



Polish Investment
& Trade Agency
PFR Group

Invest in Poland

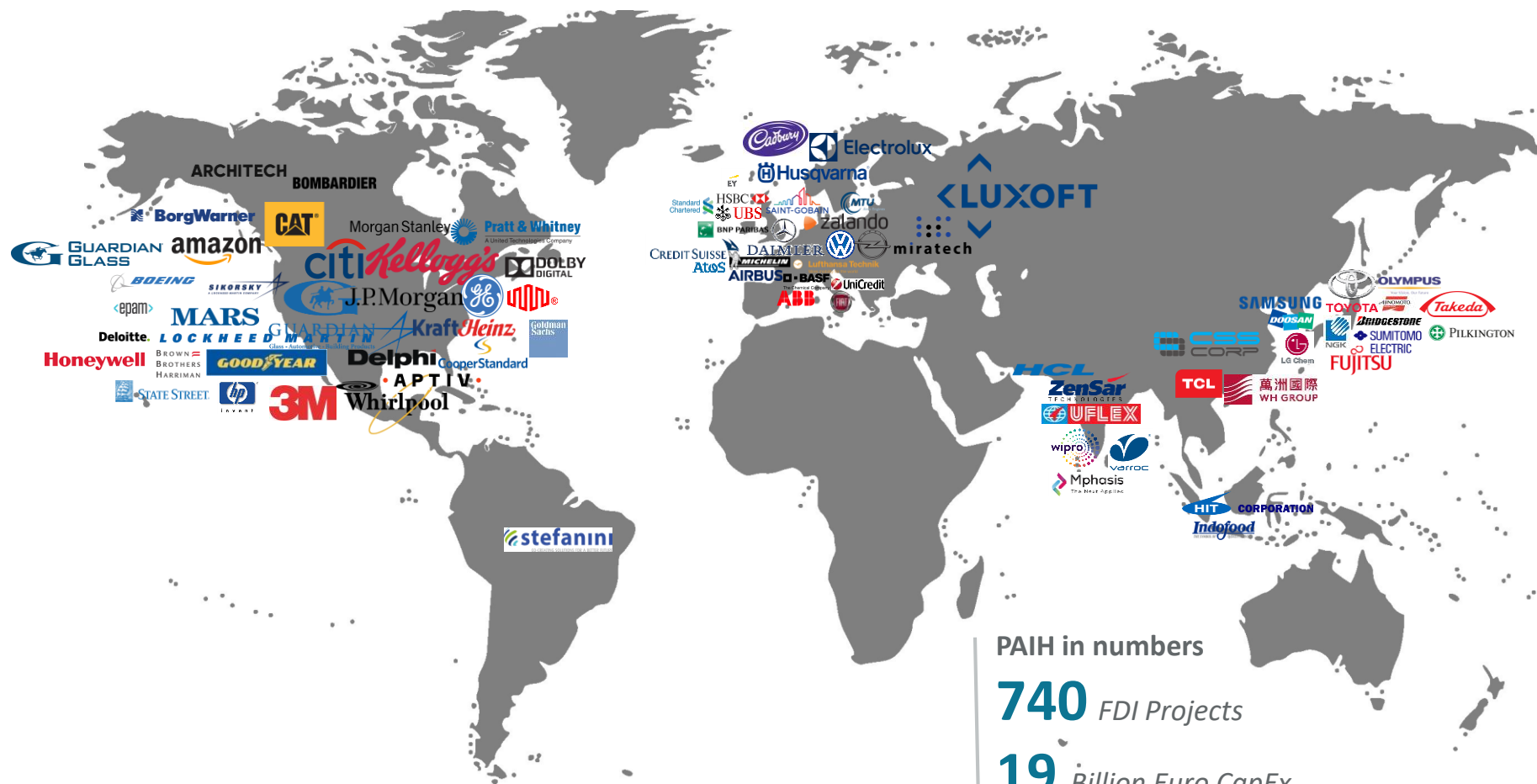
Business opportunities in Poland. Public aid for new investment projects

Tel Aviv, 12 December 2018



Attracting foreign investments from around the world

The Polish Investment and Trade Agency has over 15 years of experience in helping multinational companies invest in Poland

