

Report on major Polish cities



Poznań

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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.



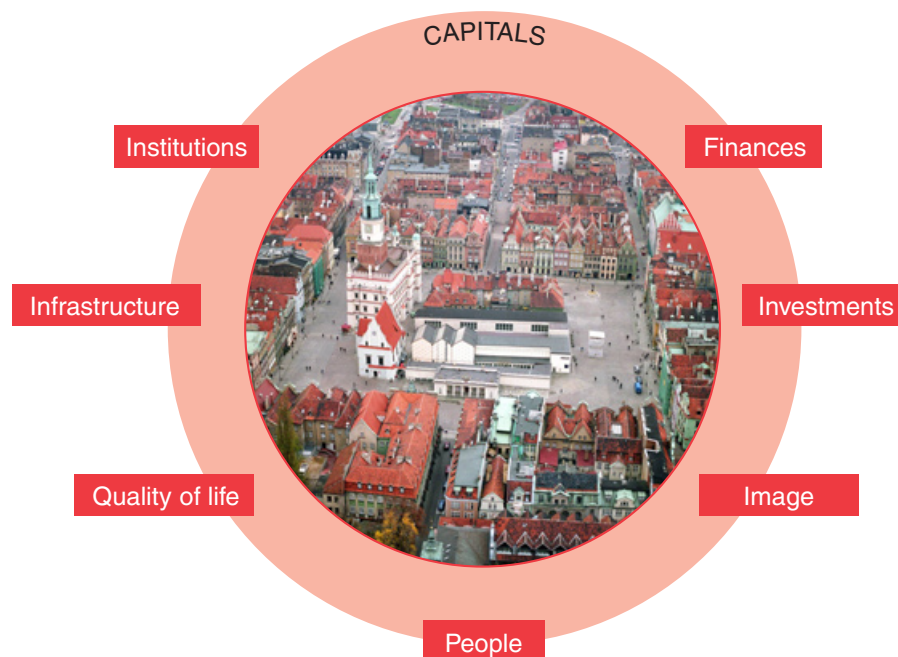
Methodology

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.

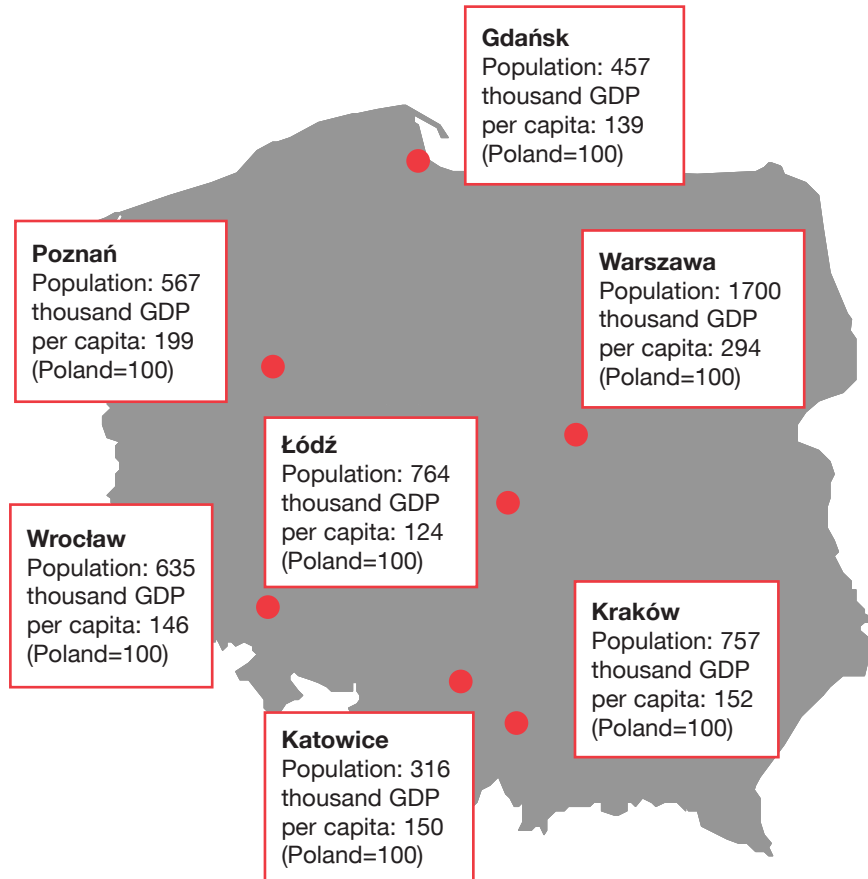




Methodology

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.

