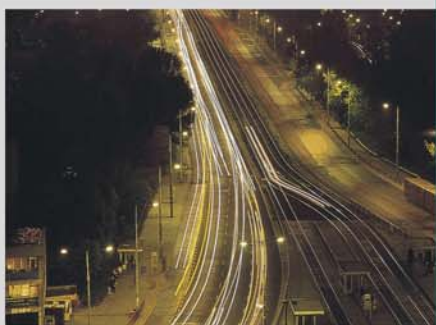


POLAND'S INFRASTRUCTURE



Polish Information and Foreign Investment Agency
www.paiz.gov.pl

1. General characteristics of infrastructure in Poland

Infrastructure in the year 2008 was one of the most rapidly developing sectors of the Polish economy. In particular, air transport, logistics, and tourism noted many new investments, as well as attracted many new clients.

As far as air transport is concerned, many new investments have been planned for the upcoming years. New municipal airports are planned for cities such as Białystok and Koszalin, and regional airports in Lubelskie and Świętokrzyskie provinces, which with the help of low-cost airlines should allow further development of passenger transport. The warehouse sector, on the other hand, has reached four times higher growth than the year before, and health tourism has become popular all over Europe, luring tourists even for one-day visits.

2. Transport infrastructure

Poland is attracting more and more foreign investors. One of the reasons is that the country has well-established transport networks which are constantly being developed and modernized.

- Cargo transport, passenger transport

Despite the fact that the total number of transported cargo and passengers has slightly decreased as a result of the growing number of cars imported over the past years, air transport now has a higher profile (ranking relative to other means of transport).

- Profile of cargo shipment by means of transport

Most cargo is shipped by road transport, with this segment accounting for 79.2% of overall cargo transport. Very little cargo was shipped by air – only 46,000 tonnes in 2007.

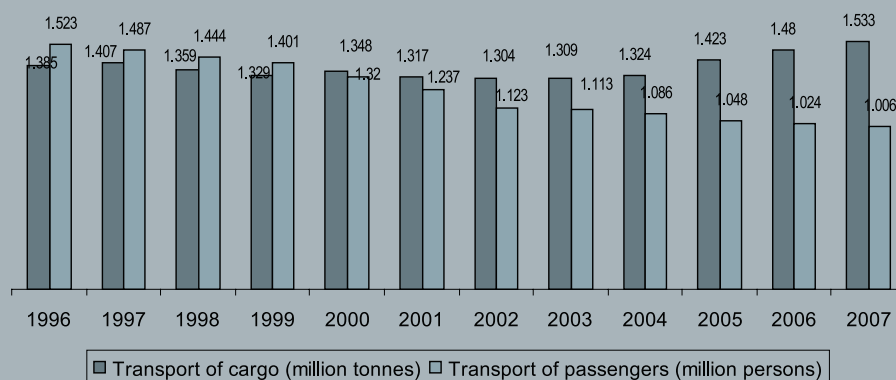
- Profile of passenger transport by means of transport

Road transport dominates also in the area of passenger transport and was responsible for 71.4% of the passenger transport market measured by the number of passengers transported in 2007.

3. Road infrastructure

The best situation with respect to the network of hard-surface public roads is in Silesia, Małopolska and Świętokrzyskie provinces. Among the provinces with the least extensive public road network are Warmia-Mazuria, Podlasie, Lubuskie and West Pomerania.

Transport of passengers and cargo in 1996 - 2007



Source: Central Statistical Office (GUS)

Transport of cargo by means of transport in 2007

Means of transport	tonnes			ton-kilometers			Average length
	in thousands	2006=100	in % overall	in billion	2006=100	in % overall	
OVERALL	1,532,728.0	107.4	100.0	267,309.0	107.5	100.0	-
Railway transport	245,346.0	103.0	16.0	54,253.3	101.5	20.3	221.0
normal-gauge rail	245,205.0	103.0	16.0	54,249.3	101.5	20.3	221.0
narrow-gauge*	141.0	94.8	0.0	4.0	84.1	0.0	28.0
Car transport	1,213,246.0	108.9	79.2	159,527.1	116.9	59.7	131.0
Air transport	46.0	127.3	0.0	97.8	89.1	0.0	2126.0
Pipelines	52,866.0	95.0	3.4	23,513.2	91.9	8.8	445.0
Inland shipping	9,792.0	105.6	0.6	1,337.9	108.2	0.5	137.0
Shipping	11,432.0	114.1	0.8	28,579.6	89.7	10.7	137.0

