

## Socio-economic situation of Poland – main tendencies

In the period of eleven months of 2015 in most basic areas of the economy upward tendencies were observed. In the period October-November 2015 in certain areas dynamics strengthened as compared to the one recorded within three quarters of 2015. In November 2015 the sold production of industry was at a considerably higher level than a year before. After two months of drop, construction and assembly production increased, which was influenced by seasonal factors. The growth pace improved in retail sales. The scale of drop in sales of transport services decreased.

Prices of consumer goods and services decreased in annual terms to a smaller extent than in two preceding months. Positive tendencies on the labour market were accompanied by stable growth in wages and salaries in the enterprise sector.

The sold production of industry in November 2015 was by 7.8% higher than a year before (after eliminating seasonal factors – by 5.2%). Sales increased to the greatest extent in manufacturing, with a decrease in electricity, gas, steam and air conditioning supply. Production was higher than a year before in most main industrial groupings, except for energy. In the period of January-November 2015 the sold production of industry increased as compared to the corresponding period of the previous year by 4.7%, and growth was recorded in all sections, except for electricity, gas, steam and air conditioning supply. Construction and assembly production in November 2015 was by 1.2% higher in annual terms (after eliminating seasonal factors the decrease by 1.9% was recorded). In the period of January-November 2015, production increased by 3.3%; the greatest increase was observed in civil engineering. Retail sales in November 2015 was by 5.7% higher than a year before and in the period of eleven months of 2015 it increased in annual terms by 3.4%.

In December 2015 the general business tendency climate in manufacturing, for the first time since a year, is assessed unfavourably. Negative assessments (against positive ones in November 2015) concern current production and order-books; pessimistic forecasts in these areas are getting worse. More negative than in November 2015 are indications on the current and expected financial situation. Construction entities assess the general business tendency climate unfavourably, worse than in the previous month. Pessimistic current assessments and forecasts of these entities have exacerbated with regard to the order-books, production and financial situation. In retail trade, for the first time since February 2015, the entrepreneurs assess the economic situation slightly unfavourably. Expected demand for goods as well as current assessments and predictions concerning sales are slightly negative. Diagnoses and forecasts of the financial situation are negative, worse than the ones formulated in the previous month. After a significant improvement in the previous month, in December 2015 the consumer sentiments worsened – both the current indicator and the indicator describing future tendencies of individual consumption are more unfavourable than in November, but they are at the level not significantly different from the one recorded in preceding months.

In November 2015 further slight limitation of the scale of drop in prices of consumer goods and services (to 0.6%) was observed. As a result in the period of eleven months of 2015 consumer prices were by 1.0% lower than a year before, including decrease in prices with regard to

transport, food and non-alcoholic beverages, as well as clothing and footwear. The drop in industry and construction prices observed since the end of 2012 was maintained.

Average paid employment in the enterprises sector in November 2015 was by 1.2% higher than a year before (in the period of eleven months it increased in annual terms by 1.1%). The registered unemployment rate did not change in comparison with the previous month and at the end of November 2015 it amounted to 9,6% (i.e. by 1,8 percentage points less than a year before). According to results of the labour demand survey, within three quarters of 2015, as compared to the respective period of 2014, more new jobs were created, and less jobs were liquidated.

Average monthly nominal gross wages and salaries in the enterprise sector, as well as their purchasing power in November 2015 increased to a greater extent than in the previous month. A slight improvement was observed in the growth in nominal and real retirement and other pension in the employee system, and it slightly slowed down among farmers. In the period of eleven months of 2015 average monthly gross wages and salaries increased as compared to the respective period of 2014 by 3.3%. The drop in consumer prices favourably influenced the growth pace of the purchasing power of wages and salaries (4.4% in annual terms).

On the agricultural market in November 2015 the procurement prices of most basic products of plant-origin were higher than a year before, and prices of animal products were lower (except for prices of cattle). In the period of eleven months of 2015 only procurement prices of cattle for slaughter were above the level from the previous year. The resulting estimate conducted in November 2015 confirms that this year's total grain harvest was lower than a year before, but higher than the average from 2006–2010. Production of rape and turnip rape and fruits from the trees was also lower than a year before and higher than average long-term one. Potato harvest, sugar beets and field vegetables reduced both in annual terms and in comparison with the average from 2006-2010. Harvests of berries decreased as compared to the previous year and were close to the average from 2006-2010.

In commodity foreign trade (calculated in PLN) in the period of January-October 2015 turnover growth in annual terms was slightly slower than in the 1<sup>st</sup> half of 2015. Exports grew faster than imports, and the exchange closed with a positive balance against a negative one observed a year before. A growth in annual terms was recorded in turnover with developed countries (including EU countries) and with developing countries, while a significant drop was observed in turnover with Central and Eastern European countries. In the period of January-September 2015 total exports and imports at constant prices were higher than a year before; the terms of trade index was less favourable (100.3 against 104.2 a year before).

