

Introduction

In October of this year, in most areas of economy the tendencies observed in the previous month maintained. A slight year-on-year decrease was still recorded in sold production of industry, and in the sales of transport services. Similarly as in September of this year, retail sales grew to a slight degree. However, construction and assembly production grew more slowly than before. Employment in the enterprise sector was lower than a year before, and a further increase in the unemployment rate was recorded. The weakening growth rate of nominal wages and salaries, despite the slower than in September growth rate of consumer prices, in October of this year influenced a drop in the purchasing power of wages and salaries. A slowdown in the economic dynamics, observed since the 2nd half of the previous year, was reflected in weaker financial results of enterprises than in the previous year, as well as in the weakening of their investment activity. It also had an unfavourable impact on the condition of public finances.

In November of this year, the assessments of the general business tendency climate did not change significantly. The assessments of entrepreneurs operating in the scope of manufacturing, financial and insurance activities, as well as human health care and social work activities, are positive, while negative assessments are given by entities operating, among others, in construction, trade, repair of motor vehicles, transportation and storage, as well as in accommodation and catering. The forecasts of enterprises regarding employment as well as the financial situation in the majority of the surveyed sections are pessimistic.

Sold production of industry in October of this year was lower than in the previous year by 1.2% (after eliminating seasonal factors, an increase of 0.6% was recorded). A drop occurred in mining and quarrying, as well as in manufacturing, while the sales in the electricity, gas, steam and air conditioning supply section slightly increased, in annual terms, for the first time since June of the previous year. In the period from January to October of this year, production in industry was lower than a year before by 5.4%. The sales in enterprises producing mainly capital goods, goods related to energy and intermediate goods dropped, with an increase in production of consumer goods. Construction and assembly production in October of this year was still growing, but its growth rate was slower than in the previous months (after the seasonal correction, an increase of 5.3% was recorded in the sales). A year-on-year increase in retail sales, similarly as a month before, amounted to 0.7%.

In October of this year, a price growth of consumer goods and services, in annual terms (by 3.1%), was weaker than in the previous months. It was mainly influenced by a slowdown

in the growth rate of prices in the scope of food and non-alcoholic beverages, as well as goods and services associated with dwelling. Producer prices in industry grew, in annual terms, to a higher degree than in the previous month, while the prices of construction and assembly production were still lower than a year before.

In October of this year, a year-on-year drop in average employment in the enterprise sector maintained and amounted to 2.4%. The registered unemployment rate, as compared to September of this year, grew by 0.2 percentage point, to 11.1%. The preliminary results of the Labour Force Survey for the 3rd quarter of this year indicate an increase in the unemployment rate to 8.1%. However, in quarterly terms, the employment rate improved and the activity rate and the number of people employed also in annual terms.

As a result of the weakening dynamics of wages and salaries in most sections, in October of this year a further slowdown in the growth rate of average monthly nominal gross wages and salaries in the enterprise sector was observed. Despite the lower growth in consumer prices than in September, the purchasing power of wages and salaries declined in annual terms by 1.1%. Average real gross retirement pays and pensions in both systems grew slightly faster than in September of this year.

On the agricultural market, in October of this year, the prices of most products were lower than in September of this year. In annual terms, a decline in cereal prices maintained. However, the procurement prices of milk grew for the first time since June of the previous year. The prices of most species of animals for slaughter were still above the level recorded a year before, except for pigs where a slight drop was recorded after nearly two years of growth.

In foreign trade, in the period of three quarters of this year, the value of commodity turnover was lower than a year before. However, as a result of a deeper drop in imports than in exports, a considerable improvement in the total negative balance was recorded. Since May of this year the positive balance of commodity turnover with developed countries (including the EU countries) gradually improved, while a considerable drop in the turnover with the Central and Eastern European countries maintained. In the period from January to September of this year, the value of imports of capital goods and intermediate consumption goods declined in annual terms, together with a growth in imports of consumer goods.

In the period from January to September of this year, the financial results obtained by the surveyed enterprises were weaker than a year before. The dynamics of costs was higher than that of revenues. The majority of basic economic and financial relations worsened in annual terms, though they were more favourable than in the 1st half of this year.

As compared with the period of three quarters of the previous year, the share of units showing net profit in the total number of the surveyed enterprises declined. Basic economic and financial relations of exporters were worse than a year before, but more favourable than among the total surveyed enterprises.

