

Introduction

In 2011, the Polish economy was developing at a relatively high and stable pace, indicating a considerable resistance to the unfavourable conditions prevailing in the global and European economy. The situation on the labour market remained difficult, despite a slight growth in the number of persons employed in the national economy. The intensification of inflation phenomena was higher than in 2010, both in terms of producer prices, and in terms of the prices of consumer goods and services.

According to preliminary estimates, the gross domestic product in 2011 increased, in real terms, by 4.3% (against a growth of 3.9% in 2010). The domestic demand increased by 3.8% in annual terms. Final consumption expenditure was higher than in 2010 by 2.1%, including individual consumption expenditure by 3.1%, whereas gross capital formation grew by 10.3%. Following a slight drop in 2009 and in 2010, the gross fixed capital formation increased considerably (by 8.7%). It is preliminarily estimated that net exports had a positive influence on the economic growth rate. The gross added value in the national economy grew by 4.0% in annual terms. The highest growth was recorded in construction (of 11.8%). In industry, the gross added value increased by 6.3%, while in transport and storage, as well as in trade; repair of motor vehicles by 5.1% and 4.6%, respectively. In other areas, the dynamics was considerably slower.

In the period of three quarters of 2011, the surveyed enterprises obtained more favourable financial results than a year before. The activity of foreign investors increased in annual terms. The financial results of banks improved, whereas the financial situation of insurance companies was more difficult than a year before. The State budget deficit was lower than a year before, and it did not reach the amount assumed in the Budget Act.

Favourable tendencies observed in the real economy had a slight positive effect (according to preliminary estimates) on the number of persons employed in the national economy. Average employment in the enterprise sector, in annual terms, increased by 3.2%, though the weakening of this upward tendency was observed in subsequent quarters. As the number of newly registered unemployed persons was lower than a year before, and along with a considerable drop in the number of persons removed from unemployment rolls, the number of unemployed persons in December of 2011 grew slightly in annual terms. As a result, the unemployment rate was higher than a month and a year before (by 0.4 percentage point and by 0.1 percentage point, respectively), reaching the level of 12.5%.

The average annual growth in the prices of consumer goods and services amounted to 4.3%, and it was higher than in the preceding years. In December of 2011, consumer prices, in annual terms, were by 4.6 % higher, considerably exceeding the fluctuation band of the inflation target, defined by the Monetary Policy Council. This growth was influenced mainly by the growing prices of goods and services related to transport and dwelling, as well as of food and non-alcoholic beverages.

The average monthly nominal gross wages and salaries in the enterprise sector grew faster than in 2010 (5.0% against 3.3%), though their purchasing power, due to the considerable dynamics of the prices of consumer goods and services, in the second year in a row only slightly exceeded the previous year's level (by 0.9% against 0.8% in 2010). The dynamics of real social benefits

was weaker than a year before – retirement pays and pensions from non-agricultural social security system grew by 0.4%, whereas those of individual farmers dropped (by 1.4%).

In 2011, an improvement in the dynamics of total retail sales was observed in annual terms (a growth of 1.3% against a drop of 1.0% in the previous year). In the enterprises employing more than 9 persons, a 7.3% growth was recorded in sales (in 2010 this growth amounted to 3.1%).

According to preliminary estimates, the total agricultural production, following a decline observed in 2010, grew in 2011 by 1.3%. As a result of higher major field crops (except for cereals, rape and rape turnip), crop production grew by 5.5%. The animal production reached the level by 3.5% lower than a year before. The surveys conducted at the end of 2011 indicate a deep decline in the number of pigs (of 11.7% in annual terms), and a slight drop in the livestock of cattle (of 1.1%). On the agricultural market, the prices of most crop products, both in procurement and on marketplaces, considerably exceeded the level observed in 2010. The prices of basic animal products were also higher than a year before, except for the prices of piglets for further breeding. As a result of the higher dynamics of agricultural products sold by farmers, compared to the dynamics of goods and services purchased by producers for the purpose of an ongoing agricultural production and for investment purposes, the “price gap” index reached a favourable level of 104.8 (against 110.2 in 2010).

