BUSINESS SERVICES SECTOR IN KATOWICE

KATOWICE
for a change

ABSL

Report prepared by the Association of Business Service Leaders (ABSL)
in cooperation with Colliers, Mercer, Randstad and Randstad Sourceright

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The Association of Business Service Leaders (ABSL) is a leading organization representing business services in Poland, which represents over 250 of the largest companies and sets the standards and directions for growth in the industry, now employs over 435,000 people. In Katowice operates the ABSL Silesia Regional Chapter which is a local action group composed of investors representing investors, operating jointly in the Silesian and Opolskie Voivodeships. The priorities of the ABSL Silesian Chapter include supporting the efforts of members of the Association, exchanging knowledge and best practices in order to foster an investment-friendly atmosphere, promoting close relationships between local active professional groups and initiating activities which serve to promote the business services sector. Periodic meetings, local events and community initiatives organized as part of the ABSL Silesia Regional Chapter bring together representatives of services centers, companies working with the sector and invited guests representing public authorities and university authorities.

FOREWORD

2022 is a time of global challenges related to the economic situation and armed conflict, but, despite that fact, it turned out again to be a good year for the business services sector in Poland. As we read in the ABSL report for the last year: ‘employment at the end of the first quarter of 2023 exceeded 435,300 people, over 32,000 new jobs were created year on year (growth rate of 8.0%).’

The data shows that the business services sector has, without a doubt, a huge impact on the attractiveness of our region and Katowice as a competitive place to work and live. In our city, this sector is represented by 105 centres (135 in Metropolis GZM). At the end of the first quarter of this year, the centres in GZM employed 31,957 people, including 26,600 in Katowice.

In today's labour market, the most important resource is highly qualified staff.

Every year 12,500 students graduate from our 12 universities which annually accept 50,000 students. Many of them are people who, during their primary and secondary school education, covered educational programs prepared by the city, often in close cooperation with the business community. Thanks to that, once the graduates complete their education, either higher or a technical one, they are readier to start work ‘on the spot’ than their competitors, as they are equipped with specific competences and skills.

In Katowice, we invest equally in new technologies and talents which are the main driving force of all changes. That is why we are building the New Technologies District, the Katowice Gaming and Technology Hub, located on the premises of a former mine, where we are bringing an inactive but historically and emotionally important place back to life. Many attractive and unique jobs as well as research and experimental spaces will be created there. I am sure that this is where we set another milestone in the history of Katowice.

The strong position of the business services industry influences not only the local labour market but also the business environment. It is safe to say that it exceeds the standards of Polish labour law and sets the trends; the work environment evolves, priorities change and the new ones appear. As the sector takes diversity and inclusion very seriously, it makes a positive contribution to the communities in which the companies operate.

They raise the bar. And we join in.

For years, we have been implementing the 17 UN Sustainable Development Goals in Katowice and the city's long-term strategy is prepared accordingly. This results, among other things, from our deep belief that a modern city is a sustainable place for everyone, without exception. Our ambition is to create a city that uses technologies to improve services, well-being of residents, sustainable and economic development, to make urban space more friendly for people, entrepreneurs and tourists.

Welcome to Katowice!

Marcin Krupa
Mayor of Katowice

Photo: Radosław Kaźmierczak / Katowice City H

1 KATOWICE KEY FACTS

FIGURE 1.1

BASIC INFORMATION ABOUT THE DEVELOPMENT OF KATOWICE

8 622.89 PLN

Average monthly gross salary in the enterprise sector in Katowice.

Research University

Silesian University of Technology among the Top 10 Polish universities, winners of the "Excellence Initiative – Research University" competition of the Ministry of Education and Science.

164,700

The working-age population in Katowice (1.25 M in Katowice & GZM).

102,100

The mobile-age population in Katowice (744,800 in Katowice & GZM).

13%

The share of Katowice's population in GZM's population (2.1 M).

1.1%

Unemployment rate.

128,900

Average employment in the enterprise sector.

54,668

Entities of the national economy in the REGON register.

Source: Own study based on Statistics Poland data

The report presents the results of an analysis of the position of Katowice & Metropolis GZM[1] as a location for business services centers. It is based on the ABSL database concerning modern business services centers in Poland (with data up to and including Q1 2023), an ABSL publication "Business Services Sector in Poland 2023", "Strategic Foresight in the Business Services Sector 2023", a survey conducted by ABSL in January-February 2023, and an ABSL report "Investment potential of Polish cities. Location benchmark of the business services sector 2021".

Different sections of the report provide the most important statistics concerning the development of Katowice & GZM and the business services sector, the location of centers, and the position of Katowice & GZM in rankings of attractiveness.

2ND PLACE

in the ranking of Business-Friendly Cities of "Forbes" – cities and municipalities of 150,000-299,000 inhabitants.

6TH PLACE

Katowice was ranked in the 'Top 10 Large European Cities of the Future 2023 – fDi Strategy' ranking – attracting foreign direct investment.

DISTINCTIONS:

- certificate of implementation of "Standards of investor service in local government"-
- "Investor-Friendly City" award as part of the Prime Property Prize.

SILVER AWARD

for cities over 400,000 daily population (this number includes permanent residents and daytime residents) at The International Awards for Liveable Communities LivCom Awards 2023 (June 2023).

[1] Metropolis GZM (Górnośląsko-Zagłębiowska Metropolia) covers nearly one-third of the Silesian Voivodeship, and half of all residents of the province live within the boundaries of this area. The Metropolis is composed of 41 towns and municipalities: Będzin, Bieruń, Bobrowniki, Bojszowy, Bytom, Chełm Śląski, Chorzów, Czeladź, Dąbrowa Górnicza, Gierałtowice, Gliwice, Imielin, Katowice, Knurów, Kobiór, Lędziny, Łaziska Górne, Mierzęcice, Mikołów, Mysłowice, Ożarowice, Piekary Śląskie, Pilchowice, Psary, Pyskowice, Radzionków, Ruda Śląska, Rudziniec, Siemianowice Śląskie, Siewierz, Sławków, Sosnowiec, Sośnicowice, Świerklaniec, Świętochłowice, Tarnowskie Góry, Tychy, Wojkowice, Wyry, Zabrze, and Zbrosławice.

POLAND – KEY FACTS

€ 656.9 billion	GDP in nominal prices in 2022 (6th largest EU economy, EUROSTAT)
+2.0%	GDP real growth in Q4 2022 YoY, seasonally unadjusted (+8.5% YoY in Q4 2021, Statistics Poland)
37.766 million	Population of Poland in 2022 (Statistics Poland) – 141.000 YoY
110.1	Consumer price index (CPI) – August 2023 (YoY, Statistics Poland)
€ 17,370	Nominal GDP per capita in 2022 (EUROSTAT)
79.0%	GDP per capita in PPS in 2022, in terms of the EU-27 average
5.0%	Unemployment rate (July 2023, Statistics Poland)
50th	Position in World Talent Ranking 2022 (IMD World Competitiveness Center), 45th in 2021
39th	Position in Global Talent Competitiveness Index 2022 rankings (INSEAD)
47th	Position in World Competitiveness Ranking (IMD World Competitiveness Center), 47th in 2021
$ 269.8 billion	Value of the inward FDI stock in Poland at the end of 2022 (UNCTAD, World Investment Report 2023)
$ 29.5 billion	FDI inflows at the end of 2022 (UNCTAD, World Investment report 2023)
PLN 4.6899	EUR exchange rate at the end of 2022 (NBP)
PLN 4.4018	USD exchange rate at the end of 2022 (NBP)

Poland is the sixth-largest economy in the European Union and has been one of Europe's leaders in economic growth over the past decade. It has the largest economy in Central Europe and has been a leader in growth and development since the outset of its economic transformation in 1989. One of the essential branches of the contemporary Polish economy is the knowledge-intensive business services sector with its growing significance illustrated by its rapidly growing share in the country's employment and GDP.

In recent years, the industry's impressive growth has enabled Poland to strengthen its position as one of the prime destinations in the business services sector not only in the EMEA region but also globally. Poland is one of the prime locations for new investments in BPO/SSC, GBS, IT, and R&D centers.

Language: Polish

Currency: Zloty (PLN)

Number of cities with more than 100,000 inhabitants: 37

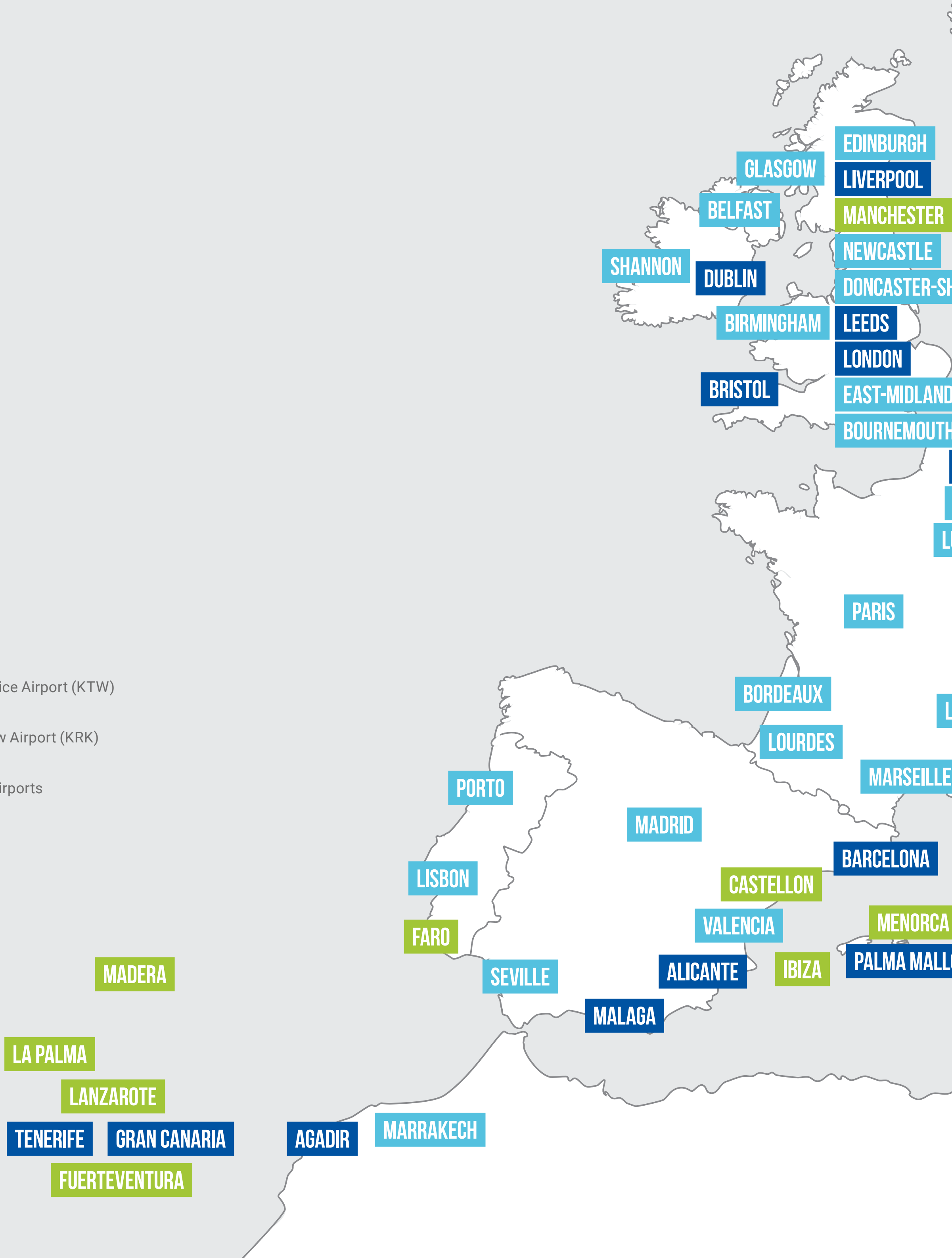
Poland in international organizations: EU (2004), NATO (1999), OECD (1996), WTO (1995), UN (1945).

435,300	Employment in the business services sector
1,223,600	Number of students in the academic year 2022/2023
359	Number of universities in the 2022/2023 academic year
7,005.76 PLN	Average salary in Q2, 2023

FIGURE 1.2

KATOWICE AND KRAKOW AIRPORTS – LIST OF INTERNATIONAL AND DOMESTIC DESTINATIONS IN REGULAR AND CHARTER FLIGHTS

- BANJUL
- BOA VISTA
- CANCUN
- CHICAGO
- MARGARITA
- NEWARK
- NEW YORK
- PUERTO PLATA
- VARADERO

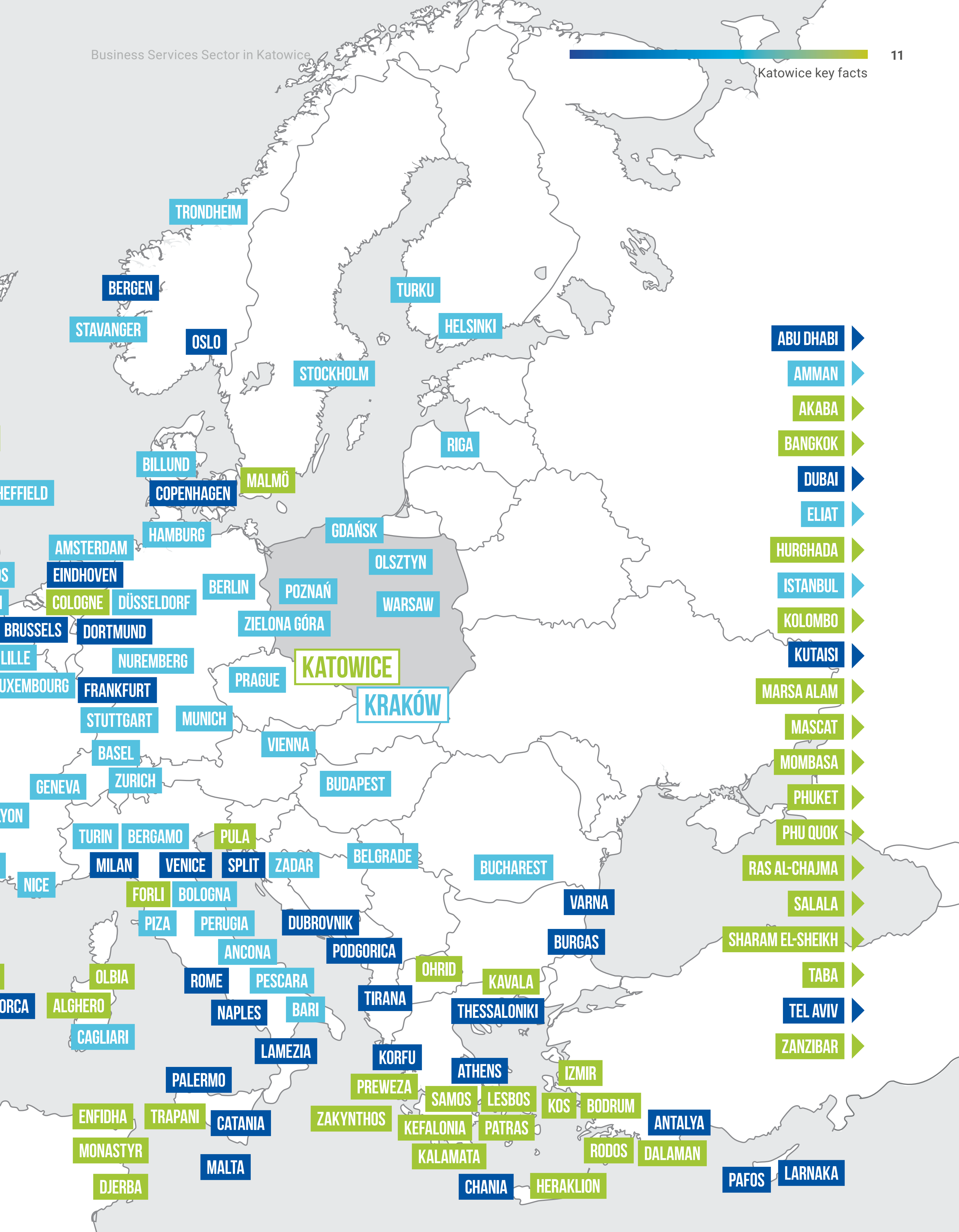


Flights from Katowice Airport (KTW)

Flights from Kraków Airport (KRK)

Flights from both airports

Source: ABSL own study


TRONDHEIM
BERGEN
STAVANGER
OSLO
TURKU
HELSINKI
STOCKHOLM
RIGA
BILLUND
MALMÖ
COPENHAGEN
HEFFIELD
HAMBURG
AMSTERDAM
GDAŃSK
OLSZTYN
EINDHOVEN
BERLIN
POZNAŃ
WARSAW
COLOGNE
DÜSSELDORF
ZIELONA GÓRA
BRUSSELS
DORTMUND
LILLE
NUREMBERG
KATOWICE
PRAGUE
UXEMBOURG
FRANKFURT
KRAKÓW
STUTTGART
MUNICH
VIENNA
BASEL
GENEVA
ZURICH
BUDAPEST
YON
TURIN
BERGAMO
PULA
MILAN
VENICE
SPLIT
ZADAR
BELGRADE
BUCHAREST
NICE
FORLI
BOLOGNA
VARNA
PIZA
PERUGIA
DUBROVNIK
ANCONA
PODGORICA
BURGAS
OHRID
OLBIA
ROME
PESCARA
KAVALA
TIRANA
ORCA
ALGHERO
NAPLES
BARI
THESSALONIKI
CAGLIARI
LAMEZIA
KORFU
ATHENS
IZMIR
PALERMO
PREWEZA
SAMOS
LESBOS
KOS
BODRUM
ENFIDHA
TRAPANI
CATANIA
ZAKYNTHOS
KEFALONIA
PATRAS
ANTALYA
RODOS
DALAMAN
MONASTYR
MALTA
KALAMATA
PAFOS
LARNAKA
DJERBA
CHANIA
HERAKLION
ABU DHABI
AMMAN
AKABA
BANGKOK
DUBAI
ELIAT
HURGHADA
ISTANBUL
KOLOMBO
KUTAISI
MARSA ALAM
MASCAT
MOMBASA
PHUKET
PHU QUOK
RAS AL-CHAJMA
SALALA
SHARAM EL-SHEIKH
TABA
TEL AVIV
ZANZIBAR

KATOWICE AIRPORT

ABOUT THE AIRPORT

Katowice Airport is one of the largest regional airports in Poland. It is forecast to serve over 5 million passengers in 2023 which will be the best result in its history. Katowice Wojciech Korfanty Airport is a national leader in the charter flight sector and one of the largest cargo airports in Poland. It has the most developed aircraft maintenance infrastructure among regional airports.

CONNECTIONS

Katowice Airport, in cooperation with airlines and travel agencies, offers a total of over 100 flights. In 2023, the airport extended its regular flight network, with new destinations that include Copenhagen, Alicante, Brussels, Aqaba. At the same time, Katowice Airport is further strengthening its connections with other destinations, especially those whose popularity reflects various reasons for traveling: Dortmund, London, and Eindhoven.

THE AIRPORT IS THE REGION'S GATEWAY TO THE WORLD

including seven longdistance connections and six new connections: Katowice Airport serves the most urbanized region in Poland. The city of Katowice and the surrounding GZM metropolitan area are two of the country's strongest locations in both economic and demographic terms. This is illustrated by the 14.2 million people who live in the airport's catchment area.

Katowice Airport has been a leader among 14 Polish airports in the air charter market for many years. In 2023, the charter network includes as many as 65 connections, including seven long-distance connections: Margarita in Venezuela, Phu Quoc in Vietnam, Colombo in Sri Lanka, Boa Vista in the Cape Verde Islands, Muscat in Oman, and Aqaba in Jordan. The most popular charter flights from Katowice Airport are to Antalya, Hurghada, Marsa Alam, Rhodes, and Heraklion.

TABLE 1.1

DISTANCES AND ESTIMATED TRAVEL TIMES TO SELECTED CITIES

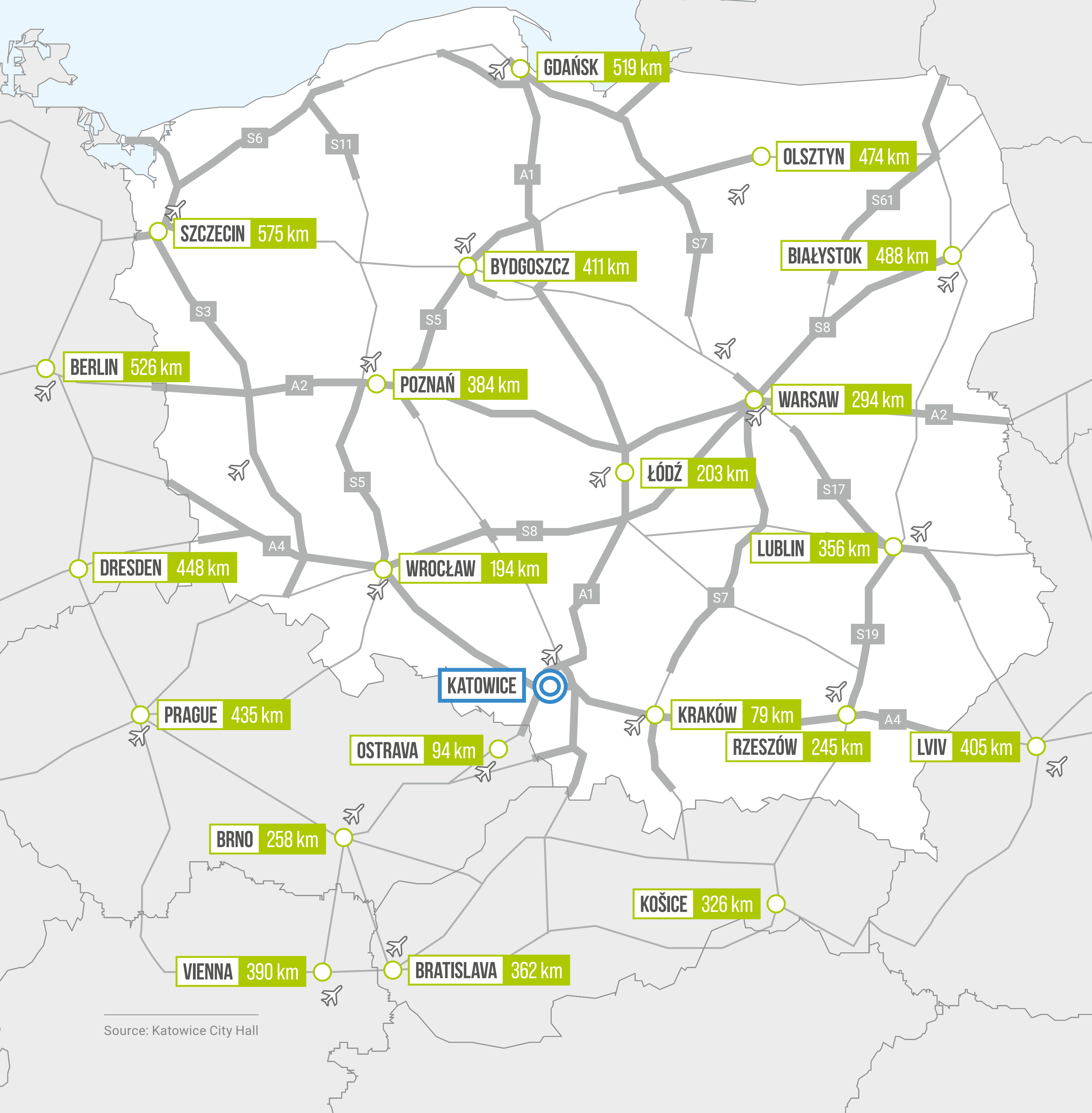
		Travel time		
	Distance in km	By car	By train	By plane
Warsaw	294	3 h 10 min	2 h 18 min	50 min
Vienna	390	4 h 11 min	4 h 36 min	3 h 05 min*
Berlin	526	5 h 29 min	7 h 36 min*	3 h 20 min*
Frankfurt am Main	905	9 h 17 min	12 h 19 min***	1 h 40 min
Cologne	1 011	10 h 23 min	12 h 40 min**	1 h 40 min

* One asterisk means one transfer required.

