



Business Services Sector in Katowice



Report prepared for Katowice City Hall
by the Association of Business Service Leaders (ABS L)

in cooperation with JLL, Randstad Polska and Randstad Sourceright



ABS L:

Paweł Panczyj, Strategy & Business Development Director, ABS L
pawel.panczyj@absl.pl
www.absl.pl

Investor support in Katowice:

Investors Assistance Department
Katowice City Hall

Rynek 1, 40-003 Katowice
+48 32 25 93 826
oi@katowice.eu
www.invest.katowice.eu

Layout and printing:
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1

WHY CHOOSE KATOWICE?

Katowice is a rapidly growing city with a population of 300,000, located in southern Poland. It is the main hub in the Metropolis GZM (the so-called Metropolis), and home to 2.3 million residents. The city is a nationally important academic, cultural and economic center, offering a high quality of life and a modern economy in which an important part is played by business services: business process outsourcing centers (BPO), shared services centers (SSC), IT centers and research and development centers (R&D).

The Metropolis is the best-connected area in Poland in terms of road and rail transportation and flight connections. One of its distinctive features is spatial density, with a very well-organized public transport system.



Photo: TDJ

FIGURE 1

KATOWICE ON THE POLISH ROAD NETWORK MAP



Source: ABSL own study

TABLE 1

DISTANCES AND ESTIMATED TRAVEL TIMES TO SELECTED CITIES

	Distance in km	Travel time		
		By car	By train	By plane
Warsaw	260	3h 00 min	2h 25 min	50 min
Vienna	300	3h 50 min	4h 30 min	3h 00 min*
Berlin	465	5h 00 min	7h 15 min*	3h 35 min*
Frankfurt am Main	740	8h 30 min	12h 30 min*	1h 20 min
Amsterdam	1,010	10h 30 min	13h 50 min**	1h 50 min

* One asterisk means one transfer required.

Sources: Deutsche Bahn, Google Flights, Google Maps, Katowice Airport, PKP PLK



According to the TomTom Traffic Index, Katowice (and the Metropolis) has the lowest street traffic indicator of any large (800,000+ residents) urban area in Europe.

Source: https://www.tomtom.com/en_gb/trafficindex/

Why choose Katowice?

**FIGURE 2**

THE METROPOLIS GZM (METROPOLIS)

Source: ABSL own study

The Metropolis is located in the southern part of Poland, at the intersection of major European roads (E 40, E 75 and E 462) and railway routes (E 30, E 65 and C-E 65). It is the best-connected area in Poland. Great access to road transportation is ensured by the A1 and A4 highways and the S1 and S86 express roads, which are complemented by a network of national roads (numbers 11, 40, 44, 78, 79, 81, 86, 88 and 94). Six of the cities in the Metropolitan Area are also connected by the Silesian Intercity Road (so-called DTŚ), which is a high-speed freeway that enables convenient transfers between the

cities. Katowice is also located at the start of four rail lines of national importance: number 1 (to Warsaw), number 137 (to Legnica), number 138 (to Oświęcim) and number 139 (to the border town of Zwardoń). Located 25 km from downtown Katowice is Katowice Airport (KTW), Poland's fourth largest by number of passengers served, which operates flights to 17 countries. There are two other airports located within a 90-kilometer radius of Katowice: the Kraków Airport (KRK) and the Ostrava Airport (OSR). Current infrastructure projects will soon further increase Katowice's accessibility.

FIGURE 3
TRANSPORTATION IN KATOWICE



1 ticket – largest area

Since 2019, public transit in the Metropolis has been managed by the Metropolitan Transport Authority. The entity oversees the transport of passengers by 38 carriers across 400+ bus lines, 31 tram lines and 6 trolleybus lines. As part of a single fare, passengers can travel by bus, trolleybus and tram across as many as 48 districts. It is the largest area of this kind in Europe. With one ticket, you can also get to Katowice Airport and travel on Silesian Railways.

Source: <https://www.metropoliaztm.pl/>



Kids and teens go free

Children up to 16 who reside in the Metropolis can ride for free on all Metropolitan Transport Authority bus, trolleybus and tram routes.

Source: <https://www.metropoliaztm.pl>



Eco-friendly city transit

At present, 5 electric buses run in Katowice, with 5 more planned for 2020 and another 10 for 2021. Furthermore, over the past two years, the streets of Katowice have seen the addition of 90 modern buses that meet the strictest emission standards. It is yet another example of the city's reasonable transportation policies, which, in addition to making things more convenient for passengers, help improve air quality in and around the city. As many as 300 modern electric buses will soon be traveling around the whole Metropolis.

Source: gzmropolia.pl



Katowice – a leader in electromobility

Currently, Katowice has nearly 31 public electric car charging stations. Several dozen electric cars are also available for rent in the city (in the car-sharing system). By 2020, Katowice will offer around 130 publicly available charging stations. Creating a system of chargers and car-sharing, combined with expanding public transportation, will significantly improve the quality of life in the city, among other things, by reducing traffic and improving air quality.

Source: <https://elektrowoz.pl/>, <https://www.bankier.pl>



Multimodal transportation

The Ligota transfer center has been in operation in Katowice since 2018. It allows for convenient transfer from one mode of transportation to another, combining pedestrian, bicycle, car, bus and rail transportation. In 2019, Katowice will add another facility of this type, and two more are expected to be completed in 2020.



City by bike

Silesia's largest bike-sharing system, City by bike, has operated in Katowice since 2015. In 2019, the system will be expanded to comprise 75 stations with 616 bicycles. In 2018, more than 40,000 people used City by bike, renting bicycles 200,000+ times. This means that the system's popularity has more than doubled compared to 2017.

Source: <https://citybybike.pl/o-city-by-bike/>

FIGURE 4**SUSTAINABLE TRANSPORTATION IN KATOWICE****Ligota interchange**

It was built opposite the Ligota train station, at the intersection of Panewnicka and Franciszkańska.

The loop has two bus platforms and waiting areas. Next to it, there is a large bicycle parking area and a 110-space overground parking lot further down.

Completion date: Q4 2018

Sądowa interchange

It is being built at the entrance to downtown Katowice between Sądowa and Goeppert-Mayer, several hundred meters away from the train station. The interchange will permit transfers from city buses to long-distance buses (including international routes). It is also expected to include a bike shelter and a parking lot for approx. 50 cars.

Completion date: Q4 2019

Brynów interchange

It is being developed near the existing tram loop.

A 3-story 499 space over-ground parking lot will be built next to the interchange, and there will be another 49 spaces at street level. The interchange will also provide, among other things, covered platforms, bicycle parking and a taxi stand.

Completion date: Q2 2020

Zawodzie interchange

The interchange is being built in the area of Bagienna, Krakowska, Łączna and 1 Maja by the tram loop.

The project will include developing the train station building, two overground parking lots for 275 cars, bike shelters for 36 bicycles and Kiss&Ride zones.

Completion date: Q2 2020

Św. Jana interchange

The interchange has been proposed to be located at Św. Jana, in the very heart of the city.

The project will include a tram and bus platform and 69-meter tunnel.

Redesign of the road network

National Roads 81 and 86 will be developed further by 2020: the intersection of Kościuszki and Armii Krajowej will be redesigned, and there will be a new junction in Giszowiec. Dworcowa is also scheduled to be redesigned and will be pedestrianized when the project is complete.

Tram beltway

There are plans to build a tram line along Grundmanna.

The line will connect the existing track system in Chorzowska and Gliwicka. The line will be 0.65 km long. Construction will begin in 2019.

Southbound tram line

A new tram line will be built by 2022 to connect two large neighborhoods, Brynów and Bażantowo. The 5+ km route will have 6 stops, located about 600-800 meters apart.

Business Services Sector in Katowice

Why choose Katowice?



Photo: Shutterstock

Why choose Katowice?

KATOWICE AIRPORT (KTW)

Distance and travel time from downtown Katowice

30 km (30 mins)

Number of countries served

18 (20 from June 15 to September 14)

Number of destinations

42 (49 from June 15 to September 14)

Number of airlines

5

Total number of passengers served

4.8 million (2018)

5.0 million (forecast for 2019)

Cargo transport

17,800 t (2017)

18,500 t (2018)

Airlines operating scheduled flights:

LOT Polish Airlines, Lufthansa, Wizz Air, Ryanair, Transavia.

TABLE 2

NUMBER OF DIRECT FLIGHTS OPERATED
PER WEEK TO SELECTED DESTINATIONS,
AND FLIGHT TIMES

Warsaw Chopin	WAW	27	50 min
Frankfurt am Main	FRA	21	1h 20 min
London Luton	LTN	20	2h 15 min
London-Stansted	STN	7	2h 10 min
Munich	MUC	7	1h 20 min
Amsterdam	AMS	3	1h 50 min

Source: <http://www.katowice-airport.com>



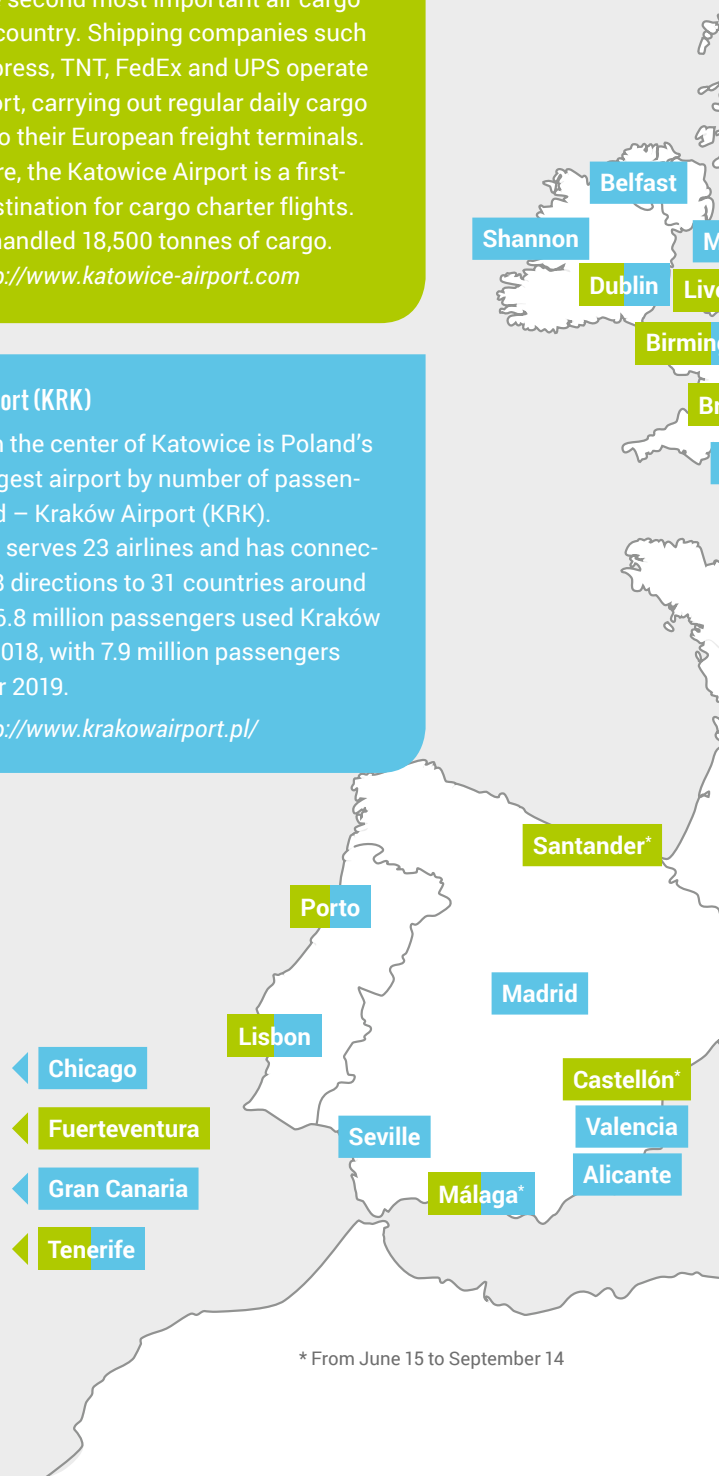
Cargo - Katowice Airport

The Katowice Airport is, after Warsaw's Chopin Airport, the second most important air cargo hub in the country. Shipping companies such as DHL Express, TNT, FedEx and UPS operate at the airport, carrying out regular daily cargo deliveries to their European freight terminals. Furthermore, the Katowice Airport is a first-choice destination for cargo charter flights. In 2018, it handled 18,500 tonnes of cargo. Source: <http://www.katowice-airport.com>

Kraków Airport (KRK)

60 km from the center of Katowice is Poland's second-largest airport by number of passengers served – Kraków Airport (KRK). The airport serves 23 airlines and has connections in 108 directions to 31 countries around the globe. 6.8 million passengers used Kraków Airport in 2018, with 7.9 million passengers forecast for 2019.

Source: <http://www.krakowairport.pl/>



* From June 15 to September 14

FIGURE 5
KATOWICE AIRPORT AND KRAKÓW AIRPORT: REGULAR FLIGHTS MAP



2

BUSINESS SERVICES CENTERS IN KATOWICE

Katowice and the Metropolis GZM are one of more than ten key centers of the business services sector in Central and Eastern Europe. To a large extent, Katowice's strong position on the business services map is due to the dynamic development of centers owned by global corporations that have decided to make investments there (in the past three years, these have included Honeywell, Huawei, Fujitsu Technology Solutions, Keywords Studios and Accenture). Growth of employment in new business services centers has helped remodel the business landscape of Katowice and the region, which has had a highly beneficial effect on business perceptions of this region.



Photo: Shutterstock

FIGURE 6

BUSINESS SERVICES SECTOR IN KATOWICE AND THE METROPOLIS GZM


23,500

The number of employees working in BPO, SSC, IT and R&D centers providing services in foreign languages (as of Q1 2019). This accounts for 8% of the overall headcount in the business services sector in Poland. The vast majority of employees in the area in question work in Katowice (79% or 18,600 people).


102

The number of BPO, SSC, IT and R&D business services centers (Q1 2019). The vast majority (79%) of these operate in Katowice. Foreign entities own 69 (two thirds of all) centers.


20

The number of countries where the headquarters of companies with business services centers in Katowice and the Metropolis GZM are located. Among foreign entities, the largest share belongs to companies from the USA, Germany and France (which jointly account for 40% of all centers).


43%

The increase in employment in business services centers in Katowice and the Metropolis GZM in the years 2016-2019 (more than 7,000 people, of whom the vast majority are in Katowice). The majority of new jobs (59%) were created by centers that were formed prior to 2016 and subsequently expanded their operations.


22

The number of business services centers established in Katowice since the beginning of 2016. These investments helped create almost 3,000 new jobs.


IT

The most important category of services provided by centers in the area under analysis are IT services. Centers for which IT services represent the dominant form of activity create just over half (51%) of the jobs in the industry.


25,000+

The number of employees in the sector forecast for Q1 2020 (including 20,000 in Katowice alone).



