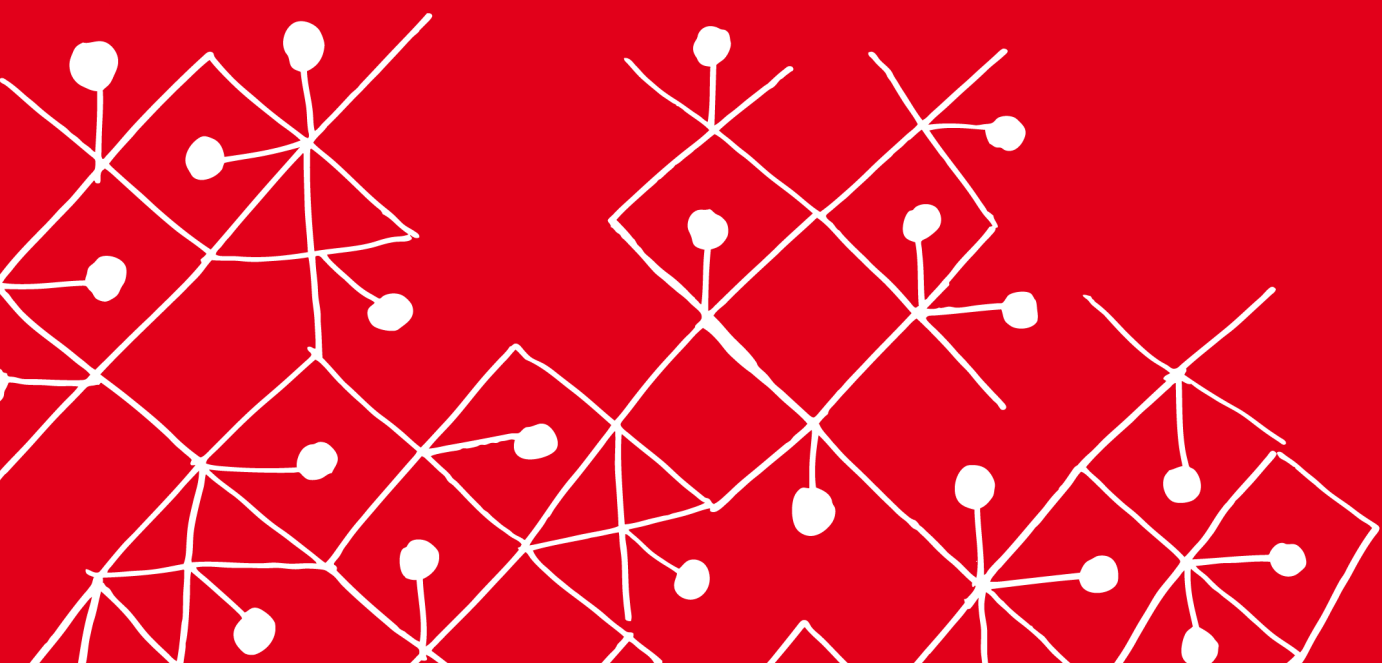


**Polska**



Economy

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The Lubelskie Region is mostly associated with beautiful tourist grounds and farming. But focusing only on those two aspects characteristic of this voivodeship can be misleading, as the region (apart from the food processing industry) is strong in the machinery production, wood & furniture industry and chemical sector, as well as is a growing hub for BPO/SSC/IT centres.

The Lubelskie voivodeship owes its dynamic economic development among others to investments in sectors with large development potential essential for the region.

**They include:**

§ food industry (oriented towards investments in processing technology development and biotechnology in the food sector)

§ furniture industry (a clear development trend, especially in terms of exports)

§ mechanical, automotive and aviation industry

§ BPO and IT

§ chemical and pharmaceutical industries

These industries have a strong support network in the region based on activities of scientific and research institutions as well as numerous existing entities operating in the listed sectors.

The list of the largest exporters of the Lublin Voivodeship includes companies from the following industries: food, production of machinery and devices, furniture, wood and chemistry.

