

The Province of Pomerania



Economy

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Economic

General Information about the Region

Location

The Pomeranian Province is situated in the North of Poland, on the southern coast of the Baltic Sea. It stretches from the small port in Ustka on the West, through the ports in Łeba, Władysławowo, the Hel Peninsula, and the large Baltic ports on the Bay of Gdańsk (Gdynia and Gdańsk), to Krynica Morska on the Vistula River Spit, which borders on the East with the Russian Federation. The province has 316 km of coastline, which constitutes about 60% of the whole coastline of the country.

Pomerania also has borders with four other provinces: West-Pomerania, Greater Poland, Kujawy-Pomerania and Warmia-Mazury.

The area of the province is 18 293 km², and accounts for 5.9% of the country.

The Population

This region is inhabited by 2,179,900 people (according to the National Census of 2002) representing 5.7% of Poland's total population. The density of the population averages 119 people per square kilometre.

1,484,800 people live in towns; at 68.1% of the Pomeranian population, this represents the fourth most urbanised province in the country.

The largest cities of the province (with populations) are:

Gdańsk	461,600
Gdynia	253,800
Słupsk	99,500
Tczew	59,900
Starogard Gdański	48,900
Wejherowo	44,700
Rumia	44,000
Sopot	40,300
Chojnice	39,400
Kwidzyn	37,400
Kartuzy	30,200
Bytów	23,300
Kościerzyna	23,200
Pruszcz Gdański	22,800
Reda	17,500
Ustka	16,300



Pomerania is an attractive region to live in. In the past few years, the number of inhabitants has increased. In the years 1988–2002 the number of people living in the province increased by about 3.9%. This was the third largest increase in population of all the sixteen Polish provinces.

According to research carried out in 2003, Pomeranians are the most satisfied with their lives in the whole of Poland...

Provinces with the highest increases in population (1988 – 2002):

Minor Poland	+4.5%
Subcarpathia	+4.0%
Pomerania	+3.9%
Greater Poland	+3.4%
Lubuskie	+2.6%
Masovia	+2.5%



Tri-City – The Polish metropolis on the Baltic Sea

The capital of the Province is Gdańsk – a city with a history spanning more than 1000 years. But now the role of metropolis is played by the Tri-City agglomeration created from the three cities located in the Bay of Gdańsk: Gdańsk, Gdynia and Sopot. Their combined population of nearly 750,000 inhabitants amounts to one-third of the population of the province. Gdynia is a modern port and a dynamically developing area since the 90s; the city itself was established in 1926. Sopot is a seaside resort, centre of culture and an area with a developing modern services sector.

43% of the province's economy is concentrated in the Tri-City. It acts as a very important transport junction and it is the largest academic and scientific centre of the Northern Poland, as well as the main cultural centre.

The Tri-City is a venue for international contact. Here there are departments, consulates and secretariats for various international organisations. International contacts are made at the ports and in the exhibition centre. There are also various trade and cultural representatives from many countries and regions, cooperating with Pomerania (more information in the chapter „Cooperation with Pomerania”).

Natural Virtues of the Region

Pomerania is a land of unusually varied geography. In the east – in Żuławy – there are the biggest depression areas in Poland, in the centre of which lies the glacial hill, Wieżyca (329m above the sea level).

The province lies in the river basin of the Vistula. Rivers Wda, Liwa, Wierzyca, Brda, Motława and Radunia as well as Reda, Łeba, Słupia and Łupawa flow into the sea.

Pomerania is one of the most forested regions in the country. Forests take up 36% of the province. The western and southern counties are particularly forested (Bytów, Chojnice and Człuchów).

Pomerania is also the land of lakes. There are about 450 lakes in the area which are more than 1 ha in size, the largest ones are Łebsko, Gardno and Wdztdze (15km²). The clean waters of the lakes favours the development of tourism, water sports and fishing.



There are nine Nature Protection Parks – two national parks, nine landscape parks and about 120 nature reserves. The most precious area is the Slovenian National Park, which was added to the list of UNESCO World Biosphere Reserves.



The Climate

Climate of the region is determined by its location near the Baltic Sea. The influence of the sea eases the climate: in the winter is warmer and in the summer the heat is not too severe. The warmest month is July (average temperature in July is 19.6°C) and the coldest month is February (average temperature is -1.4°C in the east of the region). The average temperature of the sea in July is 18.3°C and in January 2.1°C. Summer season lasts from early June until the end of September, with the peak occurring in July and August. The annual rainfall varies from 529.4 mm (Northern part of Gdańsk) to 979 mm (Lębork area).



Pomerania in the Administrative System

Polish administrative system is composed of three authority levels: communal, county and provincial.

Communes – consist of the locally elected Commune Council (legislative body) and (depending on the size of a commune) executive body – Head of the Commune, Mayor or Lord Mayor (president).

Counties – authorities consist of the County Council (legislative body) and County Board (executive body) chaired by a „starost“.

The province – authorities consist of the Regional Parliament, made up of elected councillors (legislative body). The Chairman (Marshal) heads the Parliament.

Communes

From the investors point of view the most important relations are those with communes. – the smallest units of the local government structure. Communes manage their area, creating spatial planning. They decide where and how investments and buildings can be, and what kind of activity can be held in a specific area. Communes also create economic policy, for example by introducing tax allowances.