Revenue of the State Budget in the period of January-November 2015 amounted to PLN 263.8 bn (i.e. 88.8% of the amount the assumed in the Budget Act for 2015), and expenditures – to PLN 299.9 bn (respectively 87.4%). The deficit was at the level of PLN 36.1 bn, which accounted for 78.4% of the plan.

## SELECTED INDICATORS REGARDING THE ECONOMIC SITUATION OF THE COUNTRY

Specification a - 2014 b - 2015		I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Paid employment in the enterprise sector <sup>1</sup> in thous. persons	a	5506	5508	5515	5515	5515	5526	5531	5535	5537	5545	5551	5549
	b	5573	5573	5576	5575	5577	5578	5583	5588	5593	5608	5617	
Registered unemployed persons (end of period) in thous. persons	a	2261	2256	2182	2079	1987	1913	1879	1853	1822	1785	1800	1825
	b	1919	1919	1861	1782	1702	1622	1586	1564	1539	1517	1531	
Unemployment rate (end of period) in %	a	13,9	13,9	13,5	13,0	12,5	12,0	11,8	11,7	11,5	11,3	11,4	11,4
	b	11,9	11,9	11,5	11,1	10,7	10,2	10,0	9,9	9,7	9,6	9,6	
Average monthly nominal gross wage and salary in the enterprise sector <sup>1</sup> :													
in zloty	a	3805,28	3856,56	4017,75	3976,80	3878,31	3943,01	3964,91	3893,23	3900,49	3980,92	4004,80	4379,26
	b	3942,78	3981,75	4214,14	4123,26	4002,16	4039,70	4095,26	4024,95	4059,19	4110,77	4164,01	
previous month=100	a	90,1	101,3	104,2	99,0	97,5	101,7	100,6	98,2	100,2	102,1	100,6	109,4
	b	90,0	101,0	105,8	97,8	97,1	100,9	101,4	98,3	100,9	101,3	101,3	
corresponding month of previous year=100	a	103,4	104,0	104,8	103,8	104,8	103,5	103,5	103,5	103,4	103,8	102,7	103,7
	b	103,6	103,2	104,9	103,7	103,2	102,5	103,3	103,4	104,1	103,3	104,0	
Average monthly real gross wage and salary in the enterprise	a	103,0	103,3	104,2	103,5	104,6	103,2	103,6	103,7	103,7	104,3	103,2	104,7
	b	105,2	105,0	106,6	104,9	104,1	103,4	104,1	104,1	105,2	104,2	104,7	
Average monthly real gross retirement pay and pension:													
from non-agricultural social security system													
corresponding month of previous year=100	a	103,9	104,3	102,1	103,2	103,6	103,4	103,8	103,7	103,7	103,8	103,9	104,2
	b	104,5	104,6	104,8	103,3	103,1	102,8	103,1	103,4	103,3	103,3	103,4	
of farmers													
corresponding month of previous year=100	a	103,8	103,8	100,8	101,0	101,2	101,3	101,7	101,9	101,9	102,0	102,4	102,9
	b	102,8	103,2	104,9	104,5	105,5	104,4	103,6	103,1	103,3	103,0	102,8	
Price indices of consumer goods and services:													
previous month=100	a	100,1	100,1	100,1	100,0	99,9	100,0	99,8	99,6	100,0	100,0	99,8	99,7
	b	99,8	99,9	100,2	100,4	100,0	100,0	99,9	99,6	99,7	100,1	99,9	
corresponding month of previous year=100	a	100,5	100,7	100,7	100,3	100,2	100,3	99,8	99,7	99,7	99,4	99,4	99,0
	b	98,6	98,4	98,5	98,9	99,1	99,2	99,3	99,4	99,2	99,3	99,4	
December of previous year=100	a	100,1	100,2	100,3	100,2	100,1	100,1	99,9	99,5	99,4	99,5	99,2	99,0
	b	99,8	99,6	99,8	100,3	100,3	100,3	100,2	99,9	99,6	99,7	99,6	
Price indices of sold production of industry:													
previous month=100	a	100,0	99,9	99,8	99,8	99,8	99,9	99,9	100,3	100,0	99,6	99,5	98,8
	b	99,9	99,9	100,1	99,6	100,4	100,6	99,6	99,3	99,9	100,1	100,0	
corresponding month of previous year=100	a	99,0	98,6	98,7	99,3	99,0	98,2	97,9	98,5	98,4	98,7	98,4	97,3
	b	97,2	97,2	97,5	97,3	97,9	98,6	98,2	97,3	97,2	97,7	98,2	
Price indices of construction and assembly production:													
previous month=100	a	99,8	99,8	99,9	99,9	100,0	100,0	100,0	100,0	100,0	100,0	99,9	99,9
	b	99,9	99,9	100,0	100,0	99,9	100,0	99,9	99,9	99,9	99,9	99,9	
corresponding month of previous year=100	a	98,3	98,4	98,5	98,5	98,6	98,7	98,8	99,1	99,2	99,3	99,4	99,2
	b	99,5	99,6	99,7	99,7	99,7	99,6	99,6	99,4	99,4	99,3	99,3	