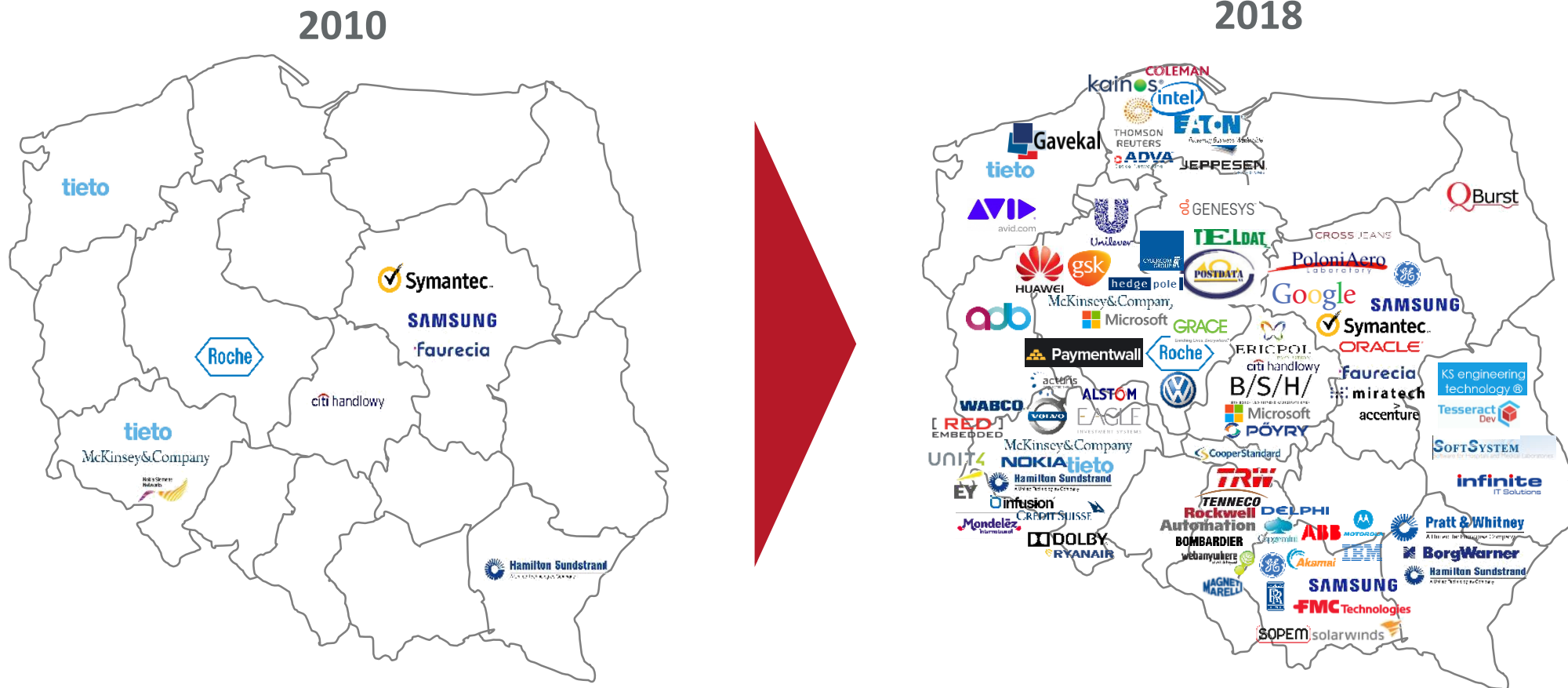


PAIH in numbers
740 FDI Projects
19 Billion Euro CapEx
200+ Thousand New Jobs



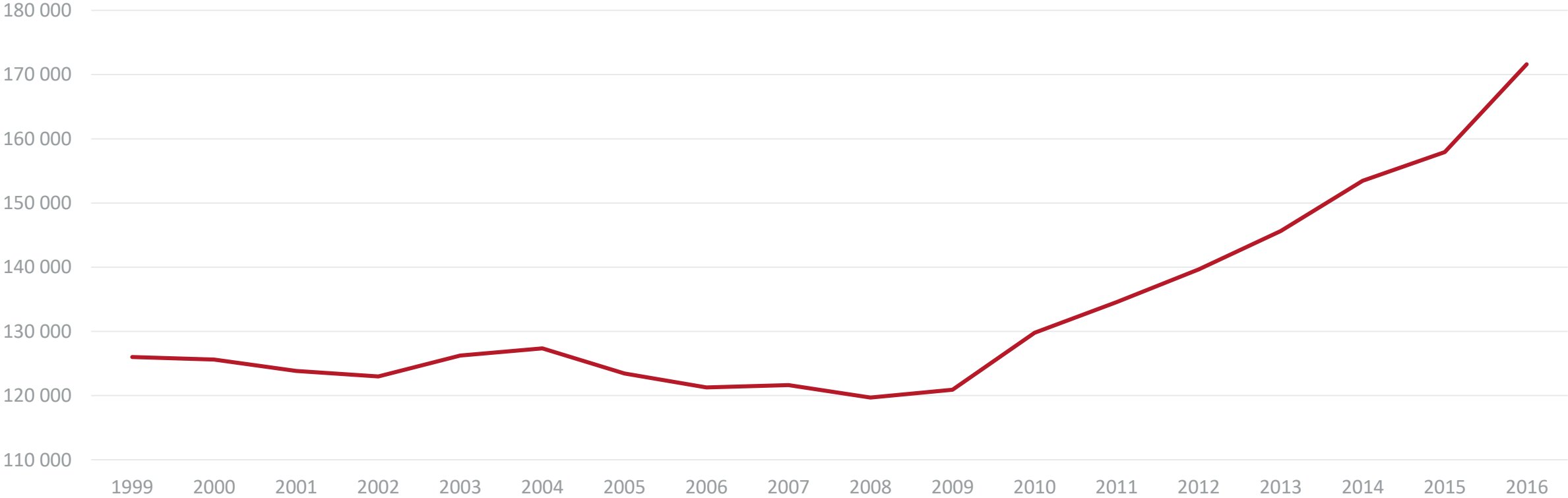
R&D centers growth

We have helped transform the Polish economy by locating R&D centers for some of the world's largest Multinational Companies



