ANALYSIS OF INVESTMENT ATTRACTIVENESS OF KUYAVIAN-POMERANIAN VOIVODSHIP AND EVALUATION OF ITS INVESTMENT POTENTIAL

SUMMARY

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Warsaw, December 2011
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The purchase has been co-financed with the funds of the European Union, European Regional Development Fund, within the framework of sub-measure 6.2.1. of the Operational Programme Innovative Economy “Support for the network of investors and exporters assistance”.

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1. Voivodship’s investment attractiveness rank in Europe and Poland

Kuyavian-Pomeranian voivodship belongs to relatively small regions of the European Union in terms of a number of inhabitants. In 2009 its population amounted to 2,068 million inhabitants, which constitutes ca. 0.4% of UE population. It reaches a rather low level of economic development, its GDP per capita in 2008 amounted to 12,200 PPS (hardly ½ of the EU average). Still, the level was higher than the level of some regions of new EU states, in particular Romanian, Bulgarian, Hungarian and Slovak ones – see Exhibit 1.

Exhibit 1. Gross domestic product per capital broken down by NUTS 2 regions in 2008 in PPS

Note: PPS is a common widely accepted currency whose unit is Purchasing Power Standard (PPS). The value of 1 PPS corresponds to a number of units of a currency of a given country which is equal to 1 euro on the domestic market in view of a relation of prices in the given country to prices included in the comparison.


In terms of economic development the voivodship is similar to such regions as: Eastern Slovakia (Východné Slovensko), Western Romania (Vest), French Guiana as well as Polish regions: Western Pomerania and Lesser Poland ( +/- 2 percentage point in relation to the EU-27 average)¹. In the years 2004-2008 the region achieved higher level of economic development than Southern Transdanubia in Hungary, originally on the similar level. It also maintained its advantage over relatively numerous Bulgarian and Romanian regions and three Hungarian regions situated in Hungarian Puszta, i.e. Del Alföld and Eszak Alföld, as well as

¹ Eurostat data.
in Northern Hungary (Észak-Magyarország) and Polish voivodships: Lublin, Subcarpathian, Podlaskie, Warmian-Masurian, Opole, Lubusz and Lesser Poland.

Given its industrial development, beneficial location in terms of transport and proximity of large Polish cities, Kuyavian-Pomeranian voivodship made use of its potential of absorbing investments in fixed capital formation in the industry. Such a conclusion can be made because of similar shares of the voivodship in fixed capital formation in the industry and in the GDP of the majority of EU countries.

2. The most important sectors of economy of Kuyavian-Pomeranian voivodship and their competitiveness

Kuyavian-Pomeranian voivodship is characterised by a particular strong specialisation in the manufacturing industry. If we assume that a share of a voivodship amounting to 6.25% of the domestic market\(^3\), and positive net returns on sales indicate an important role for the national economy, the following sectors shall be considered important on a super-regional scale:\(^3\)

**Divisions:**
- C10 Manufacture of food products
- C17 Manufacture of paper and paper products
- C20 Manufacture of chemicals and chemical products
- C32 Other manufacturing
- C33 Repair and installation of machinery and equipment
- R91 Libraries, archives, museums and other cultural activities

**Groups:**
- A01.1 Growing of non-perennial crops
- A01.4 Animal production
- C10.6 Manufacture of grain mill products, starches and starch products
- C15.2 Manufacture of footwear
- C20.1 Manufacture of basic chemicals, fertilisers and nitrogen compounds, plastics and synthetic rubber in primary forms
- C25.2 Manufacture of tanks, reservoirs and containers of metal
- C25.9 Manufacture of other fabricated metal products
- C27.9 Manufacture of other electrical equipment
- C28.3 Manufacture of agricultural and forestry machinery
- C32.9 Manufacturing n.e.c.
- C33.1 Repair of fabricated metal products, machinery and equipment
- G46.3 Wholesale of food, beverages and tobacco
- R 91.0 Libraries, archives, museums and other cultural activities.

Kuyavian-Pomeranian voivodship is a particularly important provider of **paper and pulp** products. Further development of the paper and pulp industry is positively influenced by labour costs below the Poland’s average in this branch and at the same time labour productivity above the average. In 2010 the region generated 1/5 of a value of domestic

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\(^2\) This assumption comes from the fact that there are 16 voivodships in Poland.

\(^3\) On the basis of PONT INFO data as of 21.12.2011.

\(^4\) Manufacturing n.e.c. includes e.g. manufacture of brooms and brushes.
production sold of the manufacture of paper and pulp. Such a high share of the voivodship is mostly influenced by Mondi Świecie SA (joint-stock company) and Toruński Zakłady Materialów Opatrunkowych [Toruń Manufacturing Plants of Dressing Materials], MMP Neupack Polska Sp. z o.o. (limited company) and Bart sp. z o.o. (limited company).

The second sector of super-regional importance is chemical industry (an 11% share of a value of domestic production sold). Chemical industry developed in Kuyavian-Pomeranian region thanks to an access to large amounts of water from the Vistula, beneficial location in terms of transport (Central Mainline, Polish: Centralna Magistrala Kolejowa), presence of resources (rock salt, limestone) and demand for chemical products from the well-developed agriculture.

Scientific and research establishments and well-developed business assistance institutions, access to well-qualified and highly efficient human resources as well as readiness for innovative solutions made the chemical industry maintain its long-standing traditions of development. The largest chemical companies are still: Zakłady Anwil SA GK [Anwil Manufacturing Plants] in Wloclawek, Zakłady Chemiczne Zachem [Zachem Chemical Plants] in Bydgoszcz, Soda Polska Ciech sp. z o.o. GK [Polish Soda Ciech] in Inowrocław and Indorama Polymers in Wloclawek, Plastica sp. z o.o., Nitrochem SA, Hanoplast sp. z o.o., Brügmann sp. z o.o. New innovative companies dealing with the manufacture of plastic containers were also established (Supravis Group Saw in Bydgoszcz and WIP sp. z o.o. in Aleksandrów Kujawsk).

Kuyavian-Pomeranian voivodship is also an important national food provider (7% of a value of domestic production sold). In the List of 2000 the food industry of Kuyavian-Pomeranian region is represented by the following branches: processing and preserving of meat and production of meat products, manufacture of sugar, manufacture of oils and fats, manufacture of dairy products, manufacture of grain mill products, manufacture of prepared meals and dishes and other food products. The largest companies are: Zakłady Tłuszczowe Kruszwica [Oil and Oil Products Manufacturing Plants] S.A. and Krajowa Spółka Cukrowa [National Sugar Manufacturing Company] SA GK in Toruń, Cereal Partners Poland Toruń-Pacific, Drobex sp. z o.o. in Solec Kujawski and meat processing plants: Kier in Chełmno, Mat sp. z o.o. in Czerniewice, Nove in Nowe as well as Spółdzielnia Mleczarska Rotr [Dairy Cooperative Rotr] in Rypin and Proszkownia Mleka [Milk Powdering Facility] sp. z o.o. (limited company) in Piotrków Kujawski. Thanks to its beneficial location in view of the domestic market and meeting technological conditions the manufacture of prepared meals and dishes also developed in Kuyavian-Pomeranian region in which the leader is Frosta sp. z o.o. (limited company) in Bydgoszcz. The manufacturers of preserved pastry goods and cakes are also well-known in the whole of Poland: Jutrzenka Colian sp. z o.o. (limited company) –


a branch in Bydgoszcz, Fabryka Cukiernicza Kopernik SA in Toruń and Rieber Foods Polska in Włocławek.

