

# Report on major Polish cities



# Gdańsk

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Throughout decades Polish cities struggled with the lack of financial means, unfavorable conditions for development, and legal regulations hampering local activity and people's entrepreneurship. The cities' inhabitants could only enviously watch the metropolises of the Western Europe, actively seeking solutions to their own problems and ways to improve quality of life of local communities. Until lately all initiatives taken by Polish cities had little chance of changing the appearance of the largest cities in our country.

Today we watch the situation change. In the last few years some events took place that created favorable conditions for breakthrough transformation in Polish cities: effective reforms that sparked off citizens' vigor, new legal solutions which turned self-government authorities into true managers of their own establishments, and the accession to the European Union. But it is only the European Union funds available since 2007 that truly open a new chapter, because they eliminate the problem of the lack of funds as the main obstacle to Polish cities' growth.

Meanwhile there is another challenge – to pinpoint strengths and weaknesses of the cities and to choose an optimal strategy aiming to make up for what was neglected in the past as quickly as possible. Such a well thought-out assessment is indispensable in order to forge the great opportunity facing Polish cities into a true success.

While analyzing the situation of major metropolitan centers in Poland on the threshold of breakthrough changes, one has to remember that the potential for growth with which cities enter the new stage of development derives from three elements:

- historical legacy,
- natural assets and weaknesses of a given city,
- quality of management in the last dozen years.

PricewaterhouseCoopers created reports on seven major cities of Poland to aid in the proper diagnosis of the situation. This is a kind of an “opening report” – the first general view of the potential for development of these cities, from which some preliminary observations and conclusions can be drawn. This is not a ranking of cities – there are too many differences between them in terms of their historical legacy and peculiar local strengths and weaknesses for such a comparison to be useful. Rankings and comparisons, especially in terms of quality of city management, will make sense in a few years' time, when we are able to evaluate how cities planned their development and how they made use of the significant European Union funds available in 2007-2013.

The analysis is based on seven areas – “capitals”, which, in our opinion, determine the development potential of large cities. We believe that this analysis might help to put finishing touches on the existing strategies of cities – thus contributing to the success that major cities of Poland deserve.



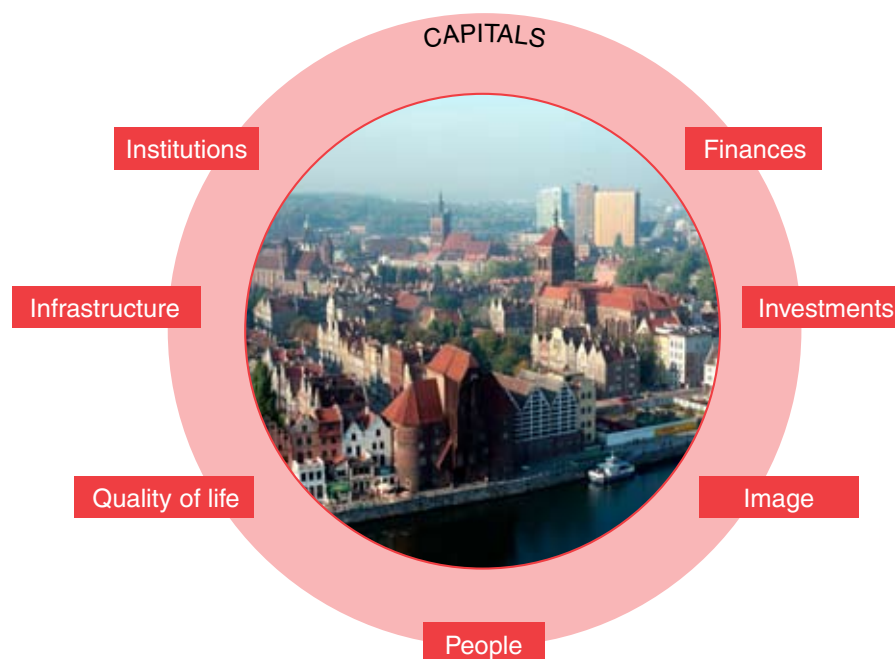
# Methodology

## Seven capitals of Polish cities

While taking the path leading to great changes, Polish cities already have some development capital at their disposal. This capital is significant, even though there is hardly any field that is not suffering from serious neglect. To a large extent, development capital is a result of past events. The goal of this report is to analyze this capital – the peculiar dowry ready for use by Polish cities on the threshold of dynamic development.

Development potential of Polish cities is measured on the basis of a methodology developed by PricewaterhouseCoopers and used to evaluate the situation of large cities. This methodology is based on the belief that in order to ensure harmonious growth it is necessary to have some suitable assets, sometimes called “capitals” of cities.

By „Capital” we usually mean financial means that can be used to finance investments. Modern economy, however, uses the word in a much broader sense – it applies not only to money, but also to people’s qualifications (human capital) or their knowledge and experience. Broadly speaking, capital encompasses all resources that are essential for growth: financial, material, human, and even those that exist in people’s minds (after all, we even colloquially talk about “capital of trust”). The common characteristic of capitals is that in order to develop them, they need to be constantly invested in.



While analyzing the development potential of Polish cities, we use the concept of 7 capitals, each of which is important for the development of a large city:

- Human and Social capital determines the quality of human resources owned by the city. This includes, among other things, knowledge and experience of workers, population structure (cities with ageing population have less development dynamics than “young” cities), the job market situation, social activity of inhabitants.
- Culture and Image Capital shows how the city is perceived: whether as an interesting and attractive place, or perhaps a cultural desert. The better image, the easier it is to attract tourists and investors and to stimulate activity among the city’s inhabitants.
- Quality of Life Capital describes the living and working conditions offered by the city. This capital is comprised of, among other things, environmental conditions, quality of healthcare, quality of educational institutions, and sense of security.
- Technical and Infrastructural Capital describes the broadly understood infrastructure of the city: housing resources, transport, shopping centers, media (traditional ones such as power and water, but also phones and the Internet).
- Institutional and Democratic Capital shows the effectiveness of municipal institutions (authorities and administration) and the observed social activity.
- Attractiveness for Investments Capital indicates how attractive the city is for investors, both domestic and foreign.
- Sources of Funding Capital describes to what extent the city is able to find the money necessary for funding its development.

A city with high development capital is a city with all 7 capitals well-developed. If one of the capitals is lacking, this signals a weakness of the city and points in the direction of desired strategic actions to be taken.

During the research the report’s authors consulted the authorities of all examined cities, presenting them with preliminary results of the analysis. The observations gathered from particular cities allowed us to select the set of indicators in a more precise and correct way, eliminate errors in measurement and focus more on the peculiarities of specific cities. In case of two cities – Gdańsk and Katowice – while creating the measurement criteria, we attempted to take into consideration as much as possible the fact that these cities form a part of larger agglomeration organisms (the Tricity and the Silesian agglomeration).

The report is based on the analysis of comparable data. This data comes from 2005-2007, while the report’s authors did their best to include the latest data available for all 7 cities.

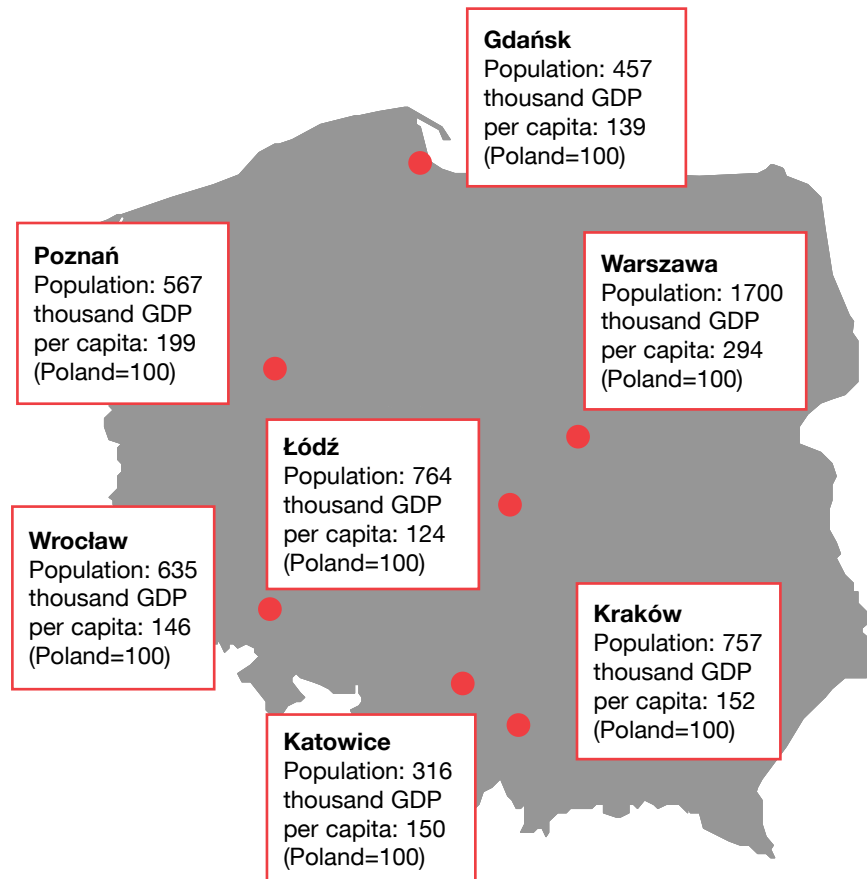




# Methodology

## Basic data concerning cities

Population data from late 2006, data on GDP from 2004. GDP values for Katowice are approximate.



