



TOP CLASS HOTELS GOING UP FAST

Poland's 6.5 million tourists bring annual revenues of more than USD 500 million, a figure not lost on major hotel chains. While Poland's hotel infrastructure is a long way from Western Europe's, business visitors can now find a 4- to 5- star hotel in nearly every major city.

Business visitors account for 40% of Poland's 2.4 million foreign visitors each year, while Poles traveling within the country account for 4.1 million hotel guests each year. According to Poland's Institute of Tourism, 66% of all hotel accommodations were purchased by Polish tourists in 2000.

Business visitors usually stay in top class hotels in major cities. Those visited most often are Warsaw, Kraków, Poznań and Wrocław, where Poland's high-standard

accommodations are clustered. The share of foreign visitors in these cities exceeds 71% of all booked places. It is expected that this trend will rise as investment increases in anticipation of Poland's accession to the EU.

While there has been a general decrease in demand for hotel services recently, new hotels continue to open. Warsaw's hotel market is dominated by the Orbis chain, which was taken over by the French chain Accor (Sofitel, Novotel, Ibis) with a 40% share in the hotel market.

Other international hotel chains are also represented: Marriott, Starwood (Sheraton, Westin), Bass (Holiday Inn, Inter-Continental) and Le Royal Meridien (Bristol). Hyatt and Radisson-SAS will soon open their doors and Best Western, and the French Envergure (Campanille) also plan to enter the market. The most recent openings were Airport Hotel Okęcie and two Ibis hotels.

Kraków is renowned for small, stylish hotels run by private entrepreneurs. The largest chains in the Kraków market are Accor and Holiday Inn.

Year 2000 saw the opening of eight new hotels: Orient, Copernicus, Amadeusz, Atrium, City SM, Niebieski, Maltański, as well as Classic, Secesja and Ruczaj. A Novotel is under construction.

In Poznań, one can find Accor (and its newly-opened Ibis Hotel), Best Eastern Plaza Hotels and Best Western.

Hotels located in Wrocław are: Holiday Inn, Dorint, Qubus, Best Eastern Plaza Hotels and Best Western. Recently finished investments (2001) are: Panorama Mercure, Exbud Duet and Exbud Apartment. Investments for Radisson SAS and Campanille should be finalised in 2002.

The market is still not saturated and other investors have plans for Poland including Hilton, Kempinski, Four Seasons, Movenpick and Jurys Doyle.

In the lower class hotel segments, the demand will steadily grow and it is expected that investors will focus on this segment of the market over the coming years.

by Tadeusz Szumański