THE EFFECTIVENESS OF LODZ SPECIAL ECONIMIC ZONE IN THE CIRCUMSTANCES OF CRISIS ACCORDING TO P.WARR

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Abstract

The main goal of this paper is to find an influence of Lodz Special Economic Zone on the economic development of Lodz region in time of crisis. In paper were used statistical data from years 2000-2009, which gives possibility to describe economic processes in macro region of Lodz with crisis conditions. In publications was presented economic simulations, which allow describing and evidencing, strong immunization local economy for crisis effects. Model P.Warr is an empirical model which analyzes cash flow join with corporations in SEZ, and calculate, results of SEZ activity for host - country. Model uses data from companies in SEZ, and predictions of national economy from polish financial institutions. Model P.Warr for the first time described the Far East countries with SEZ in 1988, and it was adapted to conditions EC and Poland. Some variables were reduced and some were modified and upgraded. More complicated was to prove (with regional macro data) that SEZ in necessary. It is joined with short time of existing LSEZ and difficult situations region of Lodz before SEZ.

Keywords: *SEZ; investment; regional development*

JEL codes: *H2, H3, H5*

1. Introduction

The conception of creation SEZ in Poland raised in the middle of 90's of XX. The special act was created in 1997, which defined all rules of functioning special economic zones and financial privileges given to investors. Each of the zone was raised based on the decision of prime minister. Due to weakness of the industry in Lodz area and intensive structural changes, Lodz become the natural area of location special economic zone According to the assumptions SEZ should bring decrease of the unemployment, increase of investments value and improvement of competitive ability of the region.

Based on the analysis of the changes placed in macro region of Lodz during last 10 years it is possible to formulate first conclusions. This article it is an attempt of summarizing the

influence of SEZ on the macro region of Lodz development. For the purpose of the article there were used all data officially available regarding macroeconomic situation of the area.

2. Lodz Special Economic Zone

Lodz Special Economic Zone was created in 1997 for 20[1] years (till 2017)) based on the Cabinet's decree. The zone is located in the Lodz province. The overall area it is 383,45 h. Currently it remains about 120 h available for investors. The zone is split on 16 sub-areas. In the table number 1 there is a presentation of the location of some of the special economic areas with sub-areas. It is a Polish specification that areas are rather small with high level of break up.

Table 1. Chosen SEZ in Poland in towns and communities (31-12-2007)

Nr.	SEZ voievodship	Area (in h)	Including big investments	Localization
1	**Łódzka** łódzkie, wielkopolskie, mazowieckie	511,64	51,28	city: Piotrków Trybunalski, Ozorków, Zgierz, Łódź, Łęczyca, Kutno, Tomaszów Mazowiecki, Radomsko, Sieradz, Rawa Mazowiecka, Turek, Aleksandrów Łódzki, Grodzisk Mazowiecki, Żyrardów communities: Sławno, Ksawerów, Tomaszów Mazowiecki, Wróblew, Wolbórz, Widawa, Konstantynów Łódzki, Ostrzeszów, Stryków, Ujazd, Wieluń, Zduńska Wola, Żabia Wola

Ref: Own analyses based on materials Polskiej Agencji Informacji i Inwestycji Zagranicznych, www.paiz.gov.pl

LSEZ has been very interesting potential investment from the very beginning thus many international concerns and number of smaller companies decided to involve their assets in the special areas. In the table number 2 there are listed main investors engaged in the special economic areas. Additional information regarding the country origin and the sector of main activities were presented in the table.

Table 2. Main investors in Lodz SEZ (at the end 2007)

Investor	Country	Sector
BSH Sprzęt Gospodarstwa Domowego Sp. z o.o.	Niemcy	AGD
Gilette International Poland Sp. z o.o.	USA	Kosmetyczny
Indesit Company Polska Sp. z o.o.	Włochy	AGD

[1] Rozporządzenie Rady Ministrów w sprawie ustanowienia łódzkiej specjalnej strefy ekonomicznej z dnia 15 kwietnia 1997 r., Dz.U. nr 46, poz. 289 z późn. zm.

