

## Introduction

In October 2012 in major areas of economy, an improvement in the dynamics was recorded, partly related to the influence of seasonal factors. After a decrease in the previous month, sold production of industry reached higher level than the year before. Retail sales also slightly increased. Considerable growth rate in the sale of transport services maintained. Construction and assembly production was once again lower than the year before but the decrease has slowed down. Further slowdown in the dynamics of producers' prices in industry as well as a slight decrease in construction and assembly production prices were recorded. An increase in prices of consumer goods and services in annual terms was slower than in previous months but, similarly to earlier periods, faster than an increase in average monthly salaries and wages in enterprise sector. As a result, the purchasing power of wages and salaries remained at lower level than the year before. However, the increase of real social benefits both in the employee system and in the farmers system maintained. Hitherto tendencies on the labour market persisted. With a level of average employment in the enterprise sector being similar to the one noted the year before, an increase in registered unemployment was recorded.

Financial results of the surveyed non-financial enterprises in the period of three quarters of 2012 deteriorated in comparison with favourable results recorded the year before. The dynamics of investment outlays of these entities was slower than in the previous periods. Financial results of banks were slightly higher than the year before.

An average employment in the enterprise sector in October 2012, similarly to the previous months, maintained at the level from the year before. The registered unemployment rate as of the end of October of 2012 amounted to 12.5% and was higher than the one recorded both the month before (by 0.1 pp) and in October of 2011 (by 0.7 pp). The preliminary results of the Labour Force Survey for the 3<sup>rd</sup> quarter of 2012 also show more difficult situation regarding unemployment than the year before. The number of employed persons, employment rate and the ratio of the number of non-employed to employed persons slightly improved.

An average nominal monthly gross wages and salaries in the enterprise sector in October of 2012 were increasing slightly faster in annual terms (2.8%) than in the previous months but their purchasing power was by 0.5% lower than the year before. The dynamics of nominal and real retirement and pension benefits was higher than of wages and salaries and similar to that noted in the previous periods.

As a result of slower growth in prices of food and non-alcoholic beverages, goods and services related to transport as well as dwellings, a slowdown in considerable

dynamics of prices of consumer goods and services was recorded (up to 3.4% in annual terms).

Sold production of industry in October of 2012 was by 4.6% higher than the year before and after eliminating seasonal factors, it increased by 0.6%. A growth was recorded in all sections of industry, the highest one in mining and quarrying. Among the main industrial groupings, the fastest growth was recorded in the sale of non-durable and durable consumer goods. Construction and assembly production was by 3.6% lower than the year before (after eliminating seasonal factors, it decreased by 7.0%). The decrease in production was recorded in most of sections, except for construction of buildings (where an increase in production was recorded after considerable decrease the year before and in the previous months). Retail sales grew in annual terms by 0.5% (against a decrease in September of 2012).

Enterprises operating in manufacturing assess the general business tendency climate in November of 2012 slightly less pessimistically than the month before. It is mainly influenced by an improvement of negative assessments of present order-books and production, with deterioration in unfavourable forecasts in this scope. Difficulties in settling financial liabilities persist. The opinions of entities operating in construction about the conditions for conducting business activity are more pessimistic than in October. Negative indications regarding present and future order-books, production and financial situation have worsened. In retail trade, the general business tendency climate is slightly less pessimistic than in October, mainly due to an improvement in unfavourable assessments of present and future sale and forecasts regarding demand for goods. Trade entities are planning to slightly limit the employment reductions. Predictions of enterprises operating in manufacturing are still negative in this scope, similar to predictions expressed the month before. The scale of employment reductions in construction may be more considerable than in October.

Financial situation of non-financial enterprises in the period of three quarters of 2012 was weaker than the favourable one noted the year before. Revenues from the total activity were increasing more slowly than cost of obtaining revenues, which caused the costs level indicator deterioration. Business activity results as well as gross and net financial results were weaker than the year before. Basic economic and financial indicators of the analysed entities, including exporters, worsened (however, indicators of the latter developed more favourably than with respect to the whole of the analysed enterprises). The share of number of enterprises showing net profit in the total number of enterprises slightly decreased. Investment outlays of the analysed enterprises in the period of three quarters of 2012 were by 4.4% higher than the year before (against an increase of 7.6% in the 1<sup>st</sup> half year of 2012 respectively). The dynamics of outlays of entities with foreign capital was slightly slower than on average. In the analysed group

of enterprises in total, in annual terms, the number and estimated value of newly started investments decreased.

In the period of January-September of 2012, foreign trade turnover calculated in PLN increased in annual terms but its dynamics was gradually weakening in consecutive quarters. As a result of exports growing faster than imports, total negative turnover balance improved. The highest increase in turnover was recorded with respect to the countries of Central and Eastern Europe. The trade exchange with developed countries (including the EU) was developing in the slowest pace, and with relatively small increase in exports, a decrease in imports from these countries was recorded. High dynamics of agricultural and food products turnover influenced an increase in the share of these commodities in the total turnover. In the period of eight months of 2012, the total terms of trade index slightly worsened in annual terms and amounted to 98.4.

On agricultural market, with procurement higher than in October of 2011, the prices of most of basic vegetable products developed above last year's level. The procurement prices of pigs and cattle for slaughter were also higher. An increased supply of milk was accompanied by a decrease in prices of this product noted since April of 2012. The prices of cattle and poultry for slaughter slightly decreased in monthly terms. The profitability of pigs fattening remained at the level recorded in September of 2012. A rise in prices of piglets for further breeding maintained.

After ten months of this year the state budget deficit amounted to PLN 34.1 billion, which constituted 97.5% of the amount planned in the Budget Act for 2012.

# 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 <sup>1</sup> 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	5514	5510			
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	1979	1995			
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	13,4	13,3	12,9	12,6	12,3	12,3	12,4	12,4	12,5			
Average monthly nominal gross wage and salary in the enterprise sector <sup>1</sup> (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	3640,84	3718,19			
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	98,8	102,1			
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	101,6	102,8			
Average monthly real gross wage and salary in the enterprise sector <sup>1</sup>													
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	98,0	99,5			
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	101,2	101,7			
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	103,3	103,9			
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	100,1	100,4			
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	103,8	103,4			
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	101,9	102,3			
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	100,0	100,5	99,3			
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	103,0	101,8	101,0			
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	99,8	99,9			
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	99,3	99,1			

<sup>1</sup> 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 <sup>1</sup> (constant prices <sup>2</sup> ):												
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	99,3	106,1	107,7		
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	100,6	94,8	104,6		
Construction and assembly production (constant prices <sup>2</sup> ):												
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	102,2	112,4		
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	82,1	96,4		
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	104621	119171		
Retail sales of commodities <sup>1</sup> (constant prices <sup>3</sup> ):												
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	98,4	103,7		
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	99,6	100,5		
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	22911,8	21128,9	34137,1		
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	321,54	316,72		
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	413,14	410,91		
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	341,68	339,65		
Foreign trade <sup>4</sup> 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	48316,1	47653,5	51359,4	47950,6	50022,7	49726,9	49398,8	47580,1	49577,2	.		
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	53032,2	53071,8	55277,5	51123,7	55067,3	52988,1	52140,6	48824,2	50254,2	.		
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	-4716,1	-5418,3	-3918,1	-3173,1	-5044,6	-3261,2	-2741,8	-1244,1	-677,0	.		

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

<sup>4</sup> Preliminary data.