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THE DEVELOPMENT OF HOTEL BASE IN POLAND WITH THE USE OF EU FUNDS

Rozwój bazy hotelowej w Polsce przy wykorzystaniu funduszy europejskich

The aim of the paper is to present the role of EU funds in the development of hotel base in Poland. Detailed objectives include identification of changes in the structure of hotels, presentation of the value and number of investments in hotels co-financed by the EU funds and assessment of the role of EU funds in building new hotels in Poland. Descriptive, statistical and graphic methods were used. In the analyzed period the number of hotels in Poland changed from 668 in 1995 to 2209 in 2015. The share of most luxurious (5- and 4-star) hotels have developed most. Financial perspective 2007-2013 differed from the previous one, as much more projects involving hotels were implemented: 208 construction or adaptation and 193 development or renovation ones with total EU co-financing of 631,6 million PLN. The highest values of new hotels constructions or adaptations for hotels characterized voivodships dolnośląskie, warmińsko-mazurskie and opolskie, also regions located in eastern Poland. The highest increase of hotel number was observed in south-eastern and Central Poland, which partly was the effect of implemented regional policy and European Union funds.

Key words: *EU funds, hotels, Poland, hotel classification, development*

Introduction

Regional development policy is aimed at shaping the competitive advantages of regions as a basis for lasting and sustainable development. One of the main tasks of this policy is to create development opportunities, especially in less developed and peripheral regions¹. Although measuring impact of European Union funds on tourism sector is difficult², the author decided to check the influence of the EU funds as an instrument of regional policy on the development of accommodation base, taking hotels as subject of study as similar studies have not been conducted before.

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¹ M. Adamowicz: Wsparcie rozwoju regionalnego w warunkach uczestnictwa polski w Unii Europejskiej Roczniki Nauk Rolniczych, Seria G, T. 98, z.1, 2011, s. 63, za: T. Markowski: Wzrost konkurencyjności regionów. Regionalne i lokalne uwarunkowania i czynniki restrukturyzacji gospodarki Polski, Fridrich Ebert-Stiftung, Łódź 1996.

² B. Bull: Encouraging tourism development through the EU structural funds: a case study of the implementation of EU programmes on Bornholm, The International Journal of Tourism Research 1.3 (May/June 1999), s. 149.

financed by the EU funds (in two Financial Perspectives: 2004-2006 and 2007-2013) and assessment of the role of EU funds in building new hotels in Poland.

Research Methods and Materials

The research was conducted using statistical data published in local databank by Polish Central Statistical Office (CSO) and data collected in the main database of EU-funds beneficiaries (KSI SIMIK and database of Ministry of Development). The period of analysis covers years 1995-2015, due to the availability of statistical data. Descriptive, statistical and graphic methods were used. The data were presented using tables and graphs created using MS Excel and maps elaborated with QGIS software.

The author analyzed the projects implemented in the periods 2004-2006 and 2007-2013 (until 2015). All projects containing the word "hotel" in the project name were selected. In the next step the database was structured, only projects involving creation or modernization of hotels were selected. In spite of performed ordering there is no guarantee that the database contains fully correct data as the correctness depends also on the data given by the beneficiaries to the system. On the basis of the project name all projects were classified by grouping them into two categories: construction / adaptation (new hotels) and development / renovation (reconstruction).

Other –not analyzed projects implemented by entrepreneurs aimed at the development of software for the hospitality industry and for hotel management, enabling on-line booking mechanisms, implementation of innovative portals supporting the work of hotel staff and event organizers and training³. Some projects stimulated the growth of export of services through promotional activities and participation in foreign trade fairs. One hotel for dogs was also co-financed by the EU funds.

Results

Development of hotels in Poland in the period 1995-2015

According to the CSO data, in the analyzed period the number of hotels in Poland changed from 668 in 1995 to 2209 in 2015. Interestingly, there is a systematic decrease in the share of hotels in the cities compared to the hotels located in rural areas⁴. The first seven years were characterized by a slow and structurally balanced development⁵ and after 2003 the increase was much faster with around 100 hotels opened in Poland each year (see Fig. 1). Most luxurious hotels have developed most - the number of five-star hotels increased 19 times and the number of four-star hotels 14 times. This supply is connected with demand - the highest growth dynamics of foreign tourists accommodated in 5-star hotels⁶. The highest numerical increase was observed in three-star hotels, whose number changed from 214 to 1108 in the year 2015. Only the number of one-star hotels

³ M. Niedzińska: Wykorzystanie funduszy europejskich w rozwoju bazy hotelowej w Polsce w latach 2007-2013. Praca licencjacka na kierunku Turystyka i Rekreacja, Warszawa, 2015, s. 40.

