

**SYTUACJA SPOŁECZNO-GOSPODARCZA  
KRAKOWA W 2010 R.**

*SOCIO-ECONOMIC SITUATION  
OF KRAKÓW IN 2010*

### POPULATION

At the end of December 2010 the population of Kraków amounted to 756.2 thous. people and density of population 2314 persons per km<sup>2</sup> (with an area of 327 km<sup>2</sup>). Such a high density of population is characteristic for big cities. From 2000 to 2009 the number of population of the capital of Małopolska<sup>1</sup> has shown a little declining tendency, however in the year under discussion it increased by 0.2% in relation to the end of 2009. As of 31 XII 2010 the population of Kraków constituted 22.8% of total population of the voivodship. The feminization rate amounted to 114 (females per 100 males). Since 2003 it has stayed at the unchanged level. In the Małopolskie voivodship there were 106 females per 100 males.

The pre-working age population (aged 0-17) accounted for 15.5% of total population, i.e., as many as the year before, and working age population (aged 18-59/64) - 65.2%, i.e., less by 0.8 percentage point. Simultaneously, the share of the post-working population (aged 60/65 and more) in total population augmented by 0.8 percentage point to 19.3%. There were 30 post-working age persons per 100 persons of working age (in 2009 - 29). The observed changes are connected with the slow process of aging of the society.

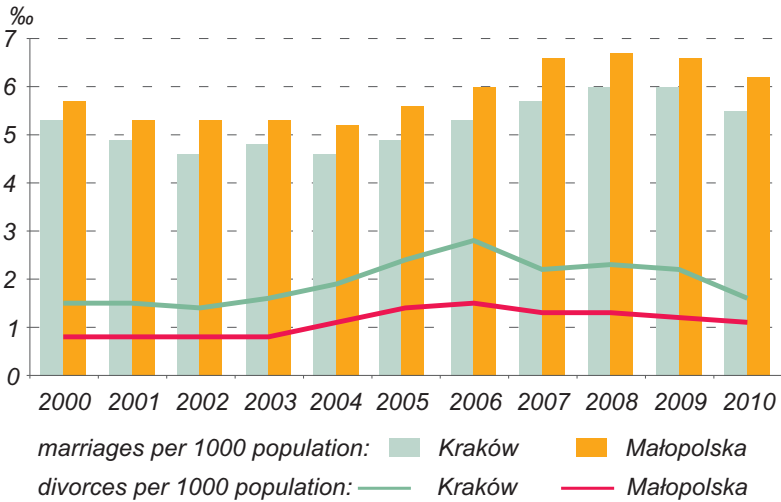
The increase of the number of population resulted from a registered in 2010 positive natural increase, which amounted to 767 persons, i.e., 1.0 person per 1000 population (in the Małopolskie voivodship 2.3). In the previous year natural increase in the city was also positive and amounted to 691 persons. In 2010 in Kraków 7848 children were born (less by 41 than the year before). The rate of births reached 10.7‰ (like in 2009, 8.8‰ five years before). In the year under discussion 7081 persons died, that is less by 117 than a year before, but more by 55 than in 2005. The rate of deaths amounted to 9.6‰ and it was slightly lower than in 2009, but the same as five years before.

In 2010 on the area of Kraków 4.1 thous. marriages were contracted, i.e., less by 7.6% than in 2009. The intensity of marriages ratio shaped at the low level - 5,5 new matrimonies per 1000 population, and the intensity of divorces ratio - 1.6 per 1000 population. Simultaneously one of the highest number of divorces in Małopolska per 1000 newly contracted marriages was recorded - 286 (only in Tarnów it was higher - 338). In the year under discussion 1.2 thous. marriages were dissolved by divorce. After the increase of the number of divorces in 2008, in 2009-2010 it decreased again. In Małopolska in the year under discussion the intensity of marriages ratio amounted to 6.2‰, and the intensity of divorces ratio - 1.1‰.

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<sup>1</sup> Names "Małopolskie voivodship" and "Małopolska" are used interchangeably.

**Graph 1. Marriages and divorces**



The increase of the number of population in the city was influenced also by a positive net internal and international migration for permanent residence, which in the discussed year amounted to 416 persons (similarly as the year before - 412), what means a surplus of registered persons over deregistered persons. In 2000-2007 there was also a positive permanent net migration, exceptionally in 2008 it was negative.

In 2010 in Kraków life expectancy for males amounted to 75.1 years (in Małopolska 73.7 years), however for females 81.5 years (in Małopolska 81.4 years).