Source: Katowice City Hall

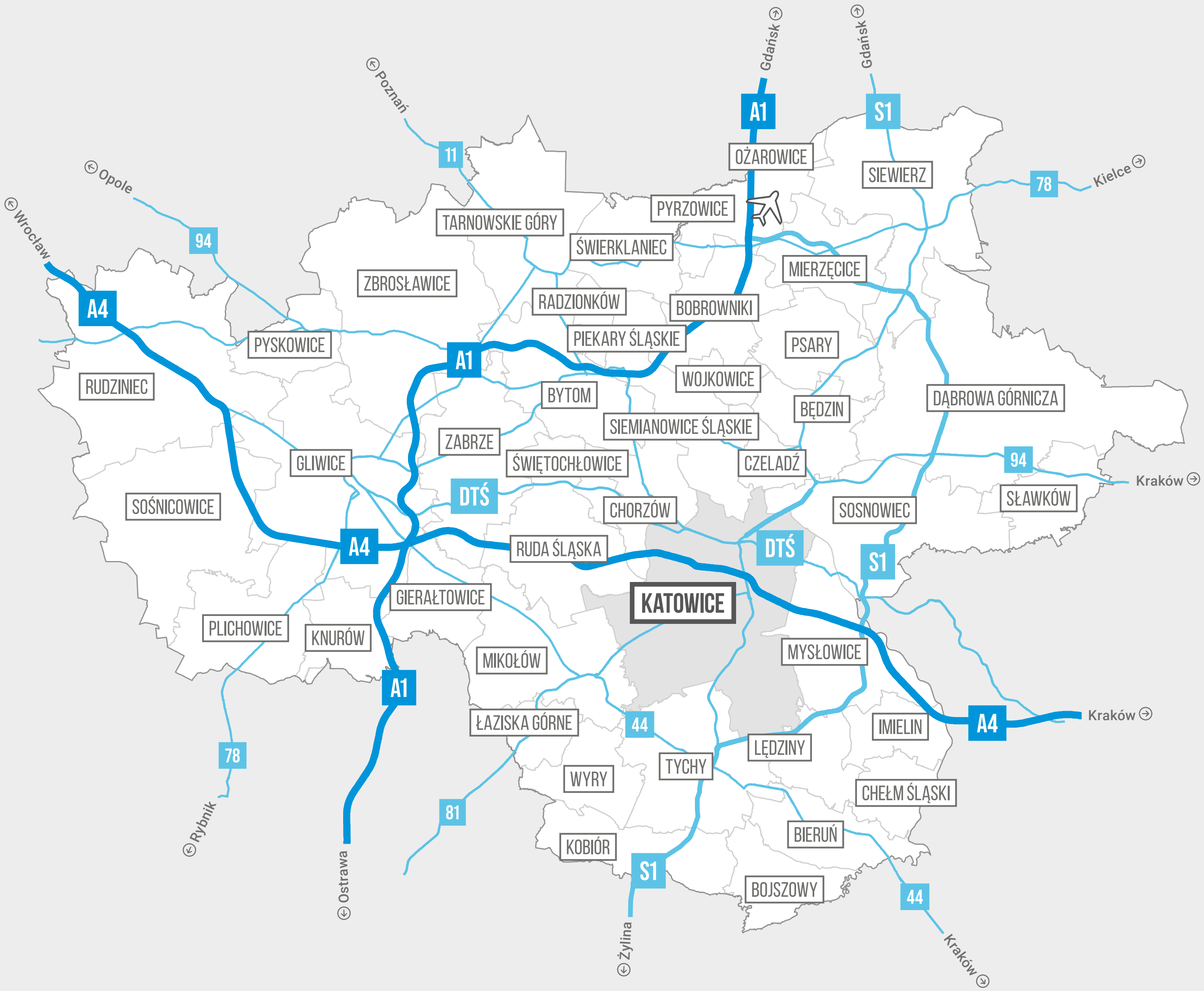
Photo: Piotr Adamczyk / Katowice Airpo

FIGURE 1.4
LOCATION OF KATOWICE



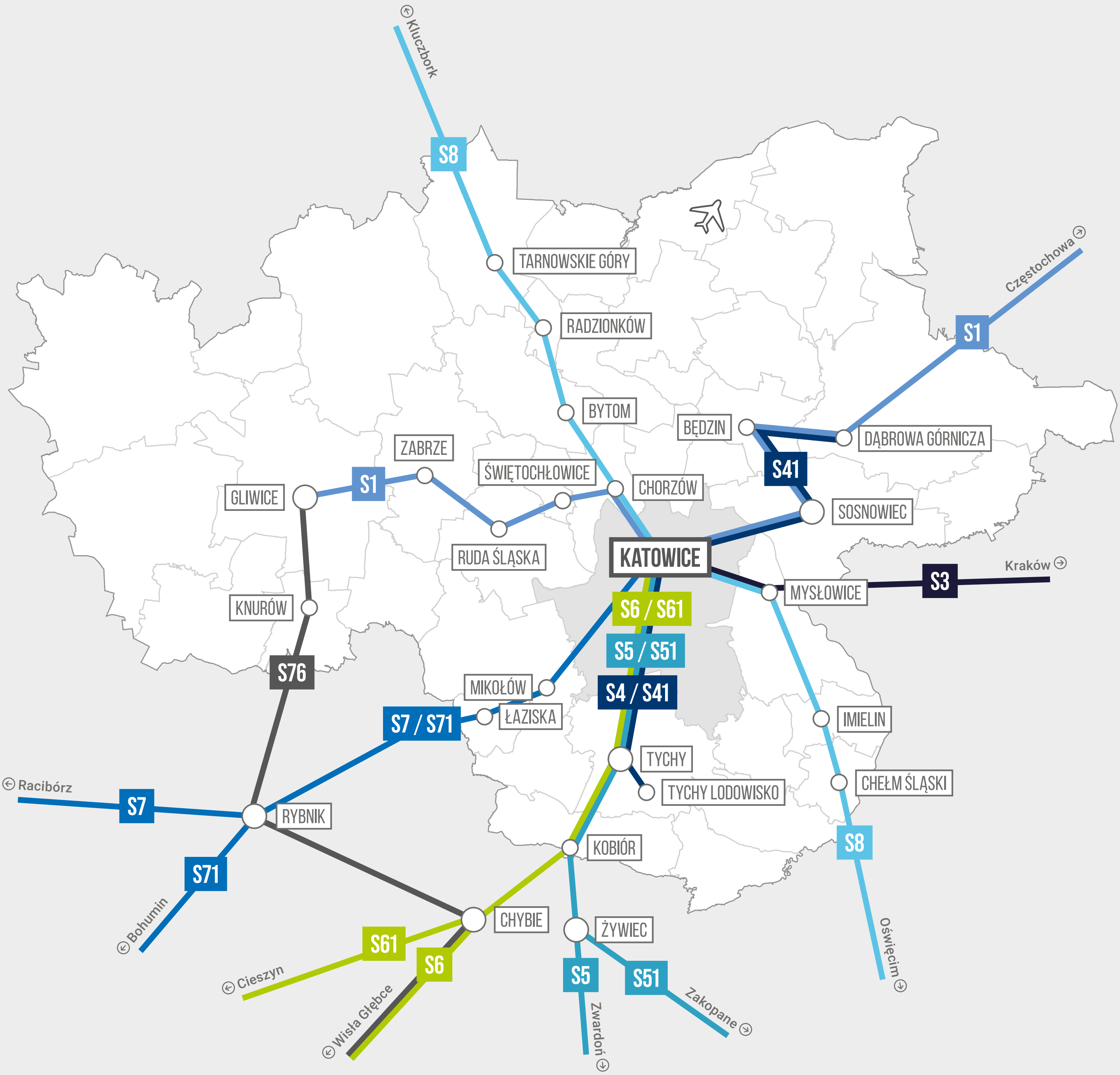
Source: Katowice City Hall

FIGURE 1.5
METROPOLIS GZM – ROAD NETWORK



Source: Katowice City Hall

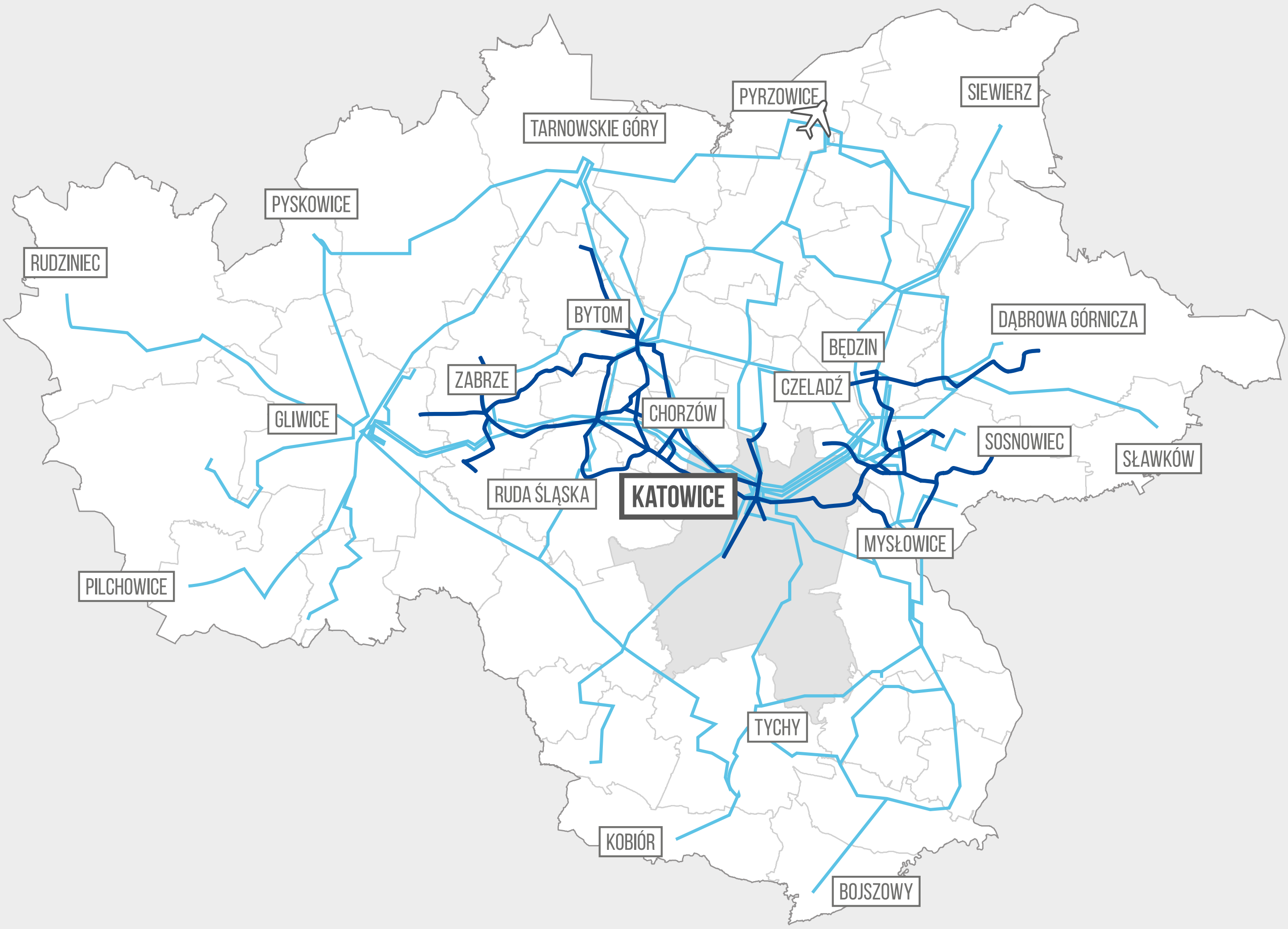
FIGURE 1.6
METROPOLIS GZM – RAILWAY NETWORK



Source: Katowice City Hall

FIGURE 1.7

METROPOLIS GZM – PUBLIC TRANSPORTATION NETWORK



Linie autobusowe

Linie tramwajowe

Source: Katowice City Hall

Photo: Kamil Kalkowski / Katowice City Hall

2 BUSINESS SERVICES CENTERS IN KATOWICE AND GZM — BASIC INFORMATION

FIGURE 2.1

BASIC INFORMATION ABOUT THE BUSINESS SERVICES SECTOR IN KATOWICE & GZM

31,957

The number of employees of BPO, SSC/GBS, IT, and R&D[2] centers (Q1 2023), which represents 7.3% of overall employment in the business services sector in Poland. The majority of the employees in the analyzed area work in Katowice (83%, i.e., 26,600 people).

135

The number of BPO, SSC/GBS, IT, and R&D centers (Q1 2023). Most of them (105) operate in Katowice (77.8%). 100 centers are owned by international companies (74.1% share).

18

The number of countries with foreign head offices of companies that own business services centers in Katowice & GZM. Among international companies, the most significant number of centers are owned by companies from the USA, Germany, France, the United Kingdom, and the Netherlands.

60.0%

The percentage growth in total employment at services centers located in Katowice & GZM in 2018-2023 (increase by 11,700 people, with 92.4% finding employment in Katowice).

IT

IT services is the key sub sector for centers in Katowice & GZM. Centers that primarily provide IT services employ 44.3% of people in the local industry.

30

The number of services centers which have been established in GZM since 2018. These investments have contributed to the creation of 5,000 jobs.

35,100+

The number of people in the sector in Katowice & GZM predicted to be employed in the sector in Katowice & GZM in Q1 2024.

Source: ABSL's study, based on the ABSL database

[2] BPO – Business Process Outsourcing, SSC/GBS – Shared Services Center/Global Business Services, IT – Information Technology, R&D – Research & Development.

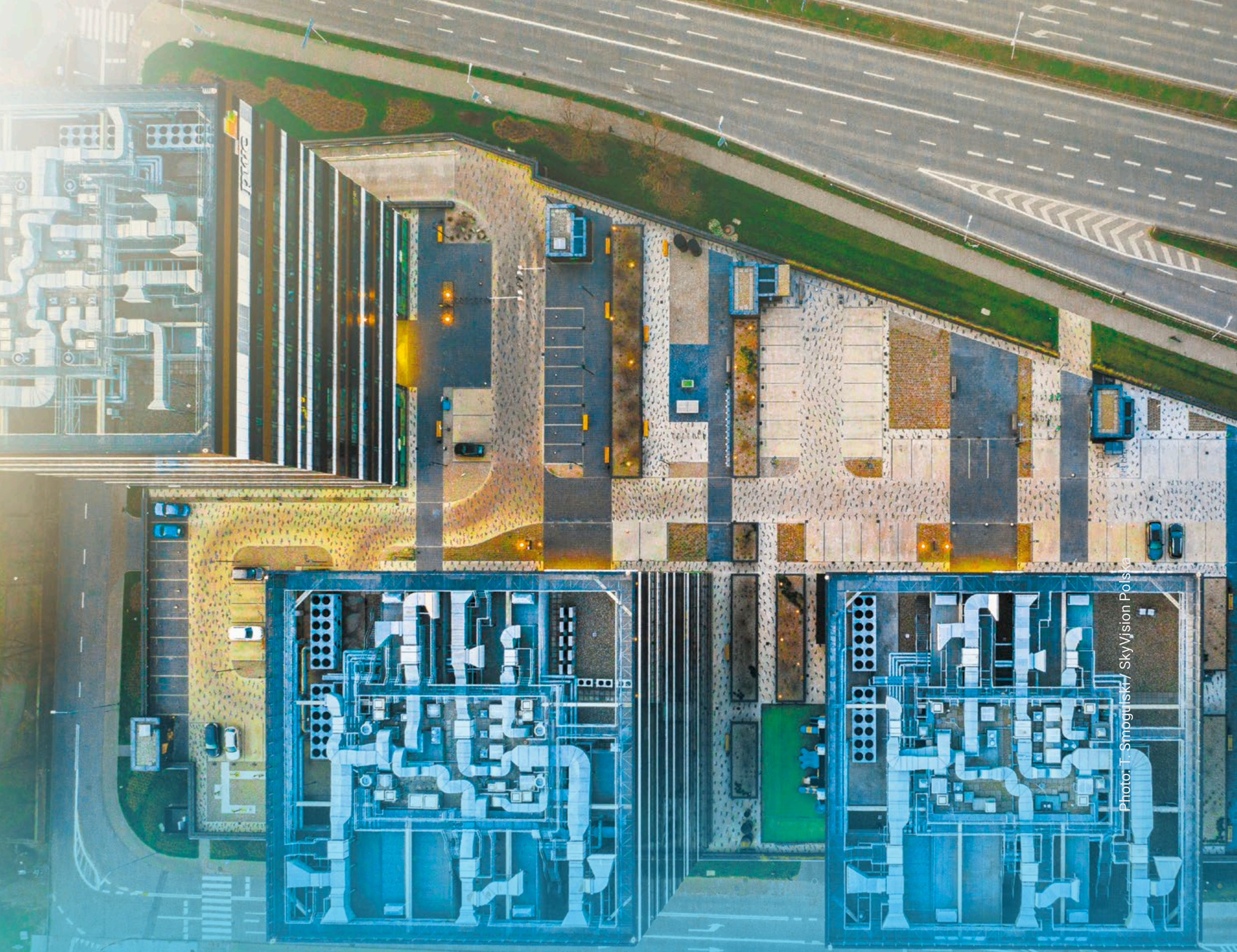
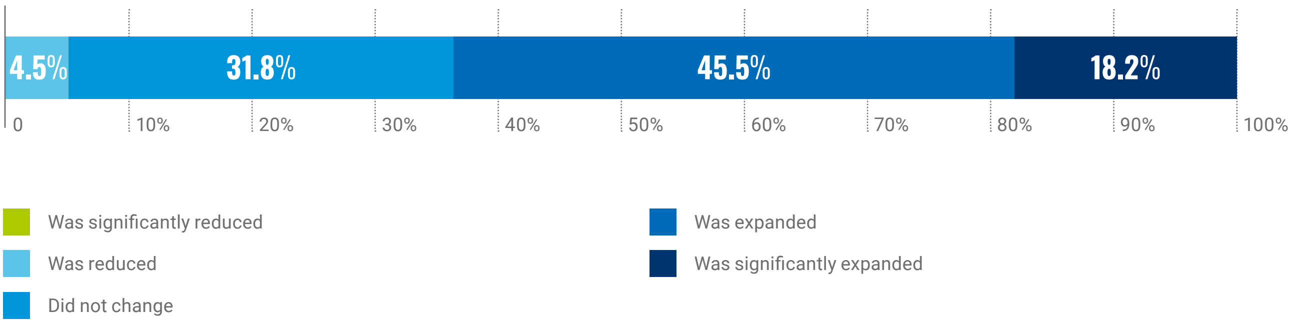


Photo: T. Smogulski / SkyVision Polska

3 DEVELOPMENT OF THE BUSINESS SERVICES SECTOR IN KATOWICE & METROPOLIS GZM

Katowice & GZM belong to the TOP 5 most essential locations of business services centers in Poland. The region employs 7.3% of people working in the sector in Poland. The one hundred and thirty-five services centers, located in Katowice & GZM, are owned by investors from eighteen countries. Apart from Poland, the primary countries with companies investing in services centers include the USA (26), Germany (15), and France (13). Polish investors currently own 35 centers.

FIGURE 3.1
CHANGES IN THE SCOPE OF SERVICES PROVIDED IN 2022 (%), COMPARED WITH 2021



Source: ABSL's study, based on responses from investors with business services centers in Katowice & GZM

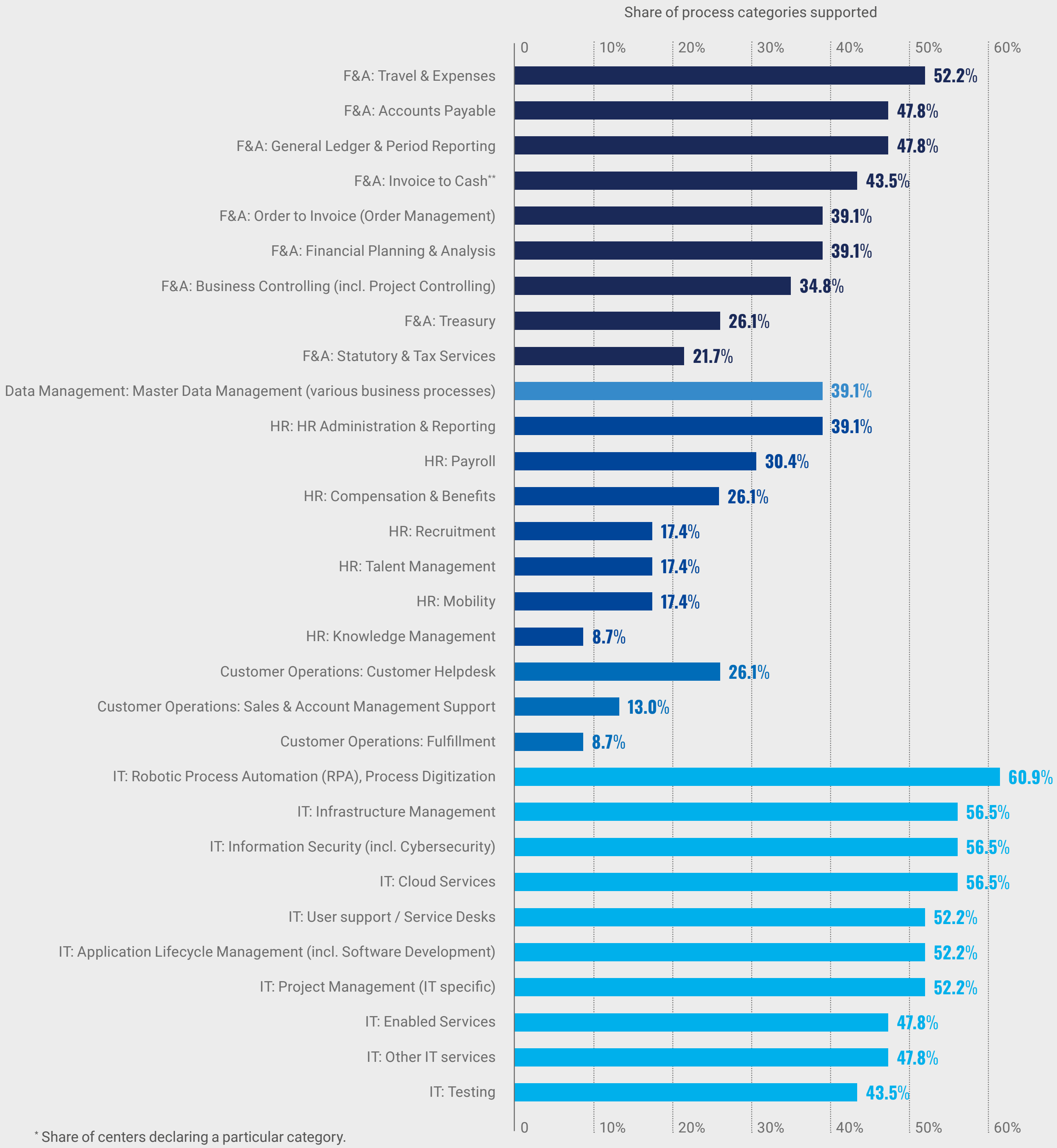
FIGURE 3.2
LOCATIONS OF BUSINESS SERVICES CENTERS IN KATOWICE & GZM (NUMBER OF CENTERS)

- 105 KATOWICE
- 14 GLIWICE
- 3 CHORZÓW
- 3 DĄBROWA GÓRNICZA
- 3 SOSNOWIEC
- 2 BYTOM
- 1 KOTLARNIA
- 1 RUDA ŚLĄSKA
- 1 TYCHY
- 1 ZABRZE
- 1 ŻERNICA