Significant potential for development can be also seen in sectors identified as intelligent specializations of the region in the Regional Innovation Strategy and they include:

§ bio-economy

§ medicine and health

§ low-emission energy

§ IT and automation

**Food industry**

High specialization of the Lublin Voivodeship in fruit and vegetable crops, presence of the best scientific units of the Ministry of Science and Higher Education operating for the food sector and bio-economy, being the key intelligent specialization of voivodeships provide a strong basis for further development of export activities in the

industry.

The Lublin Voivodeship is a hub for blackberries, raspberries and gooseberries. More than 80% of Polish raspberries come from this region. Each year approx. 300 thousand ton of raspberries are collected. The region is also famous for its orchard fruits. Annual production of orchard fruits in the region reaches approx. 500 thousand ton. Foreign partners who attentively observe **the Lublin agricultural and food market** can also be interested in the production of cauliflowers, tomatoes and cucumbers. Agriculture has naturally become a basis for development of the fruit and vegetable processing industry accompanying it. In addition to thriving producer groups, such as Grupa Producentów Owoców Miękkich i Warzyw [Producer Group of Soft Fruits and Vegetables] (municipality of Frampol), Nadwiślańskie Zrzeszenie Producentów Chmielu [Vistula Association of Hop Producers] (municipality of Wilków) and Zrzeszenie Producentów Owoców i Warzyw [Association of Fruit and Vegetable Producers] (municipality of Mełgiew), there are also numerous vegetable and fruit processing plants functioning in the voivodeship. The largest of them include: "Mors" Cold Store in Zamość, Polski Ogród [Polish Garden] in Ryki and the Materna Plant in Łopatki, next to Nałęczów.

In the Lublin Voivodeship there is no need to purchase fresh fruits and vegetables transportation of which is more demanding than in the case of processed products. Purchasing frozen goods, concentrates or ready food products is possible in numerous processing plants. The most well-known plants are: Agram in Lublin, Pol-Owoc in Opole Lubelskie and Mors in Zamość.

When we speak of potential export from the Lublin Voivodeship the name JMP Flowers is listed with an increasing frequency in this context. It is a **producer of cut and potted flowers**, among others orchids, anthurium and roses. Flowers from Stężyca, next to Dęblin, have already conquered many countries in Europe. The Company established a special purpose entity in Russia, which gives them a very good position in planning export for that market.

**Leading milk processing plants** in the region are located in Piaski, Ryki and Krasnystaw. Foreign partners especially appreciate milk products of the latter which are sold in South America, Asia and Africa. OSM Krasnystaw has a certificate allowing their products to be exported to the countries of the former eastern bloc.

While, another pride of the Lublin Voivodeship – hard cheese from Ryki – is appreciated by recipients from among others Greece, USA, Canada and Israel. Their whey cheese is also sold to China.

An important role in the development of agriculture in the voivodeship is also played by **production and processing of grains**. The manufacturer of flours, pastas and breakfast cereals Lubella in Lublin is one of the most recognized brands in the country. Products with the logo of the company from Lublin can be purchased in the most distant corners of the world. The company is also one of the leaders selling pasta in Romania. The following companies are also large processing plants: Chełmskie Zakłady Zbożowe [Grain Plants in Chełm], Zamojskie Zakłady Zbożowe [Grain Plants in Zamość] and Elewator Zbożowy Elewar [Elewar Grain Elevator] in Krupiec. A significant role in the development of industry and local economy is also played by plants associated with agriculture: sugar plants (Krasnystaw, Werbkowice), milk processing plants (Krasnystaw, Chełm) and meat processing plants (Łuków, Jarosławiec, Lublin).

