 MILLION /**

**PLN 2.9 BILLION**

BUSINESS ENTERPRISE SECTOR EXPENDITURE  
ON R&D ACTIVITY

**EUR 504 MILLION /**

**PLN 2.3 BILLION**

GROSS VALUE OF SCIENTIFIC AND RESEARCH  
EQUIPMENT

**180 ENTITIES**

IN THE REGION WITH SCIENTIFIC  
AND RESEARCH EQUIPMENT



Krakow Technology Park



**80%**

OF R&D STAFF ARE RESEARCHERS,  
14% TECHNICIANS AND EQUIVALENT  
EMPLOYEES, 6% OTHER STAFF



**27%**

OF EXPENDITURES IS INCURRED  
ON NATURAL SCIENCES (EUR 242  
MILLION / PLN 1.2 BILLION)



**30,000**

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

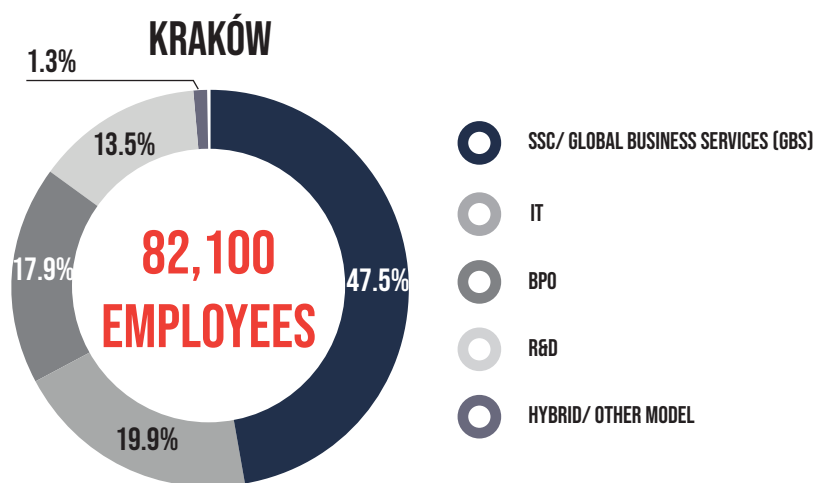


# MODERN BUSINESS SERVICES IN KRAKÓW

Over 350,000 employees are employed with Polish and foreign BPO, SSC/GBS, IT and R&D service centres in Poland. Kraków remains unchangingly the leading city among the eleven largest business service centres in terms of:

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

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



**82,100**

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

**41**

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

**9.89%**

COMPOUND ANNUAL GROWTH RATE (CAGR) IN THE SECTOR IN THE YEARS 2016-2021

**247**

NUMBER OF BPO, SSC/GBS, IT, R&D SERVICE CENTRES (FIRST QUARTER OF 2021)

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

# KRAKÓW - THE CITY OF STARTUPS

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

**AI, BUSINESS AUTOMATION, MOBILE AND BUSINESS APPLICATIONS-THE MOST COMMON SPECIALIZATIONS** of Kraków startups

**COMPUTER EQUIPMENT, CLOUD DATA PROCESSING, MARKETING TECHNOLOGY** are next in terms of popularity

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

**KRAKÓW RANKS IN FIRST 100** in terms of best startup ecosystems in the world (rank 71-80)

**40% OF COMPANIES THAT HAVE ACQUIRED OVER PLN 10 MILLION IN INVESTMENTS ARE BASED IN KRAKÓW,** it is the best result in Poland

**KRAKÓW RANKS 2ND IN POLAND AND 11<sup>TH</sup> IN EASTERN EUROPE** in the ranking of startup ecosystems

**KRAKÓW IS A GREAT PLACE TO OBTAIN FINANCIAL SUPPORT FOR A STARTUP,** out of over 150 Polish Venture Capital funds, over 10 are located in Krakow

**41.5% OF KARKÓW STARTUPS** works exclusively or mainly on international markets

**600 TECHNOLOGY EVENTS ARE ORGANISED ANNUALLY** for startups in Małopolska

Krakow Technology Park

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

## SELECTED STARTUPS FROM THE REGION:

**ALEPH ZERO**

**BRAINLY**

**CARDINAL**

**EPIC VR**

**RS ReliaSol**  
The Art of Prediction

**findair.**

**orbify**

**SYNERISE**



# INVESTMENT INCENTIVES FOR ENTREPRENEURS

Poland offers a broad range of investment incentives for entrepreneurs:

## POLISH INVESTMENT ZONE

income tax break

## R&D TAX BREAK

## REAL ESTATE TAX EXEMPTION

## INVESTMENT SUPPORT PROGRAMME

### (PWI) GOVERNMENTAL GRANTS

(employment, investments)

