

Socio-economic situation of Poland

In the 1st quarter 2016, upward tendencies prevailed in the basic areas of the economy. Sold production of industry increased in annual terms, though at a lower rate than in the last quarter of the previous year. Construction and assembly production was lower than a year before (when its growth was observed). Retail sales and the sales of services in communication increased at a similar rate as in the 4th quarter of the previous year. The sales of services in transport were also higher than a year before, whereas in the previous quarter their drop was recorded. The prices of consumer goods and services, and producer prices in industry and construction, were still below the previous year's level.

Average monthly nominal gross wages and salaries in the enterprise sector in the period of January-March 2016 rose at a slightly higher rate in annual terms than in the last quarter of the previous year. Along with a slight deepening of the consumer price drop, the dynamics of the purchasing power of wages and salaries strengthened. The growth rate of nominal and real retirement and other pensions slowed down both in the employee and in the farmers system.

The situation on the labour market in the 1st quarter 2016 was more favourable than a year before. Average paid employment in the enterprise sector rose in annual terms by 2.6%, i.e. faster than in the respective quarters of the previous year. In labour offices less unemployed persons were registered than in the period of January-March of the previous year; at the same time, the number of persons removed from the register also decreased. The registered unemployment rate decreased to 10.0% at the end of March 2016.

A drop in the prices of consumer goods and services in the 1st quarter 2016 was slightly deeper than in the 4th quarter of the previous year and amounted to 0.9%. Prices related to dwellings fell for the first time in many years. The price drop continued, among others, in transport, clothing and footwear. However, the prices of food and non-alcoholic beverages were higher than a year before, growing from February 2016. The drop rate of producer prices in industry was slightly lower than in the last quarter of the previous year, while in construction it did not change.

The sold production of industry in the 1st quarter 2016 was by 3.0% higher than a year before. A growth was recorded in manufacturing and water supply; sewerage, waste management and remediation activities, along with a drop in production in the remaining two sections. Sales increased in most of the main industrial groupings; the highest rise was observed in the production of durable consumer goods and capital goods. A drop was observed in the production of energy. Sold production of industry in March 2016 was by 0.5% higher than a year before (after eliminating the influence of seasonal factors, the growth amounted to 0.8%). Construction and assembly production in the 1st quarter 2016 was by 13.3% lower than a year before. Drops were observed in all divisions of construction. The deepest production drop concerned civil engineering, which in the 1st quarter of the previous year recorded a considerable rise. In March 2016, construction and assembly production was lower than in the corresponding period of the previous year

by 15.8% (after eliminating seasonal factors – by 13.9%). Retail sales in the 1st quarter 2016 were by 4.4% higher than a year before, and in March 2016 – by 3.0%.

According to the business tendency survey, in April 2016 the entrepreneurs sentiments operating in the manufacturing are positive, similar to a month before. Assessments regarding the current order-books and production improved, along with continually positive forecasts in these areas. Indications concerning the current financial situation are less pessimistic, and its predictions are slightly more favourable than in March. Construction entities assess business tendencies less negatively than a month before. This is mainly due to the improvement in the pessimistic assessments of the current order-books, production and financial situation, and more optimistic forecasts in these areas. Entrepreneurs dealing with retail trade assess the business tendencies in a positive way, better than in March 2016. Assessments of sales are favourable, and the best from August 2008, with continually optimistic projections in this area. The current financial situation is assessed less pessimistically than in the preceding seven months, and the corresponding projections have achieved minimally positive values. Among the barriers limiting their activity, construction and manufacturing entities refer to difficulties related to the shortage of qualified workers, whereas entities operating in retail trade refer to the general shortage of workers. Consumers sentiments in April 2016 are less negative than in the previous months. Indications regarding both the current and future private consumption tendencies improved, with the highest improvement regarding the expected and current economic situation of the country.

In the agricultural market, in the 1st quarter 2016, the average prices of most agricultural products were lower than in the corresponding period of the previous year. Only the prices of rye, potatoes and the marketplace prices of wheat and cattle for slaughter grew. It is estimated that winter crops overwintered less successfully than a year before. Rape and turnip rape as well as rye overwintered much less successfully, and wheat and triticale – slightly less successfully. Preliminary assessments indicate that rye overwintered without any losses.

In the period of January - February 2016, in foreign trade turnover (calculated in PLN) a slightly faster growth was observed in exports than in imports. The exchange closed with a positive balance, higher than a year before. Turnover with developed countries (including with EU countries) increased, whereas – with the Central and Eastern European countries decreased. Imports from developing countries were higher than a year before, with a drop in exports to those countries. The total terms of trade index in January 2016 reached an unfavourable level of 98.2 (against 109.0 a year before).

