

Business Services
and ICT Sector in Lublin



**Report prepared for Lublin City Hall
by the Association of Business Service Leaders (ABSL)**

in cooperation with:
Jones Lang LaSalle, HAYS Poland



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Lublin inspires business

Lublin is a fast growing city with a population of almost 350,000 – the largest in eastern Poland. It is a strong, supra-regional academic, cultural and economic center. Lublin is increasingly becoming a presence on the Polish map of business services and ICT sector, and an attractive location for businesses operating in these industries.

Among the strengths of the city, one should mention:

- 1** relevant availability and high quality of human resources,
- 2** competitive level of salaries in comparison with other cities in Poland,
- 3** dynamic development of the office space market, characterized by lower rents in comparison with other cities in Poland.

Lublin in a Snapshot

Population (2012):

347,678

Modern office space:

110,400 m²

Students
(academic year 2013/2014):

74,993

Modern office space under
construction:

14,500 m²

Graduates (2012):

23,646

Level of mean market
rents:

11-12
(€/m²/month)

Driving forces: human capital and transport infrastructure



Human capital – Lublin is a city of young people, who are educated, fluent in foreign languages and ready to face the challenges created by employers in the sectors of modern business services and ICT. Lublin boasts 75,000 students. Nine universities and colleges, offering a wide range of courses, guarantee access to graduates in economics, foreign languages and IT – sought by business service centers and ICT companies. Each year, 20,000 highly skilled graduates with specialties in various fields enter the labor market. Support for the development of the IT sector in Lublin is described by the project “Lubelska Wyżyna IT”, implemented by the City Council of Lublin at creating the with ICT Eastern Cluster. The initiative is aimed at emphasizing the potential of the IT industry in Lublin and creating a friendly climate for the sector in the city.



Transport infrastructure – Lublin is served by Lublin Airport LUZ, located 12 km east of the center of the city. The airport has operated since December 2012. In 2013, it served 189,699 passengers. Lublin Airport LUZ ensures fast access to European cities such as London, Oslo and Dublin. In addition, the largest airport in Poland – the Warsaw Chopin Airport – is located only 185 km from Lublin. Lublin lies at the crossroads of important international transport routes. The city is well connected, e.g. with Warsaw, by railway and roads. Investments in the development of transport infrastructure are making it more accessible with each year.

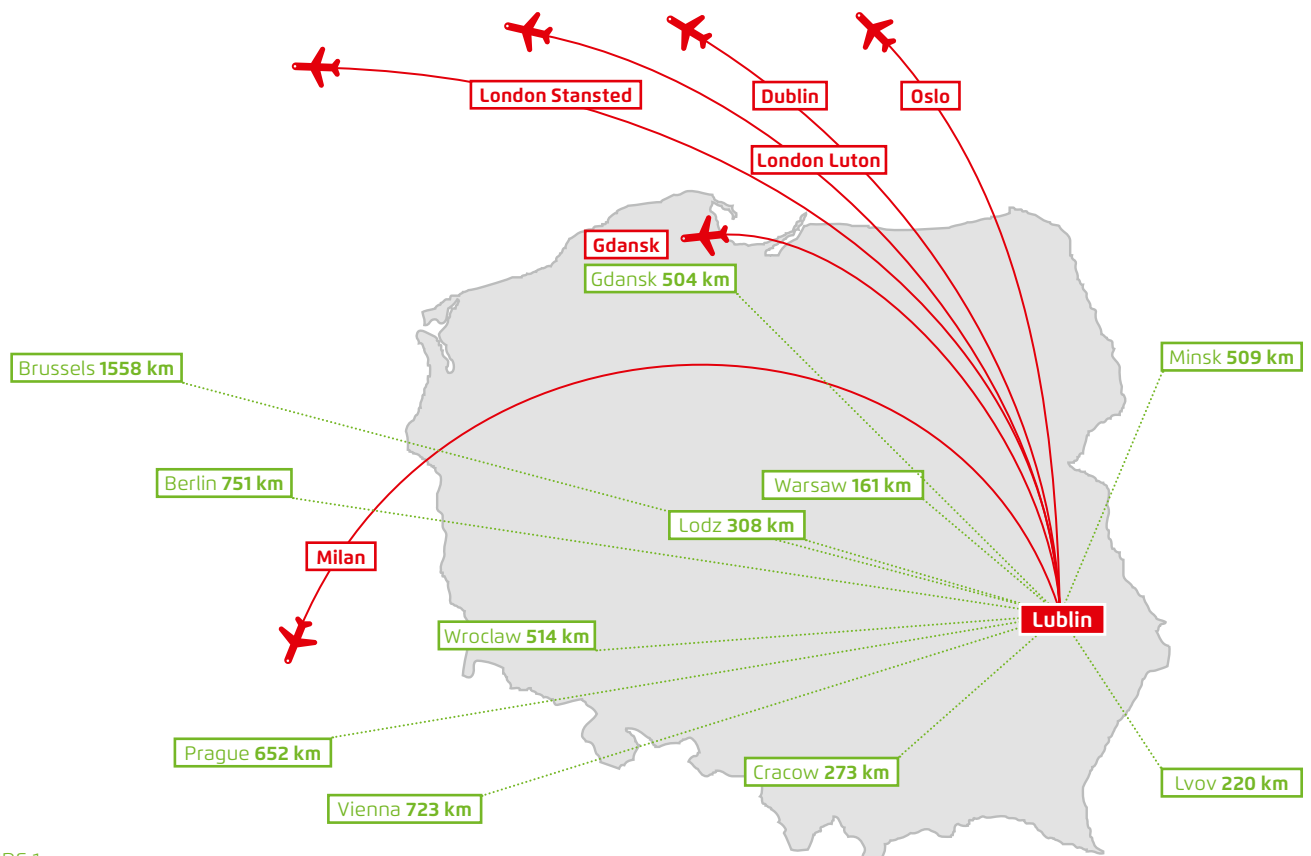


FIGURE 1
Lublin Airport – map of regular flights and distance to selected cities

Source: Own study, based on www.airport.lublin.pl/dla-podroznych/planowanie-podrozy/mapa-polaczen.html

Service centers in Lublin

Business service centers¹ located in Lublin employ over 3,000 people - the majority of whom have been hired by companies with foreign capital. Globally recognized companies with BSCs in Lublin include Genpact and Orange. Customer contact centers of major companies with Polish capital such as PKO BP also operate in the city. Among other companies with over 150 employees in their centers in Lublin are Warta, Proama and Alior Bank. Since 2012, employment in Lublin's service centers has increased by over 500, due to new investments. In addition, the already existing entities have grown. The business processes supported by the largest number of workers in Lublin's SCs are customer relations, finance and accounting.



Genpact



Genpact Limited [NYSE: G] is one of the world leaders in the field of transformation, business process and operations management. Since 2008, the Lublin-based office – one of the company's three locations in Poland – has been successfully providing business process outsourcing (BPO) services in the following areas: finance and accounting (F&A), supply chain management, client support, as well as the development of banking-based office services.

Opened in 2008, Genpact's Lublin site employs over 180 qualified specialists who partner with international companies from the Czech Republic, Austria, Poland, Slovakia, Germany, and Russia. Genpact Lublin provides services to clients including AstraZeneca, Delphi, Prologis, SABMiller, and UCB.

