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# I. Socio-economic Situation of Poland in the 1<sup>st</sup> Half of 2014

## Introduction

In the 1<sup>st</sup> half of 2014, upward tendencies in the economy continued, though in certain areas in the 2<sup>nd</sup> quarter a slight slowdown of the dynamics was observed, in comparison to that recorded in the 1<sup>st</sup> quarter.

According to preliminary data, the gross domestic product (at average annual constant prices of the previous year), in the 2<sup>nd</sup> quarter of 2014, was by 3.3% higher than a year before (against a growth of 3.4% in the 1<sup>st</sup> quarter of 2014).

In the 1<sup>st</sup> half of 2014, the following tendencies were observed:

- Sold production of industry was by 4.3% higher than a year before. Among the main industrial groupings, the fastest growth in sales was observed in enterprises manufacturing intermediate and capital goods. However, the production of energy was lower than a year before.
- Construction and assembly production was by 9.8% higher than a year before (when a drop of 21.5% was recorded).
- Retail sales increased by 5.3% in comparison with the corresponding period of the previous year.
- The sales of services in transport entities in total, at constant prices, was by 5.6% higher in comparison with the corresponding period of the previous year (a year before an increase of 2.1% was recorded).
- The dynamics of the average paid employment in the enterprise sector slightly strengthened (a growth of 0.4% in annual terms, of which in the 2<sup>nd</sup> quarter – of 0.7%).
- The unemployment rate dropped to 12.0% at the end of June 2014.
- The average monthly gross nominal wages and salaries in the enterprise sector grew faster than in the previous periods, and their purchasing power, with a slight increase in consumer prices, strengthened considerably.
- The growth rate of nominal and real retirement pays and pensions in both systems was weaker than in the previous year, and in the 2<sup>nd</sup> quarter of 2014 – slower than that of average wages and salaries.
- The year-on-year drop in prices of sold production of industry, and construction and assembly production, which started in the 2<sup>nd</sup> half of 2012, continued.
- The prices of consumer goods and services increased, in annual terms, by 0.4%, i.e. at a rate considerably below the lower limit of deviation from the inflation target. In the 2<sup>nd</sup> quarter of 2014, a further deceleration of the price dynamics was observed, which was influenced mainly by the drop of prices in the group of food and non-alcoholic beverages.
- On the agricultural market, along with a growth in supply, the prices of cereals and animals for slaughter were lower than in the 1<sup>st</sup> half of the previous year. The procurement prices of potatoes were above the level recorded a year before. Along with a growth in milk supply, the price dynamics of this product were high, though weakening in the recent months. The profitability of pigs fattening improved slightly, and the prices of piglets for further breeding did not change significantly.

- The dynamics of foreign trade turnover (calculated in PLN) were higher than a year before. As a result of a faster increase in exports than in imports, the total negative balance of trade improved. The turnover with all groups of countries increased, except for exports to the Eastern and Central European countries. In the period of January–June 2014, the total terms of trade index was favourable and amounted to 103.6 (against 102.6 a year before).
- The financial results of the surveyed non-financial enterprises were slightly higher in comparison to the corresponding period of the previous year. Following a drop a year before, the financial result from the sales of products, goods and materials as well as gross and net financial results increased. The economic and financial relations of the surveyed enterprises were similar as in the 1<sup>st</sup> half of the previous year. Exports sales increased; the indicators obtained by exporters were similar to the ones recorded a year before, and still more favourable than for entities in total.
- The investment outlays of the surveyed enterprises were higher than a year before (and increased, at constant prices, by 14.4% against a growth of 0.2% in the 1<sup>st</sup> half of the previous year). Following a drop a year before, the investment activity of entities with foreign capital participation increased, though at a slower rate than for the surveyed enterprises in total.
- The state budget revenue amounted to PLN 136.3 bn, (i.e. 49.1% of the amount planned in the budget act for 2014), and expenditure – to PLN 161.6 bn (respectively 49.7%). The deficit reached the level of PLN 25.3 bn, which constituted 53.4% of the planned amount.

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## Population

According to preliminary estimates, at the end of June 2014 the population of Poland amounted to approx. 38 487 thous. As a result of vital statistics and international migration, the population decreased by over 8 thous. in relation to the status of the end of 2013 and by over 15 thous. in relation to June of the previous year. In the 1<sup>st</sup> half of 2014, a slight growth in annual terms in the number of births, and a drop in the number of deaths, were recorded, resulting in an improved natural increase of the population which, however, remained negative. The net of international migration for permanent residence remained negative (approx. minus 8 thous. against nearly minus 11 thous. a year before).

Preliminary data show that in the 1<sup>st</sup> half of 2014, approx. 187.0 thous. of live births were recorded, i.e. by over 5.5 thous. more than a year before. The birth rate increased by 0.3 point to the level of 9.7‰. Over 187.5 thous. persons died, which means a drop by approx. 14 thous. in relation to the 1<sup>st</sup> half of the previous year. The death rate amounted to 9.7‰ against 10.5‰ a year before.

The natural increase (i.e. the difference between the number of live births and deaths in total) amounted to minus 0.5 thous. (against over minus 20 thous. in the corresponding period of the previous year).

Infant mortality remained at the level recorded a year before – approx. 0.8 thous. children below 1 year of age died, and the rate expressing the number of infant deaths per 1000 live births amounted to 4.2‰.

In the period of January–June 2014, nearly 67 thous. marriages were contracted (i.e. by almost 4 thous. more than a year before); of which religious marriages accounted for over 60%. The marriage rate reached a level of 3.5‰ and was by 0.2 point higher than a year before. The number of divorces, in turn, dropped by nearly 1.5 thous. to approx. 34.5 thous. and the divorce rate decreased by 0.1 point to 1.8‰. Separations were pronounced for over 1 thous. marriages, which means a slight drop in relation to the corresponding period of the previous year.

### Basic demographic data<sup>a</sup>

Specification	1990	2000	2005	2007	2008	2009	2010	2012	2013	First half year	
										2013	2014 <sup>b</sup>
Total population (in thous., end of period) .....	38 073	38 254	38 157	38 116	38 136	38 167	38 530	38 533	38 496	38 502	38 487
Actual increase:											
in thous. ....	85	-9	-17	-10	20	31	33	-5	-37	-31	-8
in % .....	0.22	-0.02	-0.04	-0.03	0.05	0.08	0.08	-0.01	-0.10	-0.08	-0.02
Natural increase:											
in thous. ....	157.4	10.3	-3.9	10.7	35.1	32.7	34.8	1.5	-17.7	-20.3	-0.5
per 1000 population .....	4.1	0.3	-0.1	0.3	0.9	0.9	0.9	0.0	-0.5	-1.1	0.0
Live births:											
in thous. ....	547.7	378.3	364.4	387.9	414.5	417.6	413.3	386.3	369.6	181.4	187.0
per 1000 population .....	14.3	9.9	9.6	10.2	10.9	11.0	10.7	10.0	9.6	9.4	9.7
Total deaths:											
in thous. ....	390.3	368.0	368.3	377.2	379.4	384.9	378.5	384.8	387.3	201.7	187.5
per 1000 population .....	10.2	9.6	9.7	9.9	10.0	10.1	9.8	10.0	10.1	10.5	9.7
Infant deaths:											
in thous. ....	10.6	3.1	2.3	2.3	2.3	2.3	2.1	1.8	1.7	0.8	0.8
per 1000 live births .....	19.3	8.1	6.4	6.0	5.6	5.6	5.0	4.6	4.6	4.5	4.2
Newly-contracted marriages:											
in thous. ....	255.4	211.2	206.9	248.7	257.7	250.8	228.3	203.9	180.4	62.7	67.0
per 1000 population .....	6.7	5.5	5.4	6.5	6.8	6.6	5.9	5.3	4.7	3.3	3.5
Divorces:											
in thous. ....	42.4	42.8	67.6	66.6	65.5	65.3	61.3	64.4	66.1	36.0	34.5
per 1000 population .....	1.1	1.1	1.8	1.7	1.7	1.7	1.6	1.7	1.7	1.9	1.8
Separations (in thous.) .....	-	1.3	11.6	4.9	3.8	3.2	2.8	2.5	2.2	1.3	1.1
Net international migrations for permanent residence (in thous.)	-15.8	-19.7	-12.9	-20.5	-14.9	-1.2	-2.1	-6.6	-19.9	-10.6	-7.7

<sup>a</sup> Data concerning the population and the demographic rates per 1000 population were compiled on the basis of the results of the successive censuses for 1990 and for 2000–2009 – the Population and Housing Census 2002, for 2010–2013 – the Population and Housing Census 2011.

<sup>b</sup> Preliminary data.

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## Labour Market

In the 1<sup>st</sup> half of 2014, the average paid employment in the national economy<sup>1</sup> amounted to 8 192 thous. persons and was lower than a year before by 0,1%. In the enterprise sector<sup>2</sup> a slight growth than a year before in the average paid employment in annual terms was observed; in the 2<sup>nd</sup> quarter the growth rate was higher than in the 1<sup>st</sup> quarter. The inflow to registered unemployment was much smaller than in the 1<sup>st</sup> half of the previous year. More unemployed persons were, however, removed from unemployment rolls, in particular due to taking up a job. As a result, the unemployment rate at the end of June 2014 was at its lowest level since October 2011.

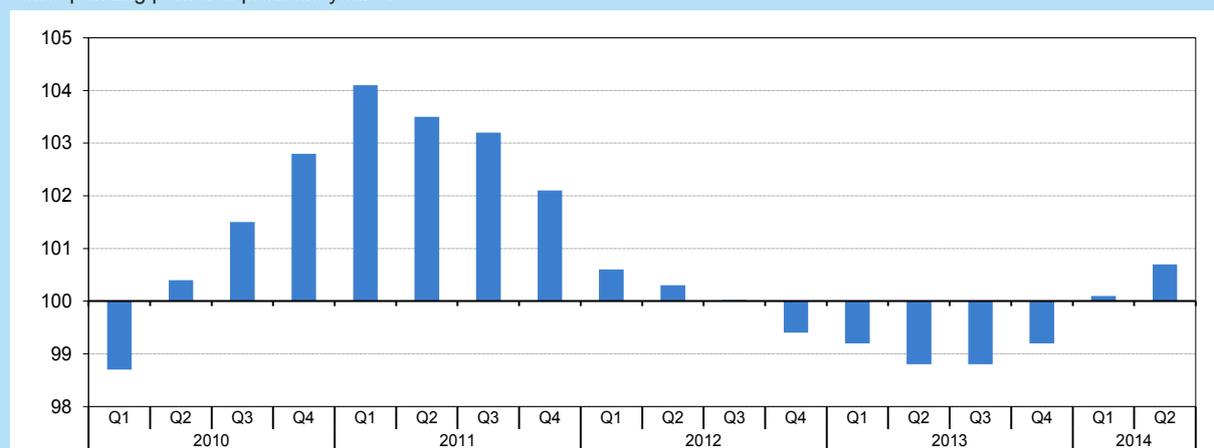
The average paid employment in the enterprise sector in the 1<sup>st</sup> half of 2014 reached the level

of 5 512.7 thous. persons and was by 0.4% higher than a year before (against a drop of 1.0% in the corresponding period of the previous year). The most increase in employment was recorded in professional, scientific and technical activities (of 6.3%) and in administrative and support service activities (of 3.5%). A growth was also recorded in water supply; sewerage, waste management and remediation activities (of 2.9%), information and communication (of 2.8%) as well as manufacturing and real estate activities (of 1.6% each). However, employment decreased, among others, in construction (by 8.0%), mining and quarrying (by 6.0%), and electricity, gas, steam and air conditioning supply (by 4.3%).

**The employed persons and the average paid employment in the national economy<sup>1</sup>**

Specification a – corresponding period of the previous year=100	2013				2014	
	Q1	Q2	Q3	Q4	Q1	Q2
Employed persons (end of period) in thous. ...	8 476	8 490	8 499	8 509	8 539	8 563
a	99.4	99.7	100.1	100.7	100.7	100.9
Average paid employment in thous. ....	8 210	8 187	8 159	8 235	8 186	8 198
a	99.3	98.9	98.8	98.8	99.7	100.1

**Average paid employment in the enterprise sector**  
corresponding period of previous year=100



<sup>1</sup> Excluding economic entities employing up to 9 persons, and private farms in agriculture as well as budget entities, conducting activity in the scope of national defence and public safety.

<sup>2</sup> In economic entities employing more than 9 persons.

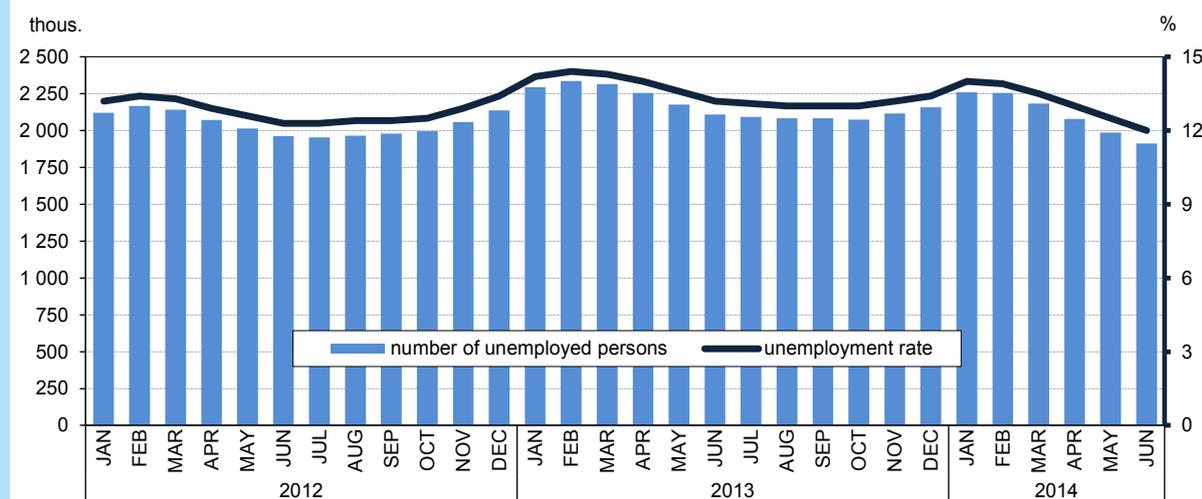
In the period of January–June 2014, increase in employment in annual terms was recorded, among others, in enterprises dealing with manufacture of furniture (of 5.6% against a drop of 2.7% in the corresponding period of the previous year), motor vehicles, trailers and semi-trailers (of 5.2%), as well as rubber and plastic products (of 4.6%) and metal products (of 3.0%). Employment also grew in retail trade (by 2.4%), and land and pipeline transport (by 2.2%), as well as in manufacture of products of wood, cork, straw and wicker (by 1.0%). A decrease of average paid employment was recorded, among others, in construction of buildings (of 11.3%), mining of coal and lignite (of 8.5%), and civil engineering (of 6.5%).

At the end of June 2014, the number of unemployed persons registered in labour offices

reached the level of 1 912.6 thous., i.e. it decreased by 9.3% in annual terms (by 196.6 thous.). The registered unemployment rate amounted to 12.0%, i.e. it dropped by 1.2 percentage points, against the one recorded a year before.

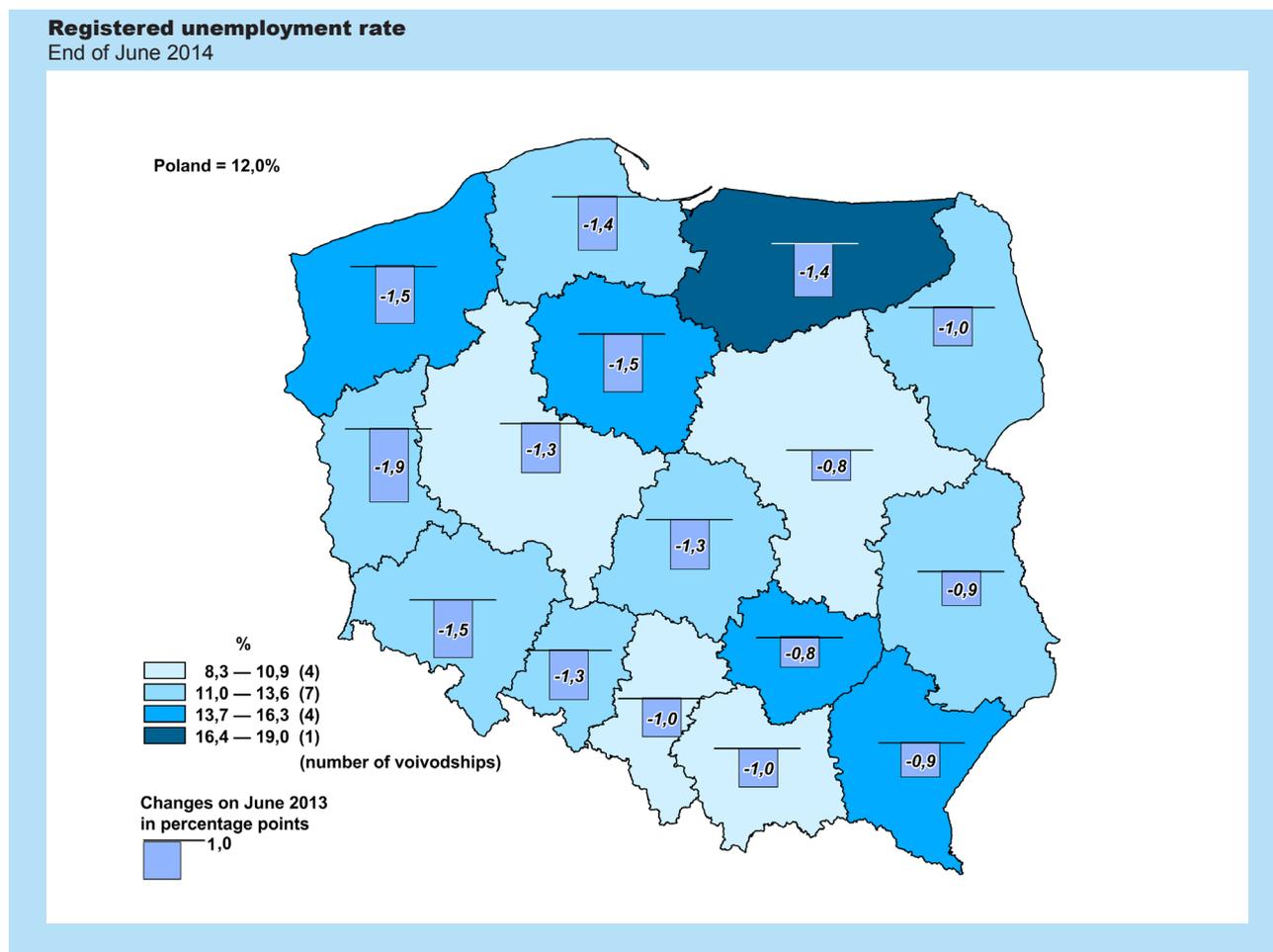
The unemployment rate by voivodships ranged from 8.3% in wielkopolskie voivodship to 19.0% in warmińsko-mazurskie voivodship. In comparison to June of the previous year, the unemployment rate also decreased in all voivodships, of which the most in lubuskie (by 1.9 percentage points), dolnośląskie, kujawsko-pomorskie and zachodniopomorskie (by 1.5 percentage points each) and the least in mazowieckie and świętokrzyskie (by 0.8 percentage point).