* together with wide-gauge

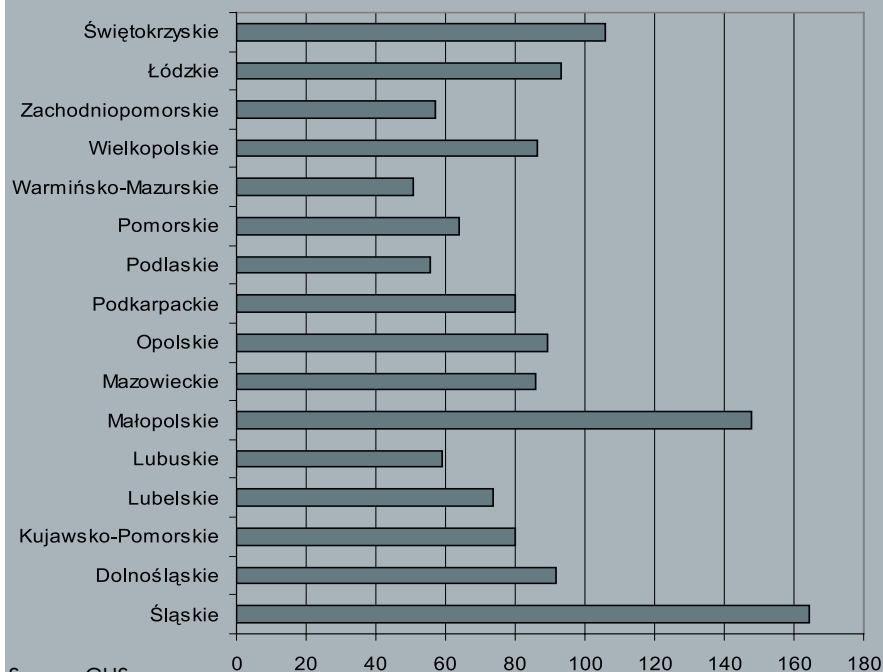
Source: GUS

Means of transport	passenger			passenger-kilometers			Average length
	in thousands	2006=100	in % overall	in billion	2006=100	in % overall	
OVERALL	1006369.0	98.2	100.0	58734.6	100.3	100.0	58.0
Railway transport	279657.0	105.4	27.8	19858.6	107.0	33.8	71.0
normal-gauge rail	279602.0	105.4	27.8	19857.7	107.0	33.8	71.0
narrow-gauge	55.0	93.7	0.0	0.9	52.9	0.0	17.0
Car transport*	718274.0	95.6	71.4	27359.3	97.2	46.6	38.0
Air transport	6194.0	116.2	0.6	11290.6	97.0	19.2	1823.0
Inland shipping**	1490.0	91.1	0.1	32.8	122.8	0.1	22.0
Shipping	754.0	101.8	0.1	193.3	103.1	0.3	256.0

* without public transport in the cities **with coastal transport

Source: GUS

Public road network with hard surface (per 100 km2)



Source: GUS

- Length and condition of particular types of roads and bridges

The majority of Polish roads are administered and maintained by local communes. Commune roads account for 54.48% of all roads. Unfortunately they are in the worst condition. Only 46.76% of commune roads are hard-surface, of which 78.72% have improved surfaces. In the best condition are national and province roads. Over 99% of them are hard-surface, of which over 99% have improved surfaces.

As far as the condition of roads is concerned, expenditures on road modernization will be increased by 2012. According to the Ministry of Infrastructure in 2007, expenses for road investments by 2012 will come to 121 bln PLN. According to the Program of National Roads Construction in 2008-2012, Poland will build in 2010 – 779.8 km motorways and 175.3 km expressways, in 2011 – 211 km motorways and 1178.8 km expressways, but in 2012 – 310.2 km expressways. In sum, between 2008-2012 it is planned to build 1175.2 km motorways and 1979.1 km expressways.

- Plans for construction of road and motorways in Poland – financing and plans

EU membership has accelerated the process of extending the road network by ensuring significant funding.

The planned investments include the north-south route from Gdańsk through Łódź and Katowice to Cieszyn. The second project includes creation of east-west connections, from Warsaw through Łódź and Poznań to Germany, and from Cracow to the German border. In the longer term, these routes will become a part of the transportation passageways connecting the northern and southern parts of Europe.

In a few years Poland will have the newest motorway network in Europe. According to the Polish Government programme, the completion dates for particular motorways in Poland are as follows: (The dates refer to completion of the whole route. Particular sections will be ready for use earlier.)

Poland's public road network at the end of 2007

Road type	Overall	With hard surface			With dirt surface
		Together	improved	not improved	
	km				
OVERALL	383,053.1	258,909.7	233,132.9	25,776.8	124,143.4
National	18,546.2	18,521.0	18,511.0	10.0	25.2
Province	28,517.8	28,455.0	28,417.4	37.6	62.8
District (powiat)	127,296.6	114,357.0	109,388.7	4,968.3	12,939.6
Commune	208,692.5	97,576.7	76,815.8	20,760.9	111,115.8

Source: GUS

Bridges in Poland's public road network at the end of 2007

Road type	Bridges			Ferry crossing	Tunnels and passages
	Together	permanent	temporary		
	in units				
OVERALL	30,983	30,392	591	102	492
Urban public roads	8,182	8,115	67	14	440
Non urban public roads	22,801	22,277	524	88	52

Source: GUS

EXPENSES - THE PROGRAM OF NATIONAL ROADS CONSTRUCTION IN 2008-2012 (IN PLN BLN)

	2008	2009	2010	2011	2012	2008 - 2012
Building/rebuilding	18	28.9	28	19.8	9.8	104.7
Road maintenance	2.7	3.4	3.4	3.4	3.4	16.3
Total	20.8	32.3	31.4	23.2	13.2	121

Source: Ministry of Infrastructure

Length of motorways and expressways

National road network in Poland in 2007 (km)

Other	22,000
Two-lane expressways	160
One-lane expressways	70
Expressways	330
Motorways	633

Source: GUS



Investment goals for 2008-2012

Building of motorways	1,770 km
Building of expressways	2,274 km
Surface improvement	1,560 km
Building of ring roads	54 roads

Source: GUS

Motorway number	Route	Completion date
A1	S6/S7 (Gdańsk) – Toruń – Łódź – Piotrków Trybunalski – Częstochowa – Gliwice – Gorzyczki – border – (Ostrava)	2010
A2	(Berlin) – border – Świecko – Poznań – Łódź – Warszawa – Biała Podlaska – Kukuryki – border – (Minsk)	2013
A4	(Dresden) – border – Jędrzychowice – Krzyżowa – Legnica – Wrocław – Opole – Gliwice – Katowice – Cracow – Tarnów – Rzeszów – Korczowa – border – (Lvov)	2013
A18	(Berlin) – border – Olszyna – A4 (Krzyżowa)	2009
A6	(Berlin) – Kolbaskowo-Szczecin	2009

4. Road, air and sea border crossings

There are 5 types of border crossings in Poland:

- road border crossings: 204
- rail border crossings: 34
- air border crossings: 24
- sea border crossings: 20
- river border crossings: 6



Source: Polish Border Services (Straż Graniczna, <http://www.sg.gov.pl/>), Rocznik statystyczny, 2007

5. Railway network

There are significant differences between Polish regions in the density of the railway network, as presented on the graph.