## IP BOX

preferential rate of PIT/CIT

## EUROPEAN FUNDS

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

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

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

[www.kpt.krakow.pl](http://www.kpt.krakow.pl)

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

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



setting-up  
of a new  
facility



increasing  
the production  
capacity



launching  
new products



fundamental  
change in the  
overall  
production  
process



acquisition of  
assets belonging  
to an enterprise  
that has been  
closed

### 3. What is the amount of tax break?

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

**40%** for large enterprises

**50%** for medium-sized  
enterprises

**60%** for small and micro-  
sized enterprises

\* in the Jędrzejów County the amount of public aid amounts to: 50% for large enterprises, 60% for medium-sized enterprises, 70% for small and micro

### 4. Where can the investment be located?

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

### 5. How long is the tax break granted for?

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

**12 YEARS** from the day of receiving the Support Decision in areas not covered by the SEZ status

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

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

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

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

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

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Poland offers a wide range of investment incentives. Investors can benefit from governmental grants financed from 'Programme for supporting investments of major importance to the Polish economy for years 2011-2030' (employment grant and investment grant).

Co-financing may cover:

- production investment;
- production investment resulting in a product or process innovation that is a novelty on a national scale;
- investment in the modern business services sector, providing R&D services, conducting scientific research or development works;
- investment in the modern business services sector, in at least intermediate processes;
- investment in the modern business services sector, only advanced or highly advanced processes.

## R&D TAX BREAK

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

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



Investment Zone in Niepotomice

## POLSKI ŁAD - DISCOUNTS FOR COMPANIES IMPLEMENTING INNOVATIONS AND EXPANDING THEIR MARKET

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From 2022, an entrepreneur who commercializes the results of R&D works and obtains qualified income from them (within the IP Box regulations) and incurs costs eligible for the R&D relief, will be able to apply both reliefs (relief for companies that implement innovation and expand sales markets and R&D tax relief) at the same time.

From 2022, the amount of the eligible costs deduction will increase to 200% for all taxpayers, in the case of eligible costs related to the remuneration of employees employed in research and development activities.



## IP BOX – PREFERENTIAL RATE OF PIT/CIT

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

## REAL ESTATE TAX EXEMPTION

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

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

## EUROPEAN FUNDS

### NATIONAL LEVEL

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

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

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

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

#### For whom?

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

#### Planned budget:

over EUR 25 billion

### The European Funds for Modern Economy (FENG)

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

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

#### For whom?

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

#### Planned budget:

approx. EUR 7.9 billion

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

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

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

#### For whom?

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

#### Planned budget:

over EUR 4 billion

## The European Funds for Digital Development (FERC)

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

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

### For whom?

- entrepreneurs
- public administration
- non-governmental organizations
- entities of the higher education and science system
- medical entities
- cultural institutions

### Planned budget:

approx. EUR 2 billion

## Technical Support for European Funds

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

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

### For whom?

- beneficiaries of the European Funds.

