

Introduction

An economic slowdown, recorded already in the 4th quarter of 2008, maintained in the subsequent periods of 2009. Although the consequences of crisis-related phenomena are considerably weaker in Poland than in the majority of EU countries, they still unfavourably influence the financial situation of enterprises, indirectly – through the labour market – the situation of households, and also the condition of public finances. In the 3rd quarter of 2009, in some areas of the economy the dynamics was more favourable than in the previous periods. Slightly faster grew construction and assembly production and retail sales, and the decrease in production of industry and in sales of transport services was slower. In all sections of the enterprise sector, a slowdown of the dynamics of nominal wages and salaries was observed in annual terms. Against the continuing increase in consumer prices, the purchasing power of an average gross wage and salary since the 2nd quarter of 2009 only slightly exceeded the level recorded a year earlier. On the labour market, negative tendencies maintained – the average employment in the enterprise sector was dropping, and the unemployment rate was growing.

Sold production of industry in the period of three quarters of 2009 was by 6.0% lower than a year earlier and a drop was recorded in all sections. According to the main industrial groupings, there was a significant decrease in production of the majority of goods, except for consumer goods. With a drop in average paid employment (of 5.2%), labour productivity in industry decreased (by 0.8%). Construction and assembly production grew in annual terms by 4.7%, which was the result of a high dynamics in civil engineering, while in other divisions a drop in production was observed. Retail sales realised in the period of three quarters of 2009, in annual terms, were by 1.9% higher and an increase was recorded in the majority of groups, except, among others, for the sales of solid, liquid and gaseous fuels, as well as motor vehicles, motorcycles and parts.

The assessments of business tendency formulated in October of 2009 by enterprises operating in manufacturing, in construction as well as in retail sales are weaker than a month earlier. Manufacturing entities forecast lower than in September extension of the order-books and production, as well as limitation in employment, with still unfavourable forecasts regarding the financial situation. In construction, forecasts of enterprises in this scope are negative and worse than a month earlier. Companies operating in trade; repair of motor vehicles and in services indicate the necessity to intensify the reduction of employment.

Still negative are forecasts of trade companies related to sales as well as to the ability to settle financial liabilities.

In the period from January to September of 2009, prices in industry grew, in annual terms, faster than a year before (3.8%), though in manufacturing their drop was recorded in the last two months. A considerable slowdown of the growth rate of prices in annual terms – up to 0.5% in the period of three quarters of 2009, was observed in construction and assembly production. Prices of consumer goods and services grew to a lower extent than a year earlier (by 3.5% in annual terms), which was influenced, among others, by the considerable weakening of the price dynamics of food and non-alcoholic beverages, as well as by the drop of fuel prices.

With a moderate growth in consumer prices, as well as with a weakening growth in nominal wages and salaries, the purchasing power of an average gross wage and salary in the enterprise sector in the period of three quarters of this year was slightly higher than a year earlier (by 1.3%). Faster than wages and salaries grew average real gross retirement pays and pensions, both in the employee system, as well as for individual farmers.

Average employment in the enterprise sector in the period of three quarters of this year was lower by 0.9% than a year earlier, which was influenced, among others, by a considerable drop in manufacturing. In September of this year, the registered unemployment rate grew in annual terms by 2.0 percentage points to 10.9%. The number of unemployed persons with a specific situation on the labour market (except for long-term unemployed), in particular persons below 25 years of age, grew considerably.

On the agricultural market, in the period from January to September of this year, the prices of cereals reached a considerably lower level than in the previous year, and the prices of milk also dropped. Average prices of animals for slaughter were higher than in the previous year, both in procurement and on marketplaces. Price relations were more favourable for producers of pigs than in the previous year. The situation in animal production was influenced by a gradual weakening of the drop rate in the livestock of pigs, as well as by a slight decline in the number of cattle. The preliminary estimate shows that production of the majority of main crops are higher than the previous year's crops.

