

Socio-economic situation of Poland – main tendencies

In the period of January-September of 2015 in the Polish economy, moderate, quite stable growth pace was maintained. Sold production of industry increased to a greater extent than a year before, and its dynamics in the 3rd quarter improved as compared to the period of April-June of 2015. The construction and assembly production, after a drop in the 2nd quarter, in the period of July-September of 2015 reached the higher level than in the respective period of the previous year; in the period of nine months of 2015 its growth rate was weaker than a year before. A slower pace – in comparison with a relatively high one in the period of January-September of 2014 – characterized the dynamics of sales of transport services. The growth in retail sales was also slower in annual terms.

A further improvement of the situation on the labour market continued. Decrease in prices of consumer goods and services favourably influenced the dynamics of the purchasing power of wages and salaries, as well as retirement and other pensions.

The average paid employment in the sector of enterprises in consecutive quarters was higher than in corresponding periods of the previous year, and in the period of nine months of 2015 a growth by 1.1% in annual terms was recorded. The registered unemployment rate decreased gradually (to 9.7% at the end of September of 2015).

The growth of average nominal wages and salaries in the enterprise sector in the period of January-September of 2015 was slightly lower than a year before and similar to the one recorded in the 1st half of 2015. Growth rate of real wages and salaries, as well as retirement and other pensions, improved as compared to the period of three quarters of 2014.

The prices of consumer goods and services in the period of January-September of 2015 were by 1.1% lower than a year before; in subsequent quarters the rate of decrease was gradually weakening. The prices of goods and services associated with transport, clothing and footwear, as well as food and non-alcoholic beverages, decreased, with a simultaneous growth, among others, in prices of goods and services associated with communication and dwelling. In the period of January-September of 2015 a decrease in the prices of sold production of industry, as well as in construction and assembly production was maintained in annual terms.

Sold production of industry within three quarters of 2015 was higher in annual terms by 4.5%; growth was recorded in all sections, except for electricity, gas, steam and air conditioning supply. Among the main industrial groupings the highest growth was observed in sales of capital goods. The production growth rate was also relatively high in enterprises manufacturing consumer goods, with a simultaneous slight drop in the sales of energy goods. Labour productivity in the industry in the period of nine months of 2015 increased in annual terms by 3.0%, with a simultaneous growth in paid employment by 1.5%. The construction and assembly production in the period of January-September of 2015 was by 2.0% higher than in the respective period of the previous year. The growth was observed in all divisions of construction, the highest in entities dealing mainly with

specialised construction activities. Retail sales increased as compared to the period of three quarters of 2014 by 3.5%. Growth occurred in most groups, except for, among others, solid, liquid and gas fuels.

According to the business tendency surveys conducted in October of 2015, the sentiments of entrepreneurs in manufacturing are optimistic, similarly to a month before. Positive assessments (against unfavourable ones in September of 2015) concern current production and the order-books, with worse forecasts in these areas. An improvement occurred in pessimistic indications concerning current financial situation, while its forecasts are slightly unfavourable against positive ones a month before. Construction and assembly entities assess the general business climate more negatively than in September of 2015. It is influenced mainly by deterioration in pessimistic expectations with regard to the domestic order-books, production and financial situation; further employment reductions are planned. In retail trade entrepreneurs assess the general business tendency positively, similarly as in September of 2015. Current sales have remained on the previous level and opinions concerning future sales have improved and have been the best since April of 2015. The current financial situation is assessed still pessimistically, and forecasts in this respect are positive and better than the expectations from September of 2015.

On the agricultural market in the period of nine months of 2015 procurement prices of cereals and potatoes, despite significantly limited supply, were below the level from the corresponding period of the previous year. At higher procurement, also the prices of animal-origin products were lower (except for prices of cattle for slaughter). Relations of market prices of pigs and of cereals did not ensure profitability of pigs fattening.

In the period of January-August of 2015 increase in foreign trade turnover (in annual terms) was slightly faster in exports than in imports. The trade was closed with a positive balance, against a negative one recorded a year before. Trade turnover with developed countries (including EU countries) and with developing countries increased, and turnover with Central and Eastern European countries decreased significantly (mainly as a result of significant weakening of exchange with Russia and Ukraine). In the period of January-July of 2015 the terms of trade index was less favourable than a year before.

