

Post-industrial sites. Termination or determination?

Lessons from Poland

Andrzej Zabiegliński, Vicepresident of KSEZ

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Katowice Special Economic Zone

Brief history

- established in 1996
- shareholders:
State Treasury and local municipalities
- operating in Silesia region

Main tasks

- support of **industrial activities**, creation of new jobs, regional development
- granting **corporate tax reliefs** to businesses operating within the zone
- industry clustering, supporting development of dual education

Types of activity

- cooperation with government, municipalities and business environment
- sale of land (both greenfield and brownfield)
- revitalisation processes
- co-financing of infrastructure development

Resources

- self-financing
- 2614 ha area with legal status of economic zone
- 4 subzones of KSEZ

Katowice Special Economic Zone

Our achievements

- over 350 industrial companies
- c. 600 industrial projects
- over 76 000 new jobs
- over 7.3bn EUR capital invested



**The best free zone in Europe in 2015, 2016, 2017
in a few categories (including Global)
Business Financial Times Ranking**

Post-industrial areas

- In Silesia: mostly post-mining sites & formerly big scale and heavy industry sites
- Dropped activities or abandoned decisions to start new mining activities (beginning of 1990s)
- Brownfields - post-exploitation areas with exploitation after effects

- Additionally ...
 - complicated ownership structure
 - unknown real infrastructure, need almost full recovery, lack of maps, necessity of long-term and high-cost cataloguing
 - old dangerous materials requiring reprocessing (e.g. asbestos)
 - old mining heritage (e.g. mineshaft, drift, sedimentation tank etc.) - additional marketing problems

- Enormous absorbency of capital and time
 - cataloguing, demolitions, remediations, road network development, additional ownership transformations & works with master plans etc ...



Therefore

- High investment and organisational efforts with numerous parties involved in processes
- Longstanding transformation process
- All activities influence final price of the property
- Long term processes cause high risk of resignation or change of investment plans by potential external investors
- All the factors contrast with easy availability of clean and accessible greenfield areas nearby



Case study: Żory, Warszowice

Context

- Beginning of transformation in Poland
- Political instability
- Crisis in Poland since 1996 – 1997
- Low capital force
- No external funds

Area

- c. 40 ha
- area on the border of two municipalities: Żory and Pawłowice
- abandoned mining project prepared for launch with full infrastructure
- decision to convert area based on the first phase of mining industry transformations
- area close to dual-carriageway high speed road

Case study: Żory, Warszowice

First steps

- Granting Status of Katowice Special Economic Zone
- Non-formal public-private partnership
 - local investors, KSEZ and municipalities
 - documentations and geodetical works made by KSEZ
 - Sewage system made by local investor (Lakma)
 - Road network made by municipalities

Further steps

- KSEZ's sale of plots to new investors (1997 – c. 2010)
- demolition of existing facilities by KSEZ and investors
- adaptations of some buildings by investors (Libet)
- financial system made by KSEZ - participation in infrastructure modernisation by newcomers

Case study: Żory, Warszowice



Case study: Żory, Warszowice

First investor: Lakma Strefa, 1997



.....and then:

nkt cables

Libet 2000

Mokate

JBG

Euros

MSC

SW Armatura

Elplast

Instanta

Smart Plus

North Thin Ply Technologies

Case study: Żory, Warszowice Today

12 investors

over 2000 new jobs

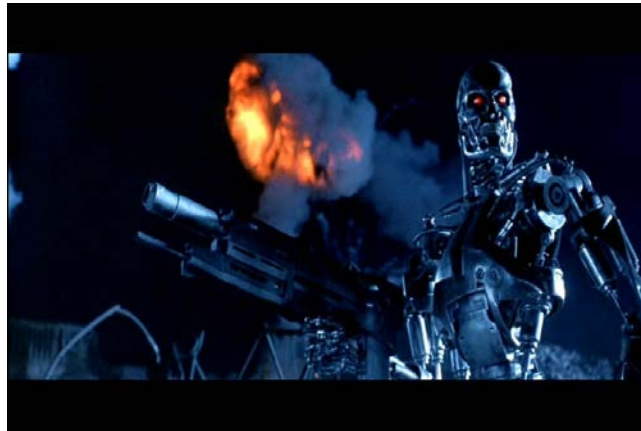
c. 750 000 EUR

of annual income from property tax alone

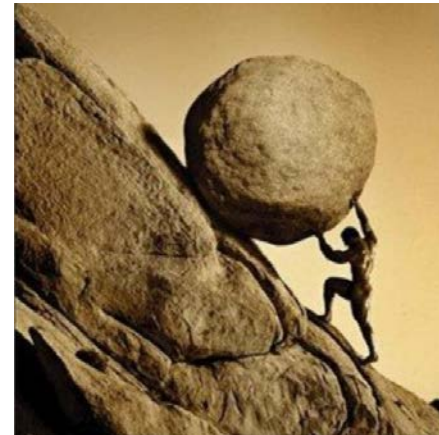




Termination or determination?



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We can - we need:

- Good local decisions and setting good directions for new functions of post-industrial areas (they do not necessarily have to be used as industrial areas only)
- Lots of determination
- Lots of cooperation
- Lots of patience and readiness for tedious and slow effects
- More external, objective-focused but wide-scoped financial means and support of revitalisation (slide about consequences)



Thank you

Katowicka SSE S.A.
ul. Wojewódzka 42
40-026 Katowice
@KatowickaSSE

ksse@ksse.com.pl
+48/32 25-10-736
www.ksse.com.pl