

## Introduction

After the high GDP growth occurring in the 3<sup>rd</sup> quarter of 2010, the real processes in the basic areas of production and services in October and November of 2010 indicate the continuation of positive tendencies. A considerable growth in industry and in construction maintained. The demand for transport and communications services increased. Retail sales were still growing at a steady rate. Under the conditions of a gradual increase in employment, combined with a moderate dynamics of consumer prices and an insignificant dynamics of real wages and salaries in the enterprise sector, in subsequent periods of 2010, an increased influence exerted by the domestic demand on the economic growth rate was observed (both on the part of households and enterprises).

Sold production of industry in November of 2010 was higher than a year before by 10.1% (and by 7.3% after eliminating the seasonal factors), which was influenced by the considerable growth in manufacturing as well as in water supply, sewerage, waste management and remediation activities. Among the main industry groupings, the highest dynamics was recorded in the manufacture of intermediate goods (a growth of 16.2%). As a result of the high growth rate occurring in specialised construction activities and in civil engineering, the construction production grew at a higher rate than in the previous months. In November of 2010, sold construction and assembly production was by 14.2 % higher than a year before (and by 10.9% after eliminating the seasonal factors). In annual terms, an accelerated growth of producer prices in industry was observed – up to 4.6%, whereas in construction the prices were at the level recorded a year ago.

According to the survey conducted in December, the general business indicator worsened in most sections, which was connected, to a large extent, with seasonal factors. However, in some sections, especially in construction, the weakening was deeper than it could be expected from the seasonal changes. The assessments in manufacturing are still positive, though slightly more careful than a month before. However, the general business climate is perceived in a more pessimistic way by construction entities. In those sections, both the current assessments and the forecasts regarding the order book and production are negative. The general business indicator in the retail trade is negative, against the positive one recorded in November of 2010. This results from the unfavourable opinions of entrepreneurs concerning, among others, the current and future sales, financial liabilities, and the forecast demand for goods.

The economic growth rate, improving in the subsequent periods, gradually influenced the alleviation of the difficult situation on the labour market. According to the labour demand survey, in the period of January-September of 2010 the number of new jobs was significantly higher, and the

number of liquidated jobs was lower than in the corresponding period of the previous year. In November of 2010, an increase in employment in the enterprise sector was continued. However, the unemployment level was still growing – the registered unemployment rate (11.7%) was slightly higher than a month and a year before.

The prices of consumer goods and services grew, in annual terms, at a slightly lower rate than a month before, which was influenced by the weakening growth rate of the prices of food and non-alcoholic beverages.

The dynamics of average gross monthly nominal wages and salaries, in annual terms, in November of 2010 was slightly slower than a month before, but higher than in the corresponding period of the previous year. A growth observed for a longer period in the purchasing power of retirement pays and pensions in both systems, being higher than the growth rate of average wages and salaries in the enterprise sector, maintained.

On the agricultural market in November of 2010, a high growth in the prices of cereals and milk in procurement maintained. Average prices of pigs for slaughter once again went down, in annual terms, though to a slightly lower degree than in October. The profitability of pigs fattening was still worsening. According to the estimated result, the crops of main agricultural and horticultural products in 2010 were lower than in the previous year. It is estimated that the crops of cereals, rape and rape turnips, as well as berry fruit, were higher than the average recorded in the period of 2001-2005.

Foreign commodity turnover in the period of January-October of 2010 increased in annual terms, and the dynamics of imports was higher than the dynamics of exports. An increase in the commodity turnover was observed with all groups of countries, including especially high increase with Central and Eastern European countries. Despite the improvement of the positive balance of commodity turnover with developed countries (including EU countries), the negative balance of total turnover deepened, in annual terms. In the period of three quarters of 2010, the terms of trade index was at an unfavourable level of 98.9, against 103.7 in the corresponding period of the previous year.

The execution of the State budget after the eleven months of 2010 was higher on the revenues side than on the expenditures side, and the deficit amounting to PLN 42.5 billion accounted for 81.4% of the amount assumed in the Budgetary Act.