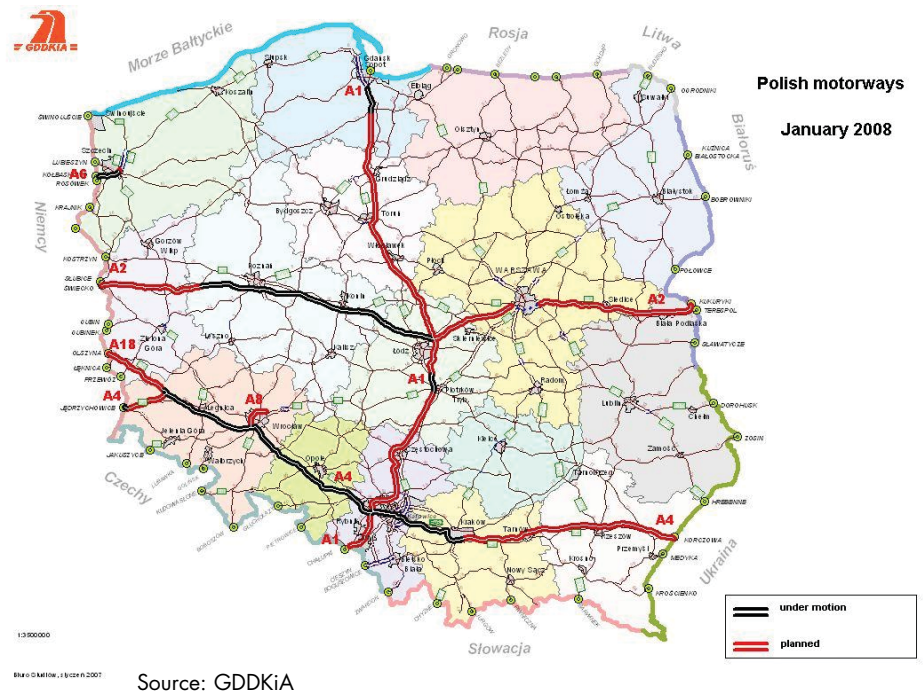
- Domestic and international connections



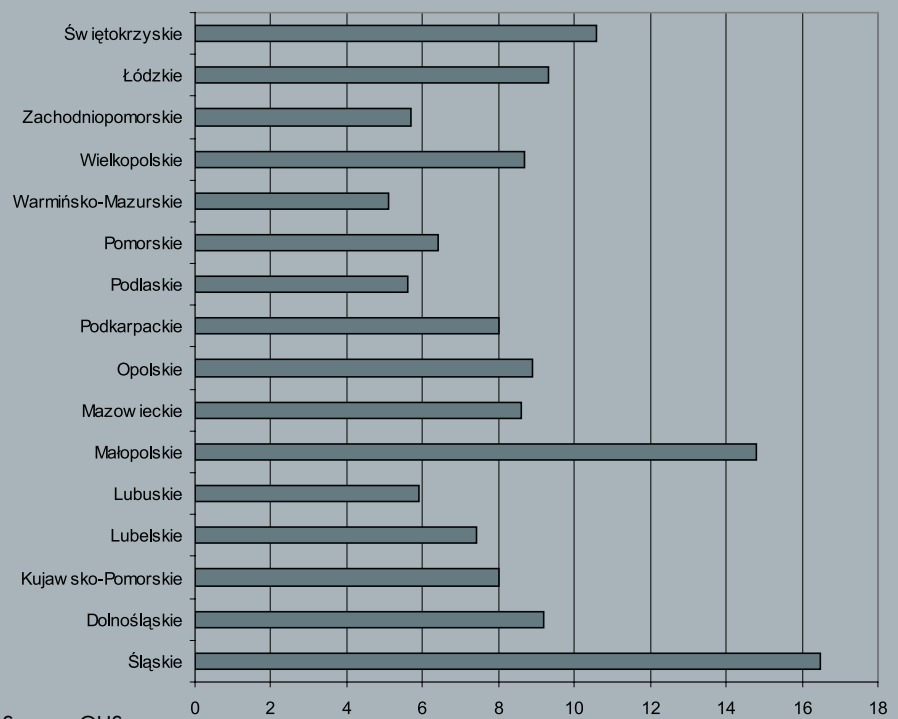
Source: www.trakcja.rail.pl

Broad-gauge connections with Russia and other eastern states ensure fast, reliable and immediate links with eastern markets.

Polish motorways



Exploited railway network (per 100 sq km)



- Railway network operators

The dominant role in railway transport is played by Polish State Railways (Polskie Koleje Państwowe S.A., or "PKP"), which is owned by the state treasury. Since 2001 PKP has operated as a capital group composed of companies that specialize in certain types of transport, such as regional transport, long-distance transport, and cargo transport. In addition to PKP, many local railway companies also operate on the market. PKP and local railway network operators are described below.

Comparison of the length of railway network in selected EU countries [km]

	1997	1998	1999	2000	2001	2002	2003	2005
EU (25 countries)	208,878	208,096	207,735	205,963	204,230	203,945	197,826	215,720
Belgium	3,422	3,470	3,472	3,471	3,454	3,518	3,521	3,544
Czech Republic	9,430	9,430	9,444	9,444	9,523	9,600	9,612	9,614
Denmark	2,248	2,264	2,756	2,768	2,768	2,779	2,273	2,644
Germany	38,385	38,126	37,525	36,588	35,986	35,803	36,054	38,206
Spain	16,322	16,275	16,403	16,384	16,384	16,529	14,387	12,839
France	31,821	31,770	31,735	31,397	31,385	31,320	29,269	30,832
Italy	16,030	16,080	16,092	15,974	16,035	15,985	16,288	16,166
Latvia	2,413	2,413	2,431	2,331	2,305	2,270	2,269	2,413
Lithuania	1,997	1,997	1,905	1,905	1,696	1,775	1,774	1,771
Poland	23,328	23,210	22,891	22,560	21,119	21,073	19,900	20,253
Portugal	3,038	2,794	2,814	2,814	2,814	2,801	2,818	2,839
Slovenia	1,201	1,201	1,201	1,201	1,229	1,228	1,229	1,228
Slovakia	3,673	3,665	3,665	3,662	3,662	3,657	3,657	3,658
Finland	5,865	5,867	5,836	5,854	5,850	5,850	5,851	5,732
Sweden	10,941	10,997	11,044	11,037	11,021	11,095	9,882	11,050
United Kingdom	16,991	16,994	16,984	16,994	16,994	16,994	17,052	16,237

