

Financial results of non-financial enterprises in I–VI 2020

Content-related works

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Preface

This study is another edition of the publication which presents the results of the quarterly non-financial enterprises survey of Statistics Poland included in the Programme of Statistical Surveys of Public Statistics in the subject 1.61.01 – report on revenues, costs and financial result as well as on outlays on fixed assets (F-01/I-01). This study covers enterprises with 10 and more persons employed, keeping accounting books (accounting ledgers).

The publication consists of an analytical part and methodological notes containing a description of the scope of the publication and definitions of basic concepts.

The analytical part contains a description of the results of the economic activity of non-financial enterprises in the period of January – June 2020 by type of conducted activity and in territorial breakdowns. Data on the number of enterprises, the number of persons employed and their financial results were analysed, including the value of revenues and costs, current assets and liabilities as well as investment outlays. Due to the importance of enterprises with foreign capital, a separate chapter of the publication is devoted to the analysis of enterprises with majority of foreign capital.

The analytical part is supplemented by data tables, which are an integral part of this publication.

We hope that this publication will be a valuable source of information for analyses of the current economic situation of the country. We will be thankful for any comments and suggestions regarding the subject and structure of the study, which will allow us to enrich the content and better adapt subsequent editions of the publication to the needs of the recipients.

Director
of Enterprises Department
/-/ Katarzyna Walkowska

Warsaw, October 2020

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Symbols

Symbol	Description
Hyphen (-)	magnitude zero
Zero (0,0)	magnitude not zero, but less than 0.05 of a unit
Sign (.)	data not available, classified data (statistical confidentiality) or providing data impossible or purposeless
„Including”	indicates that not all elements of the sum are given

Abbreviations

Abbreviation	Meaning
NACE	Statistical Classification of Economic Activities in the European Community

Abbreviations and full names by NACE section used in the publication

Abbreviation	Full name
Electricity, gas, steam and hot water production and supply	Electricity, gas, steam, hot water and air conditioning production and supply
Water supply; sewerage, waste management and remediation	Water supply; sewerage, waste management and remediation activities
Trade; repair of motor vehicles	Wholesale and retail trade; repair of motor vehicles and motorcycles
Accommodation and catering	Accommodation and food service activities
Real estate service	Real estate activities
Administration and support	Administrative and support service activities

Executive summary

In the first half of 2020, the financial results of the surveyed enterprises were lower than those achieved a year before. Total revenues in the period of January-June 2020 were 5.2% lower than those achieved a year before, and the costs of obtaining them decreased by 4.6%. Net revenues from sales of products, goods and materials decreased by 5.5% in annual terms, and the costs of this activity by 5.4%.

The financial result from sale of products, goods and materials amounted to 75.2 billion PLN and was lower by 6.8% than in the first half of 2019. The financial result from other operating activities was at the level of 9.1 billion PLN and was higher by 2.4 billion PLN than a year before. The result on financial operations deteriorated (minus 8.1 billion PLN compared to 4.4 billion PLN in the first half of 2019).

The gross financial result amounted to 76.2 billion PLN against 91.8 billion PLN a year ago, and its charges were at the level of 13.8 billion PLN (compared to 14.9 billion PLN). The net financial result amounted to 62.3 billion PLN and was lower by 19.0% than a year ago. The net profit amounted to 95.3 billion PLN and was higher by 0.9% than that achieved in the first half of 2019, and the net loss amounted to 33.0 billion PLN and increased by 88.1%. Net profit was recorded by 71.6% of all enterprises, and the revenues obtained by them constituted 76.4% of total revenues of the surveyed enterprises (compared to 83.7% a year before).

The cost level indicator for all enterprises was 95.6% (compared to 94.9% a year before), while the gross sales profitability indicator decreased from 4.6% to 4.5%. The gross turnover profitability indicator also decreased from 5.1% to 4.4% and the net turnover profitability indicator – from 4.3% to 3.6%.

The first degree financial liquidity indicator amounted to 43.8% (compared to 35.4% a year before), and the second degree financial liquidity indicator – 105.6% (compared to 99.8% a year before). A total of 65.7% of enterprises obtained the first degree liquidity indicator above 20%. The second degree liquidity indicator in the range from 100% to 130% was recorded by 11.6% of the surveyed enterprises.

From the group of enterprises covered by the survey, 37.2% showed net revenues from sale of products, goods and materials for export in the period of January-June 2020 (compared to 36.7% a year earlier). The level of revenues from export sales was by 10.6% lower than a year before. The share of these revenues in the net revenues from sale of products, goods and materials of all surveyed enterprises decreased from 23.8% to 22.5%. Among exporting units, net profit was reported by 76.6% of enterprises compared to 76.8% a year ago. The basic economic and financial relations of this group of enterprises deteriorated and were similar to those for all surveyed enterprises.

In the first half of 2020 total investment outlays of the surveyed enterprises amounted to 65.4 billion PLN and were (in constant prices) by 6.6% lower than in the previous period (in the first half of 2019 they increased by 17.9%). Outlays on intangible assets amounted to 3.7 billion PLN and were by 0.7% higher than in the responding period of 2019.

Chapter 1. Non-financial enterprises

Presented in this publication NON-FINANCIAL ENTERPRISES are legal persons, entities without legal personality and natural persons conducting economic activity classified according to NACE Rev. 2 to the following sections:

- Mining and quarrying (section B),
- Manufacturing (section C),
- Electricity, gas, steam and air conditioning supply (section D),
- Water supply; sewerage, waste management and remediation activities (section E),
- Construction (section F),
- Wholesale and retail trade; repair of motor vehicles and motorcycles (section G),
- Transportation and storage (section H),
- Accommodation and food service activities (section I),
- Information and communication (section J - excluding cultural institutions with legal personality),
- Real estate activities (section L),
- Professional, scientific and technical activities (section M),
- Administrative and support service activities (section N),
- Education (section P - excluding universities),
- Human health and social work activities (section Q - excluding independent public health care facilities),
- Arts, entertainment and recreation (section R - excluding cultural institutions having legal personality),
- Other service activities (section S - excluding trade unions, religious and political organizations).

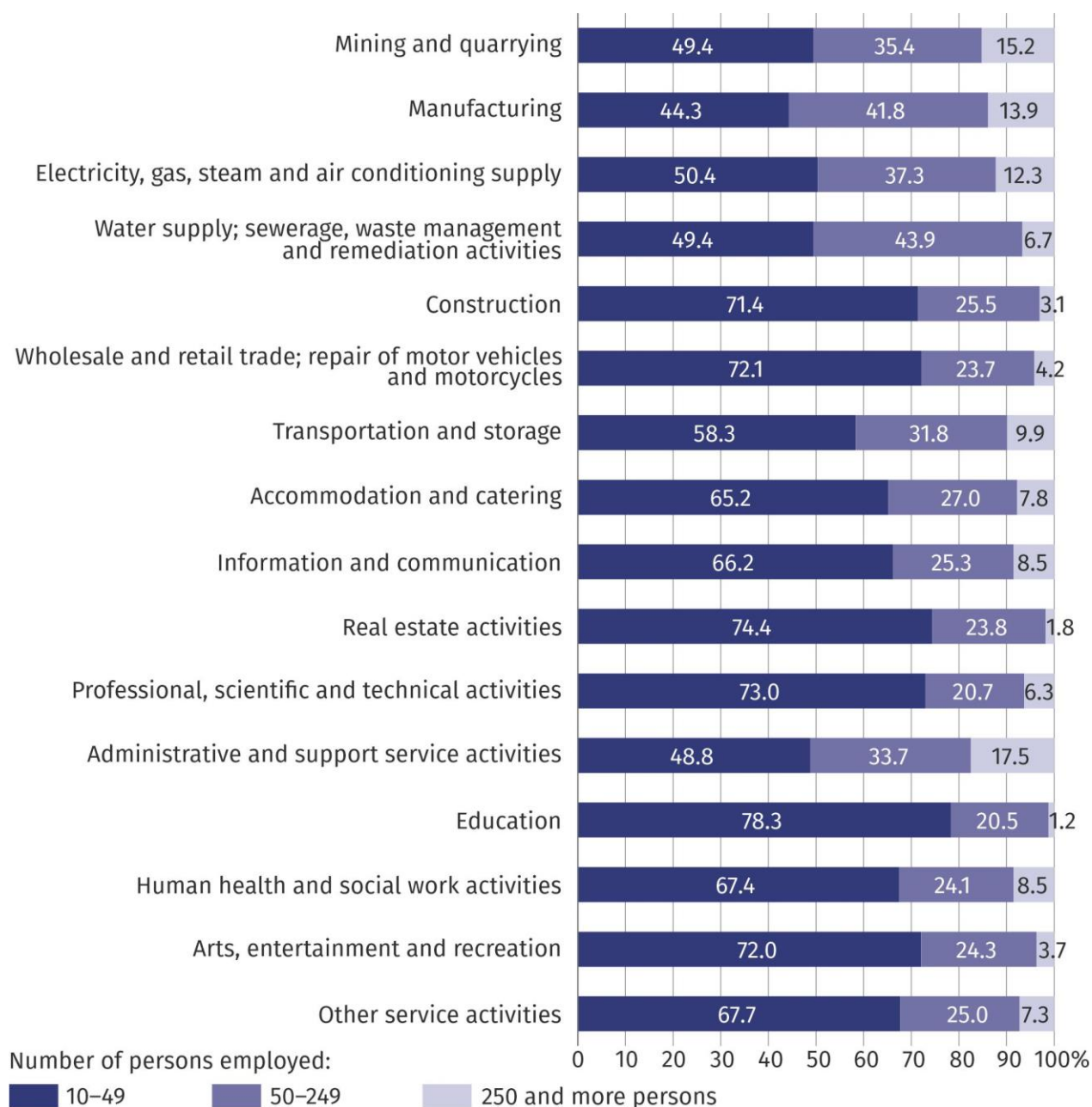
In terms of legal form, non-financial enterprises are partnerships, capital companies, civil law partnerships conducting activities pursuant to a contract concluded on the basis of the Civil Code, companies subject to legal regulations other than the Code of Commercial Companies and the Civil Code or legal forms to which the provisions on companies (for example water companies) apply, branches of foreign entrepreneurs, state-owned enterprises, cooperatives and natural persons conducting economic activity.

The sector of non-financial enterprises does not include: foundations, funds, churches, associations, social organizations, political parties, trade unions, employers' organizations, economic and professional self-government, foreign representations, housing associations. The activity of these entities is covered by separate statistical reporting.

1.1. Number of non-financial enterprises

The information on financial results achieved by non-financial enterprises in the period of January-June 2020 included in this publication covers data on 43,886 enterprises, which means a decrease by 1.8% compared to the first half of 2019. The surveyed enterprises were dominated by small enterprises (from 10 to 49 persons employed), constituting 61.0% of the entire population covered by the survey. The share of medium-sized enterprises (from 50 to 249 persons employed) amounted to 30.7%, and that of large enterprises (with 250 and more persons employed) to 8.3%.