Ceramika Tubądzin II Sp. z o.o.	Polska	Płytki ceramiczne
Ceramika Paradyż Sp. z o.o.	Polska	Płytki ceramiczne

Ref: Information materiale SEZ Lodz - Łódzkiej Specjalnej Strefy Ekonomicznej, www.sse.lodz.pl, (12-2008).

LSEZ is characterized by high standard of its functioning. The Certificate of Quality Management ISO 9001:2000 gained by the company in April 2005 is the evidence of that. The certificate relates to gaining investors for region of Lodz and their complex service during the investment realization. All benefits resulted from LSEZ have already been used by number of companies which invested 3350 m PLN and 8 800 new work places[2]. Based on the analysis of SEZ around others economic zones it can be concluded that the cumulative value of investment shown in table 3 placed the LSEZ in first five the most dynamic economic areas.

Table 3. Investment in SEZ in 2003-2007 (cumulated in mln zł)

No	**SEZ**	**31.12.2003**	**31.12.2004**	**31.12.2005**	**31.12.2006**	**31.12.2007**	**(in %)**
1	**2**	**3**	**4**	**5**	**6**	**7**	**8**
1	Kamiennogórska SSE	84,0	318,8	606,0	1000,8	1216,0	2,6
2	Katowicka SSE	6 113,1	6 631,9	7 713,9	10 197,2	11 760,1	25,5
3	Kostrzyńsko-Słubicka SSE	622,8	784,3	1 039,3	1 500,2	2 450,4	5,3
4	Krakowska SSE	311,0	395,4	463,1	481,8	1 025,7	2,2
5	Legnicka SSE	2 011,6	2 346,5	2 780,5	3 125,6	3 625,7	7,9
6	**Łódzka SSE**	**740,5**	**1 191,7**	**2 061,8**	**3 008,5**	**3 896,0**	**8,5**
7	Mielecka SSE	2 093,8	2 240,5	2 363,2	2 804,3	3 113,6	6,8
8	Pomorska SSE	666,4	1 126,5	1 428,8	1 730,6	2 648,7	5,7
9	Słupska SSE	81,7	108,1	135,6	517,3	615,8	1,3
10	Starachowicka SSE	152,8	292,0	372,5	593,9	740,0	1,6
11	Suwalska SSE	355,5	399,9	478,1	630,3	1 001,1	2,2
12	Tarnobrzeska SSE	499,0	708,3	1 070,5	2 394,2	4 129,4	9,0
13	Wałbrzyska SSE	1 434,0	3 263,3	4 596,5	5 872,1	7 855,2	17,0
14	Warmińsko-Mazurska SSE	102,7	120,0	597,2	1 573,6	2 007,6	4,4
Total		**15 268,9**	**19 927,2**	**25 707,0**	**35 430,3**	**46 085,2**	**100,0**

Ref: Report from:www.mgip.gov.pl (01-2007).

Based on analysis of investment value, area of zone and number of new workplaces it can be concluded that the LSEZ has effective ratio of value of investment to area of the zone and to the number of new workplaces (the table number 4). To Lodz zone have come companies which performs high investments and creates big number of new workplaces.

[2] Information from www.see.lodz.pl (08-2006).

Table 4. Investment in SEZ to area and employment

SEZ	investment in mln zł	Increasing invesment in %	Investment for 1 ha area in mln zł	Investment for 1 work place in mln zł
Łódzka SSE	**3 896,0**	**129,5**	**7,20**	**0,264**
Tarnobrzeska SSE	4 129,4	172,4	6,03	0,219
Pomorska SSE	2 648,7	153,0	3,97	0,151
Katowicka SSE	11 760,1	115,3	14,46	0,333
Legnicka SSE	3 625,7	116,0	16,53	0,447
Wałbrzyska SSE	7 855,2	133,7	8,49	0,273

Ref: Report KPMG p.27

Based on the presented data above it can be seen that the LSEZ is a significant player on the Polish market of big investments thanks to proposed conditions, geographical location and human resources.

To be able to answer the question put at the beginning of that paper I would like to underline the influence of Lodz SEZ on the dynamic development of macro region of Lodz. I will use the popular and available macroeconomic ratios. Did the LSEZ influence significantly on the Lodz region development?