## LABOUR MARKET

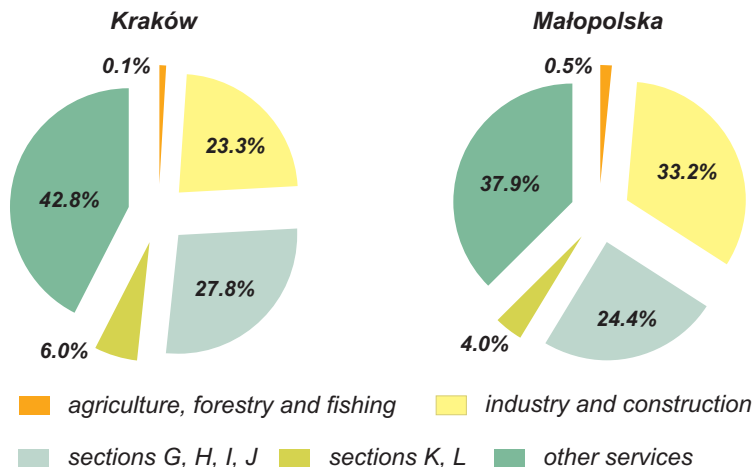
### Employed persons

For several years an improvement of the situation on the labour market in Kraków has been observed manifesting in an increasing number of employed persons<sup>2</sup>. In 2010 in Kraków there were 284.7 thous. employed persons, i.e., more by 1.5% than in 2009. They constituted 40.9% of total employed persons in the Małopolskie voivodship. In private sector 185.0 thous. persons worked, i.e., 65.0%, and in public sector - 99.7 thous. persons (remaining 35.0%). The increase of total number of employed persons was influenced mainly by the development of private sector, in which the number of employed persons augmented by 2.3% per annum, whereas in public sector the increase was minimal (by 0.1%).

<sup>2</sup> By actual location of workplace and kind of activity; excluding economic entities employing up to 9 persons and persons employed on private farms in agriculture.

In 2010 the most people worked in a sector of market services<sup>3</sup> - 42.8%. Persons employed in sections: trade; repair of motor vehicles, transportation and storage, accommodation and catering constituted 27.8%, and in industry and construction - 23.3% of total employed persons. One can notice, that Kraków is characterised by a distinct domination of sectors connected with services.

**Graph 2. Structure of employed persons by economic sectors in 2010**  
As of 31 XII



### Registered unemployment

An increase of the registered unemployment is a disturbing phenomenon on the labour market. As of the end of December 2010 there were 18.7 thous. registered unemployed persons, i.e., more by 16.9% than a year before, but by 26.1% less than in 2005. In total number of unemployed persons, women constituted 51.0%.

The unemployed persons in Kraków at the end of 2010 accounted for 13.2% of total unemployed persons in the Małopolskie voivodship. In 2003-2008 both in Małopolska and in Kraków the registered unemployment rate<sup>4</sup> decreased. This positive tendency turned in 2009. As of the end of 2010 the registered unemployment rate in Kraków amounted to 4.7%. In this respect Kraków came in fourth among Polish cities with 300 thous. and over inhabitants after: Warszawa (3.5%), Poznań (3.6%) and Katowice (3.8%).

<sup>3</sup> The term "Other services" includes sections: "Professional, scientific and technical activities", "Administrative and support service activities", "Public administration and defence; compulsory social security", "Education", "Human health and social work activities", "Arts, entertainment and recreation" as well as "Other service activities".

<sup>4</sup> The registered unemployment rate is the percentage share of the number of registered unemployed persons in the number of economically active civil population.

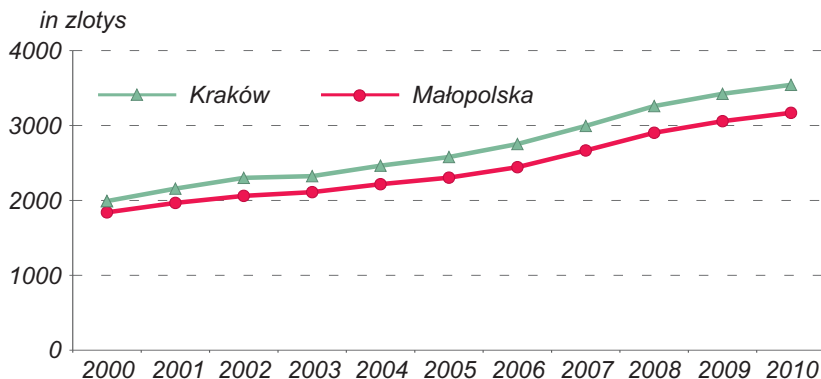
In the structure of unemployed persons by educational level persons of post-secondary as well as vocational secondary education predominated (23.8% of total unemployed persons), in the structure by age - persons aged 25-34 predominated (31.7% of total), and by duration of unemployment - persons seeking job for 3 months and less (32.0%).

Among unemployed persons with a specific situation on the labour market, long-term unemployed persons prevailed.

## WAGES AND SALARIES<sup>5</sup>

In 2010 average monthly gross wages and salaries in Kraków shaped at the level of 3543.43 zł, i.e., more by 3.5% than in the previous year. It constituted 111.8% of the voivodship's average pay. In public sector average wages and salaries were higher (4008.75 zł) than in private sector (3313.27 zł). Among economic sectors the highest average pay (4853.04 zł) was recorded in the sector covering such NACE sections as: financial and insurance activities, real estate activities. Since 2000 average monthly gross wages and salaries have systematically increased.

**Graph 3. Average monthly gross wages and salaries**



By NACE sections the highest average monthly wages and salaries in the city were paid for employees of: information and communication (5481.40 zł), electricity, gas, steam and air conditioning supply (5436.08 zł) as well as financial and insurance activities (5217.67 zł). However, wages and salaries lower than average were recorded, i.a. in the following sections: administrative and support service activities (1937.12 zł), accommodation and catering (2070.46 zł), other service activities (2162.56 zł).

<sup>5</sup> Data concern economic entities employing more than 9 persons as well as entities of the budgetary sphere regardless of the number of employees.