The following kinds of economic activity are considered competitive, i.e. the voivodship maintained or increased its market share and generated positive net returns on sales in the period 2008-2010 in these kinds of economic activity.8

- Divisions:
  C15 Manufacture of leather and related products
  C18 Printing and reproduction of recorded media
  C30 Manufacture of other transport equipment
  C32 Other manufacturing
  G46 Wholesale trade, except of motor vehicles and motorcycles
  N80 Security and investigation activities
  P85 Education
- Groups:
  C10.7 Manufacture of bakery and farinaceous products
  C15.2 Manufacture of footwear
  C18.1 Printing and service activities related to printing
  C25.9 Manufacture of other fabricated metal products
  C28.9 Manufacture of other special-purpose machinery
  C32.9 Manufacturing n.e.c.
  G46.1 Wholesale on a fee or contract basis

Manufacture of computers, electronic and optical equipment is also competitive.9

The manufacture of machinery and equipment can also be considered an important sector of Kuyavian-Pomeranian voivodship. This is due to long-standing industrial traditions in Bydgoszcz and Toruń whose effect is the presence of well-qualified human resources and scientific and research establishments, location in view of transport conducive to establishing new assembling companies and their business partners as well as demand for the rolling-stock as Bydgoszcz is a railway junction. Therefore the following companies stand out in the whole country Pojazdy Szynowe [Rail Vehicles] PESA SA GK, Unia Sp. z o.o. (limited company) in Grudziądz, joint stock companies manufacturing switchgear (Apator SA) and lifting devices and clutches (TZUO Towimor), and Sharp Manufacturing Poland Sp. z o.o. (limited company) manufacturing LCD TV sets and its business partners, e.g. Sumika Electronic Materials Poland Sp. z o.o. (limited company).

The light industry is also performing well in Kuyavian-Pomeranian voivodship, represented by limited companies Bella in Toruń and Seni in Brodnica, which manufacture hygienic materials for adults and children. This is a progressive direction of production given the link between manufacturing and health needs.

The manufacture of furniture can also be considered competitive. This kind of manufacturing is represented mainly by HF Helvetia Furniture sp. z o.o. (limited company) from Bydgoszcz, Adriana Furniture, Bydgoskie Fabryki Mebli [Bydgoszcz Furniture Manufacturing Facility] and Fabryka Mebli [Furniture Manufacturing Facility] Gala Collezione. In the manufacturing of medical furniture the company Stolter is a leader and office furniture is provided by companies Wutech i Poltech.

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8 On the basis of PONT INFO data for medium-sized and large enterprises based on companies’ financial statements as of 21.12.2011.
9 For the lack of data resulting from the confidentiality of statistical data it was not possible to identify all the sectors on the basis of economic indices.
Thanks to its highly beneficial location and access to transport infrastructure Kuyavian-Pomeranian voivodship is also an important link of commercial contacts. The following company operate in the wholesale trade: PSH Lewiatan from Włocławek (31st place in the List of 2000 in 2011), Neuca SA (36th place) from Toruń, specialising in the wholesale of pharmaceutical and medical goods, ThyssenKrupp Energostal SA from Toruń, Polomarket-Detal sp. z o.o. from Inowrocław and many other.

**BPO services** should be considered attractive yet demanding strong ‘enrooting’ in a particular region. In Kuyavian-Pomeranian voivodship they are mostly represented by companies located in Bydgoszcz. These are: JP Morgan Chase LTD, Atos Origin, CTDP Sp. z o.o. & Co. sp.k. (limited partnership), PBS Polska Sp. z o.o., Teleplan Polska Sp. z o.o., NMG Sp. z o.o., Alcatel-Lucent SA (joint stock company) with a branch in Bydgoszcz is the largest of them.

The investments confirm a high rank of Bydgoszcz and Toruń as a BPO location according to the report “O perspektywach sektora BPO w Polsce” [“The prospects of BPO sector in Poland”] published by Colliers International.

The prospective sectors of Kuyavian-Pomeranian voivodship, i.e. generating returns on sales above the national average for a given sector and characterized by an increase in the market share in the period 2008-2010 from a minimum of 1%, can be considered the following kinds of economic activity: manufacture of leather and related products as well as groups: C15.2 – Manufacture of footwear, C25.9 - Manufacture of other fabricated metal products and G46.1 - Wholesale on a fee or contract basis.10

Both traditional and modern branches of industry and services are represented among them. Their further development requires respecting the principles of spatial order according to the needs of an investment and location-specific advantages constituting investment attractiveness of particular regions as well as investment areas.

### 3. Investment potential of Kuyavian-Pomeranian voivodship

Investment potential is understood as a totality of resources available for investors in a particular area. One of the most important part of investment potential of Kuyavian-Pomeranian voivodship is its highly beneficial location in the national and European transport system (roads, railways) and the fact that its area is covered by a network of already existing or planned highways and express roads (A1), which after finishing current investment projects will lead to Kuyavian-Pomeranian voivodship being included in the main trade routes between the biggest agglomerations in Poland. Moreover, the international airport situated in Bydgoszcz is strategically important – see Exhibit 2. The region also has a good access to the broad-band Internet.

Another important element of investment potential is relatively cheap and efficient workforce. Lower labour costs (below the national average) are recorded in most of the sectors, which is a source of companies’ competitive advantage based on production costs. Middle technical personnel and employees with higher technical education background are also relatively well accessible (mainly in the largest cities and their immediate proximity).

The voivodship also distinguishes itself through a high potential of agricultural resources generated by the well-developed agriculture both in the plant and animal production. The region is a supplier of over 10% of domestic production of sugar beet, oilseed rape and agrimony, ground vegetables, triticale, milk and pigs stock. It is also an important supplier of poultry, cattle as well as basic cereals and feed mixture (over 5% of domestic production).

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10 PONT INFO data based on enterprises’ financial statements as of 21.12.2011.
Kuyavian-Pomeranian voivodship is characterised by substantial slate gas (especially eastern part of the voivodship) and biomass deposits. The region occupies 4th place in Poland in terms of theoretical agricultural biogas potential (preceded by Greater Poland, Masovian voivodship and Podlasie) coming from natural fertilisers from pigs stock and cattle as well as green forage from maize.

Exhibit 2. Transport network in Kuyavian-Pomeranian voivodship


The voivodship also distinguishes itself through its energetic potential for the production of liquid biofuels, chiefly rape for biodiesel (2nd place in Poland, preceded by Greater Poland) and substantial surpluses of straw (3rd place in Poland preceded by Greater Poland and Lublin voivodship).

Moreover, the voivodship has beneficial conditions for developing wind power, hydropower and geothermal power.

The quality of the natural environment, landscape, forest complexes, numerous lakes and rivers as well as regional cultural heritage and offer of cultural events should also be positively evaluated. There are numerous tourist routes, well-known settlements (Biskupin), historical sites, including those on the list of cultural heritage of UNESCO (medieval Old Town complex in Toruń) here. Regional products recognisable in Poland and abroad (e.g.
Toruń gingerbreads), famous figures (Nicolaus Copernicus – a world famous Renaissance astronomer, known for the heliocentric theory; Polish kings: Ladislaus I of Poland and Casimir III the Great; Aleksander Wolszczan – an astronomer, discoverer of the first planets outside the Solar System; Rafał Blechacz – a pianist; Cardinal Józef Glemp) and tourist attractions indicate a role of tourist companies as drivers of regional development.

