

Socio-economic situation of Poland – main tendencies

In 2015 the economic growth rate in Poland was slightly faster than a year before. The main growth factor was domestic demand, both consumption and investment. Net exports, unlike in the previous year, had a positive impact on GDP growth.

According to the preliminary estimate, the gross domestic product in 2015 increased in real terms by 3.6% compared to the previous year (against a growth by 3.3% in 2014 and 1.3% in 2013). Total consumption was by 3.2 % higher than a year before, including in household sector, where it increased by 3.1%. Gross capital formation increased by 4.2%, including gross fixed capital formation which increased by 6.1% (against accordingly 12.6% and 9.8% in 2014). The investment rate in 2015 amounted to 20.2% (against 19.6% in 2014). The domestic demand was by 3.4% higher than a year before (when it increased by 4.9%). Gross value added in the national economy increased at a rate similar to the one recorded the year before (3.4% against 3.3%), faster than in the years 2012-2013. In industry gross value added increased by 5.4%, in construction by 4.4%, in transport and storage, as well as in trade; repair of motor vehicles, it increased by 3.1% and 0.7 % respectively.

Initiated in 2014 gradual improvement of the difficult situation on the labour market maintained. According to estimates, the number of persons employed in the national economy at the end of 2015 was by approx. 2% higher than a year before. The dynamics of an average paid employment in the enterprise sector was gradually strengthening in subsequent months and, as a result, in the whole year a growth by 1.3% was recorded (compared to the increase by 0.6% a year before). According to the labour demand survey, in the three quarters of 2015 more new jobs were created than in the corresponding period of 2014; at the same time, less jobs were reduced. The inflow to unemployment in 2015 was lower than a year before; also the number of persons removed from unemployment register decreased. The unemployment rate, in all months lower than a year before, since August was at a single-figures level. At the end of December 2015, it amounted to 9,8% (compared to 11.4% a year before).

Average monthly nominal gross wages and salaries in the enterprise sector grew at a stable pace (3.5%), slightly slower than in 2014. At the decrease in consumer prices, the purchasing power of wages and salaries increased by 4.5%, i.e. in the largest scale from 2008. Further growth was observed in average nominal and real gross retirement and other pension, however in the employee system it was slightly slower than the year before, and among individual farmers it was faster.

Prices of consumer goods and services in 2015 were by 0.9% lower than a year before (in 2014 the prices did not change), but in subsequent months gradual weakening of the decrease scale was observed. Prices of consumer goods were lower in annual terms, while the prices of services increased. Prices of goods and services associated with transport, as well as food and non-alcoholic beverages dropped to a greater extent than in 2014. Prices of, among others, goods and services associated with dwelling were growing slower, while prices associated with communication and health grew much faster. It was the third year in a row in which the producer prices fell, with deeper decrease in industry, and slower one in construction.

Sold production of industry in total, according to preliminary estimates, in 2015 was by 4.8% higher than a year before (against a growth by 4.1% in 2014). The production growth strengthened in enterprises employing more than 9 persons – to 4.9%. Production increased faster than a year before in manufacturing and in water supply; sewerage and waste management; remediation activities. After decrease in 2014, sales in mining and quarrying increased. In most main industrial groupings (except for energy) production was higher than a year before; the highest dynamics was observed with regard to capital goods and durable consumer goods. In December 2015 sold production of industry increased in annual terms by 6.7% and after elimination of seasonal factors – by 4.0%.

It is estimated that the total construction and assembly production in 2015 was by approx. 3.0% higher than a year before (against a growth by 5.9% in 2014). In entities employing more than 9 persons, the growth rate amounted to 2.8%. Production increased in all divisions of construction, most strongly in civil engineering. Sale of renovation works was higher than a year before, with a drop in investment works. In December 2015 construction and assembly production slightly decreased in annual terms (by 0.3%, after a growth by 5.0% a year before). After elimination of the impact of seasonal factors the decrease amounted to 2.0%.

Retail sales, according to preliminary estimates, in 2015 were higher than a year before by 3.3% (against a growth by 3.9% in 2014). In enterprises employing more than 9 persons, retail sales increased by 3.7%. In December 2015, the growth rate in retail sales accelerated to 7.0%.