## **Ecoleader from Lublin**

A very important part of all agriculture in Lublin is environmentally friendly production. According to the data of the Agricultural and Food Quality Inspection from 2013 the Lublin Voivodeship holds fifth position in the country concerning the number of environmentally friendly producers. More than 2 thousand farms have certificates confirming production without plant protection chemicals and artificial fertilizers. At such farms only ecological substances are used (minerals and green fertilizers), naturally occurring in nature. Such is the case with feeding animals, as ecological feeds are promoted.

The largest groups of producers gathering environmentally friendly farms in the Lublin Voivodeships are Brzost-Eko (nine members cultivating more than 138 hectares of land) and Spółdzielnia Producentów Ekologicznych B&S [B&S Cooperative of Organic Producers] (six members and nearly 178 hectares of land).

The Lublin Voivodeship can be also proud of the largest organizations gathering environmentally friendly producers in Poland. They are the Polish Society of Organic Farmers and the EkoLubelszczyzna Association.

## Machine industry

The machine, automotive and aviation industry are traditional sectors of industry which developed in the Lublin Voivodeship. It is related to convenient investment conditions – technical and infrastructural facilities and human resources. The Lublin Voivodeship is characterized by an above-average share of employment in the discussed sectors – 6.1% of general employment in the sector of the enterprises in comparison to 5.9% in Poland. The largest centers for development of machine, automotive and aviation industry are Lublin, Świdnik, Bełżyce, Kraśnik and Janów Lubelski.

Germany is the largest recipient of goods from the machine, automotive and aviation industry from the Lublin Voivodeship. The main export products are parts and accessories for vehicles, trailers and semi-trailers and rolling bearings.

Ursus, **a manufacturer of agricultural tractors**, which has its registered office in Lublin, has already achieved export success. The company is now implementing an order worth 90 million USD for delivery of 1,500 tractors to Ethiopia. Ursus also cooperates with the Ukrainian company - Bogdan Motors – with which the enterprise from Lublin manufactured the first modern trolleybuses. Both companies discuss further cooperation and therefore export of their vehicles to the East and to other European countries. Sipma from Lublin is also appreciated by customers. It is one of the largest **manufacturers of agricultural machinery** in Poland, with their registered office in Jastków, next to Lublin. Other representatives of the machine industry in the region which are potential partners for foreign importers are: Multivac (packaging machines, Jastków), Factory of Food Machinery Machines and Equipment Spomasz [Factory of Food Machinery and Equipment] (Bełżyce) and Warbo (metal processing, Bogdanka).

Also products of **Fabryka Łożysk Tocznych** [Factory of Rolling Bearings] in Kraśnik are well-known on foreign markets. Parts manufactured here can be found in nearly all brands of passenger vehicles and truck vehicles manufactured in Europe and in many brands from Asia. FŁT from Kraśnik manufactures parts used in production of machinery. Since 2013 Fabryka Łożysk Tocznych has been a part of Chinese Tri Ring Group, thanks to which the company has even more to offer to foreign recipients and enters new markets with its products.

The only **factory of Polish helicopters** which has its registered office in the Lublin Voivodeship - PZL-Świdnik SA – is a recognized manufacturer of composite elements used in aviation structures. Thanks to this, the factory

decided to cooperate with well-known world producers operating in the aviation industry. Research services offered by PZL-Świdnik constitute another export product (apart from helicopters and aviation parts). The company offers e.g. aviation expertise, flight tests and ground tests as well as integration of navigation, communications and optoelectronic systems. Moreover, PZL-Świdnik is the only Polish plant with a specialized station for complex fatigue tests – the hull of the machine can be placed in a special structure and subjected to forces on the ground which naturally occur during a long-hour flight in the air.

## **Furniture industry**

Poland has taken fourth position concerning a valuable share in global furniture export – after China, Germany and Italy. Sold furniture production in 2013 was 27.56 billion PLN, i.e. 2.94% of the sold production of industrial processing. For many years furniture has constituted a showpiece of Polish export. Also, companies from the Lublin Voivodeship have their share among Polish companies exporting furniture. The Lublin Voivodeship is responsible for 3.5% total sold production of furniture in Poland and 2.2% of sold production in the wood industry. Total employment in the furniture and wood industry in the Lublin Voivodeship is approx. 8,700 people. Increased recognition of enterprises operating in the furniture and wood industry from the Lublin Voivodeship, access to resources necessary for economic activities as well as a beneficial location, including the location on the international transit route and activities of business-related institutions operating for the industry provide a strong basis for its further involvement in export activities.