ABSŁ Silesia Regional Chapter in Katowice

The ABSŁ Silesia Regional Chapter in Katowice is a local action group composed of investors representing the business services sector, operating jointly in the Silesian and Opolskie Voivodeships. The priorities of the ABSŁ 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. To this end, the companies that belong to the ABSŁ Silesia Regional Chapter actively cooperate with representatives of the Katowice City Hall, and city halls within the Metropolis, marshal's offices, the Katowice Special Economic Zone, regional chambers of commerce, consulates and universities – local academic institutions.

Periodic meetings, local events and community initiatives organized as part of the ABSŁ Silesia Regional Chapter bring together representatives of services centers, companies working with the sector and invited guests representing public authorities and university authorities.

Marcin Nowak
Vice-President, ABSŁ



REPORT CONCEPT AND METHODOLOGY

This report presents key facts about the business services sector in the Metropolis GZM*. The figures provided concerning employment in business services centers and information on the operations of the entities under analysis are up to date as at Q1 2019. They are obtained from the annual ABSŁ study conducted by way of an online survey, interviews with representatives of companies and web-based research. The survey was completed by 30 respondents representing business services centers with a current total of 13,000 people in the Metropolis, or 55% of the total number of employees in the sector in the area under analysis. The information obtained from the survey made it possible to perform a statistical analysis of the current activities of the entities involved (by subject).

The publication adopts a broad definition of the business services sector to include the activities of business processes outsourcing centers (BPO), shared services centers / global business services (SSC/GBS), IT centers, and research and development centers (R&D). The results of the studies concern the activities of business services centers whose parent companies have their headquarters in Poland (Polish centers) and abroad (foreign centers). Each entity was assigned to one of the primary types of centers (BPO, SSC/GBS, IT, R&D), taking into account the dominant profile of its operations.

Contact centers providing services to external customers were classified as BPOs. Entities providing IT solution outsourcing services (including maintaining systems, applications, infrastructure, and technical support) and/or creating and selling (implementing) software for external customers were classified as IT centers. Please note that the analysis took no account of companies that only provide services domestically in Polish for customers located in Poland. This restriction does not apply to IT and R&D centers that offer software development, which, as a rule, requires the "product" to be developed in English. It is worth clarifying that the analyses do not take into account shared services delivery at company headquarters, when the activities are not isolated in the form of separate units, or dedicated services centers. The publication used the geographic criterion. Each business services location is treated as a separate unit of analysis if it is located in a different town.

It is worth noting that, in addition to the centers analyzed in this report, there are other entities in the Metropolis GZM that provide business services for internal and/or external clients within Poland, in Polish only. These types of centers, which were not considered in the report but mainly provide customer services and accounting support, employ several thousand people. Examples include the TAURON Shared Services Centers, the Silesian Shared Services Center belonging to Polska Grupa Górnicza, and Fincore Business Solutions.

We would like to thank all of the company representatives who took the time to complete the ABSŁ survey and prepare information on investors used in this publication.

* Metropolis GZM covers nearly one-third of the area of the entire Silesian Voivodeship, and half of all residents of the Province live within the boundaries of the discussed area. The Metropolis is composed of 41 towns and municipalities: Będzin, Bieruń, Bobrowniki, Bojszowy, Bytom, Chełm Śląski, Chorzów, Czeladź, Dąbrowa Górnicza, Gierałtów, Gliwice, Imielin, Katowice, Knurów, Kobiór, Łędziny, Łaziska Górne, Mierzęcice, Mikołów, Mysłów, Ożarów, Piekary Śląskie, Pilchowice, Psary, Pyskowice, Radzionków, Ruda Śląska, Rudziniec, Siemianowice Śląskie, Siewierz, Sławków, Sosnowiec, Sośnicowice, Świerklaniec, Świętochłowice, Tarnowskie Góry, Tychy, Wojkowice, Wyrzy, Zabrze, Zbrostawice.

FIGURE 7
SELECTED BUSINESS SERVICES CENTERS IN KATOWICE AND THE METROPOLIS GZM

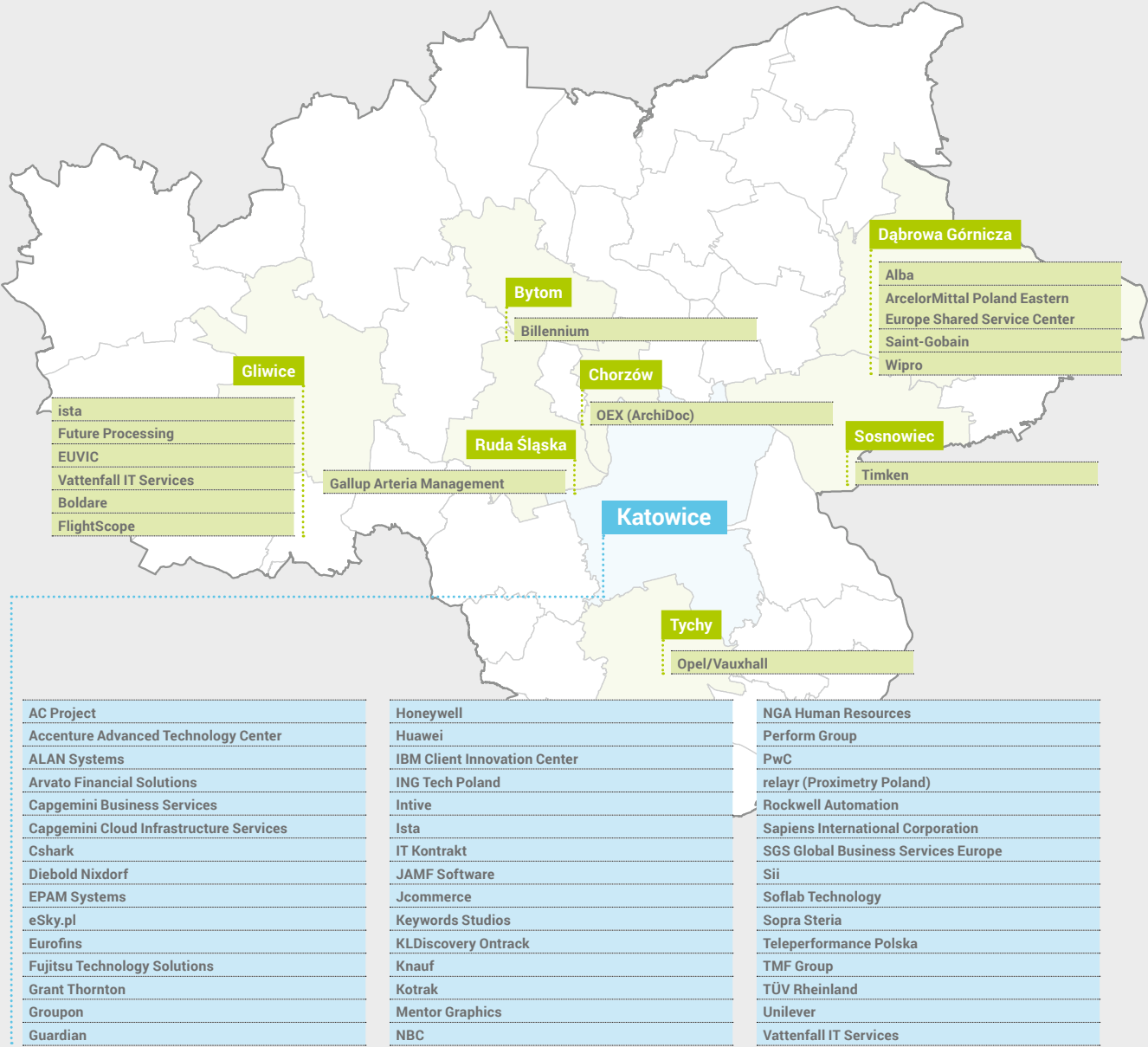


FIGURE 8
LARGEST EMPLOYERS IN THE BUSINESS SERVICES SECTOR IN KATOWICE

1	CAPGEMINI (Capgemini Cloud Infrastructure Services and Capgemini Business Services)	4	ING TECH POLAND
2	PWC	5	SOPRA STERIA
3	IBM CLIENT INNOVATION CENTER	6	UNILEVER
		7	ROCKWELL AUTOMATION

Source: ABSL own study

Business services centers in Katowice

Katowice and Metropolis GZM is one of the five most developed business services locations in Poland (8% of employment in the sector nationally). 102 business services centers are located here, which belong to 64 investors from 20 countries. Apart from Polish centers (33), these are mainly companies from the USA (20), Germany (10) and France (10).

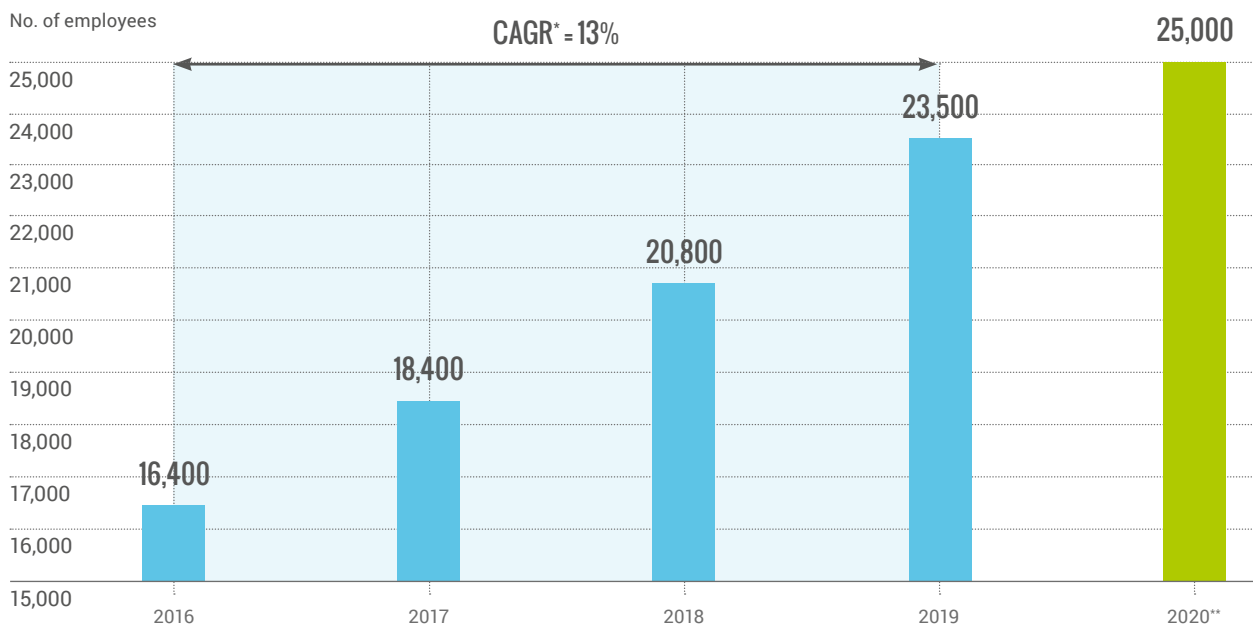
In Q1 2019, services centers in the area under analysis employed 23,500 people. The vast majority of the jobs were created by foreign companies (74%). Polish companies employ 26% of the employees in the sector, while American companies account for 18%, French companies – 16%, British companies – 14%, German companies – 10%, Dutch companies – 5% and companies from other countries – 11%. Most of the business services centers in the area under analysis, and 79% of total employment in the sector, are located in Katowice itself.

More than half of all centers are IT centers (54), which also dominate the employment structure (51%). Shared services centers (SSC/GBS) account for 29% of employees in the sector, while BPO centers – for 13%. Other types of centers account for 7% of jobs.

The average employment level in business services centers in the Metropolis GZM is 230 people (the median is 100 people). It is worth noting that the 10 largest business services centers in the Metropolis GZM (with at least 500 employees) generate a total of nearly 50% of total employment in the sector. Considering the companies' plans for development and potential new investments, it can be estimated that employment in the industry will reach or exceed 25,000 jobs by Q1 2020.

FIGURE 9

CHANGES IN EMPLOYMENT IN THE BUSINESS SERVICES SECTOR IN KATOWICE AND THE GZM



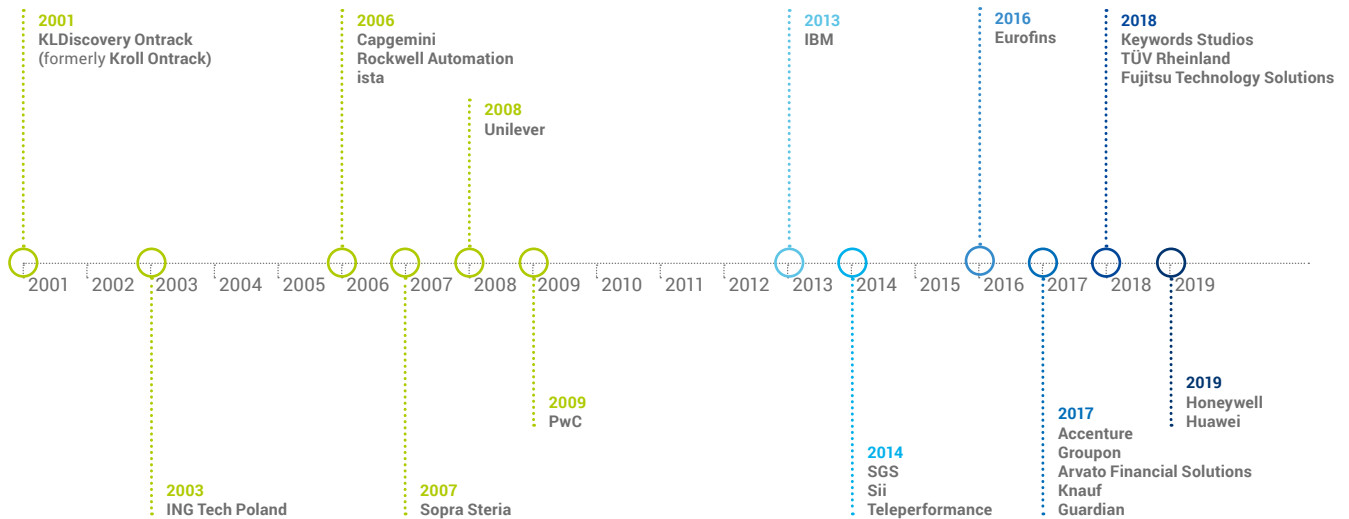
* Compound Annual Growth Rate (CAGR)