1 Data concern economic entities employing more than 9 persons.

**SELECTED INDICATORS REGARDING THE ECONOMIC SITUATION OF THE COUNTRY (cont.)**

Specification a - 2014 b - 2015	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	
Sold production of industry <sup>1</sup> (constant prices <sup>2</sup> ):													
previous month=100	a	103,0	98,2	109,4	97,8	98,3	100,0	102,1	91,5	116,5	103,6	92,5	97,4
	b	96,8	101,4	113,4	92,0	98,6	104,6	98,7	92,9	115,1	101,9	97,4	
corresponding month of previous year=100	a	104,2	105,3	105,5	105,5	104,4	101,8	102,4	98,1	104,2	101,7	100,3	108,1
	b	101,6	105,0	108,8	102,4	102,8	107,4	103,8	105,3	104,0	102,4	107,8	
Construction and assembly production (constant prices <sup>2</sup> ):													
previous month=100	a	36,0	118,7	124,2	103,2	114,0	116,8	100,9	94,6	119,8	107,2	90,6	129,6
	b	34,8	116,7	128,2	108,7	106,4	112,5	103,4	99,2	111,6	104,2	96,6	
corresponding month of previous year=100	a	96,1	114,4	117,4	112,2	110,0	108,0	101,1	96,4	105,6	99,0	98,4	105,0
	b	101,3	99,7	102,9	108,5	101,3	97,5	99,9	104,8	97,5	94,8	101,2	
Dwellings completed (from the beginning of year)	a	12511	24973	35562	47208	56101	66418	79677	88821	100142	114866	127871	143166
	b	11744	21237	31704	42148	52557	63979	76890	88123	101420	114964	128855	
Retail sales of commodities <sup>1</sup> (constant prices <sup>3</sup> ):													
previous month=100	a	78,7	99,5	112,5	102,3	97,5	99,2	105,2	99,6	99,0	104,0	92,1	120,1
	b	78,0	98,4	117,1	97,4	100,5	101,0	102,2	98,2	99,9	104,7	94,1	
corresponding month of previous year=100	a	104,8	107,0	103,3	108,9	104,3	101,8	103,1	102,8	103,0	103,7	101,4	104,0
	b	103,6	102,4	106,6	101,5	104,7	106,6	103,5	102,0	102,9	103,6	105,7	
State budget balance - from the beginning of year (in mln zł)	a	-2601,1	-11718,2	-17491,0	-21179,9	-22362,6	-25298,6	-26403,2	-24603,5	-22444,6	-27233,2	24790,7	-28976,8
	b	-586,9	-11324,0	-16660,1	-16693,1	-19631,1	-26139,8	-26591,6	-25860,4	-31136,1	-34487,9	-36128,5	
Average exchange rates in zł – National Bank of Poland:													
100 USD	a	306,50	306,13	303,78	302,93	304,15	304,25	305,98	314,82	324,75	331,52	337,77	342,87
	b	367,39	367,66	381,38	373,47	365,20	371,03	377,34	376,85	375,13	378,07	395,71	
100 EUR	a	417,76	417,86	419,72	418,41	417,90	413,69	414,47	419,32	419,01	420,50	421,15	422,33
	b	427,97	417,76	412,78	402,91	407,83	415,97	415,40	419,36	421,69	424,60	425,03	
100 CHF	a	339,35	342,05	344,71	343,17	342,44	339,65	341,14	346,02	346,95	348,14	350,11	351,23
	b	392,73	393,22	389,12	388,12	392,11	398,17	396,27	389,29	386,05	390,37	392,36	
Foreign trade <sup>4</sup> in mln zł:													
exports	a	56030,8	54454,7	58898,1	59029,0	56910,6	56521,4	57391,5	50637,4	62470,7	65554,3	61273,5	54299,6
	b	58804,5	59590,4	65747,4	60391,4	59692,0	62794,6	61291,2	55622,1	65975,1	66679,0	.	
imports	a	56454,5	55023,8	59925,7	58365,2	59027,7	57100,5	59524,5	52454,2	61593,1	66345,8	62043,8	56708,7
	b	59760,1	57027,0	63817,4	60628,2	56886,0	62186,9	63047,3	55647,6	64711,0	63852,8	.	
balance	a	-423,7	-569,1	-1027,6	663,8	-2117,1	-579,1	-2133,0	-1816,8	877,6	-791,5	-770,3	-2409,1
	b	2044,4	2563,4	1930,0	-236,8	2806,0	607,7	-1756,1	-25,5	1264,1	2826,2	.	

1 Data concern economic entities employing more than 9 persons. 2 The average current prices from 2010. 3 The current prices from the period preceding the surveyed period. 4 For 2015 – preliminary data.