## How to read the spider diagram?

The spider diagram allows us to analyze the city's capital in several areas at the same time: the more areas there are, the greater the number of axes on which we accumulate indicator values describing the size of the city's capital.

The connected dots on axes form a shape – triangle, square, pentagon, or heptagon (the number of vertices of the shape is equal to the number of axes).

The diagram shows the development of the analyzed city's capital (the red-marked field) and the development of capitals of all 7 major Polish cities (the grey-marked field).

While analyzing the diagram, we should take the following into account:

- Size of the marked area – the larger the area, the higher the capital level.
- Shape – the more even it is, the more evenly the particular measured capitals develop. „Elongation” of the shape in any direction suggests that this field of the capital is more developed than the average, “retraction” of vertices means that this field's development is inadequate.

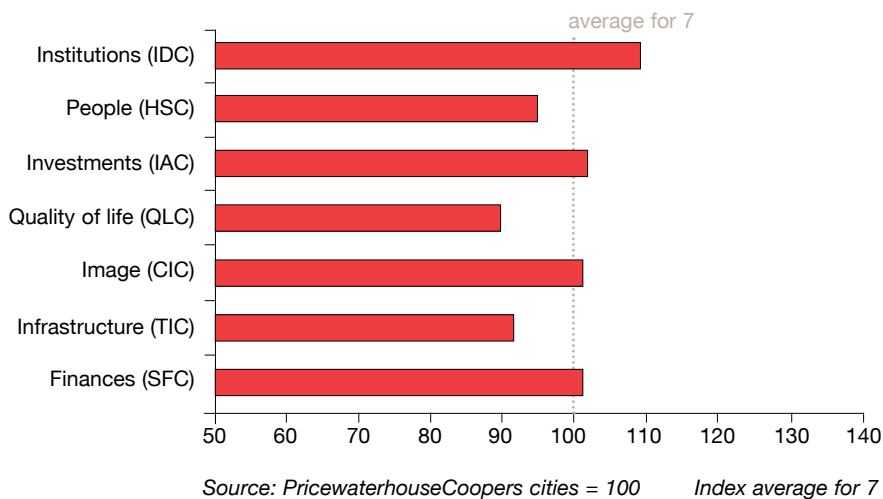
# Essential recommendations



## Gdańsk:

### Better infrastructure to help the city breeze up

Gdańsk – overall evaluation of the development of 7 capitals



#### Where to find an example?

##### Barcelona

The city that was able to define its economic role and the image of a seaside city with a high quality of life.

##### Dublin

The city that, despite of its remote location, managed to develop successfully using its location as an asset

Gdańsk is a city, which to a large extent turned from its role as the Polish “window onto the world” to a Polish “backyard window”. Despite of the access to the sea, the city’s communication connections with economic centers of Poland and Europe are hardly the best, which makes it difficult to take advantage of the city’s principal assets. Although when compared to other Polish cities, the development indicators of all the 7 capitals are close to the average,

Gdańsk could actually achieve much more. The city’s assets include: the location at the seaside, trading traditions, attractiveness for tourists, good conditions for investments, efficient municipal institutions and healthy finances – which can be especially seen in the success in acquiring EU funds and the advanced analyses of using mixed funding (public-private) for further development. The weaknesses include the quality of education and healthcare, which has a negative impact on the quality of life in the city. The city’s greatest weakness, however, is infrastructure, especially in terms of communication with Poland’s economic centers – if there is no definite improvement in this respect, the city will have a hard time taking advantage of its opportunities.

#### Greatest strengths:

- Favorable image
- Efficient municipal institutions
- High social activity
- Competent management of finances

#### Problems to solve:

- Underdeveloped connections with the rest of the country
- Security problems
- Unsatisfactory quality of education and healthcare





# Gdańsk





# People

## Why do we measure Human and Social Capital?

People are the most important and most precious resource, determining the development opportunities of the city. Today one can buy almost anything: hire an advertising agency that will promote the city, find investors who will pay for the development of infrastructure, build an efficient administration and develop an Internet system for dealing with the citizens' needs. But people are irreplaceable: their skills, eagerness for work, and their social and economic activity. In the long run it is people – and more broadly speaking, Human and Social Capital, that is the set of characteristics which determine

the value of the city's human resources – that shape the economic development and the potential success of the city.

The value of human resources depends on numerous factors. Some of them can be only influenced to a minor extent (e.g. population structure). Neither can one force people into taking up economic and social activity – although people can be encouraged and any related initiatives can be facilitated. But in some areas – e.g. education or job market – the city's authorities are capable of exerting a significant influence.

## Measuring Human and Social Capital (HSC)

Human and Social Capital is a synthetic measure of the value of human resources owned by the city – citizens' demographic characteristics, qualifications, activity and availability for potential employers. In our opinion there are five characteristics crucial for successful development: population, education, attitude towards market economy, functioning of the job market, and social and non-governmental activity.

### HSC: population

The city's population situation is primarily determined by the age structure and the number of births. A synthetic measure of the situation is the demographic load indicator, which shows the number of young and older people per 1 working-age person – in other words, how many people a single person has to support on average.

According to the assumed methodology, the basic indicators used for measuring HSC in terms of population are the following: demographic load indicator, share of older people in a city's population and the number of births per 1000 inhabitants.

Gdańsk's demographic situation is one of the best among the examined cities. The demographic load indicator is 0.51 (which means that there is a little more than one younger or older person per 2 working-age persons). The percentage of post-working age people is one of the lowest (17.1%), while the number of births is one of the highest among the examined cities (9.3 births per 1000 inhabitants). Therefore, Gdańsk is a relatively young city.

With the average HSC level of 100 in terms of population for the 7 compared cities, HSC in Gdańsk is estimated at 104.

## HSC: education

In modern economy it is qualifications that decide about the quality of human resources. In order to measure it, we need to analyze the average level of people's education: the better education, the more attractive the city becomes for investing and running business.

In our methodology the indicators used for measuring HSC in terms of education include the following: the percentage of people with higher and secondary education and the number of students of universities per 1000 inhabitants.

Gdańsk's situation in terms of people's education is hardly good compared to the 7 examined cities. The percentage of people with higher education is 18%, compared to the average of 20% in the other six cities. The secondary education indicators are close to the average for the other 7 cities. The proportion of the number of students to the number of the city's inhabitants (14%) is one of the lowest among the examined cities.

With the average level of 100 for the 7 cities, HSC in Gdańsk in terms of education equals 89.

## HSC: attitude to market economy

The prospects for development are also influenced by the people's attitude to market economy – in places where people accept the market rules to a greater extent, it is easier for them to adapt to the market, they are more active and achieve greater economic success.

The primary indicators used to measure HSC in this regard are the following: the support for Poland's membership in the European Union expressed in the 2003 referendum and the registered percentage of people running businesses.

Gdańsk's situation in this respect is average. The support for Poland's membership in the European Union was close to the average for the 7 cities and amounted to 84.3% (in the other examined cities this ranged from 81.5% to 87.8%). The percentage of people running their own business is 8.8% and is the lowest among the 7 cities.

With the average level of 100 for the 7 cities, HSC in Gdańsk in terms of pro-market attitude is 93.





# People

## HSC: job market

The job market situation, from the point of view of the city's prospects for development translates into, first of all, the availability of workers possessing skills sought by employers.