The State Budget revenue within three quarters of 2015 reached the level of PLN 210.0 bn, and expenditure – PLN 241.2 bn (i.e. respectively 70.7% and 70.3% of the amount assumed in the Budget Act for 2015). A deficit of PLN 31.1 bn was recorded, which accounted for 67.6% of the plan.

SELECTED INDICATORS REGARDING THE ECONOMIC SITUATION OF THE COUNTRY

Specification		I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
a – 2014													
b – 2015													
Paid employment in the enterprise sector ¹ in thous. persons	a	5506	5508	5515	5515	5515	5526	5531	5535	5537	5545	5551	5549
	b	5573	5573	5576	5575	5577	5578	5583	5588	5593			
Registered unemployed persons (end of period) in thous. persons	a	2261	2256	2182	2079	1987	1913	1879	1853	1822	1785	1800	1825
	b	1919	1919	1861	1782	1702	1622	1586	1564	1539			
Unemployment rate (end of period) in %	a	13,9	13,9	13,5	13,0	12,5	12,0	11,8	11,7	11,5	11,3	11,4	11,4
	b	11,9	11,9	11,5	11,1	10,7	10,2	10,0	9,9	9,7			
Average monthly nominal gross wage and salary in the enterprise sector ¹ :													
in zloty	a	3805,28	3856,56	4017,75	3976,80	3878,31	3943,01	3964,91	3893,23	3900,49	3980,92	4004,80	4379,26
	b	3942,78	3981,75	4214,14	4123,26	4002,16	4039,70	4095,26	4024,95	4059,19			
previous month=100	a	90,1	101,3	104,2	99,0	97,5	101,7	100,6	98,2	100,2	102,1	100,6	109,4
	b	90,0	101,0	105,8	97,8	97,1	100,9	101,4	98,3	100,9			
corresponding month of previous year=100	a	103,4	104,0	104,8	103,8	104,8	103,5	103,5	103,5	103,4	103,8	102,7	103,7
	b	103,6	103,2	104,9	103,7	103,2	102,5	103,3	103,4	104,1			
Average monthly real gross wage and salary in the enterprise sector ¹ — corresponding													
month of previous year=100	a	103,0	103,3	104,2	103,5	104,6	103,2	103,6	103,7	103,7	104,3	103,2	104,7
	b	105,2	105,0	106,6	104,9	104,1	103,4	104,1	104,1	105,2			
Average monthly real gross retirement pay and pension:													
from non-agricultural social security system													
corresponding month of previous year=100.....	a	103,9	104,3	102,1	103,2	103,6	103,4	103,8	103,7	103,7	103,7	103,9	104,2
	b	104,5	104,6	104,8	103,3	103,1	102,8	103,1	103,4	103,3			
of farmers													
corresponding month of previous year=100.....	a	103,8	103,8	100,8	101,0	101,2	101,3	101,7	101,9	101,9	102,0	102,4	102,9
	b	102,8	103,2	104,9	104,5	105,5	104,4	103,6	103,1	103,3			
Price indices of consumer goods and services:													
previous month=100	a	100,1	100,1	100,1	100,0	99,9	100,0	99,8	99,6	100,0	100,0	99,8	99,7
	b	99,8	99,9	100,2	100,4	100,0	100,0	99,9	99,6	99,7			
corresponding month of previous year=100	a	100,5	100,7	100,7	100,3	100,2	100,3	99,8	99,7	99,7	99,4	99,4	99,0
	b	98,6	98,4	98,5	98,9	99,1	99,2	99,3	99,4	99,2			
December of previous year=100	a	100,1	100,2	100,3	100,2	100,1	100,1	99,9	99,5	99,4	99,5	99,2	99,0
	b	99,8	99,6	99,8	100,3	100,3	100,3	100,2	99,9	99,6			
Price indices of sold production of industry:													
previous month=100	a	100,0	99,9	99,8	99,8	99,8	99,9	99,9	100,3	100,0	99,6	99,5	98,8
	b	99,9	99,9	100,1	99,6	100,4	100,6	99,6	99,3	99,9			
corresponding month of previous year=100	a	99,0	98,6	98,7	99,3	99,0	98,2	97,9	98,5	98,4	98,7	98,4	97,3
	b	97,2	97,2	97,5	97,3	97,9	98,6	98,2	97,3	97,1			
Price indices of construction and assembly production:													
previous month=100	a	99,8	99,8	99,9	99,9	100,0	100,0	100,0	100,0	100,0	100,0	99,9	99,9
	b	99,9	99,9	100,0	100,0	99,9	100,0	99,9	99,9	99,9			
corresponding month of previous year=100	a	98,3	98,4	98,5	98,5	98,6	98,7	98,8	99,1	99,2	99,3	99,4	99,2
	b	99,5	99,6	99,7	99,7	99,7	99,6	99,6	99,4	99,4			