In 2011, sold production of industry in total, according to preliminary estimates, grew by 7.5% (against 9.0% a year before). In the enterprises employing more than 9 persons, this growth amounted to 7.7%, including the highest one recorded in manufacturing (8.3%). Among the main groupings in 2011, the highest growth concerned the production of capital goods (10.9%) and of intermediate goods (10.3%). Producer prices in industry grew, in annual terms, by 7.6% (against 2.1% in 2010), including the highest growth in mining and quarrying (of 16.8%). A considerable acceleration of the price growth rate occurred in manufacturing, where prices increased by 7.5% (and by 0.8% a year before).

A growth in construction and assembly production in total was considerably higher than in the previous year (approx. 12% against 4.6%). In the units employing more than 9 persons, sales also grew faster than in 2010, increasing by 16.3%. A high production dynamics was observed in the entities dealing mainly with civil engineering and with specialised construction activities, whereas in the entities dealing mainly with buildings construction this growth was insignificant. A drop in the number of dwellings completed maintained, though its scale was smaller than in the two preceding years. However, the number of dwellings for which building permits have been granted, as well as the number of dwellings started, was higher than in 2010. The prices of construction and assembly production, following a slight drop in the previous year, grew in annual terms by 1.0%.

In the period of January-November of 2011, the commodity turnover in foreign trade grew slightly faster on the exports side than on the imports side. The trade with all groups of countries increased in annual terms - to the largest extent with the Central and Eastern European countries. In the period of ten months of 2011, exports in constant prices grew, in annual terms, by 8.0% and imports by 6.2%. The turnover conditions worsened – the terms of trade index in the period of January-October of 2011 was unfavourable, amounting to 98.1 against 99.3 in the corresponding period of the previous year.

In January of 2012, among entrepreneurs operating in manufacturing and in construction, an improvement was recorded in the negative forecasts concerning order-books, production and financial situation, whereas the unfavourable current assessments regarding these issues worsened. The scale of planned reductions in employment may be smaller than projected in December of 2011. Entrepreneurs operating in manufacturing expect that the prices of industrial products will grow soon. However, retail trade units indicate the worsening, in monthly terms, of the general economic activity conditions. The results of the January's business tendency survey reveal that consumer attitudes are slightly less pessimistic than in December, and this improvement concerns all surveyed factors.