## SELECTED INDICATORS REGARDING THE ECONOMIC SITUATION OF THE COUNTRY

Specification a - 2009, b - 2010	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Registered unemployed persons (in thous.) ..... a	1634,4	1718,8	1758,8	1719,9	1683,4	1658,7	1676,1	1689,0	1715,9	1744,3	1811,1	1892,7
..... b	2052,5	2101,5	2076,7	1973,8	1907,9	1843,9	1812,8	1800,2	1812,6	1818,6	1858,3	
Unemployment rate <sup>1</sup> (in %) ..... a	10,4	10,9	11,1	10,9	10,7	10,6	10,7	10,8	10,9	11,1	11,4	12,1
..... b	12,9	13,2	13,0	12,4	12,1	11,7	11,5	11,4	11,5	11,5	11,7	
Paid employment in the enterprise sector in thous. persons ..... a	5374	5352	5325	5309	5292	5280	5273	5270	5267	5267	5265	5255
..... b	5301	5293	5294	5308	5320	5336	5350	5352	5364	5375	5381	
Sold production of industry <sup>2</sup> : previous month=100 ..... a	93,7	102,4	115,6	93,1	98,2	106,0	97,4	95,6	115,0	101,9	96,8	94,6
..... b	94,6	103,1	119,1	90,8	101,6	106,8	94,1	98,2	113,1	98,4	98,7	
corresponding month of previous year=100 ..... a	84,7	85,4	98,1	87,8	94,8	95,5	95,6	100,1	98,7	98,7	109,9	107,4
..... b	108,5	109,2	112,5	109,7	113,5	114,3	110,5	113,6	111,8	108,0	110,1	
Construction and assembly production <sup>2</sup> : previous month=100 ..... a	37,9	117,2	115,1	112,0	107,7	116,2	105,5	99,2	106,1	107,6	85,5	141,0
..... b	31,1	104,2	136,2	117,8	117,5	124,5	97,0	106,7	111,0	103,8	89,2	
corresponding month of previous year=100 ..... a	107,4	101,9	101,2	100,5	100,3	100,5	110,7	111,0	105,7	102,7	109,9	103,2
..... b	84,7	75,3	89,1	93,7	102,3	109,6	100,8	108,4	113,4	109,4	114,2	
Dwellings completed (from the beginning of year) ..... a	22096	31833	41498	54391	64300	76147	91619	103187	114841	130353	143922	160002
..... b	12791	22655	34047	44852	53837	63778	75442	85990	97678	108110	120710	
Price indices of consumer goods and services: previous month=100 ..... a	100,5	100,9	100,7	100,7	100,5	100,2	100,1	99,6	100,0	100,1	100,3	100,0
..... b	100,6	100,2	100,3	100,4	100,3	100,3	99,8	99,6	100,6	100,5	100,1	
corresponding month of previous year=100 ..... a	102,8	103,3	103,6	104,0	103,6	103,5	103,6	103,7	103,4	103,1	103,3	103,5
..... b	103,5	102,9	102,6	102,4	102,2	102,3	102,0	102,0	102,5	102,8	102,7	
December of previous year=100 ..... a	100,5	101,3	102,0	102,7	103,2	103,4	103,5	103,1	103,1	103,3	103,5	103,5
..... b	100,6	100,9	101,2	101,6	101,9	102,2	102,0	101,5	102,1	102,6	102,8	
Price indices of sold production of industry: previous month=100 ..... a	102,3	102,6	100,0	99,1	99,7	100,8	98,5	99,6	99,8	100,4	99,6	99,8
..... b	100,4	99,9	99,8	101,4	102,0	101,0	100,1	99,8	100,1	100,0	100,3	
corresponding month of previous year=100 ..... a	103,6	105,7	105,5	104,8	103,7	104,1	102,8	102,2	101,6	102,0	101,9	102,1
..... b	100,2	97,6	97,4	99,6	101,9	102,1	103,8	104,0	104,3	103,9	104,6	
Price indices of construction and assembly production: previous month=100 ..... a	99,9	99,8	99,9	99,9	99,8	100,0	99,9	99,9	100,0	100,1	100,1	100,0
..... b	99,8	99,9	100,0	100,1	100,1	100,1	99,9	100,0	100,0	100,0	100,0	
corresponding month of previous year=100 ..... a	102,4	101,8	101,3	100,7	100,3	99,9	99,6	99,3	99,2	99,1	99,2	99,3
..... b	99,3	99,4	99,5	99,7	100,0	100,1	100,2	100,2	100,2	100,1	100,0	

<sup>1</sup> Ratio of registered unemployed persons to the economically active civil population.