## **MUNICIPAL INFRASTRUCTURE**

*In Kraków the municipal infrastructure is still expanded. For example, in 2010 in relation to 2009, the sewerage network was expanded by 34.3 km and the gas-line network by 12.0 km. The length of the water-line network amounted to 1268 km in December 2010, what constituted 7.2% of the length of the network in Małopolska. Compared to 2009 the length of network decreased by 7.6%, what can result from inventory. The number of water-line connections leading to residential buildings increased per annum by 1.7% to 38.4 thous.*

*Consumption of water from water-line systems by households last year amounted to 35.7 hm<sup>3</sup>, what means a little downward tendency within the space of the last few years. In calculations per capita, consumption of water from water-line systems slightly decreased (from 47.6 m<sup>3</sup> in 2009 to 47.3 m<sup>3</sup> in 2010) and it was by 1/4 higher than in Małopolska (37.7 m<sup>3</sup>).*

*The length of sewerage network (including collectors) in Kraków as of 31 XII 2010 amounted to 1258 km (12.6% of the length of sewerage network in the Małopolskie voivodship). The number of sewerage connections leading to residential buildings increased per annum by 1.7% (from 34,7 thous. to 35,3 thous.). 62.1 hm<sup>3</sup> of waste water were discharged into sewerage network (53.6% of waste water discharged in Małopolska), i.e., by 35.3% more in relation to 2009.*

*As of 31 XII 2010 gas-line network in Kraków had length of 1588 km and it was used by 251.7 thous. consumers. Average consumption of gas per capita amounted to 183.6 m<sup>3</sup> (in the voivodship 124.5 m<sup>3</sup>) and slightly increased in relation to the previous year.*

*As of the end of December 2010 347.4 thous. consumers (29.0% of total consumers of electricity in Małopolska) consumed jointly in Kraków 801.2 GW·h of electricity (28.9% of the voivodship's consumption). Annual consumption of electricity per capita amounted to 1060 kW·h (925.1 kW·h in cities in the voivodship).*

## **DWELLINGS**

*As of the end of 2010, dwelling stocks of Kraków amounted to 326.2 thous. dwellings, what guaranteed the maintenance of recorded for several years upward tendency - an increase by 1.5% in relation to the previous year and by 11.2% in comparison with the end of 2005. Dwelling stocks of Kraków constituted 29.9% of voivodship's stocks. Usable floor space of dwellings was 18520 thous. m<sup>2</sup> and the number of rooms - 1027 thous.*

*In 2010 in Kraków 4.7 thous. dwellings (having 14.6 thous. rooms) with usable floor space of 336.6 thous. m<sup>2</sup> were completed. It constituted 38.5% of total dwellings completed in the voivodship. In buildings for sale and rent 4.0 thous. dwellings were completed with usable floor space of 243.7 thous. m<sup>2</sup> and in private buildings - 0.7 thous. dwellings with usable floor space of 92.6 thous. m<sup>2</sup>. Average usable floor space of a dwelling amounted to 71.4 m<sup>2</sup> (towards 61.0 m<sup>2</sup> a year before and 66.6 m<sup>2</sup> five years before).*

Since 2005 in Kraków there has been none dwelling completed within the confines of company construction, whereas for the third year in a row there has been none dwelling completed in co-operative construction and public building society construction.

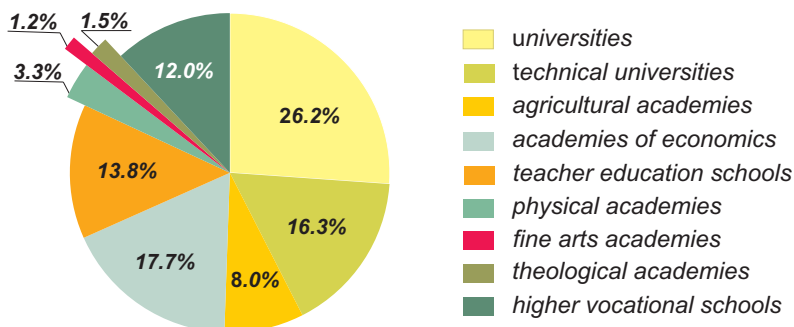
## EDUCATION<sup>6</sup>

Kraków as the capital of the region, the centre of cultural and scientific life of Małopolska and one of the oldest European university cities is characterised by well developed educational system. At the beginning of the school year 2010/11 in the city there were, i.a.:

- 301 pre-primary education establishments, attended by 23.2 thous. children (of which 209 nursery schools - by 20.9 thous. children),
- 150 primary schools (35.8 thous. pupils),
- 106 lower secondary schools (19.1 thous. pupils),
- 27 basic vocational schools (3.5 thous. students),
- 55 general secondary schools and 10 specialized secondary schools (respectively: 18.6 thous. and 0.6 thous. students),
- 36 technical secondary schools, including supplementary technical secondary and general art schools leading to professional certification (11.7 thous. students),
- 83 post-secondary schools (13.8 thous. students),
- 22 higher education institutions (188.5 thous. students),
- 69 schools for adults (5.8 thous. people supplementing their education).

Graduates of higher education institutions have the biggest chances to find a job.

**Graph. 4. Structure of graduates<sup>a</sup> of higher education institutions by type of schools**  
As of 30 XI



<sup>a</sup> For the 2009/2010 academic year.

<sup>6</sup> Data from the Educational Information System, administered by the Ministry of National Education - with the exception of the higher education institutions.

