Socio-economic situation of Poland

In the 1st half of 2016, upward tendencies maintained in most areas of the economy, and the dynamics in the 2nd quarter was slightly more favourable than in the 1st one. In the period of April-June 2016, sold production of industry grew, in annual terms, to a greater extent than in the period of the first three months of 2016. The growth in retail sales strengthened, and the dynamics of the sales of services in transport accelerated. The drop in construction and assembly production in the 2nd quarter was slightly lower than in the 1st one.

The growth in the average monthly nominal gross wages and salaries in the enterprise sector, in annual terms, was slightly higher in the 2nd quarter of 2016 than in the period of January-March 2016. With a drop in consumer prices in relation to 1st half of 2015, the purchasing power of wages and salaries improved. In the 1st half of 2016 the nominal and real retirement and other pension benefits both, in the non-agricultural and the farmers social security system, were above than a year before, but their dynamics was weaker than that of wages and salaries.

In the 1st half of 2016, the average paid employment in the enterprise sector rose by 2.9% in annual terms. The registered unemployment inflow was lower than in the period of the six months of the previous year; the number of persons removed from the unemployment rolls decreased. The unemployment rate dropped to 8.8% at the end of June 2016.

In the 1st half of 2016, sold production of industry grew by 4.4% in annual terms. Production was higher than a year before in manufacturing and water supply; sewerage, waste management and remediation activities. Production grew in most industrial groupings (except for energy goods), with the highest increase being observed in the manufacture of durable consumer goods and capital goods. Labour productivity in industry in the period of the six months of 2016 was by 2.3% higher than a year before, along with a growth in employment of 2.1%. In June 2016 sold production of industry grew by 6.0% in annual terms.

The construction and assembly production in the 1st half of 2016 was by 11.9% lower than in the corresponding period of the previous year; production decreased in all divisions of construction, of which the most in civil engineering. In June 2016 a drop in construction and assembly production was slower than in the previous months, amounting to 13.0%.

Retail sales in the 1st half of 2016 increased in comparison with the corresponding period of the previous year by 5.0%, and in June 2016 grew respectively by 6.5%.

The prices of consumer goods and services in the 1st half of 2016 were by 0.9% lower than a year before. The drop in the prices of goods and services continued in transport and in clothing and footwear. Prices related to dwellings also decreased. However, the prices of, among others, food and non-alcoholic beverages increased. In June 2016, the scale of the drop in the prices of consumer goods and services was slightly lower than in the previous months. Producer prices in industry and construction in the 1st half of 2016 were still below the level observed in the corresponding period of the previous year.

According to the business tendency survey conducted in July 2016, entrepreneurs' sentiments in manufacturing are slightly less optimistic than a month before. Forecasts regarding most of the surveyed areas are positive but more careful than in June 2016. Assessments regarding current order-books remain slightly negative, while the positive opinions on the current production and the pessimistic assessments of the current financial situation slightly improved. Construction entities still assess the business tendency climate in a slightly negatively. The unfavourable assessments of the current financial situation maintain, with the worsening of forecasts in this area. Indications regarding order-books and production are optimistic but slightly more careful than a month before. The general business tendency climate in retail trade is assessed in positively, similarly to June 2016. Assessments regarding current sales are favourable and better than a month before, with the weaker forecasts in this scope. Future demand for goods is perceived less optimistically. The pessimistic assessments of the current financial situation have slightly improved, and projections in this area are slightly negative (as compared to the positive ones a month before).

The current consumer sentiments in July 2016 are less pessimistic than a month before. This is influenced, among others, by the improved assessments of the current and future economic situation of the country, and opinions regarding the current possibility of making major purchases, along with more pessimistic assessments of the current financial situation of household. However, indications regarding the future private consumption tendencies have worsened.

On the agricultural market, in the 1st half of 2016, along with the decreased supply of basic crop products, their prices (except for wheat prices) were higher than in the corresponding period of the previous year. However, the prices of animal products (the procurement of which was higher in annual terms) were below the level observed in the corresponding period of the previous year. The profitability of pigs fattening remained low, though the price relations improved gradually and in June 2016 were more favourable than a year before. With a low level of spring precipitation, a considerable drying of the upper land layer was observed in June 2016 in many regions of the country, and the condition of many crops (including in particular spring cereals and leguminous plants) worsened.

In the period of January–May 2016, with the dynamics of exports being higher than that of imports, the positive total balance of trade was higher than a year before. Trade with developed countries, including with EU countries, increased. Exports to the Central and Eastern European countries were higher than a year before, and so were imports from developing countries. In the period of January-April 2016, the total terms of trade index was at a favourable level, similar to a year before.

In the 1st half of 2016, the State Budget revenue amounted to PLN 151.6 bn (i.e. 48.3% of the amount assumed in the Budget Act for 2016), and expenditure – to PLN 170.3 bn (respectively 46.2%). The deficit reached the level of PLN 18.7 bn, which accounted for 34.1% of the plan.

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	5730	5734	5753						
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	1522	1457	1393						
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	9,5	9,1	8,8						
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	4313,57	4166,28	4252,19						
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	99,1	96,6	102,1						
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	104,6	104,1	105,3						
sector[1] — corresponding month of previous year=100	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	105,9	105,2	106,1						
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	102,4	102,3	102,2						
of farmers													
corresponding month of previous year=100	a	102,9	103,2	104,9	104,4	105,5	104,3	103,6	103,1	103,3	103,0	102,8	102,7
	b	103,1	103,1	100,6	100,3	99,3	100,0						
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	100,3	100,1	100,2						
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	98,9	99,1	99,2						
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	99,8	99,9	100,1						
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	99,7	100,3	101,2	100,2						
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	98,1	98,8	99,6	99,3						
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	100,0	100,0	100,1						
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	99,3	99,4	99,5						

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	107,0	96,9	96,1	107,3						
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	100,7	106,0	103,2	106,0						
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	109,9	107,8	113,4						
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	85,1	86,3	87,0						
Dwellings completed (from the beginning of year)	a	11748	21241	31703	42138	52548	63966	76852	88067	101331	116296	130032	147711
	b	12776	25059	37442	49858	61117	73653						
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	99,7	99,3	103,1						
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	105,5	104,3	106,5						
State budget balance - from the beginning of year (in mln zl)	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	-9587,2	-11125,5	-13482,5	-18683,9						
Average exchange rates in zl – 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	379,85	389,91	392,00						
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	430,68	440,76	440,19						
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	393,89	398,74	403,74						
Foreign trade[4] in mln zl:													
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	59767,0	65504,9	68022,2	66923,3	58606,2	.						
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	57098,9	63046,0	65512,7	63201,4	57136,4	.						
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	2668,1	2458,9	2509,5	3721,9	1469,8	.						

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.