** Forecast

Source: ABSL own study

FIGURE 10

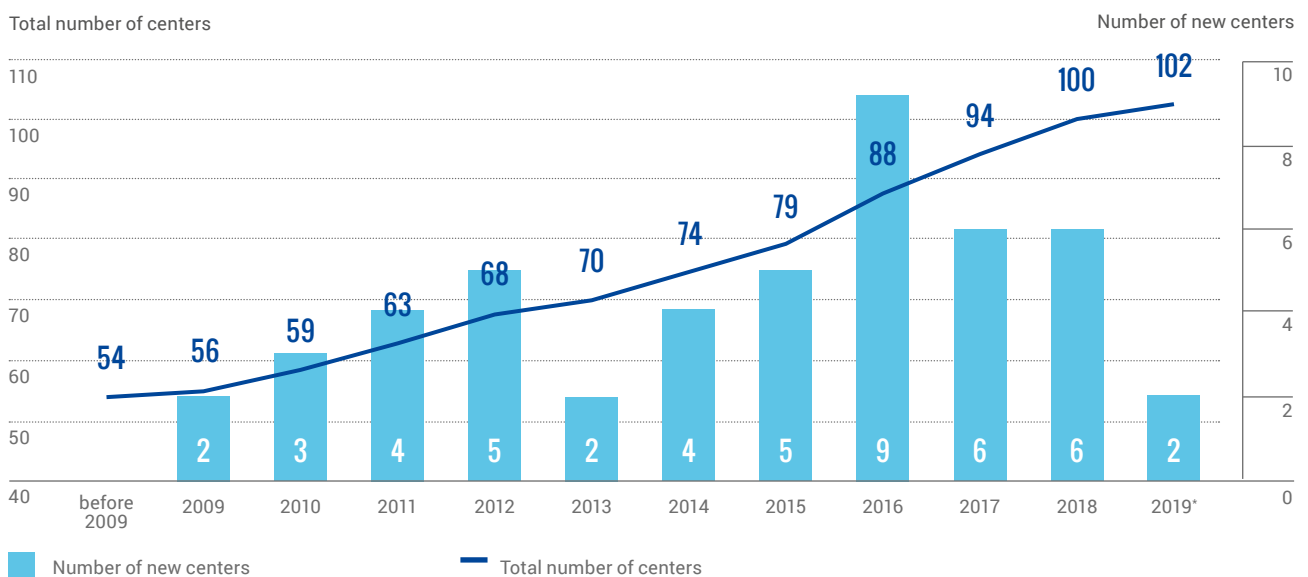
SELECTED INVESTMENTS IN THE BUSINESS SERVICES SECTOR IN KATOWICE



Source: ABSL own study

FIGURE 11

BUSINESS SERVICES CENTERS IN KATOWICE AND THE METROPOLIS BY YEAR OPERATIONS BEGAN



* As at Q1 2019

Source: ABSL own study

Business services centers in Katowice

TABLE 3

EXAMPLES OF BUSINESS SERVICES CENTERS OPERATING IN KATOWICE

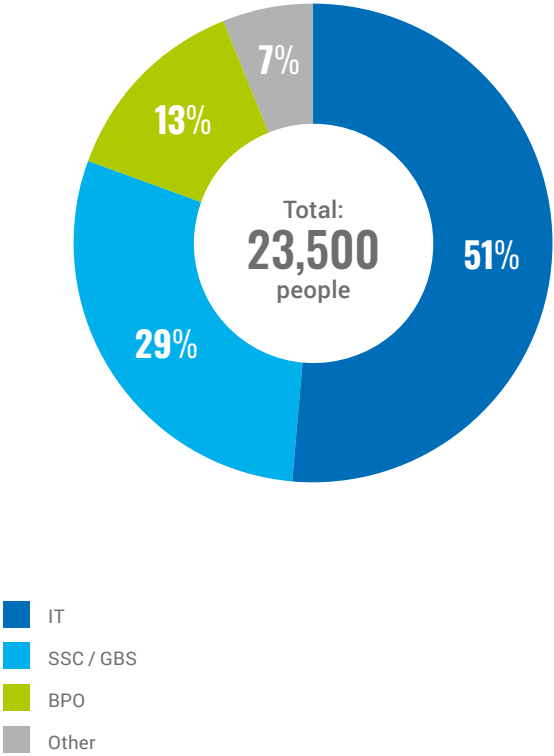
Name	Type of center	Year operations in Katowice began	Parent company headquarters location	Employment level	Profile of operations
Accenture Advanced Technology Center	IT	2017		200-300	Services relating to information technology, including application support and development and system integration.
Arvato Financial Solutions	BPO	2017		100-200	Accounting support (mainly processing and analyzing accounting data concerning payments) and telephone support for customers from the telecommunications industry.
Cagemini	IT/BPO	2006		>1,500	Capgemini Cloud Infrastructure Services: remote support, IT infrastructure management and data security and protection services. Capgemini Business Services: financial and accounting, banking operations, customer service, supply management and human resources management services.
Diebold Nixdorf	IT	2011		200-300	Creation and development of software.
Eurofins	SSC / GBS	2016		200-300	Accounting, global strategic procurement, group reporting and controlling, data analysis, recruitment and IT services.
Fujitsu Global Delivery Center	IT	2018		100-200	IT services, including: software development, IT infrastructure management.
Groupon	SSC / GBS	2017		200-300	Business support services in more than ten markets worldwide (Europe, North America, Asia) in the area of: customer support, business partner support, content management, marketing, accounting, modern technologies and automation.
Guardian	SSC / GBS	2017		100-200	Financial and accounting processes; distribution network, communication process and design work support.
IBM Client Innovation Center	IT	2013		>1,500	Services supporting hybrid cloud solutions, mobile services, big data, business analysis, digital security, and cognitive solutions based on the technology behind IBM Watson.
ING Tech Poland	IT	2003		500-1,000	IT services for entities from the ING Group worldwide: hosting system resources, remote IT resource management services, software services, and IT security services.
ista Shared Services Polska	SSC / GBS	2006		100-200	Cost accounting services for individual use of heat, water and other utilities for customers in Poland and worldwide. Accounting services for ista Group companies. Development and administration of internal IT systems.

Name	Type of center	Year operations in Katowice began	Parent company headquarters location	Employment level	Profile of operations
JCommerce	IT	2005		100-200	IT outsourcing. Implementation and maintenance of IT systems.
KLDiscovery Ontrack	Hybrid / Other model	2001		100-200	Data recovery and computer forensics. KLDiscovery Software Development Center: creation and development of big data management software.
Knauf IT Services	IT	2017		100-200	Development and maintenance of systems, procedures and applications supporting business processes in the production and distribution of Knauf products worldwide.
NBC	IT	2004		100-200	Staff/Team Augmentation. Software development.
PwC	SSC / GBS	2009		>1,500	Support services for financial audit departments, tax advice, and staffing, accounting and purchasing services for PwC companies.
Rockwell Automation	SSC / GBS	2006		500-1,000	Global Financial Operations Department: financial and accounting services for the company's branches worldwide. R&D Department: development, design and testing of applications and equipment, services involving cybersecurity solutions.
SGS Global Business Services Europe	SSC / GBS	2014		300-400	Support services for 9 SGS group countries involving, among other things, accounting, contract and certification support.
Sii	IT	2014		200-300	IT services (including software development) for the banking sector, rail transportation, automotive sector, industry, automation and robotics.
Sopra Steria	IT	2007		500-1,000	IT services involving infrastructure management and software development.
Teleperformance Polska	BPO	2014		200-300	Customer services.

Note: the table contains information about ABSL survey respondents whose services centers are located in Katowice and who employ at least 100 people in Katowice. The centers' headcount concerns solely the Katowice locations of the companies presented.

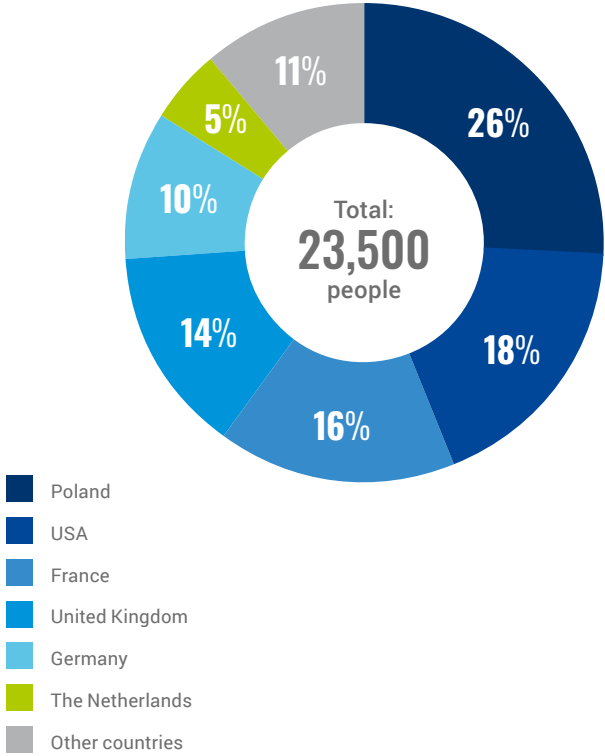
Source: ABSL own study based on various sources, including the websites of internet companies

FIGURE 12
EMPLOYMENT STRUCTURE OF BUSINESS SERVICES
CENTERS BY TYPE OF CENTER



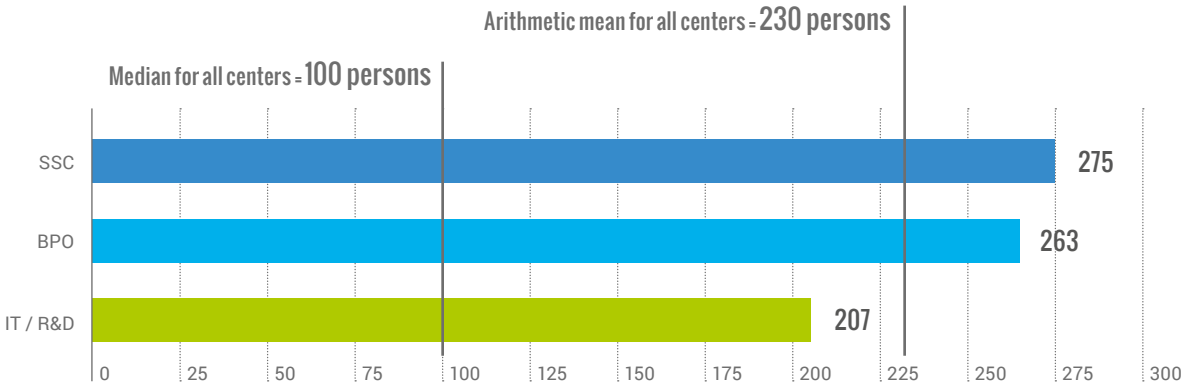
Source: ABSL own study

FIGURE 13
EMPLOYMENT STRUCTURE OF BUSINESS SERVICES
CENTERS BY PARENT COMPANY HEADQUARTERS
LOCATION



Source: ABSL own study

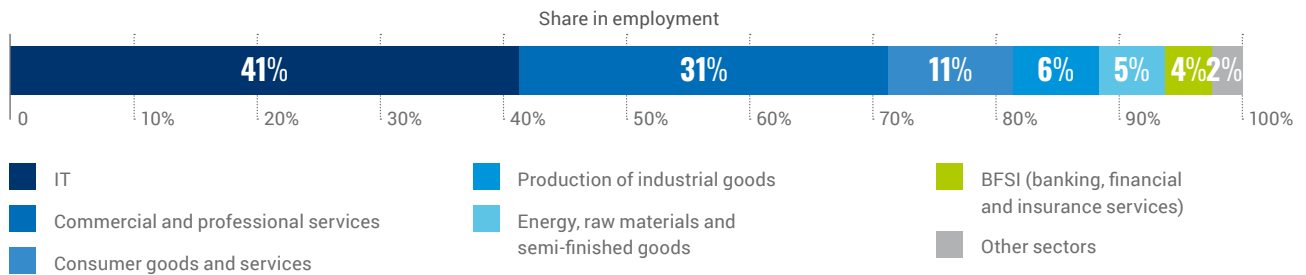
FIGURE 14
AVERAGE EMPLOYMENT BY TYPE OF SERVICES CENTER



Source: ABSL own study

FIGURE 15

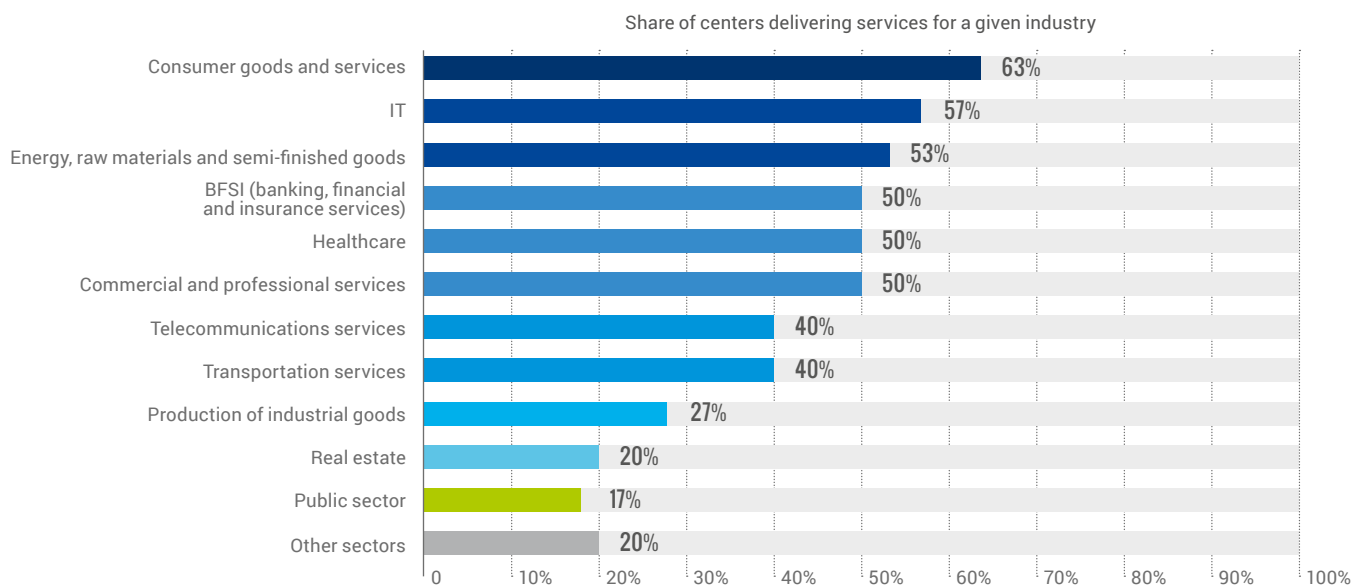
EMPLOYMENT STRUCTURE OF BUSINESS SERVICES CENTERS BY PARENT COMPANY INDUSTRY



Source: ABSL own study

FIGURE 16

INDUSTRY STRUCTURE OF COMPANIES (EXTERNAL AND INTERNAL CUSTOMERS) SUPPORTED BY BUSINESS SERVICES CENTERS



Source: ABSL own study based on responses from investors with business services centers in Katowice and the Metropolis (N=30 companies)

