

Introduction

In the third quarter of 2010, the results obtained in many areas of production and services were more favourable than in the preceding periods. Following the slump occurring in the first quarter a gradual rebuilding of the dynamics has been observed in the construction and assembly production. Sold production of industry was growing at a relatively steady and high pace. A growth in the sales of services in the preceding months was faster. The retail sales dynamics, which has been relatively low since the beginning of the year, improved slightly. Despite the gradual increase in average employment in the enterprise sector, the situation on the labour market still remained difficult. This influenced the continually moderate dynamics of average nominal wages and salaries in the enterprise sector, and their purchasing power, with respect to the growth in consumer prices occurring in the nine months of 2010, slightly exceeded the level recorded a year before. A growth in average real retirement pays and pensions in both systems was faster than that of wages and salaries.

Sold production of industry in the period of three quarters of 2010 exceeded the previous year's level by 10.7% (against a drop of 6.0% in the period of January-September of the previous year). A growth was recorded in all industry sections and main groupings, including the highest in manufacture of durable consumer goods (of 24.2%) and intermediate goods (of 15.0%). Together with a lower employment, compared to the previous year, work efficiency in industry, following a decline observed a year before, was by 11.9% higher. Construction and assembly production in the period of nine months of 2010 reached a lower level than a year before (a drop of 1.5% against a drop in the first quarter of 2010 by 15.2% respectively). However, its increase has been recorded since May of 2010.

The general business tendency assessments in October of 2010, formulated by manufacturing enterprises, are positive, though more careful than in September of 2010. Companies still indicate the extension of their current order books and current production, but their forecasts in this scope are less favourable than in the preceding months. The pessimistic assessments made by these entities, concerning their current capacity to settle financial liabilities, have been maintained, and the forecasts in this area are more careful than in the previous periods. These entities also foresee a slightly slower price growth than in September. In retail trade, the general business indicator is still positive. The projections related to the demand for goods, sales and orders at suppliers are optimistic. However, the business tendency in construction is assessed in a more pessimistic way than a month before. The

forecasts made by construction entities in the scope of their order books and production, as well as their financial situation, are negative and worse than in September of 2010.

On the labour market, in the period of January-September of 2010, a slight increase was recorded in average employment in the enterprise sector (of 0.2% in annual terms; in the third quarter of 2010 by 1.5% and of 1.8% in September of 2010 respectively). The registered unemployment rate, following its successive drop since March of 2010, increased again in September of 2010 by 0.1 percentage point in monthly terms, reaching the level of 11.5%, i.e. by 0.6 percentage point higher than a year before.

The price dynamics of consumer goods and services was weakening in subsequent quarters of 2010, and in the period of January-September of 2010 the price growth was lower than a year before. However, in September of 2010 the accelerating growth rate of these prices was recorded (2.5% in annual terms, against 2.0% in August of 2010), mainly in connection with growing prices of food and non-alcoholic beverages. The dynamics of producer prices in industry, after nine months of 2010, was lower than a year before, though its acceleration was recorded in subsequent months. The prices of construction and assembly production in the period of January-September of 2010 reached a slightly lower level than a year before, though their slight growth occurred in the third quarter.

On the agricultural market, as a result of the crops being lower than a year before and a high growth of cereal prices in the third quarter, in the period of nine months of 2010 the prices of wheat and rye in procurement were considerably higher than a year before. Average milk prices also reached a higher level than a year before, whereas average prices of pigs and cattle for slaughter, both in procurement and on marketplaces, were lower. A growth in the cereal prices, together with a drop in the procurement of pigs for slaughter, resulted in a decreased profitability of pigs fattening, which reached the lowest level since nearly two years.

Despite the dynamics of exports being higher than that of imports, which has maintained for a year, in the period of January-August of 2010 the balance of total commodity turnover was negative, and it worsened in annual terms. As a result of a high dynamics of the turnover with the Central and Eastern European countries, the share of this group of countries in total turnover increased, especially in imports.