*As regards the number of students, research personnel and ranking places of particular universities, Kraków is in the lead of Polish cities, just after Warszawa. In the academic year 2005/06 over 179 thous. students studied in Kraków in care of 10.8 thous. academic teachers. In the academic year 2010/11 there were already more by over 9.1 thous. students and 0.7 thous. academic teachers.*

*A potential of scientific circles makes possible the development of modern economy based on knowledge. Schools are better and better equipped with computers, of which with the Internet access. The best equipped in computers were: primary schools (in 94.0%) as well as general secondary schools (89.3%) and lower secondary schools (81.1%).*

## **HEALTH CARE AND SOCIAL WELFARE**

*Basic health care was provided for population by in-patient health care facilities, out-patient health care institutions including occupational medicine and private medical practices financed by own resources of patients or on the basis of contracts with the National Health Fund. As of the end of December 2010 the number of doctors in the city amounted to 3.6 thous., there were 0.6 thous. dentists and 6.4 thous. nurses; 462 out-patient health care institutions functioned (i.e., more by 11 than a year before and by 71 than in 2005). There were 26 hospitals, of which 11 public and 15 non-public.*

*As of the end of 2010 the sale of medicines and medications on the area of Kraków was run by 284 pharmacies, i.e., less by 2 than a year before and by 15 than at the end of 2005. During five years the number of population per pharmacy increased from 2531 to 2663.*

*In the city 22 nurseries still functioned, in which 3159 children stayed during the year 2010, i.e., less by 152 than a year before, but more than 119 than five years before. Since 2005 the number of places in nurseries has systematically augmented. At the end of 2005, 77.6 children per 1000 children up to age 3 stayed in nurseries and at the end of 2010 77.3. In Kraków there were 2/3 of total nurseries from the area of the voivodship.*

*In 26 social welfare homes and facilities functioning in Kraków 2501 residents stayed, i.e., 28,3% of total residents in the Małopolskie voivodship. In the year under discussion the rate which expresses the number of residents of such centres per 10 thous. population amounted to 33,1 (the year before 38,4).*

## **CULTURE**

*Kraków, on the area of which there are most cultural institutions in the voivodship, is the centre of cultural life of the region.*

*Since 2005 the number of libraries in Kraków has oscillated round 70, what constitutes about 1/10 of total number of libraries in Małopolska. In 2010 these institutions had 210.3 thous.*



recorded borrowers, which number dropped by 1.8% during five years. Together with declining number of borrowers, the rate of loans per borrower has also decreased. In 2005 it amounted to 17.5 volume per 1 borrower, while 14.6 five years later. However, in 2010 the number of borrowers of libraries increased in comparison with the previous year by 1.7%, what can mean a reversal of the observed for several years downward tendency in the field of readership.

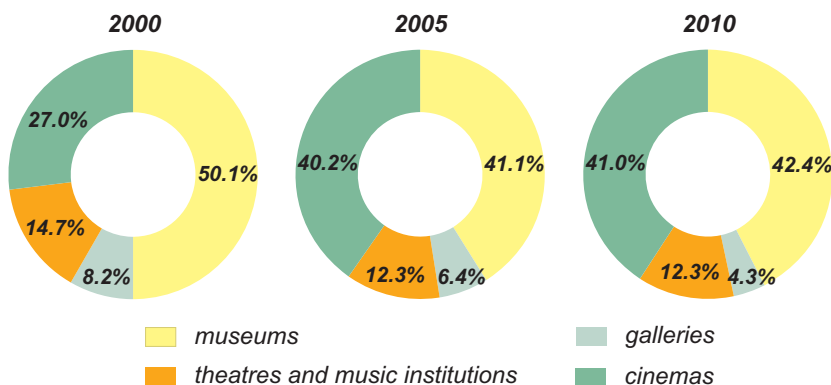
In 2010 in Kraków there were 48 museums and museum branches, which constituted almost 42% of such institutions in Małopolska. Rapidly growing number of visitors is a positive phenomenon within museum activity. In 2010 museums of Kraków were visited by 3148.5 thous. persons, that is almost 16% more than in the previous year, and nearly 50% more than in 2005.

The situation of art galleries looks a little different. Since 2005 their number in Kraków has decreased by 1, and the number of visitors has diminished by 6,1%.

Cultural life of Kraków is also formed by theatres and music institutions which constitute the majority of such establishments in the voivodship. In 2010 in Kraków 16 theatres and music institutions acted, in which 3715 performances and concerts took place, i.e., more by 13.5% in relation to 2005, but in comparison with 2009 less by 6,9%. The audience also augmented in relation to 2005 (by 44,7%) and dropped compared to 2009 (by 11.1%).

A visit in the cinema is the most common form of participation in consumption of institutionalized culture. As of the end of December 2010 in Kraków 13 cinemas functioned, i.e., over 1/4 cinemas in the voivodship. Audience during the year amounted to 3039.1 thous., what means more by 4,6% than the year before and by 48,2% than in 2005. In the Małopolskie voivodship cinema audience augmented respectively by: 3.0% and 44.5%. It proves a constant increase of popularity of this form of participation in cultural life.