The voivodship distinguishes itself through a multitude of majors offered by higher education institutions, which allows innovative industry and modern services to develop, e.g. biotechnology, computer science, aviation and cosmonautics, material engineering, dietetics, physiotherapy, environment protection, nursing, medical rescue and unique courses, e.g. the materials of modern technologies, astronomy, biomedical engineering, restoration of water routes, financial and security mathematics. Ca. 84.5 thousand people studied at higher education institutions in the voivodship, which made up 4.46% of all students in Poland.

The region does not distinguish itself in terms of its market potential. However, on the subregional scale Toruń and Bydgoszcz subregion does distinguish itself as it occupies a high place in terms of the share in Poland’s GDP. The agglomeration of Toruń and Bydgoszcz with a population of over 600,000 inhabitants is the most attractive area for investors. However, a diversity of location-specific advantages makes a lot of investment areas situated outside the agglomeration attractive investment offers.

Altogether 47 gminas in Kuyavian-Pomeranian voivodship presented greenfield investment offers till the end of July 2011 whose total areas amounted to 2855.4 ha – Exhibit 3.

Exhibit 3. Greenfield investment offers in Kuyavian-Pomeranian voivodship as of end of July 2011

(1) - an urban gmina, 2 – a rural gmina, 3 – an urban-rural (mixed type) gmina
Source: Authors’ own materials.
The areas on offer are intended mainly for services or manufacturing activity. They are rarely meant to be used for tourist or housing purposes. The offer of industrial facilities and warehouses for brownfield investment is much smaller. Only 18 gminas submitted such offers – see Exhibit 4. A total area of industrial facilities and warehouses on offer amounted to 64,921.99 sq m whereas a total area of land was 315,751 sq m. What is notable is good accessibility of information concerning offers of investment areas which can be gained in a basic version online through the Web site of the Kuyavian-Pomeranian Investors Assistance Centre (IAC) in Toruń. A complete investment offer is available from IAC office on request. Investment offers and economic information in three language versions (Polish, English and German) are available on the Web site www.coi.kujawsko-pomorskie.pl. The Kuyavian-Pomeranian Investors Assistance Centre in Toruń also plays a role of regional Certified Partner of PAIIIZ (The Polish Information and Foreign Investments Agency).

**Exhibit 4. Brownfield investment offers in Kuyavian-Pomeranian voivodship as of end of July 2011**

(1) - an urban gmina, 2 – a rural gmina, 3 – an urban-rural (mixed type) gmina
Source: Authors’ own materials.

Investment offers vary in terms of area, which allows to satisfy the needs of both small investors and investors establishing large-area manufacturing or service facilities (see Illustration 1).

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Illustration 1. Sample investment offers in Kuyavian-Pomeranian voivodship

Investment offer - PSEZ Grudziądz

Investment offer – Bydgoszcz 5 ha

Investment offer - Mogilno

Investment offer Wałycz-Wąbrzeźno 190 ha

Brownfield offer in Toruń 3000 sq m

Sources: Materials of COIE (Investors and Exporters Assistance Centre) in Toruń.
4. Voivodship’s investment attractiveness rank in Poland

Kuyavian-Pomeranian voivodship is characterised by low overall investment attractiveness, which is reflected in its attractiveness rank, i.e. Class E according to the PAI2_GN investment attractiveness index\(^\text{12}\). Among microclimates constituting this index microclimate Technical Infrastructure ranked high (Class C): The region received also a very high investment attractiveness rank for the section trade (Class C) – see Exhibit 5.

Exhibit 5. Potential investment attractiveness of Kuyavian-Pomeranian voivodship in comparison to Polish voivodships broken down by the main sections of national economy in 2009

![Exhibit 5: Potential investment attractiveness of Kuyavian-Pomeranian voivodship in comparison to Polish voivodships broken down by the main sections of national economy in 2009](image)

Note: Number 6 represents the highest rank A, 5 – a high rank B, 4 – a relatively high rank C, 3 – a relatively low rank D, 2 – a low rank E and 1 – a very low rank F.

Source: Authors’ own materials.

In the light of real investment attractiveness indices (RAI) the voivodship ranks slightly higher (Class D). The indices are based on such microclimates as: returns on tangible

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\(^{12}\) Potential investment attractiveness is a set of regional location-specific advantages which influence the accomplishment of investor’s goals (e.g. the shaping of costs of business activity, returns on sales, net profitability and competitiveness of a particular investment). Real investment attractiveness is a capacity of a region to create client’s satisfaction and cause absorption of financial and fixed capital in the form of investment. It can be measured as the efficiency of the input of financial, fixed, human and natural capital.
assets, labour productivity, self-financing of self-government territorial entities and investment outlays – compare Exhibit 6.
For industry and trade and repairs real investment attractiveness exceeds the average (Class C).

**Exhibit 6.** Real investment attractiveness of Kuyavian-Pomeranian voivodship in comparison with Polish voivodships broken down by the main sections of national economy in 2009

Note: Number 6 represents the highest rank ‘A’, 5 – a high rank ‘B’, 4 – a relatively high rank C, 3 – a relatively low rank D, 2 – a low rank E and 1 – a very low rank F.
Source: Authors’ own materials.

The main competitive advantages of Kuyavian-Pomeranian are the following indices reaching the level above the average:
- Enterprises’ returns on tangible assets,
- High labour productivity in market services,
- Profit per an employed person in tourism and restaurant services.
The region also distinguishes itself by its high investment outlays in the industry per capita.
5. Internal differentiation of voivodship’s investment attractiveness

Poviats (counties)

City poviats of Toruń and Bydgoszcz deserve a distinction for having achieved the highest Class A of potential investment attractiveness for all the sections of the national economy analysed. In reference to the sections below the following poviats should be mentioned:
- Aleksandrów (Class C) for section I,
- Bydgoszcz (Class C) for section M.

Synthetic potential investment attractiveness ranks of poviats of Kuyavian-Pomeranian voivodship are presented in Exhibit 7.

Exhibit 7. Spatial differentiation of potential investment attractiveness of poviats of Kuyavian-Pomeranian voivodship in view of the most attractive sections

Note: Investment attractiveness ranks: represents the highest rank: A – a very high rank, B – a high rank, C – a relatively high rank, D – a relatively low rank, E – a low rank, F – a very low rank.
Source: Authors’ own materials.
Chart 1. Potential investment attractiveness of gminas of Kuyavian-Pomeranian voivodship for the national economy and selected sections

<table>
<thead>
<tr>
<th>Gmina</th>
<th>PAI1_GN</th>
<th>PAI1_GN</th>
<th>PAI1_C</th>
<th>PAI1_G</th>
<th>PAI1_I</th>
<th>PAI1_M</th>
</tr>
</thead>
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<tr>
<td>Inowrocław (1)</td>
<td>0.308</td>
<td>A</td>
<td>A</td>
<td>A</td>
<td>D</td>
<td>A</td>
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<td>A</td>
<td>A</td>
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<td>A</td>
</tr>
<tr>
<td>Bydgoszcz (1)</td>
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<td>A</td>
<td>A</td>
<td>B</td>
<td>A</td>
</tr>
<tr>
<td>Grudziądz (1)</td>
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<td>A</td>
<td>A</td>
<td>A</td>
<td>C</td>
<td>A</td>
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<td>Włocławek (1)</td>
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<td>A</td>
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<td>Chełmża (1)</td>
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<td>A</td>
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<td>A</td>
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<td>Golub-Dobrzyń (1)</td>
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<td>A</td>
<td>A</td>
<td>C</td>
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<td>A</td>
<td>B</td>
<td>A</td>
<td>A</td>
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<td>Solec Kujawski (3)</td>
<td>0.247</td>
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<td>A</td>
<td>B</td>
<td>C</td>
<td>A</td>
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<tr>
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<td>B</td>
<td>A</td>
<td>E</td>
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</table>

Note: Investment attractiveness ranks: represents the highest rank: A – a very high rank, B – a high rank, C – a relatively high rank, D –a relatively low rank, E – a low rank, F – a very low rank.
(1) - an urban gmina, 2 – a rural gmina, 3 – an urban-rural (mixed type) gmina.
Source: Authors’ own materials.