Source: EUROSTAT

NATIONAL:

Polish State Railways (PKP)

Network length, gauge and electrification (2007):

- 19,797 km standard gauge, 11,898 km electrified at 3000 V

At the end of 2001 the old PKP was split up into different subsidiaries. The most important for railway operations are:

- PKP Intercity (long-distance passenger traffic)
- PKP Przewozy Regionalne (regional passenger trains)
- PKP Szybka Kolej Miejska (commuter traffic around Gdańsk/Gdynia/Sopot)
- PKP Warszawska Kolej Dojazdowa (commuter traffic around Warsaw, since sold)
- PKP Cargo (freight traffic)
- PKP Linia Hutnicza Szerokotorowa (broad-gauge trains to Ukraine)

In 2007 freight traffic was 153 million tonnes, 1.9% less than in 2006.

All narrow-gauge lines (511 km in 2001) have been closed or sold to local communities. PKP does not operate trains on these lines anymore. The broad gauge line Ukraine-Huta Katowice is being extended to the Czech border (at Chatupki).

LOCAL:

KM - Koleje Mazowieckie (Mazovia Railways)

Network length, gauge and electrification (2005):

- standard gauge, electrified at 3000 V
- KM is a new company, operating local trains around Warsaw. It has taken over trains and employees from PKP.

SKM - SKM Warszawa Sp. z o.o.

Network length, gauge and electrification (2005):

- standard gauge, electrified at 3000 V
- SKM operates commuter services around Warsaw using hired PKP electric trains.

WKD - Warszawska Kolej Dojazdowa (Warsaw Commuter Railways)

Network length, gauge and electrification (2001):

- standard gauge, electrified at 600 V
- This company operates light rail trains around Warsaw. It used to be a subsidiary of PKP, but was sold to the Mazovia regional authority at the end of 2004.

CTL - Chem Trans Logistic

Network length, gauge and electrification (2003):

- 130 km standard gauge, electrified at 3000 V

In 2002 CTL took over the Maczki-Bór "sand railway" in Katowice. They now (also) operate open-access freight trains throughout Poland. In 2002 the CTL group carried 1.5 tonne-km of freight.

EN - Euronafit-Trzebinia

Network length, gauge and electrification (2004):

- standard gauge, not electrified

LOTOS - LOTOS Kolej Spółka z o.o.

Network length, gauge and electrification (2004):

- standard gauge, not electrified

KW - Kuźnica Warężyńska

Network length, gauge and electrification (2005):

- standard gauge, not electrified

This former sand railway now operates local freight trains in the Łagisza area to the northeast of Katowice, and open-access coal trains to Katowice and Warsaw.

OK - Orlen Koltrans

Network length, gauge and electrification (2005):

- standard gauge, not electrified

Pol-Miedź Trans - KGHM Polska Miedź SA

Network length, gauge and electrification (2003):

- standard gauge, not electrified

Apart from shunting duties on its own network, this company operates open access trains with copper ore from Lubin Górniczy to the copper smelter in Głogów.

PRS - PCC Rail Szczakowa S.A.

Network length, gauge and electrification (2005):

- 210 km standard gauge, electrified at 3000 V

PTKiGK Rybnik- Przedsiębiorstwo Transportu Kolejowego i Gospodarki Kamieniem S.A., Rybnik

Network length, gauge and electrification (2004):

- standard gauge, not electrified

PTKiGK Zabrze - Przedsiębiorstwo Transportu Kolejowego i Gospodarki Kamieniem Sp. z o.o., Zabrze

Network length, gauge and electrification (2004):

- standard gauge, not electrified

The company is a private railway operator and has been active on the market since 1953. The company offers com-

plete service and exploitation of railway sidings, railway transport of bulk commodities, forwarding and shipment as well as transport logistics. The company also specializes in repair and construction of track systems, repair of diesel locomotives and freight cars of various kinds as well as electric appliances and communication system devices. Earth work plays a significant role in the company's activity, including mining waste dumping and technical and biological land reclamation. The company holds a licence for providing railway transport of bulk commodities, ISO 9001:2000 Certificate and Certificate of Safety. It has been awarded a European Medal for railway transport and complete operation of sidings as well as land reclamation. Its customers include coal mines, sugar plants, power plants and many others.

RP - Rail Polska

Network length, gauge and electrification (2004):

- standard gauge, not electrified
- In 1999 Ed Burkhardt (well-known from EWS in the UK and Eesti Raudtee in Estonia) founded this freight railway company. In 2003 the company bought up the Polish companies Kolex and ZEC-TRANS, which mainly operated coal trains from mines to power stations.

TS - Transoda Sp. z o.o.

Network length, gauge and electrification (2004):

- standard gauge, not electrified
- This company, based in Inowrocław, operates freight trains between Inowrocław/Janikowo and Gdańsk Kanał Kaszubski.

Source: European Railway Server, <http://www.railfaneurope.net>

6. Pipelines

The main pipelines in Poland include the crude oil pipelines Adamowo-Płock, Płock-Schwedt and Gdańsk-Płock. The others connect industrial centres and generally run over short distances.

- Planned projects of pipeline construction

The development plans for pipeline construction consider two main directions:

Eastern – a third pipeline from Adamowo to Płock, which is currently under construction, will make it possible to adjust the capacity of the Polish pipelines to the capabilities of the north-

ern part of the "Przyjaźń" pipeline. The new pipeline, despite important issues concerning the security of the country's energy supply, will also allow the development of crude oil transport services for other countries. The planned completion date of this investment is set for 2011-2012.

Southern – together with the Ukrainian Ukrtransnafta, construction of the Brody-Płock pipeline is continuing, which will enable the transport of up to 25 mln tonnes of Caspian crude oil yearly.