The Lublin-based Genpact office distinguishes itself in the market by being centrally-located and by providing client services in a broad range of languages including Czech, English, German, Polish, Russian, and Slovak. These capabilities also ensure a seamless and effective communication with international clients due to lack of cultural differences.

Genpact's Lublin site also employs highly-educated staff, with more than 90% of employees holding Master's degrees. The location of the office also offers several advantages: a high percentage (40%) of citizens under the age of 35, expanding infrastructure, and lower cost real estate in comparison to other major Polish cities. All of this enables Genpact to grow further and expand its client portfolio.



Accounting Operations Center – Orange



The Accounting Operations Center launched full operations in October 2006 in Lublin. Lublin was chosen from among eight locations throughout the country. The decision followed a detailed analysis of the main selection criteria: workforce availability, access to TP property in individual cities, the cost of maintenance, access to adequate infrastructure and good cooperation with local authorities. Transport links with Warsaw was also important. Lublin is also a large academic center, which enables the acquisition of skilled personnel.

The Accounting Operations Center has twice received awards at the prestigious SSON Excellence Awards for EMEA. In 2009, as the best Shared Service Center operating for at least three years, and in May 2013, as the best service center in the category of "Excellence in Culture Creation".

¹ BPOs, SSCs and Contact Centers. IT companies providing outsourcing services are discussed in the chapter "The ICT Sector in Lublin".

Service centers in Lublin

TABLE 1
The biggest BPOs, SSCs and Contact Centers in Lublin

Entity	Center type	Operates since	Employees	Description of activity
Genpact	BPO	2008	>180	The center provides business process outsourcing (BPO) services for international customers in the field of finance and accounting (F&A), supply chain and procurement, customer service and building banking back office services.
Orange (COK)	SSC	2006	>180	The center provides financial and accounting services to companies from the Orange Poland group.
Orange (Orange Customer Service)	Contact Center	2010 (earlier TP S.A. call center)	>1200 (including 500 on time employees)	The Lublin center provides comprehensive call-in services to corporate and individual customers of Orange Poland. It is the largest division of the company providing these services in Poland.
PKO BP	Contact Center	2004	>450	PKO BP bank call center. The branch provides comprehensive telephone and e-mail services to customers of PKO BP and group companies in Poland and abroad.
Warta	Contact Center	2009	>250	The Warta 24-hour Emergency Center offers customer contact services to one of the largest insurers on the Polish market.
Proama	Contact Center	2012	>250	Customer Service Branch and IT department - Proama.
Alior Bank	Contact Center	2013	>170	Customer Relations office - Alior Bank.

Source: own by ABSL

The ICT sector in Lublin

There are over 750 ICT companies in Lublin. This means that the city stands out when compared with other similar-sized urban centers in Poland with a similar population. In Lublin, the number of ICT companies per 10,000 inhabitants is relatively high. 2009-2012 saw highly dynamic growth of IT and ICT companies. The number of IT companies during this period increased by up to 50%, and the number of ICT businesses by 45%. This was among the largest developments of any large city in Poland.



Definitions and methodology

It is assumed that the ICT sector is made up of the following sections of the Polish Classification of Activity (PKD) 2007:

- 61 – Telecommunications,
- 62 – Software-related activity, IT consultancy and related activities,
- 63.1 – Data processing; website management.

The IT sector is formed by enterprises included in the ICT sector, with the exception of section 61 PKD 2007 – (Telecommunications)

Due to the availability of information, analysis based on CSO data (intercity comparison) on the IT and ICT sectors has been narrowed in accordance with sections 62, and 61 and 62, respectively. Thus, there is no discussion of activity in production, trade (retail and wholesale) or the media sector.

The results of the study are partly based on individual results of a survey of ICT businesses (n=16), a systematic review of corporate websites, and on an online job offer analysis (as available via the websites Pracuj.pl, Tablica.pl, JobIT.pl).

Lublin's ICT potential

Among the 750 ICT companies, over 50 enterprises employ more than 9 persons. Four of them employ at least 100 staff. The largest IT company in Lublin is Asseco Business Solutions.

Overall, ICT workers in companies which employ more than 9 persons² amount to over 2,100 of the city's workforce. About 1,400 people work in ICT microcompanies. There is a total of circa 3,500 people working in the ICT sector. Moreover, a significant number of IT professionals are employed in other companies and institutions. The authors of the study "Lubelska Wyżyna IT" (2012) estimate that the number of ICT specialists in the city exceeds 5,000.

A clear majority of Lublin's ICT companies are small and mid-sized companies. A large portion offer niche products, e.g. one4all solutions offered by Syntea Business Solutions.

² Further in this section, the focus is on companies employing over 9 staff.

No. of IT companies (section J, part 62)		No. of IT companies per 10,000 inhabitants		Rate of increase in no. of IT companies (2009-2012, where 2009 = 100)	Number of ICT companies section J, parts 61 and 62)		No. of IT companies per 10,000 inhabitants		Rate of increase in no. of ICT companies (2009-2012, where 2009 = 100)
2009	2012	2009	2012		2009	2012	2009	2012	
440	658	12,6	18,9	150	528	764	15,1	22,0	145

Source: GUS (Central Statistical Office) Local Data Bank data

Innovation and maturity of the Lublin ICT market

The Lublin ICT market is characterized by high maturity. The vast majority (nearly 90%) of companies has at least a 10 year track record. Most enterprises (70%) were founded in 1995-2004. The history of several companies in the telecommunications sector and related activities is long, going back to the 1970s and 1980s.

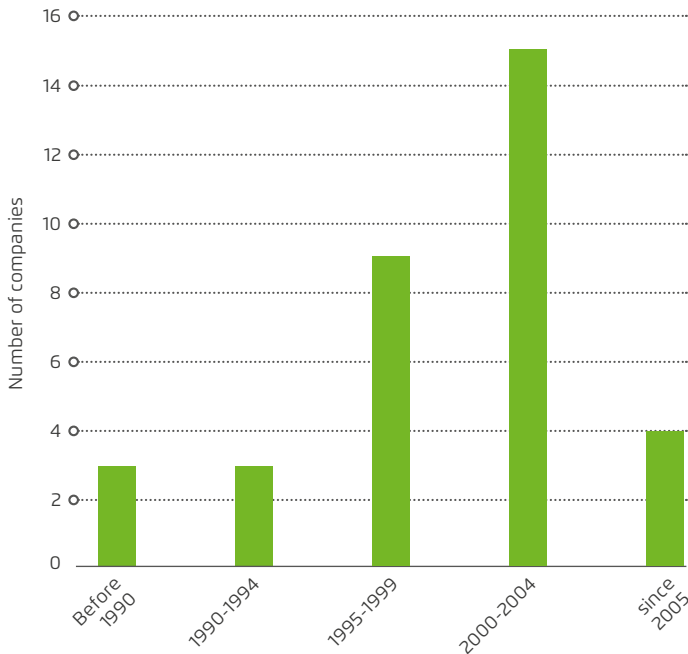


FIGURE 2
Year of foundation according to the number of companies (n=34)

