

**SYTUACJA SPOŁECZNO-GOSPODARCZA
WOJEWÓDZTWA MAŁOPOLSKIEGO W 2010 R.**

*SOCIO-ECONOMIC SITUATION
OF THE MAŁOPOLSKIE VOIVODSHIP IN 2010*

Socio-economic situation of the Małopolskie voivodship in 2010

Society

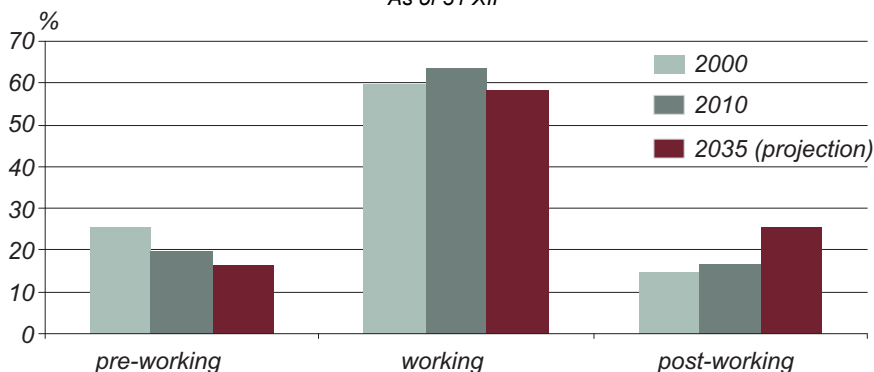
POPULATION

As of 31 XII 2010 3.3 mln people lived in Małopolska¹, what placed the voivodship on the fourth position in Poland, after the: Mazowieckie (5.2 mln), Śląskie (4.6 mln) and Wielkopolskie (3.4 mln). In the Małopolskie voivodship the population density is one of the highest in the country and it amounts to 218 persons/km² (the country average - 122 persons/km²). Females constitute here 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 19.7% of total population and this share decreased by 0.3 percentage point in annual terms. The share of the working age population (aged 18-59/64) remained unchanged, i.e., 63.7%, and the share of the post-working population (aged 60/65 and more) increased by 0.3 percentage point to 16.6%. For several years the percentage of the pre-working age population has diminished while the percentage of post-working population has systematically augmented, what shows the slow process of aging of the society. The observed trend is constant, what is proved by results of the projection² for the years 2010-2035.

Graph 1. Share of population by economic age groups in total population

As of 31 XII



Since 2000 we have observed an upward tendency of the population in Małopolska. Within the space of 10 years this number increased by 2.7%. It was influenced by recorded in 2000-2010 positive natural increase and positive internal and external net migration. In 2010,

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

² The population projection for years 2008-2035, Warsaw 2009.

once again, the natural increase was positive and it amounted to 2.3 per 1000 residents (in Poland 0.9), i.e., as many as in the previous year. In the discussed year 37 thous. children were born in the Małopolskie voivodship. The ratio of live births amounted to 11.3‰ towards 11.4‰ a year ago and 11.0‰ in 2000.

Deaths are the next factor of vital statistics affecting the size and structure of population. In Małopolska in the discussed year 29.6 thous. people died. The ratio of deaths shaped at the level of 9.0‰ (towards 9.1‰ the year before and 8.9‰ in 2000).

In 2010 on the area of the voivodship 20.4 thous. marriages were contracted, i.e., less by 6.5% than in 2009, but more by 12.0% than in 2000. Simultaneously 3.6 thous. marriages were dissolved by divorce, i.e., less than a year ago by 11.6% but more than 10 years ago by over 50%. The ratio of intensity of marriages slightly decreased per annum and it amounted to 6.2 per 1000 population. The ratio of intensity of divorces also slightly decreased to 1.1 divorces per 1000 population.

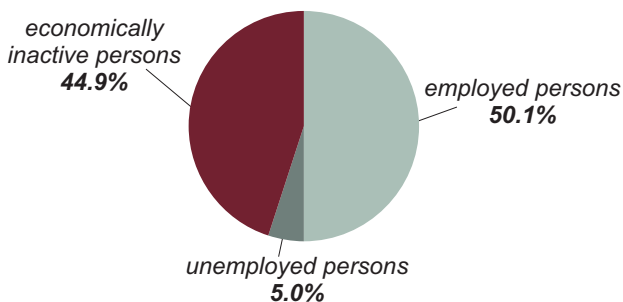
Positive permanent net migration influenced the increase of the population, amounting in 2010 to 4.4 thous. persons, like the year before. From urban areas population emigrated (minus 1.9 thous. persons), and on rural areas - immigrated (plus 6.3 thous. persons).

In 2010 in the Małopolskie voivodship a life expectancy for males amounted to 73.7 years (in Poland 72.1 years), whereas for females 81.4 years (in Poland 80.6 years).

LABOUR MARKET

According to LFS, in 2010 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 91%) and unemployed persons. There were 1.2 mln economically inactive persons.

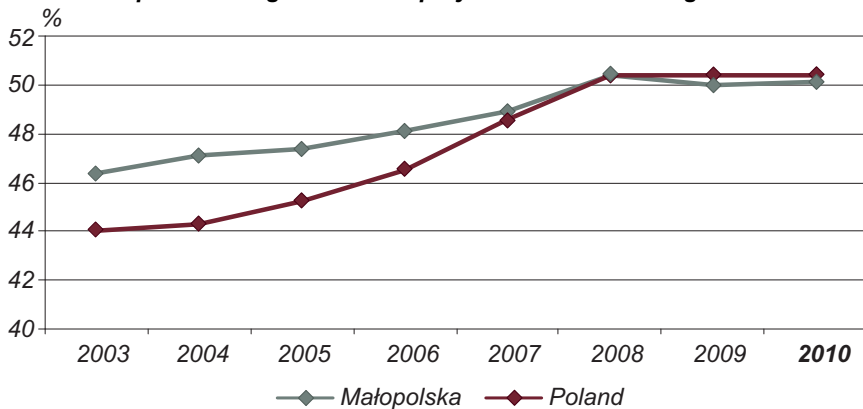
Graph 2. Structure of population aged 15 and more according to LFS in 2010



The activity rate amounted to 55.1% (in Poland 55.8%), however, the employment rate 50.1% (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 the years 2009 and 2010 the rate for Małopolska was lower than this recorded for Poland.

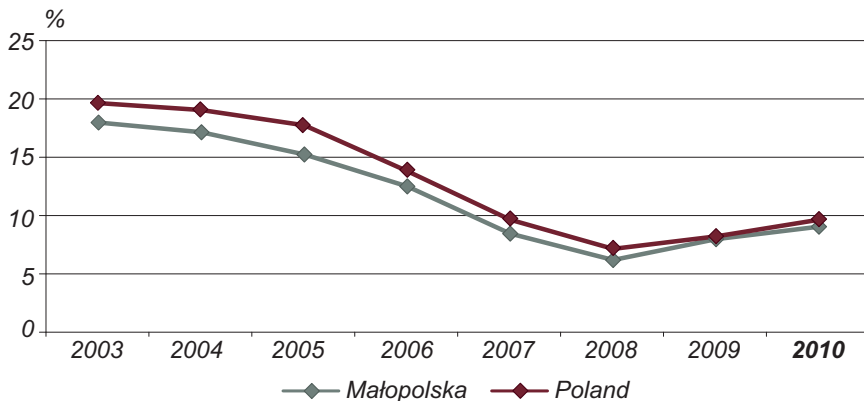
The employment rate of working age population amounted to 65.1% (in 2009 - 65.7%), whereas for males at this age - 70.2%, and for females - 59.7%.