Gminas (communes)

Like in the case of poviats investment attractiveness of gminas also varies substantially. Among highest ranked gminas (Class A) there are the following ones: Aleksandrów Kujawski (1), Barcin (3), Brodnica (1), Bydgoszcz (1), Chełmno (1), Chełmża (1), Ciechocinek (1), Golub-Dobrzyń (1), Grudziądz (1), Inowrocław (1), Kowal (1), Osie (2), Rypin (1), Solec Kujawski (3), Świecie (3), Toruń (1), Wąbrzeźno (1), Włocławek (1). This is reflected in their high ranks (Class A or B) for all the sections analysed – see Chart 1. The following gminas belonging to Class B according to the PAI1_GN index are also attractive: Białe Błota (2), Janikowo (3), Kruszwica (3), Lipno (1), Mogilno (3), Nakło nad Notecią (3), Pakość (3), Radziejów (1), Tuchola (3). The location-specific advantages of this group of gminas are also universal and consequently they are attractive for all kinds of business activities.

However, this characteristic is not found in every Class C gmina. Gminas Wielka Nieszawka (2) and Osie (2) only fulfilled this condition. In reference to individual sections except for those already mentioned the following Class C gminas should be recognised:
- Osie (2), Janikowo (3), Tuchola (3), Mogilno (3), Nowe (3), Fabianki (2), Osie (2), Dobre (2), Piotrków Kujawski (3), Rogowo (2), Unisław (2) – for section C,
- Kruszwica (3), Białe Błota (2), Pakość (3), Mogilno (3), Nowe (3), Żnin (3), Wielka Nieszawka (2), Fabianki (2), Strzelno (3), Gniewkowo (3), Sępólno Krajeńskie (3), Lubanie (2), Nieszawa (1), Cekcyn (2), Obrowo (2), Śliwice (2) – for section G,
- Grudziądz (1), Włocławek (1), Chełmno (1), Wąbrzeźno (1), Golub-Dobrzyń (1), Solec Kujawski (3), Tuchola (3), Cekcyn (2), Szubin (3), Gostyń (2), Górzno (3), Warlubie (2), Kowal (2) – for section I,
- Janikowo (3), Pakość (3), Mogilno (3), Fabianki (2), Nieszawa (1), Lubiecz (2), Nowa Wieś Wielka (2), Osie (2), Sicienko (2), Obrowo (2), Dobre (2), Piotrków Kujawski (3), Rogowo (2), Unisław (2) – for section M.

Synthetic potential investment attractiveness ranks of gminas of Kuyavian-Pomeranian voivodship are presented in Exhibit 8.

**Exhibit 8. Potential investment attractiveness of gminas of Kuyavian-Pomeranian voivodship**

Note: Investment attractiveness ranks: represents the highest rank: A – a very high rank, B – a high rank, C – a relatively high rank, D – a relatively low rank, E – a low rank, F – a very low rank.

(1) - an urban gmina, 2 – a rural gmina, 3 – an urban-rural (mixed type) gmina

Source: Authors’ own materials.
6. Identification of determinants of investment attractiveness of Kuyavian-Pomeranian voivodship and exemplification of their influence on real FDI location

According to the data of the Polish Information and Foreign Investments Agency there were 78 business entities which invested in Kuyavian-Pomeranian voivodship. These are mainly companies operating in the manufacturing industry and trade and repairs of motor vehicles. These projects were located mainly in Bydgoszcz (25), Toruń (10), Łysomice (9) and Włocławek (8). In Bydgoszcz investments in the manufacture of metal products, plastic, furniture and publishing and printing as well as the manufacture of food and beverages prevail, which can be considered characteristic for an agglomeration with deeply rooted industrial traditions. In Toruń there dominate investments in hoteling, manufacture of food and beverages, manufacture of measuring apparatus and publishing and printing. Łysomice is a regional pole of the manufacture of electronic equipment whereas for its industrial traditions Włocławek absorbed FDI in the manufacture of chemical products and plastic.

Gminas which ranked highest in terms of investment attractiveness (Class A) dominate in the specific site selection process of FDI: Brodnica, Bydgoszcz, Golub-Dobrzyń, Grudziądz, Inowrocław, Osielsko, Solec Kujawski, Świecie, Toruń, Wąbrzeźno, Włocławek. Two gminas belong to Class B: Kruszwica and Lipno, and one to Class C, Łysomice, compare Exhibit 9.

Exhibit 9. Locations of the most important foreign investments broken down by sections of the Polish Classification of Activities

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In Kuyavian-Pomeranian voivodship there operates currently the **Pomeranian Special Economic Zone (PSEZ)**, which embraces nine subzones situated in the following gminas: Barcin, Bydgoszcz (city), Grudziądz (city), Kowalewo Pomorskie (in Frydrychowo), Łysomice (in Ostaszewo), Rypin, Świecie, Toruń and Wąbrzeźno (in Czystochleb) (Exhibit 10).

Exhibit 10. Spatial distribution of subzones of Pomeranian Special Economic Zone (PSEZ) in Kuyavian-Pomeranian voivodship

Note: SSE (Polish: Specjalna Strefa Ekonomiczna) denotes Special Economic Zone.


Despite the fact that the properties have been included in the (PSEZ) since 2006, their total area amounts to 620.57 ha, which makes up almost a half of the total area of the PSEZ. One should note that there are no free investment areas in the subzones: Świecie, Łysomice, Kowalewo Pomorskie and Toruń.

Gminas where the properties belonging to the special economic zone are located are characterised by a high investment attractiveness rank. Gminas Barcin, Bydgoszcz,
Grudziądz, Rypin, Świecie and Toruń belong to Class A while Kowalewo-Pomorskie and Łysomice to Class C.

In the period between 2007 and 2010 companies operating in special economic zones in Kuyavian-Pomeranian voivodship generated investment outlays in the amount of PLN 3.01 billion, which makes up 4% of all investment outlays in special economic zones and 6.6% investments in fixed capital formation of companies in the region. In the same period the companies created over 5 thousand new workplaces, which makes up 3% of all new workplaces in special economic zones but only 1.1% of all persons employed in the region. Till the end of 3rd quarter of 2011 a value of investments rose to PLN 3.16 billion and a number of new workplaces fell to 4,800.

According to the plan of development of PSEZ in Kuyavian-Pomeranian voivodship the absorption of investors from the following branches is expected: the sector of modern services, manufacture of machinery and equipment, manufacture of electronic equipment and food processing. The economic performance of Łysomice subzone, in which the Japanese invested their capital in the manufacture of electronic equipment, was best of all. The following companies invested in Łysomice subzone: Sharp Corporation (Sharp Manufacturing Poland Sp. z o.o. – limited company), Sumitomo-Chemical (Sumika Electronic Materials Poland Sp. z o.o. – limited company), Orion Electric (Orion Electric Poland Sp. z o.o. – limited company), Tokai Pressing and Okaya & CO (Poland Tokai Okaya Manufacturing Sp. z o.o. – limited company), Sohbi Kohgei (Sohbi Craft Poland Sp. z o.o. – limited company), Kimoto Poland Sp. z o.o. (limited company), Tensho Poland Sp. z o.o. (limited company), U-Tec Poland Sp. z o.o. (limited company), Yusen Logistics (Poland) Sp. z o.o. (formerly Nyk Logistics Polska Sp. z o.o. – limited company), Nissin Logistics Poland Sp. z o.o. (limited company), Nippon Express Gmbh Sp. z o.o. (limited company). The complex of Japanese manufacturers of electronic equipment was established on over 179 ha, which is the area of PSEZ in Łysomice. It is called the Crystal Park cluster as it plays a role of a cluster in the electronic industry.

