

Introduction

In the 1st half of 2014, upward tendencies continued in the economy, though in certain areas a slight slowdown of the dynamics was observed in the 2nd quarter, as compared to the one recorded in the 1st quarter. Sold production of industry and construction grew at a slightly weaker rate than in the period of January-March of 2014. A growth in retail sales in the 2nd quarter of 2014, despite a slight weakening, remained faster than in the consecutive periods of the previous year. In transport a slight strengthening of the growth rate was observed in the sales of services in the period of April-June of 2014.

An increase in production and sales, recorded in the basic areas of the economy, was accompanied by a drop in annual terms in producer prices in industry and construction (continuing from the 2nd half of 2012), and by a low price dynamics of consumer goods and services. Average monthly gross nominal wages and salaries in the enterprise sector grew faster in the 1st half of 2014 than in the previous periods, and their purchasing power, with a slight growth in consumer prices, considerably strengthened. The growth rate of nominal and real gross retirement pays and pensions both in the employee and in the farmers system was weaker than a year before, and in the 2nd quarter of 2014 – slower than that of average wages and salaries.

On the labour market, a gradual improvement of the difficult situation was observed. The dynamics of the average employment in the enterprise sector improved slightly; in the 1st half of 2014, a growth in employment was recorded of 0.4% in annual terms, of which in the 2nd quarter – of 0.7%. The inflow to registered unemployment was smaller than in the period of January-June of the previous year, while the number of persons removed from unemployment rolls, mostly due to taking up a job, was higher. As a result, the unemployment rate decreased to 12.0% at the end of June of 2014.

Sold production of industry in the 1st half of 2014 was by 4.3% higher than a year before. A growth was recorded in manufacturing as well as in water supply; sewerage, waste management and remediation activities, whereas sold production of mining and quarrying as well as electricity, gas, steam and air conditioning supply was below the previous year's level. Among the main industrial groupings, the fastest sales growth was observed in enterprises manufacturing mainly intermediate and capital goods. However, the production of energy goods was lower than a year before. Labour productivity in industry increased by 3.5% in annual terms, together with a growth in employment of 0.8%. Construction and assembly production in the 1st half of 2014 was by 9.8% higher than a year before (when a drop of 21.5% was recorded). Retail sales grew by 5.3% in annual terms.

In June of 2014, the dynamics in industry and construction was slower than in the preceding months. Sold production of industry increased by 1.7% in comparison to the corresponding month of the previous year, and construction and assembly production grew by 8.0%. The growth in retail sales was also lower than in the previous periods (1.8% in comparison to June of the previous year).

According to the July's business tendency surveys, the business sentiments in manufacturing are slightly less optimistic than a month before. The production, order-books and financial situation forecasts are positive, though more careful than in June of 2014. Construction companies assess business tendencies in a negative way, similarly to a month before. The assessments concerning the current order-books and production are slightly less pessimistic than in June of 2014, with more careful optimistic projections in these areas. The negative assessments of the current financial situation improved slightly, though the forecasts in this scope are negative (against the positive ones in the two preceding months). The general business tendency climate in retail trade is assessed slightly worse than in June of 2014. As compared to the previous month, retail trade units express more careful forecasts concerning the demand for goods and sales. Enterprises operating in manufacturing, construction companies and trade entities forecast slight employment reductions.

The prices of consumer goods and services in the 1st half of 2014 grew by 0.4% in annual terms, i.e. it ran markedly below the lower limit for deviations from the inflation target. In the 2nd quarter of 2014, a further slowdown of the price dynamics was observed, mainly as a result of the price drop in the group of food and non-alcoholic beverages.

On the agricultural market, with an increased supply, the prices of cereals and animals for slaughter were lower than in the 1st half of the previous year. The procurement prices of potatoes reached a higher level than a year before. Together with an increased supply of milk, the price dynamics of this product was high, though it weakened in the recent months. The profitability of pigs fattening improved slightly, and the prices of piglets for further breeding did not change significantly.