In the period of three quarters of this year, a year-on-year drop in investment outlays (in current prices) was recorded in enterprises employing more than 49 persons, amounting to 9.4% (compared with a growth by 11.1% a year before). Outlays on the purchases declined considerably, while outlays on buildings and structures increased to a small degree. A drop in outlays incurred by units with foreign capital participation was deeper than on average. In comparison with the period of three quarters of the previous year, the share of the public sector in total outlays increased. The estimated value and the number of newly started investment tasks decreased.

After ten months of this year, the deficit of the State budget amounted to PLN 24.0 billion, i.e. 88.4% of the amount assumed in the Budget Act for 2009.

Selected indicators regarding the economic situation of the country

Specification a - 2007, b - 2008	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Registered unemployed persons (in thous.) ... a	1813,4	1778,5	1702,2	1605,7	1525,6	1455,3	1422,9	1404,4	1376,6	1352,3	1398,5	1473,8
b	1634,4	1718,8	1758,8	1719,9	1683,4	1658,7	1676,1	1689,0	1715,9	1744,3		
Unemployment rate ¹ (in %) a	11,5	11,3	10,9	10,3	9,8	9,4	9,2	9,1	8,9	8,8	9,1	9,5
b	10,4	10,9	11,1	10,9	10,7	10,6	10,7	10,8	10,9	11,1		
Paid employment in the enterprise sector in thous. persons a	5339	5363	5376	5382	5383	5383	5392	5391	5395	5397	5386	5353
b	5374	5352	5325	5309	5292	5280	5273	5270	5267	5267		
Sold production of industry ² :												
previous month=100 a	104,4	101,5	100,7	104,1	90,9	105,2	97,3	91,2	116,6	101,9	86,9	96,9
b	93,7	102,4	115,6	93,1	98,2	106,0	97,4	95,6	115,0	101,9		
corresponding month of previous year=100 a	110,5	114,7	100,7	114,4	101,4	106,5	104,8	95,6	105,5	98,0	89,4	94,4
b	84,7	85,4	98,1	87,8	94,8	95,5	95,6	100,1	98,7	98,8		
Construction and assembly production ² :												
previous month=100 a	36,0	123,6	115,8	112,8	107,9	115,9	95,8	98,9	111,4	110,8	79,9	150,1
b	37,9	117,2	115,1	112,0	107,7	116,2	105,5	99,2	106,1	107,6		
corresponding month of previous year=100 a	108,6	121,3	116,8	120,9	115,9	119,4	113,4	102,9	109,6	105,6	100,4	102,0
b	107,4	101,9	101,2	100,5	100,3	100,5	110,7	111,0	105,7	102,7		
Dwellings completed (from the beginning of year) a	14640	25617	35415	49132	58856	69283	83913	95097	107484	123276	135312	165189
b	22106	31843	41512	54397	64306	76153	90180	101256	114711	128347		
Price indices of consumer goods and services:												
previous month=100 a	100,7	100,4	100,4	100,4	100,8	100,2	100,0	99,6	100,3	100,4	100,2	99,9
b	100,5	100,9	100,7	100,7	100,5	100,2	100,1	99,6	100,0	100,1		
corresponding month of previous year=100 a	104,0	104,2	104,1	104,0	104,4	104,6	104,8	104,8	104,5	104,2	103,7	103,3
b	102,8	103,3	103,6	104,0	103,6	103,5	103,6	103,7	103,4	103,1		
December of previous year=100 a	100,7	101,1	101,5	101,8	102,6	102,9	102,8	102,4	102,8	103,2	103,4	103,3
b	100,5	101,3	102,0	102,7	103,2	103,4	103,5	103,1	103,1	103,3		
Price indices of sold production of industry:												
previous month=100 a	101,3	100,5	100,2	99,8	100,8	100,3	99,8	100,1	100,4	100,0	99,8	99,6
b	102,3	102,6	100,0	99,1	99,7	100,8	98,5	99,6	99,8	100,3		
corresponding month of previous year=100 a	102,5	102,8	102,5	101,9	102,4	102,2	101,7	101,4	102,0	102,4	102,2	102,7
b	103,6	105,7	105,5	104,8	103,7	104,1	102,8	102,2	101,6	102,0		
Price indices of construction and assembly production:												
previous month=100 a	100,3	100,4	100,4	100,5	100,3	100,3	100,3	100,2	100,1	100,1	100,0	99,9
b	99,9	99,8	99,9	99,9	99,8	100,0	99,9	99,9	100,0	100,0		
corresponding month of previous year=100 a	107,4	107,0	106,5	106,0	105,2	104,7	104,3	104,0	103,7	103,4	103,2	102,9
b	102,4	101,8	101,3	100,7	100,3	99,9	99,6	99,3	99,2	99,1		

¹ Ratio of registered unemployed persons to the economically active civil population.