### Registered unemployment



### Registered unemployment

Specification a – corresponding period of the previous year=100	2013				2014	
	Q1	Q2	Q3	Q4	Q1	Q2
Registered unemployed persons in total (end of period) in thous. ....	2 314.5	2 109.1	2 083.1	2 157.9	2 182.2	1 912.6
a	108.1	107.4	105.3	101.0	94.3	90.7
Newly registered unemployed persons in thous. ....	756.7	554.5	692.4	705.8	650.1	498.9
a	109.3	105.3	102.5	92.8	85.9	90.0
Persons removed from unemployment rolls in thous. ....	579.1	759.8	718.2	631.0	626.5	768.5
a	108.6	108.0	108.7	104.7	108.2	101.1
Unemployment flow (inflow – outflow).....	177.6	-205.3	-25.8	74.8	23.6	-269.6



At the end of June 2014, the share of women in the structure of registered unemployed persons was higher than a year before (increase of 0.4 percentage point to 50.9%). The share of persons without benefit rights also increased (by 2.9 percentage points to 86.8%), and so did the share of previously working persons (by 0.5 percentage point to 82.7%), of which persons terminated for company reasons constituted 6.7% against 6.6% at the end of June of the previous year. However, the share of persons who had not been previously working decreased (by 0.5 percentage point to 17.3%), and so did the share of graduates (by 0.4 percentage point to 2.4%).

At the end of June 2014, the number of long-term unemployed persons<sup>3</sup> accounted for over half of the registered unemployed persons in total. The share of long-term unemployed persons in total registered

unemployed persons increased in annual terms by 6.4 percentage points to 57.8%. A growth was also recorded in the share of unemployed persons above 50 years of age (of 2.1 percentage point to 25.5%), persons without occupational qualifications (of 0.8 percentage point to 30.7%), unemployed persons bringing up single-handed at least one child below 18 years of age (of 0.6 percentage point to 9.8%), and disabled persons (of 0.5 percentage point to 5.7%). A drop occurred only in the share of unemployed persons below 25 years of age (by 2.1 percentage points to 16.2%). The number of unemployed persons decreased in annual terms in all mentioned categories (of which the most in unemployed persons below 25 years of age), except for the long-term unemployed.

<sup>3</sup> Long-term unemployed persons include persons remaining in the register rolls of the powiat labour office for the whole period of over 12 months during the last 2 years, excluding periods of traineeship and occupational preparation at the workplace.

In the 1<sup>st</sup> half of 2014, the number of newly registered unemployed persons amounted to 1 149.0 thous. and was by 12.4% lower than a year before. Persons registering for another time still constituted the most numerous group, and their share in the newly registered unemployed persons in total grew in relation to the one recorded a year before (by 1.5 percentage points to 80.8%). An increase was also recorded in the percentage of persons residing in rural areas (of 0.4 percentage point to 40.8%). A decrease was observed, in turn, in the percentage of persons registering for the first time (of 1.5 percentage points to 19.2%), persons terminated for company reasons (of 0.9 percentage point to 5.8%), persons who had not been previously employed (of 0.5 percentage point to 17.7%), and graduates (of 0.2 percentage point to 10.3%).

In the period of January–June 2014, 1 395.1 thous. persons were removed from the unemployment register, i.e. by 4.2% more than a year before. Taking up a job was still the main reason for deregistering, as a result of which 628.5 thous. persons were removed from unemployment rolls (against 606.5 thous. a year before). The share of this category in the total number of deregistered persons slightly decreased against the result observed a year before (by 0.2 percentage point to 45.1%). Compared to the 1<sup>st</sup> half of the previous

year, more persons took up non-subsidised work (556.2 thous. against 528.7 thous.), and less – subsidised (72.4 thous. against 77.8 thous.). Among persons removed from the register, a decrease was also observed in the percentage of persons deregistered as a result of their failure to confirm availability for a job (of 0.6 percentage point to 24.6%), persons who begun traineeship or training with the employer (of 0.5 percentage point to 13.0%), and persons who acquired the right to the pre-retirement benefits (of 0.1 percentage point to 1.3%). The number of persons, who voluntarily resigned from the status of unemployed increased (by 1.2 percentage points to 6.7%) and those who acquired the right to the retirement pay and pension (by 0.2 percentage point to 1.2%).

In the 1<sup>st</sup> half of 2014, 565.6 thous. job offers<sup>4</sup> were submitted to labour offices, i.e. by 19.5% more than a year before. Offers from the public sector constituted 19.8% of the total number of offers (against 25.7% a year before). At the end of June 2014, offers which were not accepted for more than one month accounted for 27.9% of the total number of offers (against 20.6% a year before). Among all offers, 6.7% referred to traineeship, also 6.7% were targeted at disabled persons, and 0.5% – at graduates.

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<sup>4</sup> It concerns the vacant places of employment and places of occupational activation.

## Wages and Salaries, and Social Benefits

In the 1<sup>st</sup> half of 2014, average monthly nominal gross wage and salary in the national economy<sup>5</sup> amounted to PLN 3 816.66, i.e. by 3.9.% more than in the corresponding period of the previous year. The average monthly gross nominal wages and salaries in the enterprise sector<sup>6</sup> were increasing faster in annual terms than in the previous periods. The increase in the purchasing power of wages and salaries was also relatively strong, and given the slower dynamics of consumer prices, its rate improved slightly in the 2<sup>nd</sup> quarter of 2014. The growth of average monthly nominal and real retirement pays and pensions in annual terms in both systems was slower than in the previous periods.

The average monthly gross wage and salary in the enterprise sector<sup>6</sup> in the 1<sup>st</sup> half of 2014 amounted to PLN 3 920.46 and was by 4.1% higher than in the corresponding period of the previous year (a year before a growth of 2.5%, was recorded, respectively). Average wages and salaries increased in all sections, of which among others: in manufacturing (by 5.0%), administrative and support service activities (by 4.8%), transportation and storage, and construction (by 4.7% each). The slowest increase in wages and salaries was observed in sections: water supply; sewerage, waste management and remediation activities (of 2.6%), mining and quarrying, as well as electricity, gas, steam and air conditioning supply (of 3.0% each)

**Average monthly nominal gross wages and salaries in the enterprise sector**

Specification	Q1–Q2 2013	Q1–Q2 2014	2013			2014		
			Q1	Q2	Q1–Q2	Q1	Q2	
	in PLN		corresponding period of the previous year=100					
Total .....	3 788.26	3 943.91	102.1	102.9	102.5	104.1	104.2	104.1
of which:								
Industry .....	3 881.82	4 034.91	102.2	102.7	102.5	104.0	104.1	103.9
mining and quarrying .....	6 289.95	6 381.69	103.9	98.0	100.8	103.0	104.5	101.5
manufacturing .....	3 559.51	3 743.30	102.0	103.0	102.5	105.0	104.9	105.2
electricity, gas, steam and air conditioning supply .....	5 833.65	6 024.59	104.3	109.2	106.6	103.0	102.6	103.3
water supply; sewerage, waste management and remediation activities	3 693.49	3 796.58	101.6	102.0	101.8	102.6	102.5	102.8
Construction .....	3 696.12	3 885.37	98.3	101.3	99.8	104.7	104.2	105.1
Trade; repair of motor vehicles .....	3 420.58	3 577.07	102.2	102.5	102.4	103.9	103.3	104.6
Transportation and storage .....	3 545.81	3 649.13	102.5	103.7	103.1	104.7	106.6	102.9
Accommodation and catering .....	2 658.98	2 746.56	103.5	107.7	105.6	103.6	103.9	103.3
Information and communication .....	6 721.57	6 848.19	102.2	103.5	102.8	103.2	104.5	101.9
Real estate activities .....	3 984.21	4 148.49	103.9	104.4	104.1	103.5	102.8	104.1
Professional, scientific and technical activities <sup>a</sup> .....	5 466.84	5 754.56	102.6	103.0	102.8	103.7	102.6	104.9
Administrative and support service activities	2 599.79	2 737.08	104.0	104.9	104.5	104.8	104.3	105.3

<sup>a</sup> Excluding the divisions: Scientific research and development, as well as Veterinary activities.

<sup>5</sup> Including entities employing up to 9 persons.

<sup>6</sup> In entities employing more than 9 persons.

In the 1<sup>st</sup> half of 2014, the amount of wages and salaries in the enterprise sector was by 4.6% higher than a year before (against a growth of 1.5% in the corresponding period of the previous year).

The purchasing power of the average monthly gross wage and salary in the enterprise sector in the 1<sup>st</sup> half of 2014 was by 3.7% higher than a year before (in the 1<sup>st</sup> quarter of 2014 the growth amounted to 3.7%, while in the 2<sup>nd</sup> quarter – to 3.8%).

The average monthly nominal gross retirement pay and pension from the non-agricultural social security system in the 1<sup>st</sup> half of 2014 was by 4.1% higher than a year before and amounted to PLN 1 981.23. The average monthly real retirement pay and pension from the employee system in the 1<sup>st</sup> half of 2014 was by 3.4% higher than a year before.

The average monthly nominal gross retirement pay and pension of farmers in the 1<sup>st</sup> half of 2014 amounted to PLN 1 141.46, and increased by 2.6%

in annual terms. The average monthly real retirement pay and pension of farmers in the 1<sup>st</sup> half of 2014 was higher than a year before by 1.9%.

The gross amount of unemployment benefits (excluding social security contributions) amounted to PLN 1 263.7 mln in the period of January–June 2014, i.e. by 19.2% lower than in the corresponding period of the previous year.

The value of payments from pre-retirement benefits and allowances increased in annual terms. In the period of January–June 2014, PLN 1 189.6 mln was paid, i.e. by 18.3% more than in the corresponding period of the previous year.

In the 1<sup>st</sup> half of 2014, the average number of persons receiving benefits from the Bridging Pension Fund reached 10.1 thous. (against 7.7 thous. a year before). The total amount of the paid benefits amounted to PLN 141.6 mln and was by 34.7% higher than in the corresponding period of the previous year.

**The number of retirees and pensioners, and average monthly gross retirement pays and pensions**

Specification	2013			2014		
	Q1	Q2	Q1–Q2	Q1	Q2	
Average number of retirees and pensioners:						
in thousands .....	8 991.8	8 969.2	8 980.1	8 883.4	8 895.3	8 872.0
from non-agricultural social security system .....	7 730.9	7 719.6	7 724.7	7 663.9	7 671.6	7 656.5
of farmers .....	1 260.9	1 249.6	1 255.4	1 219.5	1 223.7	1 215.5
corresponding period of the previous year=100 ..	99.3	99.3	99.3	98.9	98.9	98.9
Average retirement pay and pension:						
from non-agricultural social security system:						
in PLN .....	1 877.38	1 929.87	1 903.76	1 981.23	1 959.27	2 003.09
corresponding period of the previous year=100	105.8	105.3	105.5	104.1	104.4	103.8
of farmers:						
in PLN .....	1 095.45	1 129.79	1 112.64	1 141.46	1 136.20	1 146.97
corresponding period of the previous year=100	107.8	105.8	106.8	102.6	103.7	101.5

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## Prices

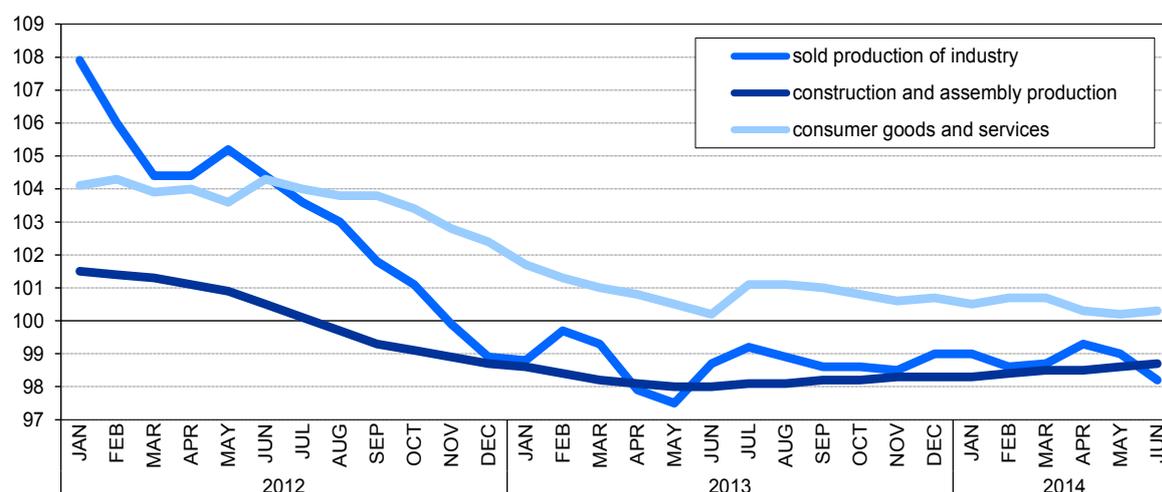
The growth rate of the prices of consumer goods and services, in annual terms, in the 1<sup>st</sup> half of 2014 was insignificant and much below the lower limit of deviation from the inflation target. The drop in the prices of sold production of industry, and construction and assembly production, in annual terms, which began in the 2<sup>nd</sup> half of 2012, continued.

The prices of sold production of industry were by 1.2% lower than the ones recorded in the 1<sup>st</sup> half of 2013. In June 2014, a drop in the prices of sold production, in annual terms, was deeper than a month before, and amounted to 1.8%.

In comparison to December 2013, the prices of sold production of industry in June 2014 were by 0.8% lower (against a growth of 0.1% a year before, respectively). A fall was observed in the following sections: mining and quarrying (of 2.9%), and manufacturing (of 0.9%). In turn, a growth was recorded in electricity, gas, steam and air conditioning supply (of 1.0%), as well as water supply; sewerage, waste management and remediation activities (of 0.9%).

### Price indices

corresponding period of the previous year=100



### The price indices of sold production of industry and construction and assembly production

Specification	2013			2014				
	Q1	Q2	JAN-JUN	Q1	Q2	JAN-JUN	JUN	
	corresponding period of the previous year=100							DEC 2013=100
Price indices of sold production of industry ...	99.2	98.0	98.6	98.8	98.8	98.8	98.2	99.2
mining and quarrying .....	91.5	88.9	90.2	91.0	93.9	92.4	94.7	97.1
manufacturing .....	99.4	98.5	99.0	99.0	98.8	98.9	98.0	99.1
electricity, gas, steam and air conditioning supply .....	102.2	98.6	100.4	100.8	101.1	100.9	101.0	101.0
water supply; sewerage, waste management and remediation activities	101.7	101.5	101.6	100.8	100.9	100.9	101.0	100.9
Price indices of construction and assembly production .....	98.4	98.0	98.2	98.4	98.6	98.5	98.7	99.4

Among the divisions of manufacturing, a drop in prices, as compared to December of the previous year, was recorded in manufacture, among others, of computer, electronic and optical products (of 2.4%), metal products (of 2.1%), electrical equipment (of 1.8%), coke and refined petroleum products (of 1.6%), as well as food products (of 1.3%). Prices were also lower in manufacture of rubber and plastic products (of 1.1%), other non-metallic mineral products (of 1.0%), motor vehicles, trailers and semi-trailers (of 0.9%), furniture (of 0.6%), as well as machinery and equipment (of 0.4%). In turn, a growth in prices was observed in manufacture, among others, of paper and paper products (of 0.4%), as well as chemicals and chemical products (of 0.8%).

The prices of construction and assembly production were by 1.5% lower than in the 1<sup>st</sup> half of 2013. In June 2014, prices decreased by 1.3% in annual terms, and in relation to December 2013 their drop amounted to 0.6%.

The prices of consumer goods and services, in the period of January–June 2014, increased in relation to the corresponding period of the previous year by 0.4% (against, 0.9% a year before, respectively).

In June 2014, a growth in the prices of consumer goods and services, in annual terms, was slightly faster than a month before, and amounted to 0.3%.

The prices of consumer goods and services in June 2014 were slightly higher than in December of the previous year (by 0.1% against a rise of 0.5% a year before). An increase in prices was recorded in most groups of goods and services, including the highest for alcoholic beverages and tobacco (of 3.6%). Higher prices were also observed in communication (by 1.4%), recreation and culture (by 1.0%), restaurants and hotels (by 0.9%), education (by 0.2%), and dwellings (by 0.1%). However, lower prices than in December of the previous year were observed, among others, in transport (by 1.2%), health (by 0.6%), as well as food and non-alcoholic beverages (by 0.3%). The largest impact on the total price index was exerted by a growth in the prices of alcoholic beverages and tobacco, which raised the total index by 0.23 percentage point. A drop in the prices of clothing and footwear, as well as goods and services associated with transport, caused a decrease in the total price index by 0.14 percentage point and 0.11 percentage point, respectively.

#### Consumer goods and services price indices

Specification	2013			2014				DEC 2013=100
	Q1	Q2	JAN– JUN	Q1	Q2	JAN– JUN	JUN	
	corresponding period of the previous year =100							
T o t a l .....	101.3	100.5	100.9	100.6	100.3	100.4	100.3	100.1
Food and non-alcoholic beverages .....	102.5	101.3	101.9	101.5	99.6	100.5	99.1	99.7
Alcoholic beverages and tobacco .....	103.3	103.6	103.4	103.6	103.9	103.8	104.0	103.6
Clothing and footwear .....	94.9	95.2	95.0	95.4	95.4	95.4	95.3	97.2
Dwelling .....	102.2	101.1	101.6	101.9	101.6	101.8	101.6	100.1
Health .....	102.2	101.8	102.0	100.3	100.3	100.3	100.3	99.4
Transport .....	99.4	96.7	98.0	98.0	99.1	98.5	99.4	98.8
Communication .....	95.6	91.1	93.4	96.2	99.5	97.8	101.3	101.4
Recreation and culture .....	100.5	103.6	102.0	102.6	100.4	101.5	100.7	101.0
Education .....	102.7	102.6	102.6	93.8	93.8	93.8	94.0	100.2
Restaurants and hotels .....	102.6	102.3	102.5	101.5	101.5	101.5	101.4	100.9
Miscellaneous goods and services .....	101.3	100.9	101.1	99.9	99.9	99.9	99.8	99.9

The prices of food and non-alcoholic beverages in June 2014 were by 0.3% lower than in December of the previous year, though the prices of food also dropped by 0.3% whereas the prices of non-alcoholic beverages remained similar to the ones recorded in December 2013. Consumers paid less than a month before, among others, for sugar (by 20.9%), vegetables (by 5.1%), rice (by 1.8%), oils and fats (by 1.5%), meat (on average by 0.4%), and bakery products (by 0.3%). Higher prices than in December of the previous year were observed, among others, in the case of fruit (by 11.6%), and articles in the group "milk, cheese and eggs" (on average by 0.7%). Pasta and pasta products were also more expensive (by 0.6%), as well as fish and seafood (by 0.3%).

Alcoholic beverages and tobacco were by 3.6% more expensive than in December of the previous year, though the increase in tobacco prices was much higher (of 6.2%).

A decrease was observed in the prices of clothing and footwear (of 3.5% and 1.4%, respectively).