HSC in terms of the job market is usually measured by looking at the pay level and unemployment rate (the higher, the easier it is to find employees). This measure, however, often fails in Poland, due to, among other

things, the commonly functioning gray area. Due to the above, we made use of some auxiliary information: the nominal wages dynamics (higher dynamics means increased trouble with finding employees) and information about job offers. Moreover, we also took into account the availability of qualified workers, measured by the number of university graduates of technical and exact sciences.

The job market situation in Gdańsk is not very favorable for investors. The city has a relatively high unemployment rate (6.2%), but the situation remains ambiguous. On the one hand, the city has both the highest unemployment decrease rate, as well as the wages increase dynamic (19%) among the 7 examined cities - which suggests that the supply of highly-qualified workers is limited, but at the same time the number of job offers per 1000 inhabitants is not high. The high increase in wages is, obviously, beneficial for the citizens, increasing their purchasing power, and, consequently, the city's attractiveness as a market. One of the reasons for concern, however, is the low availability of graduates with education in technical and exact sciences.

The overall HSC assessment in terms of the job market is average. With the average level of 100 for the 7 cities, HSC in Gdańsk is 85.

## HSC: social activity

High social activity means that the given city has a large social capital – people are ready for doing things for a mutual benefit.

HSC in terms of the society's activity is measured by analyzing online sources and

the number of non-governmental organizations registered in the city, as well as the average election attendance (the 2005 parliamentary elections, the first round of the 2006 self-governmental elections and the first round of the 2006 presidential elections).

Social activity in Gdańsk is relatively high - there are slightly more than 5 organizations registered per 1000 inhabitants, above the average for the 7 major cities of Poland. Also, the online activity of these organizations is high. The average attendance in the 2005/2006 elections was 52%, which is slightly above the average for the 7 examined cities.

With the average level of 100 for the 7 cities, HSC in Gdańsk in this respect is 106.

## Gdańsk's Human and Social Capital

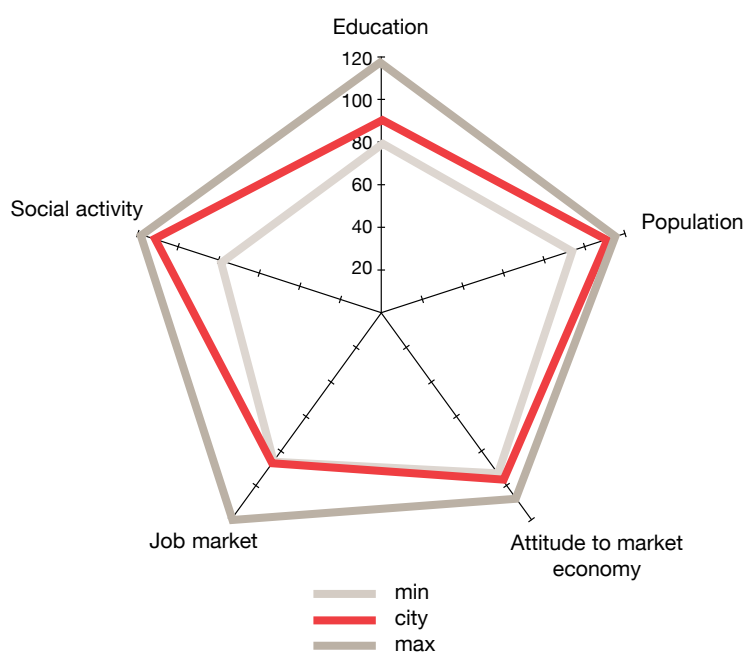
With the average level of 100 for the 7 cities, Gdańsk's Culture and Image Capital is 96.

Compared to other major Polish cities, HSC in Gdańsk is relatively underdeveloped and requires intensive development, if the city wants to improve its situation and take advantage of its development opportunities. The city's assets include: the favorable demographic situation and relatively high social activity.

One of the authorities' priorities should be the support for economic education and stimulating the citizens' entrepreneurship. The job market situation suggests that the city should pay special attention to ensuring a greater supply of highly-educated workers, especially those with technical and engineering education.

It seems that the relatively low economic activity has been noticed by the authorities. Among the suitable initiatives taken by the authorities are the declaration of "The Gdańsk Entrepreneurship Year" in 2006 and several activities including the creation of a loan fund, loan guarantees, and venture capital. This kind of long-term activities should be continued, given that they help promote entrepreneurship among the citizens, stimulate the creation of new businesses and the development of the existing ones. It is also necessary to intensify the initiatives for acquiring EU funds for promoting entrepreneurship.

People – Gdańsk



### Where to find inspiration?

#### Paris

Paris is distinguished by educational opportunities (the Sorbonne University, the University of France, the Denis Diderot University, the Institute of Political Sciences, the Administration University), as well as qualified labor force. The number of students in Paris is slightly below 290 thousand. In the Cushman & Wakefield ranking the city comes second after London in terms of the number of adequately educated workers and easy access to the client market. Paris is also second in the above-mentioned ranking of attractiveness for locating business. Paris's business attractiveness results in high chance of finding workers. Both housing and healthcare are developed enough to cover the needs of such a large metropolis.



# Quality of life

## Why do we measure Quality of Life Capital?

A city that wants to achieve economic success has to create good living conditions for its citizens. A high quality of life results in people wanting to live and work there, sought-after specialists reject proposals to move to other domestic or foreign cities, and investors willingly locate their business in the city. A high quality of life gives people a sense of pride and satisfaction drawn from living in the city, while low quality of life breeds disappointment and frustration.

There are many factors influencing the assessment of quality of life in the city. An important thing is the condition of the environment; another is the availability of high-quality services, such as healthcare or education that the citizens can rely on. A crucial point is the sense of security – if people do not have it, even the most magnificent entertainment centers and the best services that can be offered cannot make people really happy.

## Measuring Quality of Life Capital (QLC)

Quality of Life Capital to a large extent determines the city's assessment as a good place for living and working. As opposed to Culture and Image Capital (often based on commonplace, hard-to-verify opinions), the assessment of QLC is usually based on real experiences and observations of the city's inhabitants, as well as visitors.

While measuring QLC, we take the following four aspects of quality of life into account: the environmental condition, quality of healthcare, quality of educational services and sense of security.

## QLC: environmental condition

Cities which are considered ecologically clean give their inhabitants a far better sense of comfort and satisfaction than polluted cities. However, we have to remember that in ecology – as in many other areas – commonplace opinions are often hard to eradicate, while spectacular failures and successes (e.g. appearance of a bird species unseen for years) often make more of an impression than actual measurements of environmental pollution.

The indicators used to measure QLC in terms of environmental condition are: the measurement of air pollution (emission index for various types of gas and dust pollution), the number of cars per 1 square kilometer of the city, the waste management indicator and the percentage of treated waste.

Gdańsk's situation in terms of the natural environment is average. The city's strengths include the lower-than-average vehicle traffic density (791 vehicles per km<sup>2</sup>, compared to the average of 1017 in the 7 cities), as well as the overall assets of a seaside town. Unfortunately, at present Gdańsk treats only 83% of waste, while the city's dumps accommodate 100% of waste, whereas, according to the EU standard valid from 2010 the limit will amount to 75%. The air pollution level is close to the average.

With the average level of 100 for the 7 cities, HSC in Gdańsk in terms of environmental condition is 99.

## QLC: quality of healthcare

The availability of quality healthcare services is one of the factors which have the greatest influence on the assessment of living conditions of inhabitants in the city. Considering that all cities in Poland suffer from some general problems in this respect, the situation of particular cities is varied.

Primary indicators used to measure QLC in terms of healthcare services are: the number of doctors per 1000 inhabitants, the infant mortality rate and the number of points awarded in the ranking to particular healthcare facilities in the city (the "Newsweek ranking of hospitals).

The situation in regard to the availability of quality healthcare services in Gdańsk is difficult. Although the number of doctors per 1000 inhabitants is relatively high, the number of points awarded in the ranking to healthcare institutions is the lowest among the 7 examined cities. Also, the infant mortality rate is relatively high - considered to be the most synthetic gauge of people's healthiness and the functioning of healthcare (8.8 deaths per 1000 live births compared to less than 7 in the examined cities).

With the average level of 100 for the 7 cities, QLC in Gdańsk in terms of healthcare is 75.





