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Activation of Investment Processes in the Context of Operation of Special Economic Zones in Poland

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Abstract:

Purpose: *The paper aims to present the potential of activation of investment processes in special economic zones in Poland.*
Design/Methodology/Approach: *The study's general purpose was to diagnose the status of investments in projects implemented by companies as part of special economic zones in Poland. The study was carried out by analyzing reports of special economic zones forming a part of the Polish Economic Zone. Two economic zones were selected for analysis, namely the Katowice Special Economic Zone (KSEZ) and the Pomorze Special Economic Zone (PSEZ). These zones clearly differ concerning the permissible level of regional aid. Data from the years 2014-2019 were analyzed on account of the introduction, in 2014, of the so-called new map of regional aid for years 2014-2020.*
Findings: *This paper is devoted to the issue of investments and the basic terminology accompanying it. Definitions and main types of investments were specified, and results of studies about the activation of investment processes in special economic zones for the benefit of the region between 2014 and 2019 were presented. Enterprises investments are dominant in analyzed zones. Simultaneously, more companies invest in KSEZ, huge ones. The SME sector's interest in both zones is comparable, resulting from too high amounts that must be invested in making use of the SEZ aid.*
Practical Implications: *The current legal solutions and the applicable quality requirements increase the significance of special economic zones in forming growth and development processes based on a set of criteria relying on sustainable attributes. Both the instrument of special economic zones and their operation concept contribute to the formation of sustainable processes in the actual sphere. Liquidation of territorial restrictions offers an impulse to create an investment climate and the possibility of its use by all local governments to activate local investment zones and primarily the opportunity for such an instrument to be used by every company that is developing and investing.*
Originality/Value: *The article is, hence, an attempt to fill the gap in creating an investment climate. Furthermore, studies concerning corporate investments in special economic zones may be an important source of information that enterprises can apply to determine further development areas.*

Keywords: *Investments, economy, special economic zones, region.*

JEL classification: *P2, F2, L6, O1, R1.*

Paper type: *Research article.*

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1. Introduction

In the modern world, investments are a major driver of economic growth. They are essential in the strategy of every entity that wishes to prosper in its respective area of operation. Investments foster progress, modernity, and dynamism. Simultaneously, investments are the relinquishment of the well-known present time and an opportunity to accomplish significant benefits in the future. Thanks to them, civilization progress is kept up entities are striving for ever-higher standards, they are setting new and ambitious goals that make them worthy of emulation. Multiple aspects make up the significance of investments. They usually entail the engagement of significant amounts of finances, which, as a rule, speaks for choosing a reasonable source of financing; furthermore, they refer to important decision-making areas, both concerning the choice of an efficient project variant, as well as the separation of responsibility centers. The paper aims to present the potential of activation of investment processes in special economic zones in Poland.

2. Literature Review

Investments and innovations are one of the most important drivers of economic growth and progress. Their level determines the rate and scope of technological changes taking place and directly influences the economic structure and the layout of comparative advantages of a region (Kłysik-Uryszek, 2010). Regional innovation policies (Arnold, 2004; Edler and Fagerberg, 2017; Schot and Steinmueller, 2018; Edquist, 2019; Arrona and Zabala-Iturriagagoitia, 2019; Kern, Rogge and Howlett, 2019) are part of a wider response of regions to current and future development challenges (Shenoy, 2018; Diercks, Larsen, and Steward, 2019).

The starting point for exploring the core of investments is defining this concept. In compliance with the Accounting Act, investments are assets acquired to derive economic benefits resulting from growth in the value of such assets, the accomplishment of revenues in the form of interest, dividend (shares in profits), or other gains, including also from commercial transactions and in particular financial assets, real property and intangible and legal assets which are not used by the entity, but were acquired to accomplish such benefits. Reference books feature numerous definitions of investments. They are often treated as capital outlays, which are aimed at bringing specific effects. When analysing the definition in question, investments are understood as outlays for the creation of new or increase in the existing resources of fixed and current assets, outlays on technical and organizational progress, improvement of employees' qualifications, promotion, and advertisement, as well as the purchase of shares or stocks of other units (Kurek, 2000, p. 10). Using colloquial language, an investment is "[...] engaging in something with a current value in the hope of receiving future benefits" (Kurek, 2000, p. 10). The benefits may adopt various forms. This may increase profit and increase in the level of modern production, improvement of reputation, the competitiveness of entity, etc. According to J. Hirschleifer, "investment is, in fact, present-day renunciation for the sake of future profits. However, the present-day is relatively well-known, whereas the future is a mystery. It may also be noted that an investment is a renunciation of a certain thing for an uncertain profit” (Felis, 2005, p. 10). Reference books feature definitions of investments according to two concepts (Manikowski, 2001a, p. 15):

- monetary: seen as movement of money (in the form of expenses on tangible and financial items, expenses on research and development, education, advertisement),
- tangible: seen as movement of assets (in the form of change of stock, equipment, purchase of production plants).