The prices associated with dwelling increased by 0.1% in relation to December of the previous year. Charges for water supply and sewage collection were raised (by 2.1% each) while charges for refuse collection dropped (by 2.9%). The prices of electricity, gas and other fuels were lower (by 0.3%), including electricity (by 2.3%), and liquid and solid fuels (by 1.8%). However, the prices of gas were higher (by 3.7%), and so were the prices of heat energy

(by 0.9%). The prices associated with furnishings, household equipment and routine maintenance of the house were at the level similar to the one recorded in December of the previous year.

The prices of goods and services associated with health were by 0.6% lower than in December 2013. The prices of pharmaceutical products decreased (by 2.2%) while an increase was observed in the charges for sanatorium services (of 26.6%), medical services (of 2.1%), dentist services (of 1.1%) and hospital services (of 0.7%).

The prices of goods and services related to transport in June 2014 were by 1.2% lower than in December of the previous year. A drop was observed in the prices of fuels and lubricants for personal transport equipment (of 1.5%), as well as in the prices of motor cars and transport services (of 1.4% each).

The prices of goods and services related to communication grew, on average, by 1.4%, including Internet services – by 4.5%, and telecommunication services – by 1.6%.

An increase in the prices of consumer goods and services calculated with the use of the moving average method, in the period of July 2013 – June 2014, in relation to the preceding twelve months, amounted to 0.7% (against 0.7% in the period of June 2013 – May 2014). Consumer prices according to the harmonised index of consumer prices (HICP)<sup>7</sup> increased by 0.6% in the reference period.

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<sup>7</sup> The harmonised index of consumer prices (HICP) is computed according to the unified methodology of the European Union. The HICP for Poland is compiled based on an observation of prices of representatives of consumer goods and services and the weight system based on the structure of individual consumption expenditure in the household sector (in 2014 – the structure of consumption of 2012 according to December 2013 prices). The grouping of consumer goods and services has been based on the Classification of Individual Consumption by Purpose adapted to for the needs of the HICP (COICOP/HICP). Starting with the final data for January 2014, the COICOP classification with the higher level of detail has been applied in the calculations of price indices of consumer goods and services.

## Agriculture

In the 1<sup>st</sup> half of 2014, on the agricultural market, in the conditions of a higher supply than a year before (except for potatoes), the average procurement prices of most agricultural products, except for potatoes and milk, were lower than in the corresponding period of the previous year.

In the period of July 2013 – June 2014, the procurement of basic cereals (with cereal mixed, excluding sowing seed) was by 7.9% higher than in the corresponding period of the previous farming year, and amounted to 8.3 mln tonnes. In comparison to the previous season, the procurement of both wheat and rye was higher by 12.2% and 23.9%, respectively. The procurement of basic cereals accounted for 34.4% of production (against 31.6% in the corresponding period of the previous year).

In the period of January–June 2014, as a result of an increase in the supply of most basic types of animals for slaughter (including poultry of 13.7%, pigs of 9.0%, cattle of 0.9%), producers supplied to

procurement 1 255.7 tonnes of animals for slaughter (in post-slaughter warm weight), i.e. by 11.0% more than in the corresponding period of the previous year.

In the 1<sup>st</sup> half of 2014, the prices of cereals were much lower than in the corresponding period of the previous year. The average procurement price of wheat (PLN 76.13/dt) and rye (PLN 58.27/dt) dropped by 22.2% and 20.7%, respectively. In the marketplace turnover, cereal prices were higher than in procurement.

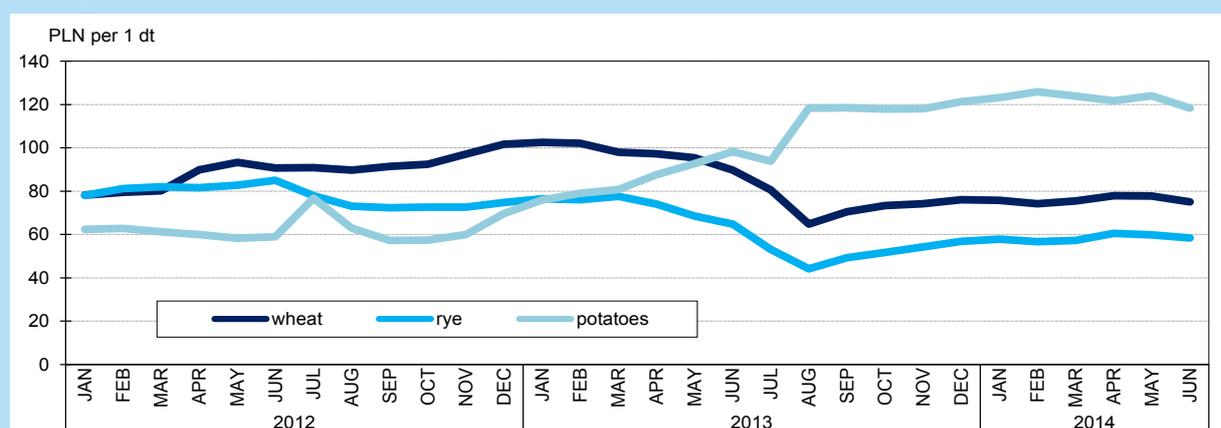
In the period of July 2013 – June 2014, 1 304.3 thous. tonnes of potatoes were procured, i.e. by 11.5% less than in the previous farming year. In the 1<sup>st</sup> half of 2014, the prices of potatoes on both markets were higher than in the corresponding period of the previous year. The average prices of potatoes, both in procurement and in marketplaces, were higher by 6.3% and 43.3%, respectively, than in the 1<sup>st</sup> half of 2013.

### The procurement of cereal<sup>a</sup> and basic livestock products<sup>a</sup>

Specification	JUL 2012 – JUN 2014			JAN–JUN 2014				milk <sup>d</sup>
	cereal grain <sup>b</sup>			animals for slaughter <sup>c</sup>				
	total	wheat	rye	total	cattle (including calves)	pigs	poultry	
Procurement:								
in thous. t .....	8 338.3	5 447.9	1 284.8	1 255.7	81.5	457.8	714.5	5 112.3
corresponding period of 2011=100 .....	107.9	112.2	123.9	111.0	100.9	109.0	113.7	107.7
the share of procurement in 2011 crops in % .....	34.4	57.4	38.2	x	x	x	x	x

a In the period of January–June 2014 excluding procurement effectuated by natural persons. b Basic (wheat, rye, barley, oats, triticale) including mixed cereals, excluding sowing seed. c Including cattle, calves, pigs, sheep, horses and poultry. In terms of meat, including fats, in post-slaughter warm weight. d In million litres.

### Average procurement prices of cereals and marketplace prices of potatoes



In the 1<sup>st</sup> half of 2014, the prices of pigs for slaughter on both markets (with an increase in domestic supply of 9.0%) were at a lower level than a year before. The average prices of 1 kg of pigs for slaughter, both in procurement and in marketplaces, were lower than the ones recorded in the corresponding period of the previous year by nearly 6%. Changes in prices on the market of pigs for slaughter and cereals caused a slight improvement in the profitability of pig fattening. The relations of the prices of pigs to the cereal prices in marketplaces were more favourable for producers than a year before, though they were still low, i.e. ranging from 6.8 to 8.0. In June 2014, following a considerable increase in the prices of pigs for slaughter and along with a continuing drop in the prices of rye in the marketplace turnover, the relation of the prices of pigs to the prices of rye increased to 8.0 (against 7.5 a month before and 7.4 a year before). The prices of piglets were at a level similar to the one recorded a year before, i.e. approx. PLN 168/head.

In the 1<sup>st</sup> half of 2014, along with a high level of procurement of poultry for slaughter, the average prices of poultry for slaughter were by 3.0% lower than in the corresponding period of the previous year.

In the period of January–June 2014, the prices of cattle for slaughter on both markets showed a slight downward tendency, and were at a lower level than

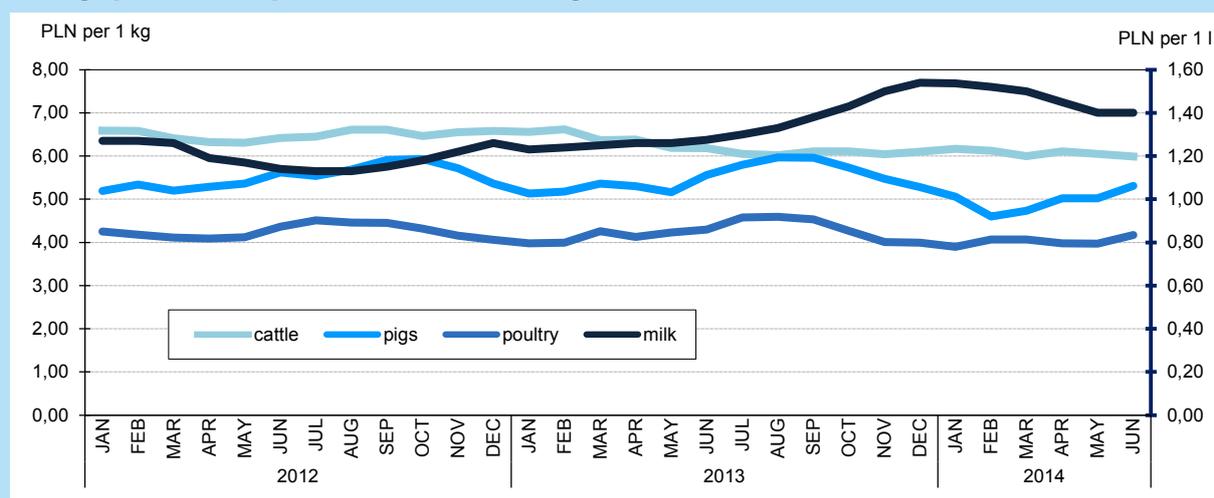
a year before. The average procurement price of 1 kg of cattle for slaughter and young cattle for slaughter amounted to PLN 6.07 and PLN 6.26, respectively (approx. 5% less than a year before in both cases). In marketplaces, the prices of cattle for slaughter and young cattle for slaughter amounted to PLN 6.57 and PLN 6.86 (nearly 1.5% less than a year before in both cases).

From the beginning of the year, the total procurement of milk amounted to 5 112.3 mln l, i.e. by 7.7% more than in the 1<sup>st</sup> half of the previous year. The average price of this product (approx. PLN 146/hl) was by 16.2% higher than in the corresponding period of the previous year. In the subsequent months of 2014, the dynamics of milk prices, in annual terms, was gradually weakening.

In marketplace turnover the average prices of dairy cows (approx. PLN 3174/head) and one-year heifers (PLN 1 981/head) were higher by 6.5% and 3.5%, respectively, than in the corresponding period of the previous year.

In the 2<sup>nd</sup> quarter of 2014, in comparison to the previous quarter, the relations of retail prices of selected means of production to the procurement prices of cereals and pigs for slaughter improved, while the relations to the prices of cattle for slaughter and milk worsened.

Average procurement prices of animals for slaughter and milk



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## Industry

In the 1<sup>st</sup> half of 2014, sold production of industry<sup>8</sup> was by 4.3% higher than a year before, with a decrease of 0.4% recorded in the corresponding period of the previous year. The production growth rate in the 2<sup>nd</sup> quarter of 2014 was slightly slower than in the 1<sup>st</sup> quarter (3.7% against 4.9%).

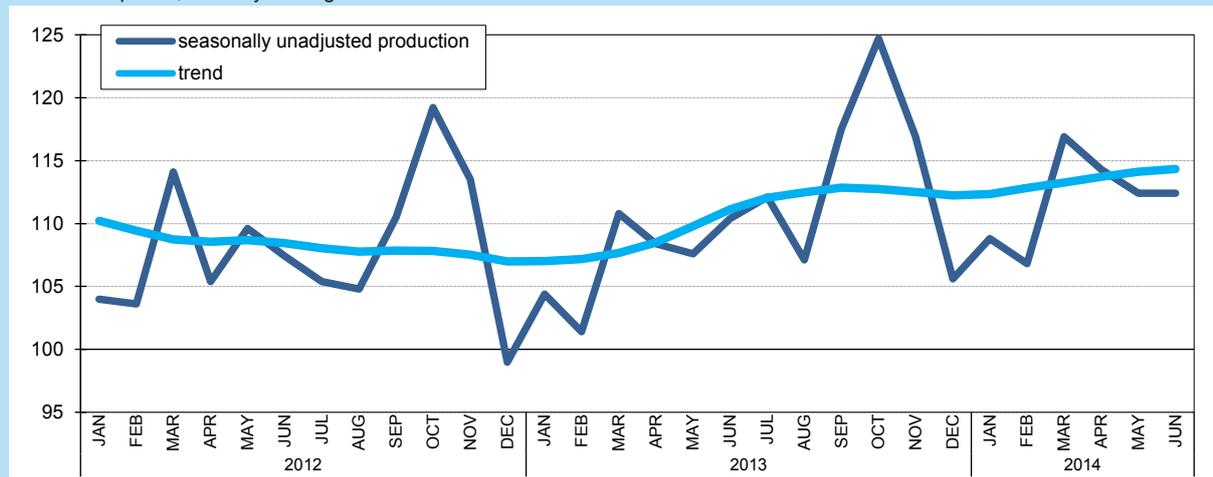
Compared to the period of January–June of the previous year, a rise in sold production was recorded in manufacturing – of 6.0%, in water supply; sewerage, waste management and remediation activities – of 2.2%. A decrease in production was recorded in mining and quarrying – of 6.5%, and in electricity, gas, steam and air conditioning supply – of 5.7%.

Among the main industrial groupings, in the 1<sup>st</sup> half of 2014, an increase in relation to the previous year was observed in sold production of intermediate goods – of 8.2%, capital goods – of 8.1%, durable consumer goods – of 4.6%, and non-durable consumer goods – of 2.9%. In turn, a decrease was recorded in goods related to energy – of 3.9%.

The labour productivity in industry, measured by sold production of industry per one paid employee, was in the period of January–June 2014 by 3.5% higher than a year before, with the average paid employment higher by 0.8%, and with an increase in the average monthly gross wage and salary by 4.0%.

### Sold production of industry

at constant prices; monthly average of 2010=100



### Sold production of industry

the dynamics (at constant prices) and the structure (at current prices)

Specification	2013				2014			2013	
	Q1	Q2	Q3	Q4	Q1	Q2	JAN–JUN		
	corresponding period of the previous year=100								structure in %
Total .....	98.0	101.2	105.0	104.5	104.9	103.7	104.3	100.0	100.0
Mining and quarrying .....	102.0	100.3	103.3	108.9	92.9	94.1	93.5	3.9	4.6
Manufacturing .....	98.0	100.8	105.1	105.3	106.9	105.2	106.0	85.3	83.9
Electricity, gas, steam and air conditioning supply .....	96.3	104.1	105.5	94.4	94.6	94.0	94.3	8.6	9.3
Water supply; sewerage, waste management and remediation activities .....	101.7	104.8	103.4	107.2	103.5	101.0	102.2	2.2	2.2

<sup>8</sup> At constant prices; in entities employing more than 9 persons.

Out of 239 industrial products and industrial product groups observed in the six months of 2014, in 144 of them production was higher than a year before. The production was lower than a year before in case of 95 products and product groups.

**Sold production of industry by selected divisions**

the dynamics (at constant prices) and the structure (at current prices)

Specification	2013				2014			2013	
	Q1	Q2	Q3	Q4	Q1	Q2	JAN-JUN		
	corresponding period of the previous year=100						structure in %		
Industry in total – divisions .....	98.0	101.2	105.0	104.5	104.9	103.7	104.3	100.0	100.0
mining of coal and lignite .....	102.2	104.4	105.1	104.2	91.6	83.3	87.5	1.8	2.2
manufacture of food products .....	103.2	99.6	104.6	102.7	100.6	104.7	102.6	16.4	16.6
manufacture of beverages .....	99.5	99.1	92.8	108.8	103.2	97.5	99.9	1.7	1.7
manufacture of wearing apparel .....	96.3	107.3	104.5	103.2	104.8	97.1	100.8	0.6	0.6
manufacture of products of wood, cork, straw and wicker .....	100.8	107.5	110.1	108.6	112.4	110.0	111.1	2.7	2.5
manufacture of paper and paper products .....	101.5	107.3	109.5	107.3	108.8	101.7	105.2	2.9	2.8
manufacture of coke and refined petroleum products .....	98.4	91.8	103.9	100.5	102.1	101.8	101.9	6.8	7.2
manufacture of chemicals and chemical products .....	95.5	98.3	97.4	97.1	101.1	95.2	98.1	4.9	5.1
manufacture of pharmaceutical products .....	102.1	95.9	116.9	100.4	106.0	100.7	103.4	1.1	1.0
manufacture of rubber and plastic products .....	99.4	107.3	109.3	108.1	112.9	106.5	109.5	6.1	5.8
manufacture of other non-metallic mineral products .....	89.5	93.6	104.6	107.3	122.5	109.9	115.2	3.7	3.3
manufacture of basic metals .....	89.4	92.7	101.0	105.8	106.6	109.5	108.1	3.9	3.8
manufacture of metal products .....	97.7	98.4	103.4	109.8	108.1	110.0	109.1	6.1	5.9
manufacture of computer, electronic and optical products .....	88.9	91.4	94.3	94.9	100.8	109.7	105.3	2.6	2.6
manufacture of electrical equipment .....	103.1	111.0	109.3	109.5	111.3	102.0	106.5	3.9	3.8
manufacture of machinery and equipment n.e.c. ....	89.4	91.9	98.2	96.5	111.9	107.5	109.6	3.2	2.9
manufacture of motor vehicles, trailers and semi-trailers .....	93.5	108.8	111.9	113.0	107.9	104.8	106.3	10.1	9.9
manufacture of other transport equipment .....	115.4	91.9	110.1	114.6	100.7	98.8	99.7	1.3	1.3
manufacture of furniture .....	100.0	108.8	108.1	108.7	117.6	112.8	115.2	2.7	2.4

In the 1<sup>st</sup> half of 2014, industrial enterprises obtained a better financial result<sup>9</sup> on the sales of products, goods and materials than a year before (a growth of 3.6%, to PLN 38 201.3 mln). However, the gross financial result dropped (by 6.1%, to PLN 38 119.0 mln), and so did the net financial result (by 7.3% to PLN 32 606.0 mln). The net financial result was worse than a year before in most sections, excluding manufacturing where an improvement of 1.8% was recorded. A net financial result higher than a year before was obtained, among others, in the manufacture of other non-metallic mineral products, metal products, motor vehicles, trailers and semi-trailers, rubber and plastic products, electrical equipment, paper and paper products. However, a net financial result weaker than a year before was observed, among others, in the manufacture of pharmaceutical products, chemicals and chemical products, as well as food products. The profitability rate from the sales in industry in total improved slightly in comparison to the 1<sup>st</sup> half of 2013 (from 6.2% to 6.3%), while the gross and net turnover profitability rates worsened (from 6.6% to 6.1% and from 5.7%

to 5.2%, respectively). The cost level indicator rose slightly, in annual terms (to 93.9% against 93.4%). The financial liquidity indicator of the first degree was higher than a year before (36.0% against 33.6% a year before), and so was the financial liquidity indicator of the second degree (105.4% against 101.9%). The share of enterprises reporting net profit in the total number of industrial enterprises increased by 4.6 percentage points (to 79.2%), and the share of their revenues in total revenues rose from 75.4% to 81.8%.