The Pomeranian Province is divided into 123 communes: 25 urban, 17 mixed urban-rural and 81 rural. There are 42 cities and 2993 villages.

Counties

Part of the administrative duty is realised on the county level. Counties are responsible for, among other things: high schools, social security and health care (partially). The activity of controlling units' such as building, epidemiology and veterinary supervision is also a part of its function.

Counties coordinate local units of the police and fire brigade, though they are managed by a central service.

Pomerania is divided into 16 counties and 4 cities (with granted county rights).

The Province

The province is the largest unit of both the administrative division of the country and the local government structure. Poland is divided into sixteen provinces.

Tasks of the provincial government – the Regional Parliament creates the regional economic policy, coordinating it as well as creating the foundations for regional development.

The responsibilities of the provincial authorities include developing and implementing a strategy to create conditions conducive to the region's economic growth. It also deals with top-level public services, i.e. specialist medical services and cultural institutions. However, one of the most important duties is to coordinate activities connected with accepting and introducing structural funds of the European Union.

The Regional Parliament (33 councillors) is headed by the Chairman and the 5-person Regional Board is headed by the President (Provincial Marshal).

The Governor

The governor represents the interests of the central government. The governor subordinates the Provincial Office, has the position of the guardian of the law and can quash decisions taken by the local government of any level if the resolutions are faulty or in conflict with the binding law or state interests. The Governor also controls execution of the tasks entrusted to the local authorities. The Governor's duties cover: public safety, protection of the citizen's rights and government representation at national celebrations.



Administrative division-counties and communes in the Pomeranian province



Economy Profile

Pomerania ranks among the top provinces in terms of industrialisation (ca 70%). Within Poland, Pomerania is ranked seventh in terms of GNP; it also has fifth position for nominal product value and GNP per capita. Even more encouraging, is the indicator for the value of production per worker, which places Pomerania at second position in the country. It means that in the region there are a large number of enterprises based on processing work. The value of sold production in the Pomeranian Province in 2002 was 55.36 billion PLN, in comparison to the indicator of employment, which was 43, 6% in 2002.

Category Pomerania's Ranking within Poland

Number of people	10
Number of workers	13
GNP	7
GNP/per capita	5
The value of production per worker	2

The statistics of Pomerania.

In export, the region is situated in fourth place; in accepted foreign investments – fifth; as far the population with a higher education is concerned – second. In tourism, which is becoming the strongest sector in the Pomeranian economy, the indicator of the number of beds available is three times higher than the national average.

The region's economy and its relationship to the sea:

shipbuilding and ship renovation, sea navigation, fishery, fish processing, tourism, and the service sector relating to these activities.

The largest sales income is from trade – wholesale and retail. According to data for 2002, the income was about 10.8 billion PLN.

Pomerania's success is the result of its inhabitant's entrepreneurship. Pomeranian entrepreneurs are the most active in Poland. The level of the economy is measured by the amount of registered companies per 1000 inhabitants. Pomerania is placed in second place in Poland. Within the confines of innovative activity – 80% of companies from Pomerania use modern production methods, 75% are improving their quality and 65% are decreasing production costs and changing their product range.

The ownership structure shows the high level of Pomeranian people in business and the end of state owned enterprises

which dominated in the period of the communist economy. From about 16,000 commercial law companies, just 96 of them are state owned. More than 3 thousand companies are with foreign equity participation. There are also 15,000 civil partnerships and 180,000 private companies. This ownership structure places the Pomeranian province at:

Second position – as far as level of entrepreneurship is concerned;

Third position – as far as income dynamics are concerned;

Fourth position – as far as profitability is concerned (in 2003 – 76.8% of Pomeranian companies were profitable).



Employment according to the ownership form (percentage)

Private sector	73,2
– Foreign property	4,9
Public sector	26,8
– State	8,2
– Legal entity	6,3
– Administrative units	11,2



The Pomeranian province is the region with the highest increase in export dynamic. Since 1995, it increased two and a half times. Even in terms of export value, Pomerania has first position in the country – 1708 USD. The export from the region is characterised by the high level of product concentration. For the five categories of products, two thirds of them were due to the export value. There are means of water transport, electronic devices (the most dynamic increase), oil and synthetic products as well as paper products. Pomerania's virtue is as an exporter of technologically advanced products.

Export from Pomerania is about 10% of all Polish export, and import is 7.8%. In both categories, the region holds fourth place in the country. Among the main partners of Pomerania are countries within the European Union. The highest number of sold items was to Germany-27.4%, to Great Britain – 11.2%, to Sweden – 8.7%, to Holland 8.4%, France 7.4% and Denmark 4.5%.

Pomerania's no.1 exporter is Philips Consumer Electronics in Kwidzyn (2.12 billion PLN). Other companies with high export figures are: Gdynia Shipyard S.A., Intel Technology Poland from Gdansk, Gdansk Repair Yard and „Lubiana” porcelain tableware.

The largest Pomeranian companies in terms of income (in million PLN)

Gda nsk Refinery	6 395
Philips Consumer Electronics	2 319
Gdynia Shipyard	2 212
International Paper Kwidz yn	1 757
GE Capital Bank	1 448
Energ a Gda nsk Power Generator	1 012
STU Ergo Hestia (insurance)	990
Prokom Software	975
Polpharma	865
Gda nsk Repair Yard	575



Provincial Infrastructure

The Seaports

The largest ports in the region are in Gdynia and Gdańsk. Both of them service almost every type of cargo but each of them has its own specificity.

