

## Socio-economic situation of Poland – main tendencies

In January 2016, the tendencies observed in the previous periods continued in most areas of the economy, though dynamics was slower as compared to the relatively high one recorded in the 4<sup>th</sup> quarter of the previous year (which partly results from the influence of seasonal factors). Sold production of industry grew, in annual terms, to a lesser extent than in the period of October-December of the previous year, whereas construction and assembly production dropped. The growth rate in retail sales was slightly weaker than in the 4<sup>th</sup> quarter of the previous year. A slight drop in the sales of transport services maintained.

A drop in the prices of consumer goods and services in January 2016 was slightly deeper than in the last months of the previous year (0.7% in annual terms). Drop concerned, among others, prices of transport, clothing and footwear and, for the first time in many years, prices of goods and services related to dwelling. However, the prices of food and non-alcoholic beverages were slightly higher than a year before. The year-on-year drop in producer prices in industry and construction continued.

In January 2016 the growth in average nominal gross wages and salaries in the enterprise sector, in annual terms, was higher than in the last quarter of the previous year, whereas the dynamics of retirement and other pensions did not change considerably. As a result, along with a drop in consumer prices, the growth rate of the purchasing power of wages and salaries accelerated to 4.7%, and that of retirement and other pensions – to 4.0% in the employee system and to 3.2% in the case of private farmers.

The situation in the labour market was more favourable than a year before. The growth rate of average paid employment in the enterprise sector improved. Despite the seasonal growth in unemployment, the registered unemployment rate was at a lower level than at the end of January of the previous year (10.3%). The preliminary results of the Labour Force Survey indicate that in the 4<sup>th</sup> quarter of 2015 the number of unemployed persons and the unemployment rate dropped considerably in annual terms, whereas the number of employed persons grew. The employment rate and the activity rate also improved. The ratio of not employed persons to employed persons was more favourable than a year before.

Sold production of industry in January 2016 was by 1.4% higher than a year before (after eliminating seasonal factors the growth amounted to 3.3%). Production increased in all industry sections, except for electricity, gas, steam and air-conditioning supply. Construction and assembly production in January 2016 was by 8.6% lower in annual terms (after eliminating seasonal factors a decrease of 7.0% was recorded). The deepest drop was observed in the entities dealing mainly with civil engineering. Retail sales in January 2016 was by 3.1% higher than a year before.

According to the business tendency survey, in February 2016 manufacturing enterprises assess business climate favourably, better than in the previous three months. These entities form positive forecasts in most of the surveyed areas. Current assessments of the order-books, production and financial situation remain unfavourable. Entrepreneurs conducting activity in the scope of construction perceive the general business tendency climate less pessimistically than in January, mainly due to an improvement in the unfavourable projections regarding the order-books, production and financial situation, along with the worsening of pessimistic diagnoses in these areas. In the third month in a row, retail trade entities assess the business

climate negatively. These enterprises formulate unfavourable and worse than in January assessments on the current sales and financial situation . Expectations in these areas and concerning the future demand for goods are considerably less unfavourable. In the recent months, enterprises operating in manufacturing, construction and retail trade more often refer to the inconvenience arising from the shortage of qualified personnel, along with an increased uncertainty regarding the general economic situation. Consumer attitudes are less pessimistic than in January. In particular, the indicator on future tendencies in individual consumption (including mainly forecasts on the unemployment level and saving money opportunities) has improved.

In January 2016 on the agricultural market the prices of most crop products were higher than a year before, with limited procurement. The procurement prices of wheat were below the level observed in January 2015. The prices of animal products, except for cattle for slaughter, decreased in annual terms, along with increased supply.