### Planned budget:

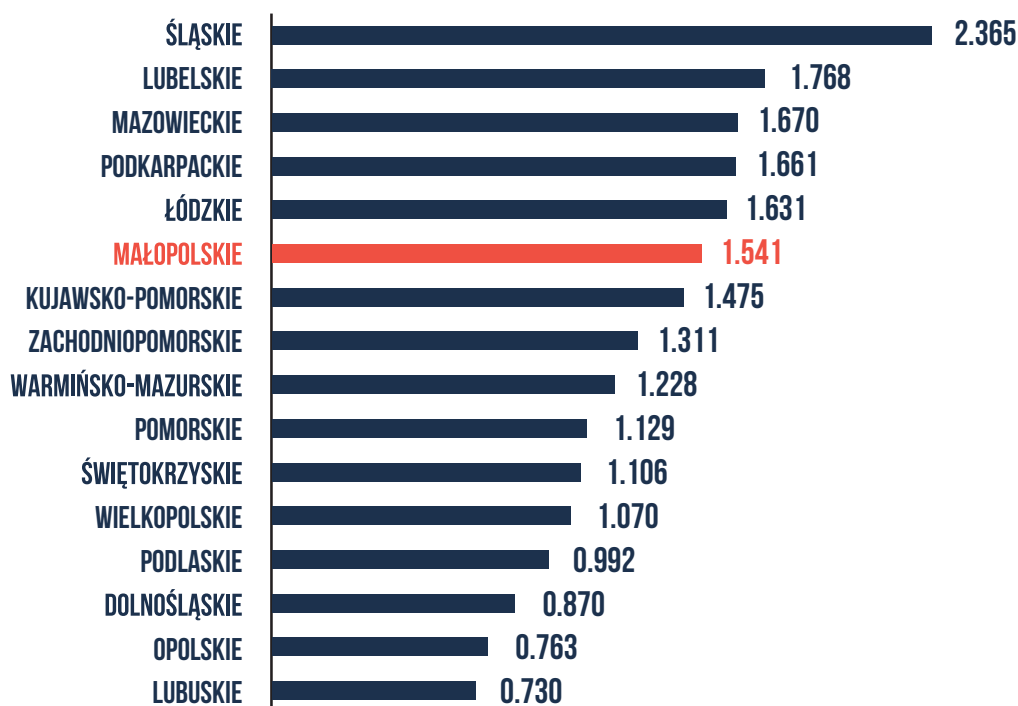
approx. EUR 0.5 billion

## REGIONAL LEVEL

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

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

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



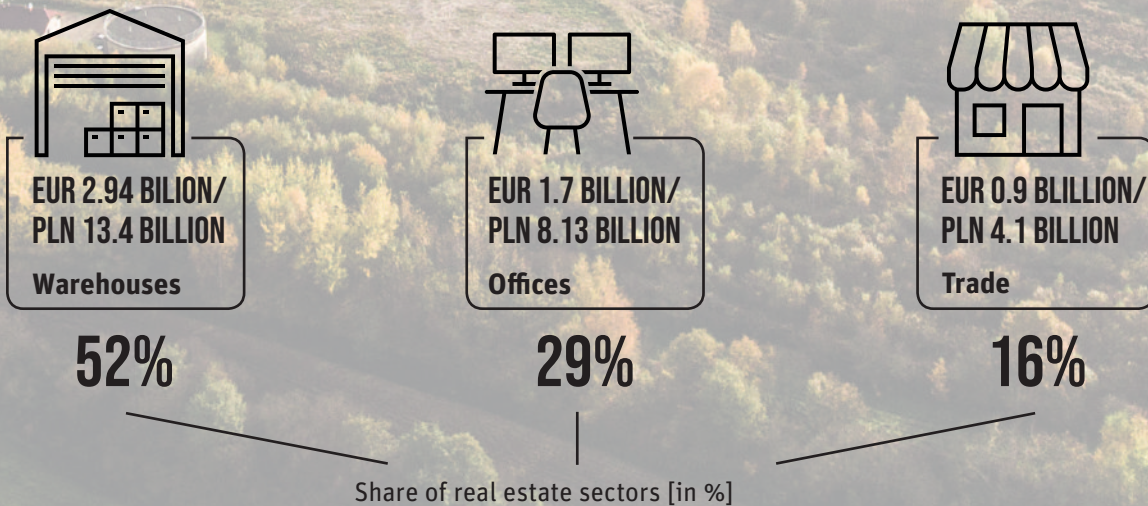


# LOCATION OF INVESTMENTS

## INVESTMENT PROPERTY MARKET IN POLAND

**EUR 5.9 billion** – value of the investment transactions concluded in 2021 on the commercial real estate market in Poland, whereby warehouses represent as much as 52% of the value.