Source: Own study, based on company websites and public database listings

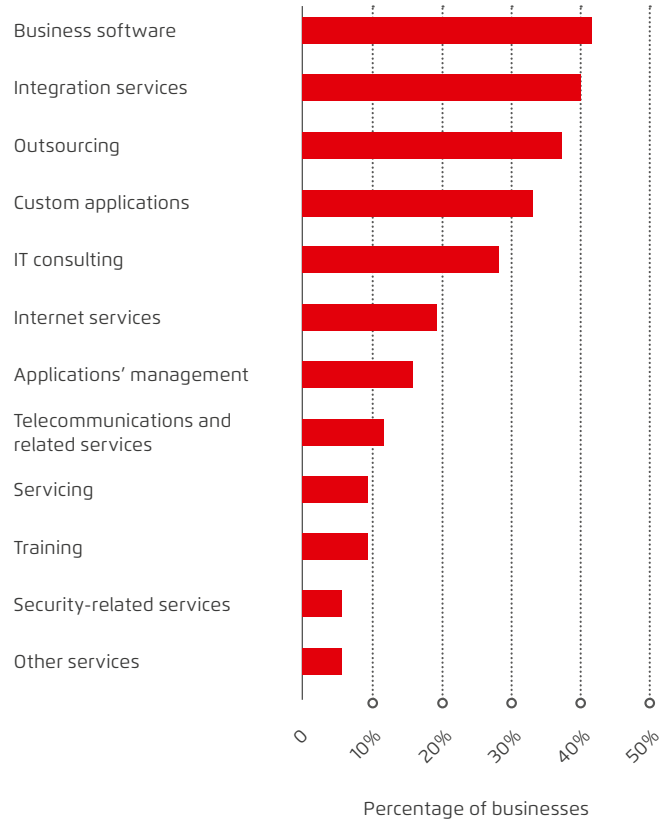


FIGURE 3
Services in ICT companies in Lublin (n=34)
Note: a company may offer several types of services at the same time
Source: Own, based on company websites

The vast majority of Lublin companies are companies with domestic capital. Among the few foreign companies are CompuGroup Medical Polska and Ed&r Polska. The latter specializes in the distribution of software products related to telecommunication network security.

Asseco Business Solutions

Lublin's biggest IT company is Asseco Business Solutions, which specializes in complex IT solutions for companies in the field of ERP systems and outsourcing (mainly selling their own systems to outsourcers). Sales of mobile applications for managing the network of sales representatives are also on the rise. Asseco Business Solutions provides outsourcing services based on its data center located in Lublin (including the outsourcing of mobile solutions and ERP systems). Although the market for the solutions offered by the company is Poland, their products are sold also in many other countries of Western, Central and Eastern Europe. The scale of operations of Asseco Business Solutions is several tens of thousands of customers. Asseco Poland, a member of the Asseco Group, is a major player in the European market for software producers, and one of the leading providers of software for the public sector in Central Europe.

Based on the websites and annual reports of Asseco Business Solutions (www.assecobs.pl) and Asseco Poland (www.asseco.pl)

Among the most common types of services offered by companies in Lublin is the production and implementation of business software and integration services. Many companies are involved in outsourcing. For example, ICN Competence Center has worked long term with one of the largest Polish IT companies – Sygnity – offering help desk support services and a leasing team. Britenet offers complex outsourcing of e.g. IT resources for various types of entity. The results of the survey indicate that the future of the ICT sector in Lublin is, to a large extent, technology and mobile applications, as well as widely understood outsourcing.

The innovative nature of the Lublin ICT sector can be deduced from analysis of its customer companies. Every second company has a customer in the media and ICT sector. This indicates mutual cooperation between enterprises in the sector. The manufacturing sector also occupies a high position as a target market for Lublin companies, which is reflected in the results of the survey, where two thirds of all companies indicated having customers in this sector. This demonstrates the clear cross-regional character of local companies’ target markets.

More than one third of companies analyzed had customers in the commercial sector, transport and logistics, as well as among public institutions. Companies offering financial and insurance services for institutions make up a large portion of the industry. Some ICT companies even specialize in providing services for banking and insurance. The proportion of educational and scientific institutions, as well as companies operating in the health sector, that are customers of Lublin ICT companies is also significant. It can also be added that Lublin companies have significant customers, as more than two thirds of respondents in the group of customers were large companies.

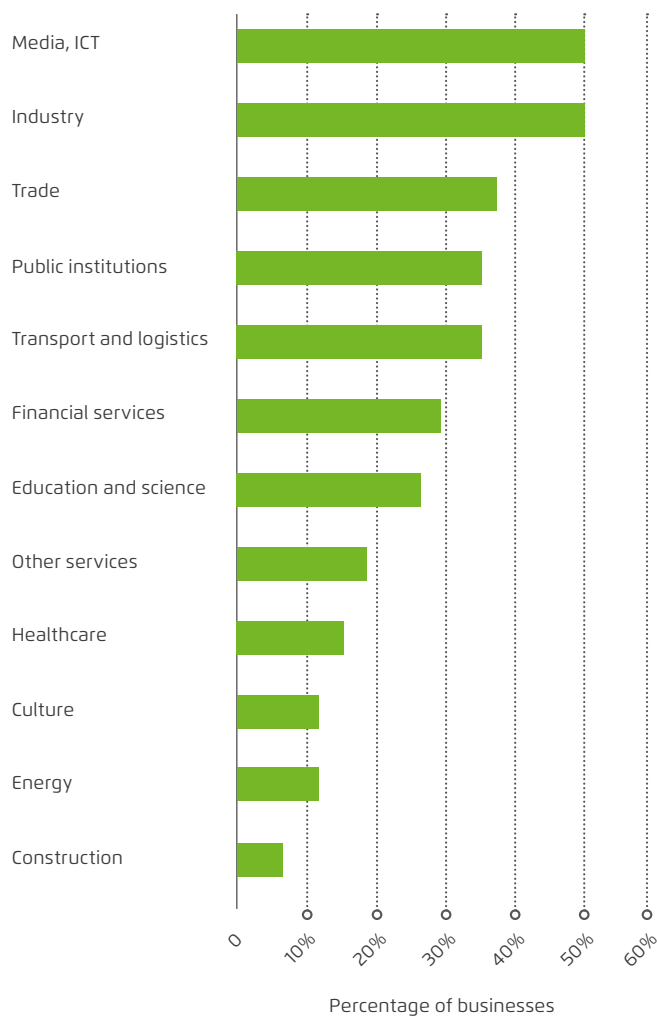


FIGURE 4
Customers of Lublin’s ICT companies (n=34)
Note: a company usually has customers in several industries; hence the proportions shown in the table do not add up to 100%
Source: Own, based on company websites

Synte Business Solutions

Synte Business Solutions is the creator of the global innovative one4all solution, which integrates all areas of an organization in relation to the delivery of core business processes, communication and workflow management, project management, and business analysis. In 2009, Synte BS won Partner of the Year of Microsoft Dynamics Ax for Central and Eastern Europe in the Microsoft Partner Program competition with a one4all platform. Synte BS has the status of Microsoft Gold Certified Partner in the area of Enterprise Resource Planning. The company has been recognised as one of the most innovative companies in several competitions and rankings: National Leaders of Innovation (Krajowi Liderzy Innowacji), Innovation Tuning Fork (Kamerton Innowacyjności), and Innovation of the Year (Innowacja Roku). It took 2nd place in the category of Teleinformatic Companies in a listing prepared by the Polish Academy of Sciences.