Some of the aforementioned definitions show the multitude of concepts and their diversity on account of researchers' specific goals. Given that the investment processes of an enterprise comprise numerous actions, they may be classified on account of numerous criteria. The basic division of investments includes financial, intangible, and tangible investments. Financial investments are related to the market of securities. They usually refer to entities with sufficiently considerable and free capital to assign it to purchase shares, bonds, or deposits. Intangible investments are indirectly related to the emergence of material assets and financial operations, and they usually encompass research and development, training of personnel, social facilities, and promotion. They form an important element supplementing an entity's entire development operation (Manikowski, 2001a, p. 17). However, another type of discussed investment is tangible investments. They are usually manifested by the increase or exchange of material components of fixed assets of a unit. Components of tangible investments include (Manikowski, 2001a, p. 17):

- new investments,
- extensions,
- modernisation,
- replacements.

Concerning the presented classifications, one can also indicate that there are also such types of investments as (Kurek (ed.), 1998, pp. 10-11):

- production investments encompass outlays made on replacement and growth of fixed assets used to manufacture goods and material services. This outlay typically take place in the industry, construction, agriculture, transport, communication, and trading in commodities,
- non-production investments, including outlays made on non-production divisions in the economy, i.e., outlays on residential and municipal development, social and cultural facilities, education and science, administrative institutions, etc. From the perspective of the assessment of investment efficiency, W. Kurek presents a division of non-production investments into the ones with a quantifiable effect concerning the value and whose effects cannot be expressed in value. The first group features such investments as hotels, sewage treatment plants, reservoirs, and intake points

of potable water and water for industrial purposes, along with technical infrastructure. By assumption, they should be profitable; therefore, nothing stands in the way of examining their efficiency (Kurek, 2000, p. 70). The second group includes such projects that encompass social consumption, namely: hospitals, schools, culture, and art facilities, etc. In this case, it is possible to determine the so-called social benefits which are subjectively imbued with values and "assessed",

– infrastructural investments: these are investment outlays on all types of devices necessary to ensure the national economy's proper functioning. These may be outlaid on technical infrastructure (devices supplying people with water, energy, transport, communication) and outlays on social infrastructure (health and environment protection facilities, cultural facilities).

The significance of investments results from several causes. First, they usually entail the engagement of significant funds. Oftentimes, investments require extended time to bring effects, which is accompanied by uncertainty and risk. Decisions once made are difficult to change if it turns out that they are not useful. The difficulty of such decision is mirrored by liability with which it is encumbered: "[...] the accuracy of choices made, both concerning profitability and minimization of investment risk, is primarily the function of the state of knowledge about the core, methods, and procedures of making investment decisions" (Gostkowska (ed.), 1999, p. 7). In line with these findings, it is necessary to apply proper criteria practically, principles, and methods of economic and financial assessment of the examined directions and forms of investing (Adam and Goyal, 2008; Anderson, Duru, and Reeb, 2012; Dudley, 2012; Elsas, Flannery, and Garfinkel, 2014; Grundy and Verwijmeren, 2020). Special economic zones have a significant share of investment outlays, which influence the activation of economic development of a region.

Special Economic Zones (SEZ) are areas of industrial use. They have separated administratively between 1995 and 1997 under the Act on special economic zones of 20 October 1994. SEZ is managed by economic operators acting as limited liability companies or joint-stock companies. Entrepreneurs can operate there on preferential terms. However, such terms were changed several times, primarily due to Poland's accession to the EU. At that time, the state-guaranteed benefits to entrepreneurs who invested and created new jobs in special economic zones. These zones became a "magnet" for investors (Salejko-Szyszczak, 2012, pp. 211-212).