The most important type of cargo received in Gdańsk is liquid petroleum. Its close proximity to Gdańsk Refinery makes sea transport a convenient way of delivering oil and processed petrol. As a result, in 2003 there were 9.9 million tons of liquid petrol loaded in Gdańsk, which accounts for 47% of all cargo. Other major goods are: coal – 27.8%, mass products 12.1%, general cargo – 10.8%, corn – 1.9%.

Total cargo in Gdańsk, reached 21.3 million tons in 2002 and increased in 2003 to about 22.6 million tons.

Gdańsk port has attracted a British investor who is interested in rebuilding its reloading base. The estimated cost of the completed investment is about 175 million USD. The contract signed in January foresees the building of a container terminal. In the first stage, two posts will be built, of a total value of 500,000 TEU (20 degree container). The second stage includes rebuilding the terminal to be able to reach an efficiency of about 1 million TEU.

Baltic Container Terminal in Gdynia port is the city's greatest asset. 83% of all containers are transported to Poland this way. In 2000, it was 188,000 TEU and 3 years later 308,000 TEU. In 2003, a container investor from the Philippines ICTSI privatised the terminal. The next of Gdynia's terminals are preparing for privatisation. Baltic General Cargo Terminal has a landing pier almost 4 km long.

Cargo Processed in Gdynia Port (without containers) in million tons

2000	8,6
2001	8,4
2002	9,3
2003	9,7

The biggest amount (apart from containers) was reloaded in Gdynia in 2003

general cargo	58.8%
coal and coke	14.8%
mass products and others	14.7%
corn	8.9%





The Power Grid

The need for electricity in the province is fulfilled by the national system and local sources. Demand in the autumn-winter peak is about 900 MW, 40% of this energy comes from water power station Żarnowiec, situated in Pomerania.



Three regional power operators distribute electric energy: Gdańsk Power Generator S.A., Electric Plant Słupsk S.A. and Electric Plant S.A. Elbląg. All operators are investing in expanding and modernising the existing transmission network.

There are also good conditions for developing the power industry based on renewable power sources (water, wind and biomass).

The Water Supply System

The water-pipe network is in every city and commune in Pomerania.

Nearly 90% of the province's inhabitants are using this system, whereas in the cities it is 97%. Water consumption has remained for some time at the same level at about 240 hm³. In most areas, there is a surplus of supply over demand.

Within the confines of the „Programme of the Baltic sea waters, the Bay of Puck and the Bay of Gdańsk waters as well as the Vistula Bay protection”, every year there are new sewage treatment plants being modernised or built. Every year in the Pomeranian Province there are 150 pro-ecological investments being realised. These are organised by local governments, which use their own means, the Provincial Protection Fund and EU funds.

The largest pro-ecological project in the Baltic Sea Region was the Sewage Treatment Plant, Gdańsk-East. For its completion, the commune received a European Union award and the Prize of the Swedish Government.

Telecommunications

The telecommunications infrastructure is developing very fast. In city areas, its condition is good. In the villages, despite a vast improvement, connection availability has not yet reached the appropriate level.

The number of main telephone links (including standard and ISDN links) for 1000 inhabitants is 325 and is higher than the national average.

There are several telephone operators (TP S.A., Netia Telekom, Tele 2, Telefonía Lokalna S.A.-Dialog network) and local operators. All of them offer comprehensive telecommunication services for individual and corporate clients including ISDN transmission, internet access and link rental. Specialised companies provide data transmission and internet access. The Tri-City Academic Computer Network-optical fibre network, serves academic and industrial services, with 20 000 computers, including Poland's largest computer cluster, located in Gdańsk Technical University, with 256 processors.

The whole provincial area is within the range of national mobile phone operators: NMT450 (PTK Centertel), GSM 900 i 1800 (Era GSM, Idea, Plus GSM). Development of the digital telephony network will provide common access within the region.



Special Economic Zone

To attract potential investors, two special economic zones were created in Pomerania. These areas have ensured access to technical infrastructures. Investors who held business activity in this area are given income tax exemption until the year 2017 to help with investment expenses and to help to decrease unemployment in Poland.

Pomeranian Special Economic Zone Tczew – Żarnowiec. The zone includes terrains of 348.37 ha, situated in Tczew, Kwidzyń, Starogard Gdański, Malbork, Sztum, Chojnice and Człuchów as well as in Krokowa and Gniewino communes. According to the development plan of the Pomeranian Special Economic Zone, entrepreneurs are preferred who started their businesses in the following sectors: electro machinery, electronic items production, telecommunication elements and devices production, programming and data processing, medical devices production, pharmaceutical industry, chemical and biotechnological, research and development works in the technical and natural field. There are 25 companies within the Pomeranian Special Economic Zone, employing about 5000 people.

The zone is managed by the Pomeranian Special Economic Zone Ltd., detailed information about conditions and law are available on the website: www.stefa.gda.pl

Slupsk Special Economic Zone. The zone was established on 167 ha, in two complexes near Slupsk. Preferred types of activity are: electro machinery and electronic industry, food processing industry especially fish-processing, plastic processing industry, wood and furniture industry and leather goods industry. At the end of 2003, 21 companies started, and as a result, 1000 new people were employed. In October 2003, two new zone complexes were established with a combined area of 41 ha, in Koszalin (Western Pomerania Province) and in Debrzno commune in Człuchowo County.