FIGURE 17

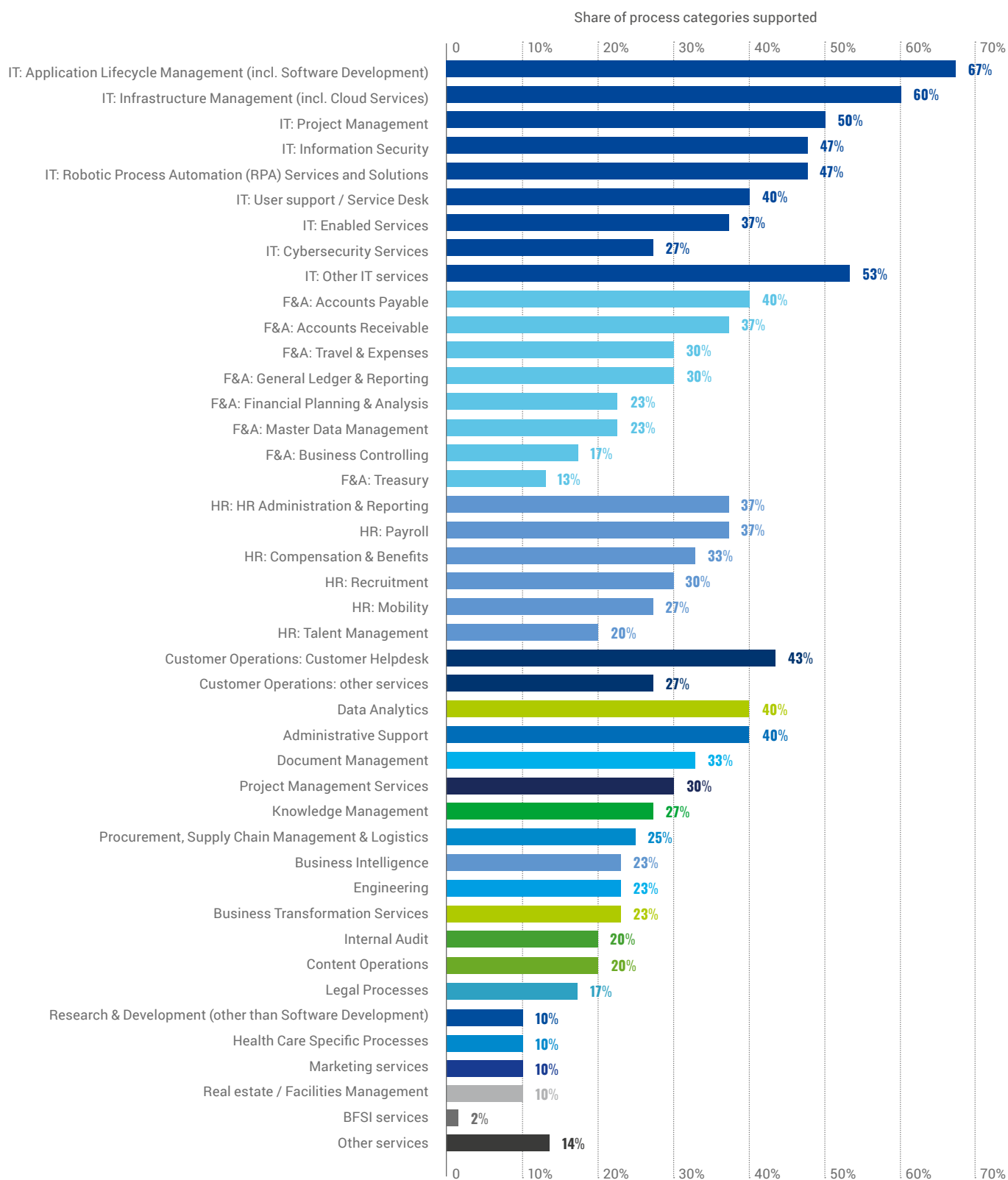
EMPLOYMENT STRUCTURE OF BUSINESS SERVICES CENTERS BY PROCESS CATEGORIES SUPPORTED



Source: ABSL own study based on responses from investors with business services centers in Katowice and the Metropolis (N=30 companies employing a total of 13,000 people in the area under analysis)

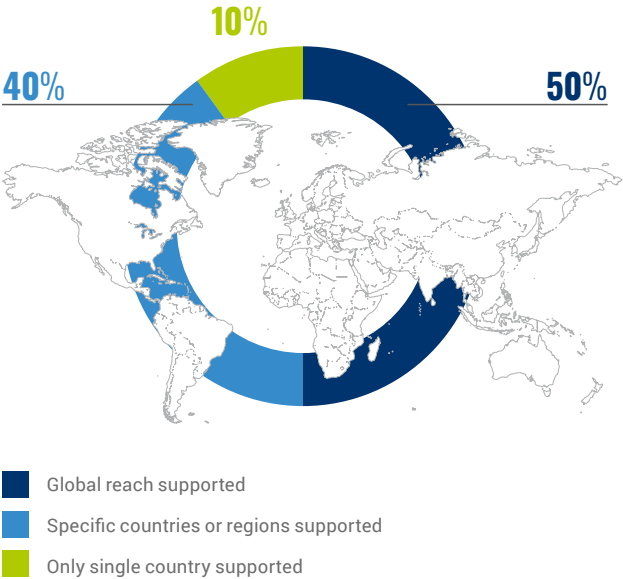
FIGURE 18

SERVICE CATEGORIES SUPPORTED BY BUSINESS SERVICES CENTERS IN KATOWICE AND THE METROPOLIS



Source: ABSL own study based on responses from investors with business services centers in Katowice and the Metropolis (N=30 companies)

FIGURE 19
GEOGRAPHIC SCOPE OF SERVICES DELIVERED
BY BUSINESS SERVICE CENTERS



Source: ABSL own study

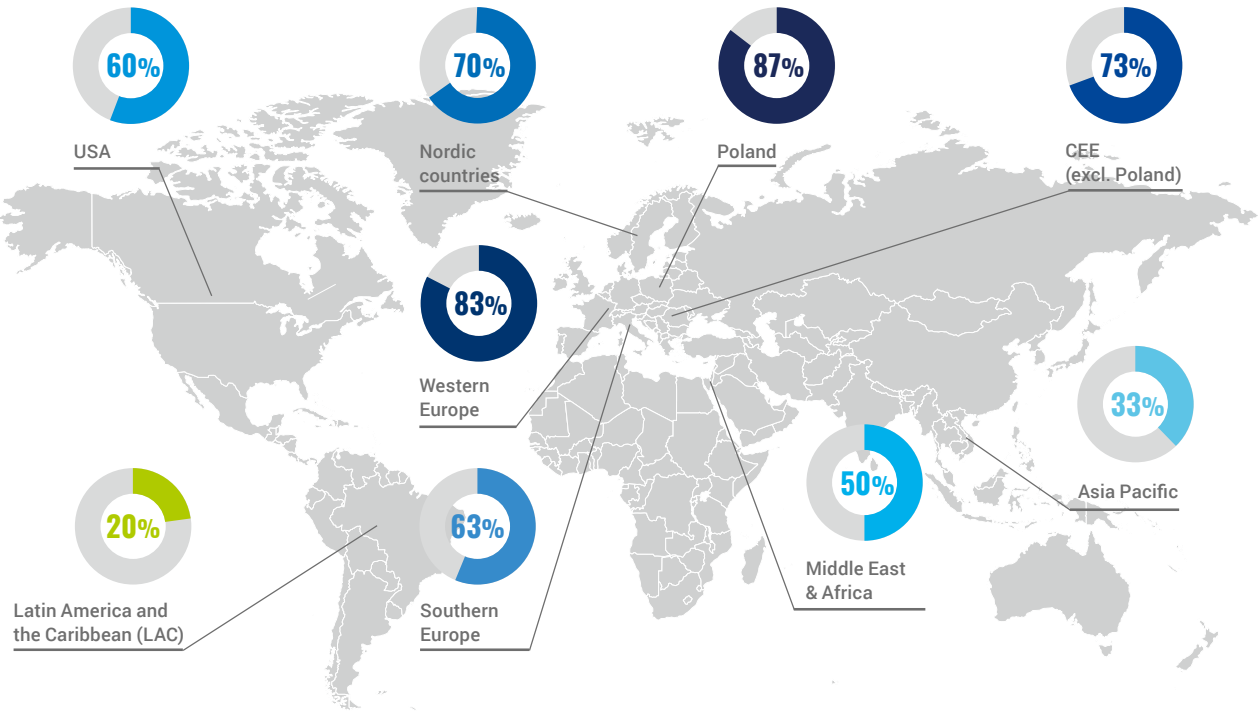
FIGURE 20
MAIN COUNTRIES SUPPORTED BY CENTERS
IN KATOWICE AND THE METROPOLIS



Centers in Katowice and the Metropolis deliver services for companies from various parts of the world. The largest number of centers are focused on serving customers in Western Europe and Poland.

Source: ABSL own study

FIGURE 21
GEOGRAPHIC SCOPE OF SERVICES DELIVERED BY BUSINESS SERVICES CENTERS IN KATOWICE AND THE METROPOLIS



Source: ABSL own study based on responses from investors with business services centers in Katowice and the Metropolis (N=30 companies)

Business services centers in Katowice

FIGURE 22

COMPANIES' PLANS CONCERNING THEIR OPERATIONS

**83%**

Share of companies that broadened the scope of their services in the past year.

**81%**

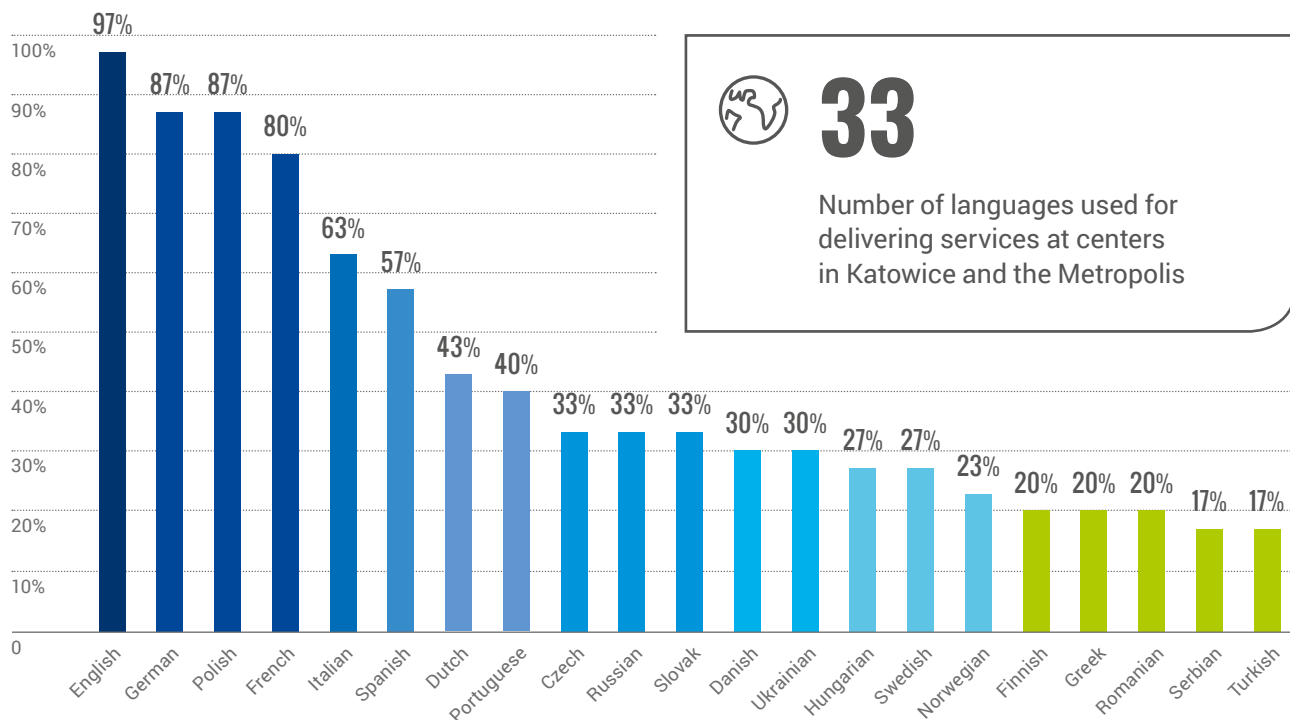
Share of companies that plan to broaden the scope of their services between Q1 2019 and Q1 2020.

Source: ABSL own study based on responses from investors with business services centers in Katowice and the Metropolis (N=30 companies)

FIGURE 23

LANGUAGES USED AT THE CENTERS TO DELIVER BUSINESS SERVICES

Share of centers



Note: other languages not listed in the table include Arabic, Belarusian, Bulgarian, Chinese, Croatian, Estonian, Hebrew, Korean, Latvian, Lithuanian, Persian and Slovenian.

Source: ABSL own study based on responses from investors with business services centers in Katowice and the Metropolis (N=30 companies)

FIGURE 24

FOREIGNERS EMPLOYED IN BUSINESS SERVICES CENTERS



Foreigners are employed in the majority of business services centers in Katowice and the Metropolis GZM. It is estimated that they comprise about 6.5% of the total number of employees in the sector (1,500+ people). The country named most frequently as the country of origin of the foreigners employed at business services centers is Ukraine. In more than half of the companies employing foreigners, Ukrainians represent the largest group of foreigners. The second largest nationality are Italians, and the third largest – the French. The largest share among the several dozen other nationalities represented among the employees of the services centers under analysis are Spaniards, Romanians, Greeks, Russians, the Dutch, Turks and Czechs.



Ukraine



Italy



France

Source: ABSL own study based on responses from investors with business services centers in Katowice and the Metropolis (N=30 companies)

FIGURE 25

EMPLOYMENT PROFILE OF BUSINESS SERVICES CENTERS IN KATOWICE AND THE METROPOLIS

**53%**

Share of women in the employment structure of business services centers.

**40%**

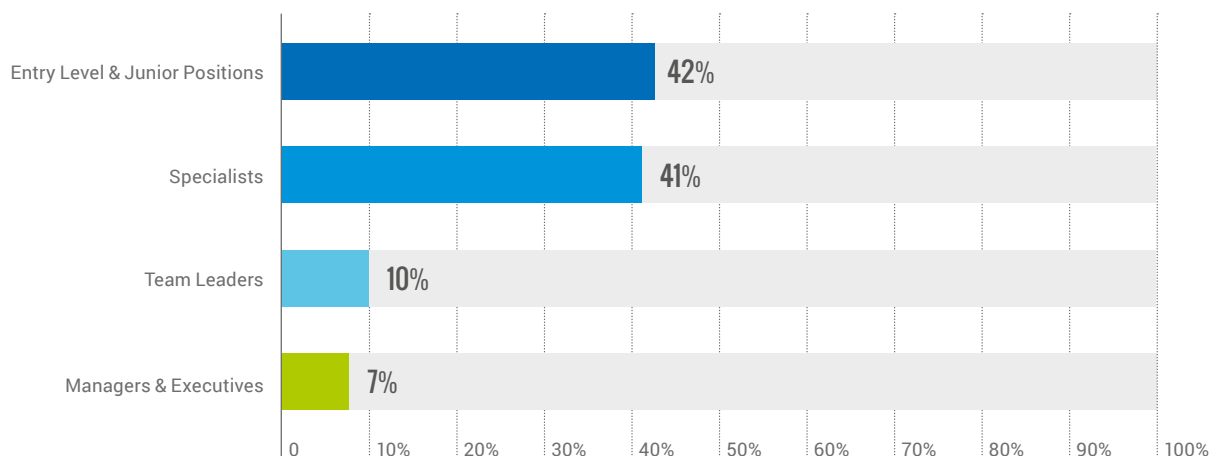
Share of women in the employment structure of the managerial staff of business services centers.