² Indices were calculated in constant prices of 2005.

(cont.)

Specification a - 2007, b - 2008	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	
Average monthly nominal gross wage and salary in the enterprise sector ¹ (in zł)	a	2975,54	3040,46	3152,96	3144,87	3076,14	3222,47	3234,96	3172,54	3176,84	3247,77	3326,94	3428,01
	b	3215,75	3195,56	3332,65	3294,76	3193,90	3287,88	3361,90	3268,69	3283,18	3312,32		
previous month=100	a	91,7	102,2	103,7	99,7	97,8	104,8	100,4	98,1	100,1	102,2	102,4	103,0
	b	93,8	99,4	104,3	98,9	96,9	102,9	102,3	97,2	100,4	100,9		
corresponding month of previous year=100	a	111,7	113,2	110,5	112,9	110,8	112,3	111,8	109,9	111,2	110,1	107,6	105,6
	b	108,1	105,1	105,7	104,8	103,8	102,0	103,9	103,0	103,3	102,0		
Average monthly real gross wage and salary in the enterprise sector monthly average of 2000=100	a	112,1	114,1	117,9	117,2	113,7	118,8	119,3	117,5	117,3	119,4	122,0	125,8
	b	117,5	115,9	120,1	117,9	113,8	116,9	119,5	116,6	117,1	118,0		
Profitability rate of gross turnover ² - from the beginning of year (in %)	a	.	.	5,9	.	.	6,0	.	.	5,7	.	.	4,2
				3,0	.	.	4,9	.	.	5,2	.		
Profitability rate of net turnover ³ – from the beginning of year (in %)	a	.	.	4,6	.	.	4,8	.	.	4,5	.	.	3,3
				2,2	.	.	4,0	.	.	4,2	.		
State budget balance - from the beginning of year (in mn zł)	a	4407,3	-136,6	1802,9	554,3	-1876,9	-3380,7	-2744,7	-317,4	-4224,6	-11485,3	-14972,8	-24346,2
	b	2918,0	-5250,9	-11219,8	-15306,1	-16356,7	-16629,2	-15037,1	-15655,8	-21343,7	-24041,6		
Average exchange rates in zł – National Bank of Poland:													
100 US dollars	a	245,37	243,05	228,16	218,52	219,04	216,94	206,74	219,26	234,97	269,80	292,09	297,15
	b	317,17	363,14	354,12	334,80	323,37	321,46	305,96	289,56	285,95	284,69		
100 EUR	a	360,80	358,25	353,74	344,44	340,69	337,60	326,00	328,84	337,12	358,55	372,07	401,77
	b	421,81	464,42	462,37	441,93	441,05	450,81	430,53	413,11	416,35	421,73		
Foreign trade ⁴ in mn zł													
exports	a	33558,7	35401,7	34315,7	37497,7	32679,5	34157,0	33855,0	30219,7	36737,2	37490,8	32384,5	27085,6
		29704,8	33918,6	38188,1	33793,7	33404,7	35784,4	34707,8	30040,0	36575,3	.		
imports	a	39582,7	41617,2	42400,6	44536,9	40068,9	42622,0	41840,8	37164,9	44140,4	45413,1	40475,2	37165,6
		33894,8	36535,0	41166,8	36844,4	35760,7	39311,0	38535,6	33587,0	38277,7	.		
balance	a	-6024,0	-6215,5	-8084,9	-7039,2	-7389,4	-8465,0	-7985,8	-6945,2	-7403,2	-7922,3	-8090,7	10080,0
		-4190,0	-2616,4	-2978,7	-3050,7	-2356,0	-3526,6	-3827,8	-3547,0	-1702,4	.		

¹ Including contributions to compulsory social security.² Relation of gross financial result to revenues from total activity.³ Relation of net financial result to revenues from total activity.⁴ Since January 2009 – preliminary data.