

## Introduction

In February 2014, in most areas of the economy the upward trends observed in the previous months maintained. In comparison to January 2014, a faster growth, in annual terms, was observed in sold production of industry. The dynamics of retail sales and of the sales of transport services strengthened considerably. A high increase, following a substantial drop a year before, was recorded in construction and assembly production. Producer prices in industry and construction were still below the level observed a year before. A small increase, yet slightly faster than a year before, in the prices of consumer goods and services, in annual terms, maintained.

The situation on the labour market remains difficult, despite the fact that the trends observed in the recent months point to the gradual reduction of unfavourable phenomena. The average employment in the enterprise sector in February 2014 was slightly above the one recorded a year before, and the registered unemployment rate decreased to 13.9%.

The growth rate of average nominal gross wages and salaries in the enterprise sector, in February 2014, was higher than in January; the increase in the purchasing power of wages and salaries also strengthened. The dynamics of nominal and real retirement pays and pensions both in the employee and in the farmers system was still higher than that of wages and salaries.

In February 2014, sold production of industry was higher than a year before by 5.3% (after eliminating seasonal factors, the growth amounted to 5.6%). A production increase in manufacturing was higher than the average growth in industry. A decrease was recorded in electricity, gas, steam and air-conditioning supply, and in mining and quarrying. In comparison to the previous year, a rise was observed in production in most main industrial groupings, except for goods related to energy. Construction and assembly production grew, in comparison with February of the previous year, by 14.4% (after eliminating seasonal factors – by 14.2%). An increase in production was observed in all sections of construction, of which the highest – in entities dealing mainly with specialised construction activities. Retail sales was by 7.0% higher than a year before, and it increased significantly in entities dealing with the sale of motor vehicles, motorcycles and parts, and textiles, clothing and footwear.

In March 2014, the assessments of the general business tendency climate in manufacturing are more optimistic than a month before. Forecasts concerning production and the order-books (mainly domestic) are positive and better than in February. The favourable projections of the financial situation point to the possibility of further improvement in this area. Construction entities assess the business tendency climate less pessimistically than in February 2014, mainly due to the improvement of the unfavourable current assessments and the optimistic forecasts regarding the order-books and production; their assessments of the financial situation are less pessimistic. The business tendency assessments of retail trade entities are slightly positive and better than in the previous months. Forecasts concerning the economic situation, demand for goods and

sales are favourable (against the negative ones in February 2014), with less pessimistic indications concerning the current and forecasted financial situation. Forecasts concerning employment (in manufacturing employment can grow slowly, while in construction and retail trade it can be limited to a lesser extent than it was expected a month before).

In 2013, the financial results of non-financial enterprises were better than a year before. A growth in net profit and a considerable limitation of net loss were observed. After a substantial decrease in 2012, the financial result on economic activity, and the gross and net financial results grew considerably. The higher dynamics of revenues from total activity in relation to the costs of obtaining revenues caused a slight improvement in the cost level indicator (from 95.8% to 95.5%). The gross and net profitability rates were slightly higher than in 2012, and so was the financial liquidity indicator of the 1<sup>st</sup> degree, while the financial liquidity indicator of the 2<sup>nd</sup> degree dropped. The share of number of enterprises with net profit in the total number of enterprises increased. The economic and financial relations of exporters were better than in 2012, and more favourable than for the surveyed enterprises.

Investment outlays of the enterprises surveyed (in constant prices) in 2013 increased, in comparison with the previous year, by 6.1% (following a slight drop in 2012). A more considerable growth was observed in the outlays on buildings and structures than on purchases. Outlays of entities with foreign capital participation grew slower than average. The number of newly started investments in total and their estimate value increased considerably, following a drop observed a year before.

The dynamics of commodity turnover in foreign trade (calculated in PLN), in January 2014, was much higher than the low one recorded a year before. The value of turnover with all groups of countries increased, except for exports to the Central and Eastern European countries. The balance of total trade turnover was positive (against the negative one observed in the previous years).