Source: ABSL's study, based on the ABSL database

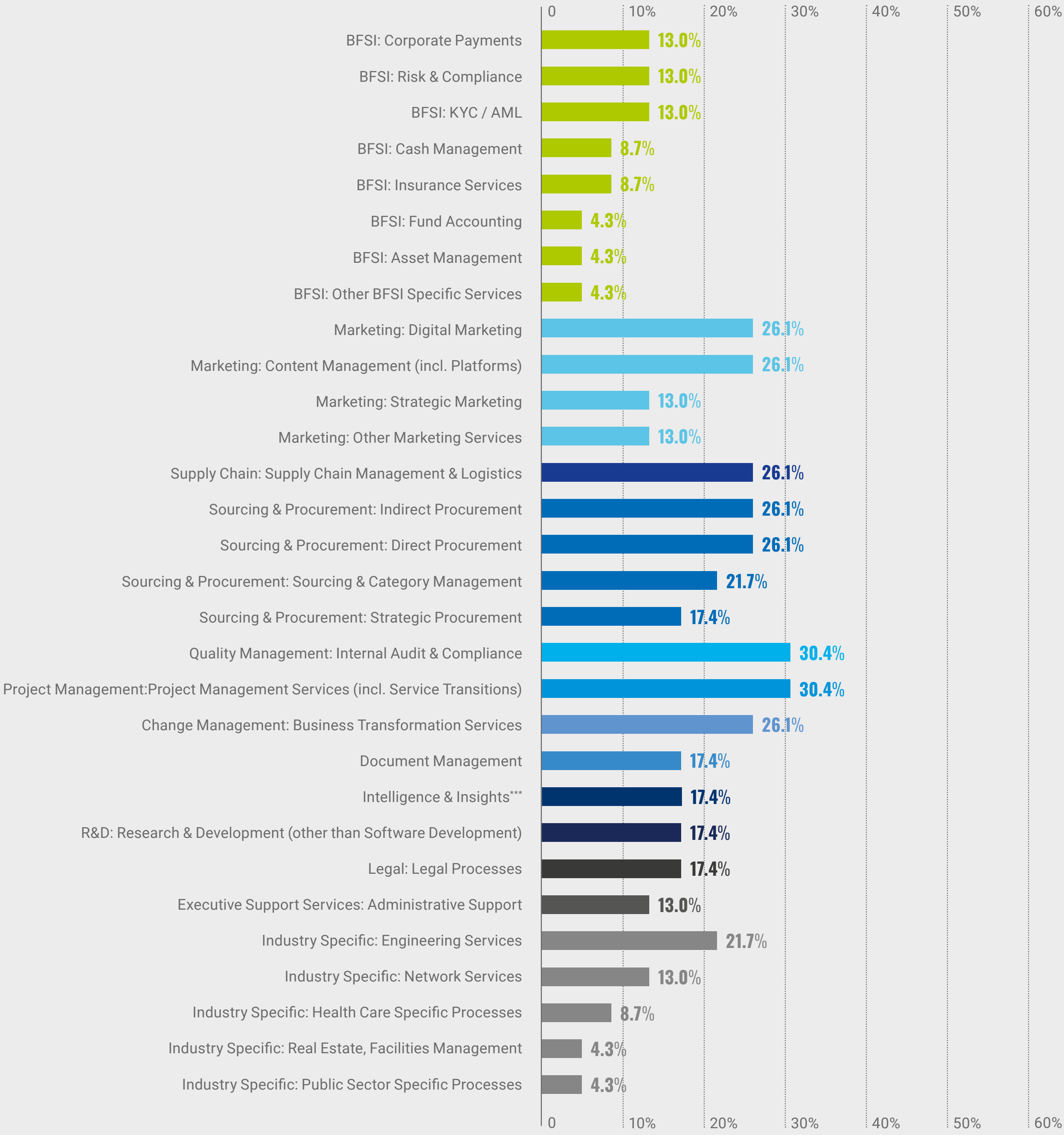
FIGURE 3.3

SERVICE CATEGORIES SUPPORTED BY BUSINESS SERVICES CENTERS IN KATOWICE & GZM*



* Share of centers declaring a particular category.
** incl. Cash Allocation, Cash Collection, Disputes Management

Share of process categories supported

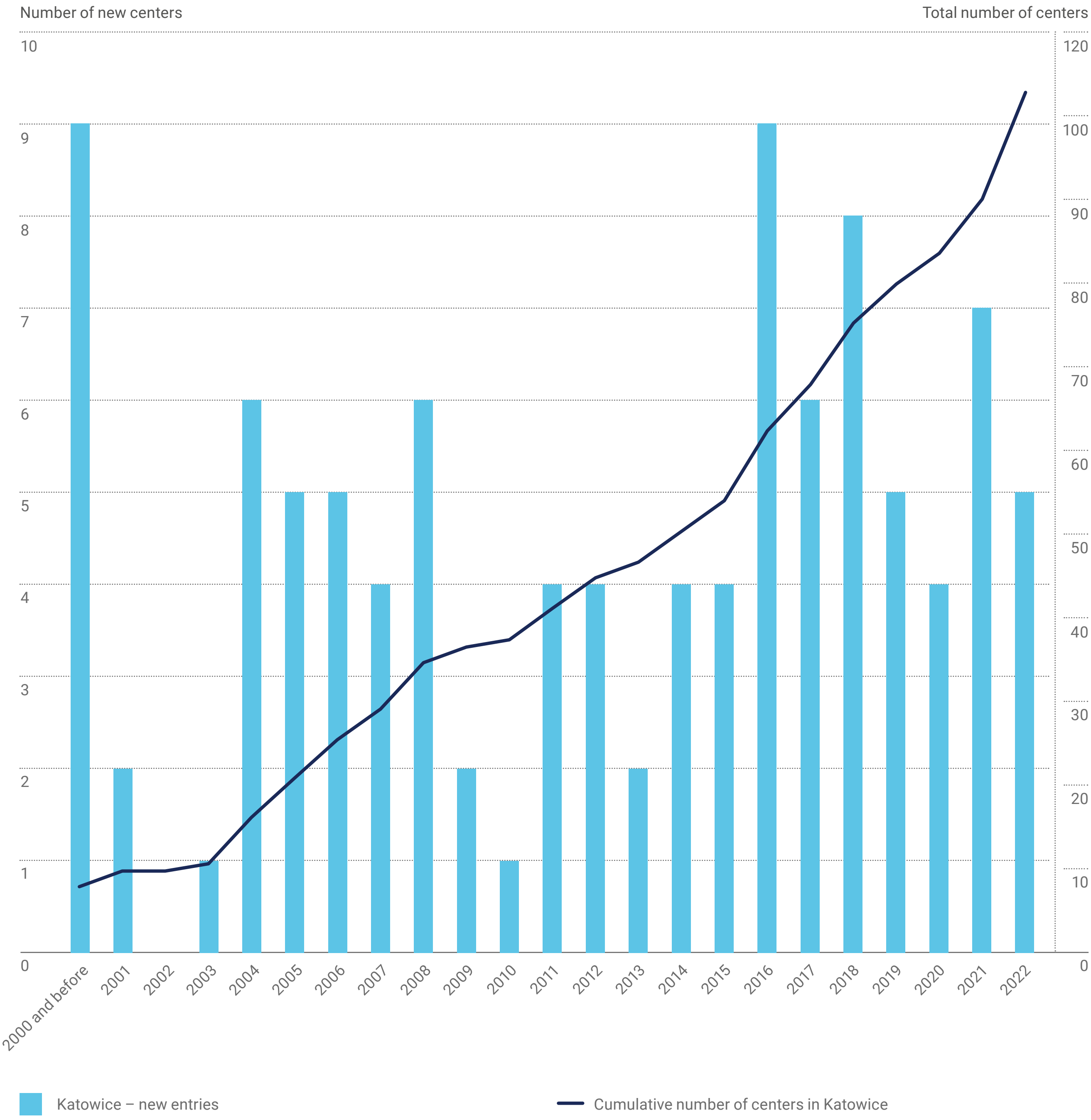


*** Business Intelligence, Data Analytics, Complex Performance Reporting

Source: ABSL's study, based on responses from investors with business services centers in Katowice & GZM

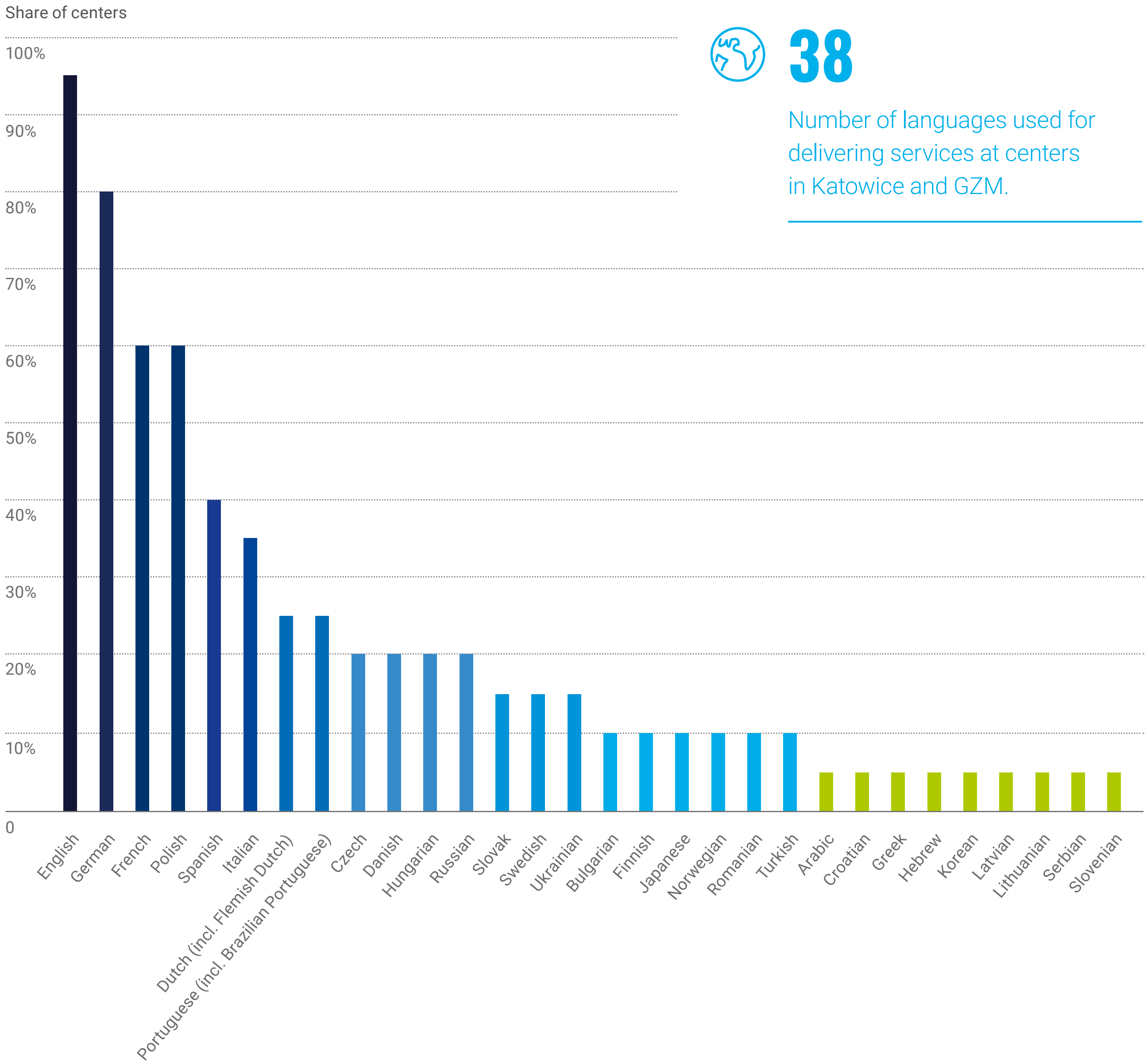
FIGURE 3.4

YEARS OF ESTABLISHMENT OF NEW CENTERS IN KATOWICE



Source: ABSL's study, based on the ABSL database

FIGURE 3.5
LANGUAGES USED AT THE CENTERS TO DELIVER BUSINESS SERVICES



38

Number of languages used for delivering services at centers in Katowice and GZM.

Source: ABSL's study, based on responses from investors with business services centers in Katowice & GZM

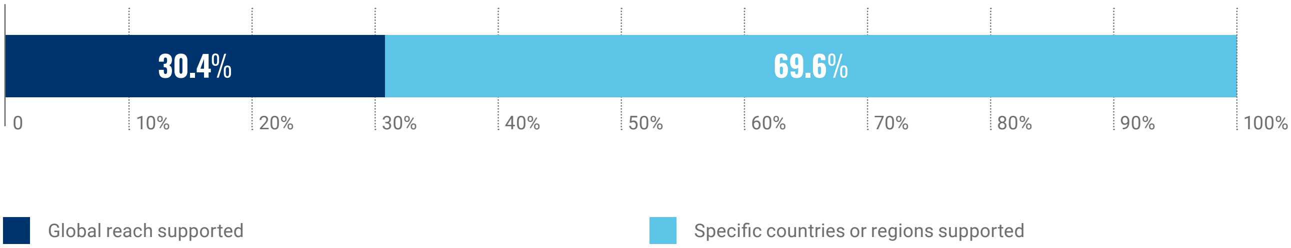
TABLE 3.1
MAIN INVESTORS IN METROPOLIS GZM

Investor	Parent HQ country	Employment
Capgemini		>2,500
PwC		1,500-2,000
Grupa ING		1,500-2,000
Kyndryl		1,000-1,500
Ista International GmbH		1,000-1,500
Sopra Steria		1,000-1,500
Keywords Studios		1,000-1,500
Future Processing		500-1,000
Genpact		500-1,000
Tauron		500-1,000
Kamsoft		500-1,000
WASKO		500-1,000
Vialto Partners		500-1,000
Arcelor Mittal		500-1,000
Arteria		500-1,000
Teleperformance		500-1,000
Fujitsu		500-1,000
Honeywell		500-1,000
Sii		500-1,000
EUVIC		500-1,000
Grupa Oasis		500-1,000
HireRight		500-1,000

Source: ABSL's elaboration, based on the ABSL database and other sources, incl. Internet websites

FIGURE 3.6

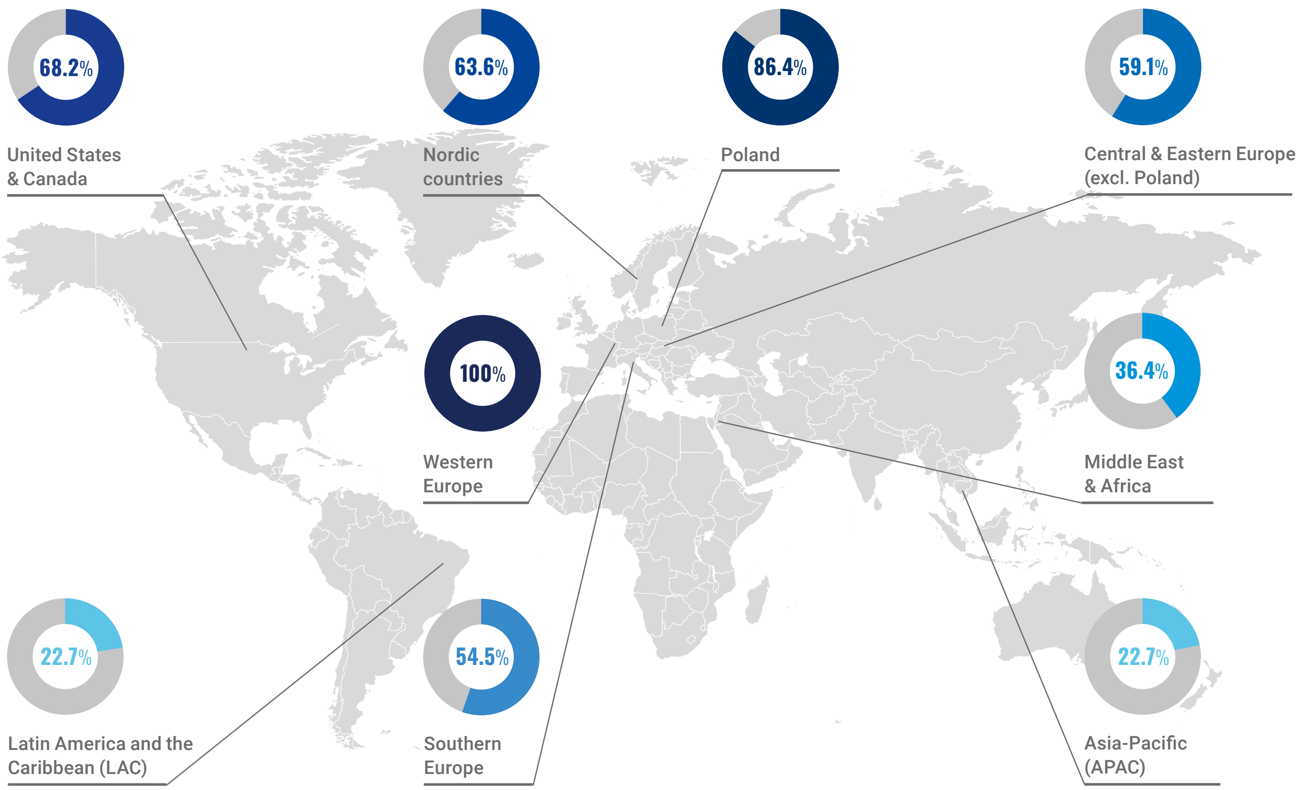
GEOGRAPHICAL PROFILE OF ACTIVITY (PROCESSES SUPPORTED FROM LOCATION(S) IN KATOWICE & METROPOLIS GZM) (%)



Source: ABSL's study, based on responses from investors with business services centers in Katowice & GZM

FIGURE 3.7

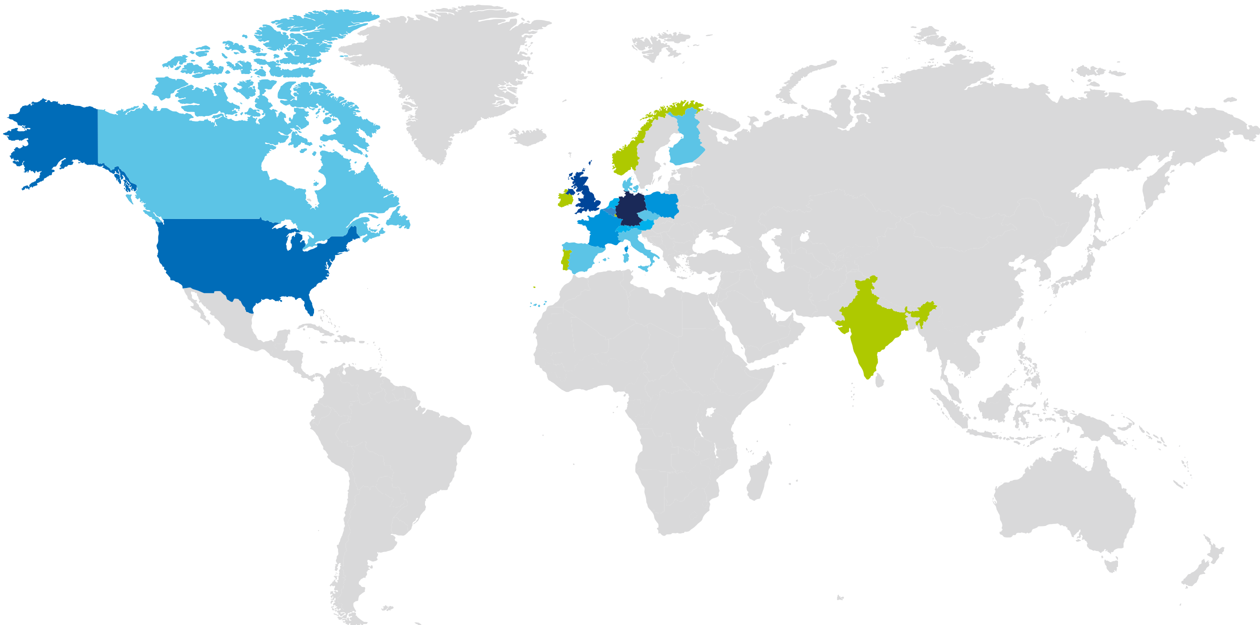
GEOGRAPHICAL RANGE OF SERVICES PROVIDED BY CENTERS IN KATOWICE & METROPOLIS GZM



Source: ABSL's study, based on responses from investors with business services centers in Katowice & GZM

FIGURE 3.8

THE MOST IMPORTANT COUNTRIES FOR WHICH CENTERS PROVIDE SERVICES FROM KATOWICE & METROPOLIS GZM (PERCENTAGE OF RESPONDENTS THAT INDICATED ONE OF THE FOLLOWING COUNTRIES)



76.2% Germany	52.4% United Kingdom	38.1% United States	33.3% Belgium	28.6% France	28.6% Poland
23.8% Austria	23.8% Netherlands	23.8% Switzerland	9.5% Canada	9.5% Czech Republic	9.5% Denmark
9.5% Finland	9.5% Italy	9.5% Spain	4.8% India	4.8% Ireland	4.8% Luxembourg
4.8% Norway	4.8% Portugal				

Source: ABSL's study, based on responses from investors with business services centers in Katowice & GZM

EMPLOYMENT IN THE BUSINESS SERVICES SECTOR

7

The number of centers employing a minimum of 1,000 people in Katowice (6 in the previous year).

14

The number of centers employing a minimum of 500 people in Katowice (18 in Katowice & GZM).

12.9%

Of the total number of employees in the sector in Katowice & GZM are foreigners (over 4,100 people).

9.6%

accumulated job growth in the sector (CAGR) in 2018-2023 in the Katowice & GZM region; compared to Poland, 9.3%.

24

The number of countries which the foreigners working in business services centers come from (surveyed by ABSL in Katowice & GZM).

* Compound Annual Growth Rate.

Source: ABSL's study, based on the ABSL business services centers database

At the end of Q1 2023, the centers in Katowice & GZM employed 31,957[3] people (1,350 more than in the preceding year). Most jobs (79%) were created at centers owned by international companies. Centers owned by Polish companies in the region employed 21% of the overall headcount in the sector.

[3] 26,600 in Katowice only.

TABLE 3.2
EMPLOYMENT IN THE INDUSTRY AND THE NUMBER OF CENTERS BY COUNTRY OF ORIGIN IN KATOWICE & GZM (2023)

Country of origin	Employment	Share in overall employment (%)	Number of centers	Share in number of centers (%)
Poland	6,695	21.0	35	26.5
United States	6,255	19.6	26	19.7
France	5,915	18.5	13	9.8
United Kingdom	2,865	9.0	10	6.8
Germany	2,700	8.4	15	10.6
Netherlands	2,432	7.6	7	5.3
Ireland	1,800	5.6	4	3.0
Japan	714	2.2	4	3.0
Luxembourg	630	2.0	1	0.8
Switzerland	590	1.8	4	3.0
Other countries	1,361	4.3	16	11.5
Overall	**31,957**	**100.0**	**135**	**100.0**

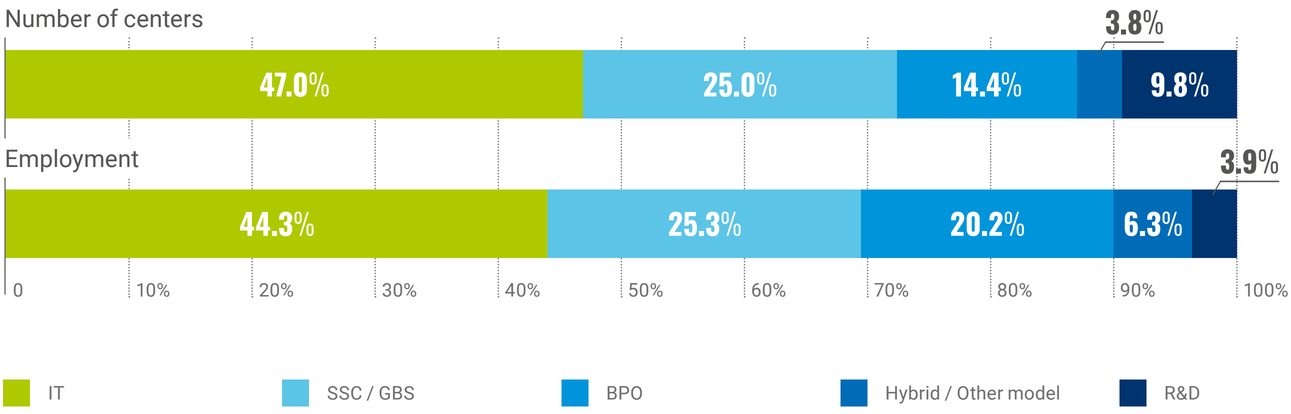
Source: ABSL's study, based on the ABSL business services centers database

Katowice is the leading location in the metropolitan area, it is here where 83.1% of the total number of people in the sector work. Out of the 135 centers, 62 (47%) are IT centers which employ 44.3% of people in the industry. Shared services centers (SSC/GBS) employ 25.3% of the overall number of people in the sector, and BPO centers – 20.2%. Other types of centers employ 13.6% of the overall number of employees.

