

# CATCHING THE BUSINESS WAVE

OF LOGISTICS AND WAREHOUSING IN  
WESTERN POMERANIA

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CUSHMAN &  
WAKEFIELD

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# 2023



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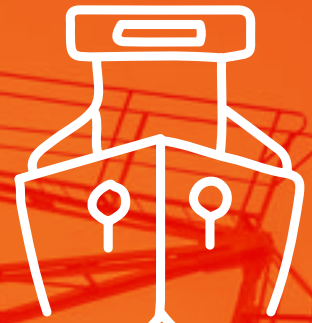
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Agencja Rozwoju  
Metropolii  
Szczecińskiej Sp. z o.o.

**Scandinavian-Polish**   
CHAMBER OF COMMERCE



About two decades ago, writing a report on a single regional logistics and warehouse market in Poland would have been considered unreasonable and seen as a publicity stunt to attract potential investors. In mid-2023, things are quite different and we are excited to bring to you this report “Catching the business wave of logistics and warehousing in Western Pomerania”, which looks at the current market situation, the potential and new opportunities opening up as a result of further improvements to the region’s road infrastructure, the growing importance of ports in the Baltic Sea and the use of the regional cargo airport.

“Never let a good crisis go to waste”, said Winston Churchill, one of the most outstanding politicians of the 20th century. No matter how you label today’s fairly complex market situation or whether you call it a crisis or use some more sophisticated concepts to refer to it, such as a ‘black swan’ or a ‘grey rhino’, there is no doubt that this report will shed light on West Pomerania’s further growth and new opportunities in nearshoring and wind power.

West Pomerania is expected to be one of the greatest beneficiaries of the trends mentioned above. Labour costs are lower only in five EU countries than they are in Poland, and in Scandinavia and Germany - the two locations close to West Pomerania - they are practically four times as high. With the rapidly growing road infrastructure and a strong network of expressways, Poland is ranked fourth in the European Union for truck transport and Szczecin and its vicinity are among just a handful of locations offering access to all modes of transport.

And given the fact that the region’s warehouse stock increased sixfold from just under 200,000 sq m in 2016 to almost 1,200,000 sq m at year-end 2022, there is another 100,000 sq m under construction and another 900,000 sq m in secured land banks and permits, the Szczecin area will certainly continue to be seen as an attractive international logistics and production hub for global logistics, manufacturing and e-commerce. What are the drivers of this trend? What is the situation now? Why is this market far from being saturated and why does West Pomerania still have potential? This report answers these questions and addresses other issues as well.

So please take your seats, fasten your seatbelts and ride the tide of business with us. Business which - just like the region itself - continues to grow, is open to embrace new opportunities and makes us look at the months ahead with optimism. And not through rose-tinted spectacles - just sunglasses!



**Damian Kołata** **Paulina Machałowska**

Partner  
Head of Industrial & Logistics Agency | Poland  
Head of E-Commerce | CEE  
Cushman & Wakefield

Associate  
Industrial & Logistics Agency  
Cushman & Wakefield



## STATEMENTS AND VIEWS

## STATEMENTS OF THE REPORT'S PARTNERS

**I**t gives me great satisfaction to be able to govern Szczecin, a city with a huge amount of potential which has been successfully tapped into for several years. Benefiting from existing strengths, our city and region are not only a good place to live but are also attractive for doing business. Key assets include creative people, a very well-developed infrastructure and transport services providing easy and quick access to the whole of Europe. They are a magnet attracting new business.

For several years now, Szczecin has also been increasingly appearing on the radar of investors looking for new locations for warehouse and office projects. Its warehouse sector is relatively young but is growing at pace. It is also unique for the Port of Szczecin, which enables cargo transportation by water deep into the hinterlands. Our region has large industrial parks, standalone BTS facilities, smaller warehouses and small business units. Another advantage is cargo operations at Szczecin-Goleniów Airport. The attractiveness of the city for investors is further boosted by its proximity to Berlin and its airport Berlin-Brandenburg.

The beginnings of the Szczecin warehouse market were by no means easy and required plenty of meticulous effort which finally began to bring tangible results. 2008 saw the launch of the first modern industrial project Prologis Park Szczecin with an area of 41,800 sq m (renamed Mapletree Park Szczecin). The Szczecin market gained momentum in 2013 and has ever since seen its warehouse stock grow steadily by the year. 2017 was a ground-breaking year with close to 325,300 sq m of new warehouse space coming on stream, representing the highest ever annual growth. The new supply included two major BTS projects: Zalando's distribution centre with an area of 130,000 sq m, developed by Goodman in Gryfino, and a 161,500 sq m warehouse

delivered to the global e-commerce giant Amazon by Panattoni. At present, Accolade is the largest investor in Szczecin in terms of warehouse space. Park Szczecin I is not just a modern logistics centre - it is an example of a unique development project at a post-industrial site.

In early 2023, total warehouse stock was close to 1.15 million sq m of that total, as much as 85%, or almost 1 million sq m, was delivered in the last six years. Developers have recognised the region's growing logistics potential and are developing or planning new projects. While more warehouse space is underway, secured land banks will allow for the construction of another million square metres of modern space in the next few years.

We look forward to welcoming new entrepreneurs and will go the extra mile to meet their expectations by providing comprehensive support at every stage of the investment process and the highest quality investor services. Szczecin, which boasts an attractive location and a large pool of high skilled labour, is a very interesting destination for the business services sector.



**Piotr Krzystek**  
Mayor of Szczecin



## STATEMENTS OF THE REPORT'S PARTNERS

**W**e have been observing the development of Scandinavian companies in Szczecin and the entire region for several years now, and are optimistic about further investments appearing in West Pomerania, thanks to the favourable investment climate offered by the city and regional authorities. The key location of the region enables north-south flow of goods from Scandinavia to southern Europe and east-west.

The trend that has emerged in recent years and months despite the turbulence shows how important the West Pomeranian Voivodeship is on the map of Poland and in the entire value chain, and demonstrates the region's growing logistics potential. Access to the port of Szczecin and the possibility of developing cargo at Szczecin Goleniów Airport also have a significant impact.

Business needs reassurance in the face of changing realities. The variables that drive companies to consider nearshoring are primarily costs (production, transport, energy), and access to suppliers located close to end markets is a real opportunity to reduce risk.

Scandinavian logistics companies are taking advantage of the region's potential. DSV is preparing to open a fully automated AutoStore, it will start operating in January 2024. The service is mainly aimed at ecommerce customers. This is the first implementation of this type by a logistics operator in Poland.

Challenging market conditions will also lead to consolidation. Last year, the Swedish group Greencarrier Freight Services (which has been present in Szczecin for years), strengthened the structures of JAS Worldwide.

In the West Pomeranian region, the Danish Vestas, the world's largest wind turbine manufacturer, will build a production plant. The new factory, which will employ 700 people, will also entail the expansion of the transport infrastructure.

We also note that more and more advanced production processes are being relocated to Szczecin, research and development centres are being established, as well as shared service centres, which in fact provide services not only for Central and Eastern Europe or Scandinavia, but for the whole world within the internal structures of organisations. This definitely builds the competitiveness of the region and attracts further investment.

We are delighted that such an important report showing the full picture of the changes taking place is being produced for this region, which is particularly important for Scandinavian investors present in Poland and will be of assistance to those thinking of moving to Poland.



**Agnieszka Zielińska**

Executive Director  
Scandinavian-Polish Chamber of Commerce







# Investment potential

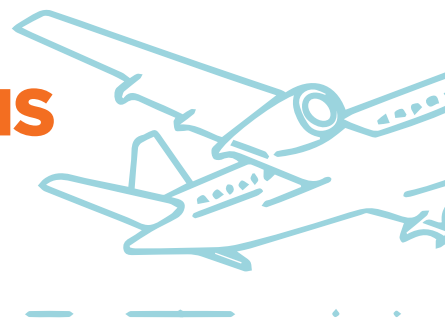




FALL

SU

# POLAND'S STRENGTHS AS AN INVESTMENT MARKET



## The 6th in the EU

in terms of area (312 600 km<sup>2</sup>)

**5th place** in terms of population  
- 38 M inhabitants

## Strong economy

in 2022, Poland's GDP surpassed  
PLN 3 trillion for the first time on record (+4.9% y/y)

## Further transport improvements

4,887 km of existing fast roads and 1,239 km  
under construction (a total of 8,000 km upon  
completion), 15 international airports,  
4 seaports, 42 intermodal terminals

**A strategic  
location**  
in central Europe

## Availability of skilled labour

1.2 million students, 300,000 graduates  
(academic year 2021/2022)

## Investor support

strong institutional involvement in attracting  
overseas capital and an attractive package  
of investment incentives







## The growth of forward-thinking industries

e-mobility, electronics, household appliances, aerospace, BSS, food, pharmaceutical, MedTech, and ICT (Information and Communications Technology)



## Geopolitical security

an increased military commitment to defending NATO's eastern flank



## Record high foreign investment volumes

- USD 269.2bn – an accumulated value in 2021 (16th place in the world)
- USD 24.7bn – a record high FDI inflow in 2021;
- 339,000 new jobs created in 2019-2021 thanks to FDI (fDi Markets).
- EUR 7.2bn – a record high volume of foreign investments supported by the Polish Investment and Trade Agency (PAIH) in 2021 (3.5bn) and in 2022 (3.7bn)



## Megatrends

- nearshoring of manufacturing and logistics
- cross-border logistics growth
- ESG

## THE INVESTMENT APPEAL OF WESTERN POMERANIA AND SZCZECIN.

### 1. STRATEGIC LOCATION

close to Germany and Scandinavian countries

### 2. ACCESS TO THE BALTIC SEA

and a strong shipbuilding industry

### 3. INTEGRATED DEVELOPMENT

of all the main transport modalities  
(sea, inland, road, rail and air transport)

### 4. COMPETITIVE LABOUR MARKET

and a strong educational and academic base

### 5. GROWING STOCK

of modern office and warehouse

### 6. INWARD INVESTMENTS

in renewable energy sources

500 km

300 km

100 km

**Z** West Pomerania is the fifth largest province in Poland. It is located at a prime junction of the logistics supply chain leading to and from Germany, Scandinavia and other regions of Poland, which is an absolute advantage for Western investors in locating projects in the region. Access to all modes of transport supports the movement of goods between the south of Europe and the Baltic Sea countries. The region lies at an intersection of international transport routes providing direct access to the European network of motorways, both north-south (from Scandinavia to Southern and South-Eastern Europe) and east-west (from Western Europe to the Baltic states, Russia, Belarus, Ukraine and Asia).

Recent years have seen rapid growth in major infrastructure projects which have significantly improved transport accessibility to the region and its potential. A major road running through West Pomerania is the S3 expressway, which is part of the international E65 route of the Trans-European Transport Network (TEN-T). This key transport axis of western Poland runs along the German border and will provide a direct connection between Świnoujście seaport and the southern border with the Czech Republic in Lubawka once it is fully built out. The biggest road under construction is S6, which will connect Szczecin Conurbation, Central Pomerania and Tricity, supporting the logistical and economic integration of northern Poland. In the next decade, Szczecin and West Pomerania as a whole will gain access to new expressways S10 and S11, which will shorten journey times and facilitate transport to key cities in central and southern Poland



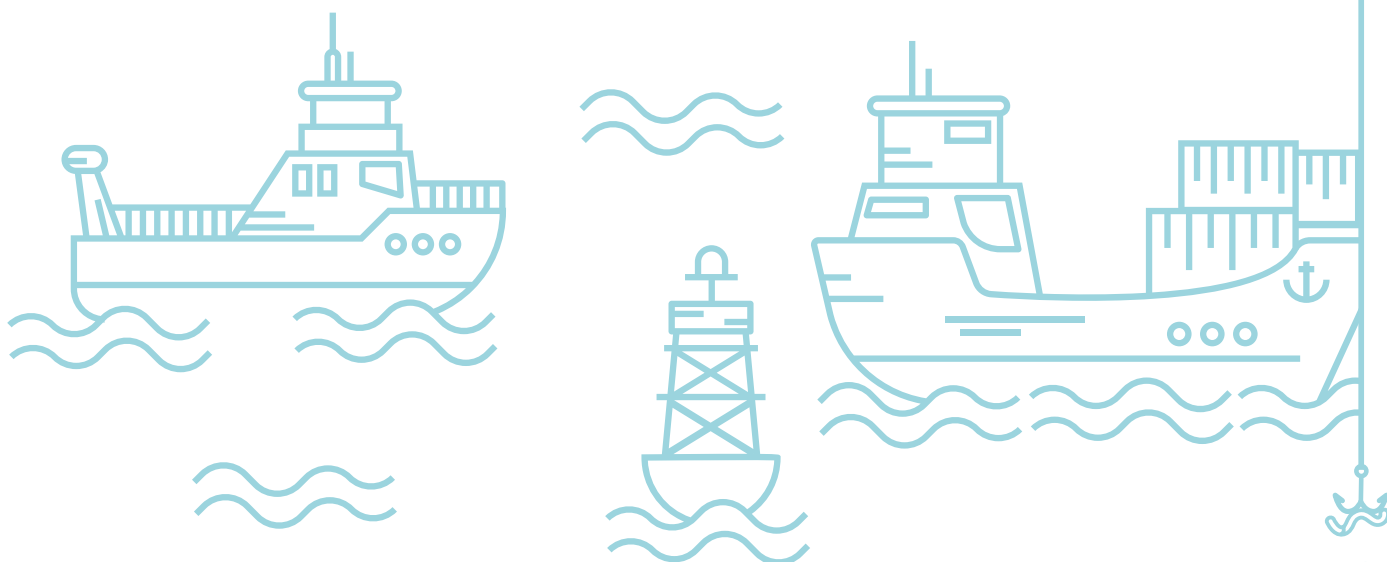
**Szczecin-Świnoujście Seaport in West Pomerania** is one of the largest full-service seaport complexes in the Baltic Sea region. It provides access to the European inland waterway network via the Oder-Havel Canal with Berlin and river ports in Western Europe. It is the key transit seaport for the Czech Republic, Slovakia, eastern Germany, western and south-western Poland. It is located on the shortest sea route connecting Scandinavia to Central and Southern Europe, the sea route connecting Finland, Russia and the Baltic states with Germany and Western Europe through the Baltic Sea.



**Szczecin Goleniów Airport** is located 40 km from the centre of Szczecin. It has several regular flight connections, including with Warsaw, Dublin, Copenhagen and London. It also has a **modern cargo terminal** which together with Goleniów Industrial Park (approx. 15 km away) supports manufacturing and logistics growth in the area. Berlin Branderburg Airport is just under 200 km from Szczecin.