The second largest subzone in terms of economic performance is Świecie subzone, in which Mondi Świecie S.A. (joint stock company) and Mondi Corrugated Świecie Sp. z o.o. (limited company) operate, both in the manufacture of paper and paper products. Both locations demonstrate strong industrial traditions in the above said branches. The functioning of economic zones strengthened the role of these industrial centres in the region in terms of investment inflow.

Schumacher Packaging Zakład Grudziądz Sp. z o.o. (limited company; formerly: Polpak Papier sp. z o. o. limited company) invested in Grudziądz, Plastica sp. z o.o. (limited company) in Kowalewo Pomorskie, Lafarge Cement S.A. (joint stock company) and Mapei Polska sp. z o.o. (limited company) in Barcin and Airon Investment Anna Niemczewska, Baumat Sp. z o.o. (limited company) and Metalbark PPU Zbigniew Barłóg in Bydgoszcz.

The measure 4.5 of the Operational Programme Innovative Economy (OP IE) – Support for investments with high importance to the economy is an important instrument of support for foreign investors. Until 2 October 2011 a total of 69 projects with a total value of PLN 8.1 billion received a financial support worth PLN 1.8 billion among which only 6 projects have already been finished. Among the projects still in progress there are 2 investments located in Kuyavian-Pomeranian voivodship.

The projects of conducting development works and industrial research and implementing their results can also be financed from the OP IE. Until 15 July 2011 a total of 595 companies signed contracts on support to the tune of PLN 2.3 billion. Among these entities there are 18 companies from Kuyavian-Pomeranian voivodship which altogether

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received PLN 91 million, which makes up 4% of the total co-financing. Companies located in Bydgoszcz mainly benefitted from this co-financing.

Another instrument the companies in Kuyavian-Pomeranian voivodship benefit from is measure 4.4 OP IE – New investments of high innovative potential. Until 15 September 2011 a total of 381 projects received a financial support worth PLN 5.6 billion among which 26 projects supporting with an amount of PLN 419 million came from Kuyavian-Pomeranian voivodship, mainly from Toruń, Włocławek and Bydgoszcz.

Another source of financing investments of high important to the national economy is national financial resources. Their holder is the Minister of Economy who upon the authorization from the European Commission gives support for financing companies’ long-term investment programmes. Only one of them was carried out in Kuyavian-Pomeranian region. The Japanese company Sharp Manufacturing Poland sp. z o.o. (limited company, a subsidiary company of the global Japanese company Sharp Corporation) received a financial support of an investment made in Łysomice under the name: LCD modules manufacturing plant. The support from the budget was established at the level of PLN 89.7 million the effect of which the creation of 3 thousand new workplaces was meant to be.

Another factor stimulating investments in the region are EU funds available within the framework of the Regional Operation Programme of Kuyavian-Pomeranian Voivodship (ROP KPV). A direct support of companies’ investment has been provided in the following measures:

- 4.3. Development of commercial e-services
- 5.2. Support for companies’ investments
- 5.3. Support for companies in the adjustment to the requirements of the protection of the environment
- 5.4. Strengthening of regional research and technology development potential
- 6.2. Development of tourist and spa services

The total value of investment projects which received support from the above said measures amounted to PLN 1.4 billion. The projects were co-financed to the tune of PLN 637 million. The largest number of projects with the highest total value cumulated in three cities belonging to Class A: Bydgoszcz (PLN 288 million), Toruń (PLN 178 million), Włocławek (PLN 73 million) – see Exhibit 11.

Besides direct support for companies’ investments the regional self-government authorities also decided to support the development of entrepreneurship in an indirect way. A manifestation of such an activity is providing capital for the loan funds. Until 25 November 2011 these institutions received a total of PLN 173.18 million for the expansion of their activity.

Within the current financial framework he voivodship self-government authorities co-financed with EU funds 7 projects connected with provision of technical infrastructure for investment areas for the needs of future foreign investors. Thanks to the co-financing investment attractiveness will be improved in:

- Włocławek through provision of technical infrastructure for properties being a part of Włocławek Zone of Economic Development – Industrial and Technology Park,
- Bydgoszcz through building a local (gmina) road connect Bydgoszcz Industrial Park with the state road (droga krajowa) no. 10 and expanding technical infrastructure of Bydgoszcz Industrial Park,

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- Inowrocław through creating **Inowrocław Economic Area** covering an area of over 36 ha,
- Świecie through provision of technical infrastructure **Zone of Economic Development Vistula Park II in Sulnowo** covering an area of over 40 ha,
- Solec Kujawski through preparing land for the carrying out of 2\textsuperscript{nd} stage of Industrial Park in Solec Kujawski on an area of over 31 ha,
- Rypin through creating **Rypin Economic Area “Bielawki”**. 

Future investors will be able to use areas covering over 5.5 hectares provided with the necessary infrastructure.

**Exhibit 11. Value of companies’ investment projects co-financed within the framework of ROP KPV and amount of support from public resources**

![Map of Investment Projects](image)

(1) - an urban gmina, 2 – a rural gmina, 3 – an urban-rural (mixed type) gmina

Source: Authors’ own materials on the basis of The List of Beneficiaries of ROP KPV as of 25.11.2011, courtesy of the Governor’s Office of Kuyavian-Pomeranian Voivodship.

Besides industrial and technological parks in Kuyavian-Pomeranian voivodship there also operate:

- **Grudziądz Industrial Park** established in December 2004; in August 2011 the foundation stone of the first investment was laid, i.e. Fish Processing Plant of the LIMITO company. What is more, the construction of entrepreneurship incubator in which conditions conducive to establishing companies (micro- and small enterprises) and developing the already existing ones will be created is now in progress.
- **Toruń Technological Park with the Technology Transfer Centre** established in 2005 on the initiative of Toruń Agency of Regional Development. There are 30 firms in its area which employ altogether 200 people.

It should be also stressed that **entrepreneurship incubators** function very well in the voivodship (in Świecie and Solec Kujawski) and another one is being established in Włocławek, co-financed with the means of ROP KPV.

As a result of high activity of local institutions Kuyavian-Pomeranian voivodship distinguishes itself from other Poland’s regions through a relatively high number of parks supporting economic development. There are 7 such entities in Kuyavian-Pomeranian voivodship out of a total of 57 ones in the whole of Poland. They were established in Grudziądz, Świecie, Bydgoszcz, Toruń, Solec Kujawski and Włocławek.

The JEREMI mechanism is a new form of supporting companies, which enables small and medium-sized enterprises to receive financial means for investments. According to the estimates of Kujawsko-Pomorski Fundusz Pożyczkowy [Kuyavian-Pomeranian Loan Fund] this capital should allow to generated credits and loans to the tune of ca. PLN 86 million. In the first round of co-financing at least two hundred entrepreneurs will be supported.