SELECTED INDICATORS REGARDING THE ECONOMIC SITUATION OF THE COUNTRY

Specification a - 2010, b - 2011		I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Registered unemployed persons (in thous.)	a	2053	2102	2077	1974	1908	1844	1813	1800	1813	1819	1858	1955
	b	2105	2150	2134	2044	1963	1883	1863	1855	1862	1868	1915	1983
Unemployment rate (in %)	a	12,9	13,2	13,0	12,4	12,1	11,7	11,5	11,4	11,5	11,5	11,7	12,4
	b	13,1	13,4	13,3	12,8	12,4	11,9	11,8	11,8	11,8	11,8	12,1	12,5
Paid employment in the enterprise sector													
in thous. persons	a	5301	5293	5294	5308	5320	5336	5350	5352	5364	5375	5381	5379
	b	5501	5513	5509	5514	5514	5527	5528	5520	5515	5512	5515	5503
Average monthly nominal gross wage and salary in the enterprise sector													
(in zł)	a	3231,13	3288,29	3493,42	3398,67	3346,61	3403,65	3433,32	3407,26	3403,68	3440,22	3525,67	3847,91
	b	3391,59	3422,14	3633,54	3597,84	3483,99	3600,47	3611,56	3591,23	3581,94	3617,16	3682,19	4015,37
previous month=100	a	88,5	101,8	106,2	97,3	98,5	101,7	100,9	99,2	99,9	101,1	102,5	109,1
	b	88,1	100,9	106,2	99,0	96,8	103,3	100,3	99,4	99,7	101,0	101,8	109,0
corresponding month													
of previous year=100	a	100,5	102,9	104,8	103,2	104,8	103,5	102,1	104,2	103,7	103,9	103,6	105,4
	b	105,0	104,1	104,0	105,9	104,1	105,8	105,2	105,4	105,2	105,1	104,4	104,4
Average monthly real gross wage and salary in the enterprise sector													
corresponding month													
of previous year=100	a	97,0	99,9	102,1	100,8	102,5	101,3	100,2	102,3	101,3	101,2	101,1	102,3
	b	101,5	100,7	99,9	101,5	99,3	101,6	101,3	101,2	101,3	100,9	99,8	99,9
Average monthly real gross retirement pay and pension:													
from non-agricultural social security system													
corresponding month of previous year=100	a	104,1	104,8	103,9	103,6	103,9	103,6	103,7	103,9	103,1	102,7	102,9	102,9
	b	102,2	102,3	100,1	100,0	99,3	100,1	100,4	100,1	100,6	100,2	99,6	99,8
of farmers													
corresponding month of previous year=100	a	102,4	103,1	102,0	102,2	102,4	102,0	102,3	102,1	101,3	101,1	101,3	101,1
	b	100,5	100,4	98,0	98,1	97,4	98,3	98,7	98,4	98,8	98,5	97,9	97,9
Price indices of consumer goods and services:													
previous month=100	a	100,6	100,2	100,3	100,4	100,3	100,3	99,8	99,6	100,6	100,5	100,1	100,4
	b	101,2	100,2	100,9	100,5	100,6	99,6	99,7	100,0	100,1	100,7	100,7	100,4
corresponding month													
of previous year=100	a	103,5	102,9	102,6	102,4	102,2	102,3	102,0	102,0	102,5	102,8	102,7	103,1
	b	103,6	103,6	104,3	104,5	105,0	104,2	104,1	104,3	103,9	104,3	104,8	104,6
December of previous year=100	a	100,6	100,9	101,2	101,6	101,9	102,2	102,0	101,5	102,1	102,6	102,8	103,1
	b	101,2	101,4	102,3	102,9	103,5	103,1	102,8	102,7	102,8	103,5	104,2	104,6
Price indices of sold production of industry:													
previous month=100	a	100,4	99,9	99,8	101,4	102,0	101,0	100,1	99,8	100,1	100,0	100,4	101,2
	b	100,4	101,2	101,6	100,7	99,7	100,3	100,4	100,6	101,7	100,1	100,9	100,3
corresponding month													
of previous year=100	a	100,2	97,6	97,4	99,6	101,9	102,1	103,8	104,0	104,3	103,9	104,7	106,2
	b	106,2	107,5	109,5	108,8	106,3	105,6	105,9	106,8	108,4	108,5	109,1	108,1
Price indices of construction and assembly production:													
previous month=100	a	99,8	99,9	100,0	100,1	100,1	100,1	99,9	100,0	100,0	100,0	100,0	100,1
	b	100,1	100,1	100,2	100,2	100,2	100,3	100,2	100,3	100,1	100,1	100,0	100,0
corresponding month													
of previous year=100	a	99,3	99,4	99,5	99,7	100,0	100,1	100,2	100,2	100,2	100,1	100,0	100,0
	b	100,3	100,4	100,6	100,6	100,7	100,8	101,1	101,4	101,6	101,6	101,7	101,8

SELECTED INDICATORS REGARDING THE ECONOMIC SITUATION OF THE COUNTRY

(cont.)

