

Introduction

In May of 2014 upward trends in the basic areas of the economy continued. The sold production of industry and construction and assembly production grew at a rate similar to the one recorded in the period of January-April 2014. A slight slowdown was observed in the growth of retail sales. The dynamics of sales in transport services strengthened.

The prices of consumer goods and services dropped in comparison to the previous month and were only slightly higher than in May of 2013. A decrease was recorded in the prices of food and non-alcoholic beverages both in monthly and annual terms. Producer prices in industry and construction were still lower than a year before.

The average monthly nominal gross wages and salaries in the enterprise sector grew faster in annual terms than in April of 2014, which, combined with a low price dynamics, had an impact on the considerable strengthening of the purchasing power of wages and salaries. The increase in average nominal and real retirement pays and pensions both in the employee and in the farmers system was slower than that of wages and salaries.

The average employment in the enterprise sector in May of 2014 was higher than a year before by 0.7%. The registered unemployment rate fell to 12.5%. As indicated by the results of labour demand surveys, in the 1st quarter of 2014 more new jobs were created than in the corresponding period of the previous year, and simultaneously the number of liquidated jobs decreased.

The sold production of industry in May of 2014 grew, in annual terms, by 4.4% (after eliminating the seasonal factors – by 2.7%). A higher growth than average in industry was observed in manufacturing. A decrease was recorded in mining and quarrying and electricity, gas, steam and air-conditioning supply. Production was higher than a year before in most main industrial groupings except for energy goods. Construction and assembly production increased in comparison with May of 2013 by 10.0% (after eliminating the seasonal factors, it increased by 8.3%). A growth in production was observed in all sections of construction, of which the highest in entities dealing mainly with specialised construction activities. The retail sales grew by 4.3% compared to a year before.

In June of 2014 the assessments of the general business climate in manufacturing are favourable like a month before. The forecasts and current assessments concerning the order-books as well as projections concerning production are optimistic but more cautious than in May of 2014 (while the evaluations of the current foreign order-books are slightly more unfavourable than a month before). The positive forecasts and unfavourable current assessments of the financial situation of manufacturing enterprises are still being observed. Construction entities assess the business tendency climate slightly less negatively than in May of 2014, mainly due to the slight improvement in the unfavourable

assessments of current production and financial situation, while the forecasts in these areas remain positive. The improvement of the pessimistic assessments of the current order-books is accompanied with a weakening of the optimistic forecasts. Similarly to the previous month, the business sentiments in retail trade are slightly positive.. The forecasts of the economic situation and demand for goods are less optimistic than in May, while the forecasts concerning sales remain slightly favourable against remaining pessimistic forecasts and current evaluations of the financial situation. In the following three months in manufacturing a decrease in employment is possible (following the positive forecasts observed from March to May). The entrepreneurs operating in construction expect a decrease in employment at a similar scale to a month before, while in retail trade no changes are forecasted in this area.

On the agricultural market in May of 2014 the procurement prices of most basic agricultural products (except for the prices of wheat and pigs for slaughter) lowered in comparison to the ones recorded in April of 2014. In annual terms, the prices of cereals and animals for slaughter were lower, while those of potatoes and milk increased. The profitability of pigs fattening was still low, despite an improvement.

The dynamics of foreign trade turnover (calculated in PLN) in the period of January–April of 2014 was higher than a year before. With exports growing faster than imports, the total balance of trade improved considerably and was positive. The trade turnover with all groups of countries was higher than a year before, except for the Central and Eastern European countries. The total terms of trade index improved; in the period of January–March of 2014 it amounted to 103.3 compared to 101.7 a year before.

After the five months of 2014 the State budget closed with a deficit amounting to PLN 22.5 bn, which accounted for 47.3% of the amount planned in the Budget Act for 2014. The revenues amounted to PLN 115.1 bn, while expenditures – to PLN 137.6 bn (41.4% and 42.3%, respectively).