7. **Tendencies and new phenomena in absorbing foreign investments and directions of development of further investment projects in Kuyavian-Pomeranian voivodship**

The number of entities of national economy with foreign capital participation in Kuyavian-Pomeranian voivodship amounted to 1695 in 2010 and made up 2% of their total number in the country. Most entities were registered in the sections trade and repairs of motor vehicles (580) and manufacturing industry (506).

The largest percentage increases in 2010 in comparison to 2009 were reported in the following sections: healthcare and community work (by 20%) and professional, scientific and technical services (by 13%). However, given low nominal increases the prevailing position of the manufacturing industry and trade is uncontested.

On the basis of data on the distribution of companies with foreign capital participation one can conclude that the capital cities of the voivodship, i.e. Bydgoszcz and Toruń, assumed the strongest position in 2010. Their share in the number of companies with foreign capital participation amounted to 32% and 24% respectively in 2010. In 2010 the number of foreign investors rose by 50. The companies were set up mainly in Toruń (20), Bydgoszcz (15), Świecie poviat (4), Inowroclaw poviat and Włoclawek poviat (3 in each).

In the years 2003-2009 the main source countries of the inflow of foreign direct investments to Kuyavian-Pomeranian voivodship were Germany and the Netherlands whose shares in FDI stock amounted to 45% and 37% respectively (Exhibit 12). The inflow of investments from France, Denmark, United Kingdom, Austria, Republic of Korea and Belgium was decisively less significant.

The inflow of FDI to Kuyavian-Pomeranian voivodship in the years 2007-2010 is estimated to have reached EUR 1.16 billion. The annual average FDI inflow amounted to EUR 223 million in these years, which makes up 2.1% of the value for the whole country and put the region in the 10th place in the rating of voivodships.
Exhibit 12. Accumulated value of foreign capital broken down by source countries in the companies with foreign capital participation between 2003 and 2009 [million PLN]


In 2008 and 2009 Germany was the only source country of foreign investments in the region to have been recorder by the Central Statistical Office (GUS). The main German investors are Wika Polska S.A. (joint stock company), Bierbaum Polska sp. z o.o. (limited company), Frosta Sp. z o. o. (limited company), companies operating in the manufacturing industry: HaGe Polska Sp. z o.o. (limited company), Globalmalt Polska Sp. z o.o. (limited company), Toruński Piwnice Win Vinpol Sp. z o.o. [Torus Wine Cellar Vinpol Ltd.], Dwenger und Grunthal PHP sp. z o.o. (limited company), Ims Stalserwis sp. z o.o. (limited company), Reflex Polska Sp. z o.o. (limited company), Bydgoska Drukarnia Akcydensowa Sp. z o.o. [Bydgoszcz Job Printing House Ltd.], Express Media Sp. z o.o. (limited company), Minda Schenk Plastic Solutions sp. z o.o. (limited company), OKT Polska Sp. z o. o. (limited company), TPP Thermoplastics Polska sp. z o.o. (limited company), Bruegmann Polska Sp. z o.o. (limited company), Prettl Molding Automotive Polska sp. z o.o. (limited company), Prettl Adion Polska sp. z o.o. (limited company), or trade and repairs of motor vehicles: Cronimet PL sp. z o.o. (limited company), ThyssenKrupp Energostal F.A., Berthold Sichert Sp. z o. o. (limited company), WHM Polska Sp. z o.o. (limited company) and logistics provider Schenker Sp. z o.o. (limited company) as well as service provider Remondis Bydgoszcz sp. z o.o. (limited company).

The manufacturing industry is also a dominating branch among Dutch investors represented by such companies as: Akzo Nobel Coatings sp. z o.o. (limited company), Unilever Polska S.A. (joint stock company) Detergents and Cosmetics Division, Kemira Świecie Sp. z o.o. (limited company), Mondi Świecie S.A. (joint stock company), Visscher -
Caravelle Poland Sp. z o.o. (limited company). Furthermore, the Dutch capital has invested in the trade and repairs of motor vehicles: Interhandler sp. z o.o. (limited company) and APV Manufacturing Polska Sp. z o.o. (limited company) as well as services related to the real estate market: Teleplan Polska Sp. z o.o. (limited company), Atos Origin Polska and in the construction industry: Heutink Poland Sp. z o.o. (limited company).

Dutch, French, British, Belgian and US companies have not financed new investments in Kuyavian-Pomeranian since 2007. The inflow of Japanese investments into the Kuyavian-Pomeranian region is particularly notable. Till the end of 2009 the Japanese invested over PLN 1 billion\textsuperscript{16}.

8. Conclusions and recommendations

1. Kuyavian-Pomeranian voivodship belongs to the mid-developed regions of Poland which because of the transition from central to market economy develop more slowly than the rest of the country. In terms of potential attractiveness it reaches the level below the national average (Class E – 10\textsuperscript{th} place in Poland). In terms of real investment attractiveness its performance is similar (Class D – 8\textsuperscript{th} place in Poland). According to the criterion of competitiveness it also occupies 10\textsuperscript{th} place.

Diagnosed reasons for low investment attractiveness rank:
- Deficits of well-qualified human resources, in particular in the sphere of R&D,
- Negligence in the field of life quality, in particular health care and investments in tourism and economy,
- In comparison with other Poland’s regions lower ability to generate attractive regional market,
- Too low administrative preparation in gminas – the lack of land-use plan is the greatest problem.

Recommendations:

- In the field of social infrastructure measures should be taken to improve the following indices:
  - Total number of health care facilities per 100,000 inhabitants (a very low rank),
  - Number of pharmacies per 100,000 inhabitants (a very low rank),
  - Useable floor space of dwellings per capita (a very low rank),
  - Number of computers connected to the Internet to an overall number of computers in lower secondary schools (junior high schools/pre-secondary schools) (a very low rank),
  - Number of inhabitants per 1 fixed cinema (a very low rank),
  - Medical practices in the countryside and cities per 100,000 inhabitants (a low rank),
  - Number of pupils per one computer in primary schools (a low rank),
  - Number of pupils per one computer in lower secondary schools (junior high schools/pre-secondary schools) (a low rank),
  - Number of computers connected to the Internet to an overall number of computers in primary schools (a rather low rank),

\textsuperscript{16} Data of a local office of PSEZ in Toruń.
- Library loans per 1000 inhabitants (a rather low rank),
- Number of viewers in fixed cinemas per 100 inhabitants
- Cubage of new inhabited dwellings per 100 inhabitants (a rather low rank),
- Number of visitors of museums including branches per 1000 inhabitants (a rather low rank).

- In the field of governance measures should be taken to improve the following indices:
  - Area covered by land-use plan to gmina’s total area (a very low rank),
  - Total property expenditure to total current expenditure (a low rank),
  - Funds for financing own tasks from non-budgetary sources per inhabitant (a low rank),
  - Expenditure on municipal economy and environment protection per inhabitant (a low rank),
  - Expenditure on housing economy per inhabitant (a low rank),
  - Expenditure on culture and national heritage protection per inhabitant (a low rank),
  - Expenditure on public administration per inhabitant (a low rank),
  - Expenditure on tourism per inhabitant (a low rank),
  - Expenditure on public safety and fire care per inhabitant (a low rank),
  - Expenditure on transport and communication per inhabitant (a rather low rank),
  - Expenditure on physical culture and sport per inhabitant (a rather low rank).

- In the field of technical infrastructure the authorities should concentrate on the measures to improve the following indices:
  - Density of water-line system in km per 100 sq. km (a low rank),
  - Density of sewerage system in km per 100 sq. km (a rather low rank).