Chart 1. Structure of number of surveyed non-financial enterprises by size classes broken down by NACE sections

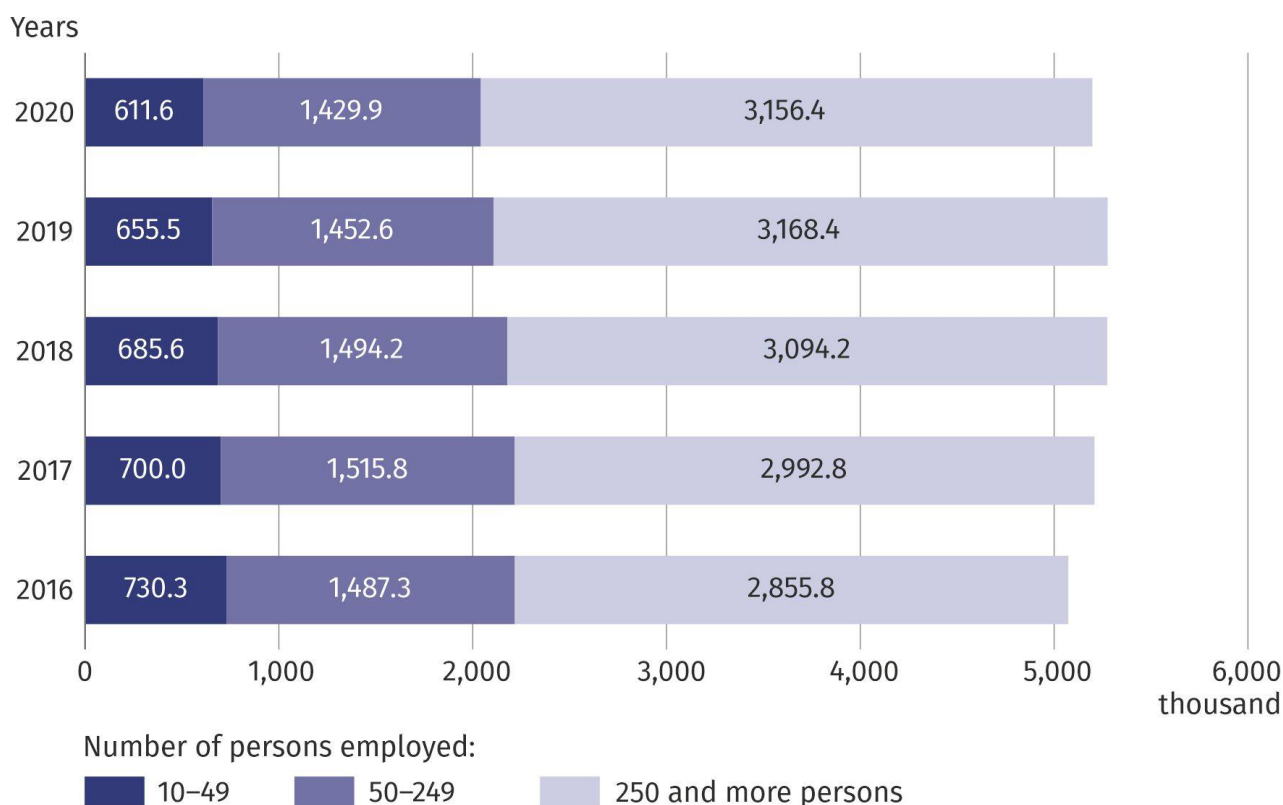


1.2. Persons employed

PERSONS EMPLOYED (working) include employees hired on the basis of an employment contract, i.e. labour contract, designation, appointment or election (including seasonal and temporary workers); employers and own-account workers: owners and co-owners (including contributing family workers) of units conducting economic activity (excluding company's partners not working in the company) and own-account workers; agents; outworkers; members of agricultural production cooperatives.

As at 30th June 2020, the enterprises covered by the survey employed 5,197.9 thousand persons, which means a decrease by 1.5% compared to the end of June 2019. A total of 11.8% of persons employed worked in small units from 10 to 49 persons employed, 27.5% in medium-sized (from 50 to 249 persons employed), and 60.7% in large (with 250 and more persons employed) units.

Chart 2. Employed persons by size classes of enterprises at the end of June in the years 2016-2020



Chapter 2. Profit and loss account

2.1. Total revenues

TOTAL REVENUES (REVENUES FROM THE TOTAL ACTIVITY) include net revenues from sale of products, goods and materials, other operating revenues as well as financial revenues.

TOTAL OPERATING REVENUES include net revenues from sale of products, goods and materials as well as other operating revenues.

NET REVENUES FROM SALE OF PRODUCTS, GOODS AND MATERIALS include domestic and export sales of products (finished, semi-finished products and services) manufactured by the unit together with packaging, equipment and third party services if invoiced along with products to customers, sales of goods and materials, i.e. tangible current assets purchased for resale in the same condition as received and products manufactured by the unit if they are sold in a chain of own stores along with the third-party goods, as well as amounts due for goods and materials sold regardless whether or not they have been paid.

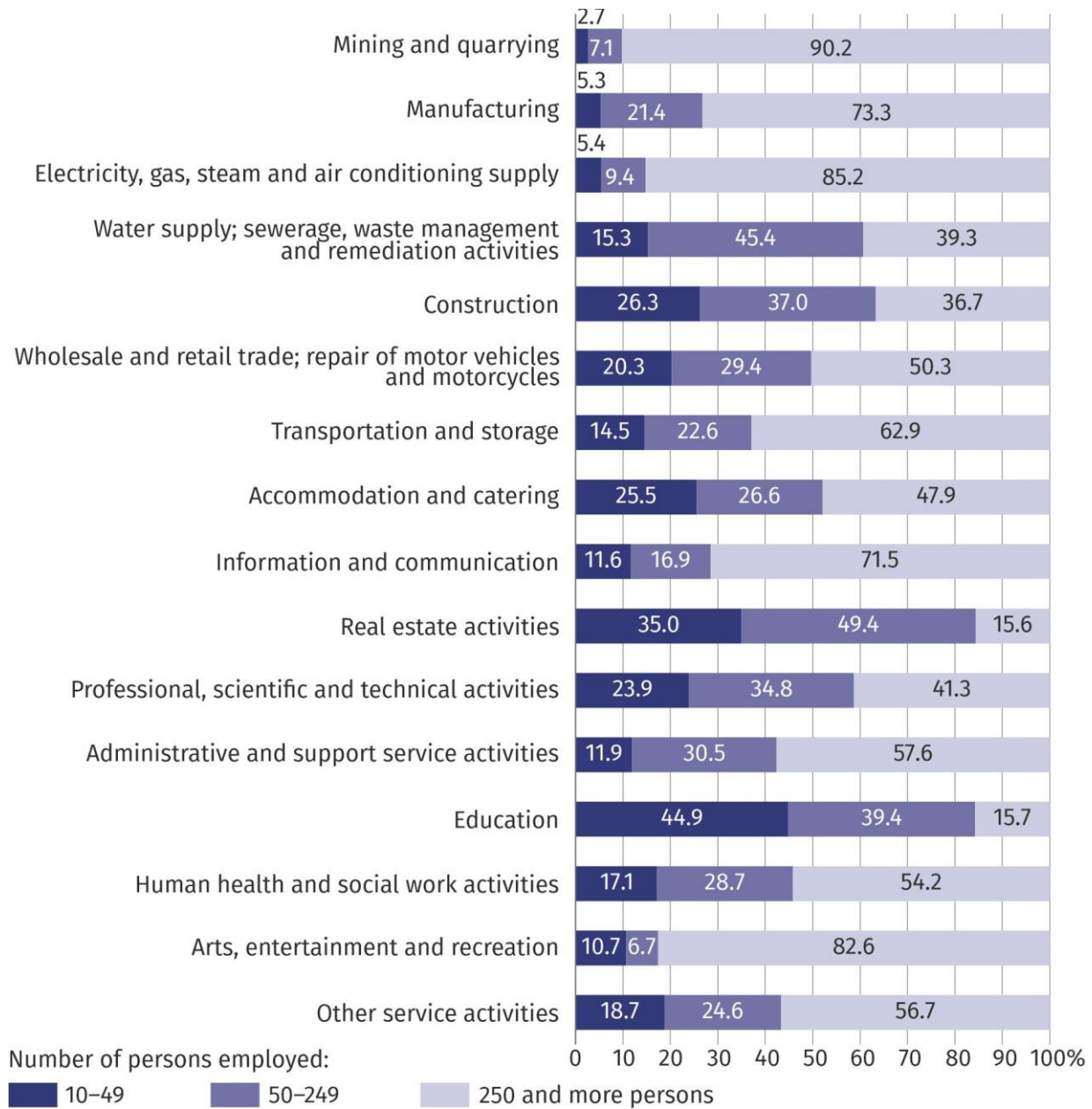
OTHER OPERATING REVENUES are revenues indirectly related to the unit's operating activities, in particular: profit from the disposal of non-financial fixed assets (fixed assets, fixed assets under construction, intangible assets, real estate investments and rights), assets (cash) obtained free of charge (including donations), damages, reversed provision, adjustments of write-offs revaluing non-financial assets, revenues from social welfare activities, income from rent or lease of fixed assets or investments in real estate and rights, extraordinary revenues.

FINANCIAL REVENUES are for example amounts due for dividends and shares in profit, interest from the loans granted, interest on term deposits, default interest, profit on disposal of investment (sale), reduction of revaluation write-offs of investment values in relation to the total or partial termination of causes resulting in permanent loss of their value, positive surplus exchange differences.

The value of total revenues obtained by the surveyed enterprises amounted to 1,714.6 billion PLN. Compared to the first half of 2019, the value of revenues decreased by 5.2% for the entire surveyed population, including small units by 5.6% and for medium and large units by 5.2%. The amount of 13.1% of total revenues were generated by small enterprises, 24.6% by medium-sized enterprises and 62.3% by large enterprises.

The largest increase in total revenues compared to that achieved in the period of January-June 2019 was recorded in the following sections: water supply; sewerage, waste management and remediation activities (by 8.0%), real estate activities (by 6.3%), information and communication (by 4.2%), construction (by 3.7%) and professional, scientific and technical activities (by 2.6%). The largest decrease in total revenues was recorded in the following sections: other service activities (by 29.2%), accommodation and food service (by 25.7%), mining and quarrying (by 11.6%), administrative and support service activities (by 8.8%) and manufacturing (by 8.7%).