SELECTED INDICATORS REGARDING THE ECONOMIC SITUATION OF THE COUNTRY

Specification a – 2013 b – 2014	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Paid employment in the enterprise sector¹												
in thous. persons a	5507	5497	5489	5478	5479	5488	5489	5494	5495	5500	5501	5491
b	5506	5508	5515	5515	5515							
Registered unemployed persons (in thous. persons; end of period)..... a	2296	2337	2315	2256	2176	2109	2093	2083	2083	2075	2116	2158
b	2261	2256	2182	2079	1987							
Unemployment rate (in %; end of period)..... a	14,2	14,4	14,3	14,0	13,6	13,2	13,1	13,0	13,0	13,0	13,2	13,4
b	14,0	13,9	13,5	13,0	12,5							
Average monthly nominal gross wage and salary in the enterprise sector¹ (in zł)..... a	3680,30	3709,99	3832,81	3830,89	3699,67	3808,63	3830,07	3760,45	3770,91	3834,17	3897,88	4221,50
b	3805,28	3856,56	4017,75	3976,80	3878,31							
previous month=100 a	89,5	100,8	103,3	99,9	96,6	102,9	100,6	98,2	100,3	101,7	101,7	108,3
b	90,1	101,3	104,2	99,0	97,5							
corresponding month of previous year=100 a	100,4	104,0	101,6	103,0	102,3	101,4	103,5	102,0	103,6	103,1	103,1	102,7
b	103,4	104,0	104,8	103,8	104,8							
Average monthly real gross wage and salary in the enterprise sector¹												
corresponding month of previous year=100 a	98,7	102,8	100,6	102,2	101,8	101,1	102,4	100,9	102,6	102,3	102,5	102,1
b	103,0	103,3	104,2	103,5	104,6							
Average monthly real gross retirement pay and pension:												
from non-agricultural social security system												
corresponding month of previous year=100..... a	104,1	104,0	104,3	104,5	104,6	104,9	103,9	104,1	104,0	104,4	104,4	104,8
b	103,9	104,3	102,1	103,2	103,6							
of farmers												
corresponding month of previous year=100..... a	106,7	107,2	104,7	104,8	105,3	105,5	104,3	104,5	104,4	104,7	105,0	105,0
b	103,7	103,8	100,8	101,0	101,2							
Price indices of consumer goods and services:												
previous month=100 a	100,1	100,0	100,2	100,4	99,9	100,0	100,3	99,7	100,1	100,2	99,8	100,1
b	100,1	100,1	100,1	100,0	99,9							
corresponding month of previous year=100 a	101,7	101,3	101,0	100,8	100,5	100,2	101,1	101,1	101,0	100,8	100,6	100,7
b	100,5	100,7	100,7	100,3	100,2							
December of previous year=100 a	100,1	100,0	100,2	100,6	100,5	100,5	100,8	100,5	100,5	100,7	100,5	100,7
b	100,1	100,2	100,3	100,2	100,1							
Price indices of sold production of industry:												
previous month=100 a	100,0	100,3	99,7	99,3	100,1	100,7	100,2	99,7	100,1	99,3	99,7	99,9
b	100,0	99,9	99,8	99,8	99,8							
corresponding month of previous year=100 a	98,8	99,7	99,3	97,9	97,5	98,7	99,2	98,9	98,6	98,6	98,5	99,0
b	99,0	98,6	98,7	99,3	99,0							
Price indices of construction and assembly production:												
previous month=100 a	99,8	99,8	99,8	99,9	99,8	99,9	99,9	99,8	99,9	99,9	99,9	99,9
b	99,8	99,8	99,9	99,9	100,0							
corresponding month of previous year=100 a	98,6	98,4	98,2	98,1	98,0	98,0	98,1	98,1	98,2	98,2	98,3	98,3
b	98,3	98,4	98,5	98,5	98,6							

¹ Data concern economic entities employing more than 9 persons.

SELECTED INDICATORS REGARDING THE ECONOMIC SITUATION OF THE COUNTRY

(cont.)

Specification a - 2013 b - 2014	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	
Sold production of industry ¹ (constant prices ²):													
previous month=100	a	105,5	97,2	109,3	97,8	99,3	102,6	101,5	95,6	109,7	106,1	93,8	90,4
	b	103,0	98,2	109,4	97,8	98,3							
corresponding month of previous year=100	a	100,4	97,9	97,1	102,8	98,2	102,8	106,3	102,2	106,3	104,6	102,9	106,7
	b	104,2	105,3	105,5	105,5	104,4							
Construction and assembly production (constant prices ²):													
previous month=100	a	39,7	99,7	120,9	107,9	116,3	119,1	107,8	99,2	109,4	114,3	91,1	121,5
	b	36,0	118,7	124,2	103,2	114,0							
corresponding month of previous year=100	a	83,9	88,6	81,5	76,9	72,5	81,7	94,8	88,9	95,2	96,8	97,1	105,8
	b	96,1	114,4	117,4	112,2	110,0							
Dwellings completed (from the beginning of year)													
	a	14059	24999	37155	47771	57480	67962	80918	91380	102102	116540	129128	145136
	b	12566	24999	35601	46825	55766							
Retail sales of commodities ¹ (constant prices ³):													
previous month=100	a	79,6	97,4	116,5	97,0	101,9	101,6	103,8	99,8	98,9	103,3	94,2	117,1
	b	78,7	99,5	112,5	102,3	97,5							
corresponding month of previous year=100	a	102,4	98,7	100,0	100,1	101,2	102,6	104,3	103,5	104,1	103,7	104,2	105,9
	b	104,8	107,0	103,3	108,9	104,3							
State budget balance - from the beginning of year (in mln zł)													
	a	-8440,9	-21684,6	-24452,7	-31717,0	-30951,2	-25873,7	-25949,6	-26811,1	-29643,4	-39481,2	-38569,1	-42191,7
	b	-2601,1	-11718,2	-17491,0	-21179,9	-22472,7							
Average exchange rates in zł - National Bank of Poland:													
100 USD	a	311,45	311,97	320,58	318,25	321,49	325,12	326,88	317,67	317,50	307,04	309,98	304,81
	b	306,50	306,13	303,78	302,93	304,15							
100 EUR	a	413,69	417,34	415,81	414,09	417,59	428,65	427,56	422,95	423,76	419,08	418,82	417,57
	b	417,76	417,86	419,72	418,41	417,90							
100 CHF	a	336,79	339,24	339,08	339,46	336,53	347,75	345,82	342,76	343,49	340,33	339,96	340,88
	b	339,35	342,05	344,71	343,17	342,44							
Foreign trade ⁴ in mln zł:													
exports	a	49767,0	50828,8	52506,1	54264,3	50413,9	53920,1	54992,4	51550,1	57728,4	60883,4	55228,0	46516,5
	b	55030,9	53296,9	58072,6	56896,9	.							
imports	a	51523,7	50532,9	56141,0	52935,9	51698,1	52941,3	56042,9	51882,2	56732,2	61900,1	57356,5	48507,9
	b	54920,3	53583,6	57612,0	54204,8	.							
balance	a	-1756,7	295,9	-3634,9	1328,4	-1284,2	978,8	-1050,5	-332,1	996,2	-1016,7	-2128,5	-1991,4
	b	110,6	-286,7	460,6	2692,1	.							

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.