The Szczecin agglomeration is an important transport node with connections included in two **Trans-European Transport Network (TEN-T)** corridors: "Baltic - Adriatic" (Szczecin/Świnoujście - Poznań - Wrocław - Ostrava) and "North Sea - Baltic" (Szczecin/Świnoujście - Berlin - Magdeburg - Braunschweig - Hannover).



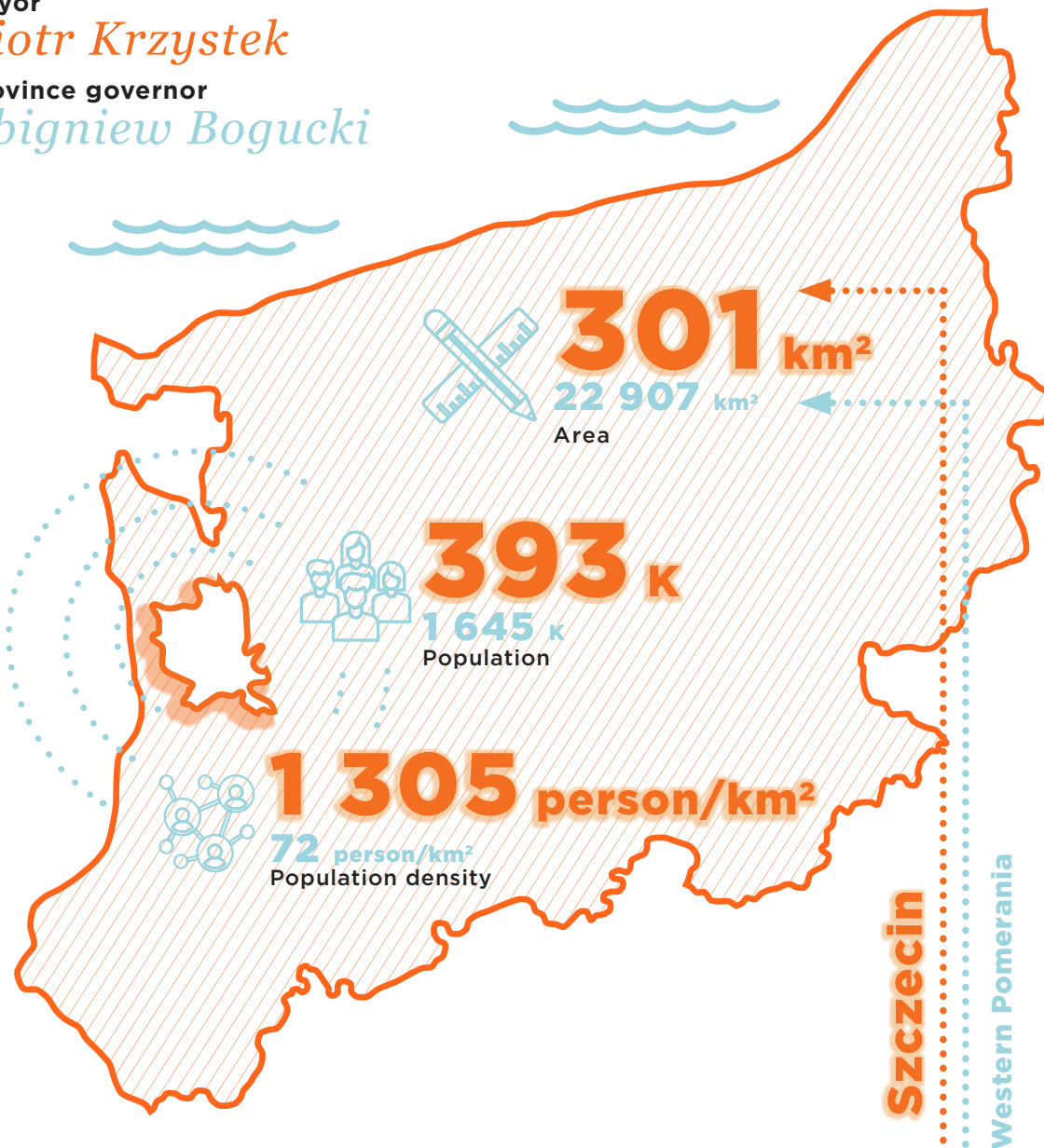


SZCZECIN IN COMPARISON  
WITH WESTERN POMERANIA

Mayor

*Piotr Krzystek*

Province governor

*Zbigniew Bogucki*

Szczecin

Western Pomerania

**3,0%****6,7%**

Unemployment rate

**231 tys.****971 tys.**

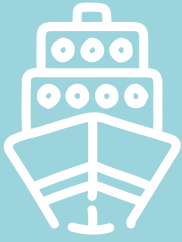
Working-age population

**7 264 pln****6 688 pln**Average monthly salary  
in the enterprise sector**74 tys.****245 tys.**

National economy entities

**54 tys.****194 tys.**

Employment in the enterprise sector



Darłowo Seaport



Kołobrzeg Seaport



Świnoujście Seaport



Police Seaport



Szczecin Seaport



Szczecin Goleniów  
International Airport

S6

S3

S11

S10

S3

**1 145,7 km**

total length of national roads

**2 109,3 km**

total length of provincial roads

**5 main seaports**

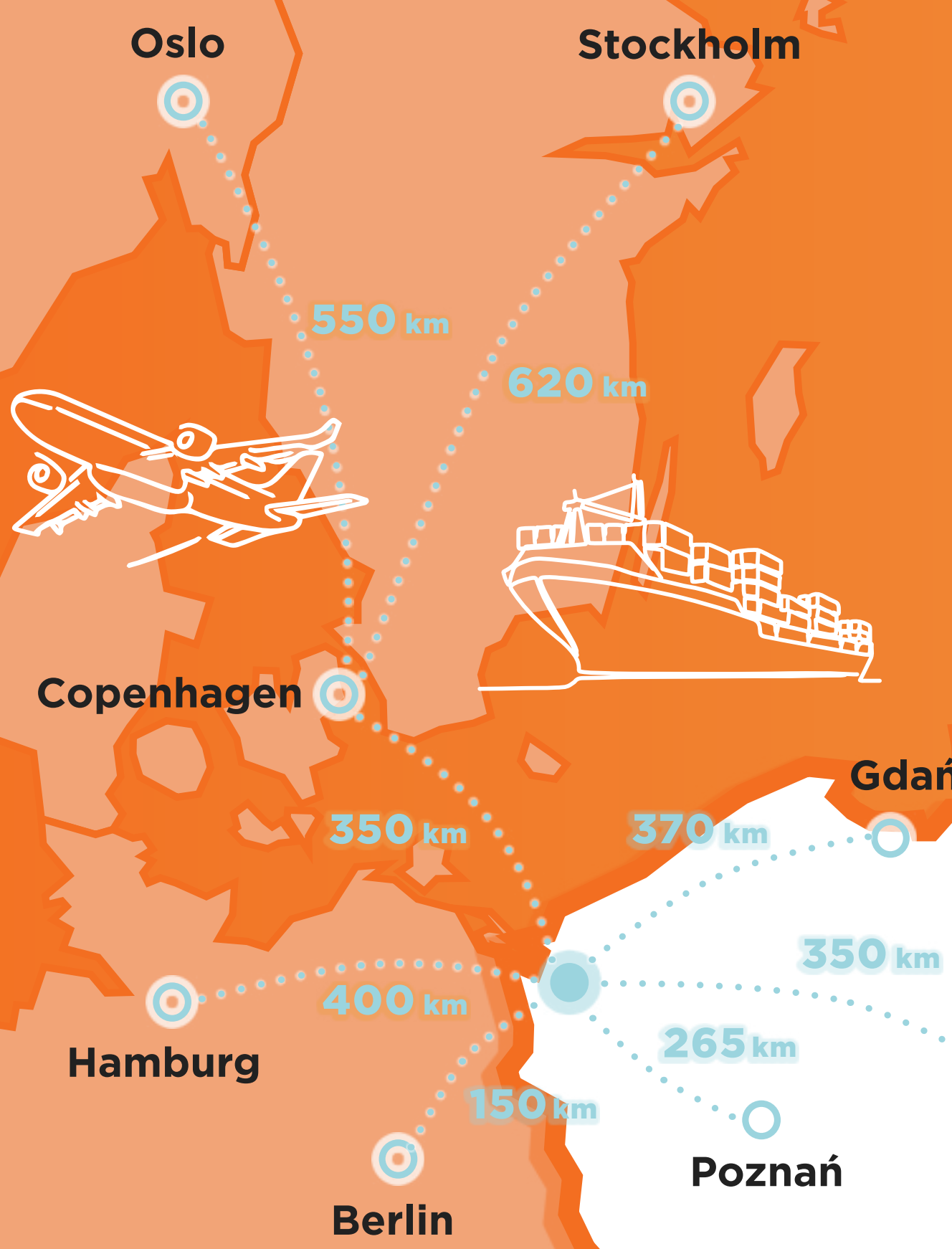
Szczecin, Świnoujście, Police, Kołobrzeg, Darłowo

**1 International Airport**

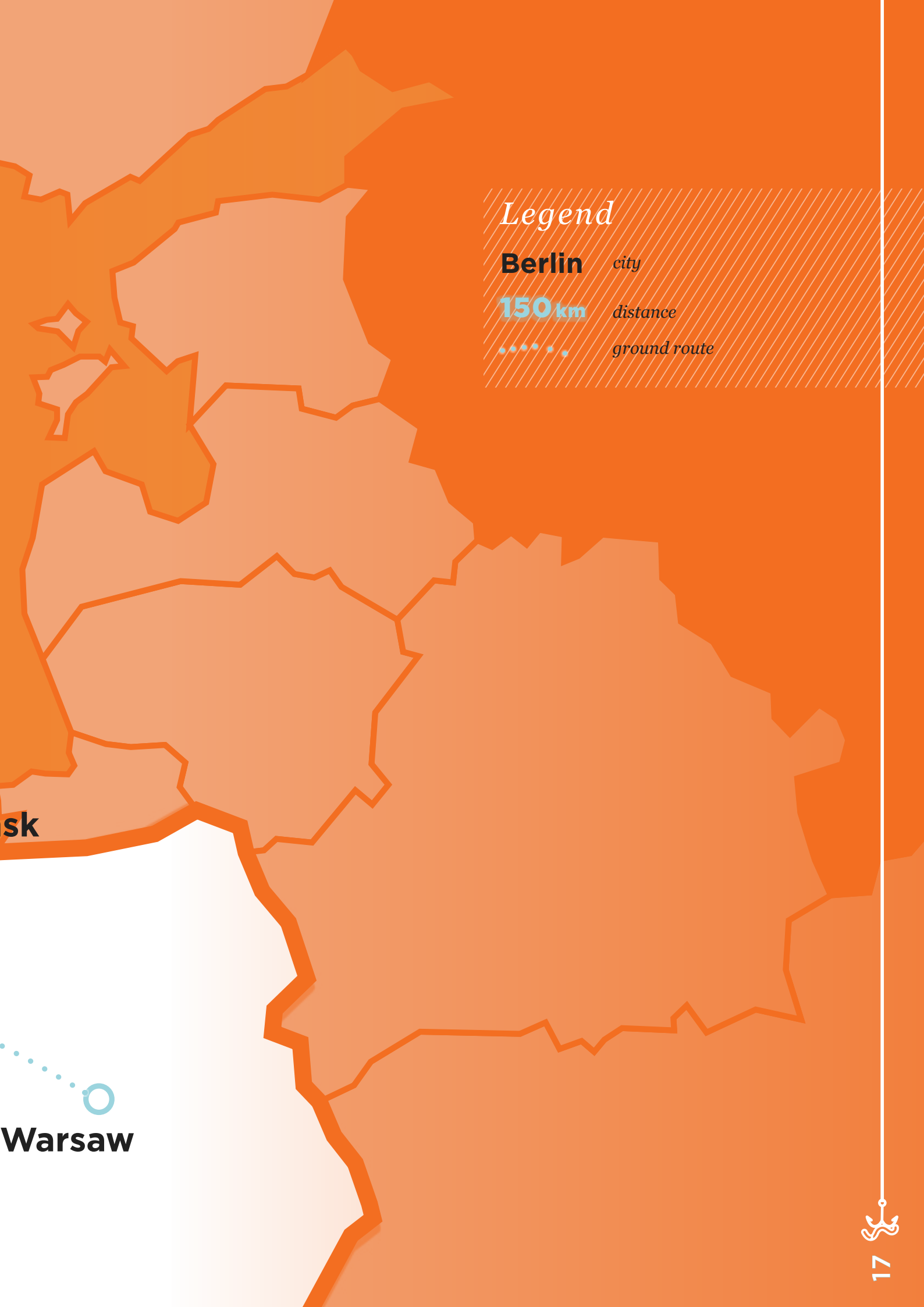
in Goleniów

INVESTMENT POTENTIAL OF THE CITY  
AND THE REGION - MAJOR INVESTORS

# INFRASTRUCTURE







## Legend

**Berlin** *city*

**150 km** *distance*

..... *ground route*

sk

Warsaw

2.5

## INVESTMENT POTENTIAL OF THE CITY AND THE REGION - MAJOR INVESTORS

# ECONOMY AND KEY INVESTORS

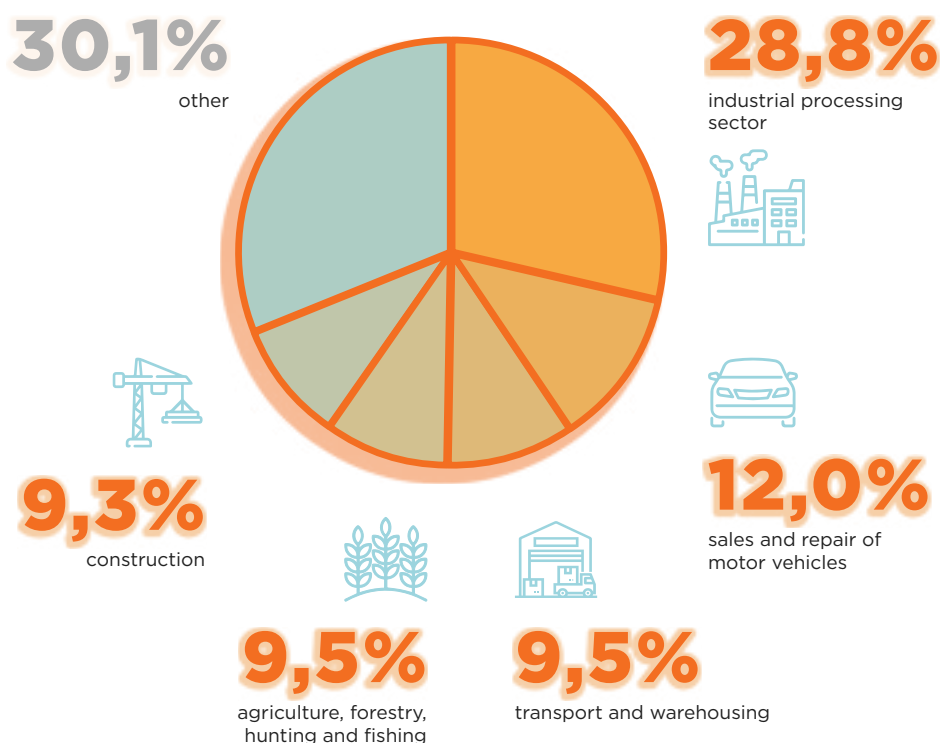
**W**est Pomerania has enjoyed strong economic growth in recent years, reveals macroeconomic data. According to Statistics Poland (Central Statistical Office), West Pomerania's GDP for 2021 was almost PLN 96bn, 41% higher than in 2015.