Source: ABSL own study based on responses from investors with business services centers in Katowice and the Metropolis (N=27 companies)

Business services centers in Katowice

FIGURE 26

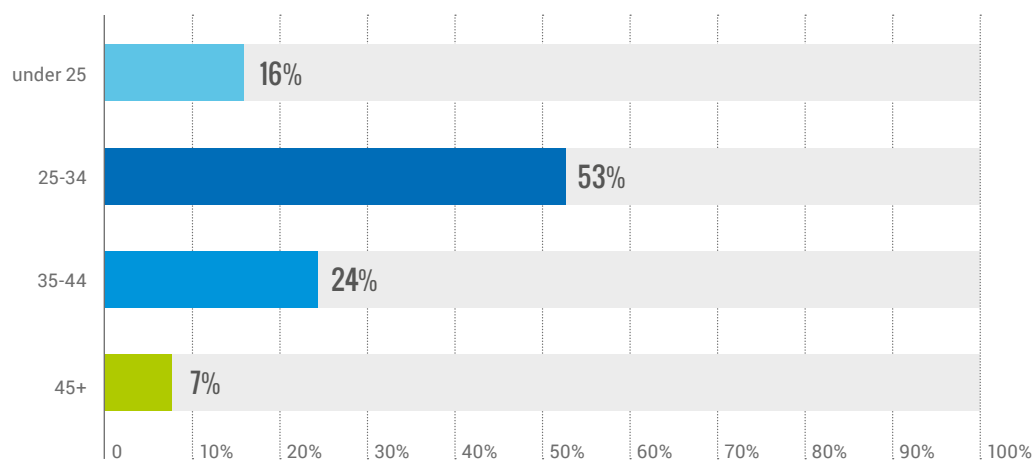
EMPLOYMENT STRUCTURE OF BUSINESS SERVICES CENTERS IN KATOWICE AND THE GZM BY POSITION CATEGORY



Source: ABSL own study based on responses from investors with business services centers in Katowice and the Metropolis (N=27 companies)

FIGURE 27

EMPLOYMENT STRUCTURE OF BUSINESS SERVICES CENTERS IN KATOWICE AND THE GZM BY AGE OF EMPLOYEES



Source: ABSL own study based on responses from investors with business services centers in Katowice and the Metropolis (N=27 companies)

TABLE 4

COOPERATION BETWEEN BUSINESS SERVICES CENTERS AND THE LOCAL COMMUNITY

Company	Examples of activities as part of cooperation with universities
Capgemini	<ul style="list-style-type: none"> » Cooperating with, among others, the Silesian University of Technology, University of Economics in Katowice and the University of Silesia in Katowice. » Organizing internships for students. » The Ambassador Program – jobs for students as Employer Branding Representatives. » Organizing open days, participating in job fairs and career days. » Organizing training, lectures and industry events.
Future Processing	<ul style="list-style-type: none"> » Cooperating with, among others, the Silesian University of Technology, University of Economics in Katowice and the University of Silesia in Katowice. » Funding computer labs at universities. » Organizing lectures and workshops for students. » Co-hosting conferences. » Offering original subjects as part of university classes. » Organizing a series of workshops and lectures entitled “Dobre Praktyki Tworzenia Oprogramowania” [Best Practices in Software Development] to broaden students’ skills and knowledge of software development. » Co-creating curricula. » Organizing the international programming marathon “Deadline 24”, a 24-hour algorithmic problem solving team competition.
IBM	<ul style="list-style-type: none"> » Cooperating with, among others, the Silesian University of Technology, University of Silesia in Katowice, University of Economics in Katowice, Katowice School of Economics, WSB University. » Organizing open days, participating in job fairs and career days. » Providing software for conducting classes. » Virtual cloud training program. » Organizing internships for students. » Co-creating curricula. » Corporate Readiness Certificate – a prestigious program for students organized together with ING Tech Poland and Accenture, offering lectures and seminars on IT and IT management.
ING Tech Poland	<ul style="list-style-type: none"> » Cooperating with, among others, the Silesian University of Technology, University of Economics in Katowice, University of Silesia in Katowice and the Katowice Institute of Information Technologies. » Organizing study visits. » Organizing open days, participating in job fairs and career days. » Organizing lectures, seminars and workshops for students. » Contributing to the creation of dissertations. » Corporate Readiness Certificate – a prestigious program for students organized together with IBM and Accenture, offering lectures and seminars on IT and IT management.

KLDiscovery Ontrack	<ul style="list-style-type: none"> » Cooperating with, among others, the University of Silesia in Katowice. » Academic research and research and development partnerships. » Offering original subjects as part of university classes. » Organizing student internships. » Co-creating curricula. » Consulting on the subjects of dissertations written at the university.
Mentor Graphics	<ul style="list-style-type: none"> » Cooperating with, among others, the University of Silesia in Katowice. » Organizing open days, participating in job fairs and career days. » Organizing internships for students. » Participating in job fairs. » Organizing advanced classes.
PwC	<ul style="list-style-type: none"> » Cooperating with, among others, the Silesian University of Technology, University of Economics in Katowice and the University of Silesia in Katowice. » WEX program – paid student internships. » Organizing open days, participating in job fairs and career days. » Tech Summer Camp – summer internships for IT students. » Influencer program – networking through social media. » Organizing lectures and workshops for students. » Droga do kariery [Career Pathway] program – soft skills workshops.
Rockwell Automation	<ul style="list-style-type: none"> » Cooperating with, among others, the Silesian University of Technology. » Co-creating dual study programs. » Organizing student internships.
Sopra Steria	<ul style="list-style-type: none"> » Collaborations with university philology departments. » Organizing open days. » Internship program for language students.
Unilever	<ul style="list-style-type: none"> » Cooperating with, among others, the University of Economics in Katowice and the University of Silesia in Katowice. » Organizing open days, participating in job fairs and career days. » Organizing trainings and workshops. » Unilever Future Leaders Program – a three-year international leadership training program.

Source: ABSL own study based on the websites of companies and schools

Rawa.Ink

The Municipal Business Incubator located at Teatralna 17a in Katowice will act as premises for rentals, promotions and networking. The main goal of the project is to create an inspiring space for working and developing for all those interested in innovation and entrepreneurship. Rawa.Ink will host activities such as training courses, workshops and science and innovation festivals, and will facilitate cooperation with mentors from various fields.

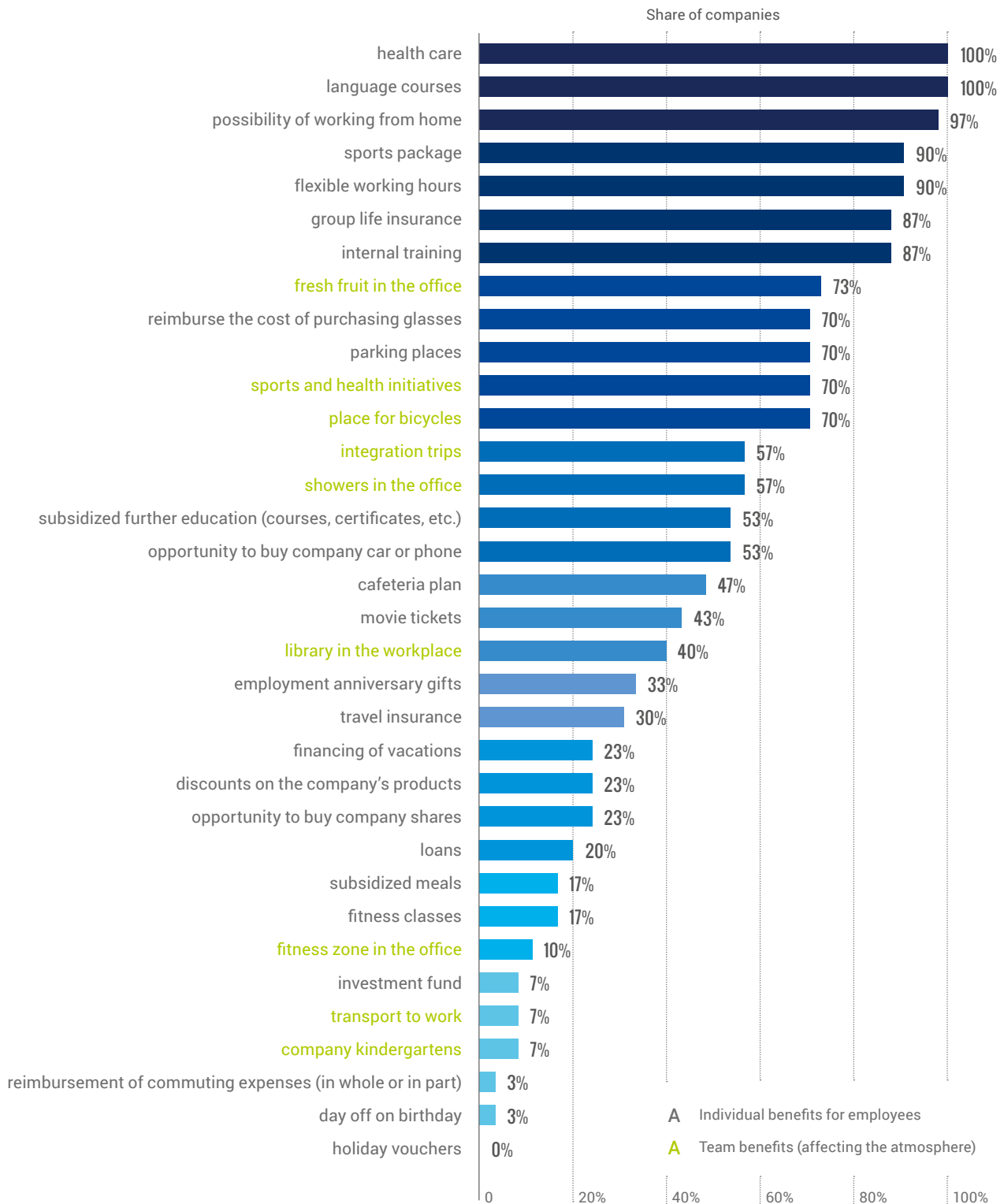
Silesian ICT Cluster

Nearly 40 companies are working together as part of the Silesian ICT Cluster. They have an ongoing partnership with business services centers. The cooperation has given rise to shared projects between: 3W Serwis Informacyjny and Ista, the Organization of Software Engineers and Orange, Sevenbridge Sp. z o.o. and ABB.

Source: <http://ict-silesia.pl/>

FIGURE 28

NON-SALARY BENEFITS OFFERED TO EMPLOYEES BY BUSINESS SERVICES CENTERS IN KATOWICE AND THE METROPOLIS



Source: ABSL own study based on responses from investors with business services centers in Katowice and the Metropolis (N=30 companies)

3

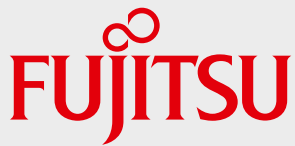
INVESTORS ABOUT THEMSELVES

Many globally-renowned businesses, leaders in their industries, have business services centers in Katowice. The dynamic growth in the business services sector in Katowice would not be possible without the positive experiences of existing investors, who are systematically expanding the scope of their services and hiring more people at their centers.

We can say that investment success stories are driving decisions to make new investments. This part of the report includes testimonials from selected new investors in Katowice whose centers began operating in 2017 and 2018 (Fujitsu Technology Solutions, Honeywell, Knauf and Keywords Studios). These companies describe the current activities of their branches and their plans for the coming years.



Photo: Tomasz Padło



Fujitsu is the leading Japanese information and communication technology (ICT) company, offering a full range of technology products, solutions, and services. Fujitsu Poland, with its business offer for companies, is located in Warsaw. Fujitsu Global Delivery Center (GDC), focused on providing modern IT & business services, is located in Łódź and Katowice.

There are 8 GDC locations worldwide. Outside Poland, we are active in China, Costa Rica, India, Malaysia, Philippines, Portugal, and Russia. We provide services and products for Fujitsu as well as for our customers from all over the world. In Poland, GDC operates within five business lines: Research & Development and Business Application Services, Remote Infrastructure

Management, Business Process Outsourcing, Service Management, Service Desk. In Łódź, Fujitsu also employs specialists for EMEA Business Services.

The choice of Katowice as the location of the new Fujitsu GDC office was determined by several factors. First of all, we have the potential of a metropolis where we can find IT and language talents. Secondly, we were looking for a place that would give us a first league building. We were also convinced by the maturity of this market. You can find here high-class specialists with extensive experience and skills. These few months of functioning in Katowice confirmed our assumptions. It is also worth mentioning the city's attitude towards investors. Officials are open, trying to help at every step.

Honeywell

In February 2019, Honeywell announced the opening of its new Customer Experience Excellence Center in Katowice. The new facility provides customer support and services for Honeywell's customers across Europe.

Honeywell expects to hire 100 people at the center throughout 2019, and is seeking candidates with a passion for highly innovative technology. It is currently recruiting support representatives and supervisors with a wide range of European language skills, including English, German, Dutch, Italian, and Norwegian, with at least one to two years' customer support experience or backgrounds in centers of excellence across functions such as finance and IT.

The new center is the latest milestone in Honeywell's Poland growth strategy, and reflects the company's commitment to provide world class customer support and services. Honeywell selected Katowice center because it benefits from a strong multi-language talent pool, in a country where Honeywell already has an established presence.

Honeywell helps everything from aircraft, buildings, manufacturing plants, supply chains, and workers become more connected, to make the world smarter, safer, and more sustainable.



Keywords Studios Group is a global service provider for game developers, founded in 1998. At Keywords, we are using our passion for games, technology and media to create a unique platform supporting the game industry worldwide. We are operating from 50+ studios located across 4 continents and 21 countries.

In July 2018, we launched a new studio in Katowice. Starting with just one service line, we hired almost 50 people through the first month. After 3 months of activity, we reached a count of 180+ specialists supporting players from across the world. Currently, we have 250 employees on board.

The choice of the studio location was affected by the pool of adequate candidates and a growing popularity of local e-gaming events. The combination of those factors allowed us to hire passionate gamers with fluent knowledge of foreign languages. Their advanced skills are a base for our success. The passion for video games we all share helps us build an international team and streamline cooperation with other studios within the Group.

Exceptional results of the Player Support service line convinced the HQ to open two other business lines in Katowice: Functionality QA and Localisation QA, which will result in further dynamic growth within the region.



The Knauf Group is one of the leading producers of modern building materials worldwide, which has its headquarters in Iphofen, Germany. In Poland Knauf and its products have been present on the market already since 25 years. Knauf IT Services Polska, however, based in Katowice was established in 2017 as a subsidiary of Knauf Information Services GmbH, serving IT solutions for the whole group worldwide.

Choosing Katowice for its IT service center wasn't a coincidence for Knauf. One of the important criteria was the proximity to Polish and European manufacturing plants. The deciding factor, however, was the potential of highly specialized workforce coming from the Silesian Agglomeration. In Knauf IT we hire over 100 specialists and developers in the area of

application lifecycle management, infrastructure management and support. Our colleagues vary in professional experience from few years to even several dozen and they come from various countries – beyond Poland we have colleagues of Turkish, Russian or Ukrainian origin. Majority of our specialists is supporting and developing the ERP system SAP, which is used at majority of business processes at Knauf. Beyond that in Katowice we develop other important systems, like E-Commerce application or transport and warehouse tools.