# Quality of life

## QLC: quality of education

The quality of educational services is often one of the first questions asked when comparing the overall quality of life in the city. Firstly, good schools and highly-rated universities attract new people and encourage them to settle down – permanently or temporarily (which influences the availability of highly-qualified workers).

Secondly, good education allows the city to progress in terms of civilization and economy, influencing opinions concerning its potential development.

The following are the indicators used to measure QLC: points awarded to major universities in the university ranking (conducted by “Rzeczpospolita” and “Perspektywy”) and the success rate for high school final exams in 2005.

Gdańsk’s education quality indicators are relatively low. Both the university ranking and the success rate for high school final exams result in Gdańsk’s relatively weak position among the examined cities.

With the average level of 100 for the 7 cities, QLC in Gdańsk in terms of quality of education is 81.

## QLC: sense of security

Sense of security has a lot of aspects: among important things are both physical safety among inhabitants (crime levels and road traffic safety), protection against accidents, as well as the sense of security in terms of health and job-finding opportunities.

While measuring QLC in terms of security we focused entirely on the physical aspect and used the following as indicators: the number of recorded crimes and the number of road collisions and accidents (compared to the number of inhabitants).

The results suggest that Gdańsk ensures a good level of safety to its citizens and visitors. Although the number of recorded crimes is relatively high, the number of road collisions and accidents in the period of January 2005 - June 2006 is the lowest among the examined cities.

With the average level of 100 for the 7 cities, QLC in Gdańsk in terms of quality of sense of security is 109.

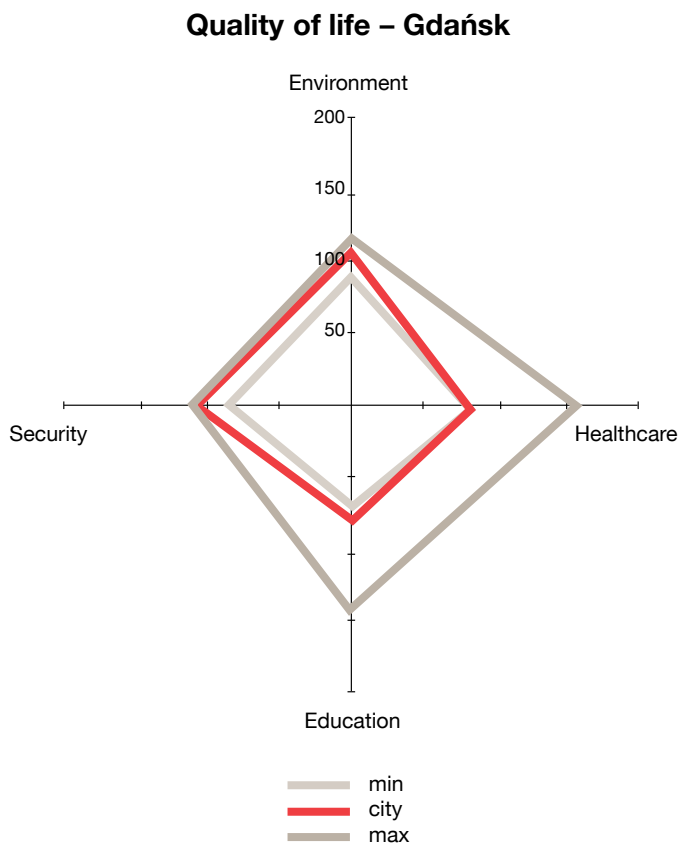


# Gdańsk Quality of Life Capital

With the average level of 100 for the 7 cities, Gdańsk's Quality of Life Capital is 91.

The overall assessment of Gdańsk's Quality of Life Capital is slightly worse than the average for the examined cities. The city does well in terms of its environmental conditions and quite well when it comes to sense of security, but fails in terms of availability of quality healthcare services and quality of education.

The situation both in terms of healthcare, as well as education, can be improved, given an effective and well-planned development strategy for the city. It seems that the support for these areas should be one of Gdańsk's authorities' key priorities.



## Where to find inspiration?

### Zurich

Zurich is a city which, despite the high urbanization level (industry, concentration of financial business), has become one of the cleanest cities in Europe, thanks to the implementation of proper proecological programs. Zurich has an extensive offer for tourists, as well as in terms of culture (50 museums, 100 galleries, numerous exhibitions, concerts etc.) The city's inhabitants make use of a well-developed healthcare system (there is one doctor per 435 inhabitants). The city has 20 universities, and 30.1% of the citizens have higher education (the average for Switzerland is 21.5%). Life expectancy is very high: 83 years for women and 78.5 years for men. Zurich's attractiveness is also underscored by its popularity among foreigners, whose number is as high as 22.8% of population. For several years Zurich has been one of leaders in the Cushman & Wakefield ranking in the best quality of life category.



# Image

## Why do we measure Culture and Image Capital?

In the modern world and the modern economy, decisions about buying goods and services are made not only on the basis of their actual worth, but also on the basis of what we imagine about the product. The important things are what we associate with a given brand: its prestige, quality, and the trust we place in it. This is also true about cities. In addition to what the city offers to its inhabitants, an extremely important thing is what we associate with the city. In other words, the city's image. A city with an image of being dynamic, friendly, and interesting will attract both tourists and investors.

The city's image depends on numerous factors. An important role is played by common opinions and general beliefs about the city, which are often deeply entrenched (especially the negative views – or simply the lack of any recognizable image). Also important are cultural factors – both those concerning the high culture, a subject of interest for elites, mostly, as well as everyday culture that we all encounter in our everyday life.

## Measuring Culture and Image Capital (CIC)

Culture and Image Capital is the measure of how the city is perceived by both its citizens and outsiders. This capital includes both the real strengths and weaknesses of the city, as well as commonplace opinions which often differ from the reality – but are deeply entrenched in people's minds.

A proper image, which underscores strengths and advantages of the city is necessary for a successful growth of the city. While measuring CIC we take the following three characteristics into consideration: general opinions about the city, high culture and everyday culture.

## CIC: overall image of the city

Overall image refers both to the general recognizability and commonly acknowledged attractiveness of the city, but also to perception of traditional values by the inhabitants and the effectiveness of city management.

According to the assumed methodology, the basic indicators used for measuring CIC

in terms of overall image are the following: an Internet search for the number of „good things” associated with the city (e.g. the number of websites containing the city’s name and the word “culture”), the number of visiting tourists, the observed level of entrepreneurship and the inhabitants’ opinion about the city’s authorities.

In terms of the overall image Gdańsk’s situation looks favorable. The city’s presence on the Internet is good, the city is associated with its Hanzeatic traditions and has some marvelous monuments, as well as attracts a lot of tourists (almost 900 thousand tourists a year, which is comparable to Wrocław and Warsaw in terms of the proportion of the number of tourists to the number of inhabitants). The percentage of people running their own businesses amounts to 8.8% and is relatively low, hampering the creation of the image of a dynamic city. However, the people’s acceptance for the city authorities is high – the current president received 61% of votes in the first round of the elections (one of the higher results among the seven compared cities of Poland).

With the average CIC level of 100 in terms of overall image for the 7 Polish cities, Gdańsk’s indicator is estimated at 103.

## CIC: high culture

A city’s image is largely influenced by its activity in terms of high culture. Although high culture-related services are used by a relatively low number of inhabitants and visitors, it is cultural events that feature most prominently in the media and shape the city’s image of an interesting and attractive place.

The primary indicators used for measuring CIC in terms of high culture are: the city’s budget assigned for culture, the number of shows and concerts, the number of theater festivals, film festivals and classical music festivals (all indicators per the number of inhabitants).

The city’s situation in terms of high culture is ambiguous. The city’s budget assigned for culture per capita is one of the lowest among the major Polish cities. Although Gdańsk and its environs (Tricity) have a high number of shows and concerts, the number of theater festivals and classical music festivals is relatively low. On the other hand, the number of film festivals (primarily, the Polish Film Festival in Gdynia) is quite high. Gdańsk is mostly famous for its mass events, while in terms of high culture the city’s position is not particularly high.

With the average level of 100 for the 7 cities, CIC in Gdańsk in terms of high culture is 90.





# Image

## **CIC: everyday culture**

Most inhabitants and visitors of the city establish a general opinion about it on the basis of everyday culture: the offer of restaurants, hotels, the number of movie theaters, leisure opportunities in parks or participation in popular mass events.

The following are the indicators used to measure CIC in this respect: the number of movie theater seats, the number of restaurants, sports stadium seats and the area of green lands within the administrative boundaries of the city (all of the above per the number of inhabitants).