In the period from January to August of 2009, a deeper drop in imports than in exports influenced the improvement in the foreign trade balance, as compared to the corresponding period of the previous year, in particular in the turnover with developed countries, including EU countries. In the structure of imports by main economic categories, the share of imports of capital goods and intermediate consumption goods decreased, while the share of consumer

goods increased. In the period of seven months of 2009, the terms of trade index reached a favourable level, mainly as a result of a considerable improvement of price conditions with Central and Eastern European countries and with EU countries.

Revenues of the State budget in the period from January to September of 2009 amounted to PLN 202.4 billion, and expenditures – to PLN 223.9 billion. As a result, the budget deficit amounted to PLN 21.5 billion, which accounted for 79.0% of the amount assumed in the Budget Act for 2009.

Selected indicators regarding the economic situation of the country

Specification a - 2007, b - 2008	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Registered unemployed persons (in thous.) ... a	1813,4	1778,5	1702,2	1605,7	1525,6	1455,3	1422,9	1404,4	1376,6	1352,3	1398,5	1473,8
b	1634,4	1718,8	1758,8	1719,9	1683,4	1658,7	1676,1	1689,0	1715,9			
Unemployment rate ¹ (in %) a	11,5	11,3	10,9	10,3	9,8	9,4	9,2	9,1	8,9	8,8	9,1	9,5
b	10,4	10,9	11,1	10,9	10,7	10,6	10,7	10,8	10,9			
Paid employment in the enterprise sector in thous. persons a	5339	5363	5376	5382	5383	5383	5392	5391	5395	5397	5386	5353
b	5374	5352	5325	5309	5292	5280	5273	5270	5267			
Sold production of industry ² :												
previous month=100 a	104,4	101,5	100,7	104,1	90,9	105,2	97,3	91,2	116,6	101,9	86,9	96,9
b	93,7	102,4	115,6	93,1	98,2	106,0	97,4	95,6	115,0			
corresponding month of previous year=100 a	110,5	114,7	100,7	114,4	101,4	106,5	104,8	95,6	105,5	98,0	89,4	94,4
b	84,7	85,4	98,1	87,8	94,8	95,5	95,6	100,1	98,7			
Construction and assembly production ² :												
previous month=100 a	36,0	123,6	115,8	112,8	107,9	115,9	95,8	98,9	111,4	110,8	79,9	150,1
b	37,9	117,2	115,1	112,0	107,7	116,2	105,5	99,2	106,1			
corresponding month of previous year=100 a	108,6	121,3	116,8	120,9	115,9	119,4	113,4	102,9	109,6	105,6	100,4	102,0
b	107,4	101,9	101,2	100,5	100,3	100,5	110,7	111,0	105,7			
Dwellings completed (from the beginning of year) a	14640	25617	35415	49132	58856	69283	83913	95097	107484	123276	135312	165189
b	22106	31843	41512	54397	64306	76153	90180	101256	114711			
Price indices of consumer goods and services:												
previous month=100 a	100,7	100,4	100,4	100,4	100,8	100,2	100,0	99,6	100,3	100,4	100,2	99,9
b	100,5	100,9	100,7	100,7	100,5	100,2	100,1	99,6	100,0			
corresponding month of previous year=100 a	104,0	104,2	104,1	104,0	104,4	104,6	104,8	104,8	104,5	104,2	103,7	103,3
b	102,8	103,3	103,6	104,0	103,6	103,5	103,6	103,7	103,4			
December of previous year=100 a	100,7	101,1	101,5	101,8	102,6	102,9	102,8	102,4	102,8	103,2	103,4	103,3
b	100,5	101,3	102,0	102,7	103,2	103,4	103,5	103,1	103,1			
Price indices of sold production of industry:												
previous month=100 a	101,3	100,5	100,2	99,8	100,8	100,3	99,8	100,1	100,4	100,0	99,8	99,6
b	102,3	102,6	100,0	99,1	99,7	100,8	98,5	99,6	99,8			
corresponding month of previous year=100 a	102,5	102,8	102,5	101,9	102,4	102,2	101,7	101,4	102,0	102,4	102,2	102,7
b	103,6	105,7	105,5	104,8	103,7	104,1	102,8	102,2	101,6			
Price indices of construction and assembly production:												
previous month=100 a	100,3	100,4	100,4	100,5	100,3	100,3	100,3	100,2	100,1	100,1	100,0	99,9
b	99,9	99,8	99,9	99,9	99,8	100,0	99,9	99,9	100,0			
corresponding month of previous year=100 a	107,4	107,0	106,5	106,0	105,2	104,7	104,3	104,0	103,7	103,4	103,2	102,9
b	102,4	101,8	101,3	100,7	100,3	99,9	99,6	99,3	99,2			

¹ Ratio of registered unemployed persons to the economically active civil population.