¹ 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 - 2014													
b - 2015													
Sold production of industry¹ (constant prices²):													
previous month=100	a	103,0	98,2	109,4	97,8	98,3	100,0	102,1	91,5	116,5	103,6	92,5	97,4
	b	96,8	101,4	113,4	92,0	98,6	104,6	98,7	92,9	115,1			
corresponding month of previous year=100	a	104,2	105,3	105,5	105,5	104,4	101,8	102,4	98,1	104,2	101,7	100,3	108,1
	b	101,6	105,0	108,8	102,4	102,8	107,4	103,8	105,3	104,1			
Construction and assembly production (constant prices²):													
previous month=100	a	36,0	118,7	124,2	103,2	114,0	116,8	100,9	94,6	119,8	107,2	90,6	129,6
	b	34,8	116,7	128,2	108,7	106,4	112,5	103,4	99,2	111,6			
corresponding month of previous year=100	a	96,1	114,4	117,4	112,2	110,0	108,0	101,1	96,4	105,6	99,0	98,4	105,0
	b	101,3	99,7	102,9	108,5	101,3	97,5	99,9	104,8	97,5			
Dwellings completed (from the beginning of year) ..	a	12511	24973	35562	47208	56101	66418	79677	88821	100142	114866	127871	143166
	b	11629	21122	31704	42148	52667	63979	76350	87872	101508			
Retail sales of commodities³ (constant prices²):													
previous month=100	a	78,7	99,5	112,5	102,3	97,5	99,2	105,2	99,6	99,0	104,0	92,1	120,1
	b	78,0	98,4	117,1	97,4	100,5	101,0	102,2	98,2	99,9			
corresponding month of previous year=100	a	104,8	107,0	103,3	108,9	104,3	101,8	103,1	102,8	103,0	103,7	101,4	104,0
	b	103,6	102,4	106,6	101,5	104,7	106,6	103,5	102,0	102,9			
State budget balance - from the beginning of year (in mln zł)													
	a	-2601,1	-11718,2	-17491,0	-21179,9	-22362,6	-25298,6	-26403,2	-24603,5	-22444,6	-27233,2	24790,7	-28976,8
	b	-586,9	-11324,0	-16660,1	-16693,1	-19631,1	-26139,8	-26591,6	-25860,4	-31135,4			
Average exchange rates in zł - National Bank of Poland:													
100 USD	a	306,50	306,13	303,78	302,93	304,15	304,25	305,98	314,82	324,75	331,52	337,77	342,87
	b	367,39	367,66	381,38	373,47	365,20	371,03	377,34	376,85	375,13			
100 EUR	a	417,76	417,86	419,72	418,41	417,90	413,69	414,47	419,32	419,01	420,50	421,15	422,33
	b	427,97	417,76	412,78	402,91	407,83	415,97	415,40	419,36	421,69			
100 CHF	a	339,35	342,05	344,71	343,17	342,44	339,65	341,14	346,02	346,95	348,14	350,11	351,23
	b	392,73	393,22	389,12	388,12	392,11	398,17	396,27	389,29	386,05			
Foreign trade⁴ in mln zł:													
exports	a	56030,8	54454,7	58898,1	59029,0	56910,6	56521,4	57391,5	50637,4	62470,7	65554,3	61273,5	54299,6
	b	58714,1	59624,5	65518,3	60217,5	59471,1	62522,7	60507,9	54270,0	.			
imports	a	56454,5	55023,8	59925,7	58365,2	59027,7	57100,5	59524,5	52454,2	61593,1	66345,8	62043,8	56708,7
	b	56601,2	56781,8	63609,6	60446,9	56560,2	61587,8	61857,5	54160,9	.			
balance	a	-423,7	-569,1	-1027,6	663,8	-2117,1	-579,1	-2133,0	-1816,8	877,6	-791,5	-770,3	-2409,1
	b	2112,9	2842,7	1908,7	-229,4	2910,9	934,9	-1349,6	109,1	.			

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 For 2015 - preliminary data.