Source: Own, based on www.synte.pl

Low local demand makes the companies provide their services beyond the borders of the region and the country. This makes them more competitive and enhances growth. For example, Syntea is developing its activities in Central and Eastern Europe by gradually acquiring partners among companies and training institutions.

In Lublin, there are numerous innovative companies, as demonstrated by the presence of R&D centers of the companies Simple, Comarch, and eLeader – the largest Polish enterprise specializing in mobile business systems and business applications for smartphones. The latter has offices in the United States and Germany, works on behalf of international corporations, and covers more than 70 countries around the world (<http://www.eleader.pl>). The company designs mobile banking systems separately for all major operating systems. eLeader has been honored for its innovation in the region by local and regional authorities.

Lublin's specialization

The strength of Lublin's ICT sector is the diversity of products and services offered by local enterprises, from mobile software for the financial sector and FMCGs, through systems for the medical and pharmaceutical industries, and solutions in the field of GIS and GPS. Due to its highly developed healthcare industry and education in the field of medical science, the city hosts at least five companies that support the above-mentioned activities in ICT. Examples include two foreign companies: CompuGROUP Medical and Softsystem. The first of these has been operating in the Lublin market since 1995 and was founded based on an initiative from the CompuGROUP Poland, the Medical University of Lublin, and the American company Care LLC, that deals with the restructuring of hospitals in the U.S.A (<http://www.cgmpolska.pl/>). Now owned by the holding company CompuGROUP Medical, it offers hospital systems and medical imaging systems. Its solutions are used by the largest private medical chains and in over 150 hospitals in Poland

and abroad (<http://www.cgmpolska.pl/>). Another example of a company dealing with systems for the sector is a branch of the international corporation Softsystem, specializing in the production of database management systems for medical institutions. Its systems operate in over 300 hospitals and medical laboratories in the USA and Canada. Moreover, smaller companies involved with delivering services for the medical sector operate in Lublin – for example Klif, which, in addition to solutions for pharmaceutical wholesalers, sells such products as Przychodnia Internetowa (Internet Clinic), Przychodnia Lekarza POZ (GP Clinic), Przychodnia Specjalistyczna (Specialist Clinic), programs for National Health Service contracts management, and software for managing ambulances (<http://www.klif.com.pl>).

Lublin has the potential to support the naturally growing food industry in the region. However, companies that find customers for their ICT solutions in the food sector are still very few. An exception to this rule here may be Capital LBH – a company that deals with the manufacturing and distribution of meat products. Since 2001, the company has maintained a website for the meat industry www.gieldahandlowa.pl.

Companies in the telecommunications sector, often also providing engineering services, have a long tradition of operation. For example, the company Optronik Przedsiębiorstwo Innowacji Technicznych has been in operation since 1987 and specializes in the design and integration of IT systems (especially in the field of optical telecommunications) (<http://www.optronik.com.pl>). Since 1992, another company – SIM – has designed and manufactured digital voice recorders for telephone connections, computer telephony, alarm monitoring and monitoring systems for information appliances. Among related industries, the company KZA Przedsiębiorstwo Automatyki i Telekomunikacji boasts the longest history. It deals with, for example, the construction of traffic control devices and traffic and telecommunications engineering and energy.



Conclusion

The development of the ICT sector in Lublin is highly dynamic, which is reflected in the above-average increase in the number of companies in the sector – the highest in Poland among cities of a similar size. In addition, the number of university graduates in the field of IT shows a clear upward trend. Therefore, two very important conditions necessary for the development of the sector in the city are met. The operation of two institutionalized ICT clusters is a great strength of the city.

Of particular significance is the activity of the Eastern Cluster of Information and Telecommunications Technology, which brings together more than 100 stakeholders and aims, among other things, at the integration and development of the regional business environment, cooperation between businesses, schools and research units in the field of research and development and innovation (<http://www.ecict.eu>). Since 2011, Klaster-Group.pl (<http://klaster-group.pl/>) has also operated in Lublin. This is a smaller initiative in the area of small and medium-sized companies coordinated by Netrix-Group, whose activities, apart from R&D, include providing advice and specialized training to the members of the cluster.

An important factor accelerating the development of the ICT sector is the growing number of customers – $\frac{3}{4}$ of the surveyed companies have seen an increase in the number of customers in recent years. In more than two thirds of companies, an increase in the current scope of services provided was noted, and in the years 2010-2013 all the surveyed companies have advanced the services they provide (and in more than half of them to a large extent). All surveyed companies plan to expand their business with new products or services in the next three years. The innovation of the ICT sector in Lublin is shown by analysis of its customers, which include ICT and media companies, as well as large enterprises.



CompuGroup Medical Polska Sp. z o.o.

CompuGroup Medical is a manufacturer of modern software for the healthcare sector, including hospital systems and medical imaging diagnostics. The company owes its high market position to its comprehensive offer and to its innovative solutions based on web technologies. The company's solutions are used by the largest private medical networks and by over 150 hospitals in different countries.

www.cgmpolska.pl



Britenet Sp. z o.o. O/Lublin

Britenet provides comprehensive outsourcing services of IT resources, processes, and business services. The company offers outsourcing of: Human Resources, comprehensive management of employees, client's resources and technical infrastructure, IT systems and complete business processes. The company's offer is addressed both to IT companies producing software for third parties, as well as to organizations in need of software for personal use.

www.britenet.com.pl

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The market for modern office space in Lublin

Lublin is the ninth largest office space market in Poland – in terms of supply – and the largest resource of modern office space in eastern Poland. The total area of modern offices to let is about 110,400 m². An additional 20,000 m² is located in buildings that have been constructed, among others, by banks or financial institutions – mostly for their own use.

Real estate development activity in Lublin

Lublin appeared on the Polish office space map at the beginning of 2000. One of the first modern office buildings in the city was Zana Center I, opened in 2001. It provides 9,800 m² of modern office space. Until now, 2007, 2011 and 2013 were record-breaking years in terms of new supply in Lublin, with, respectively 14,600 m², 16,000 m² and over 19,900 m² of new offices in the office market. This included the following projects: Gray Office Park C and D (2007), Gray Office Park A, and the office building at Związkowa 26 (2011). Gray Office Park A has so far remained the largest office building in the city, offering 14,500 m² of office space to let.

Lublin's office market is now almost completely dominated by local developers, and due to the fact that additional allotments for future office investments have already been secured this situation is not expected to change in the near future.

At the end of the fourth quarter of 2013, almost 14,500 m² of modern office space was under construction.

Major projects in progress include: Nord Office Park A, CHM13, Skłodowska Point, Centrum Czechowska and Centrum Park.

In addition to the office projects in construction, Wikana Business Park within the subzone of the Special Economic

Zone EURO-PARK Mielec is planned (two office buildings with approximately 14,000 m²). In the future, office projects may also be realized in the current trolleybus depot, at the junction of Kraśnicka and Nałęczowska streets, where the city – following a change of the local development plan – has allowed the construction of office buildings up to a height of 55 m on the site.