Investment outlays<sup>9, 10</sup>, in industry, in the 1<sup>st</sup> half of 2014, were higher than a year before by 10.6% (against a growth of 0.4% in the corresponding period of the previous year). Outlays increased in most sections (except for mining and quarrying), of which in manufacturing by 10.0%. The number of investments newly started increased by 13.3%, in annual terms. The estimated value of investments newly started was by 8.3% lower than in the 1<sup>st</sup> half of 2013, which was caused by a deep decrease in the section of mining and quarrying, along with a growth in other sections.

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<sup>9</sup> Data concern economic entities keeping accounting ledgers and employing 50 persons or more.

<sup>10</sup> The data on investment outlays and estimated value are provided in current prices.

## Construction and Dwelling Construction

In the 1<sup>st</sup> half of 2014, construction and assembly production<sup>11</sup> performed domestically was by 9.8% higher than a year before (against a drop of 21.5% in the corresponding period of the previous year and an increase of 10.6% in the 1<sup>st</sup> quarter of 2014).

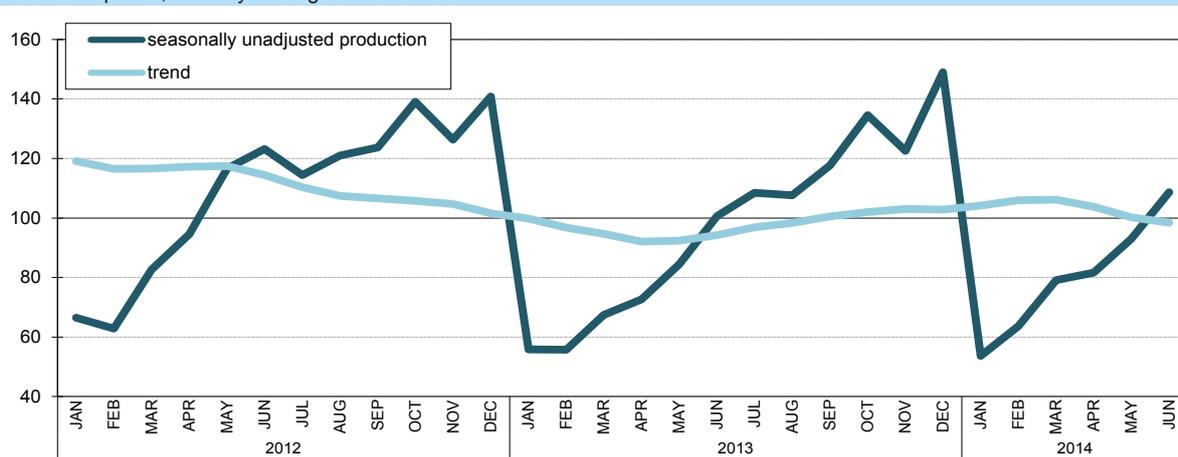
In the 1<sup>st</sup> half 2014, an increase in construction and assembly production in annual terms was observed in entities dealing primarily with civil engineering (of 17.0%) and in entities providing specialised construction services (of 16.2%). A slight decrease was observed in units specialising in construction of buildings – of 0.1% (including entities specialising in the construction of residential and non-residential

buildings – of 1.6%. with an increase in entities whose the basic kind of activity is the implementation of development of building projects – of 27.7%).

Among the group of entities dealing with civil engineering, the highest growth in comparison to the 1<sup>st</sup> half of the previous year was recorded by entities with the highest share in the reference division, i.e. specialising in construction of other civil engineering projects (of 28.2%) and performing work connected with construction of roads and railways (of 17.6%). Production in entities dealing mainly with construction of utility projects was by 9.6% higher than a year before.

### Sales of construction and assembly production

at constant prices; monthly average of 2010=100



### Construction and assembly production

the dynamics (at constant prices) and the structure (at current prices)

Specification	2013		2014		2013
	JAN–MAR	JAN–JUN	JAN–MAR	JAN–JUN	
	corresponding period of the previous year=100			structure in %	
Total .....	84.9	78.5	110.6	109.8	100.0
construction works:					
investments .....	84.1	79.4	114.1	108.2	65.3
repairs .....	86.7	76.6	103.7	113.1	34.7
Construction of buildings .....	87.3	79.1	105.5	99.9	36.2
Civil engineering .....	79.9	72.3	110.5	117.0	34.4
Specialised construction activities .....	87.2	86.1	118.1	116.2	29.4
					27.6

<sup>11</sup> At constant prices; in construction entities employing more than 9 persons.

Among entities operating in specialised construction activity, in comparison to the period of January–June of the previous year, production increased in all groups: in entities dealing with electrical, plumbing and other construction installation activities – by 19.7%, other specialised construction activities – by 16.7%, in enterprises specialising in building completion and finishing – by 12.5% and those focussing on demolition and site preparation activities – by 2.1%.

In the 1<sup>st</sup> half of 2014, within the structure of construction and assembly production in total, the share of residential and non-residential buildings decreased. However, an increase occurred in the share of civil engineering works, including, in particular, railways, suspension and elevated railways. In specialised construction activities, the share of buildings decreased (from 60.6% to 56.9%) while the share of civil-engineering work increased (from 39.4% to 43.1%) in annual terms.

In the 1<sup>st</sup> half of 2014, the financial situation of enterprises<sup>12</sup> conducting activity in the construction section was better than in the corresponding period of the previous year, though still much weaker than in other areas of the economy. Enterprises obtained better financial results, both gross (PLN 463.1 mln

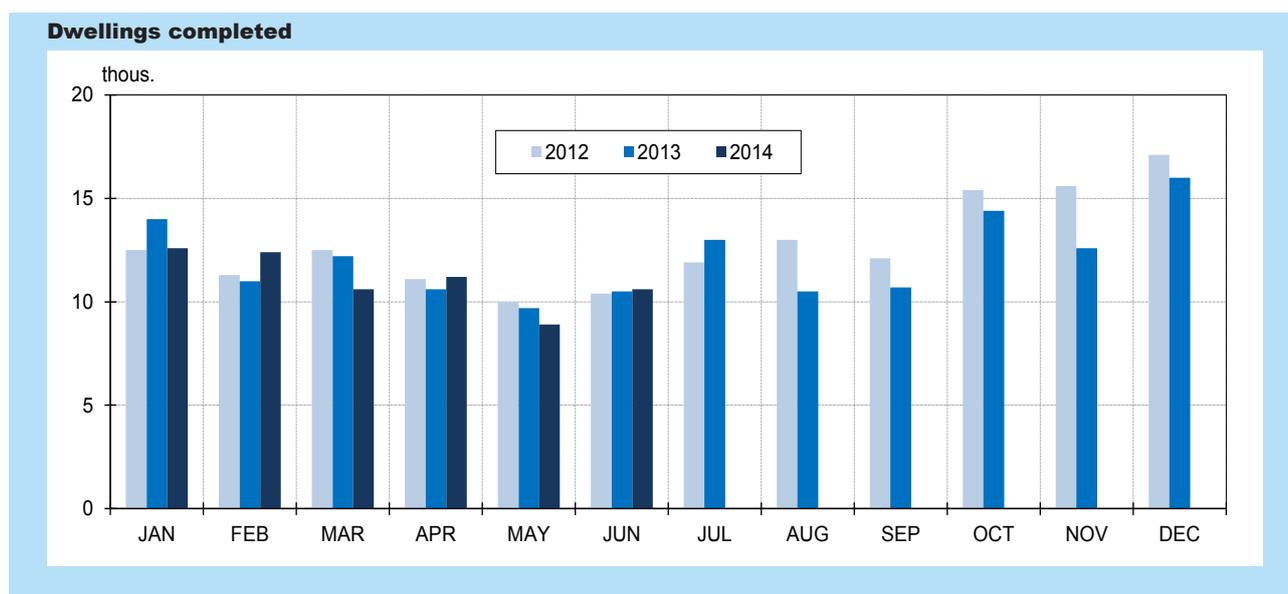
against PLN 118.2 mln a year before) and net (PLN 266.2 mln against minus PLN 21.5 mln, respectively). An improvement was recorded in the gross and net financial results in the divisions dealing with the construction of buildings and specialised construction activities, with the worsening of the negative results in civil engineering. The profitability rate of the sales conducted by construction enterprises in total amounted to 1.4% (against 0.0% a year before). The gross and net turnover profitability rates were better than a year before (respectively, 1.1% against 0.3% and 0.7% against minus 0.1%). The total cost level indicator decreased, in comparison to the corresponding period of the previous year, from 99.7% to 98.9%. The financial liquidity indicators of the first and second degree dropped (respectively, from 32.3% to 32.0% and from 98.0% to 96.3%). The share of enterprises reporting net profit in the total number of construction enterprises increased (to 60.9% from 53.9%).

Investment outlays<sup>12, 13</sup> in construction, in the 1<sup>st</sup> half of 2014, were by 15.6% higher than a year before (when a decrease of 14.8% was recorded). The estimated value of investments newly started grew by 2.8%.

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<sup>12</sup> Data concern economic entities keeping accounting ledgers and employing 50 persons or more.

<sup>13</sup> The data on investment outlays and estimated value are provided in current prices.



In the 1<sup>st</sup> half of 2014, less dwellings were completed than a year before. Following a deep decrease in the 1<sup>st</sup> half of 2013, the number of dwellings for which permits have been granted, and the number of dwellings in which construction has begun, increased.

In the 1<sup>st</sup> half of 2014, 66.5 thous. dwellings were completed, i.e. by 2.2% less than in the corresponding period of the previous year. Worse results than a year before were recorded in private construction (a drop of 5.5%, to 37.8 thous. dwellings), cooperative construction (of 11.8%, to 1.4 thous.) and municipal construction (of 2.9%, to 0.6 thous.). An increase in the number of dwellings completed was observed in the construction for sale or rent (of 2.3%, to 25.6 thous. dwellings), public building society construction (from 0.5 thous. to 0.7 thous.) and company construction (from 0.1 thous. to 0.2 thous. dwellings).

The average useful floor area of 1 completed dwelling, in the period of January–June 2014, amounted to 104.8 m<sup>2</sup> and was by 2.6 m<sup>2</sup> smaller than a year before.

In the 1<sup>st</sup> half of 2014, an increase, in annual terms, was recorded in the number of dwellings for which permits have been granted (of 12.8%, to 76.5 thous. dwellings against a drop of 22.9% in the corresponding period of the previous year). A growth, in annual terms, was also recorded in the number of dwellings in which construction has begun (of 22.5%, to 72.3 thous. dwellings against a decrease of 10.9% in the corresponding period of the previous year).

At the end of June 2014, 700.7 thous. dwellings were under construction, i.e. by 0.4% less than a year before.

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## Domestic Market

In the 1<sup>st</sup> half of 2014, retail sales<sup>14</sup> were by 5.3% higher than in the corresponding period of 2013 (against a 0.8% increase a year before).

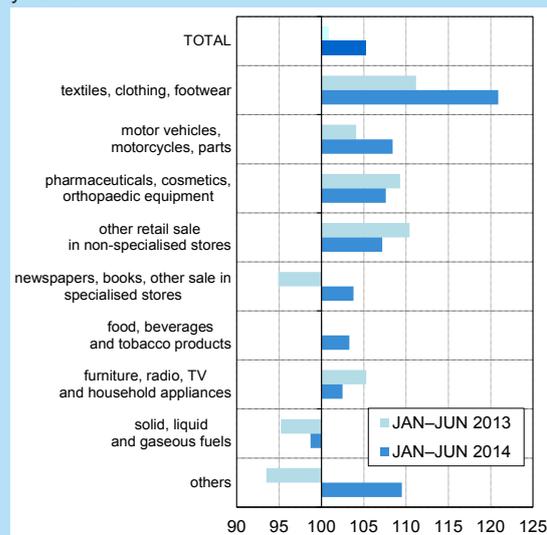
Compared to the 1<sup>st</sup> half of 2013, the sales were higher in the majority of groups. The sales of food, beverages and tobacco products, with the biggest share of retail sales in total, recorded an increase of 3.3% (0.1% a year before). A considerable growth was observed in: motor vehicles, motorcycles, parts (of 8.4%), and other retail sales in non-specialised stores (of 7.2%), and to a smaller degree – in furniture radio, TV and household appliances (2.5%). Lower sales than in the period of January–March 2013 occurred, among others, in entities trading in solid, liquid and gaseous fuels (by 1.3%).

Wholesale<sup>15</sup> in trade enterprises in the 1<sup>st</sup> half of 2014 grew by 4.0% in annual terms, of which in wholesale enterprises it increased by 2.8% (against a growth of 1.5% and of 0.7%, respectively, a year before). A considerable rise, although much slower than in the 1<sup>st</sup> half of 2013, was observed, in the group of cosmetics and pharmaceutical products (of 8.3% against 14.7% a year before). In the group with the highest share in wholesale,

i.e. non-agricultural intermediate products, waste and scrap, the increase amounted to 1.0% (against a drop of 5.4% in the 1<sup>st</sup> half of the previous year). However, a wholesale drop concerned, among others, the group of tobacco products (of 12.5%).

### Retail sales of goods by selected product groups

at constant prices; corresponding period of the previous year=100



### Retail sales

the dynamics (at constant prices) and the structure (at current prices)

Specification	2013					2014			2013	
	JAN–JUN	Q1	Q2	Q3	Q4	Q1	Q2	JAN–JUN		
	corresponding period of the previous year=100								structure in %	
Total <sup>a</sup> .....	100.8	100.0	101.5	103.9	104.2	105.5	105.1	105.3	100.0	100.0
of which:										
Motor vehicles, motorcycles, parts .....	104.1	100.1	108.2	113.2	122.5	115.9	101.4	108.4	10.5	9.6
Solid, liquid and gaseous fuels .....	95.2	95.3	95.3	99.1	96.6	98.6	98.9	98.7	17.6	18.9
Food beverages and tobacco products .....	100.1	100.9	99.2	101.2	99.7	99.9	106.7	103.3	25.8	26.8
Other retail sale in non-specialised stores .....	110.4	113.0	108.3	110.9	110.6	105.4	108.9	107.2	10.8	11.0
Pharmaceuticals, cosmetics, orthopaedic equipment .....	109.3	109.5	109.2	108.8	106.7	107.3	108.0	107.6	5.6	5.5
Textiles, clothing, footwear .....	111.2	104.2	117.4	112.0	116.3	125.3	117.4	120.9	5.1	4.5
Furniture, radio, TV and household appliances .....	105.3	101.0	109.3	104.6	108.3	105.2	100.2	102.5	6.9	7.0
Newspapers, books, other sale in specialised stores .....	94.9	92.3	97.2	105.5	103.7	103.9	103.7	103.8	4.3	4.3
Other .....	93.5	91.9	94.9	100.0	98.1	113.2	106.7	109.5	12.6	11.7

a Groups of enterprises were created on the basis of the Polish Classification of Activities – PKD 2007. A given enterprise is included to a specific category by predominating kind of activity and according to its present organisational status. The recorded changes of rise or fall of the volume of retail sales in particular groups of enterprises activity may result from a change in the predominating kind of activity and organisational changes (e.g. a merger of enterprises). This does not have impact on the dynamics of the total retail sales

<sup>14</sup> At constant prices; in trade and non-trade enterprises employing more than 9 persons.

<sup>15</sup> At current prices; in trade enterprises employing more than 9 persons.

In the 1<sup>st</sup> half of 2014, the financial results<sup>16</sup> reported by enterprises conducting activity in the trade; repair of motor vehicles section were better than a year before. The financial result from the sales of products, goods and materials increased by 16.4% (to PLN 6 483.4 mln), the gross financial result rose by 20.8% (to PLN 6 638.2 mln), and the net financial result – by 21.1% (to PLN 5 358.8 mln). A slight growth was recorded in the relatively low profitability rates from sales (from 1.7% a year before to 1.9%), gross turnover (from 1.6% to 1.9%) and net turnover (from 1.3% to 1.5%). The cost level indicator dropped from 98.4% to 98.1%. The financial liquidity indicator of the first degree increased (from 19.5%

to 20.2%), with a decrease in the liquidity indicator of the second degree (from 75.4% to 74.3%). The share of enterprises reporting a net profit in the total number of enterprises grew (from 64.6% to 70.6%).

The investment outlays<sup>16, 17</sup> incurred by entities conducting activity in the trade; repair of motor vehicles section, in the 1<sup>st</sup> half of 2014, were by 22.2% higher than a year before (following a drop of 8.5% in the period of January–June of the previous year). With the number of investments newly started being by 17.5% higher than in the period of the six months of 2013, the decrease in their estimated value was deeper than a year before (amounting to 5.6% against 0.8%).

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<sup>16</sup> Data concern economic entities keeping accounting ledgers and employing 50 persons or more.

<sup>17</sup> The data on investment outlays and estimated value are provided in current prices.

## Transport and Communications

In the 1<sup>st</sup> half of 2014, the sales of services<sup>18</sup> in transport entities in total<sup>19</sup>, at constant prices, increased by 5.5% in comparison to the corresponding period of the previous year (a year before, a growth of 2.1% was recorded). In the 2<sup>nd</sup> quarter, the growth rate was slightly faster than in the 1<sup>st</sup> quarter (5.6% against 5.3%).

In the 1<sup>st</sup> half of 2014, a growth in sales was observed in all transport groups, of which in the largest: in road transport – of 6.2%, and in warehousing and support activities for transportation – of 3.3%. In railway transport, the sales grew by 1.6%, and in air transport – by 17.3%.

In the 1<sup>st</sup> half of 2014, total transport of goods amounted to 225.3 mln tonnes, i.e. by 3.9% more than in the corresponding period of the previous year. An increase was recorded in road transport and inland waterway transport.

From the beginning of 2014, 108.2 mln tonnes of cargo were transported by railway transport, i.e. by 0.8% less than in the 1<sup>st</sup> half of the previous year. A drop was observed in domestic communication (of 2.9%). In international transport, a growth was recorded of 4.2% (of which the transport of imported goods increased by 18.9%, while decreases were observed in the transport of exported goods – of 8.4% and of transit goods – of 12.7%).

Hire or reward road transport carried 88.0 mln tonnes of cargo, i.e. by 11.3% more than in the 1<sup>st</sup> half of the previous year. The carrying potential of hire

or reward road transport increased by 8.9% from the beginning of the year.

In the 1<sup>st</sup> half of 2014, 23.5 mln tonnes of crude petroleum and petroleum products were pumped by pipeline transport (by 0.6% less than a year before).

From the beginning of 2014, maritime transport carried 3.1 mln tonnes (by 8.1% less than in the corresponding period of the previous year).

In the 1<sup>st</sup> half of 2014, in seaports 33.2 mln tonnes of cargo were loaded and unloaded, i.e. by 10.0% more than a year before. A growth was observed in the loading and unloading of liquid bulk goods – of 18.6% (mainly due to an increase in the loading and unloading of crude petroleum – of 22.8%), ro-ro of 13.3%, other general cargo – of 9.8%, containers – of 9.5%, and dry bulk goods – of 5.2%.