The main importers of furniture products from the Lublin Voivodeship are Germany, Lithuania and Italy. Export provides opportunities for the development of small enterprises, as well, which increases the impact of the industry on the Polish and local economy. Furniture pieces manufactured in the Lublin Voivodeship are high quality products. Customers choose them both due to their quality and attractive prices as well as individual approach to each order. The most important companies of the furniture sector in the Lublin Voivodeship are Black Red White, BIM Furniture and BH Meble [BH Furniture].

## **Chemical industry**

Long-term industrial traditions of the voivodeship in the chemical sector include among others activities of Zakłady Azotowe Puławy [Puławy Nitrogen Plants], being a part of the Azoty Group – a giant of the Polish chemical industry and a brand well-known throughout the world. Zakłady Azotowe Puławy is one of the largest employers in the voivodeship. Products of Zakłady Azotowe Puławy are used nearly in all industries – from the chemical industry, through to the textile industry and automotive industry. Undoubtedly the company's success was commencing export of their products to China. Another company with potential is Zakłady Chemiczne Permedia S.A [Permedia Chemical Plants] – one of the leading Polish manufacturers of colorants.

## **BPO/SSC/IT**

Lublin is the ninth biggest business services location in Poland in terms of employment. It has the largest concentration of business process outsourcing centers (BPOs), shared services centers (SSCs), research and development centers (R&Ds) and, above all, information technology centers (ITs) in eastern Poland. The

impressive growth in the number of newly established business services centers in recent years has transformed the economic landscape of the city, having a beneficial effect on its reputation as a business location.

There are 59 business services centers in Lublin belonging to investors from 8 countries. Most of them are Polish centers (44). Companies from the USA have four centers, companies from France have three, companies from the UK, Germany and Switzerland two each, and companies from Austria and Italy have one each. Business services centers in Lublin employ

5,700 people. Almost half of these employees (48%) work in Polish companies. French companies created 26% of the jobs in the sector, and Italian companies 9%. Businesses whose parent company headquarters are located in other countries account for 17% of employment in Lublin's business services centers. IT centers clearly dominate in the structure of business

services centers, with 46 of them operating (out of a total of 59 entities). Six units are BPO centers, four are R&D centers, and three are SSCs. IT centers dominate the employment structure by center type (52%). 31% of jobs are in SSCs, 12% in BPOs, and the remaining 5% in R&D centers. Thanks to new investments, employment in business services centers in Lublin has grown by about 2,500 people since 2012. Having considered the city's potential, companies' development plans and potential new investments, it can be anticipated that employment in the industry will reach 9,000 by 2020.