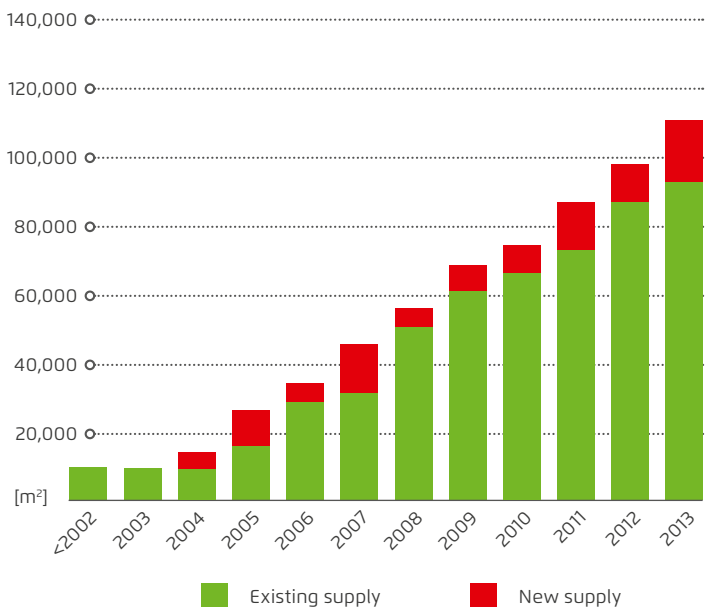


FIGURE 5
Modern office space available in Lublin
Source: Jones Lang LaSalle, last quarter of 2013

Distribution of modern office space available in Lublin

In analyzing the distribution of modern office space in Lublin, one notices its concentration mainly: along Zana and Wallenroda streets – this is the area where the first office buildings in the city were built – Zana Center I and II, Zana 43. At present, the area has almost 58,100 m² (over 60% of the existing office space in Lublin). The largest existing office complex – Gray Office Park – is also located here, consisting of four buildings from 2007-2011, with a total area of 32,700 m². The remaining nearly 40% of the existing office space (34,800 m²) is located in Witosza, Wojciechowska, Lubartowska, Lucyny Herc, Jana Pawła II and Związkowa streets. With the completion of two B&C buildings within the North Office Park complex (the third building – A – is still under construction), the vicinity of Szeligowskiego and Północna streets may become a new significant location on the Lublin office center map. It is worth noting that the most sought-after office locations, especially for branches of banks or law firms, are the buildings near Krakowskie Przedmieście and those in adjacent streets such as Chopina, Jasna, Krótka or Lipowa. There are newly renovated buildings offering office space of up to 200 m².

Demand for modern office space in Lublin

At the end of 2012, there were nearly 77,200 university students in the sub-region of Lublin, which is a significant resource of well-educated labor for potential investors. Many companies have already noticed this and located their operations in the city (e.g. Orange, Genpact, Asseco Business Solutions and Poland Grupa Energetyczna). Among other office space tenants present in Lublin most are in the banking sector, finance and insurance. In recent years, Lublin has been characterized by one of

the lowest vacancy rates in the country – at the level of 2-4%. Currently, the ratio is 15.9%, which translates into more than 17,500 m² of available office space in existing buildings. For companies looking for units larger than 1,000 m², by the end of 2013, the city had five options to offer. Tenants seeking larger office spaces – especially companies from the business services sector – should consider pre-let offices that are under construction or planned investments. At the end of the fourth quarter of 2013, about 50% of office space under construction was secured by pre-let contracts.

Rents in office buildings

The highest rents at the end of 2013 hovered around 11-12 €/m²/month.

This higher range applies to high quality office projects such as Gray Office Park A. In the case of class A office buildings, rents are quoted in €, while in the case of Class B office buildings and renovated buildings, it is more typical that rents are given in PLN. The operating costs are determined in PLN.

Conclusion and prognosis

Lublin is increasingly mentioned as one of the preferred locations for companies in the business services. We expect that in the next few years this will only increase further. Due to relatively high expected future supply, by the end of 2014 the upper limit of actual rents may be slightly reduced to 12 €/m²/month, while the vacancy rate may increase in the first half of 2014. This will add to the growth in the number of options, both for growing companies who are looking for additional space in Lublin, and for those planning to locate their business only in the capital of the Lublin province.

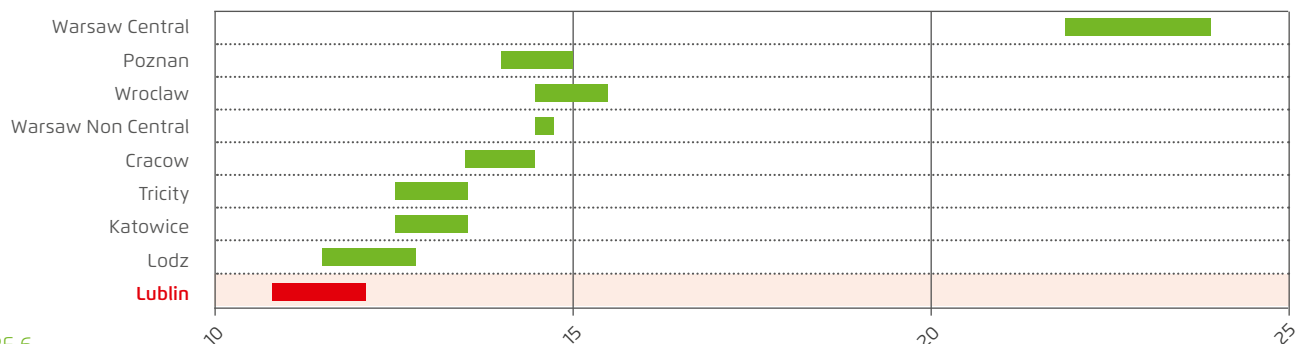


FIGURE 6
The rates of rent in main cities, in the best office buildings (€/m²/month)