Chart 3. Structure of total revenues by size classes broken down by NACE sections



2.2. Revenues from sale of products, goods and materials

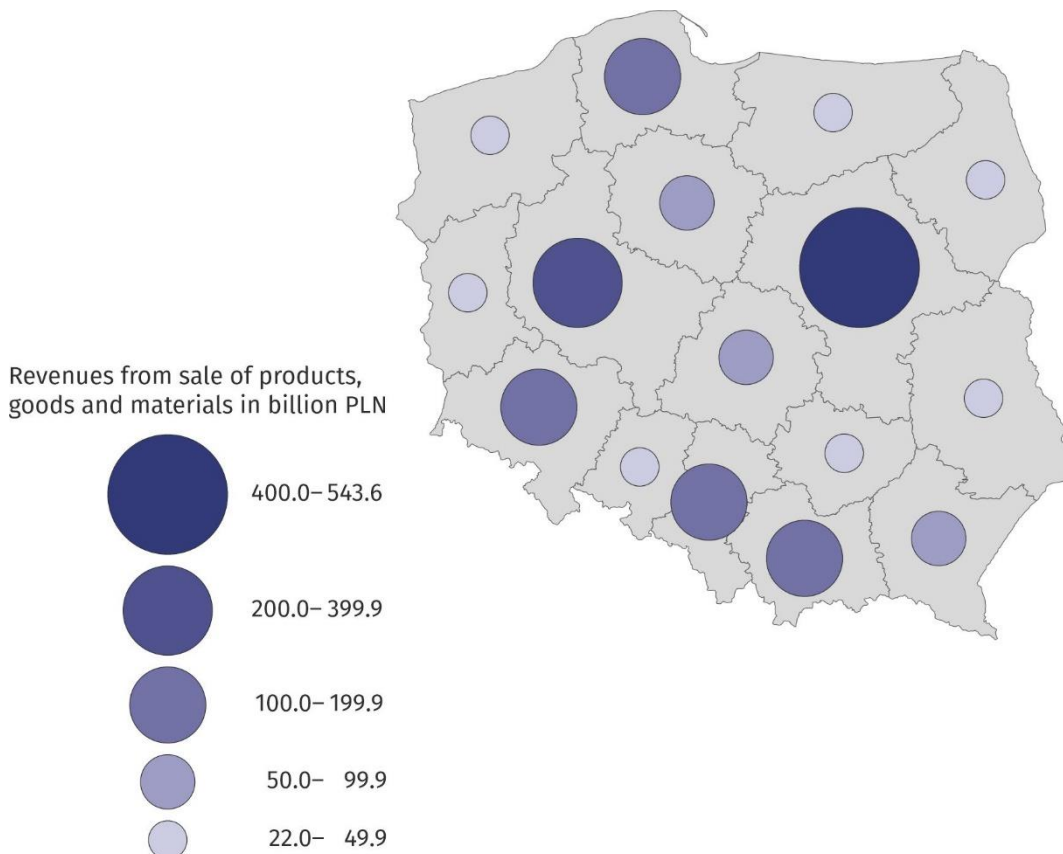
NET REVENUES FROM SALE OF PRODUCTS, GOODS AND MATERIALS include domestic and export sales of products (finished, semi-finished products and services) manufactured by the unit together with packaging, equipment and third party services if invoiced along with products to customers, sales of goods and materials, i.e. tangible current assets purchased for resale in the same condition as received and products manufactured by the unit if they are sold in a chain of own stores along with the third-party goods, as well as amounts due for goods and materials sold regardless whether or not they have been paid.

The value of net revenues from sale of products, goods and materials obtained by the surveyed enterprises amounted to 1,663.0 billion PLN. Compared to the first half of 2019, for the entire surveyed population their value decreased by 5.5%, for small enterprises by 6.0%, for medium ones by 4.6% and for large ones by 5.7%. The 13.1% of total sales revenues of the surveyed enterprises was generated by small enterprises, 24.7% by medium-sized enterprises and 62.2% by large ones.

The largest decrease in revenues from sale of products, goods and materials compared to those achieved in the period of January-June 2019 was noted, a.o. in the sections: other service activities (by 30.3%), accommodation and food service (by 28.6%), mining and quarrying (by 13.0%), administrative and support service activities (by 10.1%) and manufacturing (by 9.4%).

The highest decrease in revenues from sale of products, goods and materials compared to the same period last year was recorded in the Warmińsko-mazurskie (by 14.5%), Śląskie (by 13.2%), Podkarpackie (by 11.0%) and Lubuskie (by 8.0%) voivodships.

Map 1. Revenues from sale of products, goods and materials



2.3. Revenues from export sale of products, goods and materials

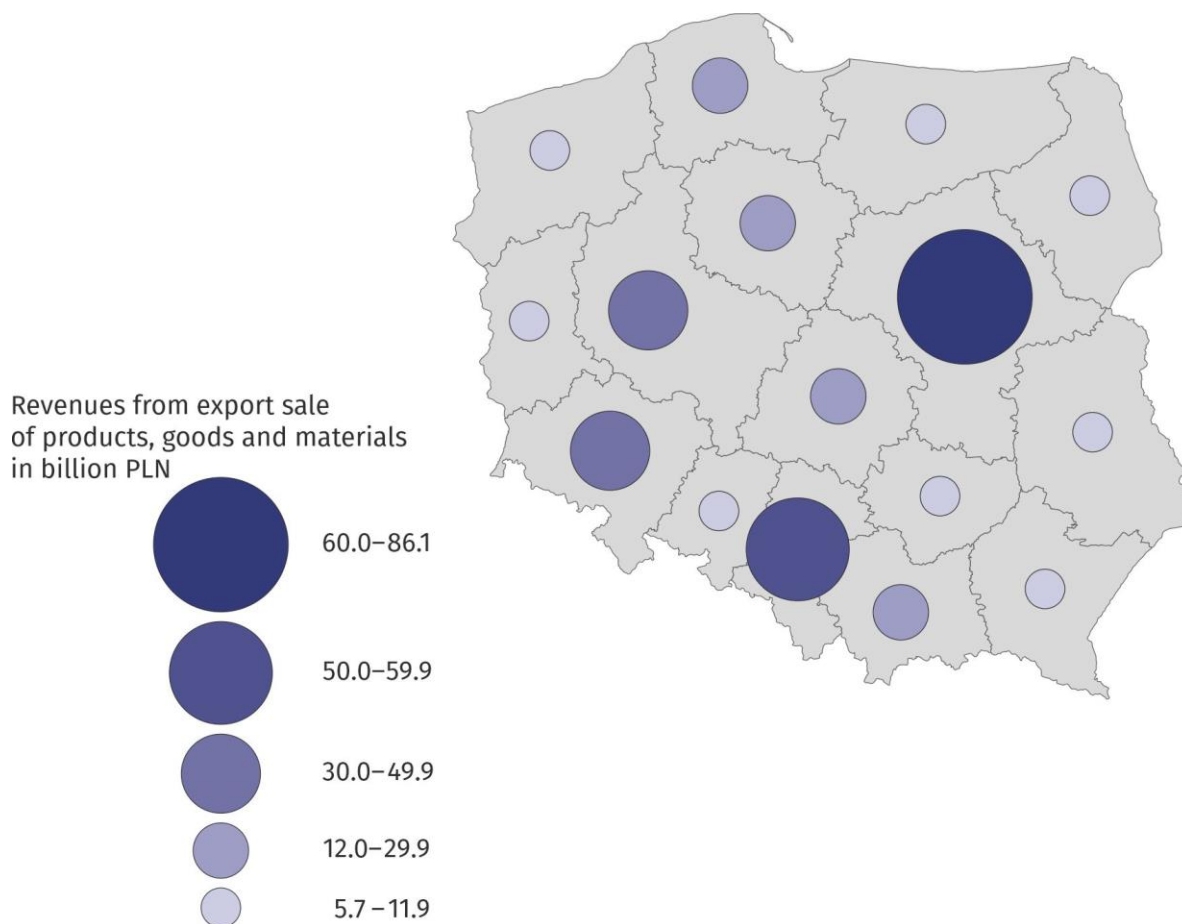
NET REVENUES FROM EXPORT SALE OF PRODUCTS, GOODS AND MATERIALS include intra-Community deliveries to EU Member States and exports to non-EU countries.

From the group of non-financial enterprises covered by the survey, 37.2% of enterprises showed export sales in the period of January-June 2020 (36.7% in the period of January-June 2019). The level of export sales was lower by 10.6%, its share in net revenues from sale of products, goods and materials of all enterprises decreased from 23.8% to 22.5%. By size classes of enterprises, large units obtained 73.4% of total revenues from export sales, medium-sized units obtained 20.1%, and the small ones – 6.5%.

The largest share in the revenues from sale of products, goods and materials for export was recorded in the sections of manufacturing (72.0%) and trade; repair of motor vehicles (11.8%).

The highest decrease in revenues from sale of products, goods and materials for export compared to the first half of 2019 was recorded in the following voivodships: Warmińsko-mazurskie (by 22.7%), Śląskie (by 21.0%), Podkarpackie (by 19.4%) and Zachodniopomorskie (by 14.1%).

Map 2. Revenues from export sale of products, goods and materials



2.4. Total costs

TOTAL COSTS (COSTS OF OBTAINING REVENUES FROM THE TOTAL ACTIVITY) include costs of products, goods and materials sold, other operating and financial costs.

COSTS OF PRODUCTS, GOODS AND MATERIALS SOLD include cost of products sold (i.e. basic operational costs decreased by the costs of generating benefits for the need of the unit and corrected by change in stock products) and value of goods and materials sold according to procurement or purchase prices.

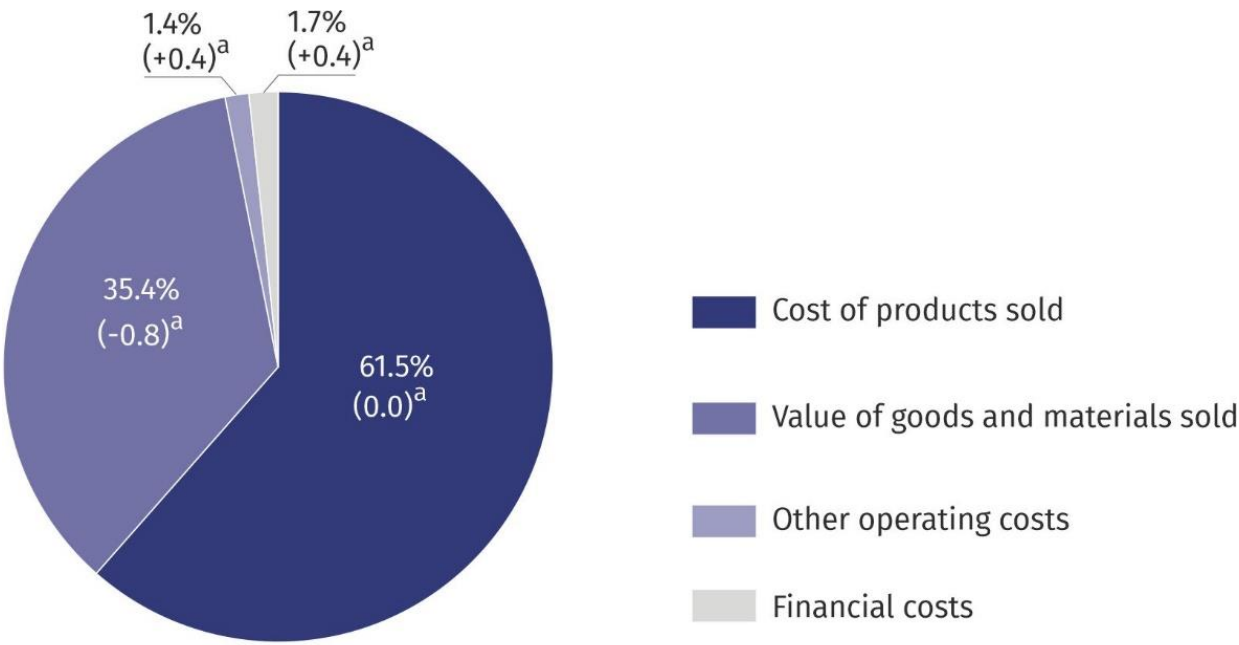
OTHER OPERATING COSTS are costs indirectly related to the unit's operating activity, in particular: loss on disposal of non-financial fixed assets and fixed assets under construction, depreciation of leased or rented fixed assets, unplanned depreciation (impairment charges), penalties, fines, damages, receivables written off partially or fully as a result of bankruptcy, composition or restructuring proceeding, provisions created for certain or highly probable future liabilities (loss on economic transactions in progress), write-offs revaluing non-financial assets, costs of maintaining social facilities, donations or free of charge transferred fixed assets, extraordinary costs.