The industrial sector gradually increased in importance, with its share of the gross value added rising from 18.5% in 2010 to 22.5% in 2020. Key industries in West Pomerania are: metal and machinery, chemical, shipbuilding, timber and furniture, energy, construction, agri-food, including fishing. ICT (Information and Communications Technology) is also gaining in importance as a leading sector for Industry 4.0. Companies operate in various sectors of the IT industry including software, multimedia, telecommunications networks and IT outsourcing. The ICT industry in Szczecin comprises more than 8,500 companies, with more than 10,000 employees and the main specialisations include Automotive, Fintech and Digital.

According to data from the Central Statistical Office (CSO), at the end of 2021 companies with foreign capital employed approximately 68,825 people in the West Pomeranian Voivodeship. Medium-sized and large enterprises, whose share in the total number of companies was 19%, employed as many as 90% of all employees.

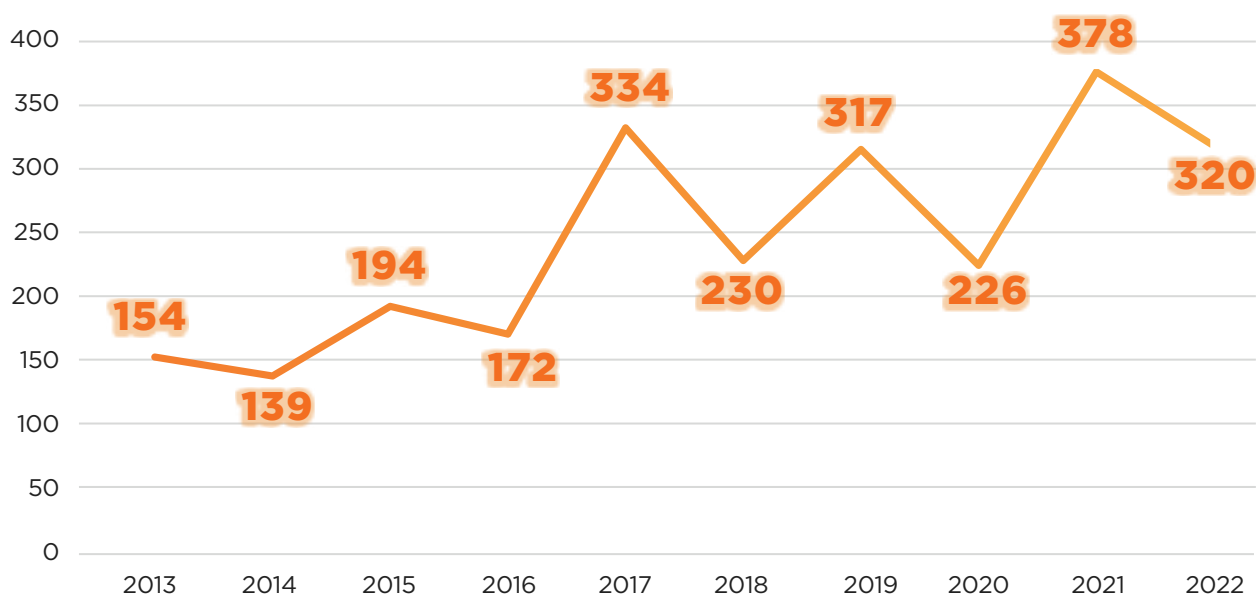
Companies with foreign capital operating in the industrial processing sector account for 28.8% of all foreign businesses present in the region. Other leading sectors include sales and repair of motor vehicles (12.0%), transport and warehousing (9.5%), agriculture, forestry, hunting and fishing (9.5%), and construction (9.3%).

**Sectoral structure of entities with foreign capital participation in Western Pomeranian Voivodeship.**



According to the central economic information center (COIG), there are 3,178 companies with foreign capital or whose real beneficiaries were citizens of other countries in the West Pomeranian region. Between 2018 and 2022, a total of 1,471 entities were registered, almost 50% more than in the previous five years.

#### Number of newly registered companies with foreign capital participation



Own elaboration based on data from the Central Economic Information Centre (COIG)

As at the end of 2022, almost 75% of all companies had foreign capital from the 7 most represented countries: Germany (982 companies), Ukraine (695), Denmark (307), the Netherlands (135), Sweden (102), Norway (99) and the UK (61). In the case of 56% of companies, foreign capital came from countries bordering Poland (Germany, Ukraine, Belarus, Russia, Czech Republic, Lithuania, Slovakia). In turn, companies with Scandinavian capital (Denmark, Sweden, Norway, Finland) accounted for 16% of all enterprises.

#### Share in the total number of companies with foreign capital in the West Pomerania, by country of investor origin



Source: Own elaboration based on data from the Central Economic Information Centre (COIG)

For more than half of the companies (56%), foreign capital came from countries bordering with Poland (Germany, Ukraine, Belarus, Russia, Czech Republic, Lithuania, Slovakia). In contrast, companies with Scandinavian capital (Denmark, Sweden, Norway, Finland) accounted for 16% of all enterprises.



## ECONOMY AND KEY INVESTORS

The West Pomerania region is known for the presence of a large number of investors from Germany and the Scandinavian countries (Denmark, Sweden, Norway, Finland), who are attracted by the geographical proximity of Poland, its infrastructure and skilled labour pool, as well as the long-standing presence of other business entities from these countries. German and Danish investors locate their investments mainly in the machinery and equipment manufacturing sector. Investors from Sweden, on the other hand, invest to the greatest extent in the manufacture of metal products and groceries.

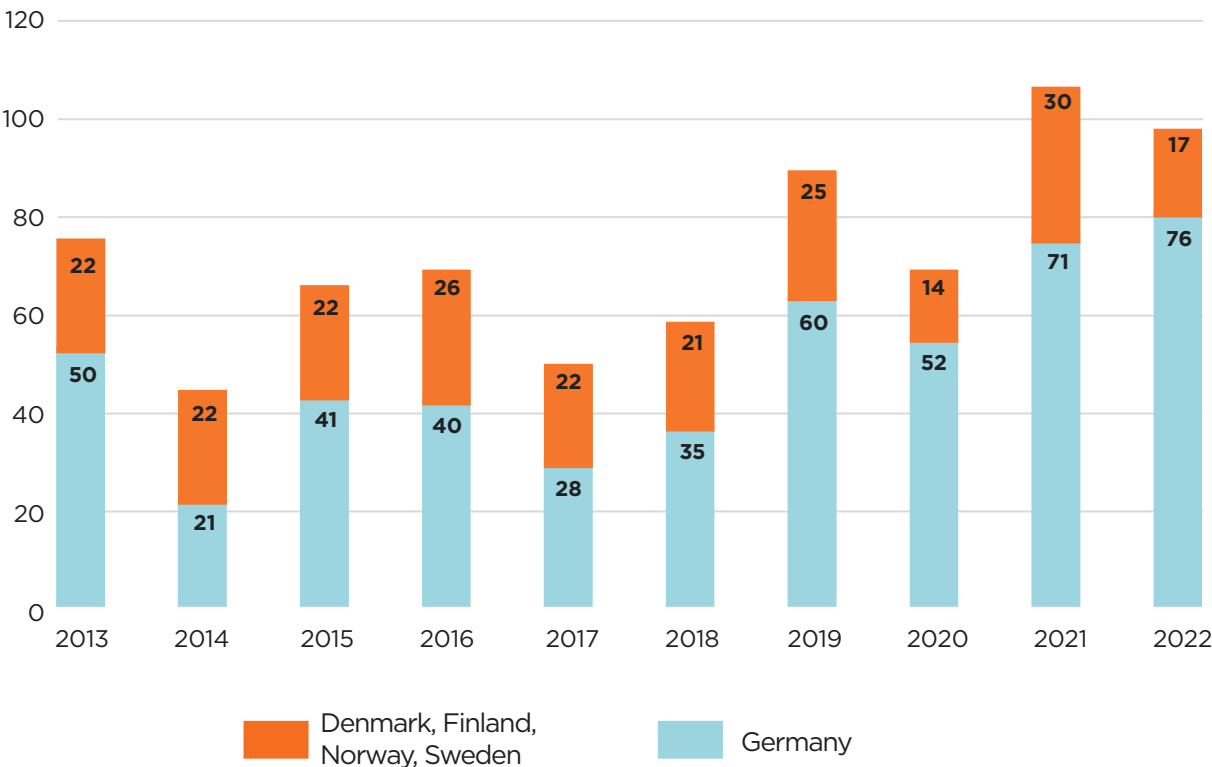
According to the latest data provided by the Central Economic Information Centre, there are currently 1,472 companies with foreign capital from Germany, Denmark, Finland, Norway and Sweden active in the West Pomeranian Voivodeship (as of May 2023). The activity of investors from these countries is increasing, as evidenced by the fact that of the currently active companies, more than 400 were established between 2018 and 2022, 37% more than in the previous 5 years. More than 1,250 companies have German (963) or Danish (293) capital. Among the Scandinavian countries, apart from Denmark, companies with Norwegian (103) and Swedish (102) capital are the most represented.

Number and share of companies with foreign capital by selected countries of capital origin



Source: Own elaboration based on data from the Central Economic Information Centre (COIG)

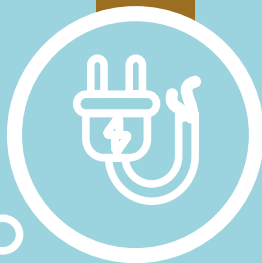
Operative companies with foreign capital from Germany and Scandinavian countries, by year of registration



Source: Own elaboration based on data from the Central Economic Information Centre (COIG)

**S**candinavian and German companies are active in almost all major business sections. The largest number of firms operate in industry, in the 'manufacturing' section (288 firms, 20% of the total).

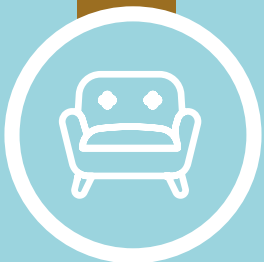
In addition, a high number of companies are identified in the following sections: agriculture, forestry, hunting and fishing (262 companies, 18%), wholesale and retail trade, repair of motor vehicles including motorbikes (168 companies, 11%) and electricity, gas, steam, hot water and air conditioning supply (155 companies, 11%). The largest number of medium and large companies employing more than 50 people (112 out of a total of 185 in all sections) operate in manufacturing, particularly in following industries:



## **ELECTRIC**

ELECTRONIC,  
MACHINE

*i.a. Vestas, KK Wind Solutions, Backer ORB, Kospel, Rimaster Poland, Berlinerluft.Technik*



## **FURNITURE**

*i.a. IKEA, Kronospan, BPI Polska, Prignitz – Meble Pomorskie, Homanit*



## **FOOD**

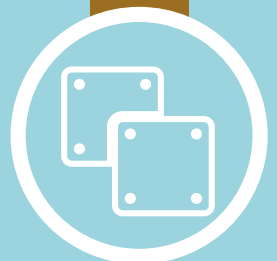
*i.a. HKSCAN, Nordfish – Foodmark, Espersen*