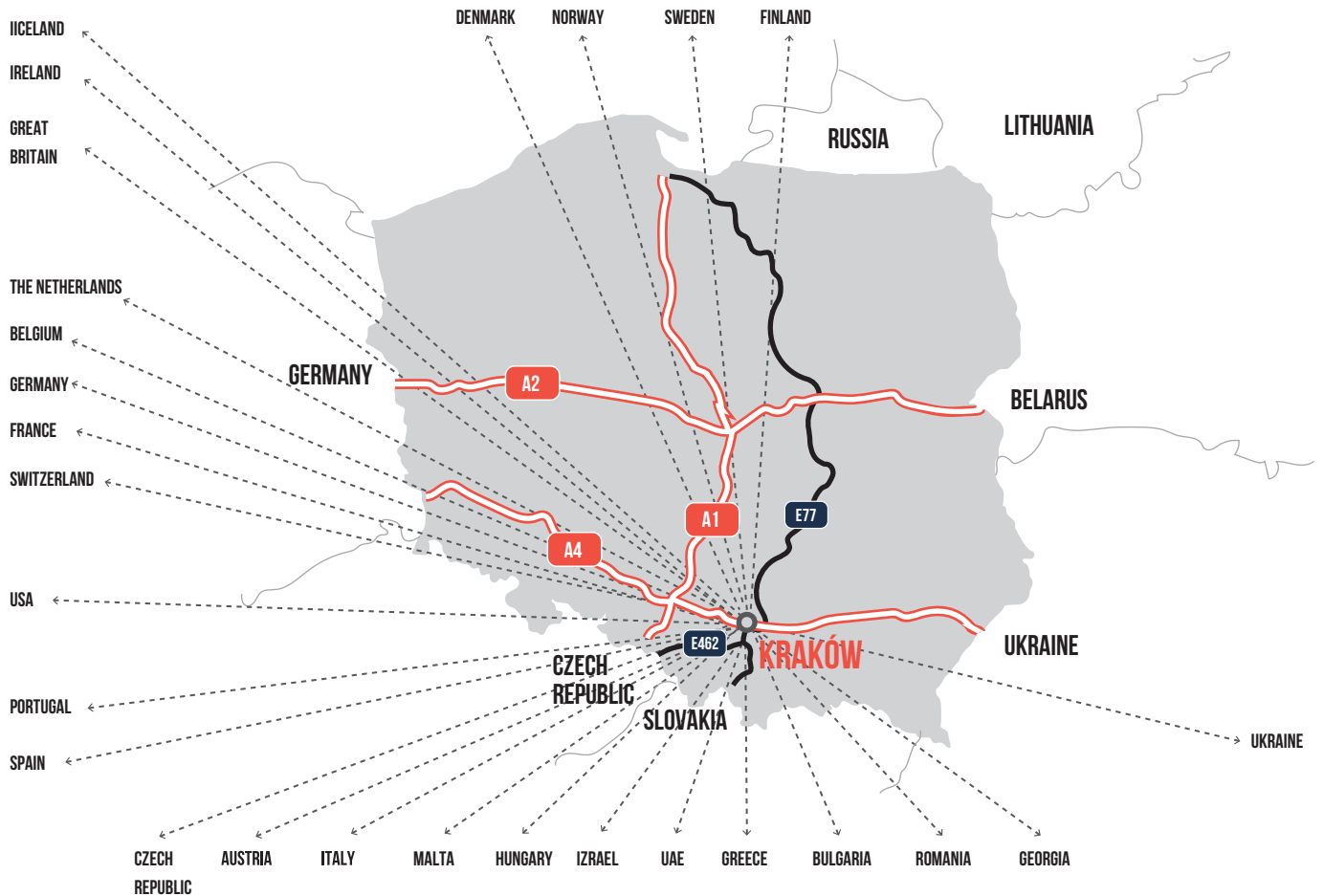
The highest value of the warehouse share ever shall be attributed to the investors' reaction to the developing e-commerce market, which is thriving even better during the COVID-19 pandemic, and to the changing market segments.





## ACCESS TO MAŁOPOLSKA IN TERMS OF TRANSPORTATION

### ROAD INFRASTRUCTURE AND FLIGHTS CONNECTIONS



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



Kraków Airport: 150 regular flights connections, 32 countries, 8.4 million passengers per year (2019)

airport with Cargo terminal and PKP (Polish State Railways) Cargo station – respectively 15 and 10 km from the city centre of Kraków



## OFFICE SPACE MARKET IN KRAKÓW

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



**1.6 MILLION SQ M**  
**OFFICE SPACE IN**  
**KRAKÓW**

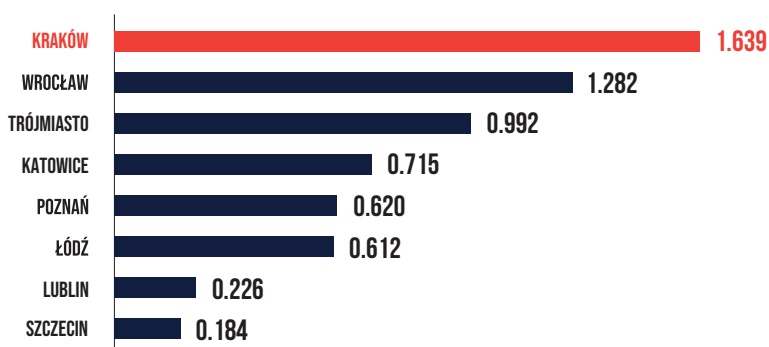
**60,700 SQ M**  
newly delivered office space  
in Kraków (2021)

**186,700 SQ M**  
office space under construction in  
2021

The largest office space projects accomplished in 2021 in Kraków:

- Tertium Business Park B (13,350 sq m)
- Ocean Office Park A (13,000 sq m)
- Aquarius (10,800 sq m)

MODERN OFFICE SPACE RESOURCES IN THE EIGHT LARGEST OFFICE MARKETS IN POLAND (AT THE END OF THE FIRST QUARTER OF 2022)  
IN MILLION SQ M



**6.34 milion sq m** - total amount of modern office spaces of eight regional markets (fourth quarter of 2021).

**226,300 sq m** - the total amount of space delivered in 2021, the most of which in:

- Trójmiasto (ok. 73,200 sq m),
- Kraków (60,700 sq m),
- Poznań (37,500 sq m).