The zone is managed by the Pomeranian Agency of Regional Development S.A., detailed information about the conditions and law are available on the website: www.sse.slupsk.pl

Financial Services

Pomerania presents itself very well on the financial services market. Due to efficient management and attracting new strategic investors, Pomeranian financial institutions have increased their participation on the national market. STU Ergo Hestia (insurance), Nordea Bank Polska, GE Capital Bank and Futura Leasing which have located their national headquarters in Pomerania, have become increasingly important subjects on the financial services market or on the insurance market. In the finance sector there are about 5400 people working.

Nearly 350 commercial bank establishments are located in Pomerania; bank services availability is comparable with the Polish average. For one bank establishment there are about 9000 citizens. The most developed bank networks are: PKO BP, Bank Millenium S.A. and PEKAO S.A.. There is also a dynamic increase of BPH-PBK S.A. bank.



Transport and Communication

Pomerania has favourable transport connections with other regions both abroad and in the country.

Road network

Through Pomerania runs the international transport route, which enables future development of the Trans European Transport Network of the European Union. There are: route IA (Ryga – Kaliningrad – Elbląg – Gdańsk) which connects with route I (Helsinki – Tallin – Ryga – Kowno – Warszawa) and route VI (Gdańsk – Katowice – Żylica). The network of international and national roads connects the region with: Southern Europe via Slovakia (E-75, E-77), with Eastern Europe via Kaliningrad (E-22) and with Western Europe via Germany (E-28).

The eagerly anticipated motorway A1 is in the strategic plans of Pomerania, which will connect the Tri-City with the South of Poland and with Europe. The A1 motorway is also a part of the shortest possible route from Scandinavia to the South of our continent. The European Union, European Economic Committee of the UN and World Bank support this initiative. This route provides a chance for the development of the whole region. Building the A1 arouses huge curiosity among society and its development is in the hands of the national government.

The provincial road network is well-built and is 18,884 km long. 90% of Pomeranian roads are properly surfaced allowing heavy transport.

In 2002-2003 vital investments to the Pomeranian road network were made. These investments were made using local government money, EU supporting funds and national budget. Due to the EU supporting funds, a renovation of the national road E7, connecting Gdańsk with Warsaw, has also started. Seaside route Reda-Władysławowo is also being rebuilt, which has major

importance because of tourism. In 2002, a bridge was finished which connects the port in Gdańsk with the E 7 route to Warsaw, and in 2003 the ring road of Człuchów was completed, which lies on the busy road no.22 from West to East of the country.

Railway Links

International passenger trains ensure direct international connections from the Tri-City to Berlin, Prague and Kaliningrad. Gdynia – Warsaw – Katowice – Slovakia route is on the development priority list in the European Commission. This means that in the next few years this railway link will be rebuilt.

There are 1350 km of railway lines being used in Pomerania. The railway network density is one of the largest in Poland. The coefficient of working railway lines in the Pomeranian area is 7.4 (line length per 100 km²).

The importance of Pomerania on the railway map of Poland is a result of the fact that a lot of cargo, which goes to the port, is transported by railway. The key lines are:

Tri-City – Szczecin – Berlin,
Tri-City – Tczew – Warsaw – Silesia,
Tri-City – Tczew – Poznań – Wrocław,
Tri-City – Malbork – Elbląg – Olsztyn – Białystok – Lublin.

The regional lines complement the railway lines of national and international importance, such as: Gdynia – Kościerzyna – Bydgoszcz; Tczew – Chojnice – Szczecinek – Piła – Kostrzyn; Malbork – Grudziądz – Toruń.





Airports and Air Links

The International Airport at Gdańsk-Tri-City is able to service even the largest planes. It has links with Warsaw, Copenhagen, Frankfurt, Hamburg and London. Built in recent years, its modern passenger terminal is ready to dispatch 500,000 passengers every year. However, the airport is currently being used only at around two thirds of its potential.

The air-cargo links are even more developed. Air cargos through Gdańsk airport go to Berlin, Frankfurt, Hamburg, Copenhagen, London, southern Sweden and Warsaw. Cargo turnover at Gdańsk – Tri-City airport in the first half of 2003 was about 1200 tons.

The majority of work done at the airport is controlled by the local governments, (mainly Gdańsk, Gdynia and Sopot), which means that the airport can quickly react to the markets demands and act in the best interests of regional development. Gdańsk airport was the first in Poland from which low-fair airlines started to operate.

Seaport links

The Tri-City offers many convenient connections with Baltic ports. Ferry lines, containers, and ro-ro connections are most common. In 2003, ferries were cruising from Gdańsk and Gdynia to Swedish ports such as Karlskrona, Nynashamn (60 km from Stockholm), Trelleborg and to Copenhagen. The Gdańsk-Trelleborg-Copenhagen connection bore fruit in the form of a modern passenger terminal, with its own strip of landing pier, where ferries

and ships transporting ro-ro loads of 200m length and 9m draught can be transported.

Gdynia-Karlskrona is one of the most important links on the European North-South axis. Two ferries, departing from Gdynia, twice a day, dominate the traffic in this area. In 2003, nearly 400,000 people and 100,000 cars were dispatched. In 2004, a new ferry terminal was opened in Gdynia, which is prepared to serve twice as much traffic.