## **CHEMICAL**

RUBBER AND PLASTIC  
PRODUCTS

*i.a. BO-DE, Weber Polska, Jupiter Bach*



## **METAL**

*i.a. Muehlhan Polska, Elfa Manufacturing*



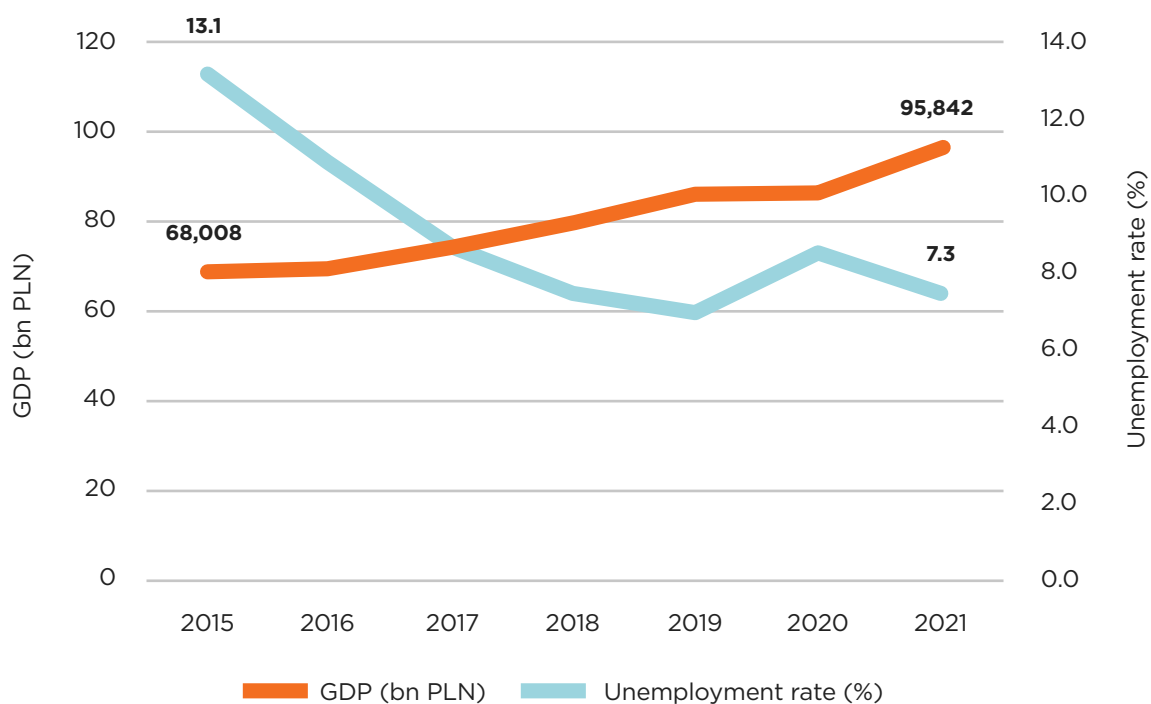
## ECONOMY AND KEY INVESTORS

GDP in West Pomerania 2021 vs 2015

**PLN 96bn** GDP for 2021 (preliminary data)

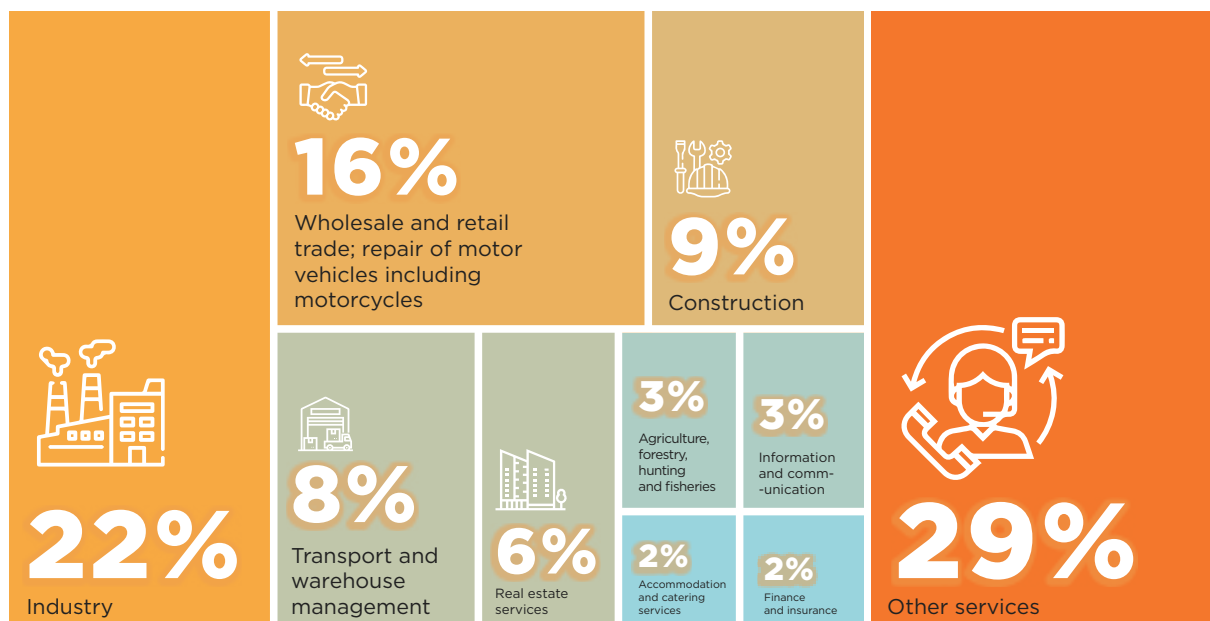
**PLN 68bn** GDP for 2015

GDP in West Pomerania 2021 vs 2015 vs unemployment rate 2015-2021



Own elaboration based on Central Statistical Office data

Structure of the GDP in West Pomerania in 2020



Own elaboration based on Central Statistical Office data







**103**  
companies



**102**  
companies



**293**  
companies



**963**  
companies



**11**  
companies



Companies with foreign capital in West Pomerania

**PLN 16.8bn**

Value of outlays  
of companies  
with foreign capital  
in 2015-2021

**70 k**

in companies  
with foreign capital  
(as at the end of 2021)

Source: Central Statistical Office



**1472**

entities with foreign  
capital from Germany and  
Scandinavia

that makes

**46%**

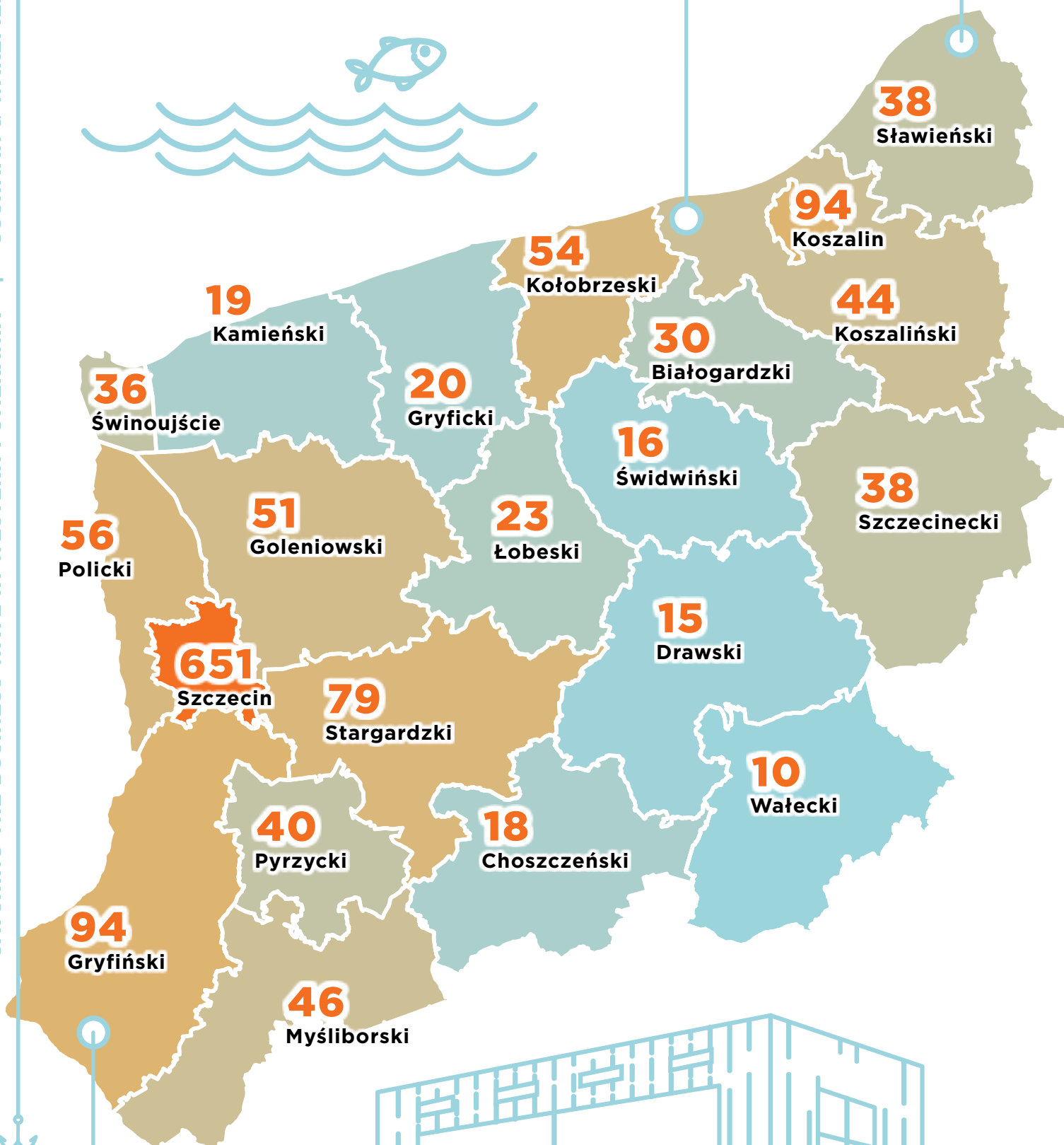
Companies with foreign  
capital

Source: COIG

INVESTMENT POTENTIAL OF THE CITY  
AND THE REGION - MAJOR INVESTORS

## ECONOMY AND KEY INVESTORS

Number of companies with foreign capital from Germany and Scandinavian countries by powiat \*



\* Own elaboration based on COIG data.

## SPECIALISATIONS OF THE REGION AND THE CITY

### LOGISTICS AND E-COMMERCE



**Selected investors:**

*Amazon, Zalando, Fiege, DSV, Rhenus Logistics,  
Raben, DHL, Netto, Lidl, TEDi, Momox,  
Jeronimo Martins, DB Schenker*



### MARINE INDUSTRY AND RES

**Selected investors:**

*KK Wind Solutions, IQ Metal, Vestas, Finomar,  
FairWind, Teleyard, LM Wind Power Blades*



KEY  
INDUSTRIES



### BPO/SSC/ICT

**Selected investors:**

*Arvato Bertelsmann, Asseco Data Systems,  
Mobica, UniCredit, Dansk Salling Group,  
GlobalLogic, Diebold Nixdorf*



### BIOTECHNOLOGY AND MEDICAL TECHNOLOGIES

**Selected investors:**

*Demant, Nemera, 3shape, sonion,  
Read-Gene S.A.*



### OTHER KEY INVESTORS AND INDUSTRIES

*Bridgestone (automotive), Cargotec (transport), Drobimex  
(agri-food), Espan (agri-food) Ikea Industry (drzewno-  
meblarska), Kronospan (timber and furniture), Barlinek  
(timber and furniture), Sia Abrasives (metal), Technologie  
Tworzyw Sztucznych (yacht building), Hydrolina (hydraulic-  
pneumatic)*

## SPECIALISATIONS OF THE REGION AND THE CITY

**S**mart specialisations are a tool of the European Union requiring individual regions of its member states to identify areas in which they want to specialize and improve their competitiveness. The idea behind them is to identify a region's own strengths and unique resources and to determine what the region is best at and where it has potential to build a competitive advantage with regard for R&D&I. A smart specialisation strategy will take into account all available resources, i.e. the geographical location, the population structure, climate, natural resources, demand issues, e.g. social needs, potential clients and public sector innovations. It will motivate a region to engage its unique local specialist expertise and manufacturing capabilities for new joint ventures and innovations.

Smart specialisations fit into the new regional programme "European Funds for West Pomerania 2021-2027". According to this programme, priority will continue to be given in the region to supporting the rapid growth of companies operating in the areas of smart specialisations, including those that are competing with their products and services on international markets by continually investing in modern technologies and improving their competitiveness and those whose growth is based on the region's natural resources and potentials. The presence in West Pomerania of sectors such as chemicals, metal and machinery, groceries or timber and furniture has, in recent decades, created broad competence in the fields of education, research and production. Numerous companies are providing semi-finished products, specialised services or complementary activities to industries that are already present in the region.

West Pomerania has adopted a procedure for identifying smart specialisations in a gradual, multiphase process with an important role played by scientific experts and representatives of companies, which - coupled with market and statistical analyses - provides a solid basis for an efficient diagnosis of the region's social and economic potential. The process of identifying key specialisations is based on a detailed analysis taking account of quantitative and qualitative criteria, including the importance of a specialisation for the province and the whole country, competitiveness, dynamics, durability period, territorialisation, innovation and R&D potential.

By Resolution 1695/22 of 9 November 2022, the Government of West Pomerania adopted a document "Smart Specialisations of West Pomerania". According to the document, the updated list includes:

# 6

### Smart specializations of Western Pomerania As part of the EU's cohesion policy:

Technologies and services of the future



Smart methods of manufacturing products and machines

Chemical products for sustainable development



Next-generation natural processing

Blue economy and green transport



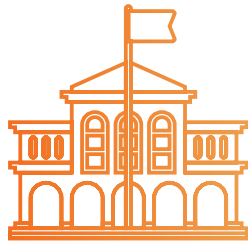
Tourism and quality of life





## EDUCATIONAL POTENTIAL

### STUDENTS



**36 254**

15 429 men | 20 825 women

### GRADUATES



**8 234**

3 070 men | 5 164 women

**W**est Pomerania has both state and private universities offering bachelor, engineer and master degree programmes as well as postgraduate studies. Key university cities are Szczecin and Koszalin; other major locations include Kalisz Pomorski, Kołobrzeg, Gryfice, Nowogard, Stargard, Świnoujście, Szczecinek, and Wałcz.

Szczecin offers a large variety of study programmes at prestigious universities, the largest being the University of Szczecin, the West Pomeranian University of Technology (ZUT), the Pomeranian Medical University (PUM) and the Maritime University in Szczecin. The educational offer is further enhanced by many private universities.

**14** universities  
in Szczecin

**11** universities  
in regional  
cities



# SUPPORT AND INCENTIVES FOR NEW ENTITIES

**T**he Polish Investment Zone is an instrument that supports new investments and allows investors to obtain an income tax exemption. It is available across Poland to all companies, regardless of size. Aid is granted to industrial and service companies, both in the private and public sector.

## New investments

The following investments can be supported:



Setting up a new company



Increasing the manufacturing capacity of an existing company



Adding new products to a company's product portfolio



A substantial change to the overall manufacturing process of an existing company



Aid to support new investments is granted in the form of an income tax exemption for 10, 12 or 15 years.

*Aid  
to support  
new investments  
is granted in the form  
of an income  
tax exemption*

**for 10,  
12  
or 15 years**

## Income tax exemption

Public aid intensity depends on the location and size of an enterprise:

Enterprise size

Aid intensity

**Large**

**20-40%**

**Medium-sized**

**30-50%**

**Micro and small**

**40-60%**

Capital expenditures – expenses incurred in connection with a new investment, e.g. fixed assets, lease/tenancy, finance leasing or two-year labour costs.

Applications for state aid must be filed before starting an investment. Qualified expenses may be incurred after a decision on state aid has been obtained.

## Investment areas

Previously, the main concentrations of industrial plants were found in the larger cities of the region, but with the emergence of industrial zones there has been a gradual spread of production and locating it in the neighbouring municipalities around Szczecin, Goleniów, Police, Stargard, Karlino and the developing industrial zones of Gryfino, Dębno, Mirosławiec.

Among the West Pomeranian industrial parks, which are of particular importance for the economic landscape of this part of Europe, those in Stargard, Goleniów and Koszalin are especially prominent. Great investment potential is concentrated around the newly constructed S3 and S6 roads. Quality new roads mean more investment, transit, more businesses and jobs. Faster and easier access to special economic zones and industrial parks improves the competitiveness of the West Pomerania voivodeship and opens up new opportunities for cooperation with other regions such as Lower Silesia, Wielkopolska or Pomerania.

**8 000** ha

Available area



**1 200** ha

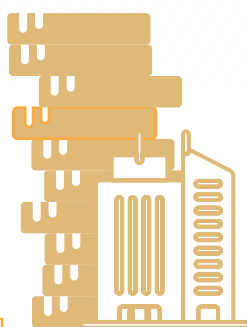
with the status of a special economic zone (SEZ)

## Quantitative criteria



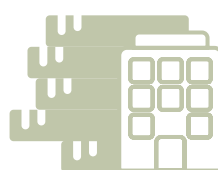
PLN 5 - 100BN

**LARGE**  
COMPANY



PLN 0,5 - 10BN

**MEDIUM**  
COMPANY



PLN 0,25 - 5BN

**SMALL**  
COMPANY



PLN 0,1 - 2BN

**MICRO**  
COMPANY



PLN 0,25 - 5BN

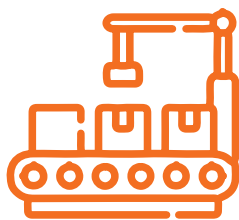
**BPO**  
SECTOR

The minimum required investment to obtain support depends on the location and size of the enterprise:

The declared quantitative criteria, i.e., qualified investment expenditures must be incurred to qualify for the exemption.