- Renewable energy market in Poland
- According to The Institute for Fuels and Renewable Energy in Warsaw, the share of renewable electricity in Poland in 2006 was 3,2% (2,7% in 2005), of which large hydro accounted for 47%, biomass 43% (most of which was co-firing), biogas 4% and wind-generated electricity 6% . According to the Ministry of Economy, the share of renewable energy in Poland's energy balance proposed by the European Commission in January 2008 is 7,5% by 2010 and 15% by 2020.
- Poland does not take advantage of its potential in the field of renewable energy sources (RES). The total RES installed capacity in 2007 was only 1500 MW, of which the wind power capacity was also only 276 MW. The development of RES sources in Poland is hindered by general over-capacity in the Polish power sector, because there is no incentive to search for new RES sources.

- Further barriers for creation of an effective renewable power market in Poland result from, among other things, conflicts between the interests of several lobbies from the RES industry and electricity producers and distributors, very poor high-voltage grids (especially in areas where wind energy may be produced), and lack of successful cooperation between central administration departments in the field of the RES.



Source: The Oil Pipeline Operation Company 'Przyjaźń' Join Stock-PERN "Przyjaźń" S.A.

7. Shipping infrastructure

The length of the navigable inland waterways is 2,413 km, which accounts for 65.9% of all waterways in Poland. The Odra, lower Vistula, Warta and Noteć rivers, as well as waterways near Szczecin, Gdańsk and Warsaw, offer good conditions for inland navigation. Sand, gravel, coal, ores and fertilizers are the most frequently transported goods.

- Harbours (seaports and reloading ports)

The main commercial Polish seaports include Gdańsk, Gdynia, Kołobrzeg and Szczecin-Świnoujście.

The global level of international sea transport is falling and will also concern passenger transport in our country (in Poland this effect may be strengthened by the growing number of international airports as well as the wide range of transport services offered by cheap airlines in the EU). On the other hand Poland's growing position among the countries of EU will lead to growth in transport of commodities.

- Development of shipping infrastructure

The further development of ports (both inland and sea ports) in the upcoming years will be financed from public funds with help from EU structural funds. Such development plans are a part of regional development plans (for instance, the Naval Strategy for West Pomerania province for the years 2005-2015). Other investments in ports will be made by local authorities, as some of the sea ports are owned by certain cities.

8. Air infrastructure

- Airports

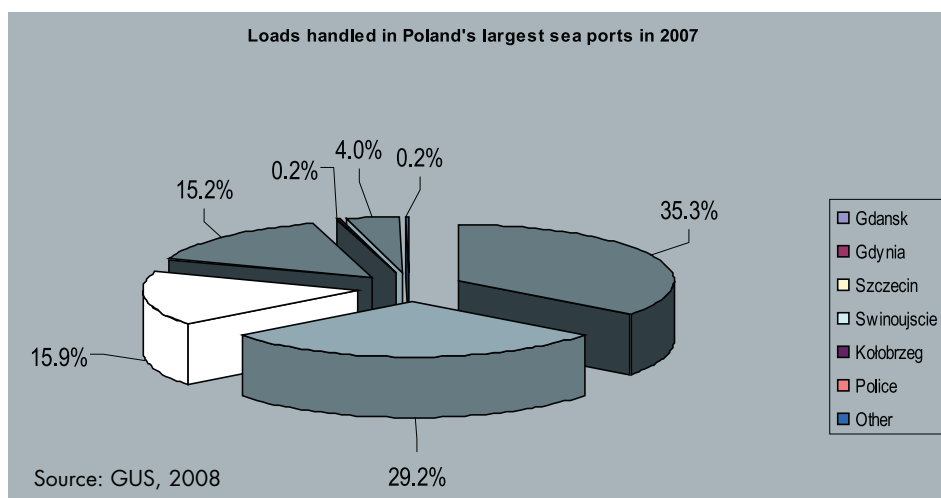
The system of public airports in Poland for passengers includes a number of regional airports and the dominant Warsaw airport. Airports in Poland can be divided into:

- ☐ international connecting point
 - Frederic Chopin Airport, Warsaw
- ☐ community connecting point
 - John Paul II International Airport, Cracow-Balice
- ☐ regional and accessibility points
 - Lech Wałęsa Airport, Gdańsk
 - Katowice International Airport, Pyrzowice
 - Poznań Ławica Airport
 - Copernicus Airport, Wrocław
 - Szczecin-Goleniów Airport

The types and length of waterway transport and the condition of waterways – navigability of rivers and canals (according to classes of waterways)

Type of waterway	Overall		Classes of waterways							Exploited waterways	
			regional				international				
			Ia	Ib	II	III	IV	Va	Vb		
	km	share (%)	in km							Overall (%)	
OVERALL	3,660	100.0	1,085	893	1,071	397	38	55	121	3,351	92.0
Navigable rivers	2,413	66.0	754	756	691	115	-	-	97	2,127	88.0
Channels on rivers	644	18.0	101	137	106	207	38	55	-	631	98.0
Channels	344	9.0	176	-	106	47	-	-	15	334	97.0
Navigable lakes	259	7.0	54	-	168	28	-	-	9	259	100.0