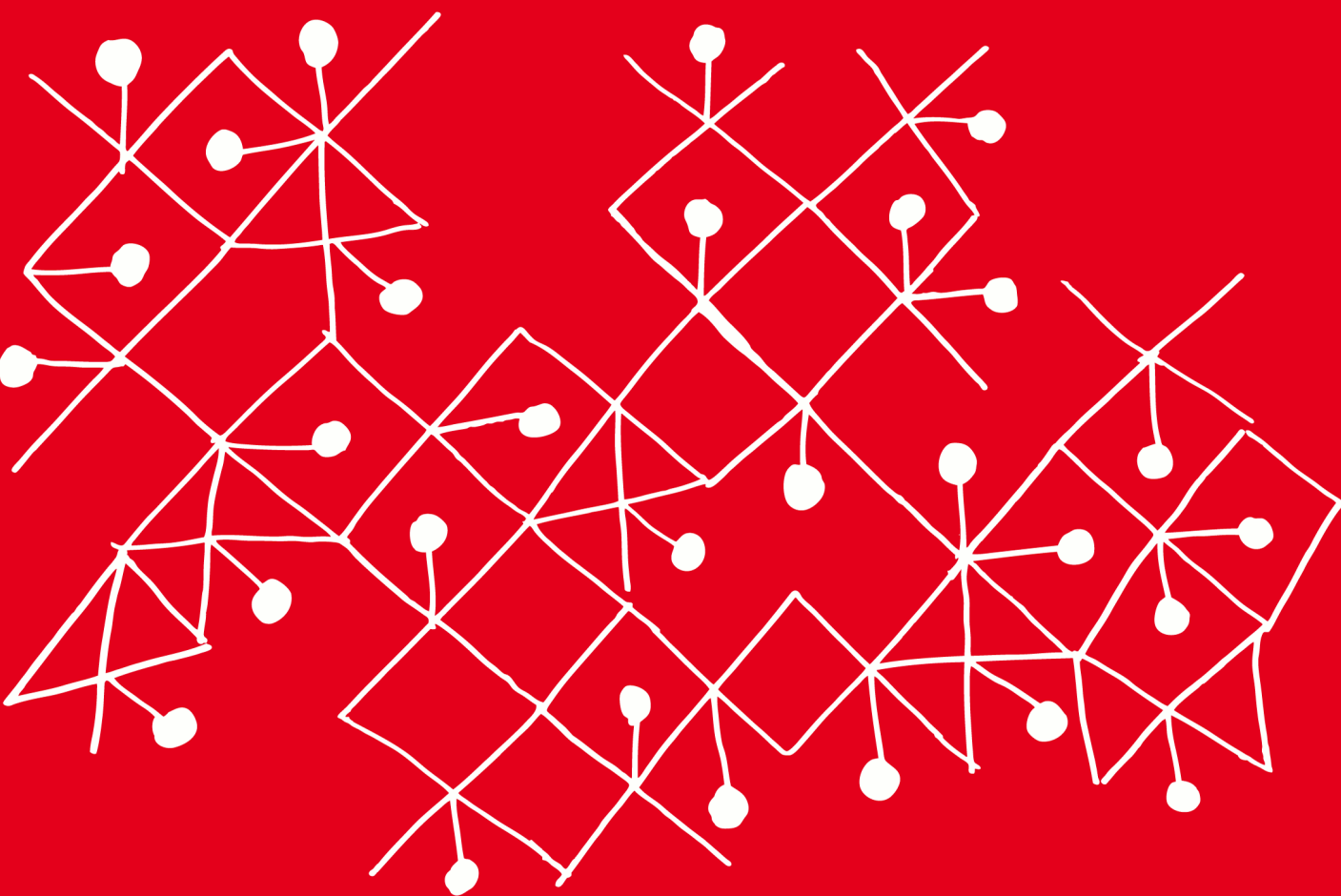
**IT services** is definitely an area of specialization in Lublin. The production and implementation of business software (mostly technologies and mobile applications) are services frequently offered by companies in Lublin, as well as integration services. Many companies also deal in IT outsourcing (including in the area of help desks). Due to little local

demand, Lublin companies offer their services beyond the borders of the region and the country. This makes them very competitive, and they are growing rapidly. One of the strengths of the IT industry in Lublin is the variety of products and services offered by local

companies: from mobile software for the financial and fast-moving goods industries, through systems for the medical and pharmaceutical industries, to GIS and GPS solutions and the design of ICT systems. The companies from Lublin offer the most modern IT solutions to their foreign recipients and potential business partners. Companies, such as Infinite, Asseco Business Solutions and eLeader – recognized and awarded manufacturer of company applications for smartphones – operate in the Lublin Voivodeship.

Lublin's IT sector has grown tremendously in recent years compared to other centers in Poland and this is expected to continue, justifying Lublin's position

as one of the country's most important IT locations.



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