In the 1<sup>st</sup> half of 2014, an increase in loading and unloading, in annual terms, was observed in the following ports: Szczecin (of 16.9%, to 4.0 mln tonnes), Police (of 17.0%, to 1.0 mln tonnes), Gdynia (of 10.5%, to 7.9 mln tonnes), Gdańsk (of 8.9%, to 13.8 mln tonnes) and Świnoujście (of 5.7%, to 6.1 mln tonnes).

In the period of January–June 2014, the public transport carried 350.4 mln passengers, i.e. by 8.3% less than a year before. Road transport carried 208.3 mln passengers (a decrease of 14.8%), railway transport – 136.1 mln (a growth of 1.7%), and air transport – 5.5 mln (an increase of 53.8%).

### Transport of goods

Specification	JAN–JUN 2014		
	in mln tonnes	increase (+) / drop (-) in % in comparison to the period of:	
		JAN–JUN 2012	JAN–JUN 2013
Total .....	225.3	+0.6	+3.9
of which:			
Railway transport .....	108.2	-2.6	-0.8
Hire or reward road transport <sup>a</sup> .....	88.0	+8.6	+11.3
Pipeline transport .....	23.5	-11.9	-0.6
Maritime transport.....	3.1	-17.3	-8.1

<sup>a</sup> In transport entities employing more than 9 persons. The share of hire or reward road transport in total hire or reward transport amounts to over 25%.

<sup>18</sup> Including revenue from the transport of goods, passengers, baggage and mail, trans-shipping, forwarding, the storage and warehousing of freight and other services connected with transport servicing.

<sup>19</sup> In transport entities employing more than 9 persons.

In the 1<sup>st</sup> half of 2014, the sales of communications services increased, in annual terms, at a slower rate than in the corresponding period of the previous year, which was caused by the weakening of dynamics in the 2<sup>nd</sup> quarter of 2014.

In the 1<sup>st</sup> half of 2014, the sales of communications services in total<sup>20</sup> (including revenue from postal and telecommunication services) were by 0.7% higher than a year before. A more considerable growth was observed in the sales of postal and courier services, than in the sales of telecommunication services (3.2% against 0.2%).

At the end of June 2014, the number of subscribers and users (pre-paid services) of mobile telephony reached the level of 56.9 mln (with users accounting for approx. 53%), and was by 2.5% higher than a year before, and by 0.6% higher than at the end of December of the previous year. There were 147.7 subscribers and users per 100 inhabitants (against 146.8 at the end of December of the previous year and 144.1 a year before).

The decrease in the number of telephone main lines<sup>21</sup>, which started in 2005, continued. At the end of the 1<sup>st</sup> half of 2014, it amounted to approx. 5.7 mln and was by approx. 2% lower than in December of the previous year. The number of ISDN<sup>22</sup> connections reached the level of approx. 862 thous. (of which approx. 93% in urban areas), and was by 9.3% lower

than a year before. The subscriber density indicator, measured with the number of main lines per 100 inhabitants, amounted to 14.9 at the end of the 1<sup>st</sup> half of 2014 (against 15.1 at the end of the year).

In the 1<sup>st</sup> half of 2014, the financial situation of enterprises<sup>23</sup> conducting activity in the transportation and storage section was more favourable than in the corresponding period of 2013. The low gross financial results obtained a year before increased considerably (from PLN 1 311.6 mln to PLN 2 011.8 mln), and so did the net financial results (from PLN 989.8 mln to PLN 1 560.5 mln). The cost level indicator was more favourable than a year before (95.8% against 97.1% a year before). The gross and net turnover profitability rates also improved (respectively, 4.2% against 2.9% and 3.3% against 2.2%). A rise was observed in the financial liquidity indicators – of the first degree from 55.8% to 57.6% and of the second degree from 116.8% to 121.6%. The share of enterprises reporting a net profit in the total number of enterprises increased – from 68.4% to 75.6%.

In the period of January–June 2014, in the transportation and storage section investment outlays<sup>23, 24</sup> grew, in annual terms, by 22.0% (against a rise of 4.8% a year before). A drop in the number of investments newly started amounted to 2.7%. The estimated value of investments newly started decreased considerably (by 54.9%).

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20 At constant prices; in communications entities employing more than 9 persons.

21 Standard main lines (subscribers of wired telecommunications) increased by the number of ISDN connections.

22 ISDN – integrated digital telephone network allowing the same network to be used for voice, video, fax and data transmission.

23 Data concern economic entities keeping accounting ledgers and employing 50 persons or more.

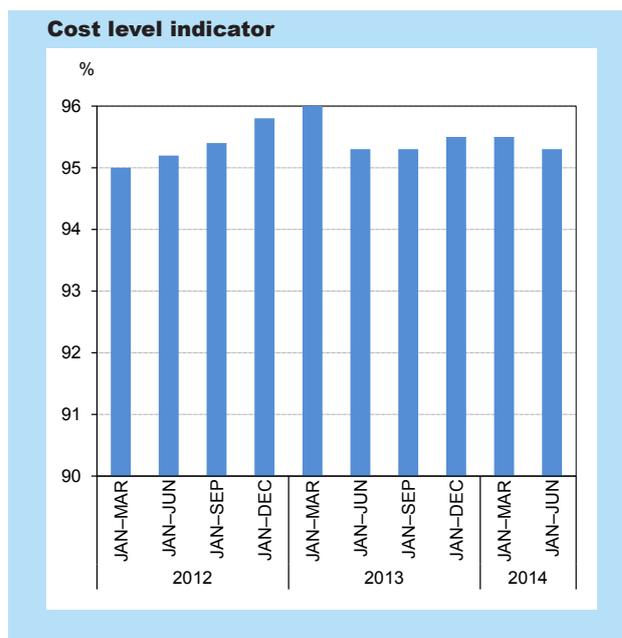
24 The data on investment outlays and estimated value are provided in current prices.

## Financial Results of Non-financial Enterprises

In the 1<sup>st</sup> half of 2014, financial results of the surveyed enterprises<sup>25</sup> were slightly better than the ones obtained in the corresponding period of the previous year. The basic economic and financial indicators did not vary considerably from the ones recorded a year before. Revenues from the sales for exports were at a higher level. The basic economic and financial relations achieved by exporters did not change considerably and were still better than for the surveyed enterprises in total. Exporting entities recorded more favourable financial results than entities which were not involved in export sales.

Revenues from total activity, as well as the costs of obtaining revenues, in the 1<sup>st</sup> half of 2014 were by 2.5% higher than the ones achieved a year before. As a result, the cost level indicator did not change and amounted to 95.3%. Net revenues from the sales of products, goods and materials grew by 3.1%. A growth in the net revenues from the sales of products, goods and materials was recorded, among others, in manufacturing, trade; repair of motor vehicles, construction, transportation and storage, as well as administrative and support service activities. The most considerable decrease in the net revenues from the sales of products, goods and materials was observed, among others, in electricity, gas, steam and air conditioning supply, mining and quarrying, as well as information and communication.

The financial result from the sales of products, goods and materials was by 8.0% higher than in the 1<sup>st</sup> half of 2013 and amounted to PLN 51 981.1 mln. The result on extraordinary activity improved (from minus PLN 14.0 mln to PLN 54.9 mln). Due to a slower increase in revenues than in costs, the result on other operating activity weakened (by PLN 219.7 mln, to PLN 5 044.5 mln). A worsening was recorded in the result on financial operations (minus PLN 2 566.5 mln against minus PLN 87.2 mln a year before), which resulted from a higher decrease in revenues on financial operations than in costs. The unfavourable result on financial operations was influenced by the balance of exchange differences and a growth in the financial costs associated with the revaluation of investments.



Therefore, the result on economic activity was by 2.1% higher than a year before and amounted to PLN 54 459.1 mln. The most considerable improvement in the result on economic activity was recorded, among others, in trade; repair of motor vehicles (of 1 147.2 mln, to PLN 6 639.1 mln), professional, scientific and technical activities (of PLN 911.1 mln, to PLN 2 212.7 mln), manufacturing (of PLN 773.8 mln, to PLN 23 290.7 mln), as well as transportation and storage (of PLN 708.2 mln, to PLN 2 011.6 mln). The most considerable worsening, in relation to the 1<sup>st</sup> half of 2013, was observed in electricity, gas, steam and air conditioning supply (of PLN 1 760.1 mln, to PLN 13 076.5 mln), mining and quarrying (of PLN 1 555.9 mln, to PLN 810.2 mln), as well as real estate activities (of PLN 411.5 mln, to PLN 660.5 mln).

The gross financial result amounted to PLN 54 513.9 mln (gross profit – PLN 69 623.2 mln, gross loss – PLN 15 109.3 mln) and was higher by PLN 1 203.5 mln (i.e. by 2.3%) than a year before. Encumbrances on the gross financial result increased, in annual terms, by 6.6%, reaching the level of PLN 8 383.9 mln.

<sup>25</sup> The data concern economic entities keeping accounting ledgers and employing 50 persons or more. Data does not include entities classified to the sections of NACE Rev. 2: Agriculture, forestry and fishing; Financial and insurance activities, as well as higher education institutions.

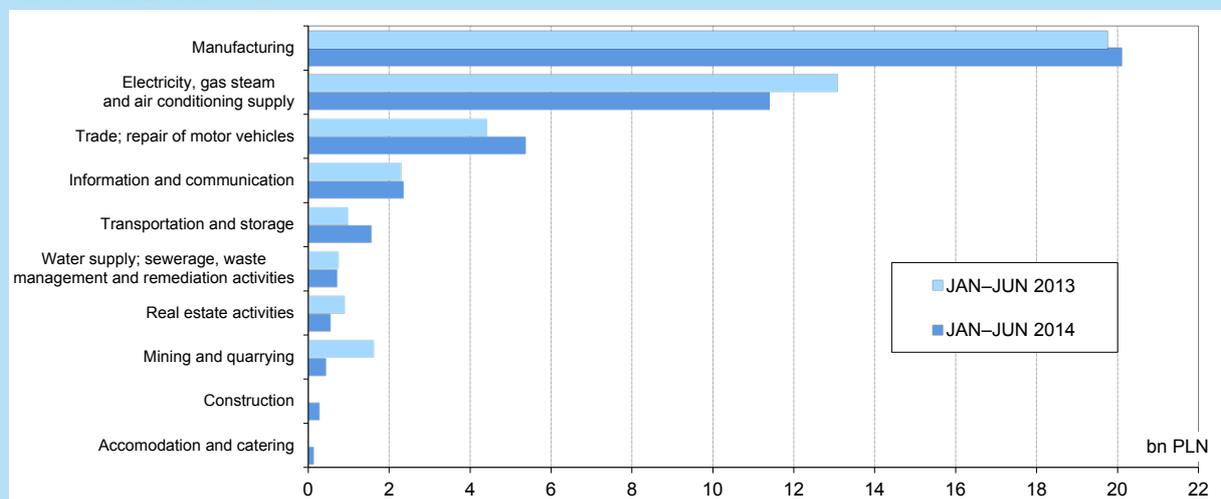
**Revenues, costs and financial results of non-financial enterprises**

Specification	2013				2014	
	JAN-MAR	JAN-JUN	JAN-SEP	JAN-DEC	JAN-MAR	JAN-JUN
	in mln PLN					
Revenues from total activity .....	551 403.9	1 141 214.9	1 754 751.4	2 392 594.2	566 408.9	1 169 743.9
of which net revenues from sales of products, goods and materials ...	535 043.2	1 100 270.4	1 698 926.4	2 312 285.8	552 392.7	1 134 193.8
Costs of obtaining revenues from total activity .....	529 498.3	1 087 890.5	1 671 980.1	2 284 484.5	540 827.4	1 115 284.8
of which costs of products, goods and materials sold .....	512 301.6	1 052 123.0	1 623 080.2	2 212 933.5	527 624.1	1 082 212.7
Financial result on economic activity .....	21 905.6	53 324.4	82 771.4	108 109.6	25 581.5	54 459.1
Gross financial result .....	21 879.1	53 310.4	82 793.2	108 113.5	25 584.9	54 513.9
Net financial result .....	17 622.8	45 442.0	70 297.5	92 107.4	21 258.9	46 130.0
Net profit .....	27 563.6	59 642.2	86 124.0	111 047.5	28 860.4	61 031.7
Net loss .....	9 940.8	14 200.3	15 826.5	18 940.1	7 601.5	14 901.7

The net financial result equaled to PLN 46 130.0 mln (net profit – PLN 61 031.7 mln, net loss – PLN 14 901.7 mln), i.e. higher by PLN 688.0 (by 1.5%) in comparison to the corresponding period of 2013. An improvement in the net financial result was recorded in professional, scientific and technical activities (of PLN 962.6 mln, to PLN 2 053.1 mln), trade; repair of motor vehicles (of PLN 935.2 mln, to PLN 5 358.8 mln), transportation and storage (of PLN 570.7 mln, to PLN 1 560.5 mln), administrative and support service activities (of PLN 490.9 mln, to PLN 859.1 mln), manufacturing (of PLN 359.8 mln, to PLN 20 092.3 mln), construction (of PLN 287.7 mln, to PLN 266.2 mln), as well as accommodation and catering (of PLN 183.7 mln, to PLN 129.6 mln).

The net financial result worsened, to the largest extent, in electricity, gas, steam and air conditioning supply (of PLN 1 685.2 mln, to PLN 11 370.7 mln), mining and quarrying (of PLN 1 185.2 mln, to PLN 434.8 mln), as well as real estate activities (of 363.4 mln, to PLN 538.3 mln).

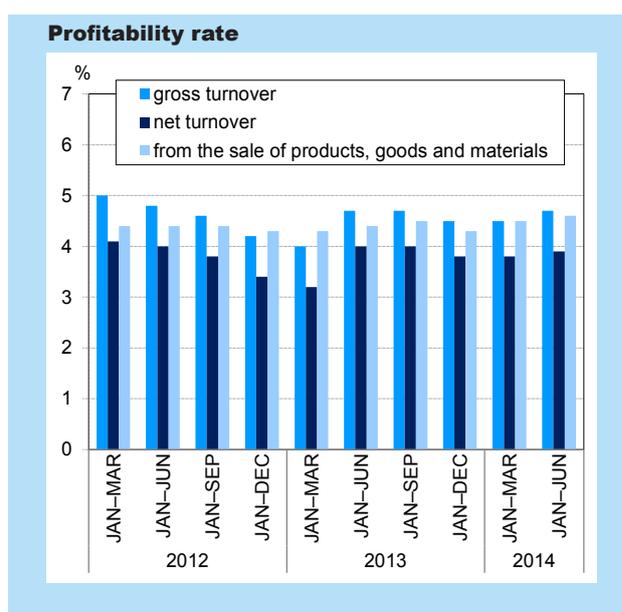
Net profit was reported by 73.9% of the surveyed enterprises (against 68.8% a year before), and their revenues accounted for 79.2% of revenues from the total activity (against 74.7% in the 1<sup>st</sup> half of the previous year). In manufacturing, net profit was obtained by 79.7% of enterprises (against 74.6%), and the share of their revenues in the revenues of all entities in this section amounted to 80.8% (against 71.6% a year before).

**The net financial result**

The profitability rate from the sales of products, goods and materials increased from 4.4% to 4.6%, and the gross turnover profitability rate did not change, in annual terms, and amounted to 4.7%, while the net turnover profitability rate decreased from 4.0% to 3.9%. In comparison to the 1<sup>st</sup> half of 2013, the share of profitable entities (i.e. with the net profitability rate equalling 0.0 or more) in the total number of the entities surveyed increased from 69.1% to 74.1%, and their share in the revenues from total activity grew from 74.7% to 79.2%. An improvement in the net turnover profitability was recorded, among others, in other services activities (from 3.3% to 8.6%), professional, scientific and technical activities (from 6.0% to 10.1%), accommodation and catering (from minus 1.2% to 2.7%), administrative and support service activities (from 2.4% to 5.3%), as well as transportation and storage (from 2.2% to 3.3%). The most considerable weakening of the net turnover profitability rate was observed in mining and quarrying (a decrease from 5.8% to 1.8%).

A growth was recorded in the financial liquidity indicator of the first degree, from 33.5% in the 1<sup>st</sup> half of 2013 to 35.2%, and of the second degree – from 98.3% to 100.6%. The liquidity indicator of the first degree above 20% was obtained by 46.0% of the enterprises surveyed (against 44.9% in the 1<sup>st</sup> half of the previous year), while the liquidity indicator of the second degree within the range from 100% to 130% was recorded in 12.6% of the enterprises surveyed (against 12.0% a year before).

The ratio of liabilities to dues (resulting from deliveries and services) was at a higher level than a year before (94.2% against 93.2%). The value of liabilities resulting from deliveries and services was higher than the value of related dues, among others, in trade; repair of motor vehicles, and mining and quarrying.



The costs of current activity, incurred by the surveyed entities in total, in the 1<sup>st</sup> half of 2014, were by 3.4% higher than a year before. In the structure of total costs by type, the share of costs of services made by other contractors increased, and a slight growth was recorded in insurances and other benefits for workers. However, a drop was observed in the share of costs of materials and energy, and also taxes and payments, and other costs. The share of depreciation costs did not change and, similarly to a year before, it amounted to 5.5%.

In the group of the surveyed enterprises, 49.8% of entities in the 1<sup>st</sup> half of 2014 reported export sales (against 48.9% a year before). The export sales rate was by 5.2% higher than in the corresponding period of the previous year. The share of export sales in net revenues on the sales of products, goods and services of entities in total increased by 0.5 percentage point to 23.9%. In the 1<sup>st</sup> half of 2014, 68.1% of export sales fell on enterprises in which it constitutes more than 50% of the turnover from the sales of products, goods and materials (against 67.8% a year before).

#### The basic economic and financial indices of the surveyed enterprises

Specification	2013				2014	
	JAN-MAR	JAN-JUN	JAN-SEP	JAN-DEC	JAN-MAR	JAN-JUN
	in %					
Cost level indicator .....	96.0	95.3	95.3	95.5	95.5	95.3
Profitability rate from the sales of products, goods and materials .....	4.3	4.4	4.5	4.3	4.5	4.6
Gross turnover profitability rate .....	4.0	4.7	4.7	4.5	4.5	4.7
Net turnover profitability rate .....	3.2	4.0	4.0	3.8	3.8	3.9
Liquidity ratio of the first degree .....	32.7	33.5	32.7	35.0	34.3	35.2

In the group of exporting entities, a growth was recorded in the share of units reporting net profit (from 73.5% a year before to 79.8%, including in manufacturing – from 75.8% to 81.4%). The basic economic and financial relations achieved by exporters did not change considerably in comparison to the 1<sup>st</sup> half of 2013, but were still better than for the enterprises surveyed in total. The financial liquidity indicator of the first degree was lower than the one recorded by enterprises in total.

91.3% of the surveyed enterprises, i.e. 15 262 entities, conducted economic activity both in 2013 and 2014 (against 90.0% a year before). Net revenues from the sales of products, goods and materials obtained by these entities accounted for 97.4% of the net revenues from sales of entities in total (against 96.7% a year before). The share of this group of enterprises in the net profit and loss of the surveyed enterprises in total amounted to 96.7% and

94.4%, respectively (against 95.9% and 90.9% a year before). The basic economic and financial indicators recorded in this group were higher than a year before and similar to the ones obtained for the surveyed enterprises in total.

Short-term and long-term liabilities (excluding special funds), at the end of June 2014, amounted to PLN 792 315.4 mln and were by 2.2% higher than a year before. Long-term liabilities accounted for 36.2% of total liabilities (against 33.6% a year before).