In February 2014, on the agricultural market the prices of cereals, pigs and cattle for slaughter were lower than a year before. Considerable increases were recorded in the prices of milk, which were higher than in February of the previous year, as well as in the prices of potatoes and poultry for slaughter. The profitability of pigs fattening index worsened in comparison with the previous month, and was only slightly higher than a year before.

After two months of 2014, the State Budget closed with a deficit of PLN 11.7 billion, accounting for 24.7% of the amount assumed in the Budget Act for 2014. Revenues amounted to PLN 48.7 billion, and expenditures – to PLN 60.4 billion (respectively 17.5% and 18.6% of the plan).

## SELECTED INDICATORS REGARDING THE ECONOMIC SITUATION OF THE COUNTRY

Specification												
a – 2013	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
b – 2014												
Paid employment in the enterprise sector <sup>1</sup>												
in thous. persons ..... a	5507	5497	5489	5478	5479	5488	5489	5494	5495	5500	5501	5491
b	5506	5508										
Registered unemployed persons (in thous. persons; end of period)..... a	2296	2337	2315	2256	2176	2109	2093	2083	2083	2075	2116	2158
b	2261	2256										
Unemployment rate (in %; end of period) ..... a	14,2	14,4	14,3	14,0	13,6	13,2	13,1	13,0	13,0	13,0	13,2	13,4
b	14,0	13,9										
Average monthly nominal gross wage and salary in the enterprise sector <sup>1</sup> (in zł) ..... a	3680,30	3709,99	3832,81	3830,89	3699,67	3808,63	3830,07	3760,45	3770,91	3834,17	3897,88	4221,50
b	3805,28	3856,56										
previous month=100 ..... a	89,5	100,8	103,3	99,9	96,6	102,9	100,6	98,2	100,3	101,7	101,7	108,3
b	90,1	101,3										
corresponding month												
of previous year=100 ..... a	100,4	104,0	101,6	103,0	102,3	101,4	103,5	102,0	103,6	103,1	103,1	102,7
b	103,4	104,0										
Average monthly real gross wage and salary in the enterprise sector <sup>1</sup>												
corresponding month												
of previous year=100..... a	98,7	102,8	100,6	102,2	101,8	101,1	102,4	100,9	102,6	102,3	102,5	102,1
b	103,0	103,3										
Average monthly real gross retirement pay and pension:												
from non-agricultural social security system												
corresponding month of previous year=100..... a	104,1	104,0	104,3	104,5	104,6	104,9	103,9	104,1	104,0	104,4	104,4	104,8
b	103,9	104,3										
of farmers												
corresponding month of previous year=100..... a	106,7	107,2	104,7	104,8	105,3	105,5	104,3	104,5	104,4	104,7	105,0	105,0
b	103,7	103,8										
Price indices of consumer goods and services:												
previous month=100 ..... a	100,1	100,0	100,2	100,4	99,9	100,0	100,3	99,7	100,1	100,2	99,8	100,1
b	100,1	100,1										
corresponding month												
of previous year=100 ..... a	101,7	101,3	101,0	100,8	100,5	100,2	101,1	101,1	101,0	100,8	100,6	100,7
b	100,5	100,7										
Price indices of sold production of industry:												
previous month=100 ..... a	100,1	100,0	100,2	100,6	100,5	100,5	100,8	100,5	100,5	100,7	100,5	100,7
b	100,1	100,2										
corresponding month												
of previous year=100 ..... a	100,0	100,3	99,7	99,3	100,1	100,7	100,2	99,7	100,1	99,3	99,7	99,9
b	100,0	99,9										
Price indices of construction and assembly production:												
previous month=100 ..... a	98,8	99,7	99,3	97,9	97,5	98,7	99,2	98,9	98,6	98,6	98,5	99,0
b	99,0	98,6										
corresponding month												
of previous year=100 ..... a	99,8	99,8	99,8	99,9	99,8	99,9	99,9	99,8	99,9	99,9	99,9	99,9
b	99,8	99,8										
	98,6	98,4	98,2	98,1	98,0	98,0	98,1	98,1	98,2	98,2	98,3	98,3
	98,3	98,4										

<sup>1</sup> Data concern economic entities employing more than 9 persons.