When compered to Poland, the sector in Katowice & GZM is characterized by a larger share of IT centers (by 11.9 p.p.), hybrid/others (by 2.7 p.p.) and BPO (by 2.1 p.p.). The percentages of SSC/GBS (-9.7 p.p.) and R&D (-6.9 p.p) are below the national average.

FIGURE 3.9

EMPLOYMENT AND NUMBER OF CENTERS IN KATOWICE & GZM IN 2023, STRUCTURE BY TYPE OF CENTER (%)



Source: ABSL's study, based on the ABSL database

The average employment rate at centers in the Katowice & GZM area is 242 people (the median is 100), and is higher at foreign-owned centers (260) than domestically-owned centers (191).

The average number of employees at centers in Katowice is higher than the average for the metropolitan area, and totals 260 people (the median is 100 people). For comparisons, the median of employment at centers in Poland is 90. It means that the average size of a center in Katowice is greater than for centers in both the GZM area and Poland. Compared to Polish centers, the higher average employment at centers of international investors reflects market trends observed in the services sector, as well as the national and international economies. Multinational companies are generally larger, usually more productive, and, at the same time, more internationalized. In Katowice & GZM, the highest average headcount is recorded at centers with head offices located in France (455 people), Ireland (450), the Netherlands (347 people) and the UK (318). The eighteen largest centers, each employing at least 500 people, make up 54.3% of overall employment in the sector.

TABLE 3.3

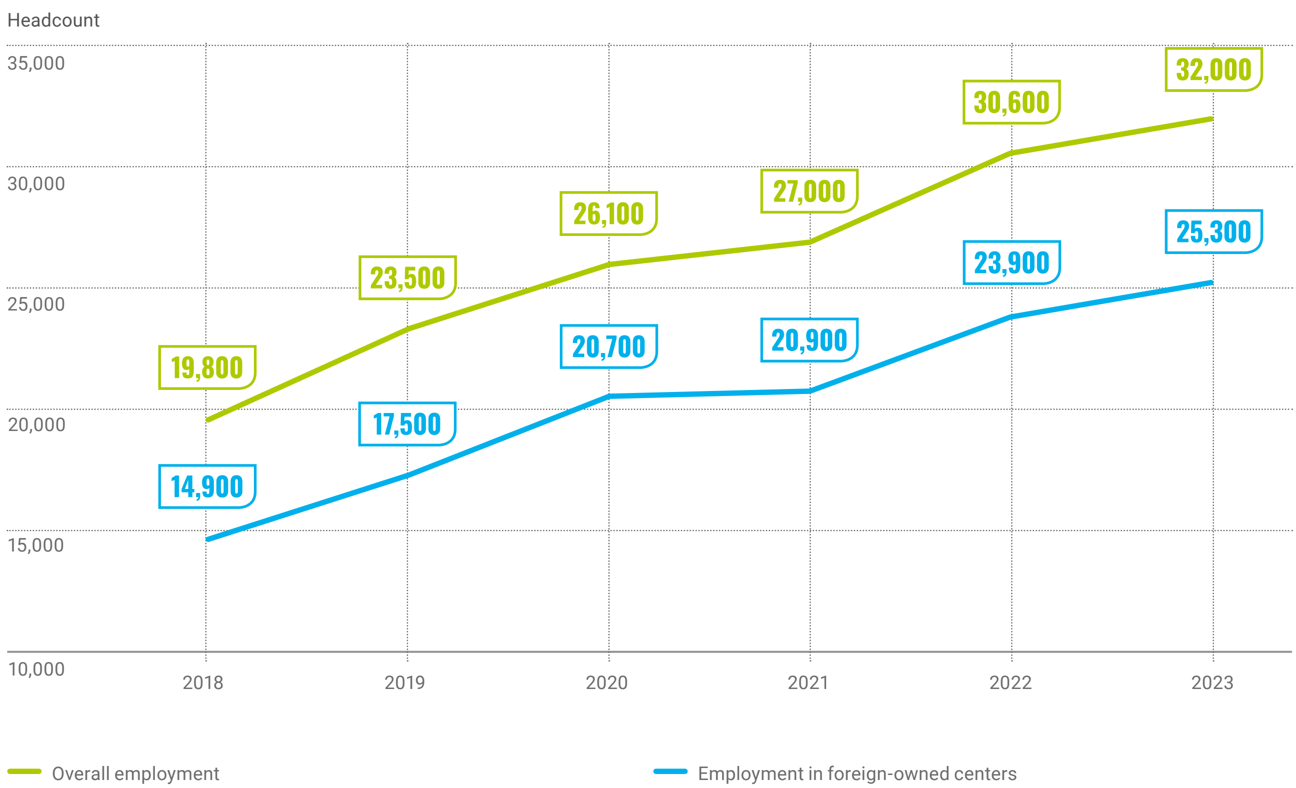
AVERAGE NUMBER OF EMPLOYEES (ARITHMETIC AVERAGE) AT CENTERS, BY LOCATION (NUMBER OF PEOPLE)

	Katowice	Katowice & Metropolis GZM	Poland
Polish centers	175	191	129
International centers	291	260	291
Overall	260	242	241

Source: ABSL's study, based on the ABSL database

FIGURE 3.10

EMPLOYMENT IN THE BUSINESS SERVICES SECTOR IN KATOWICE & GZM (2018-2023)



Source: ABSL's study, based on the ABSL database

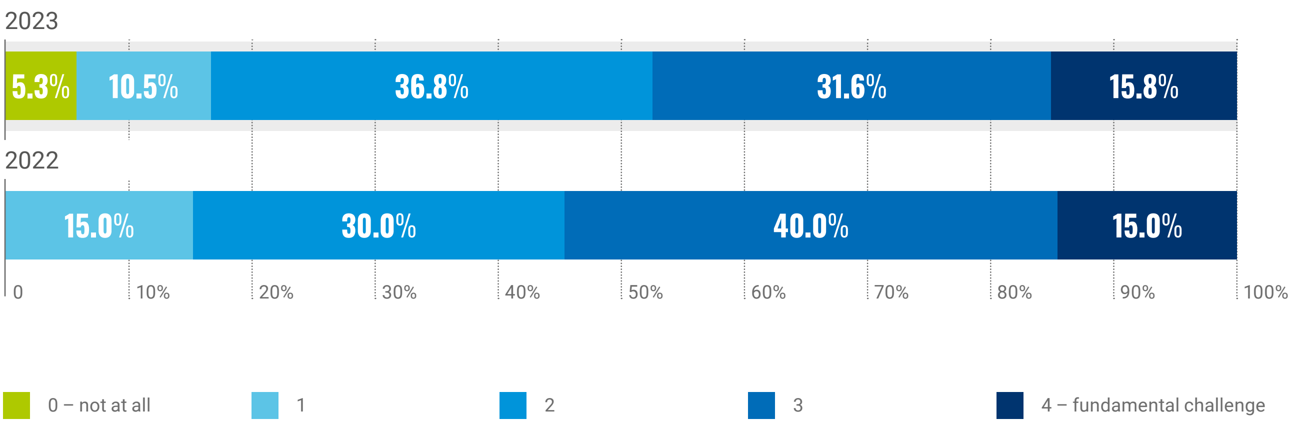
Direct comparisons with the reports of ABSL published in the past should be avoided. Instead, we recommend relying on the information in this report. The ABSL database is continuously updated, including information concerning previous years.

The contribution of the business services sector to the labor market in Katowice & GZM is more significant than would have been ascertained from a simple analysis of employment in the centers themselves. Therefore, indirect, and induced multiplier effects should be considered as well. Using the multiplier developed by EY[4] (equal to 1.8), the number of jobs generated by centers in Katowice & GZM should be estimated at 57,500.

According to companies from Katowice & GZM which participated in the ABSL 2023 survey, the availability of a talent pool in Poland was still perceived as a severe or fundamental barrier for centers to operate and grow (Figure 3.11). However, this year's ABSL survey respondents perceived the talent pool shortage as a less significant obstacle to operations and growth, compared to the previous year's survey results. To some extent, companies acknowledged the talent pool shortage by employing more foreigners, along with an increase in the 35+ age personnel's share of the workforce. Additionally, in the longer term, WFH and work-from-anywhere, accompanied by the development of technology and AI, is expected to reduce the severity of the talent pool shortage.

FIGURE 3.11

AVAILABILITY OF A TALENT POOL IN POLAND AS A BARRIER (A BOTTLENECK) FOR CENTER(S) TO OPERATE AND GROW



Source: ABSL's study, based on the survey results (N=20 companies from Katowice & GZM)

[4] EY (2019) "Global Business Services last decade and outlook for the next years", based on the EY SPECTRUM model, on the basis of data from Statistics Poland, ABSL, Randstad Sourceright, and JLL.

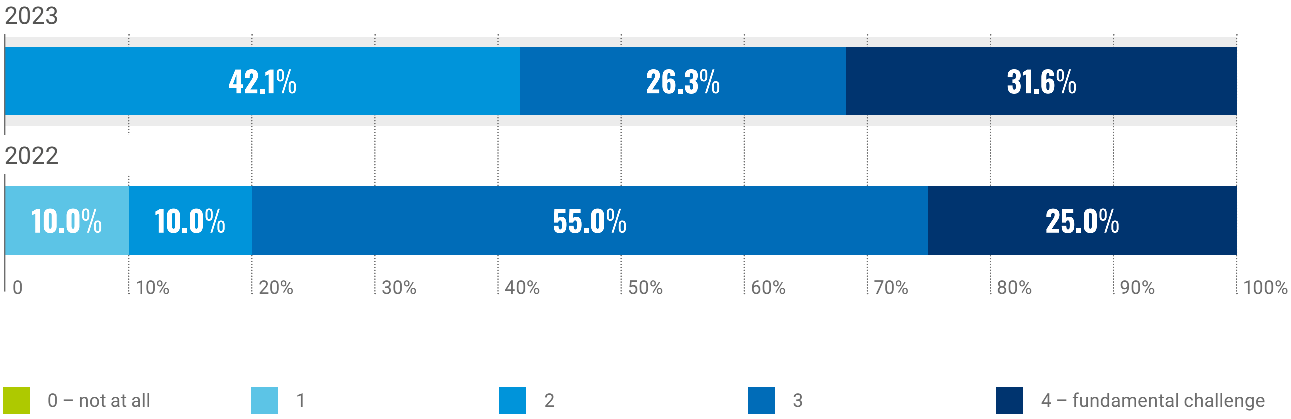
But 47.4% of surveyed employers in Katowice and GZM still see the availability of talent in Poland as a fundamental challenge to their center's growth and development.

The sector operates in a dynamic economic and social environment, characterized by volatility, uncertainty, complexity, and ambiguity (VUCA). Adaptability to negative and positive shocks is a normal part of day-to-day business. The character and scale of challenges that the sector has been confronted with in the last few years have been far beyond expectations. The new reality is determined by the COVID-19 pandemic and its consequences, WFH model, Russia's aggression against Ukraine, macroeconomic instability as well as global tensions.

Despite the longer-term trends, talent pool availability problems and VUCA environment, 30.4% of the centers are not planning any changes in employment, while 65.2% will look to increase their respective workforces. It is worth mentioning that the distribution of answers obtained from respondents in Katowice & GZM slightly differ from answers across Poland. The sector in Poland, was more optimistic with employment projections.

FIGURE 3.12

WILL THE PROBLEM WITH TALENT POOL AVAILABILITY INTENSIFY OVER THE NEXT FIVE YEARS?



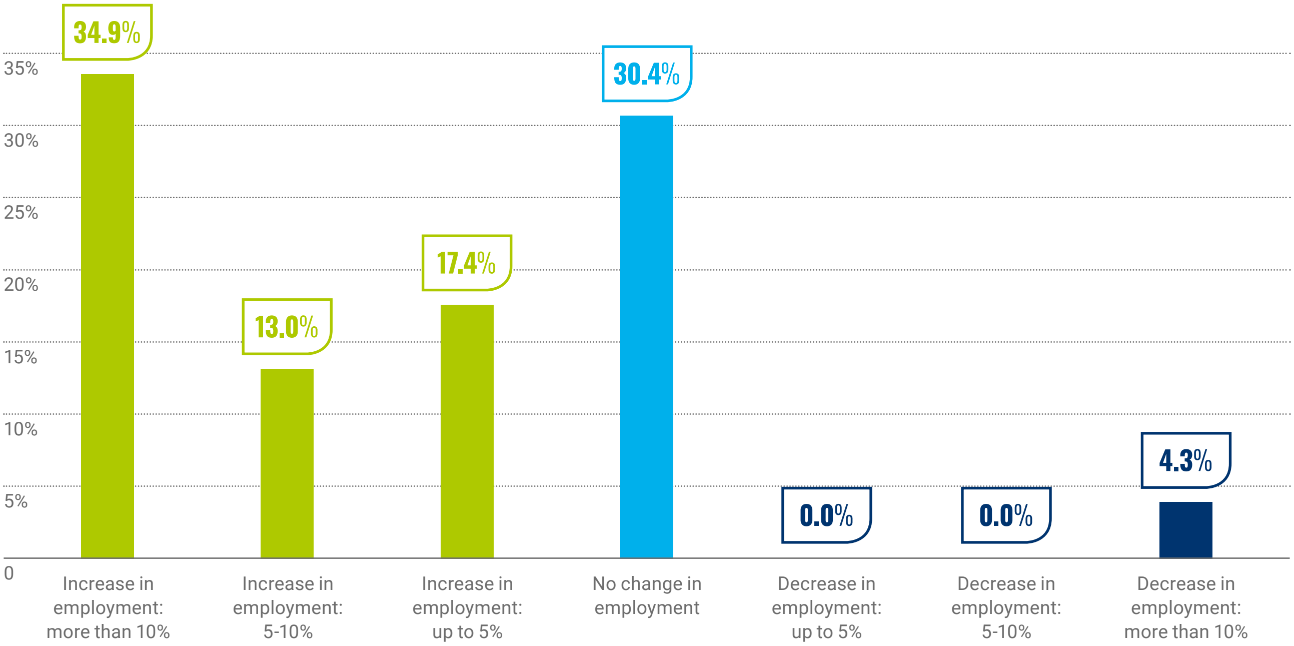
Source: ABSL's study, based on the survey results (N=20 companies from Katowice & GZM)

A characteristic feature of the KIBS[5] sector in Poland is the growing number of employed foreigners. For Poland, it amounts to 17.6% (in 2022 it was 13.8%). In the case of Katowice & GZM, it is 12.9% (8% in 2022). In the ABSL survey, respondents identified the top five foreign nationalities working in the service centers across the country. In the case of Katowice & GZM, the top five nationalities were Ukrainians, Indians, Belarusians, Czechs, Italians, and Russians.

[5] Knowledge-Intensive Business Services.

FIGURE 3.13

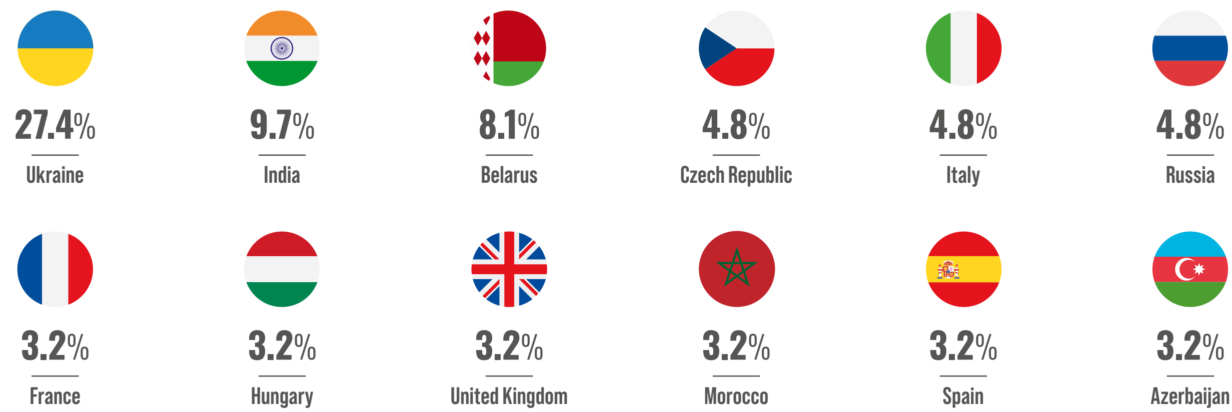
THE PLANS OF CENTERS IN KATOWICE & METROPOLIS GZM REGARDING CHANGES IN HEADCOUNT, UP TO Q1 2024 (SHARE OF CENTERS %)



Source: ABSL's study, based on the results of the survey

FIGURE 3.14

COUNTRIES MOST OFTEN INDICATED AS THE COUNTRY OF ORIGIN OF FOREIGNERS EMPLOYED IN BUSINESS SERVICES CENTERS IN KATOWICE & METROPOLIS GZM (% OF INDICATIONS)



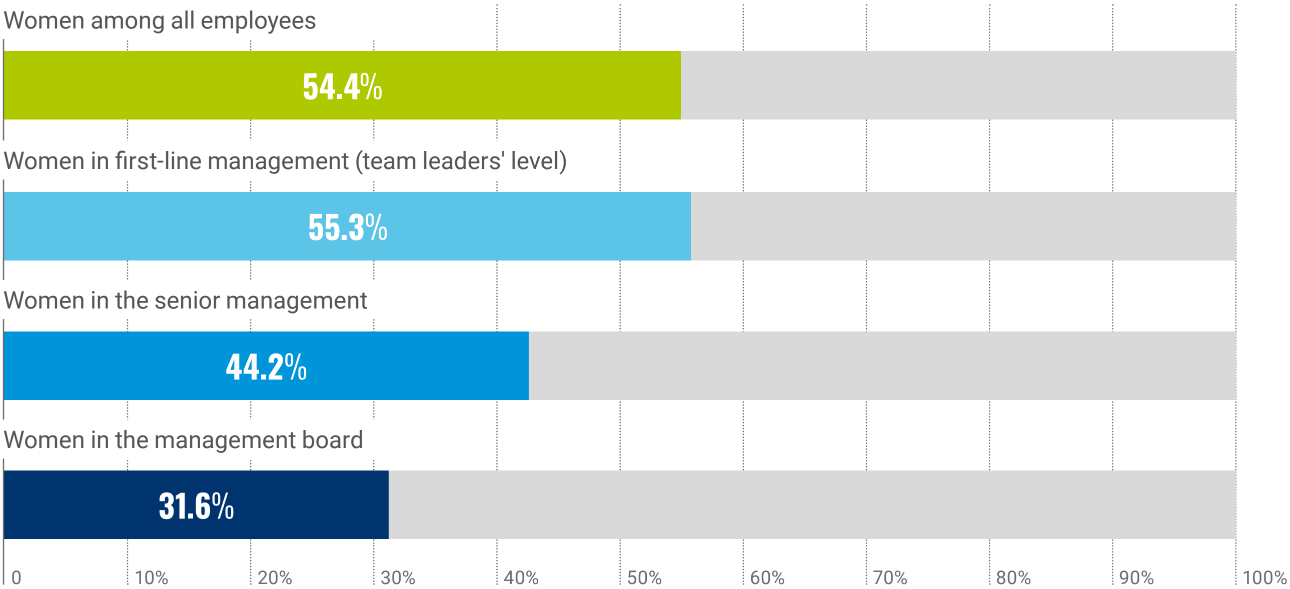
Source: ABSL's study, based on responses from investors with business services centers in Katowice & GZM

Another aspect of the analysis of the situation in the sectoral survey is participation of women in employment. The results presented are employment-weighted. The share of women in total employment in Katowice & GZM centers is 54.5%, similar to the average for Poland (53.4%).

Centers in Katowice & GZM and across Poland are seeing an increasing share of employees who are 35+ years old. In 2022, their share in declared employment in Katowice & GZM stated by the survey's respondents was 31.8%. However, in 2023 it has increased to 40.1%. It reflects the demographic changes occurring in Poland, the maturing of organizations as well as the way companies manage the talent pool shortage.

FIGURE 3.15

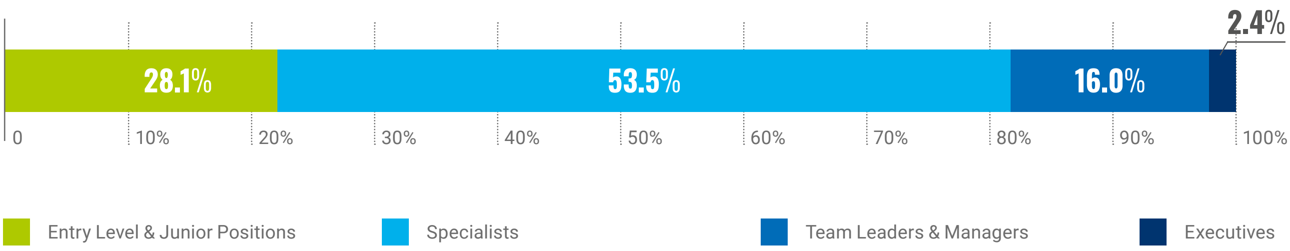
SHARE OF WOMEN IN EMPLOYMENT IN KATOWICE & GZM (%)



Source: ABSL's study, based on the results of the survey. The results are weighted by overall employment.

FIGURE 3.16

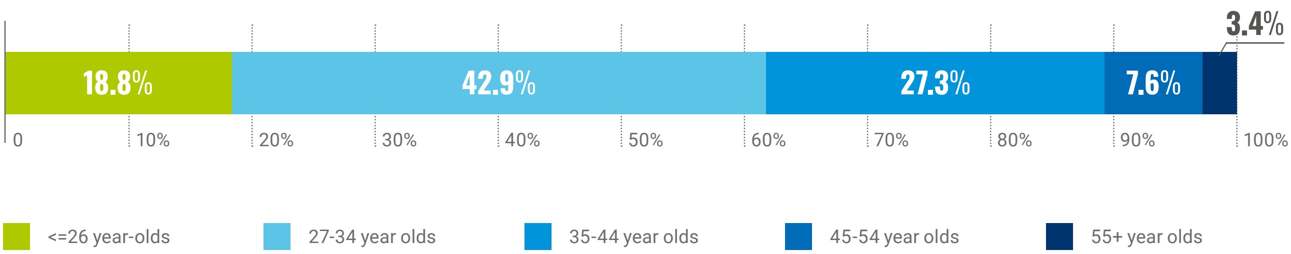
THE EMPLOYMENT STRUCTURE OF BUSINESS SERVICES CENTERS BY JOB CATEGORY IN KATOWICE & GZM (%)



Source: ABSL's study, based on the results of the survey. The results are weighted by overall employment.