Graph 3. Average annual employment rate according to LFS



In 2003-2008 the unemployment rate decreased systematically. Since 2009 we have observed an upward tendency both in the country and in the voivodship. In 2010 the unemployment rate by LFS reached 9.1% (in Poland 9.6%) and it was by 1.1 percentage point higher than in 2009. The increase of the rate occurred both in case of women (by 1.4 percentage point) and of men (by 0.9 percentage point). In rural areas the intensity of unemployment augmented by 1.3 percentage point, and in urban areas by 1.1 percentage point. The unemployment rate for working age population amounted to 9.4%. For women at this age it reached the level of 10.3% and it was by 1.6 percentage point higher than for men.

Graph 4. Average annual unemployment rate according to LFS



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 2010 in Małopolska the number of persons working in

hazardous conditions calculated per 1000 paid employees of total surveyed amounted to 74.3 and it was lower than at the end of 2009 (81.5) and definitely lower than in 2000 (120,0), what proves the improvement of work conditions in comparison with previous years³.

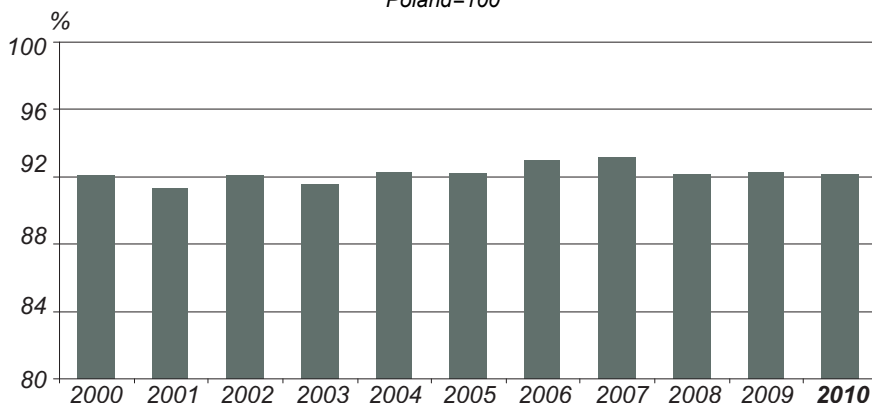
In 2010 the number of persons injured in accidents at work⁴ amounted to 5.9 thous. persons (towards 5.3 thous. in 2009 and 5.7 thous. in 2000). 1.7 thous. compensations were paid due to accidents at work and occupational diseases on total amount of 4737.1 thous. zł. Occupational accidents benefits accounted for 93.8% of all benefits and 4122.5 thous. zł were allocated for them, i.e., 87.0% of the sum paid. An average cost of one occupational accident and occupational disease benefit decreased and amounted in 2010 to 2756 zł (towards 2976 zł in 2009).

WAGES AND SALARIES

In the Małopolskie voivodship in the discussed year average monthly gross wages and salaries shaped at the level of 2973.79 zł, i.e., by 3.9% higher than the year before. In public sector wages and salaries were bigger (3637.50 zł) than in private sector (2679.36 zł). In Poland the average monthly gross wages and salaries amounted to 3224.13 zł. For three years average monthly gross wages and salaries constituted about 92% of the country average.

Graph 5. Average monthly gross wages and salaries

Poland=100



It is worth to mention, that a relatively high increase of average wages and salaries occurred while paid employment also increased. In 2010 paid employment in Małopolska amounted to 659.7 thous. persons and in relation to the previous year it was higher by 1.5%,

³ It concerns economic entities employing more than 9 persons.

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

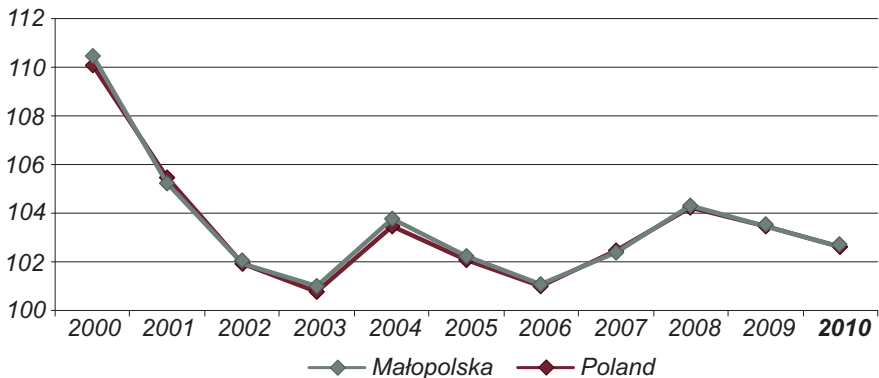
what may mean a return to existing in 2005-2008 upward tendency of paid employment, after a decline recorded in 2009.

Since 2005 an average monthly retirement and pension has systematically increased. In the discussed year it achieved the level of: 1543.10 zł (from ZUS - the Social Insurance Fund) and 924.05 zł (from KRUS - the Agricultural Social Insurance Fund).

PRICES

In the Małopolskie voivodship in 2010 a similar than in Poland 2.6% increase of prices of consumer goods and services occurred. The highest increase of prices was recorded in such fields as transport (by 6.2%), alcoholic beverages; tobacco (by 4.8%), housing, water, electricity, gas and other fuels (by 3.4%) as well as food and non-alcoholic beverages (by 2.9%). Only clothing and footwear went cheaper (by 4.6%). Within the space of 2000-2010 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



HOUSEHOLD BUDGETS

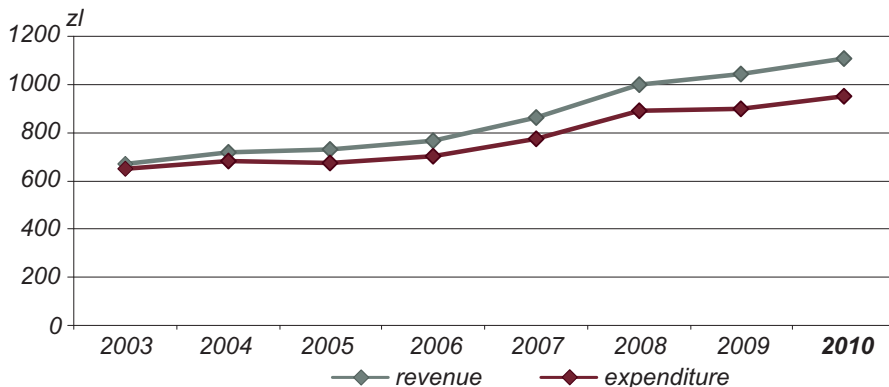
In the discussed year the survey of household budgets included 3181 households. Almost 51% of them maintained from hired work, a little over 33% from retirement pay and pension, almost 9% from self-employment (excluding the use of private farm in agriculture) and about 7% households maintained from non-earned sources or work on private farm in agriculture.

In Małopolska an average monthly nominal available income in households per capita amounted to 1107.54 zł and in relation to 2009 it increased by 65.81 zł. However, it was still less (by 85 zł) than the available income of a statistical Pole.

The level of total average monthly expenditures of households per capita amounted to 949.82 zł, of which on consumer goods and services - almost 912 zł (by about 34 zł less than in the country).