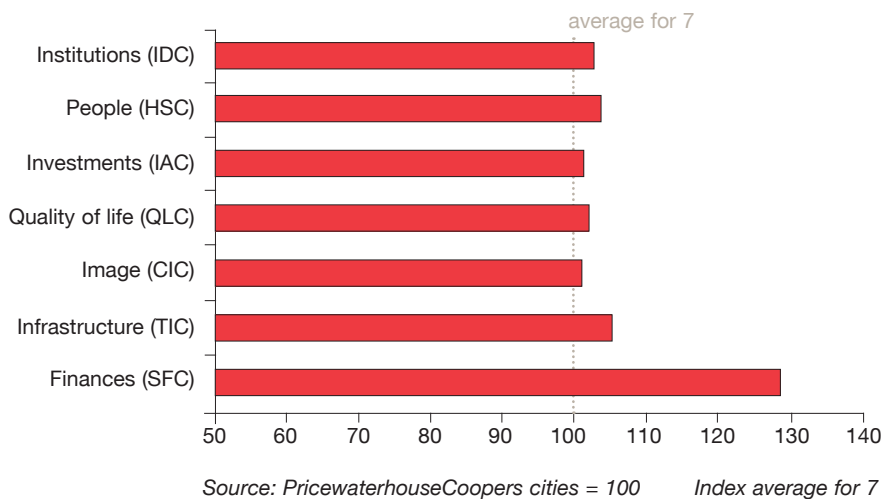
Essential recommendations



Poznań:

The fortress of Wielkopolska needs to open its gates onto the world

Poznań – overall evaluation of the development of 7 capitals



Where to find an example?

Frankfurt

The city which took advantage of its traditional assets to achieve huge attractiveness for investors.

Oslo

The city which managed to reconcile economic growth with a very high quality of life.

Poznań's development potential is very high, but unevenly distributed. The city has efficiently managed finances, effective municipal institutions, high human capital, quality of life and everyday culture, and well-developed infrastructure. At the same time, Poznań's image is worse than expected, the investment conditions are moderately favorable, the condition of air connections with Poland and the rest of the world is unsatisfactory, high-cultural activity is low and social activity is also relatively weak. It seems that the city suffers from the "closed fortress" syndrome - the city which on the one hand successfully overcame the challenges of the economic development due to its traditional assets - primarily, the high working ethos and entrepreneurship, while on the other hand, remained to a large extent closed against the outside world. If this situation were to change, Poznań could make better use of its development potential.

Greatest strengths:

- Effective institutions and well-managed finances
- Traditional assets: entrepreneurship and working ethos
- High quality of life
- High quality of education

Problems to solve:

- Moderately favorable investment conditions
- Low image-related attractiveness
- Limited air connections with Poland and the rest of the world



Poznań





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.

Poznań's demographic situation is one of the best among the examined cities. The demographic load indicator is 0.48 (which means that there is less than one younger or older person per 2 working-age persons), which is the lowest indicator for the examined cities. Similarly, the percentage of post-working age persons is the lowest (16.7%), while the number of births is the highest in the examined group (9.5 children per 1000 inhabitants). With the average HSC level of 100 in terms of population for the 7 compared cities, HSC in Poznań is estimated at 108.

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.

Poznań's situation in terms of people's education is very good compared to the 7 examined cities. The percentage of people with higher education is 20%, which is close to the average level in the other six cities. The secondary education indicators are equally good. Also the proportion of the number of students to the number of inhabitants is very good (22%).

With the average level of 100 for the 7 cities, HSC in Poznań in terms of education is 108, which is among the higher results among the compared cities.

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.

Poznań's situation in this respect is good. The support for Poland's membership in the European Union was slightly higher than in the 7 cities on average and amounted to 85.2% (in the other examined cities this indicator ranged from 81.5 to 87.8%). The percentage of people running their own business is 11.6%, which is among the higher results in Poland. This confirms the common opinion about the high working ethos and entrepreneurship of the city's inhabitants.

With the average level of 100 for the 7 cities, HSC in Poznań in terms of pro-market attitude is 108.





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.

Poznań's situation in the job market is moderately favorable for investors, considering the low unemployment rate (5.1%) and the relatively low number of job offers per 1000 inhabitants. On the other hand, the pay level in the city is close to the average for the 7 cities, while the wages increase dynamic observed in 2003-2006 is not very high compared to the other examined cities (11%), which should encourage investors. The situation, however, is made more difficult by the fact that the availability of workers with education in technical and exact sciences is 12% lower than the average for the compared cities.