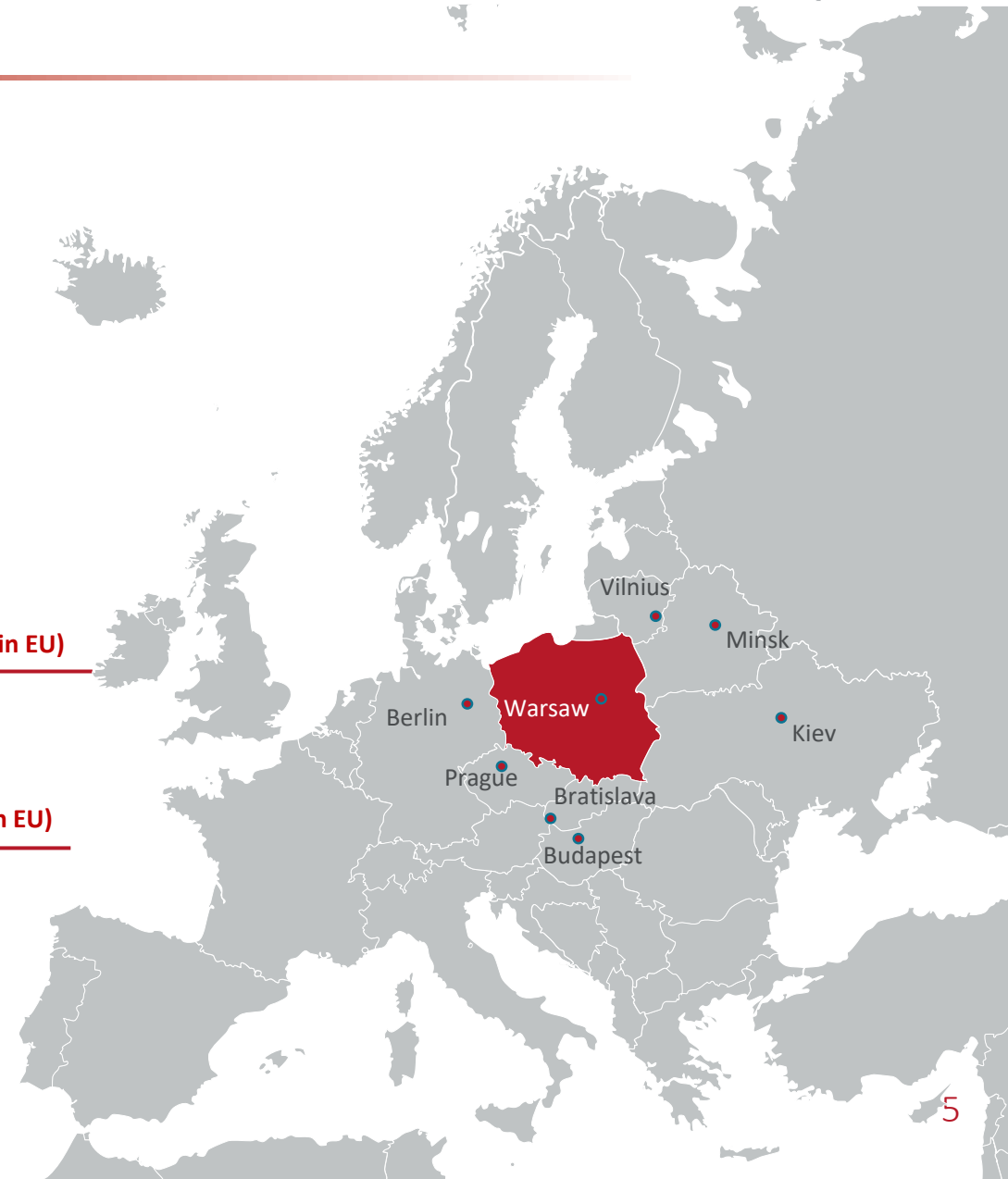
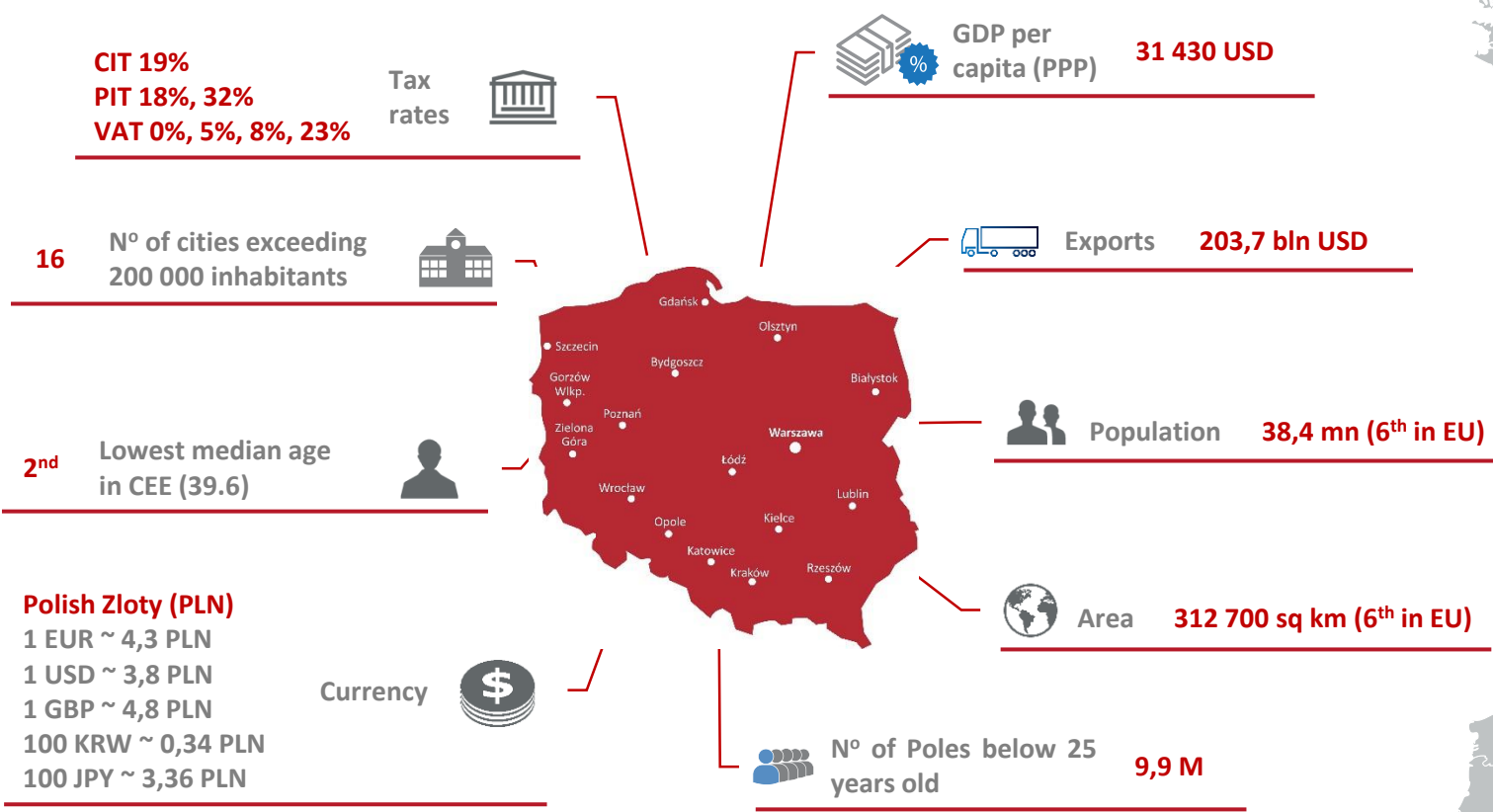
Rapid boost of employment in the R&D sector

Employment in the R&D sector in Poland



Strategic location in the heart of Europe

Basic information about Poland

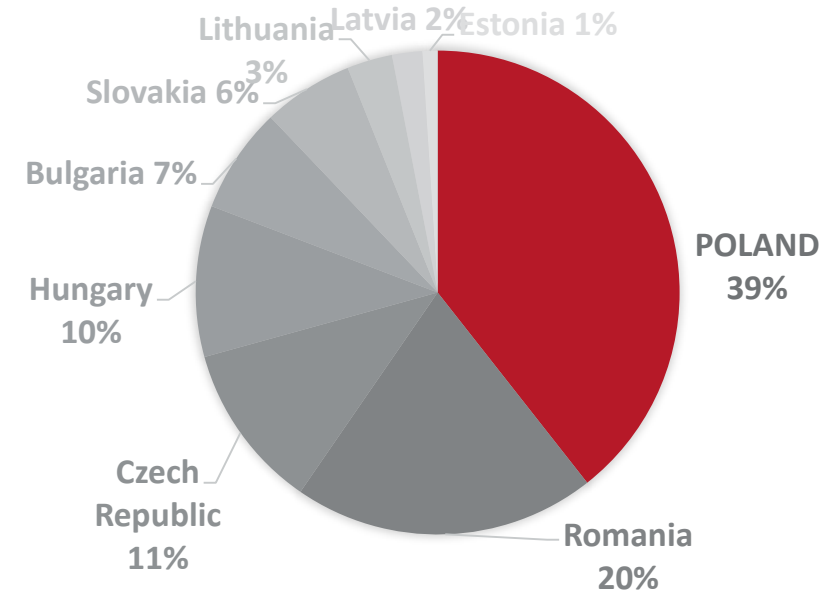


Human Resources – Population in numbers

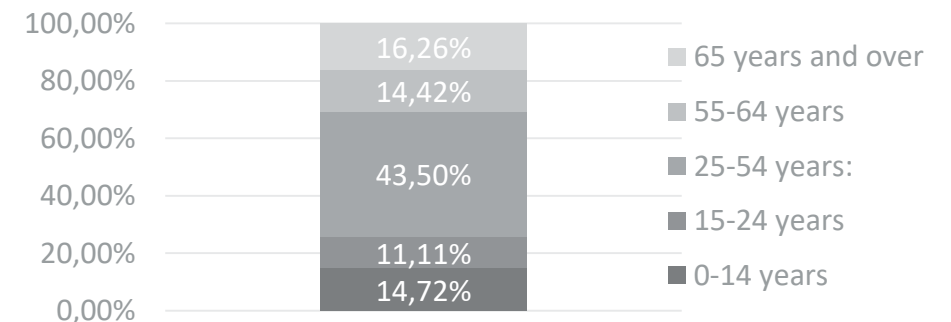
- Poland is the **biggest country** among the CEE members of the EU
- **63%** of the population is under 49 years of age
- ca. **9,9 m** Poles are under the age of 25
- Second-lowest median age in CEE – **39,6 y/o**