**Graph 5. Structure of participants of cultural events**



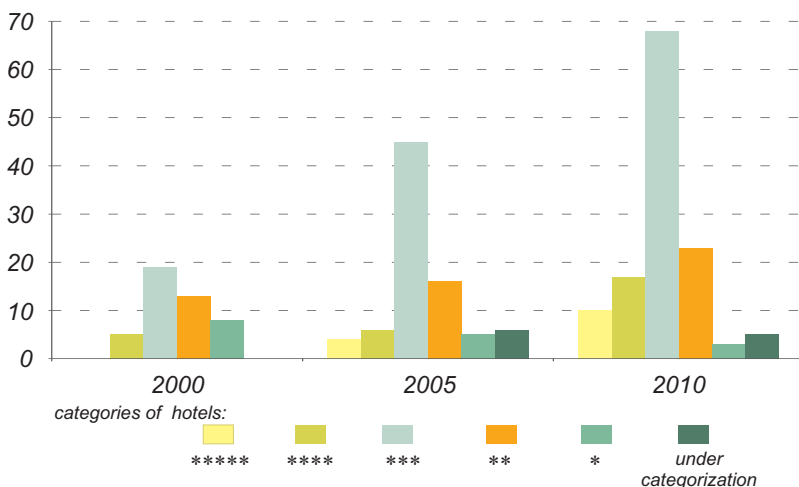
At the end of 2009 in Kraków 77 cultural centres and establishments, clubs functioned, i.e., by 1 less than at the end of 2005 and 2007 (survey is conducted in 2-years cycle). In 2009 they organized 10.7 thous. events, in which 1,5 mln persons participated.

## TOURISM

Kraków is one of the most famous tourist centres in Poland. At the end of July 2010 in the city there were 215 collective tourist accommodation establishments possessing 24,7 thous. bed places. Kraków possessed almost 25% of total voivodship's boarding facilities of tourism, while its share in bed places amounted to 35,3%.

126 hotels functioned in the city, i.e., more than a half (50,6%) of such facilities in Małopolska. Three-star (68) and two-star facilities (23) predominated, but it is worth to note that, as many as 10 hotels had the highest - five-star standard, and 17 facilities - four-star standard.

**Graph 6. Hotels by categories**  
As of 31 VII



After a recorded in 2008 decrease of the number of tourists accommodated it re-increased. In the discussed period 1512,4 thous. tourists were accommodated for the night in the capital of Małopolska, i.e., more than a half (52,6%) of all tourists accommodated in the Małopolskie voivodship. In annual terms total number of tourists accommodated increased by 12,8%, and in case of foreign tourists by 11.8%. In the voivodship it was more by: 5.6% and 10.6% respectively.

During 12 months of 2010 the number of nights spent amounted to 3155,3 thous., i.e., by 12,2% more than in the previous year. The number of nights spent by foreign tourists increased a little less - by 11.0%. In the Małopolskie voivodship's scale the number of nights spent increased by: 0.2% and 9.8% respectively.

## ENVIRONMENTAL PROTECTION

In 2010 in Kraków legally protected areas possessing unique environmental value amounted to 4873 ha, what constituted 14.9% of area of the city as well as 0.6% of legally protected areas of the Małopolskie voivodship.

In the analysed year 72.2 hm<sup>3</sup> of water were withdrawn for needs of the national economy and population in Kraków, i.e., less by 3.1% than in 2009 and by 4.0% than in 2005. The most of withdrawn water (85.3%) was intended for exploitation of water-line network.

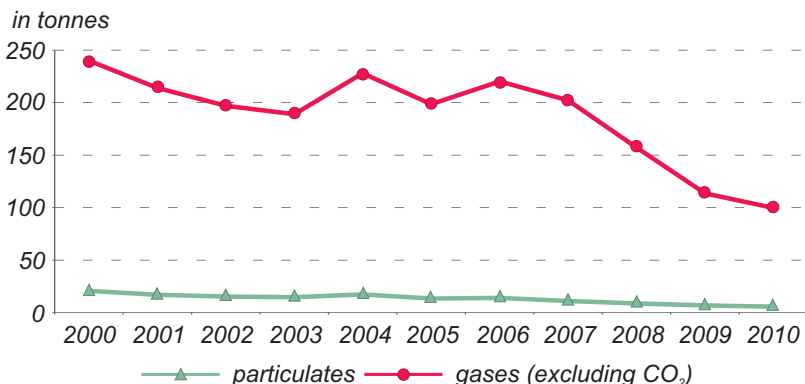
Simultaneously, 65.0 hm<sup>3</sup> of industrial and municipal waste water were discharged into waters or into the ground. Over 98% of waste water were treated, mainly in waste water treatment plants with increased biogene removal (disposal) - 94,2% of total waste water treated as well as mechanical - 2.2% and biological - 1.8% (in Małopolska mechanical treatment of waste water prevailed - 29.8% of total waste water treated and with increased biogene removal (disposal) - 19.0%).

In Kraków there were 7 municipal waste water treatment plants (5 biological and 2 with increased biogene removal) which were roughly used by 91.4% of the city population.

In 2010 the emission of gas pollutants (excluding carbon dioxide) by plants generating substantial air pollution amounted to 32.6 thous. tonnes, whereas the emission of particulates - 1.9 thous. tonnes. A half of total emission of gas pollutants (excluding carbon dioxide) was carbon monoxide and 27.0% sulphur dioxide. Among particulates 42.1% came from combustion of fuels.

In 2010 per 1 km<sup>2</sup> of area of Kraków there were 99.7 tonnes of gas pollutants and 5,7 tonnes of particulates. In case of the Małopolskie voivodship these volumes were almost twelve and nineteen times lower, respectively.

**Graph 7. Emission of industrial air pollutants from plants generating substantial air pollution per 1 km<sup>2</sup> of area of the city**



99.0% of generated particulates and 1.6% of gas pollutants were retained in pollutant reduction systems (a year before: 98.7% and 0.4% respectively). A higher reduction of gas pollutants (without carbon dioxide) was recorded in comparison with the almost unchanged level from the years 2000-2009.