⁴ K. P. Wojdacki: Rozwój bazy hotelowej w Polsce – analiza czasowo-strukturalna, *Handel Wewnętrzny* 2014;2(349), s.112.

⁵ R. Czyżycki, M. Hundert, R. Klóska: Statystyczna analiza zmian liczby hoteli w Polsce w latach 1995-2004, *Zeszyty Naukowe Uniwersytetu Szczecińskiego nr 429 Ekonomiczne Problemy Turystyki* Nr 7 2006, s. 165.

⁶ C. Samecki: Analiza rynku hotelowych usług noclegowych w Polsce w latach 2003–2008, *Equilibrium* 1 (4) 2010, s. 256.

decreased by 22% in analyzed period, although in the first years 1995-1998 their number was increasing and started decreasing only after 1999. This trend is negatively perceived by hospitality industries, as a shortage of beds in the tourist (1 or 2 star-hotels) accommodation base is an identified problem in Poland⁷.

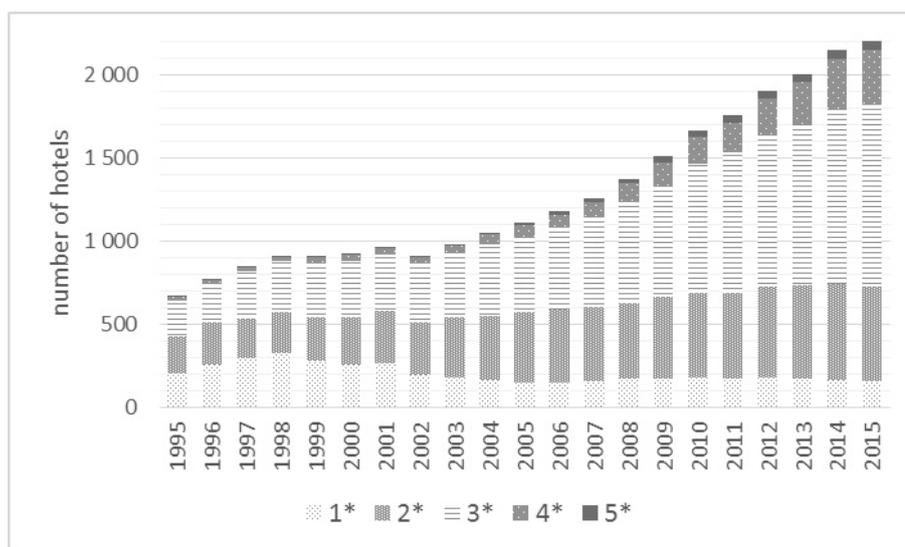


Figure 1. Change of structure of hotels in Poland

Source: author's elaboration based on data of local databank of CSO

The use of EU structural funds by hotel entities

Applications submitted by entrepreneurs referred to the investment, creation of new tourism products, improvement of tourist attractiveness and competitiveness of the cities. The projects were also aiming at improving the quality of tourist offer and standard of hotel services and accommodation, improving the market competitiveness of companies. Investments consisting of construction, reconstruction, expansion and renovation of hotel infrastructure included within its scope not only buildings or hotel rooms, but also equipment as furnishing, elevators, cafes, restaurants, etc. The use of EU funds by hotel entities in the period 2004-2015 is shown in Tab. 1 and 2.

⁷ H. Uszyńska: Polska branża turystyczna oczekuje wsparcia od rządu. Polskie Radio <http://www.polskieradio.pl/42/277/Artykul/1108266,W-Polsce-jest-za-malo-tanich-hoteli-To-glowny-grzech-branzy-turystycznej>.

Table 1. Differences in the use of EU funds for development of hotels in Poland in the period 2004-2015

	perspective 2004-2006		perspective 2007-2013	
	total project value	EU co-financing	total project value	EU co-financing
Mean value [thous. PLN]	1053,1	267,5	5559,9	1575,1
Median value [thous. PLN]	503,8	138,1	2938,7	806,1

Source: author's calculations based on databases of EU funds beneficiaries

Hotels were poorly supported under the 2004-2006 EU budget. Only 45 projects with a total co-financing of 12 million PLN were implemented. This was not caused by the shorter duration of this financial perspective, but generally the projects have had lower value. The median total value of projects amounted 503 thousand PLN with EU contribution of only 138 thous. PLN. In the next perspective, on the contrary, around 6 times more expensive investments were implemented, as the mean value of project involving hotel development amounted 5,5 million PLN.