Population of CEE countries

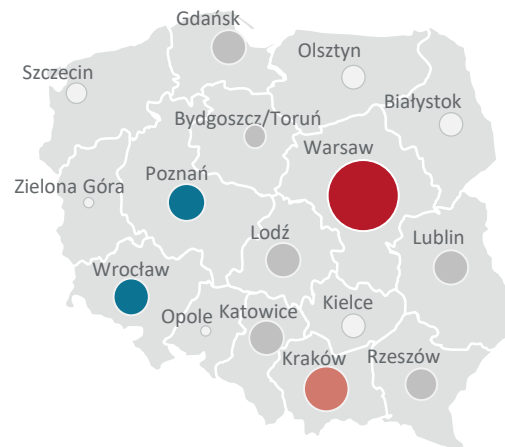


Population in Poland by age



Translating education into innovation

-  • Almost **24 mn** people aged 49 and less (64%)
-  • Almost **1,32 mn** students (2017/2018)
-  • More than **335 000** graduates (2017)
-  • Over **65 000** foreign students from **156** countries (5,15% of all students, 11% y-o-y increase)
-  • More than **90%** of students speak foreign languages
-  • Population with higher education: **25%** of the total, **37%** of working population
-  • **383** higher education institutions:
 - **20** universities
 - **28** technical universities
 - **62** economic universities
-  • **728** different majors taught
-  • Growing percentage of science students – **24%**



No. of students (thousands)

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

Start in Poland

- The biggest programme dedicated to start-ups in CEE
- Programme consists of capital instruments and acceleration programs
- PDF will allocate **PLN 2,8 bn** for Start In Poland and the platform of VC companies