FINANCIAL COSTS are for example interest on bank credits and loans, interest and discount on bonds issued by the unit, default interest, loss on disposal of investments, revaluation write-offs of investment values, negative surplus exchange differences.

The value of total costs incurred by the non-financial enterprises surveyed amounted to 1,638.4 billion PLN. In total, the decrease in the value of costs for the entire population was 4.6%; for small units – 6.1%, medium – 5.6% and large – 3.9%. Of the total costs, 12.9% were incurred by small enterprises, 24.5% by medium-sized enterprises, and 62.6% by large enterprises.

In the total structure of costs by type, the share of the following costs increased: services made by other contractors (by 1.2 percentage points), wages and salaries (by 1.1 percentage points), depreciation (by 0.7 percentage points), taxes and payments as well as insurances and benefits for workers (by 0.3 percentage points each) increased. The share of materials and energy consumption decreased (by 3.6 percentage points). The share of other costs by type remained unchanged.

Chart 4. Structure of total costs of non-financial enterprises



a Changes to I-VI 2019 (in percentage points)

2.5. Financial results

FINANCIAL RESULT FROM THE SALE OF PRODUCTS, GOODS AND MATERIALS is the difference between the net revenues from the sale of products, goods and materials and the costs incurred to obtain them (the costs of the products, goods and materials sold).

FINANCIAL RESULT FROM OTHER OPERATING ACTIVITY is the difference between the other operating revenues and the other operating costs. From 2002 the item contained part of extraordinary events related to operating activity and from 2016 all kinds of extraordinary events related to operating activity.

FINANCIAL RESULT FROM OPERATING ACTIVITIES is the difference between total operating revenues and total operating costs.

RESULT ON FINANCIAL ACTIVITY is the difference between the financial revenues and the financial costs.

GROSS FINANCIAL RESULT is calculated as the difference of total revenues and total costs – in case of surplus of total costs over total revenues, the financial result is recorded with the sign (-).

OBLIGATORY ENCUMBRANCES ON GROSS FINANCIAL RESULT include corporate income tax and other payments under separate regulations. The income tax affecting the financial result includes current and deferred part. The deferred part is the difference between deferred income tax provisions and deferred income tax assets (due to temporary differences between gross financial result and taxable base, resulting from differences in the time of recognition of revenue and cost in accordance with accounting regulations and tax provisions) as at the end and beginning of the reporting period.

NET FINANCIAL RESULT is a gross financial result reduced by obligatory encumbrances.

In the period of January-June 2020, the financial results of 43,886 non-financial enterprises surveyed were more unfavourable than those obtained a year before.

The financial result from sale of products, goods and materials amounted to 75.2 billion PLN and was lower by 6.8% than in the first half of 2019. The financial result from other operating activities was at the level of 9.1 billion PLN and was higher by 2.4 billion PLN than a year before. The result on financial operations deteriorated (minus 8.1 billion PLN compared to 4.4 billion PLN in the first half of 2019).

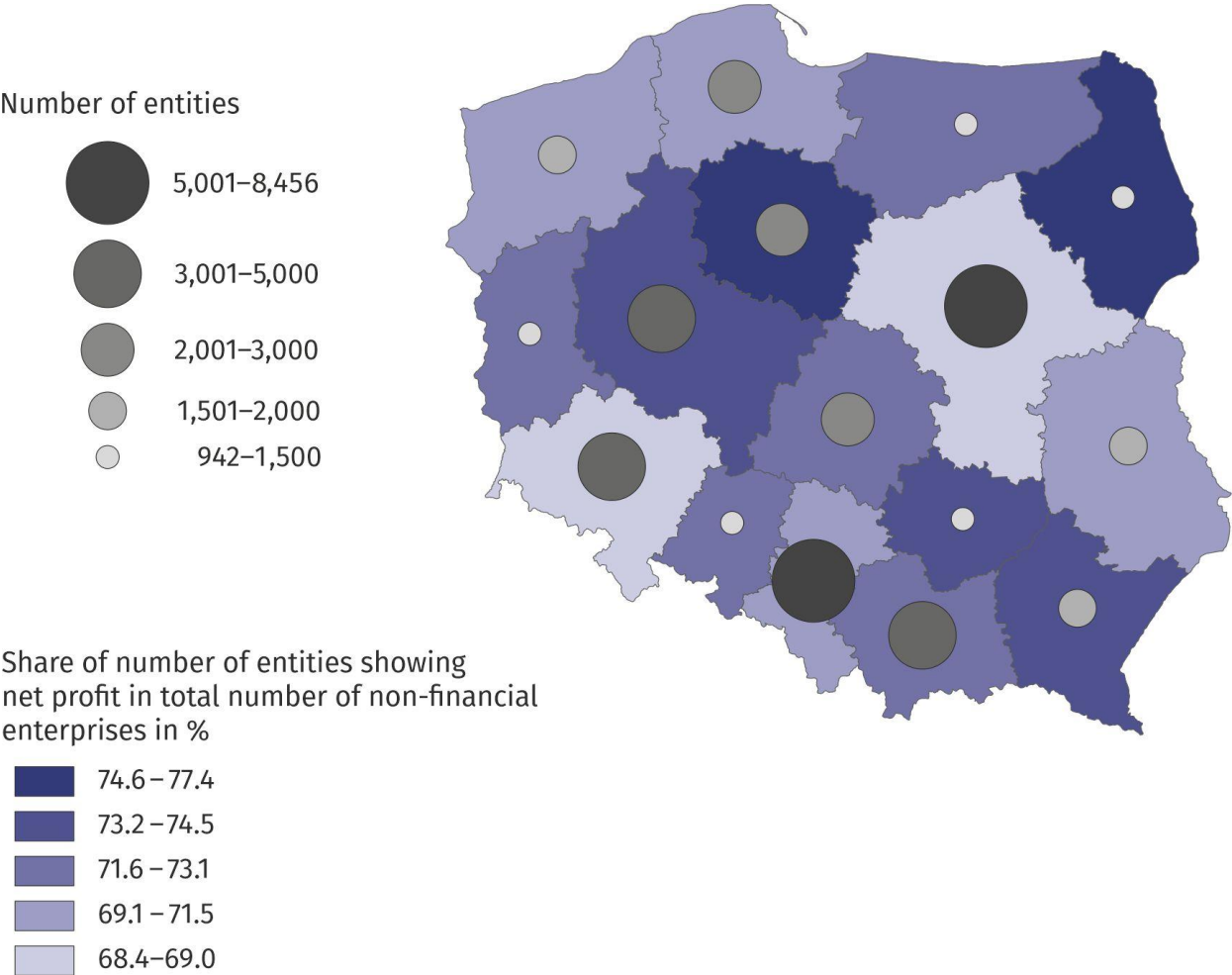
The gross financial result was 76.2 billion PLN compared to 91.8 billion PLN a year before. In groups of enterprises broken down by number of persons employed, the annual gross financial result decreased by 28.3% in large units, while increased by 4.1% in medium units and by 1.9% in small units. The obligatory encumbrances on gross financial result amounted to 13.8 billion PLN (by 7.1% less than a year before, of which in large enterprises less by 13.1% and in small enterprises less by 3.2% whereas in medium-sized increased by 13.3%).

The net financial result was at the level of 62.3 billion PLN (i.e. lower by 19.0% compared to that achieved in the first half of 2019). The recorded net profit was higher by 0.9% and the net loss was higher by 88.1%. Net profit was recorded by 71.6% of all surveyed enterprises (compared to 72.5% a year before), and the revenues obtained by them constituted 76.4% of total revenues of the surveyed enterprises (compared to 83.7% a year before).

The largest decrease in both the gross financial result and the net financial result in relation to the first half of 2019 was recorded in the sections of manufacturing, transportation and storage, mining and quarrying as well as accommodation and food service.

The highest decrease in gross financial results and net financial results was recorded in the following voivodships: Śląskie, Mazowieckie, Dolnośląskie and Pomorskie.

Map 3. Share of number of enterprises showing net profit in total number of non-financial enterprises



2.6. Economic indicators

COST LEVEL INDICATOR is the relation of total costs to total revenues.

GROSS SALES PROFITABILITY INDICATOR is the relation of the financial result from the sale of products, goods and materials to the net revenues from the sale of products, goods and materials.

NET SALE PROFITABILITY INDICATOR is the relation of net financial result to the net revenues from sales of products, goods and materials.

GROSS TURNOVER PROFITABILITY INDICATOR is the relation of gross financial result to the total revenues.

NET TURNOVER PROFITABILITY INDICATOR is the relation of net financial result to the total revenues.

FIRST DEGREE FINANCIAL LIQUIDITY INDICATOR is the relation of short-term investments to short-term liabilities (excluding special funds).

SECOND DEGREE FINANCIAL LIQUIDITY INDICATOR is the relation of short-term investments and short-term receivables to short-term liabilities (excluding special funds).