The degree of executing the Budget Act was slightly higher on the expenditures side than on the revenues side (73.3% and 72.8%, respectively). As a result, the deficit of the State budget after three quarters of 2010 reached the level of 75.7% of the amount assumed in the Budget Act for 2010 (amounting to PLN 39.5 billion).

SELECTED INDICATORS REGARDING THE ECONOMIC SITUATION OF THE COUNTRY

Specification a - 2009, b - 2010	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Registered unemployed persons (in thous.) a	1634,4	1718,8	1758,8	1719,9	1683,4	1658,7	1676,1	1689,0	1715,9	1744,3	1811,1	1892,7
..... b	2052,5	2101,5	2076,7	1973,8	1907,9	1843,9	1812,8	1800,2	1812,6			
Unemployment rate ¹ (in %) a	10,4	10,9	11,1	10,9	10,7	10,6	10,7	10,8	10,9	11,1	11,4	12,1
..... b	12,9	13,2	13,0	12,4	12,1	11,7	11,5	11,4	11,5			
Paid employment in the enterprise sector in thous. persons a	5374	5352	5325	5309	5292	5280	5273	5270	5267	5267	5265	5255
..... b	5301	5293	5294	5308	5320	5336	5350	5352	5364			
Sold production of industry ² : previous month=100 a	93,7	102,4	115,6	93,1	98,2	106,0	97,4	95,6	115,0	101,9	96,8	94,6
..... b	94,6	103,1	119,1	90,8	101,6	106,8	94,1	98,2	113,2			
corresponding month of previous year=100 a	84,7	85,4	98,1	87,8	94,8	95,5	95,6	100,1	98,7	98,7	109,9	107,4
..... b	108,5	109,2	112,5	109,7	113,5	114,3	110,5	113,6	111,8			
Construction and assembly production ² : previous month=100 a	37,9	117,2	115,1	112,0	107,7	116,2	105,5	99,2	106,1	107,6	85,5	141,0
..... b	31,1	104,2	136,2	117,8	117,5	124,5	97,0	106,7	111,0			
corresponding month of previous year=100 a	107,4	101,9	101,2	100,5	100,3	100,5	110,7	111,0	105,7	102,7	109,9	103,2
..... b	84,7	75,3	89,1	93,7	102,3	109,6	100,8	108,4	113,4			
Dwellings completed (from the beginning of year) a	22096	31833	41498	54391	64300	76147	91619	103187	114841	130353	143922	160002
..... b	12791	22655	34047	44852	53844	63778	74071	84910	97039			
Price indices of consumer goods and services: previous month=100 a	100,5	100,9	100,7	100,7	100,5	100,2	100,1	99,6	100,0	100,1	100,3	100,0
..... b	100,6	100,2	100,3	100,4	100,3	100,3	99,8	99,6	100,6			
corresponding month of previous year=100 a	102,8	103,3	103,6	104,0	103,6	103,5	103,6	103,7	103,4	103,1	103,3	103,5
..... b	103,5	102,9	102,6	102,4	102,2	102,3	102,0	102,0	102,5			
December of previous year=100 a	100,5	101,3	102,0	102,7	103,2	103,4	103,5	103,1	103,1	103,3	103,5	103,5
..... b	100,6	100,9	101,2	101,6	101,9	102,2	102,0	101,5	102,1			
Price indices of sold production of industry: previous month=100 a	102,3	102,6	100,0	99,1	99,7	100,8	98,5	99,6	99,8	100,4	99,6	99,8
..... b	100,4	99,9	99,8	101,4	102,0	101,0	100,1	99,8	100,1			
corresponding month of previous year=100 a	103,6	105,7	105,5	104,8	103,7	104,1	102,8	102,2	101,6	102,0	101,9	102,1
..... b	100,2	97,6	97,4	99,6	101,9	102,1	103,8	104,0	104,3			
Price indices of construction and assembly production: previous month=100 a	99,9	99,8	99,9	99,9	99,8	100,0	99,9	99,9	100,0	100,1	100,1	100,0
..... b	99,8	99,9	100,0	100,1	100,1	100,1	99,9	100,0	100,0			
corresponding month of previous year=100 a	102,4	101,8	101,3	100,7	100,3	99,9	99,6	99,3	99,2	99,1	99,2	99,3
..... b	99,3	99,4	99,5	99,7	100,0	100,1	100,2	100,2	100,2			

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

² Indices were calculated in constant prices of 2005.