Source: Jones Lang LaSalle, third quarter of 2013

The market for modern office space in Lublin

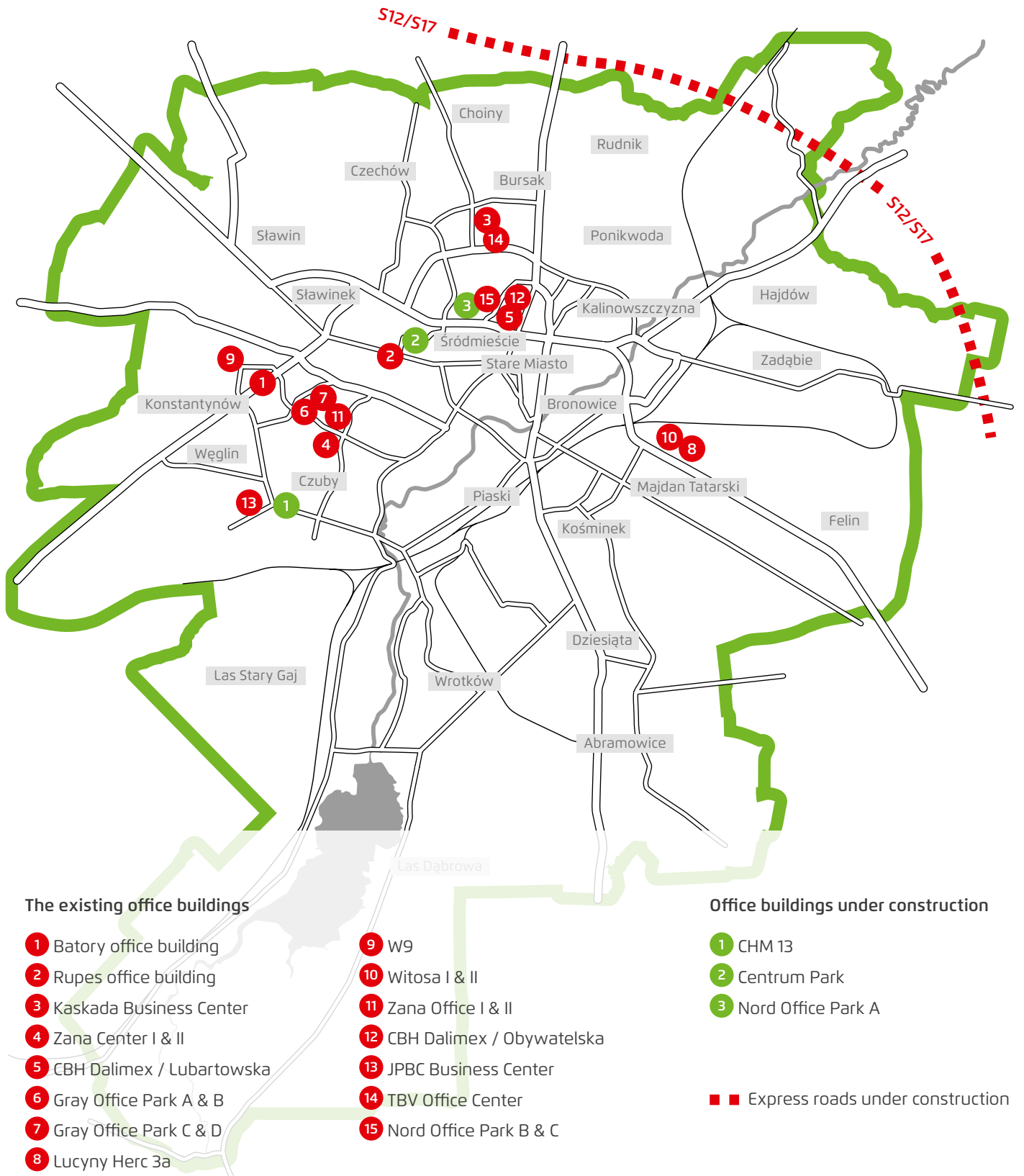


FIGURE 7
Map of office space in Lublin
 Source: Jones Lang LaSalle

Human resources and the labor market

Lublin is one of the main academic centers in Poland and the largest in the eastern part of the country. In the academic year 2013/2014, 75,000 students matriculated at its 9 universities, including 3,000 foreigners. Human capital is one of the city's strongest assets, allowing for the development of modern business services.

The unique atmosphere of the city, in addition to the quality and variety of the higher education courses offered, attract both Polish and foreign students. The city has one of the highest ratios of students to general population in Poland. Lublin's largest universities in terms of the number of students are: the Maria Curie-Skłodowska University, the John Paul II Catholic University of Lublin (KUL) and the Lublin University of Technology. Lublin's academic potential is an important factor contributing to the economic development of the city, and – through the diffusion of knowledge and innovation – the whole region.

Large numbers of students have chosen faculties that respond to the demand for workforce from service centers. A total of 11,000 students in Lublin are studying foreign languages, economics, finance and accounting. In addition, 2,300 individuals are studying information technology.



75,000 students

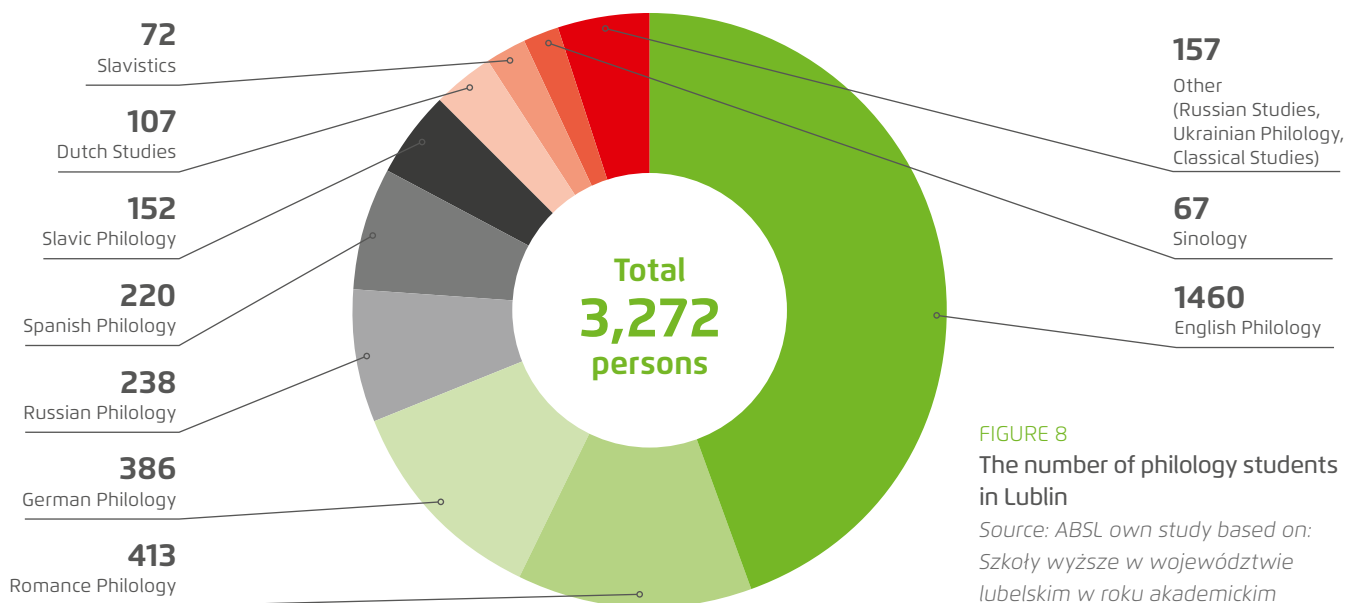


FIGURE 8
The number of philology students in Lublin

Source: ABSL own study based on: Szkoły wyższe w województwie lubelskim w roku akademickim 2012/2013, 2013, Lublin, Statistical Office in Lublin