Since 2003 higher dynamics of average monthly per capita available income than expenditures has been observed, what is presented on the following graph.

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



Year in, year out, the furnishing of households with selected durable goods improves, especially with personal computers with access to the Internet, satellite television equipment (including cable television) passenger cars as well as household appliances. In relation to 2009 furnishing with plasma and LCD television sets considerably augmented, too. Statistically, each household surveyed in 2010 possessed a refrigerator, a television set, a washing machine, a mobile phone and every second possessed a personal computer with access to the Internet, a passenger car, satellite television equipment and a microwave oven.

MUNICIPAL INFRASTRUCTURE

Last years the infrastructure in the Małopolskie voivodship has been modernized. The water-line, sewerage and gas network was developed. The length of the distribution water-line network in Małopolska amounted to 17.6 thous. km and in comparison with 2009 it went up by 1.7%. The length of the sewerage network (including collectors) in the discussed period exceeded 10.0 thous km and it was longer by 5.5%.

The length of the gas-line network - 22.1 thous. km - increased in relation to 2009 by 0.4%. The number of consumers of gas from the gas network reached 693.8 thous., what means an increase in comparison with 2009 by 3.0 thous. people. Simultaneously the consumption of gas per capita increased by 4.6% to 124.5 m³.

Moreover, the percentage of population using water-line, sewerage and gas-line

systems increases systematically. In 2010 75.7% residents of the voivodship used water-line system (in urban areas 94.0%, in rural areas 58.1%), sewerage system 52.7% (in urban areas 84,5%, in rural areas 22,0%), gas-line system 63,3% (77,5% in urban areas and 49,5% in rural areas).

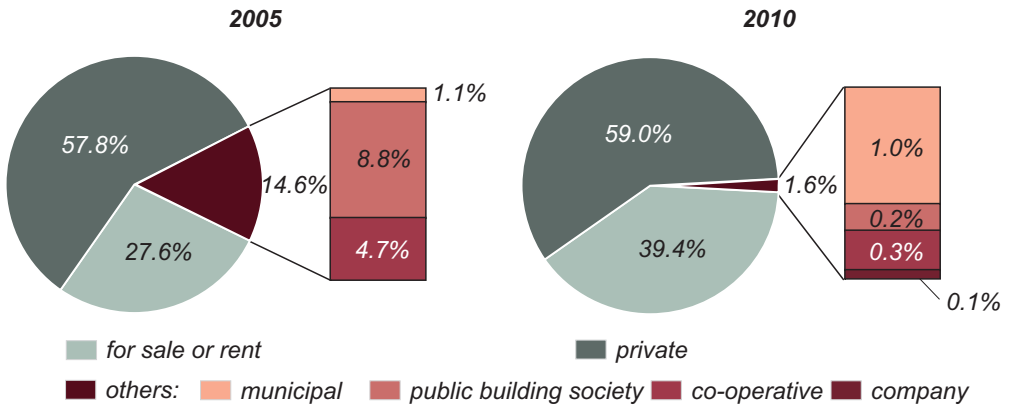
The amount of municipal waste selectively collected increased almost by 10 thous. tonnes in relation to 2009. Of total amount of collected waste (88.7 thous. tonnes) 27.6% accounted for glass, 23.9% biodegradable waste, 15.3% plastics and 13.3% waste-paper.

In 2010 in the Małopolskie voivodship the length of hard surface public roads equaled 23.7 thous. km, i.e., more by 5.3% than in 2009, of which improved - 21.0 thous. km.

DWELLINGS

At the end of 2010, dwelling stocks of the Małopolskie voivodship amounted to 1090 thous. dwellings, what means the maintenance of an upward tendency recorded for several years (increase by 1.1% in relation to the previous year and by 11.5% in comparison with the state as of the end of 2002). Dwelling stocks of Małopolska constituted 8.1% of the country dwelling stocks. An average usable floor space of a dwelling amounted to 75.5 m² (75.1 m² in 2009 and 72.0 m² in 2002).

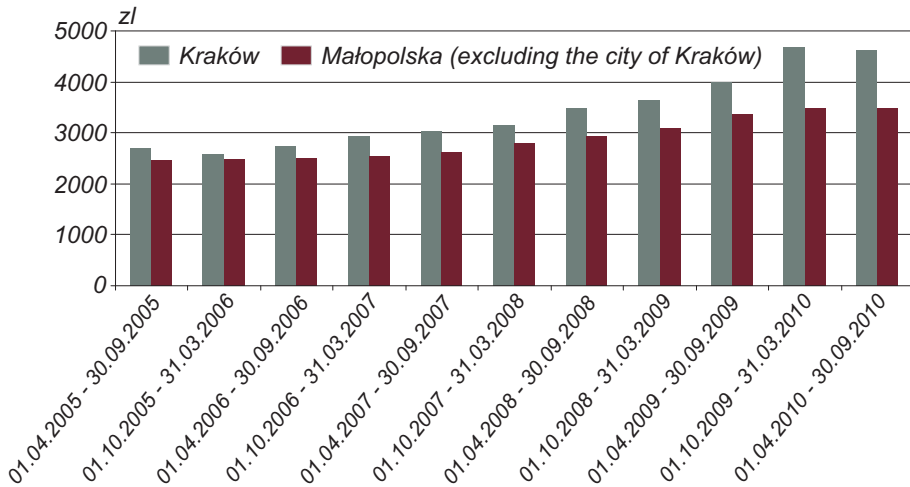
Graph 8. Structure of dwellings completed



In 2010 in Małopolska 12.3 thous. dwellings were completed, i.e., by 34.7% less than the year before. An average usable floor space of a dwelling amounted to 114.9 m² (towards 93.3 m² in 2009). The most dwellings were completed in private construction (59.0% of total).

In the period 1 IV 2010 - 30 IX 2010 the average price of 1 m² of a dwelling amounted for the Małopolskie voivodship (excluding the city of Kraków) to 3486 zł, and for Kraków 4614 zł, what means a slight increase of prices in Małopolska with simultaneous drop of prices in Kraków for the first time for four years.

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 and Announcement No. 67/10 of the Małopolski Voivode dated: 2010-03-16, Internet - www.wrotamalopolski.pl

EDUCATION⁵

At the beginning of the 2010/11 school year in the Małopolskie voivodship there were:

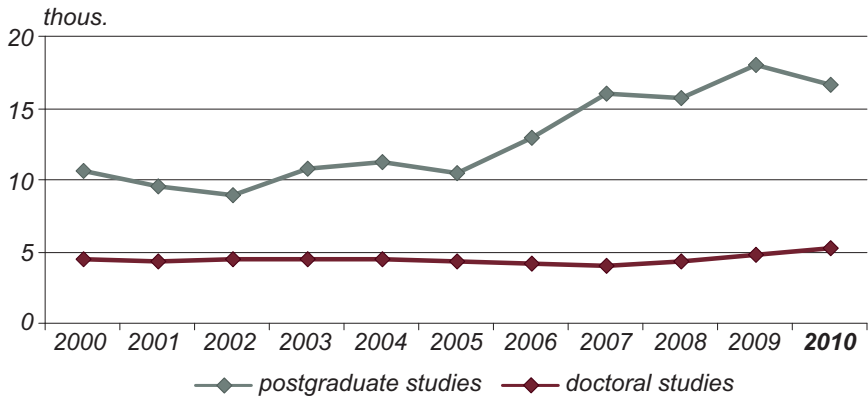
- 1922 pre-primary education establishments, attended by 94.8 thous. children (of which 923 nursery schools - by 73.2 thous. children),
- 1478 primary schools (203.2 thous. pupils),
- 743 lower secondary schools (114.0 thous. pupils),
- 160 basic vocational schools (22.7 thous. students),
- 202 general secondary schools (including supplementary) and 32 specialized secondary schools (59.5 thous. and 2.5 thous. students respectively),
- 191 technical secondary schools, including supplementary technical secondary and general art schools leading to professional certification (52.8 thous. students),
- 229 post-secondary schools (23.4 thous. students).