## Qualitative criteria

In the case of the Zachodniopomorskie Voivodeship, obtaining support is possible in the case of meeting 5 out of a list of 13 criteria (for production projects) or 12 (for service projects)



## *Production projects*

### Sustainable economic development criteria:

- Investment in projects involving supply of services supporting industries in line with the current development policy of the country or with smart specializations of the voivodeship
- Using the potential of human resources.
- Establishing regional links.
- Robotization and process automation
- Belonging to the National Key Cluster
- Conducting research and development activities
- New investment in renewable energy sources
- Status of a micro-entrepreneur, small entrepreneur or medium-sized entrepreneur

### Sustainable social development criteria:

- Creation of specialized jobs
- Running a business with a low negative impact on the environment
- Location of the investment project
- Supporting the acquisition of education and professional qualifications
- Measures enhancing employee welfare



## *Projects involving supply of services*

### Sustainable economic development criteria:

- Investment in projects involving supply of services supporting industries in line with the current development policy of the country or with smart specializations of the voivodeship
- Conducting research and development activities,
- Using the potential of human resources
- Establishing regional links.
- Robotization and process automation
- New investment in renewable energy sources
- Status of a micro-entrepreneur, small entrepreneur or medium-sized entrepreneur

### Sustainable social development criteria:

- Creation of high-paid jobs and offering secure employment,
- Running a business with a low negative impact on the environment
- Location of the investment projects
- Supporting the acquisition of education and professional qualifications
- Measures enhancing employee welfare





NA  
FA  
LL

Warehouse  
**market**

NE  
SU

3.1

WEST POMERANIA  
WAREHOUSE MARKET

## GENERAL OVERVIEW



## Key indicators of the warehouse market (Q4 2022)

	WEST POMERANIA	POLAND-TOTAL
Stock and average annual growth rate (2018-2022)	<b>1 146 000</b> sq m 17%	<b>28 325 000</b> sq m 16%
Number of existing warehouse parks	<b>18</b>	<b>586</b>
New supply in 2022	<b>274 000</b> sq m	<b>4 385 000</b> sq m
Vacancy rate	<b>6,2%</b>	<b>4,2%</b>
Under construction area	<b>94 000</b> sq m	<b>3 441 000</b> sq m
Planned area	<b>900 000</b> sq m	<b>25 000 000</b> sq m

Source: Cushman &amp; Wakefield, May 2023.



## Typical lease terms

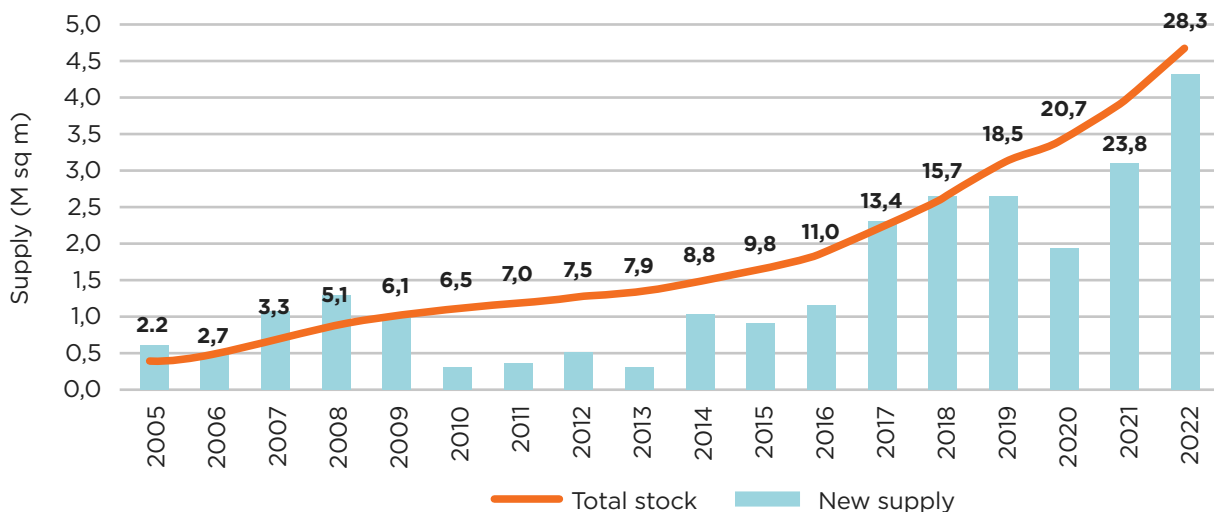
Lease duration	<b>5 years as standard</b> <b>BTS projects: 10-15 years</b>
Headline rents (technical standard of A-class warehouse)	<b>EUR 3.90 - 4.30 / sq m / month</b>
Effective rents (technical standard of A-class warehouse)	<b>EUR 3.20 - 3.70 / sq m / month</b>
Headline rents for office space	<b>EUR 10 - 12.50 / sq m / month</b>
Service charges	<b>PLN 6.00 - 7.50 / sq m / month</b>
Utility charges (electricity, water, gas)	<b>As per consumption</b>

Source: Cushman &amp; Wakefield, May 2023.



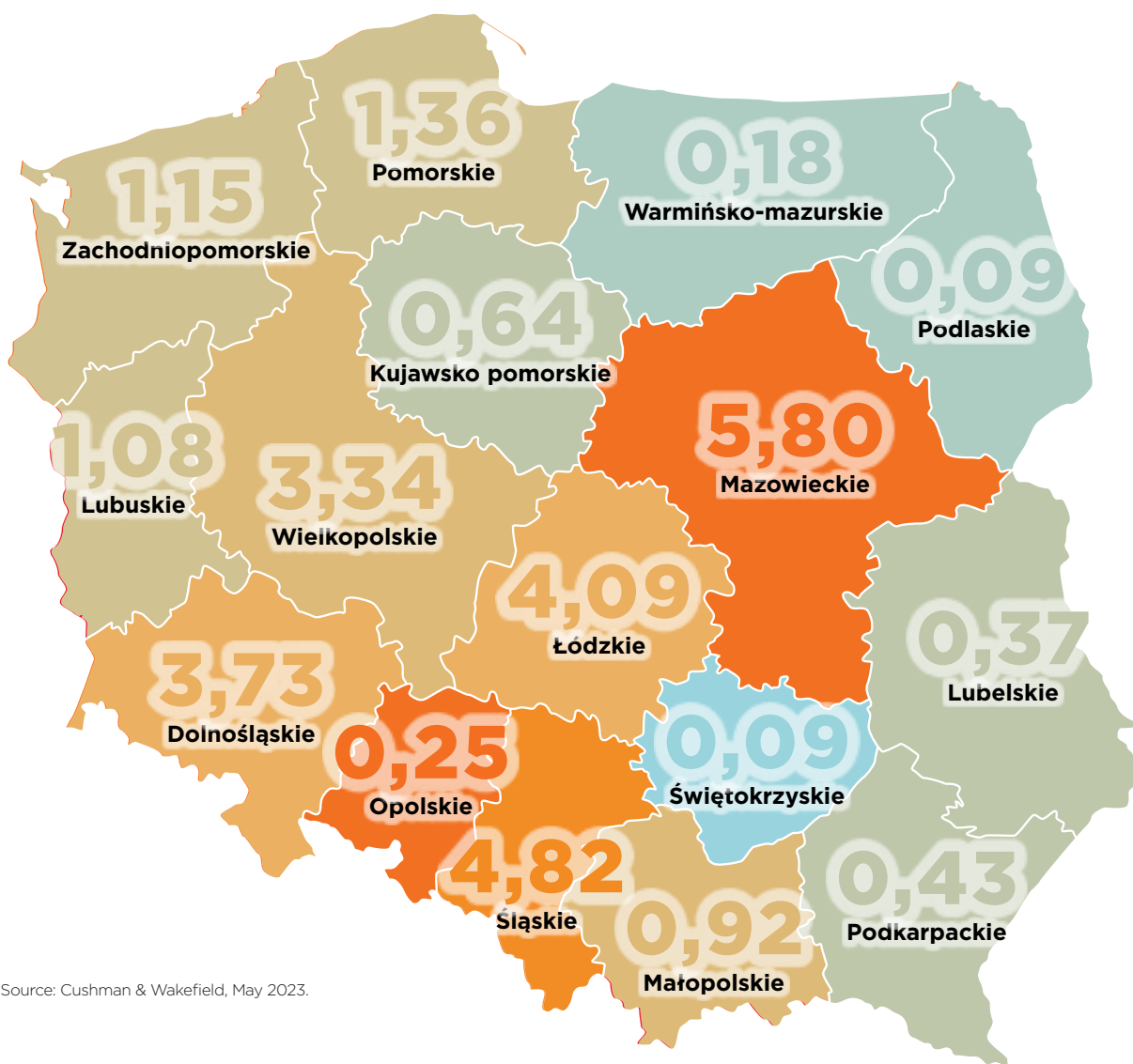
The Polish warehouse market is one of the fastest-growing in Europe. It has more than doubled in the last five years and in 2022 it expanded by a record 4.4 million sq m. Its total warehouse stock looks set to surpass the 30 million sq m mark in 2023.

#### Development of warehouse stock in Poland



#### Regional warehouse stock in Poland (million sq m)

Source: Cushman & Wakefield, May 2023.



Source: Cushman & Wakefield, May 2023.

## GENERAL OVERVIEW

Smaller regional markets, especially those located closer to Poland's western and northern borders, have also maintained strong growth momentum in recent years. Key to this are such general trends as the development of cross-border logistics and a modern transport network, as well as the availability of development sites and labour.

West Pomerania is a fast-growing warehouse market. It is the seventh-largest in Poland.

As much as 85% of the region's warehouse stock consists of projects completed in the last six years, with almost 35% completed between 2021 and 2022. The majority of projects are fully leased, although 2022 saw an increase in space availability as a result of increased speculative supply. This is a sign of investors' faith in the development potential of the West Pomeranian region and the stable demand for modern industrial and logistics space being built in this part of the country.

## Space available for lease in Q4 2022

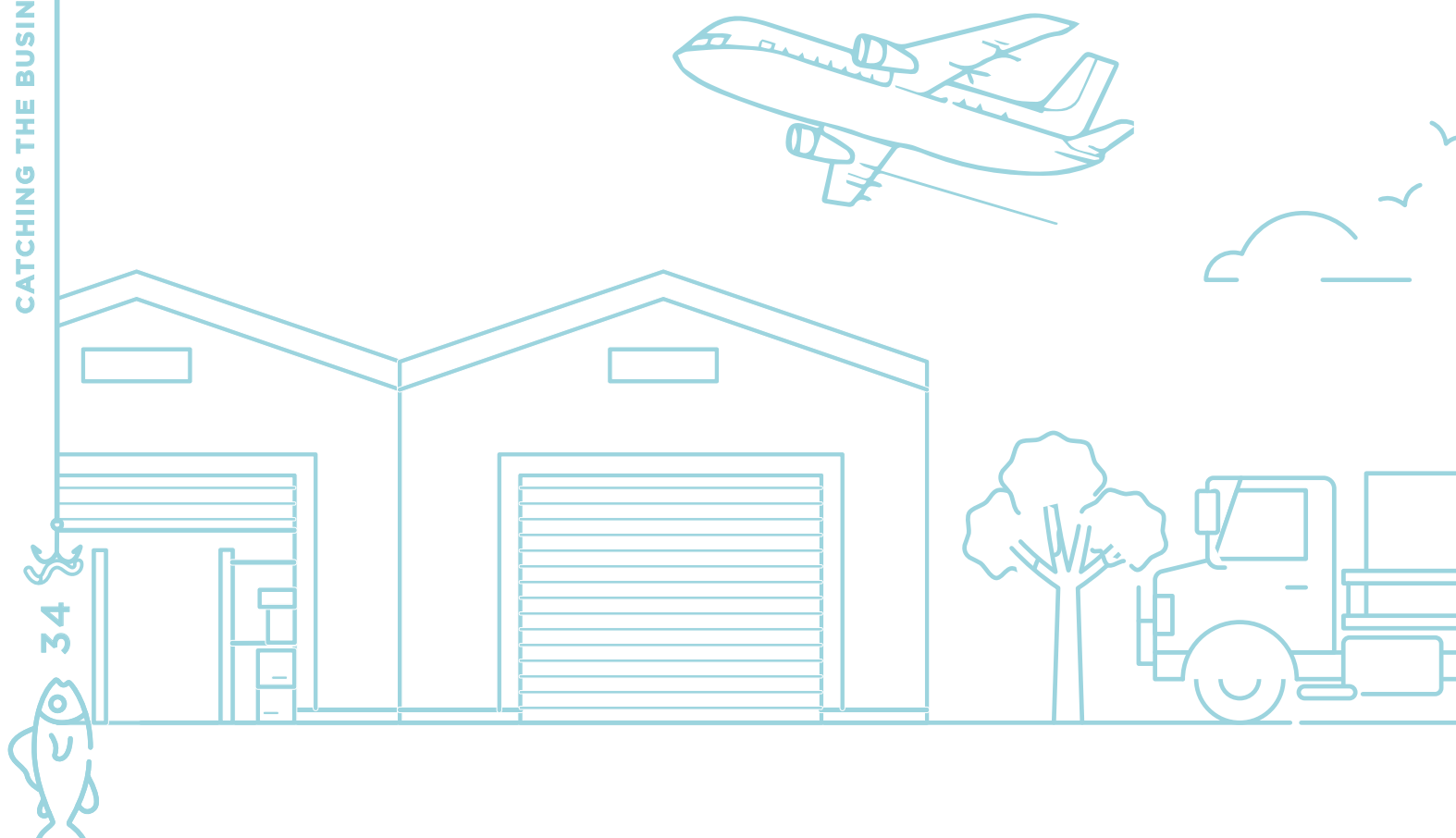
**73 000** sq m  
in existing warehouse parks

**45 000** sq m  
in ongoing investments

Around 73,000 sq m of recently built warehouse space remained vacant in the fourth quarter of 2022, accounting for 6.4% of the region's total stock. That space was available in two parks: Exeter Park Szczecin II (45,000 sq m) and Panattoni Park Szczecin Goleniów I (28,000 sq m). Another 45,000 sq m was marketed for lease in projects under construction.

Developers and their business partners have secured land banks which will allow for the development of another 900,000 sq m of industrial space in the next few years.