3. The „enclave" model of Peter Warr

One of the model used to performance effectiveness of economic zones judgment it is model proposed for the first time by Peter G. Warr[3] in 1983. The model describes the economic zone as a closed market which only partially cooperates with the national market. The zone has created an economic enclave that is way it was named enclave model.

The assumptions of the model described aggregated budget of the SEZ for the region or country, in which that zone exists. The empirical verification of the model was done on the data of Asia Region Zones[4]. In the following years other economic zones from Middle America was described in the similar way. It does not mean that the model allow to analyze only some unique specifications which do not appear in other markets. The model analysis only historical empirical data from following years of functioning Asian zones as well as their estimated forecasts.

[3] P. G. Warr, *Jakarta Export Processing Zone: Benefits and Costs*, „Bulletin of Indonesian Economic Studies", 19, no 3, s. 28-49.

[4] P. G. Warr, *Export Processing Zones. The Economics of Enclave Manufacturing*, IBRD/World Bank, „Research Observer" 4, no 1, January 1989.

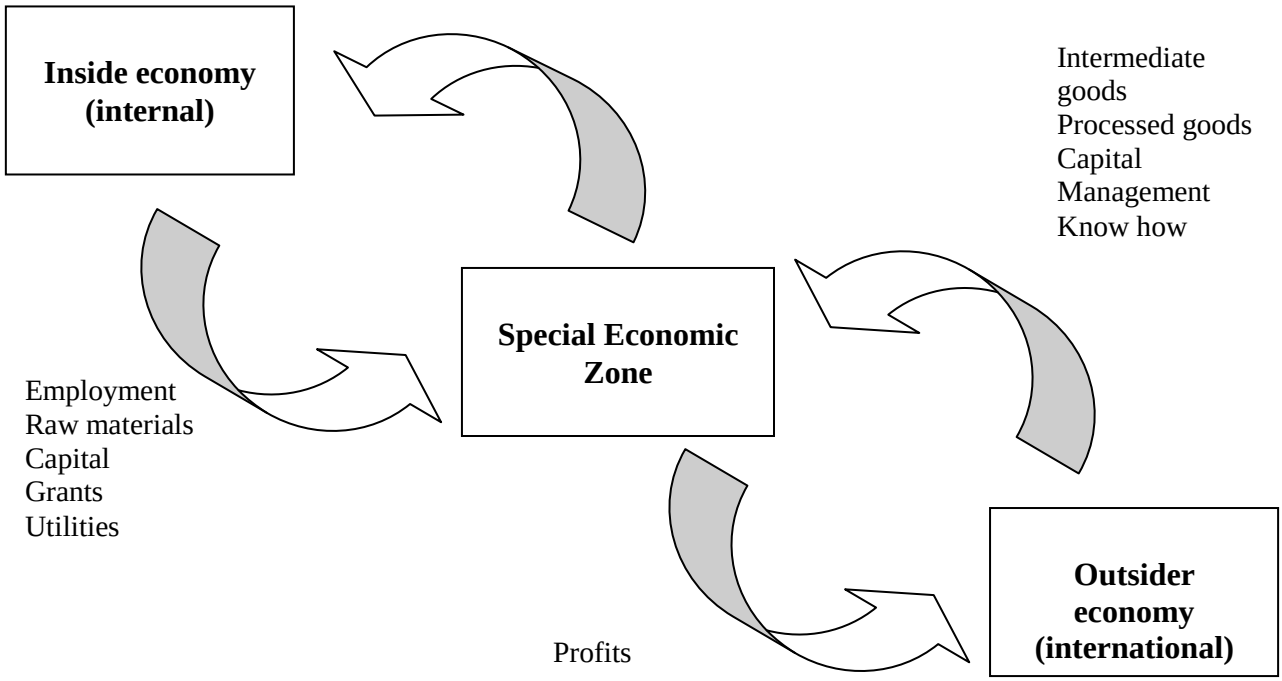
The model is based on the theory of international capital mobility developed by R.W. Jones[5] and R.E. Caves[6]. The theory assumes that there are three basic variables which describe the fluctuation of international investment capital: Middle term trade income, the capital return and cost of work[7].

The figure 1 shows the conception of international investment capital mobility. There are described the relationships of value added in the branch from the capital return ratio. The formula shown below describes all these relationships in a very detail way[8]:

$$V_j = a_{Kj} R_j + a_{Lj} w \quad (1)$$

where:
V_j – addend value,
A_{kj} – capital value,
a_{Lj} – value production factors.