A special economic zone (SEZ) is a separated and uninhabited portion of the country's territory, where business activity can be conducted on preferential terms, thanks to the public aid granted by the state (among others in the form of exemptions from income tax). The original goal of special economic zones was the equalization of regional development levels because of system transformation, during which costs were often transferred to the society and the environment. The condition for the use of public aid by an enterprise was the receipt of a permit for an operation conducted in the zone (Ge, 1999; Aggarwal, 2006; Akinci and Crittle, 2008; Gupta, 2008;

Farole, 2011; Cheesman, 2012; Gareev, 2013; Wang, 2013; Moberg, 2015; Sosnovskikh, 2017; Alkon, 2018; Yang, Wang, and Liu, 2019).

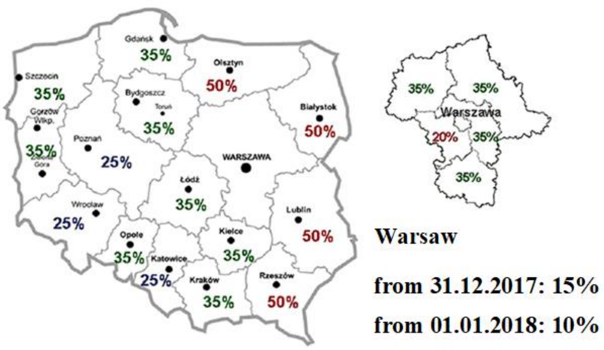
SEZ was set up in Poland to stimulate the economic development of regions less attractive for investors, struggling with a high level of structural unemployment and where industry restructuring processes took place. Consequently, they are dominant in industrialized areas and were set up thanks to the available infrastructure (Pastusiak, 2011, p. 2000).

Special Economic Zones, as separated and uninhabited parts of the country, are aimed at (Sitek, 2016, p. 286):

- accelerating economic development in the zone;
- creating new jobs;
- attracting foreign investors to Poland, whereas business activity is conducted in their area on preferential terms.

Now, SEZ occupies an area of approx. 25,000 hectares, i.e., 0.08% of the country's surface area, whereas administratively, they cover the entire country as part of the Polish Investment Zone (PIZ). As of 1 July 2014, the so-called new map of regional aid for years 2014-2020 has been applicable in Poland, in line with which the maximum intensity of regional aid is shaped as presented in Figure 1. For the SME and micro-companies' sectors, the intensity of aid increases by 10 and 20 percentage points, respectively.

Figure 1. *Permissible level of regional aid in Poland between 2014 and 2020*



Source: *PAIH, https://www.paih.gov.pl.*

Since the moment of Poland's accession to the European Union, special economic zones have been operating in a quite stable legal environment. The currently implemented concept of the "Polish Investment Zone" significantly changes the terms special economic zones are operating. The mode of granting public aid has changed, and the zones have forfeited their hitherto position of regional monopolists concerning the sale of land with public assistance. The new situation poses a challenge for the special economic zones and forces the introduction of changes in hitherto actions. The basic functional purpose of zones is economic activation in the sphere of entrepreneurship and vocational education and cooperation with local governments.

The greatest quality changes about the operation of SEZ were introduced on 30 June 2018. Under the new act, any company in any city or county may apply for tax discounts and preferential terms, both in SEZ and outside of it (taking private land into account). The Act on support for new investments allows for tax exemptions for investors for 15 years in the area covered with the SEZ status and for 10-12 years outside of such area. Exemptions were replaced by aid decisions (issued in an administrative mode), which significantly shortened the waiting time (Barański *et al.*, 2014, and authors' own study).

In 2018, along with a change in the provisions, the fundamental goal of operation of SEZ was also changed, which was defined as stimulation of growth and development processes and location of high-tech investments. The admission criteria were subjected to this goal and extended to quantity (Table 1) and quality requirements (Table 2). Even though aid depends on the size of an investment and the unemployment rate, the quality criteria clearly indicate a direction aimed at directly increasing high-tech investments and creating highly qualified jobs.

Table 1. *Quantity requirements pertaining to investments in special economic zones as of 2018*

Unemployment rate in a poviat as compared to average unemployment rate in Poland		**Minimum investment value**
Up to 60%		PLN 100 million
From 60%	Up to 100%	PLN 80 million
From 100%	Up to 130%	PLN 60 million
From 130%	Up to 160%	PLN 40 million
From 160%	Up to 200%	PLN 20 million
From 200%	Up to 250%	PLN 15 million
Above 250% and in 122 medium-sized cities that are losing their socio-economic functions and in counties neighbouring with such cities		PLN 10 million

Source: *B. Piontek, Specjalne strefy ekonomiczne i ich rozwój w kierunku urzeczywistniania procesów zrównoważenia – ujęcie retrospektywne, "Nierówności Społeczne a Wzrost Gospodarczy", 61 (1/2020), 207-226.*

Quantity requirements were reduced by 80% for medium-sized entrepreneurs, 95% for small entrepreneurs and R&D projects, and modern services for business, IT, and 98% for micro-entrepreneurs. Quality requirements for investments seeking aid are governed by the Regulation of the Council of Minister on public aid granted to certain entrepreneurs for the performance of new investments of 28 August 2018 and were divided according to two criteria: 1) sustainable economic growth criterion and 2) sustainable social development criterion and, as part of these two sets, they encompass the following detailed quality criteria (Table 2).