Moreover, 18.1 thous. persons attended 269 schools for adults. Simultaneously 211.4 thous. students educated in 33 higher education institutions. In 2000-2009 the number of students and graduates increased systematically. In the 2010/11 academic year there were a little less students - by 0.3% in relation to the 2009/10 school year.

In the discussed period the group of students of postgraduate studies diminished, however the interest in doctoral studies grew.

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



Data for the 2010/11 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”. These generations enter also upper lower secondary schools, hence a recorded decrease of the number of students also in all types of these schools. The most popular among graduates of lower secondary schools are still general secondary schools, attended by over 46.5% of first class students of upper lower secondary schools, i.e., almost 20 thous. young people.

The equipment of schools with computers has systematically improved, of which also with Internet access. The best equipped with computers were: primary schools (in 96.9%), lower secondary schools (in 80.9%) and technical secondary schools (in 80.1%).

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 2010 in Małopolska (as of 31 XII) operated: 71 general hospitals, 1403 health care institutions and 254 medical practices, which had contracts signed with the National Health Fund for rendering defined services. The number of professionally active physicians amounted to 7.2 thous., dentists - 1.3 thous., and nurses - 16.6 thous.

The number of consultations per capita provided by physicians in the out-patient health care amounted in 2010 to 6.6, and by dentists - 0.9. It means that a statistical resident of Małopolska during the year received on average almost 7 medical consultations and 1 dentist consultation. Out-patient health care institutions in the Małopolskie voivodship (4.3 thous.)

accounted for 8.4% of all such facilities in Poland, and medical personnel - about 9-10% of the country personnel.

The average length of stay in general hospitals has decreased over the past few years (2000 - 9,8 days, 2005 - 7,2 days, 2010 - 4,8 days). Simultaneously the number of in-patients per 1000 population has been growing. But in 2010 a decrease occurred per annum (by 40 persons) to 1702 in-patients per 1000 population.

At the end of 2010 34 health resort sanatoria were functioning (including 2 health resort sanatoria for children), i.e., by 1 less, and moreover 6 health resort hospitals (including 3 health resort hospitals for children), i.e., also by 1 less than the year before.

The sale of medicines and medications, as of the end of 2010, was run by 991 public pharmacies and 97 pharmaceutical outlets. The number of pharmacies increased during the year by 24, what resulted in the lower number of population per pharmacy (from 3054 in 2009 to 3042 in 2010).

Within the emergency medical services, ambulance emergency rescue teams intervened 207.3 thous. times, providing health care to 209.8 thous. people. In 23 hospital emergency wards 172.8 thous. patients were cured in the form of day treatment, whereas 473.8 thous. out-patients received 487.9 thous. consultations.

At the end of the discussed year 33 nurseries and 1 nursery ward were operating, i.e., as many as of the end of 2009. During the year 4.4 thous. children were staying in them. About 23 children per 1000 children up to age 3 stayed in nurseries. The most facilities were located in Kraków - 22.

SOCIAL WELFARE

At the end of 2010 in the Małopolskie voivodship there were 64 round-the-clock care and education centers, in which 1154 residents were staying and 266 volunteers were working. In comparison with 2009 there was an increase by 6 centers, the number of residents decreased by 35, and the number of volunteers increased by 22 persons.

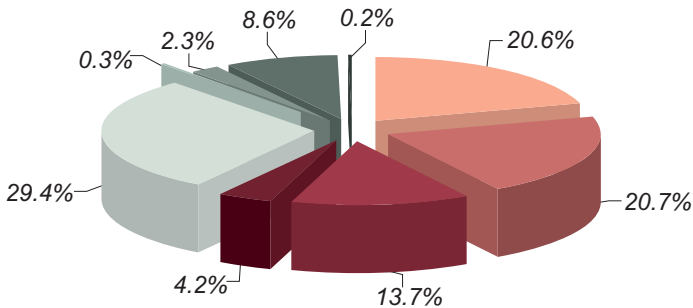
Simultaneously in Małopolska there were 223 day-support centers with 13,7 thous. children and youth benefiting from them. Since 2005 the number of such types of centres almost doubled and the number of persons benefiting from them increased by more than 65%. But in 2010 the number of centres dropped by 5 and the number of residents - by 371 in annual terms.

At the end of the discussed period in the Małopolskie voivodship there were 2140 foster families which provided care for 3085 children (up to age 18). It accounted for 5.7% foster families and children staying in them in the country scale. In comparison with 2009, the

decrease of the number of foster families occurred both in Poland and in the voivodship (by: 0.7% and 1.1% respectively) as well as of children staying in them (by: 1.0% and 3.0% respectively).

At the end of December 2010 8828 residents stayed in 128 stationary social welfare homes and facilities of the Małopolskie voivodship. The number of places in such facilities amounted to 26.7 per 10 thous. population. Among residents of stationary social welfare facilities the most were chronically mentally ill - 2598 (29.4%) and chronically ill with somatic disorders 1828 (20.7%).

Graph 11. Structure of residents of social welfare facilities by groups of residents in 2010



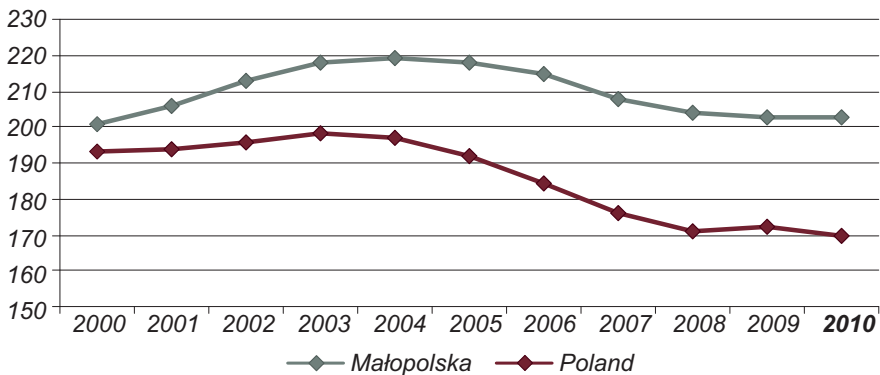
- aged persons
- chronically ill with somatic disorders
- mentally retarded
- children and young mentally retarded
- chronically mentally ill
- disabled persons
- mothers with dependent children and pregnant women
- homeless
- other persons

CULTURE

Many cultural institutions act on the area of the Małopolskie voivodship. As regards their amount, Małopolska is in the lead of voivodships. For example, as regards the number of museums it came in first together with the Mazowieckie voivodship (115 museums including branches). The most important centre of cultural life stays Kraków.

Public libraries and their branches are a common good of culture, which everyone can use. They are often the only form of contact with culture in small localities. At the end of 2010 in Małopolska there were 759 public libraries (including branches), i.e., 9.1% of all such institutions in Poland, of which in Kraków - 71. For a couple of years the number of public library borrowers per 1000 population remains at the similar level. It is not an unfavourable phenomenon, considering the decreasing number of pupils and students - the youngest borrowers of libraries.