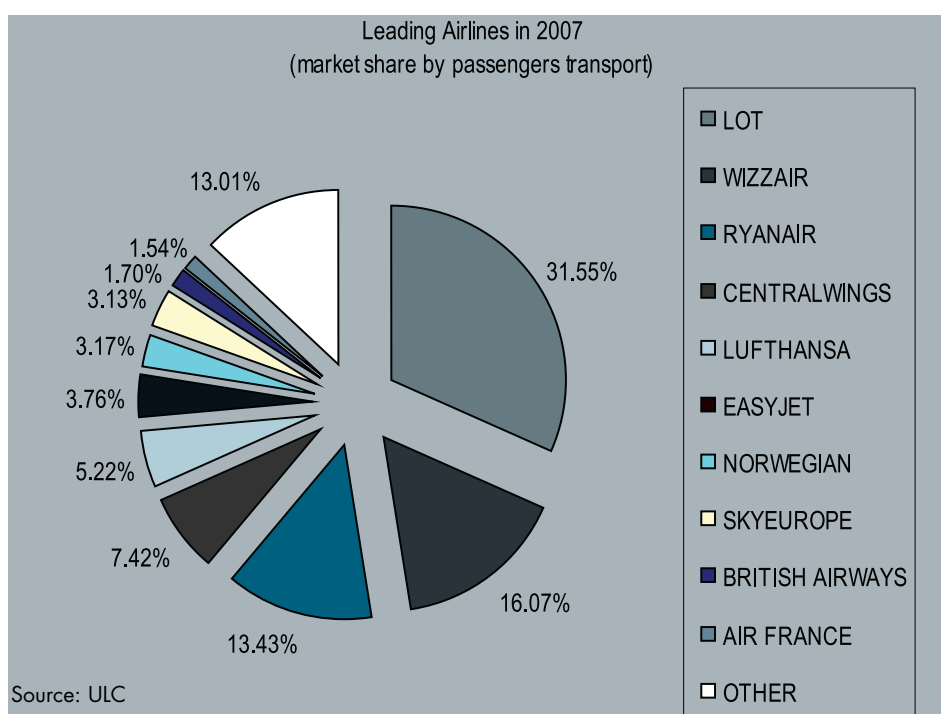
Source: GUS, 2007



- Rzeszów-Jasionka Airport
- I. J. Paderewski Airport, Bydgoszcz
- Łódź Airport
- Zielona Góra-Babimost Airport
- Szczytno-Szymany International Airport
- ☐ local airports

- Selected international air connections

from Polish airports in 2007
According to GUS there were 151 regular routes from Polish airports in 2007, of which 141 were international connections. Poland had regular connections with 37 countries and 92 cities all around the world in 2007. The examples of these connections are presented in the table.



**Selected international air connections from Polish airports
in 2007**

from Warsaw to	distance (kilometres)	from Cracow to	distance (kilometres)
Amsterdam	1,102	Tel Aviv	2,509
Athens	1,602	Larnaca	2,172
Barcelona	1,870	London	1,469
Beirut	2,349	Lvov	335
Berlin	523	Lyons	1,359
Brussels	1,147	Madrid	2,272
Budapest	539	Manchester	1,562
Bucharest	927	from Gdańsk to	distance (kilometres)
Chicago	7,518	Hamburg	560
Dublin	1,825	Frankfurt	829
Frankfurt	897	from Poznań to	distance (kilometres)
Geneva	1,262	Frankfurt	634
Hamburg	753	Munich	557
Helsinki	940	from Wrocław to	distance (kilometres)
Istanbul	1,380	Frankfurt	599
Kaliningrad	304	Munich	478
Kiev	721		

Source: GUS

- Forecasts of air passenger and air cargo transport

The tables below present the predicted number of passengers and quantity of cargo carried by Polish air transport. Both in passenger transport and in cargo transport, a growth trend is noticeable.

Forecasts of passenger transport in 2010 – 2020 (in thousands)

	2010	2015	2020
John Paul II International Airport, Cracow-Balice	1,847.62	2,948.44	4,641.55
Lech Wałęsa Airport, Gdańsk	1,531.00	2,026.00	2,236.87
Katowice International Airport, Pyrzowice	1,294.47	2,110.56	3,165.19
Poznań Ławica Airport	1,539.00	1,964.20	2,412.73
Copernicus Airport, Wrocław	1,042.80	1,308.00	1,465.00
Szczecin-Goleniów Airport	807.00	1,450.00	2,180.00
Rzeszów-Jasionka Airport	450.00	570.00	700.00
I. J. Paderewski Airport, Bydgoszcz	115.95	200.00	350.00
Zielona Góra-Babimost Airport	50.50	73.50	100.00
Łódź Airport	400.00	500.00	700.00
Szczytno-Szymany International Airport	86.10	200.00	360.00
Frederic Chopin Airport, Warsaw	7,450.78	9,658.28	12,304.32

Source: E. Marciszewska, D. Kaliński, "Transport lotniczy (Ekspertyza)", Warszawa, 2004

Forecasts of cargo transport in 2010 – 2020 (in tonnes)

	2010	2015	2020
John Paul II International Airport, Cracow-Balice	55,423	84,095	140,312
Lech Wałęsa Airport, Gdańsk	5,738	8,384	12,277
Katowice International Airport, Pyrzowice	7,606	10,075	11,123
Poznań Ławica Airport	6,900	10,800	15,300
Copernicus Airport, Wrocław	11,370	19,492	33,127
Szczecin-Goleniów Airport	5,666	7,797	9,319
Rzeszów-Jasionka Airport	2,469	4,654	6,420
I. J. Paderewski Airport, Bydgoszcz	32,000	43,000	50,000
Zielona Góra-Babimost Airport	741	n/a	3,000
Łódź Airport	2,000	2,800	3,700
Szczytno-Szymany International Airport	10,000	50,000	150,000
Frederic Chopin Airport, Warsaw	1,000	2,500	10,000

Source: E. Marciszewska, D. Kaliński, "Transport lotniczy (Ekspertyza)",

- Types, number of airports and number of air connections

The system of public airports in Poland used for passenger transportation includes 12 regional airports and one dominant capital airport (Frederic Chopin Airport, Warsaw) which handles most passengers using air transport.

After liberalization of the air transport market in 2004, most of the regional airports (particularly those placed in major cities) have developed their own international connections, especially with the support of cheap airlines like easyJet, Germanwings, Ryanair, SkyEurope and Wizz Air.

Air transport development

According to The Ministry of Infrastructure (former Ministry of Transport) the existing airport infrastructure cannot handle forecasted growth and that Poland needs to build new airports. The regions targeted by the Ministry or by regional authorities for new airport construction are Mazury (North Eastern part of Poland, near Olsztyn), Podlasie (also North-Eastern part of Poland, near Białystok), near the city of Lublin (South-Eastern part of Poland), near the city of Kielce (200 km South of Warsaw), Nowy Sącz, Gdynia, Sochaczew, Radom, and Kolobrzeg (North-Western part of Poland). Additionally, the Ministry confirmed that previous plans for construction of a new airport hub with a capacity of up to 50 million passengers were abandoned due to prevailing decentralization trends within the airport industry worldwide. This situation created a need for construction of an additional airport close to Warsaw, which would support, Warsaw Okęcie Airport. A former military airport in Modlin (North of Warsaw) was chosen for low-cost carriers and charter flights. It is expected that Modlin Airport will commence operation in 2010.

