

Introduction

After a slight upturn in July 2012, in August, a slowdown of dynamics was recorded in key areas of the economy. Sold production of industry increased considerably slower than in previous periods and was only slightly higher than a year before, when significant growth was recorded. Retail sales growth was also slightly smaller than in July 2012. In the period from July to August 2012, the dynamics of the sold production in industry and in retail sales in annual terms was comparable to the one recorded in the 2nd quarter of 2012. Construction and assembly production in the third month in a row was lower than the year before. Under economic slowdown conditions, further weakening of the growth of producer prices in industry and the decline in construction and assembly production prices were recorded. A growth in consumer prices was slower than in previous months but, similarly to July 2012, it was faster than the growth of average monthly wages and salaries in the enterprise sector. A situation on the labour market was more difficult than the year before - stabilization of the average employment level in the enterprise sector was accompanied by an increase of the registered unemployment.

The sold production of industry in August 2012 was only slightly higher than the year before (by 0.5%, and after eliminating seasonal factors - 1.9%). Slight growth was recorded in all sections, except for mining and quarrying. Among the main industrial groupings, only the sales of durable and non-durable consumer goods was higher than the year before. Construction and assembly production decreased in August 2012 by 5.0% (after eliminating seasonal factor - by 2.7%), while decline was recorded for entities dealing mainly with constructions of building and specialised construction activities. Retail sales was by 2.3% higher than in August 2011. An increase in sales of transport services was still high, although slightly slower than in July 2012 and amounted to 11.2%.

In the opinion of entrepreneurs operating in manufacturing, construction, trade and in most of services, the general business tendency climate in September of 2012 is assessed more pessimistically than in the previous month. Enterprises operating in manufacturing as well as construction entities formulate negative, worse than in August 2012, current and future assessments regarding order-books and production. Financial situation of enterprises from these section is more difficult. Retail trade entities indicate

on possibility further limitations in sales, particularly current sales. Pessimistic predictions regarding demand on goods as well as difficulty settling financial obligations hold steady.

Average employment in the enterprise sector in August 2012, similarly to July of this year, remained at the same level as the year before. After a few months of seasonal drop, registered unemployment rate increased to 12.4% (against 11.8% the year before). According to the results of the survey on demand for labour, in the 1st half of 2012 fewer jobs were created than in the corresponding period of the previous year. At the same time, the number of liquidated jobs decreased.

A growth of average nominal monthly gross wages and salaries in the enterprise sector in August 2012 was in annual terms slightly faster than the previous month but still inconsiderable. As a result, despite a slowdown in the dynamics of consumer prices, the purchasing power of wages and salaries was, as in July, lower than the year before. Real retirement pays and pensions growth held steady in both systems, as in the previous month.

Prices of consumer goods and services in August 2012 increased in annual terms by 3.8% (compared to 4.0% in July of 2012). The dynamics of prices of goods and services related to transport as well as housing slowed down. However, the prices of foods and non-alcoholic beverages were growing faster than in the previous month.

On the agricultural market in August 2012, prices of most basic agricultural products, except for prices of potatoes and milk, reached higher level than the year before. Results of July survey show an increasing downward trend in annual terms in livestock of pigs for slaughter. According to preliminary estimates of the main agricultural and horticultural crops, this year's crops of basic cereals with cereal mixed will be comparable to last year's crops and slightly smaller compared to the average from the period of 2006-2010. Crops of rape and turnip rape are estimated to reach higher level than the year before. Crops of fruit will be also better than in the previous year. However, the crops of ground vegetables, potatoes and sugar beet will be smaller than last year's.

In foreign trade in the period from January to July 2012, a faster growth in exports than in imports in PLN was recorded, which influenced the improvement of negative balance in annual terms. As a result of significant growth in turnover with Central and Eastern European countries, the share of this group of countries in total trade

increased. However, the share of developed countries, including the EU countries, decreased compared to the previous year. In the 1st half of 2012, exports in constant prices increased by 3.0% in annual terms, while imports decreased by 3.8%. Price relations in trade were worse than the year before - the terms of trade index in the 1st half of 2012 amounted to 96.8.

In the period from January to August 2012 the state budget deficit amounted to PLN 22.9 bln, which constituted 65.5% of the amount planned in the Budget Act for 2012. Revenue amounted to PLN 189.5 bln, whereas expenditure amounted to PLN 212.5 bln, i.e. 64.5% and 64.6% of the planned amount respectively.