Graph 12. Public library borrowers per 1000 population



In 2000-2010 in the Małopolskie voivodship the number of museums (including branches) increased from 100 to 115 and of museum visitors increased from 4172 thous. to 6480 thous. During the last decade the number of museum and exhibition visitors per 1000 residents showed an upward tendency and in 2010 it amounted to 1961. However, the amount of art galleries decreased during 10 years (from 78 to 67), what caused a drop of exhibitions organized and also of exhibition visitors. In the country scale the museums of Małopolska constituted 14.7% of total, and museum and exhibition visitors - almost twice more (29.2%).

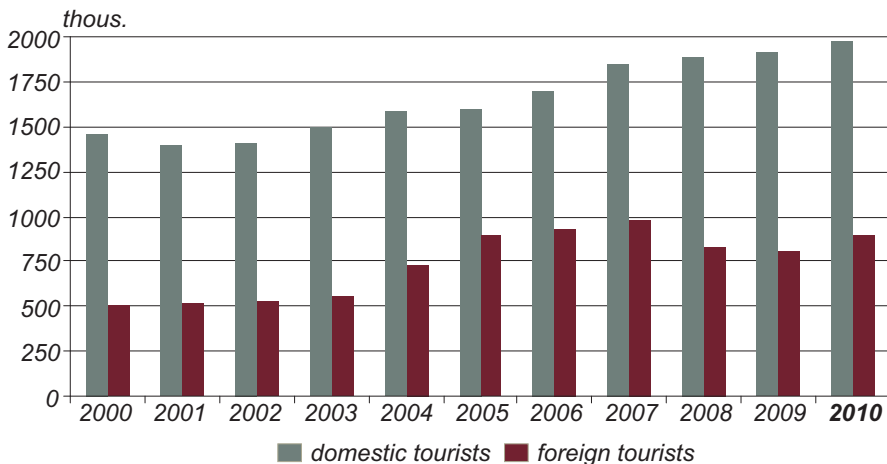
As of 31 XII 2010 in the voivodship 17 theatres and music institutions as well as 46 fixed cinemas operated, what means only little quantitative changes in relation to the previous years. The number of audience in fixed cinemas varied last years. In 2010 per 1000 population it amounted to 1110 persons. 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 2010 the boarding facilities of tourism in the voivodship included 875 facilities, offering 70.0 thous. beds in total, what accounted for 11.5% of the country boarding facilities. In comparison with 2000 a downward tendency of the number of facilities was observed (drop by 4.0%), with simultaneous increase (by 7.0%) of the amount of beds.

In 2010, in relation to 2000, the number of nights spent was higher by 19.4%. There were 2873 thous. persons accommodated, i.e. more by 46.3% than ten years ago, while foreign tourists - 896.1 thous., i.e. more by 76.7%.

Graph 13. Tourists accommodated in collective tourist accommodation establishments



At the end of July 2010 in collective tourist accommodation establishments there were: 296 restaurants, 278 bars and cafes, 290 canteens and 46 food stands. In comparison with the end of July 2009 there were more restaurants as well as bars and cafes, whereas less canteens and food stands. Since 2000 it has been observed an upward tendency of the number of restaurants in tourist boarding facilities.

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.

Legally protected areas possessing unique environmental value constitute more than a half of the area of Małopolska (as of the end of 2010 - 52.0%), of which protected landscape areas - 37.7%, landscape parks - 11.6%, national parks - 2.5%.

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 145 at the end of 2010. But the emission of industrial particulates from the above mentioned plants decreased gradually from 9.3 thous. tonnes in 2005 to 3.9 thous. tonnes in 2010 (6.3% of the country's quantity), and the emission of gases (excluding carbon dioxide) diminished in 2005-2010 by 26.8% to 131.2 thous. tonnes (constituting 7.7% of the emission in Poland).

Since 2006 water withdrawal for needs of the national economy and population has systematically diminished, and yet in 2010 it slightly increased in relation to the previous year. Within 2010 in the voivodship it amounted to 547.2 hm³ of water, i.e., more by 4.4% than in 2009, but less by 41.5% than in 2005. Water consumption for needs of the national economy and population within the space of the last years has decreased, too. However, in 2010 it slightly increased to the level of 492.7 hm³, i.e. more by 6.3% than in 2009, but less by 44.4% than in 2005. Over 60% water was used by industry, exploitation of water-line system - 23,4%, and agriculture and forestry - 15.5%.

Simultaneously 557.3 hm³ of waste water were discharged into waters or into the ground, what means a decrease by 38.0% in relation to 2005, but an increase by 14.5% in comparison with 2009. Almost 80% of waste water were discharged directly by plants, and remaining 20% - by sewerage system. More than a half (305.7 hm³) of discharged waste water required treatment, of which 299.3 hm³ were treated. In Małopolska there were 316 waste water treatment plants, of which 234 municipal waste water treatment plants, servicing approximately 55.9% of the population.

Total amount of waste (excluding municipal waste) landfilled up to now (accumulated) within the decade showed a declining tendency and at the end of 2010 equaled 143.2 mln tonnes (9.4 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 6.1 mln tonnes (a decrease in relation to 2005 by 35.8% and to 2009 - by 8.9%). It accounted for 5.4% of the country-wide waste. The voivodship comes in fourth in Poland (after the Śląskie, Dolnośląskie and Łódzkie) with such amount of waste. Generated waste was recovered in almost 90%, treated in 8.9%, and temporarily stored on plant grounds - in the last part (1.3%).

Outlays on fixed assets in environmental protection in the discussed year - 602.8 mln zł constituted 5.5% of domestic outlays, and simultaneously 3.8% of investment outlays of Małopolska. However, on fixed assets in water management the voivodship destined 433.4 mln zł, i.e. 12.2% of domestic outlays and at the same time 2.7% of total voivodship's investment outlays.

AGRICULTURE

Results of the Agricultural Census 2010 have shown the current image of agriculture in Małopolska. According to preliminary data in 2010 total area of agricultural land of farms amounted to 851.8 thous. ha. 221.4 thous. farms conducted agricultural activity, i.e., 78.1% of all farms in the voivodship. Farms of agricultural land area up to 1 ha predominated (42.8% of total farms). The average farm area amounted to 2.31 ha of agricultural land and it was the

lowest voivodship rate in Poland. In 2010 in the structure of sown area basic cereals prevailed (55.8% of sown area in the voivodship), and next potatoes (11.9%) and feed plants (8.5%). Farmers bred mostly pigs - 359.9 thous. heads, cattle 201.6 thous. heads and sheep 69.9 thous. heads.

Compared to data obtained in the Agricultural Census 2002 results of the Agricultural Census 2010 show:

- downward tendency of the number of farms simultaneously with increase of their average area;
- diminishing number of farms conducting agricultural activity;
- drop of total area of land being used by farms;
- decrease of agricultural land area;
- changes in structure of sown area; decrease of sown area of potatoes, basic cereals, sugar beets, and increase of sown area of rape and agrimony;
- decrease in farm animal stocks;
- increase of the number of tractors and agricultural machines used in farms;
- diminishing number of employed land users of farms;
- growing work outlays in farms within the year on generating agricultural production.

