POLAND'S LOGISTICS

Invest in Poland
Polish Information and Foreign Investment Agency
www.paiz.gov.pl

1. Transport infrastructure in Poland

The transport infrastructure in Poland includes roads, rail, airports, seaports, inland waterways, pipelines and combined transport. The Polish transport infrastructure requires much more investment in order to make Poland more attractive for foreign capital.

Poland has signed international agreements concerning European transport networks:

- European Agreement on Main International Traffic Arteries (AGR),
- European Agreement on Main International Railways Lines (AGC),
- European Agreement on Important International Combined Transport and Related Installations (AGTC),

According to these agreements, there are four main transport corridors running through Poland:

- European route E67 from Helsinki (Finland) to Prague (Czech Republic) – within Poland, following the A8 highway and the DK8 National Road
- European route E30 from Cork (Ireland) to Omsk (Russia) – within Poland, following the A2 highway and the DK2 National Road
- European route E40 from Calais (France) to Leninogorsk (Kazakhstan) – within Poland, following the A4 highway and the DK4 National Road
- European route E75 from Vardo (Norway) to Sitia (Greece) – within Poland, following the A1 highway and the DK1 National Road

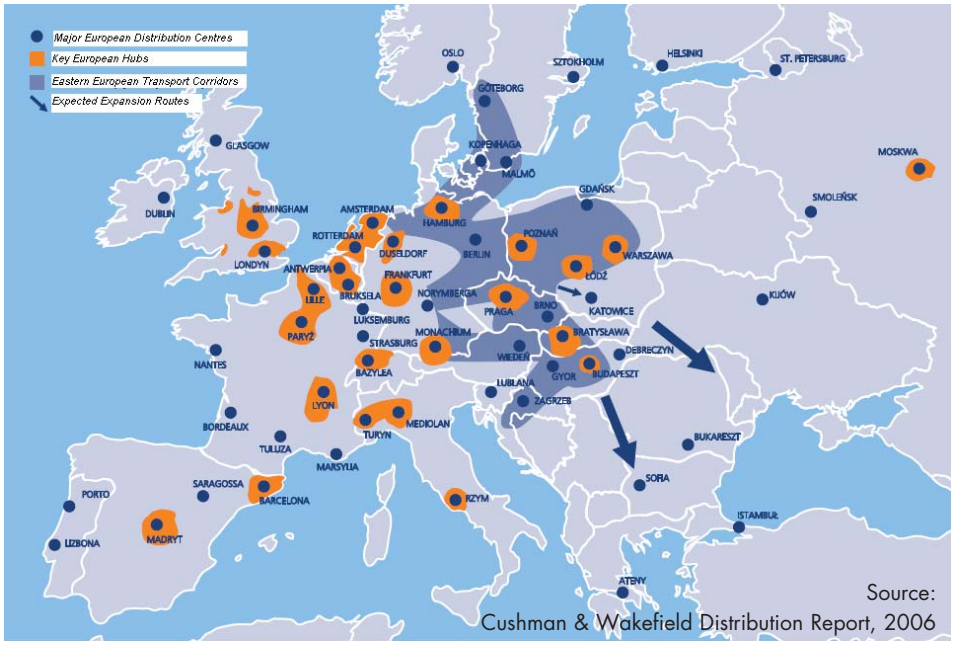
The Polish transport network includes 4,700 km of state-owned roads (including planned motorways and international routes), as well as a 5,500 km rail network, 8 airports and 4 seaports, which belong to Transport Infrastructure Needs Assessment (TINA). TINA is a part of the Transeuropean Network – TEN, including infrastructure of transport, telecommunications and energy networks.

• Road transport

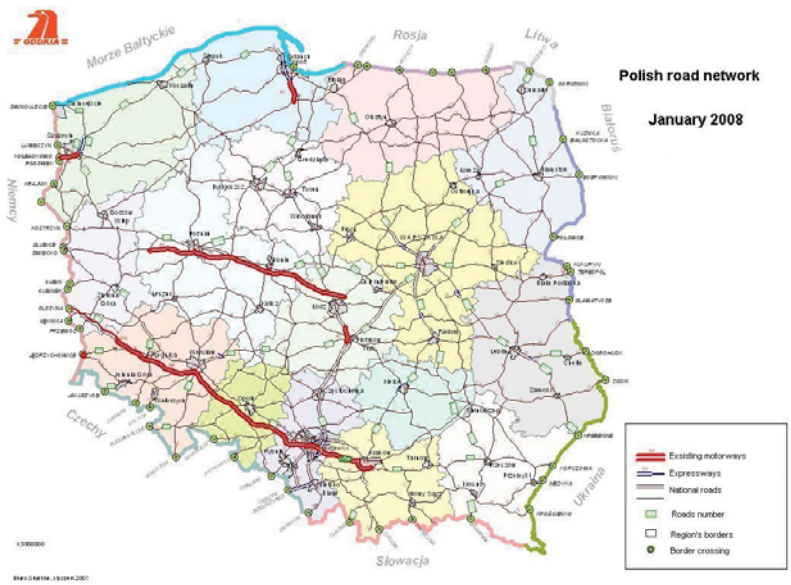
Road infrastructure in Poland includes 764 km of motorways, 418,4 km of expressways, and other province, district and communal roads. The total length of state-owned roads in Poland is 383,053.1 km.