Specification a - 2010, b - 2011	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Sold production of industry (constant prices ¹):												
previous month=100	a 94,6	103,1	119,1	90,8	101,6	106,8	94,1	98,2	113,1	98,4	98,6	95,8
corresponding month of previous year=100	b 93,7	103,3	115,2	90,7	102,7	101,0	94,0	104,1	112,6	97,6	100,5	95,1
a 108,5	109,2	112,5	109,7	113,5	114,3	110,5	113,6	111,8	108,0	110,0	111,4	
b 110,3	110,5	106,8	106,7	107,8	102,0	101,8	107,9	107,4	106,4	108,5	107,7	
Construction and assembly production (constant prices ¹):												
previous month=100	a 31,1	104,2	136,2	117,8	117,5	124,5	97,0	106,7	111,0	103,8	89,2	138,7
corresponding month of previous year=100	b 30,7	111,5	142,4	109,7	125,9	117,6	96,6	101,5	118,3	95,7	92,5	140,6
a 84,7	75,3	89,1	93,7	102,3	109,6	100,8	108,4	113,4	109,4	114,2	112,3	
b 111,0	118,7	124,2	115,6	123,9	117,0	116,5	110,8	118,1	108,9	113,0	114,6	
Dwellings completed (from the beginning of year)	a 12791	22655	34047	44852	53838	63779	75441	85990	97674	109414	121632	135835
b 10289	18336	27508	37006	45795	54649	65210	76125	86968	100667	114040	131721	
Retail sales of commodities (constant prices ²):												
previous month=100	a 75,3	95,9	121,3	93,9	102,7	103,9	103,6	99,0	100,4	103,6	93,1	124,6
corresponding month of previous year=100	b 70,8	101,8	117,4	101,7	98,3	101,9	101,3	101,5	101,3	102,8	93,5	120,3
a 98,8	97,2	105,9	96,0	102,0	104,5	102,4	105,1	106,4	106,4	106,1	109,1	
b 102,3	108,6	105,1	113,6	108,5	106,4	104,2	106,9	107,7	106,8	107,4	104,2	
State budget balance - from the beginning of year (in mln zł)	a -4779,2	-16835,6	-22707,6	-26957,0	-32046,2	-36568,7	-34870,3	-36975,9	-39535,5	-41890,2	-42613,1	-44591,1
b -2762,0	-14409,2	-17499,7	-21585,5	-23728,3	-20222,2	-21083,6	-20680,7	-21888,5	-22470,4	-21573,4	.	
Average exchange rates in zł - National Bank of Poland:												
100 USD	a 285,18	293,85	286,72	287,99	321,37	335,71	319,50	308,94	303,18	284,82	289,13	301,97
b 291,48	287,87	286,88	274,67	274,19	275,86	279,11	287,70	314,29	317,69	326,09	339,59	
100 EUR	a 407,20	401,55	389,19	387,04	405,21	410,25	408,18	398,72	395,58	395,62	395,31	399,59
b 389,69	392,86	401,74	397,06	393,95	396,95	399,07	412,32	433,32	435,62	442,39	447,66	
100 CHF	a 275,73	273,71	268,85	269,97	285,04	297,78	303,08	297,25	301,96	293,58	294,32	311,55
b 305,03	303,12	311,88	305,92	314,00	327,99	338,24	368,94	361,93	354,41	359,34	364,68	
Foreign trade in mln zł:												
exports	a 34236,9	36286,1	40612,0	38498,9	40021,8	43053,8	40591,0	38076,8	44360,5	43939,3	42551,4	38829,7
b 40026,4	42298,0	48002,7	44082,6	46113,1	45005,7	42160,6	45783,2	52333,1	51784,8	50682,4	.	
imports	a 36572,4	39626,3	45147,3	41568,7	44284,2	46905,5	45435,3	44136,5	48287,7	48787,4	49527,1	45942,2
b 43980,2	46887,4	52567,1	49719,5	51498,5	51241,7	48337,2	51181,6	54973,1	55454,7	54323,3	.	
balance	a -2335,5	-3340,2	-4535,3	-3069,8	-4262,4	-3851,7	-4844,3	-6059,7	-3927,2	-4848,1	-6975,7	-7112,5
b -3953,8	-4589,4	-4564,4	-5636,9	-5385,4	-6236,0	-6176,6	-5398,4	-2640,0	-3669,9	-3640,9		

¹ The average current prices from 2005.

² The current prices from the period preceding the surveyed period.