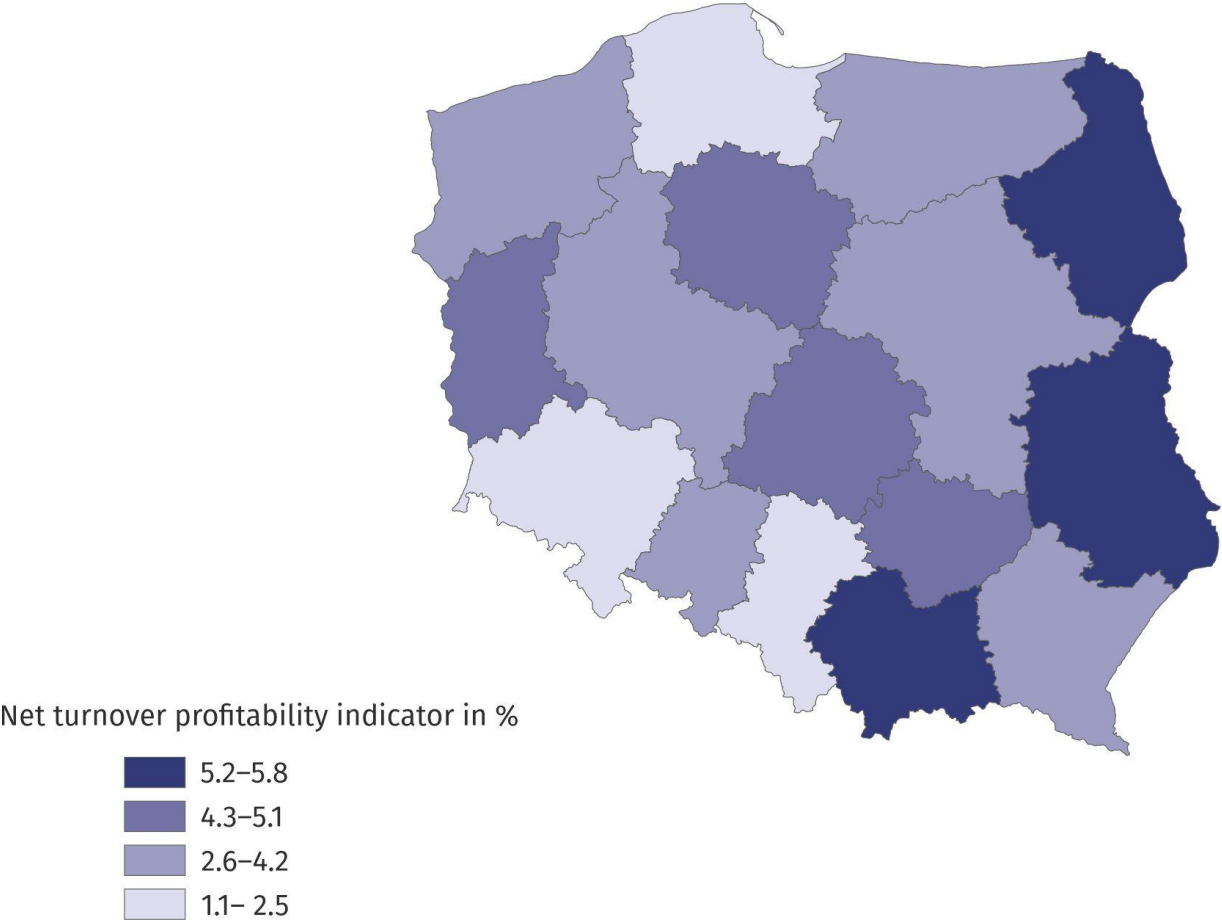
THIRD DEGREE FINANCIAL LIQUIDITY INDICATOR is the relation of current assets of the units (stocks, short-term receivables, short-term investments and short-term prepayments and accruals) to short-term liabilities (excluding special funds).

The cost level indicator of the surveyed non-financial enterprises covered by the analysis was 95.6% (compared to 94.9% in the first half of 2019). The most favourable indicator was recorded by enterprises conducting activity in the field of electricity, gas, steam and air conditioning supply (87.8%), information and communication (90.5%), water supply; sewerage, waste management and remediation activities (91.0%), professional, scientific and technical activities (91.7%) as well as real estate activities (92.0%). The cost level indicator in manufacturing was 95.9%, and in trade; repair of motor vehicles 97.1%.

The gross turnover profitability indicator decreased from 5.1% to 4.4% and the net turnover profitability indicator also decreased from 4.3% to 3.6%. The highest increase in the net turnover profitability indicator was recorded in the sections: electricity, gas, steam and air conditioning supply (from 7.6% to 10.1%), water supply; sewerage, waste management and remediation activities (from 5.9% to 7.7%), information and communication (from 6.6% to 7.4%) and construction (from 4.3% to 4.8%). The largest decrease in the indicator was recorded for the sections: accommodation and food service activities (from 4.8% to minus 10.4%), mining and quarrying (from 5.5% to minus 2.6%), other service activities (from 5.0% to minus 0.5%) and transportation and storage (from 4.0% to 1.2%).

The first degree financial liquidity indicator was 43.8% (35.4% a year before), and the second degree financial liquidity indicator – 105.6% (99.8%).

Map 4. Net turnover profitability indicator



Chapter 3. Current assets and liabilities

3.1. Current assets

CURRENT ASSETS are part of unit-controlled property resources used in operating activities of a reliably determined fair value, arising from past events that will provide the unit with economic benefits in the future. They include stocks (current tangible assets) and short-term: receivables, investments and pre-payments and accruals.

STOCKS are tangible current assets, which include: materials – raw materials, primary and auxiliary materials, semi-finished third-party products, packaging, spare parts and waste; finished products – final articles, performed services, completed works, including construction and assembly works, research and development works, design works, geodetic and cartographic works, etc.; semi-finished products and work in progress – unfinished production, i.e. production (services, including construction works) in progress and semi-finished products of own production; goods for resale – tangible current assets acquired for resale in unchanged form; advances for deliveries.

SHORT-TERM RECEIVABLES cover total receivables from deliveries and services (regardless of their payment date) and the whole or part of other receivables not included in financial assets that become due within 12 months from the balance sheet date.

SHORT-TERM INVESTMENTS cover short-term (current) financial assets, in particular shares, other securities, loans granted, other short-term financial assets, cash and other monetary assets and other short-term investments.

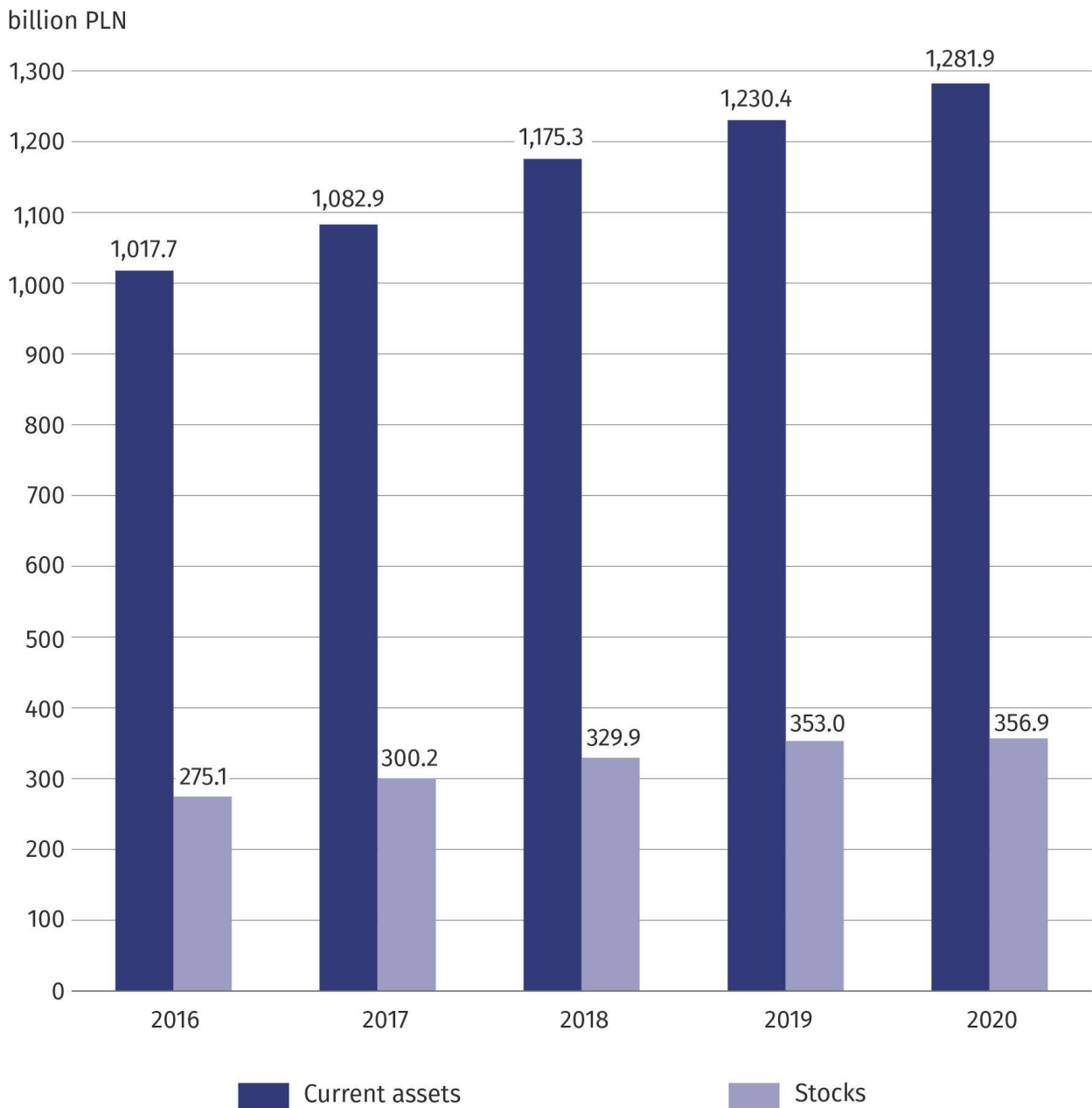
SHORT-TERM PREPAYMENTS AND ACCRUALS include deferred costs and deferred revenues to be settled within 12 months from the balance sheet date, as an equivalent of revenues that are not yet receivables as of the balance sheet date from the legal point of view. date.

As at the end of June 2020, the value of current assets of the surveyed non-financial enterprises amounted to 1,281.9 billion PLN, which means an increase of 4.2% in annual terms. Large enterprises, as at the end of June 2020, recorded an increase in current assets by 2.5% compared to the first half of 2019, medium enterprises by 9.3% and small enterprises by 1.9%.

The value of total stocks of the surveyed non-financial enterprises amounted to 356.9 billion PLN, i.e. it was by 1.1% higher than a year before. There was an increase in short-term investments (by 23.4%) and short-term prepayments and accruals (by 1.4%), while short-term receivables decreased by 4.2%.

In the total stock structure, the share of semi-finished products and work-in-progress (from 14.4% to 15.3%) and finished products (from 14.0% to 14.3%) increased, and the share of goods (from 41.5% to 40.4%) and materials (from 27.6% to 27.5%) decreased.

Chart 5. Current assets at the end of June in the years 2016-2020



3.2. Liabilities

LIABILITIES AND PROVISIONS FOR LIABILITIES are obligations resulting from future events to provide benefits of a reliably determined value that will result in usage of the entity's existing or future assets of the unit. They include provisions for liabilities, long-term liabilities, short-term liabilities and prepayments and accruals.