ENTITIES OF THE NATIONAL ECONOMY

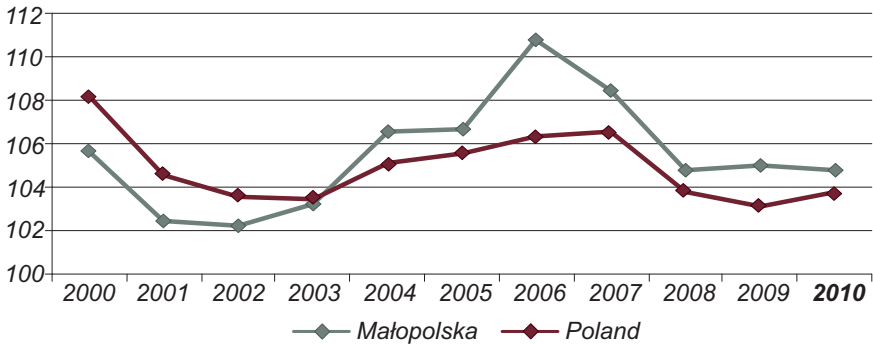
As of the end of 31 XII 2010 on the area of the Małopolskie voivodship there were 331.4 thous. entities of the national economy in the REGON register (excluding persons tending private farms), i.e., more by 5.5% than a year before. The increase of private sector by 5.6% influenced the increase of total number of entities. However, in public sector the number of entities went up by 0.8%. Within the last ten years the number of entities successively grew, in comparison with the end of 2000 it increased by 31.7%. The number of entities in the Małopolskie voivodship constituted 8.5% of total entities registered in the country.

At the end of December 2010 the REGON register included 78.2 thous. legal persons and organizational entities without legal personality, which number has systematically increased for several years. Among them there were 22.5 thous. commercial companies (their number augmented by 39.5% in relation to 2005), of which 3.7 thous. companies with foreign capital participation (an increase by 38.5%).

The private sector assembled 97.6% of total entities. Units conducted by natural persons (253.2 thous.) predominated and constituted 76.4% of total entities.

Graph 14. Dynamics of commercial companies with foreign capital participation

As of 31 XII; previous year=100



Considering the kind of activity, the most economic entities were registered in following NACE sections: trade; repair of motor vehicles (27.2%), construction (13.4%) and manufacturing (10.0%). In total, more than a half of firms conducted activity in above mentioned sections.

INDUSTRY AND CONSTRUCTION⁶

In 2010 sold production of industry in the voivodship amounted to 57.0 billion zł, i.e., more by 19.3% (in constant prices) than a year before. In 2009 a drop of sold production by 10.1% (in constant prices) was recorded.

The current level of revenue from the sale of goods and services was influenced by the increase of sold production in all NACE sections included in industry. In mining and quarrying an increase by 22.7% was recorded, in manufacturing - by 20.8%, in electricity, gas, steam and air conditioning supply - by 5.0%, in water supply; sewerage, waste management and remediation activities - by 3.1%.

In comparison with 2005 in the structure of sold production of industry the share of manufacturing decreased from 87.2% to 85.8%, whereas the share of mining and quarrying increased from 2.0% to 2.2%, the share 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 8.8%.

In relation to 2009 the average paid employment in industry augmented by 1.2% amounting to 176.2 thous. persons in 2010, similarly the average monthly gross wages and salaries of paid employees in industry increased by 3.4% to the level of 3165.20 zł.

The value of construction and assembly production realized on the basis of the contract system in 2010 domestically by construction firms from Małopolska amounted to

⁶ It concerns economic entities employing more than 9 persons.

7787 mln zł. Sales of construction and assembly production went up in relation to the previous year by 0.5%, what resulted from an increase of the value of works with a renovation (restoration) and other character (by 11.4%) simultaneously with drop of value of investment works (by 4.3%). In structure of sales the share of investments decreased (by 3.3 percentage points to 65.6%) at the cost of renovations (restorations) and other works.

The average paid employment in construction in 2010 amounted to 46.3 thous. persons (by 0.8% more than a year before), and the average monthly gross wages and salaries - 2716.25 zł (i.e., by 1.1% more than in 2009).

The share of construction and assembly production realized by construction firms of the Małopolskie voivodship amounted to 9.1% 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 2010 it amounted to 1.9 mln, i.e., more by 4.9% than the year before and by 65.0% than in 2000. The majority of them were passenger cars (75.8%), the number of which calculated per 1000 population increased from 257 in 2000 to 435 in 2010.

Within the year 3.4 mln t of goods were transported by hire or reward road domestic transport (in enterprises employing more than 9 persons), i.e., less in comparison with 2009 by 33.7%, and 3.5 mln t of goods in international transport, what means a decrease by 24.9% in comparison with the previous year.

In 2000-2003 the John Paul II International Airport Kraków-Balice served about 0.5 mln passengers annually. In subsequent years this number has increased. In 2007 it surpassed 3 mln passengers. In next 2 years it slightly decreased. In the discussed year the Airport recorded 2.9 mln passengers served, i.e., more by 6.7% than in 2009.

TRADE

In 2000-2010 retail sales realized by trade enterprises employing more than 9 persons successively increased. After last year's drop, the wholesale also increased. The value of the wholesale amounted to 65.3 billion zł, and of retail sales 37.3 billion zł, i.e., more by respectively: 3.3% and 8.5% than in 2009.

At the end of 2010 30.4 thous. shops operated (towards 31.8 thous. the year before) of which 36 hypermarkets (30 in 2009), 294 supermarkets (267) as well as 2.4 thous. specialized shops (relatively 2.3 thous.). A decrease was recorded of the number of so-called other shops, which constituted 88.8% 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 augmented in relation to the previous year and amounted to 1.5 thous. The sale from the catering activity also augmented - by 12.6%, reaching the value of 1.2 billion zł.

FINANCES OF ENTERPRISES

In 2010 the financial results of surveyed enterprises (employing more than 9 persons) slightly improved in relation to the results obtained in the previous year.

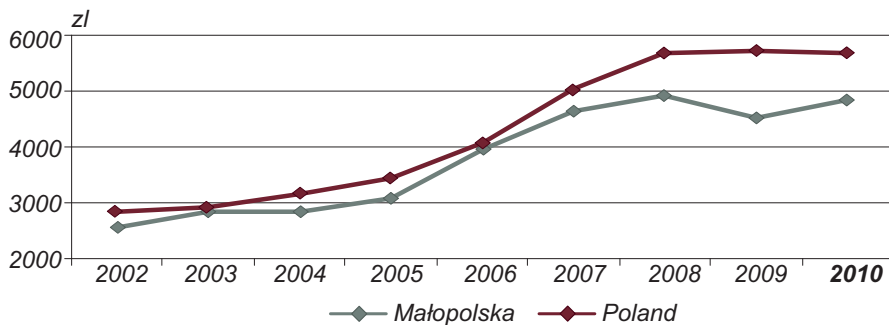
Revenues from total activity increased by 6.6%, and costs of obtaining them by 6.5%, what reflected, i.a. in an improvement of the cost level indicator from 95.2% in 2009 to 95.1% (96.3% in 2005). The net financial result (with increase of net profit and decrease of net loss) shaped at the level of 7417 mln zł, that is higher by 6.1% than in 2009 and more than twice higher than in 2005. Positive net financial result was shown by 81.3% of surveyed enterprises (in 2009 - 79.4%, and in 2005 - 77.2%).

At the end of December 2010 the value of current assets amounted to 54.9 billion zł, i.e., more by 12.0% than in 2009, and by 78.0% than in 2005.