Table 2. *Quality requirements pertaining to investments in special economic zones from 2018*

Criteria	**Industrial projects**	**Service projects**	**Points (maximum 10)**
A	**Sustainable economic growth criterion**		
1	Investments in projects supporting industries from sectors: high quality food, means of transport, professional electric and electronic equipment, aviation and cosmic, hygiene products, medicines and medical products, machines, recovery of raw materials and modern materials, eco-development, specialist services, ICT services and services compliant with smart specialisation of a province where an investment is planned		1 point
2	Accomplishment of a proper level of sale outside of the territory of the Republic of Poland		1 point
3	Membership in the National Key Cluster	Establishment of a centre of modern services for business with a range exceeding the territory of the Republic of Poland	1 point
4	Conduct of research and development activities		1 point
5	Status of micro, small or medium-sized entrepreneur		1 point
B	**Sustainable social growth criterion**		
1	Creation of specialist jobs for the purpose of business activity encompassed by the new investment and offering stable employment	Creation of highly paid jobs and stable employment offer	1 point
2	Performance of business activity with low adverse impact on the environment (EMAS, ETV or ISO 14001 certificates, GreenEvo laureate status, cleaner production certificate, entry in the Polish Register of Cleaner Production and Responsible Entrepreneurship)		1 point
3	Location of an investment in 122 medium-sized cities losing their socio-economic functions and in counties neighbouring with such cities		1 point
4	Supporting employees in accomplishing vocational education and qualifications and cooperation with industry schools		1 point
5	Taking action within the scope of care for employees		1 point

Source: *Regulation of the Council of Ministers of 28 August 2018 on public aid granted to certain entrepreneurs for performance of new investments, Warsaw, 4 September 2018, item 1713.*

The number of points necessary to receive aid depends on the development condition of the region. Here, a similar criterion was applied to the one that functions concerning the maximum rates of aid (cf. map of aid), namely that more developed regions must receive a higher number of points (Table 3).

Table 3. *Minimum number of points necessary to receive aid as part of special economic zones in individual regions*

Province	**Min. nr. of points to receive aid**	**Maximum number of points to be accomplished**
Dolnośląskie Province	6	10
Kujawsko-Pomorskie Province	5	10
Lubelskie Province	4	10
Lubuskie Province	5	10
Łódzkie Province	5	10
Małopolskie Province	5	10
Mazowieckie Province	5/6	10
Opolskie Province	5	10
Podkarpackie Province	4	10
Podlaskie Province	4	10
Pomorskie Province	5	10
Śląskie Province	6	10
Świętokrzyskie Province	5	10
Warmińsko-Mazurskie Province	4	10
Wielkopolskie Province	6	10
Zachodniopomorskie Province	5	10

Source: *B. Piontek, Specjalne strefy ekonomiczne i ich rozwój w kierunku urzeczywistniania procesów zrównoważenia – ujęcie retrospektywne, "Nierówności Społeczne a Wzrost Gospodarczy", 61 (1/2020), 207-226.*

Moreover, thus, Dolnośląskie, Wielkopolskie, Śląskie, and partially Mazowieckie provinces are regions with the highest quality requirements. In places where the intensity of aid ranges from 10 to 25 percent, an entity applying for aid must meet 6 quality criteria, whereas in the case of aid on the level of 35% - 5 points and 50% - the entity must receive at least 4 points from the quality criteria.

3. Methods and Materials

The study's general purpose was to diagnose the status of investments in projects implemented by companies as part of special economic zones in Poland. The study was an attempt at answering the following questions: What are the possibilities of carrying out investments in special economic zones?