**SELECTED INDICATORS REGARDING THE ECONOMIC SITUATION OF THE COUNTRY**

Specification a - 2015 b - 2016		I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Paid employment in the enterprise sector <sup>1</sup> in thous. persons	a	5573	5573	5576	5575	5577	5578	5583	5588	5593	5608	5617	5626
	b	5703											
Registered unemployed persons (end of period) in thous. persons	a	1919	1919	1861	1782	1702	1622	1586	1564	1539	1517	1531	1563
	b	1648											
Unemployment rate (end of period) in %	a	11,9	11,9	11,5	11,1	10,7	10,2	10,0	9,9	9,7	9,6	9,6	9,8
	b	10,3											
Average monthly nominal gross wage and salary in the enterprise sector <sup>1</sup> :													
in zloty	a	3942,78	3981,75	4214,14	4123,26	4002,16	4039,70	4095,26	4024,95	4059,19	4110,77	4164,01	4515,28
	b	4101,36											
previous month=100	a	90,0	101,0	105,8	97,8	97,1	100,9	101,4	98,3	100,9	101,3	101,3	108,4
	b	90,8											
corresponding month of previous year=100	a	103,6	103,2	104,9	103,7	103,2	102,5	103,3	103,4	104,1	103,3	104,0	103,1
	b	104,0											
Average monthly real gross wage and salary in the enterprise	a	105,2	105,0	106,6	104,9	104,1	103,4	104,1	104,1	105,2	104,2	104,7	103,8
	b	104,7											
Average monthly real gross retirement pay and pension:													
from non-agricultural social security system													
corresponding month of previous year=100	a	104,5	104,6	104,8	103,3	103,1	102,8	103,1	103,4	103,3	103,3	103,4	103,4
	b	104,0											
of farmers													
corresponding month of previous year=100	a	102,9	103,2	104,9	104,5	105,5	104,4	103,6	103,1	103,3	103,0	102,8	102,7
	b	103,2											
Price indices of consumer goods and services:													
previous month=100	a	99,8	99,9	100,2	100,4	100,0	100,0	99,9	99,6	99,7	100,1	99,9	99,8
	b	99,6											
corresponding month of previous year=100	a	98,6	98,4	98,5	98,9	99,1	99,2	99,3	99,4	99,2	99,3	99,4	99,5
	b	99,3											
December of previous year=100	a	99,8	99,6	99,8	100,3	100,3	100,3	100,2	99,9	99,6	99,7	99,6	99,5
	b	99,6											
Price indices of sold production of industry:													
previous month=100	a	99,9	99,9	100,1	99,6	100,4	100,6	99,6	99,3	99,9	100,1	100,0	99,8
	b	99,5											
corresponding month of previous year=100	a	97,2	97,2	97,5	97,3	97,9	98,6	98,2	97,3	97,2	97,7	98,2	99,2
	b	98,8											
Price indices of construction and assembly production:													
previous month=100	a	99,9	99,9	100,0	100,0	99,9	100,0	99,9	99,9	99,9	99,9	99,9	99,9
	b	99,9											
corresponding month of previous year=100	a	99,5	99,6	99,7	99,7	99,7	99,6	99,6	99,4	99,4	99,3	99,3	99,1
	b	99,3											

1 Data concern economic entities employing more than 9 persons.

**SELECTED INDICATORS REGARDING THE ECONOMIC SITUATION OF THE COUNTRY (cont.)**

Specification a - 2015 b - 2016	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	
Sold production of industry <sup>1</sup> (constant prices <sup>2</sup> ):													
previous month=100	a	96,8	101,4	113,4	92,0	98,6	104,6	98,7	92,9	115,1	101,9	97,4	96,4
	b	92,0											
corresponding month of previous year=100	a	101,6	105,0	108,8	102,4	102,8	107,4	103,8	105,3	104,0	102,4	107,8	106,7
	b	101,4											
Construction and assembly production (constant prices <sup>2</sup> ):													
previous month=100	a	34,8	116,7	128,2	108,7	106,4	112,5	103,4	99,2	111,6	104,2	96,6	127,7
	b	31,9											
corresponding month of previous year=100	a	101,3	99,7	102,9	108,5	101,3	97,5	99,9	104,8	97,5	94,8	101,2	99,6
	b	91,4											
Dwellings completed (from the beginning of year)	a	11744	21237	31704	42148	52557	63979	76890	88123	101420	114964	128855	147710
	b	11543											
Retail sales of commodities <sup>1</sup> (constant prices <sup>3</sup> ):													
previous month=100	a	78,0	98,4	117,1	97,4	100,5	101,0	102,2	98,2	99,9	104,7	94,1	122,0
	b	75,0											
corresponding month of previous year=100	a	103,6	102,4	106,6	101,5	104,7	106,6	103,5	102,0	102,9	103,6	105,7	107,0
	b	103,1											
State budget balance - from the beginning of year (in mln zł)	a	-586,9	-11324,0	-16660,1	-16693,1	-19631,1	-26139,8	-26591,6	-25860,4	-31136,1	-34487,9	-36128,7	.
Average exchange rates in zł - National Bank of Poland:													
100 USD	a	367,39	367,66	381,38	373,47	365,20	371,03	377,34	376,85	375,13	378,07	395,71	394,17
	b	403,97											
100 EUR	a	427,97	417,76	412,78	402,91	407,83	415,97	415,40	419,36	421,69	424,60	425,03	429,05
	b	439,35											
100 CHF	a	392,73	393,22	389,12	388,12	392,11	398,17	396,27	389,29	386,05	390,37	392,36	396,23
	b	401,76											
Foreign trade <sup>4</sup> in mln zł:													
exports	a	58874,9	59612,4	65761,0	60490,2	59786,8	62942,3	61281,9	55634,1	66170,0	68641,5	67794,6	60258,5
imports	a	56836,4	57103,6	63970,5	60795,7	57042,2	62518,2	63305,7	56174,9	65489,0	66225,6	64648,0	57609,6
balance	a	2038,5	2508,8	1790,5	-305,5	2744,6	424,1	-2023,8	-540,8	681,0	2415,9	3146,6	2648,7

1 Data concern economic entities employing more than 9 persons. 2 The average current prices from 2010. 3 The current prices from the period preceding the surveyed period. 4 Preliminary data.