What differentiates Knauf among other companies is its family character. Our employees can experience that every day with open working atmosphere, flexibility and flat hierarchical structures.

4

THE LABOR MARKET




There are over 49,000 students in Katowice with various skills that are needed in the business services sector, which fosters the growth of BPO/SSC/IT/R&D centers throughout the Metropolis GZM.

In Q1 2019, job posting websites hosted over 5,500 postings for jobs in Katowice, of which 60% concerned SSC/BPO and IT centers. In the past year, new jobs were created primarily in the area of finance and accounting, customer service (where language skills are particularly sought after) and IT (software development).



FIGURE 29

BASIC DEMOGRAPHIC INFORMATION ABOUT KATOWICE AND THE METROPOLIS




	KATOWICE	METROPOLIS
 Population (total)	295,449	2,260,807
 Working age population	176,595	1,365,741
 Working and mobile age population*	106,952	835,142

* 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: Central Statistical Office (as on June 30, 2018)

FIGURE 30

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

	KATOWICE	METROPOLIS
 Number of students	49,228	93,638
 Number of graduates	13,385	23,922
 Colleges and universities	11 (16*)	19 (26*)

* Including affiliates.

Source: Information Processing Center – State Research Institute: data from the POL-on information system on higher education; as at 31 December 2018

FIGURE 31

NUMBER OF UNIVERSITY STUDENTS IN KATOWICE AND THE METROPOLIS (BY TYPE: PUBLIC OR PRIVATE)



KATOWICE

19,386

 UNIVERSITY OF SILESIA
IN KATOWICE

8,306

 UNIVERSITY OF ECONOMICS
IN KATOWICE

5,637

 MEDICAL UNIVERSITY
OF SILESIA IN KATOWICE

3,050

 JERZY KUKUCZKA ACADEMY
OF PHYSICAL EDUCATION
IN KATOWICE

2,038

 UNIVERSITY OF OCCUPATIONAL
SAFETY MANAGEMENT
IN KATOWICE*

1,935

 KATOWICE SCHOOL
OF ECONOMICS IN KATOWICE*

1,904

 SILESIAN UNIVERSITY
OF MEDICINE IN KATOWICE*

1,316

 KATOWICE SCHOOL
OF TECHNOLOGY*

1,134

 SILESIAN UNIVERSITY
OF TECHNOLOGY; FACULTY
OF TRANSPORTATION

1,000

 KATOWICE INSTITUTE OF
INFORMATION TECHNOLOGIES*

990

 SWPS UNIVERSITY OF SOCIAL
SCIENCES AND HUMANITIES
IN WARSAW, KATOWICE CAMPUS*

870

 KAROL SZYMANOWSKI ACADEMY
OF MUSIC IN KATOWICE

695

 SILESIAN UNIVERSITY
OF TECHNOLOGY; FACULTY
OF MATERIALS ENGINEERING
AND METALLURGY

503

 ACADEMY OF FINE ARTS
IN KATOWICE

385

 JANUSZ KORCZAK PEDAGOGICAL
UNIVERSITY IN WARSAW;
FACULTY OF SOCIAL AND
PEDAGOGICAL SCIENCES
IN KATOWICE*

79

 UNIVERSITY OF PUBLIC AND
INDIVIDUAL SECURITY "APEIRON"
IN KRAKÓW – KATOWICE
CAMPUS*


METROPOLIS

18,390

 SILESIAN UNIVERSITY
OF TECHNOLOGY

6,804

WSB ACADEMY

5,617

 WSB UNIVERSITY IN POZNAŃ;
CHORZÓW CAMPUS*

2,442

 UNIVERSITY OF STRATEGIC
PLANNING IN DĄBROWA
GÓRNICZA*

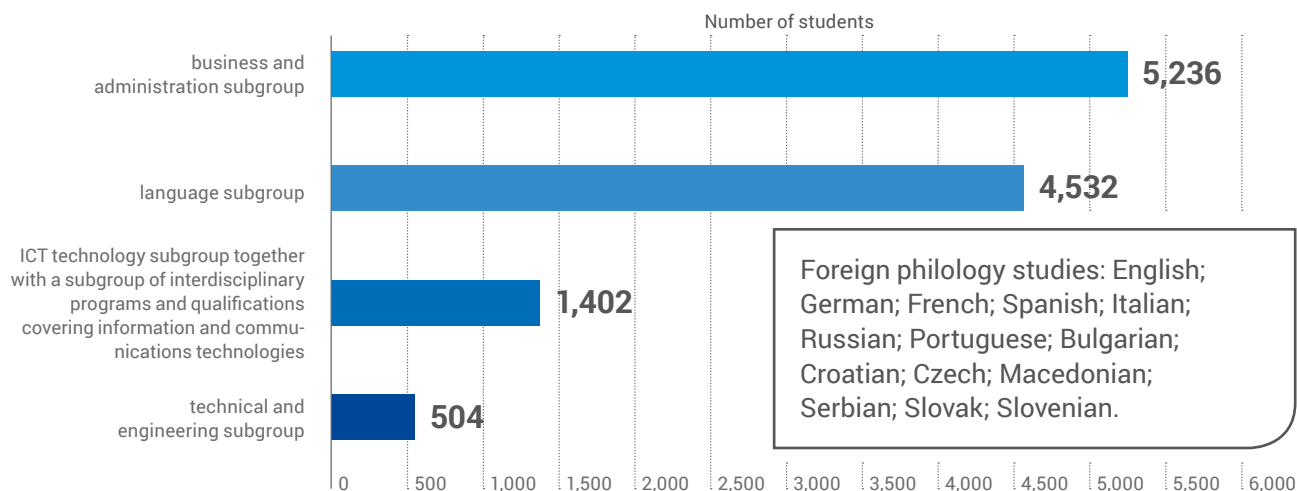
* Private university

 Source: Information Processing Center – State Research Institute: data from the POL-on information system on higher education;
as at 31 December 2018

The labor market

FIGURE 32

KATOWICE: STUDENTS BY SELECTED CATEGORIES OF STUDIES



Source: Information Processing Center – State Research Institute: data from the POL-on information system on higher education; as at 31 December 2018

FIGURE 33

FOREIGNERS IN KATOWICE: STUDENTS AND GRADUATES

**Students****1,418****Graduates****342**

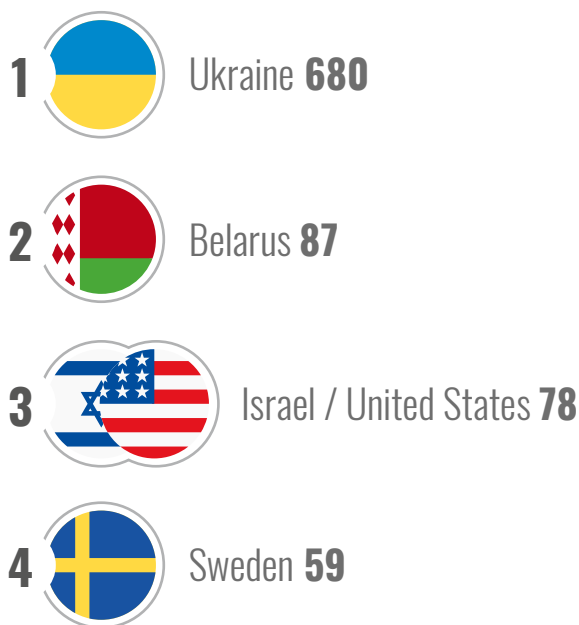
Source: Information Processing Center – State Research Institute: data from the POL-on information system on higher education; as at 31 December 2018

Examples of interesting courses of study/specializations at Katowice universities:

English Philology: Interactive Entertainment Design and Games and Software Localization (SPRINT-WRITE)
 Programming of games and mobile applications
 German Philology, specialization: Swedish
 English Philology, Translation Programme with languages of India
 English Philology, Translation Programme with Korean
 English Philology, Translation Programme with Chinese

FIGURE 34

MAJOR COUNTRIES OF ORIGIN OF FOREIGN STUDENTS IN KATOWICE



Source: Information Processing Center – State Research Institute: data from the POL-on information system on higher education; as at 31 December 2018

TABLE 5

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

The pay tables are based on an analysis of the remuneration offered in the recruitment processes in the business services sector carried out by Randstad. Data from Q1 2019.

Cities under analysis: Katowice, Bytom, Chorzów, Dąbrowa Górnicza, Gliwice, Jaworzno, Mysłowice, Piekary Śląskie, Ruda Śląska, Siemianowice Śląskie, Sosnowiec, Świętochłowice, Tychy and Zabrze.

F&A: GL

	Min	Opt	Max
Junior Accountant (1-2 years' experience)	1,040	1,210	1,280
Accountant (2-3 years' experience)	1,350	1,510	1,620
Senior Accountant (over 3 years' experience)	1,670	1,860	2,090
Team Leader (team of 5-15 people)	2,090	2,790	3,130
Manager (team of up to 50 people)	3,020	3,940	4,640

F&A: AP / AR

	Min	Opt	Max
Junior Accountant (1-2 years' experience)	1,040	1,160	1,280
Accountant (2-3 years' experience)	1,160	1,280	1,510
Senior Accountant (over 3 years' experience)	1,400	1,620	1,860
Team Leader (team of 5-15 people)	2,090	2,550	3,250
Manager (team of up to 50 people)	2,780	3,710	4,410

Customer Service

	Min	Opt	Max
Junior Specialist (no experience)	810	1,040	1,280
Specialist (over 1 year's experience)	1,040	1,510	1,860
Team Leader (team of 5-15 people)	1,620	1,860	2,320
Manager (team of up to 50 people)	2,320	2,780	3,480

HR processes

	Min	Opt	Max
Junior Specialist (up to 1 year's experience)	810	1,040	1,280
Specialist (1-2 years' experience)	1,160	1,280	1,390
Senior Specialist (over 2 years' experience)	1,340	1,580	1,970
Junior Payroll Specialist (up to 1 year's experience)	930	1,040	1,280
Payroll Specialist (1-3 years' experience)	1,040	1,280	1,620
Senior Payroll Specialist (over 3 years' experience)	1,390	1,620	2,090
Team Leader (team of 5-15 people)	1,850	2,320	3,020
Manager (team of up to 50 people)	2,320	3,480	4,640

The labor market

IT			
	Min	Opt	Max
1st Line Support (2 years' experience)	1,160	1,390	1,620
2nd Line Support (2 years' experience)	1,280	1,510	1,740
3rd Line Support (2 years' experience)	1,740	2,090	2,670
IT Administration (3 years' experience)	1,620	1,850	2,550
Network / Security (3 years' experience)	1,970	2,550	3,370
Business / System Analyst (3 years' experience)	1,740	2,320	2,900
Developer (3 years' experience)	1,970	2,550	3,480
Tester (3 years' experience)	1,620	2,140	2,670
Team Leader (team of 5-15 people)	2,320	2,900	3,480
Project Manager (team of up to 50 people)	2,780	3,710	4,640
Procurement / Order Management			
	Min	Opt	Max
Junior Specialist (up to 1 year's experience)	970	1,040	1,160
Specialist (1-3 years' experience)	1,160	1,390	1,620
Senior Specialist (over 3 years' experience)	1,510	1,620	1,970
Team Leader (team of 5-15 people)	1,970	2,320	2,780
Manager (team of up to 50 people)	2,550	3,480	4,640
R&D			
	Min	Opt	Max
Laboratory Specialist (over 2 years' experience)	970	1,090	1,280
Technologist (over 2 years' experience)	1,160	1,390	1,740
Design Engineer (2-4 years' experience)	1,280	1,620	1,970
Senior Design Engineer (over 4 years' experience)	1,620	1,970	2,320
Product Development / NPI Engineer (2-4 years' experience)	1,280	1,620	1,970
Senior Product Development / NPI Engineer (over 4 years' experience)	1,510	1,860	2,200
Quality Engineer (2-4 years' experience)	1,160	1,510	1,740
Senior Quality Engineer (over 4 years' experience)	1,510	1,740	2,090
R&D Manager (team of up to 50 people)	3,710	4,410	4,870

Source: Randstad Polska and Randstad Sourceright

TABLE 6

LANGUAGE BONUSES PER MONTH [EUR GROSS]

German	120
French	120
Russian	120
Spanish	120
Czech	120
Slovak	120
Italian	120
Hungarian	120
Portuguese	230
Dutch	230
Danish	350
Norwegian	350
Swedish	350

Source: Randstad Polska and Randstad Sourceright

TABLE 7

PAY INCREASE IN SELECTED CATEGORIES OF SERVICES

The specification of pay increases was drawn up on the basis of an analysis of the remuneration offered in recruitment processes in the business services sector in the following areas: F&A GL, F&A AP/AR, Banking, Customer Service, Procurement, HR, IT, R&D carried out by Randstad. The comparison covers data for the years 2017-2019.

	increase 2018-2017	increase 2019-2018
F&A GL	6%	8%
F&A AP / AR	6%	11%
Customer Service	23%	4%
Procurement	n/a	3%
HR	n/a	10%
IT	7%	6%
R&D	n/a	4%

Source: Randstad Polska and Randstad Sourceright

TABLE 8


AVAILABILITY OF POTENTIAL EMPLOYEES BY SPECIALIZATION (IN A THREE-MONTH PERIOD)


Cities under analysis: Katowice, Bytom, Chorzów, Dąbrowa Górnicza, Gliwice, Jaworzno, Mysłowice, Piekary Śląskie, Ruda Śląska, Siemianowice Śląskie, Sosnowiec, Świętochłowice, Tychy and Zabrze.


F&A: GL	10 people	20 people	50 people
Junior Accountant (1-2 years' experience)			
Accountant (2-3 years' experience)			
Senior Accountant (over 3 years' experience)			
Team Leader (team of 5-15 people)			
Manager (team of up to 50 people)			
F&A: AP / AR	10 people	20 people	50 people
Junior Accountant (1-2 years' experience)			
Accountant (2-3 years' experience)			
Senior Accountant (over 3 years' experience)			
Team Leader (team of 5-15 people)			
Manager (team of up to 50 people)			

The labor market

Customer Service	10 people	20 people	50 people
Junior Specialist (no experience)			
Specialist (over 1 year's experience)			
Team Leader (team of 5-15 people)			
Manager (team of up to 50 people)			
HR processes	10 people	20 people	50 people
Junior Specialist (up to 1 year's experience)			
Specialist (1-2 years' experience)			
Senior Specialist (over 2 years' experience)			
Junior Payroll Specialist (up to 1 year's experience)			
Payroll Specialist (1-3 years' experience)			
Senior Payroll Specialist (over 3 years' experience)			
Team Leader (team of 5-15 people)			
Manager (team of up to 50 people)			
IT	10 people	20 people	50 people
1st Line Support (2 years' experience)			
2nd Line Support (2 years' experience)			
3rd Line Support (2 years' experience)			
IT Administration (3 years' experience)			
Network / Security (3 years' experience)			
Business / System Analyst (3 years' experience)			
Developer (3 years' experience)			
Tester (3 years' experience)			
Team Leader (team of 5-15 people)			
Project Manager (team of up to 50 people)			
Procurement / Order Management	10 people	20 people	50 people
Junior Specialist (up to 1 year's experience)			
Specialist (1-3 years' experience)			
Senior Specialist (over 3 years' experience)			
Team Leader (team of 5-15 people)			
Manager (team of up to 50 people)			
R&D	10 people	20 people	50 people
Laboratory Specialist (over 2 years' experience)			
Technologist (over 2 years' experience)			
Design Engineer (2-4 years' experience)			
Senior Design Engineer (over 4 years' experience)			
Product Development / NPI Engineer (2-4 years' experience)			
Senior Product Development / NPI Engineer (over 4 years' experience)			
Quality Engineer (2-4 years' experience)			
Senior Quality Engineer (over 4 years' experience)			
R&D Manager (team of up to 50 people)			

 Talent recruited easily

 Moderately difficult

 Difficult

Source: Randstad Polska i Randstad Sourceright

TRENDS ON THE KATOWICE LABOR MARKET

Due to its location in the heart of the Metropolis GZM, Katowice has access to labor market resources unlike any other city in Poland. The past 24 months have seen intensive growth of jobs at Katowice business services centers in three key job areas: finance and accounting, customer service (with foreign language skills) and IT (software development).