The overall HSC assessment in terms of the job market is moderate. With the average level of 100 for the 7 cities, HSC in Poznań is 97.

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 Poznań is quite low - there are slightly more than 4 organizations registered per 1000 inhabitants, while the average number in the other major Polish cities is close to 5. Also, these organizations' activity on the Internet is relatively low. The average attendance in the 2005/2006 elections was 51 %, which is slightly above the average for the 7 examined cities.

With the average level of 100 for the 7 cities, HSC in Poznań in this respect is 97.

Poznań's Human and Social Capital

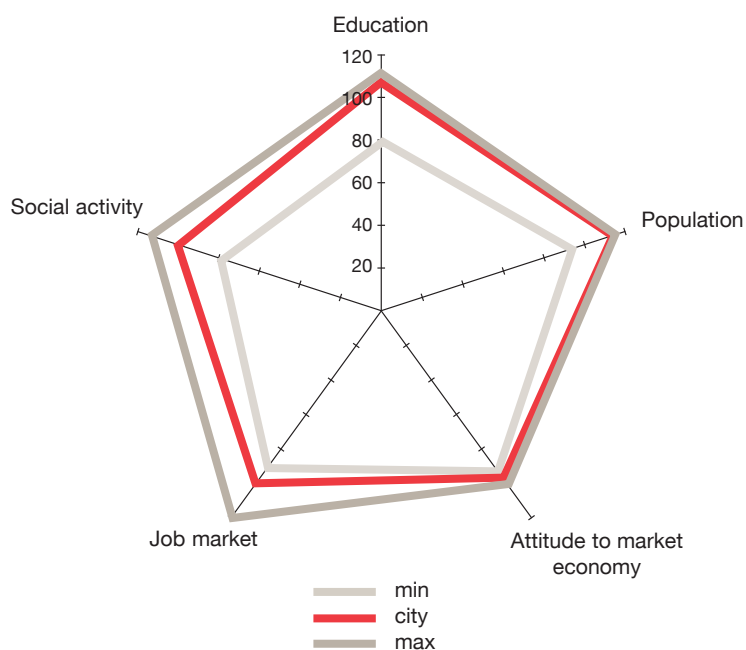
With the average level of 100 for the 7 cities, Poznań's Human and Social Capital amounts to 103.

Compared to other major cities of Poland, Poznań's HSC is well-developed. The assets include a favorable demographic situation, a high level of education of inhabitants and their pro-market attitude.

The relatively weaker results include the civic activity and job market situation. In the long term, the city may have problems with insufficient supply of qualified workers, especially those with technical education.

The important elements of the city's policy should include the support for economics and technical education, creating further incentives for taking up economic activity by the inhabitants, the support for civic initiatives and ensuring proper availability of qualified workers. In the long run, the city should attempt to attract a higher number of sought-after specialists.

People – Poznań



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.

Poznań's situation in terms of environmental condition is good. This is primarily due to the low air pollution, as well as the fact that Poznań processes 100% of waste. On the other hand, the relatively high vehicle traffic density causes high exhaust emissions (1036 vehicles per km², compared to 1017 on average in the 7 cities), while the waste management program needs improvement - today, the city's dumps accommodate 100% of waste, while according to the EU standard, the upper limit will be 75% from 2010.

With the average HSC level of 100 in terms of environmental condition for the 7 compared cities, HSC in Poznań is estimated at 106.

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 availability of quality healthcare services in Poznań is average. The number of doctors per 1000 inhabitants is the highest among the 7 cities, but the number of points awarded to healthcare institutions in Poznań - although some of them achieved high positions - is definitely lower than the average for the 7 cities. The infant mortality rate - considered to be the most synthetic gauge of people's healthiness and functioning of healthcare - is low. This amounts to 5.7 deaths per 1000 live births (this indicator is close to the average of 7 among the 7 cities).

With the average level of 100 for the 7 cities, QLC in Poznań in terms of healthcare is 99.





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.

Poznań's situation in terms of educational services is good. The city comes third in the university ranking, behind Warsaw and Kraków. The assessment, however, is marred by the relatively low success rate for high school final exams (83.1% compared to the average of 84% in the seven cities).

With the average level of 100 for the 7 cities, QLC in Poznań in terms of quality of education is 107.