Figure 1. Flow of capital, productivities and service to SEZ



The applied 'enclave" model was created based on the data collected from South-West Asia and analyzed in terms of effectiveness of special economic zones. It was caused by the fact that special economic zones have been developing in a dynamic way since early

[5] R. E. Caves, R.W. Jones, World *Trade and Payments: An Introduction*, 4th ed, Boston, Little Brown 1985.
[6] R. W. Jones, *Comparative and Absolute Advantage*, „Swiss Journal of Economics and Statistic" 1980, Vol. 3, s. 235-260.
[7] P. G. Warr, *Export Processing Zones. The Economics …*, *op. cit.*, s. 67.
[8] *Ibidem*, s. 67.

70's and in the most effective way attracted foreign investors' attention. Originally the model solution describes the current status of the market in a more or less detailed way. The precision of enclave model concentrate on the analyzed period which is for Asian zones 70's and beginning of 80's.

3.1 The economy of special economic zones

The enclave model was created based on the particular economic zones, which the conditions of existence are the same. That causes the need of model correction depending on economic conditions in rounding country. The most important elements of the economic environment of zones described in the model these are holiday taxes. The companies existing in zones used tax reliefs for 3 to 10 years. The companies often negotiate the tax reliefs before they start the investment. Tax reliefs were not import ant in the past because companies from special zones in Far East reported loss during the time being in zones[9]. Connected companies were using transfer prices to transfer the income to minimize paid taxes. The experience of the Philippines and other countries shows that monitoring of transfer process is impossible therefore the tax holidays are non significant factor.

Another element it is an administration. The companies which invest in special zones usually cooperate with an agency which manage the zone. Thanks to that these companies can avoid applying many of the local requirements of the country. This can be the partnership in the foreign capital companies, the rules of income transfer, limits of foreign employee recruiting, the possibility of production import.

The last element it is infrastructure. The area of special zone usually has highly developed infrastructure. That means that infrastructure available for investors is a very high quality comparing infrastructure available in the country. In the same time the special zones create the closed area because of the possibility of smuggling of products free of tax duty. Municipal infrastructure usually is a different one than for the companies existing in special zones. As an example it can be mentioned the tariff for electricity or rental costs. Some of the companies rent local area from the agency and other build their own buildings.

[9] P. G. Warr, *Export Processing Zones. The economics…*, *op. cit.*, s. 69 [za:] P. G. Warr, *Export Proccesing Zones in the Philippines*, „ASEAN-Australia Economics Papers" 20, Australian National University, Canberra, 1985, s. 12.

The enclave model compares capital flow to special zones and inflows its production on the outsider zone market. Thanks to that, the aggregated data were received. After summary it gave the surplus cash. This model can be also shown in the following way[10]:

$$N_p = \left(L_t w + M_t P_M + E_t P_E + R_t + T_t\right) \times S_F^* - \left(L_t w^* + M_t P_M^* + E_t P_E^* + B_t S_K^*\right) - A_t - K_t$$

(2)

where:
N_p – net Cash flow,
L_t – employment in year *t*,
w – average wage,
M_t – production goods *t*,
P_m – price of production goods,
E_t – utilities in year t,
P_e – price for utilities,
R_t – financial costs and interests,
T_t – tax in year *t*,
S_f* - indicator describing social value of foreign exchange to official currency value,
w* - alternative average wage,
P_m* - alternative price of production goods,
P_e* - alternative utilities,
B_t – borrowings in year *t*,
S_k* - indicator cost of capital to market cost,
A_t – administrative costs,
K_t – cost of capital from infrastructure in SEZ in year *t*.