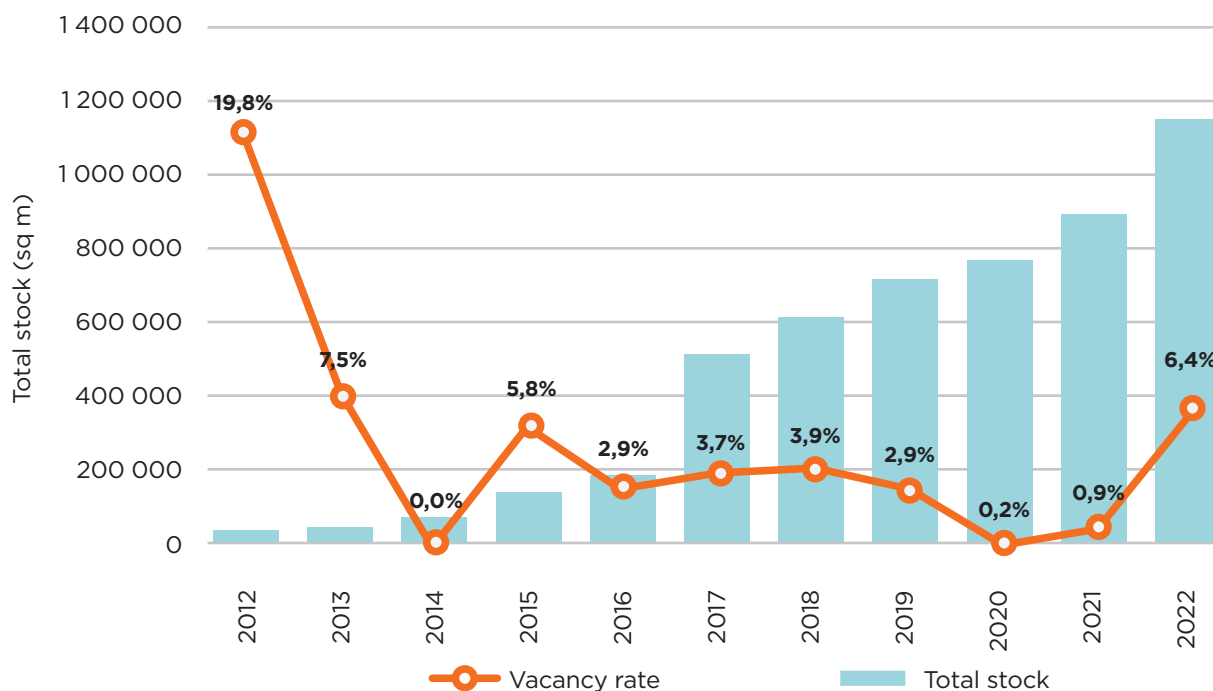
The West Pomerania market has a unique combination of both big-box distribution centres (operated by Zalando and Amazon), tailor-made BTS schemes (e.g. Hydrolina), industrial parks serving as headquarters for companies from various sectors, and SBUs.





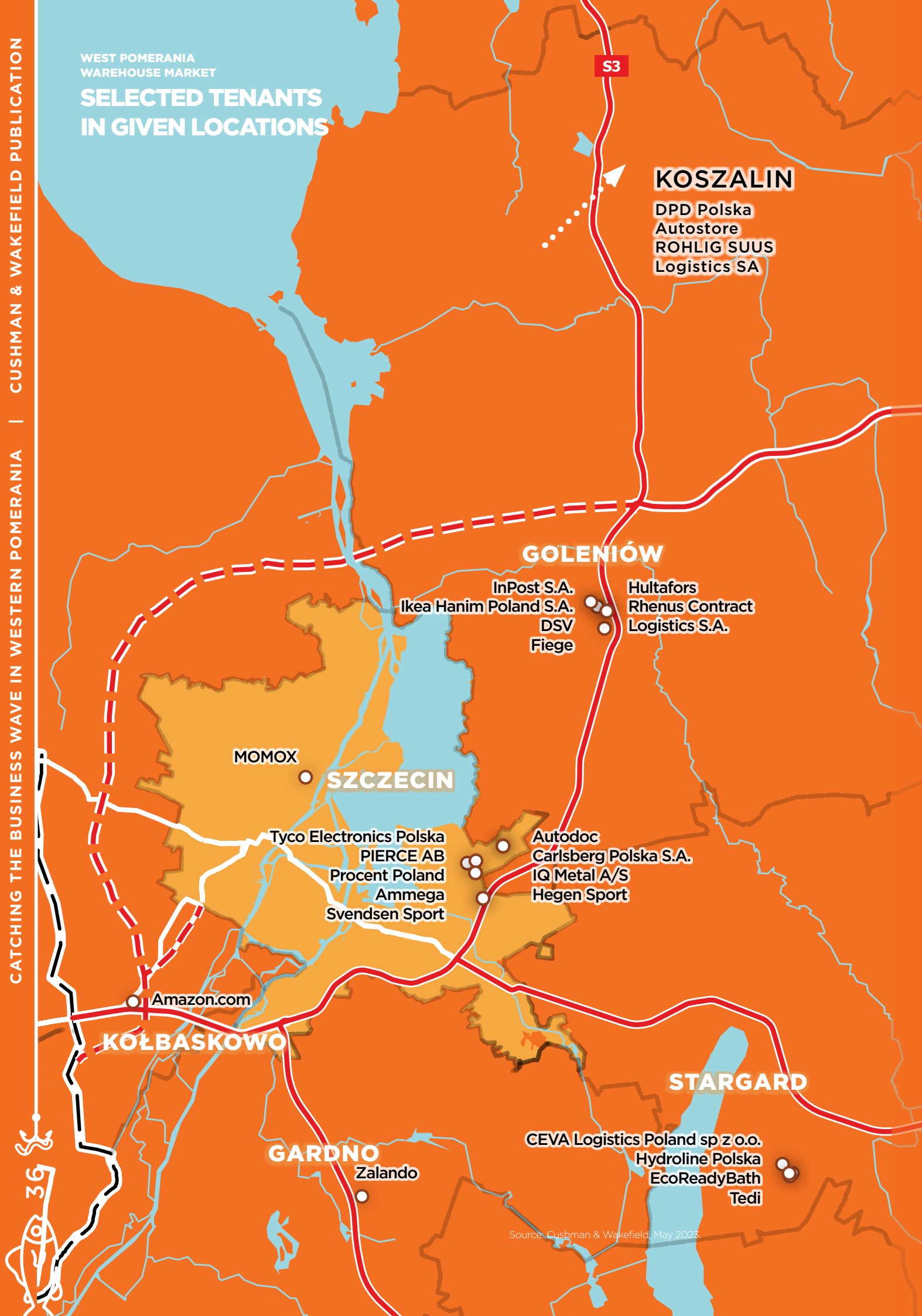
# DEVELOPMENT OF WAREHOUSE STOCK IN THE WEST POMERANIAN VOIVODESHIP

Warehouse stock growth in West Pomerania



WEST POMERANIA  
WAREHOUSE MARKET

# SELECTED TENANTS IN GIVEN LOCATIONS



Source: Cushman & Wakefield, May 2023.

## Szczecin



Szczecin, including Dąbie and Załom, attracts companies from various industries, especially logistics, distribution and e-commerce, many of which service Scandinavian markets. Anchor tenants include DHL, Autodoc, Pierce AB, Svendsen Sport, Carlsberg, Momox, Mycs, and IQ Metal.

## Goleniów



is the second-largest warehouse subzone, after Szczecin, and is located around 40 km from the capital of the region. Major tenants include both logistics companies such as Fiege, DSV, Rhenus Logistics, DB Schenker, and manufacturers such as IKEA, Hultafors Group, Bridgestone, and sia Abrasives.

## Stargard



Stargard, located off the S10 expressway, is especially valued by manufacturing companies for its labour pool and industrial traditions. Key tenants include Cargotec, TEDi, Hydroline, Procyon Group, and Ceva Logistics.

## BTS Locations



Kołbaskowo and Gryfino, where e-commerce giants Amazon and Zalando have been operating for several years.

S10

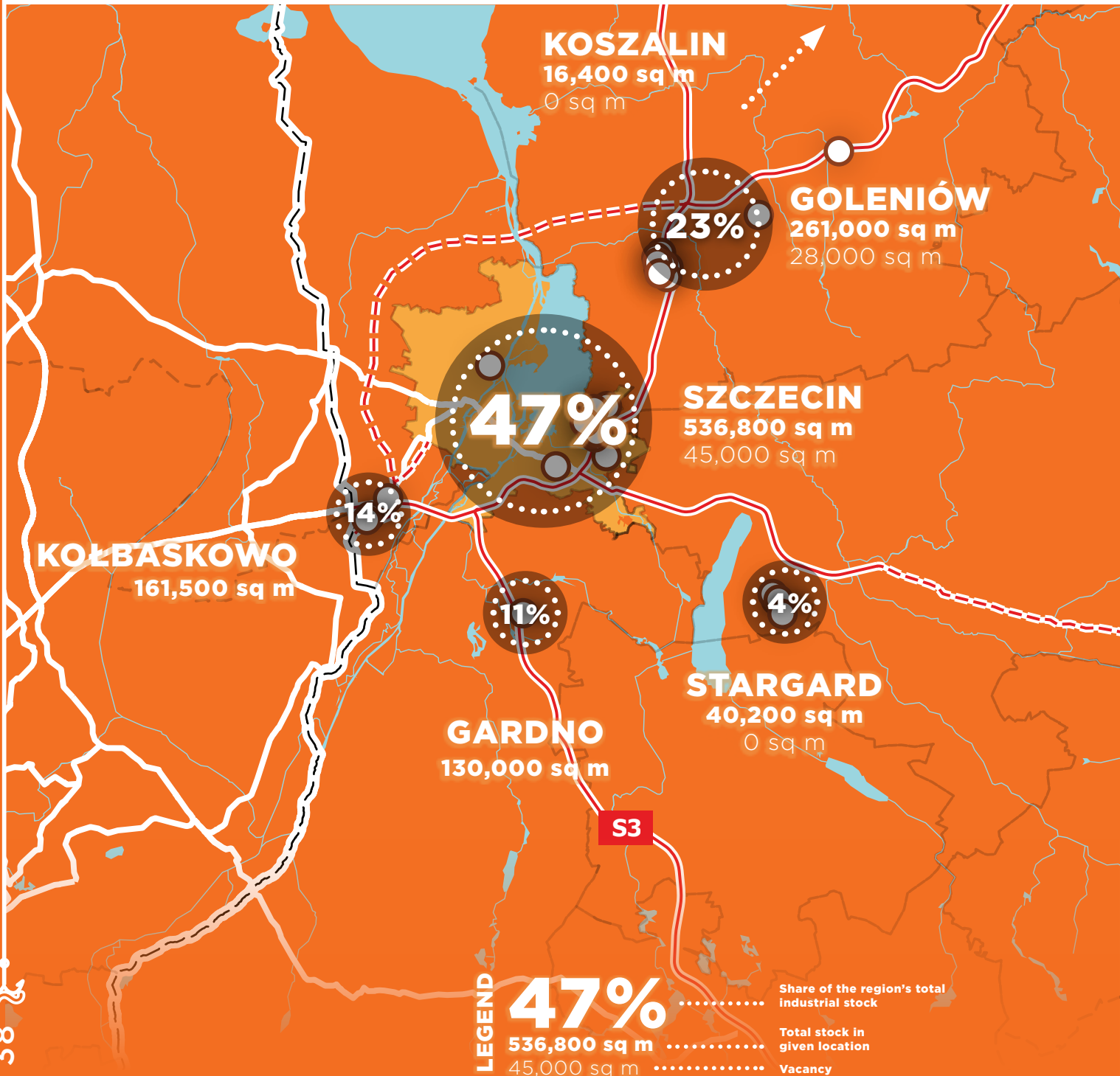


## WEST POMERANIA WAREHOUSE MARKET

# INDUSTRIAL PARKS

Development projects in West Pomerania are concentrated in several strategic locations, the three key being Szczecin, Goleniów and Stargard. New locations such as Koszalin, Kolbaskowo and Nowogard are also opening up, a direct result of further improvements to the transport infrastructure and the social and economic growth of the province's subregions.

At the beginning of 2023, West Pomerania had 18 commercial industrial and logistics projects for lease – over 30 if those in the pipeline are included.





Park name	City	Developer / Landlord	Leasable area (sq m)
<b>Existing projects</b>			
Panattoni Park Szczecin I	Szczecin	Panattoni / Accolade	228 990
Panattoni BTS Amazon Szczecin	Kołbaskowo	Panattoni / Vestas IM	161 500
Goodman BTS Zalando Szczecin	Gryfino	Goodman / DWS	130 000
Mapletree Park Szczecin	Goleniów (Łozienica)	Prologis / Mapletree	101 803
EQT Exeter Park Szczecin II	Szczecin	EQT Exeter / GIC	75 000
Park Szczecin East	Szczecin	Panattoni / Savills IM	69 480
7R Park Goleniów II	Goleniów	7R SA / GLL	62 442
7R Park Szczecin	Szczecin,	7R	61 402
Panattoni Park Szczecin Goleniów I	Goleniów (Łozienica)	Panattoni / Accolade	59 512
EQT Exeter Park Szczecin I	Szczecin	Waimea Holding/ EQT Exeter	55 725
7R Park Goleniów I	Goleniów (Łozienica)	7R / Other	30 195
Panattoni Park Szczecin III	Szczecin	Panattoni / Accolade	30 026
Fortress Logistic Park Stargard	Stargard	Waimea Holding/ Fortress REIT	27 210
Panattoni Park Koszalin	Koszalin	Panattoni / Accolade	16 372
Panattoni BTS Hydroline Stargard	Stargard	Panattoni / Lead- Crest Capital Partners	13 000
7R City Flex Szczecin	Szczecin	7R SA / GLL	11 310
Waimea Terminal Cargo Szczecin-Goleniów	Goleniów	Waimea Holding	7 000
Hillwood Szczecin (BTS DPD)	Szczecin	Hillwood / Rosewood	4 908
<b>Projects under construction</b>			
Panattoni Park Koszalin	Koszalin	Panattoni / Accolade	42 000
Panattoni Park Szczecin IV	Szczecin	Panattoni / Accolade	39 700
LCube Logistic Park Szczecin Goleniów	Goleniów	LCube	12 100
<b>Planned projects</b>			
Panattoni Park Szczecin Goleniów IV	Goleniów	Panattoni	114 417
Panattoni Park Szczecin Goleniów II	Goleniów	Panattoni	104 414
Panattoni Park Szczecin-Dunikowo	Szczecin	Panattoni	68 040
Panattoni Park Stargard	Stargard	Panattoni	66 106
Panattoni Park Trzebusz II	Szczecin	Panattoni	61 737
Hillwood Nowogard	Nowogard	Hillwood	61 000
Fortress Logistic Park Stargard	Stargard	Fortress REIT	52 700
Panattoni Park Szczecin Goleniów III	Goleniów	Panattoni	49 020
Panattoni Park Kołbaskowo	Kołbaskowo	Panattoni	42 390
Panattoni Park Trzebusz III	Szczecin	Panattoni	38 663
Panattoni Park Szczecin V	Szczecin	Panattoni	29 094
Waimea Terminal Cargo Szczecin-Goleniów	Goleniów	Waimea Holding	10 500



# E-Commerce in West Pomerania



# THE WEST POMERANIAN VOIVODESHIP AS A EUROPEAN LOGISTICS HUB FOR E-COMMERCE

**T**he rapid growth of e-commerce has transformed the perception of logistics and warehouses which finally began to be seen as an element of building a competitive advantage and as an added value rather than as a cost that should be minimized no matter what it takes. Wan Lin, CEO of Cainiao, the logistics arm of the Alibaba Group, one of the world's e-commerce giants reporting the annual turnover of close to USD 130 billion has said that logistics is no longer an afterthought – it has become a game changer and a key differentiator that sets one business apart from another. And he must be right!