In Q1 2019, job posting websites hosted 5,500+ job postings, of which 60% concerned the business services sector.

Two major factors have shaped the developments on the labor market. The first is the influx of new projects into the city and the associated turnover at existing companies. Newly-formed organizations tend to look for professionals with 3-5 years of experience and this group has reported a turnover rate of 15-20%. The second factor is the continued growth of employment at already existing organizations, which stems from the broadening of the scope of the services provided in terms of territory and/or substance. More and more companies in the sector

turn in their hiring process to innovative (online and offline) methods of attracting applicants and engaging them in dialogue. These include topical meetings, hackathons, open days, online events, virtual office tours and introduction videos. To ensure recognition of their brand, companies are increasingly investing in outdoor advertising (i.e. out-of-home advertising such as billboards, posters and illuminated poster boards) and dedicated careers pages to streamline the application process for candidates.

Given Katowice's continuing employee-friendly market, more companies are now focusing on their employee retention programs or planning to implement such programs in the next 6-12 months. According to the Q3 2018 Randstad Sourceright Talent Trend report, 69% of companies are making efforts to improve employee retention. As part of these programs, companies are investing in the employee environment (e.g. through appropriate office decor and layout as well as atmosphere), employee satisfaction and feedback tools, and well-being schemes, as well as corporate social responsibility (CSR) initiatives in which employees are actively involved.



5

THE OFFICE MARKET

Katowice is the largest city and capital of Silesian Voivodeship. The vast recruitment potential of the region directly translates into making the city very attractive for business and office market growth. The decreasing vacancy rate throughout the city, the commercial success of new office buildings and bold plans of developers underline the strength of the market and allow for optimistic outlook for Katowice.



FIGURE 35

KATOWICE OFFICE MARKET IN NUMBERS

**519,000** sq m

Existing modern office stock

**77,000** sq m

Office space under construction

**8.8%**

Vacancy rate

**38,000** sq m

Demand for offices in 2018

**6,300** sq m

Largest deal in 2018 by Fujitsu Global Delivery Center Poland

**90**

Number of office buildings

**13.6-14.5** EUR

Prime headline rents in Katowice (EUR / sq m / month)

The office market

Katowice currently ranks as the fifth largest office market in Poland (after Warsaw, Kraków, Wrocław and the Tri-City) and last year it crossed the 500,000 sq m modern office stock threshold.

The office supply of Katowice is growing constantly and, according to developers' declarations, an additional 150,000 sq m of new supply may be delivered across the city by the end of 2021. Moreover, growing tenant expectations regarding their workplace have resulted in an increase in the quality of office buildings in Katowice, which in turn enhance the attractiveness of the city. There is pressure to design interesting common areas and functional surroundings of the buildings, including high-quality small architecture available for office employees as well as bikers, residents of the area and people visiting Katowice.

As a result of the skyrocketing business potential of Katowice, developers which until now were not present in the region, have announced new plot acquisitions. Just recently, entities such as Cavatina (a developer already present in Kraków, the Tri-City, Warsaw and Wrocław) and Vastint Poland (one of the most active developers on the Polish market) decided to enter

the Katowice market. In addition, companies which have already delivered offices in the city are also planning or extending their presence. This includes giants such as Echo Investment, Globe Trade Centre, TDJ Estate, TriGranit Development and Skanska Property Poland as well such as local developers as Maksimum Holding and DL Invest Group.

In 2018 almost 51,000 sq m of new supply entered the market in Katowice, with the largest new openings being .KTW I (developer: TDJ Estate), Silesia Business Park D (developer: Skanska Property Poland) and GPP Business Park IV (developer: Górnośląski Park Przemysłowy). What's interesting is that the GPP Business Park IV is the first office building in Poland that produces more energy that it consumes. This is a perfect example of growing awareness of global trends, which then results in implementing innovative solutions. Katowice is definitely more than equipped to be one of leaders in that respect. Another important new development is the revitalisation of Stary Dworzec, which combines history, unique atmosphere of the place with office and retail functions catering to the needs of a modern society. It also marks a new spot on the commercial map of Katowice.

FIGURE 36

OFFICE COMPLETIONS, FUTURE SUPPLY



Source: JLL, January 2019; F – forecast

A further 77,000 sq m of offices is currently under construction in Katowice with largest on-going developments being Face2Face (developer: Echo Investment) located in Grundmanna and DL Center Point II (developer: DL Invest) in Aleje Roździeńskiego.

Supply growth in Katowice is determined by demand for offices in the city. One of the key tenants at the remains the business services sector, which is growing quite rapidly. For example, last year Fujitsu Global Delivery Center Poland decided to open its second business centre in Poland, after Łódź. The company recognized the vast potential of Katowice, in particular the access to high-qualified IT specialists. Fujitsu decided to open their office in .KTW building, located next to the iconic Spodek Arena, The International Congress Center and the Silesian Museum. Moreover, Katowice is home to international giants as IBM, ING, PwC and Unilever, as well as domestic companies. This results in diverse sources of demand for offices in Katowice and allows for sustained growth of the market in the future.

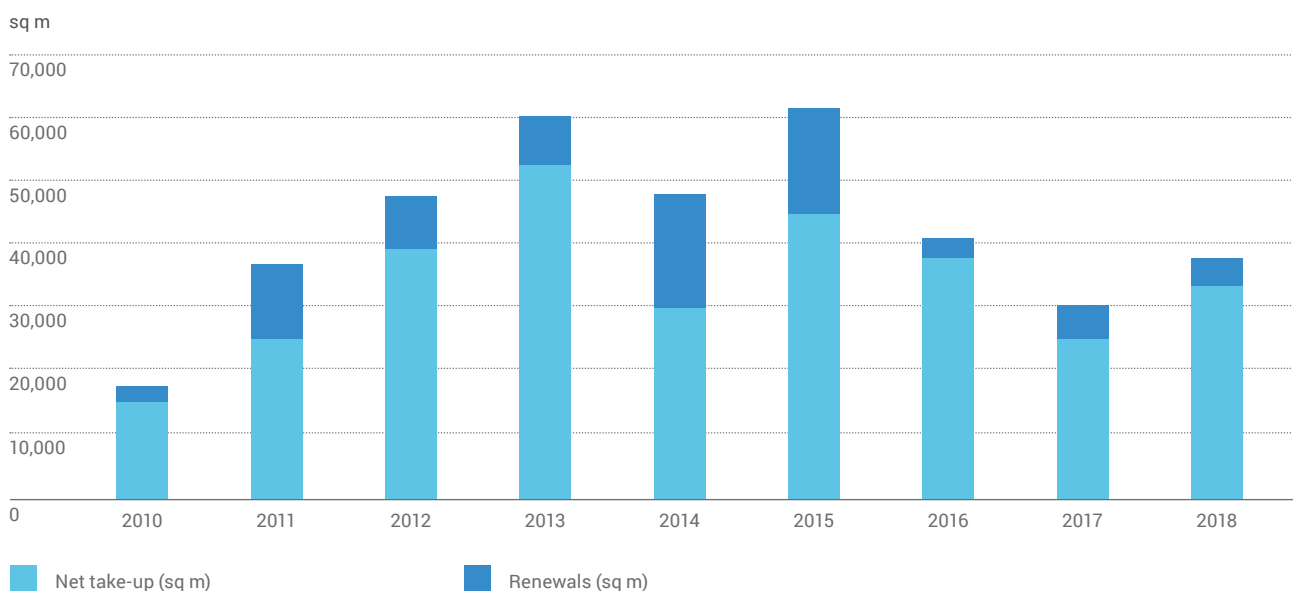
2015 was record-breaking for Katowice in terms of demand for modern office space, with 63,000 sq m transacted on. In the following years, the numbers were slightly lower, which was partly the result of poor availability of new product on the market. In 2018 the demand increased and we expect this trend to continue along with growing interest in Katowice from both local and international companies.

Continued tenant activity in Katowice resulted in the gradual reduction of the vacancy rate across the city starting in 2016. Since then, the vacancy rate has fallen from 14% to 8.8% in December 2018. What is more, only six buildings offered more than 2,000 sq m of office space for lease available immediately. This means that companies looking for larger office premises also have to consider pipeline developments in order to secure desired office space.

Currently, prime headline rents in Katowice range between EUR 13.6 and 14.5 sq m / month, which is comparable to offices in Kraków, Wrocław and Poznań.

FIGURE 37

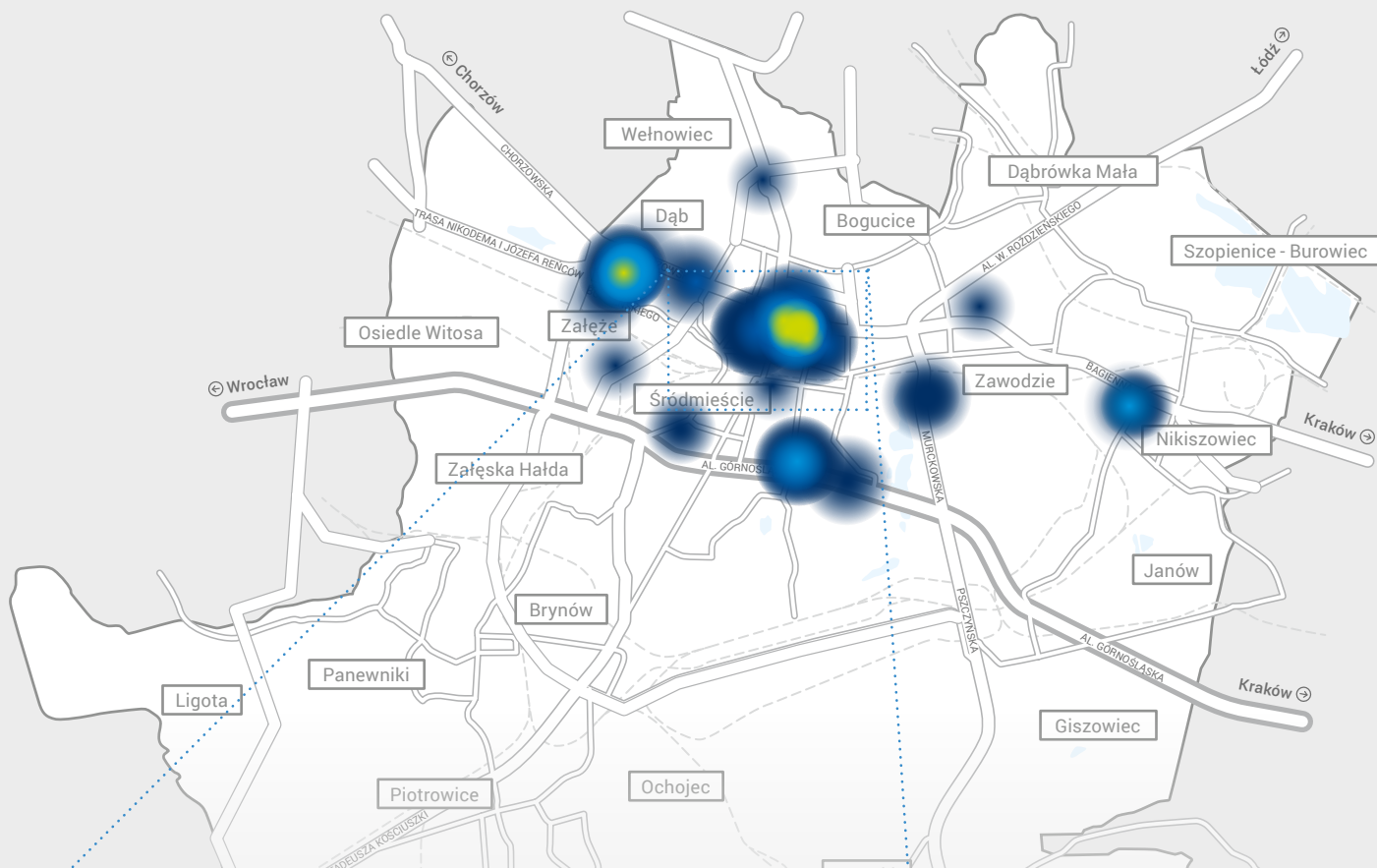
OFFICE DEMAND IN KATOWICE 2010-2018



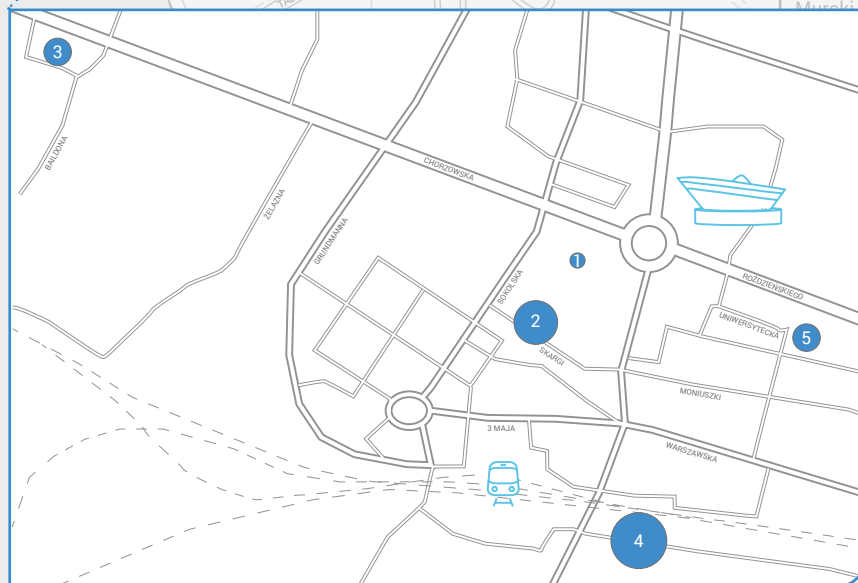
Source: JLL, January 2019

FIGURE 38

DEMAND HEATMAP 2017-2018

**FIGURE 39**

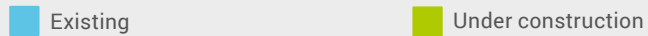
FLEX MARKET IN KATOWICE



- 1 Business Link
- 2 City Space
- 3 Regus
- 4 Regus
- 5 Smart Office

Size of the dot reflects the number of FTS

EXISTING AND UNDER CONSTRUCTION BUILDINGS



Source: JLL, January 2019

6

QUALITY OF LIFE AND BUSINESS FACILITIES

Katowice is seeing plenty of investments that are meant to develop the community infrastructure. As a result, each year brings noticeable improvement in the residents' quality of life, as evidenced by the results of numerous surveys and statistical data. Katowice is a leader among Polish cities in environmental efforts. It manifests, among other things, in the large share of green areas in the city's overall area and in the intensive efforts to increase ecomobility.