The net value of cash flow was calculated by taking into consideration the influence of particular factors. The above model depends on comparison of financial effects of existing and functioning in economic zone and alternative solution. To be able to describe the financial relations between economic zone and the rest of market the new qualification was implemented called *shadow costs*[11]. The definition relates to alternative costs which exists in the market outside the zone. The first part of the equation describes the financial effects of functioning in the zone and the second part describes the same scale of production and economic development but in the open market where the zone is located. When we do the detail analysis around all data in a timeline we can calculate cash flow vector in the period of

[10] T. Kusago, Z. Tzannatos, *Export Processing Zones: A Review In Reed of Update*, Social Protection Discussion Paper № 9802, January 1998. Zob. także: P. G. Warr, *Export Processing Zones. The economics…*, *op. cit.*, s. 67.
[11] P. G. Warr, *Export Processing Zones. The economics…*, *op. cit.*, s. 80, oraz Kankesu Jayanthakumaran, *Benefit-Cost Appraisals of Export Processing Zone: A Survey of the Literature*, „Development Policy Review", 2003, № 21, s. 51-65.

zone functioning. When we multiply the result by discount rate we receive the current net value of Cash flow.

3.2 The characteristic of factors in the model

Currency differences

The SEZ it is a place of foreign investment. That means that foreign investors in most of cases transfer cash resources for investment realization. The currency differences occur when the investor uses difference currency (the most often it is USD) that the local one. The currency differences happens in the moment of exchange cash on local currency because of need salaries payment or payment of purchasing done in the country. In these circumstances the currency differences have significant influence on the financial results of zone trade as the country of investment can additionally earn or loss on currency differences. Depending on the trend which has the local currency with respect to USD or Euro it can be strengthened or reduced. In case of reducing the value of currency with respect to main currencies, then the local purchases in the zone are very profitable as the favorable currency differences occur. If the local currency is strong or becomes strengthen then in the moment of cash exchange and purchase processing the local market of the country incurs the costs of negative currency differences.

Employment

The investors functioning in special economic zones create work places. In the model of assessment of special zone effectiveness there is should be taken into consideration the alternative cost of employment. It is a difference between the wage value in the branch and the costs spend on new workplace creation and the salaries expenses in the special zone. The calculation allows to find the value of costs that the country spend when the zone exists and what cost should be spend without the zone. The average wages of employees work in zone are lower than the average salary in the branch in the country. This is caused by the scale effect of new created work places and an employment of low qualified people.

Tax inflows

The tax inflows coming from zones are limited to income tax paid by companies functioning in economic zones and taxes paid based on employees income who work in zones. Based on experience and the empirical data it was proved that the country where the economic zone exists should not expect significant tax inflows. That is because foreign

investors transfer incomes into the area where tax rate is very low. It is almost not possible to prove the income transfer in case on international concerns who hire tax experts and advisors.

Administration costs

The costs spend on administration these are costs of the country caused by zone functioning. The costs directly reduce inflows of the country. However the administration costs are unavoidable because of the number of privileges of investors functioning in the special economic zones. The privileges are directly connected with the need of detail reporting results of used public help (like tax reliefs). The administration costs should be in proportion to the zone size and the scale of investments in the zone.

Costs of building an infrastructure

To create the special economic zone and to make it attractive for investors there is a need of adaptation the area of zone. Very often there is a need of infrastructural investment like building new access road or area fittings. In some cases the land must be bought from private owners to regulate the property documentation. Costs of infrastructure building is fully covered by the country where the zone is located. They are higher in case the country infrastructure is low.

The discount rate and the discount period

The discount rate used for the analysis of investment Project effectiveness it is a capital cost for finance Project. In case of special economic zones it is very difficult to find the capital cost in line with the theory of capital cost estimation based on the financing source structure or reflecting market risk. The discount rate for the valuation model is usually used based on the level of interest rate existed in the Word market plus small marge because of taken risk. In practice the interes rates fluctuate between 5% and 7,5 %. One of the Basic problem it is the discount period. The economic zones which exist the longest on the world have functioned since 1972 (Malaysia, the Philippines). That means that in the moment of performing analysis there was available the period of a decade. If we want to summary the effectiveness based on the cash flows it is too short period, especially if we taken into consideration that we do not have the residual value. Moreover the zone is usually created on the defined period. The discount period used in case of NPV calculation for the particular zone it is a period of the zone or period of 20-25 years.