There are also tourist cruises from Pomerania to ports in Russia and to Bornholm, by ship, catamaran or hydrofoil. Some of them enable duty-free shopping:

- Gdynia – Bałtyjsk
- Gdynia – Hel – Kaliningrad
- Gdańsk – Bałtyjsk – Gdańsk
- Elbląg – Krynica Morska – Frombork – Kaliningrad
- Frombork – Swiettyj – Frombork
- Ustka – Bornholm (Nexo) – Ustka.



The biggest cruise ships in the world come to Gdynia. They revive the city, giving much to the service sector and promoting the region at the same time. In 2002, tourist cruise ships visited the port 53 times, whereas in 2003 this figure rose to about 100 times. The biggest cruise ship so far was 294 meters long – the „Constellation”. During the stop in the port, passengers mainly visited Gdańsk, Malbork and the folklore open-air museum in Wdzydze.

Property Market

Pomerania is one of the most attractive regions in Poland as far as investing in property is concerned. The province offers various incentives. When taking on the unemployed, special reductions can be given. Communes offer tax exemptions when building or buying properties and then starting production. It is worth mentioning that the Pomeranian property market is the biggest in Poland.



Rental rates in the modern shopping centres in the Tri-City are from 45-80 PLN per m². Rents in the shopping centres in suburban areas have decreased in recent years. However, this tendency was not observed in the Tri-City itself. There is also a visible expansion of retail shops, offering products for lower than average prices.

Office Property Market, concentrated mainly in the Tri-City has recovered fully from the recession crisis. Rent prices in Gdańsk are from 20-50 PLN per m². Similar prices can be found in Gdynia and Sopot.

Prices of warehouse rental with good city location are from 8-15 PLN per m². Many urban warehouses that were built in the past are now destined for living and entertainment. So far, no modern warehouses

have been built in the city centres. The exception is the Pomeranian Food Wholesale Centre

near Gdańsk. Possibly this type of building will be built due to the future motorway, the A1. Another factor which will cause activity in this sector, is the building of a huge new container terminal in Gdańsk port.

There are 270,000 flats in Pomerania. The most popular ones are two and three room flats. However, great interest is being aroused by the luxurious apartments, built mainly in Sopot. The revival of the property market has been aided by Poland joining the European Union and the broader availability of mortgages. Now, average prices for flats are:

- flats which are not newly built 2000 – 2800 PLN per m²
- flats newly built 2500 – 3500 PLN per m²
- apartments which are not newly built 5700 – 7600 PLN per m²

A revitalising plan for Gdańsk, created by the local government will have a great effect on the property market.

Degraded areas, old districts, post-industrial terrains and ex-military areas will come to life. Among these, the first to be renovated, will be districts of historic and cultural importance. Building works are planned for 60% of the city area. Money will come mainly from the European Union.



Foreign Investments

Pomerania is an open region for foreign investors. The province is in 5th-6th place in the country in terms of investments. In 31st March 2003, Pomerania was home for 3145 companies with foreign equity participation, among these 176 invested over 1 million USD each.



Americans lead the way. American concern ICP, invested 300 million USD by buying Kwidzyń cellulose plant (International Paper Kwidzyń S.A.) and creating one of the most modern paper production companies. Another large American investor built the Flextronics plant, which produces electronic items in the Special Economic Zone in Tczew.

The total amount of foreign investments in Pomerania has reached 3 billion USD. Companies from USA, Germany, France, Holland and Scandinavia prevail. Investments are located mainly in the production of: paper, electronics, food, furniture, means of communication, cosmetics and packaging. Foreign investors are broadening supermarket chains and investing in banks and communal services, leasing and insurance.



The largest foreign investors in Pomerania

Country of origin	More important companies		
	Production	Services	Trade
USA	International Paper Kwidzyn, Flextronics, Intel Technology Poland, PepsiCo.	GE Capital Bank	Office Depot
GERMANY	Baltic Malt, Dr Oetker	STU Ergo Hestia, Gdańsk Power Industry	Praktiker, Makro Cash & Carry
FRANCE	Danuta S.A.pasta producers, Belvedere	Saur Neptun Gdańsk, Heat and Power Plant Wybrzeże	Auchan, Geant
SCANDINAVIA	Skanska Polska, Skania Kapena S.A., Volvo Polska, Fazer Polska, Ericson – Unimor	Nordea Bank, Netia Telecom	
HOLLAND	Philips Consumer Electronics, Expac Packaging Production, Farm Frites Poland	Eastbridge	

German presence is also noticeable. Their largest investment was Ergo Hestia, the insurance company, which still grows and it is getting more and more powerful on the insurance market. German investments have various forms including: publishing press, developing food industry, furniture production and trade in specialist supermarkets.

French companies in Pomerania are present now in trade, food industry, heating services and the cities' waterworks.

Scandinavian investors are more visible than any others. The most serious investment is the Scandinavian financial group Nordea, with Polish headquarters in Gdynia. Scandinavian presence can also be found in trade, animal rearing and meat processing, road building and means of transport production.

Large investments in the port sector. In 2003, the Baltic Container Terminal in Gdynia, was privatised with the cooperation of a Philippine company. During the next few years, more terminals will be privatised. Equally, Gdańsk port is developing very well, also thanks to foreign investors (more information in „Infrastructure” chapter).