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).

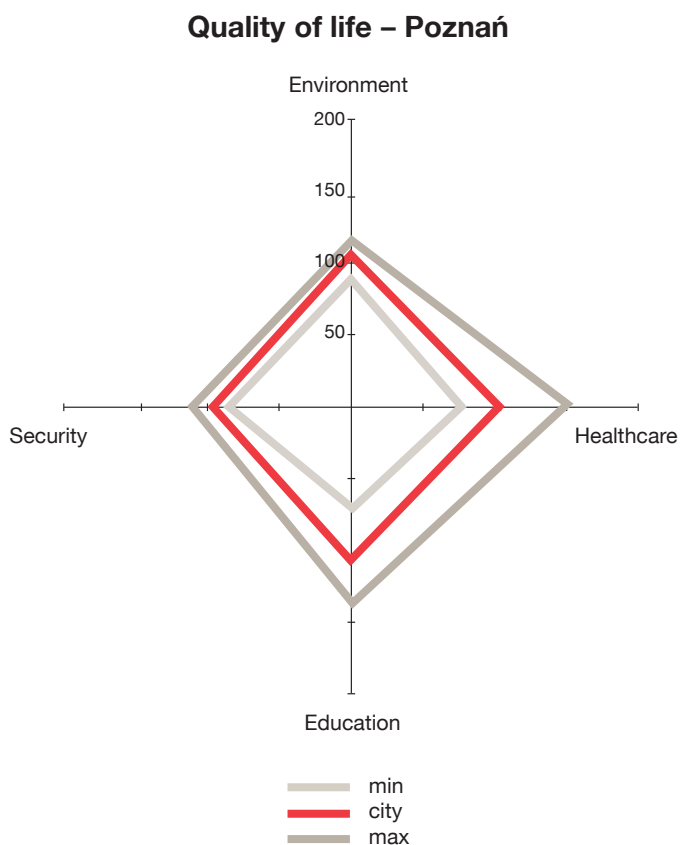
The results suggest that Poznań ensures an average level of safety to its inhabitants and visitors. The number of recorded crimes in the period of January 2005 - June 2006 is relatively high (although this phenomenon may be due to the custom of reporting even minor crimes). Also the number of road collisions and accidents is high (in both cases slightly above average for the 7 examined cities). Note, however, that the actions taken by the city (e.g. one of the most advanced CCTV systems in Poland) present an opportunity for improving the situation significantly. Also, Poznań introduces programs which aim to improve safety in schools and counteract drug abuse and related crimes.

Poznań's Quality of Life Capital

With the average level of 100 for the 7 cities, Poznań's Quality of Life Capital is 102.

The overall evaluation of Quality of Life Capital in Poznań seems to be positive. The city does well in terms of the environmental condition and education, while its results in terms of healthcare and security are lower.

The situation in terms of security can be improved, provided that an effective and well-planned development strategy is implemented. Improving safety should be among the city's priorities, as well as improving the quality of healthcare.



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.

Poznań’s situation in terms of overall image is moderately good. Although the city’s presence on the Internet is low, it attracts a lot of tourists (nearly 750 thousand tourists a year, although this result is rather low if compared to the number of the city’s inhabitants. The percentage of people running their own business is 11.6% and is one of the highest in Poland, contributing to the image of Poznań as a dynamic city with a high working ethos. Clearly low, however, is the level of acceptance for the city’s authorities - the current president received only 37% of votes in the first round of the elections.

With the average CIC level of 100 in terms of overall image for the 7 Polish cities, Poznań’s indicator is estimated at 85.





Image

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).

Poznań's situation in terms of high culture is worse than what the city is capable of. Poznań's budget assigned for culture per capita is among the lowest in the major Polish cities (although some of the cultural institutions are funded directly from the city's budget). The number of shows and concerts is much lower than the average for the examined cities, while the number of theater festivals is only slightly higher. In terms of classical music festivals, the results are much higher than the average, similarly to the results for film festivals. Despite the significant cultural potential and traditions, as well as numerous successful cultural events (e.g. a major European theater festival and an international violin competition), Poznań's situation in terms of high culture is not particularly good compared to other Polish cities.

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

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).

Poznań's everyday culture indicators are very good. This refers both to the number of movie theater seats (23.8 per 1000 inhabitants), as well as the amount of green lands in the city (5.8 ha per 1000 inhabitants). The number of restaurants and stadium seats is slightly above average for the compared cities. In terms of everyday culture, Poznań is a leader, whose position is strengthened by the numerous sports events, due to which the city has been hailed as "the city of sports" (e.g. the highly-valued European junior football championships).