- The investment potential for industry of the following gminas whose potential was ranked very high or high should be used: Inowroclaw (1), Toruń (1), Bydgoszcz (1), Grudziądz (1), Włocławek (1), Chełmża (1), Chełmno (1), Golub-Dobrzyń (1), Brodnica (1), Rypin (1), Świecie (3), Solec Kujawski (3), Wąbrzeźno (1), Nakło nad Notecią (3), Ciechocinek (1), Białe Błota (2), Wielka Nieszawka (2), Żnin (3), Aleksandrów Kujawski (1), Kruszwica (3), Gniewkowo (3), Kowal (1), Łysomice (2), Lipno (1), Radziejów (1), Barcin (1).

- High ranked investment potential for the modern services in Toruń, Bydgoszcz and Inowroclaw should also be used but at the same time investment attractiveness of other areas which ranked lower in view of the development of such services should be improved.

- It is advisable to use the potential for tourism especially in such gminas characterized by very high or high investment potential ranks as: Ciechocinek (1), Osielsko (2), Białe Błota (2), Toruń (1), Wielka Nieszawka (2), Świecie (3), Zbiczno (2), Brzozie (2), Gąsawa (2), Dąbrowa Chełmińska (2), Bydgoszcz (1), Osie (2), Nowa Wieś Wielka (2). Measures connected with using the
The aforementioned areas are in line with priority areas of voivodship’s strategic measures, measure 1.3. Promotion of the development of tourism, being a part of measure 1. Development of modern economy.

- The voivodship should also use its potential for the development of trade represented by relatively numerous locations characterised by high ranks, which applies in particular to the gminas: Toruń (1), Bydgoszcz (1), Inowrocław (1), Włocławek (1), Wąbrzeźno (1), Grudziądz (1), Chelmża (1), Ciechocinek (1), Chelmno (1), Aleksandrów Kujawski (1), Golub-Dobrzyń (1), Brodnica (1), Lipno (1), Kowal (1), Rypin (1), Osielsko (2), Radziejów (1), Świecie (3), Tuchola (3), Sołec Kujawski (3), Barcin (3), Nakło nad Notecią (3), Janikowo (3), Osie (2).

2. Kuyavian-Pomeranian voivodship is a region with a specialisation in the industry. On the domestic market it is the leading supplier of paper and paper products, chemicals and chemical products as well as food and beverages.

**Recommendation:** The industries characterized by returns on sales above the average and emerging sectors and expanding market can be considered emerging ones. Poland-wide the manufacture of paper and paper products as well as the manufacture of rubber products and plastic can be considered such sectors. For the competitiveness of both divisions we recommend the activities aimed to strengthen the competitive rank of Kuyavian-Pomeranian voivodship on the domestic market in these divisions. It should be accompanied by servitisation based on the most profitable services, i.e. tourism and restaurants as well as modern ITC services.

On the basis of data on medium-sized and large enterprises’ economic performance the following emerging sectors can be considered promising: manufacture of leather and leather products, publishing, printing and reproduction of recorded media, manufacture of other transport equipment, manufacture of other products, wholesale trade excluding wholesale of vehicles, investigation and security services and education as well as groups: Manufacture of bakery and farinaceous products, manufacture of footwear, printing and other activities related to printing, manufacture of other fabricated metal products, manufacture of other special purpose machinery, manufacture of other products n.e.c. and wholesale on a contract basis. The manufacture of computers, electrical and optical equipment should also be mentioned.

3. In an international comparison Kuyavian-Pomeranian region falls into the category of the regions characterised by the lowest level of economic development. In terms of investment outlays on fixed capital formation Kuyavian-Pomeranian region successfully competes on the investment market with regions characterized by a similar level of economic development and the similar structure of economy. It applies in particular to Hungarian industrial regions and numerous Bulgarian and Romanian regions. The inflow of international investments is also influenced by demographic potential and the time elapsing since the EU accession. Romanian regions are currently particularly popular with investors.

**Recommendation:** In order to increase the popularity of the region with investors further support for demographic processes is necessary, in particular through the improvement of people’s standard of living and support for the SMEs, support for advanced technologies and innovations, investments in infrastructure, increasing accessibility of external financing, limiting bureaucracy, improvement of education and focus on R&D.
Kuyavian-Pomeranian voivodship competes for the foreign investor not only with other voivodships but also other countries. Therefore, the task of self-government authorities should be to create an image of a region which meets the needs of foreign investors.

Creating economic complexes with infrastructure provided for them is a direct incentive for the inflow of new foreign investments. Therefore, further creation of such enclaves is recommendable. The activities of gminas should not limit themselves to mere providing the land with technical infrastructure. The task of gminas should also be facilitating the cooperation between investors and the R&D establishments and business assistance institutions.

At the same time such competitive advantages of the voivodship should be used as:

- The presence of Bydgoszcz-Toruń agglomeration creating an attractive market (over 600,000 inhabitants, all cities composing the agglomeration were ranked as most attractive (Class A) in terms of potential investment attractiveness).
- Highly beneficial location in view of domestic markets;
- Well-developed basic infrastructure comprising water-line, sewage, communication and power transmission systems;
- The protection of the natural environment conducted best in the whole of Poland,
- The presence of well-developed vocational education establishments;
- Good economic performance of companies, in particular industrial and commercial companies;
- Favourable age structure of the population and the ability to attract foreign migration on the level exceeding national average;
- Measures taken in the field of social policy;
- Companies’ returns on fixed assets;
- High labour productivity in the market services;
- Profit per an employed person in tourism and restaurant services above the average;
- Rather high innovativeness of capital-intensive industry;
- Attractive specialised trading infrastructure.

4. Kuyavian-Pomeranian voivodship also possesses a substantial developmental potential which consists of:

- Highly beneficial location in terms of communication and well-developed transport infrastructure;
- Demographic and educational resources, including human resources with higher education thanks to the presence of higher education institutions, especially the Nicolaus Copernicus University in Toruń, which is considered one of the largest universities in central Poland;
- Outstanding conditions for the development of agriculture;
- Compared with other Poland’s regions a substantial potential of agricultural biogas, biofuel, biodiesel and surpluses of straw;
- Access to the Vistula and mineral resources (rock salt, limestone).

Recommendations: besides renewable energy and manufacture of food and beverages, the following directions of investments can be recommended as the drivers of regional development:

- **Tourism** based on the well-preserved environment of region, cultural heritage, a wide range of cultural events, sports infrastructure and support from the research and
development sector. In the voivodship there exist good conditions to hiking and cycling tourism, water sports: yachting, canoeing, windsurfing and angling. The region also has a potential to develop rural tourism. In the Kuyavian Lake District there are brine deposits which are a basis for developing specialized tourism services connected with health care and spa treatment.

- **Chemical industry** – based on mineral resources and long-standing regional traditions. The companies in this sector have an access to well-qualified human resources educated at regional higher education institutions and their faculties of chemistry. An access to specialized research and development institutions is also important.

- **High-tech industry (e.g. biotech industry)** – based on the regional potential of research and development and the advantages of the environment.

- **e-technology Sectors (e.g. IT)** – based on the high level of e-communications technologies in the region, including broadband Internet access embracing the area of the voivodship.

- **Off-shoring services** – among others research and development, IT, financial and accounting services, legal services, advisory services and call centres. The basis for the development of such services is the access to well-qualified human resources (including the unemployed with higher education or technical secondary education), the possibility to cooperate with higher education institutions and research and development establishments, relatively low labour cost and good access to telecommunication infrastructure (telecommunications and IT) as well as the development of the market of modern office premises. These criteria are fulfilled chiefly by the biggest and some of the medium cities of the region.