INVESTMENTS AND FIXED ASSETS

In 2010 investment outlays (according to investment location) reached 16.0 billion zł, of which over 9 billion zł in private sector. In 2003-2008 these outlays systematically augmented. After last year's drop (by 7.4%) investment outlays in Małopolska increased in relation to 2009 by 7.5%. According to NACE, investment outlays were the highest in industry and accounted for 22.8% of total outlays, in transportation and storage - 16.7% of total and in real estate activities - 15.2%.

Graph 15. Investment outlays per capita



In 2002-2008 investment outlays per capita have shown an upward tendency. After last year's drop, in 2010 they shaped at the level of 4849 zł.

⁷ It concerns economic entities employing more than 9 persons.

Since 2002 gross value of fixed assets⁸ (in current book-keeping prices) has successively augmented. As of the end of 2010 it reached 184.3 billion zł and therefore it was higher than a year before by 6.2%. Relatively the biggest value of fixed assets was recorded in industry - 28.6% and in real estate activities - 21.8% of total.

At the end of 2010 gross value of fixed assets per capita in Małopolska amounted to 55.7 thous. zł towards 52.6 thous. zł the year before.

PUBLIC FINANCE

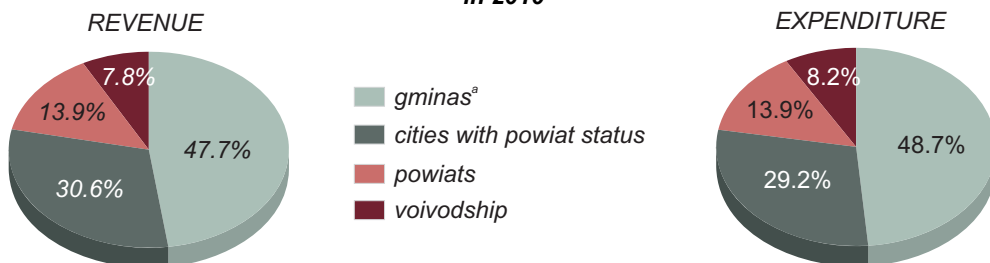
Revenue

In 2010 local self-government entities of Małopolska worked out total revenue of 13833 million zł, that is more (by 7.9%) than in the previous year, but dynamics of its growth proved the lowest within the space of years 2005-2010.

Revenue of gminas budgets constituted 47.7% of total revenue, and revenue of cities with powiat status budgets - 30.6% (the lowest level since 2005). An opposite tendency occurred in revenue of powiats budgets, which in 2010 constituted 13.9% and it was their highest share in the period 2005-2010. Self-government voivodship's budget had the lowest share in total revenues (7.8%), i.e., by 3.4 percentage points less than in the previous year.

In structure of revenue by kind a lower share of own revenue and general subsidy in total revenue was balanced by higher allocations. In 2010 own revenue constituted 42.3% of total revenue (45.2% a year ago), allocations 25.9% (22.2% in 2009), and general subsidy 31.8% towards 32.6% the year before.

Graph 16. Structure of revenue and expenditure of local self-government entities budgets in 2010



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

In 2010 total revenue of local self-government entities per capita in Małopolska amounted to 4186 zł (by 292 zł more than in 2009), while in gminas - 2810 zł, in cities with powiat status budgets - 4434 zł, in powiats - 817 zł and from self-government voivodship budget - 326 zł.

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

Expenditure

Total expenditure of local self-government entities in 2010 amounted to 14679 mln zł and increased by 6.8% in comparison with the previous year. Dynamics of expenditure was clearly lower than dynamics of revenue, also proved the lowest during the years 2005-2010. 48.7% of total expenditure accounted for gminas budgets, 29.3% for cities with powiat status budgets, 13.8% for powiats budgets, and 8.2% for voivodship's budget.

In 2010 the share of current expenditure increased, decreasing the level of property expenditure in total expenditure. Current expenditure (11118 mln zł) constituted 75.7% of total expenditure. Expenditure on wages and salaries and remuneration-related expenditures predominated - 44.2% of current expenditure, 25.8% were disposed on purchase of materials and services and 12.4% on benefits for natural persons. Property expenditure in the amount of 3561 mln zł constituted 24.3% of total expenditure and almost in total were destined for financing investments.

Expenditure on education (30.8% of total expenditure), on transport and communication (19.3%) as well as on social assistance (12.4%) prevailed.

Calculating per capita in Małopolska total expenditure of self-government entities amounted to 4442 zł (by 270 zł more than in the previous year), whereas from gminas budgets - 3043 zł, from cities with powiat status budgets - 4498 zł, from powiats budgets - 866 zł and from self-government voivodship budget - 363 zł.

Local self-government of Małopolska closed the year 2010 with a deficit in the amount of 846 mln zł, what in relation to the previous year means a slight improvement (for 2009 - minus 915 mln zł). All kind of local self-government entities showed a budget deficit, while only in cities with powiat status its reduction took place (by 234 mln zł). In gminas deficit increased by 88 mln zł, in powiats by 23 mln zł, and in self-government voivodship by 54 mln zł.

GROSS DOMESTIC PRODUCT

In 2009 Małopolska generated 7.4% of GDP, what gave it the fifth position in Poland, after voivodships: Mazowieckie, Śląskie, Wielkopolskie and Dolnośląskie. In 2007-2009 the highest average pace of growth of GDP was recorded in the Małopolskie voivodship (4.4% in constant prices) with the country average of 3.3%. Calculating per capita GDP amounted to 30.2 thous. zł and it was lower by 14.2% than the average level in Poland. This result placed Małopolska on eighth position in the country. However, in comparison with 2007 Małopolska had the highest real growth of GDP per capita among voivodships - by 8.4%.

In 2009 gross value added was elaborated mainly by non-financial corporations sector (48.3%), then households sector (31.8%) and general government sector (16.3%). As regards the kind of conducted activity, the most of gross value added was elaborated by entities conducting activity in services including: trade; repair of motor vehicles; transportation and storage; accommodation and catering; information and communication - 30,8%.

Małopolska at the background of other voivodships⁹

The following subsection is the continuation of the analytic part included in the Statistical Yearbook of the Małopolskie voivodship¹⁰.

In order to present the socio-economic situation of the Małopolskie voivodship against a background of other voivodships there have been distinguished five fields: demography, labour market, economic living conditions, social living conditions, economy. 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 in zł*
- *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*

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

¹⁰ *Considered rates and methodology of calculations remain unchanged, so their description has been omitted, detailed information available in Statistical Yearbook of the Małopolskie Voivodship 2010, Kraków 2010, page 395.*

Economic living conditions

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

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 in zł*
- *Expenditures on research and development (R&D) per capita (current prices, excluding depreciation of fixed assets) in 2008*
- *Total value of projects financed by EU for 2007-2013 per capita in zł - (as of 30 VI 2009)*
- *Share of big economic entities¹¹ in the country scale*