## WAREHOUSE MARKET IN MAŁOPOLSKA

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

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

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

Warehouse space in Małopolska (as of December 2020):

**664,000 SQ M**  
Total warehouse space

**16,500 SQ M**  
Warehouse space  
under construction

**3.5%**  
Vacancy rate

### GENERAL RENTAL CONDITIONS:



**3.6 - 4.9**  
Contract rent  
€/sq m/month



**9.0 - 10.0**  
Office rent  
€/sq m/month



**1.0 - 1.2**  
Service charges  
€/sq m/month







## GREENFIELD INVESTMENT AREAS IN THE REGION

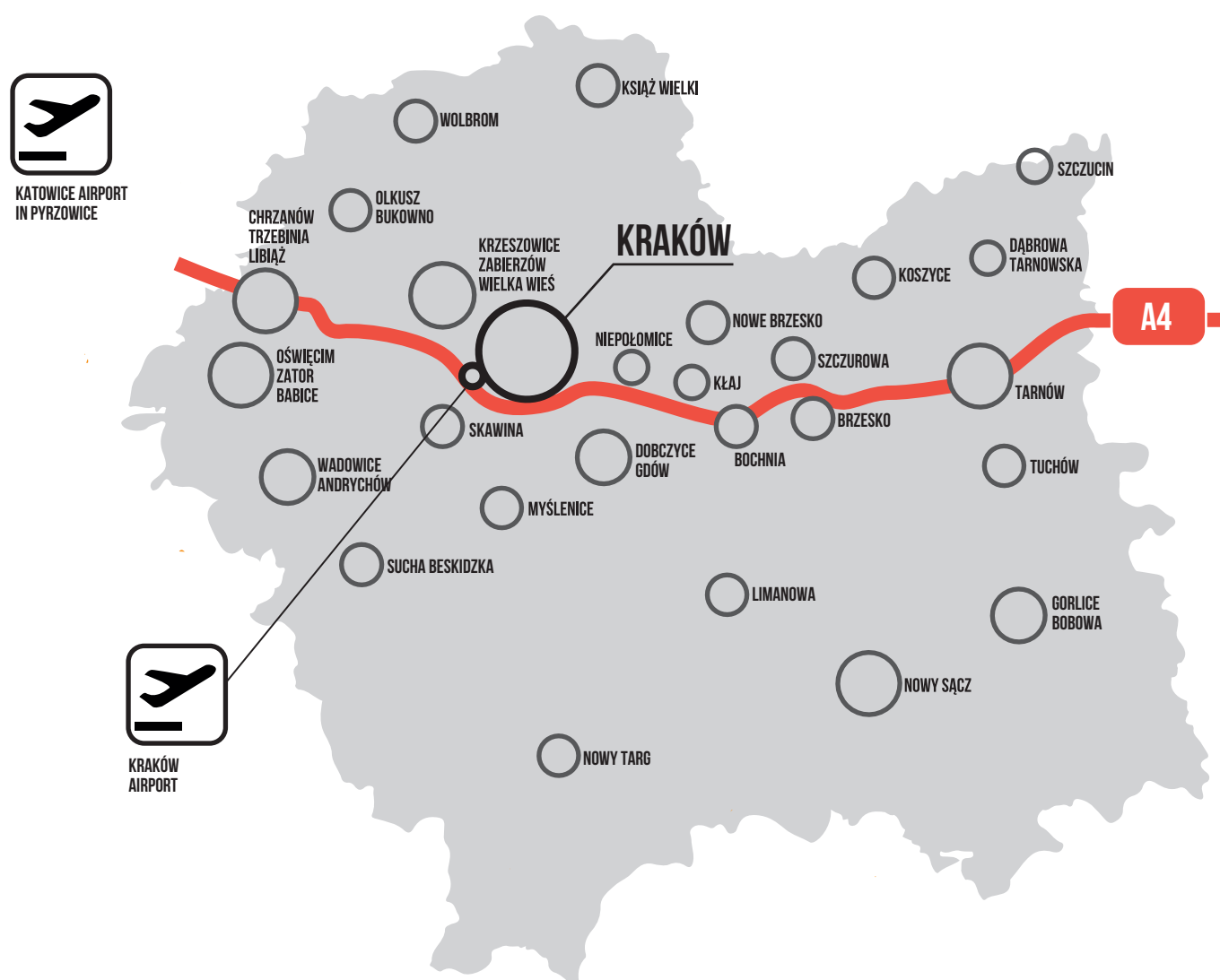
Małopolska has a wide range of investment areas. To locate them, contact the Business in Małopolska Center or visit the website of the Polish Investment and Trade Agency: [baza.paih.gov.pl](http://baza.paih.gov.pl)