FIGURE 3.17

THE EMPLOYMENT STRUCTURE OF BUSINESS SERVICES CENTERS ON THE AGE OF EMPLOYEES IN KATOWICE & GZM (%)



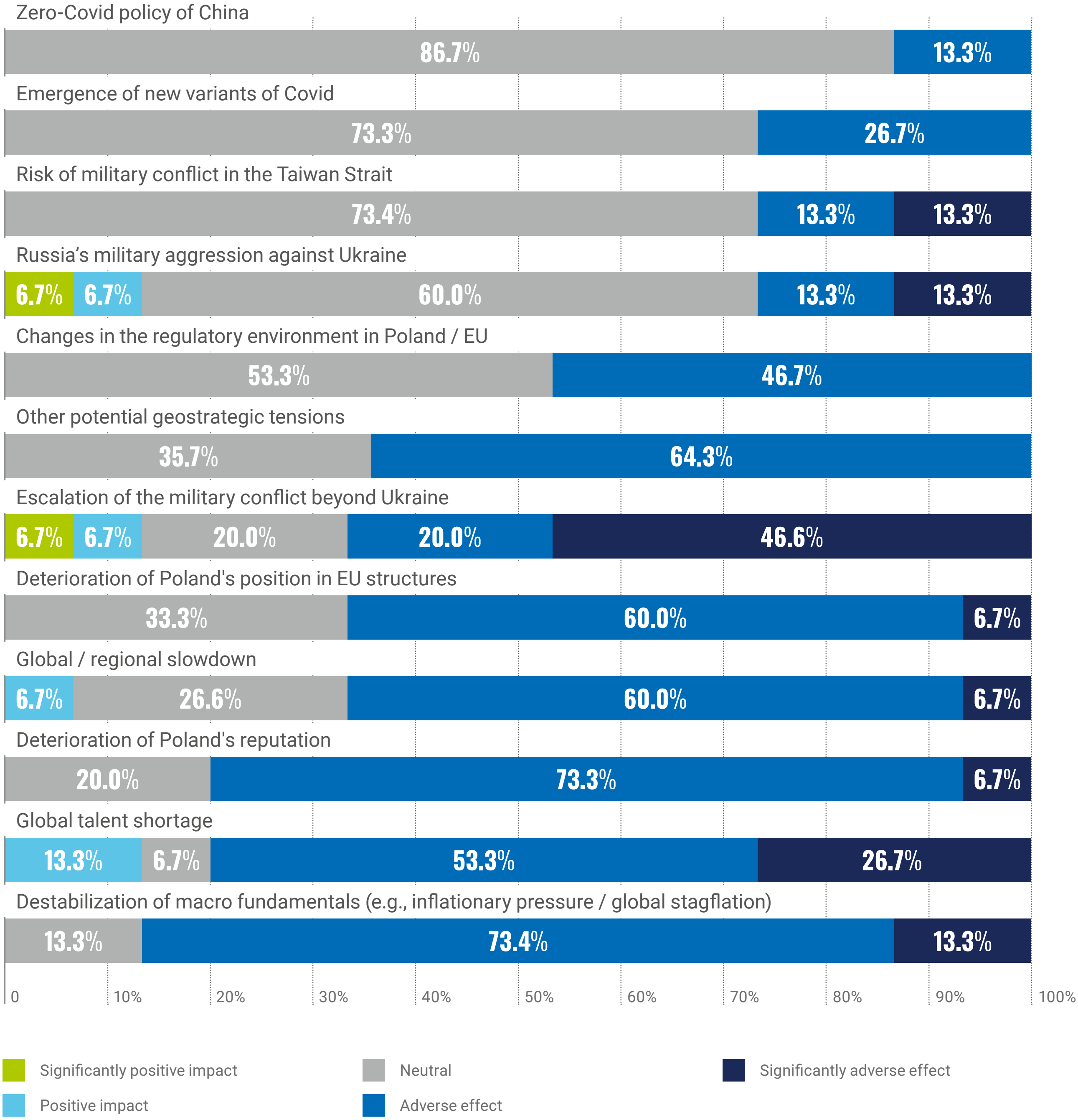
Source: ABSL's study, based on the results of the survey. The results are weighted by overall employment.

DRIVERS OF CHANGE IN THE SECTOR

Destabilization of macro fundamentals (inflationary pressure and global stagflation), global talent shortage, escalation of the military conflict beyond Ukraine and deterioration of Poland's reputation are factors that will have the most adverse effect on centers' activities in the coming year. Figure 3.18 provides a synthesis of respondents' opinions on these factors that will affect centers' activities in the next year by centers established in Katowice & GZM. The average of the responses was calculated on the Likert scale, from -2, meaning a significantly adverse effect to +2, meaning a significantly positive impact.

FIGURE 3.18

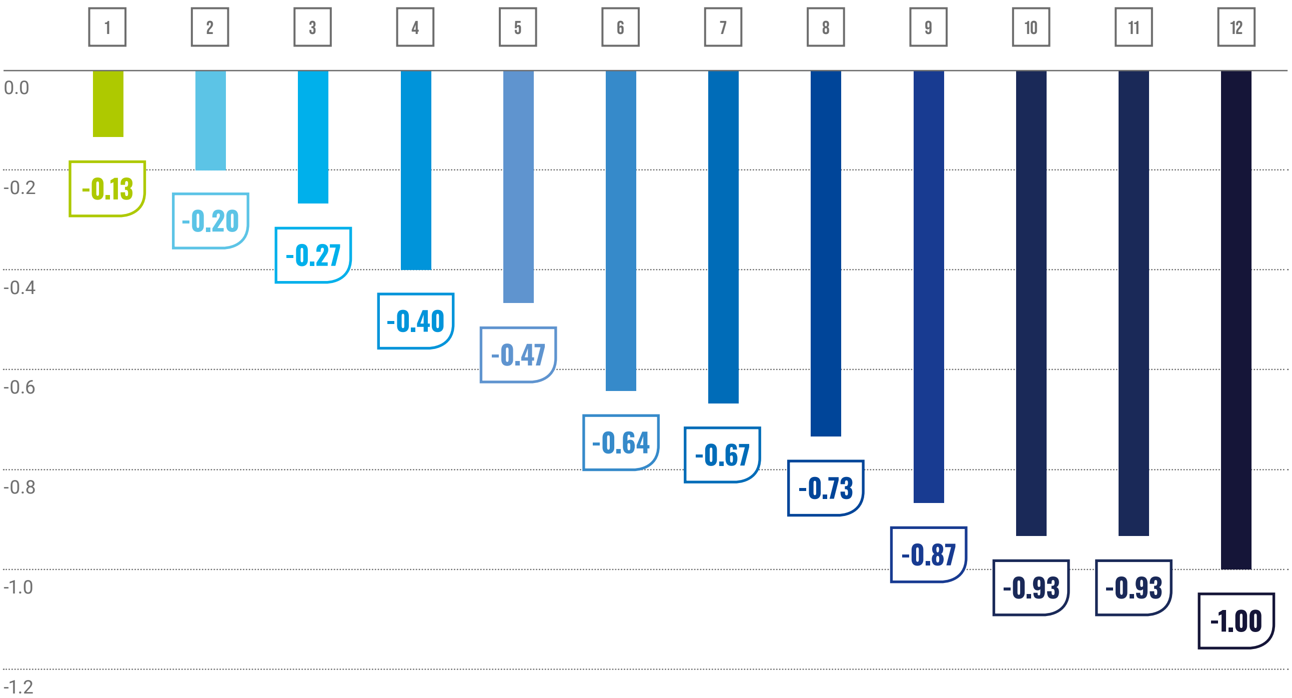
PERCEIVED IMPACT OF SPECIFIC FACTORS ON THE DEVELOPMENT OF THE INDUSTRY IN POLAND TILL THE END OF Q1 2024 (%)



Source: ABSL's study, based on the survey's results

FIGURE 3.19

IMPACT OF SPECIFIC FACTORS ON THE SECTOR IN POLAND TILL THE END OF Q1 2024
(AVERAGE OF RESPONSES)



1 Zero-Covid policy of China

2 Russia's military aggression against Ukraine

3 Emergence of new variants of Covid

4 Risk of military conflict in the Taiwan Strait

5 Changes in the regulatory environment in Poland / EU

6 Other potential geostrategic tensions

7 Global / regional slowdown

8 Deterioration of Poland's position in EU structures

9 Deterioration of Poland's reputation

10 Escalation of the military conflict beyond Ukraine

11 Global talent shortage

12 Destabilization of macro fundamentals (e.g., inflationary pressure / global stagflation)

Source: ABSL's study, based on the survey's results

Photo: T. Smogulski / SkyVision Polska

4 FORECAST FOR SECTOR DEVELOPMENT IN KATOWICE & GZM (2024-2033)

The figure 4.1 presents the employment forecast for Katowice & GZM in the business services sector until 2033. We adopted the ABSL Foresight Report from 2023 as a reference for the prognosis. It assumes three visions for developing Poland's KIBS sector: V1 – industry in Poland on the global technology frontier, V2 – partial upgrading but still behind the frontier, and V3 – partial collapse. The visions developed in the foresight analysis take into account the influence of Artificial Intelligence on the KIBS industry in Poland and globally. In V1 the forecasted employment in the KIBS industry in Poland in 2033 reaches 600,000 employees, in V2 550,000 and in V3 falls to 340,000.

V1

In V1, by 2033 Poland is on the global technology frontier with a competitive advantage based on the talent pool's size, scale of operations, adaptability, and creativity. Poland becomes one of the leading innovation hubs both from a regional and global perspective with high-intensity innovation and some large R&D labs/IT infrastructure hubs of the leading players. Holistic digitalization and automation are standard. A substantial number of firms utilize the most advanced business models from the ABSL Industry Transformation Cube. Centers located in Poland and Katowice & GZM can provide more complex, higher value-added, and tailored services to even the most demanding clients, with CX-focus thanks to hyper-personalization & the use of AI in predictive analysis. The share of permanently innovating centers is significantly higher, with centers being able to introduce incremental and radical innovation at the firm level but also at the global market level.

V2

In V2, Poland is closer to the global technology frontier but still behind it. Upskilling has partially transformed the sector, with low-end jobs moved to low-cost countries or fully-automated, and more complex middle-office processes are the main focus. Still, Poland and centers in Katowice & GZM try to keep their advantage based on labor arbitrage, losing several positions in the global attractiveness rankings. Centers are more focused on innovation and introduce them rather sporadically and more reactively. Most innovations are relatively incremental and firm – or regional market-level. Some firms utilize the most advanced business models from the ABSL Industry Transformation Cube. Most are somewhere in between the current (base) models and the advanced models of the future – partial automation, partial virtualization, partial personalization of services on offer. Insufficient reform of the education system is a major factor dampening the growth possibilities.

V3

In V3, Poland falls further behind the global technology frontier, which leads to a partial collapse of the sector with headcount decreasing to 340,000 jobs in 2033. The threats are stronger than opportunities. Only a few firms utilize the most advanced business models from the ABSL Industry Transformation Cube. Most are somewhere in between the current (base) models and the advanced models of the future – partial automation, partial virtualization, partial personalization of services on offer or use the legacy business models (the base). Insufficient reform of the education system is a major factor dampening the growth possibilities.

Considering Katowice & GZM’s share in Poland’s total employment in 2023, and increasing this share to 8.0% till 2033, we obtain the first scenario (47,900 people in 2033, CAGR in 2023-2033 equal to 4.1%).

The second scenario assumes that Poland is closer to the global technology frontier but still behind it, with Katowice & GZM increasing the share gradually from 7.3% to 8.0% by 2033. In 2033, employment in the KIBS sector in Katowice & GZM will reach 44,200 people (CAGR 2023-2033 = 3.3%).

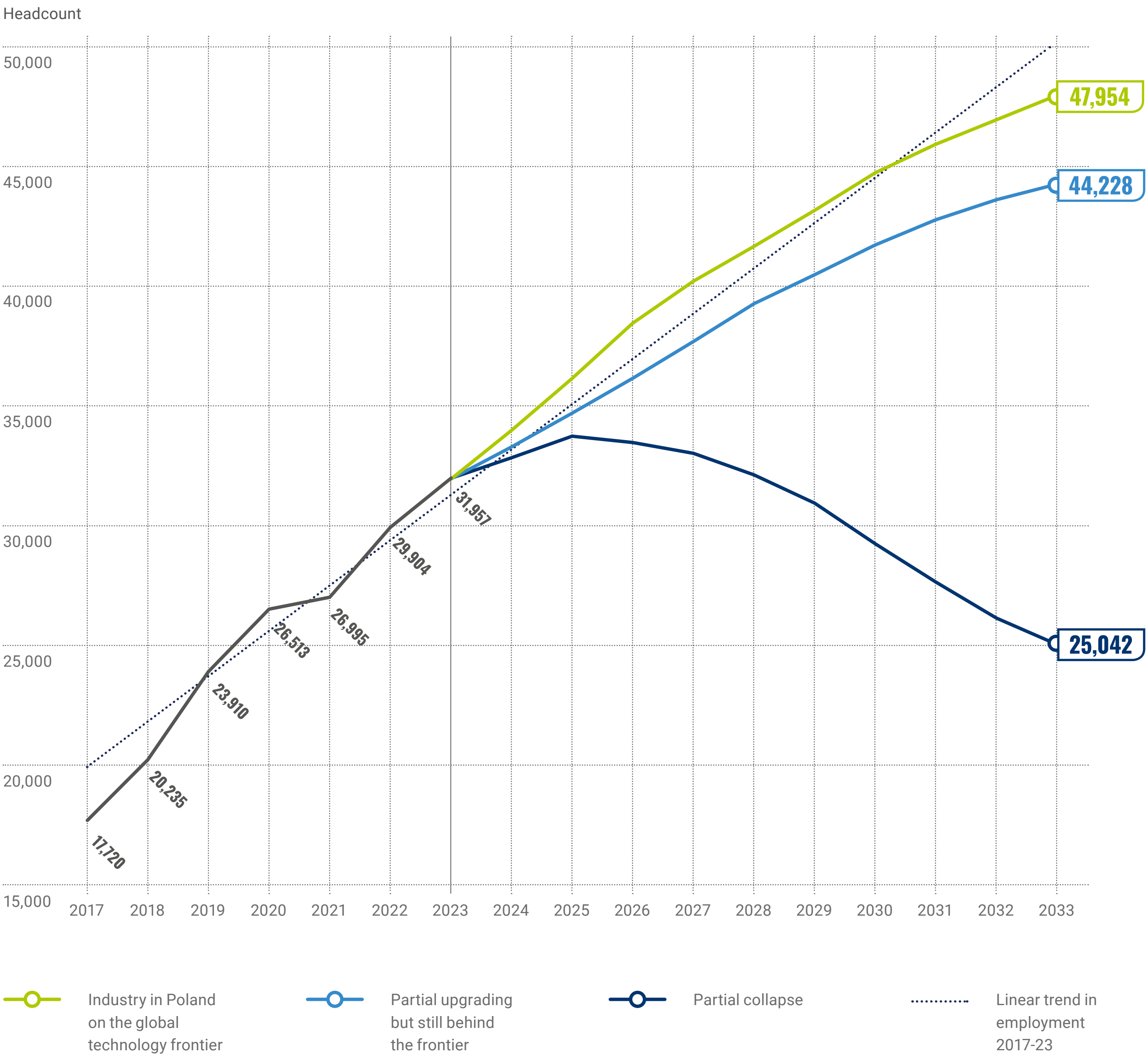
The third scenario assumes a pessimistic vision of total employment in the sector, Poland falls further behind the global technology frontier, with Katowice & GZM maintaining their current share in total employment. As a result, jobs in Katowice & GZM in 2033 will fall to 25,000 employees (CAGR = -2.4%).

We want to emphasize that given the current state of the sector's development in Poland, we assume increasing total employment in the industry with decreasing growth dynamics, which is why the line flattens out towards the end of the forecast horizon.

Photo: Shutterstock

FIGURE 4.1

FORECAST OF EMPLOYMENT IN THE KIBS SECTOR IN KATOWICE & METROPOLIS GZM, UP TO 2033



Source: ABSL's study

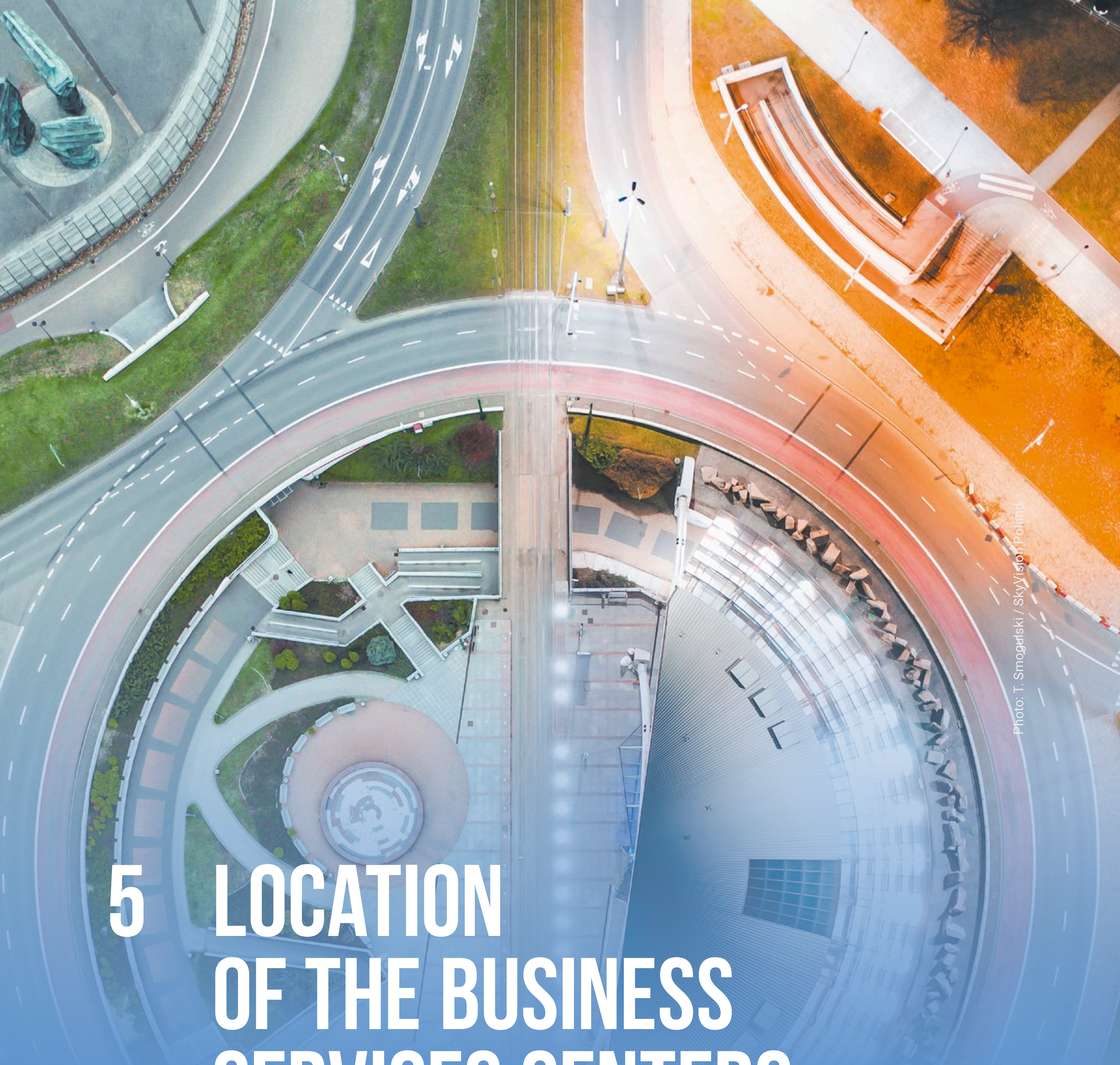
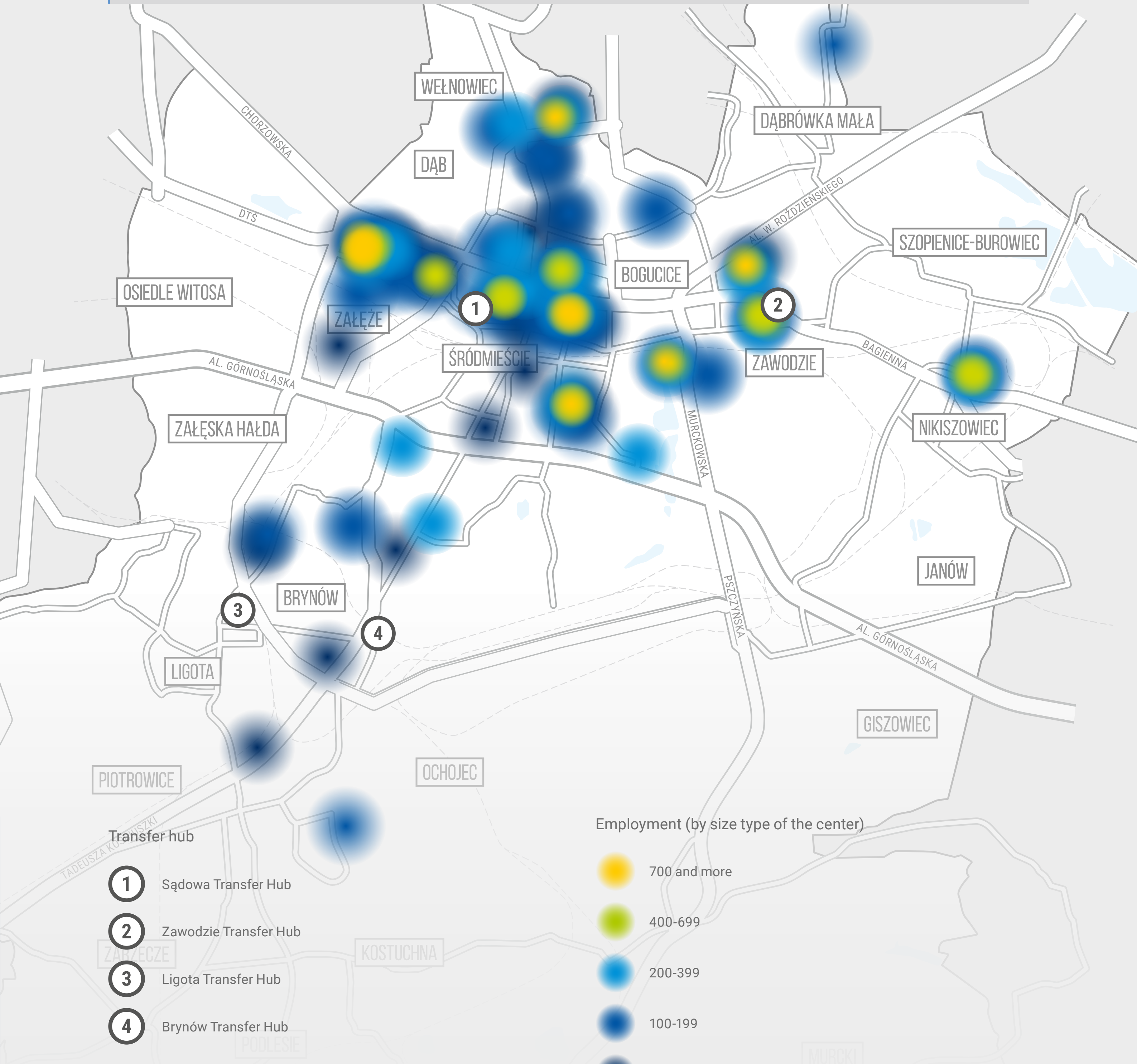