Alternative costs

In the model of effectiveness of functioning special economic zone exist additionally the costs called alternative. Alternative costs are connected with the need of used solution in case of realization investment when the zone would not exist. Very often the alternative costs for the country it is new workplace creation for unqualified people. In practice such a solution can be much more expensive than attracting foreign investments. In the model the alternative costs these are salaries costs of employees with comparable qualification outsider the zone. In most of the cases alternative costs of creation economic circumstances for investments like special economic zones are much higher than concentration the investments in zones. Alternative costs are usually the most difficult element to calculate if we use the enclave model. To receive reliable results many factors must be taken into consideration.

In case of countries from the Far East applying in their economy special zones using the alternative costs in enclave model is not an obstacle as the data are available to cost calculation. For other countries, where the data are not available alternative costs must be estimated what can cause mistakes coming from data inaccuracy. The analysis performed for the lodz special economic zone was based for the model created for the Poland and all zones. The used aggregated data was split in particular investments in the lodz zone. In the table APENDIX there is a detail analysis.

In the model there is an analysis of 18 years of functioning companies in LSEZ. In the model the circumstances reflects the economy situation and the companies situation in a very detail way. Based on that the benefits coming from that zone are obvious to observe.

Financial surplus is basically caused by costs of salaries paid to employees, export and demand on local production.

3.3 NPVcalculation

The net present value (NPV) was used as a Basic tool to performance the analysis. NPV it is a difference between the sum of discounted Cash flow and the investment expenditure.

In case of Lodz zone there is a problem to calculate the investment expenditure. The situation is caused by missing clear empirical data saying about the expenditures of the treasury on that purpose. Because of that the property passed on to companies managing the zones in the very early stages was treated as an initial expenses.

Table 5. Net Cash flow according P.Warr model in Lodz SEZ in 2000 - 2017

Year	2000	2001	2002	2003	2004
Sum od Cash Flow	-20 228	41 260	122 433	200 621	695 846
Alternative value In ths zł from 0,75 to 2010 later 0,9	-15 171	30 945	91 825	150 466	521 884
CF	-5 057	10 315	26 358	43 780	167 586
$CF_{discounted}$	-4 359	7 560	19 979	35 087	126 275

Year	2005	2006	2007	2008	2009
Sum od Cash Flow	685 973	773 437	1 073 799	1 036 501	1 189 985
Alternative value In ths zł from 0,75 to 2010 later 0,9	514 479	580 078	805 349	777 375	892 489
CF	165 118	186 984	262 075	252 750	293 246
$CF_{discounted}$	114 768	138 372	188 604	154 122	169 253

Year	2010	2011	2012	2013	2014
Sum od Cash Flow	1 361 481	1 558 574	1 585 268	1 660 215	1 736 524
Alternative value In ths zł from 0,75 to 2010 later 0,9	1 225 333	1 402 716	1 426 742	1 494 193	1 562 872
CF	131 898	151 607	154 277	163 896	171 527
$CF_{discounted}$	72 057	78 395	75 509	75 927	75 213

Year	2015	2016	2017
Sum od Cash Flow	1 814 699	1 898 059	1 986 980
Alternative value In ths zł from 0,75 to 2010 later 0,9	1 633 230	1 708 253	1 788 282
CF	179 345	187 681	196 573
$CF_{discounted}$	74 435	73 729	73 093

Nominal sum of CF in ths zl	2 739 962
Nominal sum of CFd in ths zl	1 548 018

The analysis performer in an above way shows that the nominal value of a surplus in 2000 is 2700 million PLN. The net present value in year 2000 is 1500 million PLN.

4. Conclusions

The conclusion of performed analysis is that the economy of Lodz area achieve in 2000 over 1500 million PLN net cash flow thanks to special economic zone and companies functioning in the zone. Based on enclave model it can be said that the organization of the zone is a very good solution bringing the expected economic results. Based on the analysis it can be Said that the most important influence on revenue has got cost of employees, export

from zone and sale of local Raw materials and work in Progress materials. Import of raw materials for production outside the country is the most influencing on cost value.

References

[1] CAVES R. E., JONES R.W., *World Trade and Payments: An Introduction*, 4th ed, Boston, Little Brown 1985.