## BUSINESS ACTIVITY ZONES (SAG)

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

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

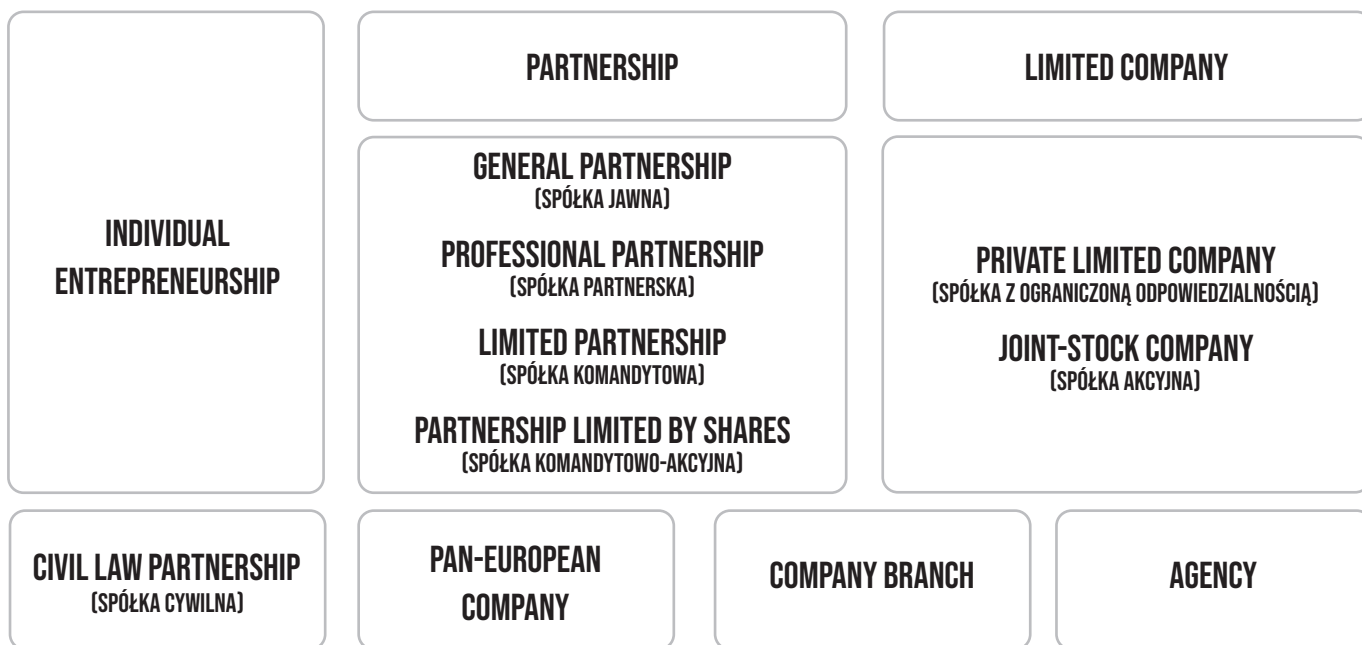
### BUSINESS ACTIVITY ZONES IN MAŁOPOLSKA



# FORMS OF BUSINESS ACTIVITY IN POLAND

## PROCESS OF SETTING UP A BUSINESS ACTIVITY IN POLAND

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



## POLISH TAX SYSTEM

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

### GOVERNMENT AUTHORITIES

- CIT – 19%
- PIT – 12%/32%
- VAT – 23%/8%/5%/0%
- Flat tax – 19%
- Excise duty
- tax on civil law transactions