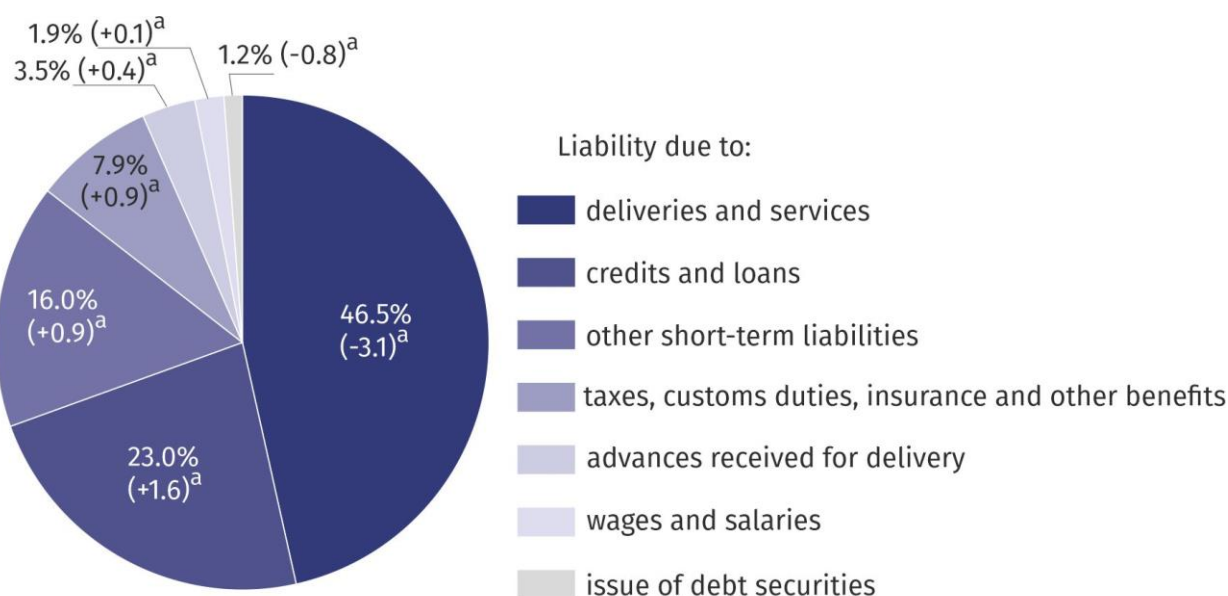
LONG-TERM LIABILITIES other than liabilities from deliveries and services, include liabilities which become due fully or partially more than 12 months after the balance sheet date.

SHORT-TERM LIABILITIES (excluding special funds) include all liabilities from deliveries and services and all or part of other liabilities due within 12 months after the balance sheet date.

At the end of the first half of 2020, long and short-term liabilities (excluding special funds) amounted to 1,386.3 billion PLN and were 7.7% higher than a year before. In large enterprises, the increase of these liabilities amounted to 3.4%, and in medium-sized enterprises – 24.7%. In small enterprises, long-term and short-term liabilities (excluding special funds) were by 0.2% lower.

At the end of June 2020, the value of short-term liabilities of all non-financial enterprises surveyed amounted to 836.6 billion PLN and was 0.2% lower than a year ago. This was due to a decrease in liabilities due to deliveries and services by 6.6% and advances received for delivery by 39.5%.

Chart 6. Structure of short-term liabilities



^a Changes to I-VI 2019 (in percentage points)

Chapter 4. Outlays

4.1. Investment outlays

INVESTMENT OUTLAYS are the financial or material expenditures aimed at creating new fixed assets or improving (rebuilding, enlargement, reconstruction or modernisation) existing fixed capital items as well as outlays on so-called initial equipment for the investment. The investment outlays are divided into outlays on fixed assets and other outlays.

The outlays on fixed assets include expenditures on: buildings and structures (include buildings and premises as well as civil and water engineering structures), including, among others, construction and assembly works, design-cost-estimate documentations; machinery, technical equipment and tools (including instruments, movables and equipment); means of transport; others, i.e. irrigation and drainage, land quality improvements, long-term plantings, livestock (basic herd) and interest on investment credits and loans for the period of the investment implementation.

Other outlays are expenditures on the so-called initial equipment for the investment and other costs related to the implementation of the investment. Those outlays do not increase the value of the fixed assets.

In the first half of 2020 total investment outlays of the surveyed enterprises amounted to 65.4 billion PLN. The value of outlays was (in constant prices) lower by 6.6% than a year before (in the first half of 2019 there was an increase of 17.9%). Outlays (at constant prices) on buildings and structures increased slightly by 1.2%, while decreased those on machinery, technical equipment and tools – by 5.9% and on transport equipment – by 25.6%. The share of purchases¹ in total outlays was 58.6% (62.3% in the first half of 2019).

The share in outlays of large units (with 250 and more persons employed) amounted to 75.8%, medium-sized enterprises (from 50 to 249 persons employed) – 18.2%, and small units (from 10 to 49 persons employed) – 6.0%.

Investments were observed mainly in enterprises conducting activity in the field of: industry – 39.8% of total investing enterprises, trade; repair of motor vehicles – 25.2%, construction – 7.7%, transportation and storage – 4.9%, information and communication – 4.4% as well as administrative and support service activities – 2.8%. In total, these enterprises invested 62.1 billion PLN – 95.0% of the total outlays of the surveyed enterprises.

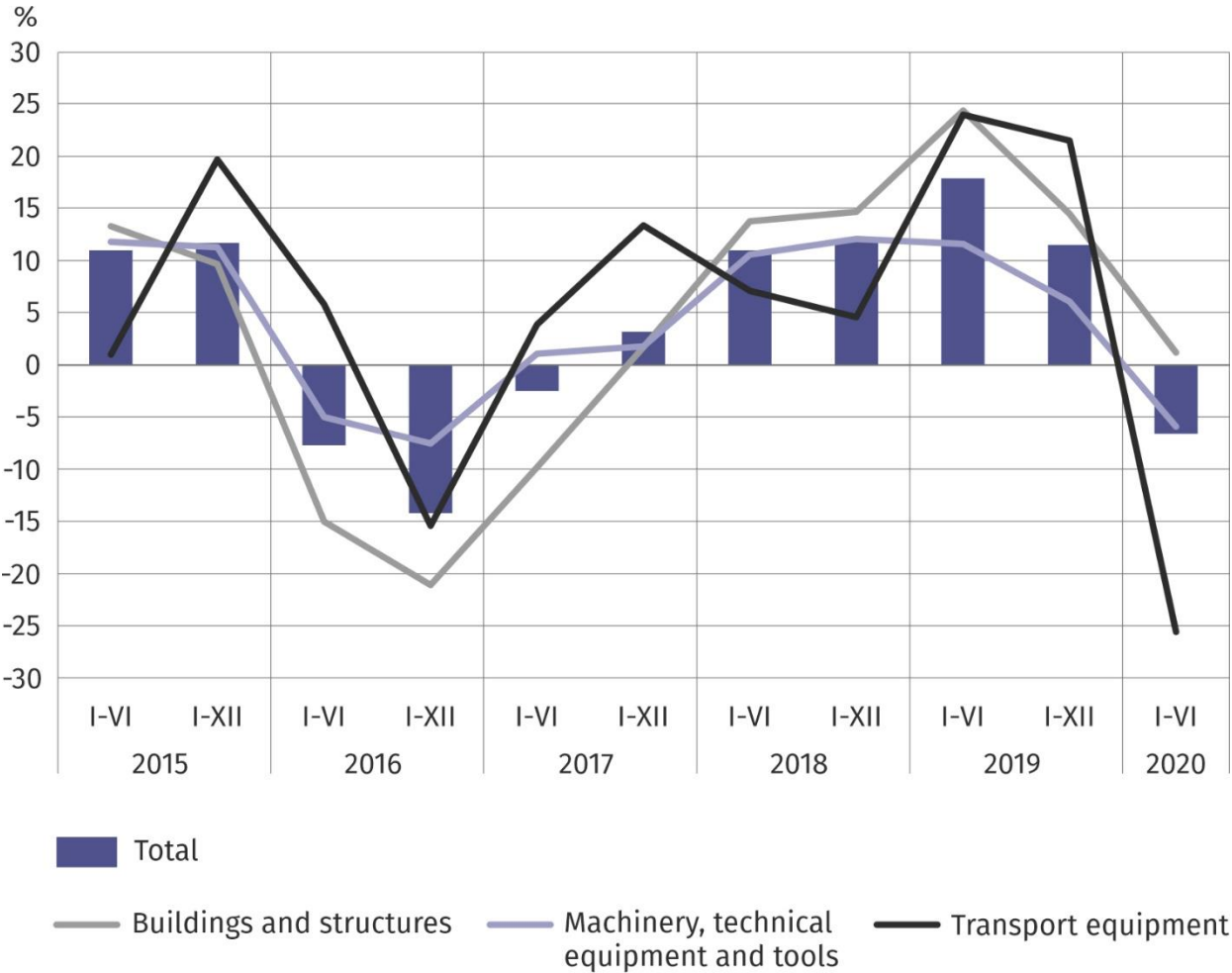
From the manufacturing units, the highest share of outlays was in enterprises that produce electrical equipment – 17.9%, motor vehicles, trailers and semi-trailers – 14.8%, food – 12.1%, rubber and plastic products – 7.7%, chemicals and chemical products – 6.2%, metal products – 5.6%, products from other mineral non-metallic raw materials – 5.3% as well as coke and refined petroleum products – 5.0%.

The total estimated value of newly started investments was 30.2 billion PLN. From the total estimated value of newly started investments, 3.9% was of small enterprises, 10.5% of medium-sized enterprises and 85.6% of large enterprises.

Enterprises located in four voivodships: Mazowieckie, Dolnośląskie, Śląskie and Wielkopolskie had the largest share in implemented outlays in the first half of 2020, amounted to 67.5% in total. In seven other voivodships: Małopolskie, Pomorskie Łódzkie, Lubelskie, Podkarpackie, Kujawsko-Pomorskie and Zachodnio-Pomorskie, 26.9% of outlays were implemented. The remaining five voivodships accounted for 5.6% of investment outlays incurred.

¹ Machinery, technical equipment and tools as well as transport equipment.