Table 2. The use of EU funds for development of hotels in Polish regions in the period 2004-2015

Region	perspective 2004-2006			perspective 2007-2013		
	number of projects construction / adaptation	development / renovation	EU co-financing [m. PLN]	number of projects construction / adaptation	development / renovation	EU co-financing [m. PLN]
dolnośląskie	2		0,3	36	21	136,0
kujawsko-pomorskie		1	0,1	7	2	32,6
lubelskie	2		0,3	26	13	46,7
lubuskie	2	2	0,5	6		10,6
łódzkie	2		0,3	2	2	9,2
małopolskie	6	1	4,9	5	10	14,1
mazowieckie	3	1	1,3	2	6	49,5
opolskie	0	0	0,0	29	11	63,2
podkarpackie	2	2	1,0	13	9	20,2
podlaskie	2		0,2	13	10	56,4
pomorskie	3		0,3	3	7	4,0
śląskie	3		1,1	24	70	41,8
świętokrzyskie	1		0,1	21	13	40,5
warmińsko-mazurskie	3		0,4	12	11	87,0
wielkopolskie		1	0,1	6	6	12,0
zachodniopomorskie	2	4	1,2	3	2	7,8

Classification of projects was based on project titles

Source: author's calculations based on databases of EU funds beneficiaries

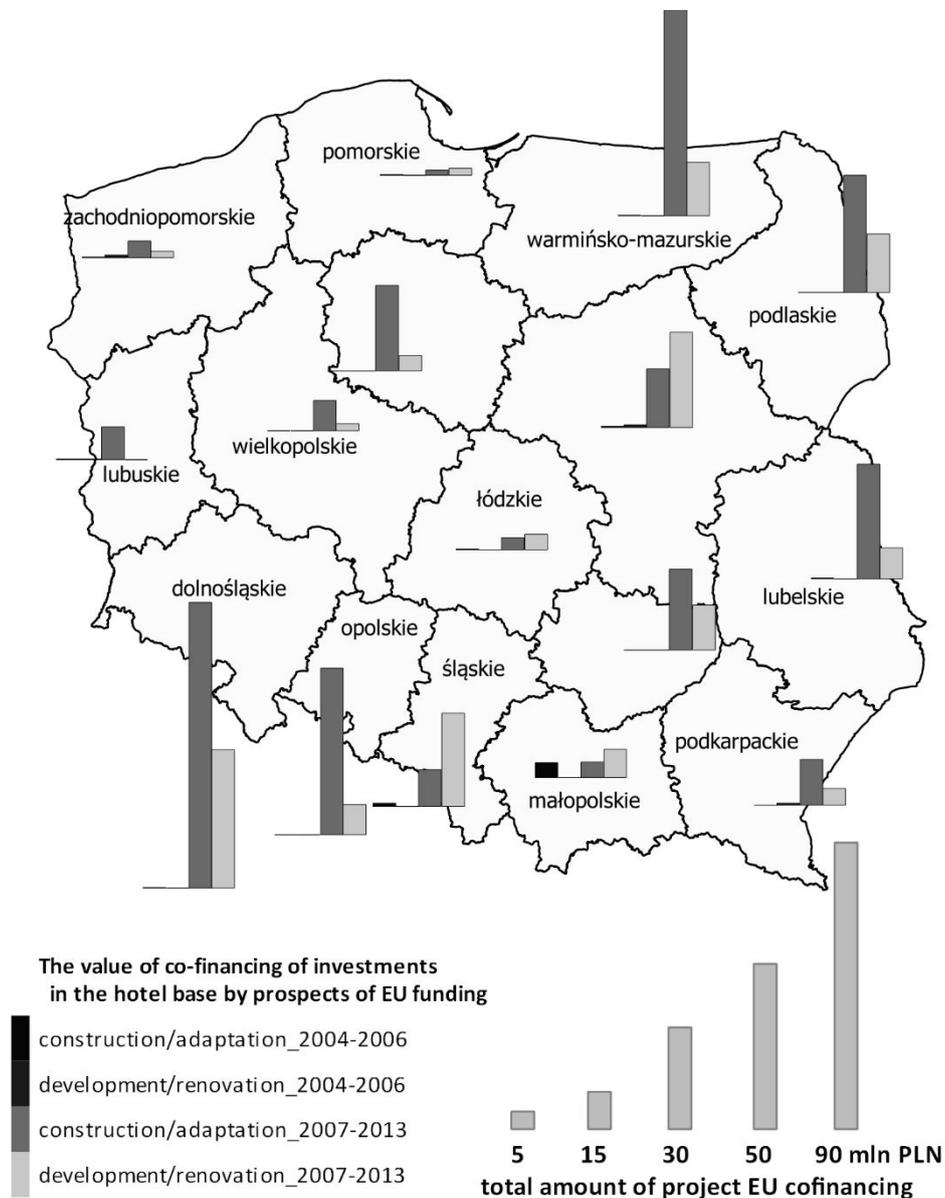


Figure 1. The value of implemented hotel projects with EU funding in Poland (2007-2015)
 Source: author's elaboration based on data of local databank of CSO and KSI SIMIK

In the period 2004-2006 the number of implemented projects amounted 45: 33 constructions or adaptations and 12 development or renovation ones. They were financed by Operational Programme (OP) Increase of Competitiveness of Enterprises (SPO WKP), measure 2.3 Increase of competitiveness of small and medium-sized enterprises

through investments or – mostly - by Integrated Operational Program for Regional Development (ZPORR) - measure 3.4 Micro enterprises. Both OP were implemented in the whole country. Perspective 2007-2013 differed from the previous one. 208 construction or adaptation and 193 development or renovation projects were implemented. The total EU co-financing amounted 631,6 million PLN.