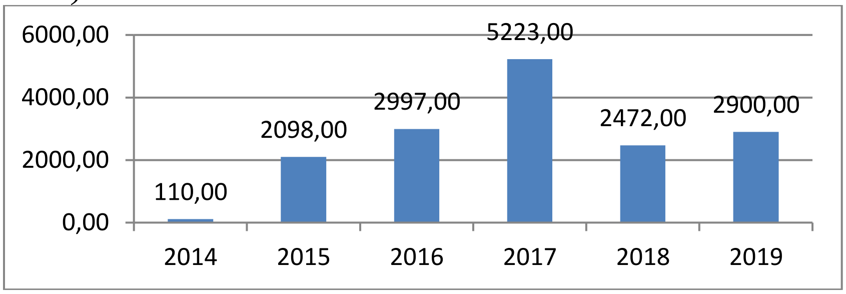
- What size companies most often make use of investments in special economic zones?
- What are the benefits of carrying out investments in special economic zones?

The following research hypotheses were set in the study:

1. Investments carried out by large companies are dominant in special economic zones.
2. Investments in special economic zones contribute to increase in the number of jobs in the region.

The study was carried out by analyzing reports of special economic zones forming a part of the Polish Economic Zone. Two economic zones were selected for analysis, namely the Katowice Special Economic Zone (KSEZ) and the Pomorze Special Economic Zone (PSEZ). These zones clearly differ concerning the permissible regional aid level (Figure 2). Data from the years 2014-2019 were analyzed on account of the introduction, in 2014, of the so-called new map of regional aid for years 2014-2020, conditioning the permissible level of regional aid.

Figure 2. *Value of new investment projects in KSEZ between 2014 and 2019 (data in PLN million).*



Source: *Authors' own study.*

4. Discussion and Results

The Katowice Special Economic Zone range encompasses the Śląskie Province with a surface area of 12,333.09 km². 4,533,600 people inhabit it. It is a province with the highest urbanization level (71 cities) and highest population density (376.6 persons per km2). KSEZ is attractive for new and current investors on account of[4]:

- well-connected network of roads;
- investment areas provided with utilities;
- proper economic environment;
- friendly attitude and support of KSEZ employees and counties at every stage of investment process;
- implementation of educational programmes adjusting the teaching programme to labour market requirements;
- buoyant automotive cluster;
- long and rich industrial tradition of the region.

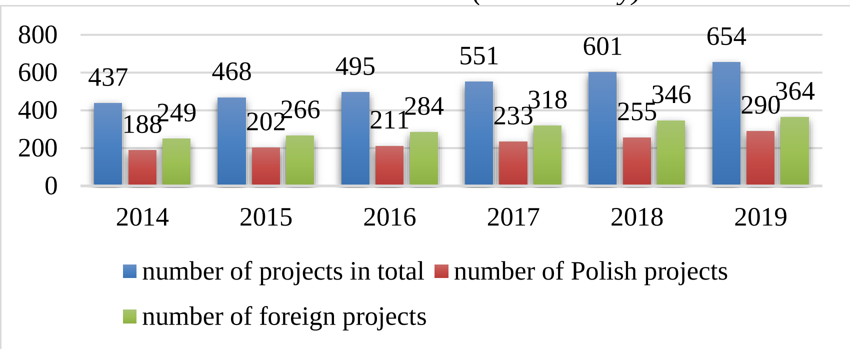
In 2019, it was classified, for the fourth time, as the best economic zone in Poland and the second in the world (after Dubai) by FDI Business Financial Times (fDi's Global Free Zones of the Year, 2019). In KSEZ, the amount of invested capital at the end of 2019 amounted to PLN 36,910,000,000.00. Investment outlays in individual years 2014-2019 are presented in Figure 2. On the other hand, Figure 3 presents the number of projects implemented in KSEZ, taking Polish and foreign projects between

[4] *https://www.ksse.com.pl/strefa-i-region-w-rankingach-1109.*

2014 and 2019. As noticeable, the number of domestic projects is smaller than the number of foreign projects in KSEZ, which is not advantageous.