It therefore makes sense to be close to your end customers, to expand your supply chain to include mini-hubs and small business units located near the largest urban areas, to open secondary locations and to install modern automated systems in large distribution centres to ensure fast picking and reduce headcount. This is why West Pomerania is an ideal location for logistics and warehouses which - being an important link in modern supply chains - service not only the Polish market, but also Scandinavia and Western Europe.

According to Cushman & Wakefield's report "E-Commerce is Bursting at its Seams and Warehouses are Following", in 2022 e-commerce warehouse space in Poland amounted to 7.35 million sq m, accounting for 30.7% of the country's total stock.

**7 349 137 sq m**

Warehouse stock dedicated to e-commerce as of early 2022.

**23 934 700 sq m**

Total warehouse stock as of early 2022.

**+84%**

Jan. 2022 vs. Jan. 2019

**+51%**

Jan. 2022 vs. Jan. 2019



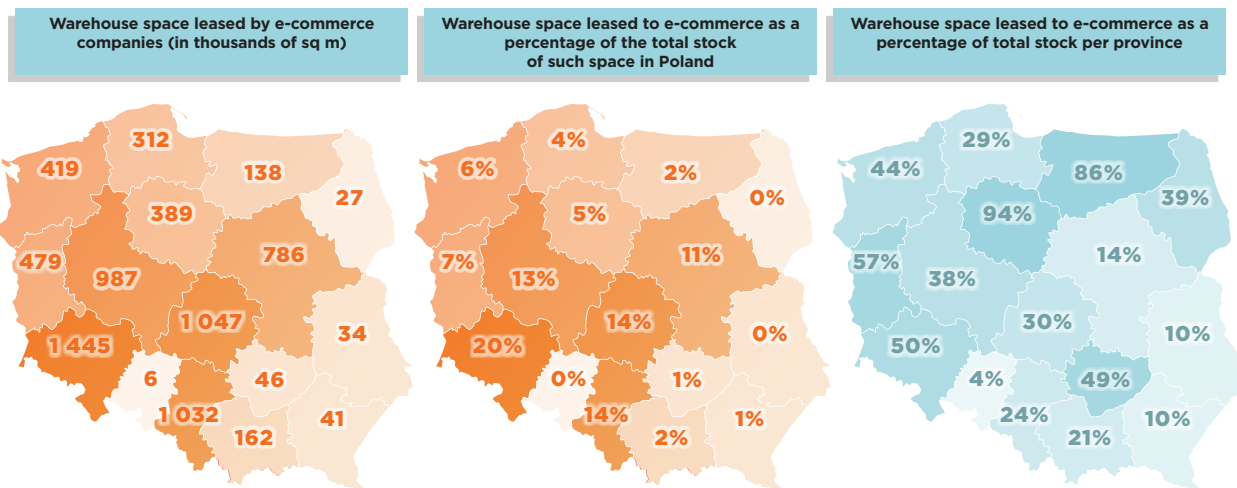
**3 995 740 sq m**   **16 320 181 sq m**

Warehouse stock dedicated to e-commerce in 2019.

Total warehouse stock in 2019.

Source: Cushman & Wakefield, May 2023.

- The volume of e-commerce warehouse space in Poland has increased from 3.9 million sq m in Q1 2019 to the current 7.35 million sq m, up by 84%.
- E-commerce warehouse space accounts for 30.7% of Poland's total warehouse stock, up by 6.2 pp from 24.5% in 2019.
- West Pomerania has more than 1 million sq m of warehouse space dedicated to e-commerce operations, accounting for as much as 44% of its total warehouse stock.
- The region has also recently seen a marked increase in demand for logistics centres dedicated to other sales channels. As a result, the above proportion has edged down by 16 pp but is still one of the highest in Poland.

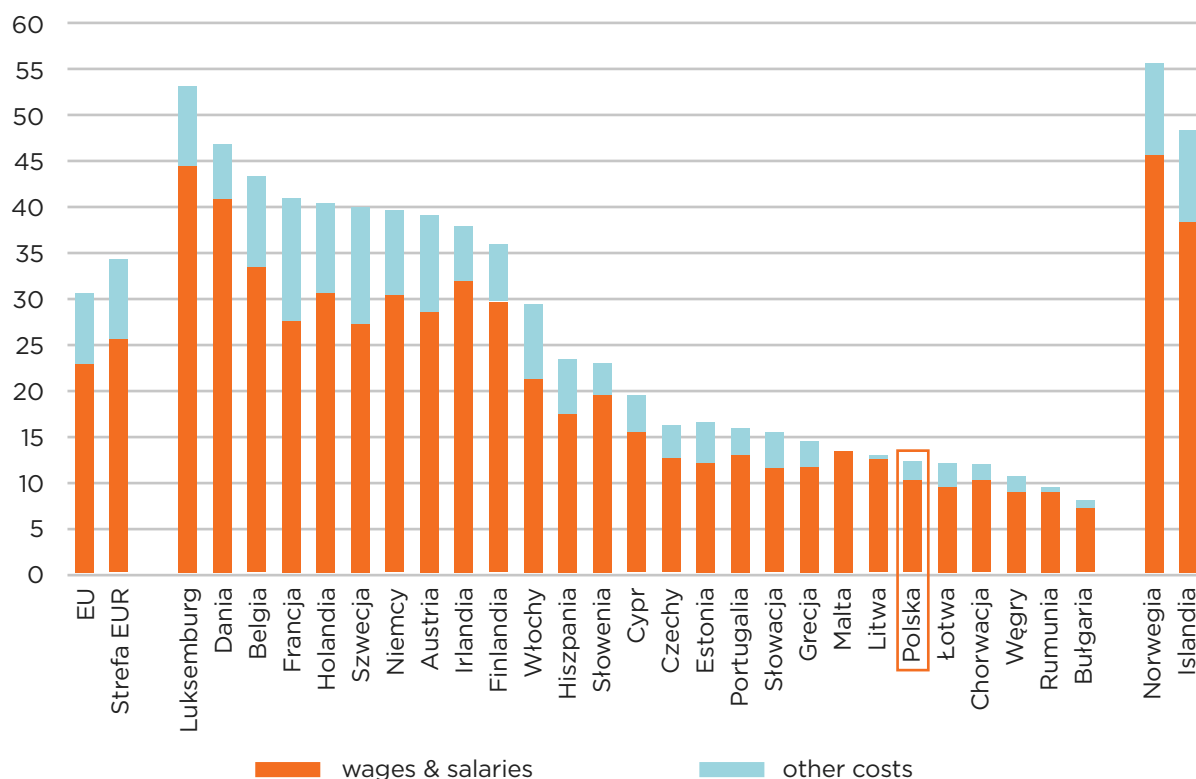


Source: Cushman & Wakefield, May 2023.

As mentioned above, e-commerce operators present in Polish warehouses service not only the domestic market, but also CEE countries, Western European markets, the UK and Scandinavia.

The relocation of operations from Germany and Scandinavia to Poland and West Pomerania has been identified by respondents in Cushman & Wakefield's survey as a notable trend. Despite having a substantial warehouse stock, this region remains a very attractive destination compared to Western European countries, including in terms of labour markets. Eurostat's table below shows some meaningful insight:

#### Estimated hourly labour costs, 2022 (EUR)



Notes: whole economy (excluding agriculture and public administration); in enterprises with 10 or more employees. Provisional data.

Romania\*: The estimates of the wage and salary/non-wage breakdown are not comparable with the periods prior to 2018 due to changes in national legislation.

Data for Malta for other costs are not available.

Source: Own elaboration based on data from the Eurostat.



# THE WEST POMERANIAN VOIVODESHIP AS A EUROPEAN

## Hourly labour costs (EUR)

whole economy \*, in enterprises with 10 or more employees

	2008	2012	2016	2020	2021	2022	2022 non-wage costs (% of total)	Change 2022/2021, %.
UE	21.6	24.4	25.6	28.6	29.0	30.5	24.8	5.0
EA	25.1	28.3	29.4	32.4	32.8	34.3	25.5	4.7
Belgium	32.9	38.0	38.6	40.5	41.0	43.5	23.1	6.2
Bulgaria	2.6	3.4	4.5	6.6	7.1	8.2	13.6	15.3
Czechia	9.2	10.0	10.3	14.6	15.0	16.4	24.0	9.2
Denmark <sup>(4)</sup>	34.6	39.4	41.3	44.9	45.7	46.8	12.3	2.3
Germany	27.9	30.5	32.8	36.8	37.4	39.5	23.3	5.8
Estonia	7.9	8.6	10.8	14.1	15.0	16.4	25.7	9.1
Ireland	28.9	29.8	30.6	33.5	34.7	37.9	18.4	9.3
Greece	16.8	15.7	15.2	13.8	14.0	14.5	19.7	3.7
Spain <sup>(4)</sup>	19.4	21.1	21.2	23.0	22.9	23.5	25.7	2.5
France <sup>(2)</sup>	31.2	34.3	34.6	38.8	39.3	40.8	32.0	3.6
Croatia	9.2	9.5	9.5	10.8	11.2	12.1	14.0	8.7
Italy <sup>(1)</sup>	25.2	27.7	27.6	29.2	28.8	29.4	27.8	2.2
Cyprus	16.7	16.8	15.7	17.3	18.0	19.4	19.9	8.0
Latvia	5.9	6.0	7.7	10.7	11.3	12.2	21.1	7.8
Lithuania	5.9	5.9	7.4	10.3	11.6	13.1	5.4	13.3
Luxembourg	32.3	35.3	38.7	47.3	48.4	50.7	12.3	4.7
Hungary	7.8	7.4	7.8	9.8	10.3	10.7	14.2	4.4
Malta	11.4	11.8	14.2	13.2	13.0	14.0	:	8.0
Netherlands	29.8	32.5	34.5	37.7	38.2	40.5	24.8	6.0
Austria <sup>(4)</sup>	26.4	29.7	32.5	36.4	37.0	39.0	26.6	5.5
<b>Poland</b>	<b>7.6</b>	<b>7.9</b>	<b>8.7</b>	<b>10.9</b>	<b>11.5</b>	<b>12.5</b>	<b>18.0</b>	<b>8.8</b>
Portugal	12.2	13.3	13.6	15.1	15.4	16.1	19.2	4.5
Romania <sup>(3)</sup>	4.2	4.1	5.3	8.2	8.5	9.5	5.3	12.0
Slovenia	13.9	15.6	16.8	20.7	22.0	23.1	14.3	5.1
Slovakia	7.0	8.9	10.2	13.7	14.5	15.6	27.0	7.7
Finland <sup>(4)</sup>	27.1	31.3	33.7	34.0	35.1	35.9	17.7	2.4
Sweden	31.6	37.3	37.7	38.0	40.8	40.1	31.9	-1.6
Iceland <sup>(4)</sup>	21.9	23.2	36.2	37.8	42.7	48.4	20.6	13.2
Norway	:	56.4	49.3	49.1	53.4	55.6	18.3	4.2

Source: Own elaboration based on data from the Eurostat.

Discrepancies between the growth rates derived from the 2021 and 2020 values and growth rates reported in the table are due to rounding.

The whole economy includes NACE Rev. 2 sections B to N and P; excluded are the following sections:

"A - Agriculture, forestry and fishing", "O - Public administration and defence; compulsory social security", "T - Activities of households as employers; undifferentiated goods - and services - producing activities of households for own use" and "U - Activities of extraterritorial organisations and bodies".

(: ) not available

(1) Italy: data up to 2021 are not strictly comparable over time due to methodological breaks.

(2) France: the aggregate shown for the whole economy for 2008 also excludes NACE Rev. 2 section P (Education).

(3) Romania: The estimates of the wage and salary /non-wage breakdown are not comparable with the periods prior to 2018 due to changes in national legislation.

(4) Data for 2022 are taken from national sources.



Poland is sixth from the bottom of the table for labour costs, which is its major competitive advantage over Western European and Scandinavian countries. This, coupled with excellent infrastructure, makes Szczecin an ideal location for launching warehouse operations dedicated not only to the Polish market, but also to Scandinavia or Germany. The table below shows pay brackets for warehouse employees in Szczecin:

Gross monthly wages (PLN)		Szczecin	
Sector: logistics		Min	Max
Production worker (unskilled)		3 900	5 300
Production worker (skilled)		4 400	6 400
Sorter		4 875	6 625
Forklift operator		3 900	5 200
Mechanic		4 600	8 200
Electrical engineer		5 100	7 400
Machine operator		4 600	6 200
Shift manager		5 900	9 800
Warehouseman		4 700	6 600
Logistics specialist		8 300	11 600
Logistics manager		14 700	22 500
Manufacturing engineer		10 000	14 000










Source: Cushman & Wakefield, based on Antal's data for H2 2022.