The value of short-term liabilities of the surveyed enterprises was at the level of PLN 505 744.8 mln and was by 1.8% lower than at the end of June of the previous year.

Long-term liabilities of the surveyed enterprises, at the end of June 2014, amounted to PLN 286 570.7 mln and were by 10.0% higher than a year before.

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## Investment Outlays

In the 1<sup>st</sup> half of 2014, the surveyed enterprises<sup>26</sup> incurred higher investment outlays than a year before. Increases were recorded in outlays both on buildings and structures, and on purchases<sup>27</sup>. Following a drop a year before, the outlays of entities with foreign capital participation were higher, but their growth was slower than that in the total outlays of the surveyed enterprises. The number of investments newly started was higher than a year before, but their estimated value decreased.

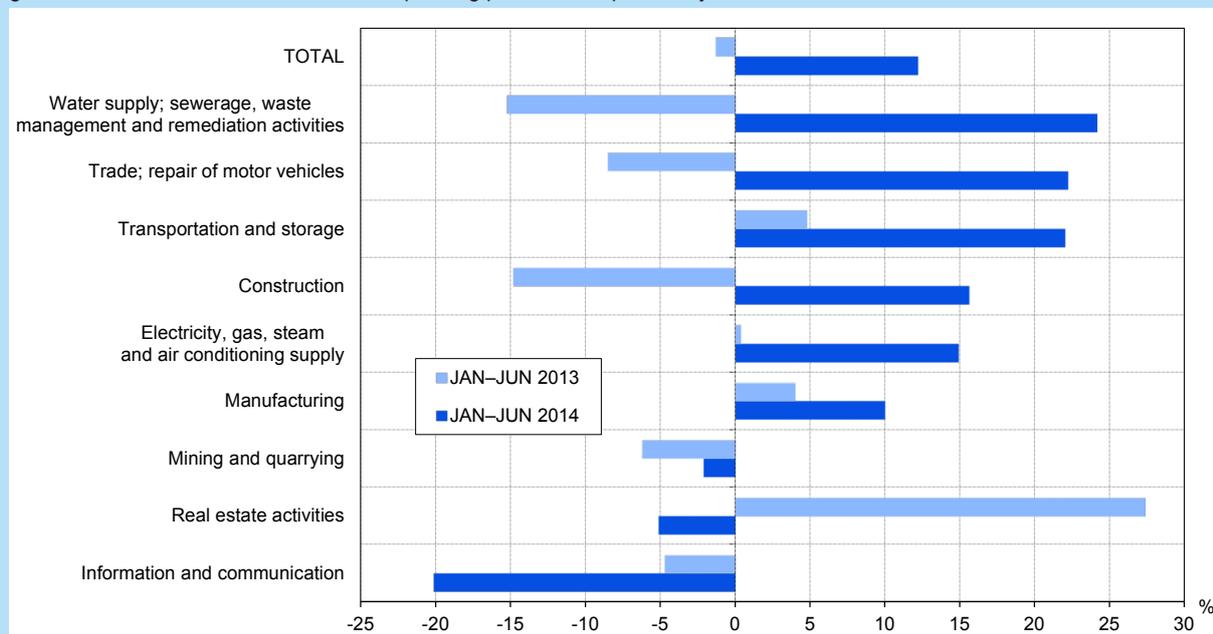
In the 1<sup>st</sup> half of 2014, the total outlays of the surveyed enterprises amounted to PLN 46.0 bn and were (at constant prices) by 14.4% higher than a year before (against a growth of 0.2% in the corresponding period of the previous year). Outlays on buildings and structures increased by 15.6%, and outlays on purchases grew by 12.6%. The share of purchases in total outlays amounted to 60.2% (against 61.1% a year before).

A growth in outlays (at current prices) was observed in water supply; sewerage, waste management and remediation activities (of 24.1% against a drop of 15.2% a year before), administrative and support service activities (of 23.5% against a decrease of 3.1%), trade; repair of motor vehicles (of 22.2% against a fall of 8.5%), transportation and storage (of 22.0% against a growth of 4.8%), construction (of 15.6% against a drop of 14.8%), electricity, gas, steam and air conditioning supply (of 14.9% against a growth of 0.4%), accommodation and catering (of 14.4%, against a drop of 25.5%), as well as manufacturing (of 10.0% against an increase of 4.0%). In turn, outlays decreased, among others, in mining and quarrying (by 2.1% against a decrease of 6.2%), real estate activities (by 5.1% against a rise of 27.3%), and information and communication (of 20.1% against a decrease of 4.7%).

### Investment outlays

Investment outlays by selected sections (at current prices)

growth / decrease in relation to the corresponding period of the previous year – in %



<sup>26</sup> Data concern economic entities keeping accounting ledgers and employing 50 persons or more. Data do not include entities classified to the following NACE Rev. 2. sections: Agriculture, forestry and fishing and Financial and insurance activities, as well as higher education establishments.

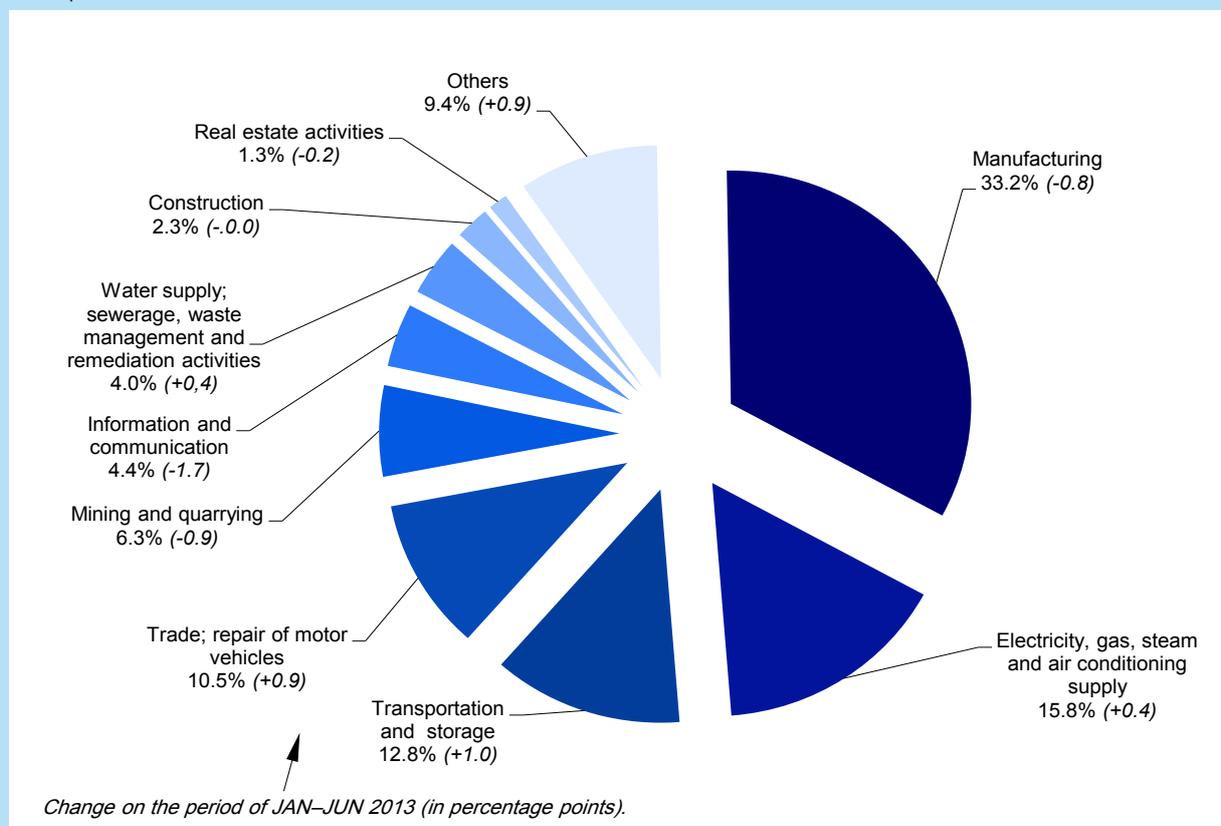
<sup>27</sup> Machinery and technical equipment, and means of transport.

Among the divisions of manufacturing with the highest share in investment outlays, the most considerable growth was observed in enterprises dealing with the manufacture of coke and refined petroleum products (of 186.3% against a rise of 15.2% in the corresponding period of 2013), chemicals and chemical products (of 35.9% against a drop of 12.3%), furniture (of 25.8% against a decrease of 16.2%), food products (of 25.7% against a drop of 12.0%), machinery and equipment (of 23.9% against a decrease of 19.2%), basic metals (of 22.5% against a growth of 12.7%), as well as metal products (of 10.6% against a decrease of 2.5%). The most considerable decrease in outlays was recorded in manufacture of other non-metallic mineral products (of 25.9% against a decrease of 18.5% a year before), electrical equipment (of 22.7% against a drop of 8.5%), paper and paper products (of 20.6% against a growth of 134.9%), motor vehicles, trailers and semi-trailers (of 9.4% against an increase of 22.9%), and beverages (of 7.8% against a rise of 29.2%).

In the structure of total outlays by sections, in the period of January–June 2014, an increase, in annual terms, was recorded in the share of outlays incurred, among others, by entities operating in transportation and storage (from 11.8% to 12.8%), trade; repair of motor vehicles (from 9.6% to 10.5%), electricity, gas, steam and air conditioning supply (from 15.4% to 15.8%), water supply; sewerage, waste management and remediation activities (from 3.6% to 4.0%). However, a decrease was observed in information and communication (from 6.1% to 4.4%), mining and quarrying (from 7.2% to 6.3%), and manufacturing (from 34.0% to 33.2%).

A growth in the outlays of the enterprises surveyed by size categories was recorded, respectively, in entities employing more than 1000 persons – of 15.1%, in entities employing from 250 to 1000 persons – of 12.3%, and in entities employing up to 249 persons – of 6.3%.

**Structure of investment outlays in total**  
in the period of JAN–JUN 2014



In the period of six months of 2014, 89.4 thous. investments were started, i.e. by 10.7% more than a year before (against a decrease of 0.1% in the corresponding period of 2013). Approx. 54% of investments newly started concerned electricity and gas connections with a low unit estimated value. The total estimated value of investments newly started amounted to PLN 21.9 bn and was by 8.3% lower than a year before (when a growth of 12.8% was recorded). The modernisation of existing fixed assets accounted for 37.2% of the estimated value of investments newly started (against 38.5% in the 1<sup>st</sup> half of the previous year).

Entities with foreign capital participation<sup>28</sup> incurred 33.0% of the total value of outlays accomplished by the surveyed enterprises (against 36.5% in the corresponding period of the previous year). The outlays of this group of entities (at constant prices) were by 3.4% higher than a year before. The largest share of outlays in this production group was incurred by entities operating in manufacturing (42.8%), trade; repair of motor vehicles (17.7%), administrative and support service activities (15.0%), and information and communication (10.6%).

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<sup>28</sup> Data concern economic entities with foreign capital exceeding USD 1 mln (excluding credit and insurance institutions) keeping accounting ledgers in which the number of employed persons is 50 or more.

## Foreign Trade

In the 1<sup>st</sup> half of 2014, an increase in foreign trade turnover was observed in comparison to the corresponding period of the previous year – more rapid in exports than in imports. As a result, the exchange closed with a lower amount of the total negative balance than a year before. The turnover with developing and developed countries grew. In the trade exchange with the Central and Eastern European countries a deep decrease in exports and a slight growth in imports were observed. In the period of six months of 2014, the price relations in total trade exchange were higher than a year before. As a result of the drop in prices of imported goods, the price relations have improved (terms of trade).

Exports calculated in PLN increased by 6.5% and amounted to PLN 334.7 bn, whereas imports grew by 5.6% to PLN 335.5 bn. The exchange closed with a negative balance amounting to PLN 0.8 bn (minus PLN 3.3 bn in the 1<sup>st</sup> half of the previous year). The turnover in EUR increased in

exports by 5.4% to EUR 80.0 bn, and in imports – by 4.5% to EUR 80.2 bn. The negative balance amounted to EUR 0.2 bn (minus EUR 0.8 a year before). Exports in USD amounted to USD 110.1 bn and was by 10.0% higher than a year before, while imports – to USD 110.3 bn, i.e. by 9.1% higher. The negative balance reached the level of USD 0.2 bn (in the 1<sup>st</sup> half of the previous year – minus USD 1.1 bn).

Exports at constant prices, in the period of January–June 2014, were higher in comparison to the corresponding period of the previous year by 6.2%, and imports were higher by 9.3%. In turnover with the UE countries, the volume of exports increased by 9.3%, with the Central and Eastern European countries it dropped by 11.4%, and with developing countries it grew by 3.4%. The volume of goods imported from the EU countries grew by 7.6%, from the Central and Eastern European countries – by 6.0%, and from developing countries – by 21.1%.

### Foreign trade turnover

Specification	JAN–JUN 2014						JAN–JUN 2013	JAN–JUN 2014
	in mln PLN	in mln EUR	in mln USD	JAN–JUN 2013=100				
				in PLN	in EUR	in USD	structure in %	
Exports .....	334 704.6	80 017.3	110 060.6	106.5	105.4	110.0	100.0	100.0
developed countries .....	279 986.4	66 937.7	92 068.0	108.3	107.2	111.9	82.2	83.6
of which the European Union .....	256 091.2	61 226.0	84 209.7	108.3	107.2	112.0	75.2	76.5
of which euro-area ...	178 922.7	42 777.0	58 836.3	109.7	108.5	113.3	51.9	53.5
developing countries .....	29 684.6	7 094.8	9 762.7	107.9	106.8	111.5	8.8	8.9
the Central and Eastern-European countries .....	25 033.6	5 984.8	8 229.9	88.3	87.5	91.4	9.0	7.5
Imports <sup>a</sup> .....	335 464.6	80 201.1	110 301.7	105.6	104.5	109.1	100.0	100.0
developed countries .....	218 295.3	52 189.9	71 780.1	103.6	102.5	107.0	66.3	65.1
of which the European Union .....	195 830.7	46 819.7	64 390.6	105.3	104.2	108.8	58.5	58.4
of which euro-area ...	153 836.3	36 779.2	50 583.5	105.7	104.6	109.2	45.8	45.9
developing countries .....	72 882.6	17 423.5	23 966.1	115.3	114.0	119.0	19.9	21.7
the Central and Eastern-European countries .....	44 286.7	10 587.7	14 555.5	101.1	100.0	104.3	13.8	13.2
Balance .....	-760.0	-183.8	-241.1	x	x	x	x	x
developed countries .....	61 691.1	14 747.8	20 287.9	x	x	x	x	x
of which the European Union .....	60 260.5	14 406.3	19 819.1	x	x	x	x	x
of which euro-area ...	25 086.4	5 997.8	8 252.8	x	x	x	x	x
developing countries .....	-43 198.0	-10 328.7	-14 203.4	x	x	x	x	x
the Central and Eastern-European countries .....	-19 253.1	-4 602.9	-6 325.6	x	x	x	x	x

<sup>a</sup> Data concerning imports by groups of countries are presented by country of origin.

*Note:* Data on the structure and dynamics of Poland's turnover with the developed countries, including the EU and the Central and Eastern European countries, were presented in comparable conditions, i.e. taking into account the value of foreign trade turnover of Croatia, which joined the EU on 1 July 2013 – and which earlier was recognised as one of the Central and Eastern European countries.

In the period of January–June 2014, the transaction prices (calculated in PLN) of exported goods were higher than a year before by 0.8%, and those of imported goods – lower by 2.7%. The total terms of trade index was at the level of 103.6 (against 102.6 in the period of January–June of the previous year). In turnover with the EU countries, the terms of trade index amounted to 100.9, i.e. it was slightly higher than in the period of the six months of the previous year (100.4).

In the geographic structure of turnover, in comparison to the 1<sup>st</sup> half of the previous year, the share of developed countries (including the EU countries) increased in exports and dropped in imports. The share of developing countries in total turnover grew, with a decrease in the share of the Central and Eastern European countries.

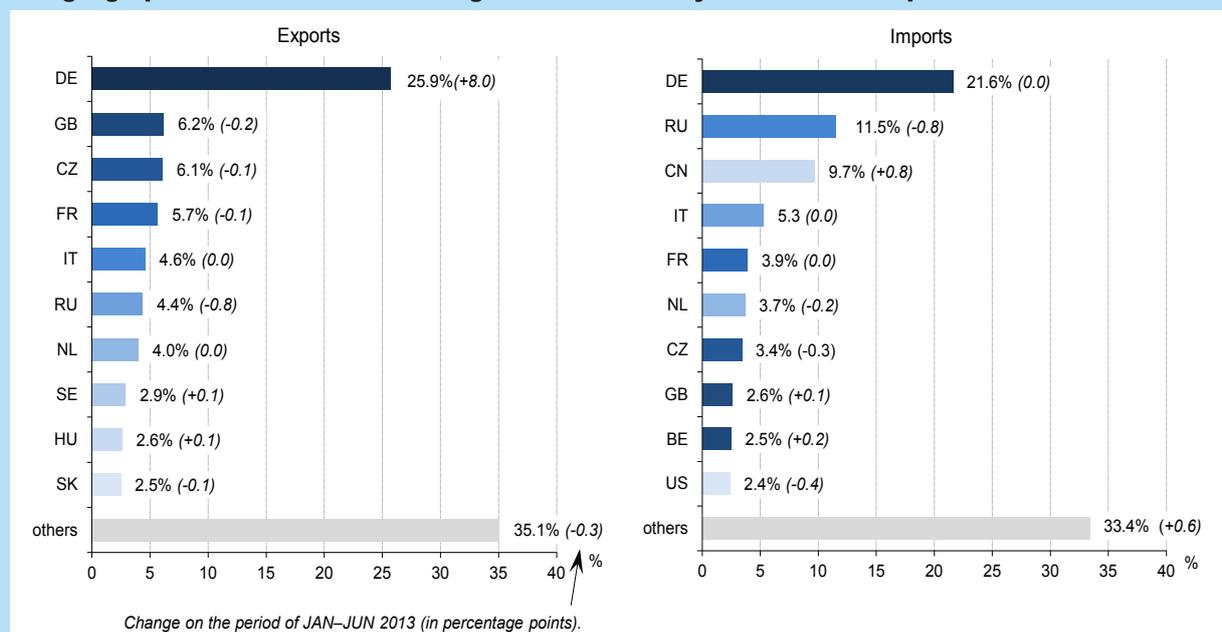
The value of turnover with Germany, our most important trade partner, grew in exports by 9.9% to PLN 86.7 bn, and in imports by 5.8% to PLN 72.5 bn. The trade exchange closed with a positive balance of PLN 14.2 bn (in the 1<sup>st</sup> half of the previous year PLN 10.3 bn). Exports in EUR increased by 8.8%, and imports – by 4.7%. The positive balance amounted to EUR 3.4 bn (against EUR 2.5 bn a year before). The share of Germany in total turnover increased in exports from 25.1% to 25.9%, and in imports in remained at a level of 21.6%.