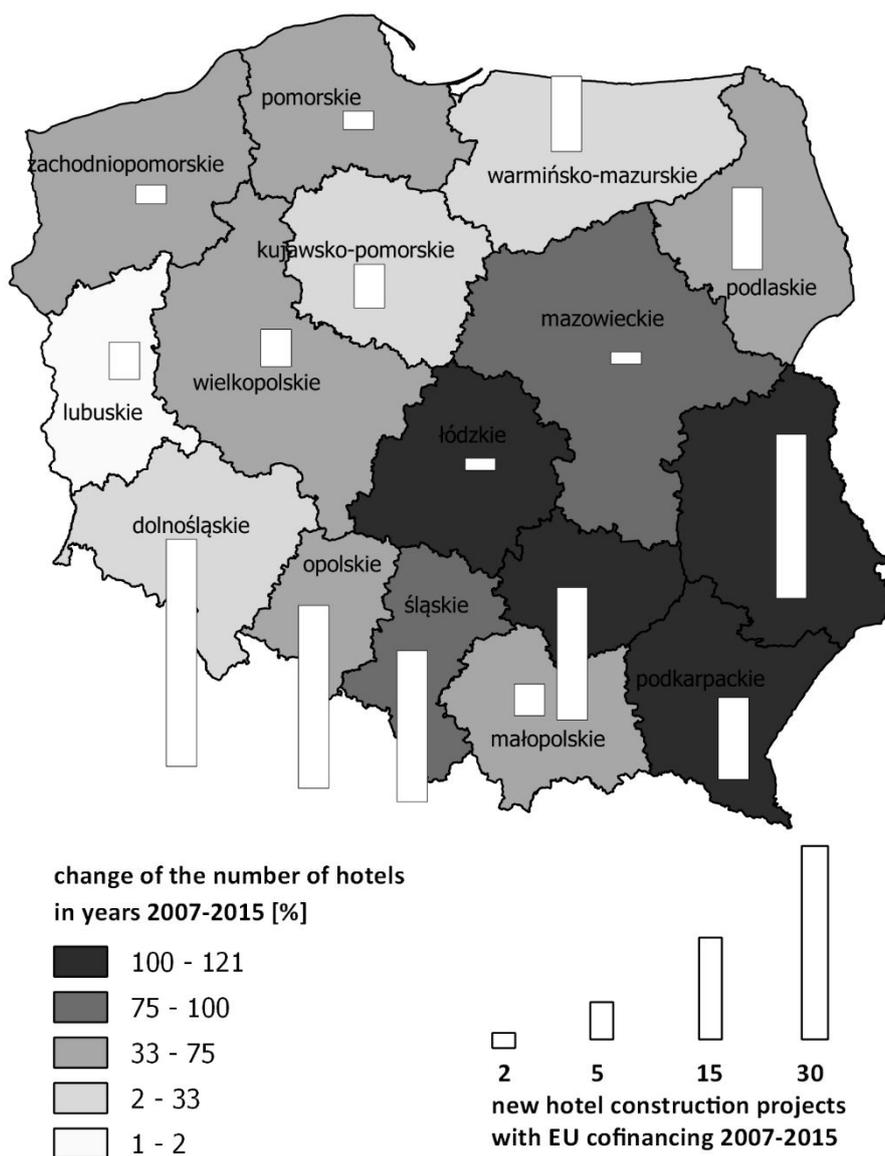


Figure 2. The share of hotels built with EU funding in Poland (2007-2015)
Source: author's elaboration based on data of local databank of CSO and KSI SIMIK

All analyzed projects in the period 2007-2013 were financed by Regional Operational Programs implemented in each voivodship, so one of the reasons for regional differences was the way of formulating priorities in the OP and the amount of funds allocated for development of tourism entities. The value of implemented projects is presented on Fig. 1.

The role of EU structural funds in the development of hotels in Poland

Projects implemented during perspective 2004-2006 had a very low value, only in małopolskie region they amounted about 5 million PLN, while in the second period the value of investments was much higher in every region.

The highest values of new hotels constructions or adaptations for hotels characterized voivodships dolnośląskie, warmińsko-mazurskie and opolskie, also regions in eastern Poland (podlaskie and lubelskie). Dolnośląskie and opolskie have had also the highest amount of co-financing of hotel expansions and reconstructions.