- **Logistics, distribution and warehousing centres and BPO in this respect** – thanks to the strategic location of the region and its good transport accessibility. The spatial distribution of investments in Kuyavian-Pomeranian voivodship can be seen mainly as a result of the present level of the development of particular gminas, previous industrial traditions and geographical location. The analysis of the spatial distribution of investments supported with public financial resources indicates their minor influence or even no influence on creating new investments outside strong growth centres in the region.

On the basis of the strategy of the spatial development of Poland, strategy of spatial development of Kuyavian-Pomeranian voivodship and the potential investment attractiveness rating it is recommendable to develop modern services and innovative industry in the Toruń and Bydgoszcz agglomeration as well as in Włocławek and Grudziądz. The development of health care tourism (chiefly in gminas Ciechocinek and Inowroclaw), also in the north of the voivodship (Bory Tucholskie), should be considered given the advantages for tourism and brine resources. The rural areas, especially in the southern and eastern parts of the region, are predisposed to the manufacture of high quality food and renewable energy based on agricultural resources. These functions should not be treated separately because in the rural areas there is a chance to gain synergy effect as a result of developing food and tourism specialization, e.g. in agritourism.

5. Investment attractiveness and consequently the absorption of investment varies substantially within the voivodship. The diversification of investment attractiveness is influenced by the concentration of the economic and social potentials in the urban growth poles among others in Toruń, Bydgoszcz, Włocławek and Grudziądz. The spatial allocation of public funds strengthens the dominant role of Bydgoszcz and Toruń.
agglomeration in the process of regional integration as a place of concentration of major administrative and economic functions.

Recommendations: To ensure the spreading of growth and diffusion of innovations it is recommendable to:

- Improve the communication accessibility within the region so that the economic growth generated in the regional centres would be transferred to other cities and through them to urbanised areas surrounding them and rural areas; modernization and development of transport infrastructure should aid this aim; moreover, the high-tech investments should have the priority in these areas in the case of investments supported with public financial resources.

- Support subregional centres (Aleksandrów Kujawski, Brodnica, Chelm, Chelmża, Golub-Dobrzyń, Kowal, Lipno, Nieszawa, Radziejów, Wąbrzeźno, Inowrocław, Włocławek, Ciechocinek, Grudziądz) through the development of such functions thanks to which they will be able to activate the surrounding areas, including rural areas; the support may concern the further development of such institutional forms of supporting entrepreneurship as entrepreneurship incubators, loan funds and collateral funds.

- Given the approaching end of the funds from ROP KPV and the necessity of programming a budget for the next multiannual financial framework it is important to differentiate supporting instruments and privileged branches on account of investment location. In Toruń-Bydgoszcz bipole it is recommendable to support the branches the demand for which is growing dynamically and which need to cooperate with other entities, which in turn will aid the creation of cooperation networks and clusters as well as diffusion of innovations in the region. In other less attractive regions the companies which closely cooperate with the investors operating in the major cities or special economic zones should be supported.

- Owing to the positive complementarity effects of the actions being financed from the public funds they should also be used after 2013 but it is recommendable to increase the importance of the renewable supporting instruments, i.e. increasing the importance of loans and collaterals and decreasing the role of non-repayable support. Non-repayable support should still be offered but only to new technologically advanced investments or the investments of new microenterprises to finance the running operational costs. Other investments meant to modernise, reconstruct or replace, expand production capacities should benefit from renewable forms of support, i.e. loans and collaterals or subsidizing the interest rates of loans and credits.

6. Considering the analysis of trends in the inflow of direct foreign investments to Kuyavian-Pomeranian voivodship it should be stated that the value of investment outlays of foreign investors in Kuyavian-Pomeranian voivodship shows the diminishing tendency. This is due to a decrease in the popularity of the region with the investors from such countries as France, Denmark, Great Britain, Austria, Republic of Korea, Belgium, Switzerland and the United States.

Recommendations: to subvert the negative trend in the absorption of new investments it is necessary to make changes allowing to generate new competitive advantages such as:

- Introducing progress in the research and development sector. This is a key factor for regional development and consequently stimulating investment attractiveness. According to the benchmarking analysis the following actions can be recommended:
Wide-scale applications of special forms supporting the liaisons between science and business in form of knowledge vouchers and innovation vouchers. As it was proven by the example of Moravia, this kind of cooperation should be based on the leading role of the centres of Toruń and Bydgoszcz.

Using IT tools and thematic Internet platforms to increase the transfer of knowledge between the science and business (the example of Greater Poland). From this point of view the initiatives taken in Kuyavian-Pomeranian voivodship to spread broadband Internet connection and create Regional Innovation and Information Society Development Centre (Regionalny Ośrodek Rozwoju Innowacyjności i Społeczeństwa Informacyjnego) as well as the first attempts to introduce educational vouchers should be positively evaluated.

Internalization of higher education activity, which seems essential given the necessity of the adjustment to new standards in higher education but also to demographic challenges the universities are facing (demographic low). A good practice in this respect is offering educational programmes taught in foreign languages developed in cooperation with higher education institutions from and outside Europe (a good practice in Lower Bavaria). Not only is the internationalisation of higher education a source of gaining access to the most recent developments in a particular field but it also increases the recognition of a region in the world.

The application of place marketing is also necessary, in particular there is a need to adapt the purpose of an investment offer to the location-specific advantages of a given area. A careful preparation of an investment offer and professional investor assistance is also very important, of which the success of Łysomice subzone of special economic zone is symptomatic. It is, however, worth paying attention to the increasing role of specialised territorial products, i.e. prepared for the investment from a strategic sector for a given region or gmina.

Kuyavian-Pomeranian voivodship distinguishes itself by a relatively huge amount of investments offers. However, in the descriptions of the offers the purpose of given land is vaguely stated, which makes an initial selection of an offer, including one from other voivodships, hard. A link between the offers and the areas defined in the strategy of regional development as strategic is barely visible.

In the promotion of the voivodship an appropriate presentation of an offer is very important. Therefore, a search engine of online investment offer and information on potential business partners in foreign languages, especially in English and German, given a particularly high popularity of Kuyavian-Pomeranian region with German investors, are both significant. In particular foreign investors already operating in the region should be highlighted and the self-government territorial entities distinguished in contests or ratings prepared by independent institutions (Gmina Fair Play, Grunt na medal [Golden Sites], Złota Setka Gmin [The Golden Hundred of Gminas] and Złota Pięćdziesiątka Powiatów [The Golden Fifty of Poviats] of Business Administration Institute of the Warsaw School of Economics) should also be mentioned.

Public aid has had little meaning for investment attractiveness so far. Its beneficiaries are relatively often entrepreneurs in the regions characterised by high location-specific advantages emerging from the achieved level of economic development. Special economic zones and EU-co-financed projects are a source of additional benefits for investors but they are not a significant source of aid for the areas characterised by a lower level of economic development. Therefore, the concentration of public aid on projects which are likely to unleash local potential and be conducive to creating original and innovative products and services is worth considering. There are huge opportunities in clusters and cluster initiatives as well as in creating technological parks and science and technology parks.
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In conclusion, thanks to a favourable location and relatively well-developed economy Kuyavian-Pomeranian voivodship has chances to gain super-regional importance. To make use of them development activities should focus on the strengthening of cooperation between the capital cities of the voivodship and their business promotion and creating synergy between economic, scientific and social spheres.
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The purchase has been co-financed with the funds of the European Union, European Regional Development Fund, within the framework of sub-measure 6.2.1. of the Operational Programme Innovative Economy “Support for the network of investors and exporters assistance”.