(cont.)

Specification a - 2009, b - 2010	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	3215,75	3195,56	3332,65	3294,76	3193,90	3287,88	3361,90	3268,69	3283,18	3312,32	3403,92	3652,40
	b	3231,13	3288,29	3493,42	3398,67	3346,61	3403,65	3433,32	3407,26	3403,68			
previous month=100	a	93,8	99,4	104,3	98,9	96,9	102,9	102,3	97,2	100,4	100,9	102,8	107,3
	b	88,5	101,8	106,2	97,3	98,5	101,7	100,9	99,2	99,9			
corresponding month of previous year=100	a	108,1	105,1	105,7	104,8	103,8	102,0	103,9	103,0	103,3	102,0	102,3	106,5
	b	100,5	102,9	104,8	103,2	104,8	103,5	102,1	104,2	103,7			
Average monthly real gross wage and salary in the enterprise sector monthly average of 2000=100	a	117,5	115,9	120,1	117,9	113,8	116,9	119,5	116,6	117,1	118,0	121,0	130,0
	b	114,4	116,2	123,1	119,3	117,2	118,8	120,1	119,6	118,8			
Profitability rate of gross turnover ² - from the beginning of year (in %)	a	.	.	3,0	.	.	4,9	.	.	5,2	.	.	5,0
	b	.	.	5,0	.	.	5,3	.	.	.	.	.	.
Profitability rate of net turnover ³ – from the beginning of year (in %)	a	.	.	2,2	.	.	4,0	.	.	4,2	.	.	4,1
	b	.	.	4,0	.	.	4,4	.	.	.	.	.	.
State budget balance - from the beginning of year (in mln zł)	a	2918,0	-5250,9	-11219,8	-15306,1	-16356,7	-16629,2	-15037,1	-15655,8	-21343,7	-23918,6	-24342,1	-23845,0
	b	-4779,2	-16835,6	-22707,6	-26957,0	-32046,2	-36800,3	-34870,3	-36975,9	-39506,8			
Average exchange rates in zł – National Bank of Poland:													
100 US dollars	a	317,17	363,14	354,12	334,80	323,37	321,46	305,96	289,56	285,95	284,69	279,90	283,52
	b	285,18	293,85	286,72	287,99	321,37	335,71	319,50	308,94	303,18			
100 EUR	a	421,81	464,42	462,37	441,93	441,05	450,81	430,53	413,11	416,35	421,73	417,34	414,27
	b	407,20	401,55	389,19	387,04	405,21	410,25	408,18	398,72	395,58			
Foreign trade ⁴ in mln zł													
exports	a	30128,8	34524,2	38626,9	34277,5	33699,6	36317,6	35359,8	30673,1	38551,6	40022,5	38055,8	33004,6
		33075,1	35706,5	39358,7	37262,5	39159,5	41906,6	39390,8	35610,6	.			
imports	a	34497,6	37061,9	42350,0	37746,5	36435,5	40149,3	39360,7	34896,4	40494,8	42955,7	40790,8	36643,4
		35751,8	38826,7	43900,1	40292,4	43081,3	45631,8	43362,2	40445,5	.			
balance	a	-4368,8	-2537,7	-3723,1	-3469,0	-2735,9	-3831,7	-4000,9	-4223,3	-1943,2	-2933,2	-2735,0	-3638,8
		-2676,7	-3120,2	-4541,4	-3029,9	-3921,8	-3725,2	-3971,4	-4834,9	.			

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 2010 – preliminary data.