With the average level of 100 for the 7 cities, CIC in Poznań is the highest among the compared cities, with the level of 129.

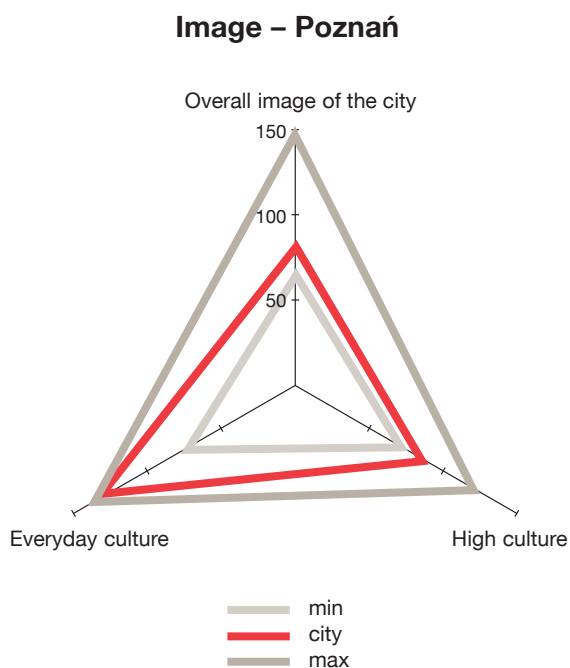
Poznań's Culture and Image Capital

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

Culture and Image Capital in Poznań requires further, intensive growth. Poznań is recognized in the world mainly through business, but the overall image of the city, the number of tourists and the position on the cultural map of Poland are lacking. The city offers its inhabitants and visitors the highest quality of everyday culture among the compared cities.

In order to ensure further successful development of the city, it is necessary to assign additional resources for well-planned activities aiming to improve the city's image and promote Poznań in Poland and abroad.

The authorities should also provide more support for the development of high culture.



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).

The effectiveness of municipal institutions in Poznań is generally high. Despite of the above, the inhabitants' assessment of the functioning of the city's authorities seems to be relatively low, which is shown in the number of votes received by the current president in the first round of the elections (37% of votes - one of the lowest results among the 7 examined cities). While the expenses on public administration per inhabitant are the lowest among the analyzed cities, the waiting time for the entry in the economic activity register is very short. This may suggest a relatively higher effectiveness of offices and a higher effectiveness of using funds. The availability of offices in convenient hours is slightly higher than the average for the major cities, while the situation is further improved by the possibility of settling business via the Internet or by phone.

With the IDC level of 100 for the 7 cities in terms of effectiveness of administration, Poznań's indicator equals 111.

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.

Poznań is a relatively safe city. Although the per capita expenses on security are lower than the average for the examined cities, the crime levels are not high. The number of police officers and guards and the crime detection rate are relatively high. The actions taken by the city (e.g. the most advanced CCTV system in Poland) present an opportunity for improving the situation.

With the average level of 100 for the 7 cities, IDC in Poznań in terms of public safety equals 102.





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

Social activity in Poznań is quite low - there are slightly more than 4 organizations registered per 1000 inhabitants, while the average number in the other major Polish cities is close to 5. Also, these organizations' activity on the Internet is relatively low. The average attendance in the 2005/2006 elections was 51 %, which is slightly above the average for the 7 examined cities.

With the average level of 100 for the 7 cities, IDC in Poznań in terms of social activity is 97.

Poznań's Institutional and Democratic Capital

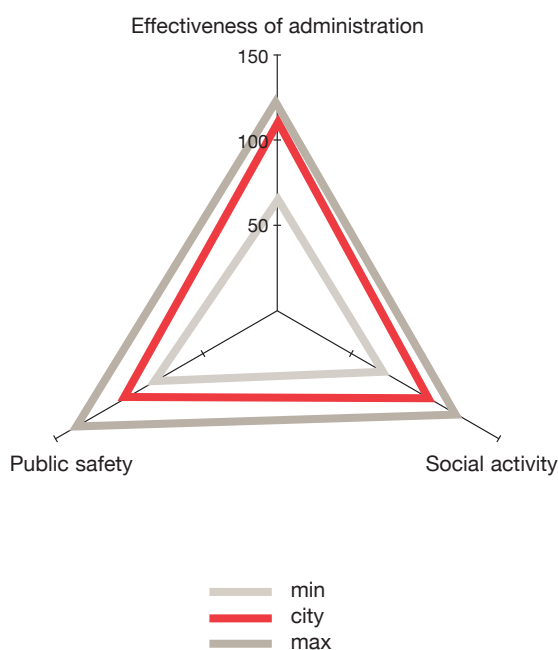
With the average level of 100 for the 7 cities, Poznań's Institutional and Democratic Capital is 103.