Industry Agriculture

Pomeranian industry is one of the most varied in the country.

There are almost all industrial fields here, from mining (oil and natural gas) to computing and telephony. The group of the largest Pomeranian companies, connected with heavy industry is balanced by businesses connected with electronics, computing, pharmaceuticals and cosmetic production, financial services and insurance.

During the past few years a dynamic development of small shipyards, producing modern boats, motor yachts and sail yachts has occurred. The vast majority of production goes to export and buyers are usually wealthy water-sports lovers from all over the world.

Pomerania leads in the fish-processing industry, Baltic Sea fishing and in-land fish breeding. Breeders from the

Sales income from the main industrial branches in the Pomeranian Province (2002)

Branches	income (thousand PLN)
Petrochemical industry	6 376 183
Boat and ship production and renovation	3 568 751
Land and water building	2 912 969
Electronic equipment	2 877 903
Production and distribution of the electric energy	2 173 123
Plastic production	1 263 819
Pharmaceutical devices production	922 798
Meat production and processing	921 333
Fish – processing industry	623 234
Furniture production	485 829
Footwear production	323 494

Pomeranian's location means a strong sea-economy.

Pomerania generates most of the sales of the Polish ship industry. In 2001-2002, 40 offshore ships were built. Every year, hundreds of renovations are made in Pomeranian shipyards. Pomeranian ships have a good reputation and sail on every sea of the world – containers, car-transporters and ro-ro ships.

Slupsk sub-region provide almost half of the national demand for trout. Due to easy access to raw-products, the province has a visible advantage over other regions in Poland in fish processing. The largest national producers have headquarters here: Wilbo, Big Fish, Łosoś, Kaper, Dalpesca. Pomeranian's position is even stronger now because processed fish intakes have grown rapidly in recent years.

The current position of Pomeranian agriculture is the result of its historical background. There were numerous national farms here. However, after liquidation, part of these lands are no longer used and have become a source of unemployment, but on the other hand, they offer a very attractive place for investment. Danish and Dutch companies have established specialist farms already.

Pomeranian agriculture is very varied because of the quality of the soil. In Żuławy area, in the Vistula River delta, there are some of the best arable soils in Poland.

In the central part of the region, where the soil is not so good, potatoes are cultivated or Kashubian strawberries. In Pomerania 15% of all employment comes from the agricultural sector, which is not much by Polish standards. In the cultivation structure, corn dominates at 70%, potatoes about 7%, rape about 6.5% and sugar beet about 2.5%.



A big opportunity for the village areas is tourism development, as well as taking advantage of the unique virtues of the national environment. The division of economic activity in Pomeranian villages is a necessity.



Hi-Tech Sector

About 2000 companies in Poland are considered to be in the hi-tech sector. About 5% of production comes from hi-tech sector. Hi-tech items represent about 6% of Polish export. It is still not enough but certainly satisfactory since the number of firms, whose products and services compete on the international market, is growing due to greater expertise and advanced technology.

According to research held in 2002, there were 168 hi-tech companies, in the province, which places it at seventh place in the country. These companies are located mainly in the Tri-City (more than 60%), which confirms the rule that hi-tech businesses situate their headquarters in large agglomerations, where they can take advantage of the receptive market, scientific centres, fast access to administrative centres and transport infrastructure.

8% of all Polish computing companies work in Pomerania. 18% of sold software comes from here. Prokom Software SA. – the largest computing company, has its headquarters here. It is the most innovative national company. It cooperates with two research centres of the world suppliers of computer technology. The company created its own laboratories, which are used by European companies testing their projects in Poland..

Young Digital Poland from Gdańsk, is another company which is an example of success. The company has been awarded prizes at various times during computing fairs. YDP deals mainly with software. It is a supplier of training and educational software, based on computer technologies. It has the position of worldwide leader in interactive programmes for learning foreign languages.

Scientists and engineers are working to implement the most modern solutions, employed in the scientific department of Intel Technologies Poland in Gdańsk. About 200 highly qualified workers have created one of the most important research centres of Intel in Europe. They deal with cutting edge technology, which is not yet used.

The amount of hi-tech companies in the Pomeranian Province

County	Number of companies	The amount of hi-tech companies per 1000 manufacturing companies
Bytów	3	4.3
Chojnice	1	1.3
Człuchów	0	-
Gdańsk borough	77	10.4
Gdańsk	5	4.0
Gdynia	25	7.9
Kartuzy	2	1.8
Kościerzyna	1	1.7
Kwidzyń	4	4.9
Lębork	2	3.1
Malbork	9	9.2
Nowy Dwór Gdański	0	–
Puck	1	1.5
Słupsk borough	15	14.9
Słupsk	1	1.2
Sopot borough	5	7.3
Starogard Gdański	3	3.3
Tczew	7	6.3
Wejherowo	7	3.6
Region in total:	168	6.6



Among companies from the BIO category, one company, which employs 200 workers, is exceptional – its name is „Ziaja”. It produces cosmetics and pharmaceuticals. The company has modern technological and laboratory equipment. Another interesting example is the Bio Production Plant „Biomast”, which implemented the production and research of drugs, and invested in a very modern laboratory.

Companies involved in industrial automation have great potential in the area. This is a result of Gdańsk Technical University, which serves as a scientific centre, from which management and workers of companies from this sector can be recruited. The Pomeranian sector of industrial automation and control encompasses 57 companies of which: 22 manufacture, 19 design and implement, and the rest deal with servicing and trade. The estimated number of workers in the sector is about 2000 people.