Photo: T. Smogulski / SkyVision Poland

5 LOCATION OF THE BUSINESS SERVICES CENTERS

FIGURE 5.1

EMPLOYMENT IN BUSINESS SERVICES CENTERS LOCATED IN KATOWICE

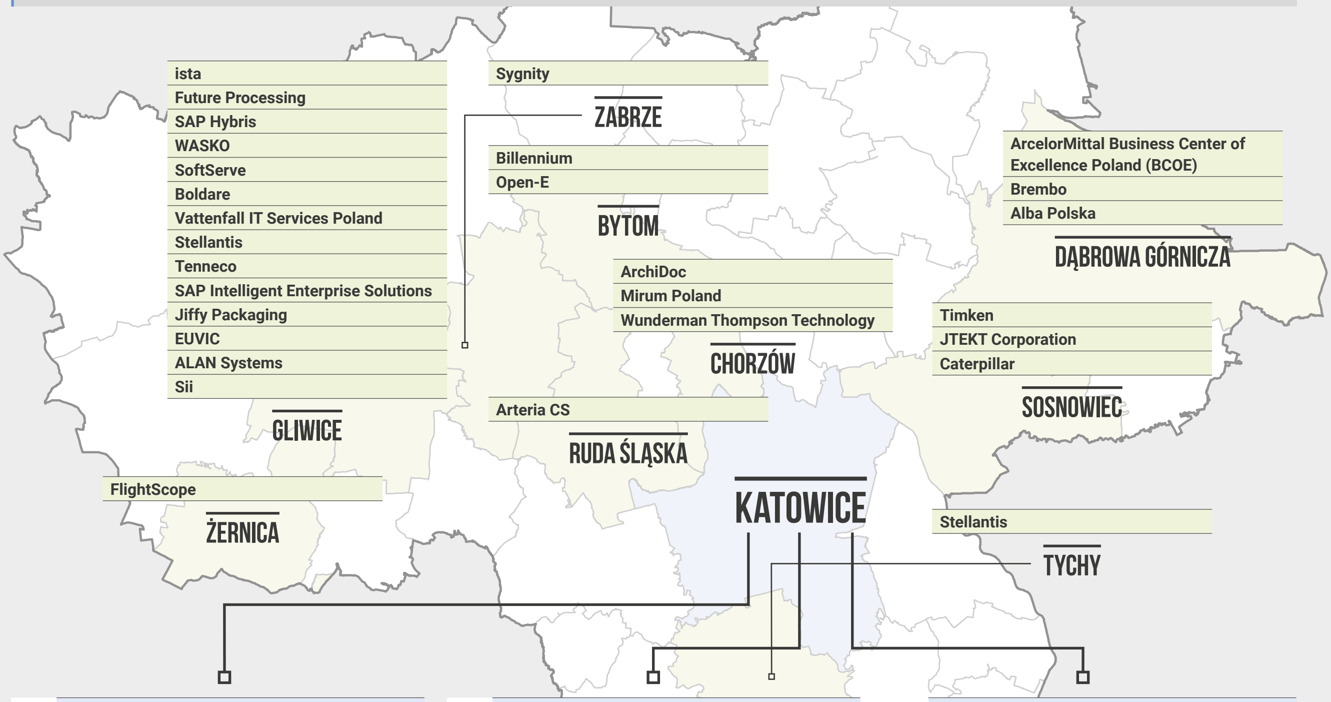


Source: ABSL's study, based on the ABSL database

Location of the business services centers

FIGURE 5.2

SELECTED BUSINESS SERVICES CENTERS LOCATED IN KATOWICE & GZM



PwC Service Delivery Center
Capgemini Cloud Infrastructure Services
ING Tech Poland
Kyndryl Customer Innovation Center
Capgemini Business Services
Sopra Steria
Keywords Studios
Genpact
Tauron Obsługa Klienta
Kamsoft
Vialto Partners Poland
Fujitsu Technology Solutions
Honeywell
HireRight
Sii
COIG
EUVIC
SGS Global Business Services Europe
Stats Perform
Teleperformance Polska
Alight
EPAM SYSTEMS
TMF Group
eSky.pl
Unilever
Rockwell Automation

BPSC
Accenture Advanced Technology Center
Diebold Nixdorf
Armatis
TÜV Rheinland
Eurofins
DAZN Media Poland
Alstom Power
Jcommerce
Arvato BPO Finance & Accounting
Siemens EDA
ista Shared Services Polska
Knauf IT Services
ZETO Katowice
Ammega Business Services
Scalo
Call Center Inter Galactica
ASTEK
KLDiscovery Ontrack
Sandvik Coromant
Barona
Guardian
Saint-Gobain
AEBI Schmidt Corporate Service Center
Hyland Software
STS

Simio
Hemmersbach Central Support
Soflab Technology
Kotrak
ArchiDoc
Huawei
Sapiens International Corporation
Oracle
AC Project
Comarch
relayr (Proximetry Poland)
Webanywhere
Netguru
Etteplan
SD Worx Poland
Cyclad
Dunlop Conveyor Belting
Altium
Jamf
SMS Metallurgy
Cadence
Famur Institute
Upfield
Vattenfall IT Services Poland

Katowice as a first location in Poland

Katowice as the only location in Poland

Source: ABSL's study, based on the ABSL database

TABLE 5.1

EXAMPLES OF CENTERS OPERATING IN KATOWICE

Investor	Parent HQ country	Center Type	Year of establishment	Employment
PwC Service Delivery Center		SSC / GBS	2009	>1,500
Capgemini Cloud Infrastructure Services		IT	2006	>1,500
ING Tech Poland		IT	2003	>1,500
Kyndryl Customer Innovation Center		Hybrid / Other model	2013	1,000-1,300
Capgemini Business Services		BPO	2006	1,000-1,300
Sopra Steria		IT	2007	1,000-1,300
Keywords Studios		IT	2018	1,000-1,300
Genpact		BPO	2021	500-1,000
Tauron Obsługa Klienta		SSC / GBS	2011	500-1,000
Kamsoft		IT	1987	500-1,000
Vialto Partners Poland		BPO	2022	500-1,000
Fujitsu Technology Solutions		IT	2018	500-1,000
Honeywell		SSC / GBS	2019	500-1,000
HireRight		BPO	2004	500-1,000
Sii		IT	2014	300-500
COIG		IT	1976	300-500
Euvic		IT	2004	300-500
SGS Global Business Services Europe		SSC / GBS	2014	300-500
Teleperformance Polska		BPO	2014	300-500
Stats Perform		IT	2011	300-500
Alight		BPO	2007	300-500
EPAM		IT	2016	300-500
TMF Group		BPO	2000	300-500
eSky.pl		Hybrid / Other model	2004	300-500
Accenture Advanced Technology Center		IT	2017	300-500
Diebold Nixdorf		IT	2011	300-500

Location of the business services centers

Investor	Parent HQ country	Center Type	Year of establishment	Employment
Unilever		SSC / GBS	2008	300-500
Rockwell Automation		SSC / GBS	2006	300-500
BPSC		IT	1988	300-500
Armatis		BPO	2021	300-500
TÜV Rheinland		SSC / GBS	2018	100-250
Eurofins		SSC / GBS	2016	100-250
DAZN Media Poland		Hybrid / Other model	2011	100-250
Alstom Power		R&D	2021	100-250
Arvato BPO Finance & Accounting		BPO	2018	100-250
Teleperformance Polska		BPO	2018	100-250
Siemens EDA		SSC / GBS	2017	100-250
JCommerce		IT	2005	100-250
ista Shared Services Polska		SSC / GBS	2006	100-250
Knauf IT Services		IT	2017	100-250
ZETO Katowice		IT	1965	100-250
Ammega Business Services		SSC / GBS	2021	100-250
Call Center Inter Galactica		BPO	2019	100-250
Scalo		IT	2004	100-250
ASTEK		IT	2016	100-250
KLDiscovery Ontrack		Hybrid / Other model	2001	100-250
Sandvik Coromant		SSC / GBS	2020	100-250
Barona		IT	2012	100-250
Guardian		SSC / GBS	2017	100-250
Saint-Gobain		SSC / GBS	2008	100-250
ArchiDoc		BPO	2021	100-250
AEBI Schmidt Corporate Service Center		IT	2021	100-250
Hyland Software		R&D	2020	100-250
Huawei		IT	2019	100-250
STS		SSC / GBS	2018	100-250

Investor	Parent HQ country	Center Type	Year of establishment	Employment
Sapiens International Corporation		IT	2016	100-250
Oracle		IT	2012	100-250
Simio		BPO	2012	100-250
Hemmersbach Central Support		IT	2010	100-250
Soflab Technology		IT	2008	100-250
Kotrak		IT	1990	100-250

The table presents information on the centers that employ at least 100 people in Katowice at the end of Q1 2023.
The employment range relates only to operations in Katowice (not in Poland overall).

Source: ABSL's elaboration, based on the ABSL database and other sources, incl. Internet websites

TABLE 5.2
EXAMPLES OF CENTERS OPERATING IN METROPOLIS GZM, OUTSIDE OF KATOWICE

Investor	Parent HQ country	Center Type	Year of establishment	Employment
ista		SSC / GBS	2006	500-1,000
Future Processing		IT	2000	500-1,000
ArcelorMittal Business Center of Excellence Poland (BCOE)		SSC / GBS	2008	500-1,000
ArchiDoc		BPO	1994	300-500
SAP Hybris		R&D	2007	300-500
WASKO		IT	1988	100-200
SoftServe		IT	2017	100-200
Boldare		IT	2004	100-200
Vattenfall IT Services Poland		SSC / GBS	2011	100-200
Stellantis		SSC / GBS	2007	100-200
Tenneco		R&D	2001	100-200

The table presents information on the centers in GZM outside Katowice, with at least 100 people at the end of Q1 2023.
The employment range relates to operations within GZM but outside Katowice.

Source: ABSL's elaboration, based on the ABSL database and other sources, incl. Internet websites

Photo: Katowice City Hall

6 INVESTORS ABOUT THEMSELVES

aebi schmidt group

Aebi Schmidt is a leader in intelligent solutions for road, airport and rail infrastructure, as well as for the agricultural industry. It historically originates from Switzerland and has been in business for 140 years. Since 2021 Aebi Schmidt Corporate Services Center has also been present in Katowice. It is a key support element for the Aebi Schmidt Group, supporting processes in the areas of finance, software engineering, data management, strategic purchasing and supply chain. The CSC is located in a showcase .KTW building in the center of the agglomeration.

Wojciech Puch,
Head of Corporate Service Center

Aebi Schmidt Corporate Service Center is now a team of 60 qualified professionals. It is not just a service center, but, above all, a structure which our employees want to identify with. One of our main goals is to make them comfortable at work as much as possible. Currently we work in a hybrid model, by working at the office 3 days per week, which has resulted in amazing synergies since the center's inception. As an experienced manager, I am well aware of what larger and smaller corporations are facing, so we are consistently trying to address these challenges and even meet them beforehand. What we count on is mutual trust, transparency and good atmosphere at work. A reflection of what we are like in Katowice can be seen in our social media. That's why we enjoy the opinion of a colourful and interesting group, simply nice to work and be around with. And that is exactly what we want to be.

We chose Katowice because of a number of interlocking factors. The Katowice City Hall is excellent at supporting new business initiatives, which definitely has an impact when one builds a start-up. Above all, Katowice has changed a great deal over the past 15 years, and this change is unique in this part of Poland: it is a vibrant student, business and cultural city.

For both experienced professionals and young people starting out on their careers, it is a proof that they have very good career prospects in our region thus we are striving for a consistent growth.

In 2021, AMMEGA Group chose Katowice as the location for AMMEGA Business Services, the group's Global Business Services Centre, and one of its key growth initiatives. AMMEGA is an innovative organization, committed to its mission and vision, which aspires to be the local partner of choice for conveyor belts that are sustainably manufactured and delivered.

Marcin Nowak,
Managing Director at AMMEGA Business Services

AMMEGA has decided to build a comprehensive support center, handling end-to-end processes, for key business areas such as finance, procurement and supply chain management, IT, digital technology, HR, communications, marketing, and legal services. It also extends to sustainable development, forecasting and evaluation of production data, management of selected production operations, creating multiple global functions and teams that directly manage processes in Europe and around the world.

Consistent implementation of our ambitious development plans focuses on cooperation with the best professionals and teams as well as building a brand that is recognizable and attractive to the employees. AMMEGA Business Services, after a few months of operation in 2021, created a team of 50 people and doubled it the following year. The aim is to have over 200 employees by the end of this year. AMMEGA is successfully implementing the process of strengthening and harmonizing support for the company's strategic areas to deliver efficient, integrated, world-class processes, and whose aim is to create a competence center for the entire group. An undeniable importance of lub a key factor in achieving its business goals was the selection of an office location in the heart of a bustling city, with the long-term development in the chosen location in mind. After being in Katowice for over two years, growth plans for Ammega's Global Business Service Centre include further the enhancement of its strong market position as well as the underpinning of the company's long-term prospects.

GlobalLogic®

GlobalLogic, a leader in digital engineering, supports brands from around the world in designing and developing innovative products and platforms. As part of the Hitachi Group Company, GlobalLogic is committed to building a sustainable society with a higher quality of life through data-driven innovation and technology. The organization has a global presence with engineering and design centers around the world, including nine offices in Poland. This allows the company to offer expertise and advanced solutions to clients in various industries.

Marcin Szydełko,

Director of Engineering & Site Lead w GlobalLogic Katowice

The opening of the Katowice office at the end of 2022 was another step in GlobalLogic's rapid growth in Poland. We have chosen a city which has an impressive reputation for being a center of IT competence and with a number of highly qualified specialists to successfully meet the needs of major companies in the automotive, medical, financial and industrial sectors. In a short time, we were able to build a talented team of engineers who work on solutions that change the way organizations in these industries operate – improving their customers' experience. The designed technologies translate into greater safety and convenience for patients, drivers, and users of various systems.

In Katowice we focus on "learning & development". Through our thematic academies, functioning technology laboratories and close cooperation with universities, we strive to offer numerous opportunities for students, graduates, people considering a career change and experienced engineers to acquire new skills as well as to improve skills that they already have. An example of such activities is the postgraduate program, “Software in Automotive for Modern Mobility – Digitalization in Automotive”, organized jointly with the Silesian University of Technology; the program is designed to prepare software engineers for work in the ever-changing automative industry.

We also understand the current importance of IT companies to the sustainable development of cities, which is why we are engaged in this process and want to contribute to the region and the local community. Our involvement results in new prospects for people who want to develop their careers in the industry and in solutions that can improve the well-being of residents, as well as any activity that attracts investment from major representatives of various industries to Katowice.

The Vaillant Group is a renowned family-owned company with a long history that dates back to 1874. The Group specializes in heating and air conditioning technology, and offers comprehensive solutions for heating, cooling, and hot water production. As a leading supplier of environmentally friendly heat pumps and high-efficiency gas technologies, the company has production facilities, subsidiaries, and R&D centers in many European countries, as well as in China. Striving for innovation and sustainability, the Vaillant Group is actively developing energy-saving technologies and solutions based on renewable energy, whose aim is to have a minimal impact on the environment.

Michał Mateja,
Managing Director at Vaillant Business Services Poland Sp. z o.o.

When looking for a suitable location for our IT & Data Site we wanted to choose a thriving environment. This is why we set our sights on Katowice, which offers multiple opportunities for entrepreneurs as well as employees.

Thanks to the dynamic growth of Vaillant Group Business Services Poland, we decided to open R&D centers in Katowice, which are a key element of Vaillant's growth strategy. Thanks to R&D experts, we will be able to implement innovative projects even more effectively and enhance our leading position in the market.

Currently, our team consists of 100 specialists, which we plan to expand by another 130 IT experts.

Photo: Shutterstock

7 THE LABOR MARKET

FIGURE 7.1
BASIC DEMOGRAPHIC INFORMATION ABOUT KATOWICE AND THE METROPOLIS

	KATOWICE	METROPOLIS
Population	280,190	2,142,838
Working age population	171,080	1,303,548
Working and mobile age population*	102,137	744,789

* Age range contained within the working age bracket and comprising persons (aged 18-44) who are able to move to a different position or place of work, or can re-train.

Source: Statistics Poland (as of December 31, 2022)

FIGURE 7.2
NUMBER OF STUDENTS, GRADUATES AND UNIVERSITIES FOR KATOWICE AND THE METROPOLIS

	KATOWICE	METROPOLIS
Number of students	50,848	90,725
Number of graduates	12,549	22,707
Colleges and universities	12	19

Source: Prepared by ABSL on the basis of data received from the National Information Processing Institute at the National Research Institute

FIGURE 7.3
KATOWICE & METROPOLIS: STUDENTS BY SELECTED CATEGORIES OF STUDIES

	KATOWICE	METROPOLIS
Business and Administration	4,725	15,493
Languages*	4,240	9,777
Information and Communications Technology (ICT)	3,066	8,405
Technical and Engineering	613	6,962

* Foreign philology studies: English; Arabic; Belarusian; Chinese; German; French; Spanish; Italian; Russian.

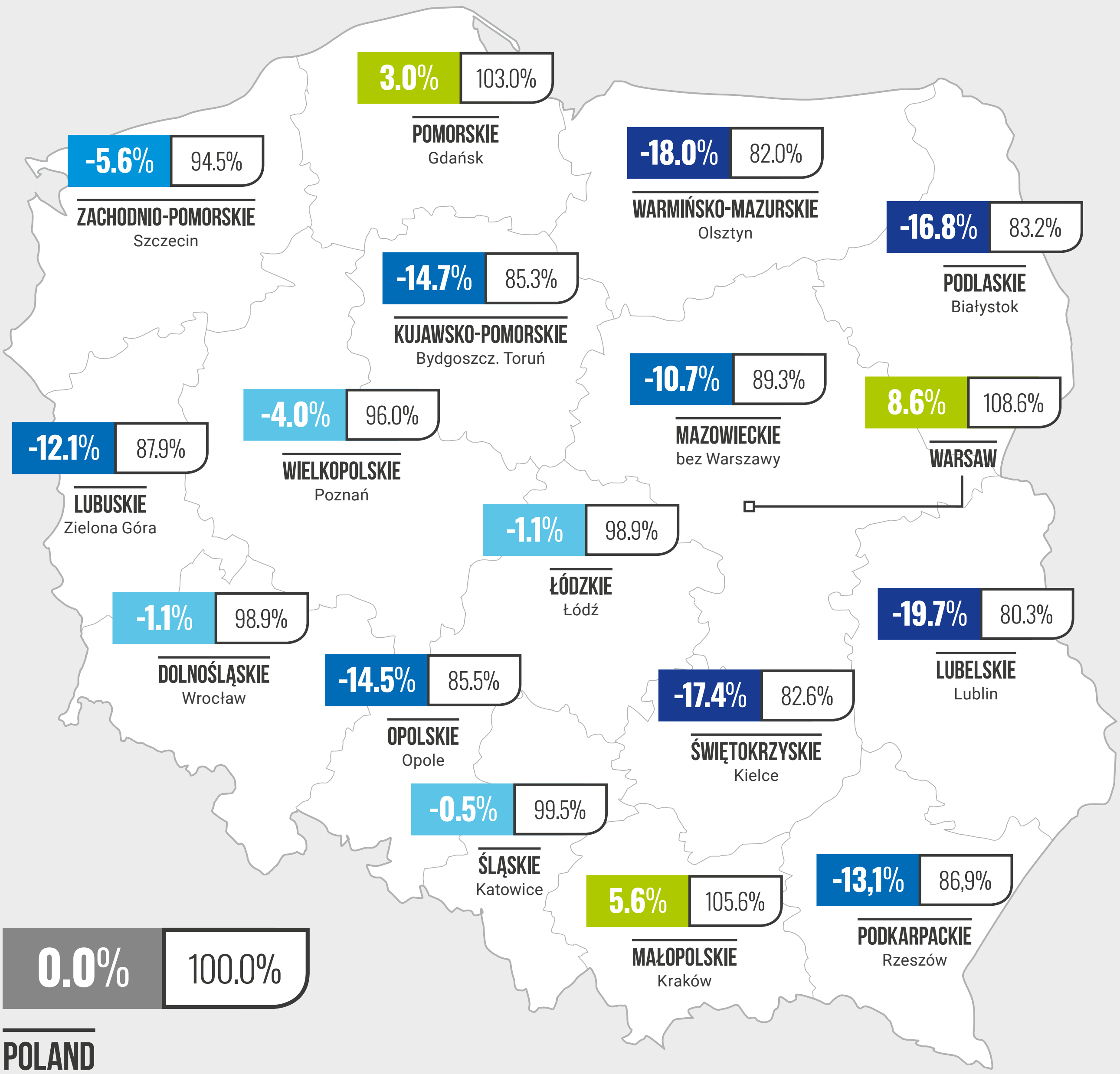
Source: Prepared by ABSL on the basis of data received from the National Information Processing Institute at the National Research Institute


Photo: Shutterstock

FIGURE 7.4

REGIONAL PAY DIFFERENTIALS IN POLAND

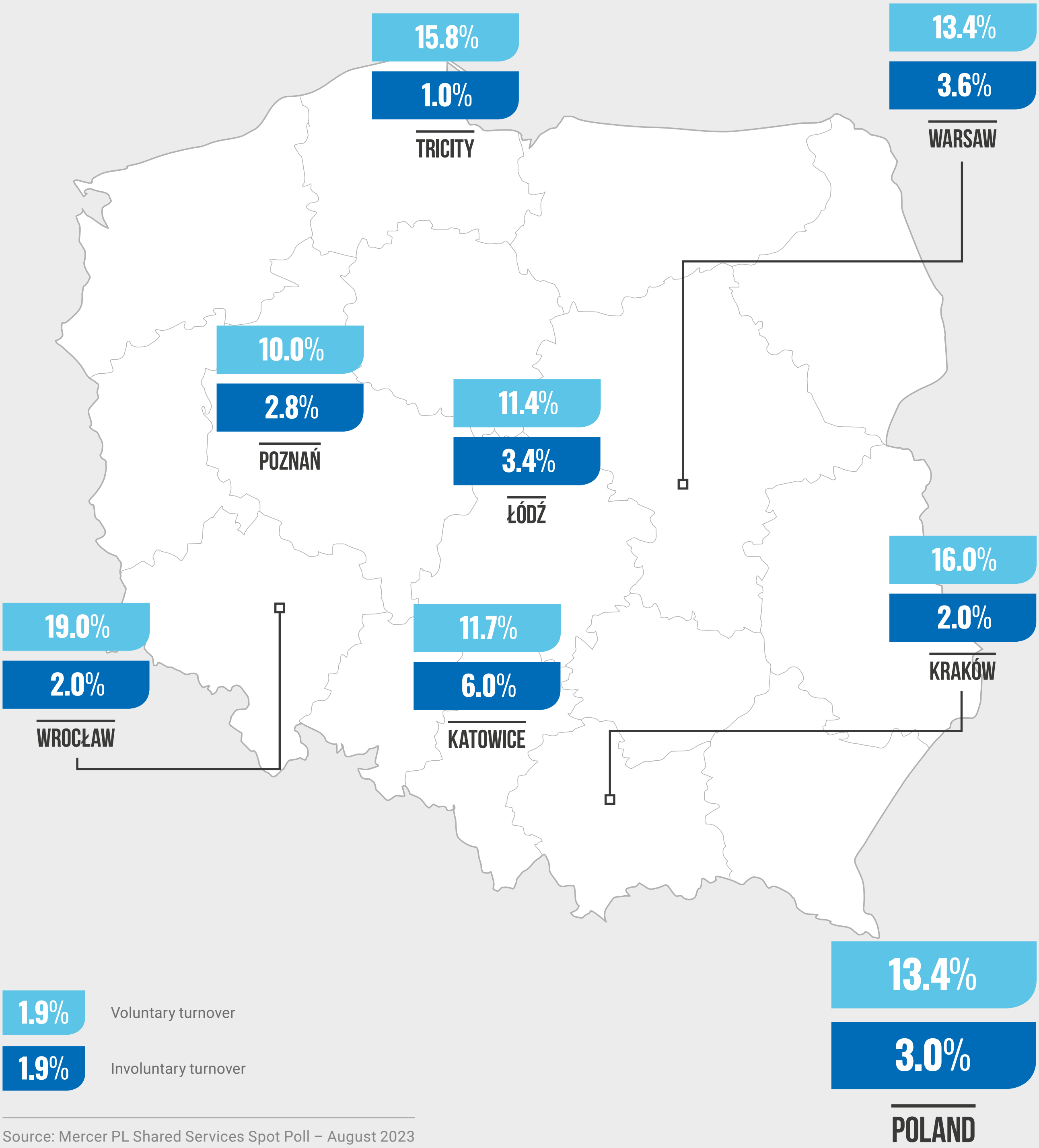
Comparison of average annual base salary in regions in Poland, where average Polish salary is 100%.
Table is based on the analysis of actual remuneration of employees in Poland in 2022.



Compensation levels in Poland are diversified and the highest are in the Capital City of Warsaw.