SELECTED INDICATORS REGARDING THE ECONOMIC SITUATION OF THE COUNTRY

Specification a - 2015 b - 2016		I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Paid employment in the enterprise sector ¹ in thous. persons	a	5573	5573	5576	5575	5577	5578	5583	5588	5593	5608	5617	5626
	b	5703	5711	5727									
Registered unemployed persons (end of period) in thous. persons	a	1919	1919	1861	1782	1702	1622	1586	1564	1539	1517	1531	1563
	b	1648	1653	1601									
Unemployment rate (end of period) in %	a	11,9	11,9	11,5	11,1	10,7	10,2	10,0	9,9	9,7	9,6	9,6	9,8
	b	10,3	10,3	10,0									
Average monthly nominal gross wage and salary in the enterprise sector ¹ :													
in zloty	a	3942,78	3981,75	4214,14	4123,26	4002,16	4039,70	4095,26	4024,95	4059,19	4110,77	4164,01	4515,28
	b	4101,36	4137,55	4351,45									
previous month=100	a	90,0	101,0	105,8	97,8	97,1	100,9	101,4	98,3	100,9	101,3	101,3	108,4
	b	90,8	100,9	105,2									
corresponding month of previous year=100	a	103,6	103,2	104,9	103,7	103,2	102,5	103,3	103,4	104,1	103,3	104,0	103,1
	b	104,0	103,9	103,3									
Average monthly real gross wage and salary in the enterprise	a	105,2	105,0	106,6	104,9	104,1	103,4	104,1	104,1	105,2	104,2	104,7	103,8
	b	104,9	104,8	104,3									
Average monthly real gross retirement pay and pension:													
from non-agricultural social security system													
corresponding month of previous year=100	a	104,5	104,6	104,8	103,3	103,1	102,8	103,1	103,4	103,3	103,3	103,4	103,4
	b	103,8	103,7	102,3									
of farmers													
corresponding month of previous year=100	a	102,9	103,2	104,9	104,5	105,5	104,4	103,6	103,1	103,3	103,0	102,8	102,7
	b	103,0	103,0	100,5									
Price indices of consumer goods and services:													
previous month=100	a	99,8	99,9	100,2	100,4	100,0	100,0	99,9	99,6	99,7	100,1	99,9	99,8
	b	99,5	99,9	100,1									
corresponding month of previous year=100	a	98,6	98,4	98,5	98,9	99,1	99,2	99,3	99,4	99,2	99,3	99,4	99,5
	b	99,1	99,2	99,1									
December of previous year=100	a	99,8	99,6	99,8	100,3	100,3	100,3	100,2	99,9	99,6	99,7	99,6	99,5
	b	99,5	99,4	99,5									
Price indices of sold production of industry:													
previous month=100	a	99,9	99,9	100,1	99,6	100,4	100,6	99,6	99,3	99,9	100,1	100,0	99,8
	b	99,5	99,6	99,9									
corresponding month of previous year=100	a	97,2	97,2	97,5	97,3	97,9	98,6	98,2	97,3	97,2	97,7	98,2	99,2
	b	98,8	98,5	98,3									
Price indices of construction and assembly production:													
previous month=100	a	99,9	99,9	100,0	100,0	99,9	100,0	99,9	99,9	99,9	99,9	99,9	99,9
	b	99,9	99,9	99,9									
corresponding month of previous year=100	a	99,5	99,6	99,7	99,7	99,7	99,6	99,6	99,4	99,4	99,3	99,3	99,1
	b	99,3	99,3	99,2									

1 Data concern economic entities employing more than 9 persons.

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

Specification a - 2015 b - 2016	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	
Sold production of industry ¹ (constant prices ²):													
previous month=100	a	96,8	101,4	113,4	92,0	98,6	104,6	98,7	92,9	115,1	101,9	97,4	96,4
	b	91,9	106,9	106,8									
corresponding month of previous year=100	a	101,6	105,0	108,8	102,4	102,8	107,4	103,8	105,3	104,0	102,4	107,8	106,7
	b	101,3	106,8	100,5									
Construction and assembly production (constant prices ²):													
previous month=100	a	34,8	116,7	128,2	108,7	106,4	112,5	103,4	99,2	111,6	104,2	96,6	127,7
	b	31,9	114,3	120,6									
corresponding month of previous year=100	a	101,3	99,7	102,9	108,5	101,3	97,5	99,9	104,8	97,5	94,8	101,2	99,6
	b	91,4	89,5	84,2									
Dwellings completed (from the beginning of year)	a	11744	21237	31704	42148	52557	63979	76890	88123	101420	116364	130138	147821
	b	11543	24229	37313									
Retail sales of commodities ¹ (constant prices ³):													
previous month=100	a	78,0	98,4	117,1	97,4	100,5	101,0	102,2	98,2	99,9	104,7	94,1	122,0
	b	75,1	101,3	113,6									
corresponding month of previous year=100	a	103,6	102,4	106,6	101,5	104,7	106,6	103,5	102,0	102,9	103,6	105,7	107,0
	b	103,2	106,2	103,0									
State budget balance - from the beginning of year (in mln zł)	a	-586,9	-11324,0	-16660,1	-16693,1	-19631,1	-26139,8	-26591,6	-25860,4	-31136,1	-34487,9	-36128,7	-42606,7
	b	1759,9	-3098,3	.									
Average exchange rates in zł - National Bank of Poland:													
100 USD	a	367,39	367,66	381,38	373,47	365,20	371,03	377,34	376,85	375,13	378,07	395,71	394,17
	b	403,97	395,65	386,44									
100 EUR	a	427,97	417,76	412,78	402,91	407,83	415,97	415,40	419,36	421,69	424,60	425,03	429,05
	b	439,35	439,60	429,34									
100 CHF	a	392,73	393,22	389,12	388,12	392,11	398,17	396,27	389,29	386,05	390,37	392,36	396,23
	b	401,76	398,95	393,11									
Foreign trade ⁴ in mln zł:													
exports	a	58874,9	59612,4	65761,0	60490,2	59786,8	62942,3	61281,9	55634,1	66170,0	68641,5	67794,6	60258,5
	b	59464,8	63907,4	.									
imports	a	56836,4	57103,6	63970,5	60795,7	57042,2	62518,2	63305,7	56174,9	65489,0	66225,6	64648,0	57609,6
	b	56322,6	61285,7	.									
balance	a	2038,5	2508,8	1790,5	-305,5	2744,6	424,1	-2023,8	-540,8	681,0	2415,9	3146,6	2648,7
	b	3142,2	2621,7	.									

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 Preliminary data.