9. Logistics

- General characteristics of logistics sector

Poland offers excellent opportunities for logistics space developers, the best in Central and Eastern Europe, according to experts. The country's warehouse space market expanded rapidly in the first quarter of 2008 and had a successful, albeit slightly slower, second quarter.

According to real estate services com-

Transport of cargo and passenger transport in 2007

City	Year founded	Passengers	Transport of cargo (tonnes)	Owner	shares held by PPL
Warsaw	1920/1934	9,268,551	63,333	Polish Airports State Enterprise (PPL)	67.97%
Cracow	1964	3,042,351	3,801	Port Lotniczy Kraków-Balice Sp. z o.o.	76.19%
Katowice	1966	1,980,358	7,782	Górnolaskie Towarzystwo Lotnicze S.A.	17.896%
Gdańsk	1919/1974	1,708,739	4,757	Port Lotniczy Gdańsk Sp. z o.o.	37.61%
Wrocław	1945	1,270,825	1,457	Port Lotniczy Wrocław S.A.	25.02%
Poznań	1921	863,018	2,453	Port Lotniczy Poznań-Ławica Sp. z o.o.	63.210%
Szczecin	1967	22,071	1,774	Port Lotniczy Szczecin-Goleniów Sp. z o.o.	60.356%
Rzeszów	1959	274,272	509	Polish Airports State Enterprise (PPL)	100.00%
Bydgoszcz	1929	181,576	411	Port Lotniczy Bydgoszcz S.A.	23.197%
Łódź	1925	312,365	0	Port Lotniczy Łódź Lublinek Sp. z o.o.	0.00%
Zielona Góra	1977	6,739	0	Polish Airports State Enterprise (PPL)	100.00%
Szczytno	1996	0	0	Porty Lotnicze Mazury-Szczytno Sp. z o.o.	32.52%
Total		19,136,865	86,278		

Source: Civil Aviation Office (ULC)

Direct flights to major European and world cities



Source: PALiZ

Network of regular air transportation in 2007

	2006	2007
Number of air connections	75	69
national	138	151
international	128	141
Number of states with which regular air transportation is kept	35	37
Number of cities with which regular air transportation is kept	89	92
including national connections	79	82

Source: GUS

pany Cushman & Wakefield a total of 645,000 square meters of modern warehouse space was completed in Poland in the first quarter of 2008, bringing the total stock nationwide to 4.46 million sq m.

In 2007 total warehouse stock in Poland stood at 3,818,000 sqm. (in 4Q 2006 it was 2,722,000 sqm). The number of new investments is growing dynamically, especially in the regions. In 2007 only 16% of newly developed warehouse space was located in the area of Warsaw. The majority of warehouse space was constructed in Poznań (22.5%), Upper

Silesia (20%), in Central Poland (over 19%) and in Wrocław (14%).

10. Municipal infrastructure

- Length of municipal distribution systems

Length of municipal distribution systems (thousand km)			
System	2005	2006	2007
Water supply system	245,6	251,4	257,1
Sewerage system	80,1	84,9	89,5
Gas supply system	122,3	125	n/a

Source: GUS, 2008

- Access of households to infrastructure in cities

Access to certain items of municipal infrastructure is dependent on the num-

ber of infrastructure systems installed in the city. The current situation in Poland is shown by the table below. Nearly all of the cities have the four basic systems: water, sewerage, electricity, and gas lines (the smaller percentage is due to the low population among the smallest cities as well as the pipeline building costs in comparison to delivery of gas cylinders). The number of wastewater treatment plants is also high, with a growth trend in the number of wastewater plants with increased biogenic removal.

The overall access of dwellings to major systems is therefore high. As stated above, for the systems with the lowest share, this is the effect of economic comparative costs and the population of certain cities.

- Production of electrical energy

Due to the economic revival in recent years in Poland and population growth, production of electricity has been growing since 1990 is likely to continue doing so. Only in 2007 the production of electricity dropped by 2% in comparison with 2006.

11. Tourist infrastructure

The previous decrease in foreigners visiting Poland was caused by the terrorist attacks worldwide that caused a slump in tourist trips globally.

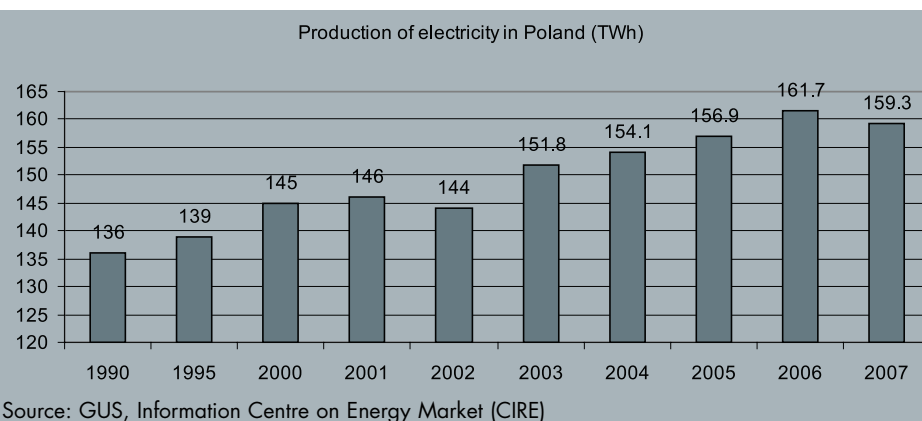
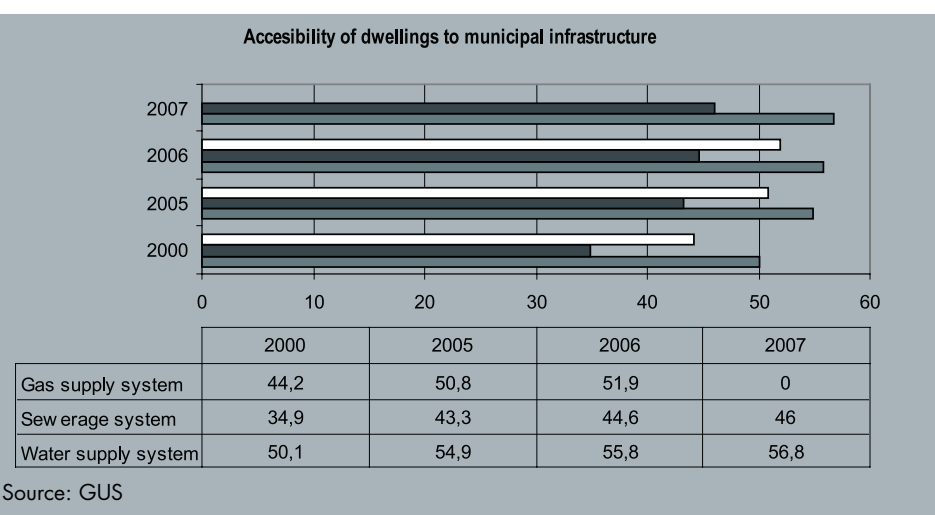
Currently there is a steady increase in the number of visitors, especially from EU countries. The reason for this fact is broader promotion of Poland and specific tourist attractions, as well as stability in international relations. On the other hand, the decrease in the number of visitors from the other side of the eastern border (especially Belarus) due to Poland's accession to Schengen Agreement in December 2007. The most significant decrease concerns the sea border. This is caused by the growing number of cheap airlines and the international connections they offer.