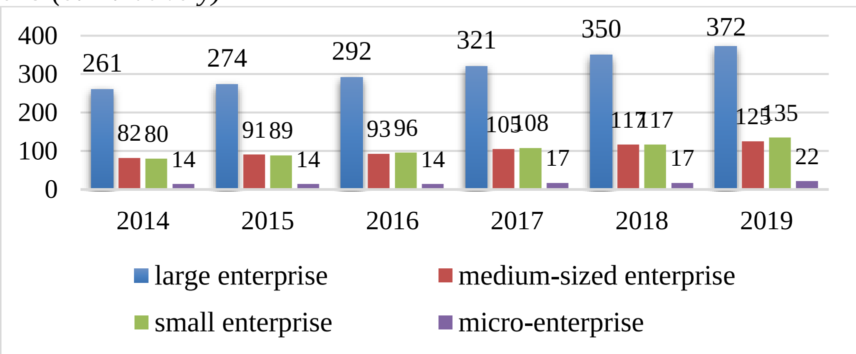
Figure 4 presents the size of companies performing investment projects, whereas Figure 5 shows the number of created and retained jobs thanks to the performance of investment projects in KSEZ in the analysed period. Considering the number of companies in individual size classes implementing investment projects in KSEZ, the dominance of large companies is perceptible. This may result from too high outlays, which small and medium-sized enterprises would have to make to implement projects in SEZ.

Figure 3. *Number of projects implemented in KSEZ, taking Polish and foreign projects into account between 2014 and 2019 (cumulatively)*



Source: *Authors' own study.*

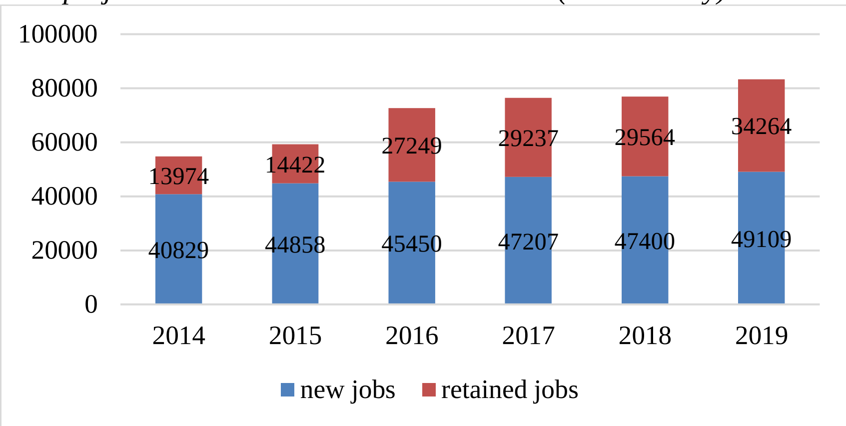
Figure 4. *Size of companies implementing investment projects in KSEZ between 2014 and 2019 (cumulatively)*



Source: *Authors' own study.*

The number of new jobs created thanks to the performance of investment projects in KSEZ grew the most in 2015 and the least in 2018. On the other hand, in retained jobs, the largest change referred to 2016 and the smallest to 2018. Analysing the data above, the greatest growth of investment outlays in KSEZ was recorded in 2017 when, on a year-to-year basis, it amounted to 19.85%, whereas the smallest in 2014 (0.52%), which is presented in Table 4. The number of projects recorded the greatest growth in 2014 (15.30%), the second place was taken by the year 2017 with a growth of 11.31%. The greatest growth of domestic and foreign projects was also recorded in 2014 and subsequently in 2017.

Figure 5. *Number of created and retained jobs thanks to implementation of investment projects in KSEZ between 2014 and 2019 (cumulatively)*



Source: *Authors' own study.*

Table 4. *Growth of individual values in KSEZ between 2014 and 2019 (calculated year to year) (data in %)*

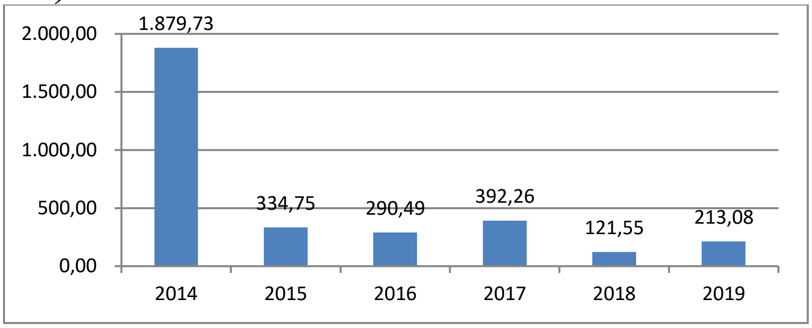
Year	Investment outlays	Number of projects in total	Number of domestic projects	Number of foreign projects	Number of enterprises in total	Number of large enterprises	Number of SME	Number of projects in SME	Number of new jobs	Number of retained jobs
2014	0.52	15.30	16.77	14.22	15.30	16.00	14.29	40.27	3.53	3.96
2015	9.89	7.09	7.45	6.83	7.09	4.98	10.23	41.45	9.87	3.21
2016	12.85	5.77	4.46	6.77	5.77	6.57	4.64	41.01	1.32	88.94
2017	19.85	11.31	10.43	11.97	11.31	9.93	13.30	41.74	3.87	7.30
2018	7.84	9.07	9.44	8.81	9.07	9.03	9.13	41.76	0.41	1.12
2019	8.53	8.82	13.73	5.20	8.82	6.29	12.35	43.12	3.61	15.90