Gdańsk's everyday culture indicators are varied. While the number of movie theater seats (17.1 per 1000 inhabitants) is slightly higher than the average, and the number of sports stadium seats is the highest in the examined group of cities, both the amount of green lands, as well as the number of restaurants, is lower than the average for the examined cities. The city's attractiveness is strengthened by popular mass events (e.g. St. Dominic's Fair). Also note that Gdańsk, even with the lack of very large green areas, has another asset – the beaches, which are great for recreation and constitute a wonderful walking space for the citizens and tourists all year round.

With the average level of 100 for the 7 cities, CIC in Gdańsk in terms of everyday culture is 111.

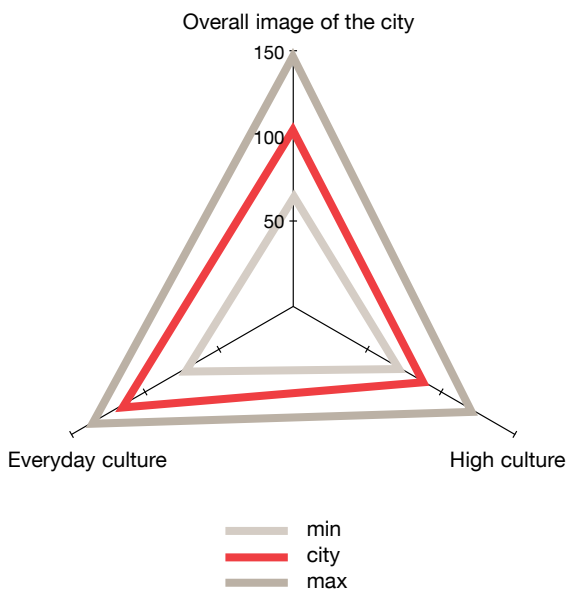
# Gdańsk's Culture and Image Capital

With the average level of 100 for the 7 cities, Gdańsk's Culture and Image capital amounts to 101.

Gdańsk has good Culture and Image Capital, which - apart from mass events - is not utilized in an optimal way. Despite the growing attractiveness for tourists, Gdańsk is insufficiently recognizable in the world. Also, the city's offer in terms of high culture is unsatisfactory.

In order to ensure successful development, the city should assign more resources for well-planned promotional activities in Poland and abroad. This also refers to greater support of authorities for the development of high culture and incentives for the continued development of economic activity, which raises the quality of everyday culture.

## Image – Gdańsk



### Where to find inspiration?

#### Barcelona

Barcelona is a city which for several years now has been trying to consolidate its image of an attractive and tourist-friendly city. It has been always considered to be one of the prettiest cities in Europe, full of beautiful monuments and excellent restaurants. The city continues to work on revitalizing the city's urban areas, on decentralizing administration, and on improving infrastructure. Especially important for the city's image was the revitalization of Barcelona's waterfronts, which cost approximately EUR 240 million (the city contributed 1/3 of the sum), but allowed the city to create an entertainment and shopping center in the area of the port and to extend the famous Las Ramblas promenades to Rambla del Mar. The city is constantly broadening its cultural and tourist offer. Numerous concerts, open-air events and the extensive network of hotels and restaurants make Barcelona a tourist-friendly city (the number of tourists in 2005 exceeded 5 million, which is an almost 500 thousand growth compared to 2004 and more than a 1.4 million increase compared to 2001). The result of these changes is the fully integrated city with an architecturally well thought-out structure, housing and well-developed technical infrastructure, and one of the largest sports facilities in the world. The city also created its own brand, whose logo is a B-shaped sign. Barcelona's activities aim to create a clear and attractive image in terms of tourism, but also a business-friendly place.



# Institutions

## Why do we measure Institutional and Democratic Capital?

Institutional and Democratic capital determines the functioning of institutions which manage the city: city authorities, public administration, maintenance services. It also reflects the civic activity of inhabitants and the effectiveness of democratic mechanisms and the communication between the authorities and the society.

In those cities with high Institutional and Democratic Capital it is easier to develop and exercise a consistent development strategy. Authorities which are controlled democratically can perform its duties in a better way,

have a stronger social mandate for managing the city, while the inhabitants' activity supports them on the road to achieve their common goals. On the other hand, in the cities with weakly developed democratic mechanisms there is an atmosphere of mutual distrust and unhappiness, and the inhabitants do not understand and do not support the authorities' actions. Such a situation is hardly liable to a real success in terms of economic and social development.

## Measuring Institutional and Democratic Capital (IDC)

Institutional and Democratic Capital of a city is comprised of both the quality of the authorities' actions, as well as the inhabitants' activity and good communication between the authorities and people.

IDC is measured in three areas: the effectiveness of municipal institutions (the authorities and public administration), their actual capability of performing of one of the crucial functions – ensuring public safety and social activity of the city's inhabitants.

## IDC: effectiveness of administration

Evaluating the effectiveness of the city's authorities and administration has a twofold purpose. On the one hand, there are real judgments based on the experiences of inhabitants and visitors. On the other hand, these judgments are influenced by the method of communicating with the society: inclusion of citizens in the process of creation of the development strategy and proper explanation of problems and goals of the conducted activities.

The primary indicators used to measure IDC in terms of municipal institutions are: indicators of the assessment of the city's authorities by its inhabitants, expenses on administration (compared to the population) and the indicators of effectiveness and availability of offices (the waiting times for the entry in the economic activity register and office opening hours adjusted to the citizens' needs).

In terms of effectiveness of municipal institutions, Gdańsk's results are very good. The assessment of the functioning of the city's authorities by the inhabitants, measured by means of the number of votes received by the current president in the first round of the elections (61% votes) is high. Although the expenses on public administration per inhabitant are among the lower results compared to the 7 cities, the waiting time for the entry in the business activity register is one of the shortest, while the availability of offices (in convenient times) is quite good.

This may suggest a relatively higher effectiveness of offices and a higher effectiveness of using funds.

With the IDC level of 100 for the 7 cities in terms of effectiveness of administration, Gdańsk's indicator equals 123 (the highest among the analyzed cities).

## IDC: public safety

Public safety in the city usually results from the authorities' actions: appropriate expenditure on law and order services, cooperation with citizens, the ability to gain people's trust towards law and order services.

While measuring IDC in terms of public safety, the following indicators were used: the city's expenses on safety, the number of recorded crimes, the number of police officers and guards (all of the above per 1000 inhabitants) and the crime detection rate.

Gdańsk is a moderately safe city. The expenses on public safety per inhabitant are among the lowest results in the 7 cities, the crime threat level is one of the highest among the examined cities, while the number of police officers and guards is one of the lower results for the 7 examined cities. However, Gdańsk has a high crime detection rate.

With the average level of 100 for the 7 cities, IDC in Gdańsk in terms of public safety is 96.





# Institutions

## **IDC: social activity**

High social activity results in better functioning of democratic mechanisms, strengthening of the democratic control over the authorities, creating a partnership between the inhabitants and authorities and a greater scale of cooperation of inhabitants in developing and implementing the city's development strategy. In other words, active citizens contribute to faster growth, while their passivity has a negative impact on the way in which the city functions.

IDC in terms of social activity is measured by analyzing Internet sources and by measuring the number of non-governmental organizations registered in the city, as well as the average election attendance (the 2005 parliamentary elections, the first round of the 2006 self-government elections and the first round of the 2006 presidential elections). The above were also used to measure Human and Social Capital in terms of social activity.

There are slightly more than 5 organizations registered in the city, a little higher than the average for the 7 major cities of Poland. Also, the online activity of these organizations is high. The average attendance in the 2005/2006 elections was 52%, which is slightly above the average for the 7 examined cities.

With the average level of 100 for the 7 cities, IDC in Gdańsk in terms of social activity is 106.