### LOCAL GOVERNMENT AUTHORITIES

- real property tax
- vehicle excise duty



## FORMS OF EMPLOYMENT IN POLAND

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

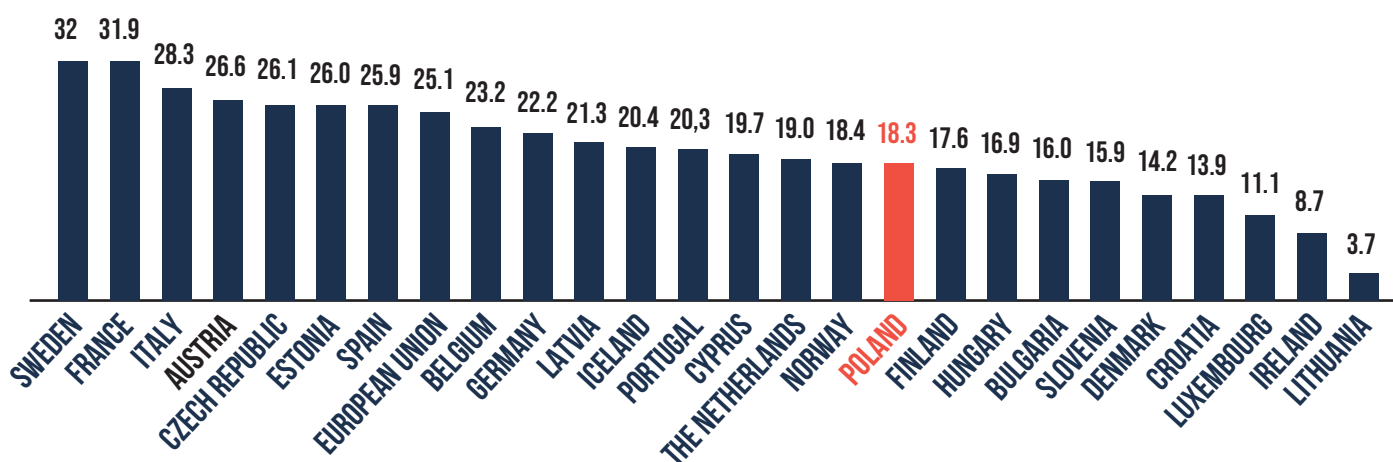
**EUR 659/PLN 3,010**

Minimum gross wage in Poland in 2022

**EUR 793.9/PLN 3,626.46**

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

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



## EMPLOYING WORKERS FROM OUTSIDE THE EU

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

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

The employer submits an application for issuing a work permit for the foreigner to the regional governor (the decision on work permit can be issued no sooner than after 60 days from submitting the application).

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

The employer prepares the contract (also in a language spoken by the foreigner). After concluding the contract, the employer registers the foreigner in the Social Insurance Institution for insurance purposes.

## EMPLOYMENT OF REFUGEES FROM UKRAINE

A citizen of Ukraine who resides legally in Poland and has a valid residence permit or who has legally entered the territory of Poland from Ukraine starting from February 24, 2022, can work in Poland and declares his intention to stay in Poland. A citizen of Ukraine can be employed on the basis of an employment contract or service contract.

# JĘDRZEJÓW COUNTY

Krakow Technology Park, as the manager of the Polish Investment Zone (PSI), issues Support Decisions for investors also in the Jędrzejów County (Świętokrzyskie Voivodeship).

## WHY IS IT WORTH INVESTING IN THE JĘDRZEJÓW COUNTY:

- **HIGH LEVEL OF PUBLIC AID:**
  - 50% FOR LARGE ENTERPRISES
  - 60% FOR MEDIUM-SIZED ENTERPRISES
  - 70% FOR MICRO AND SMALL ENTERPRISES
- **GROWING LEVEL OF INVESTMENTS AND FAVORABLE CONDITIONS FOR ECONOMIC DEVELOPMENT**
- **SYSTEMATIC INCREASE IN THE NUMBER OF ECONOMIC ENTITIES**
- **LARGE STOCK OF INVESTMENT AREAS IN THE COMMUNES OF THE COUNTY**
- **PRO-INVESTMENT ACTIVITIES OF LOCAL GOVERNMENT AUTHORITIES**
- **EFFICIENT FUNCTIONING OF INSTITUTIONS SUPPORTING THE LABOR MARKET, AS WELL AS RICH HUMAN CAPITAL RESOURCES**
- **GOOD INFRASTRUCTURE AND ROAD CONNECTIONS (NATIONAL ROADS NO. 7 AND 78)**

A significant increase of entities with foreign capital in the years 2014-2020 (from 23 in 2014 to 88 in 2020).

## THE ECONOMIC ACTIVITY ZONE IN JĘDRZEJÓW

**1000+**

people employed  
in the zone

**7**

new plants established  
in the zone by 2022

The economic zone in the Jędrzejów County will be expanded by additional investment plots.

**1,257 SQ M**

TOTAL AREA OF THE COUNTY

**4/9**

NUMBER OF CITIES / COMMUNES

**84,022**

POPULATION (2021)

**2,012**

THE NUMBER OF UNEMPLOYED (2021)

**EUR 793.9/PLN 4,322**

AVERAGE SALARY FOR THE VOIVODESHIP  
(2020)

# DATA SOURCES:

## POLAND INVITES INVESTORS

- Małopolskie Obserwatorium Rozwoju Regionalnego (2020) Handel zagraniczny w Polsce i Małopolsce 2019
- Urząd Statystyczny w Krakowie (2022) Rocznik statystyczny województwa małopolskiego 2020
- <https://www.paih.gov.pl/pl> (access on 05.09.2022)
- <https://bdl.stat.gov.pl> (access on 05.09.2022)