In the period of January-May of 2014, the dynamics of foreign trade turnover calculated in PLN was considerably higher than a year before. The turnover in exports grew faster than that in imports, as a result of which the turnover closed with a slightly positive balance, against the negative one in the previous years. In comparison to the corresponding period of the previous year, a growth in trade turnover was observed with all groups of countries, except for exports to the Central and Eastern European countries. The price relations of total trade turnover in the period of January-April of 2014 were more favourable than a year before – the total terms of trade index amounted to 103.6.

In the 1st half of 2014, the revenue of the State budget amounted to PLN 136.3 bn (i.e. 49.1% of the amount assumed in the Budget Act for 2014), and the expenditure – to PLN 161.6 bn (49.7% respectively). The deficit reached the level of PLN 25.4 bn, which accounted for 53.4% of the plan.

SELECTED INDICATORS REGARDING THE ECONOMIC SITUATION OF THE COUNTRY

Specification a - 2013 b - 2014	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	
Paid employment in the enterprise sector¹													
in thous. persons	a	5507	5497	5489	5478	5479	5488	5489	5494	5495	5500	5501	5491
	b	5506	5508	5515	5515	5515	5526						
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	2182	2079	1987	1913						
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	13,5	13,0	12,5	12,0						
Average monthly nominal gross wage and salary in the enterprise sector¹ (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	4017,75	3976,80	3878,31	3943,01						
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	104,2	99,0	97,5	101,7						
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	104,8	103,8	104,8	103,5						
Average monthly real gross wage and salary in the enterprise sector¹													
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	104,2	103,5	104,6	103,2						
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	102,1	103,2	103,6	103,4						
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	100,8	101,0	101,2	101,3						
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	100,1	100,0	99,9	100,0						
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	100,7	100,3	100,2	100,3						
December of previous year=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	100,3	100,2	100,1	100,1						
Price indices of sold production of industry:													
previous month=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	99,8	99,8	99,8	100,0						
corresponding month of previous year=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	98,7	99,3	99,0	98,3						
Price indices of construction and assembly production:													
previous month=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	99,9	99,9	100,0	100,0						
corresponding month of previous year=100	a	98,6	98,4	98,2	98,1	98,0	98,0	98,1	98,1	98,2	98,2	98,3	98,3
	b	98,3	98,4	98,5	98,5	98,6	98,7						

¹ Data concern economic entities employing more than 9 persons.

SELECTED INDICATORS REGARDING THE ECONOMIC SITUATION OF THE COUNTRY

(cont.)

Specification a - 2013 b - 2014	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Sold production of industry ¹ (constant prices ²):												
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
corresponding month of previous year=100	b 103,0	98,2	109,4	97,8	98,3	99,9						
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	105,5	105,5	104,4	101,7							
Construction and assembly production (constant prices ²):												
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
corresponding month of previous year=100	b 36,0	118,7	124,2	103,2	114,0	116,9						
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	117,4	112,2	110,0	108,0							
Dwellings completed (from the beginning of year)	a 14059	24999	37155	47771	57480	67962	80918	91380	102102	116540	129128	145136
b 12566	24999	35601	46825	55766	66327							
Retail sales of commodities ¹ (constant prices ³):												
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
corresponding month of previous year=100	b 78,7	99,5	112,5	102,3	97,5	99,2						
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	103,3	108,9	104,3	101,8							
State budget balance - from the beginning of year (in mln zł)	a -8440,9	-21684,6	-24452,7	-31717,0	-30951,2	-25873,7	-25949,6	-26811,1	-29643,4	-39481,2	-38569,1	-42194,1
b -2601,1	-11718,2	-17491,0	-21179,9	-22362,6	-25361,3							
Average exchange rates in zł - National Bank of Poland:												
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	303,78	302,93	304,15	304,25							
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	419,72	418,41	417,90	413,69							
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	344,71	343,17	342,44	339,65							
Foreign trade ⁴ in mln zł:												
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 55166,9	53475,5	58233,3	57719,2	54555,4	.	.	.	.	.	.	.	.
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 55113,1	53758,7	58003,6	56472,4	55523,4	.	.	.	.	.	.	.	.
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 53,8	-283,2	229,7	1246,8	-968,0	.	.	.	.	.	.	.	.

¹ Data concern economic entities employing more than 9 persons. ² The average current prices from 2010. ³ The current prices from the period preceding the surveyed period.

⁴ Preliminary data.