The amount of waste generated (excluding municipal waste) in Kraków during the year amounted to 1035 thous. tonnes, which constituted 17.0% of total waste generated in the Małopolskie voivodship. In relation to the previous year the amount of waste decreased by 18.2%, whereas in comparison with 2005 - by 52.7%. 85.5% of generated waste was recovered, 11.7% was treated and 2.8% was temporarily stored on landfills. Non-reclaimed area of storage yards (excluding municipal waste) in Kraków covered an area of 275 ha, which constituted 33.5% of total land allocated to this in the voivodship. In relation to the previous year, this area did not change, but in comparison with 2005 it decreased by 5.8%.

In the discussed period outlays on fixed assets in environmental protection in Kraków amounted to 237.1 mln zł, i.e., 39.3% of total outlays borne in the voivodship. This expenditure constituted only 58.5% of last year's amount but in relation to 2005 it increased almost twice.

In 2010 Kraków allocated a sum of 45.1 mln zł for water management, i.e. 10.4% of total voivodship's outlays. This amount was higher both in relation to 2009 and 2005, by: 36.8% and 55.8% respectively. Increasing expenditure on water management could be caused by spring flood. Gros constituted expenditure on water intakes and systems (57.1%) as well as regulation and management of rivers and streams (19.9%) and also flood embankments and pump stations (17.4%).

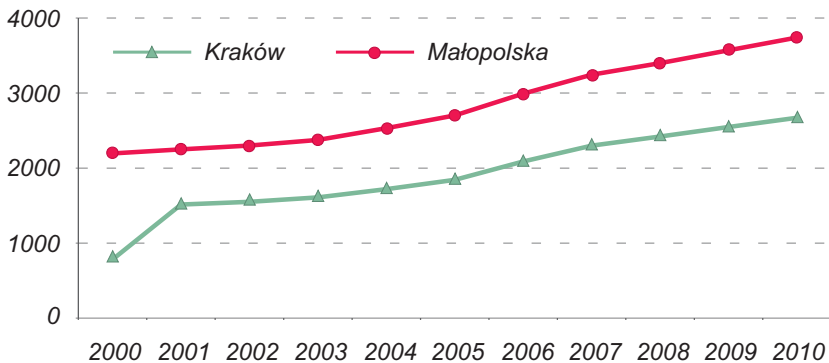
## **ENTITIES OF THE NATIONAL ECONOMY**

The number of entities of the national economy in REGON register has been growing systematically. This increase is generated by private sector, where the number of entities is much bigger than in public sector.

There were 115.7 thous. entities (excluding persons tending private farms in agriculture) from the area of Kraków in REGON register as of the end of December 2010, i.e., almost 35.0% of total entities in the Małopolskie voivodship. In relation to the previous year their number augmented by 5.0%.

Legal persons and organizational entities without legal personality constituted 31.4% of total entities and their number reached 36.3 thous. Commercial companies and civil law partnerships (14.4 thous. and 12.5 thous. respectively) prevailed in this group. On the area of Kraków there were 2.7 thous. registered companies with foreign capital participation which constituted 71.4% of total such entities in Małopolska.

**Graph 8. Commercial companies with foreign capital participation**  
As of end of period



In the period under discussion 79.4 thous. natural persons conducted economic activity, i.e., more than a year before by 5.2% and more than five years ago by 6.7%. These entities conducted economic activity mainly in the scope of sections (PKD 2007): trade; repair of motor vehicles - 20.8 thous., professional, scientific and technical activities - 11.2 thous. as well as transportation and storage - 7.5 thous.

## **INDUSTRY AND CONSTRUCTION**

The sold production of industrial enterprises<sup>7</sup> amounted to 20543 mln zł (at current prices), which constituted 36.1% of total sold production in Małopolska. Almost 77% of revenues from sale of goods and services in industry was generated by entities included into the section manufacturing, of which particularly by enterprises manufacturing metal products as well as enterprises manufacturing food products.

The increase of average paid employment (0.8%) in industry in Kraków per annum was slightly lower than in Małopolska (1.2%), however average wages and salaries in the city augmented faster (increase by 4.1%) than in the voivodship (by 3.4%).

In recent years construction and assembly enterprises<sup>8</sup> had recorded not big fluctuations of revenue from the sale of goods and services. In 2010 the value of revenue amounted to 3679.4 mln zł, i.e., less by 2.2% than a year before.

Share of sold production of construction and assembly enterprises from the area of Kraków in production of construction and assembly enterprises of Małopolska amounted to 47.3% towards 48.6% in 2009.

<sup>7, 8</sup> Concerns economic entities employing more than 9 persons.

Revenue of enterprises engaged in civil engineering increased in annual terms by 8.8%, while enterprises engaged in construction of buildings and specialized construction activities recorded a decrease of sales by 4.9% and 4.5% respectively.

Revenue from construction and assembly production per 1 employed person amounted to 174.5 thous. zł, i.e., by 0.8% more than in the previous year.

## **TRADE**

As of the end of December 2010 on the area of Kraków there were 2127 shops and 83 petrol stations<sup>9</sup>. Such stores constituted 7.0% of total stores in the voivodship employing more than 9 persons. Specialised stores - 985 facilities, which constituted 46.3% of total stores, predominated in the structure of stores by organizational forms. In the city there were also, i.a. 68 supermarkets and 20 hypermarkets.