SELECTED INDICATORS REGARDING THE ECONOMIC SITUATION OF THE COUNTRY

Specification a – 2011 b – 2012	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	
Paid employment in the enterprise sector ¹ in thous. persons	a	5501	5513	5509	5514	5514	5527	5528	5520	5515	5512	5515	5503
	b	5551	5543	5539	5531	5530	5531	5529	5522				
Registered unemployed persons (in thous. persons; end of period)	a	2105	2150	2134	2044	1963	1883	1863	1855	1862	1868	1915	1983
	b	2122	2168	2142	2073	2014	1964	1953	1965				
Unemployment rate (in %; end of period)	a	13,1	13,4	13,3	12,8	12,4	11,9	11,8	11,8	11,8	11,8	12,1	12,5
	b	13,2	13,5	13,3	12,9	12,6	12,4	12,3	12,4				
Average monthly nominal gross wage and salary in the enterprise sector ¹ (in zł)	a	3391,59	3422,14	3633,54	3597,84	3483,99	3600,47	3611,56	3591,23	3581,94	3617,16	3682,19	4015,37
	b	3666,41	3568,32	3770,66	3719,81	3617,98	3754,48	3700,01	3686,45				
previous month=100	a	88,1	100,9	106,2	99,0	96,8	103,3	100,3	99,4	99,7	101,0	101,8	109,0
	b	91,3	97,3	105,7	98,7	97,3	103,8	98,5	99,6				
corresponding month of previous year=100	a	105,0	104,1	104,0	105,9	104,1	105,8	105,2	105,4	105,2	105,1	104,4	104,4
	b	108,1	104,3	103,8	103,4	103,8	104,3	102,4	102,7				
Average monthly real gross wage and salary in the enterprise sector ¹ corresponding month of previous year=100	a	101,5	100,7	99,9	101,5	99,3	101,6	101,3	101,2	101,3	100,9	99,8	99,9
	b	103,9	100,1	100,0	99,5	100,3	100,2	98,7	99,0				
Average monthly real gross retirement pay and pension: from non-agricultural social security system corresponding month of previous year=100.....	a	102,2	102,3	100,1	100,0	99,3	100,2	100,4	100,1	100,6	100,2	99,6	99,8
	b	100,4	100,0	101,4	101,2	101,8	100,8	101,1	101,3				
of farmers corresponding month of previous year=100.....	a	100,5	100,4	98,1	98,2	97,4	98,3	98,7	98,4	98,8	98,5	97,9	97,9
	b	98,8	98,5	103,4	103,4	103,6	102,8	103,2	103,3				
Price indices of consumer goods and services: previous month=100	a	101,2	100,2	100,9	100,5	100,6	99,6	99,7	100,0	100,1	100,7	100,7	100,4
	b	100,7	100,4	100,5	100,6	100,2	100,2	99,5	99,7				
corresponding month of previous year=100	a	103,6	103,6	104,3	104,5	105,0	104,2	104,1	104,3	103,9	104,3	104,8	104,6
	b	104,1	104,3	103,9	104,0	103,6	104,3	104,0	103,8				
December of previous year=100	a	101,2	101,4	102,3	102,9	103,5	103,1	102,8	102,7	102,8	103,5	104,2	104,6
	b	100,7	101,1	101,7	102,2	102,4	102,6	102,1	101,8				
Price indices of sold production of industry: previous month=100	a	100,4	101,2	101,6	100,7	99,7	100,3	100,4	100,6	101,7	100,1	100,9	100,4
	b	100,1	99,5	100,1	100,7	100,4	99,5	99,6	100,1				
corresponding month of previous year=100	a	106,2	107,5	109,5	108,8	106,3	105,6	105,9	106,8	108,4	108,5	109,1	108,2
	b	107,9	106,0	104,4	104,4	105,2	104,4	103,6	103,1				
Price indices of construction and assembly production: previous month=100	a	100,1	100,1	100,2	100,2	100,2	100,3	100,2	100,3	100,1	100,1	100,0	100,0
	b	99,9	99,9	100,0	100,0	99,9	99,9	99,8	99,8				
corresponding month of previous year=100	a	100,3	100,4	100,6	100,6	100,7	100,8	101,1	101,4	101,6	101,6	101,7	101,8
	b	101,5	101,4	101,3	101,1	100,9	100,5	100,1	99,7				

¹ Data concern economic entities employing more than 9 persons.