² Indices were calculated in constant prices of 2000.

(cont.)

Specification a - 2007, b - 2008	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	
Average monthly nominal gross wage and salary in the enterprise sector ¹ (in zł)	a	2975,54	3040,46	3152,96	3144,87	3076,14	3222,47	3234,96	3172,54	3176,84	3247,77	3326,94	3428,01
	b	3215,75	3195,56	3332,65	3294,76	3193,90	3287,88	3361,90	3268,69	3283,18			
previous month=100	a	91,7	102,2	103,7	99,7	97,8	104,8	100,4	98,1	100,1	102,2	102,4	103,0
	b	93,8	99,4	104,3	98,9	96,9	102,9	102,3	97,2	100,4			
corresponding month of previous year=100	a	111,7	113,2	110,5	112,9	110,8	112,3	111,8	109,9	111,2	110,1	107,6	105,6
	b	108,1	105,1	105,7	104,8	103,8	102,0	103,9	103,0	103,3			
Average monthly real gross wage and salary in the enterprise sector monthly average of 2000=100	a	112,1	114,1	117,9	117,2	113,7	118,8	119,3	117,5	117,3	119,4	122,0	125,8
	b	117,5	115,9	120,1	117,9	113,8	116,9	119,5	116,6	117,1			
Profitability rate of gross turnover ² - from the beginning of year (in %)	a	.	.	5,9	.	.	6,0	.	.	5,7	.	.	4,2
				3,0	.	.	4,9	.	.	.			
Profitability rate of net turnover ³ – from the beginning of year (in %)	a	.	.	4,6	.	.	4,8	.	.	4,5	.	.	3,3
				2,2	.	.	4,0	.	.	.			
State budget balance - from the beginning of year (in mn zł)	a	4407,3	-136,6	1802,9	554,3	-1876,9	-3380,7	-2744,7	-317,4	-4224,6	-11485,3	-14972,8	-24346,2
	b	2918,0	-5250,9	-11219,8	-15306,1	-16356,7	-16629,2	-15037,1	-15655,8	-21470,9			
Average exchange rates in zł – National Bank of Poland:													
100 US dollars	a	245,37	243,05	228,16	218,52	219,04	216,94	206,74	219,26	234,97	269,80	292,09	297,15
	b	317,17	363,14	354,12	334,80	323,37	321,46	305,96	289,56	285,95			
100 EUR	a	360,80	358,25	353,74	344,44	340,69	337,60	326,00	328,84	337,12	358,55	372,07	401,77
	b	421,81	464,42	462,37	441,93	441,05	450,81	430,53	413,11	416,35			
Foreign trade ⁴ in mn zł													
exports	a	33558,7	35401,7	34315,7	37497,7	32679,5	34157,0	33855,0	30219,7	36737,2	37490,8	32384,5	27085,6
		29643,7	33893,0	38023,1	33643,4	33135,6	35588,4	34236,5	28634,1	.			
imports	a	39582,7	41617,2	42400,6	44536,9	40068,9	42622,0	41840,8	37164,9	44140,4	45413,1	40475,2	37165,6
		33707,2	36372,8	41141,7	36535,5	35485,4	38918,8	37992,7	32414,5	.			
balance	a	-6024,0	-6215,5	-8084,9	-7039,2	-7389,4	-8465,0	-7985,8	-6945,2	-7403,2	-7922,3	-8090,7	10080,0
		-4063,5	-2479,8	-3118,6	-2889,1	-2349,8	-3330,4	-3756,2	-3780,4	.			

¹ Including contributions to compulsory social security.² Relation of gross financial result to revenues from total activity.³ Relation of net financial result to revenues from total activity.⁴ Since January 2009 – provisional data.