Source: *Authors' own study.*

The Pomorze Special Economic Zone operates in the Kujawsko-Pomorskie Province and in the eastern part of the Pomorskie Province (in total, 226 counties). It manages an area encompassing the following counties: Aleksandrów, Brodnica, Bydgoszcz, Chełm, Chojnice, Gdańsk, Golub-Dobrzyń, Grudziądz, Inowrocław, Kartuzy, Kwidzyn, Lipno, Malbork, Mogilno, Nakło, Nowy Dwór (Pomorskie Province), Puck, Radziejów, Rypin, Sępolno, Starogard, Sztum, Świecko, Tczew, Toruń, Tuchola, Wąbrzeźno, Wejherowo, Włocławek, Żnin and cities with poviat rights Bydgoszcz, Gdańsk, Gdynia, Grudziądz, Sopot, Toruń, Włocławek (Regulation of the Minister of Entrepreneurship and Technology of 29 August 2018 on determination of areas and assigning them to managers).

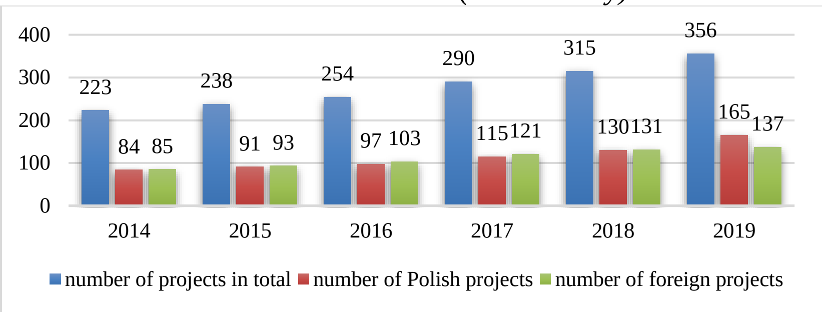
In PSEZ, the amount of invested capital at the end of 2019 amounted to PLN 15,273,857,740.29. Figure 6 presents the value of new investment projects in PSEZ in individual years between 2014 and 2019 (in PLN million).

Figure 6. *Value of new investment projects in PSEZ between 2014 and 2019 (data in PLN million).*



Source: *Authors' own study.*

Figure 7. *Number of projects implemented in PSEZ, taking Polish and foreign projects into account between 2014 and 2019 (cumulatively)*

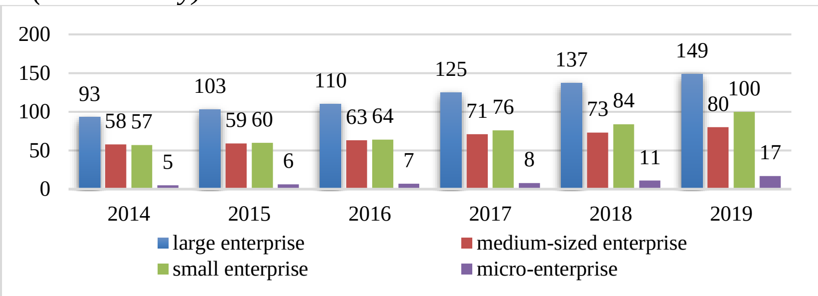


Source: *Authors' own study.*

Figure 7 presents the number of projects implemented in PSEZ, taking Polish and foreign projects into account between 2014 and 2019. Until 2018 inclusive, foreign projects were slightly dominant concerning domestic projects in PSEZ. In 2019, the proportion changed to the advantage of domestic projects. Considering the size of enterprises implementing investment projects in PSEZ between 2014 and 2019 (Figure 8), it should be noted that similarly to KSEZ, large companies are also dominant here.