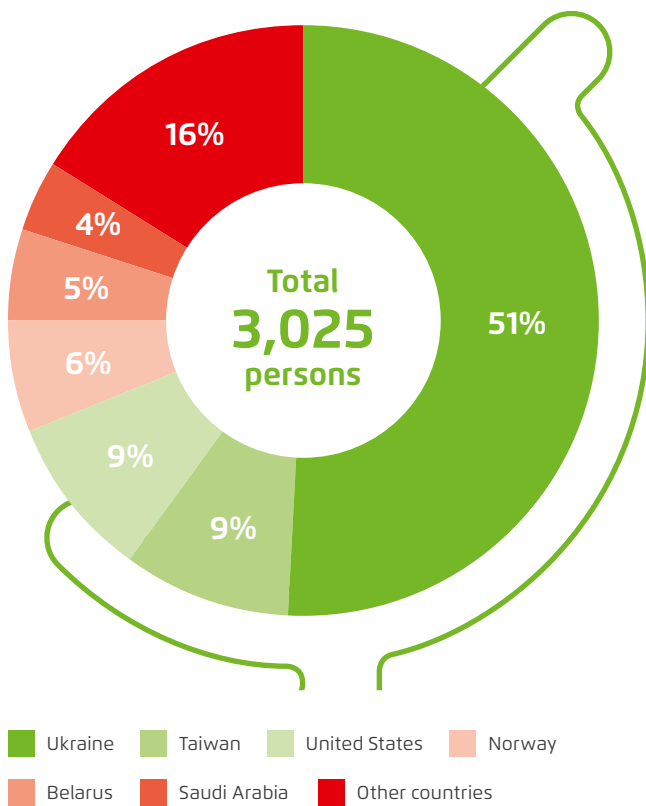


FIGURE 9
Foreign students in Lublin (academic year 2013/2014)
Source: Own study, based on Lublin City Council data



The developing international cooperation with Lublin's education institutions has resulted in a high percentage of students coming from abroad – 3,025 foreigners are currently studying in Lublin, which represents 4% of all students in the city. The largest group of foreign students are Ukrainians (51% of all foreigners). The number of foreign students in the academic year 2013/2014 has increased by over 30% when compared to the year 2012/2013. Lublin is one of the leading cities in Poland with respect to the number of students from abroad.



Cooperation between universities and companies in the IT sector is looking better and better, if only because they are increasingly geared to certain specific needs. You can see the initiative of the universities – they want to develop and educate people for the demands of companies. This is very important. This commitment is clear, because universities are inviting us to various events and trying to keep in touch with us.

A statement from a Lublin company representative quoted in "Lubelska Wyżyna IT" (2012).



In the academic year 2011/2012, a total of 388 students from Lublin universities participated in the Erasmus program. By far the most popular destination was Spain. It is worth noting that those who return from similar placements are often not only familiar with the language, but also the culture of particular countries. Their knowledge of the English language can be described as above average.

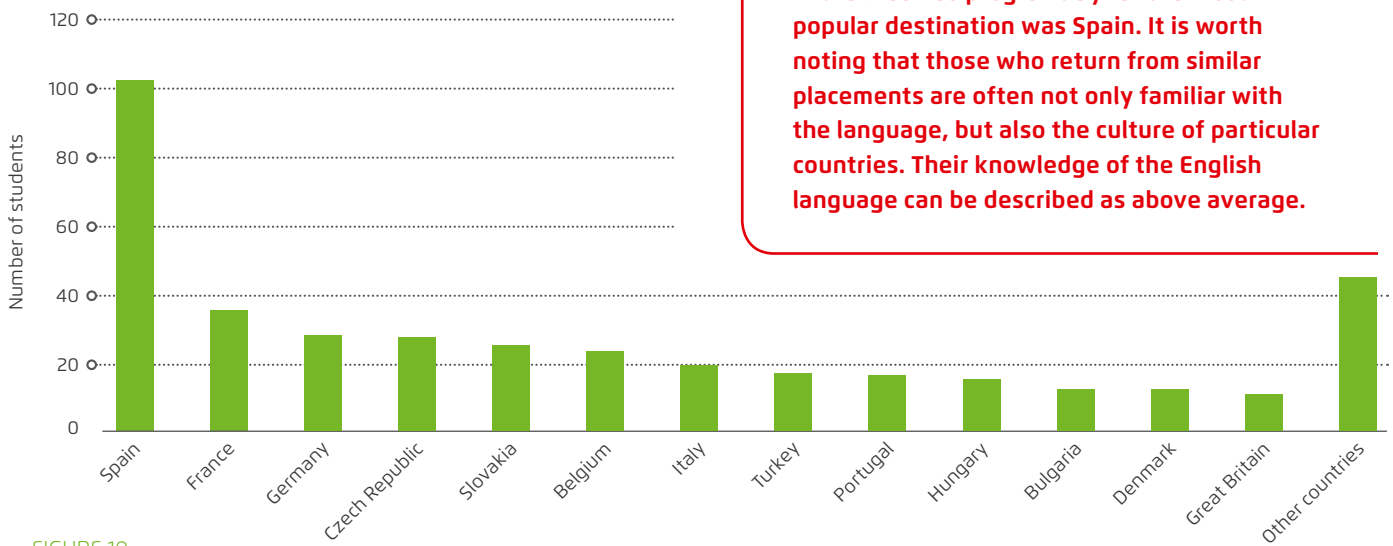


FIGURE 10
Number of students from Lublin in the Erasmus program in the academic year 2011/2012
Source: Own study, based on www.erasmus.org.pl

Labor market for IT specialists

Job offers for IT specialists

Lublin is one of the top ten largest academic centers in Poland in terms of the number of students and graduates in information technology. The number of students as of 30 November 2012 exceeded 2,300. This puts Lublin second among the cities of eastern Poland that educate specialists in the field of computer science. With regard to the number of students compared to population potential, the city is ahead of Tri-City and the Silesian Metropolis. It can be estimated that the number of computer science students, combined with those of related subjects (e.g. IT education, mathematics with specialization in IT, or electrical engineering) exceeds 5,500.

In the academic year 2012/2013, IT specializations were available at five of Lublin's universities. As of 31 November 2012, nearly 800 students were studying IT at the Technical University of Lublin, 575 at the Maria Curie-Skłodowska University, more than 450 at the University of Economics and Innovation in Lublin (WSEI), almost 300 at the John Paul II Catholic University of Lublin (KUL) and over 200 at the College

of Enterprise and Administration in Lublin³. The results of our survey indicate that almost two thirds of IT companies are involved in cooperation with universities.

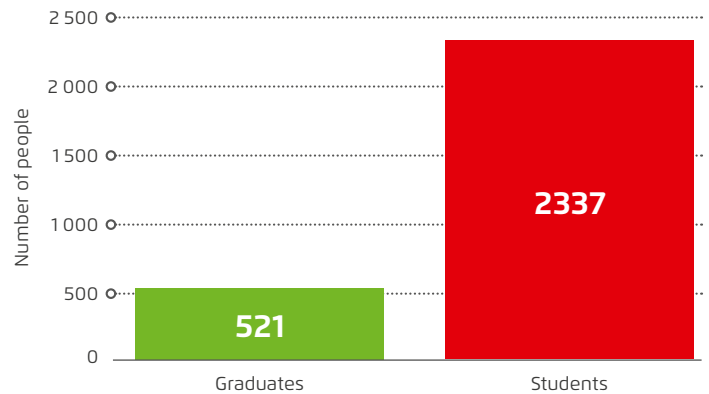
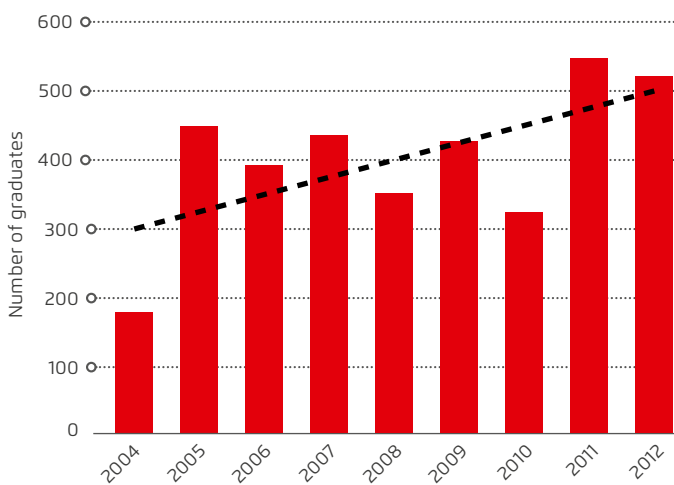


FIGURE 11
Graduates and students of information technology in Lublin (2012)

Source: Own study, based on GUS (Central Statistical Office) Local Data Bank data

³ Universities in the Lublin Province in the academic year 2012/2013, 2013, Lublin, Statistical Office in Lublin.