Source: Mercer 2022 Remuneration Surveys

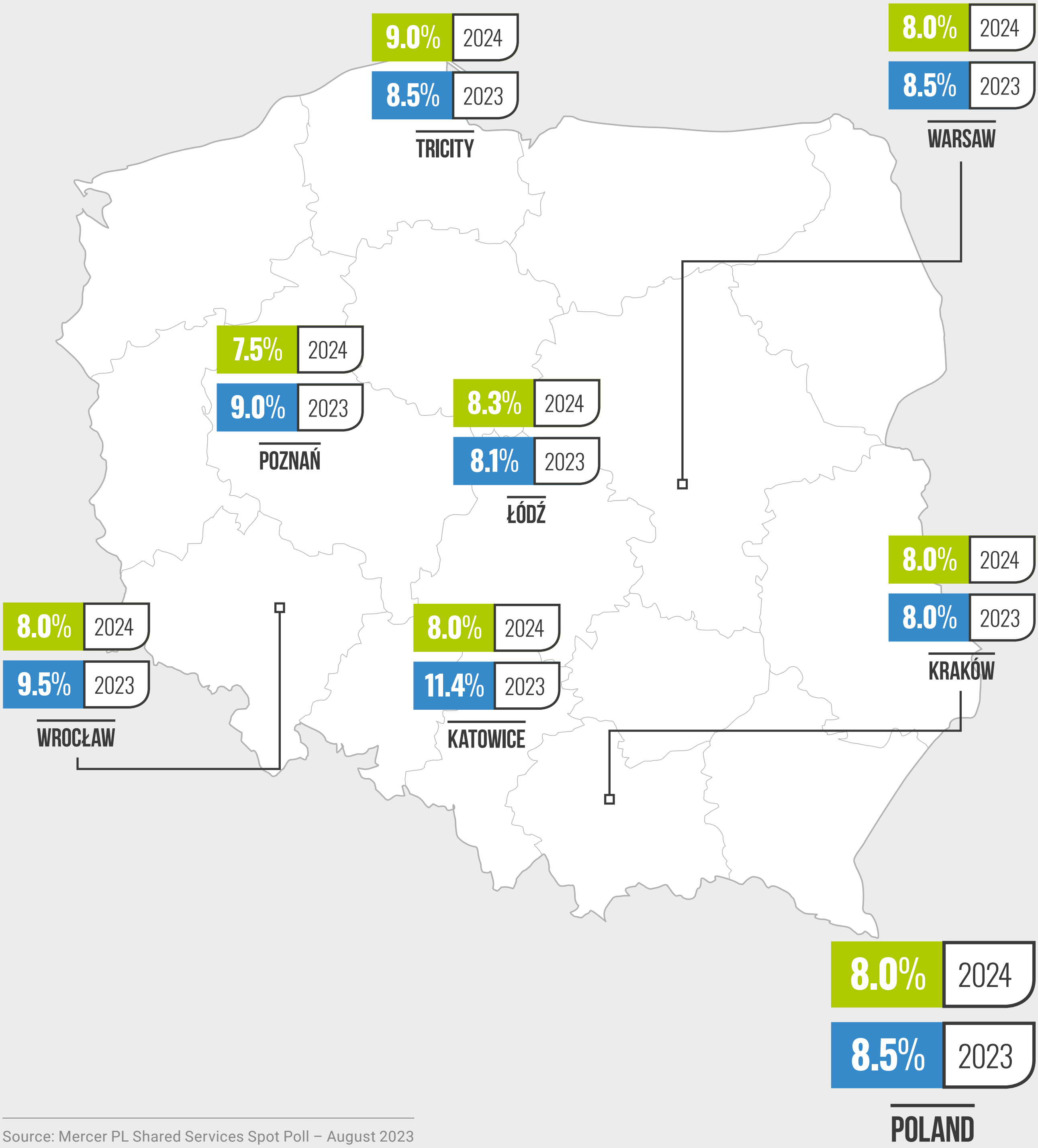
FIGURE 7.5
TURNOVER IN BPO/SSC/IT/R&D SECTOR IN POLAND IN JULY 2022 – JUNE 2023 TIMEFRAME (MEDIAN)



Source: Mercer PL Shared Services Spot Poll – August 2023

FIGURE 7.6

BUDGETED AND FORECASTED SALARY INCREASE IN BPO/SSC/IT/R&D SECTOR FOR 2023 AND 2024 BY REGIONS (MEDIAN)



Source: Mercer PL Shared Services Spot Poll – August 2023

In recent years Katowice, with almost 32000 employees in more than 130 business services centers, has proven its position as a significant player in the modern business services talent market.

One of the factors contributing to the growth of the BSS is skilled and multilingual workforce. Each year a number of graduates in BSS-related areas such as finance, IT and business administration enter the labor market which helps employers to benefit from this talent pool.

Furthermore, city's residents often have strong language skills. English proficiency is widespread among the employyes and many of them are proficient in other European languages including German, French and Spanish.

The BSS Talent market in Katowice has garnered the attention also for IT skills which are availabie in the region.

The thriving IT sector, with its emphasis on software development, cybersecurity, data analytics and AI complements the city's strategic location, multilingual workforce and supporting business environment.

Photo: Shutterstock

TABLE 7.1

GROSS MONTHLY SALARY (IN PLN) AT BPO, SSC / GBS, IT, R&D CENTERS FOR EMPLOYEES WHO SPEAK ENGLISH

Banking	Min	Max
AML/KYC junior analyst (up to 1 year of experience)	5,500	6,600
AML/KYC analyst (1-3 years of experience)	6,600	8,000
AML/KYC senior analyst (3-5 years of experience)	8,000	11,000
team leader (team 5-15 people)	11,000	14,500
manager (team up to 50 people)	16,500	22,000
Customer Service	**Min**	**Max**
junior specialist (without experience)	4,700	5,300
specialist (over a year of experience)	5,000	6,600
HR	**Min**	**Max**
HR administrator (1-3 years of experience)	5,500	6,600
payroll specialist (1-3 years of experience)	6,100	8,300
Procurement	**Min**	**Max**
junior specialist (up to 1 year of experience)	4,700	6,100
specialist (1-3 years of experience)	6,100	7,700
team leader (team 5-15 people)	9,900	15,400
Supply Chain	**Min**	**Max**
junior specialist (up to 1 year of experience)	5,000	6,100
specialist (1-3 years of experience)	6,100	8,300
Finance & Accounting	**Min**	**Max**
AP specialist (1-3 years of experience)	5,500	6,600
AR specialist (1-3 years of experience)	5,500	7,700
GL specialist (1-3 years of experience)	7,700	9,400
AP/AR team leader (team 5-15 people)	9,900	14,300
GL team leader (team 5-15 people)	11,000	15,400
AP/AR manager (team up to 50 people)	14,300	22,000
GL manager (team up to 50 people)	16,500	33,000
financial analyst (1-3 years of experience)	7,700	9,900
master data specialist (1-3 years of experience)	5,500	7,700

IT	Min	Max
application architect	19,000	27,000
business analyst	12,000	16,000
system analyst	16,000	23,000
junior java developer	8,000	10,000
developer java	11,000	20,000
senior java developer	20,000	26,000
junior .net developer	7,000	10,000
developer .net	10,000	19,000
senior .net developer	18,000	26,000
junior frontend developer	7,000	10,000
developer frontend	10,000	17,000
senior frontend developer	16,000	26,000
junior QA manual	5,000	9,000
QA manual	9,000	12,000
senior QA manual	14,000	17,000
junior QA automated	7,000	12,000
QA automated	13,000	18,000
senior QA automated	18,000	24,000
SAP SD consultant	15,000	27,000
SAP MM consultant	15,000	27,000
SAP FI/CO consultant	16,000	28,000
SAP PP/QM consultant	18,000	28,000
SAP project manager	17,000	25,000
project manager	14,000	22,000
CIO/CTO	22,000	35,000
data center director	22,000	30,000
chief information security officer	27,000	35,000
information security architect	27,000	35,000
security engineer	15,000	25,000
security manager	21,000	30,000
IT admin linux	10,000	17,000
network admin	11,000	17,000
network architect	18,000	24,000

	Min	Max
cloud architect	22,000	31,000
cloud developer	22,000	27,000
junior PHP developer	6,000	10,000
PHP developer	11,000	15,000
senior PHP developer	16,000	21,000
DevOps engineer	16,000	25,000
Senior DevOps engineer	25,000	31,000
BI consultant	13,000	18,000
BI analyst	13,000	17,000
administrator windows	10,000	18,000
Help Desk (I line support)	5,500	9,000
Help Desk (II line support)	8,000	12,000
Help Desk (III line support)	11,000	15,000
product owner	17,000	24,000
scrum master	12,000	20,000
fullstack dev	19,000	29,000
mobile developer (ios/ android)	13,000	27,000
UX/UI	8,000	16,000
junior python developer	9,000	13,000
python developer	12,000	18,000
senior python developer	18,000	26,000
junior C# developer	7,000	12,000
C# developer	11,000	18,000
senior C# developer	18,000	26,000
junior C/ C++ developer	7,000	12,000
C/ C++ developer	12,000	18,000
senior C/ C++ developer	19,000	29,000
embedded software engineer	12,000	26,000
data engineer	15,000	27,000
data architect	25,000	33,000
data analyst	12,000	21,000

Source: Randstad & Randstad Sourcelight data

FIGURE 7.7

ADULT POPULATION ON SOCIAL MEDIA – EVERYDAY LANGUAGE USERS (40 KM RADIUS) AND PROFESSIONAL NETWORK USERS WITH LANGUAGE PROFICIENCY (40 KM RADIUS)

Language	Adult population on social media – everyday language users (40 km radius)	Professional network users with language proficiency (40 km radius)
Polish	2,000,000	283,000
English	448,600	28,000
Russian	61,800	1,600
German	5,100	2,400
Turkish	4,690	130
Italian	3,600	640
Spanish	2,600	820
Arabic	2,370	120
French	2,300	1 100
Czech	430	990
Romanian	430	90
Hebrew	270	10
Norwegian	180	170
Slovak	160	290
Swedish	160	360
Dutch	150	350

1,000 Adult population on social media – everyday language users (40 km radius)

1,000 Professional network users with language proficiency (40 km radius)

Source: Aggregated social media data. Data accurate 15-03-2023 and Randstad Sourceright's proprietary analysis based on aggregated social media & talent supply modelled LinkedIn data. Data accurate 15-03-2023.

Photo: Global Office Park – Cavatina Group S.A.

8 THE OFFICE MARKET

FIGURE 8.1
OFFICE MARKET INDICATORS Q3 2023

Forecast for the next 12 months

750,000 m²
Supply

22.5%
Vacancy rate

26,700 m²
New supply

50,000 m²
Demand

22,000 m²
Flex office space

80,000 m²
Space under construction

EUR **13.00-16.95**
Rent (EUR / m² / month)

Source: Colliers

The availability of modern office space is one of the key factors attracting new investors and entrepreneurs to a given city. By generating employment opportunities, it can also contribute to the development of local communities. Over the past few years, Katowice has become a significant hub for modern business services and continues to strengthen its position in this sector. The situation in the Katowice office market is highly dynamic due to the high level of development activity and a growing vacancy rate.

Supply in the Katowice market undergoes cyclical changes. Typically, after a period of intense development activity, developers reduce their efforts to allow for the absorption of newly constructed office space. In recent years, developers have accelerated the construction of new projects in response to increasing tenant demand and growing interest from investors in the increasingly recognizable Katowice market. Since the beginning of 2022, the existing modern office space has grown by nearly 25%. Currently, in October 2023, Katowice's office resources are estimated at 750,000 m^2, ranking this market fourth among the 8 major regional markets (excluding Warsaw).

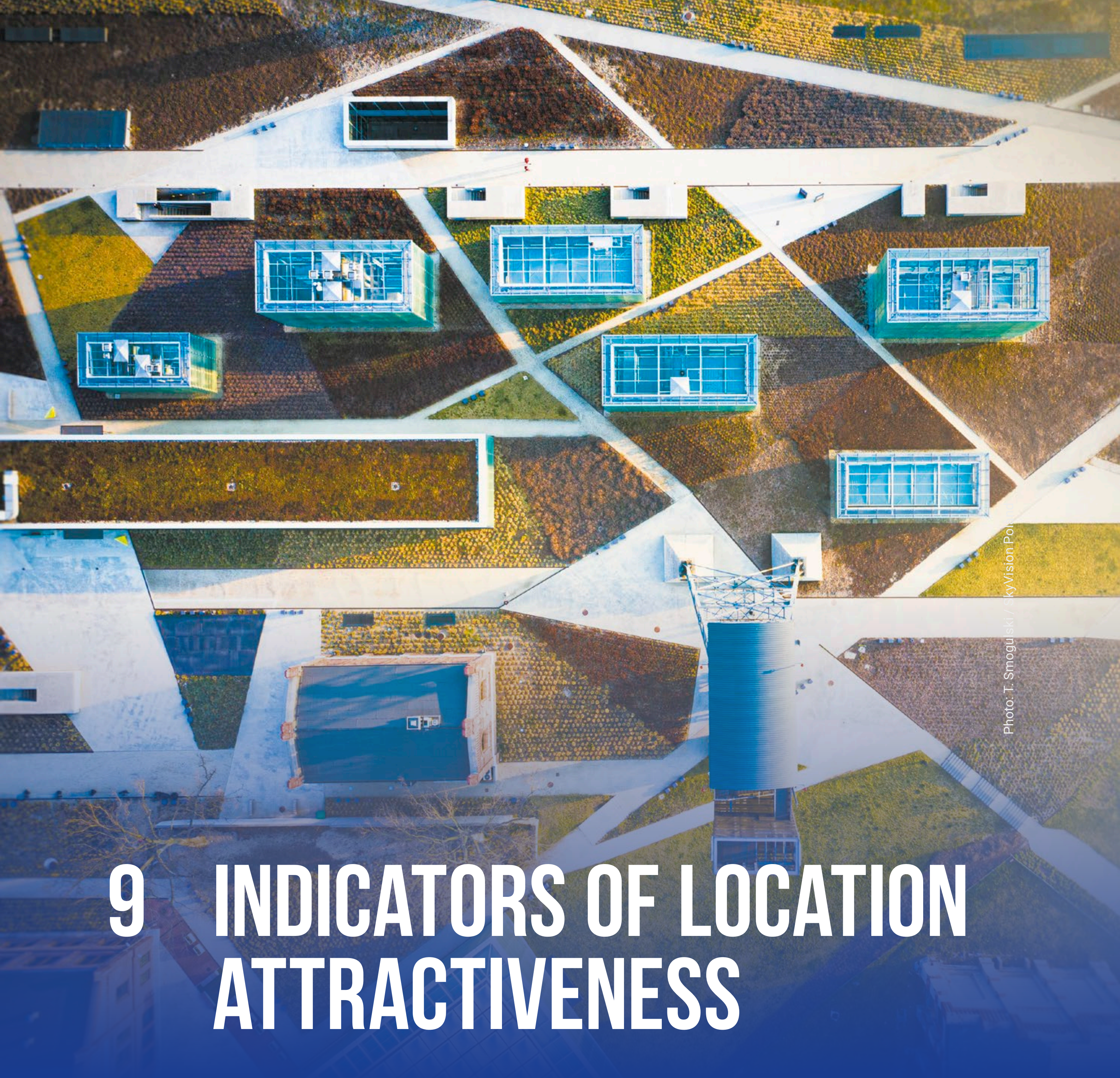
During the first three quarters of 2023, only the Craft office building (26,700 m^2) by Ghelamco, located in the immediate vicinity of the Silesia City Center shopping center, was delivered to the market. Existing office buildings are concentrated along the main transportation arteries, with a particular focus on Chorzowska Street, Korfantego Avenue, Murckowska Avenue, Górnośląska Avenue, and Roździeńskiego Avenue. The city's skyline has undergone significant changes in recent years with the completion of skyscrapers. At the beginning of Q4 2023, approximately 80,000 m^2 of office space was under construction, with completion dates set for 2023-2025.

Demand in the Katowice market for the first three quarters of 2023 amounted to approximately 50,000 m^2, which is a comparable result to the same period in 2022. New lease agreements dominated the leasing volume. Among the largest deals are a new transaction signed by Concentrix, making its debut in Katowice in Global Office Park A2 building (5,200 m^2) and a pre-lease agreement of an international bank (4,100 m^2) in Grundmanna Office Park being developed by Cavatina.

The supply of flexible office space in Katowice is dynamically increasing. At the beginning of 2023, there was a 25% increase to the level of 22,000 m^2. Katowice flex operators to be mentioned include e.g., Cluster Offices at Stary Dworzec, City Space in Face2Face and Loftmill in .KTW II.

The vacancy rate at the end of third qurter of 2023 was 22.5%, showing a 4.5 percentage point increase compared to the end of 2022. There is over 170,000 m^2 of space availabe for rent in the market. The increase in the vacancy rate is due to the limited number of tenants in the local market and the high volume of new supply delivered in recent years.

Rental rates in the city's prime buildings range from EUR 13.00 to EUR 16.95 / m^2 / month in central zones and from EUR 10.00 to EUR 12.50 / m^2 / month in non-central zones.



9 INDICATORS OF LOCATION ATTRACTIVENESS

Investment attractiveness can be analyzed from various perspectives. The investor's preferences impact the assessment of a specific location, on top of the nature of the activity carried out by the shared services center and the structure of the entity's motives. It is advisable to consider the potential and actual attractiveness (measured on the scale of the current activity and the dynamics of new investments). Analyses of investment attractiveness are a kind of beauty contest, a mirror in which everyone can and wants to look at themselves and compare their position with competitors. They are part of a broader discussion on locations’ competitiveness. Cities compete for investors; their activity contributes to the competitiveness of those cities. Several subjective and objective factors determine the location of centers. A review of the literature, including both the theoretical and (above all) empirical layers, as well as discussions among experts, allow us to identify the following facts:

» a Knowledge Intensive Business Services are more spacious than other business services,

» urban locations are favored, especially in major cities, according to the hierarchical system, especially capital cities (Deza & López, 2014),

» cities are also favored due to the external effects of urbanization, including the benefits of “co-location” (investors locating their sites in the immediate vicinity) (Muller & Doloreux, 2009),

» companies benefit from the "monitoring advantage," being closer to competitors to observe them and transfer tacit knowledge through direct interactions (in the neighborhood of other corporations' headquarters),

» the availability of a diverse and deep market of services is essential to reach the specialists in a cheaper and faster way (Davis & Henderson, 2008),

» reallocation of the key center of a given corporation to a smaller urban center is unlikely; it is more likely in the case of an entity optimizing its employment costs, especially those implementing easy business processes,

» the possibility to lease office space of an appropriate standard is of paramount importance,

» centers prefer locations that help them benefit from urbanization, including a variety of restaurants and a rich nightlife. The prestige factors of the location build the reputation of the center as well as the overall image of a particular neighborhood with both assets playing significant roles (Yamamura & Goto, 2018),

» wage costs, availability of a pool of college-educated individuals, and corporate tax rates are key (Falk, 2012),

» there is the effect of geographical proximity; locations close to the border with a country where leading investors come from are favored. Apart from geographical proximity or immediate neighborhood, cultural, legal, institutional, and linguistic communities are also essential,

» the overall knowledge potential represented by the region's talent pool (human capital resources) is of great importance for location and predestines powerful academic centers,

» proximity to a major airport, a hub of international importance, with an extensive network of air connections, including intercontineal flights to major global air hubs influences the choice of location (Vives & Strauss-Kahn, 2009),

» agglomeration effect (Kumar, 2001) reinforces the imitation effect.

Photo: Kamil Kalkowski / Katowice City Hall

10 POSITION OF KATOWICE & GZM IN ABSL'S LOCATION ATTRACTIVENESS RANKINGS

A part of the ABSL annual survey is dedicated to assessing factors that impact the attractiveness of doing business in particular locations of Poland. This subjective assessment is performed by managers of companies which participated in the survey.

In the case of companies with more than one center in Poland, three centers with the highest number of employees were assessed. We obtained information from respondents located in 18 Polish cities. As in previous years, given the necessacity to analyze a sufficiently large number of responses, we examined seven cities from which we obtained a sufficient number of observations to let us perform the analysis: Warsaw, Kraków, Wrocław, Poznań, Tri-City, Katowice & GZM, and Łódź. As a result, we received 203 responses from these cities. We applied the Likert scale, which enabled us to present a more comprehensive assessment of individual cities.

The responses given by the respondents took values according to the Likert scale:

- +2 extremely satisfied,
- +1 very satisfied,
- 0 somewhat satisfied,
- -1 not very satisfied,
- -2 not at all satisfied.

The variability range took values from -2 to +2. Location-specific index values were calculated using the arithmetic mean, assigning equal weight to each manager's rating. Therefore, no employment size weighting was applied which would have favored managers of the largest entities.

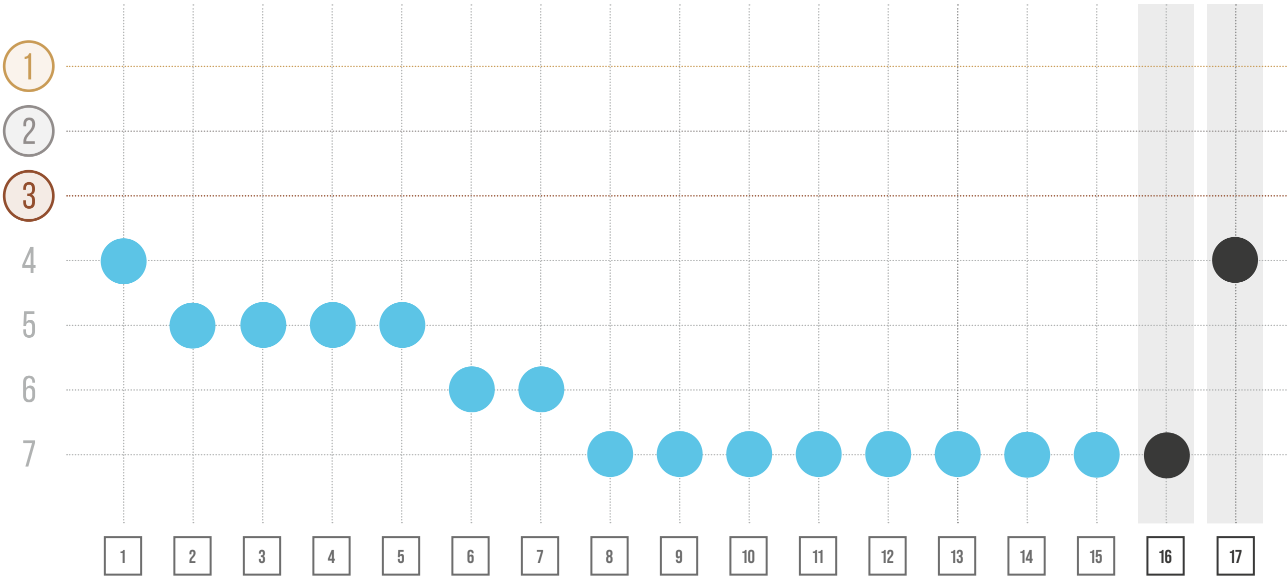
In the ABSL rankings for 2023, in one of the categories, Katowice & GZM took fourth place (costs of renting office space). In another four categories (airport accessibility, road accessibility, cooperation with a local investor support office and quality of local universities) Katowice & GZM ranked fifth.

For ABSL's subjective 2023 ranking, Katowice & GZM took 4th position in the category for "overall assessment of a location as a place of doing business." This position reflects the opinion of the managers.

The subjective ranking embraces an additional overall scoring. It has been elaborated by ABSL and averages the scores of particular locations in all of the assessment categories, except for the "overall position in the subjective ranking by managers." This alternative approach helps refer to the situation the situation in which a particular city ranks low in most attractiveness assessment categories while obtaining high scores in its overall position. With this alternative approach, Katowice & GZM was in 7th position.

FIGURE 10.1

POSITION OF KATOWICE & GZM IN THE INDIVIDUAL CATEGORIES OF ABSL'S SUBJECTIVE RANKINGS FOR 2023



1	Cost of office space lease
2	Accessibility by air
3	Accessibility by road
4	Cooperation with a local investor support office
5	Quality of local universities
6	Cooperation with local universities
7	Quality of the local natural environment
8	Availability of flex / coworking office space
9	Availability of modern office space
10	Availability of talent pool / highly qualified staff
11	Accessibility by train
12	Location of office premises relative to the city center (attractive location in the city center)
13	Perception of the general quality of life
14	Quality of public transport
15	Level of wages in the location
16	**The overall position in the ranking based on the above**
17	**The overall position in the subjective ranking by managers**

Source: ABSL's study, based on the ABSL 2023 survey

The presented information reflects the opinions of the representatives of centers, is subjective, and based on many factors such as the type of business conducted, preferences of the parent company, and perceptions of the importance of agglomeration benefits. Therefore, it is worth emphasizing that a given position in the ranking does not necessarily reflect the actual situation of the subject matter under analysis. Furthermore, the results may also be tied to the geographic distribution of the respondents' locations.

In 2021, ABSL published "Investment potential of Polish cities. Location benchmark of the business services sector". The report included the objective ranking of the attractiveness of cities, which was based on statistical analysis. The ranking considered several characteristics of a given category to objectively assess the location's positions in ABSL's "City Attractiveness Matrix" ©. The objective ranking includes over 15 urban centers. It should be underlined that scores in the 2021 objective ranking should not be directly comparable with those in the 2023 subjective rankings. They include a different number of locations and a different number of sub-categories.