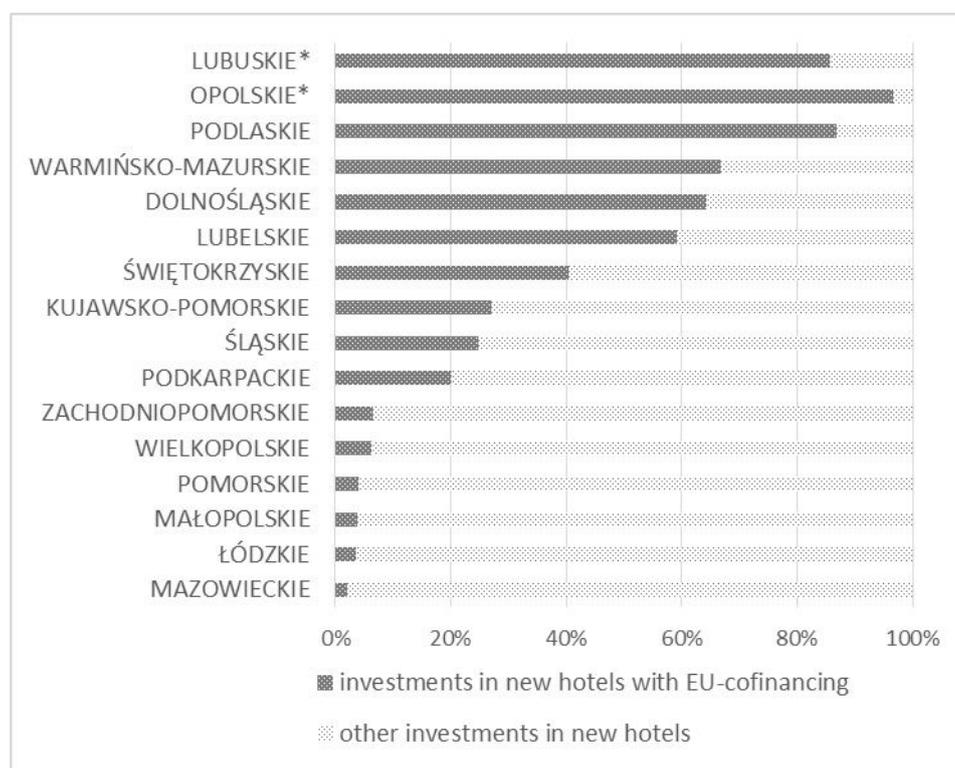


Figure 3. The estimated share of hotels built with EU funding in Poland (2007-2015)
 *) in voivodships lubuskie and opolskie the number of investments was higher than the change of hotels number – therefore the data should be treated as approximate
 Source: author's elaboration based on data of local databank of CSO and KSI SIMIK

As it can be seen on Fig. 2 the highest increase of hotel number was observed in south-eastern and central Poland. In 4 regions (characterized by a relatively lower number of hotels at the beginning of the study period) the number of hotels has doubled, and in 3 of them this increase was connected with the use of EU funds (see Fig. 3). On the other hand, high amount of projects in dolnośląskie and opolskie resulted in a relatively low increase because of well-developed hotel base and therefore a low share of new built hotels there.