Institutional and Democratic Capital in Poznań is slightly higher than the average. The effectiveness of municipal institutions is high, but the city should improve on its social activity, as well as public security.

In order to ensure successful development for the city, it is necessary to improve public safety in the city by assigning more money and by creating an effective crime-fighting strategy.

This should become one of the city's priorities. At the same time, strengthening of non-governmental activity which helps fight social and political passivity of the inhabitants should result in the improvement of the democratic mechanisms in the city.

Institutions – Poznań



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.

Poznań's transport-related infrastructure is slightly weaker than the average for the examined cities. Although the road network density is satisfactory and the number of vehicles per 1000 inhabitants is 9% higher than the average for the 7 cities, the number of seats in public transport per 1000 inhabitants is among the lowest in the major cities of Poland. Note, however, that, compared to other Polish cities, Poznań has a large number of advanced vehicles (buses and trams), due to which the city's situation in this respect is above average. One of the lingering problems is the weak condition of air connections with the world and the lack of air connections with Poland (except Warsaw). The condition of train connections with other Polish cities is very good (the condition of bus and train station infrastructure, however, may raise some objections).

With the average level of 100 for the 7 cities, TIC in Poznań in terms of transport is 96.

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.

There are nearly 392 apartments per 1000 inhabitants in Poznań, which is slightly below the average for the 7 examined cities (406). The quality of housing resources, however, is relatively good - the percentage of old apartments, as well as those with no basic amenities is among the lowest in the compared cities. The increase rate of the number of new apartments in 2002-2006 was relatively high and amounted to 6.3% (compared to 5.5% on average in the 7 cities). The real-estate market operates quite effectively, while the rents are average among the 7 cities.

With the average level of 100 for the 7 cities, TIC in Poznań in terms of housing resources is 104.





Infrastructure

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).

In terms of media, Poznań's situation is good. Although in terms of power consumption, Poznań is a little below the average for the 7 cities (which may result from the traditional frugality of the inhabitants), in terms of all the other indicators: the number of fixed telephony subscribers and the percentage of people with access to the water supply and sewage networks, the city's results are average among the examined cities. In terms of the number of Internet users, Poznań's result is 16% higher than average.

With the average level of 100 for the 7 cities, TIC in Poznań in terms of media is 103.

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.

In terms of media Poznań's situation is good. Although in terms of power consumption, Poznań is a little below the average for the 7 cities (which may result from the traditional frugality of the inhabitants), in terms of all the other indicators: the number of fixed telephony subscribers and the percentage of people with access to the water supply and sewage networks, the city's results are average among the examined cities. In terms of the number of Internet users, Poznań's result is 16% higher than average.

With the average level of 100 for the 7 cities, TIC in Poznań in terms of media is 103.

Poznań's Technical and Infrastructural Capital

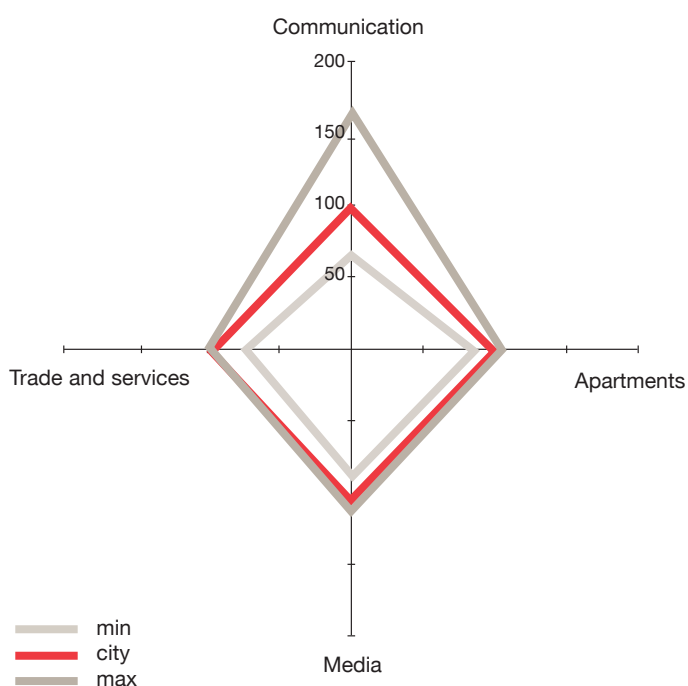
With the average level of 100 for the 7 cities, Poznań's Technical and Infrastructural Capital

equals 106. The assessment of Poznań in terms of Technical and Infrastructural Capital is good.