Vocational education

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

Coding skills and digital schools

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

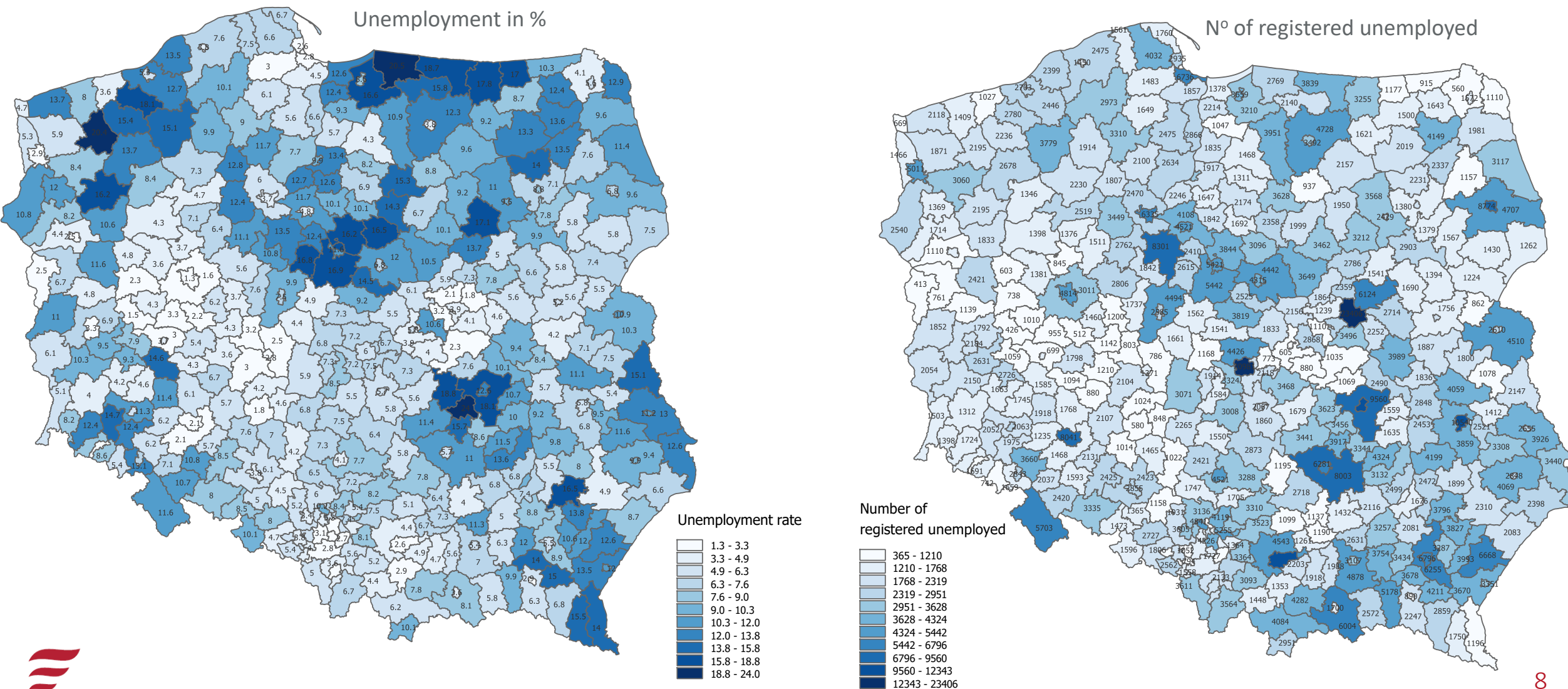
Universities for future

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

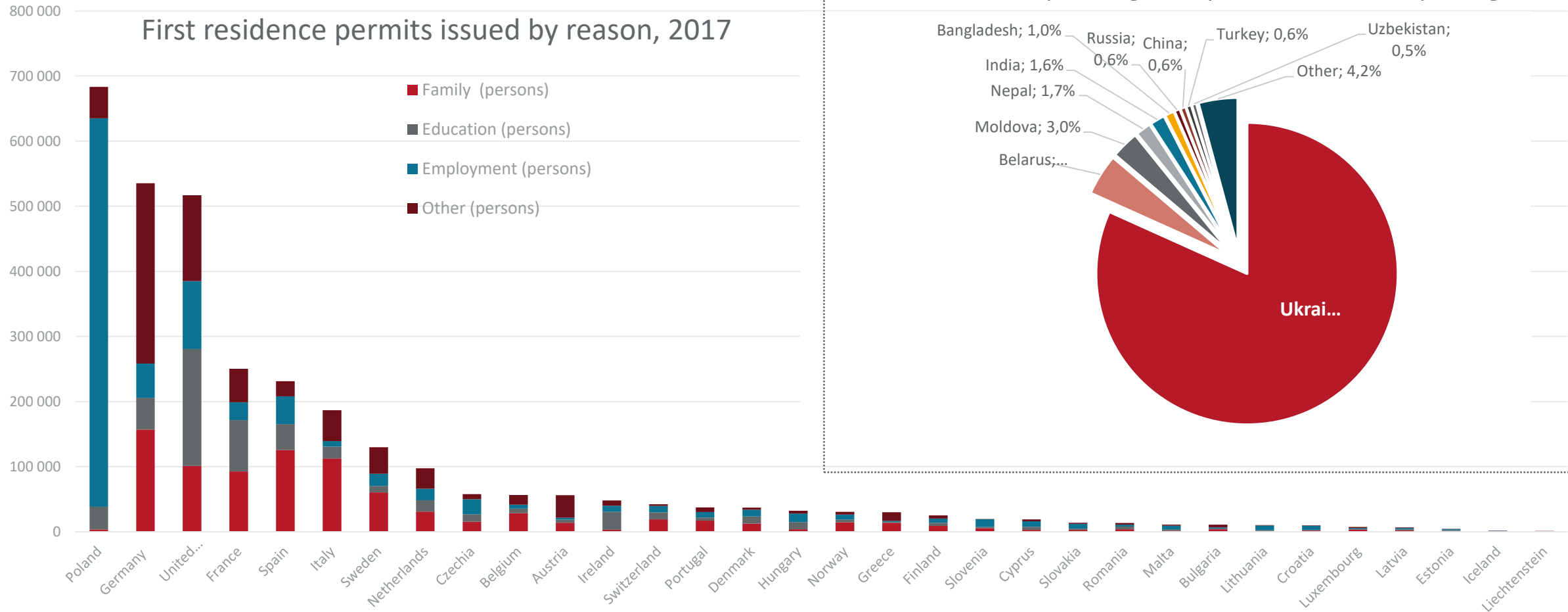


Unemployment levels and numbers of registered unemployed

Average unemployment rate at 5.7% - many regions offering very good supply of labor force



Poland is the largest recipient of foreign workforce in the EU

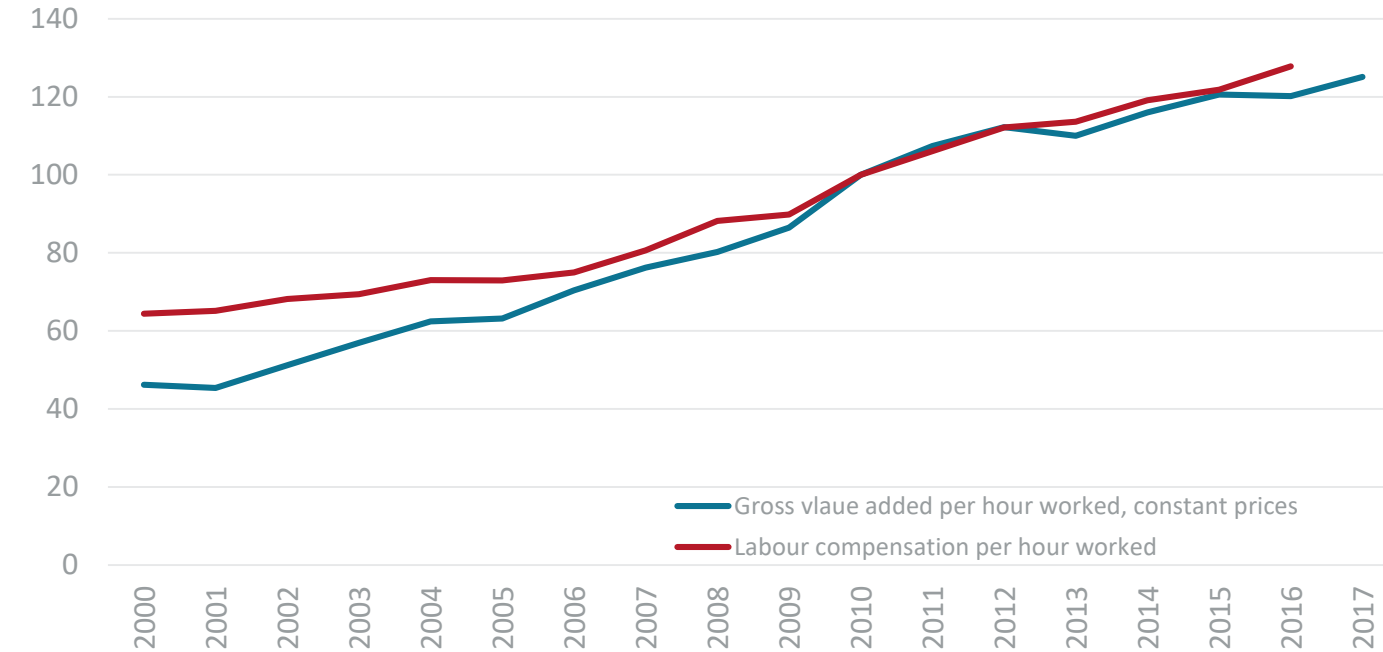


 1 824 464 declarations of intent to entrust work to a foreigner in 2017

Productivity and wages

In manufacturing

Productivity growth outpaces wages growth in manufacturing sector.