The share of hotels built with EU funding in Poland estimated by calculating the difference between number of new hotels and number of EU-co-financed investments was presented on Fig. 3. In voivodships lubuskie and opolskie the number of investments was higher than the change of hotels number – therefore the data should be treated as approximate, but in other regions interesting differences can be observed. 4 regions belonging to the less developed regions of Eastern Poland and dolnośląskie have had a relatively high share of EU co-financed investments, which is strictly connected with high number of implemented projects in those voivodships.

Conclusions

Since tourism is nowadays one of the growing sectors of the economy, the author tried to assess the role of European Union funds as regional policy instrument on the development of this sector.

In the analyzed period 1995-2015 the number of hotels in Poland increased steadily, but the growth was faster after 2003. The years 1995-2015 followed a significant qualitative change in the hotel base, consisting mainly of the very fast growth in the number of top class hotels (5 and 4-star), a relatively low rate of increase in average hotel category (3 and 2-star) and a decrease in the number of 1-star hotels. In 4 regions characterized by a relatively lower number of hotels at the beginning of the study period the number of hotels doubled, so it can be concluded that the regional differences decreased and the cohesion aim of regional policy was fulfilled.

The data published by CSO are not fully correct. Probably not all carriers operating accommodation facilities comply with the obligation to provide statistical reports to the CSO. The author analyzed specific data for siemiatycki county, where during the last years at least two new hotels with EU co-financing were built while official CSO statistics show no progress in this area.

Implemented projects were aiming at improving the quality of tourist offer and standard of hotel services and accommodation. Investments consisted of construction, reconstruction, expansion and renovation of hotel infrastructure, included within its scope not only buildings or hotel rooms, but also equipment as furnishing, elevators, cafes or restaurants. In some cases EU funds were used by non-tourist companies to diversify their activities by opening new hotel services (eg. in construction firms).

The role of EU funds in building new hotels in Poland is varying depending on the region. The highest values of new hotels constructions or adaptations for hotels characterized voivodships dolnośląskie, warmińsko-mazurskie and opolskie, also regions in eastern Poland (podlaskie and lubelskie). Dolnośląskie and opolskie have had also the highest amount of co-financing of hotel expansions and reconstructions. One of the reasons for regional differences was the way of formulating priorities in the OP and the amount of funds allocated for development of tourism entities.

The highest increase of hotel number was observed in south-eastern and central Poland, which partly was the effect of implemented regional policy and European Union funds.

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Streszczenie

Celem pracy jest przedstawienie roli środków unijnych w rozwoju bazy hotelowej w Polsce. Cele szczegółowe obejmują identyfikację zmian w strukturze hoteli, prezentację wartości i liczby inwestycji w hotelach współfinansowanych z funduszy unijnych oraz oceny roli funduszy UE w budowę nowych hoteli w Polsce. Użyto metody opisowej, metod statystycznych i graficznej prezentacji danych. W analizowanym okresie liczba hoteli w Polsce wzrosła z 668 w 1995 roku do 2209 w 2015 roku, przy czym udział najbardziej luksusowych hoteli (5- i 4-gwiazdkowych) wzrósł najbardziej. W perspektywie finansowej 2007-2013 zrealizowano 208 projektów obejmujących budowę lub adaptację budynków na hotele i 193 projekty związane z rozwojem i modernizacją tych obiektów o łącznej wartości dofinansowania UE 631,6 mln zł. Najwyższe wartości nowo budowanych hoteli zaobserwowano w województwach dolnośląskim, warmińsko-mazurskim i opolskim, także regionach położone we wschodniej Polsce. Największy wzrost liczby hoteli odnotowano w południowo-wschodniej i centralnej Polsce, co było po części efektem realizowanej polityki regionalnej i wdrażaniem funduszy Unii Europejskiej.

Słowa kluczowe: *fundusze UE, hotele, Polska, rozwój bazy noclegowej, fundusze europejskie 2007-2013*

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