Since 2005, more than 300 people have graduated from Lublin's universities each year, and between 2011 and 2012, this number rose to over 500. The number of graduates in IT shows a tendency to increase. The emergence of more than a thousand newly trained specialists in the last two years shows the great potential of the Lublin market and its perspectives for further development.

FIGURE 12
Changes in the number of graduates from IT faculties in Lublin in the years 2004-2012
Source: Own study, based on GUS (Central Statistical Office) Local Data Bank data.

The demand for IT specialists on the labor market

An analysis of job offers addressed to IT specialists was carried out on the basis of the information available on the websites: Pracuj.pl and Tablica.pl. Given the number of job offers in cities of similar size, Lublin ranks second in the listings published on Tablica.pl and Pracuj.pl, slightly ahead of the much larger Szczecin and significantly outpacing Białystok. The high position of the nearby Rzeszów (with a population of 160,000) should be emphasized, which – in terms of the number of job offers – is far ahead of much larger urban centers and may be an important location to acquire IT specialists to meet the Lublin’s job market needs.

In Lublin, the most sought after specialists are programmers, system administrators, business analysts, testers and database administrators. Among the listings published on the site Pracuj.pl, the most desired specialists (38% of total offers) are those with the knowledge of SQL used in a variety of database systems. Among programming languages, positions requiring the knowledge of Java (36% of the total), and the development platform JEE were advertized almost as often. In over 10% of job offers, knowledge of the following languages, technologies and systems appeared as a requirement: Spring, jQuery, XML, HTML, CSS, .NET, and Windows Server.

TABLE 2
The structure of job offers in Lublin

Category	Popular sub-categories
1. IT – software development	1. Computer programming 2. Business analysis – ex aequo with testing
1. IT Administration	System administration Data administration and data storage
2. Internet / e-commerce / new media	Web design / Internet technologies

Source: ABSL, based on the websites Pracuj.pl and Tablica.pl



Lublin is a large resource of competences. Competition between suppliers is not yet as big as in other Polish cities, and the costs of doing business – such as renting office space and salaries – are competitive in comparison to other large Polish cities.

Artur Palac,
CEO of Lublin Delivery Center Company Sii



It pays off for companies to establish branches here and transfer their IT departments here. Our financial demands are not as high as in other cities, and that is why we are competitive. In addition, Lublin trains many specialists in this area.

The opinion of a programmer from Lublin quoted in “Kurier Lubelski” (2012.11.09)



Lublin companies are not afraid of challenges. They are not afraid to work in this market, and make it grow somehow. They are taking a number of actions aimed at catching up with the West.

The opinion of a representative of the Lublin academia quoted by “Lubelska Wyżyna IT” (2012).



There is potential in Lublin’s universities, which offer a lot of courses related to computer science, robotics and automation.

A statement by a representative of the Lublin’s NGO sector quoted in “Lubelska Wyżyna IT” (2012).

Salaries in BPO/SSCs and ICT companies in Lublin

TABLE 3

Salaries in selected positions in service centers [PLN]

General Ledger	Min	Opt	Max
	Junior Accountant (1-2 years of experience)	2,500	3,000
Accountant (2-3 years of experience)	3,500	4,000	4,500
Senior Accountant (>3 years of experience)	4,000	4,500	6,000
Team Leader (5-15 people)	6,000	7,000	9,000
Process Manager (up to 50 people)	10,000	13,000	15,000
AP / AR	Min	Opt	Max
	Junior Associate (0-1 years of experience)	1,800	2,500
Associate (1-2 years of experience)	2,500	3,200	4,000
Senior Associate (2+ years of experience)	3,000	4,000	5,000
Team Leader (5-15 people)	5,000	6,000	7,000
Process Manager (up to 50 people)	9,000	12,000	14,000
Customer Service	Min	Opt	Max
	Junior Specialist (no experience)	1,800	2,500
Specialist (>1 years of experience)	2,200	2,800	3,500
Team Leader (5-15 people)	4,500	5,500	6,000
Process Manager (> 50 people)	8,000	10,000	12,000

Source: Hays Poland

TABLE 4

Salaries of software developers in Lublin

Technology	Experience [years]	Min [PLN Gross]	Max [PLN Gross]
Java	0-2	2,500	3,000
	2-4	3,000	3,900
	>4	3,900	6,500
.NET	0-2	2,300	2,900
	2-4	2,900	3,700
	>4	3,700	6,000
C++	0-2	2,300	2,800
	2-4	2,800	3,800
	>4	3,800	5,900
PHP	0-2	2,200	2,600
	2-4	2,600	3,200
	>4	3,200	5,000

Source: Hays Poland

Contact for investors


Department of Strategy and Investor Services Lublin City Council

The City Council's Department of Strategy and Investor Services provides comprehensive services to investors in Lublin, including service centers, BPOs, SSCs, as well as to R&D and ICT companies. The unit is responsible for:

- » providing information related to investing in the city,
- » working with developers and supporting investors in finding suitable office spaces for their project,
- » piloting the circulation of documents related to the implementation of investment procedures,
- » organizing meetings with the Mayor, municipal entities, business institutions and universities,
- » consultancy in the recruitment of future employees and assistance in investor relations,
- » taking measures to promote Lublin as a site of investment for service centers and ICT companies.

Project Manager (BPO/SSC projects)

Anna Jurys

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Mielec Special Economic Zone, Lublin Subzone EURO-PARK Mielec


The Mielec Special Economic Zone, the Lublin Subzone of EURO-PARK MIELEC, offers investors the opportunity to benefit from tax exemptions granted on the basis of capital expenditure incurred and new job creation. Moreover, the city offers exemptions from property tax to businesses that create new jobs in Lublin.


Head of the Department of Strategy and Investor Services


Mariusz Sagan

Mayor's Plenipotentiary for Lublin Subzone

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ICT Eastern Cluster

The ICT Eastern Cluster is an association of over 100 companies from the IT and telecommunications sectors and universities. The cluster aims to produce competitive advantage and foster the development of innovative projects.

 www.ecict.eu

 E-mail: info@klaster-ict.pl

ul. Nałęczowska 30 room 403, 20-701 Lublin, Poland

Klaster-Group.pl

The cluster integrates micro-companies, along with small and medium-sized enterprises operating in the IT and ICT markets, or providing services to companies in these sectors. The coordinator of the cluster is the institution of the Business Environment Netrix-Group Sp. z o.o.

 www.klaster-group.pl

Netrix Group Sp. z o.o.

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