Chart 7. Investment outlays – increase/decrease in relation to the corresponding period of the previous year



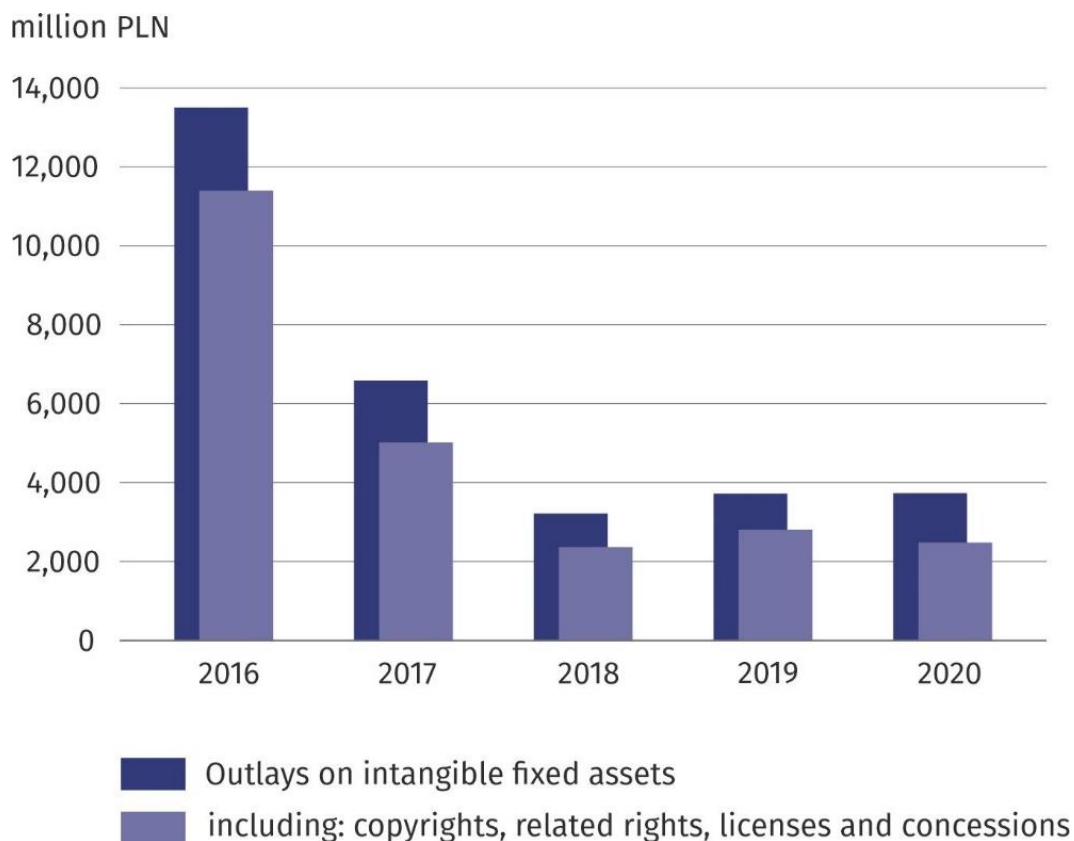
4.2. Outlays on intangible assets

OUTLAYS ON INTANGIBLE ASSETS are expenditures on acquired property rights, classified as non-current (fixed) assets, economically viable with an anticipated useful economic life longer than a year, intended for use for the purposes of the unit. In particular, expenditures on: copyright property rights, related property rights, licenses, concessions, rights to inventions, patents, trademarks, utility models, ornamental patterns, and value equivalent to information obtained in the field of industry, commerce, science or organization (know-how), goodwill, costs of completed development work.

Outlays on intangible assets amounted to 3.7 billion PLN and were 0.7% higher than in the first half of 2019. The share of small enterprises in these outlays was 6.8%, of medium-sized enterprises – 17.0%, and large ones – 76.2%.

In the structure of outlays on intangible assets, 66.4% were outlays on property copyrights, related rights, licenses and concessions.

Chart 8. Outlays on intangible fixed assets, copyrights, related rights, licenses and concessions in the period of January-June in the years 2016-2020



5. Non-financial enterprises with majority of foreign capital

ENTERPRISE WITH A MAJORITY SHARE OF FOREIGN CAPITAL is the enterprise in which the share of foreign capital in the share capital exceeds 50%.

The share of foreign capital in the share capital was calculated on the results of the statistical survey of the activity of enterprises with foreign capital.

FOREIGN CAPITAL is the capital contributed to the unit in the form of financial resources (cash, shares, bonds), tangible fixed assets (machines, equipment, means of transport, real estate) and intangible assets (patents, licenses, etc.) by a foreign enterprise. A foreign enterprise may be: a natural person without Polish citizenship; a legal person located abroad; an organizational unit without legal personality located abroad.

SHARE CAPITAL (FUND) is the actual contribution of the owner or co-owner, provided to start up the economic unit at the moment of its establishment, increased later if necessary.

In the surveyed population of non-financial enterprises, 7,051 units had majority of foreign capital. They constituted 16.1% of all surveyed enterprises. Among these enterprises, small units (from 10 to 49 persons employed) prevailed, constituting 42.8%. The share of medium-sized enterprises (from 50 to 249 persons employed) amounted to 36.7%, and that of large enterprises (with 250 and more persons employed) to 20.5%.

In the discussed group, enterprises with a 100% share of foreign capital in the share capital prevailed, constituting 85.2% (increase by 0.6% compared to the first half of 2019).

As at 30th June 2020, 1,840.5 thousand persons worked in enterprises with majority of foreign capital covered by the survey, which means an increase by 0.6% compared to the end of June 2019. In small units (from 10 to 49 persons employed) worked 4.0%, in medium-sized (from 50 to 249 persons employed) – 16.5% in total, and in the large ones (with 250 and more persons employed) – 79.5%.

The value of total revenues obtained by the surveyed enterprises with majority of foreign capital amounted to 705.2 billion PLN. Compared to the first half of 2019, the total value of these revenues decreased by 5.0% for the entire surveyed population, by 2.8% for small, by 1.9% for medium-sized and for large enterprises by 6.1%. A 7.5% of total revenues were generated by small enterprises, 20.2% by medium-sized enterprises and 72.3% by large enterprises.

The value of total costs incurred by the surveyed enterprises with majority of foreign capital was 682.0 billion PLN. Overall, the decrease in the value of costs for the entire population was 3.3%; for small enterprises 1.0%, for medium enterprises 0.8% and for large enterprises 4.2%. Of the total costs, 7.5% was incurred by small enterprises, 20.1% by medium-sized enterprises and 72.4% by large enterprises.

In the period of January-June 2020, the financial results of 7,051 surveyed enterprises with majority of foreign capital were more unfavourable than those obtained a year ago. The gross financial result was 23.2 billion PLN against 37.2 billion PLN a year before. Broken down by number of persons employed, the annual gross financial result in small enterprises was lower by 35.3%, in medium enterprises by 21.9%, and in large ones by 42.1%. The net financial result was at the level of 17.5 billion PLN (decrease by 42.6% compared to the first half of 2019) and it constituted 28.0% of net financial result of all surveyed enterprises keeping accounting books with 10 and more persons employed. Among exporting units, net profit was reported by 76.6% of enterprises compared to 76.8% a year ago.

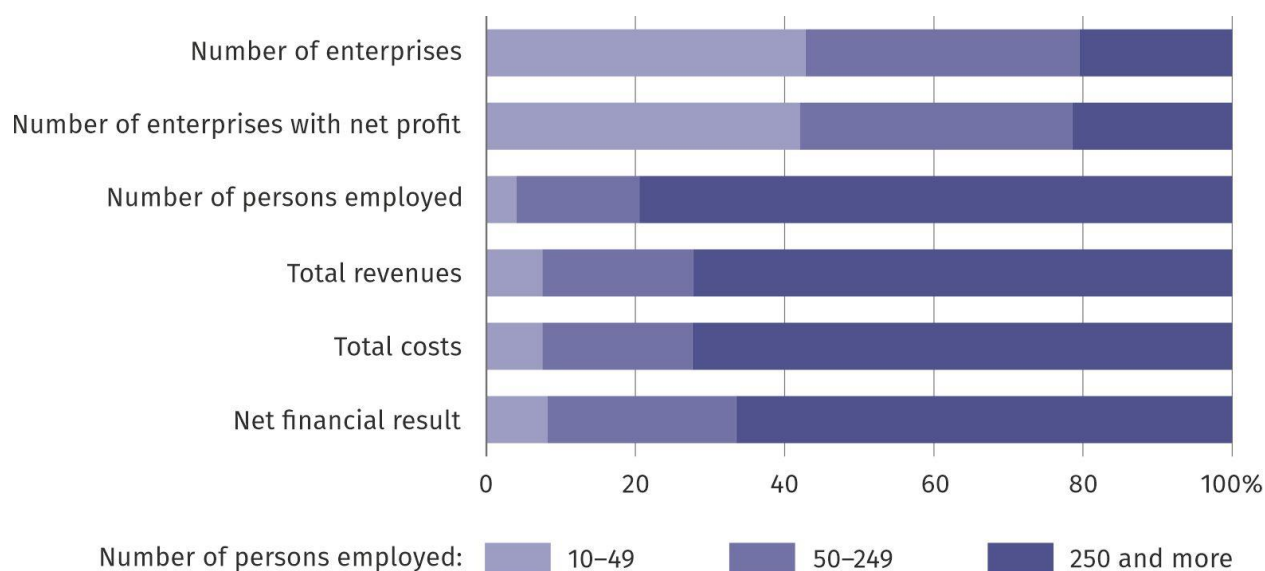
The deeper decrease in total revenues achieved in the period of January-June 2020 than in the costs of obtaining them (by 5.0% and 3.3%, respectively) was reflected in the improvement of the cost level indicator (96.7% comparing to 95.0% a year before). The gross sale profitability indicator decreased to 4.1% (5.1% in the first half of 2019). The gross turnover profitability indicator decreased significantly from 5.0% to 3.3%, and the net turnover profitability indicator from 4.1% to 2.5%.

At the end of June 2020, the value of current assets of the surveyed enterprises amounted to 520.0 billion PLN, which means a 5.6% increase in annual terms. At the end of the first half of 2020, large enterprises recorded a 4.7% increase in current assets compared to the end of June 2019, medium enterprises by 10.1% and small enterprises – by 1.3%.

The value of short-term liabilities of all surveyed enterprises with majority of foreign capital amounted to 363.4 billion PLN at the end of June 2020 and was 5.0% higher than a year ago.

Total investment outlays of the surveyed enterprises with majority of foreign capital in the first half of 2020 amounted to 27.6 billion PLN and were (at constant prices) by 3.6% lower than a year ago. The share of large enterprises (with 250 and more persons employed) in outlays was 81.0%, that of medium enterprises (from 50 to 249 persons employed) amounted to 16.2%, and of small enterprises (from 10 to 49 persons employed) to 2.8%.

Chart 9. Basic data on non-financial enterprises with majority of foreign capital by size class



Methodological notes

The aim of research of non-financial enterprises is to collect and present to users information on this group of enterprises and the results of their business operations.

The quarterly survey of revenues, costs and financial result as well as investment outlays is one of the most important sources of information for analyzes on the current economic situation of the country, necessary to create the macro- and microeconomic policy.

This publication presents data on revenues, costs and financial results as well as current assets, liabilities and investment expenditures of non-financial enterprises conducting economic activity. The source of information is the report on the F-01/I-01 form by non-financial enterprises employing 10 persons and more, keeping accounting books.