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APENDIX 1

Estimation gain – loss in polish SEZ in 2000 - 2017

Year	2000	2001	2002	2003	2004
Nr of firms	4	7	14	29	58
Employment in ths	85	425	1 020	5 015	6 337
Average wage in ths/work place	3	3	3	3	3
Yearly average cost of wages in ths zl	2 140	11 481	28 632	143 768	189 300
Export form SEZ form 80% firms 60% of sales	32 768	65 537	131 074	262 147	364 823
Domestic sale to SEZ 20% productions	24 143	46 846	92 557	167 814	240 840
Import to SEZ 40% productions	24 143	46 846	92 557	167 814	240 840
Public help in ths zl	23 937	34 978	39 916	64 056	72 650
TAX CIT in year T in mln zl	1 817	3 634	7 267	14 534	14 827
Administrative cost	255	255	255	356	381
Infrastructure (investment)	32 761	4 250	4 250	6 375	6 375
Investment in foreign currency [0,8]	1 268	1 147	1 033	1 039	1 422
Investment in USD	190	172	155	156	213
Investment in Euro	1 078	975	878	883	1 209
Currency differences in USD	0	-7	-6	-4	-43
Currency differences in Euro	0	-84	124	153	-164

Year	2005	2006	2007	2008	2009
Nr of firms	65	72	79	87	95
Employment in ths	9 534	10 757	13 016	14 318	15 750
Average wage in ths/work place	3	4	4	4	4
Yearly average cost of wages in ths zl	297 654	369 416	491 692	567 905	655 930
Export form SEZ form 80% firms 60% of sales	412 105	453 315	498 647	548 512	603 363
Domestic sale to SEZ 20% productions	255 290	272 419	282 594	305 445	329 743
Import to SEZ 40% productions	255 290	272 419	282 594	305 445	329 743
Public help in ths zl	91 040	108 764	124 426	134 877	133 043
TAX CIT in year T in mln zl	16 748	18 423	20 265	22 292	24 521
Administrative cost	315	346	381	419	461
Infrastructure (investment)	6 375	6 375	6 375	6 375	4 250
Investment in foreign currency [0,8]	1 782	2 129	2 436	2 641	2 894
Investment in USD	267	319	365	396	434
Investment in Euro	1 515	1 810	2 071	2 244	2 460
Currency differences in USD	24	-34	-60	-8	-9
Currency differences in Euro	-81	-13	-135	-31	-35

Year	2010	2011	2012	2013	2014
Nr of firms	105	115	117	118	119
Employment in ths	17 325	19 057	19 248	19 440	19 634
Average wage in ths/work place	5	5	5	5	6
Yearly average cost of wages in ths zl	757 599	875 027	927 966	984 108	1 043 646
Export form SEZ form 80% firms 60% of sales	663 699	730 069	737 370	744 743	752 191
Domestic sale to SEZ 20% productions	355 502	382 718	377 708	372 112	365 894
Import to SEZ 40% productions	355 502	382 718	377 708	372 112	365 894
Public help in ths zl	132 910	128 351	121 869	115 276	108 729
TAX CIT in year T in mln zl	28 322	32 638	34 463	36 321	38 212
Administrative cost	507	558	613	675	742
Infrastructure (investment)	4 250	4 250	4 250	2 125	2 125
Investment in foreign currency [0,8]	3 212	3 447	3 637	3 822	4 005
Investment in USD	482	517	545	573	601
Investment in Euro	2 731	2 930	3 091	3 249	3 405
Currency differences in USD	-10	-11	-12	-13	-14
Currency differences in Euro	-39	-43	0	0	0

Year	2015	2016	2017
Nr of firms	120	121	123
Employment in ths	19 831	20 029	20 229
Average wage in ths/work place	6	6	6
Yearly average cost of wages in ths zl	1 106 787	1 173 748	1 244 759
Export form SEZ form 80% firms 60% of sales	759 713	767 310	774 983
Domestic sale to SEZ 20% productions	359 012	351 424	343 083
Import to SEZ 40% productions	359 012	351 424	343 083
Public help in ths zl	102 553	96 728	91 147
TAX CIT in year T in mln zl	38 594	40 539	44 094
Administrative cost	817	898	988
Infrastructure (investment)	2 125	2 125	2 125
Investment in foreign currency [0,8]	4 198	4 399	4 606
Investment in USD	630	660	691
Investment in Euro	3 568	3 739	3 915
Currency differences in USD	-15	-16	-17
Currency differences in Euro	0	0	0