Electronic-telecommunications also look promising. Companies such as DGT from Gdańsk or Vector from Gdynia are now a part of the European high-tech landscape. DGT is one of the most

modern suppliers of comprehensive telecommunication solutions. Vector produces and integrates communication systems for partners from Great Britain, Holland, Spain, Switzerland, Russia, Romania and Hungary.

The largest investment of recent years in Pomerania is the building of a new plant, which belongs to electronics company Flextronics, which is situated within the area of the Special Economic Zone in Tczew. This manufacturer produces terminals and telephone exchanges, card readers and photographic laboratories. The production capabilities of the plant are 544,000 components per hour.

The local government tries to promote the development of companies based on high-technology. One of the forms of supporting this sector is the technology park. The most advanced of these parks is in Gdynia. Various IT and environment protection companies work there.

Pomerania and especially the Tri-City is a region where the new technology sector has big development opportunities. Pomerania has this potential due to many reasons; the most important ones are the level of inhabitants' education, localisation of important scientific centres and the Tri-City's reputation as having the most significant position in the Baltic Sea Region. It seems that the potential of creating and absorbing new technology here is unlimited.





PROKOM

Education

The inhabitants' education is the province's virtue.

As the National Census in 2002 showed, 199,900 Pomeranian citizens have completed college, which is 11.3% of people above 15 years old. It is the second highest index in Poland. Also higher than average is the amount of people who finished high school. In the academic year 2002/2003, there were 86,000 people studying in Pomerania.

It is also worth mentioning that in 2003, a National Intelligence survey placed Pomeranian citizens in second place in Poland.

Twenty-five colleges ensure the possibility of studying in Pomerania.

In 2002, they promoted 16,000 graduates, and 10,000 of them gained a master's degree. During past few years, private colleges have been established and are starting to develop. Now there are 17 non-public colleges. The main faculties are marketing, administration, tourism, finance, banking and international economic and political relations.



The oldest and the most well deserved Pomeranian college is Gdańsk Technical University.

In 2004, it celebrated its 100th anniversary. In 2002/2003, 16,700 people studied there and gained a good level of education from the 1100 tutors. The polytechnic specialises in shipping, chemistry, building and hydro-technology. Very high standards of education can be found in the Electronics, Telecommunications and Computing departments. Its graduates work mainly in IT companies.

The largest Pomeranian college is the University of Gdańsk.

27,500 students study here. The educational staff consists of more than 1500 people. The university educates to a very high level, its graduates are doing well in various high state positions-even the current Polish president is its graduate, as well as one of the Polish Prime Ministers and plenty of MPs and advisors.

Various other colleges also have an important place on the Pomeranian map, such as the Medical Academy (3180 students, 850 tutors), the Pomeranian Pedagogical Academy in Słupsk (10,200 students, 77% of them are women), the Sports Academy, the College of Tourism, the College of Banking, the Maritime Academy and the Naval Academy.

This high educational level of Pomeranian citizens means that investors or employers can easily find good workers – even in highly specialised areas. There are also six scientific-research centres.



Labour Market

The situation on the job market in the Province favours investment development and business development. It is very easy to find good employees in Pomerania – specialists, which are trained by national and private colleges, as well as manual workers. In the middle of 2003, about 956,000 people were of working age. The index of business activity of Pomeranians (work+ private business) is one of the highest in Poland (fourth place).

Wages in Pomeranian companies at the beginning of 2003 were 93% of the national average. However, there was a difference between the situation of the workers in the Tri-City and out of the city. Wages in the Tri-City were relatively high, in contrast to the wages in other parts of Pomerania.

In January-May 2003, the average wage in industry was 2130 PLN and was a 96.7% of the national industrial average.

Employment for economic sectors (in%)

Industry	23.4
Agriculture, hunting, forestry	15.4
Trade and service	15.3
Education	7.6
Transport, warehouses, communication	7.0
Estate services and company services, education	6.9
Health and Social care	6.3
Building	6.2
Public administration and national defence	4.2
Hotels and restaurants	2.6
Others	5.1



The largest employers in Pomerania at the end of 2002, and the amount of employees

Gdynia Shipyard	7 676
Gdańsk Repair-yard	2 188
International Paper	1 989
Polpharma	1 969
Heat and Power Plant Wybrzeże	1 613
Energa – Gdańsk Power Supply	1 573
Gdańsk Refinery	1 468
Building	1 375
Porcelain Tableware Plant Lubiana	1 347
Philips Consumer Electronics	1 299

Unemployment – in the Tri-City agglomeration and its suburbs is, compared to the national average, quite low. For 2003, unemployment figures for the area are: Gdańsk – 12%, Gdynia – 10%, Sopot – 8.8%. This is a result of the high economic activity of its citizens. In counties situated further from the metropolis or weakly connected

to it in terms of economy, the unemployment rate is noticeably higher. The main reason of such high unemployment is the liquidation, in early 90s and late 80s, of the national farms – ineffective economic subjects of the Communistic system.

Optimistic demographical prognosis. The amount of Pomeranian citizens of working age will grow until 2010, by which time it should be at about 1.47 million inhabitants. The demographical situation of Pomerania is predicted not only in prognosis but also in data from previous years. It indicates that society is not aging so rapidly, as is happening in other regions of the country (due to the highest population growth in Poland).