Indispensable additions to the salary are, of course, bonuses and incentives, which we have described in detail in the report **"How to get the hang of e-commerce in warehouses"**



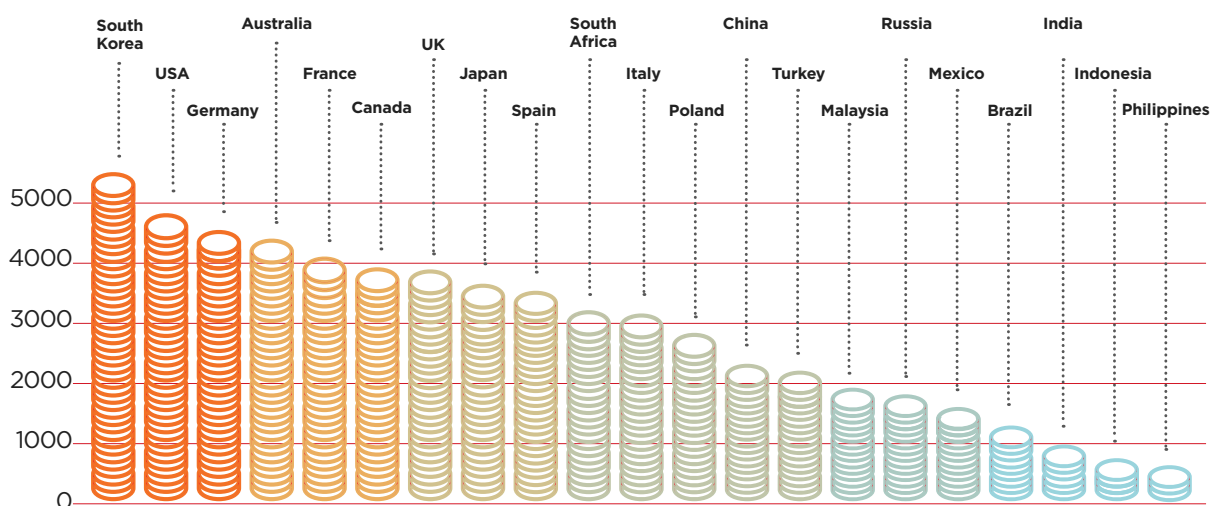
**D**espite the sustained growth in wages in the warehouse sector that have been rising by several percent for many years, the Polish market remains incredibly attractive for international companies also in terms of labour costs. Its competitiveness is best illustrated by a simple comparison of labour costs in Poland and Germany. With the gross wage of PLN 3,900 per unskilled production worker, converted into euros and multiplied as shown below, a warehouse employing 500 staff in Poland is likely to generate annual savings amounting to almost EUR 7 million given the minimum hourly rate of EUR 12.00 in Germany.

Country	Assumed hourly rate	Monthly wage per employee (168 h)	Monthly wage for 500 employees	Yearly outcome for employees
Poland	€ 5,10 	€ 857 	€ 428 400,00 	€ 5 140 800,00 
Germany	€ 12,00 	€ 2 016 	€ 1 008 000,00 	€ 12 096 000,00 
Total savings PL vs. DE			€ 6 955 200,00 	

## THE WEST POMERANIAN VOIVODESHIP AS A EUROPEAN

Although these wage differentials between the two countries are expected to narrow in the future, Poland will continue to be a cost-effective location for warehouses serving not only the Polish market, but also Central and Western Europe. Furthermore, average wages in Poland will remain significantly lower than, for instance, in Germany until 2040, reveals "International Wage Projections to 2040", a report from PwC.

Average wage per month in 2040 (in constant 2017 USD)



Source: <https://www.pwc.co.uk/economic-services/assets/iwp-report-feb-2019-final.pdf>  
Graphic: Cushman & Wakefield

Since Poland's online penetration rate is below 10%, almost three times lower than the rates for Germany or the United Kingdom, this distribution channel still has huge growth potential. This is substantiated by the fact that 31% of Polish consumers are going to shop online as much as possible due to the current crisis - for a vast majority of customers online shopping means savings, lower prices and more price promotions. As many as 67% of internet users say that they are driven to shop online by lower prices offered by e-platforms compared to brick-and-mortar stores, which is a very valuable piece of information against the current market headwinds. E-commerce growth is invariably connected with investing in distribution centres, returns centres and omnichannel warehouses.

Despite many successful e-commerce logistics projects completed in West Pomerania by both online platforms (Amazon, Zalando, Bestseller), online stores (Hultafors, momox), and logistics operators (FIEGE, Rhenus Logistics, DHL Supply Chain), Szczecin still has significant potential for new projects.

**C**lass A warehouses featuring modern technologies are capable of reducing their carbon footprint. Looking ahead, such facilities will become more common since the amended Energy Performance of Buildings Directive (EPBD) foresees that all new privately-owned buildings are expected to be net zero carbon from 2028 onwards. This is why the development of green energy which is likely to become the key competitive advantage of West Pomerania is so important.





# Green **Energy**



## 5.1

## DEVELOPMENT OF "GREEN ENERGY"

## IN OFFSHORE WIND ENERGY

Offshore wind power (OWP) is a relatively new sector in Poland, but its growth potential is gaining importance in light of the European Union's initiatives towards achieving net zero carbon emissions within the EU's social and economic system. The development of OWP is part of the European Green Deal strategy seeking to develop renewable energy production which would replace traditional fossil fuel power generation.

With its direct access to the Baltic Sea and the presence of many companies catering for the offshore wind power sector, West Pomerania will play an important role in this process. OWP projects have massive potential for both contributing to reducing carbon footprint and boosting the social and economic development of the region and the whole country through the development of other sectors of the marine economy, Industry 4.0 manufacturing and energy (grids, warehouses).

# The Baltic Sea

*is considered one of the best bodies of water  
for wind energy development.*

is considered as one of the best sea basins for offshore wind power projects.

Europe

**220 - 440 GW**

the estimated installed offshore wind capacity in the EU by 2050.

Poland

**11 GW**

the estimated installed offshore wind capacity of projects to be developed in the Polish part of the Baltic Sea in the next 20 years according to the "Polish Energy Policy until 2040". This value will probably be revised upwards due to a number of external factors, including the rising costs of electricity production from hydrocarbon sources.

**> PLN 100 bn**

the estimated cost of building seven wind farms. This will open up growth opportunities for many companies from such sectors as manufacturing, construction, services and R&D.

**I**n 2021, programmes supporting OWP development were implemented for both Szczecin and West Pomerania. Action was taken to preliminarily assess the potential of Szczecin and the entire region for offshore wind energy as part of the offshore sector. The assessment of the investment potential was based, among other things, on the three main criteria: spatial, organizational and functional. For over ten years West Pomerania has been offering investors both individual sites in various locations and large infrastructure-ready areas suitable for locating many companies from various industries.

#### 8 Segments of the polish owp sector - the functional criterion

- ✓ Maritime structures
- ✓ Vessels of the future
- ✓ Transport and logistics
- ✓ Servicing and repairs
- ✓ Energy transmission and storage networks
- ✓ Production of construction materials and new materials for energy storage
- ✓ Research, development and innovation - research at universities and implementations in companies
- ✓ Vocational education

#### The Baltic Sea

**60 GW**

the estimated installed offshore wind capacity in the Baltic Sea (2.5 GW as at the end of 2019).

#### Poland

**2026 / 2027**

planned launch dates for the first wind farms

**GUARANTEED  
SUPPORT**

through the signature of agreements on covering the negative balance for the first set of wind farms to be built by five investor groups: GE / Orsted, Polenergia / Equinor, Orlen / Nordland Power, RWE, OW Offshore.

# BALTIC POWER WIND FARM AND VESTAS WIND TURBINE COMPONENT FACTORY

## Baltic Power in Świnoujście

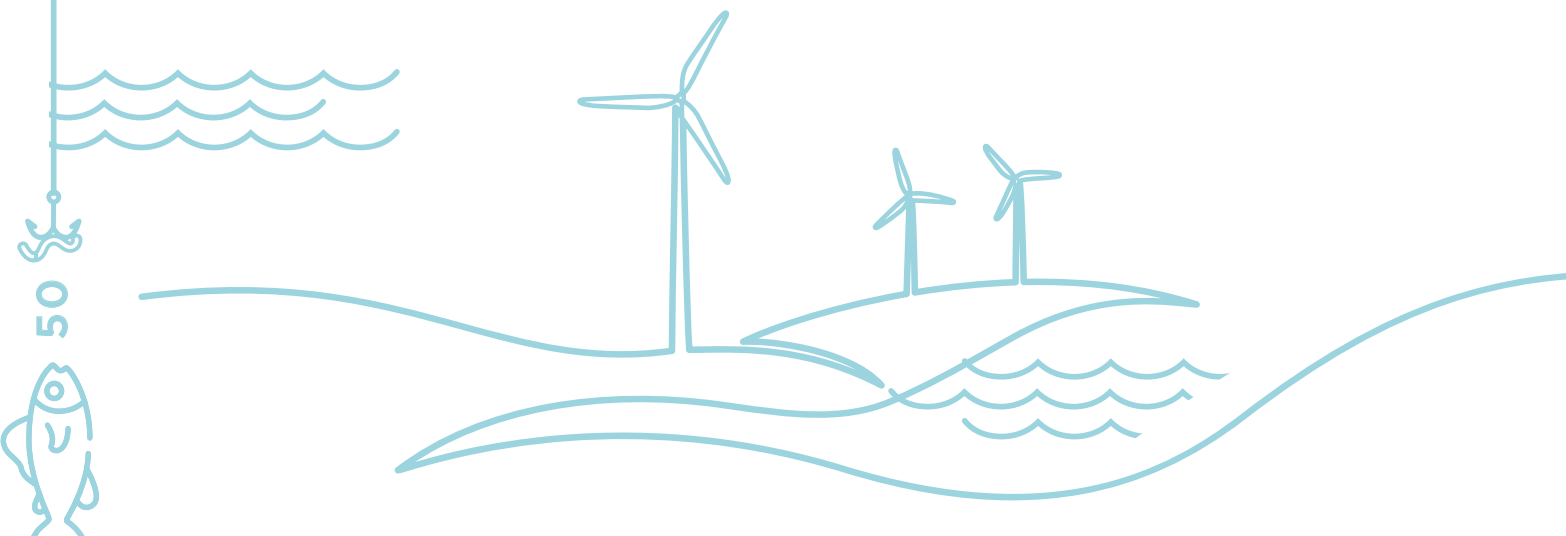
Poland's first installation terminal will be located in Świnoujście as part of a joint venture of the ORLEN Group and Northland Power. Baltic Power is the most advanced offshore wind farm construction project in the Polish part of the Baltic Sea. In 2022, the company secured contracts for the production, transportation and installation of all key components for the project. In early 2023, Baltic Power obtained the first required building permit for the onshore part of the project, which was also the first decision of this type issued for offshore wind power projects in Poland. Obtaining the permit for onshore construction was one of the milestones required to make a final investment decision and to begin building the wind farm in 2024.

- Upon completion in 2026, the Baltic Power offshore wind farm with a total capacity of up to 1.2 GW will be able to supply clean energy to over 1.5 million households.
- The farm will occupy an area of over 130 sq km, approximately 23 km north of the Baltic Sea coastline, off the coast of Łeba and Choczewo.
- Each of the two available wharves will allow for an initial installation of wind turbine towers more than 100 metres high and weighing about 1,000 tonnes each.
- The length of each wharf (250 metres) will suffice to accommodate the operation of the largest specialized jack-up vessels available for installing offshore wind farm components.
- The port is expected to commence operations in 2025 and will employ around 100 people for the installation work.

## Vestas in Szczecin

Offshore wind farm components, including turbines manufactured by Vestas, will be delivered to the approximately 20-hectare Baltic Power installation terminal site in Świnoujście. The first Baltic Power project will feature components for 76 modern turbines, each with a capacity of 15 MW, supplied by Vestas.

Vestas also decided to build a factory in Szczecin which will assemble turbine nacelles and hubs. The facility will supply components to the Polish and global markets. The factory is expected to start operations in the second half of 2024 and to create between 600 and 700 jobs. Thus, it will be the largest manufacturing plant in Poland focusing on the offshore wind farm sector. The contract with Vestas on the Baltic Power project provides for the supply and installation of the turbines and the provision of a full range of maintenance services for up to 15 years.



# WHAT WILL THE TIDE BRING?

## Modern industrial parks

A survey carried out by C&W which looked at all occupancy and operating costs in a 10,000 sq m warehouse with 50 employees and 480 MWh of annual electricity consumption has revealed that such costs in Poland are 34% lower than in the Czech Republic, 74% lower than in Spain and as much as 62% lower than in Germany. These figures speak volumes and are likely to incentivize other companies to follow in the footsteps of the international market players referred to in this report and to open sustainable and net-zero carbon warehouse facilities that will create new jobs and fit into West Pomerania's landscape.



## Cross-border e-commerce

Cross-border e-commerce - Reports of the demise of e-commerce are greatly exaggerated. Online retail sales are expected to continue to grow to an estimated USD 7.5 trillion in 2025 and, despite falling back to pre-pandemic levels, they are still on a double-digit growth trajectory. Growth forecasts for CBEC are even more optimistic, with a CAGR of 25.8% between 2022 and 2030. Cross-border e-commerce requires a strong logistics network and experienced employees capable of swiftly picking, packing and shipping goods against very tight schedules. Hence the importance of border proximity, hubs of leading courier firms and efficient warehouse employees – the Szczecin area boasts all of these attributes. IKEA, Lidl and Zalando - the three top European cross-border players - have already set up distribution or production centres in West Pomerania, but the potential for more is enormous.



## CONCLUSION

## WHAT WILL THE TIDE BRING?

## Nearshoring

**N**earshoring - Before the pandemic, nearshoring, reshoring and friendshoring were just theoretical concepts in global supply chain management and were used primarily in discussions about general transition management. Now, in the aftermath of the pandemic and hostilities in neighbouring Ukraine, the relocation of assembly and manufacturing plants closer to the final production place or consumer markets is no longer just a buzzword but a real phenomenon which is expected to gain traction on the Polish warehouse market. West Pomerania, which is located in the immediate neighbourhood of the Scandinavian and German markets and provides access to all modes of transport (road, rail, air and sea) is likely to be one of the greatest beneficiaries of this trend.



## Wind power growth

**W**ind power growth - Wind power, which accounts for around 2% of total electricity supply, is at the global forefront of green technologies. Although it has a tiny market share compared to other new renewable energy technologies, its technology is developing well ahead of traditional energy technologies and traditional renewable energy sources. West Pomerania is already seeing large-scale wind farms being established and is a clear leader in terms of economic potential for wind power with 14,000 MW, 40% ahead of Pomerania and Lower Silesia. The projects mentioned in this report will strengthen this potential by making a huge contribution to sustainable energy production and creating new jobs to meet their own requirements and the needs of an extensive network of sub-suppliers who will be setting up their own assembly and manufacturing plants and distribution centres in the region.

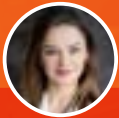




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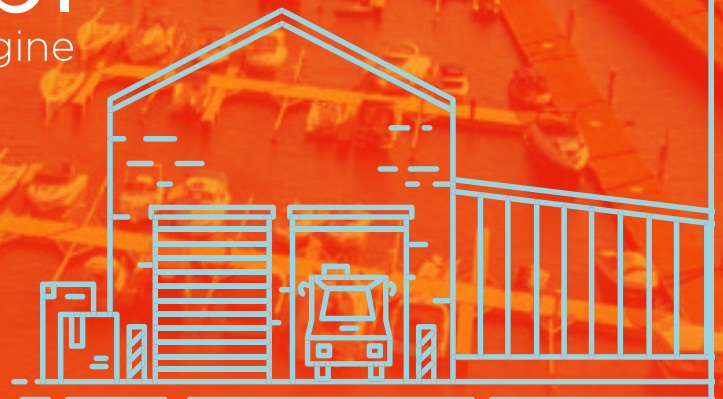
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