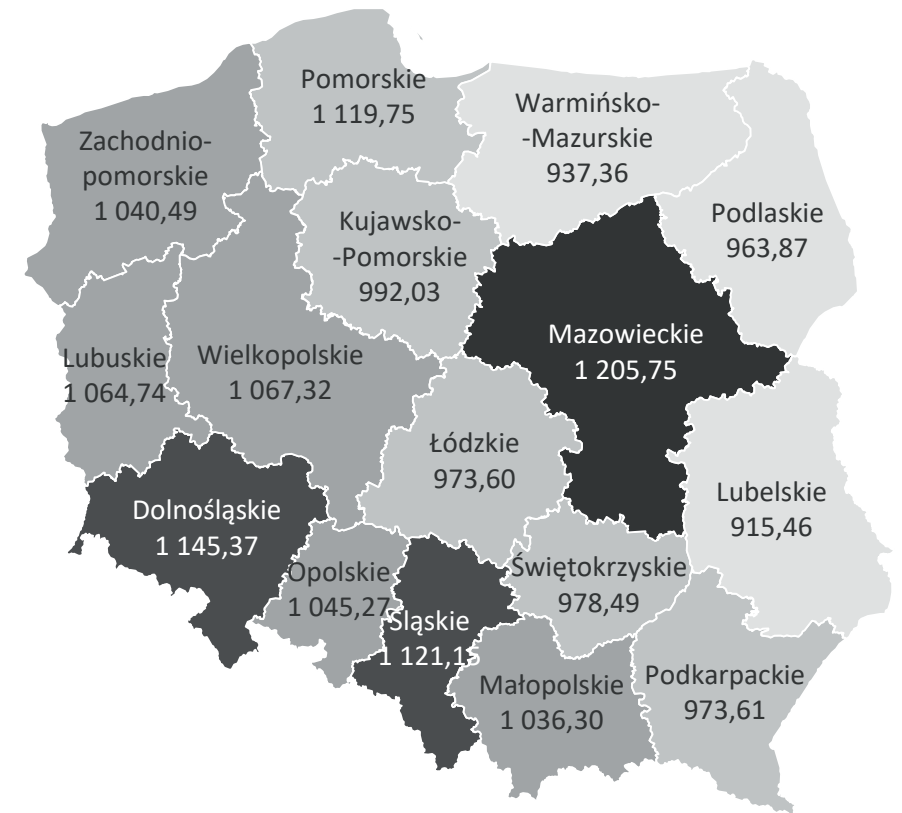


Gross value added (GVA) per hour worked against labour compensation per hour worked, index 2010=100

Minimum gross wage: 2 100 PLN (488 EUR)

Average gross wage in the manufacturing sector: 4 605 PLN (1 071 EUR)

Average monthly gross wages in manufacturing
(EUR, September 2018)



Rapidly developing highway infrastructure



31,5 bn EUR will be spent on road infrastructure in the years 2014-2025



81% of planned highways completed



1 100 km+ of highways and expressways under construction



Poland has the fourth longest road network in Europe

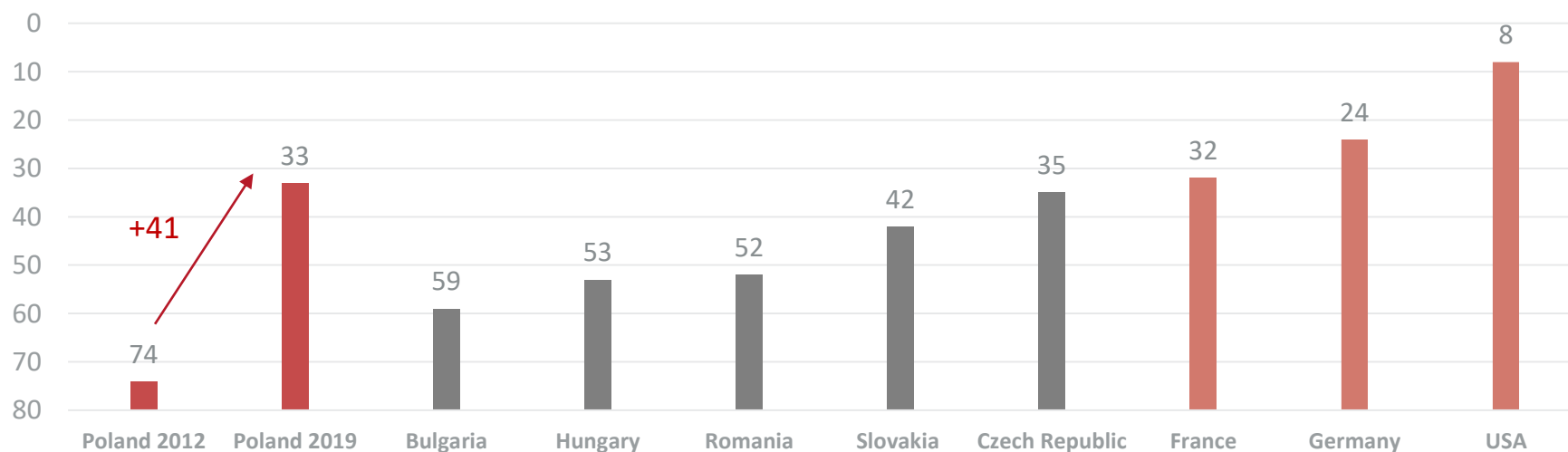
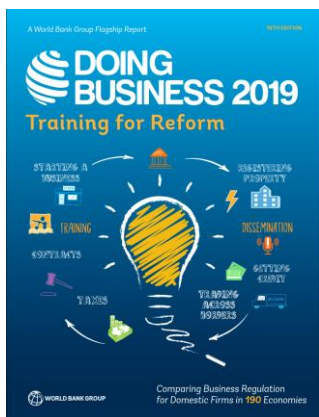
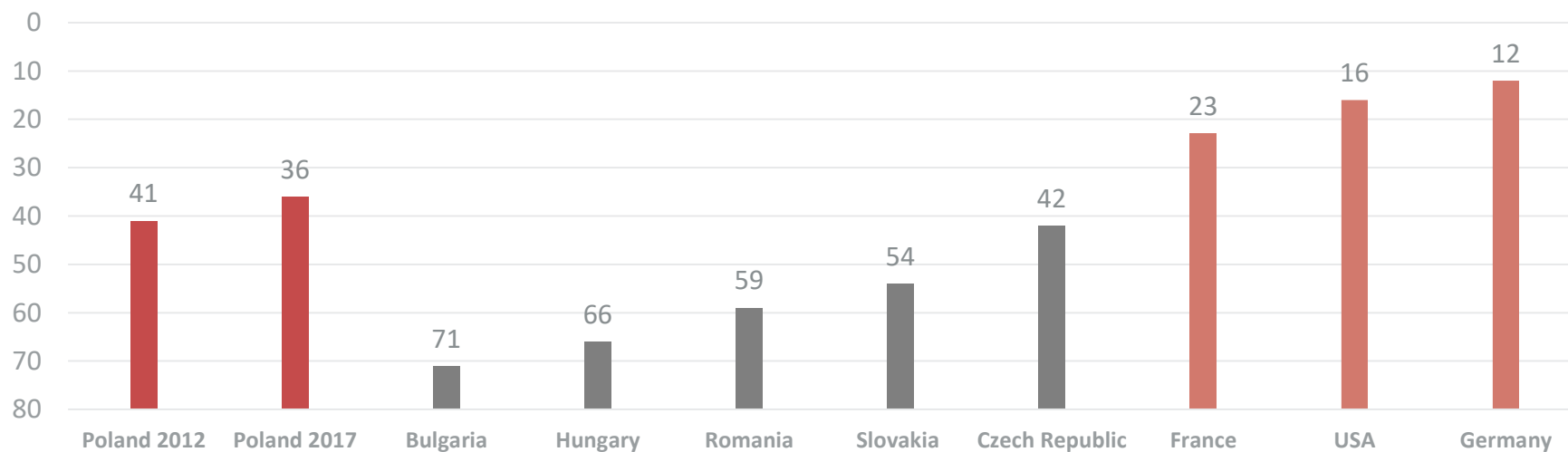
Highway infrastructure in 1996