Relations between employers and employees are regulated by: the Work Code which has recently been liberalised so that job costs would be lower. These changes are appreciated by employers but criticized by trade unions. The most powerful trade unions are NSZZ "Solidarność" and OPZZ. Theirs structures are not radical and are capable of cooperating with employers on the companies' behalf. Trade unions work mainly in national companies and offices but also in privatised firms. In private independently run companies, their activity is almost nonexistent.



Cooperation with Pomerania

Pomerania is a region that is open for the world. International cooperation is easier due to its geographical location and the specifics of its economic potential as well as favourable Polish foreign policy and integration with the European Union.

The main areas of cooperation are balanced regional development, environmental protection, labour market, technology transfer, reinforcing administration and democratic structures, education and youth exchange. Local governments of the Pomeranian Province are involved in various international and inter-regional projects.

Pomerania and Gdańsk form the centre of the Baltic Sea Region cooperation. Numerous institutions are located here, such as: Union of the Baltic Cities, Secretariat of the Baltic Sea States Sub-regional Cooperation and Secretariat of the programme Visions and Strategies around the Baltic Sea (VASAB 2010).

We are an active member of the „Baltic” Euroregion. We cooperate closely with Szlezwik – Holsztyn and Mecklenburg – Pomerania in Germany; with Swedish provinces- Kalmar, Krononberg and Blekinge; Danish Stortroms; and Kaliningrad in Russia and the Vilnius region in Lithuania.

Pomerania is also in contact with: Newcastle and Glasgow (Great Britain); with mid Franconia (Germany); with regions – Limousin, Upper Normandy and Aquitaine in France; with St Petersburg in Russia; with the regions of Ukraine and Belarus, with Shanghaj (China) and even with one of the South African Republic provinces.

There are 6 general consulates and 17 honorary consulates in the Pomeranian province. There are also trade and cultural representatives of the countries and regions, which cooperate with us.



The Strategy of Development until 2010

In 2000, a document, which forms the strategy of the province's development was created and accepted by the local parliament of the Pomeranian Province. The project was prepared by local, economic and scientific societies. It was also presented and discussed in mass media.

The vision of the Pomeranian Province in 2010:

„The Pomeranian province of 2010 is a region of new chances of partnership cooperation – of varied economy and clean environment, cultivating traditions and multiculturalism, with fast development based on abilities and knowledge”.



The preferred characteristics of the Pomeranian province development were defined as follows

Region of distinctive image

Region of educated society

Region of civil society

Open region

Attractive region

Region with an economy ready for fast development

Region of effective public sphere

Pomerania's strategic aims, as mentioned in this document, are put in five development priorities

1 – Human capital development, based on knowledge and activity

2 – Destructuralised and modernised economy

3 – Rebuilding and modernising infrastructure, which can reinforce competitiveness and cohesion of the region

4 – Creating a high quality of lifestyle

5 – Development of international cooperation within the province

Implementation of Pomeranian development until 2010 will reach the final stage when Poland joins the EU and the European structural funds are used.



Joining The European Union

The European Commission in the report published in 2004 judged the Pomeranian Province very well for implementing the programme of partnership cooperation Phare Twinning, for countries preparing themselves for entry to the European Union. Before that, the Highest Control Chamber praised the preparation of the Marshall's Office for winning and taking advantage of structural funds, especially for the qualifications of the staff. The fact that Pomeranian local government has one of the highest rates in the country for applying for EU funds, is also an encouraging sign.

Poland, as a new member of the European Union, will be encompassed by the structural policy, whose main aim is to transform its economy to become competitive with other member countries. Many changes are necessary in main sectors of the economy as well in the economic structure of individual regions of Poland.

Preparation for the use of structural funds is the most important challenge for the local government of the Pomeranian Province. When the Polish Ministry of Economy activated the database of the projects applying for subsidising funds from the UE in 2002, the Marshall's Office, together with the Agency of Pomeranian Development S.A., started an intensive informative-training action which has lasted up until now. During these meetings, local governments prepare prepositions of the specific investments concerning road infrastructure, environmental protection, protection of cultural heritage, plumbing infrastructure and waste materials economy. Parts of the projects created during the traineeship are registered in the internet database in the Ministry of Economy. Entrepreneurs from Pomerania are also informed about the EU subsidising funds directed to business development in the region. In 2003, almost 1000 firms have used advice from the Agency of Pomeranian Development. During that time, the Agency has educated more than 100 candidates to become supervisors of the European projects.

The local government, while preparing for EU structural funds, has used the experience of the other EU countries. As part of the partnership cooperation between Pomeranian and British regions (Strathclyde in Scotland, the heart of which is Glasgow, and Newcastle in northeast England) there were various visits for designers and project consultations with British experts.

The Regional Office of the Pomeranian Province has started its activity in Brussels. Its headquarters is in „Scotland House”, situated near the European Commission and known as the Scotland lobbying centre. The Department of International and Inter-regional Cooperation of the Marshall's Office coordinates works of the Regional Office.

Supporting businesses will have great significance in the range of companies' development, creating new businesses and building a more modern society. Prompting the labour market and increasing competitiveness of the region by public investments, will be crucial. The whole destructuralisation will be possible due to financial support from the EU budget and other sources (35 – 75% of costs).