Among 150 permanent marketplaces operating in the Małopolskie voivodship at the end of 2010 17 were located in Kraków. The number of permanent marketplaces in the city almost has not changed in recent years. There were 947 seasonal marketplaces, i.e. more than 3 in 2009, but less by 540 than in 2005. Annual receipts from marketplace fees in Kraków amounted to 9331.4 thous. zł and were bigger by 3.3% than in the previous year, and in comparison to 2005 they augmented by 8.9%.

In Kraków during 2010 37 exhibit events (fairs)<sup>10</sup> were organized, excluding yearlong exhibition of construction. In comparison with the previous year it was recorded a considerable increase of the number of organized events, exhibitions, exhibit area and visitors.

## **CATERING<sup>11</sup>**

Development of tourism and trade in the region is connected with broadening of the catering offer. As of the end of December in the city 571 catering establishments functioned, which number doubled in comparison to 2005, and compared to 2009 increased by 58. Among total catering establishments there were 192 restaurants (towards 515 of such establishments in the Małopolskie voivodship), 114 bars, 51 canteens and 214 food stands. The number of all types of establishments increased in annual terms.

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<sup>9</sup> Concerns economic entities employing more than 9 persons.

<sup>10</sup> Data of the Fair Centre Chemobudowa-Kraków Co.; Fairs in Kraków Ltd.

<sup>11</sup> Concerns economic entities employing more than 9 persons.

## FINANCES OF ENTERPRISES

For last several years the economic and financial situation of surveyed enterprises<sup>12</sup> has a little improved, the year 2010 brought improvement of financial results as well as of economic indices in comparison to the previous year.

In 2010 revenues from total activity per annum increased faster than costs of obtaining them, what caused a decrease of the cost level indicator in annual terms from 96.4% to 96.0%. An increase of net profit combined with a decrease of net loss caused improvement of net financial result from 2951.9 mln zł to 3563.9 mln zł.

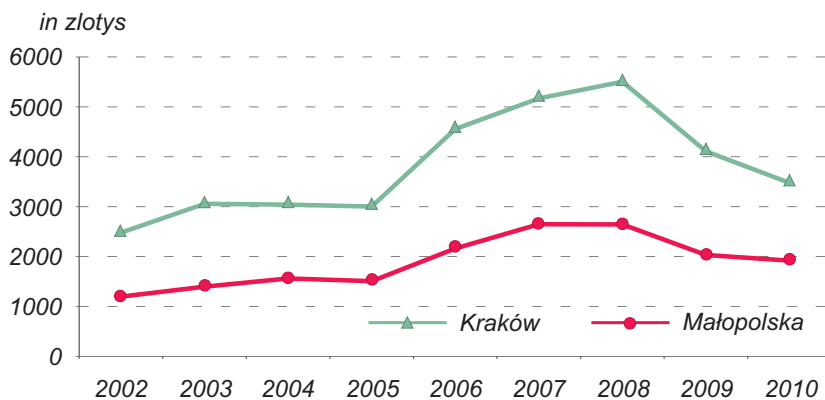
Profitability rate of net turnover amounted to 3.3% towards 3.0% in 2009. Positive net financial result was shown by 78.7% of surveyed enterprises, in the voivodship - in 81.3%.

The value of current assets has systematically increased. At the end of 2010 it amounted to 31.8 billion zł, i.e., more by 13.2% than in the previous year and more by 94.5% than in 2005. The value of current assets in the voivodship's scale had increased similarly, but less dynamically.

## INVESTMENTS

In 2005-2008 investment outlays in enterprises augmented systematically, though at the end of this period the pace of increase slowed down slightly and in 2009 a decrease began.

**Graph 9. Investment outlays in enterprises per capita**



<sup>12</sup> Data concern economic entities keeping accounting ledgers employing more than 9 persons. Data do not include banks insurance companies, brokerage houses and brokerage offices, investment and pension societies, National Investment Funds, higher education institutions, independent public health care facilities, cultural institutions with legal personality and private farms in agriculture.

*In 2010 enterprises employing more than 9 persons invested on the area of Kraków 2627 mln zł (at current prices), which constituted 41.4% of total enterprises' outlays in the voivodship.*

*Share of private sector in investment outlays amounted to 75.5%. The highest outlays on investments were borne by entities from sections (PKD 2007): trade; repair of motor vehicles - 496.6 mln zł, manufacturing - 457.8 mln zł as well as electricity, gas, steam and air conditioning supply - 283.1 mln zł.*

## **FIXED ASSETS**

*In 2010 the gross value of fixed assets (at current book-keeping prices) in enterprises having seat in Kraków amounted to 45.5 billion zł, of which 35.1 billion zł, i.e., 77.1% belonged to entities of private sector. In relation to 2009 gross value of fixed assets augmented by 5.7% and in comparison to 2008 it increased by 9.9%. Gross value of fixed assets in enterprises from the area of Kraków constituted 1/4 of value of fixed assets of enterprises from Małopolska.*

*Relatively the biggest value of fixed assets was recorded in the section: trade; repair of motor vehicles - 10.5 billion zł and in manufacturing - 8.7 billion zł.*

## **PUBLIC FINANCE**

*In 2010 revenue of the city of Kraków budget amounted to 3384.8 mln zł, i.e., by 7.1% more than a year before. Own revenue with the share of 63.3% predominated in the structure of revenue. General subsidy from the state budget accounted for 19.9% of total revenue and appropriated allocations constituted 10.4%.*

*The biggest share in own revenue had a corporate and personal income tax - jointly 42.8% and a tax on real estate - 9.7%. More than 95% of general subsidy from the state budget fell on educational tasks, whereas among appropriated allocations 50.1% fell on government administration tasks.*