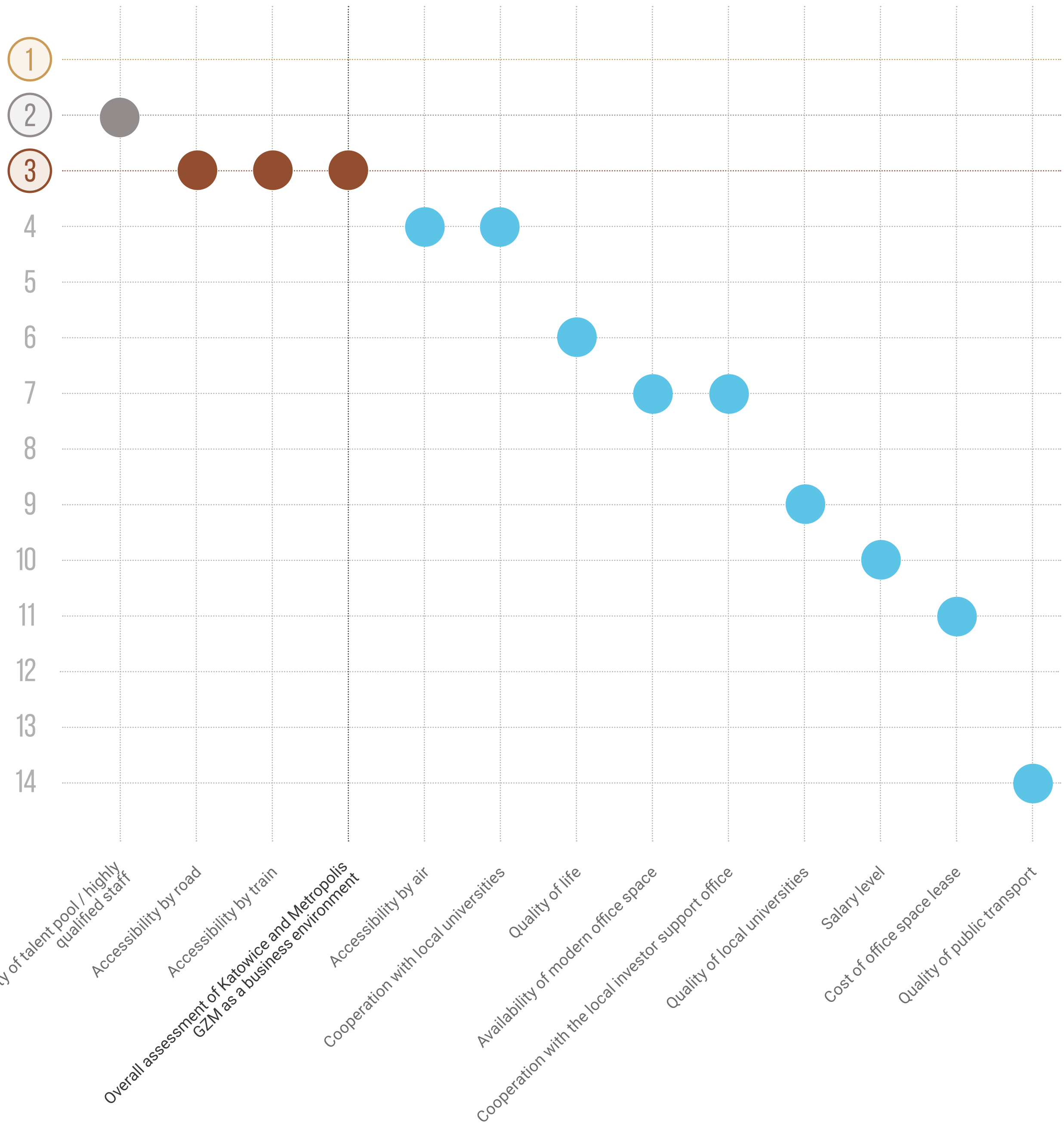
A multivariate linear ordering analysis based on Hellwig's economic development index (Hellwig 1968), derived from taxonomy and linear ordering using the TOPSIS index (Hwang & Yoon 1981), was used to prepare an objective ranking. The categories included in the ranking were based on a review of location theory and empirical research concerning investors' location preferences and discussions among expert practitioners who work with investors in making decisions about selecting places to do business in Poland and other countries. Weighting was applied, which makes it possible to differentiate how much influence particular categories (and features within a category) would have on the resulting ranking. It was assumed that it was possible to determine the preferences of the average investor. In the process of making location decisions, the preferences of individual investors differ, just as opinions on the location of already conducted business differ.

Differences between objective and subjective rankings may indicate:

- the idiosyncratic perception of managers regarding the importance of individual factors in choosing the location of a business. For example, managers could determine the weights assigned to the categories, included in the ranking, in a different way,
- different understanding of the determinants of a business location,
- being guided by their subjective evaluation of individual parameters,
- the consequences of the way and intensity of the promotion of particular locations.

FIGURE 10.2

POSITION OF KATOWICE & GZM IN THE INDIVIDUAL CATEGORIES OF THE OBJECTIVE ABSL 2021 RANKING



Source: ABSL (2021) Investment potential of Polish cities. Location benchmark of the business services sector, Warsaw

Photo: Jeremi Astaszow / Katowice City Hall

11 SUMMARY, COMPARATIVE ADVANTAGES OF KATOWICE & GZM

Comparative advantage is the ability to produce a product at a relatively lower cost or produce a relatively greater amount from a given factor resource than competitors. Specialization in production and exports – consistent with the logic of comparative advantage – is beneficial.

Katowice & GZM's comparative advantages predisposing it to occupy a key position in the sector are:

- metropolitan/agglomeration status, which
- translates into the high talent pool availability,
- cooperation with local universities,
- the level of wages,
- city accessibility of road and by train,
- cooperation with a local investor support office,
- cost of renting office space.

The actual attractiveness of a specific location may be indicated by the number of existing centers (current situation), the number of new centers (increase), the number of people employed at the centers in a particular location (current situation), and the change in this number. Regarding the number of services centers at the end of Q1 2023, the first place was held by Warsaw (349 units). Urban centers with 100 or more centers also included Kraków (273), Wrocław (215), Tri-City (199), Poznań (136) Katowice & GZM (135), and Łódź (107). In 2022 and Q1 2023, one new center was established in Katowice & GZM.

A significant challenge that the sector needs to face is the deteriorating access to the talent pool (see, among others, Poland's worsening position in the global talent pool ranking – World Talent Ranking), as well as the uncertainty and investment risk caused by Russia's invasion of Ukraine. We therefore believe that jobs will continue to be created primarily in centers already operating in Poland, possibly reducing the inflow of new investments.

Katowice & GZM are among Poland's five most important hubs of business services centers. From 2018 to Q1 2023, the employment growth rate at centers in Katowice & GZM was 58% (2 p.p. higher than the overall rate for Poland). It indicates that the actual attractiveness of Katowice & GZM has increased. In Q1 2023, the share of Katowice & GZM in the country's overall employment for the sector was 7.3%. Employment in Q1 2023 totaled 31,960; since 2018, the number of jobs created was 11,700.

$$LQ = \frac{\dfrac{\text{headcount at business services centers in a given location}}{\text{employment in a given location}}}{\dfrac{\text{total headcount at business services centers in all analyzed locations}}{\text{employment at all analyzed locations}}}$$

In Katowice & GZM, IT centers dominate the sector while across Poland SSC/GBS are the most prevalent. The IT domain offers the highest salaries, which is an important element of the KIBS sector's attractiveness in Katowice & GZM from the employees' perspective.

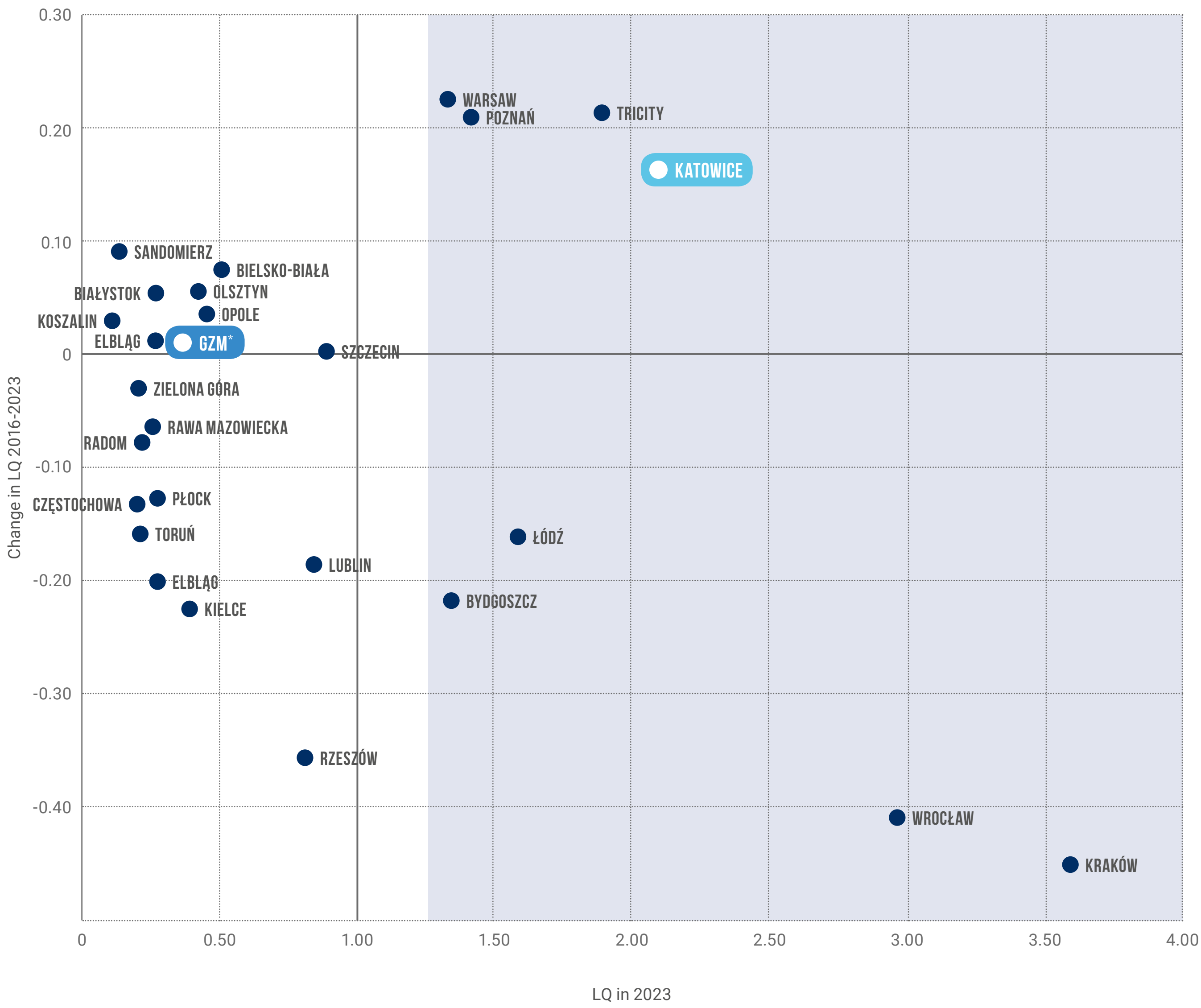
Katowice is the leader within the Metropolis GZM. This is illustrated both by the number of centers and by headcount. According to the logic of regional development and agglomeration processes, Katowice is a part of a large agglomeration that has a distinctly positive impact on the city's attractiveness. It affects, for instance, the availability of the talent pool, but it also brings about many positive effects caused by the interactions of many people within the agglomeration. In the long-term, the increasing cooperation of the cities within the Metropolis will further improve the location's attractiveness. Attractiveness will also increase due to the improving condition of the natural environment in Silesia and the transformation in the mining industry.

A look into the location quotient (LQ) index shows the position of the KIBS sector in Katowice & GZM. LQ for GZM without Katowice is 0.31, while it is much higher (2.1) and increases for Katowice itself. It reveals that the KIBS sector is growing faster in Katowice than other sectors of the economy. The location index LQ was based on the number of employees. Its position in the upper right quadrant indicates Katowice's strong and still growing specialization, in contrast to other Tier 1 and Tier 2 centers.

Photo: Jeremi Astaszow / Katowice City Hall

FIGURE 11.1

LOCATION QUOTIENT FOR THE BUSINESS SERVICES SECTOR IN 2023 AND ITS CHANGES IN RELATION TO 2016



* LQ for GZM without Katowice equals 0.31

Source: ABSL's study, based on the ABSL database & Statistics Poland BDL database

Photo: Jeremi Astaszow/Katowice City Hall

12 QUALITY OF LIFE AND BUSINESS FACILITIES

FIGURE 12.1

SELECTED INFORMATION ON CULTURAL FACILITIES AND HOTEL AND CONFERENCE FACILITIES IN KATOWICE

7 Cinemas	**50** Auditoria	**9** Museums (including branches)	**5** Theaters	**10** Art galleries
67 Mass events	**48** Venues with conference facilities	**25** Hotels	**6,426** Business events in Katowice (in 2022)	**52** Tourist leisure attractions
500+ Sports facilities in the city	**24** Indoor swimming pools	**224** Pitches	**56** Tennis courts	**3** Golf courses (within a short distance from Katowice)

Source: Katowice City Hall

Photo: Radosław Kaźmierczak / Katowice City Hall

125
Bicycle stations
1,010
Bicycles

185 km
Bike lanes and dedicated lanes

11
Parks
43%
Urban green spaces

147
Electric car charging points (69 charging stations)

19
Outdoor gyms

2ND PLACE

in Business Insider rankings in the category of Best City to Live in Poland (2023).

4TH PLACE

in Business Insider Poland's rankings for best cities for students 2023.

4TH PLACE

in Statistics Poland's 2022 Sustainable Development Rankings, based on an assessment of 15 factors.

KATOWICE IS PURSUING THE UN'S 17 SUSTAINABLE DEVELOPMENT GOALS

KATOWICE – EUROPEAN CITY OF SCIENCE 2024

INTEL EXTREME MASTERS FROM 2013 IN KATOWICE

Source: Katowice City Hall

KEY INFRASTRUCTURE PROJECTS IN KATOWICE

Katowice is steadily pursuing a path of transition from a city dominated by heavy industry and mining to one that is becoming an important center for the modern business services sector. This transition would not be possible without the investments which will, are and have been undertaken. They are creating a future and increasing enhance the attractiveness and potential of the city and its residents. The selected investments presented below from the fields of transport, infrastructure, business, leisure, and a green city concept are important steps in the development of Katowice and in increasing the quality of life of residents as well as visitors.

KEY INVESTMENTS IN ACTIVE URBAN MOBILITY AND SUSTAINABLE TRANSPORT

» Development of clean urban transportation: 20 electric buses, 8 gas buses (in 2023) and 22 hybrid buses.

» Katowice Bicycle Infrastructure – continued expansion of the bicycle infrastructure network; planned expenditure: PLN 57 million.

» The Katowice Intelligent Traffic Management System aims to increase the attractiveness of public transportation and improve a traffic flow in Katowice. The total value of the project totals PLN 91.7 million (85% of eligible costs were subsidized by the European Regional Development Fund [ERDF]).

» The extension of the road system along with the construction of a streetcar route from Brynów junction to the planned Kostuchna junction – assessed value: PLN 2.8 million. Time of implementation: 2016-2024 (value and years refer to project documentation only).

» The Katowice Integrated Transfer System – "Kostuchna" – assessed value: PLN 0.6 million. Time of implementation: 2018-2024 (value and years refer to project documentation only).

» The transport system in the vicinity of the new Silesian Museum, the International Congress Center, and the Polish National Radio Symphony Orchestra in Katowice – stage II. Assessed value: PLN 43.2 million. Time of implementation: 2019-2024.

» Extension of Mickiewicza Street to Grundmanna Street. Assessed value: PLN 41.8 million. Time of implementation: 2022-2024.

» Extension of Stęślickiego Street from Misjonarzy Oblatów Street to W. Korfanty Avenue. Assessed value: PLN 1.9 million. Time of implementation: 2018-2024 (value and years refer to project documentation only).

- Silesian Intercity Road – Reconstruction of Roździeńskiego Avenue in the vicinity of the Katowice tunnel exit. Assessed value: PLN 1.2 million. Time of implementation: 2020-2025 (value and years refer to project documentation only).
- Extension of national road No. 81 from the junction of the A4 motorway with national road No. 86 to the junction under construction close to Armii Krajowej Street – stage II and III – assessed value: PLN 1.8 million. Time of implementation: 2023-2026 (value and years refer to project documentation only).
- Extension of Bocheńskiego Street in the direction of the Ligota-Panewniki district – assessed value: PLN 3.1 million. Time of implementation: 2020-2025 (value and years refer to project documentation only).

REVITALIZATION AND DEVELOPMENT OF KATOWICE'S BUSINESS INFRASTRUCTURE

- The District of New Technologies – the Katowice Gaming and Technology Hub is an investment that will be located on the site of the "Wieczorek" Coal Mine. The project will revitalize the post-industrial area, creating a modern space that will respond to the needs of the gaming industry including, among others, entrepreneurs from the gaming industry, e-sports, creative sector, and related technology companies. In addition to the necessary facilities, plans include creating recreational, exhibition and event areas, along with gastronomic amenities. In February 2023, a competition was announced for the development of an architectural and urban planning concept for a multi-functional technology facility for the gaming industry and the development of adjacent areas (stage II of the project). Basic documentation is being developed for a renewable energy installation producing electricity and heat. The total value of the project amounts to approx. PLN 580 million.

ATTRACTIVE LEISURE PROJECTS

- Construction of a municipal stadium in Katowice with a sports hall, 2 training areas, a parking lot and road infrastructure; planned expenditure: PLN 289 million.
- Jerzy Kukuczka Himalayan Center. Assessed value: PLN 3.1 million. Time of implementation: 2020-2023 (value and years refer to project documentation only).
- Center for Music Education in Katowice – "Kilar's House." Assessed value: PLN 20.6 million. Time of implementation 2020-2025.
- Witos Cultural Center – construction of a community center with the development of the areas adjacent to the park. Assessed value: PLN 28.6 million. Time of implementation: 2021-2024.
- Modernization of a sports facility on Boya-Żeleńskiego Street – Assessed value: PLN 5.7 million. Time of implementation: 2022-2024.

GREEN CITY

- The Green Budget of the Katowice City is the city's response to the needs of residents in terms of ecology and environmental protection in the broadest sense. The fourth edition of the Green Budget totaled PLN 3 million, which will be allocated to projects selected for implementation under the program. As part of the third edition of the Green Budget, the Urban Greening Department in Katowice had 64 projects for implementation.
- "Green Learning Zone – Reconstruction of green-blue infrastructure in the downtown Rawa River Valley" assessed value: PLN 1.7 million. Time of implementation: 2020-2023 (value and years refer to project documentation only).
- Commissioning and modernization of city parks in Katowice – assessed value: PLN 48.6 million. Time of implementation: 2021-2023.
  - Development of the park on Leopolda/Le Ronda Street.
  - Modernization of the park in the Ślepiotka River valley.
  - Development of the park on Wantuły Street.
  - Revitalization and development of a park located in Wełnowiec.
  - Revitalization of the area by the Canoe Pond in Katowice Forest Park.

2ND

place in the "Europolis" ranking of the Schuman Foundation for the most ecological Polish cities.

3RD

place in Polityka Insight and the Foundation for the Promotion of Electric Vehicles' ranking of sustainable mobility cities in the category "Clean air – problem awareness."

INVESTORS SUPPORT

INVESTORS SUPPORT

Investors Assistance Department was established in the Katowice City Hall to provide comprehensive support to investors, as well as to search for and to implement the most effective forms of cooperation with business and business environment institutions.

WHAT DOES INVESTORS ASSISTANCE DEPARTMENT THE KATOWICE CITY HALL DO IN PRACTICE?

Investors Assistance Department provides the Project Manager with support from first contact with the department to tailormade assistance which is based on individual expectations and requirements. This may include creating market analyses (availability of staff and talents, and the level of costs of running a business), preparing information regarding the location of investments, assistance in developing the company's image, as well as organizing investor visits, coordinating cooperation with universities, etc.

The department provides long-term support for investors who build business service centers, housing, hotel and office developers and other large-scale projects.

It carries out activities aimed at building an ecosystem for start-ups and a friendly environment for the SME sector.

Investors Assistance Department provides information and support if a company wishes to benefit from of real estate tax expemptions.

It helps obtain CIT exemption – facilitating contact with the Katowice Special Economic Zone (KSSE).

The KSSE, recognized in 2022 as the best special economic zone in Europe and number three in the world by the Financial Times' fDi Intelligence, is also the premier special economic zone in Poland. It supports business entities that want to benefit from public aid in the form of PIT/CIT tax expemtions.

Income tax expemtions may be calculated in one of the following ways:

» tax expemtion calculated on the basis of investment costs – for large enterprises, the total amount of relief may amount to 40% of the investment costs incurred, in the case of medium-sized and small enterprises, the relief is increased by 10 per cent (up to 50%) and 20 per cent (up to 60%), respectively.

- tax exemption calculated on the basis of the creation of new jobs – for large enterprises it may amount to 40% of two-year employment costs related to newly created jobs, in the case of medium-sized and small enterprises, relief is increased by 10 per cent (up to 50%) and 20 per cent, (up to 60%), respectively.

Investors Assistance Department helps establish cooperation with the Polish Investment and Trade Agency (PAIH).

The PAIH supports the international expansion of Polish entrepreneurs, acquires and serves foreign investors, supports Polish investments in the country, and promotes as well as develops innovation. It also provides access to financial instruments, including insurance offered by institutions associated with the Polish Development Fund Group.

PAIH operates not only in Poland, but through Foreign Trade Offices (ZBH) it also operates abroad.

In 2023, PAIH opened the first national office for Polish entrepreneurs in Katowice – the Regional Trade Office. Its goal is to strengthen local support for Polish companies wishing to expand their operations into foreign markets.

PAIH serves investors who want to apply for government grants awarded on the basis of a Program to support investments of significant importance for the Polish economy for 2011-2030:

- support in the costs of creating new jobs (employment grant) – investment in: BSS and R&D services centers.

- support for investment costs (investment grant) – investment implementation: strategic; innovative; at R&D services centers.

- increasing support in connection with employee training – the amount of support for job creation or investment costs may increase if the entrepreneur offers training to employees.

Investors Assistance Department coordinates cooperation with the Investor’s Tax Service Centre (COPI).

COPI functions within the Ministry of Finance and:

- supports key investors who have started or are planning to start investments worth at least PLN 100 million (PLN 50 million from 2025).

- supports investors before and after the investment;

- coordinates work and provides an appropriate level of service to entities which are crucial to the country's economy.

Importantly, COPI is able to present a comprehensive offer of financial benefits that can be obtained by investing in Poland e.g., in Katowice: from information on developing the investment portfolio (relief for VC investors, listed debutants; investment reliefs for listed debutants; PSH; consolidation reliefs), to various types of relief (R&D, for innovative employees, prototype, robotization, IP BOX), and other opportunities to reduce business costs, etc.

Furthermore, it is possible to conclude an agreement with the Ministry of Finance regarding the tax consequences of an investment being implemented or planned in Poland, and then, thanks to the Investment Agreement, the investor will receive: a prior price agreement, a security opinion, an individual interpretation of tax law, binding excise information, and binding rate information.

It helps to establish cooperation with the Silesian Investor and Exporter Service Center, Metropolis GZM, foreign chambers of industry and commerce, consulting companies and other institutions which mediate with investors in attracting investors to Katowice.

Investors Assistance Department cooperates with organizations such as: the Regional Chamber of Commerce in Katowice (RIG), ABSL, the Polish-American Cooperation Council, Poviat Job Center, representatives of the modern business services sector, as well as with most important Silesian universities – the University of Silesia in Katowice, the Silesian University of Technology, and the University of Economics in Katowice.

Investors Assistance Department supports activities related to CSR projects.

Investors Assistance Department enables access and participation in structural educational projects supporting the development of talents in the city, such as: P-TECH, Corporate Readiness Certificate (CRC), and Katowice City of Professionals.

KATOWICE
for a change

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Photo: Jeremi Astaszow / Katowice City Hall