The city's results are good in terms of housing resources, media and the trade and services base, while the results in terms of transport-related infrastructure are a little lower.

In order to improve on Technical and Infrastructural Capital, the city should improve its public transport and solve the problem of the insufficient number of air connections with the world by intensifying promotion of the development of the local airport.

Infrastructure – Poznań



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.

Poznań's total budgetary income in 2005 reached PLN 1.7 billion and was among the lower results in the examined group of cities. The income per capita was also lower than the average for the 7 cities - similarly to the city's own income per inhabitant. However, the share of investments in the city's expenses was relatively high, and equaled 19%.

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

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.

Poznań is quite effective at acquiring EU funds; at the moment, the city comes third, behind Gdańsk and Wrocław, in terms of the amount of funds acquired in 2004-2006.

With the average SFC level of 100 in terms of European funds for the 7 Polish cities, Poznań's indicator is estimated at 103.





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).

Poznań's situation in terms of acquiring resources in the financial market is definitely the best among the examined cities. Although the total debt is as high as 41% of the city's budget, this level remains safe. Also, the proportion of debt servicing to the income was below the average observed in the 7 cities. Poznań has the highest rating in Poland, awarded by the Moody's agency: A3 (which means a full capability of paying installments and accrued interest, which may be lowered if the economic situation worsens). The assessment of SCF in terms of resources coming from the financial market is favorable, considering the above-discussed indicators (the proportion of the debt/bonds to the income and the rating awarded to Poznań by an international rating agency). Note, however, that the city still does not take advantage of the full range of funding sources for large investments; for example, so far the city has not issued any revenue bonds (most of its debt is comprised of communal bonds).

With the average level of 100 for the 7 cities, SFC in Poznań in terms of the financial market resources is 180.

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.

Poznań's progress in terms of mixed funding is low. Note, however, that although the city did not manage to finalize the hybrid project in terms of water supply and sewage services in the 90's, Poznań was a pioneer in this field. At the moment, the city does not consider any mixed funding projects, except for the already-constructed underground parking lot realized using the BOT method (Build-Operate-Transfer). However, considering the city's strategy, which features the development of sports-related infrastructure, it seems that the construction, for example, of the sports auditorium hall by means of mixed funding would be a sound idea.

Poznań's Sources of Funding Capital

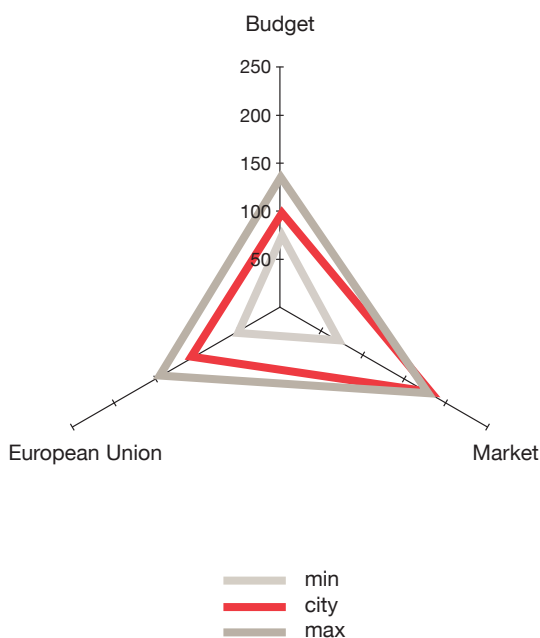
With the average level of 100 for the 7 cities, Poznań's Sources of Funding Capital amounts to 128.

Therefore, the overall assessment of SFC is extremely favorable for Poznań. The city has a stable income base, which mainly results from the high economic activity.

The city does very well in terms of acquiring financial market resources and EU subsidies.

Considering the level of economic development and activity in Poznań, as well as the relative effectiveness in terms of acquiring EU funds, the city should not have any major problems with funding its development-related projects. However, greater activity would be required in terms of seeking mixed forms of funding - if the city does not take advantage of this opportunity, it will make it difficult to ensure long-term growth for the city.