The business tendency survey conducted in January 2016 indicates the improvement in the assessments in basic fields of activities. In manufacturing, the general business tendency climate in January 2016 is assessed slightly positively. Predictions are optimistic (compared to the negative ones in the previous months) with regard to the order-books, as well as production, at deterioration in unfavourable assessments of the current situation in these areas. Unfavourable indications concerning current financial situation are maintained, at slightly less pessimistic forecasts in this area. Construction entities assess the economic situation slightly less negatively than a month ago. An improvement was observed in pessimistic forecasts with regard to the order-books, production and financial situation, at worse current assessments in these areas. Assessments of the economic situation in retail trade are only slightly better than in the previous month. Indications concerning current sales are optimistic (against unfavourable ones in December 2015), and as regards the current financial situation – they are less pessimistic. Negative forecasts in these areas deteriorated. The consumer sentiments in 2015 were less pessimistic than in the six previous years. In January 2016 the consumer confidence indicator (both current and preceding) is less negative than in the previous month. An improvement was observed in, among others, pessimistic expectations of consumers with regard to changes in the general economic situation of the country. Slightly positive (after unfavourable ones in December 2015) are the predictions concerning the future financial situation of households. An improvement was observed in expectations of consumers with regard to changes in the unemployment level.

The gross agricultural output in 2015, according to preliminary estimates, decreased by 4.2% as compared to 2014. It was influenced by a large decrease in crop output (by 11.2%), with

a growth in animal output (by 3.1%). The survey conducted at the beginning of December 2015 indicates a deepened drop in the number of pig heads (to 6.0% in annual terms against 0.7% in June 2015), observed in all categories. The number of cattle for at the beginning of December 2015 was by 1.8% higher than a year before, which was influenced by a significant growth in the number of bovines less than 1 year old and aged between 1 and 2. On the agricultural market in 2015, with procurement lower in annual terms, the prices of most plant products (except for procurement prices of potatoes) were lower than a year before. Also prices of most products of animal origin decreased (except for prices of cattle for slaughter), with a higher procurement in annual terms. As a result of a deeper drop in prices of agricultural products sold by farmers than the prices of goods and services purchased for the purpose of the current agricultural production and for investment purposes, the "price gap" index, reached an unfavourable level in the fourth year in a row (97.5 against 95.1 in 2014).

In foreign trade freight turnover (expressed in PLN) in the period of January-November 2015 a faster growth in exports in annual terms than in imports was observed. For the first time in many years, the trade exchange closed with a positive balance. The turnover with the developed countries (including EU countries) and with developing countries increased. Trade exchange with Central and Eastern European countries however decreased significantly. Total exports and imports at constant prices in the period of January-October 2015 were higher than the year before; the terms of trade index was less favourable (100.5 against 103.6).

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 ¹ in thous. persons	a	5506	5508	5515	5515	5515	5526	5531	5535	5537	5545	5551	5549
	b	5573	5573	5576	5575	5577	5578	5583	5588	5593	5608	5617	5626
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	1563
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	9,8
Average monthly nominal gross wage and salary in the enterprise sector ¹ :													
in zloty	a	3805,28	3856,56	4017,75	3976,80	3878,31	3943,01	3964,91	3893,23	3900,49	3980,92	4004,80	4379,26
	b	3942,78	3981,75	4214,14	4123,26	4002,16	4039,70	4095,26	4024,95	4059,19	4110,77	4164,01	4515,28
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	108,4
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	103,1
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	103,8
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	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	102,7
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	99,8
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	99,5
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	99,5
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	99,8
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	99,2
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	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	99,1

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 industry¹ (constant prices²):													
previous month=100	a	103,0	98,2	109,4	97,8	98,3	100,0	102,1	91,5	116,5	103,6	92,5	97,4
	b	96,8	101,4	113,4	92,0	98,6	104,6	98,7	92,9	115,1	101,9	97,4	96,4
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	106,7
Construction and assembly production (constant prices²):													
previous month=100	a	36,0	118,7	124,2	103,2	114,0	116,8	100,9	94,6	119,8	107,2	90,6	129,6
	b	34,8	116,7	128,2	108,7	106,4	112,5	103,4	99,2	111,6	104,2	96,6	127,8
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	99,7
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	147710
Retail sales of commodities¹ (constant prices³):													
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	122,0
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	107,0
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	-36128,7	.
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	394,17
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	429,05
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	396,23
Foreign trade⁴ in mln zł:													
exports	a	56030,8	54454,7	58898,1	59029,0	56910,6	56521,4	57391,5	50637,4	62470,7	65554,3	61273,5	54299,6
	b	58845,8	59610,3	65749,6	60426,6	59745,9	52858,9	61229,6	55707,2	66126,8	68568,8	66796,8	.
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	56788,0	57032,2	63893,6	60707,4	56940,5	62345,9	63129,0	55832,7	65253,3	65754,5	63304,8	.
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	2057,8	2578,1	1856,0	-280,8	2805,4	513,0	-1899,4	-125,5	873,5	2814,3	3492,0	.

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