	2000	2005	2006	2007
Overall arrivals	80,595	60,542	60,451	59,672
Czech Republic	11,985	7,855	7,102	7,143
Germany	48,903	37,436	37,192	37,135
Belarus	5,929	3,651	3,912	3,848
Lithuania	1,414	1,344	1,459	1,365
Slovakia	3,914	3,378	3,422	3,147
Russian Federation	2,275	1,599	1,722	1,613
Ukraine	6,184	5,279	5,642	5,421

Source: GUS

The total number of towns and urban areas served by municipal installations							
Years	Of which urban areas served by						urban transport
	waterline system	sewerage system	waste water treatment plants				
			total	of which			
				mechanical	biological	with increased biogene removal (disposal)	
1995	854	793	643	105	491	42	277
2000	877	845	801	30	522	247	261
2003	883	876	840	15	482	343	252
2004	885	878	849	10	464	375	259
2005	886	881	857	8	450	399	263
2006	887	886	868	7	450	420	259
2007	889	88	872	3	433	436	262

Source: GUS



- Hotels and facilities offering accommodation to tourists in Poland

	2006	2007
Tourist facilities	6,694	6,718
including hotels:	2,301	2,443
Beds (thousand)	574,612	582,105
including hotel beds:	178,056	190,387

Source: GUS

Despite the falling number of all tourist facilities the demand for such services is rather constant. Nevertheless the requirements of the clients have changed, and thus the total number of hotels is growing.

- Health tourism: dentistry, cosmetic surgery, health resorts etc.
- Number of cities with the status of a health resort (2007)

Number of cities with the status of a health resort (2007)	
Śląskie	2
Mazowieckie	1
Warmińsko-Mazurskie	1
Lubelskie	2
Podlaskie	1
Pomorskie	2
Świętokrzyskie	2
Kujawsko-Pomorskie	4
Podkarpackie	5
Zachodniopomorskie	7
Małopolskie	12
Dolnośląskie	12
Total cities	51
Total health resorts (hotels)	229
Beds	35,266

Source: GUS, sluzbazdrowia.pl 2008

The overall number of tourists that come to Poland can be estimated thanks to the statistics on arrival motives. The segment that includes dentistry, cosmetic surgery, and health resorts as motives for short-term visits was growing rapidly to 2006. The main reason for the inflow of tourists is low prices throughout the country (below the EU average, especially in prices of medical treatment, which for example in 2006 is PLN 51.72 for a consulting visit to a second-graduated physician in specialist practice).

Foreigners' expenditures in this sector are also growing rapidly. According to the Institute of tourism include, the overall sum of money spent on healthcare for visitors reached USD 95 million in 2007 (USD 275 per person in 2007, there was USD 247 in 2006).

12. Possibilities for financing infrastructure investments from EU funds

- The most important financing programme for the upcoming years is considered to be the Infrastructure and Environment Operation Programme, which is a part of Poland's Cohesion Strategy. It will be coordinated by the Ministry of Regional Development and province governments. The main priorities for financial support under the programme include the following areas:

Priority 1	Water supply system
Priority 2	Waste disposal and land surface protection
Priority 6	TEN-T trans-European transport networks
Priority 7	Environment-friendly transport
Priority 8	Safety of transport and national transport networks
Priority 9	Road infrastructure of eastern Poland
Priority 10	Power industry safety

- It is assumed that in the years 2007-2013, the total sum of EUR 26,054.8 million will be allocated for Environment Operation Programme projects, of which EUR 21,275.2 million will come from the EU budget and EUR 3,754.6 million from Polish public resources. Projects will also be financed from private resources in the amount of EUR 1,025 million.
- The majority of EU funds (EUR 7,400 million) will be spent on the realization of Priority 6 (TEN-T trans-European transport networks), 30% of which is to be spent on motorway infrastructure, 65% on other roads and the remaining 5% on airports.
- A total of EUR 5,990.0 million will be allocated for projects of Priority 7 (environment-friendly transport), of which 54% will be allocated for TEN-T railway lines, 7% for other railway lines, 7% for ports, and 7% for rolling stock.
- Under the Environment Operation Programme, EUR 2,500.0 million will be allocated for investment in the water supply system (Priority 1).



Invest in Poland

Polish Information and Foreign Investment Agency
Polska Agencja Informacji i Inwestycji Zagranicznych S.A.
ul. Bagatela 12, 00-585 Warszawa, Polska
tel. (+48 22) 334 98 00, fax (+48 22) 334 99 99
www.paiz.gov.pl, e-mail: post@paiz.gov.pl

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