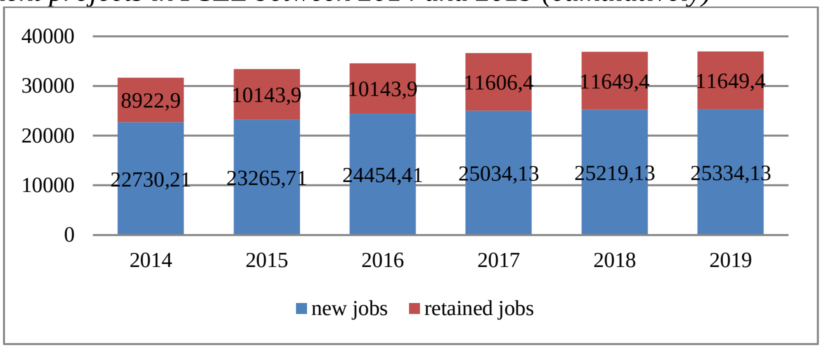
The number of created and retained jobs thanks to the performance of investment projects in PSEZ between 2014 and 2019 (Figure 9) indicates that the highest growth in the number of new and retained jobs took place in 2014 (Table 5). In the case of new jobs, such growths were the smallest in 2018 and 2019. In the case of retained jobs, there was no such growth at all in 2016 and 2019.

Figure 8. *Size of companies implementing investment projects in PSEZ between 2014 and 2019 (cumulatively)*



Source: *Authors' own study.*

Figure 9. *Number of created and retained jobs thanks to implementation of investment projects in PSEZ between 2014 and 2019 (cumulatively)*



Source: *Authors' own study.*

When analyzing data about investments in PSEZ (Table 5), the largest growths of investment outlays were recorded in 2014, when their growth year by year amounted to 15.60%, whereas the smallest in 2018 (0.80%). The number of projects grew most in 2014 (19.28%); the year 2017 was in second place with a growth of 14.17%. The greatest growth of domestic and foreign projects was also recorded in 2014 and subsequently in 2019.

Table 5. *Growths of individual values in PSEZ between 2014 and 2019 (calculated year to year) (data in %)*

Year	Investment outlays	Number of projects in total	Number of domestic projects	Number of foreign projects	Number of enterprises in total	Number of large enterprises	Number of SME	Number of new jobs	Number of retained jobs
2014	15.60	19.25	27.27	26.87	6.73	36.76	10.09	19.52	19.14

2015	2.40	6.73	8.33	9.41	6.72	10.75	4.17	2.36	13.68
2016	2.00	6.72	6.59	10.75	14.17	6.80	7.20	5.11	0.00
2017	2.70	14.17	18.56	17.48	8.62	13.64	15.67	2.37	14.42
2018	0.80	8.62	13.04	8.26	13.02	9.60	8.39	0.74	0.37
2019	1.40	13.02	26.92	4.58	3.65	8.76	17.26	0.46	0.00

Source: *Authors' own study.*

5. Conclusions

Summing up, enterprises are dominant in analysed zones. Simultaneously, more companies invest in KSEZ, huge ones. The SME sector's interest in both zones is comparable, resulting from too high amounts that must be invested in making use of the SEZ aid. As noted, after introducing the Act on support for new investments of 10 May 2018, relations between foreign and Polish investments in both analyzed zones definitely improved concerning domestic investments. In the new legal order, a clear improvement in the number of projects' ratio is noticeable to the advantage of domestic capital investments.

Simultaneously, it can be noted that there are certain risks related to the quality and quantity requirements resulting from the new legal requirements, which may harm the inflow of direct investments and may:

- be too high for SMEs,
- limit re-investments, which are characterised by high technological advancement, however the total amount of investments is smaller than in the case of new investments; thus, the process of expansion of small R&D may be limited,
- give rise to the consequences of failure to fulfil quantity requirements and may cause investments being "pushed" to other countries,
- result in the fact that certain industries will have no possibility of using the "zone aid" in such cities where the unemployment rate is below 60% of the national average.

Despite such threats, it must be stated that along with a change in the provisions, the state departed from the idea of indicating a place to conduct business to receive tax preferences. Liquidation of territorial restrictions offers an impulse to create an investment climate and the possibility of its use by all local governments to activate local investment zones and primarily the opportunity for such an instrument to be used by every company that is developing and investing.

6. Limitations

Without a doubt, the fact that only two special economic zones, i.e., Katowice and Pomorze, were taken into account in this study is definitely its limitation. Nevertheless, the mechanism is representative because both zones function in the same legal order, i.e., the mechanism of availability of zone preferences is the same.

Analysis of data about a higher number of zones would definitely allow for a better indication of the significance of SEZ investments for the activation of investment processes in Poland.

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