Katowice is a city with a very well developed business infrastructure. Its large number of hotels and conference facilities encourages the hosting of international events. As a UNESCO Creative City of Music, Katowice is a one-of-a-kind place in Europe and an important cultural and tourist destination in Poland.



Photo: Shutterstock

FIGURE 41

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

**7****Cinemas****43****Cinema
screens****5****Museums
(incl. branches)****3****Theaters****12****Art galleries
and dealers****3,631****Cultural
events****17****Properties with
conference facilities****19****Hotels
by category**

Source: ABSL own study based on: GUS (2017), Booking.com (2019)



QUALITY OF LIFE

According to a survey prepared by the influential weekly, Polityka, on the quality of life in cities, Katowice is one of a group of cities where the quality of life is high. The residents of Katowice give the city some of the highest marks for: employment, leisure and community. The job opportunities and things to do for leisure in Katowice are deemed among the highest in Poland.

Source: <https://rankingmiast.polityka.pl/>



MOST ECO-FRIENDLY CITY

Katowice is a leader among Polish cities in environmental efforts. The city was ranked as most environmentally friendly by Forbes Magazine. This was due to, among other things, efforts to promote the use of electric cars and expand the network of bicycle paths.

Source: <https://www.forbes.pl/gospodarka/ranking-najbardziej-ekologiczne-miasta-w-polsce-2018/7ek92ep>



INVESTING IN POOLS

There are currently 19 pools in Katowice. Three additional pools will be completed in 2020, and will be located in Brynów, Ligota and Szopienice. These investments will further increase the accessibility of the city's sports and leisure facilities.

Source: <https://www.katowice.eu/>



UPPER SILESIA AS A TOURIST DESTINATION

According to the National Geographic, Katowice is among the top Polish cities visited by foreign tourists. The city is known, among other things, for hosting popular music festivals. Katowice is located in a highly attractive tourist area, known for its industrial, technological and historical heritage, as well as areas of natural beauty.

Source: <https://www.slaskie.travel/>,
<http://www.national-geographic.pl/>



KATOWICE: A CITY OF MUSIC

In 2015, Katowice joined the prestigious UNESCO Creative Cities Network as a City of Music, becoming the first and only city in Central and Eastern Europe to be awarded this distinction. The UNESCO program is being implemented by the organization Katowice City of Gardens – Krystyna Bochenek Culture Institution.

Source: <http://miasto-ogrodow.eu/>



1,000 FLATS

As part of the government's Mieszkanie Plus [Flat Plus], more than a half of the planned apartments. They will be located close to Nikiszowiec, known for its distinctive layout and architectural design.

Source: <http://tbs.katowice.pl/inwestycje-w-budowie/mieszkanie-plus/>



POLAND'S GREENEST CITY

According to the Central Statistical Office, as much as 43.3% of the city is made up of green areas – woods, parks, green belts and neighborhood greenery. This makes Katowice the greenest of Poland's major cities.



KATOWICE: THE CULTURAL HEART OF THE METROPOLIS

Near the Spodek Arena in the center of Katowice, a special area known as the Culture Zone has sprung up. Along with the Spodek, the Culture Zone comprises the International Congress Center, the headquarters of the Polish National Radio Symphony Orchestra (NOSPR), and the Silesian Museum complex.

Every year, hundreds of thousands of visitors from various countries are drawn to Katowice for cultural, entertainment and artistic events. The best-known of these are the Rawa Blues Festival, Tauron Nowa Muzyka Festival, the Silesian Jazz Festival, Mayday, Maj Music Festival, and the OFF Festival.

INTERNATIONAL CONGRESS CENTER IN KATOWICE

15,000

– that's how many guests the International Congress Center in Katowice can host at one time.

38,000 SQ M

35 CONFERENCE ROOMS

In 2018, the International Congress Center also hosted a total of 212 conferences and other business events, bringing together nearly 0.5 million attendees. The city as a whole hosted a total of 6,170 such events, which brought together 757,630 attendees.

The International Congress Center has been the venue for such events as the European Economic Congress, 4 Design Days, Intel Extreme Masters, the Tauron Nowa Muzyka Festival and many more.

7

INVESTORS SUPPORT

Katowice has an effective local system for supporting investors, which involves, among other things, cooperating with the Polish Investment and Trade Agency (PAIH), the Katowice Special Economic Zone, business environment institutions and advisory firms. Investors are offered comprehensive assistance in implementing investment procedures, as well as exhaustive information on the development of the business services sector in the city. Companies can count on various forms of support to facilitate the start-up or growth of business activity. The activities of the investor support system are carried out by the Investors Assistance Department of the Katowice City Hall, which comprises over a dozen specialists offering comprehensive services during the investment process.

www.invest.katowice.eu

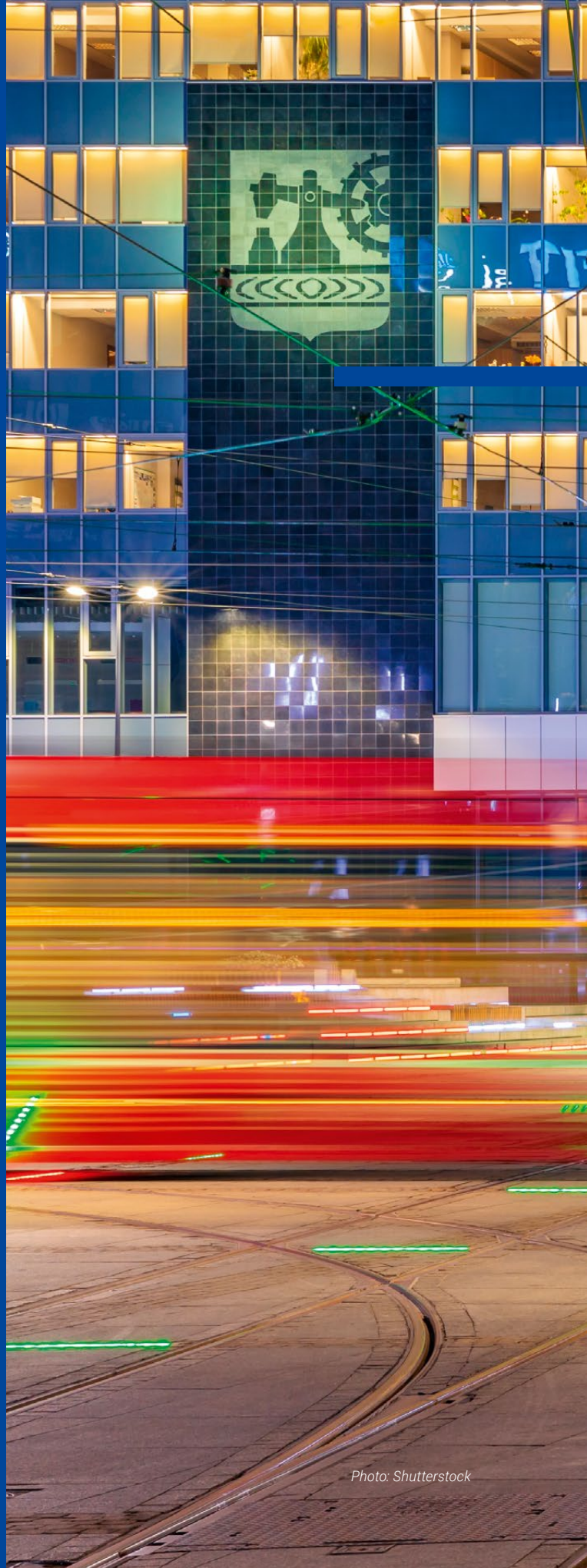


Photo: Shutterstock



EXEMPTION FROM CORPORATE INCOME TAX (CIT)

The Katowice Special Economic Zone, the largest such zone in Poland in terms of investment value and employment, is an appropriate solution for businesses wishing to utilize public assistance in the form of CIT exemption, calculated on the basis of investment outlays incurred or new jobs created.



REAL ESTATE TAX EXEMPTION

Katowice City Hall offers real estate tax exemptions as part of *de minimis* assistance, as well as real estate tax exemptions as part of regional investment assistance.

Moreover, a resolution of the Katowice City Council is in force in the city of Katowice, which provides real estate tax exemptions on buildings and parts thereof built before 1945 within the city of Katowice, whose facades have been renovated. The resolution is addressed to both natural persons and entities conducting business activity.



SERVICES OF THE POWIAT LABOR OFFICE

We offer the following forms of support to investors creating new jobs: internships, subsidized jobs, reimbursement of the costs of equipping or upgrading work stations, individual training, grants for creating teleworking stations, reimbursement to employers of expenses incurred for social security contributions for the unemployed aged 30 and under, who are starting their first job. Costs are covered by the Poviát Labor Office.



INVESTOR CARE

Every investor is taken care of by an employee of the Investors Assistance Department. A dedicated project manager provides support from the very outset of the investment process.



MARKETING SUPPORT

Katowice offers assistance in organizing a marketing campaign about investments in Katowice using city advertising media, such as outdoor, social media and press advertisements. The city of Katowice offers support in organizing press conferences by making conference spaces available, inviting members of the media and distributing promotional materials.



ADJUSTMENTS TO PUBLIC TRANSPORTATION

In Katowice, there is an option for providing additional bus stops (or bus connections) for the future passengers of a strategic investment.



NETWORKING

Katowice supports connecting companies from the business services sector with the start-up sector by organizing joint events, conferences among others at the Rawa.Ink City Business Incubator.

Investors Assistance Department Katowice City Hall

- » Serving domestic and foreign investors, supporting investment projects and providing post-investment assistance.
- » Assisting with procedures related to investing in the city of Katowice and selecting appropriate locations for investments, providing information on investment conditions, advising investors (among other things, preparing detailed information about available staff, costs, quality of infrastructure, and nationwide macroeconomic indicators).
- » Working to attract investors to Katowice in cooperation with: The Polish Investment and Trade Agency (PAIH), the Katowice Special Economic Zone, the Silesian Investor and Exporter Assistance Center, Metropolis GZM, Polish and foreign chambers of commerce and industry, advisory firms, and other institutions acting as intermediaries in serving investors.
- » Organizing information-gathering visits and creating new forms of cooperation with businesses.

Investors Assistance Department Katowice City Hall



Rynek 1
40-003 Katowice



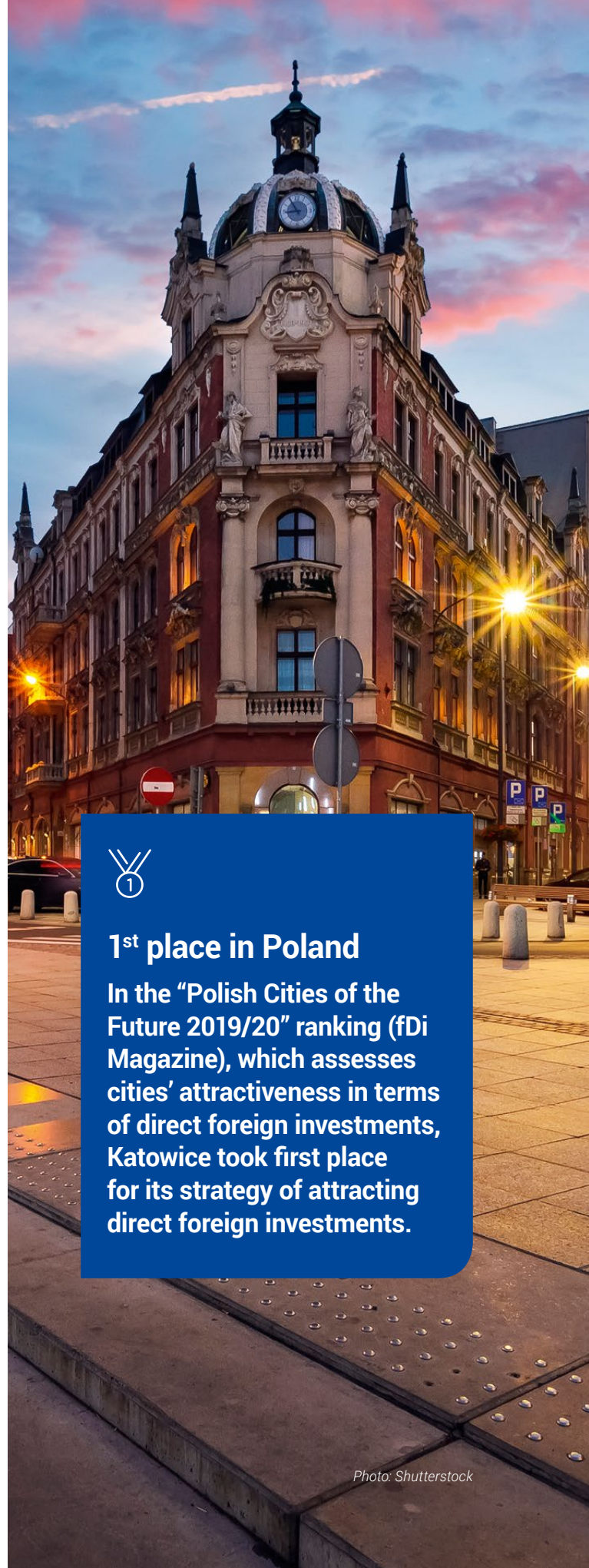
+48 32 25 93 826



oi@katowice.eu



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1st place in Poland

In the “Polish Cities of the Future 2019/20” ranking (fDi Magazine), which assesses cities’ attractiveness in terms of direct foreign investments, Katowice took first place for its strategy of attracting direct foreign investments.

POLAND — COUNTRY OVERVIEW

SELECTED ECONOMIC INDICATORS



GDP Growth

4.6% (2017)
5.1% (2018)



GDP per capita (2017)

12,100 EUR



Unemployment rate (March 2019)

5.9%



Inflation (March 2019)

1.7%



EUR/PLN (average)

4.26 (2018)



USD/PLN (average)

3.61 (2018)



Poland has the ninth-largest economy in the European Union in terms of nominal GDP (466 billion euros in 2017) and has been a leader in economic growth in the EU in the past ten years. One of the most important branches contributing to the growth of Poland's economy is the business services sector. The industry's impressive growth in recent years enabled Poland to strengthen its standing among the world's most important locations for investments in (BPO, SSC, IT and R&D) business services centers.

Language: [Polish](#)

Currency: [złoty \(PLN\)](#)

Number of cities with over 100,000 residents: [39](#)

Number of direct foreign investments in 2017:
[335 \(1st place in EU\)](#)

POLAND IN INTERNATIONAL ORGANIZATIONS

EU (2004), NATO (1999), OECD (1996), WTO (1995), UN (1945) and others