*Appropriated allocations increased the most - by 35.0% per annum among the individual elements making up the city's budget revenue. General subsidy from the state budget was higher by 5.5% and the own revenue was lower by 2.7%.*

*In the discussed period the amount of expenditure of the city of Kraków budget amounted to 3364.5 mln zł, thus it decreased by 1.6%. Current expenditure constituted 83.3% of total expenditure and property expenditure 16.7%.*

*Among current expenditure the most (28.3%) was spent on the purchase of materials and services and 26.7% on wages and salaries. In the category of property expenditure the whole (100.0%) was allocated for investment expenditure.*



*The amount of current expenditure increased by 3.4% in annual terms, whereas property expenditure decreased by 20.7%.*

*Average income from the city budget per capita amounted to 4480 zł and increased per annum by 7.0%, while the amount of expenditure per capita reached the value of 4453 zł, i.e., by 1.7% lower than in 2009.*

*In 2010 a budget surplus of the city of Kraków amounted to 20.3 mln zł. The surplus was obtained due to increased inflow of allocations. In 2010 756 mln zł of allocations came into the budgets of cities with powiat status (by 290 mln zł more than in 2009), of which almost 75% supplied the budget of Kraków.*

*The grow of allocations is an effect of providing budgets of cities with powiat status with funds for realization of programmes financed with the participation of European Union funds and other non-returnable foreign resources, and also payments from the budget of European funds. Appropriated allocations accounted for 63.2% and to a large degree they were destined for own tasks and government administration tasks. Development allocations (§§ 200,620) constituted 36.8%, and relatively big part accounted for the revenue of the budget of Kraków.*

## **REGIONAL ACCOUNTS**

*In recent years the pace of increase of GDP per capita in Kraków showed a downward tendency. In 2008 it amounted to 5.8%, and in 2009 3.8%. Nevertheless, the value of GDP volume generated in Kraków per capita is one of the highest in Poland. In this respect, Kraków is in the fifth place (after Warszawa, Poznań, the legnicko-głogowski subregion and Wrocław) among all (66) subregions in the country. In 2009 there were 53502 zł per inhabitant of the capital of Małopolska, i.e., more by 52.0% than the country average and more by 77.0% than in the voivodship.*

*The share of Kraków in generating the value of GDP generated in the voivodship is considerable and in 2009 it amounted to 40.6%.*

*In 2009 the main share in gross value added had entities conducting activity in the scope of trade; repair of motor vehicles; transportation and storage, accommodation and catering, information and communication (33.5%).*

## **KRAKÓW AND OTHER CITIES**

*The comparison of Kraków with other Polish cities with 300 thous. and over inhabitants allows to grasp its advantages and disadvantages. In almost every field Warszawa, as a capital of the country, has the advantage over other cities. A strong position of Kraków against a background of other cities originate from long-lasting development tendencies, i.a. in demographic processes, strength of academic circles, intellectual and economic potential, and especially in culture and tourism.*

*Analysing selected data on cities, one can state that Kraków:*

- *came in second as regards the number of population (Warszawa - 1720.4 thous. inhabitants, Kraków - 756.2 thous., Łódź - 737.1 thous.),*
- *was characterized by a big density of population (2314 persons per 1 km<sup>2</sup>), only: Warszawa, Łódź and Lublin had bigger density of population,*
- *had positive natural increase, like Gdańsk, Poznań, Lublin, Warszawa and Wrocław,*
- *considering the number of deaths per 1000 population, lower rate was recorded only in Lublin, and of infant deaths per 1000 live births - lower rate only in Łódź, in other cities - higher,*
- *only in Warszawa there was more employed persons<sup>13</sup>, that means the second place before the city of Wrocław; the average paid employment in the enterprise sector<sup>14</sup> similarly, but the third place was occupied by Katowice,*
- *as regards the average monthly wages and salaries in the enterprise sector<sup>15</sup>, Kraków came only in sixth (with an amount of 3435.94 zł) after cities, such as: Katowice (4703.27 zł), Warszawa (4483.17 zł), Gdańsk (4289.57 zł), Poznań (3842.08 zł), Wrocław (3440.73 zł), just before Szczecin (3433.37 zł),*
- *was characterised by an average for discussed cities number of registered unemployed persons (18.7 thous. persons) and a relatively low registered unemployment rate - 4.7%,*
- *with over 326 thous. dwellings in dwelling stocks it came in third after Warszawa and Łódź, and in second (together with Wrocław) as regards the number of dwellings completed during the year - 4.7 thous., after Warszawa (12.5 thous.),*
- *had the second place (after Warszawa), with regard to the number of students<sup>16</sup>, schools, pupils and students as well as nursery schools and children attending pre-primary education establishments, and also as regards the number of stationary social welfare facilities,*
- *came in third, after Warszawa and Łódź, regarding the number of:*
  - *pharmacies,*
  - *places in social welfare homes and facilities,*
  - *public libraries (including branches),*
- *showed 13 cinemas, i.e., less than Warszawa (24), but more than other cities,*
- *competed with Warszawa as regards the number of bed places of tourism (24.7 thous. towards 23.9 thous. bed places of tourism in the capital),*
- *with regard to the number of tourists accommodated it was in the strict lead after Warszawa.*

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<sup>13, 14, 15</sup> *It concerns economic entities employing more than 9 persons.*

<sup>16</sup> *Students of out-of-base branches, divisions and institutes were presented by place of education.*