

TRANSPORT SITUATION IN POLAND IN 2004

1. Traffic trends.

In the period from January to September 2004, total sales of services in transport enterprises (with more than 9 employees) was 7.0% higher than in the corresponding period of last year, the growth rate was however slowed down to 4.0% in the 3rd quarter. A higher than average increase in sales was recorded in road transport – by 10.4%, air transport – 24.9% and operation of transport agencies – by 28.5%. Sales declined in railway – by 5.8% and maritime transport.

In the first half of the year, the fleet of transport enterprises transported a total of 234.6 mn tons of goods, i.e. slightly more than in the corresponding period of the last year (by 0.5%). An increase took place in all types of transport, with the exception of maritime transport. From January to September 2004 120.6 mn tons of goods were transported by rail, i.e. 1.2% more than in the corresponding period of 2003. In the second largest transport group in terms of its share, i.e. in commercial road transport (in units with more than 9 employees), 54.5 mn tons of goods were transported in the first half of this year, i.e. 2.6% more than in the first half of 2003. It has to be noted that the potential of road transport enterprises rose by 12,9%. Maritime transport dropped by 20.7% in comparison to first 3 quarters of 2003, mainly as a result of a decline in tramping – by more than 30%. However, in linear trade, transport increased by more than 20%. In the 3 quarters of 2004, commercial seaports loaded and unloaded 43.0 mn tons of goods, i.e. 8.6% more than in the corresponding period of last year. In the first half of 2004, public means of transport (in units with more than 9 employees) carried 787.1 mn passengers, i.e. 2.4% fewer than in the previous year. The decline was observed in all modes of transport except of air transport – which recorded an increase of 21.4%.¹

2. Obstacles to the development of transport

- **Obsolete and underdeveloped transport infrastructure** – Poland lacks a coherent network of motorways and expressways, which could link major cities and industrial areas. The quality of existing roads cannot handle growing number of cars and traffic volume. Moreover the pavement of large part of Polish roads is not suited for heavy loads in freight transport – only 5% is suited for 115 kN axle load. Also the quality of railway network is insufficient, what results in lower competitiveness of rail transport. Only 2,300 km allows the speed of 120 km/h or higher. Inadequate infrastructure hinders also development of seaports and airports.
- **Inefficiency of rail transport** – Rail transport still characterises by low competitiveness and services quality. At the same time it absorbs enormous public funds. Modernisation of polish state railways will be a huge strategic challenge for the Polish government.
- **Old transport fleet** – This problem is particularly visible in inland waterway and maritime transport. The obsolete fleet might lead to gradual elimination of these modes from Polish transport sector. Moreover old vehicles create a significant risk for environment.
- **Low quality of public transport services** – Whilst the accessibility of public transport is fairly good, its quality does not meet demands and requirements of the society.
- **Low level of road transport safety** – it is one of the greatest problems of Polish transport.²

¹ Source: "The economy of Poland, September 2004" (Informacja o sytuacji społeczno-gospodarczej kraju, Wrzesień 2004 r.), GUS 2004

² "National Strategy for Transport Development 2007-2013" (Narodowa Strategia Rozwoju Transportu na lata 2007-2013), Ministry of Infrastructure, 2004

3. Best practices in transport and infrastructure regulation.

▪ **National Road Fund**

The lack of a coherent road network and insufficient quality of existing roads are nowadays the critical barriers to economic development, limiting potential of the Polish economy. The condition of Polish roads hampers the international trade, has a negative impact on foreign direct investments and mobility of labour force. In order to accelerate the infrastructure investment processes a new state institution - National Road Fund - was established on 1 January 2004. The aim of NRF is to support the governmental motorway construction programme by accumulation of financial resources for construction, modernisation and maintenance of motorways, expressways and other national roads in Poland. NRF is managed by Bank Gospodarstwa Krajowego (Bank of National Economy).

The amendment to existing act on paid motorways, which established NRF, introduced also the fuel tax. Fuel tax, included in the fuel price (105 PLN per ton of fuel), is the most important source of the NRF financing. According to estimations of BGK the income from fuel tax in 2004 will amount to 960 million PLN. The Fund is supplied also by tolls, payments of concessionaires and tenants of land adjacent to national roads. Furthermore BGK may draw credits and loans, as well as emit obligations, in order to ensure NRF financial liquidity. Moreover it is planned to supply the NRF with EIB credits.

Such solution guarantees that the financial resources obtained through the fuel tax are earmarked solely for road investment projects by the means of National Road Fund and will not be allocated for other government expenses. According to estimations of General Directorate of National Roads and Motorways in 2005 it will be possible to construct 289 km of motorways, whilst without the NRF it would be possible to construct only 132 km of motorways.

- **Law on transport of dangerous goods by rail** – the law of 31 March 2004 harmonises existing regulations in this field and adjusts it to the EU requirements. It defines the competencies of various control bodies and agencies and defines the obligations of transporters. The new law on transport of dangerous goods is based on existing international solutions – mainly the RID Regulation and ADR agreement, which regulate this field in greater detail.
- **Amendment of Law on rail transport** of 30 April 2004 - It introduces the notion of interoperability, what will facilitate the operations of international rail transport.
- **Law on working time of drivers** of 16 April 2004 – it adjusts Polish regulation to the requirements of European Union. It introduces among others firm limits of working time, extends rest-times and defines obligations of employers. The aim of this law, apart of harmonisation with the EU law, is to improve the road transport safety.

With regard to transport infrastructure, please highlight major developments concerning **“E” networks**, provide information on the part of **infrastructure investments** in terms of % of GDP in 2004 in your country, and describe measures taken in 2004 aimed at **promoting infrastructure investments** (targeted taxes, road funds, regulatory reforms to encourage private investment,...) which could also be of interest to other countries.

In 2003 the volume of total infrastructure investment in Poland amounted to 0,5% of GDP. It is estimated that in 2004 it reached the level of approximately 0,8% of GDP.

Major developments regarding “E” network in Poland:

Rail:

- E-20 – continuation of upgrading to AGC/AGTC standards:
 - section Warsaw – Siedlce (90 km) – completion of works
 - section Siedlce – Terespol (110 km) – preparatory works

- E-30 – section Zgorzelec – Opole – continuation of upgrading to AGC/AGTC standards
- E-65 – preparatory works for upgrading of Warsaw – Gdańsk section

Roads:

- E-30 – construction of a new A-2 motorway section. Overall length of existing sections (Nowy Tomyśl – Poznań – Konin): 152 km. Beginning of construction of the next section (Konin – Stryków, 110 km).
- E-40 – continuation of A-4 motorway construction. Existing sections: Wrocław – Kleszczów (146 km), Gliwice – Kraków (90 km). Construction and modernisation works are underway on remaining sections: Gliwice – Kleszczów (20 km) and Wrocław – Krzywa (92 km)
- E-75 – continuation of construction of S-1 two-lane expressway – section Bielsko-Biała – Cieszyn (33 km)

Moreover, construction of several bypasses in the main transport nodes is underway. All constructed or modernised motorways and expressways will be adapted to 11,5 t per axle load.