In the trade exchange with Germany, according to the SITC commodity groups, a growth in exports was

recorded, among others, in parts and accessories of the motor vehicles, as well as furniture and parts thereof, while a decrease in exports was observed, among others, in copper. In imports, the value of supplies of passenger motor cars grew considerably, while a drop was recorded, among others, in internal combustion piston engines and parts thereof.

After the six months of 2014, Russia was the 6<sup>th</sup> largest trade partner of Poland in exports, and the 2<sup>nd</sup> in imports (against the 5<sup>th</sup> and 2<sup>nd</sup> position, respectively, a year before). Exports to Russia, in comparison to the 1<sup>st</sup> half of the previous year, dropped by 9.8%, to the level of PLN 14.7 bn, and imports decreased by 1.4%, to the level of PLN 38.6 bn. The negative balance of turnover amounted to PLN 23.9 bn (against minus PLN 22.9 bn a year before). The turnover with Russia expressed in EUR dropped by 10.7% in exports and by 2.5% in imports, and the negative balance amounted to EUR 5.7 bn (in the 1<sup>st</sup> half of the previous year minus EUR 5.5 bn). The value of trade exchange in USD decreased in exports by 6.7%, while in imports it rose by 1.8%. The negative balance reached the level of USD 7.9 bn (minus USD 7.3 bn a year before). The share of Russia in total exports decreased from 5.2% after the six months of the previous year to 4.4%, and in imports – from 12.3% to 11.5%.

**The geographical structure of the foreign trade turnover by countries in the period of JAN–JUN 2014**



In turnover with Russia (according to the SITC groups), a drop was observed especially in exports of parts and accessories of motor vehicles, as well as fruit and nuts fresh or dried. Imports of petroleum were at a level similar to the one recorded in the 1<sup>st</sup> half of the previous year.

Ukraine – the second, following Russia, trade partner of Poland in the group of the Central and Eastern European countries – moved in exports from the 9<sup>th</sup> position, which it occupied a year before, to the 15<sup>th</sup> position, and in imports it remained in the 21<sup>st</sup> position. Exports to Ukraine dropped, in comparison to the 1<sup>st</sup> half of the previous year, by 25.7% to PLN 6.2 bn, and imports grew by 18.5% and amounted to PLN 3.9 bn. The positive balance of turnover decreased from PLN 5.0 bn a year before to PLN 2.3 bn. The turnover with Ukraine expressed in EUR was lower in exports than a year before by 26.4%, and in imports it grew by 17.2%; the balance amounted to EUR 0.5 bn (in the 1<sup>st</sup> half of the previous year EUR 1.2 bn). The value of the trade exchange calculated in USD decreased in exports by 23.1% and grew in imports by 22.3%. The balance amounted to USD 0.7 bn (USD 1.6 bn a year before). The share of Ukraine in total exports decreased from 2.6% in the 1<sup>st</sup> half of the previous year to 1.8%, and in imports it rose from 1.0% to 1.2%.

In turnover with Ukraine (according to the SITC groups), a decrease was recorded, among others, in exports of fruit and nuts fresh or dried, petroleum oils, paper, paperboard and articles thereof, as well as coke and semi-coke. In imports, a rise was recorded, among others, in the value of iron and steel bars rods,

angles, shapes and sections, flat-rolled products of iron or non-alloy steel, as well as iron ores and concentrates.

In total turnover according to the SITC classification, a growth was recorded in all commodity sections, except for the exports of mineral fuels, lubricants and related materials, as well as imports of crude materials, inedible, except fuels. In the total turnover structure of exports according to the SITC, in comparison to the 1<sup>st</sup> half of the previous year, an increase was observed primarily in the share, among others, of machinery and transport equipment, and miscellaneous manufactured articles, along with a drop in the share, among others, of manufactured goods classified chiefly by material, and mineral fuels, lubricants and related materials. In imports, a rise was observed, among others, in the share of miscellaneous manufactured articles, and a decrease was recorded in machinery and transport equipment.

In the distribution structure of imports by broad economic categories, in the 1<sup>st</sup> half of 2014, in comparison to the corresponding period of the previous year, a growth was recorded in the share of consumer goods (from 20.5% to 21.0%), while a drop was observed in goods intended for intermediate consumption (from 64.1% to 64.0%) and capital goods (from 15.4% to 15.0%). A rise in imports was recorded in all economic categories, including capital goods – of 2.8%, goods intended for intermediate consumption – of 5.4% and consumer goods – of 8.4%.

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## Money Supply

At the end of June 2014, M3 money supply<sup>29</sup> amounted to PLN 996 171.2 mln, i.e. by 1.8% more than at the end of the previous year.

The supply of currency in circulation (excluding bank vault cash) at the end of June 2014 amounted to PLN 120 827.5 mln, and increased by 5.6% in comparison to the end of the previous year.

Deposits and other liabilities, constituting the main item in the structure of M3 money supply, at the end of June 2014 amounted to PLN 859 262.0 mln, and increased by 1.6% in comparison to the end of the previous year. The deposits and other liabilities towards local government increased by 17.6%, towards non-profit institutions serving households – by 4.7%, and towards households – by 3.2%. The deposits and other liabilities towards social security funds also increased, from PLN 2.5 bn to PLN 5.4 bn. However, a decrease was observed in the deposits and other liabilities towards non-monetary financial institutions – of 9.7%, and towards non-financial corporations – of 3.4%.

Other M3 components, at the end of June 2014, amounted to PLN 16 081.7 mln. Their value in relation to the end of the previous year dropped by 13.4%.

External assets, net, which at the end of June 2014 amounted to PLN 144 033.1 mln, constituted another factor influencing the money stock. Their value, in comparison to the end of the previous year, dropped by 0.4%.

Domestic assets, net, at the end of June 2014 amounted to PLN 852 138.0 mln, and were by 2.0% higher in comparison to the end of the previous year.

Claims, having the highest share in the structure of domestic assets, net, at the end of June 2014 reached the level of PLN 974 892.2 mln, and increased by 4.0% in comparison to the end of the previous year. A growth concerned the claims from non-monetary financial institutions – of 8.1%, from non-financial corporations – of 6.8%, from households – of 2.9%, and from non-profit institutions serving households – of 0.2%. Claims from local government dropped by 1.4%. At the end of June 2014, claims from social security funds were recorded in the amount of PLN 0.1 mln (against PLN 0.2 mln at the end of the previous year).

Credit to central government, net at the end of June 2014, amounted to PLN 142 450.8 mln. It decreased by 2.0% in comparison to the end of the previous year.

A factor decreasing the money stock was the negative balance of other items (net), amounting to PLN 265 438.7 mln, which grew by PLN 18 234.0 mln in comparison to the end of the previous year.

The basic interest rates of the National Bank of Poland in June 2014 did not change in comparison to the ones applicable from 4 July of the previous year, and their values were as follows: the lombard rate – 4.00%, the rediscount rate – 2.75%, the reference rate – 2.50%, and the deposit rate – 1.00%.

**The components of money supply (M3) and assets of the bank system<sup>a</sup>**

Specification	2013		2014			
	JUN	DEC	MAY	JUN	change in relation to	
					MAY 2014	DEC 2013
	in mln PLN					
Money supply (M3) .....	946 586.4	978 923.5	991 120.0	996 171.2	5 051.2	17 247.7
currency in circulation .....	112 814.9	114 401.2	119 648.8	120 827.5	1 178.7	6 426.3
deposits and other liabilities .	814 529.6	845 959.7	855 352.1	859 262.0	3 909.9	13 302.3
other components of M3 .....	19 241.8	18 562.5	16 119.1	16 081.7	-37.4	-2 480.8
External assets, net .....	160 267.3	143 429.5	142 259.7	144 033.1	1 773.4	603.6
Domestic assets, net .....	786 319.1	835 494.0	848 860.3	852 138.0	3 277.7	1 664.4
Other items, net .....	-264 618.7	-247 204.7	-258 347.6	-265 438.7	-7 091.1	-1 823.4

<sup>a</sup> End of period.

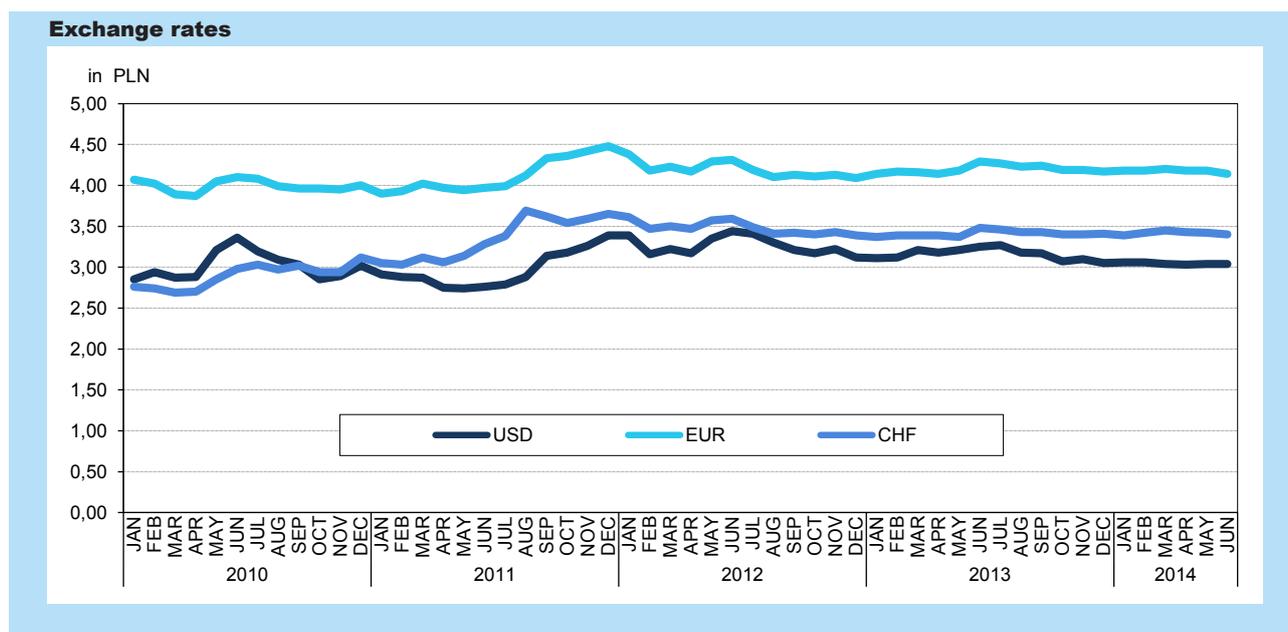
<sup>29</sup> Based on the data of the National Bank of Poland.

The average monthly exchange rate of USD in the National Bank of Poland, in June 2014, amounted to PLN 304.25/USD 100 and was lower than the one recorded in the corresponding month of the previous year by 6.4%, and in December of the previous year – by 0.2%.

The average monthly exchange rate of EUR in the National Bank of Poland, in June 2014, was at the level of PLN 413.69/EUR 100 and dropped in comparison to the one recorded in

the corresponding month of the previous year by 3.5%, and in comparison to the average exchange rate for December of the previous year – by 0.9%.

The average monthly exchange rate of CHF in the National Bank of Poland, in June 2014, amounted to PLN 339.65/CHF 100 and dropped by 2.3% in relation to the one recorded a year before. In comparison to December of the previous year, this exchange rate was by 0.4% lower.



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## State Budget

In the period of January–June 2014, the revenue of the state budget<sup>30</sup> amounted to PLN 136 321.4 mln (i.e. 49.1% of the amount planned in the budget act for 2014), and expenditure to PLN 161 620.0 mln

(49.7% respectively). The deficit was at the level of PLN 25 298.6 mln, which accounted for 53.4% of the plan.

### Revenue and expenditure of the state budget

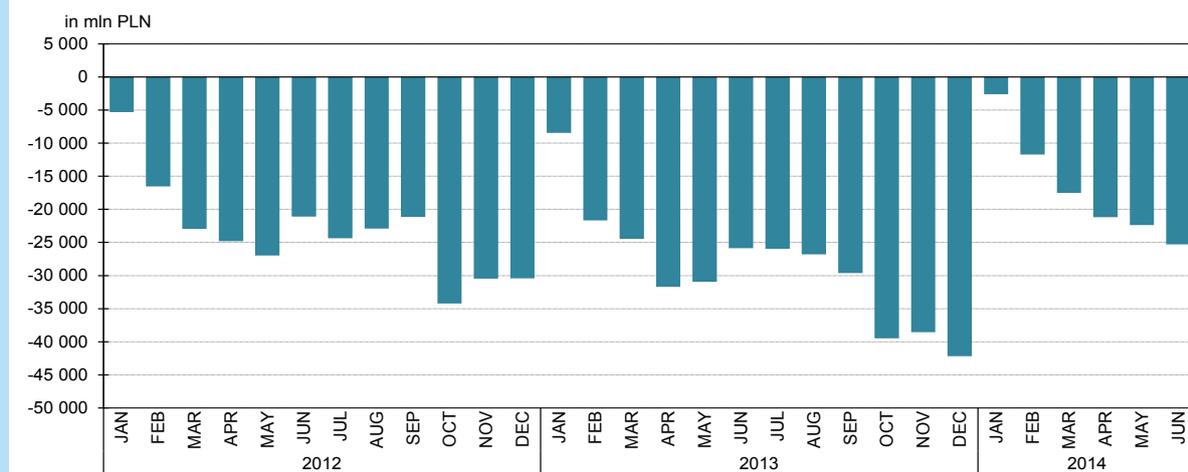
Specification	Budget act <sup>a</sup> for 2014	JAN–JUN 2014		
		execution	low on public finances	structure
		in mln PLN		in %
Total revenue .....	277 782.2	136 321.4	49.1	100.0
tax revenue .....	247 980.0	124 451.0	50.2	91.3
indirect taxes .....	179 030.0	92 294.3	51.6	67.7
of which excise tax .....	62 080.0	28 991.0	46.7	21.3
corporate income tax .....	23 250.0	11 719.3	50.4	8.6
personal income tax .....	43 700.0	19 705.7	45.1	14.4
non-tax revenue .....	28 148.1	11 434.7	40.6	8.3
of which receipts from customs duties .....	2 003.0	1 123.0	56.1	0.8
non-returnable funds from the European Union and other sources .....	1 654.1	435.7	26.3	0.3
Common Agricultural and Fisheries Policy structural funds and other .....	205.6	57.7	28.1	0.0
structural funds and other .....	1 448.5	378.0	26.1	0.3
Total expenditure .....	325 287.4	161 620.0	49.7	100.0
of which:				
domestic debt servicing .....	24 370.0	9 334.0	38.3	5.8
foreign debt servicing .....	11 800.0	7 000.1	59.3	4.3
settlements with the EU general budget with regard to own resources .....	17 765.2	11 112.0	62.5	6.9
allocations for:				
Pension Fund .....	16 100.5	7 886.3	49.0	4.9
Social Insurance Fund .....	30 362.8	20 754.6	68.4	12.8
general subsidy for local self-government entities .....	51 206.4	29 934.1	58.3	18.5
Deficit .....	-47 505.1	-25 298.6	53.3	x
Deficit financing <sup>b</sup> :				
domestic sources .....	25 349.6	28 525.1	112.5	x
foreign sources .....	22 547.2	-3 163.8	x	x

a Journal of Laws dated 3 II 2014, item 162. b Including the financing of the state budget and the European Union funds deficit.

<sup>30</sup> Prepared on the basis of the information provided by the Ministry of Finance: "Estimated data on the execution of the state budget for the period of January–June 2014."

**State budget result**

on accrued basis from the beginning of the year



The revenue executed in the period of January–June 2014 was by 1.9% higher than in the corresponding period of the previous year, and the execution of the budget act was by 0.6 percentage point higher. Receipts from indirect taxes amounted to PLN 92 294.3 mln (i.e. by 11.7% more than in the period of January–June of the previous year), of which excise tax – to PLN 28 991.0 mln (by 4.7% more respectively). Their share in the total amount of revenue amounted to 67.7% and 21.3%, respectively.

Receipts from corporate income tax reached the level of PLN 11 719.3 mln (by 1.6% more than a year before), and from personal income tax – PLN 19 705.7 mln (by 4.9% more than a year before). Their share in total revenue amounted to 8.6% and 14.4%, respectively. Revenue of the state budget from the inflow of non-returnable funds from the European Union and from other sources

constituted 26.3% of the plan (against 28.2% in the corresponding period of the previous year).

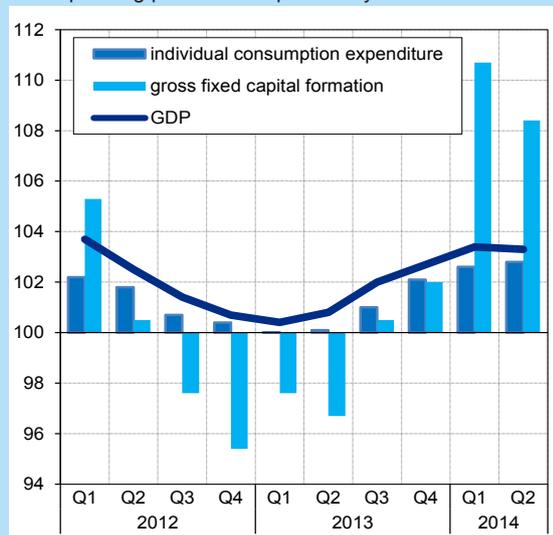
Expenditure incurred in the period of January–June 2014 was by 1.3% higher than a year before, and the execution of the budget act in this scope was by 0.9 percentage point higher. General subsidy for local self-government entities increased by 0.3% in comparison to the period of January–June of the previous year, and amounted to PLN 29 934.1 mln, i.e. 18.5% of total expenditure. Expenditure on domestic and foreign debt servicing accounted for 10.1% of total expenditure (13.1% a year before). Allocations paid in the period of January–June 2014 to the Pension Fund amounted to PLN 7 885.5 mln (by 2.0% more than in the corresponding period of the previous year), and to the Social Insurance Fund – to PLN 20 793.6 mln (by 39.9% more), which accounted, respectively, for 4.9% and 12.9% of total expenditure.

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## Gross Domestic Product

According to preliminary data, the gross domestic product (at average annual constant prices of the previous year), in the 2<sup>nd</sup> quarter of 2014, was by 3.3% higher than a year before (against a growth of 3.4% in the 1<sup>st</sup> quarter of 2014, and 0.8% in the period of April–June of the previous year). After eliminating the influence of seasonal factors (at constant prices with the reference year 2005), the gross domestic product rose by 3.3% (against a growth of 3.5% a month before and 1.3% a year before).

**Gross domestic product, individual consumption expenditure and gross fixed capital formation**  
corresponding period of the previous year=100



In the 2<sup>nd</sup> quarter of 2014, the positive influence of the domestic demand on the economic growth rate further strengthened (to 4.9 percentage points). In the second quarter in a row, the influence of capital formation was positive (amounting to 3.1 percentage points, along with a slight increase in the positive impact of the investment demand – to 1.4 percentage point, and the influence of changes in inventories which was positive for the first time since the 1<sup>st</sup> quarter of 2012, amounting to 1.7 percentage point). The positive impact of final consumption expenditure amounted to 1.8 percentage point (of which individual consumption expenditure – 1.7 percentage point and public consumption – 0.1 percentage point). The negative impact of net export on the economic growth rate was recorded, which amounted to minus 1.6 percentage point.