Finances – Poznań



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.

Poznań's situation in terms of attractiveness for foreign investors is good. Although the number of foreign investors active in the city compared to the number of inhabitants is relatively low, the estimated size of the investments made in the last 5 years per inhabitant is second only to Katowice - 20% higher than average. Some objections, however, may be raised due to the relatively low dynamic of the increase of new investments and foreign capital, despite of the spectacular projects, such as Microsoft's or GlaxoSmithKline's investments. To a large extent, this may be due to the inconsistent promotional policy of the city.

With the average level of 100 for the 7 cities, IAC in Poznań in terms of attractiveness for foreign investors is 97.

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.

Poznań's investment attractiveness from the point of view of domestic companies is very high. Capital expenditure per inhabitant is 45% higher than the average for the 7 cities, and the proportion of capital expenditure to the city's property is the highest.

With the average level of 100 for the 7 cities, IAC in Poznań in terms of attractiveness for domestic companies is 139.





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).

One of Poznań's problems is the subjective investment conditions. The percentage of the city's area covered by spatial development plans is 13%, which is among the lowest in the examined cities. An even more serious problem is the underdevelopment of many of the basic services, expected by investors: e.g. a small number of high-standard hotels and the relatively weak knowledge of English among the inhabitants.

With the average level of 100 for the 7 cities, IAC in Poznań in terms of investment conditions is 71.

Poznań's Investment Attractiveness Capital

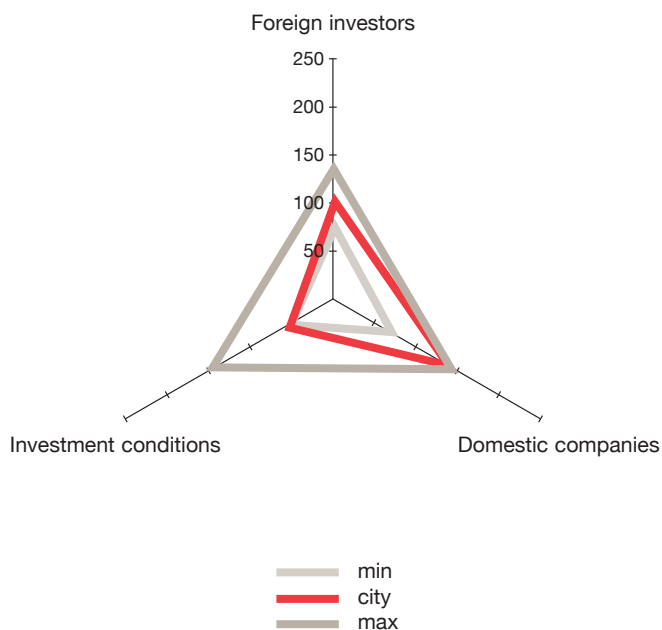
With the average level of 100 for the 7 cities, Poznań's Investment Attractiveness Capital is 101.

The overall assessment of Investment Attractiveness Capital in Poznań is good. The city had its share of success and managed to attract a lot of foreign investors; it is also well-perceived by domestic companies.

On the other hand, Poznań's subjective investment conditions are weaker and need improvement.

It seems that the city's priority should be the improvement in terms of investment conditions (primarily, improving situation in terms of those services that are expected by investors e.g. high-class hotels).

Investments – Poznań



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.

Contact

Public Sector Services Team



Olga Grygier
Partner
Phone: +48 22 523 42 14
E-mail: olga.grygier@pl.pwc.com



Marzena Rytel
Deputy Director
Phone: +48 22 523 46 85
E-mail: marzena.rytel@pl.pwc.com



Maja Koźmińska
Manager
Phone: +48 22 523 42 92
E-mail: maja.kozminska@pl.pwc.com



Alina Sarnacka
Manager
Phone: +48 22 523 40 82
E-mail: alina.sarnacka@pl.pwc.com



Michał Mastalerz
Director
Phone: +48 12 429 61 00
E-mail: michal.mastalerz@pl.pwc.com

Poznań Report Coordinator:



Małgorzata Malecka
Tel.: +48 61 850 51 22
E-mail: malgorzata.malecka@pl.pwc.com

PricewaterhouseCoopers
Al. Armii Ludowej 14
00-638 Warszawa
tel.: +48 22 523 4000
fax: +48 22 523 4040

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