Today



On the way to simplifying doing business



LG Chem builds its largest EV battery factory in Poland



LG Chem Wrocław Energy - factory plant design (source: yoon group)

- CAPEX of USD 1.63 billion,
- Construction of stage 1 completed,
- Stage 2 to be finalized this year
- Employment of 1 700 FTEs,
- Annual battery capacity for some 360,000 EVs
- Capacity to rapidly increase to reach 70 GWh in 2021
- Fully integrated production system covering the production of all components including cells, modules and packs,
- Part of the global production system of LG Chem, based on four locations - in Ochang, South Korea, in Holland, the United States, Nanjing in China and in Wrocław.
- *"We will turn the Poland battery plant into a mecca of battery production for EVs around the world,"* Lee Ung-Beom, president of LG Chem's energy systems division, said



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Public Aid in Poland

Available financial aid for investors? The highest support levels in the EU!



Regional aid map for 2014 – 2020

Maximum regional aid thresholds as a percentage of eligible investment costs

Tax breaks

- CIT exemption available in whole Poland
- Real estate tax exemption in selected municipalities

Cash support

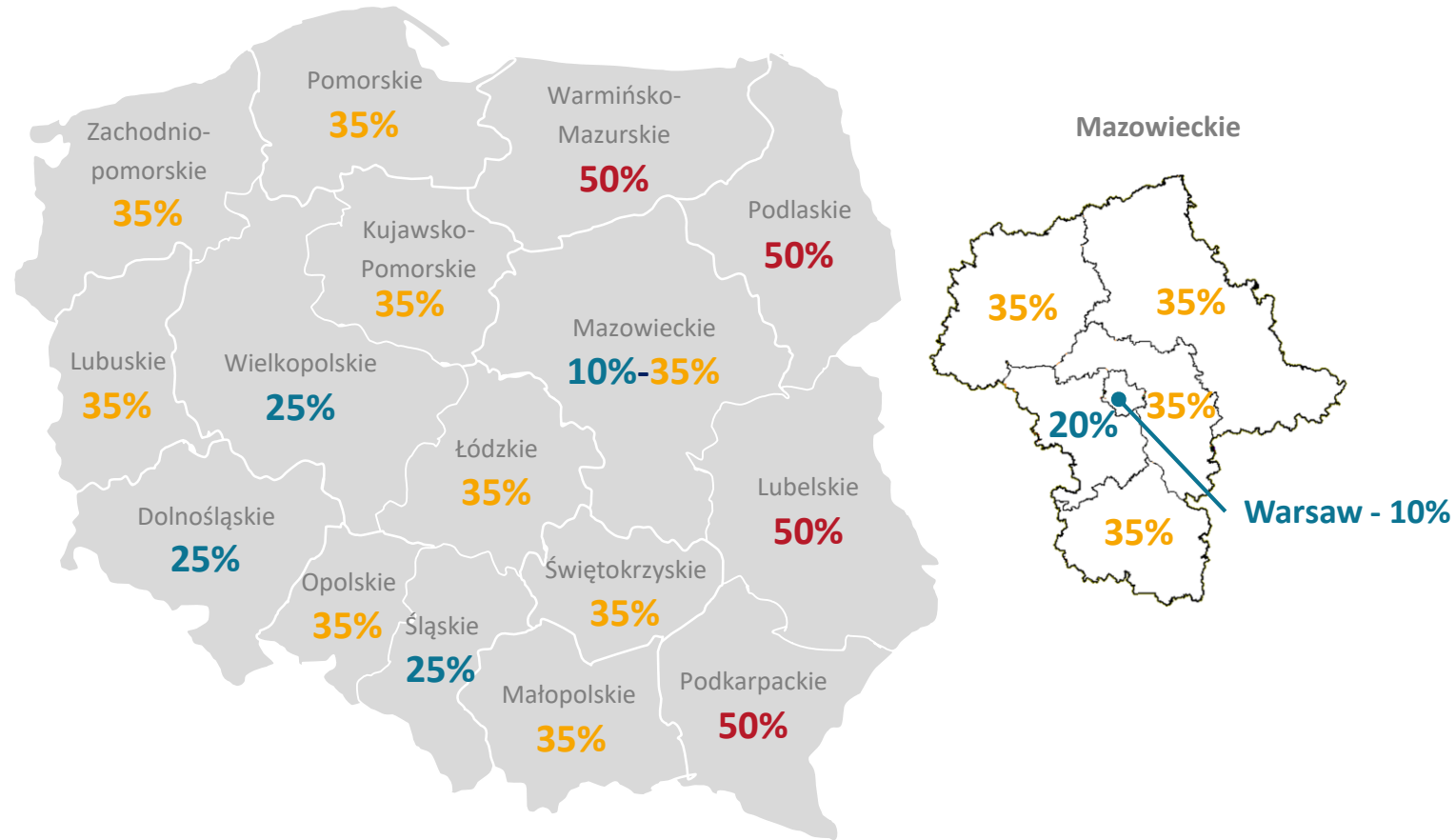
- Government grants – strategic or innovative projects
- EU Funds – grants for R&D

In Mazowieckie province regional aid for large companies is available only

- *for initial investments in favour of new economic activity (no notification required)*

or

- *for diversification of an existing establishment into new products (notification required)*



*The regional intensity threshold for micro, small and medium enterprises are increased by **20 and 10 pp** respectively*