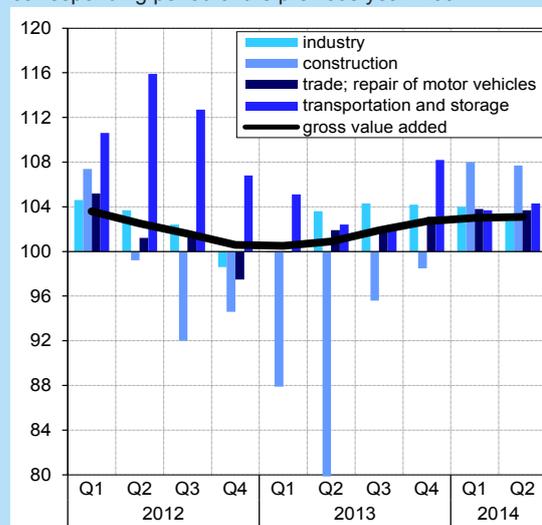
A growth in the domestic demand, in annual terms, was faster in the 2<sup>nd</sup> quarter than in the preceding

periods, and amounted to 5.1% (against a growth of 3.0% in the 1<sup>st</sup> quarter of 2014). This resulted mainly from the high rise in gross capital formation (of 19.7%), including gross fixed capital formation (of 8.4%). Final consumption expenditure was by 2.3% higher than in the 2<sup>nd</sup> quarter of the previous year, as a result of a higher increase in individual consumption expenditure – of 2.8% than in public consumption – 0.8%. The investment rate in the 2<sup>nd</sup> quarter of 2014 amounted to 16.9% (against 16.6% a year before).

Exports in the 2<sup>nd</sup> quarter of 2014 increased, in annual terms, by 5.9% (against a growth of 7.6% in the preceding quarter), and imports – by 9.8% (against, respectively, 6.9%).

In the 2<sup>nd</sup> quarter of 2014, the gross value added in the national economy was higher than in the corresponding period of the previous year by 3.1% (against a growth of 3.0% in the 1<sup>st</sup> quarter of 2014 and 0.9% in the 2<sup>nd</sup> quarter of the previous year). In industry, the gross value added rose by 3.2%, and in construction (following a sharp drop a year before) – by 7.7%. A growth was also recorded, among others, in financial and insurance activities (of 15.5% against a drop a year before), transportation and storage (of 4.3%), trade; repair of motor vehicles (of 3.7%), accommodation and food service activities (of 2.0%), as well as real estate activities (of 1.3%). In the public administration and defence; compulsory social security, education, and human health and social work activities sections, the gross value added in total was slightly lower than a year before (by 0.1%).

**Gross value added**  
corresponding period of the previous year=100



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## General Notes

1. Data contained in the Poland Quarterly Statistics have been presented in accordance with the Polish Classification of Activities – PKD 2007, compiled on the basis of the Statistical Classification of Economic Activities in the European Community – NACE Rev. 2.
2. The category of “Industry” used in this quarterly refers to NACE Rev. 2 sections “Mining and quarrying”, “Manufacturing”, “Electricity, gas, steam and air conditioning supply” and “Water supply; sewerage, waste management and remediation activities”.
3. Data are compiled according to the respective organizational status of units of the national economy.
4. Data by NACE Rev. 2 sections, divisions and groups as well as voivodships are compiled on the basis of the enterprise (entity) method, assuming whole entities of the national economy as the basis for grouping all data characterising their activity according to individual classification levels and territorial divisions.
5. Data presented in the publication cover units of the national economy regardless of ownership, i.e. included in the public and private sectors.
6. The information concerning the enterprise sector is presented on the basis of the definition of “enterprise” – introduced by the Council Regulation (EEC) No. 696/93 of 15 March 1993 on the statistical units for the observation and analysis of the production system in the Community. In accordance with the aforementioned Regulation, an enterprise is treated as an organisational unit producing goods or providing services, which obtains benefits from a certain degree of independence in decision making, especially in the area of allocation of its current assets. An enterprise conducts one or several types of activity in one or several places and is established by a legal entity or a group of legal entities. The enterprise sector includes entities conducting economic activity in the scope of forestry and logging; marine fishing; mining and quarrying; manufacturing; electricity, gas, steam and air conditioning supply; water supply; sewerage, waste management and remediation activities; construction; wholesale and retail sale; repair of motor vehicles and motorcycles; transportation and storage; accommodation and food service activities; information and communication; real estate activities; legal and accounting activities; activities of head offices; management consultancy activities; architectural and engineering activities; technical testing and analysis; advertising and market research; other professional, scientific and technical activities; administrative and support service activities; arts, entertainment and recreation; repair of computers and personal and household goods; other personal service activities.
7. Data on employed persons, employment, as well as wages and salaries does not include private farms in agriculture and budgetary entities conducting activity within the scope of national defence and public safety; furthermore:
  - quarterly data refer to those entities of the national economy in which the number of employed persons exceeds 9; furthermore, the data on employment, as well as wages and salaries exclude persons employed abroad and engaged in social and political organisations, trade unions, etc.;
  - average monthly total wages and salaries in quarterly periods cover complete statistical population;
  - annual data cover all entities of the national economy regardless of the number of employed persons.
8. Data on sold production of industry, construction and assembly production, wholesale and retail trade of goods:
  - quarterly data (in the case of sale of construction and assembly production are provided on an accrued basis) cover those economic entities in which the number of employed persons exceeds 9;
  - annual data cover all economic entities regardless of the number of employees.
 Data on the sale of construction and assembly production concern works accomplished by construction entities on the basis of the contract system (i.e. for outside clients) and do not include work performed abroad.
9. Data on the production of selected industrial products in all kinds of activities refer to those entities in which the number of employed persons exceeds 49.

10. Data on the financial results of non-financial enterprises refer to economic entities keeping accounting ledgers (excluding entities whose basic type of activity is classified according to the NACE Rev. 2 in the sections "Agriculture, forestry and fishing" and "Financial and insurance activities" as well as higher education institutions) in which the number of employed persons exceeds 49.
11. Quarterly data referring to investment outlays and newly started investments refer to economic entities (with the exception of entities in which the principal activity is classified as "Agriculture, forestry and fishing" and "Financial and insurance activities" according to the NACE Rev. 2) in which the number of employed persons exceeds 49. Quarterly data are presented on an accrued basis. Annual data concerning investment outlays include all units of the national economy regardless of the number of employees.
12. Unless otherwise stated, data in value terms and structural indicators are provided at current prices, and dynamic indices – on the basis of value at constant prices. As constant prices in the period of 2006–2010 were adopted constant prices of 2005 (2005 average current prices), since 2011 – constant prices of 2010 (2010 average current prices), except for foreign trade turnover, where average current prices from the year preceding the surveyed year were assumed as constant prices, as well as for investment outlays and retail sales, for which current prices from the corresponding period of the previous year were assumed as constant prices.
13. Relative numbers (indices, percentages) are calculated, as a rule, on the basis of absolute data expressed with higher precision than that presented in tables.
14. Some data are preliminary and may be revised in subsequent editions of the Poland Quarterly Statistics.
15. This publication uses abbreviations of some classification levels of NACE Rev. 2; the abbreviated names were marked with "Δ" in the tables. The list of abbreviations and their respective full names is presented below:

Abbreviation	Full name
<b>NACE sections</b>	
Trade; repair of motor vehicles	Wholesale and retail, trade; repair of motor vehicles and motorcycles
Accommodation and catering	Accommodation and food service activities

## Codes of Selected Countries

AT	–	Austria	KR	–	Republic of Korea
BE	–	Belgium	LT	–	Lithuania
BG	–	Bulgaria	LU	–	Luxembourg
CN	–	China	LV	–	Latvia
CY	–	Cyprus	MT	–	Malta
CZ	–	Czech Republic	NL	–	Netherlands
DE	–	Germany	PL	–	Poland
DK	–	Denmark	PT	–	Portugal
EE	–	Estonia	RO	–	Romania
ES	–	Spain	RU	–	Russia
FI	–	Finland	SE	–	Sweden
FR	–	France	SI	–	Slovenia
EL	–	Greece	SK	–	Slovakia
HR	–	Croatia	UA	–	Ukraine
HU	–	Hungary	UK	–	United Kingdom
IE	–	Ireland	US	–	United States
IT	–	Italy			

## Conventional signs

Dash (–)	magnitude zero	Dot (.)	data not available or not reliable
Zero: (0)	magnitude not zero, but less than 0.5 of a unit	Sign x	not applicable
(0,0)	magnitude not zero, but less than 0.05 of a unit	Colour red	data in tables altered in relation to that published in the previous edition

## Major abbreviations

thous.	thousand
mln	million
bn	billion
PLN	zloty
USD	United States dollar
EUR	euro
CHF	Swiss franc

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## Methodological Notes

1. Data on population for the period of 2007–2009 are compiled on the basis of the results of the Population and Housing Census 2002 and since 2010 – the Population and Housing Census 2011, as well as data from current reporting on vital statistics and population migration.
2. Data on the number and structure of population concern actually living population.
3. Data regarding employed persons concern persons performing work providing earnings or income and include:
  - employees hired on the basis of an employment contract;
  - owners, co-owners, and leaseholders of private farms in agriculture (including contributing family workers);
  - owners and co-owners of entities engaged in economic activities excluding private farms in agriculture (including contributing family workers);
  - other self-employed persons, e.g. persons practising learned professions;
  - outworkers;
  - agents (including contributing family workers and persons employed by agents);
  - members of agricultural production co-operatives;
  - clergy fulfilling priestly obligations.
4. Data on the average number of employed persons are given after converting of part-time paid employees into full-time paid employees, excluding employers and own-account workers (excluding private farms in agriculture) as well as agents.
5. Data on average paid employment include persons employed on the basis of a full-time and part-time contract, converted into a full-time period.
6. Data on registered unemployment concerning persons registered in powiat labour offices are presented in accordance with the Law of 20 April 2004 on Promoting Employment and Labour Market Institutions (Journal of Laws 2013, Item 674, with later amendments).  
The number of the unemployed does not include persons undergoing, among others, traineeship, internship and occupational preparation of adults, as well as social utility works.  
Long-term unemployed are persons remaining in the register rolls of a powiat labour office the overall period of over 12 months during the last 2 years, excluding the periods of traineeships or occupational preparation of adult at the workplace.
7. The registered unemployment rate is calculated as the ratio of the number of registered unemployed persons to the economically active civilian population, i.e. excluding persons in active military service, as well as employees of budgetary entities conducting activity within the scope of national defence and public safety.
8. Data on the economic activity of population aged 15 and more are compiled on the basis of the generalized results of the probability sample Labour Force Survey (LFS) conducted quarterly using a continuous observation method (a sliding survey week). The survey includes persons who are members of sampled households, excluding persons staying outside the households, i.e. abroad or living in institutional households, for 12 months or longer (until the second quarter of 2012 — exceeded 3 months). The LFS data are calculated on the basis of the exact date of birth. The survey results have been generalized based on population balances compiled on the basis on Population and Housing Census 2011.  
Work, i.e. performing, having or seeking work, is the basic criterion of dividing population into employed persons, unemployed persons and economically inactive persons.  
Economically active population (i.e. labour force) covers all persons who are considered employed or unemployed. Economically inactive population (i.e. outside the labour force) covers all persons who in the survey week were classified neither as employed nor as unemployed.  
Unemployed persons are persons aged 15–74 who in the reference week were not employed, were actively looking for work and were ready to take up work within two weeks after the reference week.  
The unemployed also included persons who had found a job and they were waiting to start it in the period not longer than 3 months, and they were able to take up work.  
The activity rate is calculated as a share of economically active persons (in total or in a given group) in the number of population aged 15 or more (in total or in a given group).  
The employment rate is calculated as a share of employed persons (in total or in a given group) in the number of population aged 15 or more (in total or in a given group).

The LFS unemployment rate is calculated as a share of the unemployed persons (in total or in a given group) in the number of the economically active persons aged 15 or more (in total or in a given group).

9. Average monthly nominal wage and salary per paid employee are calculated assuming:

- personal wages and salaries, excluding wages and salaries of outworkers and apprentices as well as persons employed abroad;
- payments from a share in profit or in the balance surplus of cooperatives;
- additional annual wages and salaries for employees of budget sphere entities;
- fees paid to selected groups of employees for performing work in accordance with labour contract.

Data on wages and salaries are presented in gross terms, i.e. including deductions for personal income taxes and also contributions to compulsory social security (retirement, pension and illness) paid by the insured employee.

Indices of average monthly real gross wage and salary are calculated as a quotient of the average monthly nominal gross wage and salary index and consumer price index of households of employees.

10. Price indices of:

- sold production of industry (i.e. mining and quarrying, manufacturing, electricity, gas, steam and air conditioning supply, and also water supply; sewerage, waste management and remediation activities) are calculated on the basis of a monthly survey on prices of products and services actually received by specifically selected economic units, included in the above mentioned sections. The survey covers about 3.3 thousand units in which the number of employed persons exceeds 9. The price indices were calculated using, as a weight system, the structure of sold production from 2010. These values are updated monthly by the price changes and the changes in the sales structure taking place in consecutive months of the year to which the price indices refer;
- construction and assembly production are calculated on the basis of a monthly survey

of prices of works realised by specifically selected economic units, classified in "Construction" section, i.e. by approx. 480 construction and assembly enterprises in which the number of employed persons exceeds 9. The price indices were calculated using, as a weight system, the sales value from 2010. These values include the price changes and the changes in the sales structure taking place in consecutive months of the year to which the price indices refer;

- consumer goods and services are obtained on the basis of price observations of representatives of consumer goods and services (approx. 1400 in 2013) in 209 price survey regions of the country. Price observations carried out in selected retail outlets, service and catering units located in the price survey regions (a town or part of a town) constitute the principal source of information. Price-lists, regulations and decisions applicable to the uniform prices binding throughout the country or its parts, and also price observations of goods and services purchased through the Internet constitute additional sources of information. Price indices of consumer goods and services are calculated using, as a weight system, the annual structure of expenditure (excluding own consumption) of particular groups of households on purchasing consumer goods and services from the year preceding the one under the survey, obtained from the Household Budget Survey. The groupings of consumer goods and services are presented on the basis of the Classification of Individual Consumption by Purpose, adapted to the needs of the Harmonized Indices of Consumer Prices (COICOP/HICP);
- procurement of agricultural products are compiled on the basis of information on the prices paid in a given period of time by procurement entities for products directly from agricultural producers. The average prices are computed as a quotient of the value (excluding VAT) and quantity of every single agricultural product.

11. Data on sold production of industry concern industrial and non-industrial activity of economic entities included in sections “Mining and quarrying”, “Manufacturing”, “Electricity, gas, steam and air conditioning supply” and “Water supply; sewerage, waste management and remediation activities”, while data on sold production of construction cover construction and non-construction activity of economic entities included in “Construction” section. This data include:
- the value of sold finished products, semi-finished products and parts of own production (regardless of whether or not payments due for the production have been received);
  - the value of paid works and services rendered, i.e. both industrial and construction, as well as non-industrial and non-construction;
  - the flat agent’s fee in the case of concluding the agreement on commission terms and full agent’s fee in the case of concluding an agency agreement;
  - the value of products in the form of settlements in kind;
  - products designated for increasing the value of own fixed assets.
12. Data on the sales in construction and assembly production concerning work carried out with own resources (i.e. without subcontractors), domestically on the basis of a contract system (i.e. for outside clients) by construction entities according to NACE Rev. 2 were included in “Construction” section, consisting of constructing buildings and structures, including the preparation through a diversified scope of terrestrial works, ground work (zero state), making load bearing elements, partitions, roof laying and covering (raw state), and assembly, installation and completion works. All the categories include works associated with building, rebuilding, extension, restoration, renovation and temporary building structures.
13. Data on retail sales include the sales of consumer and non-consumer goods carried out by retail sales outlets, catering establishments and other sales outlets (e.g. warehouses, stock houses) in quantities indicating purchases for individual needs of the purchaser.
14. Data on wholesale of commodities include the sales from own or rented warehouses in which commodities are stored, belonging to “Wholesale and retail trade; repair of motor vehicles and motorcycles” section.
- Wholesale carried out by wholesale enterprises concerns the sales of commodities by enterprises included in “Wholesale trade, except of motor vehicles and motorcycles” division.
15. The gross financial result (profit or loss) is a result on economic activity adjusted by the result of extraordinary events.
16. The net financial result (profit or loss) is obtained after deducting the obligatory encumbrances from the gross financial result.
17. The presented division of investment outlays, including outlays on new fixed assets and (or) improvement (enlargement, rebuilding, reconstruction or modernisation) of the existing capital asset items was prepared according to the principles of the system of national accounts, according to the recommendations of ESA 1995. Investment outlays are divided into outlays on fixed assets and other outlays.
- Outlays on fixed assets include outlays on:
- buildings and structures (including buildings and places, as well as civil engineering constructions), including construction and assembly works, design and cost estimate documentation;
  - machinery, technical equipment and tools (including instruments, movables and fittings);
  - transport equipment;
  - other, i.e. detailed meliorations, costs incurred for purchasing land and second-hand fixed assets and from 1995 livestock (basic herd), long-term plantings and, in addition, the costs of treatment of constructed liabilities incurred for the purpose of purchase financing, constructing and developing fixed assets (specified until 31 December 2001 as interest on investment credits and loans) for the period of investment realization (taken into account only in data expressed in current prices).
- Other outlays are outlays on the so-called initial investments as well as other costs connected with investment realization. These outlays do not increase the value of fixed assets.
18. Since 1 May 2004, i.e. the day of Poland’s accession to the European Union (EU), the data on Poland’s foreign trade turnover have been based on:
- the EXTRASTAT system – based on customs declarations; the system includes trade turnover carried out between Poland and the so-called third countries, i.e. non-EU countries;
  - the INTRASTAT system – based on INTRASTAT arrival and dispatch declarations; the system includes trade turnover between Poland and other EU member states;
  - alternative data sources used to register trade in “specific goods”, i.e. electricity, gas, sea products and military goods.

Data obtained from the combination of the above mentioned sources created a unified collection of statistical data on foreign trade turnover.

19. The value of imports is presented according to cif, i.e. including the transportation and insurance costs to the Polish border. The value of exports is presented according to fob.
20. Data on turnover by group of countries are presented in imports – according to the country of origin and in exports – according to the country of destination.

The country of origin is considered a country in which the goods were produced, processed or transformed, and in this form entered the Polish customs territory.

The country of destination is the country in which the goods are consumed, i.e. the country in which the goods are finally used, processed or transformed.

21. The M3 money supply comprises:
- currency in circulation (excluding bank vault cash);
  - zloty and foreign currency deposits and other liabilities of monetary financial

institutions to households, non-monetary financial institutions, non-financial corporations, non-profit institutions serving households, local government institutions and social security funds:

- current liabilities (overnight deposits and deposits without an agreed term),
  - term and blocked (deposits with an agreed maturity of up to 2 years),
  - deposits redeemable at notice of up to 3 months.
  - other components of M3, i.e. debt securities including up to 2 years, issued by monetary financial institutions and held by residents and non-residents, and liabilities of monetary financial institutions related to repurchase agreements and also in money market funds units.
22. Data concerning gross domestic product and gross value added, as well as components of its distribution are compiled according to the principles of ESA 1995 (the European System of Accounts).

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