Results of grouping

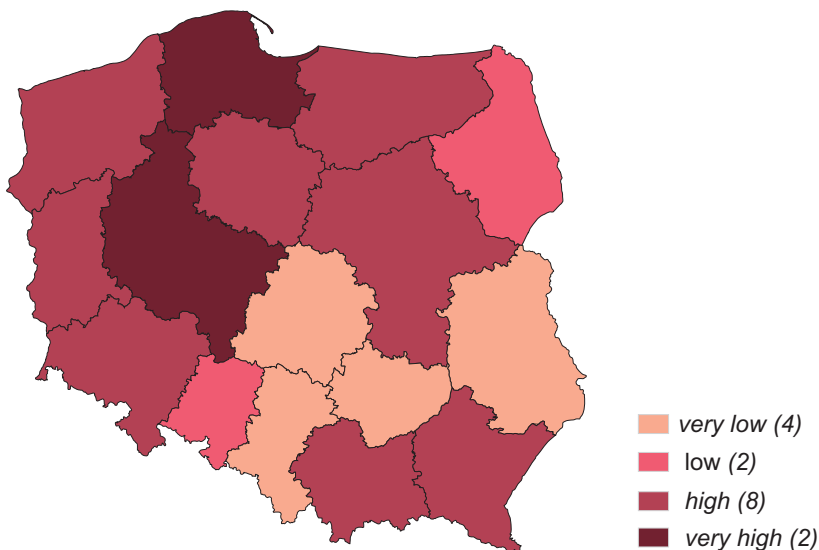
On the basis of obtained results, one can say that the Małopolskie voivodship has got very favourable social living conditions. All values of fractional rates in this field shape above the average as well as above the median for voivodships. Moreover, the rate for the Małopolskie voivodship reached the highest value in the country scale, what would prove the significance of the voivodship as an important centre of cultural life.

Moreover, Małopolska has got favourable conditions to the development of economy, demography and labour market. Like in 2009, the Małopolskie voivodship is in the group of voivodships with high level of the development rate in mentioned above fields. At the same time in the sphere of labour market four voivodships worsened their situation, reducing their position to a level lower groups, and in spheres such as demography and economic conditions two voivodships fell to groups with a lower level. Additionally, the city of Warsaw greatly influenced the value of economic development rate for the Mazowieckie voivodship, overstating its value, and what follows, artificially extending a given rate range. Moreover, one of the fractional rates used while constructing the synthetic rate for this area was the share of big enterprises on the voivodship's area in the country scale. Here it is worth to mention that the Małopolskie voivodship is characterised by a big share of mountainous sites as well as legally protected

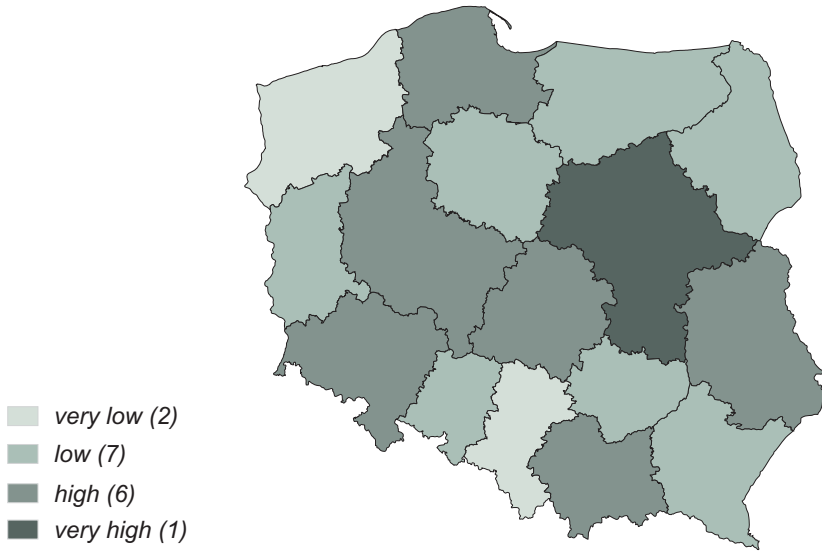
¹¹ *Big entities are assumed as those employing more than 250 persons.*

areas, which constrain the possibility of development of big enterprises, what influences the 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. The only area putting the Małopolskie voivodship in an unfavourable situation is the rate of economic living conditions level. The value of this rate placed Małopolska in a group of voivodships of a low level. Economic living conditions development level rate shows a general, downward tendency, namely (upper and lower) borders of the rate shifted. The fractional rate telling about average monthly per capita expenditure for six voivodships dropped in relation to the previous year. In four voivodships the number of people benefiting from social assistance benefits per 10 thous. population increased. It is also worth to mention that the Mazowieckie voivodship lost its position of a leader and from the group of voivodships with a very high level of labour market development rate fell to the group of voivodships with a high level of this rate.

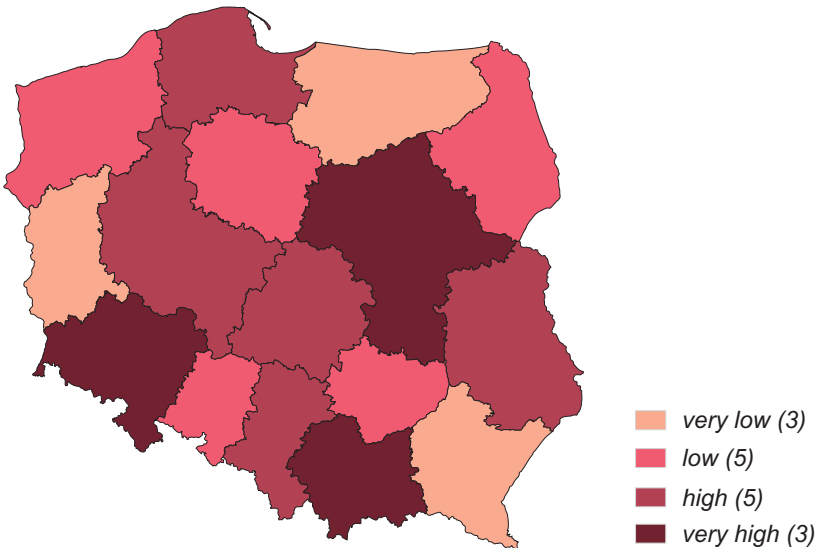
Map 1. Results of grouping on the basis of synthetic rate of demographic development level



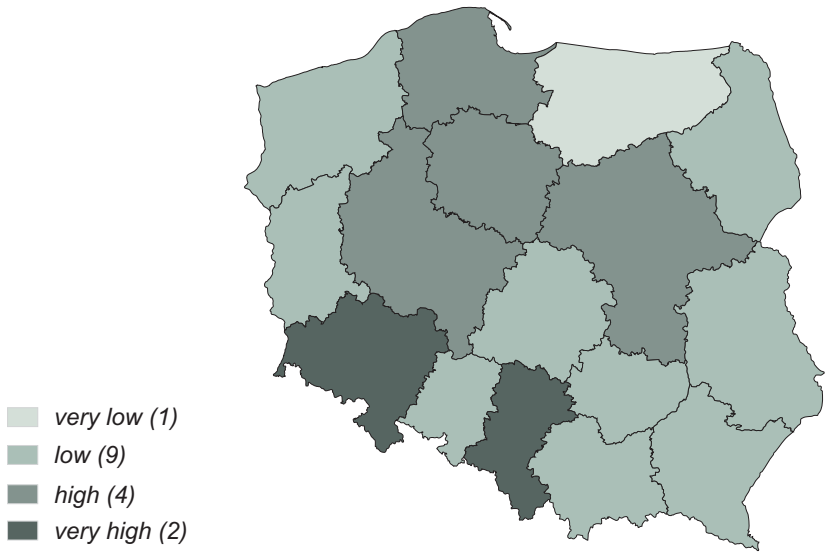
Map 2. Results of grouping on the basis of synthetic rate of labour market development level



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



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



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