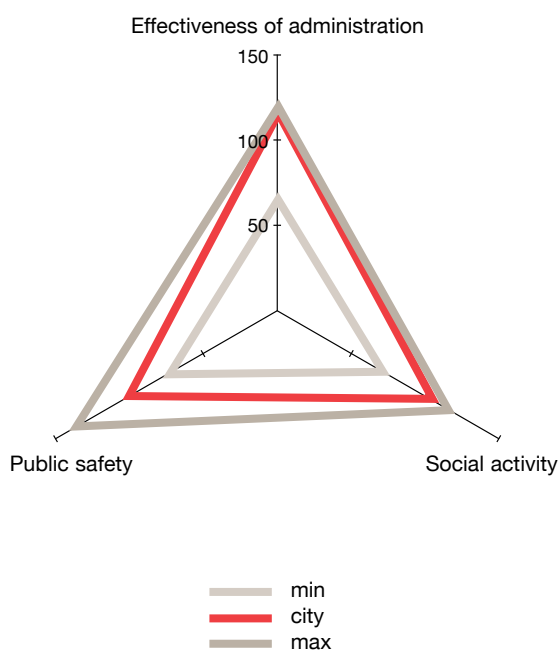
## Gdańsk's Institutional and Democratic Capital

With the average level of 100 for the 7 cities, Gdańsk's Institutional and Democratic Capital is 108.

Gdańsk's Institutional and Democratic Capital is among the highest results for the examined cities. The effectiveness of public administration is estimated to be the highest among the examined group; also high are the results in terms of social activity. However, the city clearly needs better public safety, which can be achieved by increasing the expenses and creating a well-thought and effective crime-fighting strategy. This should become one of the priorities of the city's policy.

The social activity is slightly better than average, but still needs some progress, which would help improve the city's democratic mechanisms.

### Institutions – Gdańsk



### Where to find inspiration?

#### Dublin

Dublin is the winner of the Cushman & Wakefield ranking in terms of the best conditions created by the city's authorities. Among the city's strengths are not only the legal solutions and the incentive system for investors, but also the computerized system of offices available online. Dublin has an extremely user-friendly website. By using the „online city” we can find all the needed information, such as the office hours of particular institutions, the organizational structure, information about persons responsible for specific departments, legal information, e-mail addresses, as well as documents and application forms ready for download. During the Eurostat opinion poll in 2004, 49% of Dublin's inhabitants said that the public administration in the city works effectively.



# Infrastructure

## Why do we measure Technical and Infrastructural Capital?

The broadly understood infrastructure – including efficient transport, housing resources, service infrastructure and media necessary to live and do business in the modern world (both the traditional ones – power and water – as well as the modern ones: telecommunication and the Internet) – is a prerequisite for creating an efficiently functioning metropolis.

Without efficient infrastructure the people's quality of life deteriorates, the city's image worsens, and its attractiveness as a place for locating investments diminishes. It is important to remember that infrastructure

is not only buildings, equipment and installations – it is also the organizational efficiency of private and municipal companies, which allows them to fully utilize the available infrastructural resources. The actual Technical and Infrastructural Capital level depends also on the efficiency of services, media and housing markets. In a city with extensive housing resources, but with an inefficient market, it would be equally difficult to rent or buy appropriate quarters as in the city simply with no apartments at all.

## Measuring Technical and Infrastructural Capital (TIC)

The city's Technical and Infrastructural Capital has a strong impact on the city's attractiveness as a place to live and do business. The TIC assessment is usually based on real experiences and observations of the city's inhabitants and visitors. The widely circulating bad opinions might destroy the city's image, even it does well in other areas.

The concept of Technical and Infrastructural Capital includes various forms of property used to fulfill the city's needs. In our opinion there are four kinds of infrastructure crucial for successful development: communication infrastructure, energy and IT infrastructure, housing infrastructure and trade and services infrastructure.

## TIC: transport

A general assessment of the efficiency of transport in the city needs several factors to be taken into consideration: road infrastructure, road traffic congestion, quality of public transport and quality of the city's connections to the outside world.

The indicators used to measure TIC in terms of transport are: density of the road network,

the number of cars and the number of seats in public transport (in both cases calculated in relation to population), as well as the number of direct flights and long-distance train connections. Although these are not the only indicators that could be used, they give us a general idea of what the quality and development of the city's communication infrastructure look like.



Transport does not count among Gdańsk's strengths. The road network density is rather low, while the number of cars and the number of public transport seats are only slightly higher than the average for the 7 examined cities (the situation is undoubtedly improved by the existence of the Tricity rail. The number of Gdańsk's connections with the world – both in terms of direct air connections, as well as train connections with other Polish cities – amounts to 60% of the average for the examined cities, despite the speedy development of the airport in Rębiechów. The situation is to some extent improved by the access to the sea (e.g. ferry connections). Paradoxically, the city that was once Poland's "window onto the world", today has some problems with establishing good communication connections with the world.

With the average level of 100 for the 7 cities, TIC in Gdańsk in terms of transport is 81.

## TIC: media

Without efficiently and reliably supplied media it is difficult for the city to establish the image of a place where one can live normally, and first of all, where one can do business effectively. This refers both to the traditional media (power, gas, water), as well as the modern media which enable innovative growth which utilizes the citizens' knowledge and skills to the highest extent (telecommunication, the Internet).

The following are the indicators used to measure TIC in this respect: power consumption, the percentage of people using the water supply and sewage networks, the number of fixed telephony subscribers and the estimated number of Internet users (all indicators per 1000 inhabitants).

Gdańsk's indicators in terms of traditional media are slightly better than the average for the 7 examined cities (the access to the water supply network and the power consumption), but the result in terms of the number of fixed telephony subscribers is slightly lower than the average, whereas the result in terms of the number of Internet users is more than 25% lower than the average for the 7 examined cities.

With the average level of 100 for the 7 cities, TIC in Gdańsk in terms of media is 93.



# Infrastructure

## TIC: apartments

The availability of low-priced apartments or houses in the city depends both on the housing resources owned by the city (their amount and quality), and on the efficiency of the real estate market. The more efficient the market, the easier it is to acquire and keep highly-qualified workers in the city and draw new investors to the city.

The primary indicators used to measure TIC in terms of housing are: the number of apartments per 1000 inhabitants, the indicators of quality of the housing resources (the percentage of apartments with bathrooms and the share of old apartments in the total of resources), the rate of growth of housing resources and average rents.

Despite the fact that the number of apartments per 1000 inhabitants in Gdańsk is the lowest among all the examined cities (376 apartments compared to the average of 406 in the 7 cities), Gdańsk's housing resources are good. The percentage of old apartments, as well as of those with no basic amenities, is among the lower results for the compared cities. However, in terms of the increase rate of new apartments in 2002-2005, Gdańsk's results are among the best (the increase of 7.5% compared to the average of 5.5% in the 7 cities). The rents are relatively low as well, which suggests that the real-estate market is functioning effectively.

With the average level of 100 for the 7 cities, TIC in Gdańsk in terms of housing resources is 107.

## TIC: trade and services

Various market services, especially trade, financial, hotel and catering services, create the necessary market infrastructure required to ensure that the city's economy is working properly. These services are usually highly correlated: cities which offer e.g. large, modern shopping spaces also offer other services of high quality.

While measuring TIC in terms of services we used the following indicators: the area of modern shopping space, the number of ATMs and the number of shops, hotels and restaurants per 1000 inhabitants.

Gdańsk's situation in terms of trade and services is worse than the average in the compared cities. Gdańsk has less office space than most of the other cities (446 m<sup>2</sup> per 1000 inhabitants compared to 512 m<sup>2</sup> on average in the 7 cities), although the situation is improved by the trade-related infrastructure in the other Tricity cities. The number of ATMs is not very high, while the number of shopping establishments is among the lowest in the examined cities, although the latest investments (e.g. the Manhattan, Madison and Latarnia shopping centers and the newest Galeria Bałtycka) suggest that the market situation is changing and improving.

With the average level of 100 for the 7 cities, TIC in Gdańsk in terms of trade and services is 89.

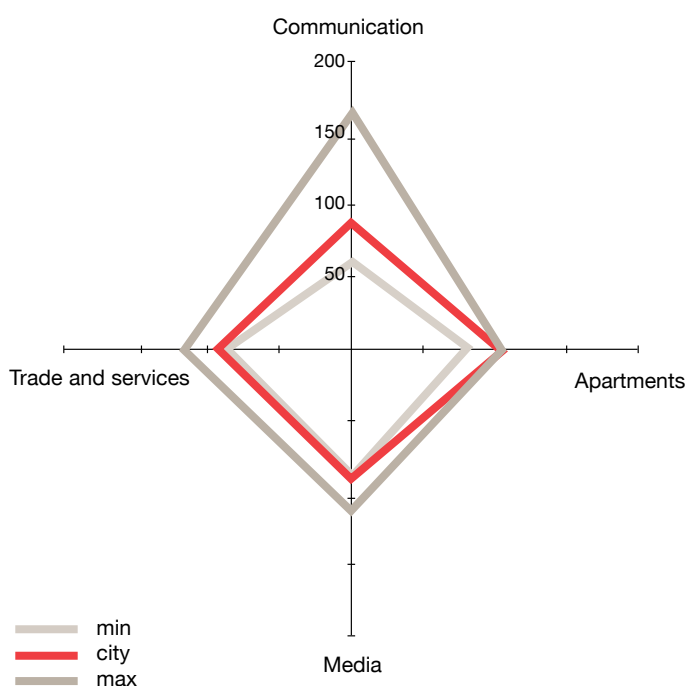
## Gdańsk's Technical and Infrastructural Capital

With the average level of 100 for the 7 cities, Gdańsk's Technical and Infrastructural Capital equals 92.