The examined enterprises are classified in two groups due to the number of persons employed, according to which reporting obligations for a given year are determined. The change in the number of persons employed during the calendar year does not change the reporting obligations and presentation of the published results. The first group includes enterprises in which the number of persons employed is 50 persons and more. This group was presented in a breakdown by two sub-groups: units from 50 to 249 persons employed and units with 250 or more persons employed. These units are required to submit statistical reports on a quarterly basis, and the basic data is published in the Statistical Bulletin. The second group of enterprises includes units in which the number of persons employed is in the range of 10-49 persons. These units are required to submit reports on a semi-annual basis.

1. Scope and content of the survey

The population presented in the publication includes legal persons, entities without legal personality and natural persons conducting economic activity in the period of January-June 2020.

In terms of the kind of activity the scope of this publication covers non-financial enterprises, i.e. units classified to the following sections of the NACE Rev.2:

Section	Description
B	Mining and quarrying
C	Manufacturing
D	Electricity, gas, steam and air conditioning supply
E	Water supply; sewerage, waste management and remediation activities
F	Construction
G	Wholesale and retail trade; repair of motor vehicles and motorcycles
H	Transport and storage
I	Accommodation and food service activities
J*	Information and communication
L	Activities related to real estate activities
M	Professional, scientific and technical activities
N	Activities related to administrative and support service activities
P**	Education
Q***	Human health and social work activities
R****	Arts, entertainment and recreation

S***** | Other service activities

- * section J – excluding culture institutions with legal personality
- ** section P – excluding higher education institutions
- *** section Q – excluding independent public health care facilities
- **** section R – excluding cultural institutions with legal personality
- *****section S – excluding trade unions, religious and political organizations

For the purpose of this publication an additional grouping was established in relation to the binding classification, by including sections: B (Mining and quarrying), C (Manufacturing), D (Electricity, gas, steam, and air conditioning supply), E (Water supply; sewerage, waste management and remediation activities) under the common term “Industry”.

In the analyzed population, the following size classes were distinguished:

- small enterprises (from 10 to 49 persons employed);
- medium-sized enterprises (from 50 to 249 persons employed);
- large enterprises (with 250 and more persons employed).

More detailed information on data sources used in quarterly surveys of non-financial enterprises, as well as on the results developed on the basis of these surveys and forms of their presentation are presented in the [Methodological Handbook - Non-financial enterprises surveys](#). This Handbook is a compendium of knowledge for persons using the results of surveys of non-financial enterprises, helpful in their analysis and interpretation.

Data from quarterly surveys of non-financial enterprises can also be found, among others, in the [Non-financial Enterprises Knowledge Databases](#) and in the [Local Data Bank](#) in the part of Finances of Enterprises conducting business as well as in [statistical yearbooks](#).

2. Basic definitions

Persons employed (working) include employees hired on the basis of an employment contract, i.e. labour contract, designation, appointment or election (including seasonal and temporary workers); employers and own-account workers: owners and co-owners (including contributing family workers) of units conducting economic activity (excluding company's partners not working in the company) and own-account workers; agents; outworkers; members of agricultural production cooperatives.

Total revenues (revenues from the total activity) include net revenues from sale of products, goods and materials, other operating revenues as well as financial revenues.

Total operating revenues include net revenues from sale of products, goods and materials as well as other operating revenues.

Net revenues from sale of products, goods and materials include domestic and export sale of products (finished, semi-finished products and services) manufactured by the unit together with packaging, equipment and third party services if invoiced along with products to customers, sales of goods and materials, i.e. tangible current assets purchased for resale in the same condition as received and products manufactured by the unit if they are sold in a chain of own stores along with the third-party goods, as well as amounts due for goods and materials sold regardless whether or not they have been paid.

Other operating revenues are revenues indirectly related to the unit's operating activities, in particular: profit from the disposal of non-financial fixed assets (fixed assets, fixed assets under construction, intangible assets, real estate investments and rights), assets (cash) obtained free of charge (including donations), damages, reversed provision, adjustments of write-offs revaluing non-financial assets, revenues from social welfare activities, income from rent or lease of fixed assets or investments in real estate and rights, extraordinary revenues.

Financial revenues are for example amounts due for dividends and shares in profit, interest from the loans granted, interest on term deposits, default interest, profit on disposal of investment (sale), reduction of revaluation write-offs of investment values in relation to the total or partial termination of causes resulting in permanent loss of their value, positive surplus exchange differences.

Total costs (costs of obtaining revenues from the total activity) include costs of products, goods and materials sold, other operating and financial costs.

Costs of products, goods and materials sold include cost of products sold (i.e. basic operational costs decreased by the costs of generating benefits for the need of the unit and corrected by change in stock products) and value of goods and materials sold according to procurement or purchase prices.

Other operating costs are costs indirectly related to the unit's operating activity, in particular: loss on disposal of non-financial fixed assets and fixed assets under construction, depreciation of leased or rented fixed assets, unplanned depreciation (impairment charges), penalties, fines, damages, receivables written off partially or fully as a result of bankruptcy, composition or restructuring proceeding, provisions created for certain or highly probable future liabilities (loss on economic transactions in progress), write-offs revaluing non-financial assets, costs of maintaining social facilities, donations or free of charge transferred fixed assets, extraordinary costs.

Financial costs are for example interest on bank credits and loans, interest and discount on bonds issued by the unit, default interest, loss on disposal of investments, revaluation write-offs of investment values, negative surplus exchange differences.

Financial result of the sale of products, goods and materials is the difference between the net revenues from the sale of products, goods and materials and the costs incurred to obtain them (the costs of the products, goods and materials sold).

Financial result from other operating activity is the difference between the other operating revenues and the other operating costs. From 2002 the item contained part of extraordinary events related to operating activity and from 2016 all kinds of extraordinary events related to operating activity.

Financial result from operating activity is the difference between total operating revenues and total operating costs.

Result on financial activity is the difference between the financial revenues and the financial costs.

Gross financial result is calculated as the difference of total revenues and total costs – in case of surplus of total costs over total revenues, the financial result is recorded with the sign (-).

Obligatory encumbrances on gross financial result include corporate income tax and other payments under separate regulations. The income tax affecting the financial result includes current and deferred part. The deferred part is the difference between deferred income tax provisions and deferred income tax assets (due to temporary differences between gross financial result and taxable base, resulting from differences in the time of recognition of revenue and cost in accordance with accounting regulations and tax provisions) as at the end and beginning of the reporting period.

Net financial result is a gross financial result reduced by obligatory encumbrances.

Current assets are part of unit-controlled property resources used in operating activities of a reliably determined fair value, arising from past events that will provide the unit with economic benefits in the future. They include stocks (current tangible assets) and short-term: receivables, investments and prepayments and accruals.

Stocks are tangible current assets, which include: materials – raw materials, primary and auxiliary materials, semi-finished third-party products, packaging, spare parts and waste; finished products – final articles, performed services, completed works, including construction and assembly works, research and development works, design works, geodetic and cartographic works, etc.; semi-finished products and work in progress – un-

finished production, i.e. production (services, including construction works) in progress and semi-finished products of own production; goods for resale – tangible current assets acquired for resale in unchanged form; advances for deliveries.

Short-term receivables cover total receivables from deliveries and services (regardless of their payment date) and the whole or part of other receivables not included in financial assets that become due within 12 months from the balance sheet date.

Short-term investments cover short-term (current) financial assets, in particular shares, other securities, loans granted, other short-term financial assets, cash and other monetary assets and other short-term investments.

Short-term prepayments and accruals include deferred costs and deferred revenues to be settled within 12 months from the balance sheet date, as an equivalent of revenues that are not yet receivables as of the balance sheet date from the legal point of view.

Liabilities and provisions for liabilities are obligations resulting from past events to provide benefits of a reliably determined value that will result in usage of the entity's existing or future assets of the unit. They include provisions for liabilities, long-term liabilities, short-term liabilities and prepayments and accruals.

Long-term liabilities other than liabilities from deliveries and services, include liabilities which become due fully or partially more than 12 months after the balance sheet date.

Short-term liabilities (excluding special funds) include all liabilities from deliveries and services and all or part of other liabilities due within 12 months after the balance sheet date.

Cost level indicator is the relation of total costs to total revenues.

Gross sales profitability indicator is the relation of the financial result from the sale of products, goods and materials to the net revenues from the sale of products, goods and materials.

Net sale profitability indicator is the relation of the net financial result to the net revenues from sale of products, goods and materials.

Gross turnover profitability indicator is the relation of gross financial result to total revenues.

Net turnover profitability indicator is the relation of net financial result to the total revenues.

First degree financial liquidity indicator is the relation of short-term investments to short-term liabilities (excluding special funds).

Second degree financial liquidity indicator is the relation of short-term investments and short-term receivables to short-term liabilities (excluding special funds).

Third degree financial liquidity indicator is the relation of current assets of the units (stocks, short-term receivables, short-term investments and short-term prepayments and accruals) to short-term liabilities (excluding special funds).

Investment outlays are the financial or material expenditures aimed at creating new fixed assets or improving (rebuilding, enlargement, reconstruction or modernization) existing fixed capital items as well as outlays on so-called initial equipment for the investment. The investment outlays are divided into outlays on fixed assets and other outlays.

The outlays on fixed assets include expenditures on: buildings and structures (include buildings and premises as well as civil and water engineering structures), including, among others, construction and assembly works, design-cost-estimate documentations; machinery, technical equipment and tools (including instruments, movables and equipment); means of transport; others, i.e. irrigation and drainage, land quality improvements, long-term plantings, livestock (basic herd) and interest on investment credits and loans for the period of the investment implementation.

Other outlays are expenditures on the so-called initial equipment for the investment and other costs related to the implementation of the investment. Those outlays do not increase the value of the fixed assets.

Outlays on intangible assets are expenditures on acquired property rights, classified as non-current (fixed) assets, economically viable with an anticipated useful economic life longer than a year, intended for use for the purposes of the unit. In particular, expenditures on: copyright property rights, related property rights, licenses, concessions, rights to inventions, patents, trademarks, utility models, ornamental patterns, and value equivalent to information obtained in the field of industry, commerce, science or organization (know-how), goodwill, costs of completed development work.

Enterprise with a majority share of foreign capital is the enterprise in which the share of foreign capital in the share capital exceeds 50%.

The share of foreign capital in the share capital was calculated on the results of the statistical survey of the activity of enterprises with foreign capital.

Foreign capital is the capital contributed to the unit in the form of financial resources (cash, shares, bonds), tangible fixed assets (machines, equipment, means of transport, real estate) and intangible assets (patents, licenses, etc.) by a foreign enterprise. A foreign enterprise may be: a natural person without Polish citizenship; a legal person located abroad; an organizational unit without legal personality located abroad.

Share capital (fund) is the actual contribution of the owner or co-owner, provided to start up the economic unit at the moment of its establishment, increased later if necessary.