SELECTED INDICATORS REGARDING THE ECONOMIC SITUATION OF THE COUNTRY

(cont.)

Specification a – 2011 b - 2012	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Sold production of industry ¹ (constant prices ²):												
previous month=100 a	93,7	103,3	115,2	90,7	102,7	101,0	94,0	104,1	112,6	97,6	100,5	95,1
..... b	95,0	99,2	110,7	92,4	104,2	98,0	97,9	99,2				
corresponding month of previous year=100 a	110,3	110,5	106,8	106,7	107,8	102,0	101,8	107,9	107,4	106,4	108,5	107,7
..... b	109,1	104,8	100,8	102,8	104,3	101,2	105,4	100,5				
Construction and assembly production (constant prices ²):												
previous month=100 a	30,7	111,5	142,4	109,7	125,9	117,6	96,6	101,5	118,3	95,7	92,5	140,6
..... b	35,5	94,5	131,6	114,6	123,7	105,0	92,9	105,7				
corresponding month of previous year=100 a	111,0	118,7	124,2	115,6	123,9	117,0	116,5	110,8	118,1	108,9	113,0	114,6
..... b	132,2	112,0	103,5	108,1	106,2	94,8	91,3	95,0				
Dwellings completed (from the beginning of year) a	10289	18329	27500	36973	45726	54568	65064	75965	86839	101027	114443	130954
..... b	12468	23783	36292	47379	57411	67845	79220	92021				
Retail sales of commodities ¹ (constant prices ³):												
previous month=100 a	70,8	101,8	117,4	101,7	98,3	101,9	101,3	101,5	101,3	102,8	93,5	120,3
..... b	74,9	101,0	115,0	97,0	100,8	100,2	102,2	100,5				
corresponding month of previous year=100 a	102,3	108,6	105,1	113,6	108,5	106,4	104,2	106,9	107,7	106,8	107,4	104,2
..... b	109,9	108,9	106,9	101,8	104,3	102,6	103,4	102,3				
State budget balance - from the beginning of year (in mln zł) a	-2762,0	-14409,2	-17499,7	-21585,5	-23728,3	-20222,2	-21083,6	-20680,7	-21888,5	-22470,4	-21573,4	-25124,4
..... b	-5301,8	-16515,6	-22968,6	-24819,9	-26981,0	-21085,6	-24338,8	-22935,0				
Average exchange rates in zł – National Bank of Poland:												
100 USD a	291,48	287,87	286,88	274,67	274,19	275,86	279,11	287,70	314,29	317,69	326,09	339,59
..... b	338,84	316,08	313,20	317,27	334,72	343,99	340,61	330,21				
100 EUR a	389,69	392,86	401,74	397,06	393,95	396,95	399,07	412,32	433,32	435,62	442,39	447,66
..... b	437,75	418,40	413,70	417,56	428,84	430,72	418,96	409,12				
100 CHF a	305,03	303,12	311,88	305,92	314,00	327,99	338,24	368,94	361,93	354,41	359,34	364,68
..... b	361,35	346,60	343,00	347,36	357,00	358,65	348,84	340,64				
Foreign trade ⁴ in mln zł:												
exports a	40153,3	42483,4	48187,9	44225,9	46415,3	45259,8	42486,9	45945,9	52812,9	52071,3	52126,2	46570,2
..... b	48308,5	47661,7	51304,8	47935,2	49949,8	49569,4	48865,1	.				
imports a	44300,5	47210,9	52935,3	50553,5	52021,9	51666,4	48956,6	51626,1	56269,0	56928,9	57444,7	53458,9
..... b	52903,3	52887,2	54984,5	50770,8	54734,2	52446,4	50913,9	.				
balance a	-4147,2	-4727,5	-4747,4	-6327,6	-5606,6	-6406,6	-6469,7	-5680,2	-3456,1	-4857,6	-5318,5	-6888,7
..... b	-4594,8	-5225,5	-3679,7	-2835,6	-4784,4	-2877,0	-2048,8	.				

¹ Data concern economic entities employing more than 9 persons. ² The average current prices from 2005. ³ The current prices from the period preceding the surveyed period.

⁴ Preliminary data.