Gdańsk's Technical and Infrastructural Capital needs expanding. Both in terms of the development of the communication infrastructure, trade and services, as well as media, Gdańsk's results are clearly lower than Poland's average. However, the situation in terms of the housing resources is favorable compared to other cities.

Gdańsk's priorities should include transport, especially in terms of the city's connections with the outside world, as well as the activities aiming to improve the trade and services infrastructure. The city which once was Poland's window onto the world should at the moment improve its communication with the rest of the world and the major cities of Europe. Also, an appropriate strategy is needed in terms of the development of modern media, especially the availability of the Internet.

### Infrastructure – Gdańsk



### Where to find inspiration?

#### Newcastle

Newcastle has a reputation of a city with advanced infrastructure. This is a result of the city's preparing a clear development strategy and the fact that approximately 41% of the expenses are devoted to investments.

As a result of these actions, the city has an effective public transport system, which translates into more than 25% people using public transportation to get to work, while the average for this indicator in Great Britain is close to 15%. At the same time, opinion polls among Newcastle's citizens show that 68% of the polled said that they are happy with the transport system of the city.

One of the key goals of the city is to improve housing infrastructure – as a result of activities targeted at this area, the number of apartments with no basic amenities dropped by 61% in 1993-2003.



# Finances

## Why do we measure Sources of Funding Capital?

Sources of Funding Capital (SFC) is understood as the city's capability to find the necessary means to fund its own growth. These financial means can be drawn from various sources: these can be tax money, government subsidies, EU funds, income from bond issues or loans. These can be also private sector resources, which were successfully used to fund projects necessary from the point of view of the city's development.

In order to develop, the modern city needs investments ensuring the efficiency of infrastructure, the desired quality of life and well-functioning public institutions. It is not enough to come up with good ideas and a good development strategy – the city also has to locate funds necessary to put these ideas into practice. A city with high SFC is the city which can both find the necessary funds, as well as obtain them from different sources in order to ensure the best results possible with the possibly lowest costs of acquiring the capital.

## Measuring Sources of Funding Capital (SFC)

Sources of Funding Capital is understood as the city's capability to fund the projects necessary for development. Well-developed SFC means that the city is able to acquire a sufficient amount of funding for this purpose, simultaneously differentiating the funding sources.

While measuring SFC we analyze three possible sources of funding, which are equally important from the city's point of view: the city's own resources, the means coming from the financial market and EU funds. At the same time, we would like to stress that in the long-term Polish cities should involve more private sector funds, especially through public-private partnerships.

## SFC: The city's own funds

The city's own funds are those that the city can save up in its budget for pro-development activities. The main advantage of funding development from the city's own funds is the fact that the city does not incur any debts. However, there are some unfavorable phenomena: budget resources are always limited, and in the long-term it is possible to save up the city's own resources only by imposing – if possible – high fees and taxes.

This may have a negative impact on the climate for running business in the city.

According to the used methodology, the full picture of SFC in terms of the city's own funds includes: the city's total income (including subsidies from the state budget), the city's budget own income (per inhabitant) and the share of expenditure for investments in the city's budget.

Gdańsk's total budgetary income in 2005 amounted to PLN 1.25 billion, which is among the lowest among the examined cities. The income per inhabitant was also relatively low (11% lower than the average for the 7 cities) - similarly to the city's own income per inhabitant. This was further complicated by the lowest share of investments in the city's expenses among the 7 cities: 11%.

With the average level of 100 for the 7 cities, SFC in Gdańsk in terms of the city's own resources is 81.

## SFC: resources from European funds

Thanks to Poland's membership in the European Union cities can use the development funds available under structural funds. These are non-returnable grants, covering the majority of the costs of investments conducive to the regional development and the improvement of the quality of life. Using these resources is extremely favorable to the city (the only problem is finding funds for covering the "own contribution" for the project).

Obtaining funds from European funds, however, is somewhat complicated and the bureaucratic procedures related to proper use of funds are extremely inconvenient.

Measuring SFC in terms of European funds is based on the observations of the EU resources obtained by the city (both the pre-accession funds as well as post-accession funds) per inhabitant.

Gdańsk is the leader among the examined cities in terms of acquiring EU funds – the city already showed a high effectiveness in acquiring pre-accession funds.

After Poland's accession to the European Union, the means acquired by Gdańsk are higher by more than 40% than the average for the 7 cities.

With the average SFC level of 100 in terms of European funds for the 7 Polish cities, Gdańsk's indicator is estimated at 143.





# Finances

## SFC: Financial market sources

The funds coming from the financial market can be obtained by raising a loan or issuing communal bonds. In the case of a city with a good financial situation, trusted by investors, a professional issue of bonds usually involves lower costs than raising loans. One of the advantages of funding development from financial market funds is the possibility of completing investments which cost more than the budget is able to cover. An unfavorable phenomenon is incurring debts.

Measuring SFC in terms of funds coming from the financial market includes the following: the proportion of the debt and annual debt servicing costs to the city's income, the proportion of the issue of obligations to the income (this shows the active search for methods of lowering the debt servicing costs).

Gdańsk's situation in terms of sources of funding acquired in the financial market is ambiguous. Although the total debt amounted only to 28% of the budgetary income, which is a safe level, and the proportion of debt servicing to the income was close to the average observed in the 7 cities, the city failed to seek actively optimal forms of funding its growth (e.g. issue of bonds). The rating awarded by the Fitch agency is BBB (which means full capability of paying installments and accrued interest, with some potential problems if the economic situation worsens).

With the average level of 100 for the 7 cities, SFC in Gdańsk in terms of the financial market resources is 81.

## SFC: Mixed funding (public-private)

The financial means obtained by mixed funding are those that are acquired by the city by signing relevant contracts with private investors, which result in funding of projects important for the city's development by the private sector. The use of mixed funding is to be considered

to be the sign of the city's highest capabilities in terms of acquiring financial means for development. Because mixed funding is not popular in Poland yet, we do not include it in the SFC measurement. However, we would like to stress its importance for the future development opportunities of Polish cities.

Gdańsk is one of the leaders in developing the concept of mixed funding. This is being considered as the source of funding in the planned construction of the "Baltic Arena" football stadium, and the planned revitalization of the post-port areas and the construction of the Sucharski route. It is Gdańsk that successfully implemented the water supply system management contract, often presented as a model for other cities.



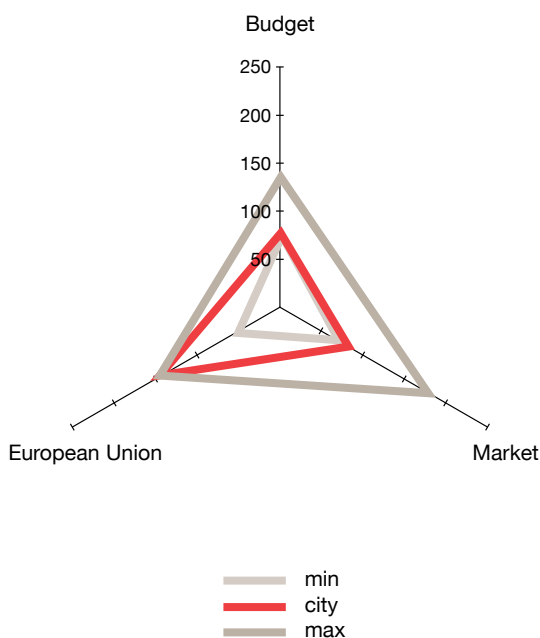
## Gdańsk's Sources of Funding Capital

With the average level of 100 for the 7 cities, Gdańsk's Sources of Funding Capital amounts to 102.

The overall assessment of SFC in Gdańsk is ambiguous. The city has a weak income base and does not do very well in terms of acquiring resources from the financial market. However, it is very effective in acquiring EU funds.