The profile of overall roads in Poland and the motorway network is shown on the maps.

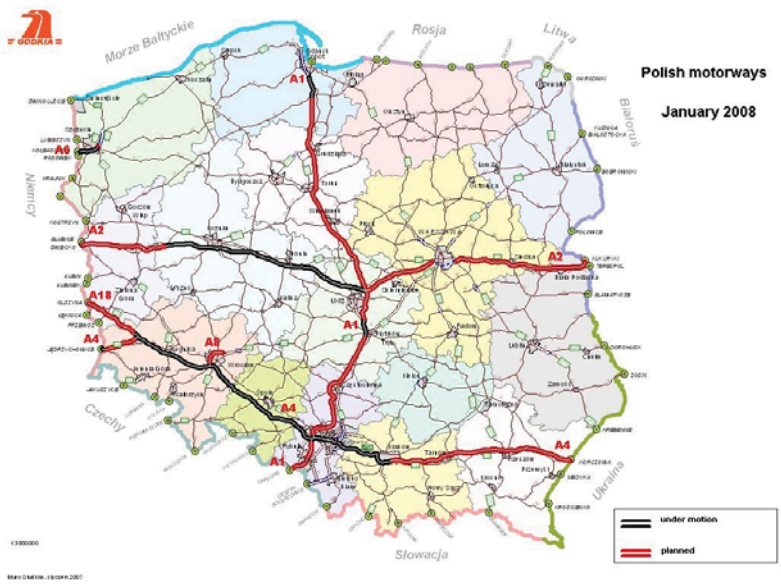
European Distribution Center



Source:
Cushman & Wakefield Distribution Report, 2006



Source: GDDKiA



Source: GDDKiA

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:

Motorway number	Route	Completion date
A1	S6/S7 (Gdańsk)-Toruń-Łódź-Piotrków Trybunalski-Częstochowa-Gliwice-Gorzyczki-border-(Ostrava)	2011
A2	(Berlin)-border-Świecko-Poznań-Łódź-Warszawa-Biała Podlaska-Kukuryki-border-(Minsk)	2013
A4	(Dresden)-border-Jędrzychowice-Krzyżowa-Legnica-Wrocław-Opole-Gliwice-Katowice-Kraków-Tarnów-Rzeszów-Korczowa-border-(Lvov)	2012
A18	(Berlin)-border-Olszyna-A4 (Krzyżowa)	2010

These dates are for completion of the whole routes. Particular sections will be ready for use earlier.

Length of railway lines in Poland

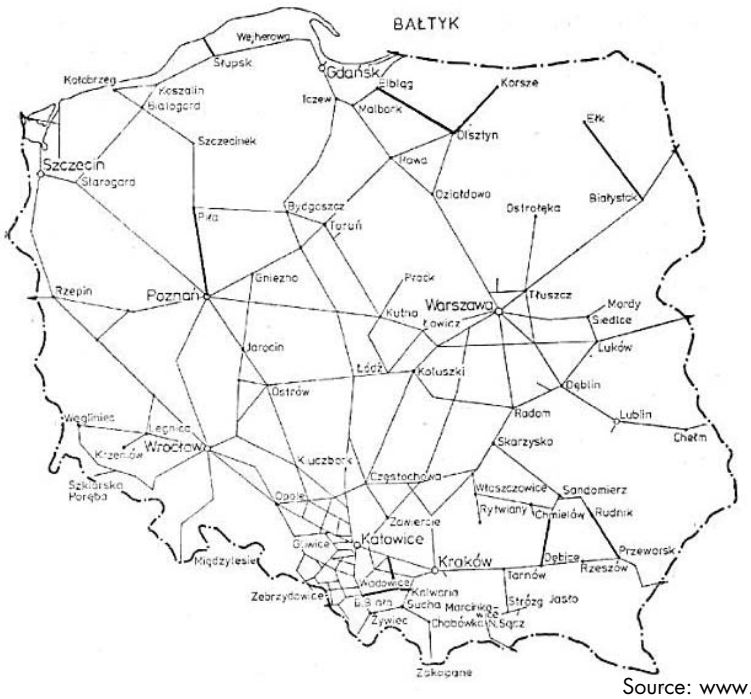
Railway lines operated	2004	2005	2006	2007
in kilometres	20,250	20,253	20,176	20,107
per 100 km² of total area in km	6.5	6.5	6,5	6,4
including electrified in km	12,017	11,884	11,871	11,898
per 100 km² of total area in km	3.8	3.8	3.8	3.8

Source: GUS

• Railway transport

The total length of railway lines in Poland was 20,107 km in 2007, which was only 146 km less than in 2005. The railway network is the densest in the west of Poland. Polish railway operators offer a high level of service, especially on such routes as Intercity (IC). Travelling around Poland by express train is safe, comfortable, and quick. The time between Warsaw and other cities (200 to 400 km away) is 2 to 5 hours.

The total length of electrified railway lines in Poland in 2007 was 11,898 km, which was 119 km less than in 2004. The best-electrified railways lines are located in central and southern Poland.



Source: www.trakcja.rail.pl

• Air transport

Poland's airports absorbed 19,000,000 passengers in 2007, which is an annual rise of 24%. More than half of them used regional airports, which cleared a total of 9,898,000 passengers last year (a rise of 36% y/y). Warsaw's Okecie airport was used by 9,268,000 passengers (a rise of 14%). The leader of the regional airports was Krakow's Balice facility, with 3,042,000 passengers, followed by Katowice's Pyrzowice (1,980,000 passengers), Gdansk's Rebiechowo (the Lech Walesa Airport, with 1,741,000 passengers) and Wroclaw's Starachowice (1,270,000). According to the ULC, the market's growth should be attributed primarily to Poland's sustained economic expansion. Also, posi-

Source: "Gazeta Wyborcza" (25 Oct 2007/15 Jan 2008), "Rzeczpospolita" (13 Sep 2007)

tive effects of the 2004 liberalisation of air transportation were palpable.
Poland has regular connections with 37 countries and 56 cities all around the world. According to Central Statistical Office (GUS) data, the number of regular routes from Polish airports in 2007 was 151, of which 141 were international connections. Examples of connections in 2007 are presented in the following table.

Weekly air connections from Polish airports in 2007

from Warsaw to	weekly takeoffs
Amsterdam	41
Athens	11
Barcelona	10
Berlin	14
Brussels	37
Bucharest	13
Budapest	32
Chicago	13
Dublin	16
Frankfurt	42
Geneva	7
Hamburg	16
Helsinki	32
Kaliningrad	7
Kiev	12
London	76
Lvov	7
Moscow	20
New York	13
Paris	58
Prague	30
Rome	13
Vienna	35

Source: data of airports

List of airports by IATA and ICAO airport codes:

IATA code	ICAO code	City	Airport
BZG	EPBY	Bydgoszcz	Bydgoszcz Ignacy Jan Paderewski Airport
GDN	EPGD	Gdańsk	Gdańsk Lech Wałęsa Airport
IEG	EPZG	Zielona Góra	Zielona Góra Airport
KRK	EPKK	Kraków	John Paul II International Airport Kraków-Balice
KTW	EPKT	Katowice	Katowice International Airport
LCJ	EPLL	Łódź	Łódź Władysław Reymont Airport
POZ	EPPO	Poznań	Poznań-Ławica Airport
RZE	EPRZ	Rzeszów	Rzeszów-Jasionka Airport
SZY	EPSY	Szczytno	Szczytno-Szymany International Airport
SZZ	EPSC	Szczecin	Szczecin-Goleniów "Solidarność" Airport
WAW	EPWA	Warsaw	Warsaw Frederic Chopin Airport
WRO	EPWR	Wrocław	Copernicus Airport Wrocław

from Cracow to	weekly takeoffs
Amsterdam	2
Athens	3
Barcelona	2
Berlin	3
Brussels	4
Chicago	6
Dublin	11
Helsinki	2
London	37
Paris	14
Prague	13
Rome	5
Tel Aviv	1
from Poznań to	**weekly take off**
Copenhagen	6
Dublin	3
Frankfurt	14
London	23
Munich	27
from Gdańsk to	**weekly takeoffs**
Copenhagen	20
Dublin	4
Frankfurt	18
London	20
Munich	14
from Wrocław to	**weekly takeoffs**
Copenhagen	6
Frankfurt	17
London	17
Munich	35

Maritime transport

The main and largest Polish Baltic seaports are located in Gdańsk, Gdynia, Szczecin and Świnoujście. Significant smaller seaports are located in Darłowo, Elbląg, Kołobrzeg, Łeba, Police, Władysławowo, Ustka and Stepnica.
The Polish maritime economy produces 2.5% of GDP, and the sector's share in exports is 6%.
The main Polish seaports have transport connections with the most important international seaports in the world. Maritime ferry transport routes lead from Polish ports to Sweden, Germany and Denmark (table).
The largest number of passengers travelled on the routes Poland-Sweden (76.1%), Poland-Germany (11.7%) and Poland-Denmark (10.3%).

Ferry connection from Polish seaports in 2008

Ferry connection		Shipowner	Voyage per week
from	to		
Świnoujście	Ystad	Unity Line	14
		Polish Baltic Navigation (Polferries)	7
Gdańsk	Nynashamn	Polish Baltic Navigation (Polferries)	7
Gdynia	Karlskrona	Stena Line	21
Świnoujście	Copenhagen	Polish Baltic Navigation (Polferries)	4-5

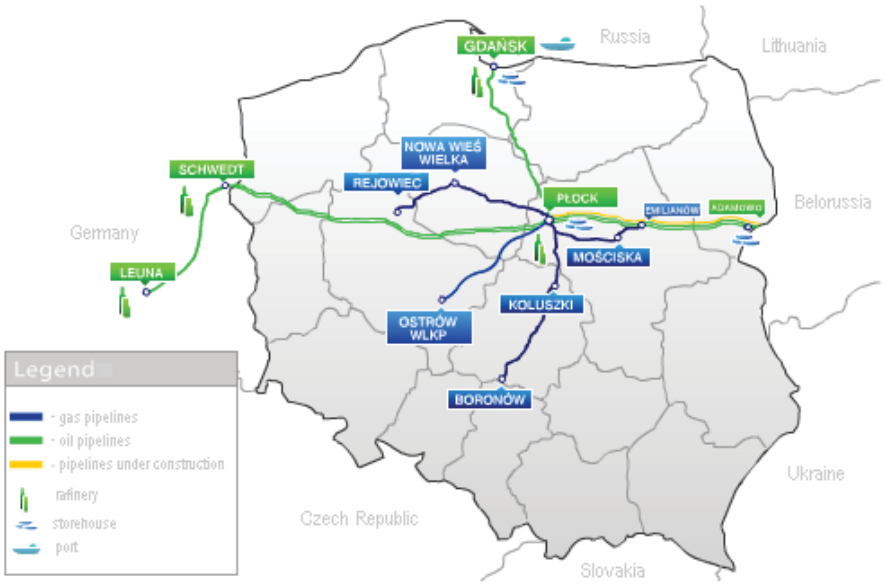
Source: data of seaports

- Pipelines in Poland

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

• Planned projects of pipeline construction

The development plans for pipeline construction concern 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 northern part of the "Przyjaźń" pipeline. The new pipeline, in addition to addressing 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 completion date of this investment is set for 2011-2012.
Southern – the Brody-Płock pipeline is being built together with the Ukrainian Ukrtransnafta which will enable transport of up to 25 mln tonnes of Caspian crude oil yearly.



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

• Inland water transport

Inland navigation is an important mode of transport. The length of navigable waterways in Poland is 3,983 km, but only 1,600 km are exploited, or about 40% of the total length. The longest of the exploited Polish rivers are the Vistula, the Oder and the Warta. The length of the Vistula is 1,047 km. The length of the Oder in Polish territory is 742 km, and the Warta 808 km. Although the Vistula is the longest river in Poland, it is equipped with no freight navigation.

Main navigable routes in Poland

Source: www.aquadocinter.pl

There are 16 main river ports in Poland. Most of them are equipped with required port infrastructure like lifts, stock squares and warehouses. These ports are adapted to service such cargo as coal, iron ore, general cargo, fertilizers, grains and the like. The most important of them are described in the table.

• Intermodal transport

The infrastructure of intermodal transport involves maritime and land intermodal terminals (mainly container), as well as logistics centres.

Intermodal transport may involve:

• combined rail-road transport
• combined rail-ship transport
• combined rail-air transport
• combined road-ship transport

Most types of intermodal transport involve railways, which are the most advantageous for this mode of transport. Intermodal transport provides important prospects for growth in freight transportation as well as a higher market share for rail businesses in the European transport sector.

The main players in the Polish sector of intermodal transport are PKP Cargo S.A., Spedcont, Polscont, Polzug, Trade Trans, Cargosped, and the Polish seaports, especially the Baltic Container Terminal in Gdynia.

The first private carrier which started to compete with the monopolist on the intermodal transport market, PKP Cargo, is PCC Intermodal. However, PKP Cargo still handles 98% of intermodal transport in Poland.

Main river ports in Poland

Port	Location	Infrastructure of ports			Load capacity of barge		Flow capacity (T million)	Types of freight
		Lift	Stock square (sq m)	Warehouse (sq m)	transshipment	laybay		
Gliwice	39.3 - 41.2 km of Gliwicki Channel	T 2x17.5; T 4x8.0; T 1x7.0; T 2x20.0	27,300	14,039	30	10	4.5	coal, iron ore, general cargo (including containers)
Koźle	98.0 km of Oder River	1x10.0 T; T 1x8.0; T 3x7.0	5,130	800 (capacity of engine containers T 10,000)	16	10	1.0	coal, iron ore, others bulk cargo
Wrocław–municipal port	250.6 km of Oder	T 1x10.0; T 1x20.0; T 1x20.0 gated; T 1x5.0 gated	4,400	10,100	20	-	1.2	bulk cargo, coal, general cargo, containers
Wrocław Popowice	266.2 km of Oder	T 1x8.0;T 2x3.0; T 1x2.0	6,470	1,570	6	6	1.1	general cargo, coal, cement for silos
Cigacice	471.8 km of Oder	T 1x1.5 gated	3,230	1,570	6	6	0.5	general cargo, cement, construction materials
Bydgoszcz	5.10 km of Brda	T 2x3.2 gated; T 1x6.3 gated; T 1x12.5 mobile; T1x15.0swimming	3,800	1,430	-	-	1.06	general cargo, bulk cargo, cargo boats repair
Sandomierz	269.2 km of Vistula	T 2x16.0 mobile	5,500	-	4	4	1.2	slag, steel products, general cargo
Warsaw Żerań	520 km of Vistula (Żerań-Zegrze Channel)	T 7x16.0 mobile	35,000	-	10	10	2.7	slag, steel products cargo boats repair (swimming dock)

Source: www.martime.com.pl

Intermodal connection network in Poland

Source: "New Industry Monthly", No. 06/2006

2. Characteristics of logistics in Poland

• Employment in logistics

According to the latest research, employment in logistics is becoming much more interesting in the last few years than in many other sectors. There are two groups of workers in the logistics sector. The first is the group of people who are responsible for logistics in manufacturing companies, and the second is people who work directly in the logistics sector.

Work associated directly with logistics includes work in sub-sectors such as transport, shipping, warehousing, customs, and so on.

There is no need to have a logistics education to work in the sector, but it could be necessary in the future, as the sector is dynamically developing and the recruitment requirements are rising. On the Polish market there are more and more young people qualified in the logistics area, especially in transport. However, it can be useful in this sector to have professional experience in trade or sales, as well as negotiation and analytical skills.

Employment in transport in 2007 (thousand)

Year	2004	2005	2006	2007
Total	410.8	408,8	441,7	446,3
Public sector	212.8	200.1	210,2	194,2
Private sector	198.0	208.7	231,5	252,2

Source: GUS

• Salaries in logistics

The average gross wages in logistics are relatively high, comparable to those in the construction and environmental protection sectors, and higher than in trade or services. In 2007 the average gross monthly salary in logistics was PLN 2,900 (table).

Monthly total wages in logistics, transport and shipping in 2007

Total monthly gross wages (PLN)					
Job position	**10% earn less than**	**25% earn less than**	**Median**	**25% earn more than**	**10% earn more than**
Blue-collar workers	1,283	1,600	2,173	3,000	4,300
Specialists	1,700	2,200	3,000	4,000	5,500
Managers	1,900	2,700	4,000	6,100	9,000
Executives	2,500	3,028	4,425	6,000	9,760
Presidents	3,500	5,700	9,370	17,500	31,650

Source: *Internet Salary Survey 2007 Sedlak&Sedlak*

• Public and private transport sector in Poland

According to the national register of business entities (REGON), in 2007 there were 263,423 entities registered in transport, of which 72 were in the public sector. There were also 4,000 entities newly registered in 2007, of which 99.97% came from the private sector.

GDP in transport, warehousing and communications

Growth of real GDP in transport

	2003 (I-IV)	**2004 (I-IV)**	**2005 (I-IV)**	**2006 (I-IV)**
Gross added value	103.8	106.9	103.9	108.1
Transport, warehousing and communications	105.5	108.2	104.4	109.5

Source: GUS

3. Cargo and passenger transport in Poland

The total number of passengers transported in 2007 was 1,006,369,000. The majority of passengers (71,4%) travelled by road. The fewest travellers used maritime transport.

The number of passengers decreased from 2004 in railway and road transport, while growth was noted in maritime and inland waterway transport, as well as in air transport.

Passengers by type of transport in 2007

Transport of passengers (thousand)

	2005	**2007**
passengers in thousands, including:	1,045,827	1,006,369
railway transport	256,916	279,657
road transport	782,025	718,274
maritime transport	805	754
inland waterway transport	1,444	1,490
air transport	4,637	6,194

Source: GUS

• Goods transport by type in 2007

In 2007 the total tonnage of transported goods was 1,532,728,000 tonnes. The majority of goods were carried by road transport, which accounted for 79%.

Transport of goods by type in 2007

Transport of goods

	2005	**2007**
in thousand tonnes	1,422,585	1,532,728
railway transport	269,562	245,346
road transport	1,079,761	1,213,246
transport for hire	563,584	646,212
including road transport entities	442,746	503,546
transport on own account	516,177	567,034
pipeline transport	54,259	52,866
maritime transport	9,362	11,432
inland waterway transport	9,607	9,792
air transport	34	46

Source: GUS

4. Road transport

In Poland about 80,000 companies include transport activity in their registration documents. However, this is not the main activity of most of these companies. Only a fifth of them are engaged in transport, including nearly 8,000 in road transport abroad.
About 94% of carriers are in private hands, of which more than 77% possess from one to four vehicles and employ up to 5 people. Only 23% of transport companies in Poland employ more than 5 workers.

Enterprises in transport for hire, by number of lorries and road tractors

Years	Total	Enterprises with the number of lorries and road tractors					
		5 or fewer	6-9	10-19	20-49	50-99	100 or more
2006	1,920	282	802	492	272	60	12
2007	2,070	335	785	540	323	66	21

Source: GUS

5. Railway transport

There is only one national railway registered in Poland, which is Polish State Railways (PKP). PKP SA was established on 1 January 2001 as a result of commercialization of the state-owned enterprise PKP. Its exclusive shareholder is the Polish Treasury.

Polish State Railways (PKP)
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 2006 passenger traffic grew for the first time in 17 years, by 1.7 million to 219.7 million passengers. Freight traffic amounted 156 million tonnes, 6.2 million tonnes more than in 2005. Freight traffic on LHS amounted 8.6 tonnes in 2007.
Besides PKP there are many local railways in Poland such as:

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. In 2006 46 million passengers were carried.

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 2006 the CTL group carried 40 million tonnes of freight.

EN - Euronaft-Trzebinia
Network length, gauge and electrification (2004):
- standard gauge, not electrified

FPL - Freightliner PL
Network length, gauge and electrification (2007):
- standard gauge, not electrified

Freightliner PL is a subsidiary of Freightliner from the UK. They operate open-access freight trains, mainly coal between mines and power plants. They started operation in 2007 with 7 locomotives Class 66.

KB - Kolej Baltycka S.A. (Baltic Rail)
Network length, gauge and electrification (2007):
- standard gauge, not electrified

Kolej Baltycka is the Polish subsidiary of Heavy Haul Power International. It operates international trains between Germany and Poland in cooperation with HHPI from Germany.

LOTOS - LOTOS Kolej Spółka z o.o.
Network length, gauge and electrification (2004):
- standard gauge, not electrified

This is another new open access freight operator, based in Gdańsk. In 2006 Lotos transported 2.6 million tonnes of freight, with a target of 3.3 million tonnes for 2007.

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

NZTK - Nadwislanski Zaklad Transportu Kolejowego Sp. z o.o.
Network length, gauge and electrification (2007):
- standard gauge, not electrified

NZTK is another open-access freight operator that mainly performs shunting duties. It is part of the PTKiGK group. On average NZTK transports 2.4 million tonnes of freight a year, producing 8.4 million tonne-km.

PCC - PCC Rail S.A. (former KPS) and PCC-Arriva
Network length, gauge and electrification (2005):
- 210km standard gauge, electrified at 3000V=

This is another new open access freight

operator. They have operated trains on their own network (connecting sand mines) for some 50 years. In 2006 PCC transported 11 million tonnes of freight, producing 1.4 billion tonne-km.
In August 2007 it was announced that PCC had taken over PTKiGK Rybnik, another open-access freight operator. In 2006 PGKiGK transported 53.7 million tonnes of freight producing 826 million tonne-km.
In cooperation with Arriva PRS started operating passenger services in the region Kujawsko-Pomorskie (Northwestern Poland) for 3 years in December 2007. 13 motor cars are owned by the region, and probably second-hand Danish class MR diesel trainsets will be used in the future.

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.

PRKiI - Przedsiebiorstwo Robót Kolejowych i Inzynieryjnych S.A.
Network length, gauge and electrification (2006):
• standard gauge, not electrified
This company is a subsidiary of COMSA from Spain through Polish infrastructure company Trakcja Polska-PKRE. They received a license to operate open-access trains over the Polish network in May 2006.

PTKiGK Holding - Przedsiębiorstwo Transportu Kolejowego i Gospodarki Kamieniem Holding S.A.
Network length, gauge and electrification (2004):
• standard gauge, not electrified
This company is a private railway operator and has been active on market since 1953. It provides a wide range of railway services. The company's service offer comprises complete service and exploitation of railway sidings, railway transport of bulk commodities, forwarding and shipment as well as transport logistics.
Apart from that, the company also specializes in repairs and construction of track systems, in repairs of diesel locomotives and freight wagons of various kinds as well as electric appliances and communication system devices.
Earth work plays a significant role in the company's activity and includes mining waste dumping and technical and biological land reclamation.
The company possesses 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. Among its customers the company can list coal mines, sugar plants, power plants and many others.
In January 2007 PTKiGK Zabrze merged with Kuznica Warezynska and became PTKiGK Holding.

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.

SKPL - Stowarzyszenie Kolejowych Przewozów Lokalnych sp. z o.o.
Network length, gauge and electrification (2007):
• 349km narrow gauge(750mm), not electrified
SKPL operates freight and passenger trains on 7 narrow gauge lines/networks throughout Poland:
Kaliska Kolej Dojazdowa,
Krosniewicka Kolej Dojazdowa,
Mlawska Kolej Dojazdowa,
Naleczowska Kolej Dojazdowa,
Przeworska Kolej Dojazdowa,
Smigielska Kolej Dojazdowa and
Pleszewska Kolej Lokalna. For this they own 27 locomotives and 6 motor cars.

STK - Specjalny Transport Kolejowy
Network length, gauge and electrification (2006):
• standard gauge, not electrified
This new open-access operator specializes in transporting out-of-gauge loadings using large platform wagons.

TS - Transoda Sp. z o.o.
Network length, gauge and electrification (2004):
• standard gauge, not electrified

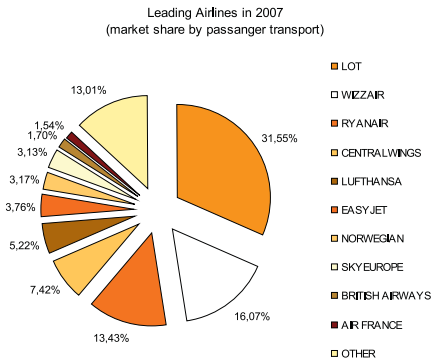
This company, based in Inowrocław, operates freight trains between Inowrocław/Janikowo and Gdańsk Kanał Kaszubski.

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

6. Air transport

• Airlines

Air transport is still one of the most expensive modes of transport. Nevertheless, more and more air carriers operate on the Polish market, especially small companies with foreign capital. Thanks to them, prices offered to consumers are on a significantly lower level than during previous years.
The largest Polish airline is LOT Polish Airlines, 67.79% of which is held by the State Treasury. The remaining part is held by the bankruptcy trustee of SAirLines (25,1%) and by LOT employees (6,93%).
In addition to LOT, there are a number of other carriers operating in the Polish air transport services market. They are presented on the graph below.



Source: Civil Aviation Office (ULC)

7. Maritime transport

There are a total of 121 ships in the Polish fleet, of which 17 are under the Polish flag and 104 under a foreign flag.

Maritime transport fleet by age of ships

Total	121
At the age of: 5 years and less	6
6-10	12
11-15	9
16-20	29
21-25	22
26 years and more	43

Source: GUS

Maritime transport fleet in Poland in 2007

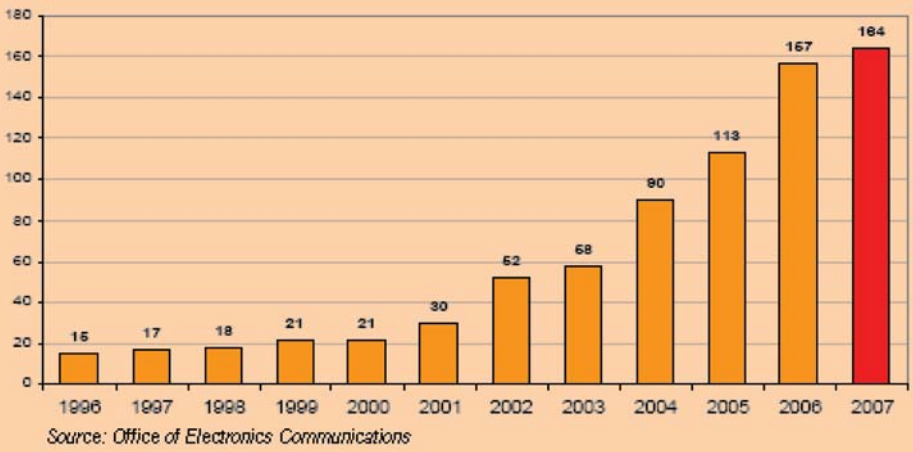
Specification		Total	Ships for transport of fixed cargo	Liquid bulk ships	Ferries
a-number of ships					
b-load capacity (DWT), thousand tonnes					
c-gross capacity (GT), thousands					
Total	a	121	95	13	11
	b	2,481.53	2,321.80	71.8	48.1
	c	1,836.56	1,547.80	51.8	203.3

Source: GUS

8. Courier services market in Poland

The Polish market for express courier services is estimated to reach 400 million euros in the year 2006. There are more than 160 companies operating in this sector which makes it a very competitive sector. The market for domestic courier services is dominated by companies like DHL with 33.2% of the market-share, UPS with 23.3%, GLS with 10.5% and Masterlink with 10.1%. On the other hand, the segment of international courier services is dominated by TNT with 40.1% of the market-share, DHL with 36.8%, and UPS with 20.5%.

Companies of courier services in Poland 1996-2007



Source: Office of Electronics Communications

9. Warehousing

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.

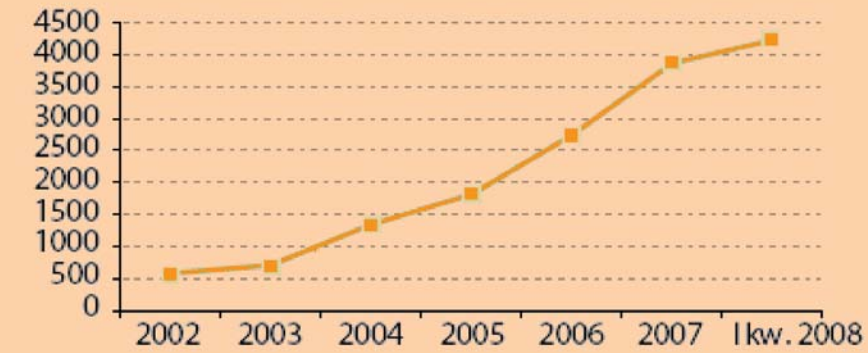
According to real estate services company Cushman & Wakefield a total of 645,000 square meters of modern warehouse space was completed in Poland in the first quarter of 2008, bringing the total stock nationwide to 4.46 million sq m.

The first half of this year saw a further expansion of the Polish warehouse market. Data collected by Cushman & Wakefield shows that total demand for warehouse space reached 864,000 sq m, a level similar to that noted in 2006 and over 200,000 sq m more than in the first half of last year. For several years logistics operators have been the prime tenants as a growing number of companies outsource distribution and warehouse services.

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 Wroclaw (14%). Currently further 1,428,000 sqm. is under construction, of which only 31% is in the area of Warsaw. The developers activity in some regions is limited due to the lack of suitable investment lands. For example in the region of Upper Silesia mining damage hinders development of warehouse facilities on many attractively situated developments sites.

In the first half of 2008, logistics operators accounted for 34 percent of the market. Shopping chains signed 17 percent of the lease contracts. Other tenants came from the food industry (6 percent), manufacturing (4 percent), the

Warehousing space in Poland in 2008 (in thousand m2)



Source: www.emmerson.pl

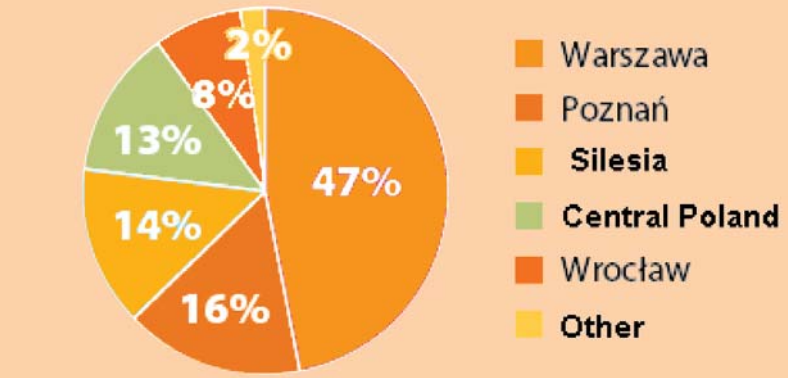
paper industry (3 percent), and the cosmetics sector (3 percent), according to Cushman & Wakefield.
On a nationwide basis, the regional cities of Katowice in the south, Łódź in central Poland, Poznań in the west, Wrocław in the southwest, and Gdańsk in the north, are without a doubt witnessing the greatest amount of development activity. We can expect further warehouse development in each of these locations, in close proximity to key freeways and expressways that are to be fully constructed between now and 2012 when Poland will co-host the Euro 2012 soccer championships.

• Duty-Free Centres

Duty-Free Centres are a part of the Polish customs area. Companies operating in duty-free zones can take advantage of numerous preferences. Goods and raw materials imported to a duty-free zone from abroad may be stored in the zone for an indefinite period and processed without making any payments or providing customs and taxation security. Goods exported from the zone abroad are also exempt from duties and taxes. Thanks to Duty-Free Centres, the State Treasury gains income from direct taxes.
There are currently seven Duty-Free Centres operating in Poland, at:

- Gdańsk
- Gliwice
- Mszczonów
- Szczecin
- Świnoujście
- Terespol
- Frederic Chopin Airport, Warsaw

Participation of regions of Poland in warehouse market in 2008



Source: www.emmerson.pl

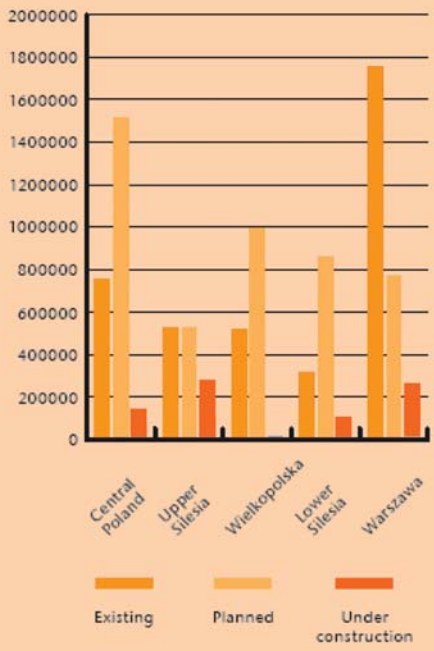
Warehousing space in Warsaw (in thousand m2)

Source: www.emmerson.pl

Duty-Free Centre	Location	Total space (m²)	Warehousing space (m²)
Warsaw	Frederic Chopin Airport	-	-
Gliwice	Silesian Logistics Centre	476,000	14,000
Terespol	Małaszewicze	1,660,000	24,200
Świnoujście	Maritime Port	500,000	N/A
Gdańsk	Maritime Port	335,000	38,553
Mszczonów	City	31,000	11,000
Szczecin	Seaport in Szczecin	114,700	-

Source: 'Logistics', NO.2/2006; Szczecin-Świnoujście Seaport website

Warehouse projects in regional markets (sq m)



Source: Knight Frank (2007)

• **FDI in logistics**

According to NBP (National Bank of Poland) foreign direct investment in transport, warehousing and communications in 2007 was EUR 1,206 million.

• Prospects for Polish logistics

Poland's infrastructure has inevitably been changing after the country joined the EU In 2004, and even more dynamically – since it was granted the right to co-host Euro 2012 football tournament. This translates into easier life for transportation companies – with additional boost coming from the continuous deregulation of the markets. The recent step on the path for streamlined transportation is the country's entry into the Schengen zone, facilitating movement across borders.

The prospects for the logistics sector in Poland are optimistic. Poland is the leader in the CEE region in all fields. Poland has access to qualified human resources in logistics and transport.

On the other hand Poland requires more investment in transport infrastructure, especially in roads and railways, as well as in the ICT sector.

Polish logistics companies have to meet customer requirements and adjust their offers to demand. This is especially required in postal services and in preparing parcels for warehousing. It is predicted that the current tendency of consolidation on the Polish logistics market will continue. Small companies will remain on the market, however, and provide services for big logistics corporations.

Main investors in Polish logistics in 2007

	Investor	Country of registration	Country of origin	Location of investment
1.	Crystal Logistics	Japan	Japan	Lysomice
2.	Redcats	France	France	Myslowice
3.	Jindal Stainless	India	India	Warszawa
4.	MidOceansBrands	The Netherlands	The Netherlands	Chorzow
5.	Hirata	Japan	Japan	Torun
6.	Prologis	USA	USA	Kobierzyce
7.	Parkridge	United Kingdom	United Kingdom	Kąty Wrocławskie
8.	Tiner	Portugal	Portugal	Kąty Wrocławskie

Source: Polish Information and Foreign Investment Agency (PAIiIZ)

Invest
in Poland

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