## SELECTED INDICATORS REGARDING THE ECONOMIC SITUATION OF THE COUNTRY

(cont.)

Specification		I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
a - 2013													
b - 2014													
<b>Sold production of industry<sup>1</sup> (constant prices<sup>2</sup>):</b>													
previous month=100 .....	a	105,5	97,2	109,3	97,8	99,3	102,6	101,5	95,6	109,7	106,1	93,8	90,4
	b	103,0	98,2										
<b>corresponding month</b>													
of previous year=100 .....	a	100,4	97,9	97,1	102,8	98,2	102,8	106,3	102,2	106,3	104,6	102,9	106,7
	b	104,2	105,3										
<b>Construction and assembly production (constant prices<sup>2</sup>):</b>													
previous month=100 .....	a	39,7	99,7	120,9	107,9	116,3	119,1	107,8	99,2	109,4	114,3	91,1	121,5
	b	36,0	118,7										
<b>corresponding month</b>													
of previous year=100 .....	a	83,9	88,6	81,5	76,9	72,5	81,7	94,8	88,9	95,2	96,8	97,1	105,8
	b	96,1	114,4										
Dwellings completed (from the beginning of year) .....	a	13979	24937	37125	47745	57463	67976	80948	91423	102149	116749	129353	145388
	b	12187	23708										
<b>Retail sales of commodities<sup>1</sup> (constant prices<sup>2</sup>):</b>													
previous month=100 .....	a	79,6	97,4	116,5	97,0	101,9	101,6	103,8	99,8	98,9	103,3	94,2	117,1
	b	78,7	99,5										
<b>corresponding month</b>													
of previous year=100 .....	a	102,4	98,7	100,0	100,1	101,2	102,6	104,3	103,5	104,1	103,7	104,2	105,9
	b	104,8	107,0										
<b>State budget balance - from the beginning of year (in mln zł) .....</b>													
	a	-8440,9	-21684,6	-24452,7	-31717,0	-30951,2	-25873,7	-25949,6	-26811,1	-29643,4	-39481,2	-38569,1	-42191,7
	b	-2601,1	-11734,7										
<b>Average exchange rates in zł - National Bank of Poland:</b>													
100 USD .....	a	311,45	311,97	320,58	318,25	321,49	325,12	326,88	317,67	317,50	307,04	309,98	304,81
	b	306,50	306,13										
100 EUR .....	a	413,69	417,34	415,81	414,09	417,59	428,65	427,56	422,95	423,76	419,08	418,82	417,57
	b	417,76	417,86										
100 CHF .....	a	336,79	339,24	339,08	339,46	336,53	347,75	345,82	342,76	343,49	340,33	339,96	340,88
	b	339,35	342,05										
<b>Foreign trade<sup>4</sup> in mln zł:</b>													
exports .....	a	49767,0	50828,8	52506,1	54264,3	50413,9	53920,1	54992,4	51550,1	57728,4	60883,4	55228,0	46516,5
	b	53962,0	.										
imports .....	a	51523,7	50532,9	56141,0	52935,9	51698,1	52941,3	56042,9	51882,2	56732,2	61900,1	57356,5	48507,9
	b	53226,4	.										
balance .....	a	-1756,7	295,9	-3634,9	1328,4	-1284,2	978,8	-1050,5	-332,1	996,2	-1016,7	-2128,5	-1991,4
	b	735,6	.										

<sup>1</sup>Data concern economic entities employing more than 9 persons. <sup>2</sup>The average current prices from 2010. <sup>3</sup>The current prices from the period preceding the surveyed period. <sup>4</sup>In 2013 preliminary data.