Considering Gdańsk's level of economic development, the weak situation in terms of the income base will continue over the next several years. While continuing to utilize EU funds, the city should more actively optimize the debt structure in order to lower the cost of acquiring capital. In the long run, the city should continue its efforts in terms of the development of mixed funding sources.

### Finances – Gdańsk



### Where to find inspiration?

#### Bilbao

Bilbao is considered to be one of the examples of good usage, financing and balancing of the city's budget. GDP is close to the average GDP of the European Union. The city achieves particular success in acquiring and using funds. It does very well in terms of mixed funding, combining public and private capital, but also uses EU funds.

The EU funds were used e.g. in the city's revitalization project. The revitalization concept assumed an integrated approach to revitalizing the neighborhood by combining training and pro-employment activities with the renovation of buildings and environment improvement programs. In order to create training and employment opportunities, the unemployed were involved in practical works, which gave them the necessary experience, and enabled them to work on improving the city's image and quality of life. Moreover, Bilbao ran a spectacular project of revitalization of the Nervian river bank, whose total cost was estimated at EUR 84 billion, while the city's own contribution amounted to EUR 1.8 billion. The revitalization project was organized by a private entity – a company established by public shareholders. The result, among other things, is the Guggenheim Museum, whose cost (USD 100 million) was covered from private funds in 30%.



# Investments

## Why do we measure Investment Attractiveness Capital?

Investment Attractiveness Capital is primarily understood as the past ability to attract investors to the city, reflecting the general opinions on the city's attractiveness as a place for locating business. This capital is not always closely related to the actual strengths and weaknesses of the city: sometimes cities offering very good conditions are being omitted by investors, whereas others, offering significantly worse conditions, are on the list of the cities popular among investors. The city which is not perceived as a good place for locating investments should do its best to change this situation.

Investors often do not behave in an entirely rational way: investments are located in places where past investments were located, even though other cities might offer better conditions. Location of investments can be also determined by subjective factors of secondary importance: the ease of access to the city for business travelers, the way in which they are treated by the local administration, the first impressions of the visit. This does not change the fact that Investment Attractiveness Capital is of key importance for the future development of the city.

## Measuring Investment Attractiveness Capital (IAC)

The city's Investment Attractiveness Capital is of prime importance to the city's development opportunities. Although the evaluation of attractiveness for investments made by businesses is not always fair, the city has no choice but to promote its image among investors in a patient and effective way.

Investment Attractiveness Capital is primarily measured by analyzing the city's successes in attracting investors – both domestic and foreign. We would like to draw attention, however, to some of the factors which may contribute to consolidating the city's image as a good location for business.

## IAC: foreign investors

The assessment of the city's attractiveness for investments by foreign companies is based on analyzing the investments made over the last several years. One has to remember that foreign companies may be less informed about the real strengths of cities, therefore the scale of the decisions based on common opinions and observing how other companies operate may be significant.

The indicators chosen for measuring IAC in terms of foreign investments are: the number of foreign companies which invested in the area of the city and the estimated value of the largest investments made over the last 5 years.

Gdańsk's situation in terms of the city's attractiveness for foreign investors is average. Although the number of foreign investors active in the city compared to the number of inhabitants is among the highest in the analyzed cities, the estimated size of foreign investments made in the last 5 years is much lower than the average. It is necessary to intensify consistent promotional actions in terms of acquiring new investments - it seems that the city is still a better place for investing than perceived by potential investors.

With the average level of 100 for the 7 cities, IAC in Gdańsk in terms of attractiveness for foreign investors is 92.

## IAC: domestic companies

Domestic companies usually have a broader knowledge of the actual strengths and weaknesses of cities as places for locating the investment than foreign companies, therefore their decisions may be more rational. Our analysis considers, first of all, large domestic companies, which can often have a lot of choice in selecting a place for their investments over the long term.

Primary indicators used to measure IAC in this respect are: the total size of companies' expenses may be more rational. (excluding the estimated expenses made by the largest foreign companies) and the proportion of capital expenditure to the company's property.

Gdańsk's attractiveness for domestic companies seems to be slightly lower than average. Investment expenditure per capita is 11 % lower than the average observed expenditure in the 7 cities, but the proportion of the value of capital expenditure to the city's property is on average with all the 7 cities.

With the average level of 100 for the 7 cities, IAC in Gdańsk in terms of attractiveness for domestic companies is 94.





# Investments

## IAC: subjective investment conditions

Observations – often superficial – in regard to specific conditions for investments and running business in the city can be often more important than the city's actual strengths related to e.g. human capital or infrastructure. Our analysis takes into consideration also these factors which can instantly encourage or discourage companies from making investments.

The following are the indicators used to measure IAC in this respect: the percentage of the city's area covered by spatial development plans, knowledge of English among inhabitants (the indicator developed by PricewaterhouseCoopers on the basis of the assessment of the percentage of the population with knowledge of English and the proficiency level) and the number of beds in 4- or 5-star hotels (compared to the number of inhabitants).

Gdańsk's situation in terms of subjective conditions for investments is very good. The percentage of the city's area covered by spatial development plans is 36%, which is the highest among the examined cities. The problem is the weak knowledge of English and the lack of services expected by investors e.g. the low number of hotel buildings located in the entire agglomeration of the Tricity.

With the average level of 100 for the 7 cities, IAC in Gdańsk in terms of investment conditions is 131.

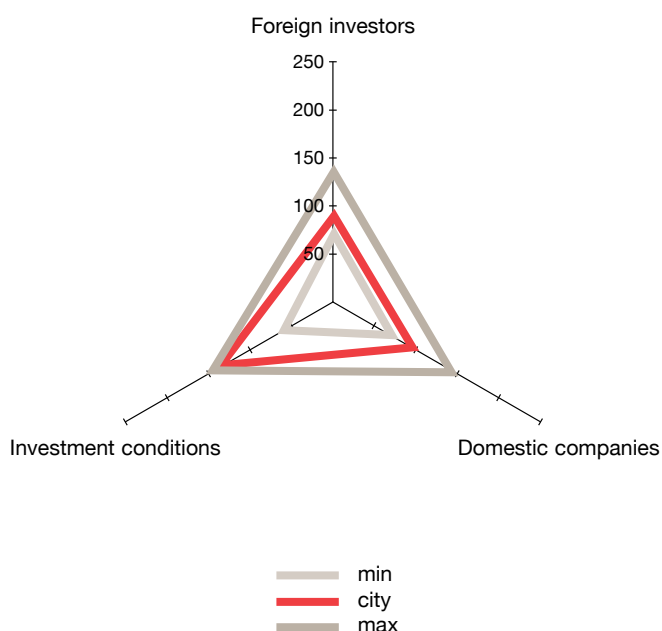
## Gdańsk's Investment Attractiveness Capital

With the average level of 100 for the 7 cities, Gdańsk's Investment Attractiveness Capital is 102.

The overall assessment of Gdańsk's Investment Attractiveness Capital is varied and there is no doubt that it can be further improved significantly. The city managed to attract a lot of foreign investors, while the subjective investment conditions are very good. However, the size of foreign investments could be greater. Gdańsk is not perceived equally favorably by domestic investors.

The city should continue the consistent policy of promotion, making better use of its actual investment-related assets. The city's priority should be the improvement in terms of investment conditions by, first of all, improving the situation in terms of those services that are expected by investors.

### Investments – Gdańsk



### Where to find inspiration?

#### Frankfurt

Frankfurt is one of the leaders in investment attractiveness for business (according to the Cushman & Wakefield ranking). The value of the investments in construction in 2004 amounted to EUR 1.6 billion; also high is the number of new businesses emerging in the city. Frankfurt has very high GDP per capita (almost EUR 75 thousand), which is higher than GDP in Paris (EUR 67.2 thousand) and London (EUR 35 thousand). Frankfurt's advantages include: easy access to markets and clients, qualified and cost-effective personnel, good city communication, very good communication infrastructure (the administration and companies are highly computerized), availability and low costs of office space, as well as high quality of life of workers. Frankfurt has good connections with the rest of Europe and the world – transport availability indicators (EU average 27=100) amount, respectively, to 187 for road transport, 230 for trains, and 199 for air transport. The number of flights (passenger and cargo) in 2005 exceeded 475 thousand. In the case of Frankfurt, the important thing is the city's openness in regard to innovativeness, not only in terms of education, but also business.

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