## WHY MAŁOPOLSKA?

- ABSL (2021) Sektor nowoczesnych usług biznesowych w Polsce 2021
- GUS (2021) Działalność badawcza i rozwojowa w Polsce w 2020
- GUS (2019) Regionalne zróżnicowanie jakości życia w 2018 r. (Informacja sygnałna)
- Urząd Statystyczny w Krakowie (2021) Rocznik statystyczny województwa małopolskiego
- FDI Intelligence (2021) 24 Tier 2 Cities of the Future 2022/23

## HUMAN CAPITAL IN MAŁOPOLSKA

- Urząd Statystyczny w Krakowie (2021) Rocznik statystyczny województwa małopolskiego
- <https://bdl.stat.gov.pl> (access on 03.09.2022)

## R&D ACTIVITY IN THE REGION

- GUS (2022) Rocznik Statystyczny Przemysłu w 2021
- GUS (2022) Przemysł – wyniki działalności w 2021
- <https://bdl.stat.gov.pl> [access on 05.09.2022]

## MODERN BUSINESS SERVICES IN KRAKÓW

- ABSL (2022) Sektor nowoczesnych usług biznesowych w Polsce 2021

## KRAKÓW – THE CITY OF STARTUPS

- <https://www.startups2019.startuppoland.org/>
- #OMGKRR (2017) Raport: Startupowy Kraków 2017
- OECD (2019) Local Entrepreneurship Ecosystems and Emerging Industries. Case Study of Małopolskie, Poland
- #OMGKRR (2022) Krakow Startups Report (2021)
- <https://www.startupblink.com/startup-ecosystem/krakow-pl> (access on 12.09.2022)

## LOCATION OF INVESTMENTS

- <https://isap.sejm.gov.pl/isap.nsf/DocDetails.xsp?id=WDU20210001690> (access on 05.09.2022)
- <https://biuroprasowe.cbre.pl/176385-w-2021-roku-padl-rekord-liczby-transakcji-na-ryнку-nieruchomosci-komercyjnych-inwestorzy-kupowali-na-potege-polskie-magazyny> (access on 05.09.2022)
- [baza.paih.gov.pl](https://baza.paih.gov.pl) (access on 05.09.2022)
- <https://www.axiimmo.com/raporty-i-publicacje/raport-polski-rynek-magazynowy-w-1-kw-2022-r> (access on 05.09.2022)
- <https://www.industrialgo.pl/strefa-eksperta/region-malopolskie-krakow> (access on 05.09.2022)

## WORKERS

- <https://www.gov.pl/web/premier/rozporzadzenie-w-sprawie-wysokosci-minimalnego-wynagrodzenia-za-prace-oraz-wysokosci-minimalnej-stawki-godzinowej-w-2021-r> (access on 12.07.2021)
- <https://www.biznes.gov.pl/pl/firma/pracownicy-w-firmie/chce-zatrudnic-pracownika/ile-kosztuje-zatrudnienie-pracownika-na-umowe-o-prace-wynagrodzenie-zus> (access on 05.09.2021)

## JĘDRZEJÓW COUNTY

- <https://www.terenyinwestycyjne.info/wiadomosci/jest-strefa-ekonomiczna-w-jedrzejowie> (access on 05.09.2022)
- <http://umjedrzejow.pl/pl/aktualnosci/art1129.html> (access on 05.09.2022)
- GUS BDL (access on 05.09.2022)
- Strategia Rozwoju Powiatu Jędrzejowskiego na lata 2021-2027



# YOUR PARTNERS IN BUSINESS



## BUSINESS IN MAŁOPOLSKA CENTRE

Business in Małopolska Centre (CeBiM) is a regional partner of Polska Agencja Inwestycji i Handlu (the Polish Investment and Trade Agency). Entrepreneurs can obtain here comprehensive information on the principles of running a business, regional and national sources of investment financing and assistance in finding a suitable location for new investments in Małopolska.

'The one-stop-shop' system implemented by the founders of CeBiM (Krakow Technology Park, Małopolska Regional Development Agency and province of Małopolska) guarantees that every entrepreneur in Małopolska can count on professional and reliable service. The experts working at the Business in Małopolska Centre will successfully guide your company through the investment process, advise on export issues and contact you with the relevant institutions responsible for specific processes.

[www.businessinmalopolska.pl](http://www.businessinmalopolska.pl)



## KRAKOW TECHNOLOGY PARK

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

[www.kpt.krakow.pl](http://www.kpt.krakow.pl)



## MAŁOPOLSKA REGIONAL DEVELOPMENT AGENCY

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

[www.marr.pl](http://www.marr.pl)



## MARSHAL'S OFFICE OF THE PROVINCE OF MAŁOPOLSKA

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

[www.malopolska.pl](http://www.malopolska.pl)

Prepared by:

