

Socio-economic situation of the Małopolskie voivodship in 2009

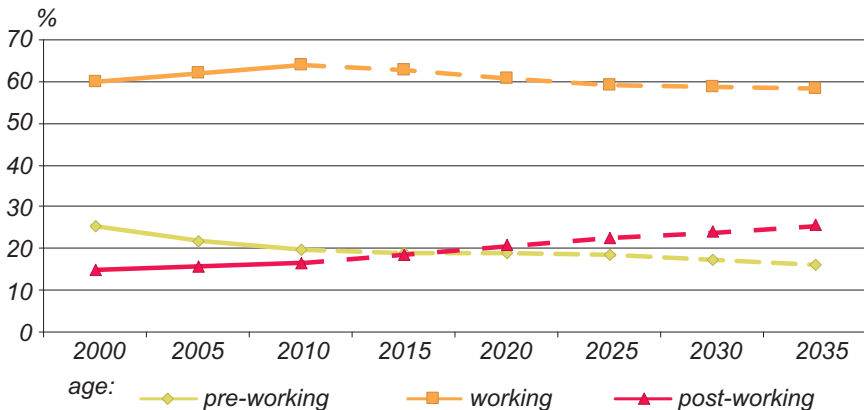
Society

POPULATION

The number of population of Małopolska¹ as of 31 XII 2009 amounted to 3.3 mln, what placed the voivodship on the fourth position in Poland, after Mazowsze, Silesia and Wielkopolska. The population density is here one of the highest in the country and it amounts to 217 persons/km² (the country average - 122 persons/km²). Females constitute 51.5% of total population. Since 2000 the feminization rate has remained at the same level, i.e. 106 females per 100 males (in Poland - 107).

The pre-working age population (aged 0-17) accounted for 20.0% of total population and this proportion decreased by 0.4 percentage point in annual terms. Simultaneously, the proportion of the working age population (aged 18-59/64) slightly increased, i.e., to 63.7%, and the proportion of the post-working population (aged 60/65 and more) increased by 0.2 percentage point to 16.3%. In comparison with the end of 2005 the percentage of the pre-working age population diminished by 1.8 percentage point, and the percentage of other population augmented (at the working age - by 1.0 percentage point and at the post-working age - by 0.8 percentage point), what shows the slow process of aging of the society. Data for 2010-2035 are a projection² marked on the graph 1 by a dashed line.

Graph 1. Proportion of population by economic age groups in total population
As of 31 XII



Source: SO Kraków own study.

¹ Names "Małopolskie voivodship" and "Małopolska" are used interchangeably.

² With the use of population projection for years 2010-2035, Warsaw 2008.

Since 2000 we have observed an upward tendency of the population in Małopolska. Within the space of 10 years this number increased by 2.4%. It was influenced by recorded in 2000-2009 positive natural increase and positive internal and external net migration. In 2009, once again, the natural increase was positive and it amounted to 2.3 per 1000 residents (in Poland 0.9) towards 2.2 a year before and 1.1 in 2005, what was connected with a growing number of live births. In 2009 more than 37 thous. children were born in the voivodship. The ratio of live births was equal 11.4‰ towards 11.3‰ a year ago and 10.0‰ four years ago.

Deaths are the next factor of vital statistics affecting the size and structure of population. In Małopolska in the discussed year 29.8 thous. people died. The ratio of deaths shaped at the level of 9.1‰ (like the year before, towards 8.9‰ in 2005).

Demographic phenomena, such as marriages and divorces, have a decisive influence on shaping the size and structure changes of population. In 2009 on the area of the voivodship 21.8 thous. marriages were contracted, i.e., less by 1.1% than in 2008, but more by approximately 1/5 than in 2005. Simultaneously 4.1 thous. marriages were dissolved by divorce, i.e., less than a year ago by 6.1% and than four years ago by 12.4%. The ratio of intensity of marriages slightly decreased per annum and it amounted to 6.6 per 1000 population. The ratio of intensity of divorces also slightly decreased to 1.2 per 1000 population.

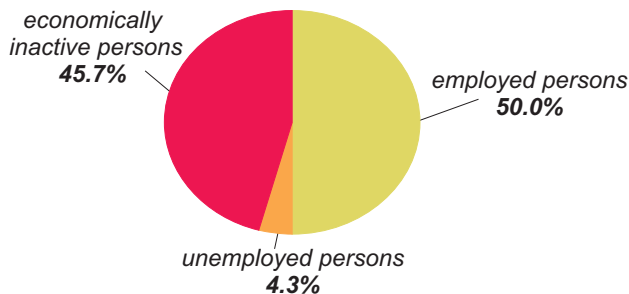
As mentioned, permanent net migration influenced the increase of the population, amounting in the discussed year to 4.4 thous. persons. From urban areas population emigrated (more than thousand persons), and on rural areas - immigrated (plus 5.5 thous. persons).

In 2009 in the Małopolskie voivodship a life expectancy for males amounted to 73.1 years (in Poland 71.5 years), whereas for females 81.1 years (in the country 80.1 years).

LABOUR MARKET

According to LFS, in 2009 in Małopolska there were 2.6 mln people aged 15 and more, of which 1.4 mln economically active persons, the population constituted by employed persons (about 92%) and unemployed persons. There were 1.2 mln economically inactive persons.

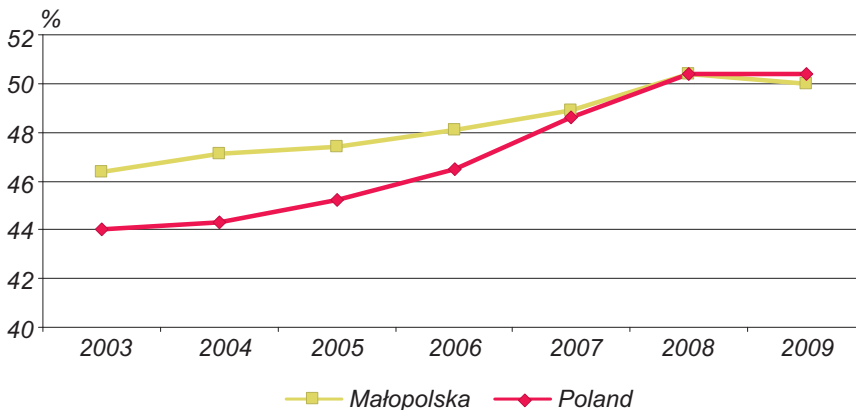
Graph 2. Structure of population aged 15 and more according to LFS in 2009



Source: SO Kraków own study.

The activity rate amounted to 54.3% (in Poland 54.9%), however, the employment rate 50.0% (in the country 50.4%). The average annual employment rate in 2003-2007 was higher in Małopolska than in Poland, in 2008 both rates were equal, and in 2009 the rate for Małopolska was lower than this recorded for Poland.

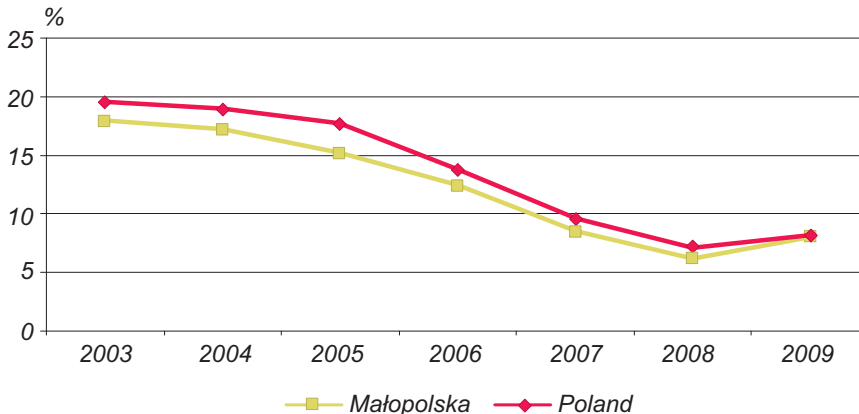
Graph 3. Average annual employment rate according to LFS



Source: SO Kraków own study.

In the discussed year the unemployment rate according to LFS reached 8.0% (in Poland 8.2%). It means a change in the observed so far in 2003-2008 downward tendency of the unemployment rate, both in Poland and in the voivodship. In 2009 there were more unemployed women than men and also persons living in urban areas than in rural areas. According to the criterion of age, among the unemployed, people aged up to 29 predominated, and by educational level - persons with basic vocational education.

Graph 4. Average annual unemployment rate according to LFS



Source: SO Kraków own study.

Work in Małopolska was one of safer in the country. One of the lowest accident rate in Poland was registered here. At the end of 2009 in Małopolska the number of persons working in hazardous conditions calculated per 1000 paid employees of total surveyed amounted to 81.5 and it was lower than in 2008 (87.5) and in 2005 (92.2), what can show the improvement of work conditions in comparison with previous years³.

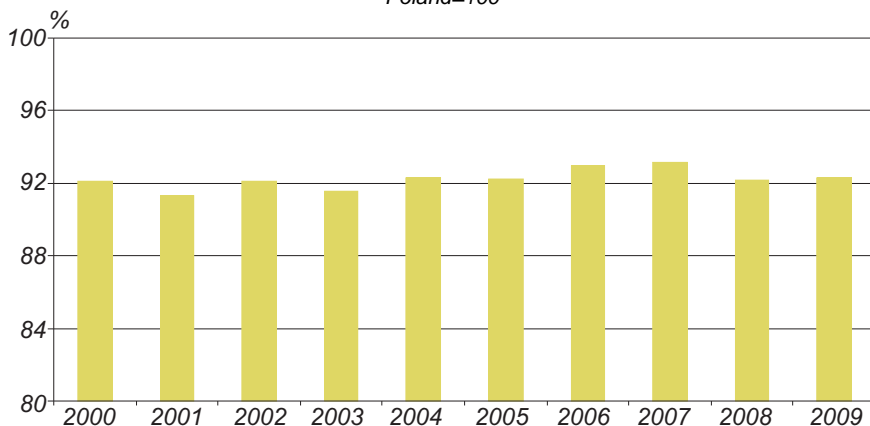
In 2009 the number of persons injured in accidents at work⁴ amounted to 5.3 thous. persons (towards 6.3 thous. in 2008 and also 5.3 thous. in 2005). 1.8 thous. compensations were paid due to accidents at work and occupational diseases on total amount of 5306 thous. zł. Occupational accidents benefits accounted for above 93% of all benefits and 4531 thous. zł were allocated for them, i.e., above 85% of the sum paid. An average cost of one occupational accident and occupational disease benefit amounted in 2009 to 2976 zł (towards 2713 zł in 2008 and 2403 zł in 2005).

WAGES AND SALARIES

In the voivodship in the discussed year average monthly gross wages and salaries shaped at the level of 2861.77 zł, i.e., by 5.5% higher than the year before. It constituted 92.3% of the country average. In public sector wages and salaries were bigger (3458.70 zł) than in private sector (2589.52 zł). The average monthly gross wages and salaries in Poland amounted to 3101.74 zł.

Graph 5. Average monthly gross wages and salaries

Poland=100



Source: SO Kraków own study.

³ It concerns economic entities employing more than 9 persons.

⁴ Registered during the year; excluding accidents on private farms in agriculture.

It is worth to mention, that a relatively high increase of average wages and salaries occurred while paid employment decreased. In 2009 paid employment in Małopolska amounted to 649.7 thous. persons and in relation to the previous year it was lower by 0.7%, what means a breakdown of existing in 2005-2008 upward tendency of paid employment.

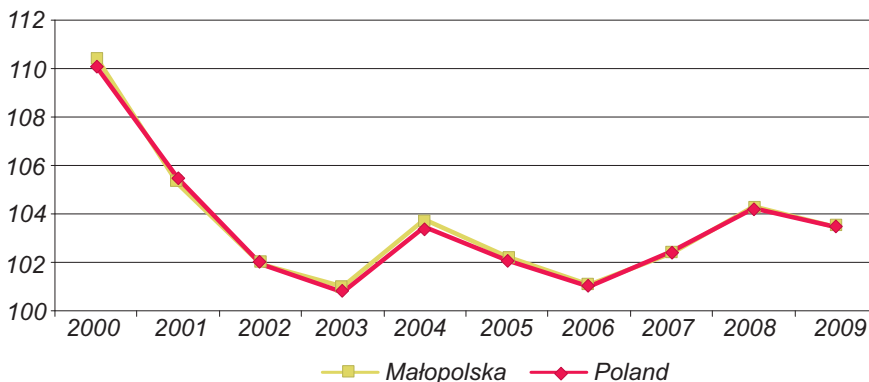
Since 2005 an average monthly retirement and pension has systematically increased. In the discussed year it achieved the level of: 1448.50 zł (from ZUS - the Social Insurance Fund) and 882.89 zł (from KRUS - the Agricultural Social Insurance Fund).

PRICES

In the Małopolskie voivodship in 2009 a similar than in Poland 3.5% increase of prices of consumer goods and services occurred. The most went up alcoholic beverages and tobacco (by 9.1%) housing, water, electricity, gas and other fuels (by 7.7%) as well as education (by 5.0%). Clothing and footwear went cheaper (by 9.3%) as well as transport (by 2.1%). Within the space of 2000-2009 analogous changes of indices of prices were recorded in Małopolska and in Poland.

Graph 6. Indices of prices of consumer goods and services

Previous year=100



Source: SO Kraków own study.

HOUSEHOLD BUDGETS

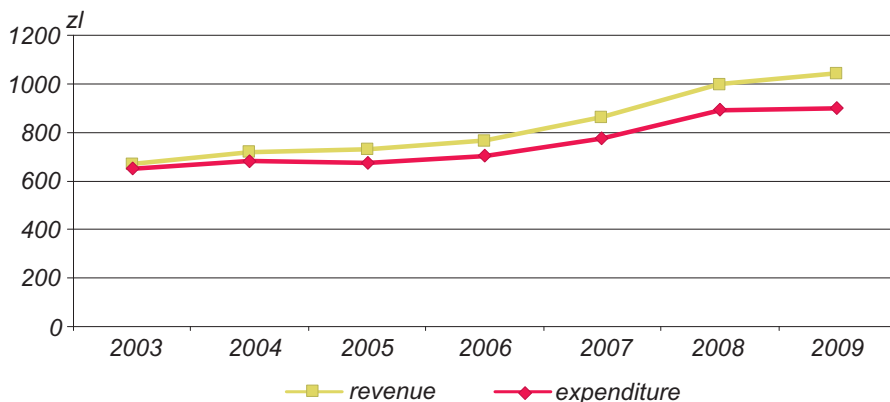
In the discussed year the survey of household budgets included 3104 households. Almost 51% of them maintained from hired work, a little over 34% from retirement pay and pension, almost 8% from self-employment (excluding the use of private farm in agriculture) and about 7% households maintained from non-earned sources or work on private farm in agriculture.

In Małopolska an average monthly nominal available income in households per capita amounted to 1041.73 zł and in relation to 2008 it increased by 4.1%. However It was still less (by 73 zł) than the available income of a statistical Pole.

The level of total average monthly expenditures of households per capita amounted to 900.35 zł, of which on consumer goods and services - a little over 865 zł (by about 49 zł less than in the country).

Since 2003 higher dynamics of average monthly per capita available income than expenditure has been observed, what is presented on the following graph. Due to keep the comparability of data, years 2000-2002 have not been shown on the graph (see general notes to the chapter "Household budgets").

Graph 7. Average monthly available income and expenditures of households per capita



Source: SO Kraków own study.

In comparison to 2008 the furnishing of households with selected durable goods improved, especially with personal computers with access to the Internet, satellite television equipment (including cable television) as well as household appliances. In relation to 2005 furnishing with mobile phones considerably augmented, too. Statistically, each household surveyed in 2009 possessed a refrigerator, a television set, a washing machine and every second possessed a passenger car, a personal computer with access to the Internet, satellite television equipment and a microwave oven.

MUNICIPAL INFRASTRUCTURE

Last years the state of the infrastructure in the Małopolskie voivodship improved. The water-line, sewerage and gas network was developed. The length of the distribution water-line network in Małopolska amounted to 17324 km and in comparison with 2005 it went up by 10.2%. The length of the sewerage network (including collectors) in the discussed period amounted to 9487 km, i.e., more by almost 1/3.

The length of the gas-line network - 22032 km - increased in relation to 2005 by 405.3 km. Year in, year out, the number of consumers of gas from the gas network augmented

and in 2009 it reached 690.8 thous. However, the consumption of gas per capita in relation to 2005 decreased.

Water consumption from water-line system in households of the voivodship per capita (26.9 m³) slightly increased in comparison with the previous year, what can mean reversing the observed in 2000-2007 declining tendency.

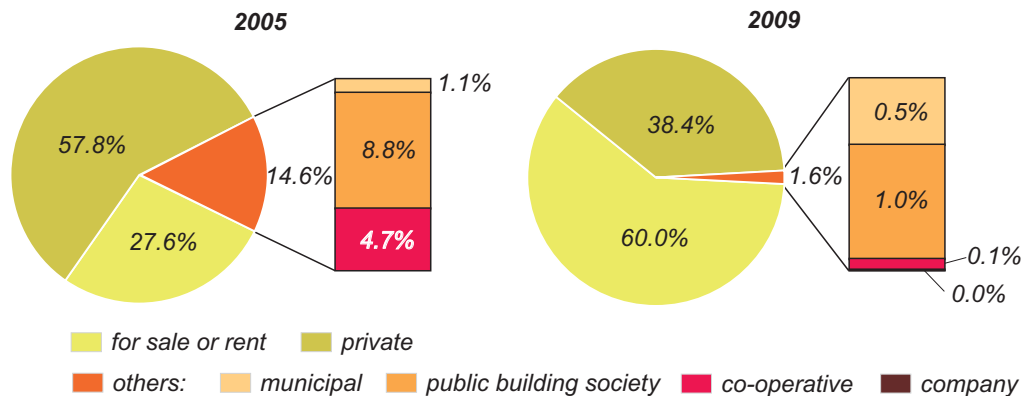
Electricity consumption per capita in urban areas (880 kW-h) was a little lower in annual terms, but augmented in comparison with 2005.

In the discussed year in the Małopolskie voivodship the length of hard surface public roads equaled 22.5 thous. km (more by 2.5% than in 2005), of which improved - 20.2 thous. km.

DWELLINGS

At the end of 2009, dwelling stocks of the Małopolskie voivodship amounted to 1078 thous. dwellings, what means the maintenance of an upward tendency and an increase by 1.8% in relation to the previous year and by 5.6% in comparison with the state four years before. Dwelling stocks constituted 8.1% of the country dwelling stocks. An average usable floor space of a dwelling amounted to 75.1 m² (73.7 m² in 2005).

Graph 8. Structure of dwellings completed

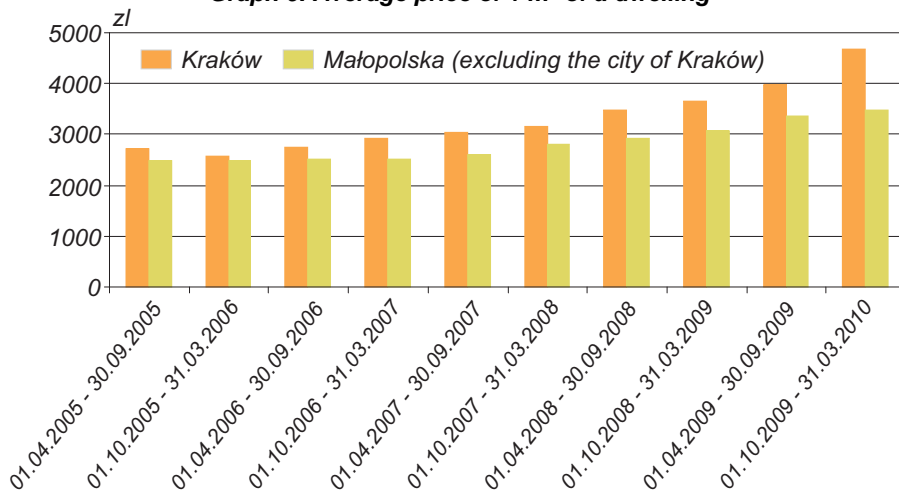


S o u r c e: SO Kraków own study.

In 2009 in Małopolska 18.8 thous. dwellings were completed, i.e., over 75% more than in 2005. In comparison with 2008 new realizations increased by 17.3%. An average usable floor space of a dwelling amounted to 93.3 m² (towards 106.8 m² four years before). The most dwellings were completed in construction for sale or rent (60.0% of total).

In the period 1 X 2009 - 31 III 2010 the average price of 1 m² of a dwelling amounted for the Małopolskie voivodship (excluding the city of Kraków) to 3479 zł, and for Kraków 4668 zł, what means an increase during four years by: 982 zł and 2088 zł respectively.

Graph 9. Average price of 1 m² of a dwelling



Source: SO Kraków own study on the basis of Announcement of the Małopolski Voivode, Internet - www.malopolska.uw.gov.pl

EDUCATION⁵

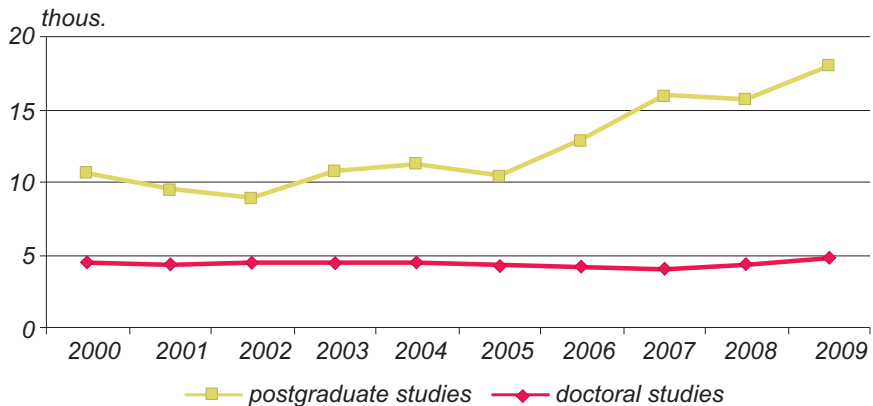
At the beginning of 2009/10 school year in the Małopolskie voivodship there were:

- 1861 pre-primary education establishments, attended by 89.0 thous. children (of which 868 nursery schools - by 68.9 thous. children),
- 1481 primary schools (207.0 thous. pupils),
- 737 lower secondary schools (119.0 thous. pupils),
- 160 basic vocational schools (23.4 thous. students),
- 202 general secondary schools (including supplementary) and 41 specialized secondary schools (61.7 thous. and 3.1 thous. students respectively),
- 193 technical secondary schools, including supplementary technical secondary and general art schools leading to professional certification (54.1 thous. students),
- 248 post-secondary schools (23.0 thous. students).

Moreover, 18.0 thous. persons attended 262 schools for adults. Simultaneously 212.1 thous. students educated in 33 higher education institutions. Since 2000 the number of students and graduates has increased systematically. During the past decade there was a growing interest in postgraduate studies, whereas the number of students of doctoral studies remained at the similar level, what is presented by the graph 10.

⁵ Data from the Educational Information System, administered by the Ministry of National Education - with the exception of the higher education institutions.

Graph 10. Students of postgraduate and doctoral studies



Source: SO Kraków own study.

Data for 2009/10 school year reveal a general drop of the number of pupils in primary and lower secondary schools, what is caused by educating generations from “population depression”. The most popular among graduates of lower secondary schools are still general secondary schools, attended by over 45% of first class students of upper lower secondary schools, i.e., over 20 thous. young people. At the same time, there is recorded a little fall of interest in schools leading to professional certification (basic vocational and technical secondary schools) and a considerable retreat from education in specialized secondary schools.

The equipment of schools with computers has systematically improved, of which also with Internet access. The best equipped with computers were: primary schools (in 96.4%), lower secondary schools (in 80.7%) and general secondary schools (in 78.2%).

HEALTH CARE

The residents of the Małopolskie voivodship were provided with medical care by in-patient health care institutions, out-patient health care institutions and private practices of physicians.

In 2009 in Małopolska within the public system (as of 31 XII) operated: 68 general hospitals, 1362 health care institutions and 268 medical practices, which had contracts signed with the National Health Fund for rendering defined services. The number of professionally active physicians amounted to 7.0 thous., dentists - 1.2 thous., and nurses - 16.5 thous.

The number of consultations per capita provided by physicians in the out-patient health care amounted to 7.7. A statistical resident of Małopolska received on average one consultation more than a resident of the Lubuskie voivodship, where the lowest rate in the country was

reported, and nearly one consultation less than in the Łódzkie voivodship where the value of the discussed rate was the highest.

The average length of stay in general hospitals has decreased over the past few years (2000 - 9,8 days, 2005 - 7,2 days, 2009 - 6,0 days), while the total number of in-patients has been rising - in 2000 there were 1353 in-patients per 10 thous. population, in 2005 - 1567, and in 2009 - already 1742 persons.

At the end of 2009 35 health resort sanatoria were functioning (including health resort sanatoria for children) and 7 health resort hospitals (including health resort hospitals for children). Health resort sanatoria located in Małopolska accounted for 21.1% of all health resort sanatoria in Poland and health resort hospitals 10.4% of all health resort hospitals in Poland.

The sale of medicines and medications, as of the end of 2009, was run by 967 public pharmacies and 113 pharmaceutical outlets. The number of pharmacies increased during the year by 37, what resulted in the lower number of population per pharmacy (from 3.5 thous. in 2008 to 3.4 thous. in 2009).

Within the emergency medical services, ambulance emergency rescue teams intervened 203.9 thous. times, providing health care to 206.4 thous. people. In 21 hospital emergency wards 171.0 thous. patients were cured in the form of day treatment, whereas 483.2 thous. out-patients received 491.1 thous. consultations.

At the end of 2009 33 nurseries and 1 nursery ward were operating, in which 2535 children were staying. The largest group was constituted by children aged 2 - 49.5%. All institutions were located on urban areas, the most in Kraków - 22.

SOCIAL WELFARE

At the end of 2009 in the Małopolskie voivodship there were 58 round-the-clock care and education centers, what accounted for 7.7% of this kind of centers in the country. In comparison with 2008 there was an increase by 5 centers. The number of residents staying in them also slightly increased: from 1165 in 2008 to 1189 in 2009.

In 2009 in Małopolska there were 228 day-support centers with 14057 children and youth benefiting from them. Within the space of the last 5 years the number of such types of centers more than doubled and the number of children benefiting from them increased by almost 70%.

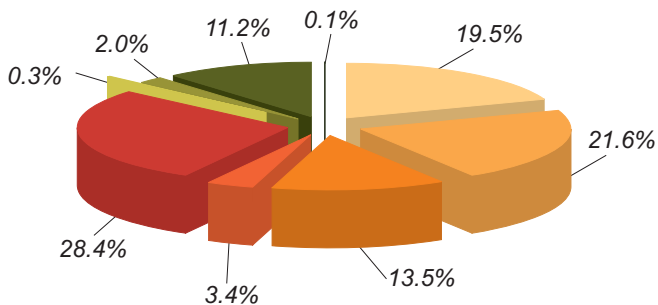
674 volunteers supported the work of the care and education centers, of which 244 worked in round-the-clock centers.

At the end of 2009 in the Małopolskie voivodship there were 2163 foster families which provided care for 3183 children up to age 18. It accounted for: 5.7% and 5.9% respectively of the country's total. In comparison with 2008 in our voivodship (with the increase in Poland) the

number of foster families decreased (by 4.1%) as well as the number of children staying in them (by 2.5%).

At the end of December 2009 9007 residents stayed in 125 stationary social welfare homes and facilities of the Małopolskie voivodship. The number of places in such facilities amounted to 27.1 per 10 thous. population. Among residents of stationary social welfare facilities the most were chronically mentally ill - 2562 (28.4%), and chronically ill with somatic disorders 1948 (21.6%).

Graph 11. Structure of residents of social welfare facilities by groups of residents in 2009



- aged persons
- chronically ill with somatic disorders
- mentally retarded
- children and young mentally retarded
- chronically mentally ill
- disabled persons
- mothers with dependent children and pregnant women
- homeless
- other persons

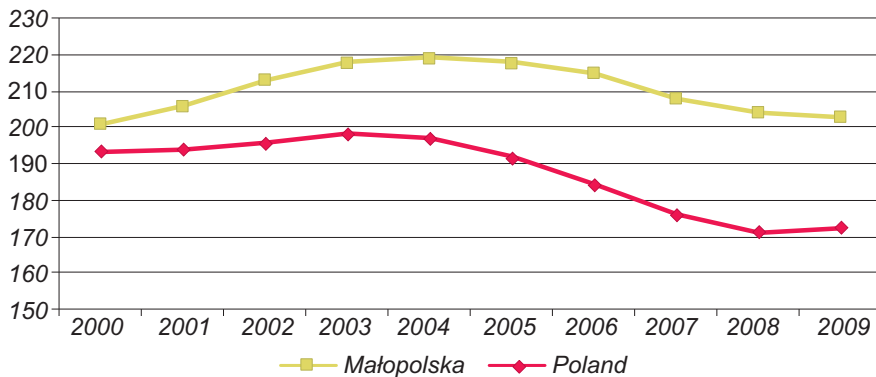
Source: SO Kraków own study.

CULTURE

On the area of the Małopolskie voivodship many cultural institutions act resiliently. As regards their amount, Małopolska is in the lead of voivodships. For example, as regards the number of museums it came in second in Poland after the Mazowieckie voivodship, and taking into consideration the number of visitors - in first. The most important centre of cultural life is Kraków, with respect to its past as well as the current development of cultural institutions.

At the end of 2009 in the Małopolskie voivodship there were 762 public libraries (including branches), i.e., 9.1% of all such institutions in Poland. Considering their amount, Małopolska came in third among voivodships, after Mazowsze and Silesia. Unfortunately, during the last few years, the number of public library borrowers and the number of loans have systematically dropped. In 2009 the collection of libraries diminished, too.

Graph 12. Public library borrowers per 1000 population



Source: SO Kraków own study.

In 2005-2009 in Małopolskie voivodship the number of museums (including branches) increased from 104 to 111 and of museum visitors increased from 5644 thous. to 6034 thous. During the last decade the number of museum and exhibition visitors per 1000 residents showed an upward tendency, but in 2009 it slightly decreased in annual terms and amounted to 1832. The amount of art galleries slightly increased during 5 years (from 66 to 69), with considerable grow of exhibitions organized in Poland (almost by 100 to 826). In the country's scale museums constituted over 14% and museum and exhibition visitors - twice more (29.2%).

As of 31 XII 2009 in the voivodship 22 theatres and 43 fixed cinemas operated, what means only little quantitative changes in relation to the previous years. Qualitative changes are significant, because studio cinemas have been replaced by multiplexes and miniplexes. The number of audience in fixed cinemas varied last years. In 2009 per 1000 population it amounted to 1081 persons. Therefore, one can state that this way of participation in consumption of institutionalized culture year in, year out becomes more and more popular.

TOURISM

The Małopolskie voivodship is one of the regions in Poland where tourism is the most developed. It is connected with cultural heritage as well as richness of landscape and biodiversity of this area. As of the end of July 2009 the boarding facilities of tourism in the voivodship included 894 facilities, offering 68.8 thous. beds in total, what accounted for 11.3% of the country boarding facilities. In comparison with 2005 the number of facilities augmented (by 69) involving the increase of the amount of beds (by 7.3 thous.). In 2009 the number of persons accommodated was more by 9.1% than four years before amounting to 2721 thous., but there were less foreign tourist by 8.9%, i.e., 810 thous. The number of nights spent also was higher (by 7.9%) than in 2005 but lower (by 3.8%) considering only foreign tourists.

Graph 13. Tourists accommodated in collective tourist accommodation establishments



Source: SO Kraków own study.

At the end of July 2009 in collective tourist accommodation establishments there were: 291 restaurants, 252 bars and cafes, 316 canteens and 66 food stands. In comparison with the end of July 2005 there were more restaurants and food stands, whereas less bars and cafes. In 2009 for the first time the number of restaurants surpassed the number of bars and cafes in collective tourist accommodation establishments.

Economy

ENVIRONMENTAL PROTECTION

As regards the area (15183 km²), the Małopolskie voivodship has 12th position in the country, before the voivodships: Lubuskie, Śląskie, Świętokrzyskie and Opolskie. It is situated on upland and mountain sites, what considerably contributes to its tourist attractiveness, but also obliges to special care of natural environment.

The number of plants generating substantial air pollution (emitting particulates, gases or particulates and gases at the same time) increased from 116 at the end of 2005 to 138 at the end of 2009. But the emission of industrial particulates from the above mentioned plants decreased gradually from 9.3 thous. tonnes in 2005 to 4.3 thous. tonnes in 2009 (7.0% of the country's quantity), and the emission of gases (excluding carbon dioxide) diminished in 2005-2008 by 22.3% to 139.4 thous. tonnes (constituting 8.8% of the emission in Poland).

Since 2006 water withdrawal for needs of the national economy and population has systematically diminished. Within 2009 in the voivodship it amounted to 524.1 hm³ of water, i.e., less by 44.2% than in 2005. Water consumption for needs of the national economy and

population within the space of the last years has decreased, too. But the average water consumption from water-line system in households per capita in 2009 (26.9 m³) reached the value only slightly lower than the value recorded four years before (27.1 m³).

Simultaneously, 486.7 hm³ of waste water were discharged into waters or into the ground, what means a decrease by almost 46% in relation to 2005. In Małopolska there were 318 waste water treatment plants, of which 237 municipal waste water treatment plants, servicing approximately 55.0% of the population (last years also above a half, but a little lower percentage).

Total amount of waste (excluding municipal waste) landfilled up to now (accumulated) within the decade showed a declining tendency and at the end of 2009 equaled 144.4 mln tonnes (9.5 thous. tonnes/km²), what accounted for 8.3% of total quantity of waste landfilled in the country.

Waste generated during the year (excluding municipal waste) amounted to 6.7 mln tonnes (a decrease in relation to 2005 by 29.5%). It accounted for 6.0% of the country-wide waste. The voivodship comes in third in Poland (after Dolnośląskie and Śląskie) with such amount of waste. Generated waste was recovered in almost 86%, treated in 13.0%, and temporarily stored on plant grounds - in the last part (less than 1%).

Outlays on fixed assets in environmental protection in the discussed year - 765.9 mln zł - were bigger in Małopolska by 1/3 than in 2005. However, on fixed assets in water management the voivodship destined 248.3 mln zł, what means the diminution in relation to 2005 by 18.3%.

AGRICULTURE

Agricultural land area (by administrative borders, as of June) amounted to 690.8 thous. ha, i.e., less by 2.9% than in 2005. Private farms constituted almost 97% of agricultural land area. In 2009 sown area reached 401.5 thous. ha (similarly as four years before), of which the most fell on cereals - 64.4%, feed plants - 14.6% and potatoes - 10.7%.

In the reporting year in Małopolska total crops - 821.9 thous. tonnes of cereal grain - were lower by 11.9% than a year before and by 3.6% than four years before. In comparison with the previous year harvest of potatoes was lower, harvest of tree and berry fruit was also much lower, but harvest of sugar beets, rape and agrimony as well as of ground vegetables was bigger.

In June 2009 in the Małopolskie voivodship stocks of cattle amounted to 196.0 thous. heads, i.e., less by 28.1% in comparison with June 2005 and stocks of sheep - 94.5 thous. heads, i.e., more by 11.3%. Within the space of the year stocks of sheep diminished by almost 12% (as of the end of June) and stocks of pigs - by almost 16% (as of the end of July).

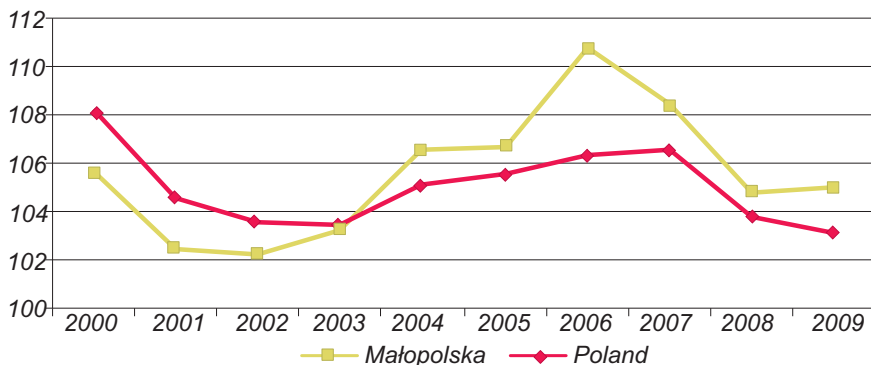
The value of total agricultural products procurement (plant and animal) increased by 11.0% per annum and by 19.2% in comparison with 2005 amounting to 956.4 mln zł.

ENTITIES OF THE NATIONAL ECONOMY

As of the end of 31 XII 2009 on the area of the Małopolskie voivodship there were 314.1 thous. entities of the national economy in the REGON register (excluding persons tending private farms), i.e., more by 4.1% than a year before. The increase of private sector by 4.3% influenced the increase of total number of entities. In public sector there was a diminution of entities by 2.6%, i.e., less by 210 entities within the space of the year. In comparison with the end of 2005 the number of entities augmented by 8.4%.

At the end of December 2009 the REGON register included 74.8 thous. legal persons and organizational entities without legal personality, which number has systematically increased for several years. Among them there were 20.8 thous. commercial companies (their number augmented by 29.1% in relation to 2005), of which 3.6 thous. companies with foreign capital participation (an increase by 32.1%). Last year dynamics of the number of commercial companies increased.

Graph 14. Dynamics of commercial companies with foreign capital participation
As of 31 XII; previous year=100



Source: SO Kraków own study.

The private sector assembled 97.5% of all economic entities. Units conducted by natural persons (239.2 thous.) constituted 76.2% of total entities. In 2009 the third year running, the number of natural persons conducting economic activity increased (by 4.5% in relation to 2008).

Considering the kind of activity, the most economic entities were registered in following NACE sections: trade, repair of motor vehicles (27.7%), construction (13.2%) and manufacturing (10.0%). In total, more than a half of firms conducted activity in above mentioned sections.

INDUSTRY AND CONSTRUCTION⁶

In 2009 sold production of industry in the voivodship amounted to 48.9 billion zł and it was less by 10.1% (in constant prices) than a year before.

The current level of revenue from the sale of goods and services was influenced, i.a. by the 10.0% drop of sold production in manufacturing. In electricity, gas, steam and air conditioning supply revenue decreased by 14.2%, in water supply; sewerage, waste management and remediation activities decreased by 5.1% and in mining and quarrying - by 1.3%.

In comparison with 2005 in the structure of sold production of industry the proportion of manufacturing decreased from 87.2% to 85.3%, whereas the proportion of mining and quarrying remained at the similar level and amounted to 2.0%, the proportion of water supply; sewerage, waste management and remediation activities increased from 3.0% to 3.2%, and of electricity, gas and water supply increased from 7.9% to 9.5%.

The value of construction and assembly production realized on the basis of the contract system in 2009 domestically by construction firms from Małopolska amounted to 7745 mln zł and accounted for 61.9% of total value of construction and assembly works (obtained by construction entities).

Sales of construction and assembly production went up in relation to the previous year by 11.8%, what resulted from an increase of the value of investment works (by 23.3%) with simultaneous drop of value of works with a renovation (restoration) and other character (by 7.5%). In structure of sales the proportion of investments increased (by 6.4 percentage points to 68.9%) at the cost of renovations (restorations) and other works.

The proportion of construction and assembly production realized by construction firms of the Małopolskie voivodship amounted to 68.9% of the value of production obtained by such entities in Poland.

TRANSPORT

Year in, year out, the number of registered road vehicles and tractors has augmented. At the end of 2009 it amounted to 1.8 mln, i.e., more by 28.2% than in 2005. The majority of them were passenger cars - 75.9%.

Within the year 5.1 mln t of goods were transported by hire or reward road domestic transport (in enterprises employing more than 9 persons), i.e., more in comparison with 2005 by 132.3%, and 4.7 mln t of goods in international transport, what means an increase over three times. It shows a growing popularity of road transport within the last few years.

⁶ It concerns economic entities employing more than 9 persons.

TRADE

Year 2009 was the next, in which retail sales realized by trade enterprises employing more than 9 persons increased. However the wholesale in annual terms a little decreased. The value of the wholesale amounted to 63.2 billion zł, and of retail sales 34.4 billion zł, i.e., respectively more by: 77.5% and 36.2% than in 2005.

In the discussed year there were 31.8 thous. shops (towards 32.6 thous. in 2005) of which 30 hypermarkets (towards 25 four years before), 267 supermarkets (towards 165) as well as 2.3 thous. specialized shops (relatively 1.8 thous.). A decrease was recorded of the number of trade stores, general shops as well as so-called other shops, which constituted 90.0% of total (i.e., shops of economic entities employing up to 9 persons as well as pharmacies regardless of the number of employed persons).

The number of catering establishments⁷ amounted to 1.4 thous., while in the year 2005 it did not exceed a thousand, the sale from the catering activity augmented, too - by 82.2%, exceeding a billion zł, what shows the development of this trade.

The necessity of storing a big quantity of goods requires the increase of the number and space of trade warehouses, what happened indeed in the last years. In 2009 the number of secured warehouses situated on the area of the voivodship surpassed 2.5 thous., and their space amounted to 1.4 mln m², what means an increase in relation to 2005 by: 19.8% and 21.0% respectively. Bigger were also both the number and the space of roofed warehouses and storage sites.

FINANCES OF ENTERPRISES

In 2009 the financial results of surveyed enterprises (employing more than 9 persons) slightly improved in relation to the results obtained in the previous year.

For example, it reflected in an improvement of the cost level indicator from 95.6% in 2008 to 95.2% (96.3% in 2005). The net financial result shaped at the level of 6993 mln zł, that is higher by 10.0% than in 2008 and by over 95% than four years before. Positive net financial result was shown by 79.4% of surveyed enterprises (in 2008 - 82.3%, and in 2005 - 77.2%).

For years 2005-2008 the value of current assets in enterprises has shown an upward tendency. However, at the end of December 2009 it amounted to 49.0 billion zł, i.e., less by 5.9% than in 2008, but more by 59.0% than in 2005.

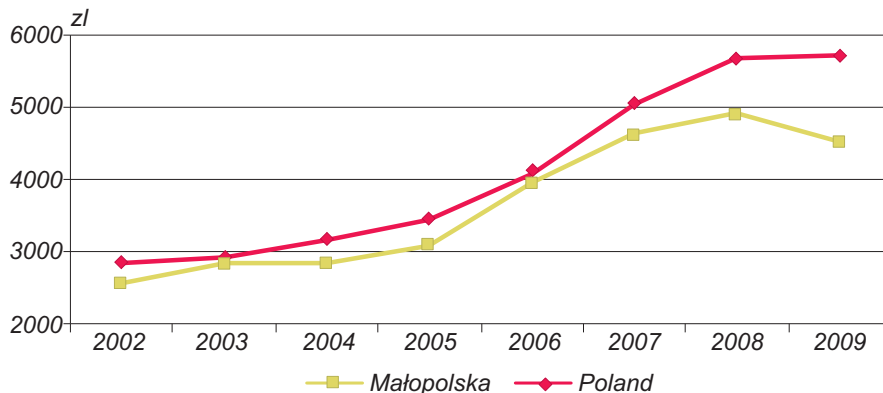
INVESTMENTS AND FIXED ASSETS

In 2009 investment outlays (according to investment location) reached 14.9 billion zł, of which almost 9 billion zł in private sector. In 2005-2008 these outlays systematically augmented.

⁷ It concerns economic entities employing more than 9 persons.

In the discussed year the upward tendency collapsed - investment outlays in Małopolska were lower in relation to 2008 by 7.4% but in comparison with 2005 - higher by 48.2%. According to NACE, investment outlays were the highest in industry and accounted for 25.5% of whole outlays, in transportation and storage - 17.7% and in real estate activities - 15.4%.

Graph 15. Investment outlays per capita



Source: SO Kraków own study.

Since 2005 investment outlays per capita have shown an upward tendency, but in 2009 they shaped at the lower level than in the previous year, accounting for 4526 zł. Due to keep the comparability of data, years 2000-2001 have not been shown on the graph 15.

As of the end of 2009 gross value of fixed assets⁸ (in current book-keeping prices) reached 173.5 billion zł and therefore it was higher than a year before by 8.1% and than four years before - by 32.4%. Relatively the biggest value of fixed assets was recorded in industry - 30.1% and in real estate activities - 22.1% of total.

At the end of 2009 gross value of fixed assets per capita in Małopolska amounted to 52.6 thous. zł.

PUBLIC FINANCE

Revenue

In 2009 local self-government entities of Małopolska worked out total revenue of 12.8 billion zł, that is more by 57.9% (in current prices) than in 2005. This amount constituted 8.3% of revenue of self-government entities in Poland. Revenue of gminas budgets (5.8 billion zł) accounted for 45.2%, revenue of cities with powiat status (3.9 billion zł) - 30.7%, of powiats (1.7 billion zł) - 12.9% and of the voivodship (1.4 billion zł) - 11.2%.

⁸ The division of fixed assets by NACE sections was made according to the abode of local kind-of-activity unit.

In comparison with 2005 the biggest increase of revenue occurred in the voivodship budget - over three times, while revenue of powiats increased by 54.2%, of cities with powiat status - by 53.3% and of gminas by 44.6%. Within the space of years 2005-2009 the pace of growth of revenues in gminas slowed down visibly.

Own revenue (5.8 billion zł) accounted for 45.2% of total, general subsidy (in the amount of 4.2 billion zł) accounted for 32.5% of total revenue, and allocations (2.9 billion zł) - 22.2%.

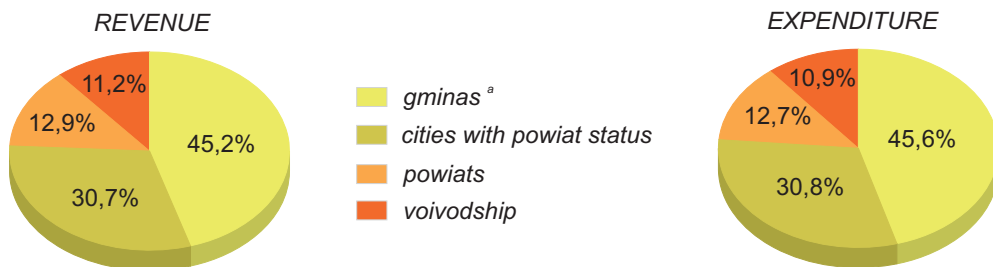
In 2009 in Małopolska there were per capita 434 zł from the revenue of the voivodship budget, 709 zł from the revenue of powiats budgets, 4122 zł from the revenue of cities with powiat status budget and 2481 zł from the revenue of gminas budget.

Expenditure

Total expenditure of local self-government entities for 2009 amounted to 13.7 billion zł and increased (in current prices) by 64.4% in comparison with 2005. It constituted 8.2% of expenditure of self-government entities in Poland. For gminas budgets fell 6.3 billion zł (45.6%), for cities with powiat status budgets 4.2 billion zł (30.8%), for powiats budgets 1.8 billion zł (12.7%) and for the voivodship budget 1.5 billion zł (10.9%).

Current expenditure, 10.2 billion zł, constituted 74.3% of total expenditure. The remaining sum, i.e. 3.5 billion zł, fell on property expenditure, of which 99.0% was destined for investments. However, among current expenditure wages and salaries constituted over 38% (3887 mln zł). The proportion of investment expenditure in total expenditure equaled 25.5%.

Graph 16. Structure of revenue and expenditure of local self-government entities budgets in 2009



^a Excluding revenue and expenditure of gminas which are also cities with powiat status.

S o u r c e: SO Kraków own study.

Calculating per capita in Małopolska expenditure of the voivodship budget amounted to 455 zł, from powiats budget - 749 zł, gminas - 2677 zł, and cities with powiat status - 4430 zł.

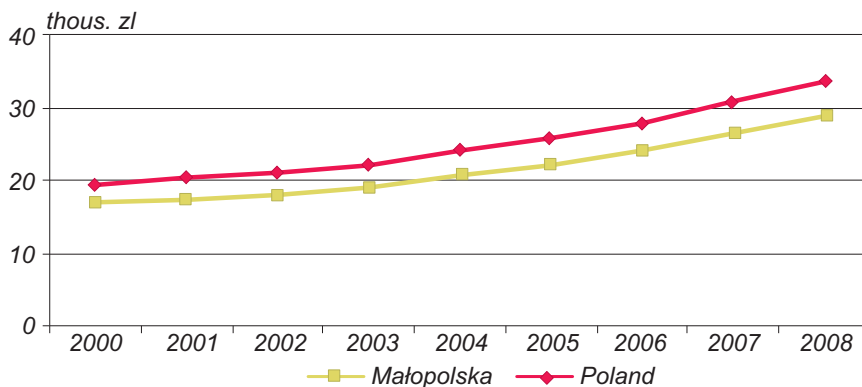
Local self-government entities closed the year 2009 once again with a negative financial result - of minus 915 mln zł, what in relation to the previous year means its further

deterioration (for 2008 - minus 297 mln zł, for 2005 - minus 233 mln). The budget surplus in the discussed year was shown merely in 39 gminas and in 1 powiat (dąbrowski).

GROSS DOMESTIC PRODUCT

Małopolska belongs to economically developed voivodships. In 2008 it generated 7.4% of GDP, what gave it the fifth position in Poland, after voivodships: Mazowieckie, Śląskie, Wielkopolskie and Dolnośląskie. In the analysed year the volume of GDP increased in relation to 2005 (in constant prices) by 17.0% (in Poland by 19.2% in total), what placed Małopolska only on the ninth position among voivodships. Calculating per capita GDP amounted to 28.9 thous. zł and it was lower by 13.7% than the average level in Poland. With this result Małopolska came also in ninth in the country.

Graph 17. Gross Domestic Product per capita



Source: SO Kraków own study.

In 2008 gross value added was elaborated mainly (like in the country) by non-financial corporations sector (47.8%), households sector (31.2%) and general government sector (16.1%). As regards the kind of conducted activity, the most of gross value added was elaborated by entities included in the NACE Rev. 1.1 sections: trade and repair; hotels and restaurants; transport, storage and communication (27.8%), in industry (22.8%), as well as in other service activities (20.4%).

In spatial layout, the highest influence of the quantity of the volume of GDP generated in the voivodship was exerted by the city of Kraków (with the proportion of 41.4%). As regards the level of GDP per capita, Kraków comes in second, after Warszawa, among all (66) subregions in the country, before katowicki subregion and the city of Poznań. In 2008 Kraków elaborated 3.1% of the national value of GDP.

Małopolska at the background of other voivodships⁹

The following part presents calculations of the development level of voivodships in five fields: demography, labour market, economic living conditions, social living conditions, economy. For each of field, fractional rates had been chosen, characterising it, based on the subject matter literature, and then, using taxometric methods, a synthetic rate has been constructed. Selection of fractional rates to the model was made in accordance with principles of selection of statistical features, used in comparisons of multi-featured objects¹⁰. While verifying selection of variables, some rates were rejected due to too high rate of correlation or/and too low rate of changeability. In further calculations in particular fields the following rates have been considered:

Demography

- *Population per 1 km² of total area (as of 31 XII)*
- *Natural increase per 1000 population*
- *Post-working population per 100 persons of working age (as of 31 XII)*
- *Internal and international net migration for permanent residence per 1000 population*

Labour market

- *Activity rate by working age and sex*
- *Average monthly gross wages and salaries*
- *Persons working in hazardous conditions per 1000 paid employees of total surveyed (as of 31 XII)*

Social living conditions

- *Average usable floor space of dwelling per capita*
- *Students of higher education institutions per 10 thous. population*
- *Museums visitors per 1000 population*
- *Consultations provided in out-patient health care per capita*
- *Ascertained crimes in completed preparatory proceedings per 10 thous. population*

Economic living conditions

- *Average monthly expenditures of households per capita*
- *Own revenue of local self-government entities per capita*
- *Beneficiaries of social assistance benefits per 10 thous. population*

⁹ *Elaborated by Monika Wałaszek, the Małopolski Centre of Regional Surveys.*

¹⁰ *Młodak A., Taxonomic analysis in regional statistics, Centre of Information and Consulting Difin Co. Ltd., Warsaw 2006.*

Level of economy

- *Natural persons conducting economic activity recorded in the REGON register per 10 thous. population (as of 31 XII)*
- *General domestic product per capita in 2008*
- *Expenditures on research and development (R&D) per capita (current prices, excluding depreciation of fixed assets) in 2008*
- *Total value of projects partially financed by EU on the years 2007-2013 per capita (as of 30 VI 2009)*
- *Proportion of big economic entities¹¹ in the country's scale*

For each of above mentioned five fields, a synthetic rate of development level has been built from fractional rates left after verification. For this purpose, a taxonomic model of development created by Hellwig was used. For each of aggregated rates from a given range an average was calculated (\bar{q}) as well as a standard deviation (S_q). Next, in accordance with the following formulas 4 clusters were created¹²:

- I. value of the synthetic rate is in the bracket $[0; \bar{q} - S_q)$*
- II. value of the synthetic rate is in the bracket $[\bar{q} - S_q; \bar{q})$*
- III. value of the synthetic rate is in the bracket $[\bar{q}; \bar{q} + S_q)$*
- IV. value of the synthetic rate is in the bracket $[\bar{q} + S_q; 1]$*

Adequate clusters relate to:

- I. very low development level*
- II. low development level*
- III. high development level*
- IV. very high development level*

Results of grouping

On the basis of the five received synthetic rates, one can say that the Małopolskie voivodship has got favourable conditions to the development of economic potential of the region. Moreover, residents of the voivodship have got good economic living conditions and

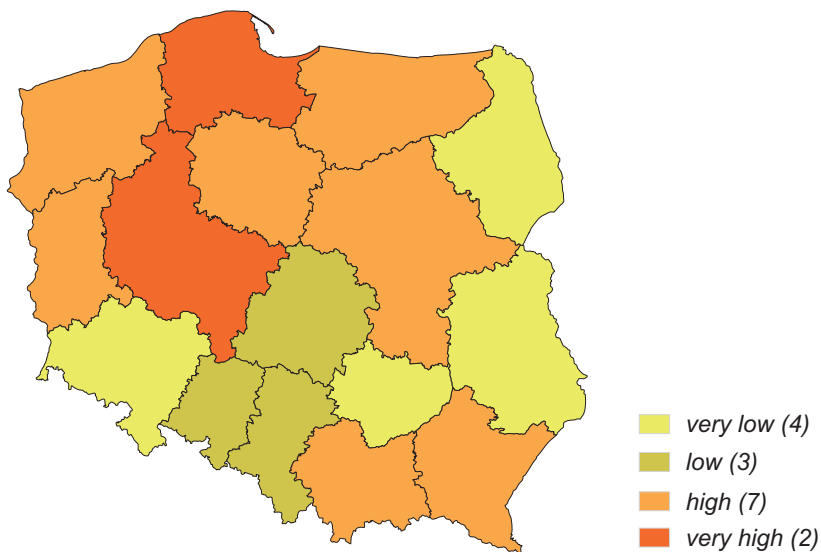
¹¹ *Big entities are assumed as those employing more than 250 persons.*

¹² *Lira J., Wysocki F., Descriptive statistics, published by August Cieszkowski Agricultural Academy, Poznań 2005.*

very good social living conditions. None of the five synthetic rates did not reach the development level lower than the high one, and in case of social living conditions - the very high level. In case of rates describing economic potential of the region, it is worth to mention that the Małopolskie voivodship was situated near upper limits of a bracket with high development level. Additionally, the city of Warsaw greatly influenced the value of these rates for the Mazowieckie voivodship, overstating their values, and what follows, artificially extending the scale of values for a given rate. Moreover, one of the fractional rates used while constructing the synthetic rate of economic development level was the proportion of big economic entities on the voivodship's area in the country's scale. The Małopolskie voivodship is characterised by a big proportion of mountainous sites as well as legally protected areas, which constrain the possibility of development of big enterprises, what contributed to a relatively low value of the above mentioned fractional rate. Summarizing, the rate which could revise previously mentioned stipulations, would probably place Małopolska in the group of voivodships with very high level of the economic development.

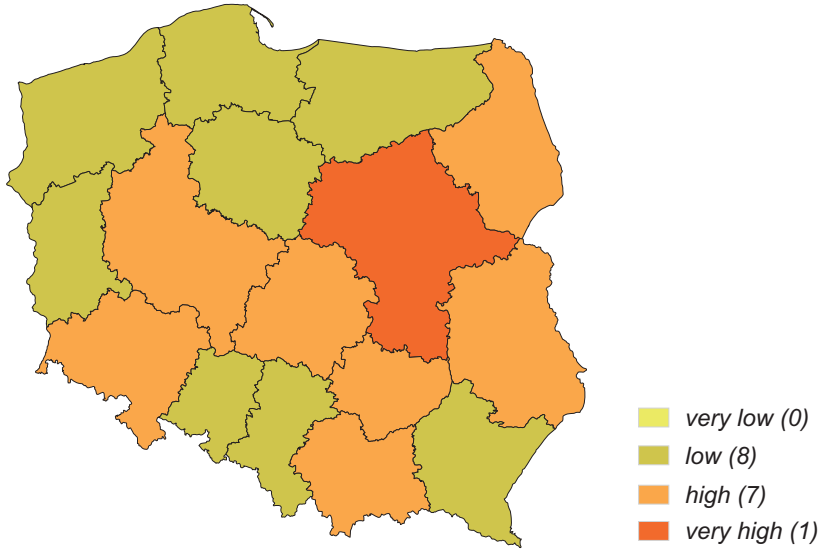
One should also notice, that the rate of social living conditions development level in the Małopolskie voivodship reached the highest value in the country's scale, what would prove the significance of the voivodship on this ground particularly as an important centre of cultural life.

Map 1. Results of grouping on the basis of synthetic rate of demographic development level



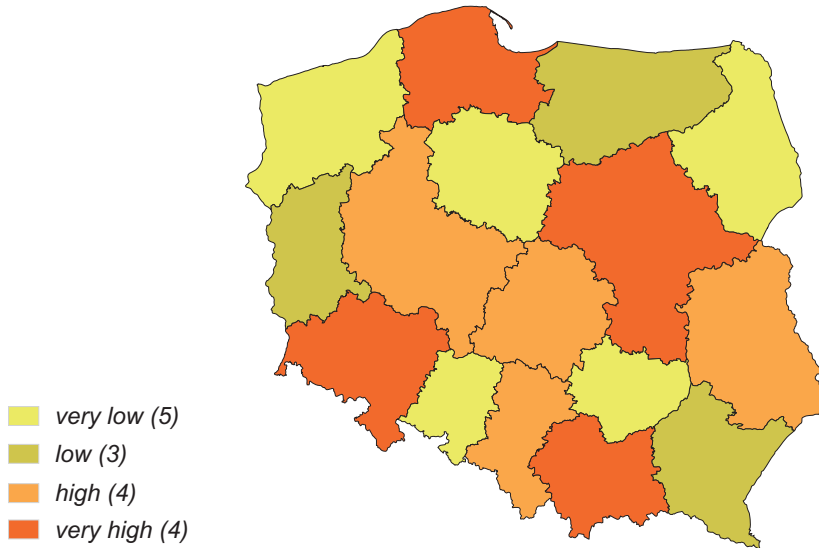
S o u r c e: SO Kraków own study.

Map 2. Results of grouping on the basis of synthetic rate of labour market development level



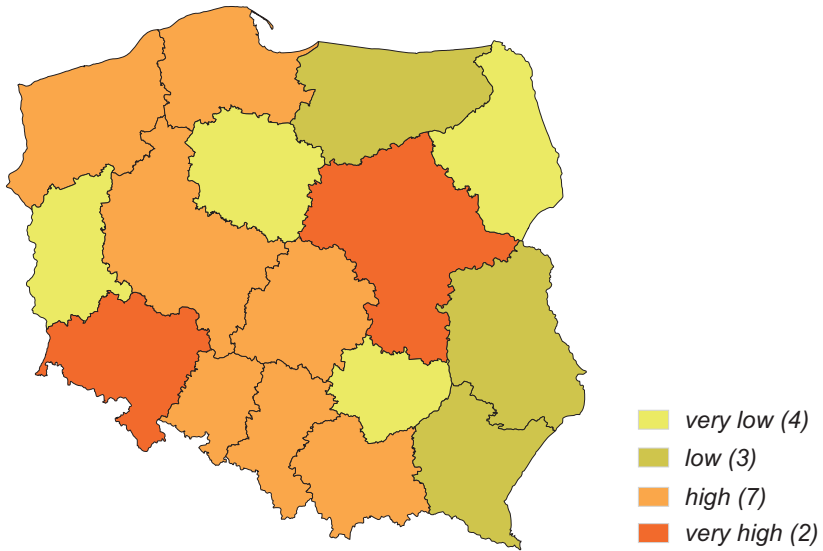
Source: SO Kraków own study.

Map 3. Results of grouping on the basis of synthetic rate of social living conditions development level



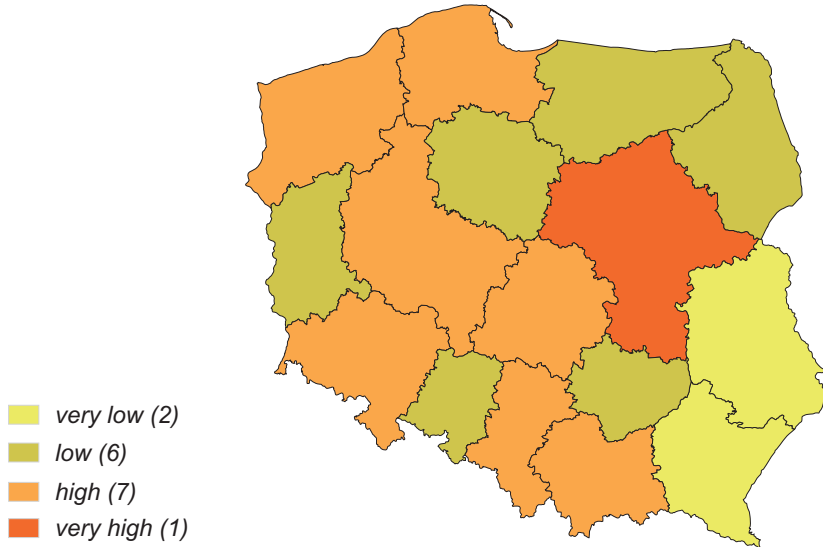
Source: SO Kraków own study.

Map 4. Results of grouping on the basis of synthetic rate of economic living conditions development level



Source: SO Kraków own study.

Map 5. Results of grouping on the basis of synthetic rate of economic development level



Source: SO Kraków own study.