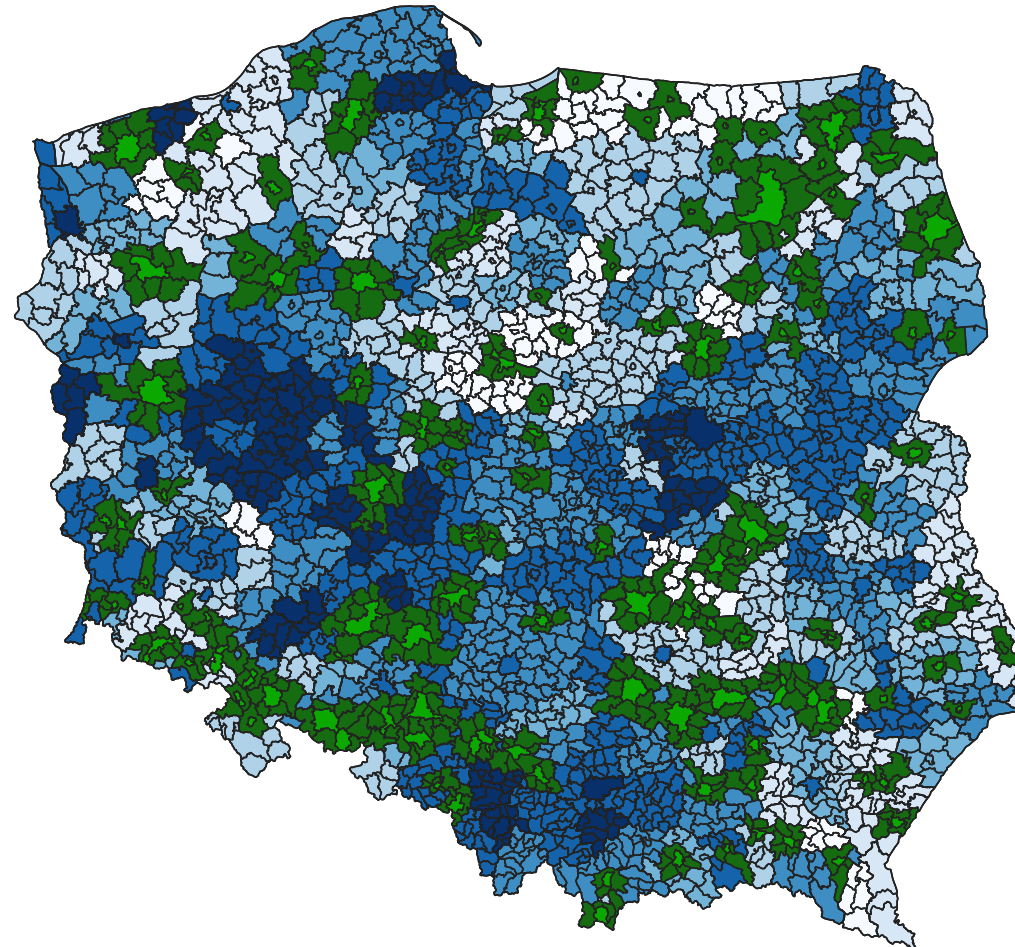


Corporate Income Tax exemption – available in whole Poland

Quantitative entry criteria

The Act on supporting new investments

COVERAGE	whole Poland except for areas where undeveloped minerals deposits occur			
DURATION OF SUPPORT	Aid intensity	10-25%	35%	50% or currently located in SEZ
	Years of exemption	10	12	15
SERVICES	one standard of servicing investors			
ELIGIBILITY	quantitative and qualitative criteria			



Minimum expenditure is respectively reduced by:
95% for BSS and R&D sector
 98% for micro enterprises
 95% for small enterprises
 80% for medium enterprises

- Preferential areas
- 122 mid sized cities
 - Neighboring communes
- Minimum investment outlays MPLN
- 10
 - 15
 - 20
 - 40
 - 60
 - 80
 - 100

In 122 mid sized cities and neighbouring communes investment outlays are equal to PLN 10 m.



Corporate Income Tax exemption

Qualitative criteria – evaluation of manufacturing projects

Sustainable economic development (max 5 points)	Sustainable social development (max 5 points)
projects carried-out in high potential industries consistent with current national investment policy	creating high-paid/ specialized workplaces and offering stable employment
exports-oriented investments	supporting employees in gaining education and professional qualifications and cooperates with technical and vocational schools
conducting R&D activities	offering additional perks and benefits to employees
development of National Key Clusters	low impact on the environment, use of environmental friendly technologies
status of micro, small or medium-size enterprise	investment is located in underdeveloped regions* or impacted by high unemployment


* 122 mid-size cities affected by loss of social-economical functions and bordering communes

Aid intensity	Minimum no of points required
≤25%	6
35%	5
50%	4



Government grants

Program for supporting investments of major importance to the Polish economy for years 2011-2023

- Manufacturing**
- 
- Priority sectors**
- automotive
 - electronics and household appliances
 - aviation
 - biotechnology
 - food processing
 - „large investment” in other sectors

- Business services**
- 
- ICT
 - SSC
 - BPO
 - R&D activity (e.g. software development)

Sector	New work places	&	Investment costs	Max. amount of support
Employment grant				
Manufacturing*	250		PLN 40 m	
Business services	250		PLN 1.5 m**	from PLN 3,200 (USD 1,000) to PLN 15,600 (USD 5,000)/per job***
R&D	35		PLN 1 m**	
Large investment in other sector	200 or 500		PLN 750 m or PLN 500 m	
Investment grant				
Manufacturing*	50		PLN 160 m	1,5% to 7,5%**** of investment costs
Large investment in other sector	200 or 500		PLN 750 m or PLN 500 m	
R&D	35		PLN 10 m**	up to 10%

*) Aid is not granted if unemployment rate in location (powiat) is below 75% of the national average, unless located in Eastern Poland

***) excluding office space rental costs

****) extra 20% for investments in Eastern Poland

*****) extra 5 p.p. for investments in Eastern Poland



Poland. Your place to invest.

PAIH. All investor needs in one place. Free of charge.

PAIH offer

Polish Investment & Trade Agency (PAIH) is a state-owned organization directly supporting FDIs in Poland. Our experienced team with a to-do attitude and excellent business acumen will ensure your investment process is as smooth as possible.



Tailor-made
macroeconomic, HR,
legal, and sectoral data



Location advisory services;
a database of public and
private investment plots



Dedicated Project Manager
assistance throughout the
investment process



Translating business needs to
public administration;
facilitating contacts with local
and state authorities



Advice on different
forms of public aid;
cash grant operator



Organization of site
visits for prospective
investors



Identification of
suppliers and
subcontractors



After-care services;
investors 'spokeperson'



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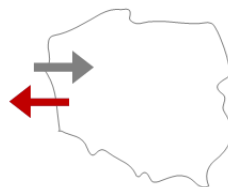
Why Poland?



Highly skilled and young labor force

26,5 million inhabitants under the age of 55

Healthy unemployment level of **5,8%**



Big internal market

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

Unlimited access to the EU market of **510 million** inhabitants



Academic hub

1,32 million students and
335 thousand graduates **each** year



Quickly developing infrastructure

Over **1100 km** high-speed roads under construction

4th longest road network in Europe



Business friendly environment

1st place in the CEE region – the most attractive country to establish operations

Katowice SEZ - best free zone in Europe in **2015, 2016, and 2017**

Poland has advanced in the **Doing Business** ranking by **47 positions** since 2012



Attractive incentives system

Poland: One Large Investment Zone

Up to 15 years of full CIT relief

Government Grants for strategic projects

50% public aid intensity in Eastern Poland





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Polish Investment and Trade Agency

Direct Investment Department

ul. Bagatela 12

00-585 Warszawa

e-mail: invest@paih.gov.pl

Adam Malecki

Director

Phone: +48 22 334 9981

Mobile: +48 600 400 892

e-mail: adam.malecki@paih.gov.pl

www.paih.gov.pl