<sup>2</sup> Indices were calculated in constant prices of 2005.

(cont.)

Specification a - 2009, b - 2010		I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Average monthly nominal gross wage and salary in the enterprise sector <sup>1</sup> (in zł) .....	a	3215,75	3195,56	3332,65	3294,76	3193,90	3287,88	3361,90	3268,69	3283,18	3312,32	3403,92	3652,40
	b	3231,13	3288,29	3493,42	3398,67	3346,61	3403,65	3433,32	3407,26	3403,68	3440,22	3525,67	
previous month=100 .....	a	93,8	99,4	104,3	98,9	96,9	102,9	102,3	97,2	100,4	100,9	102,8	107,3
	b	88,5	101,8	106,2	97,3	98,5	101,7	100,9	99,2	99,9	101,1	102,5	
corresponding month of previous year=100 .....	a	108,1	105,1	105,7	104,8	103,8	102,0	103,9	103,0	103,3	102,0	102,3	106,5
	b	100,5	102,9	104,8	103,2	104,8	103,5	102,1	104,2	103,7	103,9	103,6	
Average monthly real gross wage and salary in the enterprise sector monthly average of 2000=100 .....	a	117,5	115,9	120,1	117,9	113,8	116,9	119,5	116,6	117,1	118,0	121,0	130,0
	b	114,4	116,2	123,1	119,3	117,2	118,8	120,1	119,6	118,8	119,6	122,5	
Profitability rate of gross turnover <sup>2</sup> - from the beginning of year (in %)	a	.	.	3,0	.	.	4,9	.	.	5,2	.	.	5,0
	b	.	.	5,0	.	.	5,3	.	.	5,5	.	.	
Profitability rate of net turnover <sup>3</sup> – from the beginning of year (in %) .....	a	.	.	2,2	.	.	4,0	.	.	4,2	.	.	4,1
	b	.	.	4,0	.	.	4,4	.	.	4,6	.	.	
State budget balance - from the beginning of year (in mln zł) .....	a	2918,0	-5250,9	-11219,8	-15306,1	-16356,7	-16629,2	-15037,1	-15655,8	-21343,7	-23918,6	-24342,1	-23845,0
	b	-4779,2	-16835,6	-22707,6	-26957,0	-32046,2	-36800,3	-34870,3	-36975,9	-39535,5	-41890,2	-42524,8	
Average exchange rates in zł – National Bank of Poland:													
100 US dollars .....	a	317,17	363,14	354,12	334,80	323,37	321,46	305,96	289,56	285,95	284,69	279,90	283,52
	b	285,18	293,85	286,72	287,99	321,37	335,71	319,50	308,94	303,18	284,82	289,13	
100 EUR .....	a	421,81	464,42	462,37	441,93	441,05	450,81	430,53	413,11	416,35	421,73	417,34	414,27
	b	407,20	401,55	389,19	387,04	405,21	410,25	408,18	398,72	395,58	395,62	395,31	
Foreign trade <sup>4</sup> in mln zł													
exports .....	a	30128,8	34524,2	38626,9	34277,5	33699,6	36317,6	35359,8	30673,1	38551,6	40022,5	38055,8	33004,6
		33119,0	35905,4	39605,6	37712,1	39335,6	42302,1	39884,2	37412,9	43022,3	41770,1	.	
imports .....	a	34497,6	37061,9	42350,0	37746,5	36435,5	40149,3	39360,7	34896,4	40494,8	42955,7	40790,8	36643,4
		35958,0	39464,1	44334,9	40762,1	43587,1	46187,6	44498,7	42644,8	46340,6	46166,2	.	
balance .....	a	-4368,8	-2537,7	-3723,1	-3469,0	-2735,9	-3831,7	-4000,9	-4223,3	-1943,2	-2933,2	-2735,0	-3638,8
		-2839,0	-3558,7	-4729,3	-3050,0	-4251,5	-3885,5	-4614,5	-5231,9	-3318,3	-4396,1	.	

<sup>1</sup> Including contributions to compulsory social security.<sup>2</sup> Relation of gross financial result to revenues from total activity.<sup>3</sup> Relation of net financial result to revenues from total activity.<sup>4</sup> Since January 2010 – preliminary data.